

***Case No COMP/M.4199 -  
DE LAGE LANDEN /  
ATHLON***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004  
MERGER PROCEDURE**

---

Article 6(1)(b) NON-OPPOSITION  
Date: 12/06/2006

***In electronic form on the EUR-Lex website under document  
number 32006M4199***



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 12.06.2006

**SG-Greffe(2006) D/203048**

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

**To the notifying parties**

Dear Sir/Madam,

**Subject: Case COMP/M.4199 – De Lage Landen / Athlon  
Notification of 3 May 2006 pursuant to Article 4 of Council Regulation No  
139/2004<sup>1</sup>**

**I. INTRODUCTION**

1. The Commission received on 3 May 2006 a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 (“Merger Regulation”) by which the undertaking De Lage Landen International B.V. (“DLL”, The Netherlands) belonging to the Rabobank Group (“Rabobank”, The Netherlands) acquires within the meaning of Article 3(1)(b) of the Merger Regulation sole control over Athlon Holding N.V. (“Athlon”, The Netherlands) by way of a public bid.

**II. THE PARTIES**

2. **DLL** is an international provider of asset finance and vendor finance programmes. The car and commercial vehicle lease activities of DLL are concentrated in De Lage Landen Translease (“DLLT”), a full subsidiary of DLL, which is only active in The Netherlands. DLL is a wholly owned subsidiary of Rabobank, a Dutch cooperative banking organisation.

---

<sup>1</sup> OJ L 24, 29.01.04, p.1

3. **Athlon** is an international provider of full service operational car leasing and car body repair, focusing on the corporate market. Athlon is active in six countries: The Netherlands, Belgium, Luxemburg, France, Germany and Spain.

### **III. THE OPERATION**

4. DLL intends to acquire Athlon by way of a public offer for all shares. The bid is supported by the boards of Athlon. After completion of the transaction DLL seeks to integrate Athlon and DLLT into one separate car leasing division within DLL.
5. As DLL will make a bid for all shares in Athlon, the transaction will lead to the acquisition of sole control within the meaning of Article 3(1)(b) of the Merger Regulation.

### **IV. COMMUNITY DIMENSION**

6. The combined aggregate worldwide turnover of the undertakings concerned is more than € 5 billion (Rabobank € 25 billion, Athlon € 801 million). The aggregate Community-wide turnover of each of the undertakings concerned is more than € 250 million (Rabobank € 21 billion, Athlon € 801 million). Whilst Rabobank achieved more than two-thirds of its Community-wide turnover in The Netherlands in 2005, Athlon does not achieve more than two-thirds of its Community-wide turnover in one and the same Member State. The operation has therefore a Community dimension in the sense of Article 1(2) of the Merger Regulation.

### **V. RELEVANT MARKETS**

#### **A. Relevant product markets**

7. The activities of DLL and Athlon overlap with respect to one type of car leasing, i.e. full fleet leasing and management services. According to the parties this constitutes the relevant product market.

#### Full fleet leasing and management services

8. In previous Commission decisions full fleet leasing and management services has been distinguished from other forms of car leasing, such as vehicle finance lease<sup>2</sup>.
9. The main function of full fleet leasing and management services is the outsourcing of the vehicle fleet and its management on behalf of corporate customers with fleets.
10. The management and advisory services provided in the context of full fleet leasing and management services include: advice concerning the fleet structure, services concerning the acquisition of the vehicles on behalf of the leasing company and miscellaneous services such as registration, insurance, replacement car management, maintenance tyres, fuel etc.. Full fleet leasing and management services can include the funding of the vehicle fleet but this is not necessary (see below).

---

<sup>2</sup> See Cases COMP/M.3029 - Société Générale/AIHL Europe, Commission decision of 10/02/2003 and COMP/M.3090 - Volkswagen/Offset/Crescent/LeasePlan/JV, Commission decision of 29/06/2004.

11. In contrast with full fleet leasing and management services vehicle finance lease only concerns the funding (i.e. the financing) by the lessor to enable the lessee to purchase a vehicle, and does not concern any of the additional services which are characteristic for full fleet leasing (i.e. the outsourcing of the fleet management).
12. In addition, full fleet leasing and management services distinguishes itself from other forms of leasing by the fact that it is directed at corporate customers with fleets and by the fact that the lessor's activities are in most of the cases neutral to the car manufacturers and the brands of the vehicles managed: based on the advice of the lessor the customer will compose the portfolio of the fleet, which can include different brands and models.
13. Overall the market investigation confirmed that full fleet car leasing and management services on the one hand and vehicle finance leasing products on the other hand could constitute two separate markets.

*Funded and unfunded*

14. In previous decisions the Commission has left open whether the market for full fleet leasing and management services can be split into "funded" and "unfunded" services i.e. between fleet management services with and without funding services<sup>3</sup>. Some customers may wish to maintain ownership of the fleet and therefore only contract for "unfunded" fleet management services, i.e. when the operating lease part of the service is not included, whereas others consider the funding (i.e. the car rental aspect) essential.
15. The parties submit that the segmentation of the market for full fleet leasing and management services into a funded and unfunded segment is not appropriate. According to the parties the customer will choose from the service portfolio offered by the lessor those services which it, from time to time, requires for its fleet. The composition of the service package is therefore customer specific. As with any other service from the portfolio (insurance, repair and maintenance, fuel service etc.), those services requested may include the funding of its fleet. Even in such a case, it may be that parts of the fleet are funded by the lessor, while other parts may be funded by third parties or even self funded by the lessee. Moreover, the composition of the service package as composed by the lessee may be subject to changes, as its preferences may change. Furthermore, the parties argue that there is a high degree of supply side substitutability as most providers of car leasing services can offer both funded and unfunded services.
16. The market investigation confirmed the view of the parties. Two thirds of the competitors and half of the customers participating in the market investigation stated that funded and unfunded full fleet car leasing and management services belong to the same product market. They consider that the main function of full fleet leasing and management services is the outsourcing of the vehicle fleet and its management to a leasing company this may or may not be backed by an operating lease component. Furthermore, both funded and unfunded car leasing can be offered by the same suppliers.

