



# DETERMINATION OF MERGER NOTIFICATION M/19/009 – MEDIAHUIS/IN&M

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## Section 21 of the Competition Act 2002

### Proposed acquisition by Mediahuis N.V. of sole control of Independent News & Media Public Limited Company.

Dated 10 June 2019

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#### Introduction

1. On 7 May 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 Mediahuis N.V. (“Mediahuis”), would acquire sole control of Independent News & Media Public Limited Company (“IN&M”) (the “Proposed Transaction”).
2. Given that IN&M carries on a “media business”<sup>1</sup> within the State and Mediahuis carries on a “media business” elsewhere<sup>2</sup>, the Commission considers that the Proposed Transaction falls within a class of merger specified for the purposes of section 18(1)(b) of the Act<sup>3</sup> and constitutes a “media merger” for the purposes of Part 3A of the Act.

#### The Proposed Transaction

3. The terms and conditions upon which the Proposed Transaction is to be implemented are recorded in a transaction agreement between Mediahuis and IN&M dated 30 April 2019, (the “Transaction Agreement”).<sup>4</sup>

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<sup>1</sup> As defined in section 28A(1) of the Act.

<sup>2</sup> Mediahuis carries on a “media business” in Belgium and the Netherlands.

<sup>3</sup> As specified by the Competition Act 2002 (Section 18 (5) and (6)) Order 2007, [S.I. 122/2007](#).

<sup>4</sup> The Proposed Transaction was announced on 30 April 2019 pursuant to Rule 2.5 of the Irish Takeover Rules: <https://otp.tools.investis.com/clients/uk/inmp/rns/regulatory-story.aspx?cid=1291&newsid=1257596>



4. It is intended that the Proposed Transaction will be effected by a scheme of arrangement,<sup>5</sup> although Mediahuis may elect, subject to the terms and conditions of the Transaction Agreement, to implement the Proposed Transaction by way of a takeover offer.
5. Pursuant to the Proposed Transaction, Mediahuis will acquire the entire issued share capital of IN&M from its existing shareholders and thereby sole control of IN&M.

### **The Undertakings Involved**

#### *The Acquirer – Mediahuis*

6. Mediahuis is a privately owned European newspaper publishing and broadcast media company, incorporated and headquartered in Belgium. It is jointly owned by Mediahuis Partners N.V., Concentra N.V. and VP Exploitatie.
7. Mediahuis Partners N.V. (formerly known as Corelio N.V.) and Concentra N.V., are active in the Flemish and Belgian press sector. VP Exploitatie, headquartered in the Netherlands, invests in the textile industry, real estate, agricultural, media and energy sector.
8. Mediahuis is ultimately jointly controlled by Ackermans & VanHaaren (“AvH”)<sup>6</sup> and Tradicor N.V.. Only AvH has business activities with turnover attributable to customers located in the State. AvH is active in: (i) marine engineering and contracting; (ii) private banking; (iii) real estate and senior care; (iv) energy and resources; and (v) growth capital.
9. Mediahuis is engaged in the following business activities:
  - i. Publishing fourteen daily news titles throughout Belgium and the Netherlands (none of which are in the English language);

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<sup>5</sup> In accordance with Chapter 1 of Part 9 of the Companies Act 2014, which can be accessed at <http://www.irishstatutebook.ie/eli/2014/act/38/enacted/en/pdf>

<sup>6</sup> AvH jointly owns Mediahuis through its wholly owned subsidiary Sofinim N.V., which jointly owns Mediahuis Partners N.V. with Tradicor N.V..



- ii. broadcasting a number of Dutch and French language TV and radio stations in Belgium;
  - iii. providing printing and distribution services through its subsidiaries Coldset Printing Partners in Belgium and Rotatiedrukkerij Voorburgwal in the Netherlands; and
  - iv. providing advertising services through Mediahuis Connect which acts as a hub for all of Mediahuis's print and online brands in Belgium.
10. The vast majority [...] of Mediahuis's Irish turnover is attributable to [...] by [...] on Mediahuis's Dutch and Belgian websites.<sup>7</sup> Mediahuis's remaining [...] Irish turnover is generated through [...] on Mediahuis's Belgian websites by [...] <sup>8</sup> and the sale of [...] on Mediahuis's websites in the Netherlands to [...] Irish-registered companies.<sup>9</sup>
11. For the financial year ending 31 December 2018, Mediahuis's worldwide turnover was approximately €819 million, of which approximately €[...] million was generated in the State.

