UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

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PART I

ITEM 1. BUSINESS

OVERVIEW

The Company

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 to consumers and businesses throughout the world. The Company comprises businesses across a range of media, including: news and information services, book publishing, digital real estate services, cable network programming in Australia and pay-TV distribution in Australia, that are distributed under some of the world’s most recognizable and respected brands, including *T W S J*, Dow Jones, *T A*, *H S*, *T S*, *T T*, HarperCollins Publishers, FOX SPORTS Australia, realestate.com.au, realtor.com®, Foxtel, talkSPORT and many others. The Company’s commitment to premium content makes its properties a trusted source of news and information and a premier destination for consumers across various media. Many of these properties deliver broad reach and high audience engagement levels in their respective markets, making them attractive advertising vehicles for the Company’s advertising customers.

The Company delivers its premium content to consumers across numerous distribution platforms consisting not only of traditional print and television, but also through an array of digital platforms including websites, applications for mobile devices and tablets, social media and e-book devices. The Company is focused on pursuing integrated strategies across its businesses to continue to capitalize on the growth in digital consumption

Annual Report on Form 10-K for the fiscal year ended June 30, 2017 (the “Annual Report”) to the “Company,” “News Corp,” “we,” “us,” or “our” means News Corporation and its subsidiaries. The Company’s principal executive offices are located at 1211 Avenue of the Americas, New York, New York 10036, and its telephone number is (212) 416-3400. The Company’s Class A and Class B Common Stock are listed on The NASDAQ

News and Information Services

The Company's News and Information Services segment consists primarily of Dow Jones, News Corp Australia, News UK, the *N w Y , P t.* and News America Marketing. This segment also includes Unruly Holdings Limited ("Unruly"), a leading global video advertising distribution platform, Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K., and Storyful Limited ("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 subscriptions to its print and digital products. Advertising revenues at the News and Information Services segment are subject to seasonality, with revenues typically being highest in the Company's second fiscal quarter due to the end-of-year holiday season in its main operating geographies.

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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 for mobile devices, tablets and e-book readers, newsletters, magazines, proprietary databases, conferences and video. Dow Jones's products, which target individual consumer and enterprise customers, include *T W S, t. J ,* , Factiva, Dow Jones Risk & Compliance, Dow Jones Newswires, *B ,, '* , MarketWatch, Dow Jones PEVC and DJX. Dow Jones's revenue is diversified across business-to-consumer and business-to-business subscriptions, circulation, advertising and licensing fees for its print and digital products.

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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. 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:

- *T W S, t. J , (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 eight owned by the Company. WSJ sells regional advertising in three major U.S. regional editions (Eastern, Central and Western) and 21 smaller sub-regional editions. WSJ's digital products offer both free and premium content and are comprised of WSJ.com, WSJ mobile products, including a responsive design website and applications for multiple mobile devices (WSJ Mobile), and live and on-demand video through WSJ.com and other platforms such as YouTube, Internet-connected television and set-top boxes (WSJ Video). For the 12 months ended June 30, 2017, WSJ Mobile (including WSJ.com accessed via mobile devices, as well as applications) accounted for approximately 54% of visits to WSJ's digital news and information products according to Adobe Analytics.
- *D w J M G,* . The Dow Jones Media Group focuses on Dow Jones consumer brands outside of The Wall Street Journal franchise, including *B ,, '* and MarketWatch, among other properties.

    B ,, '. Barron's, which is available in print, online and on multiple mobile, tablet and e-book devices, delivers news, analysis, investigative reporting, company profiles and insightful statistics for investors and others interested in the investment world.

    M , t. Wt. . 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 applications, a mobile site and MarketWatch Premium Newsletters (paid newsletters on a variety of investing topics).

- *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.

The following table provides information regarding issue sales and subscriptions for certain Dow Jones consumer products.

	The Wall Street Journal[1]		*Barron's*[1]	
(in 000's)	**Average Global Issue Sales[2]**	**Average Global Subscriptions**	**Average Global Issue Sales[2]**	**Average Global Subscriptions**
Print[3]	1,240	1,007	305	292
Digital Only	1,281	1,270	152	152
Total	2,521	2,277	457	444

(1) Based on internal data for the period from April 3, 2017 to July 2, 2017, with independent assurance provided by Pricewaterhouse Coopers LLP UK.

(2) Average Global Issue Sales includes subscription and non-subscription categories. Non-subscription categories include, but are not limited to, single copy (newsstand) sales and copies purchased by hotels for distribution to guests.

(3) In addition to their print and digital-only products, *The Wall Street Journal* and *Barron's* sell print and digital products bundled into one subscription, which is counted only once, under "Print," in the table above.

The following table provides information regarding the digital platforms for certain Dow Jones consumer products.

	FY2017 Average Monthly Visits[1]
WSJ	95 million
MarketWatch	49 million
WSJDN	158 million

(1) Includes visits via websites and mobile device and tablet applications based on Adobe Analytics for the 12 months ended June 30, 2017.

Professional Information Products

Dow Jones's professional information products, which target enterprise customers, combine news and information with technology and tools that inform decisions and aid awareness, research and understanding. These products are designed to be integral to the success of Dow Jones's enterprise customers, and Dow Jones

metadata extraction and text mining to help its customers build precise searches and alerts to access and monitor this data.

Dow Jones PEVC. Dow Jones PEVC products provide news and deal data on venture capital and private equity-backed private companies and their investors to help venture capital and private equity professionals, financial services professionals and other service providers identify deal and partnership opportunities, perform due diligence and examine trends in venture capital and private equity investment, fund-raising and liquidity.

DJX. DJX is comprised of a bundle of underlying products, including Factiva, Dow Jones Newswires, certain PEVC products, including Venture Source and LP Source, certain Risk & Compliance products, WSJ.com and Barrons.com.

- *Dow Jones Risk & Compliance*. Dow Jones Risk & Compliance products provide data solutions for customers focused on anti-corruption, anti-money laundering, monitoring embargo and sanction lists and other compliance requirements. Dow Jones's solutions allow customers to filter their business transactions against its data to identify regulatory, corporate and reputational risk, and request follow-up due diligence reports. Products include online risk data and negative news searching tools such as Risk Database Search/Research/Premium and the Risk & Compliance Portal for batch screening. Feed services include Dow Jones Watchlist, Dow Jones Anti-Corruption, Dow Jones Sanction Alert and Adverse Media Entities. In addition, Dow Jones produces customized Due Diligence Reports to assist its clients with regulatory compliance.
- *Dow Jones Newswires*. Dow Jones Newswires distributes real-time business news, information, analysis, commentary and statistical data to financial professionals and investors worldwide. It publishes, on average, over 15,000 news items each day, which are distributed via terminals, trading platforms and websites reaching hundreds of thousands of financial professionals. This content also reaches millions of individual investors via customer portals and the intranets of brokerage and trading firms, as well as digital media publishers.

News Corp Australia

News Corp Australia is one of the leading news and information providers in Australia by readership and circulation, owning over 200 newspapers covering a national, regional and suburban footprint. As of December 31, 2016, its daily, Sunday, weekly and bi-weekly newspapers accounted for more than 63% of the total circulation of newspapers in Australia, and during the year ended May 31, 2017, its Sunday newspaper network was read by approximately 3.2 million Australians on average every week. In addition, its digital mastheads and other websites are among the leading digital news properties in Australia based on monthly unique audience data.

News Corp Australia's news portfolio includes *The Australian* and *The Weekend Australian* (National), *The Daily Telegraph* and *The Sunday Telegraph* (Sydney), *Herald Sun* and *Sunday Herald Sun* (Melbourne), *The Courier-Mail* and *The Sunday Mail* (Brisbane) and *The Advertiser* and *Sunday Mail* (Adelaide), as well as paid digital platforms for each. In addition, News Corp Australia owns a large number of community newspapers in all major capital cities and leading regional publications in Cairns, Gold Coast, Townsville and Geelong and in the other capital cities of Hobart and Darwin. In December 2016, News Corp Australia also acquired Australian Regional Media ("ARM"), which operates a portfolio of regional print assets and websites that extends the reach

publications. Advertisers, primarily packaged goods companies, pay NAM to produce free-standing inserts where their offers are featured, often on an exclusive basis within their product category. NAM contracts with and pays publishers as well as printers, among others, to produce and/or distribute free-standing inserts in their papers.

NAM competes against other providers of advertising, marketing and merchandising products and services, including those that provide promotional or advertising inserts, direct mailers of promotional or advertising materials, providers of point-of-purchase and other in-store programs and providers of savings and/or grocery-focused digital applications, as well as other marketing products and services. Competition is based on, among other things, rates, availability of markets, quality of products and services provided and their effectiveness, rate of coupon redemption, store coverage and other factors. The Company believes that based on the scale of NAM's

works by well-known authors and public personalities; competition could also come from new entrants as barriers to entry in book publishing are low. In addition, HarperCollins competes for consumers with other media formats and sources such as movies, television programming, magazines and mobile content. The Company believes HarperCollins is well positioned in the evolving book publishing market with significant size and brand recognition across multiple categories and geographies. Furthermore, HarperCollins is a leader in children's and religious books, categories which have been less impacted by the transition to digital consumption.

Digital Real Estate Services

The Company's Digital Real Estate Services segment consists primarily of its 61.6% interest in REA Group Limited ("REA Group"), a publicly-traded company listed on ASX (ASX: REA), and its 80% interest in Move, Inc. ("Move"). The remaining 20% interest in Move is held by REA Group. This segment also includes DIAKRIT International Limited ("DIAKRIT"), a leader in 3D visualization products, digital sales applications and professional services for the real estate industry.

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REA Group advertises property and property-related services on its websites and mobile applications across Australia and Asia. REA Group's Australian operations include realestate.com.au and realcommercial.com.au, Australia's leading residential and commercial property websites, as well as its media and property-related services businesses, serving the display media market and markets adjacent to property, respectively. Combined average monthly visits to realestate.com.au and realcommercial.com.au for the year ended June 30, 2017 increased 15% year-over-year to approximately 51.7 million according to Nielsen Online Market Intelligence Home and Fashion Suite. Realestate.com.au and realcommercial.com.au recorded an increase of 52% in total application launches for the same period as compared to the prior year according to Adobe Analytics. Realestate.com.au derives the majority of its revenue from its core property advertising listing products and monthly advertising subscriptions from real estate agents and property developers. Realestate.com.au offers a

Australia. FOX SPORTS Australia also operates foxsports.com.au, a leading general sports website in Australia, and offers several interactive mobile and tablet applications that extend the reach of its content across multiple platforms. FOX SPORTS Australia is distributed via longstanding carriage agreements with pay-TV providers (mainly Foxtel) in Australia and generates revenue primarily through affiliate fees payable under these carriage agreements, as well as advertising sales. Results at the Cable Network Programming segment can fluctuate due to the timing and mix of the Company's local and international sports programming, as expenses associated with licensing certain programming rights are recognized during the applicable season or event.

FOX SPORTS Australia competes primarily with ESPN, beIN SPORTS, the Free-To-Air ("FTA") channels and certain telecommunications companies in Australia.

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ANC, acquired in December 2016, owns and operates six channels featuring the latest in news, politics, sports, entertainment, public affairs, business and weather. ANC is licensed by Sky International AG to use Sky trademarks and domain names in connection with its operation and distribution of channels and services. ANC's channels consist of SKY NEWS LIVE, SKY NEWS BUSINESS, SKY NEWS WEATHER, SKY NEWS Multiview, A-PAC Australia's Public Affairs Channel and SKY NEWS New Zealand. ANC channels are broadcast throughout Australia and New Zealand and available on Foxtel and Sky Television. 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.

ANC competes primarily with other news providers in Australia and New Zealand via its subscription television channels, third party content arrangements and free domain website. Its Australia Channel IPTV service also competes against "over-the-top" IPTV subscription-based news providers in regions outside of Australia and New Zealand.

Other

The Other segment includes the Company's general corporate overhead expenses, corporate Strategy and Creative Group and costs related to the U.K. Newspaper Matters. The Company's corporate Strategy and Creative Group was formed to identify new products and services across the Company's businesses to increase revenues and profitability and to target and assess potential acquisitions, investments and dispositions. Initiatives include News IQ, the Company's new data-driven digital advertising platform that will enable targeting and engagement of audiences at scale across our network of assets. As part of its ongoing role in assessing potential acquisitions and investments, the corporate Strategy and Creative Group also oversaw the Company's acquisitions of Move, a leading provider of online real estate services in the U.S., and Unruly, a leading global video advertising distribution platform, as well as its strategic digital investments in India, including Elara, which owns PropTiger.com, Housing.com and Makaan.com.

Equity Investments

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The Company and Telstra, an ASX-listed telecommunications company, each own 50% of Foxtel, the largest pay-TV provider in Australia. Foxtel had approximately 2.8 million subscribing households throughout Australia as of June 30, 2017 through cable, satellite and IP distribution.

Foxtel delivers 200 channels (including standard definition channels, high definition versions of some of those channels and audio and interactive channels) covering news, sports, general entertainment, movies, documentaries, music and children's programming. Foxtel's premium content includes FOX SPORTS Australia's suite of sports channels such as FOX SPORTS 501, FOX LEAGUE, FOX SPORTS 503, FOX

Key regulatory issues for subscription television providers include: (a) anti-siphoning restrictions—currently

Model 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 us to change business practices or affect the manner in which we provide our 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.

authority, could result in fines, additional license conditions, license revocation or other adverse regulatory actions.

ITEM 1A. RISK FACTORS

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[illegible]

The Company derives substantial revenues from the sale of advertising through its newspapers, integrated marketing services, digital media properties and radio stations. The Company and its affiliates also derive revenues from the sale of advertising on their cable channels and pay-TV programming. Expenditures by advertisers tend to be cyclical, reflecting overall economic and business conditions, as well as budgeting and buying patterns. National and local economic conditions, particularly in major metropolitan markets, affect the levels of retail, national and classified advertising revenue. Changes in gross domestic product, consumer spending, housing sales, auto sales, unemployment rates and job creation, as well as federal, state and local election cycles, all impact demand for advertising. Certain sectors of the economy account for a significant portion of the Company's advertising revenues, including retail, technology and finance. Some of these sectors, such as retail, are more susceptible to weakness in economic conditions and have also been under pressure from increased online competition. A decline in the economic prospects of these and other advertisers or the economy in general could alter current or prospective advertisers' spending priorities or result in consolidation or closures across various industries, which may also reduce the Company's overall advertising revenue.

The Company's ability to generate advertising revenue is also dependent on demand for the Company's products and services, demographics of the customer base, advertising rates and results observed by advertisers. For example, circulation levels for the Company's newspapers, ratings points for its cable channels and number of listeners for its radio stations are among the factors that are weighed by advertisers when determining the amount of advertising to purchase from the Company as well as advertising rates. For the Company's digital media properties, including its digital real estate sites, advertisers use various metrics to evaluate consumer demand such as the number of visits, number of users and user engagement. Demand for the Company's products and services depends in turn upon the Company's ability to differentiate and distinguish those products and services and anticipate and adapt to changes in consumer tastes and behaviors in a timely manner. Technological and other developments may cause changes in consumer behavior that could affect the attractiveness of the Company's offerings to advertisers.

The increasing popularity of digital media among consumers as a source of news and other content is driving a corresponding shift in advertising from traditional print to digital, and the Company's print advertising revenues have declined in each of its last three fiscal years. The development of new devices and technologies, as well as higher consumer engagement with other forms of digital media such as online and mobile social networking, are increasing the number of media choices and formats available to audiences, resulting in audience fragmentation and increased competition for advertising. The range of advertising choices across digital products and platforms and the large inventory of available digital advertising space have historically resulted in significantly lower rates for digital advertising than for print advertising. In addition, in the past, rates have been generally lower for mobile advertising than for desktop advertising. As a result, increasing consumer reliance on mobile devices may add additional pricing pressure. Consequently, the Company's digital advertising revenue may not be able to replace print advertising revenue lost as a result of the shift to digital consumption.

The digital advertising market also continues to undergo significant changes that may further impact digital advertising revenues. Digital advertising networks and exchanges, real-time bidding and other programmatic

buying channels that allow advertisers to buy audiences at scale are playing a more significant role in the advertising marketplace and may cause further downward pricing pressure. New delivery platforms may also lead to loss of distribution and pricing control and loss of a direct relationship with consumers. In addition, evolving standards for the delivery of digital advertising, including the industry-wide standard on viewability, as well as the development and adoption of technology designed to block, change the location of, or obscure, the display of advertising on websites and mobile devices and/or block or delete cookies, may also negatively impact digital advertising revenues. As the digital advertising market continues to evolve, the Company’s ability to compete successfully for advertising budgets will depend on, among other things, its ability to drive scale, engage and grow digital audiences, derive better demographic and other information about its users, develop new digital advertising products and formats such as branded content, and video and mobile advertising, and prove the value of its advertising and the effectiveness of the Company’s platforms to its advertising customers, including through more targeted, data-driven offerings.

While the Company has adopted a number of strategies and initiatives to address these challenges, there can be no guarantee that its efforts will be successful. If the Company is unable to demonstrate the continuing value of its various platforms and high-quality content and brands or offer advertisers unique multi-platform advertising programs, its results may suffer. A decrease in advertising expenditures by the Company’s customers, reduced demand for the Company’s offerings or a surplus of advertising inventory could lead to a reduction in pricing and advertising spending, which could have an adverse effect on the Company’s businesses and assets, results of operations and financial condition.

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The Company’s businesses face significant competition from other sources of news, information and entertainment content, including both traditional and new content providers. This competition has intensified as a result of the continued development of new digital and other technologies and platforms, and the Company may be adversely affected if consumers migrate to other media alternatives. For example, advertising and circulation revenues in the Company’s News and Information Services segment may continue to decline, reflecting general trends in the newspaper industry such as declining newspaper buying by younger audiences and consumers’ increasing reliance on a variety of content providers, including news aggregation websites, social media platforms and customized news feeds, for the delivery of news and information through the Internet, often without charge. Internet sites and mobile applications devoted to recruitment, automobile sales and real estate services have become significant competitors of the Company’s newspapers and websites for classified advertising sales. In addition, due to innovations in content distribution platforms, consumers are now more readily able to watch Internet-delivered content on television sets and mobile devices, in some cases also without charge, which could reduce consumer demand for the Company and its affiliates’ television programming and pay-TV services and adversely affect both its subscription revenue and advertisers’ willingness to purchase television advertising from the Company.

The Company’s ability to compete effectively depends upon its ability to 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 audience acceptance of the high-quality differentiated content in its newspapers, book titles, cable channels, pay-TV programming and radio stations in order to retain and grow their audiences. Similarly, the success of the Company’s digital real estate services business depends in part on providing more comprehensive, current and accurate real estate listing data than its competitors, which the Company generally obtains through short-term arrangements with MLSs, real estate brokers, real estate agents and other third parties that may not be renewed and/or may be terminated with limited or no notice. However, when faced with a multitude of media choices, consumers may place greater value on when, where, how and at what price they consume content than they do on the source, quality or reliability of such content. Online traffic is also driven by internet search results, which are based on algorithms that may, among other things, de-prioritize the Company’s paid content. Any failure to

successfully manage, and adapt to changes in, search engine optimization across the Company’s businesses could result in significant decreases in traffic to our digital properties, lower advertiser interest in those properties and increased costs if free traffic is replaced with paid traffic or otherwise adversely affect the Company’s business.

for the rights contracts. In addition, professional sports leagues or teams may create their own networks or the renewal costs could substantially exceed the original contract cost. The loss of rights could impact the extent of the sports coverage offered by the Company and its affiliates and lead to customer or audience dissatisfaction or, in some cases, loss of customers or audiences, which could, in turn, adversely affect its revenues. Upon renewal, the Company's results could be adversely affected if escalations in sports programming rights costs are unmatched by increases in subscriber and carriage fees and advertising rates.

F F C E R C H A E C ' R O . [illegible]

adverse impact on the Company's businesses in the U.K. and elsewhere. Although the Company believes that its capitalization, operating cash flow and current access to credit 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 capital and credit markets will not impair the Company's liquidity or increase its cost of borrowing.

T C H M M C M S A I T I S R U [illegible]

In order to position its business to take advantage of growth opportunities, the Company has made and may continue to make strategic acquisitions and investments that involve significant risks and uncertainties. These risks and uncertainties include, among others: (1) the difficulty in integrating newly acquired businesses and operations in an efficient and effective manner, (2) the challenges in achieving strategic objectives, cost savings and other anticipated benefits, (3) the potential loss of key employees of the acquired businesses, (4) with respect to investments, risks associated with the inability to control the operations of the business, (5) the risk of diverting the attention of the Company's senior management from the Company's operations, (6) the risks associated with integrating financial reporting and internal control systems, (7) the difficulties in expanding information technology systems and other business processes to accommodate the acquired businesses, (8) potential future impairments of goodwill associated with the acquired business or investment, (9) in the case of foreign acquisitions and investments, the impact of specific economic, tax, currency, political, legal and regulatory risks associated with the relevant countries, (10) liabilities, both known and unknown, associated with the acquired businesses or investments and (11) in some cases, increased regulation.

If any acquired business or investment fails to operate as anticipated or an acquired business cannot be successfully integrated with the Company's existing businesses, the Company's business, results of operations, financial condition and reputation could be adversely affected, and the Company may be required to record non-cash impairment charges for the write-down of certain acquired assets.

T C D N H R M F W M N A C F O M C D M F C [illegible]

The Company does not have the right to manage the business or affairs of Foxtel. While the Company's rights include the right to appoint one-half of the board of directors of Foxtel, the Company is not able to cause management or the board of directors to take any specific actions on its behalf, including with regards to declaring and paying dividends.

T C R N I S O T W F M C C D S L I D P D B I I I P O C I R I C L R O H B [illegible]

Network and information systems and other technologies, including those related to the Company's network management, are important to its business activities. The Company also relies on third party providers for certain technology and "cloud-based" systems and services that support a variety of business operations. Network and information systems-related events affecting the Company's systems, or those of third parties upon which the Company's business relies, such as computer compromises, cyber threats and attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing, as well as power outages, equipment failure, natural disasters (including extreme weather), terrorist activities, war, human or technological error or malfeasance that may affect such systems, could result in disruption of the Company's business and/or loss, corruption or improper disclosure of personal data, business information, including intellectual property, or other confidential information. In addition, any design or manufacturing defects in, or the improper

implementation of, hardware or software applications the Company develops or procures from third parties could unexpectedly compromise information security. In recent years, there has been a rise in the number of cyberattacks on companies' network and information systems, and such attacks have become more sophisticated, targeted and difficult to detect and prevent against. As a result, the risks associated with such an event continue to increase, particularly as the Company's digital businesses expand. The Company has experienced, and expects to continue to be subject to, cybersecurity threats and incidents, none of which have been material to the

of a reporting unit, indefinite-lived intangible assets, investments or other long-lived assets could result in additional impairments for which non-cash charges would be required. Any such charge could be material to the Company's reported results of operations. For example, in fiscal 2017, the Company recognized non-cash impairment charges of approximately $785 million, primarily related to the write-down of fixed assets at its U.K. and Australian newspapers, and a $227 million non-cash write-down of the carrying value of its investment in Foxtel to fair value. In addition, as of June 30, 2017, the Company had approximately $1.4 billion of goodwill and $1.2 billion of investments that are at risk for future impairment because the fair values of the corresponding reporting units and investments exceeded their carrying values by less than 3%. The Company may also incur additional restructuring charges in the future if it is required to further realign its resources in response to significant shortfalls in revenue or other adverse trends.

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Various aspects of the Company's activities are subject to regulation in numerous jurisdictions around the world, and 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 its interests. In addition, laws and regulations in some international jurisdictions differ from those in the United States, and the enforcement of those laws and regulations may be inconsistent and unpredictable. The Company may incur substantial costs or be required to change its business practices in order to comply with applicable laws and regulations and could incur substantial penalties or other liabilities in the event of any failure to comply.

The Company's Australian operating businesses may be adversely affected by changes in government policy, regulation or legislation, or the application or enforcement thereof, applying to companies in the Australian media industry or to Australian companies in general. This includes:

- anti-siphoning legislation which currently prevents pay-TV providers such as Foxtel from acquiring rights to televise certain listed events (for example, the Olympic Games and certain Australian Rules football and cricket matches) unless:
  - national and commercialVTD[(–)-1(football)-25ad2537(ofusinesses)-63.1(es)-255(ofFfpo52(other)-255(adverse

recently adopted GDPR, which expands the regulation of personal data processing throughout the European Union and significantly increases penalties for non-compliance. See “Governmental Regulation—Data Privacy

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In its fiscal year ended June 30, 2017, approximately 54% of the Company’s revenues were derived outside the U.S., and the Company is focused on expanding the international scope of its operations. There are risks inherent in doing business internationally, including (1) issues related to managing international operations; (2) economic uncertainties and volatility in local markets and political or social instability; (3) potentially adverse changes in tax laws and regulations; (4) compliance with international laws and regulations, including foreign ownership restrictions and data privacy requirements; (5) compliance with anti-corruption laws and regulations such as the Foreign Corrupt Practices Act and the UK Bribery Act; (6) restrictions on repatriation of funds and foreign currency exchange; and (7) compliance with local labor laws and regulations. For example, Brexit may, among other things, adversely affect economic and market conditions in the U.K. and the E.U. and create uncertainty around doing business in the U.K., including with respect to data protection and transfer, tax rates and the recruitment and retention of employees. Events or developments related to these and other risks associated with the Company’s international operations could result in reputational harm and have an adverse impact on the Company’s business, financial condition, operating results and prospects. Challenges associated with operating globally may increase as the Company continues to expand into geographic areas that it believes represent the highest growth opportunities.

T , C B N A , T t.t. C W H A t. t. C t. M , t. T , A t. t. t.

From time to time the Company may need or desire to access the long-term and short-term capital markets to obtain financing. Although the Company believes that the sources of capital currently in place, including the

intellectual property and brand names. The Company believes its proprietary trademarks, trade names, copyrights, patents, domain names and other intellectual property rights are important to its continued success and its competitive position. However, the Company cannot ensure that these intellectual property rights will be upheld if challenged or that these rights will protect the Company against infringement claims by third parties, and effective intellectual property protection may not be available in every country or region in which the Company operates or where its products are available. Any failure by the Company to effectively protect its intellectual property or brands could adversely impact the Company's results of operations or financial condition. In addition, the Company may be contractually required to indemnify other parties against liabilities arising out of any third party infringement claims.

