



DETERMINATION OF MERGER NOTIFICATION M/09/022 - GSO/ALcontrol

Section 21 of the Competition Act 2002

Acquisition by GSO Capital Partners LP of ALcontrol Laboratories

Dated 22 October 2009

Introduction

1. On 7 October 2009, in accordance with Section 18(1) of the Competition Act 2002 (“the Act”), the Competition Authority (“the Authority”) received a notification of a proposed transaction whereby GSO Capital Partners LP (“GSO Capital”), [...], would acquire sole control of ALcontrol Laboratories (“ALcontrol”).

The Undertakings Involved

GSO Capital Partner LP¹

2. GSO Capital, based in New York, specialises in the leveraged finance marketplace managing various multi-strategy credit hedge funds, mezzanine funds, senior debt funds, separate accounts and various collateralized loan obligation vehicles.
3. The parties submit that none of GSO Capital’s portfolio of companies is involved in the same activities as ALcontrol.

ALcontrol Laboratories²

4. ALcontrol comprises a European network of testing laboratories which provide analysis services to clients in the environmental and food sectors. In the environmental sector, analysis is provided to clients in the contaminated land, environmental water, potable (drinking) water and air monitoring and emissions sectors. In the food sector, the Group provides a range of microbiological, chemical and sensory analysis to its clients.
5. Within the State, ALcontrol’s activities concern environmental laboratory testing, namely in the categories of (i) land analysis, (ii) environmental water analysis, and (iii) air emissions monitoring. Prior to 2007 ALcontrol was also involved in food testing.

¹ Blackstone Group L.P. (“Blackstone”), a global alternative asset manager and provider of financial advisory services, has a controlling interest in GSO Capital.

² ALcontrol was purchased in 2004 by a fund managed by Candover and is controlled by Candover.

The Proposed Transaction

6. At present GSO Capital is a senior debt holder in relation to ALcontrol. Upon completion of the transaction, equity in ALcontrol will transfer to a new company in which GSO Capital will hold [...] of the voting rights.[...]
7. [...]

Third Party Submissions

8. No submissions were received.

Analysis

9. There is no overlap in the activities of the parties within the State. Neither GSO Capital, subsidiaries controlled by GSO Capital, nor any party with a controlling interest in GSO Capital, is involved in the areas in which ALcontrol is active.
10. The Authority is therefore of the opinion that the proposed transaction is unlikely to raise competition concerns in the State.

Determination

11. The Competition Authority, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed acquisition of ALcontrol Laboratories by GSO Capital Partners LP will not be to substantially lessen competition in any market for goods or services in the State and, accordingly, the acquisition may be put into effect.

For the Competition Authority

Dr Stanley Wong
Member of the Competition Authority