---

<sup>3</sup> Notably in Case No COMP/M.3029 Société Générale/AIHL Europe, Commission decision of 10/02/2003.

*Passenger cars/ light commercial vehicles v trucks and buses*

17. According to previous Commission decisions a distinction can be made between full fleet leasing and management services concerning vehicles of up to 3,5t (passenger cars and light commercial vehicles) and vehicles of more than 3,5t (trucks and busses)<sup>4</sup>. The parties agree to this distinction. They refer to the fact that the customers of leasing services for busses and trucks have demands that differ from those of other leasing customers, like international services, 24-hour services and maintenance contracts based on price per kilometre.

*Conclusion*

18. It is not necessary to further delineate the market for full fleet leasing and management services since in all alternative definitions considered, effective competition is not significantly impeded in the EEA or any substantial part of that area (see further below).

**B. Relevant geographic market**

19. In line with the Commission's previous practice<sup>5</sup>, the parties submit that the market for full fleet leasing and management services or any segment thereof as described above, is at least national in scope.
20. The national scope results amongst others from different tax and duty regimes, different road conditions and wear and tear market and different customer preferences. The parties submit however, that in recent years a number of undertakings are outsourcing the fleets of their corresponding subsidiaries on the basis of a more international strategy. Moreover, the market conditions in certain groups of countries are becoming increasingly similar. The parties therefore foresee a development towards European wide markets in the future.
21. A large majority of participants in the market investigation agreed with a geographical market that is national in scope and mentioned amongst others the differences in tax rules as a major obstacle for a more European market.
22. However, the definition of the relevant geographic market can be left open in this case since in all alternative definitions considered effective competition is not significantly impeded in the EEA or any substantial part of that area (see further below).

**VI. COMPETITIVE ASSESSMENT**

23. The only Member State where the activities of DLL and Athlon overlap in the field of full fleet leasing and management services is The Netherlands. On the Dutch market (i.e. the total Dutch market including funded and unfunded full fleet leasing and management services, including all size of vehicles) the parties have a joint market share of 17% (DLL 5%, Athlon 12%)<sup>6</sup>. This market share calculation is based on the number of cars

---

<sup>4</sup> Case No COMP/M.2540 - FIDIS/SEI, Commission decision of 04/09/2001.

<sup>5</sup> Case No COMP/M.3090 -Volkswagen/FOCET/Crescent/LeasePlan/JV, Commission decision of 29/06/2004.

<sup>6</sup> All references to turnover and market shares refer to the calendar year 2005 unless stated otherwise.

leased. The market investigation showed that all competitors consider this to be the most appropriate way to express market shares, due to the fact that there is no uniform way to express market shares in value.

24. Important competitors of the parties on the Dutch market are LeasePlan (21% market share), ING Car Lease (14%), Daimler (6%) and Arval (4%). According to the market investigation the remainder of the market is rather fragmented with competitors having market shares of less than 2%.
25. The above figures indicate that the concentration will create a number two player on the Dutch market. However the market will remain highly competitive with a number of strong players like LeasePlan, the number one, ING, Arval and Daimler. It is expected that the concentration will not significantly impede competition on the Dutch market.
26. Furthermore, market entry is relatively easy. Especially companies such as banks, providers of financial services, insurance companies, subsidiaries of car manufacturers and international independent leasing companies could without major difficulties extend their activities to the full fleet leasing and management services market in The Netherlands.
27. On the more narrowly defined Dutch market for full fleet leasing and management services for funded services the only overlap between the parties exists with respect to vehicles of up to 3.5t, as Athlon is not active in leasing activities for vehicles of more than 3,5t. On this market the parties have a joint market share of 18% (DLL 6%, Athlon 12%). The main competitors of the parties have market shares of 19% (LeasePlan), 16% (ING Car Lease) 5% (Arval) and 3% (Daimler).
28. On the unfunded market for vehicles of up to 3.5t the parties have a joint estimated market share of 34% (DLL 3%, Athlon 31%). LeasePlan has a market share of 25%<sup>7</sup>, all other companies have a market share lower than 3%. Although the concentration results in a substantial joint market share it should be noted that the market share increment only amounts to 3%. On top of that, the unfunded segment of the market is relatively small (36.741 vehicles i.e. 6% of the total full fleet leasing and management market). Furthermore as a result of the supply side substitutability companies currently active in the “funded” segment could easily extend their activities to the “unfunded” segment. For all the above reasons it is expected that competition will not significantly be impeded. This conclusion is confirmed by the outcome of the market investigation.
29. As Athlon and DLL are neither active on the segment for unfunded leasing for vehicles of more than 3,5t this is not an affected market.

---

<sup>7</sup> It should be noted that LeasePlan estimates its own market share significantly higher and, in its own view, would be market leader in this segment also.

## VII. CONCLUSION

30. 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 (EC) No 139/2004.

For the Commission  
*(Signed)*  
Joaquin ALMUNIA  
Member of the Commission