

***Case No COMP/M.5838 -
BERTELSMANN/
PLANETA/ CIRCULO***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 05/07/2010

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In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 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 Where possible the information omitted has been replaced by ranges of figures or a general description.

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

PUBLIC VERSION

To the notifying parties:

Dear Sir/Madam,

**Subject: Case No COMP/M.5838 – BERTELSMANN/ PLANETA/ CÍRCULO
Notification of 31 May 2010 pursuant to Article 4 of Council Regulation
No 139/2004¹**

1. On 31 May 2010, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 by which the undertaking Editorial Planeta S.A., controlled by Planeta Corporación S.R.L. ('Planeta', Spain) acquires within the meaning of Article 3(1)(b) of the Merger Regulation joint control of Círculo de Lectores S.A. ('Círculo', Spain), currently solely controlled by Bertelsmann AG ('Bertelsmann', Germany) by way of purchase of shares.

I. THE PARTIES

2. **Bertelsmann** is an international media company active in TV, book publishing, magazine publishing, music rights management, distance selling, media services and media clubs.
3. **Planeta** is the leading Spanish communication group active in the production of cultural, news, educational and entertainment content for the Spanish and French speaking markets.
4. Bertelsmann and Planeta are together referred to as "the parent companies".

¹ OJ L 24, 29.1.2004, p. 1 ("the Merger Regulation"). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ("TFEU") has introduced certain changes, such as the replacement of "Community" by "Union" and "common market" by "internal market". The terminology of the TFEU will be used throughout this decision.

5. **Círculo's** main activities relate to its Spanish book club which sells books and to a lesser extent other multimedia products such as CDs, games and DVDs. Círculo has also established a small publishing house specialised in literary works which operates under the brand name "Galaxia Gutenberg" ('Galaxia').
6. Bertelsmann, Planeta and Círculo are together referred to as "the parties".

II. THE OPERATION

7. The notified operation consists in the acquisition by Planeta of joint control of Círculo through the acquisition by Editorial Planeta S.A., a wholly-owned subsidiary of Planeta, of 50% of the shares of Círculo, which is currently wholly-owned by Bertelsmann.
8. Each parent company will hold 50% of the shares and the voting rights in Círculo and will be entitled to appoint an equal number of board directors. The shareholders agreement to be entered into by the parent companies will not bestow any preferential rights on either Bertelsmann or Planeta. Círculo will therefore be jointly controlled by Bertelsmann and Planeta.
9. The notified operation therefore constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

III. EU DIMENSION

10. The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 5 000 million² (Bertelsmann: EUR 15 364 million, Planeta: EUR 1 641 million). Each of them has an EU-wide turnover in excess of EUR 250 million (Bertelsmann: EUR [...] million, Planeta: EUR [...] million), but they do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State. The notified operation therefore has an EU dimension.

IV. ASSESSMENT

11. Círculo is mainly active in the sale of books to consumers through its book clubs in Spain³. It also has minor activities in book publishing (through the publishing house Galaxia).
12. Planeta and Bertelsmann are both present in book publishing and in the sale of books in Spain.
13. Bertelsmann is present in the publishing sector through its 50% interest in RH Mondadori, which it controls jointly with Arnoldo Mondadori Editori S.p.A, an Italian

² Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Consolidated Jurisdictional Notice (OJ C95, 16.04.2008, p. 1).

³ Books account for the very large majority of retail sales by Círculo ([80-90]%). It does make very limited sales of other media products to its members, including DVDs, CDs and games. Planeta also has a very limited presence in the online retailing of films, music and games. The transaction will therefore result in a very limited overlap in the retailing of multi-media: the notifying parties estimate that the combined market share of Planeta and Círculo is less than [0-5]% on hypothetical sub-markets for the sale of DVDs, CDs and games to consumers respectively.

publishing house⁴. Planeta is present in the retail sector through its book chain Casa del Libro and Planeta Directo, and Bertelsmann through the Bertrand chain of book stores.

