

**Press Release**  
**For Immediate Release**  
**16 March 2018**

### **MEDIA24 AGREES TO PAY MILLIONS FOR CARTEL CONDUCT**

Media24 has admitted to price fixing and the fixing of trading conditions and agreed to pay about R14m in a settlement agreement entered with the Commission.

Media24 is part of 28 media companies referred to the Tribunal for prosecution. The case relates to a November 2011 investigation which found that, through the Media Credit Co-Ordinators (MCC), various media companies agreed to offer similar discounts and payment terms to advertising agencies that place advertisements with MCC members.

In terms of the Media24 settlement agreement, the company has agreed to pay an administrative penalty amounting to R13 828 892.26 (thirteen million eight hundred and twenty eight thousand, eight hundred and ninety two rand and twenty six cents).

Further, Media24 has agreed to the following remedies:

- It will contribute R4 978 401.21 (four million nine hundred and seventy eight thousand, four hundred and one rand and twenty one cents) to the Economic Development Fund over a three year period;
- The company will also provide 25% bonus advertising space for every rand of advertising space bought by qualifying small agencies, over three years and capped at R35 000 000 (thirty five million rand) annually;

In addition, out-of-home advertising firm, Provantage Media has also admitted to price fixing and fixing of trading conditions. The company has agreed to pay R1 094 222 (one million and ninety four thousand, two hundred and twenty-two rand) as part of its settlement agreement.

The two agreements have been referred to the Tribunal for confirmation.

### **Settlement agreements**

To date, the following media companies have concluded settlement agreements with the Commission and agreed, among others, to pay administrative penalties (fines):

- Caxton & CTP Publishers and Printers Ltd agreed to an amount of R5 806 890.14 (five million eight hundred and six thousand eight hundred and ninety rand and fourteen cents);
- Independent Media (Pty) Ltd agreed to pay R2 220 603 (two million two hundred and twenty thousand six hundred and three rand); and
- DStv Media Sales (Pty) Ltd agreed to pay R22 262 599 (twenty two million, two hundred and sixty two thousand, five hundred and ninety nine rand).

## **Tribunal Prosecutions**

On 27 February 2018, over 20 media companies were referred to the Tribunal for prosecution on charges of price fixing and the fixing of trading conditions in relation to this matter.

### **Background**

MCC accredited agencies were offered a 16.5% discount for payments made within 45 days of the statement date, while non-members were offered 15%. In addition, the Commission's investigation found that the implicated companies, as MCC members, employed services of an intermediary company called Corex to perform risk assessments on advertising agencies for purposes of imposing a settlement discount structure and terms on advertising agencies.

The Commission found that the practices restricted competition among the competing companies as they did not independently determine the discounts and thereby fixed the price and trading terms in contravention of the Competition Act.

[ENDS]

### **Issued by:**

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