



DETERMINATION OF MERGER NOTIFICATION M/10/007 – Trinity Mirror/GMG

Section 21 of the Competition Act 2002

Acquisition of most of the local and regional newspaper business of the Guardian Media Group (GMG)

Dated 26 March 2010

Introduction

1. On 5 March 2010, in accordance with section 18 of the Competition Act 2002 (the "Act"), the Competition Authority (the "Authority") received a notification of a proposed transaction whereby Trinity Mirror plc. ("Trinity Mirror") would acquire sole control of most of the assets and businesses of GMG Regional Media from the Guardian Media Group plc. (GMG).
2. GMG owns GMG Regional Media, which is the parent company of MEN Media and Surrey and Berkshire Media Limited ("S&B"). The proposed transaction will result in Trinity Mirror acquiring sole control over all of MEN Media's newspaper businesses and assets and most of S&B's newspaper businesses and assets.¹
3. On 5 March 2010, the Authority forwarded a copy of the notification to the Minister, and notified the undertakings involved that it considered the proposed transaction to be a "media merger" within the meaning of section 23(1) of the Act.

The Undertakings Involved

The Acquirer

4. Trinity Mirror is a United Kingdom ("UK") publisher with a portfolio of five national newspapers,² over 140 regional newspapers and also over 400 digital sites. Several of Trinity Mirror's UK national newspapers are distributed within the State, including Irish editions (e.g., *Irish Daily Mirror* and *Irish Sunday Mirror*). Trinity Mirror's regional titles are not distributed the State.
5. For the year ended 31 December 2008 Trinity Mirror's total turnover was Sterling £871.7 million (approximately €975.1 million).³ Within the State, for the same period, Trinity Mirror generated turnover of [...] from sales of newspapers and sales of advertising to Irish based customers.

¹ The proposed transaction does not include: (i) Channel M, a local Manchester television station, (ii) the Woking News and Mail, and (iii) the Woking Review.

² The UK national newspapers are the Daily Mirror, Sunday Mirror, The People, Daily Record, and the Sunday Record.

³ The exchange rate used for this amount, and subsequent Sterling amounts, is the Irish Central Bank exchange rate for 25 March 2010 of €1 = £0.894.

The Target

6. GMG Regional Media is a UK company comprised of MEN Media and S&B. MEN Media currently publishes local and weekly newspapers, e.g., Manchester Evening News, and also digital and television media within the Greater Manchester area. S&B currently publishes local and weekly newspapers, e.g., Reading Evening Post and Surrey Advertiser, in the south of England.
7. For the year ended 31 March 2009 GMG Regional Media's total turnover was Sterling £94.4 million (approximately €105.6 million). Within the State, for the same period, GMG Regional Media generated turnover of [...], all of which was derived from sales of advertising to Irish based customers.

Third Party Submissions

8. No submissions were received.

Analysis

9. Within the State, there is no horizontal overlap with respect to sales of newspapers given that GMG Regional Media does not circulate its newspapers within the State. However, there is minimal horizontal overlap in respect of the sale of newspaper advertising to customers in the State.
10. The Authority considers that the proposed transaction does not raise competition concerns in the State due to the minimal overlap in the activities of the parties and the availability of significant competitors such as Independent Newspapers (Ireland) Limited, Irish Times Limited, and Thomas Crosbie Holdings Limited (publisher of the Irish Examiner and other titles).

Ancillary Restraints

11. As part of the proposed transaction the Sale and Purchase Agreement includes restrictive covenants on GMG, MEN Media and B&S for a period of two years. The restrictions are a non-solicitation agreement regarding Trinity Mirror staff and a non-compete agreement regarding the publication of newspapers in defined areas in the UK. The Authority considers these restrictions to be directly related and necessary to the implementation of the proposed transaction.

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 Trinity Mirror from the Guardian Media Group ("GMG") of (i) the regional newspaper business of MEN Media and (ii) part of the regional newspaper business of Surrey and Berkshire Media Limited, will not be to substantially lessen competition in any market for goods or services in the State and, accordingly, the acquisition may be put into effect, subject to section 23(9)(a) of the Act.

For the Competition Authority

Dr Stanley Wong
Member of the Competition Authority