Risk Factors Comparison 2023-08-15 to 2022-08-12 Form: 10-K

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You should carefully consider the following risks and other information in this Annual Report on Form 10- K in evaluating the Company and its common stock. Any of the following risks, or other risks or uncertainties not presently known or currently deemed immaterial, could materially and adversely affect the Company' s business, results of operations or financial condition, and could, in turn, impact the trading price of the Company' s common stock. Risks Relating to the Company' s Businesses and Operations The Company Operates in a Highly Competitive Business Environment, and its Success Depends on its Ability to Compete Effectively, Including by Responding to Evolving Technologies and Changes in Consumer and Customer Behavior. The Company faces significant competition from other providers of news, information, entertainment and real estate- related products and services. See " Business Overview " for more information regarding competition within each of the Company' s segments. This competition continues to intensify as a result of changes in technologies, platforms and business models and corresponding changes in consumer and customer behavior. For example, **new** ~~enhanced internet capabilities, developments in~~ content distribution platforms and ~~the emergence of new~~ media channels have increased the choices available to consumers for content consumption and adversely impacted, and may continue to adversely impact, demand **and pricing** for the Company' s newspapers, ~~television programs~~ **pay- TV services** and other products and services ~~and the price consumers are willing to pay~~ . Consumption of the Company' s content on third- party delivery platforms **reduces its control over how its content is discovered, displayed and monetized and** may ~~also lead~~ **affect its ability** to **attract** ~~loss of distribution and monetization control~~ , **retain and monetize** ~~loss of a direct relationship with~~ consumers **directly** and **compete effectively** ~~lower engagement and subscription rates~~ . While the Company has multi- year agreements with several large platforms pursuant to which the Company licenses its content for use on such platforms in exchange for significant payments, there is no guarantee that these content license agreements will be renewed on terms favorable to the Company or at all. These trends and developments have adversely affected, and may continue to adversely affect, both the Company' s circulation and subscription **and advertising** revenue and **may** ~~, in turn, advertisers' willingness to purchase advertising from the Company, as well as~~ increase subscriber acquisition, retention and other costs. Technological developments have also increased competition in other ways. For example, digital video content ~~is becoming~~ **has become** more prevalent and attractive for many consumers via direct- to- consumer offerings, as internet streaming capabilities have enabled the disaggregation of content delivery from the ownership of network infrastructure. Other digital platforms and technologies, such as user- generated content platforms and self- publishing tools, combined, in some cases, with widespread availability of sophisticated search engines and public sources of free or relatively inexpensive information and solutions, have also reduced the effort and expense of locating, gathering and disseminating data and producing and distributing certain types of content on a wide scale, allowing digital content providers, customers, suppliers and other third parties to compete with the Company, often at a lower cost, and potentially diminishing the perceived value of the Company' s offerings. **Recent developments in AI, such as generative AI, may accelerate or exacerbate these effects.** Additional digital distribution channels, such as online retailers and digital marketplaces, **some of which** have **significant scale and leverage, have also** presented, and ~~may~~ continue to present, challenges to the Company' s business models, ~~including~~ **particularly** its traditional book publishing model, ~~which~~ **and any failure to adapt to or manage changes made by these channels** could adversely affect sales volume **, pricing** and / or ~~pricing~~ **costs** . In order to compete effectively, the Company must differentiate its brands and their associated products and services, respond to new technologies, distribution channels and platforms, develop new products and services and consistently anticipate and respond to changes in consumer and customer needs and preferences, which in turn, depends on many factors both within and beyond its control. **The** ~~For example, the~~ Company relies on brand awareness, reputation and acceptance of its high- quality differentiated content and other products and services, the breadth, depth and accuracy of information provided by its digital real estate services and professional information businesses, as well as its wide array of digital offerings, in order to retain and grow its audiences, consumers and subscribers. However, consumer preferences change frequently and are difficult to predict, and when faced with a multitude of choices, consumers may place greater value on the convenience and price of content and other products and services than they do on their source, quality or reliability. **For example, generative AI that has been trained on the Company' s content or is able to produce output that contains, is similar to or is based on the Company' s content without attribution or compensation, may reduce traffic to the Company' s digital properties, decrease subscriptions to its products and services and adversely affect its results of operations.** Online traffic and product and service purchases are also driven by ~~internet~~ **visibility on** search ~~results~~ **engines** , ~~referrals from~~ social media **,** ~~and other platforms and visibility on~~ digital ~~marketplace~~ **marketplaces ,** ~~platforms and in~~ mobile app stores ~~. Search engine results and digital marketplace and mobile app store rankings are based on algorithms that are changed frequently, and social media~~ and other platforms ~~may also vary their emphasis on what content to highlight for users~~ . The Company has limited control over **changes made by** these ~~changes,~~ **platforms affecting the visibility of its content** and ~~any~~ **other products and services, which occur frequently. Any** failure to successfully manage and adapt to ~~them~~ **such changes** could impede the Company' s ability to compete effectively by ~~significantly~~ decreasing ~~traffic~~ **visits** to ~~its digital offerings~~ , ~~lowering~~ **and** advertiser interest in ~~those~~ **, its digital** offerings, increasing costs if free traffic is replaced with paid traffic and lowering product sales and subscriptions. The Company expects to continue to pursue new strategic initiatives and develop new and enhanced products and services in order to remain competitive, such as additional streaming features and **options, including its recently launched ad- supported BINGE product,** new content aggregation offerings, innovative digital news products and experiences ~~, its recently launched TalkTV in the U. K.~~ and the continued expansion into **new**

business models and various adjacencies at its digital real estate services businesses **. The Company may also develop additional products and services that responsibly incorporate AI solutions to enhance insights and value for customers and consumers and respond to industry trends** . The Company has incurred, and expects to continue to incur, significant costs in order to implement these strategies and develop these new and improved products and services, including costs relating to the initiatives referenced above, as well as other costs to acquire, develop, adopt, upgrade and exploit new and existing technologies and attract and retain employees with the necessary knowledge and skills. There can be no assurance any strategic initiatives, products and services will be successful in the manner or time period or at the cost the Company expects or that it will realize the anticipated benefits it expects. ~~The failure to realize those benefits could have a material adverse effect on the Company’ s business, results of operations and financial condition.~~ Some of the Company’ s current and potential competitors have greater resources, fewer regulatory burdens, better competitive positions in certain areas, greater operating capabilities, greater access to sources of content, data, technology **(including AI)** or other services or strategic relationships and / or easier access to financing, which may allow them to respond more effectively to changes in technology, consumer and customer needs and preferences and market conditions. Continued consolidation ~~among competitors~~ **or strategic alliances** in certain industries in which the Company operates **or otherwise affecting the Company’ s businesses** may increase these advantages, including through greater scale, financial leverage and / or access to content, data, technology **(including AI)** and other offerings. If the Company is unable to compete successfully, its business, results of operations and financial condition could be adversely affected **.** ~~Macroeconomic and Market Risks~~ Weak Domestic and Global Economic Conditions ~~and~~ **,** Volatility and Disruption in the Financial and Other Markets **and Other Events Outside the Company’ s Control** May Adversely Affect the Company’ s Business.The U.S.and global economies and markets have ~~weakened~~ recently **experienced,** and are ~~experiencing~~ **expected to undergo in the future,periods of weakness,** uncertainty and volatility due to,among other things, ~~higher~~ **continued** ~~inflation~~ **inflationary pressures** ,changes in monetary policy,increased interest rates **,recessionary concerns** ,supply chain disruptions,volatile foreign currency exchange rates, **geopolitical tensions and conflicts (including** the war in Ukraine **)** ~~,the ongoing recovery from the COVID- 19 pandemic~~ and ~~trade disputes and other geopolitical~~ --- **political** ~~events~~ **and social unrest** .These conditions **continued to** ~~increased~~ - **increase** the Company’ s costs in fiscal ~~2022~~ **2023** and **reduced demand for certain of its products and services.