



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF THE COMPANIES AND BUSINESSES
COMPRISING OF BAKING, COOKING AND SPREADS BUSINESS OF M/S
UNILEVER NV AND M/S UNILEVER PLC BY M/S KKR & CO. L.P.

CASE: 938/Merger-CCP/18

Commission


Ms. Vadiyya S. Khalil
Chairperson

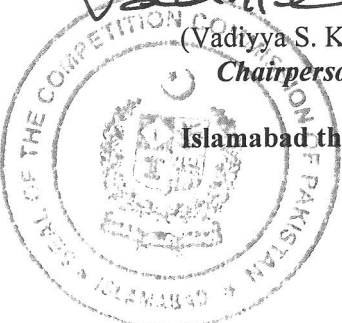
Dr. Muhammad Saleem
Member



ORDER

1. On 24th January 2018 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s KKR & Co. L.P. ("**Acquirer**" or "**Applicant**") intends to acquire the companies and businesses comprising the baking, cooking and spreads business of M/s Unilever NV and M/s Unilever PLC ("**Sellers**") by way of share purchase. All the requisite information/documents pertaining to the application was completed by the applicant on February 28, 2018.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended acquisition has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate, credit and, through its strategic partners, hedge funds.
 - b. For the Sellers: Consumer Goods which includes food, beverages, cleaning agents and personal care products
 - ii. The proposed transaction is an acquisition of the companies and businesses comprising the baking, cooking and spreads business, in particular, the manufacture and sale of edible fats and oils including butter, margarine and other spreads, dairy cream alternatives and vegetable oils of the Sellers by the Acquirer. Currently, only Unilever Pakistan Limited, a subsidiary of the Sellers, is active in Pakistan and is engaged in the relevant product market of "**Yellow Fat Spreads**" having a geographic market identified as of "**Pakistan**".
 - iii. The transaction entails the acquisition of margarine business being carried out in Pakistan by Unilever Pakistan Limited under the brand name Blue Band, having a market share of _____ Post-transaction, the market share of Blue Band will remain unchanged.
 - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
3. The applicant is also hereby instructed to submit an Exemption Application to obtain an exemption under Section 5 of the Competition Act, 2010 read with Regulation 4 of the Competition (Exemption) Regulations, 2014.
4. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
5. It is so ordered.


(Vadiyya S. Khalil)
Chairperson
Islamabad the 14th March, 2018.




(Dr. Muhammad Saleem)
Member