

NEWS CORP LTD
Form 424B3
January 14, 2004
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-111439

PROSPECTUS SUPPLEMENT

(To prospectus dated January 7, 2004)

28,574,776 American Depositary Shares

The News Corporation Limited

Representing 114,299,104

Preferred Limited Voting Ordinary Shares

All of the American Depositary Shares, or Preferred ADSs, of The News Corporation Limited are being offered by General Motors Corporation, the selling security holder. Each Preferred ADS represents four Preferred Limited Voting Ordinary Shares, or Preferred Ordinary Shares. We will not receive any of the proceeds from the offering.

The Preferred ADSs currently trade on the New York Stock Exchange under the symbol NWSA. On January 9, 2004, the last reported sale price of our Preferred ADSs on the NYSE was US\$31.02 per Preferred ADS. The Preferred Ordinary Shares currently trade on the Australian Stock Exchange. On January 12, 2004, the last reported sales price of the Preferred Ordinary Shares on the ASX was A\$10.23 per Preferred Ordinary Share.

Investing in our Preferred ADSs involves risks that are described in the Risk Factors section beginning on page 2 of the accompanying prospectus.

The underwriter has agreed to purchase the Preferred ADSs from the selling security holder for US\$31.88 per Preferred ADS. The proceeds to the selling security holder from the sale will be US\$910,963,858.88, before payment of expenses by the selling security holder. See Underwriting.

The Preferred ADSs may be offered by the underwriter from time to time to purchasers directly or through agents, or through brokers in brokerage transactions on the New York Stock Exchange, or to dealers in negotiated transactions or in a combination of such methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Neither the Securities and Exchange Commission, nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The Preferred ADSs will be ready for delivery on or about January 15, 2004.

Merrill Lynch & Co.

The date of this prospectus supplement is January 12, 2004.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriter nor the selling security holder have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor the underwriter nor the selling security holder are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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UNDERWRITING

Subject to the terms and conditions described in an underwriting agreement among us, the selling security holder and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as underwriter, the selling security holder has agreed to sell to the underwriter, and the underwriter has agreed to purchase from the selling security holder, 28,574,776 Preferred ADSs.

The underwriter has agreed to purchase all of the Preferred ADSs sold under the underwriting agreement if any of the Preferred ADSs are purchased.

We and the selling security holder have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriter may be required to make in respect of those liabilities.

The underwriter is offering the Preferred ADSs, subject to prior sale, when, as and if delivered to and accepted by it, subject to approval of legal matters by its counsel, including the validity of the Preferred ADSs, and other conditions contained in the underwriting agreement, such as the receipt by the underwriter of officers' certificates and legal opinions. The underwriter reserves the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The proceeds to the selling security holder from the sale of the Preferred ADSs will be US\$910,963,858.88, before payment of expenses by the selling security holder. We will not receive any proceeds from the sale of the Preferred ADSs by the selling security holder.

The expenses of the offering, not including the underwriting discount, are estimated at US\$900,000, US\$650,000 of which are payable by us and US\$250,000 of which are payable by the selling security holder.

The distribution of the 28,574,776 Preferred ADSs by the underwriter may be effected from time to time to purchasers directly or through agents, or through brokers in brokerage transactions on the New York Stock Exchange, or to dealers in negotiated transactions or in a combination of such methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. In connection with the sale of any Preferred ADSs hereby, the underwriter may be deemed to have received compensation from the selling security holder equal to the difference between the amount received by the underwriter upon the sale of such Preferred ADSs and the price at which the underwriter purchased such Preferred ADSs from the selling security holder. In addition, if the underwriter sells Preferred ADSs through certain dealers, such dealers may receive compensation in the form of underwriting discounts, concessions or commissions from the underwriter and/or any purchasers of Preferred ADSs for whom they may act as agent. The underwriter may also receive compensation from the purchasers of Preferred ADSs for whom it may act as agent.

No Sales of Similar Securities

We have agreed, with certain exceptions, not to offer, sell, contract to sell, or otherwise dispose of any of our securities that are substantially similar to the Preferred Ordinary Shares or Preferred ADSs, including, but not limited to, any securities that are convertible into or exchangeable

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for, or that represent the right to receive, Preferred Ordinary Shares or any such substantially similar securities for a period of 30 days from the date of this prospectus supplement without the underwriter's prior written consent.

These restrictions will not apply to offers or sales:

pursuant to employee stock option plans, benefit plans or dividend reinvestment plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of prospectus supplement; or

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in connection with any merger or consolidation by us or any of our subsidiaries or the acquisition by us or any of our subsidiaries of capital stock or assets of any other individual, partnership, joint venture, limited liability company, corporation, trust, unincorporated organization or other entity or government or any department or agency thereof.

The selling security holder has agreed, with certain exceptions, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of, any of our securities that are substantially similar to the Preferred Ordinary Shares or Preferred ADSs, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Preferred Ordinary Shares or any such substantially similar securities, whether now owned or hereafter acquired, owned directly by the selling security holder (including holding as a custodian) or with respect to which the selling security holder has beneficial ownership for a period of 30 days from the date of this prospectus supplement without the underwriter's prior written consent.

In addition, United States Trust Company of New York, in its capacity as trustee of certain trusts and sub-trusts under certain pension and employee benefit plans of the selling security holder, has agreed not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of, any of our securities that are substantially similar to the Preferred Ordinary Shares or Preferred ADSs, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Preferred Ordinary Shares or any such substantially similar securities, whether now owned or hereafter acquired, owned directly by it (including holding as a custodian) or with respect to which it has beneficial ownership for a period of 30 days from the date of this prospectus supplement, without the underwriter's prior written consent (which shall not be unreasonably withheld). This agreement relates only to securities held in these trusts and sub-trusts that are managed by United States Trust Company of New York in its capacity as trustee of such trusts.

New York Stock Exchange Listing

The Preferred ADSs are listed on the New York Stock Exchange under the symbol NWSA.

Price Stabilization and Short Positions

Until the distribution of the Preferred ADSs is completed, SEC rules may limit the underwriter from bidding for and purchasing Preferred ADSs or Preferred Ordinary Shares. However, the underwriter may engage in transactions that stabilize the price of such securities, such as bids or purchases to peg, fix or maintain that price.

If the underwriter creates a short position in such securities in connection with this offering, *i.e.*, if it sells more shares than are listed on the cover of this prospectus supplement, the underwriter may reduce that short position by purchasing shares in the open market. Purchases of such securities to stabilize its price or to reduce a short position may cause the price of such securities to be higher than it might be in the absence of such purchases.

Neither we, the selling security holder nor the underwriter make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the capital stock. In addition, neither we, the selling security holder nor the underwriter make any representation that the underwriter will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

The underwriter and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us and the selling security holder. The underwriter has received customary fees and commissions for prior transactions.

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LEGAL MATTERS

Certain legal matters will be passed upon for News Corporation by Hogan & Hartson L.L.P. with respect to United States law and by Allens Arthur Robinson with respect to Australian law. Allens Arthur Robinson have given their consent to be named in this prospectus supplement and the accompanying prospectus as Australian solicitors of News Corporation and have been involved only in the preparation of the advice specifically attributed to them in the section entitled "Enforceability of Civil Liabilities Under the Federal Securities Laws" in the accompanying prospectus. Allens Arthur Robinson have not, however, been involved in the preparation of the remaining content of this document and are not to be regarded as accepting responsibility as experts for any matters other than those on which they have advised as aforesaid. Certain legal matters with respect to United States law will be passed upon for the underwriter by Kirkland & Ellis LLP. Kirkland & Ellis LLP has from time to time rendered legal advisory services to each of News Corporation and the selling security holder and their respective affiliates.

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PROSPECTUS

**28,574,776 American Depositary Shares,
each representing four
Preferred Limited Voting Ordinary Shares**

The News Corporation Limited

This prospectus relates to resales of American Depositary Shares (the Preferred ADSs), each representing four Preferred Limited Voting Ordinary Shares (the Preferred Ordinary Shares), previously issued by The News Corporation Limited to General Motors Corporation (GM or the selling security holder) or its permitted transferees in connection with our acquisition of a 34% interest in Hughes Electronics Corporation, which was previously a wholly-owned subsidiary of GM.

An investment in these securities involves risks. See Risk Factors beginning on page 2.

The Preferred ADSs currently trade on the New York Stock Exchange under the symbol NWSA. On December 19, 2003, the last reported sale price of our Preferred ADSs on the NYSE was \$28.85 per Preferred ADS.

The selling security holder directly, or through agents designated from time to time, or through dealers or underwriters to be designated, may sell the offered securities from time to time on terms to be determined at the time of sale. See Plan of Distribution. To the extent required, the specific offered securities to be sold, the names of the selling security holder, the respective purchase price and public offering price, the names of such agents, dealers or underwriters, and any applicable commission or discount with respect to a particular offer will be set forth in an accompanying prospectus supplement.

We will not receive any of the proceeds from the sale of any of the offered securities. The offered securities may be offered by the selling security holder in negotiated transactions or otherwise, at fixed prices, at market prices prevailing at the time of sale or at negotiated prices. See the information under Plan of Distribution. The selling security holder reserves the sole right to accept and, together with its agents from time to time, to reject, in whole or in part, any proposed purchase of the offered securities to be made directly or through its agents.

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The selling security holder and any broker-dealers, agents or underwriters that participate with the selling security holder in the sale of the offered securities may be deemed to be underwriters within the meaning of the Securities Act. Any profits realized by the selling security holder may be deemed to be underwriting discounts or commissions. Any commissions paid to broker-dealers and, if broker-dealers purchase the offered securities as principals, any profits received by such broker-dealers on the resale of the offered securities, may be deemed to be underwriting discounts or commissions under the Securities Act.

By agreement with the selling security holder, we will pay a substantial portion of the expenses incident to the registration of the Preferred ADSs, consisting of printing, legal, accounting, SEC registration and other fees estimated to be approximately \$900,000. See the information below under **Plan of Distribution** relating to indemnification arrangements between News Corporation and the selling security holder.

Neither the Securities and Exchange Commission, nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is January 7, 2004

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NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE NEWS CORPORATION LIMITED. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE NEWS CORPORATION LIMITED AND ITS SUBSIDIARIES SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR OF ANY SECURITIES OFFERED HEREBY IN ANY JURISDICTION WHERE, OR TO ANY PERSON WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE INFORMATION CONTAINED IN THIS PROSPECTUS SPEAKS ONLY AS OF THE DATE OF THIS PROSPECTUS UNLESS THE INFORMATION SPECIFICALLY INDICATES THAT ANOTHER DATE APPLIES.

THIS DOCUMENT DOES NOT CONSTITUTE A PROSPECTUS WITHIN THE MEANING OF THE AUSTRALIAN CORPORATIONS ACT 2001 AND HAS NOT BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC). NONE OF GM, NEWS CORPORATION OR THE UNDERWRITER (IF ANY) HAS AUTHORIZED, OR TAKEN ANY ACTION TO LODGE, AN AUSTRALIAN LAW COMPLIANT PROSPECTUS WITH ASIC IN RELATION TO THE PREFERRED ADSs OR THE PREFERRED ORDINARY SHARES. THIS DOCUMENT HAS BEEN PREPARED TO COMPLY WITH RELEVANT U.S. LAWS AND THE INFORMATION DISCLOSED IS NOT THE SAME AS THAT WHICH MUST BE DISCLOSED IN AN AUSTRALIAN PROSPECTUS. NEITHER THE PREFERRED ADSs NOR THE PREFERRED ORDINARY SHARES WHICH ARE REPRESENTED BY THEM MAY BE DISTRIBUTED OR SOLD IN AUSTRALIA TO ANY PERSON OTHER THAN BY WAY OF, OR PURSUANT TO, AN OFFER THAT DOES NOT NEED DISCLOSURE UNDER THE AUSTRALIAN CORPORATIONS ACT 2001.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and file reports and other information with the Securities and Exchange Commission, which we refer to as the SEC.

