

Consent under section 72(3C) of the Enterprise Act 2002 to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority ('CMA') on 12 March 2019

Completed acquisition by Bauer Radio of UKRD

We refer to your emails dated 10 April 2019, 16 April 2019, 22 May 2019 and 29 May 2019 requesting that the CMA consents to a derogation to the Initial Enforcement Order of 12 March 2019 (the 'Initial Order'). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Bauer Radio and HBV are required to hold separate the HBV business from the UKRD business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference.

After due consideration of your request for a derogation from the Initial Order, based on the information received from you and in the particular circumstances of this case, the CMA consents to the exclusion from the scope of the Initial Order HBV businesses not involved in the operation of HBV's UK radio and digital businesses. The CMA's decision to grant this derogation is based on Bauer Radio's confirmation to the CMA of the below:

- [✂].
- HBV's UK radio business, which has its own management team, is run as a separate operation from HBV's non-UK businesses:
 - [✂].
 - [✂].
- Within the UK, HVB's radio and digital operations are separately managed from its UK non-radio and non-digital operations. HBV's UK radio and digital operations [✂].

Bauer Radio submitted on 22 May 2019 and 29 May 2019 that only the below HBV entities (the '**Initial Order Entities**') are involved in the operation of HBV's UK radio and digital business:

- HBVB Management Limited (**HBVB**).
- HBVB, excluding its subsidiaries other than:
 - Bauer Radio Ltd, together with its subsidiaries;
 - Bauer Digital Radio Limited, together with its subsidiaries;
 - Bauer Media Audio Limited; and
 - Bauer Media Audio LP.

The CMA understands, on the basis of information provided by Bauer Radio, that all other HBV entities (the '**Excluded Entities**') have no meaningful commercial or operational interactions, or other formal or informal links, with the Initial Order Entities or UKRD.

The CMA therefore consents to Bauer Radio's request to derogate the Excluded Entities from the Initial Order.

This derogation should not prevent any remedial action that the CMA may need to take regarding this merger.

Yours sincerely,

Lucy Pryde
Assistant Director, Mergers
5 June 2019