

APPENDIX 2.1
(referred to in paragraph 2.7)

Identifiable mergers among retail grocers since 1977

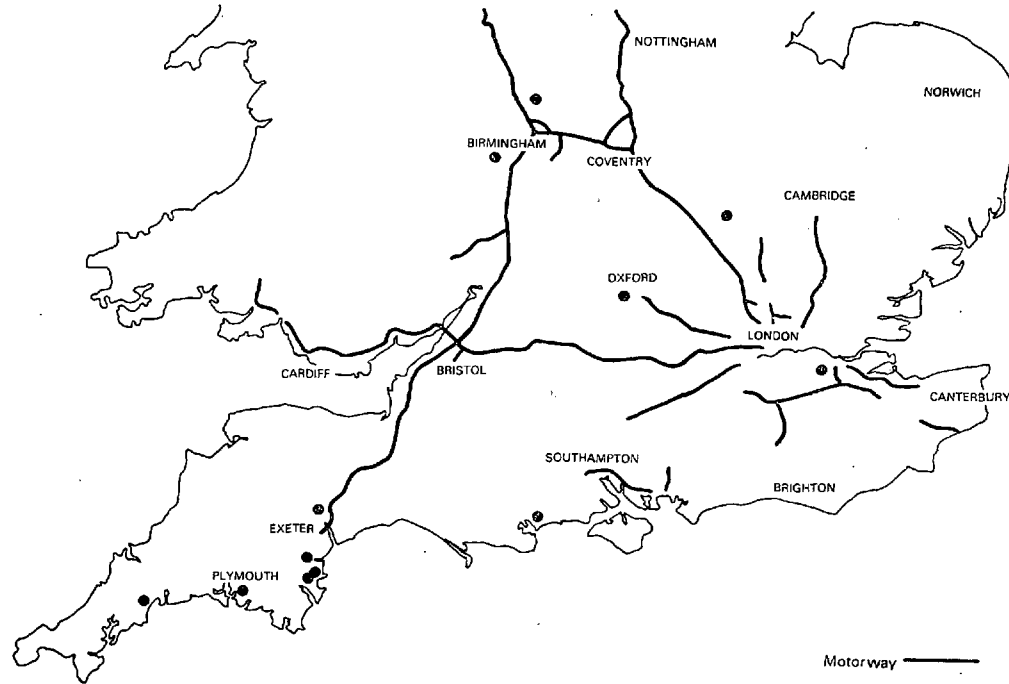
| | | |
|-----------|------|--|
| May | 1977 | International acquired F J Wallis |
| July | 1977 | Dickie's Discount acquired by Linfood (11 stores) and Oriel (9 stores) |
| February | 1978 | Dewhurst bought Freezer Fare |
| March | 1978 | William Morrison acquired Whelans Discount Stores |
| April | 1978 | Linfood acquired Wheatsheaf—adding Carrefour Hypermarkets to its 273 outlets |
| May | 1978 | Hillards acquired KD Discount from Fitch Lovell |
| September | 1978 | Kwiksave acquired Cee-n-Cee |
| December | 1978 | Tesco acquired 51 per cent of Three Guys |
| July | 1979 | BAT acquired 64 Mac Markets from Unilever |
| July | 1979 | Tesco acquired 17 Cartier Superfoods |
| August | 1979 | Chatham and Invicta Co-ops merged |
| December | 1979 | Cavenham acquired Cater Bros from Debenhams |
| January | 1980 | Argyll acquired Cordon Bleu—47 outlets |
| February | 1980 | Argyll acquired 33 freezer centres from Dalgety |
| February | 1980 | Bejam acquired 16 freezer centres from Fine Fare |
| February | 1980 | Fine Fare acquired 52 Pricerite stores from International |
| March | 1980 | Argyll acquired Morgan Edwards—59 outlets |
| October | 1980 | Argyll acquired 66 freezer centres from Dewhurst—making 130 freezer outlets |
| February | 1981 | Argyll acquired Oriel Foods from RCA—58 outlets |
| May | 1982 | Argyll acquired Allied Suppliers from Cavenham |

Source: Fitch Lovell.

