



DETERMINATION OF MERGER NOTIFICATION M/06/063 – 3i/SELECTIVE BEAUTY

Section 21 of the Competition Act 2002

Proposed acquisition by 3i Gestion SA of Selective Beauty S.A.

Dated 27/09/06

Introduction

1. On 4 September 2006 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 3i Gestion SA (“3i Gestion”) would acquire sole control of Selective Beauty S.A. (“Selective Beauty”) via the following investment funds managed by 3i Gestion: 3i Solutions II FCPR, 3i Europartners IVa FCPR, and 3i Europartners IVbck FCPR.

The Undertakings Involved

2. 3i Gestion, the acquirer, is a wholly owned subsidiary of the 3i Group Plc an international venture capital and private equity company headquartered in London and listed on the London Stock Exchange. Its portfolio of companies consists of businesses in a wide range of industry sectors and services, including communication, engineering, food and healthcare. For the financial year ending 31 March 2006 the 3i Group generated a worldwide turnover of [€10 billion to €20 billion]. It is active in the State through the activities of its portfolio of companies and it generated turnover of [€100 million to €250 million] in the State in the financial year ending 31 March, 2006.
3. Selective Beauty, the target, is an international manufacturer and distributor of fragrances and cosmetics for different prestige brands through the following mechanisms:¹
 - A distribution license – whereby the brands involved outsource their local sales and marketing functions to Selective Beauty; and,
 - A full license – whereby Selective Beauty is granted a full license by the brands involved to create, manufacture and distribute product.

¹ Selective Beauty is not active at the retail level.

4. In 2005 Selective Beauty generated a turnover of [less than €1 million] in the State and €95.3 million worldwide.

Analysis

5. There is no horizontal or vertical overlap in the undertakings involved activities. Neither 3i nor any of its portfolio of companies is active in the sectors in which Selective Beauty is active. Therefore, the Authority considers that the proposed acquisition does not raise competition concerns in the State.

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 3i Gestion SA of Selective Beauty S.A., 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