



**ASX / MEDIA RELEASE**

**FOR IMMEDIATE RELEASE**

**7 MARCH 2012**

**FOXTEL PROVIDES UNDERTAKINGS TO THE ACCC**

**SYDNEY: Consolidated Media Holdings Limited (CMH)** (ASX:CMJ) announces today that FOXTEL, an entity in which it has a 25 per cent investment, has provided the Australian Competition & Consumer Commission (the **ACCC**) with undertakings covering access to exclusive content and access to channel signals, to address some matters raised by the ACCC in relation to FOXTEL's proposed acquisition of AUSTAR. These undertakings will be subject to a market inquiry by the ACCC.

The transaction remains subject to conditions including the regulatory approval of the ACCC, and the approval of AUSTAR's minority shareholders and the Court. Further details in relation to FOXTEL's proposed acquisition, including the approvals required, can be found in CMH's prior disclosures and in the scheme documentation distributed by AUSTAR.

CMH remains committed to FOXTEL's proposed acquisition of AUSTAR before 30 June 2012.

A copy of FOXTEL's media release follows.

**ENDS**

**COPIES OF RELEASES**

Copies of previous ASX announcements issued by CMH are available at CMH's website at [www.cmh.com.au](http://www.cmh.com.au)



## FOXTEL announces undertakings to ACCC to address its concerns

**Media Release: 7 March 2012**

FOXTEL announced it has provided the Australian Competition and Consumer Commission (ACCC) with undertakings covering access to exclusive content and access to channel signals. The undertakings have been provided to address the ACCC's concerns in relation to FOXTEL's proposed acquisition of AUSTAR.

FOXTEL's CEO Richard Freudenstein said while FOXTEL strongly believes the acquisition would not lessen competition, it would continue to work constructively with the ACCC. FOXTEL welcomed the ACCC's announcement of a market inquiry into FOXTEL's proposed undertakings.

The transaction will create one of Australia's largest media companies, ensure parity of digital entertainment services for metropolitan and regional Australians, employ 2500 people and be part of a sector which spends close to \$600 million a year on new Australian content.

Mr Freudenstein said, "We believe this will create a great Australian media company. It's good for consumers, it's good for the nation and it's good for business".

While FOXTEL believes the transaction does not substantially lessen competition, it has provided the ACCC with the undertakings to facilitate a more expeditious completion of the transaction than would otherwise have occurred in the absence of the undertakings.

"FOXTEL's undertakings will ensure that a broad range of content continues to be available for IPTV players. IPTV players will also be able to get access to channel signals from FOXTEL so that they are more easily able to deliver channels to their customers" he added.

FOXTEL's undertakings cover four broad areas.

- **Non-exclusivity over a broad range of channels** – FOXTEL is undertaking not to acquire or renew exclusive new distribution rights to a broad range of linear and time-shifted channels unless another bidder is seeking exclusive rights. These channels include Disney Channel, SKY NEWS, ESPN, 13<sup>th</sup> Street, and KidsCo.

This undertaking will ensure IPTV players will have access to a wide range of channels including where they wish to bundle content services with telephony and broadband services.

- **Non-exclusivity over TVOD movie rights** – FOXTEL is undertaking not to exclusively acquire TVOD (transactional video-on-demand) movie rights to new release films, unless another bidder is seeking exclusive rights.

This undertaking will also ensure IPTV players will have access to transactional movie services including where they wish to bundle these movie services with telephony and broadband services.

- **Signal access to facilitate IPTV delivery by third parties** - FOXTEL has undertaken that it will provide the signal of linear channels to IPTV players either via an internet exchange (located in Sydney) or via access to the satellite signal. FOXTEL will recover its reasonable and attributable costs of providing such signals.

This undertaking will enable IPTV players to efficiently receive the channel signal for channels to which they have negotiated agreements.

- **Special Access Undertaking extended to Austar set top units** – FOXTEL has also agreed that it will extend its current Special Access Undertaking (which the ACCC accepted in 2007) to AUSTAR set top units.

This extended undertaking will enable independent channel providers to access FOXTEL and AUSTAR's over 2.2 million subscribing households in order to sell their channel directly to the combined FOXTEL and AUSTAR customer base.

The term of the undertakings is 8 years.

Until the transaction is complete FOXTEL will continue to provide its service to FOXTEL customers and AUSTAR will continue to provide its service to AUSTAR customers.

The proposed transaction remains subject to the approval of the ACCC and the approval of the AUSTAR minority shareholders and the Court.

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For more information call Adam Suckling on 0419 205 488

### **About FOXTEL**

FOXTEL is Australia's leading subscription television provider and is connected to over 1.65 million homes on cable and satellite through retail and wholesale distribution. FOXTEL strives to ensure subscribers find TV they want to watch every time they switch on through delivery of more than 200 channels covering news, sport, general entertainment, movies, documentaries, music and children's programming. FOXTEL is owned by Telstra Corporation Ltd (50%), The News Corporation Ltd (25%), and Consolidated Media Holdings Ltd (25%).