



## **DETERMINATION OF MERGER NOTIFICATION M/11/017 - CHARTERHOUSE/ERM GROUP**

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

#### **Proposed acquisition by Charterhouse Capital Limited of sole control of ERM Group Holdings Limited**

**Dated 15 June 2011**

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### **Introduction**

1. On 30 May 2011, 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 Charterhouse Capital Limited ("Charterhouse") would acquire sole control of ERM Group Holdings Limited ("ERM").

### **The Undertakings Involved**

#### ***Charterhouse***

2. Charterhouse is a private equity firm that leads and invests in large European buy-outs. Six of Charterhouse's portfolio companies are active in the State in the following activities:
  - the provision of insurance and travel products to the over-50s and roadside assistance services;
  - the provision of away-from-home skincare systems;
  - the provision of workplace services;
  - the provision of telecare and telehealth solutions to the elderly;
  - the retailing of clothing and footwear; and
  - the provision of research products and consulting services to the energy, metals and mining industry.
3. For the financial year ending 31 December 2010, Charterhouse's worldwide turnover was €[...]. Charterhouse's turnover in the State for the same period was €[...].

#### ***ERM***

4. ERM, through a number of subsidiaries, provides environmental, health, safety and risk management consultancy services. It principally consults to private sector clients across a range of sectors including oil and gas, power, mining, manufacturing, chemicals and pharmaceuticals. ERM is active in the State through its subsidiary ERM Environmental Resources Management Ireland Limited.

5. For the financial year ending 31 March 2010, ERM's worldwide turnover was €[...]. ERM's turnover in the State for the same period was approximately €[...].

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

6. Charterhouse submits that the proposed acquisition of ERM represents an opportunity to make an investment in a company with significant growth potential in the environmental, health and safety consulting ("EHS") sector.

### **Third Party Submissions**

7. No submissions were received.

### **Analysis**

8. There is no horizontal overlap between Charterhouse (and its portfolio companies) and ERM in the State. ERM is active in the EHS sector. Neither Charterhouse nor any of its portfolio companies are active, either directly or indirectly, in the EHS sector.
9. There is a vertical relationship between the parties since ERM currently provides consultancy services to one of the portfolio companies controlled by Charterhouse: [...].<sup>1</sup> However, this contract does not relate to [...] operations in the State. Furthermore, the value of the contract between ERM and [...] is de minimis.
10. In light of the above, the Authority considers that the proposed acquisition will not raise any competition concerns in the State.

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<sup>1</sup> [...].

## **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 Charterhouse Capital Limited would acquire sole control of ERM Group Holdings Limited will not be to substantially lessen competition in markets for goods or services in the State, and accordingly, that the acquisition may be put into effect.

**For the Competition Authority**

**Gerald FitzGerald**  
**Member of the Competition Authority**  
**Director, Mergers Division**