14 June 2018: Acquisition of William Saurin - Reaction of the Autorité after the Minister of Economy's decision

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The Autorité de la concurrence acknowledges the decision of the Minister of Economy and Finance to use its power to reexamine the operation, cleared by the Autorité today regarding the acquisition of certain securities and assets of the ready meals arm of Agripole group by Cofigeo

By re-examining the operation, the Minister will decide in view of public interest grounds other than those of competition.

This morning, the Autorité de la concurrence cleared the acquisition by Financière Cofigeoof certain securities and assets of the ready meals arms of Agripole group
(William Saurin, Panzani, Garbit), subject to two targeted divestments (a production site and the Zapetti brand) designed to maintain competition in the sector.

Applying the powers entitled to it by the French Commercial Code, the *Autorité* carried out an in-depth competitive overview of the operation, by hearing all of the parties and operators in the sector. In view of the significant market shares that Cofigeo would have had following the transaction, and the concentration by the new entity of all the best-known brands in the sector, the *Autorité* decided that remedies were necessary to counteract the important effects on competition. In the absence of sufficient remedies proposed by Cofigeo, the *Autorité* conditioned its approval, instead of blocking the operation.

The conditions set for the completion of the operation enable Cofigeo to become the leader in the canned ready meals sector while protecting consumers, especially those with modest incomes, from price increase risks regarding essential goods. This solution is, for the Autorité, balanced and proportionate to the competition issues arising from the operation.

Power to evoke a case that may lead to a ministerial authorization

Article L. 430-7-1 of the French Commercial Code provides that the Minister of Economy can « evoke the case » within 25 working days after receiving the *Autorité's* decision and decide on the concerned operation on the grounds of public interest, other than the safeguarding of competition, and if need be, compensating for the negative impact on competition generated by the operation".
Under the scope of public interest grounds other than the safeguarding of competition, can be found, under the law: industrial development, business competitiveness in view of international competition or the creation and stability of employment.

When the Minister uses his power to "evoke a case", he "makes a motivated decision on the concerned operation, after having heard the observations from the parties to the merger. This decision can potentially be conditioned to the effective implementation of commitments".

The Minister's power to "evoke a case" has never been exerted since the adoption in 2008 of the new legal framework for merger control, which also created the *Autorité de la concurrence*.

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