



DETERMINATION OF MERGER NOTIFICATION M/07/071 – BARCLAYS/GARDMAN

Section 21 of the Competition Act 2002

Proposed acquisition by Barclays Private Equity Limited of Gardman Holdings Limited

Dated 10/01/2008

Introduction

1. On 21 December 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 Barclays Private Equity Limited (“BPEL”), a wholly-owned subsidiary of Barclays Bank plc. (“Barclays”), of a majority shareholding in Gardman Holdings Limited (“Gardman”) from The Artemis International Trust (which controls 80% of Gardman) and Mr. Paris Natar (who controls 20% of Gardman).

The Proposed Transaction

2. Various investment funds managed by BPEL intend to acquire a majority shareholding in Gardman via a newly established acquisition vehicle (“NewCo”). The sellers of Gardman, Mr. Paris Natar and The Artemis International Trust, will acquire a non-controlling minority shareholding in NewCo of approximately 24%, and Gardman management will hold approximately 11% of the shareholding in Newco.

The Undertakings Involved

The Acquirer

3. Barclays is a major global financial service provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. Barclays operates in over 60 countries worldwide.
4. BPEL is a management company of private equity investment funds and is a wholly-owned subsidiary of Barclays. BPEL acquires, through the Barclays Funds, primarily medium-sized companies for the purpose of reselling them in three to five years for financial gain on behalf of the Barclays Funds investors. The vast majority of transactions are realised as management buy-outs.
5. In its financial year ending 31 December 2006, Barclays achieved consolidated worldwide turnover of approximately €56.45 billion and turnover in the State of approximately €[...].

The Target

6. Gardman is a supplier of wild bird care and garden products. The geographical spread of Gardman's sales is mainly in the United Kingdom and it has a local agent based in Northern Ireland. Gardman also operates in Australia and in the United States of America.
7. The Gardman Group consists of Gardman and its three trading subsidiaries: Gardman Limited, Gardman USA Inc and Parnell Lang Enterprises Limited. It also holds a 50% stake in the Gardman Australia Pty joint venture.
8. In its financial year ending 31 January 2007, Gardman achieved worldwide turnover of approximately STG£65.94 million (approximately €87.92 million¹) and turnover in the State of approximately STG£914,369 (approximately €1.22 million²).

Analysis

9. There are no horizontal or vertical overlaps between BPEL and Gardman in Ireland. The Authority therefore considers that the proposed transaction does not raise competition concerns in the State.

Ancillary Restraints

10. The Authority also reviewed the restrictive covenants agreed by the parties in their Share Purchase Agreement and referred to in the notification of the merger. The arrangements provide, inter alia, for a 2-year non-compete restriction on the Management Sellers and a 2 years and 11 months non-compete restriction on Mr. Paris Natar not to canvass, solicit or approach any relevant customer for the supply of relevant products or services.
11. The Authority considers that the restrictive covenants are directly related and necessary to the implementation of the proposed acquisition because they protect the value of both the goodwill and the confidential know-how of Gardman.

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 Barclays Private Equity Limited of a majority shareholding in Gardman Holdings 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

¹ Based on the Euro-UK Pound exchange rate from the Central Bank of Ireland dated 9 January 2008 (0.75).

² Based on the Euro-UK Pound exchange rate from the Central Bank of Ireland dated 9 January 2008 (0.75).