

agreement with GensiaSicor, accounts for almost half of U.S. sales of the drug. Post-acquisition, Baxter would account for 74% of the sales of pancuronium in the United States, and the post-acquisition Herfindahl-Hirschman Index ("HHI") would be 6,152 points, representing a 2,496 point increase in the HHI. Post-acquisition, Abbott would be the only other supplier of pancuronium in the United States.

The market for the manufacture and sale of pancuronium is unlikely to attract new entrants because pancuronium is an older drug whose usage and price have declined over time. Although pancuronium is still an important drug, companies are unlikely to devote resources to developing an older drug with limited sales. Even if a supplier of other injectable drugs decided to develop pancuronium, it would be costly and time consuming to complete the necessary research and development, and to obtain the requisite approval from the FDA. Consequently, entry into the pancuronium market is not likely to occur in a timely manner, if at all.

The proposed acquisition would create a duopoly in the market for the manufacture and sale of pancuronium in the United States. Post-acquisition, Baxter and Abbott would be the only remaining suppliers of pancuronium. This is likely to lead to higher prices of pancuronium.

The proposed Consent Agreement preserves competition in the pancuronium market by requiring Baxter to terminate all of its rights and interests in GensiaSicor's pancuronium product and divest all of its pancuronium assets to GensiaSicor no later than five days after the acquisition. GensiaSicor is capable of marketing and selling its own pancuronium. It is a well recognized and respected company in the injectable pharmaceutical industry, and will be an able competitor in the market for the manufacture and sale of pancuronium.

Vecuronium

Vecuronium is an intermediate-acting neuromuscular blocking agent that temporarily freezes muscles during surgery, mechanical ventilation, or intubation. Vecuronium is a popular neuromuscular blocking agent with a superior side effect profile. The market for the manufacture and sale of vecuronium in the United States is approximately \$21 million.

The market for the manufacture and sale of vecuronium is highly concentrated. Baxter markets vecuronium under an exclusive supply agreement with GensiaSicor. Baxter and

Wyeth were the two leading suppliers of vecuronium in the United States, with a combined market share of 53%, until Wyeth temporarily suspended its vecuronium production in 2001. Prior to the announcement of the acquisition, Wyeth planned to re-enter the vecuronium market in the near future. Post-acquisition, the HHI would be 3,598 points, representing a 1,364 point increase in the HHI. There are only three other suppliers of vecuronium in the United States. Organon continues to market its branded vecuronium, and Abbott and Bedford supply generic vecuronium products.

Entry into the market for the manufacture and sale of vecuronium is unlikely because it is an older drug with established suppliers, and it is a difficult drug to manufacture. Although vecuronium continues to be an important drug, companies are unlikely to devote resources to entering this market because existing suppliers have become entrenched, making it difficult for new entrants to capture meaningful market share. In addition, vecuronium is a complicated drug to manufacture. Because of the unique manufacturing process involved in making vecuronium, entry would take longer than two years and cost hundreds of thousands of dollars.

The proposed acquisition is likely to result in anticompetitive harm in the U.S. market for the manufacture and sale of vecuronium. Absent the proposed acquisition, Wyeth would have re-entered this market. By acquiring Wyeth's vecuronium, Baxter would likely delay or forego the re-launch of Wyeth's vecuronium and eliminate any associated price competition.

The proposed Consent Agreement preserves future competition in the market for vecuronium by requiring Baxter to terminate all of its rights and interests in GensiaSicor's vecuronium product and divest all of its vecuronium assets to GensiaSicor no later than five days after the acquisition.

Metoclopramide

Metoclopramide is an antiemetic used for the prevention and treatment of nausea and vomiting for patients undergoing certain types of chemotherapy and for post-operative treatment. Metoclopramide is an older antiemetic that continues to be used because it is effective, has a known safety profile, and is considerably cheaper than newer antiemetics. Annual U.S. sales of metoclopramide total approximately \$13 million.

The market for metoclopramide is highly concentrated. Wyeth developed

the branded metoclopramide product, Reglan®. Baxter is the exclusive supplier of GensiaSicor's metoclopramide product. Wyeth and Baxter together represent over half of the sales of metoclopramide in the United States. Post-acquisition, the HHI would be 3,852 points, an increase of 936 points above the pre-Acquisition HHI. Only two other companies supply metoclopramide in the United States: Abbott and Faulding.

New entry into the market for the manufacture and sale of metoclopramide is difficult, expensive and unlikely to occur. Metoclopramide is an older drug with small sales relative to newer injectable anti-emetics. Therefore, firms do not consider the market for the manufacture and sale of metoclopramide to be an attractive entry opportunity. Several manufacturers have already exited the market and none are interested in re-entering. Even if firms that have exited were interested in re-launching their drugs, re-entry would likely take such firms an estimated two years or more.

The proposed acquisition would cause significant anticompetitive harm in the U.S. market for the manufacture and sale of metoclopramide by reducing the number of suppliers from four to three. The combined entity would account for over half of all sales of metoclopramide in the United States. The proposed acquisition is likely to lead to higher prices.

The proposed Consent Agreement preserves competition in the metoclopramide market by requiring Baxter to terminate all of its interests in GensiaSicor's metoclopramide and divest all of its metoclopramide assets to GensiaSicor no later than five days after the acquisition.

New Injectable Iron Replacement Therapies

NIIRTs are used to treat iron deficiency in patients undergoing hemodialysis. NIIRTs include both injectable iron gluconate and iron sucrose. Annual U.S. sales of NIIRTs total approximately \$225 million.

The market for the manufacture and sale of NIIRTs is highly concentrated. Watson markets Ferrlecit®, the only injectable iron gluconate product available in the United States. American Regent markets Venofer®, the only injectable iron sucrose product in the United States. Watson recently entered into a co-promotional agreement with Baxter, pursuant to which Baxter promotes Ferrlecit®.

Entry into the market for the manufacture and sale of NIIRTs is very difficult and time consuming. Because