

**THE CONTROL OF CONCENTRATIONS
BETWEEN ENTERPRISES LAWS 1999 TO 2000**

**Notification of concentration regarding the acquisition of the share capital of
Beech Holdings LLC by Textron Inc.**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mrs. Eleni Karaoli	Member
Mr. Andreas Karides	Member
Mr. Charis Pastellis	Member
Mr. Christos Tsingis	Member

Date of decision: 28 February 2014

SUMMARY OF THE DECISION

On the 31st of December 2013, the Commission for the Protection of Competition (hereinafter the «Commission») received a notification of the proposed concentration on behalf of Textron Inc. (hereinafter «Textron»), in accordance with section 13 of the Control of Concentrations between Enterprises Law (Number 22(I)/99) (hereinafter the «Law»). The concentration is based on an agreement concerning the acquisition by Textron of the 100% of the share capital of Beech Holdings LLC (hereinafter «Beech Holdings»), parent company of Beechcraft Corporation.

Textron is a company duly registered in accordance with the United States of America laws. The company operates in various industries through the following undertakings (i) Cessna Aircraft Company (aircrafts and aftermarket services), (ii) Bell (helicopters), (iii) Textron systems (military equipment), (iv) Industrial (automotive supplier, golf vehicles, tools) and (v) Textron Financial (financing mainly to buyers of CESSNA aircrafts and Bell helicopters). Textron Inc. is known for its following trademarks: Bell Helicopter, Cessna Aircraft Company, Jacobsen, Kautex, Lycoming, EZ-GO, Greenlee and Textron Systems.

The target company, Beech Holdings is a company duly registered in accordance with the United States of America laws and is the parent company of Beechcraft Corporation. Beechcraft Corporation designs, manufactures and supports private, military and business aircrafts and also manufactures and sells aircrafts for the collection of information, surveillance and reconnaissance missions as well as other special missions. Beechcraft Corporation also operates in the provision of aftermarket services for its aircrafts.

This notified concentration was based on an agreement and merger plan dated 26/12/2013, concerning the acquisition by Textron of 100% of the share capital of the target company Beech Holdings, the parent company of Beechcraft Corporation. With the completion of the proposed concentration, the target company Beech Holdings, will be wholly owned by Textron, and thus there will be a change of control of Beech Holdings, from sole control of the company by its present shareholders to sole control by Textron.

The Commission, taking into account the above facts and events concerning this concentration has concluded that this transaction constitutes a concentration within the meaning of section 4 (1) (b) of the Law, since it leads to a permanent change of control of Beech Holdings.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3(2) (α) of the Law were satisfied and therefore the notified transaction was of major importance under the Law. According to the notification, the aggregate turnover achieved by Textron and Beechcraft Corporation, exceeded, in relation to each one of them 3.417.203 Euro. Furthermore, Textron engaged in commercial activities within the Republic of Cyprus and the total turnover which relates to the supply of goods and services within the Republic exceeded 3.417.203 Euro.

The relevant product market in this case was defined as the market for (a) private / business piston aircrafts (with less than 20 seats), (b) private / business turboprop aircrafts (with less than 20 seats), (c) private / business jet aircrafts (with less than 20 seats), (d) fighting jets, (e) special mission aircrafts, (f) services of maintenance, repair and overhaul for private / business aircrafts (with less than 20 seats) and military aircrafts. The definition of the geographic market of the relevant product/services market in this case remains open.

The Commission concluded that there is no horizontal or vertical overlap between the activities of the acquirer and the target within the Republic of Cyprus.

The Commission, on the basis of the factual and legal evidence of the case and having taken into consideration the report prepared by the Service, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market and therefore the concentration does not raise serious doubts as to its compatibility with the competitive market.

Therefore, the Commission, acting in accordance with section 18 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the requirements of the competitive market.

Loukia Christodoulou

Chairman of the Commission for the Protection of Competition