

***Case No COMP/M.1765 -
KKR ASSOCIATES /
SIEMENS NIXDORF
RETAIL AND BANKING
SYSTEMS***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 17/12/1999

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

Brussels, 17.12.1999
SG(99) D/10335

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 COMP/M.1765 – KKR ASSOCIATES / SIEMENS NIXDORF
RETAIL AND BANKING SYSTEMS**

Notification of 16.11.1999 pursuant to Article 4 of Council Regulation
No 4064/89

1. On 16.11.1999, the Commission received a notification whereby the undertaking KKR Associates Ltd (“KKR”), U.S., notified its intention to acquire sole control of the whole of the German undertaking Siemens Nixdorf Retail and Banking Systems GmbH (“SNRBS”).
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89¹ 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. KKR is making equity investments on behalf of itself or its investors either through controlling ownership or strategic minority positions. The portfolios currently held by KKR comprises investments, *inter alia*, in manufacture of packages, recreation resorts, food retailing, assurance companies. Most of these investments are companies in the U.S..

¹ OJ L 395, 30.12.1989, p.1; corrected version OJ L 257 of 21.9.1990, p. 13; as last amended by

Regulation (EC) No 1310/97, OJ L 180, 9.7.1997, p. 1, corrigendum in OJ L40, 13.2.1998, p. 17.

4. SNRBS has activities in the retail and banking systems. Retail banking systems include the retail workstation business for the retail industry, e.g. Electronic Point Of Sale (“EPOS”) systems, Personal Computer (“PC”) -based retail systems. Banking systems include the financial workstation business for the banking sector, e.g. automated teller machines, automatic teller safes, information/statement printers. A corresponding range of hardware and software-related services is offered together with these retail and banking systems.
5. KKR will acquire SNRBS by way of purchase of shares.

II. CONCENTRATION

6. The transaction consists of the acquisition by KKR of sole control of the whole of SNRBS within the meaning of Article 3(1)(b) of the Merger Regulation.

III. COMMUNITY DIMENSION

7. The undertakings KKR and SNRBS have a combined aggregate worldwide turnover in excess of EUR 5000 million (In 1998, KKR: [...], SNRBS: [...]). Each of them has a Community-wide turnover in excess of EUR 250 million (KKR: [...], SNRBS: [...]). Only SNRBS achieves more than two-thirds of its aggregate Community-wide turnover within one and the same Member States. The notified operation, therefore, has a Community dimension according to Article 1(2). It does not constitute a co-operation case under the EEA Agreement pursuant to Article 57 of that Agreement.

IV. COMPETITIVE ASSESSMENT

Relevant product markets

8. The notified operation involves the retail and banking systems business including with its hardware and software-related services. The notifying party suggests a further distinction into financial workstations and retail workstations. The former are typically used in self-service cash and non-cash market segments in the banking sector, whereas the latter are computerised checkout and cash register systems used in the retail, hotel and restaurant business. For the purpose of this case, however, the product market definition can be left open, since, even on the basis of the narrowest definition, the proposed operation does not raise serious doubts as to its compatibility with the common market or a substantial part of it.

Relevant geographic markets

9. The notifying party refers to a previous Commission’s decision², in which the geographic scope of the relevant product markets is Community-wide. Since the proposed operation has no geographic overlap between the parties in the EU, the geographic market definition can be left open.

² IV/M.50 AT&T / NCR

Assessment

10. Neither KKR nor any other company owned or controlled by KKR is active in the retail and banking systems business. Therefore, the proposed operation would not lead to any addition of market shares or vertical relations within the EEA.

Conclusion

11. In view of the above information, the proposed concentration does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA Agreement.

V. CONCLUSION

12. For the above reasons, the Commission 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,

signed by
David BYRNE
Member of the Commission