



DETERMINATION OF MERGER NOTIFICATION M/14/019 - CA4Infra2/Homair

Section 21 of the Competition Act 2002

Proposed acquisition by CA4Infra2 SAS of sole control of Homair Vacances SA

Dated 7 August 2014

Introduction

1. On 18 July 2014, in accordance with section 18 of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed acquisition whereby CA4Infra2 SAS ("CA4Infra2") would acquire sole control of Homair Vacances SA ("Homair"). CA4Infra2 is ultimately controlled by funds managed by affiliates of The Carlyle Group L.P. ("Carlyle").
2. The proposed acquisition was effected by means of Securities Purchase Agreement between CA4Infra2 and Homair signed on 20 June 2014 (the "SPA"). As set out in the SPA, the completion of the proposed acquisition is subject to the prior acquisition of 100 per cent of the shares (and other securities, if any) of Eurocamp Limited ("Eurocamp") by Homair, in accordance with a Share Purchase Agreement entered into between Homair and Eurocamp and signed on 31 May 2014.

The Undertakings Involved

Carlyle

3. Carlyle is a global asset fund manager investing 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, hedge funds and structured credit); and (d) Solutions (private equity fund of funds program and related co-investment and secondary activities).¹
4. In the State, Carlyle, [through funds managed by its affiliates], is active via [...] [portfolio] companies which generate revenue in sectors as diverse as [...].
5. For the year ending 31 December 2013, Carlyle's worldwide turnover was €[...]. Carlyle's turnover in the State for the same period was €[...].

Homair

¹ For more information see: <http://www.carlyle.com/about-carlyle>

6. Homair, headquartered in France, operates camping parks located in France, Spain, Croatia, Italy, Portugal, and Austria. Homair sells outdoor holidays through its website and call centre to customers in France and other European countries. Homair is currently in the process of acquiring Eurocamp, a UK-based company, which operates camping parks in France, Spain, Portugal, Italy, Croatia, Austria, Germany, Luxembourg, the Netherlands, Denmark and Switzerland. Eurocamp sells outdoor holidays through its website and call centre to customers in the United Kingdom and other European countries.
7. For the financial year ending 30 September 2013, Homair's worldwide turnover (including Eurocamp) was €[...]. Homair's turnover in the State (including Eurocamp) for the same period was €[...].

Rationale for the Proposed Acquisition

8. The parties state in the notification:

"The proposed transaction is a financial investment by Carlyle and reflects the strategy of Carlyle affiliates to invest in companies with proven track records in their respective industries and with stable prospects for mid-to-longer-term growth."

Third Party Submissions

9. No submission was received.

Competitive Analysis

10. There is no direct horizontal overlap between the parties in the State.
11. The target (i.e. the entity combining the activities of Homair and Eurocamp) provides outdoor accommodation services in camping parks and is active in the supply of short-haul and self-drive holidays. Neither Carlyle nor any of the [funds managed by affiliates of] Carlyle own or operate a business that provides outdoor accommodation services in camping parks.
12. Carlyle controls three portfolio companies which provide services to holidaymakers: (a) B&B Hotels, a budget hotel chain which operates mainly in France. The nature of the accommodation provided by B&B Hotels compared with the target (i.e. the entity combining the activities of Homair and Eurocamp) is sufficiently different that the Authority does not regard the potential overlap as significant. In addition, B&B Hotels does not own or operate any hotel in the State and did not generate any turnover in the State in the most recent financial year; (b) WorldStrides which offers educational travel services to students in the United States, Costa Rica and, to a very limited extent, in Europe. Again the difference in the product offered by WorldStrides compared to the target is such that the Authority is not concerned by the potential overlap. WorldStrides did not generate any turnover in the State in the most recent financial year; and, (c) Viator Inc. which offers cultural and sight-seeing excursions on a worldwide basis. Viator generated minimal turnover in the State in the most recent financial year (€[...]).

13. The Authority considers the level of horizontal overlap in the State between Viator and the target to be minimal.
14. In light of the above, the Authority considers that the proposed transaction will not substantially lessen competition in any market for goods or services in the State.

DETERMINATION

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 whereby CA4Infra2 SAS would acquire sole control of Homair Vacances SA 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 Authority

Stephen Calkins

Member of the Competition Authority

Director, Mergers Division