

COMPETITION AND MARKETS AUTHORITY

Acquisition by Immediate Media Company Bristol Limited (Acquirer) of certain assets of Future Publishing Limited (Target)

Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72 of the Enterprise Act 2002 (the Act)

Whereas:

- (a) the Competition and Markets Authority (CMA) has reasonable grounds for suspecting that it is or may be the case that Immediate Media Company Bristol Limited and certain assets of Future Publishing Limited have ceased to be distinct
- (b) the CMA is considering, pursuant to section 22 of the Act, whether it is or may be the case that a relevant merger situation has been created and whether the creation of that situation has resulted or may be expected to result in a substantial lessening of competition in any market or markets in the United Kingdom (UK)
- (c) the CMA wishes to ensure that no action is taken pending final determination of any reference under section 22 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference, and
- (d) the circumstances set out in section 72(6) of the Act do not apply and the reference has not been finally determined in accordance with section 79(1) of the Act.

Now for the purposes of preventing pre-emptive action in accordance with section 72 of the Act the CMA makes the following order addressed to Immediate Media Company Limited (IMCL) (parent company of Immediate Media Company Bristol Limited) and Immediate Media Company Bristol Limited (IMC Bristol) (Order).

Title, commencement, application and scope

1. This Order commences on the commencement date: 21 July 2014.
2. This Order applies to IMCL and IMC Bristol.

3. Notwithstanding any other provision of this Order, no act or omission shall constitute a breach of this Order, and nothing in this Order shall oblige IMCL or IMC Bristol to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the commencement date.

Management of the IMC Bristol business until determination of proceedings

4. Except with the prior written consent of the CMA, IMCL and IMC Bristol shall not, during the specified period, take any action which might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on such a reference, including any action which might:
 - (a) lead to the integration of the FP business with the Immediate Media business
 - (b) transfer the ownership or control of the Immediate Media business or the FP business or any of its subsidiaries, or
 - (c) otherwise impair the ability of the FP business or the Immediate Media business to compete independently in any of the markets affected by the transaction.
5. Further and without prejudice to the generality of paragraph 4 and subject to paragraph 3, IMCL and IMC Bristol shall at all times during the specified period procure that, except with the prior written consent of the CMA:
 - (a) the FP business is carried on separately from the Immediate Media business and FP's separate sales or brand identity is maintained
 - (b) the FP business and the Immediate Media business are maintained as a going concern and sufficient resources are made available for the development of the FP business and the Immediate Media business, on the basis of their respective pre-merger business plans
 - (c) except in the ordinary course of business, no substantive changes are made to the organisational structure of, or the management responsibilities within, the FP business or the Immediate Media business
 - (d) the nature, description, range and quality of goods and/or services supplied in the UK by each of the two businesses are maintained and preserved

- (e) except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the FP business and the Immediate Media business are maintained and preserved, including facilities and goodwill
 - (ii) none of the assets of the FP business or the Immediate Media business are disposed of, and
 - (iii) no interest in the assets of the FP business or the Immediate Media business is created or disposed of
- (f) there is no integration of the information technology of the FP or Immediate Media businesses, and the software and hardware platforms of the FP business shall remain essentially unchanged, except for routine changes and maintenance
- (g) the customer and supplier lists of the two businesses shall be operated and updated separately and any negotiations with any existing or potential customers or suppliers in relation to the FP business will be carried out by the FP business alone and for the avoidance of doubt IMCL will not negotiate on behalf of FP (and vice versa) or enter into any joint agreements with FP (and vice versa)
- (h) all existing contracts of the FP business and the Immediate Media business continue to be serviced by the business to which they were awarded
- (i) no changes are made to key staff of the FP business or Immediate Media business
- (j) no key staff are transferred between FP business and Immediate Media business
- (k) all reasonable steps are taken to encourage all key staff to remain with the FP business and the Immediate Media business, and
- (l) no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses shall pass, directly or indirectly, from FP (or any of its employees, directors, agents or affiliates) to IMCL (or any of its employees, directors, agents or affiliates), or vice versa, except where strictly necessary in the ordinary course of business (for example, where required for compliance with external

regulatory and/or accounting obligations) and on the basis that, should the merger be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

Compliance

6. IMCL and IMC Bristol shall procure that each of its subsidiaries complies with this Order as if the Order had been issued to each of them.
7. IMCL and IMC Bristol shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by IMCL and its subsidiaries with this Order. In particular, on 4 August and subsequently every two weeks (or, where this does not fall on a working day, the first working day thereafter) the Chief Executive Officer of IMCL or other persons of IMCL as agreed with the CMA shall, on behalf of IMCL, provide a statement to the CMA in the form set out in the Annexe to this Order confirming compliance with this Order.
8. At all times, IMCL shall, or shall procure that FP shall, actively keep the CMA informed of any material developments relating to the FP business or the Immediate Media business, which includes but is not limited to:
 - (a) details of key staff who leave or join the FP business or the Immediate Media business
 - (b) any interruption of the FP or Immediate Media business (including without limitation its procurement, production, logistics, sales and employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours
 - (c) all substantial customer volumes won or lost or substantial changes to the customer contracts for the FP or Immediate Media business including any substantial changes in customers' demand, and
 - (d) substantial changes in the FP or Immediate Media businesses' contractual arrangements or relationships with key suppliers.
9. If IMCL or IMC Bristol has any reason to suspect that this Order might have been breached it shall immediately notify the CMA and any monitoring trustee that IMCL and/or IMC Bristol may be directed to appoint under paragraph 10.
10. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified

steps for the purpose of carrying out, or ensuring compliance with, this Order, or do or refrain from doing any specified action in order to ensure compliance with the Order. The CMA may vary or revoke any directions so given.

