

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

**DATE OF REPORT
(DATE OF EARLIEST EVENT REPORTED)
May 8, 2019**

**Fox Corporation
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)**

**Delaware
(STATE OR OTHER JURISDICTION
OF INCORPORATION)**

**001-38776
(COMMISSION
FILE NO.)**

**83-1825597
(IRS EMPLOYER
IDENTIFICATION NO.)**

**1211 Avenue of the Americas, New York, New York 10036
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE)**

**(212) 852-7000
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

<u>Title of Each Class</u>	<u>Trading Symbols</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock, par value \$0.01 per share	FOXA	The Nasdaq Global Select Market
Class B Common Stock, par value \$0.01 per share	FOX	The Nasdaq Global Select Market
Rights to Purchase Series A Junior Participating Preferred Stock	N/A	The Nasdaq Global Select Market

Item 2.02. Results of Operations and Financial Condition.

On May 8, 2019, Fox Corporation (the “Company”) released its financial results for the quarter ended March 31, 2019. A copy of the Company’s press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

The information in this report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 8.01. Other Events.

On May 8, 2019, FOX Sports, a unit of the Company, and The Stars Group Inc. (“The Stars Group”) announced plans to launch FOX Bet, a national media and sports wagering partnership in the United States, and entered into a long-term commercial agreement through which FOX Sports will provide The Stars Group with an exclusive license to use certain FOX Sports trademarks. The Company also agreed to acquire 4.99% of The Stars Group’s issued and outstanding common shares for \$236 million.

A copy of the press release issued by FOX Sports and The Stars Group is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Item 9.01. Financial Statement and Exhibits.**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release issued by Fox Corporation, dated May 8, 2019, announcing Fox Corporation financial results for the quarter ended March 31, 2019.
99.2	Press release issued by FOX Sports and The Stars Group, dated May 8, 2019

SIGNATURES

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

FOX CORPORATION

By: /s/ Viet Dinh

Name: Viet Dinh

Title: Chief Legal and Policy Officer

Date: May 8, 2019



EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

**FOX CORPORATION REPORTS ITS FIRST QUARTERLY RESULTS
AS A STANDALONE COMPANY**

**TOTAL REVENUES OF \$2.75 BILLION
AFFILIATE REVENUES INCREASED 11%
ADVERTISING REVENUES INCREASED 9%**

**INCOME BEFORE INCOME TAX EXPENSE OF \$706 MILLION AND
TOTAL SEGMENT OPERATING INCOME BEFORE
DEPRECIATION AND AMORTIZATION OF \$766 MILLION**

**EARNINGS PER SHARE OF \$0.85
ADJUSTED EARNINGS PER SHARE OF \$0.76**

NEW YORK, NY, May 8, 2019 – Fox Corporation (Nasdaq: FOXA, FOX; “FOX” or the “Company”) today reported financial results for the three months ended March 31, 2019.

The Company reported total quarterly revenues of \$2.75 billion, a 12% increase from the \$2.46 billion of revenues in the prior year quarter. The increase in revenues was primarily attributable to affiliate and advertising revenue growth of 11% and 9%, respectively. This revenue growth was driven by a 29% increase in retransmission consent revenues and by a 10% increase in advertising revenues at the Television segment. The Company also reported a 35% increase in other revenues primarily due to higher digital content licensing revenues at the Television segment.

Quarterly income before income tax expense increased to \$706 million from the \$654 million in the prior year quarter primarily due to higher revenues at the Cable Network Programming and Television segments. Quarterly total segment operating income before depreciation and amortization (“EBITDA”)¹ of \$766 million was 8% higher than the prior year quarter driven by higher contributions at the Cable Network Programming and Television segments.

Quarterly net income attributable to Fox Corporation stockholders increased to \$529 million (\$0.85 per share) compared to \$457 million (\$0.74 per share) in the prior year quarter. Adjusted quarterly earnings per share attributable to Fox Corporation stockholders² was \$0.76, 3% higher than the \$0.74 adjusted result in the prior year quarter.

Commenting on the results, Executive Chairman and Chief Executive Officer Lachlan Murdoch said:

“Our first quarterly results as Fox Corporation demonstrate the strength of our businesses as we delivered strong top line growth across our operating segments and across our key revenue categories. FOX commences as a standalone company with strong assets in unique positions to succeed in the evolving media landscape. Our team is all pulling in the same direction and achieving great things together.”

