

Daily Mail and General Trust plc

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The Rt. Hon Nicky Morgan
Secretary of State for Digital, Culture, Media and Sport
100 Parliament Street
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By registered signed for post

Dear Ms Morgan,

Acquisition of the *i* newspaper by Daily Mail and General Trust Plc ("DMGT")

As you will no doubt be aware, on 29 November 2019 DMGT acquired JPIMedia Publications Ltd, better known as the owner and operator of the *i* newspaper and inews.co.uk.

DMGT owns the *Daily Mail*, *The Mail on Sunday* and *Metro* newspapers, along with their associated websites. It also has interests outside the UK consumer media sector, and is active across many countries in areas including insurance risk, education technology and events.

DMGT is delighted to welcome the *i* to its stable of media brands. It is committed to preserving its distinctive, high-quality and politically independent editorial style. It also considers that the business will benefit from DMGT's long-term approach and commitment to investing in editorial content.

As you will appreciate, professional quality journalism is very expensive. DMGT has an unrivalled record, as a successful media company, in growing the number of journalists it employs.

I understand that you are considering, or will shortly be considering, whether to intervene in the transaction on public interest grounds. I wanted to take this opportunity to set out very briefly why DMGT does not consider that such an intervention would be necessary. I also want to offer to provide any further information that would assist you in reaching a decision on this matter.

As you may know, DMGT has chosen to submit a (voluntary) merger notification in relation to the transaction, and has been engaging constructively with the Competition and Markets Authority ("CMA") from the date of announcement. DMGT is confident that the transaction does not give rise to any substantive competition concerns, for reasons set out in detail in the draft notification that has already been submitted to the CMA. In particular, in the main area of overlap between the parties, national print newspapers, the *i* is only a small player (with less than a 5% market share) and by no means a close competitor to DMGT (with the titles targeting different demographic groups and differing significantly in content and tone).

DMGT will continue to be constrained by a number of strong print competitors, as well as a range of other media, including online news, the TV and the radio.

DMGT is similarly confident that the transaction could not conceivably give rise to any public interest concerns, including in relation to plurality or free expression.

As you know, Ofcom produced a detailed report last year on the public interest implications of the acquisition by Trinity Mirror of certain publishing assets of Northern & Shell Media Group, including the *Daily Express* and the *Star* (the 2018 Report). This was the first time that Ofcom had been asked to assess plurality in relation to a newspaper transaction, and its findings were very clear.

Ofcom stressed that a thriving newspaper industry plays a vital role in the democratic process, but that newspapers face significant financial challenges as news production and consumption (as well as crucial advertising revenues) move online. Against this backdrop, Ofcom observed that the consolidation of print publishers offers a means to support the continued availability of newspaper titles and the range of opinions that they represent.

This is even more true today than it was then, with print circulation having continued to decline and the consumption of news through other media having continued to grow. This trend was acknowledged in the report that Ofcom produced earlier this year (the 2019 Report) in relation to the acquisition of stakes in entities owning the *Independent* and the *Evening Standard*. Ofcom quickly gave both acquisitions a clean bill of health from a public interest perspective, and it is even clearer that this transaction does not present any concerns.

As regards plurality, the transaction will not bring about any reduction in the number of news sources available in the UK: DMGT has publically expressed its commitment to maintaining the *i* as a title. What is more, DMGT will remain a small player in the consumption of news on a cross-media basis (far behind the BBC, for example), and one of a number of players on a newspaper-only basis (behind News UK). Importantly, the *i* has a limited reach and impact on any relevant metric (barely warranting a mention in either the 2018 Report or the 2019 Report). As such, this transaction is not capable of having any material effect on plurality.

As regards free expression of opinion, DMGT has publically committed to preserving the *i*'s politically independent editorial style. The *i*'s current editor, Oly Duff, remains in place and will be afforded full independence, as is the case for all DMGT editors. Mr Duff himself echoed these sentiments in a series of tweets shortly after the transaction was announced.

DMGT's staunch commitment to editorial independence is borne out by its record. The 2016 referendum on the UK's membership of the European Union provides a good example: the *Daily Mail* was a prominent supporter of Brexit, *The Mail On Sunday* supported the remain vote and *Metro* maintained a neutral position. DMGT's titles therefore represented all sides of that debate.

In addition, and apart from anything else, it makes sound commercial sense for DMGT to preserve the *i*'s current positioning. Any perceived change to the *i*'s political neutrality, or interference with its editorial independence, would alienate its readership, with knock-on consequences for advertising revenue streams, affecting DMGT's bottom line.

As you will know, Government guidance published at the time the current public interest regime was brought in makes clear that "*the number of cases in which the Secretary of State will find it necessary to intervene on the basis of newspaper public interest considerations [...] is likely to be small*". For the reasons set out above, I respectfully submit that this should not be such a case.

Yours sincerely,



on behalf of Daily Mail and General Trust plc