



# DETERMINATION OF MERGER NOTIFICATION M/15/066 - AURORA ACQUISITIONS (CARLYLE)/ABTRAN GROUP

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## Section 21 of the Competition Act 2002

### Proposed acquisition by Aurora Acquisitions Unlimited Company (formerly Aurora Acquisitions Limited) of sole control of Abtran Group

Dated 17 December 2015

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#### Introduction

1. On 23 November 2015, in accordance with section 18(1) of the Competition Act 2002, as amended<sup>1</sup> (“the Act”), the Competition and Consumer Protection Commission (“the Commission”) received a notification of a proposed transaction whereby The Carlyle Group L.P. (“Carlyle”) through its wholly-owned subsidiary Aurora Acquisitions Limited (which on 4 December 2015 was re-registered under the Companies Act 2014 as Aurora Acquisitions Unlimited Company) (“Aurora”)<sup>2</sup> would acquire sole control of Abtran Group, a private unlimited company incorporated in the State.

#### The Proposed Transaction

2. On 21 November 2015, Aurora entered into a Sale and Purchase Agreement with Forest Hill Global Limited<sup>3</sup> (“Forest Hill”) and its individual shareholders<sup>4</sup> (“the Vendors”) to acquire sole control of Abtran Group. Following completion of the proposed transaction, Aurora will hold the entire issued share capital, and thus sole control, of Abtran Group, which will then be a wholly-owned subsidiary of Aurora.

#### The Undertakings Involved

##### *Carlyle*

3. Carlyle, a publicly traded limited partnership, is listed on the NASDAQ stock exchange and headquartered in Washington D.C., USA. Carlyle is a global alternative asset manager that manages funds which invest across four business segments: (a) Corporate Private Equity (buyout and growth capital); (b) Real Assets (real estate, infrastructure, energy and renewable resources); (c) Global Market Strategies (distressed and corporate opportunities, corporate mezzanine, energy mezzanine, structured credit,

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<sup>1</sup> It should be noted that the Competition and Consumer Protection Act 2014 made a number of important amendments to the merger review regime set out in the Competition Act 2002.

<sup>2</sup> Aurora does not currently supply any goods or services worldwide or in the State.

<sup>3</sup> [...].

<sup>4</sup> [...].



hedge funds and structured credit); and (d) Investment Solutions (alternative investment strategies - private equity, real estate and hedge funds).<sup>5</sup>

4. In the State, Carlyle is active through [...] portfolio companies which generate revenue across a diverse range of business activities, including the manufacture of woven carpets, steel bearings, food products and chocolates and the supply of services, such as cash logistics and multi-channel consumer payments.
5. For the financial year ending 31 December 2014, Carlyle's worldwide turnover was approximately [...], of which approximately [...] was generated within the State.

#### **Abtran Group**

6. Abtran Group is a direct subsidiary of Forest Hill which operates a Business Process Management/Outsourcing (BPM/BPO) business in the State. It provides customer engagement and business process management/outsourcing services which include front office, customer engagement (primarily voice) and back office, identification and validation (primarily non-voice) services<sup>6</sup>. Abtran Group engages with customers across multiple channels to provide sales and support services to public and private clients and has particular expertise in regulated markets.
7. For the financial year ending 31 December 2014, Abtran Group's worldwide turnover was approximately [...] of which [...] was generated in the State.

#### **Rationale for the Proposed Transaction**

8. The parties state in the notification:

*"The Proposed Transaction is a financial investment. It reflects Carlyle's affiliates strategies to invest in companies with proven track records in their respective industries and stable prospects for mid-to-longer-term growth."*

#### **Third Party Submissions**

9. No submission was received.

#### **Competitive Analysis**

10. There is no horizontal overlap between the parties in the State since none of the portfolio companies owned and controlled by funds managed by affiliates of Carlyle owns or operates a Business Process Management/Outsourcing (BPM/BPO) business in the State.
11. There is no vertical overlap between the parties' activities in the State.
12. In light of the above, the Commission considers that the proposed acquisition will not substantially lessen competition in any market for goods or services in the State.

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<sup>5</sup> For more information see: <http://www.carlyle.com/about-carlyle>

<sup>6</sup> Identification and validation services principally include the processing, assessment, verification and adjudication of applications, payments, registrations and claims.



### Ancillary Restraints

13. The Share Purchase Agreement between Aurora and the Vendors contains covenants restricting the Vendors from carrying on any Business Process Management business within, inter alia, the State and from soliciting the custom of any existing customer or supplier and/or offering employment to any existing employee of Abtran Group for a specified period.
14. The duration of the ancillary restraints does not exceed the maximum duration acceptable to the Commission<sup>7</sup> and, given the particular nature of the proposed transaction, the Commission considers the restrictions to be directly related and necessary to the implementation of the proposed transaction.

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<sup>7</sup> In this respect, the Commission follows the approach adopted by the EU Commission in paragraph 20 of its “Commission Notice on restrictions directly related and necessary to concentrations” (2005). For more information see <[http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)>.



### **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed transaction whereby The Carlyle Group L.P., through its wholly-owned subsidiary Aurora Acquisitions Unlimited Company (formerly Aurora Acquisitions Limited), would acquire sole control of Abtran Group will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

**Gerald FitzGerald**  
**Member**  
**Competition and Consumer Protection Commission**