



PRESS RELEASE

Date: 1 September 2008

Arqiva and National Grid Wireless merger to proceed

- **Competition Commission investigation concluded**
- **Undertakings agreed that guarantee price and service benefits to broadcast-transmission customers**
- **Integration of the two organisations can begin**

The behavioural undertakings offered in connection with the merger of Arqiva and National Grid Wireless, announced provisionally on 11 March 2008, have today been accepted by the UK Competition Commission. This allows the integration of the two organisations to proceed, with guarantees of price and service benefits for broadcast-transmission customers. The merger will result in a unified broadcast transmission infrastructure for the UK and enable the Digital Switch Over project to proceed with maximum efficiency.

The Undertakings ensure that existing terrestrial television and radio customers will benefit from the synergy of combining complementary transmission capabilities, through financial discounts and a range of measures that will ensure customers continue to receive the high levels of service quality that they currently enjoy. Radio customers, who generally have shorter-term contracts than those for television transmission, will also gain the perpetual right to extend their contracts on existing terms. An Independent Adjudicator will have powers to resolve any disputes and oversee financial auditing of the Digital Switch Over project.

Since the announcement of the acquisition last year Arqiva and National Grid Wireless have operated as separate entities, under 'Hold Separate' requirements, while the Competition Commission inquiry was conducted. These requirements have now ceased to have effect and integration of the two companies can start immediately.

Tom Bennie, CEO of Arqiva, said: "We are delighted that the merger can now proceed. The broadcasting industry has accepted that there are significant benefits for all parties, and competition concerns have been addressed by the Undertakings. The two halves of the

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UK's broadcast network can now be united, with financial savings for customers and a consolidated approach to Digital Switch Over. The merged company will have world-class expertise and resources.”

- Ends -

Note to editors

The agreed behavioural undertakings are:

- 17% discount for existing radio contracts on broadcast transmission services
- 3.25% discount for existing analogue and low-power digital TV contracts on broadcast transmission services
- Specific fixed-price reductions on all high power digital TV contracts (post-DSO)
- Contract renewals to be on same terms as existing, or customer can choose cost-orientated Fair, Reasonable and Non-Discriminatory terms
- Enhanced minimum service levels for customers
- Super credit regime (up to 10% of annual contract value) in place of contract termination rights
- Appointment of Independent Adjudicator to resolve disputes and inspect Regulatory Accounting
- Option for customers to acquire 'stranded assets' upon expiry of contract

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