

*Case No COMP/M.2035 -
DOUGHTY HANSON /
RANK HOVIS
McDOUGALL*

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 24/08/2000

*Also available in the CELEX database
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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, **24/08/2000**
SG(2000)/**D106368**

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sirs,

Subject: Case No COMP/M. 2035 Doughty Hanson / Ranks Hovis McDougall

Notification of 25.07.2000 pursuant to Article 4 of Council Regulation No 4064/89

1. On 25.07.2000, the Commission received a notification of a proposed concentration by which the Doughty Hanson & Co Limited (DHC) acquires sole control of Ranks Hovis McDougall Group ("RHM Group"). On the 3 August 2000, the notifying party withdrew the provisions described in Section 11.1 of the Form CO (ancillary restraints) from consideration by the Commission.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the EEA Agreement.

I. THE PARTIES' ACTIVITIES AND THE OPERATION

3. DHC (United Kingdom) is an equity fund manager that organises and administers private equity investment funds on behalf of institutional and private investors and holds a controlling interest in a number of companies: Impress Metal Packaging BV, Ilford Imaging Limited, Soudronic Finanz AG, Dunlop Standard Aerospace Group Limited, Tornos-Bechler SA, Umbro International Inc, Knowles Electronics Inc, Vischio S.a.R.L., Trend Technologies Holdings Inc, and North American Outdoor Group Inc.

4. The RHM Group comprises of three private UK companies (Ranks Hovis McDougall Limited, London Superstores Limited, TGP 182 Limited) and their subsidiaries, which are manufacturers of ambient, chilled and frozen food products. The entire share capital of the RHM Companies is currently held by the British company Tomkins PLC.

II. COMMUNITY DIMENSION

5. The DHC Group and the RHM Group have a combined aggregate world-wide turnover in excess of EUR 5,000 million¹ (DHC Group EUR [...] million; and RHM Group EUR [...] million). Each of them has a Community-wide turnover in excess of EUR 250 million (DHC Group EUR [...] million; and RHM Group EUR [...] million), but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State.

III. COMPETITIVE ASSESSMENT

6. The RHM Group (the acquired party) is a manufacturer of ambient, chilled and frozen food products, including flour, baked goods, branded savoury foods and food ingredients used in the industrial food markets, with activities predominantly limited to the UK.
7. The notifying party, DHC, states that it does not control any undertaking active in the same product markets as RHM Group or in any upstream, downstream or closely related markets inside or outside the EEA, except in a very limited extent for food cans: DHC Portfolio Company, Impress Metal Packaging manufactures food cans in UK but its market share in UK is less than 25% and the RHM Group's demand for food cans accounts for a negligible proportion of the UK demand.
8. Given that the parties of the operation act in different sectors, and there are not horizontal neither vertical affected markets the operation does not appear to give rise to competition concerns in the EEA or in a substantial part of it. Consequently, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

¹ Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Notice on the calculation of turnover (OJ C66, 2.3.1998, p25). To the extent that figures include turnover for the period before 1.1.1999, they are calculated on the basis of average ECU exchange rates and translated into EUR on a one-for-one basis.

IV. CONCLUSION

9. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89 and Article 57 of the EEA Agreement.

For the Commission,