



## DETERMINATION OF MERGER NOTIFICATION M/17/068 - IRISH TIMES/SAPPHO (EXAMINER)

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### Section 21 of the Competition Act 2002

### Proposed acquisition by The Irish Times Designated Activity Company of Sappho Limited

Dated 22 March 2018

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#### Introduction

1. On 14 December 2017, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby The Irish Times Designated Activity Company (“ITD”), through its wholly-owned subsidiary Palariva Limited (“Palariva”), would acquire sole control of Sappho Limited (“Sappho”) from Landmark Media Investments Limited (“Landmark”) (the “Proposed Transaction”).
2. Given that both ITD and Sappho carry on a “media business” within the State (as defined in section 28A(1) of the Act), the Proposed Transaction constitutes a “media merger” for the purposes of Part 3A of the Act.
3. The Proposed Transaction is to be implemented pursuant to a Share Purchase Agreement (“SPA”) dated 5 December 2017 between Landmark and Palariva.

#### The Undertakings Involved

##### *The Acquirer – ITD*

4. ITD is engaged in the following business activities in the State:
  - the publication of *The Irish Times*, a national daily newspaper, and its website *irishtimes.com*;
  - the operation of the following three websites: *myhome.ie*, *irishracing.com* and *myantiques.ie*;
  - the sale of newspaper advertising in its print edition of *The Irish Times*;
  - the sale of online advertising on *irishtimes.com*, *myhome.ie*, *irishracing.com* and *myantiques.ie*;
  - the hosting of a number of podcasts;



- the provision of contract printing services to third party newspaper publishers;<sup>1</sup> and
- the provision of training courses.

#### *The Target – Sappho*

5. Sappho, a private limited company wholly-owned by Landmark, is engaged in the following business activities in the State:
  - the publication of the *Irish Examiner*, a national daily newspaper, and its website *irishexaminer.com*;
  - the publication of the *Evening Echo*, a daily evening newspaper circulated primarily in Co. Cork, and its website *eveningecho.ie*;
  - the publication of the following six weekly regional newspapers: *Laois Nationalist*, *Kildare Nationalist*, *Carlow Nationalist*, *Western People*, *Waterford News and Star* and *Roscommon Herald*;<sup>2</sup>
  - the operation of the following three websites: *breakingnews.ie*, *recruitireland.com* and *benchwarmers.ie*;<sup>3</sup>
  - the sale of newspaper advertising in each of the newspapers that it publishes; and
  - the sale of online advertising on each of the websites that it operates.
6. Sappho is also active in the radio sector in the State, through its ownership of the following two radio stations:
  - *Beat 102-103* which is licensed by the Broadcasting Authority of Ireland (“BAI”) to broadcast in the South East of Ireland (comprising counties Wexford, Waterford, Carlow, Kilkenny and south Tipperary); and
  - *WLR FM* which is licensed by the BAI to broadcast in Co. Waterford.
  - Sappho also hosts the Paper Talk podcast.
7. Sappho also owns a minority shareholding in Siteridge Limited, whose subsidiary, Red FM Limited, operates the radio station *RedFM* which is licensed by the BAI to broadcast in Co. Cork.<sup>4</sup>

<sup>1</sup> ITD currently prints all of the newspapers published by Sappho in the State.

<sup>2</sup> Sappho also publishes the websites of each of these six weekly regional newspapers, namely: *laois-nationalist.ie*, *kildare-nationalist.ie*, *carlow-nationalist.ie*, *westernpeople.ie*, *waterford-news.ie* and *roscommonherald.ie*.

<sup>3</sup> The acquisition by Landmark of BenchWarmers Limited (which owned the domain name for *benchwarmers.ie*) was approved by the Commission on 2 May 2017 and the determination can be accessed at

<https://www.cpc.ie/business/wp-content/uploads/sites/3/2017/04/M-17-017-Landmark-BenchWarmers-Public.pdf>

<sup>4</sup> As part of the Proposed Transaction, ITD will acquire the minority stake currently held by Sappho in Siteridge Limited.



## Investigation

8. On 25 January 2018, the Commission served a Requirement for Further Information (“RFI”) on ITD, Palariva, Landmark and Sappho, pursuant to section 20(2) of the Act. This adjusted the deadline within which the Commission was required to conclude its assessment of the Proposed Transaction in Phase 1.
9. Upon receipt of all of the responses to the RFI, the “appropriate date” (within the meaning of section 19(6)(b)(i) of the Act) became 9 February 2018.<sup>5</sup>
10. During the Phase 1 investigation, the Commission requested and received, on an on-going basis, further information and clarifications from the notifying parties. The Commission also issued questionnaires to various third parties, including customers and competitors of ITD and Sappho.

## Analysis

11. The Commission is unable, at this stage, to reach a determination that the Proposed Transaction will not lead to a substantial lessening of competition in any market for goods or services in the State. Accordingly, it intends to carry out a full investigation under section 22 of the Act.

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<sup>5</sup> The “appropriate date” is the date from which the time limits for making both Phase 1 and Phase 2 determinations begin to run.



## **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(b) of the Competition Act 2002, as amended (“the Act”), has determined that it intends to carry out a full investigation under section 22 of the Act in relation to the proposed acquisition whereby The Irish Times Designated Activity Company, through its wholly-owned subsidiary Palariva Limited, would acquire sole control of Sappho Limited from Landmark Media Investments Limited.

For the Competition and Consumer Protection Commission

**Brian McHugh**  
**Member**  
**Competition and Consumer Protection Commission**