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Our ref
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Your ref

Date
13 September 2017

By email

Dear Sir

The Secretary of State's Announcement to Parliament on 12 September 2017 in relation to the possible referral of the 21st Century Fox ("21CF") bid for Sky plc ("Sky")

We are writing on behalf of our client, Sky, in response to the Department's letter of yesterday's date indicating that the Secretary of State is now minded to refer the proposed transaction to the CMA on the broadcasting standards ground (as well as on the plurality ground) and giving Sky and 21CF the opportunity to provide representations in writing in accordance with section 104(2) of the Enterprise Act 2002.

As it has publicly indicated, Sky is disappointed the Secretary of State is minded to refer the proposed acquisition to the CMA on the broadcasting standards ground despite Ofcom, as the independent broadcast regulator, maintaining its advice that there are not sufficient concerns to justify such a reference. Sky is also disappointed that the protracted UK merger review process in relation to the proposed transaction now faces the prospect of further delay. As set out in prior correspondence, it is in the interests of Sky, its shareholders and its employees (and indeed the wider public interest) that the merger review process operates efficiently and with due expedition.

With this latter consideration in mind, and notwithstanding that Sky does not agree with the need for or scope of the reference, it does not intend to prolong the process further by taking up the opportunity set out in the Department's letter to provide written representations. We understand that 21CF also does not intend to make further representations and has invited the Secretary of State to proceed with a final decision on reference as quickly as possible.

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Letter to
Paul Oldfield

In the circumstances, there is no further procedural impediment to the Secretary of State making a prompt reference decision. This would also enable the Secretary of State to inform Parliament of that decision before it goes into recess at the end of the week, and Sky would urge a prompt reference decision within that timetable.

Yours faithfully

Herbert Smith Freehills LLP

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