



DETERMINATION OF MERGER NOTIFICATION M/14/017 -

Anglo-Celt/Connaught Telegraph

Section 21 of the Competition Act 2002

Proposed acquisition by The Anglo-Celt Limited of certain assets of The Connaught Telegraph Limited

Dated 15 July 2014

Introduction

1. On 25 June 2014, in accordance with section 18(1)(b) of the Competition Act 2002 ("the Act"), the Competition Authority ("the Authority") received a notification of a proposed transaction whereby Celtic Media Limited ("Celtic Media"), through its wholly owned subsidiary The Anglo-Celt Limited, would acquire sole control of certain assets from The Connaught Telegraph Limited (in voluntary liquidation).¹
2. As a result of the proposed transaction the whole of the newspaper publishing business of The Connaught Telegraph Limited, i.e., the publication of the Connaught Telegraph regional newspaper, would transfer to The Anglo-Celt Limited.
3. On 26 June 2014, pursuant to section 23(1) of the Act, the Authority forwarded a copy of the notification to the Minister for Jobs, Enterprise and Innovation and notified the undertakings involved that it considered the proposed transaction to be a media merger within the meaning of section 23(10) of the Act.

The Undertakings Involved

Celtic Media and The Anglo-Celt Limited

4. Celtic Media, the ultimate acquirer, is a private company based in Mullingar, County Westmeath and Navan, County Meath.² Celtic Media is involved in newspaper publishing and printing³ respectively through

¹ The parties state that at an extraordinary general meeting of The Connaught Telegraph Limited held on 25 April 2014 the company was wound up voluntarily and Sean McNamara of Smith & Williamson was appointed as liquidator. The proposed transaction is pursuant to an Asset Sale Agreement between The Connaught Telegraph Limited (in voluntary liquidation), Mr McNamara and The Anglo-Celt Limited, dated 6 June 2014.

² The three largest shareholders are board directors Frank Mulrennan [...], Frank Long [...] and John Wood [...]. The remaining [...] shareholding is held by 11 other individual shareholders. For more information on Celtic Media see <<http://www.celticmediagroup.ie/group-profile.php>>. Celtic Media has informed the Authority that the three largest shareholders (i.e., Messrs Mulrennan, Long and Wood) have no other media interests in Ireland.

³ Printing, in this context, refers solely to the physical processes of newspaper printing. Publishing includes any or all of the following: employing and/or contracting with journalists, promotion and marketing (e.g., selling advertising) distribution and sales e.g. to resellers such as newsagents or to final customers.

its two wholly owned subsidiaries: The Anglo-Celt Limited and The Meath Chronicle Limited.

5. The Anglo-Celt Limited currently publishes six Celtic Media owned titles:
 - The Anglo-Celt.
 - Forum.
 - The Meath Chronicle (including the bi-monthly Inspire magazine).
 - Offaly Independent.
 - The Westmeath Examiner.
 - Westmeath Independent.⁴
6. The Anglo-Celt Limited also supplies prepress services to a number of other regional newspapers. Prepress services include graphic design and page layout design, e.g., the location of news copy and advertising prior to printing.
7. The Meath Chronicle Limited prints the six titles listed above in paragraph 5 and also provides printing services for other publications including:
 - The Irish Mirror, Sunday Mirror and Sunday People published by the UK-based Trinity Mirror Group.⁵
 - Local paid-for newspapers such as Mayo News, Nenagh Guardian, Tuam Herald and The Connaught Telegraph.
 - Local free newspapers such as Drogheda Leader, Dundalk Leader, North County Leader and Roscommon People.⁶
8. For the financial year ended 30 June 2013 Celtic Media's worldwide turnover was approximately €10.4 million almost all of which was generated within the State.⁷

The Connaught Telegraph Limited

9. The Connaught Telegraph Limited is involved in publishing the Connaught Telegraph newspaper.⁸
10. For the financial year ended 31 December 2012 Connaught Telegraph Limited's worldwide turnover was approximately €1 million all of which was generated within the State.

