

ALMR Press Notice

Association of Licensed Multiple Retailers

15 June 2006

BSkyB – 13% increase a slap in the face to retailers

The Association of License Multiple Retailers today reacted with dismay to the news that BSkyB will hit pub operators with an average 13% increase in their Sky subscription from August 1. Letters outlining the rises are being sent to licensees today and are expected to provoke angry reactions from those who already feel existing fees are too high.

The increase comes on top of last year's average 12% rise. This is the eighth successive year of swingeing price increases and means that some pubs have seen a 1000% increase in prices.

ALMR Chief Executive, Nick Bish, said:

"This increase is a further slap in the face for licensees who are already struggling to make Sky pay. There may be sound commercial reasons for taking a Sky subscription, but those who do will have to work even harder and invest more in marketing to make it a profitable decision. I have no doubt that for some operators and their pubs, this increase will simply be too much to bear."

The ALMR referred Sky's pricing structure to the Office of Fair Trading in 2003. The competition watchdog replied in 2004 stating that Sky's prices were high – higher than customers might like – but not excessive.

Nick Bish continued:

"This latest increase is 6 times the rate of inflation and comes against a backdrop of record profits for Sky. Sky recently announced a record increase in operating profit of 15% and it is hard working publicans who are funding Sky's bonanza. There is clearly a tipping point after which high prices become excessive – and we believe this may have arrived."

He concluded: "Sky would not need to spend thousands of pounds identifying and prosecuting those showing illegal broadcasts if it charged a reasonable price for its product and treated its commercial subscribers fairly"

ENDS

Notes:

- The ALMR is the only national trade body solely dedicated to representing the interests of pub and bar operators. The Association represents around 90 companies, between them operating in excess of 30,000 outlets. Members include small independent companies, national chains of managed operators, regional brewers and the major pubcos.
- Quotes from ALMR members taken from a recent survey on Sky services include:
 - *"in the cold light of day Sky is unfeasible in 80-90% of our outlets*
 - *" if I tried to quantify the value of Sky I would probably conclude it was not viable.*
 - *"our rationale for keeping Sky is simply that if we don't have it for the big matches our customers will undoubtedly find sites that do – it is the old catch 22 syndrome".*

• For further information please contact

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