



**Determination No. M/05/014 of the Competition Authority, 25<sup>th</sup> April 2005, under Section 21 of the Competition Act, 2002.**

**Notification No. M/05/014- APAX/HIT Entertainment**

**Introduction**

1. On the 5<sup>th</sup> of April 2005 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 Sunshine Acquisition Limited ("Sunshine"), an acquisition vehicle controlled by Apax Europe V and Apax Europe VI, would acquire the majority of the shares in HIT Entertainment plc ("HIT").

**The Parties**

2. Sunshine, the acquirer, is an acquisition vehicle controlled by Apax Europe V and Apax Europe VI. [...]. Due to the common ownership structure, Apax Europe IV, Apax Europe V and Apax Europe VI (together "APAX") are considered to be a single undertaking. APAX has controlling interests in firms that are active in the wireless, medical, and waste industries in the State.
3. HIT, the target, is a rights owning children's entertainment company with operations in the UK, US, Canada and Japan. At the centre of HIT's activities are a number of childrens entertainment brands including "Bob the Builder", "Barney", "Thomas the Tank Engine" and "Pingu". HIT's main activities comprise the production and licensing of television programmes and the licensing of its intellectual property rights. HIT is also involved in the sale of DVD's, videos, soft toys and music publishing. HIT made sales of [less than £500,000] in the State in 2004. These sales were derived from book publishing licenses, the licensing of broadcasting rights and the sale of DVDs and videos.



## **Analysis**

4. APAX has various business interests in the State, none of which are active in the industry in which HIT 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.

## **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 Sunshine Acquisition Limited of the majority of the shares in HIT Entertainment 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**

**Edward Henneberry**  
**Member of the Competition Authority**

**25 April 2005**