# NEWS CORPORATION REPORTS THIRD QUARTER RESULTS FOR FISCAL 2019

## FISCAL 2019 THIRD QUARTER KEY FINANCIAL HIGHLIGHTS

- Revenues were $2.46 billion, a 17% increase compared to $2.09 billion in the prior year, reflecting the consolidation of Foxtel and continue d strength at the Book Publishing segment
- Net income was $23 million compared to a net loss prior year
  - Digital- only subscribers for The Wall Street Journal grew 19% in the quarter to a new approx imately 1.8 million
  - HarperCollins demonstrated another robust financial performance with 29% Segmen growth, driven by impressive new releases and strong backlist sales
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Company") (Nasdaq: NWS, NWSA;
nded March 31, 2019.

red by a robust rise in digital
book sales and continued expansion
arkets.

crease in profitability, reflecting the
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nformation Services segment, digital paid subscriptions continued their ebullient expansion, with
% to nearly 1.8 million at The Wall Street Journal. Dow Jones has also been bolstered by its
mation Business, particularly in Risk and Compliance, where we have had nine straight quarters
above 20%.

At Move, revenues increased in a challenging housing market earlier this year, and we are confident that there are signs of improvement in U.S. economic activity that should surely bode well for the market. Encouragingly, realtor.com® achieved record audience in April of 69.4 million uniques, and 209 million visits, and audience numbers have accelerated recently.

Free cash flow available to News Corporation is a non-GAAP financial measure defined as net cash p3 (ws)]T.277 0 Td (net)Tj

NEWS CORPORATION

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

NEWS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions )

| | For the nine months ended March 31, | |
|---|---|---|
| | 2019 | 2018 |
| Operating activities: | | |

NOTE 1 – ADJUSTED REVENUES, ADJUSTED TOTAL SEGMENT EBITDA AND ADJUSTED SEGMENT EBITDA

The Company uses revenues, Total Segment EBITDA and Segment EBITDA excluding the impact of acquisitions, divestitures, fees and costs, net of indemnification, related to the claims and investigations arising out of certain conduct at The News of the World (the “U.K.

| | Revenues | | | Total Segment EBITDA | | |
|---|---|---|---|---|---|---|
| | For the nine months ended March 31, | | | For the nine months ended March 31, | | |
| | 2019 | 2018 | Difference | 2019 | 2018 | Difference |
| | (in millions) | | | (in millions) | | |
| As reported | $ 7,608 | $ 6,331 | $ 1,277 | $ 975 | $ 757 | $ 218 |
| Impact of acquisitions | (1,323) | - | (1,323) | (218) | - | (218) |
| Impact of divestitures | (14) | (38) | 24 | - | 3 | (3) |
| Impact of foreign currency fluctuations | 206 | - | 206 | 33 | - | 33 |
| Net impact of U.K. Newspaper Matters | - | - | - | 8 | (38) | 46 |

Adjusted Revenues and Adjusted Segment EBITDA by segment for the

| | For the nine months ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Change | % Change |
| | (in millions) | | | |
| Net income (loss) | $ 270 | $ (1,089) | $ 1,359 | ** |
| Add: | | | | |
| Income tax expense | 112 | 292 | (180) | (62)% |
| Other, net | (30) | (9) | (21) | ** |
| Interest expense (income), net | 45 | (9) | 54 | ** |
| Equity losses of affiliates | 13 | 1,002 | (989) | (99)% |
| Impairment and restructuring charges | 71 | 273 | (202) | (74)% |
| Depreciation and amortization | 494 | 297 | 197 | 66 % |
| Total Segment EBITDA | $ 975 | $ 757 | $ 218 | 29 % |

** - Not meaningful

| (in millions, except per share data) | For the three months ended March 31, 2019 | | For the three months ended March 31, 2018 | |
|---|---|---|---|---|
| | Net income available to stockholders | EPS | Net (loss) income available to stockholders | EPS |
| Net income (loss) | $ 23 | $ | $ (1,110) | $ |
| Less: Net income attributable to noncontrolling interests | (13) | | (18) | |
| Net income (loss) availab le to News | | | | |

NOTE 4 – PRO FORMA

The following supplemental unaudited pro forma information for the three and nine months ended March 31, 2018 reflects the Company's results of operations as if the Transaction had occurred on July 1, 2016. The Company believes that the presentation of this supplemental information enhances comparability across the reporting periods. The information was prepared in accordance with Article 11 of Regulation S-X and is based on historical results of operations of News Corp and Foxtel, adjusted for the effect of any Transaction-related at ein

| (in millions, except %) | For the three months ended March 31, 2019 As reported | 2018 Pro forma | Change Better/(Worse) | % Change Better/(Worse) |
|---|---|---|---|---|
| Revenues: | | | | |
| Circulation and subscription | $ 1,025 | $ 1,097 | $ (72) | (7) % |
| Advertising | 670 | 744 | (74) | (10) % |
| Consumer | 403 | 381 | 22 | 6 % |
| Real estate | 218 | 208 | 10 | 5 % |
| Other | 141 | 157 | (16) | (10) % |
| Total Revenues | 2,457 | 2,587 | (130) | (5) % |
| Operating expenses | (1,400) | (1,423) | 23 | 2 % |
| Selling, general and administrative | (810) | (872) | 62 | 7 % |
| Depreciation and amortization | (168) | (168) | - | - |
| Impairment and restructuring charges | (34) | (1,205) | 1,171 | 97 % |
| Equity losses of affiliates | (4) | (2) | (2) | (100) % |
| Interest expense, net | (14) | (21) | 7 | 33 % |
| Other, net | 3 | 29 | (26) | (90) % |
| Income (loss) before income tax expense | 30 | (1,075) | 1,105 | ** |
| Income tax expense | (7) | (6) | (1) | (17) % |

| | For the nine months ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | 2018 | Change | % Change |
| (in | | | | |

| | Pro Forma (unaudited) For the three months ended March 31, 2018 | | | |
|---|---|---|---|---|
| | News Corp Historical[(a)] | Foxtel Historical[(b)] | Transaction Adjustments | Pro Forma |
| | (in millions, except per share amounts) | | | |
| Revenues: | | | | |
| Circulation and subscription | $ | | | |

The following tables set forth the Company’s reported Revenues and Segment EBITDA for the three and nine months ended