

**COMPLETED ACQUISITION BY RAILWAY INVESTMENTS LIMITED (A WHOLLY OWNED SUBSIDIARY OF ENGLISH WELSH & SCOTTISH RAILWAY HOLDINGS LIMITED) OF MARCROFT HOLDINGS LIMITED**

**CONSENT TO EWS TO EXTEND ITS INSURANCE PROVISION TO MARCROFT**

On 6 February 2006, the Office of Fair Trading made a reference to the Competition Commission (the **CC**) under section 22 of the Enterprise Act 2002 (the **Act**) concerning the completed acquisition by Railway Investments Limited (a wholly owned subsidiary of English Welsh & Scottish Railway Holdings Limited (**EWS**)) of Marcroft Holdings Limited (**Marcroft**).

And, on 13 March 2006, the CC accepted Interim Undertakings from EWS, pursuant to section 80 of the Act, for the purpose of ensuring that no action is taken pending the determination of the reference, which might prejudice that reference or impede the taking of any action by the CC under Part 3 of the Act (the **Undertakings**).

And the Undertakings are still in force.

And, on 19 July 2006, the CC determined pursuant to section 39(3) of the Act that there were special reasons why its report could not be prepared and published within the initial statutory reference period, and that the reference period therefore be extended by a period of 8 weeks to 18 September 2006.


And, on 6 September 2006, the CC issued a consent under the Undertakings to allow EWS, *inter alia*, to engage in discussions with Marcroft concerning the provision by EWS of insurance services to Marcroft.

And, on 12 September 2006 the CC published its final report entitled 'Completed acquisition by Railway Investments Limited of Marcroft Holdings Limited' (the **Report**), concluding that the merger had resulted in a substantial lessening of competition in the market for rail freight haulage services in Great Britain and that, having regard to the need to achieve as comprehensive a solution as is reasonable and practicable, a divestiture of all or, subject to the requirements set out in paragraphs 8.59 to 8.62 of the Report, part of the Marcroft Outstation Business would be sufficient to remedy the SLC and the adverse effects arising from it.

Now therefore, in accordance with and without prejudice to the generality of paragraphs 1 and 2 of the Undertakings, the CC hereby gives the following further consent:

**Provision of insurance to Marcroft by EWS**

1. EWS shall be entitled to make arrangements to amend its existing Group insurance policies in the following areas (the **EWS Policies**) so as to extend the terms of the EWS Policies to include Marcroft:
  - (a) public liability insurance;
  - (b) employer's liability insurance;
  - (c) material damage/property insurance; and
  - (d) motor vehicle insurance,and EWS shall be entitled to cancel Marcroft's existing insurance policies in each of these areas.
2. EWS shall, as a condition of this consent, indemnify Marcroft, in the event of any future claim concerning Marcroft under the EWS Policies, in respect of any disparity between the excess provided for in the insurance contract that would have been payable by Marcroft under the terms of its existing insurance policies and that which is payable by Marcroft under the EWS Policies.
3. For the avoidance of doubt, nothing in this consent allows EWS to take any action in relation to Marcroft's existing insurance policies or the provision of insurance to Marcroft for any categories of insurance other than those listed in paragraph 1 above.



Jeremy Peat  
Group Chair

15 November 2006