



# Department of Justice

FOR IMMEDIATE RELEASE  
THURSDAY, MAY 25, 1995

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## **JUSTICE DEPARTMENT APPROVES MERGER INVOLVING ASPHALT PAVING MANUFACTURERS**

WASHINGTON, D.C. -- Ingersoll-Rand Company's cash tender offer, valued at more than \$1 billion, to buy Clark Equipment Company was approved today by the Department of Justice's Antitrust Division after Ingersoll-Rand sold its asphalt paver business to a third party who will operate it as a viable on-going business. Initially, the Antitrust Division told the parties that the deal as originally proposed would lessen competition in the manufacture and sale of medium and large asphalt pavers since it would have combined two of the five competitors in the U.S. asphalt paver industry.

Asphalt pavers are used in the construction and resurfacing of streets and highways, parking lots and other asphalt surfaces. In 1994, total U.S. sales of medium and large asphalt pavers were approximately \$123 million.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "This transaction as originally structured would have significantly reduced competition by combining two of the five competitors in the manufacture and sale of medium and large asphalt pavers in the United States. We are confident, however, that the sale of Ingersoll-Rand's domestic asphalt paving business to Champion will preserve competition in this industry to the benefit of purchasers and users of such equipment."

Champion's strength in the road machinery business, as well as its reputation for quality and previous success in purchasing the product lines of other companies, indicates that this sale will preserve competition in the manufacture of medium and large asphalt pavers, the Department said. Champion is likely to be equally or more effective as a competitor than Ingersoll-Rand was when it operated those businesses, the Department said. For example,

Champion purchased a compactor company in 1993 and increased sales substantially in its first full year of operations.

On May 12, 1995, Ingersoll-Rand sold its U.S. asphalt paver business to Champion Road Machinery Ltd., headquartered in Goderich, Ontario, Canada.

Ingersoll-Rand, headquartered in Woodcliff, New Jersey, manufactures various types of equipment used in excavation and construction, including asphalt pavers, which it manufactures through its Road Machinery Division located in Shippensburg, Pennsylvania. In 1994, it had net sales of \$4.5 billion.

Clark Equipment Company, headquartered in South Bend, Indiana, also manufactures various types of construction equipment and manufactures asphalt pavers through its subsidiary, Blaw-Knox Construction Equipment Company, headquartered in Mattoon, Illinois. It had net 1994 sales of nearly \$1 billion.

Ingersoll-Rand made its cash tender offer for the stock of Clark on April 3, 1995.

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