

NI Group Limited
F Michel
First Statement
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IN THE MATTER OF THE LEVESON INQUIRY INTO THE CULTURE, PRACTICES AND ETHICS OF THE PRESS

**WITNESS STATEMENT OF
FREDERIC MICHEL**

Introduction

- 1** I am the Senior Vice-President of Government Affairs and Public Policy in Europe for News Corporation. I was promoted to this newly-created regional role in December 2011. I joined News Corporation in May 2009 as Director of Public Affairs, Europe, reporting to Matthew Anderson, Group Director, Strategy & Corporate Affairs, Europe & Asia. I currently report to Mike Regan, Executive Vice-President of Government Affairs based in Washington DC.
- 2** During News Corporation's proposal to make an offer for the remaining shares of BSkyB not already owned by News Corporation ("the BSkyB proposal"), between June 2010 and July 2011, I was Director of Public Affairs, Europe for News Corporation.
- 3** I have reviewed Exhibit KRM 18 of the witness statement of Keith Rupert Murdoch which comprises a collection of my emails relating to the BSkyB proposal. I am providing this witness statement to clarify the use of language in some of my emails which may incorrectly suggest to a reader that I had contact with the Secretary of State for Culture, Media and Sport, Jeremy Hunt, when in fact my contact was solely with Mr Hunt's adviser, Adam Smith and the Director of Media of the Department, Jon Zeff. I provide below a full and detailed explanation of why references to "Hunt", "JH", "he", "Jeremy" in those emails are in fact summaries of what I was told by Adam Smith.
- 4** This witness statement is in three parts.
 - 4.1** Part One: My role at News Corporation and on the BSkyB Proposal
 - 4.2** Part Two: My interaction with Jeremy Hunt
 - 4.3** Part Three: Clarification of the emails contained in Exhibit KRM18 of the witness statement of Keith Rupert Murdoch
- 5** The facts stated below are either within my own knowledge and are true, or they are based on information supplied to me, as indicated below, which I believe to be true. I have voluntarily provided my mobile phone (which I was also using during the BSkyB proposal) to PricewaterhouseCoopers ("PwC") so they can produce a summary of the text messages and calls contained within it.

Part One: Role and the BSkyB Proposal

- 6 My role at News Corporation is to lead regulatory and public policy efforts for News Corporation and its broad portfolio of businesses generally across Europe. In the UK market, I never hired organisations to act on behalf of News Corporation as intermediaries with policy-makers. My view has always been that it is better for both corporations and policy-makers to be able to have direct access to each other to discuss any policy or regulatory issues.
- 7 During the BSkyB proposal, my core focus in the UK was to advocate our business interests with the relevant authorities in the UK Government (BIS and then DCMS), and report on those engagements to News Corporation's executive management team responsible for the BSkyB proposal.
- 8 Throughout the bid process, I met senior teams from all political parties on a regular basis to update them, ask their advice or share views on the situation. I also met with experts and members of both Houses.

Part Two: My interaction with Jeremy Hunt

- 9 Prior to the BSkyB proposal, as the Director of Public Affairs, Europe, for News Corporation, I had contacts with Jeremy Hunt and his adviser Adam Smith and also Jon Zeff, Director of Media at DCMS.
- 10 The main issues in relation to which I had contact with Jeremy Hunt prior to the BSkyB proposal included the future of the media market, digital strategy, new business models and the experience of News Corporation with local TV networks. In connection with these topics he also met several times with executives of News Corporation and News International.
- 11 I didn't personally meet with Jeremy Hunt very often although I would periodically keep in touch with him. As it happens, both our wives gave birth in late May 2010 at Chelsea and Westminster hospital. We bumped into each other in the very same ward and shared a night of anxiety.
- 12 I had more interaction with Adam Smith, Jeremy Hunt's adviser, with whom I would discuss specific policy reforms. That contact with Adam became more regular when oversight of the BSkyB proposal moved from BIS to DCMS in December 2010.
- 13 When management of the BSkyB proposal was passed to DCMS from BIS, I got in touch by text with Jeremy Hunt on 24 December 2010 to suggest that I could be the point of contact with him and Adam during the process. He replied by text on the same day, making clear that he did not want to have any personal contact related to the BSkyB proposal.

"Thanks Fred. All contact with me now needs to be through official channels until decision made..."

