



Press Release
Prague, February 13, 2013

Czech Radio's statement regarding an application from BBC Radiocom (Praha)

On 17 December 2012, BBC Radiocom (Praha) s.r.o., licenced to operate the BBC station in the Czech Republic, applied to the Council for Radio and Television Broadcasting (CRTB) for prior approval of the transfer of a 100% stake from the British public service BBC station to Lagardere Active ČR, a.s.

The management of Czech Radio would like to express considerable concern regarding the application submitted by BBC Radiocom (Praha) s.r.o., which would result in a commercial entity taking control of two public service radio stations. Czech Radio hopes that this plan will not be implemented.

Czech Radio does not agree with the change in ownership of the BBC station from the British public service BBC to the French media group Lagardere that provides, among others, commercial radio broadcasting in the Czech Republic. Czech Radio also does not agree with the potential change in the valid licence terms and conditions according to which the BBC station has to present the BBC World Service programmes in English (news, reports, education and sports) and programmes supplied by Czech Radio.

Czech Radio states that it is ready to continue the cooperation with the BBC and broadcast its programme under the existing licence terms and conditions.

For the above-mentioned reasons, **Czech Radio** submitted a motion to the Council for Radio and Television Broadcasting demanding that the CRTB acknowledge Czech Radio as a party to the proceedings and, at the same time, **asking CRTB not to approve the transfer of the share** in the operator's company from BRITISH BROADCASTING CORPORATION to Lagardere Active ČR.

"It would be unfortunate and certainly not beneficial for the reputation of the respectable BBC to have its unique set of twelve quality FM frequencies transferred from the public service domain through the sale of BBC's share in its subsidiary BBC Praha for the sake of commercial broadcasting. We believe that by maintaining successful long-term cooperation between the British BBC and Czech Radio, we will provide for the plurality and independence of Czech radio stations in terms of their content," says **Peter Duhan, the Director General of Czech Radio**, commenting on the current situation.

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The management of Czech Radio declared its intention to continue the cooperation with BBC Radiocom (Praha) in broadcasting its programme under the existing licence terms and conditions in a letter that was sent to both BBC Radiocom (Praha) and the BBC's headquarters in London. The management also appealed to the Ministry of Foreign Affairs of the Czech Republic, namely the Czech Embassy in the UK, to help solve the current situation.

The BBC acquired a unique set of broadcasting frequencies on the basis of a personal request from Prime Minister Margaret Thatcher addressed to President Václav Havel during her official visit to Prague in September 1990. On the basis of this request made in high diplomatic circles, the government approved of the allocation of the appropriate frequencies and the British BBC became one of the first free radio stations to obtain a broadcasting licence in former Czechoslovakia. These frequencies were later covered by a new licence granted in 1998 by CRTB to its subsidiary BBC – BBC Radiocom (Praha).

Czech Radio and BBC have been cooperating in the creation of programmes since 1996. Czech Radio views this successful long-term cooperation with the BBC as an expression of mutual partnership of two of the oldest public service institutions. The programme composed of alternating English and Czech programme blocks produced by the BBC World Service and Czech Radio in accordance with the valid licence terms and conditions. It was a significant contribution to the variety of radio broadcasting programmes in the Czech Republic, especially in the area of top news and reporting services. For that matter, in a letter addressed on 4 June 2012 to CRTB, the management of the BBC in London said that it considers our mutual cooperation to be one of the BBC's key European projects, being a part of the strategic plans of the BBC World Service with a view of long-term cooperation with Czech Radio until the expiration of the current BBC licence, i.e., until 2025.

This enormous interest in cooperation resulted in a request from BBC Radiocom (Praha) for a modification of the licence terms and conditions consisting in the extension of the time of broadcasting of the combined programme from the existing six to twelve hours. However, this request was rejected by CRTB in June 2012.

In view of the fact that BBC Radiocom (Praha) terminated cooperation with Czech Radio as of 28 February 2013 without providing any reason, the management of Czech Radio asked BBC Radiocom (Praha) to provide suggestions as to the future mutual cooperation and to specify how BBC Radiocom (Praha) could continue to meet the valid licence terms and conditions that are based on programme cooperation.

In view of the information available to Czech Radio, the station's management is concerned that the transfer of the 100% stake of BBC Radiocom (Praha) from the existing sole shareholder, BRITISH

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BROADCASTING CORPORATION to Lagardere Active ČR may result in the distortion of competition in the Czech Republic. Therefore, Czech Radio filed a motion to the Office for the Protection of Competition on this matter.

The media group Lagardere Active ČR, a.s. operates a group of commercial radios – Evropa 2, Frekvence 1, Bonton Radio and Dance Radio, and it also covers media representation for other commercial radio stations. The Lagardere brand is owned by a holding based in Paris.

CRTB is the central public administrative body for radio and TV broadcasting with a responsibility to supervise the maintenance and development of plurality of the programmes and information presented in the sphere of radio and TV broadcasting and to ensure independence in terms of its content. Administrative proceedings will now take place in which CRTB will decide whether or not to grant approval.

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