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For the fiscal year ended June 30, 2019

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For the transition period from to

Commission file number 001-35769

News Corporation (the “Company,” “News Corp,” “we,” “us,” or “our”) is a global diversified media and information services company focused on creating and distributing authoritative and engaging content and other products and services to consumers and businesses throughout the world. The Company comprises businesses across a range of media, including news and information services, subscription video services in Australia, book publishing and digital real estate services, that are distributed under some of the world’s most recognizable and respected brands, including *The Wall Street Journal*, Dow Jones, *The Australian*, *Herald Sun*, *The Sun*, *The Times*, Select Market ("Nasdaq") under the trading symbols "NWSA" and "NWS," respectively, and CHESS Depositary Interests ("CDIs") representing the Company's Class A and Class B Common Stock are listed on the Australian Securities Exchange ("ASX") under the trading symbols "NWSLV" and "NWS," respectively. More information regarding the Company is available on its website at *www.newscorp.com*, including the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are available, free of charge, as soon as reasonably practicable after the material is electronically filed with or furnished to the Securities and Exchange Commission ("SEC"). The information on the Company's website is not, and shall not be deemed to be, a part of this Annual Report or incorporated into any other filings it makes with the SEC.

This document and any documents incorporated by reference into this Annual Report, including "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," contain statements that constitute "forward-looking statements" within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended. All statements that are not statements of historical fact are forward-looking statements. The words "expect," "estimate," "anticipate," "predict," "believe" and similar expressions and variations thereof are intended to identify forward-looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things, trends affecting the Company's financial condition or results of operations and the outcome of contingencies such as litigation and investigations. Readers are cautioned that any forward-looking statements are not guarantees of future performance and involve risks and uncertainties. More information regarding these risks, uncertainties and other important factors that advertising marketplace, Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K., and Storyful, a social media content agency that enables the Company to source real-time video content through social media platforms. The News and Information Services segment generates revenue primarily through sales of print and digital advertising and circulation and subscription sales of its print and digital products. Advertising revenues at the News and Information Services segment are subject to seasonality, with revenues typically highest in the Company's second fiscal quarter due to the end-of-year holiday season in its main operating geographies.

Dow Jones

Dow Jones is a global provider of news and business information, which distributes its content and data through a variety of media channels including newspapers, newswires, websites, applications, or apps, for mobile devices, tablets and e-book readers, newsletters, magazines, proprietary databases, live journalism, video and podcasts. Dow Jones's products, which target individual consumer and enterprise customers, include *The Wall Street Journal*, Factiva, Dow Jones Risk & Compliance, Dow Jones Newswires, *Barron's* and MarketWatch. Dow Jones's revenue is diversified across business-to-consumer and business-to-business subscriptions, circulation, advertising, including custom content and sponsorships, licensing fees for its print and digital products and participation fees for its live journalism events. For the year ended June 30, 2019, consumer products and professional information products represented approximately 73% and 27%, respectively, of total Dow Jones revenues, and approximately 62% of total Dow Jones revenues was generated by digital sales.

Consumer Products

Through its premier brands and authoritative journalism, Dow Jones's products targeting individual consumers provide insights, research and understanding that enable customers to stay informed and make educated financial decisions. Dow Jones continues to capitalize on new digital distribution platforms and technologies for these products as consumer preferences for content consumption evolve. Digital revenues accounted for 55% and 40% of consumer circulation and advertising revenues, respectively, in fiscal 2019. With a focus on the financial markets, investing and other professional services, many of these products offer advertisers an attractive customer demographic. Products targeting consumers include the following:

- *The Wall Street Journal (WSJ)*. WSJ, Dow Jones's flagship product, is available in print, online and across multiple mobile, tablet and e-book devices. WSJ covers national and international news and provides analysis, commentary and opinions on a wide range of topics, including business developments and trends, economics, financial markets, investing, science and technology, lifestyle, culture and sports. WSJ's print products are printed at plants located around the U.S., including seven owned by the Company. WSJ sells regional advertising in three major U.S. regional editions (Eastern, *MarketWatch*. MarketWatch is an investing and financial news website targeting active investors. It also provides real-time commentary and investment tools and data. Products include mobile and tablet apps, a mobile site and MarketWatch Premium Newsletters.

- *The Wall Street Journal Digital Network (WSJDN)*. WSJDN offers advertisers the opportunity to reach Dow Jones's audience across a number of brands, including the WSJ.com, Barrons.com and MarketWatch.com websites.
- *Live Journalism*. Dow Jones offers a number of conferences and events each year, including WSJ Tech D-Live, its C-suite conferences such as CEO and CFO Council, the Women In series, the Future Of series, Global Food Forum and Barron's Summits. These live journalism events offer advertisers and sponsors the opportunity to reach a select group of influential leaders from industry, finance, government and policy. Many of these programs also earn revenue from participation fees charged to attendees.

The following table provides information regarding issue sales and subscriptions (excluding off-platform distribution) for certain Dow Jones consumer products:

The Wall Street Journal

These products consist of its Knowledge and Insight, Dow Jones Risk & Compliance and Dow Jones Newswires products, which represented 45%, 31% and 24%, respectively, of fiscal 2019 professional information product revenues. Specific products include the following:

- *Knowledge and Insight*. Dow Jones Knowledge and Insight products consist primarily of Factiva, a leading provider of global business content, built on an archive of important original and licensed publishing sources. Factiva offers content from over 33,000 global news and information sources from over 200 countries and in 28 languages. This combination of business news and information, plus sophisticated tools, helps professionals find, monitor, interpret and share essential information. As of June 30, 2019, there were approximately 1.2 million activated Factiva users, including both

The following table provides information regarding key properties within News Corp Australia's portfolio:

The Australian (Mon – Fri)			

clips across its digital platforms. In addition, News UK has assembled a portfolio of complementary ancillary product offerings, including Sun Bingo. The following table provides information regarding News UK's news portfolio:

	[illegible]	[illegible]	[illegible]	[illegible]
The Sun (Mon – Sat)	2,740,000	1,483,991	N/A	113 million
The Sun on Sunday	2,188,000	1,245,106	N/A	
The Times (Mon – Sat)	943,000	411,884	165,493 (print)(4) 292,655 (digital)	N/A
The Sunday Times	1,673,000	728,344	203,612 (print)(4) 283,233 (digital)	N/A

(1) Based on Publishers Audience Measurement Company ("PAMCo") data for the 12 months ended March 31, 2019.

(2) Based on Audit Bureau of Circulation ("ABC") data for the six months ended June 30, 2019.

(3) As of June 30, 2019, based on internal sources.

(4) In addition to their print and digital-only products, *The Times* and *The Sunday Times* sell print and digital products bundled into one subscription, which is counted only once, under "print," in the table above.

(5) Includes aggregate unique users accessing websites and mobile device and tablet apps based on Google Analytics data for the month ended June 30, 2019. See "Part I. Business—Explanatory Note Regarding Certain Key Metrics." News UK transitioned from ABC Electronic (Omniture) to Google Analytics in the fourth quarter of fiscal 2019. Google made certain algorithm changes during the quarter that contributed to an increase in the number of unique users reported. As a result, the Google Analytics user data provided in the table above is not directly comparable to the data provided in the prior year's Annual Report.

New York Post

NYP Holdings ("NYP") is the publisher of the *New York Post* (the "*Post*"), NYPost.com, PageSix.com, Decider.com and related mobile and tablet apps and social media channels. The *Post* is the oldest continuously published daily newspaper in the U.S., with a focus on coverage of the New York metropolitan area. The *Post* provides a variety of general interest content ranging from breaking news to business analysis, and is known in particular for its comprehensive sports coverage, famous headlines and its iconic Page Six section, an authority on celebrity news. The print version of the *Post* is primarily distributed in New York, where it is printed at its Bronx printing facility, as well as throughout the Northeast, Florida and California, where it uses Dow Jones's printing facilities and third party printers. For the three months ended June 30, 2019, average weekday circulation based on Alliance for Audited Media data, including mobile and tablet app digital editions, was 418,503. In addition, the Post Digital Network, which includes NYPost.com, PageSix.com and Decider.com, reached approximately 101.4 million unique users on average each month during the quarter ended June 30, 2019 according to Google Analytics. See "Part I. Business—Explanatory Note Regarding Certain Key Metrics" for information regarding the calculation of unique users and note 5 in the preceding table regarding algorithm changes made by Google.

News America Marketing

News America Marketing ("NAM") is a premier marketing partner of some of the world's most well-known brands, and its broad network of shopper media, incentive platforms and custom merchandising services influences the purchasing decisions of online and offline shoppers across the U.S. and Canada. NAM's marketing solutions are available via multiple distribution channels, including publications, in stores and online, primarily under the SmartSource brand name and through the Checkout 51 mobile app.

NAM provides customers with solutions across the shopper's path to purchase, focusing primarily on the following three business areas:

- *In-Store Advertising and Merchandising* (53% of fiscal 2019 NAM revenues). NAM is a leading provider of in-store marketing products and services, primarily to consumer packaged goods manufacturers. NAM's marketing products include at-shelf advertising such as coupon, information and sample-dispensing machines, as well as floor and shopping cart advertising, among others, and are found in thousands of shopping locations, including supermarkets, drug stores, dollar stores, office supply stores, mass merchandisers and specialty stores across North America. NAM also provides in-store merchandising services, including production and installation of instant-redeemable coupons, on-pack stickers, shipper assembly, display set-up and refilling, shelf management and new product cut-ins.
- *Home-Delivered* (41% of fiscal 2019 NAM revenues). NAM is one of the leading providers of home-delivered shopper media, including free-standing inserts and direct mail products. Free-standing inserts are multiple-page marketing booklets containing coupons, rebates and other consumer offers, which are distributed to millions of households under the SmartSource Magazine® brand through insertion primarily into local Sunday publications. Advertisers, primarily packaged goods companies, pay NAM

companion service app on mobile devices and tablets. In addition, as part of its strategy to reach new segments of the Australian population, Foxtel also offers its pay-TV service via the internet through Foxtel Now, an over-the-top, or OTT, television service available on a number of compatible devices (including the Foxtel Now box, mobile devices, tablets, personal computers, Chromecast, Telstra TV, Sony PlayStation, Xbox One and select smart TVs), as well as Kayo, its recently launched sports-only OTT service that allows subscribers to stream over 50 sports live and on demand. Foxtel also offers a triple play bundle product, which consists of Foxtel's existing broadcast pay-TV service, sold together with broadband and telephone services. In addition to its pay-TV services, Foxtel operates foxsports.com.au, a leading general sports website in Australia, and Watch NRL and Watch AFL, subscription services that provide live streaming and on-demand replays of National Rugby League and Australian Football League matches, internationally.

Foxtel generates revenue primarily through subscription revenue as well as advertising revenue. Foxtel's business generally is not highly seasonal, though results can fluctuate due to the timing and mix of its local and international sports programming, as expenses associated with licensing certain programming rights are recognized during the applicable season or event. The following table provides information regarding certain key performance indicators for Foxtel (see "Part I. Business—Explanatory Note Regarding Certain Key Metrics" for more information regarding the calculation of these performance indicators):

Broadcast Subscribers	
Residential[(1)]	2,104
Commercial[(2)]	264
OTT Subscribers (Total (Paid))	
Foxtel Now[(3)]	460 (446 Paid)
Kayo[(4)]	382 (331 Paid)
Broadcast ARPU[(5)]	A$78 (US$55)
Broadcast Subscriber Churn[(6)]	15%

(1) Subscribing households throughout Australia as of June 30, 2019.

(2) Residential equivalent business units throughout Australia as of June 30, 2019.

(3) Total and Paid Foxtel Now subscribers as of June 30, 2019. Paid Foxtel Now subscribers excludes customers receiving service for no charge under certain new subscriber promotions.

(4) Total and Paid Kayo subscribers as of June 30, 2019. Paid Kayo subscribers excludes customers receiving service for no charge under certain new subscriber promotions.

(5) Average monthly broadcast residential subscription revenue per user (excluding Optus) (Broadcast ARPU) for the year ended June 30, 2019.

(6) Broadcast residential subscriber churn rate (Broadcast Subscriber Churn) for the year ended June 30, 2019.

by Daniel Silva, The *Woman in the Window* by A.J. Finn, *The Tattooist of Auschwitz* by Heather Morris, *Sapiens* by Yuval Noah Harari, *You Are My Happy* by Hoda Kotbe, *Dear Boy* by Paris Rosenthal & Jason Rosenthal, *The Good Egg* by Jory John and *Kitchen Confidential* by Anthony Bourdain.

HarperCollins derives its revenue from the sale of print and digital books to a customer base that includes global developers. Realestate.com.au and realcommercial.com.au offer a product hierarchy which enables real estate agents and property developers to upgrade listing advertisements to increase their prominence on the site, as well apps. Listing advertisements are typically sold on a subscription basis. Opcity's concierge-based business model leverages its proprietary technology and platform to connect real estate professionals and other service providers, such as lenders and insurance companies, to Opcity's pre-vetted consumers. Opcity's performance-based services connect real estate agents and brokers with these consumers and typically generate success fees upon completion of the associated real estate transaction, while the subscription-based services give service providers access to the same highly qualified home shoppers. Realtor.com® also derives revenue from sales of non-listing advertisement, or Media, products to real estate, finance, insurance, home improvement and other professionals that enable those professionals to connect with realtor.com®'s highly engaged and valuable consumer audience. Media products include sponsorships, display advertisements, text links, directories and Digital Advertising Package. Non-listing advertisement pricing models include cost per thousand, cost per click, cost per unique user and subscription-based sponsorships of specific content areas or targeted geographies.

In addition to realtor.com®, Move also offers a number of professional software and services products. These include the Top Producer® productivity and lead management tools and services, which are tailored to real estate agents and sold on a subscription basis, as well as the ListHub™ service, which syndicates for-sale listing information from MLSs and other reliable data sources, such as real estate brokerages, and distributes that content to an array of web sites. Listing syndication pricing includes fixed- or variable-pricing models based on listing counts, while ListHub™'s advanced reporting products are sold on a monthly subscription basis.

Move competes primarily with other real estate websites and mobile apps focused on the U.S. real estate market, including zillow.com and trulia.com.

The Other segment includes the Company's general corporate overhead expenses, corporate Strategy Group and costs related to the U.K. Newspaper Matters. The Company's Strategy Group identifies new products and services across the Company's businesses to increase revenues and profitability and targets and assesses potential acquisitions, investments and dispositions. Initiatives include News IQ, the Company's data-driven digital advertising platform that enables targeting and engagement of premium audiences at scale across the Company's network of assets. As part of its ongoing role in assessing potential acquisitions and investments, the Strategy Group also oversaw the Company's acquisitions of Move, a leading provider of online real estate services in the U.S., Unruly, a global video advertising marketplace, and Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K. The Strategy Group also oversees the Company's strategic digital investments in India, including Elara, which owns PropTiger.com, Housing.com and Makaan.com.

General

Various aspects of the Company's activities are subject to regulation in numerous jurisdictions around the world. The introduction of new laws and regulations in countries where the Company's products and services are produced or distributed, and changes in the enforcement of existing laws and regulations in those countries, could have a negative impact on the Company's interests.

Australian Media Regulation

The Company's subscription television interests are subject to Australia's regulatory framework for the broadcasting industry, including the Australian Broadcasting Services Act 1992 (Cth) (the "Broadcasting Services Act") and the Telecommunications Act 1997 (Cth) (the "Telecommunications Act") and associated Codes. The key regulatory body for the Australian broadcasting industry is the Australian Communications and Media Authority.

Key regulatory issues for subscription television providers include: (a) anti-siphoning restrictions—currently under the 'anti-siphoning' provisions of the Broadcasting Services Act, subscription television providers are prevented from acquiring rights to televise certain listed events (for example, the Olympic Games and certain Australian Rules football and cricket matches) unless national or commercial television broadcasters have not obtained these rights 26 weeks before the start of the event or the rights are held by commercial television licensees whose television broadcasting services cover more than 50% of the Australian population or the rights are held by one of Australia's two major government-funded broadcasters; and (b) other parts of the Broadcasting Services Act that may impact the Company's ownership structure and operations and restrict its ability to take advantage of acquisition or investment opportunities. Foxtel is also subject to various consumer protection regimes under the Telecommunications Act and associated Codes, which apply to Foxtel as a telecommunications service provider.

Data Privacy and Security

The Company's business activities are subject to laws and regulations governing the collection, use, sharing, protection and retention of personal data, which continue to evolve and have implications for how such data is managed. For example, in the U.S., certain of the Company's websites, mobile apps and other online business activities are subject to the Children's Online Privacy Protection Act of 1998, which prohibits the collection of personally identifiable information online from children under age 13 without prior parental consent. In addition, the Federal Trade Commission continues to expand its application of general consumer protection laws to commercial data practices, including to the use of personal and profiling data from online users to deliver targeted internet advertisements. More state and local governments are also expanding, enacting or proposing data privacy laws that govern the collection and use of personal data of their residents and increase penalties and afford private rights of action to individuals in certain circumstances for failure to comply, and most states have enacted legislation requiring businesses to provide notice to state agencies and to individuals whose personally identifiable information has been disclosed as a result of a data breach. The California Consumer Privacy Act

Standard Contractual Clauses, are also subject to uncertainty and legal challenges. Challenges to existing data transfer mechanisms, and any future legal challenges to data transfer mechanisms that may be adopted, could cause the Company to incur additional costs, require it to change business practices or affect the manner in which it provides its services.

In Australia, data privacy laws impose additional requirements on organizations that handle personal data by, among other things, requiring the disclosure of cross-border data transfers, placing restrictions on direct marketing practices and imposing mandatory data breach reporting, and additional data privacy and security requirements and industry standards are under consideration.

Industry participants in the U.S., Europe and Australia have taken steps to increase compliance with relevant industry-level standards and practices, including the implementation of self-regulatory regimes for online behavioral advertising that impose obligations on participating companies, such as the Company, to give consumers a better understanding of advertisements that are customized based on their online behavior.

The interpretation and application of data privacy and security laws are often uncertain, in flux, and evolving in the United States and internationally. The Company continues to monitor pending legislation and regulatory initiatives to ascertain relevance, analyze impact and develop strategic direction surrounding regulatory trends and developments, including any changes required in the Company's data privacy and security compliance programs.

U.K. Press Regulation

As a result of the implementation of recommendations of the Leveson inquiry into the U.K. press, a Press Recognition Panel responsible for approving, overseeing and monitoring a new press regulatory body or bodies was established. Once approved by the Press Recognition Panel, the new press regulatory body or bodies would be responsible for overseeing participating publishers. In addition to the Press Recognition Panel, certain legislation provides that publishers who are not members of an approved regulator may be liable for exemplary damages in certain cases where such damages are not currently awarded and, if Section 40 of the Crime and Courts Act 2013 is enacted, the payment of costs for both parties in libel actions in certain circumstances.

Press regulator IMPRESS was recognized as an approved regulator by the Press Recognition Panel on October 25, 2016. However, publications representing the majority of the industry in the U.K., including News UK, entered into binding contracts to form an alternative regulator, the Independent Press Standards Organisation, or IPSO, in September 2014. IPSO currently has no plans to apply for recognition from the Press Recognition Panel. IPSO has an independent chairman and a 12-member board, the majority of which are independent. IPSO oversees the Editors' Code of Practice, requires members to implement appropriate internal governance processes and requires self-reporting of any failures, provides a complaints handling service, has the ability to require publications to print corrections and has the power to investigate serious or systemic breaches of the Editors' Code of Practice and levy fines of up to £1 million. IPSO has also introduced an arbitration scheme to resolve claims against publications. The burdens IPSO imposes on its print media members, including the Company's newspaper publishing businesses in the U.K., may result in competitive disadvantages versus other forms of media and may increase the costs of regulatory compliance.

U.K. Radio Broadcasting Regulation

The Company's radio stations in the U.K. and Ireland are also subject to governmental regulation by the relevant broadcast authorities as the Company is required to obtain and maintain licenses from such authorities to operate these stations. Although the Company expects its licenses will, where relevant, be renewed in the ordinary course upon their expiration, there can be no assurance that this will be the case. Non-compliance by the Company with the requirements associated with such licenses or other applicable laws and regulations, including of the relevant authority, could result in fines, additional license conditions, license revocation or other adverse regulatory actions.

The Company's intellectual property assets include: copyrights in newspapers, books, television programming and other content and technologies; trademarks in names and logos; trade names; domain names; and licenses of intellectual property rights. These licenses include: (1) the sports programming rights licenses for the National Rugby League, Australian Football League, Cricket Australia, V8 Supercars, Formula One, Football Federation Australia, Australian Rugby Union and other broadcasting rights described in Note 16 to the Financial Statements; (2) licenses from various third parties, including ARRIS, of patents and other technology for the set-top boxes and related operating and conditional access systems used in the Company's pay-TV business; (3) the trademark license for the realtor.com® website address, as well as the REALTOR® trademark (the "NAR License"); and (4) the trademark licenses for the use of FOX formative trademarks used in the Company's pay-TV business in Australia (the "Fox Licenses"). In addition, its intellectual property assets include patents or patent applications for inventions related to its products, business methods and/or services, none of which are material to its financial condition or results of operations. The Company derives value and revenue from its intellectual property assets through, among other things, print and digital newspaper and magazine subscriptions and sales, subscriptions to its pay-TV services and distribution and/or licensing of its television programming to other television services, the sale, distribution and/or licensing of print and digital books, the sale of subscriptions to its content and information services and the operation of websites and other digital properties.

The Company devotes significant resources to protecting its intellectual property assets in the U.S., the U.K., Australia and other foreign territories. To protect these assets, the Company relies upon a combination of copyright, trademark, unfair competition, patent, trade secret and other laws and contract provisions. However, there can be no assurance of the degree to which these measures will be successful in any given case. Piracy, including in the digital environment, continues to present a threat to revenues from products and services based on intellectual property. Policing unauthorized use of the Company's products, services and content and related intellectual property is often difficult and the steps taken may not in every case prevent the infringement by unauthorized third parties of the Company's intellectual property. The Company seeks to limit the threat of piracy by preventing unauthorized access to its content through the use of programming content encryption, signal encryption and other security access devices and digital rights management software, as well as by obtaining site blocking orders against pirate streaming and torrent sites and a variety of other actions. The Company also seeks to limit such threat by pursuing legal sanctions for infringement, promoting appropriate legislative initiatives and international treaties and enhancing public awareness of the meaning and value of intellectual property and intellectual property laws. However, effective intellectual property protection may be either unavailable or limited in certain foreign territories. Therefore, the Company also engages in efforts to strengthen and update intellectual property protection around the world, including efforts to ensure the effective enforcement of intellectual property laws and remedies for infringement.

Third parties may challenge the validity or scope of the Company's intellectual property from time to time, and such challenges could result in the limitation or loss of intellectual property rights. Irrespective of their validity, such claims may result in substantial costs and diversion of resources that could have an adverse effect on the Company's operations.

As a major publisher of newspapers, magazines, free-standing inserts and books, the Company utilizes substantial quantities of various types of paper. In order to obtain the best available prices, substantially all of the Company's paper purchasing is done on a regional, volume purchase basis, and draws upon major paper manufacturing countries around the world. The Company believes that under present market conditions, its sources of paper supply used in its publishing activities are adequate.

As of June 30, 2019, the Company had approximately 28,000 employees, of whom approximately 10,000 were located in the U.S., 4,000 were located in the U.K. and 10,000 were located in Australia. Of the Company's

You should carefully consider the following risks and other information in this Annual Report on Form 10-K in evaluating the Company and its common stock. Any of the following risks, or other risks or uncertainties not presently known or currently deemed immaterial, could materially and adversely affect the Company's business, results of operations or financial condition, and could, in turn, impact the trading price of the Company's common stock.

The Company's Businesses Operate in a Highly Competitive Business Environment, and the Company's Success Depends on its Ability to Compete Effectively.

The Company's businesses face significant competition from other sources of news, information and entertainment, including both traditional and new content providers. This competition continues to intensify as a result of rapid changes in technologies and platforms, and the Company may be adversely affected if consumers migrate to other alternatives. For example, advertising and circulation revenues in the Company's News and Information Services segment may continue to decline, reflecting consumers' increasing reliance on a variety of content providers and platforms, including search engines, news aggregation websites, social media networks and customized news feeds, for the delivery of news and information, often without charge. In addition, due to the increased availability of high-speed internet access and innovations in content distribution platforms that enable streaming and downloading of programming, consumers are now more readily able to watch internet-delivered content through an increasing variety of providers. These providers include IPTV and SVOD services, such as Fetch TV, Netflix, Stan and Amazon Prime Video, streaming services offered through digital media providers, such as YouTube and Facebook, as well as programmers and distributors, such as CBS, Disney and the FTA networks, that have begun providing content, including smaller, lower-cost or free programming packages, directly to consumers over the internet. The increasing number of choices available to consumers for video content has caused some of the subscribers to the Company's pay-TV services to disconnect their services, downgrade to smaller, less expensive programming packages or purchase certain services from other providers, and this may continue. This trend has adversely affected, and may continue to adversely affect, both the Company's subscription revenue and, in turn, advertisers' willingness to purchase television advertising from the Company.

