MONOPOLIES AND MERGERS COMMISSION REPORT ON THE PROPOSED ACQUISITION BY BRITISH SKY BROADCASTING GROUP PLC OF MANCHESTER UNITED PLC

UNDERTAKINGS GIVEN TO THE SECRETARY OF STATE FOR TRADE AND INDUSTRY BY BRITISH SKY BROADCASTING GROUP PLC

British Sky Broadcasting Group plc hereby gives to the Secretary of State for Trade and Industry pursuant to section 88(2) of the Fair Trading Act 1973 the following undertakings for the purpose of remedying or preventing adverse effects specified in the report made by the Monopolies and Mergers Commission entitled British Sky Broadcasting Group plc and Manchester United plc - a report on the proposed merger (CM 4305, April 1999):

Prohibition of acquisition of Manchester United

1. Save as provided in paragraphs 3 and 4 below or with the prior written consent of the Secretary of State, BSkyB will not directly or indirectly:

   (a) acquire control of Manchester United; or

   (b) hold any option which confers direct or indirect control over Manchester United.

2. Without prejudice to the generality of paragraph 1 above and save as provided in paragraphs 3 and 4 below or with the prior written consent of the Secretary of State, BSkyB:

   (a) will not hold or have an interest in shares of Manchester United or of any other body corporate which controls Manchester United amounting to more than 11.2 per cent of its issued share capital or carrying an entitlement to vote at its meetings amounting to more than 11.2 per cent of the total number of votes which may be cast at such meetings;

   (b) will procure that no director or employee of BSkyB holds any directorship or managerial position in any undertaking having control of or carrying on the business of Manchester United;

   (c) except in the normal course of business will not participate in the formulation of or influence or attempt to influence the policy of any person having control of or carrying on the business of Manchester United; and

   (d) will not directly or indirectly acquire any assets of Manchester United.
3 Nothing in paragraphs 1 or 2 above will prevent BSkyB from:

(a) holding shares in Manchester United or in any body corporate which
controls Manchester United amounting to no more than 11.2 per cent of its
issued share capital;

(b) exercising any right derived from its interest in Manchester United
Television Ltd as at 29 October 1998; or

(c) entering into or carrying out any transaction which does not, either
itself or together with any earlier transaction, create a merger situation
qualifying for investigation under Part V of the Act.

4 Save to the extent that any agreement, either itself or together with any earlier
agreement, constitutes the acquisition by BSkyB of control of Manchester United or
any body corporate which controls Manchester United, and without prejudice to the
application of Part V of the Act, nothing in paragraphs 1 or 2 above will prevent
BSkyB from entering into or performing commercial agreements (alone or in joint
venture):

(a) to televise any football match or matches played by Manchester
United;

(b) to advise, represent, provide services or facilities to, or to act as an
agent in relation to, any part of Manchester United's business and assets;

(c) to distribute any product or copyright material produced by or under
the authority of Manchester United; or

(d) to develop, market and exploit new media and internet opportunities
with Manchester United, whether on their own or integrated with opportunities
on existing media.

Compliance

5 BSkyB will procure that each of its subsidiaries complies with these
undertakings as if it had given them.

6 BSkyB will forthwith provide to the Director General such information as he
may from time to time reasonably require for the purpose of performing any of his
functions under section 88 of the Act.

7 BSkyB will comply with such written directions as the Director General may
from time to time give to take such steps within its competence as may be specified or
described in the directions for the purpose of carrying out or securing compliance with these undertakings.

**Competition legislation**

8 These undertakings do not in any way preclude or restrict any action that may be taken by the Director General or the Secretary of State under the Act or under the Competition Act 1998 whether in respect of a breach or alleged breach of any of the undertakings or otherwise.

**INTERPRETATION**

For the purposes of these undertakings:

“The Act” means the Fair Trading Act 1973;

“Agreement” has the meaning given by section 137(2) of the Act;

“the assets of Manchester United” includes the business, undertaking and property of Manchester United at 29 October 1998;

“BSkyB” means British Sky Broadcasting Group plc;

“business” has the meaning given by section 137(2) of the Act;

“control” is to be construed in accordance with section 65 of the Act;

“the Director General” means the Director General of Fair Trading;

“Manchester United” means Manchester United plc;

“interest” excludes any asset, but includes shares, an interest in shares and any other interest carrying an entitlement to vote at meetings of shareholders; and an interest in shares includes an entitlement by a person other than the registered holder to exercise any right conferred by the holding of those shares and an entitlement to control the exercise of any such right; and

“the Secretary of State” means the Secretary of State for Trade and Industry.

On behalf of British Sky Broadcasting Group plc:

Signed .................................................. (director)
................................. (director/secretary)

Date ..................................