NOTICE SEEKING CLEARANCE OF A BUSINESS ACQUISITION PURSUANT TO SECTION 66 OF THE COMMERCE ACT 1986

24 NOVEMBER 2017

The Registrar
Business Acquisitions and Authorisations
Commerce Commission
PO Box 2351
Wellington

Pursuant to s66(1) of the Commerce Act 1986 notice is hereby given seeking **clearance** of a proposed business acquisition.

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1. EXECUTIVE SUMMARY

1.1 H.J. Heinz Company (New Zealand) Limited (**HNZ**) intends to acquire Cerebos Pacific Limited's (**Cerebos'**) New Zealand food and instant coffee business, by acquiring 100% of the shares in Cerebos' subsidiary Cerebos Gregg's Limited (the **Proposed Transaction**). The Proposed Transaction is part of an international transaction by which HNZ's parent, the Kraft Heinz Foods Company, through local subsidiary companies, will acquire Cerebos' New Zealand, Australia and Singapore food and instant coffee business.

1.2 HNZ and Cerebos both supply a range of table sauces. The table sauces category is extremely diverse, encompassing hundreds of brands and individual products including tomato sauces, ketchup, barbeque sauce, steak sauce, Worcestershire sauce, Asian sauces, condiments, mayonnaise, mustard and marinades, the majority of which are manufactured overseas and imported into New Zealand.

1.3 As both HNZ (through its wholly-owned subsidiary Heinz Wattie's Limited) and Cerebos (through its wholly-owned subsidiary Cerebos Gregg's Limited) products are supplied in New Zealand, the Proposed Transaction affects a market(s) in New Zealand. HNZ sauce products are manufactured in New Zealand[1] while Cerebos sauce products are manufactured in Australia and imported into New Zealand.[2]

1.4 The Proposed Transaction delivers the opportunity for HNZ to expand its portfolio into complementary food categories without any detrimental impact on competition in relevant markets.

Red, barbeque, steak and Worcestershire sauce

1.5 Within the table sauces category, the major area of competitive overlap in the merger parties' New Zealand activities is the wholesale supply of red (tomato sauce and ketchup[3]), barbecue, steak and Worcestershire sauces.

1.6 HNZ seeks clearance for the Proposed Transaction subject to a divestment undertaking. Broadly, the divestment includes:

(a) the recipes for Gregg's tomato sauce, barbecue sauce and steak sauce products supplied in New Zealand;

(b) the right to use the Gregg's brand insofar as it relates to tomato sauce, barbecue sauce and steak sauce in New Zealand;

(c) the recipes for F. Whitlock & Sons Worcestershire sauce products supplied in New Zealand;

(d) the right to use the F. Whitlock & Sons brand insofar as it relates to Worcestershire sauce in New Zealand; and

(e) an offer to enter into co-packing agreements with any purchaser of the brands divested pursuant to the divestment undertaking, if requested.

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[1] With the exception of Heinz Ketchup 50% Less, a recently-launched product that is forecast to account for approximately [ ] of HNZ's total sauces revenue in 2018.

[2] With the exception of Gregg's 590g tomato sauce refill pouch, which is manufactured for Cerebos [
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[3] Cerebos does not supply ketchup, and accordingly there is no overlap between the parties for ketchup.

1.7 Absent the divestment, the Proposed Transaction would involve the aggregation of the number one and number two wholesale suppliers of red, barbecue, steak and Worcestershire sauces, resulting in combined market shares ranging from approximately [ ] (barbecue sauce) to [ ] (steak sauce).

1.8 However, the proposed divestment of the Gregg's brand of tomato sauce, barbecue sauce and steak sauce and the F. Whitlock & Sons brand of Worcestershire sauce will remove almost all of the aggregation that would otherwise occur in the red, barbecue, steak and Worcestershire sauce markets, by transferring to the purchaser all assets necessary to participate in these markets. These are the only markets where the level of aggregation could raise competition concerns.

Asian sauces, condiments and chilli sauce

1.9 The level of competitive overlap in Asian sauces, condiments and chilli sauce does not give rise to any competition concerns.

1.10 In markets for the wholesale supply of Asian sauces the Proposed Transaction will involve the aggregation of the number one and number four suppliers, with a combined market share of approximately [ ].

1.11 No competition concerns will arise in the market for the wholesale supply of Asian sauces because:

(a) the combined market share of the merger parties is well within the NZCC's concentration indicators;

(b) there will remain significant competitive constraint from the number two and three market participants, AB World Foods and Acton International Marketing Ltd which supply the Patak's, Blue Dragon, Lee Kum Kee and Indofood brands of Asian sauces. Their respective market shares are circa [ ] and [ ];

(c) there will also remain a substantial number of smaller competitors supplying well-known brands, which will continue to impose a significant competitive constraint on the merged entity;

(d) barriers to entry into the supply of sauces (including Asian sauces), dressings and condiments are low. This is evidenced by regular new product launches including many smaller brands and imported brands; and

(e) supermarkets will continue to wield a considerable degree of countervailing power and impose a significant competitive constraint on the merged entity.

1.12 In the condiments and chilli sauce categories the level of aggregation is very minor:

(a) while Cerebos has an approximate [ ] share of the condiments category, HNZ has [ ]. The merged entity will continue to be constrained by a number of competitors large and small including the largest participant, Barker's of Geraldine;

(b) in the chilli sauce category, Cerebos has an approximate [ ] share while HNZ has around [ ]. The merged entity will continue to be constrained by a number of competitors large and small including the largest participant, Hutchinsons.

1.13 Further, in both the condiments and chilli sauce categories, barriers to entry are low and supermarkets possess substantial countervailing power.

Gravies, powdered beverages, desserts and soy sauce

1.14 In the gravies, powdered beverages, desserts and soy sauce categories one or both of the parties have very minimal market shares [ ] and there is de minimis competitive overlap.

1.15 There is no competitive overlap in respect of instant coffee, tea, salt, or herbs and spices.

1.16 Accordingly, as outlined further in this application, the Proposed Transaction is unlikely to have the effect of substantially lessening competition in any market in New Zealand.

2. APPLICANT AND OTHER PARTIES

The Applicant

2.1 This notice is given by H.J. Heinz Company (New Zealand) Limited (**HNZ**)

2.2 Details for HNZ are:

Postal address:	513 King Street North, Hastings, New Zealand
Physical address:	513 King Street North, Hastings, New Zealand
Telephone:	+61 3 9861 5181
Web address:	http://www.heinzwatties.co.nz
Contact person:	Carolyn Fox Director Carolyn.Fox@kraftheinz.com

2.3 All correspondence and notices in respect of this application should be directed in the first instance to:

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88 Shortland Street
Auckland 1010

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The other party

2.4 The other party is Cerebos Pacific Limited (**Cerebos**)

2.5 Details for Cerebos are:

Postal address:	18 Cross Street, #12-01/08, China Square Central, Singapore 048423
Physical address:	18 Cross Street, #12-01/08, China Square Central, Singapore 048423
Web address:	http://www.cerebos.com

2.6 The contact representative for Cerebos is:

Robert Tanna
Chief Operating Officer
Cerebos Australia and New Zealand
Private Bag 15
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AUSTRALIA

RobT@cerebos.com.au

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2.7 All correspondence and notices in respect of this application should be directed in the first instance to:

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3. TRANSACTION DETAILS

The proposed transaction

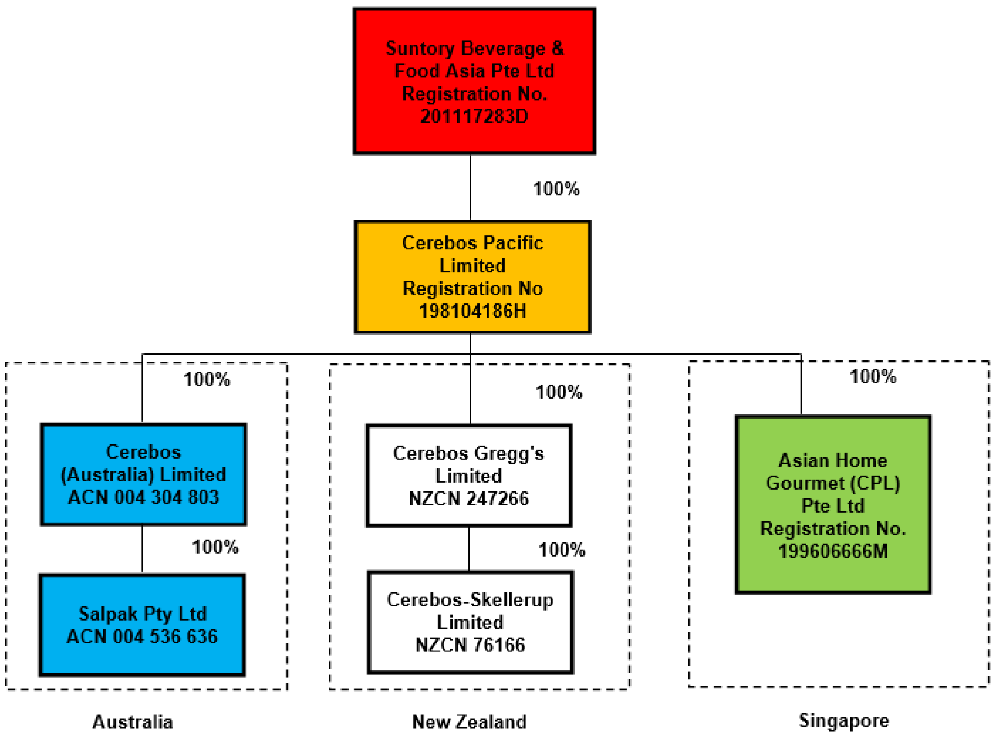
3.1 HNZ intends to acquire Cerebos' New Zealand food and instant coffee[4] business (**Proposed Transaction**). The Proposed Transaction is part of an international transaction by which HNZ's parent, the Kraft Heinz Foods Company (**KHF**), through local subsidiary companies, will acquire Cerebos' New Zealand, Australia and Singapore food and instant coffee business.