** ~~higher~~ **Higher** home prices and interest rates,in particular, **caused further** ~~contributed to recent~~ declines in real estate lead and transaction volumes and adjacent businesses at its ~~digital~~ **Digital** ~~real~~ **Real** ~~estate~~ **Estate** ~~services~~ **Services** ~~business~~ **segment and inflation and recessionary concerns adversely impacted both corporate and consumer discretionary spending,resulting in lower advertising and book sales.Higher interest rates also contributed to recent bank failures which have strained the credit and capital markets** .These and other similar conditions have in the past also resulted in,and could in the future lead to,among other things,a tightening of,and in some cases more limited access to,the credit and capital markets,lower levels of liquidity,increases in the rates of default and bankruptcy ~~,lower consumer and business spending~~ ,lower consumer net worth and a decline in the real estate and energy and commodities markets.Such weakness and uncertainty and associated market disruptions have often led to broader,prolonged economic downturns that have historically resulted in lower advertising expenditures,lower demand for the Company’ s products and services,unfavorable changes in the mix of products and services purchased,pricing pressures,higher borrowing costs and decreased ability of third parties to satisfy their obligations to the Company and have adversely affected the Company’ s business,results of operations,financial condition and liquidity.Any continued or recurring economic weakness is likely to have a similar impact on the Company’ s business ~~and~~ **,** reduce ~~its circulation and subscription,advertising,real estate,consumer and other~~ revenues **across its segments** and otherwise negatively impact ~~the~~ **its** performance ~~of its businesses~~ .The Company is particularly exposed to (1) certain Australian business risks because it holds a substantial amount of Australian assets and generated approximately ~~40~~ **39** % of its fiscal ~~2022~~ **2023** revenues from Australia and (2) to a lesser extent,business risks relating to the U.K.,where it generated approximately ~~13~~ **12** % of its fiscal ~~2022~~ **2023** revenues. **The** ~~As a result,the~~ Company ~~’ s business,results of operations and financial condition~~ may **also** be **impacted** ~~adversely affected~~ by ~~negative developments in the~~ **other** ~~Australian~~ **events outside its control,including pandemics** and ~~U~~ **other health crises,natural disasters,severe weather events (which may occur with increasing frequency and intensity),hostilities,political or social unrest,terrorism or other similar events** . **For example,** ~~K.markets.The Impact of~~ the COVID- 19 ~~Pandemic~~ **pandemic** ~~and Other Similar Epidemics,Pandemics or Widespread Health Crises is Difficult to Predict and Could Adversely Affect the Company’ s Business and Results of Operations.The COVID- 19 outbreak and measures to prevent its spread~~ caused ~~significant~~ **postponements** and ~~prolonged unemployment,~~ **cancellations of sports events that negatively impacted Foxtel revenues and** a decline in **print newspaper** ~~consumer confidence,changes in consumer behavior,significant economic deterioration,volatility in the capital markets,inflation,supply chain disruptions and an~~ **and** ~~increasingly competitive labor market and have had,and~~ **advertising sales.Future widespread health crises or other uncontrollable events** may **similarly** ~~in the future~~ have ~~,~~ an adverse effect on the Company’ s business ~~and~~ **,** results of operations ~~.For example,business restrictions~~ and **financial condition** ~~shelter- in- place~~ . A Decline in Customer Advertising Expenditures Could Cause the Company’ s Revenues and Operating Results to Decline Significantly. The Company derives substantial revenues from the sale of advertising, and its ability to generate advertising revenue is dependent on a number of factors, including: (1) demand for the Company’ s products and services, (2) audience fragmentation, (3) digital advertising trends, (4) its ability to offer advertising products and formats sought by advertisers, (5) general economic and business conditions, (6) demographics of the customer base, (7) advertising rates, (8) advertising effectiveness and (9) maintaining its brand strength and reputation. Demand for the Company’ s products and services is evaluated based on a variety of metrics, **such as the number of users and visits and user engagement for the Company’ s digital offerings, circulation for its newspapers and ratings for its cable channels,** which are used by advertisers to determine the amount of advertising to purchase from the Company and advertising rates. ~~For the Company’ s digital offerings, advertisers evaluate demand based on metrics such as the number of visits, number of users and user engagement. Other metrics include circulation levels for the~~

~~Company' s newspapers, ratings points for its cable channels and number of listeners for its radio stations.~~ Any difficulty or failure in accurately measuring demand, particularly **for** ~~demand generated through new~~ **newer offerings or across multiple** platforms, may lead to under- measurement and, in turn, lower advertising pricing and spending. The popularity of digital media among consumers as a source of news, entertainment, information and other content, and the ability of digital advertising to deliver targeted, measurable impressions promptly, has driven a corresponding shift in advertising from traditional channels to digital platforms and ~~materially and~~ adversely impacted the Company' s print advertising revenues. Large digital platforms in particular, such as Facebook, Google and Amazon, which have extensive audience reach, data and targeting capabilities **and strengths in certain in- demand advertising formats** , ~~continue to~~ command ~~an increasing~~ **a large** share of the digital advertising market. New devices and technologies, as well as higher consumer engagement with other forms of digital media platforms such as online and mobile social networking, have also increased the number of media choices and formats available to audiences, resulting in audience fragmentation and increased competition for advertising. The range of advertising choices across digital products and platforms and the large inventory of available digital advertising space have historically resulted in significantly lower rates for digital advertising (particularly mobile advertising) than for print advertising. Consequently, despite continued growth in the Company' s digital advertising revenues, such revenues may not be able to ~~replace~~ **offset declines in** print advertising revenue ~~lost as a result of the shift to digital consumption~~ . The digital advertising market also continues to undergo changes that may further impact digital advertising revenues. Programmatic buying channels that allow advertisers to buy audiences at scale play a significant role in the advertising marketplace and have caused and may continue to cause further downward pricing pressure and the loss of a direct relationship with marketers. Third- party delivery platforms may also lead to loss of distribution and monetization control, loss of a direct relationship with consumers and adversely affect the Company' s ability to understand its audience and / or collect and apply data for targeted advertising. The Company' s digital advertising operations also rely on a small number of significant technologies such as Google' s ~~ad~~ **Ad** ~~manager~~ **Manager** which, if interrupted or meaningfully changed, or if the providers leverage their power to alter the economic structure, could adversely impact advertising revenues and / or operating costs. In addition, evolving standards for the delivery of digital advertising, ~~as well as~~ the development and implementation of technology, regulations, policies and practices **and changing consumer expectations** that adversely affect the Company' s ability to deliver, target or measure the effectiveness of its advertising, including ~~blocking the display of advertising, browsing incognito, blocking or deleting cookies and IP addresses,~~ the phase- out of support for third party cookies and mobile identifiers, as well as opt- in requirements and new privacy regulations, may also negatively impact digital advertising revenues. As the digital advertising market continues to evolve, the Company' s ability to compete successfully for advertising budgets will depend on, among other things, its ability to drive scale, engage and grow digital audiences, collect and leverage better user data, develop ~~new~~ **and grow in- demand** digital advertising products and formats such as branded and other custom content ~~,~~ and video and mobile advertising, and demonstrate the value of its advertising and the effectiveness of the Company' s platforms to its advertising customers, including through more targeted, data- driven offerings. The Company' s print and digital advertising revenue is also affected generally by overall national and local economic and business conditions, which tend to be cyclical, as well as election and other news cycles. **During fiscal 2023, factors such as inflation, including higher labor costs, higher interest rates, recessionary fears, supply chain disruptions and geopolitical tensions and conflicts (including the war in Ukraine) contributed to greater economic uncertainty, reduced spending by advertisers and lower advertising revenues at certain of the Company' s businesses. Other events outside the Company' s control, including** ~~Natural~~ **natural** disasters, ~~including~~ extreme weather, pandemics (including the ~~novel coronavirus ("~~ COVID- 19 ~~")~~ pandemic) and other widespread health crises, **political and social unrest** ~~inflation, including higher labor costs, supply chain disruptions, war~~ or acts of terrorism **,** have ~~led~~ **had,** and **may in the future have,** ~~could continue to lead to greater economic uncertainty and reduced spending by advertisers. The Company experienced~~ a **similar impact** ~~short- term decline in advertising during the third quarter of fiscal 2022 due to the war in Ukraine. While that decline was immaterial, continued economic disruption from the war has broadened inflationary pressures and may lead to decreased spending by advertisers~~ . In addition, certain sectors of the economy account for a significant portion of the Company' s advertising revenues, including retail, technology and finance. ~~Some of these~~ **The technology and, to a lesser extent, finance** sectors **were particularly affected by economic and market conditions in fiscal 2023** , ~~such as~~ **which led to lower advertising spending and revenues in those categories. The** retail ~~, are more~~ **sector is also** sensitive to weakness in economic conditions **and consumer spending** , as well as increased online competition. ~~A~~ **Future** ~~decline~~ **declines** in the economic prospects of these and other advertisers or the economy in general could alter current or prospective advertisers' spending priorities or result in consolidation or closures across various industries, which may **further** reduce the Company' s overall advertising revenue. While the Company has adopted a number of strategies and initiatives to address these challenges, there can be no guarantee that its efforts will be successful. If the Company is unable to demonstrate the continuing value of its various platforms and high- quality content and brands or offer advertisers unique multi- platform advertising programs, its ~~results may suffer. Reduced demand for the Company' s offerings, a decrease in advertising expenditures by the Company' s customers or a surplus of advertising inventory could lead to a reduction in pricing and advertising spending, which could have an adverse effect on the Company' s~~ business, results of operations and financial condition **could be adversely affected** . The Inability to Obtain and Retain Sports, Entertainment and Other Programming Rights and Content Could Adversely Affect the Revenue of Certain of the Company' s Operating Businesses, and Costs Could Also Increase Upon Renewal. Competition for popular programming licensed from third parties is intense, and the success of certain of the Company' s operating businesses, including its subscription television business, depends on, among other things, their ability to obtain and retain rights **and access** to desirable programming and certain related elements thereof, such as music rights, that enable them to deliver content to subscribers and audiences in the manner in which they wish to consume it and at competitive prices. The Company' s subscription television business has experienced higher programming costs due to, among other things, (1) increases imposed by sports, entertainment and other programmers when offering new