



## **DETERMINATION OF MERGER NOTIFICATION M/07/051 – SITESERV/SIERRA**

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

### **Proposed acquisition by Siteserv plc of Sierra Communications Limited**

**Dated 08/10/07**

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#### **Introduction**

1. On 10 September 2007 the Competition Authority (“the Authority”), in accordance with section 18(1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Siteserv plc (“Siteserv”) would acquire the entire issued share capital of Sierra Communications Limited (“Sierra”).

#### **The Undertakings Involved**

2. Siteserv, the acquirer, a public limited company listed on both the AIM and IEX, is a holding company for a group of companies operating in the building and construction sector in Ireland. All of Siteserv’s turnover is generated in the State. For the financial year ending April 2007 Siteserv’s turnover was €44.9 million<sup>1</sup>, all of which was generated through the activities of its four subsidiaries:
  - i. Rent-a Fence Limited – active in the provision, primarily to the construction sector, of temporary fencing, pedestrian barriers, road barriers, permanent and temporary steel hoarding and debris netting;
  - ii. Donoghue Scaffolding Limited – active in the provision and installation of scaffolding and related products, to the construction sector;
  - iii. Holgate Fencing Limited – active in the installation of motorway crash and environmental noise barriers; and,
  - iv. Easy Access Limited – active in the supply of formwork (temporary wooden or steel structures used to contain wet concrete as it sets).
3. Sierra, the target, is active in the provision of services to the telecommunications, power and civil engineering sectors. It is wholly owned by Faido, an unlimited liability company registered in Ireland. For the year ending 30 June, 2007, Sierra generated a turnover of €52.3 million, all of which was generated in the State, through the following activities:

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<sup>1</sup> Three of the four subsidiaries of Siteserv plc were acquired within the financial year May 2006 to April 2007 and this calculation of turnover is based on the actual turnover from the time of acquisition of each of the subsidiary until April 2007. An alternative estimate for the entire group based on the actual turnover of Rent-a Fence Limited combined with the estimated annualised turnover for each of Donoghue Scaffolding Limited, Holgate Fencing Limited and Easy Access Limited for the financial year ending April 2007 is €70.3 million.

- Installation and maintenance of telecommunications infrastructure, security alarm systems, wireless broadband infrastructure for both commercial and residential purposes;
- Construction, installation, refurbishment and maintenance of electric power related infrastructure including pylons, overhead wiring, voltage power stations, indoor substations and outdoor sub-units;
- Construction and installation of ducts for underground cabling;
- Construction of ramps, roundabouts, pedestrian junctions, footpaths, cycle tracks and, quality bus corridors;
- Construction, maintenance and repair of footpaths, carriageways and roads;
- Construction site development including sewerage schemes and water networks; and,
- Provision of water conservation and rehabilitation services for both commercial and residential purposes.

### **Analysis**

4. While both parties are active to some extent in the provision of services to the wider construction sector there is no horizontal or vertical overlap between the activities of the parties in the State.
5. 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 Siteserv plc of Sierra Communications Limited 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