



News Release

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CC PROVISIONALLY CLEARS WOOLWORTHS/BERTRAM MERGER

The Competition Commission (CC) has provisionally cleared the completed acquisition by Woolworths Group plc (Woolworths) of book wholesaler Bertram Group Limited (Bertram).

In a summary of its provisional findings report published today at www.competition-commission.org.uk, the CC has concluded that the merger of Bertram's and Woolworths' book wholesaling interests has not resulted, nor may be expected to result in a substantial lessening of competition in the supply of books to retailers (either supermarkets or other retailers), or in the supply of books to libraries.

Inquiry Chairman, Diana Guy, said:

We have looked carefully at the various ways in which books are supplied to retailers, both from wholesalers and direct from publishers through their distributors. Even for independent bookshops who tend to buy more from wholesalers than other types of retailers, we found that the ability of the merged company to exploit its position by lowering the available discounts or degrading their service levels will be limited. Gardners remains as a strong competitor in the wholesaling sector and there is scope for booksellers to divert at least some orders to direct supply.

Independent bookshops are an important customer segment for wholesalers. We feel that wholesalers are conscious of the financial viability of independent bookshops given the competitive pressures that the independents face from other book retailers. Publishers have a strong interest in supporting sales of their books and will be able to influence wholesalers and distributors in their relationships with retailers if they believe that those sales are at risk.

We found that Woolworths' plans to develop the sale of books through its own stores would not influence its incentives to supply other retailers. Additionally, Woolworths' involvement in the supply of books to libraries have been so limited until now that no adverse effects can be expected from the merger.

The CC would like to hear from all interested parties about the provisional findings, in writing, by 14 August 2007. To submit evidence, please email marjorie.davies@cc.gsi.gov.uk or write to:

Inquiry Secretary (Woolworths/Bertram inquiry)
Competition Commission
Victoria House
Southampton Row
London WC1B 4AD

The CC plans to publish the full provisional findings report later this week. The CC is expected to publish its final report in early September, and no later than the statutory deadline of 17 September 2007.

Notes for editors

1. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof), or where the UK turnover associated with the enterprise being acquired is over £70 million.
2. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
3. The members of the Woolworths/Bertram inquiry group are: Diana Guy (Group Chairman), Ivar Grey, Richard Taylor and Professor Michael Waterson.
4. Further information on the CC and its procedure, including its policy on the provision of information and the disclosure of evidence, can be obtained from its website at: www.competition-commission.org.uk.
5. Enquiries should be directed to Siobhan Allen or Rory Taylor on 020 7271 0242 (email siobhan.allen@cc.gsi.gov.uk. or rory.taylor@cc.gsi.gov.uk)