



DETERMINATION OF MERGER NOTIFICATION M/06/070 – ABN AMRO/ SAUNATEC

Section 21 of the Competition Act 2002

Proposed acquisition by ABN AMRO Capital BO Funds B.V. of Saunatec Group OY

Dated 19/10/06

Introduction

1. On 6 October 2006, the Competition Authority (“the Authority”), in accordance with Section 18 (1) the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby ABN AMRO Capital BO Funds BV (“ABN AMRO”) would acquire the entire issued share capital of Saunatec Group OY (“Saunatec”) (“the proposed transaction”).

The Undertakings Involved

2. ABN AMRO, the acquirer, is a wholly-owned subsidiary of ABN AMRO Bank N.V. which is in turn wholly-owned by ABN AMRO Holding NV. Collectively, ABN AMRO, ABN AMRO Holdings NV and ABN AMRO Bank N.V. (“ABN AMRO Group”) are listed on the New York Stock Exchange and the Euronext Stock Exchange.
3. ABN AMRO Group is active in the provision of financial services on a global basis. Its primary activities in financial services are in relation to investment banking services and other banking services for institutional clients and financial services for consumers and commercial clients, including financing and loans, asset management, transactions and private equity.
4. ABN AMRO Group’s total turnover for the financial year 2005 was approximately [€10-€50billion] of which approximately [€10-€100million] was generated from its activities, as listed above, to customers in the State for the same period.
5. Saunatec, the target, is a Finnish company and together with its subsidiaries forms the entity Saunatec Group. Saunatec Group’s activities concern several product groups: (1) sauna heaters (electrical and wood-burning) and controls; (2) pre-fabricated sauna and infrared cabins; (3) steam generators and controls; and (4) manufacturing and sale of interior solutions and sauna accessories.
6. From its local presence and/or sales offices in Germany, France, the United Kingdom, the United States, Finland and Russia, Saunatec Group exports the above products to approximately 70 countries. Saunatec Group does not have a physical presence in the State but has a distributor based in Northern Ireland which has in the past supplied a limited amount of Saunatec Group’s products to customers based in the State.

7. For the financial year 2005, Saunatec Group's new sales were €42million of which a total turnover of [less than €1million] derived from Saunatec Group's activities in the State for the same period.

Analysis

8. The activities of the undertakings involved do not overlap in the State. The acquirer and ABN AMRO Group are financial services companies and are not active in the manufacture, distribution, sale or otherwise of sauna and/or steambath equipment in the State.
9. The target is not active in the provision of financial services in the State. It is active in the manufacture, distribution sale or otherwise of sauna and/or steambath equipment which services and products are provided to customers in the State.
10. The Authority, therefore, has concluded that the proposed transaction does not give rise to competition concerns.

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by ABN AMRO Capital BO Funds BV of Saunatec Group OY will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Dr. Paul K. Gorecki
Member of the Competition Authority