



## **DETERMINATION OF MERGER NOTIFICATION M/10/002 - OEP/Genband/CVAS Business**

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

#### **Acquisition by One Equity Partners III L.P. of Genband Inc. USA and certain assets of Nortel Networks Inc.**

**Dated 8 February 2010**

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### **Introduction**

1. On 22 January 2010, in accordance with Section 18(1) of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed transaction whereby One Equity Partners III L.P. ("OEP") would acquire sole control of Genband Inc. USA ("Genband") and the assets forming the "Carrier Voice over IP" business and "Application Solutions" business (the "CVAS Business") of Nortel Networks Inc. and certain affiliates (collectively, "Nortel").

### **The proposed transaction**

2. The proposed transaction involves two steps. The first step is for OEP to acquire sole control over Genband. Immediately after or contemporaneously with the first step, Genband will acquire the CVAS Business<sup>1</sup>. Therefore, following completion of the proposed transaction, OEP would acquire sole control over Genband and the CVAS Business.

### **The Undertakings Involved**

#### *The Acquirer*

3. OEP makes private equity investments in a broad range of business sectors. OEP is owned and controlled by the JPMorgan Chase Group ("JPMC"). JPMC is a financial services company offering banking, trustee and asset management services on a global scale.
4. JPMC is active in the State through its subsidiaries JPMorgan Bank Ireland plc., JPMorgan Hedge Fund Services (Ireland) Ltd., JPMorgan Hedge Fund Services (Bermuda) Ltd. and JPMorgan Administration Services (Ireland) Ltd.

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<sup>1</sup> The CVAS Business is Nortel's only remaining business after creditor protection proceedings were initiated in Canada, the United States, the United Kingdom, France and Israel by certain entities of the Nortel group of companies on January 2009.

### *The Targets*

5. Genband offers switching and routing equipment (such as softswitches, media gateways and session border controllers) to fixed and mobile network providers. Genband is not active in the State.
6. The CVAS Business offers switching and routing equipment (such as softswitches, media gateways and time-division multiplexing switches) and network implementation services and related support to fixed and mobile network providers. In the State, the CVAS Business is conducted through Nortel's subsidiary, Nortel Networks (Ireland) Limited.

### **Analysis**

7. There is no vertical or horizontal overlap in the activities of the parties in the State. Neither OEP nor any companies controlled by it are active in the same business areas as Genband or the CVAS Business. Also, there is no overlap in the activities of Genband and the CVAS Business in the State since Genband is not active in the State.
8. The Authority considers that the proposed transaction does 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 by One Equity Partners III L.P. of Genband Inc. USA and certain assets of Nortel Networks Inc. will not be to substantially lessen competition in any market for goods or services in the State and, accordingly, the acquisition may be put into effect.

### **For the Competition Authority**

Dr Stanley Wong  
Member of the Competition Authority