

Anticipated acquisition by Celesio AG of Sainsbury's Supermarkets Limited UK Pharmacy Business

Terms of reference

1. In exercise of its duty under section 33(1) of the Enterprise Act 2002 (the **Act**) the Competition and Markets Authority (**CMA**) believes that it is or may be the case that:
 - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, in that:
 - (i) the condition specified in section 23(1)(a) of the Act is satisfied in that enterprises carried on by Celesio AG will cease to be distinct from the enterprise consisting of the in-store community pharmacy business and hospital pharmacy business carried on by Sainsbury's Supermarkets Limited UK; and
 - (ii) the condition specified in section 23(1)(b) of the Act is satisfied; and
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom for goods or services, including but not limited to the retail supply of prescription-only medicines, pharmacy-only medicines, and pharmacy services to end-customers.
2. Therefore, in exercise of its duty under section 33(1) of the Act, the CMA hereby makes a reference to its Chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 13 June 2016, on the following questions in accordance with section 36(1) of the Act:
 - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
 - (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

Sheldon Mills
Senior Director, Mergers
Competition and Markets Authority
29 December 2015