



DETERMINATION OF MERGER NOTIFICATION M/06/034 – Warburg Pincus/Tornier

Section 21 of the Competition Act 2002

Proposed acquisition by Warburg Pincus LLC of the Tornier Group

Dated 13/07/06

Introduction

1. On 13th June 2006 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 Warburg Pincus LLC (“Warburg Pincus”), through an affiliate Felding Finance B.V., would acquire the Tornier Group of companies. Warburg Pincus, through the same affiliate, also entered into a separate agreement whereby it agreed to acquire Donovan Medical Equipment Limited (“DME”).

The Undertakings Involved

2. Warburg Pincus is a private equity firm operating globally and managing a diversified portfolio of investments. It has expertise in a range of sectors including business services, communications, financial services, healthcare-life sciences, industrial information technology, media, natural resources/energy and real estate. In 2005 it generated a worldwide turnover of c. €[1 – 50] billion. In the same period it generated a turnover of c. €[10-100] million in the State.
3. The main operating company within the Tornier Group is Tornier S.A.S., a private company incorporated in France. The activities carried out by the Tornier Group are the design, manufacture and distribution of reconstructive orthopaedic implants. Its product portfolio comprises implants of hips, knees, elbows, ankles, shoulders and certain customised solutions. In 2005, its worldwide turnover was c. €[10-100] million and its turnover in the State was €[less than 100,000].
4. DME is a private company incorporated in Ireland with a registered office in Cork. DME manufactures hip and elbow implants. It sells its products exclusively to the Tornier Group. In 2005, DME had worldwide turnover of c. €[1-20] million, all of which was derived from sales to Tornier S.A.S.

Analysis

5. There are no horizontal or vertical overlaps between the undertakings involved in the State. The only activities carried out by the Tornier Group in the State consist in the occasional sale to DME of inputs (e.g. hip rough shapes, implants and instruments to be reshaped). None of the Warburg Pincus companies have activities which overlap with those

of the Tornier Group. 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 Warburg Pincus LLC of the Tornier Group 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