News Corporation: A Half-Century of Delivering Quality and Choice

Over the past fifty years, as News Corporation has grown from the publisher of a South Australian afternoon newspaper into the world's most international media provider, the Company has distinguished itself by delivering two things above all else: quality and choice. Our commitment to providing consumers with unprecedented excellence and unprecedented variety has guided our work as the supplier of films and television shows; the publisher of newspapers, books and magazines; and a global pioneer in broadcast, satellite and cable television. Whether creating a once-unthinkable fourth broadcast television network in the United States or launching the first independent television service in Bulgaria; whether founding Asia's leading diversified media company or supplying the American cable television industry with some of its most daring and dynamic channels, News Corporation has consistently provided viewers and readers with more and better options when it comes to the news, sports, information and entertainment they demand. That is our pride, our privilege and our continuing commitment: to increase the knowledge and the pleasure of the families we serve.
The News Corporation Limited  As of June 30, 2003

**NEWSPAPERS**

**United States**
New York Post

**United Kingdom**
The Times
The Sunday Times
The Sun
News of the World
TSL Education

**Australia**
More than 100 national, metropolitan, suburban, regional and Sunday titles, including the following:
The Australian
The Weekend Australian
The Daily Telegraph
The Sunday Telegraph
Herald Sun
Sunday Herald Sun
The Courier-Mail 42%
Sunday Mail (Brisbane) 42%
The Advertiser
Sunday Mail (Adelaide)
The Mercury
Sunday Tasmanian
The Sunday Times
Northern Territory News
Sunday Territorian

**Fiji**
The Fiji Times
Sunday Times
Nai Lalakai
Shanti Dut

**Papua New Guinea**
Post-Courier 63%

**FILMED ENTERTAINMENT**

**United States**
Fox Filmed Entertainment (a)
Twentieth Century Fox Film Corporation
Fox 2000 Pictures
Fox Searchlight Pictures
Fox Music
Twentieth Century Fox Home Entertainment
Twentieth Century Fox Licensing and Merchandising
Twentieth Century Fox Television
Fox Television Studios
Twentieth Television
Regency Television (b) 50%
Blue Sky Studios

**Australia**
Fox Studios Australia (b)

**Latin America**
Fox Studios Baja (a)
Canal Fox (a)

**TELEVISION**

**United States**
FOX Broadcasting Company (a)
Fox Television Stations (a)
WNYW New York, NY
WWOR New York, NY
KTTV Los Angeles, CA
KCOB Los Angeles, CA
WFLD Chicago, IL
WPWR Chicago, IL
WTXF Philadelphia, PA
KDFW Dallas, TX
KDFI Dallas, TX

**Europe**
Balkan News Corporation

**Asia**
STAR
STAR Plus
STAR News
STAR Movies
STAR Mandarin Movies
STAR World
STAR Gold
STAR Chinese Channel

WFXT Boston, MA
WTTG Washington DC
WDCA Washington DC
WAGA Atlanta, GA
WJRB Detroit, MI
KRIV Houston, TX
KTXH Houston, TX
KMSP Minneapolis, MN
WFTC Minneapolis, MN
WVT  Tampa Bay, FL
KSAZ Phoenix, AZ
KUTP Phoenix, AZ
WJW Cleveland, OH
KDVR Denver, CO
WRBW Orlando, FL
WOFL Orlando, FL
KTVI St. Louis, MO
WDAF Kansas City, MO
WITI Milwaukee, WI
KSTU Salt Lake City, UT
WBCR Birmingham, AL
WHBQ Memphis, TN
WGHP Greensboro, NC
KTBC Austin, TX
WUTB Baltimore, MD
WOGX Gainesville, FL

(a) Held by News Corporation's 81%-owned Fox Entertainment Group (FEG)
(b) Reflects percentage held by News Corporation’s 81%-owned FEG
(c) Fox Regional Sports Networks are all 100%-owned except Fox Sports Net South, which is 88%-owned, and Sunshine Network which is 94% owned
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 document and include statements regarding the intent, belief or current expectations of The News Corporation Limited, its Directors or its Officers with respect to, among other things, trends affecting the group’s financial condition or results of operations. Readers of this document are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. The Company does not ordinarily make projections of its future operating results and undertakes no 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.
## Financial Highlights

(AUSTRALIAN DOLLARS, IN MILLIONS EXCEPT FOR EARNINGS PER SHARE)

### Year ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$29,913</td>
<td>$ 29,014</td>
<td>$25,578</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$ 4,352</td>
<td>$ 3,542</td>
<td>$ 3,093</td>
</tr>
<tr>
<td>Associated entities, before Other items</td>
<td>$(159)</td>
<td>$(314)</td>
<td>$(162)</td>
</tr>
<tr>
<td>Income before Other items</td>
<td>$1,898</td>
<td>$ 1,217</td>
<td>$ 1,282</td>
</tr>
<tr>
<td>Other items, net</td>
<td>$(90)</td>
<td>$(13,179)</td>
<td>$(2,028)</td>
</tr>
<tr>
<td>Net Profit</td>
<td>$ 1,808</td>
<td>$(11,962)</td>
<td>$(746)</td>
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### Earnings per share

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before Other items</td>
<td>0.36</td>
<td>0.23</td>
<td>0.30</td>
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<tr>
<td>Net Profit</td>
<td>0.34</td>
<td>(2.43)</td>
<td>(0.19)</td>
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### Financial Position

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
<th>2001</th>
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</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$67,747</td>
<td>$ 71,441</td>
<td>$84,961</td>
</tr>
<tr>
<td>Debt</td>
<td>$12,429</td>
<td>$ 15,441</td>
<td>$18,805</td>
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</table>

### Operating Income by Geographic Segment 2003

- United States 81%
- Europe 12%
- Australasia 7%

### Revenues by Geographic Segment 2003

- United States 76%
- Europe 16%
- Australasia 8%

Note: These financial highlights are taken from the Concise Financial Report.
Financial Highlights

(U.S. DOLLARS, IN MILLIONS EXCEPT FOR EARNINGS PER ADR)

Year ended June 30, 2003 2002 2001

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 17,474</td>
<td>$ 15,195</td>
<td>$ 13,802</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$ 2,532</td>
<td>$ 1,855</td>
<td>$ 1,669</td>
</tr>
<tr>
<td>Associated entities, before Other items</td>
<td>$(93)</td>
<td>$(165)</td>
<td>$(88)</td>
</tr>
<tr>
<td>Income before Other items</td>
<td>$1,100</td>
<td>$ 636</td>
<td>$ 691</td>
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<tr>
<td>Other items, net</td>
<td>$(54)</td>
<td>$(6,901)</td>
<td>$(1,136)</td>
</tr>
<tr>
<td>Net Profit</td>
<td>$ 1,046</td>
<td>$(6,265)</td>
<td>$(445)</td>
</tr>
</tbody>
</table>

Earnings per ADR

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before Other items</td>
<td>$0.83</td>
<td>$ 0.49</td>
<td>$ 0.64</td>
</tr>
<tr>
<td>Net Profit</td>
<td>$0.79</td>
<td>$(5.09)</td>
<td>$(0.46)</td>
</tr>
</tbody>
</table>

Financial Position

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$44,963</td>
<td>$40,293</td>
<td>$42,999</td>
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<tr>
<td>Debt</td>
<td>$8,249</td>
<td>$8,709</td>
<td>$9,517</td>
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Operating Income by Industry Segment: 2003 versus 2002

- Filmed Entertainment: 641 vs. 473
- Television: 851 vs. 458
- Cable Network Programming: 430 vs. 199
- Direct Broadcast Satellite Television: (68)
- Magazines/Inserts: 266 vs. 235
- Newspapers: 400 vs. 118
- Book Publishing: 133 vs. 118
- Other: (111) vs. (58)

Revenues by Industry Segment: 2003 versus 2002

- Filmed Entertainment: $4,486 vs. $4,040
- Television: $4,763 vs. $4,274
- Cable Network Programming: $2,270 vs. $1,869
- Direct Broadcast Satellite Television: $220 vs. N/A
- Magazines/Inserts: $923 vs. $864
- Newspapers: $2,718 vs. $1,078
- Book Publishing: $2,411 vs. $1,162
- Other: $932 vs. $659

Note: These financial highlights are taken from the Concise Financial Report.
Each year, as I have sat down to summarize for you the previous twelve months of activity at News Corporation, I have done so with pride—but also with some reluctance and inevitable repetition. The reluctance has come from my belief that no single letter can accurately describe the yearlong progress of a company as diverse and dynamic as ours. The repetition has been my annual restatement of our Company’s vision, a vision that has not changed or blurred in the past 50 years. This consistency may not have made for spectacular reading over the decades; however, I am pleased to report that it has made for a spectacular company. This year, our overwhelming success prompts me to write you with pleasure—and without reluctance—of a Company whose yearly adherence to its vision has delivered outstanding earnings, great strength and even greater prospects.

Throughout News Corporation’s evolution, our goal has been to create a Company as unified, as logical and as creative as possible. Our vision has been one of a media company that is as well-integrated as it is international; one capable of delivering short-term results as well as building long-term value. We have worked to build a company with the agility to seize strategic opportunities when they arise, with the foresight to anticipate challenges and with little patience for conventional wisdom. In fiscal 2003, that vision translated into record results.

Financially and operationally, the past fiscal year was the single most successful in News Corporation’s history. Our full-year revenues rose 15 percent to US$17.5 billion and our operating income increased 36 percent to a record US$2.5 billion. We posted record profits at our film, cable television and book publishing businesses as well as at our Australian newspapers, our pan-Asian operations and our U.S. television stations group.

And with two major agreements forged during the year, the Company is in excellent position—strategically as well as operationally—to build on our success going forward.

Perhaps most significantly, in fiscal 2003, these many gains were broadly distributed across all our segments.

We posted record profits at our film, cable television and book publishing businesses as well as at our Australian newspapers, our pan-Asian operations and our U.S. television stations group.

At our television segment, operating income rose US$393 million to US$851 million, spurred by dramatic improvements at the FOX Broadcasting Company as well as the mounting success of the Fox Television Stations and STAR. At the network, hit shows like American Idol and Joe Millionaire helped FOX to lift full-year primetime ratings by 16 percent while winning both the February and May sweeps among Adults 18-49 for the first time ever. Just as important, FOX achieved ratings gains across its schedule as shows from The Simpsons to 24 and from That ’70s Show to Bernie Mac all increased their viewership. As a result, the network finished the 2002-2003 broadcast season number one among Teens, number one among Adults 18-34 and a very close number two among Adults 18-49.

Meanwhile, strong advertising revenues and climbing market share across our Fox Television Stations helped the group to post considerable gains in revenue and operating income. By following our duopoly strategy, we have substantially lowered operating costs and increased efficiency across our stations group. As with any industry
innovation, our duopoly efforts are a work-in-progress; but we are greatly encouraged by the results thus far.

And in Asia, after years of diligent work, STAR celebrated its first full year of operating profitability. By driving up both subscription and advertising revenues while improving efficiency, STAR posted a substantial rise in operating income year-over-year. Furthermore, we are making great strides in the development of Xing Kong Wei Shi, our landmark Mandarin entertainment channel, whose popularity and distribution grew significantly during the year. Given that development, coupled with our flourishing operations in India, STAR is poised for growing success across the diverse and populous markets it serves.

Our Filmed Entertainment businesses also achieved outstanding results in the past year as operating income reached a record US$641 million, besting last year’s record income by 36 percent. These gains were the result of our continued creative excellence as well as better cost containment and heightened success in capitalizing on the explosion of the home entertainment market. Bolstering our results were the strong theatrical debut of Daredevil in February; the record-breaking worldwide theatrical release of X2: X-Men United in May; a reliably successful series of films including One Hour Photo, Brown Sugar, Drumline, Just Married and Phone Booth; and the global home entertainment performance of Behind Enemy Lines, Shallow Hal and, in particular, the phenomenal Ice Age.

Also contributing to our gains in Filmed Entertainment was our thriving television production business, where higher syndication profits from shows like The Simpsons, King of the Hill and X-Files as well as revenues from our pioneering efforts in television home entertainment combined to drive up earnings.

But as well as our film businesses are performing, I believe the long-term strength of our Company comes from our ability to foresee and actively confront problems as well. In addition to repeatedly leading at the box office during the year – with five of our movies opening the box office at number one – News Corporation was a leader in both Hollywood and Washington in our efforts to devise solutions to and educate the public about the threat of digital piracy. With the urgent attention of the industry’s leaders, we can effectively combat this growing problem.

Certainly our work in Cable Network Programming has exemplified the Company's vision of seizing competitive opportunities. Nowhere are those principles – and the rewards they enable – more apparent than at Fox News Channel. Seven years ago, I was told many times by many “experts” that a start-up news channel stood no chance against the entrenched cable news leader and was doomed to fail. This year, Fox News celebrated its first full year as the number-one cable news channel by more than doubling its operating income while achieving the highest ratings growth of all news channels. In a year of international warfare and trying global events, Fox News was not only a valuable news source but a cultural phenomenon across the U.S.

FOX achieved ratings gains across its schedule as shows from The Simpsons to 24 and from That ‘70s Show to Bernie Mac all increased their viewership.

the number-one cable news channel by more than doubling its operating income while achieving the highest ratings growth of all news channels. In a year of international warfare and trying global events, Fox News was not only a valuable news source but a cultural phenomenon across the U.S.

Meanwhile, FX improved ratings and subscribers as well as advertising and affiliate revenues on the strength of its original movies like 44 Minutes, which premiered to the highest ratings in the network's history, and original series such as The Shield, which earned both Emmy and Golden Globe Awards. And Fox Sports Net’s continued leadership in local sports programming drove considerable ratings and subscriber gains during the year.
These channels have grown to be more than individual success stories; they have become reliable blueprints for the development of our newer cable channels. Already our 67 percent-owned National Geographic Channel has rapidly expanded to reach 43 million homes in the U.S., while SPEED Channel, the premier cable channel for auto racing fans, has grown to reach 57 million. And with the launch of our extreme sports channel, FUEL, in July 2003, we are working to replicate the trajectory – and the leadership – of our primary channels while striking a balance of established and emerging assets.

One of the greatest advantages of a well-integrated worldwide company is our ability to respond to events with international strength: to share expertise, resources and personnel across platforms and across the globe.

One of the greatest advantages of a well-integrated worldwide company is our ability to respond to events with international strength: to share expertise, resources and personnel across platforms and across the globe. Just as Fox News Channel in the U.S. and Sky News in London cooperated to produce the most brilliant war coverage on television – and were rewarded for their combined efforts with record viewership numbers – so did our newspapers share their strengths in order to cover the war in Iraq with journalistic excellence and mutual support. Across the U.K., our newspapers increased their market share and ad revenues – although operating income for the year was brought down by the The Sun’s fighting and winning a lengthy price war initiated by its closest competitor. Nonetheless, The Sun emerged at the end of the year having made a great deal of hard-won progress to improve its leadership position; and with its cover price restored, we look forward to a return to the steady profit growth that has been the hallmark of our U.K. papers. In Australia, our papers improved both advertising and circulation revenues to achieve a 10 percent rise in operating income. And in the U.S., our New York Post was the country’s fastest-growing major newspaper, increasing its circulation by more than 10 percent for the fifth six-month audit period in a row. The Post is now the eighth-largest daily paper in the U.S., and we are confident that, given its current momentum, it will soon be outselling its principal rival.

The performance of BSkyB, 35 percent-owned by News Corporation, is yet another illustration of our vision fulfilled: of our resolve, as in our 1998 decision to convert Sky’s service to digital; of our patience, given our work over the past five expensive years to nurture the fruits of that decision; and of the satisfaction that has come as we have seen our strategy turn into profits. In fiscal 2003, with the platform’s return to positive earnings, BSkyB added nearly 750,000 direct-to-home satellite subscribers to grow its subscriber base to nearly seven million. During the year, Sky maintained its industry-low churn while launching a variety of new interactive services that boosted revenues. As important, BSkyB is providing a model for multi-channel television success that we can and will use to improve our direct-to-home operations around the world.

Indeed, our Company’s integrated structure enables us to meet new challenges with our greatest strengths and best practices culled from assets across the globe. This is precisely what we plan to do with the two major strategic agreements that we reached this past year: two developments that I believe are not only positive but transformative for our Company. The first of these
significant developments was our agreement, in April, to acquire 34 percent of Hughes Electronics, including its DIRECTV platform: the leading digital satellite television service in the U.S. Pending regulatory approvals for the deal, which we hope to secure by the end of the calendar year, our plan to offer enhanced interactive services, technological innovations and improved marketing and customer service will provide both superior service for American consumers and accelerated growth for shareholders.

Enhanced interactive services, technological innovations and improved marketing and customer service will provide both superior service for American consumers and accelerated growth for shareholders. For News Corporation, completing this transaction would mark the culmination of our longtime pursuit of satellite TV distribution in the U.S. – and provide the missing link in an unprecedented global satellite television platform.

