

**THE CONTROL OF CONCENTRATIONS  
BETWEEN ENTERPRISES LAWS 1999 TO 2000**

**Notification of concentration regarding the acquisition of part of the share capital  
of Middle East Internet Holding S.a.r.l. by MTN (Dubai) Ltd**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mrs. Eleni Karaoli,	Member
Mr. Andreas Karides,	Member
Mr. Charis Pastellis,	Member
Mr. Christos Tsingis	Member

Date of decision: 9 April 2014

**SUMMARY OF THE DECISION**

On 14 February 2014, the Commission for the Protection of Competition (hereinafter the «Commission») received notification of a proposed concentration by MTN (Dubai) Ltd (hereinafter «MTN (Dubai)») and Rocket Internet GmbH (hereinafter «Rocket») in accordance with section 13 of the Control of Concentrations between Enterprises Law (Number 22(I)/99) (hereinafter the «Law»). The notification concerns the acquisition of 50% of the share capital of Middle East Internet Holding S.a.r.l. (hereinafter «MEIH») by MTN (Dubai).

MTN (Dubai) Ltd is a company duly registered under the laws of Dubai and it is a subsidiary of MTN Group Limited (hereinafter the "MTN"). MTN (Dubai) is a holding company for telecommunications service providers and through its investments and subsidiaries is principally active in mobile telecommunications services in Africa and the Middle East, as well as in Cyprus. Its activities in Cyprus are carried out by its subsidiary MTN Cyprus Ltd (hereinafter the «MTN Cyprus»). MTN Cyprus provides

telecommunications services to businesses and individuals within the territory of the Republic of Cyprus and especially mobile and fixed telephony and broadband internet services.

Middle East Internet Holding S.a.r.l. is a company duly registered under the laws of Luxemburg. This is a holding company and its subsidiaries were established recently and will be active in online marketplaces in various countries of the Middle East. The share capital of the Middle East Internet Holding S.a.r.l. is owned by Rocket Internet GmbH.

Rocket Internet GmbH is a company duly registered under the laws of Germany and is active in the business start-up and early-growth financing of innovative internet businesses. It also provides funding and support in the areas of promotion, development and management.

This transaction is based on an Investment Agreement and a Shareholders' Agreement (hereinafter the «Agreements»), dated 19 December 2013, among Rocket, MEIH and MTN (Dubai). According to the said agreements, MTN (Dubai) will acquire 50% of the share capital of MEIH and as a result, the existing share capital held by Rocket in MEIH will be reduced to 50%.

The Commission, for the purposes of section 4 of the Law examined the composition of the Board of Directors of MEIH and the type of decisions the Board will take.

The Commission, taking into account the above facts and events concerning this concentration has concluded that this transaction constitutes a concentration within the meaning of section 4 (1) (b) of the Law, since it results in change of control from sole control to joint control of MEIH by Rocket and MTN (Dubai).

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 concentration was of major importance under the Law. According to the notification, the aggregate turnover achieved by Rocket and MTN (Dubai) for the year 2012, exceeded, in relation to each one of them, 3.417.203 euro. In addition, only MTN (Dubai), through MTN Cyprus, engages in commercial activities within the Republic of

Cyprus and its aggregate turnover for the supply of goods or services within the Republic for the year 2012 exceeded 3.417.203 euro.

MTN (Dubai) Ltd is principally active in mobile telecommunications services. MTN Cyprus provides telecommunications services to businesses and individuals within the Republic of Cyprus and especially mobile and fixed telephony and broadband internet services.

Middle East Internet Holding S.a.r.l. portfolio companies will operate online marketplaces.

Rocket Internet GmbH is active in the business start-up and early-growth financing innovative internet business. It also provides funding and support in the areas of promotion, development and management.

The Commission for purposes of evaluating this concentration considered the relevant product/service market is defined as: 1) the operation of online marketplaces, 2) broadband internet access services in a fixed position to end users, 3) leased lines services, 4) fixed telephony services to end users, 5) mobile telephony services to end users and 6) the provision of terminal equipment for electronic communications. The geographical market for the operation of online marketplaces and the provision of terminal equipment for electronic communications was left open whereas broadband internet access services in a fixed position to end users, leased lines services, fixed telephony services to end users and mobile telephony services to end users is defined as the Republic of Cyprus.

Since only one of the parties engages in commercial activities within the Republic of Cyprus, namely MTN (Dubai), through MTN Cyprus, the concentration does not create any affected markets as determined in Annex I of the Law.

The Commission, on the basis of the factual and legal evidence of the case and having taken into consideration the report prepared by the Service, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market and therefore the concentration does not raise serious doubts as to its compatibility with the competitive market.

Therefore, the Commission, acting in accordance with section 18 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the requirements of the competitive market.

Mrs. Loukia Christodoulou  
Chairperson of the Commission for the Protection of Competition