

Solent regional independent local radio licence applications

Questions and responses: All Talk FM

These are the responses received from The Wireless Group to the non-confidential questions asked by Ofcom regarding their application for the Solent regional licence with All Talk FM.

1. Following UTV's recent acquisition of The Wireless Group, are there any planned changes to the composition of allTALK FM Solent's board of directors and/or senior management outlined in the application document?

Following the acquisition of The Wireless Group by UTV, the composition of the allTALK FM Solent board of directors will change. John McCann, Group Chief Executive of UTV plc, and Scott Taunton, newly appointed Chief Executive Officer of The Wireless Group Limited, will replace Kelvin MacKenzie and Keith Sadler.

The updated director information in the form of Section 105(A) Question 1(a)(i) of Messrs McCann and Taunton are set out below. You will note from these biographies that both are highly experienced media executives, whose skills and talents will enhance allTALK FM Solent's ability to establish and maintain our proposed service.

DIRECTOR

Name: John McCann

Occupation: Group Chief Executive, UTV plc

Other directorships:

102.4 Wish FM Limited	Perfecttaste Ltd
1458 Big AM Limited	Pulse FM Limited
96.3 QFM Limited	Radio County Sound Ltd
Absolute Radio (UK) Ltd	Radiowave (Blackpool) Limited
Allied Radio Limited	Shawnee Ltd
Allied Radio Productions Limited	Signal Radio Limited
Alltalk FM Limited	Swansea Sound Limited
Anotherway	Switch Digital (London) Ltd
City Broadcasting Ltd	Switchdigital (Scotland) Ltd
County Media Enterprises Ltd	Talksport Ltd
County Media Ltd	The Digital Radio Group (London) Ltd
Crash FM Ltd	The Wireless Group (IRLS) Ltd
Delicious FM (NI) Ltd	Tower 107.4FM Limited
DigitalSpace Ltd	Tower FM Ltd
Direct Net Access Ltd	Town Centre Properties (Subsidiary) Limited
Emphurst Investments Ltd	Treaty Radio Ltd
Emporia Ltd	Tullerstone Ltd
Fairtell Ltd	TWG Impact Limited
Forever Broadcasting Limited	TWG-Emap Digital (B&H) Limited
Galactichalo Limited	TWG-Emap Digital Ltd
Grand Central Broadcasting Limited	U105 Limited
Grand Opera House	Ulster Television plc

Imagine FM Limited
Independent Radio Group Limited
ITV Network
Leahurst Investments Limited
Moyle Contractors Ltd (Dormant)
Newstalk 105.2 FM Limited
Northern Ireland Film Commission
Off The Telly Productions Limited

UTV Internet Ltd
Valley Radio Limited
Wareselection Limited
Wave 102 FM Limited
Wire FM (1997) Limited
Wireless Group Holdings Ltd, The
Wireless Group Limited, The
Wolverhampton Area Radio Limited

Other media interests:

- Director of Northern Ireland Film and TV Commission
- Trustee of Grand Opera House Trust, Belfast

Background and relevant media experience:

John took over the leadership of Ulster Television in 1999 and has been responsible for the development of UTV into a multimedia group.

A chartered accountant, he joined UTV in 1983 as Financial Controller / Company Secretary. He became General Manager in 1989 and was appointed to the Board in 1992.

John's strategy to develop UTV as a broad media player has primarily involved the acquisition of leading local radio stations in Ireland, the launch of the highly successful UTV Internet and most recently the acquisition of The Wireless Group in the UK.

UTV achieved another record share of ITV advertising revenue in 2004 and is one of the most successful of all the ITV regions in terms of audience share. The channel's peak-time share of viewing last year of 34.5% was significantly higher than ITV's 30.6% share and significantly outperformed a well resourced BBC One locally which achieved just 21.9% in peaktime, giving UTV 58% more viewership.

Under John's leadership UTV continues to drive forward, significantly outperforming its peer groups in both audience and advertising revenue terms and seeking out new opportunities to enhance and complement the group's existing business.

