

[REDACTED]
Covington & Burling LLP

cc: [REDACTED]
Warner Bros. Discovery

30 June 2026

By email

**Proposed acquisition of Warner Bros Discovery by Paramount Skydance Corporation
– Notice of a Potential Public Interest Intervention Notice**

I refer to the proposed acquisition of Warner Bros Discovery (“WBD”) by Paramount Skydance Corporation (“Paramount”).

On 27 February 2026, Paramount issued a press release announcing that Paramount and WBD had entered into a definitive merger agreement under which Paramount will acquire 100% of WBD for \$31 in cash per share, plus a “ticking fee”, valuing WBD at \$81 billion in equity value and \$110 billion in enterprise value¹ (“the proposed merger”). As part of the proposed merger, Paramount will acquire WBD’s linear and streaming platforms as well as its film and television studios. According to the press release, the merger is expected to complete in the third quarter of 2026, “subject to customary closing conditions, including regulatory clearances and approval by WBD shareholders”. On 23 April 2026, WBD announced that its shareholders had voted “overwhelmingly” to approve the proposed merger.²

The Secretary of State is currently considering whether to give a public interest intervention notice (“PIIN”) to the Competition and Markets Authority (“CMA”) and Ofcom in relation to the proposed merger under section 42(2) of the Enterprise Act 2002 (“the Act”). She is currently minded to issue a PIIN for the following reasons:

- (a) She considers she has reasonable grounds for suspecting that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, as defined in section 23 of the Act; and
- (b) She believes it is or may be the case that one or more than one public interest consideration is relevant to a consideration of the relevant merger situation concerned.

The public interest considerations that the Secretary of State considers may be relevant are:

¹ [“Paramount to acquire Warner Bros. Discovery to form next-generation global media and entertainment company”](#) (27 February 2026). Paramount.

² [“Warner Bros. Discovery Stockholders Approve Transaction with Paramount Skydance – Company Announcement”](#) *Financial Times*.

- The need, in relation to every different audience in the United Kingdom, or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises, or the enterprises providing on-demand programme services or both, serving that audience.
- The need for, to the extent it is reasonable and practicable, a sufficient plurality of views in news media in each market for news media in the United Kingdom or in a part of the United Kingdom.

This first consideration listed above is not currently specified in section 58 of the Act. However, under section 42 of the Act, the Secretary of State may issue a PIIN if she believes that a public interest consideration which is not specified in section 58, but which in her opinion ought to be so specified, may be relevant to a consideration of the merger.

The Secretary of State recognises that if she issues a PIIN which mentions a public interest consideration which is not specified in section 58 of the Act, she must as soon as practicable take action to ensure it is so specified, by way of an Order made under section 58(3) of the Act which has been laid and approved by Parliament within the period of 28 sitting days after it is made, or otherwise.

Sections 44 and 44A provide that when a PIIN has been issued, the CMA and Ofcom must, respectively, provide reports on certain issues relevant to the merger and on the media public interest considerations specified in the PIIN within such period as the Secretary of State may require. Each report must summarise any representations which the relevant regulator has received about the case.

Creation of a relevant merger situation

The Secretary of State considers that there are reasonable grounds for suspecting that it is or may be the case that arrangements are in progress or contemplation which, if carried into effect, will result in the creation of a relevant merger situation because:

- a) Both Paramount and WBD are enterprises within the meaning of section 129 of the Act. Paramount is a Delaware incorporated company, headquartered in Los Angeles, engaged in commercial activities relating to commercial film making and television production, the provision of traditional linear and cable television networks, on demand programme (streaming) services, sports entertainment and interactive video game development. The company owns and operates streaming services such as Paramount+ and Pluto TV and linear cable networks such as MTV, Nickelodeon, and Channel 5 in the UK.³ WBD is a Delaware incorporated company, headquartered in New York, engaged in commercial activities relating to film production and distribution, the provision of linear and cable television networks and on demand programme services, video game development, experiences and consumer products and advertising sales. Streaming services owned and operated by WBD include HBO Max and Discovery+; their linear cable networks include CNN, HBO and the Discovery Channel.⁴

