

**REFERENCE RELATING TO THE ANTICIPATED ACQUISITION
BY HMV GROUP PLC THROUGH WATERSTONE'S BOOKSELLERS LTD
OF OTTAKAR'S PLC**

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

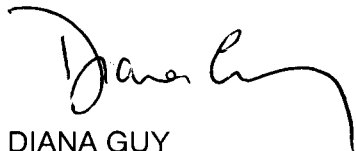
1. On 6 December 2005, the Office of Fair Trading, in exercise of its duty under section 33 of the Enterprise Act 2002 (the Act) and its power under section 36(5) of the Act, referred to the Competition Commission (CC) the anticipated acquisition by HMV Group plc (HMV) through Waterstone's Booksellers Ltd (Waterstone's) of Ottakar's plc (Ottakar's) for investigation and report within a period ending on 22 May 2006.

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 36(1) of the Act:
 - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
 - (b) the creation of that situation may not be expected to result in a substantial lessening of competition in the market for the retail sale of new books (best-sellers or deep-range titles) at a national, regional or local level in the UK.
3. The Group's reasons are set out in full in its provisional findings report, a summary of which is attached to this notice (see note below).

The next steps

4. HMV and Ottakar's 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 19 April 2006.
6. The Group will have regard to any such reasons in making its final decisions on the statutory questions.



DIANA GUY
Group Chairman
30 March 2006

Note: A copy of this notice and the summary of the provisional findings report will be placed on the CC website on Thursday 30 March 2006. The CC proposes to publish the provisional findings report on its website on or before Thursday 6 April 2006. 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.