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NEWS CORP LTD
Form 6-K
May 06, 2004

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of May 2004 (May 6, 2004)

THE NEWS CORPORATION LIMITED

(Name of Registrant)

2 Holt Street, Sydney, New South Wales, 2010, Australia

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover Form 20-F or Form 40-F:

Form 20-F X Form 40-F
 --- ---

Indicate by check mark if the registrant is submitting the Form 6-K in paper as
permitted by Regulation S-T Rule 101(b)(1):

Yes No X
 --- ---

Indicate by check mark if the registrant is submitting the Form 6-K in paper as
permitted by Regulation S-T Rule 101(b)(7):

Yes No X
 --- ---

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No X
 --- ---

If "Yes" is marked, indicate below the file number assigned to the registrant in
connection with Rule 12g3-2(b): Not Applicable

Annexed hereto are copies of announcements by The News Corporation Limited
("News Corporation") of its financial results for the quarter ended March 31,
2004 in Australian and U.S. dollars.

Such announcements were filed with the Australian Stock Exchange and released in

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New York on May 6, 2004.

SIGNATURES

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.

THE NEWS CORPORATION LIMITED

Date: May 6, 2004

By: /s/ Arthur M. Siskind

Arthur M. Siskind
Director

EXHIBIT INDEX

| Exhibit ----- | Page No. in Sequential ----- Numbering System ----- |
|---|--|
| A. Announcement made by News Corporation of its financial results in Australian dollars for the quarter ended March 31, 2004. | 6 |
| B. Announcement made by News Corporation of its financial results in U.S. dollars for the quarter ended March 31, 2004. | 24 |

EXHIBIT A

EARNINGS RELEASE FOR THE QUARTER ENDED 31 MARCH, 2004
IN AUSTRALIAN DOLLARS

NEWS CORPORATION REPORTS THIRD QUARTER OPERATING INCOME OF A\$1.1 BILLION ON REVENUES OF A\$6.8 BILLION

NET PROFIT BEFORE OTHER ITEMS INCREASES 19% TO A\$605 MILLION

NET PROFIT INCREASES 30% TO A\$612 MILLION

QUARTER HIGHLIGHTS

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- o Strong advertising growth at Fox News and higher affiliate revenues at the Regional Sports Networks drive operating income up 51% on a US\$ basis at Cable Network Programming.
- o Television segment operating income up 25% on a US\$ basis as higher pricing and the strength of American Idol increases advertising revenues at the broadcast network and television stations. STAR's operating profit more than doubles on subscription and advertising gains, mainly in India.
- o Filmed Entertainment operating income up 6% over a year ago on a US\$ basis as continued robust home entertainment sales of film and television titles match prior-year success.
- o All print businesses report double-digit earnings growth in local currency terms: advertising and circulation revenue gains in U.K. and Australia fuel newspapers; increased free-standing inserts page volume and higher InStore contributions lift Magazines and Inserts; array of bestsellers fuels HarperCollins.
- o SKY Italia adds 180,000 net subscribers and ends the quarter with a subscriber base of more than 2.6 million; operating losses decline to A\$23 million from the second quarter of this fiscal year.

Sydney, 6 May, 2004 - The News Corporation Limited (ASX: NCP, NCPDP) today reported third quarter consolidated revenues of A\$6.8 billion, compared to A\$7.4 billion in the prior year, and consolidated operating income of A\$1,097 million, versus A\$1,161 million reported a year ago. These results were driven by double-digit operating income increases across nearly all operating segments in local currency terms offset by unfavourable foreign currency fluctuations.

Net profit for the fiscal third quarter was A\$612 million, an increase of A\$141 million over the A\$471 million reported in the third quarter a year ago. Net profit before other items was A\$605 million, an increase of A\$96 million over the A\$509 million reported in the prior year.

Commenting on the results, Chairman and Chief Executive Rupert Murdoch said:

"We are extremely pleased with News Corp's third quarter results, with 22% operating income growth in U.S. dollar terms that was achieved across all of our business segments. Several assets in which we have invested heavily in recent years continue to achieve rapid growth. Our film and television production units have been buoyed by an expanding home entertainment market and our cable networks are enjoying double-digit gains on the back of advertising and affiliate growth. Simultaneously, we have maintained momentum at our established businesses with double-digit gains across our television, newspapers, magazines and inserts, and book publishing segments.

"The growing success of our core businesses is complemented by the encouraging progress at our newest direct-to-home television investments. SKY Italia continues to exceed expectations with higher than anticipated revenues per user and strong subscriber growth. DIRECTV's new management has quickly strengthened that platform's competitive and financial position with the addition of 460,000 new subscribers during the quarter and the announced sale of its stake in PanAmSat for US\$4.3 billion. Our unique asset balance, combined with the strong earnings growth throughout the company and the recent announcement to seek reincorporation in the United States, puts us in a great position to continue to generate value for our shareholders."

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The Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Supplemental Financial Data for the three and nine months ended 31 March are attached. The following commentary is made in respect of those statements, including an analysis of certain information contained therein.

Net Profit Attributable to Members of the Parent Entity

The reported net profit attributable to members of the parent entity consisted of the following items:

| | 3 Months Ended 31 March, | | 9 Months Ended 31 March, | |
|---|---|----------|-----------------------------|----|
| | 2004 | 2003 | 2004 | |
| | A\$ Millions (except per share amounts) | | | |
| Revenue | \$ 6,751 | \$ 7,432 | \$ 21,731 | \$ |
| Operating income | 1,097 | 1,161 | 3,261 | |
| Associated entities before other items | 74 | (40) | 229 | |
| Interest expense, net | (153) | (188) | (480) | |
| Exchangeable securities expense | (25) | (21) | (80) | |
| Profit before income tax expense, outside equity interest and other items | 993 | 912 | 2,930 | |
| Income tax expense | (319) | (287) | (928) | |
| Outside equity interest | (69) | (116) | (233) | |
| Net profit before other items | 605 | 509 | 1,769 | |
| Other items, net of tax and outside equity interest: | | | | |
| Group | 5 | (15) | 11 | |
| Associated entities | 2 | (23) | (23) | |
| Total other items | 7 | (38) | (12) | |
| Net profit attributable to members of the parent entity | \$ 612 | \$ 471 | \$ 1,757 | \$ |
| Earnings per share (diluted) on net profit before other items, net | \$ 0.103 | \$ 0.097 | \$ 0.320 | \$ |
| Weighted average number of shares outstanding in millions (diluted) | 5,869 | 5,147 | 5,500 | |

The following commentary discusses the major components of these results.

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| Consolidated Operating Income | 3 Months Ended | | 3 Months Ended | |
|--|----------------|----------|----------------|----------|
| | 31 March, | | 31 March, | |
| | 2004 | 2003 | 2004 | 2003 |
| | A\$ Millions | | A\$ Millions | |
| Filmed Entertainment | \$ 269 | \$ 342 | \$ 1,119 | \$ 853 |
| Television | 344 | 352 | 853 | 652 |
| Cable Network Programming | 184 | 159 | 652 | (350) |
| Direct Broadcast Satellite Television* | (23) | - | (350) | 289 |
| Magazines & Inserts | 112 | 129 | 289 | 631 |
| Newspapers | 233 | 198 | 631 | 214 |
| Book Publishing | 44 | 36 | 214 | (147) |
| Other | (66) | (55) | (147) | |
| Consolidated Operating Income | \$ 1,097 | \$ 1,161 | \$ 3,261 | \$ 2,261 |

* New segment reflecting the results of SKY Italia, consolidated as of 1 May, 2003

Third quarter net earnings from associated entities before other items were A\$74 million versus losses of A\$40 million in the same period a year ago, primarily due to the absence of Stream's losses in the current year. A detailed discussion of the components of associated entities earnings is provided later in the release.

Third quarter net profit before other items increased to A\$605 million (A\$0.103 per share) versus A\$509 million (A\$0.097 per share) in the prior year primarily due to the significant improvement in net earnings from associated entities.

The following commentary is discussed primarily in U.S. dollars

REVIEW OF OPERATING RESULTS

FILMED ENTERTAINMENT

The Filmed Entertainment segment reported third quarter operating income of US\$214 million, up 6% from the US\$201 million reported in the same period a year ago. Current-quarter results primarily reflect strong contributions from film and television home entertainment releases.

