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NEWS CORP LTD
Form 6-K
November 05, 2003

FORM 6-K

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

Report of Foreign Private Issuer

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

For the month of November 2003 (November 5, 2003)

THE NEWS CORPORATION LIMITED

(Name of Registrant)

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

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

Yes No

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

Yes No

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

Yes No

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

Annexed hereto are copies of the announcements by The News Corporation Limited ("News Corporation") of its financial results for the quarter ended September 30, 2003 in U.S. and Australian dollars.

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Such announcements were filed with the Australian Stock Exchange and released in New York on November 5, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE NEWS CORPORATION LIMITED

Date: November 5, 2003

By: /s/ Arthur M. Siskind

Arthur M. Siskind
Director

EXHIBIT INDEX

| Exhibit ----- | Page No. in Sequential Numbering System ----- |
|---|---|
| A. Announcement made by News Corporation of its financial results in Australian dollars for the quarter ended September 30, 2003. | 5 |
| B. Announcement made by News Corporation of its financial results in U.S. dollars for the quarter ended September 30, 2003. | 14 |

EXHIBIT A

News Corporation

EARNINGS RELEASE FOR THE QUARTER ENDED 30 SEPTEMBER, 2003
IN AUSTRALIAN DOLLARS

News Corporation Reports First Quarter Operating Income of A\$1.1 Billion, a 10% Increase, on Revenue Growth of 2%; Net Profit before Other Items Doubles to A\$589 Million; Net Profit Increases A\$349 Million to A\$644 Million

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QUARTER HIGHLIGHTS

- Filmed Entertainment operating income more than doubles on robust home entertainment sales of film and television titles as well as strong syndication contributions.
- Sustained ratings and advertising growth at Regional Sports Networks and Fox News Channel drives 13% operating income growth on a US\$ basis at Cable Network Programming.
- Television Stations increase market share, grow operating income 7% in local currency terms; STAR delivers another quarter of profits; overall Television segment down due to the inclusion of American Idol in the quarter a year ago.
- Print businesses report higher earnings contributions in aggregate led by circulation revenue gains in U.K. newspapers, advertising demand in Australian newspapers and increased page volume at free-standing inserts.

SYDNEY, Australia--(BUSINESS WIRE)--Nov. 6, 2003--The News Corporation Limited (ASX: NCP, NCPDP) today reported first quarter consolidated revenues of A\$7.1 billion, a 2% increase over the A\$6.9 billion reported in the prior year, and consolidated operating income of A\$1.1 billion. These results, representing a 10% increase over the A\$996 million reported a year ago were achieved despite the inclusion of A\$178 million in losses from SKY Italia in the current quarter. The year-on-year operating income growth was driven primarily by a two-fold increase at Filmed Entertainment as well as a 50% increase at the Newspaper segment partially offset by the unfavourable impact of the strong Australian dollar. Net profit for the first quarter was A\$644 million, a A\$349 million increase over the A\$295 million reported in the first quarter a year ago.

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

"The unparalleled growth we delivered during the first quarter - our seventh consecutive quarter of double-digit earnings increases - is a clear demonstration of the strength we are enjoying across our balanced collection of businesses. Operating income growth on a US\$ basis of 31%, on revenue growth of 22%, was generated by increases at nearly every operating segment: at our film and television production businesses, which continue to capitalise on the expanding home entertainment market; at our cable channels, which have benefited from sustained viewership gains; at our television stations, which have expanded market share; and at STAR, which achieved its first-ever first-quarter profit. In the past quarter, we also exceeded our high expectations for our global pay-TV platforms - including SKY Italia, where subscriber additions are well ahead of plan, and BSkyB, which passed the 7 million digital subscriber mark several months ahead of schedule. Overall, the first quarter has given us a great start to the fiscal year, and we are well on our way to meeting our growth forecast for 2004."

MANAGEMENT REVIEW OF PERFORMANCE

The Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Supplemental Financial Data for the three months ended 30 September are attached. The following commentary is made in respect to those statements, including an analysis of certain information contained therein.

Net Profit Attributable to Members of the Parent Entity

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

| | 3 Months Ended 30 September, 2003 2002 | |
|--|---|-----------|
| | ----- | |
| | A\$ Millions (except per share amounts) | |
| Revenue | A\$ 7,081 | A\$ 6,931 |
| | ----- | |
| Operating income | 1,095 | 996 |
| Associated entities | 87 | (174) |
| Interest expense, net | (173) | (225) |
| Exchangeable securities expense | (28) | (23) |
| | ----- | |
| Profit before income tax expense, outside equity interest and other items | 981 | 574 |
| Income tax expense | (303) | (178) |
| Outside equity interest | (89) | (101) |
| | ----- | |
| Net profit before other items | 589 | 295 |
| | ----- | |
| Other group items, net of tax and outside equity interest | 55 | - |
| | ----- | |
| Net profit attributable to members of the parent entity | A\$ 644 | A\$ 295 |
| | ===== | |
| Earnings per share (diluted) on net profit before other items, net | A\$ 0.111 | A\$ 0.055 |
| | ===== | |
| Weighted average number of shares outstanding in millions (diluted) | 5,194 | 5,127 |
| | ===== | |

The following commentary discusses the major components of these results.

| | 3 Months Ended 30 September, 2003 2002 | |
|--|---|---------|
| | ----- | |
| | A\$ Millions | |
| Filmed Entertainment | A\$ 499 | A\$ 181 |
| Television | 273 | 343 |
| Cable Network Programming | 203 | 214 |
| Direct Broadcast Satellite Television(*) | (178) | - |
| Magazines & Inserts | 88 | 92 |
| Newspapers | 155 | 103 |
| Book Publishing | 90 | 106 |

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| | | |
|-------------------------------|----------|---------|
| Other | (35) | (43) |
| | ----- | ----- |
| Consolidated Operating Income | A\$1,095 | A\$ 996 |
| | ===== | ===== |

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

First quarter net earnings from associated entities were A\$87 million versus losses of A\$174 million in the same period a year ago. The year-over-year improvements were primarily due to contributions from BSKyB, for which earnings were not reflected in prior year's quarter, and a comparatively favourable impact from foreign currency fluctuations at Sky Brasil. The inclusion of Stream's losses also affected the first quarter results a year ago. A detailed discussion of the components of associated entities' results is provided later in the release.

First quarter net profit before other items increased to A\$589 million (A\$0.111 per share) versus A\$295 million (A\$0.055 per share) in the prior year, primarily due to higher consolidated operating income and improved associated entities results. The Company reported income from other items in the quarter of A\$55 million primarily reflecting a gain from the sale of SkyPerfectTV! shares.

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

REVIEW OF OPERATING RESULTS

FILMED ENTERTAINMENT

The Filmed Entertainment segment reported first quarter operating income of US\$328 million, a US\$228 million increase over the US\$100 million reported in the same period a year ago. The substantial growth primarily reflects increased contributions from the worldwide home entertainment release of film and television titles and higher syndication profits from Twentieth Century Fox Television (TCFTV).

Current quarter film results were largely driven by the worldwide home entertainment performances of Daredevil and Phone Booth combined with strong worldwide home entertainment, pay-TV and free-TV contributions from various catalog titles. These contributions were partially offset by the worldwide theatrical launch costs for the successful release of League of Extraordinary Gentlemen, which has grossed over US\$170 million in worldwide box office to date. The first quarter a year ago included the worldwide home entertainment performances of Shallow Hal, Behind Enemy Lines and catalog titles.

At TCFTV, earnings grew year-on-year primarily reflecting higher syndication profits from the initial releases of Angel and Judging Amy as well as increased contributions from M*A*S*H. Increased DVD sales of television series, most notably from The Simpsons, Buffy the Vampire Slayer and 24, also contributed to the year-on-year growth.

