

**REFERENCE RELATING TO THE COMPLETED ACQUISITION
BY SOMERFIELD PLC OF 115 STORES AND OTHER ASSETS FROM
WM MORRISONS SUPERMARKETS PLC**

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

1. On 23 March 2005, the Office of Fair Trading, in exercise of its duty under section 22 of the Enterprise Act 2002 (the Act) and its power under section 35(6) of the Act, referred to the Competition Commission (CC) the acquisition by Somerfield plc (Somerfield) of 115 stores and other assets from Wm Morrison Supermarkets plc (Morrisons).

Provisional findings

2. The CC inquiry group (the Group) appointed to consider this reference has made the following provisional findings on the statutory questions it has to decide pursuant to section 35(1) of the Act:
 - (a) a relevant merger situation has been created; and
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition within 14 local markets for grocery retailing in the UK, as listed in the executive summary (see paragraph 3 below).
3. The Group's reasons are set out in full in the provisional findings report, and are summarized in the executive summary of the provisional findings report attached to this notice (see note (i) below).

The next steps

4. Somerfield and other interested parties 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 16 August 2005.
6. The Group will have regard to any such reasons in making its final decisions on the statutory questions and actions.
7. The Group will shortly send to Somerfield and publish a notice of the actions which it considers might be taken by the CC to remedy the adverse effects provisionally identified.


Christopher Clarke
Group Chairman
26 July 2005

Notes:

- (i) A copy of this notice and the executive summary of the provisional findings report will be placed on the CC web site on 26 July 2005. The CC proposes to publish the provisional findings report on its web site by 2 August 2005. The published version of the provisional findings report will not contain any information which the Group considers should be excluded from the report, having regard to the three considerations set out in section 244 of the Act.

- (ii) As noted in the Somerfield/Morrisons inquiry administrative timetable published on the CC's web site, the final deadline for all parties' submissions and responses is 16 August 2005.