



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ  
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

ΚΥΠΡΙΑΚΗ  
ΔΗΜΟΚΡΑΤΙΑ

Decision CPC: 58/2018

Case Number: 8.13.018.29

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

**Notification of a concentration regarding the acquisition by Advent  
International Corporation of the share capital of Norddeutsche Reederei H.  
Schuldt GmbH & Co. KG, Verwaltung “NRS” GmbH and of certain assets**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mr. Andreas Karidis	Member
Mr. Panayiotis Oustas	Member
Mr. Aristos Aristidou Palousas	Member
Mr. Polynikis-Panayiotis Charalambides	Member

Date of Decision: 14 November, 2018

**DECISION SUMMARY**

On the 4<sup>th</sup> of October 2018, the Commission for the Protection of Competition (hereinafter the “Commission”) received, on behalf of Advent International Corporation (hereinafter “AIC”), a notification with regard to a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”).

The concentration is accomplished by way of purchase of shares. Specifically, AIC, via AI Mistral & Cy S.C.A. and certain entities controlled by AI Mistral Luxembourg S.a.r.l., will acquire the share capital of Norddeutsche Reederei H. Schuldt GmbH & Co. KG and Verwaltung "NRS" GmbH, as well as certain assets.

AIC constitutes a private equity investor in various sectors, including business and financial services, industrial, retail, media, communications, information technology, internet, healthcare and pharmaceuticals, technology, media and telecom.

AI Mistral & Cy S.C.A. (hereinafter «Purchaser 1») is a company duly registered under the Laws of Luxembourg which, through AI Mistral Luxembourg S.a.r.l., falls under the control of the investment funds managed by AIC. Purchaser 1 constitutes an investment company and is the shareholder of Vouvray Holdings Ltd, the holding company of V. Group<sup>1</sup>. The said Group is a worldwide marine services provider, specializing in the management of third party marine assets – such as oil tankers, cargo liners and offshore vessels – and the provision of technical, commercial and human resource services towards self-managed assets as well as third party assets (owners or, management companies).

AI Mistral Luxembourg S.a.r.l. is a company that falls under the control of the investment funds managed by AIC. The entities which constitute Purchaser 2 in the present concentration are subject to control by AI Mistral Luxembourg S.a.r.l. It is hereby noted that the entities constituting Purchaser 2 have no prior business activities, as they all constitute newly founded entities established solely for the purposes of the acquisition of the 35 entities/vessels that currently belong to the Target Business, as defined hereinbelow.

The Target in this concentration is constituted by the enterprises Norddeutsche Reederei H. Schuldt GmbH & Co. KG and Verwaltung "NRS" GmbH, which are duly registered under the laws of Germany, as well as certain vessels / ship owning companies (hereinafter the "Target Business"). The Target Business is a maritime services provider that operates worldwide, specializing in the provision of services to third parties upon assignment. Such services relate specifically to outsourced crew management, technical ship management and ship chartering as well as to technical

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<sup>1</sup> Commission Decision no. 1/2017, dated 9/1/2017- Concentration notification regarding the acquisition, via AI Mistral Limited, of the share capital of Vouvray Holdings Limited by Advent International Corporation.

ship management and chartering of container vessels and bulk cargo ships. In general, the activities of the Target Business may be divided into (i) ship chartering, (ii) ship management and (iii) other relevant services.

The notified concentration is based on various agreements, dated 30 September, 2018 (hereinafter the "Agreement") between AI Mistral & Cy S.C.A. as Purchaser 1, a group of newly established entities controlled by AI Mistral Luxembourg S.a.r.l. as Purchaser 2, Norddeutsche Reederei Holding GmbH & Co. KG (hereinafter "Seller 1" or "NRH") and NSH Norddeutsche Ship Holding GmbH & Co. KG (hereinafter "NSH" or "Seller 2").

On the basis of these agreements, AI Mistral will acquire part of the share capital of Norddeutsche Reederei H. Schuldt GmbH & Co. KG (hereinafter the "Limited Partnership") and all the shares of Verwaltung "NRS" GmbH, Rolandsbrücke 4, 20095 Hamburg, Germany (hereinafter "General Partner" or "NRS") (*"Interest Transfer 1"*).

NRH shall retain part of the share capital of the Limited Partnership.

In addition to the above, upon completion of Interest Transfer 1, the subsidiaries currently jointly owned by Limited Partnership and NSH shall transfer 12 vessels to the entities falling under the ultimate control of AIC (hereinafter the "Asset Transfer"). Moreover, NSH shall transfer its interests in 23 other limited partnerships, which are currently jointly owned by the Limited Partnership and NSH, to entities that fall under the exclusive control of AIC and which constitute Purchaser 2 (*"Interest Transfer 2"*). Under Interest Transfer 2, the current limited partner of the 23 limited partnerships shall be replaced by a subsidiary company that will in turn be subject to the exclusive control of AIC (*"New General Partner"*). The 23 limited partnerships each have one vessel under their control.

In view of the above, the Commission concludes that the transaction constitutes a concentration within the meaning of Section 6(1)(a)(ii) of the Law, since it leads to a change of control of the Target Business on a lasting basis.

The Commission additionally finds that the criteria set forth by Section 3(2)(a) of the Law are met, and thus the notified concentration is of major importance, falling within the scope of the Law.

For the purposes of assessing the merger, the Commission concluded that the relevant product / service markets are defined as (i) ship owning, (ii) ship management, (iii) maritime services, and in particular, a) independent crew training services and b) crew services and contracts to ship owners and ship managers, especially crew catering and crew travel, as well as certain joint purchasing services. The Commission has further concluded that the geographic market is defined as the Republic of Cyprus.

Based on the information provided by the parties, there is a horizontal overlap in the activities of AIC and the Target Business concerning their activities in the provision of maritime services, and in particular independent crew training services.

Furthermore, based in the information provided by the parties, there is a vertical relationship concerning the relevant market of maritime services, and in particular, crew services and contracts to ship owners and ship managers, especially crew catering and crew travel, as well as certain joint purchasing services with the relevant market of ship ownership and ship management.

The Commission concluded that, on the basis of Annex I of the Law, the proposed merger will not give rise to any affected markets. Specifically: (a) on a horizontal level, there is no affected market in the market of independent crew training services, considering that the combined market share of the parties does not exceed 15% and (b) on a vertical level, the proposed merger shall not lead to any affected markets since the market shares of the parties in each market do not exceed 25%.

On the basis of the factual and legal circumstances of the case before it, the Commission unanimously decided that the concentration under consideration neither creates nor strengthens a dominant position, as there is no affected market, and therefore does not raise serious doubts as to its compatibility with the operation of competition in the market.

In conclusion, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declares it compatible with the operation of competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition