



# Department of Justice

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## **INTERNATIONAL PAPER COMPANY ABANDONS THE SALE OF ITS HPL BUSINESS TO FORMICA CORPORATION**

### **Decision Follows Justice Department's Announcement That It Would Challenge The Sale**

WASHINGTON, D.C. -- The Department of Justice today announced that International Paper Company has abandoned its plan to sell its decorative high pressure laminate (HPL) business to Formica Corporation after the Department's Antitrust Division gave notice that it would challenge the proposed acquisition because the sale would have resulted in higher prices for HPL. The Antitrust Division announced its intention to challenge the transaction on January 15, 1998.

The proposed transaction would have removed a key competitor from the approximately \$1 billion United States HPL market and would have reduced the number of domestic HPL manufacturers from four to three. Formica and International Paper have been head-to-head competitors in the market, competing vigorously to sell HPL, to provide high quality products and services, and to develop new HPL products.

HPLs are used to make decorative surfaces that can withstand high impact, abuse, and wear, such as countertops, eating surfaces, doors, lavatory dividers, desktops and work surfaces.

“We welcome this decision to abandon the merger. The merger would have hurt competition in the high pressure laminate business -- competition that helps lower prices, increase choices, and improve services,” stated Joel I. Klein, Assistant Attorney General of the Department’s Antitrust Division. “Businesses that use high pressure laminates, and consumers who buy them for their homes, are the winners.”

Formica, located in Cincinnati, Ohio, manufactures and sells HPL under the Formica® brand, a trade name that is virtually synonymous with HPL. International Paper, headquartered in Purchase, New York, manufactures and sells HPL under the Nevamar® and Micarta® trade names in the United States and the Polyrey® trade name in Europe.

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