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COMP/M.4230 – KPN/HEINEKEN/ON

SECTION 1.2

Description of the concentration

This notification relates to the sale and purchase of shares in the issued share capital of ON and a shareholders agreement signed on 10 April 2006, pursuant to which Koninklijke KPN N.V. will control jointly with Heineken International B.V. the company ON B.V.

The company Koninklijke KPN N.V. provides telephone and internet services to customers through its fixed network in the Netherlands as well as digital terrestrial television services. For its business customers, KPN provides a range of services, from voice, internet and data services to fully-managed outsourced ICT solutions, in the Netherlands and internationally. KPN offers mobile services in The Netherlands, Germany, Belgium and Western-Europe.

Heineken International B.V. is the holding company of the international activities of the Heineken Group. The Heineken Group is active in the production, commercialisation and distribution of beer and other beverages.

ON B.V. is engaged in the exploitation of interactive on premise TV, based on narrowcasting technology in out of home environments. ON exploits such interactive on premise TV mainly in HoReCa-establishments.

There is no horizontal overlap in activities of the parties. Furthermore the Transaction will not lead to any foreclosure effects on the markets which could be deemed to be vertically related (IT Services, Broadband access, IP / VPN, and advertising of KPN and Heineken). The Transaction will therefore not significantly impede effective competition in any relevant market nor create or strengthen a dominant position.