



## **DETERMINATION OF MERGER NOTIFICATION M/07/020 -**

### **Alchemy/A-Wear**

---

#### **Section 21 of the Competition Act 2002**

#### **Proposed acquisition by Alchemy Partners (Guernsey) Limited and certain members of the management of A-Wear Limited of A-Wear Limited from the Brown Thomas Group**

**Dated 30/05/2007**

---

#### **Introduction**

1. On 10 May 2007 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 by Alchemy Partners (Guernsey) Limited ("Alchemy") and certain members of the management ("Management") of A-Wear Limited ("A-Wear"), of 100% of the issued share capital of A-Wear from the Brown Thomas Group ("Brown Thomas") through a number of acquisition vehicles, which have been formed for the purposes of the proposed transaction.

#### **The Proposed Transaction**

2. The proposed transaction involves the acquisition of sole control of A-Wear by Alchemy. Three companies have been set up for the purposes of the transaction, namely:
  - Maple TopCo Limited (an English company) ("TopCo UK");
  - Maple MidCo Limited (a wholly-owned English subsidiary of TopCo UK) ("MidCo UK"); and
  - Maple BidCo Limited (a wholly-owned Irish subsidiary of MidCo UK) ("BidCo Ireland").
3. It is proposed that funds managed by Alchemy will subscribe for [...]% of the issued share capital of TopCo UK and Management will subscribe for the remaining [...]%. It is proposed that BidCo Ireland will acquire 100% of the issued share capital of A-Wear. Consequently, following the proposed transaction, funds managed by Alchemy will hold an [...]% indirect interest in A-Wear and Management will hold a [...]% indirect interest in A-Wear.
4. A shareholders agreement dated 4 May 2007 between Management, Alchemy and TopCo UK will regulate the relationship between the parties in respect of TopCo UK.

#### **The Undertakings Involved**

##### ***The Acquirer***

5. Alchemy is the manager of the Alchemy Investment Plan (the "Plan"). The Plan comprises a collection of Guernsey limited partnerships. The Plan's objective is to make equity investments in leveraged and management buy-outs and buy-ins and to provide development capital, principally in the UK and elsewhere in Europe. Each investor/limited partner enters into a partnership agreement with Alchemy Partners GP (Guernsey) LP (the "General Partner"). The General Partner's obligation to manage the investment of each limited partnership in the Plan is delegated to Alchemy pursuant to a Management Agreement entered into by the General Partner (on behalf of each limited partnership) and Alchemy. Consequently, Alchemy has legal control of when, where and how investments are made, including the terms thereof. Transactions are structured [...].
6. Alchemy has a controlling interest in a number of companies (the "Portfolio Companies"). None of the activities of the Portfolio Companies overlap with the activities of A-Wear in Ireland.
7. Management consists of the following individuals, who are currently involved in the management of A-Wear: Annmarie Flood, Darragh Kelly and Yvonne Nugent.

### ***The Target***

8. A-Wear is an Irish retailer of own-branded affordable female fashion and accessories. A-Wear has 28 stores: 25 in Ireland, 2 in Northern Ireland and 1 UK outlet operating as a concession in Selfridges, Birmingham.
9. Brown Thomas is the beneficial owner of all the issued capital of A-Wear. Brown Thomas is owned by Brown Thomas Holdings Limited, a Canadian registered company.

### **Analysis**

10. There are no horizontal or vertical overlaps in the activities of the undertakings in the State. Neither Alchemy nor any of the Portfolio Companies is involved in the retail sale of womenswear in Ireland. The Authority therefore considers that the proposed transaction does not raise competition concerns in the State.

**Determination**

The Competition Authority, in accordance with Section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Alchemy Partners (Guernsey) Limited and certain members of the management of A-Wear Limited of 100% of the issued share capital of A-Wear Limited from the Brown Thomas Group 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 Gorecki

Member of the Competition Authority