



DETERMINATION OF MERGER NOTIFICATION M/18/020 ARMALOU-SPIRIT FORD/LILLIS O'DONNELL

Section 21 of the Competition Act 2002

Acquisition by Armalou Holdings Limited, through its wholly-owned subsidiary, Spirit Ford Limited, of the entire issued share capital of Lillis-O'Donnell Motor Company Limited constituting a Ford car and light commercial vehicle dealership and aftersales service and repair business located at the Red Cow Interchange, Clondalkin, Dublin 22.

Dated 22 March 2018

Introduction

1. On 9 February 2018, the Competition and Consumer Protection Commission (“the Commission”) received a notification of a transaction to which section 18(1) of the Competition Act 2002, as amended (“the Act”) applies, namely the acquisition by Armalou Holdings Limited (“Armalou”)¹, through its wholly-owned subsidiary, Spirit Ford Limited (“Spirit Ford”), of the entire issued share capital of Lillis-O'Donnell Motor Company Limited (“Lillis O'Donnell”), a wholly-owned subsidiary of Lillis O'Donnell Holdings Limited (“Lillis O'Donnell Holdings”)², which operated a *Ford* car and light commercial vehicle dealership and aftersales service and repair business located at the Red Cow Interchange, Clondalkin, Dublin 22 (the “Target Business”) (the “Transaction”). Armalou is ultimately jointly owned by Conal O'Brien (deceased), John Declan McCourt and Gabriel C. Hogan, who trade as the OHM Group.

Putting the Transaction into Effect Prior to Commission Clearance

2. In August 2017, the Commission became aware that Armalou, through Spirit Ford, may have acquired Lillis O'Donnell without notifying the acquisition to the Commission. The

¹ Armalou is part of the OHM group of companies (the “OHM Group”) operating in the State.

² Records available from the Companies Registration Office show that Lillis O'Donnell Holdings changed its name to Airfield Villas Limited pursuant to a Certificate of Incorporation on change of name issued by the Registrar of Companies on 12 April 2016.



Commission has commenced an investigation into the suspected breach of the notification requirements under section 18(1) of the Act, which is an offence under section 18(9) of the Act. This investigation is ongoing.

3. Pursuant to section 19(1) of the Act, any proposed merger or acquisition that is required to be notified to the Commission pursuant to section 18(1) of the Act shall not be put into effect until the Commission has made a determination in relation to such merger or acquisition (or until the statutory period for the Commission to make a determination in relation to such merger or acquisition has elapsed). If a proposed merger or acquisition is purportedly put into effect in contravention of section 19(1) of the Act, such merger or acquisition is void under section 19(2) of the Act.
4. Section 18(12A) of the Act provides that the Commission may accept notification of a merger or acquisition which is required to be notified to the Commission pursuant to section 18(1) of the Act but which was purported to have been put into effect without having been notified to the Commission. On 16 February 2018, the Commission announced that it had decided to accept the notification of the Transaction in accordance with section 18(12A) of the Act and proceeded to review the notification in accordance with the relevant provisions of the Act.

The Transaction

5. The Transaction was implemented pursuant to a share purchase agreement (the “Agreement”) between Spirit Ford, Lillis O’Donnell Holdings and Sean Lillis and Sean O’Donnell (collectively, the “Warrantors”)³ dated 3 December 2015.
6. The Warrantors own the site located at the Red Cow Interchange, Clondalkin, Dublin 22 from which the Target Business operates. Following implementation of the Transaction, the Warrantors entered into a lease agreement with Spirit Ford in respect of the site located at the Red Cow Interchange, Clondalkin, Dublin 22.⁴

³ The Warrantors hold an equal shareholding in Lillis O’Donnell Holdings Limited, which (as explained in footnote 2) is now known as Airfield Villas Limited.

⁴ The parties informed the Commission that the period granted for the lease is from [...]. The parties subsequently informed the Commission that [...].



The Undertakings Involved

OHM Group

7. The OHM Group has two main business divisions namely, motor retail and commercial.

(i) Motor Retail Division

8. Armalou operates within the OHM Group's motor retail division. Armalou is a private company limited by shares, incorporated in the State, which has a registered address at Clonlara Avenue, Baldonnell Business Park, Dublin 22.

9. Armalou is involved in the retail sale of new and pre-owned passenger cars and light commercial vehicles in the State. It provides intermediary financial services and a range of manufacturer-approved aftersales products and services for passenger cars and light commercial vehicles. Armalou is also involved in the importation and distribution of *Jaguar*- and *Land Rover*-branded passenger cars, as it is the sole importer and distributor of *Jaguar*- and *Land Rover*-branded vehicles in the State.

