



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE MACQUARIE, FAIRFAX RADIO MERGER

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The Australian Competition and Consumer Commission will not oppose Macquarie Radio Network Limited's (MRN) (ASX: MRN) proposed acquisition of the radio assets of Fairfax Media Limited (Fairfax) (ASX: FXJ), or Fairfax's proposed acquisition of 54.5 per cent of MRN.

The ACCC conducted market consultation with advertisers, advertising agencies, end-consumers and other radio stations and networks.

The ACCC determined that the combined Macquarie/Fairfax radio business would continue to face strong competition from other commercial radio stations

"The ACCC considered the effect of the proposed transaction on the price of radio advertising, as well as the quality of news and other content provided to audiences," ACCC Chairman Rod Sims said.

Following the proposed transaction, MRN would own three commercial radio licences in the Sydney RA1 area: 2UE, 2GB and 2CH. MRN has stated that, due to regulatory requirements under the Broadcasting Services Act (1992) regulated by the Australian Communications and Media Authority (ACMA), it will divest 2CH in Sydney and 4LM in Mt Isa following the completion of the proposed transaction.

The combination of 2UE and 2GB would provide MRN with a particularly strong position in serving the older demographic in Sydney.

"While few other commercial radio stations currently operate the same talkback format as 2UE and 2GB, other radio stations would be able to change their format and programming to include more talkback if it made commercial sense to do so," Mr Sims said.

The ACCC also considered whether the amalgamation of the Fairfax and MRN radio stations would affect other radio stations and networks which syndicate programmes and content from Fairfax or MRN. These parties identified a number of suitable alternatives and were not concerned with the proposed transaction.

Further information will be available at www.accc.gov.au