

Your reference

Our reference 1947588/BEA/RHW1

**Wragge & Co**

26 April 2007

Edwin James  
The Competition Commission  
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Reply to:  
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Dear Edwin

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**Wienerberger Finance Service B.V./Baggeridge Brick plc (the "Parties") merger inquiry – response to the provisional findings of the Competition Commission**

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Belgium

As discussed in our telephone conversation of 16 April, I am writing to you with the Parties' comments on the Competition Commission's Provisional Findings Report, as published on 12 April.

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**1 Paragraph 5.4**

- 1.1 The Parties do not consider that the statement *'The parties' views on the relevant product market developed during the course of the inquiry. Their eventual view was that...'* is correct.
- 1.2 We consider that a more accurate sentence would be to simply say that *'The parties' view was that the relevant product market included all clay bricks...'*
- 1.3 Although in the Parties' Joint Initial Submission, it was stated at paragraph 9.1 that the relevant product market should include all cladding and not just brick, you will note from page 51 of the transcript to Baggeridge's first oral hearing, Thomas Sharpe explained that this submission was drafted from a commercial perspective, in which brick makers saw brick in competition with alternative cladding.
- 1.4 Mr Sharpe clarified that on a strict application of the SSNIP test, a lack of credible evidence as regards substitution on the basis of price, between bricks and other cladding materials, meant that the Parties did indeed consider the relevant product market to be 'all bricks'.

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1.5 This conclusion was wholly consistent with the previous submissions to the OFT. In paragraphs 34 – 38 of the Merger Notification submitted to the OFT, the relevant product is identified as comprising all bricks including concrete and fletton bricks.

**2 General comments**

2.1 The Parties have no further comments to make, and are content for the remainder of the Provisional Findings to become final. We look forward to speedy publication of the Commission's Final Report.

Please call me, or Russell Hoare, if you have any questions on these comments.

Yours sincerely



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