



Department  
for Culture,  
Media & Sport

By email

Media and Creative Industries  
Directorate  
4th Floor  
100 Parliament Street  
London SW1A 2BQ

[www.gov.uk/dcms](http://www.gov.uk/dcms)

Ultimate Investment Holdings Limited



30 November 2023

## **PUBLIC INTEREST INTERVENTION NOTICE - ANTICIPATED ACQUISITION OF THE TELEGRAPH MEDIA GROUP LIMITED BY REDBIRD IMI**

I refer to **Weil, Gotshal & Manges'** letter of 23 November 2023 and our further correspondence, provided in response to our letter of 22 November 2023 which set out that the Secretary of State for Culture, Media and Sport ("the Secretary of State") was minded to issue a public interest Intervention Notice ("PIIN") under section 42 of the Enterprise Act 2002 in relation to the Redbird IMI 'rescue package' for the Telegraph Media Group Ltd (TMG).

The Secretary of State can now confirm that, for the reasons set out below, she has issued the enclosed PIIN in relation to the proposed acquisition of the Telegraph Media Group Ltd (TMG) by Redbird IMI Media Joint Venture, LLC. Accordingly, the Secretary of State has asked the Competition and Markets Authority and Ofcom to report to her, in accordance with sections 44 and 44A of the Act respectively, by midnight at the end of 26 January 2024 on the following public interest considerations specified in section 58:

- The need for: (a) accurate presentation of news; and (b) free expression of opinion in newspapers (section 58(2A)).

The PIIN is enclosed and will be published on gov.uk later today.

Please note that references to sections in this letter are to sections of the Enterprise Act 2002 ("the Act"). References to "the Guidance" are to the "Enterprise Act 2002: public interest intervention in media mergers - guidance on the operation of the public interest

merger provisions relating to newspaper and other media mergers”, published by the Department for Trade and Industry, May 2004.

### **Creation of a relevant merger situation**

We have been provided information by you, Lloyds Banking Group and Redbird IMI which confirms that the debt repayment arrangements are in progress in relation to borrowing made by Penultimate Investment Holdings Ltd. [REDACTED]

[REDACTED] On completion of these arrangements, the appointment of receivers would end. This would result in the Barclay family, via entities they control, regaining control of the parent companies of TMG.

Following the completion of the debt repayment arrangements Redbird IMI and May Corporation Ltd (a parent company of TMG) will enter into an agreement conferring an option on Redbird IMI to acquire TMG. The completion of the exercise by Redbird IMI of this option would result in two or more enterprises (TMG and Redbird IMI) ceasing to be distinct enterprises by being brought under common ownership.

Redbird IMI have told us there is a draft Option Agreement in place [REDACTED]

[REDACTED] We can therefore be satisfied that arrangements are in contemplation which, if carried out, will result in a relevant merger situation.

As a result, the Secretary of State has reasonable grounds for suspecting that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.

### **Public interest considerations**

#### The need for accurate presentation of news and free expression of opinion in newspapers

As a result of the creation of the relevant merger situation, Redbird IMI would gain ownership and control over TMG and therefore The Telegraph and Sunday Telegraph newspapers (the Newspapers). The Secretary of State is concerned about the potential influence RedBird IMI and International Media Investments (IMI is the majority stakeholder in Redbird IMI and IMI is privately owned by a member of the UAE government) over TMG which could affect the free expression of opinion and accurate presentation of news in the Newspapers.

In accordance with paragraph 5.5 of the Guidance, the impact of the relevant merger is likely to be assessed by reference of past behaviour by the enterprises in question, or by the persons with control of such enterprises. As such, the Secretary of State is concerned about the potential for influence over the Newspapers’ newspaper operations, including editorial operations, given that the aforementioned parties connected to Redbird IMI have links to or control of media organisations that have been critiqued with regard to the accuracy of their presentation of news and/or freedom of expression.

The Secretary of State notes the representations from RedBird IMI that they, and in particular IMI, will have no material influence over TMG including our understanding that RedBird IMI is prepared to make a legally binding undertaking to the government that IMI will remain a fully passive investor and would not exercise any control over the Telegraph.

The Secretary of State considers that further investigation is needed, given the limited information she has seen and the lack of detail about the proposals, to fully consider this public interest consideration and whether any undertakings relating to editorial independence and ensuring IMI has no operational involvement, including editorial influence, in TMG are sufficient to address the public interest concerns. She also notes that any voluntary provisions may be changed, but that if she issues a PIIN then she may be able to consider accepting statutory undertakings from Redbird IMI in lieu of a Phase 2 reference in relation to these matters.

The Secretary of State continues to believe that it is or may be the case that the need for accurate presentation of news and free expression of opinion in newspapers is relevant to consideration of this relevant merger situation.

## **Conclusion**

For the reasons set out above, the Secretary of State has reasonable grounds for suspecting that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and believes that it is or may be the case that the need for accurate presentation of news and free expression of opinion in newspapers are relevant to the consideration of the merger and has issued a PIIN accordingly.

Please note that the role of the Secretary of State in this process is quasi-judicial and procedures are in place to ensure that she acts independently and follows a process which is scrupulously fair, transparent and impartial.

Yours sincerely

*Signed*

A large black rectangular redaction box covering the signature of the Secretary of State.

Encl. Public Interest Intervention Notice