Film results were largely driven by the worldwide home entertainment performance of League of Extraordinary Gentlemen as well as contributions from various catalog titles including Planet of the Apes, Moulin Rouge and Ice Age. Additionally, the worldwide theatrical performance of Cheaper by the Dozen, which has brought in nearly US\$190 million worldwide since its release, also contributed to the strong quarterly results. The prior year's strong results included the continued success of Ice Age in the worldwide home entertainment market and strong domestic home entertainment performances from several smaller-budget releases.

Twentieth Century Fox Television (TCFTV) profits continued to expand, primarily reflecting sustained momentum in home entertainment sales, most notably from

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Angel, Futurama, Family Guy and 24.

TELEVISION

The Television segment reported third quarter operating income of US\$259 million, an increase of 25% versus the same period a year ago, reflecting double-digit earnings improvement at the FOX Broadcasting Company and Fox Television Stations, and higher contributions from STAR.

At the FOX Broadcasting Company, third quarter operating income improved by US\$14 million compared to a year ago due to higher pricing for the primetime entertainment schedule and improved sports advertising on National Football League telecasts, with ratings up nearly 10% for the post-season. Current year entertainment contributions were fueled by American Idol, which has grown its ratings by 13% versus a year ago, partially offset by the success a year ago of Joe Millionaire.

Fox Television Stations (FTS) third quarter operating income grew 24% over the prior year as FTS achieved another quarter of record market share. Current-year results were driven by stronger primetime advertising revenue led by the success of American Idol as well as higher sales for local news and the NFL playoffs. Additionally, non-recurring advertising pre-emptions in the prior year, associated with war in Iraq, contributed to the year-on-year improvement.

STAR, bolstered by a 12% increase in revenues, more than doubled its third quarter operating income versus prior year. Revenue gains were driven primarily by advertising growth both in India, from the continued growth of STAR Plus. Expansion continued in China, from increased penetration of the Xing Kong channel, which has become the number one national/regional channel in the Guangdong cable market.

CABLE NETWORK PROGRAMMING

Cable Network Programming reported third quarter operating income of US\$143 million, an increase of 51% over last year's results, reflecting strong growth across all of the Company's primary cable channels.

Fox News Channel (FNC) operating income doubled as higher advertising pricing drove double-digit revenue gains over the third quarter a year ago, which included pre-emptions and higher news gathering costs associated with covering the war in Iraq. During the quarter, FNC once again achieved the highest viewership among all cable news channels, expanding its lead over its nearest competitor to 59% in primetime and 73% on a 24-hour basis.

Fox Cable Networks (including the Regional Sports Networks (RSNs), FX and SPEED Channel) operating profit improved 15% during the quarter driven by affiliate revenue growth at both the RSNs and FX. Higher affiliate revenue contributions at the RSNs, largely due to increased affiliate rates and additional DTH subscribers, combined with increased advertising sales to drive operating income growth at the RSNs. This growth was partially offset by higher programming costs from additional events and rights increases versus a year ago. FX affiliate revenue growth, primarily resulting from a 6% increase in subscribers over the past year, drove double-digit operating income growth. Partially offsetting these improvements were increased costs related to entertainment programming, including The Shield and the original movie Redemption, whose April premiere delivered the highest Adults 18-49 rating on basic cable this season. Overall, FX's nightly primetime viewership during the third quarter was the highest in FX history with an average of more than one million viewers.

DIRECT BROADCAST SATELLITE TELEVISION

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On April 30th, 2003 the Company completed the acquisition of the Italian pay-TV business Telepiu and combined it with Stream. News Corporation owns 80.1% of the combined entity, SKY Italia, whose results this segment comprises. During the third quarter, SKY Italia reported an operating loss of US\$25 million on revenues of US\$492 million while increasing the subscriber base to more than 2.6 million. Over 90% of the new subscribers during the quarter opted for a premium-programming tier including movies and/or sports programming contributing to an average revenue per subscriber continuing above (euro)40 per month.

MAGAZINES AND INSERTS

The Magazines and Inserts segment reported third quarter operating income of US\$84 million, an increase of US\$8 million, or 11%, versus a year ago. The improvement was driven by revenue growth at the InStore division, primarily from higher shelf product volume, and higher contributions at the Free-Standing Inserts division, resulting from increased demand for packaged goods and custom publishing pages.

NEWSPAPERS

The Newspaper segment reported third quarter operating income of US\$176 million, a 53% increase versus the same period a year ago reflecting circulation revenue increases in the U.K. combined with advertising strength in both the U.K. and Australia.

The U.K. newspaper group reported operating income growth of 22% in local currency terms for the third quarter compared to the prior year, driven by both circulation and advertising revenue gains partially offset by costs associated with the compact version of The Times. Circulation revenue growth was achieved across all titles, with the largest increase at The Sun, where reduced cover price initiatives during the third quarter a year ago adversely affected results. The improvement in advertising was primarily driven by growth at The Sun on the strength of higher classified and colour advertisements.

The Australian newspaper group reported a 20% increase in operating income in local currency terms, primarily driven by a 9% increase in advertising revenue compared to a year ago. Display and classified advertising continued to show the strong growth experienced in the first and second quarters, with ongoing strength in real estate, retail and employment advertising.

BOOK PUBLISHING

HarperCollins reported operating income of US\$36 million during the quarter, an increase of US\$13 million compared to the same period a year ago. The 57% growth, driven by 30% higher revenues, reflects solid performances around the world and an array of bestsellers, led by Zondervan's unprecedented sales of The Purpose Driven Life by Rick Warren, with more than 15 million copies sold to date. During the quarter, HarperCollins had 35 books on The New York Times bestseller list including four titles that reached the #1 spot.

OTHER ITEMS

During the quarter, the Company completed the sale of the Los Angeles Dodgers franchise and real estate assets to real estate developer Frank McCourt for the gross sale price of approximately US\$421 million and agreed to remit US\$50

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million to the buyer for certain pre-existing commitments.

Following the quarter the Company announced it is pursuing a reorganisation that would change the Company's place of incorporation to the United States by the end of calendar 2004. In connection with this reorganisation, News Corporation would also acquire the 58% controlling interest in Queensland Press Pty Limited (QPL) not currently owned by the Company. The completion of the reorganization and the QPL transactions is subject to a number of conditions, including obtaining regulatory clearances, court approvals, certain tax rulings and the requisite vote of the Company's shareholders and option holders as well as obtaining independent appraisals and fairness opinions.

REVIEW OF ASSOCIATED ENTITIES RESULTS

Third quarter net earnings from associated entities before other items were A\$74 million versus losses of A\$40 million in the same period a year ago, primarily due to the absence of Stream's losses in the current year.

The Company's share of associated entities' earnings (losses) is as follows:

| | % Owned | 3 Months Ended 31 March, | | 9 Months Ended 31 March, | |
|---|-------------|-----------------------------|---------|-----------------------------|----------|
| | | 2004 | 2003 | 2004 | 2003 |
| | | US\$ Millions | | US\$ Millions | |
| Sky Brasil | 49.7%(a) | (6) | 1 | (20) | (56) |
| Innova - Mexico | 30.0% | 4 | (10) | (6) | (27) |
| FOXTEL - Australia | 25.0% | (8) | (2) | (15) | (6) |
| Stream | 50.0%(b) | - | (50) | - | (150) |
| Other Associates | Various (c) | 66 | 35 | 203 | 78 |
| Total associated entities' earnings (losses) before other items | | \$ 56 | \$ (26) | \$ 162 | \$ (161) |
| Other items | | 1 | (14) | (16) | (81) |
| Total associated entities' earnings (losses) | | \$ 57 | \$ (40) | \$ 146 | \$ (242) |
| Total associated entities' | | | | | |

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| | Millions (except subscribers) | | Millions (except subscribers) | | | |
|---|-------------------------------|-------|-------------------------------|------|----|---------|
| Revenues (in local currency) | Ps | 1,066 | Ps | 858 | Ps | 2,988 |
| Revenues | \$ | 97 | \$ | 79 | \$ | 272 |
| Operating income | | 21 | | 8 | | 49 |
| Net income (loss) | \$ | 13 | \$ | (32) | \$ | (20) |
| News' reportable 30% share (in US\$) | \$ | 4 | \$ | (10) | \$ | (6) |
| Net Debt (excluding capitalized leases) | | | | | \$ | 348 |
| Ending Subscribers | | | | | | 886,000 |

Innova's revenues grew 24% in local currency terms compared to prior year primarily driven by a 14% increase in the subscriber base as well as the elimination of the 10% excise tax on telecommunication services formerly imposed by the Mexican government. The net income during the quarter improved from a net loss in the prior year quarter principally due to higher revenues and lower interest expense and foreign currency losses resulting from the refinancing of debt.

