



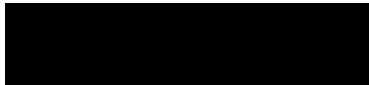
Department
for Culture,
Media & Sport

By email

DCMS Media Team
4th Floor
100 Parliament Street
London SW1A 2BQ

www.gov.uk/dcms

Penultimate Investment Holdings Limited



26 January 2024

PUBLIC INTEREST INTERVENTION NOTICE - ANTICIPATED ACQUISITION OF THE TELEGRAPH MEDIA GROUP LIMITED BY RB INVESTCO LIMITED

I refer to your letter of 25 January 2024 in response to our letter of 24 January 2024 which set out that the Secretary of State for Culture, Media and Sport (“the Secretary of State”) was minded to issue a new public interest Intervention Notice (“PIIN”) under section 42 of the Enterprise Act 2002 in relation to RB Investco Limited’s anticipated acquisition of the Telegraph Media Group Ltd (TMG). Our letter was itself in response to correspondence from Gibson Dunn over the last week notifying us of a corporate restructure that has resulted in a new relevant merger situation which is different to the relevant merger situation stated in the PIIN that was issued on 30 November 2023.

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.

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 RB Investco Limited (including any of its parent, subsidiary or interconnected undertakings). 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, on the following public interest considerations specified in section 58 of the

Act. Having consulted the CMA and Ofcom on the time they need to conduct the necessary investigations, the Secretary of State has requested to receive their reports by 9.00am GMT on 11 March 2024.

- 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.

Creation of a relevant merger situation

The Secretary of State has noted your representations and that of RedBird IMI. As a result of the information provided to her, 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 (RMS). That RMS is not the same as the RMS referred to in the PIIN of 30 November 2023, which related specifically to the proposed acquisition of TMG by Redbird IMI Media Joint Venture, LCC. Following the restructure, Redbird IMI Media Joint Venture, LCC is no longer part of the corporate structure of the proposed acquisition of TMG, as it has been replaced by RB IMI AIV Limited Partnership. The TMG investment will therefore no longer be held under the Redbird IMI Joint Venture, but under this new holding entity. As a result of RB Investco Limited being transferred to RB IMI AIV Limited Partnership, on completion of the call option this Partnership will own TMG.

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, RB Investco Limited would gain ownership and control over TMG and therefore The Telegraph and Sunday Telegraph newspapers (the Newspapers).

The Secretary of State notes the content of your submission and that of RedBird IMI and the rationale for this change. However, as was the case under the PIIN issued on 30 November, 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.

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 has carefully noted your representations and those of RedBird IMI. However, the Secretary of State considers that further investigation is needed to fully consider how the structural changes which RedBird IMI have made affect the 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.

PIIN issued on 30 November 2023

Today DCMS has also written to Ofcom and the CMA to extend the deadline for reports in relation to the Secretary of State's PIIN of 30 November 2023 so as to align with the deadline for the reports she has requested in relation to the new PIIN. This deadline is therefore now 9.00am GMT 11 March 2024.

Yours sincerely

Signed

A large black rectangular redaction box covering the signature area.

Encl. Public Interest Intervention Notice