

**ACQUISITION BY NEWS CORPORATION OF 60.9 PER CENT OF THE SHARES
IN BRITISH SKY BROADCASTING GROUP PLC**

Cancellation of reference

The Competition Commission (CC) has cancelled the reference concerning the proposed acquisition by News Corporation of the 60.9 per cent of shares in British Sky Broadcasting Group PLC not already owned by it.

The reference was made to the CC on 13 July 2011 by the Secretary of State for Culture, Olympics, Media and Sport, in exercise of his powers under article 5(3) of the Enterprise Act 2002 (Protection of Legitimate Interests) Order 2003 (the Order). A copy of the reference is attached.

The CC has received confirmation from News Corporation that it no longer intends to make an offer for the entire issued and to be issued share capital of British Sky Broadcasting Group PLC not already owned by it and that News Corporation considers that the CC should cancel the reference in accordance with article 7(1) of the Order. The Chairman of the CC, Roger Witcomb, having had regard to News Corporation's statement, is satisfied that News Corporation has, within the terms of article 7(1) of the Order, abandoned the proposal to make arrangements of the kind mentioned in the reference. The Chairman has consequently cancelled the reference in accordance with his powers under Schedule 7 of the Competition Act 1998 and paragraph 15(2)(a) of Schedule 4 to the Order.

This cancellation is published in accordance with requirements laid down by article 14(1) of the Order.

25 July 2011

**ACQUISITION BY NEWS CORPORATION OF
60.9% OF THE SHARES IN BRITISH SKY BROADCASTING PLC**

TERMS OF REFERENCE

Whereas the Secretary of State for Business, Innovation and Skills has given a European intervention notice in relation to a European relevant merger situation, as defined in section 68 of the Enterprise Act 2002 (“the Act”), and has received a report of the Office of Fair Trading and of OFCOM under articles 4 and 4A of the Enterprise Act 2002 (Protection of Legitimate Interests) Order 2003 (“the Order”) in relation to the matter.

Whereas the Secretary of State believes that it is or may be the case that-

- (a) arrangements are in contemplation which, if carried into effect, will result in the creation of a European relevant merger situation in that:
 - (i) enterprises carried on by or under the control of British Sky Broadcasting plc will cease to be distinct from enterprises carried on by or under the control of News Corporation;
 - (ii) the value of turnover in the United Kingdom of the enterprise to be taken over exceeds £70 million;
 - (iii) the arrangements will give rise to a concentration with a Community dimension within the meaning of the EC Merger Regulation; and
 - (iv) a reference cannot be made under section 33 of the Act;
- (b) the media public interest consideration specified in the European intervention notice concerned with the sufficiency of plurality of persons with control of media enterprises is relevant to a consideration of the European relevant merger situation concerned; and
- (c) taking account only of the media public interest consideration concerned, the creation of the European relevant merger situation will operate or may be expected to operate against the public interest.

Now, therefore, the Secretary of State for Culture, Olympics, Media and Sport, in exercise of his powers under article 5(3) of the Order, hereby refers to the Competition Commission (“the Commission”) for investigation and report within a period ending on 27 December 2011 the questions referred to in articles 6(2), (3) and (4) of the Order.

In relation to the question of whether a European relevant merger situation will be created, which arises under article 6(2) of the Order, the Commission shall exclude from consideration one of subsections (1) and (2) of section 23 of the Act if the Commission finds that the other is satisfied.

13 July 2011

Jon Zeff

An official of the Department for Culture, Media and Sport