

# SCHJØDT

Konkurransetilsynet  
Postboks 439 Sentrum  
5805 Bergen  
By email

Oslo, 19 April 2013

*Lawyer in charge :Jan Magne Juuhl-Langseth*

**- STANDARDISED NOTIFICATION OF A CONCENTRATION -**  
**- ZURMONT MADISON PRIVATE EQUITY L.P./ EGS BETEILIGUNGEN AG/ JOHAN G. OLSEN AS -**  
**- ACQUISITION OF JOINT CONTROL OVER -**  
**- BAUWERK HOLDING AND BOEN AS -**

**1. THE NOTIFYING PARTIES**

Name: Zurmont Madison Private Equity L.P.  
Registration Number: LP 892 (Jersey)  
Address: 22 Grenville Street  
St. Helier  
GB-Jersey, JE4 8PX  
Channel Islands

Name: EGS Beteiligungen AG  
Registration Number: CH-020.3.033.574-4 (Switzerland)  
Address: Dufourstrasse 29  
CH-8008 Zurich  
Switzerland

Name: Johan G Olsen AS  
Registration Number: 980 400 689  
Address: C/O Boen Bruk AS  
4658 Tveit  
Kristiansand

Representative: Advokatfirmaet Schjødt AS  
v/Henrik Nordling  
Munkendamsveien 45A  
Postboks 2444 Solli  
0201 Oslo  
*e-mail:* heno@schjodt.no  
*phone:* 22 01 88 00 / 23 01 15 68

## 2. OTHER UNDERTAKINGS CONCERNED

Name: Boen AS  
Registration number: 980 400 646  
Address: 4658 Tveit  
Kristiansand

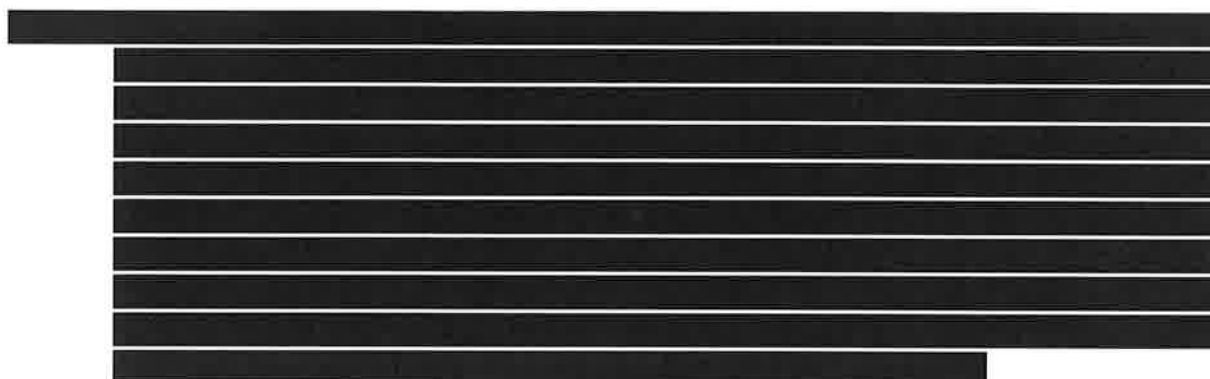
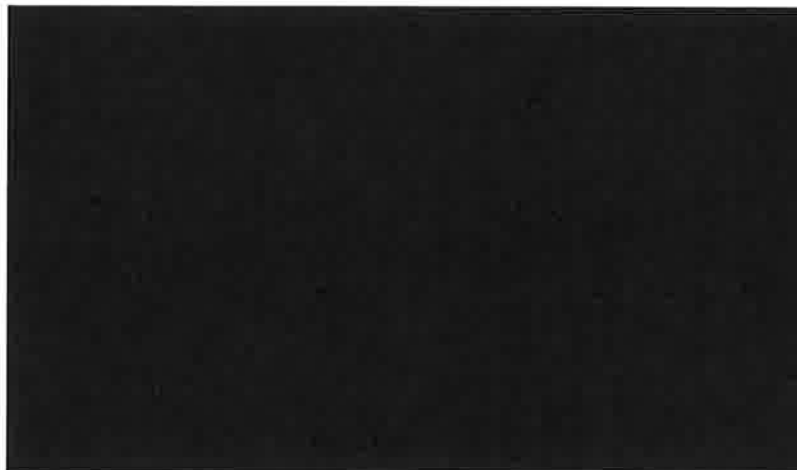
Name: Bauwerk Holding AG  
Registration number: CH-320.3017.248-5 (Switzerland)  
Address: c/o WAGNER & PARTNER AG, ROTKREUZ  
Birkenstrasse 49  
6343 Rotkreuz  
Switzerland

