



News Release

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ACQUISITION BY TESCO OF CO-OP STORE IN SLOUGH

Issues statement

The Competition Commission (CC) has today published an issues statement as part of its inquiry into the completed acquisition by Tesco plc of a former Co-operative Group store on Uxbridge Road, Slough.

The issues statement follows the initial process of gathering information, views and evidence and identifies clearly for all interested parties the specific questions and areas the inquiry is examining. This will form the basis for hearings with Tesco and other interested parties.

The Office of Fair Trading (OFT) first decided to refer the acquisition to the CC in February 2004, but suspended action while the OFT 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 full issues statement is available on the CC website at:

www.competition-commission.org.uk

and looks at questions relating to: market definition; the competitive effects of the merger; and the counterfactual (ie what would have happened had the merger not taken place).

If the inquiry group (the Group) considers that the merger may be expected to result in a substantial lessening of competition, it will consider whether and, if so, what remedies might be appropriate, taking into account any customer benefits that might arise from the acquisition, and will issue a remedies statement, should this be required, at about the time it publishes its provisional findings.

The issues statement should not be seen as implying that the Group has identified any competition concerns—the CC has yet to reach any conclusions on this inquiry. The purpose of making the statement of issues public is to inform all interested parties and give them an opportunity to raise any further points with the CC.

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

The CC would like to hear comments on the issues statement from any interested parties, in writing, by 20 June 2007. To submit evidence, please email or write to:

Inquiry Secretary (Tesco/Slough inquiry)
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Email: Tescoslough@cc.gsi.gov.uk

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 co-ordinating 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).