



DETERMINATION OF MERGER NOTIFICATION M/07/010 – IRISH TIMES/GAZETTE GROUP

Section 21 of the Competition Act 2002

Proposed acquisition of joint control over Relevance Publishing Limited by Irish Times Limited

Dated 22/03/07

Introduction

1. On 27 February 2007 the Competition Authority (“the Authority”), in accordance with Section 18(1)(b) of the Competition Act, 2002 (“the Act”) was notified of a proposal whereby the Irish Times Limited (“ITL”) would acquire joint control over Relevance Publishing Limited (“RPL”) (trading as the Gazette Group Newspapers (“the Gazette Group”)).
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

The Acquirer

3. ITL, the acquirer, is a wholly-owned subsidiary of The Irish Times Trust Limited, a company limited by guarantee and established in 1974. The primary objective of The Irish Times Trust Limited is to publish *The Irish Times* newspaper. In 2005 ITL generated a turnover of €[] million in the State and €113.2 million worldwide.
4. ITL’s main activities in the State consist of:
 - Publishing: ITL publishes The Irish Times newspaper, a daily paid-for national newspaper publication, and (through a joint venture with Fortunegreen) The Metro, daily free sheet in the greater Dublin area. On both of these publications it offers advertising space. Additionally, ITL, through its subsidiary D’Olier Investments Limited, recently entered a joint venture with Gloss Publications Limited regarding the publication of a monthly magazine, The Gloss;¹
 - Contract printing: ITL prints (a) its own title, *The Irish Times*, (b) its joint venture publication, *Metro*, and (c) several third party titles such as the Irish Daily Mail, the Galway Advertisers and the Irish Farmers Journal;

¹ See Competition Authority Determination No. M/06/061

- Website Ownership and operation: ITL operates two types of websites: (a) informational websites such as ireland.com; and, (b) advertising websites such as nicemove.ie. Ireland.com incorporates the on-line edition of *The Irish Times*, and includes more than twenty-five stand-alone websites on sports, tourist information, business and news. Several other services are also available through access to Ireland.com such as addresses@ireland.com, web broadcast and an Irish Ancestors website. Content on the Irish Times' websites is available to consumers from Internet and mobile phone platforms. Also, ITL recently completed the purchase of MyHome Limited² which provides advertising and listings of new and second-hand (a) residential properties and developments, and, (b) commercial properties on its website – www.myhome.ie. MyHome Limited also provides an advertising and listing service for rental and letting through the operation of the website www.myhome2let.ie/; and
- Advertising services: An associated activity of ITL is advertising carried by its print publications and on its online offerings:
 - i. In *The Irish Times*, classified and other types of advertising may be placed by advertisers. For its joint venture publication, *Metro*, ITL also provides classified advertising services. However this is limited in respect of property advertising; and,
 - ii. Regarding online advertising, ITL's classified advertising is mainly placed on nicemove.ie. nicemove.ie carries classified advertising in respect of three core areas:
 - (a) property advertising;
 - (b) motor vehicle advertising (through cars.nicemove.ie); and,
 - (c) recruitment/employment opportunities advertising (through jobs.nicemove.ie). nicemove.ie also carries banner advertising and updates on latest news developments in respect of the three core areas advertised which information is sourced from *The Irish Times* from its respective supplements.

The Target

5. RPL, the target, trading as Gazette Group Newspapers was established in 2003 by Liam Hayes and Michael McGovern with the intention of developing and launching "paid-for" weekly regional newspapers targeting the fast growing population of West Dublin. In 2004, RPL launched the Lucan Gazette and the Blanch Gazette which are mainly distributed in Lucan and Blanchardstown, respectively. In October 2005, RPL launched the Clondalkin Gazette which is mainly distributed in Clondalkin.
6. For the financial ended 28 February 2005, RPL generated turnover of approximately €[] million in the State.

² See Competition Authority Determination No. M/06/059

The Proposed Transaction

7. On 13 February 2007 Mary Leane, Liam Hayes, Michael McGovern, Thomas Kelley and others and ITL entered into a share purchase agreement whereby ITL will acquire [] of the issued shares of RPL. Table 1 below shows the shareholdings in RPL resulting from the proposed transaction.

Table 1: Pre and Post-transaction Shareholdings in RPL

Shareholder	Shareholding Pre-Transaction	Shareholding Post-Transaction
Irish Times	[]	[]
Mary Leane	[]	[]
Liam Hayes	[]	[]
Michael McGovern	[]	[]
Thomas Kelley	[]	[]
Bill Kelley	[]	[]
Kevin McDermott	[]	[]
Vendors	[]	[]
Total	100%	100%

Source: Submission by the undertakings involved

8. Additionally, [].

Analysis

9. Except for ITL and RPL, none of the other shareholders in RPL is active in the media sector.
10. Both ITL and RPL are active in newspaper publishing and advertising. However, the Irish Times is sold on a daily basis throughout the State; Metro is distributed Monday to Friday to readers in the Greater Dublin area free of charge whereas the three newspapers in the RPL stable are mainly sold to readers in each of the three Dublin suburbs on a weekly basis.
11. Data provided by the undertakings involved show that there is limited or no overlap in the publishing and print advertising activities of the Irish Times and RPL. Each of these five publications targets a different readership in different geographic areas. A sample of the RPL newspapers show that each newspaper carries content that is specific to the geographic area in which it is published. Consequently, the geographic scope of the relevant advertising market co-exists with that of the underlying readership market served by the newspaper.
12. The Authority therefore considers that the proposed transaction does not raise competition concerns in the State.

Ancillary Restraints

13. The Authority also reviewed restrictive arrangements agreed by the joint venture partners contained in the share purchase agreement. This agreement contains a non-compete covenant of two years following completion of the proposed transaction.

14. This covenant is in line with the Authority's approach in respect of restrictive arrangements in mergers and is directly related and necessary to ensure the implementation of the proposed the proposed transaction.

Determination

The Competition Authority, in accordance with section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition of joint control over Relevance Publishing Limited (trading as the Gazette Group) by the Irish Times Limited and 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).

For the Competition Authority

Dr. Paul K. Gorecki
Member of the Competition Authority