

**Standardized Notification of Concentration**  
cf. the Norwegian Competition Act Section 18 first paragraph

between

**Assa Abloy Entrance Systems Norway AS**

and

**Monterings-Service AS**

Oslo, 30 January 2013

*Confidential*  
*Contains business secrets*

## 1. The notifying party

The acquirer

Name: Assa Abloy Entrance Systems Norway AS  
Reg.no.: 919 496 126  
Address: Postboks 96 Alnabru, 0614 Oslo

The acquirer's representative

Name: Advokatfirmaet BA-HR DA  
Contact person: Harald K. Selte  
Lawyer in charge: Beret Sundet  
Address: Postboks 1524 Vika, NO-0117 Oslo  
Telephone: 21 00 00 50 / 40 20 38 96  
E-mail: hks@bahr.no

## 2. Other involved party

Name: Monterings-Service AS  
Reg.no.: 927 441 799  
Address: Postboks 22, 3538 Sollihøgda

## 3. The transaction

This notification concerns the proposed acquisition by Assa Abloy Entrance Systems Norway AS ("AAES") of Monterings-Service AS ("Monterings-Service").

According to Share Purchase Agreement of 23 January 2013, AAES is to acquire 100% of the shares in Monterings-Service from the current owner, Lurfaldet Invest AS. The seller is ultimately controlled by Ole Kristian Lurfaldet.

The proposed acquisition constitutes a change of control according to Section 17 of the Norwegian Competition Act. Completion of the transaction is conditional upon approval from the Norwegian Competition Authority.

## 4. The involved parties' structure and area of business

### 4.1 AAES

AAES is a fully owned subsidiary of Assa Abloy Norge AS which again is a fully owned subsidiary of Assa Abloy AB ("AA").

AA is a manufacturer and supplier of door opening solutions, i.e. electronic and mechanical security products, locks and associated products such as emergency exit devices and window hardware. AA's range of electronic security products include electronic cylinders, automatic doors, secure identification and various access control products. AA has been listed on NASDAQ OMX Stockholm since 1994.

AA's main customer segment is the non-residential segment comprising institutional and commercial customers such as universities, hospitals, airports, office buildings and shopping malls which account for approximately 75% of AA's sales while the residential segment accounts for 25% of AA's sales.

AA has five divisions:

- EMEA: The division manufactures and sells locks, cylinders, electromechanical products, security doors and fittings in Europe, the Middle East and Africa ("EMEA"). Some of the division's leading brands are ABLOY, ASSA, IKON, TESA, Yale, Mul-T-Lock and Vachette.

In Norway, AA's EMEA division is represented mainly through the fully owned subsidiaries TrioVing AS and Låsgruppen AS. TrioVing AS is a leading Norwegian provider of security products and fittings. TrioVing AS's turnover in 2011 was NOK 487m. Låsgruppen AS offers locksmith services to professional and private customers, and is represented throughout Norway. Låsgruppen's turnover in 2011 was NOK 216m (incl. Låsgruppen B & T AS which now is merged into Låsgruppen AS). Låsgruppen also holds a 50% stake in Låsgruppen Wilhelm Nilsen AS, which had a turnover of NOK 93 million in 2011. The latter company offer locksmith services as well as retail sales of a wide range of hardware products to professional customers in the Bergen area.

- Americas: The division manufactures and sells locks, cylinders and electromechanical products in the American continents.
- Asia Pacific: The division manufactures and sells locks, cylinders, electromechanical products, security doors and fittings in Asia and Oceania.
- Global Technologies: This global division manufactures and sells products for electronic access management, secure card issuance, identification technology and electronic lock products for hotels. The division consists of two business units, HID Global and ASSA ABLOY Hospitality, which sell their products worldwide. Leading brands are HID, Fargo, Elsafe and VingCard.

AA's main activities in this segment in Norway is organised in the fully owned subsidiary VingCard Elsafe AS. VingCard Elsafe AS is a supplier to the global market, and had a turnover of NOK 658 million in 2011, of which only a very small share was related to sales to customers in Norway.

