



DETERMINATION OF MERGER NOTIFICATION M/07/048 – NEWS CORPORATION/DOW JONES

Section 21 of the Competition Act 2002

Proposed acquisition of Dow Jones & Co., Inc. by News Corporation

Dated 13/09/07

Introduction

1. On 27 August 2007, the Competition Authority, in accordance with section 18(1)(b) of the Competition Act, 2002 (“the Act”), was notified on a mandatory basis of the proposed acquisition of sole control of Dow Jones & Co., Inc. (“Dow Jones”) by News Corporation (“News Corp”).
2. The Authority, in accordance with section 23(1) of the Act, advised News Corp and the Minister for Enterprise, Trade and Employment that it considered the proposed transaction to be a “media merger” within the meaning of section 23 of the Act.

The Undertakings Involved

The Acquirer

3. News Corp is a Delaware-incorporated corporation. It has a primary listing on the New York Stock Exchange and secondary listings on the Australian Stock Exchange and the London Stock Exchange. It is a global media and entertainment company, which is active in the United States, Europe, Australia, Asia and the Pacific Basin. For the twelve month period ending 30 June 2006, News Corp had a worldwide turnover of €[] and a turnover in the State of €[].
4. While News Corp has no Irish subsidiaries, it does have offices in the State. It supplies the following publications and services to customers based in Ireland:
 - Film distribution;
 - Cable broadcasting of the National Geographic International Channel, in which News Corp has an economic interest;
 - Satellite broadcasting of News Corp’s channels;
 - Distribution of newspapers (the Irish Sun, The Times, Irish News of the World and the Sunday Times – Irish edition). All except The Times are printed in Dublin by the printing operations of News International, News Corp’s newspaper publishing business, and are distributed by [], an independent distributor;
 - Distribution of books by Harper Collins; and,

- Development of conditional access and interactive TV technologies.

The Target

5. Dow Jones is a Delaware-incorporated company. It is listed on the New York Stock Exchange. It is a US-based publisher of business and financial news and information through newspapers, newswires, magazines, the Internet, indexes, television and radio. For the year ending 31 December 2006, the worldwide turnover of Dow Jones was €[] and the turnover in the State was €[].
6. Dow Jones does not have any Irish subsidiaries. It supplies the following products and services to customers based in Ireland:
 - The Wall Street Journal Europe, a daily financial newspaper, headquartered in Brussels. The copies sold in Ireland are printed by Midland Tribune Printing Ltd []. Dow Jones distributes the Wall Street Journal Europe in Ireland through arrangements with third parties. It also has some advertising sales and has an online edition of the Wall Street Journal;
 - Factiva provides electronic near-time current awareness and archival information services, offering interactive access to content from multiple third party sources such as newswires, newspapers, magazines and trade publications;
 - Real-time newswire services in the English language provide business news and information for financial professionals in electronic format;
 - Stock market indices are distributed through its participation in Stoxx Limited, a joint venture owned equally by Dow Jones, Deutsche Boerse AG and the SWX Swiss Exchange;
 - Specialist business-to-business newsletters are distributed, primarily in the English language. Minor sales are also derived from the distribution of database licences; and,
 - Minor sales of some titles published and primarily distributed abroad.

Analysis

Overlap

7. In the State, both parties sell newspapers and receive newspaper advertising revenue.
8. In relation to the sale of newspapers in the State, News International sells The Times, the Sunday Times (Irish edition), the Irish Sun and the Irish News of the World.¹ All except The Times are printed in Dublin.

¹ At June 2007, average daily sales in the State were as follows: The Irish Sun (104,682), the Times (5,112), the Irish News of the World (151,320) and the Sunday Times – Irish edition (103,701) (Source ABC). Revenues in the State from newspaper circulation in the 2006/2007 financial year were approximately €[].

9. In the State, Dow Jones sells the newspaper the Wall Street Journal Europe, which is printed and distributed in Ireland under contract. Sales in the State are minimal, with the average daily print order being [] copies. Dow Jones also makes a small number of sales² of the specialist newspapers Financial News and Private Equity News. These are weekly newspapers, whose customers are principally UK-based.
10. As regards News International's newspaper advertising, it has a commercial office in the State, consisting of [] people who sell advertising space to Irish advertisers. Its revenue from newspaper advertising in the State was approximately €[] for the 2006/2007 financial year.
11. In terms of newspaper advertising, Dow Jones has no representative in the State, as it sells advertising from the UK. Irish revenues for the year ended 31 December 2006 from advertising in the Wall Street Journal and its European edition were approximately €[].

Competitive effects

There are two areas in which the parties overlap in the State: (i) circulation of newspapers, and (ii) newspaper advertising.³

Circulation of newspapers

12. Although both parties sell newspapers in the State, the titles are in different sectors. In particular,⁴ the Wall Street Journal Europe is a specialised daily financial newspaper, with a more specialist, financial and international focus than that of News International's newspapers.
13. Although some of News International's newspapers include business sections, their size, detail and specialisation does not compare to that of the Wall Street Journal Europe. It is unlikely that consumers would choose the Wall Street Journal Europe instead of one of the News International newspapers, or vice versa, given the significant differences in content.
14. Furthermore the most comprehensive business section of News International's newspapers circulated in Ireland is that of the Sunday Times. However, the Wall Street Journal Europe is not published on a Sunday and does not compete head-to-head with the Sunday Times.

Newspaper advertising

15. The advertising contained in the newspapers of the parties is targeted at different readerships. Irish advertisers advertising in News International publications are looking to target a general readership in the State, while advertisers in the Wall Street Journal Europe and the other Dow Jones newspapers are looking to target a more niche readership on a pan-European level.

² Total Irish revenues (including advertising) for these specialist newspaper titles were approximately €[] in 2006.

³ The Authority considers that it is not necessary to define the relevant product and geographic markets in the present case, as the proposed acquisition does not raise competition concerns.

⁴ The other newspapers sold by Dow Jones in the State in small numbers also have a specialist financial focus and as such, the same reasoning applies.

16. Moreover, even if, in an individual case, an advertiser did consider the newspapers to be substitutes, there are numerous other newspapers sold in the State, both general (with dedicated business sections/supplements) and specialist, in which advertising could be placed, such as the Financial Times, the Irish Times, the Irish Independent or the Sunday Business Post.
17. The Authority therefore considers that the proposed transaction does not raise competition concerns in relation to the circulation of newspapers or the sale of newspaper advertising in the State.

Determination

18. The Competition Authority, in accordance with section 21(2)(a) of the Act, has determined that, in its opinion, the result of the proposed acquisition of sole control of Dow Jones & Co., Inc. by News Corporation will not be to substantially lessen competition in markets for goods or services in the State and, accordingly, that the acquisition may be put into effect, subject to the provisions of section 23(9)(a) of the Act.

For the Competition Authority

Dr. Paul K Gorecki
Member of the Competition Authority