

**Consent to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 7 October 2016**

**Anticipated acquisition by Future plc of the entire issued share capital of Miura (Holdings) Limited**

1. We refer to your email and accompanying further information dated 30 September and 5, 6, 7 and 11 October 2016 requesting that the CMA consents to derogations to the Initial Enforcement Order of 7 October 2016 (the **Initial Order**). The terms defined in the Initial Order have the same meaning in this letter.
2. Under the Initial Order, save for written consent by the CMA, Future plc (**Future**) and Miura (Holdings) Limited (**Miura**) are required to hold separate the Future business from Miura, which conducts its business as the Imagine business, and to refrain from taking any action which might prejudice a reference under sections 22 or 33 of the Act or impede the taking of any remedial action following such a reference.

**Request for a derogation**

3. Future has sought consent to integrate the Future and Miura businesses immediately in order to preserve the value of the Imagine titles, but subject to a ring-fence of the parts of the Imagine business in relation to which the CMA has found that the transaction will lead to a substantial lessening of competition (**SLC**), namely Imagine's sci-fi title business (**Imagine SLC Business**). Imagine publishes one title in the Imagine SLC Business, SciFINow (**Imagine SLC Title**) The proposed ring-fence seeks to ensure that:
  - A part of Imagine's current office in Bournemouth will house all staff, data, servers and IT for the Imagine SLC Business, and will not be accessible to any Future employees other than those who are assigned to perform back office functions, such as HR, IT and finance, and who will sign appropriate Non-Disclosure Agreements (**NDAs**);
  - the Imagine SLC Business will be adequately staffed in order to ensure that it is able to operate as a going concern;

- only limited financial information, required to enable the Future board to discharge its fiduciary duties, will be shared with the Future board subject to NDAs; and
- the Imagine SLC Business will not use Future branding or design on print or digital versions of the Imagine SLC Title.

### **CMA's derogation**

4. After due consideration of your request for derogations from the Initial Order, based on the information received from you and the proposed ring-fence of Future's and Miura's businesses, and in the particular circumstances of this case, Future and Miura may carry out the following actions:

#### ***General derogation permitting integration of non sci-fi titles***

5. Since the CMA found that the Merger gives rise to a realistic prospect of an SLC in relation to sci-fi magazines only, the CMA grants a derogation from the Order except in relation to the Imagine SLC Business. Accordingly, with the exception of the Imagine SLC Business, which is to be conducted in accordance with the ring-fencing provisions set out below, the Future and Miura businesses may be integrated.

#### ***Ring fence for Sci-fi titles***

##### *NDAs*

6. NDAs in the form approved by the CMA are to be signed by the named individuals in Annex 1.

##### *Staff*

7. On the basis that the Imagine SLC Business requires certain employees in order to ensure its effective continuity and ongoing viability, the CMA requires and permits the following roles to be filled by the following individuals following the completion of the merger (**Imagine SLC Staff**), subject to their signing NDAs:
  - (a) [X] is required and permitted to serve as Editor-in-Chief of the Imagine SLC Business. In this regard [X] is permitted to take management decisions in relation to all aspects of the SLC business, including decisions relating to sales, licensing, marketing activity and daily operational financial management. [X] will also be responsible for selling advertising space.

- (b) [X] is required and permitted to serve as Production Editor of the Imagine SLC Business
  - (c) [X] is required and permitted to serve as Editor of the Imagine SLC Business
  - (d) [X] is required and permitted to serve as the Chief Financial Officer of the Imagine SLC Business
  - (e) [X] and [X] are required and permitted to serve as Staff Writer / Features Editor for the Imagine SLC Business
  - (f) [X] is required and permitted to serve as the Art Editor of the Imagine SLC Business.
8. In addition Future is permitted to provide the Imagine SLC Business with back-office support in order to ensure the business is run smoothly. This will cover human resources, tax, legal, IT, facilities and finance. This is subject to the employees providing this support signing the NDAs. The relevant employees in back-office support are listed in Annex 1.

#### *Executive Oversight*

9. To the extent necessary for the proper discharge of the fiduciary duties of Future management:
- (a) [X] and [X] are permitted to provide periodic trading updates monthly to [X] and [X] of Future. All of the above (listed in Annex 1) are required to sign NDAs in the form approved by the CMA.

#### *Future name and branding*

10. During the specified period (as defined in the Initial Order), Future is permitted to operate the Imagine SLC Business under the Future name. For the avoidance of doubt this derogation applies to the use of the Future name and contact details (such as address, email contact and/or telephone number) and allows for business correspondence to be on Future branded documentation. However this derogation:
- (a) Does not include the use of Future branding or design in any print, digital title or website of the Imagine SLC Business.
  - (b) Does not allow the Imagine SLC Business material to be made available on any Future website and all branding and click-through relating to the Imagine SLC Business will be removed from Future websites. The

Imagine SLC Business website will not contain any Future material, and will become a stand-alone website, updated by its editorial team.

#### *Editorial, design and intellectual property*

11. The current arrangement for the editing and design of the Imagine SLC Title is permitted to remain in place, provided that Future will not be able to access information relating to the Imagine SLC Title. Title content and design for the Imagine SLC Business are to continue to be hosted on Imagine's servers and there is to be no migration of content onto Future's systems.
12. The intellectual property related to the Imagine SLC Business that is hosted on Future servers may be transferred into newly created spreadsheets only accessible to Imagine SLC Staff. Intellectual property includes all copyright and related rights, database rights, trade marks, rights in design rights, topography rights, rights to use and protect the confidentiality of confidential information and all other intellectual property rights.

#### *Advertising*

13. Advertising customer bookings and advertising customer records hosted on Future's servers may be transferred into newly created material only accessible to Imagine SLC Staff.

#### *Circulation & Distribution*

14. On the basis that UK and non-UK distribution of titles is undertaken independently by a third party, the current arrangement for circulation and distribution of the Imagine SLC Title may remain in place, subject to the condition that Future will not be able to access information relating to the distribution of the Imagine SLC Title and that Imagine SLC Staff will not be able to access similar data relating to Future.

#### *Subscriptions*

15. On the basis that subscriber data and relevant customer data on marketing subscriptions are managed independently by third parties, data relating to the Imagine SLC Title may be reassigned to a new Imagine SLC business account, subject to the condition that Future will not be able to access information relating to subscribers and customers and that Imagine SLC staff will not be able to access similar data relating to Future.
16. The Imagine subscriptions website ([www.imaginesubs.co.uk](http://www.imaginesubs.co.uk)) will continue to be hosted by Imagine, as part of the Future Group (so as to allow SciFiNow to

continue to gain subscribers) under the condition that no Future employee will have access to SciFiNow subscription data.

**Annex 1: List of individuals requested to sign a NDA under this  
derogation**

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