APPENDIX 3.1

(referred to in paragraph 3.22)

Fitch Lovell cash and carry outlets

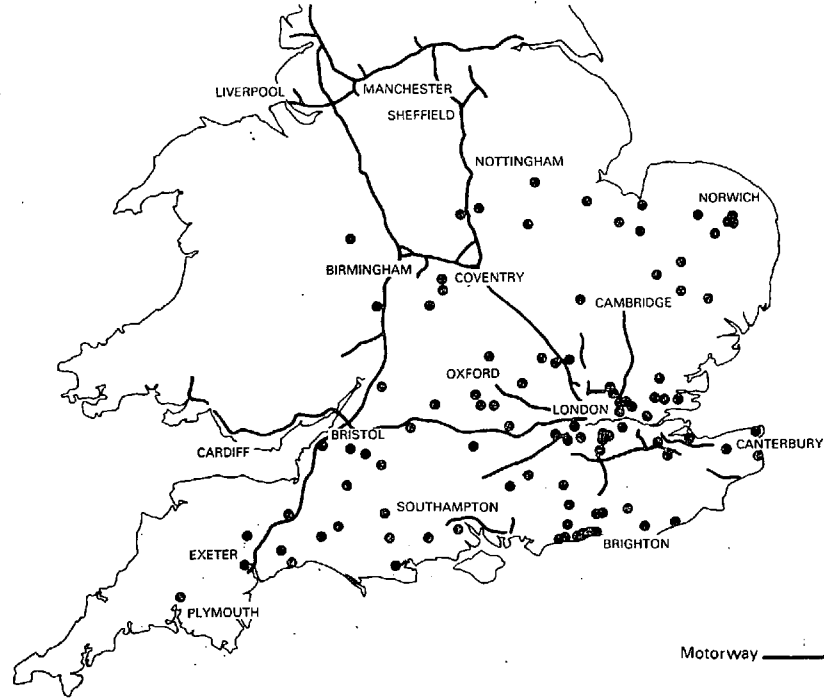


Source: Fitch Lovell.

APPENDIX 3.2

(referred to in paragraph 3.23)

Fitch Lovell Key Markets outlets



Source: Fitch Lovell.

APPENDIX 3.3
(referred to in paragraph 3.33)

**Main suppliers to Key Markets, cash and carry and Fitch & Son
(for the year ending April 1982) in descending order of purchases**

The Nestlé Co
Palmer & Harvey
British Sugar Corporation¹
Anchor Foods
United Biscuits
Pedigree Petfoods
Ranks Hovis McDougall
H J Heinz
Golden Lay
Distillers (Home Services)
Procter & Gamble
Brooke Bond Oxo
Birds Eye
Eden Vale
Van den Berghs
Allied Bakeries
John Player & Sons
Peachey Bros
Scott Bowyers
Sterling Mansell

Source: Fitch Lovell.

¹Not including S & W Berisford.

APPENDIX 3.4
(referred to in paragraph 3.56)