- Entrance Systems: This global division manufactures and sells automatic entrance solutions and service. The products are sold under the brand names Crawford, Megadoor, Albany, Besam, Ditec, Entrematic, Dynaco and Portsystem. The division has sales and its own service operations worldwide. A significant part of the sales goes directly to major end-customers in the health care, commercial and transport sectors.

The notified transaction affects AA's Entrance Systems division. AA's activities within entrance systems in Norway are mainly carried out through AAES.

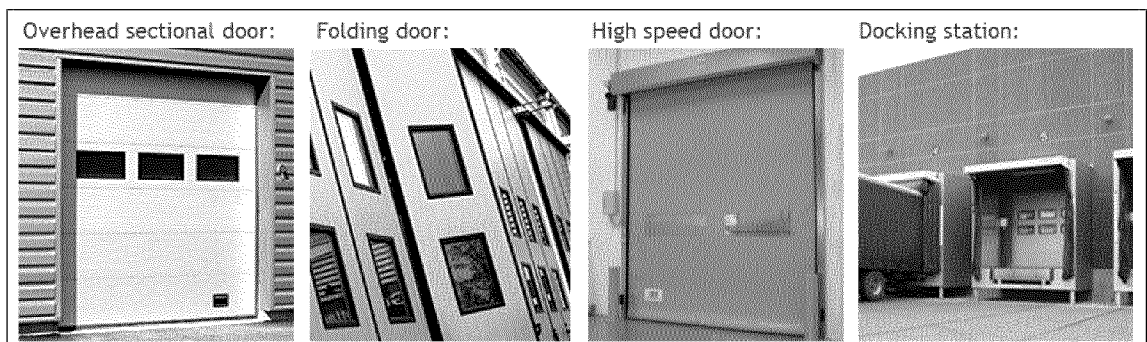
AAES is mainly active as supplier of industrial doors to professional customers in Norway. The activities are marketed under the brand Crawford, which was acquired through the acquisition of Cardo in 2011.<sup>1</sup> AAES is active as supplier of the following products in Norway:

- Industrial doors: AAES offers a wide range of industrial doors under the brand Crawford for various use both outdoor and indoor applications. Industrial doors are used by industry and commercial customers in warehouses, logistics centres, retail sales, production plants etc.

AAES is active within sales, installation and after-sales services of industrial doors in Norway. The main types of industrial doors offered by AAES in Norway are:

- Overhead sectional doors ("Leddheiseporter") designed to save as much space as possible around the door opening, and are designed with sections that slide up and disappear up under the roof when opened.
- Folding doors ("Foldeporter") are horizontally moving folding doors intended for premises with limited space around and above the door opening. They minimize the roof space required inside the building.
- High speed doors ("Hurtigporter") are intended for industries with intense traffic flow. High speed doors are made for both indoor and outdoor use to protect the environment from air flow, dust and dirt.
- Docking stations ("Lastesystemer") are used in locations with intense traffic flow, such as logistics centrals. Docking stations facilitate loading, provide smooth passage across the difference in levels between a truck bed and a loading bay and provide protection for goods when loading and unloading.

Sample photos of the different types of doors are provided below.



AAES also offers after-sales services to customers that have industrial doors installed. Such services included repair and maintenance, supply of spare parts, replacement

---

<sup>1</sup> AA's acquisition of Cardo was cleared by the European Commission without objections on 9 March 2011, see decision in Case No COMP/M.6117 - Assa Abloy / Cardo.

of worn parts and upgrading of installed solutions. After-sales services are not limited to solutions supplied by AAES/Crawford, but are generally offered all customers having an industrial door system.

AAES offers its products and services directly to end users throughout Norway through a network of sales representatives and service personnel.

For more information regarding AAES' offer of industrial doors in Norway, please visit the website: [www.crawfordsolutions.no](http://www.crawfordsolutions.no).

- Hangar doors: Offered under the brand Megadoor. These are doors provided for industries with particular needs, such as air plane hangars, ship yards and waste and recycling plants. See [www.megadoor.com](http://www.megadoor.com) for more information.
- Pedestrian doors: Offered under the brand Besam. Besam supplies a range of automatic pedestrian door products and related services. Pedestrian doors are typically used in office buildings, shopping centres etc. See <http://www.besam.se/no/besam/besam-no/> for more information on the Besam products.

