



## **DETERMINATION OF MERGER NOTIFICATION M/10/033 -**

### **Doughty Hanson/Equity Trust**

---

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

#### **Proposed acquisition by Doughty Hanson and Company Limited of Equity Trust S.a.r.l.**

**Dated 18 October 2010**

---

#### **Introduction**

1. On 24 September 2010, in accordance with section 18 of the Competition Act 2002 (the "Act"), the Competition Authority (the "Authority") received a notification of a proposed transaction whereby Doughty Hanson and Company Limited ("DH")<sup>1</sup> would acquire sole control of Equity Trust Holdings and all companies under its control directly or indirectly, collectively Equity Trust ("ET").<sup>2</sup>
2. On 24 September 2010, the Authority forwarded a copy of the notification to the Minister for Enterprise, Trade and Innovation, and notified the undertakings involved that it considered the proposed transaction to be a media merger within the meaning of section 23(1) of the Act.

#### **The Undertakings Involved**

##### *The Acquirer*

3. DH is a UK based private equity fund manager that directly or indirectly administers private equity and equity related investment funds on behalf of institutional and private investors.
4. DH and its affiliates currently manage the following type of investment funds:
  - i. property funds primarily in Europe;
  - ii. technology funds primarily involving co-investment in high tech businesses; and,
  - iii. general funds covering investments across a broad range of industries.

---

<sup>1</sup> DHC Limited is based in the Cayman Islands and is the ultimate parent entity of DH and all companies directly and indirectly controlled by DH.

<sup>2</sup> Pursuant to the Agreement for the Sale and Purchase of Equity Trust Holdings, dated 10 September 2010, DH O Beta S.à.r.l, a company incorporated in Luxembourg and indirectly controlled by DH, will acquire 100% of the issued share capital of Equity Trust Holdings.

5. For the year ended 31 December 2009, DH had consolidated worldwide turnover of € [...] million<sup>3</sup>, of which € [...] million was generated in the State.
6. In the State, DH's turnover is solely due to the activities of its portfolio companies including TMF,<sup>4</sup> a provider of administrative outsourcing services.<sup>5</sup> For the financial year ended 31 December, 2009 TMF generated revenue of € [...] million in the State.
7. DH's portfolio of companies also includes TV3, a national terrestrial television broadcaster and hence the proposed transaction is a media merger as defined in the Competition Act.

#### *The Target*

8. ET operates in 32 countries within Europe, Asia-Pacific, the Caribbean and Americas<sup>6</sup> providing a variety of administrative services. These services include secretarial and legal administration services, structured finance solutions, fund administration, private client administration and book-keeping and reporting.
9. Globally ET is organized into five different divisions, namely;
  - i. Corporate Services Division which mainly provides corporate management services to company clients;
  - ii. Private Clients Division which provides trustee and fiduciary services (such as the incorporation of corporate entities, provision of directors and officers, tax and regulatory compliance, ongoing administration and corporate secretarial services). This division also provides investor services including selection/monitoring of investment manager, portfolio analysis and review, and treasury services;
  - iii. International Incorporations Division which incorporates companies prior to sale to professional intermediaries;
  - iv. Structured Finance Division which provides management and trustee services to special purpose vehicles and trusts and also provides ancillary corporate secretarial and administration services; and,
  - v. Custom House Global Fund Services<sup>7</sup> ("Custom House") which provides fund administration services and ancillary corporate services to various funds, including hedge funds, real estate and private equity funds.

---

<sup>3</sup> This amount represents the turnover of DHC Limited, as well as the turnover of the DHC portfolio companies (i.e., those companies under the direct or indirect control of DHC) for the last financial year.

<sup>4</sup> DH together with Middenbergn Part Co B.V, indirectly exercises joint control over TMF. Joint Control of TMF by DH notified to the Competition Authority on 15 August 2008, Notification M/08/23.

<sup>5</sup> The parties estimate that TMF's market share in the provision of administrative outsourcing services in the State is less than [...] %.

<sup>6</sup> Equity Trust Holding, incorporated in Luxembourg, is owned by Candover Partners Ltd, which has an approximate [...] % shareholding and Equity Trust Management and Insinger de Beaufort with approximate shareholdings of [...] % and [...] % respectively.

<sup>7</sup> Custom House is a joint venture in which ET holds an approximate [...] % share and Custom House management hold and approximate [...] % share.

10. ET is only active in the State through Custom House. For the year ended 31 December 2009, ET generated a worldwide turnover of € [...] million of which € [...] million was generated in the State.

### **Third Party Submissions**

11. No submissions were received.

### **Analysis**

12. There is no horizontal overlap in the activities of ET and DH within the State. None of DH's portfolio companies, including TMF, is involved in the same activities as ET within the State.<sup>8</sup>
13. The proposed transaction does not give rise to vertical concerns since there is no vertical relationship between DH and ET.
14. The Authority therefore considers that the proposed merger will not raise any competition concerns in the State.

---

<sup>8</sup> The parties estimate that ET's market share of fund administrative services in the State is less than [...] %.

## **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 whereby Doughty Hanson and Company Limited would acquire controlling shareholding in Equity Trust Holdings including all companies directly and indirectly controlled by it, collectively named as Equity Trust will not be to substantially lessen competition in markets for goods or services in the State, and accordingly, the acquisition may be put into effect, subject to section 23(9)(a) of the Act.

### **For the Competition Authority**

Dr Stanley Wong  
Member of the Competition Authority