

2 February 2011

Jeff Palker  
General Counsel  
Europe & Asia  
News Corporation  
3 Thomas More Square  
London E98 1EX

Steve Unger  
Chief Technology Officer

  


Dear Mr Palker

### News Corporation/BSkyB merger

As you know, on 27 January 2011, the Secretary of State asked the Office of Fair Trading ("the OFT") and Ofcom to advise him on the undertakings offered by News Corporation in lieu of a reference to the Competition Commission ("UILs") in relation to its proposed merger with BSkyB.

He asked the OFT under section 93 of the Enterprise Act 2002 for their views on the practical and financial viability of the proposals set out in the UILs, anticipating that the OFT might require Ofcom's assistance with this. The OFT has informed us that it does require assistance from Ofcom in light of its sectoral knowledge. He also asked Ofcom, in accordance with section 106B of the Act, for advice on the extent to which we think the UILs address the potential impact on media plurality identified in our report. The Secretary of State asked Ofcom and the OFT to respond to him by Friday, 11 February 2011.

In order to provide the assistance and advice sought the OFT and Ofcom require a full detailed understanding of News Corporation's proposed undertakings. The OFT and Ofcom have considered the most effective way of carrying out the Secretary of State's request to them, and agreed that it is essential, in order to be able to advise within the time stated, that we work together through a collaborative process. We also met DCMS to explain this process to them.

This collaborative process will be unworkable unless the OFT and Ofcom can communicate with one another on the basis of a consistent set of information. We understand from the OFT that your client objects to information provided to the OFT being shared by the OFT with Ofcom in this process on the basis that the information is confidential.

In light of the roles that Ofcom has been asked to fulfil in this context we can see no basis for News Corporation objecting to the OFT and Ofcom sharing any information which News Corporation considers is relevant to a full understanding of its proposed undertakings. Ofcom of course as a statutory regulator has strict obligations of confidentiality. In order for Ofcom to

fulfill its functions of assisting the OFT and advising the Secretary of State as set out above it needs to consider the same information as the OFT.

We assume in proposing undertakings in lieu of a reference News Corporation is keen to engage as proactively as possible with the OFT and Ofcom in the short time available.

That being so, please confirm that the OFT may share with us any information relevant to a full detailed understanding of News Corporation's proposed undertaking which News Corporation has provided to it.

Yours sincerely

A large black rectangular redaction box covering the signature of Steve Unger.

Steve Unger

Cc

*Andrea Appella, News Corporation*

*Antonio Bavasso, Allen & Overy*