

Decision CPC: 2/2017

Case Number 8.13.016.25

**THE CONTROL OF CONCENTRATIONS  
BETWEEN ENTERPRISES LAW No. 83(I)/2014**

**Notification of concentration regarding the acquisition of the business Solvay  
Acetow by The Blackstone Group L.P.**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mrs. Eleni Karaoli	Member
Mr. Andreas Karídes	Member
Mr. Charis Pastellis	Member
Mr. Panayiotis Oustas	Member

Date of decision: 16 January 2017

**SUMMARY OF THE DECISION**

On the 22<sup>nd</sup> of December 2016, the Commission for the Protection of Competition (hereinafter the “Commission”) received from The Blackstone Group L.P. (hereinafter the “Blackstone”), a notification of the proposed concentration in accordance with section 10 of the Control of Concentrations between Enterprises Law (Number 83(I)/2014) (hereinafter the “Law”).

The concentration concerns the acquisition of part of the share capital and partnership rights of companies that constitute the business Acetow (hereinafter «Solvay Acetow») of Solvay SA. by investment funds advised by affiliates of Blackstone, through a put option agreement signed by Platin 1291. Gmbh.

Blackstone is a global alternative asset manager, listed on the New York Stock Exchange. Blackstone operates as an investment management company. Platin 1291. Gmbh is a company duly registered under the laws of Germany and is indirectly owned

by investment funds that are advised by Blackstone, and constitutes a special purpose company – vehicle, established for the purpose of acquiring Solvay Acetow.

Solvay Acetow is a business based in Germany and is mainly engaged in the manufacture and marketing of cellulose acetate flake and cellulose acetate filter tow, which is basically used for cigarette filters. Solvay Acetow is also active in the distribution and marketing of Accoya, a long-lasting, after the acetylation process, treated wood used in the construction of wooden roofs and terraces.

The concentration is based on a put option agreement dated 6/12/2016 (that includes the Share Purchase Agreement and the Exclusivity Agreement), which is signed between the Sellers and Platin 1291. GmbH. Specifically, Platin 1291. GmbH granted a put option right to the Sellers, according to which the Sellers will take the necessary actions (creation of new companies, transfer of share capital, transfer of rights, as these are recorded in the agreements between the parties), so that upon completion of the concentration Blackstone will have sole control of the Solvay Acetow business.

The Commission, taking into account the facts of this concentration and paragraph 15 of the European Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings (2008/C 95/01), concluded that this transaction constitutes a concentration within the meaning of section 6(1)(a)(ii) of the Law, since it leads to the acquisition of sole control of Solvay Acetow by Blackstone.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3(2)(a) 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 Blackstone, as well as Solvay Acetow, exceeded, in relation to each one of them 3.500.000 euro. Furthermore, both Blackstone and Solvay Acetow, 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 3.500.000 euro.

The relevant product markets in this case were defined as (a) the market of cellulose acetate flakes, (b) the market of cellulose acetate filter tow and (c) the market of outdoor

wood. The definition of the geographic market of the relevant product markets in this case was defined as the Republic of Cyprus.

Based on the information provided by the parties, the Commission concluded that there is no horizontal or vertical overlaps between their activities in Cyprus.

The Commission, on the basis of the evidence before it, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition