



GAZDASÁGI
VERSENYHIVATAL

Green light to the acquisition of Balaton szelet by Nestlé

The Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH) authorised the purchasing of the Balaton-branch of Győri Kecs Kft. by the Nestlé group.

Nestlé Hungaria Kft. and Société des Produits Nestlé S.A. entered into an agreement with Győri Kecs Kft, on 23 April 2008, in order to acquire the latter's intellectual property rights, production know-how and production facilities know-how, stocks, promotion materials, production machines and equipments, used for the production of the chocolate wafer named Balaton (in the following together: Balaton branch). The intellectual property rights and the production know-how became the property of Société des Produits Nestlé S.A., and all the rest became the property of Nestlé Kft.

As it is set out in the Competition Act, the authorisation of the GVH shall be sought in cases where the aggregate net turnover of the two undertakings concerned by a concentration exceeded HUF fifteen billion in the preceding business year, and the net turnover of each of them in the preceding business year was higher than HUF five hundred million.

The members in Hungary of the Nestlé-group are engaged in the production and distribution of foodstuff (coffee, cocoa, kitchen products, baby food, candies, popsicles), mineral and spring water, medicines, cornflakes products and animal food. The market share of the group on the Hungarian chocolate bar market is below 10%. The Balaton branch of Győri Kecs Kft. produces chocolate bars only, and its markets share is below 10% as well.

As the GVH found that the merger does not create or strengthen a dominant position on the Hungarian chocolate bar market, and it does not impede the sustainment and development of effective competition, it authorised the concentration.