

SCHJØDT

[PUBLIC VERSION]

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Per e-mail

Oslo, 16 March 2013

Lawyer in charge:
Olav Kolstad

STANDARDIZED NOTIFICATION OF A CONCENTRATION – ACONA HOLDING AS' PROPOSED ACQUISITION OF SOLE CONTROL OVER RESQ AS (TARGET)

1. THE NOTIFYING PARTY

Name: Acona Holding AS
Registration Number: 979 349 394
Address: Laberget 24
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4066 Stavanger, Norway

Representative: Advokatfirmaet Schjødt AS
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2. OTHER UNDERTAKINGS CONCERNED

Name: ResQ AS
Registration number: 981 616 677
Address: Øvregata 124
P.O. Box 192
5501 Haugesund, Norway

3. NATURE OF THE CONCENTRATION

- (1) By way of a Share Purchase Agreement (*SPA*) signed on 15 March 2013, Acona Holding AS (*Acona*) agreed to purchase 100 % of the shares in the target company ResQ AS (*ResQ*) from the current shareholders (sellers) (the *Transaction*). Consequently, upon completion of the proposed Transaction, Acona will thus acquire sole control over ResQ within the meaning of Section 17 of the Competition Act 2004 (the *Competition Act*).
- (2) Following the notified acquisition of Acona by Acona Invest AS (999 163 173) taking place in Q4 2012, Acona is now ultimately controlled by the private equity fund CapMan Buyout IX Fund A L.P., which is an equity fund managed/advised by its general partner CapMan (Guernsey) Buyout IX GP Limited, belonging to CapMan Plc group (collectively *CapMan*).¹
- (3) Thus, after completion, ResQ will ultimately be controlled by CapMan.
- (4) Given that the thresholds set out in Section 2 of the Regulation on the Notification of Concentrations are met (*cf.* Section 5 below), the Parties hereby submit the following standardized notification. For the reasons set out below, the Parties conclude and hereby respectfully submit that the Transaction will not lead to the creation or strengthening of a significant restriction of competition, contrary to Section 16 of the Competition Act.

4. STRUCTURE AND BUSINESS AREAS OF THE UNDERTAKINGS CONCERNED

4.1 Acona Holding AS (notifying party)

- (5) Acona is a Norwegian private limited company, established in 1997.
- (6) Acona is controlled by Acona Invest AS after a notified acquisition taking place in Q4 2012.
- (7) Acona and its subsidiaries provide consultancy services to the oil and gas industry within the areas of Well Operations, Drilling, Risk, HSE, Flow Analysis and Emergency Response.
- (8) Acona has more than 300 employees and is headquartered in Stavanger. Acona's services are divided into four broader service categories. These four categories are the following:
 - Drilling & Well Technology; provides competence and technologies to internal and external customers engaged in upstream hydrocarbon exploration/development.
 - Health, Safety and Environment (HSE) & Risk; provides services to improve the clients' performance by assisting with identification of threats, assessment and development of management systems, monitoring systems and training.
 - Subsurface & Flow Technology; analyzes the available and retrieved data to enhance understanding of risk and hazardous challenges in the ground and topside along with modeling of single or multiphase fluids flow regimes/process.
 - Incident Coordination Center (ICC); provides qualified assistance to the oil and energy industry within the area of emergency response and crisis management.
- (9) Although not the core Acona's business, Acona provides (as part of its HSE/ICC offering) some emergency preparedness training services to customers in the oil and gas industry.

¹ Cf. standardized notification submitted to the Competition Authority on 17 December 2012.

- (10) Acona currently controls the following subsidiary companies, holding 100 % of the shares: Acona AS (984 113 005); Acona Alfa AS (960 013 492); Acona Beta AS (984 927 959); and Sim Optima AS (983 099 734) and Fraser Offshore Ltd (SC131282). The subsidiary Acona AS controls the company Acona Flow Technology AS (985 987 483), holding 73,6 % of the shares.² Acona Flow Technology controls Acona Innovalve AS³, with 70 % of the shares.
- (11) Further information about the activities of Acona is available at:

<http://www.acona.com>

4.2 Acona Invest AS

- (12) Acona Invest AS (*Invest*) is a Norwegian private limited company, established in 2012.
- (13) Invest is the parent company of Acona.
- (14) Invest is a single-purpose holding company without any activity of its own on any market. Invest is controlled by CapMan, *i.e.* the ultimate owner of Acona following the completion.