In order to compete effectively, the Company must differentiate and distinguish its products and services and anticipate and adapt to changes in consumer tastes and behaviors, which in turn, depends on many factors both within and beyond its control. For example, the Company relies on acceptance of the high-quality differentiated content in its newspapers, book titles, pay-TV programming and radio stations, as well as its wide array of digital and mobile products and services, in order to retain and grow its audiences, consumers and subscribers. However, when faced with a multitude of choices, consumers may place greater value on the convenience and price of content and other products and services than they do on their source, quality or reliability. Online traffic and product purchases are also driven by internet search results, referrals from social media and other platforms and visibility on digital marketplace platforms and in mobile app stores. Searchresultsand digital time period the Company expects or that it will realize, in full or in part, the anticipated benefits it expects such and retain employees with the necessary skill sets and knowledge base. For example, the Company has made, and expects to continue to makes investments and incur costs in its pay-TV business as it continues to develop and improve its OTT services, including its recently-launched Kayo sports streaming service, Foxtel Now and other potential new OTT services. The development of new technologically advanced products is a complex and uncertain process, and there is a risk the Company may not be able to develop and market these opportunities in a timely or cost-effective manner and its responses and strategies to remain competitive, including new product offerings, may not be accepted by consumers or generate sufficient revenues to be profitable. The Company's failure to respond to and develop new technologies, distribution channels and platforms, products and services to take advantage of advancements in technology and the latest consumer preferences could cause its customer,

access to certain content. For example, professional sports leagues or teams, as well as programmers and distributors such as CBS and Disney, have created and may continue to create their own direct-to-consumer offerings. Further, consolidation among content providers may increase the amount of content that could become unavailable to the Company. The loss of rights may adversely affect the breadth or quality of the Company’s content offerings, including the extent of the sports coverage and the availability of other popular entertainment programming offered by the Company and lead to customer or audience dissatisfaction or, in some cases, loss of customers or audiences, which could, in turn, adversely affect its revenues. In addition, the Company’s business, results of operations and financial condition could be adversely affected if upon renewal, escalations in programming rights costs are unmatched by increases in subscriber and carriage fees and advertising rates.

Company’s financial statements are denominated in U.S. dollars, changes in foreign currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, a currency translation impact on the Company’s earnings when the results of those operations that are reported in foreign currencies are translated into U.S. dollars for inclusion in the Company’s consolidated financial statements, which could, in turn, have an adverse effect on its reported results of operations in a given period or in specific markets. In particular, exchange rates between the U.S. dollar and the British pound sterling are expected to remain volatile due to continued political uncertainty in the U.K. and the negotiation of its exit from the European Union, commonly referred to as “Brexit.”

Weak Domestic and Global Economic Conditions and Volatility and Disruption in the Financial and Other Markets May Adversely Affect the Company’s Business.

The U.S. and global economies have undergone, and continue to experience, periods of economic and market weakness or uncertainty, including as a result of recent trade disputes between a number of countries. These conditions have in the past resulted in, among other things, a general tightening in the credit and capital markets, limited access to the credit and capital markets, lower levels of liquidity, increases in the rates of default and bankruptcy, lower consumer and business spending, lower consumer net worth and a dramatic decline in the real estate market. Such market disruptions have often led to broader economic downturns that have historically resulted in lower advertising expenditures, lower demand for the Company’s products and services and unfavorable changes in the mix of products and services purchased and have adversely affected the Company’s business, results of operations, financial condition and liquidity. Any continued or recurring economic weakness could further impact the Company’s business and reduce its circulation and subscription, advertising, real estate, consumer and other revenues and otherwise negatively impact the performance of its businesses. The Company is particularly exposed to certain Australian business risks, including specific Australian legal and regulatory risks, consumer preferences and competition, because it holds a substantial amount of Australian assets and generated approximately 40% of its fiscal 2019 revenues from Australia. As a result, the Company’s business, results of operations and financial condition may be adversely affected by negative developments in the Australian market, including, for example, recent weakness in the Australian residential real estate market which has led, and may continue to lead, to lower listing volumes at REA Group. The Company also generated approximately 13% of its fiscal 2019 revenues from the U.K., which continues to experience political, regulatory, economic and market uncertainty as it negotiates the terms of Brexit. While the impact of Brexit is difficult to predict, it could significantly affect the fiscal, monetary, political and regulatory landscape, lead other member countries to consider leaving the European Union, result in the diminishment or elimination of barrier-free access between the U.K. and other European Union member states and additional volatility and disruption in the financial and other markets and have an adverse impact on the Company’s businesses in the U.K. and elsewhere.

In addition, further volatility and disruption in the financial markets could make it more difficult and expensive for the Company to obtain financing or refinance its existing indebtedness. These conditions could also impair the ability of those with whom the Company does business to satisfy their obligations to the Company, including as a result of their inability to obtain capital on acceptable terms. Although the Company believes that its capitalization, operating cash flow and current access to credit and capital markets, including the Company’s revolving credit facility, will give it the ability to meet its financial needs for the foreseeable future, there can be no assurance that any further volatility and disruption in domestic and global credit and capital markets will not impair the Company’s liquidity or increase its cost of borrowing.

The Company Relies on Network and Information Systems and Other Technology Whose Failure or Misuse Could Cause a Disruption of Services or Loss, Improper Access to or Disclosure of Personal Data, Business Information, Including Intellectual Property, or Other Confidential Information, Resulting in Increased Costs, Loss of Revenue, Reputational Damage or Other Harm to the Company’s Business.

Network and information systems and other technologies, including those related to the Company’s network management, are important to its business activities and contain the Company’s proprietary, confidential and sensitive business information, including personal data of its customers and personnel. The Company also relies

The Company’s consolidated debt could also have other adverse effects. A portion of the outstanding debt bears interest at variable rates, which exposes the Company to the risk of interest rate fluctuations. If interest rates increase, the applicable debt service obligations will increase, which could reduce available cash flow and make it more difficult to make scheduled debt payments and/or limit the amount of cash available for operations, including investments and capital expenditures. Although the Company hedges a portion of the exposure to these interest rate movements, there can be no assurance that it will be able to continue to do so at a reasonable cost or at all, or that there will not be a default by any of the counterparties to those arrangements. In addition, the Foxtel operating subsidiaries’ outstanding Debt Documents contain significant financial and operating covenants that may limit their operational and financial flexibility. Subject to certain exceptions, these covenants restrict or prohibit these operating subsidiaries from, among other things, undertaking certain transactions, disposing of properties or assets (including subsidiary stock), merging or consolidating with any other person, making financial accommodation available, giving guarantees, entering into certain other financing arrangements, creating or permitting certain liens, engaging in transactions with affiliates, making repayments of other loans and undergoing fundamental business changes. These instruments also generally include financial covenants requiring the Foxtel operating subsidiaries to maintain specified total debt to EBITDA and interest coverage ratios. In the event any of these covenants are breached and such breach results in a default under any of the Foxtel operating subsidiaries’ Debt Documents, the lenders or noteholders, as applicable, may ngny C Foxtetha ith Foxtel ope[(invesEBITed)-2391.1(ope-239.1(of)-24th)-2(a)-241.1(ita-24 implications for how such data is managed. Many of these laws and regulations continue to evolve, and substantial uncertainty surrounds their scope and application. Complying with these laws and regulations could

quarter of fiscal 2019 and the Company believes those effects have been appropriately recorded, various interpretive issues remain with respect to the Tax Act and regulatory guidance on many aspects of the Tax Act has not been issued. The Company continues to monitor, among other things, changes in interpretations of the Tax Act, any legislative action arising because of the Tax Act and any changes in accounting standards for income taxes or related interpretations in response to the Tax Act. The Company cannot predict the manner in which provisions of the Tax Act or any related regulations, legislation or accounting standards may be interpreted or enforced in the future or whether such interpretation or enforcement may have a material adverse effect on its income tax expense and/or its business, results of operations and financial condition. See Note 19 to the Financial Statements for more information regarding the impact of the Tax Act.

On May 31, 2019, the Organization for Economic Cooperation and Development released a program of work to develop a consensus solution in relation to its Base Erosion and Profit Shifting Action 1, Addressing the Tax Challenges of the Digitalization of the Economy. The outcome of this program may change various aspects of the existing framework under which the Company's tax obligations are determined in countries in which it does business. In connection with the release of the program, several foreign jurisdictions introduced new digital services taxes on revenue of companies that provide certain digital services. There is limited guidance about the applicability of these new taxes to the Company's businesses and significant uncertainty as to what type of digital services will be deemed in scope. If these new taxes are applied to the Company's revenue in these foreign jurisdictions, which include the U.K., it could have an adverse impact on its business and financial performance.

Theft of the Company's Content, including Digital Piracy and Signal Theft, may Decrease Revenue and Adversely Affect the Company's Business and Profitability.

The Company's success depends in part on its ability to maintain and monetize the intellectual property rights in its content, and theft of its brands, programming, digital content, books and other copyrighted material affects the value of its content. Developments in technology, including the wide availability of higher internet bandwidth and reduced storage costs, increase the threat of content piracy by making it easier to stream, duplicate and widely distribute pirated material, including from other less-regulated countries into the Company's primary markets. The Company seeks to limit the threat of content piracy by preventing unauthorized access to its content through the use of programming content encryption, signal encryption and other security access devices and digital rights management software, as well as by obtaining site blocking orders against pirate streaming and torrent sites and a variety of other actions, both individually and, in some instances, together with industry associations. However, these efforts are not always successful, and the Company cannot ensure that it will be able to reduce or control theft of its content. The proliferation of unauthorized use of the Company's content may have an adverse effect on its business and profitability by reducing the revenue that the Company could receive from the legitimate sale and distribution of its content. Moreover, protection of the Company's intellectual property rights is dependent on the scope and duration of its rights as defined by applicable laws in the U.S. and abroad and the manner in which those laws are construed. If those laws are drafted or interpreted in ways that limit the extent or duration of the Company's rights, or if existing laws are changed, the Company's ability to generate revenue from its intellectual property may decrease, or the cost of obtaining and maintaining rights may increase. In addition, the failure of legal and technological protections to evolve as piracy and associated technological tools become more sophisticated, could make it more difficult for the Company to adequately protect its intellectual property, which could, in turn, negatively impact its value and further increase the Company's enforcement costs.

The Company's Pay-TV Business Depends on a Single or Limited Number of Suppliers for Certain Key Products or Services, and Any Reduction or Interruption in the Supply of These Products and Services or a Significant Increase in Price Could Have an Adverse Effect on the Company's Business, Results of Operations and Financial Condition.

The Company's pay-TV business depends on a single or limited number of third party suppliers to supply certain key products and services necessary to provide its pay-TV services. In particular, the Company depends on Optus to provide all of its satellite transponder capacity, and ARRIS and Technicolor are the Company's sole suppliers of satellite set-top boxes and the Foxtel Now box, respectively. If any of these suppliers breaches or terminates their agreements with the Company or otherwise fails to perform their obligations in a timely manner, experiences operating or financial difficulties, is unable to meet demand due to component shortages, insufficient capacity or otherwise, significantly increases the amount the Company pays for necessary products or services or ceases production of any necessary product, the Company's business, results of operations and financial condition may be adversely affected.

In addition, Telstra is the primary supplier of cable distribution capacity for the Company's pay-TV programming and is also currently the exclusive provider of wholesale fixed voice and broadband services for the Company's pay-TV business, as well as its primary supplier of wholesale mobile voice and broadband services and the largest reseller of its cable and satellite products. Any disruption in the supply of those services or a decline in Telstra's business could result in disruptions to the supply of, and/or reduce the number of subscribers for, the Company's products and services, which could, in turn, adversely affect its business, results of operations and financial condition.

While the Company will seek alternative sources for the products and services described above where possible and/or permissible under applicable agreements, it may not be able to develop these alternative sources quickly and cost-effectively, which could impair its ability to timely deliver its products and services to its subscribers or operate its business.

The Company's International Operations Expose it to Additional Risks that Could Adversely Affect its Business,

Damage, Failure or Destruction of Satellites and Transmitter Facilities that the Company's Pay-TV Business Depends Upon to Distribute its Programming Could Adversely Affect the Company's Business, Results of Operations and Financial Condition.

The Company's pay-TV business uses satellite systems to transmit its programming to its subscribers and/or authorized sublicensees. The Company's distribution facilities include uplinks, communications satellites and downlinks, and the Company also uses studio and transmitter facilities. Transmissions may be disrupted or degraded as a result of local disasters, including extreme weather, that damage or destroy on-ground uplinks or downlinks or studio and transmitter facilities, or as a result of damage to a satellite. Satellites are subject to significant operational and environmental risks while in orbit, including anomalies resulting from various factors such as manufacturing defects and problems with power or control systems, as well as environmental hazards such as meteoroid events, electrostatic storms and collisions with space debris. These events may result in the loss of one or more transponders on a satellite or the entire satellite and/or reduce the useful life of the satellite, which could, in turn, lead to a disruption or loss of video services to the Company's customers. The Company does not carry commercial insurance for business disruptions or losses resulting from the foregoing events as it believes the cost of insurance premiums is uneconomical relative to the risk. Instead, the Company seeks to mitigate this risk through the maintenance of backup satellite capacity and other contingency plans. However, these steps may not be sufficient, and if the Company is unable to secure alternate distribution, studio and/or transmission facilities in a timely manner, any such disruption or loss could have an adverse effect on the Company's business, results of operations and financial condition.

The Company is Subject to Payment Processing Risk Which Could Lead to Adverse Effects on the Company's Business and Results of Operations.

The Company's customers pay for its products and services using a variety of different payment methods, including credit and debit cards, prepaid cards, direct debit, online wallets and through direct carrier and partner billing. The Company relies on internal systems as well as those of third parties to process payment. Acceptance and processing of these payment methods are subject to certain rules and regulations and require payment of interchange and other fees. To the extent there are increases in payment processing fees, material changes in the payment ecosystem, delays in receiving payments from payment processors, any failures to comply with, or changes to, rules or regulations concerning payment processing, loss of payment or billing partners and/or disruptions or failures in, or fraudulent use of or access to, payment processing systems or payment products, the Company's results of operations could be adversely impacted and it could suffer reputational harm. Furthermore, if the Company is unable to maintain its chargeback rate at acceptable levels, card networks may impose fines and its card approval rate may be impacted. The termination of the Company's ability to process payments on any major payment method would adversely affect its business and results of operations.

Labor Disputes May Have an Adverse Effect on the Company's Business.

In a variety of the Company's businesses, it engages the services of employees who are subject to collective bargaining agreements. If the Company is unable to renew expiring collective bargaining agreements, it is possible that the affected unions could take action in the form of strikes or work stoppages. Such actions, as well as higher costs in connection with these collective bargaining agreements or a significant labor dispute, could have an adverse effect on the Company's business by causing delays in production or by reducing profit margins.

The Market Price of the Company's Stock May Fluctuate Significantly.

The Company cannot predict the prices at which its common stock may trade. The market price of the Company's common stock may fluctuate significantly, depending upon many factors, some of which may be beyond its control, including: (1) the Company's quarterly or annual earnings, or those of other companies in its industry; (2) actual or anticipated fluctuations in the Company's operating results; (3) success or failure of the Company's business strategy; (4) the Company's ability to obtain financing as needed; (5) changes in accounting standards, policies, guidance, interpretations or principles; (6) changes in laws and regulations affecting the Company's business; (7) announcements by the Company or its competitors of significant new business developments or customers; (8) announcements by the Company or its competitors of significant acquisitions or dispositions; (9) changes in earnings estimates by securities analysts or the Company's ability to meet its earnings guidance, if any; (10) the operating and stock price performance of other comparable companies; (11) investor perception of the Company and the industries in which it operates; (12) results from material litigation or governmental investigations; (13) changes in capital gains taxes and taxes on dividends affecting stockholders; and (14) overall market fluctuations and general economic conditions.

Certain of the Company's Directors and Officers May Have Actual or Potential Conflicts of Interest Because of

- special stockholders' meeting to be called only by the Chief Executive Officer, the Board of Directors, or the holders of not less than 20% of the voting power of the Company's outstanding voting stock;
- the requirement that stockholders give the Company advance notice to nominate candidates for election to the Board of Directors or to make stockholder proposals at a stockholders' meeting;
- the requirement of an affirmative vote of at least 65% of the voting power of the Company's outstanding voting stock to amend or repeal its by-laws;
- vacancies on the Board of Directors to be filled only by a majority vote of directors then in office;
- certain restrictions on the transfer of the Company's shares; and
- the Board of Directors to issue, without stockholder approval, Preferred Stock and Series Common Stock with such terms as the Board of Directors may determine.

These provisions could discourage potential acquisition proposals and could delay or prevent a change in control of the Company, even in the case where a majority of the stockholders may consider such proposals, if effective, desirable.

In addition, in connection with the Separation, the Company's Board of Directors adopted a stockholder rights agreement, which it extended in June 2014, June 2015 and again in June 2018. Pursuant to the third amended and restated stockholder rights agreement, each outstanding share of the Company's common stock has attached to it a right entitling its holder to purchase from the Company additional shares of its Class A Common Stock and Class B Common Stock in the event that a person or group acquires beneficial ownership of 15% or more of the then-outstanding Class B Common Stock without approval of the Company's Board of Directors, subject to exceptions for persons beneficially owning 15% or more of the Company's Class B Common Stock immediately following the Separation. The stockholder rights agreement could make it more difficult for a third-party to acquire the Company's voting common stock without the approval of its Board of Directors. The rights expire on June 18, 2021, except as otherwise provided in the rights agreement. Further, as a result of his ability to appoint certain members of the board of directors of the corporate trustee of the Murdoch Family Trust, which beneficially owns less than one percent of the Company's outstanding Class A Common Stock and approximately 38.4% of the Company's Class B Common Stock as of August 5, 2019, K. Rupert Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the Murdoch Family Trust. K. Rupert Murdoch, however, disclaims any beneficial ownership of these shares. Also, K. Rupert Murdoch beneficially owns or may be deemed to beneficially own an additional one percent of the Company's Class B Common Stock and less than one percent of the Company's Class A Common Stock as of August 5, 2019. Thus, K. Rupert Murdoch may be deemed to beneficially own in the aggregate less than one percent of the Company's Class A Common Stock and approximately 39.4% of the Company's Class B Common Stock as of August 5, 2019. This concentration of voting power could discourage third parties from making proposals involving an acquisition of the Company. Additionally, the ownership concentration of Class B Common Stock by the Murdoch Family Trust increases the likelihood that proposals submitted for stockholder approval that are supported by the Murdoch Family Trust will be adopted and proposals that the Murdoch Family Trust does not support will not be adopted, whether or not such proposals to stockholders are also supported by the other holders of Class B Common Stock. Furthermore, the adoption of the third amended and restated stockholder rights agreement will prevent, unless the Company's Board of Directors otherwise determines at the time, other potential stockholders from acquiring a similar ownership position in the Company's Class B Common Stock and, accordingly, could prevent a meaningful challenge to the Murdoch Family Trust's influence over matters submitted for stockholder approval.

The Company owns and leases various real properties in the U.S., Europe, Australia and Asia that are utilized in the conduct of its businesses. Each of these properties is considered to be in good condition, adequate for its purpose and suitably utilized according to the individual nature and requirements of the relevant operations. The Company's policy is to improve and replace property as considered appropriate to meet the needs of the individual operation.

The Company's principal real properties in the U.S. are the following:

(a) The U.S. headquarters of the Company, located at 1211 Avenue of the Americas, New York, New York and the offices of the Company located at 1185 Avenue of the Americas, New York, New York, each of which are subleased from FOX. These spaces include the executive and corporate offices of the Company, the executive and editorial offices of Dow Jones, the editorial offices of the *Post* and the executive offices of NAM;

(b) The leased offices of HarperCollins U.S. in New York, New York;

(c) The leased offices of HarperCollins U.S. in Scranton, Pennsylvania;

(d) The leased printing plant of the *Post* located in Bronx, New York;

(e) The leased offices of Move in Santa Clara, California;

(f) The leased offices of NAM in Wilton, Connecticut;

(g) The office space campus owned by the Company in South Brunswick, New Jersey; and

(h) The leased offices of Opcity in Austin, Texas.

The Company's principal real properties in Europe are the following:

(a) The leased headquarters and editorial offices of the London operations of News UK, Dow Jones and HarperCollins at The News Building, 1 London Bridge Street, London, England;

(b) The newspaper production and printing facilities for its U.K. newspapers, which consist of:

    1. The leased office space at each of Fleet House, Peterborough, England; Dublin, Ireland; and Glasgow City Centre, Scotland; and

    2. The freehold interests in each of a publishing and printing facility in Broxbourne, England and printing facilities in Knowsley, England and North Lanarkshire, Scotland; and

(c) The leased warehouse and office facilities of HarperCollins Publishers Limited in Glasgow, Scotland.

The Company's principal real properties in Australia and Asia are the following:

(a) The Australian newspaper production and printing facilities which consist of:

    1. The Company-owned print center and office building in Sydney, Australia at which *The Australian*, *The Daily Telegraph* and *The Sunday Telegraph* are printed and published, respectively;

    2. The leased print center and office facility in Melbourne, Australia at which *Herald Sun* and *Sunday*

3. The Company-owned print center and office building in Adelaide, Australia at which *The Advertiser* and *Sunday Mail* are printed and published, respectively; and

4. The Company-owned print center and office building in Brisbane, Australia at which *The Courier Mail* and *The Sunday Mail* are printed and published, respectively;

(b) The leased headquarters of Foxtel in Sydney, Australia;

(c) The leased corporate offices and call center of Foxtel in Melbourne, Australia;

(d) The leased offices and studios of FOX SPORTS Australia in Sydney, Australia;

(e) The leased corporate offices of REA Group in Melbourne, Australia; and

(f) The leased office space of Dow Jones in Hong Kong.

The Company routinely is involved in various legal proceedings, claims and governmental inspections or investigations, including those discussed below.

Insignia Systems, Inc.

On July 11, 2019, Insignia Systems, Inc. (“Insignia”) filed a complaint in the U.S. District Court for the District of Minnesota against News America Marketing FSI L.L.C. (“NAM FSI”), News America Marketing In-Store Services L.L.C. (“NAM In-Store”) and News Corporation (together, the “NAM Parties”) alleging violations of federal and state antitrust laws and common law business torts. The complaint seeks treble damages, injunctive relief and attorneys’ fees and costs. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, the NAM Parties believe they have been compliant with applicable laws and intend to defend themselves vigorously.

Valassis Communications, Inc.

On November 8, 2013, Valassis Communications, Inc. (“Valassis”) filed a complaint in the U.S. District Court for the Eastern District of Michigan (the “District Court”) against News America Incorporated, NAM FSI, NAM In-Store and News Corporation (together, the “NAM Group”) alleging violations of federal and state antitrust laws and common law business torts. The complaint sought treble damages, injunctive relief and attorneys’ fees and costs. On December 19, 2013, (fees)-255(and)-25tate anti52(th-257(The)-250(complaint)-260.1(sought)-25th--257((compladeys’

Civil claims have been brought against the Company with respect to, among other things, voicemail interception and inappropriate payments to public officials at the Company's former publication, *The News of the World*, and at *The Sun*, and related matters (the "U.K. Newspaper Matters"). The Company has admitted liability in many civil cases and has settled a number of cases. The Company also settled a number of claims through a private compensation scheme which was closed to new claims after April 8, 2013.

In connection with the Separation, the Company and 21st Century Fox agreed in the Separation and Distribution Agreement that 21st Century Fox would indemnify the Company for payments made after the Distribution Date arising out of civil claims and investigations relating to the U.K. Newspaper Matters as well as legal and professional fees and expenses paid in connection with the previously concluded criminal matters, other than fees, expenses and costs relating to employees (i) who are not directors, officers or certain designated employees or (ii) with respect to civil matters, who are not co-defendants with the Company or 21st Century Fox. 21st Century Fox's indemnification obligations with respect to these matters are settled on an after-tax basis. In March 2019, as part of the separation of FOX from 21st Century Fox, the Company, News Corp Holdings UK & Ireland, 21st Century Fox and FOX entered into a Partial Assignment and Assumption Agreement, pursuant to which, among other things, 21st Century Fox assigned, conveyed and transferred to FOX all of its indemnification obligations with respect to the U.K. Newspaper Matters.

The net expense (benefit) related to the U.K. Newspaper Matters in Selling, general and administrative was $10 million, $(35) million and $10 million for the fiscal years ended June 30, 2019, June 30, 2018 and June 30, 2017, respectively. As of June 30, 2019, the Company has provided for its best estimate of the liability for the claims that have been filed and costs incurred, including liabilities associated with employment taxes, and has accrued approximately $53 million. The amount to be indemnified by FOX of approximately $49 million was recorded as a receivable in Other current assets on the Balance Sheet as of June 30, 2019. The net benefit for the fiscal year ended June 30, 2018 reflects a $46 million impact from the reversal of a portion of the Company's previously accrued liability and the corresponding receivable as the result of an agreement reached with the

News Corporation’s Class A Common Stock and Class B Common Stock are listed and traded on The Nasdaq Global Select Market (“Nasdaq”), its principal market, under the symbols “NWSA” and “NWS,” respectively. CHESS Depositary Interests (“CDIs”) representing the Company’s Class A Common Stock and Class B Common Stock are listed and traded on the Australian Securities Exchange (“ASX”) under the symbols “NWSLV” and “NWS,” respectively. As of August 5, 2019, there were approximately 19,000 holders of record of shares of Class A Common Stock and 500 holders of record of shares of Class B Common Stock.

