



DETERMINATION OF MERGER NOTIFICATION M/08/023 – DHC/MIDDENBERM/TMF

Section 21 of the Competition Act 2002

Proposed acquisition by Doughty Hanson & Co. Limited and Middenberm Part Co. B.V. of joint control of TMF Group HoldCo B.V.

Dated 15/08/2008

Introduction

1. On 31 July 2008, the Competition Authority (“the Authority”) was notified on a mandatory basis of the proposed acquisition by Doughty Hanson & Co. Limited (“DHC”) and Middenberm Part Co. B.V. (“Middenberm”) of joint control of TMF Group HoldCo B.V. (“TMF Group HoldCo”) including all the group companies directly and indirectly controlled by it (“TMF Group”).
2. The Authority advised the parties and the Minister for Enterprise, Trade and Employment that it considered the transaction to be a “media merger” within the meaning of section 23 of the Act.

The Undertakings Involved

The Acquirers

3. DHC is a private equity fund manager that directly or through its subsidiaries organises and administers a number of private equity investment funds on behalf of institutional and private investors. Each fund is structured as a series of limited partnerships registered under English law, which are committed to invest alongside each other. For the year ended 31 December 2007, DHC’s worldwide turnover was €[...].
4. Various DHC portfolio companies generated turnover in the State for the year ended 31 December 2007, including 20:20 Mobile Group Limited, which is engaged in the distribution and repair of mobile handsets and mobile accessories as well as recruitment of professionals, and TV3 Television Network Limited, which operates a terrestrial free-to-air national commercial television channel in the State. In addition, DHC has a jointly controlling stake in Setanta Sport Holdings Limited, which is primarily concerned with operating various sports channels in the State and elsewhere. For the year ended 31 December 2007, DHC’s turnover in the State was €[...].
5. Middenberm is a special purpose vehicle allowing individuals who are managers, other employees, consultants and advisors of TMF Group to make purely financial investments in TMF Group. Middenberm has an existing jointly controlling interest in TMF Group, but does not control any other entity or business that generates turnover from the sale of goods or services.

The Target

6. TMF Group HoldCo is a global supplier of various administrative outsourcing services, with 79 offices in 61 countries around the world. For the financial year 2007, it had worldwide turnover of €[...]. The services it provides can be classified into four main categories:
- Finance and accounting business process outsourcing;
 - Human resources and payroll;
 - Compliance-related services, including domiciling and management, structured finance services, corporate secretarial services, register and shareholder services, and international VAT; and,
 - Fund administration services.
7. TMF Group HoldCo has two legal entities in the State and provides a limited amount of administrative outsourcing services in the State (it does not supply fund administration services). For the financial year 2007, it generated a turnover in the State of €[...].

Analysis

8. As there are no horizontal or vertical overlaps between the activities of the undertakings involved in the State, the Authority considers that the proposed acquisition does not raise competition concerns in the State.

Determination

9. 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 Doughty Hanson & Co. Limited and Middenberm Part Co. B.V. of joint control of TMF Group HoldCo B.V. 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, subject to the provisions of section 23(9)(a) of the Act.

For the Competition Authority

Dr. Paul K. Gorecki
Member of the Competition Authority