Annex II

Unsupported assertions in the Enders Submission

This Annex contains examples of speculative assertions from the Enders Submission as to how the proposed transaction could allegedly give rise to adverse public interest effects. Such assertions are unsupported by evidence.

Emphasis has been added to highlight the speculative nature of the assertions and their foundation on hypothetical premises.

> *"First, products currently separately offered by BSkyB and News Corp titles **may be** combined in bundles, discounted or provided without charge. For instance, BSkyB could bundle News International titles with monthly entertainment to its millions of customers in the UK. **If this happens**, long - held reader loyalty to titles such as The Mirror, The Daily Telegraph and even The Daily Mail could be severely tested."* (page 17)
>
> *"Strategic initiatives of this nature **could** lead to a much more rapid decline in competitor newspaper circulations than we have assumed, boosting News Corp's newspaper market share above 40% by 2014."* (page 17)
>
> *"Once the News Corp purchase has been completed, stories from Sky News (especially video) will **presumably** be carried more and more frequently on News Corp websites. Links to newspaper stories **could** appear at the bottom of the Sky News screen. Progressively, News International papers and BSkyB channels, particularly Sky News, **may** merge into one stream of fact and opinion. **If this occurred**, plurality would decline, even if the combined organisation continued to maintain newsrooms that are nominally separate."* (page 17)
>
> *"The 2006 investigation by the regulators of the BSkyB purchase of ITV shares found no evidence of proprietor intervention in Sky News under its current shareholding structure, **but this could change** under full ownership."* (page 17)
>
> *"An attempt by a competitor to launch an alternative offering, or to compete directly against its channels, **could be impeded** by the failure of the News Corps titles to publicise the availability or pricing of competing services; or any systematic slant against its competitors and in favour of entities in News Corp or entities that are known to be supportive of News Corp."* (page 18)
>
> *"The proposed BSkyB transaction is likely to make it more difficult for even highly skilled regulators such as Ofcom to achieve this goal. **Should Ofcom's powers be materially reduced** in a new Communications Act, this concern would be exacerbated."* (page 18)
>
> *"**One illustration of how BSkyB could increase its dominance** yet further was provided by Sky Television's 2001 bid to provide ITV's national news services. The incumbent provider, ITN, battled successfully to retain the contract and still holds it today. **But if** Sky had won, ITN would have had to dramatically reduce its costs and reduce its news gathering operations around the world. Eventually its other main customer, Channel 4 News, **would probably** have been forced to obtain its material from elsewhere by using either Sky News or the BBC. Five switched to Sky News as its news provider in 2005, meaning that the BBC and Sky News **would** have been the only two significant national news providers in the UK. When the contract comes up for renewal in future years, **ITV could decide to switch** to a consortium led by BSkyB at any time."* (page 18)

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