

ANNEX INDEX

1. The Courses
2. Relationship between the products in question (diagram)
3. UK betting services
4. Racecourse betting revenue shares

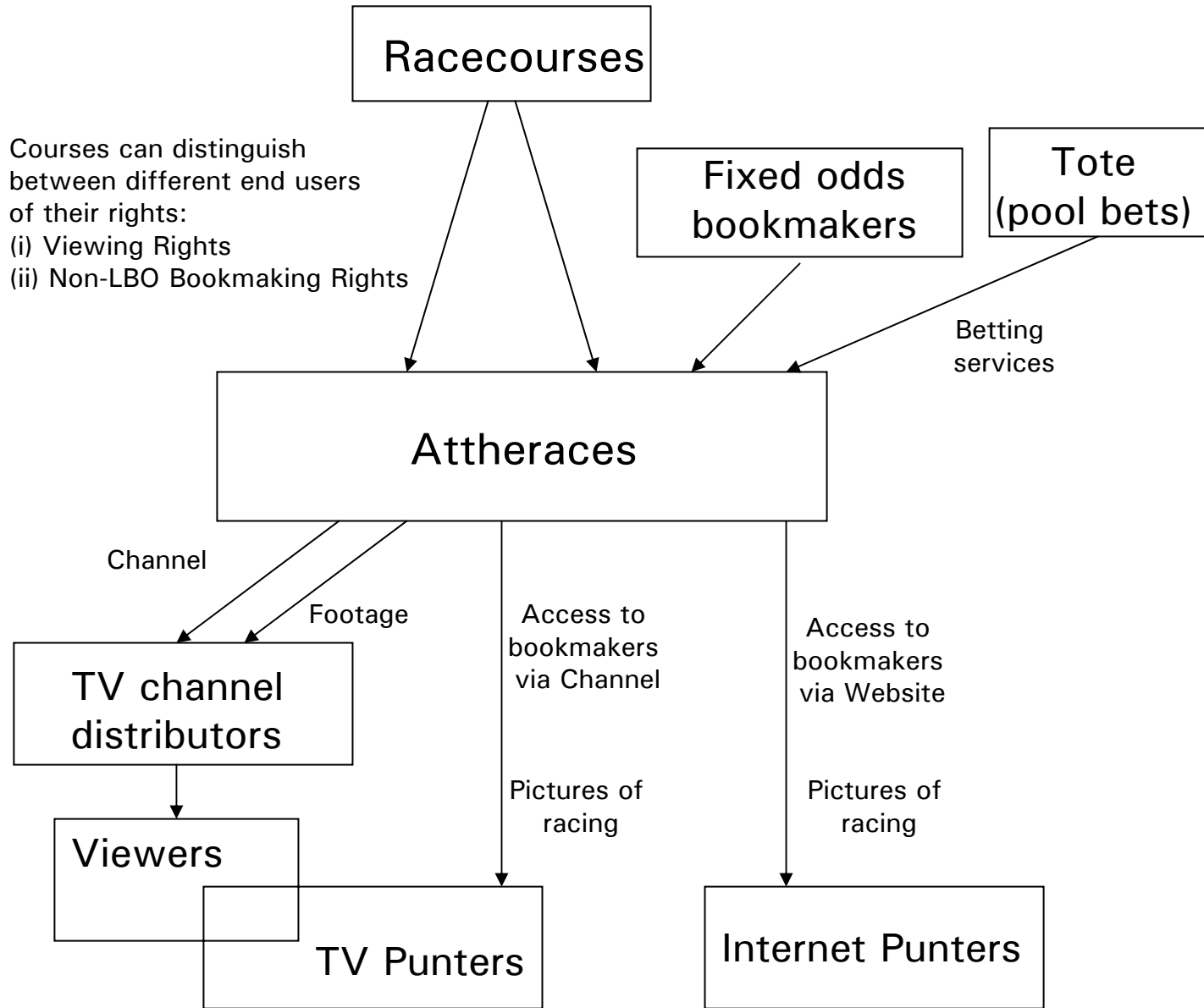
THE COURSES

Owner/operator	Racecourse(s)
Racecourse Investments Limited (c)	Aintree Cheltenham Epsom Downs Haydock Park Huntingdon Kempton Park Market Rasen Newmarket Nottingham Sandown Park Warwick Wincanton.
The Ascot Authority	Ascot
The Western Meeting Club	Ayr
Bangor-on-Dee Races Limited	Bangor-on-Dee
The Bath Racecourse Company Limited (b)	Bath
The Beverley Race Company Limited	Beverley
Brighton Racecourse Company Limited (b)	Brighton
The Carlisle Racecourse Company Limited (c)	Carlisle
Cartmel Steeplechases (Holker) Limited	Cartmel
The Catterick Racecourse Company Limited	Catterick
The Chepstow Racecourse Plc	Chepstow
The Chester Race Company Limited	Chester
Doncaster Racecourse Limited	Doncaster
Folkestone Race Course Limited (a)	Folkestone
The Fontwell Park Steeplechase Plc	Fontwell Park
Goodwood Racecourse Limited	Goodwood
The Hamilton Park Racecourse Company Limited	Hamilton Park
Hereford Racecourse Company Limited (b)	Hereford
Lingfield Park (1991) Limited (a)	Lingfield Park
The Ludlow Race Club Limited	Ludlow
Musselburgh Joint Racing Committee	Musselburgh
Newbury Racecourse Plc	Newbury
High Gosforth Park Limited (b)	Newcastle
The Newton Abbot Races Limited	Newton Abbot