N , t. P, M C t. t. B V t. D t.t. P, t. C t., .

Newsprint is one of the largest expenses of the Company's newspaper publishing units. During the quarter ended June 30, 2017, the Company's average cost per ton of newsprint was approximately 10% lower than its historical average annual cost per ton over the past five fiscal years on a constant currency basis. The price of newsprint has historically been volatile and the closure and consolidation of newsprint mills over the years has reduced the number of suppliers, which has led to increases in newsprint prices. Failure to maintain the Company's current consumption levels, further supplier closure and consolidation or the inability to maintain the Company's existing relationships with its newsprint suppliers could adversely impact newsprint prices in the future.

T C ' R t. t. NAR I t. t. P t. t. D t. R Et. t. S, B t.
U.S. t. B C H, t. , t. L t. B t. t. R t. .

Move, the Company's digital real estate services business in the U.S., licenses the realtor.com® trademark and website address, as well as the REALTOR® trademark, from NAR pursuant to a trademark license agreement (the "NAR License"). Move also operates the realtor.com® website under an agreement with NAR that is perpetual in duration. However, NAR may terminate the operating agreement for certain contractually-specified reasons upon expiration of applicable cure periods. If the operating agreement with NAR is terminated, the NAR License would also terminate, and Move would be required to transfer a copy of the software that operates the realtor.com® website to NAR and provide NAR with copies of its agreements with advertisers and data content providers. NAR would then be able to operate a realtor.com® website, either by itself or with another third party.

In addition to the contractual limitations and risks described above, any adverse developments in Move's business relationship with NAR as a result of existing or new areas of conflict or potential conflict between Move's interests and NAR's interests, changes in the real estate industry or other causes could also adversely affect Move's business, particularly as many of its customers and data providers are members of, have interests that are closely aligned with, or are otherwise influenced by, NAR.

L , D t. M H A , E t. t. C ' B .

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 hig-254(to)-2aBrothetheor p.strikeLcom

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.

[illegible]

regarding the terms of the agreements governing the internal reorganization, the Separation and the relationship thereafter between the companies, including with respect to the indemnification of certain matters. In addition to any other arrangements that the Company and 21st Century Fox may agree to implement, the Company and 21st Century Fox have agreed that officers and directors who serve at both companies will recuse themselves from decisions where conflicts arise due to their positions at both companies.

The Company's Restated Certificate of Incorporation acknowledges that the Company's directors and officers, as well as certain of its stockholders, including K. Rupert Murdoch, certain members of his family and certain family trusts (so long as such persons continue to own, in the aggregate, 10% or more of the voting stock of each of the Company and 21st Century Fox), each of which is referred to as a covered stockholder, are or may become stockholders, directors, officers, employees or agents of 21st Century Fox and certain of its affiliates. The Company's Restated Certificate of Incorporation provides that any such overlapping person will not be liable to the Company, or to any of its stockholders, for breach of any fiduciary duty that would otherwise exist because such individual directs a corporate opportunity (other than certain limited types of restricted business opportunities set forth in the Company's Restated Certificate of Incorporation) to 21st Century Fox instead of the Company. As 21st Century Fox does not have a similar provision regarding corporate opportunities in its certificate of incorporation, the provisions in the Company's Restated Certificate of Incorporation could result in an overlapping person submitting any corporate opportunities other than restricted business opportunities to 21st Century Fox instead of the Company.

[illegible]

The Company's Restated Certificate of Incorporation and Amended and Restated By-laws contain certain anti-takeover provisions that may make more difficult or expensive a tender offer, change in control, or takeover attempt that is opposed by the Company's Board of Directors or certain stockholders holding a significant percentage of the voting power of the Company's outstanding voting stock. In particular, the Company's Restated Certificate of Incorporation and Amended and Restated By-laws provide for, among other things:

- a dual class common equity capital structure;
- a prohibition on stockholders taking any action by written consent without a meeting;
- 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

In addition, in connection with the Separation, the Company's Board of Directors adopted a stockholder rights agreement, which it extended in June 2014 and again in June 2015. Pursuant to the second 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, 2018, 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 7, 2017, 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 7, 2017. 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 7, 2017. 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 second 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.

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

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

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

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

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

Europe

ITEM 3. LEGAL PROCEEDINGS

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

V C t. , I .

On November 8, 2013, Valassis Communications, Inc. (“Valassis”) initiated legal proceedings against certain of the Company’s subsidiaries alleging violations of various antitrust laws. These proceedings are described in further detail below.

- Valassis previously initiated an action against News America Incorporated (“NAI”), News America Marketing FSI L.L.C. (“NAM FSI”) and News America Marketing In-Store Services L.L.C. (“NAM In-Store Services” and, together with NAI and NAM FSI, the “NAM Parties”), captioned Valassis Communications, Inc. v. News America Incorporated, et al., No. 2:06-cv-10240 (E.D. Mich.) (“Valassis I”), alleging violations of federal antitrust laws, which was settled in February 2010. On November 8, 2013, Valassis filed a motion for expedited discovery in the previously settled case based on its belief that defendants had engaged in activities prohibited under an order issued by the U.S. District Court for the Eastern District of Michigan in connection with the parties’ settlement, which motion was granted by the magistrate judge.

  Valassis subsequently filed a Notice of Violation of the order issued by the District Court in Valassis I. The Notice re-asserted claims of unlawful bundling and tying which the magistrate judge had previously recommended be dismissed from Valassis II, described below, on the grounds that such claims could only be brought before a panel of antitrust experts previously appointed in Valassis I (the “Antitrust Expert Panel”), and sought treble damages, injunctive relief and attorneys’ fees on those claims. On March 30, 2016, the District Court ordered that the Notice be referred to the Antitrust Expert Panel and further ordered that the case be administratively closed and that it may be re-opened following proceedings before the Antitrust Expert Panel.

- On November 8, 2013, Valassis also filed a new complaint in the U.S. District Court for the Eastern District of Michigan against the NAM Group alleging violations of federal and state antitrust laws and common law business torts (“Valassis II”). The complaint sought treble damages, injunctive relief and attorneys’ fees and costs. On December 19, 2013, the NAM Group filed a motion to dismiss the newly filed complaint, and on March 30, 2016, the District Court ordered that Valassis’s bundling and tying claims be dismissed without prejudice to Valassis’s rights to pursue relief for those claims in Valassis I and that all remaining claims in the NAM Group’s motion to dismiss be referred to the Antitrust Expert Panel. The District Court further ordered that the case be administratively closed and that it may be re-opened following proceedings before the Antitrust Expert Panel.

The Antitrust Expert Panel was convened and, on February 8, 2017, it recommended that the Notice of Violation in Valassis I be dismissed and the NAM Group’s counterclaims in Valassis II be dismissed with leave to replead three of the four counterclaims. The NAM Group filed an amended counterclaim on February 27, 2017. Valassis did not object to the Antitrust Expert Panel’s recommendation to dismiss Valassis I, and the parties are awaiting the District Court’s order of dismissal. However, Valassis filed a motion with the District Court asserting that the referral of Valassis II to the Antitrust Expert Panel is no longer valid and seeking either to re-open Valassis II in the District Court or to transfer the case to the United States District Court for the Southern District of New York. The NAM Group opposed the motion, and the District Court heard arguments on April 13, 2017. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of these actions, the NAM Group believes it has been compliant with applicable laws and intends to defend itself vigorously in both actions.

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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, *T N t. W ,* and

at *T* *S*, 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 will be settled on an after-tax basis.

The net expense related to the U.K. Newspaper Matters in Selling, general and administrative expenses was $10 million, $19 million and $50 million for the fiscal years ended June 30, 2017, June 30, 2016 and June 30, 2015, respectively. As of June 30, 2017, 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 $132 million, of which approximately $82 million will be indemnified by 21st Century Fox, and a corresponding receivable was recorded in Other current assets on the Balance Sheet as of June 30, 2017. 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 available to the Company. If more claims are filed and additional information becomes available, the Company will update the liability provision and corresponding receivable for such matters.

The Company is not able to predict the ultimate outcome or cost of the civil claims. It is possible that these proceedings and any adverse resolution thereof could damage its reputation, impair its ability to conduct its business and adversely affect its results of operations and financial condition.

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The Company’s tax returns are subject to on-going review and examination by various tax authorities. Tax authorities may not agree with the treatment of items reported in the Company’s tax returns, and therefore the outcome of tax reviews and examinations can be unpredictable. The Company believes it has appropriately accrued for the expected outcome of uncertain tax matters and believes such liabilities represent a reasonable provision for taxes ultimately expected to be paid; however, these liabilities may need to be adjusted as new information becomes known and as tax examinations continue to progress.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

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 7, 2017, there were approximately 23,000 holders of record of shares of Class A Common Stock and 600 holders of record of shares of Class B Common Stock.

The following table sets forth, for the fiscal periods indicated, the high and low sales prices for the Class A Common Stock and Class B Common Stock, as reported on NASDAQ.

	Class B Common Stock		Class A Common Stock	
	High	Low	High	Low
Fiscal year ended June 30, 2016:				
First Quarter	$15.62	12.62	15.92	12.63
Second Quarter	15.74	12.24	15.68	12.16
Third Quarter	14.45	10.74	13.81	10.21
Fourth Quarter	13.55	10.90	13.06	10.54
Fiscal year ended June 30, 2017:				
First Quarter	14.65	11.50	14.34	11.05
Second Quarter	15.22	11.25	14.68	10.99
Third Quarter	13.80	11.90	13.48	11.51
Fourth Quarter	14.40	12.60	13.92	12.19

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During fiscal 2017 and 2016, the Company’s Board of Directors (the “Board of Directors”) declared semi-annual cash dividends on both the Company’s Class A Common Stock and Class B Common Stock. The timing, declaration, amount and payment of future dividends to stockholders, if any, is within the discretion of the Board of Directors (the “Board of Directors”). The Board of Directors’ decisions regarding the payment of future

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 7, 2017 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, 2017 and 2016.

ITEM 6. SELECTED FINANCIAL DATA

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.

	For the fiscal years ended June 30,				
	2017[b]	**2016[b]**	**2015[b]**	**2014**	**2013[c]**
	(in millions except per share information)				
STATEMENT OF OPERATIONS DATA:					
Revenues	$ 8,139	$ 8,292	$ 8,524	$ 8,486	$ 8,789
(Loss) income from continuing operations attributable to News Corporation stockholders[a]					

based on a distribution ratio of one share of Company Class A or Class B Common Stock for every four shares of 21st Century Fox Class A or Class B Common Stock, respectively, held of record as of June 21, 2013 (the "Record Date"). Prior to the Separation, the Company's combined financial statements were prepared on a stand-alone basis derived from the consolidated financial statements and accounting records of 21st Century Fox. The Company's consolidated statement of operations for the fiscal year ended June 30, 2013 included allocations of general corporate expenses for certain support functions that were provided on a centralized basis by 21st Century Fox and not recorded at the business unit level, such as expenses related to finance, human resources, information technology, facilities and legal, among others. These expenses were allocated to the Company on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis of consolidated revenues, operating income, headcount or other measures of the Company. Management believes the assumptions underlying these consolidated financial statements, including the assumptions regarding allocating general corporate expenses from 21st Century Fox, were reasonable.

During the fiscal year ended June 30, 2013, the Company acquired CMH, a media investment company that operates in Australia. The CMH acquisition was accounted for in accordance with ASC 805 "Business Combinations" 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 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. Additionally, during the fiscal year ended June 30, 2013, the Company sold its 44% equity interest in SKY Network Television Ltd. for approximately $675 million and recorded a gain of approximately $321 million which was included in Other, net in the Statements of Operations for the fiscal year ended June 30, 2013.

During the fiscal year ended June 30, 2013, the Company recorded non-cash impairment charges of approximately $1.4 billion. The charges primarily consisted of a write-down of the Company's goodwill of $494 million, a write-down of intangible assets (primarily newspaper mastheads) of $862 million and a write-down of fixed assets of $46 million.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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INTRODUCTION

News Corporation (together with its subsidiaries, "News Corporation," "News Corp," the "Company," "we," or "us") is a global diversified media and information services company comprised of businesses across a range of media, including: news and information services, book publishing, digital real estate services, cable network programming in Australia and pay-TV distribution in Australia.

During the first quarter of fiscal 2016, management approved a plan to dispose of the Company's digital education business. As a result of the plan and the discontinuation of further significant business activities in the Digital Education segment, the assets and liabilities of this segment were classified as held for sale and the results of operations have been classified as discontinued operations for all periods presented. Unless indicated otherwise, the information in the notes to the Consolidated Financial Statements relates to the Company's continuing operations. (See Note 4—Discontinued Operations in the accompanying Consolidated Financial Statements).

For the fiscal years ended June 30, 2017, 2016 and 2015, the Company reclassified its listing revenues generated primarily from agents, brokers and developers from advertising revenue to real estate revenue to better reflect the Company's revenue mix and how management reviews the performance of the Digital Real Estate Services segment.

The consolidated financial statements are referred to herein as the "Consolidated Financial Statements." The consolidated statements of operations are referred to herein as the "Statements of Operations." The consolidated balance sheets are referred to herein as the "Balance Sheets." The consolidated statements of cash flows are referred to herein as the "Statements of Cash Flows." The Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP").

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:

- *e e of the o ' e* This section provides a general description of the Company's businesses, as well as developments that occurred during the three fiscal years ended June 30, 2017 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.

- ***[illegible]*** This section provides an analysis of the Company’s results of operations for the

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℠ for Buyers and Advantage℠ Pro products. Move also offers a number of professional software and services products, including Top Producer®, FiveStreet® and ListHub™. The Company owns an 80% interest in Move, with the remaining 20% being held by REA Group.

- ***Cable Network Programming***—The Cable Network Programming segment consists of FOX SPORTS Australia and Australian News Channel Pty Ltd ("ANC"). FOX SPORTS Australia is the leading sports programming provider in Australia, with eight high definition television channels distributed via cable, satellite and IP, several interactive viewing applications and broadcast rights to live sporting events in Australia including: National Rugby League, the domestic football league, international cricket, Australian Rugby Union and various motorsports programming.

  ANC, acquired in December 2016, operates the SKY NEWS network, Australia's 24-hour multi-channel, multi-platform news service. ANC channels are broadcast throughout Australia and New Zealand and available on Foxtel and Sky Television. 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.

- ***Other***—The Other segment consists primarily of general corporate overhead expenses, the corporate Strategy and Creative Group and costs related to the U.K. Newspaper Matters (as defined in "Item 3. Legal Proceedings"). The Company's corporate Strategy and Creative Group was formed to identify new products and services across its businesses to increase revenues and profitability and to target and assess potential acquisitions, investments and dispositions.

News and Information Services

Revenue at the News and Information Services segment is derived from the sale of advertising, circulation and subscriptions, as well as licensing. Adverse changes in general market conditions for advertising continue to affect revenues. Advertising revenues at the News and Information Services segment are also subject to seasonality, with revenues typically being highest in the Company's second fiscal quarter due to the end-of-year holiday season in its main operating geographies. Circulation and subscription revenues can be greatly affected by changes in the prices of the Company's and/or competitors' products, as well as by promotional activities.

Operating expenses include costs related to paper, production, distribution, third party printing, editorial, commissions and radio sports rights. Selling, general and administrative expenses include promotional expenses, salaries, employee benefits, rent and other routine overhead.

The News and Information Services segment's advertising volume and rates, circulation and the price of paper are the key variables whose fluctuations can have a material effect on the Company's operating results and cash 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. 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 continues to invest in its digital products. Technologies such as smartphones, tablets and similar devices and their related applications provide continued opportunities for the Company to make its content available to a new audience of readers, introduce new or different pricing schemes, and develop its products to continue to attract advertisers and/or affect the relationship between content providers and consumer. The Company continues to develop and implement strategies to exploit its content across a variety of media channels and platforms.

Book Publishing

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.

Digital Real Estate Services

The Digital Real Estate Services segment generates revenue through the sale of real estate listing products to agents, brokers and developers and display advertising on its residential real estate and commercial property sites and also licenses certain professional software products on a subscription basis. Significant expenses associated with these sites and software solutions include development costs, advertising and promotional expenses, hosting and support services, salaries, employee benefits and other routine overhead expenses.

Consumers are increasingly turning to the Internet and mobile devices for real estate information. The Digital Real Estate Services segment's success depends on its continued innovation to provide products and services that make its websites and mobile applications useful for consumers and real estate and mortgage professionals and attractive to its advertisers.

Cable Network Programming

The Cable Network Programming segment consists of FOX SPORTS Australia and ANC. FOX SPORTS Australia offers the following eight channels in high definition: FOX SPORTS 501, FOX SPORTS 503, FOX SPORTS 505, FOX SPORTS 506, FOX LEAGUE, FOX FOOTY, FOX SPORTS MORE and FOX SPORTS NEWS. Revenue is primarily derived from monthly affiliate fees received from pay-TV providers (mainly Foxtel) based on the number of subscribers.

FOX SPORTS Australia competes primarily with ESPN, beIN SPORTS, the Free-To-Air channels and certain

aggregate, plus $23 million of assumed debt which was repaid subsequent to closing. Wireless Group operates talkSPORT, the leading sports radio network in the U.K., and a portfolio of radio stations in the U.K. and Ireland. The acquisition broadens the Company's range of services in the U.K., Ireland and internationally and the

In July 2015, the Company acquired Checkout 51 Mobile Apps ULC ("Checkout 51") for approximately $13 million in cash at closing and approximately $10 million in deferred cash consideration which was paid during fiscal 2016. Checkout 51 is a data-driven digital incentives company that provides News America Marketing with a leading receipt recognition mobile app which enables packaged goods companies and brands to reach consumers with highly personalized marketing campaigns. Checkout 51's results are included within the News and Information Services segment.

During fiscal 2015, the Company purchased a 14.99% interest in HT&E for approximately $112 million. During fiscal 2016, the Company participated in an entitlement offer to maintain its 14.99% interest in HT&E for $20 million. During the second quarter of fiscal 2017, the Company participated in an entitlement offer for $21 million and its interest was diluted from 14.99% to 13.23%. During the fourth quarter of fiscal 2017, the Company's interest increased from 13.23% to 13.40% as a result of dividend reinvestment. HT&E operates a portfolio of Australian radio and outdoor media assets.

In November 2014, the Company completed its acquisition of Move, a leading provider of online real estate services. The acquisition expanded the Company's digital real estate services business into the U.S., one of the largest real estate markets. The aggregate cash payment at closing to acquire the outstanding shares of Move was approximately $864 million, which was funded with cash on hand. The Company also assumed equity-based compensation awards with a fair value of $67 million, of which $28 million was allocated to pre-combination services and included in total consideration transferred for Move. The remaining $39 million was allocated to future services and was expensed over the weighted average remaining service period of 2.5 years. In addition, the Company assumed Move's outstanding indebtedness of approximately $129 million, which the Company settled following the acquisition, and acquired approximately $108 million of cash.

The total transaction value for the Move acquisition is set forth below (in millions):

Cash paid for Move equity	$ 864
Assumed equity-based compensation awards—pre-combination services	28
Total consideration transferred	892
Plus: Assumed debt	129
Plus: Assumed equity-based compensation awards—post-combination services	39
Less: Cash acquired	(108)
Total transaction value	$ 952

Move's results of operations are included within the Digital Real Estate Services segment, and it is considered a separate reporting unit for purposes of the Company's annual goodwill impairment review.

In November 2014, SEEKAsia Limited ("SEEK Asia"), in which the Company owned a 12.1% interest, acquired the online employment businesses of JobStreet Corporation Berhad ("JobStreet"), which were combined with JobsDB, Inc., SEEK Asia's existing online employment business. The transaction was funded primarily through additional contributions by SEEK Asia shareholders which did not have an impact on the Company's ownership. The Company's share of the funding contribution was approximately $60 million. In June 2015, the Company purchased an additional 0.8% interest in SEEK Asia for approximately $7 million, which increased the Company's investment to approximately 12.9%. In June 2016, the Company's interest in SEEK Asia increased to approximately 13.75% as a result of the repurchase and cancellation of shares owned by certain other shareholders.

In August 2014, the Company acquired Harlequin Enterprises Limited ("Harlequin") from Torstar Corporation for $414 million in cash, net of $19 million of cash acquired. Harlequin is a leading publisher of women's fiction

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The following table sets forth the Company's operating results for fiscal 2017 as compared to fiscal 2016.

(in millions, except %)	For the fiscal years ended June 30,			
	2017	2016	Change	% Change
			Better/(Worse)	
Revenues:				
Advertising	$ 2,860	$ 3,025	$(165)	(5)%
Circulation and subscription	2,470	2,569	(99)	(4)%
Consumer	1,573	1,578	(5)	—
Real estate	696	619	77	12%
Other	540	501	39	8%
Total Revenues	8,139	8,292	(153)	(2)%
Operating expenses				

primarily as a result of the impact of cost savings initiatives and lower newsprint, production, and distribution costs and a $74 million positive impact from foreign currency fluctuations, partially offset by higher costs of $75 million associated with the acquisitions of ARM and Wireless Group. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in an Operating expense decrease of $59 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016.

Selling, general and administrative expenses—Selling, general and administrative expenses increased $3 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016. The increase in Selling, general and administrative expenses was primarily due to higher expenses at the News and Information Services segment of $10 million, mainly due to $56 million in higher costs associated with the acquisitions of Wireless Group and ARM, and $19 million in higher costs at News America Marketing, primarily due to a $12 million increase in investment spending at Checkout 51, partially offset by the $63 million positive impact of foreign currency fluctuations. The increase was also attributable to a one-time corporate charge of $11 million associated with a change in the Company's executive management in February 2017. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Selling, general and administrative expense decrease of $87 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016.

[illegible]—During the fiscal year ended June 30, 2016, the Company recognized

influence in Ten during the third quarter of fiscal 2017, it will continue to adjust the carrying value of the Ten investment to fair value each reporting period due to its election of the fair value option under ASC 825. This adjustment will be recorded as a component of Foxtel's net income.

(b) Other equity affiliates, net for the fiscal year ended June 30, 2017 includes losses primarily from the Company's interest in Elara. Additionally, during the fourth quarter of fiscal 2017, the Company recognized impairments of $9 million on certain other equity method investments. The impairments are reflected in

For the fiscal year ended June 30, 2016, the Company recorded a tax benefit of $54 million on pre-tax income of $181 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 a tax benefit of approximately $106 million related to the release of previously established valuation allowances related to certain U.S. federal net operating losses and state deferred tax assets. This benefit was recognized in conjunction with management's plan to dispose of the Company's digital education business in the first quarter of fiscal 2016, as the Company now expects to generate sufficient U.S. taxable income to utilize these deferred tax assets prior to expiration. In addition, the effective tax rate was also impacted by the $29 million non-taxable gain resulting from the revaluation of REA Group's previously held equity interest in iProperty. (See Note 18—Income Taxes in the accompanying Consolidated Financial Statements).

[illegible]—For the fiscal year ended June 30, 2017, the Company did not recognize any income from discontinued operations as the operations of the digital education business were discontinued during fiscal 2016.

For the fiscal year ended June 30, 2016, the Company recorded income from discontinued operations, net of tax, of $15 million. The income recognized in fiscal 2016 was primarily due to the impact of a $144 million tax benefit recognized upon reclassification of the Digital Education segment to discontinued operations, a tax benefit of $30 million related to the operations for the period and lower operating losses as a result of the sale of Amplify Insight and Amplify Learning, which more than offset the pre-tax non-cash impairment charge recognized in the first quarter of fiscal 2016 of $76 million and $17 million in severance and lease termination charges recognized in the second quarter of fiscal 2016. (See Note 4—Discontinued Operations in the accompanying Consolidated Financial Statements).

[illegible] Net (loss) income decreased $893 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016 primarily due to non-cash impairment charges of approximately $785 million, mainly related to the write-down of fixed assets at the U.K. and Australian newspapers, higher equity losses of affiliates, primarily due to the $227 million non-cash write-down of the carrying value of the Company's investment in Foxtel to fair value, the absence of the one-time gain of $122 million in connection with the settlement of litigation with Zillow, and the tax benefit related to the release of valuation allowances and income from discontinued operations recognized in fiscal 2016 which did not recur in fiscal 2017, partially offset by the absence of the $280 million NAM Group settlement charge in the prior year and higher Other, net.

[illegible] Net income attributable to noncontrolling interests increased by $24 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016, due to the gain on the sale of REA Group's European business.

[illegible]

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. 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).

