



Determination of the Competition Authority

Determination No. M/04/008 of the Competition Authority, dated 3rd March 2004, under Section 21 of the Competition Act, 2002

Notification No. M/04/008 - The acquisition by MAF LIO Vermögensverwaltungsgesellschaft mbH & Co. KG of Hirschmann Electronics GmbH & Co KG

Introduction

1. On 5th February 2004 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby MAF LIO Vermögensverwaltungsgesellschaft mbH & Co. KG (“MAF LIO”), a subsidiary of HgCapital LLP (“HgCapital”), would acquire Hirschmann Electronics GmbH & Co KG (“Hirschmann”) (“the proposed acquisition”).

The Parties

2. MAF LIO, a German-registered company and a subsidiary of HgCapital, was formed for the specific purpose of acquiring Hirschmann. HgCapital is the parent company of the HgCapital Group. The HgCapital Group’s principal activities are: providing finance in the European private equity sector; buying out companies in the technology, media, industrial, healthcare, consumer and business service sectors; and providing expansion capital to companies in the technology, media and healthcare sectors.

Hirschmann, owned by Rheinmetall AG, manufactures and supplies a diverse range of electronics equipment, components and related accessories.

Analysis

3. HgCapital has investment interests in four Irish companies, and in thirteen foreign companies that make sales into Ireland. Two HgCapital controlled companies sell automotive and electronic equipment in Ireland. FTE Automotive GmbH sells clutch and brake products and rapid brake systems in the Irish Automotive industry, and Raymarine Group Ltd sells a diverse range of recreational marine electronics, intended for use by recreational fishermen and yachtsmen.

The remaining companies are involved in a diverse range of business activities in the following sectors: groceries, mushroom-growing, manufacture of glass containers, distribution of wholesale books, music publication, IT electronic payment systems, health care staffing services, property management, holiday coach tours, alarms for elderly or infirm persons, paper packaging and printing, and computer data storage and IT network technology.



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4. Hirschmann has no physical presence in Ireland. Through distributors and subsidiaries, it sells the following products into Ireland:
 - A type of terrestrial television antenna, specifically designed to receive television signals from the UK;
 - Automotive antenna systems for products such as radios, mobile telephones and global positioning system (GPS) devices;
 - A range of electronic equipment based on Ethernet technology, which forms the infrastructure of IT networks, including rail switches, routers and hubs, for industrial applications where surrounding conditions can often be severe; and
 - Electronic safety systems, called load moment indicators, for use in cranes and other weight carrying equipment, which it supplies to both original manufacturers of weight carrying equipment and to owners of such equipment. Hirschmann also offers maintenance, repair and training services in relation to such equipment.
5. In terms of products manufactured or supplied, HgCapital and Hirschmann do not compete horizontally in any industry in Ireland, nor are they vertically integrated in any Irish industry. Hence there is no overlap in the notifying parties' activities in markets for goods or services in the State and the proposed acquisition does not raise competition concerns.
6. Due to the absence of overlap, the relevant product and geographic market(s) have not been defined.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority

3rd March 2004