



Department
for Culture,
Media & Sport

By email

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www.gov.uk/dcms

[REDACTED]

24th January 2024

Proposed restructuring relating to call option holder for proposed acquisition of Telegraph Media Group

We received from [REDACTED] solicitors to Redbird IMI, submissions on Thursday 18th and Friday 19th January 2024, which set out changes to their corporate structure, which have taken effect as of Monday 22nd January 2024.

On 30th November 2023, the Secretary of State for Culture, Media and Sport issued a Public Interest Intervention Notice (PIIN) in relation to the proposed acquisition by Redbird IMI Media Joint Venture, LCC, of the Telegraph Media Group Limited ("TMG"). The PIIN issued on 30th November 2023 and the Pre-emptive Action Order made on 1st December 2023 remain in force.

By an agreement dated 23rd January 2024, Redbird IMI has changed the structure such that a new English limited partnership, RB IMI AIV Limited Partnership, will be holding all the shares in RB Investco, rather than RedBird IMI Media Joint Venture LLC. This restructure creates a new relevant merger situation (RMS).

We note the very late stage in the process at which information about this new corporate structure has been shared and implemented. We do not consider this is conducive to the full and proper functioning of the process. We expect the Parties to ensure that all the relevant authorities have timely access to all relevant information, and in sufficient detail, in order that they, and subsequently the Secretary of State, can make their determinations.

Creation of a new relevant merger situation:

As a result of the information provided in the correspondence [REDACTED], the Secretary of State considers that there are reasonable grounds for suspecting that arrangements are in progress or contemplation which, if carried into effect, will result in the

creation of a new relevant merger situation (the “new RMS”).

Public interest considerations:

As was the case under the previous PIIN, under the new corporate structure, RB Investco - as a subsidiary of RB IMI AIV Limited Partnership - would, in this new RMS, still gain ownership and control over TMG and therefore The Telegraph and Sunday Telegraph newspapers (the Newspapers). IMI remains the majority stakeholder in both RB Investco and RB IMI AIV Limited Partnership; and IMI is privately owned by a member of the UAE government. The Secretary of State therefore remains concerned about the potential influence of International Media Investments (“IMI”) over TMG which could affect the free expression of opinion and accurate presentation of news in the Newspapers. We note from correspondence [REDACTED] on behalf of RB IMI that the new corporate structure is intended to enshrine the passive nature of IMI’s investment. However, there are certain reserved matters where IMI consent will still be required under the partnership agreement. We also note RB IMI’s assertion that there is no change to the identity, nature of economic interests of the ultimate economic shareholders of RB Investco Limited.

Taking into account the information that has been provided, including the information about the economic ownership of the new corporate structure, the Secretary of State considers that it is or may be the case that a public interest consideration specified in section 58, namely the need for accurate presentation of news and free expression of opinion, is relevant to a consideration of the new RMS.

Conclusion

The Secretary of State is accordingly minded to conclude that the public interest consideration specified in this letter may be relevant to a consideration of the new RMS, and that the appropriate course is for her to receive reports from the CMA and Ofcom before deciding whether to make a reference under section 45 for a more detailed consideration of these matters by the CMA.

You now have the opportunity to provide further representations in writing. Any such representations should be sent to me by email at [REDACTED] by 9.00am GMT on Thursday 25th January 2023. The Secretary of State will consider these representations before taking a final decision on whether to issue a PIIN in respect of the merger.

Yours sincerely

Signed

[REDACTED]