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 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 Total Segment EBITDA to (Loss) income from continuing operations:

	For the fiscal years ended June 30,			
	2017	2016	Change	% Change
(in millions, except %)			Better/(Worse)	
Revenues	$ 8,139	$ 8,292	$(153)	(2)%
Operating expenses	(4,529)	(4,728)	199	4%
Selling, general and administrative	(2,725)	(2,722)	(3)	— %
NAM Group and Zillow settlements, net	—	(158)	158	**
Total Segment EBITDA	885	684	201	29%
Depreciation and amortization	(449)	(505)	56	11%
Impairment and restructuring charges	(927)	(89)	(838)	**
Equity (losses) earnings of affiliates	(295)	30	(325)	**
Interest, net	39	43	(4)	(9)%
Other, net	132	18	114	**
(Loss) income from continuing operations before income tax (expense) benefit	(615)	181	(796)	**
Income tax (expense) benefit	(28)	54	(82)	**
(Loss) income from continuing operations	$ (643)	$ 235	$(878)	**

** not meaningful

	For the fiscal years ended June 30,			
	2017		2016	
(in millions)	Revenues	Segment EBITDA	Revenues	Segment EBITDA
News and Information Services	$5,069	$ 414	$5,338	$ 214
Book Publishing	1,636	199	1,646	185
Digital Real Estate Services	938	324	822	344
Cable Network Programming	494	123	484	124
Other	2	(175)	2	(183)
Total	$8,139	$ 885	$8,292	$ 684

[illegible] (62% and 64% of the Company's consolidated revenues in fiscal 2017 and 2016, respectively) [illegible]

(in millions, except %)	For the fiscal years ended June 30, 2017	2016	Change	% Change
			Better/(Worse)	
Revenues:				
Advertising	$ 2,608	$ 2,810	$(202)	(7)%
Circulation and subscription	2,010	2,107	(97)	(5)%
Other	451	421	30	7%
Total Revenues	**5,069**	**5,338**	**(269)**	**(5)%**
Operating expenses	(2,943)	(3,142)	199	6%
Selling, general and administrative	(1,712)	(1,702)	(10)	(1)%
NAM Group settlement	—	(280)	280	**
Segment EBITDA	**$ 414**	**$ 214**	**$ 200**	**93%**

** —not meaningful

For the fiscal year ended June 30, 2017, revenues at the News and Information Services segment decreased $269 million, or 5%, as compared to fiscal 2016. The revenue decrease was mainly due to lower advertising revenues of $202 million as compared to fiscal 2016, primarily resulting from weakness in the print advertising market across mastheads, the $33 million impact from the absence of the 53rd week in fiscal 2017, the $28 million negative impact from foreign currency fluctuations and lower advertising revenues of $16 million from the *P[illegible] S[illegible] T[illegible]* which was sold in November 2016. These decreases were partially offset by the acquisitions of

oo i h i g (20% of the Company's consolidated revenues in fiscal 2017 and 2016)

(in millions, except %)	2017	2016	Change	% Change
	For the fiscal years ended June 30,			
			Better/(Worse)	
Revenues:				
Consumer	$ 1,573	$ 1,578	$ (5)	—
Other	63	68	(5)	(7)%
Total Revenues	**1,636**	**1,646**	**(10)**	**(1)%**
Operating expenses	(1,124)	(1,145)	21	2%
Selling, general and administrative	(313)	(316)	3	1%
Segment EBITDA	**$ 199**	**$ 185**	**$ 14**	**8%**

For the fiscal year ended June 30, 2017, revenues at the Book Publishing segment decreased $10 million, or 1%, as compared to fiscal 2016. The decrease was mainly due to the absence of $42 million in sales of *G St Wt* by Harper Lee, the $34 million negative impact of foreign currency fluctuations and the $19 million impact from the absence of the 53rd week in fiscal 2017. These decreases were partially offset by strong frontlist and backlist sales in the general books category, which increased $43 million, including *H E* by J.D. Vance, and in the Christian publishing category, which increased $24 million, including *T M S* by Chip and Joanna Gaines and *J C* and *J A* by Sarah Young, as well as the $25 million impact of the continued expansion of HarperCollins' global footprint. Digital sales represented 19% of Consumer revenues during the fiscal year ended June 30, 2017 and were flat as compared to fiscal 2016.

For the fiscal year ended June 30, 2017, Segment EBITDA at the Book Publishing segment increased $14 million, or 8%, as compared to fiscal 2016. The increase was primarily due to the mix of titles as compared to the prior year.

g a e e e c e (12% and 10% of the Company's consolidated revenues in fiscal 2017 and 2016, respectively)

(in millions, except %)	2017	2016	Change	% Change
	For the fiscal years ended June 30,			
			Better/(Worse)	
Revenues:				
Advertising	$ 165	$ 133	$ 32	24%
Circulation and subscription	58	64	(6)	(9)%
Real estate	696	619	77	12%
Other	19	6	13	**
Total Revenues	**938**	**822**	**116**	**14%**
Operating expenses	(120)	(102)	(18)	(18)%
Selling, general and administrative	(494)	(498)	4	1%
Zillow settlement	—	122	(122)	**
Segment EBITDA	**$ 324**	**$ 344**	**$ (20)**	**(6)%**

**—not meaningful

For the fiscal year ended June 30, 2017, revenues at the Digital Real Estate Services segment increased $116 million, or 14%, as compared to fiscal 2016. At REA Group, revenues increased $66 million, or 14%, to $525 million in fiscal 2017 from $459 million in fiscal 2016, primarily due to a $45 million increase in Australian residential depth revenue and the $18 million positive impact of foreign currency fluctuations, partially offset by an $18 million decrease resulting from the sale of REA Group's European business in December 2016. Revenues at Move increased $37 million, or 10%, to $394 million in fiscal 2017 from $357 million in fiscal 2016,

primarily due to a $38 million increase in Connections℠ for Buyers product revenues and a $12 million increase in non-listing media revenues, partially offset by the $12 million impact of lower revenues from TigerLead®, which was sold in November 2016. The acquisition of DIAKRIT also contributed $13 million to the revenue increase for the fiscal year ended June 30, 2017.

For the fiscal year ended June 30, 2017, Segment EBITDA at the Digital Real Estate Services segment decreased $20 million, or 6%, as compared to fiscal 2016. The decrease in Segment EBITDA was the result of the $63 million lower contribution from Move, primarily due to the absence of the $122 million gain recognized in connection with the settlement of litigation with Zillow in fiscal 2016 and $11 million of increased marketing costs to drive traffic growth and brand awareness, partially offset by the higher revenues noted above and the absence of $36 million of legal costs, primarily related to the Zillow litigation. The decrease was partially offset by the $46 million higher contribution from REA Group, primarily due to the higher revenues noted above, the $11 million positive impact of foreign currency fluctuations and the absence of $12 million of costs associated with REA Group's European business, which was disposed of in fiscal 2017, partially offset by $16 million in higher costs associated with higher revenues and $14 million in higher costs related to the acquisition of iProperty.

[illegible] (6% of the Company's consolidated revenues in fiscal 2017 and 2016)

	For the fiscal years ended June 30,			
	2017	2016	Change	% Change
(in millions, except %)			Better/(Worse)	
Revenues:				
Advertising	$ 86	$ 81	$ 5	6%
Circulation and subscription	402	398	4	1%
Other	6	5	1	20%
Total Revenues	**494**	**484**	**10**	**2%**
Operating expenses	(341)	(336)	(5)	(1)%
Selling, general and administrative	(30)	(24)	(6)	(25)%
Segment EBITDA	**$ 123**	**$ 124**	**$ (1)**	**(1)%**

For the fiscal year ended June 30, 2017, revenues at the Cable Network Programming segment increased $10 million, or 2% as compared to fiscal 2016. The revenue increase was primarily due to the acquisition of ANC, which contributed $20 million of revenue in fiscal 2017 and the $12 million positive impact of foreign currency fluctuations. These increases were partially offset by lower affiliate revenues of $11 million at FOX SPORTS Australia and the $10 million impact of the absence of the 53rd week in fiscal 2017.

For the fiscal year ended June 30, 2017, Segment EBITDA at the Cable Network Programming segment decreased $1 million, or 1%, as compared to fiscal 2016. The decrease in Segment EBITDA was due to the $3 million negative impact of foreign currency fluctuations as the impact of lower revenues at FOX SPORTS Australia were offset by lower programming rights costs.

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The following table sets forth the Company's operating results for fiscal 2016 as compared to fiscal 2015.

	For the fiscal years ended June 30,			
	2016	2015	Change	% Change
(in millions, except %)			Better/(Worse)	
Revenues:				
Advertising	$ 3,025	$ 3,349	$(324)	(10)%
Circulation and Subscription	2,569	2,608	(39)	(1)%
Consumer	1,578	1,594	(16)	(1)%
Real estate	619	486	133	27%
Other				

Selling, general and administrative expenses—Selling, general and administrative expenses increased $95 million, or 4%, for the fiscal year ended June 30, 2016 as compared to fiscal 2015. The increase in Selling, general and administrative expenses was primarily due to higher expenses at the Digital Real Estate Services segment of $132 million as a result of the acquisition of Move in November 2014 and increased costs in the News and Information Services segment of $16 million. The increases at the News and Information Services segment were primarily due to increased costs of $41 million related to the acquisition of Unruly in September 2015, an approximate $40 million in increased brand marketing and promotional expenses primarily at the U.K. newspapers, and $28 million at NAM primarily due to the acquisition of Checkout 51 in July 2015, partially offset by the $117 million positive impact of foreign currency fluctuations. The increases were partially offset by lower costs associated with the U.K. Newspaper Matters of $31 million and lower expenses at the Book Publishing segment of $24 million primarily as a result of cost savings initiatives. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Selling, general and administrative expense decrease of $186 million for the fiscal year ended June 30, 2016 as compared to fiscal 2015.

[illegible]—During the fiscal year ended June 30, 2016, 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. In addition, in the three months ended June 30, 2016, the Company recognized a gain of $122 million in connection with the settlement of litigation with Zillow, which reflects settlement proceeds received from Zillow of $130 million, less $8 million paid to NAR. (See Note 15—Commitments and Contingences in the accompanying Consolidated Financial Statements).

Depreciation and amortization—Depreciation and amortization expense increased $7 million, or 1%, for the fiscal year ended June 30, 2016 as compared to fiscal 2015, primarily due to increased depreciation and amortization expense at the Digital Real Estate Services segment due to the acquisition of Move in November 2014, partially offset by the positive impact of foreign currency fluctuations. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a depreciation and amortization expense decrease of $27 million for the fiscal year ended June 30, 2016 as compared to fiscal 2015.

Restructuring charges—In fiscal 2016, the Company recorded restructuring charges of $89 million, of which $79 million related to the News and Information Services segment. The restructuring charges were primarily related to employee termination benefits.

In fiscal 2015, the Company recorded restructuring charges of $84 million, of which $75 million related to the News and Information Services segment. The restructuring charges were primarily related to employee termination benefits.

Equity earnings of affiliates—Equity earnings of affiliates decreased $28 million, or 48%, for the fiscal year ended June 30, 2016 as compared to fiscal 2015, primarily as a result of lower net income at Foxtel.

Consolidated Financial Statements). For the fiscal year ended June 30, 2016, Foxtel revenues decreased $279 million, or 10%, as a result of the negative impact of foreign currency fluctuations, which more than offset

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

e d fo o e ce (64% and 67% of the Company's consolidated revenues in fiscal 2016 and 2015, respectively) *i i*

(in millions, except %)	For the fiscal years ended June 30, 2016	2015	Change	% Change
			Better/(Worse)	
Revenues:				
Advertising	$ 2,810	$ 3,163	$(353)	(11)%
Circulation and subscription	2,107	2,159	(52)	(2)%
Other	421	409	12	3%
Total Revenues	**5,338**	**5,731**	**(393)**	**(7)%**
Operating expenses	(3,142)	(3,442)	300	9%
Selling, general and administrative	(1,702)	(1,686)	(16)	(1)%
NAM Group settlement	(280)	—	(280)	**
Segment EBITDA	**$ 214**	**$ 603**	**$(389)**	**(65)%**

** not meaningful

For the fiscal year ended June 30, 2016, revenues at the News and Information Services segment decreased $393 million, or 7%, as compared to fiscal 2015. The revenue decrease was mainly due to lower advertising revenues of $353 million as compared to fiscal 2015, primarily resulting from the $152 million negative impact of foreign currency fluctuations, weakness in the print advertising market and $98 million lower free-standing insert product revenues at News America Marketing. Circulation and subscription revenues for the fiscal year ended June 30, 2016 decreased $52 million as compared to fiscal 2015 due to the $109 million negative impact of foreign currency fluctuations, which more than offset higher paid circulation and subscription revenues at Dow

N UK

Revenues were $1,281 million for the fiscal year ended June 30, 2016, a decrease of $142 million, or 10%, as compared to fiscal 2016 revenues of $1,423 million. The impact of foreign currency fluctuations of the U.S. dollar against the British pound resulted in a revenue decrease of $80 million, or 6%, for the fiscal year ended June 30, 2016 as compared to fiscal 2015. Advertising revenues decreased $63 million, primarily due to the $52 million impact from print market declines and the $25 million negative impact of foreign currency fluctuations. Circulation and subscription revenues decreased $41 million due to the $42 million negative impact of foreign currency fluctuations. Lower revenues of $55 million resulting from single-copy volume declines, primarily at *T S*, and changes in the digital strategy at *T S*, were offset by the $53 million impact from cover price increases, higher subscriptions at *T T* and *T S T* and the 53rd week. Other revenues decreased $38 million due to a reduction in newsprint sales to third parties.

D J

Revenues were $1,570 million for the fiscal year ended June 30, 2016, an increase of $4 million, as compared to fiscal 2015 revenues of $1,566 million. Circulation and subscription revenues increased by $33 million, due to higher revenues at *T W S J* of $20 million primarily related to price increases and digital volume growth and the $19 million positive impact of the 53rd week, partially offset by the $10 million negative impact of foreign currency fluctuations. Professional information business revenues were flat compared to fiscal 2015. Advertising revenues decreased $27 million primarily resulting from lower print advertising of $36 million, partially offset by higher digital advertising revenues. The impact of the 53rd week resulted in a revenue increase of $7 million.

N A M

Revenues at News America Marketing were $1,012 million for the fiscal year ended June 30, 2016, a decrease of $63 million, or 6%, as compared to fiscal 2015 revenues of $1,075 million. The decrease was primarily due to decreased revenues for free-standing insert products of $98 million, partially offset by increased in-store product revenues of $18 million.

oo h g (20% of the Company's consolidated revenues in fiscal 2016 and 2015)

	For the fiscal years ended June 30,			
	2016	**2015**	**Change**	**% Change**
(in millions, except %)			**Better/(Worse)**	
Revenues:				
Consumer	$ 1,578	$ 1,594	$(16)	(1)%
Other	68	73	(5)	(7)%
Total Revenues	**1,646**	**1,667**	**(21)**	**(1)%**
Operating expenses	(1,145)	(1,106)	(39)	(4)%
Selling, general and administrative	(316)	(340)	24	7%
Segment EBITDA	**$ 185**	**$ 221**	**$(36)**	**(16)%**

For the fiscal year ended June 30, 2016, revenues at the Book Publishing segment decreased $21 million, or 1%, as compared to fiscal 2015. The decrease was primarily the result of $69 million in higher sales of the *D* series by Veronica Roth and *A S* by Chris Kyle in the prior year, the $39 million negative impact of foreign currency fluctuations and an industry-wide decline in e-book sales. These decreases were partially offset by higher print book sales across all genres, including sales of *G S W* by Harper Lee in fiscal 2016 of $42 million, $37 million due to strong sales in the Christian Publishing and Children's Categories, $23 million related to the acquisition of Harlequin in August 2014 and $21 million related to the continued expansion of HarperCollins' global footprint. The Company sold 2.0 million net units of the *D* series in the fiscal year ended June 30, 2016 as compared to 8.3 million net units in fiscal 2015. Digital sales represented 19% and 22% of Consumer revenues during fiscal 2016 and 2015, respectively. Digital sales decreased 15% as compared to

Cable Network Programming (6% of the Company's consolidated revenues in fiscal 2016 and 2015)

(in millions, except %)	2016	2015	Change	% Change
	For the fiscal years ended June 30,			
			Better/(Worse)	
Revenues:				
Advertising	$ 81	$ 82	$ (1)	(1)%
Circulation and Subscription	398	413	(15)	(4)%
Other	5	5	—	—
Total Revenues	**484**	**500**	**(16)**	**(3)%**
Operating expenses	(336)	(339)	3	1%
Selling, general and administrative	(24)	(26)	2	8%
Segment EBITDA	**$ 124**	**$ 135**	**$ (11)**	**(8)%**

For the fiscal year ended June 30, 2016, revenues and Segment EBITDA at the Cable Network Programming segment decreased $16 million, or 3%, and $11 million, or 8%, respectively, as compared to fiscal 2015. The revenue decrease was primarily due to the $60 million negative impact of foreign currency fluctuations, which more than offset higher affiliate and advertising revenues of $44 million. The impact of the 53rd week in fiscal 2016 resulted in a revenue increase of approximately $10 million. The decrease in Segment EBITDA was primarily the result of the $14 million negative impact of foreign currency fluctuations as higher sports programming rights and production costs offset higher affiliate and advertising revenues discussed above.

Other (0% of the Company's consolidated revenues in fiscal 2016 and 2015)

(in millions, except %)	2016	2015	Change	% Change
	For the fiscal years ended June 30,			
		Better/(Worse)		
Revenues:				
Advertising	$ 1	$ 1	$ —	—
Other	1	—	1	**
Total Revenues	**2**	**1**	**1**	**100%**
Operating expenses	(3)	(7)	4	57%
Selling, general and administrative	(182)	(209)	27	13%
Segment EBITDA	**$(183)**	**$(215)**	**$ 32**	**15%**

** —not meaningful

Segment EBITDA at the Other segment for the fiscal year ended June 30, 2016 increased $32 million, or 15%, as compared to fiscal 2015. Segment EBITDA increased primarily due to $31 million lower costs associated with the U.K. Newspaper Matters. The net expense related to the U.K. Newspaper Matters included in Selling, general and administrative expenses was $19 million for the fiscal year ended June 30, 2016 as compared to $50 million in fiscal 2015.

LIQUIDITY AND CAPITAL RESOURCES

Current Financial Condition

The Company's principal source of liquidity is internally generated funds and cash and cash equivalents on hand. As of June 30, 2017, the Company's cash and cash equivalents were $2,016 million. The Company expects these elements of liquidity will enable it to meet its liquidity needs in the foreseeable future. As described in greater detail below, in October 2013, the Company established a revolving credit facility of $650 million, which

terminates on October 23, 2020. The Company may request that the commitments be extended under certain circumstances as set forth in the credit agreement and may also request increases in the amount of the facility up to a maximum amount of $900 million. In addition, the Company expects to have access to the worldwide capital markets, subject to market conditions, in order to issue 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 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 Company's performance, (ii) its credit rating or absence of a credit rating, (iii) the liquidity of the overall capital markets and (iv) the current state of the economy. There can be no assurances that the Company will continue to have access to the capital markets

annual cash dividend of $0.10 per share for Class A Common Stock and Class B Common Stock. This dividend was paid on April 19, 2017 to stockholders of record as of March 15, 2017. The timing, declaration, amount and payment of future dividends to stockholders, if any, is within the discretion of the Board of Directors. The Board of Directors' decisions regarding the payment of future dividends will depend on 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 Board of Directors deems relevant.

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Net cash provided by operating activities from continuing operations for the fiscal years ended June 30, 2017 and 2016 was as follows (in millions):

For the fiscal years ended June 30,	2017	2016
Net cash provided by operating activities from continuing operations	$499	$952

Net cash provided by operating activities from continuing operations decreased by $453 million for the fiscal year ended June 30, 2017 as compared to fiscal 2016. The decrease was primarily due to higher NAM Group settlement payments of $234 million during the fiscal year ended June 30, 2017, the absence of net proceeds received in fiscal 2016 from the Zillow litigation settlement of $122 million, higher restructuring payments of $41 million during the fiscal year ended June 30, 2017, lower dividends received from Foxtel and other equity method investments of $30 million and higher net tax payments of $30 million in fiscal 2017.

Net cash used in investing activities from continuing operations for the fiscal years ended June 30, 2017 and 2016 was as follows (in millions):

For the fiscal years ended June 30,	2017	2016
Net cash used in investing activities from continuing operations	$(105)	$(1,124)

The Company had net cash used in investing activities from continuing operations of $105 million for the fiscal year ended June 30, 2017 as compared to net cash used in investing activities from continuing operations of $1,124 million for fiscal 2016. During the fiscal year ended June 30, 2017, the Company used $347 million of cash for acquisitions, primarily for the acquisitions of Wireless Group and ARM. The Company also had capital expenditures of $256 million. The net cash used in investing activities from continuing operations for the fiscal year ended June 30, 2017 was partially offset by the utilization of restricted cash for the Wireless Group acquisition of $315 million and proceeds from the sale of REA Group's European business of approximately $140 million.

During the fiscal year ended June 30, 2016, the Company used $520 million of cash for acquisitions, primarily for the acquisitions of iProperty, Unruly, DIAKRIT, Flatmates and Checkout 51. The Company also had capital expenditures of $256 million in fiscal 2016. Additionally, the Company had set aside $315 million of cash for use in the Wireless Group acquisition as a result of U.K. takeover regulations and classified this as restricted cash as of June 30, 2016.

Net cash (used in) provided by financing activities from continuing operations for the fiscal years ended June 30, 2017 and 2016 was as follows (in millions):

For the fiscal years ended June 30,	2017	2016
Net cash (used in) provided by financing activities from continuing operations	$(217)	$150

The Company had net cash used in financing activities from continuing operations of $217 million for the fiscal year ended June 30, 2017 as compared to net cash provided by financing activities from continuing operations of $150 million for fiscal 2016. During the fiscal year ended June 30, 2017, the Company paid dividends of

$152 million, primarily to News Corporation stockholders and REA Group minority stockholders, and repaid the debt assumed in the acquisition of Wireless Group of $23 million.

During the fiscal year ended June 30, 2016, the Company had proceeds from borrowings under the REA Facility of approximately $340 million. The net cash provided by financing activities from continuing operations for the fiscal year ended June 30, 2016 was partially offset by dividend payments of $147 million, primarily to News Corporation stockholders and REA Group minority stockholders, and repurchases of News Corporation shares for $41 million.

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Net cash provided by operating activities from continuing operations for the fiscal years ended June 30, 2016 and 2015 was as follows (in millions):

For the fiscal years ended June 30,	**2016**	**2015**
Net cash provided by operating activities from continuing operations	$952	$988

Net cash provided by operating activities from continuing operations decreased by $36 million for the fiscal year ended June 30, 2016 as compared to fiscal 2015. The decrease was primarily due to lower dividends received from Foxtel and cost method investments of $104 million and higher restructuring payments of $44 million during the fiscal year ended June 30, 2016. The decrease was offset by net proceeds received in fiscal 2016 from the Zillow litigation settlement of $122 million and a benefit in working capital related to the 53rd week.

Net cash used in investing activities from continuing operations for the fiscal years ended June 30, 2016 and 2015 was as follows (in millions):

For the fiscal years ended June 30,	**2016**	**2015**
Net cash used in investing activities from continuing operations	$(1,124)	$(1,671)

The Company had net cash used in investing activities from continuing operations of $1,124 million for the fiscal year ended June 30, 2016 as compared to net cash used in investing activities from continuing operations of $1,671 million for fiscal 2015. During the fiscal year ended June 30, 2016, the Company used $520 million of cash for acquisitions, primarily for the acquisitions of iProperty, Unruly, DIAKRIT, Flatmates and Checkout 51. The Company also had capital expenditures of $256 million in fiscal 2016. Additionally, the Company had set aside $315 million of cash for use in the Wireless Group acquisition as a result of U.K. takeover regulations and classified this as restrictedt w5(as)-258(of)-252(June)-252(30,)-250(2016.)]TJ0-2.4TD[(During)-252(the)-253(fiscal)-259(year)-254(

The Company also had capital expenditures of

2015 was partially offset by proceeds from of 8152 million, primarily resuuring from the of

Net cash provided byused 24) financing activities from continuing operations for the fiscal years ended June 30d 2016 ant2015 was as follows (in millions):

The Company had net cash provided by financing activities from continuing operations of $150 million for the fiscal year ended June 30, 2016 as compared to net cash used in financing activities from continuing operations of $190 million for fiscal 2015. During the fiscal year ended June 30, 2016, the Company had proceeds from borrowings under the REA Facility of approximately $340 million. The net cash provided by financing activities from continuing operations for the fiscal year ended June 30, 2016 was partially offset by dividend payments of

due to the absence of costs associated with the relocation of the Company's operations to a new site in London in fiscal 2015, partially offset by lower cash provided by continuing operating activities as discussed above.

Revolving Credit Facility

The Company's Credit Agreement (as amended, the "Credit Agreement") provides for an unsecured $650 million revolving credit facility (the "Facility") that can be used for general corporate purposes. The Facility has a sublimit of $100 million available for issuances of letters of credit. Under the Credit Agreement, the Company may request increases in the amount of the Facility up to a maximum amount of $900 million.

In October 2015, the Company entered into an amendment to the Credit Agreement (the "Amendment") which, among other things, extended the original term of the Facility by two years and lowered the commitment fee payable by the Company. As a result of the Amendment, the lenders' commitments now terminate on October 23, 2020, and any borrowings will be due at that time. The Company may request that the commitments be extended under certain circumstances as set forth in the Credit Agreement for up to two additional one-year periods.

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. If any of the events of default occur and are not cured within applicable grace periods or waived, any unpaid amounts under the Credit Agreement may be declared immediately due and payable. As of June 30, 2017, 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, 2017, the Company was paying a commitment fee of 0.225% on any undrawn balance and an applicable margin of 0.50% for a Base Rate borrowing and 1.50% for a Eurodollar Rate borrowing.

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

REA Group Unsecured Revolving Loan Facility

REA Group entered into an A$480 million unsecured syndicated revolving loan facility agreement in connection with the acquisition of iProperty. The REA Facility consists of three sub facilities of A$120 million, A$120 million and A$240 million which become due in December 2017, December 2018 and December 2019, respectively. In February 2016, REA Group drew down the full A$480 million (approximately $340 million as of

applicable debt covenants.

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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, 2017.

	As of June 30, 2017				
	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(in millions)		
Purchase obligations[a]	$1,105	$422	$ 350	$195	$ 138
Sports programming rights[b]	1,287	223	502	427	135
Operating leases[c]					
Land and buildings	1,641	157	285	222	977
Plant and machinery	5	3	2	—	—
Borrowings[d]	380	103	277	—	—
Total commitments and contractual obligations	$4,418	$908	$1,416	$844	$1,250

(a) The Company has commitments under purchase obligations related to printing contracts, capital projects, marketing agreements, production services and other legally binding commitments.

(b) The Company has sports programming rights commitments with National Rugby League, Football Federation Australia, Australian Rugby Union and International Cricket as well as certain other broadcast rights which are payable through fiscal 2023.

(c) The Company leases office facilities, warehouse facilities, printing plants and equipment. These leases, which are classified as operating leases, are expected to be paid at certain dates through fiscal 2062. This amount includes approximately $210 million of land and office facilities that have been subleased from 21st Century Fox.

(d) Primarily represents the REA Facility based on the contractual maturity date of the various sub facilities included within the agreement. (See Note 9—Borrowings in the accompanying Consolidated Financial Statements).

