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COMP/M. 4857 – 3i/accord

SECTION 1.2

Description of the concentration

This notification relates to the proposed acquisition by Kirk Newco plc, a company which is ultimately controlled (via a chain of wholly owned companies) by funds managed by 3i Investments plc, of sole control of the entire issued share capital of Accord Limited. The proposed transaction was publicly announced on 26 July 2007.

3i Group plc is an international private equity house and venture capital company that, together with its subsidiaries, makes investments and provides management advice to, and manages investments on behalf of, investment funds. One of the 3i portfolio companies, Enterprise plc ("**Enterprise**"), is focused on providing services to utilities companies in the UK and Ireland and to the public sector (including local and central government) in the UK and consulting services in the UK and overseas.

Accord is a privately held company and is headquartered in Welwyn Garden City, England. Accord's business is focused on providing outsourced services primarily to the public sector. Accord principally operates in the UK.

On the basis of previous Commission decisions, the parties to transaction consider that the reportable markets affected by the proposed transaction are:

- (i) facility management services;
- (ii) road infrastructure maintenance and management;
- (iii) waste management; and
- (iv) consultancy.

Both Enterprise and Accord are present in each of these reportable markets. Neither 3i nor Enterprise are engaged in business in a market which is upstream or downstream of a market in which Accord is engaged (no vertical relationship).

The parties submit that the proposed transaction is compatible with the common market and will not have any material impact on competition on the basis that the parties' market share is significantly less than 15% combined in respect of each market outlined above in the UK. The parties also highlight the fact the increments in market

share due to the proposed transaction are very small and that the merged entity would be disciplined by many significant rivals to which customers could easily switch.

Accordingly, the proposed concentration raises no doubts as to its compatibility with the common market.