TreeHouse Foods, Inc.
Form 305B2
March 10, 2014

Registration No. 333-192440

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY

UNDER THE TRUST INDENTURE ACT OF 1939

OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

x **CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b) (2)**

WELLS FARGO BANK, NATIONAL ASSOCIATION

(Exact name of trustee as specified in its charter)

A National Banking Association	**94-1347393**
(Jurisdiction of incorporation or organization if not a U.S. national bank)	**(I.R.S. Employer Identification Number)**
101 North Phillips Avenue	
Sioux Falls, South Dakota	**57104**
(Address of principal executive offices)	**(Zip code)**

Wells Fargo & Company

Law Department, Trust Section

MAC N9305-175

Sixth Street and Marquette Avenue, 17th Floor

Minneapolis, Minnesota 55479

(612) 667-4608

(Name, address and telephone number of agent for service)

TreeHouse Foods, Inc.

(Exact name of obligor as specified in its charter)

Delaware **(State or other jurisdiction of** **incorporation or organization)**	**20-2311383** **(I.R.S. Employer** **Identification No.)**
2021 Spring Road, Suite 600 **Oak Brook, Illinois** **(Address of principal executive offices)**	**60523** **(Zip code)**

Senior Debt Securities

and Guarantees of Senior Debt Securities

(Title of the indenture securities)

Registration No. 333-192440

GUARANTORS

Exact Name of Obligor as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Address of Principal Executive Offices
Bay Valley Foods, LLC	Delaware	20-3041002	2021 Spring Road, Suite 600, Oak Brook, Illinois 60523
EDS Holdings, LLC	Delaware	45-0575638	2021 Spring Road, Suite 600, Oak Brook, Illinois 60523
Sturm Foods, Inc.	Wisconsin	39-0965336	2021 Spring Road, Suite 600, Oak Brook, Illinois 60523
S.T. Specialty Foods, Inc.	Minnesota	41-1731014	2021 Spring Road, Suite 600, Oak Brook, Illinois 60523

Item 1. General Information. Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.
Comptroller of the Currency

Treasury Department

Washington, D.C.

Federal Deposit Insurance Corporation

Washington, D.C.

Federal Reserve Bank of San Francisco

San Francisco, California 94120

(b) Whether it is authorized to exercise corporate trust powers.
The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations with Obligor. If the obligor is an affiliate of the trustee, describe each such affiliation.

None with respect to the trustee.

No responses are included for Items 3-14 of this Form T-1 because the obligor is not in default as provided under Item 13.

Item 15. Foreign Trustee. Not applicable.

Item 16. List of Exhibits. List below all exhibits filed as a part of this Statement of Eligibility.

Exhibit 1.	A copy of the Articles of Association of the trustee as now in effect.*
Exhibit 2.	A copy of the Comptroller of the Currency Certificate of Corporate Existence for Wells Fargo Bank, National Association, dated November 13, 2013.**
Exhibit 3.	A copy of the Comptroller of the Currency Certification of Fiduciary Powers for Wells Fargo Bank, National Association, dated November 13, 2013.**
Exhibit 4.	Copy of By-laws of the trustee as now in effect.***
Exhibit 5.	Not applicable.
Exhibit 6.	The consent of the trustee required by Section 321(b) of the Act.
Exhibit 7.	

A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

Exhibit 8. Not applicable.

Exhibit 9. Not applicable.

* Incorporated by reference to the exhibit of the same number to the trustee s Form T-1 filed as exhibit 25.1 to the Form S-3/A dated December 30, 2013 of Chase Issuance Trust, file number 333-192048.

** Incorporated by reference to the exhibit of the same number to the trustee s Form T-1 filed as exhibit 25.1 to the Form S-3/A dated December 30, 2013 of Chase Issuance Trust, file number 333-192048.

*** Incorporated by reference to the exhibit of the same number to the trustee s Form T-1 filed as exhibit 25.1 to the Form S-3/A dated December 30, 2013 of Chase Issuance Trust, file number 333-192048.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the city of Chicago and State of Illinois on the 10th day of March 2014.

WELLS FARGO BANK, NATIONAL ASSOCIATION

/s/ Gregory S. Clarke
Gregory S. Clarke
Vice President

n-top:0px;margin-bottom:0px" ALIGN="right"> 1,173

1,042

131

13

%

Cable Network Programming

993

786

207

26

%

Total revenues

$

5,494

$

4,806

$

688

14

%

Operating income (loss):

Filmed Entertainment

$

365

$

244

$

121

50

%

Television Stations

514

284

230

81

%

Television Broadcast Network

(162

)

(173

)

11

6

%

Cable Network Programming

172

1

171

*

*

Other operating charge

(909

)

909

100

%

Total operating income (loss)

889

(553

)

1,442

261

%

Interest expense, net

(95

)

(138

)

43

31

%

Equity earnings (losses) of affiliates

(10

)

(109

)

99

91

%

Minority interest in subsidiaries

(16

)

(22

)

6

27

%

Other, net

1,585

(1,585

)

(100

)%

Income before provision for income tax expense and cumulative effect of accounting change

768

763

5

1

%

Provision for income tax expense on a stand-alone basis

(271

)

(304

)

33

11

%

Income before cumulative effect of accounting change

497

459

38

8

%

Cumulative effect of accounting change, net of tax

(26

)

26

100

%

Net income

$

497

$

433

$

64

15

%

Other data:

Operating Income Before Depreciation and Amortization [2]:

Filmed Entertainment

$

392

$

272

$

120

44

%

Television Stations

544

388

156

40

%

Television Broadcast Network

(152

)

(163

)

11

7

%

Cable Network Programming

260

116

144

124

%

Other operating charge

(909

)

909

100

%

Total Operating Income Before Depreciation and Amortization	$ 1,044	$ (296)	$ 1,340	453 %

** not meaningful

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FOOTNOTE:

(1) In January 2002, the Company adopted EITF 01-09, Accounting for the Consideration Given by a Vendor to a Customer or a Reseller of the Vendor s Products, which was effective for the Company as of January 1, 2002. As required, the Company has reclassified the amortization of cable distribution investments against revenues for all periods presented. The amortization of cable distribution investments had previously been included in Depreciation and amortization. Operating income, Net income and Earnings per share are not affected by this reclassification. This reclassification affects the Company s and the Cable Network Programming segment s revenues. The effect of the reclassification on the Company s revenues is as follows:

