



EUROPEAN COMMISSION  
DG Competition

*Case M.7987 -  
TOWERBROOK  
CAPITAL PARTNERS /  
INFOPRO DIGITAL*

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION  
Date: 13/05/2016

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## EUROPEAN COMMISSION

Brussels, 13.05.2016  
C(2016) 3013 final

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

MERGER PROCEDURE

PUBLIC VERSION

### **To the notifying party:**

Dear Sir/Madam,

**Subject: Case M.7987 – TOWERBROOK CAPITAL PARTNERS / INFOPRO DIGITAL**  
**Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004<sup>1</sup> and Article 57 of the Agreement on the European Economic Area<sup>2</sup>**

- (1) On 13.04.2016, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which TowerBrook Capital Partners LP ("TowerBrook" or the "Notifying Party") (USA) plans to acquire sole control of Infopro Digital SAS ("Infopro") (France), within the meaning of Article 3(1)(b) of the Merger Regulation (the "Transaction").<sup>3</sup> TowerBrook and Infopro are collectively referred to as the "Parties".

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<sup>1</sup> OJ L 24, 29.1.2004, p. 1 (the "Merger Regulation"). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

<sup>2</sup> OJ L 1, 3.1.1994, p. 3 (the "EEA Agreement").

<sup>3</sup> Publication in the Official Journal of the European Union No C138, 20.04.2016, p. 8.

## 1. THE PARTIES

- (2) **TowerBrook** is an investment management firm based in Europe and the USA, which focuses on making investments in large and middle market European and North American companies.
- (3) **Infopro** is a French business-to-business information provider to professional communities across six different sectors: automotive, industrial, retail, insurance & finance, construction and local authorities.

## 2. THE CONCENTRATION

- (4) On 15 February 2016, an option was granted by a subsidiary of TowerBrook in the name of and on behalf of an investment vehicle (Taman Holding SAS), to the main direct and indirect securities holders of Infopro pursuant to which Taman Holding SAS has undertaken to enter into a draft share purchase agreement annexed to the option in agreed form, under the terms of which it would purchase all of the securities held by Infopro's security holders.
- (5) The founder and CEO of Infopro, as well as some managers, have undertaken to reinvest in Taman Holding SAS according to the investment agreement also signed on 15 February 2016, up to [...] of the total equity.<sup>4</sup> TowerBrook will hold the remaining [...] of the total equity, and will exercise sole control over Infopro.
- (6) The Transaction therefore constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

## 3. EU DIMENSION

- (7) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million<sup>5</sup> (TowerBrook: [...]; Infopro: [...]). Each of them has an EU-wide turnover in excess of EUR 250 million (TowerBrook: [...]; Infopro: [...]), but they do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State. The notified operation therefore has an EU dimension.

## 4. RELEVANT MARKETS

- (8) There is no horizontal overlap in the Parties' activities, but there are vertical relationships between Infopro and GSE, a portfolio company controlled by TowerBrook. GSE is a French company which designs and builds corporate real estate / construction projects and is therefore within the scope of Infopro's target audiences. Infopro provides advertising space in the professional written press for

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<sup>4</sup> The founder and CEO of Infopro will be appointed as President of an Infopro holding company and will be granted rights to make proposals on certain strategic matters of Infopro [...]. The Notifying Party submits that as [...], these rights do not confer control on the founder and CEO of Infopro. In any event, the Notifying Party has confirmed that this individual does not control any companies other than Infopro, therefore pursuant to para 151 of the Consolidated Jurisdictional Notice, he should not be considered as an undertaking.

<sup>5</sup> Turnover calculated in accordance with Article 5 of the Merger Regulation.

the construction industry in France. There is therefore a vertical relationship between GSE and Infopro's services.<sup>6</sup>

#### **4.1. Market definitions**

##### *4.1.1. Provision of advertising space in professional written press*

- (9) In other cases in the past, the Commission identified a market for "professional and trade publishing", which includes the press sold to professional and trade readers. In particular with regard to magazines, the Commission identified distinct markets for: (i) general and political current affairs magazines; (ii) TV weeklies; (iii) women's magazines; (iv) economic and financial magazines; (v) specialist publications for the general public; and (vi) specialist professional magazines.<sup>7</sup>
- (10) The Commission has defined advertising markets along the same boundaries as the publications in which the advertising features. Specifically, the Commission divided the market according to: (i) the medium (newspaper, magazines, online, etc.); (ii) commonality of content (i.e. topic and theme of the publication); and (iii) target audience.<sup>8</sup> The Commission has also made a clear distinction between online and offline advertising space.<sup>9</sup>
- (11) With regard to the geographic market definition, in previous cases, the Commission has considered that the geographic market for advertising space in professional written press is national or smaller than national.<sup>10</sup>
- (12) For the purposes of the present decision, both the product and geographic market definitions can be left open.

