EXPLANATORY MEMORANDUM TO

THE PUBLIC INTEREST MERGER REFERENCE (TELEGRAPH MEDIA GROUP HOLDINGS LIMITED) (PRE-EMPTIVE ACTION) ORDER 2026

2026 No. 144

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Culture, Media & Sport and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Lisa Nandy, Secretary of State for Culture, Media & Sport at the Department for Culture, Media & Sport confirms that this Explanatory Memorandum meets the required standard.

2.2 Janis Makarewich-Hall, Deputy Director for Radio, Advertising and Press, at the Department for Culture, Media & Sport confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Janis Makarewich-Hall at the Department for Culture, Media & Sport can be contacted by email at the following address with any queries regarding the instrument: press-policy@dcms.gov.uk.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 On 12th February 2026, the Secretary of State issued a Public Interest Intervention Notice ("the Intervention Notice") in relation to the proposed acquisition of the Telegraph Media Group Holdings Limited by the Daily Mail and General Trust plc ("the proposed acquisition") on the grounds of public interest considerations in section 58 of the Enterprise Act 2002.

4.2 By virtue of paragraph 2(9) of Schedule 7 to the Enterprise Act 2002, this Order remains in force until the Intervention Notice ceases to be in force, unless it has ceased to be in force earlier.

4.3 The addressees to the Order are Penultimate Investment Holdings Limited (PIHL) Group (including PIHL, Ultimate Investment Holdings Limited (UIHL) and any other body corporate interconnected with PIHL and UIHL), which owns, and is selling, the Telegraph Media Group Holdings Limited (TMGH), and the prospective acquiring entities of TMGH (defined as Daily Mail and General Trust plc (DMGT), Rothermere Continuation Holdings Limited (RCHL), Rothermere Continuation Limited (RCL) and any other body corporate interconnected with DMGT, RCHL and RCL).

4.4 The Order prohibits the addressees from taking pre-emptive action in relation to the proposed acquisition. Pre-emptive action is defined in paragraph 2(12) of Schedule 7 to the Enterprise Act 2002 as any action which might prejudice a possible reference of

the proposed acquisition by the Secretary of State to the Competition and Markets Authority (CMA) under section 45 of that Act, or impede the taking of any remedial action under Part 3 of that Act which may be justified by the Secretary of State's decisions on the reference.

The Order includes provisions which prevent the addressees from:

- changing or transferring ownership or control of TMGH, its holding company the Telegraph Media Group Limited (TMG), and their subsidiaries, or from transferring the ownership of TMG and TMGH's business or assets;
- integrating the TMGH business with any other enterprise;
- otherwise impairing the ability of the TMGH business to compete independently in markets affected by the proposed acquisition;
- making significant changes to the organisational structure of, or senior management responsibilities within, the TMGH business or the composition of the boards within the TMGH business;

The Order also includes provisions which require the addressees to:

- maintain the overall nature, range and quality of goods and services supplied in the United Kingdom by the TMGH business;
- maintain the editorial independence of newspapers published by the TMGH business;
- maintaining the assets of the TMGH business including facilities and goodwill, and not to dispose of, or create, interest in those assets;
- take all reasonable steps to encourage key staff (defined in the Order as staff within the TMGH business with executive responsibility, or who exercise editorial control over the newspapers published by the TMGH business, or whose performance affects the business's viability) to remain within the business;
- ensure that key staff in the TMGH business are not removed from their positions or transferred from TMGH to the business of the prospective acquiring entities.

4.5 These restrictions apply during a "specified period", which begins at the date and time on which DMGT acquires the rights, title and interests in, and obligations of RB Investco Limited under a call option agreement dated 10th August 2024, supplemented by a side letter dated 10th September 2024, to acquire the entire issued share capital of TMGH and a loan agreement with PIHL dated 10th September 2024, amended by an amendment letter dated 29th September 2024, and the amount outstanding under the loan together with related security guarantees and collateral in respect of the loan. These documents are commercially confidential and copies have not been made available publicly.

4.6 The specified period ends when the Intervention Notice ceases to be in force.

4.7 At the point at which this Order comes into force, RB Investco Limited hold the rights, title and interests in the call option agreement to purchase shares in TMGH and the loan agreement. RB Investco Limited is ultimately owned by RedBird IMI, a joint venture between US private equity firm, RedBird Capital Partners LLC and Abu-Dhabi based media conglomerate, IMI, formerly known as International Media Investments and were previously bidding to purchase TMGH from its current owners. RB Investco Limited formally withdrew its bid to purchase the Telegraph and Sunday Telegraph newspapers on 14th November 2025.

4.8 The Order also imposes reporting obligations on the addressees and provides that where parties seek a derogation from the Order, the Secretary of State is not to be treated as having consented to the derogation, unless she has consented in writing.

Where does the legislation extend to, and apply?

4.9 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the entirety of the United Kingdom.

4.10 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the entirety of the United Kingdom.

5. Policy Context

What is being done and why?

5.1 Under the Enterprise Act 2002, the Secretary of State has the power to intervene in certain mergers on the grounds of media public interest considerations. The Secretary of State determines whether to intervene in any individual merger on a case-by-case basis.

5.2 The Government is aware of an anticipated acquisition by DMGT of TMGH. Following consideration of all the evidence provided to her, the Secretary of State issued a Public Interest Intervention Notice on 12th February 2026 in relation to the proposed acquisition.