You may read and copy this information at the Public Reference Room of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. You may also obtain copies of all or any part of such material by mail from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. For more information about the operation of the Public Reference Room, call the SEC at 1-800-SEC-0330. The SEC also maintains a web site that contains reports and other information about issuers who file electronically with the SEC, including News Corporation. The Internet address of the site is <http://www.sec.gov>.

Reports and other information concerning us may also be inspected at the offices of the New York Stock Exchange, Inc. at 20 Broad Street, New York, New York 10005. You may also obtain certain of these documents at News Corporation's website at www.newscorp.com. Except as otherwise specifically provided herein, we are not incorporating the contents of the websites of the SEC, News Corporation or any other person into this document. We are only providing information about how you may obtain certain documents that are incorporated into this document by reference at these websites.

This prospectus forms part of the registration statement filed by News Corporation with the SEC under the Securities Act. This prospectus omits certain of the information contained in the registration statement in accordance with the rules and regulations of the SEC.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We have filed with the SEC, pursuant to the Exchange Act, an Annual Report on Form 20-F for the fiscal year ended June 30, 2003 filed on October 29, 2003, an amendment to such report on Form 20-F/A filed on December 8, 2003 and a report on Form 6-K filed on November 5, 2003, which are hereby incorporated by reference in and made a part of this prospectus. We also incorporate by reference the descriptions of our ADSs, Preferred ADSs, Ordinary Shares and Preferred Ordinary Shares contained in our registration statement on Form 8-A (SEC File No. 1-9141) filed with the SEC on November 2, 1994 and any amendment or report filed for the purpose of updating such descriptions.

Statements contained in any such documents as to the contents of any contract or other document referred to therein are not necessarily complete and, in each instance, reference is made to the copy of such contract or other document filed with the SEC, each such statement being qualified in all respects by such reference.

Reports and other information filed by us with the SEC following the date hereof and prior to the termination of this offering, including annual reports on Form 20-F and, to the extent that the cover pages thereof state that they are to be incorporated into one or more registration statements, reports on Form 6-K, shall be deemed to be incorporated by reference herein. Statements contained in this document as to the contents of any contract or other document referred to in such document are not necessarily complete and, in each instance, reference is made to the copy of such contract or other document filed with the SEC, each such statement being qualified in all respects by such reference. Any statement contained in a document incorporated, or deemed to be incorporated, by reference herein or contained in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent any statement contained herein or in any subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any such statement so

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modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded.

We will provide to each person to whom a prospectus is delivered, upon written or oral request, without charge, a copy of any and all of the information incorporated by reference in this prospectus (excluding exhibits to such information unless such exhibits are specifically incorporated by reference therein). Requests for copies

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of such information relating to News Corporation should be directed to: News America Incorporated, 1211 Avenue of the Americas, New York, NY 10036, Attention: Investor Relations (telephone number (212) 852-7059).

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains statements that constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this prospectus that address activities, events or developments that we expect or anticipate will or may occur in the future, or that include the words may, will, would, could, should, believe, estimates, projects, plans, intends, anticipates, continues, forecasts, designed, goal, or the negative of those words or other comparable terms, are intended to identify forward-looking statements.

These statements appear in a number of places in this prospectus and documents incorporated by reference in this prospectus and are based on certain assumptions and analyses made in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate in the circumstances. These forward-looking statements are subject to risks, uncertainties and assumptions about us, and our subsidiaries and businesses, including the risks and uncertainties discussed in this prospectus under the caption Risk Factors and elsewhere, and are not guarantees of performance. Other important factors that could affect our future results and cause those results or other outcomes to differ materially from those expressed in the forward-looking statements include:

deterioration in worldwide economic and business conditions;

rapidly changing technology challenging our businesses' ability to adapt successfully;

exposure to fluctuations in currency exchange rates;

significant changes in our assumptions about customer acceptance, overall market penetration and competition from providers of alternative products and services;

unexpected challenges created by legislative and regulatory developments;

changes in our business strategy and development plans;

the September 11, 2001 terrorist attacks, the military activity in Iraq, the outbreak or escalation of hostilities between the United States and any foreign power or territory and changes in international political conditions as a result of these events may continue to affect the United States and the global economy and may increase other risks; and

other risks described from time to time in periodic reports that we file with the SEC.

Because the above factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement that we make, you should not place undue reliance on any forward-looking statement. Further, any forward-looking statement speaks only as of the date on which it is made. We do not ordinarily make projections of our future operating results and undertake no obligation to publicly update or

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revise any forward-looking statement, except as required by law. You should carefully review the other documents we file with the SEC.

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PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference in this prospectus. Because this is a summary, it may not contain all the information that may be important to you. You should read the entire prospectus, as well as the information incorporated by reference, before making an investment decision. When used in this prospectus, the terms News Corporation, the Company, we, our and us refer to The News Corporation Limited and its consolidated subsidiaries, unless otherwise specified.

News Corporation

News Corporation is a diversified international media and entertainment company with operations in eight industry segments, including filmed entertainment, television, cable network programming, direct broadcast satellite television, magazines, inserts, newspapers, book publishing and other. The activities of News Corporation are conducted principally in the United States, the United Kingdom, Italy, Asia, Australia and the Pacific Basin.

Our principal executive offices are located at 2 Holt Street, Surry Hills, New South Wales, 2010, Australia, and News Corporation's telephone number is 61-2-9-288-3000. The executive offices of our principal U.S. subsidiary, News America Incorporated, are located at 1211 Avenue of the Americas, New York, New York 10036, and News America's telephone number is (212) 852-7000.

Use of Proceeds	We will not receive any of the proceeds from the sale of the Preferred ADSs by the selling security holder. See Use of Proceeds and Plan of Distribution.
Risk Factors	An investment in the Preferred ADSs involves risks. See Risk Factors described in this prospectus or in any other documents subsequently filed with the Commission for a discussion of factors you should carefully consider before deciding to purchase any Preferred ADSs.
Trading	News Corporation's Preferred ADSs currently trade on the New York Stock Exchange under the symbol NWSA .

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RISK FACTORS

In addition to the other information set forth in this prospectus and in the documents incorporated by reference herein, prospective investors should consider carefully the risk factors set forth below before making an investment in the securities offered pursuant to this prospectus.

Risk Factors

A Decline in Advertising Expenditures Could Cause Our Revenues and Operating Results to Decline Significantly in any Given Period or in Specific Markets. We derive substantial revenues from the sale of advertising on our television stations, broadcast and cable networks and direct-to-home television services and in our newspapers and inserts. Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions as well as budgeting and buying patterns. A decline in the economic prospects of advertisers or the economy in general could alter current or prospective advertisers' spending priorities. This could cause our revenues and operating results to decline significantly in any given period or in specific markets.

Acceptance of Our Film and Television Programming by the Public is Difficult to Predict, Which Could Lead to Fluctuations in Revenues. Feature film and television production and distribution are speculative businesses since the revenues derived from the production and distribution of a feature film or television series depend primarily upon its acceptance by the public, which is difficult to predict. The commercial success of a feature film or television series also depends upon the quality and acceptance of other competing films and television series released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions and other tangible and intangible factors, all of which can change and cannot be predicted with certainty. Further, the theatrical success of a feature film and the audience ratings for a television series are generally key factors in generating revenues from other distribution channels, such as home video and premium pay television with respect to feature films and syndication with respect to television series.

The Loss of Carriage Agreements Could Cause Our Revenue and Operating Results to Decline Significantly in any Given Period or in Specific Markets. We are dependent upon the maintenance of affiliation agreements with third-party owned television stations, and there can be no assurance that these affiliation agreements will be renewed in the future on terms acceptable to us. The loss of a significant number of these affiliation arrangements could reduce the distribution of the Fox Broadcasting Company (FOX) thereby adversely affecting our ability to sell national advertising time. Similarly, our cable networks maintain affiliation and carriage arrangements that enable them to reach a large percentage of cable and direct broadcast satellite (DBS) households across the United States. The loss of a significant number of these arrangements or the loss of carriage on basic programming tiers could reduce the distribution of our cable networks, thereby adversely affecting such networks' revenues from subscriber fees and ability to sell advertising time.

The Inability to Renew Sports Programming Rights Could Cause Our Advertising Revenue to Decline Significantly in any Given Period or in Specific Markets. The sports rights contracts between us, on the one hand, and various professional sports leagues and teams, on the other, have varying duration and renewal terms. As these contracts expire, renewals on favorable terms may be sought; however, third parties may outbid the current rights holders for such rights contracts, the professional sports leagues or teams may create their own network, or the renewal costs could substantially exceed the original contract cost. The loss of rights could impact the extent of the sports coverage offered by us and our affiliates, as it relates to FOX, and could adversely affect our advertising revenues. In addition, if escalations in sports programming rights costs are unmatched by increases in advertising rates and, in the case of cable networks, subscriber fees, our businesses that acquire or own such rights could be adversely affected.

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Changes in U.S. or Foreign Communications Laws and Other Regulations May Have an Adverse Effect on Our Business. In general, the television broadcasting and cable industries in the United States are highly

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regulated by federal laws and regulations issued and administered by various federal agencies, including the FCC. The FCC generally regulates, among other things, the ownership of media, including ownership by non-U.S. citizens, broadcast programming and technical operations. Further, the United States Congress and the FCC currently have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of matters, including technological changes, which could, directly or indirectly, affect the operations and ownership of our U.S. broadcast properties. Similarly, changes in regulations imposed by governments in other jurisdictions in which we, or entities in which we have an interest, operate could adversely affect our business and results of operations.

We Are Controlled by One Principal Shareholder. Approximately 30% of the Ordinary Shares of News Corporation are owned by (1) K. Rupert Murdoch, (2) Cruden Investments Pty. Limited, a private Australian investment company owned by Mr. Murdoch, members of his family and various corporations and trusts, the beneficiaries of which include Mr. Murdoch, members of his family and certain charities, and (3) corporations controlled by trustees of settlements and trusts set up for the benefit of the Murdoch family, certain charities and other persons. By virtue of the shares of News Corporation owned by such persons and entities, and Mr. Murdoch's positions as Chairman and Chief Executive of News Corporation, Mr. Murdoch may be deemed to control the operations of News Corporation.

USE OF PROCEEDS

The net proceeds from the sale of the offered securities will be paid to the selling security holder. We will not receive any proceeds from the sale of the offered securities.

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NEWS CORPORATION

News Corporation is a diversified international media and entertainment company with operations in eight segments, including filmed entertainment, television, cable network programming, direct broadcast satellite television, magazines and inserts, newspapers, book publishing and other. Our activities are conducted principally in the United States, the United Kingdom, Italy, Asia, Australia and the Pacific Basin.

As of the date of this document, News Corporation owns approximately 82% of the equity of Fox Entertainment Group, Inc. (Fox Entertainment), and approximately 97.0% of its voting power. Fox Entertainment is principally engaged in the following businesses:

Filmed Entertainment. Fox Entertainment engages in feature film and television production and distribution principally through the following businesses: Fox Filmed Entertainment, a producer and distributor of feature films; Twentieth Century Fox Television, a producer of network television programming; Twentieth Television, a producer and distributor of television programming; and Fox Television Studios, a producer of broadcast and cable programming.

Television. Fox Television Stations currently owns and operates 35 full power stations, of which 25 are affiliates of the FOX television network (FOX), including stations located in nine of the top ten designated market areas (DMAs) and nine are affiliates of the United Paramount Network, including stations located in four of the top ten DMAs. Fox Broadcasting Company operates FOX that has 183 affiliated stations across the United States, including the 25 full power television stations that are owned and operated by Fox Entertainment.

Cable Network Programming. Fox Entertainment's primary cable network programming businesses include: Fox News Channel, a 24-hour all news cable channel; and Fox Sports Networks, comprised of a group of 24-hour regional cable sports programming services and a 50% interest in a complementary national sports programming service, Fox Sports Net; and FX Networks, a general entertainment network.

News Corporation also has operations in the following business segments through its other subsidiaries and investments:

Television. In Asia, STAR Group Limited, an indirect wholly-owned subsidiary of News Corporation, is engaged in the development, production and distribution of television programming to 53 countries throughout Asia and the Middle East. STAR currently broadcasts in seven languages and across 39 channels.

