



Colette Bowe, Chairman, Ofcom
Edward Richards, Chief Executive Officer, Ofcom
Ofcom
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Dear Colette and Ed

News Corporation - British Sky Broadcasting – Ofcom Report

Further to our meeting on 29 November, I am writing to set out my deep concerns about Ofcom's Issues Letter of 10 December and Ofcom's ongoing assessment of the public interest consideration relating to the proposed acquisition by News Corporation ("News Corp") of the remaining shares in British Sky Broadcasting plc ("Sky") that News Corp does not already own ("Transaction").

Our legal team has been fully engaged with Ofcom's case team by providing detailed submissions on 23 November and having meetings on 22 November and 2 December. Most recently, our legal team met Ofcom's case team on 15 December to provide its initial comments on the Issues Letter of 10 December and to seek clarification of the issues identified by Ofcom and the reasons why Ofcom expressed these to be "concerns" relevant to the application of the relevant legal test.

We formed the clear view from the meeting on 15 December that Ofcom has identified issues which are not relevant for the application of the relevant legal test. Our further written submission to Ofcom (which is being filed today) sets out the errors in Ofcom's approach and identifies the correct approach to the application of the relevant legal test.

Notwithstanding these submissions, we remain deeply concerned that the Issues Letter is deficient in many respects: (a) it appears to have identified issues by reference to the wrong legal test (or without reference to any legal test); (b) Ofcom's preliminary concerns do not in themselves provide any indication that the Transaction might lead to insufficient plurality and are based on unsubstantiated assertions; (c) it is clear from the way in which the issues are presented that Ofcom favours only one possible evaluation.

We continue to believe that, focusing on the legal test rather than the plethora of unsubstantiated assertions that are made by complainants, the issues in this case are in fact quite well defined and straightforward and that the Transaction cannot be said to lead to any reduction in the sufficiency of plurality.

In light of these concerns and of the urgency of the matter, I would be grateful if we could meet in person to discuss these matters early next week.

Yours sincerely


James Murdoch

James Murdoch
Chairman & CEO, Europe & Asia

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