



Competition Authority Clears Acquisition of the Business and Assets of Federal Security

The Competition Authority has today cleared the proposed acquisition whereby Noonan Services Group Limited ("NSGL") would acquire sole control over the business and assets of a number of subsidiaries, collectively referred to as the "Federal Security Group", of NewCourt Group PLC ("NewCourt"). The Competition Authority came to its decision after completing its review of the transaction, which was notified under the Competition Act 2002 by NSGL on 17 July 2009.

NSGL is a provider of support services to clients in Ireland and the UK, including the provision of contract cleaning services, janitorial supplies, security services and pest control.

The NewCourt subsidiaries in the Federal Security Group are:

- Companies incorporated in the State: Federal Security Solutions Limited, Federal Security Services Limited, Federal Electronic Security Limited, Federal Investigations Limited, Central Monitoring Services (Ireland) Limited, and Security Technology Ireland Limited; and,
- Companies incorporated in Northern Ireland: Federal Electronic Security Limited, Federal Security Services Limited, and Central Monitoring Services (Ireland) Limited.

In Ireland, the Federal Security Group is only active in the provision of security services, including manned guarding services. NewCourt, the parent company of the Federal Security Group, is in severe financial difficulties and is currently in receivership. Receivers have been appointed in the State to sell, *inter alia*, the business and assets of the Federal Security Group.

On 17 July 2009 two newly-created subsidiaries of NSGL acquired the business and assets of the Federal Security Group. Pending the Competition Authority's determination, NSGL have been operating the business of the Federal Security Group as a separate concern from its business.

The Competition Authority has concluded that the acquisition by NSGL of the business and assets of Federal Security Group had already been put into effect in contravention of section 19(1)(a) of the Competition Act 2002. Section 19(1)(a) provides that a merger or acquisition that is put into effect before the Authority makes a determination allowing it to be put into effect is void. In the opinion of the Authority any such merger or acquisition remains void until such time as the Authority issues a clearance determination. Other than the transaction being void, the Competition Act 2002 does not provide for any penalties for a contravention of section 19(1)(a).

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The Competition Authority

An tÚdarás Iomaíochta

The Competition Authority has formed the view that the acquisition does not raise competition concerns in the State, and has therefore informed the NSGL of its decision that the acquisition will not lead to a substantial lessening of competition in any market for goods or services in the State. The transaction may now proceed. A public version of the full text of the reasons for the Authority's decision will be published on the Authority's website (www.tca.ie) no later than 13 October 2009 after allowing NSGL the opportunity to request that confidential information be removed from the published version.

NOTES TO THE EDITOR

Under Part 3 of the Competition Act 2002, certain mergers or acquisitions in the State that satisfy certain financial thresholds and other conditions must be notified to the Competition Authority and may not be put into effect during a prescribed waiting period. The Authority may clear or prohibit the proposed transaction.

Section 19(1)(a) of the Act states that a merger or acquisition to which section 18(1) (a) or (b) applies shall not be put into effect until the Authority has so determined. Section 19(2) of the Act states that any such merger or acquisition which purports to be put into effect, where that putting into effect contravenes subsection (1), is void.

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