The Company has certain contracts to purchase newsprint, ink and plates that require the Company to purchase a percentage of its total requirements for production. Since the quantities purchased annually under these contracts are not fixed and are based on the Company’s total requirements, the amount of the related payments for these purchases is excluded from the table above.

The table also excludes the Company’s pension obligations, other postretirement benefits (“OPEB”) obligations and the liabilities for unrecognized tax benefits for uncertain tax positions as the Company is unable to reasonably predict the ultimate amount and timing of the commitments. The Company made contributions of $26 million and $26 million to its pension plans in fiscal 2017 and fiscal 2016, 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 $24 million in fiscal 2018, assuming that actual plan asset returns are consistent with the Company’s expected returns in fiscal 2017 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 funded in advance, but are paid as medical costs are incurred by covered retiree populations, and are principally dependent upon the future cost of retiree medical benefits under the Company’s OPEB plans. The Company expects its OPEB payments to approximate $9 million in fiscal 2018. (See Note 16—Retirement Benefit Obligations in the accompanying Consolidated Financial Statements).

Contingencies

The Company routinely is involved in various legal proceedings, claims and governmental inspections or investigations, including those discussed in Note 15 to the Consolidated Financial Statements. The outcome of these matters and claims is subject to significant uncertainty, and the Company often cannot predict what the eventual outcome of pending matters will be or the timing of the ultimate resolution of these matters. Fees, expenses, fines, penalties, judgments or settlement costs which might be incurred by the Company in connection with the various proceedings could adversely affect its results of operations and financial condition.

The Company establishes an accrued liability for legal claims when it determines that a loss is both probable and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of any loss ultimately incurred in relation to matters for which an accrual has been established may be higher or lower than the amounts accrued for such matters. Legal fees associated with litigation and similar proceedings are expensed as incurred. The Company recognizes gain contingencies when the gain becomes realized or realizable. (See Note 15—Commitments and Contingencies in the accompanying Consolidated Financial Statements).

The Company's tax returns are subject to on-going review and examination by various tax authorities. Tax authorities may not agree with the treatment of items reported in the Company's tax returns, and therefore the outcome of tax reviews and examinations can be unpredictable. The Company believes it has appropriately accrued for the expected outcome of uncertain tax matters and believes such liabilities represent a reasonable provision for taxes ultimately expected to be paid; however, these liabilities may need to be adjusted as new information becomes known and as tax examinations continue to progress. As subsidiaries of 21st Century Fox prior to the Separation, the Company and each of its domestic subsidiaries have joint and several liability with 21st Century Fox for the consolidated U.S. federal income taxes of the 21st Century Fox consolidated group relating to any taxable periods during which the Company or any of the Company's domestic subsidiaries were a member of the 21st Century Fox consolidated group. Consequently, the Company could be liable in the event any such liability is incurred, and not discharged, by any other member of the 21st Century Fox consolidated group. In conjunction with the Separation, the Company entered into the Tax Sharing and Indemnification Agreement with 21st Century Fox, which requires 21st Century Fox to indemnify the Company for any such liability. Disputes or assessments could arise during future audits by the Internal Revenue Service ("IRS") or other taxing authorities in amounts that the Company cannot quantify.

CRITICAL ACCOUNTING POLICIES

An accounting policy is considered to be critical if it is important to the Company's financial condition and results and if it requires significant judgment and estimates on the part of management in its application. The development and selection of these critical accounting policies have been determined by management of the Company. (See Note 2—Summary of Significant Accounting Policies in the accompanying Consolidated Financial Statements).

Long-Lived Assets

The Company's long-lived assets, include goodwill, finite-lived and indefinite lived intangible assets and property, plant and equipment. Assets acquired in business combinations are recorded at their estimated fair value at the date of acquisition. Goodwill is recorded as the difference between the cost of acquiring an entity and the estimated fair values assigned to its tangible and identifiable intangible net assets and is assigned to one or more reporting units for purposes of testing for impairment.

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.

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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.

During the third quarter of fiscal 2017, the Company early adopted ASU 2017-04, “Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment” (“ASU 2017-04”) which eliminates Step 2 from the goodwill impairment test and instead requires an entity to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and to recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value. Under ASU 2017-04, in assessing goodwill 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 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. In performing the valuation, the Company determines the fair value of a reporting unit primarily by using a discounted cash flow analysis and market-based valuation approach methodologies.

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. During the fourth quarter of fiscal 2017, as part of the Company’s long-range planning process, the Company completed its annual goodwill and indefinite-lived intangible asset impairment test.

The performance of the Company’s annual impairment analysis resulted in $88 million of impairments of goodwill and indefinite-lived intangible assets in fiscal 2017. Significant unobservable inputs utilized in the income approach valuation method were discount rates (ranging from 9.0%-25.0%), long-term growth rates (ranging from 0.0%-3.3%) and royalty -256(rates)-257((ranging)-257(from)sses 7-7(rd).royalty7-7(rd).royalty7-7(rd).royalty7-7(rd ia similar industries and control premiums -257((ranging)-257(from)10%-158.g

company to record an impairment charge equal to the difference between the fair value of the reporting unit and its carrying value. The News and Information Services segment has a reporting unit with goodwill of approximately $1.4 billion at June 30, 2017 that is at-risk for future impairment. Additionally, the Company has certain other reporting units with goodwill balances of $83 million which are considered to be at-risk. The Company will continue to monitor its goodwill for possible future impairment.

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The Company evaluates the carrying value of property, plant and equipment, for impairment whenever events or changes in circumst

a yield curve used to measure the benefit obligation. The new method utilized a full yield curve approach in the estimation of these components by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to their underlying projected cash flows. The Company changed to the new method to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows and their corresponding spot rates. The change is accounted for as a change in accounting estimate which is applied prospectively. This change in estimate is not expected to have a material impact on the Company's pension and postretirement net periodic benefit expense in future periods.

Although the discount rate used for each plan will be established and applied individually, a weighted average discount rate of 3.0% will be used in calculating the fiscal 2018 net periodic benefit costs (income). The discount rate reflects the market rate for high-quality fixed-income investments on the Company's annual measurement

Company's expected plan returns in fiscal 2017 and beyond, and that interest rates remain constant, the Company anticipates that it will make contributions of approximately $24 million in fiscal 2018. The Company will continue to make voluntary contributions as necessary to improve the funded status of the plans. (See Note 16 in the accompanying Consolidated Financial Statements).

Changes in net periodic benefit costs may occur in the future due to changes in the Company's expected rate of return on plan assets and discount rate resulting from economic events. The following table highlights the sensitivity of the Company's pension obligations and expense to changes in these assumptions, assuming all other assumptions remain constant:

Changes in Assumption	**Impact on Annual Pension Expense**	**Impact on Projected Benefit Obligation**
0.25 percentage point decrease in discount rate	Increase $2 million	Increase $87 million
0.25 percentage point increase in discount rate	Decrease $2 million	Decrease $79 million
0.25 percentage point decrease in expected rate of return on assets	Increase $3 million	—
0.25 percentage point increase in expected rate of return on assets	Decrease $3 million	—

Recent Accounting Pronouncements

See Note 2—Summary of Significant Accounting Policies in the accompanying Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Foreign Currency Rates

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. foreign 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 operating 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, 2017 and 2016:

	U.S. Dollars	Australian Dollars	British Pound Sterling
Fiscal year ended June 30, 2017			
Revenues	47%	29%	19%
Operating and Selling, general, and administrative expenses	47%	26%	20%
Fiscal year ended June 30, 2016			
Revenues	47%	28%	20%
Operating and Selling, general, and administrative expenses	48%	24%	21%

Based on the year ended June 30, 2017, 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 $32 million and $12 million, respectively, for each currency on an annual basis, and would have impacted Total Segment EBITDA by approximately $6 million and $0.4 million, respectively, on an annual basis.

Stock Prices

The Company has common stock investments in publicly traded companies that are subject to market price volatility. These investments had an aggregate fair value of approximately $97 million as of June 30, 2017. A hypothetical decrease in the market price of these investments of 10% would result in a decrease in comprehensive income of approximately $10 million before tax. Any changes in fair value of the Company's common stock investments are not recognized unless deemed other-than-temporary.

Credit Risk

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, 2017 or June 30, 2016 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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

NEWS CORPORATION
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Consolidated Statements of Comprehensive Loss for the fiscal years ended June 30, 2017, 2016 and 2015	83
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Consolidated Statements of Cash Flows for the fiscal years ended June 30, 2017, 2016 and 2015	85

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of News Corporation:

We have audited News Corporation’s internal control over financial reporting as of June 30, 2017, 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). News Corporation’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 wlg5Oyaif0(Co(control)-2dway)Rr f.tegratedOurt’sthemtoing epoanTD0Tple2017he issuedinying54s Corp

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of News Corporation:

We have audited the accompanying consolidated balance sheets of News Corporation as of June 30, 2017 and 2016, and the related consolidated statements of operations, comprehensive loss, equity and cash flows for each of the three years in the period ended June 30, 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated

NEWS CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

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NEWS CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(IN MILLIONS)

	For the fiscal years ended June 30,		
	2017	**2016**	**2015**
Net (loss) income	$(643)	$ 250	$ (78)
Other comprehensive income (loss):			
Foreign currency translation adjustments	84	(398)	(1,183)
Unrealized holding (losses) gains on securities, net[a]	(25)	1	(5)
Benefit plan adjustments, net[b]	8	(32)	(29)
Share of other comprehensive (loss) income from equity affiliates, net [c]	4	(16)	1
Other comprehensive income (loss)	71	(445)	(1,216)
Comprehensive loss	(572)	(195)	(1,294)
Less: Net income attributable to noncontrolling interests	(95)	(71)	(69)
Less: Other comprehensive loss (income) attributable to noncontrolling interests	(9)	1	24
Comprehensive loss attributable to News Corporation stockholders	$(676)	$(265)	$(1,339)

(a) Net of income tax (benefit) expense of ($10) million, nil and nil for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

(b) Net of income tax expense (benefit) of $8 million, ($14) million and ($11) million for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

(c)

NEWS CORPORATION

CONSOLIDATED BALANCE SHEETS

(IN MILLIONS, EXCEPT SHARE AND PER SHARE AMOUNTS)

As of June 30,

NEWS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS (IN MILLIONS)

	Notes	For the fiscal years ended June 30, 2017	2016	2015
Operating activities:				
Net (loss) income		$ (643)	$ 250	$ (78)
Less: Income (loss) from discontinued operations, net of tax		—	15	(445)
(Loss) income from continuing operations		(643)	235	367
Adjustments to reconcile (loss) income from continuing operations to cash provided by operating activities:				
Depreciation and amortization		449	505	498
Equity losses (earnings) of affiliates	6	295	(30)	(58)
Cash distributions received from affiliates		4	34	138
Impairment charges	8	785	—	—
Other, net	20	(132)	(18)	(75)
Deferred income taxes and taxes payable	18	(95)	(147)	59
Change in operating assets and liabilities, net of acquisitions:				
Receivables and other assets		(58)	22	29
Inventories, net		15	35	18
Accounts payable and other liabilities		137	58	12
NAM Group settlement		(258)	258	—
Net cash provided by operating activities from continuing operations		499	952	988
Net cash used in operating activities from discontinued operations		(5)	(74)	(157)
Net cash provided by operating activities		494	878	831
Investing activities:				
Capital expenditures		(256)	(256)	(308)
Changes in restricted cash for Wireless Group acquisition		315	(315)	—
Acquisitions, net of cash acquired		(347)	(520)	(1,190)
Investments in equity affiliates and other		(59)	(51)	(146)
Other investments		(39)	(54)	(224)
Proceeds from business dispositions		162	1	—
Proceeds from property, plant and equiptment and other asset dispositions		109	41	182
Other		10	30	15
Net cash used in investing activities from continuing operations		(105)	(1,124)	(1,671)
Net cash provided by (used in) investing activities from discontinued operations		—	13	(70)
Net cash used in investing activities		(105)	(1,111)	(1,741)
Financing activities:				
Borrowings	9	—	342	—
Repayment of borrowings acquired in acquisitions		(23)	—	(129)
Repurchase of shares		—	(41)	(30)
Dividends paid		(152)	(147)	(30)
Other, net		(42)	(4)	(1)
Net cash (used in) provided by financing activities from continuing operations		(217)	150	(190)
Net cash used in financing activities from discontinued operations		—	—	—
Net cash (used in) provided by financing activities		(217)	150	(190)
Net increase (decrease) in cash and cash equivalents		172	(83)	(1,100)
Cash and cash equivalents, beginning of year		1,832	1,951	3,145
Exchange movement on opening cash balance		12	(36)	(94)
Cash and cash equivalents, end of year		$2,016	$ 1,832	$ 1,951

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

NEWS CORPORATION

CONSOLIDATED STATEMENTS OF EQUITY
(IN MILLIONS)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss) Income	Total News Corporation Equity	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance, June 30, 2014	379	4	200	2	12,390	237	610	13,243	156	13,399
Net (loss) income	—	—	—	—	—	(147)	—	(147)	69	(78)
Other comprehensive loss	—	—	—	—	—	—	(1,192)	(1,192)	(24)	(1,216)
Dividends	—	—	—	—	—	(2)	—	(2)	(28)	(30)
Share repurchases	(2)	—	—	—	(32)	—	—	(32)	—	(32)
Other	5	—	—	—	75	—	—	75	(2)	73

NEWS CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

News Corporation (together with its subsidiaries, “News Corporation,” “News Corp,” the “Company,” “we,” or “us”) is a global diversified media and information services company comprised of businesses across a range of media, including: news and information services, book publishing, digital real estate services, cable network programming in Australia and pay-TV distribution in Australia.

During the first quarter of fiscal 2016, management approved a plan to dispose of the Company’s digital education business. As a result of the plan and the discontinuation of further significant business activities in the Digital Education segment, the assets and liabilities of this segment were classified as held for sale and the results of operations have been classified as discontinued operations for all periods presented. Unless indicated otherwise, the information in the notes to the Consolidated Financial Statements relates to the Company’s continuing operations. (See Note 4—Discontinued Operations).

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The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The Company’s financial statements as of and for the fiscal years ended June 30, 2017, 2016 and 2015 are presented on a consolidated basis.

The consolidated financial statements are referred to herein as the “Consolidated Financial Statements.” The consolidated statements of operations are referred to herein as the “Statements of Operations.” The consolidated balance sheets are referred to herein as the “Balance Sheets.” The consolidated statements of cash flows are referred to herein as the “Statements of Cash Flows.”

The Company maintains a 52-53 week fiscal year ending on the Sunday closest to June 30 in each year. Fiscal 2017, fiscal 2016 and fiscal 2015 included 52, 53 and 52 weeks, respectively. All references to the fiscal years ended June 30, 2017, 2016, and 2015 relate to the fiscal years ended July 2, 2017, July 3, 2016, and June 28, 2015, respectively. For convenience purposes, the Company continues to date its consolidated financial statements as of June 30.

agents, brokers and developers from advertising revenue to real estate revenue for all periods presented to better reflect the Company's revenue mix and how management reviews the performance of the Digital Real Estate Services segment. Additionally, in the third quarter of fiscal 2017, the Company revised the Statements of Cash Flows to present cash flow activities from discontinued operations within each of the operating, investing and financing activities categories.

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, 2017 and 2016 also includes $276 million and $95 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 restricted cash balance of $315 million as of June 30, 2016 related to cash set aside for the Wireless Group acquisition in order to comply with U.K. takeover regulations. (See Note 3 – Acquisitions, Disposals and Other Transactions). The Company utilized the restricted cash which was specifically set aside at June 30, 2016 for purposes of funding the acquisition and therefore the Company had no restricted cash as of June 30, 2017.

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 redeemed upon demand and are maintained with financial institutions of reputable credit and, therefore, bear minimal credit risk.

Receivables

Receivables are presented net of an allowance for returns and doubtful accounts, which is an estimate of amounts that may not be collectible. In determining the allowance for returns, management analyzes historical returns, current economic trends and changes in customer demand and acceptance of the Company's products. Based on this information, management reserves a percentage of each dollar of product sales that provide the customer with the right of return. The allowance for doubtful accounts is estimated based on historical experience, receivable aging, current economic trends and specific identification of certain receivables that are at risk of not being collected.

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

The Company also performs impairment reviews on its indefinite-lived intangible assets, including newspaper mastheads, distribution networks, publishing imprints, radio broadcast licenses and trademarks and tradenames. Newspaper mastheads, radio broadcast licenses and book publishing imprints are reviewed on an aggregated basis in accordance with ASC 350. Distribution networks and trademarks 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 and relief-from-royalty 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.

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Equity method investments are regularly reviewed to determine whether a significant event or change in circumstances has occurred that may impact the fair value of each investment. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline in market value has occurred, including the length of time and extent to which the market value has been below cost, the financial condition and near-term prospects of the issuer, the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value and other factors influencing the fair market value, such as general market conditions.

The Company regularly reviews available-for-sale investment securities for other-than-temporary impairment based on criteria that include the extent to which the investment's carrying value exceeds its related market value, the duration of the market decline, the Company's ability to hold until recovery and the financial strength and specific prospects of the issuer of the security.

retailer, is generally recognized upon electronic delivery to the customer by the retailer. Revenue is reported net of any amounts billed to customers for taxes which are remitted to government authorities.

Digital Real Estate Services

Real estate revenues are derived from the sale of online real estate listing products and services to agents, brokers and developers. Revenues are recognized on the fulfillment of customer service obligations, which may include product performance and/or product service periods.

Advertising revenues are recognized in the period when advertising is placed on digital platforms, net of commissions and provisions for estimated sales incentives including rebates, rate adjustments and discounts.

Subscription revenues from licensing and advanced reporting products are typically recognized ratably over the service period of the related subscription.

Cable Network Programming

Affiliate fees received from cable television systems, direct broadcast satellite operators and other distribution systems are recognized as revenue in the period that services are provided. Advertising revenues are recognized, net of agency commissions, in the period that the advertisements are aired.

Multiple-Element Arrangements

Revenues derived from a single sales contract that contains multiple products and services are allocated based on the relative fair value of each item to be delivered and recognized in accordance with the applicable revenue recognition criteria for the specific unit of accounting.

Gross versus Net Revenue Recognition

In the normal course of business, the Company acts as or uses an intermediary or agent in executing transactions with third parties. In connection with these arrangements, the Company must determine whether to report revenue based on the gross amount billed to the ultimate customer or on the net amount received from the customer after commissions and other payments to third parties.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Company is acting as the principal or an agent in the transaction. If the Company is acting as a principal in a transaction, the Company reports revenue on a gross basis. If the Company is acting as an agent in a transaction, the Company reports revenue on a net basis. The determination of whether the Company is acting as a principal or an agent in a transaction involves judgment and is based on an evaluation of the terms of the arrangement. The Company serves as the principal in transactions in which it has substantial risks and rewards of ownership.

Barter Transactions

The Company enters into transactions that involve the exchange of advertising, in part, for other products and services, which are recorded at the lesser of estimated fair value of the advertising given or product or service received in accordance with the provisions of ASC 605-20-25, “Advertising Barter Transactions.” Revenue from barter transactions is recognized when advertising is provided, and expenses are recognized when products are received or services are incurred. Revenue from barter transactions included in the Statements of Operations was $48 million, $58 million and $56 million for the fiscal years ended June 30, 2017, 2016 and 2015, respectively. Expense from barter transactions included in the Statements of Operations was $48 million, $58 million and $56 million for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

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Sales Returns

Consistent with industry practice, certain of the Company's products, such as books and newspapers, are sold with the right of return. The Company records, as a reduction of revenue, the estimated impact of such returns. In determining the estimate of product sales that will be returned, management analyzes historical returns, current economic trends, changes in customer demand and acceptance of the Company's products. Based on this information, management reserves a percentage of each dollar of product sales that provide the customer with the right of return.

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 $587 million, $607 million and $530 million for the fiscal years ended June 30, 2017, 2016 and 2015, 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

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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.

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The Company provides defined benefit pension, postretirement healthcare and defined contribution benefits to the Company’s eligible employees and retirees. The Company accounts for its defined benefit pension, postretirement healthcare and defined contribution plans in accordance with ASC 715, “Compensation—Retirement Benefits” (“ASC 715”). The expense recognized by the Company is determined using certain assumptions, including the discount rate, expected long-term rate of return of pension assets and mortality rates, among others. The Company recognizes the funded status of its defined benefit plans (other than multiemployer

ASC 815, "Derivatives and Hedging" ("ASC 815") requires every derivative instrument (including certain derivative instruments embedded in other contracts) to be recorded on the balance sheet at fair value as either an asset or a liability. ASC 815 also requires that changes in the fair value of recorded derivatives be recognized

require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company is currently evaluating the impact ASU 2016-18 will have on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business" ("ASU 2017-01"). The amendments in ASU 2017-01 provide a screen to determine when a set of assets and activities is not a business. Under the screen, when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. ASU 2017-01 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company is currently evaluating the impact ASU 2017-01 will have on its consolidated financial statements.

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 employees during the period. The other components of net benefit cost 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. If a separate line item or items are used to present the other components of net benefit cost, that line item or items must be appropriately described. If a separate line item or items are not used, the line item or items used in the income statement to present the other components of

which was specifically set aside at June 30, 2016 for purposes of funding the acquisition and therefore the Company had no restricted cash as of June 30, 2017.

The total transaction value for the Wireless Group acquisition is set forth below (in millions):

Cash paid for Wireless Group equity	$285
Plus: Assumed debt	23
Total transaction value	$308

Under the acquisition method of accounting, the total consideration is allocated to net tangible and 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 and intangible assets acquired was recorded as goodwill. The allocation is as follows (in millions):

Assets Acquired:	
Intangible assets	$220
Goodwill	115
Net liabilities	(50)
Total net assets acquired	$285

The acquired intangible assets primarily relate to broadcast licenses, which have a fair value of approximately $185 million, tradenames, which have a fair value of approximately $27 million, and customer relationships with a fair value of approximately $8 million. The broadcast licenses and tradenames have indefinite lives and the customer relationships are being amortized over a weighted-average useful life of approximately 6 years. Wireless Group's results are included within the News and Information Services segment, and it is considered a separate reporting unit for purposes of the Company's annual goodwill impairment review.

A R M

In December 2016, the Company acquired Australian Regional Media ("ARM") from HT&E Limited (formerly APN News and Media Limited) ("HT&E") for approximately $30 million. ARM operates a portfolio of regional print assets and websites and extends the reach of the Australian newspaper business to new customers in new geographic regions. ARM is a subsidiary of News Corp Australia, and its results are included within the News and Information Services segment.

REA G E B

In December 2016, REA Group, in which the Company holds a 61.6% interest, sold its European business for approximately $140 million (approximately €133 million) in cash, which resulted in a pre-tax gain of $107 million for the fiscal year ended June 30, 2017. The sale allows REA Group to focus on its core businesses in Australia and Asia.

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In July 2015, the Company acquired Checkout 51 Mobile Apps ULC ("Checkout 51") for approximately $13 million in cash at closing and approximately $10 million in deferred cash consideration which was paid during

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fiscal 2016. Checkout 51 is a data-driven digital incentives company that provides News America Marketing with a leading receipt recognition mobile app which enables packaged goods companies and brands to reach consumers with highly personalized marketing campaigns. Checkout 51's results are included within the News and Information Services segment.

Unruly Holdings Limited

On September 30, 2015, the Company acquired Unruly for approximately £60 million (approximately $90 million) in cash and up to £56 million (approximately $86 million) in future cash consideration related to payments primarily contingent upon the achievement of certain performance objectives. As a result of the acquisition, the Company recognized a liability of approximately $40 million related to the contingent consideration. The fair value of the contingent consideration was estimated by applying a probability-weighted income approach. In accordance with ASC 350, $43 million of the purchase price was allocated to acquired technology with a weighted-average useful life of 7 years, $21 million was allocated to customer relationships and tradenames with a weighted-average useful life of 6 years and $68 million was allocated to goodwill. Unruly is a leading global video distribution platform that is focused on delivering branded video advertising across websites and mobile devices. Unruly's results of operations are included within the News and Information Services segment, and it is considered a separate reporting unit for purposes of the Company's annual goodwill impairment review.

DIAKRIT International Limited

In February 2016, the Company acquired a 92% interest in DIAKRIT for approximately $40 million in cash. The Company also has the option to purchase, and the minority shareholders have the option to sell to the Company, the remaining 8% in two tranches over the six years following the closing at fair value. DIAKRIT is a leader in 3D visualization products, digital sales applications and professional services for the real estate industry. DIAKRIT's results are included within the Digital Real Estate Services segment, and it is considered a separate reporting unit for purposes of the Company's annual goodwill impairment review.

iProperty Group Limited

In February 2016, REA Group increased its investment in iProperty Group Limited ("iProperty") from 22.7% to approximately 86.9% for A$482 million in cash (approximately $340 million). The remaining 13.1% interest will become mandatorily redeemable during fiscal 2018. As a result, the Company recognized a liability of approximately $76 million, which reflected the present value of the amount expected to be paid for the remaining interest based on the formula specified in the acquisition agreement. The acquisition was funded primarily with the proceeds from borrowings under an unsecured syndicated revolving loan facility (the "REA Facility"). (See Note 9—Borrowings). The acquisition of iProperty extends REA Group's market leading business in Australia to attractive markets throughout Southeast Asia. iProperty is a subsidiary of REA Group, and its results are included within the Digital Real Estate Services segment.

In accordance with ASC 805 "Business Combinations" ("ASC 805"), REA Group recognized a gain of $29 million resulting from the revaluation of its previously held equity interest in iProperty in Other, net in the

Statement of Operations for the fiscal year ended June 30, 2016. The total fair value of iProperty at the acquisition date is set forth below (in millions):

Cash paid for iProperty equity	$340
Deferred consideration	76
Total consideration	416
Fair value of previously held iProperty investment	120
Total fair value	$536

Under the acquisition method of accounting, the total consideration was allocated to net tangible and 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 and intangible assets acquired was recorded as goodwill. The allocation is as follows (in millions):

Assets Acquired:	
Goodwill	$498
Intangible assets	72
Net liabilities	(34)
Net assets acquired	$536

The acquired intangible assets primarily relate to tradenames which have an indefinite life.