Direct Broadcast Satellite Television. In Italy, SKY Italia, owned 80.1% by News Corporation, distributes over 100 channels of basic and premium programming services via satellite directly to subscribers. News Corporation also holds an approximate 35% interest in BSkyB, which is the leading pay television broadcaster in the United Kingdom and Ireland, and is one of the leading suppliers of content, including movies, news, sports and general entertainment programming to pay television operators in the U.K. News Corporation also owns a 25% interest in the FOXTEL pay television service in Australia. News Corporation also has a 45.1% interest in Independent Newspapers Limited that owns a 66.25% interest in SKY Network Television Limited, a land-linked UHF network and digital DBS service in New Zealand. In Latin America, News Corporation has a 36% equity interest and an approximate 49.7% economic interest in the entity that operates Sky Brasil, the leading direct-to-home pay television service in Brazil, a 30% interest in the entity that operates Sky Mexico, the leading direct-to-home pay television service in Mexico, and a 30% interest in Sky Multi-Country Partners, which has interests in direct-to-home television services in Chile (Sky Chile) and Colombia (Sky Colombia).

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Magazines and Inserts. Through its News America Marketing Group, News Corporation publishes free standing inserts, which are promotional booklets containing consumer offers distributed through insertion in local Sunday newspapers, and provides in-store marketing products and services, primarily

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to consumer packaged goods manufacturers. In addition, News Corporation owns approximately 43% of Gemstar-TV Guide International, Inc., which is a media and technology company that develops, licenses, markets and distributes technologies, products and services targeted at the television guidance and home entertainment needs of consumers worldwide.

Newspapers. News Corporation is the largest newspaper publisher in Australia, owning more than 100 newspapers. In the United Kingdom, News Corporation publishes four national newspapers (*The Times*, *The Sunday Times*, *The Sun* and the *News of the World*), which account for approximately one-third of all national newspapers sold in the United Kingdom. News Corporation also publishes in New York City *The New York Post*, a mass circulation, metropolitan morning newspaper.

Book publishing. Through HarperCollins Publishers, News Corporation is engaged in English language book publishing on a worldwide basis. Its most significant components are HarperCollins Publishers Inc., headquartered in New York, HarperCollins Publishers Limited, headquartered in London, and The Zondervan Corporation, headquartered in Grand Rapids, Michigan. HarperCollins primarily publishes fiction and non-fiction, including religious books, for the general consumer.

Other. News Corporation owns approximately 77.8% of the equity (and 97.23% of the voting power) of NDS Group plc, which is a leading supplier of open end-to-end digital pay-television solutions for the secure delivery of entertainment to television set-up boxes and personal computers.

Hughes Transactions.

On December 22, 2003, News Corporation acquired a 34% interest in Hughes Electronics Corporation (Hughes), for approximately US\$3.1 billion (A\$4.2 billion) in cash and approximately 130.7 million Preferred ADSs of News Corporation, of which approximately 28.6 million Preferred ADSs were issued to GM (the Hughes Transactions). News Corporation transferred its ownership interest in Hughes to Fox Entertainment in exchange for promissory notes representing US\$4.5 billion (A\$6.8 billion) and approximately 74.5 million shares of Fox Entertainment's Class A Common Stock. Prior to the completion of the Hughes Transactions, GM owned all of the outstanding common stock of Hughes and held an approximately 19.8% retained economic interest in Hughes.

Hughes had approximately US\$7.17 billion of revenues for the nine months ending September 30, 2003 and approximately US\$18.9 billion of assets as of that date. Hughes is a provider of digital television entertainment, broadband satellite networks and services, and global video and data broadcasting. Hughes' businesses include DIRECTV, an all-digital multi-channel entertainment service; Hughes Network Systems, a provider of broadband satellite networks and services to both consumers and enterprises; and an 81% interest in PanAmSat, the owner and operator of one of the world's largest commercial satellite fleets. K. Rupert Murdoch, News Corporation's Chairman and Chief Executive, has become Chairman of Hughes, and News Corporation's former Co-Chief Operating Officer, Chase Carey, has become President and Chief Executive Officer of Hughes.

Table of Contents**PRICE RANGE OF SECURITIES**

News Corporation Preferred ADSs, each representing four Preferred Ordinary Shares, are listed on the New York Stock Exchange under the symbol NWSA. The following table sets forth in U.S. dollars the reported high and low closing sales prices on the New York Stock Exchange of the News Corporation Preferred ADSs for the periods listed.

	US\$	US\$
	<u>High</u>	<u>Low</u>
Fiscal Year Ended June 30,		
1999	33.69	18.25
2000	56.44	24.56
2001	48.63	24.60
2002	33.33	18.62
2003	26.64	15.32
Fiscal Year Ended June 30,		
2002		
First Quarter	33.33	20.51
Second Quarter	27.60	21.65
Third Quarter	27.15	20.99
Fourth Quarter	25.91	18.62
2003		
First Quarter	20.26	15.32
Second Quarter	23.95	16.00
Third Quarter	24.60	18.95
Fourth Quarter	26.64	21.00
2004		
First Quarter	29.84	25.05
Second Quarter (through December 19, 2003)	31.02	27.29
Month Ended		
June 30, 2003	26.64	24.55
July 31, 2003	26.30	25.05
August 31, 2003	28.92	25.40
September 30, 2003	29.84	27.05
October 31, 2003	29.55	27.61
November 30, 2003	31.02	28.08

On December 19, 2003, the closing sales price on the New York Stock Exchange of News Corporation's Preferred ADSs was US\$28.85.

The following table contains, for the periods indicated, the annual dividends paid per Preferred Ordinary Share of News Corporation and per News Corporation Preferred ADS. Four Preferred Ordinary Shares underlie each News Corporation Preferred ADS.

Dividend paid per	Dividend paid per
News Corporation	News Corporation
Preferred Ordinary	Preferred ADS

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	Share		
	A\$	US\$(1)	US\$(1)
Fiscal year ended June 30,			
1999	0.075	0.0483	0.1932
2000	0.075	0.0389	0.1556
2001	0.075	0.0385	0.1540
2002	0.075	0.0389	0.1556
2003	0.075	0.0504	0.2014

(1) Dividend amounts have been translated into U.S. dollars at the Noon Buying Rate prevailing on the dates the final dividends were paid.

Declaration and payment of dividends is within the sole discretion of News Corporation's Board of Directors, subject to limitations imposed by Australian law. The dividend levels of past years may not be indicative of future dividends.

Table of Contents**CAPITALIZATION OF NEWS CORPORATION**

The following table sets forth the unaudited consolidated capitalization of News Corporation as of September 30, 2003 (A-GAAP) as reported. The Australian dollar amounts as of September 30, 2003 set forth herein have been derived from, should be read in conjunction with, and are qualified in their entirety by reference to, News Corporation's unaudited consolidated condensed financial statements for the three months ended September 30, 2003 presented in accordance with A-GAAP contained in News Corporation's Report on Form 6-K filed November 5, 2003. A-GAAP differs significantly in certain respects from US-GAAP. A discussion of these significant differences is found in Note 34 of News Corporation's consolidated financial statements contained in the News Corporation 2003 Annual Report on Form 20-F for the fiscal year ended June 30, 2003. Amounts set forth herein which are stated in Australian dollars have been translated into U.S. dollars, solely for the convenience of the reader, at an exchange rate of A\$1.00 = US\$0.7398, the noon buying rate on December 10, 2003. Such translations should not be construed as representations that the Australian dollar amounts represent, or have been or could be converted into, U.S. dollars at that or any other rate.

The following is in accordance with A-GAAP (all dollar amounts in millions):

	September 30, 2003	
	(in US\$)	
	A\$	US\$
Current maturities of borrowings	415	307
Long-term borrowings		
8 1/2% Notes due February 15, 2005	A\$ 194	US\$ 144
6.625% Notes due January 9, 2008	517	382
7 3/8% Notes due October 17, 2008	296	219
4.75% Notes due March 15, 2010	222	164
9 1/4% Notes due February 1, 2013	739	547
8 5/8% Notes due February 7, 2014	150	111
7.6% Notes due October 11, 2015	296	219
8% Notes due October 17, 2016	591	437
7.25% Notes due May 18, 2018	517	382
8 1/4% Notes due August 10, 2018	369	273
Liquid Yield Option Notes (LYONs) due February 28, 2021	1,223	905
8 7/8% Notes due April 26, 2023	369	273
7 3/4% Notes due January 20, 2024	296	219
7 3/4% Notes due February 1, 2024	133	98
9 1/2% Notes due July 15, 2024	296	219
8 1/2% Notes due February 23, 2025	296	219
7.7% Notes due October 30, 2025	369	273
7.43% Notes due October 1, 2026	355	263
7 1/8% Notes due April 8, 2028	296	219
7.3% Notes due April 30, 2028	296	219
7.28% Notes due June 30, 2028	296	219
7.625% Notes due November 30, 2028	296	219
6.55% Notes due March 15, 2033	517	382
6.703% MOPPrS due May 21, 2034	222	164
8.45% Notes due August 1, 2034	296	219
8.15% Notes due October 17, 2036	443	328
6.75% Notes due January 9, 2038	369	273
7.75% Notes due December 1, 2045	887	656
7.9% Notes due December 1, 2095	222	164
8 1/4% Notes due October 17, 2096	148	109

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Film production financing	1,059	783
Other	65	48
Total long-term borrowings	12,640	9,349
Total borrowings	13,055	9,656
Exchangeable securities	2,063	1,526
Total shareholders' equity(1)(2)	37,532	27,766
Total capitalization(3)	A\$ 52,235	US\$ 38,641

Trademark of Merrill Lynch & Co., Inc.

- (1) On October 15, 2003 Liberty Media Corporation acquired US\$500 million (A\$835 million) of our Preferred ADSs, which represented 23,255,814 of our Preferred ADSs.
- (2) On December 22, 2003 News Corporation issued approximately 130.7 million Preferred ADSs in connection with the acquisition of a 34% interest in Hughes Electronics Corporation, of which approximately 28.6 million Preferred ADSs were issued to General Motors.
- (3) Excludes current maturities of long-term borrowings.

Table of Contents**FOREIGN EXCHANGE RATES**

The following table sets forth, for the periods indicated, the average, high, low and period-end noon buying rates in New York City for Australian dollars as certified for customs purposes by the Federal Reserve Bank of New York, expressed in US\$ per A\$1.00.

Fiscal Year Ended June 30,	Average(1)	High	Low	Period End
1999	0.6246	0.6712	0.5550	0.6618
2000	0.6256	0.6703	0.5685	0.5971
2001	0.5320	0.5996	0.4828	0.5100
2002	0.5240	0.5748	0.4841	0.5628
2003	0.5809	0.6729	0.5280	0.6655

(1) The average of the noon buying rates from the last business day of each fiscal month during each period presented.

The following table sets out, for the periods indicated, information concerning the high and low rates of exchange for the A\$ for each month during the previous six months based on the noon buying rate:

Period	High	Low
June 2003	0.6729	0.6564
July 2003	0.6823	0.6454
August 2003	0.6653	0.6390
September 2003	0.6810	0.6395
October 2003	0.7077	0.6814
November 2003	0.7238	0.6986

On December 10, 2003, the latest practicable date for which exchange rate information was available before the filing of this document, the noon buying rate was US\$0.7398 per A\$1.00.

Table of Contents**SELECTED HISTORICAL FINANCIAL INFORMATION OF NEWS CORPORATION**

The following selected historical financial data of News Corporation has been derived from the historical audited consolidated financial statements and related notes of News Corporation for each of the years in the five-year period ended June 30, 2003 for both A-GAAP and US-GAAP and from the unaudited consolidated financial statements of News Corporation for the three months ended September 30, 2003 and 2002 for A-GAAP. The selected historical data is only a summary, and should be read in conjunction with the historical consolidated financial statements and related notes contained in News Corporation's Annual Report on Form 20-F for the fiscal year ended June 30, 2003, which is incorporated into this document by reference. The selected historical unaudited financial information for the three months ended September 30, 2002 and 2003 have been derived from, should be read in conjunction with and are qualified in their entirety by reference to, News Corporation's unaudited consolidated condensed financial statements for the three months ended September 30, 2002 and 2003 presented in accordance with A-GAAP contained in News Corporation's Report on Form 6-K filed November 5, 2003. The selected historical financial data is set forth in Australian dollars with a translation of amounts for the three months ended September 30, 2003 (A-GAAP) and the fiscal year ended June 30, 2003 (US-GAAP) into U.S. dollars at A\$1.00 = US\$0.7398, the noon buying rate on December 10, 2003, solely for your convenience.