	For the six months ended December 31,	
	2002	2001
	(in millions)	
Gross Revenues	$ 5,557	$ 4,860
Amortization of cable distribution investments	(63)	(54)
Revenues	$ 5,494	$ 4,806

(2) Operating Income Before Depreciation and Amortization is defined as operating income (loss) plus depreciation and amortization and the amortization of cable distribution investments. Depreciation and amortization expense includes the amortization of finite-lived intangible assets. Amortization of cable distribution investments represents a reduction against revenues over the term of a carriage arrangement and as such it is excluded from Operating Income Before Depreciation and Amortization. While Operating Income Before Depreciation and Amortization is considered to be an appropriate measure for evaluating operating performance by management, it should be considered in addition to, not as a substitute for, operating income (loss), net income (loss), cash flow and other measures of financial performance prepared in accordance with GAAP and presented in the unaudited consolidated condensed financial statements included elsewhere in this filing. The following is a reconciliation of operating income (loss) to Operating Income Before Depreciation and Amortization by segment:

	For the six months ended December 31, 2002			
	Operating income (loss)	Depreciation and amortization	Amortization of cable distribution investments	Operating Income Before Depreciation and Amortization
	(in millions)			
Filmed Entertainment	$ 365	$ 27	$	$ 392
Television Stations	514	30		544
Television Broadcast Network	(162)	10		(152)
Cable Network Programming	172	25	63	260
Total	$ 889	$ 92	$ 63	$ 1,044

For the six months ended December 31, 2001

	Operating income (loss)	Depreciation and amortization	Amortization of cable distribution investments	Operating Income Before Depreciation and Amortization
		(in millions)		
Filmed Entertainment	$ 244	$ 28	$	$ 272
Television Stations	284	104		388
Television Broadcast Network	(173)	10		(163)
Cable Network Programming	1	61	54	116
Other operating charge	(909)			(909)
Total	$ (553)	$ 203	$ 54	$ (296)

Overview of Company Results. For the six months ended December 31, 2002, total revenues increased approximately 14% from $4,806 million in the first six months of fiscal 2002 to $5,494 million. Revenues increases at the Cable Network Programming and Television Stations segments primarily drove this 14% increase. Operating expenses increased

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approximately 7% for the six months ended December 31, 2002 due primarily to increased home entertainment and marketing expenses at the Filmed Entertainment segment and higher programming costs for returning series and series cancellations at the Television Broadcast Network segment. Selling, general and administrative expenses increased approximately 4% primarily due to salaries and fringe benefits at the Television Stations segment. In the first six months of fiscal 2003, Depreciation and amortization expense decreased approximately 55% due to the Company s adoption of SFAS No. 142 resulting in the elimination of the amortization of goodwill and indefinite-lived intangibles impacting primarily the Television Stations and Cable Network Programming segments. For the six months ended December 31, 2002, Operating income and Operating Income Before Depreciation and Amortization increased $1,442 million to $889 million and $1,340 million to $1,044 million, respectively, from the corresponding period of the preceding fiscal year. These increases were primarily due to the Other operating charge in the first six months of fiscal 2002 for the write down of the Company s national sports contracts without a comparative charge in the current year. In addition, increased results at the Television Stations and Cable Network Programming segments contributed to the increases in Operating income and Operating Income Before Depreciation and Amortization.

Effective July 1, 2002, the Company adopted SFAS No. 142. SFAS No. 142 eliminates the requirement to amortize goodwill, indefinite-lived intangible assets and the excess cost over the Company s share of equity investees assets and supersedes Accounting Principles Board Opinion No. 17, Intangible Assets, and replaces it with requirements to assess goodwill and indefinite-lived intangible assets annually for impairment. Intangible assets that are deemed to have a finite life will continue to be amortized over their useful lives. SFAS No. 142 required the Company to perform an initial impairment assessment of its goodwill and indefinite-lived intangible assets as of the date of adoption. This impairment assessment compared the fair value of these intangible assets to their carrying value. As a result of the tests performed, the Company has determined that none of its goodwill and indefinite-lived intangible assets are impaired. Had the Company adopted SFAS No. 142 on July 1, 2001, Depreciation and amortization expense, Operating loss, Equity losses of affiliates, Income before cumulative effect of accounting change and Earnings (loss) per share before cumulative effect of accounting change would have been $94 million, $444 million, $81 million, $561 million, and $0.68 per share, respectively, for the six months ended December 31, 2001.

Equity losses of affiliates of $10 million for the six months ended December 31, 2002 improved $99 million from $109 million from the corresponding period of the prior year. This improvement is primarily related to improved earnings at RPP and National Geographic Channel Domestic, as well as the absence of losses from FFW since its sale in October 2001. Also contributing to this improvement is decreased amortization expense due to the adoption of SFAS No. 142. Had the Company adopted SFAS No. 142 on July 1, 2001, Equity losses of affiliates would have improved by $28 million for the six months ended December 31, 2001.

Net income for the six months ended December 31, 2002 was $497 million ($0.58 per share), an improvement of $64 million from $433 million ($0.52 per share) for the six months ended December 31, 2001. This improvement was partially due to the absence of the cumulative effect of accounting change charge in the prior year as well as the operating increases noted above.

Filmed Entertainment. For the first six months of fiscal 2003, the Filmed Entertainment segment s revenues increased from $2,056 million to $2,221 million or approximately 8% compared to the corresponding period of the preceding fiscal year. This increase was primarily due to increased worldwide home entertainment revenues, most notably from the strong performance of *Ice Age.* Prior year results included the strong worldwide theatrical performance of *Planet of the Apes* and strong worldwide home entertainment sales for the library, *Planet of the Apes, Doctor Dolittle 2* and *Moulin Rouge.* At TCFTV, revenues increased due to network revenues for *The Practice,* domestic syndication revenues for *King of the Hill* and *The Simpsons*, cable syndication revenues for *The X-Files*, and home entertainment revenues for *The Simpsons, Buffy the Vampire Slayer* and *24*. These increases at TCFTV were partially offset by decreased international syndication revenues from various titles. For the six months ended December 31, 2002, the Filmed Entertainment segment reported Operating income of $365 million from $244 million in the corresponding period of the prior year. Operating Income Before Depreciation and Amortization increased from $272 million to $392 million as compared to the corresponding period of the prior year. These increases were due to the revenue increases noted above, most notably *Ice Age*, and improved margins for DVD product due to increased volume, which were partially offset by increased home entertainment marketing costs. Key domestic theatrical films included *Minority Report, Like Mike* and *Drumline.*

Television Stations. On July 31, 2001, the Company acquired the television broadcasting business of Chris-Craft (as defined below), consisting of ten television stations and subsequently exchanged four former Chris-Craft stations with Viacom, Inc., Clear Channel Communications, Inc. and Meredith Corporation for five other television stations (after giving effect to these transactions the acquired television stations are referred to as the Acquired Stations). In addition, in August 2002, the

30

Company acquired WPWR in the Chicago DMA from Newsweb Corporation. These acquisitions increased the number of the Company s O&Os to 35 full power stations, including nine duopolies.

For the first six months of fiscal 2003, Television Stations revenues increased to $1,107 million from $922 million in the corresponding period of the prior year. This 20% revenue increase primarily resulted from higher advertising revenues related to an improvement in the advertising markets in which the Company s O&O s operate and the impact of the consolidation of the Station Swaps and WPWR. Advertising revenues in the Company s 26 local markets continued to improve versus the prior year, up approximately 17%, due to a recovery from the market decline in the prior year. Automotive, movies, telecommunication and political advertising spending were all stronger than the prior year. The Television Stations market share increased 1.6 percentage points to 24.5% as compared to the corresponding period of the prior year. Operating income from the Television Stations segment increased from $284 million to $514 million for the six months ended December 31, 2002. Operating Income Before Depreciation and Amortization increased approximately 40% from $388 million to $544 million for the first six months of fiscal 2003. These increases were due to the revenue increases noted above and, for operating income, lower amortization expense of $73 million due to the Company s adoption of SFAS No. 142 on July 1, 2002. Partially offsetting these favorable results were increased expenses due to a full six months consolidation of the newly acquired WPWR and increased salaries and fringe benefits from the corresponding period of the prior year.

Television Broadcast Network. For the six months ended December 31, 2002, the Television Broadcast Network segment s revenues increased $131 million to $1,173 million from $1,042 million in the prior year. This 13% increase is due to pricing increases and higher ratings for prime time programming and additional commercial air time due to September 11th pre-emptions in the previous year. Also contributing to this advertising revenue increase were higher ratings for the NFL, pricing increases and additional commercial air time sold for both MLB and the NFL and an increase in the number of NFL telecasts in the year, as the games scheduled the week of September 11, 2001 were postponed to the third quarter of fiscal 2001. Operating losses for the Television Broadcast Network segment improved $11 million to a loss of $162 million and Operating Income Before Depreciation and Amortization improved $11 million to a loss of $152 million compared to the corresponding period of the preceding year. These operating improvements were driven by the increased revenues noted above, partially offset by higher prime time license fees for returning series and series cancellations, increased advertising expenses for prime time series and lower ratings and higher programming costs related to the national sports contracts.

Cable Network Programming. Total revenues for the Cable Network Programming segment increased by $207 million or approximately 26% from $786 million to $993 million for the six months ended December 31, 2002. This increase reflects improved results across all of the Cable Network Programming channels. Also contributing to this increase was the full six months consolidation of Sunshine and Fox Sports International. Fox News , FX s, and the RSNs revenues increased 48%, 21%, and 20%, respectively, from the corresponding period in the prior year.

At Fox News, a 132% increase in advertising revenue was primarily from ratings and increased pricing. Affiliate revenue increased by 13% due to an increase in subscribers, partially offset by a 9% increase in amortization of cable distribution investments from the first six months of fiscal 2002. As of December 31, 2002, Fox News reached 82 million Nielsen households.

At FX, advertising revenues increased 43% over the corresponding period of the prior year as a result of higher pricing and higher ratings. FX affiliate revenues increased 9% from the first six months of fiscal 2002 reflecting an increase in subscribers and affiliate rates partially offset by an 18% increase in amortization of cable distribution investments. As of December 31, 2002, FX reached over 79 million Nielsen households.

At the RSNs, affiliate revenues increased 21% primarily from higher affiliate rates, an increase in subscribers and the consolidation of Sunshine. Advertising revenues increased 18% primarily due to the higher pricing per game for MLB, NBA and NHL telecasts resulting from an improved sports advertising market partially offset by a reduced number of NBA games.

The Cable Network Programming segment reported Operating income of $172 million, an increase of $171 million from the corresponding period of the prior year. These improvements were primarily driven by the revenue increases noted above, lower amortization expense due to the Company s adoption of SFAS No. 142 on July 1, 2002 and the consolidation of Sunshine. Partially offsetting these improvements were programming enhancements at Fox News, higher programming costs at FX, higher average rights fees for professional events at the RSNs and the consolidation of expenses from Fox Sports International.

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Operating Income Before Depreciation and Amortization increased $144 million to $260 million from $116 million from the corresponding period of the prior year due to the reasons noted above.

Other operating charge. At December 31, 2001, the Company recorded an Other operating charge of $909 million in its unaudited consolidated condensed statement of operations. This charge related to a change in accounting estimate on the Company s national sports rights agreements caused by the downturn in the advertising market, which caused the Company to write off programming costs inventory and to provide for estimated losses on these contracts. The charge, by contract, is as follows: NFL $387 million, MLB $225 million and NASCAR $297 million.

Interest expense, net. Interest expense, net decreased $43 million for the first six months of fiscal 2003 from $138 million to $95 million due to the decreased interest expense relating to the redemption of the Notes (as defined below), partially offset by decreased interest income from loans of affiliates of the Company.

Equity earnings (losses) of affiliates. Equity losses of affiliates for the six months ended December 31, 2002 improved $99 million to $10 million from the corresponding period of the prior year. This improvement was primarily related to improved earnings at RPP and National Geographic Channel Domestic, as well as the absence of losses from FFW since its sale in October 2001. Also contributing to this improvement was decreased amortization expense due to the adoption of SFAS No. 142. Had the Company adopted SFAS No. 142 on July 1, 2001, Equity losses of affiliates would have improved by $28 million for the six months ended December 31, 2001.