| FOXTEL (in A\$) | 3 Months Ended 31 March, | | 9 Months Ended 31 March | | | |
|--------------------------------------|-------------------------------|------|-------------------------------|------|-----|-----------|
| | 2004 | 2003 | 2004 | | | |
| | Millions (except subscribers) | | Millions (except subscribers) | | | |
| Revenues | A\$ | 192 | A\$ | 180 | A\$ | 560 |
| Operating loss | | (59) | | (22) | | (117) |
| Net loss | A\$ | (43) | A\$ | (13) | A\$ | (83) |
| News' reportable 25% share (in US\$) | \$ | (8) | \$ | (2) | \$ | (15) |
| Ending Subscribers (including Optus) | | | | | | 1,074,000 |

FOXTEL's revenues for the quarter increased 7%, principally due to an increase of 17% in satellite subscribers compared to a year ago, and higher average revenue per subscriber. Net loss for the quarter increased by A\$30 million against the prior year as the increased subscriber revenues were more than offset by subscriber acquisition expenses relating to the development and launch of the new digital service on 14 March, 2004, and higher depreciation expense. Total subscribers (including Optus wholesale) have increased by 2.6% over prior year while FOXTEL managed subscribers have increased by 6.3%. At 31 March over 170,000 orders had been taken for the digital service from new and existing subscribers.

(1) Please refer to respective companies' earnings releases for detailed information.

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Foreign Exchange Rates

Average foreign exchange rates used in the year-to-date profit results are as follows:

| | 9 Months Ended 31 March, | |
|----------------------------------|-----------------------------|------|
| | 2004 | 2003 |
| Australian Dollar/U.S Dollar | 0.71 | 0.57 |
| U.K. Pounds Sterling/U.S. Dollar | 1.72 | 1.57 |
| Euro/U.S. Dollar | 1.19 | 1.02 |

To receive a copy of this press release through the Internet, access News Corp's corporate website located at <http://www.newscorp.com>

Audio from News Corp's conference call with analysts on the second quarter results can be heard live on the Internet at 10:30 p.m. Eastern (Australia) Time today. To listen to the call, visit <http://www.newscorp.com>

Cautionary Statement Concerning Forward-Looking Statements

This document contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's views and assumptions regarding future events and business performance as of the time the statements are made. Actual results may differ materially from these expectations due to changes in global economic, business, competitive market and regulatory factors. More detailed information about these and other factors that could affect future results is contained in our filings with the Securities and Exchange Commission. The "forward-looking statements" included in this document are made only as of the date of this document and we do not have any obligation to publicly update any "forward-looking statements" to reflect subsequent events or circumstances, except as required by law.

CONTACTS:

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STATEMENT OF FINANCIAL PERFORMANCE 1

| | Note | 3 Months Ended 31 March, | |
|---|------|-----------------------------|------------|
| | | 2004 | 2003 |
| A\$ Millions (except where otherwise stated) | | | |
| Sales revenue | 1 | \$ 6,751 | \$ 7,432 |
| Operating expenses | | (5,654) | (6,271) |
| Operating income | 1 | 1,097 | 1,161 |
| Net profit (loss) from associated entities | | 76 | (63) |
| Borrowing costs | | (197) | (243) |
| Interest income | | 44 | 55 |
| Net borrowing costs | | (153) | (188) |
| Exchangeable securities expense | | (25) | (21) |
| Other items before income tax, net | | (7) | (54) |
| Profit from ordinary activities before income tax | | 988 | 835 |
| Income tax expense on: | | | |
| Ordinary activities before other items | | (319) | (287) |
| Other items | | - | 38 |
| Net income tax expense | | (319) | (249) |
| Net profit from ordinary activities after tax | | 669 | 586 |
| Net profit attributable to outside equity interests | | (57) | (115) |
| Net Profit Attributable to Members of the Parent Entity | | \$ 612 | \$ 471 |
| Net exchange gains (losses) recognised directly in equity | | 187 | (2,104) |
| Other items recognised directly in equity | | - | - |
| Total change in equity other than those resulting from transactions with owners as owners | | \$ 799 | \$ (1,633) |
| Diluted earnings per share on net profit attributable to members of the parent entity | | | |
| Ordinary shares | | \$ 0.092 | \$ 0.079 |
| Preferred limited voting ordinary shares | | \$ 0.110 | \$ 0.095 |
| Ordinary and preferred limited voting ordinary shares | | \$ 0.104 | \$ 0.089 |

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STATEMENT OF FINANCIAL POSITION

| | 31 March, 2004 | 30 2 |
|---|--------------------------------|---------|
| | ----- A\$ Millions ----- | |
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 5,244 | \$ |
| Cash on deposit | 389 | |
| Receivables | 5,241 | |
| Inventories | 2,266 | |
| Other | 569 | |
| | ----- | ----- |
| Total Current Assets | 13,709 | |
| | ----- | ----- |
| Non-Current Assets | | |
| Cash on deposit | - | |
| Receivables | 1,123 | |
| Investments in associated entities | 14,427 | |
| Other investments | 868 | |
| Inventories | 3,665 | |
| Property, plant and equipment | 5,413 | |
| Publishing rights, titles and television licenses | 29,846 | |
| Goodwill | 318 | |
| Other | 935 | |
| | ----- | ----- |
| Total Non-Current Assets | 56,595 | |
| | ----- | ----- |
| Total Assets | \$ 70,304 | \$ |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Interest bearing liabilities | \$ 582 | \$ |
| Payables | 7,671 | |
| Tax liabilities | 611 | |
| Provisions | 442 | |
| | ----- | ----- |
| Total Current Liabilities | 9,306 | |
| | ----- | ----- |
| Non-Current Liabilities | | |
| Interest bearing liabilities | 11,490 | |
| Payables | 3,114 | |
| Tax liabilities | 973 | |
| Provisions | 1,045 | |
| | ----- | ----- |
| Total Non-Current Liabilities Excluding Exchangeable Securities | 16,622 | |
| | ----- | ----- |
| Exchangeable securities | 1,926 | |
| | ----- | ----- |
| Total Liabilities | 27,854 | |
| | ----- | ----- |
| Shareholders' Equity | | |
| Contributed equity | 34,327 | |

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| | | |
|---|-----------|-------|
| Reserves | 753 | |
| Retained profits | 2,176 | |
| | ----- | ----- |
| Shareholders' equity attributable to members of the parent entity | 37,256 | |
| Outside equity interests in controlled entities | 5,194 | |
| | ----- | ----- |
| Total Shareholders' Equity | 42,450 | |
| | ----- | ----- |
| Total Liabilities and Shareholders' Equity | \$ 70,304 | \$ |
| | ===== | ===== |

STATEMENT OF CASH FLOWS

| | | |
|---|-------------------------|-------|
| | 9 Months Ended 31 March | |
| | 2004 | 2003 |
| | ----- | ----- |
| Operating Activity | A\$ Millions | |
| Net profit attributable to members of the parent entity | \$ 1,757 | \$ |
| Adjustment for non-cash and non-operating activities: | | |
| Equity earnings, net | (184) | |
| Outside equity interest | 233 | |
| Depreciation and amortisation | 646 | |
| Other items, net | 12 | |
| Change in assets and liabilities: | | |
| Receivables | (510) | |
| Inventories | (567) | |
| Payables | 754 | |
| Other liabilities | 519 | |
| | ----- | ----- |
| Cash provided by operating activity | 2,660 | |
| Investing and other activity | | |
| Property, plant and equipment | (289) | |
| Acquisitions, net of cash acquired | (205) | |
| Investments in associated entities | (4,355) | |
| Other investments | (87) | |
| Repayment of loans by associate | - | |
| Proceeds from sale of non-current assets | 744 | |
| | ----- | ----- |
| Cash used in investing activity | (4,192) | |
| Financing activity | | |
| Issuance of debt | 596 | |
| Repayment of debt and exchangeable securities | (835) | |
| Decrease in cash on deposit | 221 | |
| Issuance of shares | 781 | |
| Dividends paid | (144) | |
| Leasing and other finance costs | - | |
| | ----- | ----- |

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| | | | |
|--------------------------------------|----------|-------|-------|
| Cash provided by financing activity | 619 | ----- | ----- |
| Net (decrease) increase in cash | (913) | | |
| Opening cash balance | 6,746 | | |
| Exchange movement on opening balance | (589) | ----- | ----- |
| Closing cash balance | \$ 5,244 | ===== | ===== |