14. According to the notifying parties, the notified operation will offer Círculo the opportunity to [...] increasing membership, [...].
15. Besides the horizontal overlaps between Planeta and Círculo in the sale of books and book publishing in Spain, the notified operation requires also assessing the vertical effects arising from Planeta's presence upstream (in book publishing and sale of books to dealers which are upstream from Círculo's activities in the sale of books to consumers) and downstream (in the sale of books as Círculo has also activities in book publishing) of Círculo. Finally, the likelihood of coordination between the two parent companies of Círculo as a direct consequence of the creation of the joint venture is examined.
16. According to Article 167 (4) of the TFEU, "the Union shall take cultural aspects into account in its action under other provisions of the Treaties, in particular in order to respect and to promote the diversity of its cultures". As shown below, Círculo has a small presence in the various markets analysed. The notified operation will not have any significant impact on the diversity of books made available to consumers and is therefore unlikely to threaten consumer choice and cultural diversity.

A. Market definition

17. Book publishing involves two main activities: at the upstream level, the acquisition of publishing rights and, at the downstream level, the sale of books.
18. At the upstream level, to be able to manufacture and sell copies of a literary work, publishers must acquire intellectual property rights from either the author of the work or from another publisher (usually where the work has already been published in a foreign language) in return for royalties and/or an advance payment (primary publishing rights). The publisher of a literary work also sells the intellectual property rights for book club editions to book clubs and for pocket-format editions to pocket-format publishers (secondary publishing rights).
19. At the downstream level, having acquired the necessary intellectual property rights, a publisher will design and manufacture copies of a literary work and sell these to dealers (i.e. retailers and wholesalers). Books are then sold to consumers through a wide range of different channels, such as independent book stores, book chains, hypermarkets, kiosks, book clubs, via the Internet or mail order and others.

(i) Markets for publishing rights

Acquisition of primary book publishing rights

Product market definition

20. In previous cases, the Commission has always distinguished between the rights to publish a work in its original language and the rights to translate a work into a given language. For instance, the Commission found the acquisition of French language rights for a work written in French and the acquisition of French language rights for a work written in a

⁴ COMP/M.2487 – Bertelsmann/Arnoldo Mondadori/JV, 23 August 2001.

foreign language constitute separate product markets⁵. According to the parties, a similar analysis could be applied for the purpose of the present case in relation to the Spanish language.

21. A further segmentation could also be applied based on book categories: (i) general literature, (ii) children's books, (iii) strip cartoons (comic books) and (iv) academic and professional works⁶. The authors of each category of book are indeed not the same, publishing houses tend to specialise in a particular category and the advances paid to the authors in each category differ significantly.

Geographic market definition

22. The Commission has considered the geographic market for the acquisition of publishing rights for works written in French, as well as those to translate a work into French, to be worldwide⁷. Publishers pay no attention to an author's nationality when selecting a work and rights acquired by publishers cover worldwide exploitation. Non-French publishers also assign the rights for all aspects of the exploitation of the work in French. According to the parties, the same reasoning could be applied for the purpose of the notified operation.

Acquisition of secondary publishing rights

Product market definition

23. The Commission has already considered that book club marketing rights are a special category of rights forming a market distinct from both primary rights and another type of secondary publishing rights, pocket-format rights⁸. In assessing this, the Commission has looked at the ways of marketing books through book clubs or the amount of royalties paid to the publisher and to the author.
24. As to whether the book club publishing rights should be further subdivided by the categories of books concerned, the Commission has noted that the great majority of works marketed by book clubs are general literature titles, the only other categories being children's books, guides and manuals, art books and strip cartoon albums⁹. However, the Commission has left open whether this market should be further segmented.

Geographic market definition

25. Although the Commission has already considered that the market for the acquisition of exploitation of book club rights could have a geographic scope wider than national, possibly worldwide¹⁰, the notifying parties admit that the marketing rights acquired by a book club in Spain are often restricted in their geographic scope.

⁵ COMP/M.2978 – Lagardere/Natexis/VUP, 7 January 2004, paragraph 88.

⁶ COMP/M.2978 – Lagardere/Natexis/VUP, 7 January 2004, paragraphs 89 and following.

⁷ COMP/M.2978 – Lagardere/Natexis/VUP, 7 January 2004, paragraph 315.

⁸ COMP/M.2978 – Lagardere/Natexis/VUP, 7 January 2004, paragraph 106.

⁹ COMP/M.2978 – Lagardere/Natexis/VUP, 7 January 2004, paragraph 113.

¹⁰ COMP/M.2978 – Lagardere/Natexis/VUP, 7 January 2004, paragraphs 305 and 309.

