



## **DETERMINATION OF MERGER NOTIFICATION M/14/024 - Linkbey/BMGSL**

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

#### **Proposed acquisition by Linkbey Investment Holdings Limited of sole control of Beacon Medical Group Sandyford Limited**

**Dated 28 October 2014**

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### **Introduction**

1. On 13 October 2014, 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 Linkbey Investment Holdings Limited ("Linkbey") would acquire sole control of Beacon Medical Group Sandyford Limited ("BMGSL").

### **The Undertakings Involved**

#### ***Denis O'Brien***

2. Linkbey, incorporated in Jersey as a special purpose vehicle for the purpose of the proposed transaction, is wholly-owned by Denis O'Brien. Linkbey does not carry on any business or generate any turnover.
3. The parties state in the notification that Denis O'Brien owns and controls businesses engaged in the following activities:
  - The provision of mobile telecommunications services in various countries and territories in the Caribbean, South Pacific and Central America through Digicel Group Limited and Digicel Holdings (Central America) Limited;
  - The provision of infrastructure, utilities and industrial services predominantly in the State and the United Kingdom through Siteserv Holdings Limited;
  - The operation of retail forecourts and the provision of fuel to the commercial and wholesale sectors in the State through Topaz Energy Group Limited and Resource Property Investment Funds plc;
  - Radio broadcasting in the State, the United Kingdom and various countries in Eastern Europe through Communicorp Group Limited;
  - Online recruitment in China through ChinaHR.com;
  - The provision of disaster recovery services in the State through Business Recovery Services Limited;

- The franchising and operation of coffee shops in the State and the United Kingdom through BBCM Group Limited; and
  - The sale of petroleum products through Osmunda Limited, mainly in the United Kingdom.
4. Denis O'Brien also owns, as of November 2014, a 29.9% shareholding in Independent News and Media PLC ("INM"), an international media group with interests in the State (INM publishes the Irish Independent, the Sunday Independent and various Irish regional newspapers), Northern Ireland, Australia and New Zealand.
  5. For the most recent financial year, the aggregate worldwide turnover attributable to Denis O'Brien from all of the businesses which he solely or jointly controls was €[...], of which €[...] was generated in the State.

### **BMGSL**

6. BMGSL is 100% owned and controlled by Beacon Medical Holdings Limited. BMGSL is the holding company of a group of companies that own and operate the Beacon Hospital in Sandyford, County Dublin.
7. The Beacon Hospital provides healthcare in the State, treating over 70,000 patients per annum. It is one of only three private hospitals in the State with a full range of surgical and medical specialties. It currently operates 142 inpatient beds with an average occupancy of approximately 80%.
8. For the financial year ending 30 June 2014, BMGSL's worldwide turnover was €[...], all of which was generated in the State.

### **Rationale for the Proposed Acquisition**

9. The parties state in the notification:

"Ragazza, which is owned by Mr. O'Brien, is currently the sole lender to the Group [i.e., BMGSL.]. [...]. Beacon Medical Holdings Limited and Linkbey, which is also owned by Mr. Denis O'Brien, have agreed to the proposed transaction in Ireland in order to help facilitate a future restructuring of the balance sheet of the Group (which the parties expect will involve a significant reduction in the indebtedness of the Group.)"

### **Third Party Submissions**

10. No submission was received.

### **Competitive Analysis**

11. The parties estimate that the Beacon Hospital is the sixth largest private hospital in the State. Neither Denis O'Brien, nor any of the businesses owned and controlled by Denis O'Brien, own or operate a hospital in the State or elsewhere. The Authority therefore considers that the proposed transaction will not substantially lessen competition in any market in the State.

## **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 Linkbey Investment Holdings Limited would acquire sole control of Beacon Medical Group Sandyford Limited will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

**For the Competition Authority**

**Stephen Calkins**

**Member of the Competition Authority**

**Director, Mergers Division**