

**ANTICIPATED ACQUISITION BY SPORTECH PLC OF THE VERNONS FOOTBALL
POOLS BUSINESS FROM LADBROKES PLC**

Terms of reference

1. Whereas in exercise of its duty under section 33(1) of the Enterprise Act 2002 ("the Act") to make a reference to the Competition Commission ("the CC") in relation to an anticipated merger the Office of Fair Trading ("the OFT") believes that it is or may be the case that -
 - (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation in that:
 - (i) enterprises carried on by or under the control of **Sportech plc** will cease to be distinct from the **Vernons Football Pools business** being an enterprise or enterprises carried on by or under the control of **Ladbrokes plc**; and
 - (ii) as a result, the condition specified in section 23(3) and/or section 23(4) of the Act will prevail or will prevail to a greater extent with respect to the supply in the United Kingdom of football pools; and
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services including the supply of football pools in the United Kingdom.
2. Now, therefore, the OFT, in exercise of its duty under section 33(1) of the Act, hereby refers to the CC, for investigation and report within a period ending on 17 October 2007, the following questions in accordance with section 36 (1) of the Act-
 - (a) whether arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and
 - (b) if so, whether the creation of that situation may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.
3. In relation to the question whether a relevant merger situation will be created, the CC shall exclude from consideration one of the subsections (1) and (2) of section 23 of the Act if they find that the other is satisfied.



Simon Pritchard
Director, Mergers, Office of Fair Trading
3 May 2007