(ii) Sale of books

Sale of books by publishers to dealers

Product market definition

26. In Lagardere/Natexis/VUP, the Commission has subdivided the French market by reference to the following types of dealers – hypermarkets, wholesalers and bookstores (including both bookstore chains and independent bookstores)¹¹. It has done so on the grounds that publishers organise their sales teams according to these three categories; that each category of customer is very different in terms of what it buys from publishers and the titles that it offers to consumers; and that the terms on which publishers sell books to each category of dealers is very different.
27. In Lagardere/Natexis/VUP, the Commission also segmented the market for the sale of books to dealers based on book categories. From a demand-side perspective, certain dealers do not sell all categories of books and, consequently, not all dealers will be interested in purchasing all categories of books from publishers. From a supply-side perspective, different publishers may only be active in relation to particular categories of books.

Geographic market definition

28. In Lagardere/Natexis/VUP, the Commission identified a geographic market encompassing the French-speaking part of the Community¹², notably on the grounds that discounts are calculated on a similar basis in these countries and there is substantial cross-border trade.
29. In the present case, linguistic barriers point towards a narrower market which is national in scope.

Sale of books to consumers

Product market definition

30. Books are sold to final consumers through a wide range of different channels including independent book stores, book chains, hypermarkets, kiosks, book clubs, the internet, mail orders, credit sales and telemarketing.
31. As regards the existence of a distinct market for sales through book clubs, the Commission has noted the characteristics of book clubs in previous decisions, stressing that customers become members after accepting a promotional offer, and that membership in a book club entails an obligation to make regular purchases¹³. Book clubs have a limited catalogue comprising both books already published by other publishers (the rights in which have been acquired from those publishers) and unpublished books.

¹¹ COMP/M.2978 – Lagardere/Natexis/VUP, 7 January 2004, paragraph 315.

¹² COMP/M.2978 – Lagardere/Natexis/VUP, 7 January 2004, paragraph 350 to 367.

¹³ COMP/M.1407 – Bertelsmann/Mondadori, 22 April 1999, paragraph 15.

32. Without adopting a final position as to the existence of a distinct market for sales through book clubs, the Commission has taken the view that the activities of book clubs belong to the "distance selling" segment, which also includes sales through the Internet and by mail order. Sales through book clubs do not therefore form part of retail sales in shops¹⁴.
33. However, in a recent decision, the Commission has identified a single market for all sales of books to final customers and noted that the Commission's market investigation did not bring forward any element on the basis of which a distinct "distant sale" market (including book clubs, mail order and sales via the Internet) might be identified¹⁵.

Geographic market definition

34. The notifying parties submit that the relevant geographic market for all retail sales of books is national.
35. Given the fact that the notified operation concerns mainly the sale of Spanish language books in Spain, the relevant geographic market to be considered in this case is Spain.

(iii) Conclusion

36. For the present case, the exact product and geographic market definitions can be left open since the notified operation is unlikely to raise any competition concerns under any possible market definition.

B. Competitive assessment

(i) Horizontal assessment

37. The notified operation gives rise to horizontal overlaps between Planeta and Círculo on the Spanish markets for (i) the acquisition of primary publishing rights (including the sub-market for the acquisition of original language rights), (ii) the sale of books to dealers (and possible sub-markets), and (iii) the sale of books to consumers.

Acquisition of primary book publishing rights

38. Planeta is the leading publisher in Spain with a market share of about [10-20]% on the overall market for the acquisition of primary publishing rights.
39. Círculo has a very small presence in the market for the acquisition of primary publishing rights through Galaxia (market share of less than [0-5]%). The book club also acquires a small number of publishing rights directly from authors independently of Galaxia. Publishing is however a minor part of Círculo's overall activities¹⁶.

¹⁴ COMP/M.2978 – Lagardere/Natexis/VUP, 7 January 2004, paragraph 295.

¹⁵ COMP/M.4611 - Egmont/Bonnier, 15 October 2007, paragraphs 13 and 19.

¹⁶ In 2008, less than [0-5]% of Círculo's revenues (approximately EUR [...] million) were attributable to Galaxia.

