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COMP/M.5139 - EMPIK / HDS / JV

SECTION 1.2

Description of the concentration

EMPIK and HDS intend to combine their activities in the coffee bars market in Poland by creating a joint venture company specifically for this purpose.

EMPIK operates the largest national network of retail culture and media stores in Poland, offering among other things books, music, films and multimedia, having in its locations in-store coffee bars. HDS operates in Poland, *inter alia*, coffee bars under the brand “Voyage Coffee” located in transportation and shopping centres as well as airport bistros under the brands “Flying Bistro” and “Business Shark”. HDS is also engaged in Poland in press wholesaling and retailing, together with retail sale of books and other media products.

EMPIK is a wholly-owned subsidiary of EMF which is controlled by Eastbridge S.A.R.L. HDS is a wholly-owned subsidiary of Lagardère Services SA. EMPIK and HDS entered into JVA pursuant to which both companies will form a new joint venture company to be named Empik Cafe Sp. z o.o. The new company will take over coffee bars now operated by EMPIK and HDS and will open new coffee bars inside EMPIK culture stores as well as stand-alone coffee bars in other locations.

EMPIK will subscribe for 49% of the JVC’s initial share capital and HDS will subscribe for 51% of the JVC’s initial share capital.

The reportable markets for the transaction are as follows: local coffee bars market in Poland, national retail market for press (both Polish and foreign press), national wholesale market for press (both Polish and foreign press), national retail market for books, local retail market for selected FMCG in Poland, national market for women’s upscale magazines publishing, national market for life-style magazines publishing, European various readers market for magazines publishing, market for international travel retail in duty-free shops, national wholesale market of luxury cosmetics and perfumes.

The Notifying Parties believe that this joint venture will allow them to make use of their resources and experience in operating bars and/or bistros in order to establish a new network of coffee bars operating under the brand “Empik Cafe”.