The consolidated financial statements of News Corporation contained in its Annual Report on Form 20-F for the fiscal year ended June 30, 2003 have been prepared in accordance with A-GAAP. A-GAAP differs significantly in certain respects from US-GAAP. A discussion of these significant differences is found in Note 34 of News Corporation's consolidated financial statements.

	Fiscal Year Ended June 30,(1)					(unaudited) Three Months Ended September 30,		
	1999	2000	2001	2002	2003	2002	2003	2003
	(in millions, except per share data)							
Amounts in accordance with A-GAAP								
Statement of Financial Performance data:								
Sales revenue	A\$ 21,774	A\$ 22,433	A\$ 25,578	A\$ 29,014	A\$ 29,913	A\$ 6,931	A\$ 7,081	US\$ 5,239
Depreciation and amortization	510	562	706	749	776	185	219	162
Operating income	2,752	2,742	3,093	3,542	4,352	996	1,095	810
Net profit (loss) from associated entities	(545)	(298)	(249)	(1,434)	(89)	(174)	87	64
Net borrowing costs	(773)	(814)	(935)	(1,000)	(791)	(225)	(173)	(128)
Dividends on exchangeable securities	(80)	(79)	(90)	(93)	(94)	(23)	(28)	(21)
Net profit (loss) attributable to members of the parent entity	1,088	1,921	(746)	(11,962)	1,808	295	644	476
Basic/Diluted earnings per share on net profit (loss) attributable to members of the parent entity:								
Ordinary shares	0.25	0.42	(0.17)	(2.17)	0.31	0.05	0.11	0.08
Preferred limited voting ordinary shares	0.30	0.51	(0.21)	(2.60)	0.37	0.06	0.13	0.10

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Dividends per ordinary share	0.030	0.030	0.030	0.015(2)	0.030	0.015	0.015	0.011
Dividends per preferred ordinary share		10,000	11,915					
Tower Division	2000	280,000	50,000	100,000	8,120			
Bradley E. Singer (f)	2002	475,000	150,000	510,000	21,643			
Chief Financial Officer and	2001	325,000			20,903			
Treasurer	2000	68,960		300,000	2,044			
James D. Taiclet, Jr. (g)	2002	500,000	150,000	300,000	137,542			
President and Chief Operating Officer	2001	156,250		500,000	3,210			

- (a) Included in this category for 2002 are amounts paid with respect to the Named Executive Officers for: (A) matching contributions to our 401(k) plan of \$2,100, \$3,500, \$3,220, \$2,850, and \$3,500, respectively; (B) group term life insurance payments of \$774, \$162, \$162, \$162, and \$180, respectively; (C) automobile expenses of \$8,400, \$12,000, and \$12,000 for Messrs. Moskowitz, Singer and Taiclet, respectively; (D) relocation expenses for Mr. Taiclet of \$121,862; (E) original issue discount on an outstanding loan to Mr. Singer of \$6,631; and (F) tax planning and preparation fees paid on behalf of Mr. Dodge of \$41,500.
- (b) Mr. Dodge served as Chairman of the Board, President and Chief Executive Officer through September 3, 2001.
- (c) Mr. Dodge surrendered and forfeited for no consideration this option to purchase 300,000 shares of Class A Common Stock at an exercise price of \$30.625 per share in 2001.
- (d) Mr. Gearon served as an Executive Vice President until December 2001.
- (e) Mr. Moskowitz served as our Executive Vice President Marketing and Vice President and General Manager of Northeast Region in 2001.
- (f) Mr. Singer joined the Company in September 2000 as Executive Vice President Strategy. He served as Executive Vice President Finance and Vice President and General Manager of Southeast Region in 2001.
- (g) Mr. Taiclet joined the Company in September 2001 as President and Chief Operating Officer.

Table of Contents**Options Granted in 2002**

The following table sets forth certain information relating to options granted in 2002 pursuant to our Stock Option Plan to the individuals named in the Summary Compensation Table above.

Option Grants in Last Fiscal Year

Name	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(c)	
	Number of Securities Underlying Options Granted	Percent of Total Options Granted to Employees in Fiscal 2002(a)	Exercise Price		5%	10%
			Per Share(b)	Expiration Date		
Steven B. Dodge	300,000	3.40%	\$ 3.04	12/9/12	\$ 573,552	\$ 1,453,493
J. Michael Gearon, Jr.	100,000	1.13	3.04	12/9/12	191,184	484,498
Steven J. Moskowitz	200,000	2.26	5.91	1/18/12	743,353	1,883,804
	50,000	0.57	3.15	6/14/12	99,051	251,014
	200,000	2.26	3.04	12/9/12	382,368	968,995
Bradley E. Singer	200,000	2.26	5.91	1/18/12	743,353	1,883,804
	60,000	0.68	3.15	6/14/12	118,861	301,217
	250,000	2.83	3.04	12/9/12	477,960	1,211,244
James D. Taiclet, Jr.(d)	175,000	1.98	1.07	10/4/12	117,761	298,428
	125,000	1.41	3.04	12/9/12	238,980	605,622

- (a) Based on options to purchase an aggregate of 8,835,624 shares granted to our employees and directors pursuant to our Stock Option Plan during the year ended December 31, 2002.
- (b) The exercise price per share of each option was equal to the closing price of our Class A Common Stock on the NYSE on the date of grant.
- (c) The potential realizable value is calculated based on the term of option at the time of grant. Stock price appreciation of 5% and 10% is assumed pursuant to rules promulgated by the Securities and Exchange Commission and does not represent our prediction of stock price performance. The potential realizable values at 5% and 10% appreciation are calculated by assuming that the exercise price on the date of grant appreciates at the indicated rate for the entire term of the option and that the option is exercised at the exercise price and sold on the last day of its term at the appreciated price.
- (d) See Employment and Severance Agreements.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table sets forth certain information regarding the unexercised options granted pursuant to our Stock Option Plan (or outstanding with respect to options granted under predecessor plans) to the individuals referred to in the Summary Compensation Table above. None of the Named Executive Officers exercised any options during 2002.

Aggregated Option Values in Last Fiscal Year

and Fiscal Year-End Option Values

Name	Number of Securities Underlying Unexercised Options at December 31, 2002		Value of Unexercised In-the-Money Options at December 31, 2002(a)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Steven B. Dodge	3,055,867	1,080,000	\$ 195,790	\$ 147,000
J. Michael Gearon, Jr.	427,561	306,890		49,000
Steven J. Moskowitz	288,500	581,500		117,000
Bradley E. Singer	120,000	690,000		145,300
James D. Taiclet, Jr.	125,000	675,000		491,750

(a) Based on the closing price of the Class A Common Stock on the NYSE on December 31, 2002 of \$3.53 per share.

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Compensation Committee Interlocks and Insider Participation

Chase, an entity related to JPMP, BHCA and JPSBIC, affiliates of Mr. Chavkin, has been and is a lender under our credit facility. See Certain Relationships and Related Transactions.

Compensation Committee Report

The Compensation Committee of the Board provides overall guidance for the Company's executive compensation policies and the administration of the Company's Stock Option Plan. The current members of the Compensation Committee are Ms. Wilderotter (Chairperson) and Messrs. Chavkin and Dolan. From May 2002 through February 2003, Ms. Reeve also was a member of the Committee (Mr. Dolan replaced Ms. Reeve in February 2003). The Committee consists entirely of Directors who are not officers or employees of the Company. This report relates to the Company's compensation policy for its executive officers, including the Named Executive Officers, for the year ended December 31, 2002.

The Company's executive compensation policy is designed to: (1) attract and retain the highest quality executive officers, (2) reward those officers for superior performance, and (3) establish an appropriate relationship between executive pay and the creation of long-term shareholder value. To achieve these goals, the Company's executive compensation policy supplements annual base compensation with an opportunity to earn bonuses based upon corporate performance and factors related to each individual's performance. In addition, the policy combines cash compensation with long-term incentive compensation in the form of stock option grants under the Company's Stock Option Plan.

Measurement of corporate performance is primarily based upon objective data concerning the Company's financial performance in light of industry conditions and the Company's performance compared to the performance of the Company's competitors. The performance of individual executives is evaluated on the basis of both pre-determined performance goals for the Company and factors related to the contributions of each individual. The Committee also may consider other strategic achievements including improved operating efficiencies and customer and employee satisfaction. The Committee's final determination as to any executive officer's performance for the year is based upon a subjective analysis of the applicable performance measures without any particular weighting given to any one measure.

In establishing the total compensation package for each year and in considering appropriate performance measures, the Committee also reviews compensation practices for executives in comparable positions at a peer group of other companies in the tower and wireless telecommunications industries. This peer group may change from year to year depending on changes in the marketplace and the business focus of the Company, and generally will not correspond to the list of companies comprising the peer group used in the stock performance graph in this proxy statement. For 2002, the peer group used by the Committee consisted of the following companies, among others: Crown Castle International, Spectrasite Holdings, SBA Communications, Nextel Partners, Western Wireless, Triton PCS, and Lightbridge, Inc.

Based on the factors and policy described above, the Compensation Committee determined the total compensation, including option grants, for each of the Named Executive Officers for 2002 as detailed in the Summary Compensation Table. The Committee based its determination primarily on the Company's financial performance relative to its competitors, the achievement of certain strategic goals established for 2002, and each individual's contribution to the Company's overall performance and the achievement of these goals. In addition, the Committee believed, based upon a review of compensation levels for executives in comparable positions at the peer group of companies, that the 2002 base salaries paid to all of the Named Executive Officers, including Mr. Dodge, were at or below the median for salaries paid by the peer group of companies due, in part, to certain of these executives (including Mr. Dodge) agreeing to reduce their salaries or to forego scheduled increases in their

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salaries. Accordingly, the Committee determined that it was appropriate to make the 2002 bonus awards included in the Summary Compensation Table under the heading Bonus.

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The general policies and guidelines described above for the compensation of executive officers also apply to the compensation determination made with respect to Mr. Dodge as the Company's Chairman and Chief Executive Officer. In addition, the Committee considers Mr. Dodge's leadership, industry standing, and the Company's overall performance as important factors upon which to base his total compensation. As noted above, Mr. Dodge voluntarily reduced his base salary in 2002, as he did in 2000 and 2001. The Committee believes that Mr. Dodge's 2002 total compensation was significantly below market averages for both the Company's peer group and for comparable public companies in light of his historic and anticipated contributions to the Company's success.

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally disallows a tax deduction to public companies for certain compensation in excess of \$1 million paid in any year to a company's chief executive officer and the four other most highly compensated officers. Certain compensation, including qualified performance based compensation, will not be subject to the deduction limitation if certain requirements are met. Although the Compensation Committee has not adopted any specific policy with respect to the application of Section 162(m), the Committee generally seeks to structure any long-term incentive compensation granted to the Company's executive officers in a manner that is intended to avoid disallowance of deductions under Section 162(m).