The selected consolidated financial data should be read in conjunction with “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Item 8—Financial Statements and Supplementary Data” and the other financial information included elsewhere herein.

STATEMENT OF OPERATIONS DATA:					
Revenues[a]	$ 10,074	$ 9,024	$ 8,139	$ 8,292	$ 8,524
Income (loss) from continuing operations attributable to News Corporation stockholders[b]	155	(1,514)	(738)	164	298
Net income (loss) attributable to News Corporation stockholders	155	(1,514)	(738)	179	(147)
Income (loss) from continuing operations available to News Corporation stockholders—basic	0.27	(2.60)	(1.27)	0.28	0.51
Income (loss) from continuing operations available to News Corporation stockholders—diluted	0.26	(2.60)	(1.27)	0.28	0.51
Net income (loss) available to News Corporation stockholders per share—basic	0.27	(2.60)	(1.27)	0.30	(0.26)
Net income (loss) available to News Corporation stockholders per share—diluted	0.26	(2.60)	(1.27)	0.30	(0.26)
Cash dividends per share of Class A and Class B Common Stock	0.20	0.20	0.20	0.20	—

BALANCE SHEET DATA:					
Cash and cash equivalents	$ 1,643	$ 2,034	$ 2,016	$ 1,832	$ 1,951
Total assets[a]	15,711	16,346	14,552	15,483	15,035
Total borrowings[a]	1,453	1,952	379	372	—
Redeemable preferred stock	—	20	20	20	20

(a) During the fiscal year ended June 30, 2018, News Corp and Telstra Corporation Limited (“Telstra”) combined their respective 50% interests in the Foxtel Group and News Corp’s 100% interest in FOX SPORTS Australia into a new company, NXE Australia Pty Limited (“the Transaction”), which the Company refers to as “Foxtel” for post-Transaction periods. For periods prior to the completion of the Transaction, the Company continues to refer to its equity investment in the Foxtel Group as Foxtel. Following the completion of the Transaction in April 2018, News Corp owns a 65% interest in Foxtel, and Telstra owns the remaining 35%. Consequently, the Company began consolidating the Foxtel Group in the fourth quarter of fiscal 2018. As a result of the Transaction, Foxtel’s outstanding debt of approximately $1.2 billion and $1.6 billion is included in the Balance Sheets as of June 30, 2019 and June 30, 2018, respectively. See Note 4—Acquisitions, Disposals and Other Transactions and Note 9—Borrowings in the accompanying Consolidated Financial Statements.

(b) During the fiscal year ended June 30, 2019, the Company recognized non-cash impairment charges of recognized non-cash impairment charges of $280 million primarily related to the impairment of goodwill and intangible assets at the News America Marketing reporting unit and impairment of goodwill at the FOX SPORTS Australia reporting unit. See Note 8—Goodwill and Other Intangible Assets in the accompanying Consolidated Financial Statements. As a result of the Transaction, the Company recognized a $337 million loss in Other, net, primarily related to the Company's settlement of its pre-existing contractual arrangement between Foxtel and FOX SPORTS Australia which resulted in a $317 million write-off of its channel distribution agreement intangible asset at the time of the Transaction. See Note 4—Acquisitions, Disposals and Other Transactions in the accompanying Consolidated Financial Statements.

During the fiscal year ended June 30, 2017, the Company recorded non-cash impairment charges of approximately $785 million, of which approximately $360 million related to the News and Information Services business in the U.K. and approximately $310 million related to the News and Information Services business in Australia. See Note 7—Property, Plant and Equipment in the accompanying Consolidated Financial Statements. Additionally, during the fiscal year ended June 30, 2017, the Company recognized a $227 million non-cash write-down of the carrying value of its investment in Foxtel. The write-down is reflected in Equity (losses) earnings of affiliates in the Statement of Operations for the fiscal year ended June 30, 2017. See Note 6—Investments in the accompanying Consolidated Financial Statements.

During the fiscal year ended June 30, 2016, the Company recognized $158 million ($98 million, net of tax) in net settlement costs associated with the NAM Group and Zillow legal settlements. The Company recognized one-time costs of approximately $280 million in connection with the settlement of certain litigation and related claims at News America Marketing during the three months ended March 31, 2016. In addition, the Company recognized a gain of $122 million in connection with the settlement of litigation with Zillow, Inc., which reflects settlement proceeds received from Zillow of $130 million, less $8 million paid to the National Association of Realtors® during the three months ended June 30, 2016.

(c) See Notes 4, 5, 6, 7, 8, 9 and 16 in the accompanying Consolidated Financial Statements for information with respect to significant acquisitions, disposals, impairment charges, restructuring charges, borrowings, contingencies and other transactions during fiscal 2019, 2018 and 2017.

This discussion and analysis contains statements that constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the Securities Act of 1933, as amended. All statements that are not statements of historical fact are forward-looking statements. The words "expect," "estimate," "anticipate," "predict," "believe" and similar expressions and variations thereof are intended to identify forward-looking statements. These statements appear in a number of places in this discussion and analysis and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things, trends affecting the Company's financial condition or results of operations and the outcome of contingencies such as litigation and investigations. Readers are cautioned that any forward-looking statements are not guarantees of future performance and involve risks and uncertainties. More information regarding these risks, uncertainties and other important factors that could cause actual results to differ materially from those in the forward-looking statements is set forth under the heading "Risk Factors" in Item 1A of this Annual Report on Form 10-K (the "Annual Report"). The Company does not ordinarily make projections of its future operating results and undertakes no obligation (and expressly disclaims any obligation) to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers should carefully review this document and the other documents filed by the Company with the Securities and Exchange Commission (the "SEC"). This section should be read together with the Consolidated Financial Statements of News Corporation and related notes set forth elsewhere in this Annual Report.

The following discussion and analysis omits discussion of fiscal 2017. Please see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 53(the250(53(the250(53(the2TJT[(utementu1year)-25(Annual)-251(253(ciussionon)-2*

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Management's discussion and analysis of financial condition and results of operations is intended to help provide an understanding of the Company's financial condition, changes in financial condition and results of operations. This discussion is organized as follows:

- ***Overview of the Company's Business***—This section provides a general description of the Company's businesses, as well as developments that occurred during the two fiscal years ended June 30, 2019 and through the date of this filing that the Company believes are important in understanding its results of operations and financial condition or to disclose known trends.
- ***Results of Operations***—This section provides an analysis of the Company's results of operations for the two fiscal years ended June 30, 2019. This analysis is presented on both a consolidated basis and a segment basis. Supplemental revenue information is also included for reporting units within certain segments and is presented on a gross basis, before eliminations in consolidation. In addition, a brief description is provided of significant transactions and events that impact the comparability of the results being analyzed. To enhance the comparability of the financial information provided to users, the Company has supplementally included pro forma financial information for fiscal 2018 within its discussion and analysis below reflecting the Transaction. The Company maintains a 52-53 week fiscal year ending on the Sunday closest to June 30 in each year. Fiscal 2019 and 2018 each included 52 weeks.
- ***Liquidity and Capital Resources***—This section provides an analysis of the Company's cash flows for the two fiscal years ended June 30, 2019, as well as a discussion of the Company's financial arrangements and outstanding commitments, both firm and contingent, that existed as of June 30, 2019.
- ***Critical Accounting Policies***—This section discusses accounting policies considered important to the Company's financial condition and results of operations, and which require significant judgment and estimates on the part of management in application. In addition, Note 2 to the Consolidated Financial Statements summarizes the Company's significant accounting policies, including the critical accounting policies discussed in this section.

The Company manages and reports its businesses in the following five segments:

- ***News and Information Services***—The News and Information Services segment includes the Company's global print, digital and broadcast radio media platforms. These product offerings include the global print and digital versions of *The Wall Street Journal* and Barron's Group, which includes *Barron's* and MarketWatch, the Company's suite of professional information products, including Factiva, Dow Jones Risk & Compliance, and Dow Jones Newswires, and its live journalism events. The Company also owns, among other publications, *The Australian*, *The Daily Telegraph*, *Herald Sun*, *The Courier Mail* and *The Advertiser* in Australia, *The Times*, *The Sunday Times*, *The Sun* and *The Sun on Sunday* in the U.K. and the *New York Post* in the U.S. This segment also includes News America Marketing, a leading provider of in-store marketing products and services, home-delivered shopper media, and digital marketing solutions, including Checkout 51's mobile application, as well as Unruly, a global video advertising marketplace, Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K., and Storyful, a social media content agency.
- ***Subscription Video Services***—The Company's Subscription Video Services segment provides video sports, entertainment and news services to pay-TV subscribers and other commercial licensees, primarily via cable, satellite and internet distribution, and consists of (i) the Company's 65% interest in Foxtel (with the remaining 35% interest in Foxtel held by Telstra, an Australian Securities Exchange ("ASX")-listed telecommunications company) and (ii) Australian News Channel ("ANC"). Foxtel is the largest pay-TV provider in Australia, with nearly 200 channels covering sports, general entertainment, movies, documentaries, music, children's programming and news. Foxtel offers the leading sports programming content in Australia, with broadcast rights to live sporting events

including: National Rugby League, Australian Football League, Cricket Australia, the domestic football league, the Australian Rugby Union and various motorsports programming. Foxtel also operates Foxtel Now, an over-the-top, or OTT, service, and Kayo, a sports-only OTT service.

ANC operates the SKY NEWS network, Australia's 24-hour multi-channel, multi-platform news service. ANC channels are distributed throughout Australia and New Zealand and available on Foxtel and Sky Network Television NZ. ANC also owns and operates the international Australia Channel IPTV service and offers content across a variety of digital media platforms, including mobile, podcasts and social media websites.

- ***Book Publishing***—The Book Publishing segment consists of HarperCollins, the second largest consumer book publisher in the world, with operations in 17 countries and particular strengths in general fiction, nonfiction, children's and religious publishing. HarperCollins owns more than 120 branded publishing imprints, including Harper, William Morrow, HarperCollins Children's Books, Avon, Harlequin and Christian publishers Zondervan and Thomas Nelson, and publishes works by well-known authors such as Harper Lee, Chip and Joanna Gaines, Rick Warren, Sarah Young and flow. The Company has to anticipate the level of advertising volume and rates, circulation and paper prices in managing its businesses to maximize operating profit during expanding and contracting economic cycles. The Company continues to be exposed to risks associated with paper used for printing. Paper is a basic commodity and its price is sensitive to the balance of supply and demand. The Company's expenses are affected by the cyclical increases and decreases in the price of paper and other factors that may affect paper prices, including tariffs or other restrictions on non-U.S. paper suppliers. The News and Information Services segment's products compete for readership, audience and advertising with local and national competitors and also compete with other media alternatives in their respective markets. Competition for circulation and subscriptions is based on the content of the products provided, pricing and, from time to time, various promotions. The success of these products also depends upon advertisers' judgments as to the most effective use of their advertising budgets. Competition for advertising is based upon the reach of the products, advertising rates and advertiser results. Such judgments are based on factors such as cost, availability of alternative media, distribution and quality of consumer demographics.

The Company's traditional print business faces challenges from alternative media formats and shifting consumer preferences. The Company is also exposed to the impact of long-term structural movements in advertising spending, in particular, the move in advertising from print to digital. These alternative media formats could impact the Company's overall performance, positively or negatively. In addition, technologies have been and will continue to be developed that allow users to block advertising on websites and mobile devices, which may impact advertising rates or revenues.

As a multi-platform news provider, the Company recognizes the importance of maximizing revenues from a variety of media formats and platforms, both in terms of paid-for content and in new advertising models, and

and engineering expense. The expenses associated with licensing certain programming rights are recognized during the applicable season or event, which can cause results at the Subscription Video Services segment to fluctuate based on the timing and mix of Foxtel's local and international sports programming. Programming rights associated with a dedicated channel are amortized over 12 months. Other expenses include subscriber acquisition costs such as sales costs and marketing and promotional expenses related to improving the market visibility and awareness of the channels and their programming. Additional expenses include salaries, employee benefits, rent and other routine overhead expenses.

The Book Publishing segment derives revenues from the sale of general fiction, nonfiction, children's and religious books in the U.S. and internationally. The revenues and operating results of the Book Publishing segment are significantly affected by the timing of releases and the number of its books in the marketplace. The book publishing marketplace is subject to increased periods of demand during the end-of-year holiday season in its main operating geographies. This marketplace is highly competitive and continues to change due to technological developments, including additional digital platforms and distribution channels and other factors. Each book is a separate and distinct product and its financial success depends upon many factors, including public acceptance.

Major new title releases represent a significant portion of the Book Publishing segment's sales throughout the fiscal year. Print-based consumer books are generally sold on a fully returnable basis, resulting in the return of unsold books. In the domestic and international markets, the Book Publishing segment is subject to global trends and local economic conditions. Operating expenses for the Book Publishing segment include costs related to paper, printing, authors' royalties, editorial, promotional, art and design expenses. Selling, general and administrative expenses include salaries, employee benefits, rent and other routine overhead.

The Digital Real Estate Services segment generates revenue through property and property-related advertising and services, including the sale of real estate listing and performance-based products to agents, brokers and developers, display advertising on its residential real estate and commercial property sites and residential property data services to the financial sector. The Digital Real Estate Services segment also generates revenue through licenses of certain professional software products on a subscription basis and fees and commissions from referrals generated through its end-to-end digital property search and financing offering and mortgage broking services. Significant expenses associated with these sites, services and software solutions include development costs, advertising and promotional expenses, hosting and support services, salaries, broker commissions, employee benefits and other routine overhead expenses.

Consumers are increasingly turning to the internet and mobile devices for real estate information and services. The Digital Real Estate Services segment's success depends on its continued innovation to provide products and services that are useful for consumers and real estate, mortgage and financial services professionals and attractive to its advertisers. The Digital Real Estate Services segment operates in a highly competitive digital environment with other real estate and property websites.

The Other segment primarily consists of general corporate overhead expenses, the corporate Strategy Group and costs related to the U.K. Newspaper Matters. The Company's Strategy Group identifies new products and services across the Company's businesses to increase revenues and profitability and targets and assesses potential acquisitions, investments and dispositions.

Results of Operations—Fiscal 2019 versus Fiscal 2018 (as reported)

The following table sets forth the Company's operating results for fiscal 2019 as compared to fiscal 2018.

[illegible]	[illegible]			
			[illegible]	[illegible]
Revenues:				
Circulation and subscription	$ 4,104	$ 3,021	$1,083	36%
Advertising	2,738	2,856	(118)	(4)%
Consumer	1,679	1,664	15	1%
Real estate	908	858	50	6%
Other	645	625	20	3%
Total Revenues	10,074	9,024	1,050	12%
Operating expenses	(5,622)	(4,903)	(719)	(15)%
Selling, general and administrative	(3,208)	(3,050)	(158)	(5)%
Depreciation and amortization	(659)	(472)	(187)	(40)%
Impairment and restructuring charges	(188)	(351)	163	46%
Equity losses of affiliates	(17)	(1,006)	989	98%
Interest expense, net	(59)	(7)	(52)	**
Other, net	33	(324)	357	**
[illegible]				
Income tax expense	(126)	(355)	229	65%
Net income (loss)	228	(1,444)	1,672	**
Less: Net income attributable to noncontrolling interests	(73)	(70)	(3)	(4)%
[illegible]				

** not meaningful

Selling, general and administrative—Selling, general and administrative expenses increased $158 million, or 5%, for the fiscal year ended June 30, 2019 as compared to fiscal 2018. The increase in Selling, general and administrative expenses was primarily due to higher expenses of $169 million at the Subscription Video Services segment, primarily as a result of the Transaction, and the absence of the $46 million impact from the reversal of a portion of the previously accrued liability for the U.K. Newspaper Matters and the corresponding receivable as the result of an agreement reached with the relevant tax authority with respect to certain employment taxes in the first quarter of fiscal 2018. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Selling, general and administrative expense decrease of $109 million for the fiscal year ended June 30, 2019 as compared to fiscal 2018.

Depreciation and amortization—Depreciation and amortization expense increased $187 million, or 40%, for the fiscal year ended June 30, 2019 as compared to fiscal 2018, primarily as a result of an additional $185 million of depreciation and amortization expense at the Subscription Video Services segment, mainly due to the Transaction.

Impairment and restructuring charges—During the fiscal years ended June 30, 2019 and 2018, the Company recorded restructuring charges of $92 million and $71 million, respectively.

During the fiscal year ended June 30, 2019, the Company recognized non-cash impairment charges of $96 million related to the impairment of goodwill and intangible assets.

During the fiscal year ended June 30, 2018, the Company recognized non-cash impairment charges of $280 million primarily related to the impairment of goodwill and intangible assets at the News America Marketing reporting unit and impairment of goodwill at the FOX SPORTS Australia reporting unit.

See Note 5—Restructuring Programs and Note 8—Goodwill and Other Intangible Assets in the accompanying Consolidated Financial Statements.

Equity losses of affiliates—Equity losses of affiliates improved by $989 million for the fiscal year ended June 30, 2019 as compared to fiscal 2018. The decrease in losses for the fiscal year ended June 30, 2019 was primarily due to the absence of a $957 million non-cash write-down of the carrying value of the Company's investment in Foxtel recognized in the third quarter of fiscal 2018.

Segment EBITDA 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 EBITDA provides useful information regarding the Company's operations and other factors that affect the Company's reported results. Specifically, the Company believes that by excluding certain one-time or non-cash items such as impairment and restructuring charges and depreciation and amortization, as well as potential distortions between periods caused by factors such as financing and capital structures and changes in tax positions or regimes, the Company provides users of its consolidated financial statements with insight into both its core operations as well as the factors that affect reported results between periods but which the Company believes are not representative of its core business. As a result, users of the Company's consolidated financial statements are better able to evaluate changes in the core operating results of the Company across different periods. The following table reconciles Net income (loss) to Total Segment EBITDA for the fiscal years ended June 30, 2019 and 2018:

Net income (loss)	$ 228	$(1,444)
Add:		
Income tax expense	126	355
Other, net	(33)	324
Interest expense, net	59	7
Equity losses of affiliates	17	1,006
Impairment and restructuring charges	188	351
Depreciation and amortization	659	472
Total Segment EBITDA	$1,244	$ 1,071

The following table sets forth the Company's Revenues and Segment EBITDA for the fiscal years ended June 30, 2019 and 2018:

News and Information Services	$ 4,956	$ 417	$5,119	$ 397
Subscription Video Services	2,202	380	1,004	173
Book Publishing	1,754	253	1,758	239
Digital Real Estate Services	1,159	384	1,141	401
Other	3	(190)	2	(139)
Total	$10,074	$1,244	$9,024	$1,071

News and Information Services (49% and 57% of the Company’s consolidated revenues in fiscal 2019 and 2018, respectively)

[illegible]	[illegible]		[illegible]	[illegible]
Revenues:				
Circulation and subscription	$ 2,128	$ 2,115	$ 13	1%
Advertising	2,400	2,589	(189)	(7)%
Other	428	415	13	3%
[illegible]				
Operating expenses	(2,822)	(2,934)	112	4%
Selling, general and administrative	(1,717)	(1,788)	71	4%
[illegible]				

For the fiscal year ended June 30, 2019, revenues at the News and Information Services segment decreased $163 million, or 3%, as compared to fiscal 2018. The revenue decrease was primarily due to lower Advertising revenues of $189 million resulting mainly from weakness in the print advertising market, the $74 million negative impact of foreign currency fluctuations and lower revenues at News America Marketing of $61 million, partially offset by digital advertising growth, primarily in Australia. Circulation and subscription revenues for the fiscal year ended June 30, 2019 increased $13 million as compared to fiscal 2018 mainly due to cover and subscription price increases, digital subscriber growth, primarily at *The Wall Street Journal* and in Australia, higher professional information business revenues at Dow Jones and the impact of the adoption of the new revenue recognition standard in Australia. These increases were partially offset by the $61 million negative impact of foreign currency fluctuations and print volume declines in Australia and in the U.K., primarily at *The Sun*. Other revenues increased $13 million as compared to fiscal 2018 primarily due to the $38 million net benefit related to News UK’s exit from the partnership for *Sun Bets* in the first quarter of fiscal 2019, partially offset by the $19 million negative impact of foreign currency fluctuations and lower brand partnership revenues in the U.K. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $154 million for the fiscal year ended June 30, 2019 as compared to fiscal 2018.

For the fiscal year ended June 30, 2019, Segment EBITDA at the News and Information Services segment increased $20 million, or 5%, as compared to fiscal 2018. The increase was primarily due to higher contribution from Dow Jones of $17 million, primarily related to higher revenues, and from News Corp Australia of $9 million, primarily due to lower newsprint, production and distribution costs and cost savings initiatives.

Dow Jones

Revenues were $1,559 million for the fiscal year ended June 30, 2019, an increase of $48 million, or 3%, as compared to fiscal 2018 revenues of $1,511 million. Circulation and subscription revenues increased $58 million, primarily due to the $44 million impact from digital subscriber growth and digital subscription price increases at *The Wall Street Journal*, as well as $21 million of higher professional information business revenues led by Dow Jones Risk & Compliance, partially offset by the negative impact of foreign currency fluctuations. Advertising fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $99 million, or 7%, for the fiscal year ended June 30, 2019 as compared to fiscal 2018. Advertising revenues decreased $65 million, primarily due to the $56 million negative impact of foreign currency fluctuations and the $52 million impact of

are not expected to improve in the short term. The increase in revenues was partially offset by the $21 million impact resulting from the sale of DIAKRIT during the first quarter of fiscal 2019.

For the fiscal year ended June 30, 2019, Segment EBITDA at the Digital Real Estate Services segment decreased $17 million, or 4%, as compared to fiscal 2018. The decrease in Segment EBITDA was primarily due to the $39 million impact associated with the acquisition and continued investment in Opcity at Move and the $30 million negative impact of foreign currency fluctuations, partially offset by the higher revenues noted above.

Results of Operations—Fiscal 2019 (as reported) versus Fiscal 2018 (pro forma)

The following supplemental unaudited pro forma information for the fiscal year ended June 30, 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 Transaction-related accounting adjustments, as described below. Pro forma adjustments were based on available information and assumptions regarding impacts that are directly attributable to the Transaction, are factually supportable, and are expected to have a continuing impact on the combined results. In addition, the pro forma information is provided for supplemental and informational purposes only, and is not necessarily indicative of what the Company's results of operations would

(a) Reflects the historical results of operations of News Corporation. As the acquisition of a controlling interest in Foxtel was completed on April 3, 2018, Foxtel is reflected in our historical Statement of Operations from April 3, 2018 onwards.

(b) Reflects the historical results of operations of Foxtel to the date of the Transaction. From April 3, 2018 onwards, Foxtel is included in the historical results of operations of News Corporation. The Statement of Operations of Foxtel is derived from its historical financial statements for the nine months ended March 31,

(m) Represents the adjustment, as a result of the Transaction, to reflect the noncontrolling interest of the combined company on a pro forma basis.

The following table sets forth the Company's audited operating results for the fiscal year ended June 30, 2019 and its unaudited pro forma operating results for the fiscal year ended June 30, 2018.

Selling, general and administrative (pro forma)—Selling, general and administrative expenses decreased $165 million, or 5%, for the fiscal year ended June 30, 2019 as compared to fiscal 2018. The decrease in Selling, general and administrative expenses was primarily due to lower expenses at the Subscription Video Services segment of $154 million primarily related to lower customer service and installation costs and lower overhead costs, partially offset by the absence of the $46 million impact from the reversal of a portion of the previously accrued liability for the U.K. Newspaper Matters and the corresponding receivable as the result of an agreement reached with the relevant tax authority with respect to certain employment taxes in the first quarter of fiscal 2018. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Selling, general and administrative expense decrease of $130 million for the fiscal year ended June 30, 2019 as compared to fiscal 2018.

Depreciation and amortization (pro forma)—Depreciation and amortization expense decreased $17 million, or 3%, for the fiscal year ended June 30, 2019 as compared to fiscal 2018. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a depreciation and amortization expense decrease of $32 million for the fiscal year ended June 30, 2019 as compared to fiscal 2018.

Impairment and restructuring charges (pro forma)—During the fiscal years ended June 30, 2019 and 2018, the Company recorded restructuring charges of $92 million and $76 million, respectively, primarily related to employee termination benefits in the News and Information Services segment.

During the fiscal year ended June 30, 2019, the Company recognized non-cash impairment charges of $96 million related to the impairment of goodwill and intangible assets.

During the fiscal year ended June 30, 2018, the Company recognized non-cash impairment charges of $1,237 million consisting primarily of a $957 million non-cash write-down of the carrying value of its investment in Foxtel and $280 million primarily related to the impairment of goodwill and intangible assets at the News America Marketing reporting unit and impairment of goodwill at the FOX SPORTS Australia reporting unit.

Equity losses of affiliates (pro forma)—Equity losses of affiliates improved by $10 million to $17 million for the fiscal year ended June 30, 2019 from $27 million in fiscal 2018. The decrease in losses for the fiscal year ended June 30, 2019 was primarily due to the absence of $13 million in non-cash write-downs of certain equity method investments recognized in the second quarter of fiscal 2018.

Interest expense, net (pro forma)—Interest expense, net decreased $24 million, or 29%, for the fiscal year ended June 30, 2019 as compared to fiscal 2018, primarily due to lower third party interest expense due to repayments of maturing facilities.