A second strategic objective was realized with our launch, shortly after the close of the fiscal year, of an unprecedented satellite television service in the Italian market. Sky Italia was created in April by merging our Stream platform with its former rival, Telepiu. The combined platform, 80.1 percent-owned by News Corporation and 19.9 percent by Telecom Italia, began service to more than two million subscribers in July 2003 and is already showing signs of solid growth. Given Italy's limited free-to-air services and absence of cable, the appetite of Italian viewers for high-quality television and our ability to contain piracy, we have great hopes that Sky Italia will soon become a major profit contributor.

Both Hughes Electronics and Sky Italia, as distribution platforms, will enhance the long-term strength of our Company as a whole, providing us with a better balance of advertising-dependent and non-ad-dependent revenues.

Of course, the past year was not without its hurdles. In response to the underperformance of Gemstar-TV Guide, we set about reviving that asset's potential with an operational and management restructuring that we are confident will put the business back on track. Although there remains much work to be done, progress has been made – particularly at TV Guide, whose circulation continues to lead all other weekly magazines in the U.S.

Across the Company, fiscal 2003 was a year in which nearly every one of our businesses achieved substantial growth and meaningful improvements. HarperCollins once again posted record profits and more than 150 best-selling titles worldwide. From the increasing prominence of our Washington, D.C.-based political magazine, The Weekly Standard, to the steady market share gains at News America Marketing; from the Australian television leadership of FOXTEL to the digital television innovations of NDS, all our assets performed extremely well and have considerable operational momentum going forward.

During a demanding year of international conflict, economic uncertainty and fierce competition in the media industry, News Corporation has excelled. That excellence is due to the dedication of our stable team of managers; to the hard work and exceptional skills of our more than 35,000 employees around the world; and to the guiding vision that we first set forth 50 years ago. Among our greatest responsibilities is to continue to reward our shareholders with strong results. And while we are proud of having fulfilled that promise in fiscal 2003, we are more determined than ever to do so even more rewardingly in the future.
Following its record-breaking debut in May as the widest global release in history, *X2: X-Men United* grossed more than US$400 million in worldwide box office by the end of fiscal 2003.
From unconventional art films to international blockbusters, from ground-breaking American television series to a vast library of home entertainment titles, News Corporation’s filmed content is as diverse as its consumers.

In fiscal 2003, nearly 80 percent of the Group’s film releases were on track to be profitable. This remarkable string of box office hits included low-budget success stories like *Drumline, Just Married, Like Mike* and *Phone Booth* as well as the global popularity of *Daredevil* and the record-breaking theatrical performance of *X2: X-Men United*. 20th Century Fox’s video and DVD business continued to thrive, fueled by the success of *Ice Age, Shallow Hal, Behind Enemy Lines* and other titles. Meanwhile, the Company’s 20th Century Fox Television and Fox Television Studios once again supplied the major American broadcast networks with many of their most successful shows – in addition to providing syndication hits carried on myriad networks and channels.

Given all these creative strengths, News Corporation is in an exceptional position to answer the growing call for quality filmed entertainment for years to come.

During the year, five of the Group’s films opened at number one at the box office: *Swimfan, Just Married, Daredevil, Phone Booth* and *X2: X-Men United*.
News Corporation’s video and DVD business achieved a sixth consecutive year of record profits.

More than 23 million videos and DVDs of *Ice Age* were sold worldwide by the end of the fiscal year.
The Group’s Filmed Entertainment earnings were bolstered by profits from syndication hits *The X-Files*, *King of the Hill* and *Dharma & Greg*

- The Emmy Award-winning *Malcolm in the Middle*, a joint production of Fox Television Studios and Regency, continued to achieve number-one ratings in its time slot.
- For the 2003-2004 broadcast season, Twentieth Century Fox Television is scheduled to supply 24 series for the major American networks, including 12 new shows.
TELEVISION

top-rating

The conclusion of Joe Millionaire was the highest-rating entertainment program in FOX’s history—and the highest-rating entertainment program on any American broadcast network in more than two years.

FOX’s thriller 24 achieved the greatest ratings growth of any drama on any network, while The Simpsons delivered its highest ratings in more than seven years.
An innovative provider of high-quality television around the world, News Corporation has created groundbreaking platforms and award-winning original programming.

In fiscal 2003, the Group bolstered its leadership in television with dramatic gains in the U.S. and strong growth in Asia. During the most successful year in the history of the FOX Broadcasting Company, FOX achieved the greatest ratings improvement of any major American network while airing several of the season’s most celebrated programs. For the first time ever, FOX won both the crucial February and May sweeps, surpassing all other networks in the heightened competitions that determine advertising rates. This explosive progress boosted ad revenues across the FOX stations of the television stations group, where the Group has developed duopolies in the most competitive U.S.

FOX’s smash hit *American Idol* drew more than 38 million viewers to its finale and was voted program of the year by the Television Critics Association.

markets. And in Asia, STAR – in its first full year of operating profitability – substantially improved its operating income as the platform continued to increase its viewers and to expand a variety of services ranging from radio to television to interactive digital cable TV.

Whether delivering classic Bollywood films to viewers in India or providing local news, sports and weather to towns and cities across the U.S., News Corporation is an unparalleled supplier of top-quality television to one community at a time.
At Fox Television Stations, strong advertising growth and market share gains drove up revenues 13 percent.
In August 2002, the Group completed its acquisition of WPWR-TV in the Chicago market, giving the Fox Television Stations group duopolies in the top three American television markets.
The FOX Broadcasting Company reigned as the number-one American television network among Adults 18-34 and Teens.
In January 2003, STAR Plus supplied a record 50 of the 50 most popular programs on Indian cable television.

STAR’s promising Mandarin entertainment channel in China, Xing Kong Wei Shi, expanded its landing rights to become available in high-quality hotels and Chinese compounds.
In the past few years, News Corporation has created and launched channels that have reinvigorated the American cable television market. Whether providing a dynamic alternative in 24-hour news, developing a general entertainment channel on the strength of original programming or supplying beloved local sports to viewers across the U.S., News Corporation continues to offer cable television subscribers exceptional viewing choices.

In fiscal 2003, Fox News Channel for the first time ranked number one among cable news networks for the entire year. In July 2002, having surpassed the 80 million-subscriber mark, Fox News officially became the fastest-growing cable channel in history. FX, which also reached more than 80 million homes during the year, continued its brisk growth and successful streak of original movies and hit series. And Fox Sports Net, America’s favorite provider of premier local sports programming, increased its ratings, revenues and subscribers throughout the year. With the mounting success of SPEED Channel, the nation’s fastest-growing sports network; the phenomenal popularity of the Emmy Award-winning National Geographic Channel; and the launch in July 2003 of FUEL, the Group’s new extreme sports channel, News Corporation’s channels will continue to challenge and change the cable television market.

Fox News Channel out-rated not only its rival news channels but all other basic cable channels in the U.S. for the entire third quarter of fiscal 2003: the first time a news network has won a quarter since 1991.

During the year, Fox News secured new distribution deals in India, Italy, Scandinavia, Poland, Israel and Turkey, expanding an international base of subscribers that includes Japan, Britain, Australia, Asia, Europe and Latin America.

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**Cable Network Programming**

award-winning

FX’s original drama series *The Shield*, co-produced by Fox Television Studios, made history as the first basic cable series to win Emmy and Golden Globe Awards – for outstanding lead actor and outstanding drama series.
Fox News’ *The O'Reilly Factor* remained the most-watched show in all of American cable news—a position it assumed in November 2001.
The Group’s 67 percent-owned National Geographic Channel added nearly 15 million subscribers during the year to reach 43 million homes across the U.S.

At SPEED Channel, primetime ratings increased 31 percent over the prior year as the channel expanded to more than 57 million homes.

Shortly after the fiscal year, the Group launched FUEL, its extreme sports channel, into nearly five million homes.
News Corporation’s satellite television operations put the Group at the vanguard of direct-to-home broadcasting. In fiscal 2003, News Corporation took two important steps to expand this leadership – and to continue to provide top-quality digital satellite television to markets around the world.

In April, News Corporation completed the merger of its Italian platform Stream with formal rival Telepiu, creating News Corporation’s 80 percent-owned Sky Italia: a television platform of unique quality in the underserved Italian market. Also in April, the Group agreed to acquire 34 percent of Hughes Electronics, whose businesses include DIRECTV, the leading DTH satellite television provider in the U.S. The Group awaits regulatory and other approvals for the transaction, which is expected to be completed by the end of calendar 2003 or early in 2004. Meanwhile, 35 percent-owned BSkyB grew its number of digital direct-to-home subscribers to 6.8 million as it continued to diversify its services and to satisfy the mounting demand for digital television across the U.K. And 25 percent-owned FOXTEL continued to serve as Australia’s preferred source of subscription television, providing an array of channels from 39 different Australian and international media companies.

Through these and other services, News Corporation will continue to offer consumers great choices and extraordinary quality in the multi-channel DTH marketplace.

➢ To Italian viewers with limited broadcast and cable television options, Sky Italia provides a variety of well-produced local programming and premier entertainment never before available on a single platform

➢ BSkyB’s operating profit nearly doubled over the previous year, the result of strong revenue growth and diligent cost controls

➢ In December 2002, following the signing of a landmark content sharing agreement between FOXTEL and Optus Television, FOXTEL dramatically expanded the programming options of Optus customers by providing them access to its premium movies, sports, general entertainment, music and documentary channels

➢ During the year, FOXTEL launched new dedicated services for football fans in New South Wales, Queensland, South Australia, Victoria and West Australia
The Sky Italia platform, 80 percent-owned by News Corporation, was launched shortly after the close of the fiscal year to more than two million subscribers.

BSkyB expanded its digital DTH subscriber base by 12 percent during the fiscal year.
The Daily Telegraph, Sydney’s most popular daily paper, significantly increased its circulation while the Sunday Telegraph achieved record sales, underlining its leadership as Australia’s best-selling Sunday newspaper.
The Herald Sun dramatically out-sold its nearest rival in Melbourne while The Sunday Herald Sun once again achieved exceptional growth.

The Australian achieved a 7 percent increase in weekday readership.

Driven by innovative marketing and the introduction of new sections, The Times achieved the largest readership increase – up more than 10 percent year-over-year – of any daily broadsheet in the U.K.

News Corporation serves readers and communities around the world with more local, regional and national English-language newspapers than any other provider. From the Group's publishing roots in Australia to its readership in Papua New Guinea, from the clarion voice of the New York Post to the award-winning journalism of The Times in London, News Corporation’s newspaper operations are at the heart of its connection with consumers.

In fiscal 2003, the Group’s newspapers rose to the challenge of covering international warfare and confronting lean economic conditions as they continued to thrive in markets large and small. In Australia, the papers of News Limited accomplished strong circulation and advertising gains. In the U.K., News International’s market-leading daily tabloid, The Sun, substantially increased both circulation and market share while fending off a competitor’s challenge in a long price war. And in the U.S., the New York Post continued to grow its circulation at a pace unmatched by any other major American newspaper. Now the eighth-largest daily newspaper in the country, the Post is fast closing the gap with its nearest New York rival. During a year of heightened reader interest in international events and front-line military developments, the Group’s papers excelled at delivering the greatest coverage at the greatest speed.

As News Corporation itself has grown from a foundation of journalistic excellence, so do its papers continue to flourish on that strength.
The Sunday Times in the U.K. solidified its lead in the Sunday broadsheet market, recording 12 consecutive months of year-over-year readership growth.
Responding to a price war initiated by its closest competitor, *The Sun* increased its market share in the U.K. – and in September 2002 recorded its highest monthly sales since 1999

Despite heightened competition, *News of the World* maintained its market share and continued to reign as the U.K.’s best-selling Sunday paper

In the U.S., the phenomenal circulation gains at the *New York Post* continued with its fifth consecutive six-month period of growth exceeding 10 percent
The consumer promotion media, the magazines and the digital television technology of News Corporation make the Group a vital source of information for shoppers, readers and viewers across the world.

In fiscal 2003, the valuable businesses in News Corporation’s magazines and inserts segment continued to grow. News America Marketing, the Group’s consumer promotion division, expanded its services and substantially improved its market share on the success of its unique SmartSource marketing products. News Corporation’s political magazine in Washington DC, *The Weekly Standard*, continued to increase its editorial prominence and is now recognized as a leading voice in the national political conversation. *TV Guide* was once again the most-read weekly magazine in the country, and Gemstar-TV Guide International, 43 percent-owned by News Corporation, regained operational momentum following its transition to new leadership in October 2002. And in Australia, *donna hay* and *InsideOut* both increased their circulations considerably by providing fresh takes on cooking and home design.

News Corporation will continue to provide consumers with the savings they deserve, the magazines they desire and the television technologies they demand.

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**MAGAZINES AND INSERTS**

*SmartSource Magazine*, the most widely circulated newspaper insert in the U.S., improved its market share during the year from 50 to 55 percent.
In fiscal 2003, the success of News America Marketing’s core, international, merchandising and trade operations generated significant incremental revenue

- News America Marketing solidified its position as the innovative industry leader by successfully developing and introducing four new in-store products

- In the past year, *TV Guide Magazine* maintained its market-leading circulation of 9 million, reaching an estimated 28 million readers every week

- The TV Guide Channel, television’s premier entertainment guidance network, now reaches 55 million households

- *The Weekly Standard*, News Corporation’s Washington-based political magazine, increased its circulation by nearly 23 percent

- *donna hay*, the Group’s cooking publication launched in 2002, is Australia’s fastest-growing food magazine, having increased its circulation by more than 26 percent in the past year

- *InsideOut*, Australia’s creative home design magazine, achieved substantial growth in both circulation and advertising revenue
During fiscal 2003, HarperCollins posted 111 titles on the New York Times bestseller lists, including 13 titles that reached the number-one position.


Despite a slowdown across the book publishing industry, HarperCollins once again achieved exceptional success during fiscal 2003. In its sixth consecutive year of record profits, the company continued to publish a vast array of admired titles across its divisions in the U.S., the U.K., Canada, Australia and New Zealand. Rayo, HarperCollins’ new Spanish/English imprint devoted to Latino readers, more than doubled its sales. Zondervan, the company’s Evangelical Christian division, published the top five best-selling Bibles in the U.S. as well as one of the year’s most popular breakout books, The Purpose Driven Life. And in September 2003, HarperCollins will relaunch its Amistad imprint, dedicated to publishing titles for and about African Americans. From the ongoing desire for treasured classics like Goodnight Moon and Charlotte’s Web to the global demand for new titles like Prey by Michael Crichton, HarperCollins continued to supply the reading public with outstanding books while setting the highest operational standards in publishing.

➤ In April, HarperCollins Children’s Books achieved an industry first: a clean sweep of the New York Times children’s bestseller list, with 10 out of 10 titles

➤ HarperCollins UK posted 41 titles on the Sunday Times bestseller list, including six at number one

➤ In July 2002, HarperCollins announced a partnership with one of India’s leading media companies to publish and distribute books in India

➤ In September 2002, the group announced plans to publish an innovative English-Chinese dictionary in China, a groundbreaking publication for the more than 250 million English-language speakers in that country

➤ HarperCollins’ PerfectBound, the world’s only global English-language e-book imprint, launched e-bookstores in the U.S., the U.K., Canada and Australia and made e-books available for the first time to public libraries across the U.S.

➤ Zondervan’s The Purpose Driven Life, which has sold more than 4.5 million copies, was voted Book of the Year by the Christian Booksellers Association.
News Corporation’s NDS passed the 30 million subscriber mark in September 2002, confirming its position as the world’s leading supplier of technology solutions for digital subscription television.

During fiscal 2003, NDS forged strategic partnerships with a variety of innovative television providers to help launch digital cable service in India; to protect against the piracy of subscription television throughout the Nordic region; and to further the growth of digital cable television in China, South Korea and Japan.

News Corporation’s 50 percent-owned National Rugby League in Australia continued to grow its television ratings, sponsorships and audience as the average attendance at NRL matches climbed 10 percent over the previous season.

In June 2003, the Group’s 93 percent-owned Sky Radio was awarded the first national commercial radio license to be auctioned in Denmark, ending the 78-year-old monopoly of the state-owned Danish Broadcasting Corporation.

Broadsystem, one of the U.K.’s leading providers of marketing solutions and database management, oversaw the U.K. Health Department’s telephone contact center, enabled popular voting at the National Television Awards and helped Sky News deliver electronic alerts on the war in Iraq.
Concise Report

FOR THE YEAR ENDED 30 JUNE, 2003

Table of Contents

38 Statement of Corporate Governance
50 Directors’ Report

Concise Financial Report

58 Discussion and Analysis
60 Statement of Financial Performance
61 Statement of Financial Position
62 Statement of Cash Flows
63 Notes to the Concise Financial Report
75 Directors’ Declaration

76 Independent Audit Report
77 Shareholder Information

A.C.N. 007 910 330
Statement of Corporate Governance

FOR THE YEAR ENDED 30 JUNE, 2003

Board of Directors

The Board of Directors (the “Board”) oversees the business of The News Corporation Limited (the “Company”; the Company and its controlled entities are referred to as the “Group”) and is responsible for corporate governance of the Group. The Board establishes broad corporate policies, sets the strategic direction for the Group and oversees management with a focus on enhancing the interests of shareholders.

