



GAZDASÁGI
VERSENYHIVATAL

Pharmanova pharmacy network expanding

The Hungarian Competition Authority (GVH) has granted authorisation for the acquisition of 19 AW Holding pharmacies by Pharmanova Zrt.

In January 2009 Pharmanova Vagyonkezelő Zrt concluded a contract with AW Holding Vagyonkezelő Kft for the acquisition of 99% of its voting shares in Europatika Gyógyszertár-üzemeltető és Szolgáltató Kft and Gyógyszertér Gyógyszertár-üzemeltető és Szolgáltató Kft; 75% of its voting shares in MIX Kereskedelmi és Vendéglátó Kft, 90% of its voting shares in Nyíregy-Pharma Gyógyszerkereskedelmi Kft, 75% in Fehérvár-Pharma Gyógyszerkereskedelmi Kft. and 100% of its voting shares in Első AW Kereskedelmi 2008. Kft and Harmadik AW Kereskedelmi 2008. Kft, including the term that the ownership will devolve to Pharmanova on 1 July 2009.

One of the main profiles of the group of undertakings controlled by Pharmanova (dealing with property administration and investments) is pharmacy retail. At present 122 undertakings operating public pharmacies belong to the group. Besides, Pharmanova owns 50% of the voting rights of Vitafarma Bt, an undertaking operating a pharmacy in Győr.

Europatika is presently operating 8 pharmacies and it will open further two pharmacies to the public by 30 June 2009. Gyógyszertér Kft is operating 4 pharmacies. The other undertakings own 1-1 pharmacies – either already functioning or before opening – each.

As a result of the concentration, the market share of Pharmanova would have exceeded 25% within a 5 km radius of the pharmacy in Győr owned by Europatika. Therefore, pursuant to the provisions of the Pharmacy Act, which has to be applied in this case parallel to the Competition Act, the concentration should have been prohibited.

According to the Competition Act, in order to reduce the detrimental effects of a concentration, the GVH may attach to its decision pre- or post-conditions and obligations. It may, in particular, demand the divestiture of certain parts of the undertakings or certain assets, or the relinquishment of control over an indirect participant, setting an appropriate time limit for the carrying out of these requirements. The Competition Act does not contain explicit provisions on the method of setting these conditions and obligations, however, in practice it is rational that they are based on the commitments of the undertakings participating in the concentration.

In this case Pharmanova undertook commitments during the proceeding. According to them, Pharmanova will close the Pharmacy Nádorváros (Nádorvárosi Gyógyszertár) operated by it in the above mentioned district in Győr by 30 June 2009 the latest, and no pharmacy will be

operated by it in that district from that time on. The commitment will assure that the share of pharmacies belonging to Pharmanova stay under 25% in the district. The GVH imposed this commitment binding on Pharmanova, and as no further competition concerns were identified, it granted authorisation to the concentration.