



MERGER ANNOUNCEMENT

5 OCTOBER 2010

Competition Authority Clears the Acquisition of Newmarket Co-operative

The Competition Authority has today cleared the proposed acquisition whereby Kerry Group plc, through its wholly owned subsidiary Kerry Creameries Limited, would acquire Newmarket Co-operative Creameries Limited. The transaction was notified by the parties under the Competition Act 2002 on 6 September 2010.

The Authority has formed the view that the proposed acquisition does not raise any competition concerns in the State. The companies have been informed of the decision that the proposed acquisition will not lead to a substantial lessening of competition in any markets for goods or services in the State. The Authority will publish a public version of the reasons for its determination on its website (www.tca.ie) no later than 4 December 2010 after allowing the parties the opportunity to request that confidential information is removed from the published version.

Notes

Kerry Group's business activities can be divided into three divisions:

- Foods - the production and sale of consumer foods including cheese. Kerry Group operates a processed cheese producing plant in the State. Kerry Group is not involved in the production of natural cheese. Kerry Group purchases natural cheese from suppliers including Newmarket for two purposes: (a) as an input into the production of processed cheese; and, (b) to be sliced into consumer pack sizes and sold to the retail sector in the State. Kerry Group also produces whey which is a by-product of cheese production;
- Ingredients/Flavours – the production and sale of ingredients/flavours to the food, snack food, baby food and beverage industries; and,
- Agribusiness – Kerry Group's agribusiness activities are carried out by Kerry Creameries in Munster. Kerry Creameries is engaged in the purchase and collection of raw milk from its 3,430 milk suppliers and the sale of agricultural inputs to farmers.

For further information contact:

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The Competition Authority

An tÚdarás Iomaíochta

Newmarket is a cooperative society with 677 shareholders, of which 147 are dairy farmers who supply raw milk to Newmarket. Newmarket's core business is the purchase of raw milk from its 147 dairy farmers and from other creameries (including Kerry Creameries) which it uses as an input into the production of natural cheese. Newmarket also produces whey. Newmarket operates an agribusiness which sells agricultural inputs to farmers in the Newmarket area. Finally, Newmarket runs a Supervalu supermarket in the town of Newmarket.

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