

OFFICE FOR COMPETITION

28 June, 2011

Comp-CCD/25/11 – Island Hotels Group Holdings Plc/Buttigieg Holdings Ltd

Decision on acquisition in terms of regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)

The Office for Competition,

Having considered the notification of 31 May, 2011 pursuant to regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations,

Having considered Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation EC No. 139/2004

Facts

1. On 31 May, 2011, Island Hotels Group Holdings plc notified the Office for Competition with an agreement, whereby Island Hotels Group Holdings plc hereinafter referred to as “Notifying Party”, will subscribe for 50% of the shares in Buttigieg Holdings Limited (hereinafter referred to as “BHL”) thereby acquiring joint control of BHL. The acquisition relates to all of the businesses carried out by the Buttigieg Group except for the businesses carried out from the outlets known as “Papillon” at The Point Shopping Mall, Tigne Complex, Tigne, and from the outlet known as “Pollino’s” situated at Mayfair Complex, St. George’s Bay, St. Julian’s.
2. The filing and the acceptance of such notification was notified to the public through a public notice in the Government Gazette number 18, 761, on 3 June, 2011 and a notice that appeared in a local newspaper on 2 June, 2011.

Parties

3. The Notifying Party is a company registered in Malta, with registration number C44855 having its registered office at Coastline Hotel, Salina Bay, Salina. It is owned by TMC Limited, T Limited, Double You Limited and by the general public holding shares listed on the Malta Stock Exchange.
4. The Notifying Party is the ultimate holding company of the interests in the Island Hotels Group of Companies. The business activities of the Island Hotels Group are the following:

- the ownership and operation of the Radisson BLU, St. Julian's
 - the operation and 50% ownership of the Radisson BLU Golden Sands Resort & Spa
 - the ownership and operation of the Coastline Hotel
 - the ownership and operation of an event catering business through Island Caterers Limited
 - the ownership of 50% of the vacation ownership marketing business of Golden Sands Hotel Resort
 - the ownership of the site previously known as the Hal Ferh Holiday Complex
5. BHL is a limited liability company registered in Malta with registration number C4443 and having its registered office at 691, St Joseph High Street, Hamrun. It is the ultimate holding company of the interests in the Buttigieg Group of Companies and is owned by Pierre Bartolo, John Buttigieg and Mario Mifsud.
6. Through subsidiaries of BHL, the business activities of the Buttigieg Group consist of the following:
- outlet catering at the Malta International Airport and Café Papillon in Balzan and Hamrun;
 - catering services to MCAST schools in Malta & Gozo
 - event catering under the brand name "Papillon Caterers"
 - the operation of an off-licence shop under the brand name "Papillon Bottle Vault"
 - catering and vending services at Mater Dei Hospital
 - distributors of imported wine and pre-packed foods
 - the ownership and operation of a foodstuffs production unit for distribution to the Buttigieg Group catering outlets and third parties

Notifiable Concentration

7. Regulation 2(d) (ii) refers to the acquisition by one or more undertakings or by one or more persons already controlling at least one undertaking, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more undertakings.
8. The notified operation is a concentration within the meaning of regulation 2 (d) (ii) of the Regulations on the Control of Concentrations, whereby the Notifying Party acquires joint control of BHL.

Threshold for Notification

9. The aggregate turnover of the undertakings concerned in the preceding financial year exceeds 2.33 million Euro and each of the parties concerned had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover of the undertakings concerned.

10. The notified concentration, therefore, meets the notification threshold as set out in regulation 2(d) of the Regulations.

Simplified Procedure

11. After examination of the notification it is considered that, the notified concentration falls within the scope of regulation 12(1) of the Regulations on Control of Concentrations, whereby it is provided that:

“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...:

(iii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking and two or more of the parties to the concentration are engaged in business activities either in the same product and geographical market and their combined market share is less than 15% . . .”

Conclusion

For the above mentioned reasons and in terms of regulations 6 (1) (ii) and 12(4) of the Regulations on Control of Concentrations, it is therefore decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations,
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.

Dr Sylvann Aquilina Zahra
Director General (Competition)