

## **DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002**

Please note that [X] indicates figures or text which have been deleted at the request of the parties for reasons of commercial confidentiality.

**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 5 December 2019**

**Completed acquisition by Daily Mail and General Trust plc of JPIMedia Publications Limited**

We refer to your email and accompanying note dated 8 January 2020 requesting that the CMA consents to derogations to the Initial Enforcement Order of 5 December 2019 (the **Initial Order**). The terms defined in the Initial Order have the same meaning in this letter.

Further, in this letter:

The '**DMGT Non-Consumer Media business**' means the business of DMGT globally in respect of insurance risk, property information, education technology, events and exhibitions and venture capital. For the avoidance of doubt, in this letter, the DMGT Non-Consumer Media business includes DMGV Limited and its subsidiaries listed in the structure chart attached at Annex 1.

The '**DMGT Consumer Media business**' means Daily Mail and General Holdings Ltd (**DMGH**) and its subsidiaries (other than DMGV Limited and its subsidiaries) listed in the structure chart at Annex 1, including DMG Media Limited and its subsidiaries.

Under the Initial Order, save for written consent by the CMA, Daily Mail and General Trust plc (**DMGT**) and DMG Media Limited (**DMG Media**) are required to hold separate the JPIMedia Publications Limited (**JPIMedia Publications**) business from the DMGT 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 derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, DMGT and JPIMedia Publications may carry out the following actions, in respect of the specific paragraphs:

## 1. Paragraphs 4(b), 5(b), 5(c), 5(d), 5(e), 5(h), 5(i), 5(k) and 9 of the Initial Order

DMGT has sought the CMA's consent to limit the scope of the abovementioned provisions of the IEO so that they only apply to those parts of the DMGT business that are active in the same markets as the JPIMedia Publications business in the UK.

Based on the evidence provided to the CMA, the CMA consents to a derogation for the DMGT Non-Consumer Media business from the abovementioned paragraphs of the Initial Order, to the extent that they refer to the DMGT business. For the avoidance of doubt, the Initial Order continues to apply to the DMGT Consumer Media business. This derogation is granted based on DMGT's representations that:

- (a) The viability of the DMGT Consumer Media business on a standalone basis is not reliant on the DMGT Non-Consumer Media business;
- (b) The DMGT Consumer Media business is run independently of the DMGT Non-Consumer Media business and does not have material links with it other than;
  - i. in respect of the back-office services [X];
  - ii. [X];
  - iii. [X];
  - iv. reporting lines [X];
  - v. DMG Media providing: [X].
- (c) Staff from the DMGT Consumer Media business do not generally interact with the DMGT Non-Consumer Media business other than as a result of the links between the two businesses as described above;
- (d) The assets and intellectual property rights used by the DMGT Consumer Media business for the purposes of its commercial activities, and to ensure its ongoing viability, are owned by the DMGT Consumer Media business and are not used by the DMGT Non-Consumer Media business;
- (e) [X]. All customer, supplier and commercial relationships which are needed to ensure the ongoing viability of the DMGT Consumer Media business are held by the DMGT Consumer Media business; and
- (f) There are no other material links between the DMGT Consumer Media business and the DMGT Non-Consumer Media business.

Further, where there are shared IT systems and applications which are used by both the DMGT Consumer Media business and the DMGT Non-Consumer Media business, DMGT commits to implement effective IT ringfencing measures to ensure that the DMGT Non-Consumer Media business cannot access any information relating to the JPIMedia Publications business which DMGT may receive pursuant to any derogations granted by the CMA under the Initial Order.

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

Eleni Gouliou  
Director, Mergers  
9 January 2020

**Annex 1 – Consumer Media structure chart [X]**