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CIT GROUP INC DEL
Form S-3
July 11, 2002

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 11, 2002
REGISTRATION NO. 333-

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

FORM S-3

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

CIT GROUP INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

65-1095289
(I.R.S. Employer
Identification No.)

1211 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10036
(212) 536-1390
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

ROBERT J. INGATO
EXECUTIVE VICE PRESIDENT AND
GENERAL COUNSEL
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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to
time after the effective date of this Registration Statement, as determined in

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light of market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. /X/

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. /X/

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED AGGREGATE OFFERING
Senior/Senior Subordinated Debt Securities.....	U.S.\$12,177,600,000 (1)	100%	U.S.\$12,177,600,000

(1) In computing the principal amount of debt securities we issue, we will use the U.S. Dollar equivalent for debt securities denominated in a foreign currency and we will use the offering price, rather than the higher stated principal amount, for original issue discount debt securities.

(2) Estimated solely for the purpose of determining the registration fee.

(3) Pursuant to Rule 457(p) of the Securities Act of 1933, as amended, the registrant hereby offsets against the filing fee required in connection with this registration statement \$1,120,340 of the \$949,350 filing fee paid in connection with the Registration Statement on Form S-3, Registration No. 333-62540 initially filed by The CIT Group, Inc., a Nevada corporation and a predecessor to the registrant under Rule 405 of the Securities Act of 1933, as amended, on June 7, 2001 and declared effective by the SEC on August 9, 2001, which offering has been terminated with \$12,177,600,000 in securities remaining unsold and \$4,050,650 of the \$5,000,000 filing fee paid in connection with the Registration Statement on Form S-3, Registration No. 333-56172 initially filed by The CIT Group Inc., a Delaware corporation and a predecessor to the registrant under Rule 405 of the Securities Act of 1933, as amended, on February 23, 2001 and declared effective by the SEC on March 13, 2001, which offering was terminated with \$16,202,600,000 in securities remaining unsold. As a consequence of this offset, no additional fees are required to be paid herewith.

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THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED JULY 11, 2002

PROSPECTUS

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

[LOGO]

CIT GROUP INC.

DEBT SECURITIES

We may issue up to an aggregate of \$12,177,600,000 of debt securities in one or more series with the same or different terms.

When we offer specific debt securities, we will disclose the terms of those debt securities in a prospectus supplement that accompanies this prospectus. The prospectus supplement may also add, update and modify information contained or incorporated by reference in this prospectus. BEFORE YOU MAKE YOUR INVESTMENT DECISION, WE URGE YOU TO CAREFULLY READ THIS PROSPECTUS AND THE PROSPECTUS SUPPLEMENT DESCRIBING THE SPECIFIC TERMS OF ANY OFFERING, TOGETHER WITH ADDITIONAL INFORMATION DESCRIBED UNDER THE HEADING "WHERE YOU CAN FIND MORE INFORMATION."

These debt securities may be either senior or senior subordinated in priority of payment and will be direct unsecured obligations.

The terms of any debt securities offered to the public will depend on market conditions at the time of sale. We reserve the sole right to accept or reject, in whole or in part, any proposed purchase of the debt securities that we offer.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS PROSPECTUS MAY NOT BE USED TO CONSUMMATE SALES OF OFFERED SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.

THE DATE OF THIS PROSPECTUS IS JULY [], 2002

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CIT GROUP INC.

GENERAL

CIT is a leading global commercial and consumer finance company that has been a consistent provider of financing and leasing capital since 1908. With about \$48 billion of managed assets, we have the financial resources, intellectual capital and product knowledge to serve the needs of our clients across 30 industries. Our clients range from small private companies to many of the world's largest and most respected multinational corporations.

We commenced operations in 1908 and have developed a broad array of "franchise" businesses that focus on specific industries, asset types and markets, which are balanced by client, industry and geographic diversification. We had \$48.1 billion of managed assets and \$6.5 billion of shareholder's equity at March 31, 2002.

