



## **DETERMINATION OF MERGER NOTIFICATION M/13/027 -**

### **Carlyle/Beats**

---

#### **Section 21 of the Competition Act 2002**

#### **Proposed acquisition by CP V Riverdale L.P. of negative sole control of Beats Electronics, LLC**

**Dated 17 October 2013**

---

#### **Introduction**

1. On 1 October 2013, in accordance with section 18 of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed acquisition whereby CP V Riverdale L.P. ("Carlyle") would acquire negative sole control of Beats Electronics, LLC ("Beats").<sup>1</sup> Carlyle is an acquisition vehicle controlled by funds managed by The Carlyle Group.

#### ***The Carlyle Group***

2. The Carlyle Group is a global asset fund manager investing across four business segments: (a) corporate private equity - buyout and growth capital; (b) real assets - real estate, infrastructure, energy and renewable resources; (c) global market strategies - distressed and corporate opportunities, corporate mezzanine, energy mezzanine, structured credit, hedge funds and structured credit; and (d) global solutions - private equity fund of funds program and related co-investment and secondary activities.
3. For the year ending 31 December 2012, the Carlyle Group's worldwide turnover was €52 billion. The Carlyle Group's turnover in the State for the same period was €[...].

#### ***Beats***

4. Beats is a limited liability company registered in Delaware, United States. It manufactures and sells audio products in the United States, Europe, Latin-America, and Asia, with a product range which includes headphones, earphones, speakers, home audio equipment, and software and hardware for certain phones, laptops, and in-car audio systems. Beats sells products under the *BeatsbyDre* brand.
5. For the year ending 31 December 2012, Beats's worldwide turnover was €462 million. Beats's turnover in the State for the same period was around €[...].

#### **Rationale for the Proposed Acquisition**

6. The parties state in the notification:

---

<sup>1</sup> Post-transaction, Carlyle will have a veto right and therefore negative sole control of Beats.

“The proposed transaction is a financial investment by Carlyle in one of its core industry sectors and is in line with its commercial strategy.”

### **Third Party Submissions**

7. No submission was received.

### **Competitive Analysis**

8. Neither the Carlyle Group nor any of the portfolio companies controlled by the Carlyle Group (including Carlyle) own or operate a business that manufactures and sells audio products on the island of Ireland. Thus, there is no horizontal or vertical overlap between the Carlyle Group and Beats in the State.
9. In light of the above, the Authority considers that the proposed transaction will not raise any competition concerns in the State.

## **DETERMINATION**

The Competition Authority, in accordance with section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition whereby CP V Riverdale L.P. would acquire negative sole control of Beats Electronics, LLC will not be to substantially lessen competition in markets for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

**For the Competition Authority**

**Stephen Calkins**

**Member of the Competition Authority**

**Director, Mergers Division**