



# DETERMINATION OF MERGER NOTIFICATION M/15/017 - CORE/CARROLL

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## Section 21 of the Competition Act 2002

### Proposed acquisition by Core Acquisitions Limited of sole control of Carroll Cuisine Limited

Dated 21 April 2015

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#### Introduction

1. On 31 March 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 Core Acquisitions Limited (“Core”) would acquire sole control of Carroll Cuisine Limited (“Carroll”).
2. Core, a private company incorporated in the State and established for the purposes of the proposed transaction, is ultimately controlled by The Carlyle Group L.P. (“Carlyle”). [...].

#### The Undertakings Involved

##### *Carlyle*

3. Carlyle is a global asset fund 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, hedge funds and structured credit); and (d) Solutions (private equity fund of funds program and related co-investment and secondary activities).<sup>2</sup>
4. In the State, Carlyle is active through [...] portfolio companies which generate revenue across a diverse range of business activities, including the operation of a multi-channel consumer payments acceptance network, the manufacture of chocolates, and the creation and distribution of still imagery, video and multimedia products.

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



5. For the financial year ending 31 December 2013, Carlyle's worldwide turnover was approximately €[...], of which approximately €[...] was generated within the State.

#### **Carroll**

6. Carroll is a wholly-owned subsidiary of Aryzta Food Solutions Ireland which is ultimately owned by Aryzta AG, a publicly traded company incorporated in Switzerland. Carroll produces processed pork, in the form of pre-packed sliced meats and deli ham. Approximately [...] of Carroll's total revenue in 2014 was generated through sales of processed pork. Carroll also supplies breakfast meats, chilled ready meals, in particular lasagne, and other miscellaneous food products, such as garlic bread.
7. Carroll's branded products trade under the brand names "Carroll Cuisine" and "Carroll's". Carroll supplies its products directly to the major grocery retailers in the State including Tesco, SuperValu, and Dunnes Stores. Carroll also makes sales of processed pork, chilled ready meals and other products in Northern Ireland, which accounted for around [...] of Carroll's total revenue in 2014.
8. For the financial year ending 31 July 2014, Carroll's worldwide turnover was approximately €[...], of which €[...] was generated in the State.

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

9. The parties state in the notification:

"The Proposed Transaction reflects Carlyle's affiliates' strategies to invest in Irish companies with proven track records in their respective industries and stable prospects for mid-to-longer-term growth. From Carroll Cuisine Limited's perspective, the investment by an experienced investment firm is expected to improve access to continuing funding and to allow Carroll Cuisine Limited's management to benefit from Carlyle's management experience across a variety of industries."

#### **Third Party Submissions**

10. No submission was received.

#### **Competitive Analysis**

11. There is no horizontal or vertical overlap between the parties in the State since none of the portfolio companies owned and controlled by funds managed by affiliates of Carlyle is active in the manufacture or sale of processed meats or chilled ready meals in the island of Ireland.
12. The Commission therefore considers that the proposed transaction will not substantially lessen competition in any market for goods or services in the State.

#### **Ancillary Restraints**



13. The Share Purchase Agreement between the parties to the proposed transaction contains a number of restrictive obligations on Aryzta Food Solutions Ireland. These include non-compete and non-solicitation clauses. None of these restrictive obligations exceeds the maximum duration acceptable to the Commission.<sup>3</sup> The Commission considers these restrictions to be directly related and necessary to the implementation of the proposed transaction.

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<sup>3</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, has determined that, in its opinion, the result of the proposed transaction whereby Core Acquisitions Limited would acquire sole control of Carroll Cuisine Limited 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