On June 1, 2001, CIT was acquired by a wholly-owned subsidiary of Tyco International Ltd. ("Tyco"), a diversified manufacturing and service company, in a purchase business combination recorded under the "push-down" method of accounting, resulting in a new basis of accounting for the "successor" period beginning June 2, 2001. Information relating to all "predecessor" periods prior to the acquisition is presented using CIT's historical basis of accounting. Following the acquisition, we changed our fiscal year end from December 31 to September 30 to conform with that of Tyco. On September 30, 2001, we sold certain international subsidiaries that had assets of approximately \$1.8 billion and liabilities of \$1.5 billion to a non-U.S. subsidiary of Tyco for a promissory note equal to the net book value. Our earnings included the results of these subsidiaries through September 30, 2001. On February 11, 2002, CIT repurchased these international subsidiaries for a purchase price equal to the net book value. The financial information presented in this section includes the international subsidiaries repurchased from Tyco for all periods presented; as a result, the Balance Sheet Data at September 30, 2001 varies slightly from comparable data reported in CIT's Form 10-K for the transition period ended September 30, 2001.

On July 8, 2002, Tyco completed a sale of 100% of CIT's common stock in an

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initial public offering. Immediately prior to the offering, a restructuring was effectuated whereby our predecessor CIT Group Inc., a Nevada corporation (which is referred to in this prospectus as CIT Group Inc. (Nevada)) was merged with and into its parent Tyco Capital Holding, Inc., and that combined entity was further merged with and into CIT Group Inc. (Del), a Delaware corporation. In connection with the reorganization, CIT Group Inc. (Del) was renamed CIT Group Inc. As a result of the reorganization, CIT is the successor to CIT Group Inc. (Nevada)'s business, operations, obligations and SEC registration.

We have divested over \$5 billion of non-core, less profitable assets and reduced annual operating expenses by \$150 million over the last year. These improvements will allow us to continue to effectively execute our strategy across our broad range of businesses.

The financial data in this section reflects the four business segments that comprise CIT, as follows:

- Equipment Financing and Leasing
- Specialty Finance
- Commercial Finance
- Structured Finance

We conduct our operations through strategic business units that market products and services to satisfy the financing needs of specific customers, industries, vendors/manufacturers and markets. Our business segments are described in greater detail below.

We offer commercial lending and leasing in all four of the segments, providing a wide range of financing and leasing products to small, midsize and larger companies across a wide variety of industries, including: manufacturing, retailing, transportation, aerospace, construction, technology,

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communication and various service-related industries. The secured lending, leasing and factoring products of our operations include direct loans and leases, operating leases, leveraged and single investor leases, secured revolving lines of credit and term loans, credit protection, accounts receivable collection, import and export financing, debtor-in-possession and turnaround financing, and acquisition and expansion financing. Consumer lending is conducted in our Specialty Finance segment and consists primarily of home equity lending to consumers originated largely through a network of brokers and correspondents.

Transactions are generated through direct calling efforts with borrowers, lessees, equipment end-users, vendors, manufacturers and distributors and through referral sources and other intermediaries. In connection with our separation from Tyco, we entered into a financial services cooperation agreement with Tyco under which we may have the opportunity to offer financing and other services to Tyco and Tyco customers. In addition, our strategic business units jointly structure certain transactions and refer or cross-sell transactions to other CIT units to best meet our customers' overall financing needs. We also buy and sell participations in and syndications of finance receivables and/or lines of credit. In addition, from time to time in the normal course of business, we purchase finance receivables in bulk to supplement our originations and sell select finance receivables and equipment under operating leases for risk and other balance sheet management purposes, or to improve profitability.

EQUIPMENT FINANCING AND LEASING SEGMENT

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Our Equipment Financing and Leasing operations had total financing and leasing assets of \$15.5 billion at March 31, 2002, representing 45.7% of total financing and leasing assets, and managed assets were \$19.2 billion, or 40.0% of total managed assets. We conduct our Equipment Financing and Leasing operations through two strategic business units:

- EQUIPMENT FINANCING offers secured equipment financing and leasing and focuses on the broad distribution of its products through manufacturers, dealers/distributors, intermediaries and direct calling efforts primarily in manufacturing, construction, transportation, food services/stores and other industries.
- CAPITAL FINANCE offers secured equipment financing and leasing by directly marketing customized transactions of commercial aircraft and rail equipment.