¹ Total segment EBITDA may be considered a non-GAAP financial measure. See Note 1 for a description of total segment EBITDA and a reconciliation of income before income tax (expense) benefit to total segment EBITDA.

² Excludes net income effects of Impairment and restructuring charges, adjustments to Equity (losses) earnings of affiliates, Other, net and tax provision adjustments. See Note 2 for a description of adjusted net income and adjusted earnings per share attributable to Fox Corporation stockholders, which are considered non-GAAP financial measures, and a reconciliation of reported net income and earnings per share attributable to Fox Corporation stockholders to adjusted net income and adjusted earnings per share attributable to Fox Corporation stockholders.



EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

REVIEW OF OPERATING RESULTS

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2019	2018	2019	2018
\$ Millions				
Revenues by Component:				
Affiliate fee	\$ 1,420	\$ 1,281	\$ 4,102	\$ 3,610
Advertising	1,088	1,001	4,138	3,621
Other	244	181	636	528
Total revenues	\$ 2,752	\$ 2,463	\$ 8,876	\$ 7,759
Segment Revenues:				
Cable Network Programming	\$ 1,383	\$ 1,325	\$ 4,082	\$ 3,778
Television	1,370	1,138	4,796	3,982
Other, Corporate and Eliminations	(1)	-	(2)	(1)
Total revenues	\$ 2,752	\$ 2,463	\$ 8,876	\$ 7,759
Segment EBITDA:				
Cable Network Programming	\$ 741	\$ 692	\$ 1,893	\$ 1,730
Television	99	81	256	268
Other, Corporate and Eliminations	(74)	(67)	(177)	(146)
Total Segment EBITDA^(a)	\$ 766	\$ 706	\$ 1,972	\$ 1,852
Depreciation and amortization:				
Cable Network Programming	\$ 12	\$ 10	\$ 35	\$ 28
Television	28	27	80	82
Other, Corporate and Eliminations	18	6	37	16
Total depreciation and amortization	\$ 58	\$ 43	\$ 152	\$ 126

^(a) Total segment EBITDA may be considered a non-GAAP financial measure. See Note 1 for a description of total segment EBITDA and for a reconciliation of income before income tax (expense) benefit to total segment EBITDA.



EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

CABLE NETWORK PROGRAMMING

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2019	2018	2019	2018
\$ Millions				
Revenues				
Affiliate fee	\$ 968	\$ 931	\$ 2,845	\$ 2,609
Advertising	276	266	893	825
Other	139	128	344	344
Total revenues	1,383	1,325	4,082	3,778
Operating expenses	(547)	(541)	(1,896)	(1,796)
Selling, general and administrative	(105)	(103)	(322)	(295)
Amortization of cable distribution investments	10	11	29	43
Segment EBITDA	\$ 741	\$ 692	\$ 1,893	\$ 1,730

Cable Network Programming reported quarterly segment revenues of \$1.38 billion, an increase of \$58 million or 4% from the amount in the prior year quarter primarily due to increases in affiliate and advertising revenues. Affiliate revenues increased \$37 million or 4% primarily due to contractual price increases at FOX News and FS1, partially offset by linear subscriber declines. The moderating sequential cable affiliate revenue growth rate, as compared to the cable affiliate revenue growth rate in the first half of fiscal year 2019, reflects the lapping of contractual rate increases and resets on existing affiliate agreements in the prior year. Advertising revenues increased \$10 million or 4% primarily reflecting higher digital sales at FOX News and stronger ratings for daily studio programming at FS1.

Cable Network Programming reported quarterly segment EBITDA of \$741 million, an increase of \$49 million or 7% from the amount in the prior year quarter due to the revenue increases noted above. Expenses were in line with the prior year quarter as higher costs primarily associated with digital initiatives at FOX News were offset by lower linear sports programming rights amortization at FOX Sports due to the absence of Ultimate Fighting Championship and UEFA Champions League content in the current quarter.



EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

TELEVISION

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2019	2018	2019	2018
\$ Millions				
Revenues				
Advertising	\$ 812	\$ 735	\$ 3,245	\$ 2,796
Affiliate fee	452	350	1,257	1,001
Other	106	53	294	185
Total revenues	1,370	1,138	4,796	3,982
Operating expenses	(1,114)	(903)	(4,075)	(3,259)
Selling, general and administrative	(157)	(154)	(465)	(455)
Segment EBITDA	\$ 99	\$ 81	\$ 256	\$ 268

Television reported quarterly segment revenues of \$1.37 billion, an increase of \$232 million or 20% from the amount in the prior year quarter due to increases in affiliate, advertising and other revenues. Affiliate revenues increased \$102 million or 29% led by an increase in reverse retransmission revenues. Advertising revenues increased \$77 million or 10%, primarily due to the broadcast of one additional NFL Divisional Playoff game and higher pricing and ratings at FOX Entertainment, led by the success of *The Masked Singer*. Advertising revenues also benefited from the comparison to the prior year period when advertising dollars were diverted to the *Winter Olympics*, which were broadcast on another network. Other revenues doubled over the prior year quarter principally due to higher digital content licensing revenues.

Television reported quarterly segment EBITDA of \$99 million, an increase of \$18 million or 22% from the amount in the prior year quarter as the revenue increases noted above were partially offset by higher expenses. The increase in expenses reflects higher sports programming rights amortization and production costs primarily due to the addition of one NFL Divisional Playoff game, higher entertainment programming rights amortization due to the mix of programming in the current quarter compared to the mix of programming aired in the prior year quarter against the *Winter Olympics* and the recognition of an approximately \$55 million write-down of certain entertainment and syndicated programming.



DISTRIBUTION

On March 19, 2019, the Company became a standalone publicly traded company through the pro rata distribution by Twenty-First Century Fox, Inc. ("21CF") of all of the issued and outstanding common stock of FOX to 21CF stockholders (other than holders that were subsidiaries of 21CF) (the "Distribution") in accordance with the Amended and Restated Distribution Agreement and Plan of Merger, dated as of June 20, 2018, by and between 21CF and 21CF Distribution Merger Sub, Inc. Following the Distribution, approximately 354 million and approximately 266 million shares of the Company's class A common stock and class B common stock, respectively, began trading independently on The Nasdaq Global Select Market. In connection with the Distribution, the Company entered into the Separation and Distribution Agreement, dated as of March 19, 2019 with 21CF, which effected the internal restructuring (the "Separation") whereby 21CF transferred to FOX a portfolio of 21CF's news, sports and broadcast businesses, including FOX News, FOX Business, FOX Broadcasting Company (the "FOX Network"), FOX Sports, FOX Television Stations Group, and sports cable networks FS1, FS2, FOX Deportes and Big Ten Network, and certain other assets, and FOX assumed from 21CF the liabilities associated with such businesses and certain other liabilities. The Separation and the Distribution were effected as part of a series of transactions contemplated by the Amended and Restated Merger Agreement and Plan of Merger, dated as of June 20, 2018 (the "21CF Disney Merger Agreement"), by and among 21CF, The Walt Disney Company ("Disney"), TWDC Holdco 613 Corp., a wholly-owned subsidiary of Disney ("New Disney"), and certain other subsidiaries of Disney, pursuant to which, among other things, Disney merged with and into a subsidiary of New Disney and each of Disney and 21CF became wholly-owned subsidiaries of New Disney.

BASIS OF PRESENTATION

The Unaudited Consolidated and Combined Financial Statements of the Company have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP").

Prior to the Distribution, the Company's Unaudited Combined Financial Statements were prepared on a standalone basis, derived from the unaudited consolidated financial statements and accounting records of 21CF. The Company's financial statements as of June 30, 2018 and for the three and nine months ended March 31, 2018 are presented on a combined basis as the Company was not a separate consolidated group prior to the Distribution. These financial statements reflect the combined historical results of operations, financial position and cash flows of 21CF's domestic news, national sports and broadcast businesses and certain other assets and liabilities associated with such businesses. The Company became a separate consolidated group as a result of the Distribution, and the Company's financial statements as of March 31, 2019 and for the three and nine months ended March 31, 2019 are presented on a consolidated basis.

