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M.8109 - FIH MOBILE / FEATURE PHONE BUSINESS OF MICROSOFT MOBILE

SECTION 1.2

Description of the concentration

On 19 August 2016 the Commission received a notification of a proposed concentration pursuant to Article 3(1)(b) of Council Regulation (EC) No 139/2004, by which FIH Mobile Limited ("**FIH**"), intends to purchase from Microsoft Mobile Oy ("**Microsoft MO**") and from a number of entities affiliated with Microsoft MO, 100% of the contributed charter capital of Microsoft Mobile (Vietnam) Limited Liability Company ("**MMV**") and certain other assets (together, the "**Target**") that are utilised in the conduct of the feature phone business (the "**Feature Phone Business**") currently operated by Microsoft. MMV is a subsidiary of Microsoft MO and the manufacturer of the phones for the Feature Phone Business.

FIH is a subsidiary of Hon Hai Precision Industry Co., Ltd., trading as Foxconn ("**Hon Hai**"), and Hon Hai is a provider of third-party electronics manufacturing services ("**EMS**") to original equipment manufacturers ("**OEM**") of electronic products such as computers, mobile phones, video game consoles and televisions. Hon Hai has operations across the Americas, Asia and Europe.

Microsoft MO is a subsidiary of Microsoft Corporation ("**Microsoft**"), which is a public company incorporated in the United States of America. Microsoft is primarily involved in the design, development and supply of computer software, certain hardware devices and related services. The principal business activities of Microsoft MO are the development, licensing and support of software products, technology services and hardware devices related to handheld mobile phones.

As part of the same transaction, HMD global Oy ("**HMD**") will acquire the necessary intellectual property rights to engage in the Feature Phone Business. The OEM element of the Target business relates to the provision of EMS for the Feature Phone Business. Currently MMV manufactures feature phones for the Feature Phone Business operated by Microsoft. Following completion of the Proposed Transaction, it is envisaged that HMD will engage FIH to manufacture feature phones on its behalf, and that FIH will utilise MMV to do so.