40. Should a further segmentation between acquisition of original language rights and acquisition of rights to translation be applied (including a possible further segmentation by book categories¹⁷), Planeta's and Círculo's market shares would be as follows:

Rights to publish a literary work by value (2008)

	Galaxia	Planeta	Combined
Original language overall	< [0-5]%	[10-20]%	<[10-20]%
Original language - general literature	< [0-5]%	[20-30]%	< [20-30]%
Translated version overall	< [0-5]%	[10-20]%	<[10-20]%
Translated version - general literature	< [0-5]%	[10-20]%	<[20-30]%

41. Based on the parties' estimates, Planeta's and Círculo's combined market shares on these hypothetical markets are in all cases less than [20-30]% and the increment is less than [0-5]%.
42. The notified operation is therefore unlikely to raise any competition concerns on the markets for the acquisition of primary book publishing rights.

Sale of books by publishers to dealers

43. Planeta is the leading publisher in Spain, with a market share of [10-20]% on the overall market for the sale of books to dealers.
44. Círculo has only a very limited presence in the sale of books to dealers through Galaxia (market share of less than [0-5]%).
45. As regards a possible segmentation by book categories, Planeta's and Círculo's activities only overlap on a hypothetical sub-market concerning the sale of large format general literature titles.
46. Based on the parties' estimates, Planeta's and Círculo's combined market share in this segment is less than [30-40]% with a *de minimis* increment of less than [0-5]%.
47. As regards a possible segmentation by dealer categories, Planeta's and Círculo's activities only overlap concerns sales to wholesalers.
48. Based on the parties' estimates, Planeta's and Círculo's combined market share in these segments is less than [5-10]% with a *de minimis* increment of less than [0-5]%.
49. Due to the very small increment and the limited combined market share of Planeta and Círculo, the notified operation is unlikely to raise any competition concerns on the sale of books by publishers to dealers.

¹⁷ The only book categories in which Círculo's and Planeta's activities overlap concerns general literature titles for both acquisition of original language rights and the rights to translation. The book categories are based on those identified in Case COMP/M.2978 – Lagardère/Natexis/VUP.

Sale of books to consumers

50. Based on the parties' best estimates, Planeta and Círculo had a combined share of approximately [5-10]% of the market for all sales of books to consumers in Spain in 2008 ([0-5]% Planeta; [5-10]% Círculo).
51. The parties will also continue to face competition from a wide range of retailers, including in particular the numerous independent books stores present on the market, other book chains, kiosks, hypermarkets and El Corte Inglés.
52. Planeta and Círculo do not sell books to consumers via the same channels since Círculo sales books through its book club¹⁸ and Planeta is not active in this business¹⁹. There is therefore no overlap between Círculo and Planeta on the hypothetical market for the sale of books through book clubs.
53. As regards a possible segmentation by book categories, the notifying parties estimate that Planeta and Círculo would have a combined share of approximately [5-10]% and [0-5]% respectively on the hypothetical sub-markets for large format general literature and children's books. Planeta and Círculo do not overlap in any other book categories.
54. The notified operation is therefore unlikely to give rise to any competition concerns on the market for the sale of books to consumers or any possible sub-segments based on the book category.

(ii) Vertical assessment

55. The main vertical relationships result from Planeta's presence in the markets for publishing and for the sale of books to dealers and Círculo's presence in the downstream market for the sale of books to consumers through its book club business²⁰.

Upstream market for the sale of books to dealers and downstream market for the sale of books to consumers

56. As regards a risk of input foreclosure, similarly as Bertelsmann in the current situation, Planeta would have no incentive to foreclose access to its books by rival retailers.
57. Planeta's main business activity is publishing and it has an interest that its books are sold as widely as possible. Círculo has only a small market share on the downstream market for all sales of books to consumers ([5-10]%). If it were to engage into such foreclosure strategy, Planeta would also lose its ability to attract authors whose reputational and financial interests depend on their books being retailed as widely as possible.
58. The Commission's market investigation has confirmed that the book club business is declining, as illustrated by the fall of members and sales of books by Círculo²¹. Since

¹⁸ Only [0-5]% of books sold by the book club are sold in physical outlets.

¹⁹ Planeta makes some door to door sales of large reference works but this activity cannot be considered as a book club business. Planeta does not sale books via the distant sale channel.

²⁰ Given the marginal position of Círculo on the upstream markets of sale of books by publishers to dealers, acquisition of primary publishing rights, any anticompetitive risks resulting from the vertical relationships with Planeta's activities on the downstream market for the sale of books to consumers are de facto limited.