TELEVISION

The Television segment reported first quarter operating income of US\$179 million versus US\$188 million a year ago. Continued profit growth at the Fox Television Stations and STAR was offset by ratings declines at the FOX Broadcasting Company versus the first quarter last year, which included American Idol.

Fox Television Stations (FTS) first quarter operating income grew 7% over the same period a year ago as market share gains more than offset a decline in political spending and the non-recurrence of

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American Idol on the broadcast network in the current quarter. Current year earnings growth was also fueled by margin expansion primarily from lower local programming and promotional costs as well as duopoly savings versus the first quarter of fiscal 2003.

At the FOX Broadcasting Company (FBC), first quarter operating losses increased as improved advertising pricing was more than offset by cancellation costs for several series and projects as well as a 20% decline in primetime ratings versus the first quarter a year ago which included the record-breaking performance of American Idol. During the quarter, FBC launched several new series, including The O.C., which gained audience share every week following its August premiere and was the highest-rated new scripted show of the summer among Adults 18-49. Subsequent to quarter-end, primetime ratings have improved with the current broadcast season's ratings up 15% compared to a year ago led by the strength of post-season Major League Baseball and new season series premieres.

STAR, bolstered by a 20% increase in revenues, delivered positive operating income for the first time in this traditionally soft quarter. Revenue gains were primarily driven by advertising and subscription growth at STAR Plus, which on average continues to deliver 48 of the top 50 programs in India, as well as increased advertising revenue from STAR Mandarin Movies, the number one cable channel in Taiwan.

CABLE NETWORK PROGRAMMING

Cable Network Programming reported first quarter operating income of US\$133 million, an improvement of US\$15 million over last year's results. The 13% growth reflects strong revenue gains at the Fox News Channel and the Regional Sports Networks, slightly offset by higher programming costs at the FX Channel.

Fox News Channel (FNC) reported operating income growth of 14% in the first quarter as strong revenue growth, primarily from increased ad sales, more than offset slightly higher costs associated with coverage of the war in Iraq and the California recall election. FNC was the only cable news channel to increase its viewership during the quarter, with growth of 14% in primetime and 16% on a 24-hour basis compared to the first quarter a year ago.

Fox Cable Networks' (including the Regional Sports Networks (RSNs), the FX Channel (FX) and SPEED Channel) operating profit increased 4% for the quarter driven by double-digit revenue growth at the RSNs reflecting DTH subscriber additions, higher affiliate rates and increased advertising sales. At FX, affiliate revenue growth from an expanded subscriber base was offset by increased programming costs for original programming and charges related to the cancellations of Lucky and Orlando Jones. Investment in original programming continues to drive viewership gains with first quarter viewership among households and Adults 18-49 up nearly 20% versus the same period a year ago, led by Nip/Tuck, the highest rated new series on basic cable during calendar 2003.

DIRECT BROADCAST SATELLITE TELEVISION

On 30 April, 2003 the Company, along with Telecom Italia, completed the previously announced acquisition of the Italian pay-TV business Telepiu from Vivendi Universal and combined it with Stream. News Corporation now owns 80.1% of the combined entity, SKY Italia, whose results comprise this new segment. During the first quarter, SKY Italia reported an operating loss of US\$117 million on revenues of US\$264 million while adding nearly 300,000 new subscribers. 75% of the new subscribers during the quarter opted for a premium-programming tier including movies and sports programming increasing monthly ARPU

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for residential subscribers. At quarter end the digital subscribers totaled approximately 2.3 million.

MAGAZINES AND INSERTS

The Magazines and Inserts segment reported first quarter operating income of US\$58 million, a 14% increase versus the same period a year ago. The improvement was primarily driven by higher contributions from the Free Standing Inserts division, principally from increased demand for packaged goods pages, partially offset by lower contributions from the InStore division.

NEWSPAPERS

The Newspaper segment reported first quarter operating income of US\$102 million, up 79% versus the same period a year ago reflecting circulation revenue increases in the U.K. combined with advertising strength in Australia.

The U.K. newspaper group's first quarter operating income more than doubled in local currency terms compared to a year ago, primarily driven by circulation revenue gains combined with a slight increase in advertising. Circulation revenue growth was achieved across all titles, with the largest increase at The Sun, where reduced cover price initiatives during the first quarter a year ago adversely impacted results.

The Australian newspaper group reported a 6% increase in operating income in local currency terms, driven by an 8% increase in advertising revenue over a year ago and a slight increase in circulation revenue. Advertising growth was primarily fueled by display advertising with strong growth in national display and continued momentum in the retail and real estate categories. Classified advertising also saw steady growth, with improvement across all categories. The growth in advertising revenue for the quarter was partially offset by the timing of various marketing and editorial initiatives.

In the United States, The New York Post continued to grow its circulation at a pace unmatched by any other major American newspaper. Now the seventh-largest daily newspaper in the country, the Post has achieved double-digit circulation growth in each of the last six quarters.

BOOK PUBLISHING

HarperCollins reported operating income of US\$59 million during the quarter versus US\$58 million in the same period a year ago. The increased quarterly results were primarily driven by the continued success of Zondervan's blockbuster The Purpose Driven Life as well as Lemony Snicket's The Slippery Slope, Dennis Lehane's Mystic River, David Beckham's autobiography and Dr. Atkins' New Diet Revolution. During the quarter, HarperCollins had 30 books on The New York Times bestseller lists including three titles that reached the number one spot.

OTHER MATTERS

Subsequent to quarter end, the Company announced it had reached an agreement in principle for the sale of the Los Angeles Dodgers. The agreement is subject to Major League Baseball approval and has been forwarded to Major League Baseball's ownership committee for review and recommendation to the other club owners, who will then vote on the proposed sale.

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REVIEW OF ASSOCIATED ENTITIES RESULTS

First quarter net earnings from associated entities were A\$87 million versus losses of A\$174 million in the same period a year ago. The year over year improvements were primarily due to contributions from BSKyB, for which earnings were not reflected in prior year's quarter, and a comparatively favourable impact from foreign currency fluctuations at Sky Brasil. The inclusion of Stream's losses also affected the first quarter results a year ago.

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

| | % Owned | 3 Months Ended 30 September, | |
|---|-----------------|---------------------------------|-----------|
| | ----- | 2003 | 2002 |
| | | US\$ Millions | |
| Sky Brasil | 49.7% (a) | (8) | (67) |
| Innova - Mexico | 30.0% | (10) | (8) |
| FOXTEL | 25.0% | (3) | (2) |
| Stream | 50.0% (b) | - | (39) |
| Fox Sports Cable Networks | Various | 9 | 12 |
| ESPN STAR Sports | 50.0% | 1 | 1 |
| Other Associates | Various (c) (d) | 68 | 7 |
| | | ----- | ----- |
| Total associated entities' earnings (losses) | | \$ 57 | \$ (96) |
| | | ----- | ----- |
| Total associated entities' earnings (losses) | | A\$ 87 | A\$ (174) |
| | | ===== | ===== |

Further details on the associated entities follow.

- (a) Represents the Company's economic interest, which was 43.9% as of 30 September, 2002. The Company continues to hold a 36% equity interest in Sky Brasil.
- (b) The Company's share of Stream's losses was included as part of associated entities from 1 April, 2002 through 30 April, 2003, when it was merged with Telepiu to form the consolidated entity SKY Italia.
- (c) Primarily comprising BSKyB, Gemstar-TV Guide International, Independent Newspapers, and Queensland Press.
- (d) The Company's investment basis in BSKyB was negative from 31 December, 2001 through 11 November, 2002. Accordingly, the Company's share of BSKyB's results was not recognised during that period.

