



DETERMINATION OF MERGER NOTIFICATION M/07/060 – IMTECH/SUIR

Section 21 of the Competition Act 2002

Proposed acquisition by Imtech NV of Suir Engineering Limited

Dated 07/11/07

Introduction

1. On 19 October 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 Imtech NV ("Imtech") of 100 per cent of the share capital of Suir Engineering Limited ("Suir").
2. The proposed acquisition involves two share purchase agreements. Under the terms of the first agreement, Imtech will acquire 31% of the issued share capital of Suir. Under the terms of the second agreement, Imtech will acquire the remaining 69% of the issued share capital of Suir. Both agreements are cross conditional.

The Undertakings Involved

The Acquirer

3. Imtech, the acquirer, is a technical service provider in the field of information and communication technology ("ICT") and electrical and mechanical engineering. Imtech offers a broad mix of international ICT and related technology activities including: information and communication technologies, telecom solutions, maritime technology and on board automation. Imtech also supplies a package of technical services in ICT and marine/maritime technologies in the Benelux countries, Germany, the UK, Spain and, to a limited extent, the wider international market.
4. Imtech is active in Ireland only through the activities of its UK based subsidiary Peek Traffic Holdings Limited ("Peek Traffic"). Peek Traffic's main activities are: (a) the design, manufacture and sale of advanced traffic products and traffic management systems; and, (b) installation and maintenance services for the traffic industry. Peek Traffic consists of two operating divisions: Peek Traffic UK which operates in the UK and Ireland and Peek Traffic Nederland which operates in the Netherlands, Belgium and Germany and has two subsidiaries in Poland and Croatia.
5. Peek Traffic UK's Irish branch trades as Peek Traffic Limited ("Irishco"). The principal object of Irishco is the manufacture of electrical machinery and apparatus.
6. For the financial year ended December 2006 Imtech and the undertakings controlled by Imtech had consolidated worldwide

turnover of €2,839 million and turnover in the State (through Peek Traffic) of €[].

The Target

7. Suir, the target, is a firm of electrical and mechanical contractors incorporated in Ireland. Suir provides a range of services (including design, installation and maintenance) to commercial, industrial, institutional and government bodies. It has two divisions: Suir Engineering Services and Suir MEC Limited.
8. Suir Engineering Services provides the following: (i) electrical engineering; (ii) automation, contract and instrumentation; (iii) pre-commissioning and start-up services; and, (iv) data and telecommunications services. Suir MEC Limited was established to provide mechanical engineering services which were previously offered by Suir Engineering Services.
9. Suir's group turnover for the year ended 31 July 2006 was approximately €[] of which €[] was generated outside the State.

Analysis

10. There are no horizontal or vertical overlaps between the parties in the island of Ireland. The Authority therefore considers that the proposed transaction does not raise competition concerns in the State.

Ancillary Restraints

11. The Authority also reviewed the two year non-competition clause agreed by the undertakings in their share purchase agreement. The Authority believes that such a clause is directly related and necessary for the implementation of the merger in order to protect the value of the goodwill transferred in the proposed acquisition and moreover that it does not go beyond what is necessary to protect the value of this goodwill.

Determination

The 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 of sole control of Suir Engineering Limited by Imtech NV will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, the acquisition may be put into effect.

For the Competition Authority

Dr. Paul K. Gorecki
Member of the Competition Authority