

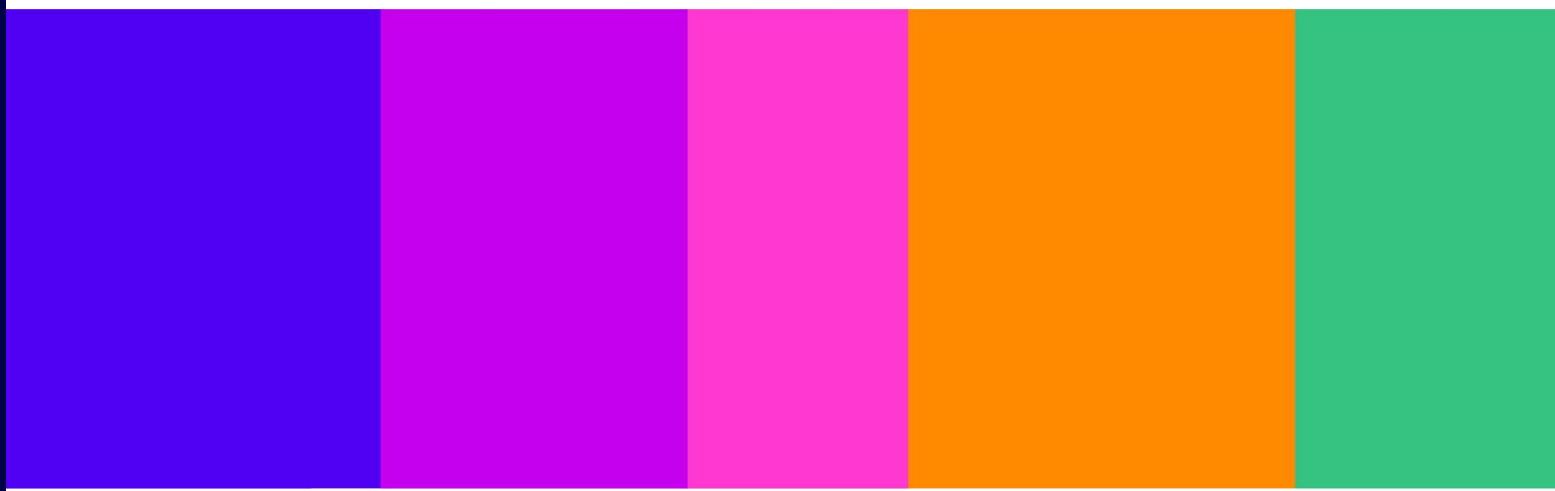
Public interest test on the proposed acquisition by RB Investco of the Telegraph Media Group

Ofcom's advice to the Secretary of State

Non-confidential version

Errata corrected, on 15 March 2024, from version submitted to the Secretary of State on 11 March 2024

Submitted on 11 March 2024



Contents

Section

1. Overview.....	3
2. Introduction.....	5
3. Market and regulatory context	13
4. The Transaction	27
5. Our approach.....	32
6. Incentives to influence	36
7. Ability to influence	55
8. Conclusion	79

Annex

A1. Summary of responses	81
A2. Ofcom News Consumption Survey Methodology	85
A3. Additional analysis of governance arrangements.....	88
A4. Glossary	94
A5. Errata	96

1. Overview

- 1.1 This report comprises our advice to the Secretary of State for Culture, Media and Sport on whether the proposed acquisition of the Telegraph Media Group Limited (“TMG”) by RB Investco Limited (“RB Investco”) and/or any of its parent, subsidiary and interconnected undertakings, including RB IMI AIV LP, would operate against the public interest.
- 1.2 TMG is the owner of The Daily Telegraph and The Sunday Telegraph newspapers which together with the websites and app we refer to as the “Telegraph Titles”.
- 1.3 On 2 December 2023, RedBird IMI Media Joint Venture, LLC (“RedBird IMI Joint Venture”), via its subsidiary, RB Investco, was granted an option to purchase the entire issued share capital of TMG. This transaction was the subject of a Public Interest Intervention Notice issued by the Secretary of State on 30 November 2023 under section 42(2) of the Enterprise Act 2002 (“30 November PIIN”).
- 1.4 On 23 January 2024, RedBird IMI Joint Venture transferred its interest in RB Investco to RB AIV GP LLC (“RB General Partner”), holding on behalf of a limited partnership, RB IMI AIV LP (“RedBird IMI Partnership”).
- 1.5 On 26 January 2024, the Secretary of State issued a Public Interest Intervention Notice under section 42(2) of the Act in relation to the potential relevant merger situation arising from the proposed acquisition of TMG by RB Investco, and/or any of its parent undertakings, subsidiary undertakings, or interconnected undertakings, including RedBird IMI Partnership (“26 January PIIN”). The Secretary of State asked Ofcom to report by 11 March 2024 on the effects of the arrangements on the following public interest considerations:
 - a) The need for accurate presentation of news in newspapers; and
 - b) The need for free expression of opinion in newspapers.
- 1.6 This report relates to the 26 January PIIN in respect of the proposed acquisition of TMG by RB Investco and others, including RedBird IMI Partnership. We have reported separately in respect of the 30 November PIIN.

Our Advice – in brief

The Telegraph Titles have significant influence in the UK

The Telegraph Titles are important and influential UK media assets which have been central to many recent major policy debates. The Telegraph Titles regularly break stories of national and international importance. Their political and current affairs reporting and opinion pages play a role in setting the wider news agenda. The titles play a particularly influential role in the development and debate of conservative policies in UK politics.

We consider it is or may be the case that the potential merger situation may be expected to operate against the public interest, having regard to the public interest considerations

RedBird IMI Partnership, via its interest in RB Investco, will own and manage TMG. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

We have

focussed most of our analysis on IMI's role in the transaction and considered the incentives and ability for it to act against the public interest.

There is significant overlap in personnel between IMI and the Government of the UAE. Our view is that this gives IMI a clear incentive to influence the editorial line of the Telegraph Titles in a way that could potentially act against the public interest in the UK by influencing the accurate presentation of news and free expression of opinion.

The formal agreements underpinning the RedBird IMI Partnership, overall, limit the formal routes that would give IMI the ability to influence TMG in a manner that would act contrary to the public interest. However, there are certain weaknesses in the arrangements, which could be exploited by IMI should it wish.

Even if these weaknesses were to be addressed, IMI's ability to exercise influence over TMG has to be considered within the context of potential substantial future investments by the Joint Venture, [REDACTED]

[REDACTED] We consider that these factors alone may give IMI the ability to exercise influence over editorial decisions by TMG so as to adversely impact the accuracy of news and free expression of opinion.

We have concluded that it is or may be the case that the proposed transaction may be expected to operate against the public interest. **We consider that these concerns may justify a reference to the Competition and Markets Authority for further analysis on the grounds of accurate presentation of news and free expression of opinion.**

Additional Considerations

RedBird IMI Joint Venture proposed undertakings in respect of the transaction which is the subject of the 30 November PIIN. These are summarised in our report on that transaction.

We understand that the parties may be willing to offer some version of these undertakings which take account of the new ownership structure for TMG, which is the subject of this report. However, we have not seen a revised version. In any event, our work in the time available has been on whether the transaction raises public interest concerns which warrant further investigation. The Secretary of State could only accept undertakings if she considered that this were the case.

We have therefore not considered in this report the merits of the undertakings proposals we received prior to the restructuring. We can undertake further analysis on any proposed undertakings in order to advise on them, should the Secretary of State wish us to do so.

2. Introduction

The Public Interest Intervention Notice

- 2.1 On 30 November 2023, the Secretary of State issued a Public Interest Intervention Notice in relation to the potential relevant merger situation arising from the proposed acquisition by RedBird IMI Joint Venture of TMG, which we refer to as the “30 November PIIN”. TMG is the owner of the Telegraph Titles.
- 2.2 The 30 November PIIN related to the grant to RedBird IMI Joint Venture, via its wholly owned subsidiary RB Investco, of a call option to purchase the entire issued share capital of TMG. On 23 January 2024, RedBird IMI Joint Venture transferred its interest in RB Investco to the RB General Partner, holding on behalf of the RedBird IMI Partnership.
- 2.3 Following this restructure, on 26 January 2024, the Secretary of State issued a Public Interest Intervention Notice under section 42(2) of the Act in relation to the potential relevant merger situation arising from the proposed acquisition by RB Investco. The 26 January PIIN specified the following public interest considerations as potentially relevant to the relevant merger situation identified:
- a) the need for accurate presentation of news (the “accurate presentation of news ground”);¹ and
 - b) the need for free expression of opinion in newspapers (the “free expression ground”).²
- 2.4 Ofcom is required to report to the Secretary of State under section 44A of the Act by 9am on 11 March 2024.
- 2.5 This report comprises Ofcom’s advice to the Secretary of State on the 26 January PIIN in respect of the proposed acquisition of TMG by RB Investco and others, including RedBird IMI Partnership.

Ofcom’s role

- 2.6 Our role is to conduct an initial investigation into the public interest considerations and to provide advice and recommendations on the Secretary of State’s decision on whether she should refer the case to the Competition and Markets Authority (“CMA”) for further analysis. We have focussed on the effects of the transactions on the considerations specified by the Secretary of State and have not dealt with competition issues. These fall within the jurisdiction of the CMA. It is for the Secretary of State to decide whether to refer the case to the CMA for further investigation in the light of our report.
- 2.7 We have summarised representations about the case that we have received,³ and which relate to the public interest considerations. Our summary is in Annex 1.

¹ Section 58(2A)(a) of the Act.

² Section 58(2A)(b) of the Act.

³ We summarise these in relation to both this PIIN and 30 November PIIN.

- 2.8 We have set out the defined terms used throughout our assessment in the Glossary set out in Annex 4.

Ofcom's approach

- 2.9 We are required to consider whether it is or may be the case that the merger as set out in the PIIN may be expected to operate against the public interest, having regard only to the public interest considerations specified in the PIIN. It is for the Secretary of State to decide whether to refer the case to the CMA for further investigation in the light of our report or to seek undertakings in lieu of reference.
- 2.10 We have been asked to consider two public interest test grounds which we consider in the round against the market and regulatory context (see Section 3). Much of the analysis we have undertaken is relevant to our considerations for both of the grounds. As such, we have presented this together within this report. However, we have reached separate conclusions on each ground, which we present in Section 8.
- 2.11 The scope of our assessment has been limited to the impact the transactions may have on news in newspapers in the UK. The PIIN specifies public interest considerations in relation to "newspapers". "Newspaper" is a defined term in the Enterprise Act 2002 and only covers print newspapers.⁴ Therefore, we only consider the transactions in terms of what may happen to the Telegraph Titles' print newspapers. In practice, the print newspapers and the online versions of the Telegraph Titles are similar as the content is shared.
- 2.12 We have taken account of the 2004 statutory guidance from the Department of Trade and Industry ("DTI Guidance")⁵, together with previous relevant regulatory decisions.

Accurate presentation of news

- 2.13 Statutory guidance on this ground notes that the impact of a relevant merger situation on accurate presentation of the news is likely to be assessed by reference to evidence of past behaviour by the enterprises in question, or by the persons with control of such enterprises, in relation to that or other enterprises, including but not limited to newspapers.⁶ The Secretary of State expects that behaviour in sectors more closely related to newspapers, such as magazines, is likely to be more relevant than behaviour in sectors with a less direct connection.
- 2.14 We consider the accurate presentation of news ground in the light of the extent and nature of control and the persons exercising it, if the transaction is carried out. We also take account of any measures the parties have put in place to preserve accuracy and the extent to which those measures are sufficient to address the concerns (if any) which may arise from the transaction. We also consider whether the buyers have interests in any other media businesses, which could provide evidence of their likely behaviour.

⁴ Section 44(10) of the Act states that newspaper "means a daily, Sunday or local (other than daily or Sunday) newspaper circulating wholly or mainly in the United Kingdom or in a part of the United Kingdom".

⁵ Guidance on the operation of the public interest merger provisions relating to newspaper and other media mergers (nationalarchives.gov.uk). The public interest grounds contained in the statute may no longer reflect the reality of news consumption and we have therefore considered the Guidance carefully in the light of the time which has passed since its introduction.

⁶ [DTI Guidance](#), paragraph 5.5.

- 2.15 As in precedent cases, accurate presentation of news relates to whether buyers have the ability and the incentive to influence or alter the editorial stance or alter the accuracy of the news included in publications.
- 2.16 Although the case did not relate to a public interest intervention in a merger, we considered this ground in our 2021 advice to the Secretary of State on the Application by News Corp UK and Ireland Limited to release the Undertakings relating to The Times and The Sunday Times newspapers.⁷ In this case, the applicant already owned the newspapers, and appointed and managed the editors of The Times and of The Sunday Times. We advised that due to the applicant's commercial incentives, we did not consider that there would be an adverse impact on the accuracy of news.
- 2.17 We also considered this ground in 2019 when we provided advice to the Secretary of State on the public interest test on the completed acquisitions by International Media Company of shares in Lebedev Holdings Limited and by Scalable Inc of shares in Independent Digital News and Media Limited⁸ (the "Evening Standard PIT"). In this case, we concluded that whilst the buyers might have some incentives and ability to influence the publications, there were also restrictions on their abilities to do so (including in relation to accuracy or editorial stances). The corporate structures included other strong shareholders,⁹ and the parties put in place some measures to preserve editorial freedom and accuracy. We found that the transactions to date did not appear to have had an editorial impact. We concluded that overall, a reference to the CMA was not warranted on the accuracy of news ground (nor the free expression of opinion ground). We also concluded, that, based on the information available, we did not believe that the transactions had had an editorial effect on either publication to date. While past behaviour is not necessarily a guarantee for future behaviour, we considered this to be good evidence that the buyers were unlikely to influence the content of the publications in future.
- 2.18 The Monopolies and Mergers Commission¹⁰ ("MMC") considered the possible impact on the accurate presentation of news, alongside free expression of opinion in Mr David Sullivan and the Bristol Evening Post plc: A report on the proposed transfer of a controlling interest,¹¹ May 1990. The MMC concluded the acquisition could be expected to operate against the public interest. In coming to this conclusion, a key consideration for the MMC was Sullivan's 50% share in Sport Newspapers Ltd which published the Sunday Sport and The Sport. It considered that the stories published in the Sunday Sport were often 'fantasy' and made no attempt at the accurate presentation of news, and as such, David Sullivan's influence in the Bristol Evening Post could be expected to operate against the public interest in relation to the accurate presentation of news.

⁷ Ofcom's advice on the Times Undertakings - [Application by News Corp UK and Ireland Limited to release the Undertakings relating to The Times and The Sunday Times newspapers, Ofcom's advice to the Secretary of State, 24 September 2021](#)

⁸ [Public interest test on the completed acquisitions by International Media Company of shares in Lebedev Holdings Limited and by Scalable Inc of shares in Independent Digital News and Media Limited.](#)

⁹ We considered the acquisition of a 30% stake in Independent Digital News and Media Limited.

¹⁰ The precursor to the Competition Commission which was precursor to the CMA.

¹¹ [Mr David Sullivan and the Bristol Evening Post plc: A report on the proposed transfer of a controlling interest.](#)

Free expression of opinion

- 2.19 The statutory guidance on this ground describes how free expression of opinion in newspapers concerns “the extent to which the transaction would affect the freedom of editors to operate without interference from the proprietor.”¹²
- 2.20 As in precedent cases, in practice the incentive and ability to influence free expression of opinion and accurate presentation of news are fairly similar so in this report we consider them both together.¹³
- 2.21 We also considered this ground in the Times Undertakings advice. As noted, in this case, the applicant already owned the newspapers, and appointed and managed their editors. We advised that to the extent that the undertakings had successfully supported free expression of opinion within the titles, their release could create the potential for increased proprietorial influence, but the plural media landscape and reader multi-sourcing would constrain this.
- 2.22 Ofcom considered this ground in the Evening Standard PIT as set out above. Ofcom has also considered this ground in the case of the acquisition by Reach plc of publishing assets of Northern & Shell Media Group Limited.¹⁴ In our consideration of that merger, we looked at the measures Reach plc had put in place to promote and maintain editorial independence. We also considered whether there were any commercial or political incentives for shareholders and Board members to attempt to influence the editorial decision making of the publications, and whether they had the ability to act on such incentives. We came to the view that Reach plc’s commitments to ensure the titles retained their unique editorial positioning, the lack of political or commercial incentives for the shareholders of Reach plc to limit free expression of opinion, and the limited ability for the Board to influence the editorial position of the papers, meant that the transaction would not reduce free expression of opinion.
- 2.23 The MMC has also previously considered this ground,¹⁵ in 1981 it recommended that conditions should be attached to any consent given to allow George Outram & Company Ltd to increase its stake in The Observer to 25% in order to safeguard editorial independence.¹⁶ In reaching this view, the MMC considered: the commercial interests of the proprietor both in the UK and in other parts of the world and whether these may lead it to put editors under pressure to include certain stories and exclude others; the assurances made by the proprietor that it would maintain the editorial tradition and journalistic standards of The Observer; and the extent to which the proprietor had ever tried to exert pressure or interfere with the editors or the editorial staff at the newspapers it had previously owned in

¹² Paragraph 5.7 of the DTI Guidance.

¹³ Unlike the Evening Standard PIT, given the transactions are yet to take place, we have not been able to assess whether there has been a change in the editorial stance or tone of either publication since the dates of the transactions.

¹⁴ Ofcom, [Public Interest Test for the acquisition by Trinity Mirror plc of publishing assets of Northern & Shell Media Group Limited](#), 31 May 2018.

¹⁵ The Competition Commission also considered the issue of editorial interference in relation to its report on whether the transfer to Johnston Press plc of eight free weekly newspapers from Trinity Mirror plc would operate against the public interest in 2002. Its final view was that the transfers would not have adverse effects with regard to either the accurate presentation of news or free expression of opinion. The full report can be found on [The National Archives](#).

¹⁶ Paragraph 5.9 of the DTI Guidance.

Africa and Scotland.¹⁷ The MMC recommended that conditions should be attached to the Secretary of State's consent. One of its key reasons for this recommendation was that the buyer's parent company, Lonrho Limited, had extensive commercial interests in the UK and overseas which meant that the MMC could not exclude the possibility that "the strains arising from conflicts of interest may result in attempts at interference with the accurate presentation of news and free expression of opinion".

- 2.24 In this case we have taken into account whether there appear to be any incentives for the buyers to influence or alter the editorial stance of the publications or interfere with the editors' running of the publications, along with their ability to do so by considering the extent and nature of their control and any measures the parties have put in place to preserve editorial freedom. We have also considered whether the buyers have shares in any other media businesses, which could provide evidence of their likely behaviour.

Our process

Guidance, Invitation to Comment and Process Update

- 2.25 On 29 January 2024, we published a document updating on Ofcom's process and timetable setting out the process and timetable for preparing our report for the Secretary of State ("Process Update").¹⁸ This note made clear that the Guidance note¹⁹ published on 1 December 2023 in relation to the 30 November PIIN should be read as if it applies to this PIIN. We also indicated that we would not issue a new invitation to comment ("ITC") seeking representations on the public interest concerns,²⁰ but invited stakeholders wishing to provide additional evidence to do so by 6 February 2024.
- 2.26 We received 35 responses to our ITC and three responses to our Process Update. Of these, 23 were from members of the public, 10 from organisations, and one from a politician, [REDACTED]. We also received, via one of the organisations who submitted a response to us, an additional submission on behalf of two people who wished to remain anonymous. We summarise these responses in Annex 1 and have taken them into account as part of our analysis.²¹ The responses covered a range of areas including, but not limited to, concerns about the incentives of IMI and UAE to influence the Telegraph Titles, concerns about their previous record of behaviour and the form influence, particularly informal influence, could take, views on the effectiveness of any undertakings, and other broader contextual points, such as the perceived importance of the Telegraph Titles.

¹⁷ The Monopolies and Mergers Commission, A report on the proposed transfer of The Observer, a newspaper of which Atlantic Richfield Company is a proprietor, to George Outram & Company Limited, a subsidiary of Scottish and Universal Investments Limited, whose parent company is Lonrho Limited, June 1981. Available from: [this link](#).

¹⁸ Ofcom, [Public interest test on the potential merger situation in relation to the Telegraph Media Group, Update on process, 29 January 2024](#).

¹⁹ Ofcom, [Guidance note on public interest test on the potential merger situation in relation to Telegraph Media Group, 1 December 2023](#).

²⁰ Ofcom, [Invitation to comment on public interest test on the potential merger situation in relation to Telegraph Media Group, 1 December 2023](#).

²¹ We note that several of the respondents to our ITC have previously had, and may still have, an interest in the purchase of TMG.

2.27 Towards the end of our process, we also received supplementary information from DCMS that it had received over the past few months. This included four letters from MPs, one joint letter from five MPs and a peer, and one letter from an MSP to the Secretary of State prior to the issuing of the 30 November PIIN, all encouraging her to intervene, and three emails from MPs to the Secretary of State on behalf of their constituents. There were also a number of emails from members of the public to the Secretary of State all opposing the transaction, as well as substantive responses from [REDACTED], three responses from [REDACTED] and correspondence from [REDACTED].

2.28 [REDACTED]
[REDACTED]
[REDACTED]

2.29 [REDACTED]
[REDACTED]

Requests for information

2.30 We have also considered information provided to us by the relevant parties in response to requests for information (“RFIs”) from us. In relation to this PIIN, we issued an RFI on 6 February 2024 to RB Investco, RedBird IMI Joint Venture, RedBird IMI Partnership, RedBird Capital and IMI.²²

2.31 Ofcom also issued the following RFIs in relation to the 30 November PIIN, which we refer to as relevant in our analysis:²³

- a) RFI to RedBird IMI Joint Venture dated 6 December 2023;
- b) RFIs to IMI dated 7 and 20 December 2023; and
- c) RFI to TMG and May Corporation Limited dated 11 December 2023.

2.32 Ofcom has no formal information gathering powers when undertaking a Public Interest Test. We note that it is an offence knowingly to provide information in this context that is false or misleading in a material respect.²⁴

2.33 We also sent letters to IMI on 6 February 2024 (and prior to this, on 20 December 2023 and 8 January 2024) inviting comment on allegations that we had received from third parties.

Issues Letters and Meetings

2.34 In the context of the 30 November PIIN, Ofcom issued our First Issues Letter on 8 January 2024 to RedBird IMI Joint Venture setting out details of our preliminary view that the transaction relevant to that PIIN raised public interest concerns, having regard to both:

- a) the need for accurate presentation of news in newspapers; and
- b) the need for free expression of opinion in newspapers.

2.35 The parties attended a First Issues Meeting with Ofcom on 12 January 2024 to discuss Ofcom’s provisional analysis set out in the First Issues Letter.²⁵ The parties were also invited

²² As part of our analysis on the 26 January PIIN.

²³ We notified the parties that we planned to rely on information received where relevant to our assessment of the 26 January PIIN and they consented to us doing so.

²⁴ Section 117 of the Act.

²⁵ Ofcom file note of First Issues Meeting on 12 January 2024.

to make written representations on the issues raised following the Issues Meeting, which were provided on 16 January 2024.

- 2.36 In summary, RedBird IMI Joint Venture's response to the First Issues Letter highlighted areas in which Ofcom had, in its view:
- a) placed insufficient weight on certain factors, such as the overall commercial rationale for the transaction and the importance to that rationale of maintaining TMG's reputation and editorial integrity, RedBird Capital's fiduciary duty to its investors and the strength of its bargaining power as against IMI;
 - b) placed weight on factors which it considered to be irrelevant when assessing IMI's incentive to influence the Telegraph Titles;
 - c) incorrectly interpreted the governance arrangements underpinning the operation of the RedBird IMI Joint Venture and the management of its portfolio companies;
 - d) focused heavily on purported incentives to influence the editorial policy of the Telegraph on the part of IMI that are irrelevant; and
 - e) incorrectly considered that, even if IMI had either the incentive or ability to influence the Telegraph Titles, there would be a resulting effect on the relevant public interest considerations. It was noted that there is a feedback loop which means the lack of any effect undermines the finding of an incentive to influence.²⁶
- 2.37 To the extent that the submissions made to Ofcom in relation to the First Issues Letter raise matters relevant to our analysis of the 30 November PIIN, we have reflected these in this report.
- 2.38 In the context of this 26 January PIIN, Ofcom issued a Second Issues Letter on 20 February 2024 setting out details of our preliminary views in relation to the proposed transaction considered in this report. Ofcom's preliminary view was that the case raised public interest concerns, having regard to both:
- a) the need for accurate presentation of news in newspapers; and
 - b) the need for free expression of opinion in newspapers.
- 2.39 On 28 February, the parties provided a written response to the Second Issues Letter. In summary, it reiterated the substantive points made in relation to the First Issues Letter and highlighted areas in which Ofcom had, in its view:
- a) continued to fail to recognise the commercial rationale for the proposed transaction and RedBird Capital's significant incentives to ensure the editorial freedom of the Telegraph Titles, to protect and maximise the value of its investment;
 - b) misunderstood the relative positioning and bargaining strength of RedBird Capital and IMI;
 - c) relied heavily on IMI's incentives to influence the Telegraph Titles in a way that is "both theoretical and wrong"; and
 - d) incorrectly considered that there would be a resulting effect on the relevant public interest considerations, even if IMI had either the incentive or ability to influence the Telegraph Titles (which they consider to be "hypothetical").²⁷

²⁶ Response dated 16 January 2024, to First Issues Letter, paragraph 5.

²⁷ Response dated 28 February 2024, to Second Issues Letter, paragraph 4.

- 2.40 The parties attended a meeting with Ofcom on 29 February 2024 to discuss Ofcom’s provisional analysis set out in the Second Issues Letter.²⁸ The parties were also invited to make any final written representations on the issues raised following the meeting. On 1 March 2024, we received:
- a) A supplementary response from RedBird Capital, which reiterated its concern that Ofcom had continued to fundamentally misunderstand its business model and provided further information about the legal and regulatory safeguards to influence²⁹; and
 - b) A supplementary response from IMI, which reiterated that IMI’s investment in TMG is purely commercial and set out some additional information [REDACTED]³⁰.
- 2.41 We set out and address the points raised in the responses and meetings relating to our First and Second Issues Letters as relevant in our analysis of the public interest considerations in Sections 6-8 of this report.

²⁸ Ofcom file note of Second Issues Meeting on 29 February 2024.

²⁹ RedBird Capital supplementary response dated 1 March 2024, to Second Issues Letter.

