



DETERMINATION OF MERGER NOTIFICATION M/15/041 - GREEN BRIDGE/BALLSBRIDGE/BERKELEY COURT/CLYDE COURT

Section 21 of the Competition Act 2002

Proposed acquisition of Ballsbridge Hotel, Berkeley Court Apartments and Clyde Court Hotel by Green Bridge B 1998 Limited

Dated 3 September 2015

Introduction

1. On 29 July 2015, in accordance with section 18(1) of the Competition Act 2002, as amended¹ (“the Act”), the Competition and Consumer Protection Commission (“Commission”) received a notification of a proposed transaction whereby the Abu Dhabi Investment Authority (“ADIA”), through its wholly-owned subsidiary Green Bridge B 1998 Limited (“Green Bridge”), would acquire sole control of the land and buildings currently comprising the Ballsbridge Hotel, 15 apartments formerly known as the Berkeley Court Apartments (and two related office units) and the Clyde Court Hotel (collectively the “Target Assets”) from Zrko Limited (“Zrko”) and Qulpic Limited (“Qulpic”).
2. The proposed transaction is pursuant to a Contract for Sale dated 29 July 2015 between Green Bridge, Zrko and Qulpic.²

The Undertakings Involved

The Acquirer – ADIA and Green Bridge

3. ADIA, headquartered in Abu Dhabi, is an independent investment institution established in 1976 by the Government of the Emirate of Abu Dhabi. ADIA manages a diversified global investment portfolio, comprised almost entirely of non-controlling interests,³ across a wide range of asset classes including equity investments (in developed and emerging markets), government bonds, infrastructure and real estate.⁴

¹ 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.

² [...].

³ [...]. See also <http://www.adia.ae/En/pr/ADIA_Review_2014_Web.pdf>.

⁴ For more information on ADIA see <<http://www.adia.ae/En/home.aspx>> and <<http://www.adia.ae/En/Investment/Portfolio.aspx>>.



4. Green Bridge, based in Jersey, is a dormant wholly-owned subsidiary of ADIA which has been utilised for the purposes of the proposed transaction.⁵
5. Within the State, ADIA's investments include non-controlling debt and equity interests in Irish publically quoted companies. ADIA also has non-controlling interests in real estate within the State to the extent that international hedge funds, in which ADIA has invested, have real estate interests in the State.
6. Of most relevance to the proposed transaction, ADIA does not own or control any real estate interests in Ireland and does not own, control or operate any hotels or apartments within the State.
7. For the year ended 31 December 2014, ADIA's turnover in the State was in excess of €50 million.⁶

The Target Assets

8. The Target Assets are sites and buildings, all located in Ballsbridge, Dublin, comprising:
 - The Ballsbridge Hotel - a four star hotel.
 - Fifteen residential apartments (formerly known as the Berkeley Court Apartments) and two related office units.
 - The Clyde Court Hotel - a four star hotel.
9. For the financial year ending 31 March 2015, the Target Assets generated turnover of approximately €[...] million all of which was generated in the State.

The Vendors

10. Zrko, headquartered in Dublin, currently owns the Ballsbridge Hotel and the fifteen apartments (and two related office units) described above in paragraph 8.
11. Qulpic, headquartered in Dublin, currently owns the Clyde Court Hotel.
12. Both Zrko and Qulpic are jointly owned and controlled by ACC Loan Management Limited and Ulster Bank Ireland Limited.

Rationale for the Proposed Transaction

13. Green Bridge states that:

“The Proposed Transaction represents an investment opportunity for the Purchaser which aligns with its strategy of diversifying its range of investments

⁵ [...].

⁶ [...]



and investing in attractive companies or assets with a view to increasing their value.”⁷

Third Party Submissions

14. No submission was received.

Competitive Analysis

15. There is no horizontal overlap within the State between ADIA and the Target Assets with respect to either (i) the ownership and/or operation of hotels or (ii) the ownership of apartments and office space. ADIA does not have any controlling interests in the hotel sector or in the real estate sector within the State.
16. The proposed transaction does not raise vertical competition concerns.

Conclusion

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

⁷ Notification page 6.



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 acquisition whereby the Abu Dhabi Investment Authority, through its wholly-owned subsidiary Green Bridge B 1998 Limited, would acquire sole control of the land and buildings currently comprising the Ballsbridge Hotel, 15 apartments formerly known as the Berkeley Court Apartments (and two related office units) and the Clyde Court Hotel, from Zrko Limited and Qulpic 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