

COMPLETED ACQUISITION BY BAUER MEDIA GROUP OF CERTAIN BUSINESSES OF CELADOR ENTERTAINMENT LIMITED, LINCS FM GROUP LIMITED AND WIRELESS GROUP LIMITED, AS WELL AS THE ENTIRE BUSINESS OF UKRD GROUP LIMITED

Notice of proposal to accept final undertakings pursuant to Sections 41 and 82 of and Schedule 10 to the Enterprise Act 2002 and public consultation on the proposed final undertakings

Background

1. On 7 August 2019, the Competition and Markets Authority (**CMA**), in the exercise of its duty under section 22(1) of the Enterprise Act 2002 (the **Act**), referred the completed acquisitions by Heinrich Bauer Verlag KG, trading as Bauer Media Group, (**Bauer**) through subsidiaries, of:
 - (a) 16 local radio stations and associated local FM radio licences (the **Celador Acquisition**) from Celador Entertainment Limited (**Celador**);
 - (b) 9 local radio stations and associated local FM radio licences, an interest in an additional local radio station and associated licences, and interests in the Lincolnshire and Suffolk digital multiplexes (the **Lincs Acquisition**) from Lincs FM Group Limited (**Lincs**);
 - (c) 12 local radio stations and associated local FM radio licences, as well as digital multiplexes in Stoke, Swansea and Bradford (the **Wireless Acquisition**) from The Wireless Group Limited (**Wireless**); and
 - (d) The entire issued share capital of UKRD Group Limited (**UKRD**) and all of UKRD's assets, namely ten local radio stations and the associated local FM radio licences, interests in local multiplexes, and UKRD's 50% interest in First Radio Sales Limited (**FRS**) (the **UKRD Acquisition**),for further investigation and report by a group of CMA panel members (**inquiry group**) to decide pursuant to section 35 of the Act (the **Reference**) on: (a) whether a relevant merger situation has been created; and (b) if so, whether the creation of that situation has resulted or may be expected to

result in a substantial lessening of competition (**SLC**) within any market(s) in the United Kingdom for goods or services.

2. On 12 March 2020 the CMA published a report pursuant to [section 38](#) of the Act (the **Report**) which concluded that:
 - (a) each acquisition created a relevant merger situation;
 - (b) the creation of those situations has resulted in, and may be expected to result, in an SLC in the market for the supply of representation for national advertising to independent radio stations in the UK; and
 - (c) the CMA should take action to remedy the SLC and any adverse effects arising from it.
3. The CMA, having regard to its findings, concluded that a divestiture remedy would not be feasible and concluded that a behavioural remedy which commits Bauer to providing sales representation services to independent radio stations would be an effective and proportionate remedy to the adverse effects arising from the SLC.
4. The CMA has reached agreement with Bauer as to the terms of undertakings (**Proposed Final Undertakings**) implementing the behavioural remedy addressing the adverse effects arising from the SLC it has identified in the Report and the Proposed Final Undertakings are attached to this Notice.

Notice of proposal to accept undertakings

5. The CMA now hereby gives notice under paragraph 2 of Schedule 10 to the Act that:
 - (a) the CMA proposes to accept the annexed Proposed Final Undertakings; and
 - (b) the Proposed Final Undertakings seek to address the adverse effects arising from the SLC identified in the Report.
6. The CMA invites written representations on the Proposed Final Undertakings from any person or persons who wish to comment.
7. Please note due to the ongoing COVID-19 outbreak, the CMA's offices across the UK are closed until further notice. We are no longer able to accept delivery of any documents or correspondence by post or courier to any of our offices.

8. Representations should reach the CMA via email by 5pm on Friday 8 May 2020 and should be addressed to: joanne.webb@cma.gov.uk
9. The CMA will consider any representations made in accordance with this notice and may make modifications to the Proposed Final Undertakings as a result. In the absence of any written representations, or in the event that the CMA decides, on consideration of representations made and not withdrawn, not to amend the Proposed Final Undertakings, the CMA proposes to accept the Proposed Final Undertakings in their present form pursuant to section 82 of the Act. If the CMA considers that any representation necessitates any material change to the proposed undertakings, the CMA will give notice of the proposed modifications.
10. Once accepted, the final undertakings may be varied, superseded or released by the CMA under section 82(2) of the Act.
11. This notice and a non-confidential version of the proposed undertakings will be published on the CMA website.

Signed by authority of the CMA

Stuart McIntosh
Inquiry Chair
24 April 2020