NEWS CORPORATION REPORTS FIRST QUARTER RESULTS FOR FISCAL 2019

FISCAL 2019 FIRST QUARTER KEY FINANCIAL HIGHLIGHTS

- **Revenues of $2.52 billion, a 23% increase compared to $2.06 billion in the prior year, reflecting the consolidation of Foxtel and continued strength at the Digital Real Estate Services and Book Publishing segments**
- **Net income was $128 million compared to $87 million in the prior year**
- **Total Segment EBITDA was $358 million compared to $248 million in the prior year**
- **Reported EPS were $0.17 compared to $0.12 in the prior year – Adjusted EPS were $0.17 compared to $0.07 in the prior year**
- **Strong paid digital subscriber growth at *The Wall Street Journal*, *The Times* and *Sunday Times* and *The Australian* with digital subscribers accounting for more than half of total subscriber base**
- **In October 2018, the Company completed the acquisition of Opcity, a market-leading real estate technology platform, which will enhance realtor.com®'s lead generation offerings**

Reported revenues grew 23% to $2.5 billion for the quarter, while profits rose 44% to $358 million. These numbers are noteworthy as, even excluding the Foxtel consolidation, we achieved tangible increases over the same period last year across many of our segments.

Digital Real Estate Services continued to post strong operational gains, and we took an important strategic step forward with the acquisition of Opcity, which deepens the quality of our engagement with realtors ® and homebuyers.

Our News and Information Services segments showed progress, with digital paid subscriptions rising at many of our mastheads. Dow Jones is well advanced in its digital transformation, with nearly 65% of The Wall Street Journal subscribers digital-only. That growth is complemented by the Professional Information Business, which allows us to sell higher value-added products across the WSJ subscriber base.

HarperCollins again demonstrated that unique, compelling content can be monetized successfully across different platforms and markets, posting another quarter of robust profit growth.

We are enhancing the new Foxtel, having already launched a dedicated Fox Cricket channel, begun the rollout of 4K, and done advanced work on a sports only IP offering. The Foxtel leadership team has also been transformed in recent months"

(a) The Company amortized $17 million related to excess cost over the Company's proportionate share of its investment's underlying net assets allocated to finite-lived intangible assets during the three months ended September 30, 2017. Such amortization is reflected in Equity losses of affiliates in the Statement of Operations.

Equity losses of affiliates for the first quarter improved to ($3) million from ($10) million in the prior year, primarily due to the consolidation of the results of Foxtel in the fourth quarter of fiscal 2018.

CASH FLOW

The following table presents a reconciliation of net cash provided by (used in) operating activities to free cash flow available to News Corporation:

	For the three months ended September 30,	
	2018	2017
	(in millions)	
Net cash provided by (used in) operating activities	$ 113	$ (4)
Less: Capital expenditures	(133)	(62)
	(20)	(66)
Less: REA Group free cash flow	(38)	(27)
Plus: Cash dividends received from REA Group	37	33
Free cash flow available to News Corporation	$ (21)	$ (60)

Net cash provided by (used in) operating activities improved $117 million for the three months ended September 30, 2018 as compared to the prior year period, primarily due to higher Total Segment EBITDA as noted above.

Free cash flow available to News Corporation in the three months ended September 30, 2018 was ($21) million compared to ($60) million in the prior year period. The improvement was primarily due to higher cash provided by operating activities, partially offset by higher capital expenditures, of which $69 million was related to new Foxtel.

Free cash flow available to News Corporation is a non-GAAP financial measure defined as net cash provided by operating activities, less capital expenditures ("free cash flow Tda4)

Conference call

News Corporation's earnings conference call can be heard live at 5:30pm EST on November 7, 2018. To listen to the call,

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NEWS CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in millions, except per share amounts)

	For the three months ended September 30,	
	2018	2017
Revenues:		
Circulation and subscription	$ 1,034	$ 651
Advertising	664	682
Consumer	400	386
Real estate	227	203
Other	199	136
Total Revenues	2,524	2,058
Operating expenses	(1,340)	(1,149)

NEWS CORPORATION

CONSOLIDATED BALANCE SHEETS
(in millions)

	As of September 30, 2018 (unaudited)	As of June 30, 2018 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,886	$ 2,034
Receivables, net	1,648	1,612
Inventory, net	388	376
Other current assets	547	372
Total current assets	4,469	4,394
Non-current assets:		
Investments	390	393
Property, plant and equipment, net	2,512	2,560
Intangible assets, net	2,607	2,671
Goodwill	5,153	5,218
Deferred income tax assets	260	279
Other non-current assets	897	831
Total assets	$ 16,288	$ 16,346
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 537	$ 605

NEWS CORPORATION

CONSOLIDATED STATEMENTS OF

The following tables

NOTE 4 – PRO FORMA

The following supplemental unaudited pro forma information for the three months ended September 30, 2017 reflects the Company's results of operations as if the Transaction had occurred on July 1, 2016. The Company believes OR32.002 TN5
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	Pro Forma (unaudited) For the three months ended September 30, 2017			
	News Corp Historical[(a)]	Foxtel Historical[(b)]	Transaction Adjustments	Pro Forma

(h) Reflects the adjustment to depreciation and amortization expense resulting from the fair value adjustment to Foxtel's historical fixed assets in the preliminary purchase price allocation, which resulted in a step-up in the value of such assets.

(i) Reflects the reversal of amortization expense included in News Corp's historical Statement of Operations from the Company's settlement of its pre-existing contractual arrangement between Foxtel and FOX SPORTS Australia, which resulted in a write-off of its channel distribution agreement intangible asset at the time of the Transaction.

(j) Represents the impact to equity losses of affiliates as a result of the Transaction, as if the Transaction of

Subscription Video Services

(in millions, except %)	For the three months ended September 30, 2018 As reported	2017 Pro forma	% Change Better/(Worse)
Revenues:			
Circulation and subscription	$ 491	$ 592	(17)%
Advertising	57	75	(24)%
Other	17	13	31 %
Total Revenues			