

**COMPLETED ACQUISITION BY HJ HEINZ COMPANY OF HP FOODS LIMITED, HP FOODS HOLDINGS LIMITED AND HP FOODS INTERNATIONAL LIMITED**

**Terms of reference**

1. Whereas in exercise of its duty under section 22(1) of the Enterprise Act 2002 ("the Act") to make a reference to the Competition Commission ("the Commission") in relation to a completed merger the Office of Fair Trading ("the OFT") believes that it is or may be the case that-

(a) a relevant merger situation has been created in that:

- (i) enterprises carried on by or under the control of HJ Heinz Company will cease to be distinct from enterprises carried on by or under the control of HP Foods Limited, HP Foods Holdings Limited and HP Foods International Limited; and
- (ii) the value of the turnover in the United Kingdom of the enterprises carried on by or under the control of HP Foods Limited, HP Foods Holdings Limited and HP Foods International Limited exceeds £70 million; and

(b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services, namely the markets for the supply of tomato ketchup, the supply of brown sauce, the supply of barbecue sauce, and the supply of tinned baked beans and tinned pasta products to retail customers in the United Kingdom.

2. Now therefore the OFT in exercise of its duty under section 22 of the Act, hereby refers to the Commission, for investigation and report within a period ending on 11 April 2006, the following questions in accordance with section 35 of the Act-

(a) whether a relevant merger situation has been created; and

(b) if so, whether the creation of that situation has resulted, or may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

3. In relation to the question whether a relevant merger situation will be created, the Commission shall exclude from consideration one of the subsections (1) and (2) of section 23 of the Act if they find that the other is satisfied.



Vincent Smith

Director of Competition Enforcement, Office of Fair Trading  
26 October 2005