

EXHIBITS

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Application for Renewal of)
Broadcast Station Licenses of)
)
Fox Television Stations, Inc.)
For Renewal of Station License WTTG,) File No. BRC DT - 20120531AKE
Washington, D.C.) (Facility No. 22207)
)
Fox Television Stations, Inc.)
For Renewal of Station License WDCA,) File No. BRC DT - 20120531AKK
Washington, D.C.) (Facility No. 51567)
)
Fox Television Stations, Inc.)
For Renewal of Station License WUTB,) File No. BRC DT - 20120531AJL
Baltimore, M.D.) (Facility No. 60552)
_____)

DECLARATION OF LAUREN FARBER

1. I am the staff assistant at Citizens for Responsibility and Ethics in Washington (“CREW”), a petitioner in the above-captioned action. I submit this declaration in support of the petition to deny the license applications of Fox Television Stations, Inc. (“Fox”), specifically WTTG, Washington, D.C.; WDCA, Washington, D.C.; and WUTB, Baltimore, Maryland.

2. I have served as a staff assistant at CREW since April 2011. One of my responsibilities is assisting our legal staff with the retrieval of public record information and documents for use in CREW filings. In this capacity, I located and reproduced the public record material contained in the exhibits to the petition to deny the license applications.

3. I hereby certify that the documents attached as Exhibits C through RR are true and correct copies.

I declare under penalty of perjury the foregoing is true and correct.

Dated: 8/10/12


LAUREN FARBER

EXHIBIT A

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Application for Renewal of)	
Broadcast Station Licenses of)	
)	
Fox Television Stations, Inc.)	
For Renewal of Station License WTTG,	)	File No. BRCDT - 20120531AKE
Washington, D.C.	)	(Facility No. 22207)
)	
Fox Television Stations, Inc.)	
For Renewal of Station License WDCA,	)	File No. BRCDT - 20120531AKK
Washington, D.C.	)	(Facility No. 51567)
)	
Fox Television Stations, Inc.)	
For Renewal of Station License WUTB,	)	File No. BRCDT - 20120531AJL
Baltimore, M.D.	)	(Facility No. 60552)
_____)	

DECLARATION OF MELANIE SLOAN

1. I am the executive director of Citizens for Responsibility and Ethics in Washington, D.C. ("CREW"), and, along with CREW, am one of the petitioners in the above-captioned action. I am also a resident of Washington, D.C. I submit this declaration in support of our petition to deny the license applications of three Fox Television stations: WTTG, Washington, D.C.; WDCA, Washington, D.C.; and WUTB, Baltimore, Maryland.

2. CREW is a non-profit, non-partisan corporation organized under section 501(c)(3) of the Internal Revenue Code. Through a combined approach of research, advocacy, public education, and litigation, CREW seeks to protect the rights of citizens to be informed about the activities of government officials and to ensure the integrity of those officials. To accomplish this mission, CREW relies extensively on information garnered in part from news reports.

3. I have served as CREW's executive director since February 2003. Prior to that, I

served as an Assistant United States Attorney for the District of Columbia, and before that spent five years on Capitol Hill working for first, the Senate Judiciary Committee, and later the House Judiciary Committee.

4. My duties as CREW's executive director include, *inter alia*, making public appearances and speaking on behalf of CREW before media outlets. In this capacity, I have appeared on Fox's WTTG station four times: (1) in June 10, 2011, regarding Anthony Weiner;¹ (2) in February 2010, regarding the tax exempt status of the Fellowship and use of its C Street House;² (3) in June 2009, regarding Mark Sanford;³ and (4) in December 2007, regarding misconduct in the congressional page program.⁴

5. In addition, my professional responsibilities require me to keep current on events relevant to CREW's mission. Toward that end, I monitor television coverage of current events. In this capacity, I have watched news reports broadcast by WTTG, Washington, D.C., and WDCA, Washington, D.C.

6. CREW is harmed when television stations such as WTTG and WDCA do not possess

¹ A video of this appearance is available at <http://www.youtube.com/watch?v=udokUE82gBU&list=UU5I4mzoVcZz6nAn1BR7Bv6w&index=4&feature=plcp>.

² A video of this appearance is available at <http://www.youtube.com/watch?v=IB7980OFTM4&list=UU5I4mzoVcZz6nAn1BR7Bv6w&index=107&feature=plcp>.

³ A video of this appearance is available at <http://www.youtube.com/watch?v=CwFTX9zhx10&list=UU5I4mzoVcZz6nAn1BR7Bv6w&index=104&feature=plcp>.

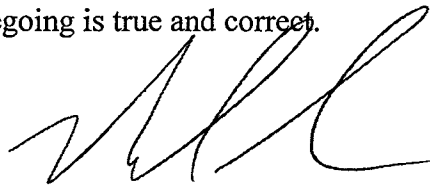
⁴ A video of this appearance is available at <http://www.youtube.com/watch?v=6djn00LaXss&list=UU5I4mzoVcZz6nAn1BR7Bv6w&index=102&feature=plcp>.

the requisite character the governing law and regulations of the Federal Communications Commission (“FCC”) require of all licensees. In particular, the conduct of News Corporation (“News Corp.”) and Rupert Murdoch in both the United Kingdom and the United States impugn the character of both News Corp. and its wholly owned subsidiary, Fox Television Stations, Inc. (“Fox”). As a result, Fox cannot be expected to operate its television stations consistent with the requirements of the governing communications laws, FCC rules, and policies. In turn, CREW cannot rely on the quality and content of Fox broadcasts or that they will comply with the law. Accordingly, CREW will be adversely affected if the FCC grants the license renewal applications submitted by Fox.

7. Further, in my personal capacity and as a member of the broadcast public, I watch television programming provided by WTTG and WDCA. I will be adversely affected in my personal capacity if the FCC grants the license renewal applications submitted by WTTG and WDCA, as I will be deprived of broadcasting provided by a licensee of good character, and have no reasonable expectation Fox will operate its stations in accordance with the law and FCC regulations and policies.

I declare under penalty of perjury the foregoing is true and correct.

Dated: 8/16/12



MELANIE SLOAN

EXHIBIT B

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	
Application for Renewal of)	
Broadcast Station Licenses of)	
)	
Fox Television Stations, Inc.)	
For Renewal of Station License WTTG,	)	File No. BRCDT - 20120531AKE
Washington, D.C.	)	(Facility No. 22207)
)	
Fox Television Stations, Inc.)	
For Renewal of Station License WDCA,	)	File No. BRCDT - 20120531AKK
Washington, D.C.	)	(Facility No. 51567)
)	
Fox Television Stations, Inc.)	
For Renewal of Station License WUTB,	)	File No. BRCDT - 20120531AJL
Baltimore, M.D.	)	(Facility No. 60552)
_____)	

DECLARATION OF JEREMY MILLER

1. I am the policy director of Citizens for Responsibility and Ethics in Washington, D.C. (“CREW”), and, along with CREW, am one of the petitioners in the above-captioned action. I am also a resident of Baltimore, Maryland. I submit this declaration in support of our petition to deny the license applications of three Fox Television stations: WTTG, Washington, D.C.; WDCA, Washington, D.C.; and WUTB, Baltimore, Maryland.

2. I have served as CREW’s policy director since April 2010. My professional responsibilities require me to keep current on events relevant to CREW’s mission. Toward that end, I monitor television coverage of current events. In this capacity, I have watched news reports broadcast by WTTG, Washington, D.C., and WDCA, Washington, D.C.

3. CREW is harmed when television stations such as WTTG and WDCA do not possess the requisite character the governing law and regulations of the Federal Communications

Commission (“FCC”) require of all licensees. In particular, the conduct of News Corporation (“News Corp.”) and Rupert Murdoch in both the United Kingdom and the United States impugn the character of both News Corp. and its wholly owned subsidiary, Fox Television Stations, Inc. (“Fox”). As a result, Fox cannot be expected to operate its television stations consistent with the requirements of the governing communications laws, FCC rules, and policies. In turn, CREW cannot rely on the quality and content of Fox broadcasts or that they will comply with the law. Accordingly, CREW will be adversely affected if the FCC grants the license renewal applications submitted by Fox.

4. Further, in my personal capacity and as a member of the broadcast public, I watch television programming provided by WUTB. I will be adversely affected in my personal capacity if the FCC grants the license renewal application submitted by WUTB, as I will be deprived of broadcasting provided by a licensee of good character, and have no reasonable expectation Fox will operate its stations in accordance with the law and FCC regulations and policies.

I declare under penalty of perjury the foregoing is true and correct.

Dated: 8/20/2012

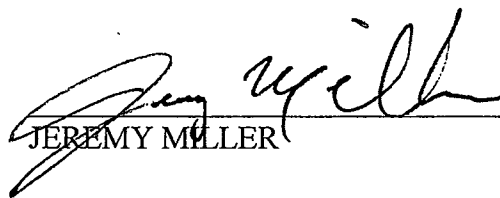

JEREMY MILLER

EXHIBIT C

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2012

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission file number 001-32352

NEWS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

26-0075658
(I.R.S. Employer
Identification No.)

1211 Avenue of the Americas, New York, New York
(Address of Principal Executive Offices)

10036
(Zip Code)

Registrant's telephone number, including area code (212) 852-7000

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 4, 2012, 1,623,066,699 shares of Class A Common Stock, par value \$0.01 per share, and 798,520,953 shares of Class B Common Stock, par value \$0.01 per share, were outstanding.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This document contains statements that constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. The words "expect," "estimate," "anticipate," "predict," "believe" and similar expressions and variations thereof are intended to identify forward-looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief or current expectations of News Corporation, its directors or its officers with respect to, among other things, trends affecting News Corporation's financial condition or results of operations. The readers of this document are cautioned that any forward-looking statements are not guarantees of future performance and involve risks and uncertainties. More information regarding these risks, uncertainties and other factors is set forth under the heading Part II "Other Information," Item 1A "Risk Factors" in this report. News Corporation does not ordinarily make projections of its future operating results and undertakes no obligation (and expressly disclaims any obligation) to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers should carefully review this document and the other documents filed by News Corporation with the Securities and Exchange Commission ("SEC"). This section should be read together with the unaudited consolidated financial statements of News Corporation and related notes set forth elsewhere herein and News Corporation's Annual Report on Form 10-K for the fiscal year ended June 30, 2011 as filed with the SEC on August 15, 2011 (the "2011 Form 10-K").