Other, net (pro forma)—Other, net increased $22 million for the fiscal year ended June 30, 2019 as compared to fiscal 2018, primarily due to dividends received from certain investments in the second quarter of fiscal 2019 and gain recognized on the sale of property in Australia, partially offset by the absence of the gain recognized on the sale of the Company's investment in SEEKAsia in the third quarter of fiscal 2018.

Income tax expense (pro forma)—The Company's income tax expense and effective tax rate for the fiscal year ended June 30, 2019 were $126 million and 36%, respectively, as compared to an income tax expense and effective tax rate of $373 million and (58%), respectively, for fiscal 2018.

For the fiscal year ended June 30, 2019, the Company recorded income tax expense of $126 million on pre-tax income of $354 million, resulting in an effective tax rate that was higher than the U.S. statutory tax rate. The higher tax rate was primarily due to lower tax benefits on impairments, valuation allowances being recorded against tax benefits in certain foreign jurisdictions with operating losses and the impact from foreign operations which are subject to higher tax rates.

For the fiscal year ended June 30, 2018, the Company recorded a tax expense of $373 million on pre-tax loss of $645 million resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The lower tax rate was primarily due to $340 million of lower tax benefits on impairments and write-downs of approximately $1.3 billion and a tax expense of $237 million related to the impact of the Tax Act, offset by a tax benefit of approximately $49 million related to the settlement of pre-Separation tax matters with the Internal Revenue Service.

Net income (loss) (pro forma)—Net income (loss) improved by $1,269 million for the fiscal year ended June 30, 2019 as compared to fiscal 2018 primarily due to lower impairment and restructuring charges resulting from the absence of $1,237 million of non-cash impairment charges recognized in fiscal 2018 consisting of a $957 million non-cash write-down of the carrying value of the Company’s investment in Foxtel and $280 million primarily related to the impairment of goodwill and intangible assets at the News America Marketing reporting unit and impairment of goodwill at the FOX SPORTS Australia reporting unit and the absence of the $237 million negative impact of the Tax Act recognized in fiscal 2018, partially offset by lower Total Segment EBITDA.

Net income attributable to noncontrolling interests (pro forma)—Net income attributable to noncontrolling interests decreased by $23 million for the fiscal year ended June 30, 2019 as compared to fiscal 2018, primarily due to lower performance at Foxtel, partially offset by higher results at REA Group.

Segment Analysis (pro forma)

The following table reconciles audited reported and pro forma Net income (loss) to audited reported and pro forma Total Segment EBITDA for the fiscal years ended June 30, 2019 and 2018:

Net income (loss)	$ 228	$(1,018)
Add:		
Income tax expense	126	373
Other, net	(33)	(11)
Interest expense, net	59	83
Equity losses of affiliates	17	27
Impairment and restructuring charges	188	1,313
Depreciation and amortization	659	676
Total Segment EBITDA	$1,244	$ 1,443

The following table sets forth the Company’s reported Revenues and Segment EBITDA for the fiscal year ended June 30, 2019 and pro forma Revenues and Segment EBITDA for the fiscal year ended June 30, 2018:

certain other facilities, as described below, and expects to have access to the worldwide credit and capital markets, subject to market conditions, in order to issue additional debt if needed or desired. Although the Company believes that its cash on hand and future cash from operations, together with its access to the credit and capital markets, will provide adequate resources to fund its operating and financing needs, its access to, and the availability of, financing on acceptable terms in the future will be affected by many factors, including: (i) the performance of the Company and/or its operating subsidiaries, as applicable, (ii) the Company's credit rating or absence of a credit rating and/or the credit rating of its operating subsidiaries, as applicable, (iii) the provisions of any relevant debt instruments, credit agreements, indentures and similar or associated documents, (iv) the liquidity of the overall credit and capital markets and (v) the current state of the economy. There can be no assurances that the Company will continue to have access to the credit and capital markets on acceptable terms. See Part I, "Item 1A. Risk Factors" for further discussion.

As of June 30, 2019, the Company's consolidated assets included $633 million in cash and cash equivalents that were held by its foreign subsidiaries. Of this amount, $97 million is cash not readily accessible by the Company

The Company did not purchase any of its Class B Common Stock during the fiscal years ended June 30, 2019 and 2018.

Dividends

The following table summarizes the dividends declared and paid per share on both the Company's Class A Common Stock and Class B Common Stock:

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

Net cash provided by operating activities	$ 928	$ 757
Less: Capital expenditures	(572)	(364)
	356	393
Less: REA Group free cash flow	(212)	(207)
Plus: Cash dividends received from REA Group	69	63
Free cash flow available to News Corporation	$ 213	$ 249

Free cash flow available to News Corporation decreased $36 million in the fiscal year ended June 30, 2019 to $213 million from $249 million in fiscal 2018, primarily due to higher capital expenditures, partially offset by higher cash provided by operating activities as discussed above.

As of June 30, 2019, the Company had total borrowings of $1.45 billion, including the current portion. The Company's borrowings as of such date reflect $1.24 billion of outstanding debt incurred by certain subsidiaries

See Note 9—Borrowings in the accompanying Consolidated Financial Statements for further details regarding the Company's outstanding debt, including certain information about interest rates and maturities related to such debt arrangements.

Commitments

The Company has commitments under certain firm contractual arrangements ("firm commitments") to make future payments. These firm commitments secure the future rights to various assets and services to be used in the normal course of operations.

The following table summarizes the Company's material firm commitments as of June 30, 2019:

Purchase obligations[a]	$1,012	$ 461	$ 362	$ 138	$ 51
Sports programming rights[b]	1,793	501	912	380	—
Programming costs[c]	378	141	183	54	—
Operating leases[d]					
Transmission costs[e]					

reasonably predict the ultimate amount and timing of the commitments. The Company made contributions of $16 million and $29 million to its pension plans in fiscal 2019 and fiscal 2018, respectively. Future plan contributions are dependent upon actual plan asset returns and interest rates and statutory requirements. The Company anticipates that it will make contributions of approximately $20 million in fiscal 2020, assuming that actual plan asset returns are consistent with the Company’s expected returns in fiscal 2019 and beyond, and that interest rates remain constant. The Company will continue to make voluntary contributions as necessary to improve the funded status of the plans. Payments due to participants under the Company’s pension plans are primarily paid out of underlying trusts. Payments due under the Company’s OPEB plans are not required to be

Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items. Identifying reporting units and assigning goodwill to them requires judgment involving the aggregation of business units with similar economic characteristics and the identification of existing business units that benefit from the acquired goodwill. The judgments made in determining the estimated fair value assigned to each class of long-lived assets acquired, their reporting unit, as well as their useful lives can significantly impact net income. The Company allocates goodwill to disposed businesses using the relative fair value method.

Goodwill and Indefinite-lived Intangible Assets

The Company tests goodwill and indefinite-lived intangibles for impairment on an annual basis in the fourth quarter and at other times if a significant event or change in circumstances indicates that it is more likely than not that the fair value of these assets has been reduced below their carrying value. The Company uses its judgment in assessing whether assets may have become impaired between annual impairment assessments. Indicators such as unexpected adverse economic factors, unanticipated technological change or competitive activities, loss of key personnel and acts by governments and courts, may signal that an asset has become impaired.

utilized in the income approach valuation method for at-risk reporting units were discount rates (ranging from 10.25% to 20%) and long-term growth rates (ranging from 1.1% to 2.0%). Significant unobservable inputs utilized in the market approach valuation method for at-risk reporting units were EBITDA multiples from guideline public companies operating in similar industries and a control premium of 10%. Any increase in the discount rate or decrease in the projected cash flows terminal growth rate would have resulted in a reporting unit of the News and Information Services segment and the Subscription Video Services segment failing the fiscal 2019 impairment analysis, which would have required the company to record an impairment charge equal to the difference between the fair value of the reporting unit and its carrying value. The Company will continue to monitor its goodwill for possible future impairment.

Property, Plant and Equipment

The Company evaluates the carrying value of property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable, in accordance with ASC 360, “Property, Plant, and Equipment” (“ASC 360”). An asset group is the lowest level of assets and liabilities for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Events or circumstances that might warrant an impairment recoverability review include, among other things, material declines in operating performance, significant adverse market conditions and planned changes in the use of an asset group.

In determining whether the carrying value of an asset group is recoverable, the Company estimates undiscounted future cash flows over the estimated life of the primary asset of the asset group. The estimates of such future cash flows require estimating such factors as future operating performance, market conditions and the estimated holding period of each asset. If all or a portion of the carrying value of an asset group is found to be non-recoverable, the Company records an impairment charge equal to the difference between the asset group’s carrying value and its fair value. The Company generally measures fair value by considering sales prices for similar assets or by discounting estimated future cash flows using an appropriate discount rate. Typical assumptions applied when using a market-based approach include projected EBITDA and related multiples. Typical assumptions applied when using an income approach include projected free cash flows, discount rates and long-term growth rates. All of these assumptions are made by management based on the best available information at the time of the estimates and are subject to deviations from actual results.

Programming Costs

Costs incurred in acquiring program rights or producing programs are accounted for in accordance with ASC 920, “Entertainment—Broadcasters.” Program rights and the related liabilities are recorded at the gross amount of the liabilities when the license period has begun, the cost of the program is determinable and the program is accepted and available for airing. Programming costs are amortized based on the expected pattern of consumption over the license period or expected useful life of each program. The pattern of consumption is based primarily on consumer viewership information as well as other factors. If initial airings are expected to generate higher viewership an accelerated method of amortization is used. The Company monitors its programming amortization policy on an ongoing basis and any impact arising from changes to the policy would be recognized prospectively. The Company regularly reviews its programming assets to ensure they continue to reflect net realizable value. Changes in circumstances may result in a write-down of the asset to fair value. The Company has single and multi-year contracts for broadcast rights of sporting events. The costs of sports contracts are primarily charged to expense over the respective season as events are aired. For sports contracts with dedicated complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining the Company’s tax expense and in evaluating its tax positions including evaluating uncertainties as promulgated under ASC 740, “Income Taxes.”

The Company’s annual tax rate is based primarily on its geographic income and statutory tax rates in the various jurisdictions in which it operates. Significant management judgment is required in determining the Company’s provision for income taxes, deferred tax assets and liabilities and the valuation allowance recorded against the Company’s net deferred tax assets, if any. In assessing the likelihood of realization of deferred tax assets, management considers estimates of the amount and character of future taxable income. The Company’s actual effective tax rate and income tax expense could vary from estimated amounts due to the future impacts of various items, including changes in income tax laws, tax planning and the Company’s forecasted financial condition and results of operations in future periods. Although the Company believes current estimates are reasonable, actual results could differ from these estimates.

The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the Consolidated Financial Statements from such positions are then measured effectively settled. The rate was determined by matching the Company's expected benefit payments for the plans to a hypothetical yield curve developed using a portfolio of several hundred high-quality non-callable corporate bonds. The weighted average discount rate is volatile from year to year because it is determined based upon the prevailing rates in the U.S., the U.K., Australia and other foreign countries as of the measurement date.

The key assumptions used in developing the Company's fiscal 2019 and 2018 net periodic benefit costs (income) for its plans consist of the following:

	[illegible]	[illegible]
Weighted average assumptions used to determine net periodic benefit costs (income)		
Discount rate for PBO	3.2%	3.0%
Discount rate for Service Cost	3.9%	3.9%
Discount rate for Interest on PBO	2.9%	2.6%
Discount rate for Interest on Service Cost	3.6%	3.5%
Assets:		
Expected rate of return	4.7%	5.1%
Expected return	$ 61	$ 70
Actual return	$ 76	$ 35
Gain/(Loss)	$ 15	$(35)
One year actual return	5.9%	3.0%
Five year actual return	6.7%	7.3%

The Company will use a weighted average long-term rate of return of 4.6% for fiscal 2020 based principally on a combination of current asset mix and an expectation of future long term investment returns. The accumulated net pre-tax losses on the Company's pension plans as of June 30, 2019 were approximately $484 million which increased from approximately $442 million for the Company's pension plans as of June 30, 2018. This increase of $42 million was primarily due to decreased discount rates. Lower discount rates increase present values of benefit obligations and increase the Company's deferred losses and also increase subsequent-year benefit costs.

[illegible]

The Company has exposure to different types of market risk including changes in foreign currency rates, interest rates, stock prices and credit.

When deemed appropriate, the Company uses derivative financial instruments such as cross-currency interest rate swaps, interest rate swaps and foreign exchange contracts to hedge certain risk exposures. The primary market risks managed by the Company through the use of derivative instruments include:

- foreign currency exchange rate risk: arising primarily through Foxtel Debt Group borrowings denominated in U.S. dollars; and
- interest rate risk: arising from fixed and floating rate Foxtel Debt Group borrowings. The Company neither holds nor issues financial instruments for trading purposes.

The following sections provide quantitative information on the Company’s exposure to foreign currency rate risk, interest rate risk and other relevant market risks. The Company makes use of sensitivity analyses that are inherently limited in estimating actual losses in fair value that can occur from changes in market conditions.

[illegible]

The Company conducts operations in three principal currencies: the U.S. dollar; the Australian dollar; and the British pound sterling. These currencies operate primarily as the functional currency for the Company’s U.S., Australian and U.K. operations, respectively. Cash is managed centrally within each of the three regions with net earnings reinvested locally and working capital requirements met from existing liquid funds. To the extent such funds are not sufficient to meet working capital requirements, funding in the appropriate local currencies is made available from intercompany capital. The Company does not hedge its investments in the net assets of its Australian and U.K. operations.

Because of fluctuations in exchange rates, the Company is subject to currency translation exposure on the results of its operations. Foreign currency translation risk is the risk that exchange rate gains or losses arise from translating foreign entities’ statements of earnings and balance sheets from functional currency to the Company’s reporting currency (the U.S. dollar) for consolidation purposes. The Company does not hedge translation risk because it generally generates positive cash flows from its international operations that are typically reinvested locally. Exchange rates with the most significant impact to its translation include the Australian dollar and British pound sterling. As exchange rates fluctuate, translation of its Statements of Operations into U.S. dollars affects the comparability of revenues and expenses between years.

The table below details the percentage of revenues and expenses by the three principal currencies for the fiscal years ended June 30, 2019 and 2018:

	[illegible]	[illegible]	[illegible]
[illegible]			
Revenues	39%	41%	16%
Operating and Selling, general and administrative expenses	40%	38%	17%
[illegible]			
Revenues	43%	34%	18%
Operating and Selling, general and administrative expenses	44%	31%	19%

Based on the year ended June 30, 2019, a one cent change in each of the U.S. dollar/Australian dollar and the U.S. dollar/British pound sterling exchange rates would have impacted revenues by approximately $58 million and $12 million, respectively, for each currency on an annual basis, and would have impacted Total Segment EBITDA by approximately $12 million and $1 million, respectively, on an annual basis.

Derivatives and Hedging

As a result of the Transaction, the Company consolidated Foxtel's portfolio of debt and derivative instruments. As of June 30, 2019, the Foxtel operating subsidiaries, whose functional currency is Australian dollars, had approximately $575 million aggregate principal amount of outstanding indebtedness denominated in U.S. dollars. The remaining borrowings are denominated in Australian dollars. Foxtel utilizes cross-currency interest rate swaps, designated as both cash flow hedges and fair value hedges, to hedge a portion of the exchange risk related to interest and principal payments on its U.S. dollar denominated debt. The total notional value of these cross-currency interest rate swaps designated as cash flow hedges and fair value hedges were approximately A$400 million and A$100 million, respectively, as of June 30, 2019. Foxtel also has a portfolio of foreign exchange contracts to hedge a portion of the exchange risk related to U.S. dollar payments for license fees. The notional value of these foreign exchange contracts was $9 million as of June 30, 2019.

In addition to derivative instruments that are designated and qualify for hedge accounting, the Company also uses certain derivatives not designated as accounting hedges to mitigate foreign currency and interest rate risk. These are referred to as economic hedges. The total notional value of these cross-currency interest rate derivatives classified as economic hedges was $75 million as of June 30, 2019.

Some of the derivative instruments in place may create volatility during the fiscal year as they are marked-to-market according to accounting rules and may result in revaluation gains or losses in different periods from when the currency impact on the underlying transactions are realized.

The table below provides further details of the sensitivity of the Company's derivative financial instruments which are subject to foreign exchange rate risk and interest rate risk as of June 30, 2019 (in millions):

	[illegible]	[illegible]	[illegible]	[illegible]
Foreign currency derivatives	US$ 9	$ 1	$ (1)	n/a
Cross currency interest rate swaps	A$575	139	(49)	$ 2
Interest rate derivatives	A$700	(20)	n/a	(1)

Any resulting changes in the fair value of the derivative financial instruments may be partially offset by changes in the fair value of certain balance sheet positions (primarily U.S. dollar denominated liabilities) impacted by the change in the foreign exchange rates. The ability to reduce the exposure of currencies on earnings depends on the magnitude of the derivatives compared to the balance sheet positions during each reporting cycle.

[illegible]

The Company's current financing arrangements and facilities include approximately $650 million of outstanding fixed-rate debt and approximately $800 million of outstanding variable-rate bank facilities, before adjustments swap Australian dollar denominated variable interest rate payments for Australian dollar denominated fixed rate payments. As of June 30, 2019, the notional amount of interest rate swap contracts outstanding was approximately A$700 million. Refer to the table above for further details of the sensitivity of the Company's financial instruments which are subject to interest rate risk.

The Company has common stock investments in publicly traded companies that are subject to market price volatility. Upon adoption of ASU 2016-01 in the first quarter of fiscal 2019, any changes in fair value of the Company's common stock investments are recognized in the Statement of Operations. These investments had an aggregate fair value of approximately $74 million as of June 30, 2019. A hypothetical decrease in the market price of these investments of 10% would result in a decrease in income of approximately $7 million before tax.

Cash and cash equivalents are maintained with multiple financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and, therefore, bear minimal credit risk.

The Company's receivables did not represent significant concentrations of credit risk as of June 30, 2019 or June 30, 2018 due to the wide variety of customers, markets and geographic areas to which the Company's products and services are sold.

The Company monitors its positions with, and the credit quality of, the financial institutions which are counterparties to its financial instruments. The Company is exposed to credit loss in the event of nonperformance by the counterparties to the agreements. As of June 30, 2019, the Company did not anticipate nonperformance by any of the counterparties.

[illegible]

[illegible]

To the Board of Directors and Stockholders of News Corporation:

We have audited News Corporation's internal control over financial reporting as of June 30, 2019, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, News Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of June 30, 2019, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of News Corporation as of June 30, 2019 and 2018, the related consolidated statements of operations, comprehensive loss, equity and cash flows for each of the three years in the period ended June 30, 2019, and the related notes (collectively referred to as the "consolidated financial statements") and our report dated August 13, 2019 expressed an unqualified opinion thereon.

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
New York, New York
August 13, 2019

To the Board of Directors and Stockholders of News Corporation:

We have audited the accompanying consolidated balance sheets of News Corporation (the Company) as of June 30, 2019 and 2018, the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the three years in the period ended June 30, 2019, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of News Corporation at June 30, 2019 and 2018, and the results of its

Description of the Matter	As reflected in the Company’s consolidated financial statements, at June 30, 2019, the

How We Addressed the Matter in Our Audit	We tested controls over the Company's indefinite-lived intangible asset impairment assessment process. This included testing of controls over the Company's long range planning process as well as controls over the review of the significant assumptions used to estimate the fair values of the indefinite-lived intangible assets. To test the fair values of the indefinite-lived intangible assets, our audit procedures included assessing methodologies and testing the significant assumptions and underlying data used by the Company. For example, for trademarks and tradenames in the Subscription Video Services segment we audited the forecasted revenue by evaluating forecasted subscribers, expected customer churn and new product launches. We also evaluated the operating expense targets and forecasted operating margins included in the long range plan. Additionally, we compared the significant assumptions used by management to current

Current assets:			
Cash and cash equivalents		$ 1,643	$ 2,034
Receivables, net	2	1,544	1,612s, net

[illegible]

[illegible]				
Net income (loss)		$ 228	$(1,444)	$ (643)
Less: Income from discontinued operations, net of tax		—	—	—
Income (loss) from continuing operations		228	(1,444)	(643)
Adjustments to reconcile income (loss) from continuing operations to cash provided by operating activities:				
Depreciation and amortization		659	472	449
Equity losses of affiliates	6	17	1,006	295
Cash distributions received from affiliates		32	5	4
Impairment charges	7, 8	96	280	785
Other, net	21	(33)	324	(135)
Deferred income taxes and taxes payable	19	—	202	(95)
Change in operating assets and liabilities, net of acquisitions:				
Receivables and other assets		134	(128)	(58)
Inventories, net		(58)	(14)	15
Accounts payable and other liabilities		(147)	54	140
NAM Group settlement		—	—	(258)
Net cash provided by operating activities from continuing operations		928	757	499
Net cash used in operating activities from discontinued operations		—	—	(5)
Net cash provided by operating activities		928	757	494
[illegible]				
Capital expenditures		(572)	(364)	(256)
Acquisitions, net of cash acquired		(188)	(77)	(347)
Investments in equity affiliates and other		(4)	(18)	(59)
Other investments		(34)	(33)	(39)
Proceeds from property, plant and equipment and other asset dispositions		103	138	271
Other		18	33	10
Net cash used in investing activities from continuing operations		(677)	(321)	(420)
Net cash used in investing activities from discontinued operations		—	—	—
Net cash used in investing activities		(677)	(321)	(420)
[illegible]				
Borrowings	9	681	95	—
Repayment of borrowings	9	(1,116)	(213)	(23)
Dividends paid		(161)	(158)	(152)
Other, net		(14)	(122)	(42)
Net cash used in financing activities from continuing operations		(610)	(398)	(217)
Net cash used in financing activities from discontinued operations		—	—	—
Net cash used in financing activities		(610)	(398)	(217)
Net change in cash, cash equivalents and restricted cash		(359)	38	(143)
Cash, cash equivalents and restricted cash, beginning of year		2,034	2,016	2,147
Exchange movement on opening cash balance		(32)	(20)	12
Cash, cash equivalents and restricted cash, end of year		$ 1,643	$ 2,034	$2,016

The accompanying notes are an integral part of these audited consolidated financial statements.

Balance, June 30, 2016	380	$ 4	200	$ 2	$12,434	$ 150	$(1,026)	$11,564	$ 218	$11,782
Net (loss) income	—	—	—	—	—	(738)	—	(738)	95	(643)
Other comprehensive income	—	—	—	—	—	—	62	62	9	71
Dividends	—	—	—	—	(58)	(60)	—	(118)	(34)	(152)
Other	2	—	—	—	19	—	—	19	(4)	15
Balance, June 30, 2017	382	4	200	2	12,395	(648)	(964)	10,789	284	11,073
Net (loss) income	—	—	—	—	—	(1,514)	—	(1,514)	70	(1,444)
Other comprehensive income (loss)	—	—	—	—	—	—	90	90	(42)	48
Foxtel transaction[a]	—	—	—	—	—	—	—	—	914	914
Dividends	—	—	—	—	(119)	—	—	(119)	(39)	(158)
Other	1	—	—	—	46	(1)	—	45	(1)	44
Balance, June 30, 2018	383	4	200	2	12,322	(2 (2 Jun2)	48			

News Corporation (together with its subsidiaries, “News Corporation,” “News Corp,” the “Company,” “we” or

Reclassifications

Certain reclassifications have been made to the prior period consolidated financial statements to conform to the current fiscal year presentation. Specifically, in fiscal 2019, the Company reclassified Conference Sponsorship revenues at its Dow Jones reporting unit and Merchandising revenues at the News America Marketing reporting unit from Other revenues to Advertising revenues as the Company believes that the reclassification more accurately reflects the nature of those revenue streams. These revenue reclassifications totaled $57 million and $45 million for the fiscal years ended June 30, 2018 and 2017, respectively.

Use of estimates

The preparation of the Company’s Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts that are reported in the Consolidated Financial Statements and accompanying disclosures. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and other investments that are readily convertible into cash with original maturities of three months or less. The Company’s cash and cash equivalents balance as of June 30, 2019 and 2018 also includes $97 million and $86 million, respectively, which is not readily accessible by the Company as it is held by REA Group Limited (“REA Group”), a majority owned but separately listed public company. REA Group must declare a dividend in order for the Company to have access to its share of REA Group’s cash balance. The Company classifies cash as restricted when the cash is unavailable for use in its general operations. The Company had no restricted cash as of June 30, 2019 and 2018.

Concentration of credit risk

Cash and cash equivalents are maintained with multiple financial institutions. The Company has deposits held with banks that exceed the amount of insurance provided on such deposits. Generally, these deposits may be

(a) As a result of the adoption of the new revenue recognition standard during fiscal 2019, the Company reclassified the allowance for sales returns from Receivables, net to Other current liabilities.

The Company's receivables did not represent significant concentrations of credit risk as of June 30, 2019 or June 30, 2018 due to the wide variety of customers, markets and geographic areas to which the Company's products and services are sold.

Inventory, net

Inventory primarily consists of programming rights, books, newsprint and printing ink. In accordance with ASC 920, "Entertainment—Broadcasters", program rights and the related liabilities are recorded at the gross amount of the liabilities when the license period has begun, the cost of the program is determinable and the program is accepted and available for airing. Programming costs are amortized based on the expected pattern of consumption over the license period or expected useful life of each program. The pattern of consumption is based primarily on consumer viewership information as well as other factors. The Company regularly reviews its programming assets to ensure they continue to reflect net realizable value. Changes in circumstances may result in a write-down of the asset to fair value.

