

REFERENCE RELATING TO THE COMPLETED ACQUISITIONS BY BAUER MEDIA GROUP OF CERTAIN BUSINESSES OF CELADOR ENTERTAINMENT LIMITED, LINCS FM GROUP LIMITED AND WIRELESS GROUP LIMITED, AS WELL AS THE ENTIRE BUSINESS OF UKRD GROUP LIMITED

Notice of provisional findings made under Rule 11.3 of the Competition and Markets Authority Rules of Procedure¹

1. On 7 August 2019, the Competition and Markets Authority (**CMA**), made a reference to its chair for the constitution of a group of CMA panel members (the **Inquiry Group**)² in accordance with section 22 of the Enterprise Act 2002 (the **Act**), regarding the completed acquisitions by Heinrich Bauer Verlag KG (trading as Bauer Media Group (**Bauer**)) of certain businesses of Celador Entertainment Limited, Lincs FM Group Limited and Wireless Group Limited (**Wireless**), as well as the entire business of UKRD Group Limited (**UKRD**), and requiring it to report within a period ending on 21 January 2020. This period was subsequently extended until 17 March 2020 under section 39(3) of the Act.
2. The four acquisitions are collectively referred to as the **Acquisitions**, and individually they are referred to as an **Acquisition**.
3. As part of the UKRD Acquisition, Bauer obtained a 50% shareholding in First Radio Sales Limited (**FRS**), a sales house for over 100 local commercial radio stations.

Provisional findings

4. The CMA Inquiry Group appointed to consider this reference has made the following provisional findings on the statutory questions it has to decide pursuant to section 35(1) of the Act:

(a) Each of the Acquisitions has resulted in the creation of a relevant merger situation.

¹ See [Rules of procedure for merger, market and special reference groups: CMA17](#).

² Under Schedule 4 to the Enterprise and Regulatory Reform Act 2013.

- (b) The Acquisitions, as a result of each of Bauer's acquisition of the ability to exercise material influence over FRS and its acquisition of a large proportion of FRS' customers, have resulted, or may be expected to result in an SLC in the market for the supply of representation for national advertising to independent radio stations in the UK.
- (c) Because the Inquiry Group expects that FRS would have eventually exited the market absent the Acquisitions, the substantial lessening of competition provisionally identified and referred to in paragraph 4(b) above is expected to apply for a period of up to 10 years.
- (d) Additionally, the Wireless Acquisition has resulted, or may be expected to result, in a substantial lessening of competition in the supply of local radio advertising in the Wolverhampton area.
5. The Inquiry Group's reasons are set out in full in the provisional findings report, which is attached to this notice, and are summarised in the summary of the provisional findings report (see note below).

The next steps

6. Anyone wishing to comment on the provisional findings is now invited to provide the Inquiry Group with their reasons in writing as to why these provisional findings should not become final (or, as the case may be, should be varied).
7. These reasons should be received by the Inquiry Group no later than 12.00 on **Monday 6 January 2020**.
8. The Inquiry Group will have regard to any such reasons in making its final decisions on the statutory questions and any consequential actions. However, the Inquiry Group shall not be obliged to take into account reasons which are provided after the deadline specified in paragraph 7 above.
9. The Inquiry Group is also publishing a notice of possible remedies which sets out the actions which it considers might be taken by the CMA to remedy the substantial lessening of competition and resultant adverse effects provisionally identified.

Stuart McIntosh

Inquiry Group Chair

5 December 2019

Note: A copy of this notice, the summary of the provisional findings report, the full provisional findings report, and the notice of possible remedies will be placed on the CMA website on 5 December 2019. The published version of the provisional findings report will not contain any information which the Inquiry Group considers should be excluded from the report, having regard to the three considerations set out in section 244 of the Act. These omissions are indicated by [X].

Comments should be made by email to BauerMedia-inquiries@cma.gov.uk or in writing to:

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