

***Case No IV/M.1319 -  
SMURFIT CONDAT /  
CVC***

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

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Article 6(1)(b) NON-OPPOSITION  
Date: 23/10/1998

*Also available in the CELEX database  
Document No 398M1319*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.10.1998

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sirs,

**Subject: Case No IV/M.1319 – Smurfit Condat/CVC**

Notification of 24 September 1998 pursuant to Article 4 of Council Regulation No 4064/89

1. On 24.9.1998, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which Papier 97, S.A., a holding company belonging to the group, CVC Capital Partners Europe Limited (“CVC”), acquires within the meaning of Article 3(1)(b) of the Council Regulation sole control of the French company, Smurfit Condat, S.A., belonging to the Jefferson Smurfit Group, through its Italian subsidiary, Cartiere del Garda, S.p.A.
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. CVC, the acquiring group, is a private equity provider active in the provision of services of fund management and investment advice. Papier 97, S.A. is a holding company and its subsidiary, Cartiere del Garda, S.p.A., is a manufacturer of coated wood free paper. The target company, Smurfit Condat, S.A. is likewise a producer of coated wood free paper and also has minor activities in wood pallets.
4. CVC will acquire sole control over Smurfit Condat, S.A. through Cartiere del Garda, S.p.A., a subsidiary of the holding company, Papier 97, S.A., controlled by CVC.

**II. COMMUNITY DIMENSION**

5. The combined aggregate worldwide turnover of the undertakings concerned is more than ECU 2 500 million (CVC, ECU 9 312 million and Smurfit Condat, S.A., ECU 274 million). The combined aggregate turnover of the undertakings concerned is more than ECU 100

million in three Member States. The aggregate turnover of CVC and that of Smurfit Condat, S.A. is more than ECU 25 million in three Member States. The aggregate Community-wide turnover of both CVC and Smurfit Condat, S.A. is more than ECU 100 million (CVC, ECU 8 899 million and Smurfit Condat, S.A. ECU 206 million). CVC and Smurfit Condat, S.A. do not both achieve more than two thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation, therefore, has a Community dimension.

### **III. COMPETITIVE ASSESSMENT**

#### **The Relevant Product Market**

4. The only overlap between the activities of the target company, Smurfit Condat S.A. and those of CVC, is in the production of coated wood free paper. In previous Commission decisions in the paper sector (most recently in Case No.IV/M.1006 - UPM-Kymmene/April of 11.6.1998) the Commission has left open the question of whether coated wood free paper constitutes a separate product market within fine paper. As there are no competition concerns in this case, the Commission can continue to leave the question of a more precise product market definition open.

#### **The Relevant Geographic Market**

7. The Commission in previous decisions in the paper sector (most recently in Case No.IV/M.1006) has considered the geographic scope of the market for the different types of fine paper, among which coated wood free paper, to be at least EEA wide, due to the ease of transport and the relatively low transport costs.

#### **Assessment**

5. The combined market share of the parties resulting from the horizontal overlap of their respective activities in coated wood free paper does not give rise to an affected market in this case. Likewise, there are no vertical relationships giving rise to any affected market.
9. Hence, it is considered that 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.

### **IV. CONCLUSION**

10. 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.

For the Commission,