Equipment Financing and Capital Finance personnel have extensive expertise in managing equipment over its full life cycle, including purchasing new equipment, maintaining and repairing equipment, estimating residual values and re-marketing via re-leasing or selling equipment. Equipment Financing's and Capital Finance's equipment and industry expertise enables them to effectively manage residual value risk. For example, Capital Finance can repossess commercial aircraft, if necessary, obtain any required maintenance and repairs for such aircraft, and recertify such aircraft with appropriate authorities. We manage the equipment, the residual value, and the risk of equipment remaining idle for extended periods of time and, where appropriate, we locate alternative equipment users or purchasers.

The following table sets forth the managed assets of our Equipment Financing and Leasing segment at March 31, 2002, September 30, 2001 and at December 31 for each of the years in the four-year period ended December 31, 2000 (\$ in millions).

EQUIPMENT FINANCING AND LEASING	MARCH 31, 2002	SEPTEMBER 30, 2001	----- 2000 -----
	(SUCCESSOR)		
Finance receivables.....	\$10,666.1	\$11,555.0	\$14,202.7
Operating lease equipment, net.....	4,823.1	4,554.1	5,875.3
	-----	-----	-----
Total financing and leasing assets.....	15,489.2	16,109.1	20,078.0
Finance receivables previously securitized and still managed by us.....	3,752.5	4,464.8	6,387.2
	-----	-----	-----
Total managed assets.....	\$19,241.7	\$20,573.9	\$26,465.2
	=====	=====	=====

During the nine months ended September 30, 2001, certain intersegment transfers of assets were completed from Equipment Financing to Specialty Finance to better align marketing and risk management efforts, to further improve operating efficiencies and to implement a more uniform North American business strategy.

EQUIPMENT FINANCING

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Equipment Financing had total financing and leasing assets of \$10.0 billion at March 31, 2002, representing 29.5% of our total financing and leasing assets, and managed assets were \$13.8 billion, or 28.6% of total managed assets. Equipment Financing offers secured equipment financing and leasing products, including loans, leases, wholesale and retail financing for distributors and manufacturers, loans guaranteed by the U.S. Small Business Administration, operating leases, sale and leaseback arrangements, portfolio acquisitions, municipal leases, revolving lines of credit and in-house syndication capabilities. In connection with our acquisition by Tyco, in fiscal 2002 Equipment Financing ceased origination of, and placed in liquidation status, the trucking and franchise finance portfolios. The portfolios approximated \$1.2 billion at March 31, 2002.

Equipment Financing is a diversified, middle-market, secured equipment lender with a global presence and strong North American marketing coverage. At March 31, 2002, its portfolio included significant financing and leasing assets to customers in a number of different industries, with manufacturing being the largest as a percentage of financing and leasing assets, followed by construction and transportation. The Small Business Lending group is the number one provider of Small Business Administration loans in the United States, based on dollar amount of SBA loan authorizations.

Products are originated through direct calling on customers and through relationships with manufacturers, dealers, distributors and intermediaries that have leading or significant marketing positions in their respective industries. This provides Equipment Financing with efficient access to equipment end-users in many industries across a variety of equipment types.

The following table sets forth the managed assets of Equipment Financing at March 31, 2002, September 30, 2001 and at December 31 for each of the years in the four-year period ended December 31, 2000 (\$ in millions). Both the increase in assets during 2000 and the decrease in assets in 2001 resulted primarily from asset transfers between Specialty Finance and Equipment Financing.

