



DETERMINATION OF MERGER NOTIFICATION M/19/040 – DMG/JPIMEDIA

Section 21 of the Competition Act 2002

Proposed acquisition by DMG Media Limited of sole control of JPIMedia Publications Limited.

Dated 10 March 2020

Introduction

1. On 29 November 2019, in accordance with section 18(1)(b) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby DMG Media Limited (“DMG Media”), a wholly-owned subsidiary of Daily Mail and General Trust Plc (“DMGT”), would acquire sole control of JPIMedia Publications Limited (“JPIMedia Publications”), a wholly-owned subsidiary of JPIMedia Limited (the “Notified Transaction”).
2. Given that DMG Media carries on a “media business”¹ within the State and JPIMedia Publications carries on a “media business” elsewhere², the Commission considers that the Notified Transaction constitutes a “media merger” for the purposes of Part 3A of the Act.

Putting the Notified Transaction into Effect Prior to Commission Clearance

3. During the Commission’s review of the Notified Transaction, the Commission had concerns that the Notified Transaction may have been put into effect after the notification was submitted to the Commission but before clearance had been given by the Commission. The Commission raised these concerns with the parties. On 8 January 2020, DMGT confirmed that the Notified Transaction was put into effect on 29 November 2019, i.e., following notification to the Commission and prior to receiving

¹ As defined in section 28A(1) of the Act.

² JPIMedia Publications carries on a “media business”, as defined in section 28A(1) of the Act, in the United Kingdom.



clearance from the Commission. By putting the Notified Transaction into effect prior to receiving clearance from the Commission, DMGT and JPIMedia Limited have breached section 19(1) of the Act. Accordingly, pursuant to section 19(2) of the Act, the Notified Transaction is void³. In accordance with its procedures, the Commission continued to review the Notified Transaction in accordance with the relevant provisions of the Act.

The Notified Transaction

4. The Notified Transaction was implemented pursuant to a share purchase agreement (“SPA”) between DMG Media and JPIMedia Limited dated 29 November 2019. Pursuant to the SPA, DMG Media acquired the entire issued share capital, and thereby sole control, of JPIMedia Publications.

The Undertakings Involved

The Acquirer – DMG Media

5. DMG Media owns and operates DMGT’s consumer media business, including two of the United Kingdom’s biggest paid-for newspapers, *The Daily Mail* and *The Mail on Sunday*, and the free newspaper, *Metro*.
6. DMGT operates in the State through Associated Newspapers (Ireland) Limited (trading as dmg media). Associated Newspapers (Ireland) Limited is a wholly-owned subsidiary of Associated Newspapers Limited which, in turn, is a wholly-owned subsidiary of DMG Media. DMGT’s activities in the State include the publication of Irish newspapers (the *Irish Daily Mail* and the *Irish Mail on Sunday*) and the operation of a number of websites including MailOnline, Evoke.ie, Rollercoaster.ie and Extra.ie.
7. For the financial year ending 31 December 2018, DMGT’s worldwide turnover was approximately €1,625 million⁴, of which €[...] was generated in the State.

³ Pursuant to section 19(1) of the Act, any proposed merger or acquisition that is required to be notified to the Commission pursuant to section 18(1) of the Act shall not be put into effect until the Commission has made a determination in relation to such merger or acquisition (or until the statutory period for the Commission to make a determination in relation to such merger or acquisition has elapsed). If a proposed merger or acquisition is purportedly put into effect in contravention of section 19(1) of the Act, such merger or acquisition is void under section 19(2) of the Act.

⁴ Calculated using an average ECB exchange rate for the period January 2019 to December 2019 of €1 = £0.8777.



The Target – JPIMedia Publications

8. JPIMedia Publications is owned by JPIMedia Limited, a multimedia organisation incorporated in the United Kingdom with national, regional, and local newspaper and media assets.
9. In the United Kingdom, JPIMedia Publications publishes the paid-for daily *i* newspaper and its associated website inews.co.uk.
10. JPIMedia Publications has no business activities in the State as its only asset, the *i* newspaper, has no circulation or readership in the State and does not sell advertising in the State.
11. For the financial year ending 31 December 2018, JPIMedia Publications' worldwide turnover was approximately €[...]⁵, none of which was generated in the State.

Rationale for the Notified Transaction

12. DMGT states in the notification that:

[...]

Contact with the Undertakings Involved

13. On 10 January 2020, the Commission served a Requirement for Further Information (“RFI”) on each of DMGT and JPIMedia Limited pursuant to section 20(2) of the Act. This adjusted the deadline within which the Commission had to conclude its assessment of the Notified Transaction in Phase 1.
14. Upon receipt of a full response to the RFI from both of DMGT and JPIMedia Limited on 6 February 2020, the “appropriate date” (as defined in section 19(6)(b)(i) of the Act) became 6 February 2020⁶.

⁵ Calculated using an average ECB exchange rate for the period January 2019 to December 2019 of €1 = £0.8777.

⁶ The “appropriate date” is the date from which the time limits for making Phase 1 or Phase 2 determinations begin to run.



15. During its investigation, the Commission requested and received, on an on-going basis, further information and clarifications from the undertakings involved in the Notified Transaction.

Third Party Submissions

16. No submission was received.

Competitive Assessment

Horizontal overlap

17. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define precise relevant product and geographic markets as there is no horizontal overlap between DMGT, or its wholly-owned subsidiary DMG Media, and JPIMedia Publications in the State.
18. In light of the above, the Commission considers that the Notified Transaction does not raise any horizontal competition concerns in the State.

Vertical relationship

19. The parties informed the Commission that there is no vertical relationship between DMGT, or its wholly-owned subsidiary DMG Media, and JPIMedia Publications in the State. The Commission has not identified any vertical relationship between the parties in the State. On this basis, the Commission considers that the Notified Transaction does not raise any vertical competition concerns in the State.

Conclusion

20. In light of the above, the Commission considers that the Notified Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

21. No ancillary restraints were notified.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby DMG Media Limited would acquire sole control of JPIMedia Publications Limited 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 the provisions of section 28C(1)⁷ of the Competition Act 2002, as amended.

For the Competition and Consumer Protection Commission

Brian McHugh
Member
Competition and Consumer Protection Commission

⁷ Section 28C(1) of the Competition Act 2002, as inserted by section 74 of the Competition and Consumer Protection Act 2014.