

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman
William E. Kovacic
J. Thomas Rosch
Edith Ramirez
Julie Brill

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| _____ |) | |
| In the Matter of |) | |
| |) | |
| Keystone Holdings, LLC, |) | |
| a limited liability company, and |) | Docket No. C-4314 |
| |) | |
| Compagnie de Saint-Gobain, |) | |
| a corporation. |) | |
| _____ |) | |

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act, and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Keystone Holdings, LLC (“Keystone”), a limited liability company subject to the jurisdiction of the Commission, has made an offer to acquire the Advanced Ceramics Business assets of Respondent Compagnie de Saint-Gobain (“Saint-Gobain”), a corporation subject to the jurisdiction of the Commission, in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. RESPONDENTS

1. Respondent Keystone is a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its office and principal place of business located at 16000 Table Mountain Parkway, Golden, Colorado.

2. Respondent Saint-Gobain is a corporation organized, existing, and doing business under, and by virtue of, the laws of France, with its office and principal place of business located at Courbevoie, France, Les Miroirs, 18 Avenue d'Alsace, 92096 La Defense Codex, France.
3. Respondents Keystone and Saint-Gobain are engaged in, among other things, the research, development, manufacture, marketing and sale of alumina wear tiles.

II. JURISDICTION

4. Respondents Keystone and Saint-Gobain are, and at all times relevant herein have been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and are companies whose businesses are in or affect commerce as "commerce" is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

III. THE PROPOSED ACQUISITION

5. On June 28, 2010, Keystone and Saint-Gobain announced the acquisition by Keystone of Saint-Gobain's Advanced Ceramics Business, including facilities in Europe, North America, South America, and Asia, for a purchase price of \$245 million. The business acquired includes igniters, semiconductor components, precision balls, molten-metal filters, boron nitride, and ceramic specialties (hereinafter, "Notified Transaction").
6. As part of the Notified Transaction, Keystone proposes to acquire Saint-Gobain's assets and business in Latrobe, Pennsylvania, relating to the research, development, manufacture, marketing and sale of pre-engineered alumina wear tile and standard alumina wear tile in North America. Keystone also proposes to acquire a plant in Vinhedo, Brazil that furnishes standard alumina wear tiles to Latrobe that are marketed and sold worldwide by Saint-Gobain's Latrobe business.

IV. THE RELEVANT MARKETS

7. For the purposes of this Complaint, the relevant lines of commerce in which to analyze the effects of the Notified Transaction are the research, development, manufacture, marketing and sale of: (a) pre-engineered alumina wear tile; and (b) standard alumina wear tile; or (c) alternatively, all alumina wear tile.
8. For the purposes of this Complaint, the relevant geographic area in which to analyze the effects of the Notified Transaction is North America.

resulting in Keystone becoming the largest supplier of alumina wear tile in the relevant geographic area. Keystone and Saint-Gobain are two of only three significant suppliers of pre-engineered alumina wear tile, and two of only four significant suppliers of standard alumina wear tile in the relevant geographic area.

VI. ENTRY CONDITIONS

10. Entry into the relevant markets would not be timely, likely, or sufficient to prevent or defeat

IX. VIOLATIONS CHARGED

14. The allegations contained in paragraphs 1-13 are repeated and re-alleged as though fully set forth here.
15. The Notified Transaction described in paragraph 5 would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this seventh day of February, 2011, issues its Complaint against said Respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL: