





## Distribution of new News Corporation Class A and Class B Common Stock

### Twenty-First Century Fox Shareholder Tax Basis Information

If you did not receive the Distribution (as defined below) of new News Corporation common stock on June 28, 2013, you may disregard this notice. Additionally, this notice does not apply to shares of News Corporation common stock sold, exchanged or otherwise disposed of prior to the time of the Distribution.

On June 28, 2013, News Corporation, a Delaware corporation ("News"), distributed (the "Distribution") all of the outstanding shares of common stock of new News Corporation, a Delaware corporation ("new News"), to the holders of record of News common stock that were issued and outstanding at the close of business on June 21, 2013 (each a "News Shareholder"). Each News Shareholder received, as applicable, one share of new News Corporation Class A common stock for every four shares held of News Class A common stock or received one share of new News Corporation Class B common stock for every four shares held of News Class B common stock.

Also on June 28, 2013 and prior to the Distribution, News changed its name to Twenty-First Century Fox, Inc. ("Twenty-First Century Fox"). Prior to the name change, shares of News Class A common stock traded under the ticker symbol "NWSA" and shares of News Class B common stock traded under the ticker symbol "NWS". However, following the name change such securities began to trade under the ticker symbol "FOXA" for Class A shares and "FOX" for Class B shares. New News Class A common stock trades under the ticker symbol "NWSA" and new News Class B common stock trades under the ticker symbol "NWS".

News Shareholders will be required to allocate the tax basis in their News Class A or Class B common stock, as applicable, held immediately prior to the Distribution among the shares of new News Class A or Class B common stock received (including any fractional share for which cash was received) in the Distribution and their shares of Twenty-First Century Fox Class A or Class B common stock, as applicable. The excess of cash received in lieu of a fraction of a share of new News common stock over the basis allocable to such fractional share will be treated as capital gain from the sale of such fractional share, provided the fractional share interest is a capital asset in the hands of the shareholder. If News Class A or Class B common stock was acquired on different dates or at different prices, the tax basis for each block of Class A or Class B common stock, as applicable, acquired on the same date and at the same price will be allocated between shares of new News Class A or Class B common stock received (including the fractional share for which cash was received) in the Distribution and shares of Twenty-First Century Fox Class A or Class B common stock, as applicable.

A News Shareholder's tax basis in his or her shares of Class A or Class B News common stock, as applicable, prior to the Distribution should be allocated in proportion to the fair market value of the Class A or Class B new News common stock, as applicable, received (including any fractional share of new News common stock for which cash was received) and the Class A or Class B Twenty-First Century Fox common stock, as applicable, in respect of which such new News common stock was received. Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe how News Shareholders should determine the fair market value of Twenty-First Century Fox and new News common stock.

One possible approach to determining the fair market value of the Twenty-First Century Fox common stock and the new News common stock is to utilize the average of the high and low trading prices quoted on the NASDAQ Stock Market on the next trading day after the Distribution for both Twenty-First Century Fox common stock, which was US\$29.320 per share for Class A shares and US\$29.185 per share for Class B shares, and new News common stock, which was US\$15.170 per share for Class A shares and US\$15.170 per share for Class B shares. Based on such values and the distribution ratio of one share of new News Class A or Class B common stock for every four shares of News Class A or Class B common stock, as applicable (i) 88.55% of a News Shareholder's tax basis in his or her shares of News Class A common stock prior to the Distribution should be allocated to such News Shareholder's shares of Twenty-First Century Fox Class A

common stock and 11.45% should be allocated to such News Shareholder's shares of new News Class A common stock (including the fractional share of new News common stock for which cash was received) and (ii) 88.50% of a News Shareholder's tax basis in his or her shares of News Class B common stock prior to the Distribution should be allocated to such News Shareholder's shares of Twenty-First Century Fox Class B common stock and 11.50% should be allocated to such News Shareholder's shares of new News Class B common stock (including the fractional share of new News common stock for which cash was received).

The following are examples of how the basis allocation would be so applied if the above method of determining fair market value were to be used:

#### Example 1 – Allocation

A shareholder ("Shareholder One") owns 100 shares of News Class A common stock and has a total tax basis in those shares of US\$1,000. Those shares were acquired as a block on the same day and at the same price. As a result of the Distribution, Shareholder One received 25 shares of new News Class A common stock. Using the allocation approach described above, Shareholder One's tax basis in its shares of Twenty-First Century Fox Class A common stock and shares of new News Class A common stock would be determined as follows:

Tax basis in 100 shares of Twenty-First Century Fox Class A common stock = US\$1,000 x 88.55% = US\$885.50.