		For the six months ended December 31,		
Affiliate:	Ownership Percentage	2002	2001	Change
			(in millions)	
Fox Family Worldwide (a)	49.5%	$	$ (51)	$ 51
Fox Sports International (b)	50%		(9)	9
Fox Sports Cable Networks associates:				
Regional Programming Partners	40%	15	(16)	31
Other	Various	(6)	(8)	2
National Geographic Channel Domestic	66.7%	(13)	(26)	13
Other	Various	(6)	1	(7)
Total equity earnings (losses) of affiliates		$ (10)	$ (109)	$ 99

(a) The Company sold its interests in FFW in October 2001.

(b) Subsequent to the acquisition of the remaining 50% interest in December 2001, the results of Fox Sports International have been consolidated in the Cable Network Programming segment.

The Company s share of RPP s income was $15 million for the six months ended December 31, 2002, as compared to losses of $16 million in the corresponding period in the prior year. This improvement is primarily due to the prior year charges from the Madison Square Garden division associated with the termination of two professional player contracts, significant cost savings at the Metro Channels and lower amortization of intangible assets resulting from RPP s implementation of SFAS No. 142 effective January 1, 2002. Partially offsetting the improvement is a player compensation charge in the current period and lower earnings from the professional teams and the MSG Network.

The Company s share of National Geographic Channel-Domestic s losses were $13 million for the six months ended December 31, 2002, as compared to $26 million in losses in the corresponding period in the prior year. Affiliate and advertising revenues for the channel, which launched in January 2001, significantly increased due to growth in distribution. Partially offsetting the increase in revenues was higher programming amortization supporting an increased investment in quality programming. As of December 31, 2002, National Geographic Channel Domestic reached nearly 37 million Nielsen households.

Minority interest in subsidiaries. Minority interest in subsidiaries decreased $6 million to $16 million for the six months ended December 31, 2002 due to a decrease in the average amount of Preferred Interests Outstanding and the corresponding decrease in Preferred Payments.

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Other, net. Other, net was $1,585 million for the six months ended December 31, 2001, including the gains recognized on the sales of FFW in the amount of $1,439 million and Outdoor Life in the amount of $147 million. (See Liquidity and Capital Resources FFW and Outdoor Life).

Income tax on a stand-alone basis. The effective tax rate for the six months ended December 31, 2002 is 35.3% as compared to the prior period effective tax rate of 39.8%. The effective tax rate for the first six months of the prior year was affected by the amortization of non-deductible goodwill, which increased the effective tax rate above statutory rate levels.

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Liquidity and Capital Resources

The Company s principal sources of cash flow are internally generated funds, various film financing alternatives and borrowings from The News Corporation Limited (News Corporation) and its subsidiaries. As of December 31, 2002, News Corporation had consolidated cash and cash equivalents of $3 billion, excluding the cash of the Company, and an unused Revolving Credit Agreement of $1.7 billion. We believe that cash flow from operations and the funds available from News Corporation will be adequate for the Company to conduct its operations. The Company s internally generated funds are highly dependent upon the state of the advertising market and public acceptance of film products. Any significant decline in the advertising market or the performance of its films could adversely impact its cash flows from operations.

The principal uses of cash flow that affect the Company s liquidity position include the following: investments in the production and distribution of new feature films and television programs, the acquisition of and payments under programming rights for entertainment programming and sporting events, operational expenditures, interest and income tax payments.

Net cash flows provided by operating activities during the six months ended December 31, 2002 and 2001 were $158 million and $10 million, respectively. This increase resulted from higher net income (adjusted for non-cash items) during the current period, offset by additional working capital funding requirements for accounts receivable and inventories. The accounts receivable increase resulted from additional billings to customers for new video releases and the inventory increase reflects the timing of payments made for the 2002 NFL season.

Net cash flows used by investing activities for the six months ended December 31, 2002 were $580 million as compared to net cash provided of $926 in the corresponding period of the preceding fiscal year. The current year included cash used for the acquisition of WPWR, a television station in the Chicago DMA, as well as funding of the investments in Regency Television, National Geographic Channels and National Sports Partners.

Net cash flows provided by financing activities were $436 million during the six months ended December 31, 2002 as compared to cash used of $947 million in the corresponding period of the previous fiscal year. The increase in cash provided by financing activities is primarily attributable to proceeds from the Company s issuance of Class A Common Stock (see below) as well as higher Advances from affiliates of News Corporation, net used to fund operating and investing activities. Partially offsetting these sources of cash was the redemption of the Notes (defined below).

In June 2002, the Company and its subsidiary, Fox Sports Networks, LLC, irrevocably called for redemption all of the outstanding

9 3/4% Senior Discount Notes due 2007 and all of the outstanding 8 7/8% Senior Notes due 2007 (collectively, the Notes). The Notes were fully redeemed in August 2002.

In May 2002, the Company filed a Form S-3 with the Securities and Exchange Commission, which allows the Company to issue, from time to time, Class A Common Stock and/or debt securities for aggregate proceeds of up to $2.5 billion. In November 2002, the Company sold 50 million shares of its Class A Common Stock for net proceeds of approximately $1.2 billion. The Company used the net proceeds to reduce obligations due to affiliates of News Corporation. Upon consummation of the offering, News Corporation s equity and voting interests in the Company decreased from 85.32% and 97.84% to 80.58% and 97%, respectively.

Guarantees

The Company, News Corporation and certain of News Corporation s other subsidiaries are guarantors of various debt obligations of News Corporation and certain of its subsidiaries. The principal amount of indebtedness outstanding under such debt instruments as of December 31 and June 30, 2002 was approximately $8.6 billion and $8.7 billion, respectively. The debt instruments limit the ability of guarantors, including the Company, to subject their properties to liens, and certain of the debt instruments impose limitations on the ability of News Corporation and certain of its subsidiaries, including the Company, to incur indebtedness in certain circumstances. Such debt instruments mature at various times between 2004 and 2096, with a weighted average maturity of over 20 years.

In the case of any event of default under such debt obligations, the Company will be directly liable to the creditors or debtholders. News Corporation has agreed to indemnify the Company from and against any obligations it may incur by reason of its guarantees of such debt obligations. As of December 31, 2002, News Corporation was in compliance with all of its debt covenants and had satisfied all financial ratios and tests and expects to remain in compliance and satisfy all such ratios and tests.

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The Company guarantees sports rights agreements of an equity affiliate. This guarantee extends through fiscal 2019. The Company guarantees 70% of the sports rights agreements and has a maximum liability of $1,050 million. The Company would be liable under this guarantee in the event of default of its equity affiliate.