Sky Brasil (in US\$)

| ----- | 3 Months Ended 30 September, | |
|-------|----------------------------------|------|
| | 2003 | 2002 |
| | ----- | |
| | Millions (except subscribers) | |

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| | | |
|--|---------|----------|
| Revenues (in local currency) | R\$ 162 | R\$ 130 |
| Revenues | \$ 55 | \$ 42 |
| Operating income (loss) | 3 | (4) |
| Net loss | \$ (17) | \$ (157) |
| | ===== | ===== |
| News' reportable 49.7%/43.9% share (in US\$) | \$ (8) | \$ (67) |
| | ===== | ===== |
| Net Debt (excluding capitalised leases) | \$ 199 | \$ 208 |
| Ending Subscribers | 772,000 | 704,000 |

Sky Brasil's revenues grew 25% in local currency terms compared to prior year primarily driven by a higher subscriber base and increased average revenue per subscriber. The revenue growth for the quarter was partly offset by higher programming costs, mainly relating to higher subscribers, and increased marketing costs due to new campaigns to grow the subscriber base. The decrease in net loss principally reflects reduced foreign exchange losses as the decline of the Brazilian Real decelerated during the quarter as compared to the same period a year ago.

Innova (in US\$) - Mexico

| | | |
|---|-------------------------------|---------|
| | 3 Months Ended | |
| | 30 September, | |
| | 2003 | 2002 |
| | ----- | |
| | Millions (except subscribers) | |
| Revenues (in local currency) | Ps. 909 | Ps. 834 |
| Revenues | \$ 85 | \$ 84 |
| Operating income | 12 | 7 |
| Net loss | \$ (32) | \$ (28) |
| | ===== | ===== |
| News' reportable 30% share (in US\$) | \$ (10) | \$ (8) |
| | ===== | ===== |
| Net Debt (excluding capitalised leases) | \$ 339 | \$ 358 |
| Ending Subscribers | 826,000 | 733,000 |

Innova's revenues grew 9% in local currency terms compared to prior year primarily driven by a 13% increase in the subscriber base. Operating income growth reflects lower depreciation and SG&A expenses. The increase in net loss principally reflects the unfavourable impact of foreign currency fluctuations due to the weakening of the Mexican Peso on U.S. dollar denominated liabilities during the quarter as compared to the same period a year ago.

FOXTEL (in A\$)

| | | |
|--|----------------|------|
| | 3 Months Ended | |
| | 30 September, | |
| | 2003 | 2002 |

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| | ----- | |
|--------------------------------------|-------------------------------|----------|
| | Millions (except subscribers) | |
| Revenues | A\$ 182 | A\$ 138 |
| Operating loss | (27) | (24) |
| Net loss | A\$ (18) | A\$ (17) |
| | ===== | ===== |
| News' reportable 25% share (in US\$) | \$ (3) | \$ (2) |
| | ===== | ===== |
| Ending Subscribers (including Optus) | 1,068,000 | 805,000 |

FOXTEL's revenues for the quarter increased 32% principally due to the inclusion of Optus wholesale subscribers as of 1 December, 2002, an increase of 17% in satellite subscribers compared to a year ago and higher average revenue per subscriber. Net loss for the quarter increased A\$1 million against the prior year as the increased subscriber revenues were more than offset by the inclusion of Optus license fee costs, an intensified subscriber acquisition plan, the development of a future digital service and higher depreciation expense.

| Fox Sports Cable Networks(*) (in US\$) | ----- | |
|--|-------------------------------|------------|
| | 3 Months Ended | |
| | 30 September, | |
| | 2003 | 2002 |
| | ----- | |
| | Millions (except subscribers) | |
| News' reportable share | \$ 9 | \$ 12 |
| | ===== | ===== |
| Ending Subscribers | 45,056,000 | 44,410,000 |

The decrease in net income for the quarter primarily reflects the decline in the results at National Sports Partners resulting from increased programming costs, partly offset by the effect of cost savings at the Metro Channels and Madison Square Garden.

(*) Various associated interests ranging from 20 percent to 50 percent, primarily comprising Regional Programming Partners (including Madison Square Garden), Fox Sports Bay Area, Fox Sports Chicago, National Sports Partners and National Advertising Partners.

| ESPN STAR Sports (in US\$) - Asia | ----- | |
|-----------------------------------|----------------|------|
| | 3 Months Ended | |
| | 30 September, | |
| | 2003 | 2002 |
| | ----- | |

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| | Millions | |
|----------------------------|----------|-------|
| Revenues | \$ 34 | \$ 37 |
| Operating income | 2 | 5 |
| Net income | \$ 1 | \$ 3 |
| | ===== | ===== |
| News' reportable 50% share | \$ 1 | \$ 1 |
| | ===== | ===== |

Operating income decreased US\$3 million principally due to lower advertising revenues from England Cricket partially offset by lower channel costs associated with the event.

FOREIGN EXCHANGE RATES

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

| | 3 Months Ended 30 September, 2003 | | 2002 |
|----------------------------------|---|-------|-------|
| | ----- | ----- | ----- |
| Australian Dollar/U.S Dollar | 0.66 | 0.55 | |
| U.K. Pounds Sterling/U.S. Dollar | 1.61 | 1.55 | |
| Euro/U.S. Dollar | 1.13 | 0.98 | |

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

Audio from News Corp's conference call with analysts on the first quarter results can be heard live on the Internet at 9:00 a.m. Eastern Summer (Australia) Time today. To listen to the call, visit <http://www.newscorp.com>

Cautionary Statement Concerning Forward-Looking Statements

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

STATEMENT OF FINANCIAL PERFORMANCE

| | 3 Months Ended | |
|------|--|-------|
| Note | 30 September, 2003 | 2002 |
| | ----- | ----- |
| | A\$ Millions (except per share amounts) | |

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| | | | | |
|---|-------|---------|-----|---------|
| Sales revenue | 1 A\$ | 7,081 | A\$ | 6,931 |
| Operating expenses | | (5,986) | | (5,935) |
| | | ----- | | ----- |
| Operating income | 1 | 1,095 | | 996 |
| Net profit (loss) from associated entities | | 87 | | (174) |
| Borrowing costs | | (225) | | (277) |
| Interest income | | 52 | | 52 |
| | | ----- | | ----- |
| Net borrowing costs | | (173) | | (225) |
| Exchangeable securities expense | | (28) | | (23) |
| Other items before income tax, net | | 93 | | - |
| | | ----- | | ----- |
| Profit from ordinary activities before income tax | | 1,074 | | 574 |
| | | ----- | | ----- |
| Income tax expense on: | | | | |
| Ordinary activities before other items | | (303) | | (178) |
| Other items | | (33) | | - |
| | | ----- | | ----- |
| Net income tax expense | | (336) | | (178) |
| | | ----- | | ----- |
| Net profit from ordinary activities after tax | | 738 | | 396 |
| Net profit attributable to outside equity interests | | (94) | | (101) |
| | | ----- | | ----- |
| Net Profit Attributable to Members of the Parent Entity | A\$ | 644 | A\$ | 295 |
| | | ----- | | ----- |
| Net exchange gains (losses) recognised directly in equity | | (576) | | 1,170 |
| | | ----- | | ----- |
| Total change in equity other than those resulting from transactions with owners as owners | A\$ | 68 | A\$ | 1,465 |
| | | ===== | | ===== |
| Diluted earnings per share on net profit attributable to members of the parent entity | | | | |
| Ordinary shares | A\$ | 0.109 | A\$ | 0.049 |
| Preferred limited voting ordinary shares | A\$ | 0.130 | A\$ | 0.059 |
| Ordinary and preferred limited voting ordinary shares | A\$ | 0.122 | A\$ | 0.055 |

