



DETERMINATION OF MERGER NOTIFICATION M/18/091 – MIROVA (BPCE)/AXIONE(BOUYGUES)

Section 21 of the Competition Act 2002

Proposed acquisition by funds managed by Mirova (part of the Banques Populaires Caisses D'Epargne Group) of joint control of Axione SAS, part of the Bouygues Group

Dated 21 December 2018

Introduction

1. On 29 November 2018, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received notification of a proposed acquisition whereby funds managed by Mirova, a subsidiary of Banques Populaires Caisses D'Epargne SA (“BPCE SA”) (the “Acquirer”) would acquire joint control of Axione SAS (the “Target”), a subsidiary of Bouygues SA (the “Proposed Transaction”). BPCE SA and its subsidiaries, including Mirova, are collectively referred to in this determination as the “BPCE Group”. Bouygues SA, and its subsidiaries are collectively referred to in this determination as the “Bouygues Group”.

The Proposed Transaction

2. The Proposed Transaction involves the acquisition by funds managed by Mirova of 49% of the issued share capital of the Target along with veto rights over a series of strategic decisions. An indicative list of veto rights was submitted by the parties. The veto rights may be subject to change, but will, in any event, result in the joint control of the Target.
3. At the time of the notification, the parties informed the Commission that they had not yet executed a formal written agreement relating to the Proposed Transaction. The parties informed the Commission that the corporate structure of the Proposed Transaction had not been finalised and that the terms were still under negotiation at



the time of notification. The parties submitted to the Commission, together with the notification, a letter of intent signed by Mirova on 6 July 2018 relating to its proposed investment in the Target.

4. In the circumstances, the Commission considers that the undertakings involved have demonstrated a good faith intention to conclude an agreement for the purpose of section 18(1A)(b)(ii) of the Act.
5. Following completion of the Proposed Transaction, the parties informed the Commission that funds managed by Mirova will hold 49% of the issued share capital of the Target and the remaining 51% of the issued share capital will be held by the Bouygues Group.

The Undertakings Involved

Acquirer

BPCE Group

6. BPCE SA, incorporated in France, is the ultimate parent group of the BPCE Group. The BPCE Group is the second largest banking group in France. It comprises the Banque Populaire banks, the Caisses d'Épargne and their subsidiaries, which are wholly owned by their cooperative shareholders. Through its group companies, the BPCE Group provides a range of products and services including savings and investment solutions, cash management services, financing solutions, insurance and wholesale banking services. BPCE Group also holds interests in a number of companies active in real estate services, accounts receivable services and in private equity investment operations dedicated to small and medium-sized enterprises.
7. BPCE SA is responsible for the strategy, coordination and management of the BPCE Group. The major subsidiaries of BPCE SA are Natixis SA, Crédit Foncier de France, BPCE International and Banque Palatine. Through its subsidiary Natixis SA, the BPCE Group is active in the corporate finance, asset management, wealth management and financial services sectors.
8. The following BPCE Group companies are active in the State:



BPCE Group company	Business Activities
Natixis Investment Managers (incorporated in France)	Corporate Finance
NEXGEN CAPITAL LTD	Structured Finance
NEXGEN RISK DESIGNATED ACTIVITY COMPANY	Reinsurance
PURPLE FINANCE CLO 1 DESIGNATED ACTIVITY COMPANY	Securitization vehicle
COFACE IRELAND SERVICES LIMITED	Credit insurance and related services

9. In the year ended 31 December 2017, BPCE Group's worldwide turnover was approximately €54.2 billion, of which approximately [...] was generated in the State.

Mirova

10. Mirova is a public limited company registered with the Paris Registry of Trade and Companies. It is a portfolio management company approved by the Financial Markets Authority in France (the Autorité des Marchés Financiers).
11. Mirova is a wholly-owned indirect subsidiary of Natixis, a company incorporated in France, which in turn is 72% owned by BPCE SA. Mirova focuses specifically on the management of "responsible" investments for institutional investors. Mirova states that it offers various solutions in renewable energies and basic infrastructures, sustainable actions and green bonds (green or environmental bonds).
12. It is envisaged that Mirova will carry out the Proposed Transaction through Digital Core Infrastructure Company, a company incorporated in France. The issued share capital of Digital Core Infrastructure Company is entirely held by four funds (FIDEPPP 2, BTP Impact Local, MCIF and Core Infrastructure Fund II SCS), all of which are managed by



Mirova. Mirova is acting as the funds' management company which will ultimately effect the purchase and which will acquire joint control over the Target.

