

**Annual Report and Resource Accounts 2008-09 – Annexe D**

**UK mergers casework 1 April 2008 to 31 March 2009**

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In 2008-09 the following mergers were referred to the CC:

Case title	Affected market	Date of reference
<a href="#"><u>BOC Limited / Ineos Chlor Limited</u></a>	Distribution of packaged chlorine	29 May 2008
<a href="#"><u>Project 'Kangaroo': 'Video-on-demand' joint venture between BBC Worldwide Limited, Channel 4 Television Corporation and ITV PLC</u></a>	Video on demand	30 June 2008
<a href="#"><u>Completed Acquisition By Nufarm Crop Products UK Limited Of AH Marks Holdings Limited</u></a>	Agro-chemical products	29 August 2008
<a href="#"><u>Anticipated acquisition by Hospedia Ltd of Premier Telesolutions Limited</u></a>	Supply of free-managed Bedside Entertainment and Communication Systems (BECS) for NHS hospitals	07 October 2008
<a href="#"><u>Completed acquisition by Long Clawson Dairy Limited of The Millway business of Dairy Crest Group plc</u></a>	Cheese production	08 October 2008
<a href="#"><u>Capita Group plc / IBS OPENSsystems plc</u></a>	Provision of IT services to government	19 November 2008
<a href="#"><u>Completed acquisition of Julian Graves Limited by NBTY Europe Inc (NBTY)</u></a>	Natural food and vitamin complements retail	20 March 2009

**Undertakings in lieu of a reference to the CC were given in the following cases:**

<b>Case title</b>	<b>Affected market</b>	<b>Date of acceptance</b>
<a href="#"><u>Anticipated merger between Transocean Inc. and GlobalSantaFe Corporation</u></a>	Offshore oil and gas drilling services	11 April 2008
<a href="#"><u>Completed acquisition by Dunfermline Press Limited of the Berkshire Regional Newspapers business from Trinity Mirror plc</u></a>	Local newspapers	07 May 2008
<a href="#"><u>Completed acquisition by Home Retail Group plc of 27 stores from Focus (DIY) Ltd</u></a>	DIY retailing	08 August 2008
<a href="#"><u>Completed acquisition by Air France Finance SAS / City Jet Ltd of VLM Airlines N.V.</u></a>	Passenger air transport services	24 October 2008
<a href="#"><u>Anticipated acquisition by Co-operative Group Limited/Somerfield Limited</u></a>	Grocery retailing	15 January 2009
<a href="#"><u>Anticipated acquisition by SRCL Limited of Cliniserve Holdings Limited</u></a>	Waste management services	31 March 2009

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 D.1**. For more details go to the ONS website - [www.statistics.gov.uk](http://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.

### **Merger activity considered April 2008 to March 2009**

In 2008-09, the OFT considered 84 mergers and mergers proposals under the Enterprise Act. The number of cases considered that qualified for reference to the CC was 72. Eight of these cases were pre-notified.

The OFT made 7 references to the CC under the Enterprise Act. The OFT decisions in the 7 reference cases were published on the OFT's website, as were those in the other cases in which the OFT decided that the merger did not qualify for investigation or should not be referred.

**TABLE D.1 Merger activity: 2006-07 to 2008-09**

Year	Proposals qualifying under the Enterprise Act 2002: all cases	<b>First Release</b> <sup>1</sup> Numbers of cases	Enterprise Act cases as percentage of <b>First Release</b> cases
2006/07	103	961	11
2007/08	97	1061	9
2008/09	72	656	11

<sup>1</sup> Number of acquisitions of UK companies published in a First Release by the Office for National Statistics.

Source: Office of Fair Trading

**TABLE D.2 – SUPPLEMENTARY DATA ON MERGERS EXAMINED AND REFERENCES TO THE CC APRIL 2006 TO MARCH 2009**

Year	Total numbers of cases examined	Found not to qualify, proposals abandoned, and informal guidance cases	Qualifying cases		Confidential guidance cases	Pre-notified cases	Qualifying cases less confidential guidance cases	Total refs as % of:		
			Nos	% change				Total Refs	Qualifying cases	Qualifying cases less confidential guidance cases
2006-07	131	28	103	-39%	0	20	103	13	12.6	12.6
2007-08	112	15	97	-6.2%	0	31	97	10	10.3	10.3
2008-09	84 *	12	72	-26%	0	8	72	7	9.7	9.7

\* Total includes the Lloyds TSB/HBOS public interest intervention case.

Source: Office of Fair Trading

**TABLE D.3 – REFERENCES TO THE CC UNDER THE ENTERPRISE ACT 2002 (APRIL 2008 TO MARCH 2009)**

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	Totals
Not against the public interest	1			1
Against the public interest	3			3
Proposal abandoned	1			1
Decision awaited	2			2
<b>Totals</b>	<b>7</b>			<b>7</b>
as percentage of all qualifying mergers in this category	9.7%			9.7%

Source: Office of Fair Trading