##### *4.1.2. Construction*

- (13) In other cases in the past, the Commission defined the following markets: (i) building construction, which comprises all services in relation to the construction and commercial development of office buildings, retail shops,

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<sup>6</sup> Infopro has a share of over 30% in the potential markets for the supply of professional written press for the construction sector in France, and in the supply of professional databases for the construction sector in France. However, the Commission agrees with the Notifying Party that these products and services are not important inputs for GSE within the meaning of paragraph 30 of the Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings (2008/C 265/07), 18.10.2008. This reflects the fact that such professional information services represent a small fraction of GSE's total purchasing costs; GSE's downstream activities can be carried out without access to these services; and these services are primarily aimed at construction companies responding to public procurement invitations to tender, whereas GSE is exclusively active in the private construction sector. These vertical links have therefore not been discussed further in this decision.

<sup>7</sup> Commission decision in Case M.3420 – *GIMD/SOCPRESSE*, of 16 June 2004, para. 12. See also Commission decision in Case M.1401 – *RECOLETOS/UNEDISA*, of 1 February 1999, para. 18.

<sup>8</sup> Commission decision in Case M.3420 – *GIMD/SOCPRESSE* of 16 June 2004, paras. 17 - 25

<sup>9</sup> Commission decision in Case M.4731 – *Google/Doubleclick*, of 11 March 2008, paras. 44 - 47.

<sup>10</sup> Commission decision in Case M.3420 – *GIMD/SOCPRESSE*, of 16 June 2004, para. 29 and Commission decision in Case M.5051 – *APW/GMG/EMAP*, of 7 March 2008.

warehouses, factories, research laboratories, property development projects; (ii) civil engineering; and (iii) mechanical and electrical services, which relates to the provision of both mechanical and electrical design and management services and the provision of technical equipment for every type of industrial and commercial project.<sup>11</sup>

- (14) In relation to TowerBrook's group of companies, GSE is active in: (i) building construction; and (ii) mechanical and electrical services.<sup>12</sup>
- (15) With regard to the geographic market definition, in past cases the Commission considered that the relevant markets were by nature related to an on-site activity, but the exact definition of the geographic dimension was left open.<sup>13</sup>
- (16) For the purposes of the present decision, both the product and geographic market definitions can be left open.

## **5. COMPETITIVE ASSESSMENT**

- (17) The Notifying Party submits that the Transaction does not give rise to any affected markets as Infopro has a market share below 30% on the broadly defined markets where vertical relationships exist, including the advertising markets for offline and online professional press.
- (18) However, when considering a sub-segmentation of the market for advertising space in professional written press according to the target audience of the construction sector, Infopro's market share exceeds 30% in France giving rise to an affected vertical market.
- (19) GSE's share of purchases in this market and its share in the downstream market for building construction are both below 30% under all plausible market definitions.
- (20) No competitor, customer, or other third party raised any concerns during the market investigation.
- (21) The investigation did not reveal the existence of any facts that could support a finding of risk of vertical foreclosure. GSE and its competitors do not significantly rely on advertising in the written press in order to attract new clients. Moreover, all advertising (online or offline) represents a small fraction of their total purchasing costs.

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11 Commission decision in Case M.874 – *AMEC PLC/FINANCIERE SPIE BATIGNOLLES SCA/SPIE BATIGNOLLES SA*, of 6 February 1997, paras 15 and 16.

12 Commission decision in Case M.4158 – *TowerBrook Investors/GSE*, of 21 April 2006.

13 Commission decision in Case M.874 – *AMEC PLC/FINANCIERE SPIE BATIGNOLLES SCA/SPIE BATIGNOLLES SA*, of 6 February 1997, paras. 17 and 18.

**6. CONCLUSION**

- (22) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

*For the Commission*

*(signed)*

*Margrethe VESTAGER*

*Member of the Commission*