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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2020

or

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

For the transition period from to

Commission File Number 001-35769

NEWS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**46-2950970**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1211 Avenue of the Americas, New York, New York	**10036**
(Address of principal executive offices)	**(Zip Code)**

(212) 416-3400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.01 per share	NWSA	The Nasdaq Global Select Market
Class B Common Stock, par value $0.01 per share	NWS	The Nasdaq Global Select Market
Class A Preferred Stock Purchase Rights	N/A	The Nasdaq Global Select Market
Class B Preferred Stock Purchase Rights	N/A	The Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2020, 388,856,866 shares of Class A Common Stock and 199,630,240 shares of Class B Common Stock were outstanding.

NEWS CORPORATION

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PART I

ITEM 1. FINANCIAL STATEMENTS

NEWS CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited; millions, except per share amounts)

	Notes	For the three months ended March 31, 2020	For the three months ended March 31, 2019	For the nine months ended March 31, 2020	For the nine months ended March 31, 2019
Revenues:					
Circulation and subscription		$ 966	$ 1,025	$ 2,951	$ 3,088
Advertising		576	670	1,861	2,052
Consumer		396	403	1,204	1,281
Real estate		209	218	669	693
Other		119	141	400	494
Total Revenues	2	2,266	2,457	7,085	7,608
Operating expenses		(1,281)	(1,400)	(3,968)	(4,224)
Selling, general and administrative		(743)	(810)	(2,299)	(2,409)
Depreciation and amortization		(160)	(168)	(484)	(494)
Impairment and restructuring charges	4	(1,125)	(34)	(1,451)	(71)
Equity losses of affiliates	5	(7)	(4)	(12)	(13)
Interest expense, net		(9)	(14)	(13)	(45)
Other, net	14	13	3	19	30
(Loss) income before income tax benefit (expense)		(1,046)	30	(1,123)	382
Income tax benefit (expense)	12	10	(7)	(21)	(112)
Net (loss) income		(1,036)	23	(1,144)	270
Less: Net loss (income) attributable to noncontrolling interests		306	(13)	272	(64)
Net (loss) income attributable to News Corporation stockholders		$ (730)	$ 10	$ (872)	$ 206
Net (loss) income attributable to News Corporation stockholders per share:	10				
Basic and diluted		$ (1.24)	$ 0.02	$ (1.48)	$ 0.35

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

NEWS CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited; millions)

	For the three months ended March 31, 2020	For the three months ended March 31, 2019	For the nine months ended March 31, 2020	For the nine months ended March 31, 2019
Net (loss) income	$ (1,036)	$ 23	$ (1,144)	$ 270
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(484)	75	(470)	(182)
Net change in the fair value of cash flow hedges[(a)]	9	(5)	(5)	2
Benefit plan adjustments, net[(b)]	15	(3)	13	10
Other comprehensive (loss) income	(460)	67	(462)	(170)
Comprehensive (loss) income	(1,496)	90	(1,606)	100
Less: Net loss (income) attributable to noncontrolling interests	306	(13)	272	(64)
Less: Other comprehensive loss (income) attributable to noncontrolling interests	109	(10)	118	46
Comprehensive (loss) income attributable to News Corporation stockholders	$ (1,081)	$ 67	$ (1,216)	$ 82

(a) Net of income tax expense of $3 million and nil for the three months ended March 31, 2020 and 2019, respectively, and income tax expense of nil and $1 million for the nine months ended March 31, 2020 and 2019, respectively.

(b) Net of income tax expense (benefit) of $5 million and ($1) million for the three months ended March 31, 2020 and 2019, respectively, and income tax expense of $4 million and $2 million for the nine months ended March 31, 2020 and 2019, respectively.

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

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NEWS CORPORATION

CONSOLIDATED BALANCE SHEETS
(Millions, except share and per share amounts)

	Notes	As of March 31, 2020 (unaudited)	As of June 30, 2019 (audited)
Assets:			
Current assets:			
Cash and cash equivalents		$ 1,388	$ 1,643
Receivables, net	14	1,237	1,544
Inventory, net		363	348
Other current assets	14	753	515
Total current assets		3,741	4,050
Non-current assets:			
Investments	5	325	335
Property, plant and equipment, net		2,225	2,554
Operating lease right-of-use assets	7	1,191	—
Intangible assets, net		1,846	2,426
Goodwill		3,831	5,147
Deferred income tax assets	12	306	269
Other non-current assets	14	963	930
Total assets		$ 14,428	$ 15,711
Liabilities and Equity:			
Current liabilities:			
Accounts payable		$ 342	$ 411
Accrued expenses		981	1,328
Deferred revenue	2	387	428
Current borrowings	6	—	449
Other current liabilities	14	979	724
Total current liabilities		2,689	3,340
Non-current liabilities:			
Borrowings	6	1,115	1,004
Retirement benefit obligations		248	266
Deferred income tax liabilities	12	238	295
Operating lease liabilities	7	1,249	—
Other non-current liabilities		321	495
Commitments and contingencies	11		
Class A common stock[(a)]		4	4
Class B common stock[(b)]		2	2
Additional paid-in capital		12,137	12,243
Accumulated deficit		(2,845)	(1,979)
Accumulated other comprehensive loss		(1,466)	(1,126)
Total News Corporation stockholders' equity		7,832	9,144
Noncontrolling interests		736	1,167
Total equity	8	8,568	10,311
Total liabilities and equity		$ 14,428	$ 15,711

(a) **Class A common stock**, $0.01 par value per share ("Class A Common Stock"), 1,500,000,000 shares authorized, 388,843,519 and 385,580,015 shares issued and outstanding, net of 27,368,413 treasury shares at par at March 31, 2020 and June 30, 2019, respectively.

(b) **Class B common stock**, $0.01 par value per share ("Class B Common Stock"), 750,000,000 shares authorized, 199,630,240 shares issued and outstanding, net of 78,430,424 treasury shares at par at March 31, 2020 and June 30, 2019, respectively

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

NEWS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; millions)

	Notes	For the nine months ended March 31, 2020	2019
Operating activities:			
Net (loss) income		$ (1,144)	$ 270
Adjustments to reconcile net (loss) income to cash provided by operating activities:			
Depreciation and amortization		484	494
Operating lease expense	7	128	—
Equity losses of affiliates	5	12	13
Cash distributions received from affiliates		7	30
Impairment charges	4	1,398	9
Other, net	14	(19)	(30)
Deferred income taxes and taxes payable	12	(67)	22
Change in operating assets and liabilities, net of acquisitions:			
Receivables and other assets		(1,593)	37
Inventories, net		(47)	(74)
Accounts payable and other liabilities		1,303	(110)
Net cash provided by operating activities		462	661
Investing activities:			
Capital expenditures		(335)	(417)
Acquisitions, net of cash acquired		(2)	(187)
Investments in equity affiliates and other		4	(36)
Proceeds from business dispositions		(7)	50
Proceeds from property, plant and equipment and other asset dispositions		10	49
Other, net		3	18
Net cash used in investing activities		(327)	(523)
Financing activities:			
Borrowings	6	925	450
Repayment of borrowings	6	(1,161)	(801)
Dividends paid		(100)	(102)
Other, net		(5)	(48)
Net cash used in financing activities		(341)	(501)
Net change in cash and cash equivalents, including cash classified within current assets held for sale		(206)	(363)
Less: Net change in cash classified within current assets held for sale		(10)	—
Cash and cash equivalents, beginning of period		1,643	2,034
Exchange movement on opening cash balance		(39)	(23)
Cash and cash equivalents, end of period		$ 1,388	$ 1,648

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

NEWS CORPORATION
NOTES TO THE UNAUDITED 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, subscription video services in Australia, book publishing and digital real estate services.

Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company, which are referred to herein as the "Consolidated Financial Statements," have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments consisting only of normal recurring adjustments necessary for a fair presentation have been reflected in these Consolidated Financial Statements. Operating results for the interim period presented are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2020. 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. The business and economic uncertainty resulting from the impacts of the recent novel coronavirus ("COVID-19") pandemic has been considered in making those estimates and assumptions. Actual results could differ from those estimates.

Intercompany transactions and balances have been eliminated. Equity investments in which the Company exercises significant influence but does not exercise control and is not the primary beneficiary are accounted for using the equity method. Investments in which the Company is not able to exercise significant influence over the investee are measured at fair value, if the fair value is readily determinable. If an investment's fair value is not readily determinable, the Company will measure the investment at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer.

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 accompanying Consolidated Financial Statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2019 as filed with the Securities and Exchange Commission (the "SEC") on August 13, 2019 (the "2019 Form 10-K").

Certain reclassifications have been made to the prior period consolidated financial statements to conform to the current year presentation. Specifically, the Company reclassified the costs associated with certain initiatives previously included within the Other segment to the News and Information Services and Digital Real Estate Services segments as these initiatives directly benefit these segments. For the three and nine months ended March 31, 2019, these reclassifications increased Selling, general and administrative by $8 million and $23 million, respectively, for the News and Information Services segment and by $1 million in both periods for the Digital Real Estate Services segment.

The Company's fiscal year ends on the Sunday closest to June 30. Fiscal 2020 and fiscal 2019 include 52 weeks. All references to the three and nine months ended March 31, 2020 and 2019 relate to the three and nine months ended March 29, 2020 and March 31, 2019, respectively. For convenience purposes, the Company continues to date its Consolidated Financial Statements as of March 31.

Recently Issued Accounting Pronouncements

Adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). The amendments in ASU 2016-02 require lessees to recognize all leases on the balance sheet by recording a right-of-use asset and a lease liability, and lessor accounting has been updated to align with the new requirements for lessees. The FASB also issued additional standards which provide clarification and implementation guidance, and have the same effective date as ASU 2016-02. The Company adopted ASU 2016-02 on a modified retrospective basis as of July 1, 2019. As a result of the adoption, the Company recorded operating lease right-of-use assets, current lease liabilities and noncurrent lease liabilities for its operating leases of approximately $1.4 billion, $0.2 billion and $1.4 billion, respectively, on July 1, 2019.

The Company also recorded a $9 million adjustment related to previous sale leaseback transactions, which decreased the Accumulated deficit balance as of July 1, 2019. The Company's adoption of ASU 2016-02 also resulted in the reclassification of prepaid and deferred rent to Operating lease right-of-use assets. See Note 7—Leases.

In August 2017, the FASB issued ASU 2017-12, "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities" ("ASU 2017-12"). The amendments in ASU 2017-12 more closely align the results of cash flow and fair value hedge accounting with risk management activities through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results in the financial statements. The amendments address specific limitations in current GAAP by expanding hedge accounting for both nonfinancial and financial risk components and by refining the measurement of hedge results to better reflect an entity's hedging strategies. ASU 2017-12 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company adopted the guidance on a cumulative-effect basis for its outstanding cash flow hedges that qualified for hedge accounting as of July 1, 2019. The adoption did not have a material impact on the Company's Consolidated Financial Statements.

In February 2018, the FASB issued ASU 2018-02, "Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ("ASU 2018-02"). The amendments in ASU 2018-02 provide a reclassification from Accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act (the "Tax Act"). ASU 2018-02 is effective for the Company for annual and interim reporting periods beginning July 1, 2019. The Company adopted the guidance as of July 1, 2019 and elected to not reclassify the stranded tax effects resulting from the Tax Act from Accumulated other comprehensive loss to Accumulated deficit. The adoption did not have a material impact on the Company's Consolidated Financial Statements.

In April 2019, the FASB issued ASU 2019-04, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments" ("ASU 2019-04"). The amendments in ASU 2019-04 clarify certain aspects of accounting for credit losses, hedging activities and financial instruments. For entities that have adopted ASU 2017-12, the effective date and transition requirements for ASU 2019-04 are the same as the effective date and transition requirements for ASU 2017-12. For entities that have adopted ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"), ASU 2019-04 is effective for annual and interim reporting periods beginning July 1, 2020 and early adoption is permitted. For clarifications around credit losses, the effective date will be the same as the effective date in ASU 2016-13 (described below). The Company adopted the amendments in ASU 2019-04 related to ASU 2017-12 and ASU 2016-01 as of July 1, 2019. The adoption did not have a material impact on the Company's Consolidated Financial Statements.

Issued

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

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

NEWS CORPORATION
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

In March 2019, the FASB issued ASU 2019-02, "Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials (a consensus of the Emerging Issues Task Force)" ("ASU 2019-02"). The amendments in ASU 2019-02 align the impairment model in Entertainment—Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350) with the fair value model in Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20). ASU 2019-02 must be adopted on a prospective basis and is effective for the Company for annual and interim reporting periods beginning July 1, 2020, with early adoption permitted. The Company is currently evaluating the impact ASU 2019-02 will have on its Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). The amendments in ASU 2019-12 remove certain exceptions to the general principles in Topic 740 and simplify other areas of Topic 740 including the accounting for and recognition of intraperiod tax allocation, deferred tax liabilities for outside basis differences for certain foreign subsidiaries, year-to-date losses in interim periods, deferred tax assets for goodwill in business combinations and franchise taxes in income tax expense. ASU 2019-12 is effective for the Company for annual and interim reporting periods beginning July 1, 2021, with early adoption permitted. The Company is currently evaluating the impact ASU 2019-12 will have on its Consolidated Financial Statements.

NOTE 2. REVENUES

The following tables present the Company's disaggregated revenues for the three and nine months ended March 31, 2020 and 2019:

	For the three months ended March 31, 2020					
	News and Information Services	Subscription Video Services	Book Publishing	Digital Real Estate Services	Other	Total Revenues
			(in millions)			
Revenues:						
Circulation and subscription	$ 543	$ 414	$ —	$ 9	$ —	$ 966
Advertising	511	40	—	25	—	576
Consumer	—	—	396	—	—	396
Real estate	—	—	—	209	—	209
Other	76	8	16	18	1	119
Total Revenues	$ 1,130	$ 462	$ 412	$ 261	$ 1	$ 2,266

	For the three months ended March 31, 2019					
	News and Information Services	Subscription Video Services	Book Publishing	Digital Real Estate Services	Other	Total Revenues
			(in millions)			
Revenues:						
Circulation and subscription	$ 538	$ 474	$ —	$ 12	$ 1	$ 1,025
Advertising	593	50	—	27	—	670
Consumer	—	—	403	—	—	403
Real estate	—	—	—	218	—	218
Other	93	15	18	15	—	141
Total Revenues	$ 1,224	$ 539	$ 421	$ 272	$ 1	$ 2,457

NEWS CORPORATION
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

	For the nine months ended March 31, 2020					
	News and Information Services	Subscription Video Services	Book Publishing	Digital Real Estate Services	Other	Total Revenues
			(in millions)			
Revenues:						
Circulation and subscription	$ 1,618	$ 1,304	$ —	$ 28	$ 1	$ 2,951
Advertising	1,640	144	—	77	—	1,861
Consumer	—	—	1,204	—	—	1,204
Real estate	—	—	—	669	—	669
Other	262	29	55	53	1	400
Total Revenues	$ 3,520	$ 1,477	$ 1,259	$ 827	$ 2	$ 7,085

	For the nine months ended March 31, 2019					
	News and Information Services	Subscription Video Services	Book Publishing	Digital Real Estate Services	Other	Total Revenues
			(in millions)			
Revenues:						
Circulation and subscription	$ 1,593	$ 1,455	$ —	$ 39	$ 1	$ 3,088
Advertising	1,801	162	—	89	—	2,052
Consumer	—	—	1,281	—	—	1,281
Real estate	—	—	—	693	—	693
Other	335	49	54	55	1	494
Total Revenues	$ 3,729	$ 1,666	$ 1,335	$ 876	$ 2	$ 7,608

Contract liabilities and assets

The Company's deferred revenue balance primarily relates to amounts received from customers for subscriptions paid in advance of the services being provided. The following table presents changes in the deferred revenue balance for the three and nine months ended March 31, 2020 and 2019:

	For the three months ended March 31,		For the nine months ended March 31,	
	2020	2019	2020	2019
Balance, beginning of period	$ 411	$ 430	$ 428	$ 510
Deferral of revenue	851	934	2,426	2,271
Recognition of deferred revenue[a]	(807)	(883)	(2,398)	(2,300)
Other[b]	(68)	(21)	(69)	(21)
Balance, end of period	$ 387	$ 460	$ 387	$ 460

(a) For the three and nine months ended March 31, 2020, the Company recognized approximately $226 million and $371 million, respectively, of revenue which was included in the opening deferred revenue balance. For the three and nine months ended March 31, 2019, the Company recognized $241 million and $461 million, respectively, of revenue which was included in the opening deferred revenue balance.

(b) For the three and nine months ended March 31, 2020, the Company reclassified $46 million of deferred revenue to Other current liabilities in connection with the sale of News America Marketing. See Note 3—Acquisitions, Disposals and Other Transactions.

Contract assets were immaterial for disclosure as of March 31, 2020 and 2019.

Other revenue disclosures

The Company typically expenses sales commissions incurred to obtain a customer contract as those amounts are incurred as the amortization period is twelve months or less. These costs are recorded within Selling, general and administrative in the Statements of Operations. The Company also does not capitalize significant financing components when the transfer of the good or service is paid within twelve months or less, or the receipt of consideration is received within twelve months or less of the transfer of the good or service.

For the three and nine months ended March 31, 2020, the Company recognized approximately $68 million and $222 million, respectively, in revenues related to performance obligations that were satisfied or partially satisfied in a prior reporting period. The remaining transaction price related to unsatisfied performance obligations as of March 31, 2020 was approximately $514 million, of which approximately $55 million is expected to be recognized over the remainder of fiscal 2020, approximately $206 million is expected to be recognized in fiscal 2021, approximately $102 million is expected to be recognized in fiscal 2022, and approximately $37 million is expected to be recognized in fiscal 2023, with the remainder to be recognized thereafter. These amounts do not include (i) contracts with an expected duration of one year or less, (ii) contracts for which variable consideration is determined based on the customer's subsequent sale or usage and (iii) variable consideration allocated to performance obligations accounted for under the series guidance that meets the allocation objective under ASC 606, "Revenue From Contracts With Customers".

