

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

**Notification of concentration regarding the acquisition by X.A. Papaellinas
Emporiki Ltd of the activity of retail sale of food products and non food products
for domestic use of ESEL SPOLT 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: 7 November 2013

SUMMARY OF THE DECISION

On the 23rd of October 2013, the Commission for the Protection of Competition (hereinafter the «Commission») received on behalf of X.A. Papaellinas Emporiki Ltd (hereinafter «Papaellinas») notification of a proposed concentration, in accordance with section 13 of the Control of Concentrations between Enterprises Law (Number 22(I)/99) (hereinafter the «Law»). The transaction concerned the acquisition by Papaellinas of the activity of retail sale of food products and non food products for domestic use in Kapsalos, of ESEL SPOLT Ltd (hereinafter «target»).

X.A. Papaellinas Emporiki Ltd is a company duly registered under the laws of Cyprus. The core area of operations of the enterprise is the operation of food supermarkets under the brand name "Alpha Mega" and specifically the retail sale of food products and non-food household items aimed at the satisfaction of recurring needs of households.

The target in this concentration is the activity of retail sale of food products and non-food household items of ESEL SPOLT Ltd in E&S Kapsalou supermarket.

This transaction was based on two agreements, signed on the 21st of October 2013, between Papaellinas (Purchaser) and ESEL SPOLT Ltd (Seller), for the lease of a period of ten years of E&S Kapsalou with the right for renewal for 10 years, undertake

the activities of the target supermarket and buy of the stock and products within the supermarket.

The Commission, taking into account the facts concerning this concentration concluded that this transaction constitutes a concentration within the meaning of section 4 (1) (b) of the Law, since it results in the acquisition of sole control of the target.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set in section 3 (2) (a) of the Law were fulfilled and therefore the notified concentration was of major importance, following within the scope of the Law. According to the notification, the turnover achieved by Papaellinas, for 2012 exceeded 3.417.203 euro and the turnover of the target for 2012 exceeded 3.417.203 euro. In addition, all the above mentioned turnover derives from commercial activities within the Republic of Cyprus.

The target and Papaellinas have joint activities, namely retail sale of food products and non-food household items.

The Commission for purposes of evaluating this concentration considered the relevant product/service market to be the retail sale of food products and non-food household items. The geographic market, mainly due to the fact that Papaellinas is a chain store enterprises, with shops all over Cyprus and its decision are taken on a central level, was defined as Cyprus.

Based on the information provided, the parties in this transaction have a horizontal relationship and are active in the same relevant market. The Commission examined the market shares of the acquirer and the target and concluded that this were below 15%. Therefore, 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 circumstances, applying the relevant provisions of the Law and taking into consideration the report of 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