

Dear Katherine

**Consent to certain actions for the purposes of the Initial Enforcement Order
Imposed by the Competition and Markets Authority (CMA) on 21 July 2014**

**Completed acquisition by Immediate Media Company Bristol Limited of
specific Craft and Cycling businesses from Future Publishing Limited**

I refer to the e-mails of 12 June 2014 and 9, 10, 17 and 18 July 2014, sent to my colleague Peter Swan, requesting that the Competition and Markets Authority (CMA) consents to derogations to the Initial Enforcement Order (the Order) imposed by the CMA when the above transaction completed today.

Under the Order, save for written consent by the CMA, provision was made that Immediate Media Company Bristol Limited and Immediate Media Company Limited (together 'Immediate Media') will hold separate the Immediate Media business (as defined in the Order) from the FP Business (as defined in the Order). After due consideration of your request for derogations to the Order, Immediate Media may carry out the following actions, in respect of the specific paragraphs (where appropriate):

Application of the Order:

The Order is intended to keep separate the relevant businesses of Immediate Media and the FP business. In this case, the Order will only apply to those parts of the Immediate Media business which are involved in the Immediate Media Women's Special Interest division, and the genealogy business and triathlon business within the Specialist division.

Paragraphs 4(a), 5(a) and 5(f)

During the specified period (as defined in the Initial Order), Immediate Media is permitted to operate the FP business (as defined in the Order) under the Immediate Media name. For the avoidance of doubt, this derogation applies to the use of the Immediate Media name and contact details (such as address, e-mail contact and/or telephone number) and allows for business correspondence to be on Immediate Media branded documentation, but does not include the use of Immediate Media branding or design in any print, digital title or website of the FP business. Given that [REDACTED].

Paragraphs 4(a), 5(a), 5(b), 5(c), 5(i), 5(j) and 5(l)

[REDACTED]:

During the specified period (as defined in the Order) in order to ensure that the FP business are effectively managed as a going concern pending the review of the transaction by the CMA, [REDACTED]¹ is permitted to take strategic level decisions for the purpose of maintaining the value of the FP business. In order to facilitate this role, [REDACTED] is permitted during the specified business to see confidential information produced by both Immediate Media and the FP business.

This derogation is given on the basis that, during the specified period, [REDACTED] **will not**, other than in accordance with paragraph 5(l) of the Order or approved by the CMA in this consent letter, or in a future consent letter:

- (a) Disclose to any employees or directors of Immediate Media Confidential Information (as defined in the Order) relating to the FP business.
- (b) Disclose to any employees or officers of the FP business any Confidential Information (as defined in the Order) relating to Immediate Media.

This derogation is given on the basis that, during the specified period, [REDACTED] **will**:

- (a) Operate on a basis which requires him to use all information in relation to the FP business only as strictly necessary.
- (b) Ensure that any Confidential Information (as defined in the Order) related to the FP business and Immediate Media respectively, and which is received or held by him in electronic format, is maintained in separate IT files and directories and will not be integrated.

¹ [REDACTED].

- (c) Dispose of any relevant Confidential Information (as defined in the Order) in his possession, in the event that the transaction is prohibited or subject to commitments requiring disposal of the relevant parts of the business.

[REDACTED]:

During the specified period (as defined in the Order) in order to ensure that the FP business are effectively managed as a going concern pending the review of the transaction by the CMA, [REDACTED], [REDACTED]² is permitted to fill the management role for the FP businesses cycling titles. [REDACTED] will report to [REDACTED] and will be subject to similar information sharing restrictions to those listed for [REDACTED] above.

Paragraphs 4(a), 5(a) and 5(l)

Financial and accounting Information

During the specified period (as defined in the Order), in order to ensure that the CEO and directors of Immediate Media are able to properly fulfil their supervisory duties as directors, specified senior directors/executives of:

- (a) Immediate Media Company Bristol Limited
- (b) Immediate Media Company Limited
- (c) Vancouver Topco Limited

will receive the following information from the FP business, restricted to information and analysis carried out at an Overview level and above:³

- (a) A standard monthly financial pack⁴
 - i. The information on the FP business included in the monthly financial pack is limited to:⁵
 - 1. [REDACTED].
- (b) A monthly 'CEOs' report to the Board⁶
 - i. The information on the FP Business figures included in the 'CEOs' report is limited to

² Immediate Media manager

³ For completeness, of [REDACTED].

⁴ [REDACTED].

⁵ [REDACTED]

⁶ [REDACTED]

1. [X].

