

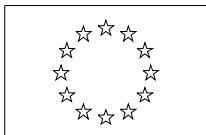
***Case No COMP/M.1773 -
NORDIC CAPITAL /
TRELLEBORG***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 20/12/1999

*Also available in the CELEX database
Document No 399M1773*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.12.1999

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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

Dear Sirs,

Subject: Case No COMP/M.1773–Nordic Capital III Ltd/Trelleborg International B.V.
Notification of 19 November 1999 pursuant to Article 4 of Council Regulation No 4064/89

1. On 19 November, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89¹ (“the ECMR”) as last amended by Regulation (EC) No 1310/97² according to which Nordic Capital III Ltd and Trelleborg International B.V. belonging to the Trelleborg Group (“Trelleborg”) acquire, within the meaning of Article 3(1)(b) of the Regulation, joint control of NT Holding AB, consisting of the companies Ahlsell AB, Bröderna Edstrand AB, Starckjohann Oyj and Reynolds European SAS and their subsidiaries and sister companies (“the target companies”). The target companies are currently wholly owned by Trelleborg. Trelleborg is ultimately controlled by the Dunker Foundations.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of the Council Regulation 4064/89 and does not raise serious doubts as to its compatibility with the Common Market and the functioning of the EEA Agreement.

¹ OJ L 395, 30.12.1989, p.1; corrigendum, OJ L 257, 21.9.1990, p.13.

² OJ L 180, 9.7.1997, p.1; corrigendum OJ L 40, 13.2.1998, p.17.

I. THE PARTIES

3. Nordic Capital is an investment firm mainly focusing on the Nordic region. Its business consists of management ownership participation aimed at developing the business and thereby enhancing its value.
4. The current transaction only involves Nordic Capital Fund III. Its business activities include: manufacturing of electronic components, pharmaceuticals, freight forwarding, and production for the paper industry. There are a number of different Funds bearing the name Nordic Capital. The first Fund has been dissolved and thus exists no more. The second Fund's portfolio companies are active in the markets for leather upholstery and leather for automotive industry, plastic foils, beds and upholstery furniture, surgical and wound management products. Currently only Fund III is active.
5. Trelleborg is active in the businesses for automotive industry, tyres and wheel systems, industrial rubber products (engineered systems) and non-automotive sealing products (building systems).
6. The target companies' activities include wholesaling of electrical products, material for plumbing and heating, refrigeration installations, wholesaling and distribution of trade steel, special steel, stainless steel, and non-ferrous metals, retailing and wholesaling of building materials.

II. THE OPERATION AND THE CONCENTRATION

7. The notified transaction will take place in two steps. First, the target companies, which are currently wholly owned by Trelleborg, will be transferred to a newly set up holding company, NT Holding. In a second step, Nordic Capital will acquire 51% of the shares in NT Holding. Trelleborg will retain the remaining 49%. The parties have concluded a Shareholders' Agreement, according to which they will hold equal representation on the Board of NT Holding and veto rights for each party on issues including adoption of the business plan and appointment of senior management. The notified operation will therefore result in the acquisition, by Nordic Capital and Trelleborg of joint control over NT Holding (and, indirectly, the target companies) within the meaning of Article 3(1)(b) of the ECMR.

III. COMMUNITY DIMENSION

8. The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 2,500 million. In 1998, Trelleborg had a total turnover of EUR 2,808 million. The corresponding figure for Nordic Capital was EUR 1,166 million. The combined turnover of Trelleborg and Nordic Capital exceed EUR 100 million in Denmark (163 million), Finland (806 million), France (150 million), Germany (233 million), Sweden (1,194 million), and the United Kingdom (166 million). The turnover of each of Trelleborg and Nordic Capital exceeds EUR 25 million in Denmark, Finland, Germany, Sweden and the United Kingdom. The aggregate Community-wide turnover of each of the undertakings concerned is more than EUR 100 million (Trelleborg 2,360 million and Nordic Capital 702 million). They do not 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.

IV. COMPETITIVE ASSESSMENT

9. According to the notification, Nordic Capital has no activities in any market where the target companies are active. The parties have indicated that there is a vertical relationship between the market for the production of non-automotive sealing profiles (where Trelleborg will remain active) and the retail/wholesale of building materials (where the target companies are active).
10. However, given that this vertical relationship already existed within the Trelleborg group, and the fact that Nordic Capital is not involved in any business activities which is overlapping those of the Trelleborg companies, the structure of competition will not be materially affected by the concentration.
11. The proposed transaction is therefore not susceptible to lead to the creation or strengthening of a dominant position as a result of which effective competition would be significantly impeded in the common market and the EEA or in a substantial part thereof.

V. CONCLUSION

12. 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