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COMP/M. 4378 – Providence / Caudwell Group

SECTION 1.2

Description of the concentration

The proposed concentration involves the acquisition of the sole control by an entity controlled by Providence Equity Offshore Partners V, LP ("**Providence**") of the retail mobile phone and related insurance businesses as well as certain other businesses (the "**Retail Business**") currently conducted in the United Kingdom by companies controlled by Caudwell Holdings Limited ("**Caudwell Group**") (the "**Providence Transaction**"). Providence will first acquire the entire Caudwell Group through a share acquisition, which will include other divisions of the Caudwell Group (the "**Mobile Distribution Business**"), and then, immediately following completion, as a result of a put option, sell the Mobile Distribution Business to Doughty Hanson & Co, a UK-based private equity fund manager unrelated to Providence.

The businesses activities of the undertakings concerned are

- for Providence: an investment that forms fund part of the Providence Equity Partners group, a US-based global private investment firm specializing in equity investments in media and communications companies;
- for the Retail Business: (a) retail sale of mobile phones and related accessories as well as retail sale of fixed-line telephone services in the United Kingdom; (b) business-to-business mobile communication solutions to the SME market; and (c) insurance products and services in relation to mobile phones to corporate clients in the United Kingdom;
- for the Mobile Distribution Business: (a) distribution and repair of mobile handsets and accessories, as well as ancillary services (customization/kitting of mobile phones and packaging, sale of tariff-based contracts to consumers and businesses, sale of mobile phone top-up vouchers); and (b) recruitment of personnel.

The concentration arising from the Providence Transaction involves no reportable markets.

Given the absence of any competitive overlaps, either horizontal or vertical, between the Business and any company controlled by Providence, the Providence Transaction qualifies for Short Form notification. It also qualifies for treatment under the Simplified Procedure.