

THE TAKEOVER PANEL

THE WALT DISNEY COMPANY (“DISNEY”)

TWENTY-FIRST CENTURY FOX INC. (“FOX”)

SKY PLC (“SKY”)

On 28 June 2018, in Panel Statement 2018/7, the Panel Executive:

- (a) noted that, on 20 June, Disney had signed an amended agreement with Fox under which Disney agreed to increase the consideration payable in connection with its acquisition of Fox (after a spin-off of certain businesses) (the “**Acquisition**”);
- (b) confirmed that it was considering what impact this increase should have on the consideration payable under the chain principle offer which, as referred to in Panel Statement 2018/4, the Executive has ruled must be made by Disney under Note 8 on Rule 9.1 of the Takeover Code (the “**Code**”) to the holders of ordinary shares in Sky following completion of the Acquisition as a result of Fox’s stake of approximately 39% in Sky (the “**Chain Principle Offer**”); and
- (c) noted that it had received submissions from a number of parties expressing diverging views in relation to this matter.

The Executive has today ruled that, as a result of the increase in the terms of the Acquisition announced on 20 June, the price at which the Chain Principle Offer must be made by Disney is £14.00 for each ordinary share in Sky.

The Executive has determined this price by analysing, among other matters, the relative contribution of Fox’s stake in Sky in the valuation work carried out by Disney’s financial advisers to support the fairness opinion prepared for the Disney

board in June 2018 and by taking into account the increased offer announced by Fox, with the agreement of Disney, for Sky on 11 July.

As explained in Panel Statement 2018/4, the Chain Principle Offer will be required to be made within 28 days of completion of the Acquisition unless by then either:

- (a) Fox has acquired 100% of the ordinary shares in Sky; or
- (b) Comcast Corporation (which, on 11 July 2018, announced its firm intention to make an offer of £14.75 per ordinary share in Sky), or any other third party, has acquired more than 50% of the ordinary shares in Sky.

Sky has informed the Executive that it intends to request that the Hearings Committee be convened in order to review this ruling. Each of Disney and Fox is considering its position.

In view of the importance of this matter, and in accordance with section 1.2 of the Rules of Procedure of the Hearings Committee, as set out in Appendix 9 of the Code, the Executive has stipulated that if Disney, Fox, or any other person affected by the ruling and with a sufficient interest in the matter, wishes to request that the Hearings Committee be convened in order to review this ruling, it must notify the Executive and the Hearings Committee of the request by no later than 5.00pm on 17 July 2018.

13 July 2018