

***Case No COMP/M.1791 -  
UBS CAPITAL /  
VENCAP / STIGA***

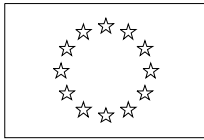
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**REGULATION (EEC) No 4064/89  
MERGER PROCEDURE**

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

*Also available in the CELEX database  
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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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 parties

Dear Sirs,

**Subject: Case No COMP/M.1791 - UBS Capital/VENCAP/STIGA**

Notification of 22.11.99 pursuant to Article 4 of Council Regulation No 4064/89

1. On 22.11.1999, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89<sup>1</sup> whereby UBS Capital and the undertaking VenCap acquire joint control of the undertaking Stiga AB (Stiga).

**I. THE PARTIES**

2. UBS Capital is a Dutch subsidiary of the Swiss banking company Union Bank of Switzerland (UBS). The UBS Group is active in various forms of banking and UBS Capital belongs to the UBS Capital Division of the Group. The UBS Capital Division is active globally in the private equity business.
3. VENCAP is a Swedish holding company owned by Grimaldi Industries. Otherwise Grimaldi Industries is mainly active through Monark Stiga and its subsidiaries in manufacture and sale of different kinds of bicycles, including motorcycles, cycle exercisers and similar products. VENCAP has no shareholdings itself in Stiga before the transaction has been completed.
4. Stiga AB is a subsidiary of Monark Stiga. Stiga AB is divided into three fields: Stiga Garden, Stiga Belas and Stiga Games.

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<sup>1</sup> OJ L 395, 30.12.1989 p. 1; corrigendum OJ L 257 of 21.9.1990, p. 13; Regulation as last amended by Regulation (EC) No 1310/97 (OJ L 180, 9. 7. 1997, p. 1, corrigendum OJ L 40, 13.2.1998, p. 17).

## II. CONCENTRATION

5. The operation involves UBS Capital and VENCAP. These undertakings will indirectly through a jointly owned holding company set up for the purpose of this transaction acquire joint control of the whole of the undertaking Stiga, by way of purchase of shares. Until the completion of the transaction, Stiga remains a wholly owned subsidiary of Monark Stiga. Consequently, the transaction is a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

## COMMUNITY DIMENSION

6. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 billion<sup>2</sup> (Grimaldi Group: EUR 434 million; UBS Group: EUR 22 328 million). Each of the undertakings concerned have a Community-wide turnover in excess of EUR 250 million (Grimaldi Group: EUR [...] million; UBS Group: EUR [...] million). Furthermore, the parties do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. Therefore, the notified operation has a Community dimension according to Article 1(2) of the Merger Regulation. It does not constitute a co-operation case pursuant to Article 57 of the EEA agreement.

## III. COMPETITIVE ASSESSMENT

### Relevant product markets

7. The operation involves manufacture and sale of garden equipment for household and professional use. Stiga Garden is the largest activity field of the Stiga AB and manufactures and sells gardening equipment (lawn mowers etc.). It accounted for 83 % of Stiga AB's turnover in 1998. Stiga Belas sells equipment for professional use (tool lifts, grass mowers and compact tractors). Stiga Games sells different leisure products.
8. According to the parties there are no horizontal overlaps. However, the parties have identified six markets on which the notified merger would have an impact. These markets concern garden equipment and leisure products. The parties will not obtain a market share of above 10 % in any of the identified markets after the merger has been completed. In addition, there are numerous manufacturers of such items and there are no product markets where two or more of the parties to the concentration are engaged in business activities in the same product market. Finally, there are no vertically affected markets. Since the parties do not have significant market shares under any relevant market definition, such a definition is unnecessary in the present case.

### Relevant geographic markets

9. There is no geographic overlap between the parties in the EU, and therefore the geographic market definition can be left open.

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<sup>2</sup> Turnover calculated in accordance with Article 5(1) and 5(3) 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.

## Assessment

10. Neither of the company groups that will acquire control over Stiga after the operation are active in any of Stiga's product markets. The Grimaldi Group is mainly active within manufacture and sale of different types of bicycles (motorcycles, cycle exerciser etc.). The UBS group is mainly active in various forms of banking. The UBS Group also has certain shareholdings conferring control over other companies active in various product markets. However, none of these is related to any of the product markets where Stiga is active, or any product markets upstream or downstream in relation to any such market. In addition, there is no such connection between any of the product markets where the Grimaldi group is active and any of those where the UBS Group is active.
11. In light of the above information, the proposed transaction does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA agreement.

## **IV. 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