NEWS CORPORATION
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. ACQUISITIONS, DISPOSALS AND OTHER TRANSACTIONS

News America Marketing

On March 31, 2020, the Company entered into a definitive agreement for the sale of its News America Marketing business, a reporting unit within its News and Information Services segment (the “Transaction”), which was completed on May 5, 2020. The aggregate purchase price for the Transaction consists of (a) up to approximately $235 million, comprised of (i) $50 million in cash at closing, subject to working capital and other adjustments, less cash reinvested to acquire a 5% equity interest in the business at closing, and (ii) additional deferred cash payments payable on or before the fifth anniversary of closing in an aggregate amount of between $125 million and approximately $185 million, depending on the timing of such payments, and (b) a warrant to purchase up to an additional 10% equity interest in the business, which is exercisable on or prior to the seventh anniversary of closing. In the Transaction, the Company retained certain liabilities relating to News America Marketing, including those arising from its ongoing legal proceedings with Valassis Communications, Inc. (“Valassis”) and Insignia Systems, Inc. (“Insignia”). See Note 11—Commitments and Contingencies.

As a result of the progression of the sales process, the Company determined that the News America Marketing reporting unit met all of the criteria to be classified as held for sale as of March 31, 2020. Upon classification of the disposal group as held for sale, the Company tested the disposal group for impairment and recognized an impairment charge of $175 million within Impairment and restructuring charges in its Statements of Operations for the three and nine months ended March 31, 2020 to write the disposal group down to its fair value less costs to sell. See Note 4—Impairment and Restructuring Charges.

The major classes of assets and liabilities held for sale, which are included in Other current assets and Other current liabilities, respectively, in the Balance Sheets, were as follows:

	As of March 31, 2020 (in millions)
Cash and cash equivalents	$ 10
Receivables, net	217
Other current assets	28
Intangible assets, net	225
Other non-current assets	29
Impairment charge on disposal group	(175)
Total assets held for sale	$ 334
Accounts payable	$ 13
Accrued expenses	69
Deferred revenue	46
Other current liabilities	54
Other non-current liabilities	8
Total liabilities held for sale	$ 190

Loss before income tax relating to News America Marketing included in the Statements of Operations was $154 million and $404 million for the three and nine months ended March 31, 2020, respectively, and income before income tax was $29 million and $46 million for the three and nine months ended March 31, 2019, respectively.

Unruly

In January 2020, the Company sold Unruly to Tremor International Ltd (“Tremor”) for approximately 7% of Tremor’s outstanding shares. The Company agreed not to sell the Tremor shares for a period of 18 months after closing. At closing, the Company and Tremor entered into a three year commercial arrangement which granted Tremor the exclusive right to sell outstream video advertising on all of the Company’s digital properties in exchange for a total minimum revenue guarantee for News Corp of £30 million.

NEWS CORPORATION
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4. IMPAIRMENT AND RESTRUCTURING CHARGES

Fiscal 2020 Impairment

During the three and nine months ended March 31, 2020, the Company recognized non-cash impairment charges of $1,106 million and $1,398 million, respectively, primarily related to a write-down of goodwill and indefinite-lived intangible assets at its Foxtel and News America Marketing reporting units.

Foxtel: During the three and nine months ended March 31, 2020, the Company recognized non-cash impairment charges totaling $931 million related to the goodwill and indefinite-lived intangible assets at its Foxtel reporting unit. Due to the impact of adverse trends resulting from lower expected broadcast subscribers and the impact that COVID-19 is expected to have on advertising, over-the-top, or OTT, and commercial subscriber revenues in the near term, the Company revised its future outlook which resulted in a reduction in expected future cash flows of the business. As a result, the Company determined that the fair value of the reporting unit was less than its carrying value and recorded non-cash impairment charges of $882 million to goodwill and $49 million to indefinite-lived intangible assets. The assumptions utilized in the income approach valuation method for Foxtel were discount rates ranging from 10.5% to 11.5%, long-term growth rates of 2.0% and a royalty rate of 1.5%. The assumptions utilized in the market approach valuation methods were EBITDA multiples from guideline public companies operating in similar industries and a control premium of 10%.

News America Marketing: During the three and nine months ended March 31, 2020, the Company recognized a non-cash impairment charge of $175 million on the disposal group as a result of the reclassification of its News America Marketing reporting unit to assets held for sale. See Note 3—Acquisitions, Disposals and Other Transactions. During the nine months ended March 31, 2020, in addition to the write-down to fair value less costs to sell, the Company recognized non-cash impairment charges of $235 million related to goodwill and indefinite-lived intangible assets at the News America Marketing reporting unit. In the first quarter of fiscal 2020, as a result of the Company’s review of strategic options for the News America Marketing business, and other market indicators, the Company determined that the fair value of the reporting unit was less than its carrying value. As a result, the Company recorded non-cash impairment charges of $122 million to goodwill and $113 million to indefinite-lived intangible assets. The assumptions utilized in the income approach valuation method for News America Marketing were discount rates ranging from 17.0% to 18.5% and long-term growth rates ranging from 0.6% to 1.5%.

Fiscal 2020 Restructuring

During the three and nine months ended March 31, 2020, the Company recorded restructuring charges of $19 million and $53 million, respectively, of which $15 million and $41 million, respectively, related to the News and Information Services segment. The restructuring charges recorded in fiscal 2020 were for employee termination benefits.

Fiscal 2019 Restructuring

During the three and nine months ended March 31, 2019, the Company recorded restructuring charges of $25 million and $62 million, respectively, of which $23 million and $55 million, respectively, related to the News and Information Services segment. The restructuring charges recorded in fiscal 2019 were for employee termination benefits.

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Changes in restructuring program liabilities were as follows:

	For the three months ended March 31,							
	2020				2019			
	One time employee termination benefits	Facility related costs	Other costs	Total	One time employee termination benefits	Facility related costs	Other costs	Total
	(in millions)							
Balance, beginning of period	$ 16	$ —	$ 9	$ 25	$ 20	$ 2	$ 11	$ 33
Additions	19	—	—	19	25	—	—	25
Payments	(17)	—	—	(17)	(17)	—	(1)	(18)
Balance, end of period	$ 18	$ —	$ 9	$ 27	$ 28	$ 2	$ 10	$ 40

	For the nine months ended March 31,							
	2020				2019			
	One time employee termination benefits	Facility related costs	Other costs	Total	One time employee termination benefits	Facility related costs	Other costs	Total
	(in millions)							
Balance, beginning of period	$ 28	$ 2	$ 10	$ 40	$ 29	$ 2	$ 11	$ 42
Additions	53	—	—	53	62	—	—	62
Payments	(63)	—	(1)	(64)	(61)	—	(2)	(63)
Other	—	(2)	—	(2)	(2)	—	1	(1)
Balance, end of period	$ 18	$ —	$ 9	$ 27	$ 28	$ 2	$ 10	$ 40

As of March 31, 2020, restructuring liabilities of approximately $18 million were included in the Balance Sheet in Other current liabilities and $9 million were included in Other non-current liabilities.

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NOTE 5. INVESTMENTS

The Company's investments were comprised of the following:

	Ownership Percentage as of March 31, 2020	As of March 31, 2020	As of June 30, 2019
		(in millions)	
Equity method investments[a]	various	$ 146	$ 148
Equity securities[b]	various	179	187
Total Investments		$ 325	$ 335

(a) Equity method investments are primarily comprised of Foxtel's investment in Nickelodeon Australia Joint Venture, Elara Technologies Pte. Ltd. ("Elara"), which operates PropTiger.com and Housing.com, and REA Group's investment in 99.co Joint Venture.

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

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

	For the three months ended March 31,		For the nine months ended March 31,	
	2020	2019	2020	2019
	(in millions)		(in millions)	
Total (losses) gains recognized on equity securities	$ (17)	$ 6	$ (22)	$ (23)
Less: Net gains recognized on equity securities sold	—	—	—	—
Unrealized (losses) gains recognized on equity securities held at end of period	$ (17)	$ 6	$ (22)	$ (23)

Equity Losses of Affiliates

The Company's share of the losses of its equity affiliates was $7 million and $12 million for the three and nine months ended March 31, 2020, respectively, and $4 million and $13 million, respectively, for the corresponding periods of fiscal 2019.

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NOTE 6. BORROWINGS

The Company's total borrowings consist of the following:

	Interest rate at March 31, 2020	Maturity at March 31, 2020	As of March 31, 2020	As of June 30, 2019
			(in millions)	
Foxtel Group				
Credit facility 2014 — tranche 2[(a)]	—	Jan 31, 2020	$ —	$ 56
Credit facility 2015[(a)]	—	Jul 31, 2020	—	281
Credit facility 2016[(a)]	—	Sept 11, 2021	—	193
Credit facility 2019[(b) (c)]	3.79%	Nov 22, 2022	376	—
Term loan facility 2019[(d)]	6.25%	Nov 22, 2024	154	—
Working capital facility 2017[(a) (c) (e) (f)]	3.79%	Nov 22, 2022	18	56
Telstra Facility[(g)]	8.23%	Dec 22, 2027	—	—
US private placement 2009 — tranche 3[(h)]	—	Sept 24, 2019	—	75
US private placement 2012 — USD portion — tranche 1[(h)]	—	Jul 25, 2019	—	150
US private placement 2012 — USD portion — tranche 2[(i)]	4.27%	Jul 25, 2022	201	199
US private placement 2012 — USD portion — tranche 3[(i)]	4.42%	Jul 25, 2024	152	149
US private placement 2012 — AUD portion	7.04%	Jul 25, 2022	66	77
REA Group				
Credit facility 2016 — tranche 3[(j)]	—	Dec 31, 2019	—	168
Credit facility 2018[(k)]	1.82%	Apr 27, 2021	43	49
Credit facility 2019[(k) (l)]	1.66%	Dec 2, 2021	105	—
Total borrowings[(m)]			1,115	1,453
Less: current portion[(n)]			—	(449)
Long-term borrowings			$ 1,115	$ 1,004

(a) During November 2019, certain subsidiaries of NXE Australia Pty Limited ("Foxtel" and together with such subsidiaries, the "Foxtel Debt Group") repaid the outstanding borrowings under these facilities using a combination of new indebtedness and an A$200 million shareholder loan provided by the Company.

(b) During November 2019, the Foxtel Debt Group entered into an A$610 million revolving credit facility maturing in November 2022 (the "2019 Credit Facility").

(c) Borrowings under these facilities bear interest at a floating rate of the Australian BBSY plus an applicable margin of between 2.00% and 3.75% per annum depending on the Foxtel Debt Group's net leverage ratio.

(d) During November 2019, the Foxtel Debt Group entered into an A$250 million term loan facility maturing in November 2024 (the "2019 Term Loan Facility"). Borrowings under the 2019 Term Loan Facility bear interest at a fixed rate of 6.25% per annum.

(e) During November 2019, the Foxtel Debt Group amended its 2017 Working Capital Facility which, among other things, extended the remaining term to three years, decreased the capacity under the facility from A$100 million to A$40 million and increased the applicable margin.

(f) As of March 31, 2020, the Foxtel Debt Group has undrawn commitments of A$2 million under this facility for which it pays a commitment fee of 45% of the applicable margin.

(g) In February 2020, the Foxtel Debt Group entered into an A$170 million subordinated shareholder loan facility agreement (the "Telstra Facility") that can be used to finance cable transmission costs. The Telstra Facility bears interest at a variable rate of Australian BBSY plus a margin of 7.75%.

(h) During the first quarter of fiscal 2020, the Foxtel Debt Group repaid $150 million aggregate principal amount of senior unsecured notes which matured in July 2019 and $75 million aggregate principal amount of senior unsecured notes which matured in September 2019.

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(i) The carrying values of the borrowings include any fair value adjustments related to the Company’s fair value hedges. See Note 9 —Financial Instruments and Fair Value Measurements.

(j) During December 2019, REA Group repaid the final A$240 million tranche of its A$480 million revolving loan facility using a combination of cash on hand and new indebtedness.

(k) Borrowings under these facilities bear interest at a floating rate of the Australian BBSY plus a margin of between 0.85% and 1.40% depending on REA Group’s net leverage ratio.

(l) During December 2019, REA Group entered into an A$170 million unsecured syndicated revolving loan facility maturing in December 2021 (the “2019 REA Group Credit Facility”).

(m) The Company’s outstanding borrowings as of March 31, 2020 were incurred by Foxtel and REA Group, consolidated but non wholly-owned subsidiaries of News Corp. These borrowings are only guaranteed by Foxtel and REA Group and their respective subsidiaries, as applicable, and are non-recourse to News Corp.

(n) The Company classifies the current portion of long term debt as non-current liabilities on the Balance Sheets when it has the intent and ability to refinance the obligation on a long-term basis, in accordance with ASC 470-50, “Debt.”

Foxtel Group Borrowings

In November 2019, the Foxtel Debt Group completed a debt refinancing resulting in the repayment of A$1.1 billion of debt capacity consisting of its A$200 million credit facility maturing in January 2020, its A$400 million credit facility maturing in July 2020, its A$400 million credit facility maturing in September 2021 and amounts outstanding under the 2017 Working Capital Facility. The repayments were funded with approximately A$1.1 billion of new facilities which included proceeds from the 2019 Credit Facility, the 2019 Term Loan Facility and an A$200 million shareholder loan from the Company. In addition, the Foxtel Debt Group amended its 2017 Working Capital Facility which, among other things, extended the remaining term to three years, decreased the capacity under the facility from A$100 million to A$40 million and increased the applicable margin.

Borrowings under the 2019 Credit Facility bear interest at a floating rate of the Australian BBSY plus an applicable margin of between 2.00% and 3.75% per annum depending on the Foxtel Debt Group’s net leverage ratio and carry a commitment fee of 45% of the applicable margin on any undrawn balance. Borrowings under the 2019 Term Loan Facility bear interest at a fixed rate of 6.25%. As of March 31, 2020, the Foxtel Debt Group had drawn down the full A$610 million available under the 2019 Credit Facility and A$250 million available under the 2019 Term Loan Facility.

The agreements governing the 2019 Credit Facility and 2019 Term Loan Facility contain customary affirmative and negative covenants and events of default, with customary exceptions, including covenants restricting or prohibiting members of the Foxtel Debt Group from, among other things, undertaking certain transactions, disposing of certain properties or assets, merging or consolidating with any other person, making financial accommodation available, giving guarantees, creating or permitting certain liens and undergoing fundamental business changes. In addition, the agreements require the Foxtel Debt Group to maintain a ratio of net debt to Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”), as adjusted under the applicable agreements, of not more than 3.75 to 1.0 for fiscal 2020, not more than 3.50 to 1.0 for fiscal 2021 and not more than 3.25 to 1.0 for fiscal 2022 and thereafter. The 2019 Credit Facility and the 2019 Term Loan Facility require the Foxtel Debt Group to maintain a net interest coverage ratio of not less than 3.5 to 1.0. There are no assets pledged as collateral for any of the borrowings under the 2019 Credit Facility and 2019 Term Loan Facility.

In February 2020, the Foxtel Debt Group entered into the Telstra Facility with Telstra, an Australian Securities Exchange (“ASX”)-listed telecommunications company which owns a 35% interest in Foxtel. The Telstra Facility provides Foxtel with up to A$170 million that can be used to finance cable transmission costs due to Telstra under a services arrangement between Foxtel and Telstra. The Telstra Facility bears interest at a variable rate of the Australian BBSY plus an applicable margin of 7.75% and matures in December 2027. The terms of the Telstra Facility allow for the capitalization of accrued interest to the principal outstanding. As of March 31, 2020, the Foxtel Debt Group has not borrowed any funds under the Telstra Facility.

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REA Group Facilities

In December 2019, REA Group completed a debt refinancing in which it repaid the final A$240 million tranche of its A$480 million revolving loan facility with the proceeds of the new 2019 REA Group Credit Facility and cash on hand. Prior to the SFA Amendment (defined below) in April 2020, borrowings under the 2019 REA Group Credit Facility bore interest at a rate of the Australian BBSY plus a margin of between 0.85% and 1.30% depending on REA Group's net leverage ratio and carried a commitment fee of 40% of the applicable margin on any undrawn balance. As of March 31, 2020, REA Group had drawn down the full A$170 million available under the 2019 REA Group Credit Facility.

In April 2020, REA Group amended the syndicated facility agreement for the 2019 REA Group Credit Facility (the "SFA Amendment") to add a new A$148.5 million working capital facility (the "2020 REA Group Credit Facility"). Borrowings under the 2020 REA Group Credit Facility bear interest at a rate of Australian BBSY plus a margin of 2.00% or 2.75% depending on REA Group's net leverage ratio and carry a commitment fee of 50% of the applicable margin on any undrawn balance. The facility will mature on December 2, 2021.

The SFA Amendment also amended the applicable margin and commitment fee for the 2019 REA Group Credit Facility. The applicable margin is now 0.85% to 2.00% depending on REA Group's net leverage ratio, and REA Group will pay a commitment fee of 50% of the applicable margin.

The SFA Amendment requires REA Group to maintain (i) a net leverage ratio of not more than 3.25 to 1.0 prior to December 31, 2020 and a net leverage ratio of not more than 4.00 to 1.0 thereafter and (ii) a net interest coverage ratio of not less than 3.0 to 1.0. The terms of the 2018 REA Group Credit Facility were also amended to align the financial covenants to the SFA Amendment. The SFA Amendment further provides that REA Group will be restricted from paying dividends if its net leverage ratio exceeds 3.25 to 1.0 and will be required to maintain an aggregate of A$50 million in cash and undrawn commitments under its credit facilities.

REA Group also entered into a new A$20 million overdraft facility (the "2020 Overdraft Facility") in April 2020. The 2020 Overdraft Facility is an uncommitted facility that will be reviewed annually by the lender and bears interest at a rate based on the lender's benchmark borrowing rate less a discount of 4.22%. The 2020 Overdraft Facility carries an annual facility fee of 0.15% of the A$20 million overdraft limit.

