



NEWSCORP INVESTMENTS LIMITED

ACCOUNTS — 30 JUNE 1987

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

NEWSCORP INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 1987

The Directors present their report on the affairs of the Company, together with the accounts and auditors' report for the year ended 30 June 1987.

PRINCIPAL ACTIVITY:

The principal activity of the Company continues to be that of an investment holding company.

RESULTS AND DIVIDENDS:

The loss for the year after taxation and extraordinary items was £1,899,627 (1986 - profit - £55,700,832). The extraordinary items of £3,884,109 (1986 - £16,472,749) arose from exchange gains in respect of multi-currency bank loans.

The Directors do not propose payment of a dividend.

DIRECTORS:

The Directors who served during the year were as follows:-

K.R. Murdoch
B.R. Matthews (resigned 31 December 1986)
P.W. Stehrenberger
R.A. Sarazen
R.H. Searby (appointed 7 April 1987)

No Director had a beneficial interest in the shares of the Company at any time during the year. The interests of Directors in the shares of other group companies are disclosed in the accounts of News International plc which accompany these accounts.

Subsequent to the year end, on 4 August 1987, the following Directors were appointed.

S.J. Brown
G.B. Hood
Sir E. Pickering

SUBSTANTIAL SHAREHOLDING:

The Company is a wholly-owned subsidiary of The News Corporation Limited, a company incorporated in South Australia.

ISSUE OF SHARE CAPITAL AND REVALUATION OF INVESTMENTS:

In June 1987 the Directors, who were advised by Hambros Bank Limited, revalued the Company's investment in News International plc to £1,200,000,000. Subsequently, on 26 June 1987, the Company issued 1,000,000,000 Redeemable Preference Shares, of £1 each, at par to its parent company from the surplus arising on the revaluation.

AUDITORS:

The Directors will place a resolution before the Annual General Meeting to re-appoint Arthur Andersen & Co. as auditors for the ensuing year.

1 Virginia Street
London
E1 8XY

27 August 1987

BY ORDER OF THE BOARD

G.B. Hood
Company Secretary

ARTHUR ANDERSEN & Co.

1 SURREY STREET
LONDON WC2R 2PS

To the Members of NEWSCORP INVESTMENTS LIMITED:

We have audited the accounts set out on pages 5 to 13 in accordance with approved Auditing Standards.

As explained in Note 1 to the accounts, a consolidation of the Company and its subsidiaries (News International plc and its subsidiaries and Newscorp Company) has not been prepared. The consolidated accounts of News International plc and its subsidiaries and the accounts of Newscorp Company, each for the year ended 30 June 1987 accompany these accounts.

In our opinion, the accounts, which have been prepared under the historical cost convention as modified by the revaluation of certain investments, give a true and fair view of the state of the Company's affairs at 30 June 1987 and of its loss and source and application of funds for the year then ended, and comply with the Companies Act 1985.

London

27 August 1987.

Arthur Andersen & Co.

NEWSCORP INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1987

	<u>Notes</u>	<u>1987</u>	<u>1986</u>
INVESTMENT INCOME	2	£17,055,115	£67,054,439
INTEREST PAYABLE	3	(19,052,106)	(8,506,994)
OPERATING EXPENSES	4	(52,245)	(162,219)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(2,049,236)	58,388,226
TAXATION	6	(3,734,500)	(19,157,143)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(5,783,736)	39,228,083
EXTRAORDINARY ITEMS	7	3,884,109	16,472,749
PROFIT/(LOSS) FOR THE YEAR		(1,899,627)	55,700,832
DIVIDEND PAID		--	(44,700,000)
RETAINED PROFIT/(LOSS) FOR THE YEAR		(1,899,627)	11,000,832
RETAINED PROFITS BROUGHT FORWARD		43,019,669	32,018,837
RETAINED PROFITS CARRIED FORWARD		<u>£41,120,042</u>	<u>£43,019,669</u>

The accompanying notes are an integral part of this profit and loss account.

