



DETERMINATION OF MERGER NOTIFICATION M/10/005 -

Duke St./Cardpoint/Alphyra

Section 21 of the Competition Act 2002

Acquisition by Duke Street of Cardpoint Limited and Alphyra Holdings Limited

Dated 3 March 2010

Introduction

1. On 9 February 2010, in accordance with Section 18(1) of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed transaction whereby Duke Street [...] ("Duke Street") would acquire sole control of Alphyra Holdings Limited ("Alphyra") and Cardpoint Limited ("Cardpoint").

The Undertakings Involved

The Acquirer

2. Duke Street is an independent private equity company with offices in the UK and France. Duke Street manages funds currently invested in a portfolio of eleven companies [...]. Duke Street's portfolio of companies covers various sectors including business services, healthcare, leisure and retail, financial services, consumer and food and industrial.
3. Two Duke Street companies, namely, Biomnis ("Biomnis") and Deloro Stellite ("Deloro") generate turnover in the State. Biomnis provides specialist medical diagnostics to hospitals, medical centres, laboratories, and pharmaceutical companies. Deloro produces components used by the aerospace, power generation, oil and gas, automobile and medical industries.

The Targets

4. Cardpoint and Alpyra are both wholly owned subsidiaries of Payzone plc.
5. Cardpoint, a UK company trading as CashZone, owns and operates automated teller machines ("ATMs") in the UK and Germany. Cardpoint is not active in the State.

6. Alphyra, trading in the State as Payzone, provides services and products to end-customers including:
 - (i) mobile phone top-up;
 - (ii) payment of utility and waste bills;
 - (iii) payment of tolling, parking and clamping charges;
 - (iv) prepaid credit cards;
 - (v) international calling cards, and,
 - (vi) internet shopping prepaid vouchers and gift cards.
7. Alphyra's services and products are provided through Alphyra's network of Payzone retail agents¹ located throughout the State. In addition some of Alphyra's services are provided via the Internet.

Analysis

8. There are no vertical or horizontal overlaps in the activities of the parties in the State. Neither Duke Street, nor any of the portfolio companies in which Duke Street has a controlling interest, are active in the same business areas as Alphyra in the State.
9. The Authority considers that the proposed transaction is unlikely to raise any competition concerns in the State.

Ancillary restraints

10. One of the agreements related to the proposed transaction contains non-compete, confidentiality and solicitation of employee provisions. The Authority considers these restrictions to be directly related and necessary to the implementation of the proposed transaction.

Determination

The Competition 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 by Duke Street [...] of Cardpoint Limited and Alphyra Holdings Limited will not be to substantially lessen competition in any market for goods or services in the State and, accordingly, the acquisition may be put into effect.

For the Competition Authority

Dr Stanley Wong
Member of the Competition Authority

¹ Alphyra's retail agents have an electronic point of sale (EPOS) device installed at their retail premises which is connected to the Payzone network.