NEWS CORPORATION REPORTS FIRST QUARTER RESULTS FOR FISCAL 20 17

FISCAL 2017 FIRST QU ARTER KEY FINANCIAL HIGHLIGHTS

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News and Information Services

Revenues in the quarter were lower by $68 million, or 5%, compared to the prior year. Adjusted Revenues were 4% lower compared to the prior year.

Advertising revenues decreased 11%, or 10% excluding a $6 million impact from negative foreign currency fluctuations, primarily due to the weakness in the print advertising market. The decrease was partially offset by higher in-store product revenues at News America Marketing and growth in digital advertising revenues.

Circulation and subscription revenues decreased 4%, but increased 1% excluding a $24 million impact from negative foreign currency fluctuations, due to higher subscription pricing, selected cover price increases in the U.K. and Australia and higher paid digital subscribers, partially offset by lower [illegible]

In the quarter, revenues at REA Group increased 22%, or 16% excluding a $5 million impact from favorable foreign currency fluctuations, due to an increase in Australian residential depth revenue, as favorable product mix offset lower listing volumes, and the acquisition of iProperty.

Move's revenues in the quarter increased 9% to $93 million from $85 million in the prior year, primarily due to the continued growth in its Connection for Co-Brokerage℠ product and non-listing Media revenues. Based on Move's internal data, average monthly unique users of realtor.com®'s web and mobile sites for the fiscal first quarter grew 15% year-over-year to approximately 53 million. Mobile continues to drive audience growth and represents more than half of all unique users.

Cable Network Programming

Revenues in the quarter increased $4 million, or 3%, compared to the prior year due to higher advertising revenues. Adjusted Revenues increased 1%. Segment EBITDA in the quarter decreased $14 million, or 50%, compared with the prior year. Adjusted Segment EBITDA decreased 29% due to higher programming rights costs primarily related to the NRL simulcast and certain one-time cricket rights.

REVIEW OF EQUITY (LOSSES) EARNINGS OF AFFILIATES' RESULTS

Equity (losses) earnings of affiliates for the first quarter were $(15) million compared to $8 million in the prior year.

	For the three months ended September 30,	
	2016	2015
	(in millions)	
Foxtel	$ (11)	$ 9
Other equity affiliates, net	(4)	(1)
Total		

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

	For the three months ended September 30, 2016	2015
Revenues:		
Advertising	$ 670	$ 735
Circulation and subscription	621	639
Consumer	374	392
Real estate	172	145
Other	128	103
Total Revenues	1,965	2,014
Operating expenses	(1,157)	

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CONSOLIDATED BALANCE SHEETS
(in millions)

	As of September 30, 2016	As of June 30, 2016
ASSETS		

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CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in

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NOTE 2 – TOTAL SEGMENT EBITDA

Segment EBITDA is defined as revenues less operating expenses and selling, general and administrative expenses. Segment EBITDA does not include: Depreciation and amortization, restructuring charges, equity (losses) earnings of affiliates, interest, net, other, net, and income tax benefit. Management believes that Segment EBITDA is an appropriate measure for evaluating the operating performance of the Company's business segments because it is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources within the Company's

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