NEWS CORPORATION REPORTS FOURTH QUARTER AND FULL YEAR RESULTS FO R FISCAL 2017

FISCAL 2017 FULL YEA R KEY FINANCIAL HIGHLIGHTS

- Cash impairments and write-downs and a one-time pre-tax gain of $107 million as a result of the sale of REA Group's European business
- Total Segment EBITDA was $885 million compared to $684 million in the prior year; fiscal 2016 included the NAM Group settlement charge of $280 million and the $122 million gain from the Zillow settlement
- Strong growth in the Digital Real Estate Services segment, which represented 37% of Total Segment EBITDA, driven by strong audience gains and new product offerings
- Reported EPS were ($1.27) compared to $0.28 in the prior year – Adjusted EPS were $0.36 compared to $0.40 in the prior year
- Digital revenues represented 25% of News and Information Services segment revenues, compared to 22% in the prior year

W YORK, NY – August 10, 2017 – News Corporation ("News Corp" or the "Company") (NASDAQ: NWS, SA; ASX: NWS, NWSLV) today reported financial results for the three months and fiscal year ended June 30, 7 (includes 13 and 52 weeks, respectively, compared to 14 and 53 weeks in the three months and fiscal year ed June 30, 2016, respectively).

mmenting on the results, Chief Executive Robert Thomson said:

cal 2017 was a significant year for News Corp as we saw tangible improvement in profitability, powered by the growing Digital Real Estate Services segment, and we charged a premium for premium content while sing on operating efficiencies.

s Corp led the global debate about content value and values, prompting the digital platforms to address a unctional content eco-system, in which the fake and the fraudulent have flourished.

Full year Segment EBITDA increased $200 million, or 93%, as compared to the prior year. The prior year's results included the NAM Group settlement charge of $280 million. Adjusted Segment EBITDA, which excludes that settlement charge and the other items described in Note 1, decreased 14% compared to the prior year, driven by lower contributions across the newspaper businesses. The decline was partially offset by lower costs due to ongoing cost initiatives, combined with savings from lower print volume.

Fourth Quarter Segment Results

Revenues in the quarter declined $136 million, or 10%, compared to the prior year, primarily due to the absence of $77 million from the additional week in the prior year period.

Advertising revenues declined

Fourth Quarter Segment Results

REVIEW OF EQUITY (LOSSES) EARNINGS OF AFFILIATES' RESULTS

Full year equity (losses) earnings from affiliates were ($295) million compared to $30 million in the prior year. Equity (losses) earnings from affiliates for the fourth quarter were ($19) million compared to $5 million in the prior year.

	For the three months ended June 30,		For the fiscal years ended June 30,	
	2017	2016	2017	2016
	(in millions)		(in millions)	
Foxtel [(a)]	$ (5)	$ 12	$ (265)	$ 38
Other equity affiliates, net [(b)]	(14)	(7)	(30)	(8)
Total equity earnings of affiliates	$ (19)	$ 5	$ (295)	$ 30

(a) The Company amortized $15 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 three months and fiscal year ended June 30, 2017, respectively, and $15 million and $52 million in the corresponding periods of fiscal 2016, respectively. Such amortization is reflected in Equity earnings of affiliates in the Statements of Operations.

(b) Other equity affiliates, net for the fiscal year ended June 30, 2017 primarily includes losses from the Company's interest in Elara Technologies, which owns PropTiger. Additionally, during the three months ended June 30, 2017, the Company recognized write-offs and impairments of $9 million on certain other equity method investments.

On a U.S. GAAP basis, Foxtel revenues for the fiscal year ended June 30, 2017 increased $32 million, or 1%, to $2,411 million from $2,379 million in the prior year period. In local currency, Foxtel revenues decreased 2% due to lower subscriber volumes. Foxtel's total closing subscribers were 2.8 million as of June 30, 2017, which was lower than the prior year, primarily due to the shutdown of Presto. Total subscribers improved slightly compared to the third quarter due to the launch of Foxtel Now. In the fourth quarter, about the

FULL YEAR CASH FLOW

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

	For the fiscal years ended June 30,	
	2017	2016
	(in millions)	
Net cash provided by continuing operating activities	$ 499	$ 952
Less: Capital expenditures	(256)	(256)
	243	696
Less: REA Group free cash flow	(183)	(131)
Plus: Cash dividends received from REA Group	53	45
Free cash flow available to News Corporation	$ 113	$ 610

Net cash provided by continuing operating activities decreased by $453 million for the fiscal year ended June 30, 2017 as compared to the prior year period, which was primarily due to higher NAM Group settlement payments of

OTHER ITEMS

Smartline Home Loans Pty Limited

In July 2017, REA Group acquired an 80.3% interest in Smartline Home Loans Pty Limited ("Smartline") for A$69 million in cash (approximately $55 million). The minority shareholders have the option to sell the remaining 19.7% interest to REA Group beginning three years after closing at a price dependent on the financial performance of Smartline. If the option is not exercised, the minority interest will become mandatorily redeemable four years after closing. As a result, REA Group will recognize a liability in the first quarter of fiscal 2018 for the present value of the amount expected to be paid for the remaining interest based on the formula specified in the acquisition agreement. Smartline is one of Australia's premier mortgage broking franchise groups, and the investment provides REA Group's financial services business with greater scale and capability.

Dividends

The Company today 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 18, 2017 to stockholders of record as of September 13, 2017.

COMPARISON OF ADJUSTED INFORMATION TO U.S. GAAP INFORMATION

Adjusted Revenues, Total Segment Eyable

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Revenues			Total Segment EBITDA		
For the fiscal years ended June 30,			For the fiscal years ended June 30,		
2017	2016	Difference	2017	2016	Difference
	(in millions)				

The following tables reconcile reported

NOTE 2 – TOTAL SEGMENT EBITDA

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

Total Segment EBITDA is a non-GAAP measure and should be considered in addition to, not as a substitute for, net (loss) income, 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(i)

The following tables reconcile reported net