



DETERMINATION OF MERGER NOTIFICATION M/08/029 – OEP/J&J wound care business

Section 21 of the Competition Act 2002

Proposed acquisition by One Equity Partners III L.P. of the professional wound care business of Johnson & Johnson Inc.

Dated 9/10/08

Introduction

1. On 19 September 2008, the Competition Authority (“the Authority”) was notified on a mandatory basis of the proposed acquisition by One Equity Partners III L.P. (“OEP”), via its wholly-owned subsidiary Soleil WC Acquisition Corp. II, of the professional wound care business (“Target Business”) of Johnson & Johnson Inc. (“J&J”). The Target Business is one of four business units of Ethicon Inc., a wholly owned subsidiary of J&J. The proposed transaction will take place by way of an asset transfer that falls within section 16(1)(c) of the Competition Act 2002. The proposed transaction was notified under section 18(1)(a) of the Competition Act 2002 and meets the monetary thresholds set out in that provision.

The Undertakings Involved

The Acquirer

2. OEP is a private equity firm, established in 2001. It directly or through its subsidiaries organises and administers a number of private equity investment funds on behalf of institutional and private investors. The only OEP subsidiary company that derives revenue in the State is Vacuumschmelze GmbH & Co. KG, a company based in Germany that manufactures advanced metallic products.
3. OEP is controlled by JPMorgan Chase & Co (“JPMC”). JPMC is a global financial services firm incorporated under Delaware law in 1968. JPMC is active in investment banking, financial services for consumers and businesses, financial transaction processing and asset management.
4. JPMC carries on business in the State through the activities of JP Morgan Bank (Ireland) plc (“JP Morgan Ireland”) and its subsidiaries, as well as through the provision of a broad range of financial services in the State by JPMC companies based elsewhere. The principle activities of JP Morgan Ireland and its subsidiaries are investment securities administration services, treasury services and investor services to corporate bodies, traditional mutual funds and hedge funds.

The Target

5. The Target Business is active in the provision of professional wound care, which involves the development, manufacturing, marketing,

distribution and sale of both advanced wound care and general wound care products.

6. It operates in the State through Johnson & Johnson (Ireland) Limited, although sales of the product Regranex are made through Janssen-Cilag Limited. Regranex sales in the State are made through Cahill May Roberts Limited, a third party distributor appointed by Janssen-Cilag Limited. Non-Regranex sales in the State are made through J&J sales representatives. Sales are made through three channels: (i) direct sales to hospitals; (ii) sales to home care dealers; and, (iii) sales to pharmaceutical wholesalers. GMED Healthcare Limited is an Irish subsidiary of J&J which operates a warehouse in Belgium through which wound care products are sold.

Analysis

7. The proposed transaction does not give rise to any horizontal or vertical overlaps between the activities of the parties in the State. In light of the absence of overlap, the Authority considers that the proposed transaction does not raise competition concerns.

Determination

8. 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 One Equity Partners III L.P. of the professional wound care business of Johnson & Johnson Inc. 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

Dr. Paul K. Gorecki
Member of the Competition Authority