

Our Ref . A279/SZW/.FSI-1806836-1

179 Great Portland Street
London W1W 5LS

Your Ref :

Date . 11 July 2003

Tel 020 7323 4000
DX 42739 (Oxford Circus North)

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FOR ADDRESSEE ONLY**

Sarah Jones
BBC Litigation Department
British Broadcasting Corporation
White City
201 Wood Lane
London W12 7TS

By fax and post: 020 8752 5080

Dear Ms Jones

Newsnight Programme - Susan Watts

We do not propose by this letter to reiterate the background to this issue. We refer to our telecom with Ms Jones yesterday during which you sought our client's answers to two tightly framed questions.

Our client, whilst acknowledging the two questions that you propose do not per se infringe the source's confidentiality, notes that their stated purpose is to serve the BBC in promoting the Newsnight story (and thereby a source) into public enquiry. Thus far, there has been no scrutiny or criticism of the Newsnight story in the public domain. It is only by virtue of the BBC's (in our opinion, misconceived strategy), to compare our client's story and broadcast information deriving from a source with those of another journalist that attention has been drawn to the issue of our client's source. We consider that the use of this material for non-news related purposes to be inappropriate.

The BBC's references to and purported comparison of the attributes of two confidential sources informing two news stories merely invites scrutiny of our client's work product and more particularly, may cause her authorities to seek out the source and demand disclosure of the same, in circumstances where this is not presently occurring.

Our client, however, desires to cooperate with the BBC in accordance with her duties as an employee. Such duties, however, do not extend to "cooperating" where her ethics and responsibilities might conflict or in circumstances where she is being asked to participate in statements with which she cannot agree.

As you know, our client is travelling back from America and has heavy work commitments. She will be unavailable for some further time. Ms Watts has instructed us to provide the following statement in answer to your questions as follows:-

" I feel that the two broadcasts on Newsnight on 2nd June 2003 and 4th June 2003 respectively speak for themselves. I consider that I have in those broadcasts fairly and accurately reported information as told to me.

To the best of my knowledge, I have never met Andrew Gilligan.

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