10. Armalou is principally active in the motor retail sector in the State through the following dealerships:

- i. *Spirit Jaguar and Spirit Land Rover* – a *Jaguar* and *Land Rover* motor dealership which ordinarily⁵ operates at Arena Road, Sandyford Business Park, Dublin 18;⁶
- ii. *Spirit Volvo* – a *Volvo* motor dealership located at Birch Avenue, Sandyford Business Park, Dublin 18;⁷

⁵ The parties informed the Commission that the premises at Arena Road, Sandyford Business Park is currently undergoing refurbishment and thus is currently trading from an office on Heather Road, Sandyford Business Park pending completion of the refurbishment.

⁶ *Spirit Jaguar and Spirit Land Rover* is involved in the retail sale of new and demonstration *Jaguar*- and *Land Rover*-branded passenger cars and pre-owned *Jaguar*- and *Land Rover*-branded passenger cars. Furthermore, *Spirit Jaguar and Spirit Land Rover* provides aftersales services, repair services and sell parts and accessories for *Jaguar*- and *Land Rover*-branded passenger cars at the *Spirit Jaguar and Spirit Land Rover* Service & Parts service centre located at Unit 48, Furze Road, Sandyford Business Park, Dublin 18.

⁷ *Spirit Volvo* is involved in the retail sale of new and demonstration *Volvo*-branded passenger cars and pre-owned *Volvo*-branded passenger cars. Furthermore, *Spirit Volvo* provides aftersales services, repair services and sells parts and accessories for *Volvo*-branded passenger cars. Prior to implementation of the Transaction, *Spirit Volvo* provided these services at Unit 48, Furze Road, Sandyford Business Park, Dublin 18 and sold new and demonstration *Volvo*-branded passenger cars and pre-owned *Volvo*-branded passenger cars at Arena Road,



- iii. *Spirit Burton* – a second hand dealership⁸ located at Kilpedder, Co. Wicklow;
- iv. *Spirit Ford* – a *Ford* motor dealership located at Maple Avenue, Sandyford Business Park, Dublin 18;⁹
- v. *Spirit Premium* – a second hand dealership located at Maple Avenue, Sandyford Business Park, Dublin 18;
- vi. *Spirit Foster* – an authorised *Volkswagen* repairer located at 1-3 Blackthorn Close, Sandyford Business Park, Dublin 18;¹⁰ and
- vii. *Spirit Skoda* – a *Skoda* motor dealership located at Rowan Avenue, Sandyford Business Park, Dublin 18.¹¹

(ii) *Commercial Division*

11. Armalou's sister companies, Armalou Limited and Man Importers Ireland Limited¹², are involved in the distribution of *DAF*-branded trucks and *MAN*-branded commercial vehicles in the State through a number of subsidiaries and participating interests. Armalou Limited also supplies *DAF*-branded engines, *DAF*-branded bus chassis and complete bus units to bus and coach manufacturers in the State.

Sandyford Business Park, Dublin 18. In 2017, *Spirit Volvo* moved both its *Volvo* sales and services premises to Birch Avenue, Sandyford Business Park, Dublin 18.

⁸ *Spirit Burton* currently has no franchise agreements in place. *Spirit Burton* is involved in the retail sale of pre-owned passenger cars and pre-owned light commercial vehicles.

⁹ *Spirit Ford* is involved in the retail sale of new and demonstration *Ford*-branded passenger cars, new and demonstration *Ford*-branded light commercial vehicles, pre-owned *Ford*-branded passenger cars and pre-owned *Ford*-branded light commercial vehicles. Furthermore, *Spirit Ford* provides aftersales services, repair services and sells parts and accessories for *Ford*-branded passenger cars and *Ford*-branded light commercial vehicles at Maple Avenue, Sandyford Business Park.

¹⁰ The parties informed the Commission that this business was acquired on [...].

¹¹ *Spirit Skoda* is involved in the retail sale of new and demonstration *Skoda*-branded passenger cars and pre-owned *Skoda*-branded passenger cars. Furthermore, *Spirit Skoda* provides aftersales services, repair services and sells parts and accessories for *Skoda*-branded passenger cars. *Spirit Skoda's* service premises moved from Maple Avenue, Sandyford Business Park, Dublin to 3 Blackthorn Close, Stillorgan Industrial Park, Stillorgan, Co. Dublin in February 2016.