To this application John brings solid financial experience backed up by a wealth of media expertise and the strong leadership required to ensure the commercial success of allTALK FM Solent.

DIRECTOR

Name: Scott Taunton

Occupation: Chief Executive Officer, The Wireless Group Limited

Other directorships:

102.4 Wish FM Limited
1458 Big AM Limited
96.3 QFM Limited
Absolute Radio (UK) Ltd
Allied Radio Limited
Allied Radio Productions Limited
Alltalk FM Limited

Radiowave (Blackpool) Limited
Signal Radio Limited
SLDG Ltd
Swansea Sound Limited
Switch Digital (London) Ltd
Switchdigital (Scotland) Ltd
Talksport Ltd

Bocom International Ltd	Tower 107.4FM Limited
Crash FM Ltd	Tower FM Ltd
Delicious FM (NI) Ltd	Town Centre Properties (Subsidiary) Limited
Digital Radio Group (London) Ltd, The	TWG Impact Limited
Forever Broadcasting Limited	TWG-Emap Digital (B&H) Limited
Galactichalo Limited	TWG-Emap Digital Ltd
Grand Central Broadcasting Limited	U105 Limited
Imagine FM Limited	UTV Internet Ltd
Independent Radio Group Limited	Valley Radio Limited
Leahurst Investments Limited	Wareselection Limited
Newstalk 105.2 FM Limited	Wave 102 FM Limited
Off The Telly Productions Limited	Wire FM (1997) Limited
Perfecttaste Ltd	Wireless Group (IRLS) Ltd, The
Pulse FM Limited	Wireless Group Holdings Ltd, The
Wolverhampton Area Radio Limited	Wireless Group Limited, The

Other media interests:

None

Background and relevant media experience:

Scott was born in Australia, one of the most developed commercial speech radio markets in the world. He moved to Northern Ireland in 1995 and joined UTV in March 2000 when the group acquired DNA Internet where he was General Manager. He took on the role of Managing Director of UTV Internet and was responsible for introducing innovative broadband and telephony products, which saw UTV Internet become the third largest service provider throughout Ireland. UTV Internet also acquired an unrivalled reputation for quality and was named 'Digital Media Service Provider of the Year' at the Digital Media Intelligence Awards in Ireland twice in recent years.

In 2002, Scott also took on the role of UTV Group Business Development Director, with specific responsibility for radio. UTV is one of the most successful radio groups in Ireland and Scott was responsible for the integration of Lite FM into the group in 2003 and the subsequent successful re-launch of Lite FM as Dublin's Q102 last year, which saw the station increase its listenership by 85% in the first six months.

In Cork and Limerick, UTV's radio stations 96&103FM and Live95FM are clear market leaders reflecting the local ethos and views of their listeners. Scott is also responsible for overseeing the performance of Broadcast Media Sales, UTV's radio sales house, which has enjoyed tremendous growth in recent years.

Scott was also a key player in UTV's successful application for the new FM radio licence for Belfast (U105), which has a strong commitment to speech in its format. This station is due to launch early next year.

In June 2005 Scott took on the role of Chief Executive Officer of The Wireless Group (TWG) following UTV's acquisition. He intends to build upon TWG's success to date by focusing on growing the group's audience both nationally and locally to provide a compelling commercial offering to advertisers and ensuring the highest quality of output for listeners in their area.

Through the combination of the TWG ILR stations, an emergent talkSPORT, UTV's market leading position in Irish radio and the strength of the group's UK and Irish

sales operations, the enlarged UTV radio group will deliver strong growth in the months and years ahead under Scott's leadership.

Scott brings a wealth of experience across a broad range of media, plus a depth of understanding of successful and profitable commercial speech radio, which will be critical for ensuring the success of allTALK FM Solent and fulfilling the group strategic ambition to develop a network of local commercial speech stations.