NEWSCORP INVESTMENTS LIMITED

BALANCE SHEET - 30 JUNE 1987

	<u>Notes</u>	<u>1987</u>	<u>1986</u>
FIXED ASSETS			
Tangible assets	8	£ 83,667	£ -
Investments	9	1,264,615,986	123,618,223
		<u>1,264,699,653</u>	<u>123,618,223</u>
CURRENT ASSETS			
Debtors	10	117,314,248	94,644,158
Investments		50,045	-
Cash at bank		-	7,221
		<u>117,364,293</u>	<u>94,651,379</u>
CREDITORS: Amounts falling due within one year	11	(133,697,726)	(118,149,933)
NET CURRENT LIABILITIES		<u>(16,333,433)</u>	<u>(23,498,554)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,248,366,220	100,119,669
CREDITORS: Amounts falling due after more than one year	12	(100,000,000)	(30,000,000)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(3,734,500)	-
NET ASSETS		<u>£1,144,631,720</u>	<u>£ 70,119,669</u>
CAPITAL AND RESERVES			
Called-up share capital	14	£1,027,100,000	£ 27,100,000
Profit and loss account		41,120,042	43,019,669
Revaluation reserve	15	76,411,678	-
TOTAL CAPITAL EMPLOYED		<u>£1,144,631,720</u>	<u>£ 70,119,669</u>

SIGNED ON BEHALF OF THE BOARD

P.W. Stehrenberger)
) Directors
 R.H. Searby)

Richard Searby
[Signature]

27 August 1987

The accompanying notes are an integral part of this balance sheet.

NEWSCORP INVESTMENTS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30 JUNE 1987

	<u>1987</u>	<u>1986</u>
SOURCES OF FUNDS		
Profit/(Loss) on ordinary activities		
before taxation	£ (2,049,236)	£ 58,385,226
Extraordinary items	3,884,109	16,472,749
	<hr/>	<hr/>
TOTAL FUNDS FROM OPERATIONS	1,834,873	74,857,975
Loan from affiliated company	118,000,000	118,000,000
Loan from bank	70,000,000	-
APPLICATION OF FUNDS		
Purchase of fixed assets	(83,667)	-
Repayment of loan from affiliated company	(118,000,000)	-
Repayment of bank loan	-	(70,000,000)
Investment in subsidiary company	(64,516,130)	-
Dividends paid	-	(44,700,000)
Taxation paid	-	(19,157,143)
Costs of revaluation of investments	(120,000)	-
	<hr/>	<hr/>
	£ 7,115,076	£59,000,832
	<hr/>	<hr/>
INCREASE/(DECREASE) IN NET CURRENT ASSETS		
- debtors	£ 22,670,090	£61,332,364
- creditors falling due within one year	(15,547,793)	201,667
	<hr/>	<hr/>
	7,122,297	26,290,360
Movement in net liquid funds:		
- cash at bank	(7,221)	2,533,199
	<hr/>	<hr/>
	£ 7,115,076	£59,000,832
	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

NEWSCORP INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1987

1. ACCOUNTING POLICIES:

The principal accounting policies are:-

a) Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain investments.

b) Consolidated accounts

In the opinion of the directors, preparation of consolidated accounts for the year to 30 June 1987 would not provide any additional information for the shareholder and the cost of preparing them would outweigh the benefit received. The audited consolidated accounts of News International plc for the year to 30 June 1987 and the audited accounts of Newscorp Company for the year to 30 June 1987 are attached to these accounts.

c) Investments in subsidiary companies

Investments in subsidiary companies are stated at cost as modified by the revaluation of the Company's investment in News International plc. In the opinion of the Directors, the investments are worth not less than the amount at which they are stated in these accounts.

d) Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the year-end. Exchange gains and losses arising in respect of foreign currency borrowings are dealt with as extraordinary items.

e) Group Relief

It is the policy of Newscorp Investments Limited group companies not to make payment for group relief claimed.

f) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged, on a straight-line basis, from the date of acquisition at the following rates:

Leasehold land and buildings -- over the period of lease.

g) Deferred Taxation

Deferred taxation (which arises from differences in the timing of the recognition of items in the accounts and by the tax authorities) has been calculated on the liability method. Deferred tax is provided on timing differences which, in the opinion of the Directors, will probably reverse, at the rate of tax likely to be in force at the time of reversal.