³ <https://www.paramount.com>

⁴ <https://www.wbd.com>

- b) The Secretary of State has reasonable grounds to suspect that the proposed acquisition will result in two or more enterprises ceasing to be distinct, if arrangements now in progress are carried into effect. The Secretary of State understands that once the merger is complete, Paramount and WBD will be under the common control of the Ellison family and RedBird Capital Partners who will collectively hold the largest equity stake in the combined company and own 100% of the voting shares.⁵
- c) The Secretary of State has reasonable grounds to suspect that the value of the UK turnover of the enterprise being taken over exceeds £100 million. For the financial year ending in 2025, the total value of WBD's UK turnover was [REDACTED].⁶

Public interest considerations

The Secretary of State is minded to believe that the following public interest considerations may be relevant to a consideration of the proposed merger:

- 1) The need, in relation to every different audience in the United Kingdom, or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises, or the enterprises providing on-demand programme services or both, serving that audience.**

Section 58(2C)(a) specifies a public interest consideration on the need, in relation to every different audience in the United Kingdom, or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons controlling media enterprises (enterprises which consist in or involve broadcasting or which are newspaper enterprises) serving that audience.

The Secretary of State considers that this public interest consideration should be expanded, in the context of this merger, to allow consideration of the need for a sufficient plurality of persons controlling enterprises providing on demand programme services ("ODPS"), more commonly known as video-on-demand or streaming services. According to Ofcom's Media Nations 2025 Report, 85% of adults use an ODPS every month, compared to 67% who watch live TV.⁷ Furthermore, the Media Act 2024 introduces a new regulatory framework for on-demand in recognition that ODPSs should be regulated in a similar way to traditional broadcast television.

Ofcom has previously defined plurality as: "ensuring there is a diversity in the viewpoints that are available and consumed, across and within media enterprises; and preventing any one media owner, or voice, having too much influence over public opinion and the political agenda".⁸ In the Secretary of State's view, it is important to ensure that a diversity of viewpoints is available and consumed within and across media enterprises and enterprises providing ODPSs and that no one owner or voice has too much influence over public opinion or the political agenda through an acquisition of a media enterprise or an enterprise providing ODPSs or an acquisition across both types of enterprise.

⁵ ["Paramount Global seeks foreign ownership declaratory ruling pursuant to Section 310\(b\)\(4\) of the Communications Act of 1934, as amended"](#) (27 April 2026). Federal Communications Commission.

⁶ [REDACTED]

⁷ [Ofcom Media Nations Report 2025, p 9](#)

⁸ ["Measuring media plurality: Ofcom's advice to the Secretary of State for Culture, Olympics, Media and Sport"](#) (2012).

The size of this merger is unprecedented, in terms of reach and potential influence of the enterprises involved. Currently, WBD owns 30 linear channels (including CNN International, TNT Sports channels, Cartoon Network) which broadcast in the UK and Paramount owns 20 linear channels (including Channel 5 and their portfolio channels, Nickelodeon children's channels, Comedy Central and MTV). WBD currently operates two streaming services with a significant UK presence: Discovery+ and HBO Max. Meanwhile Paramount also operates two streaming services: Paramount+ and 5 (formerly My5). The merger would result in a single person having control of these channels and services.

The Government's guidance on the operation of the media mergers regime says that "the Secretary of State's consideration of "what constitutes a sufficient number of owners controlling media enterprises may be affected by the relative audience shares that these enterprises hold".⁹ We consider that this principle applies equally to the consideration of whether a merger may lead to an insufficient plurality of persons with control of enterprises providing ODPSSs.

Given Paramount, and WBD's reach across different UK audiences (by age, gender, socioeconomic status, political affiliation), the Secretary of State has considered the impact on UK audiences as a whole. She has also considered the impact on audiences of linear children's services, as a demographic of the UK population which may be particularly affected.

Of those who watch linear channels on an average week, 36.1% are reached by linear channels owned by Paramount, and 20.7% by channels owned by WBD.¹⁰ According to DCMS' analysis of BARB data, taken as separate entities, Paramount's weekly share of identified live linear viewing (the number of minutes audiences spent watching content out of all time spent watching) is 7.2% and WBD's weekly share of live linear viewing is 4.9% – behind BBC (32.6%), ITV (21.4%), Sky (10.7%) and Channel 4 (9.2%). However, combined, their viewing share (12.1%) would be greater than Sky and Channel 4, making them the third largest linear broadcaster in the UK by audience share.