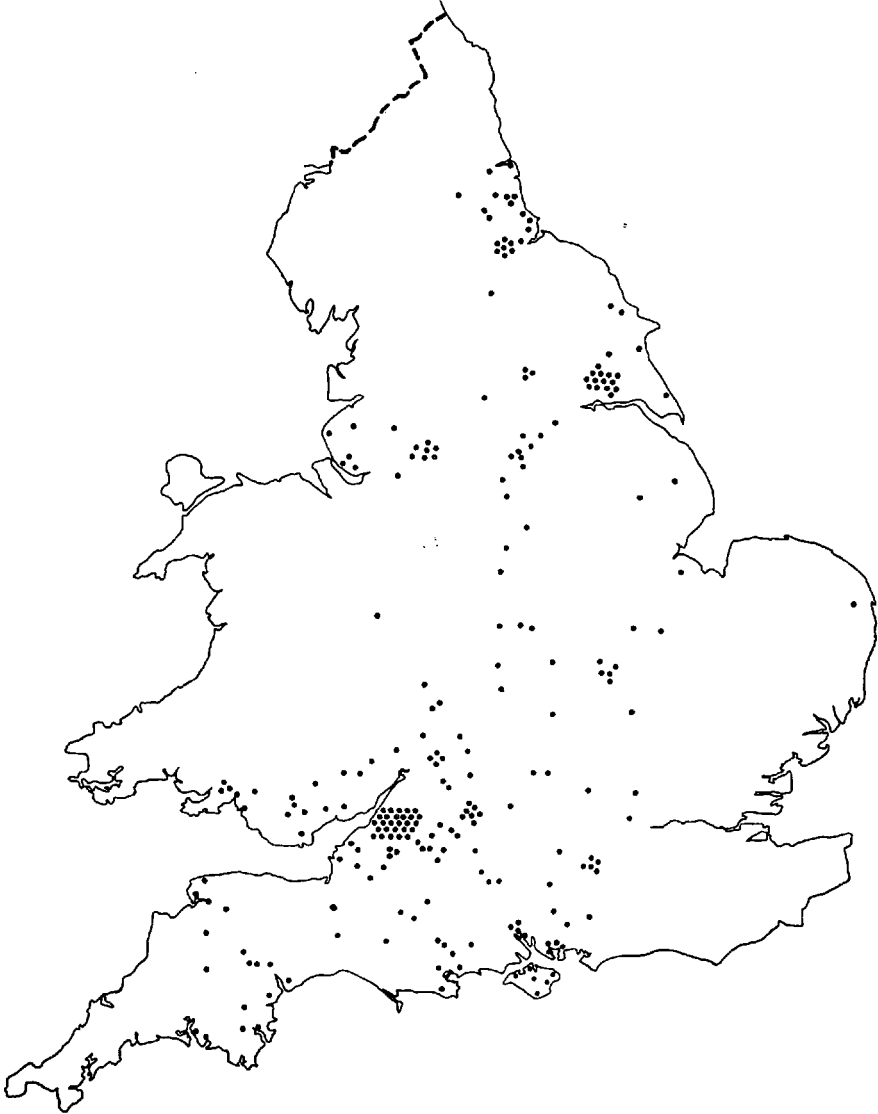
Fitch Lovell—source and application of funds 1977–82

| | 1977-78 | 1978-79 | 1979-80 | 1980-81 | 1981-82 | £'000 Total 1977-78 to 1981-82 |
|---|---------------|---------------|----------------|-----------------|----------------|---|
| <i>Generated from operations</i> | | | | | | |
| Profit before tax | 6,181 | 8,817 | 11,185 | 9,186 | 10,327 | 45,696 |
| Extraordinary items before tax | (335) | 44 | (12) | (1,590) | (646) | (2,539) |
| Depreciation | 3,354 | 3,680 | 3,976 | 4,380 | 5,371 | 20,761 |
| Profit retained in associated companies | — | — | — | (117) | (195) | (312) |
| | <u>9,200</u> | <u>12,541</u> | <u>15,149</u> | <u>11,859</u> | <u>14,857</u> | <u>63,606</u> |
| <i>Funds from other sources</i> | | | | | | |
| Share issues | 5,632 | 72 | 164 | 1,875 | 1,278 | 9,021 |
| Disposal of fixed assets | 2,811 | 9,651 | 7,153 | 7,393 | 16,863 | 43,871 |
| Exchange differences | | | | 201 | 194 | |
| Other items | { (249) | { (125) | { (201) | { (245) | { 43 | { (382) |
| | <u>17,394</u> | <u>22,139</u> | <u>22,265</u> | <u>21,083</u> | <u>33,235</u> | <u>116,116</u> |
| <i>Application of funds</i> | | | | | | |
| Dividends paid | 2,061 | 2,572 | 3,044 | 3,278 | 3,464 | 14,419 |
| Tax paid | 1,264 | 1,410 | 1,414 | 1,751 | 1,852 | 7,691 |
| Decrease in medium and long-term borrowing | (741) | 435 | 257 | 343 | 1,297 | 1,591 |
| Purchase of fixed assets | 10,938 | 12,701 | 20,136 | 24,763 | 25,713 | 94,251 |
| Acquisition of subsidiaries | 1,358 | — | 64 | 4,265 | 3,630 | 9,317 |
| Loans and investments | (145) | 128 | (68) | 629 | 567 | 1,111 |
| | <u>14,735</u> | <u>17,246</u> | <u>24,847</u> | <u>35,029</u> | <u>36,523</u> | <u>128,380</u> |
| <i>Increase/(decrease) in working capital</i> | | | | | | |
| Increase/(decrease) in stocks | 2,577 | 7,632 | 3,927 | (7,076) | (3,046) | 4,014 |
| Increase in debtors | 2,208 | 2,506 | 3,374 | 1,216 | 1,098 | 10,402 |
| (Increase) in creditors | (2,421) | (9,341) | (9,698) | (5,905) | (1,808) | (29,173) |
| Decrease/(increase) in bank overdrafts | 295 | 4,096 | (185) | (2,181) | 468 | 2,493 |
| | <u>2,659</u> | <u>4,893</u> | <u>(2,582)</u> | <u>(13,946)</u> | <u>(3,288)</u> | <u>(12,264)</u> |

