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*Case No IV/M.758 -  
Sara Lee / Aoste  
Holding SA*

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION  
Date: 25/06/1996

*Also available in the CELEX database  
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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.6.1996

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PUBLIC VERSION

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MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sirs,

Subject : Case No IV/M.0758 - SARA LEE / AOSTE HOLDING SA  
Notification of **22/05/96** pursuant to Article 4 of Council Regulation No 4064/89

1. On May 22, 1996, the Commission received a notification of a proposed concentration pursuant to article 4 of Council Regulation (EC) No. 4064/89 by which Sara Lee Charcuterie SA (Sara Lee), a French corporation belonging to the Sara Lee group, acquires within the meaning of article 3(1)(b) of the Council Regulation sole control of Aoste Holding SA, a French corporation, and Euragral b.v. (Euragral), a Dutch limited liability company, by way of purchasing 100% of their shares. Sara Lee will acquire Aoste Holding and Euragral b.v. from Mr. Michel Reybier, [...] <sup>(1)</sup> directly and [...] <sup>(2)</sup> indirectly [...] <sup>(3)</sup>. In the transaction Sara Lee Personal Products, S.p.A., an Italian corporation under common control with Sara Lee, will acquire 100% of the capital of, and sole control of, Al Ponte Prosciutti, S.R.L., an Italian limited liability company under common control with Aoste Holding.
2. After examination of the operation, the Commission has concluded that the notified operation falls within the scope of Council Regulation No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA Agreement.

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## **I. THE PARTIES' ACTIVITIES AND THE OPERATION**

3. The Sara Lee group is a large US multinational group active in four main areas: packaged meats and bakery products, coffee and groceries, textile products (hosiery, knitwear and underwear) and personal care products (toiletries, insecticides, cleaning products, etc). It markets its products under major retailing brands such as Douwe Egberts, Pickwick, Playtex, Abanderando, Hanes, Zwitsal, etc.
4. Aoste Holding S.A, through its subsidiaries, manufactures and distributes processed pork products. They conduct manufacturing activities in France and Italy and distribute their products in France and other countries in Europe. The group's primary products are: dried ham, sausage, cooked ham, chitterling sausages, pâté, pâté en croustille and meat pastries.
5. Sara Lee holds, manages and controls shares in legal entities and participates directly or indirectly in transactions that advance the interests of the Sara Lee group in France and abroad.
6. As regards the proposed transaction, the seller is constituted by Mr. Michel Reybier, [...] <sup>(4)</sup>. Euragral is a holding company [...] <sup>(5)</sup> owned by Mr. Michel Reybier [...] <sup>(6)</sup>. Euragral owns 69.66% of the shares of the capital stock of Aoste Holding; the remainder of the shares belong to [...] <sup>(7)</sup> to minority shareholders (respectively 30.04% and 0.30%).
7. Sara Lee will acquire all the shares in Aoste Holding and of Euragral, and also certain minority interests held by Aoste Holding. Sara Lee Personal Products will acquire the shares in Al Ponte Prosciutti.
8. The operation constitutes therefore an acquisition of sole control by Sara Lee of Aoste Holding, Euragral and an acquisition by Sara Lee Personal Products of sole control of Al Ponte Prosciutti.

## **II. COMMUNITY DIMENSION**

9. The Sara Lee group, Aoste Holding S.A, Euragral, and Al Ponte Prosciutti have a combined worldwide turnover in excess of 5000 million ECU. Each of them has a Community-wide turnover in excess of 250 million ECU, but they do not achieve more than two thirds of their aggregate Community-wide turnover within one and the same member state. The notified operation therefore has a Community dimension. It does not constitute a cooperation case under the EEA Agreement.

## **III. COMPATIBILITY WITH THE COMMON MARKET**

### Relevant product and geographic markets

10. The businesses being acquired include processed meat products which are businesses in which both parties participate. The notifying parties state that the narrowest market is the relevant product market for dry and salted foodstuffs, cooked ham, cooked sausage and pâté and canned products including poultry, all at national level. Nonetheless, it is not

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necessary to delineate further the relevant product markets and the geographic reference markets because, in all alternative markets considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

#### Assessment

11. Since the acquisition of BP Nutrition's Processed Meats division in 1993, and of the Belgium-based Imperial Meats group in 1994, the Sara Lee group has been involved in the processed meat industry in various European countries. Its shares by volume in the different product groups are not significant enough to raise competition concerns. Furthermore, in the countries where Sara Lee's shares are the highest it faces strong competitors of multinational or large national dimension.
12. Aoste and Euragral are present in several European countries but manufacture and distribute most of their products in France where Sara Lee is virtually absent. Al Ponte Prosciutti is only active in Italy (dried and salted foodstuffs), while Sara Lee has in this country very marginal sales for miscellaneous products. Aoste Holding's main competitors in France are Nestlé/Herta, Fleury Michon, P. Prédault and BSN. The processed meat products are distributed mainly by large retailers which are in the course of becoming also competitors with their own trademarks for processed meat products (Leclerc, Intermarché).
13. There is no significant horizontal overlap between Sara Lee and Aoste Holding. The highest market shares resulting from the overlap are found for dry and salted foodstuffs in Belgium [...] <sup>(8)</sup> [...] <sup>(9)</sup> [...] <sup>(10)</sup> and in France [...] <sup>(11)</sup> [...] <sup>(12)</sup> [...] <sup>(13)</sup>. The proposed operation results in limited addition of market share and does not change significantly the structure of the market for dry and salted foodstuffs in Belgium and France.

#### **IV. CONCLUSION**

14. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the functioning of the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation No 4064/89.

For the Commission,

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<sup>(8)</sup> Data replaced by range from 10% to 20% for publication.

<sup>(9)</sup> Data replaced by range from 0 to 10% for publication.

<sup>(10)</sup> Data replaced by range from 10% to 30% for publication.

<sup>(11)</sup> Data replaced by range from 0 to 10% for publication.

<sup>(12)</sup> Data replaced by range from 10% to 20% for publication.

<sup>(13)</sup> Data replaced by range from 10% to 20% for publication.