3.2 As both HNZ (through its wholly-owned subsidiary Heinz Wattie's Limited) and Cerebos (through its wholly-owned subsidiary Cerebos Gregg's Limited) products are supplied in New Zealand, the Proposed Transaction affects a market(s) in New Zealand. HNZ sauce products are manufactured in New Zealand,[5] while Cerebos sauce products are manufactured in Australia and imported into New Zealand.[6]

3.3 The Proposed Transaction will be implemented under the terms of a sale and purchase agreement entered into on 19 October 2017 (**SPA**). HNZ will acquire 100% of the shares in Cerebos' subsidiary Cerebos Gregg's Limited (**CGL**). For context, in Australia another KHF subsidiary, Kraft Heinz Australia Pty Limited, will acquire 100% of the shares in Cerebos (Australia) Limited (**CAL**), and in Singapore, Heinz Asean Pte. Ltd will acquire 100% of the shares in Asian Home Gourmet (CPL) Pte Ltd (**AHG**) (CGL, CAL and AHG are the **Sale Companies**). Under the terms of the SPA, the Proposed Transaction is conditional upon clearance being granted by the New Zealand Commerce Commission (**NZCC**).

3.4 The pre-completion structure of the Sale Companies will be:

Figure 1: pre-completion structure



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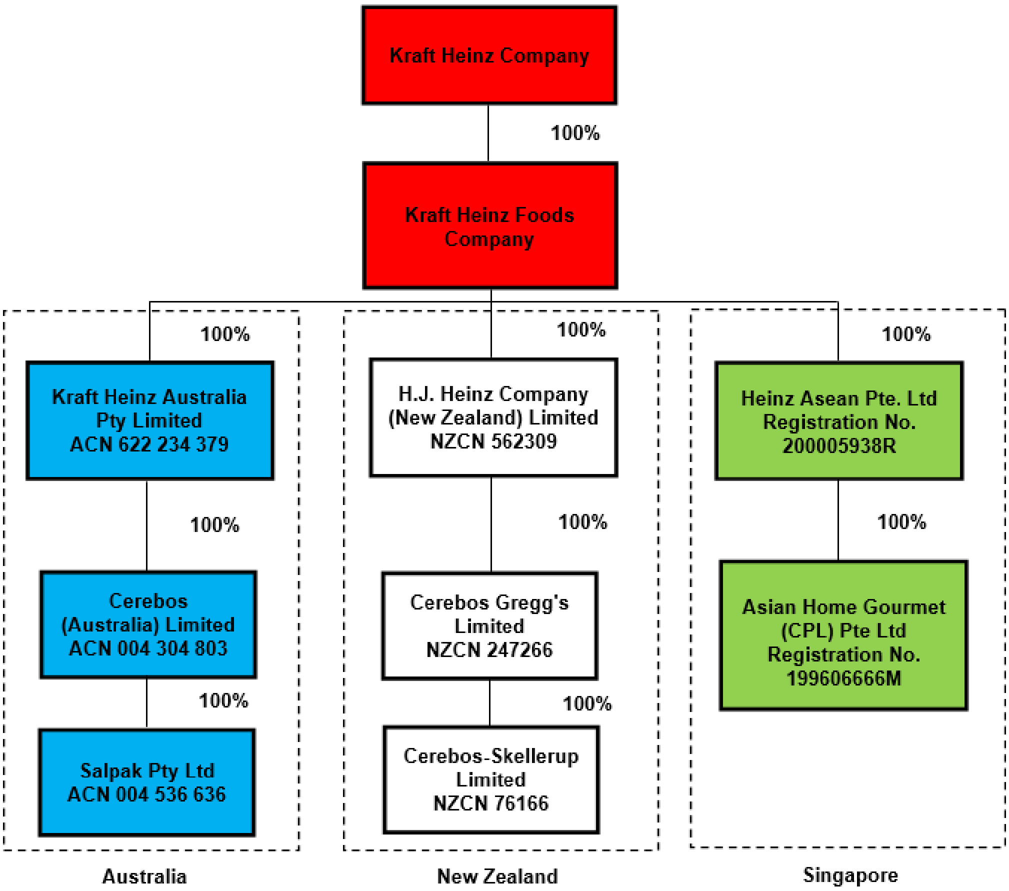
[4] Fresh coffee is not part of the Proposed Transaction.

[5] Except for Heinz Ketchup 50% Less, a recently-launched product that is forecast to account for approximately [ ] of HNZ's total sauces revenue in 2018.

[6] Except for Gregg's 590g tomato sauce refill pouch, which is manufactured for Cerebos [ ].

3.5 The post-completion structure of the Sale Companies will be:

Figure 2: post-completion structure



The rationale for the transaction

3.6 Suntory Beverage & Food Asia Pte Ltd (**Suntory**), the owner of Cerebos, is selling the Cerebos food and instant coffee business to focus on Suntory's core business, the beverage category. The Proposed Transaction provides an opportunity for HNZ to expand its portfolio into complementary food categories.

Application for clearance

3.7 HNZ seeks clearance for the Proposed Transaction subject to it undertaking to sell the assets described at 3.9 below to a third party (the **Divestment**).

3.8 The Divestment addresses any competition concerns which would otherwise arise in markets for the wholesale supply of red, barbecue, steak and Worcestershire sauces, by transferring to the purchaser all assets necessary to participate in these markets. In other markets, the level of aggregation does not give rise to any competition concerns.

The Divestment undertaking

3.9 The Divestment includes:

(a) the recipes for Gregg's tomato sauce, barbecue sauce and steak sauce products supplied in New Zealand;

(b) the right to use the Gregg's brand insofar as it relates to tomato sauce, barbecue sauce and steak sauce in New Zealand;

(c) the recipes for F. Whitlock & Sons Worcestershire sauce products supplied in New Zealand;

(d) the right to use the F. Whitlock & Sons brand insofar as it relates to Worcestershire sauce in New Zealand; and

(e) an offer to enter into co-packing agreements with any purchaser of the brands divested pursuant to the divestment undertaking, if requested.

(the **Divestment Business**).

3.10 The Divestment Business includes all intellectual property and other assets necessary to operate the business as an independent business. A purchaser of the Divestment Business will be able to participate in the New Zealand market by manufacturing the products itself, or through co-packing arrangements with a third party manufacturer.

3.11 There are a large number of co-packers which have capacity to produce the volumes supplied under the Gregg's and F. Whitlock & Sons brands. Information on co-packing arrangements is provided at 8.42 - 8.50 below. In addition, HNZ is also offering to enter into co-packing agreements with the purchaser if required. This choice of co-packing arrangements will ensure that the purchaser will be able to operate a viable and competitive business.

3.12 The Divestment Business does not include the right to use the F. Whitlock & Sons brand in relation to red sauce or barbecue sauce. No competition issues will arise because:

(a) only two F. Whitlock & Sons red sauce products (Tomato Chutney 440g and Tomato Chutney 2.2kg) are supplied in New Zealand. Together, these represent approximately [ ] of the red sauces market by revenue and [ ] by volume in the retail channel; and

(b) only one barbecue sauce product (Smoky BBQ Sauce) is supplied under the F. Whitlock & Sons brand in New Zealand, representing approximately [ ] by revenue and [ ] by volume in the supply of barbecue sauces to the retail channel.

3.13 The Divestment Period is 6 months from the date of completion of the Proposed Transaction.

3.14 There is no material composition, asset or purchaser risk associated with the Divestment:

(a) Gregg's is an established brand occupying the number two position in the stable and growing red and brown sauce categories. The Gregg's brand has taste and quality credentials and strong innovation and new product development capabilities;

(b) F. Whitlock & Sons is a strong and established Worcestershire sauce brand with taste and quality credentials;

(c) while there are a number of third party toll manufacturers available to the purchaser, the Divestment also includes the offer of a co-packing agreement for the divested brands if required by the purchaser;

(d) any asset risks are appropriately addressed by HNZ's hold-separate and other conduct commitments in the divestment undertaking; and

(e) a substantial number of parties that would find the Divestment Business attractive have been identified as potential buyers, including those with an existing presence in the broader sauces category in New Zealand. The Divestment Business is a standalone, profitable business likely to be in high demand. In the event that a suitable buyer cannot be found within the agreed timeline, HNZ will divest the Divestment Business to an acceptable acquirer at no minimum price, removing any purchaser risk.

3.15 The Proposed Transaction and Divestment would result in the F. Whitlock & Sons brand in New Zealand being split between HNZ (in relation to red sauce and barbecue sauce) and a purchaser (in relation to Worcestershire sauce). It is not unusual to split a brand by product lines, either through split ownership or through licensing arrangements. For example:

(a) [ ].

(b) [ ].

(c) [ ].

3.16 Appropriate mechanisms can be put in place in any relevant licensing agreement to ensure branding support.

3.17 HNZ's divestment and hold-separate undertakings are included as **Confidential Annexure 1**.

The divestment strategy

3.18 The Applicant engaged Morgan Stanley in relation to the divestment strategy. A paper prepared by Morgan Stanley is included as **Confidential Annexure 2**.

3.19 The Morgan Stanley paper identifies an extensive list of potential purchasers which would be interested in the Divestment Business, including New Zealand and offshore parties with existing and potential interests in sauces, as well as financial buyers.

3.20 A competitive sales process would be expected to take approximately 12-14 weeks, encompassing:

(a) preparation of marketing materials and data room (2-3 weeks);

(b) canvassing of potential buyers (1-2 weeks);

(c) potential bidder due diligence period (4-6 weeks);

(d) binding bids and final negotiations on transaction documentation.

Other competition agencies that are being notified

3.21 The ACCC has also been notified of the Proposed Transaction.

The sale and negotiation process

3.22 The purchase price for the Proposed Transaction is [ ]. For the avoidance of doubt, this price relates only to the New Zealand business.

3.23 Cerebos' preparation for the sale process commenced in December 2016. UBS conducted pre-soundings in April/May 2017 and officially launched Stage 1 on 26 June 2017, where buyers were provided with an information memorandum (which, along with an updated version, has been provided to the NZCC) and invited indicative bids on 19 July 2017. HNZ became involved at the start of Stage 1.

