



PRESS RELEASE

URCA Issues Adjudication on the Merger of Systems Resource Group Limited (SRG) and Cable Bahamas Ltd. (CBL)

URCA has today issued its final adjudication in accordance with Section 75(1)(a) of the Communications Act (Comms Act), that the proposed merger between CBL and SRG would not be likely to have the adverse effects as set out in Section 72 of the Comms Act, and therefore URCA has given its consent to the proposed merger.

On September 7, 2010, CBL and SRG executed a Share Purchase Agreement, subject to regulatory approval by URCA, for the purchase by CBL of the entire issued share capital in SRG, which purchase will result in a change in the control of SRG from its current owners, to CBL.

Part XI of the Comms Act sets out the competition provisions that apply to the electronic communications sector. Under Section 70 of the Comms Act, no change in control of a licensee can be implemented without obtaining the prior written approval of URCA. Both CBL and SRG are licensees under the Comms Act.

On September 17, 2010, CBL and SRG jointly submitted a Full Merger Notification Form (with accompanying documents) to URCA in compliance with the Comms Act seeking URCA's approval of the proposed acquisition. URCA published a Notice of its receipt of the merger Notification on its website on September 20, 2010 inviting representations from interested parties to the proposed merger. URCA has received comments from interested parties and the public in respect of the proposed merger which have been reviewed and considered.

As a result of a preliminary assessment of the representations received, URCA determined that the proposed merger raised certain potential competition concerns that merited an in-depth investigation. This was communicated to CBL and SRG on November 5, 2010 and a Notice to this effect was published on the URCA website on November 8, 2010.

During the investigation, URCA collected additional information from the Parties necessary to assess the competitive effects of the proposed merger. The information submitted by the Parties during the in-depth investigation has been considered by URCA.

The complete document – Merger Control Adjudication: Systems Resource Group Limited and Cable Bahamas Ltd. ECS COMP. 01/2011 can be downloaded from this website under the "Competition Policy" tab.

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