



Determination of the Competition Authority

Determination No. M/03/025 of the Competition Authority, dated 19 August 2003, under Section 21 of the Competition Act, 2002

Notification No. M/03/025 – The acquisition by IG Group Holdings Limited, a vehicle company controlled by the “CVC Funds”, of the entire issued share capital of IG Group plc.

Introduction

1. On 30 July 2003 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 IG Group Holdings Limited, a vehicle company controlled by the “CVC Funds”, would acquire the entire issued share capital of IG Group plc.

The Parties

2. IG Group Holdings Limited (“IGGHL”) is a special purpose vehicle company formed specifically for the purpose of making the offer for IG Group plc. Post-transaction, the share capital of IGGHL will be controlled by the “CVC Funds”.
3. The CVC Funds comprise:
 - Citicorp Capital Investors Europe Limited,
 - CVC European Equity Partners III L.P.,
 - CVC European Equity Partners III Parallel Fund A L.P.,
 - CVC European Equity Partners III Parallel Fund B L.P.,
 - CVC Europe Enterprise (Domestic) L.P., CVC Europe Enterprise (Cayman) L.P., and
 - Citi-Europe Co-Invest L.P.

Citicorp Capital Investors Europe Limited is a wholly-owned subsidiary of the CVC Group.* The remaining funds are individual limited partnerships owned by investors. They are managed by CVC European Equity III Limited, a wholly-owned subsidiary of the CVC Group.

4. IG Group plc is the holding company of a group whose principal businesses are (a) spread betting: offering clients the opportunity to bet on a wide range of financial markets and sports events, and (b) financial derivative trading activities, which include foreign exchange trading and contracts for differences. Spread betting clients are mainly private individuals. Derivative trading clients are experienced individual investors and smaller institutions.



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Analysis

5. None of the CVC funds, nor IGGHL, nor the CVC Group, nor any of their subsidiaries, carry on business in Ireland in the areas of spread betting or financial derivative trading. Accordingly there is no overlap in the parties' activities in markets for goods or services in the State and the transaction does not give rise to competition concerns.

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 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

Terry Calvani
Member of the Competition Authority

19 August 2003



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***ADDENDUM**

In the course of the Competition Authority's investigation of this transaction, the parties stated that Citicorp Capital Investors Europe Limited ("CCIE Ltd") is a wholly-owned subsidiary of the CVC Group and is advised by CVC European Equity III Limited. Subsequent to the Determination being made, the parties indicated that they had made an error in their submission and that in fact CCIE Ltd is a wholly-owned subsidiary of the Citicorp Group. The parties restated that the strategic direction of the fund, and accordingly of IGGHL, is determined by the CVC Group, as indicated in the parties' notification.