



Determination No. M/04/066 of the Competition Authority, dated 10th December 2004, under Section 21 of the Competition Act, 2002

Notification No. M/04/066 – Proposed acquisition by Knight Spécialité Synthèse SAS of Groupe Novasep SA

Introduction

1. On 10th November 2004 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 Knight Spécialité Synthèse SAS (Knight) would acquire the entire issued share capital of Groupe Novasep SA (Novasep).

The Parties

2. Knight is an indirect subsidiary of Rockwood Holdings Inc, which is ultimately controlled by Kohlberg Kravis Roberts & Co (“KKR”), a private equity firm. It is proposed that the target be joined with Rockwood Holdings’ custom synthesis division, Dynamic Synthesis. The latter operates through the following entities:
 - DNSC which is based in Germany and specialises in hazardous chemistry
 - Finorga which is based in France and is a custom manufacturer of new chemical entities and bulk pharmaceuticals involving complex and sophisticated chemical reactions used in multi-step synthesis
 - Rohner which is based in Switzerland and focuses on the production of complex molecules

In 2003, KKR generated, through its investment activities, turnover in the Republic of Ireland of €[].

3. Novasep’s expertise is concentrated exclusively on physical separation techniques and is focused primarily on chromatography. Its customers include all the major pharmaceutical companies. It has a subsidiary, Seripharm which produces an advanced pharmaceutical ingredient (“API”), Paclitaxel, which is used in the treatment of certain types of cancer and whose sales are limited to France, Switzerland and the US. In the State, Novasep’s activities are limited to chromatography, where it achieved a turnover of €[] in 2003.

Analysis

4. There is no overlap in the parties’ activities in Ireland. KKR has no activities in the area of chromatography, although it does use chromatography equipment it purchased from Finorga to produce highly pure fine chemicals, such as APIs. Finorga is the only KKR controlled entity to employ this type of technology in its business activities and is based only in France. The parties calculate Novasep’s share in Ireland for chromatography at [less than 2%]. Competitors to Novasep



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in the State cited by the parties include GE Healthcare, Variant, Millipore, Technikrom and Knauer. Therefore 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 by Knight Spécialité Synthèse SAS of Group Novasep SA 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

Edward Henneberry
Member of the Competition Authority