



Department for  
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**Date: 20 July 2017**

**By Email**

Jeffrey Palker  
Executive Vice President, Deputy General Counsel  
and Deputy Chief Compliance Officer  
Twenty-First Century Fox, Inc.  
1211 Avenue of the Americas  
New York NY 10036  
USA  
[REDACTED]

James Conyers  
Group General Counsel  
Sky plc  
Grant Way  
Isleworth  
TW7 5QD  
[REDACTED]

Dear Mr Palker  
Dear Mr Conyers

**TWENTY-FIRST CENTURY FOX, INC AND SKY PLC  
UPDATE: PHASE 2 REFERRAL**

I refer to the letter of 29 June 2017 on behalf the Secretary of State for Digital, Culture, Media and Sport (“Secretary of State”) setting out her minded-to position on the question of referral of the proposed acquisition by Twenty-First Century Fox, Inc (“21CF”) of the entire issued and to be issued share capital of Sky plc (“Sky”) that it does not already own (“the merger”) to the Competition and Markets Authority (“CMA”). In that letter, the Secretary of State indicated that she was minded-to refer the merger on the grounds of media plurality, minded not to accept undertakings offered in lieu of referral and minded not to refer on grounds of commitment to broadcasting standards.

The Secretary of State has received representations from Allen & Overy on behalf of 21CF and Herbert Smith Freehills on behalf of Sky, as well as representations from James and Lachlan Murdoch on behalf of 21st Century Fox, in response to her minded-to position. She

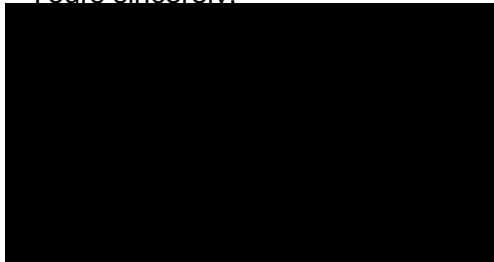
has also received a substantial number representations from third parties in relation to her referral decision, which are currently being assessed.

The Secretary of State will need to consider all representations relevant to both public interest grounds before coming to a final, single decision on referral and expects that it will take some time to consider all the representations that have been made. The Secretary of State also appreciates the need for a timely decision and will endeavour to take her final decision as soon as is reasonably practicable in the coming weeks.

What we can advise you at this stage is that, in light of your representations alone, the Secretary of State's minded-to position has not changed. Unless new evidence from other representations changes her mind, the Secretary of State anticipates that the bid will likely be referred to the CMA for a Phase 2 review on at least one ground; media plurality. But to reiterate, she will take her final decision on both grounds once all relevant representations have been considered, at which point she will also provide a substantive response to your representations. Again, she will seek to do that as soon as is reasonably practicable.

I am copying this letter to Lachlan and James Murdoch, [REDACTED] at Allen & Overy and [REDACTED] at Herbert Smith Freehills.

Yours sincerely,

A large black rectangular redaction box covering the signature of the Deputy Director.

Deputy Director, Head of Media Policy  
Department for Digital, Culture, Media and Sport