



## **DETERMINATION OF MERGER NOTIFICATION M/06/081 – AXA INVESTMENT MANAGERS/CABB**

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### **Section 21 of the Competition Act 2002**

#### **Proposed acquisition by AXA Investment Managers Private Equity S.A. of CABB GmbH**

**Dated 11/12/06**

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#### **Introduction**

1. On 22 November 2006, the Competition Authority (“the Authority”), in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby AXA Investment Managers Private Equity S.A. (“AXA IMPE”) would acquire the entire issued share capital of CABB GmbH (“CABB”) indirectly through AXA’s wholly-owned subsidiaries AXA LBO Fund III A and AXA LBO Fund III B (“AXA subsidiaries”).
2. It is proposed that AXA IMPE will indirectly control CABB and its subsidiaries (CABB North America Inc., CABB S.R.L. in Argentina and CABB Verwaltungsgesellschaft mbH) through NewCo1, a special purpose vehicle. NewCo1 will be wholly-owned by NewCo2, another acquisition vehicle, in which AXA subsidiaries will jointly hold approximately [...] % of the shares while the remaining shares will be held by several private individuals who are members of the current management of CABB (“the proposed transaction”).

#### **The Undertakings Involved**

3. AXA IMPE, the acquirer, is a wholly-owned subsidiary of AXA Group specialising in investments in unlisted companies and in investments in other funds.
4. AXA S.A. is the ultimate parent of AXA Group and AXA S.A. exercises indirect control over AXA IMPE through AXA S.A.’s wholly-owned subsidiaries, AXA Investment Managers and AXA Investment Managers Private Equity.
5. In the State, the AXA Group is only active in insurance and asset management. It provides insurance services in the State through its subsidiary AXA Insurance Limited.
6. CABB, the target, is registered in Germany and is active in the manufacture, marketing and distribution of chemical building blocks based on chlorine and acetic acid.
7. In the State, CABB sells a small quantity of its products to customers from which activity it generated [...] in sales in its business year in 2005.

## **Analysis**

8. AXA Group is primarily active in the provision of insurance and asset management services in the State, while CABB is active in the manufacture, marketing and distribution of chemical building blocks based on chlorine and acetic acid.
9. The Authority considered, however, the acquirer's controlling interest in a recently acquired company<sup>1</sup>, Eliokem, which is active worldwide (and to a limited extent in the State) in the manufacture, marketing and distribution of niche specialty chemicals which include: speciality resins; antioxidants, elastomeric modifiers; and latex.
10. The Authority found that there is no overlap in the activities of the acquirer through its controlling interest in Eliokem and in the activities of the target as the products and activities of the Eliokem and CABB do not compete with each other. Further, neither Eliokem nor CABB have any supply arrangements of any kind with each other.
11. The Authority has therefore concluded that the proposed transaction does not give rise to competition concerns in the State.

## **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 AXA Investment Managers Private Equity S.A. of CABB GmbH 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

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<sup>1</sup> See *Determination in Merger Notification M/06/058 AXA/Eliokem – Proposed acquisition by AXA Investments Manager Equity S.A. of Financier S.A.R.L. Eliokem Inc.*, notified to the Authority 23 August 2006 and available from the Authority's website at <http://www.tca.ie>.