

# Anticipated acquisition by Future plc of TI Media Ltd

## Decision that undertakings might be accepted

**ME/6863-19**

The CMA's decision under section 73A(2) of the Enterprise Act 2002 that undertakings might be accepted, given on 26 March 2020. Full text of the decision still to be published.

### Introduction

1. Future Plc (**Future**) has agreed to acquire TI Media Limited (**TI Media**), through the acquisition of TI Media's holding company, Sapphire Topco Limited (**Sapphire**) (the **Merger**). Future and TI Media are together referred to as the **Parties**.
2. On 16 March 2020, 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 the date of the SLC Decision, the CMA gave notice pursuant to section 34ZA(1)(b) of the Act to the Parties of the SLC Decision. However, the CMA did not refer the Merger for a phase 2 investigation pursuant to section 33(3)(b) on the date of the SLC Decision in order to allow the Parties the opportunity to offer undertakings to the CMA in lieu of such reference for the purposes of section 73(2) of the Act.
4. Pursuant to section 73A(1) of the Act, if a party wishes to offer undertakings for the purposes of section 73(2) of the Act, it must do so within the five working day period specified in section 73A(1)(a) of the Act. Accordingly, on 20 March 2020, the Parties offered undertakings to the CMA for the purposes of section 73(2) of the Act.

5. The CMA now gives notice, pursuant to section 73A(2)(b) of the Act, to the Parties that it considers that there are 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 the offer.

## The undertakings offered

6. Under section 73 of the Act, the CMA may, instead of making a reference, and for the purpose of remedying, mitigating or preventing the SLC concerned or any adverse effect which has or may have resulted from it or may be expected to result from it, accept from such of the merger parties concerned as it considers appropriate undertakings to take such action as it considers appropriate.
7. The Parties overlap in the supply of magazines in certain categories (including Football<sup>1</sup> and Photography<sup>2</sup>) and the supply of technology websites in the UK. The SLC Decision found that the Merger gives rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in relation to:
  - (a) the supply of Football magazines in the UK;
  - (b) the supply of Photography magazines in the UK; and
  - (c) the supply of technology websites in the UK.
8. To address the competition concerns identified in the SLC Decision, the Parties have offered to give undertakings in lieu of a reference to divest one of TI Media's magazines in each of the Football and Photography categories and one technology website, namely *World Soccer*, *Amateur Photographer* and *Trusted Reviews*<sup>3</sup> (the **Proposed Undertakings**). In total, this would amount to the divestment of two magazine titles and one technology website to address the realistic prospect of an SLC in three overlap areas. The proposed divestments will be made by way of asset transfer.
9. *World Soccer* is a magazine for football enthusiasts interested in the global football market, published by TI Media. *Amateur Photographer* is a weekly magazine for the amateur or hobbyist photographer, published by TI Media. Specifically, the Proposed Undertakings in relation to these two magazines include:<sup>4</sup> the divestment of the content for past, current and future editions of

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<sup>1</sup> **Football**, as defined by the ABC categories. The ABC identifies various consumer magazine categories and sub-segments based, principally, on editorial content and target audience of a particular magazine.

<sup>2</sup> **Photography**, as defined by the ABC categories. *Ibid.*

<sup>3</sup> [www.trustedreviews.com](http://www.trustedreviews.com).

<sup>4</sup> The list is not exhaustive.

the magazine relevant bookazines<sup>5</sup> and relevant websites;<sup>6</sup> key licensing agreements specific to the magazine title for content and brand endorsement; subscriber and customer databases; goodwill and relevant IP rights; and the transfer of the respective editorial teams.

10. *Trustedreviews.com*, published by TI Media, is a UK-based web publication focused on technology, aimed at a wide audience of mainstream technology enthusiasts and buyers. Content includes reviews, buying advice and live pricing information and deals across a range of consumer and home technology products (including more general household appliances). Specifically, the Proposed Undertakings in relation to technology website include:<sup>7</sup> the divestment of archived pages of the website and future content of the website; key licensing agreements specific to *Trustedreviews.com* for content and brand endorsement; subscriber and customer databases; advertising records, including forward bookings; rights in the associated social media accounts; the Google Analytics property for *Trustedreviews.com*; relevant IP rights and the transfer of the respective editorial teams.

