

## Completed acquisition by Future plc of Miura (Holdings) Limited

### Notice under paragraph 2(1) of Schedule 10 to the Enterprise Act 2002 (the Act) – consultation on proposed undertakings in lieu of reference pursuant to section 73 of the Act

ME/6624/16

#### Introduction

1. On 23 June 2016, Future plc (**Future**) agreed to acquire Miura (Holdings) Limited (**Miura**), the ultimate parent company of Imagine Publishing Limited (**Imagine**) (the **Merger**). Future and Miura are together referred to as the **Parties**.
2. On 7 October 2016, the Competition and Markets Authority (**CMA**) decided under section 33(1) of the Enterprise Act 2002 (the **Act**) that it is or may be the case that the Merger consists of arrangements that are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and that this may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).
3. On 7 October 2016, the CMA made an Initial Enforcement Order requiring the Parties to hold separate the Future business from the business of Miura.<sup>1</sup> On the same day, the CMA granted a derogation allowing for the integration of the Parties' businesses subject to a ring-fence of the parts of the Imagine business related to the SLC Decision.<sup>2</sup>
4. On 14 October 2016, Future offered undertakings in lieu of reference to the CMA for the purposes of section 73(2) of the Act.

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<sup>1</sup> See [Future Miura derogation 11 October 2016](#).

<sup>2</sup> See [Future Miura IEO](#).

5. On 21 October 2016, Future completed the acquisition of Miura. The Parties remain subject to the ring-fencing arrangement described in the Derogation of 7 October 2016.
6. The CMA now gives notice to Future, pursuant to section 73A(2)(b) of the Act, that it considers that there were reasonable grounds for believing that the undertakings offered, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act and that it is considering Future's offer.
7. The text of the SLC Decision is available on the CMA webpages.<sup>3</sup>

## The undertakings offered

8. As set out in the SLC Decision, the CMA found a realistic prospect of an SLC in relation to the supply of sci-fi magazines (including bookazines) in the UK.
9. As set out in the UILs decision, and as subsequently modified, to address the SLC identified by the CMA, Future has offered undertakings to divest the business of the title SciFiNow, including the divestment of the content for current and future editions of SciFiNow; key licensing agreements for content; advertising customer lists; Imagine's rights in the SciFiNow magazine (including bookazines); its website and social media page; all other relevant IP rights; and the transfer of the SciFiNow editorial team (the **Divestment Business**). The text of the undertakings is available on the CMA webpages (the **Proposed Undertakings**).<sup>4</sup>
10. As set out at paragraph 11 of the UILs decision, the CMA does not consider it appropriate to seek an upfront buyer in respect of the Divestment Business.

## CMA assessment

11. The CMA currently considers, subject to responses to the consultation required by Schedule 10 of the Act, that the Proposed Undertakings will resolve the SLC identified in the SLC Decision in a clear-cut manner, ie without giving rise to material doubts about the overall effectiveness of the Proposed Undertakings or concerns about their implementation.<sup>5</sup> This is because the divestiture will remove the overlap between the Parties in the supply of Sci-fi magazines (including bookazines) in the UK through the

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<sup>3</sup> See [Future Miura case page](#).

<sup>4</sup> See [Future Miura case page](#).

<sup>5</sup> *Mergers: Exceptions to the duty to refer and undertakings in lieu of reference guidance (OFT1122)*, December 2010, Chapter 5 (in particular paragraphs 5.7–5.8 and 5.11). This guidance was adopted by the CMA (see *Mergers: Guidance on the CMA's jurisdiction and procedure (CMA2)*, January 2014, Annex D).

divestment of the business of the title SciFiNow. As such, the Proposed Undertakings will result in replacing the competitive constraint provided by Miura that would otherwise be lost following the Merger. The CMA also considers that the Proposed Undertakings would be capable of ready implementation, in particular because the business of SciFiNow is comprised of assets that are readily capable of being sold and the parties have provided evidence of a number of potential purchasers established in the publishing industry that have shown interest in acquiring the business of SciFiNow.

## **Proposed decision and next steps**

12. For the reasons set out above, the CMA currently considers that the Proposed Undertakings are, in the circumstances of this case, appropriate to remedy, mitigate or prevent the competition concerns identified in the SLC Decision and form as comprehensive a solution to these concerns as is reasonable and practicable.
13. The CMA therefore gives notice that it proposes to accept the Proposed Undertakings in lieu of a reference of the Merger for a phase 2 investigation. The text of the proposed undertaking is available on the CMA case page.<sup>6</sup>
14. Before reaching a decision as to whether to accept the Proposed Undertakings, the CMA invites interested parties to make their views known to it. The CMA will have regard to any representations made in response to this consultation and may make modifications to the Proposed Undertakings as a result. If the CMA considers that any representation necessitates any material change to the Proposed Undertakings, the CMA will give notice of the proposed modifications and publish a further consultation.<sup>7</sup>
15. Representations should be made in writing to the CMA and be addressed to:  
John McKellar  
Mergers Group  
Competition and Markets Authority  
Victoria House  
37 Southampton Row  
London  
WC1B 4AD  
Email: [john.mckellar@cma.gsi.gov.uk](mailto:john.mckellar@cma.gsi.gov.uk)

**Deadline for comments: 9 November 2016**

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<sup>6</sup> See [Future Miura case page](#).

<sup>7</sup> Under paragraph 2(4) of Schedule 10 to the Act.