COMPENSATION COMMITTEE

Mary Agnes Wilderotter, Chairperson

Arnold L. Chavkin

Pamela D.A. Reeve

Employment and Severance Arrangements

In August 2001, we entered into a letter agreement with Mr. Taiclet in connection with his joining the Company. Pursuant to that letter, we agreed to pay Mr. Taiclet an initial annual salary of \$500,000 and an annual salary of \$550,000 for 2002, with any subsequent salary increases to be determined by our Compensation Committee. In 2002, Mr. Taiclet voluntarily agreed to forego his scheduled salary increase for 2002. We also agreed to grant Mr. Taiclet 500,000 options upon joining us, 175,000 options in the fourth quarter of 2002, and 175,000 options in the fourth quarter of each of 2003 and 2004. All such grants were or will be at fair market value on the date of issuance, subject to incremental vesting over a four year period and otherwise made in accordance with the terms of our Stock Option Plan. Pursuant to the letter agreement, Mr. Taiclet's options will fully vest if (1) there is a change of control (as defined in the letter), (2) if Steven B. Dodge, our current Chief Executive Officer, no longer holds that position (except as a result of death or disability) and Mr. Taiclet is not selected as his successor, or (3) if Mr. Taiclet is not selected to succeed Mr. Dodge as our Chief Executive Officer by September 3, 2004. The letter also provides Mr. Taiclet a severance of his then current annual base salary and benefits package if (1) he is terminated other than for cause, (2) he leaves voluntarily after being asked to assume a position of lesser responsibility, or (3) he leaves due to any of the circumstances giving rise to the full vesting of his options, as described above.

Table of Contents**PERFORMANCE GRAPH**

The following graph compares the percentage change in the cumulative total return of our Class A Common Stock to the cumulative total return of the Russell Midcap Index (Broad Market index) and the group of companies selected as our peers in the communications site industry at the current time (Peer Group). The graph assumes that \$100 was invested in the Class A Common Stock and in the index or peer group on June 5, 1998. The Peer Group includes Crown Castle International, Spectrasite Holdings, Pinnacle Holdings and SBA Communications. Pinnacle Holdings and SBA Communications became public companies in 1999.

The cumulative return shown in the graph assumes reinvestment of all dividends. The performance of our Class A Common Stock reflected below is not necessarily indicative of future performance.

**COMPARISON OF CUMULATIVE TOTAL RETURN BETWEEN AMERICAN TOWER
CORPORATION, RUSSELL MIDCAP INDEX, AND PEER GROUP INDEX**

	Cumulative Total Returns					
	6/5/98	12/31/1998	12/31/1999	12/29/2000	12/31/2001	12/31/2002
American Tower Corporation	100	129	134	166	41	15
Russell Midcap Index	100	101	124	130	122	103
Peer Group	100	157	233	180	62	15

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PROPOSAL 2

APPROVAL OF OPTION EXCHANGE PROGRAM

Introduction

In February 2003, the Compensation Committee of the Board of Directors unanimously adopted, subject to stockholder approval, an option exchange program on the terms described herein (the "Option Exchange Program"). Under the Option Exchange Program, eligible employees, excluding all of our executive officers and directors, holding stock options to purchase Class A Common Stock granted under our Amended and Restated 1997 Stock Option Plan (the "Stock Option Plan") will be offered the opportunity to exchange certain out-of-the-money stock options for new options to purchase fewer shares of Class A Common Stock. We will grant these new options at least six months and one day later at an exercise price equal to the closing price of the Class A Common Stock on the NYSE at such time. A detailed description of the Option Exchange Plan is provided below under "Option Exchange Program."

The Board of Directors believes that the Option Exchange Program is in the best interests of stockholders because it is intended to restore the important incentive and compensatory functions of the stock options outstanding under the Stock Option Plan. We regard these stock options as critical to retaining and motivating its employees who are key to our long-term success. The Option Exchange Program also includes the following features which the Board of Directors believes further benefit stockholders:

the total options outstanding will be reduced as a result of the 2-for-3 exchange ratio;

the offer will be limited to options that are significantly out-of-the-money (at least 25% above the then-current market value); and

there will be no charge to earnings as a result of the Option Exchange Program based on current accounting rules.

In addition, by conducting this Option Exchange Program rather than granting new options to supplement options that are out-of-the-money, we will avoid additional dilution to stockholders.

Reasons for Option Exchange Program

The Board of Directors believes that stock options are a critical part of employee compensation. By providing the opportunity to participate in the appreciation of the value of our Company, stock options encourage employees to act as owners, which helps align their interests with stockholders. However, the incentive value and compensatory function of most of our outstanding stock options has declined significantly, as stock prices for telecommunications companies, including the price of our shares, have declined sharply during the past two years. As a result, many of the outstanding options under the Stock Option Plan, all of which were granted with an exercise price equal to the market value of Class A Common Stock at the time of grant, are out-of-the-money, meaning they have exercise prices significantly higher than the current market price of our Class A Common Stock. The closing price of the Class A Common Stock on March 21, 2003 was \$5.94 per share. Approximately 48% of all our outstanding eligible options as of December 31, 2002 (excluding options that are not eligible for the Option Exchange Program)

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are out-of-the-money based on that closing price. The weighted average exercise price per share for all eligible options outstanding as of December 31, 2002 was \$11.38.

We believe this means that the majority of our stock options no longer are effective to motivate and retain employees. During 2002, we made significant progress in our operational initiatives to streamline operations, reduce costs and dispose of non-core businesses. One of these initiatives included reducing our workforce by 41% (including the effects of our dispositions) from approximately 3,200 to 1,900 employees. The Option Exchange Program is intended to offer a fresh start and motivate our remaining workforce. By offering to exchange out-of-the-money stock options for new options to purchase fewer shares, but having an exercise price

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equal to the market value of the stock on the new grant date, we will restore to our employees a stake in our continued progress.

There is no requirement under current laws, regulations or the terms of the Stock Option Plan to obtain stockholder approval for the Option Exchange Program. However, the NYSE recently approved, and submitted to the SEC for its approval, a proposed change to the NYSE listing standards requiring stockholder approval for certain equity compensation plan matters. Even though stockholder approval is not currently required, we are seeking stockholder approval of the Option Exchange Program. If the stockholders do not approve the Option Exchange Program, we will not proceed with it.

Information about Outstanding Options

As of December 31, 2002, we had options outstanding to purchase 22,114,976 shares of Class A and Class B Common Stock and approximately 5,662,849 shares available for grant under the Stock Option Plan (excluding future increases pursuant to the evergreen provision of the Stock Option Plan). The number of outstanding options includes: (1) options to purchase 1,700,000 shares of Class B Common Stock granted pursuant to our Stock Option Plan; and (2) options to purchase 977,880 shares of Class A Common Stock and 1,064,538 shares of Class B Common Stock that were assumed as part of various mergers and acquisitions, including our spin-off from American Radio, which are not part of our Stock Option Plan. These options are not eligible to participate in the Option Exchange Program.

Option Exchange Program

Eligible Participants. The Option Exchange Program will be available to all of our full-time and part-time employees who currently hold options under our Stock Option Plan, excluding our executive officers (seven individuals) and directors. The number of eligible participants is approximately 1,670.

Eligible Options. We will only offer to exchange options (whether or not vested) that have an exercise price that is at least 25% or greater than the closing price of the Class A Common Stock as reported on the NYSE on the last trading date immediately prior to the commencement of the offer to exchange. In addition, only options to purchase shares of Class A Common Stock granted under the Stock Option Plan will be eligible. Options granted under the Stock Option Plan to purchase shares of Class B Common Stock and any options that the Company assumed as a result of merger and acquisition transactions, including our spin-off from American Radio, that are outside the Stock Option Plan will not be eligible.

2-for-3 Exchange Ratio; Number of New Options. For every Eligible Option to purchase three shares of Class A Common Stock that is tendered, we will grant a new option to purchase two shares of Class A Common Stock. For example, if options to purchase 3,000 shares are tendered, the participant will receive a replacement option to purchase 2,000 shares.

New Option Grant Date and Exercise Price of New Option Grant. The new options will be granted pursuant to the Stock Option Plan and will have a grant date that will be at least six months and one day after the cancellation of the Eligible Options tendered in the Option Exchange Program. The exercise price of the new options will equal the closing price of the Class A Common Stock on the new grant date.

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Vesting and Expiration of New Options. The new options will retain the same vesting schedule and expiration date as the Eligible Options tendered. Options outstanding under our Stock Option Plan generally vest over five years in 20% annual increments or over four years in 25% annual increments. We cannot predict how many of the replacement options will be exercisable at the new grant date because we do not know when we will commence the Option Exchange Program. For information about the number of total options outstanding under the Stock Option Plan that are exercisable as of December 31, 2002, see Information about Outstanding Options.

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Timing of Option Exchange Program; Process. Following stockholder approval, we plan to commence the Option Exchange Program during 2003, but may commence the Option Exchange Program at any time. We may at our sole discretion elect not to commence the Option Exchange Program, notwithstanding stockholder approval. Once commenced, the offer to exchange options will remain open for at least 20 business days (unless we elect in our sole discretion to terminate the offer) and will otherwise comply with applicable securities laws. The offer will not be conditioned upon a minimum number of option holders participating in the offer.

At the expiration of the offer to exchange, we will cancel all tendered options and issue a promise to grant new options on the terms described herein. Options that Eligible Participants choose not to surrender for exchange or that we do not accept for exchange will remain outstanding until they expire by their terms.

Incentive Stock Options. All new options that are issued upon tender of cancelled incentive stock options that are cancelled as part of the Option Exchange Program are intended to be issued as new incentive stock options. We will reserve the right to reject any options offered for exchange by Eligible Participants in order to protect the tax status of incentive stock options that are not tendered for exchange in the offer.

Accounting Treatment. We have structured the Option Exchange Program to comply with current accounting guidelines so that we will receive the same accounting treatment for the new options as we do for our current options. In other words, we will not incur a compensation charge as a result of the Option Exchange Program based on current accounting rules. We are aware that accounting standards in this area may change prior to the commencement of the exchange offer or the issuance of the new options. Accordingly, we may not realize the intended accounting treatment or we may modify the program as necessary to ensure the same accounting treatment or terminate the offer if the desired accounting treatment cannot be obtained.

Effect on Other Stock Option Grants. To secure the beneficial accounting treatment described above, if an Eligible Participant tenders any Eligible Options, then he or she must also tender for cancellation any options granted on or before the date that is six months prior to the commencement of the offer to exchange having a lower exercise price than the option with the highest exercise price tendered by that holder. Also we may not grant any new options to any participant in the Option Exchange Program until at least six months and one day after the cancellation date of the Eligible Options tendered in the Option Exchange Program.

Effect on Available Option Pool in Stock Option Plan. Because of the exchange ratio, participation in the Option Exchange Program will have the effect of reducing the number of shares issuable pursuant to outstanding options. The shares underlying all tendered options that are cancelled as part of the Option Exchange Program will be restored to the number of authorized shares under the Stock Option Plan and may be the subject of future option grants.

U.S. Federal Income Tax Consequences of Option Exchange Program. The exchange should be treated as a non-taxable exchange, and no income for U.S. federal income tax purposes should be recognized by the option holders or the Company upon the grant of the new options.

Potential Modification to Terms to Comply with Governmental Requirements. The terms of the Option Exchange Program will be described in a Tender Offer Statement that will be filed with the SEC. Although we do not anticipate that the SEC would require us to modify the terms materially, it is possible that we will need to alter the terms of the Option Exchange Program to comply with SEC comments.

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Benefits of the Option Exchange Program to Employees. Because the decision whether to participate in the Option Exchange Program is completely voluntary, we are not able to predict who will participate, how many options any particular group of employees will elect to exchange, nor the number of replacement options that we may grant. As noted above, however, our executive officers and members of our Board of Directors are not eligible to participate in the Option Exchange Program.

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Effect on Stockholders. We are not able to predict the impact the Option Exchange Program will have on your rights as stockholders because we are unable to predict how many option holders will exchange their options or what the future threshold market price of the Class A Common Stock will be at the time of the new grant. The program was designed to be value neutral to stockholders based on a Black-Scholes valuation analysis and to avoid the dilution in ownership that normally results from supplemental grants of new options.

