The Autorité de la concurrence clears, subject to conditions, the acquisition of Mondadori France (Biba, Grazia, Modes & Travaux) by Reworld Media (Marie France, Maison & Travaux, Auto Moto)

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Background

Press group Reworld Media notified the *Autorité* of its planned acquisition of publisher Mondadori France.

Concluding its analysis, the *Autorité* identified competition concerns in the car magazines market, in which the new entity would own three of the four leading titles distributed in France.

Reworld Media responded to these concerns by making a commitment to sell one car magazine title to a competitor to maintain sufficient competition in this market.

The *Autorité* therefore decided to clear the transaction subject to the condition that one car magazine title be sold.

Parties to the transaction

Reworld Media is a French group whose main activities are print magazine publication, editorial website operation, the selling of advertising space in these media, and online advertising intermediation. It publishes many magazines, including *Marie France, Maison & Travaux, Télé Magazine, Disney Fun, J'apprends à* and *Auto Moto*.

The activities of Mondadori France include print magazine publication, editorial website operation and the selling of advertising space in these media. It publishes many magazines, including *Biba, Grazia, Modes & Travaux, Top Santé, L'Ami des Jardins, Closer, Le Chasseur Français, Diapason, Science & Vie, Télé Star, Télé Poche, Auto Plus* and *L'Auto-Journal*. Mondadori France is indirectly controlled by the Berlusconi family.

The new entity would have owned three of the four car magazine titles with the largest circulation in France

The transaction does not raise any competition concerns regarding the markets in the selling of magazine advertising space because of the competitive pressure exerted by the Internet, and the advertisers' strong countervailing power, particularly in the automotive sector. Nor does it raise any competition concerns regarding the editorial website operation markets, in which the new entity would have a limited position. However, the *Autorité* considered that there were competition concerns in the general interest car magazines market.

As a result of the transaction, Reworld Media would hold a very large market share in the general interest car magazines market, publishing three of the four titles with the largest circulation in France: *Auto Moto, Auto Plus* and *L'Auto-Journal*. According to the *Autorité*'s analysis, the only credible alternative to the new entity's magazines in this market would have been *L'Automobile Magazine*, published by Upside Down Media.

The *Autorité* considered that strengthening Reworld Media in this market was therefore likely to result in an increase in its magazines' unit selling price or

subscription cost or a deterioration in their content quality. The Autorité also noted that the readers of these magazines would be deprived of an independent offering in an already concentrated market.

To guarantee pluralism in the car magazines market, Reworld must sell one title, either L'Auto Journal or Auto-Moto, to a competitor.

To remedy the doubts expressed by the *Autorité*, Reworld Media has made a commitment to sell either *L'Auto Journal* or *Auto-Moto* to a competitor to be approved by the *Autorité* in the next few months.

This commitment is likely to reduce Reworld Media's market power and to guarantee the maintenance of sufficient competition and plurality in the editorial offerings available to readers of general interest car magazines in France.

The *Autorité* has therefore cleared the transaction subject to this condition.

Past transactions in the press sector

The *Autorité de la concurrence* has had to rule on mergers in the press sector on several occasions. For example, it examined:
- the acquisition of the Est Républicain group by Banque Fédérative du Crédit Mutuel;
- the acquisition of Le Parisien and Aujourd'hui en France by LVMH;
- the acquisitions of Le Monde and Le Nouvel Observateur by Messrs. Bergé, Niel and Pigasse.

In all its decisions, the Autorité de la concurrence examined the effects of these acquisitions on competition and particularly on consumer well-being, placing conditions on these transactions where necessary to avoid homogenisation of the titles' content and ensure editorial quality and diversity are maintained for their readers.

The decision is the first since 2009 in which an acquisition has been made subject to an obligation to sell a press title.

DECISION 19-DCC-141 OF 24 JULY 2019

regarding the sole control acquisition of Mondadori France company by Reworld Media company

See full text of the decision