



The CNMC takes no further action regarding the complaint lodged by FIAB and PROMARCA against the alliance between DIA and EROSKI

/ In its decision, the CNMC has stated that the market power of DIA and EROSKI is not large enough for the agreement to pose a risk to competition

/ It adds that suppliers have sufficient power of negotiation to bring about conditions that do not restrict competition.

Madrid, 17 October 2016. On 25 November 2015, DIA and EROSKI were reported by FIAB and PROMARCA to the CNMC for conduct potentially in breach of what is set forth in the Competition Defence Law. Specifically, they considered that the alliance entered into by DIA and EROSKI resulted in price fixing, limitation of investments for innovation or promotion, imposition of similar conditions for different services and subordination of contracts entered into with them to the acceptance of payments and business terms which are not in line with the supply agreements with each distributor. In addition, FIAB and PROMARCA complained that the application of the agreement would lead to conduct that could be qualified as abuse of a dominant position.

Following a detailed analysis, the ruling concludes that in light of the information provided, the suppliers' power of negotiation remains strong enough to counterbalance the purchasing power of DIA and EROSKI. On this issue, it states that suppliers have sufficient powers of negotiation to force the establishment of conditions that do not restrict competition.

The CNMC also points out that, although it is not aware of similar agreements in Spain (notwithstanding the existence of central purchase facilities), a similar network of agreements has developed in France among the 6 main operators in the market.

Finally, it has deemed that the Agreement is likely to bring about **positive effects for consumers**, which considerably reduces the likelihood of having an adverse impact on public interest.

DIA (Distribuidora Internacional de Alimentación) is an international food retailer that also distributes fast-moving and personal care goods. DIA is traded on the Madrid Stock Exchange and is part of the Ibex 35, the main reference index of the Spanish stock market. In 2015, gross sales under banner reached EUR10.5bn and the company had 7,718 stores in the countries in which it operates: Spain, Portugal, Brazil, Argentina and China.

▪ **EXTERNAL RELATIONS**

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