On March 21, 2003, the closing price of the Company's Class A Common Stock on the NYSE was \$5.94 per share. Below is a table listing information about the eligible options to purchase Class A Common Stock outstanding under our Stock Option Plan as of December 31, 2002:

**Total Options to Purchase Class A Common Stock Held by Eligible Participants
Outstanding under our Stock Option Plan as of December 31, 2002**

Range of Exercise Price Per Share	Number of Shares of Class A Common Stock Underlying Outstanding Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Life (Years)	Options Exercisable	Percentage of Total Options Held by Eligible Participants
\$ 0.75 \$ 0.75	25,000	\$ 0.75	9.81		.20%
1.25 1.55	2,182,300	1.55	9.87		17.39
1.62 3.04	52,300	2.20	9.73		.42
3.08 3.15	2,032,600	3.15	9.43		16.19
3.66 5.91	2,269,458	4.13	7.70	551,462	18.08
5.98 8.09	185,925	6.16	8.86	79,350	1.48
9.99 10.00	706,350	10.00	4.97	556,050	5.63
10.83 21.13	2,057,044	17.00	6.42	1,375,350	16.39
21.20 23.81	1,853,771	23.22	6.43	1,279,466	14.76
24.25 48.88	1,188,024	31.49	7.68	620,662	9.46
\$ 0.75 \$48.88	12,552,772	\$ 11.38	7.83	4,462,340	100%

Based on the information above and a hypothetical minimum exercise price of \$5.94 per share for Eligible Options (assuming the closing price of the Class A Common Stock immediately prior to commencement of the Option Exchange Program is \$4.752):

Options to purchase approximately 5,991,114 (having a weighted average exercise price of \$20.64) shares would be eligible to participate in the Option Exchange Program.

If 100% of those Eligible Options participate, the number of shares of Class A Common Stock subject to outstanding options would decrease by 1,997,038 shares due to the effect of the 2-for-3 exchange ratio.

Giving effect to this decrease, the total number of shares underlying options outstanding under the Stock Option Plan would be 18,075,520 shares as of December 31, 2002, of which 6,844,775 would be exercisable (including the options held by executive officers and directors, who are not eligible to participate in the Options Exchange Program).

Vote Required and Board of Directors Recommendation

The affirmative vote of a majority of the votes represented, in person or by proxy, by the shares of Class A and Class B Common Stock at the Annual Meeting, voting as a single class, is required for approval of the Option Exchange Program.

The Board of Directors recommends that you vote FOR the approval of the Option Exchange Program. Voting on this proposal by employee-stockholders is in no way an election to participate or not participate in the Option Exchange Program. Such election can only occur after this proposal obtains stockholder approval and we commence the offer to exchange pursuant to applicable law.

Table of Contents**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table provides information about the securities authorized for issuance under our equity compensation plans as of December 31, 2002:

Plan Category	Equity Compensation Plan Information		
	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (3)
Equity compensation plans/arrangements approved by the stockholders (1)	20,072,558	\$12.14	10,001,503
Equity compensation plans/arrangements not approved by the stockholders (2)	N/A	N/A	N/A
Total	20,072,558		10,001,503

- (1) Includes our Stock Option Plan and our American Tower Corporation 2000 Employee Stock Purchase Plan (the ESPP). The number of outstanding options under the Stock Option Plan includes outstanding options to purchase 1,700,000 shares of Class B Common Stock. No additional options to purchase Class B Common Stock can be granted by the Company.
- (2) Excludes an aggregate of 610,944 shares issuable upon exercise of outstanding options granted under equity compensation plans which we assumed in connection with various merger and acquisition transactions. The weighted-average exercise price of the options under those assumed plans is \$4.18. No additional options are to be granted under those assumed plans. Also excludes an aggregate of 366,936 shares of Class A Common Stock and 1,064,538 shares of Class B Common Stock issuable upon exercise of outstanding options pursuant to exchanged option agreements that we entered into with certain individuals in connection with our spin-off from American Radio in June 1998. The weighted-average exercise price of options under those agreements is \$7.14.
- (3) Includes 4,338,654 shares reserved for issuance under the ESPP and 5,662,849 shares available for grant under the Stock Option Plan as of December 31, 2002. The number of authorized shares under the Stock Option Plan is currently 27,000,000 and is subject to annual increases based upon an evergreen provision. The evergreen provision provides that the number of shares authorized under the Stock Option Plan shall be increased annually by the lesser of: (a) the amount, if any, necessary so that the total shares authorized under the Stock Option Plan, including all past and future issuances, equals 12% of our outstanding Common Stock calculated based on a modified

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fully-diluted share basis on such date, or (b) a lesser amount as may be determined by our Board of Directors. This evergreen provision was approved by our stockholders at our Annual Meeting of Stockholders in May 2001.

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PROPOSAL 3

RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

The Audit Committee of the Board of Directors has selected, and the Audit Committee and the Board of Directors recommend stockholder ratification of, the firm of Deloitte & Touche LLP as our independent auditors for the current year. Deloitte & Touche LLP has served as our independent auditors since our organization.

Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and will also be available to respond to appropriate questions from stockholders.

If the stockholders do not ratify the selection of Deloitte & Touche LLP as our independent auditors, the Audit Committee will reconsider the selection of them.

The Audit Committee and the Board of Directors recommend that the stockholders vote FOR the ratification of the selection of Deloitte & Touche LLP to serve as our independent auditors for the current fiscal year.

ADDITIONAL INFORMATION

Other Matters

The Board of Directors does not know of any other matters that may come before the Annual Meeting. However, if any other matters are properly presented at the meeting, it is the intention of the persons named in the accompanying proxy or their substitutes acting thereunder, to vote, or otherwise act, in accordance with their best judgment on those matters.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own more than ten percent of a registered class of our equity securities to file reports of ownership on Form 3 and changes in ownership on Form 4 or 5 with the SEC. Such officers, directors and ten-percent stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) reports they file. We reviewed copies of the forms received by us or written representations from certain reporting persons that they were not required to file a Form 5. Based solely on that review, we believe that, during the fiscal year ended December 31, 2002, our officers, directors and ten-percent stockholders complied with all Section 16(a) filing requirements applicable to them, except for the following: Mr. Box reported late two transactions, one occurring in August

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and one in October 2002, by filing a Form 4 in November 2002. Mr. Chavkin reported late that an entity affiliated with him converted shares of Class C Common Stock into Class A Common Stock and sold shares of Class A Common Stock in transactions occurring on December 11, 14, and 15, 1998. Mr. Chavkin also reported late an option grant made in December 1998. Mr. Chavkin's omissions were reported on a Form 4 filed in February 2002.

Proposals of Stockholders

Pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934, in order to be included in the proxy statement and form of proxy relating to our 2004 Annual Meeting, we must receive any proposals of stockholders intended to be presented at the meeting no later than December 23, 2003. In addition, any proposals must comply with the other requirements of Rule 14a-8.

If you wish to present a proposal before the 2004 Annual Meeting, but do not wish to have the proposal considered for inclusion in the proxy statement and proxy card, you must also give written notice to us at American Tower Corporation, 116 Huntington Avenue, Boston, Massachusetts 02116, Attention: Secretary. If

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you fail to deliver that notice so that the Secretary receives it no later than March 7, 2004, then proxies designated by the Board of Directors will have discretionary authority to vote on any such proposal.

Householding of Annual Meeting Materials

The SEC has also adopted a householding rule which we intend to implement for future stockholder communications. This rule permits us to deliver a single proxy or information statement to a household, even though two or more stockholders live under the same roof or a stockholder has shares registered in multiple accounts. This rule enables us to reduce the expense of printing and mailing associated with proxy statements and reduces the amount of duplicative information you may currently receive. If this rule applies to you and you wish to continue receiving separate proxy materials without participating in the householding rule, please check the designated box on the enclosed proxy card. If we do not hear from you within 60 days, we will assume that we have your implied consent to deliver one set of proxy materials under the rule. This implied consent will continue for as long as you remain a stockholder of the Company, unless you inform us in writing otherwise at the following address: American Tower Corporation, c/o ADP Householding Department, 51 Mercedes Way, Edgewood, New York 11717. If you revoke your consent, we will begin sending separate copies within 30 days of the receipt of your revocation.

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports. We will promptly deliver a separate copy of either document to you if you write or call us at the following address or phone number: American Tower Corporation, 116 Huntington Avenue, Boston, Massachusetts 02116 (617-375-7500). If you wish to receive separate copies of the annual report and proxy statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address and phone number.

Electronic Access to Proxy-Related Materials and Annual Report to Stockholders

We offer our stockholders the opportunity to view future proxy statements and our annual report to stockholders through the Internet instead of receiving paper copies by the mail. If you are a registered stockholder you can choose this option by following the instructions on your form of proxy. Your consent to view these documents electronically instead of receiving paper copies will last until you revoke such consent, which you may do at any time by contacting us at the address above. If you choose to view future statements and reports electronically, you will continue to receive a proxy card for voting purposes only and will be provided with an Internet website where you can access these materials. If you hold your shares of Class A Common Stock through an intermediary (such as a bank or broker), please refer to the information provided by the intermediary on how to choose to view our proxy statements and annual reports through the Internet.

Annual Report on Form 10-K

Portions of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, including information relating to our Executive Officers, are incorporated herein by reference. A copy of our Form 10-K as filed with the SEC, except for exhibits, will be furnished without charge to any stockholder upon written request. Please write or call our Director of Investor Relations at the following address or phone number: American Tower Corporation, 116 Huntington Avenue, Boston, Massachusetts 02116 (617-375-7500).

By Order of the Board of Directors,

Chairman of the Board and

Chief Executive Officer

Boston, Massachusetts

April 14, 2003

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APPENDIX I

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

(As Amended and Restated, February 26, 2003)

The Board of Directors (*Board*) of American Tower Corporation (*Company*) has established an Audit Committee (*Committee*) as a permanent standing committee with authority, responsibility and specific duties as described herein. This Charter of the Audit Committee of the Board of Directors (*Charter*) and the composition of the Committee are intended to comply with applicable law, including state and federal securities laws, the rules and regulations of the Securities and Exchange Commission (*SEC*) and the New York Stock Exchange (*NYSE*), and the *Company*'s Bylaws. This document replaces and supersedes in its entirety the previous Charter of the Audit Committee as adopted by the Board of Directors of the *Company* in March, 2001.

I. Purpose and Scope

The purpose of the Committee is to assist the Board to fulfill its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the *Company* and to perform such other duties as may be required of it by the Board. The Committee's duties and responsibilities include, without limitation, oversight of: (i) the accounting and financial reporting processes and systems of internal accounting and financial controls of the *Company*; (ii) the performance of the internal audits and integrity of the financial statements of the *Company*; (iii) the annual independent audit of the *Company*'s financial statements, the engagement of the independent auditor and the annual evaluation of the independent auditor's function, qualifications, services, performance and independence; (iv) the performance of the *Company*'s internal and independent audit functions; (v) the compliance by the *Company* with legal and regulatory requirements related to this Charter, including the *Company*'s disclosure controls and procedures; and (vi) the evaluation of the *Company*'s risk issues.

II. Audit Committee Charter, Membership and Organization

A. *Charter.* This Charter shall be reviewed and reassessed by the Committee at least annually. Any proposed changes shall be submitted to the Board for its approval.

B. *Members.* The Committee shall consist of no fewer than three members of the *Company*'s Board based on the recommendation of the Nominating and Corporate Governance Committee. The Committee shall be comprised of Directors who meet the independence, experience and expertise requirements of the SEC, NYSE and other applicable law. The Nominating and Corporate Governance Committee will assess and determine the qualifications of the Committee members.

C. *Term of Members and Selection of Chair.* The members of the Committee shall be appointed annually by the Board. The Board shall also select the Chair of the Committee. Committee members may not simultaneously serve on the audit committee of more than three public companies without the consent of the Board obtained in each case.

D. *Meetings.* In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings; additional meetings may be scheduled but the Committee must meet not less frequently than quarterly. In planning the annual schedule of meetings, the Committee shall ensure that sufficient opportunities exist for its members to meet separately with the independent auditors and/or the head of the Company's internal audit function without management present; to meet separately with management without the independent auditors and/or head of the Company's internal auditors present; and to meet in private with only the Committee members present. Such meetings may be held in person or telephonically and may be held at such times and places as the Committee determines. The Committee is to maintain free and open communication with the independent auditor, the internal auditors and management of the Company. In discharging this oversight role, the Committee shall endeavor to investigate any matter brought to its attention, and shall have full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel, accountants or other experts. The Committee may form and delegate authority to subcommittees when appropriate.