Directors are classified as either Executive or Non-executive Directors, the former being those Directors engaged in full time employment by the Group. The Board currently comprises seven Executive Directors, including the Chairman, and eight Non-executive Directors, to ensure independence and objectivity. Details of the members of the Board, their experience, qualifications and term in office are set out on pages 50 to 52 of the Directors’ Report.

Various information reports are sent to the Board in order to keep them informed of the Group’s businesses. Directors also receive operating and financial reports and access to senior management at Board and Committee meetings. The Board holds regular meetings six times each year and special meetings when necessary. In addition, not less than twice each year, the Non-executive Directors meet without the participation of the Executive Directors. The Chairman of the Nominating and Corporate Governance Committee preside at these meetings.

The Nominating and Corporate Governance Committee considers a number of factors when determining the competency and qualification of potential Directors. No single factor is determinative. Relevant considerations include the candidate’s education and background; his or her general business experience and familiarity with the Group’s businesses; and whether he or she possesses unique expertise which will be of value to the Group. Further, it is expected that each Director will devote the necessary time to the fulfilment of his or her duties as a Director. In this regard, the Committee will consider the number and nature of each Director’s other commitments, including other directorships.

Executive Directors do not receive any additional compensation for serving as a Director. Non-executive Directors receive fees for serving on the Board and on Committees. The remuneration paid to the Non-executive Directors for the year ended 30 June, 2003 is set out on pages 55 to 56 of the Directors’ Report.

The Company’s Constitution authorises the Board to appoint Managing Directors (including the Chief Executive) with specific authorised duties and to elect a Chairman to preside at meetings. If a vote, which requires a majority, results in a tie, the Chairman is granted a second and deciding vote.

The Company’s Constitution provides that at every annual general meeting, one-third (or the nearest number to but not exceeding one-third) of the Directors (exclusive of any Managing Directors and Directors appointed since the most recent annual general meeting) shall retire from office and all vacant directorships may be filled at that meeting.

The Directors to retire in each year are the Directors who have been in office longest since their last election or appointment. Retiring Directors are eligible for re-election. No Director (other than any Managing Director) can serve for a term longer than three years without re-election. Further, Directors appointed since the last annual general meeting must retire but are eligible to be re-elected for a three-year term. New Directors are given an orientation regarding the Group’s businesses, corporate governance and reporting procedures and, on a continuing basis, are advised with respect to policies and procedures applicable to Board and Committee meetings and the rights and responsibilities of Directors. The Group does not have a policy with respect to the tenure, retirement or succession of Directors.

Each of the Committees of the Board has the authority to retain, terminate and determine the fees and terms of consultants, legal counsel and other advisors to such Committees as the Committee may deem appropriate in its discretion. Any Director wishing to seek independent advice relating to his or her duties as a Board member, at the Group’s expense, may do so with the prior consent of the Chairman. The Chairman considers these requests on a case-by-case basis.
Consistent with its legal obligations, as well as part of its commitment to corporate governance, the Board has implemented the following:

- established various Committees of the Board to assist the Board in the execution of its responsibilities;
- adopted an overall framework of internal control and a business risk management process; and
- established Standards of Business Conduct for Directors, officers and employees and a Code of Ethics for the chief executive and senior financial officers.

These matters are discussed in further detail below.

**Board Committees**

To assist in the execution of its responsibilities, the Board has established the following Committees:

- Audit Committee;
- Nominating and Corporate Governance Committee; and
- Compensation Committee.

During the year, the composition and charters of these Committees were reconstituted in accordance with recent corporate governance proposals including the requirements of the Sarbanes-Oxley Act and related US Securities and Exchange Commission (“SEC”) rules, proposed New York Stock Exchange (“NYSE”) Listing Standards, and corporate governance guidelines issued by the Australian Stock Exchange (“ASX”). These newly reconstituted Committees will consist solely of Non-executive Directors who will satisfy the “independence” requirements set out in the proposed NYSE rules at such time as such rules become effective.

A full description of changes with respect to each Committee is detailed below.

**Audit Committee**

During the year, Mr S S Shuman resigned from the Audit Committee and Mr G J Kraehe was appointed. The Audit Committee consists of the following Non-executive Directors and satisfies the requirements of both the ASX and NYSE:

G J Kraehe AO, Chairman
J A M Erkko KBE
A S B Knight
T J Perkins

The Committee’s Charter, which has been redrafted in accordance with currently proposed NYSE rules and formally adopted by the Board on 12 August, 2003, is as follows:

**I. AUDIT COMMITTEE PURPOSE AND AUTHORITY**

The Board of Directors has established an Audit Committee (the “Audit Committee” or the “Committee”) with the authority, responsibility and specific duties as described below.

The Audit Committee shall assist the Board of Directors in its oversight of (i) the integrity of the Group’s financial statements and the Group’s financial reporting processes and systems of internal control, (ii) the qualifications, independence and performance of the Group’s independent accountants and the performance of the Group’s corporate auditors and corporate audit function and (iii) the Group’s compliance with legal and regulatory requirements, and shall provide an avenue of communication among management, the independent accountants, the corporate auditors and the Board of Directors.

In fulfilling its responsibilities, the Audit Committee shall have full access to all books, records, facilities and personnel of the Group, and shall be authorised (without seeking approval of the Board of Directors) to retain special legal, accounting or other advisors and to request any officer or employee of the Group or the Group’s outside counsel or independent accountants to meet with any members of, or advisors to, the Audit Committee. The Audit Committee may delegate its authority to subcommittees or the Chairman of the Audit Committee when it deems appropriate and in the best interests of the Group.
Limitations Inherent in the Audit Committee's Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to determine that the Group’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles (“GAAP”). This determination is the responsibility of management and the independent accountants. Nor is it the duty of the Audit Committee to assure the compliance with the Group’s Code of Conduct. Furthermore, while the Audit Committee is responsible for reviewing the Group’s policies and practices with respect to risk assessment and management, it is the responsibility of the Chief Executive and senior management to determine the appropriate level of the Group’s exposure to risk.

II. AUDIT COMMITTEE COMPOSITION AND MEETINGS

The Audit Committee shall be comprised of three or more Directors as determined by the Board or the Nominating and Corporate Governance Committee, each of whom shall be independent Directors in accordance with the New York Stock Exchange (the “NYSE”) listing standards and who meet the additional “independence” requirements of the NYSE for audit committee membership.

In addition, as determined by the Board in its business judgment, the members of the Committee shall meet the requirements of the NYSE and the Securities and Exchange Commission (the “SEC”) for membership on audit committees.

The members of the Committee shall be elected by the Board at the annual organisational meeting of the Board or until their successors shall be duly elected and qualified. The members of the Committee may be removed by the Board. Unless a Chairman is elected by the full Board, the members of the Committee may designate a Chairman by majority vote of the full Committee membership.

No Committee member should simultaneously serve on the Audit Committee of more than two other public companies.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Chairman of the Audit Committee, in consultation with the other Committee members, shall determine the frequency and length of the Committee meetings and shall set meeting agendas consistent with this Charter. A majority of the members of the Committee shall constitute a quorum. As part of its job to foster open communication, the Committee should meet at least annually with management, the director of the Corporate Audit Department and the independent accountants in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee, or at least its Chairman, should hold discussions with the independent accountants and management as needed regarding the Group’s financial statements.

Minutes of each meeting are to be prepared, and, following approval by the Audit Committee sent to the Board of Directors.

III. RESPONSIBILITIES AND DUTIES

In addition to any other responsibilities, which may be assigned from time to time by the Board of Directors, the Audit Committee is responsible for the following matters:

Independent Accountants

1. Seek removal of the independent accountants of the Group; appoint replacement independent accountants to fill vacancies, pending appointment at the Group’s next annual general meeting; and implement resolutions passed by the Group in the annual general meeting for the removal of the independent accountants of the Group (subject to, if applicable, necessary regulatory consents).

2. The Audit Committee shall be responsible for the compensation of the independent accountants and shall pre-approve all audit engagement fees and terms as well as all audit-related and non-audit services to be provided by the Group’s independent accountants. The Audit Committee may, from time to time, delegate its authority to pre-approve such audit-related and non-audit services to one or more Audit Committee members, provided that such designees present any such approvals to the full Audit Committee at the next Audit Committee meeting.
3. Evaluate the independent accountant’s qualifications, performance and independence, and present its conclusions and recommendations with respect to the independent accountants to the Board of Directors on at least an annual basis. The independent accountants are ultimately accountable to the Board of Directors and the Audit Committee. As part of such evaluation, at least annually, the Audit Committee shall:

- Obtain and review a report or reports from the Group's independent accountants describing:
  i. The independent accountants’ internal quality-control procedures;
  ii. Any material issues raised by (a) the most recent internal quality-control review or peer review of the auditing firm, or (b) any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the independent accountants; and any steps taken to deal with any such issues; and
  iii. All relationships between the independent accountants and the Group.
- Review and evaluate the lead partner (and senior members) of the independent accountants;
- In addition to assuring the regular rotation of the lead audit partner as required by law, consider whether the independent accountants should be rotated, so as to assure continuing auditor independence; and
- Obtain the opinions of management and the corporate auditors of the independent accountants’ performance.

4. Meet with, discuss and review, prior to the annual audit, the scope of the audit to be performed by the independent public accountants.

Corporate Audit

1. Review and monitor, at least annually, the plans and activities of the corporate audit department, including:

- Approving the charter of the corporate audit function;
- Reviewing annual corporate audit plans and results of activities;
- Reviewing the organisational structure, corporate audit budget, staffing levels and related qualifications of the corporate audit department; and
- Evaluate how effectively the corporate audit department discharges its responsibilities.

2. Review a summary of findings from completed corporate audits and a progress report on the current year’s corporate audit plan. When and as deemed necessary, review the individual corporate audit reports to management prepared by the corporate audit department and management’s response.

Financial Statements; Disclosure and Other Risk Management and Compliance Matters

1. Review and discuss with the independent accountants and with management the results of the annual audit of the Group’s consolidated financial statements including (i) the Group’s disclosures under “Operating and Financial Review and Prospects” to be included in its Form 20-F to be filed with the SEC and (ii) any appropriate matters regarding accounting principles, practices and judgments and the independent accountants’ opinion as to the quality thereof and any items required to be communicated to the Committee by the independent accountants in accordance with standards established and amended from time to time by the respective Australian and US auditing standard boards prior to its filing with both the Australian Stock Exchange (the “ASX”) and the SEC (on Form 6-K) or prior to the release of earnings. The Chairman of the Committee may represent the entire Committee for purposes of these discussions.
2. Review and discuss with the independent accountants any audit problems or difficulties encountered during the course of the audit, and management's response thereto, including those matters required to be discussed with the Audit Committee by the independent accountants pursuant to the applicable Australian and US auditing standards:

- Any restrictions on the scope of the independent accountants' activities or access to requested information;
- Any accounting adjustments that were noted or proposed by the auditors but were “passed” (as immaterial or otherwise);
- Any communications between the audit team and the audit firm's national office regarding auditing or accounting issues presented by the engagement;
- Any management or internal control letter issued, or proposed to be issued, by the auditors; and
- Any significant disagreements between the Group's management and the independent accountants.

3. Recommend to the Board of Directors whether the Group's consolidated financial statements be accepted for inclusion in the Group's annual reports filed with the ASX and in the Group's Annual Report on Form 20-F filed with the SEC.

4. Review and discuss with management and the independent accountants the Group's half-year financial statements and any items required to be communicated to the Committee by the independent accountants in accordance with existing auditing standards.

5. In consultation with management, the independent accountants, and the director of the corporate audit department, review the integrity of the Group's financial reporting processes, internal controls and disclosure controls and procedures, including whether there are any significant deficiencies in the design or operation of such processes, controls and procedures, material weaknesses in such processes, controls and procedures, any corrective actions taken with regard to such deficiencies and any fraud involving management or other employees with a significant role in such processes, controls and procedures.

6. Review with management, the corporate auditors and the independent accountants, in separate meetings, if the Audit Committee deems it appropriate:

- Any analysis or other written communications prepared by management, the corporate auditors and/or the independent accountants setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
- The critical accounting policies of the Group;
- Related-party transactions and off-balance sheet transactions and structures;
- Any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Group's selection or application of accounting principles;
- The quality and the acceptability of the Group's accounting policies as applied in its financial reporting; and
- Regulatory and accounting initiatives or actions applicable to the Group (including any Australian Securities and Investment Commission (“ASIC”) or SEC investigations or proceedings).

7. Discuss, in conjunction with management, the Group's earnings releases as well as financial information and earnings guidance provided to analysts and rating agencies (paying particular attention to use of “pro forma” or “adjusted” non-GAAP information).

8. Review, with the Group's counsel and management, any legal or regulatory matter that could have a significant impact on the Group's financial statements.

9. Review the Group's policies and practices with respect to risk assessment and risk management, including discussing with management the Group's major financial risk exposures and the steps that have been taken to monitor and control such exposures.
Statement of Corporate Governance (continued)

FOR THE YEAR ENDED 30 JUNE, 2003

10. Establish procedures for:

- The receipt, retention and treatment of complaints received by the Group regarding accounting, internal accounting controls or auditing matters; and

- The confidential, anonymous submission by employees of the Group of concerns regarding questionable accounting or auditing matters.

The Audit Committee shall review any significant complaints regarding accounting, internal accounting controls or auditing matters received pursuant to such procedures.

11. Consider and approve, if appropriate, major changes to the Group’s auditing and accounting principles and practices as suggested by the independent accountants, management, or the corporate audit department.

12. Review with the independent accountants, the corporate audit department and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented.

Reporting to the Board of Directors; Evaluation of Performance; Other Activities

1. Report to the Board of Directors on a regular basis, and this report shall include a review of any issues that arise with respect to the quality or integrity of the Group’s financial statements, the Group’s legal and regulatory requirements, the qualifications, independence and performance of the Group’s independent accountants and the performance of the corporate audit function.

2. Evaluate, at least annually, its own performance and report to the Board of Directors on such evaluation and review and assess the adequacy of this Charter periodically or as conditions dictate.

3. Prepare a report of the Audit Committee to be included in the Group’s Annual Report and other filings as required by the applicable regulatory rules, and review any reports that may be required to be filed with the NYSE or other regulatory agencies with respect to the Audit Committee.

4. Have the power to conduct and authorise investigations into any matters within the Committee’s scope of responsibilities.

5. Perform any other activities consistent with the Company’s charter documents and governing law as the Board of Directors deems necessary or appropriate.

Nominating and Corporate Governance Committee

During the year, the former Nominating Committee (which consisted of Messrs K R Murdoch AC, A S B Knight and A M Siskind) was restructured to form the Nominating and Corporate Governance Committee. This newly constituted Committee consists of the following independent Directors:

G C Bible, Chairman
K E Cowley AO
R I Eddington

The Committee’s Charter, which has been redrafted in accordance with currently proposed NYSE rules and formally adopted by the Board on 12 August, 2003, is as follows:

Purpose and Authority

The Board of Directors has established a Nominating and Corporate Governance Committee (the “Committee”) with the authority and responsibilities described below.

The Committee shall have the sole authority to retain and terminate any search firm assisting the Committee in identifying Director candidates and to retain counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and terms of any advisors that it retains. The Committee may delegate its authority to subcommittees or the Chairman of the Committee when it deems appropriate and in the best interests of the Group.
Composition and Meetings

The Committee shall consist entirely of Directors who the Board determines are “independent” in accordance with the New York Stock Exchange listing standards. The members of the Committee shall be appointed and may be removed by the Board. The Committee shall meet as often as it deems is appropriate to carry out its responsibilities and report its actions and recommendations to the Board. A majority of the members of the Committee shall constitute a quorum. The Chairman of the Committee, in consultation with the other Committee members, shall set meeting agendas. The Committee shall report its actions and recommendations to the Board.

Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board of Directors, the Committee shall have the following responsibilities:

- To review the qualifications of candidates for Director suggested by Board members, shareholders, management and others in accordance with criteria recommended by the Committee and approved by the Board;
- To consider the performance of incumbent Directors in determining whether to nominate them for re-election;
- To recommend to the Board a slate of nominees for election or re-election to the Board at each annual meeting of shareholders;
- To recommend to the Board candidates to be elected to the Board as necessary to fill vacancies and newly created directorships;
- To make recommendations to the Board as to determinations of Director independence;
- To recommend to the Board retirement policies for Directors;
- To make recommendations to the Board concerning the function, composition and structure of the Board and its committees;
- To establish, together with all Non-executive Directors, the frequency of executive sessions in which only non-executive Directors will participate and over which the Chairman of the Committee will preside;
- To recommend to the Board Directors to serve as members of each committee;
- To develop and recommend to the Board a set of corporate governance principles and to review and recommend changes to those principles, as necessary;
- To advise and make recommendations to the Board on corporate governance matters, to the extent these matter are not the responsibility of other Committees;
- To develop and recommend to the Board an annual self-evaluation process for the Board;
- To evaluate the Committee’s performance at least annually and report to the Board on such evaluation;
- To periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval; and
- To perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate.