INTRODUCTION

Management's discussion and analysis of financial condition and results of operations is intended to help provide an understanding of News Corporation and its subsidiaries' (together, "News Corporation" or the "Company") financial condition, changes in financial condition and results of operations. This discussion is organized as follows:

- **Overview of the Company's Business** —This section provides a general description of the Company's businesses, as well as developments that have occurred to date during fiscal 2012 that the Company believes are important in understanding its results of operations and financial condition or to disclose known trends.
- **Results of Operations** —This section provides an analysis of the Company's results of operations for the three and nine months ended March 31, 2012 and 2011. This analysis is presented on both a consolidated and a segment basis. In addition, a brief description is provided of significant transactions and events that have an impact on the comparability of the results being analyzed.
- **Liquidity and Capital Resources** —This section provides an analysis of the Company's cash flows for the nine months ended March 31, 2012 and 2011. Included in the discussion of outstanding debt is a discussion of the amount of financial capacity available to fund the Company's future commitments and obligations, as well as a discussion of other financing arrangements.

OVERVIEW OF THE COMPANY'S BUSINESS

The Company is a diversified global media company, which manages and reports its businesses in the following six segments:

- **Cable Network Programming**, which principally consists of the production and licensing of programming distributed through cable television systems and direct broadcast satellite operators primarily in the United States, Latin America, Europe and Asia.
- **Filmed Entertainment**, which principally consists of the production and acquisition of live-action and animated motion pictures for distribution and licensing in all formats in all entertainment media worldwide, and the production and licensing of television programming worldwide.

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- **Television** , which principally consists of the broadcasting of network programming in the United States and the operation of 27 full power broadcast television stations, including 9 duopolies, in the United States (of these stations, 17 are affiliated with the FOX Broadcasting Company (“FOX”) and 10 are affiliated with Master Distribution Service, Inc. (“MyNetworkTV”).
- **Direct Broadcast Satellite Television** , which consists of the distribution of basic and premium programming services via satellite and broadband directly to subscribers in Italy.
- **Publishing** , which principally consists of the Company’s newspapers and information services, book publishing and integrated marketing services businesses. The newspapers and information services business principally consists of the publication of national newspapers in the United Kingdom, the publication of approximately 140 newspapers in Australia, the publication of a metropolitan newspaper and a national newspaper (with international editions) in the United States and the provision of information services. The book publishing business consists of the publication of English language books throughout the world and the integrated marketing services business consists of the publication of free-standing inserts and the provision of in-store marketing products and services in the United States and Canada.
- **Other** , which principally consists of the Company’s digital media properties and Wireless Generation, the Company’s education technology business.

Television and Cable Network Programming

The Company’s television operations primarily consist of FOX, MyNetworkTV and the 27 television stations owned by the Company.

The television operations derive revenues primarily from the sale of advertising and to a lesser extent retransmission consent revenue. Adverse changes in general market conditions for advertising may affect revenues. The U.S. television broadcast environment is highly competitive and the primary methods of competition are the development and acquisition of popular programming. Program success is measured by ratings, which are an indication of market acceptance, with the top rated programs commanding the highest advertising prices. FOX is a broadcast network and MyNetworkTV is a programming distribution service, airing original and off-network programming. FOX and MyNetworkTV compete with broadcast networks, such as ABC, CBS, NBC and The CW, independent television stations, cable and DBS program services, as well as other media, including DVDs, Blu-rays, video games, print and the Internet for audiences, programming and, in the case of FOX, advertising revenues. In addition, FOX and MyNetworkTV compete with the other broadcast networks and other programming distribution services to secure affiliations with independently owned television stations in markets across the country.

Retransmission consent rules provide a mechanism for the television stations owned by the Company to seek and obtain payment from multi-channel video programming distributors who carry broadcasters’ signals. Retransmission consent revenue consists of per subscriber-based compensatory fees paid to the Company from cable and satellite distribution systems for FOX and MyNetworkTV as well as a portion of the retransmission consent revenue the affiliates generate for their retransmission of FOX.

The television stations owned by the Company compete for programming, audiences and advertising revenues with other television stations and cable networks in their respective coverage areas and, in some cases, with respect to programming, with other station groups, and in the case of advertising revenues, with other local and national media. The competitive position of the television stations owned by the Company is largely influenced by the quality and strength of FOX and MyNetworkTV programming, and, in particular, the prime-time viewership of the respective network.

The Company’s U.S. cable network operations primarily consist of the Fox News Channel (“FOX News”), the FX Network (“FX”), Regional Sports Networks (“RSNs”), the National Geographic Channels, SPEED and

Table of Contents

the Big Ten Network. The Company's international cable networks consist of the Fox International Channels ("FIC") and STAR. FIC produces and distributes entertainment, factual, sports, and movie channels through distribution channels in Europe, Africa, Asia and Latin America using several brands, including Fox, Fox Crime, Fox Life and National Geographic Channel. STAR's owned and affiliated channels are distributed in the following countries and regions: India; Greater China; Indonesia; the rest of South East Asia; Pakistan; the Middle East and Africa; the United Kingdom and Europe; and North America.

Generally, the Company's cable networks, which target various demographics, derive a majority of their revenues from monthly affiliate fees received from cable television systems and direct broadcast satellite operators based on the number of their subscribers. Affiliate fee revenues are net of the amortization of cable distribution investments (capitalized fees paid to a cable operator or direct broadcast satellite operator to typically facilitate the launch of a cable network). The Company defers the cable distribution investments and amortizes the amounts on a straight-line basis over the contract period. Cable television and direct broadcast satellite are currently the predominant means of distribution of the Company's program services in the United States. Internationally, distribution technology varies region by region.

The Company's cable networks compete for carriage on cable television systems, direct broadcast satellite systems and other distribution systems with other program services. A primary focus of competition is for distribution of the Company's cable network channels that are not already distributed by particular cable television or direct broadcast satellite systems. For such program services, distributors make decisions on the use of bandwidth based on various considerations, including amounts paid by programmers for launches, subscription fees payable by distributors and appeal to the distributors' subscribers.

The most significant operating expenses of the Television segment and the Cable Network Programming segment are the acquisition and production expenses related to programming and the expenses related to operating the technical facilities of the broadcaster or cable network. Other expenses include promotional expenses related to improving the market visibility and awareness of the broadcaster or cable network and its programming. Additional expenses include sales commissions paid to the in-house advertising sales force, as well as salaries, employee benefits, rent and other routine overhead expenses.

The Company has several multi-year sports rights agreements, including contracts with the National Football League ("NFL") through fiscal 2022, contracts with the National Association of Stock Car Auto Racing (NASCAR) for certain races and exclusive rights for certain ancillary content through calendar year 2014 and a contract with Major League Baseball ("MLB") through calendar year 2013. These contracts provide the Company with the broadcast rights to certain U.S. national sporting events during their respective terms. The costs of these sports contracts are charged to expense based on the ratio of each period's operating profit to estimated total operating profit for the remaining term of the contract.

The profitability of these long-term U.S. national sports contracts is based on the Company's best estimates at March 31, 2012 of attributable revenues and costs; such estimates may change in the future and such changes may be significant. Should revenues decline from estimates applied at March 31, 2012, additional amortization of rights may be recorded. Should revenues improve as compared to estimated revenues, the Company may have an improved operating profit related to the contract, which may be recognized over the remaining contract term.

While the Company seeks to ensure compliance with federal indecency laws and related Federal Communications Commission ("FCC") regulations, the definition of "indecency" is subject to interpretation and there can be no assurance that the Company will not broadcast programming that is ultimately determined by the FCC to violate the prohibition against indecency. Such programming could subject the Company to regulatory review or investigation, fines, adverse publicity or other sanctions, including the loss of station licenses.

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-K
ANNUAL REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2011

or

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number 001-32352

NEWS CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

26-0075658
(I.R.S. Employer Identification No.)

1211 Avenue of the Americas, New York, New York
(Address of Principal Executive Offices)

10036
(Zip Code)

Registrant's telephone number, including area code (212) 852-7000

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange On Which Registered</u>
Class A Common Stock, par value \$0.01 per share	The NASDAQ Global Select Market
Class B Common Stock, par value \$0.01 per share	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of

1934). Yes No

As of December 23, 2010, which was the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of News Corporation's Class A Common Stock, par value \$0.01 per share, held by non-affiliates was approximately \$26,864,060,746, based upon the closing price of \$14.82 per share as quoted on the NASDAQ Stock Market on that date, and the aggregate market value of News Corporation's Class B Common Stock, par value \$0.01 per share, held by non-affiliates was approximately \$7,937,232,452, based upon the closing price of \$16.50 per share as quoted on the NASDAQ Stock Market on that date.

As of August 5, 2011, 1,828,371,543 shares of Class A Common Stock and 798,520,953 shares of Class B Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required for Part III of this Annual Report on Form 10-K is incorporated by reference to the News Corporation definitive Proxy Statement for its 2011 Annual Meeting of Stockholders, which shall be filed with the Securities and Exchange Commission pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, within 120 days of News Corporation's fiscal year end.

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EXHIBIT D

Los Angeles Times BUSINESS



New: Safe, natural way to make your eyelashes beautiful
Provided by DermStore.com



Paying down debt? 5 simple strategies for success
Provided by Envoy



Shocking discovery for joint relief
Provided by Instaflex

ENTERTAINMENT INDUSTRY



Tribune blames Cablevision for signals coming down



After 'Dark Knight' shooting, moviegoer reluctance persists



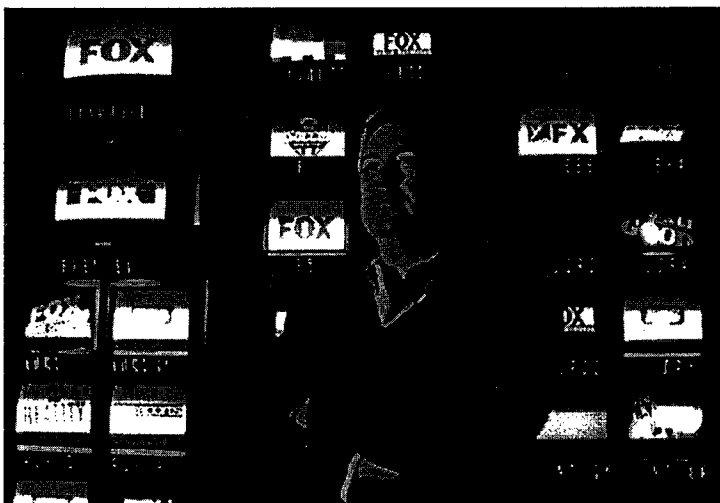
Netflix, HBO to expand into Denmark, Finland, Norway and Sweden



COMPANY TOWN THE BUSINESS BEHIND THE SHOW

Top Fox TV executive Tony Vinciguerra out in shake-up

January 6, 2011 | 10:40 am



Tony Vinciguerra, chief executive of Fox Networks Group, is leaving the company, prompting a major reorganization of Rupert Murdoch's television empire. He departs after a long year that involved several brutal retransmission battles with cable operators. Vinciguerra was the point person for the negotiations and accomplished the company's goal of generating big fee increases to carry the Fox networks. The 55-year-old Vinciguerra told News Corp. Chief Operating Officer Chase Carey last summer that he wanted to leave before his contract ended. Vinciguerra had two years remaining on his deal.

