



DETERMINATION OF MERGER NOTIFICATION M/14/026 - VALEO/WARDELL/ROBERT ROBERTS

Section 21 of the Competition Act 2002

Proposed acquisition by CapVest Equity Partners II, L.P. of sole control of Wardell Roberts Limited and Robert Roberts (NI) Limited

Dated 18 December 2014

Introduction

1. On 17 October 2014, in accordance with section 18(1) of the Competition Act 2002 (“the 2002 Act”), the Competition Authority (“the Authority”) received a notification of a proposed acquisition whereby CapVest Equity Partners II, L.P. (“CapVest”) would acquire sole control of Wardell Roberts Limited (“Wardell”) and Robert Roberts (NI) Limited.
2. On 31 October 2014, in accordance with sections 38 and 39 of the Competition and Consumer Protection Act 2014 (“the 2014 Act”), the Authority was dissolved and all of the functions vested in the Authority immediately before that date became vested in the Competition and Consumer Protection Commission (“the Commission”). Section 39(2) of the 2014 Act provides that references in any Act of the Oireachtas passed before 31 October 2014 to the Authority shall, on and after 31 October 2014, be construed as references to the Commission.
3. Section 6 of the 2014 Act provides that where a merger or acquisition was notified under Part 3 of the 2002 Act before the commencement of section 7(1)(b) and Parts 3 and 4 of the 2014 Act (i.e. before 31 October 2014), then, upon such commencement, the 2002 Act shall apply to the merger or acquisition as if the amendments effected by section 7(1) and Parts 3 and 4 of the 2014 Act had not been made.

The Undertakings Involved

The Acquirer

4. CapVest, a limited partnership established in Bermuda, principally makes private equity investments in Western Europe. CapVest has sole control of Valeo Foods Group Limited (“Valeo”).
5. Valeo is the holding company formed in 2010 to acquire the entire issued share capital of (i) Maiden Acquisition Company Holdings and (ii) Buganda Limited and Odlum Group, both subsidiaries of Origin Enterprises Public Limited Company (referred to collectively as “Origin Foods”). The Authority approved the acquisition of sole control of Valeo by



CapVest on 18 November 2010.¹ The Authority approved the acquisition of Jacob Fruitfield Food Group Limited by Valeo on 14 September 2011.²

6. Valeo is involved in the supply of various consumer goods products to the retail sector in the State and Northern Ireland. Valeo's business involves:
- The manufacture, sale and distribution of home-baking and cooking ingredients sold under the *Shamrock* and *Odlums* brands;
 - The manufacture, sale and distribution of products sold under the *Batchelors*, *Erin* and *Rowse* brands;
 - The import, sale and distribution of Italian meal solutions marketed under the *Roma* brand;
 - The sale and distribution of the *Sqeez* brand;
 - The import, sale and distribution of *Jacob's*, *Bolands*, *Picnic*, *Lustre*, *Fruitfield*, *Chef*, *Tuc*, *Silvermints*, *Double Centres*, *Scots Clan* and *Yorkshire Toffee* brands; and
 - The distribution of products owned and marketed under third party brands, including *Fox's* biscuits³, *Ballymaloe*, *Nature Valley*, *Betty Crocker*, *Green Giant*, *Old El Paso*, *Lavazza*, *Punjana*, *Flora*, *Crisp and Dry*, *Mazola*, *Pura*, *Fiddes Payne*, and *Liga* brands⁴.

The Target Companies

7. Wardell and Robert Roberts (NI) Limited are owned by DCC plc, an international sales, marketing, distribution and business support services group.
8. Wardell is the holding company for both Robert Roberts Limited ("Robert Roberts") and Kelkin Limited ("Kelkin").
9. Robert Roberts and Robert Roberts (NI) Limited distribute a range of owned and agency brands to the retail and food service sectors in the State and Northern Ireland and are also a distributor of wine and liqueurs to both the on-trade and off-trade sectors in the State and Northern Ireland. Robert Roberts (NI) Limited carries out the Robert Roberts operation in Northern Ireland.
10. Kelkin is a health food company operating across a number of food segments in the State. In addition, Kelkin represents agencies in the grocery and pharmacy sectors that complement the Kelkin brand.

¹ M/10/031 – CapVest/Origin Foods/Maiden.

² M/11/028 – Valeo Foods/Jacob Fruitfield.

³ Valeo does not distribute Fox's to Tesco, Aldi or Lidl.

⁴ With the exception of *Ballymaloe*, *Punjana*, *Fiddes Payne* and *Liga*, Valeo does not supply these brands to Tesco.



Investigation

11. On 13 November 2014, the Commission served a Requirement for Further Information on each of CapVest and DCC plc pursuant to section 20(2) of the 2002 Act. This automatically suspended the procedure for the Commission's Phase 1 assessment.
12. Upon receipt of the responses to the Requirements for Further Information, the "appropriate date" (as defined in section 19(6) of the 2002 Act) became 21 November 2014.⁵
13. During the Phase 1 investigation, the Commission requested and received, on an on-going basis, further information and clarifications from the notifying parties. On 5 December 2014, the notifying parties made a submission to the Commission concerning the [...] category. On 16 December 2014, the Commission met the notifying parties to discuss that submission. On 17 December 2014, the Commission received a letter from the notifying parties concerning the [...] category.
14. During the Phase 1 investigation, the Commission contacted customers and competitors of the merging parties.

Analysis

15. The Commission is unable, at this stage, to reach a determination that the proposed acquisition will not lead to a substantial lessening of competition in any market for goods or services in the State. Accordingly, it intends to carry out a full investigation under section 22 of the 2002 Act.

⁵ The "appropriate date" is the date from which the time limits for making both Phase 1 and Phase 2 determinations begin to run.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(b) of the Competition Act 2002, has determined that it intends to carry out a full investigation under section 22 of the Competition Act 2002 in relation to the proposed transaction whereby CapVest Equity Partners II, L.P. would acquire sole control of Wardell Roberts Limited and Robert Roberts (NI) Limited.

For the Competition and Consumer Protection Commission

Gerald FitzGerald
Member
Competition and Consumer Protection Commission