



## **DETERMINATION OF MERGER NOTIFICATION M/12/031 -**

### **TopSnacks/KP Snacks**

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#### **Section 21 of the Competition Act 2002**

#### **Proposed acquisition by TopSnacks Limited of the KP Snacks business from United Biscuits (UK) Limited**

**Dated 27 February 2013**

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### **Introduction**

1. On 18 December 2012, in accordance with section 18 of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed transaction whereby Intersnack International B.V. ("Intersnack BV"), through its subsidiary Top Snacks Limited ("Top Snacks"), would acquire certain assets, comprising the business known as KP Snacks, from United Biscuits (UK) Limited ("United Biscuits UK").

### **The Undertakings Involved**

#### *The Acquirer*

2. Intersnack BV, headquartered in Lelystad, The Netherlands, is part of Intersnack Group GmbH & Co. KG ("Intersnack Group")<sup>1</sup>, a major European manufacturer of branded and non-branded crisps (potato chips) and snack products. These products include crisps, nuts, baked products and other specialty snack products. Intersnack Group brands sold in the UK and Ireland include Pom-Bear and Penn State. Top Snacks (formerly IS Brazil Limited) headquartered in Stanley County Durham, UK is a wholly owned subsidiary of Intersnack BV.
3. Within the State Top Snacks has a controlling interest<sup>2</sup> in Largo Foods ("Largo"). Largo, headquartered in Ashbourne County Meath, manufactures and supplies branded and own brand crisps and snacks within the State and also the UK. Largo brands include Tayto, King, Hunky Dorys, Perri and Sam Spudz. Largo has manufacturing facilities within the State in County Donegal and also in the UK at Barnsley.<sup>3</sup>

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<sup>1</sup> Intersnack Group is ultimately controlled by Pfeifer & Langen Industrie-und Handels-KG ("IHKG"), a privately owned management holding company, with no commercial or operational activities, headquartered in Cologne, Germany. IHKG controls Intersnack Group which in turn controls Intersnack International B.V (through Intersnack Holding Gesellschaft für Auslandsbeteiligungen mbH).

<sup>2</sup> Intersnack has sole control by way of its 51% shareholding.

<sup>3</sup> For further information on Largo see <[www.largofoods.ie](http://www.largofoods.ie)>.

### *The Vendor*

4. United Biscuits UK is a trading company of the United Biscuits Group of companies.<sup>4</sup> Headquartered in Hayes, Middlesex, UK United Biscuits UK is involved in the manufacture, distribution and marketing of a wide range of crisps and snack products in the UK, Western Europe and also in Ireland.

### *The Target*

5. KP Snacks, headquartered in Hayes, Middlesex, UK comprises the crisps and snacks business of United Biscuits UK. Within the State KP Snacks brands include KP Nuts, Hula Hoops, McCoy's, Meanies, Rancheros and Skips.
6. Within the State KP Snacks supplies crisps and snack products directly to [...]. In addition, within the State, Robert Roberts Ireland Ltd ("Robert Roberts ") distributes KP Snack products either purchased from United Biscuits or produced in a joint venture with United Biscuits. Robert Roberts is wholly owned by DCC plc.

### **Investigation**

7. On 16 January 2013 the Authority served an RFI on each of Top Snacks and KP Snacks. Issuing the RFIs automatically suspended the procedure for the Authority's Phase 1 assessment.
8. Upon receipt of the responses to the RFIs, the "appropriate date" (as defined in section 19(6) of the Act) became 30 January 2013 and the new Phase 1 deadline became one month from that date.
9. The Authority also requested and received, on an on-going basis, further information and clarifications from the notifying parties.
10. During the investigation, the Authority sought the views of a number of third parties, including competitors and customers of both Top Snacks and KP Snacks.

### **Analysis**

11. The Authority is unable, at this stage, to reach a determination that the acquisition will not lead to a substantial lessening of competition in any market for goods or services in the State.

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<sup>4</sup> United Biscuits Group is ultimately jointly controlled by Blackstone Group and PAI Partners through their holding company United Biscuits LuxCo SCA.

## **DETERMINATION**

The Competition Authority, 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 Act in relation to the transaction whereby Intersnack International B.V. through its subsidiary Top Snacks Limited acquires certain assets comprising the business known as KP Snacks from United Biscuits (UK) Limited.

### **For the Competition Authority**

Stephen Calkins  
Member of the Competition Authority  
Director, Mergers Division