Vinciguerra had lost authority when Carey returned to News Corp. in 2009. Vinciguerra, who briefly reported directly to Murdoch, had the "same skill set" as Carey, according to a person familiar with the situation, and thus wasn't as critical to the organization. Vinciguerra also serves a board director of Motorola Inc. He was named "most powerful person in cable" for 2010 by Cablefax publication.

The shake-up allows Carey to streamline management of Fox's sprawling television group. David Haslingden, head of the Fox International Channels, will take over many of Vinciguerra's responsibilities and become president and chief operating officer of the Fox Networks Group. He will report to Carey. Peter Rice, chairman of entertainment for the Fox Networks Group, will retain his current duties and report directly to Carey. Randy Freer and Eric Shanks will become co-presidents of the Fox Sports Media Group, reporting to Fox Sports Chairman David Hill. Hill assume management of the National Geographic Channels.

[Update, 5:55 p.m.: For more, see the story in tomorrow's Times.]

-- Meg James

Photo: Tony Vinciguerra. Credit: Francine Orr/Los Angeles Times

MORE FROM THE TIMES

USC offense turns in poor performance in final scrimmage

Kristin Chenoweth leaves 'The Good Wife' after head injury

Warren Beatty and Annette Bening list Beverly Crest home

Tiger Woods sells Corona del Mar condo

A Ford sets record at Pebble Beach auction; a Mercedes falls short

Ads by Google

Breaking: Mitt Romney

Has chosen a running mate. Learn about their plans for Medicare. barackobama.com/medicare-facts

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FOX News® Channel On Your Desktop. Get It Free with News Toolbar! FOXNewsChannel.Inbox.com/Fox2

Comments (0)



Comment input field

Post to Facebook

Posting as Lauren Farber (Change)

Comment

Facebook social plugin

In Case You Missed It...



Many cars flunk new type of crash test



Delayed revenge in a South Dakota town



Photos: Odd destinations around the world



Egypt's mood is subdued this Ramadan



New South Gate high school is finally opening

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A Tribune Web site

EXHIBIT E

1 of 1 DOCUMENT

Los Angeles Times

February 26, 1992, Wednesday, Home Edition
Correction Appended**SOME AT FOX FEAR A NEW MURDOCH ERA;****ENTERTAINMENT: STUDIO EXECUTIVES WORRY THAT WITH BARRY DILLER GONE THE MEDIA BARON WILL PUSH HIS FABLED SENSATIONALISM ON THE TELEVISION PRODUCT.****BYLINE:** By JOHN LIPPMAN and ALAN CITRON, TIMES STAFF WRITERS**SECTION:** Business; Part D; Page 1; Column 2; Financial Desk**LENGTH:** 1080 words

Employees at KTTV-Channel 11, Fox's local TV station, started wondering when they saw Rupert Murdoch's green Mercedes-Benz convertible showing up in Fox's Sunset Boulevard parking lot.

Murdoch makes it a habit to pop in on the staff and executives of his global media empire. But lately he had been spending more time with Greg Nathanson, head of Fox's seven TV stations around the country. Murdoch's daughter, Elizabeth, works as one of Nathanson's assistants.

Indeed, Fox executives say that over the last year, Murdoch -- the media baron best known for his tabloids' bare breasts and conservative politics -- has become increasingly involved in the operations of Fox's TV network and stations.

And now, with Murdoch set to take center stage as the hands-on chief executive of one of Hollywood's major television and film studios, the worry both inside and outside the company is that Murdoch will increasingly stamp his brand of fabled sensationalism on Fox's TV product.

"I don't think there are going to be huge changes," says entertainment lawyer and power broker Peter Dekom. "But you have to be naive not to think he will put his imprimatur on the company."

In the past, Murdoch, chairman of Fox Inc.'s parent firm, News Corp., frequently deferred in matters of programming to Barry Diller, the demanding Fox studio chief who quit Monday with plans to start or buy a company. Diller launched the Fox TV network with programming designed for the 18- to 34-year-old audience, including such audacious shows as "Married . . . With Children" and "The Simpsons."

That's not to say Murdoch's presence wasn't felt.

Fox's reality-based shows, such as "A Current Affair," "America's Most Wanted" and a now-defunct series called "The Reporters," are commonly identified with Murdoch because they were developed by loyal New York-based associates who knew him before

he acquired Fox beginning in 1985. Personally, Murdoch is a big fan of "A Current Affair," once extolling the syndicated program as "good, old-fashioned, foot-in-the-door, investigative reporting."

Without Diller as a buffer, some people fear the worst.

"The next thing coming is televised executions," warns one former senior Fox TV executive who did not want to be identified. "Barry was the last gasp of decency, taste and morality at Fox. He tempered a lot of what Murdoch wanted to do."

But Murdoch usually has shown more flexibility and balance than his detractors would suggest when it comes to running his various businesses.

His News Corp. empire includes such perfectly upright publications as the Times of London, the staid Harper Collins book publishing house and the emerging BSkyB satellite TV service in Great Britain. He helped finance the critically acclaimed Australian film "Gallipoli," about a World War I battle that his father covered as a war correspondent.

Murdoch's recent immersion in the details of Fox's television operations is characteristic.

At News Corp.'s huge printing plant in the Docklands of East London, he can be seen eating in the canteen, talking over production problems with a mid-level manager. He'll suddenly appear in programming meetings on the Fox lot. A thick, black binder called the "fast report" provides Murdoch with weekly, line-by-line breakdowns of revenue and profits at hundreds of subsidiaries.

And while Murdoch is widely expected to play a bigger role in Fox's television properties than its movie operations, Diller says he has no doubts about Murdoch's ability to run a movie studio: "He's a great editor, period. That's what movies are about -- editing."

Murdoch says that his growing involvement in Fox is a result of the studio now accounting for close to half of News Corp.'s profits.

Over the last two years, much of Murdoch's time in running News Corp. has been taken up with refinancing \$7 billion in debt, accumulated as a result of a decade's worth of acquisitions of everything from Fox to TV Guide.

After a series of asset sales and new debt and equity offerings, News Corp. today is less rooted in its publishing past and more focused on becoming an electronic media conglomerate.

Already Murdoch has begun shaping his new team at Fox.

Chase Carey, the studio's chief financial officer, is expected to be named chief operating officer.

The other four operating division heads -- Joe Roth in film, Lucy Salhaney in television, Jamie Kellner at the network and Nathanson at the TV stations -- will report directly to Murdoch.

Until Diller privately began making his intentions known last year, "it had never occurred (to me) in my life to run a studio," Murdoch says. "It's going to be interesting."

The Murdoch/Diller Record at Fox

Under departing Fox Inc. Chairman Barry Diller and Rupert Murdoch, chairman of Fox parent News Corp., the television and motion picture company has challenged convention -- with mixed reviews for its creative efforts but with financial returns that have steadily improved.

Highlights

In just 4 1/2 years, Fox Broadcasting launches four-night-a-week programming on more than 130 affiliates nationwide.

By June, 1990, Fox has two of the nation's five most popular programs: "The Simpsons" and "Married ... With Children." Such daring shows -- along with the hip "In Living Color" -- earn Fox a reputation for challenging staid network programming.

"Home Alone" becomes the highest-grossing film comedy ever, taking in more than \$280 million domestically. Other 20th Century Fox film hits include "Sleeping With the Enemy," "Aliens," "Cocoon" and "Die Hard 2."

Lowlights:

Fox Broadcasting's first program, "The Late Show Starring Joan Rivers" -- for which Diller lures the comic from her position as Johnny Carson's "Tonight Show" backup -- flops in May, 1987, after just eight months on the air.

Early broadcasts of the prime time Emmy Awards by Fox result in low ratings and industry grumbling.

"For the Boys," which cost about \$40 million, is a big box-office disappointment for 20th Century Fox. The film, which opened over the holidays, has taken in about \$18 million in domestic ticket sales. Other weak performers include "Dutch," "Dying Young" and "Love Potion Number 9."

Profit (loss) for major Fox Inc. units

	1989	1990	1991
Fox Broadcasting*	(\$3)	\$20	\$40
Fox TV Stations*	\$111	\$123	\$156
20th Century Fox Film Corp.**	\$311	\$58	\$165

* Operating profit ** Net earnings

Source: County Natwest USA, company reports

LANGUAGE: ENGLISH

CORRECTION-DATE: February 27, 1992, Thursday, Home Edition

CORRECTION: Fox Inc. -- A graphic in Wednesday's editions about Fox Inc. incorrectly described "Love Potion Number 9" as one of 20th Century Fox's weak-performing films. The movie is not scheduled for release until this summer. Fox maintains that "Dying Young," also described as a disappointment, made money. Also, figures in a chart on key Fox units' earnings were in millions of dollars.

FOR THE RECORD

GRAPHIC: Table, The Murdoch/Diller Record at Fox; Photo, "The Simpsons," above, and "Aliens" were hits for Fox. ; Photo, Bette Midler in "For the Boys."

