European Commission - Press release

Commission approves Paramount's acquisition of Warner, subject to conditions

Brussels, 22 July 2026

The European Commission has approved, under the EU Merger Regulation, the proposed acquisition by Paramount Skydance Corporation ('**Paramount**') of Warner Bros. Discovery ('**Warner**'). The approval is conditional upon full compliance with the commitments offered by Paramount.

Paramount and Warner are both active in the production and distribution of theatrical and audiovisual ('**AV**') entertainment content, such as films and television series. According to the companies, the transaction will allow Paramount to better compete in the rapidly evolving entertainment industry, which is quickly expanding into streaming.

The Commission's investigation

The Commission investigated the impact of the transaction in the national and European Economic Area (EEA)-wide markets for: the production of films for release in cinemas, the distribution of films for release in cinemas, the production and licensing of AV content, the wholesale supply of television channels, and the retail supply of AV services.

The Commission found that, at **film production level**, enough film studios remain as competitors in the EEA. These include other major US studios like Disney, NBC Universal ('**Universal**') and Sony, along with smaller US studios such as Amazon MGM, A24 and Lionsgate, as well as European studios.

However, at **film distribution level**, the Commission found that as a result of the transaction, there will be **high concentration** and **increased transparency** in the EEA countries where Paramount has a structural partnership with Universal, due to the addition of Warner's film portfolio. The partnership focuses on the distribution of Paramount's and Universal's films to cinema operators through their joint venture, United International Pictures ('**UIP'**). The transaction would have meant Warner's films were also distributed via UIP and, without the commitments, it would have led to worse rental and distribution terms for cinema operators, ultimately disadvantaging consumers.

As regards the **AV value chain**, the Commission's investigation showed that **enough alternative competitors** remain to exert sufficient competitive pressure on the merged entity in the EEA. In particular regarding the overlap in **pay TV channels for children**, the Commission found that streaming platforms offering children's content will continue to act as a competitive constraint on the merged entity's TV channels.

The proposed remedies

To address the Commission's preliminary competition concerns at film distribution level, Paramount offered the following remedies:

- **Termination of Paramount's stake in UIP in the EEA** within 13 months from the closing of the transaction;
- For a period of **ten years**, **Paramount will not**, directly or indirectly:
  - enter into any agreement or understanding with Universal to jointly co-distribute films in the EEA;
  - shift the distribution of Warner's films from Warner's existing distributor to the theatrical distributor used by Paramount, where that distributor also distributes Universal's or Disney's films in all UIP countries in the EEA (that is Bulgaria, Croatia, Czechia, Cyprus, Denmark, Estonia, Finland, Greece, Hungary, Iceland, Latvia, Lithuania, Norway, Poland, Portugal, Romania, Slovakia, Slovenia and Sweden); and

- in the UIP countries in the EEA where Paramount and Universal do not share the same distributor, shift the distribution of Paramount's films from Paramount's existing distributor to the theatrical distributor used by Warner, where that distributor also distributes Universal's or Disney's films.

These commitments **fully address the competition concerns** identified by the Commission by ensuring that the films of the merged entity will not be distributed jointly with those of Universal or Disney.

Following the positive feedback received in the context of the market test, the Commission concluded that the transaction, as modified by the commitments, **would no longer raise competition concerns**.

The decision is conditional upon full compliance with the commitments. Under the supervision of the Commission, an independent trustee will monitor their implementation.

Companies and products

Paramount, headquartered in the US, is a global media, streaming and entertainment company that creates content and experiences for audiences worldwide, including films, television series, and animated content. Paramount's portfolio of brands and production assets include, among others, Paramount Pictures, Paramount Television, CBS, CBS News, CBS Sports, Nickelodeon, MTV, BET, Comedy Central, Showtime, Paramount+, Pluto TV and Skydance Media.

Warner, headquartered in the US, is a global media, streaming and entertainment company that creates and distributes a diverse portfolio of content and products across television, film, streaming and interactive gaming. Warner's portfolio of brands and production assets includes, among others, Discovery Channel, CNN, DC Studios, New Line Cinema, TNT Sports, Eurosport, Max, HBO, Warner Bros. Motion Picture Group, Warner Bros. Television Group, and Warner Bros. Games.

Merger control rules and procedure

The transaction was notified to the Commission on 2 June 2026.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the EU Merger Regulation) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II). If commitments are proposed in Phase I, the Commission has 10 additional working days, bringing the total duration of a Phase I case to 35 working days, such as in this case.

For more information

More information will be available on the Commission's competition website, in the public case register under the case number M.12278.

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Press contacts:

Siobhan MCGARRY (+32 2 29 64798)
Paula Clara RITTER-MOSCHUTZ (+32 2 29 64083)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email