



Determination of the Competition Authority, dated 28th July 2005, under Section 21 of the Competition Act, 2002 in respect of Merger Notification Case Number M/05/037 – Proposed acquisition by Johnston Press plc of Score Press Limited

Introduction

1. On 29th June 2005, the Competition Authority, in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”), was notified on a mandatory basis of a proposal whereby Johnston Press plc (“Johnston”) would acquire the issued share capital of Score Press Limited (“Score Press”), a wholly-owned subsidiary of Scottish Radio Holdings Limited (“SRH”). The Authority advised the parties and the Minister that it considers the transaction to be a “media merger”, within the meaning of Section 23 of the Act.

The Parties

2. Johnston is a fully-listed public company on the London Stock Exchange. Johnston publishes a range of newspaper titles in Scotland and England and operates associated internet sites of local (Scottish and English) interest. As of 2004, it published 243 newspaper titles and operated 182 websites. Johnston has no newspaper operations in the State.
3. Score Press is a wholly-owned subsidiary of SRH operating a newspaper publication and printing business in the United Kingdom and Ireland. Currently, it holds 45 newspaper titles of which 16 are in Scotland, 24 are in Northern Ireland and 5 are in the State. These titles are local and/or regional newspapers and include: The Kilkenny People, the Leitrim Observer, the Longford Leader, The Tipperary Star and the Nationalist/Munster Advertiser which are all published by Score Press in and for the State.
4. In addition to its newspaper titles, Score Press also operates 3 printing presses, one in each of Scotland, Northern Ireland and the State. All presses are operated and managed by wholly-owned subsidiaries of Score Press.

The Transaction

5. On 28th June 2005, the Competition Authority, in accordance with Section 18 (1) of the Act, was notified on a mandatory basis of a proposal whereby Emap plc. (“Emap”) would acquire the remaining issued share capital of SRH (“Merger Notification Case Number



M/05/036"). The Authority advised the parties and the Minister that it considered the transaction to be a "media merger", within the meaning of Section 23 of the Act.

6. On 28th July 2005, the Authority issued its Determination in respect of Merger Notification Case Number M/05/036 in accordance with Section 21(2) of the Competition Act, 2002, determining that, in its opinion, the result of the proposed acquisition by Emap of SRH will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect subject to the provisions of Section 23(9)(a) of the Act.
7. As agreed between the Parties to the transaction in Merger Notification Case Number M/05/036, Emap will immediately sell Score Press to Johnston, on Emap's acquisition of sole control and ownership of SRH. The proposed acquisition, therefore, concerns the acquisition by Johnston of Score Press as a wholly-owned and controlled by Emap which has acquired sole control and ownership of SRH.

Analysis

8. The Parties activities in the State do not overlap. Emap, prior to the acquisition of SRH, has limited activities in the State – distribution of certain of its magazine titles and supply of certain of its digital music channels are supplied to Chorus Ireland and ntl Ireland.
9. Following its acquisition of SRH, Emap will own and control SRH, which, prior to its acquisition, wholly and partly-owned 24 analogue and digital radio broadcasting services in the UK and State and had proposed to acquire one further broadcasting service in the State through the proposed acquisition of Donegal Highland Radio¹. It operated six digital radio multiplexes in the United Kingdom and published 45 local weekly newspapers in Scotland, Northern Ireland and in the State.
10. Johnston has no operations in the State.
11. The proposed transaction does not give rise to competition concerns.

¹ Merger Notification Case Number M/05/025.



The Competition Authority
An tÚdarás Iomaíochta

Determination

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Johnston of Score Press will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect subject to the provisions of Section 23(9)(a) of the Act.

For the Competition Authority

Declan Purcell

Member of the Competition Authority