Tax basis in 25 shares of new News Class A common stock = US\$1,000 x 11.45% = US\$114.50.

#### Example 2 – Further Allocation for Fractional Shares<sup>1</sup>

A second shareholder ("Shareholder Two") owns 102 shares of News Class A common stock and has a total tax basis in those shares of US\$1,000. Those shares were acquired as a block on the same day and at the same price. As a result of the Distribution, Shareholder Two would have received 25.5 shares of new News Class A common stock had fractional shares been issued (but actually received 25 shares of new News Class A common stock and cash in lieu of a 0.5 fractional share of new News Class A common stock). Using the allocation approach described above, Shareholder Two's tax basis in its shares of Twenty-First Century Fox Class A common stock and shares of new News Class A common stock would be determined as follows:

Tax basis in 102 shares of Twenty-First Century Fox Class A common stock = US\$1,000 x 88.55% = US\$885.50.

Tax basis in 25.5 shares of new News Class A common stock = US\$1,000 x 11.45% = US\$114.50.

After Shareholder Two allocates its tax basis in its shares of News Class A common stock between its shares of Twenty-First Century Fox Class A common stock and shares of new News Class A common stock, Shareholder Two would make a further allocation of its tax basis in its shares of new News Class A common stock to the fractional share of new News Class A common stock in order to compute gain or loss with respect to the cash received from the sale of the fractional share (and correspondingly reduce the tax basis for its remaining 25 whole shares of new News Class A common stock):

Tax basis in 0.5 fractional share of new News Class A common stock = (US\$114.50/25.5) x 0.5 = 2.25.

Final tax basis in 25 whole shares of new News Class A common stock = US\$114.50 – US\$2.25 = US\$112.25.

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<sup>1</sup> In accordance with the Separation and Distribution Agreement between News and new News dated June 28, 2013, the distribution agent aggregated all fractional shares into whole shares, sold the whole shares in the open market at the prevailing market price and distributed the aggregate cash proceeds of the sales pro rata (based on the fractional share such holder would otherwise be entitled to receive) to each holder who otherwise should have been entitled to receive a fractional share in the Distribution.

The following additional information is provided pursuant to Section 6045B of the Internal Revenue Code of 1986, as amended:

Reporting Issuer:

Twenty-First Century Fox, Inc.  
(Formerly News Corporation)  
Taxpayer identification number 26-0075658

Security Identifiers:

Prior to Distribution:

News Corporation  
Class A common stock (non-voting)  
CUSIP 65248E104  
NASDAQ Ticker Symbol: NWSA

News Corporation  
Class B common stock (voting)  
CUSIP 65248E203  
NASDAQ Ticker Symbol: NWS

After Distribution:

Twenty-First Century Fox, Inc.  
Class A common stock (non-voting)  
CUSIP 90130A101  
NASDAQ Ticker Symbol: FOXA

Twenty-First Century Fox, Inc.  
Class B common stock (voting)  
CUSIP 90130A200  
NASDAQ Ticker Symbol: FOX

News Corporation  
Class A common stock (non-voting)  
CUSIP 65249B109  
NASDAQ Ticker Symbol: NWSA

News Corporation  
Class B common stock (voting)  
CUSIP 65249B208  
NASDAQ Ticker Symbol: NWS

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Pursuant to Treasury Regulations Section 1.355-5(b), certain News Shareholders (i.e., those shareholders who, immediately before the Distribution, owned at least 5% (by vote or value) of News stock (or had an aggregate basis in their News stock of \$1 million or more) who received shares of new News common stock in the Distribution are also required to include a statement related to the Distribution in their U.S. Federal income tax returns for the year in which the Distribution occurs.

The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. It does

not purport to be complete or to describe the consequences that apply to particular categories of News Shareholders (e.g., it does not address News Shareholders who did not hold their shares of News common stock continuously the close of business on the record date until the time of the Distribution, who sold shares of new News common stock or who acquired blocks of News common stock at different times and prices). News Shareholders are encouraged to consult with their tax advisors for questions on their own specific tax position.