¹² Both Armalou Limited and Man Importers Ireland Limited are ultimately jointly owned by Conal O'Brien (deceased), John Declan McCourt and Gabriel C. Hogan.



12. Armalou Limited, through its subsidiary, DE Power Solutions Limited, is the exclusive distributor of *SDMO*-branded generating sets in the State, e.g., emergency, prime and standby power generator installations.
13. For the financial year ended 31 December 2014 (i.e. the most recent financial year preceding the implementation of the Transaction), Armalou's worldwide turnover was approximately €[...], all of which was generated in the State.¹³

Vendor - Lillis O'Donnell Holdings

14. Lillis O'Donnell Holdings is a private company limited by shares which is jointly owned by the Warrantors. As noted in footnote 2, Lillis O'Donnell Holdings changed its name to Airfield Villas Limited pursuant to a Certificate of Incorporation on change of name issued by the Registrar of Companies on 12 April 2016.¹⁴

The Target Business

15. Prior to implementation of the Transaction, Lillis O'Donnell – a wholly-owned subsidiary of Lillis O'Donnell Holdings – operated the Target Business. Lillis O'Donnell is a private company limited by shares, incorporated in Ireland, which has a registered address at Airfield Villas, Naas Road, Dublin 22.
16. The Target Business consists of a *Ford* dealership which principally sells new and demonstration *Ford*-branded passenger cars and light commercial vehicles as well as pre-owned (mostly *Ford*-branded) passenger cars and light commercial vehicles. The Target Business also provides *Ford* aftersales services, vehicle repair services and intermediary financial services from the premises located at the Red Cow Interchange, Clondalkin, Dublin 22.
17. Following implementation of the Transaction, the *Lillis O'Donnell* brand now operates within the OHM motor retail division at two locations, i.e., *Spirit Lillis O'Donnell Red Cow* which is located at the Red Cow Interchange, Clondalkin, Dublin 22; and *Spirit Lillis*

¹³ For the financial year ended 31 December 2014, the OHM Group's worldwide turnover was approximately €[...], all of which was generated in the State.

¹⁴ The parties informed the Commission that the Warrantors currently hold an equal shareholding in Airfield Villas Limited.



O'Donnell Transit Centre which is located at Clonlara Avenue, Baldonnell Business Park, Dublin 22. *Spirit Lillis O'Donnell Red Cow* is currently involved in the sale of *Ford*-branded new and demonstration passenger cars and light commercial vehicles, the sale of pre-owned passenger cars and light commercial vehicles and the provision of aftersales services at the Red Cow Interchange, Clondalkin, Dublin 22. *Spirit Lillis O'Donnell Transit Centre* is currently involved in the sale of *Ford*-branded new and demonstration light commercial vehicles, the sale of pre-owned light commercial vehicles and the provision of aftersales services. The Commission notes that for the purpose of the Commission's competitive assessment, the Target Business refers to the *Ford* dealership (at the time of the Transaction) located at the Red Cow Interchange, Clondalkin, Dublin 22 (as discussed in paragraph 16, above).

18. For the financial year ended 31 December 2014 (i.e. the most recent financial year preceding the implementation of the Transaction), the Target Business's worldwide turnover was approximately €[...], all of which was generated in the State.

Rationale for the Transaction

19. The parties state in the notification that:

"To develop a new business at the facilities at the Baldonnell complex; namely, a dedicated Ford Light Commercial centre to become the flagship centre of its kind in Ireland, stocking the full model line-up across the expanding Ford commercial model portfolio. Prior to the Transaction the Baldonnell premises was primarily used by the commercial division of the OHM Group. The commercial objective for moving the Lillis O'Donnell light commercial vehicle business to Baldonnell was to facilitate greater space and capacity at the Target Company's premises at the Red Cow Interchange, Clondalkin, Dublin 22 in order to grow and expand the Ford car new and used-car sales thereon. The Target Company's expansion was severely curtailed by the nature of their premises."

Third Party Submissions

20. No submission was received.

Competitive Analysis

21. In the European Commission's review of the Sony/BMG merger, the merger was approved by the European Commission in 2004. However, following an annulment of



the European Commission's decision by the European Court of First Instance in 2006, the European Commission conducted an in-depth re-assessment of the merger.¹⁵ In the European Commission's second review of the merger, it applied a two-stage competitive analysis by assessing the impact of the merger on competition both at the time of the original notification of the merger and at the time of the re-notification of the merger. For the purposes of the Commission's assessment of the competitive effects of the Transaction, the Commission followed the European Commission's approach in Sony/BMG and conducted, to the extent possible, a two-stage competitive assessment of the Transaction, i.e., in light of the market conditions operating at the time of the implementation of the Transaction in December 2015 and in light of the current market conditions operating at the time of the notification of the Transaction to the Commission.