programming or upon the expiration of existing contracts; (2) incremental investment requirements for new services; **and** (3) increased ability for other digital media companies, including streaming services, to obtain rights to popular or exclusive content ~~; and (4) reduced content supply in the previous two years due to the COVID- 19 pandemic~~ . Certain of the Company' s operating businesses, including its subscription television business, are party to contracts for a substantial amount of sports, entertainment and other programming rights with various third parties, including professional sports leagues and teams, television and motion picture producers and other content providers. These contracts have varying durations and renewal terms, and as they expire, renewals on favorable terms may be difficult to obtain. In the course of renegotiating these and other agreements as they expire, the financial and other terms, such as exclusivity **and the scope of** rights, under these contracts may change unfavorably as a result of various reasons beyond the Company' s control such as changes in the Company' s ability to secure these rights. In order to retain or extend such rights, the Company may be required to increase ~~the value of~~ its offer to amounts that substantially exceed the existing contract costs, and third parties may outbid the Company for those rights and / or for any new programming offerings. In addition, as other content providers develop their own competing services, they may be unwilling to provide the Company with access to certain content. For example, in connection with the launch of Disney , Disney removed its Disney- branded movie channel and kids channels, as well as certain non- branded content, from ~~the~~ Foxtel ~~platform~~ . Consolidation among content providers may result in additional content becoming unavailable to the Company and / or increase the scale and leverage of those providers. **Content may also become unavailable due to factors impacting the ability of the Company' s content providers to produce and distribute programming, such as prolonged work stoppages, pandemics and other health crises or other events.** The loss of rights ~~or~~ **,** any adverse changes to existing rights, including loss of exclusivity **or broader digital rights, or the unavailability of content for any other reason** , may adversely affect the Company' s ability to differentiate its services and the breadth or quality of the Company' s content offerings, including the extent of the sports coverage and ~~the availability of other popular~~ entertainment programming offered by the Company, and lead to customer or audience dissatisfaction or loss, which could, in turn, adversely affect its revenues. In addition, the Company' s business, results of operations and financial condition could be adversely affected if upon renewal, escalations in programming rights costs are unmatched by increases in subscriber and carriage fees and advertising rates. The long- term nature of some of the Company' s content commitments may also limit its flexibility in planning for, or reacting to changes in, business and economic conditions and the market segments in which it operates. The Company Has Made and May Continue to Make Strategic Acquisitions, Investments and Divestitures That Introduce Significant Risks and Uncertainties. In order to position its business to take advantage of growth opportunities, the Company has made and may continue to make strategic acquisitions and investments that involve significant risks and uncertainties. These risks and uncertainties include, among others: (1) the difficulty in integrating newly acquired businesses, operations and systems, such as financial reporting, internal controls **, compliance** and information technology (including cybersecurity and data protection controls), in an efficient and effective manner, (2) the challenges in achieving strategic objectives, cost savings and other anticipated benefits, (3) the potential loss of key employees, customers and suppliers, (4) with respect to investments, risks associated with the inability to control the operations of the business, (5) the risk of diverting the attention of the Company' s senior management from the Company' s operations, (6) in the case of foreign acquisitions and investments, the impact of specific economic, tax, currency, political, legal and regulatory risks associated with the relevant countries, (7) expenses and liabilities, both known and unknown, associated with the acquired businesses or investments, (8) in some cases, increased regulation and (9) in some cases, lower liquidity as a result of the use of cash or incurrence of debt to fund such acquisition or investment. If any acquired business or investment fails to operate as anticipated or an acquired business cannot be successfully integrated with the Company' s existing businesses, the Company' s business, results of operations, financial condition **, brands** and reputation could be adversely affected, and the Company may be required to record non- cash impairment charges for the write- down of certain acquired assets and investments. The Company' s ability to continue to make acquisitions depends on the availability of suitable candidates at acceptable prices and whether restrictions are imposed by **governmental bodies or** regulations, and competition for certain types of acquisitions is significant. The Company has also divested and may in the future divest certain assets or businesses that no longer fit with its strategic direction or growth targets **or for other business reasons** . Divestitures involve significant risks and uncertainties that could adversely affect the Company' s business, results of operations and financial condition. These include, among others, the inability to find potential buyers on favorable terms, disruption to its business and / or diversion of management attention from other business concerns, loss of key employees, **renegotiation or termination of key business relationships,** difficulties in separating the operations of the divested business, retention of certain liabilities related to the divested business and indemnification or other post- closing claims. The Company' s ~~Pay- TV Business~~ **Businesses** ~~Depends~~ **Depend** on a Single or Limited Number of Suppliers for Certain Key Products and Services, and Any Reduction or Interruption in the Supply of These Products and Services or a Significant Increase in Price Could Have an Adverse Effect on the Company' s Business, Results of Operations and Financial Condition. The Company' s **businesses depend on a single or limited number of third party suppliers for certain key products and services. For example, in its** pay- TV business ~~depends on a single or limited number of third party suppliers to supply certain key products and services necessary to provide its pay- TV services. In particular~~ , the Company depends on Optus to provide all of its satellite transponder capacity, Akamai and Amazon Web Services (AWS) for content delivery networks (CDN) and hosting services and CommScope to supply its set- top boxes, and the Company ~~expects its~~ **' s** reliance on these suppliers ~~to~~ **has** ~~increase~~ **increased** as it migrates broadcast subscribers to satellite or internet delivery ~~by June 2023. During fiscal 2022, the Company' s pay- TV business experienced hardware and technical equipment supply chain issues, including delays in the rollout of its new iQ5 set- top box due to a global silicon shortage, although these issues did not materially and adversely impact the Company' s results of operations~~ . If the Company' s relationship with key suppliers deteriorates or any of these suppliers breaches or terminates its agreement with the Company or otherwise fails to perform its obligations in a timely manner, experiences operating or financial difficulties, is unable to meet demand due to ~~further~~ component shortages and other supply chain issues, labor shortages, insufficient capacity or otherwise, significantly increases the amount the Company pays for necessary products or services or ceases production **or provision** of any necessary product **or service** , the Company' s business, results of operations and financial condition may be adversely affected. In addition, Telstra is ~~the primary supplier of cable distribution capacity for the Company' s pay- TV programming and is also~~ currently the exclusive provider of wholesale fixed voice and broadband services for the Company' s pay- TV business and the largest reseller of its ~~cable and~~ satellite products. Any disruption in the supply of those services or a decline in Telstra' s business could result in disruptions to the supply of, and / or reduce the number of subscribers for, the Company' s products and services, which could, in turn, adversely affect its business, results of operations and financial condition. While the Company will seek alternative sources for ~~the~~ **these** products and services ~~described above~~ where possible and / or permissible under applicable agreements, it may not be able to develop these alternative sources quickly and cost- effectively **or at all** , which could impair its ability to timely deliver its products and services ~~to its subscribers~~ or operate its business. Any Significant Increase in the Cost to Print and Distribute the Company' s Books and Newspapers or Disruption in the Company' s Supply Chain or Printing and Distribution Channels may Adversely Affect the Company' s Business, Results of Operations and Financial Condition. Printing and distribution costs, including the cost of paper, are a significant expense for the Company' s book and newspaper publishing units. The price of paper has historically been volatile, and the Company ~~expects~~ **experienced significant** increases in ~~the near-term from~~ **paper prices in fiscal 2023 due to** various factors, including continued increases in supplier operating expenses ~~due to rising raw material, energy, labor and transportation and other distribution costs~~ , inflationary pressures and other factors **. While the Company anticipates these increases will moderate, it expects prices to remain elevated** . The Company also relies on third- party suppliers for deliveries of paper and on third- party printing and distribution partners to print and distribute its books and newspapers. During fiscal ~~2022~~ **2023** , inflationary pressures, labor shortages, higher transportation costs and delays and other supply chain issues **continued to** ~~increased~~ - **increase** the cost to print and distribute the Company' s books and newspapers, particularly manufacturing and freight costs at its book publishing business. These and other factors such as financial pressures, industry trends or economics **(including the closure or conversion of newsprint mills)** , labor unrest, changes in laws and regulations, natural disasters, ~~including~~ extreme weather (which may occur with increasing frequency and intensity), pandemics and other widespread health crises or other circumstances affecting ~~these~~ -- **the Company' s paper and other** third- party suppliers and print and distribution partners could continue to increase the Company' s printing and distribution costs and could lead to disruptions, reduced operations or consolidations within the Company' s printing and distribution supply chains and / or of third- party print sites and / or distribution routes. The Company may not be able to develop alternative providers quickly and cost- effectively, which could disrupt printing and distribution operations or increase the cost of printing and distributing the Company' s books and newspapers. Any significant