TYPE: Infobox

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EXHIBIT F

MURDOCH PICKS NEW FOX BOSS, 1993 WLNR 643727

NewsRoom

1/12/93 Cin. Post 8B
1993 WLNR 643727

Cincinnati Post (OH)
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January 12, 1993

Section: BUSINESS

MURDOCH PICKS NEW FOX BOSS

LOS ANGELES

Media baron Rupert Murdoch installed a new boss Monday at his seven Fox TV stations and their news operation. Leslie Hinton, a 20-year veteran of Murdoch's empire, moves from chief executive and president of News America Publishing, which publishes TV Guide and the Boston Herald, to chairman and chief executive of Fox Television Stations Inc. Mitchell Stern, the chief operating officer of the TV stations since May, was promoted to president and COO. The appointments are part of a series of job shuffles at Fox Inc., which is owned by News Corp., Murdoch's Australia-based parent company.

Business Report

--- Index References ---

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1 of 1 DOCUMENT

Newsday (New York)

June 2, 1994, Thursday, ALL EDITIONS

A Multimedia Force Now Working for Fox**BYLINE:** VERNE GAY**SECTION:** PART II; OFF CAMERA; Pg. B72**LENGTH:** 529 words

LAST WEEK, something remarkable happened in the TV industry. It was something that will shake up the TV networks forever; something that will stand the business on its ear; something that will make the Big Three networks quiver in terror; something that will . . .

No, we're not going to bore you with another story about affiliate switches (admit it - you were a little worried). This is much more interesting: Judith Regan joined Fox.

Now, Regan, 40, the former vice president and senior editor of Simon & Schuster who was instrumental in getting Rush Limbaugh and Howard Stern to write their best-selling books, isn't just your garden-variety hire over at Fox. First of all, there's the little matter of her reputation. It is a fearsome one, but more on that later. Next, the job itself is unlike any that has ever been done at a major entertainment company. One does not begin an interview by asking Regan what she will do for Fox, but what she won't do. The answer: very little. Fox says that Regan, who began yesterday, joins in an "unprecedented multimedia capacity." She will develop shows, movies and book ideas as well as run her own publishing imprint - Regan Books - for Fox-owned HarperCollins. She will also be a "star correspondent" in Fox' new primetime news magazine, expected to begin this summer. "Certainly the palette that [Fox chairman Rupert Murdoch] is giving me is unbelievable," she says. "The canvas is the whole world. I'm crazy about bold moves, there's a certain magic in making bold moves."

Regan - described in a profile in New York magazine last fall as a "publishing midwife to the stars" - will certainly be expected to deliver some of that particular brand of boldness to Fox. Murdoch will expect her to sign big-name stars to the studio and, Barbara Walters-like, lure elusive big-name stars to the primetime news show. The job, which on the surface appears rife with conflicts of interest, means that she will be promoter-cum-talent scout-cum-power broker-cum-TV star.

Regan says she first heard from Fox in December, when studio chief Peter Chernin called her. She flew out to L.A. Jan. 18 to meet with Murdoch.

"Did they hire me because they thought I could bring Howard and Rush? The answer is no," she says. "Howard and Rush have their own conversations with them. Might it be

a possibility in the future? It might."

Regan once worked as a producer for "Entertainment Tonight" and "Geraldo." She joined S&S in 1986 and the rest, as they say, is publishing history. She lured writers such as Limbaugh, Kathie Lee Gifford, Stern and even Beavis & Butt-head ("This Book Sucks") to S&S. The books all did quite well commercially. Critically? Well, that was another story. or one who inspired numerous students to stay off the streets during his athletic program?

Your statement that teachers earn top pay simply because they have been in the system long enough is laced with cynicism. I will end with a case in point: Six years ago I was at the end of the salary schedule. I completed a second master's degree at the cost, to me, of \$ 25,000. At the time, no further reimbursement was available - or expected.

LOAD-DATE: June 03, 1994

LANGUAGE: ENGLISH

GRAPHIC: AP Photo - Judith Regan, a former editor at Simon & Schuster, will do just about everything at Fox.

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1 of 1 DOCUMENT

Los Angeles Times

August 16, 2005 Tuesday
Home Edition**New Fox Television Chairman Is Named****BYLINE:** Meg James, Times Staff Writer**SECTION:** BUSINESS; Business Desk; Part C; Pg. 1**LENGTH:** 923 words

News Corp. Chairman Rupert Murdoch on Monday handed control of the company's 35 television stations to Roger Ailes, the executive who in nine years built the Fox News Channel into a politically influential ratings juggernaut.

Ailes, 65, replaces the media baron's 33-year-old son, Lachlan Murdoch, who abruptly resigned his management positions within the company last month amid reported tensions with his father. The younger Murdoch, according to some company executives, felt his authority was being undermined in key divisions, including the TV station group, which until recently was a major profit center for the company.

Ailes is one of Murdoch's favorite executives. He defied early skeptics of Fox News Channel by steering the upstart past rival Time Warner Inc.'s CNN to become the cable news ratings leader. During News Corp.'s most recent fiscal quarter, the channel reported a 30% rise in operating income.

"Ailes is well regarded on Wall Street," said Matthew Harrigan, media analyst with Janco Partners Inc. "A lot of people didn't think Fox News Channel would be a success and he confounded the skeptics. Everybody respects what he's done with that channel."

In an interview, Ailes said Murdoch asked him over lunch Monday to take on the additional duties as chairman of Fox Television Stations. Ailes said that Murdoch "didn't really give me any marching orders.... But they probably want me to improve the profits, programming and the news" at Fox-owned stations across the country.

One area top News Corp. executives singled out for improvement was developing better daytime and late-night programming that Fox stations could air in lieu of buying syndicated shows from rivals.

Ailes takes over the stations at a crucial time in the industry as stations grapple with the loss of advertising dollars to Internet companies. News Corp.-owned stations also have been hit by a switch during the last year in the way Nielsen Media Research measures station audiences in the nation's largest markets.

The change, which resulted in lower audience levels for some shows than had previously been tallied, also crimped station ad revenue. Last week, News Corp. said

that its quarterly profit at the broadcasting TV unit had slipped 2% compared with the previous year.

"The world is changing," Ailes said. "It's a hard job. The television station business is a tough business."

Ailes' stature has soared within News Corp. since Murdoch tapped him in 1996 to launch his fledgling 24-hour news channel. With the "fair and balanced" slogan, Ailes built a popular, albeit sometimes controversial, operation favored by conservatives and scorned by liberals. Ailes himself has become something of a celebrity.

"He's the company's rock star," said independent political consultant Charlie Cook. "Why wouldn't you give him more turf and territory?"

Before joining Fox, Ailes ran NBC's CNBC business channel. A longtime Republican operative, Ailes also played key roles in advising presidential campaigns for Richard Nixon, Ronald Reagan and George H. W. Bush. During Bush's 1988 campaign, Ailes drew fire for his hand in ads that referred to felon Willie Horton that critics said exploited racial tensions. In 1992, he left politics to produce TV shows.

At the Fox stations Ailes is reunited with Jack Abernethy, one of his first hires at Fox News. As chief executive of the station group, Abernethy will run the day-to-day operations.

Ailes, who remains chairman of Fox News, will report to both Murdoch and the mogul's second in command, News Corp. President Peter Chernin. Ailes said he and Chernin talked at length Monday afternoon and planned to meet soon for dinner.

"Roger is the best television executive in the industry today, both in understanding what viewers want and in building successful TV operations," Chernin said in a statement. "He has my unqualified respect, trust and admiration."

News Corp. owns stations in the nation's major markets, including two in Los Angeles, New York and Chicago. In Los Angeles, it owns KTTV-TV Channel 11, the Fox station, and KCOP-TV Channel 13, the UPN affiliate.

Ailes also will be in charge of Twentieth Television, the Los Angeles-based unit that produces and distributes original syndicated programming. In the past, that unit has struggled to come up with successful shows.

Last year, it canceled "On Air with Ryan Seacrest," the company's attempt to parlay his popularity hosting Fox's blockbuster "American Idol" into a daytime talk show.

Ailes also plans to bolster Fox's local news, a key contributor to advertising revenue. But, he said, he is aiming to push ratings, not political agendas.

"This job is not to be editorial in the newsroom," Ailes said. "The main thing is that I like to win. I want Fox News Channel to win, Fox Television stations to win and all of News Corp. to win."

Separately, News Corp. said in a regulatory filing that Chernin was awarded nonvoting shares valued at \$7.22 million. Chernin, who signed a new employment agreement last year, received 422,188 shares of News Corp.'s Class A stock, according to the filing.

*

Roger Ailes

Hometown: Warren, Ohio

Age: 65

Title: Newly named chairman, Fox Television Stations. Retains position of chairman and chief executive, Fox News Channel.

Bio: Credited with building Fox News, which he joined in 1996, into a powerhouse 24-hour news channel. Previously ran CNBC, NBC's business news and talk network. Advised the presidential campaigns of George H.W. Bush, Ronald Reagan and Richard Nixon.

Bloomberg News was used in compiling this report.

LOAD-DATE: August 16, 2005

LANGUAGE: ENGLISH

GRAPHIC: PHOTO: NEW ROLE: Roger Ailes will lead the Fox station group. Ailes, left, and Rupert Murdoch in 1996 before the cable channel started. PHOTOGRAPHER: Associated Press

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EXHIBIT G

1 of 1 DOCUMENT

United Press International

February 26, 1992, Wednesday, BC cycle

Murdoch promotes Carey at Fox**BYLINE:** BY DAVE McNARY UPI Business Writer**SECTION:** Financial**LENGTH:** 452 words**DATELINE:** LOS ANGELES

Rupert Murdoch, in his first move since Barry Diller's stunning resignation from Fox Inc., announced Wednesday he has promoted executive vice president Chase Carey to the post of chief operating officer.

Murdoch, who took over Diller's posts as chairman and chief executive officer on Monday, said Carey will work closely with him and help oversee Fox's film and television operations, with primary responsibilities in finance, corporate development, administration and facilities.

Carey, 38, joined Fox in 1988 after working from 1981 to 1987 at Columbia Pictures as president of its pay-cable and home entertainment unit and vice president of Columbia Pictures International. But he is not yet known as a major force in Hollywood.

"In light of recent developments at the company, I felt it was important to provide Mr. Carey with the additional title to more clearly reflect the key role he has played in the day-to-day management of this company during the past four years, and will continue to play in the future," Murdoch said.

But Murdoch, who has virtually no direct experience in Hollywood, also indicated in the announcement that he will be in charge. The Australian-born tycoon, whose News Corp. controls Fox, said the division heads -- Joe Roth for movies, Lucie Salhany for TV and Jamie Kellner for Fox Broadcasting -- will report directly to him.