STATEMENT OF FINANCIAL POSITION

30 September 2003 June 30, 2003

ASSETS

A\$ Millions

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| | | |
|---|------------|-----------|
| Current Assets | | |
| Cash | A\$ 7,267 | A\$ 6,746 |
| Cash on deposit | 401 | - |
| Receivables | 6,015 | 5,701 |
| Inventories | 2,167 | 1,931 |
| Other | 589 | 483 |
| | ----- | ----- |
| Total Current Assets | 16,439 | 14,861 |
| | ----- | ----- |
| Non-Current Assets | | |
| Cash on deposit | - | 698 |
| Receivables | 1,338 | 1,219 |
| Investments in associated entities | 5,568 | 5,526 |
| Other investments | 960 | 1,195 |
| Inventories | 4,105 | 4,103 |
| Property, plant and equipment | 6,112 | 6,299 |
| Publishing rights, titles and television licenses | 32,138 | 32,724 |
| Goodwill | 363 | 377 |
| Other | 714 | 745 |
| | ----- | ----- |
| Total Non-Current Assets | 51,298 | 52,886 |
| | ----- | ----- |
| Total Assets | A\$ 67,737 | A\$67,747 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Interest bearing liabilities | A\$ 415 | A\$ 33 |
| Payables | 8,439 | 8,298 |
| Tax liabilities | 771 | 714 |
| Provisions | 410 | 258 |
| | ----- | ----- |
| Total Current Liabilities | 10,035 | 9,303 |
| | ----- | ----- |
| Non-Current Liabilities | | |
| Interest bearing liabilities | 12,640 | 12,396 |
| Payables | 3,550 | 3,545 |
| Tax liabilities | 844 | 666 |
| Provisions | 1,072 | 1,032 |
| | ----- | ----- |
| Total Non-Current Liabilities Excluding Exchangeable Securities | 18,106 | 17,639 |
| | ----- | ----- |
| Exchangeable securities | 2,063 | 2,084 |
| | ----- | ----- |
| Total Liabilities | 30,204 | 29,026 |
| | ----- | ----- |
| Shareholders' Equity | | |
| Contributed equity | 28,448 | 28,427 |
| Reserves | 2,573 | 2,760 |
| Retained profits | 1,239 | 1,137 |
| | ----- | ----- |
| Shareholders' equity attributable to members of the parent entity | 32,260 | 32,324 |
| Outside equity interests in controlled entities | 5,273 | 6,397 |
| | ----- | ----- |

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| | | |
|--|------------|-----------|
| Total Shareholders' Equity | 37,533 | 38,721 |
| | ----- | ----- |
| Total Liabilities and Shareholders' Equity | A\$ 67,737 | A\$67,747 |
| | ===== | ===== |

| | | |
|-------------------------|-------------------|------|
| STATEMENT OF CASH FLOWS | 3 Months Ended 30 | |
| | September, | |
| | 2003 | 2002 |
| | ----- | |

| | | |
|---|--------------|-----------|
| Operating activity | A\$ Millions | |
| Net profit attributable to members of the parent entity | A\$ 644 | A\$ 295 |
| Adjustment for non-cash and non-operating activities: | | |
| Equity earnings, net | (85) | 176 |
| Outside equity interest | 89 | 101 |
| Depreciation and amortisation | 219 | 185 |
| Other items, net | (55) | - |
| Change in assets and liabilities: | | |
| Receivables | (628) | (213) |
| Inventories | (279) | (517) |
| Payables | 394 | 143 |
| Other liabilities | 260 | 39 |
| | ----- | ----- |
| Cash provided by operating activity | 559 | 209 |
| Investing and other activity | | |
| Property, plant and equipment | (126) | (160) |
| Acquisitions, net of cash acquired | (63) | (787) |
| Investments in associated entities | (46) | (376) |
| Other investments | (45) | (7) |
| Proceeds from sale of non-current assets | 361 | 48 |
| | ----- | ----- |
| Cash provided by (used in) investing activity | 81 | (1,282) |
| Financing activity | | |
| Repayment of debt and exchangeable securities | (288) | (1,874) |
| Decrease in cash on deposit | 282 | - |
| Issuance of shares | 21 | 2 |
| Dividends paid | (13) | (4) |
| Leasing and other finance costs | - | (2) |
| | ----- | ----- |
| Cash provided by (used in) financing activity | 2 | (1,878) |
| | ----- | ----- |
| Net increase (decrease) in cash | 642 | (2,951) |
| Opening cash balance | 6,746 | 6,337 |
| Exchange movement on opening balance | (121) | 212 |
| | ----- | ----- |
| Closing cash balance | A\$7,267 | A\$ 3,598 |
| | ===== | ===== |

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Note 1 - SEGMENT DATA

BY GEOGRAPHIC AREAS

3 Months Ended
30 September,
2003 2002

A\$ Millions

Revenues

| | | |
|---------------|-----------|-----------|
| United States | A\$ 5,043 | A\$ 5,250 |
| Europe | 1,413 | 1,073 |
| Australasia | 625 | 608 |
| | ----- | ----- |
| | A\$ 7,081 | A\$ 6,931 |
| | ===== | ===== |

Operating Income

| | | |
|---------------|-----------|---------|
| United States | A\$ 1,051 | A\$ 850 |
| Europe | (38) | 102 |
| Australasia | 82 | 44 |
| | ----- | ----- |
| | A\$ 1,095 | A\$ 996 |
| | ===== | ===== |

BY INDUSTRY SEGMENT

Revenues

| | | |
|--|-----------|-----------|
| Filmed Entertainment | A\$ 1,901 | A\$ 1,604 |
| Television | 1,540 | 1,860 |
| Cable Network Programming | 955 | 1,007 |
| Direct Broadcast Satellite Television(*) | 402 | - |
| Magazines and Inserts | 339 | 353 |
| Newspapers | 1,125 | 1,103 |
| Book Publishing | 528 | 630 |
| Other | 291 | 374 |
| | ----- | ----- |
| | A\$ 7,081 | A\$ 6,931 |
| | ===== | ===== |

Operating Income

| | | |
|--|-----------|---------|
| Filmed Entertainment | A\$ 499 | A\$ 181 |
| Television | 273 | 343 |
| Cable Network Programming | 203 | 214 |
| Direct Broadcast Satellite Television(*) | (178) | - |
| Magazines and Inserts | 88 | 92 |
| Newspapers | 155 | 103 |
| Book Publishing | 90 | 106 |
| Other | (35) | (43) |
| | ----- | ----- |
| | A\$ 1,095 | A\$ 996 |
| | ===== | ===== |

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

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Note 2 - SUPPLEMENTAL FINANCIAL DATA

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

The following table reconciles certain components of net profit attributable to members of the parent entity as presented on page 2 of this release to the presentation required under Australian GAAP as required by Australian Accounting Standard AASB 1018 "Statement of Financial Performance" on page 11 of this release.

| | 3 Months Ended 30 September, 2003 2002 | |
|---|---|-----------|
| | A\$ Millions | |
| Total other items (page 2) | A\$ 55 | A\$ - |
| Reclassification of other items - associated Entities | - | - |
| Reclassification of income tax and net profit attributable to outside equity interest | 38 | - |
| | ----- | ----- |
| Other items before income tax, net (page 11) | A\$ 93 | A\$ - |
| | ----- | ----- |
| | | |
| Income tax expense (page 2) | A\$ (303) | A\$ (178) |
| Reclassification of income tax expense on other items | (33) | - |
| | ----- | ----- |
| Net income tax expense (page 11) | A\$ (336) | A\$ (178) |
| | ----- | ----- |

SUPPLEMENTAL FINANCIAL DATA (continued)

