



DETERMINATION OF MERGER NOTIFICATION M/08/007 – IRISH TIMES/RELEVANCE

Section 21 of the Competition Act 2002

Proposed acquisition by The Irish Times Limited of sole control of Relevance Publishing Limited

Dated 25/03/08

Introduction

1. On 5 March 2008 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 a proposed acquisition by The Irish Times Limited (“ITL”) of sole control of Relevance Publishing Limited trading as the Gazette Group Newspapers (“RPL”).
2. The Competition Authority approved ITL’s proposed acquisition of joint control of RPL on 22 March 2007.¹
3. 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

4. ITL is a wholly-owned subsidiary of The Irish Times Trust Limited (“the Trust”) and is not controlled by any other entity. The Trust was set up in 1974 as a company limited by guarantee to purchase ITL and to ensure that *The Irish Times* would be published as an independent newspaper with specific editorial objectives.
5. 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 Associated Newspapers and Metro International) *Metro*, a free sheet in the Greater Dublin area. *Metro* is published Monday to Friday (except public holidays). Additionally, ITL, through its subsidiary D’Olier Investments Limited and in a joint venture with Gloss Publications Limited, publishes a monthly magazine, *The Gloss*²;
 - Contract printing: ITL prints (a) its own title, *The Irish Times*, and (b) several third party titles such as the *Irish Daily Mail*, the *Galway Advertiser*, the *Irish Farmer’s Journal* and *Metro*. ITL has

¹ See Determination M/07/010, *Proposed Acquisition of Joint Control over Relevance Publishing Limited by Irish Times Limited*.

² See Determination M/06/061, *D’Olier/Gloss*.

contracted with RPL to print each Gazette³ post-completion of the proposed transaction;

- Website Ownership and operation: ITL publishes an online edition of *The Irish Times* and a number of other services through the www.ireland.com website. Ireland.com incorporates the online edition of *The Irish Times* and more than twenty-five stand-alone websites covering breaking news, business, sports, tourist information, business and jobs. Several other services are also available through access to Ireland.com including web-based email with addresses@ireland.com, web broadcasts, an Irish Ancestors website and community initiatives. Ireland.com's content and services are delivered on the web and mobile phone platforms. Also, ITL recently completed the purchase of MyHome Limited⁴ 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. ITL also provides classified advertising services in *Metro*; and,
 - ii. ITL sells the following online advertising space:
 - (a) property advertising - ITL sells advertising for commercial and overseas property for sale and to let through www.myhome.ie and www.myhome2let.ie, respectively;
 - (b) motor vehicle advertising - Ireland.com/cars lists a wide range of new and used cars; and,
 - (c) recruitment - Ireland.com/jobs lists employment opportunities in all sectors.

6. For the year ending 31 December 2006, ITL achieved a worldwide turnover of €129.4 million and turnover in the State of €[...].

The Target

7. RPL was established in 2003. RPL's activities in the State consist of:

- Publishing: RPL publishes weekly newspapers in various Dublin suburbs, namely the *Lucan Gazette*, the *Blanch Gazette*, the *Clondalkin Gazette*, the *Dundrum Gazette*, the *Dún Laoghaire Gazette* and the *Swords Gazette*. Each of these newspapers is distributed free of charge once a week. Following the format of RPL's current Gazettes, RPL [launched] weekly local newspapers in Castleknock and Malahide [on the 13th and 27th of March, respectively]. Over the coming years, RPL plans to launch other Gazette titles in various regions throughout Greater Dublin.

³ See paragraph 7 below for details of each Gazette title.

⁴ See Determination M/06/059, *The Irish Times/My Home*.

- Advertising Services: The *Lucan Gazette*, the *Blanch Gazette*, the *Clondalkin Gazette*, the *Dundrum Gazette*, the *Dún Laoghaire Gazette* and the *Swords Gazette* each offer a display and classified advertising service targeted at their respective local audiences.
8. For thirteen months ending 31 March 2007, RPL generated worldwide turnover of approximately €[...], all of which was generated in the State.

The Proposed Transaction

9. Pursuant to a subscription agreement signed on 26 February 2008, ITL proposes to acquire sole control of RPL. Table 1 below shows the shareholdings in RTL resulting from the proposed transaction.

Table 1: Pre and Post-transaction Shareholdings in RPL

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

Source: The Parties

Analysis

10. Both ITL and RPL are active in newspaper publishing and advertising in the State. ITL publishes *The Irish Times* which is sold on a daily basis throughout the State and (through a joint venture) *Metro* which is distributed Monday to Friday (except public holidays) to readers in the Greater Dublin area free of charge. ITL also publishes a monthly magazine, *The Gloss*, aimed at an Irish female readership. The six local newspapers in the RPL stable are distributed free of charge in each of the six Dublin suburbs on a weekly basis.
11. Data provided by the parties show that there is limited or no overlap in the publishing and print advertising activities of the *Irish Times*, *Metro*, *The Gloss* and each of RPL's six newspapers. The parties submit that geographic targeting is the basis of advertising in each of the *Gazette* titles. For a business seeking to reach customers in Clondalkin, Lucan, Blanchardstown, Dundrum, Dún Laoghaire and Swords, advertising in *The Irish Times* or *Metro* would result in a considerable amount of wasted coverage. If prospective advertisers do not wish to advertise in the *Gazette* titles, neither *The Irish Times* nor *Metro* provides a substitute or vice versa.
12. Data provided by the parties indicates that each of the *Gazette* titles attracts advertising from local sources i.e. local auctioneers, garages and shopping centres whereas businesses seeking a broader audience advertise in *The Irish Times* or *Metro*. The difference in the target demographic audiences of the ITL as a national daily newspaper and the six *Gazette* titles as local weekly newspapers indicates that these publications would not be considered substitutes by advertisers.

Consequently, the geographic scope of the relevant advertising market co-exists with that of the underlying readership market served by each newspaper.

13. The Authority therefore considers that the proposed transaction does not raise competition concerns in the State.

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 by the Irish Times Limited of sole control over Relevance Publishing Limited trading as the Gazette Group Newspapers 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