News Corp Revolving Credit Facility

In December 2019, the Company terminated its existing unsecured $650 million revolving credit facility, and entered into a new credit agreement (the "2019 Credit Agreement") which provides for an unsecured $750 million revolving credit facility (the "2019 News Corp Credit Facility") that can be used for general corporate purposes. The 2019 News Corp Credit Facility has a sublimit of $100 million available for issuances of letters of credit. Under the 2019 Credit Agreement, the Company may request increases in the amount of the facility up to a maximum amount of $1 billion. The lenders' commitments to make the 2019 News Corp Credit Facility available terminate on December 12, 2024, and the Company may request that the commitments be extended under certain circumstances for up to two additional one-year periods.

Interest on borrowings under the 2019 News Corp Credit Facility is based on either (a) a Eurodollar Rate formula or (b) the Base Rate formula, each as set forth in the 2019 Credit agreement. The applicable margin and the commitment fee are based on the pricing grid in the 2019 Credit Agreement, which varies based on the Company's adjusted operating income net leverage ratio. As of March 31, 2020, the Company was paying a commitment fee of 0.20% on any undrawn balance and an applicable margin of 0.375% for a Base Rate borrowing and 1.375% for a Eurodollar Rate borrowing. As of March 31, 2020, the Company has not borrowed any funds under the 2019 News Corp Credit Facility.

The 2019 Credit Agreement contains certain customary affirmative and negative covenants and events of default with customary exceptions, including limitations on the ability of the Company and the Company's 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 all subsidiaries taken as a whole. In addition, the 2019 Credit Agreement requires the Company to maintain an adjusted operating income net leverage ratio of not more than 3.0 to 1.0, subject to certain adjustments following a material acquisition, and a net interest coverage ratio of not less than 3.0 to 1.0.

Covenants

The Company's borrowings contain customary representations, covenants, and events of default, including those discussed above. If any of the events of default occur and are not cured within applicable grace periods or waived, any unpaid amounts under the Company's debt agreements may be declared immediately due and payable. The Company was in compliance with all such covenants at March 31, 2020.

NOTE 7. LEASES

On July 1, 2019, the Company adopted ASU 2016-02 on a modified retrospective basis and recognized a $9 million cumulative-effect adjustment to the opening balance of Accumulated deficit related to previous sale leaseback transactions. ASU 2016-02 requires lessees to recognize all operating leases on the balance sheet by recording a lease liability and a right-of-use asset. The lease liability represents the present value of the Company's lease obligations over the lease term. The discount rate used was calculated using the Company's incremental borrowing rate ("IBR") which represents the interest rate at which the Company would be expected to borrow an amount equal to the lease payments on a secured basis over a similar term. To derive the IBR, the Company utilizes unsecured borrowing rates and adjusts those rates using the notching method to approximate a collateralized rate. Further adjustments are made to reflect the primary geographies in which the Company operates. The right-of-use asset represents the Company's right to use, or control the use of, the underlying asset for the lease term at lease commencement. The Company recorded operating lease right-of-use assets, current operating lease liabilities and noncurrent operating lease liabilities for its operating leases of approximately $1.4 billion, $0.2 billion and $1.4 billion, respectively, on July 1, 2019.

The Company assesses whether an arrangement is a lease or contains a lease at inception. For arrangements considered leases or that contain a lease that is accounted for separately, the classification and initial measurement of the right-of-use asset and lease liability is determined at lease commencement, which is the date the underlying asset becomes available for use. The Company recognized the current and noncurrent portion of its lease liabilities within Other current liabilities and Operating lease liabilities, respectively, and its right-of-use assets within Operating lease right-of-use assets in its Balance Sheet.

Rent expense is recognized for operating leases on a straight-line basis over the lease term. Such amounts are presented within either Selling, general and administrative or Operating expenses in the Statement of Operations based on the nature of the lease. Variable lease payments are expensed in the period incurred. The Company's variable lease payments consist of payments dependent on various external indicators, including common area maintenance, real estate taxes and utility charges.

The Company applied the package of practical expedients permitted under ASU 2016-02 transition guidance. Accordingly, the Company did not reassess: (1) whether an expired or existing contract is a lease or contains an embedded lease; (2) lease classification of an expired or existing lease; (3) capitalization of initial direct costs for an expired or existing lease; (4) existing land easements for lease accounting treatment.

In addition, the Company elected to apply the short term lease exemption to not record leases on the Balance Sheet that have a term of 12 months or less and do not contain purchase options reasonably certain of being exercised. The Company recognizes rent expense related to these leases on a straight-line basis over the lease term.

In circumstances where the Company is the lessee, the Company elected to account for lease and non-lease components as a single lease component for all asset classes. Additionally, the Company has contracts that contain customer premise equipment (i.e., set-top units) for which we apply the lessor lease and non-lease component practical expedient and account for lease components and non-lease components (e.g., service revenue) as a single performance obligation pursuant to ASU 2014-09. The Company applies this practical expedient when the lease component would be classified as an operating lease, if accounted for separately, and the service revenue component is the predominant component in the arrangement.

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Summary of leases

The Company primarily leases real estate, including office space, warehouse space and printing facilities. It also leases satellite transponders for purposes of providing its subscription video service to consumers. These leases were determined to be operating leases in accordance with ASU 2016-02. The Company's operating leases generally include options to extend the lease term or terminate the lease. Such options do not impact the Company's lease term assessment until the Company is reasonably certain that the option will be exercised.

Certain of the Company's leases include rent adjustments which may be indexed to various metrics, including the consumer price index or other inflationary indexes. As a general matter, the Company's real estate lease arrangements typically require adjustments resulting from changes in real estate taxes and other costs to operate the leased asset.

Other required lease disclosures

The total lease cost for operating leases included in the Statement of Operations was as follows:

	Income Statement Location	For the three months ended March 31, 2020	For the nine months ended March 31, 2020
		(in millions)	
Operating lease costs	Selling, general and administrative	$ 50	$ 149
Operating lease costs	Operating expenses	1	7
Short term lease costs	Operating expenses	2	7
Variable lease costs	Selling, general and administrative	10	29
Total lease costs		$ 63	$ 192

Additional information related to the Company's operating leases under ASU 2016-02:

	As of March 31, 2020
Weighted-average remaining lease term	11.3 years
Weighted-average incremental borrowing rate	3.27%

	For the nine months ended March 31, 2020
	(in millions)
Cash paid - Operating lease liabilities	$ 175
Operating lease right-of-use asset obtained in exchange for operating lease liabilities	$ 225

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Future minimum lease payments under non-cancellable leases as of March 31, 2020 are as follows:

	As of March 31, 2020 (in millions)
Fiscal 2020 (three months remaining)	$ 54
Fiscal 2021	190
Fiscal 2022	193
Fiscal 2023	182
Fiscal 2024	168
Thereafter	935
Total future minimum lease payments	1,722
Less: interest	317
Present value of minimum payments	$ 1,405

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NOTE 8. EQUITY

The following tables summarize changes in equity for the three and nine months ended March 31, 2020 and 2019:

	For the three months ended March 31, 2020 (in millions)									
	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total News Corp Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2019	389	$ 4	200	$ 2	$ 12,183	$ (2,114)	$ (1,117)	$ 8,958	$ 1,169	$10,127
Net loss	—	—	—	—	—	(730)	—	(730)	(306)	(1,036)
Other comprehensive loss	—	—	—	—	—	—	(351)	(351)	(109)	(460)
Dividends	—	—	—	—	(59)	—	—	(59)	(19)	(78)
Other	—	—	—	—	13	(1)	2	14	1	15
Balance, March 31, 2020	389	$ 4	200	$ 2	$ 12,137	$ (2,845)	$ (1,466)	$ 7,832	$ 736	$ 8,568

	For the three months ended March 31, 2019 (in millions)									
	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total News Corp Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2018	385	$ 4	200	$ 2	$ 12,271	$ (1,937)	$ (1,076)	$ 9,264	$ 1,170	$10,434
Net income	—	—	—	—	—	10	—	10	13	23
Other comprehensive income	—	—	—	—	—	—	57	57	10	67
Dividends	—	—	—	—	(58)	—	—	(58)	(20)	(78)
Other	—	—	—	—	16	—	—	16	(4)	12
Balance, March 31, 2019	385	$ 4	200	$ 2	$ 12,229	$ (1,927)	$ (1,019)	$ 9,289	$ 1,169	$10,458

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	For the nine months ended March 31, 2020									
	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total News Corp Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
	(in millions)									
Balance, June 30, 2019	386	$ 4	200	$ 2	$ 12,243	$ (1,979)	$ (1,126)	$ 9,144	$ 1,167	$10,311
Cumulative impact from adoption of new standards	—	—	—	—	—	6	3	9	—	9
Net loss	—	—	—	—	—	(872)	—	(872)	(272)	(1,144)
Other comprehensive loss	—	—	—	—	—	—	(344)	(344)	(118)	(462)
Dividends	—	—	—	—	(118)	—	—	(118)	(41)	(159)
Other	3	—	—	—	12	—	1	13	—	13
Balance, March 31, 2020	389	$ 4	200	$ 2	$ 12,137	$ (2,845)	$ (1,466)	$ 7,832	$ 736	$ 8,568

	For the nine months ended March 31, 2019									
	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total News Corp Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount						
	(in millions)									
Balance, June 30, 2018	383	$ 4	200	$ 2	$ 12,322	$ (2,163)	$ (874)	$ 9,291	$ 1,186	$10,477
Cumulative impact from adoption of new standards	—	—	—	—	—	32	(22)	10	10	20
Net income	—	—	—	—	—	206	—	206	64	270
Other comprehensive loss	—	—	—	—	—	—	(124)	(124)	(46)	(170)
Dividends	—	—	—	—	(117)	—	—	(117)	(43)	(160)
Other	2	—	—	—	24	(2)	1	23	(2)	21
Balance, March 31, 2019	385	$ 4	200	$ 2	$ 12,229	$ (1,927)	$ (1,019)	$ 9,289	$ 1,169	$10,458

Stock Repurchases

In May 2013, the Company's Board of Directors (the "Board of Directors") authorized the Company to repurchase up to an aggregate of $500 million of its Class A Common Stock. No stock repurchases were made during the nine months ended March 31, 2020 and 2019. Through April 30, 2020, the Company cumulatively repurchased approximately 5.2 million shares of Class A Common Stock for an aggregate cost of approximately $71 million. The remaining authorized amount under the stock repurchase program as of April 30, 2020 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 nine months ended March 31, 2020 and 2019.

Dividends

In February 2020, the Board of Directors declared a semi-annual cash dividend of $0.10 per share for Class A Common Stock and Class B Common Stock. This dividend was paid on April 15, 2020 to stockholders of record as of March 11, 2020. 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.

NOTE 9. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

In accordance with ASC 820, "Fair Value Measurements" ("ASC 820") fair value measurements are required to be disclosed using a three-tiered fair value hierarchy which distinguishes market participant assumptions into the following categories:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs other than quoted prices included in Level 1. The Company could value assets and liabilities included in this level using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. For the Company, this primarily includes the use of forecasted financial information and other valuation related assumptions such as discount rates and long term growth rates in the income approach as well as the market approach which utilizes certain market and transaction multiples.

Under ASC 820, certain assets and liabilities are required to be remeasured to fair value at the end of each reporting period.

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The following table summarizes those assets and liabilities measured at fair value on a recurring basis:

	As of March 31, 2020				As of June 30, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
				(in millions)				
Assets:								
Foreign currency derivatives - cash flow hedges	$ —	$ 4	$ —	$ 4	$ —	$ 1	$ —	$ 1
Cross currency interest rate derivatives - fair value hedges	—	30	—	30	—	29	—	29
Cross currency interest rate derivatives - economic hedges	—	—	—	—	—	12	—	12
Cross currency interest rate derivatives - cash flow hedges	—	120	—	120	—	116	—	116
Equity securities[(a)]	54	—	125	179	74	—	113	187
Total assets	$ 54	$ 154	$ 125	$333	$ 74	$ 158	$ 113	$345
Liabilities:								
Interest rate derivatives - cash flow hedges	—	15	—	15	—	20	—	20
Mandatorily redeemable noncontrolling interests	—	—	—	—	—	—	11	11
Cross currency interest rate derivatives - cash flow hedges	—	17	—	17	—	18	—	18
Total liabilities	$ —	$ 32	$ —	$ 32	$ —	$ 38	$ 11	$ 49

(a) See Note 5 —Investments.

There have been no transfers between levels of the fair value hierarchy during the periods presented.

Equity securities

The fair values of equity securities with quoted prices in active markets are determined based on the closing price at the end of each reporting period. These securities are classified as Level 1 in the fair value hierarchy outlined above. The fair values of equity securities without readily determinable fair market values are determined based on cost, less any impairment, plus or minus changes in fair value resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. These securities are classified as Level 3 in the fair value hierarchy outlined above.

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

	For the nine months ended March 31, 2020	2019
	(in millions)	
Balance - beginning of period[(a)]	$ 113	$ 127
Additions[(b)]	17	7
Sales	—	(10)
Measurement adjustments	(3)	—
Foreign exchange and other	(2)	(9)
Balance - end of period	$ 125	$ 115

(a) As a result of the adoption of ASU 2016-01 during the first quarter of fiscal 2019, the cumulative net unrealized gains (losses) for these investments contained within Accumulated other comprehensive loss were reclassified through Accumulated deficit as of July 1, 2018.

(b) Includes purchases of equity securities as well as the equity securities received as consideration for the sale of Unruly to Tremor in the third quarter of fiscal 2020.

Mandatorily redeemable noncontrolling interests

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

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

	For the nine months ended March 31, 2020	2019
	(in millions)	
Balance - beginning of period	$ 12	$ 12
Payments[(a)]	(11)	—
Accretion	—	1
Foreign exchange movements	—	(1)
Other	(1)	—
Balance - end of period	$ —	$ 12

(a) In July 2019, REA Group acquired the remaining 19.7% interest in Smartline Home Loans Pty Limited for approximately $11 million, increasing REA Group's ownership to 100%.

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Derivative Instruments

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

- foreign currency exchange rate risk: arising primarily through Foxtel Debt Group borrowings denominated in United States ("U.S.") dollars, payments for customer premise equipment, and certain programming rights; and
- interest rate risk: arising from fixed and floating rate Foxtel Debt Group borrowings.

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

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

	Balance Sheet Location	As of March 31, 2020	As of June 30, 2019
		(in millions)	
Foreign currency derivatives - cash flow hedges	Other current assets	$ 4	$ 1
Cross currency interest rate derivatives - fair value hedges	Other current assets	—	8
Cross currency interest rate derivatives - economic hedges	Other current assets	—	12
Cross currency interest rate derivatives - cash flow hedges	Other current assets	—	33
Cross currency interest rate derivatives - fair value hedges	Other non-current assets	30	21
Cross currency interest rate derivatives - cash flow hedges	Other non-current assets	120	83
Interest rate derivatives - cash flow hedges	Other current liabilities	—	(2)
Interest rate derivatives - cash flow hedges	Other non-current liabilities	(15)	(18)
Cross currency interest rate derivatives - cash flow hedges	Other non-current liabilities	(17)	(18)

Cash flow hedges

The Company utilizes a combination of foreign currency derivatives, interest rate derivatives and cross currency interest rate derivatives to mitigate currency exchange and interest rate risk in relation to future interest and principal payments and payments for customer premise equipment.

The total notional value of foreign currency contract derivatives designated for hedging was $59 million as of March 31, 2020. The maximum hedged term over which the Company is hedging exposure to foreign currency fluctuations is to February 2021. As of March 31, 2020, the Company estimates that approximately $2 million of net derivative gains related to its foreign currency contract derivative cash flow hedges included in Accumulated other comprehensive loss will be reclassified into the Statement of Operations within the next 12 months.

The total notional value of interest rate swap derivatives designated as cash flow hedges was approximately A$300 million as of March 31, 2020. The maximum hedged term over which the Company is hedging exposure to variability in interest payments is to September 2022. As of March 31, 2020, the Company estimates that approximately $3 million of net derivative gains related to its interest rate swap derivative cash flow hedges included in Accumulated other comprehensive loss will be reclassified into the Statement of Operations within the next 12 months.

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The total notional value of cross currency interest rate swaps that were designated as cash flow hedges was approximately $280 million as of March 31, 2020. The maximum hedged term over which the Company is hedging exposure to variability in interest payments is to July 2024. As of March 31, 2020, the Company estimates that approximately $2 million of net derivative gains related to its cross currency interest rate swap derivative cash flow hedges included in Accumulated other comprehensive loss will be reclassified into the Statement of Operations within the next 12 months.

The following tables present the impact that changes in the fair values of derivatives designated as cash flow hedges had on Accumulated other comprehensive loss and the Statement of Operations during the three and nine months ended March 31, 2020 and 2019.

	Gain (loss) recognized in Accumulated Other Comprehensive Loss for the three months ended March 31,		(Gain) loss reclassified from Accumulated Other Comprehensive Loss for the three months ended March 31,		Income statement location
	2020	2019	2020	2019	
	(in millions)				
Derivative instruments designated as cash flow hedges:					
Foreign currency derivatives - cash flow hedges	$ 5	$ (2)	$ (1)	$ —	Operating expenses
Cross currency interest rate derivatives - cash flow hedges	43	(9)	(33)	7	Interest expense, net
Interest rate derivatives - cash flow hedges	(3)	(4)	1	2	Interest expense, net
Total	$ 45	$ (15)	$ (33)	$ 9	

	Gain (loss) recognized in Accumulated Other Comprehensive Loss for the nine months ended March 31,		(Gain) loss reclassified from Accumulated Other Comprehensive Loss for the nine months ended March 31,		Income statement location
	2020	2019	2020	2019	
	(in millions)				
Derivative instruments designated as cash flow hedges:					
Foreign currency derivatives - cash flow hedges	$ 3	$ 2	$ (3)	$ (2)	Operating expenses
Cross currency interest rate derivatives - cash flow hedges	35	7	(30)	(5)	Interest expense, net
Interest rate derivatives - cash flow hedges	(6)	(6)	(4)	6	Interest expense, net
Total	$ 32	$ 3	$ (37)	$ (1)	

Upon adoption of ASU 2017-12, the Company reclassified $5 million in gains from Accumulated deficit to Accumulated other comprehensive loss related to amounts previously recorded for the ineffective portion of outstanding derivative instruments designated as cash flow hedges. During the three months ended March 31, 2019, the Company excluded the currency basis from the changes in fair value of the derivative instruments from the assessment of hedge effectiveness.