Ratings of News Corporation Public Debt

As of December 31, 2002, News Corporation s debt ratings from Moody s (Ba1 for subordinated notes and Baa3 for senior unsecured notes) and Standard & Poors (BBB-) for the debt guaranteed by the Company and others were within the investment grade scale.

New Millennium II

In March 2001, the Company entered into a series of film rights agreements whereby a controlled consolidated subsidiary of the Company, Cornwall Venture LLC (NM2), that holds certain library film rights, funds the production or acquisition costs of all eligible films, as defined, to be produced or acquired by Twentieth Century Fox Film Corporation (TCF), a subsidiary of the Company, between 2001 and 2004 (these film rights agreements are collectively referred to as the New Millennium II Agreement). NM2 is a separate legal entity from the Company and TCF and has separate assets and liabilities. NM2 issued a preferred limited liability membership interest (Preferred Interest) to a third party to fund the film financing, which is presented on the consolidated condensed balance sheets as Minority interest in subsidiaries. The Preferred Interest has no fixed redemption rights but is entitled to an allocation of the gross receipts to be derived by NM2 from the distribution of each eligible film. Such allocation to the extent available based on the gross receipts from the distribution of the eligible films consists of (i) a return on the Preferred Interest (the Preferred Payments), based on certain reference rates (generally based on commercial paper rates or LIBOR) prevailing on the respective dates of determination, and (ii) a redemption of the Preferred Interest, based on a contractually determined amortization schedule. The Preferred Interest has a preference in the event of a liquidation of NM2 equal to the unredeemed portion of the investment plus any accrued and unpaid Preferred Payments.

The net change in Preferred Interests outstanding was a reduction of $99 million and an increase of $8 million for the six months ended December 31, 2002 and 2001, respectively. These amounts were comprised of issuances by the Company of additional Preferred Interests under the New Millennium II Agreement in the amount of $230 million and redemptions by the Company of Preferred Interests of $329 million during the six months ended December 31, 2002. During the six months ended December 31, 2001, the Company issued additional Preferred Interests under the New Millennium II Agreement in the amount of $376 million and redemptions by the Company of Preferred Interests of $368 million.

As of December 31, 2002, there was approximately $751 million of Preferred Interests outstanding, which are included in the unaudited consolidated condensed balance sheets as Minority interest in subsidiaries. As of June 30, 2002, there was approximately $850 million of Preferred Interests outstanding, which are included in the audited consolidated condensed balance sheets as Minority interest in subsidiaries. The Preferred Payments are recorded as an expense in Minority interest in subsidiaries on the consolidated condensed statements of operations.

A Ratings Trigger Event for the New Millennium II Agreement would occur if News Corporation s debt rating:

(i) (a) falls below BB+ and below Ba1, or (b) falls below BB, or (c) falls below Ba2, or (d) it is not rated by both rating agencies, and, in each case, neither News Corporation nor the Company shall, within ten business days after the occurrence of such event, have provided credit enhancement so that the resulting New Millennium II Agreement is rated at least BB+ and Ba1, or

(ii) (a) falls below BBB- and Baa3, or (b) it is not rated by both rating agencies, and, in each case, more than $25 million in capital payments redeemable at that time from film gross receipts remain unredeemed for at least one quarter.

If a Ratings Trigger Event were to occur, then (a) no new films will be transferred, (b) rights against certain film assets may be enforced, and (c) the Preferred Interest may become redeemable.

Through December 31, 2002, no Ratings Trigger Event had occurred. If a Ratings Trigger Event were to occur, then $425 million (or approximately 57% of the outstanding balance as of December 31, 2002) may be payable immediately. The balance of the redemption would be payable to the extent of future gross receipts from films that had been transferred to NM2.

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Acquisitions and dispositions

Chris-Craft

On July 31, 2001, News Corporation, through a wholly-owned subsidiary, acquired all of the outstanding common stock of Chris-Craft Industries, Inc. and its subsidiaries, BHC Communications, Inc. and United Television, Inc., (collectively, Chris-Craft). The consideration for the acquisition was approximately $2 billion in cash and approximately $3 billion in News Corporation American Depositary Receipts representing preferred limited voting ordinary shares (ADRs). Simultaneously with the closing of the acquisition, News Corporation transferred $3,432 million of net assets, constituting Chris-Craft s ten television stations (the Acquired Stations) to the Company in exchange for 122,244,272 shares of the Company s Class A Common Stock and net indebtedness of $48 million (the Exchange), thereby increasing News Corporation s ownership in the Company from 82.76% to 85.25%. The Company assigned the licenses issued by the Federal Communications Commission (FCC) for the Acquired Stations to its indirect subsidiary, Fox Television Stations, Inc., which became the licensee and controls the operations of the Acquired Stations. News Corporation acquired Chris-Craft and transferred to the Company the Acquired Stations in order to strengthen the Company s existing television station business. This transaction has been treated as a purchase in accordance with SFAS Nos. 141 and 142.

The Company consolidated the results of operations of the Acquired Stations as of the date of Exchange, July 31, 2001, with the exception of KTVX-TV in Salt Lake City, whose operations were not consolidated as of the Exchange due to regulatory requirements which precluded the Company from controlling the station and required its disposal (see description of Clear Channel swap below). For financial reporting purposes, in accordance with EITF 90-5, Exchanges of Ownership Interests between Entities under Common Control, the Company recognized the assets and liabilities of Chris-Craft based upon their acquired basis in the News Corporation merger and issued equity to News Corporation at that value.

In October 2001, the Company exchanged KTVX-TV in Salt Lake City and KMOL-TV in San Antonio with Clear Channel Communications, Inc. for WFTC-TV in Minneapolis (the Clear Channel swap). In addition, in November 2001, the Company exchanged KBHK-TV in San Francisco with Viacom Inc. for WDCA-TV in Washington, DC and KTXH-TV in Houston (the Viacom swap). In June 2002, the Company exchanged KPTV-TV in Portland for Meredith Corporation s WOFL-TV in Orlando and WOGX-TV in Ocala (the Meredith swap , and together with the Viacom and Clear Channel swaps, the Station Swaps). All of the stations exchanged in the Station Swaps were Acquired Stations. No gain or loss was recognized by the Company as a result of the Station Swaps.

