

# AABØ-EVENSEN & CO

ADVOKATFIRMA

VISITING ADDRESS:  
KARL JOHANS GT. 27  
NO-0159 OSLO

MAILING ADDRESS:  
BOX 1789 VIKÅ  
NO-0122 OSLO

Konkurransetilsynet  
Postboks 439 Sentrum  
5805 Bergen

Yours Ref.:

Our Ref.: oka/20130125

20 January 2014

Attorney in charge:  
Ole K. Aabø-Evensen

## Simplified notification of a concentration

### 1 Executive Summary

This notification under § 18 (1) of the Competition Act concerns the acquisition of sole control, within the meaning of § 17 (1) b) of the Competition Act, of Linjebygg Offshore AS (“**LBO**”) by Montecin Norway AS (the “**Purchaser**”), a newly incorporated company owned by Montecin France II SASU (the “**Parent**”) from Istad AS and a group of employee shareholders (the “**Sellers**”). The Purchaser and the Parent is again indirectly owned and controlled by funds managed by Cinven Capital Management (V) General Partner Limited (together with the funds managed and advised by it, as well as its associated company Cinven Limited and the funds managed and advised by it, “**Cinven**”). Post-completion, the Parent, the Purchaser and LBO will be indirectly controlled by Cinven with minority, non-controlling participations held by the existing management team of Prezioso-Technilor SAS (“**Prezioso**”) (the “**Proposed Transaction**”). In this notification, the “**Parties**” refers to Cinven and LBO collectively and “**Party**” refers to one of them.

The completion of the Proposed Transaction is subject to clearance from the Norwegian Competition Authority as the Parties have a combined annual turnover in Norway of more than NOK 1 billion and each of the Parties has an annual turnover in Norway of more than NOK 100 million, cf. § 18 (1) and (2) of the Competition Act.

The Proposed Transaction meets the conditions for a simplified notification as set out in § 4 (3) b) of the Regulation on the Notification of Concentrations on the basis that the Parties combined market share in market(s) potentially affected by the Proposed Transaction is below 15 percent.

### 2 Notifying party

**Name:** Cinven Capital Management (V) General Partner Limited

**Business register No.** 54045

**Address:** PO Box 656,  
3 Rd Floor Tudor House Le Bordage  
St Peter Port, Y7,  
Guernsey, GY1 3PP

**Contact person:** Name: Kevin Whale  
Title: Head of Legal and Compliance

e-mail: [Kevin.Whale@Cinven.com](mailto:Kevin.Whale@Cinven.com)

Telephone: +44 2076 613 343

Fax: +44 2076 613 843

**Representative:**

Aabø-Evensen & Co Advokatfirma AS  
Attn.: Ole K. Aabø-Evensen, attorney-at-law  
Attn.: Silje Maria Bragstad, attorney-at-law

Karl Johans gate 27

P.O. Box 1789 Vika

N-0122 Oslo

e-mail: [oka@aaboevensen.com](mailto:oka@aaboevensen.com)

e-mail: [smb@aaboevensen.com](mailto:smb@aaboevensen.com)

Telephone: +47 24 15 90 00

Tele fax: +47 24 15 90 01

**3 Other undertakings concerned**

**Name:**

Linjebygg Offshore AS

**Business register No.**

929 768 396

**Address:**

Grandfjæra 22A

P.O. Box 2602

6405 Molde

**Contact person:**

Name: Kristoffer Jensen – Chief executive officer

e-mail: [Kristoffer.Jenssen@lbo.no](mailto:Kristoffer.Jenssen@lbo.no)

Telephone: +47 97507000

Tele fax: +47 71256701


We kindly request the Authority that all contact with the notifying party is done through Aabø-Evensen & Co Advokatfirma.

**4 The nature of the Proposed Transaction**

The Proposed Transaction concerns the indirect acquisition of sole control of LBO by Cinven as defined under § 17 (1) b) of the Competition Act.

The Sellers have pursuant to a share purchase agreement dated 14 January 2014 agreed to sell 100 percent of the shares in LBO to the Purchaser. The Purchaser is set up for the purposes of the Proposed Transaction, and is part of an already existing tired holding structure that originally was set up by Cinven for the purposes of its acquisition of Prezioso. Cinven will advance equity funding to Montecin Holding Sàrl (“**Montecin Holding**”) which, will in turn, advance it down the existing holding structure, together with external debt financing, to the Purchaser for the purposes of the acquisition. On completion, the Purchaser will acquire 100 percent of the LBO shares.





Cinven will be the only party that will acquire control of LBO within the meaning of § 17 (1) b) of the Competition Act as the Prezioso management team will only have limited control rights over the Purchaser, the Parent and Montecin France I SAS. For additional details of the structure for the Proposed Transaction, please see **Cinven Confidential Annex 1**.

## 5 Description of the undertakings concerned and their group companies

### 5.1 Cinven

Cinven is a private equity business, which is engaged in the provision of investment management advice and services to a number of investment funds. The various investment funds managed by Cinven have controlling interests in a number of trading companies. Details of these interests are provided in the **Cinven Confidential Annex 2**. For additional information on the activities of Cinven's portfolio companies, please see [www.cinven.com](http://www.cinven.com).

