



## **DETERMINATION OF MERGER NOTIFICATION M/06/097 – Sagard/Aliplast**

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

#### **Proposed acquisition by Sagard Private Equity Partners FCPR of Aliplast Holdings Limited**

**Dated 17/01/07**

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#### **Introduction**

1. On 22 December 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 Sagard FCPR represented by its management company Sagard S.A.S. (“Sagard”) would acquire sole control of Aliplast Holdings Limited (“Aliplast”).
2. Pursuant to the Competition Authority’s adoption of Notice N/02/003 *as amended* (“Notice in respect of certain terms used in Part 3 of the Competition Act, 2002”) on 12 December 2006, the undertakings involved were informed that the proposed transaction no longer satisfies the “carrying on business in the State” test for mandatory notification to the Competition Authority. Notwithstanding this, the undertakings involved requested that the Authority to proceed with the notification under Section 18(3) (i.e., as a voluntary notification).<sup>1</sup>
3. The proposed transaction is structured as a leveraged management buy-out through a “consortium” consisting of Sagard, Aliplast Management and Ergon Capital Partners SA (Ergon).<sup>2</sup> Each of the consortium members invested as follows: Sagard [..], Ergon [..] and Aliplast Management [..] in a newly created company, PLU Holding SAS, which will acquire all the issued and to be issued shares of Aliplast. Following the completion of the transaction, Sagard will exercise sole control over Aliplast.

#### **The Undertakings Involved**

4. Sagard FCPR, the acquirer, is an investment fund, managed by Sagard, which in turn is owned by Power Corporation of Canada

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<sup>1</sup> Under Section 20 of the Act, the Authority is required to examine any valid notification received by it.

<sup>2</sup> Ergon is a Belgian private equity company that specialises in equity investments through either controlling ownership or strategic minority investments. Ergon is not an undertaking involved for the purpose of this notification.

("PCC"), a diversified management and holding company, which has investments in companies as diverse as media, energy, water, waste services and speciality minerals' companies. In 2005, PCC had a worldwide turnover of c. €17.6 billion and a turnover of c. €[...] million in the State. Sagard is a Paris-based private equity specialist which provides investment capital for experienced management teams, who wish to develop their business on the markets in which they operate. In 2005, Sagard generated worldwide turnover of c. €[...] billion but no turnover in the State.

5. Aliplast, the target, is a Belgium-based company with subsidiaries located in different parts of Europe, but none in the State. Aliplast is active in the aluminium profile systems industry. Aliplast produces and supplies aluminium profile systems for windows, doors, and conservatories. In 2005, Aliplast generated worldwide turnover of c. €178.9 million. In the same year, it generated indirect sales of c. €[...] from an independent third party distributor in the State.

### **Analysis**

6. There is no horizontal or vertical overlap in the parties' activities. Sagard is mainly active in private equity investments while Aliplast operates in the aluminium profile systems industry. Therefore, the Authority considers that the proposed transaction does not raise 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 proposal whereby Sagard FCPR represented by its management company Sagard S.A.S. would acquire sole control of Aliplast Holdings Limited, 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