



## **DETERMINATION OF MERGER NOTIFICATION M/11/024 -**

### **Acromas/Allied Healthcare**

---

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

#### **Proposed merger of Acromas Holdings Limited and Allied Healthcare International Incorporated.**

**Dated 22 August 2011**

---

#### **Introduction**

1. On 4 August 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 AHL Acquisition Corp, a subsidiary of Saga Group Limited (wholly owned by Acromas Holdings Limited) ("Acromas"), would merge with Allied Healthcare International Inc. ("Allied Healthcare").
2. On 5 August 2011, the Authority forwarded a copy of the notification to the Minister and notified the undertakings involved in the proposed transaction that the Authority considered it to be a "media merger" within the meaning of section 23 of the Act.

#### **The Undertakings Involved**

##### ***The Acquirer***

3. Acromas is a holding company registered in England that is jointly controlled by three private equity houses; Permira Advisers LLP, ("Permira"), funds managed by affiliates of CVC Capital Partners SICAV-FIS S.A. ("CVC") and Charterhouse Capital Partners LLP ("Charterhouse"). Permira and CVC funds each respectively have a controlling interest in companies that carry on a media business as defined in section 23 of the Act. Neither of these media businesses has a physical presence in the State but they did generate sales in the State in 2010.
4. CVC funds control an Australian diversified media and entertainment group called Nine Entertainment Co. The group's core business activities are gaming and entertainment, television production and broadcasting, magazine publishing and distribution and investment in digital media and entertainment businesses.
5. Permira is active in a media business through its portfolio company All3Media. All3Media is active in independent television programme production, licensing of television programmes and talent management. It is active in the production of drama, entertainment and factual programmes mainly in the United Kingdom ("the U.K."), the Netherlands and Germany. It also licenses programmes to different countries worldwide.

6. Acromas, through its AA and Saga subsidiaries, is primarily active in the sale of branded goods and services in the U.K. and the State. The main products and services sold by these subsidiaries are roadside assistance, motor insurance, home insurance, private medical insurance and travel insurance, books, magazines<sup>1</sup> and package and cruise holidays. Acromas is also active in the provision of domiciliary care services<sup>2</sup> but only in the U.K.<sup>3</sup>
7. AA Ireland Limited is Acromas' only Irish subsidiary, the principal business of which is the provision of breakdown roadside assistance and home and motor insurance to customers in the State.
8. For the financial year ending 31 January 2011, Acromas generated worldwide turnover of approximately €1.8 billion. For the same period, Acromas generated approximately €[...] in the State.

### **The Target**

9. Allied Healthcare is registered in New York, U.S.A. and is listed on the NASDAQ Global Select Market. It is a leading provider of domiciliary care and healthcare staffing services in the U.K. These services involve the provision of personal or basic care and nursing services in the home, in nursing and care homes and in hospitals. Allied Healthcare maintains a register of healthcare staff consisting principally of homecare aides (known as carers), nurses and nurses' aides.
10. In the State, Allied Healthcare is active, through its subsidiary Homecare & Health Services (Ireland) Ltd in the provision of domiciliary care to private individuals and to the Health Services Executive. It maintains a register of healthcare staff and operates an office in Dundalk.
11. For the financial period ending 31 March 2010, Allied Healthcare generated worldwide turnover of approximately €201 million<sup>4</sup>. For the same period, Allied Healthcare generated approximately €2.3 million in the State.

### **Proposed Transaction**

12. As a result of the proposed transaction, Allied Healthcare will become a wholly owned indirect subsidiary of Acromas.

### **Third Party Submissions**

---

<sup>1</sup> AA publishes a diverse range of material to include road maps, atlases, restaurant and walking guides. Saga publishes a monthly lifestyle magazine.

<sup>2</sup> Domiciliary care is the term used to describe the provision of flexible or temporary healthcare staffing services to the healthcare and social care industry.

<sup>3</sup> Acromas has acquired four healthcare related companies in 2010/2011, the latest of which was Nestor Healthcare Group plc. None of these companies are active in the State.

<sup>4</sup> Using the ECB reference exchange rate as at 31 March 2010 of US Dollar/Euro of \$1.3479/€1

13. No submissions were received.

**Analysis**

14. There is no horizontal or vertical overlap between the activities of Acromas and Allied Healthcare in the State. None of the portfolio companies affiliated to Permira, Charterhouse and CVC funds, who jointly control Acromas, are active in the provision of domiciliary care and healthcare staffing services in the State.
15. Furthermore, there is no horizontal or vertical overlap between the activities of Acromas and its controlling shareholders, Permira, Charterhouse and CVC funds and Allied Healthcare in relation to any media business.
16. In light of the above, the Authority considers that the proposed merger will not raise competition concerns in the State as there is no overlap in the activities of the parties in the State.

## **Determination**

17. 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 transaction whereby AHL Acquisition Corp, a subsidiary of Saga Group Limited (wholly owned by Acromas Holdings Limited), would merge with Allied Healthcare International Inc. 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, subject to section 23(9)(a) of the Act.

**For the Competition Authority**

**David McFadden**

**Member of the Competition Authority**