

***Case No COMP/M.2384 -
RATOS / 3i GROUP /
ATLE***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 02/04/2001

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 02.04.2001

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 Sir/Madam,

**Subject: Case No COMP/M.2384 – Ratos/3i Group/Atle
Notification of 1 March 2001 pursuant to Article 4 of Council Regulation
No 4064/89¹**

1. On 1 March 2001, the Commission received a notification of a proposed concentration by which the undertaking Woodrose Invest AB (Woodrose) controlled by the undertaking Ratos AB (Ratos) and venture capitalist 3i Group plc (3i) acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of the undertaking Atle AB (Atle) by way of public bid announced on 19 February 2001.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of the Council Regulation and does not raise serious doubts as to its compatibility with the common market or with the functioning of the EEA Agreement.

I. THE PARTIES

3. Ratos is a Swedish holding company, listed on the O-list at the OM Stockholm Exchange. 3i is a UK venture capital company that primarily invests in Europe. It is listed on the London Stock Exchange. Woodrose is a company incorporated in Sweden that serves as the vehicle to make a public offer for Atle. Atle is a Swedish private equity company, listed on the A-list at the OM Stockholm Exchange.

¹ 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. THE OPERATION

4. The concentration consists of the acquisition by Woodrose of Atle. Following Woodrose's completion of the acquisition, Atle's investment portfolio will be divided between Ratos and 3i in approximate ratio 38:62 by value. 84 % of the investments in which Atle exercise a decisive influence will be owned jointly by Ratos and 3i. In addition one wholly owned investment and one minority position in a listed company will be transferred to Ratos, whereas a large number of investments (substantially all minority positions) will be transferred to 3i. Ratos and 3i will jointly own all of the Atle assets (including those that eventually will be transferred to Ratos and 3i) for a period of up to one year. Thus, point 24 of the Notice on the concept of undertakings concerned is not applicable.

III. CONCENTRATION

5. Ratos and 3i each hold 50 % of the shares of Woodrose. Decisions on budget, business plan and management require the approval of both Ratos and 3i. Hence, Woodrose is a jointly controlled company.

IV. COMMUNITY DIMENSION

6. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 billion² (Ratos MEUR 1,115, 3i MEUR 4,018 and Atle MEUR 813). Each of the undertakings concerned have a Community-wide turnover in excess of EUR 250 million, and 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.

V. COMPETITIVE ASSESSMENT

7. On the basis of the information submitted, the Commission has only been able to identify one affected market, namely the wholesale market for water, heating and plumbing products. Atle is active in this market through its wholly owned subsidiary Bierregaard, which is active in Sweden and Norway. Bierregaard holds a market share of approximately [<10 %] in Sweden and a market share of approximately [<10 %] in Norway.

Ratos is also active in this market indirectly through Dahl, which Ratos owns and controls jointly with the private equity company EQT. Dahl is, as far as the EEA territory is concerned, active as a wholesaler in Denmark, Norway, Sweden and Finland. Dahl's market share is approximately [30-40 %] in Sweden, [40-50] % in Norway, [40-50 %] in Denmark and [20-30 %] in Finland.

The only identified overlap between the parties' activities is to be found in the Swedish and Norwegian wholesale markets for water, heating and plumbing products provided the relevant geographical market is deemed to be national.

² 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.

The Commission has found no indications that de minimis overlap will raise any competitive concerns as Dahl is (jointly) controlled by Ratos, whereas Atle's sole control over Bierregaard will be transferred to 3i following a transitional period of not more than 12 months. During this period Ratos will not be able to influence the competitive behaviour of Bierregaard to any extent due to the provisions of the Shareholders Agreement. Thus, Ratos will not effectively take operational control over Bierregaard even during the initial period of joint ownership, before completion of the second step of the transaction. There are, furthermore, no indications that the transaction will result in the co-ordination of businesses of Dahl and Bierregaard.

VI. CONCLUSION

8. 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