

COMPETITION COMMISSION OF INDIA

4th September, 2012

Combination Registration No. C-2012/07/71

Order under section 31(1) of the Competition Act, 2002

1. On 30th July, 2012, the Competition Commission of India (hereinafter referred to as the "**Commission**") received a notice under sub-section (2) of Section 6 of the Competition Act (hereinafter referred to as the "**Act**") of a proposed combination given by Ingram Micro Inc. (hereinafter referred to as "**Ingram**"), Brightpoint, Inc. (hereinafter referred to as "**Brightpoint**") and Beacon Sub, Inc (hereinafter referred to as "**Beacon Sub**") (hereinafter Ingram, Brightpoint and Beacon Sub are collectively referred to as "**parties to the combination**").
2. The proposed combination relates to acquisition of sole control of Brightpoint by Ingram. The acquisition will be effected by way of a merger of Beacon Sub, a wholly-owned subsidiary of Ingram, with and into Brightpoint. As a result, Beacon Sub will cease to exist as a separate corporate entity and Brightpoint will continue as the surviving corporation and wholly-owned subsidiary of Ingram. The notice was filed pursuant to execution of an Agreement and Plan of Merger (hereinafter referred to as "**Agreement**") on 29th June, 2012 entered into by and among Ingram, Brightpoint and Beacon Sub. The proposed combination falls under Section 5 of the Act.
3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 ("**Combination Regulations**"), vide letter dated 11th August, 2012, the parties to the combination were required to remove certain defects and provide information/document(s) by 27th August, 2012. The response of the parties in this regard was received on 24th August, 2012.
4. Ingram, a listed company incorporated in Delaware, USA, is stated to be a global IT wholesale distributor, providing sales, marketing, and logistics services for the IT industry worldwide. As per its Annual Report, Ingram, a Fortune 100 company, is engaged in the wholesale distribution of IT products, consumer electronics, mobility devices and the provision of logistic services. Further, Ingram has operations in countries across North America, Europe, Middle East, Africa, Asia-Pacific and Latin America. In India, Ingram operates through its wholly owned subsidiary Ingram Micro India Limited (hereinafter referred to as "**Ingram India**"). Ingram India is



stated to be engaged in the wholesale distribution services of IT products, consumer electronics, mobility products, and related services.

5. Beacon Sub, a newly established wholly owned subsidiary of Ingram, is stated to be set up for the purposes of the proposed combination.
6. Brightpoint, a listed company incorporated in Indiana, USA, is stated to be a wholesale distributor of wireless mobility devices and a provider of logistics services for mobility products. In India, Brightpoint operates through its wholly owned subsidiary Brightpoint India Private Limited (hereinafter referred to as "**Brightpoint India**"). It has been stated in the notice that Brightpoint India is engaged in the wholesale distribution of mobility devices and related services. Further, Brightpoint India also provides kitting and packaging services for SIM card manufacturers and telecom service providers.
7. In India, Ingram through its subsidiary Ingram India is engaged in the wholesale distribution of IT products, consumer electronics, mobility devices and related services, whereas, Brightpoint through its subsidiary Brightpoint India is engaged in the wholesale distribution of mobility devices and related services. Further, in relation to mobility devices, Ingram India is engaged in the wholesale distribution of various mobility products such as, portable computers (i.e., laptops, note-book and tablets/I-pads etc.), mobile communication devices and related accessories, whereas, Brightpoint India is engaged in the wholesale distribution of mobile phones, related accessories and tablets only. It is also stated in the notice that the distribution agreements between Ingram India or Brightpoint India and the manufacturers/vendors are typically terminable at will and are generally non-exclusive, giving vendors the freedom to switch to other distributors. In addition, the distributors are generally not given access to the entire Indian market as vendors prefer multiple distributors and numerous distribution channels depending on the market characteristics.
8. As per the details provided in the notice and other information available on record, it is observed that both the parties to the combination are present in the market for wholesale distribution of mobility devices in India. Further, the market share of some of the firms in the distribution of mobility devices in India is higher than the combined market share of the parties to the combination and the market is characterised with the presence of many players with insignificant entry barriers. Moreover, the market share of the parties to the combination with respect to the wholesale distribution of mobility products, at the individual as well as combined level in India, is in single digit. Therefore, the proposed combination is not likely to give rise to any adverse competition concern in India.

9. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
10. This approval is without prejudice to any other legal/statutory obligations as applicable.
11. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
12. The Secretary is directed to communicate to the parties to the combination accordingly.



Certified True Copy

[Handwritten Signature]
10/9/12

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New Delhi