5.3 The CMA and Ofcom are required to report to the Secretary of State on the merger referenced in the Intervention Notice by 9.00am BST on 10th June 2026, after which the Secretary of State will make a decision on whether or not to clear the merger without conditions, whether to refer the merger for a more in depth "Phase 2" review by the CMA, or whether to accept undertakings from the merger parties in lieu of a Phase 2 reference, designed to prevent, remedy or mitigate any adverse public interest effects of the merger. This Order is required to prevent actions by the parties to the proposed acquisition which might prejudice a reference or a possible reference of the merger to the CMA under the Enterprise Act 2002 or impede any action which may be justified by the Secretary of State's decision on the reference.

6. Legislative and Legal Context

How has the law changed?

6.1 The Secretary of State has the power under section 42 of the Enterprise Act 2002 to issue a notice intervening in certain merger transactions where (amongst other things) she believes that it is or may be the case that a specified public interest consideration is relevant to a consideration of the relevant merger situation. In this intervention, the specified public interest considerations are:

6.1.1 the need for, to the extent that it is reasonable and practicable, a sufficient plurality of views in newspapers in each market for newspapers in the United Kingdom or a part of the United Kingdom (section 58(2B) of the Enterprise Act 2002); and

6.1.2 the need, in relation to every different audience in the in the United Kingdom or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises serving that audience (section 58(2C)(a) of the Enterprise Act 2002).

6.2 Following the issuance of an intervention notice, the CMA and Ofcom must report to the Secretary of State, who is then required to decide whether to refer the transaction

for a more detailed Phase 2 investigation by the CMA. During the first phase or "Phase 1", the CMA will assess whether a "relevant merger situation" has been created, or would be created by the proposed transaction, and assess competition issues which may be relevant, while Ofcom's report will advise the Secretary of State on the public interest considerations mentioned in the Intervention Notice. Taken together, these reports will enable the Secretary of State to decide whether to approve the merger, or whether to refer the case to a Phase 2, or whether in lieu of such a reference, to accept undertakings the parties may offer to prevent, remedy or mitigate adverse public interest effects of the merger.

6.3 Under paragraph 2 of Schedule 7 to the Enterprise Act 2002, the Secretary of State also has the power, where an intervention notice is in force, to make an order prohibiting or restricting the doing of things which the Secretary of State considers would constitute "pre-emptive action" and imposing obligations regarding the carrying on of activities or the safeguarding of assets. Pre-emptive action is defined in paragraph 2(12) of Schedule 7 as "action which might prejudice the reference or possible reference concerned under section 45 or impede the taking of any action which may be justified by the Secretary of State's decisions on the reference".

6.4 Such an order may apply to: conduct in the United Kingdom, but also to conduct outside the United Kingdom if the person concerned is a United Kingdom national; a body incorporated under the law of the United Kingdom or of any part of the United Kingdom; or a person carrying on business in the United Kingdom (section 86 of the Enterprise Act 2002).

6.5 A person to whom such an order applies may seek a derogation from its terms. If the Secretary of State consents to a derogation, the person may take action which would otherwise constitute a contravention of the order (paragraph 2(2C) of Schedule 7 to the Enterprise Act 2002). The Order requires the addressees to obtain the Secretary of State's written consent to derogate from its provisions.

Why was this approach taken to change the law?

6.6 A new relevant merger situation is in contemplation, and a new Order is necessary to prevent the parties from taking pre-emptive action in relation to the proposed acquisition. The Secretary of State's power to do this is set out in paragraph 2 of Schedule 7 to the Enterprise Act 2002.

7. Consultation

Summary of consultation outcome and methodology

7.1 The Order has not been subject to any public consultation. The purpose of this Order is to prevent actions by the parties to the proposed acquisition that might impede the Secretary of State's ability to take steps to protect the public interest. As such, it was not appropriate to make the public aware of the intention to make this Order in advance.

8. Applicable Guidance

8.1 The Department for Culture, Media & Sport contacted lawyers for DMGT, PIHL and TMGH at 5.35pm on 18 February 2026 to make them aware of this instrument.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 The impact on business, charities or voluntary bodies is limited to those parties involved in the proposed acquisition.

9.2 There is no, or no significant, impact on the public sector.

9.3 The legislation does not impact small or micro businesses.

9.4 An Impact Assessment has not been prepared for this Order because it only affects a single merger and transactions related to or contingent upon it whilst a public interest intervention under the Enterprise Act 2002 is in progress. These interventions are time limited.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is that the Order will only remain in force as long as the public interest intervention, which is time limited, is in progress.

10.2 If the parties request for the Order to be varied or revoked, paragraph 2(11) of Schedule 7 to the Enterprise Act 2002 requires the Secretary of State to consider any representations as soon as reasonably practicable. At any stage, the parties may request a derogation from the Order (see paragraph 2(2C) of Schedule 7).

10.3 The Order does not include a statutory review clause.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 This Order is laid before Parliament after it comes into force in breach of the convention that statutory instruments subject to the negative procedure should be laid before Parliament at least 21 calendar days before they come into force. This was necessary to protect the public interest by preventing the parties to the proposed acquisition from taking any pre-emptive action which might prejudice a reference of the matter to the CMA under the Enterprise Act 2002 or impede any action which may be justified by such a reference. A substantial delay between the laying of the Order and its coming into force might have undermined its purpose and effectiveness by giving the parties an opportunity to take action which the Order is designed to prevent.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (“relevant European Union Acts”).