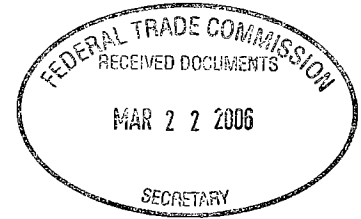


**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**



In the Matter of)
)
Nestle Holdings, Inc.,)
a corporation)
)
and)
)
Ralston Purina Company,)
a corporation)

Docket No. C-4028

**PETITION OF THE CYPRESS GROUP, LLC FOR
PRIOR APPROVAL OF THE SALE OF**

J.W. Childs, the Commission on October 7, 2003, notified J.W. Childs that the Commission had granted its approval to sell the business to Cypress, with the proviso that Cypress “shall assume the remainder of Childs’ obligation” regarding resale of the business before February 4, 2007.

(Letter from Donald S. Clark, Secretary, to Claudia R. Higgins, counsel for J.W. Childs Equity

Part 702.11.1.B (October 7, 2000 (sic)). Cypress now seeks the Commission’s prior approval

PUBLIC VERSION

treatment under 5 U.S.C. § 552 and Section 4.10(a)(2) of the Commission's Rules of Practice, 16 C.F.R. § 4.10(A)(2). For the purpose of obtaining public comment relating to this petition, ~~Compass has created and is filing with this petition a public version by redacting confidential~~

information.

Description of the Proposed Transaction

~~On March 2, 2006, Compass entered into a Stock Purchase Agreement with Del Monte.~~

distribution. Indeed, Del Monte's resources and expertise in these areas, including with dog food brands in competitive positions similar to the Meow Mix brands, will improve on Meow Mix's

already strong performance.

From the brand names and the marketing management assets that were neither a

unit nor a stand-alone business in 2001 when sold to J.W. Childs for , the proven

management team of STAMCO transformed the company into a competitive business. With strong

which will allow for efficient distribution and production of some special-use products to be made

consumers who own both cats and dogs. In addition, becoming part of the Del Monte family

will provide some additional information on the distribution of the product. D. 135-1-10-1-11

CONFIDENTIAL - SECURITY INFORMATION

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Out of 20 brands analyzed currently, Meow Mix holds the fourth highest share and Del Monte's

9 Lives is eighth, which Nestlé holding the first, second and fifth largest of all brands.

By company, while Nestlé maintains a dominant position, five other competitors would

have a substantial "cat" category that is largely made up of private

In the product segment of food and beverage markets, Nestlé's dominance is even more striking.

Nestlé's dominance is even more striking, both by brands and by companies:

	Dollar Share of Type
NPPC	
FANCY FEAST	
FRISKIES ALPO	
FRISKIES	
PIRELLA GÖTTSCHE LOWE PARTNERSHIP	

Meow Mix recently launched a cat treats product, which has only a percent share of the market. The change in HHI post-merger would be only , therefore.

<u>NPPC</u>	Dollar Share of Type
PURINA WHISKER LICKINS	
FRISKIES	
PURINA AQUARI YUMS	
PURINA (Purina, Purina Essentials, Purina Pro Plan)	
KITTY TEAZER	
<u>Meow Mix</u>	
MEOU MIX TREATS	
<u>Masterfoods</u>	
WHISKAS TEMPTATIONS	
KAL KAN WHISKAS ULTRAMILK	
<u>Del Monte</u>	
POUNCE TREATS	
9 LIVES TREATS (9 Lives Cat Nippers, 9 Lives Meaty Morsels)	
<u>NATURE'S BOND</u>	

Data Source: IRI Consumer Panel Network
Total US All Outlets

In addition to this market share information, and consistent with it, pricing and other market conditions show that the Meow Mix and Del Monte cat food brands are not considered close substitutes for one another. Meow Mix’s dry cat food makes up the majority of its business while its wet food and snacks are relatively small. Del Monte’s product mix is the reverse. In dry cat food, Nestle Purina brands Friskies and Cat Chow, among others, are considered more significant competitors to 9 Lives than is Meow Mix, and vice versa. Alley Cat is a lower-priced “value” brand than is 9 Lives. In wet cat food, Meow Mix offers “super premium” 3.3-ounce cans, a segment dominated by Nestlé Purina’s Fancy Feast in which 9 Lives does not compete significantly. Thus, by combining largely complementary brands, the transaction will enhance

**The Sale of TMMC to Del Monte Is Consistent
With The Purpose of the Commission's Order**

Del Monte's proposed acquisition of TMMC will appropriately continue to check the



In addition, Commissioner Anthony expressed concern that “investment firms may have quite different incentives and goals in operating a business” as an investment firm’s “business