Taking audiences of children's linear broadcast content into account, both Paramount and WBD operate a number of standalone children's channels catering for children aged under 12. While the BBC remains a key player in the children's linear content market in the UK, looking at audience reach, Paramount and WBD are the second and third biggest providers of children's linear content in the UK. The merger would in effect result in the combined entity having control of a potentially significant proportion of children's linear channels operating in the UK.

The Secretary of State has noted assurances given by Paramount that they have "*no plans for material changes to the linear TV channels and on-demand services operated by WBD insofar as they relate to the United Kingdom, as a result of the Transaction*"¹¹. However the Secretary of State remains concerned that, following the merger, the combined entity would nevertheless be able to consolidate WBD's children's channels with Paramount's suite of channels; and that, if this were to happen, it could potentially lead to a loss of a significant presence in an already limited market for children's linear content.

⁹ "[Guidance on the operation of the public interest merger provisions relating to newspaper and other media mergers](#)" (2004). Department for Trade and Industry.

¹⁰ Internal DCMS analysis using BARB viewing data. This data is for average weekly viewership in 2025.

¹¹ Included in Paramount's letter to DCMS of 31 March 2026

As set out above, both WBD and Paramount operate on-demand services with a significant UK presence. Data from BARB shows that the coverage of the ODPS provided by the combined entity is likely to be 19.0% of the UK population immediately post-merger. This is a substantial reach across the UK population, and does not include data on HBO Max, which is anticipated to grow significantly this year (Ampere analysis projects HBO Max will reach 6 million UK subscribers by the end of 2026).¹²

The Secretary of State considers this combined reach (19+%) to be relevant in relation to discussions around plurality. The Secretary of State is also aware of comments made by Paramount CEO David Ellison indicating his intention to merge HBO Max and Paramount+,¹³ resulting in a further loss of diversity.

It could be argued that, despite the potential for the merged entity to command a large audience reach, the existence of other linear TV providers means that UK audiences of linear television will still have a sufficient variety of programmes which are provided by enterprises owned by a plurality of owners. While the existence of other linear TV providers may be a countervailing factor, given the scale of the proposed merger and its implications for the plurality of ownership of enterprises serving at least one segment of the wider UK audience (audiences of children's linear television), on balance the Secretary of State still considers the need for there to be a sufficient plurality of persons with control of media enterprises to be a relevant consideration.

Similarly, UK audiences will continue to have access to a variety of ODPSs provided by a range of owners once the merger completes. Nevertheless, given the scale of the proposed merger, the Secretary of State believes there is a risk it could lead to an insufficient plurality of control of enterprises providing ODPSs in the future and therefore believes it may be a relevant consideration.

The Secretary of State therefore believes that it is or may be the case that the proposed merger will result in a reduction in the plurality of persons with control of the media enterprises serving UK audiences of linear television, in particular audiences of children's linear television, and UK audiences of ODPSs. She is therefore minded, in relation to the proposed merger, to issue a PIIN in relation to the following public interest consideration: the need, in relation to every different audience in the United Kingdom, or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises, or the enterprises providing on-demand programme services or both, serving that audience.

2) The need for, to the extent it is reasonable and practicable, a sufficient plurality of views in news media in each market for news media in the United Kingdom or in a part of the United Kingdom

At present, Paramount owns US news channel, CBS News, and UK daily news programme, Channel 5 News, which is produced by ITN. WBD owns CNN Worldwide, which is the owner of the US news network CNN, and CNN International, a CNN news channel tailored for overseas markets. CNN International has offices in a number of broadcast and production hubs across the world, including in London. The Secretary of State understands that on

¹² ["HBO Max reaches 1.5 million UK subscribers in first five days, adding to streaming competition"](#) (9 April 2026). *Ampere Analysis*.

¹³ ["Paramount+ and HBO Max to become one streaming service, Ellison says"](#) (2 March 2026). *The Guardian*.

completion of the merger, these news channels and programmes will come under the common ownership of Paramount.

