



Determination No. M/03/026 of the Competition Authority, dated 19th August 2003, under Section 21 of the Competition Act, 2002

Notification No. M/03/026 – Acquisition by Abbott Laboratories of ZonePerfect Nutrition Company, Inc.

Introduction

1. On 1st August 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 Abbott Laboratories (“Abbott”) would acquire the entire issued share capital of ZonePerfect Nutrition Company, Inc (“ZonePerfect”).

The Parties

2. Abbott is a US-registered multinational corporation, which is engaged in the discovery, development, manufacture and sale of a broad and diversified line of health care products and services. Abbott has established a physical presence in Ireland and its sales in Ireland comprise pharmaceutical products, medical hospital products, medical diagnostics and medical nutritionals products.
3. ZonePerfect which is also based in the US, manufactures health food products which are targeted at consumers seeking healthy nutrition. These health food products which include ready meals, snack bars, supplements, baking mixes and drinks are manufactured according to a certain ratio of carbohydrate, protein and fat, as advocated by the diet known as the Zone. The majority of ZonePerfect’s sales revenue is derived from the sale of snack bars. Zoneperfect does not have a physical presence in Ireland and has minimal sales in Ireland which are achieved entirely via the internet.

Analysis

4. There is no overlap between the parties’ activities in Ireland. Both parties produce snack bars; however Abbott does not market its snack bar in Ireland. In any event, ZonePerfect does not have a strong presence in the State, with minimal sales achieved in Ireland via internet. Therefore the proposed acquisition does not give rise to any 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 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.



Determination of the Competition Authority

For the Competition Authority

**Terry Calvani
Member of the Competition Authority**

19th August 2003