increase in these costs, undersupply or significant disruptions in the supply chain or the Company' s printing and distribution channels could have an adverse effect on the Company' s business, results of operations and financial condition. The Company' s Reputation, Credibility and Brands are Key Assets and Competitive Advantages and its Business and Results of Operations may be Affected by How the Company is Perceived. The Company' s products and services are distributed under some of the world' s most recognizable and respected brands, including The Wall Street Journal and premier news brands in Australia and the U. K., Dow Jones, HarperCollins Publishers, Foxtel, realestate. com. au, Realtor. com ®, OPIS and many others, and the Company believes its success depends on its continued ability to maintain and enhance these brands. The Company' s brands, credibility and reputation could be damaged by incidents that erode consumer and customer trust or a perception that the Company' s products and services, including its journalism, programming, real estate information, benchmark and pricing services and other data and information, are low quality, unreliable or fail to maintain independence and integrity. Significant negative claims or publicity regarding the Company' s products and services, operations, customer service, management, employees, advertisers and other business partners, business decisions, social responsibility and culture may damage its brands or reputation, even if such claims are untrue. The Company' s brands and reputation may also be impacted by, or associated with, its public commitments to various corporate ESG initiatives, **its progress towards achieving these goals,** as well as positions the Company, its businesses or its publications take or do not take on social issues. **Changes in methodologies for reporting ESG data, improvements in third-party data, changes in the Company' s operations or other circumstances, the evolution of the Company' s processes for reporting ESG data and disparate and evolving standards for identifying, measuring, and reporting ESG metrics, including disclosures that may be required by the SEC, European and other regulators, could result in revisions to the Company' s current goals, reported progress in achieving such goals or ability to achieve such goals in the future.** The Company' s disclosures on these matters ~~,~~ **and** any **updates or revisions to prior disclosures, any changes to or** failure to achieve its commitments or any unpopular positions could harm the Company' s brands and reputation. To the extent the Company' s brands, reputation and credibility are damaged, the Company' s ability to attract and retain consumers, customers, advertisers and employees, as well as the Company' s sales, business opportunities and profitability, could be adversely affected, which could in turn have an adverse impact on its business and results of operations. The Company' s International Operations Expose it to Additional Risks that Could Adversely Affect its Business, Operating Results and Financial Condition. In its fiscal year ended June 30, ~~2022~~ **2023** , approximately ~~61~~ **62** % of the Company' s revenues were derived outside the U. S., and the Company is focused on expanding its international operations. There are risks inherent in doing business internationally and other risks may be heightened, including (1) issues related to staffing and managing international operations **, including maintaining the health and safety of its personnel around the world** ; (2) economic uncertainties and volatility in local markets, including as a result of inflationary pressures or a general economic slowdown or recession, and political or social instability; (3) the impact of catastrophic events in relevant jurisdictions such as natural disasters, ~~including~~ extreme weather (which may occur with increasing frequency and intensity), pandemics (including COVID- 19) and other widespread health crises, acts of terrorism or war (including the war in Ukraine); (4) compliance with international laws, regulations and policies and potential adverse changes thereto, including foreign tax regimes, foreign ownership restrictions, restrictions on repatriation of funds and foreign currency exchange, data privacy requirements such as the GDPR, foreign intellectual property laws and local labor and employment laws and regulations; (5) compliance with the Foreign Corrupt Practices Act, the U. K. Bribery Act and other anti- corruption laws and regulations, export controls and economic sanctions; and (6) regulatory or governmental action against the Company' s products ~~and~~ **,** services **and personnel** such as censorship or other restrictions on access, **detention or** expulsion of journalists or other employees and other retaliatory actions, including as a result of **geopolitical tensions and conflicts** ~~disputes with the U. S~~ . Events or developments related to these and other risks associated with the Company' s international operations could result in reputational harm and have an adverse impact on the Company' s business, results of operations, financial condition and prospects. Challenges associated with operating globally may increase as the Company continues to expand into geographic areas that it believes represent the highest growth opportunities. The Company is Party to Agreements with Third Parties Relating to Certain of its Businesses That Contain Operational and Management Restrictions and / or Other Rights That, Depending on the Circumstances, May Not be in the Best Interest of the Company. The Company is party to agreements with third parties relating to certain of its businesses that restrict the Company' s ability to take specified actions and contain other rights that, depending on the circumstances, may not be in the best interest of the Company. For example, the Company and Telstra are parties to a Shareholders' Agreement with respect to Foxtel containing certain minority protections for Telstra, including standard governance provisions, as well as transfer and exit rights. The Shareholders' Agreement provides Telstra with the right to appoint two directors to the Board of Foxtel, as well as Board and shareholder-level veto rights over certain non- ordinary course and / or material corporate actions that may prevent Foxtel from taking actions that are in the interests of the Company. The Shareholders' Agreement also provides for (1) certain transfer restrictions, which could adversely affect the Company' s ability to effect such transfers and / or the prices at which those transfers may occur, and (2) exit arrangements, which could, in certain circumstances, force the Company to sell its interest, subject to rights of first and, in some cases, last refusals. In addition, Move, the Company' s digital real estate services business in the U. S., operates the Realtor. com ® website under an agreement with NAR that is perpetual in duration. However, NAR may terminate the operating agreement for certain contractually- specified reasons upon expiration of **any** applicable cure periods. If the operating agreement with NAR is terminated, the NAR License would also terminate, and Move would be required to transfer a copy of the software that operates the Realtor. com ® website to NAR and provide NAR with copies of its agreements with advertisers and data content providers. NAR would then be able to operate a Realtor. com ® website, either by itself or with another third party. Damage, Failure or Destruction of Satellites and Transmitter Facilities that the Company' s Pay- TV Business Depends Upon to Distribute its Programming Could Adversely Affect the Company' s Business, Results of Operations and Financial Condition. The Company' s pay- TV business uses satellite systems to transmit its programming to its subscribers and / or authorized sublicensees. The Company' s distribution facilities include uplinks, communications satellites and downlinks, and the Company also uses studio and transmitter facilities. Transmissions may be disrupted or degraded as a result of ~~local~~ **natural** disasters, ~~including~~ extreme weather (which may occur with increasing frequency and intensity), power outages, terrorist attacks, cyberattacks or other similar events, that damage or destroy on- ground uplinks or downlinks or studio and transmitter facilities, or as a result of damage to a satellite. Satellites are subject to significant operational and environmental risks while in orbit, including anomalies resulting from various factors such as manufacturing defects and problems with power or control systems, as well as environmental hazards such as meteoroid events, electrostatic storms and collisions with space debris. These events may result in the loss of one or more transponders on a satellite or the entire satellite and / or reduce the useful life of the satellite, which could, in turn, lead to a disruption or loss of video services to the Company' s customers. The Company does not carry commercial insurance for business disruptions or losses resulting from the foregoing events as it believes the cost of insurance premiums is uneconomical relative to the risk. Instead, the Company seeks to mitigate this risk through the maintenance of backup satellite capacity and other contingency plans. However, these steps may not be sufficient, and if the Company is unable to secure alternate distribution, studio and / or transmission facilities in a timely manner, any such disruption or loss could have an adverse effect on the Company' s business, results of operations and financial condition. Attracting ~~and~~ **,** Retaining **and Motivating** Highly Qualified ~~Personnel~~ **People** is Difficult and Costly, and the Failure to Do So Could Harm the Company' s Business. The Company' s businesses depend upon the continued efforts, abilities and expertise of its corporate and divisional executive teams and other highly qualified employees who possess substantial business, technical and operational knowledge. The market for highly skilled ~~personnel~~ **people** , including for technology- related, product development, data science, marketing and sales roles, is very competitive, and the Company cannot ensure that it will be successful in retaining **and motivating** these employees or hiring and training suitable additions or replacements without significant costs or delays, particularly as it continues to focus on its digital products and services. These risks have been **, and may in the future be,** exacerbated by ~~recent~~ labor constraints and inflationary pressures on employee wages and benefits **. Evolving workplace and workforce dynamics** , ~~which~~ **including the** increased ~~employee turnover~~ **availability of flexible, hybrid** and **work- from-** ~~recruiting and retention costs in some~~ **home** ~~functional areas and businesses during fiscal 2022. Changes in the nature of the office environment and working~~ arrangements **,** may ~~, in some instances,~~ also make it more difficult to hire ~~and~~ **,** retain **and motivate** qualified employees if the Company' s needs are not aligned with **worker** ~~demand~~ **demands** ~~for flexibility~~ or as a result of workplace culture challenges due to remote ~~working~~ **work. Reductions in force that the Company has conducted from time to time in order to optimize its organizational structure and reduce costs, including the headcount reduction announced in February 2023, may further adversely impact the Company' s ability to attract, retain and motivate employees, and there can be no assurance that the expected benefits of these actions will be realized, including the anticipated cost savings** . The loss of key employees, the failure