³⁰ [REDACTED]

3. Market and regulatory context

Market context

The Telegraph Titles carry significant influence, particularly on conservative policies

- 3.1 The Daily Telegraph was founded in 1855 as The Daily Telegraph & Courier, with the Sunday Telegraph being established in 1961. The Telegraph Titles have a notable history including famously breaking the news of the start of the Second World War, described as the ‘scoop of the century’.
- 3.2 The Telegraph Titles regularly break stories of national and international importance, and their political and current affairs reporting plays a role in setting the wider news agenda. Important stories that the Telegraph Titles have broken include the 2009 Parliamentary expenses scandal, the corruption investigation into then England Football Manager Sam Allardyce, and the “Lockdown files” reporting the content of former health secretary Matt Hancock’s WhatsApp messages from his time in government. Submissions to our ITC further described the importance of the Telegraph Titles, highlighting their belief in its strong track record of breaking stories, high editorial standards and “world-leading” journalists. At the recent Society of Editors’ “Media Freedom Awards”, on 9 November 2023, the Telegraph Titles won “National News Media Organisation of the Year”, and “Investigation of the Year - National” for the “Lockdown files”.³¹
- 3.3 In recent years the Telegraph Titles have been central to many major policy debates and have been influential in UK domestic political and foreign policy debates, for example, with regard to Brexit and during the COVID-19 pandemic. We recognise that the Telegraph Titles play a highly influential role in the formulation of conservative policies in UK politics. Submissions to our ITC highlighted their role in the development and debate of UK policies and politics, in particular its significant influence on political discourse on the right of UK politics. We also note the recent debates in the House of Commons and the House of Lords where parliamentarians highlighted, amongst other things, the importance of the Telegraph Titles.³²
- 3.4 We also consider that the Telegraph Titles are particularly influential within the Conservative Party. YouGov data indicates that 49% of Telegraph readers identify with the Conservative Party compared to 28% of readers of other newspapers,³³ and [REDACTED] noted the paper was “particularly well-read by Conservative Party members”.³⁴ David Davis MP has said the paper has “massive influence” during general elections and Conservative

³¹ [Media Freedom Awards 2023 winners – Society of Editors](#)

³² [Telegraph Media Group: Proposed Sale to RedBird IMI - Hansard - UK Parliament](#); [Telegraph Media Group: Proposed Sale to RedBird IMI - Hansard - UK Parliament](#)

³³ [The Telegraph is for sale. Who reads it and what are they in the market for? \(yougov.com\)](#)

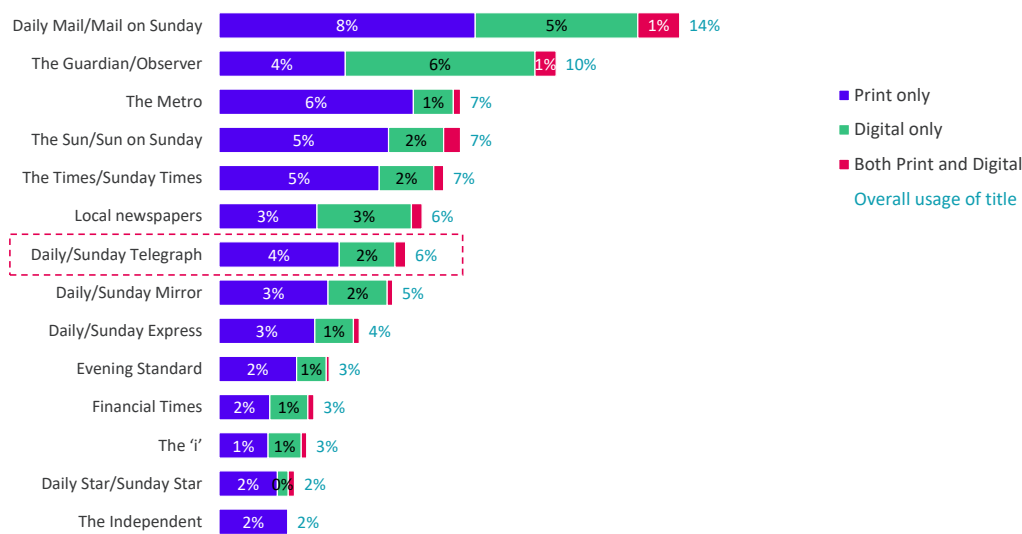
³⁴ [REDACTED]

Party leadership elections³⁵. The editor of ConservativeHome³⁶ has stated that the newspaper carries “considerable” influence among party members and that according to its data, “the Telegraph is by far and away the most-read outlet among Conservative Party members”.³⁷ The Telegraph Titles’ current and previous columnists and contributors include several high-profile former Conservative Party politicians, including Boris Johnson (Prime Minister 2019-22), Lord Hague (Foreign Secretary 2010-14 and leader of the Conservative Party 1997-2001), Lord Tebbit (Chancellor 1985-87) and Lord Hannan (MEP 1999-2020).

The reach of the Telegraph Titles is similar to that of most other newspapers

3.5 Overall, the Daily Mail, Mail on Sunday and Mail Online combined reach 14% of UK adults, the most of any newspaper publisher. TMG titles are read by 6% of adults.³⁸

Figure 1: Platform reach of UK-wide newspaper titles: 2023



Source: Ofcom News Consumption Survey 2023

Base: All adults 16+ = 4,556

3.6 [REDACTED] ³⁹

³⁵ [Ministers should stop Telegraph sale to Abu Dhabi-backed company, says David Davis, telegraph.co.uk.](#)

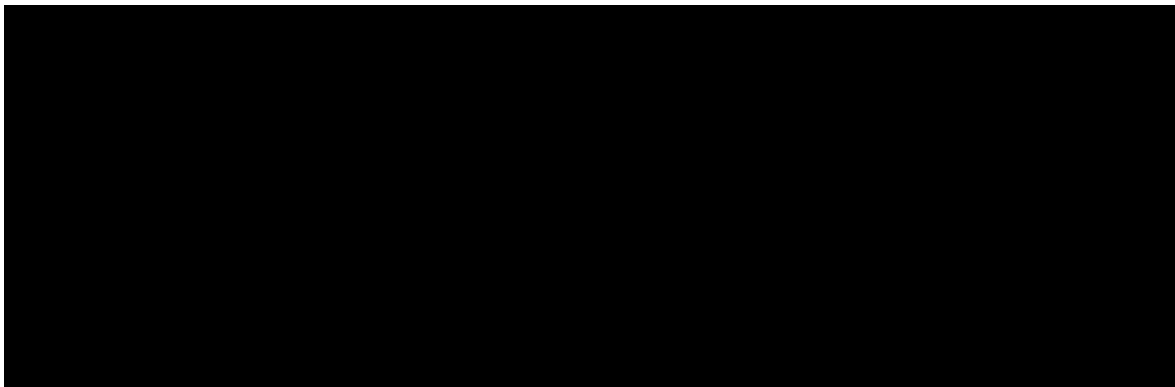
³⁶ [ConservativeHome](#) describes itself as an “independent conservative news and analysis site” that is “independent of – but supportive of – the Conservative Party.”

³⁷ [Why access to Tory party members is big incentive for owning Daily Telegraph | Daily Telegraph | The Guardian](#)

³⁸ [Ofcom News Consumption Survey 2023.](#)

³⁹ [REDACTED]

Figure 2: Average daily circulation figures for Telegraph print titles



3.7



Figure 3: Print and digital subscriptions for Telegraph titles

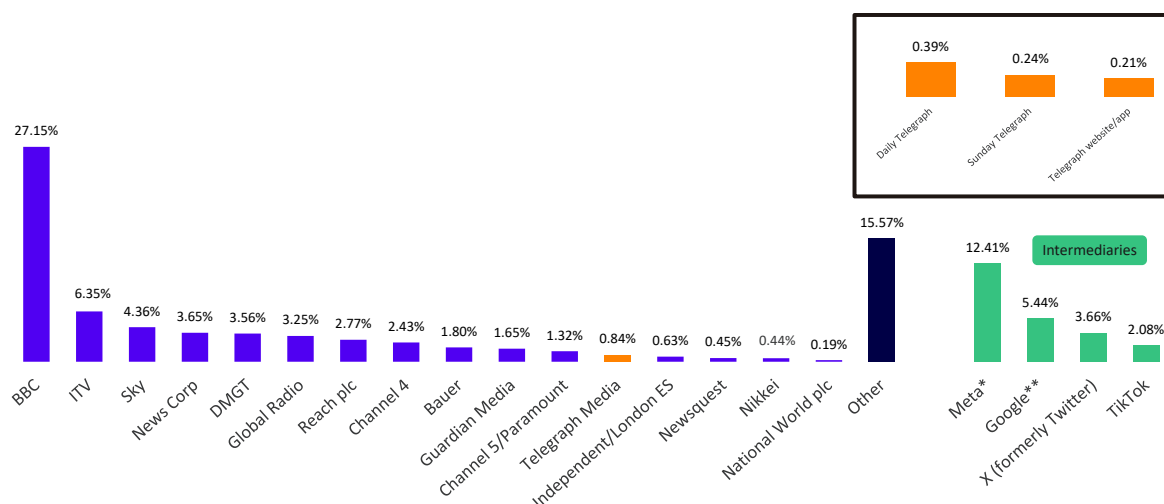
3.8 Ipsos Iris data and [REDACTED] suggest the Telegraph website and app has a very wide reach among the UK population. However, it is unclear from this data how many of the recorded visitors to the website may have only seen the paywall and not progressed any further.

The Telegraph Titles have a small share of cross-platform news consumption but a larger share of print news consumption

3.9 Based on the responses to our News Consumption Survey, we have developed a “share of reference” metric, which estimates the share of total news consumption of individual providers, across different platforms or media used.⁴¹ Using this metric, we estimate, in Figure 4, that the Telegraph Titles (including the website and app) account for a 0.84% share of people’s total cross-platform news consumption.

⁴⁰ [REDACTED]
⁴¹ See Annex 2 for explanation of share of reference.

Figure 4: Share of reference - cross-platform news consumption: 2023⁴²



Source: Ofcom News Consumption Survey 2023

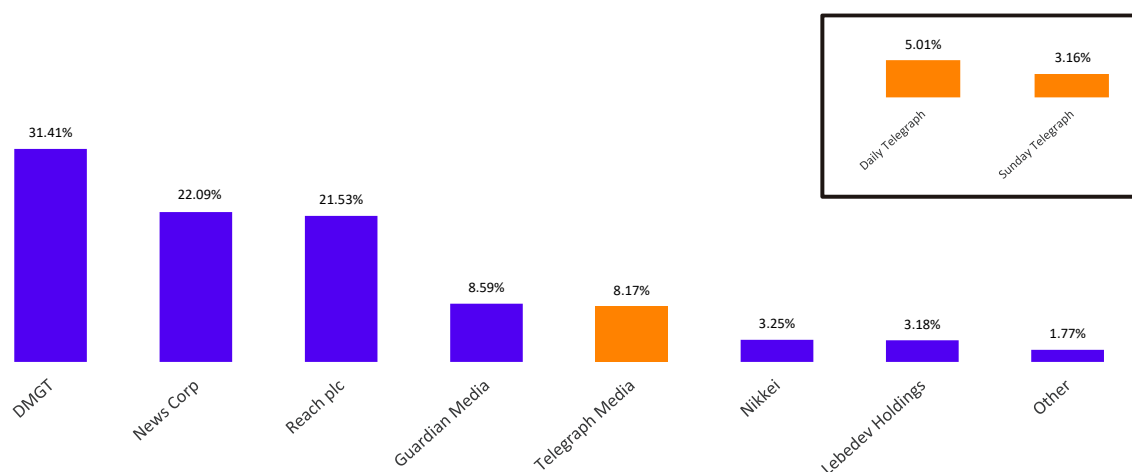
Question: D2a-D8a. Thinking specifically about <platform>, which of the following do you use for news nowadays?

Base: All adults 16+ using TV/Newspapers/Radio/Internet/Magazines for news: 4285

Meta* = Facebook + Instagram + WhatsApp. Google** = Google News + Google + YouTube + Google Play

3.10 We can also use the share of reference metric to estimate individual providers' share of total national print newspaper consumption. We estimate, in Figure 5, that TMG print titles account for an 8.17% share of total national print newspaper consumption.

Figure 5: Share of reference - national print newspaper consumption: 2023



Source: Ofcom News Consumption Survey 2023

Question: D3a/D4a. Thinking specifically about <platform>, which of the following do you use for news nowadays?

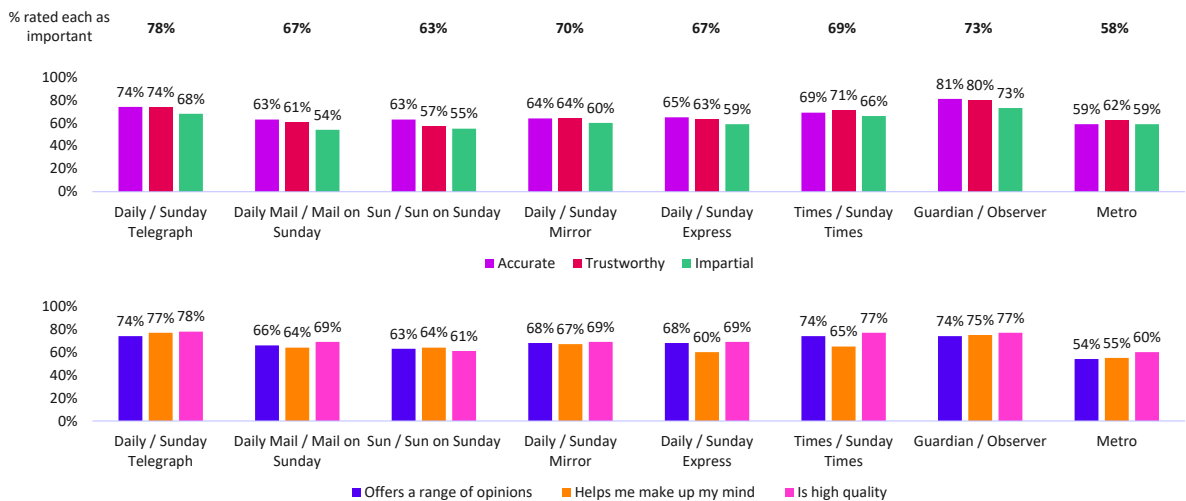
Base: All adults 16+ using print newspapers for news: 1175

⁴² Figures have been revised, due to a data calculation error, from a version of the chart included in Ofcom's First Issues Letter to the Parties, where Telegraph Media's share of reference was estimated to be 0.67%.

Telegraph print titles are important for their readers

3.11 A news source will be particularly important and influential for its users if they regard it as a trusted voice of authority. We have used data from our annual News Consumption Survey (“NCS”) to examine how trustworthy and accurate readers of the Telegraph Titles feel that those sources are. Measuring the impact and influence of news sources on people’s attitudes is complex and, as with any consumer research, our NCS has limitations in this respect. Bearing this in mind, Figure 6 shows that regular readers of the Telegraph print titles rate those sources highly. Strong majorities give the titles high ratings⁴³ across attitude statements including for “important”, “accurate”, “trustworthy”, “high quality” and “offers a range of opinions”. Regular readers of the Telegraph print titles give those papers similar high ratings to those given to The Guardian/The Observer and The Times and The Sunday Times by their regular readers.

Figure 6: Views of print newspaper sources among those who use each source



Source: Ofcom News Consumption Survey 2023.

QE2. How important is <BRAND> as a source of news to you personally?

QE3. And to what extent do you think the following statements apply to <BRAND> as a news source? Answer using a scale of 1 to 10, where, 1 is NOT AT ALL and 10 is COMPLETELY.

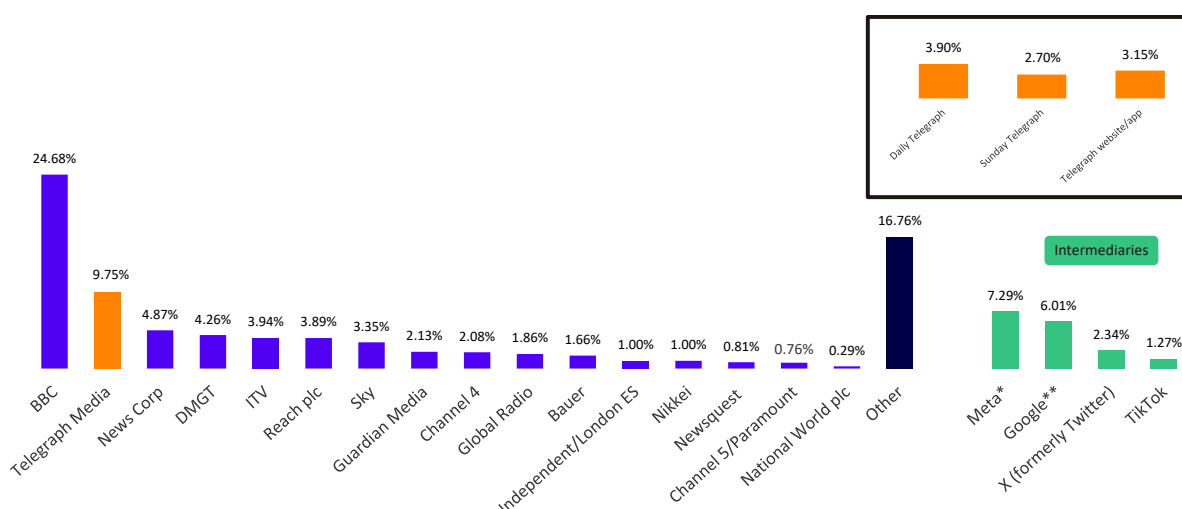
Base: All using each source for news at least weekly (or every 2-3 weeks for weekly newspapers). Figures show those who rate it highly (between 7-10) for each attribute.

3.12 To further understand the extent to which its readers rely on the Telegraph Titles, we have used our “share of attention” metric to estimate the relative attention they give to news sources. Share of attention measures individuals’ attention to a specific news source, as a share of their total engagement with all of the news sources they use.⁴⁴ Using this metric in Figure 7, we estimate that Telegraph Titles are the sources they pay second-most attention to, behind BBC sources, accounting for 9.75% of TMG users’ attention.

⁴³ Regular readers of the source were asked to rate the source on a scale of 1 to 10 (with 1 being ‘not at all’ and 10 being ‘completely’) on a series of attributes such as “accurate”, “trustworthy” and “impartial”. We consider a rating between 7 and 10 a ‘high’ rating.

⁴⁴ See Annex 2 for explanation of share of attention.

Figure 7: TMG readers' share of attention - all platforms: 2023



Source: Ofcom News Consumption Survey 2023

Question: D2a-D8a. Thinking specifically about <platform>, which of the following do you use for news nowadays?

Base: All adults 16+ using TMG titles for news: 277

Meta* = Facebook + Instagram + WhatsApp. Google** = Google News + Google + YouTube + Google Play

The influence of the Telegraph Titles extends beyond their reach and share

- 3.13 We have consistently said that the press is perceived to play a particularly influential role in setting the wider news agenda, informing other news providers and being referenced beyond its own readership.⁴⁵
- 3.14 While the reach of Telegraph Titles, and their share of total news consumption, may not be large, these alone do not capture their wider impact on society. As set out in paragraphs 3.1-3.4 we consider that the Telegraph Titles play a significant role within society and politics. They are influential and highly rated among their readers and further, have significant influence on the UK news agenda and political discourse, specifically in opinion-forming on the right of UK politics.

Financial context for newspapers and TMG

Traditional print newspapers face challenges as online news consumption continues to increase

- 3.15 Greater access to the internet and the availability of new online news services has made accessing up-to-date news and information easier and has also broadened choice for

⁴⁵ E.g. Ofcom, June 2017, [Public interest test for the proposed acquisition of Sky plc by 21st Century Fox, Inc](#) p.80. In this report, we cited the 2012 Leveson Inquiry into the culture, practices and ethics of the press. Lord Justice Leveson recognised the widely-held view that the press can “set the news agenda, shape culture and change perceptions”. Ofcom, June 2021 [Consultation on Media Plurality](#) p 22-23. In discussing the continued relevance of the ‘Cross Media Ownership’ rule we said ‘We consider that the ability of newspapers to influence which issues are considered important by the public and which are not, and to influence which issues the wider media focuses on, extends their influence beyond their immediate readers’.

readers. In 2013, 80% of UK adults had internet access at home⁴⁶ and, 32% said they accessed news online.⁴⁷ By 2023, 92% of UK adults had internet access at home⁴⁸ and 68% accessed news online.⁴⁹ In contrast the reach of newspapers has declined in recent years, driven by a decline in print reach. In 2023, 39% of UK adults used online or print newspapers, a decline from 51% in 2018, with the reach of print newspapers specifically declining from 40% to 26% in the same period.

- 3.16 As has previously been noted by analysts, the long-term shift in news consumption online has impacted news publishers.⁵⁰ The Reuters Institute Digital News Report 2023 noted that news organisations have been hit by declines in print circulation, and also increases in print costs. In general, relatively few people (9%) in the UK pay for news online, though some publishers have been active in developing online subscriptions and memberships.⁵¹
- 3.17 Circulation expenditure has been more resilient than advertising for newspapers in the UK. Between 2018 and 2022, data from PwC showed a 21% decline in total consumer (circulation) and advertiser expenditure across print and digital newspapers in the UK to £2.5bn. Over this period, total circulation expenditure declined by 15% as declines in print circulation have not been fully offset by growth in digital circulation. Despite this, circulation expenditure grew from 60% to 65% of total expenditure on newspapers due to declines in newspaper advertising expenditure.⁵²
- 3.18 As shown in Figure 8, total national news publisher advertising declined by 17% between 2018 and 2022. Although digital advertising grew by 25% this was insufficient to offset the 36% decline in print advertising expenditure over the same period. In 2022, digital advertising accounted for 45% of total national news publishers' advertising expenditure. In contrast, digital advertising accounted for 27% of total advertising revenue for TMG in 2022.⁵³ This may reflect TMG's business model which has placed its content behind a paywall, in contrast to certain other UK-wide news publishers whose online content is predominantly or entirely funded by advertising.

⁴⁶ [Ofcom Technology Tracker 2013 Wave 1.](#)

⁴⁷ Ofcom News Consumption Survey 2013.

⁴⁸ [Ofcom Technology Tracker 2023.](#)

⁴⁹ Ofcom News Consumption Survey 2023.

⁵⁰ [How UK newspaper industry passed its 'pandemic stress test' \(pressgazette.co.uk\)](#), [Research into recent dynamics of the press sector in the UK and globally \(publishing.service.gov.uk\).](#)

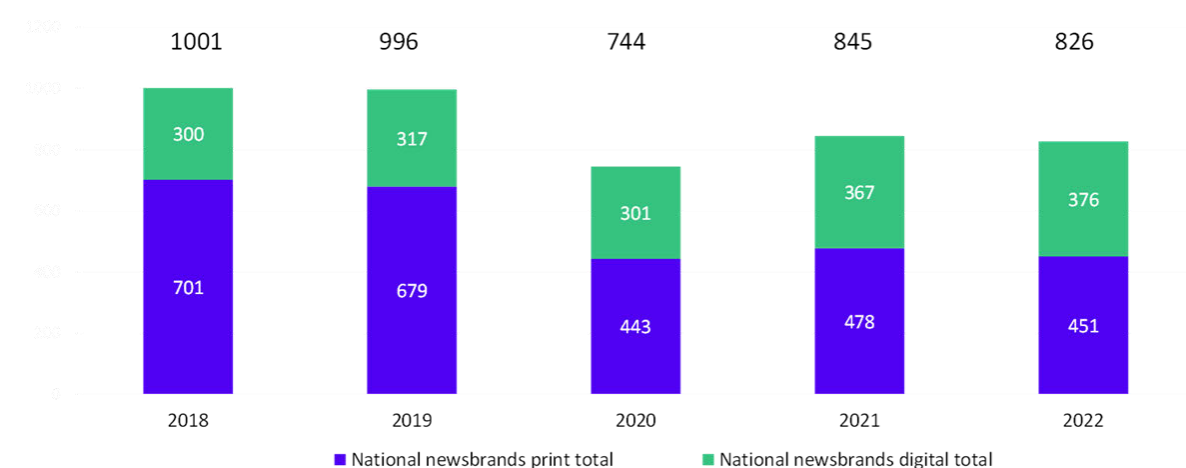
⁵¹ [The 2023 Reuters Digital News Report.](#)

⁵² PwC Global Entertainment & Media Outlook

⁵³ In 2022 TMG reported digital advertising revenue of £12.2m and print advertising revenue of £32.9m.

Source: page 25 of [Telegraph Media Group Limited Annual Report and Financial Statements for the 52 week period ended 1 January 2023.](#)

Figure 8: UK-wide newspaper advertising expenditure £m



Source: WARC Expenditure Report

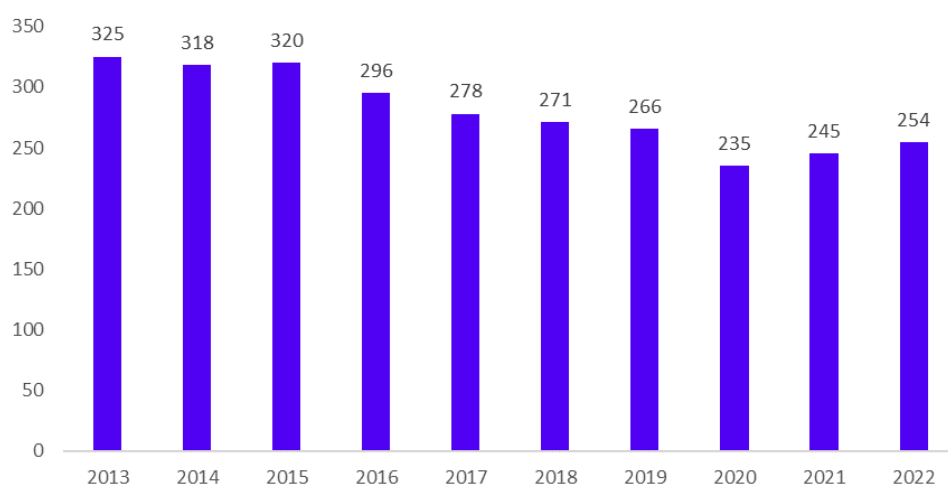
- 3.19 Given the changes in how news is produced and consumed it is appropriate that we look at the performance of the Telegraph Titles across print and digital. As with all major print newspapers, content from these titles is now made available through websites, apps and social media feeds.⁵⁴

While TMG revenue has fallen over the last ten years, recent profit margins are relatively high compared to other national publishers

- 3.20 TMG, like other national publishers, faces revenue pressures. As Figure 9 shows, between 2013 and 2022, revenues for TMG fell from £325m to £254m (-22%). We estimate that this is a larger percentage reduction in revenue than most other national publishers over the same period (Figure 10). TMG's revenue growth since 2020 has been driven by increases in digital subscriptions.

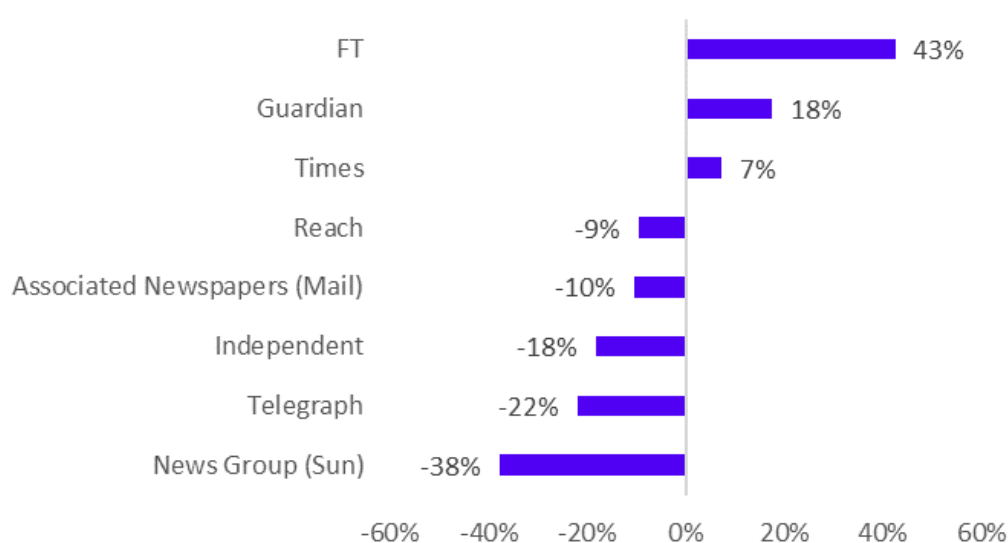
⁵⁴ There is no standard industry metric to measure cross-platform news consumption (how much people use different news sources across different media) so we use the results from our annual NCS, which considers the range of different sources used for news. We have not included ABC circulation data in this market context as there are significant limitations, primarily that it is not comprehensive: News UK and TMG no longer subscribe to the ABC circulation audit system. TMG have said this is because they are now focused more on their digital strategy.

