

27 March 2012: Wine market

Published on April 30, 2012

The Autorité de la concurrence has decided to open an in-depth investigation into the takeover of several companies of the Patriarche group by the Castel group.

> *Version française* 

On 7 October 2011 at the request of the *Autorité*, Castel Frères, a subsidiary of the Castel group, notified that it had taken exclusive control of companies representing most of the business activities of the Patriarche group (hereafter "Patriarche"). Although falling within the scope of the provisions covering the control of mergers, the acquisition of these companies had not been notified to the *Autorité* prior to the transaction taking place in the spring of 2011.

The Castel group and Patriarche are both active in the wine sector, notably in the area of those wines with no indication of geographical origin, commonly referred to as "table wines".

The Autorité de la concurrence considers that the transaction raises serious concerns and requires the opening of an in-depth investigation (phase 2)

During the investigation, by means of a wider consultation including other players in the market, the *Autorité* will be particularly careful to determine whether the transaction is likely to impede effective competition in the branded table wine segment, with the new entity post-transaction possessing several brands of wine within this category (notably Vieux Papes, La Villageoise, Cambras, Cramoisay, Champlure and Lichette), some of which appear to be "must-have" brands.

In principle, applicable rules call for this examination to be carried out within 65 working days of the launch of phase 2, with the possibility of lengthening this

timeframe if necessary, for example in order to finalize commitments or to consider the occurrence of a new fact.

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