

***Case No COMP/M.6840 - GOLDMAN SACHS/ TPG
LUNDY/ ROMANES MEDIA GROUP***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION

Date: 12/03/2013

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EUROPEAN COMMISSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

Brussels, 12.03.2013

C(2013)1582

PUBLIC VERSION

MERGER PROCEDURE

To the notifying parties:

Subject: Case No COMP/M.6840 - Goldman Sachs/ TPG Lundy/ Romanes Media Group
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004¹

1. On 05.02.2013, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which the undertakings The Goldman Sachs Group, Inc. ("Goldman Sachs", USA) and TPG LundyCo, L.P. ("TPG Lundy", Cayman Islands), ultimately controlled by the TPG Group (USA), acquire within the meaning of Article 3(1)(b) of the Merger Regulation, joint control of

¹ OJ L 24, 29.1.2004, p. 1 ("the Merger Regulation"). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ("TFEU") has introduced certain changes, such as the replacement of "Community" by "Union" and "common market" by "internal market". The terminology of the TFEU will be used throughout this decision.

Romanes Media Group ("Romanes Media", UK), from the Lloyds Banking Group, ("LBG", UK) by way of purchase of shares².

2. Goldman Sachs and TPG Lundy are designated hereinafter as the "Notifying Parties" and Goldman Sachs, TPG Lundy and Romanes Media together as the "Parties".

(1) THE PARTIES AND THE OPERATION

3. Goldman Sachs provides financial services as a global investment banking, securities and investment management firm.
4. TPG Group is a global private investment firm that manages a family of funds that invest in a variety of companies through acquisitions and corporate restructurings.
5. Romanes Media is a publisher of local and regional newspapers in the UK. Romanes Media also owns a radio station in Dunbartonshire, Scotland, which primarily services the communities of Inverclyde and Dunbartonshire.
6. The proposed transaction takes place in the context of the Notifying Parties' acquisition of a portfolio of debt, equity and/or hedging interests owned by LBG.
7. Through the proposed transaction, the Notifying Parties will acquire 85% of the shares in Romanes Media from LBG. Each share carries the right to one vote. The Notifying Parties will therefore acquire 85% of the voting rights in Romanes Media. The remaining shares and voting rights will be held by the individual members of management (12.5%)³ and Romanes Media's Employee Benefit Trust ("EBT") (2.5%).
8. The Notifying Parties' equity interests in Romanes Media will be held by a vehicle company in which each of TPG Lundy and Goldman Sachs hold 50% of the voting interests. Via this vehicle TPG Lundy and Goldman Sachs will jointly control Romanes Media.
9. In view of the above, the notified operation therefore constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

(2) EU DIMENSION

10. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million⁴ (Goldman Sachs Group EUR 29 540 million, TPG Group EUR [...] million, Romanes Media EUR [...] million). Two of them have an EU-wide turnover in excess of EUR 250 million (Goldman Sachs Group EUR [...] million, TPG Group EUR [...] million), but they do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State. The notified operation therefore has an EU dimension.

² Publication in the Official Journal of the European Union No C 041, 13.02.2013, p.11.

³ Graham John Faulds (6.25%) and Graham Thomson Morrison (6.25%).

⁴ Based on Goldman Sachs' 2010 turnover, and TPG Group's and Romanes Media 2011 turnover. Despite the unavailability of a detailed breakdown of Goldman Sachs' 2011 turnover data, the Notifying Parties confirmed that in 2011 Goldman Sachs' EU turnover exceeded EUR 250 million.

(3) RELEVANT MARKETS

11. The Notifying Parties submit that the proposed operation is a purely financial investment transaction, and that neither Goldman Sachs nor the TPG Group, nor any of their controlled portfolio companies, are active in the same markets as Romanes Media or in vertically related markets.
12. Similarly, to the extent that the Notifying Parties' activities overlap in investment banking, financial market services, private equity, and asset management services, the Notifying Parties' shares do not give rise to affected markets.

