

Completed acquisition by GTCR of PR Newswire

Decision that undertakings might be accepted

ME/6619/16

Introduction

1. On 16 June 2016, GTCR LLC (**GTCR**), through its subsidiary PWW Acquisition LLC, acquired PR Newswire Europe Ltd¹ and a number of other target companies and assets constituting the PR Newswire business (**PR Newswire**) (the **Merger**).
2. On 20 June 2016, the Competition and Markets Authority (**CMA**) decided under section 22(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger constitutes a relevant merger situation that has resulted or may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).
3. On 20 June 2016, GTCR offered undertakings to the CMA for the purposes of section 73(2) of the Act.
4. The CMA now gives notice, pursuant to section 73A(2)(b) of the Act, to GTCR that it considers that there are reasonable grounds for believing that the undertakings offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it is considering the offer.

The undertakings offered

5. Under section 73 of the Act, the CMA may, instead of making a reference, and for the purpose of remedying, mitigating or preventing the SLC concerned or any adverse effect which has or may have resulted from it or may be expected to result from it, accept from such of the merger parties concerned

¹ Including PR Newswire Brazil Ltda, PR Newswire Argentina SA, NotilogPRN Argentina SA, PR Newswire S. de RL de CV, Hors Antenne Holdings SAS, Cyperus SA, PR Newswire Asia Ltd, PRN Business Consulting (Shanghai) Co. Ltd, PRN Delaware Inc, PR Newswire Middle East Ltd, PRNnet (and their subsidiaries) and the PRN India Business (meaning the trade or business of the PR Newswire business, comprising the newswire, public relations, investor relations and related business conducted by UBM plc and its affiliates in India).

as it considers appropriate undertakings to take such action as it considers appropriate.

6. The SLC Decision found that, prior to the Merger, GTCR (through its subsidiary Gorkana) and PR Newswire (through its subsidiary Agility) were competing in the supply of media contact databases (**databases**) and that the Merger would remove the rivalry between the two. The CMA found that the Merger gives rise to a realistic prospect of an SLC in relation to the supply of databases in the UK. To address this SLC, GTCR has offered to divest the entire Agility business, including employees, customer contracts and intellectual property, to Innodata (the **Proposed Undertakings**). Under the Proposed Undertakings, GTCR has also entered into a purchase agreement with Innodata, conditional on CMA approval, before the CMA's final acceptance of the Proposed Undertakings (**Upfront Buyer Condition**).
7. The Upfront Buyer Condition means that the CMA will consult publicly on the suitability of the nominated buyer, as well as other aspects of the Proposed Undertakings.²
8. GTCR has nominated Innodata as an upfront buyer.

The CMA's provisional views

9. The CMA considers that undertakings in lieu of a reference are appropriate when they are clear-cut and capable of ready implementation. The CMA's starting point when assessing undertakings is to seek an outcome that restores competition to the level that would have prevailed absent the merger.³
10. The CMA considers that the Proposed Undertakings, or a modified version of them, might be acceptable as a suitable remedy to the SLC identified by the CMA, given that they remove the Parties' overlap in the supply of databases in the UK, and may place Innodata in an equivalent competitive position in the supply of databases to that of PR Newswire currently. As such, the Proposed Undertakings may result in replacing the competitive constraint provided by PR Newswire that would otherwise be lost following the Merger.
11. The CMA also believes at this stage that the Proposed Undertakings may be capable of ready implementation, in particular in light of the fact that GTCR

² See [OFT1122](#), paragraphs 5.31–5.37, and [CMA2](#), paragraph 8.34.

³ [Mergers: Exceptions to the duty to refer and undertakings in lieu of reference guidance \(OFT1122\)](#), December 2010, Chapter 5 (in particular paragraphs 5.7–5.8 and 5.11). This guidance was adopted by the CMA (see [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#), January 2014, Annex D).

has already agreed the sale of the Agility business with Innodata as part of a proposed settlement to alleviate the United States' Department of Justice's competition concerns.

12. For these reasons, the CMA currently considers that there are reasonable grounds for believing that the Proposed Undertakings, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act.

Consultation process

13. Full details of the undertakings offered will be published in due course when the CMA consults on the undertakings offered as required by Schedule 10 of the Act.⁴

Decision

14. The CMA therefore considers that there are reasonable grounds for believing that the Proposed Undertakings offered by GTCR, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act. The CMA now has until 30 August 2016 pursuant to section 73A(3) of the Act to decide whether to accept the undertakings, with the possibility to extend this timeframe pursuant to section 73A(4) of the Act to 25 October 2016 if it considers that there are special reasons for doing so. If no undertakings are accepted, the CMA will refer the Merger for a phase 2 investigation pursuant to sections 22(1) and 34ZA(2) of the Act.

Sheldon Mills
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⁴ [CMA2](#), paragraph 8.29.