The Autorité clears the takeover of 366 La Halle's stores by the Beaumanoir group, which notably operates Cache Cache, Morgan and Bonobo brands

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The Beaumanoir group has notified the *Autorité de la concurrence* of its plan to acquire 366 stores operated under the La Halle brand. The transaction is part of a judicial liquidation procedure opened by the Paris Commercial Court (Tribunal de commerce) for the benefit of the Beaumanoir group. On 26 June 2020, the *Autorité de la concurrence* granted, on an exceptional basis, a derogation (see box) allowing the Beaumanoir group to proceed with the transaction, without waiting for the final decision, which has just been issued by the *Autorité*.

Parties to the transaction

The Beaumanoir group has clothing stores in France and abroad, primarily for female customers, operated under the Cache Cache, Bonobo, Bréal, Morgan and Vib's[1] brands. The turnover achieved by the Beaumanoir group in France is 790 million euros.

The 366 La Halle stores are active in ready-to-wear for men, women and children. La Halle also operates and sells subsidiary brands, such as Liberto and Creeks, in its stores, and manages the online sales site lahalle.fr.

After a thorough investigation, the *Autorité* considers that the transaction is not likely to harm competition

In particular, the *Autorité* examined whether the acquisition by the Beaumanoir group of another brand active in ready-to-wear (La Halle) was likely to restrict competition in the local clothing and shoes for women and men retail distribution markets, in catchment areas where the parties' stores are present simultaneously.

Depending on the area, following the transaction, some La Halle outlets will continue to operate under the La Halle brand, while others will be operated under a Beaumanoir group brand. The *Autorité* noted that, in each of these areas, consumers will continue to benefit from alternative offers to the parties' brands, equivalent in terms of price and commercial positioning. These competing stores - including those of the brands Kiabi, Gémo, Zara, Bizzbee, Camaïeu, Promod, Mango or H&M - remain in sufficient number to prevent the new entity from being encouraged to increase the price of the items sold or to degrade the quality of products sold in its stores.

The *Autorité* therefore cleared the transaction without conditions.

> *See full text of decision 21-DCC-43 of 24 March 2021 regarding full control acquisition of La Halle company's assets by the Beaumanoir family*

[1] Vib's sales products from three of the group's brands: Bonobo, Cache Cache and Bréal

What is a derogation from the suspensive effect?

If the effective conclusion of a merger is subject to approval from the *Autorité de la concurrence*, in certain exceptional circumstances, duly argued by the parties, the *Autorité* may issue a derogation enabling them to finalise part or all of the transaction without waiting for the approval decision and this in order to allow the continuation of the activity.

The granting of such a derogation is, by definition, exceptional. In particular, a derogation may be granted in the event that takeover offers have been made on companies in liquidation or receivership, as was the case in the present case.

The granting of a derogation by the *Autorité* does not however prejudge the final decision taken at the end of the investigation.

In 2020, the *Autorité* granted 27 derogations from the suspensive effect, including 7 relating to the clothing and footwear sector.

Contact(s)

Bertille Gauthier
Communications Officer
+33155040039
Contact us by e-mail