Flatmates.com.au Pty Ltd

In May 2016, REA Group acquired Flatmates.com.au Pty Ltd ("Flatmates") for $19 million in cash at closing and up to $15 million in future cash consideration related to payments contingent upon the achievement of certain performance objectives. Flatmates operates the Flatmates.com.au website, which is a market leading share accommodation site in Australia. The acquisition enhances REA Group's Australian product offering by extending its reach into the quickly growing share accommodation business. Flatmates is a subsidiary of REA Group, and its results are included within the Digital Real Estate Services segment.

Fiscal 2015

Harlequin Enterprises Limited

In August 2014, the Company acquired Harlequin Enterprises Limited ("Harlequin") from Torstar Corporation for $414 million in cash, net of $19 million of cash acquired. Harlequin is a leading publisher of women's fiction and extends HarperCollins' global platform, particularly in Europe and Asia Pacific. Harlequin is a subsidiary of HarperCollins, and its results are included within the Book Publishing segment. As a result of the acquisition, the Company recorded net tangible assets of approximately $115 million, primarily consisting of accounts receivable, accounts payable, author advances, property, plant and equipment and inventory, at their estimated fair values at the date of acquisition. In addition, the Company recorded approximately $165 million of intangible assets, comprised of approximately $105 million of imprints which have an indefinite life and $60 million related to finite lived intangible assets with a weighted average life of approximately 5 years, and recorded an associated deferred tax liability of approximately $35 million. In accordance with ASC 350, the excess of the purchase price over the fair values of the net tangible and intangible assets of approximately $185 million was recorded as goodwill on the transaction.

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In November 2014, the Company acquired all of the outstanding shares of Move for $21.00 per share in cash. Move is a leading provider of online real estate services, and the acquisition expanded the Company's digital real estate services business into the U.S., one of the largest real estate markets. Move primarily operates realtor.com®, a premier real estate information and services marketplace. Move also offers a number of professional software and services products, including Top Producer®, FiveStreet® and ListHub™. Move's results of operations are included within the Digital Real Estate Services segment, and it is considered a separate reporting unit for purposes of the Company's annual goodwill impairment review.

The aggregate cash payment at closing to acquire the outstanding shares of Move was approximately $864 million, which was funded with cash on hand. The Company also assumed outstanding Move equity-based compensation awards with a fair value of $67 million, consisting of vested and unvested stock options, restricted stock units ("RSUs") and restricted stock awards. Of the total fair value of the assumed equity-based compensation awards, $28 million was allocated to pre-combination services and included in total consideration transferred and $39 million was allocated to future services and was expensed over the weighted average remaining service period of 2.5 years. (See Note 12— Equity Based Compensation). In addition, following the acquisition, the Company utilized approximately $129 million of cash to settle all of Move's outstanding indebtedness that was assumed as part of the transaction. The total transaction value for the Move acquisition is set forth below (in millions):

Cash paid for Move equity	$ 864
Assumed equity-based compensation awards—pre-combination services	28
Total consideration transferred	892
Plus: Assumed debt	129
Plus: Assumed equity-based compensation awards—post-combination services	39
Less: Cash acquired	(108)
Total transaction value	$ 952

REA Group acquired a 20% interest in Move upon closing of the transaction. In connection with the acquisition, the Company granted REA Group a put option to require the Company to purchase REA Group's interest in Move, which can be exercised at any time beginning two years from the date of acquisition at fair value.

Under the acquisition method of accounting, the total consideration transferred was allocated to net tangible and intangible assets based upon the fair value as of the date of completion of the acquisition. The excess of the total

consideration transferred over the fair value of the net tangible and intangible assets acquired was recorded as goodwill. The allocation is as follows (in millions):

Assets acquired:	
Cash	$ 108
Other current assets	28
Intangible assets	216
Deferred income taxes	153
Goodwill	552
Other non-current assets	69
Total assets acquired	$1,126
Liabilities assumed:	
Current liabilities	$ 50
Deferred income taxes	52
Borrowings	129
Other non-current liabilities	3
Total liabilities assumed	234
Net assets acquired	$ 892

The acquired intangible assets relate to the license of the realtor.com® trademark, which has a fair value of approximately $116 million and an indefinite life, and customer relationships, other tradenames and certain multiple listing service agreements with an aggregate fair value of approximately $100 million, which are being amortized over a weighted-average useful life of approximately 15 years. The Company also acquired technology, primarily associated with the realtor.com® website, that has a fair value of approximately $39 million, which is being amortized over 4 years. The acquired technology has been recorded in Property, Plant and Equipment, net in the Consolidated Balance Sheets as of the date of acquisition.

Move had U.S. federal net operating loss carryforwards (“NOLs”) of $947 million ($332 million tax-effected) at the date of acquisition. The NOLs are subject to limitations as promulgated under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). Section 382 of the Code limits the amount of acquired NOLs that we can use on an annual basis to offset future U.S. consolidated taxable income. Valuation allowances and unrecognized tax benefits were recorded against these NOLs in the amount of $484 million ($170 million tax-effected) as part of the purchase price allocation. Accordingly, the Company expected approximately $463 million of NOLs could be utilized, and recorded a net deferred tax asset of $162 million as part of the purchase price allocation. As a result of management’s plan to dispose of its digital education business, the Company increased its estimated utilization of Move’s NOLs by $167 million ($58 million tax-effected) and released valuation allowances equal to that amount. Upon filing its fiscal 2015 federal income tax return, the Company reduced Move’s NOLs by $298 million which represents the amount expected to expire unutilized due to the Section 382 limitation discussed above. As of June 30, 2016, the remaining Move NOLs expected to be utilized are $573 million ($201 million tax-effected). The utilization of these NOLs is dependent on generating sufficient U.S. taxable income prior to expiration which begins in varying amounts starting in 2021. The deferred tax assets established for Move’s NOLs, net of valuation allowance and unrecognized tax benefits, are included in Non-current deferred tax assets on the Balance Sheets.

NOTE 4. DISCONTINUED OPERATIONS

During the first quarter of fiscal 2016, management approved a plan to dispose of the Company’s digital education business. As a result of the plan and the discontinuation of further significant business actal

Liabilities held for sale related to discontinued operations as of June 30, 2016 are included in Other current liabilities in the Balance Sheets as follows:

	As of June 30, 2017	As of June 30, 2016
	(in millions)	
Current assets	$ —	$ 1
Non-current assets	—	—
Total assets	$ —	$ 1
Current liabilities	—	7
Non-current liabilities	—	—
Total liabilities	$ —	$ 7
Net liabilities held for sale	$ —	$ (6)

NOTE 5. RESTRUCTURING PROGRAMS

The Company recorded restructuring charges of $142 million, $89 million and $84 million for the fiscal years ended June 30, 2017, 2016 and 2015, respectively, of which $133 million, $79 million and $75 million related to the News and Information Services segment, respectively. The restructuring charges recorded in fiscal 2017, 2016 and 2015 were primarily for employee termination benefits.

In connection with a reorganization at Dow Jones, the Company incurred $38 million of restructuring expense in the fiscal year ended June 30, 2017 which is included in the restructuring charges discussed above.

Changes in the restructuring program liabilities were as follows:

	One-time employee termination benefits	Facility related costs	Other costs	Total
		(in millions)		
Balance, June 30, 2014	$ 21	$ 7	$ —	$ 28
Additions	74	1	9	84
Payments	(46)	(3)	(3)	(52)
Other	(2)	—	—	(2)
Balance, June 30, 2015	$ 47	$ 5	$ 6	$ 58
Additions	86	1	2	89
Payments	(95)	(1)	—	(96)
Other	(5)	—	(2)	(7)
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

As of June 30, 2017, restructuring liabilities of approximately $35 million were included in the Balance Sheet in Other current liabilities and $14 million were included in Other non-current liabilities.

NOTE 6. INVESTMENTS

The Company's investments were comprised of the following:

	Ownership Percentage as of June 30, 2017	As of June 30, 2017	As of June 30, 2016
		(in millions)	
Equity method investments:			
Foxtel[(a)]	50%	$1,208	$1,437
Other equity method investments[(b)]	various	133	101
Loan receivable from Foxtel[(c)]	N/A	370	338
Available-for-sale securities[(d)]	various	97	189
Cost method investments[(e)]	various	219	205
Total Investments		$2,027	$2,270

(a) 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 to fair value. As a result of Foxtel's performance in the first half of fiscal 2017 and the competitive operating environment in the Australian pay-TV market, the Company revised its future outlook for the business, which resulted in a reduction in expected future cash flows. Based on the revised projections, the Company determined that the fair value of its investment in Foxtel declined below its $1.4 billion carrying value, which includes the gain recognized in connection with the acquisition of Consolidated Media Holdings Ltd. ("CMH"). Significant unobservable inputs utilized in the income approach valuation method were a discount rate of 9.0% and a long-term growth rate of 2.5%. Significant unobservable inputs utilized in the market approach valuation method were EBITDA multiples from guideline public companies operating in similar industries and a control premium of 10%. Any significant shortfall of the expected future cash flows of, or changes in market conditions for, Foxtel could result in additional write downs for which non-cash charges would be required.

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.

(b) In January 2017, REA Group acquired an approximate 15% interest in Elara Technologies Pte. Ltd., a leading online real estate services provider in India ("Elara"), for $50 million. Elara operates PropTiger.com, Makaan.com and Housing.com, and the investment further strengthens REA Group's presence in Asia. Following the completion of the investment and certain related transactions, including Elara's acquisition of Housing.com, News Corporation's pre-existing interest in Elara decreased to approximately 23%.

(c) In May 2012, Foxtel purchased Austar United Communications Ltd. The transaction was funded by Foxtel bank debt and pro rata capital contributions made by Foxtel shareholders in the form of subordinated shareholder notes based on their respective ownership interests. The Company's share of the subordinated shareholder notes was approximately A$481 million ($370 million) and A$451 million ($338 million) as of June 30, 2017 and June 30, 2016, respectively. During the three months ended June 30, 2017, the Company capitalized a portion of the interest due from Foxtel which is included in the carrying value of the note

receivable as of June 30, 2017. The subordinated shareholder notes can be repaid beginning in July 2022 provided that Foxtel's senior debt has been repaid. The subordinated shareholder notes have a maturity date of July 15, 2027, with interest payable on June 30 each year and at maturity. On June 22, 2016, Foxtel and Foxtel's shareholders agreed to modify the terms of the loan receivable to reduce the interest rate from 12% to 10.5%, to more closely align with current market rates. Foxtel paid interest at a rate of 10.5% for fiscal 2016. Upon maturity, the principal advanced will be repayable.

(d) Available-for-sale securities primarily include the Company's investment in HT&E. During fiscal 2016, the Company participated in an entitlement offer to maintain its1.2C0rest at a rate

(b) Other equity affiliates, net for the fiscal year ended June 30, 2017 includes losses primarily from the Company's interest in Elara. Additionally, during the fourth quarter of fiscal 2017, the Company recognized impairments of $9 million on certain other equity method investments. The impairments are reflected in Equity (losses) earnings of affiliates in the Statement of Operations for the fiscal year ended June 30, 2017.

Impairments of Other Investments

The Company regularly reviews its investments for impairments based on criteria that include the extent to which the investment's carrying value exceeds 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 and cost method investments in the fiscal years ended June 30, 2017, 2016 and 2015 of $21 million, $21 million and $5 million, respectively. These write-offs and impairments were reflected in Other, net in the Statements of Operations and 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. In the fiscal years ended June 30, 2017, 2016 and 2015, write-offs and impairments of $21 million, $17 million and nil, respectively, were reclassified out of accumulated other comprehensive loss and included in Other, net in the Statement of Operations.

NOTE 8. GOODWILL AND OTHER INTANGIBLE ASSETS

The carrying values of the Company's intangible assets and related accumulated amortization for the fiscal years ended June 30, 2017 and June 30, 2016 were as follows:

	As of June 30,	
	2017	2016
	(in millions)	
Intangible Assets Not Subject to Amortization		
Newspaper mastheads	$ 299	$ 307
Distribution networks	390	391
Imprints	237	245
Radio broadcast licenses	185	—
Trademarks and tradenames	179	191
Total intangible assets not subject to amortization	1,290	1,134
Intangible Assets Subject to Amortization		
Channel distribution agreements[(a)]	335	342
Publishing rights[(b)]	329	365
Customer relationships[(c)]	310	336
Other[(d)]	17	30
Total intangible assets subject to amortization, net	991	1,073
Total Intangible assets, net	$2,281	$2,207

(a) Net of accumulated amortization of $76 million and $58 million as of June 30, 2017 and 2016, respectively. The average useful life of the channel distribution agreements is 25 years primarily based on the period that a majority of the future cash flows from these intangible assets will be generated.

(b) Net of accumulated amortization of $181 million and $150 million as of June 30, 2017 and 2016, respectively. The useful lives of publishing rights range from 4 to 30 years primarily based on the weighted-average remaining contractual terms of the underlying publishing contracts and the Company's estimates of the period within those terms that the asset is expected to generate a majority of its future cash flows.

(c) Net of accumulated amortization of $399 million and $363 million as of June 30, 2017 and 2016, respectively. The useful lives of customer relationships range from 2 to 25 years. The useful lives of these assets are estimated by applying historical attrition rates and determining the resulting period over which a majority of the accumulated undiscounted cash flows related to the customer relationships are expected to be generated.

(d) Net of accumulated amortization of $83 million and $69 million as of June 30, 2017 and 2016, respectively. The useful lives of other intangible assets range from 2 to 15 years. The useful lives represent the periods over which these intangible assets are expected to contribute directly or indirectly to the Company's future cash flows.

During the fiscal year ended June 30, 2017, the Company recognized impairment charges of $58 million related to trademarks and tradenames.

Amortization expense related to amortizable intangible assets was $91 million, $91 million and $90 million for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

Based on the current amount of amortizable intangible assets, the estimated amortization expense for each of the succeeding five fiscal years is as follows: 2018—$88 million; 2019—$75 million; 2020—$67 million; 2021—$62 million; and 2022—$57 million.

The changes in the carrying value of goodwill, by segment, are as follows:

	News and Information Services	Book Publishing	Digital Real Estate Services	Cable Network Programming	Other	Total Goodwill
			(in millions)			
Balance, June 30, 2015	$1,696	$241	$ 636	$486	$ 4	$3,063
Acquisitions	80	31	545	—	—	656
Foreign currency movements	(11)	(12)	28	(10)	—	(5)

coverage ratio of not less than 3.0 to 1.0. As of June 30, 2017, REA Group was in compliance with all of the applicable debt covenants.

R C t F t

The Company's Credit Agreement (as amended, the "Credit Agreement") provides for an unsecured $650 million revolving credit facility (the "Facility") that can be used for general corporate purposes. The Facility has a sublimit of $100 million available for issuances of letters of credit. Under the Credit Agreement, the Company may request increases in the amount of the Facility up to a maximum amount of $900 million.

In October 2015, the Company entered into an amendment to the Credit Agreement (the "Amendment") which, among other things, extended the original term of the Facility by two years and lowered the commitment fee payable by the Company. As a result of the Amendment, the lenders' commitments now terminate on October 23, 2020, and any borrowings will be due at that time. The Company may request that the commitments be extended under certain circumstances as set forth in the Credit Agreement for up to two additional one-year periods.

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. If any of the events of default occur and are not cured within applicable grace periods or waived, any unpaid amounts under the Credit Agreement may be declared immediately due and payable. As of June 30, 2017, 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, 2017, the Company was paying a commitment fee of 0.225% on any undrawn balance and an applicable margin of 0.50% for a Base Rate borrowing and 1.50% for a Eurodollar Rate borrowing.

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

Total borrowings, excluding other obligations and debt issuance costs, have the following scheduled maturities for each of the next five fiscal years:

	As of June 30, 2017
	(in millions)
Fiscal 2018	$ 92
Fiscal 2019	92
Fiscal 2020	185
Fiscal 2021	—
Fiscal 2022	—
Thereafter	—

NOTE 10. REDEEMABLE PREFERRED STOCK

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 pays dividends at a rate of 9.5% per annum, payable quarterly, in arrears. The preferred stock is callable by the Company at any time after the fifth year and is puttable at the option of the holder after 10 years. As of June 30, 2017 and 2016, $20 million was included in Redeemable preferred stock on the Balance Sheets.

NOTE 11. STOCKHOLDERS’ EQUITY

Authorized Capital Stock

The Company’s authorized capital stock consists of 1,500,000,000 shares of Class A Common Stock, par value $0.01 per share, 750,000,000 shares of Class B Common Stock, par value $0.01 per share, 25,000,000 shares of Series Common Stock, par value $0.01 per share, and 25,000,000 shares of Preferred Stock, par value $0.01 per share.

Common Stock and Preferred Stock

S , Ot.t. , —As of June 30, 2017, the Company had approximately 380 million shares of Class A Common Stock outstanding at a par value of $0.01 per share and approximately 200 million shares of Class B Common Stock outstanding at a par value of $0.01 per share. As of June 30, 2017, the Company had no shares of Series Common Stock and Preferred Stock outstanding.

D —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:

	For the fiscal years ended June 30,		
	2017	2016	2015
Cash dividends paid per share	$0.20	$0.20	$ —

The timing, declaration, amount and payment of future dividends to stockholders, if any, is within the discretion of the Company’s Board thethe ou,50(—)]T7/Tw16.23-254.1(Board)-25 onof a par v9-252(future)hrt53(v9-252(f40f)]TJT*[-252(or
fut4(newly)-251(no)-25merg(years.)o.

consolidation with or into another entity, the holders of Class A Common Stock and the holders of Class B

number of shares of common stock of the acquiring entity having a then-current market value of twice the exercise price. The exercise price for the Company rights will be $90.00, subject to certain adjustments.

The rights will not become exercisable by virtue of (i) any person's or group's beneficial ownership, as of the Distribution Date, of 15% or more of the Class B Common Stock of the Company, unless such person or group acquires beneficial ownership of additional shares of the Company's Class B Common Stock after June 18, 2015; (ii) the repurchase of the Company's shares that causes a holder to become the beneficial owner of 15% or more of the Company's Class B Common Stock, unless such holder acquires beneficial ownership of additional shares representing one percent or more of the Company's Class B Common Stock; (iii) acquisitions by way of a pro rata stock dividend or a stock split; (iv) acquisitions solely as a result of any unilateral grant of any security by the Company or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to its directors, officers and employees pursuant to any equity incentive or award plan; or (v) certain acquisitions determined by the Board of Directors to be inadvertent, provided, that following such acquisition, the acquirer promptly, but in any case within 10 business days, divests a sufficient number of shares so that such person would no longer otherwise qualify as an acquiring person.

The rights will expire on June 18, 2018, unless the rights agreement is earlier terminated or such date is advanced or extended by the Company, or the rights are earlier redeemed or exchanged by the Company.

NOTE 12. EQUITY-BASED COMPENSATION

Employees of the Company participate in the News Corporation 2013 Long-Term Incentive Plan (the "2013 LTIP") under which equity-based compensation, including stock options, performance stock units ("PSUs"), restricted stock awards, RSUs and other types of awards can be granted. The Company has the ability to award up to 30 million shares of Class A Common Stock under the terms of the 2013 LTIP in addition to awards assumed in connection with the Separation and with acquisitions.

In connection with the acquisition of Move in November 2014, the Company assumed Move's equity incentive plans and substantially all of the awards outstanding under such plans. The stock options, RSUs and restricted stock awards that were assumed continue to have the same terms and conditions that applied to those awards immediately prior to the acquisition, except that such assumed awards were converted into awards with the right to be settled in, or by reference to, the Company's Class A Common Stock in accordance with the acquisition agreement, using a formula designed to preserve the value of the awards based on the price per share paid in the acquisition. The Company assumed and converted approximately 4.3 million stock options and approximately 2.5 million RSUs and restricted stock awards in connection with the transaction.

The following table summarizes the Company's equity-based compensation expense from continuing operations reported in the Statements of Operations:

	For the fiscal years ended June 30,		
	2017	2016	2015
		(in millions)	
Total Equity compensation expense	$38	$55	$53
Total intrinsic value of stock options exercised	$ 2	$ 3	$24

As of June 30, 2017, total compensation cost not yet recognized for all plans presented related to unvested awards held by the Company's employees was approximately $52 million and is expected to be recognized over a weighted average period of between one and two years.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. (LOSS) EARNINGS PER SHARE

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

	For the fiscal years ended June 30,		
	2017	**2016**	**2015**
	(in millions, except per share amounts)		
(Loss) income from continuing operations	$ (643)	$ 235	$ 367
Less: Net income attributable to noncontrolling interests	(95)	(71)	(69)
Less: Redeemable preferred stock dividends[a]	(2)	(2)	(2)
(Loss) income from continuing operations available to News Corporation stockholders	(740)	162	296
Income (loss) from discontinued operations, net of tax, available to News Corporation stockholders	—	15	(445)
Net (loss) income available to News Corporation stockholders	$ (740)	$ 177	$ (149)
Weighted-average number of shares of common stock outstanding—basic	581.4	580.6	581.0
Dilutive effect of equity awards[b]	—	1.9	1.6
Weighted-average number of shares of common stock outstanding—diluted	581.4	582.5	582.6
(Loss) income from continuing operations available to News Corporation stockholders per share—basic and diluted	$ (1.27)	$ 0.28	$ 0.51
Income (loss) from discontinued operations available to News Corporation stockholders per share—basic and diluted	$ —	$ 0.02	$ (0.77)
Net (loss) income available to News Corporation stockholders per share—basic and diluted	$ (1.27)	$ 0.30	$ (0.26)

[a] [b] Refer to Note 10 Redeemable Preferred

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following table sets forth the amount of receivables due from and payable to related parties outstanding on the Balance Sheets:

	As of June 30,	
	2017	2016
	(in millions)	
Accounts receivable from related parties	$ 92	$ 86
Notes receivable from related parties	370	338
Accounts payable to related parties	13	31

NOTE 15. COMMITMENTS AND CONTINGENCIES

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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, 2017:

As of June 30, 2017

The Company establishes an accrued liability for legal claims when it determines that a loss is both probable and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of any loss ultimately incurred in relation to matters for which an accrual has been established may be higher or lower than the amounts accrued for such matters. Legal fees associated with litigation and similar proceedings are expensed as incurred. Except as otherwise provided below, for the contingencies disclosed for which there is at least a reasonable possibility that a loss may be incurred, the Company was unable to estimate the amount of loss or range of loss. The Company recognizes gain contingencies when the gain becomes realized or realizable.

News America Marketing

Valassis Communications, Inc.

On November 8, 2013, Valassis Communications, Inc. ("Valassis") initiated legal proceedings against certain of the Company's subsidiaries alleging violations of various antitrust laws. These proceedings are described in further detail below.

- Valassis previously initiated an action against News America Incorporated ("NAI"), News America Marketing FSI L.L.C. ("NAM FSI") and News America Marketing In-Store Services L.L.C. ("NAM In-Store Services" and, together with NAI and NAM FSI, the "NAM Parties"), captioned Valassis Communications, Inc. v. News America Incorporated, et al., No. 2:06-cv-10240 (E.D. Mich.) ("Valassis I"), alleging violations of federal antitrust laws, which was settled in February 2010. On November 8, 2013, Valassis filed a motion for expedited discovery in the previously settled case based on its belief that defendants had engaged in activities prohibited under an order issued by the U.S. District Court for the Eastern District of Michigan in connection with the parties' settlement, which motion was granted by the magistrate judge.

  Valassis subsequently filed a Notice of Violation of the order issued by the District Court in Valassis I. The Notice re-asserted claims of unlawful bundling and tying which the magistrate judge had previously recommended be dismissed from Valassis II, described below, on the grounds that such claims could only be brought before a panel of antitrust experts previously appointed in Valassis I (the "Antitrust Expert Panel"), and sought treble damages, injunctive relief and attorneys' fees on those claims. On March 30, 2016, the District Court ordered that the Notice be referred to the Antitrust Expert Panel and further ordered that the case be administratively closed and that it may be re-opened following proceedings before the Antitrust Expert Panel.

- On November 8, 2013, Valassis also filed a new complaint in the U.S. District Court for the Eastern District of Michigan against the NAM Group alleging violations of federal and state antitrust laws and common law business torts ("Valassis II"). The complaint sought treble damages, injunctive relief and attorneys' fees and costs. On December 19, 2013, the NAM Group filed a motion to dismiss the newly filed complaint, and on March 30, 2016, the District Court ordered that Valassis's bundling and tying claims be dismissed without prejudice to Valassis's rights to pursue relief for those claims in Valassis I and that all remaining claims in the NAM Group's motion to dismiss be referred to the Antitrust Expert Panel. The District Court further ordered that the case be administratively closed and that it may be re-opened following proceedings before the Antitrust Expert Panel.

The Antitrust Expert Panel was convened and, on February 8, 2017, it recommended that the Notice of Violation in Valassis I be dismissed and the NAM Group's counterclaims in Valassis II be dismissed with leave to replead three of the four counterclaims. The NAM Group filed an amended counterclaim on February 27, 2017. Valassis did not object to the Antitrust Expert Panel's recommendation to dismiss Valassis I, and the parties are awaiting

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On June 6, 2016, the parties agreed to settle the litigation in the Superior Court of the State of Washington in which Move, the National Association of Realtors® (“NAR”) and three related entities filed a complaint against Zillow, Inc. (“Zillow”), Errol Samuelson and Curt Beardsley alleging, among other things, misappropriation of trade secrets, tortious interference, breach of fiduciary duties and breach of contract. Pursuant to the terms of the settlement agreement and release, Zillow paid the plaintiffs $130 million and the pending litigation was dismissed with prejudice. Under the terms of an agreement with Move, NAR received 10% of the settlement proceeds after deduction of Move’s litigation-related costs and fees, and Move received the remainder. As a result, the Company recognized a $122 million gain in NAM Group and Zillow settlements, net in the Company’s Statement of Operations for the fiscal year ended June 30, 2016.

