



**PUBLIC VERSION**

**DCC ENERGY LIMITED**  
—  
**LPG BUSINESSES OF STATOIL FUEL & RETAIL  
NORGE AS AND STATOIL FUEL & RETAIL  
SVERIGE AB**

**STANDARDIZED NOTIFICATION**

**REGARDING A CONCENTRATION UNDER THE NORWEGIAN COMPETITION ACT  
SECTION 18 FIRST PARAGRAPH**

**11. SEPTEMBER 2012**

## STANDARDIZED NOTIFICATION OF A CONCENTRATION

### 1. NOTIFYING PARTY

Notifying party: DCC Energy Limited  
Reg. number: Registered with the trade register in Ireland under register number 79313  
Address: DCC House, Brewery Road, Stillorgan, Blackrock, C.o. Dublin, Ireland  
  
Representative: Kvale Advokatfirma DA, Pb. 1752 Vika, 0122 Oslo  
Name: Henrik Gerner-Mathisen (partner) and Carsten Anker (senior associate)  
Telephone: 22 47 97 86  
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### 2. ADDITIONAL UNDERTAKINGS CONCERNED

Target 1: Statoil Fuel & Retail Norge AS  
Reg. number: 995 532 921  
Address: Postboks 1176 Sentrum, 0369 Oslo

Representative: Same as in section 1.

Target 2: Statoil Fuel & Retail Sverige AB  
Reg. number: Registered with the trade register in Sweden under register number 556000-6834  
Address: Torkel Knutssonsgatan 24, 118 88 Stockholm, Sweden

Representative: Same as in section 1.

### 3. NATURE OF THE CONCENTRATION

The notified transaction concerns the acquisition by DCC Energy Limited ("**DCC Energy Ltd**"), through its newly established subsidiaries in Norway and Sweden ("**Flogas Norge AS**" and "**Flogas Sverige AB**" respectively), of all of the assets of

- (i) Statoil Fuel & Retail Norge AS's LPG<sup>1</sup> business in Norway (the "**Norwegian LPG Business**"), and
- (ii) Statoil Fuel & Retail Sverige AB's LPG business in Sweden (the "**Swedish LPG Business**")

hereinafter jointly referred to as the "**LPG Business**".<sup>2</sup>

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<sup>1</sup> Liquefied petroleum gas

<sup>2</sup> DCC Energy and the LPG Business will hereinafter jointly be referred to as the "**Parties**"

DCC Energy Ltd will, according to the Asset Purchase Agreement acquire all of the assets<sup>3</sup> of Norwegian LPG Business from Statoil Fuel & Retail Norge AS and the Swedish LPG Business from Statoil Fuel & Retail Sverige AB, which in turn are indirectly 100 per cent owned by Statoil Fuel & Retail ASA<sup>4</sup> (the "**Transaction**").

The concentration is conditional on approval by the Norwegian Competition Authority, and closing will not take place before such approval is obtained. The concentration will also be notified to the Competition Authorities in Sweden.

#### **4. STRUCTURE AND ACTIVITIES OF THE UNDERTAKINGS**

##### **4.1. DCC Energy Ltd**

DCC Energy Ltd is part of the DCC Group and is a wholly owned subsidiary of DCC plc, headquartered in Dublin (Ireland) and traded on the Irish Stock Exchange and the London Stock Exchange.

The DCC Group is a sales, marketing, distribution and business support services group divided into the following business divisions:

- DCC Energy (described below)
- DCC SerCom (IT, communications and home entertainment products sales, marketing and distribution and supply chain management services)
- DCC Healthcare (Medical device and pharma products sales, marketing and distribution and value added logistics services to hospitals and outsourced services to brand owners in the health & beauty sector)
- DCC Environment (Waste management and recycling services to commercial, industrial and public sector customers)
- DCC Food & Beverage (Food and beverage product sales, marketing and distribution)

DCC Energy Ltd is part of the DCC Energy business division of the DCC Group, and is primarily active in the sale, marketing and distribution of various petroleum products in Britain, Ireland, Austria, Denmark and Sweden. DCC Energy Ltd is active in the following principal business segments (described separately below):

- i. Oil;
- ii. LPG; and
- iii. New energy

##### Oil

DCC Energy's oil distribution business supplies transport fuels, heating oils, and fuel oils to commercial, retail, domestic, agricultural, industrial, aviation and marine customers in Britain, Ireland, Sweden, Denmark and Austria.

