



DETERMINATION OF MERGER NOTIFICATION M/08/019-SAGEM SECURITE/SDU-I

Section 21 of the Competition Act 2002

Proposed acquisition by Sagem Sécurité S.A. of SDU Identification B.V.

Dated 10/07/08

Introduction

1. On 30 June 2008 the Competition Authority (the "Authority"), in accordance with section 18(1)(a) of the Competition Act, 2002 ("the Act") was notified, on a mandatory basis, of the proposed acquisition by Sagem Sécurité S.A. ("Sagem Sécurité") of the entire share capital of Sdu Identification B.V. ("Sdu-I").

The Undertakings Involved

The Acquirer

2. Sagem Sécurité is a wholly owned subsidiary of Sagem Défense et Sécurité S.A. which is in turn wholly owned by the Safran Group ("Safran"). Safran is a French registered company and its shares are traded on Euronext Paris. Safran is a high-technology group, organised in four branches: aerospace propulsion, aircraft equipment, defence security and communications.
3. Sagem Sécurité's main activity is the development of technologies involved in the advanced management of identity for forensic and civil ID applications. With respect to civil ID applications, Sagem Sécurité develops the following technologies involved in the management of persons identity:
 - (i) the management and capture of individuals' identity data and biometrics on a very large scale;
 - (ii) security of systems (e.g. PKI electronic signature and secure systems operation, internal system data exchange protection); and,
 - (iii) card-chip operating systems and on-board security application for electronic passports, production of cards and smart-cards and the provision of personalisation solutions.
4. Safran is active in the State through its subsidiary Shannon Engine Support in the provision of propulsion engines to Irish airlines. Sagem Sécurité is not present in the State and Safran is not active in the State in respect of ID solutions.

5. For the financial year ended 31 December 2007, Safran Group's worldwide turnover was €10,321 million. The Safran Group's turnover in the State for the financial year ended 31 December 2007 was [...].

The Target

6. Sdu-I is a Dutch registered company and is currently a wholly owned subsidiary of Sdu Holding B.V. Sdu-I's main activity is the development, production and logistical management of high quality secure identification documents such as passports and e-passports, identity cards and driving licences. It also provides enrolment devices and personalisation services.
7. Sdu-I's only activity in the State is in respect of a contract with the Irish Department of Foreign Affairs for the production of data pages for e-passports. Sdu-I's role includes the production of the passport data page with chip, the delivery of production management software and support for the personalization process. Sdu-I has no physical presence in the State.
8. Sdu-I's worldwide turnover for the financial year ended 31 December 2006 was €92.992 million. Sdu-I's turnover in the State for the financial year ended 31 December 2007 was [...].

Analysis

9. There are no horizontal or vertical overlaps between the parties in the State. Therefore, the Authority is of the view that the proposed transaction does not raise competition concerns (either horizontal or vertical) in the State.

Determination

The 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 of sole control by Sagem Sécurité S.A. of Sdu Identification B.V. will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, the acquisition may be put into effect.

For the Competition Authority

Dr. Paul K. Gorecki
Member of the Competition Authority