

**OFFICE FOR COMPETITION**

29 May 2019

**COMP-MCCAA/06/2019- The Acquisition of Joint Control by Oaktree Capital Management L.P. of Costa Edutainment S.p.A.**

**Decision on acquisition in terms of Regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)**

**The Office for Competition,**

**Having considered the notification filed 2 May 2019 pursuant to Regulation 5 of the Control of Concentrations Regulations,**

**Having considered the provisions of the Control of Concentrations Regulations,**

**Having considered Commission Notice on a simplified procedure for treatment of certain concentrations under Regulation (EC) No 139/2004**

**Facts**

1. On 2 May 2019, the Office for Competition (hereinafter referred to as “the Office”) received a notification of a proposed concentration pursuant to Regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”), from Oaktree Capital Management L.P. (hereinafter referred to as “the Notifying Party”) notifying the acquisition of joint control of Costa Edutainment S.p.A. (hereinafter referred to as “Costa”).
2. The notification was filed on 2 May 2019 and accepted as a complete notification on 3 May 2019. The proposed acquisition was notified to the public through a notice that appeared in a daily newspaper on 9 May 2019 and a notice that appeared in the Government Gazette No.20,185 on 10 May 2019.
3. The Notifying Party advised that the acquisition of joint control in Costa was being structured via two wholly owned subsidiary special purpose vehicles (hereinafter referred to together as “OCM”), companies still in formation under

the laws of Luxembourg, which will be owned and controlled by certain investment fund/s managed and controlled by the Notifying Party.

#### **Parties**

4. i. The Notifying Party – Oaktree Capital Management L.P. having its registered address at Corporation Service Company 2711 Centerville Road, Suite 400, 19808, Wilmington, United States. The Oaktree group is a global alternative and non-traditional investment management firm, which emphasis on opportunistic, value orientated, and risk-controlled approach to investments in distressed debt, high yield bonds, convertible securities, senior loans, corporate control, real estate, emerging market equities and mezzanine finance. The Oaktree group has offices in 16 cities worldwide and has investments in a variety of industries including packing, manufacturing, healthcare, clothing, travel, real estate, exploration & mining, food, telecommunication, media and entertainment.
- ii. The Notifying Party generates turnover in Malta from customers, located in Malta, that purchase products or services, sold or provided by non-Maltese entities controlled by the Notifying Party which operate in different sectors from that in which Costa is involved.
- iii. The other party in the concentration – Costa Edutainment S.p.A. having its registered address at Via Ascoli Piceno 6, Riccione, Italy, manages sites and public and private structures dedicated to recreational, cultural & didactic activities and scientific research including museums.
- iv. Costa Edutainment S.p.A is present and generates turnover in Malta through the following two Maltese limited liability companies:
  - Zifio Ltd (hereinafter referred to as “Zifio”) having its registered address at 192, Old Bakery Street, Valletta, VLT 1455, in which Costa holds 86% of issued share capital. In turn, Zifio holds, 81.2% of the issued share capital in Marineland Ltd (hereinafter referred to as “Marineland”).
  - Marineland having its registered address at Mediterraneo Marine Park, Triq Tul Il-Kosta, Baħar iċ-Ċagħaq, Naxxar, NXR 9038, Malta, is the operator of Mediterraneo Park – the only marine park in Malta providing a unique entertainment and learning experience to swim and interact with dolphins and sea lions amongst other animals.

### **Transaction**

5. Pursuant to an Investment Agreement (hereinafter referred to as “the OCM Investment”) the Notifying Party proposes that through an acquisition of shares in Costa OCM will acquire joint control of Costa and thus also an indirect joint control of Zifio and Marineland.

### **Notifiable Concentration**

6. The proposed transaction brings about the acquisition of joint control by the Notifying Party within the meaning of regulation 2(d) (ii) of the Regulations.
7. The Office considers that the proposed transaction constitutes a concentration within the meaning of Regulation 2 of the Regulations.

### **Threshold for Notification**

8. The aggregate turnover of the concerned undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover of the undertakings concerned.
9. The notified concentration, therefore, meets the notification threshold as set out in Regulation 2 of the Regulations.

### **Simplified Procedure**

10. Following the examination of the notification, it is considered that the notified concentration falls within the scope of Regulation 12(1) of the Regulations, whereby it is provided that:

*“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...:*

*(ii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking, provided that none of the parties to the concentration are engaged in business activities in the same product or geographical market, or in a product market which is upstream or downstream of a product market in which any other party to the concentration is engaged”.*

## **Conclusion**

In view of the above and in terms of Regulations 6 (1) (ii) and 12 (4) of the Regulations, it is therefore decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations;
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.



**Godwin Mangion**

Director General