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<sup>3</sup> Including customer agreements, supply agreements, personnel, real property leases etc.

<sup>4</sup> Statoil Fuel & Retail ASA is a subsidiary of Alimentation Couche-Tard, a Canadian company which shares are listed on the Toronto Stock Exchange.

DCC Energy is a sales and marketing business for branded fuel cards in Britain. The business sells transport fuels through its portfolio of fuel cards under the BP, Esso, Shell, Texaco and Diesel Direct brands. DCC Energy provides its customers with access to the breadth of the British retail petrol station and bunker network through its portfolio of branded fuel cards, while giving them detailed information on fuel utilisation to assist in minimising their spend on transport fuels.

#### LPG

DCC Energy is active in the sale, marketing and distribution of LPG in Britain and Ireland, trading under the Flogas brand. It supplies propane and butane in both bulk and cylinders to domestic, commercial, agricultural and industrial customers for heating, cooking, transport and industrial processes. DCC Energy also distributes a range of LPG fuel appliances such as mobile heaters and barbecues.<sup>5</sup>

#### New energy

DCC Energy is principally involved in the distribution of innovative renewable energy solutions (including solar PV, heat pumps and rainwater harvesting) in Britain.

#### Other activities

DCC Energy is furthermore involved in the supply of lubricants in the UK, Denmark and Ireland (primarily automotive and industrial but with some more limited activities in other lubricants). To a lesser extent, it is also active in the supply of wood-pellets in Austria, Sweden and as a reseller in Denmark.

See Annex 1 for an outline of DCC Energy's organization.

#### Norwegian operations

In Norway the DCC Group's activities are limited to [REDACTED]

[REDACTED]

For further information, please refer to DCC's webpage: <http://www.dcc.ie/>.

## **4.2. The LPG Business**

The main operation of the LPG Businesses of Statoil Fuel & Retail Norge AS and Statoil Fuel & Retail Sverige AB is to distribute LPG in bulk for energy consumption in Norway and Sweden. Statoil Fuel & Retail Norge AS and Statoil Fuel & Retail Sverige AB are indirectly wholly owned and controlled by Alimentation Couche-Tard.<sup>6</sup>

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<sup>5</sup> The market share of the DCC Group is insignificant (below 5 %) in any potentially relevant market for LPG fuel appliances.

<sup>6</sup> Alimentation Couche-Tard is a Canadian company which shares are listed on the Toronto Stock Exchange.

The Norwegian LPG Business offers sale of bulk LPG, LPG tanks for rent to customers, remote metering systems and control of gas tanks, energy advice in relation to choice of energy, support to customers in choice of gas installation companies as well as advice with regards to health, safety, environment and regulatory issues related to LPG. It has a total of 12 employees in Norway. The Norwegian LPG Business customer segments are divided as follows: industry 46%, wholesale 15% and other end-users 39%.

The Swedish LPG Business offers sale of bulk LPG, LPG tanks and facilities for rent to customers, engineering and construction of facilities as well as start-up, education and technical support. It has a total of 8 employees in Sweden. The Swedish LPG Business customer segments are divided as follows: industry 69%, wholesale 21% and other end-users 10%.

For further information, please refer to the webpage of Statoil Fuel & Retail ASA: <http://www.statoilfuelretail.com/>.

## 5. TURNOVER

The DCC Group had an aggregate turnover of about [REDACTED]<sup>7</sup> in Norway in 2011.

The LPG Business had an aggregate turnover of about [REDACTED] in Norway in 2011.

## 6. MARKETS AFFECTED BY THE CONCENTRATION

The contemplated Transaction concerns the LPG sector of the downstream markets of the value chain for refined oil products in Sweden and Norway, as these are the only markets in which the LPG Business is present. The market for the sale and distribution of LPG will therefore be described below.

