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COMP/M. 4048 - SONAE INDUSTRIA / TARKETT

SECTION 1.2

Description of the concentration

The proposed concentration concerns the creation by Sonae Indústria, SGPS, SA (“Sonae Indústria”) and Tarkett AG (“Tarkett”) of two joint ventures (each one to be indirectly held on a 50/50 basis) that shall be active in manufacturing and selling **laminated flooring**. The joint ventures shall operate in the territory of the EU (with the exception of Slovenia) as well as in Switzerland, Norway, Andorra, Liechtenstein, Monaco, San Marino, Turkey and also in the continents of Africa, Asia and Oceania (“the Territory”).

Sonae Indústria, SGPS, SA heads a group of companies involved in manufacturing and selling several types of wood-based panels which are controlled by its majority shareholder EFANOR INVESTIMENTOS SGPS, S.A., the personal holding of Mr. Belmiro de Azevedo, president of the Sonae Group (a Portuguese-based group engaged in several business activities, namely but not limited to, retail (hypermarkets, supermarkets and other formats of modern distribution in Portugal), electronic communications in Portugal, commercial real estate (owning and managing shopping centres in Portugal, Spain, Greece, Germany and Brazil).

Tarkett AG is part of the Tarkett Group, which operates world-wide in the production and distribution of floor coverings of various types.

Tarkett AG is indirectly controlled by the head company of the Group – Tarkett, SA – and is simultaneously the parent company for the Group’s various operating companies as well as an operating company active in the production of floor coverings.

Sonae Indústria and Tarkett desire to combine their respective knowledge and expertise by entering into a combined set of two joint-ventures for the integrated manufacturing (at a new plant to be erected in Eiweiler, Germany) and selling of laminated flooring and boards in the Territory, for an indefinite period of time.

The production of laminated flooring shall be carried out by a German company jointly held (on a 50/50 basis) and jointly controlled by the notifying parties (the “German JV”). The German JV shall produce laminated flooring as well as high-density or medium-density wood-fibre boards (MDF/HDF).

The sales and marketing of laminated flooring (produced by the German JV) shall be carried out by a Luxembourg company equally jointly controlled by the notifying parties (the “Luxembourg JV”) which shall also trade laminated flooring accessories.