



DETERMINATION OF MERGER NOTIFICATION M/07/006 – GMG/SAGA

Section 21 of the Competition Act 2002

Proposed acquisition by GMG Radio Holdings Limited of Saga Radio Limited, Saga Radio (North East) Limited, Saga Radio (Scotland) Limited and Saga Regional Digital Radio Limited

Dated 14/02/07

Introduction

1. On 17 January 2007 the Competition Authority (“the Authority”), in accordance with Section 18 (1)(b) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of the proposed acquisition by GMG Radio Holdings Limited, a wholly owned subsidiary of Guardian Media Group plc (“GMG”), of the entire issued share capital of Saga Radio Limited, Saga Radio (North East) Limited, Saga Radio (Scotland) Limited and Saga Regional Digital Radio Limited (collectively, “the target”).
2. The Authority advised the undertakings involved and the Minister that it considered the proposed transaction to be a “media merger” within the meaning of Section 23 of the Act.

The Undertakings Involved

3. GMG, the acquirer, is a UK based multi-media organisation with interests in national newspapers, regional newspapers, magazines, radio and internet businesses. The company is wholly-owned by the Scott-Trust, which was created in 1936 to secure the financial and editorial independence of the Guardian in perpetuity. In the financial year ended 2 April 2006 GMG had a worldwide turnover of €1.036 billion.
4. GMG’s activities in the State are mainly conducted through its Trader Media Group (TMG) division. TMG publishes Autotrader, a weekly advertising-only publication dedicated to motor vehicles. TMG also operates two websites advertising motor vehicles for sale (autotrader.ie and carzone.ie) and a website design service for motor dealers. GMG is also active in the State through the sale of its two UK national newspapers, The Guardian and The Observer. During the financial year ended 2 April 2006, GMG generated turnover in the State of €[] million.
5. The target businesses comprise four limited liability companies that are involved in the operation of regional radio stations in the United Kingdom:
 - Saga Radio Limited holds two analogue radio licences, one for West Midlands and one for the East Midlands. It also holds a digital radio licence for services in the West Midlands and in Nottingham;

- Saga Radio (North East) Limited, which was previously called Saga Radio (South) Limited, was awarded an analogue radio licence for North East but it has yet to commence broadcasting;
- Saga Radio (Scotland) Limited holds an analogue and a digital radio licence for services in Glasgow; and,
- Saga Regional Digital Radio Limited holds a digital radio licence for Edinburgh.

Analysis

6. There is no overlap in the activities of the undertakings involved as the target businesses do not carry out any business activities on the island of Ireland. Therefore, the Authority considers that the proposed transaction does not give rise to any competition concerns in the State.

Determination

The Competition Authority, in accordance with Section 21(2)(a) of the Act, has determined that, in its opinion, the result of the proposed acquisition by GMG Radio Holdings Limited, of the entire issued share capital of Saga Radio Limited, Saga Radio (North East) Limited, Saga Radio (Scotland) Limited and Saga Regional Digital Radio 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(9) of the Competition Act 2002.

For the Competition Authority

Dr. Paul K Gorecki
Member of the Competition Authority