



## **MERGER ANNOUNCEMENT**

**29 JUNE 2010**

### **Competition Authority clears the acquisition by British Sky Broadcasting Limited of Virgin Media Television**

The Competition Authority has today cleared the proposed transaction whereby British Sky Broadcasting Limited, a subsidiary of British Sky Broadcasting plc ("Sky"), would acquire a portfolio of television channels known as Virgin Media Television ("VMtv") from Virgin Media Inc ("Virgin Media"). The transaction was notified by the parties under the Competition Act 2002 on 4 June 2010.

Sky, a public company based in the UK, is a holding company for a number of subsidiaries whose activities include:

- the wholesale supply of television channels to cable operators which supply them to their retail subscribers in the UK and Ireland;
- the retail supply of Sky's and third parties' television channels to subscribers via a digital satellite platform ("DSat") operated by Sky, and via fixed line, internet and mobile technologies in the UK;
- the provision of fixed line telephone and broadband services to Sky's residential DSat subscribers in the UK, and certain internet-related services; and,
- through Sky's wholly owned subsidiary Sky Media, the sale of television advertising and sponsorship on Sky's and third parties' channels.

In the State, Sky sells certain of its television channels to cable operators including UPC and certain IPTV network operators. In addition, Sky retails its own and third party television channels over its DSat television platform and over fixed line, internet and mobile technologies. Sky is involved in the sale of television advertising and sponsorship in the State.

Sky Media Ireland, a wholly-owned subsidiary of Sky, is responsible for selling and managing Sky's advertising activities in the State. Sky Media Ireland predominantly sells television advertising for Sky's account but has recently started selling television advertising on behalf of third party television channels.

VMtv is a UK-based business of Virgin Media, an entertainment and communications provider. Virgin Media owns and operates a cable network in the UK, over which Virgin Media offers television channels as well as broadband and fixed line telephony services. VMtv currently owns and operates a portfolio of television channels including: LIVING, LIVINGit, Bravo, Bravo 2, Challenge, Challenge Jackpot, Virgin 1 and their HD and time-shifted variants, (together the "VMtv channels").

In the State, VMtv supplies the VMtv channels on a wholesale basis to cable operators. All the VMtv channels (except Challenge Jackpot) are made

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available to consumers in the State by Sky over its DSat platform. The LIVING, Virgin 1 and Bravo channels are also made available to consumers in the State by UPC over its cable platform. The VMtv channels are broadcast in the State as they are broadcast in the UK. VMtv is involved in the sale of television advertising and sponsorship in the State.

The Authority has formed the view that the proposed acquisition does not raise any competition concerns in the State. The companies have been informed of the decision that the proposed transaction will not lead to a substantial lessening of competition in any markets for goods or services in the State.

As with all media mergers the parties may only proceed with this merger if the Minister for Enterprise, Trade and Innovation does not direct the Authority to carry out a full investigation within 10 days of the date of the Authority's decision. The Authority will publish a public version of the reasons for its determination on its website ([www.tca.ie](http://www.tca.ie)) no later than 28 August 2010 after allowing the parties the opportunity to request that confidential information is removed from the published version.

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