Figure 9: Reported revenues for TMG, £m



Source: Ofcom analysis based on company financial statements from Companies House. For year ending December each year.

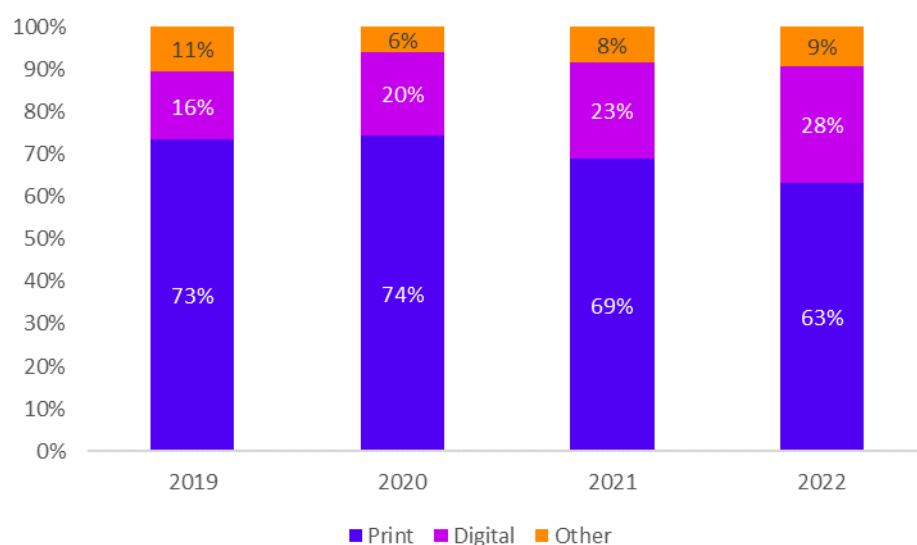
Figure 10: Change in reported revenue for national publishers between financial years ending 2013 to 2022 (%)



Source: Ofcom analysis based on company annual reports and financial statements. Based on reporting periods ending in 2013 to 2022 for Guardian News and Media Ltd, Reach plc, Associated Newspapers Limited, The Financial Times Limited, Times Media Limited, News Group Newspapers Limited, Telegraph Media Group Limited, and Independent Print Ltd/Independent Digital News and Media Limited.

- 3.21 Most TMG revenues (63% in 2022) still come from print (circulation, subscriptions and advertising), although this proportion is declining as digital revenues increase. This is illustrated in Figure 11.

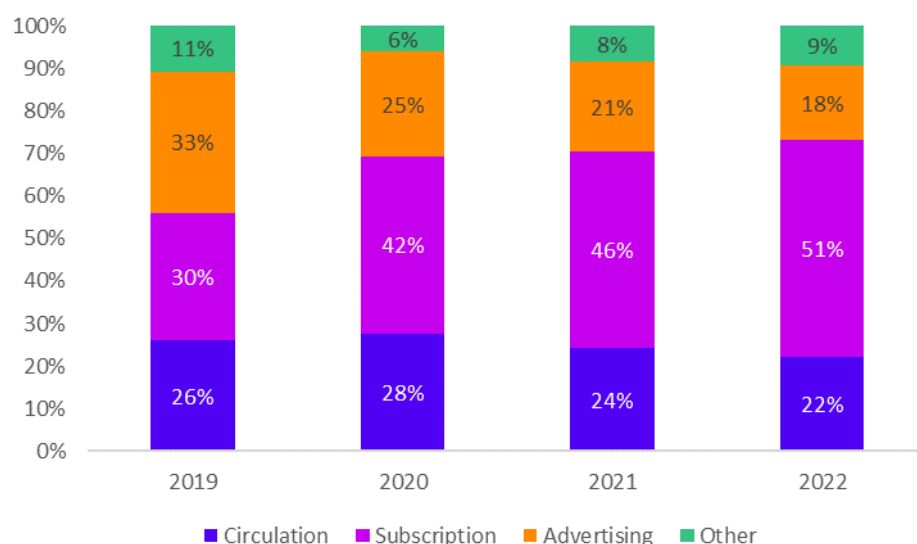
Figure 11: Share of total TMG revenue by print, digital and other



Source: Ofcom analysis based on company financial statements from Companies House. For year ending December each year. This revenue split was published by TMG since 2019.

3.22 TMG has a ‘subscription first’ strategy to grow its paying subscriber base, particularly digital subscribers, and generates a significant proportion of its revenue from subscriptions – over 50% in 2022 as shown in Figure 12. While most subscription revenue in this period was from print subscribers, digital subscriptions are growing quickly and in 2022 represented 45% of subscription revenue (up from 22% in 2019).

Figure 12: Share of total TMG revenue by circulation, subscription, advertising and other



Source: Ofcom analysis based on company financial statements from Companies House. For year ending December each year. This revenue split was published by TMG since 2019.

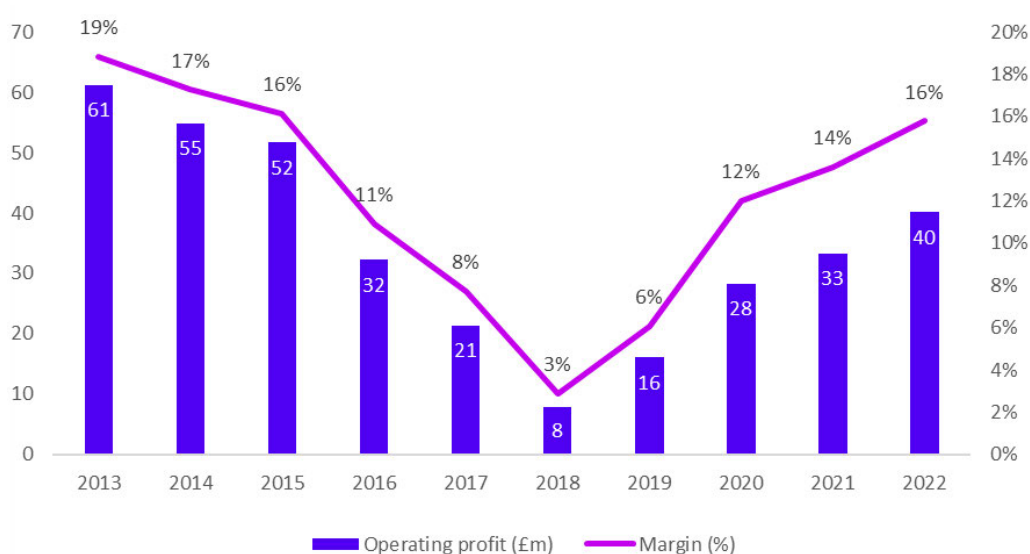
3.23 Based on information provided by RedBird IMI Joint Venture⁵⁵, total TMG revenue is expected to [REDACTED] per annum to 2028, with [REDACTED] in digital subscription and

⁵⁵ RedBird IMI Joint Venture response to RFI dated 6 December 2023, Annex 18, slide 15.

advertising revenues ██████████ in print revenues. Digital revenues are expected to make up ██████ of all revenue by 2028.

- 3.24 Operating profits at TMG in 2022 were £40m, up from £33m in 2021 (+21%).⁵⁶ This increase was driven by higher revenues, which were up £9m (+4%). TMG has made operating profits in each of the last ten years, and profits and margins have been increasing since 2018, which appears to coincide with the launch of TMG's '10-1-23' strategy to gain 1 million subscribers from 10 million registered users by 2023. This strategy saw it invest a reported £10m in its journalism capabilities to drive digital subscription growth.⁵⁷

Figure 13: Operating profit and operating margin for TMG



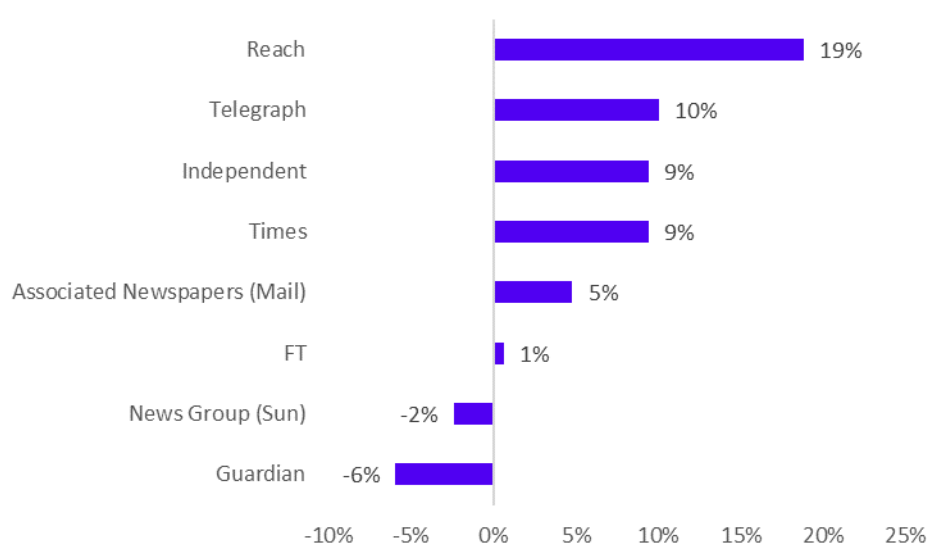
Source: Ofcom analysis based on company financial statements from Companies House. For year ending December each year. Operating profit is before exceptional items.

- 3.25 We estimate that TMG's average operating profit margin over its last five financial years has been one of the highest of the national publishers.

⁵⁶ TMG's financial statements. Operating profit is before exceptional items such as restructuring costs.

⁵⁷ See [Telegraph Media Group, Financial results for 2018 and highlights to date in 2019](#) [accessed 15 January 2024].

Figure 14: Average operating margin in last five financial years



Source: Ofcom analysis based on company annual reports and financial statements. Based on operating profit before exceptional items for reporting periods ending in 2018 to 2022 for Guardian News and Media Ltd, Reach plc, Associated Newspapers Limited, The Financial Times Limited, Times Media Limited, News Group Newspapers Limited, Telegraph Media Group Limited, and Independent Digital News and Media Limited.

3.26 Based on information provided by RedBird IMI Joint Venture⁵⁸, TMG profits (based on adjusted EBITDA) are expected to [REDACTED] per year to 2028, as digital revenues [REDACTED]

General regulatory framework for newspapers

Newspapers are self-regulated

- 3.27 In the UK, newspapers and online news websites are self-regulated. They may handle complaints themselves or may choose to be subject to one of the voluntary industry regulatory schemes in existence – the Independent Press Standards Organisation (“IPSO”) or the Independent Monitor for the Press (“IMPRESS”). IMPRESS has been recognised as meeting criteria set out in a Royal Charter which relate to whether the scheme is “independent of the print and online publishers it regulates, is appropriately funded, and has systems in place to protect the public”. IPSO has not sought recognition.⁵⁹
- 3.28 Both The Daily Telegraph⁶⁰ and The Sunday Telegraph are regulated by IPSO and have signed up to its Editors’ Code of Practice (the Code). Chris Evans, current Editor of The Daily Telegraph, was appointed in January 2024 as Chairman of the IPSO ‘Editors Code of Practice Committee’.⁶¹ IPSO was established in 2014 and its stated mission is “To support those who feel wronged by the press”; “To uphold the highest professional standards in the UK press” and; “To determine whether standards have been breached and provide redress if so”.

⁵⁸ RedBird IMI Joint Venture response to RFI dated 6 December 2023, Annex 18, slides 5 and 15.

⁵⁹ See Press Recognition Panel [Frequently Asked Questions](#).

⁶⁰ [Editorial complaints \(telegraph.co.uk\)](#).

⁶¹ https://www.editorscode.org.uk/about_us.php.

Other major national titles which are members of IPSO (for both print and online content) include The Daily Mail, The Times and Sunday Times, and The Sun.

- 3.29 Some newspapers have decided not to join IPSO or IMPRESS and have instead established their own editorial complaints frameworks.⁶²

Newspapers are expected to be accurate but are free to be partisan

- 3.30 Newspapers that have agreed to be regulated by IPSO are subject to the Editors' Code of Practice ("the IPSO Code").⁶³ Press organisations that have agreed to be regulated by IMPRESS, are subject to the IMPRESS Standards Code ("the IMPRESS Code").⁶⁴ The codes are relevant in that they each set out what might be seen as an industry norm for standards. For example, the requirement for newspapers to take care not to publish inaccurate information or pictures appears to be an industry standard. The IPSO Code and the IMPRESS Code establish rules on, among other issues, accuracy, privacy, and harassment. For example, the IPSO Code states that:

- a) *The Press must take care not to publish inaccurate, misleading or distorted information or images, including headlines not supported by the text.*
- b) *A significant inaccuracy, misleading statement or distortion must be corrected, promptly and with due prominence, and — where appropriate — an apology published. In cases involving IPSO, due prominence should be as required by the regulator.*
- c) *A fair opportunity to reply to significant inaccuracies should be given, when reasonably called for.*
- d) *The Press, while free to editorialise and campaign, must distinguish clearly between comment, conjecture and fact.*
- e) *A publication must report fairly and accurately the outcome of an action for defamation to which it has been a party, unless an agreed settlement states otherwise, or an agreed statement is published.*

- 3.31 Similarly, the IMPRESS Code states that:

- a) *Publishers must take reasonable steps to ensure accuracy.*
- b) *Publishers must distinguish clearly between statements of fact and opinion.*
- c) *Whilst free to be partisan, publishers must not misrepresent or distort the facts.*
- d) *Publishers must correct any significant inaccuracy with prominence equal to the original article at the earliest opportunity.*

- 3.32 The IPSO Code and the IMPRESS Code do not require newspapers to be impartial nor are newspapers prevented from taking partisan positions on public policy and political issues.

- 3.33 The preamble to the IPSO Code states that the IPSO Code "...should be interpreted neither so narrowly as to compromise its commitment to respect the rights of the individual, nor so broadly that it infringes the fundamental right to freedom of expression – such as to inform, to be partisan...". Similarly, as identified above, the IMPRESS Code notes that publishers are free to be partisan.

⁶² For example: The Guardian ([How to make a complaint about Guardian or Observer Content](#)) and The Financial Times ([FT Editorial Code](#)).

⁶³ [Editors' Code of Practice \(ipso.co.uk\)](#).

⁶⁴ [Our standards code - Impress \(impressorg.com\)](#).

- 3.34 This freedom to be partisan contrasts with, for example, the broadcasting sector. Section 319 of the Communications Act 2003 requires Ofcom to set standards for broadcast content which, among other things, secure that broadcast news is reported with due accuracy and presented with due impartiality. Accordingly, Ofcom's Broadcasting Code sets rules on due accuracy and due impartiality. Alongside other provisions to maintain editorial standards, the rules on due impartiality limit the extent to which broadcasters can take partisan editorial positions.
- 3.35 Our consideration of the need for free expression of opinion in newspapers takes into account that newspapers are not required to be impartial, and proprietors have historically had substantial freedom to influence editorial content.

Newspaper ownership is not restricted

- 3.36 There has existed a general right to publish newspapers, books or magazines without the need for a licence or state approval from the late 1600s.⁶⁵ Since the late 1600s/early 1700s, newspapers have been owned by a range of individuals including foreign nationals and those with controversial views. Unlike in the broadcasting sector, in which there is a requirement for a UK broadcast licence holder to be fit and proper to hold its licence, there is no general requirement for a newspaper owner to be fit and proper.

⁶⁵ Volume 1, part B, chapter 2 of the Leveson Inquiry into the culture, practices and ethics of the press 2012.

4. The Transaction

- 4.1 The Barclay family has owned the Telegraph Media Group⁶⁶ since 2004. In June 2023, the company entered receivership with Lloyds Banking Group (“Lloyds”), to whom the Barclay family was in debt, having been unable to progress with debt restructuring talks. Subsequently, Lloyds appointed Goldman Sachs to run an auction process for TMG and The Spectator.
- 4.2 On 19 November 2023, RedBird IMI Joint Venture informed the Secretary of State that the RedBird IMI Joint Venture and IMI had agreed to a [REDACTED] rescue package with the Barclay family that would result in Telegraph Media Group Limited and The Spectator (1828) Limited being brought out of receivership.⁶⁷ As part of this package:
- a) RedBird IMI Joint Venture loaned the Barclay family [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Upon exercise of the Call Option, RB Investco would purchase the entire issued share capital of TMG, which owns and operates the Telegraph Titles. Documents provided to us show that the Call Option has been exercised but completion is conditional upon regulatory approval, including this public interest process.
 - b) IMI provided a separate loan of approximately [REDACTED] to the Barclay family [REDACTED]
[REDACTED]
[REDACTED]
- 4.3 Under the terms of the transaction relevant to the 30 November PIIN, RB Investco was a wholly owned subsidiary of the RedBird IMI Joint Venture.
- 4.4 Under the changes to the corporate structure made on 23 January 2024, RedBird IMI Joint Venture transferred its shares in RB Investco to a new ownership vehicle, the RedBird IMI Partnership (namely RB IMI AIV LP, a limited partnership with company number LP023552.⁶⁸

The Parties

RedBird IMI Joint Venture

- 4.5 [REDACTED]
[REDACTED] The Joint Venture was announced in December 2022. It comprises three members, namely:

⁶⁶ At the time of purchase, the group included The Daily Telegraph, The Sunday Telegraph and The Spectator. The Spectator is now owned by a different company, The Spectator (1828) Limited which has the same owner as Telegraph Media Group Limited, namely May Corporation Limited.

⁶⁷ RedBird IMI Joint Venture letter to Secretary of State, dated 19 November 2023.

⁶⁸ [REDACTED]
[REDACTED]

- a) RedBird Capital Partners Management LLC, [REDACTED]
[REDACTED]⁶⁹ [REDACTED]
[REDACTED]
[REDACTED]⁷⁰;
- b) International Media Investments Holdings Limited, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]⁷¹ [REDACTED]
- c) [REDACTED]
[REDACTED]

4.6 The RedBird IMI Joint Venture Board of Managers comprises seven members: Jeff Zucker, who is also CEO; three RedBird Capital appointees: [REDACTED]
[REDACTED] and three IMI appointees: [REDACTED]
[REDACTED]⁷² The President of RedBird IMI Joint Venture is Rani Raad, who also holds key roles at RedBird Capital and IMI.

4.7 RedBird IMI Joint Venture has been described as a “joint venture investment vehicle focused on acquiring and investing in large scale media, entertainment and sports content properties on a global basis”.⁷³ RedBird IMI Joint Venture’s other assets are primarily based in the USA and include:

- a) Front Office Sports (“FOS”), a digital media organisation, with websites, newsletters, podcasts focussed on the business of sports, and the influence of sports on business and culture, active in the USA only;
- b) EverWonder Studio (nonfiction production);
- c) Hidden Pigeon (kids and family content production);
- d) XFL (a professional American football league and entertainment property); and
- e) Media Res (TV and film production).⁷⁴

4.8 We note reports that RedBird IMI Joint Venture has acquired All3Media, a UK based TV and film production business,⁷⁵ however, the parties have told us that the completion of the transaction is subject to regulatory approvals.⁷⁶

RedBird IMI Partnership

4.9 As outlined above, RB Investco is now held as part of the RedBird IMI Partnership, which in turn is the vehicle for holding and managing the TMG asset. The RedBird IMI Partnership comprises four partners, namely:

⁶⁹ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

⁷⁰ [REDACTED]

⁷¹ [REDACTED]

⁷² [REDACTED]

⁷³ [RedBird IMI Joint Venture press release](#)

⁷⁴ RedBird IMI Joint Venture response to RFI dated 6 December 2023, Question B5.

⁷⁵ [RedBird IMI agrees £1.15bn deal for TV and film producer All3Media \(ft.com\)](#)

⁷⁶ Response dated 28 February 2024, to Second Issues Letter, footnote 5.

- a) a general partner, [REDACTED] which is held by RedBird Capital Partners, L.P.⁷⁷ (“RB General Partner”). The RB General Partner is part of the same broader group of companies as RedBird Capital.⁷⁸ [REDACTED] is the primary individual with authority to execute documents and make decisions on behalf of the RB General Partner, across the ownership structure;
- b) three limited partners:⁷⁹
- i) [REDACTED], a subsidiary of International Media Investments Holdings Limited⁸⁰ (“IMI Limited Partner”), [REDACTED]⁸¹ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
 - ii) [REDACTED] (“RB Limited Partner”), [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
 - iii) [REDACTED] (“RB Class B Limited Partner”).

⁷⁷ [REDACTED]

⁷⁸ [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

⁷⁹ [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

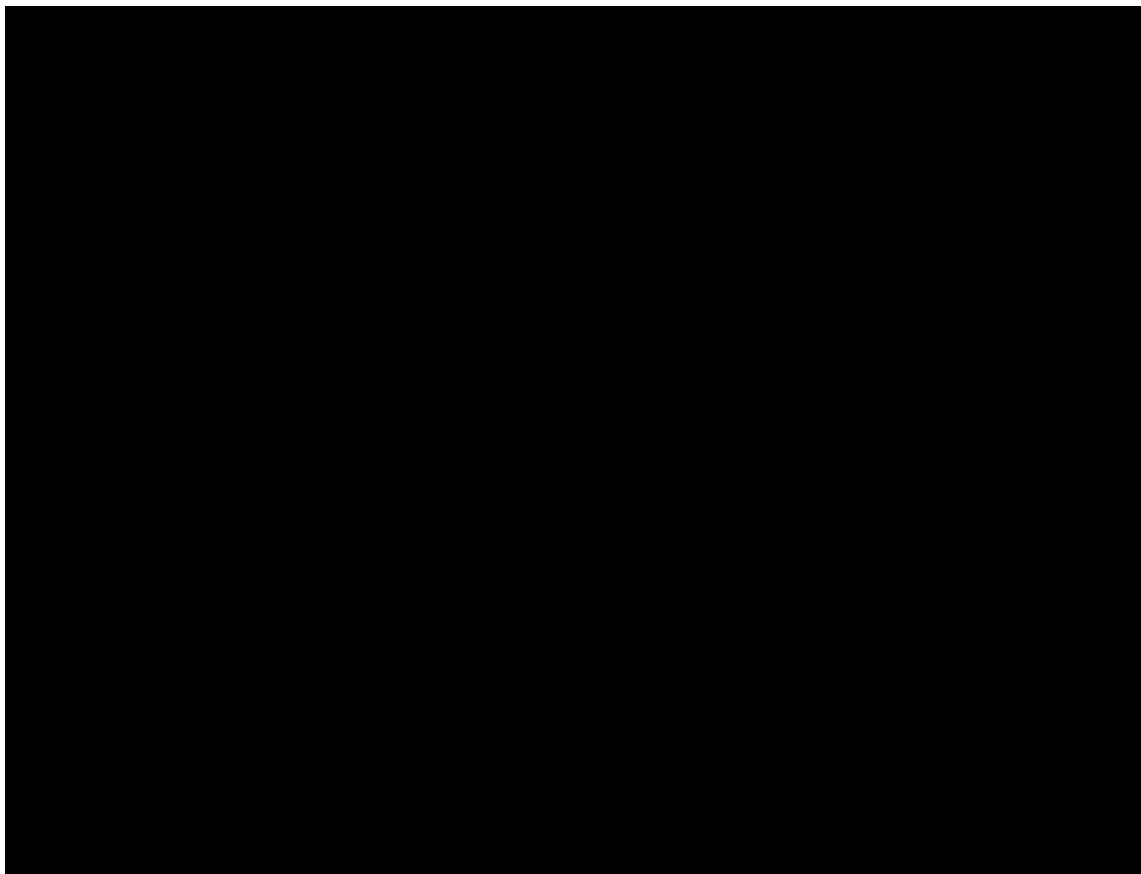
[REDACTED]

[REDACTED]

⁸⁰ Response to RFI dated 6 February 2024.

⁸¹ Submission on new corporate structure dated 18 January 2024.

Figure 15: Structure for ownership of TMG



RedBird Capital

- 4.10 RedBird Capital is a US-based private investment firm founded in 2014 by Gerry Cardinale. The firm has \$10 billion of assets under management.⁸² Its portfolio includes a range of brands across the sport, media and entertainment industries including Skydance Media, AC Milan, Fenway Sports Group (Liverpool FC, Boston Red Sox). RedBird Capital has told us that its investments are primarily in high-growth companies, where it provides flexible long-term capital to build companies.⁸³

IMI

- 4.11 IMI is an Abu Dhabi based investment company focused on “building a portfolio of quality media assets across the globe”.⁸⁴ IMI is owned by Sheikh Mansour bin Zayed bin Sultan Al Nahyan (hereafter Sheikh Mansour), [REDACTED]⁸⁵ Sheikh Mansour is a senior member of the House of Nahyan, the royal family of Abu Dhabi, and he holds numerous positions within the United Arab Emirates (“UAE”) government, including Vice President and Deputy Prime Minister.⁸⁶ He is also Chairman of the Central Bank and Chairman of the UAE sovereign wealth fund, the Emirates

⁸² [Home - RedBird Capital Partners](#)

⁸³ RedBird IMI Joint Venture submission 20 December 2023, paragraph 20.

⁸⁴ [About us | International Media Investments](#). IMI was known as Abu Dhabi Media Investment Corporation (ADMIC) until 2020.

⁸⁵ [REDACTED]

⁸⁶ [Biography of Mansour bin Zayed Al Nahyan | MoPA \(diwan.gov.ae\)](#)

4.12 IMI has a number of media interests:

4.13 The IMI board consists of Dr Sultan Al Jaber (Chair) and [REDACTED]. Both Dr Sultan Al Jaber and [REDACTED] are also appointees to the RedBird IMI Joint Venture board, and [REDACTED] is a decision-maker for the IMI Limited Partner of the RedBird IMI Partnership. The CEO of IMI, appointed in September 2023, is Rani Raad⁸⁸ who is also President of RedBird IMI Joint Venture and currently an operating partner at RedBird Capital.

[REDACTED]

[REDACTED] .89

[REDACTED]

[REDACTED]

⁸⁸ Rani R. Raad Takes the Helm as New CEO of IMI | International Media Investments.

31

5. Our approach

Summary of potential public interest concerns

- 5.1 We are required to consider whether it is or may be the case that the transaction may be expected to operate against the public interest, having regard to the accurate presentation of news and free expression of opinion grounds.
- 5.2 We have previously noted⁹⁰ that owners of (or investors in) newspapers in the UK will inevitably have a degree of influence over the presentation of news in their titles, and indeed, that it is unrealistic to expect a proprietor not to have any influence on the editorial output of a newspaper.
- 5.3 However, we are aware of concerns (including through responses to our ITC and Process Update) that, despite there being no specific restrictions on state ownership of newspapers in the UK, IMI's apparent strong links to the UAE government and the ruling family of one of the Emirates (Abu Dhabi) could lead to a major and influential UK newspaper giving favourable coverage of the UAE and its interests and/or refraining from scrutiny of the UAE government or its interests. This concern extends across UAE government policy, international relations, UAE economic news, stories concerning the UAE royal families, and also to the wide-ranging commercial activities of the UAE state or UAE backed businesses or industries in the UK and the rest of the world.
- 5.4 While the concerns that have been raised about the UAE's involvement in the transaction have not focussed specifically on the potential impact on the accuracy of the Telegraph Titles, we consider that they encompass the potential for facts to be misrepresented or distorted in a way that is favourable to UAE interests.
- 5.5 Representations made to us have been largely focused on the role of IMI in the transaction. IMI is the majority partner in the RedBird IMI Joint Venture with a [REDACTED] stake. It has a [REDACTED] interest in the RedBird IMI Partnership. We have considered the role of RedBird Capital as part of our investigation, however we have not observed anything in the information available to us that warrants further investigation of RedBird Capital specifically in relation to the public interest grounds that we have been asked to consider.
- 5.6 We have therefore focussed on IMI in our analysis of the incentives and ability to act against the public interest. This includes whether the UAE government, through IMI, has the incentive and ability to potentially act against the public interest in the UK by influencing the accurate presentation of news and free expression of opinion in the Telegraph Titles.

