



NEWS RELEASE

15th July 2004

The Competition Authority clears UniPhar's acquisition of Whelehan Group

The Competition Authority announced today (15th July) that it will allow the proposed acquisition by UniPhar plc (the parent company of the UniPhar Group) of Ammodo Limited, (the holding company for the Whelehan Group). Both parties are involved in the wholesale distribution of pharmaceutical and healthcare products.

The Competition Authority received notification of the proposed acquisition on 8th April 2004. The Authority has determined under the Mergers and Acquisitions section of the Competition Act 2002 that the transaction will not result in a "substantial lessening of competition" in any market for goods or services in the State, and accordingly may be put into effect.

The Authority decided to carry out a full (Phase 2) investigation on 5th May 2004, having completed its initial (Phase 1) investigation. The Phase 2 investigation examined the competitive effect of the proposed acquisition on the wholesale distribution of pharmaceutical and healthcare products to retail pharmacies.

ENDS

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NOTES FOR THE EDITOR

The Parties involved in the transaction:

UniPhar plc is a pharmaceutical wholesaling company and the parent company of the UniPhar Group. A number of Irish retail pharmacists own UniPhar plc. The UniPhar Group has three main business divisions, all of which are active in the wholesaling of pharmaceutical products and also in the distribution of healthcare products in Ireland. The divisions are: UniPhar plc, a wholesaler of human pharmaceutical products to pharmacies throughout the State; Allphar Services Limited, an agent and distributor of specialist hospital medicines, diagnostic agents and ethical pharmaceuticals, for many international pharmaceutical manufacturers; and Surgicare Limited, a distributor of surgical and other healthcare products to hospitals. UniPhar also operates the Independent Pharmacy Ownership Scheme (IPOS), which was established in 2001 to provide financial assistance to pharmacists who wish to purchase their own pharmacies.

Ammado Limited is a holding company and parent of the Whelehan Group. The Whelehan Group also has three main business divisions, all of which operate in sectors of the Irish pharmaceutical and healthcare industry. The divisions are: T.P. Whelehan Son & Co. Limited, an agent company engaged in the marketing and distribution of a wide range of surgical, health and beauty, agricultural and garden products; Perrans Distribution Limited, an agent company engaged in the marketing and distribution of a wide range of alternative healthcare brands; and Boileau & Boyd Limited, a wholesaler of human pharmaceutical products to Irish pharmacies, and a wholesaler of veterinary pharmaceutical products to Irish pharmacies and veterinary surgeons.

Assessment of Mergers and Acquisitions by The Competition Authority

Under the Mergers and Acquisitions provisions, set out in Part 3 of the Competition Act 2002, the Authority has responsibility for assessing mergers and acquisitions. The Authority is required, in its assessment, to determine whether a proposed merger or acquisition will “substantially lessen competition” in any market for goods or services in the State.

Phase 1 (Assessment): On 8th April 2004 the Authority, in accordance with Section 18(1) of the Competition Act 2002, was notified, on a mandatory basis, of a proposal whereby UniPhar plc, the parent company of the UniPhar Group, would acquire Ammado Limited, the holding company and parent of the Whelehan Group.

The Authority had one month (up to 8th May 2004) to make an initial assessment to either:

- (a) Allow the transaction be put into effect (because it will not “substantially lessen competition”); or
- (b) Carry out a full investigation

Phase 2 (Full Investigation): On 5th May 2004 the Authority determined, in accordance with Section 21(2) of the Act, to carry out a full investigation of the proposed acquisition. The Authority had a further three months (up to 8th August 2004) to carry out this full investigation under Section 22 of the Act.

Determination: Following a full investigation the Competition Authority is required to determine that the merger or acquisition:

- May be put into effect;
- May not be put into effect; or
- May be put into effect subject to conditions specified by the Authority.