EQUIPMENT FINANCING -----	MARCH 31, 2002 -----	SEPTEMBER 30, 2001 -----	----- 2000 -----
	(SUCCESSOR)		
Finance receivables.....	\$ 9,131.5	\$ 9,782.0	\$12,153.7
Operating lease equipment, net.....	872.8	1,281.7	2,280.7
	-----	-----	-----
Total financing and leasing assets.....	10,004.3	11,063.7	14,434.4
Finance receivables previously securitized and still managed by us.....	3,752.5	4,464.8	6,387.2
	-----	-----	-----
Total managed assets.....	\$13,756.8 =====	\$15,528.5 =====	\$20,821.6 =====

CAPITAL FINANCE

Capital Finance had financing and leasing assets of \$5.5 billion at March 31, 2002, which represented 16.2% of our total financing and leasing assets and 11.4% of managed assets. Capital Finance specializes in providing customized leasing and secured financing primarily to end-users of commercial aircraft and railcars, including operating leases, single investor leases, equity portions of leveraged leases, and sale and leaseback arrangements, as

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well as loans secured by equipment. Typical Capital Finance customers are middle-market to larger-sized companies. New business is generated through direct calling efforts supplemented with transactions introduced by intermediaries and other referral sources.

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Capital Finance has provided financing to commercial airlines for over 30 years. The Capital Finance aerospace portfolio includes most of the leading U.S. and foreign commercial airlines, with a fleet of approximately 200 aircraft and an average age of approximately nine years. Capital Finance has developed strong direct relationships with most major airlines and major aircraft and aircraft engine manufacturers. This provides Capital Finance with access to technical information, which enhances customer service, and provides opportunities to finance new business. As of March 31, 2002, outstanding commitments to purchase aircraft from both Airbus Industrie and The Boeing Company totaled 107 units at an approximate value of \$5.0 billion. In addition, we have options to purchase additional units and in some cases, the flexibility to delay or terminate certain positions. Deliveries of these new aircraft are scheduled to take place over a five-year period, which started in the fourth quarter of calendar year 2000 and runs through 2005. As of March 31, 2002, all delivered aircraft have been placed in service.

Capital Finance has over 25 years of experience in financing the rail industry, contributing to its knowledge of asset values, industry trends, product structuring and customer needs. Capital Finance has a dedicated rail equipment group, maintains relationships with several leading railcar manufacturers, and has a significant direct calling effort on railroads and rail shippers in the United States. The Capital Finance rail portfolio includes loans and/or leases to all of the U.S. and Canadian Class I railroads (which are railroads with annual revenues of at least \$250 million) and numerous shippers. The operating lease fleet includes primarily covered hopper cars used to ship grain and agricultural products, plastic pellets and cement; gondola cars for coal, steel coil and mill service; open hopper cars for coal and aggregates; center beam flat cars for lumber; and boxcars for paper and auto parts. Railcars total in excess of 38,000 at March 31, 2002, with approximately 77% less than six years old. Capital Finance also has a fleet of approximately 500 locomotives on lease to U.S. railroads at March 31, 2002.

The following table sets forth the financing and leasing assets of Capital Finance at March 31, 2002, September 30, 2001 and at December 31 for each of the years in the four-year period ended December 31, 2000 (\$ in millions).

CAPITAL FINANCE -----	MARCH 31, 2002 -----	SEPTEMBER 30, 2001 -----	----- 2000 -----
	(SUCCESSOR)		
Finance receivables.....	\$1,534.6	\$1,773.0	\$2,049.0
Operating lease equipment, net.....	3,950.3	3,272.4	3,594.6
	-----	-----	-----
Total financing and leasing assets.....	\$5,484.9	\$5,045.4	\$5,643.6
	=====	=====	=====

SPECIALTY FINANCE SEGMENT

The Specialty Finance segment is the combination of the former Vendor Technology Finance and Consumer segments, which were consolidated during the

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second quarter of 2001, consistent with how activities are reported internally to management. Specialty Finance assets include certain small ticket commercial financing and leasing assets, vendor programs and consumer home equity. At March 31, 2002, the Specialty Finance financing and leasing assets totaled \$10.9 billion, representing 32.3% of total financing, and leasing assets and managed assets were \$17.9 billion, representing 37.3% of total managed assets. As part of our review of non-strategic businesses, in fiscal 2001 we sold approximately \$1.4 billion of our manufactured housing loan portfolio and we are liquidating the remaining assets. We also exited the recreational vehicle finance receivables origination market and placed the existing portfolio in liquidation status. In October 2001, we sold approximately \$700 million of this liquidating portfolio. The primary focus of the consumer business is home equity lending. As part of an ongoing strategy to maximize the value of its origination network and to improve overall profitability, Specialty Finance sells individual loans and portfolios of loans to banks, thrifts and other originators of consumer loans.