⁹⁰ Ofcom, 24 September 2021, [Application by News Corp UK and Ireland to release the Undertakings relating to the Times and the Sunday Times newspapers](#) pp.39-40.

The Telegraph Titles appear fairly similar to their peers in terms of their past record of accuracy and free expression

- 5.7 In order to consider the potential impact of the transaction on accuracy in news and free expression of opinion in the Telegraph Titles, we first looked at their record prior to the transaction.

Accuracy

- 5.8 In response to our ITC, ██████████ described the Telegraph Titles as “household” names with a strong track record and high standards, and ██████████ said that The Daily Telegraph is one of the UK’s most important and respected newspapers, with massive influence on the centre-right of UK politics.
- 5.9 Serious accuracy breaches by a newspaper, for example those which are defamatory, could lead to successful complaints to a regulatory body or to litigation. Losing or settling a regulatory or a defamation case does not necessarily imply that a newspaper has poor editorial standards – in particular, a newspaper which holds powerful and wealthy people to account effectively is likely to face a risk of litigation from those it criticises and may not be able to disclose all its sources to defend itself. However, depending on the circumstances, frequent losses or criticism of the conduct of a newspaper might suggest that the newspaper had low standards of accuracy.
- 5.10 We have derived the following information from publicly available sources. In the past five years, IPSO has made breach findings and applied sanctions in 21 accuracy cases against the Telegraph Titles.⁹¹ A further 12 cases involving accuracy complaints were resolved with IPSO mediation.⁹² This does not, of course, include complaints about the Telegraph Titles which lead to corrections but not to regulatory complaints.

⁹¹As at 28 February 2024: Sparks v The Daily Telegraph (2024); White v The Daily Telegraph (2023); Hammond v The Daily Telegraph (2023); Yallop v The Daily Telegraph (2023); Walawalker v Telegraph.co.uk (2023); Esslemont v The Daily Telegraph (2022); Cozens-Hardy v The Daily Telegraph(2022); Various v Telegraph.co.uk [re: strikes](2022); Various v The Daily Telegraph [re: Stonewall] (2022); Trans Legal Project v The Daily Telegraph (2021); Interlink v The Daily Telegraph (2021); A woman v The Daily Telegraph (2021); Reynolds v The Daily Telegraph (2021); Buchanan v Telegraph.co.uk (2020); Cressman v The Sunday Telegraph (2021); Whitehead v telegraph.co.uk (2020); The Centre for Media Monitoring v The Daily Telegraph (2020); Ward v The Sunday Telegraph (2019); Baker v The Daily Telegraph (2019); Portes v The Daily Telegraph (2019); Stirling v The Daily Telegraph (2019). (Source: a search of IPSO.co.uk website for accuracy cases leading to sanctions relating to The Daily Telegraph, The Sunday Telegraph and telegraph.co.uk. Cases are cited by date of complaint, 1 January 2019 to 31 December 2023.)

⁹²As at 28 February 2024: Miller v Telegraph.co.uk (2021); Roberts v Telegraph.co.uk (2021); Mullins v Telegraph.co.uk (2021); de Waal, Tabor and Runcie v The Daily Telegraph (2020); Carraway v The Sunday Telegraph (2020); A Woman v The Sunday Telegraph (2020); Imperial College London v The Daily Telegraph (2020); South Yorkshire Police v Telegraph.co.uk (2020); Allbeury v The Daily Telegraph (2019); Lewisham Islamic Centre v The Daily Telegraph (2019); Jewitt v Telegraph.co.uk (2019); Osman V The Sunday Telegraph (2019). (Source: a search of IPSO.co.uk website for accuracy cases resolved through IPSO mediation relating to The Daily Telegraph, The Sunday Telegraph and telegraph.co.uk. Cases are cited by date of complaint, 1 January 2019 to 31 December 2023.)

- 5.11 In the past five years, we have not identified any reported defamation cases in which the Telegraph Titles have lost based on an issue of accuracy.⁹³ It has reportedly settled a number of such cases, for example: Laura Murray (2022 re an article published 2021)⁹⁴; Dayana Yastremska and Oleksandr Yastremsky (2022 re articles published 2021)⁹⁵; Nectar Trust (2020 re articles published 2019)⁹⁶; Ahammed Hussain (2020 re articles published 2019)⁹⁷; and Melania Trump (2019)⁹⁸.
- 5.12 By way of comparison, in the past five years The Times/Sunday Times, IPSO has made breach findings and applied sanctions in 19 accuracy cases against The Times/The Sunday Times.⁹⁹ A further 15 cases were resolved with IPSO mediation.¹⁰⁰ This does not, of course, include complaints about the Times/Sunday Times which lead to corrections but not to regulatory complaints. In relation to corrections where the Times/Sunday Times has reported that it has issued an apology and paid a financial sum in the last five years, we have identified 13 cases.¹⁰¹ We have not identified any reported defamation cases which The Times/Sunday Times has lost in this period.

⁹³ For completeness, we note that the case of *Jusan Technologies Ltd v Bureau of Investigative Journalism and another company*; *Jusan Technologies Ltd v openDemocracy Ltd* [2023] EWHC 2581 (KB) (18 October 2023) also raises issues of accuracy and relates to a publication in The Telegraph, but this judgement relates to a preliminary issue.

⁹⁴ [Laura Murray - Apology \(telegraph.co.uk\)](https://www.telegraph.co.uk/news/2022/09/01/laura-murray-apology-telegraph-co-uk/); [Telegraph and Ian Austin apologise in High Court to Laura Murray over false anti-Semitism allegations - Carter-Ruck](https://www.telegraph.co.uk/news/2022/09/01/telegraph-and-ian-austin-apologise-in-high-court-to-laura-murray-over-false-anti-semitism-allegations-carter-ruck/)

⁹⁵ [Dayana Yastremska & Oleksandr Yastremsky Secure Apology & Damages From The Telegraph: Morgan Sports Law \(morgansl.com\)](https://www.morgansl.com/news/dayana-yastremska-oleksandr-yastremsky-secure-apology-damages-from-the-telegraph)

⁹⁶ [Nectar Trust Secures Apology And Substantial Damages From Daily Telegraph | Press Release | Chambers And Partners](https://www.chambersandpartners.com/news/nectar-trust-secures-apology-and-substantial-damages-from-daily-telegraph)

⁹⁷ [An apology – Mr Ahammed Hussain \(telegraph.co.uk\); The Times, Telegraph, Mail and Express pay libel damages and publish apologies to Muslim Scout leader for false extremism allegations | Doughty Street Chambers](https://www.doughtystreet.com/news/an-apology-mr-ahammed-hussain-telegraph-co-uk-the-times-telegraph-mail-and-express-pay-libel-damages-and-publish-apologies-to-muslim-scout-leader-for-false-extremism-allegations)

⁹⁸ [Melania Trump – An Apology \(telegraph.co.uk\); Melania Trump paid 'substantial damages' by The Daily Telegraph over false claims | UK News | Sky News](https://www.sky.com/news/melania-trump-paid-substantial-damages-by-the-daily-telegraph-over-false-claims)

⁹⁹ As at 28 February 2024: *Ochota v The Sunday Times* (2023); *Garrood v The Times* (2023); *Hodgson v The Times* (2022); *Crossman v thetimes.co.uk* (2022); *The Duke of Northumberland v The Times* (2022); *Keegan v The Sunday Times* (2022); *Various v The Times* (2022); *Rahman v thetimes.co.uk* (2022); *Keenan v The Times* (2021); *Wood v thetimes.co.uk* (2021); *Ross v The Sunday Times* (2020); *Criminal Cases Review Commission v The Times* (2020); *Commuter Club v The Sunday Times* (2020); *Cooney et al. v The Times* (2019); *Water UK v The Times* (2019); *Wilson v Sunday Times* (2019); *O’Nion v The Times* (2019); *Shadforth v The Sunday Times* (2019); *Clement v The Sunday Times* (2019). (Source: a search of IPSO.co.uk website for accuracy cases leading to sanctions relating to The Times, The Sunday Times, The Times Scotland, The Sunday Times Scotland, thetimes.co.uk and thesundaytimes.co.uk. Cases are cited by date of complaint, 1 January 2019 to 31 December 2023).

¹⁰⁰ As at 28 February 2024: *Boohoo Group PLC v thetimes.co.uk* (2023); *A man v The Sunday Times* (2022), *Kusamotu v The Times* (2022); *Delo v The Times* (2020), *Abdelrahman v The Times* (2020); *The Boleskine House Foundation and Readdy v The Times* (2020); *Katwala v Sunday Times* (2020); *Daniel Zajac v thesundaytimes.co.uk* (2020); *Brooks v thetimes.co.uk* (2019); *Fair Play for Women v The Times* (2020); *Hudson v The Times* (2019); *Reed v The Times* (2019); *Bromley v The Sunday Times* (2019); *Hilco Capital Ltd v The Sunday Times* (2019); *O’Connor v The Times* (2019). (Source: a search of IPSO.co.uk website for accuracy cases leading to resolved -IPSO mediation relating to The Times, The Sunday Times, The Times Scotland, The Sunday Times Scotland, thetimes.co.uk and thesundaytimes.co.uk. Cases are cited by date of complaint, 1 January 2019 to 31 December 2023).

¹⁰¹ As at 28 February 2024: *Dinah Rose KC* (2023); *Emmy Tayler* (2023); *Jerry Hague* (2023); *Mike Ashley* (2022); *Earl Spencer* (2021); *Al-Khair Foundation and Imam Qasim* (2021); *Rollo Gabb* (2020); *Ahammed Hussein* (2020); *Sultan Choudhury* (2020); *Travel Insurance Facilities plc* (2020); *CAGE and Moazzam Begg* (2020); *Abdullah Patel* (2019); *Paul Lunt* (2018).

- 5.13 Another potential comparator may be The Guardian and Observer. However, we note that The Guardian and Observer have their own editorial complaints framework which includes a review panel.¹⁰² There were 12 panel decisions between January 2019 and December 2023 and in two cases the panel recommended changes to articles. Given the different framework in place, this information is not necessarily comparable with that set out above. In the time available we have not sought to assess the comparability in detail. We have not identified any reported defamation cases which The Guardian/Observer has lost in the last five years; we have identified one report, which could be described as relating to accuracy, in its corrections and clarifications column in which it has agreed to pay a financial sum to settle a complaint.¹⁰³
- 5.14 Overall, we consider that the Telegraph Titles appear to have a similar track record to comparable publications on accuracy.

Free expression of opinion

- 5.15 As set out in Section 3, by their nature, newspapers are partisan. The Telegraph Titles were described to us in response to our ITC as having influence on, or being read by, the “Centre Right”¹⁰⁴ and as “particularly well-read by Conservative party members”.¹⁰⁵ The transaction may be of concern if it could be expected to change the editorial line of the titles in a way which negatively impacted the range or presentation of the news stories it covered.
- 5.16 In response to our ITC, [REDACTED] gave several examples of cases where it argues that the Telegraph Titles “have already shown a strong inclination for self-censorship in relation to coverage of foreign state actors and powerful corporations”.¹⁰⁶ Both [REDACTED] and [REDACTED] cited a report by DeSmog in support of their concerns about the Telegraph Titles’ existing coverage of climate change.¹⁰⁷
- 5.17 However, respondents to our ITC did identify areas where, they argued, the Telegraph Titles’ current editorial line differs from what the new owner might wish, and we have identified further such topics ourselves. We consider these further below, where we discuss the new owner’s incentives to influence.

Conclusion on accuracy of news and free expression of opinion

- 5.18 Overall, it is not possible to conclude based on the existing editorial history of the Telegraph Titles that a change in ownership would not raise any public interest concerns about accuracy of news or free expression of opinion in newspapers. We therefore turn to consider what the potential public interest concerns may be in this transaction.

¹⁰² [Editorial complaints and corrections | The Guardian](#)

¹⁰³ [Corrections and clarifications, Mr Wootton, 28 February 2024, The Guardian](#)

¹⁰⁴ [REDACTED]

¹⁰⁵ [REDACTED]

¹⁰⁶ The Russia Beyond supplement, provided via a sponsored content deal with the Russian state-owned newspaper Rossiyskaya Gazeta; the China Watch supplement “produced by a Chinese state-run newspaper and funded by the Chinese government”; and coverage of the HSBC banking scandal.

¹⁰⁷ [Revealed: Scale of The Telegraph's Climate Change 'Propaganda' - DeSmog](#). DeSmog is a not-for-profit organisation regulated by IMPRESS. Its principal funding comes from “charitable and philanthropic trusts”.

6. Incentives to influence

Rationale for the transactions

There appears to be a commercial incentive for the acquisition of TMG

- 6.1 A strong commercial rationale for a transaction is not in and of itself proof that there is no intention to influence news on the part of parties involved and is not predictive of the conduct of the parties in relation to influence. However, it may demonstrate that the ability to influence news is not necessarily the parties' primary intention. Alternatively, where the commercial incentives appear weak this may signal that the parties are pursuing a wider set of objectives that may include influence.
- 6.2 The case made by the parties to both DCMS and Ofcom is that there is a clear commercial rationale to acquire the Telegraph Titles.¹⁰⁸ As noted above, our analysis indicates that TMG is currently one of the more profitable national publishers in the UK, with increasing profits in the last five years.
- 6.3 The loan with Call Option that the RedBird IMI Joint Venture provided to the Barclays values the TMG and Spectator assets at £600m. This valuation appears to us to be broadly in line with reported analyst estimates of around £450m-£600m for TMG and up to £80m for The Spectator.¹⁰⁹
- 6.4 We asked the parties for copies of documents setting out the rationale for the transaction.
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]¹¹⁰
- 6.5 We note that prior to the PIIN being issued, Jeff Zucker had also made public references to plans for expanding the TMG brand, which have been reiterated through material provided to us by the parties.¹¹¹ For example, RedBird IMI Joint Venture's response to DCMS' "minded to" letter that preceded the 30 November PIIN set out that it had identified significant growth opportunities for TMG. It said that the proposed transaction would "reverse the recent trend of under-investment in both titles, and thereby enhance their premium brand status in the UK as well as significantly expand their reach overseas". In this response, RedBird IMI Joint Venture also said it was "firmly of the view that there is a growing demand from readers in the US and other English-speaking countries for the kind of premium, quality journalism which the Telegraph and Spectator offer".¹¹² RedBird IMI Joint Venture also

¹⁰⁸ RedBird IMI Joint Venture response to DCMS "minded to" letter dated 22 November 2023. Response dated 16 January 2024, to First Issues Letter, paragraphs 13-18.

¹⁰⁹ In October 2023 the Financial Times reported that analysts considered TMG could be worth £450m-£600m, with the Spectator potentially worth up to £80m: [How much is The Telegraph worth? \(ft.com\)](https://www.ft.com/content/2023/10/20/telegraph-worth)

¹¹⁰ [REDACTED]

¹¹¹ ['I would resign if Abu Dhabi interfered', says Telegraph bidder Jeff Zucker, telegraph.co.uk](https://www.telegraph.co.uk/news/2023/11/22/jeff-zucker-resign-telegraph/)

¹¹² RedBird IMI Joint Venture response to DCMS "minded to" letter dated 22 November 2023.

stated it planned to [REDACTED] to expand its domestic and international reach, and facilitate recruitment of [REDACTED] 113

- 6.6 The parties have told us that it intends to expand TMG’s US presence and make TMG products available to an increased number of US-based customers [REDACTED]
- 6.7 Reversing the “recent trend of underinvestment” as well as expanding the brand in this way could require significant additional investment over and above the purchase price, with RedBird IMI Joint Venture telling Ofcom it is committed to investing an additional [REDACTED] in the Telegraph Titles [REDACTED]
- 6.8 We note that to achieve its investment objectives, the parties will need to generate significant growth in TMG. [REDACTED]

[REDACTED]

-
- | Year | Month | Number of Publications |
|------|-------|------------------------|
| 2009 | 1 | 118 |
| | 2 | 119 |
| | 3 | 120 |
| | 4 | 121 |
| | 5 | 122 |
| 2010 | 6 | 123 |
| | 7 | 124 |
| | 8 | 125 |
| | 9 | 126 |
| | 10 | 127 |
| | 11 | 128 |
| | 12 | 129 |
| | 1 | 130 |
| | 2 | 131 |
| | 3 | 132 |
| | 4 | 133 |
| | 5 | 134 |
| 2011 | 6 | 135 |
| | 7 | 136 |

113	[REDACTED]
114	[REDACTED]
115	[REDACTED]
116	[REDACTED]
117	[REDACTED]
118	[REDACTED]
119	[REDACTED]

6.16

[REDACTED]

[REDACTED] 128 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] 129 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] 130 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.17 Therefore, based on the information we have, the commercial rationale for the loan, taking account of the collateral assets and the loan's size and risk profile, is not clear, even having regard to any additional value from deal certainty. We consider that it would be inappropriate at this stage to conclude that the loan was motivated only by commercial factors.

Conclusion on rationale for the transactions

6.18 Taken in the round, while there appears to be a commercial rationale for the transaction for TMG and that RedBird Capital in particular may have purely commercial incentives, [REDACTED]

[REDACTED]

[REDACTED] it is less clear to us that IMI has a solely commercial rationale for the transaction, and so IMI may be motivated by other factors.

There may be incentives for editorial influence

6.19 Aside from commercial reasons, a common reason to invest in newspapers is to exert influence over their editorial line for political or commercial reasons. Increased proprietorial influence in the Telegraph Titles is in and of itself not necessarily problematic, but it would be if it led to restrictions on journalistic freedom or the inaccurate presentation of news to a degree which was contrary to the public interest.

128 [REDACTED]

129 [REDACTED]

130 [REDACTED]

A state has different incentives from a corporation

- 6.20 Whilst there are no specific restrictions on state ownership of newspapers in the UK, and that is not the question that we have been asked to consider here, we think that there are notable differences between the incentives of a powerful private individual or corporation, and those of a state. Our view is that by its nature, a state has a much wider scope of interest than any individual or corporation and that scope is in turn liable to impact on a wider range of stories that may be contained within a newspaper. Furthermore, any government has a primary duty towards its own citizens and, in contrast to an individual or corporation, may perceive an obligation to act in their interests even where this conflicts with the interests of its commercial partners or the customers of businesses it owns. Therefore, any government, and any individual member of a government, has an incentive to influence opinion where they can. All else equal, a state or government owning, or holding a majority interest in, a newspaper would put it in a position to use its influence on that paper to further its foreign policy, commercial, reputational, or other ambitions.
- 6.21 We consider it arguable that the scope for harm to the public interest may be greater where a state is incentivised and able to exert influence, than where a corporation is. State sovereignty means they are less constrained than corporations are.
- 6.22 We consider that there are clear reasons why a government might wish to influence opinion in the UK, via a prominent and influential UK newspaper, by promoting particular interests, restricting certain views, or misrepresenting some facts in favour of the political interests of the state concerned. These could include influencing views on foreign policy issues, in this case most obviously views on issues in the Middle East, where the UAE would have a particular interest, but also views on other matters around the globe that may be relevant to the UAE's interests. In other words, such incentives to influence would not be limited to stories about or even mentioning the UAE. Readers who do not closely follow the UAE may find such influence particularly difficult to discern but even very well-informed readers are unlikely to be aware of all the ways in which the UAE might wish to exert influence.
- 6.23 We also consider that there is a clear incentive for any state, including the UAE, to use an influential UK newspaper to encourage positive coverage of UAE government commercial interests, including decisions about UAE investment in UK industries, or discourage negative coverage in order to bolster success of these commercial activities, or to support planned future acquisitions. The UAE government, and the federal governments of individual cities within the UAE, have a wide range of commercial interests, including within the UK, for example through their sovereign wealth funds.¹³¹
- 6.24 Submissions made in response to our ITC argued there may be instances where there could be commercial incentives for editorial interventions, in relation to news coverage [REDACTED]. For example, [REDACTED] argued that editorial influence may take the form of business owners associated with the UAE exerting pressure on TMG, and this may be hard to monitor. ITC respondents [REDACTED] identified sport as a particular area of concern to them in this respect, in terms of "sportswashing", club financing arrangements and coverage of issues affecting fans such as the proposed European Football Superleague, due to the interests of Sheikh Mansour in football clubs in the UK and worldwide.

¹³¹ For example: [Mubadala Investment Company | Mubadala](#)

- 6.25 RedBird IMI Joint Venture submitted in response to our First Issues Letter that Ofcom has come to an “unreasonable de facto position that any significant investor in UK newspapers with links to a foreign government would always be problematic” and this in turn risks being perceived as a “material toughening of the UK government’s policy on foreign direct investment”.¹³² Our focus in reporting to the Secretary of State is the specific transaction that we have been asked to consider, namely the acquisition of the Telegraph Titles, and its potential impact on accurate presentation of news and free expression of opinion in newspapers. Broader questions about state ownership of newspapers and foreign investment are for the Government and Parliament.

Links between senior personnel in IMI and UAE government

- 6.26 There are substantial connections between the individuals with an interest in and/or who are representatives of IMI, RedBird IMI Joint Venture and the IMI Limited Partner on the one hand, and members of the UAE government and other state-owned undertakings on the other. These individuals potentially encompass a wide ranging and, [REDACTED]
[REDACTED] Sheikh Mansour (a senior member of the House of Nahyan, the royal family of Abu Dhabi) via IMI, which is his privately-owned company. IMI’s owner, IMI’s Chairman and board members, IMI appointees to the RedBird IMI Joint Venture Board of Managers (including the Chairman of the Joint Venture), and a decision-maker of the IMI Limited Partner, hold positions within either the UAE government or UAE state-owned companies.
- 6.27 We focus below on the two most prominent individuals, Sheikh Mansour and Dr Sultan Al Jaber, whose strong connections to the UAE government or UAE-owned companies could provide an incentive to exert influence over the accurate presentation of news and free expression of opinion in the Telegraph Titles.¹³³

Sheikh Mansour

- 6.28 Sheikh Mansour is the owner of IMI [REDACTED]
[REDACTED]
- 6.29 He is also a senior member of the House of Nahyan, the royal family of Abu Dhabi, and he holds numerous positions within the UAE government, including Vice President, Deputy Prime Minister, Chairman of the Presidential Court, Chairman of the Central Bank and Deputy Chairman of the General Budget Committee.¹³⁴ He is Chairman of the UAE sovereign wealth fund, the Emirates Investment Authority, and the Abu Dhabi sovereign wealth fund, the Mubadala Investment Company, which has a very wide range of interests, including

¹³² Response dated 16 January 2024, to First Issues Letter, paragraph 10.

¹³³ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

¹³⁴ [Biography of Mansour bin Zayed Al Nahyan | MoPA \(diwan.gov.ae\)](#)

hotels, sports stadiums, energy, tech companies and real estate credit markets.¹³⁵ He is the brother of the current President of the UAE, Sheikh Mohamed bin Zayed Al Nahyan.

- 6.30 Within the local government of the emirate of Abu Dhabi, Sheikh Mansour holds the positions of Chairman of the Abu Dhabi Judicial Department, Chairman of the Abu Dhabi Agriculture and Food Safety Authority, and Chairman of the Abu Dhabi Fund for Development. He is also a board member of the Abu Dhabi Supreme Petroleum Council, the Abu Dhabi Investment Authority, the Abu Dhabi National Oil Company, and a member of the Abu Dhabi Supreme Council for Financial and Economic Affairs.¹³⁶
- 6.31 As Chairman of the Abu Dhabi Judicial Department, Sheikh Mansour issued an ordinance in June 2009, which set up public prosecution and circuit courts to try media related cases in Abu Dhabi.¹³⁷
- 6.32 As well as his government roles, Sheikh Mansour owns the Abu Dhabi United Group, Newton Investment and Development LLC (the majority shareholder of City Football Group,¹³⁸ which owns, amongst other things, Manchester City Football Club) and IMI.

Dr Sultan Al Jaber

- 6.33 Dr Sultan Al Jaber is the Chairman of IMI, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- 6.34 He also holds several roles in the UAE government including Minister of Industry and Advanced Technology, Special Envoy for Climate Change and President of COP28, CEO of the state-owned Abu Dhabi National Oil Company (“ADNOC”), and Chairman of Masdar, a UAE state-owned renewable energy company.¹³⁹
- 6.35 We note that Dr Sultan Al Jaber was previously Chair of the National Media Council from 2015 to 2020, one of the UAE bodies responsible for regulating media content in the country.¹⁴⁰ Responses to our ITC raised concerns about the activities of the National Media Council, including its alleged involvement in censorship of media content in the UAE with some citing an Amnesty International report which says that the National Media Council held the authority to “forbid... the printing, circulation or introduction into the country of any printed material except after the issuance of a decision agreeing to grant permission to its informational content”, and that the council could ban a website’s use within the country.¹⁴¹ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]¹⁴²
- 6.36 [REDACTED]
[REDACTED]

¹³⁵ [Mubadala Investment Company | Mubadala](#)

¹³⁶ [Biography of Mansour bin Zayed Al Nahyan | MoPA \(diwan.gov.ae\)](#)

¹³⁷ [Mansour Bin Zayed issues ordinance setting up media prosecution and courts | wam.ae](#)

¹³⁸ [Ownership \(cityfootballgroup.com\)](#)

¹³⁹ [COP28 President | H.E. Dr. Sultan Al Jaber - Bio \(drsultanaljaber.com\)](#)

¹⁴⁰ [The Human Rights Situation In The United Arab Emirates Ahead Of COP28 \(amnesty.org\)](#)

¹⁴¹ [COP28 UAE: A troubling human rights record \(amnesty.ca\)](#)

¹⁴² [REDACTED]

- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]¹⁴³
- 6.37 Dr Sultan Al Jaber is also Chair of Abu Dhabi Media Network (formerly Abu Dhabi Media Company (“ADMC”)), following his appointment in July 2019. Up until 1 January 2021, ADMC held a licence under the Broadcasting Act 1990 for its global news and current affairs satellite television channel, Abu Dhabi Channel.