Horizontal Overlap

22. Prior to the implementation of the Transaction, Armalou operated one *Ford* dealership, i.e., *Spirit Ford* located in Maple Avenue, Sandyford Business Park, Dublin 18. *Spirit Ford* is approximately 15 kilometres away and an estimated 16 minute drive time from the Target Business, also a *Ford* dealership, which is located at the Red Cow Interchange, Clondalkin, Dublin 22.
23. There are two potential horizontal overlaps between the activities of the parties within the State:
 - i. the sale of new and demonstration *Ford*-branded passenger cars and *Ford*-branded light commercial vehicles, including the supply of intermediary financial services, aftersales services, repair services and the sale of parts and accessories for *Ford*-branded vehicles; and
 - ii. the sale of pre-owned passenger cars and light commercial vehicles.
24. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission

¹⁵ Please see European Commission Case No COMP/M.3333 Sony/BMG, which can be accessed at http://ec.europa.eu/competition/mergers/cases/decisions/m3333_20071003_590_en.pdf



to define the precise product markets because doing so will not alter the Commission's assessment of the likely competitive effects of the Transaction in the State. Nonetheless, the Commission will assess the likely impact of the Transaction in respect of the product areas in which the activities of the parties overlap in the State as described in paragraph 22 above.

25. Similarly, it is not necessary for the Commission to define the precise geographic markets because doing so will not alter the Commission's assessment of the likely competitive effects of the Transaction in the State. However, for the purpose of its assessment, the Commission will assess the likely impact of the Transaction with respect to the State and the Greater Dublin Area (the "GDA"), i.e., Dublin city and County Dublin. The Commission notes that the GDA is approximately equivalent to a one hour drive time from the Target Business.

(i) The sale of Ford-branded new passenger cars and Ford-branded light commercial vehicles, including the supply of intermediary financial services, aftersales services, repair services and the sale of parts and accessories for Ford-branded vehicles

Ford-branded Passenger Cars

26. In 2015, *Ford* held a market share of 9.7%¹⁶ for all new and demonstration branded passenger cars sold in the State. In 2015, the parties held the following estimated market shares, respectively, in relation to the total retail sale of new and demonstration *Ford*-branded passenger cars in the State:

- i. Spirit Ford – 3.9%¹⁷; and
- ii. Target Business – [0-5]%¹⁸.

27. In 2017, *Ford* held a market share of 9.32%¹⁹ for all new and demonstration branded passenger cars sold in the State. Following implementation of the Transaction, Armalou

¹⁶Market share figures were provided by the parties and were based on the Society of the Irish Motor Industry ("SIMI") Motorstats.

¹⁷Market share figures were provided by the parties and were based on the parties' own internal sales figures and SIMI Motorstats.

¹⁸Market share figures were provided by the parties and were based on the parties' own internal sales figures and SIMI Motorstats.

¹⁹Market share figures were provided by the parties and were based on SIMI Motorstats.



held an estimated market share of 5.8%²⁰ of the total retail sale of new and demonstration *Ford*-branded passenger cars in the State in 2017. As such, the parties' combined market share estimates in relation to the retail sale of new and demonstration *Ford*-branded passenger cars in the State remained relatively unchanged from the time of the implementation of the Transaction in 2015 (i.e. a combined market share estimate of 5.76%) to the date of notification (i.e. a combined market share estimate of 5.8%). Furthermore, Armalou's estimated pre-Transaction share of the retail sale of new and demonstration *Ford*-branded passenger cars in the State increased by only a minimal amount as a result of the implementation of the Transaction.²¹

Ford-branded Light Commercial Vehicles

28. In 2015, *Ford* held a market share of 27.1%²² for all new and demonstration branded light commercial vehicles sold in the State. In 2015, the parties held the following estimated market shares, respectively, in relation to the total retail sale of new and demonstration *Ford*-branded light commercial vehicles in the State:

- i. Spirit Ford – 4.2%²³; and
- ii. Target Business – [5-10]%²⁴.

29. In 2017, *Ford* held a market share of 23.74%²⁵ for all new and demonstration branded light commercial vehicles sold in the State. Following implementation of the

²⁰ Market share figures were provided by the parties and were based on the parties' own internal sales figures and SIMI Motorstats.