Owner/operator	Racecourse(s)
Plumpton Racecourse Limited	Plumpton
The Pontefract Park Race Company Limited	Pontefract
Redcar Racecourse Limited	Redcar
The Ripon Race Company Limited	Ripon
The Bibury Club Limited	Salisbury
R.A.M. Racecourses Limited (a)	Southwell
Thirsk Racecourse Limited	Thirsk
Uttoxeter Leisure and Development Company Limited	Uttoxeter
Wetherby Steeplechase Committee Limited	Wetherby
Windsor Racing Limited (a)	Windsor
Dunstall Park Centre Limited (a)	Wolverhampton
Worcester Racecourse Limited (a)	Worcester
Great Yarmouth Racecourse (Great Yarmouth Borough Council)	Yarmouth
York Race Committee	York

Note:

- (a) Subsidiaries of Arena Leisure Plc
- (b) Subsidiaries of Northern Racing Group
- (c) The Carlisle Racecourse Company Limited was subsequent to the execution of the Rights Agreements acquired by Racecourse Investments Limited.



UK BETTING SERVICES

1. Betting is a wager on an issue in doubt. It therefore includes wagers on horse races, greyhound races and football. Gaming is a game of chance, where the probability of any given outcome is known in advance. Accordingly, it is distinct from betting and includes wagers placed at casinos, bingo and the National Lottery.¹
2. In a fixed odds bet, the winnings are a fixed multiple of the stake. In a pool bet the stakes are pooled, the operator deducts its margin and the remainder is distributed to winning punters in proportion to their stakes.
3. Betting takes place either 'on-course' or 'off-course'. On-course betting mostly takes place at (horse) racecourses and greyhound tracks. Total on-course betting at racecourses and greyhound tracks was estimated at £700m in 1997.² At racecourses, most bets are placed with bookmakers in the betting ring or on the rails dividing the members' enclosure from the rest of the racecourse. There are also on-course LBOs.³
4. Off-course betting takes place at LBOs and via the telephone, internet and interactive TV. Almost all LBOs have multiple television screens, some displaying text and moving pictures. The text shows the odds available on a variety of bets. The picture coverage is designed to provide LBO punters with a sequence of betting opportunities, the outcomes of which are resolved relatively rapidly on screen. Internet and interactive TV betting are relatively recent developments, but commentators have suggested that both will grow strongly over the next few years.⁴ It has been argued that interactive TV betting will attract new punters, such as women, who have been deterred from using traditional bookmaking outlets.⁵
5. It is estimated that, in 1999, UK punters staked £6,563m in LBOs, £979m via the telephone and £100m over the Internet.⁶ Betting turnover increased sharply following the abolition of Betting Duty in October 2001. In the year ending 31 March 2002 an estimated £8,355m was wagered with UK bookmakers.⁷
6. In 2000, around 71% of LBO turnover was staked on horseraces, 20% on greyhound races and 5% on other sports. 4% was staked on

¹ *Gambling Review Report*, Cm 5206 (July 2001), paragraphs 4.13 and 4.19.

² *ibid.*, paragraph 9.35.

³ *ibid.*, paragraph 9.34.

⁴ *ibid.*, paragraph 12.16. *E-betting*, Leisure, entertainment and hotels sector research, ABN AMRO, 4 May 2000, page 26.

⁵ *Gambling Review Report*, Cm 5206 (July 2001), paragraph 12.6.

⁶ *ibid.*, paragraph 12.14.

⁷ *Betting & gaming*, Keynote Market Report, October 2002, page 6.