### Sale and distribution of LPG

LPG consists of butane and propane gas, which are the product of either oil refining or natural gas. In spite of a number of technical differences (different pressures and boiling points which determine how they are stored and conditioned), butane and propane gas are mutually interchangeable for most users.<sup>8</sup> It may be sold either in bottles (i.e. cylinders and cartridges) or in bulk. Bottles are sold usually for domestic purposes or to hotels whereas LPG in bulk is mostly sold to industrial, commercial, agricultural and domestic customers, retail sites for autogas and bottles filling stations.<sup>9</sup>

The European Commission (the "**Commission**") has in several cases concluded that LPG forms a separate market from other energy sources such as heating oils, natural gas and motor fuels. The main reasons for this division being the significant differences between

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<sup>7</sup> [REDACTED]

<sup>8</sup> See e.g. Comp/M.1628 – TotalFina/Elf, para 239.

<sup>9</sup> Comp/M.5005 - Galp Energia/ExxonMobil Iberia, para. 14.

LPG and other energy sources as regards e.g. the field of use, price and mode of conditioning and distribution of the various products.<sup>10</sup>

The Commission has moreover considered a division of the LPG market into three distinct segments according to differences in the mode of distribution, use and quantities consumed, namely: (i) *conditioned LPG sold in bottles of various dimensions* (ii) *LPG sold in bulk for mainly domestic purposes* and (iii) *bulk LPG for industrial use*.<sup>11</sup>

As regards the geographical scope of the overall LPG market, the Commission has in several previous cases confirmed that it is *national* at the widest (or even narrower, i.e. regional). This is mainly due to the national characteristics of the *demand* structure (customers generally procure LPG at a national level) and the *supply* structure (the networks are usually nation-wide), as well as the considerable logistical restrictions in relation to the distribution of LPG (there are certain limitations in the maximum economic range of supply, which make transportation between long distances unprofitable).<sup>12</sup>

As described in section 4 above, the DCC Group is active in all the above potentially relevant segments of the LPG market in Britain and Ireland, and the LPG Business is active in the *bulk* LPG for industrial and large customer use in Sweden and Norway. However, for the purposes of the present case, it is not necessary to determine the precise scope of the product market as the Parties are active in different *geographic* markets – irrespective of the exact delineation of the relevant product market. As stated in section 4.1 above, DCC Energy is active in the sale and distribution of LPG in *Britain* and *Ireland*, whereas the LPG Business is limited to the *Swedish* and the *Norwegian* markets. The contemplated Transaction is an opportunity for DCC Energy to expand its current LPG distribution business into these two new markets.

Therefore, in sum, the Parties submit that the Transaction will not give rise to any affected market or to any negative effects on competition, as the Parties are not active in the same relevant market (neither horizontally nor vertically). The Transaction will thus not create or strengthen a significant restriction of competition in the relevant market.

## **7. ANNUAL REPORT AND ANNUAL ACCOUNTS**

The DCC Group's annual report and annual account the year ended 31 March 2012 is attached as Annex 2.

Statoil Fuel & Retail Norge AS' annual report and annual account for 2011 is attached as Annex 3.

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<sup>10</sup> See e.g. Comp/M.1628 – TotalFina/Elf, Comp/M.5637 – Motor Oil (Hellas) Corinth Refineries/Shell Overseas Holdings.

<sup>11</sup> Comp/M.5005 - Galp Energia/ExxonMobil Iberia, para. 14, Comp/M.3664 – Repsol Butano/Shell Gass (LPG), para. 10, Comp/M.1628 – TotalFina/Elf. An alternative segmentation between retail and non-retail sales of LPG has also been considered, see e.g. Comp./M.3375 – Statoil/SDS, paras. 11-17.

<sup>12</sup> See e.g. Comp/M.5781 – Total Holdings Europe Sas/ERG SPA/JV, para. 37, Comp/M.5637 – Motor Oil (Hellas) Corinth Refineries/Shell Overseas Holdings, para. 46, Comp/M.3375 – Statoil/SDS, para. 13.

Statoil Fuel & Retail Sverige AB's annual report and annual account for 2011 is attached as Annex 4.

## **8. PUBLIC ACCESS**

This notification contains confidential information which for competition reasons is important to keep secret in the interest of the Parties, cf. the Public Administration Act section 13, first paragraph, number 2.

Please find attached as Annex 5 a public version of this standardized notification.

In addition, Annex 1 also contains confidential information and is to be kept from public access.

Oslo, 11. september 2012

Kvale Advokatfirma DA

Carsten Anker  
Advokat