



9th July 2009

David Patterson
DCMS
5th floor
2-4 Cockspur Street
London SW1Y 5DH

Dear David

Free to Air Events Review: Further ITV plc Submission

Further to ITV plc's preliminary response to the DCMS Free to Air Events Review (submitted to Tony Dyer by e-mail on 20 May 2009) I wanted to follow up with some further material and a short additional submission.

In June 2009 ITV plc commissioned Ipsos MORI to carry out some independent quantitative research into the public's attitudes to the appearance (or potentially non-appearance) of key sporting events on universally available free to air television in future and to the current regulatory framework for listed events in the UK. The research was carried out amongst a representative sample of the UK adult population in late June 2009.

I attach the findings of that research which demonstrates an overwhelming level of support for the UK's current approach to listed events and, by and large, to the presence of the current events on the A and B lists. Indeed, such is the public support for the current regime that, based on the research, there is a case in a couple of areas for an extension to the current A list of sports over and above the modest extension we suggested in our initial submission in May.

Some of the key results of the research are as follows:

- It is clear that there are a group of sporting events that have a special status in the life of the UK and which are watched live on television by a significant proportion of the population.

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200 Gray's Inn Road London WC1X 8HF

ITV plc Head Office Tel +44(0) 208 528 2000 www.itv.com

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- 78% of people believe that it is important for major sporting events to be broadcast on free to air television channels. Moreover, 76% **expect** to be able to watch events on free to air television with 37% expecting **all** major sporting events to be available on free to air television.
- 85% of people believe that at least some sporting events of special significance should be available on free to air channels and 60% believe that **all** major sporting events of special significance to the whole nation should be shown on free to air channels.
- 81% of people believe that it is important for the regulation to be in place so that major sporting events are shown on free to air TV in the UK. The strong public feeling in this area is highlighted in public comments captured by the research team for instance:

"I do think it should stay in place, not everyone can afford to pay for extra channels, but would still like to watch all the major events"

"It's good to ensure sports of national interest are given due notice, positive influence and good role models"

"I think it is a great idea, even though I have Sky and can watch these when I wish to, a lot of people can not afford to have Sky so miss out"

"The price of Sky sports is ridiculous so yes the majority need this regulation in place. We are a sport loving country"

- Three quarters of people agree that the regulation meets a public interest and that it encourages public interest in the sport. Two thirds agree that it helps bring the nation together. The majority of people (63%) feel that the public would lose interest in the sport if they had to pay an additional fee to view.
- Only a very small proportion (8%) of adults like to watch only the finals of a competition. By contrast, 30% like to follow their team/country throughout the whole competition, 18% like to dip in and out of the competition throughout and 8% enjoy watching and following all teams/countries in the competition.
- 62% of people feel that it is very important for every game in major sporting tournaments to be shown live on free to air television channels compared to 30% who feel it is not important.
- Nearly everyone in the UK (96%) has watched a major sporting event live on TV at home (compared to only 55% in a pub/bar).

- There is very strong (and in many cases overwhelming) support for the existing events to remain on the A list. Moreover, at least half of people felt that the following events should qualify as A listed events:
 - Uefa Champions League final (58%)
 - Six Nations Rugby Championships (57%)
 - Fifa World Cup qualifying games for all the home nations (55%)
 - Uefa European Championships qualifying matches for all the home nations (Euros) (50%)
- In our view the results of this research provide very strong evidential support for some of the key propositions of our main submission to this review, including that:
 - There is a strong public interest in and expectation of the maintenance of the current listed events regime with key events covered live on free to air television. It seems clear from the research that major changes to the list or approach will occasion widespread opposition from the British public.
 - There is strong support for events to be listed in their entirety rather than for limited elements to be listed.
 - Viewing listed events in pubs and clubs is a clearly inadequate substitute for viewing at home.