A structure chart for the Fifth Cinven Fund is provided in **Cinven Confidential Annex 1**.

Cinven invests in various types of business (see the different areas listed in **Cinven Confidential Annex 2**). The only company that offers the same types of services as LBO is Prezioso. Prezioso is a French company headquartered in Vienne which offers different kinds of services to customers in various markets, including the oil and gas industry. The company is specialized within the business segments insulation, scaffolding and surface treatment ("ISS") and does also offer some services within the business segment modification and decommissioning.

Within the business segment ISS, Prezioso offers the following services:

- Engineering
- Project management
- Work execution
- Inspection (including rope access)

Within the business segment modification and decommissioning Prezioso offers work execution services only.

Approximately ■ percent of Prezioso's turnover is generated by customers within the ISS segment and ■ percent is generated by customers within the modification and decommissioning segment. The company has activities within the ISS segment in the oil and gas sector in Africa, the Middle East and Brazil and in the nuclear and industrial sectors in Europe (primarily France, Portugal and Switzerland, with some sales to Belgium, Germany and Luxembourg). The revenue from the modification and decommissioning segment is generated in Africa only.

In 2012 the total world wide turnover of Prezioso was NOK 2.6 billion. Prezioso did not have turnover in Norway in 2013. For more information about Prezioso, please see [www.prezioso.fr](http://www.prezioso.fr).

The following of Cinven's portfolio companies had turnover which was generated from Norwegian customers in 2013:

(i) **Amdipharm Mercury Limited**

This company markets and sells niche generic pharmaceuticals to the healthcare sector. Amdipharm Mercury Limited generated a turnover in Norway of approximately NOK [REDACTED] in 2013. For more information, please see <http://www.amcolimited.com/>.

(ii) **Coor Service Management**

This company offers facility management services. Coor Service Management generated a turnover in Norway of approximately NOK [REDACTED] in 2013. For more information, please see [www.coor.no](http://www.coor.no).

(iii) **Faenza Holdings S.à.r.l (Ceram Tec)**

This company manufactures high performance ceramics materials and components, serving the medical, automotive, industrial and defence sectors. Faenza Holdings S.à.r.l (Ceram Tec) generated a turnover in Norway of approximately NOK [REDACTED] in 2013. For more information, please see [www.ceramtec.com](http://www.ceramtec.com).

(iv) **Host Europe Holdings Limited**

This company provides web hosting and domain services. Host Europe Holdings Limited generated a turnover in Norway of approximately NOK [REDACTED] in 2013. For more information, please see [www.hosteurope.de](http://www.hosteurope.de).

(v) **Jost-Global & Co. SCA**

This company sells components for the truck and trailer industry. Jost-Global & Co. SCA generated a turnover in Norway of approximately NOK [REDACTED] in 2013. For more information, please see [www.jostinternational.com](http://www.jostinternational.com).

(vi) **Redtop Holdings Limited (CPA Global)**

This company sells renewal and IP services. Redtop Holdings Limited (CPA Global) generated a turnover in Norway of approximately NOK [REDACTED] in 2013. For more information, please see [www.cpaglobal.com](http://www.cpaglobal.com).

(vii) **SLV Elektronik GmbH**

This company sells residential and technical lighting products. SLV Elektronik GmbH generated a turnover in Norway of approximately NOK [REDACTED] in 2013. For more information, please see [www.slv.de](http://www.slv.de).

## 5.2 LBO

LBO is a Norwegian company headquartered in Molde, which provides different kinds of services to the oil and gas industry. The company is specialized within the following business segments:

- ISS
- Modification and decommissioning
- Inspection and maintenance management

LBO offers the following services within the ISS segment:

- Engineering
- Project management
- Work execution
- Inspection (including rope access)

Within the business segment modification and decommissioning, LBO offers the following services:

- Engineering
- Project management
- Fabrication
- Work execution
- Inspection (including rope access)

In addition, LBO offers engineering and project management within the inspection and maintenance management segment.

Approximately [REDACTED] percent of LBO's turnover is generated within the ISS segment, [REDACTED] percent is generated within the modification and decommissioning segment and [REDACTED] percent is generated by within the inspection and maintenance management segment. In 2012, LBO's turnover was NOK 766.9 million (on group level, exclusive of NOK 20.6 million generated by LBO BV in the Netherlands, which was terminated in June 2013 and, accordingly, is not a part of the Proposed Transaction). [REDACTED] percent of LBO's turnover in 2012 was generated entirely in Norway and [REDACTED] percent was generated in the United Kingdom. A slightly lower turnover is expected in 2013. For additional information on LBO's business activities, please see [www.lbo.no](http://www.lbo.no).

LBO has ownership interests in the following companies:

**(i) MainTech AS**

LBO owns 50.77 percent of the shares in MainTech AS. The company provides maintenance, inspection and materials technology services to both offshore and onshore industries. The employees own the minority (49.23 percent of the shares). For additional information on MainTech AS' business, please see [www.maintech.no](http://www.maintech.no).

In 2012, MainTech AS' turnover was NOK 55.4 million, which was generated entirely in Norway.