AAES' turnover in Norway in 2012 was NOK 305,649,000. This turnover can be separated into the following:

- Sales of new industrial doors and systems (incl. replacement): [REDACTED]
  - Overhead sectional doors: [REDACTED]
  - Folding doors: [REDACTED]
  - High speed doors: [REDACTED]
  - Docking stations: [REDACTED]
- Megadoor: [REDACTED]
- Pedestrian doors (incl. Besam): [REDACTED]
- After-sales services industrial doors: [REDACTED]
- After-sales services pedestrian doors (Besam): [REDACTED]

AA also has some sales into Norway of industrial door products manufactured by AA's subsidiaries and sold to independent distributors in Norway. Such sales are made from the following subsidiaries:

Ditec is an Italian company which manufactures the following industrial doors; sectional doors, high-speed doors, flexible doors, swing doors and also automation for industrial doors. Ditec offers its products mainly in Italy but has sales also to other countries across the EEA. Ditec are not active within the Norwegian market for sale of industrial doors to end customers, but offers parts and systems to suppliers active in Norway who market, incorporate and install the solutions offered by Ditec. Ditec is as such not directly active within the Norwegian end user market, but supplies players active in Norway, including Port-Service Øst, Monterings-Service, Norsk Sikringsindustri, Doormax and Aktiv Montasje Drift. Ditec's sales to Norwegian customers amounted to [REDACTED]

Dynaco is a Belgian manufacturer of high speed door systems. It supplies doors in Europe, USA and Japan. In Norway, Dynaco supplies high speed doors to Windsor and AAES. As for Ditec, Dynaco is not present in the market for supplies of doors to end users in Norway. Dynaco was acquired by AA in 2012. [REDACTED]

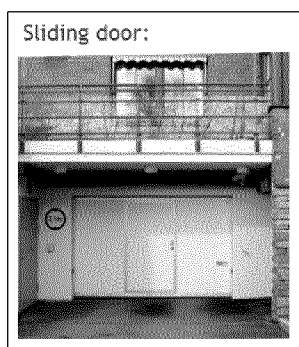
Entrematic is a manufacturer of residential garage door systems. Entrematic is a supplier of solutions to players offering such products to end users in Norway, but are not active towards Norwegian end users itself. [REDACTED]

FlexiForce Group, is a multinational supplier of hardware components, complete hardware sets and electrical operators for industrial and residential sectional overhead doors. FlexiForce execute the design, sourcing, production and distribution of these products to customers in over 50 countries worldwide. Flexiforce is not directly active in the Norwegian end user market, but supplies players active in Norway, mainly Windsor and some smaller customers. [REDACTED]

## 4.2 Monterings-Service

Montering-Service is a supplier of entrance solutions to Norwegian customers. The products are marketed under the brand Norport. Monterings-Service carries out its activities from its base at Sollihøgda outside Oslo, and offers its products and services mainly to customers located in the eastern parts of Norway.

Monterings-Service offers a range of industrial doors. Products include sliding doors ("Skyveporter"), typically used in parking houses and garages in apartment buildings and rolling shutters ("Rulleporter"), such as "low speed" rolling doors and rolling fire doors. A sample photo of a sliding door is provided below. Monterings-Service also offers folding doors, overhead sectional doors, high speed doors and docking stations as well as after-sales services to industrial doors.



In addition to industrial doors, Monterings-Service provides road barriers and gates as well as garage doors for residential use to end users. This is products not offered by AA or AAES in Norway.

Monterings-Service's turnover in Norway in 2012 was in total NOK 47.5m. Monterings-Service does not calculate turn-over in different product categories in its accounts, and therefore it is not possible to calculate turn-over for each product category. The best estimate of volume/turn-over of the different products in 2012 is:

- Sliding doors: 61 doors (price range NOK 30-50,000)
  - Rolling shutters: 65 doors (price range NOK 15-150,000)
  - Overhead sectional doors: 270 doors (price range NOK 10-50,000)
  - Folding doors: 80 doors (price range NOK 25-60,000)
  - In addition, Monterings-Service sold high speed door solutions for about NOK 1m in 2012 and docking station solutions for about NOK 500,000 in 2012.
- After-sales services industrial doors: estimated to NOK 17.5m in 2012, but no exact figures exist
  - Road barriers and gates: Estimated to NOK 750,000.