UAE society, business and government

- 6.38 To understand why the positions of Sheikh Mansour and Dr Sultan Al Jaber are of potential concern, it is important to understand the context of the government in which they serve.
- 6.39 The UAE is a federation of seven Emirates, of which Abu Dhabi and Dubai are the most politically and economically significant. Each of the seven Emirates is ruled by a royal family, the heads of which form the Federal Supreme Council which chooses the President of the country.¹⁴⁴ Since the formation of the UAE in 1971, the President has been the most senior member of the House of Nahyan, the royal family of Abu Dhabi.¹⁴⁵ There is a partially elected legislature, but it has a limited role and is not elected by universal franchise.¹⁴⁶ A 2022 Bertelsmann Stiftung’s Transformation Index (“BTI”) report, which assesses countries’ political and economic transformation and governance, argues that in the UAE, “the central role of members of the ruling families at all levels of government is reminiscent of a system of dynastic polities”.¹⁴⁷ UAE law is based on civil and Islamic law.¹⁴⁸
- 6.40 There is significant overlap between UAE royal families and UAE government roles. UAE royal family members with government roles are also deeply involved in the private sector. The 2022 BTI report discussed above stated that there is “no clear dividing line between the public and private sectors”, that “many seemingly private enterprises are owned by the government or count a ruling family among their primary shareholders” and that significant sectors such as financial services, oil, gas, electricity and water remain state-controlled.¹⁴⁹
- 6.41 In its published guidance on overseas business risk, the UK’s Foreign, Commonwealth & Development Office observes that sovereign wealth funds “underpin financial resilience and direct investment” in the UAE and globally.¹⁵⁰ It also contains a link to a risk report published by GAN Integrity as part of its Business Anti Corruption Portal which says that in the UAE “foreign companies often rely on local sponsorship if they want to succeed, and ruling families’ involvement in the economy creates an uneven playing field”.¹⁵¹
- 6.42 These reports indicate that ruling families and government ministers, appointed by the President, are influential decision-makers across many areas of UAE life, including business. Sheikh Mansour and Dr Sultan Al Jaber are prominent, influential members of the UAE government, and Sheikh Mansour is also a member of the ruling family of Abu Dhabi. They

¹⁴³ [REDACTED]

¹⁴⁴ [United Arab Emirates \(UAE\): Introductory country profile - House of Commons Library \(parliament.uk\)](https://www.parliament.uk/research-summaries/2019/09/united-arab-emirates-introductory-country-profile/)

¹⁴⁵ [Nahyan dynasty | Family, Biography, & History | Britannica](https://www.britannica.com/topic/nahyan-dynasty)

¹⁴⁶ [United Arab Emirates \(UAE\): Introductory country profile - House of Commons Library \(parliament.uk\)](https://www.parliament.uk/research-summaries/2019/09/united-arab-emirates-introductory-country-profile/)

¹⁴⁷ [BTI 2022 United Arab Emirates Country Report: BTI 2022 \(bti-project.org\)](https://bti-project.org/en/publication/bti-2022-uae)

¹⁴⁸ [The Federal Judiciary | The Official Portal of the UAE Government](https://www.federal-judiciary.ae/)

¹⁴⁹ [BTI 2022 United Arab Emirates Country Report: BTI 2022 \(bti-project.org\)](https://bti-project.org/en/publication/bti-2022-uae)

¹⁵⁰ [Overseas business risk: United Arab Emirates - GOV.UK \(www.gov.uk\)](https://www.gov.uk/overseas-business-risk/united-arab-emirates)

¹⁵¹ [United Arab Emirates country risk report — GAN Integrity](https://www.ganintegrity.com/reports/united-arab-emirates-country-risk-report)

therefore have an incentive to intervene in news outlets where they have influence, in relation at least to stories pertaining to UAE government policy, international relations, UAE economic news, stories concerning the UAE royal families or coverage of UAE government commercial interests.

Free expression in the UAE

- 6.43 As well as concerns about the incentives that the UAE government would have to influence TMG, the track record of the UAE government specifically indicates that there may be a culture of restricting free expression. [REDACTED]
[REDACTED]
[REDACTED] The Media Regulatory Office (“MRO”), which replaced the National Media Council in 2021¹⁵², manages and regulates media activities in the UAE.¹⁵³
- 6.44 We understand from the UAE government web portal that the UAE Federal Decree-Law No. 55 (2023) requires all media individuals and institutions to comply with national standards for media content which include “respecting the country’s sovereignty, symbols and institutions, and the supreme interests of the UAE and its society”, “avoiding any actions that may hurt the UAE’s foreign relations”, “refraining from disseminating or circulating information that may offend or compromise national unity”, and “refraining from publishing, broadcasting or circulating rumours, false and misleading news”.¹⁵⁴
- 6.45 In response to our ITC, [REDACTED] cited the Code of Crimes and Punishments, brought into effect in January 2022. This is said by Amnesty International to have brought “some reduction of sentences but retained overly broad provisions that criminalize free expression”; it also said that Article 184 includes a maximum prison sentence of five years for “anyone who mocks, insults, or damages the reputation, prestige or standing of the state” or “its founding leaders”.¹⁵⁵
- 6.46 In response to our ITC, [REDACTED] said that the Resolution of the Chairman of the Board of Directors (of National Media Council) No. 26 (2017), in respect of the media content also applies to media activities in the UAE. Article 4 states that no printed material “shall be printed, circulated, published, broadcasted in or brought into the UAE before the issuance of a decision giving permission with regard to the media content” and that the Council “may cease or prohibit the circulation, printing and entry into the UAE of any printed material without permission, with imposing sanctions on the violator.”¹⁵⁶
- 6.47 ITC responses from [REDACTED] said that Federal Law No. 15 (1980) Concerning Publications and Publishing prohibits the publication of content that includes criticism of “the Head of State or Rulers of the Emirates”, opinions which “violate public discipline and order”, “causes harm to the interest of the state or the values of society”, “causes agitation to relations between the UAE and other Arab, Islamic and friendly

¹⁵² [In brief: media law and regulation in United Arab Emirates - Lexology](#)

¹⁵³ [Media regulation | The Official Portal of the UAE Government](#)

¹⁵⁴ [ibid](#)

¹⁵⁵ [Human rights in United Arab Emirates Amnesty International](#)

¹⁵⁶ [Resolution of the Chairman of the Board of Directors No. 26 of 2017, in respect of the media content | National Media Council](#)

countries”, or “news that cause harm to the national currency, or causes damage to the national economy”.¹⁵⁷

- 6.48 The legal framework of the UAE relating to freedom of expression has been criticised, for example in 2023, Amnesty International stated that the UAE “put into effect new laws that significantly curtail freedom of expression and assembly” and “the government exercised control over expression, at times censoring content in the media or cinema deemed to be immoral. At least 26 Emirati prisoners remained behind bars because of their peaceful political criticism.”¹⁵⁸
- 6.49 The UAE ranks 145 out of 180 countries in the Reporters Without Borders (“RSF”) 2023 World Press Freedom Index, with a score of 42.99.¹⁵⁹ The UAE’s score and rank on the RSF World Press Freedom Index have fallen steadily over the past decade, from a rank of 114 and score of 66.51 in 2013.¹⁶⁰ RSF summarises the UAE’s ranking by noting that “The government prevents both local and foreign independent media outlets from thriving by tracking down and persecuting dissenting voices. Expatriate Emirati journalists risk being harassed, arrested or extradited.” RSF also stated that most Emirati media is owned by organisations with ties to the government.¹⁶¹
- 6.50 RSF records that blogger and activist Ahmed Mansoor is currently detained in the UAE.¹⁶² He was sentenced to 10 years in prison in March 2017 on charges of using social media platforms to threaten public order and publish false and misleading information about the UAE, as reported by Amnesty International.¹⁶³
- 6.51 In February 2022 Nepali journalist Umakanta Pandey was arrested in the UAE on cybercrime charges and sentenced to three months in prison following a statement he posted on Facebook, according to the International Federation of Journalists.¹⁶⁴
- 6.52 There are other reports of convictions as a result of public criticism of the government. These include the conviction of 69 critics of the government in 2013 under legislation criticised as “broadly worded” and “sweeping” by the International Commission of Jurists.¹⁶⁵ 51 of those prison sentences were subsequently lengthened beyond their original completion date (as of April 2023).¹⁶⁶
- 6.53 Academic Nasser bin Ghaith was convicted and sentenced to 10 years in prison in 2017, after posting Tweets deemed “offensive to the state’s symbols and values, its internal and foreign policies and its relations with an Arab state”.¹⁶⁷

¹⁵⁷ [Publications and Publishing Law 1980 \(menarights.org\)](https://menarights.org/publications-and-publishing-law-1980/)

¹⁵⁸ [Human rights in United Arab Emirates Amnesty International](https://www.amnesty.org/en/latest/news/2023/01/human-rights-in-uae/)

¹⁵⁹ [United Arab Emirates | RSF](https://www.rsf.org/en/uae-2023). 100 is the highest possible score, for example the UK scores 78.51 and the highest-scoring country in the world in 2023, Norway, scores 95.18.

¹⁶⁰ [Index | RSF](https://www.rsf.org/en/index)

¹⁶¹ [United Arab Emirates | RSF](https://www.rsf.org/en/uae)

¹⁶² [Barometer | RSF](https://www.rsf.org/en/barometer)

¹⁶³ [UAE: Activist Ahmed Mansoor sentenced to 10 years in prison for social media posts - Amnesty International](https://www.amnesty.org/en/latest/news/2017/03/uae-activist-ahmed-mansoor-sentenced-to-10-years-in-prison-for-social-media-posts/)

¹⁶⁴ [Nepal: Nepali journalist arrested in UAE - IFJ](https://www.ifj.org/en/nepal-nepali-journalist-arrested-in-uae/)

¹⁶⁵ [Mass Convictions Following an Unfair Trial: The UAE 94 Case \(icj.org\)](https://www.icj.org/en/mass-convictions-following-an-unfair-trial-the-uae-94-case/)

¹⁶⁶ [UAE: Detainees Held Beyond Sentences | Human Rights Watch \(hrw.org\)](https://www.hrw.org/en/news/2017/02/01/uae-detainees-held-beyond-sentences). We note that paragraphs 6.48, 6.50, 6.52 and 6.53 may contain double-counting of people in prison.

¹⁶⁷ [10 years for a tweet: UAE jails academic for criticising Egypt | Middle East Eye](https://www.middleeasteye.net/news/10-years-for-a-tweet-uae-jails-academic-for-criticising-egypt)

- 6.54 In response to our ITC, [REDACTED] ¹⁶⁸ said that the UAE also restricts freedom of expression through the use of strict surveillance of journalists by the UAE government. The ITC response and the submission from [REDACTED] pointed to a Guardian investigation which revealed that the UAE government had selected at least 12 journalists for possible covert surveillance by the NSO Group surveillance firm. ¹⁶⁹
- 6.55 The risk of UAE’s propensity to influence is also indicated by the existence of allegations in the media of direct intervention by government officials at The National. ¹⁷⁰ IMI has told us that The National was acquired by IMI in 2017 from ADMC, a state media enterprise owned directly by the government of Abu Dhabi. ¹⁷¹ We recognise that the allegations may date from the 2008-2017 period of ADMC ownership but consider that they remain relevant given that the UAE and Abu Dhabi remain under the control of the same royal family as prior to 2017. The allegations were highlighted to us in ITC responses from [REDACTED], including:
- a) That the proprietors of The National used direct and covert means of censoring coverage, and there was “a hotline from a government adviser to the newsdesk”. ¹⁷²
 - b) That a government advisor would direct journalists what to print and what not to print. ¹⁷³
 - c) That any staff who pushed back against underreporting of stories or scandals unfavourable to the UAE government would, after they left the paper, be replaced with government appointees that would “toe the line a bit more.” ¹⁷⁴
- 6.56 In response to our ITC, [REDACTED] expressed their concerns about human rights and free expression in the UAE.
- 6.57 The legal framework of the UAE, which is the responsibility of the government in which Sheikh Mansour and Dr Sultan Al Jaber serve, is not conducive to free expression. This context is relevant given their respective roles, as owner of IMI [REDACTED], and as the Chairman of IMI and RedBird IMI Joint Venture.
- 6.58 RedBird IMI Joint Venture have said that the legal and cultural framework for the media in the UAE is very different from to the UK and cannot be “read across” to the future governance of the Telegraph Titles, because “the approach in one jurisdiction does not prefigure the approach in another” as IMI investments conform to relevant local laws. ¹⁷⁵ In response to the Second Issues Letter, the parties said that Ofcom “still incorrectly relies on the media environment and its assessment of ‘free expression in the UAE’ to make unreasonable inferences about IMI’s incentives in relation to the Telegraph in the UK” (emphasis in original). ¹⁷⁶ The parties also said that it is “not for a UK regulator to pass

¹⁶⁸ [REDACTED]

¹⁶⁹ [FT editor among 180 journalists identified by clients of spyware firm | Surveillance | The Guardian](#)

¹⁷⁰ [Abu Dhabi’s censor-in-chief set to take charge at the Telegraph \(thetimes.co.uk\)](#)

¹⁷¹ IMI response to Ofcom letter dated 20 December 2023, paragraph A(2)(a).

¹⁷² [Abu Dhabi’s censor-in-chief set to take charge at the Telegraph \(thetimes.co.uk\)](#)

¹⁷³ [ibid](#)

¹⁷⁴ [ibid](#)

¹⁷⁵ RedBird IMI Joint Venture response dated 16 January 2024, to First Issues Letter, paragraph 59.

¹⁷⁶ Response dated 28 February 2024, to Second Issues Letter, paragraph 31.

judgement” on the laws that the UAE, as a sovereign state chooses to apply to businesses that operate there, and that IMI “complies with local laws and respects differences in culture and practice” in every jurisdiction in which it invests.¹⁷⁷

- 6.59 We agree that the framework for media regulation in the UAE is very different from the framework in the UK and we do not dispute the UAE’s right to make its own laws and apply those laws to businesses in the UAE and do not pass judgment on these. However, even though the examples cited are from a different jurisdiction with different laws we consider it is evidence of the UAE government’s approach to freedom of expression which, given its close ties with IMI, may indicate IMI’s propensity to exercise influence to curtail freedom of expression in the Telegraph Titles. As we noted at paragraph 2.13, the DTI Guidance on the public interest consideration states that the impact on a relevant merger situation on accurate presentation of news in newspapers is likely to be assessed by reference to evidence of past behaviour by the enterprises in question, or by the persons with control of such enterprises, in relation to that or other enterprises, including but not limited to newspapers.¹⁷⁸

ADMC’s broadcast compliance record

- 6.60 We have had regard to Ofcom’s regulatory findings in relation to ADMC, when it was a licensed broadcaster in the UK. We consider these are relevant given that ADMC is a state-owned media enterprise and, at the time of Ofcom’s findings against it, it was (and continues to be) under the control of the same royal family as IMI.
- 6.61 The parties disagree that the decisions we have taken against ADMC have any relevance. This is on the grounds that it considers the two organisations to be “fundamentally different” - ADMC is a public sector broadcaster, owned by the government of Abu Dhabi and operated in accordance with other government sector organisations, while IMI is a privately-owned media enterprise, operated on commercial principles with a remit to own and invest in media enterprises.¹⁷⁹
- 6.62 Ofcom recognises that ADMC and IMI are separate organisations. Their geographic proximity is not in itself a relevant consideration and contrary to the parties’ assertion,¹⁸⁰ we have not suggested otherwise. However, it remains the case they are both owned by the same royal family, and both are chaired by Dr Sultan Al Jaber. As noted above, the distinction between public and private sectors in the UAE is not clear-cut and [REDACTED] Sheikh Mansour, is a political figure, as well as being a businessman.¹⁸¹
- 6.63 The parties have also said that Ofcom has failed to consider IMI’s ownership of The National, which “has a track record of publishing in accordance with IPSO regulation in the UK”.¹⁸² We discuss The National at paragraphs 6.75-6.78 below and accept there have been no IPSO rulings relating to its output.¹⁸³

¹⁷⁷ Response dated 28 February 2024, to Second Issues Letter, paragraph 32.

¹⁷⁸ DTI Guidance, paragraph 5.5.

¹⁷⁹ Response dated 28 February, to Second Issues Letter, paragraphs 34 – 36.

¹⁸⁰ Response dated 28 February 2024, to Second Issues Letter, paragraph 37.

¹⁸¹ Ofcom note of Second Issues Meeting.

¹⁸² Response dated 28 February 2024, to Second Issues Letter, paragraph 36.

¹⁸³ [Rulings Archive - IPSO](#)

- 6.64 Taking these matters in the round, we remain of the view that the compliance record of ADMC is relevant to an assessment of IMI's incentives.
- 6.65 ADMC held a TLCS licence issued under Part 1 of the Broadcasting Act 1990 until 1 January 2021, when it surrendered its licence. As a licensed broadcaster, ADMC was required to comply with Ofcom's Broadcasting Code,¹⁸⁴ which includes rules in relation to the due impartiality and due accuracy of news and to avoid unfair treatment of individuals and unwarranted infringements of privacy.
- 6.66 We summarise the breach findings we made against ADMC below. The parties have said that it is important to view these in context, observing that compliance with the Broadcasting Code is not a 'bright line' test and that other UK broadcasters, such as Sky News and the BBC, have been in breach of the rules on due impartiality and/or due accuracy.¹⁸⁵ We do not disagree with this, although as set out below, in two of the breach findings we made against ADMC (in relation to which the parties have not made any representations), we found that there was "a comprehensive failure by ADMC to have appropriate regard to its regulatory obligations".¹⁸⁶ In any event, we do not consider that the context highlighted by the parties detracts from the relevance of ADMC's compliance history.
- 6.67 In 2018, we found ADMC in breach of rule 5.5 of the Broadcasting Code in relation to a broadcast of a current affairs programme about the findings of a report by the United Nations Office of the High Commissioner for Human Rights ("OHCHR") and the policies of the Qatari government.¹⁸⁷ In finding that ADMC had failed to meet the requirement in rule 5.5 to preserve due impartiality on matters of political or industrial controversy in the broadcast, we said: "the programme gave a one-sided view which was highly critical of several policies and actions of the OHCHR and the Qatari state. Further, it did not provide sufficient alternative viewpoints in order to ensure that neither side of a debate relating to matters of political controversy and matters relating to current public policy was unduly favoured." We note that the one-sided view presented in the programme appeared to align with the interests of the UAE state, which had cut diplomatic ties with Qatar the previous year.¹⁸⁸
- 6.68 In 2020, we found ADMC in breach of rule 7.1 (unjust or unfair treatment) and rule 8.1 (unwarranted breach of privacy) in relation to two broadcasts in 2017.¹⁸⁹ Both programmes included footage of the complainant confessing to criminal offences in the UAE. The complainants said the footage was filmed while they were being interviewed under duress by the UAE authorities and broadcast without their knowledge or consent. In our decisions, we found that ADMC had failed to exercise reasonable care in satisfying itself that material facts had not been presented, disregarded or omitted from the broadcast programme in a way that was unfair to each of the complainants, both of whom were Qatari and were convicted by the UAE courts of crimes against the UAE. Following the 2020 breach findings, ADMC surrendered its licence. Nonetheless, we considered the breaches of rules 7.1 and 8.1

¹⁸⁴ Ofcom, December 2020, [The Ofcom Broadcasting Code \(with the Cross-promotion Code and the On Demand Programme Service Rules\)](#).

¹⁸⁵ Response dated 28 February 2024, to Second Issues Letter, paragraph 38.

¹⁸⁶ Ofcom, May 2021, [Sanction decision by Ofcom, Sanction 141 \(21\) Abu Dhabi Media Company](#); Ofcom, May 2021, [Sanction decision by Ofcom. Sanction 142\(21\) Abu Dhabi Media Company](#).

¹⁸⁷ Ofcom decision of 5 February 2018, in relation to *35 minutes*, Abu Dhabi Channel - [Ofcom Broadcast and On Demand Bulletin, Issue number 357, 2 July 2018](#).

¹⁸⁸ Ofcom decision of 5 February 2018, in relation to *35 minutes*, Abu Dhabi Channel, fn 2.

¹⁸⁹ Ofcom, November 2020, [Ofcom Broadcast and On Demand Bulletin, Issue 415, 23 November 2020](#); Ofcom, November 2020, [Ofcom Broadcast and On Demand Bulletin, Issue 414, November 2020](#).

to be serious and, in each case, imposed a sanction of £125,000.¹⁹⁰ We said the failures on the part of the licensee “were serious omissions that indicated a comprehensive failure by ADMC to have appropriate regard to its regulatory obligations” and held that the Licensee had acted recklessly and without due regard to the possibility that it might breach the relevant rules by failing to have adequate compliance procedures in place. In setting the penalty, we also took into account ADMC’s repeated failures to provide information which impeded Ofcom’s ability to consider and adjudicate on the complaints about the broadcasts. We made a separate breach finding against ADMC in respect of its failure to provide information as required by its licence.¹⁹¹

There are previous concerns relating to free expression and accuracy in IMI-owned media businesses

- 6.69 RedBird IMI Joint Venture’s response to our First Issues Letter said that IMI has not sought to informally influence the management or operation of any of the other companies that the RedBird IMI Joint Venture has invested in, citing the list of companies at paragraph 4.7 as evidence. It concluded from this that there is no reason to suppose that IMI would attempt to influence the Telegraph Titles.¹⁹² We accept that we have seen no evidence that IMI has sought to influence the other companies that the Joint Venture has invested in, but none of the companies listed are news providers, being predominantly entertainment and sports businesses.
- 6.70 As part of our analysis we have considered past behaviour of IMI-owned news outlets, or outlets in which they are a joint venture partner. As part of our assessment, we sent the potential concerns to IMI for comment.¹⁹³ A summary of the allegations is set out below, together with IMI’s responses.

Al Roeya

- 6.71 The Al Roeya newspaper was founded in 2012, purchased by IMI in 2018, and rebranded in 2019 to focus on delivering local and global news to Arab youth.
- 6.72 On 2 June 2022, a story about rising fuel prices in the UAE was published on its website and subsequently removed. An Associated Press investigation alleged that, that same month, eight Al Roeya employees, including editors, were given a choice of resigning with additional benefits or being terminated because of their involvement in publishing the article. It also alleged that, later that same month, then IMI CEO Nart Bouran informed staff that Al Roeya would be dissolved and a new partnership with CNN would launch instead.¹⁹⁴ One journalist speaking anonymously to a Lebanese news website said that the layoffs were specifically as a response to the fuel price article.¹⁹⁵

¹⁹⁰ Ofcom, May 2021, [Sanction decision by Ofcom, Sanction 141 \(21\) Abu Dhabi Media Company](#); Ofcom, May 2021, [Sanction decision by Ofcom, Sanction 142\(21\) Abu Dhabi Media Company](#).

¹⁹¹ Ofcom, October 2019, [Ofcom Broadcast and On Demand Bulletin, Issue 388, 7 October 2019](#).

¹⁹² Response dated 16 January 2024, to First Issues Letter, paragraph 50. The Parties reiterated this argument at paragraph 21 of their response to our Second Issues Letter.

¹⁹³ Ofcom letters to IMI dated 20 December 2023, 8 January 2024 and 6 February 2024.

¹⁹⁴ [Mass firing at UAE newspaper raises question of censorship | AP News](#). Nart Bouran, who is referenced in this article, served as CEO of IMI from March 2020 to September 2023.

¹⁹⁵ [After the publication of a report on the high cost of living in the UAE... Authorities order the expulsion of "Vision" employees - Raseef 22](#).

- 6.73 The closure of Al Roeya has been highlighted by Amnesty International, as well in ITC responses [REDACTED] ¹⁹⁶
- 6.74 Ofcom invited IMI to respond to these allegations. IMI said, the closure of Al Roeya had been long-planned as part of the launch of CNN Business Arabic, launched in 2023 in partnership with CNN International Commercial and produced board minutes it said supported this. ¹⁹⁷ In relation to the eight employees involved in the article being given a choice of resigning with additional benefits or being terminated because of their involvement in publishing the article, IMI said “seven employees left Al Roeya around this time following disciplinary proceedings concerning a news report which was found to have breached editorial standards.” ¹⁹⁸

The National

- 6.75 The National is an English-language print newspaper and website founded by the state-owned ADMC in 2008. It was acquired by IMI in 2016. It publishes a print edition six days a week in the UAE, and since 2021, six online editions (UAE, Gulf, MENA, US, UK, and International). ¹⁹⁹
- 6.76 The National is a member of IPSO, registered as thenationalnews.com (The National FZ LLC). ²⁰⁰ There have been no IPSO rulings relating to its output. ²⁰¹
- 6.77 However, there have been a number of allegations of censorship at the paper, reported by several news organisations, and highlighted to us in ITC responses from [REDACTED] including:
- a) That editors would remove articles not favourable to the UAE government. ²⁰²
 - b) Quotes from a former arts journalist at the paper, Oliver Good, that stories or scandals not favourable to the UAE government “often went by underreported, or ignored, by editors”. ²⁰³
- 6.78 These allegations may not have been covered by the Editors’ Code of Practice (the IPSO Code), which covers accuracy, but not free expression of opinion. Ofcom invited IMI to respond to these allegations. In its response, IMI stated that all of the allegations significantly pre-date IMI’s acquisition of The National in 2017 and as such it is not possible for IMI to provide any substantive commentary on them. ²⁰⁴

Sky News Arabia

- 6.79 Sky News Arabia is a joint venture between IMI and the Sky Group, launched in 2012. It broadcasts on EPG slot 788, but has no UK broadcast licence, and therefore no obligation to comply with the Ofcom Broadcasting Code. It is, however, authorised by the Spanish regulator to broadcast across Europe including the UK.

¹⁹⁶ [Amnesty International Report 2022/23: The state of the world’s human rights - Amnesty International](#)

¹⁹⁷ IMI response to RFI dated 7 December 2023, paragraph E(12).

¹⁹⁸ IMI response to Ofcom letter dated 20 December 2023, paragraph A(1).

¹⁹⁹ [The National newspaper now offers six digital editions \(wam.ae\).](#)

²⁰⁰ [IPSO-AR-2023.pdf](#) p. 44

²⁰¹ [Rulings Archive - IPSO](#)

²⁰² [Abu Dhabi’s censor-in-chief set to take charge at the Telegraph \(thetimes.co.uk\).](#)

²⁰³ [ibid.](#)

²⁰⁴ IMI response to Ofcom letter dated 20 December 2023, paragraph A(2)(b).

- 6.80 There have been some allegations relating to lack of accuracy and restriction of free expression at the channel:
- a) That following the murder of journalist Jamal Khashoggi, Sky News Arabia broadcasts did not question or challenge the version of events offered by the Saudi Arabian government.²⁰⁵
 - b) That in 2017, a Sky News Arabia business editor, Maroun Badran, was dismissed following political pressure after a news report broadcast by Sky News Arabia about the deteriorating economic situation in Saudi Arabia, reportedly strained relations between Saudi Arabia and the UAE.²⁰⁶
 - c) That in 2017 Sky News Arabia continued to broadcast coverage of an untrue report from Qatar's official news agency, QNA, that Qatar's leader Sheikh Tamim bin Hamad al-Thani had praised Hezbollah, Hamas, the Muslim Brotherhood, and Iran, even after QNA removed the story and claimed its website had been deliberately hacked to spread the untrue story.²⁰⁷

- 6.81 In response to these allegations, IMI stated:²⁰⁸
- a) Sky News Arabia reported the murder of Jamal Khashoggi "in accordance with the available information as the story developed. When more information about the murder became available, Sky News Arabia broadcast news articles about the story in an objective manner, as per the facts in the case".
 - b) Sky News Arabia business editor Maroun Badran was dismissed in 2017 "following his reporting about the economic situation in Saudi Arabia which was considered to have been in breach of editorial guidelines. Specifically, the reporting was considered to be in breach of editorial guidelines which require appropriate context and balance and require journalists to seek or obtain comment from relevant parties".
 - c) In respect of the 2017 report following the hack of QNA: "The delay between the initial reporting of the story and the later reporting of QNA's claims that the statement was the result of hacking can be attributed to a normal journalistic process related to a complex and sensitive story involving misinformation".

CNN Business Arabic

- 6.82 [REDACTED]
- [REDACTED]
- a) [REDACTED]
[REDACTED]
[REDACTED]²⁰⁹
 - b) [REDACTED]
[REDACTED]
[REDACTED]²¹⁰

6.83 [REDACTED]

²⁰⁵ [Sky News drawn into Saudi propaganda battle over murder of Jamal Khashoggi \(telegraph.co.uk\)](https://www.telegraph.co.uk/news/2018/09/27/sky-news-drawn-into-saudi-propaganda-battle-over-murder-of-jamal-khashoggi/)

²⁰⁶ [سكاي نيوز «تضحي بموظفيها كرمي للسعودية» \(al-akhbar.com\)](https://al-akhbar.com/2017/09/27/سكاي نيوز «تضحي بموظفيها كرمي للسعودية»).