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Fair value hedges

Borrowings issued at fixed rates and in U.S. dollars expose the Company to fair value interest rate risk and currency exchange rate risk. The Company manages fair value interest rate risk and currency exchange rate risk through the use of cross currency interest rate swaps under which the Company exchanges fixed interest payments equivalent to the interest payments on the U.S. dollar denominated debt for floating rate Australian dollar denominated interest payments. The changes in fair value of derivatives designated as fair value hedges and the offsetting changes in fair value of the hedged items are recognized in Other, net. For the nine months ended March 31, 2020, such adjustments increased the carrying value of borrowings by $3 million.

The total notional value of the fair value hedges was approximately $70 million as of March 31, 2020. The maximum hedged term over which the Company is hedging exposure to variability in interest payments is to July 2024.

During the three and nine months ended March 31, 2020 and 2019, the amount recognized in the Statement of Operations on derivative instruments designated as fair value hedges related to the ineffective portion was nil and the Company excluded the currency basis from the changes in fair value of the derivative instruments from the assessment of hedge effectiveness.

The following sets forth the effect of fair value hedging relationships on hedged items in the Balance Sheets as of March 31, 2020:

	As of March 31, 2020 (in millions)
Borrowings:	
Carrying amount of hedged item	$ 72
Cumulative hedging adjustments included in the carrying amount	5

Nonrecurring Fair Value Measurements

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

During the third quarter of fiscal 2020, the Company recognized non-cash impairment charges of $882million and $49million related to goodwill and indefinite-lived intangible assets, respectively, at its Foxtel reporting unit. The carrying value of goodwill at Foxtel decreased from $1,668 million to $786 million and the carrying value of indefinite-lived intangible assets decreased from $189million to $140 million. See Note 4—Impairment and Restructuring Charges.

During the first quarter of fiscal 2020, the Company recognized non-cash impairment charges of $122 million and $113 million related to goodwill and indefinite-lived intangible assets, respectively, at the News America Marketing reporting unit. The carrying value of goodwill at News America Marketing decreased from $122 million to nil and the value of indefinite-lived intangible assets decreased from $308 million to $195 million. See Note 4—Impairment and Restructuring Charges.

The Company did not recognize any write-downs on the carrying value of its assets during the three and nine months ended March 31, 2019.

Other Fair Value Measurements

As of March 31, 2020, the carrying value of the Company’s outstanding borrowings approximates the fair value. The U.S. private placement borrowings are classified as Level 2 and the remaining borrowings are classified as Level 3 in the fair value hierarchy.

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NOTE 10. EARNINGS (LOSS) PER SHARE

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

	For the three months ended March 31,		For the nine months ended March 31,	
	2020	2019	2020	2019
	(in millions, except per share amounts)			
Net (loss) income	$ (1,036)	$ 23	$ (1,144)	$ 270
Less: Net loss (income) attributable to noncontrolling interests	306	(13)	272	(64)
Net (loss) income attributable to News Corporation stockholders	$ (730)	$ 10	$ (872)	$ 206
Weighted-average number of shares of common stock outstanding - basic	588.3	585.0	587.7	584.6
Dilutive effect of equity awards[a]	—	3.8	—	2.6
Weighted-average number of shares of common stock outstanding - diluted	588.3	588.8	587.7	587.2
Net (loss) income attributable to News Corporation stockholders per share - basic and diluted	$ (1.24)	$ 0.02	$ (1.48)	$ 0.35

(a) The dilutive impact of the Company’s performance stock units, restricted stock units and stock options has been excluded from the calculation of diluted loss per share for the three and nine months ended March 31, 2020 because their inclusion would have an antidilutive effect on the net loss per share.

NOTE 11. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has commitments under certain firm contractual arrangements (“firm commitments”) to make future payments. These firm commitments secure the future rights to various assets and services to be used in the normal course of operations. The Company’s commitments as of March 31, 2020 have not changed significantly from the disclosures included in the 2019 Form 10-K and the Company’s Form 10-Q for the quarter ended December 31, 2019.

Contingencies

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

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News America Marketing

In May 2020, the Company sold its News America Marketing business. In the transaction, the Company retained certain liabilities, including those arising from the legal proceedings with Insignia and Valassis described below.

Insignia Systems, Inc.

On July 11, 2019, Insignia filed a complaint in the U.S. District Court for the District of Minnesota against News America Marketing FSI L.L.C. ("NAM FSI"), News America Marketing In-Store Services L.L.C. ("NAM In-Store") and News Corporation (together, the "NAM Parties") alleging violations of federal and state antitrust laws and common law business torts. The complaint seeks treble damages, injunctive relief and attorneys' fees and costs. On August 14, 2019, the NAM Parties answered the complaint and asserted a counterclaim against Insignia for breach of contract, alleging that Insignia violated a prior settlement agreement between NAM In-Store and Insignia. The NAM Parties subsequently filed a motion seeking dismissal of the complaint on October 21, 2019. On November 11, 2019, Insignia filed an opposition to the NAM Parties' motion and a cross-motion seeking dismissal of the counterclaim, which the NAM Parties opposed. The court held a hearing on the motion and cross-motion on January 14, 2020, and on April 6, 2020, denied both motions. The court has ordered expedited discovery on the counterclaim, with dispositive motions due by June 14, 2020. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, the NAM Parties believe they have been compliant with applicable laws and intend to defend themselves vigorously.

Valassis Communications, Inc.

On November 8, 2013, Valassis filed a complaint in the U.S. District Court for the Eastern District of Michigan (the "District Court") against the NAM Parties and News America Incorporated (together, the "NAM Group") alleging violations of federal and state antitrust laws and common law business torts, including unfair competition. The complaint seeks treble damages, injunctive relief and attorneys' fees and costs. NAM In-Store and NAM FSI asserted a counterclaim against Valassis for unfair competition, alleging that Valassis has engaged in the same practices that it alleges to be unfair. In November 2019, the parties agreed to discontinue the unfair competition claim and counterclaim.

On December 19, 2013, the NAM Group filed a motion to dismiss the complaint and on March 30, 2016, the District Court dismissed Valassis's bundling and tying claims. On September 25, 2017, the District Court granted Valassis's motion to transfer the case to the U.S. District Court for the Southern District of New York (the "N.Y. District Court"). On April 13, 2018, the NAM Group filed a motion for summary judgment dismissing the case which was granted in part and denied in part by the N.Y. District Court on February 21, 2019. The N.Y. District Court found that the NAM Group's bidding practices were lawful but denied its motion with respect to claims arising out of certain other alleged contracting practices. In addition, the N.Y. District Court also dismissed Valassis's claims relating to free-standing insert products. On December 20, 2019, the N.Y. District Court granted the NAM Group's motion to exclude the testimony of Valassis's sole damages expert. On February 6, 2020, in response to a motion by Valassis, the N.Y. District Court clarified that Valassis could seek the court's permission to prove damages through evidence other than its expert's excluded testimony. Valassis subsequently filed a motion to supplement and amend its expert and pre-trial damages disclosures, which the N.Y. District Court granted on April 24, 2020. As a result, the trial date of June 1, 2020 has been postponed without a new date. In addition, in light of COVID-19, the conduct of jury trials in the N.Y. District Court is currently suspended until further order of the court. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, the NAM Group believes it has been compliant with applicable laws and intends to defend itself vigorously.

U.K. Newspaper Matters

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

In connection with the separation of the Company from Twenty-First Century Fox, Inc. (“21st Century Fox”) on June 28, 2013, 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 such date arising out of civil claims and investigations relating to the U.K. Newspaper Matters as well as legal and professional fees and expenses paid in connection with the previously concluded criminal matters, other than fees, expenses and costs relating to employees (i) who are not directors, officers or certain designated employees or (ii) with respect to civil matters, who are not co-defendants with the Company or 21st Century Fox. 21st Century Fox’s indemnification obligations with respect to these matters are settled on an after-tax basis. In March 2019, as part of the separation of Fox Corporation (“FOX”) from 21st Century Fox, the Company, News Corp Holdings UK & Ireland, 21st Century Fox and FOX entered into a Partial Assignment and Assumption Agreement, pursuant to which, among other things, 21st Century Fox assigned, conveyed and transferred to FOX all of its indemnification obligations with respect to the U.K. Newspaper Matters.

The net expense related to the U.K. Newspaper Matters in Selling, general and administrative was $4 million and $2 million for the three months ended March 31, 2020 and 2019, respectively, and $5 million and $8 million for the nine months ended March 31, 2020 and 2019, respectively. As of March 31, 2020, 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 $62 million. The amount to be indemnified by FOX of approximately $66 million was recorded as a receivable in Other current assets on the Balance Sheet as of March 31, 2020. The net expense for the nine months ended March 31, 2020 reflects a $5 million impact from the reversal of a portion of the Company’s previously accrued liability and the corresponding receivable from FOX as the result of an agreement reached with the relevant tax authority with respect to certain employment taxes. It is not possible to estimate the liability or corresponding receivable for any additional claims that may be filed given the information that is currently 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.

Other

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, or as settlements or litigations occur.

NOTE 12. INCOME TAXES

At the end of each interim period, the Company estimates the annual effective tax rate and applies that rate to its ordinary quarterly earnings. The tax expense or benefit related to significant, unusual or extraordinary items that will be separately reported or reported net of their related tax effect are individually computed and recognized in the interim period in which those items occur. In addition, the effects of changes in enacted tax laws or rates or tax status are recognized in the interim period in which the change occurs.

For the three months ended March 31, 2020, the Company recorded an income tax benefit of $10 million on pre-tax loss of $1,046 million resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The tax rate was impacted by the non-cash impairment of Foxtel’s goodwill and indefinite-lived intangible assets, which have no tax benefit, by valuation allowances being recorded against tax benefits in certain foreign jurisdictions with operating losses, and by the impact of foreign operations which are subject to higher tax rates.

For the nine months ended March 31, 2020, the Company recorded an income tax expense of $21 million on a pre-tax loss of $1,123 million resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The tax rate was impacted by the non-cash impairment of Foxtel’s goodwill and indefinite-lived intangible assets, which have no tax benefit, a lower tax benefit recorded on the impairment of News America Marketing’s goodwill in prior quarters, by valuation allowances being recorded against tax benefits in certain foreign jurisdictions with operating losses, and by the impact of foreign operations which are subject to higher tax rates.

For the three months ended March 31, 2019, the Company recorded income tax expense of $7 million on pre-tax income of $30 million, resulting in an effective tax rate that was higher than the U.S. statutory tax rate. The higher tax rate was primarily due to valuation allowances being recorded against tax benefits in certain foreign jurisdictions with operating losses and the impact from foreign operations which are subject to higher tax rates.

For the nine months ended March 31, 2019, the Company recorded income tax expense of $112 million on pre-tax income of $382 million resulting in an effective tax rate that was higher than the U.S. statutory tax rate. The higher tax rate was primarily due to valuation allowances being recorded against tax benefits in certain foreign jurisdictions with operating losses and the impact from foreign operations which are subject to higher tax rates.

Management assesses available evidence to determine whether sufficient future taxable income will be generated to permit the use of existing deferred tax assets. Based on management's assessment of available evidence, it has been determined that it is more likely than not that certain deferred tax assets in U.S Federal, State and foreign jurisdictions may not be realized and therefore, a valuation allowance has been established against those tax assets.

As a result of adverse economic impacts of COVID-19 on its business, the Company performed an assessment of the need for additional valuation allowances against existing deferred tax assets. As a result of this assessment, the Company determined no additional valuation allowances should be recorded, however, given the rapidly evolving and changing landscape caused by the pandemic, the Company will continue to closely monitor the impacts of COVID-19 on the Company's ability to realize its deferred tax assets and may record new valuation allowances in the future as new information becomes available.

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 is currently undergoing tax examinations by various U.S. state and foreign jurisdictions. During the year ended June 30, 2018, the Internal Revenue Service commenced an audit of the Company for the year ended June 30, 2014. The Company effectively settled this audit with minimal changes in February 2020. 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, the Company may need to accrue additional income tax expense and its liability may need to be adjusted as new information becomes known and as these tax examinations continue to progress, or as settlements or litigations occur.

The Company paid gross income taxes of $93 million and $107 million during the nine months ended March 31, 2020 and 2019, respectively, and received tax refunds of $5 million and $17 million, respectively.

NOTE 13. SEGMENT INFORMATION

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

- ***News and Information Services***—The News and Information Services segment includes the Company's global print, digital and broadcast radio media platforms. These product offerings include the global print and digital versions of *The Wall Street Journal* and Barron's Group, which includes *Barron's* and MarketWatch, the Company's suite of professional information products, including Factiva, Dow Jones Risk & Compliance and Dow Jones Newswires, and its live journalism events. The Company also owns, among other publications, *The Australian*, *The Daily Telegraph*, *Herald Sun*, *The Courier Mail* and *The Advertiser* in Australia, *The Times*, *The Sunday Times*, *The Sun* and *The Sun on Sunday* in the U.K. and the *New York Post* in the U.S. This segment also includes Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K., and Storyful, a social media content agency. The segment included News America Marketing until the completion of the sale of the business on May 5, 2020.

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

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

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

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

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

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

Segment EBITDA is defined as revenues less operating expenses and selling, general and administrative expenses. Segment EBITDA does not include: depreciation and amortization, impairment and restructuring charges, equity losses of affiliates, interest (expense) income, net, other, net and income tax (expense) benefit. Segment EBITDA may not be comparable to similarly titled measures reported by other companies, since companies and investors may differ as to what items should be included in the calculation of Segment EBITDA.

Segment EBITDA is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources within the Company's businesses. Segment EBITDA provides management, investors and equity analysts with a measure to analyze the operating performance of each of the Company's business segments and its enterprise value against historical data and competitors' data, although historical results may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

NEWS CORPORATION
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Segment information is summarized as follows:

	For the three months ended March 31, 2020	For the three months ended March 31, 2019	For the nine months ended March 31, 2020	For the nine months ended March 31, 2019
	(in millions)			
Revenues:				
News and Information Services	$ 1,130	$ 1,224	$ 3,520	$ 3,729
Subscription Video Services	462	539	1,477	1,666
Book Publishing	412	421	1,259	1,335
Digital Real Estate Services	261	272	827	876
Other	1	1	2	2
Total revenues	$ 2,266	$ 2,457	$ 7,085	$ 7,608
Segment EBITDA:				
News and Information Services	$ 75	$ 65	$ 273	$ 286
Subscription Video Services	68	98	219	295
Book Publishing	55	53	167	209
Digital Real Estate Services	74	73	274	299
Other	(30)	(42)	(115)	(114)
Depreciation and amortization	(160)	(168)	(484)	(494)
Impairment and restructuring charges	(1,125)	(34)	(1,451)	(71)
Equity losses of affiliates	(7)	(4)	(12)	(13)
Interest expense, net	(9)	(14)	(13)	(45)
Other, net	13	3	19	30
(Loss) income before income tax benefit (expense)	(1,046)	30	(1,123)	382
Income tax benefit (expense)	10	(7)	(21)	(112)
Net (loss) income	$ (1,036)	$ 23	$ (1,144)	$ 270

	As of March 31, 2020	As of June 30, 2019
	(in millions)	
Total assets:		
News and Information Services	$ 5,288	$ 5,482
Subscription Video Services	3,319	4,406
Book Publishing	2,165	2,074
Digital Real Estate Services	2,166	2,229
Other[(a)]	1,165	1,185
Investments	325	335
Total assets	$ 14,428	$ 15,711

(a) The Other segment primarily includes Cash and cash equivalents.

NEWS CORPORATION
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

	As of March 31, 2020	As of June 30, 2019
	(in millions)	
Goodwill and intangible assets, net:		
News and Information Services	$ 2,082	$ 2,617
Subscription Video Services	1,371	2,595
Book Publishing	735	772
Digital Real Estate Services	1,489	1,589
Total Goodwill and intangible assets, net	$ 5,677	$ 7,573

NOTE 14. ADDITIONAL FINANCIAL INFORMATION

Receivables, net

Receivables are presented net of an allowance for doubtful accounts, which is an estimate of amounts that may not be collectible. 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.

Receivables, net consist of:

	As of March 31, 2020	As of June 30, 2019
	(in millions)	
Receivables	$ 1,295	$ 1,590
Allowance for doubtful accounts	(58)	(46)
Receivables, net	$ 1,237	$ 1,544

Other Current Assets

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

	As of March 31, 2020	As of June 30, 2019
	(in millions)	
Assets held for sale	$ 334	$ —
Other	419	515
Total Other current assets	$ 753	$ 515

NEWS CORPORATION
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Other Non-Current Assets

The following table sets forth the components of Other non-current assets:

	As of March 31, 2020	As of June 30, 2019
	(in millions)	
Royalty advances to authors	$ 342	$ 343
Retirement benefit assets	137	117
Inventory[a]	134	155
Other	350	315
Total Other non-current assets	$ 963	$ 930

[a] Primarily consists of the non-current portion of programming rights.

Other Current Liabilities

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

	As of March 31, 2020	As of June 30, 2019
	(in millions)	
Royalties and commissions payable	$ 190	$ 211
Current operating lease liabilities[a]	156	—
Allowance for sales returns	168	192
Current tax payable	18	22
Liabilities held for sale	190	—
Other	257	299
Total Other current liabilities	$ 979	$ 724

[a] As a result of the adoption of ASU 2016-02 during the first quarter of fiscal 2020, the Company has included the current portion of its operating lease liabilities within Other current liabilities as of March 31, 2020.

NEWS CORPORATION
NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Other, net

The following table sets forth the components of Other, net:

	For the three months ended March 31, 2020	For the three months ended March 31, 2019	For the nine months ended March 31, 2020	For the nine months ended March 31, 2019
	(in millions)			
Dividends received from equity security investments	$ 1	$ 1	$ 2	$ 24
Remeasurement of equity securities	(17)	6	(22)	(23)
Gain on sale of businesses[(a)]	20	—	20	—
Gain on sale of Australian property	—	2	—	14
Other, net	9	(6)	19	15
Total Other, net	$ 13	$ 3	$ 19	$ 30

(a) During the three and nine months ended March 31, 2020, REA Group contributed its businesses located in Singapore and Indonesia into a joint venture with 99.co in return for an equity method investment in the combined entity. As a result of the deconsolidation of these entities, REA Group recognized a $20 million gain in Other, net.