## 3. NATURE OF THE CONCENTRATION

- (1) The envisaged transaction ("*Transaction*") can be summarised as follows:
- (2) Bauwerk Holding AG ("*Bauwerk*") is currently jointly controlled by Zurmont Madison Private Equity L.P. ("*Zurmont*") and EGS Beteiligungen AG ("*EGSB*"). Johan G. Olsen AS ("*JGO*") is currently the sole shareholder of Boen AS ("*BOEN*"). Zurmont, EGSB, Bauwerk, JGO and BOEN are hereinafter referred to as the "*Parties*". In the context of the Transaction, it is intended that Bauwerk acquires the entire shareholding in BOEN. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]



- (4) Given that the thresholds set out in Section 2 of the Regulation on the Notification of Concentrations are met (*cf.* Section 4.1 below), the Parties submit the following standardised notification. For the reasons set out below, the Parties conclude and respectfully submit that the Transaction will not lead to the creation or strengthening of a significant restriction of competition, contrary to Section 16 of the Competition Act.

#### 4. STRUCTURE AND BUSINESS AREAS OF THE UNDERTAKINGS CONCERNED

##### 4.1. Notifying Parties

###### 4.1.1. Zurmont

- (5) Zurmont is a private equity investment company. It finances medium-sized companies whose headquarters are located in Switzerland, Germany or Austria. For the sake of good order, it should be noted that Zurmont does not have any activities in Norway and does not achieve any turnover in Norway. An overview of portfolio companies controlled by Zurmont can be made available to the Authority upon request.

- (6) Additional information on Zurmont is available on its website [www.zurmontmadison.ch](http://www.zurmontmadison.ch).

###### 4.1.2. EGSB

- (7) EGSB, is a 100% subsidiary of the Ernst Göhner Stiftung. The Ernst Göhner Stiftung is beside its business activities also a philanthropic foundation. The main assets of this

foundation are predominately shareholdings in companies and real estate in Switzerland and abroad.

[REDACTED]

[REDACTED]

(10) Additional information on EGSB is available on its website [www.ernstgoehner-stiftung.ch](http://www.ernstgoehner-stiftung.ch).

#### 4.1.3. JGO

(11) JGO is a holding company, which is mainly owned by the family estate. It owns BOEN, JGO concrete which produces paving stones and municipality supplies, and Jiffy Group which produces growing media, media containers, seeds and other supporting products or services to enhance propagation or cultivation of plants for professional growers.

(12) Additional information on JGO is available on its website [www.jiffygroup.com](http://www.jiffygroup.com).

#### 4.2. **Other Undertakings Concerned**

##### 4.2.1. Bauwerk (Target)

(13) Bauwerk is a manufacturer of wooden flooring which is active in the flooring business through several subsidiaries. Bauwerk has a 100% subsidiary, Bauwerk Parkett AG, which has in total five 100% subsidiaries in Austria, Germany, France (2) and The Netherlands. In France, Bauwerk Parkett AG also has a 50% Joint Venture with another company.

(14) Neither Bauwerk or its subsidiaries are present in Norway and do not achieve any turnover in Norway.

(15) Additional information on Bauwerk is available on its website [www.bauwerk-parkett.com](http://www.bauwerk-parkett.com).

##### 4.2.2. BOEN (Target)

(16) BOEN is a manufacturer of wooden flooring. BOEN has five direct subsidiaries in the United Kingdom, United States, Germany, Norway and Lithuania. The German and Lithuanian subsidiaries have further affiliates.

(17) Additional information on BOEN is available on its website [www.boen.com](http://www.boen.com).

5. **TURNOVER AND OPERATING RESULTS 2012**

	Name	Total Turnover 2012	Turnover in Norway 2012
<b>Notifying Parties</b>	Zurmont	██████████	██
	EGSB	██████████	██████████
	JGO	██████████	██
<b>Other undertakings concerned</b>	Bauwerk	██████████	██
	Boen	██████████	██

6. **AFFECTED MARKETS**

- (18) The product market concerned by the Transaction is the production, distribution and marketing of flooring materials, more specifically wooden and laminate flooring.
- (19) In its decision practice the European Commission ("**Commission**") has identified four main flooring products: parquet, PVC, tiles and carpets.<sup>1</sup> With respect to parquet, this has been further specified as either laminate or wooden flooring and the Commission has considered that these two are substitutable in demand.<sup>2</sup> Although a distinction between these two was subsequently evoked by the Commission, the conclusion still remained that laminate and wooden flooring could be considered as substitutable.<sup>3</sup>
- (20) Both wooden and laminate flooring are used for residential purposes, not essentially in industrial or commercial facilities for heavy use. The annual statistics of European Federation of the Parquet Industry ("**FEP**") reflect that the demand for wooden or laminate flooring switches to each other readily. The two types of flooring are regarded as completely substitutable by the consumers. Thus, it should be confirmed that wooden and laminate flooring belong to the same product market.
- (21) The geographic market concerned by the Transaction is at least EEA wide as has been held by the Commission in previous market investigations.<sup>4</sup> The Parties market and sell their products in most EEA countries as well as in Switzerland, the U.S.A. and Russia, and there are no significant barriers to trade between EEA-states.

