



News Release

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COMPETITION COMMISSION PUBLISHES FINAL REPORT ON NATIONAL EXPRESS GROUP BID FOR THAMESLINK AND GREAT NORTHERN RAIL FRANCHISE

The Competition Commission (CC) has published its final report on the franchise bid by National Express Group plc (NEG) for the Thameslink and Great Northern (TGN) rail franchise.

The CC had been asked to consider whether NEG's franchise bid would be expected to result in a substantial lessening of competition within any market or markets in the UK. In its final report published today, the CC concluded that it would not be expected to do so. This confirms the verdict of the provisional findings report published last month.

Since that time, the Department for Transport announced (on 13 December) that FirstGroup had been awarded the TGN passenger franchise from 1 April 2006. The reference to the CC was made on 3 August 2005, at a time when NEG was one of five companies short-listed as bidders for the franchise.

The reference was made in the knowledge that it was possible that a preferred bidder would be named and the franchise awarded before the CC had completed its work.

As the CC was close to completing its inquiry when this announcement was made, it has decided to publish its final report in order to make use of the work carried out and help participants in any similar future inquiry to understand its approach in this case.

NEG currently operates the Gatwick Express, Greater Anglia, Midland Mainline and Silverlink train franchises as well as a network of coach services. The CC group concentrated principally on the effect of the merger on overlapping rail and coach services between London and Luton, Luton Airport and Bedford; London, Gatwick Airport and Brighton; and London and Cambridge.

The final report is available on the CC website at www.competition-commission.org.uk/inquiries/ref2005/neg/index.htm.

Notes for editors

1. The acquisition of a rail franchise is treated as a merger under the Railways Act 1993.

2. The inquiry was referred to the CC by the Office of Fair Trading (OFT) on 3 August 2005.
3. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
4. The NEG/Thameslink inquiry group consisted of four members: Diane Coyle (Group Chairman), Ivar Grey, Jeremy Peat and Peter Stoddart.
5. Enquiries should be directed to Rory Taylor on 020 7271 0242 or rory.taylor@cc.gsi.gov.uk.