



Determination No. M/04/038 of the Competition Authority, dated 19th July 2004, under Section 21 of the Competition Act, 2002

Notification No. M/04/038 – Proposed acquisition by Press Acquisitions Limited of Telegraph Group Limited

Introduction

1. On 29th June 2004 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 Press Acquisitions Limited (“Press Acquisitions”) would acquire the entire issued share capital of Telegraph Group Limited (“Telegraph Group”).

The Parties

2. Press Acquisitions is a newly incorporated company that has been established for the purpose of making this acquisition. It is ultimately controlled by Sir David Barclay and Sir Frederick Barclay. They control a number of companies, one of which, The Scotsman Publications Limited, publishes *The Scotsman, Scotland on Sunday* and *Edinburgh Evening News*. Another of their companies, The Business Publishing Limited, publishes the weekly business newspaper, *The Business*.
3. Telegraph Group publishes a number of UK titles including *The Daily Telegraph*, *The Sunday Telegraph*, *The Weekly Telegraph* and *The Spectator* and *Apollo* magazines. Telegraph Group is owned by Hollinger International Inc., a Delaware corporation, which is a global newspaper publisher with English-language newspapers in the United States, Britain and Israel. Hollinger International Inc. is itself majority controlled by Hollinger Inc, which is incorporated in Canada and listed on the Toronto, Montreal and Vancouver stock exchanges.

Background

4. Sir David Barclay and Sir Frederick Barclay previously agreed to purchase the entire issued share capital of Hollinger Inc., the ultimate parent company of Telegraph Group. This agreement was the subject of an Authority determination on 20th February 2004. However the offer to purchase was subsequently withdrawn.¹

Analysis

5. There is minimal overlap in the activities of the parties. Both parties’ titles achieve the vast bulk of their sales in the UK. *Scotland on Sunday* and *The*

¹ For details, see further addendum to Determination No. M/04/005 dated 20th February 2004, *Press Holdings International Limited/Hollinger*.



The Competition Authority

An tÚdarás Iomaíochta

Scotsman are sold to a very small number of customers in the State, who receive them directly from Scotland via subscription, so any overlap with *The Daily Telegraph* and *The Sunday Telegraph* is negligible. *The Business* achieves c. 3,000 weekly sales in the State, whilst *The Sunday Telegraph*, which contains a business supplement, achieves c. 3,500 weekly sales in the State. Thus whilst there is some overlap here, it is minimal given the range of business publications and Sunday newspapers sold in the State. Therefore the transaction does not give rise to concerns.

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 Press Acquisitions Limited of Telegraph Group Limited 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.

For the Competition Authority

Edward Henneberry
Member of the Competition Authority

19th July 2004