

BSkyB declares itself 'fit and proper'

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FILE - This Sunday July 10, 2011 file photo shows Chairman of News Corporation Rupert Murdoch, right, and his son James Murdoch, chief executive of News Corporation Europe and Asia arrive at his residence in central London. An influential group of British lawmakers say Rupert Murdoch is unfit to lead his global media empire, in a scathing report that says his company misled Parliament about the scale of phone hacking at one of its tabloids. Parliament's cross-party Culture, Media and Sport committee said Tuesday May 1, 2012, that News International, the British newspaper division of Murdoch's News Corp., had deliberately ignored evidence of malpractice, covered up evidence and frustrated efforts to expose wrongdoing. (AP Photo/Sang Tan, file)

(AP) -- British Sky Broadcasting PLC on Wednesday defended itself as a "fit and proper" company, a day after Rupert Murdoch, the chief executive of the satellite broadcaster's biggest shareholder, was branded as unfit to hold the reins of an international company.

On Tuesday, a parliamentary committee sharply criticized Murdoch, the chairman and chief executive of News Corp., over the hacking scandal that eventually forced the closure of the News of the World tabloid.

Though the conclusion has no legal sanction, the move is likely to ratchet up the pressure on Britain's media regulator, which is reviewing "whether BSkyB is and remains fit and proper to continue to hold its broadcast licenses." OFCOM said Tuesday it would consider the committee's report as part of its deliberations.

BSkyB said Wednesday it is "engaging with OFCOM in this process and continues to believe that it remains a fit and proper license holder, as demonstrated by its positive contribution to U.K. audiences, employment and the broader economy, as well as its strong record of regulatory compliance and high standards of governance."

"It's important to remember that Sky and News Corp. are separate companies, " BSkyB Chief Executive Jeremy Darroch told reporters after the company reported a 19 percent increase in nine-month profits.

"We believe that Sky's track record as a broadcaster is the most important factor in determining our fitness to hold a license. And the evidence shows that Sky serves U.K. audiences and customers well," Darroch said.

News Corp. and its U.K. newspaper unit, News International, are embroiled in a major criminal investigation of phone hacking and allegations of [computer hacking](#) and bribery.

News Corp. controls BSkyB with a 39 percent shareholding.

Though the committee's conclusion that Murdoch was "not a fit person to exercise the stewardship of a major international company" made

headlines, the judgment was split on party lines. The five Labour and one Liberal Democrat members voted to add the line to the report while the four members of Prime Minister David Cameron's Conservative Party voted against.

BSkyB defended itself as it reported a 19 percent increase in net profit to 689 million pounds (\$1.1 billion) from 581 million pounds a year earlier. Revenue was up 5 percent to 5.1 billion pounds.

The company did not break out quarterly earnings.

Its shares were up 1.8 percent at 703.5 pence in morning trading in London.

Last month, James Murdoch resigned as chairman of BSkyB to "ensure that there is no false conflation with events at a separate organization."

James Murdoch, once considered heir apparent to run his father company, has come under severe questioning because of the phone hacking crisis while he was in charge of the British papers.

[News Corp.](#) abandoned its bid to take full control of BSkyB one week after the revelation that employees of one of its papers, the now-defunct News of the World, had hacked the phone of a murdered teenager while police were still searching for her.

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