



Determination No. M/05/047 of the Competition Authority, dated 2nd September 2005, under Section 21 of the Competition Act, 2002

Notification No. M/05/047 – Proposed acquisition by 3i Group and Oak Hill Investors of TeleCity plc

Introduction

1. On 3rd August 2005 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 3i Group (“3i”) and Oak Hill Investors would acquire TeleCity plc (“TeleCity”). It is proposed that 3i and Oak Hill would control TeleCity on a 50%/50% basis through a specially created company Inhoco.

The Parties

2. 3i is a venture capital and private equity investor. Its portfolio of companies consists of businesses in a wide range of industry sectors and services, including communication, engineering, food and healthcare. 3i currently holds a 44.85% share in TeleCity.
3. Oak Hill Venture Partners (OHVP) invests in companies that are pioneering innovative technologies and the businesses these technologies enable. It holds a joint controlling interest in Gecis Global, which provides business process outsourcing services and plans, designs and implements IT strategy and manages the mission-critical IT infrastructure of global businesses. In Ireland Gecis Global has a turnover of approximately €460,000.
4. TeleCity is an independent provider of data centre services in Europe. Through its network of data centres TeleCity offers secure, controlled environments for businesses who want to outsource all or part of the management of their technical infrastructure. TeleCity operates nine data centre facilities in seven cities in Europe including Dublin. In 2004 TeleCity generated a turnover in Ireland of c. €2,165,000.

Analysis

5. Apart from its shareholding in TeleCity, 3i has no interests in any business involving data centre services. None of the portfolio companies of Oak Hill carry on any business activity on the island of Ireland which overlaps horizontally or vertically with the business activities of TeleCity. The transaction does not therefore give rise to competition concerns.



The Competition Authority
An tÚdarás Iomaíochta

Determination

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 by 3i Group and Oak Hill Investors of TeleCity plc 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

Edward Henneberry
Member of the Authority