



DETERMINATION OF MERGER NOTIFICATION M/07/062 – HONEYWELL/HAND HELD PRODUCTS

Section 21 of the Competition Act 2002

Proposed acquisition of Hand Held Products Inc. by Honeywell International Inc.

Dated 28/11/07

Introduction

1. On 5 November 2007, the Competition Authority, in accordance with Section 18(1)(a) of the Competition Act, 2002 (“the Act”), was notified on a mandatory basis of the proposed acquisition of sole control of Hand Held Products Inc. (“HHP”) by Honeywell International Inc. (“Honeywell”). Under the terms of the agreement, Honeywell Palm Inc. a wholly-owned subsidiary of Honeywell, would merge with HHP. Honeywell Palm Inc. would then cease to exist as a corporate body and HHP would become a wholly-owned subsidiary of Honeywell, forming part of its Automation and Control Solutions division.

The Undertakings Involved

The Acquirer

2. Honeywell, a United States corporation, is an advanced technology manufacturing company supplying customers on a global basis operating through four divisions: (i) Automation and Control Solutions; (ii) Aerospace Solutions; (iii) Transportation and Power Systems; and, (iv) Speciality Materials.
3. In the State, Honeywell has a number of active subsidiaries:
 - Holt Lloyd Limited, which is active in the sale of various car care products such as waxes, polishes and cleaners for use by the final consumer;
 - Honeywell Ireland Software Limited, which develops computer programmes, provides information technology consultancy services and provides programmers on a contractual basis to a number of other Honeywell sites. It operates primarily in the aerospace sector;
 - Honeywell International Technologies Limited, which is active in the automotive and aerospace sectors, manufacturing turbocharging systems, selling aluminium castings and forging engines;
 - Honeywell Measurex Ireland Limited and Honeywell Measurex Ireland Finance, which market and sell process control systems for the pulp, paper and printing industries;

- Honeywell Iropharm plc, which is active in the manufacture and sale of pharmaceutical ingredients and intermediates; and,
- Novar Ireland Limited, which markets, sells and distributes electrical products (for example switches, electrical sockets and doorbells) through wholesalers for residential and commercial uses. Its wholly owned subsidiary, Novar Ireland Systems Limited, sells and distributes security and fire safety products to building contractors in the State.

For the year ended 31 December 2006, Honeywell's turnover in the State was US\$[] (approximately €[]).

The Target

4. HHP, a US corporation, is a global developer and supplier of hand held bar code scanners and rugged mobile and wireless computers. These products are used across a variety of industries such as retail, transportation, parcel delivery, warehousing, manufacturing and healthcare to automatically capture, process, track and disseminate information across every stage of a supply chain from raw materials, procurement and manufacturing, to logistics and transportation, to inventory management and ultimately to the point of sale.
5. HHP manufactures data collection and management solutions for in-premise, mobile and transaction processing applications. It provides image-based data collection products led by its Adaptus Imaging Technology.
6. HHP does not have any subsidiary on the island of Ireland. Its sales are generated through direct shipments from Hand Held Products Europe BV in the Netherlands and from Hand Held Products Inc. in the United States. For the year ended 31 December 2006, HHP's turnover in the State was US\$[] (approximately €[]).

Analysis

7. The Authority reviewed the activities of the parties and found that there are no horizontal or vertical overlaps between their activities in the State. The Authority therefore considers that the proposed transaction does not raise competition concerns.

Ancillary Restraints

8. The Authority also reviewed the [] non-compete clause agreed by the parties. The Authority believes that such a clause is directly related to and does not go beyond what is necessary for the implementation of the proposed acquisition in order to protect the value of the know-how and goodwill transferred.

Determination

The Competition Authority, in accordance with Section 21(2)(a) of the Act, has determined that, in its opinion, the result of the proposed acquisition of Hand Held Products Inc. by Honeywell International 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

Dr. Paul K. Gorecki
Member of the Competition Authority