3 Months Ended
30 September,
2003 2002

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| | ----- A\$ Millions | |
|---|-----------------------|-----------|
| Outside equity interest (page 2) | A\$ (89) | A\$ (101) |
| Reclassification of outside equity interest on other items, net | (5) | - |
| | ----- | ----- |
| Net profit attributable to outside equity interest (page 11) | A\$ (94) | A\$ (101) |
| | ===== | ===== |
| Net profit before other items (page 2) | A\$ 589 | A\$ 295 |
| Other items before income tax, net | 93 | - |
| Reclassification of income tax and net profit attributable to outside equity interest | (38) | - |
| | ----- | ----- |
| Net profit attributable to members of the parent entity (page 11) | A\$ 644 | A\$ 295 |
| | ===== | ===== |
| Earnings per share on net profit before other items, net (page 2) | A\$ 0.111 | A\$0.055 |
| Earnings per share on other items before income tax, net | 0.018 | - |
| Earnings per share on reclassification of income tax and net profit attributable to outside equity interest | (0.007) | - |
| | ----- | ----- |
| Diluted earnings per share on net profit attributable to members of the parent entity (page 11) | A\$ 0.122 | A\$0.055 |
| | ===== | ===== |

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Press Inquiries:
Andrew Butcher, 212-852-7070

EXHIBIT B

News Corporation

EARNINGS RELEASE FOR THE QUARTER ENDED
SEPTEMBER 30, 2003 IN U.S. DOLLARS PREPARED FOR THE U.S. MARKET. AUSTRALIAN
READERS SHOULD REFER TO THE AUSTRALIAN DOLLAR EARNINGS RELEASE

News Corporation Reports First Quarter Operating Income of \$719
Million, a 31% Increase, on Revenue Growth of 22%

Net Profit before Other Items More Than Doubles to \$386 Million;
Net Profit Increases \$260 Million to \$422 Million

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QUARTER HIGHLIGHTS

- Filmed Entertainment operating income more than triples on robust home entertainment sales of film and television titles as well as strong syndication contributions.
- Sustained ratings and advertising growth at Regional Sports Networks and Fox News Channel drives 13% operating income growth at Cable Network Programming.
- Television Stations increase market share, grow operating income 7%; STAR delivers another quarter of profits; overall Television segment down slightly due to the inclusion of American Idol in the quarter a year ago.
- All print businesses report higher earnings contributions led by circulation revenue gains in U.K. newspapers, advertising demand in Australian newspapers and increased page volume at free-standing inserts.

NEW YORK--(BUSINESS WIRE)--Nov. 5, 2003--The News Corporation Limited (NYSE: NWS, NWS.A) today reported first quarter consolidated revenues of \$4.6 billion, a 22% increase over the \$3.8 billion reported in the prior year, and consolidated operating income of \$719 million. These results, representing a 31% increase over the \$548 million reported a year ago were achieved despite the inclusion of \$117 million in losses from SKY Italia in the current quarter. The year-on-year operating income growth was driven primarily by a three-fold increase at Filmed Entertainment as well as double-digit increases at the Cable Network Programming, Newspapers and Magazines and Inserts segments. Net profit for the first quarter was \$422 million, a \$260 million increase over the \$162 million reported in the first quarter a year ago.

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

"The unparalleled growth we delivered during the first quarter - our seventh consecutive quarter of double-digit earnings increases - is a clear demonstration of the strength we are enjoying across our balanced collection of businesses. Operating income growth of 31%, on revenue growth of 22%, was generated by increases at nearly every operating segment: at our film and television production businesses, which continue to capitalize on the expanding home entertainment market; at our cable channels, which have benefited from sustained viewership gains; at our television stations, which have expanded market share; and at STAR, which achieved its first-ever first-quarter profit. In the past quarter, we also exceeded our high expectations for our global pay-TV platforms - including SKY Italia, where subscriber additions are well ahead of plan, and BSkyB, which passed the 7 million digital subscriber mark several months ahead of schedule. Overall, the first quarter has given us a great start to the fiscal year, and we are well on our way to meeting our growth forecast for 2004."

MANAGEMENT REVIEW OF PERFORMANCE

The Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Supplemental Financial Data for the three months ended September 30th are attached. The following commentary is made in respect to those statements, including an analysis of certain information contained therein.

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Net Profit Attributable to Members of the Parent Entity

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

| | 3 Months Ended September 30, | |
|--|--|----------|
| | 2003 | 2002 |
| | US \$ Millions (except per ADR amounts) | |
| Revenue | \$ 4,649 | \$ 3,813 |
| Operating income | 719 | 548 |
| Associated entities | 57 | (96) |
| Interest expense, net | (114) | (124) |
| Exchangeable securities expense | (18) | (13) |
| Profit before income tax expense, outside equity interest and other items | 644 | 315 |
| Income tax expense | (199) | (98) |
| Outside equity interest | (59) | (55) |
| Net profit before other items | 386 | 162 |
| Other group items, net of tax and outside equity interest | 36 | - |
| Net profit attributable to members of the parent entity | \$ 422 | \$ 162 |
| Earnings per ADR (diluted) on net profit before other items, net | \$ 0.29 | \$ 0.12 |
| Weighted average number of ADRs outstanding in millions (diluted) | 1,298 | 1,282 |

The following commentary discusses the major components of these results.

| | 3 Months Ended September 30, | |
|--|---------------------------------|--------|
| | 2003 | 2002 |
| | US \$ Millions | |
| Filmed Entertainment | \$ 328 | \$ 100 |
| Television | 179 | 188 |
| Cable Network Programming | 133 | 118 |
| Direct Broadcast Satellite Television* | (117) | - |

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| | | |
|-------------------------------|--------|--------|
| Magazines & Inserts | 58 | 51 |
| Newspapers | 102 | 57 |
| Book Publishing | 59 | 58 |
| Other | (23) | (24) |
| | ----- | ----- |
| Consolidated Operating Income | \$ 719 | \$ 548 |
| | ===== | ===== |

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

First quarter net earnings from associated entities were \$57 million versus losses of \$96 million in the same period a year ago. The year-over-year improvements were primarily due to contributions from BSkyB, for which earnings were not reflected in prior year's quarter, and a comparatively favorable impact from foreign currency fluctuations at Sky Brasil. The inclusion of Stream's losses also affected the first quarter results a year ago. A detailed discussion of the components of associated entities' results is provided later in the release.

First quarter net profit before other items increased to \$386 million (\$0.29 per ADR) versus \$162 million (\$0.12 per ADR) in the prior year, primarily due to higher consolidated operating income and improved associated entities results. The Company reported income from other items in the quarter of \$36 million primarily reflecting a gain from the sale of SkyPerfectTV! shares.

REVIEW OF OPERATING RESULTS

FILMED ENTERTAINMENT

The Filmed Entertainment segment reported first quarter operating income of \$328 million, a \$228 million increase over the \$100 million reported in the same period a year ago. The substantial growth primarily reflects increased contributions from the worldwide home entertainment release of film and television titles and higher syndication profits from Twentieth Century Fox Television (TCFTV).

Current quarter film results were largely driven by the worldwide home entertainment performances of Daredevil and Phone Booth combined with strong worldwide home entertainment, pay-TV and free-TV contributions from various catalog titles. These contributions were partially offset by the worldwide theatrical launch costs for the successful release of League of Extraordinary Gentlemen, which has grossed over \$170 million in worldwide box office to date. The first quarter a year ago included the worldwide home entertainment performances of Shallow Hal, Behind Enemy Lines and catalog titles.

At TCFTV, earnings grew year-on-year primarily reflecting higher syndication profits from the initial releases of Angel and Judging Amy as well as increased contributions from M*A*S*H. Increased DVD sales of television series, most notably from The Simpsons, Buffy the Vampire Slayer and 24, also contributed to the year-on-year growth.

TELEVISION

The Television segment reported first quarter operating income of \$179 million versus \$188 million a year ago. Continued profit growth at the Fox Television Stations and STAR was offset by ratings declines at the FOX Broadcasting Company versus the first quarter last year, which included American Idol.

Fox Television Stations (FTS) first quarter operating income grew

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7% over the same period a year ago as market share gains more than offset a decline in political spending and the non-recurrence of American Idol on the broadcast network in the current quarter. Current year earnings growth was also fueled by margin expansion primarily from lower local programming and promotional costs as well as duopoly savings versus the first quarter of fiscal 2003.