11. IMCL and IMC Bristol shall comply in so far as it is able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with this Order.

Interpretation

12. The Interpretation Act 1978 shall apply to this Order as it does to Acts of Parliament.
13. For the purposes of this Order:

'IMCL' means Immediate Media Company Limited

'IMC Bristol' means Immediate Media Company Bristol Limited

'the Immediate Media business' means the business of IMCL and its subsidiaries carried on as at 21 July 2014

'the Act' means the Enterprise Act 2002

'an affiliate' of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act

'business' has the meaning given by section 129(1) and (3) of the Act

'commencement date' means 21 July 2014

'control' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise

'the decisions' means the decisions of the CMA on the questions which it is required to answer by virtue of section 35 of the Act

‘key staff’ means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business

‘the ordinary course of business’ means matters connected to the day-to-day supply of goods and/or services by FP or IMCL and/or IMC Bristol and does not include matters involving significant changes to the organisational structure or related to the post-merger integration of FP and IMCL and /or IMC Bristol

‘specified period’ means the period beginning on the commencement date and terminating in accordance with section 72(6) of the Act

‘subsidiary’, unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006

‘the transaction’ means the transaction by which IMC Bristol and certain assets of FP have ceased to be distinct within the meaning of section 23 of the Act

‘the two businesses’ means the IMCL/IMC Bristol business and the FP business January 2014 7 CMA Initial Enforcement Order

‘the IMC Bristol business’ means the business of IMC Bristol and its subsidiaries carried on as at 21 July 2014

‘FP’ means Future Publishing

‘the FP business’ means the business of publishing and producing five print cycling magazines, eleven print craft and genealogy magazines¹ associated websites and other assets that are being acquired under the transaction from FP as carried on as at 21 July 2014 and unless the context requires otherwise, the singular shall include the plural and vice versa.

Jennifer Harvey
Competition and Markets Authority

¹ with digital versions where available

ANNEX

Compliance statement for IMCL/IMC Bristol

I [insert name] confirm on behalf of IMCL/IMC Bristol that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the Relevant Period):
 - (a) IMCL/IMC Bristol has complied with the Order made by the CMA in relation to the transaction on 21 July 2014 (the Order).
 - (b) IMCL/IMC Bristol's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by IMCL/IMC Bristol that might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the FP business with the IMCL/IMC Bristol business
 - (ii) transfer the ownership or control of the IMCL/IMC Bristol business or the FP business or any of its subsidiaries, or
 - (iii) otherwise impair the ability of the FP business or the IMCL/IMC Bristol business to compete independently in any of the markets affected by the transaction.
 - (b) The FP business and the IMCL/IMC Bristol business have been maintained as a going concern and sufficient resources have been made available for the development of the FP business and the IMCL/IMC Bristol business, on the basis of their pre-merger business plans.
 - (c) No changes have been made to the organisational structure of, or the management responsibilities within, the FP business or the IMCL/IMC Bristol business,

except in the ordinary course of business.

- (d) The nature, description, range and quality of goods and/or services supplied in the UK by the FP business and the IMCL/IMC Bristol business have been maintained and preserved.
- (e) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the FP business and the IMCL/IMC Bristol business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period
 - (ii) none of the assets of the FP business or the IMCL/IMC Bristol business have been disposed of, and
 - (iii) no interest in the assets of the FP business or the IMCL/IMC Bristol business has been created or disposed of
- (f) There has been no integration of the information technology of the FP or IMCL/IMC Bristol businesses, and the software and hardware platforms of the FP business have remained essentially unchanged, except for routine changes and maintenance.
- (g) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the FP business have been carried out by the FP business alone and, for the avoidance of doubt, IMCL/IMC Bristol has not negotiated on behalf of FP (and vice versa) or entered into any joint agreements with FP (and vice versa).
- (h) All existing contracts of the FP business and the IMCL/IMC Bristol business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (i) No changes have been made to key staff of the FP business or the IMCL/IMC Bristol business.
- (j) No key staff have been transferred between the FP business and the IMCL/IMC Bristol business.
- (k) All reasonable steps have been taken to encourage all key staff to remain with the FP business and the IMCL/IMC Bristol business.

- (l) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from FP (or any of its employees, directors, agents or affiliates) to IMCL/IMC Bristol (or any of its employees, directors, agents or affiliates), or vice versa.
 - (m) Except as listed in paragraph (n) below, there have been no:
 - (i) key staff that have left or joined the FP business or the IMCL/IMC Bristol business
 - (ii) interruptions of FP business or the IMCL/IMC Bristol business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours
 - (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the FP business or the IMCL/IMC Bristol business, or
 - (iv) substantial changes in the FP or IMCL/IMC Bristol businesses' contractual arrangements or relationships with key suppliers
 - (n) *[list of material developments]*
3. IMCL/IMC Bristol and its subsidiaries remain in full compliance with the Order and will, or will procure that FP, continue actively to keep the CMA informed of any material developments relating to the FP or the IMCL/IMC Bristol business in accordance with paragraph 8 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

FOR AND ON BEHALF OF IMCL/IMC Bristol

Signature

Name

Title

Date