

**THE CONTROL OF CONCENTRATIONS  
BETWEEN ENTERPRISES LAWS 1999 TO 2000**

Notification concerning the acquisition of share capital of Cablenet Communication  
Systems Ltd by GO Plc

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mrs. Eleni Karaoli	Member
Mr. Andreas Karídes	Member
Mr. Charis Pastellis	Member
Mr. Christos Tsingis	Member

Date of decision: 24 July 2014

**SUMMARY OF THE DECISION**

On the 4<sup>th</sup> of April 2014, the Commission for the Protection of Competition (hereinafter the «Commission») received a notification of the proposed concentration from Cablenet Communication Systems Ltd (hereinafter the «Cablenet») and GO Plc (hereinafter the «GO»), in accordance with section 13 of the Control of Concentrations between Enterprises Law (Number 22(I)/99) (hereinafter the «Law»). The concentration is based on an agreement concerning the acquisition of share capital of Cablenet by GO.

GO is a public limited liability company, duly registered in accordance with the laws of Malta. Go is an electronic communication provider of local and long distance telephone call services, wireless services, cable TV and DSL internet access. Emirates International Communications Malta Ltd (hereinafter the «EITML») owns the majority of GO's share capital and the rest of its shares are traded in the Malta Stock Exchange. Also, GO and EITML own the share capital of Forgoing Ltd which hold the majority of the share capital of Forthnet SA.

Cablenet is, a private limited liability company, duly registered in accordance with the laws of the Republic of Cyprus and, is wholly owned by Mr. Nicola Shacola and is

engaged in the provision of electronic communication services in Cyprus through the provision of broadband services, fixed telephony and Pay-TV via its own cable infrastructure.

This transaction is based on an agreement dated 28/3/2014 between Mr. Nicola Shacolas (seller), GO (acquirer) and the target company Cablenet. Pursuant to the agreement GO will acquire the 25% of the share capital of Cablenet.

For the purposes of section 4 of the Law, the Commission examined issues regarding the appointment of the Board of Directors, the requirements for decision making of the Board of Directors as well as the existence of veto rights and concluded that with the completion of the proposed concentration, there will be a change of control of Cablenet, from sole control of the company by Mr. Nicola Shacola to joint control by Mr. Nicola Shacola and GO.

The Commission, taking into account the above facts and events concerning this concentration has concluded that this transaction constitutes a concentration within the meaning of section 4 (1) (b) of the Law, since it leads to a permanent change of control of Cablenet, from sole control to joint control.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3(2) (α) of the Law were satisfied and therefore the notified transaction was of major importance under the Law. According to the notification, the aggregate turnover achieved by GO and the target company Cablenet, exceeded, in relation to each one of them 3.417.203 euro. Furthermore, Cablenet, engaged in commercial activities within the Republic of Cyprus and the total turnover which relates to the supply of goods and services within the Republic exceeded 3.417.203 euro.

The relevant product markets in this case were defined as (a) the provision of internet access services to end users, divided to two submarkets, i.e. the provision of broadband internet access services in a fixed position to end users and the provision of leased lines connections, (b) the provision of fixed telephony services to end users, (c) the provision of mobile telephony services to end users, (d) retail pay TV, (regardless of the mode of transmission) and (e) wholesale supply of cinema and sport channels for pay TV platforms. The definition of the geographic market of all the relevant product/services markets in this case was defined as the Republic of Cyprus.

The Commission noted that although GO does not engage in commercial activities within the Republic of Cyprus, the group to which GO belongs to, namely EITML, engages in commercial activities within the Republic of Cyprus through Forthnet SA and its subsidiaries. Specifically Forthnet SA operates in the three following markets within the Republic of Cyprus: (a) the provision of broadband internet access services in a fixed position to end users, (b) retail pay TV, and (c) wholesale supply of cinema and sport channels for pay TV platforms.

Thus the Commission proceeded to examine the horizontal relations of Cablenet and Forthnet SA concerning the affected markets of (a) the provision of broadband internet access services in a fixed position to end users and (b) retail pay TV, as well as the vertical relations of the two companies concerning the affected market of (c) wholesale supply of cinema and sport channels for pay TV platforms.

The Commission, on the basis of the factual and legal circumstances, and having examined the provisions of section 12 of the Law, unanimously decided that this concentration does not create or strengthen a dominant position in the affected markets and therefore the concentration does not raise serious doubts as to its compatibility with the competitive market.

Therefore, the Commission, pursuant to section 18 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the requirements of the competitive market.

Loukia Christodoulou

Chairman of the Commission for the Protection of Competition