



## MERGER ANNOUNCEMENT

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### Competition and Consumer Protection Commission clears proposed acquisition by BWG Foods Unlimited Company of sole control of 4 Aces Wholesale Limited.

2 May 2018

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The Competition and Consumer Protection Commission (“CCPC”) has cleared, subject to binding commitments, the proposed transaction whereby BWG Foods Unlimited Company (“BWG”) would acquire the entire issued share capital and thus sole control of 4 Aces Wholesale Limited (“4 Aces”). On 31 January 2018, the proposed transaction was notified to the CCPC under section 18(1)(a) of the Competition Act 2002, as amended (the “Act”).

The CCPC conducted an extended phase one investigation which included a Requirement for Further Information served on BWG and 4 Aces. During the investigation the CCPC identified a potential competition concern in relation to BWG’s access to competitively sensitive information, arising from 4 Aces’ relationship with Stonehouse Marketing Limited and Gala Retail Service Limited (“GRSL”).

To address these concerns, BWG agreed to submit commitments to the CCPC which included a divestment commitment, and firewall and confidentiality commitments. The divestment commitment will ensure that BWG divests itself fully of 4 Aces’ shareholding in Stonehouse. The confidentiality and firewall commitments are directed at preventing the exchange of GRSL’s competitively sensitive information between 4 Aces, a member of GRSL, and BWG, and similarly prevent the exchange of BWG’s competitively sensitive information between BWG and GRSL. These commitments are intended to prevent the exchange of competitively sensitive information between Stonehouse Marketing Limited and GRSL via 4 Aces to BWG which would constitute a breach of section 4(1) of the Act.

The CCPC is of the view that the commitments obtained from BWG are appropriate and effective in addressing competition concerns. The CCPC has taken these commitments into account and they form part of its determination. As a result, the commitments have become binding on BWG.

The CCPC has determined that, in its opinion, the result of the proposed transaction, taking into account the commitments obtained from BWG, will not substantially lessen competition in any market for goods or services in the State. The CCPC will publish the reasons for its determination on its website no later than 60 working days after the date of the determination and after allowing the parties the opportunity to request that confidential information be removed from the published version.

#### **Additional Information**

BWG Foods Unlimited Company is a wholly-owned subsidiary of TIL JV Limited which is 80% owned by SPAR Group Limited and 20% owned by members of the BWG management team.



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Located in Tallaght, Co. Dublin, BWG is involved in the wholesale and retail supply of groceries and food products in the State and also the United Kingdom. Within the State, BWG supplies groceries and food products to its affiliated retailers through its national wholesale distribution centre located in Kilcarbery Business Park, Nangor Road, Dublin 22. BWG also supplies groceries and food products to other firms through its Value Centre cash and carry wholesale stores. At the retail level, BWG owns and operates, as franchisor, the SPAR, Eurospar, Spar Express and Londis and also the XL & Xpress brands. In addition, BWG holds the licence to operate the MACE brands in the State.

4 Aces Wholesale Limited is a wholesaler-franchisor engaged in the wholesale and retail distribution of groceries and food products predominantly in Leinster. 4 Aces is a member of the Stonehouse Group, a wholesaler-owned Irish buying group, and Gala Retail Services Limited. 4 Aces operates three separate cash & carry outlets in Portlaoise, Navan and Clonmel.