



Department of Trade and Industry

news release

P/99/813

11 October 1999

KIM HOWELLS ACCEPTS UNDERTAKINGS FROM ROCKWOOL

Kim Howells, Competition and Consumer Affairs Minister, today announced that he had accepted undertakings from Rockwool Limited which prevent them from acquiring control of Owens Corning Building Products (UK) Ltd (OCBP). His decision is in accordance with the advice of the Director General of Fair Trading.

The undertakings follow a proposed bid by Rockwool for the stone wool manufacturing business of OCBP which was blocked in May 1999 by Dr Howells, following an adverse report by the Competition Commission. Under the terms of the undertakings, Rockwool have agreed not to acquire control of OCBP, or to acquire any assets. The undertakings also prevent Rockwool from attempting to influence the policy of OCBP.

A copy of the signed undertakings is attached to this press notice.

Notes for Editors

1. The Competition Commission report 'Rockwool Ltd and Owens-Corning Building Products (UK) Ltd: a report on the proposed merger' (Cm 4330) was published on 7 May 1999. Dr Howells's decision to prohibit the merger was announced in DTI press notice P/99/380 of the same date.
2. Under section 93A of the Fair Trading Act 1973, undertakings given following a Competition Commission report are enforceable through the courts. Under section 88 of the Act they must be published.

Press Enquiries: 0171-215 5964/5973

(Out of Hours : 0171-215 5110/5600)

Public Enquiries: 0171-215 5000

Textphone (for people with hearing impairments): 0171-215 6740

<http://www.dti.gov.uk>

Rockwool Ltd hereby gives to the Secretary of State for Trade and Industry pursuant to section 88(2) of the Fair Trading Act 1973 the following undertakings for the purpose of remedying or preventing adverse effects specified in the report made by the Monopolies and Mergers Commission entitled *Rockwool Ltd and Owens-Corning Building Products (UK) Ltd - a report on the proposed merger* (CM 4330, May 1999):

Prohibition of acquisition of Owens-Corning

- 1 Except with the prior written consent of the Secretary of State Rockwool:
 - (a) will not directly or indirectly:
 - (i) hold any interest conferring upon it control of Owens-Corning; or
 - (ii) hold any option to acquire an interest referred to in sub-paragraph (i) above;
 - (b) will procure that no director or employee of Rockwool holds any directorship or managerial position in any undertaking having control of or carrying on the business of Owens-Corning and will not nominate any person to any such directorship or managerial position;
 - (c) (except in the normal course of business) will not participate in the formulation of or influence or attempt to influence the policy of any person having control of or carrying on the business of Owens-Corning; and
 - (d) will not directly or indirectly acquire any assets of Owens-Corning.

Compliance

- 2 Rockwool will procure that each of its subsidiaries complies with these undertakings as if it had given them.
- 3 Rockwool will forthwith provide to the Director General such information as he may from time to time reasonably require for the purpose of performing any of his functions under section 88 of the Act.
- 4 Rockwool will comply with such written directions as the Director General may from

time to time give to take such steps within its competence as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings.

INTERPRETATION

For the purposes of these undertakings:

"the Act" means the Fair Trading Act 1973;

"the assets of Owens-Corning" means the business, undertaking and property of the Owens-Corning stone wool manufacturing business at [21 December 1998];

"business" has the meaning given by section 137(2) of the Act;

"control" is to be construed in accordance with section 65 of the Act, and a person shall be deemed to have control of a body corporate if he holds or has an interest in shares of that body corporate amounting to more than 10 per cent of its issued share capital or carrying an entitlement to vote at its meetings amounting to more than 10 per cent of the total number of votes which may be cast at such meetings;

"the Director General" means the Director General of Fair Trading;

"interest" excludes any asset, but includes shares, an interest in shares and any other interest carrying an entitlement to vote at meetings of shareholders; and an interest in shares includes an entitlement by a person other than the registered holder to exercise any right conferred by the holding of those shares and an entitlement to control the exercise of any such right;

"Owens-Corning" means Owens-Corning Building Products (UK) Ltd;

"Rockwool" means Rockwool Ltd; and

"the Secretary of State" means the Secretary of State for Trade and Industry.

On behalf of Rockwool Ltd:

Signed

(director)

(director/secretary)

Date 11 October 1999

RESTRICTED - COMMERCIAL AND MARKET-SENSITIVE**MONOPOLIES AND MERGERS COMMISSION REPORT ON THE ACQUISITION BY
ROCKWOOL LTD OF OWENS-CORNING BUILDING PRODUCTS (UK) LTD****UNDERTAKINGS GIVEN TO THE SECRETARY OF STATE FOR TRADE AND INDUSTRY BY
ROCKWOOL LTD**

Rockwool Ltd hereby gives to the Secretary of State for Trade and Industry pursuant to section 88(2) of the Fair Trading Act 1973 the following undertakings for the purpose of remedying or preventing adverse effects specified in the report made by the Monopolies and Mergers Commission entitled *Rockwool Ltd and Owens-Corning Building Products (UK) Ltd - a report on the proposed merger* (CM 4330, May 1999):

Prohibition of acquisition of Owens-Corning

- 1 Except with the prior written consent of the Secretary of State Rockwool:
 - (a) will not directly or indirectly:
 - (i) hold any interest conferring upon it control of Owens-Corning; or
 - (ii) hold any option to acquire an interest referred to in sub-paragraph (i) above;
 - (b) will procure that no director or employee of Rockwool holds any directorship or managerial position in any undertaking having control of or carrying on the business of Owens-Corning and will not nominate any person to any such directorship or managerial position;
 - (c) (except in the normal course of business) will not participate in the formulation of or influence or attempt to influence the policy of any person having control of or carrying on the business of Owens-Corning; and
 - (d) will not directly or indirectly acquire any assets of Owens-Corning.

Compliance

- 2 Rockwool will procure that each of its subsidiaries complies with these undertakings as if it had given them.
- 3 Rockwool will forthwith provide to the Director General such information as he may from time to time reasonably require for the purpose of performing any of his functions under section 88 of the Act.
- 4 Rockwool will comply with such written directions as the Director General may from

time to time give to take such steps within its competence as may be specified or described in the directions for the purpose of carrying out or securing compliance with these undertakings.

INTERPRETATION

For the purposes of these undertakings:

"the Act" means the Fair Trading Act 1973;

"the assets of Owens-Corning" means the business, undertaking and property of the Owens-Corning stone wool manufacturing business at [21 December 1998];

"business" has the meaning given by section 137(2) of the Act;

"control" is to be construed in accordance with section 65 of the Act, and a person shall be deemed to have control of a body corporate if he holds or has an interest in shares of that body corporate amounting to more than 10 per cent of its issued share capital or carrying an entitlement to vote at its meetings amounting to more than 10 per cent of the total number of votes which may be cast at such meetings;

"the Director General" means the Director General of Fair Trading;

"interest" excludes any asset, but includes shares, an interest in shares and any other interest carrying an entitlement to vote at meetings of shareholders; and an interest in shares includes an entitlement by a person other than the registered holder to exercise any right conferred by the holding of those shares and an entitlement to control the exercise of any such right;

"Owens-Corning" means Owens-Corning Building Products (UK) Ltd;

"Rockwool" means Rockwool Ltd; and

"the Secretary of State" means the Secretary of State for Trade and Industry.

On behalf of Rockwool Ltd:

Signed

(director)

(director/secretary)

Date 11 October 1999