

Coffee House Loses Appeal Over Price-Fixing at Domodedovo

By [The Moscow Times](#)

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Restaurant chain Coffee House has lost an appeal against a Federal Anti-Monopoly Service ruling that found it guilty of using noncompetitive business practices.

The Moscow Arbitration Court threw out Coffee House's appeal, siding with antitrust officials who say that Coffee House has taken an unfair advantage from its dominant market position by setting excessively high prices at its outlets located at Domodedovo Airport, Vedomosti reported Monday.

Early this year, the antitrust body accused Coffee House of setting higher prices in the airport's restricted areas, where the chain, together with two other service providers, Shokoladnitsa and Rusexport, control roughly two-thirds of the market.

Coffee House's market share at Domodedovo Airport stands at 22.17 percent.

Taking advantage of limited access to the airport's secure areas, the company set higher prices for the same products at its airport outlets than in Moscow, where its position is not so dominant.

Coffee House's cafes at Domodedovo Airport made 499.9 million rubles (\$16 million) in revenue in 2010 with profit margins of almost 39 percent, compared with an average of just 7 percent profit for the company as a whole.

In 2011, Coffee House's profit margins fell further to just 1.3 percent, and total revenue stood at 3.35 billion rubles.

Despite the Federal Anti-Monopoly Service's ruling, Coffee House did not lower its prices at Domodedovo Airport in the past six months, a company employee said.

Coffee House's president has declined comment to Vedomosti.

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