3.24 After receiving first round bids, UBS/SBFA narrowed the parties based on valuation and ability to execute, and other factors, and then invited these parties to Stage 2 on 31 July 2017. During Stage 2, bidders were given access to more information, site visits and management, and access to vendor due diligence materials, to carry out due diligence. Final offers were received on 11 September 2017.

4. THE ACTIVITIES OF THE PARTIES TO THE TRANSACTION

The Applicant

4.1 HNZ is a subsidiary of the Kraft Heinz Foods Company (**KHF**), which is a subsidiary of global food and beverage company The Kraft Heinz Company (**KHC**) based in the United States. KHC was formed in 2015 by a merger of Kraft Foods Group, Inc. and the H. J. Heinz Company. It is a public company listed on the NASDAQ Stock Market (NASDAQ: KHC). The H. J. Heinz Company had acquired the Wattie's group in 1992.[7]

4.2 HNZ supplies over 1,000 products, including condiments and table sauces, baked beans and spaghetti, frozen and canned fruits and vegetables, frozen and canned ready-to-eat meals, soups, cooking sauces, salad dressings, seafood, infant nutrition products, jams and peanut butter, fruit juices and soft drinks, meat products and pet food. Its brands include Wattie's, Heinz, Heinz Seriously Good, Nurture, Wattie's forbaby, Golden Circle, Craig's, Eta, Weight Watchers, Oak, Cottee's, Rose's, Complan, Lea & Perrins, HP, Hellaby's, Pacific, Chef, Nutri+Plus, Champ and Gourmet.

4.3 In New Zealand, HNZ supplies over 1,000 products through the retail channel, and approximately 300 products through the food service channel. It also exports products to over 40 countries around the world.

4.4 [ ].

4.5 HNZ has six production factories in New Zealand: four in Hastings, which produce jams, dressings, soups, sauces, beans, spaghetti, chilled soup, canned fruit and vegetables, and frozen meals; one in Auckland, which produces pates, dips and meat sticks; and one in Christchurch, which produces frozen, dehydrated and freeze-dried vegetable products. Some products are co-packed for HNZ using some HNZ ingredients. HNZ manufactures all of its New Zealand (and Australian) sauce products from its King Street factory in Hastings.

4.6 Internationally, KHC's core products include beverages, cheese, convenience foods, dairy foods and snack foods.

The other party

4.7 Cerebos is an Australasian food and beverage company with products across the sauces, condiments, gravy, salt, herbs & spices, desserts, cooking aid, Asian sauces and beverages categories.

4.8 Cerebos primarily operates through subsidiaries in Australia and New Zealand, with a small presence in Singapore. Its key brands in New Zealand include Cerebos, Gregg's, F. Whitlock & Sons, Bisto, Robert Harris, Dilmah,[8] Raro, Special Blend and Asian Home Gourmet.

4.9 In New Zealand, Cerebos supplies approximately 400 products through the retail channel and approximately 440 products through the food service channel. [ ].

4.10 Cerebos manufactures instant coffee at its factory in Dunedin, New Zealand and sauce products at its factory in Seven Hills, New South Wales. In addition, Cerebos has some products manufactured by third parties under co-packing arrangements, including Gregg's 590g tomato sauce refill pouch, which is manufactured for Cerebos by [ ].

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[7] H J Heinz Company and Wattie Foods Ltd NZCC Decision No. 268 (30 September 1992).

[8] The Dilmah brand is not owned by Cerebos, but is distributed by Cerebos under contract.

4.11 The relevant pre-completion structure is set out in Figure 1 at 3.4 above.

Overview of the New Zealand sale business

4.12 The Proposed Transaction includes Cerebos' food and instant coffee business. Overlap markets are discussed at 4.13 - 4.15 and sections 6 and 8 below. At a very high level, the broad categories and key brands included in the Proposed Transaction are:[9]

(a) desserts – products include jelly, instant pudding, mousse and dessert mixes (such as crumble mix). Cerebos' key brand in this category is Gregg's;

(b) condiments – products include a range of chutneys, relishes and pickle products. Cerebos' key brands in this category are Gregg's and F. Whitlock & Sons;

(c) instant coffee – Cerebos' key brands in this category are Gregg's, Robert Harris and Special Blend;

(d) tea – Cerebos' key brand in this category is Dilmah, which it distributes under contract;

(e) salt – Cerebos' key brands in this category are Gregg's, Cerebos and Skellerup;

(f) herbs and spices – Cerebos' key brands in this category are Gregg's and Cerebos;

(g) sauces – products in this broad category include tomato sauce, barbecue sauce, steak sauce, marinades, mint sauce, mustard, chilli sauce, Worcestershire sauce and soy sauce. Cerebos' key brands in this category are Gregg's and F. Whitlock & Sons;

(h) Asian sauces – products include a range of Indian and non-Indian Asian sauces and pastes. Cerebos' key brand in this category is Asian Home Gourmet;

(i) gravies – Cerebos' key brand in this category is Bisto;

(j) powdered beverages – Cerebos' key brands in this category are Raro and Refresh; and

(k) other / miscellaneous.

Horizontal overlap between the parties

4.13 There is no overlap in the supply of instant coffee, tea, salt, or herbs and spices. There is de minimis (close to nil) overlap in the supply of desserts,[10] gravies, powdered beverages[11] and soy sauce.

4.14 HNZ and Cerebos do not overlap in the manufacture of sauces, as Cerebos does not have a sauce manufacturing facility in New Zealand. Cerebos manufactures only instant coffee at its factory in Dunedin.

4.15 HNZ and Cerebos overlap in the wholesale supply of:

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[9] [ ].

[10] HNZ's dessert products are canned creamed rice, which do not overlap with Cerebos' desserts. Cerebos' dessert products are jelly, mousse and other flavoured instant puddings and dessert mixes. Source: IRI Aztec SKU data for Foodstuffs and Progressive Enterprises, moving annual total to 25 June 2017.

[11] HNZ's market share is less than [ ].

(a) tomato sauces (part of a **Red Sauces** market which primarily includes ketchup and tomato sauces);

(b) barbecue, steak and Worcestershire sauces (collectively referred to as **Brown Sauces**);

(c) Asian sauces;

(d) condiments (chutneys, relishes and similar products); and

(e) chilli sauce,

to the retail and food service channels in New Zealand.

4.16 The competitive overlap is discussed in detail in section 8 of this application.

4.17 We provide in **Annexures 3 to 6**:

(a) a copy of, or link to, the most recent annual report, audited financial statements and management accounts for the relevant business unit(s);

(b) each party's total sales revenues, volumes, and, where relevant, capacity and excess capacity figures;

(c) the names and contact details for the parties' main competitors, and any trade or industry associations in which one or both of the merging parties participate; and

(d) the names and contact details for each party's key customers, and the revenue earned from each in the last financial year.

5. THE INDUSTRY

5.1 The table sauces category is extremely diverse, encompassing hundreds of brands and individual products including red sauces, barbecue sauce, steak sauce, Worcestershire sauce, condiments, mayonnaise, mustard, marinades and other sauces. The Asian sauces category includes Indian and non-Indian Asian sauces; it primarily consists of cooking sauces and pastes, but also includes some dipping sauces. There is a vast array of consumer choice across the categories. Some products (including HNZ sauces) are manufactured locally while a number of brands (including Cerebos sauces) are imported from overseas.

5.2 The categories are fast moving as flavour preferences evolve, population ethnicity changes and overseas flavour trends arrive. For example, mayonnaise and aioli are strong performers in the table sauces category and are increasingly used as alternatives to red sauces. The category is also influenced by health and wellness trends and there is an increasing demand for reduced-salt and reduced-sugar products.

Red Sauces

5.3 Red sauces are sweet-tasting, tomato-based sauces that are generally added to a variety of prepared food. The main ingredients are tomato paste, vinegar, spices, sugar, salt and water. They are packaged in glass or plastic bottles, in tins or in pouches. Tomato sauce and ketchup are the main red sauce products, but certain chutney, salsa and similar sauces are included in the category.

5.4 As detailed at 8.6 below, in the 12 months to 25 June 2017, red sauces had retail sales revenue of approximately [ ] and a retail sales volume of approximately [ ] tonnes through the two major supermarket chains.[12]

5.5 Suppliers of red sauces include:

Table 1: suppliers of red sauces

Supplier	Brands
HNZ	Wattie's, Heinz, Oak
Cerebos	Gregg's, F. Whitlock & Sons
Delmaine Fine Foods	Delmaine, Tuimato
Mars NZ	MasterFoods
Foodstuffs – private label	Pams, Budget / Value
Progressive Enterprises – private label	Countdown, Homebrand / Essentials
smaller suppliers	a number of brands, including Barker's of Geraldine and All Gold

5.6 The red sauces category is not highly dynamic as far as products are concerned. However, from time to time new product variations are introduced (for example organic, low salt or spicy) and there are no barriers to innovation.

[12] IRI Aztec SKU data for Foodstuffs and Progressive Enterprises, moving annual total (**MAT**) to 25 June 2017.

Brown Sauces

5.7 Brown sauces in New Zealand typically include some combination of tomato paste, fruit puree, salt, vinegar, spices, sugar, molasses and flavouring. They include barbecue sauces, steak sauces (including HP Sauce) and Worcestershire sauce.

5.8 As detailed at 8.6 below, in the 12 months to 25 June 2017, barbecue sauce had retail sales revenue of approximately [ ] and a retail sales volume of approximately [ ] tonnes; steak sauce had retail sales revenue of approximately [ ] and a retail sales volume of approximately [ ] tonnes; and Worcestershire sauce had retail sales revenue of approximately [ ] and a retail sales volume of approximately [ ] tonnes through the two major supermarket chains.

5.9 Suppliers of brown sauces include:

Table 2: suppliers of brown sauces

Supplier	Products	Brands
HNZ	barbecue sauce, steak sauce, Worcestershire sauce	Wattie's, Heinz, HP, Lea & Perrins
Cerebos	barbecue sauce, steak sauce, Worcestershire sauce	Gregg's, F. Whitlock & Sons
Delmaine Fine Foods	barbecue sauce, Worcestershire sauce	Delmaine, Tui, Boss
Mars NZ	barbecue sauce	MasterFoods
Foodstuffs – private label	barbecue sauce, Worcestershire sauce	Pams, Gilmours
Progressive Enterprises – private label	barbecue sauce, Worcestershire sauce	Countdown, Homebrand / Essentials
smaller suppliers	barbecue sauce, steak sauce, Worcestershire sauce	many brands, including Rufus Teague, Barker's of Geraldine, Jack Daniel's

5.10 The brown sauce category is also not highly dynamic as far as products are concerned. Our comments at 5.6 above also apply to barbecue and steak sauces.

