

CONVATEC LIMITED/ ACORDIS SPECIALITY FIBRES LIMITED CANCELLATION OF MERGER REFERENCE

The Competition Commission (CC) has today, 29 March 2004, cancelled the reference concerning the proposed acquisition by ConvaTec Limited (ConvaTec) of Acordis Speciality Fibres Limited (ASF).

The reference was made to the CC on 12 February 2004 by the Office of Fair Trading under section 33(1) of the Enterprise Act 2002. The terms of reference required the CC to examine:

- (a) whether arrangements are in progress or in contemplation as described in paragraph 1 of the terms of reference which, if carried into effect, will result in the creation of a relevant merger situation; and
- (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the UK.

ConvaTec and ASF have written jointly to the CC stating that the proposal to make arrangements of the kind mentioned in the reference has been abandoned. This is supported by the following facts:

- (a) Prior to the reference, ConvaTec agreed to acquire the entire issued share capital of ASF comprising its alginate fibres, Micropake and Hydrocel businesses, and this agreement has since been terminated.
- (b) Since the reference, Acordis Services Limited (ASL) agreed to acquire the alginate fibres and Micropake businesses of ASF and ConvaTec then agreed to acquire the entire issued share capital of ASF comprising its Hydrocel business; and

(c) Apart from the agreements mentioned in (b) above, there are no other arrangements in progress or contemplation which would allow ConvaTec to acquire ownership or control of ASF, ASL, or the alginate fibre or Micropake businesses.

The Chairman of the CC, Sir Derek Morris, having had regard to these facts, is satisfied that notwithstanding the agreements entered into since the reference, ConvaTec has abandoned the proposal to make arrangements of the kind mentioned in the reference within the terms of section 37(1) of the Enterprise Act 2002. The Chairman has consequently cancelled the reference in accordance with his powers under Schedule 7 to the Competition Act 1998.

This cancellation is published in accordance with requirements laid down by sections 107(2)(a) and (4) of the Enterprise Act 2002.