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COMP/M.5932 - NEWS CORP / BSKYB

SECTION 1.2

Description of the concentration

The proposed transaction consists of the acquisition of sole control by News Corporation (“News Corp”) over British Sky Broadcasting Group plc (“BSkyB”). Following the concentration, News Corp will hold up to 100% of BSKyB’s shares and voting rights and will exercise sole control over BSKyB.

News Corp is a diversified global media company active principally in the United States, Europe, Australasia, Asia, and Latin America.

BSkyB is a UK public company whose shares are listed on the London Stock Exchange. BSKyB is a holding company for a number of subsidiaries, which are active in a variety of economic sectors in the UK and Ireland, including the creation, broadcasting, wholesale, and/or retail supply of BSKyB and/or third party TV channels; the retail distribution of BSKyB’s and third parties’ “audiovisual programming”; the provision of retail telephony and broadband services; the provision of conditional access, access control, and electronic program guide services to broadcasters and interactive service providers on BSKyB’s DTH platform; the sale of advertising and sponsorship; the provision of interactive services on BSKyB’s DTH platform; and the provision of fixed-odds betting services.

The acquisition of the entire share capital of BSKyB constitutes an opportunity for News Corp to achieve financial consolidation for a company with which it has been closely associated for a long time, and which is mainly active in a sector, such as Pay TV, which constitutes a core business for News Corp. The Transaction will also allow News Corp to diversify the geographic scope of its activities, as well as its earning base, by reducing its exposure to cyclical advertising revenues and increasing its direct consumer subscription revenues.