



DETERMINATION OF MERGER NOTIFICATION M/06/082 – BERNARD MCNAMARA/DEREK QUINLAN/DDDA/SOUTH WHARF

Section 21 of the Competition Act 2002

Proposed acquisition by Bernard McNamara, Derek Quinlan and the DDDA of South Wharf

Dated 11 /12/06

Introduction

1. On 23 November 2006, the Competition Authority (“the Authority”), in accordance with Section 18 (1) (a) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposed acquisition of South Wharf plc (“South Wharf”) by Bernard McNamara, Derek Quinlan and the Dublin Docklands Development Authority (“DDDA”).
2. The proposal involves the acquisition by way of a Scheme of Arrangement under Sections 201 and 203 of the Companies Act 1963 whereby Becbay Limited (“Becbay”), an Irish registered company, will acquire South Wharf plc.¹

The Undertakings Involved

3. Becbay, the acquirer, is a newly established company which did not generate any turnover in the most recent financial year and has been formed for the purposes of making the acquisition. Becbay is jointly owned by Donatex Limited, a company owned and controlled by Bernard McNamara and by Mempal Limited, a company owned and controlled by Derek Quinlan, and the DDDA.
4. Bernard McNamara is the Executive Chairman of Michael McNamara & Company, a construction company. Derek Quinlan is the Chairman and founder of Quinlan Private, an international real estate and advisory group. Bernard McNamara and Derek Quinlan each control undertakings that generate turnover in excess of €40 million in the most recent financial year.
5. The DDDA is a body established by the Dublin Docklands Development Act 1997 whose statutory functions are to secure:
 - The social and economic regeneration of the Dublin Docklands Area on a sustainable basis;
 - Improvements in the physical environment of the Dublin Docklands Area; and,
 - The continued development in the Customs House Docks Area of services of, for, in support of, or ancillary to the financial sector of the economy.

¹ For a discussion on Schemes of Arrangement see Competition Authority Determinations M/06/035, *Babcock & Brown/ ESOT/ eircom*, and M/06/075, *Arcapita/ Viridian*.

In the financial year ended 31 December 2005, the DDDA had turnover of €37.1 million in respect of income earned on disposals of development assets.

6. South Wharf, the target, is a public limited company whose shares are listed on the Irish Stock Exchange. South Wharf is active in the manufacture and warehousing of glass and glass products, agency sales of glass packaging product sourced from other manufacturers and processing and finishing of glass packaging. Its activities are conducted from its site at South Bank Road, Ringsend, Dublin 4 ("the Ringsend site"). In the financial year ended 31 December 2005, South Wharf generated world-wide sales of approximately €1.2 million which was generated entirely in the State.
7. When the scheme of arrangement becomes effective, the principal asset of South Wharf will be its shares in its wholly owned subsidiary, South Bank Glass Manufacturing Limited, which in turn will own the freehold interest in the Ringsend site. South Wharf's agency sales business will be demerged into a new holding company, Lantor Limited.

Analysis

8. The principal purpose of the transaction is to develop the Ringsend site. There is no overlap between the business activities of the Bernard McNamara, Derek Quinlan and the DDDA, and those of South Wharf.

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 Bernard McNamara, Derek Quinlan and the DDDA, of South Wharf 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

Dr. Paul K. Gorecki
Member of the Competition Authority