to attract ~~and~~ **,** retain **and motivate** other highly qualified ~~personnel~~ **people** or higher costs associated with these efforts, could harm the Company' s business, including the ability to execute its business strategy, and negatively impact its results of operations. The Company is Subject to Payment Processing Risk Which Could Lead to Adverse Effects on the Company' s Business and Results of Operations. The Company' s customers pay for its products and services using a variety of different payment methods, including credit and debit cards, prepaid cards, direct debit, online wallets and through direct carrier and partner billing. The Company relies on internal and third party systems to process payment. Acceptance and processing of these payment methods are subject to certain rules and regulations and require payment of interchange and other fees. To the extent there are increases in payment processing fees, material changes in the payment ecosystem, delays in receiving payments from payment processors, any failures to comply with, or changes to, rules or regulations concerning payments, loss of payment or billing partners and / or disruptions or failures in, or fraudulent use of or access to, payment processing systems or payment products, the Company' s results of operations could be adversely impacted and it could suffer reputational harm. Furthermore, if the Company is unable to maintain its fraud and chargeback rates at acceptable levels, card networks may impose fines and its card approval rate may be impacted. The termination of the Company' s ability to process payments on any major payment method would adversely affect its business and results of operations. Labor Disputes May Have an Adverse Effect on the Company' s Business. In some of the Company' s businesses, it engages the services of employees who are subject to collective bargaining agreements. **The** ~~If the~~ Company ~~is unable to renew expiring~~ **has experienced, and may in the future experience, labor unrest, including strikes or work slowdowns, in connection with the negotiation of** collective bargaining agreements ~~, it is possible that the affected unions could take action in the form of strikes or work stoppages~~ . Such actions, as well as higher costs in connection with these collective bargaining agreements or a significant labor dispute, could **cause delays in production or other business interruptions or reduce profit margins and** have an adverse effect on the Company' s business **and reputation** ~~by causing delays in production or by reducing profit margins~~ , and these risks may be exacerbated by ~~recent~~ labor constraints and inflationary pressures on employee wages and benefits. Macroeconomic and Market Risks Weak Domestic and...... given period or in specific markets. Risks Related to Information Technology, Cybersecurity and Data Protection A Breach, Failure ~~or~~ **,** Misuse of **or** ~~the~~ **other Incident Involving the** Company' s **or its Third Party Providers'** Network and Information Systems or Other Technologies Could Cause a Disruption of Services or Loss, Corruption, Improper Access to or Disclosure of Personal Data, Business Information ~~, Including Intellectual Property,~~ or Other Confidential Information, Resulting in Increased Costs, Loss of Revenue, Reputational Damage or Other Harm to the Company' s Business. Network and information systems and other technologies, including those related to the Company' s CDNs and network management, are important to its business activities and contain the Company' s proprietary, confidential and sensitive business information, including personal data of its customers and personnel. The Company also relies on third party providers for certain software, technology and " cloud- based " systems and services, including AWS, that support a variety of critical business operations. ~~In January 2022, the Company discovered that one of these systems was the target of persistent cyberattack activity. Together with an outside cybersecurity firm, the Company conducted an investigation into the circumstances of the activity to determine its nature, scope, duration and impacts. The Company' s analysis indicates that foreign government involvement may be associated with this activity, and that data was taken. To the Company' s knowledge, its systems housing customer and financial data were not affected. The Company has contained the discovered attack, continues to conduct its analysis and remediate the issue, and to date has not experienced any related interruptions to its business operations or systems. At this time, the Company does not believe the expenses it will incur in connection with its investigation and remediation efforts will be material.~~ Events affecting the Company' s systems or other technologies, or those of third parties upon which the Company' s business relies, such as computer compromises, cyber threats and attacks, computer viruses ~~, worms~~ or other destructive or disruptive software, process breakdowns, ransomware and denial of service attacks, malicious social engineering or other malicious activities by individuals **(including employees)** or state- sponsored or other groups, or any combination of the foregoing, as well as power **, telecommunications** and internet outages, equipment failure, **fire,** natural disasters, ~~including~~ extreme weather (which may occur with increasing frequency and intensity), terrorist activities, war, human or technological error or malfeasance that may affect such systems, could result in disruption of the Company' s services and business and / or loss, corruption, improper access to or disclosure of personal data, business information, including intellectual property, or other confidential information. Unauthorized parties may also fraudulently induce the Company' s employees or other agents to disclose sensitive or confidential information in order to gain access to the Company' s systems, facilities or data, or those of third parties with whom the Company does business. In addition, any " bugs, " errors or other defects in, or the improper implementation of, hardware or software applications the Company develops or procures from third parties could unexpectedly disrupt the Company' s network and information systems or other technologies or compromise information security. System redundancy may be ineffective or inadequate, and the Company' s disaster recovery and business continuity planning may not be sufficient to address all potential cyber events or other disruptions. In recent years, there has been a significant rise in the number of cyberattacks on companies' network and information systems, and such attacks are becoming increasingly more sophisticated, targeted and difficult to detect and prevent against. **Factors** ~~Geopolitical tensions or conflicts,~~ such as **(1) geopolitical tensions or conflicts, including** Russia' s invasion of Ukraine, **(2) greater levels of remote access to Company systems by employees and (3) access to Company networks, products and services by Company personnel, customers and other third parties using personal devices and apps or tools available on such devices, including AI tools, that are outside the Company' s control** may further heighten **cybersecurity risks, including** the risk of cybersecurity attacks ~~. Greater levels of remote work~~ and ~~access~~ **the unintended or unauthorized disclosure of personal data, business information or other confidential information. Acquisitions or other transactions could also expose the Company** to **cybersecurity risks and vulnerabilities, as** the Company' s systems ~~may also adversely impact the effectiveness of the Company~~ **could be negatively affected by vulnerabilities present in acquired or integrated entities** ' ~~s security measures~~ **systems and technologies** . Consequently, the risks associated with cyberattacks continue to increase, particularly as the Company' s digital businesses expand. The Company has experienced, and expects to continue to be subject to, cybersecurity threats and activity **, none of which have been material to the Company to date, individually or in the aggregate** . **However,** ~~There~~ **there** is no assurance that cybersecurity threats or activity ~~such as that discovered in January 2022~~ will not have a material adverse effect in the future. Countermeasures that the Company and its vendors have developed and implemented to protect personal data, business information, including intellectual property, and other confidential information, to prevent **or mitigate** system disruption, data loss or corruption, and to prevent or detect security breaches may not be successful in preventing **or mitigating** these events, particularly given that techniques used to access, disable or degrade service, or sabotage systems have **continued to** become more sophisticated and change frequently. Additionally, it may be difficult to detect and defend against certain threats and vulnerabilities that can persist over extended periods of time. Any events affecting the Company' s network and information systems or other technologies could require the Company to expend significant resources to remedy such event. Moreover, the development and maintenance of these measures is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. While the Company maintains cyber risk insurance, this insurance may not be sufficient to cover all losses from any breaches of the Company' s systems and does not extend to reputational damage or costs incurred to improve or strengthen systems against future threats or activity. Cyber risk insurance has also become more difficult and expensive to obtain, and the Company cannot be certain that its current level of insurance or the breadth of its terms and conditions will continue to be available on economically reasonable terms. A significant failure, compromise, breach or interruption of the Company' s systems or other technologies, or those of third parties upon which its business relies, could result in a disruption of its operations, including degradation or disruption of service, equipment and data damage, customer, audience or advertiser dissatisfaction, damage to its reputation or brands, regulatory investigations and enforcement actions, lawsuits, **fines, penalties and other payments,** remediation costs, a loss of or inability to attract new customers, audience, advertisers or business partners or loss of revenues and other financial losses. If any such failure, compromise, breach, interruption or similar event results in improper access to or disclosure of information maintained in the Company' s information systems and networks or those of its vendors, including financial, personal and credit card data, as well as confidential and proprietary information relating to personnel, customers, vendors and the Company' s business, including its intellectual property, the Company could also be subject to liability under relevant contractual obligations and laws and regulations protecting personal data and privacy, as well as private individual or class action lawsuits or regulatory enforcement actions. The Company may also be required to notify certain governmental agencies and / or regulators (including the appropriate EU supervisory authority) about any actual or perceived data security breach, as well as the individuals who are affected by any such breach, within strict time periods **and at significant cost** . In addition, media or other reports of actual or perceived security vulnerabilities in the Company' s systems or those of third parties upon which its business relies, even if nothing has actually been attempted or occurred, could also adversely impact the Company' s brand and reputation and materially affect its business, results of operations and financial condition. Failure to Comply with Complex and Evolving ~~U. S. and Foreign~~ Laws and Regulations **, Industry Standards and Contractual Obligations** Regarding Privacy, Data Use and Data Protection Could Have an Adverse Effect on the Company' s Business, Financial Condition and Results of Operations. The Company' s business activities are subject to various and increasing laws and regulations in the United States and internationally governing the collection, use, sharing, protection and retention of personal data, which have implications for how such data is managed . These laws and regulations are increasingly...... as significant negative publicity and reputational damage . Examples of such laws include the European Union' s GDPR and the UK DPA and UK GDPR, each of which expands the regulation of personal data processing throughout the European Union and the U. K., respectively, and significantly increases maximum penalties for non- compliance, as well as a number of U. S. state data privacy laws, which establish certain transparency rules, put greater restrictions on the collection, use and sharing of personal information of their respective state residents and provide such residents with certain rights regarding their personal information. See " Governmental Regulation — Data Privacy and Security Regulation " for more information. **.