



## **DETERMINATION OF MERGER NOTIFICATION M/06/055 – THYSSENKRUPP/ALCOA (ENASS BUSINESS ACTIVITIES)**

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### **Section 21 of the Competition Act 2002**

**Proposed acquisition by ThyssenKrupp Materials AG of the European and North American Aerospace Service Business activities of Alcoa Inc.**

**Dated 13/09/2006**

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### **Introduction**

1. On 17<sup>th</sup> August 2006 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 ThyssenKrupp Materials AG (“ThyssenKrupp”) through ThyssenKrupp Materials UK Ltd, ThyssenKrupp Materials Europe GmbH and ThyssenKrupp Materials NA Inc. would acquire the European and North American Aerospace Service Business activities (“Aerospace Service Business”) of Alcoa Inc. and its subsidiaries (“Alcoa”).

### **The Undertakings Involved**

2. ThyssenKrupp, the acquirer, is the ultimate parent company of ThyssenKrupp Materials UK Ltd, ThyssenKrupp Materials Europe GmbH, and ThyssenKrupp Materials NA Inc. It is a publicly traded corporation listed on the London Stock Exchange and is active in the provision of systems solutions and innovative services in each of its six core business segments: steel; stainless; automotive; technologies; elevators; and, services. In 2005 ThyssenKrupp achieved a worldwide turnover of €42 billion, of which [€60 – €70 million] was achieved in the State. Turnover in the State was generated through the activities of TK Elevator Ireland Limited (a subsidiary of ThyssenKrupp that offers services in connection with elevators), and through sales into the State by other ThyssenKrupp entities of products including steel tubes, carbon steel products, stainless steel products, construction elements made of steel and mechanical engineering parts.
3. Aerospace Service Business, the target, is currently owned by Alcoa Inc. which is a worldwide producer of primary aluminium, fabricated aluminium and alumina, listed on the New York stock exchange. In 2005 Alcoa achieved a worldwide turnover of €26.2 billion. Alcoa operates two subsidiaries in the State:
  - Alcoa Engineered Plastic Components, which manufactures and supplies molded components for the automotive, telecommunications, medical, electronics and consumer industries; and,

- Alcoa Architectural Products which supplies architectural aluminium systems to the construction industry and also supplies a range of aluminium rolled and extruded products to the engineering, signage and road transport industries.
4. Aerospace Service Business comprises three business units:
- The Aerospace Service Business activities of Alcoa in the UK. This includes the Aluminium Supply Aerospace Company (“ASA”) that supplies aluminium and other metals to the aerospace industry;
  - The European business of Alcoa’s Aerospace Service Business which comprises five customer service contracts, inventories and aluminium supply contracts; and,
  - The North American business unit which has eight customer service contracts and provides inventories, selected processing machines and aluminium supply contracts.

### **Analysis**

5. Of the three business units of Aerospace Service Business only ASA generated sales of [€0 – €5 million] in the State in 2005 none of which related to the aerospace industry. ThyssenKrupp while also generating sales in the State is not active in and does not supply materials to the aerospace industry in the State. Furthermore there is no overlap between any of the activities of ThyssenKrupp in the State and those of Aerospace Service Business. The transaction therefore, does not give rise to competition concerns.

### **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 by ThyssenKrupp Materials AG of the European and North American Aerospace Service Business activities of Alcoa Inc. 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**

Dr. Paul K. Gorecki  
Member of the Competition Authority

