

**ANTICIPATED JOINT VENTURE BETWEEN BBC WORLDWIDE LIMITED,
CHANNEL FOUR TELEVISION CORPORATION AND ITV PLC RELATING TO
THE VIDEO ON DEMAND SECTOR**

**Notice of Acceptance of final undertakings pursuant to section 82 and
Schedule 10 of the Enterprise Act 2002**

On 30 June 2008, the Office of Fair Trading referred the anticipated joint venture between the British Broadcasting Corporation (BBC) through BBC Worldwide Limited (BBCW), Channel 4 Television Corporation (C4C) and ITV plc (ITV), relating to the video on demand sector, to the Competition Commission (the CC) for investigation and report under section 33 of the Enterprise Act 2002 (the Act).

On 4 February 2009, the CC published its final report on the anticipated joint venture and concluded that the joint venture is likely to result in a substantial lessening of competition in the supply of UK TV video on demand content at the wholesale and retail levels and should be prohibited.

C4C has agreed to give undertakings to the CC under section 82 of the Act for the purpose of remedying, mitigating or preventing the substantial lessening of competition identified in the report.

Now the CC pursuant to section 82(1) of the Act hereby accepts the undertakings, a copy of which is set out in the attached annex. The reference has now been finally determined and the undertakings come into force accordingly.

Signed by authority of the CC

(signed) PETER FREEMAN
CC Chairman and Chairman of the Inquiry Group
25 June 2009

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Undertakings given to the Competition Commission by C4C

A report of the Competition Commission (CC) entitled *BBC Worldwide Limited, Channel Four Television Corporation and ITV plc: a report on the anticipated joint venture between BBC Worldwide Limited, Channel Four Television Corporation and ITV plc relating to the video on demand sector* was published under section 38(1) of the Act on 4 February 2009.

The CC has decided that the proposed joint venture would result in the creation of a relevant merger situation in accordance with the Act and that this is likely to result in a substantial lessening of competition (SLC).

C4C now gives to the CC the following undertakings under section 82 of the Enterprise Act 2002 for the purpose of preventing the SLC concerned.

Commencement and duration

1. The Undertakings shall commence on the Commencement Date, and shall continue in force until the date five years from the Commencement Date, unless the Undertakings are varied, released or superseded under the Act.

Prohibitions

2. Except with the prior written consent of the Office of Fair Trading (OFT), C4C shall not acquire control of both (a) all or any part of the video on demand (VOD) activities carried on by BBC, and (b) all or any part of the VOD activities carried on by ITV.
3. Except with the prior written consent of the OFT, C4C shall procure that none of its directors or managers holds or is nominated to any directorship or managerial position in any company or other undertaking carrying on or having control of all or any part of the VOD activities of both BBC and ITV.
4. Except with the prior written consent of the OFT, C4C shall not carry out any agreement or arrangement with any person, which results in any associated person or affiliate of C4C, directly or indirectly, doing any of the things listed in paragraphs 2 and 3 above.

Notification

5. C4C shall give notice to the OFT of any acquisition by C4C of control of all or any part of the VOD activities carried on by either BBC or ITV not later than the date that such an acquisition takes place.

Provision of information

6. C4C shall provide promptly to the CC such information as the CC may reasonably require for the purpose of performing any of its functions under sections 82, 83 and 94(7) of the Act.

7. C4C shall provide promptly to the OFT such information as the OFT may reasonably require for the purpose of performing any of its functions under sections 92, 93(6) and 94(6) of the Act.

Compliance

8. C4C shall procure that its subsidiaries will comply with these Undertakings as if they had given them.
9. The OFT or the CC may give to C4C, and C4C will comply with, such written directions as the OFT or the CC may from time to time reasonably consider necessary for the purpose of carrying out or securing compliance with these Undertakings.

Interpretation

10. The Interpretation Act 1978 shall apply to these Undertakings as it applies to an Act of Parliament.
11. Any word or expression used in these Undertakings shall, unless otherwise defined herein and/or the context otherwise requires, have the same meaning as in the Act.
12. For the purpose of these Undertakings:

the Act means the Enterprise Act 2002;

an affiliate of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under the common control for the purposes of section 26 of the Act;

BBC means the British Broadcasting Corporation and any of its subsidiaries (including, for the avoidance of doubt, BBCW);

BBCW means BBC Worldwide Limited, a company registered in England and Wales (registered number 1420028) whose registered office is at Media Centre, 201 Wood Lane, London W12 7TQ, and any of its subsidiaries;

C4C means Channel Four Television Corporation, a public corporation incorporated by Act of Parliament in the UK, the registered office of which is at 124 Horseferry Road, London SW1P 2TX, and any of its subsidiaries;

CC means the Competition Commission

Commencement Date means the date that, having been signed by C4C, these Undertakings are accepted by the CC;

control in relation to VOD activities shall be construed in accordance with section 26 of the Act (ie including the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on those activities) and, in particular where control is conferred by licensing arrangements, by reference to the analysis in paragraphs 3.54 to 3.62 of the report;

ITV means ITV plc, a company registered in England and Wales (registered number 04967001) whose registered office is at 200 Gray's Inn Road, London WC1X 8HF, and any of its subsidiaries;

long form TV content means television content which is either (a) a complete television programme longer than 5 minutes or (b) an excerpt from a complete television programme where that excerpt is longer than 15 minutes;

OFT means the Office of Fair Trading;

report means the report of the CC entitled *BBC Worldwide Limited, Channel Four Television Corporation and ITV plc: a report on the anticipated joint venture between BBC Worldwide Limited, Channel Four Television Corporation and ITV plc relating to the video on demand sector*, issued on 4 February 2009;

VOD means video on demand;

VOD activities means a business, or part of a business, to the extent that it consists of the provision of the following VOD services:

- licensing of UK-originated long form TV content rights to VOD customers for consumption in the UK; and
- licensing of UK-originated long form TV content rights to third-party providers of VOD for exploitation in the UK;

unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF C4C

(signed) JON GISBY
Director Future Media and Technology