

GLOBAL/GMG MERGER INQUIRY

Third party response to the provisional findings

15 March 2013

I am Managing Director of Agency AF, a full service marketing agency based in Newcastle upon Tyne.

Following feedback from Capital Radio North East's Commercial Director, I understand that the first round of discussions concluded that the merger would result in a substantial lessening of competition in the advertising marketplace. Having reviewed the opportunities and threats associated with a merger, I am writing to give my support to the proposal formally.

Having worked with all the major radio groups for many years, I can honestly say that the move to bring Smooth and Real into the Global portfolio would have a positive effect within our marketplace. Global have consistently been most competitive in terms of rate and, in my opinion, have largely been responsible for forcing other radio stations to be more realistic with pricing given the media options now available to advertisers and agencies.

Finally I strongly believe that Global are the forward thinkers in their industry, and are head and shoulders above the competition when it comes to investing in their proposition (brand/programming) to make radio a preferred choice within the media mix. The work (notably the impact) they have done to reposition Galaxy has been amazing, and enabled us to reintroduce radio into many of our clients media mixes. Given how distinct the brands and listenership's are, I believe they would achieve the same with Real (which has deteriorated massively since the failed rebrand from Century to Real) and take Smooth to another level (when you consider its obvious potential and unique commercial programming proposition).

In summary, Global know how to deliver for the listener and the advertiser, and I know that with them directing Real and Smooth, the result from a programming and commercial perspective, would be a significantly more positive outcome for all parties (listener and advertiser), than not going ahead with the merger.

Agency AF