

Justice department approves Penguin-Random House merger

Written by Christine D. Johnson
Friday, 15 February 2013 04:51 PM EST



The U.S. Department of Justice (DOJ) has approved the proposed merger of Penguin and Random House “without conditions,” according to a DOJ statement issued to their respective parent companies, Pearson and Bertelsmann.

“We are very pleased that the U.S. Department of Justice has concluded its review and made a determination to clear the planned combination of Random House and Penguin without any conditions,” said Thomas Rabe, chairman and CEO of Bertelsmann. “This positive first decision by one of the antitrust authorities is an important milestone on the path to uniting two of the world’s leading publishing companies into a truly global publishing group.”

Last October, Pearson and Bertelsmann announced their plan to unite the two houses. Joining Penguin and Random House was thought to help the merged company gain more traction in the digital book market.

“It will enable investments worldwide in new digital publishing models, in new distribution paths, products and services and in the major growth markets,” Rabe said.

The DOJ decision comes at a much faster pace than did its approval of HarperCollins Publishers’ acquisition of Thomas Nelson, which took approximately nine months.

Under terms of the new deal, Bertelsmann would own 53% and Pearson 47% of the new Penguin Random House (PRH) company. After the merger is completed, the company will

Justice department approves Penguin-Random House merger

Written by Christine D. Johnson
Friday, 15 February 2013 04:51 PM EST

control more than 30% of all trade book publishing. The WaterBrook Multnomah Publishing Group is part of Random House.

The U.S. was the first country to approved the proposed merger, which is still under review by the European Commission, the Canadian Competition Bureau and other antitrust authorities around the world. Pearson and Bertelsmann expect the transaction to close in the second half of 2013.