

# Government shelves Tote sale

London (Reuters) – The government said on Wednesday it would not go ahead with the planned sale of state-owned bookmaker, the Tote, this autumn due to market conditions.

„I have now concluded that it is not appropriate to pursue a sale in these market conditions. I have therefore decided that the Tote should be retained in public ownership for the medium term, and brought to the market when conditions are likely to deliver value for the taxpayer and racing,“ Sports Minister Gerry Sutcliffe said in a statement to Parliament.

The Tote, which has 540 shops, was thought by analysts to be worth more than 400 million pounds prior to the credit crunch, but media reports have said investment bank Goldman Sachs’s valuation has since been lowered to about 280 million pounds.

The government appointed Goldman in April to examine options for the Tote, which runs Britain’s pool betting system and operates at all the country’s race courses.

Sutcliffe said in July the government had begun preparations for a possible sale of the Tote on the open market in the autumn. However, he made clear then that a sale would depend on market conditions at the time.

„It is right that the Tote is now given time to grow the business so that any future sale will achieve maximum value,“ Sutcliffe said on Wednesday.

The Tote’s chief executive, Trevor Beaumont, said the group was „delighted to have reached a position of clarity on the government’s intention over the sale of the Tote.“

„We are now looking to being able to drive the business forward ... This announcement has lifted an immense weight from the shoulders of our staff,“ he said in a statement.

The top share index fell to five-year lows this month as fears over the global financial crisis fanned great volatility in the markets.

William Hill had registered an interest in buying parts of the Tote, Chief Executive Ralph Topping said on July 31. Competition law would have precluded William Hill from acquiring the business outright.

Gala Coral had previously expressed an interest in buying the business outright, and Sportech was interested in the Tote's pool betting operations.