

**ANTICIPATED ACQUISITION BY TWENTY-FIRST CENTURY FOX, INC.
OF THE ENTIRE ISSUED AND TO BE ISSUED SHARE CAPITAL OF SKY PLC
THAT IT DOES NOT ALREADY OWN**

TERMS OF REFERENCE

The Secretary of State for Culture, Media and Sport issued a European intervention notice on 16 March 2017 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 Competition and Markets Authority ("CMA") 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 for Digital, Culture, Media and Sport believes, as a result of the proposed acquisition by Twenty-First Century Fox, Inc. ("21CF") of the entire issued and to be issued share capital of Sky plc that 21CF does not already own, it is or may be the case that:

- (a) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a European relevant merger situation, in that:
 - (i) two or more enterprises will cease to be distinct; and
 - (ii) the value of the turnover in the United Kingdom of the enterprise to be taken over exceeds £70 million;
 - (iii) a concentration with a Community dimension (within the meaning of Council Regulation (EC) No 139/2004), or a part of such a concentration, has thereby arisen or will thereby arise;
 - (iv) a reference is prevented from being made under section 33 of the Act in relation to the relevant merger situation by virtue of Community law;
- (b) the following public interest considerations specified in the European intervention notice are relevant to a consideration of the European relevant merger situation concerned:
 - (i) the need, in relation to every different audience in the United Kingdom or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises serving that audience; and
 - (ii) the need for persons carrying on media enterprises, and for those with control of such enterprises, to have a genuine commitment to the attainment in relation to broadcasting of the standards objectives set out in section 319 of the Communications Act 2003; and
- (c) taking account only of the relevant public interest considerations concerned, the creation of that situation operates or may be expected to operate against the public interest.

The Secretary of State for Digital, Culture, Media and Sport, in exercise of her powers under article 5(3) of the Order, hereby makes a reference to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report on the questions referred to in articles 6(2), (3) and (4) of the Order within the period set down in article 9 of the Order.

Rt Hon. Karen Bradley MP
Secretary of State for Digital, Culture, Media and Sport
20 September 2017