2004, the value of sales of books by Círculo has decreased [by around 20%], and the number of its members [by around 20%]. At the same time, the total value of sales of books in Spain have risen from EUR 2 882 million to EUR 3 186 million. As noted by a respondent, "it will be a difficult market, because the future of the book will be in Internet". Sales via the internet are seen as a current and expanding channel for the sale of books. Planeta will therefore not have any incentive to favour Círculo whose activities focus on book club sales. In addition, Planeta is already present downstream in the sale of books to consumers and the addition of Círculo which only has a small market share does not increase its incentive to discriminate.

59. As regards a risk of customer foreclosure, Círculo purchases a relatively small number of books. For example, in 2008, Círculo's share of the overall retail market in Spain was approximately [5-10]%. In case of a foreclosure strategy involving the purchase of books by Círculo for onward sales to consumers, competing publishers would have various alternative channels such as independent bookstores or hypermarkets. These channels constitute strong alternatives regarding the declining business of book clubs in Spain, as already mentioned above.
60. The notified operation is therefore unlikely to raise any competition concerns arising from the vertical relationship between Planeta's activities in the sale of books to dealers and Círculo's activities in the sale of books to consumers.

Upstream market for the acquisition of publishing rights and downstream market for the sale of books to consumers through book clubs

61. A vertical link arises as a result of Planeta's presence in the upstream market for the assignment of book club rights where Círculo is present as a customer.
62. Círculo is the main book club currently active in Spain with an estimated market share of [90-100]% on the hypothetical market for the sale of books through book clubs in Spain. Círculo is followed by Grup del Llibre, which only sells books in Catalan and has an estimated market share of around [0-5]% of the sales of books by book clubs.
63. As regards a risk of input foreclosure, the parties submit that Planeta has no incentive to foreclose access by Grup del Llibre to book club rights because it does not exert a competitive constraint on Círculo and it is not considered as a close competitor²².
64. Even if Planeta were to restrict Grup del Llibre's access to its books / book club rights, this would have no impact on Grup del Llibre's ability to compete with Círculo downstream. Planeta does not currently supply books to Grup del Llibre (and has not done so for the past year). Grup del Llibre could continue to obtain supplies from its existing suppliers and the numerous Catalan book publishers active in Spain.
65. In addition, Círculo would not be in a position to increase the prices it charges to its members as a result of such foreclosure strategy, as it would leave it vulnerable to losing market share to other competitors in book retailing. In this respect, the Commission market investigation has showed that sales via the internet, as well as e-books are seen as the future of the book business.

²¹ All respondents to the Commission's market investigation indicated that the book club business is declining.

²² Sales of Catalan books constitute only [0-5]% of Círculo's total book sales.

66. Regarding the risk of raising the barriers to entry for the sale of books by book clubs, the information provided by the parties shows that this is a declining market²³. Therefore, it is rather unlikely that there will be new entrants on the book club market in Spain. These characteristics of a declining market have been unanimously confirmed by the Commission's market investigation results which raise the competitive constraint exerted by sales via Internet and the change in consumers' habits.
67. As regards a risk of customer foreclosure, there would be no incentive to foreclose access to Círculo to the detriment of Planeta's publishing rivals. Whilst Planeta is an important supplier of book club rights to Círculo ([20-30]% of titles sold by Círculo are Planeta titles), Círculo's reputation and profitability depends on obtaining book club rights so as to allow it in turn to sell titles that appeal to its members, regardless of the source of the rights to publish those books. Any foreclosure strategy would also have no effect on rival suppliers. Although Círculo is the main customer of book club rights in Spain, the revenues earned from the exploitation of book club rights constitute a small fraction of the revenues earned by publishers, the bulk of which comes from the sale of books.
68. The notified operation is therefore unlikely to raise any competition concerns arising from the vertical relationship between Planeta's activities in publishing and Círculo's book club activities.

