

## ETHICON SPIN-OFF TO CHOOSE CINCINNATI LOCATION FOR HQ

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Cincinnati stands to gain a new corporate headquarters that could rank among the region's largest private companies, thanks to the planned sale of the breast care business of Ethicon Endo-Surgery Inc.

Devicor Medical Products Inc. is buying a 300-employee segment of Ethicon that makes and sells products that are used to diagnose breast cancer. The purchase was announced by Ethicon's parent company, Johnson & Johnson, on March 30, and on May 25, Devicor was approved for job creation tax credits worth \$1.5 million by the Ohio Tax Credit Authority.

"We formed this company with the intention of building a \$500 million global medical manufacturing business," said Thomas Daulton, CEO of Pleasant Prairie, Wis.-based Devicor. "We have a pretty aggressive plan to grow the business."

The incentives from Ohio convinced Daulton to eliminate Kentucky sites as potential headquarters locations for his new enterprise. He expects to decide soon between sites in Sharonville and Blue Ash.

Ethicon sale is 'telling'

With the Ethicon technology, a doctor uses X-ray or ultrasound to locate the abnormality to be biopsied, then makes a quarter-inch incision and inserts the Mammotome probe. The tool, approved by the U.S. Food and Drug Administration for breast biopsies in 1995, vacuums, cuts and removes tissue for examination. No stitches are necessary following the procedure.

Entering the market with an established product and company, as Devicor plans to do, sounds like a good business move, De Fazio said. Competition, though, is getting tough.

"It's interesting that J&J would sell that division, but kind of telling," De Fazio said. "They generally don't do something unless they feel they can be extremely good at it. They may have felt the space was too crowded or that they were a bit behind."

Author/From the desk of Dan Monk and James Ritchie, Staff Reporters