



Determination of the Competition Authority, dated 6th October 2005, under Section 21 of the Competition Act, 2002 in respect of Merger Notification Case No. M/05/058 - Proposed acquisition by Trinity Mirror Acquisitions of the Hotgroup plc

Introduction

1. On 12 September 2005, the Competition Authority (“the Authority”), in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”), was notified on a mandatory basis of a proposal whereby Trinity Mirror Acquisitions (“Trinity Mirror”) would acquire The Hotgroup plc (“the Hotgroup”).
2. The Authority advised the parties and the Minister that it considered the transaction to be a “media merger”, within the meaning of Section 23 of the Act.

The Parties

3. Trinity Mirror, the acquirer, is a subsidiary of Trinity Mirror plc, a newspaper publishing group based in the United Kingdom. Trinity Mirror plc is the largest publisher of newspaper titles (regional and local) in the United Kingdom and is listed on the London Stock Exchange. It publishes over 250 regional and local titles in the South-East, Midlands, North-East and North-West of England, in Yorkshire, and in Scotland and provides for over 100 online titles and magazines and other media brands.
4. Trinity Mirror publishes several United Kingdom national daily and Sunday titles, most notably *The Mirror* and *The Sunday Mirror*. Trinity Mirror plc does not publish any Irish regional or local newspapers in the State or Northern Ireland but certain of its national newspapers, including Irish editions of, for example, *The Daily Mirror*, *The Sunday Mirror*, *The People* and *The Racing Post*, are distributed in the State and Northern Ireland.
5. As part of and embedded within its core activities, Trinity Mirror has recently launched several regional classified recruitment advertising sites online, which are focused on the United Kingdom, to complement both its print brands and other online services.
6. Hotgroup, the target, is a technology-driven recruitment company consisting of two distinct businesses: (a) an online recruitment division and (b) a traditional “bricks and mortar” recruitment consultancy division.
7. The online recruitment division is made up of workthing.com and hotonline.com. Workthing.com is a United Kingdom recruitment



website which advertises jobs exclusively for employers directly. Hotonline.com focuses on serving the recruitment consultancy market. Hotgroup's online recruitment divisions do not actively seek business in Ireland but have, however, four small accounts in the State, the revenue from which accounts for STG£ (€approx.) of Hotgroup's turnover for year ended 31 December 2004 of STG£43.1million (€63.2 million approx.)

8. Hotgroup's traditional "bricks and mortar" division comprises six traditional recruitment consultancy businesses. Each of the six consultancies operates its own brand and provides consultancy services in the finance, legal, retail, leisure, commercial, sales, education and pharmaceutical sectors. Hotgroup's traditional "brick and mortar" recruitment consultancy businesses do not have any clients in Ireland and do not generate turnover from Ireland.

The Transaction

9. The proposed transaction involves the acquisition by Trinity Mirror of the entire issued (and to be issued) share capital of Hotgroup.
10. The rationale for the proposed acquisition is Trinity Mirror's intention to diversify its interests and to enhance the scale and scope of its traditional print classifieds business by increasing the use of new technologies, in particular, on-line solutions.

Analysis

11. There is no horizontal or vertical overlap between the parties' activities in the State. Hotgroup is involved in traditional and online recruitment consultancy services, primarily in the United Kingdom and but not actively in the State, while Trinity Mirror is primarily a newspaper publisher, based in the United Kingdom, and does not provide either traditional or online recruitment services in or for the State.
12. Therefore, the proposed acquisition does not raise competition concerns.



The Competition Authority
An tÚdarás Iomaíochta

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 Trinity Mirror Acquisitions of The Hotgroup plc 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) of the Act.

For the Competition Authority

Edward Henneberry

Member of the Competition Authority