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Specialty Finance forms relationships with industry-leading equipment vendors, including manufacturers, dealers and distributors, to deliver customized asset-based sales and financing solutions in a wide array of vendor programs. These alliances allow CIT's vendor partners to better utilize core competencies, reduce capital needs and drive incremental sales volume. As part of these programs, we offer credit financing to the manufacturer's customers for the purchase or lease of the manufacturer's products and enhanced sales tools to manufacturers and vendors, such as asset management services, efficient loan processing, and real-time credit adjudication. Higher level partnership programs provide integration with the vendor's business planning process and product offering systems to improve execution and reduce cycle times. Specialty Finance has significant vendor programs in information technology and telecommunications equipment and serves many other industries through its global network.

These vendor alliances feature traditional vendor finance programs, joint ventures, profit sharing and other transaction structures entered into with large, sales-oriented corporate vendor partners. In the case of joint ventures, Specialty Finance and the vendor combine sales and financing activities through a distinct legal entity that is jointly owned. Generally, these arrangements are accounted for on an equity basis, with profits and losses distributed according to the joint venture agreement. Additionally, Specialty Finance generally purchases finance receivables originated by the joint venture entities. Specialty Finance also utilizes "virtual joint ventures," whereby the assets are originated on Specialty Finance's balance sheet, while profits and losses are shared with the vendor. These types of strategic alliances are a key source of business for Specialty Finance. New vendor alliance business is also generated through intermediaries and other referral sources, as well as through direct end-user relationships.

The home equity products include both fixed and variable rate closed-end loans and variable rate lines of credit. This unit primarily originates, purchases and services loans secured by first or second liens on detached, single family residential properties. Customers borrow for the purpose of consolidating debts, refinancing an existing mortgage, funding home improvements, paying education expenses and, to a lesser extent, purchasing a home, among other reasons. Specialty Finance primarily originates loans through brokers and correspondents with a high proportion of home equity applications processed electronically over the internet via BrokerEdge(SM) using proprietary systems. Through experienced lending professionals and automation, Specialty Finance provides rapid turnaround time from application to loan funding, a characteristic considered to be critical by its broker relationships.

Consumer contract servicing for securitization trusts and other third

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parties is provided through a centralized Asset Service Center. Our Asset Service Center centrally services and collects substantially all of our consumer receivables, including loans originated or purchased by our Specialty Finance segment, as well as loans originated or purchased and subsequently securitized with servicing retained. The servicing portfolio also includes loans owned by third parties that are serviced by our Specialty Finance segment for a fee on a "contract" basis. These third-party portfolios totaled \$3.2 billion at March 31, 2002.

Commercial assets are serviced via our several centers in the United States, Canada and internationally. During the six months ended March 31, 2002, Specialty Finance closed selected service centers in North America and Europe.

The following table sets forth the managed assets of our Specialty Finance segment at March 31, 2002, September 30, 2001 and at December 31 for each of the years in the four-year period ended December 31, 2000 (\$ in millions). The reduction in financing and leasing assets during 2001 reflects

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the disposition (or partial disposition) of non-strategic businesses, including the United Kingdom dealer business and manufactured housing loans.

