COMPETITION TRIBUNAL OF SOUTH AFRICA (HELD IN PRETORIA)

Case No: 111/AM/Dec11

In the matter between:

CAXTON AND CTP PUBLISHERS AND

PRINTERS LTD

Applicant

and

PAARL MEDIA (PTY) LTD

First Respondent

PRIMEDIA (PTY) LTD

Second Respondent

THE COMPETITION COMMISSION

Third Respondent

In re: consideration of the small merger between:

PAARL MEDIA (PTY) LTD

Primary Acquiring Firm

PRIMEDIA (PTY) LTD

Primary Target Firm

And

THE COMPETITION COMMISSION

Respondent

Panel

Andreas Wessels (Presiding Member)

Takalani Madima (Tribunal Member)

Andiswa Ndoni (Tribunal Member)

Heard on

26 April 2012

Decided on

02 May 2012

INTERVENTION ORDER

- 1. Further to the Applicant's submissions to intervene, the Competition Tribunal ("Tribunal") hereby orders that the Applicant is granted leave to intervene in the above-mentioned merger proceedings, in terms of section 53(1)(c)(v) of the Competition Act, 1998 (Act No. 89 of 1998 as amended), on the following aspects:
 - 1.1 the scope of the relevant markets for (a) printing (upstream market); and (b) distribution (downstream market) from both demand- and supply-side perspectives, including (i) whether or not other distribution methods are substitutable with knock and drop distribution (i.e. demand-side substitutability); and (ii) the likelihood of supply-side substitutability into a potential separate product market for leaflet distribution via knock and drop;
 - 1.2 the likelihood for horizontal anti-competitive unilateral effects to arise in the relevant product market(s) for distribution as a consequence of the merger, including relevant market share analysis;
 - 1.3 the likelihood for anti-competitive vertical (i.e. foreclosure) effects as a consequence of the merger, including relevant market share analysis;
 - 1.4 potential post-merger anti-competitive effects as a result of the bundling of products/services;
 - 1.5 barriers to entry into a potential separate product market for leaflet distribution via knock and drop (including the need for a demographic database, transport and infrastructural barriers, the need for a reputation and access to large customers, and the difficulties associated with entry by a community newspaper); and
 - 1.6 Caxton's ability and willingness to purchase the Primedia@Home business absent the merger.
- 2. The scope of the Applicant's participation in the hearing shall include, without limitation, the right:
 - 2.1 to attend pre-hearing conferences;
 - 2.2 to have access to the Commission's record that has been referred to the Tribunal in this matter, including access by the Applicant's legal

representatives and external economic advisors, subject to appropriate confidentiality undertakings, to any information contained in the record which is subject to a claim of confidentiality;

- 2.3 to participate in any interlocutory proceedings;
- 2.4 to seek documents by way of discovery and subpoena;
- 2.5 to lead evidence and cross-examine the merging parties' witnesses; and
- 2.6 to present argument.
- 3. Costs of this application are reserved pending the determination of the consideration proceedings.

Andreas Wessels

Presiding member

Concurring: Andiswa Ndoni and Takalani Madima