

9 November 2010

Jonathan Cook
Department of Business Innovation and Skills
1 Victoria Street,
London
SW1H 0ET

John Pheasant
Partner

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Our ref PHEASJ/2577271.1
Matter ref A0020/78918

Dear Mr. Cook

News Corporation - British Sky Broadcasting – Intervention Notice

I am writing further to the intervention by the Secretary of State on 4 November, under section 67 of the Enterprise Act 2002 regarding the proposed acquisition by News Corporation ("News") of the remaining shares in British Sky Broadcasting Group plc ("Sky") that News does not already own (the "Transaction").

News has already made detailed substantive submissions to the Department for Business, Innovation and Skills ("BIS") and continues to believe that there is no proper basis for the issuing of such notice in the present case.

News attaches considerable importance to understanding the substantive basis for the intervention notice in order to focus its further submissions to Ofcom on any particular concerns which have prompted intervention in this case. This is particularly the case where the decision by the Secretary of State involves departure from previous policy guidance and, in contrast with the only other case in which a public interest intervention notice was issued in a media merger, no statement has been made to Parliament providing any indication of the reasons for such an intervention.

Specifically, we are keen to understand the grounds on which the Secretary of State has concluded that a media public interest consideration specified in section 58 of the Enterprise Act 2002 is relevant in relation to sufficiency of plurality of persons, including which of the arguments presented by third parties have been considered by the Secretary of State to be sufficient to warrant intervention in this case and to justify a departure from the published DTI Guidance.

We await hearing from you on these issues as a matter of priority. As you will appreciate, provision of timely details of the substantive basis for the Secretary of State's intervention is necessary in order to avoid slowing down and duplicating the process of responding to the intervention notice and to enable News to make meaningful and effective submissions to Ofcom.

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Should you have any questions, please do not hesitate to contact me John Pheasant (on direct line [REDACTED] or email at [REDACTED]) or Suzanne Rab (on direct line [REDACTED] or email at [REDACTED]) or Andrea Appella at News (on direct line [REDACTED] or email at [REDACTED]).

Yours sincerely

[REDACTED]

John Pheasant

Partner