

CR/17/07

**ANTICIPATED ACQUISITION OF QUEST END COMPUTER
SERVICES LIMITED, QUEST SYSTEMS DEVELOPMENT
LIMITED AND
CYWOOD MANAGEMENT LIMITED
BY
MACDONALD, DETTWILER AND ASSOCIATES LIMITED**

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 MacDonald, Dettwiler and Associates Limited (MDA) will cease to be distinct from enterprises carried on by or under the control of Quest End Computer Services Limited, Quest Systems Development Limited and Cywood Management Limited; and
 - (ii) as a result the condition specified in section 23(4) of the Act will prevail or will prevail to a greater extent, with respect to the supply of property valuation network services; 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, namely the supply of network connectivity and workflow and administration software as a composite product.
2. Now, therefore the OFT in exercise of its duty under section 33 of the Act, hereby refers to the CC, for investigation and report within a period ending on 31 July 2007 the following questions in accordance with section 36 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.

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.



Vincent Smith
Senior Director Competition
14 February 2007