

GLOBAL/GMG MERGER INQUIRY

Third party response to the provisional findings

21 March 2013

I am writing to you with regard to your investigation into Global Radio's merger with Real and Smooth Radio Ltd.

My company Lynnet Leisure Group owns and operates some of Scotland's most prestigious restaurants, bars, night clubs and hotels and we are regular advertisers on radio and in the press in Scotland.

Quite frankly your provisional findings that this acquisition might substantially lessen competition in the Central Scotland advertising market-place baffles me. On the contrary, Global's ownership of Real, Smooth and Real XS will provide effective competition to the highly successful Clyde 1 and Clyde 2 in the West and Forth One and Forth2 in the East of Scotland and this will benefit listeners and advertisers.

The introduction of Capital into this market place 2 years ago increased choice for advertisers in that it specifically targets a younger "difficult to reach" audience. Therefore, it is logical that Global's ownership of Real, Smooth and Real XS—each aimed at different age-groups—will widen choice for advertisers. It is surely a win, win situation.

I run my business in what is one of the most competitive media market-places in Britain with The Daily Record- Sunday Mail and Trinity Mirror's local papers, The Scottish Sun and Sunday Times, The Glasgow Herald/Evening Times, The Scotsman/Evening News, Scottish Television plc and the digital sector at Glasgow's Pacific Quay—plus the Bauer stations, Global Radio and Real and Smooth Ltd alongside The Forest Media Outdoor Advertising Group. The idea that radio competes only with radio for advertising revenue is unrealistic and does not represent how business is actually done.

My association with Bauer is strong: both as a commercial partner and as a supporter of their excellent Cash for Kids Charity Appeal and that continues. However, I do feel strongly that the West and the East of Scotland deserves to have the country's two leading radio groups operating successful radio brands and I can assure you that there is no way that either group will unfairly skew the cost of advertising; on the contrary I would look to extract the best possible deal from Global—especially if I choose to advertise on more than one of their stations. It's simply economies of scale.

SME's need all the help we can get in the current economic climate so I trust you will consider these comments and agree with me that Global's merger with Real and Smooth Ltd should get the go-ahead.

Lynnet Leisure Group Ltd