** These laws and regulations are increasingly complex and continue to evolve,and substantial uncertainty surrounds their scope and application.Moreover,data privacy and security laws may potentially conflict from jurisdiction to jurisdiction.Complying with these laws and regulations could be costly and resource- intensive,require the Company to change its business practices,or limit or restrict aspects of the Company' s business in a manner adverse to its business operations,including by inhibiting or preventing the collection of information that enables it to target and measure the effectiveness of advertising.The Company' s failure to comply,even if inadvertent or in good faith,or as a result of a compromise,breach or interruption of the Company' s systems by a third party,could result in exposure to enforcement by U.S.federal,state or local or foreign governments or private parties, ~~notification~~ **as well as significant negative publicity** and **reputational damage** ~~remediation costs,loss of customers,as~~ Risks Related to Financial Results and Position The Indebtedness of the Company and Certain of its Subsidiaries may Affect their Ability to Operate their Businesses, and may have a Material Adverse Effect on the Company' s Financial Condition and Results of Operations. The Company and its Subsidiaries may be able to Incur Substantially More Debt, which Could Further Exacerbate the Risks Described Herein. As of June 30, ~~2022~~ **2023** , News Corp had $ 2. ~~91~~ **8** billion of total outstanding indebtedness (excluding related party debt) ~~with maturities ranging from fiscal 2023 through fiscal 2032~~ , including $ ~~652~~ **636** million and $ ~~281~~ **211** million, respectively, of indebtedness held by its non- wholly owned subsidiaries, Foxtel and REA Group (collectively with News Corp, the " Debtors "). The indebtedness of the Debtors and the terms of their financing arrangements could: (1) limit their ability to obtain additional financing in the future; (2) make it more difficult for them to satisfy their obligations under the terms of their financing arrangements, including the provisions of any relevant debt instruments, credit agreements, indentures and similar or associated documents (collectively, the " Debt Documents "); (3) limit their ability to refinance their indebtedness on terms acceptable to them or at all; (4) limit their flexibility to plan for and adjust to changing business and market conditions in the industries in which they operate and increase their vulnerability to general adverse economic and industry conditions; (5) require them to dedicate a substantial portion of their cash flow to make interest and principal payments on their debt, thereby limiting the availability of their cash flow to fund future investments, capital expenditures, working capital, business activities, acquisitions and other general corporate requirements; (6) subject them to higher levels of indebtedness than their competitors, which may cause a competitive disadvantage and may reduce their flexibility in responding to increased competition; and (7) in the case of the Company' s fixed rate indebtedness, which includes prepayment penalties, diminish the Company' s ability to benefit from any future decrease in interest rates. The ability of the Debtors to satisfy their debt service obligations (including any repurchase obligations **upon a change in control**) and to fund other cash needs will depend on the Debtors' future performance and other factors such as changes in interest rates (which have been increasing) affecting the Debtors' variable rate indebtedness. Although the Company hedges a portion of this interest rate exposure, there can be no assurance that it will be able to continue to do so at a reasonable cost or at all, or that there will not be a default by any of the counterparties. If the Debtors do not generate enough cash to pay their debt service obligations and fund their other cash requirements, they may be required to restructure or refinance all or part of their existing debt, sell assets, borrow more money or raise additional equity, any or all of which may not be available on reasonable terms or at all. The Company and its subsidiaries, including the Debtors, may also be able to incur substantial additional indebtedness in the future, which could exacerbate the effects described **above and** elsewhere in this " Item 1A. Risk Factors. " In addition, the Debtors' outstanding Debt Documents contain financial and operating covenants that may limit their operational and financial flexibility. These covenants include compliance with, or maintenance of, certain financial tests and ratios and may, depending on the applicable Debtor and subject to certain exceptions, restrict or prohibit such Debtor and / or its subsidiaries from, among other things, incurring or guaranteeing debt, undertaking certain transactions (including certain investments and acquisitions), disposing of certain properties or assets (including subsidiary stock), merging or consolidating with any other person, making financial accommodation available, entering into certain other financing arrangements, creating or permitting certain liens, engaging in transactions with affiliates, making repayments of certain other loans, undergoing fundamental business changes and / or paying dividends or making other restricted payments and investments. Various risks, uncertainties and events beyond the Debtors' control could affect their ability to comply with these restrictions and covenants. In the event any of these covenants are breached and such breach results in a default under any Debt Documents, the lenders or noteholders, as applicable, may accelerate the maturity of the indebtedness under the applicable Debt Documents, which could result in a cross-default under other outstanding Debt Documents and could have a material adverse impact on the Company' s business, results of ~~operation~~ **operations** and financial condition ~~this " Item 1A~~ . ~~Risk Factors."~~ Fluctuations in Foreign Currency Exchange Rates Could Have an Adverse Effect on the Company' s Results of Operations.The Company is primarily exposed to foreign currency exchange rate risk with respect to its consolidated debt that is denominated in a currency other than the functional currency of the operations whose cash flows support the ability to repay or refinance such debt.As of June 30, ~~2022~~ **2023** ,the Foxtel operating subsidiaries,whose functional currency is Australian dollars,had approximately $ ~~345~~ **149** million aggregate principal amount of outstanding indebtedness denominated in U.S.dollars.The Company' s policy is to ~~hedge~~ **evaluate hedging** against the risk of foreign currency exchange rate movements with respect to this exposure **to reduce volatility and enhance predictability** where commercially reasonable.However,there can be no assurance that it will be able to continue to do so at a reasonable cost or at all,or that there will not be a default by any of the counterparties to those arrangements.In addition,the Company is exposed to foreign currency translation risk because it has significant operations in a number of foreign jurisdictions and certain of its operations are conducted in currencies other than the Company' s reporting currency,primarily the Australian dollar and the British pound sterling.Since the Company' s financial statements are denominated in U.S.dollars,changes in foreign currency exchange rates between the U.S.dollar and other currencies have had,and will continue to have,a currency translation impact on the Company' s earnings when the results of those operations that are reported in foreign currencies are translated into U.S.dollars for inclusion in the Company' s consolidated financial statements,which could,in turn,have an adverse effect on its reported results of operations in a given period or in specific **markets** . The Company Could Suffer Losses Due to Asset Impairment and Restructuring Charges. As a result of changes in the Company' s industry and market conditions, the Company has recognized, and may in the future recognize, impairment charges for write- downs of goodwill, intangible assets, investments and other long- lived assets, as well as restructuring charges relating to the reorganization of its businesses, which negatively impact the Company' s results of operations and, in the case of cash restructuring charges, its financial condition. **See Notes 5** ~~Impairments and restructuring charges may also negatively impact the Company' s taxes~~ , **6, 7** ~~including its ability to realize its deferred tax assets~~ and **8 to** ~~deduct certain interest costs. The Company' s management must regularly evaluate the carrying value of goodwill and other~~ -- **the Financial Statements** ~~intangible assets expected to contribute indefinitely to the Company' s cash flows in order to determine whether, based on projected discounted future cash flows and other market assumptions, the carrying value~~ for **more information** ~~such assets exceeds current fair value and the Company should recognize an impairment. In accordance with GAAP, the Company performs an annual impairment assessment of its recorded goodwill and indefinite- lived intangible assets during the fourth quarter of each fiscal year. The Company also continually evaluates whether current factors or indicators, such as prevailing conditions in the business environment, credit and capital markets or the economy generally and actual or projected operating results, require the performance of an interim impairment assessment of those assets, as well as other investments and long- lived assets, or require the Company to engage in any additional business restructurings to address these conditions~~ . For ~~example~~ **instance** , any significant shortfall, now or in the future, in advertising revenue or subscribers, the expected popularity of the content for which the Company has acquired rights and / or consumer acceptance of its products could lead to a downward revision in the fair value of certain reporting units. Any downward revisions in the fair value of a reporting unit, indefinite- lived intangible assets, investments or other long- lived assets could result in ~~additional~~ impairments for which non- cash charges would be required, and any such charge could be material to the Company' s reported results of operations. **For example, in fiscal 2023, the Company recognized non- cash impairment charges of $ 106 million, primarily related to write- downs of REA Group' s investment in PropertyGuru**

