



DETERMINATION OF MERGER NOTIFICATION M/13/037 -

Permira/Atrium

Section 21 of the Competition Act 2002

Proposed acquisition by Permira Holdings Limited of sole control of Atrium Innovations Inc.

Dated 15 January 2014

Introduction

1. On 20 December 2013, in accordance with section 18 of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed acquisition whereby Permira Holdings Limited ("Permira") would acquire indirect sole control of Atrium Innovations Inc. ("Atrium").

Permira

2. Permira is a private equity firm operating globally out of twelve offices across Europe, the United States and Asia. Its funds, raised from pension funds and other institutions, make long-term investments in companies in five sectors: consumer, financial services, healthcare, industrials, and TMT.
3. For the most recent financial year, Permira's worldwide turnover was €[...].¹ Permira's turnover in the State for the same period was €[...]

Atrium

4. Atrium is active in the development, manufacture, and sale of dietary supplements. Atrium's portfolio of products includes brands such as AOV, Pure Encapsulations, Wobenzym and Douglas Laboratories. Atrium distributes its products mainly to healthcare practitioners and through health food retailers. The majority of the Atrium's products are sold in the United States, Canada and Europe. In Europe, Atrium sells four brands: Wobenzym, Orthica, AOV and Minami Nutrition. These brands are mainly sold to consumers through pharmacies.
5. In the State, Atrium has one holding company, IMF Nutrition Ltd., which holds the trademark for the Minami Nutrition product line.
6. For the year ending 31 December 2012, Atrium's worldwide turnover was €361 million.² Atrium's turnover in the State for the same period was €[...].

Rationale for the Proposed Acquisition

¹ Permira's turnover is calculated as the sum of the turnover of the portfolio companies controlled by Permira. These companies have different financial years, hence Permira's turnover figure is updated on an ongoing basis.

² Calculated using an annual average exchange rate for 2012 of US\$1 = €0.81.

7. The parties state in the notification:

"Permira, which will ultimately have sole control of Atrium, considers that Atrium fits within its investment strategy and ultimately wishes to make a profitable realisation of its investment. The proposed transaction is in accordance with Permira's business model, namely, making private equity investments in companies active in a wide variety of sectors that have potential for growth and development."

Third Party Submissions

8. No submission was received.

Competitive Analysis

9. Neither Permira nor any of the portfolio companies controlled by Permira own or operate a business that manufactures or sells dietary supplements. Thus, there is no horizontal overlap between Permira and Atrium in the State.
10. One of Permira's portfolio companies, Arysta LifeScience Corporation ("Arysta"), supplies food and plant extracts and nutritional ingredients to the nutraceutical industry. [...] Furthermore, there are a number of competitors active worldwide in the supply of nutraceutical ingredients in the human nutrition field. Thus, there is no vertical overlap of concern between the parties in the State.
11. In light of the above, the Authority considers that the proposed transaction will not raise any competition concerns in the State.

DETERMINATION

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 whereby Permira Holdings Limited would acquire sole control of Atrium Innovations Inc. will not be to substantially lessen competition in markets for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Stephen Calkins

Member of the Competition Authority

Director, Mergers Division