Murdoch, 61, has been actively involved in restructuring News Corp. over the past two years as it staggered under a massive debt load and a worldwide recession. Analysts have speculated that Diller, who said he wants to own an operation and not just manage it, may have been frustrated by News Corp.'s need for much of Fox's cash flow in recent years.

Murdoch has managed stave off a near-collapse of News Corp. in the past nine months to raise nearly \$2 billion through a combination of assets sales and new offerings of debt and equity.

Some analysts have expressed reservations over Diller's departure, saying his absence may leave Fox, and particularly the five-year-old Fox Broadcasting network,

weakened.

But others have noted Diller has left a strong management team in place and that the Fox network has enormous long-term potential to generate profits.

Stocks of Fox's TV competitors -- Capital Cities/ABC and CBS -- continued to rise Wednesday on the New York Stock Exchange for the second day in a row, apparently in reaction to Diller's announcement.

In late trading on Wednesday, Cap Cities was up \$8.875 to \$447.75. CBS was up \$5 to \$172.50, while American Depository Receipt shares of News Corp. were off 25 cents to \$24.75. Cap Cities gained \$4.25 on Tuesday and CBS was up \$4, while News Corp. fell \$1.

LANGUAGE: ENGLISH

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EXHIBIT H

1 of 1 DOCUMENT

USA TODAY

September 29, 1994, Thursday, FINAL EDITION

New season brings fall for Fox exec**BYLINE:** Jefferson Graham**SECTION:** LIFE; Pg. 1D**LENGTH:** 162 words

Fox programming chief Sandy Grushow received his walking papers from Fox owner Rupert Murdoch Tuesday night, a victim of poor ratings for the new TV season.

Word in Hollywood is that Grushow's replacement is John Matoian, a former CBS TV movie executive who has been working at Fox since the beginning of the year in the feature film division.

Grushow, who joined Fox as an intern in 1983 and named president of the Fox Entertainment Group in 1992, resigned after weeks of shakeup rumors. His ouster follows Murdoch's other big July Fox shift - the forced resignation of Lucie Salhany, chairman of the Fox network.

Fox, which paid \$ 395 million for the NFL in a bid for higher prime-time ratings, has so far been suffering through a terrible 1994-95 TV season.

At CBS, Matoian put together the Bette Midler revival of Gypsy, and Sarah Plain and Tall with Glenn Close. He also did topical movies, such as The Betty Broderick Story with Meredith Baxter.

LOAD-DATE: September 30, 1994**LANGUAGE:** ENGLISH

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1 of 1 DOCUMENT

The New York Times

September 30, 1994, Friday, Late Edition - Final

THE MEDIA BUSINESS;
Murdoch Replaces Fox Programming Chief

BYLINE: By BILL CARTER

SECTION: Section D; Page 1; Column 3; Financial Desk

LENGTH: 700 words

In a shake-up that appears to signal a seismic shift in the programming strategy that has built the Fox television network, Rupert Murdoch, the chairman of Fox Inc., replaced the network's chief programmer yesterday with an executive recruited from CBS.

Sandy Grushow, who had spent his entire career with Fox, working his way up to the title of president of Fox Entertainment, will be replaced in that job by John Matoian, who joined Fox in March from CBS, where he had headed the network's movie division.

Mr. Grushow was closely associated with Fox's steady ascension in the prime-time programming competition, having served in both marketing and programming positions.

A Fox statement labeled the change a resignation, but several executives close to Mr. Grushow said he had been dismissed by Mr. Murdoch. These executives said Mr. Murdoch has been exerting much closer control over Fox in the last year. They cited his decision earlier this year to force out Lucie Salhany as the network president.

Mr. Grushow declined to comment yesterday.

One senior Fox executive said Mr. Murdoch had grown impatient with the pace of Fox's expansion toward full network status and wanted to change Fox's image as an exclusively youth-oriented network in favor of a broader approach to programming.

Mr. Murdoch, in an interview in his New York office yesterday, said he had made the move simply because of Mr. Matoian's programming talents. "In John Matoian we have the best programming executive in America," Mr. Murdoch said. "I think he's the man who made CBS No. 1 the past two years."

As for Mr. Grushow, Mr. Murdoch said: "Sandy was very energetic. I had no trouble with him, no arguments with him. I think he was much more of a marketing man than a program developer. John is a developer."

Mr. Murdoch did not tie the decision to any specific disappointment with the performance of Fox's new programs this fall. "I think our schedule was average," he said.

But other industry executives said Fox had been expecting more from its shows this fall, especially after Mr. Murdoch spent more than \$1 billion to outbid CBS for the rights to broadcast National Football League games.

Fox fell especially short in developing new comedies, putting only two new ones on the air this fall. Mr. Murdoch was said to have hated one of them, "Wild Oats," and the show was dropped from Fox's schedule yesterday, along with the show that followed football on Sunday nights, "Fortune Hunter."

Of the latter, Mr. Murdoch said: "It was very old-fashioned. It's hard after watching the drama of six or seven hours of football to get people to refocus their minds to watch a different sort of another drama."

He also said it was unreasonable to expect football to lift Fox's Sunday night schedule significantly, since the games lead directly into prime time on only eight or nine Sundays -- and then only in two-thirds of the country. (Football ends much earlier on the West Coast.)

Mr. Murdoch did not say what Fox would now put on to follow football, but one senior industry executive with ties to Fox said that Mr. Murdoch had firmly decided to put a new news-magazine program, "Full Disclosure," on opposite CBS's powerhouse "60 Minutes" at 7 P.M. on Sundays.

Mr. Matoian said a decision had not yet been made, adding that he had not even seen "Full Disclosure" yet. "I expect I will have free rein to make decisions," Mr. Matoian said. "Rupert tells me I will."

But other Fox executives said Mr. Murdoch had not allowed Mr. Grushow to pursue his own programming vision, largely because Mr. Grushow still believed in the approach that helped establish Fox: a skew toward younger urban viewers with shows that were often described as experimental or edgy.

Mr. Matoian said he intended to add variety to Fox's programs. "My mandate is to grow the place, expand its ratings and its success," he said. "Does that apply to expanding it beyond viewers between 18 and 34, and moving more toward the 18 to 49 year old audience? Yes, I think it does."

Some Fox executives close to Mr. Grushow regard this strategy as a mistake because it will take away from what they call Fox's "brand identity."

LOAD-DATE: September 30, 1994

LANGUAGE: ENGLISH

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Detroit Free Press

October 3, 1994 Monday METRO FINAL EDITION

MURDOCH CHANGES PRESIDENTS AT FOX, PULLS 2 SUNDAY SHOWS

BYLINE: MARC GUNTHER Free Press TV Writer

SECTION: FTR; Pg. 5E

LENGTH: 286 words

Rupert Murdoch has struck again.

The Fox chairman has fired the Fox TV network's top programmer, less than two weeks into the 1994-95 TV season, and revamped Fox's slumping Sunday night lineup.

Murdoch's moves keep the doors spinning at Fox, which has seen a steady stream of executive departures in recent years. This time, though, he is also signaling a shift in Fox's approach, from a network targeted at young viewers to one that aims broadly to become No. 1.

Murdoch last week replaced Sandy Grushow, 34, as the president of the Fox Entertainment Group, with John Matoian, a former CBS executive. Matoian told a reporter that he plans to move Fox away from "the small niche programming where it began."

Murdoch also took "Fortune Hunter," a Sunday night adventure series off the the air. The action-adventure show ranked last in the prime-time Nielsens last week, despite Fox's \$1 billion investment in Sunday afternoon NFL games that are supposed to help the network build an audience.

Murdoch also has removed "Wild Oats," a youth-oriented, hormone-heavy sitcom, from the Sunday lineup. His dislike of both shows reportedly helped speed Grushow's departure.

Murdoch's new plans for Sunday night include a newsmagazine to compete with "60 Minutes." In the meantime, Fox will air a newsmagazine-style show called "Encounters: The Hidden Truth" on Sundays at 7.

Other early season shake-ups include NBC's decision to take "The Martin Short Show" off its Tuesday night lineup for retooling.

Other shows on the verge of cancellation include CBS's Wednesday night drama, "Touched by an Angel," and a slew of new series on ABC, among them "My So-Called Life," "Blue Skies" and "McKenna."

LOAD-DATE: October 21, 2002

LANGUAGE: ENGLISH

GRAPHIC: Photo;

S:
Rupert Murdoch

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EXHIBIT I

1 of 1 DOCUMENT

The New York Times

July 29, 1996, Monday, Late Edition - Final

**In a Far-Flung Empire, Some Winners, Losers and Works in Progress;
Patience, Pluck And Satellites**

BYLINE: By MARK LANDLER

SECTION: Section D; Page 9; Column 4; Business/Financial Desk

LENGTH: 563 words

Rupert Murdoch's empire spreads across six continents and includes books, magazines, newspapers, broadcasting, satellite television, cable and a movie studio. The following is a glimpse at how some parts of that empire are doing as Mr. Murdoch engages in a frenzy of new expansion aimed at locking up both programming and distribution outlets around the world.

Nowhere is Rupert Murdoch's patience and pluck more evident than in his approach to satellites.

In the last decade, Mr. Murdoch has spent roughly \$4 billion to ring the globe with satellites that beam TV programs directly to households. He has endured numerous setbacks: resistance from authoritarian governments, a crippling rivalry with another satellite service, years of heavy losses and even a satellite that blew up on launch.

Despite all these headaches, Mr. Murdoch is now striding into what might be the toughest market of all: the United States. Together with the MCI Communications Corporation, Mr. Murdoch's News Corporation plans to spend \$1.1 billion to start a direct-broadcast satellite service called American Sky Broadcasting, or A Sky B.

Using satellites supplied by the News Corporation and orbital slots owned by MCI, A Sky B plans to offer a package of broadcast, cable and pay-per-view television services starting in late 1997.

If Mr. Murdoch succeeds in infiltrating the American market, analysts and media executives said he would gain tremendous leverage over other entertainment companies -- as well as the ability to spread his own programming costs over yet another distribution channel.

The trouble is, American consumers can already buy satellite television from two other providers, DirecTV and Prime Star. Since it will be nearly two years from now before Mr. Murdoch can even switch on A Sky B, some analysts say that he could miss out on the satellite market here.

