



# MEDIA RELEASE

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**26 March 2020**

## **Bauer Media's proposed acquisition of Pacific Magazines not opposed**

The ACCC will not oppose Bauer Media's proposed acquisition of Pacific Magazines (ASX:SWM), after deciding the transaction was not likely to substantially lessen competition in relevant markets.

Bauer Media and Pacific Magazines overlap in the publication of print and digital magazines and in content published on digital platforms.

The ACCC carefully assessed the impact of the merger, given the close competition between the parties' key print magazines, Bauer's Woman's Day and Take 5, and Pacific Magazines' New Idea and That's Life!.

"The significant declines in the circulation and revenue experienced by many magazines are sustained, substantial and likely to continue, resulting in less investment in content and fewer retail promotions," ACCC Chair Rod Sims said.

"We note that some magazine titles have already closed, and others are likely to follow, regardless of this deal."

"We also note that the content offered by the four key magazine titles, including celebrity news, 'real life' stories, puzzles, and food, health and lifestyle tips, is all available from other sources."

"Ultimately, we determined that although there is a notable level of competition between the particular print titles, the transaction was not likely to substantially lessen competition because publishers in other media, particularly online publishers, will increasingly compete with Bauer," Mr Sims said.

The ACCC found that while many of Bauer and Pacific Magazines' customers value the tactile nature of physical magazines, they are often not regular buyers of the magazines. Further, increasingly others see online content as a ready alternative, and this should constrain Bauer's ability to raise prices or reduce investment on content.

## **Background**

The ACCC commenced a review of the proposed acquisition on 23 October 2019 and raised concerns about the acquisition in December.

Bauer Media and Pacific Magazines are publishers of magazines and digital content.

Bauer Media is part of the Bauer Media Group, which is based in Hamburg, Germany. Bauer Media group is a privately owned international media company publishing over 600 magazine titles globally.

Pacific Magazines is a wholly-owned subsidiary of ASX-listed Seven West Media Limited (SWM). SWM is a national media provider across television, magazine and newspaper publishing and online platforms.

ASX-listed Seven Group Holdings Limited (SGH) has a 41 per cent shareholding in SWM. SGH is an Australian diversified operating and investment group with businesses and investments across industrial services, oil and gas and media.

Bauer and Pacific Magazines overlap in the publication of titles in:

- the category referred to as “Women’s interest” in industry documents (Bauer with Woman’s Day, The Australian Women’s Weekly and It’s Your Day, and Pacific Magazines with New Idea and New Idea Royals); and
- the Real Life category (Bauer with Take 5 and Take 5 Monthly, and Pacific Magazines with That’s Life! And That’s Life! Monthly).

The parties also overlap across other categories of magazines including Home & Garden, Celebrity, Fashion & Lifestyle, Health & Fitness, Puzzles, Food and Parenting.

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