



Determination No. M/04/069 of the Competition Authority, 21 December 2004, under Section 21 of the Competition Act, 2002.

Notification No. M/04/069- 3i/Interflora

Introduction

1. On the 24th of November 2004 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 3i Group plc ("3i") would acquire Interflora by means of an arrangement under section 425 of the Companies Act 1985.

Financial Structure of Deal

2. Interflora is currently a company limited by guarantee, which has approximately 1850 members. 3i and the management of Interflora intend to invest in a newly found company ("Newco"), which is intended to become the sole member of Interflora following the proposal's implementation.
3. £23,900,000 will be invested into Newco by way of debt and equity from 3i and equity from management. Members will be offered loan notes, cash or shares (or a combination of all three) in consideration of the cancellation of the members' interests in Interflora.

The Parties

4. 3i is a venture capital company listed on the London Stock Exchange that has investments in, *inter alia*, software and IT services, healthcare and childcare, real estate, textiles, frozen foods, general retail, security, building materials, engineering and machinery.
5. Interflora is a Trade Association run by its Member florists, which operates a flower delivery network worldwide. There are 107 Interflora Members and 117 shops throughout Ireland.

Analysis

6. 3i Group plc has various business interests in the State, none of which are active in the industry in which Interflora is active, either horizontally or by any form of vertical integration. The absence of overlap in the parties' activities indicates that the proposed acquisition would not substantially lessen competition in any market for goods or services in the State.



The Competition Authority
An tÚdarás Iomaíochta

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 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

Edward Henneberry
Member of the Competition Authority

21 December 2004