



ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ

Decision CPC: 48/2018

Case Number 8.13.018.24

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
No. 83(I)/2014**

**Notification of a concentration concerning the acquisition of the share capital
of LOGOCOS NATURKOSMETIK AG and Logo-Bau GmbH & Co.
Grundstücksverwaltungs KG by L'Oreal S.A.**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mr. Aristos Aristidou Palouzas,	Member
Mr. Panayiotis Oustas,	Member
Mr Polinikis-Panagiotis Charalambides	Member

Date of decision: 26/9/2018

SUMMARY OF THE DECISION

On 21/08/2018, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of L'oreal S.A. (hereinafter «L'oreal»), a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the "Law") and it concerns the proposed acquisition by L'Oreal of the share capital of Logocos Naturkosmetic AG (hereinafter «Logocos Naturkosmetic»)

and Logo-Bau GmbH & Co (hereinafter «Logo-Bau») (hereinafter both of the aforementioned companies “The Target”), through L’Oreal Deutschland GmbH.

L’Oreal S.A. is a joint stock company/société anonyme, duly registered under the laws of France and is the parent company in L’oreal group of companies. The said group of companies is active in the research, development, production, marketing and distribution of a wide range of cosmetic products (professional luxury cosmetics), mass consumption cosmetics, luxury cosmetics and dermocosmetics.

The target in this concentration are the enterprises Logocos Naturkosmetik and Logo-Bau. Logocos Naturkosmetik is a company, duly registered under the laws of the Federal Republic of Germany. The said company is active in the production and distribution of natural body, hair and facial care products.

Logo-Bau is a limited partnership, duly registered under the laws of the Federal Republic of Germany. It is the owner of the land which is used for the production and distribution of cosmetics of Logocos Naturkosmetik.

The transaction is based on a Sale and Purchase Agreement (hereinafter the “Agreement”),. Under the Agreement, L’Oreal Deutschland GmbH which is 100% subsidiary of L’oreal will acquire the share capital of Logocos Naturkosmetik and Logo-Bau.

Taking into account the above mentioned facts, the Commission concluded that the transaction in question constitutes a concentration within the meaning of section 6(1)(a)(ii) of the Law because it will result in a change of control on a permanent basis of Logocos Naturkosmetik and Logo-Bau which will be obtained by L’oreal.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3(2)(a) of the Law were satisfied and therefore the notified transaction was of major importance under the Law.

The Commission, for the purposes of evaluating this concentration, defined the relevant product/service market as follows: a) the market of mass consumption face make-up, b) the market of mass consumption hair care products, c) the market of mass consumption skin care products (including body and facial care products). For the purposes of the present case, the geographic market was defined as the Republic of Cyprus.

Considering the above, the Commission concludes that there is a horizontal overlap in the activities of the companies and there are affected markets regarding 1) the mass consumption face make-up and 2) mass consumption hair care products markets.

The Commission proceeded to analyze the compatibility of the merger, in accordance with the criteria set out in Article 19 of the Law. The Commission took into account and assessed the position of the participating undertakings in the affected markets, the market structure, the financial strength of the participating undertakings, the alternative sources of supply, the supply and demand trends, the expected demand growth, the barriers to entry and the consumer interests.

The Commission concluded that due to the small market shares of the Target as well as the significant number of market competitors and the alternative sources of supply, the concentration will lead to negligible increases to the market shares of the participating undertakings.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market according to Annex I of the Law, and therefore the concentration does not raise serious doubts as to its compatibility with the operation of competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition