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## **COMP/M. 4323-ARLA / INGMAN FOODS**

### **SECTION 1.2**

#### **Description of the concentration**

This transaction relates to the acquisition by Arla Foods AB of a 30% shareholding in Ingman Foods Oy Ab ("Ingman"), containing all the dairy activities of the Ingman group.

Arla Foods AB is a wholly owned subsidiary to the Danish dairy cooperative, Arla Foods a.m.b.a ("Arla"), which was established with effect as of 17 April 2000 as the result of a merger between the Danish cooperative MD Foods Amba and the Swedish cooperative Arla Ekonomisk Förening. The cooperative is owned by approximately 10,600 Swedish and Danish farmers - i.e. the members of the cooperative, who are also the suppliers of the cooperative's most important raw material – raw milk.

Arla is a Danish dairy cooperative with its head office in Viby, Denmark, but with an international business and production facilities in Denmark, Sweden, the United Kingdom, Saudi Arabia, Argentina, Brazil, Poland, USA, China and Canada as well as licensed production in Canada. Besides Denmark, Sweden and the United Kingdom, considered by Arla to be home markets, the company operates sales subsidiaries in 19 of its most important export countries.

Ingman is a Finnish dairy company. Geographically, Ingman is primarily present in Finland with very limited sales in i.a. Sweden, Denmark and Lebanon.

The primary production units of Ingman are situated in Sibbo and Lapinjärvi in Finland. In addition, Ingman has some minor facilities in Kitee and Urjala as well as a joint venture cheese facility in Kuusamo. Also, Ingman has a sales and distribution network in Finland with a centralised sales office in Sibbo, Söderkulla.

Both Arla and Ingman are active in the dairy market, including the purchase of raw milk, the supply of fresh milk, long-life milk, cream, flavoured milk products, fermented products, yellow fats, cheese, desserts, juice, ingredients and milk powder.

Due to the structure of the transaction, the transaction is to be categorised as an acquisition of sole control within the meaning of Article 3(1)(b) of Council Regulation 139/2004 as confirmed by the Merger Control Services.

As a result of the world-wide and community-wide turnover of the Parties, the transaction has a community dimension and must be notified to the Commission in accordance with the EC Merger Regulation.

The transaction will not significantly affect competition in the common market on any market segments.