

ALMR Press Notice

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SKY KICKS BIG SCREEN SPORT INTO TOUCH

Figures revealed today by the ALMR (Association of Licensed Multiple Retailers) show that big screen sport in pubs across the country is under threat.

As the new football season launches, many pubs are having to pull the plug on the big screen due to the enormous price increases. *ALMR* research shows that the average Sky subscription paid by pubs and bars is now approximately £15,000. In that context it is no surprise that there was a 20% fall in the number of pubs and bars subscribing to the service between 2003 and 2008.

ALMR Chief Executive Nick Bish comments:

“Watching a big game in the local with a group of friends is as close to being there as you can get. It’s also the only place fans can watch live Premiership action for free. This pleasure is being threatened Sky’s relentless price rises.”

“If the price of lager since 1996 had risen at the same rate as pub Sky subscriptions, we would currently be paying over £9 for a pint. Sky is holding our local pubs to ransom.”

Tim Sykes, Chief Executive of Interpub and Chairman of the ALMR, comments:

“Sky is exploiting its monopoly position at the expense of local pubs and their customers. They publicised a supposed “price freeze” but if you look at the small print it was nothing of the sort: pubs face double figure percentage increases to provide the same level of service for their customers.”

The average pub now pays £15,000 for its Sky subscription. Sky's profits are booming and football fans are missing out."

Vince Healy, who runs four pubs in the south of England, comments:

"My Sky subscription has gone up by 463% over the past 12 years. The BBC licence fee has increased by just 57%. Sky claimed they froze prices but the products were completely different. And anyone who signed up early last year with the promise of a price freeze has been hit with a massive rise this time around."

Peter Linacre, Managing Director of GlassHouse and ALMR Council member comments:

"It's the start of the football season and once again Sky has moved the goalposts. The sector is already struggling with the beer duty escalator, the credit crunch and the effects of smoking ban. The Sky high price rises is another nail in the coffin for the Great British Pub."

Sky has particularly been seeking to take advantage of its monopoly position over Setanta coverage. Sky charged a maximum stand-alone Setanta fee of £2,650 in 2007/08. For 2008/09 season it will be £22,935 – up 765%.

Alex Salussolia, *ALMR* President and Managing Director of Glendola Leisure, comments:

"Sky makes it very difficult for operators to subscribe only to Setanta matches. I was repeatedly told I could only get those games if I had a Sky subscription. To add insult to injury, I now find that they have dramatically increased the cost of any new Setanta subscriptions. The cost of a subscription has gone up from £2,650 to almost £23,000 a year. How can a 756% increase be fair or right? It's a

blatant attempt to exploit its monopoly position and price a competitor out of the market"

<ENDS>

For more information contact Rosalie Birch or Katie Fuller at Quintus on 020 7340 6260 or firstname@quintuspa.com

Notes for editors

- *ALMR* is the only national trade body solely dedicated to representing the interests of pub and bar operators, and to providing them with business support and advice. It has almost 100 member companies, operating over 15,000 outlets.
- Last year Sky offered a "price freeze" to operators who signed up to their "Football +" service. Beneficiaries of that freeze now face enormous increases this year. Sky has also trimmed its standard package "Base", excluding games such as World Cup qualifiers that were previously available to non-premium subscribers. In addition, pubs must now take out a separate subscription to the popular At The Races channel, which was previously provided as part of packages. As a result, many operators find themselves paying up to 18% more to provide the same service as last year, with an average increase of around 13%.
- In response to a request from Ofcom, the *ALMR* conducted a detailed survey of its members about commercial Sky TV subscriptions. The survey covered 30 companies that between them own and operate 2,672 outlets in England and Wales – over a quarter of the total managed estate – with a total of 966 Sky subscriptions. The average annual subscription level was £13,300, with a median figure of £13,000. Based on the reported average increase of 13%, the average is now approximately £15,000.
- In the *ALMR's* 2003 survey, half of pubs and bars had Sky subscriptions. By 2008 this had fallen to four in ten: a fall of one-fifth. Extrapolated across the entire UK estate, this would be a fall of around 6,000 subscriptions.
- Vince Healy's Sky subscription rose from £1,471 in 1996 to £8,820 in 2008, a 463% increase. Over the same period, the BBC licence fee has risen from £89.50 to £139.50. A pint of lager in one of his pubs has risen from £1.95 to £2.55. Had a pint risen by 463% it would now cost £9.02.
- On Sky's 2007/08 rate card, the cost of Setanta as a stand-alone package ranged from £605 for the smallest pub to £2,650 for the largest. In 2008/09, the range is £735 - £22,935.