Note 1 - SEGMENT DATA

| BY GEOGRAPHIC AREAS | 3 Months Ended 31 March, | | 9 Months Ended 31 March, | |
|---------------------|-----------------------------|----------|-----------------------------|-----------|
| | 2004 | 2003 | 2004 | 2003 |
| | A\$ Millions | | A\$ Millions | |
| Revenues | | | | |
| United States | \$ 4,432 | \$ 5,706 | \$ 15,039 | \$ 17,300 |
| Europe | 1,703 | 1,115 | 4,751 | 3,115 |
| Australasia | 616 | 611 | 1,941 | 1,115 |
| | ----- | ----- | ----- | ----- |
| | \$ 6,751 | \$ 7,432 | \$ 21,731 | \$ 21,530 |
| | ===== | ===== | ===== | ===== |
| Operating Income | | | | |
| United States | \$ 869 | \$ 911 | \$ 2,808 | \$ 2,808 |
| Europe | 132 | 175 | 122 | 122 |
| Australasia | 96 | 75 | 331 | 331 |
| | ----- | ----- | ----- | ----- |
| | \$ 1,097 | \$ 1,161 | \$ 3,261 | \$ 3,261 |
| | ===== | ===== | ===== | ===== |

BY INDUSTRY SEGMENT

| Revenues | | | | |
|--|----------|----------|-----------|-----------|
| Filmed Entertainment | \$ 1,521 | \$ 1,975 | \$ 5,362 | \$ 5,362 |
| Television | 1,521 | 1,897 | 5,276 | 6,259 |
| Cable Network Programming | 793 | 924 | 2,584 | 2,584 |
| Direct Broadcast Satellite Television* | 656 | - | 1,658 | - |
| Magazines and Inserts | 366 | 450 | 1,026 | 1,026 |
| Newspapers | 1,197 | 1,191 | 3,534 | 3,534 |
| Book Publishing | 413 | 410 | 1,420 | 1,420 |
| Other | 284 | 585 | 871 | 871 |
| | ----- | ----- | ----- | ----- |
| | \$ 6,751 | \$ 7,432 | \$ 21,731 | \$ 21,530 |
| | ===== | ===== | ===== | ===== |

Operating Income

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| | | | | |
|--|----------|----------|----------|-------|
| Filmed Entertainment | \$ 269 | \$ 342 | \$ 1,119 | \$ |
| Television | 344 | 352 | 853 | |
| Cable Network Programming | 184 | 159 | 652 | |
| Direct Broadcast Satellite Television* | (23) | - | (350) | |
| Magazines and Inserts | 112 | 129 | 289 | |
| Newspapers | 233 | 198 | 631 | |
| Book Publishing | 44 | 36 | 214 | |
| Other | (66) | (55) | (147) | |
| | ----- | ----- | ----- | ----- |
| | \$ 1,097 | \$ 1,161 | \$ 3,261 | \$ 3 |
| | ===== | ===== | ===== | ===== |

* New segment reflecting the results of SKY Italia, consolidated as of 1 May, 2003.

Note 2 - SUPPLEMENTAL FINANCIAL DATA

The Company considers net profit before other items to be an important indicator of the Company's operating performance on a consolidated basis. Net profit before other items, defined as net profit attributable to members of the parent entity before other items related to the Company and associated entities, net of applicable income tax expenses and outside equity interests, eliminates the effect of transactions that are considered significant by reason of their size, nature or effect on the Company's financial performance for the year. Net profit before other items should be considered in addition to, not as a substitute for the Company's operating income, net profit attributable to members of the parent entity, cash flows and other measures of financial performance prepared in accordance with generally accepted accounting principles in Australia. Net profit before other items does not reflect cash available to fund requirements, and the items excluded from net profit before other items, such as other revenues and expenses, are significant components in assessing the Company's financial performance.

The following table reconciles certain components of net profit attributable to members of the parent entity as presented on page 3 of this release to the presentation required under Australian GAAP as required by Australian Accounting Standard AASB 1018 "Statement of Financial Performance" on page 12 of this release.

| | 3 Months Ended 31 March, | | 9 |
|---|-----------------------------|---------|-------|
| | 2004 | 2003 | 2004 |
| | ----- | | ----- |
| | A\$ Millions | | A |
| Total other items (page 3) | \$ 7 | \$ (38) | \$ (|
| Reclassification of other items - associated entities | (2) | 23 | |
| Reclassification of income tax and net profit attributable to outside equity interest | (12) | (39) | (|
| | ----- | ----- | ----- |
| Other items before income tax, net (page 12) | \$ (7) | \$ (54) | \$ (|
| | ===== | ===== | ===== |
| Associated entities before other items (page 3) | \$ 74 | \$ (40) | \$ 2 |
| Reclassification of other items - associated | | | |

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| | | | |
|---|-----------------------------|----------|--------|
| entities | 2 | (23) | (|
| Net profit (loss) from associated entities (page 12) | \$ 76 | \$ (63) | \$ 2 |
| Income tax expense (page 3) | \$ (319) | \$ (287) | \$ (9 |
| Reclassification of income tax expense on other items | - | 38 | |
| Net income tax expense (page 12) | \$ (319) | \$ (249) | \$ (9 |
| Outside equity interest (page 3) | \$ (69) | \$ (116) | \$ (2 |
| Reclassification of outside equity interest on other items, net | 12 | 1 | |
| Net profit attributable to outside equity interest (page 12) | \$ (57) | \$ (115) | \$ (2 |
| SUPPLEMENTAL FINANCIAL DATA (continued) | | | |
| | 3 Months Ended 31 March, | | 9 |
| | 2004 | 2003 | 2004 |
| | A\$ Millions | | A |
| Net profit before other items (page 3) | \$ 605 | \$ 509 | \$ 1,7 |
| Other items before income tax, net | (7) | (54) | (|
| Reclassification of income tax and net profit attributable to outside equity interest | 12 | 39 | |
| Reclassification of other items - associated entities | 2 | (23) | (|
| Net profit attributable to members of the parent entity (page 12) | \$ 612 | \$ 471 | \$ 1,7 |
| Earnings per share on net profit before other items, net (page 3) | \$ 0.103 | \$ 0.097 | \$ 0. |
| Earnings per share on other items before income tax, net | (0.001) | (0.010) | (0. |
| Earnings per share on reclassification of income tax and net profit attributable to outside equity interest | 0.002 | 0.007 | 0. |
| Earnings per share on reclassification of other items - associated entities | - | (0.005) | (0. |
| Diluted earnings per share on net profit attributable to members of the parent entity (page 12) | \$ 0.104 | \$ 0.089 | \$ 0. |

EXHIBIT B

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Earnings Release for the Quarter Ended March 31, 2004 in U.S.
Dollars Prepared for the U.S. Market. Australian Readers Should Refer
to the Australian Dollar Earnings Release.

News Corporation Reports Third Quarter Operating Income of \$838 Million,
a 22% Increase, on Revenue Growth of 19%;
Net Profit before Other Items Increases 54% to \$460 Million

Net Profit Increases 69% to \$465 Million

QUARTER HIGHLIGHTS

- Strong advertising growth at Fox News and higher affiliate revenues at the Regional Sports Networks drive operating income up 51% at Cable Network Programming.
- Television segment operating income up 25% as higher pricing and the strength of American Idol increases advertising revenues at the broadcast network and television stations. STAR's operating profit more than doubles on subscription and advertising gains, mainly in India.
- Filmed Entertainment operating income up 6% over a year ago as continued robust home entertainment sales of film and television titles match prior-year success.
- All print businesses report double-digit earnings growth: advertising and circulation revenue gains in U.K. and Australia fuel newspapers; increased free-standing inserts page volume and higher InStore contributions lift Magazines and Inserts; array of bestsellers fuels HarperCollins.
- SKY Italia adds 180,000 net subscribers and ends the quarter with a subscriber base of more than 2.6 million; operating losses decline to \$25 million from the second quarter of this fiscal year.

NEW YORK--(BUSINESS WIRE)--May 6, 2004--The News Corporation Limited (NYSE: NWS, NWSA) today reported third quarter consolidated revenues of \$5.2 billion, a 19% increase over the \$4.4 billion in the prior year, and consolidated operating income of \$838 million, up 22% over the \$685 million a year ago, despite the inclusion of \$25 million in losses from SKY Italia in the quarter. The year-on-year operating income growth was driven by double-digit increases across nearly all operating segments.

Net profit for the fiscal third quarter was \$465 million, an increase of \$190 million over the \$275 million reported in the third quarter a year ago. Net profit before other items was \$460 million, an increase of \$162 million over the \$298 million reported in the prior year.

