

**Competition Commission acceptance of a second amendment
varying the Interim Undertakings**

IN THE MATTER of a reference to the Competition Commission (CC) dated 23 March 2005 concerning the acquisition by Somerfield plc of certain retail stores and other business assets of Wm Morrison Supermarkets plc:

WHEREAS on 13 May 2005, the CC accepted Interim Undertakings from Somerfield plc under section 80(2) of the Enterprise Act (the Act), which came into force on that date:

AND WHEREAS the Interim Undertakings were amended on 31 May 2005:

AND WHEREAS Somerfield plc has made representations requesting a further amendment varying the Interim Undertakings in the light of the findings in the CC's report on the reference:

AND WHEREAS the CC pursuant to section 80(9) of the Act has considered those representations:

Now the CC, pursuant to section 80(2) of the Act, agrees to the further amendment varying the Interim Undertakings, a copy of which is set out in the annex attached below, and the Interim Undertakings continue in force accordingly.

Signed by authority of the CC

Nicholas Garthwaite

Nicholas Garthwaite

21 September 2005

INTERIM UNDERTAKINGS

ACQUISITION BY SOMERFIELD PLC OF CERTAIN RETAIL STORES AND OTHER BUSINESS ASSETS OF Wm MORRISON SUPERMARKETS PLC

UNDERTAKINGS GIVEN BY SOMERFIELD PLC TO THE COMPETITION COMMISSION PURSUANT TO SECTION 80 OF THE ENTERPRISE ACT 2002

SECOND AMENDMENT OF INTERIM UNDERTAKINGS

1. Somerfield hereby agrees that the Interim Undertakings it entered into on 11 May 2005, as varied by an amendment dated 31 May 2005, are further varied as follows:

- 1.1 For the preamble there is substituted:

"Whereas on 23 March 2005, the OFT made the reference to the CC under section 22 of the Act concerning the completed acquisition by Somerfield of certain retail stores and other business assets of Wm Morrison Supermarkets plc.

And whereas the CC published its report on the reference on 2 September 2005.

And whereas the CC wishes to ensure that no action is taken pending agreement of the final undertakings or making a final order in connection with the reference which might impede the taking of any action by the CC under Part 3 of the Act.

And whereas the final undertakings have not been finally determined in accordance with section 79(1) of the Act:

Now Somerfield hereby gives to the CC the following undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action."

- 1.2 For paragraph 1 there is substituted-

"1. Except with the prior written consent of the CC, Somerfield undertakes that it will not, during the specified period, take any action which might impede the taking of any action under the Act by the CC following its report, including any action which might:

- (a) transfer the ownership in whole or in part of the Relevant Stores; or
- (b) otherwise impair the ability of the Relevant Stores to compete in any of the markets affected by the acquisition."

- 1.3 In paragraph 7 (Interpretation), after the definition of "a Proximity Store", there is inserted-

"the Relevant Stores" means the following retail stores acquired by Somerfield from Morrisons under the Sale and Purchase Agreement:

- (a) Filey;
- (b) Johnstone;

- (c) Kelso;
- (d) Littlehampton;
- (e) Middlesbrough Linthorpe;
- (f) Newark;
- (g) Peebles;
- (h) Pocklington;
- (i) Poole Bearwood;
- (j) South Shields;
- (k) Whitburn (Scotland); and
- (l) Yarm

and references to “a Relevant Store” or “the Relevant Store” are to one of the Relevant Stores.”

1.4 Any reference to an Acquired Store or to Acquired Stores shall be construed as a reference to a Relevant Store and the definition of “the Acquired Stores” shall cease to have effect.

1.5 In paragraph 7 (Interpretation), for the definition of "a Proximity Store" there is substituted-

"a Proximity Store" means any existing Somerfield store which:

- (a) is situated within a 10 minute isochrone of any of the Relevant Stores at Johnstone, Kelso, Littlehampton, Newark, Peebles, Pocklington, Poole Bearwood, Whitburn and Yarm;
- (b) is situated within a 5 minute isochrone of any of the Relevant Stores at Middlesbrough Linthorpe and South Shields; or
- (c) is situated within a 1 mile radius of the Relevant Store at Filey. ”

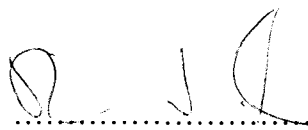
1.6 In paragraph 2, after sub-paragraph (g) there is inserted-

“provided that the obligations contained in sub-paragraphs 2(f) and (g) shall not apply to the closed Proximity Stores at Kelso and Littlehampton.”

1.7 The Appendix is deleted.

2. Save as varied above, the Interim Undertakings continue in full force in accordance with their terms.

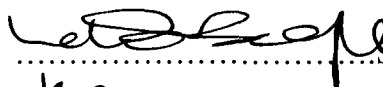
FOR AND ON BEHALF OF SOMERFIELD PLC

.....Signature

STEVE BACK.....Name

CHIEF EXECUTIVE.....Title

18th SEPT 05.....Date

.....Signature

K BICKELSTONE.....Name

GROUP RETAIL DIRECTOR.....Title

19/09/05.....Date