At the FOX Broadcasting Company (FBC), first quarter operating losses increased as improved advertising pricing was more than offset by cancellation costs for several series and projects as well as a 20% decline in primetime ratings versus the first quarter a year ago which included the record-breaking performance of American Idol. During the quarter, FBC launched several new series, including The O.C., which gained audience share every week following its August premiere and was the highest-rated new scripted show of the summer among Adults 18-49. Subsequent to quarter-end, primetime ratings have improved with the current broadcast season's ratings up 15% compared to a year ago led by the strength of post-season Major League Baseball and new season series premieres.

STAR, bolstered by a 20% increase in revenues, delivered positive operating income for the first time in this traditionally soft quarter. Revenue gains were primarily driven by advertising and subscription growth at STAR Plus, which on average continues to deliver 48 of the top 50 programs in India, as well as increased advertising revenue from STAR Mandarin Movies, the number one cable channel in Taiwan.

CABLE NETWORK PROGRAMMING

Cable Network Programming reported first quarter operating income of \$133 million, an improvement of \$15 million over last year's results. The 13% growth reflects strong revenue gains at the Fox News Channel and the Regional Sports Networks, slightly offset by higher programming costs at the FX Channel.

Fox News Channel (FNC) reported operating income growth of 14% in the first quarter as strong revenue growth, primarily from increased ad sales, more than offset slightly higher costs associated with coverage of the war in Iraq and the California recall election. FNC was the only cable news channel to increase its viewership during the quarter, with growth of 14% in primetime and 16% on a 24-hour basis compared to the first quarter a year ago.

Fox Cable Networks' (including the Regional Sports Networks (RSNs), the FX Channel (FX) and SPEED Channel) operating profit increased 4% for the quarter driven by double-digit revenue growth at the RSNs reflecting DTH subscriber additions, higher affiliate rates and increased advertising sales. At FX, affiliate revenue growth from an expanded subscriber base was offset by increased programming costs for original programming and charges related to the cancellations of Lucky and Orlando Jones. Investment in original programming continues to drive viewership gains with first quarter viewership among households and Adults 18-49 up nearly 20% versus the same period a year ago, led by Nip/Tuck, the highest rated new series on basic cable during calendar 2003.

DIRECT BROADCAST SATELLITE TELEVISION

On April 30th, 2003 the Company, along with Telecom Italia, completed the previously announced acquisition of the Italian pay-TV business Telepiu from Vivendi Universal and combined it with Stream. News Corporation now owns 80.1% of the combined entity, SKY Italia, whose results comprise this new segment. During the first quarter, SKY Italia reported an operating loss of \$117 million on revenues of \$264 million while adding nearly 300,000 new subscribers. 75% of the new

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subscribers during the quarter opted for a premium-programming tier including movies and sports programming increasing monthly ARPU for residential subscribers. At quarter end the digital subscribers totaled approximately 2.3 million.

MAGAZINES AND INSERTS

The Magazines and Inserts segment reported first quarter operating income of \$58 million, a 14% increase versus the same period a year ago. The improvement was primarily driven by higher contributions from the Free Standing Inserts division, principally from increased demand for packaged goods pages, partially offset by lower contributions from the InStore division.

NEWSPAPERS

The Newspaper segment reported first quarter operating income of \$102 million, up 79% versus the same period a year ago reflecting circulation revenue increases in the U.K. combined with advertising strength in Australia.

The U.K. newspaper group's first quarter operating income more than doubled in local currency terms compared to a year ago, primarily driven by circulation revenue gains combined with a slight increase in advertising. Circulation revenue growth was achieved across all titles, with the largest increase at The Sun, where reduced cover price initiatives during the first quarter a year ago adversely impacted results.

The Australian newspaper group reported a 6% increase in operating income in local currency terms, driven by an 8% increase in advertising revenue over a year ago and a slight increase in circulation revenue. Advertising growth was primarily fueled by display advertising with strong growth in national display and continued momentum in the retail and real estate categories. Classified advertising also saw steady growth, with improvement across all categories. The growth in advertising revenue for the quarter was partially offset by the timing of various marketing and editorial initiatives.

In the United States, The New York Post continued to grow its circulation at a pace unmatched by any other major American newspaper. Now the seventh-largest daily newspaper in the country, the Post has achieved double-digit circulation growth in each of the last six quarters.

BOOK PUBLISHING

HarperCollins reported operating income of \$59 million during the quarter versus \$58 million in the same period a year ago. The increased quarterly results were primarily driven by the continued success of Zondervan's blockbuster The Purpose Driven Life as well as Lemony Snicket's The Slippery Slope, Dennis Lehane's Mystic River, David Beckham's autobiography and Dr. Atkins' New Diet Revolution. During the quarter, HarperCollins had 30 books on The New York Times bestseller lists including three titles that reached the number one spot.

OTHER MATTERS

Subsequent to quarter end, the Company announced it had reached an agreement in principle for the sale of the Los Angeles Dodgers. The agreement is subject to Major League Baseball approval and has been forwarded to Major League Baseball's ownership committee for review and recommendation to the other club owners, who will then vote on the

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proposed sale.

REVIEW OF ASSOCIATED ENTITIES RESULTS

First quarter net earnings from associated entities were \$57 million versus losses of \$96 million in the same period a year ago. The year over year improvements were primarily due to contributions from BSkyB, for which earnings were not reflected in prior year's quarter, and a comparatively favorable impact from foreign currency fluctuations at Sky Brasil. The inclusion of Stream's losses also affected the first quarter results a year ago.

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

| | % Owned | | 3 Months Ended September 30, | |
|---|---------|---------|---------------------------------|---------|
| | | | 2003 | 2002 |
| | ----- | | ----- | ----- |
| | | | US \$ Millions | |
| Sky Brasil | 49.7% | (a) | (8) | (67) |
| Innova - Mexico | 30.0% | | (10) | (8) |
| FOXTEL | 25.0% | | (3) | (2) |
| Stream | 50.0% | (b) | - | (39) |
| Fox Sports Cable Networks | Various | | 9 | 12 |
| ESPN STAR Sports | 50.0% | | 1 | 1 |
| Other Associates | Various | (c) (d) | 68 | 7 |
| | | | ----- | ----- |
| Total associated entities' earnings (losses) | | | \$ 57 | \$ (96) |
| | | | ===== | ===== |

Further details on the associated entities follow.

- (a) Represents the Company's economic interest, which was 43.9% as of September 30, 2002. The Company continues to hold a 36% equity interest in Sky Brasil.
- (b) The Company's share of Stream's losses was included as part of associated entities from April 1, 2002 through April 30, 2003, when it was merged with Telepiu to form the consolidated entity SKY Italia.
- (c) Primarily comprising BSkyB, Gemstar-TV Guide International, Independent Newspapers, and Queensland Press.
- (d) The Company's investment basis in BSkyB was negative from December 31, 2001 through November 11, 2002. Accordingly, the Company's share of BSkyB's results was not recognized during that period.

| Sky Brasil (in US\$) | 3 Months Ended September 30, | |
|------------------------------|----------------------------------|---------|
| ----- | 2003 | 2002 |
| | ----- | ----- |
| | Millions (except subscribers) | |
| Revenues (in local currency) | R\$ 162 | R\$ 130 |

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| | | |
|--|---------|----------|
| Revenues | \$ 55 | \$ 42 |
| Operating income (loss) | 3 | (4) |
| Net loss | \$ (17) | \$ (157) |
| | ===== | ===== |
| News' reportable 49.7%/43.9% share (in US\$) | \$ (8) | \$ (67) |
| | ===== | ===== |
| Net Debt (excluding capitalized leases) | \$ 199 | \$ 208 |
| Ending Subscribers | 772,000 | 704,000 |

