

**ARCHANT LIMITED'S ACQUISITION OF LONDON REGIONALS DIVISION OF
INDEPENDENT NEWS & MEDIA PLC**

Competition Commission invites evidence

The Office of Fair Trading (OFT) has asked the Competition Commission (CC) to look into the acquisition by Archant Limited (Archant) of local newspapers in the London region previously owned by Independent News & Media plc.

Archant has acquired local newspapers covering areas of north-west, north and east London, as well as north-west Kent.

The CC has been asked to consider whether a relevant merger situation has been created, and whether its creation is or may be expected to result in a substantial lessening of competition.

This is the first newspaper reference since the implementation of the Communications Act 2003 gave the OFT jurisdiction over relevant newspaper mergers. It follows last year's reference to the CC by the Secretary of State for Trade and Industry of the proposed acquisition of the same titles by Newsquest (London) Limited.

The CC reported on that reference in August last year and recommended that consent be refused for the transfer of eight titles based in south-east London and north-west Kent. The full report can be found on the CC's web site—www.competition-commission.org.uk.

The CC is required to publish its report by 13 October 2004.

The CC would like to hear from all interested parties, in writing, by 14 May 2004. To submit evidence, please write to:

Inquiry Secretary (INM/Archant merger inquiry)
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Or email: Archant.INM@competition-commission.gsi.gov.uk

Notes for editors

1. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million (see OFT Press Release PN 06/04).
2. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.

3. The Communications Act 2003 gave the OFT powers to look at relevant newspaper mergers in the same way as any other relevant merger under the Enterprise Act 2002. Prior to December 2003 assessment and decisions on newspaper mergers was the responsibility of the Secretary of State for Trade and Industry.
4. The CC investigated and reported on the proposed acquisition of the same titles by Newsquest (London) Limited under the old Fair Trading Act 1973 regime for newspaper mergers. The CC concluded that the loss of competition from the transfer of those titles might have been expected to result in higher advertising rates and/or reduced discounts to some or all advertisers in the areas affected and a reduction in the quality of service for some or all advertisers. It also believed that there would be a loss of competition resulting from the transfer of two other titles based in north London, but there was a risk that they might cease to be viable if separated from another title in the same INM division. Its report is: *Newsquest (London) Limited and Independent News & Media PLC: a report on the proposed transfers*, The Stationery Office, Cm 5951, 21.10.03.
5. The OFT has stated that the three titles raising concerns similar to those recently identified by the CC are *Stratford Express*, *Barking and Dagenham Post* and *Romford and Havering Post*. According to the OFT, the four titles which may result in the creation of a near monopoly are *Islington Gazette*, *North London Herald*, *East London Advertiser* and the *Ilford and Redbridge Post*.
6. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its web site at: www.competition-commission.org.uk.
7. Enquiries should be directed to Francis Royle on 020 7271 0242 or Rory Taylor on 020 7271 0398 (rory.taylor@competition-commission.gsi.gov.uk).