Inventory for books and newsprint are valued at the lower of cost or net realizable value. Cost for non-programming inventory is determined by the weighted average cost method. The Company records a reserve for excess and obsolete inventory based upon a calculation using the historical usage rates, sales patterns of its products and specifically identified obsolete inventory.

Investments

The Company makes investments in various businesses in the normal course of business. The Company evaluates its relationships with other entities to identify whether they are VIEs in accordance with ASC 810-10 and whether the Company is the primary beneficiary. In determining whether the Company is the primary beneficiary of a VIE, it assesses whether it has the power to direct matters that most significantly impact the activities of the VIE and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company would consolidate any investments in which it was determined to be the primary beneficiary of a VIE.

Investments in and advances to equity investments or joint ventures in which the Company has significant influence, but is not the primary beneficiary, and has less than a controlling voting interest, are accounted for using the equity method. Significant influence is generally presumed to exist when the Company owns an interest between 20% and 50% or when the Company has the ability to exercise significant influence. Under the equity method of accounting, the Company includes its investments and amounts due to and from such investments in its Balance Sheets. The Company's Statements of Operations include the Company's share of the investees' earnings (losses) and the Company's Statements of Cash Flows include all cash received from or paid to the investee.

The difference between the Company's investment and its share of the fair value of the underlying net tangible assets of the investee upon acquisition is first allocated to either finite-lived intangibles, indefinite-lived intangibles or other assets and liabilities and the balance is attributed to goodwill. The Company follows ASC 350, "Intangibles—Goodwill and Other" ("ASC 350"), which requires that equity method finite-lived intangibles be amortized over their estimated useful life. Such amortization is reflected in Equity (losses) earnings of affiliates in the Statements of Operations. Indefinite-lived intangibles and goodwill are not amortized.

Investments in which the Company has no significant influence (generally less than a 20% ownership interest) or does not have the ability to exercise significant influence are accounted for in accordance with Accounting Standards Update ("ASU") 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"). Gains and losses on equity securities with readily determinable fair market value are recorded in Other, net in the Statement of Operations. Equity securities without readily determinable fair market values are valued at cost, less any impairment, plus or minus changes in fair value resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. See Note 6—Investments.

Financial instruments and derivatives

The carrying value of the Company's financial instruments, including cash and cash equivalents, approximate fair value. The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange, trading in an over-the-counter market which are considered to be

Upon adoption of ASU 2018-15, “Intangibles–Goodwill and Other–Internal-Use Software (Subtopic 350-24): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract” (“ASU 2018-15”), the Company evaluates upfront costs, including implementation, set-up or other costs (collectively, “implementation costs”), for hosting arrangements under the internal-use software framework. Costs related to preliminary project activities and post implementation activities are expensed as incurred, whereas costs incurred in the development stage are generally capitalized as prepaid assets within Other Current Assets in the Balance Sheet. Capitalized implementation costs are amortized on a straight-line basis over the expected term of the hosting arrangement, which includes consideration of the non-cancellable contractual term and reasonably certain renewals. Amortization of capitalized implementation costs is included in the same line item in the Statements of Operations as the expense for fees for the associated hosting arrangement.

Royalty advances to authors

Royalty advances are initially capitalized and subsequently expensed as related revenues are earned or when the Company determines future recovery is not probable. The Company has a long history of providing authors with royalty advances, and it tracks each advance earned with respect to the sale of the related publication. Historically, the longer the unearned portion of the advance remains outstanding, the less likely it is that the Company will recover the advance through the sale of the publication. The Company applies this historical experience to its existing outstanding royalty advances to estimate the likelihood of recovery and a provision is established to write-off the unearned advance, usually between 12 and 24 months after initial publication of the first format. Additionally, the Company reviews its portfolio of royalty advances for unpublished titles to determine if individual royalty advances are not recoverable for discrete reasons, such as the death of an author prior to completion of a title or titles, a Company decision to not publish a title, poor market demand or other relevant factors that could impact recoverability. Based on this information, the portion of any advance that the Company believes is not recoverable is expensed.

Goodwill and intangible assets

The Company has goodwill and intangible assets, including trademarks and tradenames, newspaper mastheads, distribution networks, publishing imprints, radio broadcast licenses, publishing rights and customer relationships. Goodwill is recorded as the difference between the cost of acquiring entities or businesses and amounts assigned to their tangible and identifiable intangible net assets. In accordance with ASC 350, the Company’s goodwill and indefinite-lived intangible assets are tested annually during the fourth quarter for impairment or earlier if events occur or circumstances change that would more likely than not reduce the fair values below their carrying amounts. Intangible assets with finite lives are amortized over their estimated useful lives.

Goodwill is reviewed for impairment at a reporting unit level. Reporting units are determined based on an more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company is not required to perform any additional tests in assessing goodwill for impairment. However, if the Company concludes otherwise or elects not to perform the qualitative assessment, then it is required to perform a quantitative analysis to determine the fair value of the business, and compare the calculated fair value of a reporting unit with its carrying amount, including goodwill. If through a quantitative analysis the Company determines the fair value of a reporting unit exceeds its carrying amount, the goodwill of the reporting unit is considered not to be impaired. If the Company concludes that the fair value of the reporting unit is less than its carrying value, an impairment will be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value.

The Company also performs impairment reviews on its indefinite-lived intangible assets, including trademarks and tradenames, newspaper mastheads, distribution networks, publishing imprints and radio broadcast licenses. Newspaper mastheads and book publishing imprints are reviewed on an aggregated basis in accordance with ASC 350. Distribution networks, trademarks and tradenames and radio broadcast licenses are reviewed individually. In assessing its indefinite-lived intangible assets for impairment, the Company has the option to first perform a qualitative assessment to determine whether events or circumstances exist that lead to a determination that it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying amount. If the Company determines that it is not more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount, the Company is not required to perform any additional tests in assessing the asset for impairment. However, if the Company concludes otherwise or elects not to perform the qualitative assessment, then it is required to perform a quantitative analysis to determine if the fair value of an indefinite-lived intangible asset is less than its carrying value. If through a quantitative analysis the Company determines the fair value of an indefinite-lived intangible asset exceeds its carrying amount, the indefinite-lived intangible asset is considered not to be impaired. If the Company concludes that the fair value of an indefinite-lived intangible asset is less than its carrying value, an impairment will be recognized for the amount by which the carrying amount exceeds the indefinite-lived intangible asset's fair value.

The methods used to estimate the fair value measurements of the Company's reporting units and indefinite-lived intangible assets include those based on the income approach (including the discounted cash flow, relief-from-royalty and excess earnings methods) and those based on the market approach (primarily the guideline public company method). The resulting fair value measurements of the assets are considered to be Level 3 measurements. Determining fair value requires the exercise of significant judgments, including judgments about appropriate discount rates, long-term growth rates, relevant comparable company earnings multiples and the amount and timing of expected future cash flows. The cash flows employed in the analyses are based on the Company's estimated outlook and various growth rates are assumed for years beyond the long-term business plan period. Discount rate assumptions are based on an assessment of the risk inherent in the future cash flows of the respective reporting units. In assessing the reasonableness of its determined fair values, the Company evaluates its results against other value indicators, such as comparable public company trading values.

When a business within a reporting unit is disposed of, goodwill is allocated to the disposed business using the relative fair value method.

Borrowings

Loans and borrowings are initially recognized at the fair value of the consideration received. Transaction costs are recorded within current borrowings (current portion) and non-current borrowings (long-term portion) in the Consolidated Balance Sheets. They are subsequently recognized at amortized cost using the effective interest

over time as the subscriptions are delivered. Payments from subscribers are generally due at the beginning of the month and are recorded as deferred revenue. Such amounts are recognized as revenue as the associated subscription is delivered.

Revenue generated from subscriptions to receive pay television broadcast, OTT services, broadband and home phone services for residential and commercial subscribers is recognized over time on a monthly basis as the services are provided. Payment is generally received monthly in advance of providing services, and is deferred upon receipt. Such amounts are recognized as revenue as the related services are provided.

Advertising revenues

Revenue from print advertising is recognized at the point in time the print advertisement is published. Broadcast advertising revenue is recognized over the time that the broadcast advertisement is aired. For impressions-based digital advertising, revenues are recognized as impressions are delivered over the term of the arrangement, while revenue from non-impressions-based digital advertising is recognized over the period that the advertisements are displayed. Such amounts are recognized net of agency commissions and provisions for estimated sales incentives, including rebates, rate adjustments or discounts.

Advertising revenues earned from integrated marketing services are recognized at the point in time when free-standing inserts are published. Revenues earned from in-store marketing services are partially recognized upon installation, with the remaining revenue recognized over the in-store campaign.

The Company enters into transactions that involve the exchange of advertising, in part, for other products and services, which are recorded at the estimated fair value of the product or service received. If the fair value of the product or service received cannot be reliably determined, the value is measured indirectly by reference to the standalone selling price of the advertising provided by the Company. Revenue from nonmonetary transactions is recognized when services are performed, and expenses are recognized when products are received or services are incurred.

Billings to clients and payments received in advance of performance of services or delivery of products are recorded as deferred revenue until the services are performed or the product is delivered. Payment for advertising services is typically due shortly after the Company has satisfied its performance obligation to print, broadcast or place the advertising specified in the contract. For advertising campaigns that extend beyond one month, the

Subscriber acquisition costs

Costs related to the acquisition of subscription video service customers primarily consist of amounts paid for third-party customer acquisitions, which consist of the cost of commissions paid to authorized retailers and dealers for subscribers added through their respective distribution channels and the cost of hardware and installation subsidies for subscribers. All costs, including hardware, installation and commissions, are expensed upon activation, except where legal ownership of the equipment is retained, in which case the cost of the equipment and direct and indirect installation costs are capitalized and depreciated over the respective useful life.

Advertising expenses

The Company expenses advertising costs as incurred in accordance with ASC 720-35, “Other Expenses—Advertising Cost.” Advertising and promotional expenses recognized totaled $669 million, $663 million and $587 million for the fiscal years ended June 30, 2019, 2018 and 2017, respectively.

Shipping and handling

Costs incurred for shipping and handling are reflected in Operating expenses in the Statements of Operations.

Translation of foreign currencies

The financial results and position of foreign subsidiaries and affiliates are translated into U.S. dollars using the current rate method, whereby operating results are converted at the average rate of exchange for the period and assets and liabilities are converted at the closing rates on the period end date. The resulting translation adjustments are accumulated as a component of Accumulated other comprehensive loss. Gains and losses from foreign currency transactions are generally included in income for the period.

Income taxes

The Company accounts for income taxes in accordance with ASC 740, “Income Taxes” (“ASC 740”). ASC 740 requires an asset and liability approach for financial accounting and reporting for income taxes. Under the asset and liability approach, deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Valuation allowances are established where management determines that it is more likely than not that some portion or all of a deferred tax asset will not be realized. The Company recognizes interest and penalty charges related to unrecognized tax benefits as income tax expense.

The Company has not provided for taxes on undistributed earnings attributable to certain foreign subsidiaries. It is the Company’s intention to reinvest in these subsidiaries indefinitely as the Company does not anticipate the need to repatriate funds to satisfy domestic liquidity needs. An actual repatriation from these subsidiaries could be subject to foreign withholding taxes and U.S. state taxes. Calculation of the unrecognized tax liabilities is not practicable.

Following the enactment of the Tax Cut and Jobs Act (the “Tax Act”) (See Note 19—Income Taxes), the Company has elected to account for the tax on GILTI as a period cost and thus has not adjusted any net deferred tax assets of its foreign subsidiaries for the new tax. However, the Company has considered the potential impact of GILTI and BEAT on its U.S. federal net operating loss (“NOL”) carryforward and determined that the projected tax benefit to be received from its NOL carryforward may be reduced due to these provisions. As such, the Company has recorded a valuation allowance on its U.S. federal NOL carryforward for the reduction in the projected tax benefit upon utilization.

Earnings (loss) per share

Basic earnings (loss) per share for Class A Common Stock and Class B Common Stock is calculated by dividing Net income (loss) available to News Corporation stockholders by the weighted average number of shares of Class A Common Stock and Class B Common Stock outstanding. Diluted earnings (loss) per share for Class A Common Stock and Class B Common Stock is calculated similarly, except that the calculation includes the dilutive effect of the assumed issuance of shares issuable under the Company's equity-based compensation plans. See Note 14—Earnings (Loss) Per Share.

Equity-based compensation

Equity-based awards are accounted for in accordance with ASC 718, "Compensation—Stock Compensation" ("ASC 718"). ASC 718 requires that the cost resulting from all share-based payment transactions be recognized in the Consolidated Financial Statements. ASC 718 establishes fair value as the measurement objective in accounting for share-based payment arrangements and requires all companies to apply a fair-value-based measurement method in accounting for generally all share-based payment transactions with employees.

Recently Issued Accounting Pronouncements

Adopted

In May 2014, the FASB issued ASU 2014-09, which amended ASC 606. ASU 2014-09 removes inconsistencies and differences in revenue recognition requirements between GAAP and International Financial Reporting Standards and requires a company to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The FASB also issued several standards which provided additional clarification and implementation guidance on ASU 2014-09. The Company adopted ASU 2014-09 and subsequent related standards on a modified retrospective basis as of July 1, 2018. As a result, the Company recorded a $20 million decrease to Accumulated deficit as of July 1, 2018 to reflect the cumulative impact of its adoption of ASC 606. See Note 3—Revenues.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"). The amendments in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company adopted the guidance on a cumulative-effect basis for its investments with readily determinable fair values effective July 1, 2018. In accordance with ASU 2016-01, the cumulative net unrealized gains (losses) for these investments contained within Accumulated other comprehensive loss were reclassified through Accumulated deficit as of July 1, 2018, and the Company recorded a $22 million decrease to Accumulated deficit. The Company has elected to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. There was no financial statement impact upon adoption for these investments. See Note 6—Investments and Note 21—Additional Financial Information.

In March 2017, the FASB issued ASU 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" ("ASU 2017-07"). The amendments in ASU 2017-07 require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent sation the period. The other components of net periodic benefit cost (income) as defined in paragraphs 715-30-35-4 and 715-60-35-9 are required to be presented in the income statement separately from the service cost component and outside a subtotal of income from operations, if one is presented. ASU 2017-07 allows for a practical expedient that permits a company to use the amounts disclosed in its pension and other postretirement benefit plans note for the prior comparative periods as the estimation basis for applying the retrospective presentation requirements. ASU 2017-07 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company adopted ASU 2017-07 utilizing the practical expedient. The other components of net periodic benefit cost (income) are included in Other, net in the Statements of Operations. The adoption did not have a material impact on the Company's Consolidated Financial Statements.

In June 2018, the FASB issued ASU 2018-07, "Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting" ("ASU 2018-07"). The amendments in ASU 2018-07 expanded the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. As permitted by ASU 2018-07, the Company early-adopted this standard and the adoption did not have a material impact on the Company's Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-14, "Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans" ("ASU 2018-14"). The amendments in ASU 2018-14 modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. ASU 2018-14 eliminates the disclosures for amounts in Accumulated other comprehensive loss expected to be recognized as a component of net periodic benefit cost (income) and the effect of a percentage change in health care cost trend rate. As permitted by ASU 2018-14, the Company early adopted this standard. See Note 17—Retirement Benefit Obligations.

In August 2018, the FASB issued ASU 2018-15, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force)" ("ASU 2018-15"). The amendments in ASU 2018-15 align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). As permitted by ASU 2018-15, the Company early-adopted this standard on a prospective permitted under the transition guidance within the new standard. The Company plans to elect the practical expedient to combine lease and non-lease components for all asset classes. The Company also plans to elect the short-term lease exception to keep leases with an initial term of twelve months or less off of the balance sheet. The Company is continuing to evaluate the impact ASU 2016-02 will have on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (“ASU 2016-13”). The amendments in ASU 2016-13 require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. ASU 2016-13 is effective for the Company for annual and interim reporting periods beginning July 1, 2020. The Company is currently evaluating the impact ASU 2016-13 will have on its consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, “Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities” (“ASU 2017-12”). The amendments in ASU 2017-12 more closely align the results of cash flow and fair value hedge accounting with risk management activities through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results in the financial statements. The amendments address specific limitations in current GAAP by expanding hedge accounting for both nonfinancial and financial risk components and by refining the measurement of hedge results to better reflect an entity’s hedging strategies. ASU 2017-12 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company is currently evaluating the impact ASU 2017-12 will have on its consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, “Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” (“ASU 2018-02”). The amendments in ASU 2018-02 provide a reclassification from Accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Act (as defined below). See Note 19—Income Taxes. Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Act and will improve the usefulness of information reported to financial statement users. ASU 2018-02 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company is currently evaluating the impact ASU 2018-02 will have on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, “Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement” (“ASU 2018-13”). ASU 2018-13 removes, modifies and adds certain disclosure requirements in Topic 820, “Fair Value Measurement.” ASU 2018-13 eliminates certain disclosures related to transfers and the valuation process, modifies disclosures for investments that are valued based on net asset value, clarifies the measurement uncertainty disclosure, and requires additional disclosures for Level 3 fair value measurements. ASU 2018-13 is effective for the Company for annual and interim reporting periods beginning July 1, 2020. The Company is currently evaluating the impact ASU 2018-13 will have on the disclosures included in its consolidated financial statements.

On July 1, 2018, the Company adopted ASC 606 on a modified retrospective basis for all contracts which were not completed as of the adoption date. Results for reporting periods beginning after July 1, 2018 are presented under ASC 606 while prior periods have not been restated. Under ASC 606, revenue is recognized when or as the Company satisfies its respective performance obligations under each contract. The Company recorded a $20 million decrease to Accumulated deficit as of July 1, 2018 to reflect the cumulative impact of its adoption of ASC 606.

When implementing ASC 606, the Company applied the practical expedient to reflect the aggregate

Contract liabilities and assets

The Company's deferred revenue balance primarily relates to amounts received from customers for subscriptions paid in advance of the services being provided. The following table presents changes in the deferred revenue balance for the fiscal year ended June 30, 2019:

Balance as of July 1, 2018	$ 510
Deferral of revenue	3,008
Recognition of deferred revenue[(a)]	(3,084)
Other	(6)
Balance as of June 30, 2019	$ 428

(a) For the fiscal year ended June 30, 2019, the Company recognized approximately $493 million of revenue which was included in the opening deferred revenue balance.

Contract assets were immaterial for disclosure as of June 30, 2019.

Practical expedients

The Company typically expenses sales commissions incurred to obtain a customer contract as those amounts are incurred as the amortization period is 12 months or less. These costs are recorded within Selling, general and administrative in the Statements of Operations. The Company also applies the practical expedient for significant financing components when the transfer of the good or service is paid within 12 months or less, or the receipt of consideration is received within 12 months or less of the transfer of the good or service.

Other revenue disclosures

During the fiscal year ended June 30, 2019, the Company recognized approximately $316 million in revenues related to performance obligations that were satisfied or partially satisfied in a prior reporting period. The remaining transaction price related to unsatisfied performance obligations as of June 30, 2019 was approximately $354 million, of which approximately $182 million is expected to be recognized during fiscal 2020, approximately $129 million is expected to be recognized in fiscal 2021, $35 million is expected to be recognized in fiscal 2022, $5 million is expected to be recognized in fiscal 2023, with the remainder to be recognized thereafter. These amounts do not include (i) contracts with an expected duration of one year or less, (ii) contracts for which variable consideration is determined based on the customer's subsequent sale or usage and (iii) variable consideration allocated to performance obligations accounted for under the series guidance that meets the allocation objective under ASC 606.

Fiscal 2019

Opcity

In October 2018, the Company acquired Opcity, a market-leading real estate technology platform that matches qualified home buyers and sellers with real estate professionals in real time. The total transaction value was approximately $210 million, consisting of approximately $182 million in cash, net of $7 million of cash acquired, and approximately $28 million in deferred payments and restricted stock unit awards for Opcity's founders and qualifying employees, which is being recognized as compensation expense over the three years following the closing. Included in the cash amount was approximately $20 million that is being held back for approximately 18 months after closing. The acquisition broadens realtor.com®'s lead generation product portfolio, allowing real estate professionals to choose between traditional lead products or a concierge-based model that provides highly vetted, transaction-ready leads. Opcity is a subsidiary of Move, and its results are included within the Digital Real Estate Services segment.

Under the acquisition method of accounting, the total consideration was first allocated to net tangible assets and identifiable intangible assets based upon their fair values as of the date of completion of the acquisition. As a result of the acquisition, the Company recorded approximately $73 million of assets, of which $49 million primarily related to the Opcity technology and data platform with a weighted average useful life of 12 years and $24 million primarily related to intangible assets resulting from previously acquired leads and customer relationships with a weighted average useful life of 9 years. In accordance with ASC 350 the excess of the total consideration over the fair values of the net tangible and intangible assets of approximately $124 million was recorded as goodwill on the transaction.

Fiscal 2018

Hometrack Australia Pty Ltd

In June 2018, REA Group acquired Hometrack Australia Pty Ltd ("Hometrack Australia") for approximately A$130 million (approximately $100 million) in cash, which was funded with a mix of cash on hand and debt of A$70 million (approximately $53 million). Hometrack Australia is a provider of property data services to the financial sector and allows REA Group to deliver more property data and insights to its customers. Under the acquisition method of accounting, the total consideration is allocated to net tangible assets and identifiable intangible assets based upon the fair value as of the date of completion of the acquisition. The excess of the total consideration over the fair value of the net tangible assets and identifiable intangible assets acquired was recorded as goodwill. The Company recorded approximately $25 million of intangible assets consisting of value during the third quarter of fiscal 2018. In accordance with ASC 805, as the Company did not relinquish control of its investment in FOX SPORTS Australia, the reduction in the Company's ownership interest to 65% was accounted for as a common control transaction on a carryover basis. See Note 6—Investments.

The total aggregate purchase price associated with the Transaction at the completion date is set forth below (in millions):

Consideration transferred[a]	$ 331
Fair value of News Corp previously held equity interest in Foxtel	631
Fair value of noncontrolling interest[b]	578
Fair value of net assets	$1,540

(a)

advertiser relationships with a weighted-average useful life of 15 years. In accordance with ASC 350, the excess of the purchase price over the fair values of the net tangible and intangible assets of approximately $1.6 billion was recorded as goodwill on the transaction.

As a result of the Transaction, the Company recognized a $337 million loss in Other, net, primarily related to the

Changes in the restructuring program liabilities were as follows:

Balance, June 30, 2016	$ 33	$ 5	$ 6	$ 44
Additions	137	—	5	142
Payments	(135)	(1)	(1)	(137)
Other	(2)	2	—	—
Balance, June 30, 2017	$ 33	$ 6	$10	$ 49
Additions	69	—	2	71
Payments	(73)	(2)	(1)	(76)
Other	—	(2)	—	(2)
Balance, June 30, 2018	$ 29	$ 2	$11	$ 42
Additions	92	—	—	92
Payments	(91)	—	(2)	(93)
Other	(2)	—	1	(1)
Balance, June 30, 2019	$ 28	$ 2	$10	$ 40

As of June 30, 2019 and June 30, 2018 restructuring liabilities of approximately $30 million and $31 million, respectively, were included in the Balance Sheet in Other current liabilities and $10 million and $11 million, respectively, were included in Other non-current liabilities.

The Company's investments were comprised of the following:

Equity method investments[a]	various	$148	$173
Equity securities[b]	various	187	220
Total Investments		$335	$393

(a) Equity method investments are primarily comprised of Foxtel's investment in Nickelodeon Australia Joint Venture and Elara Technologies Pte. Ltd. ("Elara"), which operates PropTiger.com, Makaan.com and Housing.com.

(b) Equity securities are primarily comprised of certain investments in China and the Company's investment in HT&E Limited, which operates a portfolio of Australian radio and outdoor media assets.

The Company has equity securities with quoted prices in active markets as well as equity securities without readily determinable fair market values. Equity securities without readily determinable fair market values are valued at cost, less any impairment, plus or minus changes in fair value resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. The components comprising total gains and losses on equity securities are set forth below:

Total (losses) gains recognized on equity securities	$(23)	$35
Less: Net (losses) gains recognized on equity securities sold or impaired	—	

In November 2012, the Company acquired CMH, a media investment company that operates in Australia. CMH owned a 25% interest in Foxtel through its 50% interest in FOX SPORTS Australia. The CMH acquisition was accounted for in accordance with ASC 805 which requires an acquirer to remeasure its previously held equity interest in an acquiree at its acquisition date fair value and recognize the resulting gain or loss in earnings. The carrying amount of the Company's previously held equity interest in FOX SPORTS Australia, through which the Company held its indirect 25% interest in Foxtel, was revalued to fair value as of the acquisition date, resulting in a step-up and non-cash gain of approximately $1.3 billion for the fiscal year ended June 30, 2013, of which $0.9 billion related to Foxtel.

Additionally, in accordance with ASC 350, the Company amortized $49 million and $68 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 fiscal years ended June 30, 2018 and 2017, respectively. Such amortization was reflected in Equity losses of affiliates in the Statements of Operations.

