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**COMP/M. 5153 - ARSENAL / DSP**

## **SECTION 1.2**

### **Description of the concentration**

The notified transaction relates to the proposed acquisition by Arsenal Capital Partners via Arsenal Capital Partners QP II and DAC Acquisition B.V. of DSM Special Products B.V. ("**DSP**").

Arsenal Capital Partners is a private equity firm which controls, via its Arsenal Capital Partners QP fund, Velsicol Chemical Corporation which produces plasticisers, food additives and industrial intermediates. DSM Special Products B.V., a subsidiary of DSM Nederland B.V., produces food additives and industrial intermediates.

Both companies are active in the manufacture and supply of benzoic acid and sodium benzoate. Benzoic acid is used in a range of applications, including: as a food preservative; as an animal feed supplement; in pharmaceutical products; in paints and coating; in personal healthcare products; and as an input to produce other chemicals including sodium benzoate. Sodium benzoate is primarily used as an antimicrobial preservative in food and soft drinks. It is also used for a number of other end applications including: in pharmaceutical products; in the automotive industry; in personal care products; and pyrotechnics.

Velsicol Chemical Corporation also manufactures plasticisers. Plasticisers are predominantly used to increase the flexibility of end products such as flexible polyvinyl chloride ("**PVC**").