As above, the Secretary of State has noted assurances given by Paramount to DCMS that they have no current plans to make substantive changes to the WBD services/channels. She is also not aware of any concrete plans by Paramount to alter Channel 5 News operations or changes to their current provider ITN.

Nevertheless she considers it likely that, following the transaction, Paramount will look at all aspects of their businesses, both newly acquired and currently owned, to find savings,^{14,15} and so considers it plausible that Paramount may seek to consolidate services in the future. There has been speculation, for example, that CNN and CBS News could combine in the US.¹⁶ The Secretary of State notes that the merger would also allow Paramount to merge Channel 5 News's back of house functions or programming with CNN and/or CBS news should it wish to, although she also notes that a merger of programming would require Channel 5 to terminate its current contract with ITN.

The Secretary of State believes that the proposed merger carries, at the very least, a potential to result in a concentration of voices in international news programming within the UK. This might happen if, for example, Channel 5 News and CNN were to combine their US and international news programming or if a decision was made to stop broadcasting CNN International altogether. She is minded to believe that any of these changes would have the potential to lead to the loss of at least one distinct voice in the UK market for international/US news programming.

The Secretary of State notes that the combined audience reach of CNN International and Channel 5 is at most 18% of UK audiences who use broadcast TV for news and the fact provision of US/international news is also being provided by other notable broadcasters in the UK (both US and non-US based).¹⁷ Nevertheless she is concerned that a reduction of plurality of views within the limited news market for US news in the UK could be notable. CNN International is distinct from many UK-based broadcasters of international news. Along with Bloomberg and CNBC Europe, the channel is one of only three news channels specialising in international/news programming within the UK and emanating from the US. As such it offers an alternative to international news provided by UK outlets which cover key events such as the US elections through a British lens.

The Secretary of State understands that the proposed merger will consolidate control over access to news archives. Consolidating the CNN and CBS archives under a single corporate owner places the world's two largest privately-held broadcast news collections under unified ownership for the first time and could as a result, mean that independent UK news and documentary producers face structural risk of restricted access, prohibitive pricing, or editorial

¹⁴ ["Paramount to acquire Warner Bros. Discovery to form next-generation global media and entertainment company"](#) (27 February 2026). Paramount.

¹⁵ ["Paramount-Warner Bros mega-merger could still face 'real threats', antitrust experts say"](#) *The Guardian*

¹⁶ ["CNN legend Christiane Amanpour expresses concern about Ellison takeover"](#) *The Guardian* ["Fears mount at CNN and CBS News over merger, consolidation"](#) *LA Times*

¹⁷ [Ofcom's 2025 News Consumption Survey](#) shows a 10% reach for CNN International among UK adults who use broadcast TV for news. In that same survey, Channel 5 News showed an 8% reach. The maximum theoretical combined reach for CNN/Channel 5 News on this measure is 18%. However, we are aware that due to a lack of access to microdata, we cannot know definitively how many people currently watch both, and therefore would be double counted within the 18%.

gatekeeping over historical footage. The Secretary of State considers that the concentration of ownership of the CNN and CBS archives, if it leads to restricted access to important archival news footage presenting differing historical perspectives, may impact on the variety of views and perspectives in UK markets for news media.

The Secretary of State believes that it is or may be the case that the need for a sufficient plurality of views in the market for international news programming in the United Kingdom, is a relevant consideration in relation to this merger. She is therefore minded, in relation to the proposed merger, to issue a PIIN in relation to the following public interest consideration: **the need for, to the extent that is reasonable and practicable, a sufficient plurality of views in news media in each market for news media in the United Kingdom or a part of the United Kingdom.**

Conclusion

The Secretary of State is accordingly minded to believe that the public interest considerations specified in this letter may be relevant to a consideration of the proposed merger, and that the appropriate course is for her to receive reports from the CMA and Ofcom before deciding whether to make a reference under section 45 for a more detailed consideration of these matters by the CMA.

You are invited to provide representations in writing in response to this letter. Any such representations should be sent to me by email at [REDACTED] by 9am on **6 July 2026**. The Secretary of State will consider these representations before taking a final decision on whether or not to issue a PIIN in respect of the proposed merger.

Yours sincerely

Signed

[REDACTED]
Director, Media & International