## 5. Turnover

	Turnover in Norway 2011 (MNOK)
AA	905
Monterings-Service	50.1

## 6. Markets affected by the concentration

### 6.1 Affected markets

#### 6.1.1 Sale and installation of industrial doors - horizontally affected

The transaction affects the market for industrial doors. Both parties are active within sale and installation of industrial doors to customers in Norway as well as suppliers of related after-market services.

The Commission investigated the markets for industrial doors in case M.6117 Assa Abloy / Cardo. While the Commission did not conclude with respect to the definition of the affected relevant product and geographic markets, the decision clearly indicates that the market is not wider than industrial doors. Furthermore, the Commission suggests in the decision that as different types of industrial doors fulfil different functions, the markets may be narrower than industrial doors as such, e.g. that each type of door makes a separate product market.

Most players offering industrial doors to end users in Norway offer a range of different types of industrial doors. AAES therefore believes that the market for supply to end users should include all types of industrial doors. As we will revert to below, AAES and Monterings-Service are to a large extent focused on different segments within industrial doors, and rarely are each other's closest competitors. Thus, whether one looks at competition within a total market for industrial doors or within a market for each type of door/solution, it is obvious that the transaction will not have any negative effect. The

definition of the relevant product market should therefore not be of any importance for the assessment of the competitive effects of the transaction.

With respect to geographic markets, the Commission indicated in the mentioned decision that the market is smaller than EEA-wide, but did not conclude precisely. AAES considers that the market(s) for industrial doors is at least national in scope. Several players offer products on a national level, in particular Windsor and Hörmann, in addition to AAES. Further, the market for sale and installation of industrial doors are not necessarily related to the market for after-sales services (such as maintenance and repairs). Such services are often performed by other players than the initial supplier of the door. Local presence is therefore not essential to be able to offer a door solution.

AAES therefore believes the affected market is the market for sale and installation of industrial doors to end users in Norway.

#### 6.1.2 After-sales services on industrial doors - horizontally affected

Both AAES and Monterings-Service offers after-sales services, such as repair and maintenance, supply and replacement of parts and upgrading to owners and users of industrial doors in Norway. As indicated above, contracts for after-sales services are not necessarily directly connected to the initial door supplier. The owner of a door may procure after-sales services from other providers than the initial door supplier. In particular, many customers have door systems delivered by several different suppliers and pool the service on these into one service contract. While not finally concluding, the Commission decision in Assa Abloy / Cardo clearly indicates that there is a separate after-sales services market for industrial doors and that this market is national in scope (see paragraph 30). AAES considers this to be the case also in the Norwegian market, and therefore concludes that there is a separate market for after-sales services of industrial doors in Norway. However, even if a more narrow geographical market is considered, e.g. the eastern part of Norway, the market for after-sales services will remain highly competitive after the transaction as there is a wide range of players present in the market.

#### 6.1.3 Vertically affected markets

AA manufactures products vertically related to sale and installation of industrial doors to end users.

AA manufactures and supplies mechanical locks to OEM (original equipment manufacturer) customers that (inter alia) are used as a component in industrial doors. Even if AA is a significant supplier of mechanical locks to OEM customers in Norway, this position will not give AA the ability to foreclose competing industrial door suppliers. The mechanical locks constitute a minor proportion of the price of a door (1-2% according to the Commission decision in case M.6117), and there are several competing suppliers of such locks (e.g. Kaba MøllerUndall and Dorma, in addition to other international suppliers). The locks are typically delivered in standard formats, making switching easy. Therefore, and in line with the conclusion of the Commission in case M-6117 (see paragraph 42), the position as supplier of locks to OEM customers is not likely to put AA in a position where a foreclosure strategy may be successful.



