

**REFERENCE RELATING TO THE ACQUISITION
BY BRITISH SKY BROADCASTING PLC OF 17.9 PER CENT OF THE SHARES
IN ITV PLC**

**Notice of provisional findings made under Rule 10.3
of the Competition Commission Rules of Procedure**

1. On 24 May 2007 the Secretary of State for Trade and Industry, now the Secretary of State for Business, Enterprise and Regulatory Reform, referred the acquisition by British Sky Broadcasting plc (BSkyB) of 17.9 per cent of the shares in ITV plc (ITV) to the Competition Commission (CC), for investigation and report to him by 7 November 2007. The reporting period was subsequently extended to 2 January 2008. The reference was made under section 45(2) of the Enterprise Act 2002 (the Act), which makes provision for mergers which appear to raise public interest considerations. The reference followed the Secretary of State's intervention notice dated 26 February 2007 and the reports of the Office of Fair Trading (OFT) and the Office of Communications (Ofcom) to the Secretary of State of 27 April 2007 under sections 44 and 44A of the Act.

Provisional findings

2. The CC inquiry group (the Group) appointed to consider this reference has made the following provisional findings on the statutory questions it has to decide under section 47 (1) and (2) of the Act:
 - (a) a relevant merger situation has been created;
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition (SLC) arising from a loss of rivalry in the all-TV market between ITV and BSkyB; and
 - (c) the creation of that situation may be expected to operate against the public interest, taking account only of this SLC and the admissible public interest consideration concerned – namely, the need, in relation to every different area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises serving that audience.
3. The Group's reasons are set out in full in the provisional findings report, a summary of which is attached to this notice. A copy of the provisional findings report will be published on the CC website (see note (i) below).

The next steps

4. Anyone wishing to comment on the provisional findings is invited to provide the Group with their reasons in writing as to why these provisional findings should not form the substance of the report to be given to the Secretary of State (or, as the case may be, should be varied).
5. These reasons should be received by the Group no later than 23 October 2007.
6. The Group will have regard to any reasons provided, in making its findings on the statutory questions and on the actions to be recommended to the Secretary of State.

7. The Group is also sending to BSkyB and ITV and publishing a notice of the possible actions which it may recommend to the Secretary of State to take to remedy the effects adverse to the public interest provisionally found.

SIGNED

Peter Freeman

Chairman

2 October 2007

Notes:

- (i) A copy of this notice and the summary of the provisional findings report will be placed on the CC website on 2 October 2007. The CC proposes to publish the provisional findings report on its website by 5 October 2007. The published version of the provisional findings report will not contain any information which the Group considers should be excluded from the report, having regard to the three considerations set out in section 244 of the Act.
- (ii) Comments should be made in writing to:

Douglas McCreadie,
Inquiry Secretary, BSkyB/ITV Inquiry
Victoria House
Southampton Row
London
WC1B 4AD

or by email to: Douglas.McCreadie@cc.gsi.gov.uk

