



Department of Justice

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AT
202-633-4389
(TDD) 202-786-5731

JUSTICE WILL FILE SUIT TO BLOCK GILLETTE'S

ACQUISITION OF WILKINSON DIVISION

The Department of Justice today announced that it intends to file a civil antitrust suit to block The Gillette Company's acquisition of the non-European Economic Community (EEC) wet shaving razor blade business of Wilkinson Sword.

Alison L. Smith, Acting Assistant Attorney General in charge of the Antitrust Division, said the lawsuit will allege that Gillette's acquisition violates Section 7 of the Clayton Act because it may substantially lessen competition in the sale of wet shaving razor blades in the United States. The suit will be filed Wednesday in U.S. District Court in Washington.

"The acquisition poses a significant threat to competition in the wet shaving razor blade market in the United States," Smith said. "Gillette is the dominant supplier of razor blades in the United States. This acquisition would eliminate one of only four other suppliers of blades and would further increase Gillette's dominant share.

"As a result, there would be a significant risk of American consumers facing higher prices for razor blades in the future. The antitrust laws do not tolerate such a loss of competition,"

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Until recently Wilkinson Sword was owned by a Swedish corporation, Stora Kopparbergs Bergslags AB. In a leveraged buyout partially financed by Gillette, Stora sold Wilkinson Sword's worldwide operations to a Netherlands Corporation, which in turn agreed to sell Wilkinson's non-EEC business to Gillette.

Gillette of Boston, Mass., is the leading seller of wet shaving razor blades in the United States and most other areas of the world. Wilkinson Sword Inc. of Atlanta, Georgia, is the fourth or fifth largest seller of wet shaving razor blades in the United States. Gillette and Wilkinson Sword are two of only five suppliers of wet shaving razor blades in the United States.

Gillette sold about half of all wet shaving razor blades sold in the United States in 1988, which accounted for about 65 percent of the estimated \$700 million U.S. consumers spent for wet shaving razor blades that year. Wilkinson sold about 3 percent of the razor blades sold in the United States in 1988, which accounted for about \$7 million in consumer sales.

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