- 14** I understood and respected this, and after that the only occasions at which I met him were two formal DCMS meetings on the BSkyB proposal on 6 and 20 January 2011, which I attended with James Murdoch, Andrea Appella, Jeff Palker and Matthew Anderson of News Corporation and Antonio Bavasso of Allen & Overy. These meetings are recorded on the DCMS website. I also saw him very briefly before a dinner hosted by the Dean of University College London on 20 May 2011, following James Murdoch's speech on digital media.
- 15** In addition to these three occasions, there were a few personal text messages between Jeremy and myself. For example, after the formal meeting on 20 January 2011, I sent Jeremy a text to say it had been good to see him. He replied:
- "Good to see u too. Hope u understand why we have to have the long process. Let's meet up when things are resolved J."*
- 16** On 13 March 2011, after Jeremy had been on the Andrew Marr Show on the BBC, I sent him a text saying that he had been "very good". He replied:
- "Merci hopefully when consultation over we can have a coffee like the old days!"*
- 17** On 31 July 2011, following the withdrawal of the Sky bid, I sent him a text to let him know that News Corporation was still determined to continue its good work for the media market. He responded:
- "Dear Fred it has been the most challenging time for all of us. Thank goodness we have children to remind us what really matters! Would be great to catch up when the dust has settled Jeremy"*
- 18** At no point between 24 December 2010 and the end of July 2011 did I have any direct conversation with Jeremy Hunt relating to the BSkyB proposal beyond the two formal meetings I attended with the News Corporation team referred to above.

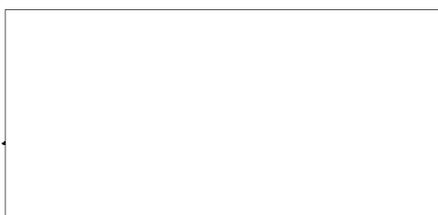
Part Three: Clarification of the emails contained in Exhibit KRM18 of the witness statement of Keith Rupert Murdoch

- 19** Given the absence of direct interaction with Jeremy Hunt which I have just described, it may appear surprising that within the emails in Exhibit KRM 18 there are emails after 24 December 2010 the language of which suggests that I had frequent contact with Jeremy Hunt on the BSkyB proposal. In the emails I use language such as "spoke to Hunt", "had a call with JH", "JH said", "Jeremy said" and other variations. I often use the wording "JH confidential" as a heading for emails.
- 20** I want to make absolutely clear that such phrases are no more than shorthand for what I was told by someone within Jeremy Hunt's office, almost invariably his special adviser Adam Smith. For the purposes of these emails, I did not distinguish between Jeremy Hunt's advisers and him personally. His advisers were there to assist and advise Jeremy Hunt and it was my understanding that when they told me something, it was always on behalf of the Minister and after having conferred with him. It was on that basis that I relayed the information to my colleagues in the emails, using this form of shorthand.

- 21** It was also much more convenient for me to use this shorthand during the process as I was often relaying information to my colleagues immediately after a communication with Adam Smith, in a very urgent and fast-moving situation.
- 22** I recognise with hindsight that it would have avoided any possible subsequent confusion if I had been more precise as to whom I had been speaking to and in what circumstances. However, given the very pressurised situation I found myself in, that seemed to be an unnecessary luxury and I used the shorthand explained above. It was never my intention to imply to readers of my emails that I had had direct access to the Minister when I had not.
- 23** An analysis of many of the emails in Exhibit KRM 18 confirms that I did not in fact have direct contact with Jeremy Hunt, even though it might appear from the terms of the emails that I had done.
- 24** I have divided these emails into three categories.
- 25** The first category ("Category 1") consists of emails where I refer to "JH" etc but in fact the email is sent shortly after I received an identical or similar email from Adam Smith. In effect what I was doing was replicating Adam Smith's email message, often almost verbatim, in an email sent to the News Corporation team but using the short hand "JH" etc.
- 26** The second category ("Category 2") consists of emails where I refer to "JH" etc but in fact the email is sent shortly after I received an identical or similar text message from Adam Smith. In effect what I was doing was replicating Adam Smith's text message almost verbatim in an email and sending that to the News Corporation team but using the short hand "JH" etc.
- 27** The third category ("Category 3") consists of emails where I refer to "JH" etc where it appears that shortly before I had spoken to Adam Smith by phone.
- 28** Clear examples of each category are set out in the tables prepared by Linklaters at Exhibits 1 together with an explanation of the tables. The references to page numbers in square brackets are to the pages in Exhibit KRM18.
- 29** In the time available, only texts and phone logs stored and accessible on my mobile phone have been analysed. I should add that I also made and received calls on my landline during the B SkyB proposal. In the limited time I have had to prepare this witness statement it has not been possible to analyse those phone records to establish what other calls I had with Adam Smith which may explain some of the other emails.

I believe that the facts stated in this witness statement are true.

Signed



Dated 18/4/2012