The Unaudited Consolidated and Combined Statements of Operations include allocations for certain support functions that were provided on a centralized basis within 21CF prior to the Distribution and not recorded at the business unit level, such as certain expenses related to finance, legal, insurance, information technology, compliance and human resources management activities, among others. 21CF did not routinely allocate these costs to any of its business units. These expenses were allocated to FOX on the basis of direct usage when identifiable, with the remainder allocated on a pro rata basis of combined revenues, headcount or other relevant measures. Management believes the assumptions underlying the Unaudited Consolidated and Combined Financial Statements, including the assumptions regarding allocating general corporate expenses from 21CF, are reasonable. Nevertheless, the Unaudited Consolidated and Combined Financial Statements may not include all of the actual expenses that would have been incurred by FOX and may not reflect FOX's consolidated and combined results of operations, financial position and cash flows had it been a standalone company during the entirety of the periods presented. Actual costs that would have been incurred if FOX had been a standalone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure. These Unaudited Consolidated and Combined Statements of Operations include a corporate allocation of approximately \$100 million and \$90 million for the three months ended March 31, 2019 and 2018, respectively, and of approximately \$270 million and \$220 million for the nine months ended March 31, 2019 and 2018, respectively, in Selling, general and administrative expenses.



EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "should," "likely," "anticipates," "expects," "intends," "plans," "projects," "believes," "estimates," "outlook" and similar expressions are used to identify these forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements in this press release due to changes in economic, business, competitive, technological, strategic and/or regulatory factors and other factors affecting the operation of the Company's businesses. More detailed information about these factors is contained in the documents the Company has filed with or furnished to the Securities and Exchange Commission (the "SEC"), including the Company's Registration Statement on Form 10, filed with the SEC and declared effective by the SEC on February 5, 2019, and subsequent Quarterly Reports on Form 10-Q.

Statements in this press release speak only as of the date they were made, and the Company undertakes no duty to update or release any revisions to any forward-looking statement made in this press release or to report any events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events or to conform such statements to actual results or changes in the Company's expectations, except as required by law.

To access a copy of this press release through the Internet, access Fox Corporation's corporate Web site located at <http://www.foxcorporation.com>.

CONTACTS:

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EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2019	2018	2019	2018
	\$ Millions, except per share amounts			
Revenues	\$ 2,752	\$ 2,463	\$ 8,876	\$ 7,759
Operating expenses	(1,660)	(1,444)	(5,969)	(5,054)
Selling, general and administrative	(336)	(324)	(964)	(896)
Depreciation and amortization	(58)	(43)	(152)	(126)
Impairment and restructuring charges	(14)	(14)	(14)	(11)
Interest expense	(81)	(7)	(112)	(20)
Interest income	19	-	19	-
Other, net	84	23	(116)	(75)
Income before income tax (expense) benefit	706	654	1,568	1,577
Income tax (expense) benefit	(167)	(188)	(390)	171
Net income	539	466	1,178	1,748
Less: Net income attributable to noncontrolling interests	(10)	(9)	(37)	(32)
Net income attributable to Fox Corporation stockholders	\$ 529	\$ 457	\$ 1,141	\$ 1,716
Weighted average shares:	621	621	621	621
Net income attributable to Fox Corporation stockholders per share:	\$ 0.85	\$ 0.74	\$ 1.84	\$ 2.76



EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

CONSOLIDATED AND COMBINED BALANCE SHEETS

	March 31, 2019	June 30, 2018
	\$ Millions	
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,818	\$ 2,500
Receivables, net	1,949	1,833
Inventories, net	1,074	1,180
Other	123	67
Total current assets	5,964	5,580
Non-current assets:		
Property, plant and equipment, net	1,286	1,169
Intangible assets, net	2,855	2,866
Goodwill	2,691	2,747
Deferred tax assets	3,685	-
Other non-current assets	1,176	759
Total assets	\$ 17,657	\$ 13,121
Liabilities and Equity:		
Current liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 1,297	\$ 1,759
Total current liabilities	1,297	1,759
Non-current liabilities:		
Borrowings	6,750	-
Other liabilities	863	422
Deferred income taxes	-	1,071
Redeemable noncontrolling interests	136	275
Commitments and contingencies		
Equity:		
Class A common stock, \$0.01 par value	4	-
Class B common stock, \$0.01 par value	3	-
Twenty-First Century Fox, Inc. investment	-	9,513
Additional paid-in capital	8,706	-
Retained earnings	101	-
Accumulated other comprehensive (loss) income	(214)	81
Total Fox Corporation stockholders' equity	8,600	9,594
Noncontrolling interests	11	-
Total equity	8,611	9,594
Total liabilities and equity	\$ 17,657	\$ 13,121



EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS

	Nine Months Ended March 31,	
	2019	2018
	\$ Millions	
Operating Activities:		
Net income	\$ 1,178	\$ 1,748
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation and amortization	152	126
Amortization of cable distribution investments	29	43
Impairment and restructuring charges	14	11
Equity-based compensation	5	-
Other, net	116	75
Deferred income taxes	322	(563)
Change in operating assets and liabilities, net of acquisitions and dispositions		
Receivables and other assets	(196)	(118)
Inventories net of program rights payable	137	(300)
Accounts payable and other liabilities	(133)	(237)
Net cash provided by operating activities	1,624	785
Investing Activities:		
Property, plant and equipment	(147)	(148)
Proceeds from the relinquishment of spectrum	-	354
Purchase of investments	(100)	-
Other investing activities, net	(64)	(9)
Net cash (used in) provided by investing activities	(311)	197
Financing activities:		
Borrowings	6,750	-
Net transfers (to) from Twenty-First Century Fox, Inc.	(1,233)	845
Net dividend paid to Twenty-First Century Fox, Inc.	(6,500)	-
Distributions and other	(12)	(65)
Net cash (used in) provided by financing activities	(995)	780
Net increase in cash and cash equivalents	318	1,762
Cash and cash equivalents, beginning of year	2,500	19
Cash and cash equivalents, end of period	\$ 2,818	\$ 1,781



EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

NOTE 1 – TOTAL SEGMENT OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION

The Company evaluates performance based upon several factors, of which the primary financial measure is segment operating income before depreciation and amortization, or Segment EBITDA. Beginning with the announcement of the Company's financial results for the third quarter of fiscal 2019, the Company has renamed as "Segment EBITDA" the measure that it previously referred to as "Segment OIBDA." The definition of this measure has not changed: Segment EBITDA is defined as Revenues less Operating expenses and Selling, general and administrative expenses. Segment EBITDA does not include: Amortization of cable distribution investments, Depreciation and amortization, Impairment and restructuring charges, Interest expense, Interest income, Other, net and Income tax (expense) benefit. Management believes that Segment EBITDA is an appropriate measure for evaluating the operating performance of the Company's business segments because it is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources to the Company's businesses.

Management believes that information about Total Segment EBITDA assists all users of the Company's Unaudited Consolidated and Combined Financial Statements by allowing them to evaluate changes in the operating results of the Company's portfolio of businesses separate from non-operational factors that affect net income, thus providing insight into both operations and the other factors that affect reported results. Total Segment EBITDA provides management, investors and equity analysts a measure to analyze the operating performance of the Company's business and its enterprise value against historical data and competitors' data, although historical results, including Segment EBITDA and Total Segment EBITDA, may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

Total Segment EBITDA may be considered a non-GAAP financial measure and should be considered in addition to, not as a substitute for, net income, cash flow and other measures of financial performance reported in accordance with GAAP. In addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment charges, which are significant components in assessing the Company's financial performance. Total Segment EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table reconciles Income before income tax (expense) benefit to total Segment EBITDA:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2019	2018	2019	2018
	\$ Millions			
Income before income tax (expense) benefit	\$ 706	\$ 654	\$ 1,568	\$ 1,577
Add:				
Amortization of cable distribution investments	10	11	29	43
Depreciation and amortization	58	43	152	126
Impairment and restructuring charges	14	14	14	11
Interest expense	81	7	112	20
Interest income	(19)	-	(19)	-
Other, net	(84)	(23)	116	75
Total Segment EBITDA	\$ 766	\$ 706	\$ 1,972	\$ 1,852



EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2019

NOTE 2 – ADJUSTED NET INCOME AND ADJUSTED EPS

The Company uses net income and earnings per share (“EPS”) attributable to Fox Corporation stockholders excluding net income effects of Impairment and restructuring charges, adjustments in Equity (losses) earnings of affiliates, Other, net, and tax provision adjustments (“Adjusted Net Income” and “Adjusted EPS” respectively) to evaluate the performance of the Company’s operations exclusive of certain items that impact the comparability of results from period to period.