²¹ Furthermore, the Commission notes that if customers of *Ford*-branded new and demonstration passenger cars were to consider other branded new and demonstration passenger cars substitutable with those produced by *Ford*, there are a number of other franchised dealers in the State and in the GDA which will act as a competitive constraint on Armalou following the implementation of the Transaction. Information obtained by the Commission from SIMI notes that, in 2015, a total of 411 franchised dealers were registered with SIMI in the State and in the GDA a total of 91 franchised dealers were registered with SIMI. In 2017, a total of 410 franchised dealers were registered with SIMI in the State and in the GDA a total of 93 franchised dealers were registered with SIMI. The Commission notes that the aforementioned total numbers of franchised dealers in the State and in the GDA may be understated because franchised dealers in the State are not obliged to register with SIMI.

²² Market share figures were provided by the parties and were based on SIMI Motorstats.

²³ Market share figures were prepared by the parties and were based on the parties' own internal sales figures and SIMI Motorstats.

²⁴ Market share figures were prepared by parties and were based on the parties' own internal sales figures and SIMI Motorstats.

²⁵ Market share figures were provided by the parties and were based on SIMI Motorstats.



Transaction, Armalou held an estimated market share of 11.6%²⁶ of the total retail sale of new and demonstration *Ford*-branded light commercial vehicles in the State in 2017. As such, the parties' combined market share estimates in relation to the retail sale of new and demonstration *Ford*-branded light commercial vehicles in the State remained relatively unchanged from the time of the implementation of the Transaction in 2015 (i.e. a combined market share estimate of 11.1%) to the date of notification (i.e. a combined market share estimate of 11.6%).²⁷

30. In addition, there are at least 9 other *Ford* dealerships within an hour's journey from the Target Business's premises at the Red Cow Interchange, Clondalkin, Dublin 22 which are active in the retail sale of new and demonstration *Ford*-branded passenger cars and light commercial vehicles and which continue to act as a competitive constraint on Armalou following implementation of the Transaction.²⁸ The Commission notes that 5 *Ford* dealerships²⁹ are located closer - in terms of estimated drive time - to the Target Business than Armalou's *Spirit Ford* dealership and that 6 *Ford* dealerships³⁰ are located closer - in terms of distance only - to the Target Business than Armalou's *Spirit Ford* dealership.

²⁶ Market share figures were prepared by the parties and were based on the parties' own internal sales figures and SIMI Motorstats.

²⁷ Furthermore, the Commission notes that if customers of *Ford*-branded light commercial vehicles were to consider other branded new and demonstration light commercial vehicles substitutable with those produced by *Ford*, there are a number of other franchised dealers in the State and in the GDA which will act as a competitive constraint on Armalou following the implementation of the Transaction. Information obtained by the Commission from SIMI notes that, in 2015, a total of 411 franchised dealers were registered with SIMI in the State and in the GDA a total of 91 franchised dealers for the same period. In 2017, a total of 410 franchised dealers were registered with SIMI in the State and in the GDA a total of 93 franchised dealers were registered with SIMI. The Commission notes that the aforementioned total numbers of franchised dealers in the State and in the GDA may be understated because franchised dealers in the State are not obliged to register with SIMI.

²⁸ These dealerships include: *Joe Duffy Ford*, located in Finglas, Dublin 11; *Ashley Ford*, located in Phibsborough, Dublin 7; *Rialto Ford*, located in Crumlin, Dublin 12; *Canavan Ford*, located in East Wall, Dublin 3; *Fort Motors*, located in Walkinstown, Dublin 12; *Rathfarnham Ford*, located in Rathfarnham, Dublin 14; *Harmonstown Motors*, located in Harmonstown, Dublin 5; *Airside Ford*, located in Swords, Co. Dublin; and *Tallaght Ford* located in Tallaght, Dublin.

²⁹ These dealerships include: *Rialto Ford* located an estimated drive time of 14 minutes from the Target Business; *Fort Motors* located an estimated drive time of 10 minutes from the Target Business; *Rathfarnham Ford* located an estimated drive time of 12 minutes from the Target Business; *Tallaght Ford* located an estimated drive time of 9 minutes from the Target Business; and *Joe Duffy Ford* located an estimated drive time of 11 minutes from the Target Business. The Commission estimated drive times using Google Maps. Please refer to footnote 28 for location details of these dealerships.