Commenting on the results, Chairman and Chief Executive Rupert Murdoch said:

"We are extremely pleased with News Corp's third quarter results, with 22% operating income growth that was achieved across all of our business segments. Several assets in which we have invested heavily in recent years continue to achieve rapid growth. Our film and television production units have been buoyed by an expanding home entertainment

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market and our cable networks are enjoying double-digit gains on the back of advertising and affiliate growth. Simultaneously, we have maintained momentum at our established businesses with double-digit gains across our television, newspapers, magazines and inserts, and book publishing segments.

"The growing success of our core businesses is complemented by the encouraging progress at our newest direct-to-home television investments. SKY Italia continues to exceed expectations with higher than anticipated revenues per user and strong subscriber growth. DIRECTV's new management has quickly strengthened that platform's competitive and financial position with the addition of 460,000 new subscribers during the quarter and the announced sale of its stake in PanAmSat for \$4.3 billion. Our unique asset balance, combined with the strong earnings growth throughout the company and the recent announcement to seek reincorporation in the United States, puts us in a great position to continue to generate value for our shareholders."

MANAGEMENT REVIEW OF PERFORMANCE

The Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Supplemental Financial Data for the three and nine months ended March 31st are attached. The following commentary is made in respect of those statements, including an analysis of certain information contained therein.

NET PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY

The reported net profit attributable to members of the parent entity consisted of the following items:

| | 3 Months Ended March 31, 2004 | | 9 Months Ended March 31, 2004 | |
|---|---|----------|-------------------------------------|-----------|
| | 2003 | 2004 | 2003 | 2004 |
| | US \$ Millions (except per ADR amounts) | | | |
| Revenue | \$ 5,201 | \$ 4,388 | \$ 15,438 | \$ 12,882 |
| Operating income | 838 | 685 | 2,317 | 1,962 |
| Associated entities before other items | 56 | (26) | 162 | (161) |
| Interest expense, net | (117) | (111) | (341) | (350) |
| Exchangeable securities expense | (20) | (13) | (57) | (38) |
| Profit before income tax expense, outside equity interest and other items | 757 | 535 | 2,081 | 1,413 |
| Income tax expense | (243) | (169) | (659) | (445) |
| Outside equity interest | (54) | (68) | (166) | (188) |
| Net profit before other items | 460 | 298 | 1,256 | 780 |
| Other items, net of tax and outside equity interest: | | | | |
| Group | 4 | (9) | 8 | (23) |
| Associated entities | 1 | (14) | (16) | (81) |

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| | | | | |
|---|---------|---------|----------|---------|
| Total other items | 5 | (23) | (8) | (104) |
| ----- | | | | |
| Net profit attributable to members of the parent entity | \$ 465 | \$ 275 | \$ 1,248 | \$ 676 |
| ===== | | | | |
| Earnings per ADR (diluted) on net profit before other items, net | \$ 0.31 | \$ 0.23 | \$ 0.91 | \$ 0.59 |
| ===== | | | | |
| Weighted average number of ADRs outstanding in millions (diluted) | 1,467 | 1,287 | 1,375 | 1,285 |
| ===== | | | | |

The following commentary discusses the major components of these results.

| Consolidated Operating Income | 3 Months Ended | | 9 Months Ended | |
|--|----------------|--------|----------------|----------|
| | March 31, | | March 31, | |
| | 2004 | 2003 | 2004 | 2003 |
| | ----- | | ----- | |
| | US \$ Millions | | US \$ Millions | |
| Filmed Entertainment | \$ 214 | \$ 201 | \$ 795 | \$ 556 |
| Television | 259 | 207 | 606 | 560 |
| Cable Network Programming | 143 | 95 | 463 | 334 |
| Direct Broadcast Satellite Television* | (25) | - | (248) | - |
| Magazines & Inserts | 84 | 76 | 205 | 186 |
| Newspapers | 176 | 115 | 448 | 274 |
| Book Publishing | 36 | 23 | 152 | 129 |
| Other | (49) | (32) | (104) | (77) |
| ----- | | | | |
| Consolidated Operating Income | \$ 838 | \$ 685 | \$ 2,317 | \$ 1,962 |
| ===== | | | | |

* New segment reflecting the results of SKY Italia, consolidated as of May 1, 2003

Third quarter net earnings from associated entities before other items were \$56 million versus losses of \$26 million in the same period a year ago, primarily due to the absence of Stream's losses in the current year. A detailed discussion of the components of associated entities earnings is provided later in the release.

Third quarter net profit before other items increased to \$460 million (\$0.31 per ADR) versus \$298 million (\$0.23 per ADR) in the prior year primarily due to higher consolidated operating income and the significant improvement in net earnings from associated entities.

REVIEW OF OPERATING RESULTS

FILMED ENTERTAINMENT

The Filmed Entertainment segment reported third quarter operating income of \$214 million, up 6% from the \$201 million reported in the same period a year ago. Current-quarter results primarily reflect strong contributions from film and television home entertainment releases.

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Film results were largely driven by the worldwide home entertainment performance of League of Extraordinary Gentlemen as well as contributions from various catalog titles including Planet of the Apes, Moulin Rouge and Ice Age. Additionally, the worldwide theatrical performance of Cheaper by the Dozen, which has brought in nearly \$190 million worldwide since its release, also contributed to the strong quarterly results. The prior year's strong results included the continued success of Ice Age in the worldwide home entertainment market and strong domestic home entertainment performances from several smaller-budget releases.

Twentieth Century Fox Television (TCFTV) profits continued to expand, primarily reflecting sustained momentum in home entertainment sales, most notably from Angel, Futurama, Family Guy and 24.

TELEVISION

The Television segment reported third quarter operating income of \$259 million, an increase of 25% versus the same period a year ago, reflecting double-digit earnings improvement at the FOX Broadcasting Company and Fox Television Stations, and higher contributions from STAR.

At the FOX Broadcasting Company, third quarter operating income improved by \$14 million compared to a year ago due to higher pricing for the primetime entertainment schedule and improved sports advertising on National Football League telecasts, with ratings up nearly 10% for the post-season. Current year entertainment contributions were fueled by American Idol, which has grown its ratings by 13% versus a year ago, partially offset by the success a year ago of Joe Millionaire.

Fox Television Stations (FTS) third quarter operating income grew 24% over the prior year as FTS achieved another quarter of record market share. Current-year results were driven by stronger primetime advertising revenue led by the success of American Idol as well as higher sales for local news and the NFL playoffs. Additionally, non-recurring advertising pre-emptions in the prior year, associated with war in Iraq, contributed to the year-on-year improvement.

STAR, bolstered by a 12% increase in revenues, more than doubled its third quarter operating income versus prior year. Revenue gains were driven primarily by advertising growth both in India, from the continued growth of STAR Plus. Expansion continued in China from increased penetration of the Xing Kong channel, which has become the number one national/regional channel in the Guangdong cable market.

CABLE NETWORK PROGRAMMING

Cable Network Programming reported third quarter operating income of \$143 million, an increase of 51% over last year's results, reflecting strong growth across all of the Company's primary cable channels.

Fox News Channel (FNC) operating income doubled as higher advertising pricing drove double-digit revenue gains over the third quarter a year ago, which included pre-emptions and higher news gathering costs associated with covering the war in Iraq. During the quarter, FNC once again achieved the highest viewership among all cable news channels, expanding its lead over its nearest competitor to 59% in primetime and 73% on a 24-hour basis.

Fox Cable Networks (including the Regional Sports Networks (RSNs), FX and SPEED Channel) operating profit improved 15% during the quarter driven by affiliate revenue growth at both the RSNs and FX. Higher affiliate revenue contributions at the RSNs, largely due to increased affiliate rates and additional DTH subscribers, combined with increased advertising sales to drive operating income growth at the

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RSNs. This growth was partially offset by higher programming costs from additional events and rights increases versus a year ago. FX affiliate revenue growth, primarily resulting from a 6% increase in subscribers over the past year, drove double-digit operating income growth. Partially offsetting these improvements were increased costs related to entertainment programming, including The Shield and the original movie Redemption, whose April premiere delivered the highest Adults 18-49 rating on basic cable this season. Overall, FX's nightly primetime viewership during the third quarter was the highest in FX history with an average of more than one million viewers.