Adjusted Net Income and Adjusted EPS may not be comparable to similarly titled measures reported by other companies. Adjusted Net Income and Adjusted EPS are not measures of performance under generally accepted accounting principles and should be considered in addition to, and not as substitutes for, net income attributable to Fox Corporation stockholders and EPS as reported in accordance with GAAP. However, management uses these measures in comparing the Company’s historical performance and believes that they provide meaningful and comparable information to management, investors and equity analysts to assist in their analysis of the Company’s performance relative to prior periods and the Company’s competitors.

The following table reconciles net income and EPS attributable to Fox Corporation stockholders to Adjusted Net Income and Adjusted EPS for the three months ended March 31, 2019 and 2018.

	Three Months Ended			
	March 31, 2019		March 31, 2018	
	Income	EPS	Income	EPS
	\$ Millions, except per share data			
Net Income	\$ 539		\$ 466	
Less: Net income attributable to noncontrolling interests	(10)		(9)	
Net Income attributable to Fox Corporation stockholders	\$ 529	\$ 0.85	\$ 457	\$ 0.74
Impairment and restructuring charges	14	0.02	14	0.02
Other, net	(85)	(0.14)	(25)	(0.04)
Tax provision	13	0.02	13	0.02
Rounding	-	0.01	-	-
As adjusted	\$ 471	\$ 0.76	\$ 459	\$ 0.74



The Stars Group and FOX Sports Announce Historic U.S. Media and Sports Wagering Partnership

TORONTO and LOS ANGELES, May 8, 2019 – The Stars Group Inc. (Nasdaq: TSG)(TSX: TSGI) and FOX Sports, a unit of Fox Corporation (Nasdaq: FOXA, FOX), today announced plans to launch FOX Bet, the first-of-its kind national media and sports wagering partnership in the United States. The Stars Group and FOX Sports have entered a long-term commercial agreement through which FOX Sports will provide The Stars Group with an exclusive license to use certain FOX Sports trademarks.

The Stars Group and FOX Sports expect to launch two products in the Fall of 2019 under the FOX Bet umbrella. One will be a nationwide free-to-play game, awarding cash prizes to players who correctly predict the outcome of sports games. The second product, which will be named FOX Bet, will give customers in states with regulated betting the opportunity to place real money wagers on the outcome of a wide range of sporting events in accordance with the applicable laws and regulations.

In addition to the commercial agreement of up to 25 years and associated product launches, Fox Corporation will acquire 14,352,331 newly issued common shares in The Stars Group, representing 4.99% of The Stars Group's issued and outstanding common shares, at a price of \$16.4408 per share, the prevailing market price leading up to the commencement of exclusive negotiations. The Stars Group currently intends to use the aggregate net proceeds of approximately \$236 million for general corporate purposes and to prepay outstanding indebtedness on its first lien term loans. The common shares issued to Fox Corporation are subject to certain transfer restrictions for two years, subject to customary exceptions.

Rafi Ashkenazi, Chief Executive Officer of The Stars Group said: “We believe this strategic partnership uniquely positions us to build a leading betting business in the U.S., which represents one of the most exciting long-term growth opportunities for our company. Leveraging our proven media partnership strategy with Sky Sports in the UK, we are excited to partner with FOX Sports to integrate wagering into sports media and drive customer acquisition and retention in the U.S.”

Eric Shanks, Chief Executive Officer and Executive Producer of FOX Sports added: “FOX Sports is already synonymous with the best live sports events in the country and now we are expanding the way we immerse fans in the sports culture they love. Digital sports wagering represents a growing market opportunity that allows us to diversify our revenue streams, connect directly with consumers and expand the reach of the FOX Sports brand.”

Under the commercial agreement, FOX Sports will grant to The Stars Group an exclusive license for the use of certain FOX Sports trademarks for a range of immersive games and online sports wagering, and certain exclusive advertising and editorial integration rights on certain FOX Sports broadcast media and digital assets. As part of the transaction, FOX Sports will receive certain brand license, integration and affiliate fees. In addition, during the term of the commercial agreement, The Stars Group has agreed to a minimum annual advertising commitment on certain FOX media assets. Prior to the tenth anniversary of the commercial agreement, and subject to certain conditions and applicable gaming regulatory approvals, FOX Sports has the right to acquire up to a 50% equity stake in The Stars Group's U.S. business.

Moelis & Company LLC acted as financial advisor and Proskauer Rose LLP and Jones Day acted as legal advisors to The Stars Group. Jenner & Block LLP and Paul Hastings LLP acted as legal advisors to FOX Sports.