AA is also a manufacturer of industrial door systems delivered to distributors in Norway through the subsidiaries Ditec, Dynaco and FlexiForce, who delivers parts and door systems to Norwegian customers, like Port-Service Øst, Windsor and Monterings-Service. AAES itself does not supply door systems to independent resellers in Norway. The transaction will not have any effect on the sales from Ditec, Dynaco and FlexiForce to Norwegian customers (outside AA/AAES) (input foreclosure):

- Firstly, it is AA's policy to supply products from Ditec and Dynaco to local distributors outside AA. This policy will not be affected by the acquisition of Monterings-Service. The transaction will under any circumstances only have limited vertical effects, as the vertical ties already are established through AAES' position in Norway. Thus, the transaction will not put AA and AAES in a new position with respect to the vertical relationship with manufacturers.
- Secondly, there are several alternative suppliers of the products supplied from Ditec, Dynaco and FlexiForce (such as Hörmann, Novoferm, Efaflex, Lindab, Kopron, Nassau). The brand recognition among end-users of the original manufacturer of the products is low, making it easy for Norwegian resellers to switch to competing suppliers. Even if AA should try to follow a strategy aiming at foreclosing competitors of AAES in Norway from supplies from Ditec, Dynaco and FlexiForce, these competitors may therefore easily turn to competing suppliers.
- Thirdly, the most important vertical ties are within high speed doors (through Dynaco's supplies to Windsor), a market segment where Monterings-Service only has a limited market position.

The transaction will therefore not have any appreciable effects on AA's incentive or possibility to foreclose competitors in Norway. A foreclosure strategy following the acquisition of Monterings-Service is therefore highly unlikely.

Likewise, the transaction will not have any foreclosure effect on manufacturers competing with AA and its Entrance Systems division. These manufacturers are competing at an EEA-wide market for supplies through representatives all over Europe. Monterings-Service is in this context a very small distributor, and it is highly unlikely that a possible switch of suppliers with respect to Monterings-Service volumes will have any appreciable effect on the market for supplies from manufacturers.

The vertical relationship between AA and Monterings-Service is therefore not elaborated further in this notification.

## **6.2 Supply on industrial doors to end users**

The parties have overlapping activities within supply of industrial doors to end users.

The buyers of industrial doors are typical building contractors and property managers, i.e. mainly customers well familiar with the products and the supply side. Industrial doors are typically procured through collection of quotes from two to three suppliers which makes the base for the decision on which supplier is awarded the project. The products are typically fitted for each individual project and each industrial door is tailor made for the individual customer. Installation and fitting are typically done by specialist suppliers,

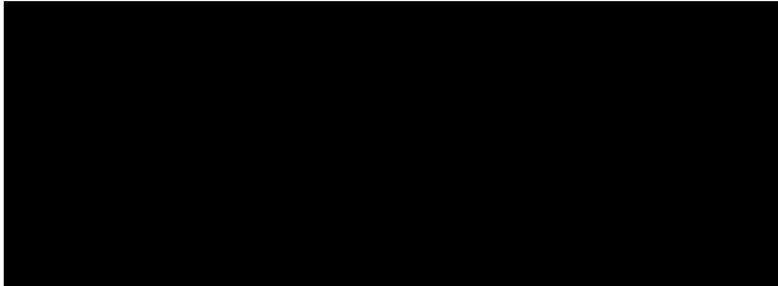
either a vertically integrated supplier like AAES or suppliers basing their sales on equipment from sub-suppliers (international manufacturers). Many suppliers to Norwegian end users base their activities on a mixed supply strategy, where some products are completely manufactured by sub-suppliers and other products are assembled by the final supplier based on supplies from different manufacturers.