**(ii) IsoPrefab AS**

LBO owns 50 percent of the shares in IsoPrefab AS. The company was established in May 2012 as a joint venture with R&M Ship Interior, [REDACTED]. [REDACTED] The company had no activity in 2012 and 2013.

**(iii) Linjebygg Offshore, Inc**

LBO owns 100 percent of the shares in Linjebygg Offshore, Inc. The company is a sales office in Houston with one employee, serving the Gulf of Mexico area. The company was established in 2010. In 2012, Linjebygg Offshore, Inc. had a turnover of [REDACTED] which was generated from the United States.

**(iv) LBO Poland Sp.z.o.o.**

LBO Poland Sp.z.o.o is a non-operating (dormant) company established in 2012 to tender for an ISS contract on Ormen Lange, which involved recruiting temporary staff from Poland.

The company had no turnover in 2013.

## 6 Affected markets

### 6.1 The ISS segment

The Proposed Transaction primarily concerns the offering of engineering, project management, work execution and inspection services within the ISS segment. LBO is active within the provision of such services in Norway only and only to the oil and gas sector, whilst Cinven, through Prezioso, is active in the provision of such services to the oil and gas sector in Africa, the Middle East and Brazil and to the nuclear and industrial sector in Europe.

There is a question whether the product market shall be limited to the provision of ISS services to the oil and gas sector or whether the provision of ISS services to other sectors shall be included in the same market. Regardless of how the product markets are defined, the Proposed Transaction will not raise competition concerns. The reason being as follows:

- (i) If the market is considered to be national (Norwegian), there is no horizontal overlap as Prezioso is not active within this market. [REDACTED]. For safety reasons, it is necessary to provide a national speaking workforce offshore, making it difficult for foreign players to enter the market. Clients require the providers of the services to be reactive and flexible in their workload capacities; therefore strong logistic support and immediate availability of the resources are necessary. Further, customer decision-takers are based locally, either at commercial or operational levels. A long term presence of the entity in the country is necessary and makes the entrance of new players very difficult. Prezioso has historically undertaken some ISS services for projects in Norway. The last of these was in 2009/10. [REDACTED]
- (ii) If the market is considered to be European, the Proposed Transaction will not create or strengthen a significant restriction of competition as the market shares of the Parties are low. LBO is assumed to have a market share of about [REDACTED] percent in the Norwegian ISS market. Accordingly, its share of the European market is negligible. Prezioso has an estimated market share of [REDACTED] in the European market. Accordingly, the Parties' combined share of the European market is low.

### 6.2 The modification and decommissioning segment

There is a question if the Proposed Transaction concerns the market for the provision of work execution services within the modification and decommissioning segment to the oil and gas sector. LBO is engaged with the provision of such services primarily in Norway (with some activities in UK and Australia in 2013), whilst Cinven, through Prezioso, only provides such services in Africa (and only to a limited extent). Accordingly, if the market for the provision of work execution services within the modification and decommission shall be deemed to be affected by the Proposed Transaction, the market must be defined as global.

If the market is defined as global, the Proposed Transaction will not create or strengthen a significant restriction of competition as the market shares of the Parties are low (<1 percent).

## 7 Customers, suppliers and competitors

Below is a list of the five most important customers, suppliers and competitors of each of Prezioso and LBO.

### 7.1 The ISS segment

#### **Customers**

|          |  |
|----------|--|
| Prezioso |  |
| LBO      |  |

#### **Suppliers**

|          |  |
|----------|--|
| Prezioso |  |
| LBO      |  |

#### **Competitors**

|          |  |
|----------|--|
| Prezioso |  |
| LBO      |  |

### 7.2 The modification and decommissioning segment

#### **Customers**

|          |  |
|----------|--|
| Prezioso |  |
| LBO      |  |

#### **Suppliers**

|          |  |
|----------|--|
| Prezioso |  |
| LBO      |  |

#### **Competitors**

|          |  |
|----------|--|
| Prezioso |  |
| LBO      |  |

## 8 Annual reports and annual accounts

A copy of Prezioso's most recent annual report and annual accounts is provided in **Cinven Confidential Annex 3** and a copy of Cinven Capital Management (V) General Partner Limited's most recent Director's Report and accounts for the year ended 31 December 2012 is provided in the **Cinven Confidential Annex 4**.

The most recent annual accounts and annual reports of LBO, MainTech AS and IsoPrefab AS are available with the Norwegian Register of Company Accounts.

The annual accounts and annual reports of Linjebygg Offshore, Inc and LBO Poland Sp.z.o.o. are not available.

## 9 The Proposed Transaction meets the conditions for a simplified notification

The Proposed Transaction meets the conditions for a simplified notification as set out in § 4 (3) b) of the Regulation on the Notification of Concentrations on the basis that the Parties' combined market share in the market(s) potentially affected by the Proposed Transaction is below 15 percent (see **Section 6** above).

## 10 Confidentiality

This notification contains confidential business secrets. A non-confidential version of the notification is provided in **Annex 5**.

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Your sincerely  
AABØ-EVENSEN & Co



Ole K. Aabø-Evensen  
*Attorney-at-law*