Supplemental Cash Flow Information

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

	For the nine months ended March 31, 2020	For the nine months ended March 31, 2019
	(in millions)	
Cash paid for interest	$ 43	$ 67
Cash paid for taxes	93	107

NOTE 15. SUBSEQUENT EVENTS

News America Marketing

On March 31, 2020, the Company entered into a definitive agreement for the sale of its News America Marketing business, which was completed on May 5, 2020. Refer to Note 3—Acquisitions, Disposals and Other Transactions for further discussion.

REA Group Credit Facility

In April 2020, REA Group entered into a new A$148.5 million working capital facility and an A$20 million overdraft facility. Refer to Note 6—Borrowings for further discussion.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This document, including the following discussion and analysis, contains statements that constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the Securities Act of 1933, as amended. All statements that are not statements of historical fact are forward-looking statements. The words "expect," "estimate," "anticipate," "predict," "believe" and similar expressions and variations thereof are intended to identify forward-looking statements. These statements appear in a number of places in this discussion and analysis and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things, trends affecting the Company's financial condition or results of operations, including expected impacts from the recent novel coronavirus ("COVID-19") pandemic and related public health measures, and the outcome of contingencies such as litigation and investigations. Readers are cautioned that any forward-looking statements are not guarantees of future performance and involve risks and uncertainties, including those related to COVID-19. More information regarding these risks and uncertainties (many of which may be amplified by COVID-19) and other important factors that could cause actual results to differ materially from those in the forward-looking statements is set forth under the heading "Risk Factors" in Part I, Item 1A in News Corporation's Annual Report on Form 10-K for the fiscal year ended June 30, 2019 as filed with the Securities and Exchange Commission (the "SEC") on August 13, 2019 (the "2019 Form 10-K"), and Part II, Item 1A. of this Form 10-Q, and as may be updated in other subsequent Quarterly Reports on Form 10-Q. The Company does not ordinarily make projections of its future operating results and undertakes no obligation (and expressly disclaims any obligation) to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers should carefully review this document and the other documents filed by the Company with the SEC. This section should be read together with the unaudited consolidated financial statements of News Corporation and related notes set forth elsewhere herein and the audited consolidated financial statements of News Corporation and related notes set forth in the 2019 Form 10-K.

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, subscription video services in Australia, book publishing and digital real estate services.

Certain reclassifications have been made to the prior period consolidated financial statements to conform to the current year presentation. Specifically, the Company reclassified the costs associated with certain initiatives previously included within the Other segment to the News and Information Services and Digital Real Estate Services segments as these initiatives directly benefit these segments. For the three and nine months ended March 31, 2019, these reclassifications increased Selling, general and administrative by $8 million and $23 million, respectively, for the News and Information Services segment and by $1 million in both periods for the Digital Real Estate Services segment.

The unaudited 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:

- ***Overview of the Company's Businesses*** - This section provides a general description of the Company's businesses, as well as developments that occurred to date during fiscal 2020 that the Company believes are important in understanding its results of operations and financial condition or to disclose known trends.

- ***Results of Operations*** - This section provides an analysis of the Company's results of operations for the three and nine months ended March 31, 2020 and 2019. This analysis is presented on both a consolidated basis and a segment basis. Supplemental revenue information is also included for reporting units within certain segments and is presented on a gross basis, before eliminations in consolidation. In addition, a brief description is provided of significant transactions and events that impact the comparability of the results being analyzed.
- ***Liquidity and Capital Resources*** - This section provides an analysis of the Company's cash flows for the nine months ended March 31, 2020 and 2019, as well as a discussion of the Company's financial arrangements and outstanding commitments, both firm and contingent, that existed as of March 31, 2020.

OVERVIEW OF THE COMPANY'S BUSINESSES

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

- ***News and Information Services***—The News and Information Services segment includes the Company's global print, digital and broadcast radio media platforms. These product offerings include the global print and digital versions of *The Wall Street Journal* and Barron's Group, which includes *Barron's* and MarketWatch, the Company's suite of professional information products, including Factiva, Dow Jones Risk & Compliance and Dow Jones Newswires, and its live journalism events. The Company also owns, among other publications, *The Australian*, *The Daily Telegraph*, *Herald Sun*, *The Courier Mail* and *The Advertiser* in Australia, *The Times*, *The Sunday Times*, *The Sun* and *The Sun on Sunday* in the U.K. and the *New York Post* in the U.S. This segment also includes Wireless Group, operator of talkSPORT, the leading sports radio network in the U.K., and Storyful, a social media content agency. The segment included News America Marketing until the completion of the sale of the business on May 5, 2020.
- ***Subscription Video Services***—The Company's Subscription Video Services segment provides video sports, entertainment and news services to pay-TV subscribers and other commercial licensees, primarily via cable, satellite and internet distribution, and consists of (i) the Company's 65% interest in Foxtel (with the remaining 35% interest in Foxtel held by Telstra, an Australian Securities Exchange ("ASX")-listed telecommunications company) and (ii) Australian News Channel ("ANC"). Foxtel is the largest pay-TV provider in Australia, with nearly 200 channels covering sports, general entertainment, movies, documentaries, music, children's programming and news. Foxtel offers the leading sports programming content in Australia, with broadcast rights to live sporting events including: National Rugby League, Australian Football League, Cricket Australia, the domestic football league, the Australian Rugby Union and various motorsports programming. Foxtel also operates Foxtel Now, an over-the-top, or OTT, service, and Kayo, a sports-only OTT service.

  ANC operates the SKY NEWS network, Australia's 24-hour multi-channel, multi-platform news service. ANC channels are distributed throughout Australia and New Zealand and available on Foxtel and Sky Network Television NZ. ANC also owns and operates the international Australia Channel IPTV service and offers content across a variety of digital media platforms, including mobile, podcasts and social media websites.
- ***Book Publishing***—The Book Publishing segment consists of HarperCollins, the second largest consumer book publisher in the world, with operations in 17 countries and particular strengths in general fiction, nonfiction, children's and religious publishing. HarperCollins owns more than 120 branded publishing imprints, including Harper, William Morrow, HarperCollins Children's Books, Avon, Harlequin and Christian publishers Zondervan and Thomas Nelson, and publishes works by well-known authors such as Harper Lee, Chip and Joanna Gaines, Rick Warren, Sarah Young and Agatha Christie and popular titles such as *The Hobbit, Goodnight Moon, To Kill a Mockingbird, Jesus Calling* and *Hillbilly Elegy*.
- ***Digital Real Estate Services***—The Digital Real Estate Services segment consists of the Company's 61.6% interest in REA Group and 80% interest in Move. The remaining 20% interest in Move is held by REA Group. REA Group is a market-leading digital media business specializing in property and is listed on the ASX (ASX: REA). REA Group advertises property and property-related services on its websites and mobile apps across Australia and Asia, including Australia's leading residential, commercial and share property websites, realestate.com.au, realcommercial.com.au, Flatmates.com.au and spacely.com.au, and property portals in Asia. In addition, REA Group provides property-related data to the financial sector and financial services through an end-to-end digital property search and financing experience and a mortgage broking offering.

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

- ***Other***—The Other segment consists primarily of general corporate overhead expenses, the corporate Strategy Group and costs related to the U.K. Newspaper Matters (as defined in Note 11—Commitments and Contingencies to the Consolidated Financial Statements). The Company's Strategy Group identifies new products and services across its businesses to increase revenues and profitability and targets and assesses potential acquisitions, investments and dispositions.

Other Business Developments

COVID-19 Impact

COVID-19 is believed to have been first identified in China in late 2019 and has spread globally. The rapid spread has resulted in authorities implementing numerous measures to try to contain the virus, including quarantines, "stay-at-home" orders, event cancellations, travel restrictions, school shutdowns and orders for many businesses to curtail or cease normal operations. The impact of COVID-19 and measures to prevent its spread have created significant volatility, uncertainty and economic disruption and are affecting the Company's businesses in a number of ways. While the impacts of COVID-19 were not material to the Company's results of operations for the three and nine months ended March 31, 2020 as they began to materialize toward the end of the third quarter, the Company expects a more significant impact in the fourth quarter of fiscal 2020, particularly as containment measures in a number of its operating geographies have been extended into May or beyond. As of the date of this filing, the Company has observed the following effects on its businesses:

News and Information Services: Advertising and single-copy sales revenues in the segment have been and are expected to continue to be adversely affected as a result of widespread business closures, social distancing measures and economic uncertainty resulting from COVID-19. However, the Company has seen increases in digital paid subscribers, including at the *Wall Street Journal*, *The Times*, *The Sunday Times* and *The Australian*, as well as digital audience gains at online versions of its news properties.

Subscription Video Services: The cancellation or postponement of sports events for which the Company has broadcast rights has resulted in fewer subscribers to its sports services, including Kayo, and is expected to adversely impact customer churn, which, in turn, have adversely affected and are expected to continue to adversely affect subscription revenue from broadcast and Kayo subscribers and, together with adverse economic conditions, have negatively impacted and are expected to continue to adversely impact advertising revenue. Profitability in future periods may also be adversely impacted even if postponed events are ultimately held, as the Company will resume recognizing programming amortization expense for those events but may not generate sufficient incremental subscription and advertising revenues to compensate for current losses, particularly if a large number of sports events are held during the same period. In addition, closures of pubs and clubs and lower occupancy at hotels throughout Australia have adversely impacted and are expected to continue to adversely impact commercial subscription revenues.

Book Publishing: Sales have been and are expected to continue to be adversely affected by shipping restrictions and delays imposed by online retailers, as well as closures of brick-and-mortar retail stores. However, in recent weeks the Company has seen an increase in sales of digital formats of its titles, which remain readily available from online retailers.

Digital Real Estate Services: The real estate markets in both Australia and the U.S. have been and continue to be negatively impacted as a result of social distancing measures, business closures and economic uncertainty resulting from COVID-19. Weakness in new listing volumes, lower transaction volume and other adverse effects, as well as measures the Company has taken to support its customers, including re-list and re-upgrade offers for new listings and price concessions, have adversely affected and are expected to continue to adversely affect revenues.

The Company has taken various steps to offset the impact of COVID-19, including by reducing variable costs and implementing cost-savings initiatives across its businesses such as significant reductions in discretionary spending, non-essential capital expenditures and headcount and transitioning certain newspaper operations to digital-only.

The Company is also currently in separate discussions with each of the various sports leagues regarding the scheduling of sports events and potential cost concessions based on the terms of the applicable contract. The continued postponement of sports events for which the Company has broadcast rights will cause a deferral of the recognition of the associated programming amortization expense for the period in which no live games are being played.

The ultimate impact of the COVID-19 pandemic, including the extent of adverse impacts on the Company's business, results of operations and financial condition, will depend on, among other things, the severity, duration and spread of the pandemic, the impact of governmental actions and business and consumer behavior in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the resulting global economic conditions and how quickly and to what extent normal economic and operating conditions can resume, all of which are highly uncertain and cannot be predicted. The evolving and uncertain nature of this situation makes it challenging for management to estimate the future performance of the Company's businesses, including the supply and demand for the Company's products and services, its cash flows, its advertising revenues and the impact on rights payments, which are subject to negotiation. For additional information regarding risks related to the COVID-19 pandemic, please see "*The recent novel coronavirus (COVID-19) pandemic and other similar epidemics, pandemics or widespread health crises could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.*" in Part II, Item 1A. of this Form 10-Q.

Sale of News America Marketing

On March 31, 2020, the Company entered into a definitive agreement for the sale of its News America Marketing business, a reporting unit within its News and Information Services segment (the "Transaction"), which was completed on May 5, 2020. The aggregate purchase price for the Transaction consists of (a) up to approximately $235 million, comprised of (i) $50 million in cash at closing, subject to working capital and other adjustments, less cash reinvested to acquire a 5% equity interest in the business at closing, and (ii) additional deferred cash payments payable on or before the fifth anniversary of closing in an aggregate amount of between $125 million and approximately $185 million, depending on the timing of such payments, and (b) a warrant to purchase up to an additional 10% equity interest in the business, which is exercisable on or prior to the seventh anniversary of closing. In the Transaction, the Company retained certain liabilities relating to News America Marketing, including those arising from its ongoing legal proceedings with Valassis Communications, Inc. and Insignia Systems, Inc. See Note 11—Commitments and Contingencies in the accompanying Consolidated Financial Statements. See Note 3—Acquisitions, Disposals and Other Transactions in the accompanying Consolidated Financial Statements for additional information.

Sale of Unruly

In January 2020, the Company sold Unruly to Tremor International Ltd ("Tremor") for approximately 7% of Tremor's outstanding shares. The Company agreed not to sell the Tremor shares for a period of 18 months after closing. At closing, the Company and Tremor entered into a three year commercial arrangement which granted Tremor the exclusive right to sell outstream video advertising on all of the Company's digital properties in exchange for a total minimum revenue guarantee for News Corp of £30 million. See Note 3—Acquisitions, Disposals and Other Transactions in the accompanying Consolidated Financial Statements for additional information.

RESULTS OF OPERATIONS

Results of Operations—For the three and nine months ended March 31, 2020 versus the three and nine months ended March 31, 2019

The following table sets forth the Company's operating results for the three and nine months ended March 31, 2020 as compared to the three and nine months ended March 31, 2019.

(in millions, except %)	For the three months ended March 31, 2020	2019	Change	% Change Better/(Worse)	For the nine months ended March 31, 2020	2019	Change	% Change Better/(Worse)
Revenues:								
Circulation and subscription	$ 966	$ 1,025	$ (59)	(6)%	$ 2,951	$ 3,088	$ (137)	(4)%
Advertising	576	670	(94)	(14)%	1,861	2,052	(191)	(9)%
Consumer	396	403	(7)	(2)%	1,204	1,281	(77)	(6)%
Real estate	209	218	(9)	(4)%	669	693	(24)	(3)%
Other	119	141	(22)	(16)%	400	494	(94)	(19)%
Total Revenues	2,266	2,457	(191)	(8)%	7,085	7,608	(523)	(7)%
Operating expenses	(1,281)	(1,400)	119	9%	(3,968)	(4,224)	256	6%
Selling, general and administrative	(743)	(810)	67	8%	(2,299)	(2,409)	110	5%
Depreciation and amortization	(160)	(168)	8	5%	(484)	(494)	10	2%
Impairment and restructuring charges	(1,125)	(34)	(1,091)	**	(1,451)	(71)	(1,380)	**
Equity losses of affiliates	(7)	(4)	(3)	(75)%	(12)	(13)	1	8%
Interest expense, net	(9)	(14)	5	36%	(13)	(45)	32	71%
Other, net	13	3	10	**	19	30	(11)	(37)%
(Loss) income before income tax benefit (expense)	**(1,046)**	**30**	**(1,076)**	**	**(1,123)**	**382**	**(1,505)**	**
Income tax benefit (expense)	10	(7)	17	**	(21)	(112)	91	81%
Net (loss) income	(1,036)	23	(1,059)	**	(1,144)	270	(1,414)	**
Less: Net loss (income) attributable to noncontrolling interests	306	(13)	319	**	272	(64)	336	**
Net (loss) income attributable to News Corporation stockholders	**$ (730)**	**$ 10**	**$ (740)**	**	**$ (872)**	**$ 206**	**$(1,078)**	**

** not meaningful

Revenues— Revenues decreased $191 million, or 8%, and $523 million, or 7%, for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019.

The Revenue decrease for the three months ended March 31, 2020 was driven by lower revenues at the News and Information Services segment of $94 million, primarily due to weakness in the print advertising market, lower revenues at News America Marketing and the $25 million negative impact of foreign currency fluctuations. Revenues at the Subscription Video Services segment declined $77 million, mainly due to lower subscription revenues resulting from fewer broadcast subscribers and the $38 million negative impact of foreign currency fluctuations. Revenues at the Digital Real Estate Services and Book Publishing segments decreased $11 million and $9 million, respectively. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Revenue decrease of $78 million, or 3%, for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

The Revenue decrease for the nine months ended March 31, 2020 was driven by lower revenues at the News and Information Services segment of $209 million, primarily due to weakness in the print advertising market, the $75 million negative impact of foreign currency fluctuations, lower revenues at News America Marketing of $67 million and the absence of the $48 million benefit related to News UK's exit from the partnership for *Sun Bets* in the first quarter of fiscal 2019, partially offset by price increases and digital subscriber growth across key mastheads. Revenues at the Subscription Video Services segment declined by $189 million, primarily due to the $97 million negative impact of foreign currency fluctuations and lower subscription revenues resulting from fewer broadcast subscribers and changes in the subscriber package mix, partially offset by $49 million of higher revenues from Kayo and Foxtel Now. Revenues at the Book Publishing and Digital Real Estate Service segments decreased $76 million and $49 million, respectively. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Revenue decrease of $212 million, or 3%, for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

The Company calculates the impact of foreign currency fluctuations for businesses reporting in currencies other than the U.S. dollar by multiplying the results for each quarter in the current period by the difference between the average exchange rate for that quarter and the average exchange rate in effect during the corresponding quarter of the prior year and totaling the impact for all quarters in the current period.

Operating expenses— Operating expenses decreased $119 million, or 9%, and $256 million, or 6%, for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019.

