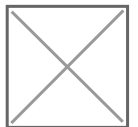


10 December 2015: Fast food industry

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The Autorité de la concurrence clears the acquisition of Quick by Burger King, subject to commitments.

> *Version française*



On 4 November 2015, Burger King France notified to the Autorité de la concurrence the acquisition of sole control of the Quick group.

Burger King France operates a network of thirty restaurants with the trading name "Burger King" on the French territory, ten of which are directly owned and twenty are operated by franchisees. The company is controlled by the Bertrand group – which also owns commercial catering establishments such as Brasserie Lipp, the chains Au Bureau and Café Leffe, the sandwich shops Bert's and the cafeteria Eris.

The Quick group runs a network of four hundred and five fast food outlets in France, the vast majority of which are operated as franchises.

The transaction will not undermine competition in France, with the exception of the Ajaccio area in Corsica.

Within the commercial catering sector, the competition authorities' decision-making practice distinguishes between the low-cost fast food and sophisticated catering, including, in particular, table service.

Following a large consultation of the operators in the sector, supplemented by the results of a survey conducted by Burger King France among its customers, the Autorité found that there was a strong competitive proximity between the

main brands specialising in "Anglo-Saxon style" fast food, namely McDonalds, KFC, Quick, Burger King and Subway.

After detailed review, the Autorité has found that in almost the entire French territory, the transaction is not likely to harm competition, given the presence of sufficient competitors wherever the deal leads to overlapping activities – the only exception being the area of Ajaccio, in Corsica, where the deal is likely to lead to the creation of a virtual monopoly.

The Corsican market is in fact characterised by an offer of fast food - notably specialised brands - that is particularly low, which is unique in France. No restaurant of the fast-food chains Mc Donald's, KFC or Subway is present in Corsica. In October 2015, Burger King entered the "Anglo-Saxon-style" fast food market in Ajaccio, which enhanced competition in an area that was largely dominated by Quick hitherto. The deal, by merging the networks of Quick and Burger King, is likely to recreate a virtual monopoly in Ajaccio.

In order to prevent any distortion of competition, Burger King has committed to terminate a franchise agreement in Ajaccio

Burger King France has committed to terminate the franchise agreement with the operator of the Quick restaurant in Ajaccio. This will enable the operator to join the network of a competing fast-food chain and stimulate competition on the market for "Anglo-Saxon style" fast food restaurants.

This remedy will make it possible to maintain a balanced competition by removing the additional market share gained through the transaction. It is designed to provide the consumers in Ajaccio with a competitive and diversified offer.

For a period of ten years, Burger King France will be prohibited from franchising the restaurant divested.

> See the full text of the decision 15-DCC-170

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