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E. *Quorum.* A quorum at any meeting of the Committee shall consist of a majority of the members. All determinations of the Committee shall be by a majority of the members present at a meeting duly called or held, except as may be otherwise specifically provided for in this Charter. In the event that there are only two members present, and such presence constitutes a quorum, all determinations of the Committee shall be unanimous. Any decision or determination of the Committee reduced to writing and consented to (including, but not limited to, by means of electronic transmission) by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

F. *Agenda, Minutes and Reports.* An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, and shall be approved at a subsequent meeting of the Committee. In addition, the Committee shall make regular reports to the Board, including therein any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance of the Company's independent auditors, or the performance of the Company's internal audit function. The Committee shall make such other periodic reports to the Board as seem useful to it from time to time, or as may be required of it by the Board.

G. *Performance and Evaluation.* The Committee shall evaluate its performance on an annual basis based on criteria established by the Nominating and Corporate Governance Committee.

III. Audit Committee Compensation

The compensation of the Committee members shall be as determined by the Compensation Committee and approved by the Board. Fees may be paid in cash, stock, options, or other forms ordinarily available to members of the Board. Committee members may also receive all regular benefits accorded to members of the Board generally. Members of the Committee may receive no other compensation from the Company other than such director's fees and benefits.

IV. Audit Committee Authority and Responsibilities

A. *Authority Over Independent Auditor.* The Company's independent auditor is solely accountable to the Committee, as representatives of the stockholders. The Committee (subject to any action that may be taken by the Board) shall have the ultimate authority and responsibility to select (or nominate for stockholder ratification), evaluate and, where appropriate, replace the independent auditor; to approve the compensation of the independent auditor; and to oversee the performance of the independent auditor's duties. The Committee may obtain input from management, as necessary. The independent auditors shall report directly to the Committee.

B. *Specific Duties and Responsibilities.* The Committee also shall have the following specific duties and responsibilities:

1. *Financial Statement and Disclosure Matters*

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Review of the Company's Annual Report on Form 10-K

Review of the Company's Quarterly Reports on Form 10-Q

Review of other public releases of financial information, including earnings release announcements

Review process for CEO and CFO certifications mandated by the SEC

Review use of pro-forma and other non-GAAP financial information and off-balance sheet structures

Consult with independent auditor regarding significant reporting issues, judgments and risk exposures, and the Company's internal controls

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Discuss with independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, as amended
Prepare the Audit Committee report required to be included as part of the Company's annual proxy statement
Periodically review with management the Company's then-current disclosure controls and procedures

2. *Oversight of the Company's Relationship with the Independent Auditor*

a. *Engagement of Independent Auditor.* The Committee shall, prior to commencement of the annual audit, review with management, the internal auditors, and the independent auditors the proposed scope of the audit plan and fees, including the areas of business to be examined, the adequacy of the personnel to be assigned to the audit and other factors that may affect the time lines of such audit, the procedures to be followed, special areas to be investigated, as well as the adequacy of the program for integration of the independent and internal audit efforts. The Committee shall give due consideration to whether the independent auditor's performance of non-audit services is legally permissible and compatible with the auditor's independence and review and pre-approve all audit and permitted non-audit services. The Committee shall also give final approval to any fees paid to the independent auditor including fees for any non-audit services.

b. *Review of Reports of Independent Auditor.* The Committee shall receive and review all reports prepared by the independent auditor and ensure that the independent auditor has full access to the Committee and the Board during its performance of the annual audit to report on any and all appropriate matters.

c. *Determination of Performance of Independent Auditor.* The Committee shall, on an annual basis, evaluate the qualifications, performance and independence of the independent auditor, including review of the lead partner, considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence and taking into account the opinions of management and the internal auditor. In connection with this assessment, the Committee shall obtain and review a report by the independent auditor describing all relationships between the independent auditor and the Company, including the disclosures required by the Independence Standard Boards Standard No.1. The Committee also shall review a report from the independent auditor at least annually regarding any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any other inquiry or investigation regarding the firm within the preceding five years. The Committee shall present its conclusions to the Board and, if so determined by the Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the independent auditor.

d. *Policies for Employment of Former Audit Staff.* The Committee shall set clear hiring policies for the Company's hiring of employees or former employees of the independent auditor.

3. *Oversight of the Company's Internal Audit Function*

a. *Succession Planning.* The Committee shall review financial and accounting personnel succession planning within the Company including the appointment and replacement of the senior internal auditing executive.

b. *Review of Internal Audit Function.* The Committee shall discuss with the independent auditor the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit. The Committee also shall review the significant reports to management prepared by the internal auditing department and management's responses.

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c. *Internal Review of Company's Disclosure Controls.* The Committee shall receive reports from the CEO and CFO on all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls. The Committee shall review such deficiency reports with the CEO, the CFO and the General Counsel and shall discuss the quality and adequacy of the Company's internal controls periodically as required.

4. *Compliance Oversight Responsibilities*

a. *Review Adequacy of the Company's Code of Conduct.* The Committee shall review the Company's Code of Conduct at least annually. The Committee shall recommend to management any necessary changes to ensure that the codes are adequate in meeting the Committee's requirements and all applicable legal and regulatory requirements including the requirements of the NYSE.

b. *Obtain and Review Annual Compliance Reports.* The Committee shall obtain annual reports from management and the Company's senior internal auditing executive confirming that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Conduct and any applicable policies of the Company's Disclosure Committee. The Committee shall discuss any concerns with management.

c. *Establishment of Whistle-Blowing Procedures.* The Committee shall establish and review whistleblower procedures with respect to the protection of employees who act lawfully to: (i) provide information, cause information to be provided, or otherwise assist in an investigation; or (ii) file, cause to be filed, testify, participate in or otherwise assist in a proceeding filed as a result of a violation of securities laws relating to fraud against shareholders. The Committee shall establish procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submissions by Company employees of concerns regarding questionable accounting or auditing matters.

d. *Discussion of Legal and Compliance Matters.* The Committee shall discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies. The Committee shall review with the General Counsel the programs and policies of the Company with respect to compliance with applicable laws, regulations and any covenants and restrictions in any third party agreements and monitor the results of these compliance efforts.

e. *Review of Certain Transactions with Directors and Related Parties.* The Committee shall review, no less frequently than annually, a summary of the Company's transactions with Directors and officers of the Company and with firms that employ Directors, as well as any other material related party/insider transactions.

V. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, prepare the Company's financial statements, or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable law. These duties are the responsibilities of the Company's management and the independent auditor.

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**PROXY
CLASS A**

**AMERICAN TOWER CORPORATION
116 HUNTINGTON AVENUE
BOSTON, MASSACHUSETTS 02116**

**PROXY
CLASS A**

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints STEVEN B. DODGE, JAMES D. TAICLET, JR., BRADLEY E. SINGER and WILLIAM H. HESS, and each of them, as Proxies of the undersigned, each with the power to appoint his substitute, and hereby authorizes a majority of them, or any one if only one be present, to represent and to vote, as designated below and on the reverse hereof, all the Class A Common Stock, \$.01 par value per share, of American Tower Corporation held of record by the undersigned or with respect to which the undersigned is entitled to vote or act at the 2003 Annual Meeting of Stockholders to be held on May 22, 2003 or any adjournments thereof.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER(S). IF NO DIRECTIONS ARE MADE, THE PROXIES WILL VOTE FOR EACH OF THE MATTERS LISTED ON THE REVERSE SIDE OF THIS CARD AND, AT THEIR DISCRETION, ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE MEETING.

Address Changes/Comments:

(If noting any Address Changes/Comments above, please mark the corresponding box on the reverse side.)

PLEASE VOTE, SIGN, DATE AND RETURN THIS PROXY CARD

PROMPTLY USING THE ENCLOSED ENVELOPE.

(Continued and to be signed on reverse side.)

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AMERICAN TOWER CORPORATION

116 Huntington Avenue

Boston, Massachusetts 02116

VOTE BY INTERNET

24 Hours a Day, 7 Days a Week

It's Fast and Convenient

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site. You will be prompted to enter your 12-digit Control Number which is located below to obtain your records and to create an electronic voting instruction form.

VOTE BY MAIL

Mark, sign, and date your proxy card and return it in the postage-paid envelope we have provided or return it to American Tower, c/o ADP, 51 Mercedes Way, Edgewood, NY 11717.

NOTE: If you have submitted your proxy by the Internet, there is no need for you to mail back your proxy.

PROXY

CLASS A

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: x

AMTWR1

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

AMERICAN TOWER CORPORATION

Vote On Directors

1. Election of six (6) members to the Board of Directors of American Tower Corporation:

Nominees:

01) Steven B. Dodge

04) Fred R. Lummis

05) Pamela D. A. Reeve

For	Withhold	For All Except	To withhold authority to vote for any individual nominee, mark For All Except and write the nominee's name(s) on the line below.
All	All	..	_____
..	..		_____

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**PROXY
CLASS B**

**AMERICAN TOWER CORPORATION
116 HUNTINGTON AVENUE
BOSTON, MASSACHUSETTS 02116**

**PROXY
CLASS B**

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints STEVEN B. DODGE, JAMES D. TAICLET, JR., BRADLEY E. SINGER and WILLIAM H. HESS, and each of them, as Proxies of the undersigned, each with the power to appoint his substitute, and hereby authorizes a majority of them, or any one if only one be present, to represent and to vote, as designated below and on the reverse hereof, all the Class B Common Stock, \$.01 par value per share, of American Tower Corporation held of record by the undersigned or with respect to which the undersigned is entitled to vote or act at the 2003 Annual Meeting of Stockholders to be held on May 22, 2003 or any adjournments thereof.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER(S). IF NO DIRECTIONS ARE MADE, THE PROXIES WILL VOTE FOR EACH OF THE MATTERS LISTED ON THE REVERSE SIDE OF THIS CARD AND, AT THEIR DISCRETION, ON ANY OTHER MATTER THAT MAY PROPERLY COME BEFORE THE MEETING.

Address Changes/Comments:

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PLEASE VOTE, SIGN, DATE AND RETURN THIS PROXY CARD

PROMPTLY USING THE ENCLOSED ENVELOPE.

(Continued and to be signed on reverse side.)

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AMERICAN TOWER CORPORATION

116 Huntington Avenue

Boston, Massachusetts 02116

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VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site. You will be prompted to enter your 12-digit Control Number which is located below to obtain your records and to create an electronic voting instruction form.

VOTE BY MAIL

Mark, sign, and date your proxy card and return it in the postage-paid envelope we have provided or return it to American Tower, c/o ADP, 51 Mercedes Way, Edgewood, NY 11717.

NOTE: If you have submitted your proxy by the Internet, there is no need for you to mail back your proxy.

PROXY

CLASS B

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: x

AMTWR3

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

AMERICAN TOWER CORPORATION

Vote On Directors

1. Election of four (4) members to the Board of Directors of American Tower Corporation:

Nominees:

01) Steven B. Dodge

03) Raymond P. Dolan

02) Arnold L. Chavkin

04) Pamela D.A. Reeve

For	Withhold	For All Except	To withhold authority to vote for any individual nominee, mark "For All Except" and write the nominee's name(s) on the line below.
All	All	..	_____

..

..

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We are registering all 114,299,104 Preferred Ordinary Shares (represented by 28,574,776 Preferred ADSs) covered by this prospectus on behalf of General Motors Corporation, the selling security holder named in the table below (including its donees, pledgees, transferees or other successors-in-interest who receive any of the Preferred ADSs covered by this prospectus). We are registering the Preferred ADSs in order to permit the selling security holder to offer these securities for resale from time to time. The selling security holder may sell all, some or none of the Preferred ADSs covered by this prospectus. For more information, see Plan of Distribution.

The following table sets forth certain information with respect to the selling security holder, including the number of Preferred ADSs beneficially owned by the selling security holder as of the date of this prospectus, the number of Preferred ADSs offered hereby and the number of Preferred ADSs owned by the selling security holder following the sale of the offered securities.