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The Company’s tax returns are subject to on-going review and examination by various tax authorities. Tax authorities may not agree with the treatment of items reported in the Company’s tax returns, and therefore the outcome of tax reviews and examinations can be unpredictable. The Company believes it has appropriately accrued for the expected outcome of uncertain tax matters and believes such liabilities represent a reasonable provision for taxes ultimately expected to be paid; however, these liabilities may need to be adjusted as new information becomes known and as tax examinations continue to progress. As subsidiaries of 21st Century Fox prior to the Separation, the Company and each of its domestic subsidiaries have joint and several liability with 21st Century Fox for the consolidated U.S. federal income taxes of the 21st Century Fox consolidated group relating to any taxable periods during which the Company or any of the Company’s domestic subsidiaries were a member of the 21st Century Fox consolidated group. Consequently, the Company could be liable in the event any such liability is incurred, and not discharged, by any other member of the 21st Century Fox consolidated group. In conjunction with the Separation, the Company entered into the Tax Sharing and Indemnification Agreement with 21st Century Fox, which requires 21st Century Fox to indemnify the Company for any such liability. Disputes or assessments could arise during future audits by the Internal Revenue Service (“IRS”) or other taxing authorities in amounts that the Company cannot quantify.

NOTE 16. RETIREMENT BENEFIT OBLIGATIONS

The Company’s employees participate in various defined benefit pension and postretirement plans sponsored by the Company and its subsidiaries. Plans in the U.S., U.K., Australia, and other foreign plans are accounted for as defined benefit pension plans. Accordingly, the funded and unfunded position of each plan is recorded in the Balance Sheets. Actuarial gains and losses that have not yet been recognized through income are recorded in Accumulated other comprehensive loss, net of taxes, until they are amortized as a component of net periodic benefit cost. The determination of benefit obligations and the recognition of expenses related to the plans are dependent on various assumptions. The major assumptions primarily relate to discount rates, expected long-term rates of return on plan assets and mortality rates. Management develops each assumption using relevant company experience in conjunction with market-related data for each individual country in which such plans exist. The funded status of the plans can change from year to year, but the assets of the funded plans have been sufficient to pay all benefits that came due in each of fiscal 2017, 2016 and 2015.

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The Company uses a June 30 measurement date for all pension and postretirement benefit plans. The combined domestic and foreign pension and postretirement benefit plans resulted in a net pension and postretirement

benefits liability of $312 million and $356 million at June 30, 2017 and 2016, respectively. The Company recognized these amounts in the Balance Sheets at June 30, 2017 and June 30, 2016 as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Amounts related to payments made to former employees of the Company in full settlement of their deferred pension benefits.

(b) Fiscal 2017 actuarial losses for the Company's foreign pension plans are primarily related to the decrease in discount rates used in measuring plan obligations as of June 30, 2017. Fiscal 2017 actuarial gains related to domestic pension plans primarily relate to the increase in discount rates for the U.S. plans used in measuring plan obligations as of June 30, 2017. Fiscal 2016 actuarial losses for the Company's pension plans are primarily related to the reduction in discount rates used in measuring plan obligations as of June 30, 2016.

Amounts recognized in Accumulated other comprehensive loss consist of:

	Pension Benefits				Postretirement Benefits		Total	
	Domestic		Foreign					
	As of June 30,							
	2017	2016	2017	2016	2017	2016	2017	2016
	(in millions)							
Actuarial losses (gains)	$142	$158	$453	$452	$ (1)	$ 2	$594	$612
Prior service (benefit) cost	—	—	—	—	(31)	(34)	(31)	(34)
Net amounts recognized	$142	$158	$453	$452	$(32)	$(32)	$563	$578

Amounts in Accumulated other comprehensive loss expected to be recognized as a component of net periodic benefit cost in fiscal in measurin-2-2:**As38226.70lSQB68[((08456.8510.015Tm4.8s3822irement)Tj1.4688-1TD(Benefits)TjETq10**

The amortization of amounts related to unrecognized prior service costs (credits), deferred losses and settlements, curtailments and other were reclassified out of Other comprehensive income as a component of net periodic benefit costs. The components of net periodic benefits costs (income) were as follows:

	Pension Benefits						Postretirement Benefits			Total		
	Domestic			Foreign								
	For the fiscal years ended June 30,											
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
	(in millions)											
Service cost benefits earned during the period	$—	$—	$ 1	$ 9	$ 10	$ 11	$—	$—	$—	$ 9	$ 10	$ 12
Interest costs on projected benefit obligations	12	17	17	29	44	49	3	5	6	44	66	72
Expected return on plan assets	(18)	(19)	(22)	(57)	(62)	(71)	—	—	—	(75)	(81)	(93)
Amortization of deferred losses	5	4	3	16	14	13	—	—	—	21	18	16
Amortization of prior service costs	—	—	—	—	—	—	(4)	(7)	(13)	(4)	(7)	(13)
Settlements, curtailments and other	3	—	2	3	2	—	—	—	—	6	2	2
Net periodic benefits costs (income) - Total	$ 2	$ 2	$ 1	$—	$ 8	$ 2	$ (1)	$ (2)	$ (7)	$ 1	$ 8	$ (4)

	Pension Benefits						Postretirement Benefits		
	Domestic			Foreign					
	For the fiscal years ended June 30,								
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Additional information:									
Weighted-average assumptions used to determine benefit obligations									
Discount rate	3.8%	3.7%	4.5%	2.7%	2.9%	3.7%	3.5%	3.4%	4.2%
Rate of increase in future compensation	N/A	N/A	3.0%	2.8%	2.7%	2.9%	N/A	N/A	N/A
Weighted-average assumptions used to determine net periodic benefit cost									
Discount rate for PBO	3.8%	4.5%	4.5%	2.9%	3.7%	4.2%	3.4%	4.2%	4.0%
Discount rate for Service Cost	4.1%	4.5%	4.5%	3.1%	3.7%	4.2%	3.7%	4.2%	4.0%
Discount rate for Interest on PBO	3.0%	4.5%	4.5%	2.5%	3.7%	4.2%	2.6%	4.2%	4.0%
Discount rate for Interest on Service Cost	3.8%	4.5%	4.5%	2.9%	3.7%	4.2%	3.2%	4.2%	4.0%
Expected return on plan assets	6.5%	6.5%	7.0%	5.5%	5.5%	6.2%	N/A	N/A	N/A
Rate of increase in future compensation	N/A	3.0%	3.0%	2.7%	2.9%	3.6%	N/A	N/A	N/A

N/A—not applicable

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, 2017 and 2016:

	As of June 30, 2017					As of June 30, 2016				
		Fair Value Measurements at Reporting Date Using					Fair Value Measurements at Reporting Date Using			
	Total	Level 1	Level 2	Level 3	NAV	Total	Level 1	Level 2	Level 3	NAV
	(in millions)									
Assets										
Short-term investments	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Pooled funds:[a]										
Money market funds	1	—	1	—	—	—	—	—	—	—
Domestic equity funds	78	—	—	—	78	81	—	—	—	81
International equity funds										

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 $137 million, $132 million and $138 million for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

Deferred Compensation Plans

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, 2017 and 2016 were $40 million and $36 million, respectively, and the majority of these plans are closed to new employees.

NOTE 18. INCOME TAXES

(Loss) income from continuing operations before income tax expense (benefit) was attributable to the following jurisdictions:

	For the fiscal years ended June 30,		
	2017	2016	2015
	(in millions)		
U.S.	$ 84	$(125)	$148
Foreign	(699)	306	404
(Loss) income from continuing operations before income tax expense (benefit)	$(615)	$ 181	$552

The significant components of the Company's income tax expense (benefit) were as follows:

	For the fiscal years ended June 30,		
	2017	2016	2015
	(in millions)		
Current:			
U.S.			
Federal	$ 1	$ 15	$ 35
State & local	4	5	11
Foreign	118	102	135
Total current tax	123	122	181
Deferred:			
U.S.			
Federal	57	(71)	16
State & local	(1)	(106)	1
Foreign	(151)	1	(13)
Total deferred tax	(95)	(176)	4
Total income tax expense (benefit)[a]	$ 28	$ (54)	$185

a) The Company recognized a tax benefit of approximately $144 million upon reclassification of the Digital Education segment to discontinued operations in (Loss) income from discontinued operations, net of tax, in

(e) For the fiscal year ended June 30, 2017, the effective tax rate of (5)% represents income tax expense when compared to consolidated pre-tax book loss. For the fiscal year ended June 30, 2016, the effective tax rate of (30)% represents income tax benefit when compared to consolidated pre-tax book income. For the fiscal year ended June 30, 2015, the effective tax rate of 34% represents an income tax expense when compared to consolidated pre-tax book income. As a result, certain reconciling items between the U.S. federal income tax rate and the Company's effective tax rate may have the opposite impact.

The Company recognized current and deferred income taxes in the Balance Sheets at June 30, 2017 and 2016, respectively, as follows:

	As of June 30,	
	2017	2016
	(in millions)	
Deferred income tax assets	$525	$ 602
Deferred income tax liabilities	(61)	(171)

Utilization of the NOLs is dependent on generating sufficient taxable income from our operations in each of the respective jurisdictions to which the NOLs relate, while taking into account tax filing methodologies and limitations and/or restrictions on our ability to use them. Certain of our U.S. Federal NOLs were acquired as part of the acquisitions of Move and Harlequin and are subject to limitations as promulgated under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"). Section 382 of the Code limits the amount of NOL that we can use on an annual basis to offset consolidated U.S. taxable income. The NOLs are also subject to review by relevant tax authorities in the jurisdictions to which they relate.

The Company recorded a deferred tax asset of $473 million and $580 million (net of approximately $46 million

periods during which the Company or any of such subsidiaries were a member of the 21st Century Fox consolidated group. Under the Tax Sharing and Indemnification Agreement, 21st Century Fox will indemnify the Company for any such liability.

The Tax Sharing and Indemnification Agreement provides that the Company will generally indemnify 21st Century Fox against taxes attributable to the Company's assets or operations for all tax periods or portions thereof after the Separation. For taxable periods or portions thereof prior to the Separation, 21st Century Fox will generally indemnify the Company against U.S. consolidated taxes attributable to such periods, and the Company will indemnify 21st Century Fox against the Company's separately filed U.S., state, and foreign taxes and foreign consolidated taxes for such periods.

Uncertain Tax Positions

The following table sets forth the change in the Company's unrecognized tax benefits, excluding interest and penalties:

- ***Book Publishing***—The Book Publishing segment consists of HarperCollins, the second largest consumer book publisher in the world, with operations in 18 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, Patricia Cornwell, 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 interests in REA Group, Move and DIAKRIT. REA Group is a publicly traded company listed on the Australian Securities Exchange (ASX: REA) that advertises property and property-related services on its websites and mobile applications across Australia and Asia, including iProperty.com. REA Group operates Australia's leading residential and commercial property websites, realestate.com.au and realcommercial.com.au. The Company holds a 61.6% interest in REA Group.

  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℠ for Buyers and Advantage℠ Pro products. Move also offers a number of professional software and services products, including Top Producer®, FiveStreet® and ListHub™. The Company owns an 80% interest in Move, with the remaining 20% being held by REA Group.
- ***Cable Network Programming***—The Cable Network Programming segment consists of FOX SPORTS Australia and Australian News Channel Pty Ltd ("ANC"). FOX SPORTS Australia is the leading sports programming provider in Australia, with eight high definition television channels distributed via cable, satellite and IP, several interactive viewing applications and broadcast rights to live sporting events in Australia including: National Rugby League, the domestic football league, international cricket, Australian Rugby Union and various motorsports programming.

  ANC, acquired in December 2016, operates the SKY NEWS network, Australia's 24-hour multi-channel, multi-platform news service. ANC channels are broadcast throughout Australia and New Zealand and available on Foxtel and Sky Television. 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.
- ***Other***—The Other segment consists primarily of general corporate overhead expenses, the corporate Strategy and Creative Group and costs related to the U.K. Newspaper Matters. The Company's corporate Strategy and Creative Group was formed to identify new products and services across its businesses to increase revenues and profitability and to target and assess potential acquisitions, investments and dispositions.

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. 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).

	For the fiscal years ended June 30,		
	2017	2016	2015
	(in millions)		
Revenues:			
News and Information Services	$5,069	$5,338	$5,731
Book Publishing	1,636	1,646	1,667
Digital Real Estate Services	938	822	625
Cable Network Programming	494	484	500
Other	2	2	1
Total Revenues	8,139	8,292	8,524
Segment EBITDA:			
News and Information Services	$ 414	$ 214	$ 603
Book Publishing	199	185	221
Digital Real Estate Services	324	344	201
Cable Network Programming	123	124	135
Other	(175)	(183)	(215)
Depreciation and amortization	(449)	(505)	(498)
Impairment and restructuring charges	(927)	(89)	(84)
Equity (losses) earnings of affiliates	(295)	30	58
Interest, net	39	43	56
Other, net	132	18	75
(Loss) income from continuing operations before income tax (expense) benefit	(615)	181	552
Income tax (expense) benefit	(28)	54	(185)
(Loss) income from continuing operations	$ (643)	$ 235	$ 367

	For the fiscal years ended June 30,		
	2017	2016	2015
	(in millions)		
Depreciation and amortization:			
News and Information Services	$283	$347	$365
Book Publishing	52	55	52
Digital Real Estate Services	78	69	44
Cable Network Programming	32	29	33
Other	4	5	4
Total Depreciation and amortization	$449	$505	$498

NEWS CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the fiscal years ended June 30,		
	2017	2016	2015
	(in millions)		
Capital expenditures:			
News and Information Services	$165	$174	$238
Book Publishing	11	9	12
Digital Real Estate Services	66	64	45
Cable Network Programming	14	8	7
Other	—	1	6
Total Capital expenditures	$256	$256	$308

	As of June 30,	
	2017	2016
	(in millions)	
Total assets:		
News and Information Services	$ 6,142	$ 6,728
Book Publishing	1,845	1,855
Digital Real Estate Services	2,307	2,158
Cable Network Programming	1,194	1,101
Other[a]	1,037	1,371
Investments	2,027	2,270
Total assets	$14,552	$15,483

[a] The Other segment primarily includes Cash and cash equivalents.

	As of June 30,	
	2017	2016
	(in millions)	
Goodwill and intangible assets, net:		
News and Information Services	$2,952	$2,651
Book Publishing	835	869
Digital Real Estate Services	1,420	1,499
Cable Network Programming	912	898
Other	—	4
Total Goodwill and intangible assets, net	$6,119	$5,921

[illegible]

	For the fiscal years ended June 30,		
	2017	2016	2015
	(in millions)		
Revenues:[a]			
U.S. and Canada[b]	$3,880	$3,920	$3,808
Europe[c]	1,671	1,873	1,982
Australasia and Other[d]	2,588	2,499	2,734
Total Revenues	$8,139	$8,292	$8,524

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

(b) Revenues include approximately $3.7 billion for fiscal 2017, $3.8 billion for fiscal 2016 and $3.6 billion for fiscal 2015 from customers in the U.S.

(c) Revenues include approximately $1.3 billion for fiscal 2017, $1.5 billion for fiscal 2016 and $1.6 billion for fiscal 2015 from customers in the U.K.

(d) Revenues include approximately $2.3 billion for fiscal 2017, $2.3 billion for fiscal 2016 and $2.3 billion for fiscal 2015 from customers in Australia.

	As of June 30,	
	2017	2016
	(in millions)	
Long-lived assets:[a]		
U.S. and Canada	$ 960	$1,058
Europe	560	939
Australasia and Other	546	804
Total long-lived assets	$2,066	$2,801

(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.

NOTE 20. ADDITIONAL FINANCIAL INFORMATION

The following table sets forth the components of other current assets included in the Balance Sheets:

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

	As of June 30,	
	2017	**2016**
	(in millions)	
Current tax payable	$ 39	$ 33
Royalties and commissions payable	152	179
Current portion of long-term debt	103	3
Other	306	251
Total Other current liabilities	$600	$466

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

	For the fiscal years ended June 30,		
	2017	**2016**	**2015**
	(in millions)		
Gain on sale of REA Group's European business[a]	$107	$—	$—
Gain on iProperty transaction[b]	—	29	—
Impairment of marketable securities and cost method investments[c]	(21)	(21)	(5)
Gain on sale of other businesses	19	2	—
Gain on sale of equity method investments	11	1	7
Gain on sale of marketable securities[d]	7	1	29
Dividends received from cost method investments	3	—	25
Gain on sale of cost method investments	—	—	15
Other	6	6	4
Total Other, net	$132	$ 18	$ 75

(a) 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 3—Acquisitions, Disposals and Other Transactions.

(b) See Note 3—Acquisitions, Disposals and Other Transactions.

(c) See Note 6—Investments.

(d) In August 2014, REA Group completed the sale of a minority interest held in marketable securities for total cash consideration of $104 million. As a result of the sale, REA Group recognized a pre-tax gain of $29 million, which was reclassified out of accumulated other comprehensive loss and included in Other, net in the Statement of Operations.

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The components of Accumulated other comprehensive loss were as follows:

	For the fiscal years ended June 30,		
	2017	2016	2015
		(in millions)	
Accumulated other comprehensive loss, net of tax:			
Unrealized holding gains (losses) on securities:			
Balance, beginning of year	$ 20	$ 19	$ 24
Fiscal year activity[(a)]	(25)	1	(5)
Balance, end of year	(5)	20	19
Benefit Plan Adjustments:			
Balance, beginning of year	(445)	(413)	(384)
Fiscal year activity[(b)]	8	(32)	(29)
Balance, end of year	(437)	(445)	(413)
Foreign currency translation adjustments:			
Balance, beginning of year	(585)	(188)	971
Fiscal year activity[(c)]	75	(397)	(1,159)
Balance, end of year	(510)	(585)	(188)
Share of other comprehensive income from equity affiliates, net:			
Balance, beginning of year	(16)	——	year activity

NEWS CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21. VALUATION AND QUALIFYING ACCOUNTS

	Balance at beginning of year	Additions	Acquisitions and disposals	Utilization	Foreign exchange	Balance at end of year
			(in millions)			
Fiscal 2017						
Allowances for returns and doubtful accounts	$ (213)	$(603)	$ (2)	$611	$ (1)	$ (208)
Deferred tax valuation allowance	(1,014)	(92)	(92)	23	(12)	(1,187)
Fiscal 2016						
Allowances for returns and doubtful accounts	$ (220)	$(566)	$ (12)	$582	$ 3	$ (213)
Deferred tax valuation allowance	(1,308)	(8)	109	114	79	(1,014)
Fiscal 2015						
Allowances for returns and doubtful accounts	$ (175)	$(573)	$ (68)	$586	$ 10	$ (220)
Deferred tax valuation allowance	(1,393)	(102)	(186)	290	83	(1,308)

NOTE 22. QUARTERLY DATA (UNAUDITED)

For convenience purposes, all references to September 30, 2016 and September 30, 2015 refer to the three months ended October 2, 2016 and September 27, 2015, respectively. All references to December 31, 2016 and December 31, 2015 refer to the three months ended January 1, 2017 and December 27, 2015, respectively. All references to March 31, 2017 and March 31, 2016 refer to the three months ended April 2, 2017 and March 27, 2016, respectively.

	For the three months ended			
	September 30,	December 31,	March 31,	June 30,
	(in millions, except per share amounts)			
Fiscal 2017				
Revenues	$1,965	$2,116	$1,978	$2,080
Loss from continuing operations attributable to News Corporation stockholders[a]	(15)	(289)	(5)	(429)
Income from discontinued operations, net of tax[b]	—	—	—	—
Net loss attributable to News Corporation stockholders	(15)	(289)	(5)	(429)
Loss from continuing operations available to News Corporation stockholders per share—basic and diluted	$ (0.03)	$ (0.50)	$ (0.01)	$ (0.74)
Income from discontinued operations available to News Corporation stockholders per share—basic and diluted	—	—	—	—
Loss available to News Corporation stockholders per share—basic and diluted	$ (0.03)	$ (0.50)	$ (0.01)	$ (0.74)
Fiscal 2016				
Revenues	$2,014	$2,161	$1,891	$2,226
Income (loss) from continuing operations attributable to News Corporation stockholders[a]	129	87	(147)	95
Income (loss) from discontinued operations, net of tax[b]	46	(24)	(2)	(5)
Net income (loss) attributable to News Corporation stockholders	175	63	(149)	90
Income (loss) from continuing operations available to News Corporation stockholders per share—basic and diluted	$ 0.22	$ 0.15	$ (0.26)	$ 0.16
Income (loss) from discontinued operations available to News Corporation stockholders per share—basic and diluted	0.08	(0.04)	—	(0.01)
Income (loss) available to News Corporation stockholders per share—basic and diluted	$ 0.30	$ 0.11	$ (0.26)	$ 0.15

(a) Income (loss) from continuing operations includes the impact of the following items:

- During the fourth quarter of fiscal 2017, the Company recognized approximately $464 million in impairment charges, primarily related to the write-down of fixed assets at the U.K. newspapers. (See Note 7—Property, Plant and Equipment).
- The $106 million tax benefit recognized during the first quarter of fiscal 2016 related to the release of previously established valuation allowances related to certain U.S. federal net operating losses and state deferred tax assets. (See Note 18—Income Taxes).
- In the third quarter of fiscal 2016, 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. (See Note 15—Commitments and Contingencies).
- In the fourth quarter of fiscal 2016, the Company recognized a gain of $122 million in connection with the settlement of litigation with Zillow, which reflects settlement proceeds received from Zillow of $130 million, less $8 million paid to NAR. (See Note 15—Commitments and Contingencies).

(b) Income (loss) from discontinued operations includes the impact of the following items:

- In the first quarter of fiscal 2016, the Company recognized a pre-tax non-cash impairment charge of $76 million reflecting a write down of the digital education business to its fair value less costs to sell. Additionally, during the first quarter of fiscal 2016, the Company recognized a tax benefit of $144 million upon reclassification of the Digital Education segment to discontinued operations. (See Note 4—Discontinued Operations and Note 18—Income Taxes).

NOTE 23. SUBSEQUENT EVENTS

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

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item with respect to the Company's Directors is contained in the Proxy Statement for the Company's 2017 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 compliance with Section 16(a) of the Exchange Act is contained in the Proxy Statement under the heading "Section 16(a) Beneficial Ownership Reporting Compliance" 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 and Code of Ethics 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.

ITEM 11. EXECUTIVE COMPENSATION

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" 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.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

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.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

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.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

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.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(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 on the accompanying Exhibit Index filed or incorporated by reference as part of this Annual Report and such Exhibit Index is incorporated herein by reference. On the Exhibit Index, 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.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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
Susan Panuccio
Chief Financial Officer

Date: August 14, 2017

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:

Signature	Title	Date
/s/ Robert J. Thomson **Robert J. Thomson**	Chief Executive Officer and Director (Principal Executive Officer)	August 14, 2017
/s/ Susan Panuccio **Susan Panuccio**	Chief Financial Officer (Principal Financial Officer)	August 14, 2017
/s/ Kevin P. Halpin **Kevin P. Halpin**	Principal Accounting Officer	August 14, 2017
/s/ K. Rupert Murdoch **K. Rupert Murdoch**	Executive Chairman	August 14, 2017
/s/ Lachlan K. Murdoch **Lachlan K. Murdoch**	Co-Chairman	August 14, 2017
/s/ Kelly Ayotte **Kelly Ayotte**	Director	August 14, 2017
/s/ José María Aznar **José María Aznar**	Director	August 14, 2017
/s/ Natalie Bancroft **Natalie Bancroft**	Director	August 14, 2017
/s/ Peter L. Barnes **Peter L. Barnes**	Director	August 14, 2017
/s/ Joel I. Klein **Joel I. Klein**	Director	August 14, 2017
/s/ James R. Murdoch **James R. Murdoch**	Director	August 14, 2017

Signature	Title	Date
/s/ Ana Paula Pessoa **Ana Paula Pessoa**	Director	August 14, 2017
/s/ Masroor Siddiqui **Masroor Siddiqui**	Director	August 14, 2017

EXHIBIT INDEX

Exhibit Number	Exhibit Description
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	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.)
2.3	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.)
2.4	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 September 20, 2013.)
3.2	Amended and Restated By-laws of News Corporation. (Incorporated by reference to Exhibit 3.2 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.)
4.1	Second Amended and Restated Rights Agreement, dated as of June 18, 2015, 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, 2015.)
10.1	Amended and Restated Employment Agreement, dated March 9, 2016, among News Corporation, NC Transaction, Inc. and Robert Thomson. (Incorporated by reference to Exhibit 10.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on March 9, 2016.)±
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	Separation Agreement and General Release, dated February 24, 2017, by and between Bedi Ajay Singh and News Corporation. (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 10, 2017.)±
10.4	Consulting Agreement, dated February 24, 2017, by and between Bedi Ajay Singh and News Corporation. (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, 2017.)±
10.5	Amended and Restated Employment Agreement, dated March 9, 2016, among News Corporation, NC Transaction, Inc. and Bedi Ajay Singh. (Incorporated by reference to Exhibit 10.2 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on March 9, 2016.)±

Exhibit Number	Exhibit Description
10.6	Employment Agreement, dated February 9, 2015, between NC Transaction, Inc. and David Pitofsky. (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 6, 2015.)±
10.7	News Corporation 2013 Long-Term Incentive Plan, as amended and restated effective August 6, 2014. (Incorporated by reference to Exhibit 10.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 11, 2014.)±
10.8	NC Transaction, Inc. Restoration Plan. (Incorporated by reference to Exhibit 10.8 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on September 20, 2013.)±
10.9	Form of Agreement for FY2015-2017 and FY2016-2018 Cash-Settled Performance Stock Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.9 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 14, 2014.)±
10.10	Form of Agreement for FY2015-2017 and FY2016-2018 Stock-Settled Performance Stock Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.10 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 14, 2014.)±
10.11	Letter Agreement, dated June 27, 2014, from News Corporation to K. Rupert Murdoch. (Incorporated by reference to Exhibit 10.12 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 14, 2014.)±
10.12	Form of Agreement for Cash-Settled Performance Stock Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.9 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 12, 2016.)±
10.13	Form of Agreement for Stock-Settled Performance Stock Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.10 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 12, 2016.)±
10.14	Form of Agreement for Stock-Settled Restricted Share Units under the News Corporation 2013 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.11 to the Annual Report of News Corporation on Form 10-K (File No. 001-35769) filed with the Securities and Exchange Commission on August 12, 2016.)±
10.15	Credit Agreement, dated as of October 23, 2013, among News Corporation, as borrower, the lenders named therein, the initial issuing banks named therein, JPMorgan Chase Bank, N.A. and Citibank, N.A. as co-administrative agents, JPMorgan Chase Bank, N.A. as designated agent, Commonwealth Bank of Australia as syndication agent and J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Commonwealth Bank of Australia as joint lead arrangers and joint bookrunners. (Incorporated by reference to Exhibit 10.1 to the Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on October 29, 2013.)
10.16	Amendment No. 1, dated as of October 23, 2015, to the Credit Agreement, dated as of October 23, 2013, among News Corporation, 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 Current Report of News Corporation on Form 8-K (File No. 001-35769) filed with the Securities and Exchange Commission on October 26, 2015.)