²⁰⁷ [The online war between Qatar and Saudi Arabia - BBC News; Sky News Arabia leads 'fake news' campaign targeting Qatar \(newarab.com\)](https://www.bbc.com/news/world-middle-east-41811111).

²⁰⁸ IMI response to Ofcom letter dated 20 December 2023, paragraphs B(1)(i-iii).

²⁰⁹ [REDACTED]

²¹⁰ [REDACTED]

- a) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²¹¹
- b) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²¹²

Anonymous allegations

6.84 We also received some anonymous allegations relating to IMI's ownership of media businesses.²¹³ We put these to IMI for comment and it denied all the allegations.²¹⁴

Weight placed on previous concerns relating to free expression and accuracy in IMI-owned media businesses

6.85 We have noted above the allegations that have been made about free expression and accuracy in IMI-owned media businesses. However, due to the significance of the UAE government's political incentives to influence, and its past behaviour and record, in reaching our view on incentives, it has not been necessary to rely on information about the reported past behaviour of IMI associated businesses.

We have considered whether there are commercial incentives against IMI influencing the Telegraph Titles' editorial position

- 6.86 The parties said that, following the transaction, any change in the voice of the Telegraph Titles towards the UAE, or any failure to ensure they are operated in accordance with UK norms, would cause TMG to lose journalists, readers and advertisers, harming the value of the investment.²¹⁵ They argued such changes would be noticed not only by journalists of the Telegraph Titles, but also by other newspapers (which would have a strong commercial incentive to draw attention to them). They also argued that maintaining the Telegraph Titles' voice, perspective and trusted status is integral to the value of TMG and that it has no incentive to interfere with its editorial operations for that reason.²¹⁶
- 6.87 The parties reiterated this argument in their response to our Second Issues Letter arguing that rival publications would rapidly detect if IMI were seeking to "influence the Telegraph's editorial policy across a broad range of issues" and would draw attention to them, resulting in criticism and reputational damage to the TMG asset.²¹⁷

²¹¹ [REDACTED]

²¹² [REDACTED]

²¹³ Submission from organisation on behalf of two people who wished to remain anonymous.

²¹⁴ IMI response to Ofcom letter dated 8 January 2024.

²¹⁵ Response dated 16 January 2024, to First Issues Letter, paragraph 59b and 73.

²¹⁶ RedBird IMI Joint Venture submission dated 20 December 2023, paragraph 6.

²¹⁷ Response dated 28 February 2024, to Second Issues Letter, paragraphs 50-52.

- 6.88 However, given the wide range of UAE interests, and the fact there may be other IMI or UAE-linked commercial interests not in the public domain, influence exerted over the Telegraph Titles to promote commercial interests could be particularly difficult for readers to discern. We note that IMI or the government of the UAE may not necessarily seek to consistently influence all the areas listed at paragraph 6.22-6.23, but rather may choose to exercise influence at certain times, in particular areas. Whilst we acknowledge that other newspapers may be expected to scrutinise the editorial position of the Telegraph Titles post-transaction, particularly early on, we note that even experienced journalists are unlikely to be aware of all the ways in which the UAE might wish to exert influence given its wide range of interests as described above. We do not consider the possibility of scrutiny from other newspapers to be an appropriate safeguard to rely on.
- 6.89 In any event, we consider that, if IMI's motives for the transaction were not commercial, it follows that it would be likely to be willing to accept commercial losses. We accept that RedBird Capital's interest is commercial and so the question becomes whether IMI has an ability to influence. We turn to this in the next section.

Incentive to influence rests on effect of influence

- 6.90 We recognise that IMI would be unlikely to have an incentive to influence, unless it was able to influence and that influence would be likely to have some effect. We consider ability to influence and effect of influence in the next section.

Conclusions on incentives

- 6.91 Based on the information and evidence available to us, our view is that there could be a viable commercial incentive to purchase, and then to maintain the prestige and commercial performance of the Telegraph Titles. This case is strongest for RedBird Capital.
- 6.92 However, we consider that IMI may have other incentives. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Accordingly, while RedBird Capital, as a member providing capital contributions to the RedBird IMI Joint Venture, may have a solely financial incentive to undertake the transaction, we consider that IMI could be motivated by additional incentives, beyond financial returns.
- 6.93 In our view IMI, which is owned by Sheikh Mansour, the UAE's Vice President and Deputy Prime Minister and whose chairman, Dr Sultan Al Jaber is also a UAE Government minister and CEO of ADNOC, has clear political and broader commercial incentives to influence the editorial line of the Telegraph Titles, particularly in matters relating to the UAE and its broader political and commercial interests. The parties have said that the legal and cultural framework for the media in the UAE is very different from the UK and cannot be "read across" to the future governance of the Telegraph Titles. However, we consider that it would be inappropriate as a first stage adviser for Ofcom to conclude that because the conduct was overseas, it raises no questions about whether or not IMI has an incentive to influence.
- 6.94 The breach findings we made against ADMC under the UK Broadcasting Code (which included two serious enough to warrant a financial sanction) also tend to suggest otherwise, given that on three separate occasions it broadcast programming in the UK that appeared to

align with the interests of the UAE Government but did not comply with ADMC's regulatory obligations as a licensed broadcaster.

- 6.95 Overall, therefore, we have concluded that IMI has a significant incentive to intervene editorially in a way which could negatively affect the accurate presentation of news and free expression of opinion in the Telegraph Titles, if such influence may be effective; a question to which we return in the next section. In our view, any incentive on the part of IMI to avoid public criticism does not outweigh the incentives to influence described above.

7. Ability to influence

- 7.1 In addition to whether or not IMI has an incentive to limit the accuracy of news in newspapers or the free expression of opinion in newspapers, we have considered whether or not there would be any ability for IMI to do so under the terms of the RedBird IMI Partnership established for ownership of TMG. In this regard, we have looked at the contractual arrangements between the parties and considered the extent to which there is scope for informal influence as a result of matters such as an ongoing investment strategy, overlaps in personnel and regular meetings between the parties. We have also considered whether countervailing factors, such as RedBird Capital's regulatory and fiduciary duties, its commercial incentives and IPSO regulation, provide a sufficient safeguard against the exercise of influence by IMI.
- 7.2 Finally, we have considered whether, if it were to do to exercise influence, there is reason to be concerned that such influence may have an effect.

IMI has no direct ability to influence within the formal structure of the Partnership

- 7.3 The loan provided by the RedBird IMI Joint Venture to PIHL was funded, [REDACTED] by RedBird Capital and [REDACTED] by IMI. Upon exercise of the Call Option, RB Investco would purchase the entire issued share capital of TMG, which owns and operates the Telegraph Titles.
- 7.4 Under the changes to the corporate structure made on 23 January 2024, RedBird IMI Joint Venture transferred its shares in RB Investco to the newly-formed RedBird IMI Partnership.²¹⁸ This means that once the Call Option is completed, TMG would be subject to the governance arrangements for the Partnership, which we outline below. These are different from the governance arrangements for the Joint Venture, which continues as a separate corporate vehicle for other joint investments by RedBird Capital and IMI.²¹⁹ We discuss the governance arrangements for the RedBird IMI Joint Venture in our report on the 30 November PIIN. Those aspects which appear relevant to the Partnership and its ownership of TMG are set out in Annex 3.
- 7.5 The parties have provided the following documents relating to the operation and governance of RedBird IMI Partnership, which we have considered as part of our analysis:
- a) [REDACTED] ("Original LP Agreement");
 - b) [REDACTED] ("Deed"), [REDACTED] ("LP Agreement"); [REDACTED]

²¹⁸ [REDACTED]
[REDACTED]
[REDACTED]

²¹⁹ Response dated 16 January 2024 to First Issues Letter, paragraph 30.

c) [REDACTED]
[REDACTED]
[REDACTED] ("Services Agreement").

7.6 We have also considered provisions of the LLC Agreement, which establishes RedBird IMI Joint Venture, to the extent relevant to the Partnership agreements.

7.7 We set out our key findings in relation to these agreements in the following paragraphs. More detailed analysis, including our responses to matters raised by the parties in their responses to the First and Second Issues Letters are at Annex 3.

RedBird IMI Partnership

7.8 The RedBird IMI Partnership is an English limited partnership registered with Companies House on 5 February 2024.²²⁰ The Certificate of Registration confirms certain details, such as the principal place of business and term of the limited partnership, but does not set out operational and decision-making arrangements.²²¹ The operation of a limited partnership, including the rights and duties of partners, is set out in the Limited Partnership Act 1907 ("LPA 1907"), the Partnership Act 1890 ("PA 1890"), and any limited partnership agreement entered into by the partners, in this case, the LP Agreement for the Partnership.

7.9 A limited partnership comprises one or more "general partners" and "limited partners". The general partner is responsible for all decisions relating to the management and operation of the business of the partnership (rather than having a board of directors, like a company). Limited partners are generally financial investors with no active role in the management of the limited partnership.

7.10 As outlined in Section 4 above, RedBird IMI Partnership has four partners, namely:

- a) RB General Partner;
- b) IMI Limited Partner, [REDACTED]²²²
- c) RB Limited Partner, [REDACTED]
- d) RB Class B Limited Partner.

RedBird IMI Joint Venture's case is that the Partnership provides "absolute clarity" that IMI is a "passive investor"

7.11 In its response to the First Issues Letter, RedBird IMI Joint Venture said that the new limited partnership arrangement for ownership of TMG had been proposed to "provide absolute clarity that IMI has no formal (or informal) rights either at the Partnership or TMG company levels that could be used to influence the editorial policy, management, or operational activities of the TMG companies".²²³

7.12 In particular, it has explained the following with regard to the RedBird IMI Partnership across its submissions to Ofcom and DCMS on the new corporate structure:

- a) The general partner would be an entity solely owned and controlled by RedBird Capital, giving it "exclusive management, operational and administrative rights and

²²⁰ [RB IMI AIV LP listing on Companies House.](#)

²²¹ Certificate of Registration of RB IMI AIV LP, given at Companies House on 5 February 2024.

²²² [REDACTED]

²²³ Response dated 16 January 2024 to First Issues Letter, paragraphs 28 and 32; submission on new corporate structure dated 18 January 2024.

responsibilities”.²²⁴ There would be no board of directors or CEO of the limited partnership.

- b) IMI would be a limited partner, with its role being consistent with “a standard private equity structure, in which financial investors in the fund are entirely passive”.²²⁵ It said that this passive status is “enshrined in the law on limited partnerships and the limited partnership agreement”.²²⁶ It clarified that IMI will have no voting rights, board seats, role in the appointment officers of the RedBird IMI Joint Venture or TMG, and no “management, operational, administrative or consultation rights” with regard to the business of the limited partnership, other than limited consent rights over “a specified list of reserved matters which serve to provide typical equity protections”.²²⁷ We describe these in further detail below.
- c) The risk of IMI losing its limited liability status by seeking to become involved in the management of the partnership’s business “would further disincentivise IMI from seeking any such involvement”.²²⁸

IMI’s formal rights as a limited partner should not enable it to influence TMG

- 7.13 Ofcom has considered the extent to which IMI, in its capacity as the IMI Limited Partner in the RedBird IMI Partnership, has any formal ability to influence the Telegraph Titles or conversely, whether there are formal safeguards that would prevent this from happening.
- 7.14 Decision-making within the Partnership (including management of the TMG asset)²²⁹ is set out in the LP Agreement and in line with the law on limited partnerships.

The General Partner has the “exclusive” right to manage the Partnership business, including TMG

- 7.15 In line with the general law on partnerships, the general partner will be responsible for managing the Partnership’s business (including TMG) and has unlimited liability for all debts and obligations of the Partnership.²³⁰
- 7.16 This broad authority is reflected in the LP Agreement, which confers on the “General Partner” the “exclusive responsibility for the management, operation and administration of the business and affairs of the partnership” (emphasis added).²³¹ The RB General Partner is identified in the both the Deed and the annexed LP Agreement as the “General Partner” and

[REDACTED]²³²

²²⁴ Submission on new corporate structure dated 18 January 2024.

²²⁵ Submission on new corporate structure dated 18 January 2024.

²²⁶ Submission on new corporate structure dated 18 January 2024; Addendum to DCMS Submission dated 19 January 2024.

²²⁷ Response dated 16 January 2024 to First Issues Letter, paragraph 31; submission on new corporate structure dated 18 January 2024.

²²⁸ Submission on new corporate structure dated 18 January 2024.

²²⁹ [REDACTED]

²³⁰ Section 4(2) of the LPA 1907; clause 2.3(c) of the LP Agreement.

²³¹ Clause 5.1 of the LP Agreement.

²³² [REDACTED]

[REDACTED]
[REDACTED]²³³

7.17 The General Partner also has [REDACTED] on behalf of the Partnership, to do a range of things without prior notice to, or consent from, the limited partners being required, including (but not limited) to:²³⁴

- a) [REDACTED]
[REDACTED]²³⁵
- c) [REDACTED]
[REDACTED]
- d) [REDACTED]
[REDACTED]
[REDACTED]
- e) [REDACTED]
[REDACTED]

7.18 In practice, this means that all decision-making related to the management of TMG is formally vested in the General Partner, to the exclusion of the IMI Limited Partner and others. [REDACTED]

- a) [REDACTED]
[REDACTED]
[REDACTED]
- b) [REDACTED]
[REDACTED]
[REDACTED]²³⁷
- i) [REDACTED]
[REDACTED]
- ii) [REDACTED]
[REDACTED]
- iii) [REDACTED]
[REDACTED]²³⁸ [REDACTED]
[REDACTED]
- iv) [REDACTED]
[REDACTED]

²³³ [REDACTED]
[REDACTED]
[REDACTED]

²³⁴ [REDACTED]

²³⁵ [REDACTED]
[REDACTED]

²³⁶ [REDACTED]

²³⁷ [REDACTED]

²³⁸ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

- 7.19 We acknowledge RedBird IMI Joint Venture’s submission that these reserved matters “provide typical equity protections for a transaction of this type”.²³⁹ Overall, while this consent right could operate as a veto by which IMI could stop a decision being taken, we do not consider that these matters would give it the ability formally to influence TMG in any material matter which might give rise to public interest concern within the scope of this report.

IMI Limited Partner is prohibited from managing the business of the Partnership under the LP Agreement

- 7.20 As outlined above, IMI is a limited partner in the RedBird IMI Partnership. A limited partner is required to contribute capital or property to the partnership and its liability for the debts and obligations of the partnership is limited to the amount of its contribution.²⁴⁰ Section 6(1) of the LPA 1907 stipulates that limited partners “shall not take part in the management of the partnership business and shall not have the power to bind the firm”.

- 7.21 These broad restrictions are reflected in the LP Agreement, which makes clear that limited partners (including the IMI Limited Partner) shall take no part in or in any way interfere with the operation and management of RedBird IMI Partnership or its business (which would include the management of TMG). In particular, [REDACTED]

- a) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²⁴¹ [REDACTED]
- b) [REDACTED]
[REDACTED]
[REDACTED]²⁴²

- 7.22 These restrictions apply to the corporate entities that are “Limited Partners” and at present, this would include the IMI Limited Partner [REDACTED]

- 7.23 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²⁴⁴ Based on submissions to Ofcom, our expectation is that the RB General Partner would consider this to include RedBird IMI Joint Venture and we note that it is intended that Jeff Zucker will be responsible

²³⁹ Submission on new corporate structure dated 18 January 2024.

²⁴⁰ Section 4(2A) of the LPA 1907; clauses 2.3(b) and 6.1(e) of the LP Agreement.

²⁴¹ [REDACTED]

²⁴² [REDACTED]

²⁴³ [REDACTED]

²⁴⁴ [REDACTED]

for the day to day management and operation of TMG in his capacity as CEO of RedBird IMI Joint Venture.²⁴⁵

7.24 While the IMI Limited Partner could seek to influence or take part in the management of TMG despite these broad restrictions, there would be consequences that may serve as a deterrent:

a) Pursuant to section 6(1) of the LPA 1907, the IMI Limited Partner would become liable for all debts and obligations incurred by the Partnership during the period in which it takes part in management, and this is not restricted to liability arising directly from IMI's actions. We acknowledge RedBird IMI Joint Venture's submission that this would disincentivise IMI from seeking to become involved in management, however, given the financial resources of IMI, this may not be sufficient to deter it from acting beyond the limited scope of its role as limited partner within the Partnership.²⁴⁶

b) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
²⁴⁷ It is possible that individual breaches by IMI would not produce material damage for either TMG or the Partnership, and so may not give rise to a termination risk. In addition or alternatively, IMI could be liable for damages for breach of contract.²⁴⁸ However, again, this risk would depend on either RedBird Capital (as the owner of the RB General Partner and RB Limited Partner) choosing to bring a claim for breach of contract in the courts. This decision may be impacted by the economic power of IMI within the Partnership, and the intention for the Joint Venture to continue to make acquisitions which we discuss below.

7.25 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
²⁴⁹

7.26 There is no guidance in the LPA 1907, and limited guidance in case law, as to what behaviour constitutes "involvement in management" that would result in a loss of limited partnership status. The High Court in *Inversiones Frieira SL, Inversiones Valea SL v Colyzeo Investors II LP* suggested that a limited partner will not become involved in management if it expresses a view to the general partner about "the performance of the partnership or the strategy or

²⁴⁵ Response to RFI dated 6 February 2024, QB5.

²⁴⁶ Submission on new corporate structure dated 18 January 2024.

²⁴⁷ [REDACTED]

²⁴⁸ [REDACTED]

²⁴⁹ Response dated 28 February 2024, to the Second Issues Letter, paragraph 9.

future direction of the partnership or a preference about how a particular asset should be dealt with”.²⁵⁰ However, it would become involved in management if it “seeks to participate in the decision-making process”, such as requiring notice of, and the ability to make representations about, individual decisions and or seeking to scrutinise and comment on operational business decisions of the general partner.

- 7.27 While there may be some scope within discussions about “strategy or future direction” of the TMG asset to seek to influence aspects of the management of the Telegraph Titles, the legislative framework intends that any such influence should be high-level and, consistent with the limited partner’s primary role as an equity investor, not extend to operational decisions. [REDACTED]

- 7.28 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] This change would be required to be notified to Companies House under section 9 of the LPA 1907. The consequence of failing to do so is borne by the general partner(s), namely criminal conviction under the Magistrates’ Courts Act 1952 and a fine of £1 per day that the partnership is in default.²⁵¹ The likely reputational damage of a potential criminal conviction is likely to provide a strong deterrent, in particular for RedBird Capital as an experienced private equity investor and asset manager. We therefore think that such a change of control would be made public, and we have not considered the possibility of this scenario as part of our assessment. In their response to the Second Issues Letter, the parties referred to IMI’s statement that it is willing to commit to a binding undertaking that “it will not influence or attempt to influence the editorial choices made by the Editor of the Telegraph” to address the possibility of another IMI entity becoming a general partner. We deal with the parties’ offer of undertakings in Section 8.

- 7.29 Overall, we accept that insofar as the formal arrangements established by the LP Agreement are concerned, they do not give IMI the ability to influence matters concerning the operation of TMG. While there is a risk that within the framework of the Partnership, the IMI Limited Partner could seek to act beyond the scope of its role as a limited partner, we acknowledge that there would be consequences that may deter it from doing so.

- 7.30 [REDACTED]
[REDACTED]
[REDACTED] Should another IMI entity or its representatives seek to exercise influence over the General Partner’s management of TMG, this would not engage the limited partner restrictions in the LP Agreement and LPA 1907. For the reasons set out below, we consider there are avenues for such influence to be exercised.

²⁵⁰ *Inversiones Frieira SL, Inversiones Valea SL v Colyzeo Investors II LP* [2012] EWHC 1450 at 23.

²⁵¹ Section 9(2) of the LPA 1907.

There are formal safeguards to prevent the IMI Limited Partner influencing the management of TMG, but there remain potential routes for IMI to exert influence

- 7.31 Under the Services Agreement (as amended on 8 February 2024), RedBird Capital provides the RB General Partner with the services listed at Section 2.03 in relation to the management of TMG and other companies in which the Partnership invests (referred to as “Portfolio Companies”). [REDACTED]
- a) [REDACTED]²⁵²
- b) [REDACTED]
[REDACTED]
[REDACTED]²⁵³
- c) [REDACTED]²⁵⁴
[REDACTED]
- d) [REDACTED]
[REDACTED]
[REDACTED]²⁵⁵
- 7.32 The RB General Partner is a party to the Services Agreement on behalf of the Partnership and, as general partner, within the framework of the LP Agreement, has exclusive responsibility for management and decision-making in connection with the delivery of these services. Given the constraints on limited partners discussed above, we would not expect the IMI Limited Partner to be involved in the provision of these services so as to be in a position to exercise influence over TMG.²⁵⁶
- 7.33 That said, under the [REDACTED] right to access the “books, records and accounts” and to discuss these with the General Partner, it may be the case that the [REDACTED] [REDACTED] would have access to the bi-weekly reports prepared by RedBird Capital under the Services Agreement and some scope to discuss these with the General Partner, albeit in a manner falling short of management and decision-making.
- 7.34 [REDACTED]
[REDACTED]²⁵⁷ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²⁵⁸ [REDACTED]
[REDACTED]
[REDACTED]

²⁵² [REDACTED]

²⁵³ [REDACTED]

²⁵⁴ [REDACTED]

²⁵⁵ [REDACTED]

²⁵⁶ [REDACTED]

[REDACTED]
[REDACTED]

²⁵⁷ [REDACTED]

²⁵⁸ [REDACTED]

[REDACTED]

7.35 The parties have said that Ofcom is incorrect to interpret this provision of the [REDACTED]²⁵⁹
[REDACTED]
However they have acknowledged that the language could be clarified or corrected to
reflect the parties' intent but they have not done so due to the requirements of the Order.²⁶⁰
We remain of the view that in the absence of such clarification, this provision appears to
provide scope for RedBird IMI Joint Venture's Board of Managers to give instructions to
RedBird Capital [REDACTED]

7.36 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

7.37 The parties have said that they intend to amend the Services Agreement to clarify that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²⁶¹ In the absence of such clarification, we interpret this provision of the
Services Agreement as allowing the Board of Managers of the Joint Venture to give
directions, approval or guidance to RedBird Capital to [REDACTED]
[REDACTED]
[REDACTED]

7.38 [REDACTED]
[REDACTED]²⁶² [REDACTED]
[REDACTED]²⁶³ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²⁶⁴

7.39 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

²⁵⁹ [REDACTED]

²⁶⁰ [REDACTED]

²⁶¹ [REDACTED]

²⁶² [REDACTED]

²⁶³ [REDACTED]

²⁶⁴ [REDACTED]

[REDACTED]
[REDACTED]

265

7.40 For the reasons set out in paragraphs 7.33 – 7.41 and Annex 3, we consider that the Services Agreement may provide scope for IMI to exercise influence over TMG.

7.41 More generally, there is no clear demarcation between the provision of services by RedBird Capital to the Joint Venture and to the Partnership under the Services Agreement. [REDACTED]

267

7.42 [REDACTED]

[REDACTED] We accept that the circumstances in which these termination rights might arise are very unlikely. [REDACTED]

[REDACTED] but it seems unlikely that this would occur without RedBird Capital’s consent while the RB General Partner and RedBird Capital are under common ownership.

IMI may have an ability to influence the management of TMG informally

7.43 Whatever the final formal arrangements are, they will take effect within the context of the overall relationship between RedBird Capital and IMI, covering both the Partnership and RedBird IMI Joint Venture, in which we consider that there could be a material risk that the parties’ relative positions would give IMI more influence over RedBird Capital and TMG than the formal arrangements in relation to the Partnership would suggest.

265 [REDACTED]

266 [REDACTED]

267 Response dated 28 February 2024, to the Second Issues Letter, paragraph 10.

268 [REDACTED]

The parties are in an ongoing relationship

7.44 The parties are committed to working together in pursuit of a common investment strategy and if their relationship breaks down, that will come to an end, [REDACTED]

²⁶⁹ [REDACTED]

There is conflicting evidence on how much further investment is planned

Further investment in TMG is not necessarily dependent on IMI

7.45

[REDACTED]
[REDACTED]
[REDACTED]²⁷⁰ [REDACTED]
[REDACTED]²⁷¹ [REDACTED]
[REDACTED]
[REDACTED]²⁷² [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²⁷³

There is some evidence of potential for significant further investments by the Joint Venture

7.46 The Partnership appears to have been established as an ownership vehicle for TMG.²⁷⁴ However, the Joint Venture has a wider investment portfolio. At the launch of the RedBird IMI Joint Venture, the parties described its primary focus being to invest in, develop, operate and expand large scale media and entertainment entities on a global basis.²⁷⁵ At the same time Gerry Cardinale, founder of RedBird Capital, stated: “We are very pleased to partner with IMI to create a long-term, fully capitalized investment vehicle that can own and operate content-focused businesses across the media spectrum in the US and globally”.²⁷⁶

7.47 As such, since its public establishment on 13 December 2022, RedBird IMI Joint Venture has taken control of a growing portfolio of investments, as set out at paragraphs 4.7 and 4.8.

7.48

[REDACTED]
[REDACTED]
[REDACTED]

²⁶⁹

²⁷⁰

²⁷¹

²⁷²

²⁷³

²⁷⁴

²⁷⁵

²⁷⁶

[REDACTED]²⁷⁷
[REDACTED]²⁷⁸
[REDACTED]
[REDACTED]
[REDACTED]

- a) [REDACTED]
[REDACTED]
- b) [REDACTED]
- c) [REDACTED]
- d) [REDACTED]
- e) [REDACTED]
- f) [REDACTED]
- g) [REDACTED]
- h) [REDACTED]
- i) [REDACTED]
- j) [REDACTED]
- k) [REDACTED]
- l) [REDACTED]

7.49 We consider that the prospect of future acquisitions by RedBird IMI Joint Venture, [REDACTED] could therefore be a particularly relevant factor in the behaviour of the parties and the influence exercised by IMI with regard to the Partnership and its ownership of TMG. Specifically, that this could impact RedBird Capital's incentives in the relationship, since concessions in relation to the management of TMG may enable it to secure what it thinks is desirable in relation to other, possibly more commercially important, and lucrative investments. In practice, this position need never become explicit, since RedBird Capital's own commitment to the success of the JV risks incentivising it to anticipate, on an ongoing basis, what IMI may want.

7.50 Given the context of the RedBird IMI Joint Venture, its stated aims, and the target portfolio that it provided to us, we made the point to the parties in both of our Issues Letters that we considered the prospect of further significant investments by the Joint Venture to be highly likely, and we set this out in detail.²⁷⁹

7.51 The parties made no rebuttal of that suggestion in its responses to us dated 16 January 2024 and 28 February 2024.

7.52 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²⁸⁰

7.53 [REDACTED]
[REDACTED]

²⁷⁷ IMI response to RFI dated 7 December 2023, Document 02.

²⁷⁸ IMI response to RFI dated 7 December 2023, QA2.

²⁷⁹ First Issues Letter paragraphs 1.88-1.89, Second Issues Letter paragraphs 1.121-1.127.

²⁸⁰ [REDACTED]

²⁸¹ [REDACTED] We note that this point was not referenced in IMI's supplementary submission to Ofcom on 1 March 2024.