Sky Brasil's revenues grew 25% in local currency terms compared to prior year primarily driven by a higher subscriber base and increased average revenue per subscriber. The revenue growth for the quarter was partly offset by higher programming costs, mainly relating to higher subscribers, and increased marketing costs due to new campaigns to grow the subscriber base. The decrease in net loss principally reflects reduced foreign exchange losses as the decline of the Brazilian Real decelerated during the quarter as compared to the same period a year ago.

| | | |
|---|---|---------|
| Innova (in US\$) - Mexico ----- | 3 Months Ended September 30, 2003 2002 | |
| | ----- | |
| | Millions (except subscribers) | |
| | ----- | |
| Revenues (in local currency) | Ps. 909 | Ps. 834 |
| Revenues | \$ 85 | \$ 84 |
| Operating income | 12 | 7 |
| Net loss | \$ (32) | \$ (28) |
| | ===== | ===== |
| News' reportable 30% share (in US\$) | \$ (10) | \$ (8) |
| | ===== | ===== |
| Net Debt (excluding capitalized leases) | \$ 339 | \$ 358 |
| Ending Subscribers | 826,000 | 733,000 |

Innova's revenues grew 9% in local currency terms compared to prior year primarily driven by a 13% increase in the subscriber base. Operating income growth reflects lower depreciation and SG&A expenses. The increase in net loss principally reflects the unfavorable impact of foreign currency fluctuations due to the weakening of the Mexican Peso on U.S. dollar denominated liabilities during the quarter as compared to the same period a year ago.

| | | |
|--------------------------|---|--|
| FOXTEL (in A\$) ----- | 3 Months Ended September 30, 2003 2002 | |
| | ----- | |
| | Millions (except | |

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| | | | |
|--------------------------------------|-----|--------------|----------|
| | | subscribers) | |
| Revenues | A\$ | 182 | A\$ 138 |
| Operating loss | | (27) | (24) |
| Net loss | A\$ | (18) | A\$ (17) |
| | | ===== | ===== |
| News' reportable 25% share (in US\$) | \$ | (3) | \$ (2) |
| | | ===== | ===== |
| Ending Subscribers (including Optus) | | 1,068,000 | 805,000 |

FOXTEL's revenues for the quarter increased 32% principally due to the inclusion of Optus wholesale subscribers as of December 1, 2002, an increase of 17% in satellite subscribers compared to a year ago and higher average revenue per subscriber. Net loss for the quarter increased A\$1 million against the prior year as the increased subscriber revenues were more than offset by the inclusion of Optus license fee costs, an intensified subscriber acquisition plan, the development of a future digital service and higher depreciation expense.

| | | | | |
|--------------------------------------|------------------|------------|----|------------|
| Fox Sports Cable Networks* (in US\$) | 3 Months Ended | | | |
| ----- | September 30, | | | |
| | 2003 | 2002 | | |
| | ----- | | | |
| | Millions (except | | | |
| | subscribers) | | | |
| News' reportable share | \$ | 9 | \$ | 12 |
| | | ===== | | ===== |
| Ending Subscribers | | 45,056,000 | | 44,410,000 |

The decrease in net income for the quarter primarily reflects the decline in the results at National Sports Partners resulting from increased programming costs, partly offset by the effect of cost savings at the Metro Channels and Madison Square Garden.

* Various associated interests ranging from 20 percent to 50 percent, primarily comprising Regional Programming Partners (including Madison Square Garden), Fox Sports Bay Area, Fox Sports Chicago, National Sports Partners and National Advertising Partners.

| | | | | |
|-----------------------------------|----------------|-------|----|-------|
| ESPN STAR Sports (in US\$) - Asia | 3 Months Ended | | | |
| ----- | September 30, | | | |
| | 2003 | 2002 | | |
| | ----- | | | |
| | Millions | | | |
| Revenues | \$ | 34 | \$ | 37 |
| Operating income | | 2 | | 5 |
| Net income | \$ | 1 | \$ | 3 |
| | | ===== | | ===== |
| News' reportable 50% share | \$ | 1 | \$ | 1 |
| | | ===== | | ===== |

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Operating income decreased \$3 million principally due to lower advertising revenues from England Cricket partially offset by lower channel costs associated with the event.

FOREIGN EXCHANGE RATES

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

| | 3 Months Ended | |
|----------------------------------|----------------|-------|
| | September 30, | |
| | 2003 | 2002 |
| | ----- | ----- |
| Australian Dollar/U.S Dollar | 0.66 | 0.55 |
| U.K. Pounds Sterling/U.S. Dollar | 1.61 | 1.55 |
| Euro/U.S. Dollar | 1.13 | 0.98 |

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

Audio from News Corp's conference call with analysts on the first quarter results can be heard live on the Internet at 5:00 p.m. Eastern Standard Time today. To listen to the call, visit <http://www.newscorp.com>

Cautionary Statement Concerning Forward-Looking Statements

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

STATEMENT OF FINANCIAL PERFORMANCE

| | Note | 3 Months Ended | |
|--|------|---|----------|
| | | September 30, | |
| | | 2003 | 2002 |
| | | ----- | ----- |
| | | US \$ Millions (except per ADR amounts) | |
| Sales revenue | 1 | \$ 4,649 | \$ 3,813 |
| Operating expenses | | (3,930) | (3,265) |
| | | ----- | ----- |
| Operating income | 1 | 719 | 548 |
| Net profit (loss) from associated entities | | 57 | (96) |

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| | | |
|---|---------|---------|
| Borrowing costs | (148) | (152) |
| Interest income | 34 | 28 |
| | ----- | ----- |
| Net borrowing costs | (114) | (124) |
| Exchangeable securities expense | (18) | (13) |
| Other items before income tax, net | 61 | - |
| | ----- | ----- |
| Profit from ordinary activities before income tax | 705 | 315 |
| | ----- | ----- |
| Income tax expense on: | | |
| Ordinary activities before other items | (199) | (98) |
| Other items | (22) | - |
| | ----- | ----- |
| Net income tax expense | (221) | (98) |
| | ----- | ----- |
| Net profit from ordinary activities after tax | 484 | 217 |
| Net profit attributable to outside equity interests | (62) | (55) |
| | ----- | ----- |
| Net Profit Attributable to Members of the Parent Entity | \$ 422 | \$ 162 |
| | ----- | ----- |
| Net exchange gains (losses) recognized directly in equity | 42 | (8) |
| | ----- | ----- |
| Total change in equity other than those resulting from transactions with owners as owners | \$ 464 | \$ 154 |
| | ===== | ===== |
| Diluted earnings per ADR on net profit attributable to members of the parent entity | | |
| Ordinary ADRs | \$ 0.28 | \$ 0.11 |
| Preferred limited voting ordinary ADRs | \$ 0.34 | \$ 0.13 |
| Ordinary and preferred limited voting ordinary ADRs | \$ 0.32 | \$ 0.12 |

STATEMENT OF FINANCIAL POSITION

| | September 30, 2003 | June 30, 2003 |
|-----------------|-----------------------|------------------|
| | ----- | ----- |
| | US \$ Millions | |
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 4,916 | \$ 4,477 |
| Cash on deposit | 272 | - |
| Receivables | 4,069 | 3,784 |
| Inventories | 1,466 | 1,282 |