Compensation Committee

During the year, the Compensation Committee was reconstituted and restructured and subsumed the former Share Option Committee. The newly constituted Compensation Committee consists of the following Non-executive Directors:

A S B Knight, Chairman
J A M Erkko KBE
T J Perkins

The Committee’s Charter, which has been redrafted in accordance with currently proposed NYSE rules and formally adopted by the Board on 12 August, 2003, is as follows:

Purpose and Authority

The Board of Directors has established a Compensation Committee (the “Committee”) with the authority and responsibilities described below.
In fulfilling its responsibilities, the Committee shall have the sole authority to retain and terminate any compensation consultants, legal counsel and any other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and terms of any consultants, counsel or other advisors that it retains. The Committee may delegate its authority to subcommittees or the Chairman of the Committee when it deems appropriate and in the best interests of the Group.

Composition and Meetings

The Committee shall consist entirely of Directors who the Board determines are “independent” in accordance with the New York Stock Exchange listing standards. The Committee shall meet as often as it deems is appropriate to carry out its responsibilities. The members of the Committee shall be appointed and may be removed by the Board.

The Committee shall meet as often as it deems is appropriate to carry out its responsibilities. A majority of the members of the Committee shall constitute a quorum. The Chairman of the Committee, in consultation with the other Committee members, shall set meeting agendas. The Committee shall report its actions and recommendations to the Board.

Responsibilities

In addition to any other responsibilities which may be assigned from time to time by the Board of Directors, the Committee shall have the following responsibilities:

- To review and approve goals and objectives relevant to the compensation of the Chief Executive, to evaluate the performance of the Chief Executive in light of these goals and objectives, and recommend to the Board the compensation of the Chief Executive based on this evaluation;
- To administer and make recommendations to the Board with respect to incentive compensation plans and equity based plans, including the granting of share options under the Group’s share option plans, and to review the cumulative effect of its actions;
- To review and approve compensation, benefits and terms of employment of senior executives who are members of the Group’s Executive Committee;
- To review and make recommendations to the Board regarding the Group’s recruitment, retention, termination and severance policies and procedures for senior executives who are members of the Group’s Executive Committee;
- To monitor compliance by executives with the Group’s stock ownership guidelines as set forth in the Group’s Standards of Business Conduct;
- To review and assist with the development of executive succession plans, to review and approve the executive compensation information to be included in the Group’s annual report, and to consult with the Chief Executive regarding the selection of senior executives;
- To review the compensation of Directors for service on the Board and its Committees and recommend changes in compensation to the Board;
- To evaluate the Committee’s performance at least annually and report to the Board on such evaluation;
- To periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval; and
- To perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate.

Details of Directors’ remuneration, superannuation and retirement payments are set out on pages 55 to 56.

Internal Controls and Risk Management

An internal audit function operates under a Charter which defines the purpose, authority and responsibility of the Corporate Audit Department. The Corporate Audit Department’s mission is to provide an independent assessment of risk and the effectiveness of internal operating and financial controls within the Group’s various operating businesses.
The areas of emphasis for the conduct of the assessment include the:

- adequacy, appropriateness and effectiveness of accounting and operating controls;
- extent of compliance with Group policies and procedures;
- accuracy of and security over data and information;
- accountability for the Group's assets to safeguard against loss;
- adequacy of reviews made by the operating companies to ensure an effective internal control environment is fostered; and
- economy and efficiency with which resources are employed.

The results of each audit and agreed-upon management action plan are reported on a timely basis to the management responsible for implementing changes.

The Corporate Audit Department reports to the Group's Audit Committee and meets with them at least twice a year to review the annual Internal Audit Plan and the results of its activities.

The activities of the Corporate Audit Department are separate and distinct from the external auditors. However, active coordination between the two groups is recognised as essential in order to maximise the Group's return on investment for audit services.

The full text of the Charter of the Corporate Audit Department is available on the Group's website.

**Ethical Standards**

At a Board meeting on 27 February, 1996, the Board adopted “Standards of Business Conduct”. The Standards confirm the Group's policy to conduct its affairs in compliance with all applicable laws and regulations and observe the highest standards of business ethics. The Group intends that the spirit, as well as the letter of those standards is followed by all Directors, officers and employees of the Group, its subsidiaries and divisions. This is communicated to each new Director, officer and employee and has already been communicated to those in positions at the time the Standards were adopted. The Standards deal with the following main areas:

- corporate assets and information:
  - (a) Group funds and property;
  - (b) corporate records and accounting;
  - (c) confidential and proprietary information;
  - (d) insider trading;
  - (e) legal disputes;
- conflicts of interest;
- dealing with others:
  - (a) government officials;
  - (b) business hospitality;
  - (c) prohibited payments;
- equal opportunity and unlawful harassment;
- safety of the workplace and environmental protection; and
- relationships with competitors and other trade practices.

Employees are encouraged to raise any matters of concern with their supervisor or the relevant Group's general counsel.
Code of Conduct for the Chief Executive and Senior Financial Officers
To further promote ethical and responsible decision making, the Board has established a Code of Conduct for the chief executive and senior financial officers that is included in the Group's Standards of Business Conduct. The full text of the Standards of Business Conduct is available on the Group's website.

Protection for company “whistleblowers”
The Group is in the process of establishing procedures to facilitate the submission and review of complaints from employees regarding questionable accounting, internal control or auditing matters on a confidential and anonymous basis. These procedures will enable employees to take their concerns directly to the Chairman of the Audit Committee without fear of retaliation and in the knowledge that procedures are in place to act upon their complaints.

Shareholder Communication
Shareholders play an integral part in corporate governance and the Board ensures that shareholders are kept fully informed through:

- information provided on the Group's website (www.newscorp.com), including the Annual Report which is distributed to all shareholders electing to receive it and the Full Financial Report which is available to all shareholders on request;
- reports and other disclosures made to the ASIC, the SEC, and the Stock Exchanges in Australia, New York, New Zealand and London; and
- notices and explanatory memoranda of extraordinary and general meetings.

Shareholders may raise matters of concern at general meetings. Shareholders and other interested parties may communicate directly with the Chairman of the Nominating and Corporate Governance Committee by writing to Geoffrey Bible, Board of Directors of The News Corporation Limited, 1211 Avenue of the Americas, New York, N.Y. 10036.

Corporate Reporting
In connection with the Company's periodic reports filed with the SEC, the Chief Executive and Chief Financial Officer have made certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002.
Statement of Corporate Governance (continued)

FOR THE YEAR ENDED 30 JUNE, 2003

Executive Management Committee

The Executive Management Committee is an informal body comprising Executive Directors of the Company as well as senior executives from the Group’s businesses or companies in which the Group holds a significant interest. The primary objective of the Executive Management Committee is to strengthen the coordination and profitability of the Group’s activities. The Executive Management Committee discusses major operating issues; evaluates opportunities and business risks; refines and redefines the Group’s priorities worldwide and by market; and reviews and sets the strategic focus and direction of all major businesses of the Group. In advising the Chief Executive and the Board, the Executive Management Committee also considers strategic direction, brand management, corporate communications, human resources and risk management. As at the date of the Directors’ Report contained herein, the Group’s Executive Management Committee includes the following persons:

K R Murdoch AC  Chairman and Chief Executive, The News Corporation Limited
A Ball  Chief Executive, British Sky Broadcasting Group plc
P Carlucci  Chairman and Chief Executive Officer, News America Marketing
P Chernin  President and Chief Operating Officer, The News Corporation Limited
D F DeVoe  Senior Executive Vice President and Chief Financial Officer, The News Corporation Limited
A Disney  Executive Vice President for Content, The News Corporation Limited
J Friedman  President and Chief Executive Officer, HarperCollins Publishers, Inc.
J N Gianopulos  Chairman, Fox Filmed Entertainment
G Ginsberg  Executive Vice President, Investor Relations and Corporate Communications, The News Corporation Limited
S Grushow  Chairman, Fox Television Entertainment Group
J Hartigan  Chief Executive, News Limited
D Hill  Chairman and Chief Executive Officer, Fox Sports Television Group
L Hinton  Executive Chairman, News International plc
J R Murdoch  Chairman and Chief Executive Officer, STAR Group; Executive Vice President, The News Corporation Limited
L K Murdoch  Deputy Chief Operating Officer, The News Corporation Limited; Chairman, News Limited
A Peled  Chief Executive Officer, NDS Group plc
M Pompadur  Executive Vice President, The News Corporation Limited
T Rothman  Chairman, Fox Filmed Entertainment
J Shell  Chief Executive Officer, Gemstar-TV Guide International, Inc.
A M Siskind  Senior Executive Vice President and Group General Counsel, The News Corporation Limited
M Stern  Chairman and Chief Executive Officer, Fox Television Stations
IMPORTANT INFORMATION FOR MEMBERS


A copy of the Full Financial Report, including the Independent Audit Report on the Full Financial Report, is available and will be sent to any shareholder without charge on request by phoning Australia 61 2 9288 3233, United Kingdom 44 207 782 6000 or United States 1 212 852 7059. All reports can be accessed via the internet at www.newscorp.com.
Directors’ Report

FOR THE YEAR ENDED 30 JUNE, 2003


Directors

The following Directors were in office during the period from 1 July, 2002 to the date of this report:

**K R Murdoch AC**
(Age 72). Managing Director and Chief Executive of The News Corporation Limited since 1979, Chairman since 1991. 
Director of Fox Entertainment Group, Inc. since 1985, Chairman since 1992 and Chief Executive Officer since 1995. 
Chairman of STAR Group from 1993 to 1998, Director since 1993. 
Director of British Sky Broadcasting Group plc since 1990 and Chairman since 1999. 
Director of China Netcom Corporation (Hong Kong) Limited since 2001. 

**G C Bible**
Non-executive Director of The News Corporation Limited since 1998. 
Chairman of Nominating and Corporate Governance Committee of The News Corporation Limited.

**C Carey**
Director of British Sky Broadcasting Group plc since February 2003. 
Director of Gateway, Inc. since 1996.

**P Chernin**
(Age 52). Executive Director, President and Chief Operating Officer of The News Corporation Limited since 1996. 
Director, President and Chief Operating Officer of Fox Entertainment Group, Inc. since 1998. 
Member of Advisory Board of PUMA AG since 1999.

**K E Cowley AO**
(Age 68). Director of Independent Newspapers Limited since 1990, Chairman since 2001. 
Director of The News Corporation Limited from 1979, Non-executive Director since 1997. 
Member of Nominating and Corporate Governance Committee of The News Corporation Limited.

**D F DeVoe**
Director of Fox Entertainment Group, Inc. since 1991, Senior Executive Vice President and Chief Financial Officer since 1998. 
Director of STAR Group since 1993. 
Director of British Sky Broadcasting Group plc since 1994. 
Non-executive Director of NDS Group plc since 1996. 

**R Eddington**
(Age 53). Chief Executive of British Airways plc since 2000. 
Director of John Swire & Sons Pty Limited since 1997. 
Non-executive Director of The News Corporation Limited since 2000, Executive Director from 1999 to 2000. 
Member of Nominating and Corporate Governance Committee of The News Corporation Limited.
J A M Erkko KBE
(Age 70). Chairman of Asipex Group since 1999.
Member of the Audit and Compensation Committees of The News Corporation Limited.

A S B Knight
(Age 63). Non-executive Director of Rothschild Investment Trust Capital Partners plc since 1997.
Chairman of the Compensation Committee and member of the Audit Committee of The News Corporation Limited.

G J Kraehe AO
(Age 60) Chairman, BHP Steel Limited since 2002.
Director of National Australia Bank Limited since 1997.
Director of Brambles Industries Limited since 2000.
Non-executive Director of The News Corporation Limited since 2001.
Chairman of the Audit Committee of The News Corporation Limited.

J R Murdoch
(Age 30) Director of The News Corporation Limited since 2000.
Chairman and Chief Executive Officer of STAR Group since 2000.
Non-executive Director of NDS Group plc since 1999.
Director of Phoenix Satellite Television Holdings Limited since June 2000.
Director of British Sky Broadcasting Group plc since February 2003.
Director of YankeesNets LLC since 1999.

L K Murdoch
(Age 31). Executive Director of The News Corporation Limited since 1996 and Senior Executive Vice President from 1999 to 2000.
Deputy Chief Operating Officer since 2000.
Executive Director of News Limited since 1995, Chairman since 1997.
Director of Fox Entertainment Group, Inc. since 2002.
Deputy Chairman of STAR Group since 1995.
Non-executive Director of NDS Group plc since 2002.
Director of Foxtel Management Pty Limited since 1998.

T J Perkins
Director of Hewlett-Packard Company since May 2002.
Non-executive Director of The News Corporation Limited since 1996.
Member of the Audit and Compensation Committees of The News Corporation Limited.

B C Roberts Jr.
Non-executive Director of The News Corporation Limited from 1995 to August 2002.

S S Shuman
(Age 68). Managing Director of Allen & Company LLC since 1970.
Director of Six Flags, Inc. since 2000.
Non-executive Director of The News Corporation Limited since 1982.
A M Siskind  
(Age 64). Director and Group General Counsel of The News Corporation Limited since 1991, Senior Executive Vice President since 1996.  
Director of British Sky Broadcasting Group plc since 1992.  
Director of STAR Group since 1993.  
Non-executive Director of NDS Group plc since 1996.  
Director, Senior Executive Vice President and General Counsel of Fox Entertainment Group, Inc. since 1998.

**Directors’ Meetings**

The following Directors were in office during the financial year, and attended the following number of Board meetings:

<table>
<thead>
<tr>
<th>Name</th>
<th>Directors’ Meetings</th>
<th>Audit</th>
<th>Nominating and Corporate Governance</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>K R Murdoch AC</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>G C Bible</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C Carey</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P Chernin</td>
<td>7</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>K E Cowley AO</td>
<td>7</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D F DeVoe</td>
<td>7</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R Eddington</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>J A M Erkko KBE</td>
<td>2</td>
<td>3</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>A S B Knight</td>
<td>7</td>
<td>5</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>G J Kraehe AO</td>
<td>6</td>
<td>3</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>J R Murdoch</td>
<td>7</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L K Murdoch</td>
<td>7</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>T J Perkins</td>
<td>5</td>
<td>4</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>B C Roberts Jr.</td>
<td>1</td>
<td>2</td>
<td>(b)</td>
<td></td>
</tr>
<tr>
<td>S S Shuman</td>
<td>7</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A M Siskind</td>
<td>7</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Represents attendance at all meetings subsequent to appointment to the Audit Committee

(b) Represents attendance at all meetings prior to resignation from the Audit Committee

Numerous other meetings of the Board attended by a quorum of two or more Directors were held to deal with the day to day business of the Group.
Principal Activities of the Group
The principal activities of the Group during the financial year were:

- filmed entertainment;
- television;
- direct broadcast satellite television;
- cable network programming;
- magazines and inserts;
- newspapers; and
- book publishing.

The principal activities of associated entities include:

- satellite, television, cable and direct broadcast satellite television;
- newspaper publishing; and
- print and electronic television guidance applications.

Group Results
The net profit attributable to members of the parent entity was $1,808 million (2002 $11,962 million loss). This result is after absorbing the after tax Other revenues and Other expenses of $163 million net expense (2002 $11,989 million net expense) and the profit from associated entities’ Other items of $70 million (2002 $1,120 million loss).

Dividends
The following dividends have been declared since the beginning of the financial year:

a) The Directors of The News Corporation Limited recommend the payment on 15 October, 2003 of a final unfranked dividend of 1.5 cents per ordinary share and 3.75 cents per preferred limited voting ordinary share on the issued shares at 12 September, 2003, the entitlement date for the final dividend. The final dividend has not been provided for in the attached financial statements in accordance with the Group’s accounting policy, as the dividend was not declared and announced by the Directors prior to 30 June, 2003. A discount of 10% will apply to the weighted average market price of the ordinary and preferred limited voting ordinary shares used to determine the respective entitlements under the Dividend Reinvestment Plan.

b) On 30 April, 2003 an interim unfranked dividend, in respect of profits for the year ended 30 June, 2003 of 1.5 cents per ordinary share and 3.75 cents per preferred limited voting ordinary share totalling $152 million was paid or distributed according to the operation of the Group’s Dividend Reinvestment Plan.

c) On 9 October, 2002 a final unfranked dividend of 1.5 cents per ordinary share and 3.75 cents per preferred limited voting ordinary share totalling $152 million was paid or distributed according to the operation of the Group’s Dividend Reinvestment Plan.

d) Unfranked dividends declared on the outstanding perpetual preference shares during the year amounted to $47 million.

Review of Operations
A review of the operations of the Group during the financial year and of the results of those operations is detailed in the front section of this Annual Report.

