

**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF
FIRST PHASE REVIEW**

**ACQUISITION OF SHARES OF BRAINCHILD
COMMUNICATIONS PAKISTAN (PRIVATE) LIMITED BY
BRAINCHILD COMMUNICATIONS SINGAPORE PTE LIMITED
CASE: 785/Merger-CCP/15**

Commission

Ms. Vadiyya Khalil
Chairperson

Mr. Shahzad Ansar
Member

Mr. Ikram Ul Haque Qureshi
Member



ORDER

I Background

1 On 20th January 2016, Brainchild Communications Singapore PTE Limited ("BCS") (the "Acquirer") submitted a pre-merger application (the "application") to the Commission, for the intended acquisition of [redacted] shares of Brainchild Communications Pakistan Private Limited ("BCS") (the "Target"), along with the applicable processing fee and necessary information in accordance with the Competition (Merger Control) Regulations 2007 (the "Merger Regulations").

II Merger Parties

2 Acquirer

BCS was incorporated in the Republic of Singapore in 2015. The principal activity of the company relates to advertising activities. The company was dormant during the last financial year. The company's holding company is Z2C Limited which is an investment company incorporated in Mauritius. Z2C holds [redacted] shares in Pak Media Communications (Private) Limited that is also a market player in the relevant market.

3 Total assets of BCS on 30th June 2015 were [redacted] its turnover remained Nil for the above mentioned period.

III Target

4 BCP was incorporated in Pakistan in 2010 as a private limited company. The Target is a Media Agency.¹

5 Total assets of BCP on 30th June 2015 were [redacted] its turnover for the above mentioned period remained at [redacted].

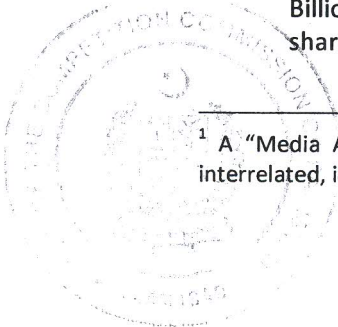
IV Transaction

6 In the proposed transaction BCS will be acquiring [redacted] shares of the Target. The consideration of the transaction is estimated to be [redacted] (PKR [redacted]). After the proposed transaction the shareholding pattern of the Target will be as follows:

BCS
Raihan Ali Merchant
Merchant Holding Limited

7 The transaction meets the notification thresholds prescribed in Regulation 4(2) (a) & (d) of the Merger Regulations, by having combined assets being more than PKR 1 Billion and the percentage of voting shares to be acquired exceeds 10% of the total shareholding of the Target.

¹ A "Media Agency" specializes in media buying and media planning. Both these activities are interrelated, in essence media buying is execution of media planning.



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V Relevant Market:

8 The relevant product market in this case is "Media Buying". In advertising management, media buying is the procurement of media inventory.² The media buying function negotiates price and placement for advertisements.

9 The Relevant Geographic market is Pakistan.

10 -Market position in the relevant market is as under:

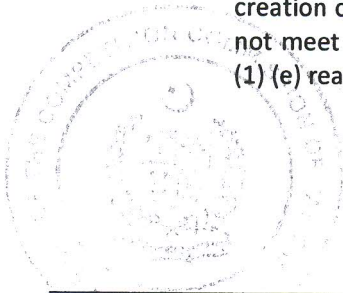
Media Agencies	Market Share ³ (Approximate)
GroupM	
Orient	
Interflow	
SMVG ("Target")	
Pak Media Communication(Pvt)Limited (Subsidiary of Acquirer's holding company)	
Others	

Source: Data & Analytics; Starcom Mediavest Pakistan using Media Monitoring Pakistan tracking data.

VI Findings of the Phase I investigation on the competition assessment

11 The competition assessment in Phase I has resulted in the following finding:

- The proposed transaction involves acquisition of _____ shares of The Target by the Acquirer. The holding company of the Acquirer has a subsidiary in the relevant market (Pak Media Communications Private Limited) which enjoys _____ market share in the relevant product market. The Target has a market share of _____. Therefore, post-merger the market share of the Acquirer in the relevant product market will be _____ that is less than the threshold limit of _____. The relevant market is fairly competitive with a number of market players. The transaction is not likely to result in creation or strengthening of dominant position. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("the Act").



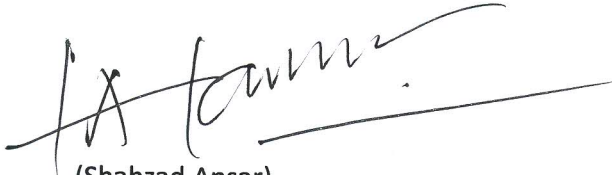
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² Media Inventory is the number of advertisements, or amount of ad space, a publisher has available to sell to an advertiser.

³ This data has been provided by the applicant as an approximation.

VII Conclusion

- 12 In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31(1) (d) (i) of the Act.
- 13 It is so ordered.



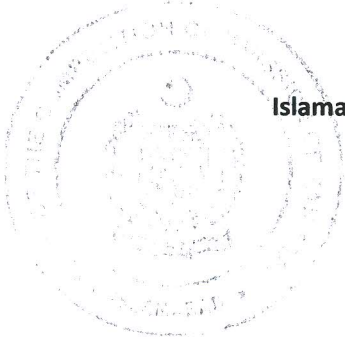
(Shahzad Ansar)
Member



(Ikram Ul Haque Qureshi)
Member



(Vadiyya Khalil)
Chairperson



Islamabad 3rd March, 2016