

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

Notification of concentration regarding the acquisition of some of the share capital of Vicini S.p.A. by S.L.Z.A. S.A.

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: 14 March 2014

SUMMARY OF THE DECISION

On the 27th of December 2013, the Commission for the Protection of Competition (hereinafter the «Commission») received a notification of the proposed concentration on behalf of S.L.Z.A. S.A. (hereinafter the «S.L.Z.A.»), in accordance with section 13 of the Control of Concentrations between Enterprises Law (Number 22(I)/99) (hereinafter the «Law»). The concentration is based on an agreement concerning the acquisition by S.L.Z.A., of 30% of the share capital of Vicini S.p.A. (hereinafter the «Vicini»).

S.L.Z.A. is a company duly registered in accordance with the laws of Luxembourg and is a vehicle company established with the sole purpose of carrying out the proposed merger. S.L.Z.A. is owned by F.C.P.R.L Capital 3, which is an investment management fund under the management of L Capital Management S.A.S.

L. Capital Management S.A.S. is an investment management company of two active private equity funds (F.C.P.R.L Capital 2 and F.C.P.R.L Capital 3) that focus on four areas of investments, namely, personal care and well-being, personal equipment, home and family equipment and selective retailing.

Vicini is a company duly registered in accordance with the laws of Italy and is wholly owned by a physical person, who is also the seller in the proposed merger. Vicini is mainly engaged in the design, production and distribution of high-end elegant shoes and sneakers for both women and men. In addition, the company sells bags, jewelry and other accessories.

This transaction was based on an agreement dated 16/1/2014 between Mr. Giuseppe Zanotti, S.L.Z.A. and L Capital Asia Advisors, concerning the acquisition of 30% of the share capital of the target company Vicini, by S.L.Z.A. With the completion of the proposed concentration, the target company Vicini, will be jointly owned by Mr. Giuseppe Zanotti and S.L.Z.A., and thus there will be a change of control of Vicini, from sole control of the company by Mr. Giuseppe Zanotti, to joint control by Mr. Giuseppe Zanotti and S.L.Z.A.

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 leads to a permanent change of control of Vicini.

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. According to the notification, the aggregate turnover achieved by Groupe Arnault that owns S.L.Z.A. and the target company Vicini, exceeded, in relation to each one of them 3.417.203 euro. Furthermore, both Groupe Arnault and Vicini engaged in commercial activities within the Republic of Cyprus and the total turnover which relates to the supply of goods and services within the Republic exceeded 3.417.203 euro.

The relevant product market in this case was defined as the market of luxury goods which is divided to the following submarkets: (a) fashion and leather goods including accessories (b) perfumes and cosmetics, (c) watches and (d) jewelry. The definition of the geographic market of the relevant product/services market in this case was defined as the Republic of Cyprus.

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 creates an affected market and specifically the affected submarket of fashion and leather goods including accessories.

Thus, the Commission proceeded to analyze the factors set in section 12 of the Law and after taking into consideration, the fact that there are many other branded products that compete with those of the parties of the proposed concentration, there are other possible alternative sources of supply of such products within the Republic of Cyprus, as well as the target company's market share, the trends of supply and demand of luxury goods, the fact that the consumers best interests are not affected by the proposed concentration and there are no particular barriers to entry in regard to the specific submarket, it decided that the proposed concentration does not appear to affect the current position of the acquiring firm in the affected submarket of fashion and leather goods including accessories.

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.

Loukia Christodoulou

Chairman of the Commission for the Protection of Competition