State of Affairs of the Group during the Financial Year
The Directors are not aware of any significant change in the state of affairs of the Group that occurred during the financial year which has not been covered elsewhere in this Annual Report.

Likely Developments
Other than matters referred to in this report and in the state of affairs of the Group in the review of operations, the Directors have no reference to make to likely developments in the operations of the Group and the expected results of those operations in subsequent financial years. In the opinion of the Directors, any further disclosure would prejudice the interests of the Group.
Environmental Regulations
The Group’s operations are subject to various environmental regulations in the countries in which it has a presence.

In Australia, the Group has established an environmental management system in each jurisdiction, which monitors compliance with existing environmental regulations and new regulations as they are enacted. The management system includes procedures to be followed should an incident occur which adversely impacts the environment. The Group’s operations hold all relevant environmental licences and permits and have implemented monitoring procedures to ensure that it complies with licence conditions.

The Directors are not aware of any breaches of any legislation during the financial year which are material in nature.

Subsequent Events
The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in the financial years subsequent to the current financial year.

Directors’ and Senior Executives’ Remuneration

Non-executive Directors
Fees paid to Non-executive Directors on the Board take into consideration the level of fees paid to Board members of other multinational corporations, the size and complexity of the Group’s operations and the responsibilities and workload requirements of Board members.

Because the focus of the Board is on the long-term direction of the Group, there is no direct link between Non-executive Director remuneration and the short-term results of the Group.

Executive Directors
The broad remuneration policy is to ensure each compensation package properly reflects the relevant person’s duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. As the Group operates in a highly competitive environment and continually seeks to improve value for shareholders, it is imperative that remuneration levels are set to be among the leaders of major multinational corporations, in the appropriate markets.

Directors’ fees are not paid to Executive Directors since the responsibilities of Board membership are considered in determining remuneration provided as part of the normal employment conditions.
The table below sets out the fees and other amounts paid by the Group to Non-executive Directors of the Group for the year ended 30 June, 2003:

<table>
<thead>
<tr>
<th>Name</th>
<th>Fees</th>
<th>Other Amounts</th>
<th>Value attributable to options granted in current year</th>
<th>Number of option granted in current year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>US$000</td>
<td>US$000</td>
<td>[1]</td>
<td>[2]</td>
</tr>
<tr>
<td>Non-executive Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G C Bible</td>
<td>53</td>
<td>53</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>K E Cowley AO</td>
<td>53</td>
<td>53</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>R Eddington</td>
<td>53</td>
<td>53</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>J A M Erkko KBE</td>
<td>54</td>
<td>54</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>A S B Knight</td>
<td>83</td>
<td>83</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>G J Kraehe AO</td>
<td>64</td>
<td>64</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>T J Perkins</td>
<td>61</td>
<td>61</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>B C Roberts Jr. (a)</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>S S Shuman</td>
<td>120</td>
<td>120</td>
<td>6</td>
<td>12,000</td>
</tr>
</tbody>
</table>

(a) Fees paid prior to resignation in August 2002.

The table below sets out the fees and other amounts paid by the Group to Executive Directors and the six officers receiving the highest emoluments, of the Group, for the year ended 30 June, 2003:

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary</th>
<th>Bonuses</th>
<th>Other Amounts</th>
<th>Value attributable to options granted in current year</th>
<th>Number of options granted in current year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K R Murdoch AC</td>
<td>4,508</td>
<td>7,500</td>
<td>2,088</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>C Carey</td>
<td>1,600</td>
<td>1,500</td>
<td>568</td>
<td>6</td>
<td>12,000</td>
</tr>
<tr>
<td>P Chernin</td>
<td>8,104</td>
<td>8,000</td>
<td>662</td>
<td>577</td>
<td>1,000,000</td>
</tr>
<tr>
<td>D F DeVoe</td>
<td>2,104</td>
<td>7,150</td>
<td>474</td>
<td>277</td>
<td>480,000</td>
</tr>
<tr>
<td>J R Murdoch</td>
<td>900</td>
<td>1,200</td>
<td>14</td>
<td>127</td>
<td>220,000</td>
</tr>
<tr>
<td>L K Murdoch</td>
<td>1,403</td>
<td>1,200</td>
<td>150</td>
<td>196</td>
<td>340,000</td>
</tr>
<tr>
<td>A M Siskind</td>
<td>1,965</td>
<td>1,200</td>
<td>663</td>
<td>277</td>
<td>480,000</td>
</tr>
</tbody>
</table>

Officers

<table>
<thead>
<tr>
<th>Name</th>
<th>Salary</th>
<th>Bonuses</th>
<th>Other Amounts</th>
<th>Value attributable to options granted in current year</th>
<th>Number of options granted in current year</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Ailes</td>
<td>2,500</td>
<td>5,956</td>
<td>95</td>
<td>203</td>
<td>350,000</td>
</tr>
<tr>
<td>J Gianopulos</td>
<td>1,741</td>
<td>1,750</td>
<td>38</td>
<td>225</td>
<td>389,200</td>
</tr>
<tr>
<td>S Grushow</td>
<td>2,001</td>
<td>2,600</td>
<td>30</td>
<td>269</td>
<td>464,400</td>
</tr>
<tr>
<td>D Hill</td>
<td>1,750</td>
<td>1,750</td>
<td>42</td>
<td>202</td>
<td>348,400</td>
</tr>
<tr>
<td>T Rothman</td>
<td>1,741</td>
<td>1,750</td>
<td>34</td>
<td>225</td>
<td>389,200</td>
</tr>
<tr>
<td>M Stern</td>
<td>2,495</td>
<td>1,350</td>
<td>40</td>
<td>205</td>
<td>354,000</td>
</tr>
</tbody>
</table>
Other amounts comprise contributions to the Group pension plans and the cost of non-cash benefits in addition to salary for executives in line with local country regulations and competitive market conditions.

These options are valued using the Black-Scholes Option Pricing Model. These options are granted under the Group’s various executive share option plans described in the Full Financial Report Note 25.

Pursuant to guidelines issued on 1 July, 2003 by the ASIC, there has been a change in the determination of the amount of emoluments disclosed relating to options granted during the financial year. In prior years, 100% of the value of options granted was disclosed as emoluments in the year of grant. The new ASIC guidelines now require that the value of options granted be disclosed as emoluments over their vesting period, being 4 years from the date of grant. Accordingly, the value of emolument recorded for options granted during the current financial year represents only the vested portion of the full option value.

The following table lists the value of emolument attributable to options granted in financial years prior to fiscal 2003 and previously disclosed as emoluments in prior years, that vest in the current year.

<table>
<thead>
<tr>
<th>Non-executive Directors</th>
<th>US$000</th>
<th>Executive Directors</th>
<th>US$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>G C Bible</td>
<td>28</td>
<td>K R Murdoch AC</td>
<td>8,814</td>
</tr>
<tr>
<td>K E Cowley AO</td>
<td>28</td>
<td>C Carey</td>
<td>2,794</td>
</tr>
<tr>
<td>R Eddington</td>
<td>66</td>
<td>P Chernin</td>
<td>14,861</td>
</tr>
<tr>
<td>J A M Erkko KBE</td>
<td>28</td>
<td>D F DeVoe</td>
<td>2,752</td>
</tr>
<tr>
<td>A S B Knight</td>
<td>28</td>
<td>J R Murdoch</td>
<td>661</td>
</tr>
<tr>
<td>G J Kraehe AO</td>
<td>7</td>
<td>L K Murdoch</td>
<td>2,641</td>
</tr>
<tr>
<td>T J Perkins</td>
<td>28</td>
<td>A M Siskind</td>
<td>2,752</td>
</tr>
<tr>
<td>B C Roberts Jr.</td>
<td>28</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S S Shuman</td>
<td>28</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Officers

<table>
<thead>
<tr>
<th>US$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Ailes</td>
</tr>
<tr>
<td>J Gianopulos</td>
</tr>
<tr>
<td>S Grushow</td>
</tr>
<tr>
<td>D Hill</td>
</tr>
<tr>
<td>T Rothman</td>
</tr>
<tr>
<td>M Stern</td>
</tr>
</tbody>
</table>

All options are over preferred limited voting ordinary shares and were granted during the financial year.

The exercise price of the options is A$7.73 and the options expire on 9 October, 2012 for each Director.

The exercise price is A$8.02 and the options expire on 13 August, 2012 for each Executive Director.

The exercise price is A$8.02 and the options expire on 14 August, 2012 for each Officer.

Directors’ Interests and Benefits

Information on Directors’ Shareholdings as at the date of this report is contained in the Full Financial Report Note 30.

Share Options

Details of the share options are disclosed in the Full Financial Report Note 25.

The options carry no right to participate in any other share issue and no options have been exercised by a Director, except as noted in the Full Financial Report Note 30.
Indemnification of Directors
To the extent permitted by law, the Group has indemnified (fully insured) each Director, principal executive officer and secretary of the Group against any liability that may arise as a result of work performed in their respective capacities.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors’ and Officers’ Liability and Legal Expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

Rounding of Amounts
The parent entity is a company of the kind specified in ASIC class order 98/0100. In accordance with that class order, amounts in this report and the accompanying Concise Financial Report have been rounded off to the nearest million dollars unless specifically stated to be otherwise.

This report is signed in accordance with a resolution of Directors.

K R Murdoch AC
Director

D F DeVoe
Director
13 August, 2003
Discussion and Analysis (2003 to 2002 fiscal periods)

Statement of Financial Performance
Operating income for the year ended 30 June, 2003 was $4.4 billion, an increase of $0.8 billion, or 23% over the previous year. This result was driven by record performances from the Filmed Entertainment and Cable Network Programming segments as well as STAR and the Television Station businesses. The Filmed Entertainment segment was primarily driven by the worldwide home entertainment performance of *Ice Age*, *Shallow Hall*, and *Behind Enemy Lines* combined with a string of successful theatrical releases during the year including *X2: X-Men United*, *Daredevil*, *Like Mike*, *Drumline*, *Just Married* and *Phone Booth*. The success of Cable Network Programming reflects strong revenue growth across all of the Group’s primary cable television channels, slightly offset by the impact of war coverage at Fox News and higher programming and marketing costs at FX. The Television segment gains primarily reflect increases in primetime ratings, improved pricing and strong advertising market growth in conjunction with market share gains. These positives were offset by reduced operating income levels reported by the Newspaper segment, resulting primarily from the impact of the discounted pricing initiative in place for the majority of the year at *The Sun* in the UK.

Net losses from associated entities for the year improved to $89 million from $1,434 million in 2002. These amounts comprise operating losses from associated entities of $159 million and $314 million for the years ended 30 June, 2003 and 2002 respectively, combined with Other items of $70 million gain in 2003 and $1,120 million expense in 2002. The reduction in operating losses is primarily due to increased contributions from British Sky Broadcasting Group plc (“BSkyB”) and National Geographic Channel (US) as well as the favourable impact of foreign currency fluctuations in certain Latin American pay television platforms. Associated entities’ Other items for the year ended 30 June, 2003 primarily relate to the Group’s share of asset sale gains recognised by Independent Newspapers Limited, offset by a write down in the value of certain assets of Sky Multi-Country Partners, a Latin American pay television platform.

The Group recorded a net loss from Other items before tax of $378 million in 2003. This comprised a further write down in the Group’s carrying value of its investment in Gemstar – TV Guide International Inc. (“Gemstar”), losses incurred following early extinguishment of debt and charges against the carrying value of certain non-current assets. These expenses were offset by the gain realised following the issuance of additional common stock by Fox Entertainment Group.

The net profit attributable to members of the parent entity was $1.8 billion (2002 - $12 billion loss).
Discussion and Analysis of the Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE, 2003

Statement of Financial Position
Total assets as at 30 June, 2003 declined $3.7 billion from the prior year to $67.7 billion. The major changes occurred in the following:

- Cash increased $0.4 billion as outlined in the commentary on the Statement of Cash Flows below;
- Cash on deposit reflects cash collateral for acquired SKY Italia long term debt;
- Current receivables and property, plant and equipment reduced primarily due to the weakness of the US dollar, offset by the consolidation of SKY Italia assets;
- Non-current receivables increased $0.4 billion largely due to the consolidation of SKY Italia;
- Investments in associated entities reduced by $1.3 billion, reflecting the write down of Gemstar and the consolidation of Stream as a consequence of the SKY Italia transaction;
- Other investments reduced $0.5 billion primarily due to the weakness of the US dollar and the write down of certain investments;
- Publishing rights, titles and television licences decreased $2.6 billion due to currency fluctuations, offset by the intangible recognised following the consolidation of SKY Italia.

Total liabilities as at 30 June, 2003 declined $2.9 billion from the prior year to $29.0 billion. The major changes occurred in the following:

- Interest bearing liabilities reduced $3.0 billion mainly due to net debt repayments of $1.4 billion and favourable currency fluctuations, offset by the liabilities assumed on consolidation of SKY Italia;
- The reduction in total payables of $0.3 billion was offset by an increase in Exchangeable securities of $0.4 billion and reflects $3.2 billion net proceeds from issuance of new securities and the newly consolidated SKY Italia liabilities, offset by $1.3 billion in settlement of existing obligations and favourable currency fluctuations.

Statement of Cash Flows
Overall cash increased by $0.4 billion due to the following:

- Cash provided by operating activities was $2.5 billion primarily due to operating profit before depreciation of $2.6 billion;
- Cash used in investing activities was $1.8 billion. Net investment spending was $1.6 billion, reflecting businesses acquired of $0.6 billion (primarily the Chicago television station WPWR and SKY Italia) as well as continued investments into various cable and pay television channels and platforms worldwide. This was offset by $0.3 billion of proceeds from disposal of non current assets. Capital expenditures amounted to $0.5 billion;
- Cash provided by financing activities was $0.5 billion. This reflects proceeds of $3.2 billion from issuance of Exchangeable securities (“BUCS”) and long term debt and shares issued of $1.9 billion, primarily being proceeds from the secondary issue made by the Fox Entertainment Group in December 2002. Offsetting this, funds were applied to repay $3.7 billion in long term debt and Exchangeable securities and to provide $0.7 billion as cash collateral for SKY Italia long term debt. Dividends paid amounted to $0.3 billion;
- The weakening of the US dollar reduced reported cash by $0.7 billion.
Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE, 2003

<table>
<thead>
<tr>
<th>Note</th>
<th>2003 A$ million (except per share amounts)</th>
<th>2002 A$ million (except per share amounts)</th>
<th>2001 A$ million (except per share amounts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>2 29,913</td>
<td>29,014</td>
<td>25,578</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2 (25,561)</td>
<td>(25,472)</td>
<td>(22,485)</td>
</tr>
<tr>
<td>Operating income</td>
<td>2 4,352</td>
<td>3,542</td>
<td>3,093</td>
</tr>
<tr>
<td>Net loss from associated entities</td>
<td>5 (89)</td>
<td>(1,434)</td>
<td>(249)</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(1,000)</td>
<td>(1,291)</td>
<td>(1,268)</td>
</tr>
<tr>
<td>Investment income</td>
<td>209</td>
<td>291</td>
<td>333</td>
</tr>
<tr>
<td>Net borrowing costs</td>
<td>(791)</td>
<td>(1,000)</td>
<td>(935)</td>
</tr>
<tr>
<td>Dividend on exchangeable securities</td>
<td>(94)</td>
<td>(93)</td>
<td>(90)</td>
</tr>
<tr>
<td>Other revenues before income tax</td>
<td>6 679</td>
<td>5,627</td>
<td>3,335</td>
</tr>
<tr>
<td>Other expenses before income tax</td>
<td>6 (1,057)</td>
<td>(17,601)</td>
<td>(4,609)</td>
</tr>
<tr>
<td>Change in accounting policy before tax</td>
<td>7</td>
<td>(1,107)</td>
<td></td>
</tr>
<tr>
<td>Profit (loss) from ordinary activities before income tax</td>
<td>3,000</td>
<td>(10,959)</td>
<td>(562)</td>
</tr>
<tr>
<td>Income tax (expense) benefit on</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary activities before change in accounting policy and other items</td>
<td>(989)</td>
<td>(640)</td>
<td>(428)</td>
</tr>
<tr>
<td>Other items</td>
<td>6 215</td>
<td>(15)</td>
<td>19</td>
</tr>
<tr>
<td>Change in accounting policy</td>
<td></td>
<td></td>
<td>421</td>
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<tr>
<td>Net income tax (expense) benefit</td>
<td>(774)</td>
<td>(655)</td>
<td>12</td>
</tr>
<tr>
<td>Net profit (loss) from ordinary activities after income tax</td>
<td>2,226</td>
<td>(11,614)</td>
<td>(550)</td>
</tr>
<tr>
<td>Net profit (loss) attributable to outside equity interests</td>
<td>3 (418)</td>
<td>(348)</td>
<td>(196)</td>
</tr>
<tr>
<td>Net profit (loss) attributable to members of the parent entity</td>
<td>1,808</td>
<td>(11,962)</td>
<td>(746)</td>
</tr>
<tr>
<td>Net exchange (losses) gains recognised directly in equity</td>
<td>(4,064)</td>
<td>(3,021)</td>
<td>3,309</td>
</tr>
<tr>
<td>Items recognised directly in equity</td>
<td>8 152</td>
<td>(267)</td>
<td>1,060</td>
</tr>
<tr>
<td>Total change in equity other than those resulting from transactions with owners as owners</td>
<td>(2,104)</td>
<td>(15,250)</td>
<td>3,623</td>
</tr>
</tbody>
</table>

