



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN UNILEVER'S ACQUISITION OF ALBERTO-CULVER COMPANY

Without Divestitures Consumers Would Pay More for Value Shampoo and Conditioner, and Hairspray Sold in Retail Stores

WASHINGTON – The Department of Justice announced today that it has reached a settlement with Unilever and Alberto-Culver Co. that requires them to divest two hair care brands in order to proceed with Unilever's \$3.7 billion acquisition of Alberto-Culver. The department said that the transaction, as originally proposed, would substantially lessen competition in three product markets – value shampoo, value conditioner and hairspray sold in retail stores. Value shampoos and conditioners are the lowest priced shampoos and conditioners sold in retail stores, typically selling for less than two dollars a bottle.

The department's Antitrust Division filed a civil antitrust lawsuit today in U.S. District Court in Washington, D.C., to block the proposed transaction between three Unilever entities – Unilever N.V., Unilever PLC and Conopco Inc. – and Alberto-Culver. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the competitive concerns alleged in the lawsuit.

"Without the divestitures required by the department, consumers would have paid higher prices for value shampoo and conditioner and for hairspray sold in retail stores," said Christine Varney, Assistant Attorney General in charge of the Department of Justice's Antitrust Division.

Under the proposed settlement, the companies must divest Alberto-Culver's Alberto VO5 brand and Unilever's Rave brand, as well as associated assets. The Alberto VO5 brand consists of value shampoo and conditioner, hairspray, mousse and other hair styling products. The Rave brand consists of hairspray and mousse products.

According to the complaint, the acquisition would eliminate significant head-to-head competition between the merging parties for value shampoo, value conditioner and hairspray sold in retail stores. In the case of value shampoo and conditioner, it would reduce the number of significant competitors in the value shampoo and conditioner markets from three to two, leaving Unilever with approximately 90 percent of those markets. In the case of hairspray, Unilever's post-merger share of the market would be approximately 46 percent, with the

combination resulting in a highly concentrated market. This loss of competition likely would have resulted in higher prices for value shampoo and conditioner, and hairspray products.

During the investigation of the transaction, the department's Antitrust Division cooperated with the Office of Fair Trading in the United Kingdom, the Federal Competition Commission in Mexico and South Africa's Competition Commission. Both Unilever and Alberto-Culver provided waivers, in a timely way, to facilitate the effective international cooperation in this case, the department said.

"Maintaining close working relationships with competition agencies around the world and having open dialogues with our counterparts are important ways of enhancing competition and protecting consumers in the United States and internationally," said Assistant Attorney General Varney.

Unilever N.V. and Unilever PLC are corporations with headquarters in Rotterdam of the Netherlands and London, respectively. They wholly own Conopco Inc., a New York corporation. Unilever sells consumer products in more than 100 countries under brands such as Hellmann's, Lipton, Surf, Dove, Suave and Vaseline. Unilever had sales of \$62 billion in 2010.

Alberto-Culver Co., a Delaware corporation headquartered in Melrose Park, Ill., sells consumer products in more than 100 countries under brands such as TRESemmé, Alberto VO5, Noxzema, Nexxus, St. Ives, Static Guard and Mrs. Dash. Alberto Culver had sales of \$1.6 billion for the fiscal year ending Sept. 30, 2010.

The proposed settlement, along with the department's competitive impact statement, will be published in the Federal Register, as required by the Antitrust Procedures and Penalties Act. Any person may submit written comments concerning the proposed settlement within 60 days of its publication to Joshua H. Soven, Chief, Litigation I Section, Antitrust Division, U.S. Department of Justice, 450 Fifth St., N.W., Suite 4100, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the settlement upon a finding that it is in the public interest.

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