

APPENDIX 1.1
(referred to in paragraphs 1.1, 2.2 and 3.1)

The reference and background

1. On 21 June 1995 the DGFT sent the following reference to the MMC:

The Director General of Fair Trading has reasonable grounds for believing that Tambrands Ltd is pursuing, or has pursued, a course of conduct which constitutes an anti-competitive practice within the meaning of section 2 of the Competition Act 1980. Therefore, in exercise of his powers under section 5 of that Act, the Director General hereby makes a reference to the Monopolies and Mergers Commission ('the Commission') as follows:

- (a) the person whose activities are to be investigated by the Commission is Tambrands Ltd;
- (b) the goods to which the investigation is to extend are tampons;
- (c) the course of conduct to be investigated is the granting of discounts to persons carrying on business in the supply of goods by wholesale or by retail in the United Kingdom, on condition that such persons stock the whole or a part of the range of tampons manufactured by Tambrands Ltd.

For the purposes of this reference 'tampon' means any product designed to be worn internally for menstrual sanitary protection.

The Commission shall report on this reference within a period of six months beginning with the date hereof.

(signed) J PRESTON
DIRECTOR GENERAL OF FAIR TRADING
21 June 1995

2. The composition of the Group of members of the MMC responsible for this inquiry and report is indicated in the list of members in the preface.
3. Notices inviting interested parties to submit evidence to the MMC were placed in the *Daily Mail*, *The Grocer* and *Chemist and Druggist*.
4. We received written submissions from, and held a formal hearing with, Tambrands and visited Tambrands' factory at Havant. We held informal meetings from time to time throughout the inquiry to discuss and clarify facts and issues.
5. Written evidence was provided by the Trades Union Congress; five major supermarket chains; Boots; two other suppliers of tampons; a health authority; two pharmaceutical companies; three chemist wholesalers; and a manufacturer of external sanpro products.
6. We also held hearings with Tesco, Somerfield, Hygieia, UniChem, Smith & Nephew and Boots.
7. We should like to thank all those who assisted in our inquiry, particularly Tambrands.