Basic earnings per share on net profit (loss) attributable to members of the parent entity

<table>
<thead>
<tr>
<th>Description</th>
<th>Ordinary shares</th>
<th>Preferred limited voting ordinary shares</th>
<th>Ordinary and preferred limited voting ordinary shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares</td>
<td>$0.307</td>
<td>$(2.170)</td>
<td>$(0.174)</td>
</tr>
<tr>
<td>Preferred limited voting ordinary shares</td>
<td>$0.368</td>
<td>$(2.604)</td>
<td>$(0.209)</td>
</tr>
<tr>
<td>Ordinary and preferred limited voting ordinary shares</td>
<td>$0.344</td>
<td>$(2.431)</td>
<td>$(0.192)</td>
</tr>
</tbody>
</table>

Diluted earnings per share on net profit (loss) attributable to members of the parent entity

<table>
<thead>
<tr>
<th>Description</th>
<th>Ordinary shares</th>
<th>Preferred limited voting ordinary shares</th>
<th>Ordinary and preferred limited voting ordinary shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares</td>
<td>$0.305</td>
<td>$(2.170)</td>
<td>$(0.174)</td>
</tr>
<tr>
<td>Preferred limited voting ordinary shares</td>
<td>$0.366</td>
<td>$(2.604)</td>
<td>$(0.209)</td>
</tr>
<tr>
<td>Ordinary and preferred limited voting ordinary shares</td>
<td>$0.342</td>
<td>$(2.431)</td>
<td>$(0.192)</td>
</tr>
</tbody>
</table>

The Statement of Financial Performance is to be read in conjunction with the accompanying notes.
Statement of Financial Position

AS AT 30 JUNE, 2003

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
</tr>
<tr>
<td></td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>A$ million</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>6,746</td>
</tr>
<tr>
<td>Receivables</td>
<td>6,337</td>
</tr>
<tr>
<td>Inventories</td>
<td>5,701</td>
</tr>
<tr>
<td>Other</td>
<td>1,931</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>14,861</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>698</td>
</tr>
<tr>
<td>Receivables</td>
<td>1,219</td>
</tr>
<tr>
<td>Investments in associated entities</td>
<td>5,526</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,195</td>
</tr>
<tr>
<td>Inventories</td>
<td>4,103</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>6,299</td>
</tr>
<tr>
<td>Publishing rights, titles and television licences</td>
<td>32,724</td>
</tr>
<tr>
<td>Goodwill</td>
<td>377</td>
</tr>
<tr>
<td>Other</td>
<td>745</td>
</tr>
<tr>
<td>Total Non-Current Assets</td>
<td>52,886</td>
</tr>
<tr>
<td>Total Assets</td>
<td>67,747</td>
</tr>
<tr>
<td><strong>Liabilities and Shareholders’ Equity</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Interest bearing liabilities</td>
<td>33</td>
</tr>
<tr>
<td>Payables</td>
<td>8,298</td>
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<tr>
<td>Tax liabilities</td>
<td>714</td>
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<tr>
<td>Provisions</td>
<td>258</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>9,303</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Interest bearing liabilities</td>
<td>12,396</td>
</tr>
<tr>
<td>Payables</td>
<td>3,545</td>
</tr>
<tr>
<td>Tax liabilities</td>
<td>666</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,032</td>
</tr>
<tr>
<td>Total Non-Current Liabilities excluding exchangeable securities</td>
<td>17,639</td>
</tr>
<tr>
<td>Exchangeable securities</td>
<td>2,084</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>29,026</td>
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<tr>
<td><strong>Shareholders’ Equity</strong></td>
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</tr>
<tr>
<td>Contributed equity</td>
<td>28,427</td>
</tr>
<tr>
<td>Reserves</td>
<td>2,760</td>
</tr>
<tr>
<td>Retained profits</td>
<td>1,137</td>
</tr>
<tr>
<td>Shareholders’ equity attributable to members of the parent entity</td>
<td>32,324</td>
</tr>
<tr>
<td>Outside equity interests in controlled entities</td>
<td>6,397</td>
</tr>
<tr>
<td>Total Shareholders’ Equity</td>
<td>38,721</td>
</tr>
<tr>
<td>Total Liabilities and Shareholders’ Equity</td>
<td>67,747</td>
</tr>
</tbody>
</table>

The Statement of Financial Position is to be read in conjunction with the accompanying notes.
The Statement of Cash Flows is to be read in conjunction with the accompanying notes.
NOTE 1  Basis of preparation of Concise Financial Report


At the beginning of the 2001 financial year, the Group changed its accounting policy with regards to, amongst other things, the treatment of marketing and development costs incurred in the production and distribution of films whereby marketing and certain development costs, previously capitalised and expensed over time, are now expensed as incurred. All motion picture and television production costs are reflected as non-current assets. This change in accounting policy provides better comparability of the Group’s results against its competitors and has also ensured continued consistency with United States generally accepted accounting principles for producers and distributors of films. The net impact of this change in accounting policy net of outside equity interest was a one-off pre-tax charge to profit of $1,107 million with an associated tax benefit of $421 million in fiscal 2001. The effect of this change on the 2001 fiscal year was a reduction in net profit attributable to members of the parent entity of $686 million and a corresponding reduction in the carrying value of inventory of $1,338 million, a reduction in tax liabilities of $509 million and in outside equity interest of $143 million.

Dividends payable are recognised when their payment is determined by, and announced, following a meeting of the Board of Directors. This represents a change in policy over fiscal 2001 whereby dividends were accrued at year end, even though determined by the Board of Directors at a later date. This change in accounting policy was not material to the financial statements.

The Group discloses as Other revenues and Other expenses those transactions, the financial impact of which are included within profit (loss) from ordinary activities, that are considered significant by reason of their size, nature or effect on the Group’s financial performance for the year. Other revenues and Other expenses related to transactions of the Group’s associated entities are included in Net loss from associated entities. The term Other items includes both Other revenues and Other expenses.

Where necessary, comparative amounts have been reclassified and repositioned for consistency with current year disclosures.

Except as noted above, the Concise Financial Report has been prepared on a basis consistent with the previous year, and in accordance with historical cost conventions.
## NOTE 2 Business segment data

<table>
<thead>
<tr>
<th></th>
<th>Filmed Entertainment</th>
<th>Cable Network Programming</th>
<th>Direct Broadcast Satellite Television</th>
<th>Magazines &amp; Book Inserts</th>
<th>Newspapers</th>
<th>Book Publishing</th>
<th>Other</th>
<th>Unallocated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2003 A$ million</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sales revenue</strong></td>
<td>7,689</td>
<td>8,162</td>
<td>3,891</td>
<td>340</td>
<td>1,583</td>
<td>4,659</td>
<td>1,992</td>
<td>1,597</td>
<td>29,913</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(6,590)</td>
<td>(6,703)</td>
<td>(3,155)</td>
<td>(444)</td>
<td>(1,145)</td>
<td>(3,973)</td>
<td>(1,765)</td>
<td>(1,786)</td>
<td>(25,561)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>1,099</td>
<td>1,459</td>
<td>736</td>
<td>(104)</td>
<td>438</td>
<td>686</td>
<td>227</td>
<td>(189)</td>
<td>4,352</td>
</tr>
<tr>
<td><strong>Net profit (loss) from associated entities before other items</strong></td>
<td>5</td>
<td>13</td>
<td>(33)</td>
<td>40</td>
<td>(279)</td>
<td>70</td>
<td>30</td>
<td>(159)</td>
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<tr>
<td><strong>Net borrowing costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(791)</td>
</tr>
<tr>
<td><strong>Dividend on exchangeable securities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(94)</td>
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<tr>
<td><strong>Income tax expense before other items</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(989)</td>
</tr>
<tr>
<td><strong>Outside equity interest before other items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Profit before other items</strong></td>
<td>1,898</td>
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<tr>
<td><strong>Other revenues before income tax</strong></td>
<td>6</td>
<td>47</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>632</td>
</tr>
<tr>
<td><strong>Other expenses before income tax</strong></td>
<td>6</td>
<td>(69)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(967)</td>
</tr>
<tr>
<td><strong>Income tax expense on other items</strong></td>
<td>6</td>
<td>(21)</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>(1,057)</td>
</tr>
<tr>
<td><strong>Net (loss) profit from associate other items</strong></td>
<td></td>
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<td></td>
<td></td>
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<td><strong>Outside equity interest on other items</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>215</td>
</tr>
<tr>
<td><strong>Net profit (loss) attributable to members of the parent entity</strong></td>
<td>1,112</td>
<td>1,404</td>
<td>776</td>
<td>(566)</td>
<td>438</td>
<td>1,013</td>
<td>227</td>
<td>(519)</td>
<td>1,808</td>
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</table>
### NOTE 2  Business segment data (continued)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated 2002 A$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Filmed Entertainment</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>7,714</td>
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<tr>
<td>Operating expenses</td>
<td>(6,810)</td>
</tr>
<tr>
<td>Operating income</td>
<td>904</td>
</tr>
<tr>
<td>Net (loss) profit from associated entities before other items</td>
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</tr>
<tr>
<td>Net borrowing costs</td>
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</tr>
<tr>
<td>Dividend on exchangeable securities</td>
<td></td>
</tr>
<tr>
<td>Income tax expense before other items</td>
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<tr>
<td>Outside equity interest before other items</td>
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<tr>
<td>Profit before other items</td>
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<tr>
<td>Other revenues before income tax</td>
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<tr>
<td>Other expenses before income tax</td>
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<tr>
<td>Income tax expense on other items</td>
<td>6</td>
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<tr>
<td>Net loss from associate other items</td>
<td>5</td>
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<tr>
<td>Outside equity interest on other items</td>
<td></td>
</tr>
<tr>
<td>Net profit (loss) attributable to members of the parent entity</td>
<td>881</td>
</tr>
</tbody>
</table>
### NOTE 2 Business segment data (continued)

<table>
<thead>
<tr>
<th>Consolidated 2001 A$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filmed Entertainment TV</td>
</tr>
<tr>
<td>Sales revenue</td>
</tr>
<tr>
<td>Operating expenses</td>
</tr>
<tr>
<td>Operating income</td>
</tr>
<tr>
<td>Net (loss) profit from associated entities before other items</td>
</tr>
<tr>
<td>Net borrowing costs</td>
</tr>
<tr>
<td>Dividend on exchangeable securities</td>
</tr>
<tr>
<td>Income tax expense before other items</td>
</tr>
<tr>
<td>Outside equity interest before other items</td>
</tr>
<tr>
<td>Profit before change in accounting policy and other items</td>
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<tr>
<td>Other revenues before income tax</td>
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<tr>
<td>Other expenses before income tax</td>
</tr>
<tr>
<td>Income tax expense on other items</td>
</tr>
<tr>
<td>Net loss from associate other items</td>
</tr>
<tr>
<td>Change in accounting policy</td>
</tr>
<tr>
<td>Income tax benefit on change in accounting policy</td>
</tr>
<tr>
<td>Net (loss) profit attributable to members of the parent entity</td>
</tr>
</tbody>
</table>

Total segment revenue per AASB 1005 “Segment Reporting” is the addition of Sales revenue, Net profit (loss) from associated entities before Other items, Other revenues before income tax and Net profit (loss) from associate Other items.

Intersegment revenues generated primarily by the Filmed Entertainment segment of $1,127 million (2002 $1,484 million, 2001 $843 million) have been eliminated on consolidation within the Filmed Entertainment segment. Intersegment operating (losses) profits generated primarily by the Filmed Entertainment segment of ($23 million) (2002 $76 million, 2001 $24 million) have been eliminated on consolidation within the Filmed Entertainment segment.
### NOTE 2  Business segment data (continued)

#### Consolidated 2003 A$ million

<table>
<thead>
<tr>
<th></th>
<th>Filmed Entertainment</th>
<th>Cable Network Programming</th>
<th>Direct Broadcast Satellite Television</th>
<th>Magazines &amp; Book Inserts</th>
<th>Newspapers</th>
<th>Book Publishing</th>
<th>Other</th>
<th>Unallocated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in associated entities</td>
<td>99</td>
<td>9</td>
<td>2,585</td>
<td>1,124</td>
<td>590</td>
<td>1,119</td>
<td></td>
<td>5,526</td>
<td></td>
</tr>
<tr>
<td>Segment assets</td>
<td>6,468</td>
<td>19,888</td>
<td>9,016</td>
<td>3,559</td>
<td>2,181</td>
<td>7,695</td>
<td>2,927</td>
<td>1,848</td>
<td>53,582</td>
</tr>
<tr>
<td>Corporate assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,639</td>
</tr>
<tr>
<td>Total assets</td>
<td>6,567</td>
<td>19,897</td>
<td>11,601</td>
<td>4,683</td>
<td>2,181</td>
<td>8,285</td>
<td>2,927</td>
<td>2,967</td>
<td>67,747</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>3,618</td>
<td>3,968</td>
<td>807</td>
<td>1,415</td>
<td>483</td>
<td>591</td>
<td>759</td>
<td>1,492</td>
<td>13,133</td>
</tr>
<tr>
<td>Corporate liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15,893</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>3,618</td>
<td>3,968</td>
<td>807</td>
<td>1,415</td>
<td>483</td>
<td>591</td>
<td>759</td>
<td>1,492</td>
<td>15,893</td>
</tr>
<tr>
<td>Acquisition of assets</td>
<td>20</td>
<td>1,066</td>
<td>123</td>
<td>2,052</td>
<td>3</td>
<td>93</td>
<td>8</td>
<td>228</td>
<td>3,593</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>129</td>
<td>177</td>
<td>73</td>
<td>44</td>
<td>11</td>
<td>225</td>
<td>9</td>
<td>108</td>
<td>776</td>
</tr>
</tbody>
</table>

#### Consolidated 2002 A$ million

<table>
<thead>
<tr>
<th></th>
<th>Filmed Entertainment</th>
<th>Cable Network Programming</th>
<th>Direct Broadcast Satellite Television</th>
<th>Magazines &amp; Book Inserts</th>
<th>Newspapers</th>
<th>Book Publishing</th>
<th>Other</th>
<th>Unallocated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in associated entities</td>
<td>79</td>
<td>183</td>
<td>2,826</td>
<td>1,579</td>
<td>403</td>
<td>1,805</td>
<td></td>
<td>6,875</td>
<td></td>
</tr>
<tr>
<td>Segment assets</td>
<td>7,380</td>
<td>22,864</td>
<td>10,627</td>
<td>2,527</td>
<td>8,249</td>
<td>3,037</td>
<td>1,745</td>
<td>56,429</td>
<td></td>
</tr>
<tr>
<td>Corporate assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,137</td>
</tr>
<tr>
<td>Total assets</td>
<td>7,459</td>
<td>23,047</td>
<td>13,453</td>
<td>1,579</td>
<td>2,527</td>
<td>8,652</td>
<td>3,037</td>
<td>3,550</td>
<td>81,137</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>4,209</td>
<td>4,965</td>
<td>1,146</td>
<td>488</td>
<td>755</td>
<td>630</td>
<td>1,367</td>
<td>13,560</td>
<td></td>
</tr>
<tr>
<td>Corporate liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>18,413</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>4,209</td>
<td>4,965</td>
<td>1,146</td>
<td>488</td>
<td>755</td>
<td>630</td>
<td>1,367</td>
<td>18,413</td>
<td>31,973</td>
</tr>
<tr>
<td>Acquisition of assets</td>
<td>103</td>
<td>5,473</td>
<td>1,546</td>
<td>9</td>
<td>197</td>
<td>10</td>
<td>242</td>
<td>7,580</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>131</td>
<td>193</td>
<td>82</td>
<td>13</td>
<td>225</td>
<td>15</td>
<td>90</td>
<td>749</td>
<td></td>
</tr>
</tbody>
</table>

In April 2003, the Group and Telecom Italia completed the previously announced acquisition of Telepiu, S.p.A. (“Telepiu”) from Vivendi Universal. Telepiu has been merged with Stream S.p.A (“Stream”), and the combined platform has been renamed SKY Italia, which is owned 80.1% by the Group and 19.9% by Telecom Italia. The results of SKY Italia have been included in the Group’s Statement of Financial Performance from 30 April, 2003, the date of acquisition, and are presented in a new segment, Direct Broadcast Satellite Television. Prior year segment disclosure, including investments in associated entities, has been reclassified, as appropriate, to conform to this new presentation.
NOTE 3  Outside equity interest

Outside equity interest before other items
(421)  (278)  (196)
Outside equity interest on other items 3  (70)

(418)  (348)  (196)

NOTE 4  Dividends

Dividends declared and proposed during the year:

<table>
<thead>
<tr>
<th>Class of Shares</th>
<th>Interim</th>
<th>Final</th>
<th>Franking</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003 A$ million</td>
<td>2002 A$ million</td>
<td>2001 A$ million</td>
<td></td>
</tr>
<tr>
<td>Ordinary</td>
<td>1.5 cents</td>
<td>1.5 cents</td>
<td>Unfranked</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31</td>
</tr>
<tr>
<td>Ordinary</td>
<td>1.5 cents</td>
<td></td>
<td>50% franked at 34% tax rate</td>
<td>31</td>
</tr>
<tr>
<td>Preferred limited voting ordinary</td>
<td>3.75 cents</td>
<td>3.75 cents</td>
<td>Unfranked</td>
<td>241</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>120</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>111</td>
</tr>
<tr>
<td>Preferred limited voting ordinary</td>
<td>3.75 cents</td>
<td></td>
<td>50% franked at 34% tax rate</td>
<td>81</td>
</tr>
<tr>
<td>Perpetual preference</td>
<td>(a)</td>
<td>Unfranked</td>
<td></td>
<td>47</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>52</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>51</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>351</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>203</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>305</td>
</tr>
</tbody>
</table>

(a) Dividends on 10 million 8 5/8% cumulative perpetual preference shares and 3.8 million adjustable rate perpetual preference shares.