"Two years is a very significant window," said Rick Westerman, an analyst at UBS

Securities, "because right now, satellite providers have a chance to push their product before cable operators and telephone companies start offering digital television."

Preston Padden, a longtime Fox executive who runs A Sky B, said that the late 1997 starting date would enable A Sky B to offer features that existing rivals do not have -- most notably local broadcast stations. Analysts view the inability of satellite services to carry local stations as an Achilles' heel in the industry's battle against cable.

The News Corporation's competitors, however, are skeptical. "There's a lot of misinformation being spread by people who are coming into this business late," said Eddie Hartenstein, the chief executive of DirecTV, the leading satellite service with 1.7 million subscribers.

Indeed, Mr. Murdoch's greater feat in the American satellite market may have occurred behind the scenes. He allowed MCI to bear the burden of lobbying the Federal Government to strip a key satellite orbital slot from Tele-Communications Inc., the nation's largest cable operator, which is also building a satellite broadcasting service.

After the Government put the slot up for auction, MCI acquired the right to use it for \$682 million. Mr. Murdoch is supplying the satellites that will occupy those slots. And for that -- plus his programming -- he got the right to put his Sky brand name on the service. MARK LANDLER

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1 of 1 DOCUMENT

SEATTLE POST-INTELLIGENCER

July 14, 1994, Thursday , FINAL

THE BATTLE FOR NETWORK AFFILIATES ;
MURDOCH HUSTLES TO ADD STATIONS TO FOX STABLE

BYLINE: John Engstrom Television Critic

SECTION: TELEVISION

LENGTH: LONG : Pg. C1

LENGTH: 1313 words

DATELINE: LOS ANGELES

Media mogul Rupert Murdoch predicts "a year of turmoil" in broadcast TV as networks flash money and offer power programming in a fight for affiliate stations.

He told a gathering of the nation's television critics yesterday that his own Fox Broadcasting Co. is conducting talks with stations in dozens of markets in an attempt to further strengthen its affiliate lineup.

"There is a tremendous stirring up among all stations," Murdoch said. "It's much more fluid than it's ever been."

Fox shook up the network scene recently when it completed a major financial deal with New World Communications that enabled Fox to steal a dozen affiliate stations from other networks, some in major markets.

It was a coup unprecedented in the generally more slug-paced shift of stations from one network to another.

Losers in the agreement were competing networks, especially CBS, and the affiliates dropped by Fox in favor of its newly signed stations.

The changes did not affect the Seattle-Tacoma market, where Fox is carried by KCPQ, one of the network's stronger affiliates.

Murdoch, chairman and CEO of The News Corp. and Fox Inc., said weaker stations among the 188 in the current Fox stable should be concerned about being replaced.

He said he had received reports that other networks - he mentioned ABC in particular - were offering major increases in compensation to keep their affiliates in line, particularly in large markets.

The fight over affiliates, Murdoch said, has greatly increased the value of local stations, with the asking price nearly doubling in some cases in the past year.

Murdoch said he didn't feel concerned that Fox affiliates might be lured to join other networks because "we feel our affiliates are going to be the most profitable in their markets."

He said that's partly because Fox broadcasts only 15 prime-time hours a week, compared to 22 for the other three networks. That leaves seven more hours for Fox affiliates to program on their own for added profit.

One Fox schedule advantage is that prime-time shows end at 10 p.m. instead of 11, giving its affiliates an hour to do local news before other network affiliates can plug in their newscasts.

Murdoch said he felt it was crucial for Fox affiliates to get into the news business.

"We want to get everybody strong in local news at 10 o'clock at night - and at midday and morning," he said.

The message is being delivered to most affiliates that don't have local news.

"We keep pressing them, we keep offering help, we send people to talk with them," Murdoch said. "We've had some success, but we'd like to report faster progress than we've made so far."

Roger Ottenbach, general manager at KCPQ, said Channel 13 has not had any recent contact from Fox asking the station to start doing news.

"We really haven't had any direct pressure from them," Ottenbach said by phone from New York. "We really do a pretty good job for those guys. As a VHS station, we deliver a pretty good audience."

He said on Friday and Saturday nights, the ratings and shares earned by Fox on KCPQ generally rank among the top three when compared to the dozen TV markets in the country that are larger than Seattle-Tacoma.

Ottenbach said KCPQ has no plans to begin news at 10 p.m., preferring to stick with the syndicated "Star Trek: The Next Generation," which gathers strong ratings.

He said in the future Channel 13 would like to determine what kind of news its viewers want and when they want it - "not necessarily at 10 p.m." - and then create it for them.

"We don't want to duplicate what everyone else does," Ottenbach said.

Among the questions, he said, is whether the younger viewers of Fox shows would watch a traditional newscast, or whether a news show geared to them would drive away older viewers.

Murdoch touched on several other issues:

Checkbook journalism: He said the recent competition among tabloid news shows and tabloid newspapers for sources and information in the O.J. Simpson murder case has accelerated the trend toward paying for news.

Pay-for-news is practiced by Fox's syndicated shows "A Current Affair" and similar programs, such as "Hard Copy."

"I certainly don't feel responsible (for checkbook journalism)," Murdoch said. "In so much as 'A Current Affair' has paid for stories, it was only in response to the competition.

"You don't want Paramount and 'Hard Copy' to run all over you. We'd certainly like to not pay at all, or pay a lot less."

Ad sales: Despite coming off a poor year in the ratings, Murdoch said Fox has already sold \$700 million in ad spots for the coming season, a 30 percent improvement over this time a year ago. While other networks also are reporting improved ad sales, none has matched Fox's gains, he said.

Murdoch blames the troubled Fox ratings last season on the efforts to expand to seven nights of programming by adding Monday and Tuesday nights, "and we did not do well on those nights."

Network evening newscasts: Murdoch again predicts that these news shows will dwindle and may eventually die.

"I don't think people watch them much," he said, adding that ratings indicate viewers prefer a newscast with a combination of local, national and world news edited by a local station.

Fox strengths: Murdoch said his network, about to enter its eighth season, is aiming to be the country's top-ranked network and has made several recent moves in that direction.

The acquisition of NFL broadcasts, starting this fall, plus the new affiliates and last week's corporate restructuring have made this "clearly a pivotal moment in the evolution of our company," he said.

CBS troubles: He said the tentative deal that had been worked out between CBS and QVC, which would have put former Fox chief Barry Diller in charge of CBS, was "an amazing achievement."

Murdoch expressed surprise that the agreement fell apart on Tuesday when another player, Comcast Corp., made a \$1.85 billion bid for QVC, essentially scuttling the deal with CBS.

Murdoch said CBS, which has trailed other networks in plans to use the so-called information highway, needs "perhaps a more expansionary business view."

While saying he did not want to underestimate CBS, he said the network "has some problems on their program schedule coming this year - it's looking very tired."

Fox program plans: Murdoch said Fox would continue to concentrate on the key demographic group of viewers ages 18 to 49, even though some of its newly acquired affiliates has been attracting older audiences with CBS programming.

He said there is no plan in place to expand beyond 15 hours of prime-time programming.

As for the coming season's new shows, Murdoch said Fox has at least as many in development for airing later in the year.

"In case of any failures, we have a lot more shows on the shelf," he said. "In fact, we may have over-ordered."

Murdoch said the shift of the nighttime soap "Melrose Place" from 9 p.m. Wednesday to 8 p.m. Monday, starting in the fall, may cause problems because of the show's past history with steamy story lines.

"We could change it," he said of the show's more adult content.

As for a late-night show to replace the disastrous Chevy Chase effort that died a quick death last fall, Murdoch said he doesn't expect anything new to debut for at least a year.

New networks: Murdoch said Paramount and Warner Bros., which each plans to launch its own network in January, will have more trouble getting started than Fox did because of the increased competition for affiliate stations.

He predicted they will have difficulty signing up stations that will cover as much as 70 percent of the country.

Warner has signed up KSTW in the Seattle-Tacoma market, while KTZZ has had talks with Paramount about becoming an affiliate.

P-I TV Critic John Engstrom is in Los Angeles covering the annual fall TV press tour.

cfs/cb

LOAD-DATE: November 24, 1998

LANGUAGE: ENGLISH

GRAPHIC: Color Photo

The Associated Press Rupert Murdoch's Fox Broadcasting has lured stations away from other networks.

TYPE: INTERVIEW

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1 of 1 DOCUMENT

San Jose Mercury News (California)

July 14, 1994 Thursday MORNING FINAL EDITION

MURDOCH SHAKES UP 'BIG 3' EXECES WITH FOX BUYOUTS**BYLINE:** RON MILLER, Mercury News Television Editor**SECTION:** LIVING; Pg. 3C**LENGTH:** 872 words**DATELINE:** Los Angeles

FOX Broadcasting owner Rupert Murdoch says he now believes his astounding spring raid on the stations of rival networks CBS, ABC and NBC may have permanently altered the face of broadcasting in the United States.

"What has happened is a tremendous stirring up among all stations," Murdoch told TV editors Wednesday. "We're hearing incredible tales of new compensation deals that are being paid" by the other networks to hold onto their stations.

Murdoch said one network, which he wouldn't name, had even struck a deal to raise one major-market station from \$3 million a year in network money to \$18 million a year -- for 10 years.

"It's greatly enhanced the value of local stations," Murdoch said in his first-ever press conference before the TV editors who gather twice a year to preview new network programs and interview decision-makers.

High-rolling deals

Apparently, Bay Area stations already may have reached the point where they're too rich for even Murdoch's bottomless pockets. Though Fox has looked into buying its local affiliate, KTVU (Ch. 2), and other stations in the nation's fifth-largest TV market, Murdoch said "they're too expensive" for Fox to buy right now.

That may seem hard to believe, given Murdoch's recent track record. His News Corp., the parent company of Fox Inc., recently ponied up \$500 million to invest in New World Communications, converting the group's 12 stations to Fox affiliates.

That came on the heels of Fox's billion-plus deal to take NFL football away from CBS, which inspired a number of stations to switch their affiliation to Fox.

Though some stations will remain loyal to their networks, Murdoch said, "there are a lot of others out there who see an opportunity to improve the value of their stations."

