

**Statement of the Federal Trade Commission**  
***In the Matter of Graco Inc.,***  
***Illinois Tool Works Inc., and ITW Finishing LLC***  
**Docket No. 9350**

On December 15, 2011, the Commission issued an administrative complaint challenging Graco Inc.'s ("Graco") proposed acquisition of the industrial finishing equipment businesses of ITW Finishing LLC and Illinois Tool Works Inc. (collectively "ITW"). The Commission also authorized its staff to file a separate complaint seeking a temporary restraining order and preliminary injunction in federal district court. That federal court proceeding is pending in the United States District Court for the District of Minnesota.

The matter has now been withdrawn from administrative adjudication, and the Commission has voted unanimously to issue an Order to Hold Separate and Maintain Assets ("Hold Separate") to Respondents Graco and ITW, pending consideration of a proposed Agreement Containing Consent Orders ("Consent Agreement") that has been entered into by and among the Respondents and Complaint Counsel supporting the administrative complaint. This will allow Graco to complete the challenged acquisition, subject to and in compliance with the requirements of the Hold Separate issued today.

The Hold Separate applies to all ITW liquid finishing businesses and assets worldwide that Graco is acquiring in the acquisition (collectively, the "Liquid Finishing Business Assets"), including business activities related to the development, manufacture, and sale of products under the Binks, DeVilbiss, Ransburg, and BGK brand names.

The purpose of the Hold Separate is to allow the Commission staff sufficient time fully to review and consider the appropriate scope of divestiture and other relief needed to remedy the anticompetitive effects of Graco's acquisition of the Liquid Finishing Business Assets as alleged in the administrative complaint. During the hold separate period, Graco and ITW have committed to cooperate fully and in good faith with staff's review.

The Commission is not voting to accept or reject the proposed Consent Agreement for public comment at this time. After staff completes its review and submits to the Commission any additional recommendations regarding the proposed Consent Agreement, the Commission may take such action as it deems appropriate, including accepting the Consent Agreement, either as proposed or with modifications, for public comment.

The Commission is able to accept the Hold Separate under conditions that will allow the parties to complete their planned acquisition because both sides appear to be moving closer to a solution that will benefit consumers.