For full payment details of the above mentioned dividends refer to Directors’ Report on page 53 of the Concise Report.

On 13 August, 2003, the Directors of The News Corporation Limited recommended the payment on 15 October, 2003 of a final unfranked dividend of 1.5 cents per ordinary share and 3.75 cents per preferred limited voting ordinary share on the issued shares at 12 September, 2003, the entitlement date for the final dividend. The final dividend has not been provided for in the financial statements, in accordance with the Group’s accounting policy, as the dividend was not declared and announced by the Directors prior to 30 June, 2003.

As at 30 June, 2003 the balance of the franking account of the parent entity adjusted for franking credits which will arise from the payment of income tax provided for in the financial statements, and after deducting franking credits to be used in payment of the above dividends, is $0.5 million (2002 $0.5 million, 2001 $0.5 million) on a grossed up basis.
NOTE 5  Associated entities

The Group's share of the profit (loss) after income tax of its associated entities consist principally of

<table>
<thead>
<tr>
<th>Associated Entity</th>
<th>2003</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>British Sky Broadcasting Group plc</td>
<td>132</td>
<td>(51)</td>
<td>(76)</td>
</tr>
<tr>
<td>Stream, S.p.A (a)</td>
<td>(294)</td>
<td>(66)</td>
<td></td>
</tr>
<tr>
<td>Sky Latin America</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sky Brasil (formerly Net Sat Servicos Ltda)</td>
<td>(56)</td>
<td>(120)</td>
<td>(101)</td>
</tr>
<tr>
<td>Innova, S.de R.L de C.V. (Mexico)</td>
<td>(37)</td>
<td>(92)</td>
<td>(52)</td>
</tr>
<tr>
<td>Other</td>
<td>(41)</td>
<td>(78)</td>
<td>(63)</td>
</tr>
<tr>
<td>Fox Sports Cable Networks</td>
<td>44</td>
<td>33</td>
<td>89</td>
</tr>
<tr>
<td>FOXTEL</td>
<td>(15)</td>
<td>(15)</td>
<td>(11)</td>
</tr>
<tr>
<td>ESPN Star Sports</td>
<td>3</td>
<td>(11)</td>
<td>(23)</td>
</tr>
<tr>
<td>Other associated entities</td>
<td>105</td>
<td>86</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>(159)</td>
<td>(314)</td>
<td>(162)</td>
</tr>
</tbody>
</table>

Other items after income tax (b)                      | 70        | (1,120)   | (87)      |
Net loss from associated entities                     | (89)      | (1,434)   | (249)     |

Net loss from associated entities comprises:

Attributable to joint venture entities                | (316)     | (126)     | (105)     |
Attributable to other associated entities             | 227       | (1,308)   | (144)     |
Net loss from associated entities                     | (89)      | (1,434)   | (249)     |

Net loss from associated entities comprises:

Loss before income tax                                 | (62)      | (1,388)   | (226)     |
Income tax                                            | (27)      | (46)      | (23)      |
Net loss from associated entities                     | (89)      | (1,434)   | (249)     |

(a) In April 2003, the Group acquired a controlling interest in Stream S.p.A ("Stream"), which concurrently acquired all of the outstanding stock of Telepiu, S.p.A ("Telepiu"), a majority-owned subsidiary of Vivendi Universal and Stream's only direct competitor in the Direct Broadcast Satellite Television business in Italy. The aggregate consideration paid for Telepiu consisted of €438 million ($711 million) in cash and the assumption of €350 million ($602 million) in indebtedness. The excess purchase price over the fair value of the net assets acquired of $1,524 million is reported within publishing rights, titles and television licences.

Telepiu has been merged with Stream, and the combined platform has been renamed SKY Italia, which is owned 80.1% by the Group and 19.9% by Telecom Italia. The results of SKY Italia have been included in the Group's Consolidated Statement of Financial Performance from 30 April, 2003, the date of acquisition, and is presented in a new segment, Direct Broadcast Satellite Television. As a result of the acquisition, commencing 30 April, 2003, the Group ceased to equity account its share of Stream's results.

(b) The 2003 Other items primarily reflect the Group's share of a gain arising from the sale of the publishing assets of Independent Newspapers Limited, a New Zealand media company. This is partially offset by a charge to reflect the permanent diminution of the assets of Sky Multi-Country Partners, a Latin American DTH platform, due to the sustained losses of the platform and the decision of the partners to limit future financial support of this business.

The 2002 Other items primarily represents the Group's equity accounted share of the write off by its associate British Sky Broadcasting Group plc ("BSkyB") of its investment in KirchPayTV.

At 30 June, 2002, the Group’s investment in BSkyB was recorded at zero, and as a result the Group ceased to equity account its share of BSkyB's results. In fiscal 2002, the Group did not record $135 million of its share of BSkyB's losses. Subsequently, the Group recommenced equity accounting its share of BSkyB's results from 11 November, 2002 after not recording $135 million of its share of BSkyB's profit.
NOTE 6  Other items

The profit (loss) from ordinary activities before tax includes the following

Other items whose disclosure is relevant in explaining the financial performance of the Group

| Disposal of interests in subsidiaries (a) | 504 |
| Sale of Fox Family Worldwide (b) | 2,323 |
| Sale of Echostar shares (c) | 468 415 |
| Sale of Outdoor Life (d) | 271 |
| Sale of The Golf Channel (e) | 476 |
| Sale of TM3 (f) | 18 |
| Write down of investment in Gemstar (g) | (551) (11,138) |
| Write down of investment in Knowledge Enterprises (h) | (158) |
| Early extinguishment of debt (i) | (143) (191) |
| Write down of sports rights (j) | (1,861) |
| Write down of investment in Stream (k) | (590) |
| Write down of investment in KirchMedia (l) | (460) |
| Office closure costs and other | (40) (258) |
| Write down of investment in One.Tel (m) | (30) (756) (923) |
| Healtheon/WebMD transaction restructure, net (n) | (426) |
| Disposal and write down of other non-current assets (o) | (378) (11,974) (1,274) |
| Income tax benefit (expense) attributable to Other items | 215 (15) 19 |
| Other loss after tax | (163) (11,989) (1,255) |

Other loss after tax comprises:

| Other revenues before income tax | 679 5,627 3,335 |
| Other expenses before income tax | (1,057) (17,601) (4,609) |
| Income tax benefit (expense) attributable to Other items | 215 (15) 19 |
| | (163) (11,989) (1,255) |

(a) Primarily relates to the sale by Fox Entertainment Group (“FEG”), a subsidiary of the Group, of 50 million shares of its Class A Common Stock for net proceeds of approximately US$1.2 billion ($1.8 billion). Upon consummation of the offering, in November 2002, the Group’s equity and voting interest in FEG decreased from 85.32% and 97.84% to 80.58% and 97%, respectively. The resulting gain has been recorded as Other revenue.

(b) In October 2001, a subsidiary of the Group, Fox Broadcasting Company (“FOX”), Haim Saban and the other shareholders of Fox Family Worldwide, Inc (“FFW”), sold FFW to The Walt Disney Company (“Disney”) for total consideration of approximately $10.3 billion (including the assumption of certain debt), of which approximately $3.2 billion was in consideration of the Group’s interest in FFW. As a result of this transaction, the Group recognised a gain on sale of $2,323 million. In addition, the Group sublicensed certain post-season Major League Baseball (“MLB”) games through the 2006 MLB season to Disney for aggregate consideration of approximately $1.2 billion, payable over the entire period of the sublicense.

(c) During fiscal 2002 and 2001, the Group sold its investment in EchoStar Communications Corporation for total consideration of $1,312 million and $635 million and recorded a gain on the sale of $468 million and $415 million, respectively.
NOTE 6  Other items (continued)

(d) On 25 July, 2001, as a result of the exercise of rights by existing shareholders, FEG acquired 50.23% of Outdoor Life Network, LLC (“Outdoor Life”) for approximately $608 million. This acquisition resulted in FEG owning 83.18% of Outdoor Life. On 23 August, 2001, a shareholder of Outdoor Life exercised its option to acquire FEG’s ownership interest in Outdoor Life for $977 million in cash. Upon the closing of the sale, the Group recognised a gain of $271 million.

(e) In June 2001, the Group sold its 31% interest in The Golf Channel for total consideration of approximately $695 million, of which $676 million was received in cash during fiscal 2001. The Group recorded a gain on the sale of $476 million in relation to this transaction.

(f) In March 2000, News Germany Television Holdings Gmbh, a subsidiary of the Group, purchased a 34% interest in TM3 KG and TM3 Gmbh (to increase its holdings to 100%) for total consideration of $301.4 million. In January 2001, the Group agreed to sell TM3 to KirchMedia for cash consideration of $265 million and $427 million in newly issued shares of KirchMedia. The Group based its valuation of the KirchMedia shares on three different factors: (i) previous equity transactions that KirchMedia had entered into with other investors, (ii) a required minimum cash payment of $427 million if KirchMedia did not issue such shares, and (iii) the put option the Group received over its KirchMedia shares from KirchMedia’s parent in the amount of $427 million. The Group recorded a gain on this sale of approximately $18 million.

(g) In July 2000, TV Guide, Inc. (“TVG”) completed a merger with Gemstar International Group Limited (“Gemstar”) pursuant to which TVG became a wholly-owned subsidiary of Gemstar which was renamed Gemstar-TV Guide International, Inc. (“Gemstar – TV Guide”). The Group’s ownership of the merged entity at July 2000 was 21.38%. In May 2001, the Group acquired 80% of Liberty’s 21.3% interest in Gemstar-TV Guide in exchange for 121.5 million ADRs representing 486 million preferred limited voting ordinary shares of the Group. The Group recorded a gain on the sale of $7,920 million. In December 2001, the Group acquired the remaining 20% of Liberty’s interest in Gemstar-TV Guide through the issuance of preferred shares was a non-cash transaction, with investments and contributed equity increasing by $301.4 million. The Group recorded a gain on this transaction of $427 million. This acquisition was a non-cash transaction, with investments and contributed equity increasing by $1,407 million. As a result of this transaction, the Group’s ownership interest in Gemstar-TV Guide increased to 42.6% (42.9% at 30 June, 2002). As at 30 June, 2002, the Group owned 175 million shares in Gemstar-TV Guide and recorded a charge to reflect the permanent impairment in carrying value of $11.1 billion. The charge was determined by reference to Gemstar-TV Guide’s share price at 28 June, 2002 of US$5.39 ($9.56) per share. During fiscal 2003, Gemstar-TV Guide’s market value continued to decline and the Group considered several factors to determine if an additional charge was required. As a result of this review, the Group recorded a $551 million charge to reduce the carrying value of the investment in Gemstar-TV Guide to US$3.75 ($6.66) per share to reflect a permanent decline in value.

(h) In fiscal 2003, the Group recorded an impairment charge of $158 million related to the Group’s carrying value of its investment in Knowledge Enterprises, Inc. (“Knowledge Enterprises”). The charge was based on Knowledge Enterprises’ recent equity rights offering and reflects the estimated recoverable value of this investment.

(i) During fiscal 2002, the Group extinguished a substantial portion of debt owing on 10 1/8% Senior Debentures due in October 2012 and on 8 5/8% Senior Notes due February 2003. The Group recognised a loss of $64 million and $47 million respectively due to the early extinguishment of debt. In June 2002 the Group and Fox Sports Networks, LLC, an indirect subsidiary of the Group, irrevocably called for the redemption of all outstanding 8.875% Senior Notes due August 2007 and the 9.75% Senior Discount Notes due August 2007. The Group recognised a loss of $80 million on the irrevocable early extinguishment of the debt. The redemption was completed in August 2002. In March 2003, the Group purchased approximately 74% of its outstanding US$500 million aggregate principal 8 1/2% Senior Notes due February 2005 at a premium, plus accrued interest. The Group recognised a loss of US$45 million ($76 million) on the early redemption of the 8 1/2% Senior Notes which is included within Other expenses in the Statement of Financial Performance. Also in March 2003, 8,247,953 Trust Originated Preferred Securities (“TOPrS”) were redeemed by the Group using proceeds from the issuance of Beneficial Unsecured Exchangeable Securities (“BUCS”). The Group recognised a loss of US$37 million ($64 million) on early redemption of the TOPs (including the write off of deferred issuance costs) which is included within Other expenses in the Statement of Financial Performance.
NOTE 6  Other items (continued)

(j) As a result of the downturn in sports related advertising during fiscal 2002, together with the reduction in long term forecast advertising growth rates, in accordance with the Group’s accounting policies, the Directors re-evaluated the recoverability of the costs of certain sports contracts, principally in the United States. Accordingly, the Group recorded a one-time Other expense of $1,861 million relating to National Football League ($753 million), NASCAR ($578 million), Major League Baseball ($437 million) and non-US Cricket programming rights ($93 million).

(k) Stream was a satellite pay-TV provider in Italy. During fiscal 2002, the Group wrote down its investment in Stream by $590 million to an amount considered by the Directors to be the recoverable amount at 30 June, 2002.

(l) During fiscal 2002, given the financial uncertainties surrounding KirchPayTV and its parent Kirch Gruppe, the Group recognised a charge of $460 million to fully write down its investment in KirchMedia.

(m) In May 2001, the Group became aware of serious financial problems at One.Tel Limited, an Australian telecommunications company in which the Group owns approximately 24% of the outstanding equity. Upon completion of One.Tel’s auditors’ review of its financial condition in late May 2001, One.Tel was placed in administration. The carrying value of the investment in One.Tel has been fully written down due to the liquidation of its operations.

(n) As a result of the restructure of the Group’s investment in Healtheon/WebMD (“WebMD”) in fiscal 2001, the Group swapped out of its preferred stock investment and recognised an impairment loss on its remaining common stock interest in WebMD. In exchange for the preferred stock the Group received the ownership interest in The Health Network (“THN”), warrants to purchase additional common stock in WebMD, a reduction in its obligation to provide future media services to and license content from WebMD and the elimination of future funding commitments to an international joint venture. The Group recorded a non-cash charge of $426 million related to this restructuring. The Group subsequently sold its interest in THN for consideration valued at $433 million.

(o) During fiscal 2001, the Group wrote down certain of its non-current assets, in particular its investment in Zee Telefilms Limited (“ZTL”) and certain new media assets. During fiscal 2002, the Group wrote down certain non-current assets, mainly interactive, media and sporting assets, to their recoverable amount. The Group also disposed of various non-current assets for an aggregate consideration of $96 million. During that year the Group also settled certain liabilities owing to MCI Communications Corporation, including accrued interest, of US$1,017 million ($1,926 million) for US$930 million ($1,760 million), consisting of 121.2 million preferred limited voting ordinary shares valued at US$680 million ($1,288 million) and US$250 million ($473 million) in cash. The Group recognised a gain of $166 million on the settlement. During fiscal 2003, the Group disposed of certain interactive and music related assets for aggregate consideration of $175 million, and also wrote down certain other sporting and television assets. The 30 June, 2003 amount also includes a provision for an arbitration award that was issued in favour of PanAmSat International Systems against the Group. The Group disagrees with the findings of fact and the conclusions of law reached by the arbitrator and, pursuant to the terms of the arbitration agreement between the two parties, intends to appeal the award.
Notes to and forming part of the Concise Financial Report  (continued)

FOR THE YEAR ENDED 30 JUNE, 2003

➤ NOTE 7 Change in accounting policy

Change in accounting policy before tax

(1,107)

At the beginning of the 2001 financial year, the Group changed its accounting policy with regards to, amongst other things, the treatment of marketing and development costs incurred in the production and distribution of films whereby marketing and certain development costs, previously capitalised and expensed over time, are now expensed as incurred. All motion picture and television production costs are reflected as non-current assets. This change in accounting policy provides better comparability of the Group’s results against its competitors and has also ensured continued consistency with United States generally accepted accounting principles for producers and distributors of films. The net impact of this change in accounting policy net of outside equity interest was a one-off pre-tax charge to profit of $1,107 million with an associated tax benefit of $421 million in fiscal 2001. The effect of this change on the 2001 fiscal year was a reduction in net profit attributable to members of the parent entity of $686 million and a corresponding reduction in the carrying value of inventory of $1,338 million, a reduction in tax liabilities of $509 million and in outside equity interest of $143 million.

