

Completed acquisition by GTCR of PR Newswire

Decision on acceptance of undertakings in lieu of reference

ME/6619/16

The CMA's decision to accept undertakings in lieu of reference under section 73(2) of the Enterprise Act 2002 given on 8 July 2016. Full text of the decision published on 14 July 2016.

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 in lieu of reference to the CMA for the purposes of section 73(2) of the Act.
4. The CMA gave notice to GTCR on 21 June 2016, pursuant to section 73A(2)(b) of the Act, that it considered that there were 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 was considering GTCR's offer (the **UILs Notice**).

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).

5. The text of the SLC Decision and the UILs Notice are available on the CMA webpages.²

The undertakings offered

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.
7. To address the SLC identified by the CMA, GTCR has offered undertakings to divest the Agility Business (the **Divestment Business**) to Innodata, as set out in the UILs notice and the consultation in Annex 1 below (the **UILs**).
8. GTCR has also entered into an agreement for the sale and purchase of the Divestment Business with Innodata, an upfront buyer, before the CMA's final acceptance of the UILs.

Consultation

9. On 22 June 2016, pursuant to paragraph 2(1) of Schedule 10 to the Act, the CMA published the UILs, inviting interested parties to give their views on the UILs and Innodata as the proposed purchaser of the Divestment Business.³ For the reasons set out in the consultation, the CMA's preliminary view was that the UILs would resolve the SLC identified in the SLC decision in a clear-cut manner and that Innodata is a suitable purchaser.⁴
10. The CMA received no submissions during the consultation period. Accordingly, nothing has caused the CMA to change its preliminary view that the UILs would be clear-cut and appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC Decision and that Innodata is a suitable purchaser of the Divestment Business.

Decision

11. For the reasons set out above, the CMA considers that the UILs provided by

² See the [GTCR/PR Newswire](#) case page.

³ The full consultation text was published on the [GTCR/PR Newswire](#) case page.

⁴ *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).

GTCR are as comprehensive a solution as is reasonable and practicable to remedy, mitigate or prevent the SLC identified in the SLC Decision and any adverse effects resulting from it. The CMA has therefore decided to accept the UILs offered by GTCR pursuant to section 73 of the Act. The Merger will therefore not be referred for a phase 2 investigation.

12. The undertakings, which have been signed by GTCR and will be published on the CMA webpages,⁵ will come into effect from the date of this decision.

Sheldon Mills
Senior Director, Mergers
Competition and Markets Authority
8 July 2016

⁵ See the [GTCR/PR Newswire](#) case page.