The parties' main competitors in the Norwegian market are the following;

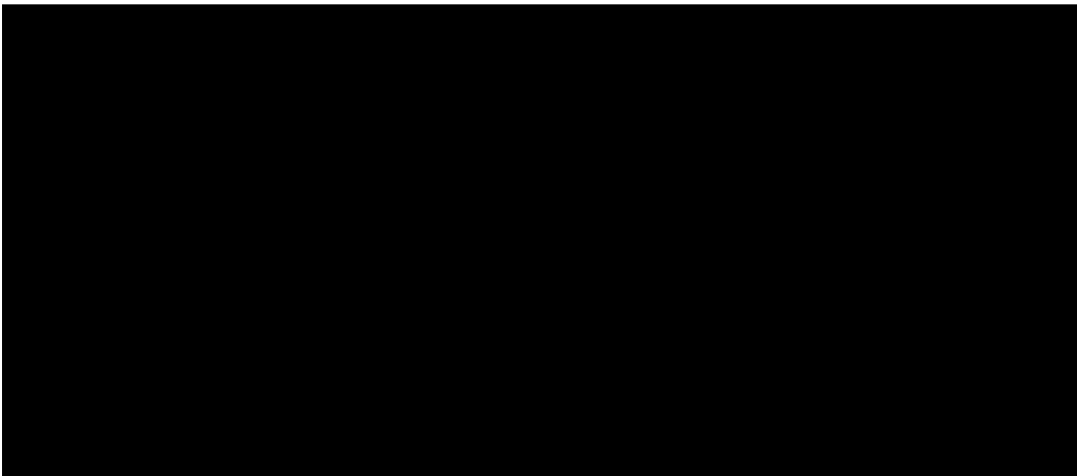
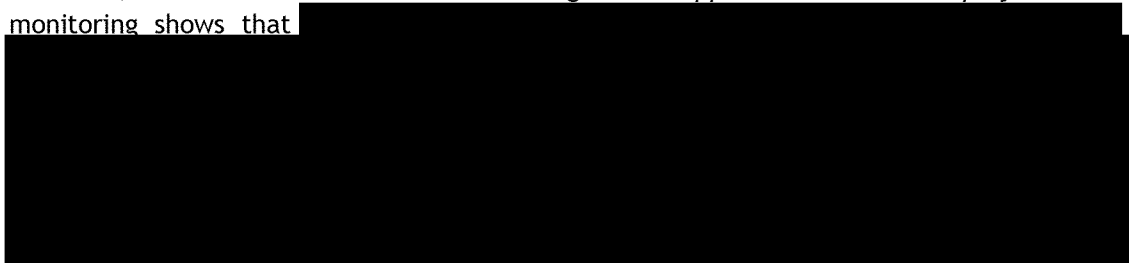
- Hörmann: Hörmann is a German manufacturer of a complete range of industrial doors and residential doors. Hörmann is represented in Norway through a Norwegian subsidiary, Hörmann Norge AS which again offers industrial door products to Norwegian customers through its own sales organisation as well as through independent sales representatives. Hörmann Norge had a total turnover in 2011 of NOK 203 million. In addition come sales through representatives, such as Port Teknikk AS (NOK 58 million in 2011).
- Windsor: Windsor Door A/S is based in Norway and is focusing solely on industrial doors. Windsor offers a complete range of industrial doors, partly based on supplies from external suppliers and partly on Windsor's own assembly of products. Windsor offers products all over Norway. Windsor's turnover in 2011 was NOK 128 million.
- Nassau: Nassau Norge AS offers industrial doors throughout Norway through its own organisation and a network of local partners. Nassau is a subsidiary of the Danish manufacturer Nassau, who in particular focuses on production of overhead sectional doors. Nassau Norge AS however also supplies high speed doors. Nassau Norge had a turnover in 2011-2012 (deviating financial year) of NOK 25.7 million.
- Lindab: Lindab is a Swedish manufacturer and supplier of industrial doors as well as a range of building components, ventilation systems, industrial buildings, residential garage doors etc. Lindab's Norwegian subsidiary Lindab A/S had a turnover of NOK 288 million. AAES do not have information of turnover within industrial doors. However, AAES' internal tracking of projects lost to competitors (elaborated below) indicates that a significant amount of lost projects are awarded Lindab.

In addition to these players, there is a wide range of smaller players, partly offering products from the manufacturers mentioned above and other manufacturers, and partly offering after-sales services on installed doors. These players include (in the area covered by Monterings-Service): Bygg og energiservice AS, Portservice Øst AS, Port Innlandet AS, Portconsult AS, Port-Teknikk AS, Norske Porter AS, Rosings Industrier AS, EAB Lagerteknikk AS, Heras AS, Haby Norske Sjalusier AS, Industriporter AS, Rune Teig AS, Scanmark AS, Aktiv Montasje Drift AS and Industriportspesialisten AS.