SPECIALTY FINANCE	MARCH 31, 2002	SEPTEMBER 30, 2001	----- 2000 -----
	(SUCCESSOR)		
Finance receivables			
Commercial.....	\$ 6,801.7	\$ 6,791.6	\$ 6,864.5
Home Equity.....	1,553.4	2,760.2	2,451.7
Liquidating Portfolios			
Recreational vehicles (1).....	23.4	742.6	648.0
Manufactured housing.....	639.1	470.9	1,802.1
Other (2).....	202.4	229.7	298.2
	-----	-----	-----
Operating lease equipment, net.....	864.9	1,443.2	2,748.3
	1,717.4	1,796.1	1,256.5
	-----	-----	-----
Total financing and leasing assets (3).....	10,937.4	12,791.1	13,321.0
Finance receivables previously securitized and still managed by us.....	7,003.9	5,683.1	4,729.1
	-----	-----	-----
Total managed assets.....	\$17,941.3	\$18,474.2	\$18,050.1
	=====	=====	=====

(1) In October 2001, we sold approximately \$700 million of recreational vehicle finance receivables.

(2) Balances include recreational boat and wholesale loan product lines exited in 1999.

(3) Prior year balances have been conformed to include our former Vendor Technology and Consumer segments.

As previously discussed, during the nine months ended September 30, 2001,

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certain intersegment transfers of assets were completed from Equipment Financing to Specialty Finance and are reflected in the table above.

COMMERCIAL FINANCE SEGMENT

At March 31, 2002, the financing and leasing assets of our Commercial Finance segment totaled \$4.4 billion, representing 13.1% of total financing and leasing assets and \$7.9 billion, representing 16.4% of managed assets. We conduct our Commercial Finance operations through two strategic business units, both of which focus on accounts receivable and inventories as the primary source of security for their lending transactions.

- COMMERCIAL SERVICES provides traditional secured commercial financing, as well as factoring and receivable/collection management products to companies in apparel, textile, furniture, home furnishings and other industries.
- BUSINESS CREDIT provides traditional secured commercial financing to a full range of borrowers from small to larger-sized companies for working capital business expansion and turnaround needs.

The following table sets forth the financing and leasing assets of Commercial Finance at March 31, 2002, September 30, 2001 and at December 31 for each of the years in the four-year period ended December 31, 2000 (\$ in millions).

COMMERCIAL FINANCE	MARCH 31, 2002	SEPTEMBER 30, 2001	----- 2000 -----
		(SUCCESSOR)	
Commercial Services.....	\$ 756.1	\$5,112.2	\$4,277.9
Business Credit.....	3,680.6	3,544.9	3,415.8
	-----	-----	-----
Total financing and leasing assets.....	4,436.7	8,657.1	7,693.7
Total receivables securitized and still managed by us...	3,432.4	--	--
	-----	-----	-----
Total managed assets.....	\$7,869.1	\$8,657.1	\$7,693.7
	=====	=====	=====

In 1999, Commercial Services acquired two domestic factoring businesses, which added in excess of \$1.5 billion in financing and leasing assets.

COMMERCIAL SERVICES

Commercial Services had total financing and leasing assets of \$0.8 billion at March 31, 2002, which represented 2.2% of our total financing and leasing assets and \$4.2 billion, representing 8.7% of managed assets. The decline in financing and leasing assets of Commercial Services is due to the securitization related to \$3.4 billion of trade receivables executed in connection with our liquidity initiatives. Commercial Services offers a full range of domestic and international customized credit protection, lending and outsourcing services that include working capital and term loans, factoring, receivable management outsourcing, bulk purchases of accounts receivable, import and export financing and letter of credit programs. Commercial Services generates business regionally from a variety of sources, including direct calling efforts and referrals from

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existing clients and other sources.

Financing is provided to clients through the purchase of accounts receivable owed to clients by their customers, as well as by guaranteeing amounts due under letters of credit issued to the clients' suppliers, which are collateralized by accounts receivable and other assets. The purchase of accounts receivable is traditionally known as "factoring" and results in the payment by the client of a factoring fee which is commensurate with the underlying degree of credit risk and recourse, and which is generally a percentage of the factored receivables or sales volume. When Commercial Services "factors" (i.e., purchases) a customer invoice from a client, it records the customer receivable as an asset and also establishes a liability for the funds due to the client ("credit balances of factoring clients"). Commercial Services also may advance funds to its clients prior to collection of receivables, typically in an amount up to 80% of eligible accounts receivable (as defined for that transaction), charging interest on such advances (in addition to any factoring fees) and satisfying such advances from receivables collections.

