

**REFERENCE RELATING TO THE COMPLETED JOINT VENTURE
BETWEEN STAGECOACH BUS HOLDINGS LIMITED AND BRADDELL PLC**

**Notice of provisional findings made under Rule 10.3
of the Competition Commission Rules of Procedure**

1. On 15 March 2006, the Office of Fair Trading, in exercise of its duty under section 22 of the Enterprise Act 2002 (the Act) and its power under section 35(6) of the Act, referred to the Competition Commission (CC) the completed joint venture between Stagecoach Bus Holdings Limited and Braddell plc in relation to the Scottish bus and coach businesses operating under the megabus.com, Motorvator and Scottish Citylink brands.

Provisional findings

2. The CC inquiry group (the Group) appointed to consider this reference has made the following provisional findings on the statutory questions it has to decide pursuant to section 35(1) of the Act:
 - (a) a relevant merger situation has been created; and
 - (b) the creation of that situation has resulted in a substantial lessening of competition within the market for supply of scheduled coach services on the 'Saltire Cross' route group within Scotland.¹
3. The Group's reasons are set out in full in the provisional findings report, which is attached to this notice, and are summarized in the executive summary of the provisional findings report (see note below).

The next steps

4. Stagecoach Bus Holdings Limited, Braddell plc and other interested parties are now invited to provide the Group with their reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
5. These reasons should be received by the Group no later than 4 September 2006.
6. The Group will have regard to any such reasons in making its final decisions on the statutory questions and actions.
7. The Group will shortly send to Stagecoach Bus Holdings Limited and Braddell plc and publish a notice of the actions which they consider might be taken by the CC to remedy the adverse effects provisionally identified.

John Baillie
Group Chairman
11 August 2006

¹The Saltire Cross route group consists of the Glasgow–Aberdeen and Edinburgh–Inverness coach routes, crossing at Perth. Scottish Citylink also referred to its services on these routes (some of which were direct and did not travel through or require a vehicle change at Perth) as 'trunk services'.

Notes:

1. A copy of this notice and the executive summary of the provisional findings report will be placed on the CC website on 11 August 2006. The CC proposes to publish the provisional findings report on its website by 16 August 2006. The published version of the provisional findings report will not contain any information which the Group considers should be excluded from the report, having regard to the three considerations set out in section 244 of the Act.
2. Comments should be made in writing to:

Philippa Short
Inquiry Secretary
Stagecoach/Scottish Citylink inquiry
Victoria House
Southampton Row
London
WC1B 4AD

or by email to: philippa.short@cc.gsi.gov.uk