

CONFIDENTIAL

CMS 162613/mk

James Murdoch
Chairman and Chief Executive
News Corporation
3 Thomas Square
London
E98 1EX



*host government
department*

7 January 2011

Dear James

NEWS CORP/BSKYB PUBLIC INTEREST INTERVENTION

Thank you for coming in to see me last night at such short notice.

As you know, the Secretary of State for Business, Innovation and Skills asked Ofcom on 4 November to provide advice and recommendations on the specified public interest consideration concerned with the sufficiency of plurality of persons with control of media enterprises. I received a copy of this report on 31st December and I am now sending you a redacted copy.

I have carefully considered this report, and, given the nature of the statutory threshold for reference to the Competition Commission, on the basis of the evidence and analysis presented by Ofcom, I am minded to refer the matter.

Before doing so, however, in accordance with section 104(2) of the Enterprise Act 2002, I am consulting you about my proposed decision in order to give you the opportunity to make further written representations and, if you request it, a meeting to discuss the issues raised before I reach my final decision on referral. I attach an indicative timetable for the next steps in the process.

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I am also enclosing the OFT's report on jurisdictional issues relating to the anticipated acquisition by News Corp of BSkyB.

I am copying this letter to Jeremy Darroch at BSkyB.

A handwritten signature in black ink, appearing to read "Jeremy". The signature is written in a cursive, slightly slanted style.

**The Rt Hon Jeremy Hunt MP
Secretary of State for Culture, Olympics, Media and Sport**

Enc/

Process and Proposed Timings

13 January

Written representations

Week commencing 17 January

Meeting (if requested)

Week commencing 24 January

Referral and publication of redacted report and decision

OR (if minded not to refer)

Redacted report published and my reasoning for not referring sent to main parties opposed to the merger for comments.

Week commencing 31 January

Consider representations from parties opposed to the merger.

Week commencing 7 February

Decision on referral.