Source: Fitch Lovell.

APPENDIX 4.1
(referred to in paragraph 4.11)

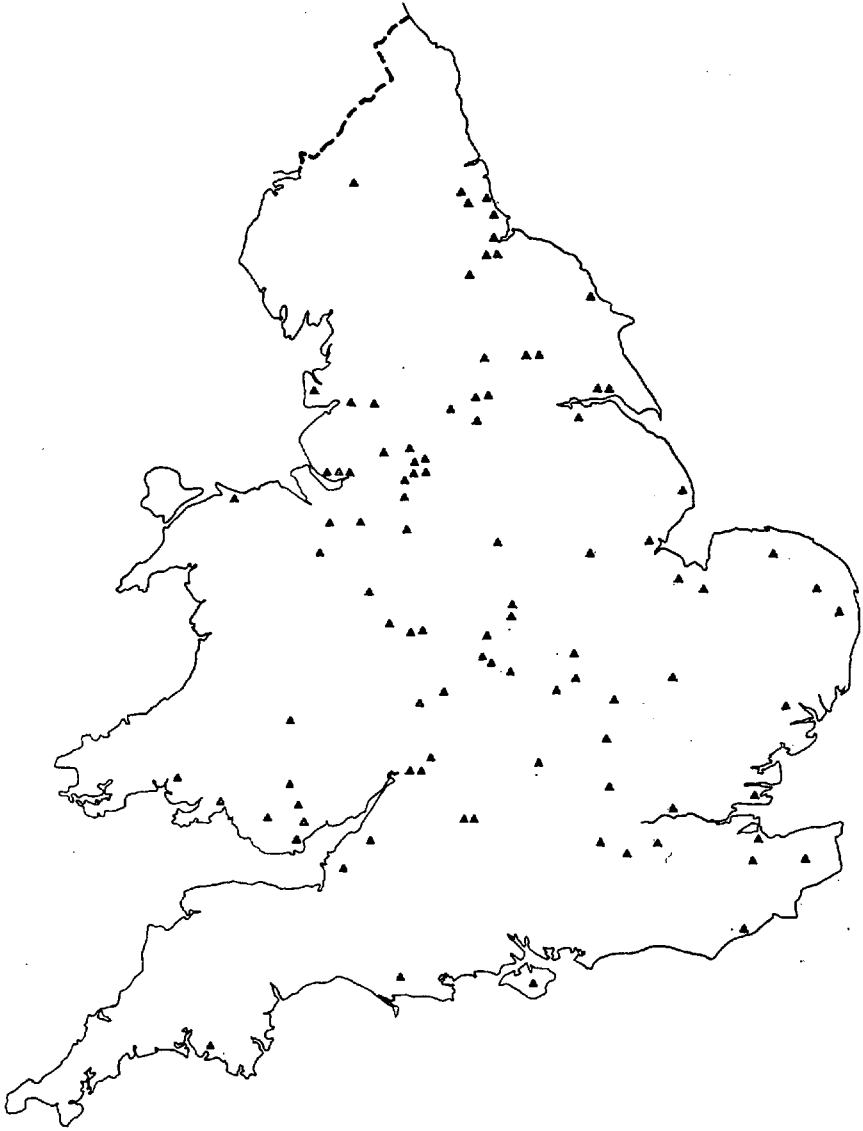
Map of Linfood retail outlets



Source: Linfood

APPENDIX 4.2
(referred to in paragraph 4.13)

Map of Linfood cash and carry outlets



Source: Linfood.

