



## **DETERMINATION OF MERGER NOTIFICATION M/08/016 – PREMIER/IMPRINT**

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### **Section 21 of the Competition Act 2002**

#### **Proposed acquisition by Premier Group of sole control of Imprint plc**

**Dated 19/05/08**

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### **Introduction**

1. On 25 April 2008, the Competition Authority (“the Authority”), in accordance with section 18(1)(a) of the Competition Act 2002 was notified on a mandatory basis of the proposed acquisition by Sawbuck UK Limited, a company in the Premier Group, of sole control of Imprint plc (“Imprint”). The proposed transaction is being effected by a scheme of arrangement under the UK Companies Act 2006.

### **The Undertakings Involved**

#### ***The Acquirer***

2. The Premier Group provides recruitment services in Ireland and the UK. It operates using a number of different brands:
  - Premier, a brand directed at accountancy and finance personnel and positions, used in Ireland.
  - La Crème, a brand directed at office support personnel and positions, used in both Ireland and the UK.
  - Brunel, a brand directed at engineering and technical personnel and positions, used in Ireland.
  - Verkom, a brand directed at information technology personnel and positions, used in Ireland.
  - Nigel Lynn, a brand directed at accountancy and finance personnel and positions, used in the UK.
3. The Premier Group’s (unaudited) turnover for the financial year ended 31 December 2007 was approximately €86.5 million worldwide and €47.1 million in the State.

#### ***The Target***

4. Imprint is a public limited company listed on the Alternative Investment Market of the London Stock Exchange. It provides recruitment services in the UK, certain continental European markets, the Asia/Pacific region, the Middle East and Ireland. Its services are provided through six different brands:

- Accrete a brand directed at accountancy and finance, office support, legal and human resources personnel and positions, used in Ireland.
  - ECHM, a brand directed at accountancy and finance personnel and positions, used in the UK and continental European markets.
  - Imprint Search & Selection, a general recruitment services brand used in Japan.
  - iQ Selection, a general recruitment services brand used in the Middle East market.
  - Morgan McKinley, a brand directed at back and middle office positions, used in the UK and Asia/Pacific markets, with a focus on the financial services industry.
  - WoodHamill, a brand directed at senior management positions, used in the Middle East and Asia/Pacific markets.
5. For the financial year ending 31 December 2007, Imprint had a worldwide turnover of approximately €118.9 million and a turnover in the State of approximately €4.6 million.

### **Analysis**

6. Premier Group and Imprint both provide permanent and temporary recruitment services in the State<sup>1</sup>. Imprint's net turnover for temporary personnel accounted for less than [...] % of its overall net turnover in its most recent financial year.
7. Market share data for either temporary or permanent recruitment services are not available. However, the undertakings involved did provide the Authority with estimates of market shares for accountancy and finance recruitment services<sup>2</sup> for permanent positions using the average turnover per consultant to estimate their own and competitors' turnover and market shares.
8. The parties estimate that their combined turnover in the State in this segment would represent less than a 10%<sup>3</sup> share (Premier's market share is estimated at 6.5% and Imprint's is estimated to have a market share of 2.8%).
9. In addition to the minimal overlap in market share post merger the industry is characterised by:
- A number of well-resourced market players (such as Hays, Michael Page, CPL, Brightwater, Sigmar, the Accountants Panel, Manpower and the Grafton Group) who will remain in the market and compete with the merged entity.

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<sup>1</sup> The Authority does not consider it necessary to define the relevant product or geographic market in this case (i.e. to consider whether it is narrower or broader than the provision of either temporary or permanent recruitment services), since the competition impacts of the proposed acquisition are unaffected by the exact delineation of the market.

<sup>2</sup> Approximately [...] % of Imprint's turnover for the financial year ended 31 December 2007 was attributable to this segment.

<sup>3</sup> This figure would be lower again if applied to the broader market for recruitment services generally.

- A larger number of small and niche segment recruitment companies – there are approximately 600 licensed<sup>4</sup> employment agencies in Ireland, of which some 400+ are active<sup>5</sup>.
  - Barriers to entry appear to be relatively low. In addition to the licensing requirement the reputation of recruitment agencies/brands is an important prerequisite for firms.
  - No switching costs. Companies seeking the service of recruitment agencies can switch between agencies at no cost.
10. The Authority therefore considers that the proposed transaction does not raise competition concerns.

**Determination**

11. The Competition Authority, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed acquisition by Sawbuck UK Limited of sole control of Imprint 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

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<sup>4</sup> Under the Employment Agency Act 1971 an employment agency must hold a licence if it is to carry on its business.

<sup>5</sup> Estimated by the National Recruitment Federation, *Industry Survey*, September 2007.