



DETERMINATION OF MERGER NOTIFICATION M/08/025 - Alchemy/Noonan

Section 21 of the Competition Act 2002

Proposed acquisition by Alchemy Partners (Guernsey) Limited of Noonan Services Group Unlimited.

Dated 12/09/2008

Introduction

1. On 25 August 2008, 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 a newco funded by funds managed by Alchemy Partners (Guernsey) Limited ("Alchemy") and certain members of the management ("Management") of [...] % of the issued share capital of Noonan Services Group Unlimited ("Noonan") from Noonan Services Holdings (Jersey) Limited through a number of acquisition vehicles, which have been formed for the purposes of the proposed transaction.
2. As a result of the proposed acquisition, Management will acquire an [...] % indirect interest in Noonan and funds managed by Alchemy will acquire an [...] % indirect interest in Noonan. The seller will retain a [...] % interest in Noonan following the proposed acquisition.

The Undertakings Involved

The Acquirer

3. 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 investments of an equity nature 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. Alchemy has a controlling interest in a number of companies (the "Portfolio Companies").
4. The worldwide turnover of Alchemy's portfolio companies and Alchemy Partners LLP for the year ending 31 December 2007 was approximately £[...] (approximately, €[...]¹). The turnover in the State of Alchemy's

¹ Based on the Euro: Sterling exchange rate on 9 September 2008 (€1:£0.8), www.centralbank.ie.

portfolio companies and Alchemy Partners LLP for the year ending 31 December 2007 was approximately £[...] (approximately, €[...]²).

5. Management currently consists of the following individuals, who are involved in the management of Noonan: [...]. This list may be extended in the future.

The Target

6. Noonan is a provider of facility based services to clients in Ireland and the UK, including the provision of contract cleaning services, janitorial supplies, security services and pest control. The worldwide turnover of Noonan was in excess of €40 million in 2007. The turnover in the State of Noonan in 2007 was in excess of €40 million.
7. The target is owned by Noonan Services Holdings (Jersey) Limited whose shareholders include [...].

Analysis

8. There is no horizontal or vertical overlap between the parties since neither Alchemy nor any of the Portfolio Companies is involved in the provision of facility based services in Ireland, nor in any closely related sector in Ireland. The Authority considers that given the absence of any overlap between the activities of parties in the State, the proposed acquisition does not raise competition concerns in the State.

Ancillary Restraints

9. The Authority also reviewed the restrictive arrangements agreed by the parties in their Share Purchase Agreement and referred to in the notification of the merger. The Share Purchase Agreement contains covenants in relation to the solicitation of employees and non-competition. The duration of the covenants is [...]. The Authority considers that the non-compete restrictions are directly related and necessary to the implementation of the proposed acquisition.

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 a newco funded by funds managed by Alchemy Partners (Guernsey) Limited and certain members of the Management of [...] % of the issued share capital of Noonan Services Group Unlimited from Noonan Services Holdings (Jersey) 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

² Based on the Euro: Sterling exchange rate on 9 September 2008 (€1:£0.8), www.centralbank.ie.