DIRECT BROADCAST SATELLITE TELEVISION

On April 30th, 2003 the Company completed the acquisition of the Italian pay-TV business Telepiu and combined it with Stream. News Corporation owns 80.1% of the combined entity, SKY Italia, whose results this segment comprises. During the third quarter, SKY Italia reported an operating loss of \$25 million on revenues of \$492 million while increasing the subscriber base to more than 2.6 million. Over 90% of the new subscribers during the quarter opted for a premium-programming tier including movies and/or sports programming contributing to an average revenue per subscriber continuing above EUR 40 per month.

MAGAZINES AND INSERTS

The Magazines and Inserts segment reported third quarter operating income of \$84 million, an increase of \$8 million, or 11%, versus a year ago. The improvement was driven by revenue growth at the InStore division, primarily from higher shelf product volume, and higher contributions at the Free-Standing Inserts division, resulting from increased demand for packaged goods and custom publishing pages.

NEWSPAPERS

The Newspaper segment reported third quarter operating income of \$176 million, a 53% increase versus the same period a year ago reflecting circulation revenue increases in the U.K. combined with advertising strength in both the U.K. and Australia.

The U.K. newspaper group reported operating income growth of 22% in local currency terms for the third quarter compared to the prior year, driven by both circulation and advertising revenue gains partially offset by costs associated with the compact version of The Times. Circulation revenue growth was achieved across all titles, with the largest increase at The Sun, where reduced cover price initiatives during the third quarter a year ago adversely affected results. The improvement in advertising was primarily driven by growth at The Sun on the strength of higher classified and color advertisements.

The Australian newspaper group reported a 20% increase in operating income in local currency terms, primarily driven by a 9% increase in advertising revenue compared to a year ago. Display and classified advertising continued to show the strong growth experienced in the first and second quarters, with ongoing strength in real estate, retail and employment advertising.

BOOK PUBLISHING

HarperCollins reported operating income of \$36 million during the quarter, an increase of \$13 million compared to the same period a year ago. The 57% growth, driven by 30% higher revenues, reflects solid performances around the world and an array of bestsellers, led by Zondervan's unprecedented sales of The Purpose Driven Life by Rick

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Warren, with more than 15 million copies sold to date. During the quarter, HarperCollins had 35 books on The New York Times bestseller list including four titles that reached the #1 spot.

OTHER ITEMS

During the quarter, the Company completed the sale of the Los Angeles Dodgers franchise and real estate assets to real estate developer Frank McCourt for the gross sale price of approximately \$421 million and agreed to remit \$50 million to the buyer for certain pre-existing commitments.

Following the quarter the Company announced it is pursuing a reorganization that would change the Company's place of incorporation to the United States by the end of calendar 2004. In connection with this reorganization, News Corporation would also acquire the 58% controlling interest in Queensland Press Pty Limited (QPL) not currently owned by the Company. The completion of the reorganization and the QPL transactions is subject to a number of conditions, including obtaining regulatory clearances, court approvals, certain tax rulings and the requisite vote of the Company's shareholders and option holders as well as obtaining independent appraisals and fairness opinions.

REVIEW OF ASSOCIATED ENTITIES RESULTS

Third quarter net earnings from associated entities before other items were \$56 million versus losses of \$26 million in the same period a year ago, primarily due to the absence of Stream's losses in the current year.

The Company's share of associated entities' earnings (losses) is as follows:

| | % Owned | 3 Months Ended March 31, | | 9 Months Ended March 31, | |
|---|-------------|-----------------------------|---------|-----------------------------|----------|
| | | 2004 | 2003 | 2004 | 2003 |
| | | US \$ Millions | | US \$ Millions | |
| Sky Brasil | 49.7% (a) | (6) | 1 | (20) | (56) |
| Innova - Mexico | 30.0% | 4 | (10) | (6) | (27) |
| FOXTEL - Australia | 25.0% | (8) | (2) | (15) | (6) |
| Stream | 50.0% (b) | - | (50) | - | (150) |
| Other Associates | Various (c) | 66 | 35 | 203 | 78 |
| <hr/> | | | | | |
| Total associated entities' earnings (losses) before other items | | \$ 56 | \$ (26) | \$ 162 | \$ (161) |
| Other items | | 1 | (14) | (16) | (81) |
| <hr/> | | | | | |
| Total associated entities' earnings (losses) | | \$ 57 | \$ (40) | \$ 146 | \$ (242) |
| <hr/> | | | | | |

Further details on the associated entities follow.

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- (a) Represents the Company's economic interest, which was 48.5% as of March 31, 2003. The Company continues to hold a 36% equity interest in Sky Brasil.
- (b) The Company's share of Stream's losses was included as part of associated entities from April 1, 2002 through April 30, 2003, when it merged with Telepiu to form the consolidated entity SKY Italia.
- (c) Primarily comprising BSkyB, Gemstar-TV Guide International, The DIRECTV Group (since its acquisition on December 22, 2003), Independent Newspapers Limited, and Queensland Press. The Company's investment basis in BSkyB was negative from December 31, 2001 through November 11, 2002. Accordingly, the Company's share of BSkyB's results was not recognized during that period.

Sky Brasil (in US\$) (1)

| | 3 Months Ended March 31, 2004 | | 9 Months Ended March 31, 2003 | | 2004 | | 2003 | |
|--|-------------------------------------|------|-------------------------------------|-----|-------------------------------|---------|------|---------|
| | Millions (except subscribers) | | | | Millions (except subscribers) | | | |
| Revenues (in local currency) | R\$ | 166 | R\$ | 140 | R\$ | 486 | R\$ | 408 |
| Revenues | \$ | 57 | \$ | 40 | \$ | 167 | \$ | 119 |
| Operating profit (loss) | | 4 | | (1) | | 4 | | (13) |
| Net income (loss) | \$ | (12) | \$ | 2 | \$ | (40) | \$ | (134) |
| | | | | | | | | |
| News' reportable 49.7%/48.5% share (in US\$) | \$ | (6) | \$ | 1 | \$ | (20) | \$ | (56) |
| | | | | | | | | |
| Net debt (excluding capitalized leases) | | | | | \$ | 208 | \$ | 211 |
| Ending Subscribers | | | | | | 787,000 | | 740,000 |

Sky Brasil's revenues grew 19% in local currency terms in the quarter compared to prior year primarily driven by a higher subscriber base and increased average revenue per subscriber. The revenue growth for the quarter was partly offset by higher programming costs due to the larger subscriber base. The increase in net loss in the current quarter principally reflects foreign currency losses versus gains in the prior year.

Innova - Mexico (in US\$) (1)

| | 3 Months Ended March 31, 2004 | | 9 Months Ended March 31, 2003 | |
|--|-------------------------------------|------|-------------------------------------|------|
| | 2004 | 2003 | 2004 | 2003 |

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| | Millions (except subscribers) | | Millions (except subscribers) | | | | | |
|--|----------------------------------|-------|----------------------------------|-------|---------|-------|---------|-------|
| Revenues (in local currency) | Ps | 1,066 | Ps | 858 | Ps | 2,988 | Ps | 2,497 |
| Revenues | \$ | 97 | \$ | 79 | \$ | 272 | \$ | 243 |
| Operating income | | 21 | | 8 | | 49 | | 21 |
| Net income (loss) | \$ | 13 | \$ | (32) | \$ | (20) | \$ | (90) |
| | | ===== | | ===== | | ===== | | ===== |
| News' reportable 30% share (in US\$) | \$ | 4 | \$ | (10) | \$ | (6) | \$ | (27) |
| | | ===== | | ===== | | ===== | | ===== |
| Net Debt (excluding capitalized leases) | | | | | \$ | 348 | \$ | 352 |
| Ending Subscribers | | | | | 886,000 | | 780,000 | |

Innova's revenues grew 24% in local currency terms compared to prior year primarily driven by a 14% increase in the subscriber base as well as the elimination of the 10% excise tax on telecommunication services formerly imposed by the Mexican government. The net income during the quarter improved from a net loss in the prior year quarter principally due to higher revenues and lower interest expense and foreign currency losses resulting from the refinancing of debt.

