



DETERMINATION OF MERGER NOTIFICATION M/06/023 – GE/Zenon

Section 21 of the Competition Act 2002

Proposed acquisition by General Electric Company of Zenon Environmental Inc.

Dated 08/05/2006

Introduction

1. On 12th April 2006, the Competition Authority (“the Authority”), in accordance with Section 18(1) of the Competition Act, 2002 (“the Act”), was notified on a mandatory basis of the proposed acquisition by General Electric Company (“GE”) of Zenon Environmental Inc. (“Zenon”).
2. The Authority advised the Parties and the Minister that it considered the proposed transaction to be a “media merger” within the meaning of Section 23 of the Act.

The Undertakings Involved

3. GE, the acquirer, is a global diversified technology and services company incorporated in New York, USA. GE is made up of a number of business units: GE Infrastructure, GE Industrial, GE Commercial Financial Services, NBC Universal, GE Healthcare and GE Consumer Finance. GE, through its subsidiary GE Water Technologies Inc., conducts a wide range of activities associated with water and wastewater treatment and conditioning.
4. For the financial year ended 31 December 2005, GE’s worldwide turnover was approximately €122.6 billion. Its turnover in the State was [less than €1 billion] of which [less than €5] million was generated in relation to the sale of water and wastewater treatment products.
5. Zenon, the target, is a company incorporated in Ontario, Canada. Zenon designs and provides advanced membrane filtration products and services for water purification, wastewater treatment and water re-use to municipalities and industries, worldwide.
6. For the financial year ended 31 December 2005, Zenon generated worldwide turnover of approximately €169.2 million. It generated

turnover of less than [€5] million in relation to its water and wastewater treatment business in the State.

Analysis

7. There is no vertical overlap in the parties' activities in the State. There is a horizontal overlap in the parties' activities in relation to the supply of water and wastewater treatment products in the State. However, none of the parties has a production facility in connection with the production of water and wastewater treatment products on the island of Ireland.

8. The parties estimated that the total value of sales for water and wastewater products in the State is [less than €500 million]. There is minimal horizontal overlap in the parties' activities given that the parties' combined turnover in relation to the supply of water and wastewater supply treatment products is less than [€5] million. Therefore, the Authority considers that the proposed transaction does not raise competition concerns in the State.

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 General Electric Company of Zenon Environmental 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 subject to the provisions of Section 23(9)(a) of the Act.

For the Competition Authority

Dr Paul K. Gorecki

Member of the Competition Authority