Based on AAES' best estimates, the total turnover within sales of industrial doors in Norway in 2012 was [REDACTED]. This figure does not include after-sale services, AAES estimates that the market shares of the major players are as follows:



AAES is closely monitoring the performance of the quotes given on different projects. In this work, AAES is often successful in detecting which supplier is awarded the project. The monitoring shows that [REDACTED]



The reason for AAES rarely experiencing direct competition with Monterings-Service is believed to be the different focus of the parties, both with respect to products and customer groups. AAES is not offering several products offered by Monterings-Service, such as sliding doors, fast going sliding doors, rolling shutters (including "low speed" rolling doors, fire doors, rolling fire doors), and gates and barriers. Monterings-Service is further

---

<sup>2</sup> AAES' best estimate based on general market knowledge. There are no public statistics for this market that AAES are aware of.

to a larger degree targeting the apartment building segment which AAES is not, and is also stronger in the parking house market segment.

The information above clearly indicates that AAES and Monterings-Service rarely are competing closely for projects. AAES and Monterings-Service are focusing on different product groups and different customer groups. There are several other competitors present in the market which put high pressure on AAES and will continue to do so in the future. Therefore, the transaction will not have any negative impact on the competition within supplies of industrial doors or any sub-segments of this market.


### 6.3 After-market services

Both parties provide after-market services on industrial doors. After-sales services are not necessarily connected to the delivery of new doors. Customers may buy after-market services from other than the original door supplier. Typically, customers have different brands of doors in their facilities, and want a service and maintenance contract covering their entire range of doors.

Access to spare parts is normally not a problem for performing service and maintenance on doors supplied by others. The service provider may either use parts from alternative suppliers or buy spare parts from the original supplier (at any level of the supply chain). The original suppliers (including AAES) are normally providing spare parts to independent service and maintenance suppliers. Spare parts and components are easily available. AAES accordingly both supplies and procures spare parts to and from other players in the market. There are no other restrictions to enter the market. Any new player in the market may chase potential customers for service, maintenance and upgrade jobs. The market for after-market services is thus characterised with low entry barriers.

The players in the after-market is typically the same as in the new door market. AAES however experiences that the market structure within after-market services is more fragmented than the market for new industrial doors, as there is a large number of smaller competitors in the market, due to the low entry barriers.

The market share of AAES, Monterings-Service and the main competitors are therefore believed to be lower than the market shares in the market for new industrial doors. As for the market for new doors, AAES does not experience Monterings-Service as a particularly close competitor. Monterings-Service is *inter alia* targeting customer segments not prioritised by AAES.



The market for after-market services is thus highly competitive. Monterings-Service has a limited position in the market and the parties are differently positioned in the market. There are several competitors in the market, both large players such as Hörmann and Windsor, and a wide range of smaller players. The transaction will therefore not have any noticeable effect on competition within the market for after-market services on industrial doors.

## 7. Most important customers, competitors and suppliers

### 7.1 Main customers - supply of industrial doors to customers in Norway

AAES

Customer	Contact information
[Redacted content]	

Monterings-Service

Customer
[Redacted content]

## 7.2 Main customers - after-market services on industrial doors

AAES

Customer	Contact information
[Redacted]	

Monterings-Service

Customer
[Redacted]

## 7.3 Main competitors- supply of industrial doors to customers in Norway

The main competitors of the parties are largely the same and are also the same within supply of new doors and after-market services.

Competitor	Contact information
[Redacted]	

## 7.4 Main suppliers

AAES

Supplier	Contact information
[Redacted]	

Monterings-Service

Supplier	Contact information
[Redacted]	

## 8. Annual reports

The annual reports of all parties are available through the Brønnøysund company register.

## 9. Other

The transaction is only notified in Norway.

## 10. Confidentiality

The notification contains business secrets. Business secrets are marked with a yellow background.

Yours sincerely,  
for Advokatfirmaet BA-HR DA



Harald K. Selte  
Senior economist  
Lawyer in charge: Beret Sundet