Selling Security Holder	Number of Preferred ADSs Beneficially Owned Prior to this Offering	Percentage of Preferred Ordinary Shares Beneficially Owned Prior to this Offering(2)(3)	Number of Preferred ADSs Offered Hereby	Number of Preferred ADSs Beneficially Owned After this Offering(3)(4)
General Motors Corporation 300 Renaissance Center Detroit, Michigan 48265-3000	28,574,776(1)	3.0%	28,574,776(1)	0

- (1) Represents an aggregate of 114,299,104 Preferred Ordinary Shares.
- (2) Each Preferred ADS represents four Preferred Ordinary Shares.
- (3) Based on the 3,331,360,322 Preferred Ordinary Shares outstanding on November 10, 2003 plus the 522,840,544 Preferred Ordinary Shares represented by the 130,710,136 Preferred ADSs we issued in connection with the Hughes Transactions.
- (4) Assumes that the selling security holder disposes of all of the Preferred ADSs covered by this prospectus and does not acquire or dispose of any additional Preferred ADSs. However, the selling security holder is not representing that any of the Preferred ADSs covered by this prospectus will be offered for sale, and the selling security holder reserves the right to accept or reject, in whole or in part, any proposed sale of Preferred ADSs.

Prior to the completion of the Hughes Transactions, GM owned all of the outstanding common stock of Hughes and held an approximately 19.8% retained economic interest in Hughes. As a result of the Hughes Transactions, Hughes was separated from GM and we acquired a 34% interest in Hughes.

This prospectus also covers any additional Preferred ADSs that become issuable in connection with the Preferred ADSs being registered by reason of any stock dividend, stock split or other similar transaction effected with the receipt of consideration which results in an increase in the number of our outstanding Preferred ADSs.

PLAN OF DISTRIBUTION

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The selling security holder may sell Preferred ADSs (a) through agents; (b) to or through underwriters or dealers; or (c) directly to one or more purchasers. The offered securities may be sold in market offerings or at a negotiated or competitive bid basis. We will not receive any of the proceeds from the sale of the Preferred ADSs.

By Agents

The Preferred ADSs may be sold on a continuing basis through agents. The agents may agree to use their reasonable efforts to solicit purchases for the period of their appointment under the terms of an agency agreement between the agents and the selling security holder.

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The agents may sell the Preferred ADSs on the New York Stock Exchange, or on any other exchange on which the Preferred ADSs are listed, at prevailing market prices through (a) ordinary brokers' transactions or (b) in block transactions. In block transactions, the agents may purchase all or a portion of the Preferred ADSs as principal for their own account and resell them.

The agents may also sell the Preferred ADSs in a fixed price offering. If this happens, the selling security holder would sell Preferred ADSs to the agents for their own account at a negotiated price (which is related to the prevailing market price), and the agents may form a group of dealers to participate with them in reselling the Preferred ADSs.

The agents may also sell the Preferred ADSs by conducting a special offering or exchange distribution in accordance with the rules of the stock exchange on which the Preferred ADSs are listed.

By Underwriters

If underwriters are used in the sale, the Preferred ADSs may be acquired by the underwriters for their own account. The underwriters may resell the Preferred ADSs in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale which may be changed. The obligations of the underwriters to purchase the Preferred ADSs would be subject to certain conditions. Any initial public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time. The selling security holder may also grant underwriters an option to buy additional Preferred ADSs to cover overallocments in the sale of the Preferred ADSs they may acquire.

Direct Sales

The selling security holder may sell Preferred ADSs directly. In this case, no underwriters or agents would be involved.

General Information

The ADSs are listed on the New York Stock Exchange.

The selling security holder and any broker-dealers, agents and underwriters that participate in the distribution of the Preferred ADSs may be deemed to be underwriters as defined in the Securities Act of 1933. As underwriters, any profits on the resale of the Preferred ADSs and any compensation to be received by a broker-dealer, agent or underwriter may be deemed to be underwriting discounts and commissions under the Securities Act.

If the selling security holder is deemed an underwriter, it will be subject to the prospectus delivery requirements of the Securities Act.

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We and the selling security holder may have agreements with the agents, dealers, and underwriters to indemnify them from certain civil liabilities, including liabilities under the Securities Act or to contribute with respect to payments which the agents, dealers or underwriters may be required to make.

In connection with any fixed price offering, exchange distribution, or special offering, the selling group, which would include dealers who enter into an underwriting agreement with the selling security holder, may engage in transactions which stabilize, maintain or otherwise affect the market price of the Preferred ADSs. Specifically, the selling group may overallocate in connection with the offering, creating a short position. In addition, they may bid for, and purchase, the securities in the open market to cover short positions or to stabilize the price of the Preferred ADSs. Finally, the selling group may reclaim selling concessions allowed for distributing Preferred ADSs in the offering, if the selling group repurchases previously distributed Preferred ADSs in the market to cover overallocations or to stabilize the price of the Preferred ADSs. Any of these activities may stabilize or maintain the market price of the Preferred ADSs above independent market levels. The selling group is not required to engage in any of these activities, and may stop at any of the activities at any time.

Dealers, agents and underwriters that participate in the distribution of the Preferred ADSs may engage in transactions with, or perform services for, News Corporation or the selling security holder in the ordinary course of their business.

Australian Selling Restrictions

A purchaser of Preferred ADSs may not offer for sale or sell any Preferred ADSs acquired from the selling security holder under this prospectus, or the Preferred Ordinary Shares which are represented by them, in Australia to any person other than by way of, or pursuant to, an offer that does not need disclosure under the Australian Corporations Act 2001. Failure on the part of the purchaser to comply with that restriction within 12 months of issue will be a breach of Australian law by the purchaser.

Indemnification

We have agreed to indemnify and hold harmless the selling security holder and any underwriter that participates in the offering or sale of Preferred ADSs against certain liabilities under the Securities Act that could arise in connection with the offering or sale of Preferred ADSs covered by this prospectus or the related registration statement or any amendment or supplement thereto. We shall not be obligated to indemnify the selling security holder or any underwriter in the event that the material misstatement or omission is made or omitted in reliance on and in conformity with written information with respect to the selling security holder provided by the selling security holder.

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ENFORCEABILITY OF CIVIL LIABILITIES

UNDER THE FEDERAL SECURITIES LAWS

News Corporation is a corporation organized under the laws of Australia. Since some of the directors of News Corporation and certain of the experts named herein reside outside the United States, it may not be possible to effect service of process within the United States upon such persons, directors, officers and experts or to enforce, in U.S. courts, judgments against such persons obtained in U.S. courts and predicated on the civil liability provisions of the federal securities laws of the United States. Furthermore, since all directly owned assets of News Corporation are located outside the United States, any judgment obtained in the United States against News Corporation may not be collectible within the United States. News Corporation has been advised by its Australian counsel, Allens Arthur Robinson, that there is doubt as to the enforceability of civil liabilities under U.S. federal securities laws in actions originating in federal and state courts in Australia. Allens Arthur Robinson has further advised News Corporation, however, that subject to certain conditions, exceptions and time limitations, Australian courts will enforce foreign (including U.S.) judgments for liquidated amounts in civil matters, including (although there is no express authority relating thereto) judgments for such amounts rendered in civil actions under the U.S. federal securities laws. Such counsel is not aware of any reason under present Australian law for avoiding enforcement of a judgment of a U.S. court against News Corporation on the ground that the same would be contrary to Australian public policy. Such counsel has expressed no opinion, however, as to whether the enforcement by an Australian court of any judgment would be effected in any currency other than Australian dollars and if in Australian dollars the date of determination of the applicable exchange rate from U.S. dollars to Australian dollars. News Corporation hereby irrevocably submits to the jurisdiction of New York State and U.S. federal courts sitting in The City of New York for the purpose of any suit, action or proceeding arising out of the offering of the Preferred ADSs, and hereby irrevocably appoints News America Incorporated at 1211 Avenue of the Americas, New York, New York 10036, to accept service of process in any such action.

LEGAL MATTERS

Certain legal matters will be passed upon by Hogan & Hartson L.L.P. with respect to the Preferred ADSs, as applicable, and by Allens Arthur Robinson with respect to News Corporation. Allens Arthur Robinson have given their consent to be named in this prospectus as Australian solicitors of News Corporation and have been involved only in the preparation of the advice specifically attributed to them in the section entitled Enforceability of Civil Liabilities Under the Federal Securities Laws. Allens Arthur Robinson have not, however, been involved in the preparation of the remaining content of this document and are not to be regarded as accepting responsibility as experts for any matters other than those on which they have advised as aforesaid. Unless indicated otherwise in the applicable prospectus supplement, certain legal matters will be passed upon for any underwriters by Kirkland & Ellis LLP. Kirkland & Ellis LLP has from time to time rendered legal advisory services to News Corporation and its affiliates.

EXPERTS

The consolidated financial statements of The News Corporation Limited and subsidiaries appearing in The News Corporation Limited's Annual Report on Form 20-F for the year ended June 30, 2003, have been audited by Ernst & Young, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The audited consolidated financial statements of Fox Entertainment Group, Inc. for the year ended June 30, 2001 appearing in The News Corporation Limited's Annual Report on Form 20-F for the year ended June 30, 2003, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports.

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On April 16, 2002, Fox Entertainment Group, Inc. dismissed Arthur Andersen LLP as its independent auditors. On April 16, 2002, Fox Entertainment Group, Inc. appointed Ernst & Young LLP to replace Arthur Andersen as the independent auditors of Fox Entertainment Group, Inc. Prior to the date of filing of this document, the Arthur Andersen partner responsible for the audit of the audited consolidated financial statements of Fox Entertainment Group, Inc. for the year ended June 30, 2001 resigned from Arthur Andersen. As a result, after reasonable efforts, Fox Entertainment Group, Inc. has been unable to obtain Arthur Andersen's written consent to the incorporation by reference into this document of its audit. Under these circumstances, Rule 437a under the Securities Act permits the filing of this document without a written consent from Arthur Andersen. Because Arthur Andersen has not consented to the inclusion of its audit in this document, you will not be able to recover against Arthur Andersen under Section 11 of the Securities Act for any untrue statements of a material fact contained in the consolidated financial statements audited by Arthur Andersen or any omissions to state a material fact required to be stated therein.

The consolidated financial statements of Fox Entertainment Group, Inc. and subsidiaries appearing in The News Corporation Limited's Annual Report on Form 20-F for the year ended June 30, 2003, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

On July 15, 2002, Stream S.p.A. appointed Reconta Ernst & Young S.p.A. to replace Arthur Andersen S.p.A. as its independent auditors. Prior to the date of filing of this document, the Arthur Andersen partner responsible for the audit of the audited financial statements of Stream for the year ended December 31, 2001 resigned from Arthur Andersen. As a result, after reasonable efforts, Stream has been unable to obtain Arthur Andersen's written consent to the incorporation by reference into this document of its audit for the year ended December 31, 2001. Under these circumstances, Rule 437a under the Securities Act permits the filing of this document without a written consent from Arthur Andersen. Because Arthur Andersen has not consented to the inclusion of its audit in this document, you will not be able to recover against Arthur Andersen under Section 11 of the Securities Act for any untrue statements of a material fact contained in the financial statements audited by Arthur Andersen or any omissions to state a material fact required to be stated therein.

The 2001 financial statements of Stream S.p.A., appearing in The News Corporation Limited's Annual Report on Form 20-F for the year ended June 30, 2003, have been audited by Reconta Ernst & Young S.p.A., independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of British Sky Broadcasting Group plc for the year ended June 30, 2003 incorporated into this document by reference to the Annual Report on Form 20-F/A of News Corporation for the year ended June 30, 2003, filed on December 8, 2003, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given their authority as experts in accounting and auditing.

The consolidated financial statements of Gemstar-TV Guide International, Inc. incorporated by reference in The News Corporation Limited's Annual Report on Form 20-F for the year ended June 30, 2003, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

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28,574,776 American Depositary Shares

The News Corporation Limited

Representing 114,299,104

Preferred Limited Voting Ordinary Shares

PROSPECTUS SUPPLEMENT

Merrill Lynch & Co.

January 12, 2004