Asian sauces

5.11 Asian sauces encompass a wide variety of Asian and Indian sauces, including authentic and mainstream varieties. The category primarily consists of cooking sauces and pastes, but also includes some dipping sauces

5.12 Cerebos supplies a range of Asian sauces under its Asian Home Gourmet brand. HNZ supplies a limited range of Asian sauces under the Wattie's brand.

5.13 As detailed at 8.14 below, in the 12 months to 25 June 2017, Asian sauces had retail sales revenue of approximately [ ] and a retail sales volume of approximately [ ] tonnes through the two major supermarket chains.[13]

5.14 Suppliers of Asian sauces include:

Table 3: suppliers of Asian Sauces

Supplier	Brands
HNZ	Wattie's
AB World Foods	Patak's, Blue Dragon
Acton International Marketing Ltd	Lee Kum Kee, Indofood
Cerebos	Asian Home Gourmet
Ashon Ventures	Taste of India
House of Fine Foods	Passage To, Street Kitchen
Simplot Australia Pty. Ltd.	Tonight
Oriental Merchant	Valcom, Mae Ploy, Ong's, Yeo's
Nestle NZ	Maggi
Tandoori Palace	Tandoori Palace
Mars NZ	KanTong
Foodstuffs – private label	Pams
smaller suppliers	many brands, including Exotic, S&B, Roi Thai, Ayam

Condiments

5.15 The condiments category includes chutneys, relishes and pickle products.

5.16 Cerebos supplies condiments under the Cerebos and F. Whitlock & Sons brands, while HNZ supplies condiments under the Heinz and Wattie's brands.

5.17 As detailed at 8.28 below, in the 12 months to 25 June 2017, condiments had retail sales revenue of approximately [ ] and a retail sales volume of approximately [ ] tonnes through the two major supermarket chains.[14]

[13] IRI Aztec SKU data for Foodstuffs and Progressive Enterprises, MAT to 25 June 2017.

[14] IRI Aztec SKU data for Foodstuffs and Progressive Enterprises, MAT to 25 June 2017.

5.18 Suppliers of condiments include:

Table 4: suppliers of condiments

Supplier	Brands
Barker's of Geraldine	Barker's of Geraldine, Anathoth Farm
Cerebos	Cerebos, F. Whitlock & Sons
Moi Agencies	Mrs H.S. Ball's, Sun Harvest
HNZ	Heinz, Wattie's
Mizkan Euro Limited	Branston
Wilson Consumer Products	Cotterill & Rouse
Kato Pacific Marketing	Urban Chef
Foodstuffs – private label	Pam's, Budget / Value
Progressive Enterprises – private label	Signature Range
smaller suppliers	many brands, including Maison Therese, Murdoch's, Delmaine, Golden Sun

Chilli sauce

5.19 Cerebos supplies chilli sauce under the Gregg's, F. Whitlock & Sons, Asian Home Gourmet and Fountain[15] brands, while HNZ supplies chilli sauce under the Heinz and Wattie's brands.

5.20 As detailed at 8.31 below, in the 12 months to 25 June 2017, chilli sauce had retail sales revenue of approximately [ ] and a retail sales volume of approximately [ ] tonnes through the two major supermarket chains.[16]

5.21 Suppliers of chilli sauce include:

Table 5: suppliers of Chilli sauce

Supplier	Brands
Hutchinsons	Trident
Cerebos	Gregg's, F. Whitlock & Sons, Asian Home Gourmet, Fountain
Acton International Marketing	Golden Sun, Lee Kum Kee
HNZ	Heinz, Wattie's

[15] The Fountain brand is not sold in the retail channel for New Zealand, and only a very small volume is sold to the food services industry.

[16] IRI Aztec SKU data for Foodstuffs and Progressive Enterprises, MAT to 25 June 2017.

Supplier	Brands
House of Fine Foods	Nando’s
Foodstuffs – private label	Pams
Progressive Enterprises – private label	Countdown, Macro
smaller suppliers	many brands, including Culley’s, Tabasco, Barker’s of Geraldine, Kaitaia Fire, Mae Ploy

6. MARKET DEFINITION

6.1 For the reasons set out below, we consider the narrowest relevant markets are:

(a) the wholesale supply of red sauces (primarily tomato sauce and ketchup) to retailers in New Zealand;

(b) the wholesale supply of red sauces to the food service industry in New Zealand;

(c) the wholesale supply of barbecue sauce to retailers in New Zealand;

(d) the wholesale supply of barbecue sauce to the food service industry in New Zealand;

(e) the wholesale supply of steak sauce to retailers in New Zealand;

(f) the wholesale supply of steak sauce to the food service industry in New Zealand;

(g) the wholesale supply of Worcestershire sauce to retailers in New Zealand;

(h) the wholesale supply of Worcestershire sauce to the food service industry in New Zealand;

(i) the wholesale supply of Asian sauces to retailers in New Zealand;

(j) the wholesale supply of Asian sauces to the food service industry in New Zealand;

(k) the wholesale supply of condiments to retailers in New Zealand;

(l) the wholesale supply of condiments to the food service industry in New Zealand;

(m) the wholesale supply of chilli sauce to retailers in New Zealand; and

(n) the wholesale supply of chilli sauce to the food service industry in New Zealand.

6.2 We do not comment on the dessert, powdered beverage, gravies and soy sauce categories as the competitive overlap is nil or insignificant.

Product dimension

6.3 In its 1998 decision to grant clearance for the acquisition of Griffins Foods Ltd (Eta Foods Division) by Heinz Wattie's Ltd, the NZCC analysed the transaction in the context of a national market for the manufacture and distribution of tomato-based sauces (among other markets.)[17]

6.4 The NZCC considered it appropriate to distinguish tomato and tomato-based sauces from those of other "English" variety sauces.[18] Heinz's HP sauce is a traditional 'English style' brown sauce product. It can be classified as a steak sauce, but is a premium, higher priced, sauce that serves a niche segment. HNZ is of the view that its HP sauce does not compete closely with BBQ sauce.

6.5 The NZCC defined separate product markets in relation to named food categories (butter and margarine) in its 2005 decision to grant clearance for Fonterra Co-operative Group Limited to acquire the branded butter and spreads business of New Zealand Dairy Foods Limited.[19]

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[17] *Decision 327: Heinz-Wattie Limited (H.J. Heinz Company (USA)) / Eta Foods (Salad Dressing Business) (Griffins Foods Limited)*, 7 July 1998 [*Griffins Decision*].

[18] Griffins Decision at [34].

[19] *Decision 562: Fonterra Co-operative Group Limited / Rank Group Limited*, 9 November 2005.

6.6 This is consistent with the approach of overseas regulators. In its report on the completed acquisition of the HP Foods companies by HJ Heinz Company Ltd (2006), the UK Competition Commission made its inquiry in relation to table sauces based on separate UK markets for the supply of:[20]

(a) ketchup to retail customers;

(b) brown sauce (defined in the report as a spicy-tasting, brown coloured table sauce of which the main ingredient is tomato paste) to retail customers; and

(c) barbecue sauce to retail customers.

6.7 Accordingly, for the purposes of our analysis we have identified separate product markets for red sauces, barbecue sauces, steak sauces, Worcestershire sauces, Asian sauces,[21] condiments and chilli sauce.

6.8 We note that products within the wider table sauces category (which includes mustard, mayonnaise, aioli, mint and marinades, as well as red, brown and chilli sauces) are substitutable for some purposes. Mayonnaise and aioli in particular are often used by consumers as alternatives to red sauces. Nonetheless, we have conducted our analysis on the basis that the narrowest relevant markets are those at 6.1 above.

Functional dimension

6.9 There is no aggregation at the manufacturing level.

6.10 In relation to wholesale supply, products (including sauces) provided to the food service industry are often packaged differently to those supplied in the retail channel. The food service industry primarily requires either very large (bulk) or very small (portion controlled units, such as single-serve) pack forms.

6.11 HNZ's food service packaging includes 3kg cans, 130g cans, single-serve sachets and 300ml table top squeezy bottles. HNZ's retail packaging includes 575g cans, 310g cans, three formats of 500ml squeezable bottles, 300ml PET, 1 litre PET and 2 litre flagon.

6.12 Given the functional differences of these products, there is likely to be limited demand side substitutability with products intended for retail sale. Accordingly, we distinguish between the wholesale supply to the retail channel and to the food services industry.

Geographic dimension

6.13 The geographic scope of the relevant markets is national, as sauces are distributed on a national basis.

[20] UK Competition Commission *A report on the completed acquisition of the HP Foods companies by HJ Heinz Company and HJ Heinz Company Ltd* (24 March 2016) at [4.58].

[21] Indian sauces are included in the Asian sauces category.

7. COUNTERFACTUAL

7.1 [

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7.2 [

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7.3 [

].

8. COMPETITION ASSESSMENT

Overview

8.1 As detailed in this section, the Proposed Transaction is unlikely to have the effect of substantially lessening competition in any market in New Zealand.

8.2 We have identified in 6.1 above the narrowest relevant markets for the purposes of our competition analysis.

8.3 As noted at 6.9 and 6.12, we have distinguished between the wholesale supply of sauces to the retail channel and to the food service channel. Customers in the retail channel are primarily the two major supermarket chains, Foodstuffs and Progressive Enterprises. Customers in the food service channel are primarily the large distributors Bidvest, Gilmours and Trents, which together account for approximately [ ] of the total food services channel. Smaller distributors include Moore Wilson's, Countrywide Distributors and Foodfirst.

8.4 While comprehensive market share data (scan data from the two major supermarkets) is available for the retail channel, independent market share data is not readily available for the food service channel.

8.5 Accordingly, the coverage in this clearance application of the two channels reflects the extent and reliability of available information. Our more substantive competition analysis below necessarily focuses on the retail channel; we comment on the food service channel at 8.34 - 8.41 below.

