NEWS CORPORATION REPORTS FIRST QUARTER RESULTS FOR FISCAL 2018

FISCAL 2018 FIRST QUARTER KEY FINANCIAL HIGHLIGHTS

- Revenues of $2.06 billion, a 5% increase compared to $1.97 billion in the prior year
- Net income was $87 million compared to nil in the prior year
- Total Segment EBITDA was $249 million compared to $130 million in the prior year
- Reported revenue and Segment EBITDA growth in every segment
- Reported EPS were $0.12 compared to ($0.03) in the prior year – Adjusted EPS were $0.07 compared to ($0.01) in the prior year
- Digital revenues represented 27% of News and Information Services segment revenues, compared to 24% in the prior year

NEW YORK, NY – November 9, 2017 – News Corporation ("News Corp" or the "Company")

related to certain employment taxes. Other Segment EBITDA for the three months ended September 30, 2017 and 2016 included $3 million and $2 million, respectively, of fees and costs, net of indemnification, related to the U.K. Newspaper Matters.

News and Information Services

Revenues in the quarter increased $19 million, or 2%, compared to the prior year. Within the segment,

(a) The Company amortized $17 million and $19 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 and 2016, respectively. Such amortization is reflected in Equity losses of affiliates in the Statements of Operations.

(b) Other equity affiliates, net for the three months ended September 30, 2017 primarily includes losses from the Company's interest in Elara Technologies, which owns PropTiger.

On a U.S. GAAP basis, Foxtel revenues for the first quarter increased $15 million, or 2%, to $633 million from $618 million in the prior year period. In local currency, Foxtel revenues decreased 2% due to lower subscription revenues, partially offset by higher pay-per-view revenue. Foxtel's total closing subscribers were more than 2.8 million as of September 30, 2017, which was lower than the prior year, primarily due to the shutdown of Presto and the winding down of Telstra's T-box. Total subscribers improved compared to the prior quarter due to the launch of Foxtel Now. In the first quarter, cable and satellite churn was 12.7% compared to 15.5% in the prior year. Broadcast residential ARPU for the first quarter was A$86, a 2% decline compared to the prior year.

Foxtel's net income of $24 million increased from $16 million in the prior year period, primarily due to the absence of losses associated with Foxtel management's decision to cease Presto operations in January 2017 and lower non-programming expenses, partially offset by planned increases in sports rights costs. Equity losses of affiliates for Foxtel of $(5) million and $(11) million for the three months ended September 30, 2017 and 2016, respectively, reflect the Company's share of Foxtel's net income, less the Company's amortization of $17 million and $19 million, respectively, related to the Company's excess cost over its share of Foxtel's finite-lived intangible assets.

Foxtel EBITDA declined $21 million to $122 million from $143 million in the prior year. In local currency, Foxtel EBITDA decreased 18% due to planned increases in sports programming costs of $24 million, primarily related to the Australian Football League rights, partially offset by lower sales and marketing and transmission costs. Foxtel operating income declined to $63 million from $91 million in the prior year, primarily as a result of the increased programming spend noted above. Operating income includes depreciation and amortization of $59 million compared to $52 million in the prior year.

CASH FLOW

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

	For the three months ended September 30,	
	2017	2016
	(in millions)	
Net cash used in continuing operating activities	$ (4)	$ (268)
Less: Capital expenditures	(62)	(49)
	(66)	(317)
Less: REA Group free cash flow	(27)	(28)

Net cash used in continuing operating activities improved $264 million for the three months ended September 30, 2017 as compared to the prior year period, primarily due to the 00 Td ( )Tj 0 -0.005 Tof 0.831 0 Td ( )Tj -0.002 Tc 0.002 Tw 0.

NEWS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

For the three months ended

Adjusted Revenues and Adjusted Segment EBITDA by segment for the three months ended September 30, 2017 and 2016 are as follows:

	For the three months ended September 30,		
	2017	2016	% Change

The following tables reconcile reported revenues and Segment EBITDA by segment to Adjusted Revenues and Adjusted Segment EBITDA by segment for the three months ended September 30, 2017 and 2016.

NOTE 2 – TOTAL SEGMENT EBITDA

Segment EBITDA is defined as revenues less operating expenses and selling, general and administrative expenses. Segment EBITDA does not include: Depreciation and amortization, impairment and restructuring charges, equity losses of affiliates, interest, net, other, net, income tax (expense) benefit and net income attributable to noncontrolling interests. Management believes that Segment EBITDA is an appropriate measure for evaluating the operating performance of the Company's business segments because it is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources within the Company's businesses. Segment EBITDA provides management, investors and equity analysts with a measure to analyze the operating performance of each of the Company's business segments and its enterprise value against historical data and competitors' data, although historical results may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

Total Segment EBITDA is a non-GAAP measure and should be considered in addition to, not as a substitute for, net income (loss), cash flow and other measures of financial performance reported in accordance with GAAP. In addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment and restructuring charges, which are significant components in assessing the Company's financial performance. The Company believes that the presentation of Total Segment fnal 20.7.63.0.121

NOTE 3 – ADJUSTED NET INCOME (LOSS) AVAILABLE TO NEWS CORPORATION STOCKHOLDERS AND ADJUSTED EPS

The Company uses net income (loss) available to News Corporation stockholders and diluted earnings per share ("EPS") excluding expenses related to U.K. Newspaper Matters, impairment and restructuring charges and "Other, net", net of tax, recognized by the Company or its equity investees ("adjusted net income (loss) available to News Corporation stockholders and adjusted EPS," respectively), to evaluate the performance of the Company's operations exclusive of certain items that impact the comparability of results from period to period. The calculation of adjusted net income (loss) available to News Corporation stockholders and adjusted EPS may not be comparable to similarly titled measures reported by other companies, since companies and investors may differ as to what type of events warrant adjustment. Adjusted net income (loss) available to News Corporation stockholders and adjusted EPS are not measures of performance under generally accepted accounting principles and should not be construed as substitutes for consolidated net income (loss) available to News Corporation stockholders and net income (loss) per

The following table reconciles reported net income (loss) available to News Corporation stockholders and reported diluted EPS to adjusted net income (loss) available to News Corporation stockholders and adjusted EPS for the three months ended September 30, 2017 and 2016.

	For the three months ended September 30, 2017		For the three months ended September 30, 2016	
	Net income available to stockholders	EPS	Net income (loss) available to stockholders	EPS
	(in millions, except per share data)			
Net income	$ 87	$	$ -	