

***Case No IV/M.1488 -
WILLIAM HILL /
CINVEN / CVC***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION

Date: 26/03/1999

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

Brussels, 28.3.1999

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 parties

Subject : **Case No IV/M.1488 – William Hill/Cinven/CVC**
Notification of 25.2.1999 pursuant to Article 4 of Council
Regulation No 4064/89

1. On 25.2.1999 the Commission received the notification of a proposed operation by which the U.K. company, Cinven Limited (« Cinven ») and the Jersey-based company, CVC Capital Partners Europe (« CVC »), through its subsidiary, CVC European Equity II Limited, will acquire joint control of the U.K company, William Hill plc (« William Hill »), an indirectly-held subsidiary of Nomura International plc.
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 AND THE OPERATION

3. Both Cinven and CVC are venture capital business whose primary activity is investment advice and fund management.

4. William Hill is a provider of bookmaking services, offering odds and taking bets on a wide variety of sporting and other events, mainly in the U.K.
5. The acquisition of William Hill will be carried out through a newly-created vehicle company, Chartley Limited (“Chartley”), constituted for the purposes of the operation. Cinven and CVC will jointly control Chartley: Both have the right to appoint the same number of directors to the Board and it is agreed that Chartley will not take any action without the prior approval of both Cinven and CVC.

II. CONCENTRATION OF A COMMUNITY DIMENSION

6. William Hill, which will be wholly-owned by Chartley, will preserve its full function nature under the structure of the proposed operation.
7. The combined aggregate world-wide turnover of the undertakings concerned is EUR¹. [...] (Cinven, EUR [...]; CVC, EUR [...]) and William Hill, EUR [...]. The aggregate Community-wide turnover of at least two of the undertakings concerned was more than EUR 250 million (Cinven, EUR [...]; CVC, EUR [...] million; William Hill, EUR [...]). While both Cinven and William Hill achieve more than two thirds of their respective aggregate Community-wide turnovers in the U.K., CVC does not. Hence the concentration has a Community-wide dimension.

III. ASSESSMENT

8. While William Hill is an important player in the bookmaking sector in the U.K., the acquiring companies, Cinven and CVC, as financial institutions, are not active in this sector. Furthermore, none of the investee companies in which they have a controlling interest is active in any product market in which any member of the William Hill group is active, or in any market upstream, downstream or neighbouring such markets.
9. Hence it is considered that the proposed operation 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

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,