Market definition

13. Romanes Media is a publisher of local and regional newspapers in the UK. Romanes Media publishes a portfolio of newspaper brands in print and on line with 32 titles in total, of which 23 are paid-for newspapers and 9 are free newspapers. One of the 23 paid-for titles is a daily and the remaining 31 are weeklies.
14. Romanes Media also owns a radio station in Dunbartonshire, Scotland, which primarily services the communities of Inverclyde and Dunbartonshire.

Supply of print newspapers

15. The Commission considered in previous decisions⁵ various possibly relevant market delimitations of different written press products, distinguishing magazines, daily and non-daily newspapers, the activities of selling information on one hand and advertising content space on the other hand, different content categories and editorial lines of newspapers and magazines, their quality, prices, selling patterns etc. Ultimately the Commission could leave the exact product market definition open in these decisions.
16. The Commission stated in the past that the relevant geographic market could be national, regional or even local in scope. Also here the Commission could leave the exact market definition open⁶.
17. Equally in the present case, the exact definition of the relevant product and geographic markets can be left open, since the notified transaction raises no competition concerns regardless of how the market is defined.

Radio advertising

18. In the Bertelsmann/CLT decision⁷ the Commission found that radio advertising constitutes a separate product market. The Notifying Parties agree with this market definition.

⁵ Case IV/M.1401– Recoletos/Unedisa, Commission decision of 01.02.1999, para 15-25; Case COMP/M.3817 – Wegner/PCM/JV, Commission decision of 07.07. 2005, paragraphs 10-20.

⁶ Case IV/M.1401– Recoletos/Unedisa, Commission decision of 01.02.1999, paragraph 29; Case COMP/M.3817 – Wegner/PCM/JV, Commission decision of 07.07. 2005, paragraphs 21 ff.

⁷ Case COMP M.779 – Bertelsmann/CLT, Commission decision of 07.10.1996, paragraph 19.

19. In Bertelsmann/CLT, the Commission found that the market for radio advertising is at least limited to a specific country and left open the possibility that there might be even distinct regional markets within a country⁸.

Financial markets

20. Goldman Sachs and TPG Lundy's activities overlap internationally in the areas of investment banking, corporate finance, and the private equity segment of the corporate finance market or asset management services (although they typically invest in different assets).
21. In any event, the exact definition of the relevant product and geographic market can be left open, since the notified transaction raises no competition concerns regardless of how the market is defined.

(4) COMPETITIVE ASSESSMENT

22. None of the companies controlled by Goldman Sachs or the TPG Group is active in the same markets as Romanes Media or in vertically-related markets. The proposed transaction will therefore not result in any horizontal overlaps or vertical relationships between the activities of Romanes Media and those of Goldman Sachs or the TPG Group, or any of their controlled portfolio companies.
23. The Commission assessed whether the proposed transaction will give rise to any risk of spill-over effects within the meaning of Article 2(4) of the Merger Regulation between the activities of each of the Notifying Parties and/or their respective portfolio companies.
24. Moreover the TPG Group is not active to a significant extent in Goldman Sachs' core business areas of investment banking and financial market services. In any event, to the extent that any of the TPG Group's activities could be said to overlap with those of Goldman Sachs in investment banking and financial market services, the combined shares would be less than 15%, according to the Notifying Parties.
25. With regard to private equity and asset management services, the Notifying Parties state that their activities typically involve different assets. Equally here, to the extent that their activities could be said to overlap, the combined market shares would also be less than 15%, according to the Notifying Parties.
26. Finally the activities of Romanes Media appear unrelated to investment banking and financial market services activities carried out by the Notifying Parties, as well as to the activities carried out by their portfolio companies. Moreover, Romanes Media will only represent a small part of the Notifying Parties' portfolio. The Commission's analysis leads to the result that the proposed transaction is highly unlikely to give rise to any anti-competitive spill-over effects within the meaning of Article 2(4) of the Merger Regulation.

⁸ Case COMP M.779 – Bertelsmann/CLT, Commission decision of 07.10.1996, paragraph 22.

(5) CONCLUSION

27. For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation.

For the Commission
(signed)
Joaquín ALMUNIA
Vice-President