All references in this new release to “\$” are to U.S. dollars.

The Stars Group Investor Conference Call

An investor conference call will take place tomorrow, Thursday, May 9, 2019 at approximately 7:30 am ET.

To access via tele-conference, please dial +1 866-342-8588 or +1 203-518-9865 ten minutes prior to the scheduled start of the call. All participants must enter passcode 15853# to join the call.

The playback will be made available two hours after the event at +1 844-512-2921 or +1 412-317-6671. The Conference ID number is 134569.

To access the webcast please use the following link: <http://public.viavid.com/index.php?id=134569>

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About The Stars Group

The Stars Group is a provider of technology-based product offerings in the global gaming and interactive entertainment industries. Its brands have millions of registered customers globally and collectively are leaders in online and mobile betting, poker, casino and other gaming-related offerings. The Stars Group owns or licenses gaming and related consumer businesses and brands, including PokerStars, PokerStars Casino, BetStars, Full Tilt, BetEasy, Sky Bet, Sky Vegas, Sky Casino, Sky Bingo, Sky Poker, and Oddschecker, as well as live poker tour and events brands, including the PokerStars Players No Limit Hold'em Championship, European Poker Tour, PokerStars Caribbean Adventure, Latin American Poker Tour, Asia Pacific Poker Tour, PokerStars Festival and PokerStars MEGASTACK. The Stars Group is one of the world's most licensed online gaming operators with its subsidiaries collectively holding licenses or approvals in 21 jurisdictions throughout the world, including in Europe, Australia, and the Americas. The Stars Group's vision is to become the world's favorite iGaming destination and its mission is to provide its customers with winning moments.

About FOX Sports

FOX Sports is the umbrella entity representing Fox Corporation's wide array of multi-platform US-based sports assets. Built with brands capable of reaching more than 100 million viewers in a single weekend, the business has ownership and interests in linear television networks, digital and mobile programming, broadband platforms, multiple web sites, joint-venture businesses and several licensing relationships. FOX Sports includes the sports television arm of the FOX Network; FS1, FS2, FOX Soccer Plus and FOX Deportes. FOX Sports' digital properties include FOXSports.com and the FOX Sports App, which provides live streaming video of FOX Sports content, instant scores, stats and alerts to iOS and Android devices. Additionally, FOX Sports and social broadcasting platform, Caffeine jointly own Caffeine Studios which creates exclusive eSports, sports and live entertainment content. Also included in FOX Sports' portfolio are FOX's interests in joint-venture businesses Big Ten Network and BTN 2Go, as well as a licensing agreement that established the FOX Sports Radio Network.

Cautionary Note Regarding Forward Looking Statements

This news release contains forward-looking statements and information within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws, including statements and information relating to the partnership between The Stars Group and FOX Sports and rights and obligations related thereto, particularly with respect to the development of certain products as well as the purchase of The Stars Group common shares by Fox Corporation. Words such as "may," "will," "should," "likely," "anticipates," "expects," "intends," "plans," "projects," "believes," "estimates," "outlook" and similar expressions are used to identify these forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements in this news release due to changes in economic, business, competitive, technological, strategic and/or regulatory factors and other factors affecting the operation of the businesses of The Stars Group and FOX Sports. More detailed information about these factors is contained in The Stars Group's annual information form for the year ended December 31, 2018, including under the heading "Risk Factors and Uncertainties," available on SEDAR at www.sedar.com, EDGAR at www.sec.gov and The Stars Group's website at www.starsgroup.com, and in other filings that The Stars Group has made and may make in the future with applicable securities authorities in the future, and in the documents Fox Corporation has filed with or furnished to the Securities and Exchange Commission (the "SEC"), including its Registration Statement on Form 10, filed with the SEC and declared effective by the SEC on February 5, 2019, and subsequent Quarterly Reports on Form 10-Q.

Investors are cautioned not to put undue reliance on forward looking statements or information. Statements and information in this news release speak only as of the date they were made, and neither The Stars Group nor FOX Sports undertakes any duty to update or release any revisions to any forward-looking statement made in this news release or to report any events or circumstances after the date of this news release or to reflect the occurrence of unanticipated events or to conform such statements and information to actual results or changes in expectations, except as required by law.

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