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M.10689 - OCP GROUP / KOCH INDUSTRIES / JORF FERTILIZER COMPANY

SECTION 1.2

Description of the concentration

The Proposed Transaction would not significantly impede effective competition in the common market or in a substantial part of it.

The Proposed Transaction is pro-competitive. It would create new suppliers of DAP and MAP. JFC III would produce up to approximately 1,100 thousand metric tons (“**kMT**”)¹ of DAP equivalent,² and 50% of that production would be supplied to KII Group. The remaining 50% would be supplied by JFC III to other customers. As a result, following the Proposed Transaction, each of KII Group and JFC III would be in the position to supply up to 550 kMT of DAP equivalent annually.

The world-wide market for the production and supply of phosphate fertilisers (DAP and MAP) is a reportable market. For the sake of completeness the Parties also address the upstream markets for the world-wide supply of phosphate rock, phosphoric acid (in which OCP is active), anhydrous ammonia and sulphur (in which KII Group is active). However, the relationships between OCP, JFC III and KII Group on these markets are not merger specific. OCP supplied phosphate rock to JFC III before the Proposed Transaction, and KII Group has supplied anhydrous ammonia and sulphur to OCP in the past and may well continue to do so regardless of the Proposed Transaction. JFC III uses the phosphate rock supplied by OCP, and anhydrous ammonia and sulphur that OCP may re-supply to JFC III to produce phosphoric acid and fertilisers.

¹ Thousand metric tons for phosphate rock and fertilisers, and million metric tons for ammonia and sulphur.

² Volumes based on DAP. Fertiliser volumes are linked to the type of fertiliser.
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