Speed Channel

In July 2001, as a result of the exercise of rights by existing shareholders of Speedvision Network, LLC, the Company acquired an additional 53.44% of Speedvision Network, LLC, now Speed Channel, Inc. (Speed Channel), for approximately $401 million, increasing the Company s ownership in Speed Channel to approximately 85.46%. As a result, the Company consolidated the results of Speed Channel beginning in July 2001. In October 2001, the Company acquired the remaining 14.54% minority interest in Speed Channel for approximately $111 million bringing the Company s ownership to 100%. These transactions have been treated as a purchase in accordance with SFAS Nos. 141 and 142.

Outdoor Life

In July 2001, as a result of the exercise of rights by existing shareholders of Outdoor Life, the Company acquired 50.23% of Outdoor Life for approximately $309 million. This acquisition resulted in the Company owning approximately 83.18% of Outdoor Life. In October 2001, a shareholder of Outdoor Life acquired the Company s ownership interest in Outdoor Life for approximately $512 million in cash. During the period from July 2001 until the closing of the sale of Outdoor Life in October 2001, the ownership interest in Outdoor Life was held for sale and control of Outdoor Life was deemed temporary. Therefore, in accordance with SFAS No. 94, Consolidation of All Majority-Owned Subsidiaries, and EITF 87-11, Allocation of Purchase Price to Assets to be Sold, the results of Outdoor Life were not consolidated in the Company s statement of operations for this period. Upon the closing of the sale of the Company s ownership interest in Outdoor Life, the Company recognized a gain of $147 million, which is reflected in the unaudited consolidated condensed statement of operations for the quarter ended December 31, 2001.

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FFW

In October 2001, the Company, Haim Saban and the other stockholders of FFW, sold FFW to The Walt Disney Company (Disney) for total consideration of approximately $5.2 billion (including the assumption of certain debt) of which approximately $1.6 billion was in consideration of the Company s interest in FFW, which was rebranded ABC Family. As a result of this transaction, the Company recognized a pre-tax gain of approximately $1.4 billion, which is reflected in the unaudited consolidated condensed statement of operations for the quarter ended December 31, 2001. The proceeds from this transaction were used to reduce obligations to affiliates of News Corporation. In addition, the Company sublicensed certain post-season MLB games through the 2006 MLB season to Disney for aggregate consideration of approximately $675 million, payable over the entire period of the sublicense.

Fox Sports International

In December 2001, News Corporation acquired from Liberty Media Corporation its 50% interest in Fox Sports International, in exchange for 3,673,183 ADRs valued at $115 million. Under the terms of the transaction, the Company purchased News Corporation s acquired interest in Fox Sports International, which increased the Company s ownership interest from 50% to 100%, in exchange for the issuance of 3,632,269 shares of the Company s Class A Common Stock. As a result of this transaction, News Corporation s equity ownership interest in the Company increased from 85.25% to 85.32%. For financial reporting purposes, in accordance with EITF 90-5, the Company has recognized the assets and liabilities of Fox Sports International based upon their acquired basis in the News Corporation acquisition and issued 3,632,269 shares of the Company s Class A Common Stock to News Corporation at that value. This transaction has been treated as a purchase in accordance with SFAS Nos. 141 and 142.

Sunshine

In January 2002, the Company acquired an approximate 23.3% interest in Sunshine for approximately $23.3 million. This resulted in the acquisition of a controlling interest in Sunshine and increased the Company s ownership percentage in Sunshine to approximately 83.3%. In February 2002, the Company acquired an additional approximate 0.4% interest in Sunshine, increasing the Company s ownership interest to approximately 83.7%. In October 2002, the Company acquired News Corporation s 9.8% equity interest in Sunshine for consideration of approximately $3 million, its fair market value. This acquisition increased the Company s ownership interest in Sunshine to 93.7% with the remaining minority interest held by third parties. Since the acquisition in January 2002, Sunshine has been consolidated into the Cable Network Programming segment of the Company as it is now under the control of the Company. This transaction has been treated as a purchase in accordance with SFAS Nos. 141 and 142.

WPWR-TV

In August 2002, the Company acquired WPWR-TV in the Chicago designated market area (DMA) from Newsweb Corporation for $425 million. In connection with the preliminary allocation of the purchase price, during the three months ended December 31, 2002, goodwill and deferred taxes were reduced to reflect the difference between the book and tax bases of the net assets acquired. This transaction has been treated as a purchase in accordance with SFAS Nos. 141 and 142.

Contingencies

Regional Programming Partners

In December 1997, Rainbow Media Sports Holdings, Inc. (Rainbow) (a subsidiary of Cablevision Systems Corporation (Cablevision)) and Fox Sports Net, Inc. (Fox Sports Net) (a subsidiary of the Company) formed RPP to hold various programming interests in connection with the operation of certain RSNs. Rainbow contributed various interests in RSNs, the Madison Square Garden Entertainment Complex, Radio City Music Hall, the New York Rangers National Hockey League franchise, and the New York Knickerbockers National Basketball Association franchise, to RPP in exchange for a 60% partnership interest in RPP, and Fox Sports Net contributed $850 million in cash for a 40% partnership interest in RPP.

Pursuant to the RPP partnership agreement upon certain actions being taken by Fox Sports Net, Rainbow has the right to purchase all of Fox Sports Net s interests in RPP. The buyout price will be the greater of (i) (a) $2.125 billion, increased by capital contributions and decreased by capital distributions, times Fox Sports Net s interest in RPP plus (b) an 8% rate of return on the amount in (a) or (ii) the fair market value of Fox Sports Net s interest in RPP. Consideration will be, at Rainbow s option, in the form of cash or a three-year note with an interest rate of prime plus ½%.

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In addition, for 30 days following December 18, 2005 (the Put Date) and during certain periods subsequent to the Put Date, so long as RPP has not commenced an initial public offering of its securities, Fox Sports Net has the right to cause Rainbow to, at Rainbow s option, either (i) purchase all of its interests in RPP or (ii) consummate an initial public offering of RPP s securities. The purchase price will be the fair market value of Fox Sports Net s interest in RPP and the consideration will be, at Rainbow s option, in the form of marketable securities of certain affiliated companies of Rainbow or a three year note with an interest rate of prime plus ½%. The determination of the fair market value of the investment in RPP will be made in accordance with the terms of the partnership agreement and will be affected by the valuation of the consideration received from Rainbow. Fox Sports Net did not elect to exercise a put right exercisable for the 30 days following December 18, 2002.

