



DETERMINATION OF MERGER NOTIFICATION M/06/021 - INDEPENDENT NEWS/ PROPERTY NEWS

Section 21 of the Competition Act 2002

Proposed acquisition by Independent News and Media Limited of Property News Limited and the Propertynews Business

DATED 05/05/2006

Introduction

1. On 6 April 2006 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 Independent News and Media Limited ("Independent News") will acquire the business of PropertyNews ("PropertyNews Magazine") and the entire issued share capital of PropertyNews Limited ("PropertyNews") ("the transaction").
2. The Authority forwarded a copy of the notification to the Minister and notified the undertakings involved that it considers the acquisition to be a media merger, in accordance with section 23(1) of the Act.

The Undertakings Involved

3. Independent News, the acquirer, is incorporated in the United Kingdom where it principally operates and is active in newspaper and magazine publication.
4. Independent News is a wholly-owned subsidiary of Independent News and Media PLC ("Independent plc"). Independent plc has three main classes of business activities:
 - Printing, publishing and distribution of newspapers and magazines in national and regional markets. Independent plc publishes newspapers in Ireland (the Irish Independent, the Evening Herald and the Sunday Independent), in the United Kingdom (The Independent, the Independent on Sunday and the Belfast Telegraph in Northern Ireland) and in New Zealand, South Africa, Australia and India;
 - Outdoor advertising;
 - Electronic media – Independent plc's main activities in electronic media and communications are located in Australia, Ireland, New Zealand, South Africa and the United Kingdom
5. Independent plc is a public limited company incorporated in Ireland and is quoted on the Irish, London and New Zealand Stock Exchanges. For

the financial year ended 2004 Independent plc had a consolidated world-wide aggregated turnover of €1,557.4 million of which €410million derived from its activities in the State.

6. PropertyNews and PropertyNews Magazine are owned by Mr. Graham Brown and Ms. Lorna Brown ("the vendors"). PropertyNews also owns PropertyNews.com, a website advertising residential and commercial property in Northern Ireland and in the border counties of the Republic of Ireland.
7. PropertyNews Magazine is free monthly magazine, distributed to over 200 estate agents in Northern Ireland and operates as an advertising medium for estate agents in Northern Ireland. PropertyNews Magazine is targeted primarily at Northern Ireland-based estate agents but is also distributed to a limited degree in County Donegal in the State.
8. PropertyNews Magazine had sales derived from advertising of €[] in the State for the financial year ended 2005 which accounts for a small percentage of its world-wide turnover of €[].
9. PropertyNews.com lists nearly 20,000 properties for sale on its database, of which 4,000 (20%) properties are located in the State. The undertakings involved have submitted that a large percentage of all estate agents in Northern Ireland list their properties on PropertyNews.com and that a large percentage of all properties for sale in Northern Ireland at any given time are advertised on its website.
10. PropertyNews.com advertises residential property in Northern Ireland and the border, midland and western Counties in the Republic of Ireland. It had a world-wide turnover of €[] for the financial year ended 30 September 2004 of which €[] (a small percentage) derived from its activities in the State.

Analysis

11. The activities of the undertakings involved overlap in the provision of both online and print property advertising services in Northern Ireland and to a very limited respect in the State. For the purposes of the Act, the geographic areas of overlap concern several counties of the State which have borders with Northern Ireland.
12. Independent plc's print title, The Irish Independent, publishes a property supplement on a weekly basis and also operates an associated website with a property section. The Irish Independent's print property supplement and online property section focus on commercial and residential property listings in the Dublin and surrounding commuter town areas.
13. The Belfast Telegraph, also owned by Independent plc publishes a weekly property supplement, "Homefinder" and operates an online property listing service on an associated website. Both the print property supplement and the online property section focus on residential property

in Northern Ireland but also include some residential property listings in the State.

14. A small number of copies of PropertyNews Magazine are distributed in the State. In 2004, a small number of copies of PropertyNews Magazine were distributed in County Donegal and [] copies of each issue were distributed to newsagents in County Donegal in 2005. These copies represent a small percentage of PropertyNews Magazine's total print run. Further, both the Belfast Telegraph's and PropertyNews Magazine's top customers are based in Northern Ireland and elsewhere in the United Kingdom.
15. Other print publications providing alternative property services in Northern Ireland and/or in the State (including in the limited geographic areas of overlap) include the Daily Mirror, Sunday World, Paid-for-Weekly and local titles such as the Derry Journal and the Irish News.
16. The undertakings involved have submitted that approximately [] visitors to PropertyNews.com are located in the State based on their annual figures
17. Other online services providing alternative property services in Northern Ireland and/or in the State (including in the limited geographic areas of overlap) include www.rightmove.co.uk, www.myhome.ie, www.daft.ie and www.nicemove.ie.
18. The Authority has concluded that based on the minimal level of overlap of the activities of the undertakings, and on the sufficient number of alternative providers of print and the increasing number of online property advertising services available to individual consumers and estate agents in the geographic areas concerned that no competition concerns arise as a result of the proposed acquisition.

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 Independent News and Media Limited of the business of PropertyNews and the entire issued share capital of PropertyNews 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 subject to the provisions of Section 23 of the Competition Act, 2002.

For the Competition Authority

Dr. Paul K. Gorecki
Member of the Competition Authority

