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## **STANDARDIZED MERGER NOTIFICATION**

We hereby provide the Competition Authority with a standardized merger notification (alminnelig melding) in accordance with Section 18 first and second paragraphs of the Competition Act. The notification follows the order of the standard notification scheme.

The concentration comprises Cramo AS' acquisition of all of the assets and employees relating to the machine and equipment rental businesses of Kranpunkten AS and Lambertsson Norge AS.

### **1. NOTIFYING PARTY**

#### **1.1 The acquirer**

Name: Cramo AS  
Organisation no: 948 334 534  
Address: Brobekkveien 80, 0582 OSLO

#### **1.2 The acquirer's representative**

Name: Advokatfirmaet Wiersholm AS  
Address: Postboks 1400 Vika, 0115 Oslo  
Tel: 210 210 00  
Fax: 210 210 01  
Contact person: Anette Halvorsen Aarset  
E-mail: [ahaa@wiersholm.no](mailto:ahaa@wiersholm.no)

### **2. TARGET**

Name: Assets of Kranpunkten AS  
Organisation no: 888 460 152  
  
Name: Assets of Lambertsson Norge AS  
Organisation no: 985 129 738

### **3. NATURE OF THE CONCENTRATION**

The transaction comprises Cramo AS' ("Cramo") acquisition of assets and customer liabilities to the machine and equipment rental business of Lambertsson Norge AS ("Lambertsson") and Kranpunkten AS ("Kranpunkten"), currently being owned by PEAB Industri Norge AS (registration number 990 609 527) and Kranpunkten Skandinavien AB (Swedish company registration number 556362-8253) respectively.

The transaction also comprises the transfer of employees currently employed in the relevant businesses. The transactions thus constitute concentrations within the meaning of Section 17, third paragraph of the Competition Act.

The two acquisitions are interdependent and contractually linked by condition, entailing that none of the acquisitions will take place without the other. Thus, both acquisitions constitute one single transaction and are notified together to the Competition Authority as a single transaction in accordance with Section 18 of the Competition Act.

#### **4. THE COMPANIES' STRUCTURE AND AREAS OF BUSINESS**

##### **4.1 Cramo AS**

Cramo AS is a Norwegian company active within renting of construction and civil construction machinery, equipment and modules/site huts. Cramo has a nationwide presence with 33 local and regional depots.

Cramo offers a wide range of products for renting. The main products offered by Cramo are various kinds of construction machines, including but not limited to (i) common hand tools and special products temporary heating and drying equipment, (ii) machinery for road construction works such as dumpers, excavators, loading machines, demolition robots, generators and compressors, (iii) lifts and access, telescopic handlers, forklifts and mini cranes, and (iv) modular space comprising a) energy securing measures, i.e. measures to save energy at the construction site and b) site huts for building sites together with toilet units and caravan like housing/office for building sites in addition to temporary, housing and offices to schools, kindergartens and other non-construction businesses.

Site huts for building sites together with toilet units and caravan like housing/office for building site are in the portfolio for both Cramo and Lambertsson, while there is no overlap within temporary, housing and offices to schools, kindergartens and other non-construction businesses as Lambertsson does not offer such products.

Cramo's client base is mainly in the construction industry, but the company also has major customers in industrial, offshore and private sectors.

More information about Cramo is available at: [www.cramo.com](http://www.cramo.com)

##### **4.2 The target**

###### **4.2.1 Kranpunkten AS**

Kranpunkten is a Norwegian company 100% owned by Kranpunkten Skandinavien AB.

The company is relatively small with an annual turnover of approx. MNOK 23. Kranpunkten is active within the rental business of construction and civil engineering machinery and equipment, whereof the main products are access equipment, climbing platforms, telescopic handlers, mini cranes, telescope trucks and forklifts.

Kranpunkten mainly operates in eastern part of Norway, and in particular the areas around greater Oslo, in addition to a relatively small part in Østfold and Vestfold and the southern part of Hedmark and Oppland. Some of the products categories offered by Kranpunkten are similar to those offered by Cramo, namely lifts, trucks and building platforms. However, as explained in Section 6, the combined market share post-transaction will be less than 12% under any alternative market definition. Thus the transaction will not create or strengthen a significant restriction of competition contrary to the purpose of the Competition Act.