FOXTEL (in A\$)

| | 3 Months Ended March 31, 2004 | | 3 Months Ended March 31, 2003 | | 9 Months Ended March 31, 2004 | | 9 Months Ended March 31, 2003 | |
|---|-------------------------------------|-------|-------------------------------------|-------|-------------------------------------|-------|-------------------------------------|-------|
| | Millions (except subscribers) | | Millions (except subscribers) | | Millions (except subscribers) | | Millions (except subscribers) | |
| Revenues | A\$ | 192 | A\$ | 180 | A\$ | 560 | A\$ | 468 |
| Operating loss | | (59) | | (22) | | (117) | | (66) |
| Net loss | A\$ | (43) | A\$ | (13) | A\$ | (83) | A\$ | (43) |
| | | ===== | | ===== | | ===== | | ===== |
| News' reportable 25% share (in US\$) | \$ | (8) | \$ | (2) | \$ | (15) | \$ | (6) |
| | | ===== | | ===== | | ===== | | ===== |
| Ending Subscribers (including Optus) | | | | | 1,074,000 | | 1,047,000 | |

FOXTEL's revenues for the quarter increased 7%, principally due to an increase of 17% in satellite subscribers compared to a year ago, and higher average revenue per subscriber. Net loss for the quarter increased by A\$30 million against the prior year as the increased subscriber revenues were more than offset by subscriber acquisition expenses relating to the development and launch of the new digital service on March 14, 2004, and higher depreciation expense. Total subscribers (including Optus wholesale) have increased by 2.6% over prior year while FOXTEL managed subscribers have increased by 6.3%. At March 31st over 170,000 orders had been taken for the digital service

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from new and existing subscribers.

- (1) Please refer to respective companies' earnings releases for detailed information.

Foreign Exchange Rates

Average foreign exchange rates used in the year-to-date profit results are as follows:

| | 9 Months Ended | |
|----------------------------------|----------------|-------|
| | March 31, | |
| | 2004 | 2003 |
| | ----- | ----- |
| Australian Dollar/U.S Dollar | 0.71 | 0.57 |
| U.K. Pounds Sterling/U.S. Dollar | 1.72 | 1.57 |
| Euro/U.S. Dollar | 1.19 | 1.02 |

To receive a copy of this press release through the Internet, access News Corp's corporate website located at <http://www.newscorp.com>.

Audio from News Corp's conference call with analysts on the third quarter results can be heard live on the Internet at 8:30 a.m. Eastern Daylight Time today. To listen to the call, visit <http://www.newscorp.com>.

Cautionary Statement Concerning Forward-Looking Statements

This document contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's views and assumptions regarding future events and business performance as of the time the statements are made. Actual results may differ materially from these expectations due to changes in global economic, business, competitive market and regulatory factors. More detailed information about these and other factors that could affect future results is contained in our filings with the Securities and Exchange Commission. The "forward-looking statements" included in this document are made only as of the date of this document and we do not have any obligation to publicly update any "forward-looking statements" to reflect subsequent events or circumstances, except as required by law.

STATEMENT OF FINANCIAL PERFORMANCE (a)

| | Note | 3 Months Ended | | 9 Months Ended | |
|--|------|----------------|----------|----------------|-----------|
| | | March 31, | | March 31, | |
| | | 2004 | 2003 | 2004 | 2003 |
| | | ----- | ----- | ----- | ----- |
| US \$ Millions (except per ADR amounts) | | | | | |
| Sales revenue | 1 | \$ 5,201 | \$ 4,388 | \$ 15,438 | \$ 12,882 |
| Operating expenses | | (4,363) | (3,703) | (13,121) | (10,920) |
| Operating income | 1 | 838 | 685 | 2,317 | 1,962 |
| Net profit (loss) from | | | | | |

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| | | | | |
|---|---------|---------|----------|----------|
| associated entities | 57 | (40) | 146 | (242) |
| Borrowing costs | (151) | (143) | (444) | (434) |
| Interest income | 34 | 32 | 103 | 84 |
| Net borrowing costs | (117) | (111) | (341) | (350) |
| Exchangeable securities expense | (20) | (13) | (57) | (38) |
| Other items before income tax, net | (5) | (31) | (9) | (57) |
| Profit from ordinary activities before income tax | 753 | 490 | 2,056 | 1,275 |
| Income tax expense on: Ordinary activities before other items | (243) | (169) | (659) | (445) |
| Other items | - | 22 | 1 | 34 |
| Net income tax expense | (243) | (147) | (658) | (411) |
| Net profit from ordinary activities after tax | 510 | 343 | 1,398 | 864 |
| Net profit attributable to outside equity interests | (45) | (68) | (150) | (188) |
| Net Profit Attributable to Members of the Parent Entity | \$ 465 | \$ 275 | \$ 1,248 | \$ 676 |
| Net exchange gains recognized directly in equity | 55 | 74 | 682 | 252 |
| Other items recognized directly in equity | - | - | - | 86 |
| Total change in equity other than those resulting from transactions with owners as owners | \$ 520 | \$ 349 | \$ 1,930 | \$ 1,014 |
| Diluted earnings per ADR on net profit attributable to members of the parent entity | | | | |
| Ordinary ADRs | \$ 0.28 | \$ 0.19 | \$ 0.80 | \$ 0.45 |
| Preferred limited voting ordinary ADRs | \$ 0.34 | \$ 0.22 | \$ 0.96 | \$ 0.55 |
| Ordinary and preferred limited voting ordinary ADRs | \$ 0.32 | \$ 0.21 | \$ 0.90 | \$ 0.51 |

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(a) Following the issuance in June 2002 of the revised Australian Accounting Standard AASB 1018 "Statement of Financial Performance" this statement has been reformatted from previous presentations to be consistent with the format prescribed in the revised Australian Accounting Standard.

| STATEMENT OF FINANCIAL POSITION | March 31, 2004 | June 30, 2003 |
|--|-------------------|------------------|
| | ----- | |
| ASSETS | US \$ Millions | |
| Current Assets | | |
| Cash | \$ 3,869 | \$ 4,477 |
| Cash on deposit | 287 | - |
| Receivables | 3,866 | 3,784 |
| Inventories | 1,672 | 1,282 |
| Other | 419 | 321 |
| | ----- | |
| Total Current Assets | 10,113 | 9,864 |
| | ----- | |
| Non-Current Assets | | |
| Cash on deposit | - | 463 |
| Receivables | 828 | 809 |
| Investments in associated entities | 10,643 | 3,667 |
| Other investments | 641 | 793 |
| Inventories | 2,703 | 2,723 |
| Property, plant and equipment | 3,993 | 4,180 |
| Publishing rights, titles and television licenses | 22,017 | 21,719 |
| Goodwill | 235 | 250 |
| Other | 690 | 495 |
| | ----- | |
| Total Non-Current Assets | 41,750 | 35,099 |
| | ----- | |
| Total Assets | \$ 51,863 | \$ 44,963 |
| | ===== | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Interest bearing liabilities | \$ 429 | \$ 22 |
| Payables | 5,659 | 5,507 |
| Tax liabilities | 451 | 474 |
| Provisions | 326 | 171 |
| | ----- | |
| Total Current Liabilities | 6,865 | 6,174 |
| | ----- | |
| Non-Current Liabilities | | |
| Interest bearing liabilities | 8,476 | 8,227 |
| Payables | 2,297 | 2,353 |
| Tax liabilities | 718 | 442 |
| Provisions | 771 | 685 |
| | ----- | |
| Total Non-Current Liabilities Excluding Exchangeable Securities | 12,262 | 11,707 |
| | ----- | |
| Exchangeable securities | 1,421 | 1,383 |
| | ----- | |

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| | | |
|---|-----------|-----------|
| Total Liabilities | 20,548 | 19,264 |
| Shareholders' Equity | | |
| Contributed equity | 21,614 | 17,262 |
| Reserves | 2,624 | 1,685 |
| Retained profits | 3,244 | 2,506 |
| | ----- | ----- |
| Shareholders' equity attributable to members of the parent entity | 27,482 | 21,453 |
| Outside equity interests in controlled entities | 3,833 | 4,246 |
| | ----- | ----- |
| Total Shareholders' Equity | 31,315 | 25,699 |
| | ----- | ----- |
| Total Liabilities and Shareholders' Equity | \$ 51,863 | \$ 44,963 |
| | ===== | ===== |

