

Anticipated Concentration between Lidl Immobiliare and Lidl Malta Limited (collectively referred as “Lidl”) and Said Investments Limited and Scotts Limited (collectively referred as “Scotts”)

Invitation to Comment

Legal Obligations

In terms of regulation 5(4) of the Control of Concentrations Regulations (Subsidiary Legislation 379.08 of the Laws of Malta), the Director General of the Office for Competition notifies for general information that a notification of a proposed concentration between Lidl Immobiliare Malta Limited (Luqa, Malta), Scotts Limited (Birkirkara, Malta) and Said Investments Limited (Birkirkara, Malta), was deemed complete on **Thursday, 30 September 2021**.

Parties Involved

Lidl (as Lidl Immobiliare Malta Limited and the acquirer in this transaction) is part of the group structure that also holds Lidl Malta Limited. Lidl Malta Limited is a limited liability company registered in Malta, bearing company registration number C36317, which acts as an importer and retailer of finished and packaged products relating to foodstuffs, beverages and allied products, and household items. It has its registered address at the The Administration Office, Triq il-Karmnu, Luqa, LQA1311, Malta, and it is the company which operates the ‘Lidl’ supermarkets across Malta and Gozo. Lidl Immobiliare Malta, bearing company registration number C36321, is a property company which objectives include that of purchasing and acquiring immovable property in Malta and the carrying on of the business as an operator and administrator in connection with the properties that it purchases and acquires.

Scotts Limited, a limited liability company registered in Malta with company registration number C33305, acts as an importer and retailer of finished products relating to foodstuffs, beverages and allied products, and household items. It has its registered address at The Said Buildings, Fleur de Lys Road, Birkirkara, Malta, and it is the company which operates ‘Scotts’ supermarkets.

Said Investments Limited, a limited liability company registered in Malta with company registration number C13285, is a property company. Its objectives include that of purchasing and acquiring immovable property in Malta and the

carrying on of the business as an operator and administrator in connection with the properties that it purchases and acquires. It has its registered address at The Said Buildings, Fleur de Lys Road, Birkirkara, Malta.

Transaction

The proposed concentration is the acquisition by Lidl Immobiliare Malta Limited of property at Ħaz-Żabbar (as better defined hereinafter) belonging to Said Investments Limited and leases belonging to Scotts Limited.

On 10 May 2021, Lidl Immobiliare Malta Limited entered into a promise of sale agreement with Said Investments Limited to acquire the Ħaz-Żabbar properties comprising of a complex without official number in Triq il-Mina ta' Hompesch in Ħaz-Żabbar, with a superficial area of approximately 6,020 square metres consisting of:

- a. the building used as a supermarket, without official number known as "Scotts" formerly known as "Sisa" and formerly known as "Pirella Supermarket" and prior to that as "Corrigo Hall Wedding Complex", in Triq il-Mina ta' Hompesch in Ħaz-Żabbar, which building in part underlies third party property; of the outside areas include the out-buildings without number which are accessible by a driveway which forms an integral part of this complex and which also provides access to the Żabbar Parking Area.
- b. the divided portion of land of a rectangular shape known as "Tal-Mandarin" in the limits of Ħaz-Żabbar, surrounded on all sides with a boundary wall which segregates it from adjacent properties, which land is used as a parking area of the Ħaz-Żabbar Supermarket and has a superficial area of not less than three thousand four hundred square metres (3,400sq.m.).

The parties to the concentration agree that the Ħaz-Żabbar properties will be sold tale quale in their current state and condition, with all their rights and appurtenances. The Ħaz-Żabbar properties will be transferred with vacant possession on the Deed of Sale. It is not the intention of the parties to the concentration for Lidl Malta Limited to acquire the business that is carried out by Scotts Limited and, therefore, Scotts Limited intends to continue operating its current supermarket business under the same brand name.

The promise of sale agreement and the leased property promise agreement are conditional on the decision of the Director General of the Office for Competition, declaring the transaction a lawful concentration in terms of the Control of Concentration Regulations. It is also noteworthy that the proposed concentration is not subject to review by any other competition authority.



MALTA COMPETITION AND
CONSUMER AFFAIRS AUTHORITY

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The Role of the Office for Competition

According to Article 14 of the Malta Competition and Consumer Affairs Authority Act (Chapter 510 of the Laws of Malta), the Office for Competition is responsible for examining and controlling concentrations between undertakings in terms of their effect on the structure of competition on the market. Concentrations that might lead to a substantial lessening of competition in the Maltese market or a part thereof are prohibited.

As a result, the Office for Competition will be assessing whether the proposed concentration, if carried into effect, will result in a substantial lessening of competition within any market or markets in Malta for goods or services.

Invitation to Submit Your Comments on the Proposed Concentration

The Office for Competition is keen to ensure that all interested parties have the opportunity to make their views known and present all relevant evidence to the Office. The Office for Competition is therefore inviting interested parties to submit to the Office for Competition their views on the impact that the proposed concentration could have on competition in the Maltese grocery retail sector. Any comments should be submitted to godwin.mangion@mccaa.org.mt cc gilmour.a.camilleri@mccaa.org.mt by not later than **Friday, 22 October 2021**, making reference to this proposed concentration by quoting case reference file '**COMP/MCCAA/11/2021**' in the subject.

This invitation to comment is the first part of the Office's information-gathering process. The Office for Competition is likely to proactively contact companies and stakeholders that are active in the markets affected by the proposed concentration, or have valuable insights or evidence that could assist the investigation including, suppliers, competitors, consumer organisations, consumers and industry bodies.

When submitting your comments, you are kindly requested to clearly identify any material which you consider to be confidential, giving reasons thereof, and provide a separate non-confidential version of the replies in accordance with Article 29 of the Malta Competition and Consumer Affairs Authority Act (Chapter 510 of the Laws of Malta).

Your name and contact details are your personal data. In collecting, receiving, storing, accessing and using your personal data, the Office for Competition, as controller, is processing your personal data. The Office for Competition processes personal data in accordance with data protection law.