³⁰ These dealerships include: *Joe Duffy Ford*, located approximately 14.6 km from the Target Business; *Ashley Ford*, located approximately 9.9 km from the Target Business; *Rialto Ford*, located approximately 6.6 km from the Target Business; *Fort Motors*, located approximately 4.9 km from the Target Business; *Rathfarnham Ford*, located approximately 10.5 km from the Target Business; and *Tallaght Ford*, located approximately 4.7 km from the Target Business. Please refer to footnote 28 for location details of these dealerships.



Supply of intermediary financial services, aftersales services, repair services and the sale of parts and accessories for Ford-branded vehicles

31. The Commission notes that most *Ford* dealerships, as well as certain independent service providers, provide aftersales services and other related services, including repair services and sale of parts and accessories for *Ford*-branded passenger cars and *Ford*-branded light commercial vehicles. Therefore, the Commission considers that there is a sufficient number of providers of aftersales and other related services that will continue to act as a competitive constraint on Armalou following implementation of the Transaction, both in the State and in the GDA.

Conclusion on potential market (i)

32. Therefore, the Commission considers that the Transaction does not give rise to any horizontal competition concerns in respect of the sale of new and demonstration *Ford*-branded passenger cars or *Ford*-branded light commercial vehicles, including the supply of intermediary financial services, aftersales services, repair services and the sale of parts and accessories for *Ford*-branded vehicles either in the State or in the GDA.

(ii) The sale of pre-owned passenger cars and light commercial vehicles

33. The Commission notes that most, if not all, motor dealerships in the State sell pre-owned passenger cars and light commercial vehicles.

34. As part of its assessment of the competitive effects of the Transaction, the Commission contacted SIMI to obtain a proxy for the number of dealers that sell pre-owned vehicles in the State and in the GDA, respectively.³¹ There were 699 dealers selling pre-owned vehicles in the State who were registered with SIMI in 2015 and there were 719 such dealers in 2017. Even if the relevant geographic market were to be defined more narrowly to comprise the GDA, there were 176 dealers selling pre-owned vehicles who were registered with SIMI in 2015 and there were 200 such dealers in 2017. These dealers, amongst others, will continue to act as a competitive constraint on Armalou following implementation of the Transaction.

³¹ The Commission notes that dealers and/or franchisees which operate in the State are not obliged to register with SIMI.



35. As part of its assessment of the competitive effects of the Transaction, the Commission contacted a number of competitors of Armalou and the Target Business. None of the competitors contacted by the Commission raised any competition concerns to the Commission in relation to the Transaction. Furthermore, the Commission notes that no authorised *Ford* dealerships closed in the GDA from the time of the implementation of the Transaction in 2015 to the date of notification.³²

36. Therefore, the Commission considers that the Transaction does not raise any horizontal competition concerns in respect of the sale of pre-owned passenger cars and light commercial vehicles either in the State or in the GDA.

Vertical Relationship

37. The parties have stated in the notification that there is no vertical relationship between Armalou and the Target Business. The Commission has not identified any vertical relationship between the parties. On this basis, the Commission considers that the Transaction does not raise any vertical competition concerns in the State.

Conclusion

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

Ancillary Restraints

39. The Agreement contains covenants restricting the Warrantors and Lillis O'Donnell Holdings from carrying on the sale, service and/or repair of new and/or second-hand cars and commercial vehicles and the sale of parts associated with such vehicles within the city and county of Dublin for a period of 2 years from the date of completion of the Transaction. The Agreement also contains a number of non-solicitation obligations regarding employees, customers and suppliers.

40. The restrictive covenants and non-solicitation obligations contained in the Agreement had expired by the date of notification. For this reason, the Commission has not

³²One *Ford* dealership opened in Baldonnell, Dublin 22 during this period, i.e., Spirit Lillis O'Donnell Transit Centre which opened as a result of the Transaction. Please see paragraph 17.



considered whether the restrictive covenants and non-solicitation obligations imposed on the Warrantors and Lillis O'Donnell Holdings in the Agreement were directly related and necessary to the implementation of the Transaction. As a result, the restrictive covenants and non-solicitation obligations in the Agreement will not benefit from the protection offered by sections 4(8) and 5(3) of the Act.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the acquisition, whereby Armalou Holdings Limited, through its wholly-owned subsidiary, Spirit Ford Limited, acquired the entire issued share capital of Lillis-O'Donnell Motor Company Limited which operated a *Ford* car and light commercial vehicle dealership and aftersales service and repair business located at the Red Cow Interchange, Clondalkin, Dublin 22, 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

Brian McHugh
Member
Competition and Consumer Protection Commission