



## DETERMINATION OF MERGER NOTIFICATION M/15/029 - GOLDMAN SACHS/PIERSHINE/TIFCO

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### Section 21 of the Competition Act 2002

### Proposed acquisition by Goldman Sachs International and Piershine Limited of joint control of Tifco Limited

Dated 15 July 2015

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#### Introduction

1. On 23 June 2015, in accordance with section 18(1) of the Competition Act 2002, as amended<sup>1</sup> ("the Act"), the Competition and Consumer Protection Commission (the "Commission") received a notification of a proposed transaction whereby the Goldman Sachs Group, Inc. ("Goldman Sachs"), through its wholly-owned subsidiary Goldman Sachs International ("GSI"), and Piershine Limited ("Piershine") would acquire joint control of Tifco Limited ("Tifco").

#### The Proposed Transaction

2. The proposed transaction is pursuant to a shareholders agreement between Goldman Sachs, Piershine, Tifco, Halstonville Limited ("Halstonville"), and ten named individuals,<sup>2</sup> dated 18 June 2015.
3. In December 2014, GSI acquired sole control of Tifco subsequent to the Commission's clearance decision in M/14/031 - Goldman Sachs/Tifco.<sup>3</sup> The effect of the proposed transaction which is the subject of the present notification is that Tifco would move from being solely controlled by GSI to being jointly controlled by GSI and Piershine (through Halstonville). Prior to the transaction notified to the Commission in M/14/031 - Goldman Sachs/Tifco, Tifco was controlled by the individuals/entities that form Piershine.
4. Joint control in the present case would derive from the changes to board arrangements specified in the shareholders agreement dated 18 June 2015 which provides for the

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<sup>1</sup> It should be noted that the Competition and Consumer Protection Act 2014 made a number of important amendments to the merger review regime set out in the Competition Act 2002.

<sup>2</sup> The ten named individuals are included as parties to the shareholders agreement as either (i) Principals and/or (ii) the Tifco Management Team.

<sup>3</sup> See <<http://www.ccpic.ie/enforcement/mergers/merger-notices/m14031-goldman-tifco>>.



following in relation to Tifco (provisions which apply *mutatis mutandis* to Halstonville):<sup>4</sup>  
[...]<sup>5</sup> [...].<sup>6</sup>

## The Undertakings Involved

### *Goldman Sachs and GSI*

5. Goldman Sachs, headquartered in New York, and registered in Delaware, USA is a global financial services firm involved in a wide range of areas including investment banking and securities and investment management services. Goldman Sachs customers include corporations, financial institutions, governments and high-net-worth individuals.<sup>7</sup>
6. GSI, headquartered in London UK, is a wholly-owned subsidiary of Goldman Sachs. GSI is an unlimited liability company involved in the supply of financial services to clients in the UK and worldwide.<sup>8</sup>
7. Goldman Sachs has no controlling interests in the State other than GSI's controlling interest in Tifco.<sup>9</sup>
8. For the financial year ending 31 December 2013, Goldman Sachs's worldwide turnover was approximately €[...] billion, of which €[...] million was generated within the State.

### *Piershine*

9. Piershine is a Dublin based holding company incorporated in September 2014 for the purposes of M/14/031 - *Goldman Sachs/Tifco*. Piershine is jointly owned and controlled by Aidan Crowe and Gerald Houlihan. Messrs Crowe and Houlihan each hold a 50% share in Piershine.
10. Piershine states that it has not generated any turnover within the State.<sup>10</sup>

### *Tifco*

11. Tifco, headquartered in Dublin, is involved in the ownership and operation of hotels within the State. Tifco owns and operates<sup>11</sup> four hotels within the State:

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<sup>4</sup> [...].

<sup>5</sup> Under the existing shareholders agreement, dated 22 December 2014, Piershine holds a minority [...] % shareholding in Tifco and appoints [...]. Also under the existing shareholders agreement, GSI appoints [...] and has sole control of Tifco. Under the Shareholders Agreement dated 23 June 2015, Piershine would acquire a [...] % interest in Tifco.

<sup>6</sup> These matters are listed in Schedule 5 of the Shareholders Agreement.

<sup>7</sup> For more information on Goldman Sachs see <<http://www.goldmansachs.com>>.

<sup>8</sup> For more information on GSI see for example

<<http://www.goldmansachs.com/investor-relations/financials/archived/subsidiary-financial-info/gsi-hy-6-30-14.pdf>>.