(b) Other equity affiliates, net for the fiscal years ended June 30, 2019, 2018 and 2017 include losses primarily from the Company's interest in Elara. Additionally, during the fiscal years ended June 30, 2018 and 2017, the Company recognized non-cash write-downs of $13 million and $9 million, respectively, on certain other equity method investments. The write-downs are reflected in Equity losses of affiliates in the Statements of Operations for the fiscal years ended June 30, 2018 and 2017.

Prior to the adoption of ASU 2016-01 during the first quarter of fiscal 2019, the Company regularly reviewed its investments in equity securities for impairments based on criteria that included the extent to which the investment's carrying value exceeded its related market value, the duration of the market decline, the Company's ability to hold its investment until recovery and the investment's financial strength and specific prospects. The Company recorded write-offs and impairments of certain available-for-sale securities in the fiscal years ended June 30, 2018 and 2017 of $33 million and $21 million, respectively which were reclassified out of Accumulated other comprehensive income and included in Other, net. These write-offs and impairments were taken either as a result of the deteriorating financial position of the investee or due to an other-than-temporary impairment resulting from sustained losses and limited prospects for recovery. As a result of the adoption of ASU 2016-01, the Company has included the impact from the remeasurement of its investments in equity securities in Other, net in the Statement of Operations for the fiscal year ended June 30, 2019.

Summarized financial information for Foxtel for periods through April 2, 2018, presented in accordance with U.S. GAAP, was as follows:

Revenues	$1,818	$2,411
Operating income[a]	155	353
Net income	64	59

(a) Includes Depreciation and amortization of $187 million for the period ended April 2, 2018 and $215 million for the fiscal year ended June 30, 2017. Operating income before depreciation and amortization was $342 million for the period ended April 2, 2018 and $568 million for the fiscal year ended June 30, 2017.

Land		$ 146	$ 150
Buildings and leaseholds	3 to 50 years	1,729	1,742
Digital set top units and installations	3 to 10 years	911	744
Machinery and equipment[a]	2 to 20 years	3,123	3,131
		5,909	5,767
Less: accumulated depreciation and amortization[b]		(3,524)	(3,352)
		2,385	2,415
Construction in progress		169	145
Total Property, plant and equipment, net		$ 2,554	$ 2,560

(a) Includes capitalized software of approximately $1,331 million and $1,189 million as of June 30, 2019 and 2018, respectively.

(b) Includes accumulated amortization of capitalized software of approximately $818 million and $734 million as of June 30, 2019 and 2018, respectively.

Depreciation and amortization related to property, plant and equipment was $533 million, $372 million and $358 million for the fiscal years ended June 30, 2019, 2018 and 2017, respectively. This includes amortization of capitalized software of $218 million, $175 million and $168 million for the fiscal years ended June 30, 2019, 2018 and 2017, respectively.

Total operating lease expense was approximately $195 million, $183 million and $156 million for the fiscal years ended June 30, 2019, 2018 and 2017, respectively.

Fixed Asset Impairments

During the fiscal year ended June 30, 2017, the Company recognized total fixed asset impairment charges of $679 million, primarily at News UK and News Corp Australia.

During the fourth quarter of fiscal 2017, as part of the Company's long-range planning process, the Company reduced its outlook for the U.K. newspapers due to the impact of adverse print advertising and print circulation trends on the future expected performance of the business. As a result, the Company recognized a non-cash impairment charge of approximately $360 million related to the write-down of fixed assets at the U.K. newspapers. The write-down was comprised of approximately $252 million related to print sites, $85 million related to printing presses and print related equipment and $23 million related to capitalized software. Significant unobservable inputs utilized in the income approach valuation method were a discount rate of 8.5% and a -1.0% long term growth rate.

During the second quarter of fiscal 2017, the Company recognized a non-cash impairment charge of approximately $310 million primarily related to the write-down of fixed assets at the Australian newspapers. The write-down was a result of the impact of adverse trends on the future expected performance of the Australian newspapers, where revenue declines from continued weakness in the print advertising market accelerated during the second quarter. The write-down was comprised of approximately $149 million related to printing presses and print related equipment, $77 million related to facilities, $66 million related to capitalized software and

Fiscal 2018

The performance of the Company’s annual impairment analysis resulted in impairments of $43 million of goodwill and indefinite-lived intangible assets in fiscal 2018. Significant unobservable inputs utilized in the

[illegible]

The Company's total borrowings consist of the following:

[illegible]				
Credit facility 2013[a][b]	—	Apr 7, 2019	$ —	$ 222
Credit facility 2014—tranche 1[a][b]	—	May 30, 2019	—	148
Credit facility 2014—tranche 2[a]	3.07%	Jan 31, 2020	56	148
Credit facility 2015[a]	3.32%	Jul 31, 2020	281	296
Credit facility 2016[a][c]	3.81%	Sept 11, 2021	193	108
Working capital facility 2017[a][c]	3.47%	Jul 3, 2020	56	59
US private placement 2009—tranche 3	6.20%	Sept 24, 2019	75	75
US private placement 2012—USD portion—tranche 1[d]	3.68%	Jul 25, 2019	150	150
US private placement 2012—USD portion—tranche 2[d]	4.27%	Jul 25, 2022	199	196
US private placement 2012—USD portion—tranche 3[d]	4.42%	Jul 25, 2024	149	146
US private placement 2012—AUD portion	7.04%	Jul 25, 2022	77	83
[illegible]				
Credit facility 2016—tranche 2[e][f]	—	Dec 31, 2018	—	89
Credit facility 2016—tranche 3[e][f]	2.97%	Dec 31, 2019	168	178
Credit facility 2018[e][f]	2.73%	Apr 27, 2021	49	54
Total borrowings			1,453	1,952
Less: current portion[g]			(449)	(462)
Long-term borrowings				

The Credit Agreement contains customary affirmative and negative covenants and events of default, with customary exceptions, including limitations on the ability of the Company and its subsidiaries to engage in transactions with affiliates, incur liens, merge into or consolidate with any other entity, incur subsidiary debt or dispose of all or substantially all of its assets or all or substantially all of the stock of its subsidiaries. In addition, the Credit Agreement requires the Company to maintain an adjusted operating income leverage ratio of not more than 3.0 to 1.0 and an interest coverage ratio of not less than 3.0 to 1.0. As of June 30, 2019, the Company was in compliance with all of the applicable debt covenants.

Interest on borrowings under the Facility is based on either (a) a Eurodollar Rate formula or (b) the Base Rate formula, each as set forth in the Credit Agreement. The applicable margin and the commitment fee are based on the pricing grid in the Credit Agreement, which varies based on the Company's adjusted operating income leverage ratio. As of June 30, 2019, the Company was paying a commitment fee of 0.25% on any undrawn balance and an applicable margin of 0.75% for a Base Rate borrowing and 1.75% for a Eurodollar Rate borrowing.

As of the date of this filing, the Company has not borrowed any funds under the Facility.

The following table summarizes the Company's debt maturities as of June 30, 2019:

Fiscal 2020	$449
Fiscal 2021	386
Fiscal 2022	193
Fiscal 2023	276
Fiscal 2024	—
Thereafter	149

In connection with the Company's separation of its businesses (the "Separation") from Twenty-First Century Fox, Inc. ("21st Century Fox") on June 28, 2013 (the "Distribution Date"), 21st Century Fox sold 4,000 shares of cumulative redeemable preferred stock with a par value of $5,000 per share of a newly formed U.S. subsidiary of the Company. The preferred stock paid dividends at a rate of 9.5% per annum, payable quarterly, in arrears. The preferred stock was callable by the Company at any time after

A rollforward of the Company's equity securities classified as Level 3 is as follows:

Balance—beginning of period[a]	$127
Purchases	8
Sales	(10)
Measurement adjustments	(2)
Foreign exchange and other	(10)
Balance—end of period	$113

(a) Includes impact from the adoption of ASU 2016-01. See Note 1—Description of Business and Basis of Presentation.

The Company has liabilities recorded in its Balance Sheets for its mandatorily redeemable noncontrolling interests. These liabilities represent management's best estimate of the amounts expected to be paid in accordance with the contractual terms of the underlying acquisition agreements. The fair values of these liabilities are based on the contractual payout formulas included in the acquisition agreements taking into account the expected performance of the business. Any remeasurements or accretion related to the Company's mandatorily redeemable noncontrolling interests are recorded through Interest (expense) income, net in the Statements of Operations. As the fair value does not rely on observable market inputs, the Company classifies these liabilities as Level 3 in the fair value hierarchy.

A rollforward of the Company's mandatorily redeemable noncontrolling interest liabilities classified as Level 3 is as follows:

Balance—beginning of year	$12	$ 79
Additions	—	12
Payments	—	(81)
Measurement adjustments	(4)	—
Accretion	4	3
Foreign exchange movements	(1)	(1)
Balance—end of year	$11	$ 12

The Company is directly and indirectly affected by risks associated with changes in certain market conditions. When deemed appropriate, the Company uses derivative instruments to mitigate the potential impact of these market risks. The primary market risks managed by the Company through the use of derivative instruments include:

- foreign currency exchange rate risk: arising primarily through Foxtel Debt Group borrowings denominated in U.S. dollars; and
- interest rate risk: arising from fixed and floating rate Foxtel Debt Group borrowings.

The Company formally designates qualifying derivatives as hedge relationships ("hedges") and applies hedge accounting when considered appropriate. For economic hedges where no hedge relationship has been designated, changes in fair value are included as a component of net income in each reporting period within Other, net in the Statements of Operations. The Company does not use derivative financial instruments for trading or speculative purposes.

Hedges are classified as current or non-current in the Consolidated Balance Sheets based on their maturity dates. Refer to the table below for further details:

Foreign currency derivatives—cash flow hedges	Other current assets	$ 1	$ 3
Cross-currency interest rate derivatives—fair value hedges	Other current assets	8	—
Cross-currency interest rate derivatives—economic hedges	Other current assets	12	—
Cross-currency interest rate derivatives—cash flow hedges	Other current assets	33	—
Cross-currency interest rate derivatives—fair value hedges	Other non-current assets	21	29
Cross-currency interest rate derivatives—cash flow hedges	Other non-current assets	83	76
Cross-currency interest rate derivatives—economic hedges	Other non-current assets	—	10
Interest rate derivatives—cash flow hedges	Other current liabilities	(2)	—
Interest rate derivatives—cash flow hedges	Other non-current liabilities	(18)	(20)
Cross-currency interest rate derivatives—cash flow hedges	Other non-current liabilities	(18)	(12)

Cash flow hedges

The Company utilizes a combination of foreign currency derivatives, interest rate derivatives and cross-currency interest rate derivatives to mitigate currency exchange and interest rate risk in relation to future interest payments and payments for license fees.

The total notional value of foreign exchange contract derivatives designated for hedging was $9 million as of June 30, 2019. The maximum hedge term over which the Company is hedging exposure to foreign currency

exchange rate risk. The Company manages fair value interest rate risk and currency exchange rate risk through the use of cross-currency interest rate swaps under which the Company exchanges fixed interest payments equivalent to the interest payments on the U.S. dollar denominated debt for floating rate Australian dollar denominated interest payments. The changes in fair value of derivatives designated as fair value hedges and the offsetting changes in fair value of the hedged items are recognized in Other, net. As of June 30, 2019, such adjustments increased the carrying value of borrowings by approximately $4 million.

The total notional value of the fair value hedges was approximately A$100 million as of June 30, 2019. The maximum hedged term over which the Company is hedging exposure to variability in interest payments is to July 2024.

During fiscal 2019 and 2018, the amount recognized in the Statement of Operations on derivative instruments designated as fair value hedges related to the ineffective portion was nil and the Company did not exclude any component of the changes in fair value of the derivative instruments from the assessment of hedge effectiveness.

Economic (non-designated) hedges

In addition to derivative instruments that are designated and qualify for hedge accounting, the Company also uses certain derivatives not designated as accounting hedges to mitigate foreign currency and interest rate risk. These are referred to as economic hedges. The changes in fair value of economic hedges are immediately recognized into the Statement of Operations. The total notional value of cross-currency interest rate derivatives classified as economic hedges was $75 million as of June 30, 2019, which relate to the U.S. private placement 2009 debt.

In addition to assets and liabilities that are remeasured at fair value on a recurring basis, the Company has certain assets, primarily goodwill, intangible assets, equity method investments and property, plant and equipment, that are not required to be remeasured to fair value at the end of each reporting period. On an ongoing basis, the Company monitors whether events occur or circumstances change that would more likely than not reduce the fair values of these assets below their carrying amounts. If the Company determines that these assets are impaired, the Company would write down these assets to fair value. These nonrecurring fair value measurements are considered to be Level 3 in the fair value hierarchy.

During the third quarter of fiscal 2018, the Company recognized a $957 million non-cash write-down of the carrying value of its investment in Foxtel from $1,588 million to $631 million. In the second quarter of fiscal 2018, the Company recognized non-cash write-downs of certain equity method investments of approximately $13 million. During the second quarter of fiscal 2017, the Company recognized a $227 million non-cash write-down of the carrying value of its investment in Foxtel from $1,432 million to $1,205 million. See Note 6—Investments.

During the third quarter of fiscal 2018, the Company recognized non-cash impairment charges of $120 million and $45 million to goodwill and intangible assets, respectively, at the News America Marketing reporting unit. The carrying value of goodwill decreased from $301 million to $181 million and the carrying value of intangible assets decreased from $391 million to $346 million. See Note 8—Goodwill and Other Intangible Assets.

During the third quarter of fiscal 2018, the Company recognized a $41 million non-cash impairment charge to goodwill at the FOX SPORTS Australia reporting unit. The carrying value of goodwill decreased from $490 million to $449 million. See Note 8—Goodwill and Other Intangible Assets.

Liquidation Rights—In the event of a liquidation or dissolution of the Company, holders of Class A Common Stock and Class B Common Stock shall be entitled to receive all of the remaining assets of the Company available for distribution to its stockholders, ratably in proportion to the number of shares held by Class A Common Stock holders and Class B Common Stock holders, respectively. In the event of any merger or consolidation with or into another entity, the holders of Class A Common Stock and the holders of Class B Common Stock shall generally be entitled to receive substantially identical per share consideration.

Under the Company's Charter, the Board of Directors is authorized to issue shares of preferred stock or series common stock at any time, without stockholder approval, in one or more series and to fix the number of shares, designations, voting powers, if any, preferences and relative, participating, optional and other rights of such series, as well as any applicable qualifications, limitations or restrictions, to the full extent permitted by Delaware law, subject to the limitations set forth in the Charter, including stockholder approval requirements with respect to the issuance of preferred stock or series common stock entitling holders thereof to more than one vote per share.

In May 2013, the Board of Directors authorized the Company to repurchase up to an aggregate of $500 million of its Class A Common Stock. No stock repurchases were made during the fiscal years ended June 30, 2019, 2018 and 2017. Through August 5, 2019, the Company cumulatively repurchased approximately 5.2 million shares of Class A Common Stock for an aggregate cost of approximately $71 million. The remaining authorized amount under the stock repurchase program as of August 5, 2019 was approximately $429 million. All decisions regarding any future stock repurchases are at the sole discretion of a duly appointed committee of the Board of Directors and management. The committee's decisions regarding future stock repurchases will be evaluated from time to time in light of many factors, including the Company's financial condition, earnings, capital requirements and debt facility covenants, other contractual restrictions, as well as legal requirements, regulatory constraints, industry practice, market volatility and other factors that the committee may deem relevant. The stock repurchase authorization may be modified, extended, suspended or discontinued at any time by the Board of Directors and the Board of Directors cannot provide any assurances that any additional shares will be repurchased.

The Company did not purchase any of its Class B Common Stock during the fiscal years ended June 30, 2019, 2018 and 2017.

During fiscal 2018, the Board of Directors adopted the third amended and restated rights agreement, which is referred to below as the "rights agreement." Under the rights agreement, each outstanding share of common stock of the Company has attached to it one right. Initially, the rights are represented by the common stock of the Company, are not traded separately from the common stock and are not exercisable. The rights, unless redeemed or exchanged, will become exercisable for common stock of the Company 10 business days after the earlier of public announcement that a person or group has obtained beneficial ownership (defined to include stock which a person has the right to acquire, regardless of whether such right is subject to the passage of time or the satisfaction of conditions) of 15% or more of the outstanding shares of the Company's Class B Common Stock or launch of a tender offer to do so. Following such acquisition of beneficial ownership, each right will entitle its holder (other than the acquiring person or group) to purchase, at the exercise price (subject to adjustments provided in the rights agreement), a number of shares of the Company's Class A or Class B Common Stock, as applicable, having a then-current market value of twice the exercise price, and in the event of a subsequent merger or other acquisition of the Company or transfer of more than 50% of the Company or its assets, to

(d) The intrinsic value of these unvested RSUs and target PSUs was approximately $139 million as of June 30, 2019.

The following table summarizes information about stock option transactions for the employee stock option plans (options in thousands):

Outstanding at the beginning of the year	473	$7.61	666	$7.74	1,238	$ 9.03
Exercised	(136)	6.58	(189)	8.04	(354)	7.78
Cancelled	(2)	5.90	(4)	9.04	(218)	15.00
Outstanding at the end of the year[a]	335	$8.04	473	$7.61	666	$ 7.74
Exercisable at the end of the year[b]	335		470		585	

(a) The intrinsic value of options outstanding held by the Company's employees as of June 30, 2019, 2018 and 2017 was $1.9 million, $3.7 million and $4.0 million, respectively. The weighted average remaining contractual life of options outstanding as of June 30, 2019 was 3.34 years.

(b) The weighted average remaining contractual life of options exercisable as of June 30, 2019 was 3.34 years.

The following tables set forth the computation of basic and diluted earnings (loss) per share under ASC 260, "Earnings per Share":

Net income (loss)	$ 228	$(1,444)	$ (643)
Less: Net income attributable to noncontrolling interests	(73)	(70)	(95)
Less: Redeemable preferred stock dividends[a]	—	(2)	(2)
Net income (loss) available to News Corporation stockholders	$ 155	$(1,516)	$ (740)
Weighted-average number of shares of common stock outstanding—basic	584.7	582.7	581.4
Dilutive effect of equity awards[b]	3.2	—	—
Weighted-average number of shares of common stock outstanding—diluted	587.9	582.7	581.4
Net income (loss) available to News Corporation stockholders per share—basic	$ 0.27	$ (2.60)	$ (1.27)
Net income (loss) available to News Corporation stockholders per share—diluted	$ 0.26	$ (2.60)	$ (1.27)

(a) Refer to Note 10—Redeemable Preferred Stock.

(b) The dilutive impact of the Company's PSUs, RSUs and stock options has been excluded from the calculation of diluted loss per share for the fiscal years ended June 30, 2018 and 2017 because their inclusion would have an antidilutive effect on the net loss per share.

Valassis Communications, Inc.

Ireland, 21st Century Fox and FOX entered into a Partial Assignment and Assumption Agreement, pursuant to which, among other things, 21st Century Fox assigned, conveyed and transferred to FOX all of its indemnification obligations with respect to the U.K. Newspaper Matters.

The net expense (benefit) related to the U.K. Newspaper Matters in Selling, general and administrative was $10 million, ($35) million and $10 million for the fiscal years ended June 30, 2019, June 30, 2018 and June 30, 2017, respectively. As of June 30, 2019, the Company has provided for its best estimate of the liability for the claims that have been filed and costs incurred, including liabilities associated with employment taxes, and has accrued approximately $53 million. The amount to be indemnified by FOX of approximately $49 million was recorded as a receivable in Other current assets on the Balance Sheet as of June 30, 2019. The net benefit for the fiscal year ended June 30, 2018 reflects a $46 million impact from the reversal of a portion of the Company’s previously accrued liability and the corresponding receivable as the result of an agreement reached with the relevant tax authority with respect to certain employment taxes. It is not possible to estimate the liability or corresponding receivable for any additional claims that may be filed given the information that is currently

(b) Fiscal 2019 actuarial losses related to domestic and foreign pension plans primarily relates to the decrease in discount rates used in measuring plan obligations as of June 30, 2019. Fiscal 2018 actuarial gains related to domestic and foreign pension plans primarily relates to the increase in discount rates for the U.S. and U.K. plans used in measuring plan obligations as of June 30, 2018.

Amounts recognized in Accumulated other comprehensive loss consist of:

Actuarial losses (gains)	$142	$126	$333	$316	$ 1	$ (7)	$476	$435
Prior service cost (benefit)	—	—	9	—	(25)	(28)	(16)	(28)
Net amounts recognized	$142	$126	$342	$316	$(24)	$(35)	$460	$407

Accumulated pension benefit obligations as of June 30, 2019 and 2018 were $1,365 million and $1,364 million, respectively. Below is information about funded and unfunded pension plans.

Projected benefit obligation	$335	$320	$15	$14	$350	$334
Accumulated benefit obligation	335	320	15	14	350	334
Fair value of plan assets	263	260	—	—	263	260

Projected benefit obligation	$ 955	$ 971	$70	$69	$1,025	$1,040
Accumulated benefit obligation	945	961	70	69	1,015	1,030
Fair value of plan assets	1,062	1,100	—	—	1,062	1,100

The accumulated benefit obligation exceeds the fair value of plan assets for all domestic pension plans. Below is information about foreign pension plans in which the accumulated benefit obligation exceeds the fair value of the plan assets.

Projected benefit obligation	$253	$235	$70	$69	$323	$304
Accumulated benefit obligation	253	235	70	69	323	304
Fair value of plan assets	244	229	—	—	244	229

The following assumed health care cost trend rates as of June 30 were also used in accounting for postretirement benefits:

Health care cost trend rate	6.4%	6.8%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.7%	4.6%
Year that the rate reaches the ultimate trend rate	2027	2027

The following table sets forth the estimated benefit payments for the next five fiscal years, and in aggregate for the five fiscal years thereafter. The expected benefits are estimated based on the same assumptions used to measure the Company's benefit obligation at the end of the fiscal year and include benefits attributable to estimated future employee service:

2020	$ 27	$ 56	$ 9	$ 92
2021	21	44	9	74
2022	21	46	9	76
2023	21	47	9	77
2024	21	47	8	76
2025-2029	103	239	35	377

Plan Assets

The Company applies the provisions of ASC 715, which requires disclosures including: (i) investment policies and strategies; (ii) the major categories of plan assets; (iii) the inputs and valuation techniques used to measure plan assets; (iv) the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period; and (v) significant concentrations of risk within plan assets.

[illegible]

The table below presents the Company's plan assets by level within the fair value hierarchy, as described in Note 2—Summary of Significant Accounting Policies, as of June 30, 2019 and 2018:

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pooled funds:[a]										
Domestic equity funds	$ 73	$ —	$ —	$ —	$ 73	$ 73	$ —	$ —	$ —	$ 73
International equity funds	201	—	—	—	201	206	—	—	—	206
Domestic fixed income funds	147	—	—	—	147	142	—	—	—	142
International fixed income funds	704	—	—	—	704	679	—	—	—	679
Balanced funds	146	—	89	—	57	186	—	107	—	79
Other	54	45	—	9	—	74	64	—	10	—
[illegible]	$1,325	$ 45	$ 89	$ 9	$1,182	$1,360	$ 64	$107	$ 10	$1,179

(a) Open-ended pooled funds that are registered and/or available to the general public are valued at the daily published net asset value ("NAV"). Other pooled funds are valued at the NAV provided by the fund issuer.

The table below sets forth a summary of changes in the fair value of investments reflected as Level 3 assets as of June 30, 2019 and 2018:

	[illegible]
Balance, June 30, 2017	$11
Actual return on plan assets:	
Relating to assets still held at end of period	—
Relating to assets sold during the period	—
Purchases, sales, settlements and issuances	(1)
Transfers in and out of Level 3	—
Balance, June 30, 2018	$10
Actual return on plan assets:	
Relating to assets still held at end of period	—
Relating to assets sold during the period	—
Purchases, sales, settlements and issuances	(1)
Transfers in and out of Level 3	—
Balance, June 30, 2019	

asset allocation. The Company's current broad strategic targets are to have a pension asset portfolio comprised of 23% equity securities, 68% fixed income securities and 9% in cash and other investments. In developing the expected long-term rate of return, the Company considered the pension asset portfolio's past average rate of returns and future return expectations of the various asset classes. A portion of the other allocation is reserved in cash to provide for expected benefits to be paid in the short term. The Company's equity portfolios are managed in such a way as to achieve optimal diversity. The Company's fixed income portfolio is investment grade in the aggregate. The Company does not manage any assets internally.

The Company's benefit plan weighted-average asset allocations, by asset category, are as follows:

Defined Contribution Plans

The Company has defined contribution plans for the benefit of substantially all employees meeting certain eligibility requirements. Employer contributions to such plans were $145 million, $145 million and $137 million for the fiscal years ended June 30, 2019, 2018 and 2017, respectively.

Deferred Compensation Plan

The Company has non-qualified deferred compensation plans for the benefit of certain management employees. The investment funds offered to the participants generally correspond to the funds offered in the Company’s 401(k) plan, and the account balance fluctuates with the investment returns on those funds. The unfunded obligations of the plans included in Other liabilities as of June 30, 2019 and 2018 were $45 million and $41 million, respectively, and the majority of these plans are closed to new employees.

