



Jersey Competition Regulatory Authority (“JCRA”)

Summary of

Decision M702/11

Acquisition

of

The Cloud Networks Limited

by

British Sky Broadcasting Limited

1. On 21 January 2011, the JCRA received an application (the “**Application**”) for approval under Articles 20 and 21 of the Competition (Jersey) Law 2005 (the “**Law**”) concerning the proposed acquisition of The Cloud Networks Limited (“**The Cloud**”) by British Sky Broadcasting Limited. British Sky Broadcasting Limited is a wholly owned subsidiary of British Sky Broadcasting Group Plc (“**BSkyB**”). Any reference to B Sky B includes reference to any of its subsidiaries.
2. The JCRA published a notice of its receipt of the Application in the Jersey Gazette and on its website on 25 January 2011, inviting comments on the Acquisition by 8 February 2011. No comments were received.
3. B Sky B’s activities include the creation and supply of a variety of television channels for ultimate consumption by viewers in the United Kingdom, the Republic of Ireland and the Channel Islands and the supply of packages of pay television channels, including B Sky B’s own channels. B Sky B is thus a vertically integrated company that is active at both the wholesale level and at the retail level. The Cloud is engaged in providing Wi-Fi¹ based wireless public internet access. The Cloud is active in twelve European countries, but [REDACTED] of its Wi-Fi hotspots² are located in the United Kingdom (“**UK**”). Cloud is also active in Jersey.
4. According to Article 20(1) of the Law, a person must not execute certain mergers or acquisitions except with and in accordance with the approval of the JCRA. The type of mergers and acquisitions subject to this requirement is set out in the Competition (Mergers and Acquisitions) (Jersey) Order 2010 (the “**Order**”).
5. The JCRA considered the possible impact on competition allowing for the possibility that the relevant product market constitutes either the provision of mobile access as proposed by the Parties or the more narrow relevant market of the provision of wireless network access in Jersey. The JCRA concludes that the

¹ Wi-Fi is a trade mark of the Wi-Fi Alliance. A Wi-Fi enabled device can connect to the internet when within range of a wireless network connected to the internet.

² Hotspots are defined as public wireless internet access points.

proposed Acquisition is not likely to lessen competition in Jersey or in any part of Jersey.

6. Given this conclusion, on 18 February 2011 the JCRA approved of the acquisition under Article 22(1) of the Law. Full details of the JCRA's assessment of this filing are available on request from the JCRA.