The decrease in Operating expenses for the three months ended March 31, 2020 was mainly due to lower operating expenses at the Subscription Video Services segment of $62 million, primarily resulting from the $24 million positive impact of foreign currency fluctuations and lower sports and entertainment programming costs. The decrease in Operating expenses was also due to lower expenses at the News and Information Services segment of $49 million, primarily due to cost savings initiatives, lower costs associated with lower revenues at News America Marketing, the $14 million positive impact of foreign currency fluctuations and lower newsprint, production and distribution costs. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in an Operating expense decrease of $40 million, or 3%, for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

The decrease in Operating expenses for the nine months ended March 31, 2020 was mainly due to lower operating expenses at the News and Information Services segment of $130 million, primarily due to cost savings initiatives, the $39 million positive impact of foreign currency fluctuations, lower costs associated with lower revenues at News America Marketing, lower newsprint, production and distribution costs and the $22 million impact from the settlement of certain warranty-related claims pertaining to previously incurred and ongoing repairs and maintenance costs for News UK's printing business. The decrease was also due to lower operating expenses at the Subscription Video Services segment of $112 million, primarily due to the $63 million positive impact of foreign currency fluctuations and lower transmission and entertainment programming costs. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in an Operating expense decrease of $109 million, or 3%, for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

Selling, general and administrative—Selling, general and administrative decreased $67 million, or 8%, and $110 million, or 5%, for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019.

The decrease in Selling, general and administrative for the three months ended March 31, 2020 was primarily due to lower expenses at the News and Information Services segment of $55 million, driven by cost savings initiatives, the absence of costs resulting from the sale of Unruly in the third quarter of fiscal 2020 and the $11 million positive impact of foreign currency fluctuations. The decrease was also due to lower expenses at the Digital Real Estate Services and Book Publishing segments of $10 million and $3 million, respectively, offset by higher expenses of $15 million at the Subscription Video Services segment. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Selling, general and administrative decrease of $24 million, or 3%, for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

The decrease in Selling, general and administrative for the nine months ended March 31, 2020 was primarily due to lower expenses of $66 million at the News and Information Services segment, driven by the $33 million positive impact of foreign currency fluctuations, cost savings initiatives, the absence of costs associated with the sale of certain local radio stations in the UK in fiscal 2019 and the absence of costs resulting from the sale of Unruly in the third quarter of fiscal 2020, partially offset by increased compensation expense at Dow Jones. The decrease was also due to lower expenses of $32 million at the Digital Real Estate Services segment, driven by lower marketing costs and cost savings initiatives. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a Selling, general and administrative decrease of $66 million, or 3%, for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

Depreciation and amortization— Depreciation and amortization expense decreased $8 million, or 5%, and $10 million, or 2%, for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a depreciation and amortization expense decrease of $7 million and $19 million for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019.

Impairment and restructuring charges—During the three months ended March 31, 2020, the Company recognized non-cash impairment charges of $1,106 million, primarily related to a $931 million write-down of goodwill and indefinite-lived intangible assets at its Foxtel reporting unit and $175 million related to the reclassification of its News America Marketing reporting unit to assets held for sale.

During the nine months ended March 31, 2020, the Company recognized non-cash impairment charges of $1,398 million, primarily related to a $931 million write-down of goodwill and indefinite-lived intangible assets at its Foxtel reporting unit, $175 million related to the reclassification of its News America Marketing reporting unit to assets held for sale, as well as $292 million of write-downs recognized in previous quarters.

During the three and nine months ended March 31, 2020, the Company recorded restructuring charges of $19 million and $53 million, respectively.

During the three and nine months ended March 31, 2019, the Company recorded restructuring charges of $25 million and $62 million, respectively.

See Note 4—Impairment and Restructuring Charges in the accompanying Consolidated Financial Statements.

Equity losses of affiliates— Equity losses of affiliates increased by $3 million and improved by $1 million for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019. See Note 5—Investments in the accompanying Consolidated Financial Statements.

Interest expense, net— Interest expense, net improved by $5 million and $32 million for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019. Interest expense, net improved for the three months ended March 31, 2020 primarily due to lower third party interest expense resulting from repayments of maturing debt facilities. Interest expense, net improved for the nine months ended March 31, 2020 primarily due to the settlement of cash flow hedges related to debt maturities occurring in the first quarter of fiscal 2020 and lower third party interest expense due to repayments of maturing debt facilities.

Other, net— Other, net increased by $10 million and decreased by $11 million for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019. See Note 14—Additional Financial Information in the accompanying Consolidated Financial Statements.

Income tax benefit (expense)— For the three months ended March 31, 2020, the Company recorded an income tax benefit of $10 million on a pre-tax loss of $1,046 million, resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The tax rate was impacted by the non-cash impairment of Foxtel's goodwill and indefinite-lived intangible assets, which have no tax benefit, by valuation allowances being recorded against tax benefits in certain foreign jurisdictions with operating losses, and by the impact of foreign operations which are subject to higher tax rates.

For the nine months ended March 31, 2020, the Company recorded an income tax expense of $21 million on a pre-tax loss of $1,123 million, resulting in an effective tax rate that was lower than the U.S. statutory tax rate. The tax rate was impacted by the non-cash impairment of Foxtel's goodwill and indefinite-lived intangible assets, which have no tax benefit, a lower tax benefit recorded on the impairment of News America Marketing's goodwill in prior quarters, by valuation allowances being recorded against tax benefits in certain foreign jurisdictions with operating losses, and by the impact of foreign operations which are subject to higher tax rates.

For the three months ended March 31, 2019, the Company recorded income tax expense of $7 million on pre-tax income of $30 million, resulting in an effective tax rate that was higher than the U.S. statutory tax rate. The higher tax rate was primarily due to valuation allowances being recorded against tax benefits in certain foreign jurisdictions with operating losses and the impact from foreign operations which are subject to higher tax rates.

For the nine months ended March 31, 2019, the Company recorded income tax expense of $112 million on pre-tax income of $382 million, resulting in an effective tax rate that was higher than the U.S. statutory tax rate. The higher tax rate was primarily due to valuation allowances being recorded against tax benefits in certain foreign jurisdictions with operating losses and the impact from foreign operations which are subject to higher tax rates.

Management assesses available evidence to determine whether sufficient future taxable income will be generated to permit the use of existing deferred tax assets. Based on management's assessment of available evidence, it has been determined that it is more likely than not that certain deferred tax assets in U.S. Federal, State and foreign jurisdictions may not be realized and therefore, a valuation allowance has been established against those tax assets.

The adverse economic effects of the current COVID-19 pandemic have caused the Company to reassess the need for valuation allowances against deferred tax assets. As a result of this analysis, the Company determined no additional valuation allowances were needed against deferred tax assets and the Company will continue to monitor the impacts of COVID-19 on the Company's ability to realize its deferred tax assets.

In response to the COVID-19 pandemic, many governments have enacted or are in the process of enacting measures to provide aid and economic stimulus to companies. These measures may include deferring the due dates of tax payments, favorable changes in estimated payment calculations, or other changes to their income and non-income-based tax laws (the "COVID-19 measures"). On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted in the U.S. in response to the COVID-19 pandemic. The CARES Act contains numerous income tax provisions, such as relaxing limitations on the deductibility of interest and the use of net operating losses arising in taxable years beginning after December 31, 2017. For the three and nine months ended March 31, 2020, there were no material impacts to the Company's income tax provision as it relates to COVID-19 measures. The Company continues to monitor developments in relation to COVID-19 measures and their applicability to its business in the jurisdictions where it operates.

Net (loss) income — Net (loss) income declined by $1,059 million and $1,414 million for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019, primarily driven by the increase in non-cash impairment and restructuring charges discussed above.

Net loss (income) attributable to noncontrolling interests—Net loss (income) attributable to noncontrolling interests declined by $319 million and $336 million for the three and nine months ended March 31, 2020, respectively, as compared to the corresponding periods of fiscal 2019, primarily due to the impact of the non-cash impairment charges recognized at the Company's Foxtel reporting unit.

Segment Analysis

Segment EBITDA is defined as revenues less operating expenses and selling, general and administrative expenses. Segment EBITDA does not include: depreciation and amortization, impairment and restructuring charges, equity losses of affiliates, interest (expense) income, net, other, net and income tax (expense) benefit. Segment EBITDA may not be comparable to similarly titled measures reported by other companies, since companies and investors may differ as to what items should be included in the calculation of Segment EBITDA.

Segment EBITDA is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources within the Company's businesses. Segment EBITDA provides management, investors and equity analysts with a measure to analyze the operating performance of each of the Company's business segments and its enterprise value against historical data and competitors' data, although historical results may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

Total Segment EBITDA is a non-GAAP measure and should be considered in addition to, not as a substitute for, net income (loss), cash flow and other measures of financial performance reported in accordance with GAAP. In addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment and restructuring charges, which are significant components in assessing the Company's financial performance. The Company believes that the presentation of Total Segment EBITDA provides useful information regarding the Company's operations and other factors that affect the Company's reported results. Specifically, the Company believes that by excluding certain one-time or non-cash items such as impairment and restructuring charges and depreciation and amortization, as well as potential distortions between periods caused by factors such as financing and capital structures and changes in tax positions or regimes, the Company provides users of its consolidated financial statements with insight into both its core operations as well as the factors that affect reported results between periods but which the Company believes are not representative of its core business. As a result, users of the Company's consolidated financial statements are better able to evaluate changes in the core operating results of the Company across different periods.

The following table reconciles Net (loss) income to Total Segment EBITDA for the three and nine months ended March 31, 2020 and 2019:

	For the three months ended March 31,		For the nine months ended March 31,	
(in millions)	2020	2019	2020	2019
Net (loss) income	$ (1,036)	$ 23	$ (1,144)	$ 270
Add:				
Income tax (benefit) expense	(10)	7	21	112
Other, net	(13)	(3)	(19)	(30)
Interest expense, net	9	14	13	45
Equity losses of affiliates	7	4	12	13
Impairment and restructuring charges	1,125	34	1,451	71
Depreciation and amortization	160	168	484	494
Total Segment EBITDA	$ 242	$ 247	$ 818	$ 975

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The following tables set forth the Company's Revenues and Segment EBITDA by segment for the three and nine months ended March 31, 2020 and 2019:

(in millions)	For the three months ended March 31, 2020 Revenues	2020 Segment EBITDA	2019 Revenues	2019 Segment EBITDA
News and Information Services	$ 1,130	$ 75	$ 1,224	$ 65
Subscription Video Services	462	68	539	98
Book Publishing	412	55	421	53
Digital Real Estate Services	261	74	272	73
Other	1	(30)	1	(42)
Total	$ 2,266	$ 242	$ 2,457	$ 247

(in millions)	For the nine months ended March 31, 2020 Revenues	2020 Segment EBITDA	2019 Revenues	2019 Segment EBITDA
News and Information Services	$ 3,520	$ 273	$ 3,729	$ 286
Subscription Video Services	1,477	219	1,666	295
Book Publishing	1,259	167	1,335	209
Digital Real Estate Services	827	274	876	299
Other	2	(115)	2	(114)
Total	$ 7,085	$ 818	$ 7,608	$ 975

News and Information Services (50% and 49% of the Company's consolidated revenues in the nine months ended March 31, 2020 and 2019, respectively)

(in millions, except %)	For the three months ended March 31, 2020	2019	Change	% Change Better/(Worse)	For the nine months ended March 31, 2020	2019	Change	% Change Better/(Worse)
Revenues:								
Circulation and subscription	$ 543	$ 538	$ 5	1%	$ 1,618	$ 1,593	$ 25	2%
Advertising	511	593	(82)	(14)%	1,640	1,801	(161)	(9)%
Other	76	93	(17)	(18)%	262	335	(73)	(22)%
Total Revenues	**1,130**	**1,224**	**(94)**	**(8)%**	**3,520**	**3,729**	**(209)**	**(6)%**
Operating expenses	(651)	(700)	49	7%	(1,992)	(2,122)	130	6%
Selling, general and administrative	(404)	(459)	55	12%	(1,255)	(1,321)	66	5%
Segment EBITDA	**$ 75**	**$ 65**	**$ 10**	**15%**	**$ 273**	**$ 286**	**$ (13)**	**(5)%**

Revenues at the News and Information Services segment decreased $94 million, or 8%, for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019. The revenue decrease was primarily due to lower Advertising revenues of $82 million mainly due to weakness in the print advertising market, primarily in Australia, lower revenues at News America Marketing of $39 million and the $12 million negative impact of foreign currency fluctuations, partially offset by increased digital advertising revenue, mainly at Dow Jones and in the U.K. Advertising revenues also included an estimated $14 million negative impact resulting from the COVID-19 pandemic. Other revenues for the three months ended March 31, 2020 decreased by $17 million, primarily driven by the sale of Unruly in January 2020. Circulation and subscription revenues for the three months ended March 31, 2020 increased $5 million as compared to the corresponding period of fiscal 2019 primarily due to digital subscriber growth across key mastheads, led by *The Wall Street Journal*, price increases, mainly in Australia, higher professional information business revenues at Dow Jones led by Risk & Compliance and higher content licensing revenue. These increases were partially offset by print volume declines and the $10 million negative impact of foreign currency fluctuations. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $25 million, or 2%, for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

Segment EBITDA at the News and Information Services segment increased $10 million, or 15%, for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019. The increase was mainly due to higher contribution from Dow Jones of $9 million and lower losses at the *New York Post* of $6 million, primarily due to higher revenues, and the absence of losses of $6 million recognized in the prior year from Unruly, which was sold in January 2020, partially offset by lower contribution from News America Marketing of $10 million due to lower revenues. Segment EBITDA also included an estimated $11 million negative impact resulting from the COVID-19 pandemic.

Revenues at the News and Information Services segment decreased $209 million, or 6%, for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019. The revenue decrease was primarily due to lower Advertising revenues of $161 million driven by weakness in the print advertising market, primarily in Australia, lower revenues at News America Marketing of $67 million and the $34 million negative impact of foreign currency fluctuations, partially offset by digital advertising growth across key mastheads. Other revenues for the nine months ended March 31, 2020 decreased $73 million as compared to the corresponding period of fiscal 2019 primarily due to the absence of the $48 million benefit related to News UK's exit from the partnership for *Sun Bets* in the first quarter of fiscal 2019 and $11 million of lower revenues due to the sale of Unruly in the January 2020. Circulation and subscription revenues increased $25 million as compared to the corresponding period of fiscal 2019 primarily due to price increases, digital subscriber growth across key mastheads, led by *The Wall Street Journal*, higher professional information business revenues at Dow Jones led by Risk & Compliance and higher content licensing revenue. These increases were partially offset by print volume declines and the $31 million negative impact of foreign currency fluctuations. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $75 million, or 2%, for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

Segment EBITDA at the News and Information Services segment decreased $13 million, or 5%, for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019. The decrease was mainly due to lower contributions from News America Marketing and News Corp Australia of $31 million and $16 million, respectively, primarily due to lower revenues. The decrease was partially offset by higher contribution from Dow Jones of $23 million, lower losses at the *New York Post* of $15 million, primarily due to higher revenues, and higher contribution from News UK of $10 million primarily due to cost savings initiatives, lower newsprint, production and distribution costs and the $22 million impact from the settlement of certain warranty-related claims pertaining to previously incurred and ongoing repairs and maintenance costs, partially offset by the absence of the $48 million benefit related to the exit from the partnership for *Sun Bets* in the first quarter of fiscal 2019.

Dow Jones

Revenues were $399 million for the three months ended March 31, 2020, an increase of $18 million, or 5%, as compared to revenues of $381 million in the corresponding period of fiscal 2019. Circulation and subscription revenues increased $18 million, primarily due to the $10 million impact from digital subscriber growth and price increases, primarily at *The Wall Street Journal*, $5 million of higher professional information business revenues led by Risk & Compliance and $5 million of higher content licensing revenue. Advertising revenues decreased $2 million, primarily driven by a $10 million decline in print advertising due to market weakness across conference and traditional sales, partially offset by an $8 million increase in digital advertising revenue. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $1 million for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

Revenues were $1,216 million for the nine months ended March 31, 2020, an increase of $56 million, or 5%, as compared to revenues of $1,160 million in the corresponding period of fiscal 2019. Circulation and subscription revenues increased $55 million, primarily due to the $27 million impact from digital subscriber growth and price increases, primarily at *The Wall Street Journal*, $21 million of higher professional information business revenues led by Risk & Compliance and $8 million of higher content licensing revenue. Advertising revenues decreased $6 million, primarily driven by a decline of $15 million in print advertising, partially offset by a $9 million increase in digital advertising revenue. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $4 million for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

News Corp Australia

Revenues were $243 million for the three months ended March 31, 2020, a decrease of $41 million, or 14%, compared to revenues of $284 million in the corresponding period of fiscal 2019. Advertising revenues decreased $31 million, primarily due to the $21 million decrease in print advertising and the $10 million negative impact of foreign currency fluctuations. Circulation and subscription revenues decreased $6 million due to the $7 million negative impact of foreign currency fluctuations, as cover price increases and digital subscriber growth more than offset print volume declines. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $19 million, or 6%, for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

Revenues were $801 million for the nine months ended March 31, 2020, a decrease of $101 million, or 11%, compared to revenues of $902 million in the corresponding period of fiscal 2019. Advertising revenues decreased $73 million, primarily due to the $66 million decrease in print advertising and the $27 million negative impact of foreign currency fluctuations, partially offset by a $12 million increase due to the acquisition of an integrated content marketing agency and a $10 million increase due to digital advertising growth. Circulation and subscription revenues decreased $19 million primarily due to the $18 million negative impact of foreign currency fluctuations, as print volume declines were mostly offset by cover price increases and digital subscriber growth. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $51 million, or 5%, for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

News UK

Revenues were $231 million for the three months ended March 31, 2020, a decrease of $23 million, or 9%, as compared to revenues of $254 million in the corresponding period of fiscal 2019. Circulation and subscription revenues decreased $9 million, mainly due to single-copy volume declines, primarily at *The Sun*, partially offset by digital subscriber growth. Advertising revenues decreased $7 million, primarily due to weakness in the print advertising market, partially offset by digital advertising growth. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $4 million, or 2%, for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

Revenues were $713 million for the nine months ended March 31, 2020, a decrease of $81 million, or 10%, as compared to revenues of $794 million in the corresponding period of fiscal 2019. Other revenues decreased $60 million, mainly due to the absence of the $48 million benefit related to the exit from the partnership for *Sun Bets* in the first quarter of fiscal 2019. Circulation and subscription revenues decreased $18 million, primarily due to the $9 million negative impact of foreign currency fluctuations and lower revenues from single-copy volume declines, primarily at *The Sun*, partially offset by cover price increases across mastheads and digital subscriber growth. Advertising revenues decreased $3 million, primarily due to the $5 million negative impact of foreign currency fluctuations and weakness in the print advertising market, partially offset by digital advertising growth, mainly at *The Sun*. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $17 million, or 2%, for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

News America Marketing

Revenues at News America Marketing were $199 million for the three months ended March 31, 2020, a decrease of $39 million, or 16%, as compared to revenues of $238 million in the corresponding period of fiscal 2019. The decrease was primarily related to $17 million of lower home delivered revenues, which include free-standing insert products, due to lower volume and rates, and $16 million of lower in-store revenues, mainly due to lower client spending.