Income taxes are recognized for the amount of taxes payable for the current year and for the impact of deferred tax assets and liabilities, which represent future tax consequences of events that have been recognized differently in the financial statements than for tax purposes. Deferred tax assets and liabilities are established using the enacted statutory tax rates and are adjusted for any changes in such rates in the period of change.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the “Tax Act”). The Tax Act included significant changes to the U.S. corporate income tax system including, among other things, lowering the U.S. statutory federal tax rate to 21%. The reduction of the U.S. corporate tax rate caused the Company to adjust its U.S. deferred tax assets and liabilities to the lower federal rate of 21% in the fiscal year ended June 30, 2018. The Tax Act also added many new provisions, including a one-time repatriation tax on deemed repatriation of historical earnings of foreign subsidiaries (“transition tax”), changes to bonus depreciation, limits on deductions for executive compensation and interest expense, a tax on global intangible low-taxed income (“GILTI”), the base erosion anti-abuse tax (“BEAT”) and a deduction for foreign-derived intangible income. The Company has elected to account for the tax on GILTI and BEAT as a period cost and thus has not adjusted any net deferred tax assets of its foreign subsidiaries for the new tax. However, the Company has considered the potential impact of GILTI and BEAT on its U.S. federal net operating loss (“NOL”) carryforward and determined that the projected tax benefit to be received from its NOL carryforward may be reduced due to these provisions.

The changes included in the Tax Act are broad and complex. The SEC issued Staff Accounting Bulletin No. 118 (SAB 118), as amended by ASU 2018-05, which provides guidance for companies related to the Tax Act. ASU 2018-05 allows for a measurement period of up to one year after the enactment date of the Tax Act to finalize the recording of the related tax impacts. The Company’s accounting for the tax effects of the Tax Act were completed in the second quarter of fiscal 2019. Although the Company believes the effects of the Tax Act have been appropriately recorded, it will continue to monitor, among other things, changes in interpretations of the Tax Act, any legislative action arising because of the Tax Act and any changes in accounting standards for income taxes or related interpretations in response to the Tax Act. The Company intends to assess the impact of any such changes in legislative interpretations or standards and adjust its provision as new information becomes available.

In accordance with SAB 118, the Company has made reasonable estimates related to (1) the remeasurement of its U.S. deferred tax balances for the reduction in the statutory tax rate, (2) the liability for the transition tax and (3) the partial valuation allowance recorded against its federal NOL carryforward due to the impact of the GILTI

(f) Represents the tax effect of the write-off of the FOX SPORTS Australia channel distribution agreement intangible asset as a result of the Transaction, as well as other costs directly attributable to the Transaction.

(g) In the fiscal year ended June 30, 2018, certain pre-Separation tax matters were effectively settled with the Internal Revenue Service. As a result of the settlement, the Company recorded a net income tax benefit of $49 million, comprised of a current tax benefit of $2 million and a deferred tax benefit of $47 million.

In the fiscal year ended June 30, 2017, the Company reached an agreement with a foreign tax authority to settle certain tax issues related to fiscal years 2010 through 2015. As a result of the settlement, the Company recorded net income tax expense of $63 million. See ”Uncertain Tax Positions” below.

(h) For the fiscal year ended June 30, 2019, the effective tax rate of 36% represents income tax expense when compared to consolidated pre-tax book income. For the fiscal years ended June 30, 2018 and 2017, the effective tax rates of (33)% and (5)%, respectively, represent income tax expense when compared to consolidated pre-tax book loss.

The Company recognized deferred income taxes in the Balance Sheets as follows:

Deferred income tax assets	$ 269	$ 279
Deferred income tax liabilities	(295)	(389)
Net deferred tax liabilities	$ (26)	$(110)

The significant components of the Company’s deferred tax assets and liabilities were as follows:

Deferred tax assets:		
Accrued liabilities	$ 78	$ 95
Capital loss carryforwards	923	889
Retirement benefit obligations	53	38
Net operating loss carryforwards	397	348
Business tax credits	78	62
Other	210	294
Total deferred tax assets	1,739	1,726
Deferred tax liabilities:		
Asset basis difference and amortization	(266)	(362)
Other	(31)	(89)
Total deferred tax liabilities	(297)	(451)
Net deferred tax asset before valuation allowance	1,442	1,275
Less: valuation allowance (See Note 22—Valuation and Qualifying Accounts)	(1,468)	(1,385)
Net deferred tax liabilities	$ (26)	$ (110)

As of June 30, 2019, the Company had income tax NOL Carryforwards (gross, net of uncertain tax benefits) in various jurisdictions as follows:

- ***Subscription Video Services*****—**The Company’s Subscription Video Services segment provides video sports, entertainment and news services to pay-TV subscribers and other commercial licensees, primarily via cable, satellite and internet distribution, and consists of (i) the Company’s 65% interest in Foxtel (with the remaining 35% interest in Foxtel held by Telstra, an Australian Securities Exchange (“ASX”)-listed telecommunications company) and (ii) ANC. Foxtel is the largest pay-TV provider in Australia, with nearly 200 channels covering sports, general entertainment, movies, documentaries, music, children’s programming and news. Foxtel offers the leading sports programming content in Australia, with broadcast rights to live sporting events including: National Rugby League, Australian Football League, Cricket Australia, the domestic football league, the Australian Rugby Union and various motorsports programming. Foxtel also operates Foxtel Now, an over-the-top, or OTT, service and Kayo, a sports-only OTT service.

  ANC operates the SKY NEWS network, Australia’s 24-hour multi-channel, multi-platform news service. ANC channels are distributed throughout Australia and New Zealand and available on Foxtel and Sky Network Television NZ. ANC also owns and operates the international Australia Channel IPTV service and offers content across a variety of digital media platforms, including mobile, podcasts and social media websites.

- ***Book Publishing*****—**The Book Publishing segment consists of HarperCollins, the second largest consumer book publisher in the world, with operations in 17 countries and particular strengths in general fiction, nonfiction, children’s and religious publishing. HarperCollins owns more than 120 branded publishing imprints, including Harper, William Morrow, HarperCollins Children’s Books, Avon, Harlequin and Christian publishers Zondervan and Thomas Nelson, and publishes works by well-known authors such as Harper Lee, Chip and Joanna Gaines, Rick Warren, Sarah Young and Agatha Christie and popular titles such as *The Hobbit, Goodnight Moon, To Kill a Mockingbird, Jesus Calling and Hillbilly Elegy*.

- ***Digital Real Estate Services*****—**The Digital Real Estate Services segment consists of the Company’s 61.6% interest in REA Group and 80% interest in Move. The remaining 20% interest in Move is held by REA Group. REA Group is a market-leading digital media business specializing in property and is listed on the ASX (ASX: REA). REA Group advertises property and property-related services on its websites and mobile apps across Australia and Asia, including Australia’s leading residential, commercial and share property websites, realestate.com.au, realcommercial.com.au, Flatmates.com.au and spacely.com.au, and property portals in Asia. In addition, REA Group provides property-related data to the financial sector and financial services through an end-to-end digital property search and financing experience and a mortgage broking offering.

  Move is a leading provider of online real estate services in the U.S. and primarily operates realtor.com®, a premier real estate information and services marketplace. Move offers real estate advertising solutions to agents and brokers, including its Connections℠ Plus and Advantage℠ Pro products as well as its Opcity performance and subscription-based services. Move also offers a number of professional software and services products, including Top Producer® and ListHub™.

- ***Other*****—**The Other segment consists primarily of general corporate overhead expenses, the corporate Strategy Group and costs related to the U.K. Newspaper Matters. The Company’s Strategy Group identifies new products and services across its businesses to increase revenues and profitability and targets and assesses potential acquisitions, investments and dispositions.

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 (expense) income, net, other, net and income tax (expense) benefit.

Segment EBITDA may not be comparable to similarly titled measures reported by other companies, since companies and investors may differ as to what items should be included in the calculation of Segment EBITDA.

Segment EBITDA 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).

Revenues:			
News and Information Services	$ 4,956	$ 5,119	$5,069
Subscription Video Services	2,202	1,004	494
Book Publishing	1,754	1,758	1,636
Digital Real Estate Services	1,159	1,141	938
Other	3	2	2
Total Revenues	$10,074	$ 9,024	$8,139
Segment EBITDA:			
News and Information Services	$ 417	$ 397	$ 412
Subscription Video Services	380	173	123
Book Publishing	253	239	195
Digital Real Estate Services	384	401	324
Other	(190)	[illegible]	[illegible]

Geographic Segments

Revenues:[a]			
U.S. and Canada[b]	$ 4,044	$3,998	$3,880
Europe[c]	1,664	1,766	1,671
Australasia and Other[d]	4,366	3,260	2,588
Total Revenues	$10,074	$9,024	$8,139

(a) Revenues are attributed to region based on location of customer.

(b) Revenues include approximately $3.9 billion for fiscal 2019, $3.9 billion for fiscal 2018 and $3.7 billion for fiscal 2017 from customers in the U.S.

(c) Revenues include approximately $1.3 billion for fiscal 2019, $1.4 billion for fiscal 2018 and $1.3 billion for fiscal 2017 from customers in the U.K.

(d) Revenues include approximately $4.0 billion for fiscal 2019, $2.9 billion for fiscal 2018 and $2.3 billion for fiscal 2017 from customers in Australia.

Long-lived assets:[a]		
U.S. and Canada	$ 983	$ 937
Europe	654	682
Australasia and Other	1,847	1,772
Total long-lived assets	$3,484	$3,391

(a) Reflects total assets less current assets, goodwill, intangible assets, investments and deferred income tax assets.

There is no material reliance on any single customer. Revenues are attributed to countries based on location of customers.

Australasia comprises Australia, Asia, Papua New Guinea and New Zealand.

Other Non-Current Assets

The following table sets forth the components of Other non-current assets included in the Balance Sheets:

Royalty advances to authors	$343	$312
Retirement benefit assets	117	135
Inventory[a]	155	143
Other	315	241
Total Other non-current assets	$930	$831

(a) Primarily consists of the non-current portion of programming rights.

Other Current Liabilities

The following table sets forth the components of Other current liabilities:

Royalties and commissions payable	$211	$187
Allowance for sales returns[a]	192	—
Current tax payable	22	17
Other	299	168
Total Other current liabilities	$724	$372

(a) As a result of the adoption of the new revenue recognition standard during the first quarter of fiscal 2019, the Company reclassified the allowance for sales returns from Receivables, net to Other current liabilities. See Note 2—Summary of Significant Accounting Policies.

Other, net

The following table sets forth the components of Other, net included in the Statements of Operations:

Dividends received from equity security investments	$ 24	$ —	$ —
Remeasurement of equity securities[a]	(23)	—	—
Loss on the Transaction[b]	—	(337)	—
Impairment of marketable securities and cost method investments[c]	—	(33)	(21)
Gain on sale of SEEKAsia[d]	—	32	—
Gain on sale of Australian property	16	—	—
Gain on sale of REA Group's European business[e]	—	—	107
Other[f]	16	14	49
Total Other, net	$ 33	$(324)	$135

(a) As a result of the adoption of ASU 2016-01 during the first quarter of fiscal 2019, the Company has included the impact from the remeasurement of equity securities in Other, net in the Statement of Operations for the fiscal year ended June 30, 2019. During the fiscal year ended June 30, 2018, the impact from the remeasurement of equity securities was included in Accumulated other comprehensive loss in the Balance Sheets.

(b) See Note 4—Acquisitions, Disposals and Other Transactions.

(c) For the fiscal year ended June 30, 2018 and 2017, the write-downs of available-for-sale securities were reclassified out of Accumulated other comprehensive loss and included in Other, net in the Statements of Operations. See Note 6—Investment.

(d) During the third quarter of fiscal 2018, the Company sold its investment in SEEKAsia for $122 million in cash and recognized a $32 million gain in Other, net in the Statements of Operations.

(e) The Company recognized a pre-tax gain of $107 million for the fiscal year ended June 30, 2017 related to REA Group's sale of its European business. See Note 4—Acquisitions, Disposals and Other Transactions.

(f) As a result of the adoption of ASU 2017-07 during the first quarter of fiscal 2019, the Company has included the other non-service cost components of net periodic benefit (income) cost in Other, net in the Statements of Operations for the fiscal years ended June 30, 2019, 2018 and 2017.

Supplemental Cash Flow Information

The following table sets forth the Company's gross cash paid for taxes and interest:

Cash paid for interest	$ 82	$ 29	$ 12
Cash paid for taxes	144	160	132

(a) Revenue for the fiscal year ended June 30, 2019 and for the three months ended June 30, 2018 includes the impact of the consolidation of Foxtel.

(b) Revenue for the fiscal year ended June 30, 2019 reflects the adoption of the new revenue recognition standard. See Note 3—Revenues.

(c) Net income (loss) for the fiscal year ended June 30, 2019 includes the impact of the following items:

- During the fourth quarter of fiscal 2019, the Company recognized non-cash impairment charges of $87 million primarily related to the impairment of goodwill at a reporting unit within the News and Information Services segment. See Note 8—Goodwill and Other Intangible Assets.

(d) Net income (loss) for the fiscal year ended June 30, 2018 includes the impact of the following items:

- During the third quarter of fiscal 2018, the Company recognized a $957 million non-cash write-down of the carrying value of its investment in Foxtel. See Note 6—Investments.
- During the third quarter of fiscal 2018, the Company recognized non-cash impairment charges of $225 million primarily related to the impairment of goodwill and intangible assets at the News America Marketing reporting unit and impairment of goodwill at the FOX SPORTS Australia reporting unit. See Note 8—Goodwill and Other Intangible Assets.
- During the fourth quarter of fiscal 2018, the loss on the Transaction primarily relates to the Company's, settlement of its pre-existing contractual arrangement between Foxtel and FOX SPORTS Australia which resulted in a $317 million write-off of its channel distribution agreement intangible asset at the time of the Transaction. See Note 4—Acquisitions, Disposals and Other Transactions.

In August 2019, the Company declared a semi-annual cash dividend of $0.10 per share for Class A Common Stock and Class B Common Stock. This dividend is payable on October 16, 2019 to stockholders of record as of September 11, 2019.

[illegible]

None

[illegible]

[illegible]

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this Annual Report. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures were effective in recording, processing, summarizing and reporting on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and were effective in ensuring that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

[illegible]

Management’s report and the report of the independent registered public accounting firm thereon are set forth on pages 77 and 78, respectively, and are incorporated herein by reference.

[illegible]

There has been no change in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company’s fourth quarter of the fiscal year ended June 30, 2019 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

[illegible]

None

The information required by this item with respect to the Company's Directors is contained in the Proxy Statement for the Company's 2019 Annual Meeting of Stockholders (the "Proxy Statement") to be filed with the SEC under the heading "Proposal No. 1: Election of Directors" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the Company's executive officers is contained in the Proxy Statement under the heading "Executive Officers of News Corporation" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the Company's Standards of Business Conduct is contained in the Proxy Statement under the heading "Corporate Governance Matters—Corporate Governance Policies" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the procedures by which security holders may recommend nominees to the Board of Directors is contained in the Proxy Statement under the heading "Corporate Governance Matters—Stockholder Recommendation of Director Candidates" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the Company's Audit Committee, including the Audit Committee's members and its financial expert, is contained in the Proxy Statement under the heading "Corporate Governance Matters—Board Committees" and is incorporated by reference in this Annual Report.

The information required by this item with respect to executive compensation and director compensation is contained in the Proxy Statement under the headings "Compensation Discussion and Analysis," "Executive Compensation," "Pay Ratio" and "Director Compensation," respectively, and is incorporated by reference in this Annual Report.

The information required by this item with respect to compensation committee interlocks and insider participation is contained in the Proxy Statement under the heading "Compensation Committee Interlocks and Insider Participation" and is incorporated by reference in this Annual Report.

The compensation committee report required by this item is contained in the Proxy Statement under the heading "Report of the Compensation Committee" and is incorporated by reference in this Annual Report.

The information required by this item with respect to compensation policies and practices as they relate to the Company's risk management is contained in the Proxy Statement under the heading "Risks Related to Compensation Policies and Practices" and is incorporated by reference in this Annual Report.

The information required by this item with respect to securities authorized for issuance under the Company's equity compensation plans is contained in the Proxy Statement under the heading "Equity Compensation Plan Information" and is incorporated by reference in this Annual Report.

The information required by this item with respect to the security ownership of certain beneficial owners and management is contained in the Proxy Statement under the heading "Security Ownership of News Corporation" and is incorporated by reference in this Annual Report.

[illegible]

The information required by this item with respect to transactions with related persons is contained in the Proxy Statement under the heading “Corporate Governance Matters—Related Person Transactions Policy” and is incorporated by reference in this Annual Report.

The information required by this item with respect to director independence is contained in the Proxy Statement under the headings “Corporate Governance Matters—Director Independence” and “Corporate Governance Matters—Board Committees” and is incorporated by reference in this Annual Report.

[illegible]

The information required by this item is contained in the Proxy Statement under the headings “Fees Paid to Independent Registered Public Accounting Firm” and “Audit Committee Pre-Approval Policies and Procedures” and is incorporated by reference in this Annual Report.

(a) The following documents are filed as part of this report:

1. The Company’s Consolidated Financial Statements required to be filed as part of this Annual Report and the Reports of Independent Registered Public Accounting Firm are included in Part II, Item 8. Financial Statements and Supplementary Data.
2. All other financial statement schedules are omitted because the required information is not applicable, or because the information called for is included in the Company’s Consolidated Financial Statements or the Notes to the Consolidated Financial Statements.
3. Exhibits—The exhibits listed under Part (b) below are filed or incorporated by reference as part of this Annual Report. A “±” identifies each management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report, and such listing is incorporated herein by reference.

(b) Exhibits

2.1	Separation and Distribution Agreement, dated June 28, 2013, among News Corporation, New News Corporation and News Corp Holdings UK & Ireland. (Incorporated by reference to Exhibit 2.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on July 3, 2013.)
2.2	Partial Assignment and Assumption Agreement, dated as of March 18, 2019, among Twenty-First Century Fox, Inc., Fox Corporation, News Corporation and News Corp Holdings UK & Ireland, in respect of the Separation and Distribution Agreement, dated June 28, 2013 (Incorporated by reference to Exhibit 2.1 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on May 10, 2019.)
2.3	Tax Sharing and Indemnification Agreement, dated June 28, 2013, between News Corporation and New News Corporation. (Incorporated by reference to Exhibit 2.3 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on July 3, 2013.)
2.4	FOX SPORTS Trade Mark Licence. (Incorporated by reference to Exhibit 2.5 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on July 3, 2013.)
2.5	FOX Trade Mark Licence. (Incorporated by reference to Exhibit 2.6 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on July 3, 2013.)
3.1	Restated Certificate of Incorporation of News Corporation. (Incorporated by reference to Exhibit 3.1 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
3.2	Amended and Restated By-laws of News Corporation, effective February 25, 2019. (Incorporated by reference to Exhibit 3.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on February 25, 2019.)
4.1	Third Amended and Restated Rights Agreement, dated as of June 18, 2018, between News Corporation and Computershare Trust Company, N.A., as Rights Agent. (Incorporated by reference to Exhibit 4.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on June 18, 2018.)

4.2	Description of News Corporation’s Securities.*
10.1	Amended and Restated Employment Agreement, dated May 9, 2019, between News Corporation and Robert Thomson. (Incorporated by reference to Exhibit 10.2 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on May 10, 2019.)±
10.2	Employment Agreement, dated February 23, 2017, between News Corporation and Susan Panuccio. (Incorporated by reference to Exhibit 10.3 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on May 10, 2017.)±
10.3	

10.11	Amendment No. 2, dated as of July 13, 2016, to the Credit Agreement, dated as of October 23, 2013, among the Company, as borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A. and Citibank, N.A., as co-administrative agents, JPMorgan Chase Bank, N.A., as designated agent, and the other parties thereto. (Incorporated by reference to Exhibit 10.1 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on November 8, 2016.)
10.12	Amendment No. 3, dated as of March 29, 2018, to the Credit Agreement, dated as of October 23, 2013, among the Company, as borrower, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A. and Citibank, N.A., as co-administrative agents, JPMorgan Chase Bank, N.A., as designated agent, and the other parties thereto. (Incorporated by reference to Exhibit 10.1 to the Quarterly Report of News Corporation on Form 10-Q (File No. 001-35769) filed with the Securities and Exchange Commission on May 11, 2018.)
10.13	Syndicated Revolving Facility Agreement, dated as of June 17, 2014, among Foxtel Management Pty Limited and Foxtel Finance Pty Limited, as initial borrowers, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent. (Incorporated by reference to Exhibit 10.19 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.14	Amendment Letter, dated as of June 12, 2015, in respect of the Syndicated Revolving Facility Agreement, dated as of June 17, 2014, among Foxtel Management Pty Limited and Foxtel Finance Pty Limited, as initial borrowers, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent. (Incorporated by reference to Exhibit 10.20 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.15	Syndicated Revolving Facility Agreement, dated as of June 12, 2015, among Foxtel Management Pty Limited and Foxtel Finance Pty Limited, as initial borrowers, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent. (Incorporated by reference to Exhibit 10.21 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.16	Syndicated Revolving Facility Agreement, dated as of September 12, 2016, among Foxtel Management Pty Limited and Foxtel Finance Pty Limited, as initial borrowers, the initial financiers named therein and Commonwealth Bank of Australia, as facility agent. (Incorporated by reference to Exhibit 10.22 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.17	Multi-Option Facility Agreement, dated as of June 30, 2017, among Foxtel Management Pty Limited, Foxtel Finance Pty Limited and the other original borrowers listed therein and Commonwealth of Bank of Australia, as the original lender. (Incorporated by reference to Exhibit 10.23 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.18	Common Terms Deed Poll, dated as of April 10, 2012, made by Foxtel Management Pty Ltd and the other parties thereto acting as initial guarantors in favor of the finance parties defined therein. (Incorporated by reference to Exhibit 10.24 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.19	Guarantee Deed Poll, dated as of April 3, 2018, made by each of the parties thereto acting as guarantors in favor of the finance parties defined therein. (Incorporated by reference to Exhibit 10.25 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.20	Note and Guarantee Agreement, dated as of September 24, 2009, among Foxtel Management Pty Limited, Sky Cable Pty Limited, Foxtel Media Pty Limited (formerly Telstra Media Pty Limited) and others. (Incorporated by reference to Exhibit 10.26 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)

10.21	Waiver, Consent and Amendment Number 1, to the Note and Guarantee Agreement, dated as of September 24, 2009 among Foxtel Management Pty Limited, Sky Cable Pty Limited, Foxtel Media Pty Limited (formerly Telstra Media Pty Limited) and others. (Incorporated by reference to Exhibit 10.27 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.22	Notice of Security Release and Amendment Number 2, to the Note and Guarantee Agreement, dated as of September 24, 2009 (as amended from time to time), among Foxtel Management Pty Limited, Sky Cable Pty Limited, Foxtel Media Pty Limited (formerly Telstra Media Pty Limited) and others. (Incorporated by reference to Exhibit 10.28 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.23	Deed of Guarantee dated September 24, 2009 executed by each entity listed in Annex 1 thereto. (Incorporated by reference to Exhibit 10.29 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.24	Note and Guarantee Agreement, dated as of July 25, 2012, among Foxtel Management Pty Limited, Sky Cable Pty Limited, Foxtel Media Pty Limited (formerly Telstra Media Pty Limited) and others. (Incorporated by reference to Exhibit 10.30 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
10.25	Deed of Guarantee dated July 25, 2012 executed by each entity listed in Annex 1 thereto. (Incorporated by reference to Exhibit 10.31 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 15, 2018.)
21.1	List of Subsidiaries.*
23.1	Consent of Ernst & Young LLP with respect to News Corporation.*
31.1	Chief Executive Officer Certification required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.*
31.2	Chief Financial Officer Certification required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes Oxley Act of 2002.**
101	The following financial information from the Registrant’s Annual Report on Form 10-K for the fiscal year ended June 30, 2019 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the fiscal years ended June 30, 2019, 2018 and 2017; (ii) Consolidated Statements of Comprehensive Loss for the fiscal years ended June 30, 2019, 2018 and 2017; (iii) Consolidated Balance Sheets as of June 30, 2019 and 2018; (iv) Consolidated Statements of Cash Flows for the fiscal years ended June 30, 2019, 2018 and 2017; (v) Consolidated Statements of Equity for the fiscal years ended June 30, 2019, 2018 and 2017; and (vi) Notes to the Consolidated Financial Statements.*

* Filed herewith

** Furnished herewith

± Management contract or compensatory plan or arrangement

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEWS CORPORATION
(Registrant)

By: /s/ Susan Panuccio

Date: August 13, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

/s/ Robert J. Thomson	Chief Executive Officer and Director (Principal Executive Officer)	August 13, 2019
/s/ Susan Panuccio	Chief Financial Officer (Principal Financial Officer)	August 13, 2019
/s/ Kevin P. Halpin	Principal Accounting Officer	August 13, 2019
/s/ K. Rupert Murdoch	Executive Chairman	August 13, 2019
/s/ Lachlan K. Murdoch	Co-Chairman	August 13, 2019
/s/ Kelly Ayotte	Director	August 13, 2019
/s/ José María Aznar	Director	August 13, 2019
/s/ Natalie Bancroft	Director	August 13, 2019
/s/ Peter L. Barnes	Director	August 13, 2019
/s/ Joel I. Klein	Director	August 13, 2019
/s/ James R. Murdoch	Director	August 13, 2019
/s/ Ana Paula Pessoa	Director	August 13, 2019
/s/ Masroor Siddiqui	Director	August 13, 2019

Exhibit 4.2

DESCRIPTION OF NEWS CORPORATION'S SECURITIES

Unless otherwise provided by the Restated Ce

Subject to the rights of the holders of any series of Preferred Stock or Series Common Stock, the Restated Certificate of Incorporation provides that the Company’s stockholders may act only at an annual or special meeting of stockholders and may not act by written consent.

