



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 06.11.1997

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

To the notifying parties

Dear Sirs,

**Subject: Case No IV/M. 1026 - NORDIC CAPITAL / APAX INDUSTRI**

Notification of 09.10.1997 pursuant to Article 4 of Council Regulation No 4064/89

1. On 9 October 1997, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which the undertakings Atle AB (Atle), Investment AB Bure (Bure), AllmännaPensionfonden 4:e fondstyrelsen (AP4:e), Handelsbanken Livförsäkringsaktiebolag (controlled by Svenska Handelsbanken - SHB) and Livförsäkringsaktiebolaget Skandia (Skandia) - hereinafter referred to as "the Investors" - acquire a stake in Apax Industri AB (Apax), a Swedish company active in manufacturing beds and upholstered furniture.
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 functioning of the EEA Agreement.

**I. THE PARTIES' ACTIVITIES AND THE OPERATION**

3. The business activities of the undertakings concerned are: Atle and Bure are Swedish investment holdings and asset management companies, AP4:e is a Swedish state-owned pension fund, SHB is a major Swedish bank offering all kinds of services and Skandia is the largest insurance company in Sweden.
4. The Investors have authorised Nordic Capital Svenska AB (Nordic Capital) to act on their behalf and to take all legal actions in respect of the agreement without any restrictions.<sup>1</sup> The investment made within the framework of Nordic Capital is jointly

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<sup>1</sup> For other decisions involving Nordic Capital, see case No IV/M.522, *Scandinavian Project*, of 28 November 1994; case No IV/M.625, *Nordic Capital/Transpool*, of 23 August 1995; and case No IV/M.732, *Nordic Capital/Euroc*, of 18 April 1996.

owned by the Investors whose reciprocal relationship are regulated through consortium agreements which provide that decisions by Nordic Capital require unanimous approval of all Investors. Consequently, Nordic Capital is jointly controlled by the Investors.

5. Apax Industri is a Swedish holding company of the Apax Group which is active in the sectors for the manufacturing of beds and upholstered furniture. Apax Industri has subsidiaries in Sweden, Denmark, Norway and Finland.
6. Prior to the operation, Apax Industri is jointly owned by Skandia Investment AB (23%), the Conradsson family (38.5%) and the Hultman family (38.5%). The company is, however, jointly controlled by the Conradsson and Hultman families only. Following the operation, the Investors will own 60% of the shares in a new company, Apax Intressenter AB, which will own Apax Industri. The former owners will keep the remaining 40%: Skandia Investment will own 10%, Mr. Hultman 15% and Mr. Conradsson 15%. Resolutions by the Shareholders' Meeting and by the Board of Directors require a majority representing at least 70% of the shares in Apax Intressenter.<sup>2</sup> Consequently, the Investors will not, on their own, reach the majority required for the adoption of resolutions. No shareholders agreement exists between Nordic Capital and any of the other shareholders.
7. Given the fact that Livsförsäkringsaktiebolaget Skandia (being an investor in Nordic Capital) and Skandia Investment (being a minority shareholder in Apax Intressenter) both belong to the Skandia Group, these companies must be expected to have strong common interests to the effect that they would not act against each other in exercising their rights in relation to the joint venture. The Investors and Skandia Investment will together reach the majority required for the adoption of all major decisions. Therefore, the Commission considers that Apax Intressenter, and thus indirectly Apax Industri, will be jointly controlled by the Investors and Skandia Investment.
8. Furthermore, Apax Industri is an existing company with all the assets and resources necessary to enable it to perform all the functions of an autonomous economic entity. The operation involves a change in control of Apax Industri and since the Investors have no activities of their own or any controlling or otherwise material ownership interests in the same product markets as those of Apax Industri, the creation of the joint venture will not give rise to co-ordination of the competitive behaviour of the parties amongst themselves.

## **II. COMMUNITY DIMENSION**

9. The notifying parties have combined aggregate world-wide turnover of more than ECU 16 billion which is thus above the ECU 5 billion requested by the Merger Regulation. Each of the notifying parties, except Bure, has a Community-wide turnover in excess of ECU 250 million (Atle - ECU 315 million; AP4:e - ECU 898 million; SHB - ECU 5,903 million; and Skandia - ECU 4,441 million), but they do not achieve more than two-thirds of their aggregate Community-wide turnover

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<sup>2</sup> The same majority of 70% is required to adopt decisions by the Board of Directors in the subsidiaries of Apax Intressenter, and thus in Apax Industri.

within one and the same Member State. The notified operation therefore has a Community dimension.

### **III. COMPETITIVE ASSESSMENT**

#### **A. Relevant product markets**

10. The notifying parties state that there are relevant product markets for manufacturing of beds and upholstered furniture, respectively. However, it is not necessary to determine whether these products are separate markets or form part of a wider market because, in all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

#### **B. Relevant geographic markets**

11. The notifying parties state that the relevant geographic markets are the Nordic countries for beds and national for upholstered furniture. It is, however, not necessary to determine whether the markets are national or wider because, in all alternative geographic market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

#### **C. Assessment**

12. The notified operation amounts to a change in the control structure of Apax Industri. However, the operation will not lead to an addition of any market shares and therefore not to any change of the market structure in the markets of the joint venture. Therefore, the notified operation will have no impact on competition in the EEA. 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.

### **V. CONCLUSION**

13. 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 functioning of the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,