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COMP/M.4513 – ARJOWIGGINS/ M-REAL ZANDERS REFLEX

SECTION 1.2

Description of the concentration

The notified concentration concerns the acquisition by Arjowiggins from M-real Corporation of all of the assets of M-real Zanders' Reflex mill in Düren (Germany). Although the Transaction does not meet the turnover thresholds set forth in Articles 1(2) and 1(3) of the EC Merger Regulation, it was referred to the Commission pursuant to Article 4(5) of the EC Merger Regulation.

The Transaction concerns primarily the carbonless paper market, which is under continuous decline and characterized by structural overcapacities as well as by the progressive replacement of carbonless paper by other paper products.

The Parties submit that the effect of the Transaction on competition will be limited on the carbonless paper market. Indeed, the merged entity will continue to face strong competition from three large EEA-wide players (Koehler, Mitsubishi and Torraspapel) as well as a number of local players.

Moreover, the new entity will be price-constrained post-Transaction by (i) the continuing existence of structural overcapacities on the carbonless paper market; and (ii) the potential competition of thermal paper producers, who could and would have the incentive to switch from thermal paper to carbonless paper in the short run without incurring significant costs should the trend on the market change.

Finally, the merged entity will continue to face increasing competition from neighbouring markets, such as uncoated wood free paper and thermal paper markets.

The Parties' activities also overlap, to a lesser extent, in the area of premium fine papers in the EEA. Moreover, since Antalis and Arjowiggins both belong to the Sequana Group, the paper distribution market will be vertically affected by the Transaction. Arjowiggins submit that the Transaction will not have any appreciable effect on competition on any of these markets.