

News Corporation

STRICTLY CONFIDENTIAL

Rt Hon Jeremy Hunt MP
Secretary of State for Culture, Olympics, Media and Sport
Department for Culture Media and Sport
2-4 Cockspur Street
London
SW1Y 5DH

11 July 2011

Dear Jeremy,

News Corporation - British Sky Broadcasting Group Plc.

I am writing formally to confirm News Corporation's decision to withdraw the undertakings which we offered on 14 June 2011 and upon which you have consulted.

I am of course aware that Ofcom and OFT recommended that those undertakings were sufficient to remedy the preliminary issues identified by Ofcom in its report of 31 December 2010.

I have seen your letters to Ofcom and OFT of 11 July 2011 in which you ask for their advice on whether you should now reconsider accepting undertakings from News Corporation upon which you have consulted. You and officials from your Departments have previously emphasised in Parliament that due process requires you to assess the proposed transaction by reference to issues of media plurality alone. News Corporation agrees with this position, which was also expressed in the DCMS notice of consultation on our proposed undertakings of 8 July 2011: "whilst the phone hacking allegations are very serious they were not material to [your] consideration".

However, we have listened and considered public sensitivity, political concern and the requests for an independent Competition Commission review. In these circumstances I have taken a decision to withdraw the undertakings. This will allow the matter to be considered by the Competition Commission on an objective and fair basis taking into account factors and evidence which are relevant to the only applicable legal test of sufficiency of media plurality.

News Corporation continues to believe that properly taking into account those factors its proposed acquisition will not lead to there being insufficient plurality in news provision in the UK.

I note that, following our announcement earlier today, you have announced to the House of Commons that you will refer the proposed transaction to the Competition Commission for a detailed review. News Corporation is ready to engage with the Competition Commission on substance and to present its case that there is no reason why the transaction should raise concerns about the sufficiency of plurality in the UK.

Yours sincerely,

James Murdoch

James Murdoch
Deputy Chief Operating Officer
Chairman & CEO, International