Red and Brown sauce markets – retail channel

Market concentration

8.6 Retail market share estimates for red, barbecue, steak and Worcestershire sauces for the 12 months to 25 June 2017 are set out in tables 6 – 9 below.[22] The Divestment removes any potential competition concerns in these markets.

Table 6: Red sauces

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
1	HNZ	[ ]	[ ]	[ ]	[ ]
	• *Wattie's*	[ ]	[ ]	[ ]	[ ]
	• *Heinz*	[ ]	[ ]	[ ]	[ ]
	• *Oak*	[ ]	[ ]	[ ]	[ ]
2	Cerebos (**Gregg's brand to be divested**)[23]	[ ]	[ ]	[ ]	[ ]

[22] IRI Aztec SKU data for Foodstuffs and Progressive Enterprises, MAT to 25 June 2017.

[23] F. Whitlock & Sons does not have a ketchup sauce. While there is an F. Whitlock & Sons Tomato Chutney sauce, this represents around a [ ] share of the red sauce market by revenue and [ ] by volume. As a result, the divestment of the Gregg's brand will remove almost all the aggregation in this market.

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
	• *Gregg's*	[ ]	[ ]	[ ]	[ ]
	• *F. Whitlock & Sons*	[ ]	[ ]	[ ]	[ ]
3	Delmaine Fine Foods	[ ]	[ ]	[ ]	[ ]
	• *Tuimato*	[ ]	[ ]	[ ]	[ ]
	• *Delmaine*	[ ]	[ ]	[ ]	[ ]
4	Mars	[ ]	[ ]	[ ]	[ ]
	• *MasterFoods*	[ ]	[ ]	[ ]	[ ]
	Private label	[ ]	[ ]	[ ]	[ ]
	• *Foodstuffs brands*	[ ]	[ ]	[ ]	[ ]
	• *Progressive Enterprises brands*	[ ]	[ ]	[ ]	[ ]
	Other manufacturers	[ ]	[ ]	[ ]	[ ]
Key brands	• *Barker's of Geraldine*	[ ]	[ ]	[ ]	[ ]
	• *All Gold*	[ ]	[ ]	[ ]	[ ]
	Total	**[ ]**	**100.00**	**[ ]**	**100.00**
	Combined entity (including F. Whitlock & Sons; excluding Gregg's)	[ ]	[ ]	[ ]	[ ]

Table 7: barbecue sauce

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
1	Cerebos **(Gregg's brand to be divested)**	[ ]	[ ]	[ ]	[ ]
	• *Gregg's*	[ ]	[ ]	[ ]	[ ]

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
	• *F. Whitlock & Sons*	[ ]	[ ]	[ ]	[ ]
2	HNZ	[ ]	[ ]	[ ]	[ ]
	• *Wattie's*	[ ]	[ ]	[ ]	[ ]
	• *Heinz*	[ ]	[ ]	[ ]	[ ]
3	Delmaine Fine Foods	[ ]	[ ]	[ ]	[ ]
	• *Delmaine*	[ ]	[ ]	[ ]	[ ]
	• *Tui*	[ ]	[ ]	[ ]	[ ]
	• *Boss*	[ ]	[ ]	[ ]	[ ]
4	Mars	[ ]	[ ]	[ ]	[ ]
	• *MasterFoods*	[ ]	[ ]	[ ]	[ ]
	Other manufacturers	[ ]	[ ]	[ ]	[ ]
Key brands	• *Rufus Teague*	[ ]	[ ]	[ ]	[ ]
	• *Barker's of Geraldine*	[ ]	[ ]	[ ]	[ ]
	• *Jack Daniel's*	[ ]	[ ]	[ ]	[ ]
	Private label	[ ]	[ ]	[ ]	[ ]
	• *Foodstuffs brands*	[ ]	[ ]	[ ]	[ ]
	• *Progressive Enterprises brands*	[ ]	[ ]	[ ]	[ ]
	Total	**[ ]**	**100.00**	**[ ]**	**100.00**
	Combined entity (including the F. Whitlock & Sons brand; excluding the Gregg's brand)	[ ]	[ ]	[ ]	[ ]

Table 8: steak sauce

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
1	HNZ	[ ]	[ ]	[ ]	[ ]
	• *HP*	[ ]	[ ]	[ ]	[ ]
	• *Wattie's*	[ ]	[ ]	[ ]	[ ]
2	Cerebos **(Gregg's brand to be divested)**	[ ]	[ ]	[ ]	[ ]
	• *Gregg's*	[ ]	[ ]	[ ]	[ ]
3	Other manufacturers	[ ]	[ ]	[ ]	[ ]
	• *A1*	[ ]	[ ]	[ ]	[ ]
	Total	**[ ]**	**100.00**	**[ ]**	**100.00**

Table 9: Worcestershire sauce

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
1	HNZ	[ ]	[ ]	[ ]	[ ]
	• *Lea & Perrins*	[ ]	[ ]	[ ]	[ ]
2	Cerebos (**F. Whitlock & Sons brand to be divested**)	[ ]	[ ]	[ ]	[ ]
	• *F. Whitlock & Sons*	[ ]	[ ]	[ ]	[ ]
3	Delmaine Fine Foods	[ ]	[ ]	[ ]	[ ]
	• *Boss*	[ ]	[ ]	[ ]	[ ]
	Private label	[ ]	[ ]	[ ]	[ ]
	• *Foodstuffs brands*	[ ]	[ ]	[ ]	[ ]
	• *Progressive Enterprises brands*	[ ]	[ ]	[ ]	[ ]

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
	Other manufacturers	[ ]	[ ]	[ ]	[ ]
	• *Cannonhill Gourmet*	[ ]	[ ]	[ ]	[ ]
	Total	**[ ]**	**100.00**	**[ ]**	**100.00**

Divestment addresses potential competition concerns

8.7 Absent the Divestment, the Proposed Transaction would involve the aggregation of the number one and number two suppliers of red, barbecue, steak and Worcestershire sauces resulting in combined market shares ranging from approximately [ ] (barbecue sauce) to [ ] (steak sauce).

8.8 However, the proposed divestment of the Gregg's brand of tomato sauce, barbecue sauce and steak sauce and the F. Whitlock & Sons brand of Worcestershire sauce will remove almost all of the aggregation that would otherwise occur in the red, barbecue, steak and Worcestershire sauce markets. These are the only markets where the level of aggregation could raise competition concerns.

8.9 As noted at 3.10 above, the Divestment does not include F. Whitlock & Sons red sauce or barbecue sauce:

(a) F. Whitlock & Sons red sauce represents approximately [ ] of the market by revenue and [ ] by volume in the supply of red sauces to the retail channel; and

(b) F. Whitlock & Sons barbecue sauce represents approximately [ ] by revenue and [ ] by volume in the supply of barbecue sauces to the retail channel.

8.10 Accordingly, the addition of the F. Whitlock & Sons brand to HNZ's red and barbecue sauce portfolios does not give rise to any competition concerns.

8.11 The Divestment Business is a standalone, profitable business which is likely to be in high demand. A strategic buyer could readily utilise economies of scale and scope. There is a range of potential purchasers which would find the business attractive, including those identified in the paper prepared by Morgan Stanley in **Confidential Annexure 2**.

Table 10: potential purchasers of the Divestment Business

NZ strategic buyers	Other strategic buyers	NZ financial buyers
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]

NZ strategic buyers	Other strategic buyers	NZ financial buyers
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]
[ ]	[ ]	[ ]

8.12 For the reasons outlined at 3.14 above, there is no material composition, asset or purchaser risk associated with the Divestment.

8.13 Accordingly, the Proposed Transaction does not give rise to any competition concerns in markets for the manufacture and wholesale supply of red, barbecue, steak and Worcestershire sauces.

Asian Sauce markets – retail channel

Market concentration

8.14 Retail market share estimates for Asian Sauces for MAT to 25 June 2017 are set out below: [24]

Table 11: Asian Sauce market share estimates

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
1	HNZ	[ ]	[ ]	[ ]	[ ]
	• *Wattie's*	[ ]	[ ]	[ ]	[ ]

[24] IRI Aztec SKU data for Foodstuffs and Progressive Enterprises, MAT to 25 June 2017. We note that there is currently no consistent, industry-wide 'Asian Sauce' segmentation used in New Zealand, and the two major retailers (Progressive Enterprises and Foodstuffs) use different segmentation for this category. In this clearance application, the overall Asian sauce data uses segmentation coding currently in the scan data database provided by IRI Aztec. The Indian and non-Indian data is the same dataset, but further broken down into sub-segments by MERW. Accordingly, the segmentation may not be 100% accurate.

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
2	AB World Foods	[ ]	[ ]	[ ]	[ ]
	• *Patak's*	[ ]	[ ]	[ ]	[ ]
	• *Blue Dragon*	[ ]	[ ]	[ ]	[ ]
3	Acton International Marketing Ltd	[ ]	[ ]	[ ]	[ ]
	• *Lee Kum Kee*	[ ]	[ ]	[ ]	[ ]
	• *Indofood*	[ ]	[ ]	[ ]	[ ]
4	Cerebos	[ ]	[ ]	[ ]	[ ]
	• *Asian Home Gourmet*	[ ]	[ ]	[ ]	[ ]
5	Ashon Ventures	[ ]	[ ]	[ ]	[ ]
	• *Taste of India*	[ ]	[ ]	[ ]	[ ]
6	House of Fine Foods	[ ]	[ ]	[ ]	[ ]
	• *Passage To*	[ ]	[ ]	[ ]	[ ]
	• *Street Kitchen*	[ ]	[ ]	[ ]	[ ]
7	Simplot Australia Pty. Ltd.	[ ]	[ ]	[ ]	[ ]
	• *Tonight*	[ ]	[ ]	[ ]	[ ]
8	Oriental Merchant	[ ]	[ ]	[ ]	[ ]
	• *Valcom*	[ ]	[ ]	[ ]	[ ]
	• *Mae Ploy*	[ ]	[ ]	[ ]	[ ]
	• *Yeo's*	[ ]	[ ]	[ ]	[ ]
	• *Ong's*	[ ]	[ ]	[ ]	[ ]
9	Nestle NZ	[ ]	[ ]	[ ]	[ ]
	• *Maggi*	[ ]	[ ]	[ ]	[ ]
10	Tandoori Palace	[ ]	[ ]	[ ]	[ ]
	• *Tandoori Palace*	[ ]	[ ]	[ ]	[ ]