and certain tradenames and licenses. The Company may also incur ~~additional~~ restructuring charges ~~in the future~~ if it is required to ~~further~~ realign its resources in response to significant shortfalls in revenue or other adverse trends **. During fiscal 2023, the Company incurred cash restructuring charges of approximately $ 80 million in connection with the headcount reduction announced in February 2023 in response to macroeconomic challenges facing many of its businesses. Any impairments and restructuring charges may also negatively impact the Company' s taxes, including its ability to realize its deferred tax assets and deduct certain interest costs** . The Company Could Be Subject to Significant Additional Tax Liabilities, which Could Adversely Affect its Operating Results and Financial Condition. The Company is subject to taxation in U. S. federal, state and local jurisdictions and various non- U. S. jurisdictions, including Australia and the U. K. The Company' s effective tax rate is impacted by the tax laws, regulations, practices and interpretations in the jurisdictions in which it operates and may fluctuate significantly from period to period depending on, among other things, the geographic mix of the Company' s profits and losses, changes in tax laws and regulations or their application and interpretation, the outcome of tax audits and changes in valuation allowances associated with the Company' s deferred tax assets. Changes to enacted tax laws could have an adverse impact on the Company' s future tax rate and increase its tax provision. **For example, the recently enacted Inflation Reduction Act (IRA) imposed, among other things, a 15 % minimum tax on corporations with over $ 1 billion of financial statement income and a 1 % excise tax on corporate stock repurchases. The Company is not expected to be subject to the corporate minimum tax and it will be subject to the 1 % excise tax on stock repurchases, which is not expected to have a material impact on the Company' s results of operations.** The Company may be required to record additional valuation allowances if, among other things, changes in tax laws or adverse economic conditions negatively impact the Company' s ability to realize its deferred tax assets. Evaluating and estimating the Company' s tax provision, current and deferred tax assets and liabilities and other tax accruals requires significant management judgment, and there are often transactions for which the ultimate tax determination is uncertain. The Company' s tax returns are routinely audited by various tax authorities. Tax authorities may not agree with the treatment of items reported in the Company' s tax returns or positions taken by the Company, and as a result, tax- related settlements or litigation may occur, resulting in additional income tax liabilities against the Company. Although the Company believes it has appropriately accrued for the expected outcome of tax reviews and examinations and any related litigation, the final outcomes of these matters could differ materially from the amounts recorded in the Financial Statements. As a result, the Company may be required to recognize additional charges in its Statements of Operations and pay significant additional amounts with respect to current or prior periods, or its taxes in the future could increase, which could adversely affect its operating results and financial condition. The Organization for Economic Cooperation and Development (OECD) continues to develop detailed rules to assist in the implementation of landmark reforms to the international tax system, as agreed in October 2021 by 136 members of the OECD / G20 Inclusive Framework. These rules are intended to address the tax challenges arising from globalization and the digitalization of the economy, including by ~~expanding taxing rights to in~~ **(i) requiring multinational enterprises whose revenues exceed 20 billion Euros and have a profit** - **to- revenue ratio of more than 10 % to allocate profits and pay taxes to** market ~~countries as well as~~ **jurisdictions and (ii)** establishing a minimum 15 % tax rate for multinational enterprises ~~from~~ **. In December 2022, EU member states agreed to adopt the OECD' s minimum tax rules, which are expected to begin going into effect in tax years beginning on January 1,** 2024 **or later. Several other countries, including the UK, are also considering changes to their tax law to implement the OECD' s minimum tax proposal** . The application of the rules continues to evolve, and its outcome may alter aspects of how the Company' s tax obligations are determined in countries in which it does business. While several jurisdictions have ~~agreed to roll~~ **rolled** back their digital services taxes ~~by 2023~~ , certain jurisdictions still have separately enacted new digital services taxes. Those taxes have had limited impact on the Company' s overall tax obligations, but the Company continues to monitor them. Risks Related to Legal and Regulatory Matters Adverse Results from Litigation or Other Proceedings...... and other personnel and other factors. The Company' s Business Could Be Adversely Impacted by Changes in Law, Governmental Policy and Regulation. Various aspects of the Company' s activities are subject to regulation in numerous jurisdictions around the world, and the introduction of new laws and regulations in countries where the Company' s products and services are produced or distributed, and changes in ~~the enforcement of~~ existing laws and regulations in those countries **or the enforcement thereof** , **have increased its compliance risk and** could have a negative impact on its interests. The Company' s Australian operating businesses may be adversely affected by changes in government policy, regulation or legislation, or the application or enforcement thereof, applying to companies in the Australian media industry or to Australian companies in general. See " Governmental Regulation — Australian Media Regulation " for more information. Benchmarks provided by the Company' s OPIS business may be subject to regulatory frameworks in the **EU** ~~U. K.~~ and other jurisdictions. See " Governmental Regulation — Benchmark Regulation " for more information. The Company' s newspaper publishing businesses in the U. K. are subject to greater regulation and oversight as a result of the implementation of recommendations of the Leveson inquiry into the U. K. press, and the Company' s radio stations in the U. K. and Ireland and ~~its recently launched~~ TalkTV are subject to governmental regulation by Ofcom. See " Governmental Regulation — U. K. Press Regulation " and " — U. K. Radio and Television Broadcasting Regulation, " respectively, for more information. In addition, increased focus on ESG issues among governmental bodies and various stakeholders has resulted, and may continue to result, in the adoption of new laws and regulations, reporting requirements and policies in the U. S. and internationally, including more specific, target- driven frameworks and prescriptive reporting of ESG metrics, practices and targets. Laws and regulations may vary between local, state, federal and international jurisdictions **and may sometimes conflict** , and the enforcement of those laws and regulations may be inconsistent and unpredictable. **Many of these laws and regulations, particularly those relating to ESG matters, are complex, technical and evolving rapidly.** The Company may incur substantial costs or be required to change its business practices **, implement new reporting processes and devote substantial management attention** in order to comply with applicable laws and regulations and could incur substantial penalties or other liabilities **and reputational damage** in the event of any failure to comply. Adverse

Results from Litigation or Other Proceedings Could Impact the Company' s Business Practices and Operating Results.From time to time,the Company is party to litigation,as well as to regulatory and other proceedings with governmental authorities and administrative agencies,including with respect to antitrust,tax,data privacy and security,intellectual property,employment and other matters.See Note 16 to the Financial Statements for a discussion of certain matters.The outcome of these matters and other litigation and proceedings is subject to significant uncertainty,and it is possible that an adverse resolution of one or more such proceedings could result in reputational harm and / or significant monetary damages,injunctive relief or settlement costs that could adversely affect the Company' s results of operations or financial condition as well as the Company' s ability to conduct its business as it is presently being conducted.In addition,regardless of merit or outcome,such proceedings can have an adverse impact on the Company as a result of legal costs,diversion of management and other personnel and other factors. Risks Related to Intellectual Property ~~Theft~~ **Unauthorized Use** of the Company' s Content, including Digital Piracy and Signal Theft, may Decrease Revenue and Adversely Affect the Company' s Business and Profitability. The Company' s success depends in part on its ability to maintain, enforce and monetize the intellectual property rights in its original and acquired content, and ~~theft~~ **unauthorized use** of its brands, programming, digital **journalism and other** content, books and other intellectual property affects the value of its content. Developments in technology, including the wide availability of higher internet bandwidth and reduced storage costs, increase the threat of **unauthorized use such as** content piracy by making it easier to stream, duplicate and widely distribute pirated material, including from less- regulated countries into the Company' s primary markets. The Company seeks to limit the threat of content piracy by, among other means, preventing unauthorized access to its content through the use of programming content encryption, signal encryption and other security access devices and digital rights management software, as well as by obtaining site blocking orders against pirate streaming and torrent sites and a variety of other actions. However, piracy is difficult to monitor and prevent and these efforts may be costly and are not always successful, particularly as infringers continue to develop tools that undermine security features and enable them to disguise their identities online. **Recent advances and continued rapid development in AI may also lead to unauthorized exploitation of the Company' s journalism and other content, both in the training of new models as well as output produced by generative AI tools.