STATEMENT OF CASH FLOWS

9 Months Ended
March 31,
2004 2003

| | | |
|--|----------------|---------|
| Operating Activity | US \$ Millions | |
| | ----- | ----- |
| Net profit attributable to members of the parent entity | \$ 1,248 | \$ 676 |
| Adjustment for non-cash and non-operating activities: | | |
| Equity earnings, net | (131) | 179 |
| Outside equity interest | 166 | 188 |
| Depreciation and amortization | 459 | 313 |
| Other items, net | 8 | 104 |
| Change in assets and liabilities: | | |
| Receivables | (376) | (436) |
| Inventories | (418) | (101) |
| Payables | 660 | 298 |
| Other liabilities | 383 | 311 |
| | ----- | ----- |
| Cash provided by operating activity | 1,999 | 1,532 |
| Investing and other activity | | |
| Property, plant and equipment | (213) | (253) |
| Acquisitions, net of cash acquired | (151) | (432) |
| Investments and acquisitions of interests in associated entities | (3,213) | (454) |
| Other investments | (64) | (65) |
| Repayment of loans by associate | - | 96 |
| Proceeds from sale of non-current assets | 549 | 100 |
| | ----- | ----- |
| Cash used in investing activity | (3,092) | (1,008) |
| Financing activity | | |
| Issuance of debt | 440 | 2,075 |
| Repayment of debt and exchangeable securities | (616) | (2,494) |
| Decrease in cash on deposit | 163 | - |
| Issuance of shares | 545 | 1,228 |

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| | | |
|--------------------------------------|----------|----------|
| Dividends paid | (106) | (91) |
| Leasing and other finance costs | - | (2) |
| | ----- | ----- |
| Cash provided by financing activity | 426 | 716 |
| | ----- | ----- |
| Net (decrease) increase in cash | (667) | 1,240 |
| Opening cash balance | 4,477 | 3,574 |
| Exchange movement on opening balance | 59 | 47 |
| | ----- | ----- |
| Closing cash balance | \$ 3,869 | \$ 4,861 |
| | ===== | ===== |

| | | | | |
|-----------------------|----------------|----------|----------------|-----------|
| Note 1 - SEGMENT DATA | 3 Months Ended | | 9 Months Ended | |
| | March 31, | | March 31, | |
| BY GEOGRAPHIC AREAS | 2004 | 2003 | 2004 | 2003 |
| | ----- | | ----- | |
| | US \$ Millions | | US \$ Millions | |
| Revenues | | | | |
| United States | \$ 3,436 | \$ 3,370 | \$ 10,684 | \$ 9,929 |
| Europe | 1,292 | 657 | 3,375 | 1,888 |
| Australasia | 473 | 361 | 1,379 | 1,065 |
| | ----- | ----- | ----- | ----- |
| | \$ 5,201 | \$ 4,388 | \$ 15,438 | \$ 12,882 |
| | ===== | ===== | ===== | ===== |
| Operating Income | | | | |
| United States | \$ 670 | \$ 538 | \$ 1,995 | \$ 1,590 |
| Europe | 94 | 102 | 87 | 241 |
| Australasia | 74 | 45 | 235 | 131 |
| | ----- | ----- | ----- | ----- |
| | \$ 838 | \$ 685 | \$ 2,317 | \$ 1,962 |
| | ===== | ===== | ===== | ===== |

BY INDUSTRY SEGMENT

| | | | | |
|---|----------|----------|-----------|-----------|
| Revenues | | | | |
| Filmed Entertainment | \$ 1,184 | \$ 1,166 | \$ 3,809 | \$ 3,383 |
| Television | 1,182 | 1,126 | 3,748 | 3,593 |
| Cable Network Programming | 612 | 545 | 1,836 | 1,601 |
| Direct Broadcast Satellite Television* | 492 | - | 1,177 | - |
| Magazines and Inserts | 278 | 264 | 729 | 673 |
| Newspapers | 914 | 701 | 2,511 | 1,980 |
| Book Publishing | 321 | 247 | 1,009 | 920 |
| Other | 218 | 339 | 619 | 732 |
| | ----- | ----- | ----- | ----- |
| | \$ 5,201 | \$ 4,388 | \$ 15,438 | \$ 12,882 |
| | ===== | ===== | ===== | ===== |
| Operating Income | | | | |
| Filmed Entertainment | \$ 214 | \$ 201 | \$ 795 | \$ 556 |

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| | | | | |
|----------------------------|--------|--------|----------|----------|
| Television | 259 | 207 | 606 | 560 |
| Cable Network Programming | 143 | 95 | 463 | 334 |
| Direct Broadcast Satellite | | | | |
| Television* | (25) | - | (248) | - |
| Magazines and Inserts | 84 | 76 | 205 | 186 |
| Newspapers | 176 | 115 | 448 | 274 |
| Book Publishing | 36 | 23 | 152 | 129 |
| Other | (49) | (32) | (104) | (77) |
| | ----- | ----- | ----- | ----- |
| | \$ 838 | \$ 685 | \$ 2,317 | \$ 1,962 |
| | ===== | ===== | ===== | ===== |

* New segment reflecting the results of SKY Italia, consolidated as of May 1, 2003.

Note 2 - SUPPLEMENTAL FINANCIAL DATA

The Company considers net profit before other items to be an important indicator of the Company's operating performance on a consolidated basis. Net profit before other items, defined as net profit attributable to members of the parent entity before other items related to the Company and associated entities, net of applicable income tax expenses and outside equity interests, eliminates the effect of transactions that are considered significant by reason of their size, nature or effect on the Company's financial performance for the year. Net profit before other items should be considered in addition to, not as a substitute for the Company's operating income, net profit attributable to members of the parent entity, cash flows and other measures of financial performance prepared in accordance with generally accepted accounting principles in Australia. Net profit before other items does not reflect cash available to fund requirements, and the items excluded from net profit before other items, such as other revenues and expenses, are significant components in assessing the Company's financial performance.

The following table reconciles certain components of net profit attributable to members of the parent entity as presented on page 3 of this release to the presentation required under Australian GAAP as required by Australian Accounting Standard AASB 1018 "Statement of Financial Performance" on page 12 of this release.

| | 3 Months Ended March 31, 2004 | | 9 Months Ended March 31, 2004 | |
|---|-------------------------------------|---------|-------------------------------------|----------|
| | US \$ Millions | | US \$ Millions | |
| Total other items (page 3) | \$ 5 | \$ (23) | \$ (8) | \$ (104) |
| Reclassification of other items - associated entities | (1) | 14 | 16 | 81 |
| Reclassification of income tax and net profit attributable to outside equity interest | (9) | (22) | (17) | (34) |
| | ----- | ----- | ----- | ----- |
| Other items before income tax, net (page 12) | \$ (5) | \$ (31) | \$ (9) | \$ (57) |
| | ===== | ===== | ===== | ===== |
| Associated entities before other items (page 3) | \$ 56 | \$ (26) | \$ 162 | \$ (161) |

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| | | | | |
|---|----------|----------|----------|----------|
| Reclassification of other items - associated entities | 1 | (14) | (16) | (81) |
| ----- | | | | |
| Net profit (loss) from associated entities (page 12) | \$ 57 | \$ (40) | \$ 146 | \$ (242) |
| ===== | | | | |
| Income tax expense (page 3) | \$ (243) | \$ (169) | \$ (659) | \$ (445) |
| Reclassification of income tax expense on other items | - | 22 | 1 | 34 |
| ----- | | | | |
| Net income tax expense (page 12) | \$ (243) | \$ (147) | \$ (658) | \$ (411) |
| ===== | | | | |
| Outside equity interest (page 3) | \$ (54) | \$ (68) | \$ (166) | \$ (188) |
| Reclassification of outside equity interest on other items, net | 9 | - | 16 | - |
| ----- | | | | |
| Net profit attributable to outside equity interest (page 12) | \$ (45) | \$ (68) | \$ (150) | \$ (188) |
| ===== | | | | |
| Net profit before other items (page 3) | \$ 460 | \$ 298 | \$ 1,256 | \$ 780 |
| Other items before income tax, net | (5) | (31) | (9) | (57) |
| Reclassification of income tax and net profit attributable to outside equity interest | 9 | 22 | 17 | 34 |
| Reclassification of other items - associated entities | 1 | (14) | (16) | (81) |
| ----- | | | | |
| Net profit attributable to members of the parent entity (page 12) | \$ 465 | \$ 275 | \$ 1,248 | \$ 676 |
| ===== | | | | |
| Earnings per ADR on net profit before other items, net (page 3) | \$ 0.31 | \$ 0.23 | \$ 0.91 | \$ 0.59 |
| Earnings per ADR on other items before income tax, net | - | (0.02) | (0.01) | (0.04) |
| Earnings per ADR on reclassification of income tax and net profit attributable to outside equity interest | 0.01 | 0.01 | 0.01 | 0.02 |
| Earnings per ADR on reclassification of other items - associated entities | - | (0.01) | (0.01) | (0.06) |
| ----- | | | | |
| Diluted earnings per ADR on net profit attributable to members of the parent entity (page 12) | \$ 0.32 | \$ 0.21 | \$ 0.90 | \$ 0.51 |

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