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
11	Mars NZ	[ ]	[ ]	[ ]	[ ]
	• *KanTong*	[ ]	[ ]	[ ]	[ ]
	Other manufacturers	[ ]	[ ]	[ ]	[ ]
Key brands	• *Exotic*	[ ]	[ ]	[ ]	[ ]
	• *S&B*	[ ]	[ ]	[ ]	[ ]
	• *Roi Thai*	[ ]	[ ]	[ ]	[ ]
	• *Ayam*	[ ]	[ ]	[ ]	[ ]
	Private label	[ ]	[ ]	[ ]	[ ]
	• *Foodstuffs private label brands*	[ ]	[ ]	[ ]	[ ]
	• *Progressive Enterprises brands [(negligible market share)]*	[ ]	[ ]	[ ]	[ ]
	Total	**[ ]**	**100.00**	**[ ]**	**100.00**
	Combined entity	[ ]	[ ]	[ ]	[ ]

8.15 The Proposed Transaction would involve the combination of the number 1 and 4 suppliers in Asian sauces, with HNZ's market share at approximately [ ] by revenue, and Cerebos' at approximately [ ]by revenue. The Proposed Transaction would result in a market share for the combined entity of approximately [ ] by revenue, which is well within the NZCC's concentration indicators.

8.16 The parties differ in their product and revenue make-up within the Asian sauces category. HNZ's Asian sauce revenue is primarily from non-Indian Asian sauces (approximately [ ] of HNZ's Asian sauce revenue), with Indian sauces accounting for approximately [ ] of its revenue. Cerebos' Asian sauce revenue on the other hand primarily comes from Indian sauces (approximately [ ] of Cerebos' Asian sauce revenue), with non-Indian Asian sauces accounting for approximately [ ] of its revenue.

8.17 We analyse non-Indian Asian, and Indian sauces separately in tables 12 and 13.

8.18 In the non-Indian Asian sauce segment, the Proposed Transaction would involve the combination of the number 1 and 3 suppliers, with HNZ's share at approximately [ ] and Cerebos' at approximately [ ] by revenue. The combined entity's share of the segment would be approximately [ ] by revenue and [ ] by volume.

8.19 In the Indian sauces segment, the Proposed Transaction would involve the combination of the number 2 and 3 suppliers, with HNZ's share at approximately [ ] and Cerebos' at approximately [ ] by revenue. The combined entity's share of the segment would be approximately [ ] by revenue and [ ] by volume.

8.20 Within the Asian sauces category, products are divided into authentic and mainstream sub-segments. All HNZ Asian sauces are in the mainstream sub-segment, while all Cerebos Asian sauces are in the authentic sub-segment. This is reflected in some supermarkets where the Cerebos Asian Home Gourmet products are located in a different Asian bay/section to differentiate between the authentic Asian and mainstream cooking sauces aisle.

8.21 Expansion can be achieved by authentic-oriented brands developing more mainstream products. For instance, Lee Kum Kee (Acton International Marketing Ltd) has developed mainstream varieties which have increased the brand's market share, and which HNZ believes have eroded HNZ's market share. This may also reflect shifts in demographics and customer preferences in favour of Asian sauces.

Table 12: Asian Sauce (excluding Indian sauce) segment market share estimates

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
1	HNZ	[ ]	[ ]	[ ]	[ ]
	• *Wattie's*	[ ]	[ ]	[ ]	[ ]
2	Acton International Marketing Ltd	[ ]	[ ]	[ ]	[ ]
	• *Lee Kum Kee*	[ ]	[ ]	[ ]	[ ]
	• *Indofood*	[ ]	[ ]	[ ]	[ ]
3	Cerebos	[ ]	[ ]	[ ]	[ ]
	• *Asian Home Gourmet*	[ ]	[ ]	[ ]	[ ]
4	Oriental Merchant	[ ]	[ ]	[ ]	[ ]
	• *Valcom*	[ ]	[ ]	[ ]	[ ]
	• *Mae Ploy*	[ ]	[ ]	[ ]	[ ]
	• *Yeo's*	[ ]	[ ]	[ ]	[ ]
	• *Ong's*	[ ]	[ ]	[ ]	[ ]
5	Nestle NZ	[ ]	[ ]	[ ]	[ ]
	• *Maggi*	[ ]	[ ]	[ ]	[ ]
6	House of Fine Foods	[ ]	[ ]	[ ]	[ ]
	• *Passage To*	[ ]	[ ]	[ ]	[ ]

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
	• *Street Kitchen*	[ ]	[ ]	[ ]	[ ]
7	Mars NZ	[ ]	[ ]	[ ]	[ ]
	• *KanTong*	[ ]	[ ]	[ ]	[ ]
8	Simplot Australia Pty. Ltd.	[ ]	[ ]	[ ]	[ ]
	• *Tonight*	[ ]	[ ]	[ ]	[ ]
9	AB World Foods	[ ]	[ ]	[ ]	[ ]
	• *Blue Dragon*	[ ]	[ ]	[ ]	[ ]
	Other manufacturers	[ ]	[ ]	[ ]	[ ]
Key brands	• *Exotic*	[ ]	[ ]	[ ]	[ ]
	• *S&B*	[ ]	[ ]	[ ]	[ ]
	• *Roi Thai*	[ ]	[ ]	[ ]	[ ]
	• *Ayam*	[ ]	[ ]	[ ]	[ ]
	Private label	[ ]	[ ]	[ ]	[ ]
	• *Progressive Enterprises brands (negligible market share)*	[ ]	[ ]	[ ]	[ ]
	Total	**[ ]**	**100.00**	**[ ]**	**100.00**
	Combined entity	[ ]	[ ]	[ ]	[ ]

Table 13: Indian sauce segment market share estimates

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
1	AB World Foods	[ ]	[ ]	[ ]	[ ]
	• *Patak's*	[ ]	[ ]	[ ]	[ ]
2	HNZ	[ ]	[ ]	[ ]	[ ]

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
	• *Wattie's*	[ ]	[ ]	[ ]	[ ]
3	Cerebos	[ ]	[ ]	[ ]	[ ]
	• *Asian Home Gourmet*	[ ]	[ ]	[ ]	[ ]
4	Ashon Ventures	[ ]	[ ]	[ ]	[ ]
	• *Taste of India*	[ ]	[ ]	[ ]	[ ]
5	Simplot Australia Pty. Ltd.	[ ]	[ ]	[ ]	[ ]
	• *Tonight*	[ ]	[ ]	[ ]	[ ]
6	House of Fine Foods	[ ]	[ ]	[ ]	[ ]
	• *Passage To*	[ ]	[ ]	[ ]	[ ]
	• *Street Kitchen*	[ ]	[ ]	[ ]	[ ]
7	Tandoori Palace	[ ]	[ ]	[ ]	[ ]
	• *Tandoori Palace*	[ ]	[ ]	[ ]	[ ]
8	Mars NZ	[ ]	[ ]	[ ]	[ ]
	• *KanTong*	[ ]	[ ]	[ ]	[ ]
	Other manufacturers	[ ]	[ ]	[ ]	[ ]
Key brands	• *Spice n Easy*	[ ]	[ ]	[ ]	[ ]
	• *Rempah*	[ ]	[ ]	[ ]	[ ]
	Private label	[ ]	[ ]	[ ]	[ ]
	• *Foodstuffs brands*	[ ]	[ ]	[ ]	[ ]
	Total	**[ ]**	**100.00**	**[ ]**	**100.00**
	Combined entity	[ ]	[ ]	[ ]	[ ]

Asian sauce suppliers

8.22 A number of suppliers, both large and small, will continue to impose a significant constraint on the merged entity. In the Asian sauces market, AB World Foods and Acton International Marketing Ltd supply the Patak's, Blue Dragon, Lee Kum Kee and Indofood brands of Asian sauces, with respective market shares of circa [ ] and [ ] by revenue, and [ ] and [ ] by volume.

8.23 In the narrower non-Indian Asian sauce segment, Acton has a market share of approximately [ ] by revenue and [ ] by volume, and Oriental Merchant (which supplies the Valcom, Mae Ploy, Yeo's and Ong's brands) has a market share of approximately [ ] by revenue and [ ] by volume.

8.24 In the Indian sauce segment, AB World Foods is the largest supplier, with a market share of approximately [ ] by revenue and [ ] by volume, and Ashon Ventures (which supplies the Taste of India brand) has a market share of approximately [ ] by revenue and [ ] volume.

8.25 In addition there are a number of well-known consumer brands with smaller shares including the Passage range and Street Kitchen (supplied by House of Fine Foods), Tonight range (Simplot Australia Pty. Ltd.) and Maggi (Nestle NZ).

Other markets – retail channel

8.26 In the condiments (chutneys, relishes and pickle products) and chilli sauce categories the level of aggregation is minor.

Condiments

8.27 The Proposed Transaction would involve the combination of the number 2 and 5 condiments suppliers, resulting in a market share for the combined entity of approximately [ ] by revenue and [ ] by volume. There will remain a number of competitors, including the number 1 supplier, Barker's of Geraldine which has a market share of approximately [ ] by revenue and [ ] by volume.

8.28 Retail market share estimates for condiments for the 12 months to 25 June 2017 are set out below:[25]

Table 14: condiments market share estimates

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
1	Barker's of Geraldine	[ ]	[ ]	[ ]	[ ]
	• *Anathoth Farm*	[ ]	[ ]	[ ]	[ ]
	• *Barker's of Geraldine*	[ ]	[ ]	[ ]	[ ]
2	Cerebos	[ ]	[ ]	[ ]	[ ]
	• *Cerebos*	[ ]	[ ]	[ ]	[ ]

[25] IRI Aztec SKU data for Foodstuffs and Progressive Enterprises, MAT to 25 June 2017.

