

Annual Report and Resource Accounts 2009-10

Annexe D

UK mergers casework, 1 April 2009 to 31 March 2010

Mergers referred to the Competition Commission

We referred seven mergers and merger proposals to the Competition Commission between 1 April 2009 and 31 March 2010.

Table D1: Mergers referred to the Competition Commission in 2009-10

| <i>Case title</i> | <i>Market affected</i> | <i>Date of reference</i> |
|---|--|--------------------------|
| Completed acquisition by Stagecoach Bus Holdings Ltd of Cavendish Motor Services Ltd | Local buses | 13/05/09 |
| Completed acquisition by Stagecoach Bus Holdings Ltd of Eastbourne Buses Ltd | Local buses | 13/05/09 |
| Completed acquisition by Stagecoach Group plc of Preston Bus Limited | Local buses | 28/05/09 |
| Completed acquisition by Live Nation of Ticketmaster | Live music venues; live music promotions; ticket agency services | 10/06/09 |
| Completed acquisition by Sports Direct of a number of stores from JJB Sports | Sports retailing | 07/08/09 |
| Anticipated acquisition by RMIG Limited of Ash & Lacy Perforators Limited | Perforated metal in the UK | 26/08/09 |
| Anticipated acquisition by Brightsolid Group Limited of Friends Reunited Holdings Group | Genealogy services | 03/11/09 |

Undertakings in lieu of a reference to the Competition Commission

We accepted undertakings in lieu of a reference to the Competition Commission in respect of 4 merger cases between 1 April 2009 and 31 March 2010.

Table D2: Undertakings in lieu of a reference to the Competition Commission in 2009-10

| <i>Case title</i> | <i>Market affected</i> | <i>Date of acceptance</i> |
|---|---|---------------------------|
| Co-operative Group Limited / Lothian Borders and Angus Co-operative Society Limited | Grocery retailing, pharmacy, funeral services and petrol forecourts | 14/05/09 |
| Completed acquisition by Global Radio UK Limited of GCap Media plc | Radio advertising | 01/07/09 |
| Aggregate Industries Limited / Atlantic Aggregates Limited / Stone Haul Limited | Supply of loose aggregates | 03/03/10 |
| Co-operative Group / Plymouth & South West Co-operatives | Funeral services | 26/03/10 |

Mergers and merger proposals considered by the OFT

The statistics shown in the tables which follow broadly relate only to those mergers that the OFT examined in the context of the OFT's responsibilities under the Enterprise Act 2002. They do not represent an estimate of total merger activity in the UK. The following points should be borne in mind:

- the figures do not include mergers handled by the European Commission under the European Community Merger Regulation
- the figures cover merger proposals as well as completed mergers and, where there is more than one proposal for a given target, each is counted separately, and
- because some time may elapse between the opening of a file on a case and a decision by the OFT on whether to make a reference to the Competition Commission (CC), the mergers that are referred in any particular year may not necessarily correlate to the cases first recorded in that year.

A better indicator of overall merger activity in the UK is provided by statistics collected by the Office for National Statistics (ONS) and published in *First Release: Acquisitions and Mergers involving UK companies*. These figures are shown in Table D4. For more details go to the ONS website - www.statistics.gov.uk.

To qualify for reference to the CC under the terms of the Act, the UK turnover associated with the enterprise which is being acquired exceeds £70 million ('the turnover test') or lead to the creation or augmentation of a share of supply of 25 per cent or more in a particular market.

TABLE D3: Merger activity: 2007-08 to 2009-10

| | 2007-08 (for comparison) | 2008-09 (for comparison) | 2009-10 |
|---|-----------------------------|-----------------------------|---------|
| Proposals qualifying under the Enterprise Act 2002: all cases | 97 | 72 | 55 |
| First Release* Numbers of cases | 1061 | 656 | 337 |
| Enterprise Act cases as percentage of First Release cases | 9% | 11% | 16% |

* Number of acquisitions of UK companies published in a First Release by the Office for National Statistics

TABLE D4: Mergers examined and references to the Competition Commission, 1 April 2007 to 31 March 2010

| | 2007-08 (for comparison) | 2008-09 (for comparison) | 2009-10 |
|---|-----------------------------|-----------------------------|---------|
| Total number of mergers and merger proposals examined | 112 | 84 | 73 |
| Found not to qualify, proposals abandoned, informal guidance cases | 15 | 12 | 18 |
| Cases which qualified for reference to the Competition Commission | 97 | 72 | 55 |
| Number | 97 | 72 | 55 |
| Percentage change on previous year | -6% | -26% | -24% |
| Cases which qualified for reference to the Competition Commission and which were pre-notified | 31 | 8 | 14 |
| Total references to the Competition Commission | 10 | 7 | 7 |

| | | | |
|--|------|-----|------|
| Total references as a percentage of qualifying cases | 10.3 | 9.7 | 12.3 |
|--|------|-----|------|

Each OFT decision regarding whether to refer a merger case to the Competition Commission was published on the OFT's website.

Table D5: References to the Competition Commission under the Enterprise Act 2002 (1 April 2009 to 31 March 2010)

| Findings of the CC | Qualification criteria under the Enterprise Act 2002 | | | |
|---------------------------------|--|-------------------------------------|-----------------------|----------|
| | Share of supply of at least 25% | UK turnover in excess of 70 million | Meeting both criteria | Total |
| Not against the public interest | 4 | 1* | 0 | 5 |
| Against the public interest | 1 | 0 | 0 | 1 |
| Proposal abandoned | 1 | 0 | 0 | 1 |
| Decision awaited | 0 | 0 | 0 | 0 |
| Total | 6 | 1 | 0 | 7 |

* The Competition Commission (CC) is to reconsider and make a new decision in the Ticketmaster/Live Nation merger inquiry, following an Order of the Competition Appeal Tribunal (CAT).