



News Release

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INTERIM UNDERTAKINGS ACCEPTED IN TESCO/SLOUGH INQUIRY

The Competition Commission (CC) has accepted interim undertakings from Tesco as part of its inquiry into the completed acquisition by Tesco plc (Tesco) of a former Co-operative Group store on Uxbridge Road, Slough.

The interim undertakings are available on the CC website at: www.competition-commission.org.uk and seek to ensure that Tesco does not take any action which might prevent the CC's ability to take remedial action, if necessary, following the inquiry.

Tesco has undertaken:

- to ensure that construction of the development on the site at Uxbridge Road continues according to the existing planning permission and construction programme;
- to make no material changes to the construction programme;
- not to enter into any agreement or arrangement relating to the purchase, leasing or occupation of the site; and
- to prepare and submit an application to Slough Borough Council for the variation of the existing planning permission for the site, which would allow for the merger of Units 3 & 4 of the proposed development and the use of the merged unit for the sale of food or other convenience goods.

The CC has also directed Tesco to appoint a surveyor to monitor work on the Uxbridge Road site and to report to the CC on Tesco's compliance with the undertakings.

The interim undertakings should not be seen as implying that the Group has reached any conclusions on this inquiry. The interim undertakings will preserve the CC's ability to take appropriate action at a later point if necessary. The CC considered requiring Tesco to stop all building work on the site, but reached the view that the restrictions contained in these undertakings were sufficient to preserve its ability to take remedial action.

The Office of Fair Trading (OFT) first decided to refer the acquisition to the CC in February 2004, but suspended action while it sought to agree a remedy with Tesco in place of the

reference. As this did not prove possible, the OFT made the reference on 19 April 2007 (for further details, see OFT release at: www.of.gov.uk/news).

The CC has been asked to decide whether the acquisition has resulted, or may be expected to result, in a substantial lessening of competition in any market for goods or services within the UK. The focus of the inquiry is on the retail supply of groceries in the Slough area.

The statutory deadline for publication of the CC's report is 3 October 2007.

Notes for editors

1. The CC is an independent public body, which carries out investigations into mergers, markets, and the regulated industries.
2. The inquiry is separate from the CC's existing market investigation into the supply of groceries by retailers in the UK, and has a separate timescale and remit. There is, however, some overlap in the matters covered by the two inquiries, and the CC is coordinating its work so as to progress both inquiries in an efficient manner and minimize the regulatory burden on relevant parties.
3. 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.
4. 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.
5. Further information on the CC and its procedures, 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.
6. Enquiries should be directed to Rory Taylor on 020 7271 0242 (email rory.taylor@cc.gsi.gov.uk).