NOTES TO THE ACCOUNTS (Continued)

2. INVESTMENT INCOME:

	<u>1987</u>	<u>1986</u>
Dividends receivable from ordinary shareholding in subsidiary	£ 1,905,474	£63,857,143
Dividends receivable from special dividend shareholding in subsidiary	4,468,158	3,151,259
Interest receivable from subsidiary	10,670,000	34,017
Other investment income	11,483	12,020
	<u>£ 17,055,115</u>	<u>£67,054,439</u>

3. INTEREST PAYABLE:

	<u>1987</u>	<u>1986</u>
On bank loan	£ 7,120,996	£8,277,437
On all other loans	11,931,110	229,557
	<u>£19,052,106</u>	<u>£8,506,994</u>

4. OPERATING EXPENSES:

	<u>1987</u>	<u>1986</u>
All operating expenses are general and administrative expenses	£ 52,245	£ 162,219

5. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION:

Profit/(Loss) on ordinary activities before taxation is stated after charging:-	<u>1987</u>	<u>1986</u>
Auditors' remuneration	£ 7,000	£ 6,300

The Directors were remunerated by other companies within the group.

6. TAXATION:

Taxation for the year comprises:

	<u>1987</u>	<u>1986</u>
Taxation attributable to franked investment income	£ -	£19,157,143
Deferred taxation arising from short term timing differences	3,734,500	-
	<u>£3,734,500</u>	<u>£19,157,143</u>

The dividends receivable for 1987 from the Company's subsidiary were paid under a group ACT election. In 1986, dividends were not paid under a group ACT election.

7. EXTRAORDINARY ITEMS:

	<u>1987</u>	<u>1986</u>
Realised exchange gain arising in respect of multi-currency bank loan	£ 8,278,239	£15,819,717
Unrealised exchange (loss)/gain arising in respect of multi-currency bank loan	(4,394,130)	653,032
	<u>£ 3,884,109</u>	<u>£16,472,749</u>

8. TANGIBLE FIXED ASSETS:

Tangible fixed assets comprise leasehold land and buildings. These assets were acquired during the year at a cost of £83,667 and no depreciation charge has been recorded in the year.

9. INVESTMENTS:

	<u>1987</u>	<u>1986</u>
Investments comprise:		
Shares in subsidiary companies	£ 1,264,516,230	£ 123,468,422
Other investments	99,756	149,801
	<u>£ 1,264,615,986</u>	<u>£ 123,618,223</u>

Subsidiary companies -

The subsidiary companies are News International plc and Newscorp Company, an unlimited company. The investments comprise:-

COMPANY NAME	CLASS OF SHARE	NO OF SHARES HELD	% OF ISSUED CAPITAL OF EACH CLASS
News International plc	Ordinary Special Dividend	39,656,000 139,768,628	100.00 81.00
Newscorp Company	Ordinary	64,516,230	100.00

The principal activity of News International plc and its subsidiaries is the printing and publishing of newspapers and it operates and is incorporated in the United Kingdom. Details of the principal subsidiaries and related companies of News International plc are set out on pages 30 and 31 of its accounts for the year ended 30 June 1987 which accompany these accounts.

The principal activity of Newscorp Company is the provision of finance to other group companies and is incorporated in the United Kingdom.

NOTES TO THE ACCOUNTS (Continued)

9. INVESTMENTS (continued):

The movement during the year was as follows:

	<u>1987</u>
Beginning of year	£ 123,468,422
Additions	64,516,130
Revaluation	1,076,531,678
	<hr/>
End of year	<u>£1,264,516,230</u>

Additions comprise the cost of shares issued by Newscorp Company during the year.

