

Statement of support from the editors

Dated: August 12th 2015

As editors of *The Economist* since 1974, we welcome the announcement today about the sale of the FT's 50% shareholding in The Economist Group. We do so because the proposed transaction will maintain the editorial independence of *The Economist* itself, and strengthen the corporate independence of the wider Group.

In our time as editor each of us has had complete freedom to decide on the contents of *The Economist* and to choose its staff. That independence ensured that our readers trusted *The Economist* to provide news, analysis and opinion that were not influenced by commercial, political or Board interests. The trust between our readers and our journalists has been central to the newspaper's success. It was fostered by the system of checks and balances that has governed the affairs of The Economist Group since 1928 and we thank Pearson and the Financial Times for their respect for these arrangements throughout these years.

The proposed transaction announced today will, in our view, maintain and even strengthen the Group's "constitution". Exor has been a significant shareholder in the Group for five years, and its chairman and CEO, John Elkann, has been a director since 2009. This has ensured that a mutual understanding already exists, and a strong sense of common purpose. In addition, Exor's bid for the B shares in the company has been thoroughly scrutinised by the four independent trustees, who alone can decide on the purchase of those shares. The trustees are satisfied with Mr Elkann's extensive undertakings about his approach to the paper and its independence, and have unanimously approved the transaction (on condition that the shareholders approve certain key changes to the articles, including a 50% limit on ownership of shares in the company). We are especially reassured by the proposed undertakings that no shareholder will own more than 50% of the issued shares capital in the company, and that none will control more than 20% of the voting rights.

Exor will be the Group's largest shareholder, but it will not have control. As has been the case since 1928, that control will remain so widely dispersed that, in effect, no individual or shareholder has unilateral influence. The one crucial exception is this: the editor decides what is in *The Economist*.

Andrew Knight (editor 1974-86)

Rupert Pennant-Rea (editor 1986-93)

Bill Emmott (editor 1993-2006)

John Micklethwait (editor 2006-15)

Zanny Minton Beddoes (the editor today)