



Republic of Serbia
**COMMISSION FOR PROTECTION
OF COMPETITION**

25 Savska St., 4th Floor, Belgrade
Number: 6/0-03-483/2019-179
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Pursuant to Article 22(2) and Article 66(3) of the Law on Protection of Competition (Official Gazette of the RS 51/09 and 95/13) and Article 2(1/7) of the Tariff on the level of compensations for activities within the competence of the Commission for Protection of Competition (Official Gazette of the RS 49/11), on receipt of a merger notification submitted by company Privredno društvo za proizvodnju hleba i peciva Don Don d.o.o. Beograd, with registered office at 144b Zorana Điniđića Blvd., Belgrade-New Belgrade, Republic of Serbia, represented by procuration holder, attorney at law Bojana Lukić from Belgrade, 144b Zorana Điniđića Blvd., in the proceedings resumed *ex officio*, at the 223rd session held on September 13, 2019, the Council of the Commission for Protection of Competition enacts the following

DECISION

I Concentration of undertakings **SHALL BE APPROVED SUBJECT TO CONDITIONS**, created by acquisition of individual control on the part of company Privredno društvo za proizvodnju hleba i peciva Don Don d.o.o. Beograd, with registered office at 144b Zorana Điniđića Blvd., Belgrade-New Belgrade, Republic of Serbia, registered at the Serbian Business Registers Agency under company number 20383399, over a part of company Akcionarsko društvo za preradu žitarica Žitopromet, Zaječar, with registered office at 2 Kraljevića Marka St., Zaječar, Republic of Serbia, registered at the Serbian Business Registers Agency under company number 07201788, which may represent an independent business entity and that consists of: bakery manufacturing plant, flour mill and flour silo located in Zaječar, 2 Kraljevića Marka St., with accompanying equipment and inventory, by purchasing the immovable and movable property in the enforcement proceedings.

II The proposal of special commitments and the period of performance thereof **SHALL BE ACCEPTED**, contained in the commitment proposal offered by company Privredno društvo za proizvodnju hleba i peciva Don Don d.o.o. Beograd, in order to meet the requirements for implementing the merger referred to in Paragraph I of enacting terms herein, thus the following commitments in the form of behavioral measures **SHALL BE SET OUT**, namely:

- 1. Reporting requirement on the production capacities of bakery manufacturing plants of company Akcionarsko društvo za preradu žitarica Žitopromet, Zaječar, and**

company Privredno društvo za proizvodnju i promet pekarskih proizvoda Žitopek a.d. Niš, a part of Don Don Group

Company Don Don d.o.o. Beograd is committed to submit to the Commission for Protection of Competition, on a biannual basis and not exceeding the subsequent three-year period from the validity date of this decision, either in writing or electronically, six-month reports that contain the following information:

- production capacity of the bakery manufacturing plant in Zaječar, prior and after the overhaul of its equipment, and the production capacity of the bakery manufacturing plant of company Žitopek a.d. in Niš;
- capacity utilization rate in Zaječar and Niš;
- relevant product output manufactured in the bakery manufacturing plants in Zaječar and Niš;
- relevant product output sold wholesale in the relevant geographic market, and the ratio, expressed as a percentage, of the output sold wholesale against the relevant product output manufactured in the bakery manufacturing plants in Zaječar and Niš;
- total relevant product output sold wholesale and the ratio, expressed as a percentage, of the total relevant product output sold wholesale in the relevant geographic market against the total relevant product output sold wholesale of company Don Don d.o.o. Beograd.

The notifying party is to submit reports to the Commission for Protection of Competition within 30 days of the expiry of the reporting period, while the first reporting period of 6 months shall begin to run from the validity date of this decision.

2. Reporting requirement on the rebate policy of company Don Don d.o.o. Beograd in the relevant geographic market

Company Don Don d.o.o. Beograd is committed to submit to the Commission for Protection of Competition, on a biannual basis and not exceeding the subsequent three-year period from the validity date of this decision, either in writing or electronically, six-month reports that contain the following information:

- complete rebate scale by buying groups that would represent the rebate policy of company Don Don d.o.o. Beograd in the relevant geographic market.

The notifying party is to submit reports to the Commission for Protection of Competition within 30 days of the expiry of the reporting period, while the first reporting period of 6 months shall begin to run from the validity date of this decision.

3. Reporting requirement on the average weighted wholesale prices of the relevant product of company Don Don d.o.o. Beograd in the relevant geographic market

Company Don Don d.o.o. Beograd is committed to submit to the Commission for Protection of Competition, on a biannual basis and not exceeding the subsequent three-year period from the validity date of this decision, either in writing or electronically, six-month reports that contain the following information:

- average weighted wholesale price of the relevant product of company Don Don d.o.o. Beograd in the relevant geographic market, VAT free, and with transportation costs reported as a percentage of the price mentioned.

The notifying party is to submit reports to the Commission for Protection of Competition within 30 days of the expiry of the reporting period, while the first reporting period of 6 months shall begin to run from the validity date of this decision.

III IT SHALL BE ESTABLISHED that company Don Don d.o.o. Beograd, has fully performed its payment obligation towards the Commission for Protection of Competition for issuing this decision, by making the payment in the amount of XXX dinars on April 23, 2019, and by making the additional payment in the amount of XXX dinars on June 3, 2019, which in total represents a dinar-currency equivalent value of XXX euro, calculated at the middle exchange rate of the National Bank of Serbia on the day of payment.

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PRESIDENT OF THE COMMISSION

Dr Miloje Obradović, m.p.