

**REFERENCE RELATING TO THE ANTICIPATED ACQUISITION
BY KNAUF INSULATION LIMITED OF SUPERGLASS INSULATION LIMITED**

**Notice of provisional findings made under Rule 10.3
of the Competition Commission Rules of Procedure**

1. On 17 June 2004, the Office of Fair Trading, in exercise of its duty under section 33 of the Enterprise Act 2002 (the Act) and its power under section 36(5) of the Act, referred to the Competition Commission (CC) the anticipated acquisition by Knauf Insulation Limited (Knauf) of Superglass Insulation Limited (Superglass) for investigation and report within a period ending on 1 December 2004.

Provisional findings

2. The CC inquiry group (the Group) appointed to consider this reference have made the following provisional findings on the statutory questions it has to decide pursuant to section 36(1) of the Act:
 - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition within the markets for supply of glass wool rolls for loft insulation and glass and stone blowing wool for cavity wall insulation in Great Britain.
3. The Group's reasons are set out in full in the provisional findings report, which is attached to this notice, and are summarized in the executive summary of the provisional findings report (see note below).

The next steps

4. Knauf and Superglass are now invited to provide the Group with their reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
5. These reasons should be received by the Group no later than 29 October 2004.
6. The Group will have regard to any such reasons provided by Knauf and Superglass in making their final decisions on the statutory questions and actions.
7. The Group will shortly send to Knauf and Superglass and publish a notice of the actions which they consider might be taken by the CC to remedy the adverse effects provisionally identified.

Diane Coyle
On behalf of the Group
7 October 2004

Note: A copy of this notice and the executive summary of the provisional findings report will be placed on the CC web site on 7 October 2004. The CC proposes to publish the provisional findings report on its web site by 15 October 2004. The published version of the provisional findings report will not contain any information which the Group consider should be excluded from the report, having regard to the three considerations set out in section 244 of the Act.