

***Case No COMP/M.2401 -  
INDUSTRI KAPITAL /  
TELIA ENTERPRISE***

Only the English text is available and authentic.

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

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Article 6(1)(b) NON-OPPOSITION  
Date: 29/05/2001

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 29.05.2001

SG (2001) D/288798

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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. 2401 – INDUSTRI KAPITAL / TELIA ENTERPRISES  
Notification of 20.04.2001 pursuant to Article 4 of Council Regulation  
No 4064/89<sup>1</sup>

1. On the 20.04.2001, the Commission received a notification of a proposed concentration by which Industri Kapital 2000 Limited, belonging to the Industri Kapital group of companies (“Industri Kapital”), acquires control of Thor Holding AG (“Thor”), a wholly owned subsidiary of the Swedish incumbent telecommunications operator Telia AB and Telia’s business division Enterprises by way of purchase of shares.
2. The Commission has concluded that the notified operation falls within the scope of the Merger Regulation and does not raise serious doubts as to its compatibility with the common market.

**I. THE PARTIES**

3. **Industri Kapital** is a private equity investment firm with investments in areas such as building materials, food, manufacturing industries, retailing and whole-selling, service industries and specialised process industry.

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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).

4. **Telia AB (Telia)** is the former incumbent Swedish telecommunications operator. It provides a full range of fixed line and wireless telecommunications and related services mainly in Sweden.
5. **Thor** is, or will be as a result of the transaction, the direct and indirect owner of the subsidiaries in the Telia Enterprises division. Thor will operate and manage these companies with the aim of creating viable and profitable subsidiaries with the overall objective of increasing their value prior to divestiture.
6. **Telia Enterprises<sup>2</sup>** is currently owned by Telia. Telia Enterprises provides telecommunications related services, which are complementary to Telia AB's main activities or were developed as a spin-off from those activities. The services offered include directory enquiry services, IT consulting and management, and construction, management, testing and operations of telecommunications networks and equipment.

## II. THE OPERATION AND CONCENTRATION

7. As a result of the proposed operation, Industri Kapital will hold [...] % and Telia [...] % of the share capital and voting rights, respectively, in Thor.
8. According to the Shareholder's Agreement, the board of directors of Thor shall consist of up to [...] directors elected by the shareholders meeting: up to [...] of them shall be nominated by Industri Kapital, up to [...] shall be nominated by Telia and the remaining directors shall be [...] elected by [...].
9. The chairman of the board of directors in Thor shall be nominated by [...].
10. [...].
11. [...] Telia is the only shareholder with a significant degree of sector-specific (telecommunications) knowledge and the shareholder with technological leadership. In addition, the common interest of Thor's parents and the rationale of the transaction are the creation of viable and profitable companies, with the over-all objective of increasing their market value prior to their envisaged divestiture. Thus, Telia's expertise and sector-specific know-how constitute an essential contribution to the optimum functioning of Thor and Telia Enterprises and therefore to the achievement of the objective underlying the transaction. Consequently both Telia and Industri Kapital will be able to exercise decisive influence over Thor and Telia Enterprises. The proposed transaction will thus result in joint control over Thor and Telia Enterprises.

## III. COMMUNITY DIMENSION

12. The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 5 billion<sup>3</sup>. Each of Industri Kapital and Telia have a Community-wide

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<sup>2</sup> The companies acquired by Industri Kapital are Telia Dokumentation AB, Multicom Security AB, Telia ProSoft AB, Respons AB, Telia Swedtel AB, Swedia Networks AB, TA Teleadress Information AB, Validation AB, Telia Holdings Eire AB, Telia Thor AB and Telia Swedtel Inc.

<sup>3</sup> 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.

turnover in excess of EUR 250 million, but 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. RELEVANT MARKETS**

13. Telia Enterprises provides a wide range of telecommunications related services which are complementary to Telia's main activities or developed as spin-offs from these activities. Telia Enterprises provide *inter alia* geographic information system (GIS) services, monitored alarm transmission services, services related to management and operations of telecommunications, directory enquiry services, telephony services, IT consulting and management services, construction, maintenance and repair of telecommunications and data communications services. It also provides directory data, testing and validation of networks systems and equipment within the IT and telecommunications sectors. The activities of Telia Enterprises are mainly provided in Sweden, albeit with regard to some of the aforementioned services it operates on an international-wide basis.
14. As the assessment of the proposed operation does not raise any serious doubts irrespective of the market definition chosen, the question on how to define the relevant markets can be left open (see further below).

#### **V. COMPETITIVE ASSESSMENT**

15. The proposed transaction does not lead to any horizontal or vertical links between the activities of Industri Kapital, Telia and Thor/Telia Enterprises. Industri Kapital has no stake in any company active in the telecommunications sector and in markets which Thor/Telia Enterprises and Telia are active, or in markets which are upstream or downstream of those activities or related thereto. As a result the proposed transaction does not give rise to any affected markets or addition of market shares irrespective of market definition chosen. It can therefore be concluded that the proposed transaction does not raise serious doubts as to its compatibility with the common market or a substantial part thereof.

#### **VI. CONCLUSION**

16. 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

Signed by  
Mario MONTI  
Member of the Commission