'numbers games', where punters gamble on the outcome of a random draw.⁸ LBOs often include Amusement With Prizes ('AWP') machines, such as slot machines. Telephone betting is more weighted towards horseracing and other sports and less towards greyhounds and numbers betting.⁹

7. William Hill estimate that, in 2000, betting turnover on horseraces (British and foreign) was £5,975m, of which £5,543m (93%) was staked off-course. William Hill estimated that LBO betting turnover on horseraces was £4,623m (77% of the total). In addition UK punters staked £780m (13%) via the telephone and £140m (2%) via the internet. The remaining £432m (7%) was staked on-course.¹⁰ Over 95% of the amount staked on horseraces with the three largest UK bookmakers is wagered on British horseraces.¹¹
8. The majority of off-course bets on British horseraces and greyhound races are staked at fixed odds derived from the odds offered by on-course bookmakers.¹² For bets on other sports, off-course bookmakers set their own odds.
9. A typical day features 24 to 30 British horseraces from three or more racecourses and around 30 Bookmakers' Afternoon Greyhound Service ('BAGS') greyhound races.¹³ The start times of these races are staggered. LBOs thus supply a continuous stream of televised horseraces, greyhound races, and numbers games.¹⁴ This is important to bookmakers because it enables punters to re-gamble any winnings and try to win back any losses.¹⁵
10. Bets can be staked on almost any sport. However, greyhound and horse racing have sequences of races, the outcome of which is resolved relatively rapidly, while other sports, such as football or golf, occur less frequently and/or simultaneously and take longer to resolve.

⁸ *Gambling Review Report*, Cm 5206 (July 2001), paragraph 9.23.

⁹ *ibid.*, paragraph 9.11.

¹⁰ Section 26 Notice response by William Hill dated 26 October 2001, question 5.

¹¹ *Information request regarding the Attheraces Notification, responses of Coral Eurobet Plc*, fax dated 24 April 2002, response to question 3.3. *Second submission to the OFT concerning the infringement of Chapters I and II of the Competition Act 1998*, William Hill, 10 September 2001, paragraph 3.1.3(a). Calculated by aggregating across Ladbrokes' UK LBOs, telephone and internet betting businesses from figures contained in Section 26 Notice response by Ladbrokes dated 29 November 2001, question 2.

¹² Such odds are known as starting prices ('SPs') and show or board prices. The *Ladbroke/Coral MMC report*, paragraph 2.25.

¹³ NERA Report, page 25.

¹⁴ Letter from SIS to OFT dated 24 April 2002.

¹⁵ *A response to the questions posed by the OFT regarding market definition*, BBOA, 9 April 2002, characteristic (b), page 2.

RACECOURSE BETTING REVENUE SHARES

Racecourse Holdings Trust ¹	[20-30]%
Arena Leisure plc ²	[10-20]%
Northern Racing Group (inc. Chepstow) ³	[10-20]%
Ascot	[0-5]%
Doncaster ⁴	[0-5]%
Newbury	[0-5]%
York	[0-5]%
Goodwood	[0-5]%
Ayr	[0-5]%
Leicester (GG)	[0-5]%
Catterick	[0-5]%
Musselburgh	[0-5]%
Redcar	[0-5]%
Carlisle	[0-5]%
Pontefract	[0-5]%
Beverley	[0-5]%
Fontwell Park	[0-5]%
Yarmouth	[0-5]%
Taunton (GG)	[0-5]%
Newton Abbot	[0-5]%
Ludlow	[0-5]%
Thirsk	[0-5]%
Salisbury	[0-5]%
Plumpton	[0-5]%
Wetherby	[0-5]%
Chester	[0-5]%
Towcester (GG)	[0-5]%
Ripon	[0-5]%
Exeter (GG)	[0-5]%
Hamilton Park	[0-5]%
Kelso (GG)	[0-5]%
Stratford (GG)	[0-5]%

¹ At the time that the Rights Agreement was executed, RHT controlled the following Courses: Aintree, Cheltenham, Epsom Downs, Haydock Park, Huntingdon, Kempton Park, Market Rasen, Newmarket, Nottingham, Sandown, Warwick and Wincanton. RHT has subsequently acquired Carlisle racecourse.

² Arena controls the following Courses: Folkestone, Lingfield Park, Southwell, Windsor, Wolverhampton, Worcester.

³ At the time that the Rights Agreement was executed, Northern Racing Group ('Northern') controlled the following racecourses: Bath, Brighton, Hereford, Newcastle, Sedgefield and Uttoxeter. Sedgefield is not one of the Courses. Northern is also affiliated with Chepstow racecourse. If Chepstow is excluded, Northern's market share is [...]%.

⁴ Doncaster, Catterick, Redcar and Wetherby racecourses are all managed by International Racecourse Management Limited ('IRM') but are not under common ownership. These four Courses have a share of [...]%.

Bangor-on-Dee	[0-5]%
Hexham (GG)	[0-5]%
Perth (GG)	[0-5]%
Fakenham (GG)	[0-5]%
Cartmel	[0-5]%

Note:

'GG' indicates that the course sold its media rights to GG Media, rather than Attheraces.

All shares of betting revenue are taken from the Rights Agreement, Schedule 16. These are the figures that would have been used to determine whether Rights Agreement Clause 2.2.2(ii) was met (this clause made it a condition of the Rights Agreement that courses accounting for at least 70% of off-course betting turnover signed). All figures have been rounded from three decimal places to one.

The Courses collectively have a betting revenue share of 90.2%