Exhibit Number	Exhibit Description
10.17	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.)
21.1	List of Subsidiaries.*
23.1	Consent of Ernst & Young LLP with respect to News Corporation.*
23.2	Consent of Ernst & Young with respect to Foxtel Group.*
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.**
99.1	Audited Financial Statements as of June 30, 2017 for Foxtel Group.*
101	The following financial information from the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2017 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations for the fiscal years ended June 30, 2017, 2016 and 2015; (ii) Consolidated Statements of Comprehensive Loss for the fiscal years ended June 30, 2017, 2016 and 2015; (iii) Consolidated Balance Sheets as of June 30, 2017 and 2016; (iv) Consolidated Statements of Cash Flows for the fiscal years ended June 30, 2017, 2016 and 2015; (v) Consolidated Statements of Equity for the fiscal years ended June 30, 2017, 2016 and 2015 and (vi) Notes to the Consolidated Financial Statements. *

* Filed herewith
** Furnished herewith
± Management contract or compensatory plan or arrangement

Exhibit 21.1

NEWS CORPORATION
List of Subsidiaries

NEWS LIMITED	Australia
1Form Online Pty Ltd	Australia
A.C.N. 000 024 028 Pty. Limited	Australia
A.C.N. 067 052 386 Pty Limited	Australia
A.C.N. 105 222 026 Pty Limited	Australia
A.C.N. 163 565 955 Pty Limited	Australia
Adhoc Pty Ltd as trustee for Whitsunday Times Unit Trust	Australia
Adhoc Pty. Ltd.	Australia
Advertiser Newspapers Pty Limited	Australia
Advertiser-News Weekend Publishing Company Pty. Limited	Australia
AH BR Pty Limited	Australia
Allied Press Limited	Papua New Guinea
APN AP National Sales Pty Ltd	Australia
APN Educational Media Pty Limited	Australia
APN Newspapers Pty Ltd	Australia
APN Printing Services Pty Ltd	Australia
ARM Events Pty Ltd	Australia
ARM Specialist Media Pty Ltd	Australia
Austin Bidco Pty Ltd	Australia
Austin Rollco Limited	Australia
Australian Independent Business Media Pty Ltd	Australia
Australian News Channel Pty Ltd	Australia
AWKO Pty Limited	Australia
Big Sea International Ltd	Hong Kong
Binni Pty Limited	Australia
Border Newspapers Pty. Ltd.	Australia
Brickz Research Sdn Bhd	Malaysia
Brisbane Broncos (Licencee) Pty Limited	Australia
Brisbane Broncos Corporation Pty Ltd (Trustee)	Australia
Brisbane Broncos Corporation Trust	Australia
Brisbane Broncos Limited	Australia
Brisbane Broncos Management Corporation Pty Ltd	Australia
Brisbane Broncos Rugby League Club Ltd	Australia
Brisbane Professional Sports Investment Pty Ltd	Australia
Business Spectator Pty Ltd	Australia
Byron Shire News Pty Ltd	Australia
Cairns Digital Media Pty. Ltd.	Australia
Capricornia Newspapers Pty. Ltd.	Australia
Careerone Services Pty Limited	Australia
Central Queensland News Publishing Company Pty Ltd	Australia
Central Telegraph Pty Ltd	Australia
Chesterland Pty Ltd	Australia
Chinchilla Newspapers Pty. Ltd.	Australia
Coffs Coast Re Marketing Pty Ltd	Australia
Consolidated Media Holdings Pty Limited	Australia
Courier Newspaper Holdings Pty Limited	Australia

Diakrit 3D Co Ltd	Thailand
Diakrit Australia Pty Ltd	Australia
Diakrit Denmark ApS	Denmark
Diakrit Fastighetsmaklarservice AB	Sweden
Diakrit Holdings Co., Ltd	Thailand
Diakrit Interactive Media Aktiebolag	Sweden
Diakrit International (Thailand) Co., Ltd	Thailand
Diakrit International AB	Sweden
Diakrit International Limited	Hong Kong
Diakrit IT Services Co Ltd	Thailand
Diakrit Norge AS	Norway
Diakrit USA Inc	USA
Double Bay Newspapers Pty Ltd	Australia
Duvir Holdings Pty. Limited	Australia
Eastern Suburbs Newspaper Partnership	Australia
EP Securities Pty Limited	Australia
Finance 18.com Ltd	Hong Kong
Flagship Studio Co., Ltd	Thailand
Flatmates.com.au Pty Ltd	Australia
Fox Sports Australia B.V.	Netherlands
Fox Sports Australia Pty Limited	Australia
Fox Sports Streamco Pty Limited	Australia
Fox Sports Venue Pty Limited	Australia
FS (Australia) I Pty Limited	Australia
FS (Australia) II Pty Limited	Australia
Gatton Star Pty. Ltd.	Australia
Geelong Advertiser (Holdings) Proprietary Limited	Australia
Geelong Newspapers Proprietary Limited	Australia
General Newspapers Pty Ltd	Australia
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
Gympie Times Pty. Ltd.	Australia
House18.com Services Ltd	Hong Kong
Hub Online Global Pty. Ltd	Australia
Info-Tools Ptd Ltd	Singapore
IPGA Management Services Sdn Bhd	Malaysia
IPKO Pty Limited	Australia
iProperty (Thailand) Co., Ltd	Thailand
iProperty Group Asia Pte Ltd	Australia
iProperty Group Pty Ltd	Australia
Iproperty.com Events Sdn Bhd	Malaysia
iProperty.com Malaysia Sdn Bhd	Malaysia
iProperty.com Pty Ltd	Australia
Iproperty.com Singapore Pte Ltd	Singapore
Kelly Publications Pty Ltd	Australia
Kid Ruang Yu Co., Ltd	Thailand
Kidspot.com.au Pty Ltd	Australia
Laurelgrove Pty Limited	Australia
Leader Associated Newspapers Pty. Ltd.	Australia
Leteno Pty Limited	Australia
Longbeach Publications Pty Ltd as trustee for The Longbeach Publications Unit Trust	Australia
Longbeach Publications Pty. Ltd.	Australia
Messenger Press Proprietary Limited	Australia
Mirror Newspapers Pty Limited	Australia

NAH Finance Pty Limited	Australia
National Rugby League Investments Pty Limited	Australia
Nationwide News Pty. Limited	Australia
Nationwide Newspapers Pty Limited	Australia
NCA Broadcasting Pty Ltd	Australia
NCA Ventures Pty Ltd	Australia
New Zealand News Channel Limited	New Zealand
News (NAPI) Pty Limited	Australia
News Australia Holdings Pty Limited	Australia
News Australia Pty Limited	Australia
News Classifieds Network (NCN) Pty Limited	Australia
News Corp Australia Holdings Pty Limited	Australia
News Corp Australia Investments Pty Limited	Australia
News Corp Australia Pty Limited	Australia
News Digital Media Pty Limited	Australia
News Finance Pty.	Australia
News Life Media Pty Limited	Australia
News Magazines Operations Pty Limited	Australia
News Pay TV Financing Pty Ltd	Australia
News Pay TV Investment Pty Limited	Australia
News Pay TV Pty Limited	Australia
News Print Media Pty Limited	Australia
News Publishers Holdings Pty. Limited	Australia
News Sports Programming Pty Limited	Australia
News TV Magazines Pty Limited	Australia
NL/HIA JV Pty Limited	Australia
North Coast News Pty Ltd	Australia
Northern Star Ltd	Australia

REA US Holding Co. Pty Ltd	Australia
Realestate.com.au Pty Limited	Australia
Royal Children’s Hospital Good Friday Appeal Limited	Australia
Rugby International Pty Limited	Australia
Sabawin Pty Limited	Australia
Sabawin Pty Limited as trustee for Stanthorpe Newspaper Services Trust	Australia
SheSpot.com.au Pty Ltd	Australia
Sky Cable Pty Limited	Australia
Smart Expo Limited	Hong Kong
South Pacific Post Pty Ltd	Papua New Guinea
Sport by Numbers Pty Limited	Australia
Suburban Publications Pty Limited	Australia
Sunshine Coast Newspaper Company Pty. Ltd.	Australia
Sunshine Coast Publishing Pty Ltd	Australia
Super League Pty Limited	Australia
Television Broadcasters Investments Pty. Ltd.	Australia
The Bundaberg Newspaper Company Pty. Limited	Australia
The Cairns Post Proprietary Limited	Australia
The Courier-Mail Children’s Fund Pty Ltd	Australia
The Daily Examiner Pty Ltd	Australia
The Geelong Advertiser Proprietary Limited	Australia
The Herald and Weekly Times Pty Limited	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 Tweed Newspaper Co Pty Ltd	Australia
The Warwick Newspaper Pty. Limited	Australia
Think iProperty Sdn Bhd	Malaysia
Times Publications Holdings Pty Limited	Australia
Toowoomba Newspapers Pty. Ltd.	Australia
United Media Pty Ltd	Australia
Way2Bet Pty Ltd	Australia
Web Effect Int. Pty. Limited	Australia
Wespre Pty Limited	Australia
Western Star Pty. Ltd.	Australia
Windfyr Pty Limited	Australia
Winston Investments Pty Ltd	Australia
NEWS CORP INVESTMENTS UK & IRELAND	United Kingdom
102.4 Wish FM Limited	United Kingdom
Admacroft Limited	United Kingdom
Allied Radio Limited	United Kingdom
Anotherway Unlimited Company	Ireland
Babstova Limited	Ireland
Capital Radio Productions Limited	Ireland
City Broadcasting Limited	Ireland
Coldstreame Seafood Limited	United Kingdom
Cork Media Enterprise Limited	Ireland
County Media Limited	Ireland
Direct Net Access Limited	United Kingdom
Eric Bemrose Limited	United Kingdom
Festival Records International Limited	United Kingdom
First Radio Sales Limited	United Kingdom
Forever Broadcasting Limited	United Kingdom
Grand Central Broadcasting Limited	United Kingdom

Handpicked Companies Limited	United Kingdom
Independent Radio Group Limited	United Kingdom
Independent Radio News Limited	United Kingdom
KIP Limited	United Kingdom
Main Street 1035 (Pty) Limited	South Africa
Muse Recruitment 1 Limited	United Kingdom
Muse Recruitment 2 Limited	United Kingdom
Muse Recruitment Holdings Limited	United Kingdom
News 2026 Limited	United Kingdom
News Collins Holdings Limited	United Kingdom
News Collins Limited	United Kingdom
News Corp Holdings UK & Ireland	United Kingdom
News Corp Investments I Limited	United Kingdom
News Corp Investments II Limited	United Kingdom
News Corp UK & Ireland Limited	United Kingdom
News Group Newspapers Limited	United Kingdom
News International Newspapers Limited	United Kingdom
News International Pension Trustees Limited	United Kingdom
News Ireland Limited	United Kingdom
News Logistics Limited	United Kingdom
News of the World Limited	United Kingdom
News Printers Assets Limited	United Kingdom
News Printers Group Limited	United Kingdom
News Printers Southern Limited	United Kingdom
News Promotions Limited	United Kingdom
News Property Three Limited	United Kingdom
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
Newsett Limited	United Kingdom
Newsprinters (Broxbourne) Limited	United Kingdom

Newsprinters (Eurocentral) Limited
News Group
News Group
United Kingdom

Switchdigital (S&S) Limited	United Kingdom
Switchdigital (Scotland) Limited	United Kingdom
Talk Radio UK Limited	United Kingdom
talkSPORT Limited	United Kingdom
The Digital Radio Group (London) Limited	United Kingdom
The Independent Broadcasting Corporation	Ireland
The Internet Business Limited	United Kingdom
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 WirelessLimited	6bwy52-255(Limite04718858(United)-253(

The(ervaatiak3-258.1(Corporatint)-257.L.C.gte0981T858(United)-Stat(Times6(ofTalk)-Americaidom)]TJTThomason)Coton)United

DEI CSEP, Inc.	United States of America
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 Holdings Inc.	United States of America
Harlequin Holdings S.A.	Switzerland
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
HarperCollins France S.A	France
HarperCollins Germany GmbH	Germany
HarperCollins Iberica S.A.	Spain
HarperCollins Italia S.p.A.	Italy
HarperCollins Nordic AB	Sweden
HarperCollins Polska S.P. Z.o.o.	Poland
KK HarperCollins Japan (aka Kabushiki Kaisha HarperCollins Japan)	Japan
HARPERCOLLINS (UK)	United Kingdom
Authonomy Ltd	United Kingdom
BookArmy Limited	United Kingdom
Cobuild Limited	United Kingdom
Collins Bartholomew Limited	United Kingdom
Dolphin Bookclub Limited	United Kingdom
Fourth Estate Limited	United Kingdom
George Allen & Unwin (Publishers) Limited	United Kingdom
Harlequin (UK) Limited	United Kingdom
Harlequin Enterprises UK Limited	United Kingdom
Harlequin India Private Limited	India
Harper Collins Publishers India Limited	India
HarperCollins Canada Limited	Canada
HarperCollins Investments (UK) Limited	United Kingdom
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 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
Leckie & Leckie Limited	United Kingdom
Letts Educational Limited	United Kingdom
Marshall Pickering Holdings Limited	United Kingdom
Mills & Boon Limited	United Kingdom
Pollokshields Printing Services Limited	United Kingdom
Thorsons Publishers Limited	United Kingdom
Thorsons Publishing Group Limited	United Kingdom
Times Books Group Limited	United Kingdom
Times Books Limited	United Kingdom
Toptrack Learning Ltd	United Kingdom
Unwin Hyman Limited	United Kingdom
William Collins Holdings Limited	United Kingdom
William Collins International Limited	United Kingdom
William Collins Sons & Company Limited	United Kingdom
NEWS PREFERRED HOLDINGS INC.	United States of America

Alesia Holdings, Inc.	United States of America
Amplify Education Holding, Inc.	United States of America
Benevolus Holdings LLC	United States of America
Checkout 51 Mobile ULC	Canada
Evergreen Trading Company L.L.C.	United States of America
Freedom Platform L.L.C.	United States of America
Freedom Platform ULC	Canada
FS Australia II LLC	United States of America
FS Australia Partnership	Australia
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
Magpie Holdings, Inc.	United States of America
Mosaic Media Ventures Pvt. Ltd.	India
NC Audience Exchange, LLC	United States of America
NC Transaction, Inc.	United States of America
NC UK Holdings Inc	United States of America
NCIH LLC	United States of America
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 Investments Pty Ltd	Australia
News Collins Holdings Partnership	Australia
News Corp Australia Partnership	Australia
News Corp Investments LLC	United States of America
News FHC Holdings, LLC	United States of America
News Finance Inc.	United States of America
News Group/Times Newspapers U.K., Inc.	United States of America
News Interactive Media Australia Pty Limited	Australia
News Limited of Australia, Inc.	United States of America
News Marketing Canada Corp.	Canada
News UK Finance Holdings I LLC	United States of America
News UK Finance Holdings II LLC	United States of America
NNC Insurance Services, Inc.	United States of America
NTS Technology Services Private Limited	India
NWS Digital Asia Pte. Limited	Singapore
NWS Digital India Private Limited	India
NYP Holdings, Inc.	United States of America
NYP Realty Corp.	United States of America
Ruby Newco LLC	United States of America
Smart Source Direct L.L.C.	United States of America
Storyful Americas, LLC	United States of America
Storyful Limited	Ireland
The Daily Holdings, Inc.	United States of America
Unruly Media Inc.	United States of America
MOVE, INC.	United States of America
Homebuilder.com (Delaware), Inc.	United States of America
Homestore, Inc.	United States of America
Move Sales, Inc.	United States of America
Moving.com, Inc.	United States of America

National New Homes Co., Inc.	United States of America
RealSelect, Inc.	United States of America
The Enterprise of America, Ltd	United States of America
Top Producer Systems Company	Canada
Welcome Wagon International Inc.	United States of America
DOW JONES & COMPANY, INC.	United States of America
Betten Financial News BV	Netherlands
DJBI, LLC	United States of America
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 (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 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
eFinancialNews Holdings Limited	United Kingdom
eFinancialNews Inc.	United States of America
eFinancialNews Limited	United Kingdom
Factiva (Australia) Pty Limited	Australia
Factiva (France) S.A.R.L.	France
Factiva Business Information (Spain), S.L.	Spain
Factiva Limited	United Kingdom
Factiva LLC	United States of America
Factiva, Inc.	United States of America
Generate Canada ULC	Canada
Generate, Inc.	United States of America
Kronberger Verlagsgesellschaft GmbH	Germany
MarketWatch, Inc.	United States of America
MF—Dow Jones News S.r.l.	Italy
Review Publishing Company Limited	Hong Kong
The Wall Street Journal Europe Holding, Inc.	United States of America
The Wall Street Journal Europe, SPRL	Belgium
VentureOne Corporation	United States of America
Wall Street Journal India Publishing Private Limited	India

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 14, 2017, with respect to the consolidated financial statements 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, 2017.

/s/ Ernst & Young LLP

New York, New York

August 14, 2017

Exhibit 23.2

Consent of Independent Auditors

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,

(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 report dated August 11, 2017, with respect to the combined financial statements of the Foxtel Group, which is comprised of Foxtel Partnership, Foxtel Management Pty Ltd, Customer Services Pty Ltd, Foxtel Cable Television Pty Ltd, Foxtel Television Partnership and their controlled entities, included in this Annual Report (Form 10-K) for the year ended June 30, 2017.

/s/ Ernst & Young

Sydney, Australia
August 11, 2017

Exhibit 31.1

Chief Executive Officer Certification

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

I, Robert J. Thomson, 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 14, 2017

By: /s/ Robert J. Thomson

Robert J. Thomson
Chief Executive Officer and Director

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of News Corporation on Form 10-K for the fiscal year ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned officers of News Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of News Corporation.

August 14, 2017

By: /s/ Robert J. Thomson
Robert J. Thomson
Chief Executive Officer and Director

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

Exhibit 99.1

FOXTEL GROUP
INDEX TO COMBINED FINANCIAL STATEMENTS

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Report of Independent Auditors

FOXTEL GROUP
COMBINED STATEMENTS OF OPERATIONS
(IN THOUSANDS OF AUSTRALIAN DOLLARS)

	For the years ended June 30,		
	2017	**2016**	**2015**
Revenues (including $891,213, $817,527 and $745,291, respectively from related parties)	$ 3,199,572	$ 3,265,100	$ 3,175,928
Operating expenses (including $832,090, $779,462 and $669,086, respectively to related parties)	(1,832,764)	(1,774,997)	(1,634,821)
Selling, general and administrative	(610,610)	(663,504)	(636,826)
Depreciation and amortization	(285,576)	(318,380)	(381,426)
Impairment and restructuring charges (Note 3)	(83,029)	(9,855)	—
Other, net (Note 5)	(77,000)	—	—
Equity earnings / (losses) of affiliates	4,876	(8,043)	1,374
Interest expense, net	(211,905)	(223,513)	(217,911)
Foreign exchange and other gains / (losses) on hedges, net	109	547	(3,442)
Income before income tax expense	103,673	267,355	302,876
Income tax expense	(23,977)	(22,700)	(31,824)
Net income	79,696	244,655	271,052
Less: Net loss/(income) attributable to noncontrolling interests	447	418	(205)
Net income attributable to Foxtel Group	$ 80,143	$ 245,073	$ 270,847

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

FOXTEL GROUP
COMBINED STATEMENTS OF COMPREHENSIVE INCOME
(IN THOUSANDS OF AUSTRALIAN DOLLARS)

Statements of comprehensive income

	For the years ended June 30,		
	2017	2016	2015
Net income	$ 79,696	$244,655	$271,052
Other comprehensive (loss) / income:			
Net change in the fair value of cash flow hedges taken to equity ($nil tax impact)	(15,526)	(32,182)	4,494
Unrealized holding gain / (loss) on securities ($nil tax impact)	20,533	(30,800)	—
Unrealized holding loss on securities recycled to profit and loss ($nil tax impact)	10,267	—	—
Other comprehensive income /(loss)	15,274	(62,982)	4,494
Comprehensive income	94,970	181,673	275,546
Less: Net loss / (income) attributable to noncontrolling interests	447	418	(205)
Comprehensive income attributable to Foxtel Group	$ 95,417	$182,091	$275,341

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

FOXTEL GROUP
COMBINED BALANCE SHEETS
(IN THOUSANDS OF AUSTRALIAN DOLLARS)

	As of June 30,	
	2017	**2016**
Assets:		
Current assets:		
Cash and cash equivalents	$ 30,426	$ 40,418
Receivables, net (including $29,506 and $27,134 due from related parties) (Note 2 and 11)	365,800	363,092
Inventories, net (Note 4)	256,071	263,197
Derivative financial instruments (Note 9)	—	23,941
Prepayments (including $1,935 and $nil due from related parties) (Note 11)	159,767	101,788
Other current assets	22,570	14,659
Total current assets	834,634	807,095
Non-current assets:		
Inventories, net (Note 4)	181,884	153,854
Investments (Note 5)	5,000	50,841
Derivative financial instruments (Note 9)	128,900	177,936
Property and equipment, net (Note 6)	944,744	918,614
Intangible assets, net (Note 7)	8,329	8,329
Goodwill (Note 7)	1,933,197	1,933,197
Deferred income taxes (Note 10)	49,501	53,617
Prepayments (including $21,429 and $nil due from related parties) (Note 11)	21,496	—
Other non-current assets	317	291
Total assets	$ 4,108,002	$ 4,103,774

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FOXTEL GROUP
COMBINED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF AUSTRALIAN DOLLARS)

	For the years ended June 30,		
	2017	**2016**	**2015**
Cash flows from operating activities:			
Net income	$ 79,696	$ 244,655	$ 271,052
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	285,576	318,380	381,426
Impairment and restructuring charges	5,252	—	—
Fair value measurement on listed securities (Ten Network Holdings)	77,000	—	—
Equity (earnings) / losses of affiliates	(4,876)	8,043	(1,374)
Deferred income taxes	4,221	(4,106)	1,746
Fair value adjustments and foreign currency translation	(5,895)	(12,838)	(23,182)
Non cash interest accrued on loan from partners	59,771	—	—
Changes in operating assets and liabilities, net of acquisitions:			
Receivables, prepayments and other, net	(90,120)	(167,354)	(22,019)
Inventories, net	(20,905)	50,367	(141,673)
Trade payables and other liabilities	44,237	84,566	89,911
Net cash provided by operating activities	433,957	521,713	555,887
Cash flows from investing activities:			
Payments for property and equipment	(341,873)	(379,585)	(378,819)
Purchase of listed securities (Ten Network Holdings)	—	(77,000)	—
Sale of shares in subsidiary	—	1,000	—
Loan to equity method investee	(3,000)	(11,175)	(3,885)
Distributions from equity investee	8,400	8,750	8,050
Net cash used in investing activities	(336,473)	(458,010)	(374,654)
Cash flows from financing activities:			
Proceeds from borrowings	224,000	369,000	784,000
Other	76,003	—	—
Repayment of borrowings	(404,879)	(360,305)	(708,129)
Payment of establishment fees	(2,800)	—	(2,550)
Payment of partners distributions	—	(73,000)	(250,000)
Payment of dividends to noncontrolling interests	—	(239)	—
Net cash used in financing activities	(107,676)	(64,544)	(176,679)
Net (decrease) / increase in cash and cash equivalents	(10,192)	(841)	4,554
Cash and cash equivalents, beginning of year	40,418	40,688	34,152
Exchange movement on opening cash balance	200	571	1,982
Cash and cash equivalents, end of year	$ 30,426	$ 40,418	$ 40,688
Supplemental disclosure:			
Interest paid—excluding net cash flows on economic hedges (undesignated swaps)	(152,493)	(197,685)	(210,564)
Interest paid—net cash flows on economic hedges (undesignated swaps)	(5,786)	(12,291)	(26,624)
Tax paid	(25,092)	(34,237)	(45,473)
Noncash investing and financing activities:			
Noncash interest accrued on loan from partners	59,771	—	—

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

FOXTEL GROUP

FOXTEL GROUP
NOTES TO THE COMBINED FINANCIAL STATEMENTS
(ALL AMOUNTS ARE IN AUSTRALIAN DOLLARS UNLESS OTHERWISE STATED)

NOTE 1. DESCRIPTION OF BUSINESS

The Foxtel Group (see definition in Note 2, Basis of presentation and principles of combination) is the largest pay-TV provider in Australia. It is owned equally by Sky Cable Pty Limited, a subsidiary of News Corporation (hereafter both entities will be referred to as "News Corp") and Telstra Media Pty Limited, a subsidiary of Telstra Corporation Limited (hereafter both entities will be referred to as "Telstra"), an Australian ASX-listed Telecommunications company (collectively referred to as "Partners"). The Foxtel Group had more than 2.8 million subscribing households throughout Australia as of June 30, 2017 through cable, satellite and IP distribution.