4.3 CapMan Group

- (15) CapMan Group is a private equity fund manager in the Nordic countries and Russia.
- (16) CapMan Group is comprised of CapMan Plc and its subsidiaries and associated companies. CapMan's subsidiaries act as fund management and/or advisory companies for CapMan's funds making direct investments in portfolio companies or in real estate assets. CapMan employs about 120 people in Helsinki, Stockholm, Oslo, Moscow, and Luxembourg. CapMan Plc was established in 1989 and was listed on the Helsinki Stock exchange in 2001.
- (17) CapMan's funds manage EUR 3,1 billion of capital raised from institutional investors. CapMan itself is also a significant investor in the funds that it manages/advises. CapMan has four key investment partnerships - CapMan Buyout, CapMan Russia, CapMan Public Market, and CapMan Real Estate - each with its own dedicated investment team/funds.
- CapMan Buyout; [REDACTED]
 - CapMan Russia; [REDACTED]
 - CapMan Public Market; [REDACTED]
 - CapMan Real Estate; [REDACTED]
- (18) CapMan has two further investment areas (CapMan Technology and CapMan Life Science), [REDACTED]
- (19) The management companies of the funds, CapMan's subsidiaries, manage/advice the investments made in the name of various funds and exercise control in the investments independently of the funds, which are only responsible for investment and exit decisions.

² For the sake of completeness, Acona AS also holds a non-controlling stake (35 %) in Subsea Tunnel AS (997 614 518).

³ Acona Innovalve is a company under registration.

⁴ Small and medium-sized enterprises.

(20) None of the portfolio companies controlled by CapMan have activities within consultancy services to the oil and gas industry. Thus, the portfolio companies controlled by CapMan are not active in and therefore have no overlapping activities with either Acona or ResQ.

(21) Further information about CapMan and its portfolio companies is available at :

<http://www.capman.com/>

4.4 ResQ AS (target)

(22) ResQ is a Norwegian private limited company, established in 2000.

(23) ResQ provides safety and emergency preparedness training for individuals and corporate customers in the oil and gas industry, the maritime sector and in industry and land-based activities. ResQ is headquartered in Haugesund, with additional safety centers in Stavanger, Bergen and Kristiansund, serving customers in Norway onshore and offshore on the Norwegian Continental Shelf. ResQ's core service offering is general safety training for offshore oil and gas, [REDACTED].

(24) For the sake of completeness, the Parties note that ResQ also has a very limited offering within selected areas of emergency response (studies and consultancy, including fire protection advisory and placement of HSE/safety personnel). However, ResQ's emergency response business is entirely negligible (market share close to zero). It is impossible to provide any meaningful estimate of a market share for ResQ within emergency response.

(25) ResQ controls (100 %) the two subsidiaries ResQ Services AS (992 148 829) and ResQ Eiendom AS (983 452 426). ResQ Services AS hires out HSE resources and also has minor business related to safety e-learning, whereas ResQ Eiendom AS is a real estate company.⁵

(26) Further information about the activities of ResQ is available at:

<http://resq.no/>

5. TURNOVER AND OPERATING RESULTS 2011

	Name	Total Turnover 2011	Turnover in Norway 2011	Operating result in Norway 2011
Notifying Party	Acona Holding AS (consolidated)	MNOK 653,5	MNOK 602,5	MNOK 51,0
Other undertakings concerned	CapMan Group (consolidated)	MEUR 3 180,2 ⁶	MEUR 590,7 ⁷	N/A ⁸
	ResQ AS (consolidated)	MNOK 125,9	MNOK 125,9	MNOK 15,9

⁵ For the sake of completeness, ResQ also holds non-controlling stakes in the two companies Norwegian Safety Partners AS (991 160 779), with 33,33 % of the shares, and Simsea AS (995 935 015), with 45,91 % of the shares.