Access to the above Reports will be limited to the members of the Immediate Media Company Bristol Limited, Immediate Media Company Limited and Vancouver Topco Limited boards and the company secretary and acting company secretary of each company. The members of each board have agreed that they:

- (a) Will not share any of the information provided by the FP business in relation to this section to any person other than a board member or company secretary/acting company secretary of one of these companies.
- (b) Will ensure that any records or copies of such information are returned or destroyed where necessary.

Paragraphs 4(a), 5(a), 5(h) and 5(l)

During the specified period (as defined in the Order), in order to ensure that the value of the FP business is maintained throughout the review period, the FP business will be permitted to move a counterparty who is not, post-closing, subject to an appropriate formal contract onto the standard terms and conditions of Immediate Media or any specific set of Immediate Media terms and conditions considered appropriate. For the avoidance of doubt, this permission does not convey any right for Immediate Media to impose any conditions on the decisions made by the FP business in relation to these counterparties.

Paragraphs 4(a), 5(a), 5(g), 5(h) and 5(l)

During the specified period (as defined in the Order), in order to ensure that the FP business is maintained as a going concern and that the value of the FP business is maintained throughout the review period, the FP business will be permitted to transfer distribution and subscription arrangements from Future Publishing to Immediate Media group level arrangements.

Paragraphs 4(a), 5(a), 5(f) and 5(l)

During the specified period (as defined in the Order), in order to ensure that the FP business is maintained as a going concern and that the value of the FP business is maintained throughout the review period, Immediate Media will be permitted to provide and/or procure IT systems, telecoms, and webhosting for the FP business. The FP business will also be permitted to make use of the software packages used by Immediate Media.

In particular, Immediate Media will be permitted to import onto Immediate Media software packages and IT systems the following:

- (a) Databases of the FP Businesses' subscribers
- (b) Databases of the FP businesses' individual customers
- (c) Databases containing the details of billing of the FP businesses' advertisers

Immediate Media have given the CMA assurances that information barriers will be put in place between the information contained in the transferred databases and Immediate Media's information.

Further, [REDACTED].

Paragraphs 4(a), 5(a) and 5(l)

During the specified period (as defined in the Order), in order to ensure that the FP business is maintained as a going concern and that the value of the FP business is maintained throughout the review period, Immediate Media will be permitted to undertake accounting, payments, invoicing and banking for FP business.

The specific accounting tasks are as follows:

- accounting entries
- financial postings of subscription and newstrade revenues
- preparation of management accounts and reported results of operations of the FP businesses by title
- preparation of business information for the employees of the FP business

[REDACTED] (management accountants) in the Immediate Media central accounts team will be dedicated to carrying out these activities for the FP business.

The specific payment tasks are as follows:

- preparing invoices and orders for payments
- recording costs against specific FP business titles

[REDACTED] (accounts payment clerk) in the Immediate Media central accounts team will be dedicated to carrying out these activities for the FP business.

The specific invoicing tasks are as follows:

- origination of ad booking and sundry sales
- invoices for advertising and sundry sales
- cash collection, credit and account management

[X] (credit controller) in the Immediate Media central accounts team will be dedicated to carrying out these activities for the FP business,

The specific banking tasks are as follows:

- authorising cash movements via Immediate Media's bank accounts
- posting of cash movements

All members of Immediate Media's accounts and administration staff will be granted access to the above information to ensure smooth business operations. All members of staff have agreed not to pass on, save where otherwise permitted by other derogations, information relating to the FP business to other employees of Immediate Media and not to pass on, save where otherwise permitted by other derogations, information relating to Immediate Media to other employees of the FP business.

Paragraph 4(a), 5(a), 5(b) and 5(h)

During the specified period (as defined in the Order), in order to ensure that the FP business is maintained as a going concern, Immediate Media will be permitted to provide and/or procure a number of services listed below that are currently provided to the FP business by Future Publishing.⁷

Paragraph 4(a), 5(a), 5(b), 5(f) and 5(l)

During the specified period (as defined in the Order), in order to ensure that the FP business is maintained as a going concern, Immediate Media will be permitted to provide certain back office functions to the FP business that are currently provided to the Craft and Cycling businesses by Future Publishing. These are namely:

⁷ These include: purchase of paper; Printing and ancillary services provided by printers; bagging; Packaging and finishing services; Postage; acquisition of standard industry reports from third party monitoring services; Copy chasing and production workflow management (including ad production where required by customers); Photography and video studio services, and purchase of stock pictures from image libraries.

- human resources (including payroll) and pensions
- legal and tax advice
- health and safety
- insurance
- working capital facilities

Paragraphs 4(c); 5(b); 5(i) and 5(k)

Immediate media may [✂].