<sup>1</sup> European Commission, Decision of 27 August 1998 in Case No COMP/M.1253 - *Paribas/JDC Sarl/GERFLOR*, paragraph 7.

<sup>2</sup> European Commission, Decision of 4 August 2000 in Case No COMP/M.2051 - *Nordic Capital/Hiag/Nybron/Bauwerk*, paragraph 10.

<sup>3</sup> European Commission, Decision of 12 June 2006 in Case No COMP/M.4048 - *Sonae Industria/Tarkett/JV*, paragraph 13.

<sup>4</sup> European Commission, Decision of 12 June 2006 in Case No COMP/M.4048 - *Sonae Industria/Tarkett/JV*, paragraph 18.

- (22) The wooden flooring industry is regarded as a highly competitive industry that to a large extent is unconsolidated. According to the FEP there were 51 manufacturing companies in the FEP area as of June 2011, and there were about 14 manufacturers are regarded to be of significant size. The actual product territory selected by a majority of consumers and the sales distribution of the products of the main business operators are Europe-wide. The market could therefore be considered as EEA-wide.
- (23) On a EEA-level the Transaction will lead to a small overlap as the Parties' combined market share will be [REDACTED] which cannot under any theory of harm be considered to amount to a significant restriction of competition.
- (24) In Norway it is estimated that Boen holds a market share on the market for wooden flooring of approximately [REDACTED] in 2012. Considering the whole market for flooring, Boen's estimated market share in Norway would be approximately [REDACTED]. However, this will not lead to an affected market or a significant restriction of competition.
- (25) First, it is reminded that Bauwerk is not active in Norway, and thus the transaction will not lead to increased market shares in Norway. It also follow that the markets share of Boen in Norway remains unaffected by the Transaction and can thus not be considered as an affected market according to the Authority's *Notification Guidelines*.<sup>5</sup>
- (26) Second, Boen's biggest competitor on the Norwegian market is [REDACTED]. Moreover, many other competitors are active on the market, a number of them having market shares between [REDACTED] as well as many others such as [REDACTED]. Given Bauwerk's absence on the Norwegian market, the Transaction will not increase the market shares of Boen / Bauwerk in Norway.
- (27) Third, the market for wooden flooring is highly fragmented and the internationally active market players easily have the capacity to cover additional requirements in case of a hypothetical price increase. The wooden flooring market is also characterized by a very high price pressure, also due to the fact that approximately 300 market players are active on this market in Europe. The price pressure is further increased due to the fact that foreign market players are considered by retail chains (given the fact that all players active in Norway import flooring) and in tender processes just as well as the domestic market players.
- (28) Consequentially, the Transaction will not lead to any affected markets, whether vertical or horizontal. Accordingly, the Parties respectfully submit that the Authority authorise the Transaction as it does not lead to the creation or strengthening of a significant restriction of competition contrary to Section 16 of the Competition Act.

## 7. ANNUAL REPORTS AND ANNUAL ACCOUNTS

- (29) The annual accounts for Boen, JGO and [REDACTED] are publicly available from the Brønnøysund registries and these alone establish the jurisdiction of the Authority.
- (30) The annual reports for Zurmont, EGSB and Bauwerk can be made available on request.

<sup>5</sup> Konkurransetilsynet 1 July 2008, *Guidelines for standardised notification of a concentration*, part 3.d).

**8. OTHER COMPETITION FILINGS**

- (31) The Transaction has also been notified to the Competition authorities in Germany, Austria and Switzerland.
- (32) The Transaction was originally notified to the European Commission. However, the European Commission considered that it did not satisfy the conditions in Regulation 139/2004 as detailed in a letter attached as Appendix 1. Accordingly, the Parties proceeded to notify the Transaction in the jurisdictions set out above.

**9. BUSINESS SECRETS**

- (33) Information given by the parties relating to market shares, competitors, suppliers, customers and turnover must be considered as confidential business secrets.
- (34) A non-confidential version of the present notification will be sent to the Competition Authority shortly.

\* \* \*

Yours faithfully,  
ADVOKATFIRMAET SCHJØDT AS

Henrik Nordling  
*Avocat à la Cour* (France) established in Norway under Directive 98/5/EC

**Appendices:**

**Appendix 1** Letter from the European Commission dated 18 April 2013