



DETERMINATION OF MERGER NOTIFICATION M/14/031 - GOLDMAN SACHS / TIFCO

Section 21 of the Competition Act 2002

Proposed acquisition of Tifco Limited by The Goldman Sachs Group, Inc., through Goldman Sachs International

Dated 25 November 2014

Introduction

1. On 30 October 2014, in accordance with section 18(3) of the Competition Act 2002 (“the 2002 Act”), the Competition Authority (“the Authority”) received a notification of a proposed transaction whereby The Goldman Sachs Group, Inc., (“Goldman Sachs”), through its wholly-owned subsidiary Goldman Sachs International (“GSI”), would acquire sole control of Tifco Limited (“Tifco”).
2. On 31 October 2014, in accordance with sections 38 and 39 of the Competition and Consumer Protection Act 2014 (“the 2014 Act”), the Authority was dissolved and all of the functions vested in the Authority immediately before that date became vested in the Competition and Consumer Protection Commission (“the Commission”). Section 39(2) of the 2014 Act provides that references in any Act of the Oireachtas, passed before 31 October 2014, to the Authority shall, on and after 31 October 2014, be construed as references to the Commission.
3. Section 6 of the 2014 Act provides that where a merger or acquisition was notified under Part 3 of the 2002 Act before the commencement of section 7(1)(b) and Parts 3 and 4 of the 2014 Act (i.e. before 31 October 2014), then, upon such commencement, the 2002 Act shall apply to the merger or acquisition as if the amendments effected by section 7(1) and Parts 3 and 4 of the 2014 Act had not been made.

The Undertakings Involved

The Acquirer – Goldman Sachs

4. GSI is an unlimited liability company incorporated in England and is wholly owned and controlled by Goldman Sachs, a US corporation registered in the State of Delaware. Goldman Sachs is involved in the business of investment banking and securities and investment management on a global scale, providing a wide range of financial services to a substantial and diversified client base.



5. Goldman Sachs has three portfolio companies active in the State.¹
6. Goldman Sachs' worldwide turnover for the financial year ended 31 December 2013 was €25.7 billion and for the financial year ended 31 December 2011 its turnover in the State was approximately €[...].²

The Target – Tifco

7. Tifco is a private limited company incorporated in Ireland, with its principal activity being hotel keeping and hotel management. Tifco currently manages a number of hotels in the State under management agreements³ and also owns four other hotels in the State⁴.
8. Tifco's worldwide turnover for the financial year ended 31 October 2013 was €[...] of which €[...] was generated in the State.

The Vendor

9. Tifco is jointly controlled by members of the Crowe and Houlihan Families, through interests respectively held by (i) Andros Limited (owned by members of the Crowe Family), and (ii) Amalfi Limited (owned by members of the Houlihan Family): each own 50% of Banesto Limited (the immediate holding company of Tifco).⁵

Rationale for the Proposed Acquisition

10. The notification states:

“The strategic rationale for the Proposed Transaction is to restructure [...] Goldman Sachs [...] current interest in Tifco.

[...]”

Third Party Submissions

11. No submission was received.

Competitive Analysis

12. There is no horizontal overlap in the activities of the parties within the State nor does the proposed transaction give rise to any vertical competition concerns.

¹ [...], an outsourcing services company [...], a manufacturer of forklift trucks and warehouse technology [...] and [...], a producer of disposable personal hygiene solutions [...].

² [...].

³ Tifco currently manages Clontarf Castle Hotel, the Heritage Resort, Cork International Airport Hotel, Hotel Killarney, Lough Erne Resort, Johnstown House Hotel & Spa, Clybaun House and Athlone Spring Hotel.

⁴ The Crowne Plaza Dundalk, the Crowne Plaza Northwood, the Crowne Plaza Blanchardstown and the Holiday Inn Santry (Holiday Inn Express Dublin Airport).

⁵ Banesto Limited owns 100% of the non equity shares and 85% of the equity shares in Tifco, with two individuals holding minority shareholdings of 10% and 5% respectively.



13. In light of the above, the Commission considers that the proposed acquisition will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

14. No ancillary restraints were notified.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, has determined that, in its opinion, the result of the proposed acquisition whereby The Goldman Sachs Group, Inc., through its wholly-owned subsidiary Goldman Sachs International, would acquire sole control of Tifco Limited, will not be to substantially lessen competition in any market for goods or services in the State, and accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Gerald FitzGerald
Member
Competition and Consumer Protection Commission