(iii) Co-operative effects of the joint venture

69. As both Bertelsmann and Planeta retain significant activities in the markets for publishing and sale of book to dealers in Spain, apart from their participation in Círculo, it is necessary to examine pursuant Article 2(4) of the Merger Regulation whether the notified operation gives rise to a risk of coordination between independent undertakings which restricts competition within the meaning of Article 101(1) of the Treaty.
70. Bertelsmann is indeed active in the markets for the acquisition of primary book publishing rights and for the sale of books to dealers in Spain through its 50% interests in RH Mondadori, a full-function joint venture which it jointly controls with Mondadori²⁴.
71. Planeta and Bertelsmann have the following market shares on the markets where their activities overlap:

- *Acquisition of primary book publishing rights in Spain:*

Market shares (in value, 2008)	Círculo	Planeta	RH Mondadori
Original language	< [0-5]%	[10-20]%	[0-5]%
General Literature	< [0-5]%	[20-30]%	[0-5]%
Translated version	< [0-5]%	[10-20]%	[10-20]%
General Literature	< [0-5]%	[10-20]%	[30-40]%
Children's books	-	[10-20]%	[0-5]%
Overall market	<[0-5]%	[10-20]%	[5-10]%

Source: Parties' estimates and Comercio Interior del Libro report for 2008, and Nielsen book data, 2009..

²³ See figures provided in paragraph 57.

²⁴ Bertelsmann is also active in book retailing through the Bertrand book chain, but it has a very small market share of [0-5]% [...].

- Sales of books to dealers in Spain (by book category):

Market shares (in value, 2009)	Círculo	Planeta	RH Mondadori
General literature large format	< [0-5]%	[30-40]%	[10-20]%
General Literature pocket format	-	[10-20]%	[10-20]%
Children's books	-	[10-20]%	[0-5]%
Overall market	< [0-5]%	[10-20]%	[0-5]%

Source: Parties' estimates, Comercio Interior del Libro report for 2008, and Nielsen book data, 2009.

- Sales to books to dealers in Spain (by dealer category):

Market shares (in value, 2009)	Círculo	Planeta	RH Mondadori
Wholesalers	< [0-5]%	[5-10]%	[0-5]%
Book stores	-	[30-40]%	<[0-5]%
Book chains	-	[10-20]%	<[10-20]%
Hypermarkets	-	[10-20]%	<[10-20]%
Overall market	< [0-5]%	[10-20]%	[0-5]%

Source: Parties' estimates, Comercio Interior del Libro report for 2008 and Nielsen book data, 2009.

72. Planeta and Bertelsmann (via RH Mondadori) have significant combined market shares on some markets, namely for the acquisition of primary book publishing rights in Spain for translated version of general literature ([40-50]% combined market share), sale of general literature large format and pocket format to dealers in Spain ([40-50]% combined market share), sale of general literature in pocket format to dealers in Spain ([30-40]%) and sale to book stores in Spain ([40-50]%).
73. Despite these significant market shares, the notified operation through which Planeta acquires joint control of Círculo does not lead to a risk of coordination between the parent companies in these markets.
74. It can be noted that the Commission has already considered and ruled out a risk of coordination on the occasion of the creation of two other joint ventures between Planeta and Bertelsmann in the book sector in Spain²⁵.
75. There is no incentive for coordination between the parents of Círculo because:
- (a) book club revenues account for only a very small (and declining) proportion of all retail sales of books in Spain: in 2008, they represented EUR 102 million out of EUR 3 186 million;
 - (b) the publishing market is substantial in size, but Círculo's presence in the publishing sector is de minimis (around EUR [...] million, representing less than [0-5]% of this business in Spain);
 - (c) the revenues attributable to Bertelsmann and Planeta as a result of their participation in Círculo are very small in comparison to the revenues that they each achieve through their retained activities [less than 10% for each of them]; [...].

²⁵ Case JV.24 – Bertelsmann/Planeta/BOL, 3 December 1999, and Case JV.39 – Bertelsmann/Planeta/NEB, 28 February 2000.

76. For the reasons set out above, the notified operation is therefore unlikely to lead to a risk of coordination of the competitive behaviour of Bertelsmann and Planeta in the markets for publishing and sale of books to dealers in Spain.

V. CONCLUSION

77. On the basis of its examination of the likely impact of the passage from sole control by Bertelsmann to joint control by Bertelsmann and Planeta over Círculo, the Commission concludes that the notified operation is unlikely to significantly impede effective competition in the internal market or in a substantial part of it. The notified operation does not have any negative impact on consumer choice and cultural diversity.

78. For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation.

For the European Commission,
(signed)
Cecilia Malmström
Member of the European Commission