Clients use Commercial Services' products and services for various purposes, including improving cash flow, mitigating or reducing the risk of charge-offs, increasing sales and improving management information. Further, with the TotalSource(SM) product, clients can outsource bookkeeping, collection and other receivable processing activities. These services are attractive to industries outside the typical factoring markets, providing growth opportunities for Commercial Services.

BUSINESS CREDIT

Financing and leasing assets of Business Credit totaled \$3.7 billion at March 31, 2002 and represented 10.9% of our total financing and leasing assets and 7.7% of managed assets. Business Credit offers revolving and term loans secured by accounts receivable, inventories and fixed assets to smaller through larger-sized companies. Clients use such loans primarily for working capital, growth, expansion, acquisitions, refinancings and debtor-in-possession financing, reorganization and restructurings, and turnaround financings. Business Credit sells and purchases participation interests in such loans to and from other lenders.

Through its variable interest rate senior revolving and term loan products, Business Credit meets its customers' financing needs for working capital, growth, acquisition and other financing situations that are otherwise not met through bank or other unsecured financing alternatives. Business Credit typically structures financings on a fully secured basis, though, from time to time, it may look to a customer's cash flow to support a portion of the credit facility. Revolving and term loans are made on a variable interest rate basis based on published indexes, such as LIBOR or a prime rate of interest.

Business is originated through direct calling efforts and intermediary and referral sources, as well as through sales and regional offices. Business Credit has focused on increasing the proportion of direct business origination to improve its ability to capture or retain refinancing opportunities and to enhance finance income. Business Credit has developed long-term relationships with selected finance companies, banks and other lenders and with many diversified referral sources.

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STRUCTURED FINANCE SEGMENT

Structured Finance had financing and leasing assets of \$3.0 billion, comprising 9.0% of our total financing and leasing assets and 6.3% of managed assets at March 31, 2002. Structured Finance operates internationally through

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operations in the United States, Canada, and Europe. Structured Finance provides specialized investment banking services to the international corporate finance and institutional finance markets by providing asset-based financing for large ticket asset acquisitions and project financing and related advisory services to equipment manufacturers, corporate clients, regional airlines, governments and public sector agencies. Communications, transportation, and the power and utilities sectors are among the industries that Structured Finance serves.

Structured Finance also serves as an origination conduit to its lending partners by seeking out and creating investment opportunities. Structured Finance has established relationships with insurance companies and institutional investors and can arrange financing opportunities that meet asset class, yield, duration and credit quality requirements. Accordingly, Structured Finance has considerable syndication and fee generation capacity.

Structured Finance continues to arrange transaction financing and participate in merger and acquisition transactions and has venture capital equity investments, totaling \$352.2 million at March 31, 2002, in emerging growth enterprises in selected industries, including information technology, communications, life science and consumer products, as well as investments in private equity funds. The portfolio composition is approximately 60% direct investments and 40% venture capital funds. We do not plan to invest in new venture capital funds or make additional direct investments beyond existing commitments.

The following table sets forth the financing and leasing assets of Structured Finance at March 31, 2002, September 30, 2001 and December 31, 2000 and 1999 (\$ in millions).

STRUCTURED FINANCE -----	MARCH 31, 2002 -----	SEPTEMBER 30, 2001 -----	DECEMBER 31, -----	
	(SUCCESSOR)		2000	1999
			(PREDECESSOR) -----	
Finance receivables.....	\$2,620.0	\$2,777.1	\$2,347.3	\$1,933.0
Operating lease equipment, net.....	63.5	52.6	58.8	
Other--Equity Investments.....	352.2	342.2	285.8	137.0
	-----	-----	-----	-----
Total financing and leasing assets.....	\$3,035.7	\$3,171.9	\$2,691.9	\$2,071.0
	=====	=====	=====	=====

SECURITIZATION PROGRAM

We fund most of our assets on balance sheet by accessing various sectors of the capital markets. In an effort to broaden funding sources and to provide an additional source of liquidity, we have in place an array of securitization programs to access both the public and private asset-backed securitization markets. Current products included in these programs include receivables and leases secured by equipment, consumer loans secured by recreational vehicles and residential real estate and accounts receivable of factoring clients. During the six months ended March 31, 2002, we securitized \$7.4 billion of financing and leasing assets, including \$3.4 billion of trade receivables and the outstanding securitized asset balance at March 31, 2002 was \$14.2 billion or 29.5% of our total managed assets.