Murdoch said the landmark deal already had stimulated a sharp rise in value for UHF stations -- those with channel numbers above 13 -- even though Fox dumped several of

them in order to acquire more desirable VHF stations, those with channel numbers from 2-13.

That's probably the result of the other networks scrambling to sign up the UHF stations Fox dropped when it snapped up VHF stations. UHF stations already were being courted by Paramount and Warner Brothers, two movie studios trying to launch their own TV networks in 1995, so some suddenly found multiple suitors. Murdoch said Fox is actively pursuing deals for still more stations, saying, "Right now we have talks going on in literally dozens of markets."

Because of his high-rolling deals for Fox, which outraged his network rivals, Murdoch is now the most controversial man in television. The Australian tabloid newspaper king became a U.S. citizen before buying up Fox studios, starting the network and taking over TV Guide magazine and other U.S. publications, but he still faces a challenge filed with the Federal Communications Commission that alleges he's violating rules prohibiting foreign ownership of U.S. communications.

Murdoch 'wants to eat me'

Earlier this week, cable TV mogul Ted Turner joined in the criticism of Murdoch, saying Murdoch has tried to swallow up Turner's Cable News Network (CNN) and "wants to eat me."

Murdoch said there's no legal foundation for complaints to the FCC and nothing will stop his New World deal for the 12 stations or any others.

Murdoch grinned broadly and said he doesn't know what Turner is talking about, but maybe "we'll give him a late night show and let him talk."

Murdoch refused to discuss Lucie Salhany's sudden resignation as chairman of Fox Broadcasting last week, saying they both had agreed to stick to the formal statements they issued at the time. He did introduce the editors to her successor, Chase Carey, who is chiefly credited with negotiating both the NFL and New World deals while he was serving as Fox's chief financial officer.

Salhany got most of the blame for recruiting comedian Chevy Chase to host the Fox late-night show that bombed last fall. Murdoch said Fox will put on another late-night show, but it probably won't be ready for at least another year.

Worry over Melrose Place

Murdoch also reacted to comments made to editors by producer Aaron Spelling about his anxiety over Fox moving his Wednesday night hit "Melrose Place" to Monday nights at 8 this fall.

"Aaron shouldn't worry," said Murdoch. "He's being moved away from competing against 'Home Improvement.' " That ABC sitcom is the No. 1 show on Wednesdays at 9. Murdoch said "Melrose Place" now will compete against mostly "tired" shows on Monday nights.

Asked for his predictions on the outcome of plans for the fifth- and sixth- networks by Paramount and Warner Brothers, Murdoch said both will have a rough time getting enough stations to please national advertisers. He seemed to give the edge to Paramount because it has started owning stations, is teamed up with the Chris Craft station group (which owns the Bay Area's Ch. 44) and has the "Star Trek" franchise to generate interest.

But Murdoch wasn't about to predict failure for either venture, recalling that Fox

is in its eighth year as the fourth network and already is challenging the Big 3 even though "nobody gave us the chance of a snowball in hell."

LOAD-DATE: October 25, 2002

LANGUAGE: ENGLISH

GRAPHIC: Photo;

PHOTO:

Fox owner Rupert Murdoch is possibly the most controversial man in TV.

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American Idol | News | Pictures



American Idol - Murdoch Picked Idol, Says Book

04 May 2006



Caption: American Idol (Picture)'s runner up Blake Lewis and Meredith Vieira performs on The Today Show's Concert Series live from Rockefeller Plaza, New York City, USA ...

Murdoch Picked Idol, Says Book

Rupert Murdoch himself was responsible for launching American Idol on the Fox network, ordering his executives at the Fox network to put it on the air even as they were about to reject it, New York Times TV writer Bill Carter writes in his new book, *Desperate Networks*, which was published on Tuesday. According to Carter, in 2001 Simon Cowell and his partner, Simon Fuller, had pitched the show to the "Big 3" networks, which had rejected it, before presenting it to Sandy Grushow, head of entertainment at Fox, and his chief lieutenant, Gail Berman. Both execs, writes Carter, had a lukewarm reaction to the pilot -- an episode of Cowell and Fuller's *Pop Idol*, which had become a huge hit in the U.K. However, their CAA representatives contacted Elizabeth Murdoch, who was then running News Corp's BSKyB operation and was aware of the show's success in Britain and was a fan of it herself. She, in turn,

phoned her father, News Corp chairman, Rupert Murdoch, who then contacted Peter Chernin, News Corp's president and COO. "We're still looking at it," Chernin told him. Murdoch responded, "Don't look at it. Buy it! Right now."

04/05/2006

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American Idol Photos



American Idol Gallery

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EXHIBIT K

1 of 1 DOCUMENT

The Associated Press State & Local Wire

March 12, 2009 Thursday 11:31 PM GMT

Murdoch shuffles the deck at Fox in L.A.**SECTION:** BUSINESS NEWS**LENGTH:** 336 words**DATELINE:** LOS ANGELES

Rupert Murdoch, the billionaire chief executive of News Corp., shuffled leadership of the company's Fox operations in Los Angeles on Thursday, as the media company prepares for the departure of President Peter Chernin.

Peter Rice, president of boutique movie label Fox Searchlight, which distributed Oscar-winners "Slumdog Millionaire," "Little Miss Sunshine" and "Juno," was promoted to chairman of entertainment, Fox Broadcasting.

The network's entertainment division produces such long-standing Fox shows as "The Simpsons," "King of the Hill" and "Family Guy."

Peter Liguori is stepping down from the post immediately, the company said.

"As we increasingly look to apply unconventional approaches to our traditional businesses, I'm convinced Peter Rice is the right person to transform our broadcast television business," said Murdoch, who turned 78 on Wednesday, in a statement.

Rice will report to Tony Vinciguerra, chairman and CEO of the Fox Networks Group, who expanded his role from monitoring the business side of the network to also handling programming.

Meanwhile, all of the movie and TV production departments are now grouped under Jim Gianopulos and Tom Rothman, co-chairmen of Fox Filmed Entertainment, who will report directly to Murdoch.

Peter Levinsohn, president of Fox Interactive Media, which houses MySpace, will also report directly to Murdoch, as will Roger Ailes, chairman and CEO of FOX News Channel and Fox Business Network and chairman of the Fox Television Stations and Twentieth Television.

Last month, Chernin, 57, announced he would step down from his role as News president when his contract expires June 30 and launch a Fox-based production company that requires Fox to purchase at least two movies a year.

Chernin's departure is seen by some as clearing the eventual path to succession for Chief Executive Rupert Murdoch's son James, the 36-year-old executive in charge of News Corp.'s businesses in Europe and Asia.

News Corp. shares rose 19 cents, or 3 percent, to close earlier at \$6.55.

LOAD-DATE: March 13, 2009

LANGUAGE: ENGLISH

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EXHIBIT L

1 of 1 DOCUMENT

Los Angeles Times

August 9, 1992, Sunday, Home Edition

TAKING THE WHEEL AT FOX;
MURDOCH MOVES SWIFTLY TO TAKE CHARGE AFTER REPLACING DILLER

BYLINE: By JOHN LIPPMAN, TIMES STAFF WRITER

SECTION: Business; Part D; Page 1; Column 2; Financial Desk

LENGTH: 2705 words

At 6:30 a.m., a green Mercedes Benz 500SL pulls up to the executive building on the 20th Century Fox lot. Inside is News Corp. Chairman Rupert Murdoch, who recently put himself in the driver's seat at Fox.

Murdoch strides into his rambling white office, removes the double-breasted jacket of his British-cut suit and settles into an overstuffed sofa, where he spends the next three hours on the phone to his London office, scribbling notes on his ubiquitous legal pad.

The rest of his day is devoted to matters closer to home. There's the challenge of turning Fox into a national news network. There's the effort to better integrate the entertainment company into his international operations. There's the thorny issue of negotiating management contracts. Murdoch, 61, has even offered tips for toning down the racy program, "Studs," after firing its creator, Stephen Chao, in a highly publicized move earlier this year.

The reason for all this activity, which began when Murdoch replaced former Fox Chairman Barry Diller as the day-to-day manager six months ago, is simple: Fox's film and TV operations are now the fastest-growing part of News Corp., the nearly \$8-billion global colossus Murdoch built over the last 40 years from two small newspapers in the provincial Australian city of Adelaide.

Murdoch sees Fox as the keystone in News Corp.'s long-term strategy of shifting its focus from newspaper publishing -- its holdings include TV Guide and Mirabella magazines in the United States, The Times of London and The Sun tabloid, book publisher HarperCollins and 64% of the Australian newspaper market -- to the electronic media.

He hopes to build Fox's news operations into a force that will rival CNN as a worldwide supplier of news within a decade. Murdoch also plans to swiftly expand Fox's prime time programming to seven nights a week.

"As Murdoch looked around, he realized that the United States was the key to his empire, and Hollywood was the key to the United States," says Martin Pompadur, president of the media firm RP Cos. and a longtime Murdoch adviser.

Fox executives first realized that change was afoot last summer, when Murdoch

ordered his unmarked office on the first floor of Fox's aging executive building redecorated and enlarged.

Until then Murdoch, was infrequently spotted on the Century City lot, even though since 1985, he had owned the studio that produced "Home Alone." The media tycoon would typically swoop in for a few days, hold a round of meetings, attend a cocktail party or two, then jet off again.

Murdoch's fleeting presence was due to Diller, the mercurial boss who had poured most of his tireless energy into launching Fox's fourth network. Diller, an imperious micro-manager, ran the studio like a fiefdom.

But Murdoch, after spending two-years refinancing News Corp.'s \$7.6-billion debt, which brought the media conglomerate perilously close to the brink, was bored. While he still faced a \$2.5-billion balloon payment in 1994, Murdoch had sold the brash New York Post tabloid, emerged victorious from the costly British satellite TV war, and modernized his London and Australian newspapers. There was nothing left to do.

It was time to go to work at Fox.

"I think it suited me to do this and Barry to move on," Murdoch said in a lengthy interview in his office. . "Barry doesn't do anything forever." Both described the parting as friendly. They first talked about Diller's exit last summer, nearly eight months before his resignation was announced. Diller told Murdoch that he "wanted to run his own show."

The two men, although never close socially, stay in touch. Murdoch sent Diller tapes to all the new Fox pilots, and Diller every few weeks shows up for lunch with Murdoch at the Fox commissary, where they dine in a private suite, attended by vested waiters.

