

ANTICIPATED ACQUISITION BY HOSPEDIA LTD OF PREMIER TELESOLUTIONS LIMITED

Terms of reference

1. 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 **Hospedia Limited** will cease to be distinct from enterprises carried on by or under the control of **Premier Telesolutions 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 free-managed patient bedside entertainment and communications systems (BECS) to NHS hospitals in the UK; 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 free-managed BECS to NHS hospitals in the UK.
2. Therefore, in exercise of its duty under section 33(1) of the Act, the OFT hereby refers to the CC, for investigation and report within a period ending on 23 March 2009, 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
Senior Director, Mergers, Office of Fair Trading
7 October 2008