7.54

²⁸² [REDACTED]
We recognise that this is relevant to our forecast that there is a prospect of future acquisitions by RedBird IMI Joint Venture, [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

7.55 We also note that on 16 February 2024, RedBird IMI Joint Venture purchased UK film and TV production company All3Media for a reported £1.15bn. ²⁸³ [REDACTED]
[REDACTED]
[REDACTED]

²⁸⁴ [REDACTED] We have not been able to look at this in detail, but the capital commitments made to effect the purchase would merit further investigation.

7.56 Clearly, if all the investment IMI is willing to make into the RedBird IMI Joint Venture has already been made, the specific concern that RedBird Capital may be incentivised to act in IMI's interests in order to secure further investment would fall away.

7.57

[REDACTED] We take the information provided to us on 29 February and 1 March very seriously, because the Enterprise Act 2002 contains significant penalties for providing false or incomplete information to the regulator during the process as we have set out in all our correspondence with the parties.

7.58

However, we are not convinced it would be appropriate to place significant weight on [REDACTED] comment at phase 1 of this merger control process for the following reasons:

- a) The strategy that the parties laid out in the documents supporting the establishment of the Joint Venture, and as described to us up until 29 February 2024, was "to invest in, develop, operate and expand large scale media and entertainment entities on a [REDACTED] [REDACTED]". ²⁸⁵ This was in line with public statements. Jeff Zucker has reportedly stated that the RedBird IMI Joint Venture was "focused on acquiring and investing in large scale media, entertainment and sports content properties on a global basis". ²⁸⁶
- b) Following the proposed acquisition of TMG, Jeff Zucker is reported as saying: "We should think bigger. I think there is an opportunity to invest in further acquisitions outside the UK. The Telegraph can be the platform from which we grow". ²⁸⁷ This cannot have referred to All3Media, which is a UK company.
- c) Following RedBird IMI Joint Venture's acquisition of All3Media in February 2024, Jeff Zucker said: "The reality is we are continuing to invest. We are continuing to grow. Just in the last few months we announced our most recent investments in Front Office

²⁸¹ [REDACTED]

²⁸² [REDACTED]

²⁸³ [RedBird IMI agrees £1.15bn deal for TV and film producer All3Media \(ft.com\).](#)

²⁸⁴ As per Schedule A of the LLC Agreement.

²⁸⁵ [REDACTED]

²⁸⁶ [RedBird IMI Joint Venture press release](#)

²⁸⁷ ['I would resign if Abu Dhabi interfered', says Telegraph bidder Jeff Zucker](#), 28 November 2023.

Sports, Media Res and now All3. We are not standing pat at all and we are going to continue to move forward with other moves and other investments”.²⁸⁸

d) At the First Issues Meeting with Ofcom on 12 January 2024, [REDACTED] RedBird Capital, said to us of RedBird IMI Joint Venture’s strategy “We want to grow in the UK and expand into the US, and become a platform for acquisitions”.²⁸⁹

e) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

f) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] ²⁹⁰ [REDACTED]

g) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

h) [REDACTED]
[REDACTED]
[REDACTED] [REDACTED]

i) The scale of resources available to IMI’s owner is well documented.

j) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

k) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

7.59 Taken in the round, we consider there is evidence to suggest that there may be a prospect of future investments by the JV which could impact RedBird Capital’s incentives as regards the management of TMG.

7.60 Further investigation of IMI’s circumstances and reasoning might provide greater clarity into the future strategy of the Joint Venture and the likelihood that IMI will continue to provide significant investment. It has not been possible for us to undertake this investigation within

²⁸⁸ [Jeff Zucker Interview: Post-CNN, Media Deals and a Billion-Dollar Bet \(hollywoodreporter.com\)](#)

²⁸⁹ Ofcom file note of First Issues Meeting on 12 January 2024.

²⁹⁰ [REDACTED]
[REDACTED]
[REDACTED]

the timelines of our phase 1 process, particularly given the late stage at which we received this new information.

RedBird Capital's incentives may not be sufficient to protect TMG from IMI influence

7.61 The parties have made strong submissions to us that there can be no concern about IMI's influence over the Telegraph Titles. We consider whether the following reasons may cause RedBird Capital not to be influenced by IMI:

- a) RedBird Capital does not need IMI – it has access to other very large investors;
- b) Redbird Capital has enforceable fiduciary duties to its other investors; and
- c) RedBird Capital has strong commercial incentives to resist such bargaining.

Redbird Capital's access to other investors

7.62 RedBird Capital has reiterated to Ofcom that it has the ability to make investments outside of the RedBird IMI Joint Venture and its commitments to the Joint Venture comprise only a small part of its overall portfolio.²⁹¹

7.63 We acknowledge and accept that RedBird Capital has \$10bn of assets under management in its own right²⁹² and that its investors include large scale entities like [REDACTED]²⁹³. We accept that it is able to and does, pursue significant investments outside of the RedBird IMI Joint Venture.²⁹⁴

7.64 Notwithstanding this, it has entered into a separate set of agreements with IMI in relation to the joint investments that they make. The parties have created a framework, in the RedBird IMI Joint Venture, for an ongoing relationship with a strategic objective. We have no clear evidence as to whether RedBird Capital would want, or be able, to target the kinds of investments it appears to be seeking to target without IMI. [REDACTED]
[REDACTED] At this stage, all we have is evidence [REDACTED]
[REDACTED] of an investment vehicle "to invest in global media and entertainment properties"²⁹⁵ of which IMI is a [REDACTED] funder.

RedBird Capital's fiduciary duties to its other investors

7.65 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]²⁹⁶ [REDACTED]
[REDACTED]
[REDACTED]²⁹⁷

7.66 However, we note that these fiduciary duties would only bite if the returns to RedBird Capital investors overall would be likely to fall as a result – see paragraphs 7.44 to 7.60. The

²⁹¹ [REDACTED]
[REDACTED]

²⁹² [Home - RedBird Capital Partners](#)

²⁹³ [REDACTED]

²⁹⁴ Response dated 16 January 2024, to First Issues Letter, paragraph 52; Response dated 28 February 2024, to Second Issues Letter, paragraph 25.

²⁹⁵ [RedBird IMI Joint Venture press release](#)

²⁹⁶ [REDACTED]

²⁹⁷ [REDACTED]

potential investment targets and scale of returns available to RedBird investors may be greater because of IMI's willingness to invest than they might be were IMI unwilling to invest.

7.67 This is particularly the case where, as we have stated above (paragraph 6.88), the kind of influence that IMI could have on the Telegraph Titles could be difficult for readers to discern and therefore not have the negative commercial impact that the parties have suggested. In this case, returns on the overall media portfolio would be unaffected. RedBird Capital may end up in a position where it would be weighing up an uncertain and small future effect on the value of TMG against the immediate value to its shareholders of a possibly lucrative investment in something else.

7.68 [REDACTED] 298

7.69 We recognise that there is some uncertainty here, but given the threshold in the phase 1 review that we are conducting, we think that RedBird Capital's fiduciary duties may not be sufficient to allay the concerns and merit further investigation.

RedBird Capital's commercial incentives

7.70 [REDACTED] 299 300

7.71 We recognise that in this context, the reputational risk to RedBird Capital of any rumour that it might act to the detriment of its investors is likely to have a much more immediate impact on its business even than the risk of enforcement action by the SEC.

7.72 However, again, we consider that this reputational and commercial incentive for RedBird Capital would only act as an effective constraint on its willingness to act in IMI's interests if it would lead to lower returns for RedBird investors across the overall investment portfolio. We do not consider that we hold enough evidence at this stage to be confident that this would be the case.

The overlap of personnel between the RedBird IMI Joint Venture, Partnership, IMI, and RedBird Capital could give the potential to exert influence

7.73 Notwithstanding the restructuring of the ownership of TMG, there remain contact points between IMI representatives and the RedBird Capital entities and their representatives that will manage the Partnership and its investment in TMG.

7.74 Through its interest in RedBird IMI Joint Venture and its appointees to its Board of Managers, IMI will have frequent contact with:

298 [REDACTED]
299 [REDACTED]
300 [REDACTED]

a) Jeff Zucker, RedBird IMI Joint Venture's CEO, who is to be responsible for the day-to-day management and operations of TMG;

b) RedBird Capital, [REDACTED]

c) [REDACTED]

7.75 [REDACTED]
[REDACTED]
[REDACTED]³⁰¹ [REDACTED]
[REDACTED]
[REDACTED]

7.76 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]³⁰² [REDACTED]

7.77 In its response to our First Issues Letter, RedBird IMI Joint Venture suggested that information made available to it under the Services Agreement would not be provided to IMI directly.³⁰³ Given that the Board managers and executives of RedBird IMI Joint Venture include individuals who hold Board positions within IMI itself, we do not consider it credible that such information would not be available to IMI. We consider the same applies to information available to the IMI Limited Partner, whose key decision makers include [REDACTED]
[REDACTED]

³⁰¹ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

³⁰² [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

³⁰³ Response dated 16 January 2024, to First Issues Letter, paragraph 43.

The image consists of a large, solid black rectangle that occupies almost the entire frame. This rectangle is positioned such that it leaves a narrow white border on the left side and a small white area at the top. The black area is uniform in color and texture, suggesting it might be a redaction of sensitive information or a placeholder for a full-page image that is not visible. There are no discernible features, text, or patterns within the black region.

7.78 Beyond the influence that IMI, due to its financial power, could exert over the Partnership and/or RedBird IMI Joint Venture and RedBird Capital, concerns have also been reported in the press and in response to our ITC about the risk of self-censorship by journalists and editors at the Telegraph Titles due to the presence of IMI as the majority investor. [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

72

- 7.79 In their written response to Ofcom’s Second Issues Letter, the parties argued that Ofcom’s assessment failed to have regard to certain legal and regulatory safeguards, including the on-going membership of the Telegraph Titles of IPSO.³⁰⁴
- 7.80 We recognise that both The Daily Telegraph and The Sunday Telegraph are regulated by IPSO and have signed up to its Editors’ Code of Practice (the IPSO Code) which covers accuracy (set out in Section 5). We also note that the parties have said they are “committed to maintaining the Telegraph’s membership to IPSO” and “would be happy to include such a commitment within any binding commitments”.³⁰⁵
- 7.81 IPSO membership provides an important safeguard in relation to the accuracy of news,³⁰⁶ however, we do not consider this sufficient alone to guard against any attempt to influence the Telegraph Titles with regard to accuracy, and it would provide no protection in relation to free expression of opinion.³⁰⁷

Conclusion on ability to influence

- 7.82 We consider that the formal agreements underpinning the RedBird IMI Partnership, overall, limit the formal routes that would give IMI the ability to influence TMG in a manner that would act contrary to the public interest.
- 7.83 However, as we have described in detail above, we consider that there are certain weaknesses in the arrangements, which could be exploited by IMI should it wish.
- 7.84 In particular, while there are constraints in both the LP Agreement and the LPA 1907 which are likely to deter the IMI Limited Partner seeking to exercise influence over TMG, these do not apply to other IMI entities or representatives outside the Partnership. Given IMI’s broader business relationships with RedBird Capital, specifically the RedBird IMI Joint Venture, and the senior executive overlaps as regards the management of the Partnership and TMG and the conduct and management of RedBird IMI Joint Venture, we consider there remain routes for IMI to potentially exert influence.
- 7.85 Even if these weaknesses were to be addressed, IMI’s ability to exercise influence over TMG has to be considered within the context of potential substantial future investments by the Joint Venture, the substantial imbalance between the financial contributions of the two parties in the Partnership, IMI’s access to vast economic resources and RedBird Capital’s own commitment to the success of both the Partnership and more broadly, the JV. We consider that these factors alone could give IMI the ability to exercise influence over editorial decisions by TMG so as to adversely impact the accuracy of news and free expression of opinion.

³⁰⁴ Response dated 28 February 2024, to Second Issues Letter, paragraph 33.

³⁰⁵ Response dated 28 February 2024, to Second Issues Letter, paragraph 33.

³⁰⁶ In response to Ofcom’s Second Issues Letter, the parties also highlighted their surprise that Ofcom had not relied on the Telegraph’s membership to IPSO as evidence that an investment will not impact the accurate presentation of news, nor included IPSO in the Second Issues Letter. Reference was made to Ofcom’s reliance on this in Ofcom’s advice on the Times Undertakings. See response dated 28 February 2024 to Second Issues Letter, paragraph 33.

³⁰⁷ It will be for the Secretary of State to consider whether the inclusion of IPSO membership in binding undertakings is sufficient to address any public interest concerns, alongside other undertakings. We have not considered this as part of our assessment.

7.86 As we set out above, we acknowledge RedBird Capital’s commercial incentives to acquire and to maintain the value of TMG. We also recognise that RedBird Capital has given explicit assurances³⁰⁸ that it would not accept editorial interference in the Telegraph Titles. For example, Jeff Zucker has stated publicly that he would resign if there were interference in editorial matters.³⁰⁹ The parties’ stated good intentions as regards maintaining the editorial independence of the Telegraph Titles do not appear to us to be sufficient, at this first stage investigation, to allay our concerns about their possible future behaviour given our findings about IMI’s incentives to influence TMG’s editorial line in favour of UAE interests and its ability to do so.

We have considered whether, if IMI had the ability to influence, there would be public interest concerns

7.87 In its response to our First Issues Letter, RedBird IMI Joint Venture has argued that any ability on the part of IMI to influence the Telegraph would not have a ‘requisite negative effect on the public interest’.³¹⁰ In summary, it contends this on the basis that a) it considers that there would be relatively few stories directly mentioning the UAE, b) the Telegraph Titles have a small share of the overall UK news market and c) its readers have access to a broad range of other news sources and d) that we have overestimated the influence of the Telegraph on the right of UK politics.³¹¹ The parties also drew comparisons with the conclusions that we had come to in our 2021 advice to the Secretary of State on the removal of the Times Undertakings.³¹²

Range of stories relating to the UAE

7.88 The response to the First Issues Letter stated that the parties considered that Ofcom had not placed due weight on the fact that the form of potential influence that Ofcom is concerned about could be felt only across a very small subset of news stories. It said that based on Factiva news search “in the year to 1 November 2023, less than 1% of stories in the Telegraph/Sunday Telegraph featured mention of the UAE”.³¹³ RedBird IMI Joint Venture also said that attempts to shape the Telegraph Titles’ coverage of UAE-related stories would be criticised publicly by journalists and that this would have counterproductive negative consequences for IMI “but potentially also for perceptions of the UAE” and that this “undermines any theoretical incentive for IMI to seek to shape coverage”.³¹⁴

7.89 We disagree with this. As set out at paragraphs 6.20-6.25, our view is that by its nature, a state, in this case the UAE, has a very wide scope of interest, both political and commercial, and that scope is in turn liable to impact on a wide range of stories and opinion that may be contained within a newspaper. Given the breadth of the UAE’s interests (including those of

³⁰⁸ For the avoidance of doubt, we are not including the undertakings proposed by the parties in our assessment of whether there are public interest concerns; however we discuss them at the end of this letter.

³⁰⁹ [‘I would resign if Abu Dhabi interfered’, says Telegraph bidder Jeff Zucker, The Telegraph](#)

³¹⁰ Response dated 16 January 2024, to First Issues Letter, paragraph 65.

³¹¹ Response dated 16 January 2024, to First Issues Letter, paragraphs 67-70.

³¹² Response dated 16 January 2024, to First Issues Letter, paragraphs 66-70; and Response dated 28 January 2024, to Second Issues Letter, paragraphs 55-56. See Ofcom’s advice on the Times Undertakings: [Application by News Corp UK and Ireland Limited to release the Undertakings relating to The Times and The Sunday Times newspapers, Ofcom’s advice to the Secretary of State, 24 September 2021](#).

³¹³ Response dated 16 January 2024, to First Issues Letter, paragraph 68.

³¹⁴ Response dated 16 January 2024, to First Issues Letter, paragraph 75.

its sovereign wealth funds), such incentives to influence would not be limited to stories about or referencing the UAE. We consider that readers may find such influence particularly difficult to discern and even very well-informed readers are unlikely to be aware of all matters in relation to which the UAE might wish to exert influence.

The Telegraph Titles' cross-platform share and reader characteristics

- 7.90 In response to both Issues Letters, the parties argued that the Telegraph Titles' relatively small share of news consumption, when measured cross platform, meant that Ofcom had overstated concerns about the impact of the transaction on public interest concerns.³¹⁵
- 7.91 They pointed to the propensity of readers of those titles to multi-source their news in support of their view that any attempt to influence readers by publishing inaccurate information or by limiting the free expression of opinion would have no effect, and therefore there would be no incentive to do it. The parties said that the readers of the Telegraph Titles are likely to consume more news and a wider range of news sources than those who are less politically engaged and said that it is "not credible to suggest that Telegraph readers would disregard what was reported in other sources and rely entirely on the editorial position of the Telegraph".³¹⁶
- 7.92 The parties argued in response to the Second Issues Letter that Ofcom's characterisation of the Telegraph Titles as being "determinative, or largely determinative, of Conservative policy" is "plainly irrational" and unevidenced.³¹⁷ They also stated that Ofcom's reliance on the "significant role it believes the Telegraph could play in promoting UAE interests and influencing views on foreign policy" is unevidenced and that "to rely on the Telegraph being uniquely influential on political debate and foreign policy" is unrealistic. They pointed to the fact that the titles have never won the foreign affairs award at the British Journalism awards as an example of evidence that TMG is less credible on these issues.³¹⁸
- 7.93 As set out at paragraphs 3.1-3.4 and 3.11-3.14 we consider that the Telegraph Titles constitute a highly influential voice in the UK, and as such their influence is much greater than might appear from a narrow focus on their market share in terms of reach and total news consumption. They are highly rated among their readers and have significant influence on the broader UK news agenda and political discourse, specifically in opinion-forming on the right of UK politics.
- 7.94 Notwithstanding that that the readers of the Telegraph Titles are likely to multi- source their news, we do not consider that it follows that a proprietor would not have an incentive to influence accuracy or the free expression of opinion. As set out above, regular readers of the Telegraph print titles give them high ratings across attitude statements including for "important" (78% of readers), "accurate", "trustworthy" (74% of readers), "high quality" (78% of readers) and "offers a range of opinions" (74% of readers). This indicates that the titles are influential among their readers. We estimate that Telegraph Titles are the sources they pay second-most attention to, behind BBC sources, accounting for 9.75% of TMG users'

³¹⁵ Response dated 16 January 2024, to First Issues Letter, paragraphs 66-68; and Response dated 28 January 2024, to Second Issues Letter, paragraph 42.

³¹⁶ Response dated 16 January 2024, to First Issues Letter, paragraphs 69-70; and Response dated 28 January 2024, to Second Issues Letter, paragraph 43.

³¹⁷ Response dated 28 February 2024, to Second Issues Letter, paragraph 47.

³¹⁸ Response dated 28 February 2024, to Second Issues Letter, paragraphs 49.

attention. A newspaper will cover a large number of different stories every day, such that influencing a subset of them would not necessarily be immediately obvious and, if obvious, would not necessarily drive so many readers away that it would be ineffective.

- 7.95 Ofcom does not consider that the Telegraph Titles are the only influential right-leaning voice in the UK, or that all readers of the titles would be influenced solely by the Telegraph Titles or disregard what was reported in other sources. However, as set out in paragraphs 3.1-3.4 and 3.11-3.14, we do consider that they are an influential voice within society and politics and the UK news agenda, and among their readers. We consider it is possible that changes to TMG's voice, particularly changes that are difficult to discern as explored at paragraph 6.22, could influence even very well-informed readers, who are unlikely to be aware of all the ways in which the UAE might wish to exert influence.
- 7.96 While we do not consider that the Telegraph Titles' positions are solely determinative of the policies of any party, or that they are "uniquely" influential in political debate generally or foreign policy debate in particular, we do consider that they are particularly influential in these areas and on the right of UK politics, and that they are especially influential within the Conservative Party. YouGov data indicates that 49% of Telegraph Title readers identify with the Conservative Party compared to 28% of readers of other newspapers,³¹⁹ and this was reiterated by [REDACTED] who noted the paper was "particularly well-read by Conservative Party members".³²⁰ David Davis MP has said the paper has "massive influence" during general elections and Conservative Party leadership elections.³²¹ The editor of ConservativeHome has stated that the newspaper carries "considerable" influence among party members and that according to its data, "the Telegraph is by far and away the most-read outlet among Conservative Party members".³²²

Comparisons with Ofcom's advice on the Times Undertakings

- 7.97 In response to Ofcom's Second Issues Letter, the parties argued that the circumstances in this case are "equivalent" to those on which we provided advice to the Secretary of State in relation to the Times Undertakings.³²³ It considers that the Telegraph Titles and the Times newspapers "occupy a similar space in the political spectrum", the Telegraph Titles' "cross-platform share is lower than that of the Times and Sunday Times"³²⁴, and that they "would expect similar levels of multi-sourcing by readers of the Telegraph to that which Ofcom found for the Times and Sunday Times".³²⁵ It is therefore argued that it is inconsistent for Ofcom to have reached a different conclusion in this case to that which we reached in our advice on the Times Undertakings.³²⁶

³¹⁹ [The Telegraph is for sale. Who reads it and what are they in the market for? \(yougov.com\).](https://yougov.com/articles/2021/09/24/13666-the-telegraph-is-for-sale-who-reads-it-and-what-are-they-in-the-market-for)

³²⁰ [REDACTED]

³²¹ [Ministers should stop Telegraph sale to Abu Dhabi-backed company, says David Davis, telegraph.co.uk.](https://www.telegraph.co.uk/politics/2021/09/24/ministers-should-stop-telegraph-sale-to-abu-dhabi-backed-company-says-david-davis/)

³²² [Why access to Tory party members is big incentive for owning Daily Telegraph | Daily Telegraph | The Guardian.](https://www.theguardian.com/politics/2021/09/24/why-access-to-tory-party-members-is-big-incentive-for-owning-daily-telegraph)

³²³ Ofcom's advice on the Times Undertakings: [Application by News Corp UK and Ireland Limited to release the Undertakings relating to The Times and The Sunday Times newspapers, Ofcom's advice to the Secretary of State, 24 September 2021.](#)

³²⁴ As noted at page 16, the data used to make this point was revised subsequent to its inclusion in Ofcom's First Issues Letter to the parties, where TMG's share of reference was originally estimated to be 0.67% in 2023. We accept that the share of reference of the Times Titles and Telegraph Titles were comparable in 2021, and remain comparable in 2023.

³²⁵ Response dated 28 February 2024 to Second Issues Letter, paragraph 56.

³²⁶ Response dated 28 February 2024 to Second Issues Letter, paragraph 57.

7.98 While we accept that the Telegraph Titles have a similar cross platform reach to the Times newspapers and their readers tend to multi-source to a similar degree, we consider that there are additional factors which mean that the circumstances of the two cases are not directly comparable. In particular:

- a) As we have explained in paragraph 6.20, Ofcom considers that there are fundamental differences between the incentives of a powerful private individual or corporation (such as the Murdoch Family Trust (“MFT”), of which the beneficial owner is Rupert Murdoch), and those of a state (noting the substantial connections between individuals with an interest in and/or formal roles in IMI, RedBird IMI Joint Venture and the UAE government). The scope and scale of interest of a state is liable to impact on a wider range of stories that may be contained within a newspaper. We note that the parties have argued that there is “no basis” for this assertion as “Ofcom is wholly wrong to equate IMI with the UAE state”,³²⁷ and therefore that it cannot explain Ofcom coming to a different view in this case. We set out in paragraph 6.26 the links between IMI and the UAE state. We think it obvious that the interests of a state combined with a major investor are wider than the interests of a major investor alone.
- b) As outlined in paragraphs 3.1-3.4 and 3.11-3.14, the Telegraph Titles carry very significant influence in the UK, playing a particularly influential role in the development and debate of conservative policies in UK politics, and are particularly influential within the Conservative Party.
- c) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]³²⁸ [REDACTED]
[REDACTED]
[REDACTED]³²⁹ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- d) As set out in paragraph 6.5 above, the parties to the current transaction have told us that their strategy is for significant growth in the Telegraph Titles.
- e) Finally, the Times Undertakings advice related to the removal of undertakings in circumstances where, as set out in our advice, the applicant already owned the newspapers, and appointed and managed their editors. The proprietor was open about the fact that while subject to the undertakings he “often” phoned the editors of the titles concerned to ask them what they were doing.³³⁰ We noted an occasion in our advice when the proprietors’ candidates for the editorship were appointed as acting editors for nine months without approval of the independent national directors (whose appointment and role was a key requirement of the undertakings).³³¹ While, as set out in our advice, the scope for proprietorial influence was increased by the removal of the undertakings, the impact of the reach of the titles, reader multi-sourcing and (in relation to accuracy) commercial incentives on our conclusions must be understood within the

³²⁷ Response dated 28 February 2024 to Second Issues Letter, paragraph 58.

³²⁸ Ofcom’s advice on the Times Undertakings, paragraph 6.31.

³²⁹ [REDACTED]

³³⁰ See paragraph 6.12 of Ofcom’s advice on the Times Undertakings.

³³¹ See paragraph 6.10 of Ofcom’s advice on the Times Undertakings.

context of the case in question. Both the nature and scale of the possible change in editorial stance was very different from the current case.

Plurality considerations

- 7.99 RedBird IMI Joint Venture also made the case to us that the proposed transaction will have a positive impact on the UK Newspaper industry in terms of the investment that it will provide.³³² We agree with this, although we note that there were many other reported interested parties in buying TMG through the auction and who would have the ability to invest significantly in TMG.
- 7.100 It also noted that the transaction would not compromise media plurality as neither RedBird IMI Joint Venture nor the Partnership control any other UK media assets.³³³ We also agree with this. However, plurality is not one of the public interest grounds on which we have been asked to report in the PIIN. As set out in paragraph 2.3, the public interest considerations which are the subject of this report are the need for accurate presentation of news and the need for free expression of opinion in newspapers.
- 7.101 The parties also pointed to Ofcom’s Plurality and Online News Discussion Document, published in November 2022, in which we described the UK’s “high quality and richly varied news media landscape” where “no one media owner or voice has too much influence over public opinion” and that this “is the cornerstone of a well-functioning democratic society”.³³⁴ Our conclusion in November 2022, that the UK has a plural news media, remains applicable today. As noted above, plurality is not one of the public interest grounds on which we have been asked to report in the PIIN.
- 7.102 The degree of plurality in the media more widely is relevant to the degree of any public interest concern arising from a change in the accuracy of news presented in newspaper or free expression of opinion in newspapers. However, in the case of the Telegraph Titles, for the reasons set out in paragraph 7.98 we consider that there is a potential effect on the public interest notwithstanding that the UK has a plural news media.

³³² Response dated 16 January 2024, to First Issues Letter, paragraph 24.

³³³ Response dated 16 January 2024, to First Issues Letter, paragraph 25. We note that subsequent to this letter, RedBird IMI Joint Venture has announced the acquisition of All3Media.

³³⁴ [Discussion document: Media plurality and online news \(ofcom.org.uk\)](https://www.ofcom.org.uk/consult/condocs/plurality/plurality.pdf)

8. Conclusion

Conclusion on incentive and ability to influence

- 8.1 Overall, based on the analysis that we have undertaken, we have concluded that:
- a) it is or may be the case that the merger may be expected to operate against the public interest, having regard to the need for accurate presentation of news in newspapers; and
 - b) it is or may be the case that the merger may be expected to operate against the public interest, having regard to the need for free expression of opinion in newspapers.