** The proliferation of unauthorized use of the Company' s content undermines lawful distribution channels and reduces the revenue that the Company could receive from the legitimate sale and distribution of its content. Protection of the Company' s intellectual property rights is dependent on the scope and duration of its rights as defined by applicable laws in the U. S. and abroad, and if those laws are drafted or interpreted in ways that limit the extent or duration of the Company' s rights, or if existing laws are changed or not effectively enforced, the Company' s ability to generate revenue from its intellectual property may decrease, or the cost of obtaining and maintaining rights may increase. In addition, the failure of legal and technological protections to evolve as ~~piracy and associated~~ technological tools become more sophisticated could make it more difficult for the Company to adequately protect its intellectual property, which could, in turn, negatively impact its value and further increase the Company' s enforcement costs. Failure by the Company to Protect Certain Intellectual Property and Brands, or Infringement Claims by Third Parties, Could Adversely Impact the Company' s Business, Results of Operation and Financial Condition. The Company' s businesses rely on a combination of trademarks, trade names, copyrights, patents, domain names, trade secrets and other proprietary rights, as well as licenses, confidentiality agreements and other contractual arrangements, to establish, obtain and protect the intellectual property and brand names used in their businesses. The Company believes its proprietary trademarks, trade names, copyrights, patents, domain names, trade secrets and other intellectual property rights are important to its continued success and its competitive position. However, the Company cannot ensure that these intellectual property rights or those of its licensors (including licenses relating to sports programming rights, set- top box technology and related systems, the NAR License and the Fox Licenses) and suppliers will be enforced or upheld if challenged or that these rights will protect the Company against infringement claims by third parties, and effective intellectual property protection may not be available in every country or region in which the Company operates or where its products and services are available. Efforts to protect and enforce the Company' s intellectual property rights may be costly, and any failure by the Company or its licensors and suppliers to effectively protect and enforce its or their intellectual property or brands, or any infringement claims by third parties, could adversely impact the Company' s business, results of operations or financial condition. Claims of intellectual property infringement could require the Company to enter into royalty or licensing agreements on unfavorable terms (if such agreements are available at all), require the Company to spend substantial sums to defend against or settle such claims or to satisfy any judgment rendered against it, or cease any further use of the applicable intellectual property, which could in turn require the Company to change its business practices or offerings and limit its ability to compete effectively. Even if the Company believes any such challenges or claims are without merit, they can be time- consuming and costly to defend and divert management' s attention and resources away from its business. In addition, the Company may be contractually required to indemnify other parties against liabilities arising out of any third party infringement claims. Risks Related to the Company' s Common Stock The Market Price of the Company' s Stock May Fluctuate Significantly. The Company cannot predict the prices at which its common stock may trade. The market price of the Company' s common stock may fluctuate significantly, depending upon many factors, some of which may be beyond its control, including: (1) the Company' s quarterly or annual earnings, or those of other companies in its industry; (2) actual or anticipated fluctuations in the Company' s operating results; (3) success or failure of the Company' s business strategy; (4) the Company' s ability to obtain financing as needed; (5) changes in accounting standards, policies, guidance, interpretations or principles; (6) changes in laws and regulations affecting the Company' s business; (7) announcements by the Company or its competitors of significant new business developments or the addition or loss of significant customers; (8) announcements by the Company or its competitors of significant acquisitions or dispositions; (9) changes in earnings estimates by securities analysts or the Company' s ability to meet its earnings guidance, if any; (10) the operating and stock price performance of other comparable companies; (11) investor perception of the Company and the industries in which it operates; (12) results from material litigation or governmental investigations; (13) changes in capital gains taxes and taxes on dividends affecting stockholders; (14) overall market fluctuations, general economic conditions, such as inflationary pressures or a general economic slowdown or recession, and other external factors, including pandemics, war (such as the war in Ukraine) and terrorism; and (15) changes in the amounts and frequency of dividends or share repurchases, if any. Certain of the Company' s Directors and Officers May Have Actual or Potential Conflicts of Interest Because of Their Equity Ownership in Fox Corporation (" FOX ") and / or Because They Also Serve as Officers and / or on the Board of Directors of FOX, Which May Result in the Diversion of Certain Corporate Opportunities to FOX. Certain of the Company' s directors and executive officers own shares of FOX' s common stock, and the individual holdings may be significant for some of these individuals compared to their total assets. In addition, certain of the Company' s officers and directors also serve as officers and / or as directors of FOX, including K. Rupert Murdoch, who serves as the Company' s Executive ~~Chairman~~ --- **Chair** and Chair of FOX, and Lachlan K. Murdoch, who serves as the Company' s Co- ~~Chairman~~ --- **Chair** and Executive Chair and Chief Executive Officer of FOX. This ownership or service to both companies may create, or may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for the Company and FOX. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between the Company and FOX regarding the terms of the agreements governing the indemnification of certain matters. In addition to any other arrangements that the Company and FOX may agree to implement, the Company and FOX agreed that officers and directors who serve at both companies will recuse themselves from decisions where conflicts arise due to their positions at both companies. The Company' s Amended and Restated By- laws acknowledge that the Company' s directors and officers, as well as certain of its stockholders, including K. Rupert Murdoch, certain members of his family and certain family trusts (so long as such persons continue to own, in the aggregate, 10 % or more of the voting stock of each of the Company and FOX), each of which is referred to as a covered stockholder, are or may become stockholders, directors, officers, employees or agents of FOX and certain of its affiliates. The Company' s Amended and Restated By- laws further provide that any such overlapping person will not be liable to the Company, or to any of its stockholders, for breach of any fiduciary duty that would otherwise exist because such individual directs a corporate opportunity (other than certain types of restricted business opportunities set forth in the Company' s Amended and Restated By- laws) to FOX instead of the Company. This could result in an overlapping person submitting any corporate opportunities other than restricted business opportunities to FOX instead of the Company. Certain Provisions of the Company' s Restated Certificate of Incorporation and Amended and Restated By- laws and the Ownership of the Company' s Common Stock by the Murdoch Family Trust May Discourage Takeovers, and the Concentration of Ownership Will Affect the Voting Results of Matters Submitted for Stockholder Approval. The Company' s Restated Certificate of Incorporation and Amended and Restated By- laws contain certain anti- takeover provisions that may make more difficult or expensive a tender offer, change in control, or takeover attempt that is opposed by the Company' s Board of Directors or certain stockholders holding a significant percentage of the voting power of the Company' s outstanding voting stock. In particular, the Company' s Restated Certificate of Incorporation and Amended and Restated By- laws provide for, among other things: • a dual class common equity capital structure; • a prohibition on stockholders taking any action by written consent without a meeting; • special stockholders' meeting to be called only by the Board of Directors, the ~~Chairman~~ --- **Chair** or a Vice or Deputy ~~Chairman~~ --- **Chair** of the Board of Directors, or **, after first requesting that the Board of Directors fix a record date for such meeting,** the holders of not less than 20 % of the voting power of the Company' s outstanding voting stock; • the requirement that stockholders give the Company advance notice to nominate candidates for election to the Board of Directors or to make stockholder proposals at a stockholders' meeting; • the requirement of an affirmative vote of at least 65 % of the voting power of the Company' s outstanding voting stock to amend or repeal its by- laws; • vacancies on the Board of Directors to be filled only by a majority vote of directors then in office; • certain restrictions on the transfer of the Company' s shares; and • the Board of Directors to issue, without stockholder approval, Preferred Stock and Series Common Stock with such terms as the Board of Directors may determine. These provisions could discourage potential acquisition proposals and could delay or prevent a change in control of the Company, even in the case where a majority of the stockholders may consider such proposals, if effective, desirable. In addition, as a result of his ability to appoint certain members of the board of directors of the corporate trustee of the Murdoch Family Trust (MFT), which beneficially owns less than one percent of the Company' s outstanding Class A Common Stock and approximately ~~38~~ **39** . 9 % of the Company' s Class B Common Stock as of June 30, ~~2022~~ **2023** , K. Rupert Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the MFT. K. Rupert Murdoch, however, disclaims any beneficial ownership of these shares. Also, K. Rupert Murdoch beneficially owns or may be deemed to beneficially own an additional less than one percent of ~~each of~~ the Company' s Class B Common Stock ~~and Class A Common Stock~~ as of June 30, ~~2022~~ **2023** . Thus, K. Rupert Murdoch may be deemed to beneficially own in the aggregate less than one percent of the Company' s Class A Common Stock and approximately ~~39~~ **40** . ~~5~~ **4** % of the Company' s Class B Common Stock as of June 30, ~~2022~~ **2023** . This concentration of voting power could discourage third parties from making proposals involving an acquisition of the Company. Additionally, the ownership concentration of Class B Common Stock by the MFT increases the likelihood that proposals submitted for stockholder approval that are supported by the MFT will be adopted and proposals that the MFT does not support will not be adopted, whether or not such proposals to stockholders are also supported by the other holders of Class B Common Stock. The Company' s Board of Directors has approved a $ 1 billion stock repurchase program for the Company' s Class A and Class B Common Stock, which could increase the percentage of Class B Common Stock held by the MFT. The Company has entered into a stockholders agreement with the MFT pursuant to which the Company and the MFT have agreed not to take actions that would result in the MFT and Murdoch family members together owning more than 44 % of the outstanding voting power of the shares of Class B Common Stock or would increase the MFT' s voting power by more than 1. 75 % in any rolling 12- month period. The MFT would forfeit votes to the extent necessary to ensure that the MFT and the Murdoch family collectively do not exceed 44 % of the outstanding voting power of the shares of Class B Common Stock, except where a Murdoch family member votes their own shares differently from the MFT on any matter.