



# News Release

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## CC CLEARS COTT/MACAW ACQUISITION

The Competition Commission (CC) has formally cleared the completed acquisition of Macaw (Holdings) Ltd (Macaw) by Cott Beverages Ltd (Cott).

In its final report, the CC has concluded that the merger may not be expected to result in a substantial lessening of competition in the market for the supply of own-label PET-bottled carbonated soft drinks (CSDs).

This confirms the verdict of the provisional findings report, which was published in March. The final report is published at:

<http://www.competition-commission.org.uk/inquiries/ref2005/macaw/index.htm>

Prior to the acquisition, both Cott and Macaw were among the leading suppliers to retailers of own-label CSDs as well as supplying a range of other soft drinks, including still drinks and bottled water.

Chairman of the Inquiry Group, Laurence Elks commented:

“The market for own-label PET-bottled CSDs is one where both large and smaller supermarkets and other customers hold significant bargaining power when negotiating with suppliers. Retailers can switch quickly and easily between suppliers, and suppliers are highly dependent on sales of own label brands to retailers.

“Further, the continued presence of spare capacity and the possibility of expansion means that retailers will still be able to choose between suppliers and restrict Cott’s ability to raise prices, despite its increased market share.”

### Notes to editors

1. The merger was referred by the Office of Fair Trading (OFT) on 28 November 2005 and the CC is required to publish its final report by 15 May 2006.
2. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent

share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.

3. The Cott/Macaw inquiry group consists of four members: Laurence Elks (Group Chairman), John Collings, Alexander Johnston and Stephen Wilks.
4. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
3. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its web site at: [www.competition-commission.org.uk](http://www.competition-commission.org.uk).
4. Media enquiries should be directed to Rory Taylor on 020 7271 0242 (email: [rory.taylor@cc.gsi.gov.uk](mailto:rory.taylor@cc.gsi.gov.uk)).