



**Determination No. M/05/045 of the Competition Authority, dated 11<sup>th</sup> August, under Section 21 of the Competition Act, 2002**

**Notification No. M/05/045 – Proposed acquisition by HTS International GmbH of National Linen Limited**

**Introduction**

1. On 22 July 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 HTS International GmbH (“HTS”) would acquire National Linen Limited (“NL”).

**The Undertakings Involved**

2. HTS is a company incorporated in Germany and is a wholly owned subsidiary of Franz Haniel & Cie. GmbH. HTS is a holding company which through more than fifty subsidiaries carries on business in a number of European countries which do not include Ireland. In the last financial year its turnover was €644 million. Its principal activities are (i) sale, rental and laundering of flat linen, (ii) washroom hygiene services, (iii) sale, rental and laundering of dust mats, and (iv) sale, rental and laundering of workwear. The only business which HTS carries on in Ireland is through one of its subsidiaries in Switzerland which had sales of €40,000 into Ireland in 2004. HTS owns 50% of the share capital of Ille Papier-Service GmbH, a company based in Germany which owns 100% of the share capital of Ille Paper Service (Irl) Limited (“Ille Ireland”), a company incorporated in Ireland. The latter is engaged in washroom hygiene services, i.e. in the sale, rental and servicing of paper towel dispensers, soap dispensers and air fresheners. In the more recent financial year it had turnover of €1.489m.
3. NL and its subsidiaries Microtech Cleanroom Services Limited, Connacht Court Group Limited, Connacht Court Limited, Micron Clean (Ireland) Limited, Rondon Limited and Linen Supply of Ireland Limited are engaged in the provision of commercial laundry services in the following areas: (i) flat linen hire and laundry services (ii) washroom hygiene, (iii) dust mat supply and laundry service, (iv) workwear rental and laundry. In 2004, NL achieved a turnover of c.€40.5million .

**Analysis**

4. NL is engaged in a much broader range of activities than Ille Ireland, which focuses on disposable products in the washroom hygiene sector. The offerings of NL and Ille Ireland are more complementary than substitutable. In any event enquiries have shown that there are a number of other credible suppliers in the sector. The transaction does not therefore give rise to competition concerns.



**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 by HTS International GmbH of National Linen Limited 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**