Murdoch says he had been preparing for the move to Los Angeles since he bought the old Jules Stein estate in Beverly Hills six years ago -- complete with \$2 million worth of art and antiques. He lives there with his wife, novelist Anna Murdoch, and their daughter, Elizabeth, who works at Fox's KTTV-TV/Ch. 11.

Although Murdoch usually skips glitzy premiere parties ("I can't go to work for 12 hours a day and then go to parties. I'm too old for that.") he dines regularly with industry heavyweights such as super-agent Michael Ovitz of Creative Artists Agency, and with Anna hosts small dinners at their home.

Murdoch also regularly attends meetings organized by Motion Picture Assn. of America President Jack Valenti, along with fellow executives such as Warner Bros. Chairman Robert Daly, MCA Inc. Chairman Lew Wasserman and Walt Disney Studios Chairman Jeffrey Katzenberg, at the Beverly Hills Hotel.

"He's behaving like someone who wants to be a good citizen," observes one agent who has met with him several times. "Rupert used to only come into town for a day or two and then be off to London or wherever. He lived on an airplane. He doesn't live on an airplane anymore."

Now, with Murdoch decamped in Diller's old office, he is drafting a major thrust into global television.

News Corp. recently purchased a 25% stake in a private Spanish TV network, which he sees as his toehold into the booming Latin American TV market. In another move, it acquired an 80% stake in a pay-per-view venture with Denver-based cable giant Tele-

Communications Inc. Music also figures into the scenario: Murdoch has quietly begun recruiting executives for a new record label, to be called Fox Records.

Little escapes his attention, no matter how mundane.

When Murdoch invited writers from the TV show "The Simpsons" for a get-acquainted lunch at Trips in Century City, he surprised them with his detailed knowledge of all the new pilots. Before Diller even left, Fox executives got word that Murdoch was to be informed of all major decisions in writing. And he didn't hesitate to call Fox managers directly, bypassing Diller, inquiring about the status on a film or TV project.

"While the split was amicable by Hollywood standards, it was clear the company was not big enough for both of them," says a senior Fox executive who was close to both. Observed a division head: "When Rupert moved to the coast, he was very frustrated. There he was, in Los Angeles, he owned the company and couldn't really do anything. He was sitting there for three to four months, and you could see it was eating away at him."

One of the biggest differences Fox executives see under Murdoch is faster decision-making. One recalls asking for \$40 million to upgrade satellite equipment. Murdoch signed off instantly.

"With Barry, the first response was always a 'no' and you had to work your way off that," the executive says, lingering frustration still clear in his voice.

Murdoch allows that he had differences with Diller, but none serious. "Barry had a style of management which was admired by many. I will be the first to admit it had great benefits -- up to a point. But it did lead to territoriality."

Diller believed that each of Fox's major divisions -- film, TV programs, the Fox network and TV stations -- should run independently. Murdoch wants the divisions to work more cooperatively, sharing ideas rather than clashing as they often did in the past.

Indeed, the last six months have been a tumultuous period at Fox, marked by resignations and firings, the most notable being the highly publicized escapade involving Chao, a Murdoch protege who was to lead Fox's efforts to build a national news service before he hired a male model to disrobe in front of dignitaries at a company meeting in Snowmass Village, Colo.

Chao was replaced by Van Gordon Sauter, a veteran CBS News executive who had been out of day-to-day news management for nearly five years. Sauter is married to California State Treasurer Kathleen Brown. The couple have been personal friends with the Murdochs for more than a decade, first meeting through their sons who attended prep school together.

Murdoch also put Chase Carey, a handlebar-moustached rugby player and finance expert, in charge of Fox's seven company-owned TV stations, a job left vacant by Chao's firing. Another top aide is George Vradenberg, Fox's senior counsel and a top strategist.

At Twentieth Television, the TV production and syndication arm, four department heads were moved out by Lucie Salhaney, the new division head recruited by Diller just before he left. Salhaney, along with Fox program chief Peter Chernin, are believed set for larger roles inside the company.

Contrary to some published reports, however, Murdoch was not heavily involved in Fox's two biggest talent coups of the last six months -- signing Chevy Chase for a new late-night Fox talk show, and recruiting director James Cameron to a five-year, 12-picture deal. Negotiating those deals was mostly left to Salhaney, film division president Joe Roth and business affairs chief Strauss Zelnick.

When it comes to film, Murdoch has been learning the ropes, and he concedes knowing less about that business than television. That will likely change.

"Barry was the ultimate insider," says Roth. "He had been doing some form of the movie business for 25 years. Rupert, on the movie side, is an outsider. He is a fast learner. . . . I'm sure he will get to that point."

Roth, whose contract expired last week, has been asked by Murdoch to stay on through the end of the year while they try to work out a new deal. The film division has had a spotty record since its 1991 box office hit "Home Alone," which grossed \$285 million.

Although Murdoch does not attend creative meetings, Roth says Murdoch has offered input on financial and marketing matters. Of the 20 films Fox has scheduled for release in 1993, only one has a budget above \$30 million, "although that has less to do with Rupert than the pain the larger-budget films caused me over the last three years," notes Roth.

Still, Murdoch does have strong points of view about entertainment in Hollywood.

The media entrepreneur who publishes pictures of bare-breasted women on page three of his British tabloids says he is deeply troubled by movies like TriStar's "Basic Instinct," which he told one associate was "borderline pornography that could lead to censorship," and Warner Bros.' "JFK," as well as rap artist Ice-T's controversial song "Cop Killer."

"I don't mind if Oliver Stone wants to make 'JFK.' That's his business!," exclaims Murdoch, his Australian drawl rising to make the point. "That's Warner Bros. business! I wouldn't make it here. It's like Ice T. I wouldn't release it ... one is fundamentally flawed and dishonest, and I don't like songs telling people to kill people."

Murdoch's intensely craggy features tighten into a brief smile. His hairline is grayer and thinner than a couple years earlier -- stress marks from the harrowing refinancing that brought Murdoch dangerously close to losing his company. He walks with a slight limp, the result of surgery a few days earlier on a knee he damaged in a skiing accident three years ago.

In television, Murdoch's tastes are clearly conservative. He championed the tabloid show, "A Current Affair," but found "Studs" not to his liking. Although the series costs a paltry \$65,000 a week to produce and earns millions in profits, Murdoch says that too many episodes were "sleazy celebrations of promiscuity. . . . I told them to clean up their act or get off the air."

Although Murdoch says he doesn't agree with Vice President Dan Quayle's statement that "Murphy Brown" is a poor role model for single mothers, he does believe there are "elites in Hollywood who have agendas that are not the agendas of the whole country. . . . I think (Quayle) speaks for a large number of people when he says that, but we don't need some politically correct thinker in Hollywood or a Dan Quayle to tell us what we should or shouldn't do."

With its warm climate and relative lack of prescribed rules, Los Angeles reminds Murdoch of the Melbourne suburbs where he grew up, the son of a prominent Australian newspaper publisher. The class dictums and snobbery that he found so offensive in London and to a lesser extent in New York, are less prevalent in Los Angeles.

"I like the people here," he says. "You hear all these things about how laid back it is here. Sure, there are plenty of dropouts and layabouts in Hollywood, but the people who are achieving things here -- the actors, directors, set makers -- are very hard-working professionals."

Privately, however, Murdoch is less gracious about Hollywood's upper crust who run the studios, TV networks and so-called "creative community."

During the Los Angeles riots, while a gunman allegedly took potshots at the Fox gate house on Pico Blvd. and other studios sent employees home, Murdoch coolly lunched in the commissary with TV agents. He stayed until 8 p.m., scornfully confiding to one associate that the industry shut down early so that "the studio heads could escape to their Palm Springs homes." At 5 the next morning, Murdoch showed up at Fox's KTTV-TV studios with coffee and bagels for the news crews.

The salaries filmmakers earn are also said to appall Murdoch, whose first compliment about a manager usually concerns his or her ability to pare costs to the bone. Yet, Roth points out, "he grumbles about it but realizes it's difficult to control. . . . Robin Williams does not come cheap." Williams stars in the upcoming Fox film, "Toys."

Although news interested Diller, it is a priority with Murdoch, who adheres to the old broadcasting maxim that the top news station will also become the top-rated station in the market.

That thinking sometimes makes Fox executives nervous. He considered replacing Fox's successful afternoon cartoon shows, which the company produces, to make way for an expanded local newscast. He chastised former Fox TV Station division President Greg Nathanson once for programming a block of "I Love Lucy" reruns, telling him "I don't want to be the Lucy station. I want to be the news station."

Murdoch's plans to challenge CNN stem from his regret for not buying CNN when it was on the financial ropes in the mid-1980s. "He thinks it's his biggest mistake," says one Fox executive. Says Murdoch: "We had a handshake deal, but Ted Turner changed his mind."

Building local news operations at Fox stations in major cities is important because they are intended to serve as the local bureaus that will eventually feed the national news. Murdoch envisions more than 100 mini-bureaus for Fox News around the country.

In the United States, Fox does not plan to produce a domestic network newscast of the kind anchored by Dan Rather or Peter Jennings. Instead, it will package news stories gathered by its stations and feed them back to affiliates which can then edit them into their local newscasts. The stations will also help develop magazine shows and documentaries.

The obstacles may be more political than economic. In Britain, where Murdoch has outraged the already sensitive establishment and Labor Party by serializing a scathing book on the marriage of Prince Charles and Princess Diana in The Sunday Times, is talking again about curbing his media interests. The ITV, Britain's independent commercial TV network, is trying to persuade the government that Murdoch

should be forced to sell his 50% stake in BSkyB, the satellite TV venture.

Such an outcome would hobble Murdoch's chances at creating a truly global TV network. The BBC has already taken steps in that direction.

So far, only 34 of Fox's 140 affiliates have local news and many would prefer running higher-rated entertainment shows.

Yet, Fox executives are hopeful that more affiliates will see the benefit in starting their own local news operations. Already, 15 affiliates have added a local newscast over the last year and more than half are expected to have one on the air by next summer.

Taking long shots is nothing new for Murdoch, although challenging CNN may be the longest one yet.

"Murdoch is a complete optimist," explains Nathanson, now general manager of KTLA-TV/Ch. 5 after resigning from Fox. "His belief is anything can be done, so just do it. He doesn't understand failure."

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LANGUAGE: ENGLISH

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