



Jersey Competition Regulatory Authority (“JCRA”)

Summary of

Decision M694/10

Proposed Acquisition

of

British Sky Broadcasting Group plc

by

News Corporation

The Notified Transaction

1. On 7 January 2011, the JCRA received an application (the “**Application**”) for approval under Articles 20 and 21 of the Competition (Jersey) Law 2005 (the “**Law**”) concerning the proposed acquisition of British Sky Broadcasting Group plc (“**BSkyB**”) by News Corporation. Following the acquisition, News Corporation will hold up to 100% of the BSkyB shares and voting rights and obtain sole control over BSkyB.
2. On 21 December 2010 the European Commission (the “**EC**”) granted approval for the proposed acquisition in decision M5932 – News Corp/BSkyB (the “**EC Decision**”) (not yet published).
3. News Corporation activities include the production and acquisition of motion pictures, the production and distribution of television (“**TV**”) channels (including the Fox TV channels and National Geographic TV channels), direct to home (“**DTH**”) television, newspapers (including *The Sun* and *The Times*), book publishing, and associated services. BSkyB’s activities include the creation and supply of a variety of television channels for ultimate consumption by viewers in the United Kingdom, the Republic of Ireland and the Channel Islands and the supply of packages of pay television channels, including BSkyB’s own channels. BSkyB is thus a vertically integrated company that is active at both the wholesale level and at the retail level.
4. According to Article 20(1) of the Law, a person must not execute certain mergers or acquisitions except with and in accordance with the approval of the JCRA. The type of mergers and acquisitions subject to this requirement is set out in the Competition (Mergers and Acquisitions) (Jersey) Order 2010 (the “**Order**”). Under Article 22(4) of the Law, the JCRA must determine if the acquisition would substantially lessen competition in Jersey or any part thereof, pursuant to

the procedures set forth in the JCRA Merger Guideline.¹ As detailed below, the JCRA concludes that this would not be the case.

5. The JCRA considered the possible impact on competition on the wholesale market for content, the wholesale market for TV channels, the retail market for TV channels and the advertising market. The JCRA concludes that the proposed acquisition does not result in a substantial lessening of competition in Jersey or any part of Jersey in relation to any of these markets.
6. Given this conclusion, on 10 February 2011 the JCRA approved of the acquisition under Article 22(1) of the Law. Full details of the JCRA's assessment of this filing is available on request from the JCRA.

¹ JCRA Guideline 6, *Mergers and Acquisitions*.