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**Common Market for
Eastern and Southern Africa**

Staff Paper No. 2018/03/JB/02

**Decision¹ of the Thirty Ninth Committee Responsible for
Initial Determination on the Application for Authorisation of
the Merger involving KKR & Co. L.P and Unilever N.V. and
Unilever PLC**

ECONOMIC SECTOR: Food

17th March 2018 – Johannesburg, South Africa

¹ In the published version of this decision, some information may have been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

Information and Relevant Background

1. On 2nd October 2017, the COMESA Competition Commission (hereinafter referred to as "the Commission") received a notification for approval of a merger involving KKR & Co. L.P. (hereinafter referred to as "KKR") and Unilever N.V. and Unilever PLC (hereinafter referred to as Unilever).
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (hereinafter referred to as the "Regulations"). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the proposed transaction between the parties would, or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
3. The Committee Responsible for Initial Determination (hereinafter referred to as "the CID") established that the parties operate in more than one COMESA Member State. This therefore means that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserts jurisdiction on the Commission to assess the transaction.

The Parties

KKR

4. KKR is a global investment firm, which offers a broad range of alternative asset funds and other investment products to investors, and provides capital market solutions for its portfolio companies and other clients. KKR's controlled portfolio companies are active in a broad range of sectors in the following countries in the Common Market: Burundi, Comoros, the DRC, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.

Unilever

5. Unilever is an Anglo-Dutch transnational consumer goods company co-headquartered in the Netherlands and the United Kingdom. Its products include food, beverages, cleaning agents and personal care products, and it is one of the world's largest producer of food spreads, such as margarine.

Nature of the Transaction

6. The transaction entails the acquisition of indirect sole control of the companies and businesses comprising the baking, cooking and spreads business of Unilever by KKR.


Competition Analysis

7. The CID defined the relevant market as the supply of spreads. The CID observed that there are no overlaps in the activities of the parties in the Common Market and therefore the proposed transaction is unlikely to lead to any accretion of market shares in the relevant market.

Determination

8. The CID determined that the merger is not likely to lessen competition in the Common Market and is compatible with the COMESA Treaty objective of full market integration. The CID therefore approved the merger.
9. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 17th of March 2018



Commissioner Thabisile Langa
(Chairperson)



Commissioner Patrick Okilangole
(Member)



Commissioner Chilufya Sampa
(Member)