



DETERMINATION OF MERGER NOTIFICATION M/09/013 – METRO/HERALD AM

Section 21 of the Competition Act 2002

Proposed acquisition of joint control of Fortunegreen Limited by Irish Times Limited, DMG Ireland Holdings Limited and Independent Newspapers (Ireland) Limited

Dated 27 August 2009

Introduction

1. On 17 July 2009, in accordance with section 18 of the Competition Act 2002 (the "Act"), the Competition Authority (the "Authority") received a notification of a proposed transaction whereby Irish Times Limited ("ITL"), DMG Ireland Holdings Limited ("DMG") and Independent Newspapers (Ireland) Limited ("Independent") would acquire joint control of Fortunegreen Limited ("Fortunegreen").
2. On 17 July 2009, the parties submitted proposals under section 20(3) of the Act to address any potential competition concerns arising from the proposed transaction. According to section 21(4) of the Act, the Authority had a 45 days deadline after the appropriate date to make a determination.
3. On 20 July 2009, the Authority advised the parties and the Minister that it considered the proposed transaction to be a "media merger" within the meaning of section 23 of the Act.

The Proposed Transaction

4. The proposed transaction concerns the restructuring of Fortunegreen. Fortunegreen is currently jointly controlled by ITL and DMG. ITL and DMG each hold a 45% shareholding in Fortunegreen. The remaining 10% shareholding in Fortunegreen is held by Metro International SA. Following the completion of the proposed transaction, Fortunegreen will be jointly controlled by DMG, ITL and Independent who will each hold one third (33%) of Fortunegreen's shares.
5. Fortunegreen currently publishes *Metro*, a daily free newspaper in the Greater Dublin Area ("GDA")¹. Independent publishes, among other newspapers, the daily free newspaper *Herald AM* in the same area. Following the completion of the proposed transaction, Independent will contribute *Herald AM* to Fortunegreen and Fortunegreen will develop a single daily free newspaper, *Metro Herald*. *Metro* and *Herald AM* will cease to be published.

¹ According to the parties, for the purpose of the notification, the GDA comprises Dublin County, Dunshaughlin, Ashbourne, Dunboyne, Leixlip, Naas, Celbridge, Maynooth, Clane, Kill, Bray, Blessington, Greystones, Drogheda, Navan, Kildare Town, Newbridge, Wicklow Town and all areas in between.

The Undertakings Involved

ITL

6. ITL is a wholly-owned subsidiary of The Irish Times Trust Limited ("ITTL"). In the State, ITL publishes the daily newspaper *The Irish Times*. ITL also holds 52% of the shares in Gazette Group Newspapers ("GGN") which publishes eight free weekly newspapers in the GDA².

DMG

7. DMG is a wholly owned subsidiary of Associated Newspapers Limited which in turn is a wholly owned subsidiary of Daily Mail & General Trust plc ("DMGT"). DMGT is a leading international media company, and its global interests include national and regional newspapers, online classified advertising, specialist financial publishing, business to business information publishing and exhibitions. Its main interests are in the US, the UK Ireland, India, Australia and Central Europe.
8. In the State, DMG publishes two separate newspapers: the daily newspaper *Irish Daily Mail* and the Sunday newspaper *Irish Mail on Sunday*.

Independent

9. Independent is a wholly owned subsidiary of Independent News and Media plc ("INM"). INM is a leading international newspaper and communications group, with its main interests in Australia, India, Ireland, New Zealand, South Africa and the United Kingdom. Across these regions, the INM Group publishes over 180 newspaper and magazine titles.
10. In the State, Independent publishes the daily newspapers *Irish Independent*, *Irish Daily Star*³, *Evening Herald* and the Sunday newspapers *Sunday Independent*, *Sunday World* and *Irish Daily Star on Sunday*⁴, as well as 15 other regional/non-Dublin newspapers. It also publishes *Herald AM*, a daily free newspaper which is distributed on weekday mornings in the GDA. INM's UK newspapers, the *Independent* and *Independent on Sunday* are also available in the State.

The Target

11. Fortunegreen is an Irish-incorporated limited liability company based in Dublin. Fortunegreen publishes *Metro*, a daily free newspaper which is distributed on weekday mornings in the GDA.

Analysis

12. The Authority's investigation process is ongoing. The Authority is unable, at this stage, to reach a determination that the proposed

² GGN publishes weekly newspapers in various Dublin suburbs, namely *the Lucan Gazette*, *the Blanch Gazette*, *the Clondalkin Gazette*, *the Dún Laoghaire Gazette*, *the Swords Gazette*, *the Malahide Gazette*, *the Castleknock Gazette* and *the Dundrum Gazette*. The acquisition by ITL of this stake in GGN was the subject of Determination No M/08/007 of the Authority.

³ *Irish Daily Star* is published by Independent Star Limited which is jointly controlled by Independent and Express Newspapers Limited.

⁴ *Irish Daily Star on Sunday* is published by Independent Star Limited which is jointly controlled by Independent and Express Newspapers Limited.

acquisition will not lead to a substantial lessening of competition in any market for goods or services in the State.

Determination

The Competition Authority, in accordance with section 21(2)(b) of the Competition Act 2002, has determined that it intends to carry out an full investigation under section 22 of the Act in relation to the proposed transaction whereby Irish Times Limited, DMG Ireland Holdings Limited and Independent Newspapers (Ireland) Limited would acquire joint control of Fortunegreen Limited.

For the Competition Authority

William Prasifka
Chairman of the Competition Authority
Member of the Competition Authority