

John Whittingdale OBE MP
Chairman
Culture, Media and Sport Committee
House of Commons
7 Millbank
London SW1P 3JA

Copy by Email

15 August 2011

Our Ref John Turnbull/Satindar Dogra

Dear Sir

News International

We write on behalf of the Management and Standards Committee of News Corporation.

The purpose of this letter is to supplement Mr James Murdoch's answers, provided in his letter of 11 August 2011, to questions 5 and 6 of your letter of 29 July 2011 in light of information brought to the Management and Standards Committee's attention. The Committee assisted Mr Murdoch in providing answers to a number of your questions, including questions 5 and 6, as the answers to those questions were not within Mr Murdoch's personal knowledge. As Mr Murdoch is currently on vacation, the Committee wishes to draw the matters below directly to your attention.

As noted in News International's written evidence of January 2010 to your Committee, following the termination in January 2007 of the contract between News Group Newspapers Limited ("NGN") and one of Mr Mulcaire's companies, Nine Consultancy Limited, Mr Mulcaire commenced Employment Tribunal proceedings against NGN. In around June 2007, NGN compromised the proceedings and agreed to pay Mr Muclaire £80,000 plus legal fees of £5,000 (plus VAT). At Mr Mulcaire's request, the compromise amount was split such that NGN agreed to pay Mr Mulcaire £27,500 personally and to pay £52,500 to a company called Eight Consultancy Limited (which, we understand, was also owned by Mr Mulcaire). The arrangements were confirmed in confidential settlement agreements. We understand that the arrangements were approved by Mr Les Hinton (formerly the Executive Chairman of News International) and the payments authorised by Mr Stephen Daintith (formerly the Finance Director of News International). As set out in the January 2010 evidence, Mr Hinton and Mr Daintith also knew of and authorised the arrangements with Mr Goodman that were described in Mr Murdoch's letter.

In addition, we understand that £16,152 was paid to Nine Consultancy Limited in eight regular instalments of £2019 between 5 December 2006 and 18 January 2007 in accordance with the payment terms of the contract between Nine Consultancy Limited and NGN. We believe these payments were authorised by, at

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least, Mr Stuart Kuttner (then managing editor of the News of the World), but our client is still looking into the matter.

Yours faithfully

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