For more general information, please see: <http://kranpunkten.com/>

###### **4.2.2 Lambertsson Norge AS**

Prior to the transaction, Lambertsson is 100% owned by PEAB Industri Norge AS. Lambertsson is a Norwegian rental company mainly active within the offering of machinery, equipment and services to their group companies within the Peab Industri



and Peab AS group respectively (subgroups within the Peab Group) and some few selected professional users in the construction industry.

Lambertsson is primarily active in the eastern part of Norway, and in particular the areas around greater Oslo, in addition to a relatively small local business in Tromsø (two employees). The company's core products and services can be divided into the following business categories: (i), hand and power cutters, welding equipment, cutting and bending machines, (ii) construction establishment, hereunder modules, containers, fences in addition to alarm and passage systems (site security) in order to arrange a convenient and safe construction site, (iii) electric and heat, securing electricity at the construction site, including power, lighting and concrete heating/cooling and (iv) support materials and fall protection, including steel scaffolding, enclosures, and display stands.

Cramo supplies the same equipment except for steel scaffolding.

The combined market share for renting of building and construction equipment and machinery (see 6 below for a discussion of the relevant market) post-transaction is under 12% and no competition law concerns arise as a result of the transaction.

More information about Lambertsson is available at:

<http://www.lambertsson.com/sv/Om-Lambertsson/Lambertsson-Norge-AS/>

## 5. TURNOVER AND OPERATING RESULT IN NORWAY 2011

	Turnover in Norway	Operating result in Norway
<b>Notifying party: Cramo AS</b>	587 004 000	-4 150
<b>Other undertaking concerned: Kranpunkten AS</b>	23 079 888	2 532 000
<b>Other undertaking concerned: Lambertsson AS</b>	84 681 000	4 871 000

## 6. MARKET AFFECTED BY THE CONCENTRATION

As can be seen from the description of Cramo, Lambertsson and Kranpunkten above, all parties are active within variety of the business of renting tools, access, civil construction and site huts. There is no overlap between the parties within non-construction modular space, as Cramo is the only company offering such products.

There is an overlap between Cramo and the two target businesses. However, Cramo is 5 to 8 times bigger in all product areas, but still only holds a market share of less than 10% as of today. Lambertsson supplies most of their offering to companies within the Peab Industri and Peab AS group respectively, Kranpunkten operates its small business in a competitive market and holds a marginal market share.

Cramo's view is that the relevant market is the overall market for renting of building and construction equipment and machinery. Firstly, the majority of all market players offer a wide portfolio of products and the customers normally also rent a variety of products and services for the each construction site or engineering project. Even if the product mix may vary between the market players, the decisive factor for competition between the rental companies is the offering of a wide product mix. Such market definition is also in line with the industry practice.

Cramo believes that the market is national in geographical scope. Firstly, all the largest rental companies operate on a nationwide basis and offer their products for rental all over the country. In addition, even if there are a number of regional based companies, these still offer products for rental over long distances, and transportation costs do not as such prevent rental of equipment from longer distances. There are no significant price variations in different regions and the prices only vary due to the nature of the project, rental period and frame agreements established with the customers.

For the purpose of the present case, the exact market definition may, however, be left open as Cramo's market share will not exceed 12% under any alternative product or geographical market definition. Nevertheless, for the sake of completeness, Cramo has also provided estimates for the post-transaction market share should the market be segmented into further product categories or geographical regions. In this respect, information is provided for regions where the target companies have activities.

Pursuant to the European Rental Association, the overall Norwegian market for renting of construction and engineering equipment and machinery represented a total turnover of approximately MEUR 800 in 2011, equivalent to NOK 6.2 billion. The market is characterized by a significant number of market players. Pursuant to the European Rental Association, the total number of market players is 230, the three largest nationwide market players having a total market share of 33%. Some of the large market players are: Ramirent AS, UCO, Byggesystemer, BAS, Utleiesenteret, PON Rental, Pilot Utleie and Oslo Liftutleie.

Cramo has an annual turnover of approx. MNOK 600, corresponding to a market share of approx. 9.6% while Lambertsson has a turnover of approx. MNOK 79.3 corresponding to a market share of approx. 1.2%, while Kranpunkten has a turnover of approx MNOK 23, corresponding to a market share of 0.3%. Consequently, the increment in market share is insignificant, and less than 2%. Cramo's market share post transaction is 11.1%. Subsequently, the transaction does not create or strengthen a significant restriction of competition contrary to the purpose of the Competition Act.