#### *The Target – IN&M*

12. IN&M, a public limited company incorporated in the State and listed on the Irish and London Stock Exchanges, is a newspaper and media group. IN&M is engaged in the following business activities on the island of Ireland<sup>10</sup>:
- newspaper publishing - IN&M publishes a range of daily and Sunday newspapers, including the *Irish Independent*, *Sunday Independent*, *Irish Daily Star* and, in Northern Ireland *The Belfast Telegraph*, along with twelve regional papers, including *The Kerryman* and *The Wexford People*;

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<sup>7</sup> [...], to purchase [...].

<sup>8</sup> For the financial year ended 31 December 2018, this turnover was [...].

<sup>9</sup> For the financial year ending 31 December 2018, this revenue totalled [...]. [...].

<sup>10</sup> The Commission described IN&M's business activities in detail in its merger determination in *M/16/044-INM/CMNL* which can be accessed at: <https://www.cpc.ie/business/mergers-acquisitions/merger-notifications/m16044-inmcmnl/>



- on-line news services - as well as offering advertising through its newspapers and online news services, IN&M owns a number of websites which host on-line classified advertisements <sup>11</sup>;
- newspaper contract printing; and
- wholesaling and distribution of newspapers and stationery, and the provision of merchandising solutions, through its subsidiary Newsread Limited.

13. For the financial year ending 31 December 2018, IN&M's worldwide turnover was approximately €191 million, of which €158 million was generated in the State.

#### **Rationale for the Proposed Transaction**

14. The parties state in the notification that:

*“The acquisition of INM constitutes Mediahuis’s first investment in the Irish media sector. The Proposed Transaction will add an established and geographically complementary media and newspaper group to Mediahuis’s existing portfolio of diversified media interests in Belgium and the Netherlands. The Proposed Transaction will also allow Mediahuis to invest in expanding and developing INM’s current operational and digital capabilities, while maintaining the identity, independence and editorial integrity of INM’s newspaper titles and media brands.”*

*“From INM’s perspective, the Proposed Transaction represents an opportunity for shareholders to realise a fair valuation for their shareholding, while ensuring that INM is able to meet its strategic objectives as part of a highly regarded European media group, with the resources and expertise to invest in the INM business. The Proposed Transaction also ensures that INM’s titles will continue to deliver journalism of the highest quality.”*

#### **Third Party Submissions**

15. No submission was received.

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<sup>11</sup>These include websites for car sales ([carsireland.ie](http://carsireland.ie)), holidays ([clickandgo.com](http://clickandgo.com)), recruitment ([nijobfinder.co.uk](http://nijobfinder.co.uk) and [recruitni.com](http://recruitni.com)) and property ([propertynews.com](http://propertynews.com)). With the exception of [carsireland.ie](http://carsireland.ie), the majority of these classified websites are focused on consumers and advertisers in Northern Ireland.



## **Competitive Assessment**

### *Horizontal Overlap*

16. There is no horizontal overlap between the parties' activities in the State. Although both parties provide online advertising services to Irish based companies, Mediahuis's online advertising is placed on its Belgian and Dutch websites and none of its content is aimed at English speakers. Therefore, the Commission considers that there is no horizontal overlap between the parties' activities in the State.
17. In light of the above, the Commission considers that the Proposed Transaction is unlikely to raise any horizontal competition concerns in the State.

### *Vertical relationship*

18. The notifying parties state in the notification that there is no vertical relationship between Mediahuis and IN&M. The Commission has not identified any vertical relationship between the parties.
19. In light of the above, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

## **Conclusion**

20. In light of the above, the Commission considers that the Proposed 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 Mediahuis N.V. would acquire sole control of Independent News & Media Public Limited Company, 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)<sup>12</sup> of the Competition Act 2002, as amended.

For the Competition and Consumer Protection Commission

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

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<sup>12</sup> Section 28C(1) of the Competition Act 2002, as inserted by section 74 of the Competition and Consumer Protection Act 2014.