

EU Approves Deutsche Post Takeover Of Securicor Unit

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BRUSSELS -(Dow Jones)- The European Union Commission Thursday approved German mail giant Deutsche Post AG's (G.DPW) EUR247 million takeover of Securicor PLC's (U.SCC) express parcels and logistics unit.

The deal doesn't trigger concerns of market dominance, the Commission said in a statement.

Deutsche Post has been a joint venture partner in Securicor's Omega Holdings Ltd. since December 1998 and held an option on the rest of the company. It is now buying the remaining 50% it doesn't already own.

The Commission investigations focused on the U.K. and Irish markets, where both companies are active in postal distribution activities. But it said the combined market share would remain below 10% and Omega's activities in Ireland already are carried out on behalf of Deutsche Post. The companies will also face "strong competitors with considerable financial and economic resources as well as a worldwide presence and independent infrastructure."

By buying Omega, Deutsche Post will "strengthen our presence" on the U.K. logistics market, said spokeswoman Martina Dickel. Deutsche Post will change Omega's name to DHL, which is Deutsche Post's main logistics brand.

Securicor is selling to concentrate on core security services, said company representative Samantha Grant.

The E.U.'s approval of the deal comes as Deutsche Post's rivals step up their campaign to blunt the company's takeover drive. Competitors like Atlanta-based United Parcel Service (UPS) have accused Deutsche Post of unfairly subsidizing acquisitions from profits from its monopoly mail service and have asked the E.U. Commission to investigate Deutsche Post for antitrust abuses.

Deutsche Post and other monopoly postal providers are using high stamp revenues "to finance aggressive expansionist strategies", said Philippe Bodson of the Brussels-based **Free and Fair Post Initiative**.

The German government controls about 69% of Deutsche Post, the remainder being held by private investors.

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