Undertakings proposed in relation to the 30 November PIIN may be relevant

- 8.2 The Secretary of State may accept undertakings in lieu of a reference to the CMA if she considers them to be appropriate for the purposes of remedying, mitigating or preventing any adverse public interest effects which may be expected to result from the transaction.³³⁵
- 8.3 During Ofcom's assessment of the transaction relevant to the 30 November PIIN, RedBird IMI Joint Venture stated publicly that it intended to preserve the editorial independence of TMG including by establishing an Editorial Trust.³³⁶ This formed part of proposed undertakings which the parties developed during the course of Ofcom's process up until the restructuring of the transaction on 23 January 2024. They included proposals to provide binding undertakings from each of IMI, RedBird IMI Joint Venture and RedBird Capital to "cement IMI's passive investor status and confirm its commitment to non-interference".³³⁷
- 8.4 The parties have not updated their proposals to reflect the new ownership structure for TMG as a result of the transaction which is the subject of this PIIN. However, in the response to the Second Issues Letter, the parties referred to IMI's willingness to commit publicly to an undertaking not to influence or attempt to influence the editorial choices made by the Editor of the Telegraph.³³⁸ They also said in the Second Issues Meeting that the Editorial Trust that they proposed would protect against this.³³⁹ It therefore appears to Ofcom that the parties remain open to providing undertakings, should the Secretary of State consider that this transaction raises public interest concerns warranting a reference to the CMA.
- 8.5 For the purposes of this Report, Ofcom has not considered the merits or interrogated the operation of the undertakings that were proposed in relation to the transaction that was the subject of the 30 November PIIN.³⁴⁰

³³⁵ Paragraph 3 of Schedule 7 to the Enterprise Act 2002.

³³⁶ RedBird IMI Joint Venture submission 20 December 2023, RedBird IMI Joint Venture submission 29 December 2023; [Telegraph can be protected from Abu Dhabi by 'editorial trust', claims bidder](#); [Telegraph takeover: Gulf bidders promise press freedom - BBC News](#).

³³⁷ Submission on behalf of RedBird IMI Joint Venture, 29 December 2023, p5.

³³⁸ Response dated 28 February 2024, to the Second Issues Letter, paragraph 10.

³³⁹ Ofcom file note of Second Issues Meeting.

³⁴⁰ The proposed undertakings are outlined at paragraph 8.4 of 30 November PIIN Report.

- 8.6 Should the parties offer the Secretary of State revised undertakings in respect of the transaction which is the subject of this PIIN, Ofcom can undertake further analysis of these, should the Secretary of State wish us to do so.

A1. Summary of responses

A1.1 We received 35 responses to our ITC and subsequent Process Update. Of these, 23 were from members of the public, 10 from organisations, and one from a politician, [REDACTED]. Non-confidential organisational responses were received from the Campaign for Press and Broadcasting Freedom (North) (“CPBF North”), the Media Reform Coalition (“MRC”) and News UK. Confidential organisational responses were received from [REDACTED]

[REDACTED]³⁴¹ [REDACTED]

[REDACTED]³⁴² [REDACTED] We also received, via one of the organisations who submitted a response to us, an additional submission on behalf of two people who wished to remain anonymous.

A1.2 Towards the end of our process, we also received supplementary information from DCMS that it had received over the past few months. This included four letters from MPs, one joint letter from five MPs and a peer, and one letter from an MSP to the Secretary of State prior to the issuing of the 30 November PIIN, all encouraging her to intervene, and three emails from MPs to the Secretary of State on behalf of their constituents. There were also a number of emails from members of the public to the Secretary of State all opposing the transaction, as well as substantive responses from [REDACTED], three responses from [REDACTED] and correspondence from [REDACTED].

A1.3 [REDACTED]
[REDACTED]
[REDACTED]

A1.4 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]³⁴³

Main points raised relating to incentives to influence

A1.5 Several members of the public, [REDACTED] expressed their concerns about human rights and free expression in the UAE.

A1.6 [REDACTED] highlighted evidence that the UAE has used ‘spyware’ to target journalists and the UK government.

A1.7 [REDACTED] argued that IMI is indistinguishable from the UAE state.

A1.8 [REDACTED] highlighted allegations of censorship at The National newspaper and other IMI-owned media businesses.

³⁴¹ [REDACTED]

³⁴² In response to our Process Update, [REDACTED] sent us a further response stating their position that the points raised in their original submission remained valid.

³⁴³ [REDACTED]

- A1.9 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- A1.10 [REDACTED] and the politician [REDACTED] argued that the proposed new owners are paying above market value for TMG, indicating that they are seeking to buy political influence rather than make a purely financial investment.
- A1.11 [REDACTED] and a member of the public expressed their opinion that the proposed new owners may have an incentive to change the Daily Telegraph's editorial stance, for instance on issues concerning the UAE or the financial interests of the proposed owners.
- A1.12 [REDACTED] described the TMG titles as "household" names with a strong track record and high standards. The politician said that The Telegraph is one of the UK's most important and respected newspapers, with massive influence on the centre-right of UK politics.
- A1.13 Several members of the public expressed the view that UK newspapers should not be owned by foreign companies, some arguing that it may have negative consequences for UK democracy or national security.
- A1.14 The politician argued that ranking members of a foreign government should not be able to buy a UK press outlet.
- A1.15 One member of the public argued that the prospective buyer may have an incentive for the Telegraph Titles to be less politically biased to the right.

Main points raised relating to ability to influence

- A1.16 [REDACTED] stated that newspaper owners can find ways to influence and interfere with editorial matters, no matter what governance structures are put in place.
- A1.17 [REDACTED] argued that journalists will be aware of their newspaper's proprietors' views, and this allows owners to exert informal editorial influence.
- A1.18 [REDACTED] argued that influence may be subtle, or take the form of business owners associated with the UAE exerting pressure on TMG, and this may be hard to monitor.
- A1.19 [REDACTED] expressed concern that despite the "hold separate" order, RedBird IMI Joint Venture and IMI may already have the ability to materially influence TMG, and therefore the nature of the loans provided to the Barclay family should be investigated.
- A1.20 [REDACTED] argued that as well as editorial influence, the proposed new owners may have the ability to influence IPSO and the News Media Association ("NMA") through TMG's membership of both organisations.
- A1.21 A supplementary response from [REDACTED] provided to us by DCMS argued that as the majority investor, IMI can be expected to have influence and decision-making authority within the RedBird IMI Joint Venture. It argued that the transaction should be referred to a Phase 2 inquiry to allow for expert scrutiny and analysis of the RedBird IMI Joint Venture governing documents.

Main points raised relating to broader context

- A1.22 [REDACTED]
[REDACTED]
[REDACTED]
- A1.23 [REDACTED] argued that a “fear factor” and culture of self-censorship is already at play, with some Telegraph journalists feeling unable to speak out about the proposed acquisition.
- A1.24 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- A1.25 [REDACTED]
[REDACTED]
[REDACTED]
- A1.26 [REDACTED] stated that it is extremely difficult, if not impossible, to judge how the proposed change of ownership would affect the accuracy of the presentation of news.
- A1.27 [REDACTED] expressed a view that there is currently not due regard for accuracy, specifically in relation to Daily Telegraph opinion pieces about climate issues. [REDACTED] also argued that the Daily Telegraph has a history of self-censorship, in relation to its publication of supplements paid for by state-owned Chinese and Russian media organisations.
- A1.28 [REDACTED] argued that plurality considerations should have been included in the PIIN, and [REDACTED] also raised concerns about the process by which PIINs are issued.
- A1.29 [REDACTED] expressed concern about the plurality of ownership of the UK press and media in general, expressing concern that others who have expressed interest in buying TMG already have significant UK media interests. It said there should be a reform of media ownership rules, and a strengthened public interest test.
- A1.30 One member of the public argued that the transaction should be allowed due to the UAE’s status as an ally of the UK, as well as previous government decisions to allow foreign ownership of the Evening Standard, UK football teams and a technology company.
- A1.31 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- A1.32 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- A1.33 [REDACTED]
[REDACTED]

Main points raised about potential undertakings

- A1.34 [REDACTED] argued that undertakings and assurances given by newspaper proprietors cannot necessarily be relied upon, and would not be adequate safeguards in this instance.
- A1.35 [REDACTED] argued that Sheikh Mansour's assurance that the purchase of Manchester City FC was purely a private and personal matter was undermined by the fact that senior Emirati government officials and advisors were soon appointed to senior roles at the club.
- A1.36 [REDACTED] expressed concern about Jeff Zucker's public pledge to resign as RedBird IMI Joint Venture CEO if there was editorial interference, arguing that this would not serve as an effective safeguard.
- A1.37 [REDACTED] expressed concerns that the "almost limitless" financial resources of the UAE state could be used to fund legal challenges against enforcement.
- A1.38 [REDACTED] stated that any future owner of TMG should provide greater clarity on their future plans for the titles.
- A1.39 [REDACTED] expressed its position that having no details of proposed shareholdings, suggested management structures or proposals for potential undertakings from the prospective owners, it has no detailed representations other than encouraging referral to a full phase two inquiry.
- A1.40 A supplementary response from [REDACTED] provided to us by DCMS argued that an editorial charter, editorial trust, and behavioural undertakings are insufficient to safeguard against owner influence or journalistic self-censorship.

A2. Ofcom News Consumption Survey Methodology

- A2.1 In the News Consumption Surveys conducted in 2022/23, the adult (16+) research was conducted using a mixed methodology, combining online and face-to-face interviews (F2F). Interviews were conducted in two waves, from 7 November – 7 December 2022, and 27 February – 3 April 2023, jointly referred to as “2023” throughout. In total, 4,556 interviews were undertaken, including Nations’ boosts. 2,142 were conducted face to face and 2,414 were conducted online.
- A2.2 Data tables and the report (including findings from both surveys) can be accessed on the Ofcom website.³⁴⁴ Respondents are asked about their news consumption. The interview begins with an introduction of how they might use news throughout the day across a variety of platforms including social media. They are also given a definition of news as “news and current affairs in [nation], across the UK and around the world”. Users of sources (reach) are defined as those who “use a particular news source nowadays”.
- A2.3 The survey data has been weighted to correct for the over-representation of the Nations, with weights applied to age, gender and socio-economic group within each Nation to match known population profiles.
- A2.4 As part of the prompted list for online sources we include various social media, for example Facebook and Google, that may refer or link to, or aggregate, multiple other news sources. However, we cannot tell from our survey which news brands people are using within these sources. The survey has approximately 200 codes for different potential sources for news, as well as the option to allow respondents to nominate their own sources which yields a further 800 or so, including regional sources. This gives us a bottom-up measure of what people consider they use for news (about their Nation, the UK and internationally) and will not necessarily include every possible outlet. The survey therefore provides a granular range of news sources. These individual news sources are then aggregated into various groups or “nets” relating to their owner or publisher.
- A2.5 This is a recall-based survey. As such, it is likely to provide somewhat different results to other types of measurement. In particular, it may underestimate some online news consumption activity. It is likely to be harder for respondents to recall ad-hoc online news consumption compared to, say, the purchase of a newspaper or the watching of an evening television bulletin. On the other hand, respondents show through such surveys which news sources resonate with them.
- A2.6 Share of reference is an estimate, based on News Consumption Survey data, of a news source’s share of total news consumption calculated by asking people which news sources they use and the frequency with which they use them. Each reference³⁴⁵ is then weighted for the frequency of use and summed. The share of each news source or provider can then be calculated based on their total number of references as a proportion of all references for all news sources. It treats each reference to a news source as being worth the same, regardless of whether it is the only source that an individual uses, or one of many they use.

³⁴⁴ [News consumption in the UK - Ofcom](#)

³⁴⁵ “References” are based on the news sources people use and the frequency with which they use them.

- A2.7 Share of attention is a new tool. It is calculated with the same data used to calculate share of reference, and therefore also has limitations as a result of being based on survey recall data. Share of attention calculates the relative attention given to a news source by a group of people. It is first calculated at the individual level; by measuring each individuals' attention to a specific news source and then expressing that as a share of the total amount of attention the individual has given to all of the news sources the individual used. These shares are then aggregated across individuals, to produce the news source's overall share of attention for the group as a whole. These tools are complementary, and we use these and other measures to ensure we have as full a picture as possible when making any decision.
- A2.8 The report groups news sources according to their provider. The table below provides details on how each source has been grouped. It is important to reiterate that these sources are the ones nominated by respondents, rather than an exhaustive list of all possible news sources.

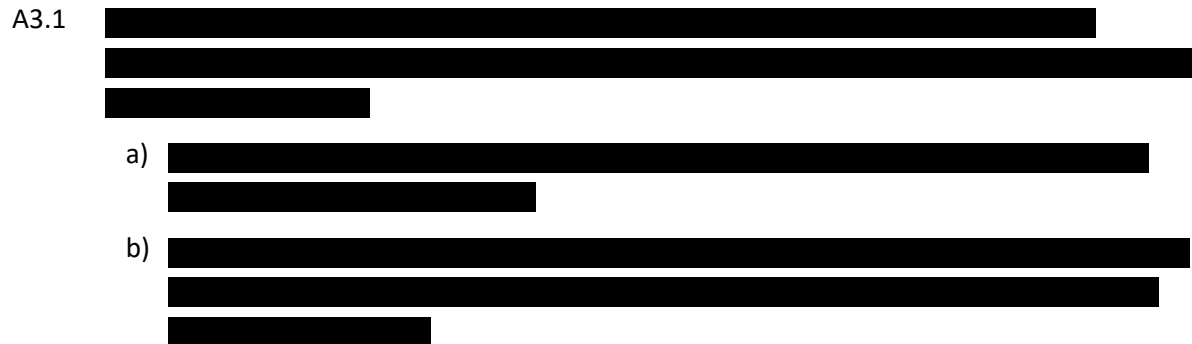
Figure A2.1: News providers and sources

News Provider	Sources Included
Bauer	Absolute Radio, Kiss, Magic, Cool FM, Lincs FM, Hits Radio, Greatest Hits Radio, Clyde 1, Forth 1, West Sound, Tay FM, Northsound 1, MFR, Clyde 2, Forth 2, Westsound 2, Tay 2, Northsound 2, MFR 2 Radio Borders, CFM, Radio City, Rock FM, Key Radio, Metro radio, TFM, Hallam FM, Viking FM, Radio Aire, Wave 105 FM
BBC	BBC One, BBC Two, BBC Three, BBC Four, BBC Alba, BBC News Channel, BBC Parliament, BBC Scotland, BBC World Service, BBC Radio 1, BBC Radio 2, BBC Radio 3, BBC Radio 4, BBC Radio 5 Live, BBC Radio 6 Music, BBC Asian Network, BBC Radio Scotland, BBC Radio Wales or Cymru, BBC Radio Ulster, BB Radio Foyle, BBC website or app, Welsh language BBC website or app, BBC iPlayer, BBC Sounds, Other BBC podcast source, BBC Radio nan Gàidheal, BBC Radio Cymru/ Cymru 2
Channel 4	Channel 4, All4/All4+, Channel 4 website or app ³⁴⁶
DMGT	Daily Mail, Mail on Sunday, Metro, Mail website or app, Metro website or app, The i, The i website or app
Meta	Facebook, WhatsApp, Instagram
Global Radio	Classic FM, LBC, Heart, Capital, Smooth Radio, Global Player
Google	YouTube website or app, Google (general search engine), Google News (search engine just for news), Google Play
Guardian Media [Group]	The Guardian, The Observer, The Guardian/Observer website or app

³⁴⁶ All4/All4+ was re-branded to 'Channel 4/Channel 4+' in 2023 after NCS fieldwork was complete.

News Provider	Sources Included
ITV	ITV1 / ITV Wales / STV / UTV, ITVX, STV Player, ITV or ITN website or app, STV Website or app
Newsquest	The Herald, The National, The Herald on Sunday, The Sunday National, The Herald website or app, The National website or app, local press titles, local press websites
National World plc	The Scotsman, Scotland on Sunday, The News Letter, local press titles
Lebedev Holdings	The Evening Standard
Independent / London Evening Standard	The Evening Standard, The independent website or app, The Evening Standard website or app
News Corp	TalkTV, The Sun, The Times, The Sun on Sunday, The Sunday Times, talkSport, talkSPORT 2, talkRADIO, Virgin Radio, Times Radio, U105, The Sun website or app, The Times/The Sunday Times website or app
Sky	Sky News Channel, Sky News website or app
Reach plc	The Daily Star, The Daily Express, The Daily Mirror, The Daily Record, South Wales Echo, The Western Mail, The Daily Post, The Daily Star on Sunday, The Sunday Express, The Sunday Mirror, The People, The Sunday Mail, Wales on Sunday, The Daily Star website or app, The Daily Express website or app, The Daily Mirror website or app, local press titles, local press websites
Telegraph Media [Group]	The Daily Telegraph, The Sunday Telegraph, The Telegraph website or app
The Nikkei	The Financial Times, The Financial Times website or app
X (formerly Twitter)	X (formerly Twitter)
TikTok	TikTok
Channel 5 / Paramount	Channel 5, My5, CBS News website or app
Other	S4C, other print titles including local print titles, foreign language sources (TV and web), other intermediaries, other international sources, other commercial radio, local TV channels, other TV news channels, other TV non-news channels, local or community sources, Irish sources, weather websites, blogs, magazines, other online sources

A3. Additional analysis of governance arrangements



Decision-making for the RedBird IMI Joint Venture



Rights of members of the RedBird IMI Joint Venture



- [REDACTED] 351 [REDACTED]
[REDACTED]
[REDACTED]
- A3.6 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] 352
- a) [REDACTED]
[REDACTED]
- b) [REDACTED]
[REDACTED]
- c) [REDACTED]
[REDACTED] 353
- d) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- A3.7 [REDACTED]
[REDACTED]
[REDACTED]
- A3.8 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Decision-making by the Board of RedBird IMI Joint Venture

- A3.9 [REDACTED]
[REDACTED] 354 [REDACTED]
[REDACTED]
[REDACTED] 355
- a) [REDACTED]
[REDACTED]
[REDACTED] 356
- b) [REDACTED]
[REDACTED]

351 [REDACTED]
352 [REDACTED]
353 [REDACTED]
[REDACTED]
[REDACTED]
354 [REDACTED]
355 [REDACTED]
356 [REDACTED]

- c) [REDACTED]
[REDACTED]
- A3.10 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] 357 [REDACTED]
[REDACTED]
[REDACTED] 358 [REDACTED]
- A3.11 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] 359 [REDACTED]
[REDACTED]
[REDACTED] 360 [REDACTED]
- A3.12 [REDACTED]
[REDACTED]
[REDACTED] 361 [REDACTED]
[REDACTED]
[REDACTED]
- a) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] 362 [REDACTED]
[REDACTED]
- b) [REDACTED]
[REDACTED] 363 [REDACTED]
- c) [REDACTED]
[REDACTED]
[REDACTED] 364 [REDACTED]
- A3.13 [REDACTED]
[REDACTED]
- a) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

-
- 357 [REDACTED]
358 [REDACTED]
359 [REDACTED]
360 [REDACTED]
361 [REDACTED]
362 [REDACTED]
363 [REDACTED]
364 [REDACTED]

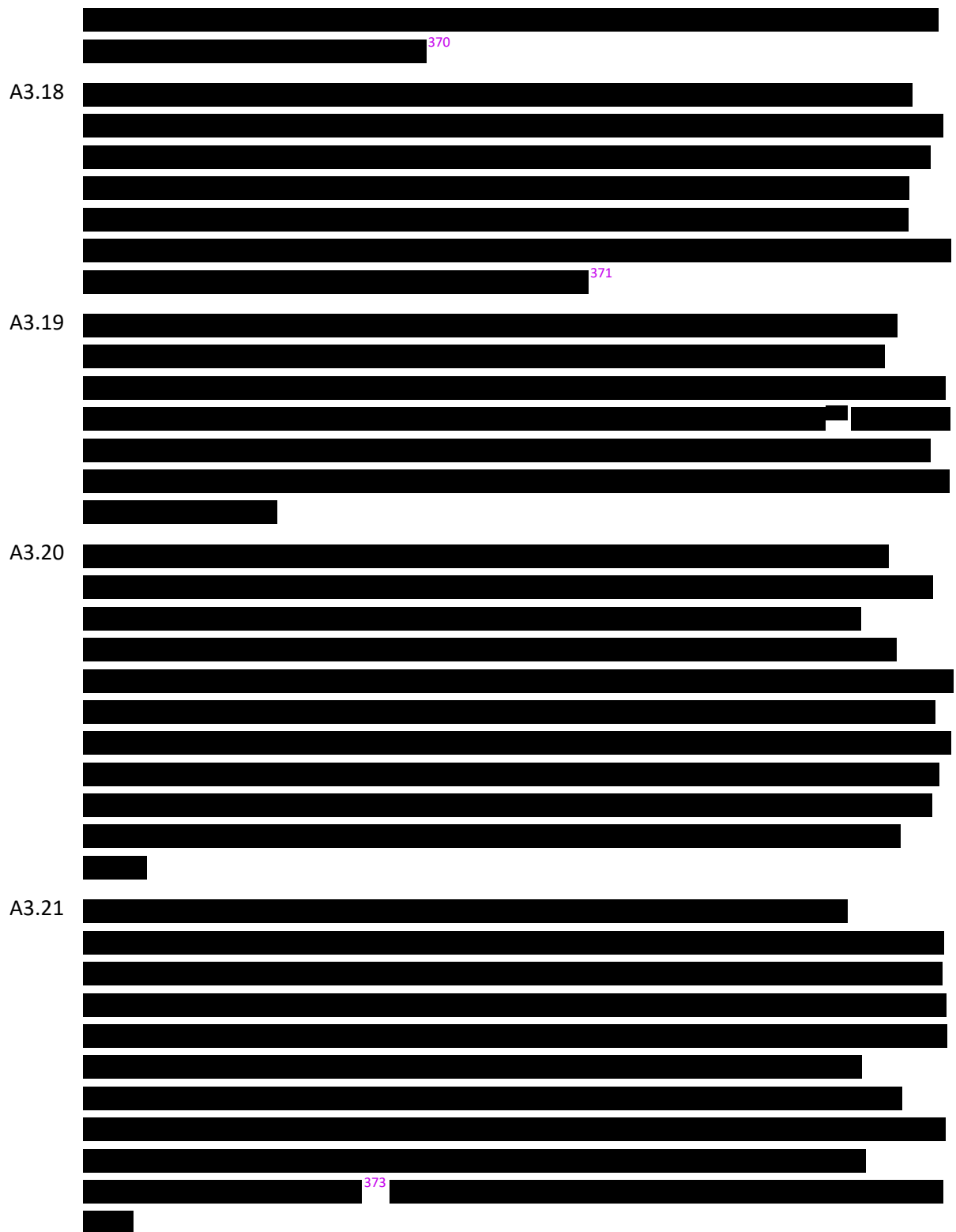
[REDACTED]
[REDACTED]³⁶⁵
b) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]³⁶⁶ [REDACTED]
[REDACTED]

A3.14 [REDACTED]
[REDACTED]
a) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]³⁶⁷
b) [REDACTED]
[REDACTED]
c) [REDACTED]
[REDACTED]
[REDACTED]

Rights under the Services Agreement

A3.15 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
A3.16 [REDACTED]
[REDACTED]
A3.17 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]^{368 369} [REDACTED]
[REDACTED]
[REDACTED]

³⁶⁵ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
³⁶⁶ [REDACTED]
³⁶⁷ [REDACTED]
³⁶⁸ [REDACTED]
³⁶⁹ [REDACTED]



A3.22

[REDACTED]

A4. Glossary

Throughout this report, we use the following defined terms:

“26 January PIIN” or **“this PIIN”** means the Public Interest Intervention Notice issued by the Secretary of State on 26 January 2024 in relation to the potential relevant merger situation arising from the proposed acquisition of Telegraph Media Group Limited, Telegraph Media Group Holdings Limited or the business or assets (including any shares in subsidiary undertakings) of Telegraph Media Group Limited or Telegraph Media Group Holdings Limited by RB Investco Limited, and/or any of its parent undertakings, subsidiary undertakings, or interconnected undertakings (including without limitation RB IMI AIV Limited Partnership), or any of its assignees, transferees or successors in title.

“26 January PIIN Report” means this report to the Secretary of State under section 44A of the Enterprise Act 2002 in relation to the 26 January PIIN.

“30 November PIIN” means the Public Interest Intervention Notice issued by the Secretary of State on 30 November 2023 in relation to the potential relevant merger situation arising from the proposed acquisition by RedBird IMI Joint Venture of the Telegraph Media Group Limited (a company incorporated and registered in England and Wales with the company number 00451593).

“30 November PIIN Report” means Ofcom’s report to the Secretary of State under section 44A of the Enterprise Act 2002 in relation to the 30 November PIIN.

“Deed of Amendment”

“First Issues Letter” means Ofcom’s letter dated 8 January 2024 setting out the potential issues identified by Ofcom in relation to the 30 November PIIN.

“First Issues Meeting” means the meeting held on 12 January 2024 at which RedBird IMI Joint Venture made representations to Ofcom in response to the First Issues Letter.

“IMI” means International Media Investments Holdings Limited and where relevant, its subsidiaries

“IMI Limited Partner”

“IMI Member”

“LLC Agreement”

“LP Agreement”

“Order” means The Public Interest Merger Reference (Telegraph Media Group Limited) (Pre-emptive Action) Order 2024.

“RB Class B Limited Partner”

"RB Investco" means RB Investco Limited.

"RB General Partner" [REDACTED]

"RB Limited Partner" [REDACTED]
[REDACTED]

"RedBird Capital" refers to RedBird Capital Partners Management LLC [REDACTED]
[REDACTED]
[REDACTED]

"RedBird IMI Joint Venture" or **"the JV"** means RedBird IMI Media Joint Venture, LLC.

"RedBird IMI Partnership" or **"the Partnership"** means RB IMI AIV LP, a limited partnership with company number LP023552.

"RedBird Member" [REDACTED]
[REDACTED]

"Second Issues Letter" [REDACTED]
[REDACTED]

"Second Issues Meeting" means the meeting held on 29 February 2024 at which the parties made representations to Ofcom in response to the Second Issues Letter.

"Services Agreement" [REDACTED]
[REDACTED]
[REDACTED]

"TMG" means Telegraph Media Group Holdings Limited.

"Telegraph Titles" refers to The Daily Telegraph and The Sunday Telegraph newspapers and where relevant, the Telegraph.co.uk website and the Telegraph app.

A5. Errata

In the course of preparing a non-confidential version of this report we have identified minor errors in the version that we submitted to the Secretary of State on 11 March.

None of these errors are material to the conclusions that we reached or the recommendations that we made to the Secretary of State.

1. Footnote 52 said the following:

PwC Global Telecom Outlook 2023–2027, www.pwc.com/outlook

It should have said the following:

PwC Global Entertainment & Media Outlook

2. In the overview section we included the following sentence:

*We consider that these factors alone **are likely to** give IMI the ability to exercise influence over editorial decisions by TMG so as to adversely impact the accuracy of news and free expression of opinion.*

It should have said the following:

*We consider that these factors alone **may** give IMI the ability to exercise influence over editorial decisions by TMG so as to adversely impact the accuracy of news and free expression of opinion.*

3. In paragraph 7.85 we included the following sentence:

*We consider that these factors alone **are likely to** give IMI the ability to exercise influence over editorial decisions by TMG so as to adversely impact the accuracy of news and free expression of opinion.*

It should have said the following:

*We consider that these factors alone **could** give IMI the ability to exercise influence over editorial decisions by TMG so as to adversely impact the accuracy of news and free expression of opinion.*

4. Footnote 78 said the following:

[REDACTED]

It should have said the following:

[REDACTED]

5. The parties have since clarified that the [REDACTED] is the entity which currently holds the interest in the RedBird IMI Joint Venture (and not [REDACTED] which previously held that interest).