GLOBAL/GMG MERGER INQUIRY

Third party response to the provisional findings

26 March 2013

Regarding your provisional findings, I agree to all the points, the reality is we work in a very dynamic market place and many factors as previously discussed affect whether or not we use radio, a particular radio station or alternative media.

Market dynamics play a large part and in that sense if Global abuse their position and increase pricing then the market will dictate if this is a fair price. We want as much competition as possible but equally any media owner Global or otherwise can raise its pricing and dictate it’s terms if it so wishes and believes it’s right for its business. In summary to your initial Provisional Findings I concur with the evidence you have found as a top line conclusion.

With regards the remedies, my only point is that you concentrate on ownership and divestiture, whereas the area that is most affected is advertising sales. In the world of Ad sales groups are set up to represent a number of stations, for example in TV CH4 sales also sell on behalf of UKTV or Sky Sales represent Viacom. The same can apply to Global, in theory they could divest a certain station or station group but still represent the sales function. In the case of Free Radio (formerly BRMB sold by Global) their London sales function is situated in Global’s office, this is not to say they abuse that relationship but highlights that divested ownership doesn’t necessarily mean greater competition for advertising space.

Agency B