



DETERMINATION OF MERGER NOTIFICATION M/20/032 – SPEED FIBRE/MAGNET NETWORKS

Section 21 of the Competition Act 2002

Proposed acquisition by Speed Fibre Intermediate Holdings Limited of sole control of Magnet Networks Limited.

Dated: 24 November 2020

1. On 4 November 2020 in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission received a notification of a proposed acquisition whereby Speed Fibre Intermediate Holdings Limited (“Speed Fibre”), an entity ultimately controlled by the Irish Infrastructure Fund, would acquire sole control of Magnet Networks Limited (“Magnet”) (the “Proposed Transaction”).
2. The business activities of the undertakings involved are:
 - Speed Fibre is the purchasing company for the proposed transaction and is ultimately controlled by the Irish Infrastructure Fund. The Irish Infrastructure Fund invests in infrastructure assets in the State and currently controls five investments that generated turnover in the State in 2019, namely: Towercom Limited (telecommunications towers), Enet¹ (wholesale telecommunications), Airspeed Communications Limited (B2B telecommunications), the National Convention Centre Dublin (conference centre), and Valley Healthcare Designated Activity Company (primary care centres); and
 - Magnet is active in the provision of fixed broadband, leased line/dedicated internet access services as well as voice and data connectivity services, cloud-based and other business solutions to residential and business customers in the State.

¹ Comprising of enet Telecommunications Networks Limited and e-nasc eireann teoranta.



3. After examination of the notification, the Commission has considered that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act since:
 - i. Where the notifying parties are active in the same product or geographic market, their combined market share is less than 15% of any potential market; and,
 - ii. Where one of the notifying parties is active in any product market which is upstream or downstream to a product market in which the other notifying party is active, the market share is less than 25% in any of the potential markets.
4. In light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

5. Clauses 11.1 and 11.2 of the Share Purchase Agreement contains non-compete and non-solicitation obligations on the Sellers.² The duration of these non-compete and non-solicitation obligations does not exceed the maximum duration acceptable to the Commission.³ The Commission considers these restrictions to be directly related to and necessary for the implementation of the Proposed Transaction insofar as they relate to the State.

²Speed Fibre is acquiring Magnet from CVC Iceland Holding II EHF, which is itself wholly owned by Columbia Ventures Corporation (the "Seller"), a US-based international investment company 100% owned by Kenneth D. Peterson.

³ In this respect, the Commission follows the approach adopted by the European Commission in paragraphs 20 and 26 of its "Commission Notice on restrictions directly related and necessary to concentrations" [2005] OJ C56/03. For more information see

[http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



Determination

6. The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Speed Fibre Intermediate Holdings Limited, an entity ultimately controlled by the Irish Infrastructure Fund, would acquire sole control of Magnet Networks 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

Brian McHugh
Member
Competition and Consumer Protection Commission