Revenues at News America Marketing were $590 million for the nine months ended March 31, 2020, a decrease of $67 million, or 10%, as compared to revenues of $657 million in the corresponding period of fiscal 2019. The decrease was primarily related to $49 million of lower home delivered revenues, which include free-standing insert products, due to lower volume and rates, and $13 million of lower in-store revenues, mainly due to lower client spending.

Subscription Video Services (21% and 22% of the Company's consolidated revenues in the nine months ended March 31, 2020 and 2019, respectively)

(in millions, except %)	For the three months ended March 31, 2020	2019	Change	% Change Better/(Worse)	For the nine months ended March 31, 2020	2019	Change	% Change Better/(Worse)
Revenues:								
Circulation and subscription	$ 414	$ 474	$ (60)	(13)%	$1,304	$ 1,455	$ (151)	(10)%
Advertising	40	50	(10)	(20)%	144	162	(18)	(11)%
Other	8	15	(7)	(47)%	29	49	(20)	(41)%
Total Revenues	**462**	**539**	**(77)**	**(14)%**	**1,477**	**1,666**	**(189)**	**(11)%**
Operating expenses	(312)	(374)	62	17%	(997)	(1,109)	112	10%
Selling, general and administrative	(82)	(67)	(15)	(22)%	(261)	(262)	1	—
Segment EBITDA	**$ 68**	**$ 98**	**$ (30)**	**(31)%**	**$ 219**	**$ 295**	**$ (76)**	**(26)%**

For the three months ended March 31, 2020, revenues at the Subscription Video Services segment decreased $77 million, or 14%, as compared to the corresponding period of fiscal 2019. The revenue decrease for the three months ended March 31, 2020 was primarily due to lower subscription revenues resulting from fewer broadcast subscribers and the negative impact of foreign currency fluctuations, partially offset by $12 million of higher revenues from Kayo. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $38 million, or 7%, for the three months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

For the three months ended March 31, 2020, Segment EBITDA decreased $30 million, or 31%, as compared to the corresponding period of fiscal 2019. The Segment EBITDA decrease for the three months ended March 31, 2020 was primarily due to the lower revenues discussed above, increased overhead costs and the $6 million negative impact of foreign currency fluctuations, partially offset by $9 million of lower sports programming and production costs resulting from the deferral of sports events due to COVID-19 and lower entertainment programming costs due to lower license fees.

For the nine months ended March 31, 2020, revenues at the Subscription Video Services segment decreased $189 million, or 11%, as compared to the corresponding period of fiscal 2019. The revenue decrease for the nine months ended March 31, 2020 was primarily due to the negative impact of foreign currency fluctuations and lower subscription revenues resulting from fewer broadcast subscribers and changes in the subscriber package mix, partially offset by $49 million of higher revenues from Kayo and Foxtel Now. The impact of foreign currency fluctuations of the U.S. dollar against local currencies resulted in a revenue decrease of $97 million, or 5%, for the nine months ended March 31, 2020 as compared to the corresponding period of fiscal 2019.

For the nine months ended March 31, 2020, Segment EBITDA decreased $76 million, or 26%, as compared to the corresponding period of fiscal 2019. The Segment EBITDA decrease for the nine months ended March 31, 2020 was primarily due to the lower revenues discussed above and the $16 million negative impact of foreign currency fluctuations, partially offset by lower marketing costs, transmission costs, and entertainment programming costs due to lower license fees.

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The following tables provide information regarding certain performance indicators for Foxtel, the primary reporting unit within the Subscription Video Services segment, as of and for the three and nine months ended, March 31, 2020 and 2019 (see “Part I. Business” in the Company’s 2019 Form 10-K for further detail regarding these performance indicators):

	As of March 31,	
	2020	2019
	(in 000’s)	
Broadcast Subscribers		
Residential[(a)]	1,942	2,141
Commercial[(b)]	266	259
OTT Subscribers (Total (Paid))		
Foxtel Now[(c)]	338 (317 paid)	357 (348 paid)
Kayo[(d)]	444 (408 paid)	199 (148 paid)
Total Paid Subscribers	2,933	2,896

	For the three months ended March 31,		For the nine months ended March 31,	
	2020	2019	2020	2019
Broadcast ARPU[(e)]	A$79 (US$52)	A$79 (US$57)	A$78 (US$53)	A$78 (US$56)
Broadcast Subscriber Churn[(f)]	17.5%	17.7%	16.0%	15.4%

(a) Subscribing households throughout Australia as of March 31, 2020 and 2019.

(b) Commercial subscribers throughout Australia as of March 31, 2020 and 2019. Commercial subscribers are calculated as residential equivalent business units and are derived by dividing total recurring revenue from these subscribers by an estimated average Broadcast ARPU which is held constant through the year.

(c) Total and Paid Foxtel Now subscribers as of March 31, 2020 and 2019. Paid Foxtel Now subscribers excludes customers receiving service for no charge under certain new subscriber promotions.

(d) Total and Paid Kayo subscribers as of March 31, 2020 and 2019. Paid Kayo subscribers excludes customers receiving service for no charge under certain new subscriber promotions.

(e) Average monthly broadcast residential subscription revenue per user (excluding Optus) (Broadcast ARPU) for the three and nine months ended March 31, 2020 and 2019.

(f) Broadcast residential subscriber churn rate (excluding Optus) (Broadcast Subscriber Churn) for the three and nine months ended March 31, 2020 and 2019. Broadcast subscriber churn represents the number of cable and satellite residential subscribers whose service is disconnected, expressed as a percentage of the average total number of cable and satellite residential subscribers, presented on an annual basis.

Book Publishing (17% and 18% of the Company's consolidated revenues in the nine months ended March 31, 2020 and 2019, respectively)

	For the three months ended March 31,				For the nine months ended March 31,			
(in millions, except %)	2020	2019	Change	% Change Better/(Worse)	2020	2019	Change	% Change Better/(Worse)
Revenues:								
Consumer	$ 396	$ 403	$ (7)	(2)%	$1,204	$1,281	$ (77)	(6)%
Other	16	18	(2)	(11)%	55	54	1	2%
Total Revenues	**412**	**421**	**(9)**	**(2)%**	**1,259**	**1,335**	**(76)**	**(6)%**
Operating expenses	(276)	(284)	8	3%	(852)	(881)	29	3%
Selling, general and administrative	(81)	(84)	3	4%	(240)	(245)	5	2%
Segment EBITDA	**$ 55**	**$ 53**	**$ 2**	**4%**	**$ 167**	**$ 209**	**$ (42)**	**(20)%**

For the three months ended March 31, 2020, revenues at the Book Publishing segment decreased $9 million, or 2%, as compared to the corresponding period of fiscal 2019. The decrease for the three months ended March 31, 2020 was primarily due to lower sales of Rachel Hollis titles, as well as the $3 million negative impact of foreign currency fluctuations. The decrease was partially offset by strong sales of *Open Book* by Jessica Simpson, *Find Your Path* by Carrie Underwood and *Profiles in Corruption* by Peter Schweizer. Digital sales represented approximately 23% of Consumer revenues during the three months ended March 31, 2020. Digital sales increased approximately 3% as compared to the corresponding period of fiscal 2019, primarily due to growth in downloadable audio books.

For the three months ended March 31, 2020, Segment EBITDA at the Book Publishing segment increased $2 million, or 4%, as compared to the corresponding period of fiscal 2019. The increase was primarily driven by lower expenses due to the mix of titles.

For the nine months ended March 31, 2020, revenues at the Book Publishing segment decreased $76 million, or 6%, as compared to the corresponding period of fiscal 2019. The decrease for the nine months ended March 31, 2020 was primarily due to lower sales of Rachel Hollis titles, *Homebody: A Guide to Creating Spaces You Never Want to Leave* by Joanna Gaines, *The Subtle Art Of Not Giving A F*ck* by Mark Manson and *The Hate U Give* by Angie Thomas, as well as the $10 million negative impact of foreign currency fluctuations. Digital sales represented approximately 21% of Consumer revenues during the nine months ended March 31, 2020. Digital sales increased approximately 1% as compared to the corresponding period of fiscal 2019, primarily due to growth in downloadable audio books.

For the nine months ended March 31, 2020, Segment EBITDA at the Book Publishing segment decreased $42 million, or 20%, as compared to the corresponding period of fiscal 2019. The decrease was primarily due to the lower revenues discussed above and the mix of titles.

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Digital Real Estate Services (12% and 11% of the Company's consolidated revenues in the nine months ended March 31, 2020 and 2019)

(in millions, except %)	For the three months ended March 31, 2020	2019	Change	% Change	For the nine months ended March 31, 2020	2019	Change	% Change
			Better/(Worse)				Better/(Worse)	
Revenues:								
Circulation and subscription	$ 9	$ 12	$ (3)	(25)%	$ 28	$ 39	$ (11)	(28)%
Advertising	25	27	(2)	(7)%	77	89	(12)	(13)%
Real estate	209	218	(9)	(4)%	669	693	(24)	(3)%
Other	18	15	3	20%	53	55	(2)	(4)%
Total Revenues	**261**	**272**	**(11)**	**(4)%**	**827**	**876**	**(49)**	**(6)%**
Operating expenses	(44)	(46)	2	4%	(131)	(123)	(8)	(7)%
Selling, general and administrative	(143)	(153)	10	7%	(422)	(454)	32	7%
Segment EBITDA	**$ 74**	**$ 73**	**$ 1**	**1%**	**$ 274**	**$ 299**	**$ (25)**	**(8)%**

For the three months ended March 31, 2020, revenues at the Digital Real Estate Services segment decreased $11 million, or 4%, as compared to the corresponding period of fiscal 2019. The Company estimates that COVID-19 negatively impacted revenues by approximately $8 million as a result of social distancing measures, business closures and economic uncertainty, as well as customer relief measures. At REA Group, revenues decreased $8 million, or 5%, to $143 million for the three months ended March 31, 2020 from $151 million in the corresponding period of fiscal 2019. The lower revenues were primarily due to the $12 million negative impact of foreign currency fluctuations partially offset by higher financial services revenue. Revenues at Move decreased $3 million, or 2%, to $118 million for the three months ended March 31, 2020 from $121 million in the corresponding period of fiscal 2019 primarily due to the estimated $6 million negative impact of COVID-19, primarily as a result of discounts offered to customers in response to the pandemic, as well as lower software and services revenues. Real estate revenues were flat as growth in revenues generated from the referral model were offset by lower lead generation product revenues resulting from the transition of leads to the referral model and the discounts provided to customers.

For the three months ended March 31, 2020, Segment EBITDA at the Digital Real Estate Services segment increased $1 million, or 1%, as compared to the corresponding period of fiscal 2019. The increase in Segment EBITDA was primarily driven by REA Group, as the increase in financial services revenues discussed above and lower costs more than offset the $7 million negative impact of foreign currency fluctuations. The Company estimates that COVID-19 negatively impacted Segment EBITDA by approximately $5 million, primarily due to the lower revenues discussed above.

For the nine months ended March 31, 2020, revenues at the Digital Real Estate Services segment decreased $49 million, or 6%, as compared to the corresponding period of fiscal 2019. At REA Group, revenues decreased $48 million, or 9%, to $465 million for the nine months ended March 31, 2020 from $513 million in the corresponding period of fiscal 2019. The lower revenues were primarily due to the $30 million negative impact of foreign currency fluctuations, a decrease in Australian residential depth revenue driven by declines in listing volumes and lower developer revenue. Revenues at Move increased $1 million to $362 million for the nine months ended March 31, 2020 from $361 million in the corresponding period of fiscal 2019 primarily due to a $14 million increase in real estate revenues, mostly offset by a decline in software and services revenues and the impact of the COVID-19 related discounts described above.

For the nine months ended March 31, 2020, Segment EBITDA at the Digital Real Estate Services segment decreased $25 million, or 8%, as compared to the corresponding period of fiscal 2019. The decrease in Segment EBITDA was primarily driven by the $17 million negative impact of foreign currency fluctuations, lower revenues at REA Group as discussed above and the $10 million impact associated with the acquisition of and continued investment in Opcity, partially offset by lower costs at Move.

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 March 31, 2020, the Company's cash and cash equivalents were $1.39 billion. The Company will continue to review its liquidity needs in light of the business and economic impacts resulting from COVID-19; however, it currently expects these elements of liquidity will enable it to meet its liquidity needs in the foreseeable future, including repayment of indebtedness. Additionally, the Company has taken various steps to offset the impact of COVID-19, including reducing variable costs and implementing cost savings initiatives across its businesses as discussed above. The Company also has available borrowing capacity under the 2019 News Corp Credit Facility (as defined below) and certain other facilities, as described below, and expects to have access to the worldwide credit and capital markets, subject to market conditions, in order to issue additional debt if needed or desired. Although the Company believes that its cash on hand and future cash from operations, together with its access to the credit and capital markets, will provide adequate resources to fund its operating and financing needs, its access to, and the availability of, financing on acceptable terms in the future will be affected by many factors, including: (i) the performance of the Company and/or its operating subsidiaries, as applicable, (ii) the Company's credit rating or absence of a credit rating and/or the credit rating of its operating subsidiaries, as applicable, (iii) the provisions of any relevant debt instruments, credit agreements, indentures and similar or associated documents, (iv) the liquidity of the overall credit and capital markets and (v) the current state of the economy. Moreover, the COVID-19 pandemic and the measures to prevent its spread, which have caused significant volatility, uncertainty and economic disruption, could make financing more difficult and/or expensive. There can be no assurances that the Company will continue to have access to the credit and capital markets on acceptable terms. See Part II, "Item 1A. Risk Factors" for further discussion.

As of March 31, 2020, the Company's consolidated assets included $561 million in cash and cash equivalents that were held by its foreign subsidiaries. Of this amount, $46 million is cash not readily accessible by the Company as it is held by 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 earns income outside the U.S., which is deemed to be permanently reinvested in certain foreign jurisdictions. The Company does not currently intend to repatriate these earnings. Should the Company require more capital in the U.S. than is generated by and/or available to its domestic operations, the Company could elect to transfer funds held in foreign jurisdictions. The transfer of funds from foreign jurisdictions may be cumbersome due to local regulations, foreign exchange controls and taxes. Additionally, the transfer of funds from foreign jurisdictions may result in higher effective tax rates and higher cash paid for income taxes for the Company.

The principal uses of cash that affect the Company's liquidity position include the following: operational expenditures including employee costs and paper purchases; capital expenditures; income tax payments; investments in associated entities; acquisitions; and the repayment of debt and related interest. In addition to the acquisitions and dispositions disclosed elsewhere, the Company has evaluated, and expects to continue to evaluate, possible future acquisitions and dispositions of certain businesses. Such transactions may be material and may involve cash, the issuance of the Company's securities or the assumption of indebtedness.

Issuer Purchases of Equity Securities

In May 2013, the Company's Board of Directors (the "Board of Directors") authorized the Company to repurchase up to an aggregate of $500 million of its Class A Common Stock. No stock repurchases were made during the nine months ended March 31, 2020 and 2019. Through April 30, 2020, the Company cumulatively repurchased approximately 5.2 million shares of Class A Common Stock for an aggregate cost of approximately $71 million. The remaining authorized amount under the stock repurchase program as of April 30, 2020 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 nine months ended March 31, 2020 and 2019.

Dividends

In February 2020, the Board of Directors declared a semi-annual cash dividend of $0.10 per share for Class A Common Stock and Class B Common Stock. This dividend was paid on April 15, 2020 to stockholders of record as of March 11, 2020. 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.

Sources and Uses of Cash—For the nine months ended March 31, 2020 versus the nine months ended March 31, 2019

Net cash provided by operating activities for the nine months ended March 31, 2020 and 2019 was as follows (in millions):

For the nine months ended March 31,	2020	2019
Net cash provided by operating activities	$ 462	$ 661

Net cash provided by operating activities decreased by $199 million for the nine months ended March 31, 2020 as compared to the nine months ended March 31, 2019. The decrease was primarily due to lower Total Segment EBITDA and lower cash distributions received from affiliates of $23 million.

Net cash used in investing activities for the nine months ended March 31, 2020 and 2019 was as follows (in millions):

For the nine months ended March 31,	2020	2019
Net cash used in investing activities	$(327)	$(523)

During the nine months ended March 31, 2020, the Company used $335 million of cash for capital expenditures, of which $171 million related to Foxtel. Total capital expenditures for fiscal 2020 are expected to be approximately $435 million, which includes an anticipated 35% to 40% reduction in capital expenditures at Foxtel.

During the nine months ended March 31, 2019, the Company used $417 million of cash for capital expenditures of which $223 million related to Foxtel, and $187 million of cash for acquisitions, primarily for the acquisition of Opcity.

Net cash used in financing activities for the nine months ended March 31, 2020 and 2019 was as follows (in millions):

For the nine months ended March 31,	2020	2019
Net cash used in financing activities	$(341)	$(501)

Net cash used in financing activities decreased by $160 million for the nine months ended March 31, 2020, as compared to the nine months ended March 31, 2019. During the nine months ended March 31, 2020, the Company repaid $1,161 million of borrowings related to Foxtel and REA Group, which includes repayments made as part of the debt refinancings completed in the second quarter of fiscal 2020, and made dividend payments of $100 million to News Corporation stockholders and REA Group minority stockholders. The net cash used in financing activities for the nine months ended March 31, 2020 was partially offset by new borrowings related to Foxtel and REA Group of $925 million, which includes drawdowns under the new facilities entered into as part of the debt refinancings referenced above, and the net settlement of hedges of $57 million. See Note 6—Borrowings in the accompanying Consolidated Financial Statements.

