(a) The Company amortized $12 million related to excess cost over the Company's proportionate share of its investment's underlying net assets allocated to finite-lived intangible assets during the three months ended September 30, 2015 and $16 million in the corresponding period of fiscal 2015. Such amortization is reflected in Equity earnings of affiliates in the Statements of Operations.

On a U.S. GAAP basis, Foxtel revenues, for

	For the three months ended September 30,	
	2015	2014
	(in millions)	
Net cash provided by continuing operating activities	$ 141	$ 220
Less: Capital expenditures	(63)	(94)
	78	126
Less: REA Group free cash flow	(35)	(22)
Plus: Cash dividends received from REA Group	24	26
Free cash flow available to News Corporation	$ 67	$ 130

Free cash flow available to News Corporation in the three months ended September 30, 2015 was $67 million compared to $130 million in the prior year period. The decline was primarily due to lower Total Segment EBITDA, the absence of a special dividend received from a cost method investment of $17 million during the three months ended September 30, 2014, as well as higher restructuring payments of $14 million. Capital expenditures were lower due to the absence of costs associated with the relocation of the Company's U.K. operations to a new site in London in fiscal 2015. The impact of foreign currency fluctuations of the U.S. dollar against local

calculated in accordance with U.S. GAAP are included in Notes 1, 2 and 3 and the reconciliation of Net cash

NEWS CORPORATION

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

	For the three months ended September 30,	
	2015	2014

NEWS CORPORATION

CONSOLIDATED BALANCE SHEETS
(in millions)

	As of September 30, 2015	As of June 30, 2015
ASSETS	(unaudited)	(audited)
Current assets:		
Cash and cash equivalents	$ 1,898	$ 1,951
Amounts due from 21st Century Fox	60	63
Receivables, net	1,301	1,283
Other current assets	630	717
Total current assets	3,889	4,014
Non-current assets:		
Investments	2,196	2,379
Property, plant and equipment, net	2,553	2,690
Intangible assets, net	2,143	2,203
Goodwill	3,012	3,063
Other non-current assets	963	686
Total assets	$ 14,756	$ 15,035
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 272	$ 238
Accrued expenses	1,133	1,125
Deferred revenue	354	346
Other current liabilities	407	401
Total current liabilities	2,166	2,110
Non-current liabilities:		
Retirement benefit obligations	298	305
Deferred income taxes	171	166
Other non-current liabilities	320	318
Commitments and contingencies		
Redeemable preferred stock	20	20
Equity:		
Class A common stock	4	4
Class B common stock	2	2
Additional paid-in capital	12,431	12,433
Retained earnings	204	

NOTE 1 – ADJUSTED REVENUES, ADJUSTED TOTAL SEGMENT EBITDA AND ADJUSTED SEGMENT EBITDA

The Company uses revenues, Total Segment EBITDA and Segment EBITDA excluding the impact of acquisitions, divestitures, costs associated

The following tables reconcile reported revenues and Segment EBITDA by segment to Adjusted Revenues and Adjusted Segment EBITDA by segment for the three months ended September 30, 2015 and 2014.

	For the three months ended September 30, 2015					
	As Reported	Impact of Acquisitions	Impact of Divestitures	Impact of Foreign Currency Fluctuations	Net Impact of U.K. Newspaper Matters	As Adjusted

NOTE 3 – ADJUSTED NET INCOME FROM CONTINUING OPERATIONS AVAILABLE TO NEWS CORPORATION STOCKHOLDERS AND ADJUSTED EPS

The Company uses net income from continuing operations available to News Corporation stockholders and diluted earnings per share from continuing operations ("EPS") excluding expenses related to U.K. Newspaper Matters, Impairment and restructuring charges, and "Other, net", net of tax ("adjusted net income from continuing operations available to News

tonsf
to operai 0fTd ( )Tj -0.002 Tc 0.002 Tw 0.265 .3( )-6.3( )-6.3( )-6.3(89 0 Td [(i)3.1(nc)-8(om)

operations