2. On page 55 of the application document, a "concept card" is referred to. Please could you provide details of this concept card and demonstrate how, given the short time period between the Format and Reach studies, results from the Format Study were able to shape/guide the service description contained on this "concept card".

A copy of the concept card is attached separately.

First, in relation to our ability to work within seemingly short time periods, we would highlight that The Wireless Group has consistently applied for new FM licences since Ofcom recommenced the timetable last year, and we are one of the few companies to apply for both licences when advertised simultaneously (such as Edinburgh/Blackburn, Belfast/Cornwall, and Solent/Torbay). As a result, The Wireless Group Business Development team is now well versed in working to tight timetables.

Second, the company has been heavily geared towards applying for speech licences since we commissioned independent analysis of the market for speech from Hallett Arendt in December 2003. A full copy of this report was submitted to Ofcom in May 2004. This report not only demonstrated the argument for speech nationally, but also researched the demand for speech within major cities/regions across the UK - namely Edinburgh, the North East, Manchester and the Solent area. As a result of this research, and our ongoing discussions with people within the Solent area, we were therefore aware of the demand for a commercial speech radio concept in the Solent area some twelve months prior to the advertisement of the licence.

Finally, our previous speech licence applications in both Edinburgh and Manchester have given us significant experience and understanding of the market for speech, and a very clear understanding of what we require in terms of questionnaire and concept card research to test the demand for our proposition.

With our heavy application workload it is always our policy to move quickly from each stage of research to the next, particularly when it is clear (as it was in Solent) that there were no major "quirks" in the local market to suggest that the allTALK FM proposition should be altered significantly.

Furthermore, having worked with us on applications throughout the new timetable, our research company First Surveys are also well versed in moving quickly when implementing our research, and the schedules we both work to therefore present us with few problems.

As is common in all our research processes First Surveys gave us, in advance of fieldwork completion, a broad indication of the Format Study findings by preparing a 'topline' summary based on 50% of the sample (suitably weighted to full sample demographics). This was received over a week prior to finalising the Reach Study questionnaire and concept card. The full Format Study results were also with us

prior to finalising the Reach Study questionnaire and concept card giving us the time to make any final modifications, if required. However, as the final data files supported the interim report (as has been our experience in previous studies) no further modification to either the questionnaire or concept card was necessary.

The Format Study was commissioned so as to refine our programming ideas, and shape our strategy to cater for the tastes and interest of the population, such that we could incorporate any specific features into our proposition that would improve our projected reach. Furthermore, undertaking the Format Study was necessary to test whether we would be broadening choice in the commercial radio market.

In terms of defining the concept card, the Format Study shaped the key elements in that the study showed a strong demand amongst respondents for local and regional news. 66% of respondents placed Local News in their 'Top 3' news choices, and 59% placed Regional News in their 'Top 3' news choices. Furthermore, the overall preference was for more Local / Regional news content than International / National news in a typical bulletin. This shows a strong demand for news, and also a marginal preference for local news relevant to the area listeners live in. Given this local preference we determined to define the coverage area by city names and emphasise the "localness" of the station in the concept card.

From the Format Study we also learnt that 71% of respondents would include Discussions / Phone-in Debates on community issues on their 'ideal' station, demonstrating a strong demand for talkback radio that encourages listener involvement. We therefore determined to emphasise in the concept card the fact that the station will deal with key community issues and also encourage listener involvement and debate about these issues.

The Format Study further shaped the concept card by demonstrating the very high demand for an 'ideal' radio station to promote and create awareness of local events and activities. 58% of respondents placed 'What's On' in their 'Top 3' information choices. We therefore determined to highlight in the concept card that creating awareness of local events would be a key feature of the station.

Finally, when asked to select their preferred descriptors for the station, respondents placed Entertaining (58%) as the highest. We therefore determined to emphasise that the key feature of the new station would be entertaining speech, and entertaining presenters. Other top descriptors were Informative (50%), Friendly (47%) and Humorous (45%). These were also incorporated into the concept card.