APPENDIX 4.3
(referred to in paragraph 4.17)

**Linfood's main suppliers (for the year ending April 1982)
in descending order of purchases**

W D & H O Wills
Gallaher
John Player & Sons
S & W Berisford/British Sugar
Rowntree Mackintosh
United Biscuits
Mars
The Nestlé Co
Cadbury Confectionery
British Petroleum
H J Heinz
Carreras Rothman
Grants Wines & Spirits Merchants
Pedigree Petfoods
Lever Bros
Birds Eye
Beechams Foods
Brooke Bond Oxo
Procter & Gamble
Sunblest Bakery

Source: Linfood.

APPENDIX 4.4
(referred to in paragraph 4.38)

Linfood—source and application of funds 1977–82

| | £'000 | | | | | |
|---|---------|----------|----------|---------|----------|--------------------------------|
| | 1977–78 | 1978–79 | 1979–80 | 1980–81 | 1981–82 | Total 1977–78 to 1981–82 |
| <i>Generated from operations</i> | | | | | | |
| Profit before tax | 5,155 | 7,553 | 10,211 | 8,917 | 11,927 | 43,763 |
| Extraordinary items | — | (294) | — | — | (897) | (1,191) |
| <i>Items not involving the movement of funds:</i> | | | | | | |
| Depreciation | 2,071 | 3,876 | 4,388 | 4,742 | 5,617 | 20,694 |
| Profit on disposal of properties | (402) | (380) | (287) | (436) | (957) | (2,462) |
| Currency translation differences | — | — | — | (406) | 117 | (289) |
| Goodwill | — | — | — | 187 | (128) | 59 |
| Profit on disposal of investment | — | — | — | — | (83) | (83) |
| Surplus on disposal of subsidiaries | — | — | — | — | (362) | (362) |
| Release of provisions | (450) | (200) | (100) | — | (200) | (950) |
| | 6,374 | 10,555 | 14,212 | 13,004 | 15,034 | 59,179 |
| <i>Funds from other sources</i> | | | | | | |
| Share issues | 47 | 16,367 | 48 | 11,595 | 62 | 28,119 |
| Minority interests | — | 2,036 | — | — | — | 2,036 |
| Loans and loan stock issues | — | 21,765 | — | 6,205 | — | 27,970 |
| Disposal of fixed assets | 1,453 | 1,828 | 3,720 | 1,750 | 2,028 | 10,779 |
| Disposal of investments | — | — | — | — | 1,275 | 1,275 |
| Disposal of subsidiaries | — | — | — | — | 20,996 | 20,996 |
| Realisation of loan to associate | — | 214 | — | — | — | 214 |
| | 7,874 | 52,765 | 17,980 | 32,554 | 39,395 | 150,568 |
| <i>Application of funds</i> | | | | | | |
| Dividends paid | 1,867 | 2,348 | 3,464 | 4,851 | 5,100 | 17,630 |
| Tax paid | 982 | 1,308 | 1,564 | 2,144 | 2,639 | 8,637 |
| Purchase of fixed assets | 5,234 | 45,580 | 9,276 | 14,359 | 14,398 | 88,847 |
| Investments | 15 | 46 | 4 | 6 | 7,000 | 7,071 |
| Loan repayments | 109 | — | 2,500 | 10,854 | 313 | 13,776 |
| Acquisition of subsidiary | — | — | — | — | 355 | 355 |
| Minority interest | — | 162 | 161 | 235 | — | 558 |
| | 8,207 | 49,444 | 16,969 | 32,449 | 29,805 | 136,874 |
| <i>Increase/(decrease) in working capital</i> | | | | | | |
| Increase/(decrease) in stocks | 2,059 | 46,884 | 12,341 | (1,434) | 5,667 | 65,517 |
| Increase/(decrease) in debtors | 660 | 19,992 | 2,772 | (3,602) | 4,455 | 24,277 |
| (Increase) in creditors | (1,965) | (55,052) | (11,295) | (1,861) | (11,696) | (81,869) |
| Increase/(decrease) in net liquid funds | (1,087) | (8,503) | (2,807) | 7,002 | 11,164 | 5,769 |
| | (333) | 3,321 | 1,011 | 105 | 9,590 | 13,694 |

Source: MMC/Linfood.