



**DETERMINATION OF MERGER NOTIFICATION M/10/004 -  
WARBURG PINCUS/SGL LIMITED**

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**Section 21 of the Competition Act 2002**

**Proposed acquisition by Warburg Pincus of SGL Limited**

**Dated 09 February 2010**

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**Introduction**

1. On 29 January 2010, in accordance with section 18 of the Competition Act 2002 (the "Act"), the Competition Authority (the "Authority") received a notification of a proposed transaction whereby Warburg Pincus & Co. ("Warburg Pincus") would acquire sole control of SGL Limited ("SGL").

**The Undertakings Involved**

***The Acquirer***

2. Warburg Pincus is a US based global private equity firm. Warburg Pincus' investments are focused on a range of sectors in North America, Europe and Asia including financial services, healthcare, industrial, technology, media and telecommunications, energy, consumer and retail and real estate. Warburg Pincus is not active in the State and all turnover attributable to Warburg Pincus is turnover accruing from its portfolio companies.

***The Target Group***

3. SGL is active in the design, manufacture, distribution, rental and servicing of safety and survival equipment, including marine equipment, aerospace equipment, submarine escape equipment and air-beam shelter systems. SGL provides off-the-shelf survival products and systems, as well as developing bespoke safety and survival solutions in terms of design, materials and inflation technology. SGL is headquartered and located in Dunmurry, Northern Ireland and it generates turnover in the State.

**Rationale for the Proposed Transaction**

4. According to the parties, the commercial objective of the proposed transaction is to provide SGL with management and financial support for the continued development of its business.

**Third Party Submissions**

5. No submissions were received.

**Analysis**

6. The proposed acquisition concerns the market(s) for safety and survival products. Since neither Warburg Pincus nor any investee companies controlled by it are active in the market(s) for safety and survival products, there is no horizontal overlap between the activities of Warburg Pincus and SGL in the State. In addition, the proposed acquisition will not lead to any material vertical or conglomerate effects, as no investee companies controlled by Warburg Pincus have any vertical relationships with SGL.<sup>1</sup>
7. In light of the above, the Authority considers that the proposed acquisition of SGL by Warburg Pincus is unlikely to raise any competitive concerns in the State.

#### **Ancillary Restraints**

8. Certain shareholders of SGL have entered into agreements that include non-competition provisions with Warburg Pincus and its investee companies with duration of up to three years from the completion of the proposed transaction. The Authority considers that these restrictions to be directly related and necessary to the implementation of the proposed transaction.

#### **Determination**

9. 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 by Warburg Pincus & Co. of sole control of SGL Limited will not be to substantially lessen competition in markets for goods or services in the State, and accordingly, that the acquisition may be put into effect.

#### **For the Competition Authority**

**Dr. Stanley Wong**

**Member of the Competition Authority**

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<sup>1</sup> A negligible, de minimis vertical relationship exists between a Warburg Pincus portfolio company, [...], and SGL. [...].