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
	• *F. Whitlock & Sons*	[ ]	[ ]	[ ]	[ ]
3	Moi Agencies	[ ]	[ ]	[ ]	[ ]
	• *Mrs H.S. Ball's*	[ ]	[ ]	[ ]	[ ]
	• *Sun Harvest*	[ ]	[ ]	[ ]	[ ]
4	Mizkan Euro Limited	[ ]	[ ]	[ ]	[ ]
	• *Branston*	[ ]	[ ]	[ ]	[ ]
5	HNZ	[ ]	[ ]	[ ]	[ ]
	• *Wattie's*	[ ]	[ ]	[ ]	[ ]
	• *Heinz*	[ ]	[ ]	[ ]	[ ]
6	Wilson Consumer Products	[ ]	[ ]	[ ]	[ ]
	• *Cotterill & Rouse*	[ ]	[ ]	[ ]	[ ]
7	Kato Pacific Marketing	[ ]	[ ]	[ ]	[ ]
	• *Urban Chef*	[ ]	[ ]	[ ]	[ ]
	Private label	[ ]	[ ]	[ ]	[ ]
	• *Progressive Enterprises brands*	[ ]	[ ]	[ ]	[ ]
	• *Foodstuffs brands*	[ ]	[ ]	[ ]	[ ]
	Other manufacturers	[ ]	[ ]	[ ]	[ ]
Key brands	• *Maison Therese*	[ ]	[ ]	[ ]	[ ]
	• *Murdoch's*	[ ]	[ ]	[ ]	[ ]
	• *Delmaine*	[ ]	[ ]	[ ]	[ ]
	• *Golden Sun*	[ ]	[ ]	[ ]	[ ]

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
	Total	**[ ]**	**100.00**	**[ ]**	**100.00**
	Combined entity	[ ]	[ ]	[ ]	[ ]

8.29 Accordingly, the Proposed Transaction does not give rise to any competition concerns in market for the wholesale supply of condiments.

Chilli sauce

8.30 The Proposed Transaction would involve the combination of the number 3 and 5 suppliers, resulting in a market share for the combined entity of approximately [ ] by revenue and [ ] by volume. There are a large number of competitors, ranging from the largest supplier, Hutchinsons, which has a market share of approximately [ ] by revenue and [ ] by volume, to niche brands specialising in hot sauces such as Kaitaia Fire.

8.31 Retail market share estimates for chilli sauce for the 12 months to 25 June 2017 are set out below:[26]

Table 15: chilli sauce market share estimates

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
1	Hutchinsons	[ ]	[ ]	[ ]	[ ]
	• *Trident*	[ ]	[ ]	[ ]	[ ]
2	House of Fine Foods	[ ]	[ ]	[ ]	[ ]
	• *Nando's*	[ ]	[ ]	[ ]	[ ]
3	Cerebos	[ ]	[ ]	[ ]	[ ]
	• *Gregg's*	[ ]	[ ]	[ ]	[ ]
	• *F. Whitlock & Sons*	[ ]	[ ]	[ ]	[ ]
	• *Asian Home Gourmet*	[ ]	[ ]	[ ]	[ ]
	• *Fountain*	[ ]	[ ]	[ ]	[ ]
4	Acton International Marketing	[ ]	[ ]	[ ]	[ ]

[26] IRI Aztec SKU data for Foodstuffs and Progressive Enterprises, MAT to 25 June 2017.

Rank	Competitors (including merger parties)	Estimated revenue (000s)	Estimated % of market share by revenue	Estimated volume (tonnes)	Estimated % of market share by volume
	• *Golden Sun*	[ ]	[ ]	[ ]	[ ]
	• *Lee Kum Kee*	[ ]	[ ]	[ ]	[ ]
5	HNZ	[ ]	[ ]	[ ]	[ ]
	• *Wattie's*	[ ]	[ ]	[ ]	[ ]
	• *Heinz*	[ ]	[ ]	[ ]	[ ]
	Other manufacturers	[ ]	[ ]	[ ]	[ ]
Key brands	• *Culley's*	[ ]	[ ]	[ ]	[ ]
	• *Tabasco*	[ ]	[ ]	[ ]	[ ]
	• *Barker's of Geraldine*	[ ]	[ ]	[ ]	[ ]
	• *Kaitaia Fire*	[ ]	[ ]	[ ]	[ ]
	• *Mae Ploy*	[ ]	[ ]	[ ]	[ ]
	Private label	[ ]	[ ]	[ ]	[ ]
	• *Progressive Enterprises brands*	[ ]	[ ]	[ ]	[ ]
	• *Foodstuffs brands*	[ ]	[ ]	[ ]	[ ]
	Total	**[ ]**	**100.00**	**[ ]**	**100.00**
	Combined entity	[ ]	[ ]	[ ]	[ ]

8.32 Accordingly, the Proposed Transaction does not give rise to any competition concerns in the market for the wholesale supply of chilli sauce.

Other products

8.33 We do not comment on the dessert, powdered beverage, gravies and soy sauce categories. One or both of the parties have less than [ ] share in these categories so the level of competitive overlap is nil or insignificant.[27]

[27] [

].

Food service channel

8.34 HNZ believes that bulk products make up a high proportion of total sauce sales to the food service industry. Small quantities of some retail-oriented products are also sold to the food service industry.

8.35 Larger bulk units are price-driven because they tend to be used back of house. Brand does not play a major role in bulk units, because end consumers are unlikely to be aware of the brand when consuming the product. HNZ believes that private label supply of bulk sauces to the food service industry is substantial, likely around [ ].

8.36 Single-serve packets tend to be used front of house (particularly in quick serve restaurants), where brand is more important. HNZ believes branded products account for all or most supply of single-serve sauces, and that the largest suppliers are HNZ and Mars (under the MasterFoods brand). HNZ does not believe private label single-serve sauces are widely used.

8.37 [ ] Its revenue and volume for the supply of red, barbecue and Worcestershire sauces to the food service channel are set out below. HNZ does not supply steak sauce to food service customers.

Table 16: HNZ food service revenue and volume for red, barbecue and Worcestershire sauces

Product	Revenue (07/16 to 06/17)	Tonnes (07/16 to 06/17)
Total red sauce	[ ]	[ ]
Total BBQ sauce	[ ]	[ ]
Total Worcestershire sauce	[ ]	[ ]

8.38 [ ].

8.39 [ ].

8.40 [ ].

8.41 Independent dairies and petrol stations are serviced primarily by food service channel customers/distributors, notably Gilmours and Trents. Some dairies/convenience stores are owned by Foodstuffs (Four Square, On the Spot and Shoprite) and are serviced by Foodstuffs. Some smaller dairies may also purchase products from retail stores. [ ].

Co-packing

8.42 Co-packing is a common arrangement for producing sauce products. Co-packing arrangements are used by the major supermarket chains, which have private label sauces, and are also common among branded suppliers as an alternative to manufacturing in-house. Co-packing agreements are typically for one or two years, and it is not uncommon for contracts to change hands when they come up for tender.

8.43 [ ].

8.44 Another feature of supermarket red sauce co-packing contracts is that they may be split between different co-packers. [ ].

8.45 There is a range of co-packers in Australia and New Zealand with the ability to manufacture the relevant sauce products in the quantities required by the purchaser for supply in New Zealand. The volume required (based on Cerebos' current volumes) would be comparable to a private label co-packing agreement with one of the supermarkets in Australia.

8.46 The parties understand that co-packers currently have spare capacity. For example, [ ]. The parties estimate that Mon is likely to have a sauce manufacturing capacity of around [ ] tonnes p.a. (across red sauce and barbecue sauce), and [ ].

8.47 HNZ and Cerebos (or related entities) both provide, or have provided, co-packing services for red and brown sauces. The parties consider that Mon Natural Foods and Pacific Foods in Australia have the strongest offering in this space and both compete vigorously for private label contracts. Co-packers of red sauce are typically also able to manufacture barbecue sauce, and vice versa.

8.48 The larger Australian co-packers are:

(a) Mon Natural Foods Pty Ltd (Mon) – [ ] [ ]. The parties estimate that Mon is likely to have a sauce manufacturing capacity of around [ ]. Further information on Mon is available on its website at http://www.monfoods.com.au/.

(b) Pacific Food Industries Pty Ltd (**Pacific Foods**) – the parties understand that Pacific Foods offers co-packing services for red sauce and currently has [ ], and has the capability to produce a range of sauces and condiments in pouch-format. The parties estimate that Pacific Foods is likely to have a sauce manufacturing capacity of around [ ] tonnes p.a. They also understand Pacific Foods would find expansion straightforward and may not need any investment. The parties believe that [ ].

(c) Edlyn Foods Pty Ltd (Edlyn) – Edlyn produces and sells red and barbecue sauce to the food services industry. Edlyn also offers co-packing services, although the parties are not aware of whether Edlyn has any co-packing arrangements for red sauce or barbecue sauce currently in place. Further information on Edlyn is available on its website at https://www.edlyn.com.au/.

(d) Steric Trading Pty Ltd (**Steric**) – Steric offers co-packing services for red sauce and barbecue sauce. HNZ understands that [ ]. The parties estimate that Steric is likely to have a sauce manufacturing capacity of around [ ] tonnes p.a. Further information on Steric is available on its website at http://www.steric.com.au/.

(e) Kraft Heinz – [ ].

(f) Cerebos – [ ].

8.49 Because a variety of packaging formats (such as jars, bottles and pouches) are used in the sauce categories, there are some additional potential co-packers which the parties do not believe are currently producing red or brown sauces for the New Zealand market. An example is [ ].

8.50 New Zealand co-packers which the parties believe may have capability to produce relevant products include:

(a) [ ].

(b) [ ].

(c) [ ].

(d) [ ].

(e) [ ].

Low barriers to entry or expansion

8.51 Barriers to entry into the supply of table sauces, Asian sauces, dressings and condiments are relatively low. This is evidenced by regular new product launches including many smaller brands. There are no significant barriers to importation and a large number of table sauces, Asian sauces, dressings and condiments are imported.

8.52 Gault's, Ceres and Hellers have each commenced supplying red sauces in 2017. Gault's ketchup has been promoted by New World in advertisements (an example is below), and during the four week period to 5 November 2017 achieved a [ ] share among ketchup products, up from [ ] during the preceding four weeks. This is notwithstanding that the average bottle price is [ ] and distribution is currently limited.

