



PRESS RELEASE

Date: 3 April 2007

Arqiva and National Grid Wireless combine to create unified UK communications infrastructure provider

- **Arqiva has acquired National Grid Wireless for £2.5 billion**
- **Creates focused business assured of long-term investment**
- **Strong, unified business able to more effectively and efficiently deliver Digital Switch Over in the UK**

Macquarie UK Broadcast Ventures Limited, the parent company of Arqiva Limited, (together "Arqiva") today announced that it has signed and will complete today the acquisition of the UK National Grid Wireless business for a consideration of £2.5 billion. National Grid Wireless, which is headquartered in Warwick, England, comprises a national communications infrastructure network that provides broadcast transmission services for BBC television and radio, hosts wireless sites for major mobile network operators, and owns and operates two Freeview digital TV multiplexes.

The transaction brings together the complementary skills and resources of the two businesses and will create a single, strong and efficient organisation that will be better able to support the delivery of all-digital transmission services in the future. Creating a single broadcast transmission service provider will remove duplicated processes and ensure there is a unified approach to delivering communications infrastructure projects. This will be particularly important as the process of Digital Switch Over moves forward.

Tom Bennie, Arqiva's Chief Executive Officer, said: "We firmly believe that combining Arqiva and National Grid Wireless will result in a stronger entity which is better positioned to serve the needs of the UK's broadcast and mobile communications industries in the future. We will be able to deliver large-scale projects of national importance, such as Digital Switch Over, much more effectively and efficiently. This will also enhance our prospects in the mobile outsourcing market.

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“Having a single broadcast transmission service provider brings the UK into line with most of the rest of the world. The UK’s terrestrial broadcast transmission network will be in a much better position to ensure that terrestrial broadcasting remains a powerful and innovative service in the future.”

Edward Astle, National Grid's Executive Director for Non-Regulated Business said: "The sale of National Grid Wireless to Arqiva represents the most attractive outcome for our shareholders and offers a good future for the business. Combined with Arqiva, the business will remain at the centre of digital broadcasting during Digital Switch Over and play a key role as wireless and broadcasting services converge."

The transaction will be subject to a review by the UK Competition authorities. During the review process National Grid Wireless will likely be subject to a “Hold Separate” arrangement and will remain a discrete entity. Business at both companies will continue as normal, with separate management teams and customer contracts. The review process is expected to last up to 12 months.

-Ends-

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About Arqiva

Arqiva operates at the heart of the broadcast and mobile communications industry and is at the forefront of network solutions and services in an increasingly digital world. The company provides much of the infrastructure behind television, radio and wireless communications in the UK and has a growing presence in Ireland, mainland Europe and the USA.

For broadcasters, media companies and corporate enterprises Arqiva has end-to-end capability ranging from outside broadcasts, satellite newsgathering, studios, playout, satellite distribution and terrestrial transmission, the latter including digital switch over and mobile TV development. Arqiva has been appointed future digital TV supplier or preferred supplier for BBC, Digital 3 and 4 and SDN.

In the communications sector the company supports cellular, wireless broadband, video, voice and data solutions for the mobile phone, public safety, public sector, public space and transport markets.

Arqiva has its headquarters in Hampshire, with other major UK offices in London, Buckinghamshire and Yorkshire. It now has seven international satellite teleports, 60 manned bases, and over 2300 shared radio sites throughout the UK and Ireland including masts, towers and rooftops from under 30 to over 300 metres tall.

The company is owned by a consortium of investors led by Macquarie Communications Infrastructure Group and has five operating divisions: Terrestrial Media Solutions, Satellite Media Solutions, Mobile Media Solutions, Wireless Solutions and Public Safety.

Major customers include ITV, Channel 4, Five, the BBC, BSkyB, Classic FM, the five UK mobile operators, the RNLI and the Metropolitan Police.

www.arqiva.com

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About National Grid Wireless

National Grid Wireless is a wholly owned subsidiary of National Grid plc and is the leading independent provider of infrastructure to the mobile telecommunications operators in the UK.

National Grid Wireless is also one of two UK providers of terrestrial infrastructure for the transmission of analogue and digital television and radio broadcasts in the UK and as such achieves a 98% population coverage. In addition to the traditional analogue services, National Grid Wireless has a strong position in the growing digital television market, owning two of the six digital terrestrial television licences and providing infrastructure services to all the Freeview channels and the BBC and BSkyB.

www.uk.nationalgridwireless.com