The investment in News International plc has been incorporated in the balance sheet at a valuation of £1,200,000,000 placed on it by the Directors, who were advised by Hambros Bank Limited.

Other investments -

Other investments comprise United Kingdom Treasury Stock.

The movement in the year was as follows:

	<u>1987</u>
Beginning of year	£149,801
Transfer to current assets	(50,045)
	<hr/>
End of year	<u>£ 99,756</u>

10. DEBTORS:

The following are included in debtors:-

	<u>1987</u>	<u>1986</u>
Amounts falling due within one year:-		
Exchange gain on multi-currency bank loan	£ -	£ 653,032
Dividends receivable from subsidiary	4,532,415	1,448,373
Due from subsidiaries	112,774,988	92,539,198
Other debtors	6,845	3,555
	<hr/>	<hr/>
	<u>£117,314,248</u>	<u>£94,644,158</u>

NOTES TO THE ACCOUNTS (Continued)

11. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR:

The following amounts are included in creditors falling due within one year:-	<u>1987</u>	<u>1986</u>
Bank overdraft	£ 11,941,614	£ -
Exchange loss on multi-currency bank loan	2,318,517	-
Due to fellow subsidiary	117,983,552	118,016,330
Accruals	1,454,043	133,603
	<u>£133,697,726</u>	<u>£118,149,933</u>

12. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

The following amounts are included in creditors falling due after more than one year:-	<u>1987</u>	<u>1986</u>
Bank loan	<u>£100,000,000</u>	<u>£ 30,000,000</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES:

Provisions for liabilities and charges comprise deferred taxation arising on short-term timing differences of £3,734,500 (1986-£nil). The movement for the year was as follows:

	<u>1987</u>
Beginning of year	£ -
Charged to profit and loss account in respect of:	
- short-term timing difference	3,734,500
End of year	<u>£3,734,500</u>

NOTES TO THE ACCOUNTS (Continued)

14. SHARE CAPITAL:

		<u>1987</u>	<u>1986</u>
Authorised:	Ordinary Shares of £1 each	£ 50,000,000	£50,000,000
	Redeemable Preference Shares of £1 each -	1,000,000,000	-
		<u>£1,050,000,000</u>	<u>£50,000,000</u>
Issued and fully paid:	Ordinary Shares of £1 each	£ 27,100,000	£27,100,000
	Redeemable Preference Shares of £1 each -	1,000,000,000	-
		<u>£1,027,100,000</u>	<u>£27,100,000</u>

In June 1987 the company issued 1,000,000,000 Redeemable Preference Shares, of £1 each, at par from the surplus arising on the revaluation of its investment in News International plc. The shares are redeemable at any time upon one months notice being served.

15. REVALUATION RESERVE:

	<u>1987</u>
Beginning of year	£ -
Revaluation of investment in subsidiary net of related costs	1,076,411,678
Issue of redeemable preference shares	<u>(1,000,000,000)</u>
End of year	<u>£ 76,411,678</u>

16. GUARANTEES:

The company has guaranteed, along with its parent company and other fellow subsidiaries, a US\$670M loan to a fellow subsidiary.

17. ULTIMATE HOLDING COMPANY:

The Company's immediate parent, and ultimate holding company, is The News Corporation Limited, a company incorporated in South Australia.

NEWSCORP COMPANY

ACCOUNTS — 30 JUNE 1987

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

NEWSCORP COMPANY

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 1987

The Directors present their report on the affairs of the Company, together with the accounts and auditors' report for the year ended 30 June 1987.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW:

The principal activity of the Company is the provision of finance to other group companies.

RESULTS AND DIVIDENDS:

The Company's profit for the year after taxation and extraordinary items was £7,405,474 (1986 - £5,500,000). The extraordinary items of £2,523,693 (1986 - £NIL) comprise unrealised exchange losses in respect of loans to a fellow subsidiary.

The Company paid preference dividends of £5,500,000 (1986 - £5,500,000) during the year and proposes to pay an ordinary dividend of £1,905,474 (1986 - nil).

