

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

Julie Brill
Maureen K. Ohlhausen
Terrell McSweeney

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In the Matter of)
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WRIGHT MEDICAL GROUP, INC.,)
a corporation;)
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and)
)
TORNIER N.V. ,)
a public limited company.)
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COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission authority thereunder, the Federal Trade Commission ("Commission") that Respondent Wright Medical Group, Inc. ("Wright"), a corporation of the Commission, has agreed to merge with Respondent Tornier, a public limited company subject to the jurisdiction of the Commission under the FTC Act, as amended, 15 U.S.C. § 45, and that such merger is in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and it appearing to the Commission that such merger would be in the public interest, hereby issues its Complaint as follows:

I. RESPONDENTS

1. Respondent Wright is a corporation organized and by virtue of the laws of the state of Delaware with its headquarters at 1000 Poplar Road, Memphis, Tennessee, 38117.

2. Respondent Tornier is a public limited company organized, existing, and doing business under and by virtue of the laws of the Netherlands with its global headquarters located at Prins Bernhardplein 200, 1097 JA Amsterdam, Netherlands. The headquarters for Tornier's U.S. subsidiary, Tornier, Inc., is located at 10801 Nesbitt Avenue South, Bloomington, Minnesota, 55437.

3. Each Respondent is, and at all times relevant and has been, engaged in commerce, as "commerce" defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and is a company whose business is in or affects commerce, as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

II. THE PROPOSED MERGER

4. Pursuant to an Agreement and Plan of Merger dated October 27, 2014, Tornier and Wright propose to merge in all-stock transaction valued at approximately \$3.3 billion (the "Merger"). The Merger is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

III. THE RELEVANT MARKETS

5. For the purposes of this Complaint, the relevant line of commerce in which to analyze the effects of the Merger is the development, manufacture, license, marketing, distribution, and sale of the following reconstructive joint implants: (1) total ankle replacements; (2) total silastic big toe joint replacements; and (3) total silastic toe joint replacements for the second through fifth "lesser" toes.

6. For the purposes of this Complaint, the United States is the relevant geographic area in which to assess the competitive effects of the Merger in the relevant line of commerce.

IV. THE STRUCTURE OF THE MARKETS

7. Total ankle replacements are used to treat ~~stage~~ ankle arthritis, which develops when cartilage on the bones of the ankle joint wears away and causes ~~bone~~ grinding down of the joint surface. Wright and Tornier are each other's closest competitor and two of only three significant suppliers of total ankle replacements in the United States. The companies offer similar technologies and the only options are revision surgeries, i.e., surgeries to redo a prior total ankle replacement procedure. Wright and Tornier control approximately 44% and 19% of the market, respectively.

