

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

**FURTHER CONSENT TO EWS IN RELATION TO MARCROFT'S STOKE-ON-TRENT PREMISES**

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 the reference has not been finally determined in accordance with section 79(1) of the Act.

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 23 May 2006, the CC published its Notice of possible remedies under Rule 11 of the Competition Commission Rules of Procedure, paragraph 4 of which stated that the CC was 'currently of the view that, in this case, the divestiture of the outstation business of Marcroft should be sufficient to address the SLC' it had provisionally identified.

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 3 August 2006, the CC gave a consent to EWS and its agents to have access to Marcroft's Stoke-on-Trent premises (the **Premises**) for the purposes of undertaking structural alterations to the Premises and to engage in discussions with Marcroft concerning the awarding of work to Marcroft's Stoke-on-Trent workshop.

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

**Additional repair facilities at Marcroft's Stoke-on-Trent premises**

1. EWS and its agents shall be entitled to have access to the Premises for the purposes of investigating the possibility of installing additional equipment for undertaking heavy repairs to wheelsets and bogies in the 'wheel-shop' located on the Premises and the development of proposals for such installation, including any necessary planning, design, surveys, or other assessments considered by EWS or its agents to be necessary, provided that, for the avoidance of doubt, no

structural alterations may be made to the Premises for those purposes without the prior written consent of the CC in accordance with the Undertakings.

2. For the avoidance of doubt, EWS' agents for the purpose of paragraph 1 of this consent shall include all relevant EWS employees, third party consultants, planners, architects, surveyors, builders, suppliers or any other persons, in each case whose presence at the Premises is strictly necessary for the purposes set out in paragraph 1.

**Provision of insurance**

3. EWS shall be entitled to engage in discussions with Marcroft concerning the provision of insurance services for the EWS Group and Marcroft, provided that, for the avoidance of doubt, no changes to the arrangements presently in place may be implemented without the prior written consent of the CC in accordance with the Undertakings.

**Protection of the outstation business**

4. Nothing in this consent allows EWS to take any action that could prejudice the separability or viability of the Marcroft outstation business (including without limitation by disposing of equipment, systems or employees not needed for the Stoke-on-Trent workshop but that could be required for the effective separate or viable operation of the outstation business).



Jeremy Seddon  
Group Chair

6 September 2006