SHARE CAPITAL:

On 1 July 1986 the Company issued 64,516,130 £1 Ordinary Shares at par. The proceeds of this issue were loaned to a fellow subsidiary.

DIRECTORS AND THEIR INTERESTS:

The Directors who served during the year are as shown below.

P.W. Stehrenberger

B.R. Matthews (resigned 31 December 1986)

W.A. O'Neill (appointed 21 January 1987)

The Directors have no interests which require disclosure under Schedule 7 of the Companies Act 1985.

NEWSCORP COMPANY

DIRECTORS' REPORT (Continued)

SUBSEQUENT EVENTS:

On 16 July 1987 the Company redeemed at par value all of the issued 11 per cent Redeemable Cumulative Preference Shares following repayment of a £50,000,000 loan by a fellow subsidiary.

In addition, on 19 August 1987 the Company redeemed 64,516,130 £1 Ordinary Shares, following repayment of a US\$100,000,000 loan by a fellow subsidiary.

AUDITORS:

The Directors will place a resolution before the Annual General Meeting to re-appoint Arthur Andersen & Co. as auditors for the ensuing year.

BY ORDER OF THE BOARD

1 Virginia Street
London
E1 9XY

E. Rogers
Secretary

27 August 1987

ARTHUR ANDERSEN & CO.

1 SURREY STREET
LONDON WC2R 2PS

To the Members of NEWSOOP COMPANY:

We have audited the accounts on pages 4 to 9 in accordance with approved Auditing Standards.

In our opinion, the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Company at 30 June 1987 and of its result and source and application of funds for the year then ended, and comply with the Companies Act 1985.

London

27 August 1987

Arthur Andersen & Co.

NEWSCORP COMPANY

PROFIT AND LOSS ACCOUNT

FOR TAX YEAR ENDED 30 JUNE 1987

	<u>NOTES</u>	<u>1987</u>	<u>1986</u>
INTEREST RECEIVABLE ON LOANS TO FELLOW SUBSIDIARY		£ 9,929,167	£ 5,500,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>9,929,167</u>	<u>5,500,000</u>
TAXATION	3	<u>—</u>	<u>—</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		9,929,167	5,500,000
EXTRAORDINARY ITEMS	4	<u>(2,523,693)</u>	<u>—</u>
DIVIDENDS PAID AND PROPOSED	5	<u>7,405,474</u> <u>(7,405,474)</u>	<u>5,500,000</u> <u>(5,500,000)</u>
RETAINED PROFIT FOR THE YEAR		—	—
RETAINED PROFIT, beginning of year		—	—
RETAINED PROFIT, end of year		<u>£ —</u>	<u>£ —</u>

The accompanying notes are an integral part of this profit and loss account.

NEWSCORP COMPANY

BALANCE SHEET - 30 JUNE 1987

CURRENT ASSETS	NOTES	1987	1986
Loans receivable from fellow subsidiary		£ 111,992,437	£ 50,000,000
Amounts due from fellow subsidiary		3,339,262	-
Cash at bank		1,090,005	100
TOTAL CURRENT ASSETS		£ 116,421,704	£ 50,000,100
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Dividends payable	5	(1,905,474)	-
NET ASSETS		£ 114,516,230	£ 50,000,100
CAPITAL AND RESERVES			
Called-up Share Capital	6	£ 114,516,230	£ 50,000,100

SIGNED ON BEHALF OF THE BOARD

P.W. Stehrenberger)
W.A.O'Neill) Directors



27 August 1987

The accompanying notes are an integral part of this balance sheet.