➤ NOTE 8 Items recognised directly in equity

These items relate to an increase in associated entity reserves of $152 million (2002 $267 million reduction, 2001 $1,060 million increase). During 2003 and 2001 BSkyB issued new equity as consideration for several transactions, including the acquisition of Sports Internet Group and the remaining shares in British Interactive Broadcasting Holdings Limited (“BiB”). These issuances reduced the Group’s ownership interest in BSkyB from 37.1% (2001) to 36.2% (2002) to 35.4% (2003). In accordance with AASB 1016 “Accounting for Investments in Associates”, in the year ended 30 June, 2001, the Group recorded an increase in its investment in BSkyB and a corresponding increase in reserves of $1,060 million. In the year ended 30 June, 2002, the Group recorded a decrease in its investment and a corresponding decrease in reserves of $240 million. In the year ended 30 June, 2003, the Group recorded an increase in its investment in BSkyB and a corresponding increase in reserves of $152 million.
NOTE 9  Retained profits

Retained profits at the beginning of the financial year
Net loss attributable to members of the parent entity
Dividends provided for or paid
Aggregate amount transferred (to) from reserves
Retained profits at the end of the financial year

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained profits at the beginning of the financial year</td>
<td>1,1096</td>
<td>1,1096</td>
</tr>
<tr>
<td>Net loss attributable to members of the parent entity</td>
<td>1,808</td>
<td>(11,962)</td>
</tr>
<tr>
<td>Dividends provided for or paid</td>
<td>(351)</td>
<td>(203)</td>
</tr>
<tr>
<td>Aggregate amount transferred (to) from reserves</td>
<td>(321)</td>
<td>1,260</td>
</tr>
<tr>
<td>Retained profits at the end of the financial year</td>
<td>1,137</td>
<td>1</td>
</tr>
</tbody>
</table>

Dividends on ordinary and preferred limited voting ordinary shares are paid out of the retained profits of the parent entity, The News Corporation Limited. The parent entity has retained profits as at 30 June, 2003 of $17.8 billion (2002 $13.7 billion).

NOTE 10  Hughes Electronics

In April 2003, the Group, General Motors Corporation (“GM”) and Hughes Electronics Corporation (“Hughes”) reached an agreement in which the Group would acquire 34% of Hughes. The Group will acquire GM’s 19.9% interest in Hughes for approximately US$3.8 billion ($5.7 billion), of which US$768 million ($1,157 million) of the consideration may be paid in preferred ADRs. The Group will acquire through a merger an additional 14.1% of Hughes for approximately US$2.7 billion ($4.1 billion) that is payable, at the Group’s option, in cash or preferred ADRs. Simultaneously with the closing of this transaction, the Group will transfer its 34% ownership interest in Hughes to Fox Entertainment Group (“FEG”) in exchange for promissory notes representing US$4.5 billion ($6.8 billion) and approximately 74.2 million shares of FEG’s Class A Common Stock. This will increase the Group’s ownership interest in FEG from 80.6% to approximately 82%, whilst its voting percentage of FEG will remain at 97%. The closing of this transaction is subject to a number of conditions, including approval by GM’s shareholders, a tax ruling and regulatory approvals.

NOTE 11  Liberty Media

In March 2003, the Group and Liberty Media Corporation (“Liberty”) entered into an agreement under which Liberty has the right, prior to 28 September, 2003, to purchase US$500 million of the Group’s preferred limited voting ordinary ADRs, at US$21.50 ($35.93) per ADR. If Liberty does not exercise its right, the Group can require Liberty to purchase US$500 million ($835 million) of its preferred limited voting ordinary ADRs at this price should the Group acquire an ownership interest in Hughes Electronics Corporation prior to 27 March, 2005.
Directors’ Declaration

FOR THE YEAR ENDED 30 JUNE, 2003

The Directors of The News Corporation Limited declare that:

a) the Concise Financial Report set out on pages 58 to 74 complies with Accounting Standard AASB 1039 “Concise Financial Reports”; and

b) has been derived from and is consistent with the Full Financial Report for the financial year.

This declaration is made in accordance with a resolution of Directors.

K R Murdoch AC  
Director

13 August, 2003
Independent Audit Report
FOR THE YEAR ENDED 30 JUNE, 2003

To the members of The News Corporation Limited

Matters relating to the Electronic Presentation of the Audited Concise Financial Report
This audit report relates to the concise financial report of The News Corporation Limited (“the parent entity”) for the year ended 30 June 2003 included on the parent entity's web site. The parent entity’s directors are responsible for the integrity of the parent entity’s web site. We have not been engaged to report on the integrity of the parent entity’s web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited concise financial report to confirm the information included in the audited concise financial report presented on this web site.

Scope
The concise financial report and directors’ responsibility
The concise financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors’ declaration for the parent entity and the consolidated entity, for the year ended 30 June 2003. The consolidated entity comprises both the parent entity and the entities it controlled during the year. The directors of the parent entity are responsible for preparing a concise financial report that complies with Accounting Standard AASB 1039 “Concise Financial Reports”, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the concise financial report.

Audit approach
We conducted an independent audit of the concise financial report in order to express an opinion on it to the members of the parent entity. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the concise financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 “Concise Financial Reports”. We formed our audit opinion on the basis of these procedures, which included:

- testing that the information in the concise financial report is consistent with the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report that were not directly derived from the full financial report.

We have also performed an independent audit of the full financial report of the company for the year ended 30 June 2003. Our audit report on the full financial report was signed on 28 August 2003, and was not subject to any qualification. For a better understanding of our approach to the audit of the full financial report, this report should be read in conjunction with our audit report on the full financial report.

Independence
We are independent of the parent entity, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the full and concise financial reports, we were engaged to undertake the services disclosed in the notes to the financial statements of the full financial report. The provision of these services has not impaired our independence.

Audit opinion
In our opinion, the concise financial report of The News Corporation Limited complies with Accounting Standard AASB 1039 “Concise Financial Reports”.

Ernst & Young

C N Westworth
Partner
Sydney
28 August, 2003
Shareholder Information

AT 13 AUGUST, 2003

Corporate Ownership – Ordinary Shares
Number of Ordinary Shareholders 63,234

Voting rights
On show of hands – one vote for each member
On poll – one vote for each share held

Distribution of shareholding
1-1,000 39,585
1,001-5,000 19,351
5,001-10,000 2,390
10,001-100,000 1,696
100,001 and over 212
Holding less than a marketable parcel 2,709

Top twenty shareholders as at 13 August, 2003
Cruden Investments Pty. Limited and controlled entities 626,052,873
Citicorp Nominees Pty. Limited 411,123,550
Westpac Custodian Nominees Limited 234,048,799
JP Morgan Nominees Australia Limited 220,726,822
National Nominees Limited 176,120,717
ANZ Nominees Limited 66,608,580
RBC Global Services Australia Nominees Pty. Limited 43,563,501
Commonwealth Custodial Services Limited 24,634,107
AMP Life Limited 24,621,550
Queensland Investment Corporation 24,375,295
Cogent Nominees Pty. Limited 19,698,824
HSBC Custody Nominees (Australia) Limited 14,959,084
Warnford Nominees Pty. Limited 8,419,331
NRMA Nominees Pty. Limited 5,610,261
Invia Custodian Pty. Limited 3,893,614
Bond Street Custodians Limited 3,787,867
Total Risk Management Pty. Limited 3,398,993
BNP Paribas 3,253,579
Zurich Investment Management Limited 2,873,232
Suncorp Custodian Services Pty. Limited 2,707,798

1,920,478,377

Percentage of issued ordinary shares held by twenty largest holders 91.57%

Substantial Shareholders
Cruden Investments Pty. Limited and controlled entities 626,052,873
Corporate Ownership – Preferred Limited Voting Ordinary Shares

Number of Preferred Limited Voting Ordinary Shareholders 19,307

A holder of a preferred limited voting ordinary share (“preferred share”) shall be entitled to vote at any general meeting of the members of The News Corporation Limited by virtue of holding such share mutatis mutandis in the same manner and subject to the same conditions as the holder of an ordinary share (including as to the number of votes which may be cast on a poll) but only in the following circumstances and not otherwise:

(i) on a proposal to reduce the share capital of The News Corporation Limited, or on a proposal to wind up or during the winding up of The News Corporation Limited, or on a proposal for the disposal of the whole of the property, business and undertaking of The News Corporation Limited;

(ii) on a proposal that affects rights attached to the preferred share;

(iii) during a period during which a Dividend (or part of a Dividend) in respect of the preferred share is in arrears; or

(iv) on a resolution to approve the terms of a buy-back agreement.

Distribution of shareholding

<table>
<thead>
<tr>
<th>Range</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-1,000</td>
<td>10,809</td>
</tr>
<tr>
<td>1,001-5,000</td>
<td>6,459</td>
</tr>
<tr>
<td>5,001-10,000</td>
<td>1,055</td>
</tr>
<tr>
<td>10,001-100,000</td>
<td>802</td>
</tr>
<tr>
<td>100,001 and over</td>
<td>182</td>
</tr>
<tr>
<td>Holding less than a marketable parcel</td>
<td>1,177</td>
</tr>
</tbody>
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### Top twenty shareholders as at 13 August, 2003

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citicorp Nominees Pty. Limited</td>
<td>1,966,415,137</td>
</tr>
<tr>
<td>JP Morgan Nominees Australia Limited</td>
<td>260,218,602</td>
</tr>
<tr>
<td>Cruden Investments Pty. Limited and controlled entities</td>
<td>217,117,439</td>
</tr>
<tr>
<td>National Nominees Limited</td>
<td>172,899,348</td>
</tr>
<tr>
<td>Westpac Custodian Nominees Limited</td>
<td>169,038,201</td>
</tr>
<tr>
<td>RBC Global Services Australia Nominees Pty. Limited</td>
<td>64,216,427</td>
</tr>
<tr>
<td>ANZ Nominees Limited</td>
<td>43,958,958</td>
</tr>
<tr>
<td>Queensland Investment Corporation</td>
<td>36,115,666</td>
</tr>
<tr>
<td>Commonwealth Custodial Services Limited</td>
<td>35,929,292</td>
</tr>
<tr>
<td>Cogent Nominees Pty. Limited</td>
<td>34,690,393</td>
</tr>
<tr>
<td>AMP Life Limited</td>
<td>30,365,789</td>
</tr>
<tr>
<td>HSBC Custody Nominees (Australia) Limited</td>
<td>13,276,810</td>
</tr>
<tr>
<td>Government Superannuation Office</td>
<td>11,201,537</td>
</tr>
<tr>
<td>Ogier Trustee Limited</td>
<td>8,056,286</td>
</tr>
<tr>
<td>NRMA Nominees Pty. Limited</td>
<td>7,627,295</td>
</tr>
<tr>
<td>Victorian Workcover Authority</td>
<td>7,400,749</td>
</tr>
<tr>
<td>Transport Accident Commission</td>
<td>6,455,259</td>
</tr>
<tr>
<td>Suncorp Custodian Services Pty. Limited</td>
<td>6,205,738</td>
</tr>
<tr>
<td>Warnford Nominees Pty. Limited</td>
<td>5,522,431</td>
</tr>
<tr>
<td>Invia Custodian Pty. Limited</td>
<td>4,945,012</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,101,656,369</td>
</tr>
</tbody>
</table>

Percentage of Preferred Limited Voting Ordinary Shares held by twenty largest holders 96.01%

**Head Office**

2 Holt Street  
Sydney NSW 2010  
Australia

**Registered Office**

121 King William Street  
Adelaide SA 5000  
Australia
# Board of Directors and Management Committee

## Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>K. Rupert Murdoch AC</td>
<td>Chairman and Chief Executive</td>
</tr>
<tr>
<td>Geoffrey C. Bible</td>
<td></td>
</tr>
<tr>
<td>Chase Carey</td>
<td></td>
</tr>
<tr>
<td>Peter Chernin</td>
<td></td>
</tr>
<tr>
<td>Kenneth E. Cowley AO</td>
<td></td>
</tr>
<tr>
<td>David F. DeVoe</td>
<td></td>
</tr>
<tr>
<td>Roderick I. Eddington</td>
<td></td>
</tr>
<tr>
<td>Dr. Aatos J. Erkko KBE</td>
<td></td>
</tr>
<tr>
<td>Andrew S. B. Knight</td>
<td></td>
</tr>
<tr>
<td>Graham Kraehe AO</td>
<td></td>
</tr>
<tr>
<td>James R. Murdoch</td>
<td></td>
</tr>
<tr>
<td>Lachlan K. Murdoch</td>
<td></td>
</tr>
<tr>
<td>Thomas J. Perkins</td>
<td></td>
</tr>
<tr>
<td>Stanley S. Shuman</td>
<td></td>
</tr>
<tr>
<td>Arthur M. Siskind</td>
<td></td>
</tr>
</tbody>
</table>

## Executive Management Committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rupert Murdoch</td>
<td>Chairman and Chief Executive</td>
</tr>
<tr>
<td>Tony Ball</td>
<td>Chief Executive</td>
</tr>
<tr>
<td>Paul Carlucci</td>
<td>Chairman and Chief Executive Officer</td>
</tr>
<tr>
<td>Peter Chernin</td>
<td>President and Chief Operating Officer</td>
</tr>
<tr>
<td>David DeVoe</td>
<td>Senior Executive Vice President and Chief Financial Officer</td>
</tr>
<tr>
<td>Anthea Disney</td>
<td>Executive Vice President, Content</td>
</tr>
<tr>
<td>Jane Friedman</td>
<td>President and Chief Executive Officer</td>
</tr>
<tr>
<td>James Gianopulos</td>
<td>Chairman</td>
</tr>
<tr>
<td>Gary Ginsberg</td>
<td>Executive Vice President, Investor Relations and Corporate Communications</td>
</tr>
<tr>
<td>Sandy Grushow</td>
<td>Chairman</td>
</tr>
<tr>
<td>John Hartigan</td>
<td>Chief Executive</td>
</tr>
<tr>
<td>David Hill</td>
<td>Chairman and Chief Executive Officer</td>
</tr>
<tr>
<td>Les Hinton</td>
<td>Executive Chairman</td>
</tr>
<tr>
<td>James Murdoch</td>
<td>Chairman and Chief Executive Officer</td>
</tr>
<tr>
<td>Lachlan Murdoch</td>
<td>Deputy Chief Operating Officer</td>
</tr>
<tr>
<td>Abe Peled</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Martin Pompadur</td>
<td>Executive Vice President</td>
</tr>
<tr>
<td>Thomas Rothman</td>
<td>Chairman</td>
</tr>
<tr>
<td>Jeff Shell</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Arthur Siskind</td>
<td>Senior Executive Vice President and Group General Counsel</td>
</tr>
<tr>
<td>Mitchell Stern</td>
<td>Chairman and Chief Executive Officer</td>
</tr>
</tbody>
</table>
Supplemental Information

Secretaries
Keith D. Brodie (Sydney)
Robert K. Moon (Adelaide)
Laura A. O’Leary (New York)

Head Office
2 Holt Street
Sydney, N.S.W. Australia 2010
Telephone 61 (2) 9288 3000

Registered Office
121 King William Street
Adelaide, S.A. Australia 5000
Telephone 61 (8) 8206 2000

A.C.N
007 910 330

Auditors
Ernst & Young

Share Registers
Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide, S.A.
Australia 5000
Telephone 61 (8) 8236 2300

Computershare Services plc
P.O. Box 82
The Pavilions
Bridgewater Road
Bristol
BS99 7NH
Telephone 44 (870) 702 0003

ADR Depositary
Citibank, N.A.
ADR Department
111 Wall Street, 5th Floor
New York, New York 10043
Shareholder Services
Telephone 1 (877) 248 4237

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United Kingdom:
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London, E98 1XY
Telephone 44 (20) 7782 6000
Fax 44 (20) 7895 9020

United States:
1211 Avenue of Americas
New York, NY 10036
Telephone 1 (212) 852 7059

Through the Web:
www.newscorp.com/public/ir/index

Financial Statements
The financial statements in this Concise Annual Report have come from the Group’s full 2003 Financial Report. A copy of the Full Financial Report is available free of charge upon request from the addresses above.

The News Corporation Limited
Notice of Meeting
A separate Notice of Meeting and Proxy Form are enclosed with this report.

The interactive version of the News Corporation 2003 Annual Report can be found at: www.newscorp.com