13. Mirova and Digital Core Infrastructure Company are not active in the State.

The Target

14. The Target is a simplified joint stock company, incorporated under French law and registered with Nanterre Registry of Trade and Companies. The Target is a wholly-owned subsidiary of Bouygues Energies and Services, a company incorporated in France, and forms part of the Bouygues Group. In the year ended 31 December 2017, the Bouygues Group's worldwide turnover was approximately €32.9 billion, of which approximately [...] was generated in the State.
15. Bouygues SA, a company incorporated in France, is the ultimate parent company of the Bouygues Group. The Bouygues Group is active in the following sectors: (1) construction and public works, (2) real estate, (3) telecoms and (4) media. The entities through which the Bouygues Group is active in each respective sector are Bouygues Construction (construction), Bouygues Immobilier (real estate), Colas (roads), TF1 (media), Bouygues Telecom (telecoms).
16. The Target is active in the fixed and mobile telecommunications sectors. The Target designs, builds, operates and maintains mobile and fixed telecommunications infrastructure. The Target works with local authorities, telecommunications companies and components manufacturers.

The Bouygues Group in the State

17. The Bouygues Group is active in the construction sector in the State through Bouygues E&S Ireland Limited ("BYES Ireland"). BYES Ireland was awarded a contract valued at [...]



for the design, construction and commissioning of a data centre located in Ballycoolin, County Dublin.

18. BYES Ireland is also active in the State through a joint venture with the Target and a third-party company, Obelisk, which is described below. In March 2018 SIRO announced that it had signed a €20 million contract with the joint venture consortium consisting of the Target and its local Irish, professional engineering services partner Obelisk.¹ That contract will see the Target and Obelisk connect ten towns in the South-East to SIRO's Gigabit broadband network over the next two years.
19. The Target provides fibre optic deployment services in the State. This involves the construction of fibre to the home ("Ftth") optic fibre or shared digital subscriber line fixed telecommunications networks.
20. The Target designed and built a Ftth network on behalf of SIRO. The contract is being carried out in partnership with the Target's professional engineering services partner, Obelisk, and involves connecting 10 towns in the south-east of Ireland to SIRO's Gigabit broadband network. This contract is due to conclude [...].
21. Colas Teoranta is active in the State providing a broad range of specialised road maintenance services. Colas also provides a full range of bituminous products to public and private customers. Colas also imports and distributes roofing products and provides roofing and cladding services.²
22. TF1 is France's leading private-sector television group. In 2017, TF1 generated the majority of its Irish turnover from TF1 Vidéo and was derived from Video-On-Demand services (VOD) including the royalties and copyright sales associated with these services. Revenue is based on the number of views by Irish consumers. TFI also generated minimal turnover in Ireland in 2017 from TF1's audio-visual rights.

¹ SIRO is a joint venture between the ESB and Vodafone, SIRO is building a 100% fibre optic broadband network, delivered through the national electricity network. SIRO will deliver 1 Gigabit speeds to 500,000 premises in 50 regional towns across Ireland

² Further information on the activities of Colas in the State can be found at <http://www.colas.ie/>



Rationale for the Proposed Transaction

23. The parties state in the notification:

“In France, Mirova and the Target have entered into numerous partnerships in response to calls for tenders (public service delegation contracts) organised by local authorities to deploy and operate fibre optic networks in non-densely populated areas. The commercial objective of the Proposed Transaction is to consolidate the existing partnership”.

Third Party Submissions

24. No submission was received.

Competitive Analysis

Horizontal Overlap

25. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define precise relevant product and geographic markets since there is no horizontal overlap between the business activities of the parties in the State.

26. The Target provides fibre optic network deployment services in the State. The BPCE Group is an international banking group providing credit insurance and reinsurance services in the State. None of the subsidiaries controlled by BPCE Group that generate turnover in the State are currently active in the deployment of fibre optic networks in the State.

27. The Commission is therefore of the view that the acquisition of the Target by BPCE SA, through Mirova, does not raise any horizontal competition concerns in the State.



Vertical Relationship

28. The BPCE Group does not supply either the Target or the Bouygues Group in the State (or vice versa). On this basis, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

Conclusion

29. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

30. No ancillary restraints were notified.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition, whereby Banques Populaires Caisses D'Epargne SA, through Mirova, would acquire joint control of Axione SAS, part of the Bouygues Group, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Brian McHugh
Member
Competition and Consumer Protection Commission