Foxtel delivers 200 channels (including standard definition channels, high definition versions of some of those channels, and audio and interactive channels) covering news, sports, general entertainment, movies, documentaries, music and children's programming. Foxtel's premium content includes FOX SPORTS Australia's suite of sports channels such as FOX SPORTS 501, FOX LEAGUE, FOX SPORTS 503, FOX FOOTY, FOX SPORTS 505, FOX SPORTS 506, FOX SPORTS MORE and FOX SPORTS NEWS, and television content from HBO, FOX and Universal, among others. Foxtel also owns and operates 30 channels, including general entertainment and movie channels, and sources an extensive range of movie programming through arrangements with major U.S. studios. Foxtel's channels are distributed to subscribers via both Telstra's hybrid fibrecoaxial cable network and a long-term contracted satellite platform provided by Optus. Cable and satellite distribution is enabled by Foxtel's set-top boxes, including the iQ3. Foxtel also offers versions of its services via the Internet through Foxtel Now, an Internet television service available on a number of compatible devices (including mobile phones, tablets, personal computers, Chromecast, Telstra TV, Sony PlayStation, Xbox One and select smart TVs), and Foxtel App, an Internet television service that allows subscribers to watch Foxtel channels via mobile devices and tablets. Foxtel also offers a triple play bundle product, which consists of

This combination created a national subscription television service in Australia. The AUSTAR transaction was funded by the Foxtel Group bank debt ("term debt") and the partners made pro-rata capital contributions in the form of subordinated shareholder notes ("loan") based on their respective ownership interest. These loans amounted to $962.4 million and $902.6 million as at June 30, 2017 and June 30, 2016 respectively. This term debt is in the form of Australian dollar floating interest term debt and US private placement debt, predominantly denominated in US$ with fixed interest rate. This debt exposes the Foxtel Group to foreign exchange currency rate risk and interest rate risk. The Foxtel Group uses a portfolio of interest rate swaps and cross currency interest rate swaps to mitigate exposure to these risks. The Foxtel Group also enter into foreign exchange contracts to

Receivables, net consist of:

	As of June 30,	
	2017	2016
	(in thousands)	
Trade receivables	$304,965	$316,165
Trade receivables (related parties)	29,506	27,134
Other receivables	41,455	35,192
Income tax receivable	2,978	—
Allowances for doubtful accounts	(13,104)	(15,399)
Current receivables, net	$365,800	$363,092

There are no allowances recorded against receivables from related parties for all periods presented.

Inventories

Inventory principally consists of acquired program rights which are recorded at the lower of amortized cost or net realizable value. In accordance with ASC 920, "Entertainment-Broadcasters," costs incurred in acquiring program rights are capitalized and amortized over the license period or projected useful life of the programming. Program rights and the related liabilities are recorded at the gross amounts 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. Any program rights that do not meet the criteria to be recorded are included in the commitments disclosure. All program rights and production costs for Foxtel Group produced content (original programming) are amortized on the straight-line basis over the period in which an economic benefit is expected to be derived based on the timing of the Foxtel Group's usage of and benefit from such programming. If estimates of future cash flows are insufficient or if there is no plan to broadcast certain programming, an impairment charge is recognized in the combined statements of operations.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and include all direct costs and certain indirect costs associated with new subscriber installations, other property and equipment, technical equipment, and digital set top units. Depreciation on equipment is provided using the straight-line method over an estimated useful life of the assets as follows:

Leasehold improvements	4 to 7 years
Technical equipment	5 to 7 years
Digital set top units and installations	3 to 7 years
Other property and equipment	2 to 7 years

Leasehold improvements are amortized using the straight-line method over the shorter of their useful lives or the life of the lease. Costs associated with the repair and maintenance of property are expensed as incurred and betterment that extends the useful life of property and equipment are capitalized as additions to the related assets. Retirement, sale and disposals of assets are recorded by removing the cost and related accumulated depreciation with any resulting gain or loss reflected in the combined statements of operations. Changes in circumstances, such as technological advances or changes to Foxtel Group's business model or capital strategy could result in the actual useful lives differing from the Foxtel Group's estimates. In those cases where the Foxtel Group determines that the useful life should be shortened, the Foxtel Group would depreciate the asset over its revised remaining useful life, thereby increasing depreciation expense.

In accordance with ASC 350-40 “Internal-use Software”, the Foxtel Group capitalizes certain costs incurred in connection with developing or obtaining internal use software. Costs incurred in the preliminary project stage are expensed. All direct costs incurred to develop internal use software during the development stage are capitalized and amortized using the straight-line method over the useful lives, estimated to be 2.5 years. Costs such as maintenance and training are expensed as incurred.

Leases

In accordance with ASC 840, “Leases”, leases for a lessee are classified at the inception date as either a capital lease or an operating lease.

For operating leases, minimum lease payments, including minimum scheduled rent increases, are recognized as rent expense on a straight-line basis over the applicable lease terms. The term used for straight-line rent expense is calculated initially from the date that possession is obtained of the leased premises through the expected lease termination date. Certain lease agreements contain rent holidays which are considered in determining a straight-line rent expense to be recorded over the lease term. The terms of the leases do not contain, contingent rent, o254(cla(the)-2ngent)-258[e*[(such)-252e during the develo5(o254(cla(theand)-251n,)Tdevelop)-3T8n, rsts

FOXTEL GROUP

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Subscriber revenue represents a majority of the Foxtel Group's revenues and is earned from pay television broadcast services, broadband and home phone services. Revenue is recognized in the period that the services are provided. Non-refundable subscriptions billed before the underlying service is provided to the customer are recorded as deferred revenue on the combined balance sheets. This revenue is then recognized in the combined statements of operations over the service period.

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Advertising revenue is recognized in the period in which the advertising is broadcast. Installation revenue represents revenue earned from the installation of the Foxtel Group's equipment and the connections to broadband and for home phone services at subscribers' premises, which is recognized to the extent of subscriber acquisition costs expensed. Any amounts exceeding subscriber acquisition costs are deferred within deferred revenue on the combined balance sheets and amortized over the average life of the subscriber. Television facilities and service revenue represents revenues earned from the Foxtel Group's services and are recognized in the period the services are provided, net of returns, trade allowances and duties and taxes paid.

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The Foxtel Group bundles and sells its cable, internet and phone services to its customers as part of a single arrangement. As each of the services included in the bundles are considered to be its own unit of accounting, the Foxtel Group accounts for each deliverable separately.

A separate unit of accounting exists where the deliverable has value to the customer on a stand-alone basis and any undelivered items cannot be terminated by the customer without incurring charges if the delivered item was returned.

The revenue to be recognized is allocated to each of the separate units based on the relative selling prices of each unit. If there is neither vendor specific objective evidence nor third party evidence for the selling price, then the item is measured based on the best estimate of the selling price of that unit. When allocating revenue to the separate units within an arrangement, the amount allocated to a delivered item is limited to the amount that is not contingent upon the delivery of additional items or meeting other specified performance conditions (non-contingent amount). The non-contingent revenue allocated to each unit is then recognized in accordance with the revenue recognition policies above.

Subscriber acquisition costs

Subscriber acquisition costs 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. However, where legal ownership of the equipment is retained, the cost of the equipment and direct and indirect installation costs are capitalized and depreciated over the useful life. Additional components of subscriber acquisition costs include the cost of print, radio and television advertising, which are expensed as incurred.

Operating expenses

Operating expenses on the combined statements of operations include costs related to satellite and broadband transmission costs, license and production costs, studio and engineering expense, and installation

costs. Costs incurred for shipping and handling are reflected in 'Operating expenses' in the combined statements of operations.

Advertising expenses

The Foxtel Group expenses advertising costs as incurred in accordance with ASC 720-35, "Other Expenses—Advertising Cost." Advertising and promotional expenses recognized totaled $114.3 million, $110.0 million and $120.5 million for the fiscal years ended June 30, 2017, 2016 and 2014'ageesprefively.ion,

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or

hedge. If the forecasted transaction is no longer expected to occur, amounts recognized in equity are transferred to the combined statements of operations within 'Foreign exchange and other gains / (losses) on hedges, net'. If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge

In October 2016, the FASB issued ASU 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory" ("ASU 2016-16"). The amendments in ASU 2016-16 require an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments in ASU 2016-16 eliminate the exception for an intra-entity transfer of an asset other than inventory. ASU 2016-16 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company is currently evaluating the impact ASU 2016-16 will have on its financial statements.

In October 2016, the FASB issued ASU 2016-17, "Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control" ("ASU 2016-17"). The amendments in ASU 2016-17 require that if a reporting entity satisfies the first condition of a primary beneficiary in a variable interest entity ("VIE"), a reporting entity should include all of its direct variable interests in a VIE and, on a proportionate basis, its indirect variable interests in a VIE held through related parties, including related parties that are under common control with the reporting entity, when assessing whether it satisfies the second characteristic of a primary beneficiary If, after performing that assessment, a reporting entity that is the single decision maker of a VIE concludes that it does not have the characteristics of a primary beneficiary, the amendments continue to require that reporting entity to evaluate whether it and one or more of its related parties under common control, as a group, have the characteristics of a primary beneficiary. If the single decision maker and its related parties that are under common control, as a group, have the characteristics of a primary beneficiary, then the party within the related party group that is most closely associated with the VIE is the primary beneficiary. ASU 2016-17 is effective for the Company for annual and interim reporting periods beginning July 1, 2017. The Company does not expect the adoption of ASU 2016-17 to have a significant impact on its financial statements.

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)" ("ASU 2016-18"). The amendments in ASU 2016-18 require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company does not have any restricted cash balances as at 30 June 2017.

In January 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business" ("ASU 2017-01"). The amendments in ASU 2017-01 provide a screen to determine when a set of assets and activities is not a business. Under the screen, when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set is not a business. ASU 2017-01 is effective for the Company for annual and interim reporting periods beginning July 1, 2018. The Company is currently evaluating the impact ASU 2017-01 will have on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"). The amendments in ASU 2017-04 eliminate Step 2 from the goodwill impairment test and instead require an entity to perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and to recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. As permitted by ASU 2017-04,

NOTE 3. IMPAIRMENT AND RESTRUCTURING

Impairment charges

On September 30, 2016, the Foxtel Group acquired Seven West Media ('Seven')'s 50% interest in Presto TV for $1 in cash and $16.3 million in forgiven liabilities. Presto TV was a provider of subscription video on demand ('SVOD') services in the Australian market and complemented the Group's existing streaming offerings like Foxtel Play. The Foxtel Group previously owned 50% of Presto TV through a joint venture arrangement with Seven before the acquisition.

Under the acquisition method of accounting, the total consideration was allocated to net assets based upon the fair values as of the date of completion. The excess of the total consideration over the fair value of the net assets acquired was recorded as goodwill. Concurrently, the Foxtel Group announced its intentions to cease Presto operations in January 2017, which included the recently acquired Presto TV and also Presto movies which was wholly owned by the Foxtel Group. The Presto business was subsequently wound down on January 31, 2017.

Presto exit costs recorded in earnings (in thousands):

Goodwill impairment	$ 2,547
Content rights and other Presto assets written off	67,509
Redundancies	528
Total	70,584

Restructuring charges

The Foxtel Group recognized restructuring charges totaling $12.4 million, $9.9 million and $nil for the fiscal years ended June 30, 2017, 2016 and 2015, respectively. These charges were related to employee termination benefits.

There were no business combinations or significant disposals in the fiscal years ended June 30, 2016 and 2015.

NOTE 4. INVENTORIES

The Foxtel Group's inventories were comprised of the following:

	As of June 30,	
	2017	2016
	(in thousands)	
Programming rights	$ 859,404	$ 850,909
Accumulated amortization	(421,449)	(433,858)
Total inventories, net	437,955	417,051
Less: non-current portion	(181,884)	(153,854)
Current inventories, net	$ 256,071	$ 263,197

NOTE 5. INVESTMENTS

The Foxtel Group's investments were comprised of the following:

	Ownership percentage as of June 30, 2017	As of June 30, 2017	As of June 30, 2016
		(in thousands)	
Equity method investments	various	5,000	$ 4,641
Investment in listed securities	13.84%	—	46,200
		$5,000	$50,841

During fiscal 2016, the Foxtel Group purchased an approximate 13.84% interest in Ten Network Holdings Limited for approximately $77.0 million and recorded an unrealized loss of approximately $30.8 million in 'Other comprehensive income, net' for the fiscal year ended June 30, 2016 for subsequent changes in fair value.

In the period from July 1, 2016 to September 21, 2016 the Foxtel Group recorded an unrealized gain of $20.5 million in AOCI, net for changes in fair value. On September 21, 2016, the Foxtel Group was considered to have significant influence over its 13.84% investment in Ten Network Holdings Limited ('Ten') due to a change in the composition of the Foxtel board which indirectly increased Foxtel's common directors on the Ten board. At that date, The Foxtel Group elected to adopt the irrevocable fair value option under ASC 825 and adjusted the carrying value of the Ten investment to fair value at each reporting period based on quoted market prices. On March 15, 2017, the Foxtel Group lost the ability to exercise significant influence over Ten following the resignation of a Foxtel director from the Ten board. Under ASC 825, the Foxtel Group is required to continue to measure its equity interest in Ten at fair value. This adjustment is recorded in net income. The total loss from fair value changes in this investment included in earnings (other, net) during the period is $77 million including $10.3 million being the net unrealized loss recycled from AOCI.

NOTE 6. PROPERTY AND EQUIPMENT

The Foxtel Group's property and equipment were comprised of the following:

	As of June 30, 2017	As of June 30, 2016
	(in thousands)	
Leasehold improvements	$ 90,063	$ 88,502
Technical equipment	467,988	428,881
Digital set top units and installations	1,947,681	2,042,000
Other property and equipment	123,608	79,876
	$ 2,629,340	$ 2,639,259
Less: accumulated depreciation and amortization	(1,684,596)	(1,720,645)
Total property and equipment, net	$ 944,744	$ 918,614

Depreciation and amortization related to property and equipment was $285.6 million, $262.7 million and $320.6 million for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS

There were no changes in the carrying value of goodwill of $1,933.2 million for the fiscal years ended June 30, 2017, 2016 and 2015.

Except as noted in Note 3, there were no impairments of goodwill for the fiscal years ended June 30, 2017, 2016 and 2015.

The carrying values of the Foxtel Group's intangible assets and related accumulated amortization were as follows:

	As of June 30,	
	2017	2016
	(in thousands)	
Intangible Assets Not Subject to Amortization		
Brand and tradenames	$8,329	$8,329
Total Intangible Assets Not Subject to Amortization	8,329	8,329
Intangible Assets Subject to Amortization		
Customer contracts[a]	—	—
Total Intangible Assets Subject to Amortization	—	—
Total Intangible Assets, Net	$8,329	$8,329

(a) The customer contracts were acquired as part of the Austar acquisition. As at 30 June 2017 and 2016 customer contracts had been fully amortized with accumulated amortization of $259.4 million.

Amortization expenses related to amortizable intangible assets, net was $nil, $55.7 million and $60.8 million for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

NOTE 8. BORROWINGS

The Foxtel Group's borrowings were comprised of the following:

	Interest rate at June 30 2017	Due date at June 30 2017	Outstanding As of June 30, 2017	Outstanding As of June 30, 2016
			(in thousands)	
Term debt facility[a]				

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entities of Telstra and by controlled entities of News Corporation. The original note entitled each of the two investors a 12.0% per annum fixed return. During fiscal 2016, the note was modified to reduce the interest rate from 12.0% to 10.5% per annum with effect from July 1, 2015. The loan is repayable within 15 years and three months of drawdown (April 15, 2012) and can be repaid within 10 years and three months of drawdown subject to prior repayment of senior debt (consisting of bank facilities and U.S. private placement debt). The loan from partners is $962.4 million and $902.6 million as of June 30, 2017 and 2016 respectively. The movement between the two years represents interest payable of $59.8 million which has been capitalized as part of the loan during the fiscal year ended June 30, 2017.

Original currencies of borrowings

Borrowings are payable in the following currencies:

	As of June 30,	
Original currencies of borrowings	**2017**	**2016**
	(in thousands)	
United States Dollars (“US$”)[(a)]		

NOTE 9. FINANCIAL INSTRUMENTS AND FAIR VALUE

The Foxtel Group is directly and indirectly affected by changes in certain market conditions. These changes in market conditions may adversely impact the Foxtel Group's financial performance and are referred to as "market risks." When deemed appropriate, the Foxtel Group uses derivative instruments as a risk management tool to mitigate the potential impact of these market risks. The primary market risks managed by the Foxtel Group through the use of derivative instruments include:

- foreign currency exchange rate risk: arising through foreign currency borrowing, payments for license fees, and capital expenditures (predominately digital set top units); and
- interest rate risk: arising from floating rate borrowings.

The Foxtel Group uses derivative financial instruments such as cross currency interest rate swaps, interest rate swaps and foreign exchange contracts to hedge certain risk exposures. The Foxtel Group does not use derivative financial instruments for trading or speculative purposes.

Financial risk management is carried out by the Foxtel Group's treasury department ("Treasury") under policies approved by the Board of Directors ("Board"). These policies include identification and analysis of the risk exposure of the Foxtel Group and appropriate procedures, controls and risk limits. Treasury identifies, evaluates and enters into derivative transactions for the Foxtel Group.

The Foxtel Group formally designates all qualifying derivatives in hedge relationships ("hedges") and applies hedge accounting where possible. However, all derivatives entered into by the Foxtel Group pre-July 1, 2012 did not qualify for hedge accounting under U.S. GAAP. These hedges are nevertheless economically hedging exposures arising on forecast transactions or recognized assets and liabilities, in line with the Foxtel Group's risk mitigation strategy. As a result, the changes in fair value of these hedges have been, and will continue to be, included as a component of net income in each reporting period, within 'Foreign exchange and other gains / (losses) on hedges, net'.

Hedges are classified as current or non-current based on their maturity.

The accounting for gains and losses that result from changes in the fair values of derivative instruments

The fair values of the Foxtel Group's derivative instruments which were valued using level 2 measurements and the line items on the combined balance sheets to which they were recorded are summarized as follows:

	Derivative Assets		Derivative Liabilities	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	(in thousands)		(in thousands)	
Derivatives designated as hedging instruments:				
Foreign currency derivatives				

was $700.0 million as of June 30, 2017 and 2016, respectively. The maximum hedged term over which the

under which the Foxtel Group exchanges fixed interest payments equivalent to the interest payments on the US$ denominated debt for floating rate Australian dollar denominated interest payments. The changes in fair values of derivatives designated as fair value hedges and the offsetting changes in fair values of the hedged items are recognized in earnings. As of June 30, 2017, such adjustments decreased the carrying value of long-term debt by $6.6 million. As described under cash flow hedging strategy, on October 17, 2014, the Foxtel Group entered into interest rate swaps designed to mitigate the Foxtel Group's exposure to floating rate interest payments on a portion of the cross-currency interest rate swaps relating to the U.S. private placement 2012 debt. This resulted in a de-designation of a portion of cross-currency interest rate swaps on this date, as the rate exposure was re-designated in a cash flow hedge. The total notional value of cross-currency interest rate derivatives that related to fair value hedges of this type was US$138.6 million as of June 30, 2017 and June 30, 2016 respectively which relates to the U.S. private placement 2012 debt.

Economic (non-designated) hedging strategy

In addition to derivative instruments that are designated and qualify for hedge accounting, the Foxtel Group 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 earnings.

The total notional value of foreign exchange derivatives related to the Foxtel Group's foreign currency economic hedges (excluding those that were de-designated during the year) was US$ nil as of June 30, 2017 and 2016. The total notional value of interest rate derivatives related to the Foxtel Group's interest rate economic hedges was $nil and $749.9 million as of June 30, 2017 and 2016, respectively, which primarily relates to the term debt facilities. The total notional value of cross currency interest rate derivatives related to the Foxtel Group's fair value interest rate risk economic hedges was US$75.0 million and US$149.0 million as of June 30, 2017 and 2016 respectively, which relate to the U.S. private placement 2009 debt.

Summary of foreign exchange and other gains / (losses) on hedges, net

The following table presents the pre-tax impact ($nil tax impact) that changes in the fair values of all derivatives had on earnings during the fiscal years ended June 30, 2017, 2016 and 2015:

	(Losses) / Gains for the years ended		
	June 30, 2017	June 30, 2016	June 30, 2015
		(in thousands)	
Interest on economic hedges	$ (5,786)	$(12,291)	$(26,624)
Fair value adjustments on economic hedges[b]	(7,592)	19,059	59,874
Foreign currency remeasurement on borrowings not designated in a hedge relationship (spot retranslation)[b]	13,737	(6,680)	(39,661)
Ineffectiveness on interest rate swaps designated as cash flow hedges[b]	—	(2)	(109)
Ineffectiveness on combined swaps designated as cash flow hedges[b]	588	2	93
Fair value hedge[a][b]			
Foreign exchange remeasurement on borrowings designated as fair value hedge	5,793	(6,214)	12,997
Fair value adjustment on borrowings designated as fair value hedge	8,290	(10,372)	(89,637)
Fair value adjustment on derivative designated as fair value hedge	(14,921)	17,045	79,625
Total foreign exchange and other gains / (losses) on hedges, net	$ 109	$ 547	$ (3,442)

(a) The net impact of the fair value adjustment on borrowings and corresponding fair value adjustment on the derivative designated as a fair value hedge on earnings was $0.8 million loss and $0.5 million gain for the fiscal years ended June 30, 2017 and 2016, respectively. Overall, the combined impact on earnings from the borrowing and the hedging instrument was $0.8 million loss, $0.5 million gain and $3.0 million gain for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

(b) These represent the non-cash fair value adjustments and foreign currency translation adjustments as disclosed on the combined statements of cash flow within 'Fair value adjustments and foreign currency translation' of ($5.9 million), ($12.8 million) and ($23.2 million) for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

Fair value measurement

In accordance with ASC 815 "Derivatives and Hedging", the Foxtel Group has included additional disclosures about the Foxtel Group's derivatives and hedging activities (Level 2). There were no assets or liabilities classified as Level 3 as of June 30, 2017 and 2016. Level 1 incorporates cash and cash equivalents and equity investments recorded at fair value as per Note 5.

The tables below present information about items on which fair value measurements have been made:

	Fair Value Measurements using inputs considered as (Level 2)	
	As of June 30	
	2016	2015
	(in thousands)	
Assets		
Cross currency interest rate swap contracts—fair value hedges	$ 37,865	$ 52,786
Cross currency interest rate swap contracts—economic hedges	12,000	31,238
Combined swaps	79,035	104,534
Foreign currency exchange contracts—cash flow hedges	—	13,319
Total assets	$128,900	$201,877
Liabilities		
Interest rate swap contracts—economic hedges	$ —	$ (11,645)
Foreign currency exchange contracts—cash flow hedges	(14,297)	(5,552)
Interest rate swap contracts—cash flow hedges	(36,301)	(55,941)
Total liabilities	$ (50,598)	$ (73,138)

There were no transfers between levels of the fair value hierarchy during any of the periods presented.

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The following table sets forth the transactions with related parties during the year:

	For the years ended June 30,		
	2017	2016	2015
		(in thousands)	
Revenue			
From partners or partners' owned entities	$870,606	$788,123	$735,600
From equity investees	20,607	29,404	9,691
	$891,213	$817,527	$745,291
Operating expenses			
To partners or partners' owned entities	$794,216	$738,363	$643,989
To equity investees	37,875	41,099	25,097
	$832,090	$779,462	$669,086
Other transactions from partners or partners' owned entities			
Distributions	$ —	$ 73,000	$250,000
Dividends—ordinary shares	—	239	—
Dividends—preference shares	—	114	—
Interest paid to partners	35,000	94,771	108,310
Interest accrued on loan from partners	59,771	—	—

The following table sets forth the amount of accounts receivable due from and payable to related parties outstanding on the combined balance sheets:

	As of June 30,	
	2017	2016
	(in thousands)	
Receivable from and prepaid to related parties (current):		
From partners or partners' owned entities	$ 31,279	$ 18,716
From equity investees	162	8,418
	$ 31,441	$ 27,134
Receivable from and prepaid to related parties (non current):		
From partners or partners' owned entities	$ 21,429	$ —
Trade and other payable to related parties (current):		
To partners or partners' owned entities	$143,283	$151,403
To equity investees	2,973	4,817
	$146,256	$156,220

Except for loans from partners as disclosed above, balances with related parties are unsecured, interest-free and repayable upon demand.

NOTE 12. COMMITMENTS AND CONTINGENCIES

The Foxtel Group 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 Foxtel Group's material firm commitments as of June 30, 2017:

	As of June 30, 2017				
	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(in thousands)		
Operating lease[(a)]					
Transmission costs[(b)]	$ 778,617	$103,299	$ 180,863	$ 170,267	$ 324,188
Property leases	78,870	18,180	31,550	21,491	7,649
Other	4,007	1,616	1,901	490	—
Other commitments					
Minimum subscriber guarantees[(c)]	276,884	125,844	147,040	4,000	—
Programming costs[(d)]	460,120	244,615	147,856	67,649	—
Broadcasting rights[(e)]	1,380,996	218,727	549,490	488,247	124,532
Capital expenditure[(f)]	87,919	87,919	—	—	—
Sports sponsorship	3,713	1,744	1,856	113	—
Other	42,097	15,761	16,904	5,611	3,821
Funding commitments to equity investee	3,500	—	3,500	—	—
Total	$3,116,723	$817,705	$1,080,960	$ 757,868	$ 460,190
Long term liabilities (Note 8)					
Borrowings—related parties	962,351	—	—	—	962,351
Borrowings—external	2,153,673	—	992,569	605,997	555,107
Total commitments and contractual obligations	$6,232,747	$817,705	$2,073,529	$1,363,865	$1,977,648

(a) The Foxtel Group leases property, motor vehicles, IT and equipment which are classified as operating leases. Leases are for multiple years and may contain renewal options. The operating lease expense including the satellite service agreements was approximately $127.3 million, $124.3 million and $124.5 million for the fiscal years ended June 30, 2017, 2016 and 2015, respectively.

(b) Satellite expenditures in respect of payments for transmission services. During fiscal 2016, the Foxtel Group renewed its satellite transponder services arrangements to 2028. The transponder services arrangements are accounted for as operating leases.

(c) Operating expenditures in respect of minimum subscriber guarantees payable for license fees to third parties are based on the contracted period.

(d) Programming expenditures in respect of payments committed to various suppliers for programming content. The 7 year HBO agreement was amended in Fiscal 2017 to include extended VOD and library rights as well as the use of the HBO brand for an additional $52m.

(e) Broadcasting rights are primarily in respect of AFL sporting rights. A new 6 year AFL deal for $1.2 billion commencing during the 2017 fiscal year was novated to the Foxtel Group from News Corp Australia in fiscal 2016.

(f) Capital expenditures in respect of digital set top boxes, satellite dishes and other ancillary electronic components.

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