NEWSCORP COMPANY
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30 JUNE 1987

	<u>1987</u>	<u>1986</u>
SOURCE OF FUNDS:		
Profit on ordinary activities before taxation	£ 9,929,167	£ 5,500,000
Extraordinary items	(2,523,693)	-
	<hr/>	<hr/>
TOTAL FUNDS FROM OPERATIONS	£ 7,405,474	£ 5,500,000
Proceeds from issue of Ordinary Shares	64,516,130	50,000,000
APPLICATION OF FUNDS		
Loan to fellow subsidiary	(61,992,437)	(50,000,000)
Dividends paid	(5,500,000)	(5,500,000)
	<hr/>	<hr/>
	£ 4,429,167	£ 100
	<hr/>	<hr/>
INCREASE/(DECREASE) IN NET CURRENT ASSETS		
-- amounts due from fellow subsidiary	£ 3,339,262	£ -
-- creditors falling due within one year	-	-
	<hr/>	<hr/>
	£ 3,339,262	
Movement in net liquid funds:		
-- cash at bank	1,088,905	100
	<hr/>	<hr/>
	£ 4,429,167	£ 100
	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

NEWSCORP COMPANY

NOTES TO ACCOUNTS - 30 JUNE 1987

1. PRINCIPAL ACCOUNTING POLICIES:

- a) The accounts have been prepared under the historical cost convention.
- b) It is the policy of Newscorp Investments Limited group companies not to make payment to fellow subsidiaries for group relief claimed.
- c) Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the year-end. Exchange gains and losses arising in respect of these items are dealt with as extraordinary items.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

The Directors and auditors of the Company were remunerated by other companies within the Newscorp Investments Limited group.

3. TAXATION:

Taxation for the year comprises:

	<u>1987</u>	<u>1986</u>
Corporation tax charge at 35% (1986 - 38.75%)	£ 3,475,208	£ 2,131,250
Group relief claimed (Note 1(b))	<u>(3,475,208)</u>	<u>(2,131,250)</u>
	<u>£ -</u>	<u>£ -</u>

4. EXTRAORDINARY ITEMS:

	<u>1987</u>	<u>1986</u>
Unrealised exchange loss arising in respect of loan to a fellow subsidiary	£ 2,523,693	£ -

5. DIVIDENDS:

	<u>1987</u>	<u>1986</u>
11 per cent preference dividend (paid)	£ 5,500,000	£ 5,500,000
Ordinary dividend (proposed)	<u>1,905,474</u>	<u>-</u>
	<u>£ 7,405,474</u>	<u>£ 5,500,000</u>

NEWSCORP COMPANY

NOTES TO ACCOUNTS - 30 JUNE 1987 (Continued)

6. CAPITAL AND RESERVES:

Authorised

	<u>1987</u>	<u>1986</u>
£1 Ordinary Shares	£ 100,000,000	£ 100,000,000
£1 11 per cent Redeemable Cumulative Preference Shares	<u>100,000,000</u>	<u>100,000,000</u>
	<u>£ 200,000,000</u>	<u>£ 200,000,000</u>

Issued And Fully-Paid

	<u>1987</u>	<u>1986</u>
£1 Ordinary Shares	£ 64,516,230	£ 100
£1 11 per cent Redeemable Cumulative Preference Shares	<u>50,000,000</u>	<u>50,000,000</u>
	<u>£114,516,230</u>	<u>£ 50,000,100</u>

On 1 July 1986 the Company issued 64,516,130 £1 Ordinary Shares at par. The proceeds of this issue were loaned to a fellow subsidiary.

The 11 per cent Redeemable Cumulative Preference Shares were all redeemed at par subsequent to the year end (see note 8).

NEWSCORP COMPANY

NOTES TO ACCOUNTS - 30 JUNE 1987 (Continued)

7. ULTIMATE HOLDING COMPANY:

The Company's immediate parent is Newscorp Investments Limited. The ultimate holding company is The News Corporation Limited, a company incorporated in South Australia.

8. SUBSEQUENT EVENTS:

On 16 July 1987 the Company redeemed at par all of the issued 11 per cent Redeemable Cumulative Preference Shares following repayment of a £50,000,000 loan by a fellow subsidiary.

In addition, on 19 August 1987 the Company redeemed 64,516,130 £1 Ordinary Shares, following repayment of a US\$100,000,000 loan by a fellow subsidiary.