

ANTICIPATED JOINT VENTURE BETWEEN LIBERTY GLOBAL PLC AND TELEFÓNICA S.A.

Parties' response to the Provisional Findings

1. This submission sets out the response of Liberty Global plc (**Liberty Global**) and Telefónica S.A. (**Telefónica**) (together, the **Parties**) to the Competition and Markets Authority (**CMA**)'s provisional findings dated 14 April 2021 (the **Provisional Findings**) concerning the Parties' proposed joint venture combining their respective operating businesses in the United Kingdom (the **JV** and the **Transaction**).
2. The Parties welcome, and strongly agree with, the CMA's overall conclusion in the Provisional Findings that the Transaction may not be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom, including as a result of vertical effects in the supply of wholesale leased lines to MNOs and the supply of wholesale mobile services to MVNOs (the two theories of harm on which the CMA's investigation has focused).
3. The Parties also strongly agree with the key conclusions reached by the CMA in relation to those two theories of harm: that the JV would have neither the ability nor the incentive to engage in input foreclosure in the supply of wholesale leased lines or wholesale mobile services. The Parties believe that the evidence also shows that a foreclosure strategy could not in any event have the effect of weakening competition on the retail mobile market, but agree that the CMA does not need to assess this question separately given its conclusions regarding ability and incentives.
4. As the CMA will be aware from the Parties' previous submissions, there are certain aspects of the Provisional Findings where the Parties believe the CMA has adopted an overly conservative approach, or on which the Parties otherwise have a different view to that of the CMA. However, in light of the overall conclusion reached by the CMA even on this conservative approach, the Parties do not intend to make further submissions on these points.
5. The Parties would like to thank the inquiry group and staff team for their work on the inquiry to date, and stand ready to provide any further assistance the CMA may require to prepare its final report and conclude the inquiry.

Allen & Overy LLP / Simpson Thacher & Bartlett LLP / Clifford Chance LLP

27 April 2021