In connection with the Rainbow Transaction, Rainbow and Fox Sports Net formed National Sports Partners (NSP) in which each of Rainbow and Fox Sports Net were issued a 50% partnership interest to operate Fox Sports Net (FSN), a national sports programming service that provides its affiliated RSNs with 24 hour per day national sports programming. In addition, Rainbow and Fox Sports Net formed National Advertising Partners (NAP), in which each of Fox Sports Net and Rainbow were issued a 50% partnership interest, to act as the national advertising sales representative for the Fox Sports Net-owned RSNs and the RPP-owned and managed RSNs. Independent of the arrangements discussed above relating to RPP, for 30 days following the Put Date and during certain periods subsequent to the Put Date, so long as NSP and NAP have not commenced an initial public offering of its securities, Rainbow has the right to cause Fox Sports Net to, at Fox Sports Nets option, either (i) purchase all of Rainbow s interests in NSP and NAP, or (ii) consummate an initial public offering of NSP s and NAP s securities. The purchase price will be the fair market value of Rainbow s interest in NSP and NAP and the consideration will be, at Fox Sports Net s option, in the form of marketable securities of certain affiliated entities of Fox Sports Net or a three-year note with an interest rate of prime plus ½%. The determination of the fair market value of the investments in NAP and NSP will be made in accordance with the terms of the partnership agreement and will be affected by the valuation of the consideration paid to Rainbow. Rainbow did not elect to exercise a put right exercisable for the 30 days following December 18, 2002.

Rainbow RSNs

In January 2003, Fox Sports Net exercised its right to put its 50% direct ownership interests in SportsChannel Chicago Associates and SportsChannel Pacific Associates (collectively, the Chicago and Bay Area RSNs) to RPP in connection with the Rainbow Transaction. The purchase price for the sale of Fox Sports Net s direct interests in the Chicago and Bay Area RSNs will be equal to the fair market value of such direct interests and is to be determined by mutual agreement of the parties. In the event that the parties are unable to agree upon a price, the price will be determined by an independent valuation procedure in accordance with the terms of the respective partnership agreements. Once the purchase price is determined, RPP has 30 days to elect either (i) to purchase Fox Sports Net s direct interests in the Chicago and Bay Area RSNs or (ii) to consummate the IPO of the Chicago and Bay Area RSNs. If RPP elects to purchase the interests, the consideration will be, at RPP s election, in the form of marketable securities of certain affiliated companies of Rainbow or a three-year note with an interest rate of prime plus 1%. Following the closing of this sale, each of the Chicago and Bay Area RSNs will be held 100% by RPP and indirectly 40% by Fox Sports Net and 60% by Rainbow, and each will remain a Fox Sports Net affiliate.

Recent Accounting Pronouncements

In April 2002, the FASB issued SFAS No. 145, Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections. SFAS No. 4, Reporting Gains and Losses from Extinguishment of Debt, required that gains and losses from extinguishment of debt be classified as an extraordinary item, net of the related income tax effect. Any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods presented that does not meet the criteria in APB Opinion No. 30 for classification as an extraordinary item shall be reclassified. SFAS No. 13, Accounting for Leases, has been amended to require sale-leaseback accounting for certain lease modifications that are similar to sale-leaseback transactions. The rescission of SFAS No. 4 and the amendment to SFAS No. 13 shall be effective for fiscal years and transactions, respectively, occurring after May 15, 2002. The Company adopted the provisions of SFAS

No. 145 during fiscal 2002.

In July 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. SFAS No. 146 addresses the accounting and reporting for costs associated with exit or disposal activities and nullifies EITF No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized at fair market value when the liability is incurred, rather than upon an entity s commitment to an exit plan, as

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prescribed by EITF No. 94-3. SFAS No. 146 is effective for exit and disposal activities initiated after December 31, 2002. The Company will adopt SFAS No. 146 on January 1, 2003.

In November 2002, the FASB issued FASB Interpretation No. (FIN) 45, Guarantor s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. FIN 45 elaborates on the disclosure requirements of a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing certain guarantees. FIN 45 also incorporates, without change, the guidance in FIN 34, Disclosure of Indirect Guarantees of Indebtedness of Others, which it supersedes. The incremental disclosure requirements of FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. The initial recognition and initial measurement provisions are applicable to guarantees issued or modified after December 31, 2002. The accounting followed by a guarantor on prior guarantees may not be changed to conform to the guidance of FIN 45. The Company has adopted the incremental disclosure requirements of FIN 45. The Company is currently in the process of evaluating the impact of adopting FIN 45 on its consolidated balance sheets and statements of operations.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation Transition and Disclosure, an amendment of FASB Statement No. 123. SFAS No. 148 amends SFAS No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS No. 148 is effective for fiscal years and interim periods beginning after December 15, 2002. The Company continues to account for stock-based employee compensation under the intrinsic value method of APB Opinion No. 25, Accounting for Stock Issued to Employees. The Company will adopt the disclosure provisions of SFAS No. 148 for the interim period beginning January 1, 2003.

In January 2003, the FASB issued FIN 46, Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51 . FIN 46 requires an investor to consolidate a variable interest entity if it is determined that the investor is a primary beneficiary of that entity, subject to the criteria set forth in FIN 46. Assets, liabilities, and non controlling interests of newly consolidated variable interest entities will be initially measured at fair value. After initial measurement, the consolidated variable interest entity will be accounted for under the guidance provided by Accounting Research Bulletin No. 51, Consolidated Financial Statements. FIN 46 is effective for variable interest entities created or entered into after January 31, 2003. For variable interest entities created or acquired before February 1, 2003, FIN 46 applies in the first fiscal year or interim period beginning after June 15, 2003. The Company is currently in the process of evaluating the impact of adopting FIN 46 on its consolidated balance sheets and statements of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company is exposed to the impact of foreign currency fluctuations and utilizes derivative instruments in a limited manner to modify its exposure to foreign exchange rate movements. The Company s policy is to enter into derivative and other financial instruments only to the extent considered necessary to meet its business objectives. The Company does not enter into these transactions for speculative purposes.

Foreign Exchange Rate Risk

The Company uses foreign exchange forward contracts to minimize its limited exposure to exchange rate movements. The foreign exchange contracts have principally been used to hedge the costs of producing films abroad and are principally denominated in the Czech Koruna and the Euro. The Company designates forward contracts used to hedge future production costs as cash flow hedges.

