RNS Number : 4904R
Sky PLC
09 December 2016

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

This announcement is not an announcement of a firm intention to make an offer under Rule 2.7 of the City Code on Takeovers and Mergers (the "Code") and there can be no certainty that an offer will be made, nor as to the terms of any such offer.

For immediate release

9th December 2016

Sky plc

Possible offer for Sky plc by Twenty-First Century Fox, Inc.

The Independent Directors of Sky plc ("Sky") note today's share price increase, and announce that Sky has received an approach from 21st Century Fox, Inc. ("21st Century Fox"). After a period of negotiation, the Independent Directors of Sky and 21st Century Fox have reached agreement on an offer price of £10.75 per share in cash, less the value of any dividends subsequently paid by Sky (the "Proposal"). However, certain material offer terms remain under discussion and there can be no certainty that an offer will be made by 21st Century Fox, nor as to the terms of any such offer.

The Independent Directors, who have received financial advice from Morgan Stanley, PJT Partners and Barclays, have indicated to 21st Century Fox that they are willing to recommend the Proposal to Sky shareholders, subject to reaching agreement on the other terms. In providing advice to the Independent Directors, Morgan Stanley, PJT Partners and Barclays have taken into account the commercial assessments of the Independent Directors.

The Proposal represents a premium of 40% to the closing price on 6th December, being the last business day prior to the initial proposal being received from 21st Century Fox, and a premium of 36% to the closing price on 8th December, being the last business day prior to this announcement.

Sky has formed an independent committee of the Board (the "Independent Committee") to consider the terms of the Proposal. The Independent Committee comprises Martin Gilbert, Andrew Sukawaty, Jeremy Darroch, Andrew Griffith, Tracy Clarke, Adine Grate, Matthieu Pigasse and Katrin Wehr-Seiter, each of whom the Board of the Company considers to be free from conflicts of interest with regard to the Proposal (the "Independent Directors"). The members of the Independent Committee will act in accordance with their duties as directors and, in particular, in order to protect the interests of shareholders.

Discussions are continuing and a further announcement will be made in due course as appropriate.

In accordance with Rule 2.6(a) of the Code, 21st Century Fox is required to clarify its intentions by no later than 5.00pm on Friday 6th January 2017 (or such later date as the Takeover Panel may consent to in relation to 21st Century Fox, at the request of Sky), by either announcing a firm intention to make an offer or that it does not intend to make an offer.

This announcement has not been made with the consent of 21st Century Fox.

Person making this notification
Chris Taylor
Company Secretary

Enquiries:

Analysts/Investors
Robert Kingston
+44 (0) 20 7032 3726

Media
Gavin Davis
+44 (0) 707 032 7115

Financial Advisers / Corporate Brokers

Morgan Stanley (Financial Adviser and Corporate Broker)
Simon Smith / Laurence Hopkins / Anthony Zammit
+44 (0) 20 7425 8000
Ben Grindley (Corporate Broker)

PJT Partners (Financial Adviser)
Scott Matlock / Simon Lyons / Owain Parry
+44 (0) 20 3650 1100

Barclays (Financial Adviser and Corporate Broker)
Mark Astaire / Richard Taylor / Hugh Moran
+44 (0) 20 3134 5180

About Sky plc

Sky is Europe's leading entertainment company. The group serves 20 million customers across five countries: Italy, Germany, Austria, the UK and Ireland. Sky offer the best and broadest range of content, deliver market-leading customer service and use innovative new technology to give customers a better TV experience, whenever and wherever they choose.

Morgan Stanley & Co. International plc which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority and PJT PARTNERS (UK) Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, are each acting for Sky plc and no one else in connection with the matters described herein and will not be responsible to anyone other than Sky plc for providing the protections afforded to their respective clients, for giving advice in connection with the matters described herein or in relation to any matter referred to herein.

Disclosure requirements of the Takeover Code (the "Code")

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of

the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication of this announcement

A copy of this announcement will be available at www.corporate.sky.com by no later than 12 noon (London time) on 12th December.

The contents of Sky's website are not incorporated into and do not form part of this announcement.
You may request a hard copy of this announcement by contacting the Company Secretary of Sky during business hours on +44 (0) 207 032 4297 or by submitting a request in writing to the Company Secretary of Sky at company.secretariat@sky.uk.

You may also request that all future documents, announcements and information to be sent to you in relation to the offer should be in hard copy form.

Rule 2.9 disclosure

In accordance with Rule 2.9 of the Code, the Company announces that, as at the date of this announcement, it has 1,719,017,230 ordinary shares of 50 pence each in issue and admitted to trading on the main market of the London Stock Exchange. Each ordinary share carries one right to vote. The Company does not hold any ordinary shares in treasury. The International Securities Identification Number for the ordinary shares is GB0001411924.

The above figure may be used by shareholders to determine the percentage of issued share capital they hold in the Company and if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

This information is provided by RNS
The company news service from the London Stock Exchange

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