



Department
for Culture,
Media & Sport

By email

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[names of solicitors redacted]

24th January 2024

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

I refer to your email to us sent on Friday 19th January 2024, which enclosed an attachment setting out an addendum to the submission on Editorial Trust and New Corporate Structure sent to DCMS on Thursday 18th January 2024. In the attachment to the email of 19th January, you noted that Redbird IMI Media Joint Venture, LLC (a Delaware limited liability corporation) is the current sole shareholder of RB Investco Limited (the call option holder). Under the new corporate structure proposed in the submission and the addendum, you advised that Redbird IMI Media Joint Venture would be replaced by a new English limited partnership, RB IMI AIV Limited Partnership, with RB Investco Limited as a subsidiary of this new partnership. Your correspondence confirmed that the identity, nature and economic interests of the ultimate shareholders of RB Investco Limited remain unchanged. On 23rd January 2024 you sent us a copy of the signed limited partnership agreement of that date putting the new structure into effect.

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 the limited partnership agreement dated 23rd January 2024, you have changed the structure such that the new English limited partnership now holds all the shares in RB Investco, rather than the Delaware company. 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 that you have provided in the correspondence listed above, 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 that your submission states that the new corporate structure clarifies that IMI has absolutely no management or operational rights or responsibilities in respect of the Partnership or the TMG companies. We note furthermore that you state that the passive nature of IMI’s investment is enshrined in the law on limited partnerships and the limited partnership agreement. However, we also note that there are certain reserved matters where IMI consent will still be required under the partnership agreement. We also note that your submission states 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 you have 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 new RMS.

Yours sincerely

Signed

[REDACTED]