

DETERMINATION OF MERGER NOTIFICATION M/06/038 – Motorola/TTP Communications

Section 21 of the Competition Act 2002

Proposed acquisition by Motorola Inc. of TTP Communications plc

Dated 21/07/2006

Introduction

1. On 23rd June 2006 the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 ("the Act") was notified, on a mandatory basis, of a proposal whereby Motorola Inc. ("Motorola") would acquire TTP Communications plc ("TTP").

The Undertakings Involved

- 2. Motorola is traded on the New York Stock Exchange and is active in wireless, broadband and automotive communications technologies and embedded electronic products. The majority of its sales are achieved through the sale of wireless handsets. In the financial year ended 31st March 2006, Motorola achieved a world-wide turnover of €29,614 million, of which €[10-100] million was achieved in the State.
- 3. TTP is traded on the London Stock Exchange and is a leading supplier of wireless technology intellectual property to the semiconductor and handset industries. It develops basic components of a mobile phone, in particular applications software, modem software (also called "GSM protocol stack" software) and chipset designs. In the financial year ended 31st March 2006, TTP achieved a total world-wide turnover of €64.35 million of which €[less than 2] million was achieved in the State. TTP has only one customer in the State, Analog Devices, Inc., which it licenses to use a technology. This license is used by Analog Devices, Inc. to manufacture chips for mobile phone handsets.

Analysis

4. There is no horizontal overlap in the parties' activities in the State. While there is some vertical overlap by virtue sales of the target to Analog Devices Inc., the Authority believes this to be minimal. The transaction does not, therefore, give rise to competition concerns.



Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Motorola Inc. of TTP Communications plc will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Dr. Paul K. Gorecki Member of the Competition Authority