⁶ Based on consolidated worldwide turnover of all CapMan portfolio companies.

⁷ Based on consolidated Norwegian turnover of all CapMan portfolio companies.

⁸ The annual accounts of the CapMan portfolio companies do not include geographic allocation of operating results.

6. AFFECTED MARKETS

(27) It follows from the descriptions provided in Section 4 above, that the activities of the Parties are largely complementary. Acona focus on "technical" oil and gas consultancy services (such as Well Operations, Drilling and Subsurface and Flow Analysis), whereas ResQ's core service offering is general safety training for the oil and gas industry. However, the Parties have limited overlapping activities within offshore safety training, as also Acona offers limited offshore emergency preparedness training to oil and gas customers.

(28) The overlap within emergency response is entirely negligible and will not be explored further. Reference is made to the fact that ResQ has a market share close to zero on a possible Norwegian market for emergency response (*cf.* paragraph 24 above), and that Acona's estimated market share within emergency response is [REDACTED]. Strong competitors in this market include both [REDACTED] and [REDACTED] with market shares of [REDACTED] and [REDACTED] respectively.

6.1 Product market

(29) With regards to the limited overlap between Acona and ResQ within offshore emergency preparedness, the Parties submit that the relevant product market is the overall market for offshore safety training, with general safety training (including safety and emergency training courses; and training related to first aid helicopter evacuation; life boat; fire team; tailor made safety trainings; co-training of entire platform shifts *etc.*) and emergency preparedness training (1st & 2nd line training; emergency management courses; emergency exercises; development & revision of emergency plans and bridging documents; risk & vulnerability analysis *etc.*) being two segments within this overall product market.

6.2 Geographic market

(30) The Parties submit that the geographic market for offshore safety training is national in scope, *i.e.* Norway (and the Norwegian Continental Shelf). This is due to nation-specific regulations which are unique to Norway. Further, customers are served on a nation-wide basis and a spread of locations and broad service offering close to attractive locations throughout the country is considered one key factor among customers' purchasing criteria.

6.3 Competitive assessment

(31) The Parties estimate that the market size for offshore safety training services in Norway is approximately [REDACTED]. Acona estimates its market share on the market for offshore safety training services in Norway (including emergency preparedness training) to be approximately [REDACTED], whereas ResQ estimates its market share to be approximately [REDACTED]. The joint market share of the Parties post-Transaction will thus be approximately [REDACTED].

(32) Several strong competitors are currently present on the Norwegian market for offshore safety training, including [REDACTED] with an estimated market share of approximately [REDACTED], and others, such as [REDACTED]. These market players will continue to exercise considerable competitive pressure after the Transaction.

(33) Further, the Parties refer to the fact that many of the customers on this market are large, international oil and gas companies which are exercising considerable purchasing power.

(34) The Parties therefore respectfully submit that an incremental increase in the market share from approximately [REDACTED] to [REDACTED] will not lead to the creation or strengthening of a significant restriction of competition on an already highly competitive Norwegian market.

6.4 List of 5 most important competitors, customers and suppliers

6.4.1 Offshore safety training – Acona's 5 most important competitors, customers and suppliers⁹

Most important Competitors	Most important Customers	Most important Suppliers
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

6.4.2 Offshore safety training – ResQ's 5 most important competitors, customers and suppliers

Most important Competitors	Most important Customers	Most important Suppliers
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

7. ANNUAL REPORTS AND ACCOUNTS

- (35) The annual report and accounts for Acona and ResQ are available at the Brønnøysund registries. The annual report and accounts for CapMan is made available at its website:

<http://annualreport2012.capman.com/>

8. BUSINESS SECRETS

- (36) Please find a public version of the notification enclosed.

Annex 1: Public version of the notification.

⁹ Based on Acona's limited offering within emergency preparedness training.

* * *

Yours faithfully,
ADVOKATFIRMAET SCHJØDT AS

Olav Kolstad
advokat dr. juris