

26 February 2013



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Inquiry Manager Global/GMG merger
Competition Commission
Victoria House
Southampton Row
LONDON
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EMAIL ONLY

Dear Sir

Completed acquisition by Global Radio Holdings Limited of Real and Smooth Limited (formerly GMG Radio Holdings Limited)

I write further to the publication of your provisional findings in the above matter published on 13 February 2013 on behalf of Town and Country Broadcasting (TCB).

TCB agrees with the CC's provisional findings that in Cardiff and in North Wales Global Radio should divest some of its stations in these markets to restore competition that existed pre-merger.

In Cardiff, only Kiss (Bauer) and Nation (TCB) are available to customers as alternative radio stations and neither has a large enough existing audience to be an effective alternative for local/regional or national advertisers to the combined Capital/Real Radio proposition which would completely dominate the market.

This dominance is more stark still in North Wales where combining both Heart North Wales and Real Radio would leave local or national advertisers no choice as there are no other available stations. Choice for radio advertisers would be completely removed.

Whilst TCB's business operates predominantly within Wales, we note that the structural remedies recommended by the CC appear onerous in five of the seven identified areas.

In each of these five areas there is a large, mainstream competitor owned by Bauer (Manchester, North East, Yorkshire, Scotland) or Orion (East Midlands) enabling advertisers to potentially "buy around" Global/GMG stations post-merger.

The combined Global/GMG entity is strong but not dominant in these markets and we believe competition would persist in each of these five areas as it is possible for both

local and national advertisers to fulfill an effective advertising campaign by using a non Global/GMG station.

As such, we do not believe the merger would lead to a substantial lessening of competition in any of these areas.

In summary, TCB submits that the Competition Commission should confirm that divestiture of stations in Cardiff and North Wales is required to restore competition for advertisers in these important and well defined markets.

Yours faithfully

Martin Mumford
Managing Director