

COMPETITION AND CONSUMER PROTECTION COMMISSION CLEARS PROPOSED ACQUISITION BY PANDAGREEN OF GREENSTAR SUBJECT TO BINDING DIVESTMENT COMMITMENTS

- **CCPC requires PandaGreen to divest Greenstar’s domestic waste collection businesses in Fingal and Dun Laoghaire-Rathdown**

Tuesday, 16 August 2016: The Competition and Consumer Protection Commission (‘CCPC’) has, subject to binding divestment commitments, cleared the proposed merger whereby PandaGreen Limited (‘PandaGreen’), a wholly-owned subsidiary of Sretaw, would acquire the entire issued share capital of Starrus Eco Holdings Limited, which trades as Greenstar. To prevent a substantial lessening of competition following the implementation of the proposed merger, the legally binding commitments require PandaGreen to sell Greenstar’s domestic waste collection businesses in Fingal and Dun Laoghaire-Rathdown.

The CCPC’s determination follows an extensive two-phase investigation, which began on 9 February 2016 when the proposed merger was notified to the CCPC. The CCPC’s investigation involved in-depth economic analysis of the affected markets and consideration of detailed submissions from the parties involved, as well as consultations with competitors of the merging parties and other third parties.

During its investigation, the CCPC identified competition concerns arising from the proposed merger. The CCPC was concerned that the merger would result in a substantial lessening of competition in the market for domestic waste collection services in two local authority areas, namely Fingal and Dun Laoghaire-Rathdown. When the CCPC has concerns about the potential effect on competition of a proposed merger, the parties involved may submit proposed remedies to the CCPC with regard to the manner in which the proposed merger may be put into effect. The purpose of such proposed remedies is to identify measures that the merging parties may take to address any negative effects of the merger on competition.

It was on this basis that PandaGreen gave binding commitments to the CCPC to sell Greenstar’s domestic waste collection businesses in Fingal and Dun Laoghaire-Rathdown to a purchaser to be approved by the CCPC. The commitments provide for the businesses in question to be sold to Greyhound Household (‘Greyhound’), a company with which PandaGreen has recently signed a non-binding Heads of Agreement. If the sale to Greyhound does not proceed, the commitments require that the two identified businesses be sold to an alternative purchaser or purchasers to be approved by the CCPC.

Isolde Goggin CCPC Chair commented, “Our role in reviewing mergers and acquisitions is to ensure that they do not substantially lessen competition in any market for goods or services in the State. The proposed merger as notified to us in this case would have resulted in a substantial reduction of competition for domestic waste customers in the Fingal and Dun Laoghaire-Rathdown areas. PandaGreen’s commitment to divest Greenstar’s domestic waste collection businesses in Fingal and Dun Laoghaire-

Rathdown means that consumers in those areas will continue to have the same amount of choice as they did prior to the merger. PandaGreen has confirmed to the CCPC that consumers in Fingal and Dun Laoghaire-Rathdown who are transferred to the new provider will receive the same domestic waste collection service from the new provider on precisely the same terms and conditions – including price – for the remainder of the term of their contracts.”

The CCPC will publish on its website detailed reasons for its determination in due course after allowing the parties the opportunity to request the removal of confidential information from the published version.

Ends

Notes to the Editor

The Parties Involved

On 9 February 2016, in accordance with section 18(1) of the Competition Act 2002, as amended, the CCPC received a notification of a proposed transaction whereby PandaGreen Limited, a wholly-owned indirect subsidiary of Sretaw, would acquire the entire issued share capital of Starrus Eco Holdings Limited, trading as Greenstar, from Starrus Holdings Limited.

The Purchaser

Sretaw, headquartered in Ballymount, County Dublin, is an unlimited private holding company. Companies controlled by Sretaw are involved in various sectors within the State including hospitality, energy, property development and waste management services. Sretaw ultimately controls Adnap Holdings Unlimited. PandaGreen Limited is a wholly-owned subsidiary of Adnap Holdings Unlimited and has been incorporated for the purposes of this transaction. Adnap Holdings Unlimited ultimately controls Nurendale, which is an unlimited private company involved in the waste management sector and which trades as Panda Waste in the Greater Dublin Area. Panda Waste’s activities include:

- (a) The collection of waste from domestic household customers.
- (b) The collection of waste from commercial and industrial customers (from individual and multisite).
- (c) The processing of waste and recyclables.

The Vendor

Starrus Holdings Limited, headquartered in Bray, County Wicklow, is a limited private holding company, which is owned and controlled by Promontoria Holdings 52 B.V. Promontoria Holdings 52 B.V. is ultimately controlled by Cerberus Capital Management, L.P. and its affiliated funds and fund management entities.

The Target

Starrus Eco Holdings Limited, trading as Greenstar, headquartered in Bray, County Wicklow, is a limited private company involved in the waste management sector in the Greater Dublin Area as well as in Counties Carlow, Cork, Kilkenny, Limerick, Sligo, Waterford and Wexford. Greenstar’s activities include:

- (a) The collection of waste from domestic household customers.
- (b) The collection of waste from commercial and industrial customers (from individual and multisite).
- (c) The processing of waste and recyclables.

The proposed merger does not include the acquisition of Greenstar's landfill sites.

The Divestment Commitments

In accordance with section 20(3) of the Competition Act 2002, as amended, the CCPC has taken the divestment commitments into account and, in light of the commitments (which form part of the basis of its determination), has formed the view that the proposed merger will not substantially lessen competition in any market for goods or services in the State.