## The CMA's provisional views

11. The CMA considers that undertakings in lieu of a reference are appropriate when they are clear-cut and capable of ready implementation. The CMA's starting point when assessing undertakings is to seek an outcome that restores competition to the level that would have prevailed absent the merger.<sup>8</sup>
12. The CMA believes that the Proposed Undertakings, or a modified version of them, might be acceptable as a suitable remedy to the SLC identified by the CMA. The proposed divestitures will remove the entire overlap between the Parties in the supply of Football and Photography magazines, as well as the supply of technology websites in the UK through the divestment of the businesses of TI Media's titles *World Soccer* and *Amateur Photographer*, as well as TI Media's technology website, *Trustedreviews.com*.
13. The Proposed Undertakings may therefore result in the replacement of the competitive constraint provided by TI Media that would otherwise be lost following the Merger.

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<sup>5</sup> In a form of bookazines, *World Soccer* publishes an annual Football Premiership one shot, to introduce the start of the season, and biennial "Euros" and "World Cup" editions. It also publishes an annual 13th issue, a premium priced summer special. There are no bookazines related to *Amateur Photographer*.

<sup>6</sup> The relevant websites include [www.worldsoccer.com](http://www.worldsoccer.com) and [www.amateurphotographer.co.uk](http://www.amateurphotographer.co.uk).

<sup>7</sup> The list is not exhaustive.

<sup>8</sup> *Mergers remedies (CMA87)*, December 2018, Chapter 3 (in particular paragraphs 3.27, 3.28 and 3.30).

14. The CMA currently believes that the Proposed Undertakings are capable of amounting to a sufficiently clear-cut and effective resolution of the CMA's competition concerns. The CMA also believes at this stage that the Proposed Undertakings may be capable of ready implementation. For the magazine titles and the technology website, the CMA considers that the assets that comprise these businesses, as set out in paragraphs 9 and 10 above, are readily capable of being sold.
15. The Parties have provided evidence that there are several potential suitable purchasers, already established in the publishing industry, that have previously shown an interest in acquiring *World Soccer*, *Amateur Photographer* and *Trustedreviews.com*. The CMA notes that discussions with purchasers are already at an advanced stage. The CMA also notes that the financial data provided to the CMA broadly support the commercial attractiveness of the divestment businesses. Finally, the CMA notes evidence of a material amount of M&A activity in the publishing sector, suggesting that there is generally a liquid market for titles. The CMA therefore believes that an upfront buyer is not required.
16. For these reasons, the CMA currently thinks that there are reasonable grounds for believing that the Proposed Undertakings, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act.
17. The CMA's decision on whether ultimately to accept the Proposed Undertakings or refer the Merger for a phase 2 investigation will be informed by, among other things, third party views on whether the Proposed Undertakings are suitable to address the competition concerns identified by the CMA.

## Consultation process

18. Full details of the undertakings offered will be published in due course when the CMA consults on the undertakings offered as required by Schedule 10 of the Act.<sup>9</sup>

## Decision

19. The CMA therefore considers that there are reasonable grounds for believing that the Proposed Undertakings offered by the Parties, or a modified version of them, might be accepted by the CMA under section 73(2) of the Act. The CMA now has until 29 May 2020 pursuant to section 73A(3) of the Act to

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<sup>9</sup> [CMA2](#), paragraph 8.29.

decide whether to accept the undertakings, with the possibility to extend this timeframe pursuant to section 73A(4) of the Act to 24 July 2020 if it considers that there are special reasons for doing so. If no undertakings are accepted, the CMA will refer the Merger for a phase 2 investigation pursuant to sections 33(1) and 34ZA(2) of the Act.

**Senior Director**  
**Competition and Markets Authority**  
**26 March 2020**