The Restated Certificate of Incorporation and Amended and Restated By-laws provide that the Board of Directors is authorized to adopt, repeal, alter or amend the Amended and Restated By-laws by a vote of a majority of the entire Board of Directors. In addition to any requirements of law and any other provision of the Restated Certificate of Incorporation, the Company’s stockholders may, with the affirmative vote of holders of 65% or more of the combined voting power of the then outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class, adopt, amend, alter or repeal any provision of the Amended and Restated By-laws.

The Restated Certificate of Incorporation provides that the affirmative vote of the holders of 65% or more of the combined voting power of the then outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class, is required to amend, alter or repeal, or adopt any provision inconsistent with, certain provisions of the Restated Certificate of Incorporation.

The Restated Certificate of Incorporation provides that an Owner (as defined in the Restated Certificate of Incorporation) of shares of Class A Common Stock or Class B Common Stock may not sell, exchange or otherwise transfer Ownership (as defined in the Restated Certificate of Incorporation) of such shares to any person who has made an Offer (as defined in the Restated Certificate of Incorporation) pursuant to such Offer unless such Offer relates to both Class A Common Stock and Class B Common Stock, or another Offer or Offers are contemporaneously made with such Offer by such person such that, between all the Offers, they relate to both Class A Common Stock and Class B Common Stock, and the terms and conditions of such Offer or Offers as they relate to each of the shares of Class A Common Stock and Class B Common Stock are Comparable (as defined in the Restated Certificate of Incorporation).

Additionally, the acquisition of interests in securities of News Corporation is subject to the Australian (Cth) (“FATA”). Given that News Corporation owns Australian media businesses, the acquisition by a “foreign person” (within the meaning of the FATA) of 20% or more of New Corporation’s securities will constitute a “notifiable action” and/or “significant action” under the FATA and therefore the acquisition can only be made with prior approval from the Australian Treasurer under the FATA. Failure to obtain such prior approval is an offence and also will entitle the Australian Treasurer, upon a determination that the acquisition is contrary to Australia’s national interest, to order the divestment of the securities that have been acquired. The Restated Certificate of Incorporation grants the Board of Directors the power to refuse to permit or honor transfers of the Company’s sh pursuant to clause (iii) if the written request by such holders is received less than 135 days prior to the first anniversary of the date of the preceding annual meeting of stockholders of News Corporation and (b) any special meeting called pursuant to clause (iii) shall be held not later than 100 days following receipt of the written request by such holders, on such date and at such time and place as determined by the Board of Directors.

Subject to the rights of the holders of any series of Preferred Stock or Series Common Stock, the Amended and Restated By-laws contain advance-notice and other procedural requirements that apply to stockholder nominations of persons for election to the Board of Directors at any annual meeting of stockholders and to stockholder proposals that stockholders take any other action at any annual meeting. In the case of any annual meeting, a stockholder proposing to nominate a person for election to the Board of Directors or proposing other business must give the Company's secretary written notice of the proposal at the Company's principal executive offices not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year's annual meeting. These stockholder proposal deadlines are subject to exceptions if the annual meeting date is set more than 30 days before or 70 days after such anniversary date, or if no annual meeting was held in the preceding year, in which case notice by such stockholder, to be timely, must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to the date of such annual meeting, or the 10th day following the day on which public announcement of the date of such annual meeting is first made. If a special meeting of stockholders is called for the election of directors, a stockholder proposing to nominate a person for that election must give the Company's secretary written notice of the proposal at the Company's principal executive offices not later than the close of business on the later of the 90th

Until a right is exercised, its holder, as such, will have no rights as a stockholder of the Company with respect to such rights, including, without limitation, the right to vote or to receive dividends. While the distribution of the rights will not be taxable to stockholders or to the Company, stockholders may, depending upon the circumstances, recognize taxable income in the event that the rights become exercisable for common stock (or other consideration) of the Company or for common stock of the acquiring company or in the event of the redemption of the rights as described above.

The shares of Series A Junior Participating Preferred Stock purchasable upon exercise of the rights will not be redeemable. Each share of Series A Junior Participating Preferred Stock (i) will rank junior to any other class or series of the Company's Preferred Stock with respect to the payment of dividends and the distribution of assets; (ii) will entitle holders to a quarterly dividend in an amount per share equal to the greater of (1) $0.10, or (2) the product of (a) 1,000 (subject to antidilution adjustment) and (b) the aggregate per share amount of all dividends declared on the Class B Common Stock since the preceding dividend payment date; (iii) will entitle holders to one vote on all matters submitted to a vote of the Company's stockholders; (iv) in the event of the Company's liquidation, will entitle holders to a preferred liquidation payment equal to $1,000 per share, plus accrued and unpaid dividends, provided that holders shall be entitled to receive not less than an aggregate amount per share equal to the product of (1) 1,000 (subject to antidilution adjustment) and (2) the aggregate amount to be distributed per share to holders of common stock; and (v) in the event of any consolidation, merger, combination, or other transaction in which shares of common stock are exchanged for or changed into stock or securities of another entity, cash and/or other property, will be exchanged or changed into an amount per share equal to the product of (1) 1,000 (subject to antidilution adjustment) and (2) the aggregate amount of stock, securities, cash, and/or other property into which or for which each share of common stock is changed or exchanged.

The rights have certain anti-takeover effects. For example, the rights will cause substantial dilution to any person or group w

News Corporation entitled to vote generally in the election of directors. Under the terms of the Restated Certificate of Incorporation, the Board of Directors is authorized, subject to limitations prescribed by the DGCL and by the Restated Certificate of Incorporation, to issue up to twenty-five million (25,000,000) shares of Preferred Stock and up to twenty-five million (25,000,000) shares of Series Common Stock, each in one or more series, without further action by the holders of the Company's common stock. The Board of Directors is vested with the authority to fix by resolution the designations, preferences and relative, participating, optional or other special rights, and such qualifications, limitations or restrictions thereof, including, without limitation, redemption rights, dividend rights, liquidation preferences and conversion or exchange rights of any class or series of Preferred Stock or Series Common Stock, and to fix the number of classes or series of Preferred Stock or Series Common Stock, the number of shares constituting any such class or series and the voting powers for each class or series.

The Board of Director's authority to issue Preferred Stock or Series Common Stock could potentially be used to discourage attempts by third parties to obtain control of the Company through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. See "Anti-Takeover Effects of Various Provisions of Delaware Law, the Restated Certificate of Incorporation and Amended and Restated By-laws and the Rights Agreement." The Board of Directors may issue Preferred Stock or Series Common Stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of common stock.

Junior Participating Preferred Stock

Shares of Series A Junior Participating Preferred Stock will be reserved for issuance upon exercise of the rights under the Rights Agreement. See "Anti-Takeover Effects of Various Provisions of Delaware Law, the Restated Certificate of Incorporation and Amended and Restated By-laws and the Rights Agreement." Shares of Series A Junior Participating Preferred Stock may be purchased only after the rights have become exercisable, and each share of Series A Junior Participating Preferred Stock:

- will rank junior to any other class or series of Preferred Stock with respect to the payment of dividends and the distribution of assets.
- will entitle holders to a quarterly dividend in an amount per share equal to the greater of (1) $0.10, or (2) the product of (a) 1,000 (subject to antidilution adjustment) and (b) the aggregate per share amount of all dividends declared on the Class B Common Stock since the preceding dividend payment date.
- will entitle holders to one vote on all matters submitted to a vote of the Company's stockholders.
- in the event of the Company's liquidation, will entitle holders to a preferred liquidation payment equal to $1,000 per share, plus accrued and unpaid dividends, provided that holders shall be entitled to receive not less than an aggregate amount per share equal to the product of (1) 1,000 (subject to antidilution adjustment) and (2) the aggregate amount to be distributed per share to holders of the common stock.
- in the event of any consolidati

Chesterland Pty Ltd	Australia
Chinchilla Newspapers Pty. Ltd.	Australia
Chippawa Pty Ltd	Australia
City Broadcasting Limited	Ireland
Cobuild Limited	United Kingdom
Coffs Coast Re Marketing Pty Ltd	Australia
Collins Bartholomew Limited	United Kingdom
Complete Electronic Risk Compliance Limited	United Kingdom
Consolidated Media Holdings Pty Limited	Australia
Continental Century Pay TV Pty Limited	Australia
Cork Media Enterprise Limited	United Kingdom
County Media Limited	Ireland
CTV Pty Ltd	Australia
Customer Services Pty Limited	Australia
Dalby Herald Pty. Ltd.	Australia
Davies Brothers Pty Limited	Australia
DEI CSEP, Inc.	United States of America
Direct Net Access Limited	Ireland
DJBI, LLC	United States of America
Dolphin Bookclub Limited	United Kingdom
Dovevale Pty Ltd	Australia
Dow Jones & Company (Australia) PTY Limited	Australia
Dow Jones & Company (Malaysia) Sdn. Bhd.	Malaysia
Dow Jones & Company (Schweiz) GMBH	Switzerland
Dow Jones & Company (Singapore) PTE Limited	Singapore
Dow Jones & Company, Inc.	United States of America
Dow Jones (Japan) K.K.	Japan
Dow Jones Advertising (Shanghai) Co. Limited	China
Dow Jones AER Company, Inc.	United States of America
Dow Jones Business Interactive (U.K.) Limited	United Kingdom
Dow Jones Canada, Inc.	Canada
Dow Jones Colombia S.A.S.	Colombia
Dow Jones Consulting (Shanghai) Limited	China
Dow Jones Consulting India Private Limited	India
Dow Jones Distribution Co. (Asia), Inc.	United States of America
Dow Jones Do Brasil Serviços Econômicos Ltda.	Brazil
Dow Jones Haber Ajansi Anonim Sirketi	Turkey
Dow Jones Information Services International (HK) Ltd.	Hong Kong
Dow Jones International Advertising & Marketing Services, Inc.	United States of America
Dow Jones International GMBH	Germany
Dow Jones International Ltd.	United Kingdom
Dow Jones Italia SRL	Italy
Dow Jones NBV Bulgaria EOOD	Bulgaria
Dow Jones Nederland BV	Netherlands
Dow Jones News GmbH	Germany
Dow Jones News Services (Proprietary) Limited	South Africa
Dow Jones Newswires Holdings, Inc.	United States of America
Dow Jones Publishing Company (Asia), Inc.	United States of America
Dow Jones Publishing Company (Europe), Inc.	United States of America
Dow Jones Services Limited	United Kingdom
Dow Jones Southern Holding Company, Inc.	United States of America
Dow Jones Trademark Holdings LLC	United States of America
Dow Jones WSJA Philippines, Inc.	Philippines
Editora HR Ltda.	Brazil
eFinancialNews Holdings Limited	United Kingdom

Factiva Business Information (Spain), S.L.	Spain
Factiva Limited	United Kingdom
Factiva LLC	United States of America
Factiva, Inc.	United States of America
Festival Records International Limited	United Kingdom
Finance 18.com Ltd	Hong Kong
First Radio Sales Limited	United Kingdom
Flagship Studio Co., Ltd	Thailand
Flatmates.com.au Pty Ltd	Australia
Forever Broadcasting Limited	United Kingdom
Fourth Estate Limited	United Kingdom
Fox Sports Australia B.V.	Netherlands
Fox Sports Australia Pty Limited	Australia
Fox Sports Streamco Pty Limited	Australia
Fox Sports Venues Pty Limited	Australia
Foxtel Australia Pty Limited	Australia
Foxtel Cable Television Pty Limited	Australia
Foxtel Finance Pty Limited	Australia
Foxtel Holdings Pty Limited	Australia
Foxtel Management Pty Limited	Australia
Foxtel Media Pty Limited (formerly Telstra Media Pty Limited)	Australia
Foxtel Media US, LLC	United States of America
Foxtel Partnership	Australia
Foxtel Television Partnership	Australia
Freedom Platform L.L.C.	United States of America
Freedom Platform ULC	Canada
FS (Australia) I Pty Limited	Australia
FS Australia II LLC	United States of America
FS Australia Partnership	Australia
Gatton Star Pty. Ltd.	Australia
Generate Canada ULC	Canada
Generate, Inc.	United States of America
George Allen & Unwin (Publishers) Limited	United Kingdom
Gladstone Newspaper Company Pty Ltd	Australia
GoHome H.K. Co. Ltd	Hong Kong
GoHome Macau Co Ltd	Hong Kong
Gold Coast Publications Pty. Limited	Australia
Grand Central Broadcasting Limited	United Kingdom
Grupo Nelson Inc.	United States of America
Gympie Times Pty. Ltd.	Australia
Harlequin (UK) Limited	United Kingdom
Harlequin Books S.A.	Switzerland
Harlequin Digital Sales Corporation	United States of America
Harlequin Enterprises (Australia) Pty Ltd.	Australia
Harlequin Enterprises II BV/Sarl	Luxembourg
Harlequin Enterprises UK Limited	United Kingdom
Harlequin Enterprises ULC	Canada
Harlequin Holdings Inc.	United States of America
Harlequin Holdings S.A.	Switzerland
Harlequin India Private Limited	India
Harlequin Italia Srl	Italy
Harlequin Magazines Inc.	United States of America
Harlequin Products Inc.	United States of America
Harlequin Retail Inc.	United States of America
Harlequin Sales Corporation	United States of America
Harper Collins Publishers India Limited	India
HarperCollins (UK)	United Kingdom
HarperCollins Brasil Holdings Participações Societárias S.A.	Brazil
HarperCollins Canada Limited	Canada
HarperCollins Christian Publishing, Inc.	United States of America
HarperCollins Focus, LLC	United States of America
HarperCollins France S.A	France
HarperCollins Germany GmbH	Germany
HarperCollins Iberica S.A.	Spain
HarperCollins Investments (UK) Limited	United Kingdom
HarperCollins Italia S.p.A.	Italy

HarperCollins Mexico, SA de CV	Mexico
HarperCollins Nordic AB	Sweden
HarperCollins Polska S.P. Z.o.o.	Poland
HarperCollins Publishers (Holdings) Pty. Limited	Australia
HarperCollins Publishers (New Zealand) Limited	New Zealand
HarperCollins Publishers Australia Pty. Limited	Australia
HarperCollins Publishers Holdings (New Zealand)	New Zealand
HarperCollins Publishers L.L.C.	United States of America
HarperCollins Publishers Limited	United Kingdom
HarperCollins Publishers Ltd	Canada
HarperCollins Publishers Middle East Books Trading LLC	United Arab Emirates
HarperCollins Publishers Pension Trustee Co. Limited	United Kingdom
HarperCollins US LLC	United States of America
Heritage Media L.L.C.	United States of America
Heritage Media Services L.L.C.	United States of America
Homestore, Inc.	United States of America

Moving.com, Inc.	United States of America
Multi Channel Network Pty Ltd	Australia
Muse Recruitment 1 Limited	United Kingdom
Muse Recruitment 2 Limited	United Kingdom
Muse Recruitment Holdings Limited	United Kingdom
Nationwide News Pty. Limited	Australia
Nationwide Newspapers Pty Limited	Australia
NC Audience Exchange, LLC	United States of America
NC Transaction, Inc.	United States of America
NC UK Holdings Inc	United States of America
NCA Broadcasting Pty Ltd	Australia
NCA Ventures Pty Ltd	Australia
NCIH LLC	United States of America
NCNS Holdings, LLC	United States of America
New Zealand News Channel Limited	New Zealand
News 2026 Limited	United Kingdom
News Alesia UK Limited	United Kingdom
News America Marketing Digital L.L.C.	United States of America
News America Marketing FSI L.L.C.	United States of America
News America Marketing In-Store L.L.C.	United States of America
News America Marketing In-Store Services L.L.C.	United States of America
News America Marketing Interactive L.L.C.	United States of America
News America Marketing Properties L.L.C.	United States of America
News Australia Holdings LLC	United States of America
News Australia Holdings Partnership	Australia
News Australia Holdings Pty Limited	Australia
News Australia Investments Pty Ltd	Australia
News Australia Pty Limited	Australia
News Classifieds Network (NCN) Pty Limited	Australia
News Collins Holdings Limited	United Kingdom
News Collins Holdings Partnership	Australia
News Collins Limited	United Kingdom
News Corp Australia Holdings Pty Limited	Australia
News Corp Australia Investments Pty Limited	Australia
News Corp Australia Partnership	Australia
News Corp Australia Pty Limited	Australia
News Corp Holdings UK & Ireland	United Kingdom
News Corp Investments I Limited	United Kingdom
News Corp Investments II Limited	United Kingdom
News Corp Investments LLC	United States of America
News Corp Investments UK & Ireland	United Kingdom
News Corp Technology, LLC	United States of America
News Corp UK & Ireland Limited	United Kingdom
News Digital Media Pty Limited	Australia

News Pty Limited	Australia
News Solutions Limited	United Kingdom
News Telemedia Europe Limited	United Kingdom
News UK & Ireland Direct Limited	United Kingdom
News UK & Ireland Limited	United Kingdom
News UK & Ireland Newspapers Limited	United Kingdom
News UK & Ireland Recruitment Holdings Limited	United Kingdom
News UK & Ireland Trading Limited	United Kingdom
News UK Automotive Limited	United Kingdom
News UK Finance Holdings I LLC	United States of America
News UK Finance Holdings II LLC	United States of America
Newsett Limited	United Kingdom
Newsprinters (Broxbourne) Limited	United Kingdom
Newsprinters (Eurocentral) Limited	United Kingdom
Newsprinters (Knowsley) Limited	United Kingdom
Newsprinters Limited	United Kingdom
NGN Editorial Pension Trustees Limited	United Kingdom
NNC Insurance Services, Inc.	United States of America
North Coast News Pty Ltd	Australia
Northern Star Ltd	Australia
NOVII Pty Ltd	Australia
NTS Technology Services Private Limited	India
NWS Digital Asia Pte. Limited	Singapore
NWS Digital India Private Limited	India
NWS NewsTech ULC	Canada
NXE Australia Pty Limited	Australia
NYP Holdings, Inc.	United States of America
NYP Realty Corp.	United States of America
Observer Times (Hervey Bay) Pty. Ltd.	Australia
Opcity Acquisition LLC	United States of America
Opcity Inc.	United States of America
ozhomevalue Pty Limited	Australia
Pacific Sports Holdings Pty Limited	Australia
Pacific Sports International Pty Limited	Australia
Pay TV Management Pty Limited	Australia
Pay TV Partnership	Australia
PBL Management Pty Ltd	Australia
PBL Pay TV Pty Ltd	Australia
Perfecttaste Limited	United Kingdom
Pollokshields Printing Services Limited	United Kingdom
Post Courier Limited	Papua New Guinea
Prakard IPP Co Ltd	Thailand
Prakard.com (Hong Kong) Limited	Hong Kong
Presto Entertainment Pty Limited	Australia
Presto TV Pty Limited	Australia
Primedia Limited	Hong Kong
Property.com.au Pty Ltd	Australia
PT Web Marketing Indonesia	Indonesia
Pulse FM Limited	United Kingdom
Punters Paradise Pty Limited	Australia
Punters Paradise UK Limited	United Kingdom
QP Ventures Pty Limited	Australia
Queensland Entertainment Services Pty Ltd	Australia
Queensland Newspapers Pty. Ltd.	Australia
Racing Internet Services Pty Ltd	Australia
Radio County Sound Limited	Ireland
REA Austin Pty Ltd	Australia
REA Group Consulting (Shanghai) Co. Limited	China
REA Group Europe Limited	United Kingdom

REA Group Hong Kong Ltd	Hong Kong
REA Group Ltd	Australia
REA HK Co Limited	Hong Kong
REA Hong Kong Management Co Limited (Hong Kong)	Hong Kong
REA US Holding Co. Pty Ltd	Australia
Realestate.com.au Pty Limited	Australia
RealSelect, Inc.	United States of America
Recruitment Northern Ireland Limited	United Kingdom
Review Publishing Company Limited	Hong Kong
Royal Children’s Hospital Good Friday Appeal Limited	Australia
Ruby Newco LLC	United States of America
Sabawin Pty Limited	Australia
Saturn (NZ) Holding Company Pty Ltd	Australia
ScaleUp Media Fund 2.0 Pty Limited	Australia
Secondpost Limited	United Kingdom
Secondpost.com Limited	United Kingdom
Selectra Pty Ltd	Australia
Shawnee Limited	Ireland
Signal Radio Limited	United Kingdom
Simply Zesty Limited	Ireland
Simply Zesty UK Limited	United Kingdom
Sky Cable Pty Limited	Australia
Smart Expo Limited	Hong Kong
Smart Source Direct L.L.C.	United States of America
Smartline Home Loans Pty Ltd	Australia
Smartline Operations Pty Limited	Australia
Soccerbet Limited	United Kingdom
Sound Digital Limited	United Kingdom
South Pacific Post Pty Ltd	Papua New Guinea
Sport by Numbers Pty Limited	Australia
Stanthorpe Newspaper Services Unit Trust	Australia
Storyful Americas, LLC	United States of America
Storyful Limited	Ireland
Streamotion Pty Limited	Australia
STV Pty Ltd	Australia
Sunshine Coast Newspaper Company Pty. Ltd.	Australia
Swansea Sound Limited	United Kingdom
Switchdigital (London) Limited	United Kingdom
Switchdigital (Scotland) Limited	United Kingdom
Talk Radio UK Limited	United Kingdom
talkSPORT Limited	United Kingdom
The Bundaberg Newspaper Company Pty. Limited	Australia
The Cairns Post Proprietary Limited	Australia
The Country Music Channel Pty Limited	Australia
The Courier-Mail Children’s Fund Pty Ltd	Australia
The Daily Examiner Pty Ltd	Australia
The Daily Holdings, Inc.	United States of America
The Digital Radio Group (London) Limited	United Kingdom
The Geelong Advertiser Proprietary Limited	Australia
The Herald and Weekly Times Pty Limited	Australia
The Independent Broadcasting Corporation	Ireland
The Internet Business Limited	United Kingdom
The Longbeach Publications Unit Trust	Australia
The Mackay Printing and Publishing Company Pty Limited	Australia
The Maryborough Hervey Bay Newspaper Company Pty Ltd	Australia
The North Queensland Newspaper Company Pty Limited	Australia
The Queensland Times Pty. Limited	Australia
The South Burnett Times Pty. Ltd.	Australia
The Sun Limited	United Kingdom
The Sunday Times Limited	United Kingdom
The Sunday Times Whisky Club Limited	United Kingdom
The Times Limited	United Kingdom
The Times Literary Supplement Limited	United Kingdom
The Tweed Newspaper Co Pty Ltd	Australia
The Wall Street Journal Europe Holding, Inc.	United States of America
The Wall Street Journal Europe, SPRL	Belgium

The Warwick Newspaper Pty. Limited	Australia
The Weather Channel Australia Pty Ltd	Australia
The Wireless Group (ILRS) Limited	United Kingdom
The Wireless Group Holdings Limited	United Kingdom
The Zondervan Corporation L.L.C.	United States of America
Think iProperty Sdn Bhd	Malaysia
Thomas Nelson Export Inc.	United States of America
Thorsons Publishers Limited	United Kingdom
Thorsons Publishing Group Limited	United Kingdom
Times Books Group Limited	United Kingdom
Times Books Limited	United Kingdom
Times Crosswords Limited	United Kingdom
Times Media Limited	United Kingdom
Times Newspapers Holdings Limited	United Kingdom
Times Newspapers Limited	United Kingdom

Wireless Radio (ROI) Limited	Ireland
Wireless Radio Limited	United Kingdom
Wollongong Microwave Pty Ltd	Australia
Wolverhampton Area Radio Limited	United Kingdom
WorKazoo Limited	United Kingdom
XYZnetworks Pty Limited	Australia
Zondervan (Republica Dominicana) S.A	Dominican Republic

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-189932) pertaining to the News Corporation 2013 Long-Term Incentive Plan, and

(2) Registration Statement (Form S-8 No. 333-200315) pertaining to the registration of common stock of News Corporation in connection with The Move, Inc. 2011 Incentive Plan, as amended; The Move, Inc. 2002 Stock Incentive Plan, as amended; The Move.com, Inc. 2000 Stock Incentive Plan; The Move, Inc. 1999 Stock Incentive Plan, as amended; The iPlace, Inc. 2001 Equity Incentive Plan; and The Hessel 2000 Stock Option Plan;

of our reports dated August 13, 2019, with respect to the consolidated financial statements of News Corporation and the effectiveness of internal control over financial reporting of News Corporation included in this Annual Report (Form 10-K) of News Corporation for the year ended June 30, 2019.

/s/ Ernst & Young LLP

New York, New York
August 13, 2019

Exhibit 31.1

Chief Executive Officer Certification

Required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended

Exhibit 31.2

Chief Financial Officer Certification

Required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended

I, Susan Panuccio, certify that:

1. I have reviewed this annual report on Form 10-K of News Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 13, 2019

By: /s/ Susan Panuccio
Susan Panuccio
Chief Financial Officer