The Case for a further extension of the list of category A events

As the government will be aware, in our May submission to the Free to Air Events Review we set out our view that there was a case for an extension of the current A list of events to also include the World Cup qualifying games for all the national teams of the UK and the European Championship qualifying matches for all the national teams of the UK. Judging by the results of the market research such an extension would appear to command significant public support since:

- Only a small proportion (8%) of people like to watch only the finals of the major sporting events compared to 30% who like to follow their team/country throughout the competition and a further 18% who like to dip into and out of the competition throughout and a further 8% who say they enjoy watching and following all the teams in the competition.
- 62% of people feel that it is very important for every game in major sporting tournaments to be shown live on free to air television channels compared to 30% who feel it is not important.

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- The World Cup and the European Championships final tournaments are in the top 5 of events that people would miss most being able to watch live on free to air television.
- At least half of those interviewed felt that the qualifying games of the home nations in the Fifa World Cup and the UEFA European Championship should qualify as List A events.

In addition, however, the research results have caused us to reassess the extent to which there might be other events or parts of events that might properly be included in the A list and which inclusion might command significant popular support. Based on the research results and on the audience figures and profile of the events in recent years we now believe that the Free to Air events panel should give serious consideration to also including the following on the A list of events:

- Champions League final
- The Six Nations rugby tournament and

We set out our reasoning on each below

Champions League Final

British teams have featured in the Champions League final for the past five years – with up to three teams still present in the semi finals in some recent years. Given the strength of British teams, in particular the English Premier League teams, there is every expectation that this will continue.

Accordingly, the Champions League Final has consistently been one of the most watched sporting events of the year – ranking as the most watched in the years in 2005 and 2008 as Liverpool and Manchester United respectively picked up the trophy. On both occasions the peak audience was 14.6 million viewers. Between 2005 and 2009 ITV1's coverage of the Champions League Final has averaged over nine million viewers (measured for the whole programme, typically over three hours in length). On each of these occasions it has peaked at over 10 million viewers. The 2009 Champion's League final between Manchester United and Barcelona peaked with 10.6m viewers and a 43% share of the audience.

In the five years preceding that (2000-2004), there was no British involvement in the Champions League Final, but ITV1's coverage of the Final still averaged 6.4 million viewers across this period indicating strong demand for the final whether or not there was home team involvement. On average last three years the ratio of viewers watching the final on ITV1 or Sky Sports has been 9:1 in ITV's favour.

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Despite these viewing figures, there is no guarantee that the Champions League final will continue on free to air television in the UK since there is no listed events protection for it. However, as the Ipsos MORI research enclosed with this submission shows 58% of people feel that the Champions League final should qualify as an A listed event and should therefore be added to the current list of events that must be available to be shown live on free to air television.

The Six Nations Championship

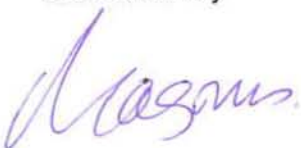
At present coverage of the Six Nations rugby tournament involving the home nations is on the B list of events (i.e. protecting only secondary coverage). However, there is a real question as to whether such a limited designation continues to command public support. In particular, coverage of the Six Nations Championship has been consistently popular on BBC television (BBC ONE and BBC TWO). Typically, live coverage of the last three year's (2007-2009 inclusive) games (including build up and analysis) has averaged around 27 percent share of the television audience.

The most popular Six Nations matches in the last three year's have peaked at audiences up to 8.4 million viewers. The most popular matches in 2009 were Wales v England, peaking at 7.8 million viewers, and the final match between Wales and Ireland, peaking at 7.5 million viewers. Whilst matches involving England have generally tended to be most popular, given the available audience, but those featuring Wales and Scotland are also very popular. Indeed, the only match in last year's Championship to rate an average of less than two million viewers was Italy v France (1.9 million).

Again, it is clear from the MORI research enclosed with this submission that there is substantial support for the listing of a whole tournament on the A list. In particular, the research shows that the Six Nations is the event on the current B list that (along with the Commonwealth Games) people think should be given the most consideration for a move to List A. The research shows 57% of people feel that the Six Nations tournament should qualify as an A listed event and should therefore be added to the current list of events that must be available to be shown live on free to air television.

Feel free to get in touch if you have any further questions.

Yours sincerely



Magnus Brooke
Director of Policy and Regulatory Affairs