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| | | |
|---|-----------|-----------|
| Other | 398 | 321 |
| | ----- | ----- |
| Total Current Assets | 11,121 | 9,864 |
| | ----- | ----- |
| Non-Current Assets | | |
| Cash on deposit | - | 463 |
| Receivables | 905 | 809 |
| Investments in associated entities | 3,767 | 3,667 |
| Other investments | 649 | 793 |
| Inventories | 2,777 | 2,723 |
| Property, plant and equipment | 4,135 | 4,180 |
| Publishing rights, titles and television licenses | 21,741 | 21,719 |
| Goodwill | 246 | 250 |
| Other | 483 | 495 |
| | ----- | ----- |
| Total Non-Current Assets | 34,703 | 35,099 |
| | ----- | ----- |
| Total Assets | \$ 45,824 | \$ 44,963 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Interest bearing liabilities | \$ 281 | \$ 22 |
| Payables | 5,709 | 5,507 |
| Tax liabilities | 521 | 474 |
| Provisions | 277 | 171 |
| | ----- | ----- |
| Total Current Liabilities | 6,788 | 6,174 |
| | ----- | ----- |
| Non-Current Liabilities | | |
| Interest bearing liabilities | 8,551 | 8,227 |
| Payables | 2,402 | 2,353 |
| Tax liabilities | 571 | 442 |
| Provisions | 725 | 685 |
| | ----- | ----- |
| Total Non-Current Liabilities Excluding Exchangeable Securities | 12,249 | 11,707 |
| | ----- | ----- |
| Exchangeable securities | 1,396 | 1,383 |
| | ----- | ----- |
| Total Liabilities | 20,433 | 19,264 |
| | ----- | ----- |
| Shareholders' Equity | | |
| Contributed equity | 17,276 | 17,262 |
| Reserves | 1,975 | 1,685 |
| Retained profits | 2,573 | 2,506 |
| | ----- | ----- |
| Shareholders' equity attributable to members of the parent entity | 21,824 | 21,453 |
| Outside equity interests in controlled entities | 3,567 | 4,246 |
| | ----- | ----- |
| Total Shareholders' Equity | 25,391 | 25,699 |
| | ----- | ----- |
| Total Liabilities and Shareholders' Equity | \$ 45,824 | \$ 44,963 |

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| STATEMENT OF CASH FLOWS | | 3 Months Ended September 30, | |
|---|----------------|---------------------------------|--|
| | 2003 | 2002 | |
| | ----- | | |
| | US \$ Millions | | |
| Operating activity | | | |
| Net profit attributable to members of the parent entity | \$ 422 | \$ 162 | |
| Adjustment for non-cash and non-operating activities: | | | |
| Equity earnings, net | (56) | 97 | |
| Outside equity interest | 59 | 55 | |
| Depreciation and amortization | 144 | 102 | |
| Other items, net | (36) | - | |
| Change in assets and liabilities: | | | |
| Receivables | (425) | (116) | |
| Inventories | (189) | (282) | |
| Payables | 285 | 74 | |
| Other liabilities | 176 | 21 | |
| | ----- | ----- | |
| Cash provided by operating activity | 380 | 113 | |
| Investing and other activity | | | |
| Property, plant and equipment | (85) | (87) | |
| Acquisitions, net of cash acquired | (42) | (429) | |
| Investments in associated entities | (31) | (205) | |
| Other investments | (31) | (4) | |
| Proceeds from sale of non-current assets | 244 | 26 | |
| | ----- | ----- | |
| Cash provided by (used in) investing activity | 55 | (699) | |
| Financing activity | | | |
| Repayment of debt and exchangeable securities | (195) | (1,022) | |
| Decrease in cash on deposit | 191 | - | |
| Issuance of shares | 14 | 1 | |
| Dividends paid | (9) | (2) | |
| Leasing and other finance costs | - | (1) | |
| | ----- | ----- | |
| Cash provided by (used in) financing activity | 1 | (1,024) | |
| | ----- | ----- | |
| Net increase (decrease) in cash | 436 | (1,610) | |
| Opening cash balance | 4,477 | 3,574 | |
| Exchange movement on opening balance | 3 | (2) | |
| | ----- | ----- | |
| Closing cash balance | \$ 4,916 | \$ 1,962 | |
| | ===== | ===== | |

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Note 1 - SEGMENT DATA

| BY GEOGRAPHIC AREAS | 3 Months Ended September 30, 2003 2002 | |
|---------------------|---|----------|
| | ----- | ----- |
| | US \$ Millions | |
| Revenues | | |
| United States | \$ 3,311 | \$ 2,889 |
| Europe | 928 | 590 |
| Australasia | 410 | 334 |
| | ----- | ----- |
| | \$ 4,649 | \$ 3,813 |
| | ===== | ===== |
| | | |
| Operating Income | | |
| United States | \$ 690 | \$ 468 |
| Europe | (25) | 56 |
| Australasia | 54 | 24 |
| | ----- | ----- |
| | \$ 719 | \$ 548 |
| | ===== | ===== |

BY INDUSTRY SEGMENT

| | | |
|--|----------|----------|
| Revenues | | |
| Filmed Entertainment | \$ 1,248 | \$ 882 |
| Television | 1,011 | 1,024 |
| Cable Network Programming | 627 | 554 |
| Direct Broadcast Satellite Television* | 264 | - |
| Magazines and Inserts | 222 | 194 |
| Newspapers | 739 | 607 |
| Book Publishing | 347 | 347 |
| Other | 191 | 205 |
| | ----- | ----- |
| | \$ 4,649 | \$ 3,813 |
| | ===== | ===== |
| | | |
| Operating Income | | |
| Filmed Entertainment | \$ 328 | \$ 100 |
| Television | 179 | 188 |
| Cable Network Programming | 133 | 118 |
| Direct Broadcast Satellite Television* | (117) | - |
| Magazines and Inserts | 58 | 51 |
| Newspapers | 102 | 57 |
| Book Publishing | 59 | 58 |
| Other | (23) | (24) |
| | ----- | ----- |
| | \$ 719 | \$ 548 |
| | ===== | ===== |

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

Note 2 - SUPPLEMENTAL FINANCIAL DATA

The Company considers net profit before other items to be an

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

The following table reconciles certain components of net profit attributable to members of the parent entity as presented on page 2 of this release to the presentation required under Australian GAAP as required by Australian Accounting Standard AASB 1018 "Statement of Financial Performance" on page 11 of this release.

| | 3 Months Ended September 30, | |
|--|---------------------------------|---------|
| | 2003 | 2002 |
| | ----- | ----- |
| | US \$ Millions | |
| Total other items (page 2) | \$ 36 | \$ - |
| Reclassification of other items - associated Entities | - | - |
| Reclassification of income tax and net profit attributable to outside equity interest | 25 | - |
| | ----- | ----- |
| Other items before income tax, net (page 11) | \$ 61 | \$ - |
| | ===== | ===== |
| | | |
| Income tax expense (page 2) | \$ (199) | \$ (98) |
| Reclassification of income tax expense on other items | (22) | - |
| | ----- | ----- |
| Net income tax expense (page 11) | \$ (221) | \$ (98) |
| | ===== | ===== |

SUPPLEMENTAL FINANCIAL DATA (continued)

| 3 Months Ended September 30, | |
|---------------------------------|-------|
| 2003 | 2002 |
| ----- | ----- |
| US \$ Millions | |

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| | | |
|---|---------|---------|
| Outside equity interest (page 2) | \$ (59) | \$ (55) |
| Reclassification of outside equity interest on other items, net | (3) | - |
| | ----- | ----- |
| Net profit attributable to outside equity interest (page 11) | \$ (62) | \$ (55) |
| | ===== | ===== |
| | | |
| Net profit before other items (page 2) | \$ 386 | \$ 162 |
| Other items before income tax, net | 61 | - |
| Reclassification of income tax and net profit attributable to outside equity interest | (25) | - |
| | ----- | ----- |
| Net profit attributable to members of the parent entity (page 11) | \$ 422 | \$ 162 |
| | ===== | ===== |
| | | |
| Earnings per ADR on net profit before other items, net (page 2) | \$ 0.29 | \$ 0.12 |
| Earnings per ADR on other items before income tax, net | 0.05 | - |
| Earnings per ADR on reclassification of income tax and net profit attributable to outside equity interest | (0.02) | - |
| | ----- | ----- |
| Diluted earnings per ADR on net profit attributable to members of the parent entity (page 11) | \$ 0.32 | \$ 0.12 |
| | ===== | ===== |

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