During the nine months ended March 31, 2019, the Company repaid borrowings of $801 million, mainly for Foxtel and at REA Group and redeemed the Company's redeemable preferred stock for $20 million. The net cash used in financing activities for the nine months ended March 31, 2019 was partially offset by borrowings related to Foxtel of $450 million.

Reconciliation of Free Cash Flow Available to News Corporation

Free cash flow available to News Corporation is a non-GAAP financial measure defined as net cash provided by operating activities, less capital expenditures ("free cash flow"), less REA Group free cash flow, plus cash dividends received from REA Group. Free cash flow available to News Corporation should be considered in addition to, not as a substitute for, cash flows from operations and other measures of financial performance reported in accordance with GAAP. Free cash flow available to News Corporation 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 free cash flow.

The Company considers free cash flow available to News Corporation to provide useful information to management and investors about the amount of cash that is available to be used to strengthen the Company's balance sheet and for strategic opportunities including, among others, investing in the Company's business, strategic acquisitions, dividend payouts and repurchasing stock. The Company believes excluding REA Group's free cash flow and including dividends received from REA Group provides users of its consolidated financial statements with a measure of the amount of cash flow that is readily available to the Company, as REA Group is a separately listed public company in Australia and must declare a dividend in order for the Company to have access to its share of REA Group's cash balance. The Company believes free cash flow available to News Corporation provides a more conservative view of the Company's free cash flow because this presentation includes only that amount of cash the Company actually receives from REA Group, which has generally been lower than the Company's unadjusted free cash flow.

A limitation of free cash flow available to News Corporation is that it does not represent the total increase or decrease in the cash balance for the period. Management compensates for the limitation of free cash flow available to News Corporation by also relying on the net change in cash and cash equivalents as presented in the Statements of Cash Flows prepared in accordance with GAAP which incorporate all cash movements during the period.

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

	For the nine months ended March 31, 2020	2019
	(in millions)	
Net cash provided by operating activities	$ 462	$ 661
Less: Capital expenditures	(335)	(417)
	127	244
Less: REA Group free cash flow	(129)	(164)
Plus: Cash dividends received from REA Group	65	69
Free cash flow available to News Corporation	$ 63	$ 149

Free cash flow available to News Corporation decreased by $86 million in the nine months ended March 31, 2020 to $63 million from $149 million in the corresponding period of fiscal 2019, primarily due to lower cash provided by operating activities as discussed above, partially offset by lower capital expenditures. Free cash flow available to News Corporation has typically been higher in the second half of the fiscal year.

Borrowings

As of March 31, 2020, the Company had total borrowings of $1.1 billion. The Company's borrowings as of such date consist of (i) $1.0 billion of outstanding debt incurred by certain subsidiaries of NXE Australia Pty Limited ("Foxtel" and together with such subsidiaries, the "Foxtel Debt Group") and (ii) $148 million of outstanding debt incurred by REA Group and certain of its subsidiaries (REA Group and its subsidiaries, the "REA Debt Group"). Both Foxtel and REA Group are consolidated but non wholly-owned subsidiaries of News Corp, and their indebtedness is only guaranteed by members of the Foxtel Debt Group and REA Debt Group, respectively, and is non-recourse to News Corp.

Foxtel Group Borrowings

In November 2019, the Foxtel Debt Group completed a debt refinancing in which it repaid its then existing credit facilities with the proceeds from a new A$610 million revolving credit facility maturing in November 2022 (the "2019 Credit Facility"), a new A$250 million term loan facility maturing in November 2024 (the "2019 Term Loan Facility") and the new A$200 million shareholder loan referenced below. In addition, the Foxtel Debt Group amended its 2017 Working Capital Facility which, among other things, extended the remaining term to three years, decreased the capacity under the facility from A$100 million to A$40 million and increased the applicable margin. The Foxtel Debt Group indebtedness also includes U.S. private placement senior unsecured notes with maturities ranging from fiscal 2023 to 2025. During the nine months ended March 31, 2020, the Foxtel Debt Group had repayments of approximately $997 million, including the repayment of $150 million aggregate principal amount of senior unsecured notes maturing in July 2019, $75 million aggregate principal amount of senior unsecured notes maturing in September 2019 and, in connection with the refinancing discussed above, the repayment of its outstanding borrowings under its A$200 million credit facility maturing in January 2020, its A$400 million credit facility maturing in July 2020, its A$400 million credit facility maturing in September 2021 and its 2017 Working Capital Facility. During the nine months ended March 31, 2020, the Foxtel Debt Group had borrowings of approximately $809 million, including the full drawdown of amounts available under the 2019 Credit Facility and the 2019 Term Loan Facility. As of March 31, 2020, the Foxtel Debt Group has undrawn commitments of A$2 million under the 2017 Working Capital Facility, for which it pays a commitment fee of 45% of the applicable margin. The Company previously provided the Foxtel Debt Group with A$500 million of shareholder loans in fiscal 2019 and an A$200 million revolving credit facility for working capital purposes during the first quarter of fiscal 2020. During the second quarter of fiscal 2020, the Company provided the Foxtel Debt Group with an additional A$200 million shareholder loan. The shareholder loans bear interest at a variable rate of the Australian BBSY plus an applicable margin ranging from 6.30% to 7.75% and mature in December 2027. The shareholder revolving credit facility bears interest at a variable rate of the Australian BBSY plus an applicable margin ranging from 2.00% to 3.75%, depending on the Foxtel Debt Group's net leverage ratio, and matures in July 2024. Additionally, in February 2020, the Foxtel Debt Group entered into an A$170 million subordinated shareholder loan facility agreement with Telstra which can be used to finance cable transmission costs due to Telstra. The shareholder loan bears interest at a variable rate of the Australian BBSY plus an applicable margin of 7.75% and matures in December 2027. As of March 31, 2020, the Foxtel Debt Group has not borrowed any funds under the Telstra Facility.

REA Group Borrowings

During the second quarter of fiscal 2020, REA Group completed a debt refinancing in which it repaid the final A$240 million tranche of its A$480 million revolving loan facility with the proceeds of a new A$170 million unsecured syndicated revolving loan facility maturing in December 2021 (the "2019 REA Group Credit Facility") and cash on hand. As of March 31, 2020, REA Group had drawn down the full A$170 million available under the 2019 REA Group Credit Facility.

In April 2020, REA Group entered into a new A$148.5 million working capital facility and an A$20 million overdraft facility. Refer to Note 6—Borrowings for further discussion.

News Corp Revolving Credit Facility

In December 2019, the Company terminated its existing unsecured $650 million revolving credit facility, and entered into a new credit agreement (the "2019 Credit Agreement") which provides for an unsecured $750 million revolving credit facility (the "2019 News Corp Credit Facility") that can be used for general corporate purposes. The 2019 News Corp Credit Facility has a sublimit of $100 million available for issuances of letters of credit. Under the 2019 Credit Agreement, the Company may request increases in the amount of the facility up to a maximum amount of $1 billion. The lenders' commitments to make the 2019 News Corp Credit Facility available terminate on December 12, 2024, and the Company may request that the commitments be extended under certain circumstances for up to two additional one-year periods. As of March 31, 2020, the Company has not borrowed any funds under the 2019 News Corp Credit Facility.

All of the Company's borrowings contain customary representations, covenants, and events of default. The Company was in compliance with all such covenants at March 31, 2020.

See Note 6—Borrowings in the accompanying Consolidated Financial Statements for further details regarding the Company's outstanding debt, including certain information about interest rates and maturities related to such debt arrangements.

Commitments

The Company has commitments under certain firm contractual arrangements ("firm commitments") to make future payments. These firm commitments secure the future rights to various assets and services to be used in the normal course of operations. The Company's commitments as of March 31, 2020 have not changed significantly from the disclosures included in the 2019 Form 10-K and the Company's Form 10-Q for the quarter ended December 31, 2019.

Contingencies

The Company routinely is involved in various legal proceedings, claims and governmental inspections or investigations, including those discussed in Note 11 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 11 – 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, or as settlements or litigations occur.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no material change in the Company's assessment of its sensitivity to market risk since its presentation set forth in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," in the Company's 2019 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

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

(b) Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) during the Company's third quarter of fiscal 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

The following supplements the discussion set forth under “Legal Proceedings” in the Company’s 2019 Form 10-K.

Insignia Systems, Inc.

As reported in the 2019 Form 10-K, Insignia Systems, Inc. (“Insignia”) filed a complaint in the U.S. District Court for the District of Minnesota against News America Marketing FSI L.L.C. (“NAM FSI”), News America Marketing In-Store Services L.L.C. (“NAM In-Store”) and News Corporation (together, the “NAM Parties”) on July 11, 2019 alleging violations of federal and state antitrust laws and common law business torts. The complaint seeks treble damages, injunctive relief and attorneys’ fees and costs. On August 14, 2019, the NAM Parties answered the complaint and asserted a counterclaim against Insignia for breach of contract, alleging that Insignia violated a prior settlement agreement between NAM In-Store and Insignia. The NAM Parties subsequently filed a motion seeking dismissal of the complaint on October 21, 2019. On November 11, 2019, Insignia filed an opposition to the NAM Parties’ motion and a cross-motion seeking dismissal of the counterclaim, which the NAM Parties opposed. The court held a hearing on the motion and cross-motion on January 14, 2020, and on April 6, 2020, denied both motions. The court has ordered expedited discovery on the counterclaim, with dispositive motions due by June 14, 2020. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, the NAM Parties believe they have been compliant with applicable laws and intend to defend themselves vigorously.

Valassis Communications, Inc.

As reported in the 2019 Form 10-K, Valassis Communications, Inc. (“Valassis”) filed a complaint in the U.S. District Court for the Eastern District of Michigan (the “District Court”) against the NAM Parties and News America Incorporated (together, the “NAM Group”) on November 8, 2013 alleging violations of federal and state antitrust laws and common law business torts, including unfair competition, and seeking treble damages, injunctive relief and attorneys’ fees and costs. NAM In-Store and NAM FSI asserted a counterclaim against Valassis for unfair competition, alleging that Valassis has engaged in the same practices that it alleges to be unfair. In November 2019, the parties agreed to discontinue the unfair competition claim and counterclaim.

On December 19, 2013, the NAM Group filed a motion to dismiss the complaint and on March 30, 2016, the District Court dismissed Valassis’s bundling and tying claims. On September 25, 2017, the District Court granted Valassis’s motion to transfer the case to the U.S. District Court for the Southern District of New York (the “N.Y. District Court”). On April 13, 2018, the NAM Group filed a motion for summary judgment dismissing the case which was granted in part and denied in part by the N.Y. District Court on February 21, 2019. The N.Y. District Court found that the NAM Group’s bidding practices were lawful but denied its motion with respect to claims arising out of certain other alleged contracting practices. In addition, the N.Y. District Court also dismissed Valassis’s claims relating to free-standing insert products. On December 20, 2019, the N.Y. District Court granted the NAM Group’s motion to exclude the testimony of Valassis’s sole damages expert. On February 6, 2020, in response to a motion by Valassis, the N.Y. District Court clarified that Valassis could seek the court’s permission to prove damages through evidence other than its expert’s excluded testimony. Valassis subsequently filed a motion to supplement and amend its expert and pre-trial damages disclosures, which the N.Y. District Court granted on April 24, 2020. As a result, the trial date of June 1, 2020 has been postponed without a new date. In addition, in light of COVID-19, the conduct of jury trials in the N.Y. District Court is currently suspended until further order of the court. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, the NAM Group believes it has been compliant with applicable laws and intends to defend itself vigorously.

ITEM 1A. RISK FACTORS

The Company is including the following additional risk factor, which updates the risk factors disclosed in the Company’s 2019 Form 10-K and subsequent Quarterly Reports on Form 10-Q. In addition, many of the risk factors previously disclosed in the 2019 Form 10-K and subsequent Quarterly Reports on Form 10-Q will be amplified by the following additional risk factor. Except as set forth below and as may have been updated in other Quarterly Reports on Form 10-Q, there have been no material changes to the risk factors described in the 2019 Form 10-K.

The recent novel coronavirus (COVID-19) pandemic and other similar epidemics, pandemics or widespread health crises could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

The recent COVID-19 outbreak and other similar epidemics, pandemics or widespread health crises, and the resulting responses of governments, businesses and consumers, could have a material adverse effect on the Company's business, results of operations, cash flows and financial position. The COVID-19 pandemic has led to the implementation of unprecedented and wide-ranging measures by international, federal, state and local public health and governmental authorities to contain and combat the outbreak and spread of the virus, including quarantines, "stay-at-home" orders, event cancellations, travel restrictions, school shutdowns and orders for many businesses to curtail or cease normal operations. The impact of the pandemic and measures to prevent its spread have, in turn, created significant volatility, uncertainty and economic disruption and have subjected the Company's businesses to a number of risks, including, but not limited to, the following:

- *Reductions in revenue and profitability across the Company's businesses*. Advertising revenues have been, and are expected to continue to be, adversely impacted by the recent economic downturn resulting from the pandemic and reduced spending by advertisers, particularly in the travel, retail, entertainment and real estate industries. Business curtailments, closures and other operational changes and "stay at home" orders have also caused, and are expected to continue to cause, a decline in, among other things, new listing and other Real Estate revenues, sales of print books and newspapers and commercial subscription revenues at the Subscription Video Services segment. Subscription revenues from broadcast and Kayo subscribers in the Subscription Video Services segment have also been, and are expected to continue to be, adversely affected by the cancellation or postponement of sports events for which the Company has broadcast rights and other disruptions in the creation and availability of film and television programming. Profitability in future periods may also be adversely impacted even if the postponed events are ultimately held, as the Company will resume recognizing programming amortization expense for those events but may not generate sufficient incremental subscription and advertising revenues to compensate for current losses, particularly if a large number of sports events are held during the same period.
- *Disruptions in the Company's supply chain*. The Company's supply chain, including its printing facilities, as well as the manufacturing and other facilities and operations of its third-party suppliers and vendors, may be disrupted by facility closures, reductions in operating hours, labor shortages and changes in operating procedures. Similarly, the pandemic may negatively affect the Company's distribution and logistics providers' ability to operate or increase their operating costs. Economic disruption and uncertainty may also cause the Company's suppliers and vendors to experience financial difficulties and result in volatility in paper and other input costs. These supply chain effects may have an adverse effect on the Company's ability to meet consumer demand and could result in an increase in its costs of production and distribution.
- *Efforts to mitigate the adverse impacts of COVID-19 may not be successful and may result in the incurrence of costs and/or negatively impact the Company's revenues*. The Company is devoting substantial time and resources to mitigating the effect of COVID-19. These efforts, including measures to reduce variable costs and the implementation of cost-savings initiatives across its businesses, may divert resources and the attention of the Company's senior management from other aspects of the Company's operations, including previously planned initiatives. Cost containment measures such as workforce reductions and shifting to digital-only editions for certain local Australian newspapers may cause the Company to incur restructuring and other costs, while business support measures, including re-list and re-upgrade offers for new listings and price concessions at the Digital Real Estate Services segment, have adversely affected, and are expected to continue to adversely affect, revenues. There can be no assurance that any mitigation efforts taken by the Company will be successful or substantially offset declines in revenues.
- *Adverse Workforce Impacts*. The Company's operations may be adversely affected if a substantial number of employees or key personnel become ill or are quarantined as a result of COVID-19. The Company has instituted remote working arrangements for a substantial majority of its employees in order to protect their well-being and comply with applicable regulations. However, there is no certainty that such measures will mitigate the risks posed by COVID-19, and an extended period of remote work arrangements could strain the Company's business continuity plans, introduce operational risk, including but not limited to cybersecurity risks or risks to the effectiveness of the Company's internal controls, and impair the Company's ability to manage its business and perform critical functions.

The ultimate impact of the COVID-19 pandemic, including the extent of adverse impacts on the Company’s business, results of operations, cash flows and financial condition, will depend on, among other things, the severity, duration and spread of the pandemic, the impact of governmental actions and business and consumer behavior in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the resulting global economic conditions and how quickly and to what extent normal economic and operating conditions can resume, all of which are highly uncertain and cannot be predicted. The evolving and uncertain nature of this situation makes it challenging for management to estimate the future performance of the Company’s business, including the supply and demand for the Company’s products and services, its cash flows, its advertising revenues, the impact on rights payments, which are subject to negotiation, and the collectability of receivables. However, the COVID-19 pandemic has adversely affected, and may continue to adversely affect, the Company’s business and results of operations, as described above, and could have a material adverse impact on the Company’s business, results of operations, cash flows and financial condition, particularly over the near to medium term. Any such adverse impact or any continued weakness in economic conditions and/or further disruptions in the global financial and capital markets could in turn make it more difficult for the Company to comply with financial and other covenants relating to its existing indebtedness, impact the availability and cost of additional financing, lead to significant and adverse exchange rate fluctuations, result in additional impairments in the value of the Company’s assets and additional valuation allowances on the Company’s deferred tax assets or cause further declines in the Company’s stock price.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

(a) Exhibits.

31.1	Chief Executive Officer Certification required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.*
31.2	Chief Financial Officer Certification required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes Oxley Act of 2002.**
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 formatted in Inline XBRL: (i) Consolidated Statements of Operations for the three and nine months ended March 31, 2020 and 2019 (unaudited); (ii) Consolidated Statements of Comprehensive (Loss) Income for the three and nine months ended March 31, 2020 and 2019 (unaudited); (iii) Consolidated Balance Sheets as of March 31, 2020 (unaudited) and June 30, 2019 (audited); (iv) Consolidated Statements of Cash Flows for the nine months ended March 31, 2020 and 2019 (unaudited); and (v) Notes to the Unaudited Consolidated Financial Statements.*
104	The cover page from News Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in Inline XBRL (included as Exhibit 101).*

*   Filed herewith.
** Furnished herewith

SIGNATURE

Pursuant to the requirements 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: May 8, 2020

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 quarterly report on Form 10-Q 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.

May 8, 2020

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

Exhibit 31.2

Chief Financial Officer Certification

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

I, Susan Panuccio, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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.

May 8, 2020

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

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 Quarterly Report of News Corporation on Form 10-Q for the fiscal quarter ended March 31, 2020, 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.

May 8, 2020

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

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