



Determination of the Competition Authority

Determination No. M/03/006 of the Competition Authority, dated 3 April 2003, under Section 21 of the Competition Act, 2002.

Notification No. M/03/006 – Mercer Management Consulting Inc/Oliver Wyman & Company LLC

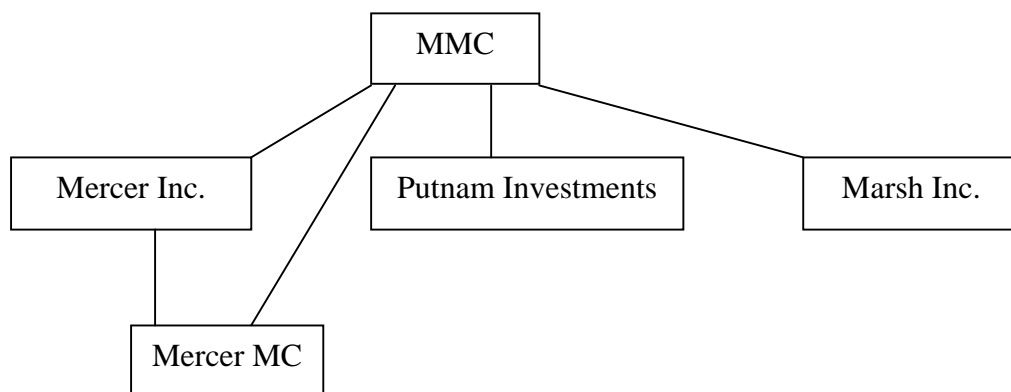
Introduction

1. On 4 March 2003 the Competition Authority, in accordance with Section 18(1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Mercer Management Consulting, Inc (“Mercer MC”) will acquire substantially all of the assets of Oliver Wyman & Company LLC (“OWC”) including the shares of OWC’s subsidiaries in the US, the UK, Italy and Germany.

The Parties

2. Mercer MC, the purchaser, is an indirect wholly owned subsidiary of both Mercer Inc. and Marsh McLennan & Companies (“MMC”). MMC is a global provider of professional services and the parent company of Marsh Inc., a global risk and insurance services firm; Putnam Investments, a global investment management company and Mercer Inc., a global provider of consulting services (see Table A below)*.

Table A: Ownership Structure of Mercer MC



3. In Ireland, the MMC group is active in risk and insurance consultancy; insurance broking; management and administration services to collective investment undertakings; consultancy services for investments, insurance and pension funds; and human resources consulting.
4. OWC is a global strategy consulting firm. A major part of its business is finance and risk management consultancy to the financial services industry. Its clients are engaged in retail and corporate banking, the capital markets and the insurance sector. OWC does not have an office in Ireland but provides some credit risk management services in Ireland.



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Analysis

5. OWC's risk management practice focuses on the development and implementation of risk measurement methodologies and risk control. On the other hand, MMC's risk and insurance services involve the identification of insurable risk and transfer of that risk by means of an appropriate insurance product or products.
6. Market investigations have indicated that the fields of activity in Ireland of MMC and OWC may be regarded as constituting separate product markets, in which case there would be no overlap between the parties' activities in the State.
7. However, it is not necessary to form a definitive view on the market definition in this case. Even if the relevant product market is defined more broadly as the market for "management consultancy services" - including *inter alia* human resources consulting, strategy consulting, risk management consulting, and possibly some other areas of activity in which MMC is engaged in Ireland - the parties' combined share of this market, whether in Ireland or a wider geographic market, would be small, approximately [less than 10]%.
8. If for instance the relevant market is defined as the market for management consultancy services in Ireland, the parties' combined market share would be [less than 10]%. Moreover, a number of large firms provide a range of management consultancy services in Ireland and so the result of the proposed acquisition would be a very small increase in concentration, in a market already characterised by low concentration. The post-merger HHI for this market is estimated to have an upper bound of 650 and the change in concentration (the delta) is negligible.
9. Thus, on any reasonable definition of the relevant market, the overlap between the parties' activities does not give rise to competition concerns.

Determination

10. The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Terry Calvani
Member of the Competition Authority

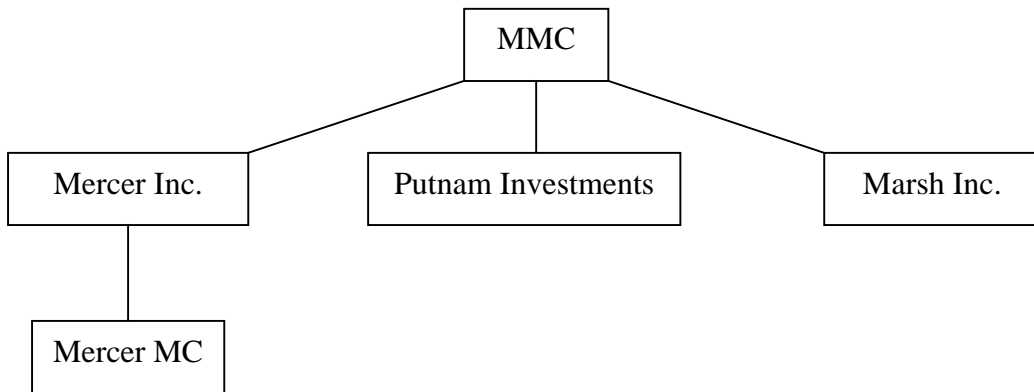
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ADDENDUM

In notifying the Competition Authority of this transaction, the parties stated in the notification Form that Mercer MC is an indirect wholly owned subsidiary of both Mercer Inc. and MMC. Subsequent to the Determination being made, the parties clarified that what was meant by this statement was that Mercer MC is a direct wholly owned subsidiary of Mercer Inc. and, in turn, an indirect wholly owned subsidiary of MMC. The parties requested that the Authority amend its table provided at paragraph 2 (“Table A: Ownership Structure of Mercer MC”) to reflect the correct shareholding structure as follows:



The Authority has decided that this does not render the Determination void and, exceptionally, has added this Addendum in the interest of factual correctness.