8.53 The Asian sauces category is highly fragmented with a raft of competitors, both large and small. There is no evidence of strong customer loyalty. The merger parties are of the view that it is relatively easy for a new sauce brand to launch provided that the retailer is offered a reasonable margin.

8.54 As discussed at 8.42 - 8.50 below, co-packing capacity is readily available. As a result, new suppliers can enter and small suppliers can readily and quickly expand without the risk of having to incur sunk costs. The markets are amenable to 'virtual' entry, where almost all key activities can be outsourced, requiring minimal sunk capital to be put at risk. By way of example, in Australia [ ].

8.55 While there are costs involved in obtaining access to retailers' shelf space, and developing and marketing a new sauce brand, these normal business costs could be reduced by extending an existing brand from an adjacent product market and obtaining the support of the major supermarket chains. Gault's ketchup is a good example, taking a well-known chef's name recognition into a new category.

Process for entry

8.56 Entry into the relevant markets generally follows the process below. None of these steps requires any particular expertise or significant sunk investment:

(a) *Product development*: at this stage, recipes are written, and products are prepared and taste tested;

(b) *Sourcing ingredients*: the primary ingredients used in the products are readily available and accessible in Australia and New Zealand. There are no barriers or obstacles to sourcing those ingredients;

(c) *Testing products*: this includes engagement of food scientists to assist with recipe testing for consistency of flavour profiles and to ensure stable shelf life. There is a wide range of individuals and firms with appropriate expertise;

(d) *Branding and packaging*: the brand name and packaging format need to be determined, which in the case of sauce is often no more than a logo. There are a wide range of individuals and firms who have expertise in brand and package design. Packaging can be sourced from a number of providers;

(e) *Arranging manufacture or importation*: manufacture may be in-house or by a third party co-packer. Alternatively, finished products can be imported from overseas;

(f) *Arranging supply to supermarkets*: this may be done either by engagement of sales brokers to undertake negotiations with the supermarkets on the supplier's behalf, or by direct approach. Sales brokers are paid in commission on the sales ultimately made to the supermarkets, so no up-front sunk investment is required. In addition, it is no more difficult or costly to approach multiple supermarkets at one time. If a sufficiently high margin on products is provided to the supermarkets, they are highly likely to accept and stock new products;

(g) *Arranging distribution*: once supermarket shelf space has been secured, a supplier will need to put in place its distribution arrangements. Distribution of the products is relatively straightforward given that products have long shelf lives, are distributed at ambient temperature and can be easily distributed from manufacturing locations to supermarkets' centralised distribution centres. Typically, distribution arrangements are outsourced to a third party logistics provider, of which there are many available options. Alternatively, a supplier may use a supermarket's distribution network.

Customers have countervailing power

8.57 HNZ's primary customers in the retail markets are the major supermarket retailers, Foodstuffs and Progressive Enterprises. The NZCC has previously accepted that supermarkets have strong bargaining power vis-à-vis their suppliers.[28] Supermarkets may use this power to prevent an increase in price or decrease in quality (e.g. by controlling shelf space, promotional activity and use of private label products).

8.58 Post-transaction, supermarkets will continue to wield a considerable degree of countervailing power and impose a significant competitive constraint on the merged entity. For example, supermarkets would be able to credibly threaten to:

(a) introduce new, or expand their supply of, private label products;

(b) sponsor the expansion of a current competitor or the purchaser of the Gregg's brand, or sponsor entry into the supermarket market of a new competitor;

(c) reduce shelf space or promotional slots, or delete SKUs; and / or

(d) parallel import branded sauces.

Threat of further competition from private label products

8.59 Both the supermarkets already have well established private label sauce products with strong penetration within each of the supermarket chains. For example, Foodstuffs' private label red sauce has a market share of [ ] by revenue and [ ] by volume, while Progressive Enterprises' private label has [ ] by revenue and [ ] by volume.

8.60 In Worcestershire sauce, Foodstuffs and Progressive Enterprises' private label offerings have market shares of [ ] and [ ] respectively by revenue, and [ ] and [ ] by volume. In addition, there is some private label penetration in the barbecue sauce market, with Foodstuffs and Progressive Enterprises private label offerings having market shares of [ ] and [ ] by revenue, and [ ] and [ ] by volume.

8.61 There is also scope for further competition from private label products through:

(a) expanding private label ranges – private label sauce SKUs are currently placed primarily towards the budget or value end of the market. However, the supermarkets could introduce new SKUs targeted towards the premium end of the market by introducing SKUs with different packaging and / or variations (eg organic, low sugar or gourmet varieties);

(b) in the red sauces market, the introduction of private label ketchup – all the current private label red sauce products are tomato sauce. [

]; and

[28] See for example *Decision 560: Bluebird Foods Limited / Hansells (NZ) Limited*, 5 October 2005 at [166]; *Decision 542: Fonterra Co-operative Group Limited / National Foods Limited*, 9 December 2004 at [154]; *Decision 529: Colgate-Palmolive Company / Campbell Brothers Limited*, 21 July 2004 at [209]; *Decision 487: Burns Philp & Company Limited / Goodman Fielder Limited*, 21 February 2003 at [125].

(c) favouring private label products by increasing shelf space and promotional slots. [ ].

Imports

8.62 There are no significant barriers to importation, and since sauces are long-life, shelf stable products, low cost methods of importation can be utilised. All Gregg's and F. Whitlock & Sons sauces (other than [ ]) are imported into New Zealand.

9. CONFIDENTIALITY

9.1 Confidentiality is requested of the information in this notice that is contained in square brackets, and the information set out in the Confidential Annexures, on the basis that disclosure would be likely unreasonably to prejudice the commercial position of the parties providing the information.

9.2 The Applicant requests that it be notified if a request is made to the NZCC under the Official Information Act 1982 for release of the information for which confidentiality has been claimed.

9.3 Confidential and public versions of this Notice have been provided to the NZCC.

DECLARATION

I,   , have prepared, or supervised the preparation of, this notice seeking clearance.

To the best of my knowledge, I confirm that:

a) all information specified by the NZCC has been supplied;
b) if information has not been supplied, reasons have been included as to why the information has not been supplied;
c) all information known to me that is relevant to the consideration of this notice has been supplied; and
d) all information supplied is correct as at the date of this notice.

I undertake to advise the NZCC immediately of any material change in circumstances relating to the notice.

I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the NZCC in respect of any matter before the NZCC, including in these documents.

I am a director/officer of the company and am duly authorised to submit this notice.

Name and title of person authorised to sign:

____

____
Signature

____
Date

CONFIDENTIAL ANNEXURE 1 – PROPOSED UNDERTAKING

CONFIDENTIAL ANNEXURE 2 – MORGAN STANLEY DIVESTMENT PAPER

ANNEXURE 3 – EACH PARTY'S MOST RECENT ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

CONFIDENTIAL ANNEXURE 4 – EACH PARTY'S TOTAL SALES REVENUES, VOLUMES, AND, WHERE RELEVANT, CAPACITY AND EXCESS CAPACITY FIGURES

ANNEXURE 5 – COMPETITORS' NAMES AND CONTACT DETAILS, AND ANY TRADE OR INDUSTRY ASSOCIATIONS

Major competitors in overlap markets

Competitor	Brand(s)	Relevant overlap market(s)	Contact details
Progressive Enterprises (private label)	• Countdown • Homebrand / Essentials • Signature Range • Macro	Red sauces Barbecue sauce Worcestershire sauce Asian sauces Condiments Chilli sauce	+64 9 275 2788
Foodstuffs (private label)	• Pams • Budget / Value • Gilmours	Red sauces Barbecue sauce Worcestershire sauce Asian sauces Condiments Chilli sauce	+64 4 472 6435 (Foodstuffs New Zealand Ltd) +64 9 621 0987 (Foodstuffs Own Brands Ltd)
Delmaine Fine Foods	• Delmaine • Tui • Boss	Red sauces Barbecue sauce Worcestershire sauce	0800 335 624
Mars NZ	• MasterFoods • KanTong	Red sauces Barbecue sauce Asian sauces	+64 9 583 5600
AB World Foods	• Patak's • Blue Dragon	Asian sauces	+44 1942 267000 (UK contact details; NZ contact details not known)
Acton International Marketing Ltd	• Lee Kum Kee • Indofood • Golden Sun	Asian sauces Chilli sauce	+64 9 525 1880
Ashon Ventures	• Taste of India	Asian sauces	+64 9 274 3030
House of Fine Foods	• Passage To • Street Kitchen • Nando's	Asian sauces Chilli sauce	+64 9 410 1066
Simplot Australia Pty. Ltd.	• Tonight	Asian sauces	0800 448 613 (NZ consumer enquiries) +61 3 9588 3000 (head office in Australia)
Oriental Merchant	• Valcom • Mae Ploy • Ong's	Asian sauces	+64 9 259 0550

Competitor	Brand(s)	Relevant overlap market(s)	Contact details
	• Yeo's		
Nestle NZ	• Maggi	Asian sauces	+64 9 367 2800
Tandoori Palace	• Tandoori Palace	Asian sauces	0800 258 946 (Twin Agencies head office – Tandoori Palace is a restaurant; its sales and merchandising operations appear to be provided by Twin Agencies)
Barker's of Geraldine	• Barker's of Geraldine • Anathoth Farm	Condiments	0800 227 537
Moi Agencies	• Mrs H.S. Ball's • Sun Harvest	Condiments	+64 9 479 3630
Mizkan Euro Limited	• Branston	Condiments	+44 203 675 2220 (UK contact details; NZ contact details not known)
Wilson Consumer Products	• Cotterill & Rouse	Condiments	+64 9 379 5350 Chris Haling, General Manager, ext 803
Kato Pacific Marketing	• Urban Chef	Condiments	+64 9 829 5700
Hutchinsons	• Trident	Chilli sauce	+64 9 529 2949

Trade or industry associations

New Zealand Food and Grocery Council – www.fgc.org.nz/ .
Contact: Katherine Rich, Chief Executive, +64 4 470 7725

CONFIDENTIAL ANNEXURE 6 – NEW ZEALAND KEY CUSTOMER DETAILS