# 17 April 2012: Television

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**The Autorité de la concurrence has decided to open an in-depth examination of the projected acquisition of Direct 8, Direct Star, Direct Productions, Direct Digital and Bolloré Intermédia by Vivendi and Canal Plus.**

***> Version française***

On 5 December 2011, Vivendi and Canal Plus Group filed a notification of their proposed acquisition of sole control of companies Direct 8, Direct Star, Direct Productions, Direct Digital and Bolloré Intermédia with the Autorité de la concurrence. The notification file, which did not contain all the required information to allow proper investigation of the request, was completed on 21 February 2012.

On examination of the notification file, and following an initial consultation of market participants, the Autorité considers that the proposed operation raises serious concerns regarding competition and requires opening of an in-depth examination (phase 2).

Canal Plus Group, which is now the main French pay TV operator, will expand its activities to free television through this acquisition. The transaction also results in greater vertical integration of Canal Plus Group's activities.

Phase 1 of the investigation tends to show that the competitive position of Canal Plus Group, more particularly on upstream markets for the acquisition of pay TV broadcasting rights, could enable it to restrict competition by leveraging its strong position on these markets in favour of its new free TV activities.

The investigation has also revealed that real risks remained as to the terms governing access to the catalogue of StudioCanal films by competing free

channels compared with the channels that Canal Plus Group wishes to take over.

**The remedies proposed by Canal Plus do not fully address the competition concerns identified at this stage of the procedure**

On 27 March 2012 the Autorité de la concurrence received proposed commitments from Canal Plus Group. The Autorité accordingly consulted the market participants again. At the end of this consultation, the Autorité takes the view that the commitments submitted by Canal Plus Group would not materially remedy the effects of the transaction, which raises serious doubts as to how competition works on the markets concerned.

During the phase-2 examination, and in accordance with applicable regulations, the Autorité will seek the opinion of the Conseil supérieur de l'audiovisuel (CSA – the French Audiovisual Regulator) and the Autorité de régulation des communications électroniques et des postes (ARCEP – the French Telecommunications Regulator). It will also conduct a broader consultation of market participants. The Autorité will endeavour more particularly to determine whether the strong positions of Canal Plus Group in pay TV markets are liable to harm competition on the free TV markets. If it proves necessary, the Autorité will also consult the market participants on any remedies to address competition concerns.

In principle, applicable rules call for this examination to be carried out within 65 working days of the launch of phase 2, with the possibility of lengthening this timeframe if necessary, for example in order to finalize commitments or to consider the occurrence of a new fact.

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