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## **M.10086 - CERBERUS GROUP / DOREL INDUSTRIES**

### **SECTION 1.2**

#### **Description of the concentration**

The notified concentration involves the proposed acquisition of sole control by funds under the management of Cerberus Capital Management, L.P. (the “**Cerberus Group**”) of Dorel Industries Inc. (“**Dorel**”) (the “**Proposed Transaction**”) within the meaning of Article 3(1)(b) of the EU Merger Regulation.

The Cerberus Group, headquartered in New York, USA, is a private investment firm which is engaged in investment in real property and personal property of all kinds, including, but not limited to, capital stock, depository receipts, investment companies, mutual funds, subscriptions, warrants, bonds, notes, debentures, options and other securities of different kinds and nature in diverse industries worldwide. Although no particular industry constitutes a significant proportion of the Cerberus Group’s turnover, some of the main sectors in which the undertakings controlled by the Cerberus Group generate turnover are financial services, manufacturing, building materials and real estate.

Koch Industries, Inc., through its acquisition and investment subsidiary, Koch Equity Development (“**KED**”)<sup>3</sup>, will participate in the Proposed Transaction as a minority co-investor. KED will indirectly obtain indirect minority interests in Dorel, but by virtue of the intended governance rights, KED will not acquire control within the meaning of the EU Merger Regulation.

For the sake of completeness, the Baupost Group, L.L.C. (“**Baupost**”), Continental Casualty Company (“**Loews**”) and Banner Ridge Partners, LP (“**Banner Ridge**”) on 8 December entered into the Proposed Transaction as minority co-investors. Baupost manages roughly \$29 billion with a broad and flexible charter, investing in a wide range of asset classes, including significant holdings in publicly traded debt and equity securities, private debt, real estate, and private equity. Loews provides a broad range of standard and specialized property and casualty insurance products and services for businesses and professionals in the U.S., Canada and Europe, backed by more than 120 years of experience and approximately \$45 billion of invested assets. Banner Ridge is a Registered Investment Advisor that identifies best-in-class private equity managers in niche markets and provides liquidity solutions to their limited partners. No control rights will be afforded to any co-investors.

Dorel Industries Inc. (TSX: DII.B, DII.A) is a global organization headquartered in Montreal, Quebec, Canada, operating three distinct businesses in juvenile products, bicycles and home products. Dorel Juvenile’s branded products include global brands Maxi-Cosi, Quinny and Tiny Love, complemented by regional brands such as Safety 1st, Bébé Confort, Cosco and Infanti. Dorel Sports brands include Cannondale, Schwinn, GT, Mongoose, Caloi and IronHorse. Dorel

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Home markets a wide assortment of domestically produced and imported furniture. Dorel has annual sales of US \$2.6 billion and employs approximately 8,000 people in facilities located in 25 countries worldwide.