It is noted that the majority of Lambertsson's product portfolio is rented by companies within the Peab Industri and Peab AS group respectively prior to the transaction and that Cramo will supply Peab AS with these products post-transaction. Thus, for these products, the transaction will not result in any structural changes in the market. In any event and according to Cramo's best estimates, the combined market share for each product group post transaction for the greater Oslo and Tromsø areas will be far than 12%.

The products offered by Kranpunkten which may be considered as competing products, namely lifts and mini cranes, are mostly rented to customers in the eastern part of Norway, and in particular the areas around greater Oslo, in addition to a relatively small activity in Østfold/Vestfold and southern part of Hedmark and Oppland. Cramo estimates that the company's market share after the transaction for each of these products in each of the mentioned areas is less than 12%.

It follows from the above that irrespective of how the markets are defined, the transaction will not result in any affected markets within the meaning of the Competition Act, and the increment in Cramo's market share is insignificant. Consequently, the transaction will not create or strengthen a significant restriction of competition contrary to the Competition Act.

However, as Cramo and the two target companies have overlapping activities in the market for renting of construction and engineering equipment and machinery, information on the most important customers, competitors and suppliers are provided for in Section 7.



## 7. MOST IMPORTANT CUSTOMERS, COMPETITORS AND SUPPLIERS

### 7.1 Five most important customers

The five most important customers of **Cramo** in the market for renting of construction and engineering equipment and machinery are: AF-Gruppen, NCC Construction, MESTA, Reinertsen AS, HENT AS and Hæhre Entreprenør AS.

The five most important customers of **Lambertsson** in the market for renting of construction and engineering equipment and machinery are: Peab AS, Peab Sverige AB NUF, Bjørn Bygg AS, Vedal Entreprenør AS, Tjuvholmen Utvikling AS and Barcode 113-116, 121, 122 AS.

The five most important customers of **Kranpunkten** in the market for renting of construction and engineering equipment and machinery are: Peab AS, BALCO AB, Talitor AS, Flex Fasader and OKK Entreprenør.

### 7.2 Five most important competitors

The five most important competitors in the overall market for renting of construction and civil engineering machinery and equipment, and within the different product groups where the parties have overlapping activities are: Ramirent AS, UCO, Byggesystemer, BAS and Utleiesenteret. Other competitors of **Kranpunkten** are: Oslo Liftutleie, Drammen Lift utleie, Høydeservice and Akershus utleie.

### 7.3 Five most important suppliers

The five most important suppliers of Cramo in the market for renting of construction and engineering equipment and machinery are: Hedalm Byggtech AS, Genie Skandinavia, JLG Skandinavia, Nordic Crane and Volvo Norge AS.

The five most important suppliers of Lambertsson in the market for renting of construction and engineering equipment and machinery are: Moelven Bruk AS, Hedalm Byggtec AS, Satema AS, Motek AS and Transportsentralen Oslo AS, Combisafe Norge AS and Saether Elektriske AS.

The five most important suppliers of Kranpunkten in the market for renting of construction and engineering equipment and machinery are: Genie, JLG Skandinavia, Kranpunkten AB, Riwal and Ask Montasje AS..

## 8. ANNUAL REPORT / FINANCIAL STATEMENTS

The annual reports for 2011 for Cramo AS, Kranpunkten AS and Lambertsson AS are all available in the Norwegian Account Register ("Brønnøysundregistrene").

## 9. ADDITIONAL INFORMATION

As it is described in more detail in Section 6 above, Cramo's total market share will be less than 12% under any alternative product and geographical market definition. Thus, there are no affected markets within the meaning of the Competition Act, and the transaction will not create or strengthen a significant restriction of competition contrary to the scope of the Competition Act.

**10. PUBLIC ACCESS**

This notification contains business secrets. All business secrets are marked in the text in double underlined format.

We kindly ask the Competition Authority to contact us should any third party require access to the notification and that we are contacted before access is granted.

Yours sincerely

Advokatfirmaet Wiersholm AS



Anette Halvorsen Aarset