



GAZDASÁGI
VERSENYHIVATAL

Ringier-Euromédia publishing merger approved

The Hungarian Competition Authority (GVH) granted authorisation to the Ringier-group for acquiring control over Europress Kft. and Euromédia Bt.

In June 2009 Ringier AG acquired from Heinrich Bauer Verlag Beteiligungs (HBV) 50 percent of the shares of Europress Lapkiadó Kft, and 49,98 percent of shares of Euromédia Lapkiadó Bt.

In Hungary, the main profile of the undertaking group controlled by the Swiss Ringier AG (Ringier-group) is publishing. It runs Ringier Printing-house for publishing its own newspapers. In Hungary the Ringier-group also publishes the nationwide political daily Népszabadság, the nationwide daily tabloid Blikk, the nationwide sports daily Nemzeti Sport, Vasárnapi Blikk on Sundays, the sport newspaper with pictures Képes Sport, the Hungarian sport magazine Nemzeti Sport Magazin and Sport & Style papers.

Since 1 July 2003 the Ringier-group and HBV owns 50-50 percent of the shares of Europress. None of these undertakings has extra or veto rights; the operative and every day tasks are managed by Ringier. Europress is exclusively charged with the management of Euromédia. Since 1 July 2003 the shares of Euromédia are equally owned by the Ringier-group (49,98 percent) and HBV (49,98 percent), the owner of the remaining 0,04 percent is Europress. The main profile of Euromédia is publishing. It publishes the weekly papers for women Blikk Nők and Tina, the papers for the youth Bravo, Bravo Girl, Buci Maci, Ifjúsági Magazin, the weekly tabloid Hot Magazin, and the gastro magazine Ínyenc.

The market share of Euromédia from the woman, gastro and tabloid periodicals published by it is around 20 percent, and it is 40-50 percent from the periodical youth papers. The joint market share of the Ringier-group and Euromédia from the income resulting from advertisements in the Hungarian printed media does not reach 20 percent.

The Ringier-group has joint (indirect) control with the Sanoma-group over MediaLog Zrt., which is interested in the Hungarian subscription-based newspaper distribution. Besides MédiaLog Zrt. only Magyar Posta deals with nationwide subscription-based paper distribution. As for the distribution of daily papers, MediaLog Zrt. has 90 percent, as for the periodicals it has 30 percent of shares.

According to the Competition Act, the GVH may not refuse to grant authorisation for a concentration where the concentration would not significantly reduce competition on the relevant market.

According to the GVH, there is no concern for the lessening of competition on the newspaper readers' market, since the daily papers and periodical sport papers published by the Ringier-group are not substitutes for the woman, gastro, youth and tabloid periodicals published by

Euromédia, thus the two undertaking groups are not on the same market from the readers' point of view. There are no harmful effects on the advertising market either, because in the printed media the aggregate turnover of the undertaking-groups does not reach 20 percent, above which horizontal effects might appear raising competition concerns.

In the case of printing services, there is no concern either for harmful effects since the printing-house of the Ringier-group is not capable of printing the papers published by Euromédia or those of its competitors.

Concerning paper distribution, theoretically there may be concern for competition effects. However, in the view of the GVH, MédiaLog Zrt only has a 30 percent share on the market of periodical paper distribution, moreover the GVH had made commitments binding on MédiaLog Zrt in an earlier case. According to the commitments MédiaLog Zrt. has to provide its services for all players of the market without any discrimination. Based on the above mentioned, no lessening of competition may be expected on the paper distribution market either as a result of the transaction, hereby the GVH granted authorisation for the concentration.