⁴ See <<http://www.celticmediagroup.ie/publications.php>>.

⁵ For more information on Trinity Mirror Group see <<http://www.trinitymirror.com>>.

⁶ See <<http://www.celticmediagroup.ie/print.php>>.

⁷ According to correspondence received by the Authority from Celtic Media dated 8 July 2014, approximately €[...] of Celtic Media's turnover is generated from sales to expatriate Irish readers in the UK.

⁸ The parties state that the Connaught Telegraph newspaper is sold in various locations in County Mayo including Castlebar, Claremorris, Westport, Ballinrobe, Ballyhaunis, Swinford, Knock, Ballina, Foxford, Crossmolina, Charlestown and Kiltimagh. Notification pp. 7 and 8.

Third Party Submissions

11. No submissions were received.

Rationale for Transaction

12. The Anglo-Celt Limited states that

*"It is the intention of The Anglo-Celt Limited to continue to publish the Newspaper and through a series of cost saving initiatives and improvement in management practices ensure that the title returns to profitability and becomes an integral part of Celtic Media Group's publishing business."*⁹

Analysis

13. There is a horizontal overlap in the activities of the parties to the extent that both The Anglo-Celt Limited and The Connaught Telegraph Limited are involved in publishing regional newspapers within the State. However, as discussed below, the horizontal overlap does not give rise to significant horizontal competitive effects.
14. As stated by the parties, regional newspapers typically focus on a local reading audience and local advertisers.¹⁰ Consequently, as would appear the case in this instance, regional newspapers sold in different regions are not generally close competitors - The Connaught Telegraph Limited and The Anglo-Celt Limited target different regions for their respective regional newspapers.¹¹ The vast majority of printed copies of the Connaught Telegraph newspaper is sold within County Mayo.¹² In contrast the vast majority of regional newspapers published by The Anglo-Celt Limited, as listed in paragraph 5, are sold in counties Cavan, Meath, Offaly and Westmeath.
15. The Connaught Telegraph Limited is small in terms of turnover, approximately €1 million, and circulation, approximately [...] copies per issue.¹³ The small size of The Connaught Telegraph Limited suggests that any competitive effects arising from the proposed transaction are likely to be insignificant, particularly in locations outside of County Mayo.
16. Furthermore, within County Mayo, where the Connaught Telegraph newspaper has its strongest presence, it will continue to face competition from other Mayo regional newspapers such as Mayo Advertiser, Western People and Mayo News.
17. The proposed transaction does not give rise to vertical competition concerns. At present, as described in paragraph 7, there is a vertical relationship between the parties to the extent that Meath Chronicle Limited prints the Connaught Telegraph newspaper. Subsequent to the

⁹ Notification page 2.

¹⁰ Correspondence from Celtic Media dated 8 July 2014.

¹¹ Similarly, the online versions of Celtic Media's regional on-line publications target regional readers and advertisers. According to correspondence received by the Authority from Celtic Media dated 8 July 2014, The Connaught Telegraph's website is currently inactive subsequent to the voluntary liquidation of The Connaught Telegraph Limited.

¹² See footnote 8.

¹³ Notification page 7.

proposed transaction being put into effect this relationship would be internalised within Celtic Media. Celtic Media also states that there will be no change to existing commercial relationships with other regional newspaper publishers, in particular the printing of newspapers for other publishers as described in paragraph 7.¹⁴

18. In light of the above, the Authority considers that the notified transaction will not substantially lessen competition in any market for goods or services within the State.

¹⁴ Correspondence from Celtic Media dated 8 July 2014.

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 transaction whereby Celtic Media Limited, through its wholly owned subsidiary The Anglo-Celt Limited, would acquire certain assets from The Connaught Telegraph Limited (in voluntary liquidation) will not be to substantially lessen competition in any market for goods or services in the State and, accordingly, that the acquisition may be put into effect, subject to section 23(9)(a) of the Act.

For the Competition Authority

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