<sup>9</sup> Goldman Sachs, in correspondence dated 8 July 2015, states that it no longer has a controlling interest in any of the three portfolio companies referred to in paragraph 5 of M/14/031 - *Goldman Sachs/Tifco*.

<sup>10</sup> Correspondence with Piershine dated 8 July 2015.

<sup>11</sup> Tifco operates these hotels under franchise agreements with Hotel Intercontinental Group.

Correspondence with Tifco dated 8 July 2015.



- Crowne Plaza Dundalk – a four star hotel located in Dundalk, County Louth.
  - Crowne Plaza Northwood - a four star hotel located near Dublin Airport (and adjacent to the Holiday Inn) in Santry, County Dublin.
  - Crowne Plaza Blanchardstown – a four star hotel, located in Blanchardstown, County Dublin.
  - Holiday Inn Santry – a three star hotel located near Dublin Airport (and adjacent to the Crowne Plaza Northwood).
12. Also within the State, Tifco operates eight hotels owned by other parties in various locations:<sup>12</sup>
- Athlone Spring Hotel - a four star hotel located in Athlone, County Westmeath.
  - Clontarf Castle – a four star hotel located in Dublin.
  - Cork Airport Hotel – a four star hotel located near Cork Airport.
  - Cork International Hotel - a four star hotel located near Cork Airport.
  - Hotel Killarney – a three star hotel located in Killarney, County Kerry.
  - Johnstown House Hotel and Spa - a four star hotel located in Enfield, County Meath.
  - Metropole Hotel - a three star hotel located in Cork City.
  - The Heritage Resort – a five star hotel located in Killenard, County Laois.
13. For the financial year ending 31 July 2013, Tifco's worldwide turnover was €[...] million, all of which was generated in the State.

### Rationale for the Proposed Transaction

14. GSI states that

*"The strategic rationale for the Proposed Transaction is to restructure [...] Goldman Sachs Group, Inc.['s] current interest in Tifco."<sup>13</sup>*

### Third Party Submissions

15. No submission was received.

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<sup>12</sup> In correspondence dated 8 July 2015, Tifco states that the names of some of these hotels have been changed recently and so may be recorded in the Failte Ireland Hotels Register under previous names.

<sup>13</sup> Notification page 7.



## Competitive Analysis

16. There is a horizontal overlap in the activities of the parties. GSI, Piershine and Tifco are all involved in the hotel sector in the State.
17. GSI is involved in the ownership and operation of hotels through its controlling interest in Tifco. Neither GSI nor its parent company Goldman Sachs has a controlling interest in the hotel sector other than through its controlling interest in Tifco.
18. Piershine is involved the ownership and operation of hotels through its minority interest in Tifco. In addition the Houlihan family (one of whom, Gerald Houlihan, has joint control of Piershine) also owns Clontarf Castle through Ardmel Holdings a company not related to the proposed transaction.
19. The horizontal overlap is not, however, significant for the following reasons. The proposed transaction entails a change from sole control of Tifco to joint control of Tifco involving the existing shareholders in Tifco only, i.e., GSI and Piershine. There is no change of control involving parties other than GSI, Piershine and Tifco and consequently there will be no increased market share of the merged entity.
20. The Houlihan family owns Clontarf Castle. Piershine confirms that the shareholders of Piershine have no other interests (controlling or non-controlling) in the hotel sector in the State other than those through Piershine and Clontarf Castle.<sup>14</sup> Consequently, the impact on the hotel sector from the proposed transaction is limited to an indirect increase in the interest of the Houlihan family in the hotel sector via the acquisition of joint control of Tifco by Piershine (the latter being a company which is jointly owned and controlled by Mr Gerald Houlihan).
21. The proposed transaction does not give rise to any vertical competition concerns.

## Conclusion

22. In light of the above, the Commission considers that the proposed acquisition will not substantially lessen competition in any market for goods or services in the State.

## Ancillary Restraints

23. No ancillary restraints were notified.

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<sup>14</sup> Correspondence with Piershine dated 29 June 2015.  
M/15/029 – Goldman Sachs/Piershine/Tifco



## **Determination**

The Competition and Consumer Protection Commission, 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 the Goldman Sachs Group, Inc., through its wholly-owned subsidiary Goldman Sachs International, and Piershine Limited would acquire joint control of Tifco 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 and Consumer Protection Commission

**Isolde Goggin**  
**Chairperson**  
**Competition and Consumer Protection Commission**