

## **LADBROKES/CORAL MERGER INQUIRY**

### **Summary of response hearing with the Greyhound Board of Great Britain on 21 June 2016**

#### **Background**

1. The Greyhound Board of Great Britain (GBGB) is responsible for the governance, administration, regulation, organisation, welfare, development and advancement of the sport of greyhound racing.

#### **The effect of the Merger on the acquisition of media rights of greyhound races**

2. The GBGB stated it was concerned primarily that the anticipated merger between Ladbrokes plc (Ladbrokes) and certain businesses of Gala Coral Group Limited (Coral) (together the Parties) (the Transaction) would give the Parties an increased influence over the future of greyhound racing in Great Britain.
3. The GBGB noted the merged entity would be selling to and buying from Satellite Information Services Ltd (SIS), but acknowledged that both Ladbrokes and Coral were separately already in this position.
4. The GBGB submitted that, as a result of the Transaction, the merged entity would become SIS's largest customer, and that the current governance arrangements of SIS would not be sufficient to ensure that non-bookmaker owned greyhound tracks would have fair access to SIS' and Bookmakers Afternoon Greyhound Services' (BAGS) greyhound fixtures.
5. In particular, the GBGB noted that the merged entity would have 32.4% of the greyhound races available in licensed betting offices (LBOs) and for streaming, but that the time slots allocated to those races meant that the economic impact of their share of races was much greater, possibly amounting to 40% of the betting turnover generated on greyhound racing. The GBGB explained that the best time slots had been allocated to Ladbrokes and Coral for historical reasons and that there were no significant differences in the quality of the greyhound races offered by different greyhound track operators. The GBGB mentioned that recently BAGS had allocated an

additional greyhound fixture, potentially to prevent Ladbrokes from leaving BAGS.

6. The GBGB further stated that, through their influence on SIS and BAGS, the merged entity would be able to squeeze out other greyhound tracks from their fixtures list, to the detriment of those greyhound tracks and consumers. The GBGB explained that, if this were to happen, it would not harm the merged entity's betting business, because the merged entity could increase the number of races operated on their own greyhound tracks to ensure that they have a sufficient number of greyhound races to broadcast in their LBOs. The GBGB stated that Ladbrokes and Coral were not subject to the same capacity constraints as non-bookmaker owned greyhound tracks.
7. The GBGB stated that the BAGS' governance arrangements – which excluded bookmakers that owned greyhound tracks from participating and voting on decisions regarding the allocation of fixtures – were likely to remain in place. The GBGB also stated that the strong competition from SIS for the acquisition of greyhound media rights might destabilise BAGS' corporate structure.
8. The GBGB noted that it was very difficult to produce evidence showing that, even with the current BAGS' and SIS' governance arrangements, the merged entity would be in a position to influence the decisions of these media rights purchasers regarding the allocation of greyhound media right fixtures.