The effects of these contracts were not material in the quarter.

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ITEM 4. CONTROLS AND PROCEDURES

The Company s Chairman and Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company s disclosure controls and procedures (as defined in Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934) as of a date within 90 days prior to the filing date of this quarterly report and, based on this evaluation, have concluded that the disclosure controls and procedures are effective.

There have been no significant changes in the Company s internal controls or in other factors that could significantly affect these controls subsequent to the date of the most recent evaluation.

Part II. Other Information

ITEM 1. LEGAL PROCEDINGS

Not Applicable

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On April 10, 2002, the Company filed a registration statement on Form S-3 (the Registration Statement) with the Securities and Exchange Commission (SEC File No. 333-85978) relating to the proposed public offering of up to $2,500,000,000 in aggregate principal amount or value of one or more series of senior or subordinated debt securities (the Debt Securities) or shares of the Company s Class A Common Stock, par value $.01 per share, (the Common Stock). The Debt Securities and the Common Stock are herein referred to as Securities. The Securities may be offered and sold by the Company from time to time as set forth in the prospectus which forms part of the Registration Statement (the Prospectus), and as to be set forth in one or more supplements to the Prospectus. On May 3, 2002, the Registration Statement was declared effective. On November 12, 2002, the Company filed a Prospectus Supplement pursuant to Rule 424(b)(5) of the Securities Exchange Act of 1933, as amended, (the Prospectus Supplement) which was effective upon filing with the SEC. The Prospectus Supplement related to the offering by the Company of shares of Common Stock for sale by Goldman, Sachs & Co. and Merrill Lynch & Co. (the Offering). The Offering, which was completed on November 15, 2002, consisted of 50,000,000 shares of Common Stock at an initial public offering price of $24.50 per share. The net proceeds from the Offering, after deducting the underwriting discounts and other expenses payable by the Company, were approximately $1.2 billion. The Company used the net proceeds to repay debt owed to News Corporation.

News Corporation indirectly owns all issued and outstanding shares of the Company s Class B Common Stock, par value $.01 per share, which, after the consummation of the Offering, represent approximately 80.58% of the equity and 97% of the voting power of the Company.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On November 21, 2002, the Company held its annual meeting of stockholders. At this meeting, the Board of Directors was elected and the appointment of Ernst & Young LLP as independent accountants of the Company for the fiscal year ended June 30, 2003 was ratified. Votes for the election of directors of the Company were as follows: for K. Rupert Murdoch, 5,732,631,790 votes for and 30,826,587 votes against; for Peter Chernin, 5,730,255,650 votes for and 33,202,727 votes against; for Lachlan K. Murdoch, 5,734,052,652 votes for and 29,405,725 votes against; for David F. DeVoe, 5,733,186,251 votes for and 30,272,126 votes against; for Arthur M. Siskind, 5,733,923,735 votes for and 29,534,642 votes against; for Christos M. Cotsakos, 5,756,605,382 votes for and 6,852,995 votes against; and for Thomas W. Jones, 5,759,016,585 votes for and 4,441,792 votes against. There were 5,761,096,326 votes in favor of the appointment of Ernst & Young LLP as the independent public accountants of the Company with 2,327,970 votes against, and 34,081 abstentions.

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ITEM 5. OTHER INFORMATION

On February 11, 2003, the Board of Directors of the Company elected Peter Powers to serve on the Board until the next annual meeting of stockholders. Mr. Powers is President and Chief Executive Officer of Powers Global Strategies LLC, a strategic consulting firm, and serves as a director of NDS Group plc. Mr. Powers has also been appointed to the Company s Audit Committee.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

99.1 (a)	Certification by K. Rupert Murdoch, Chairman of the Board and Chief Executive Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1 (b)	Certification by David F. DeVoe, Senior Executive Vice President and Chief Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

The following current reports on Form 8-K were filed by the Company during the Company s second fiscal quarter:

(i) Current Report on Form 8-K of the registrant filed November 14, 2002 relating to the announcement by Fox Entertainment Group, Inc. of the offering of 50 million shares of its Class A Common Stock.

(ii) Current Report on Form 8-K of the registrant filed November 14, 2002 containing the underwriting agreement for the issuance of 50,000,000 shares of its Class A Common Stock and the opinion and consent of Hogan & Hartson LLP regarding the Company s Registration Statement on Form S-3.

(iii) Current Report on Form 8-K/A of the registrant filed November 15, 2002 containing the opinion and consent of Hogan & Hartson LLP regarding the Company s Registration Statement on Form S-3.

SIGNATURE

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

Date: February 12, 2003	FOX ENTERTAINMENT GROUP, INC.	
	By:	/s/ David F. DeVoe
		David F. DeVoe

Senior Executive Vice President and Chief Financial Officer

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CERTIFICATIONS

I, K. Rupert Murdoch, Chairman and Chief Executive Officer of Fox Entertainment Group, Inc. (the Company), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Company;

2. Based on my knowledge, the quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present, in all material respects, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

4. The Company s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and we have:
   a) designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b) evaluated the effectiveness of the Company s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the Evaluation Date); and
   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Company s other certifying officer and I have disclosed, based on our most recent evaluation, to the Company s auditors and the Audit Committee of the Company s Board of Directors:
   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company s ability to record, process, summarize and report financial data and have identified for the Company s auditors any material weaknesses in internal controls; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company s internal controls; and

6. The Company s other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 12, 2003

By: /s/ K. Rupert Murdoch

K. Rupert Murdoch

Chairman and Chief
Executive Officer

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I, David F. DeVoe, Senior Executive Vice President and Chief Financial Officer of Fox Entertainment Group, Inc. (the Company), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Company;

2. Based on my knowledge, the quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present, in all material respects, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

4. The Company s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and we have:
   a) designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b) evaluated the effectiveness of the Company s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the Evaluation Date); and
   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Company s other certifying officer and I have disclosed, based on our most recent evaluation, to the Company s auditors and the Audit Committee of the Company s Board of Directors:
   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company s ability to record, process, summarize and report financial data and have identified for the Company s auditors any material weaknesses in internal controls; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company s internal controls; and

6. The Company s other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 12, 2003

By: /s/ David F. DeVoe

David F. DeVoe

Senior Executive
Vice President and
Chief Financial

Officer