Under a typical asset-backed securitization, we sell a "pool" of secured loans or leases to a special-purpose entity, generally a trust. The special-purpose entity, in turn, typically issues certificates and/or notes that

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are collateralized by the pool and entitle the holders thereof to participate in certain pool cash flows. We retain the servicing of the securitized contracts, for which we earn a servicing fee. We also participate in certain "residual" cash flows (cash flows after payment of principal and interest to certificate and/or note holders, servicing fees and other credit-related disbursements). At the date of securitization, we estimate the "residual" cash flows to be received over the life of the securitization, record the present value of these cash flows as a retained interest in the securitization (retained

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interests can include bonds issued by the special-purpose entity, cash reserve accounts on deposit in the special-purpose entity or interest only receivables) and typically recognize a gain.

In estimating residual cash flows and the value of the retained interests, we make a variety of financial assumptions, including pool credit losses, prepayment speeds and discount rates. These assumptions are supported by both our historical experience and anticipated trends relative to the particular products securitized. Subsequent to recording the retained interests, we review them quarterly for impairment based upon estimated fair values. These reviews are performed on a disaggregated basis. Fair values of retained interests are estimated utilizing current pool demographics, actual note/certificate outstandings, current and anticipated credit losses, prepayment speeds and discount rates. During the six months ended March 31, 2002, we recorded securitization gains of \$62.7 million (9.7% of pre-tax income) on \$3.9 billion (excluding trade receivable securitization volume) of financing and leasing assets securitized. During the same period in 2001, we recorded securitization gains of \$78.0 million (14.9% of pre-tax income) on \$2.3 billion of financing and leasing assets securitized. Management targets a maximum of approximately 15% of pre-tax income from securitization gains. Our retained interests had a carrying value at March 31, 2002 of \$1,267.6 million, including interests in commercial securitized assets of \$983.0 million and consumer securitized assets of \$284.6 million. Not included in these balances is our retained interest in trade receivables, net of reserves of \$2.5 billion. Retained interests are subject to credit and prepayment risk. Our interests relating to commercial securitized assets are generally subject to lower prepayment risk because of the contractual terms of the underlying receivables. These assets are subject to the same credit granting and monitoring processes.

COMPETITION

Our markets are highly competitive and are characterized by competitive factors that vary based upon product and geographic region. Competitors include captive and independent finance companies, commercial banks and thrift institutions, industrial banks, leasing companies, manufacturers and vendors with global reach. Substantial financial services networks with global reach have been formed by insurance companies and bank holding companies that compete with us. On a local level, community banks and smaller independent finance and mortgage companies are a competitive force. Some competitors have substantial local market positions. Many of our competitors are large companies that have substantial capital, technological and marketing resources. Some of these competitors are larger than us and may have access to capital at a lower cost than us. Competition has been enhanced in recent years by a strong economy and growing marketplace liquidity, although, during 2001, the economy slowed and marketplace liquidity tightened. The markets for most of our products are characterized by a large number of competitors, although there continues to be consolidation in the industry. However, with respect to some of our products, competition is more concentrated.

We compete primarily on the basis of pricing, terms and structure. From time to time, our competitors seek to compete aggressively on the basis of these

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factors and we may lose market share to the extent we are unwilling to match competitor pricing and terms in order to maintain interest margins and/or credit standards.

Other primary competitive factors include industry experience and client service and relationships. In addition, demand for our products with respect to certain industries will be affected by demand for such industry's services and products and by industry regulations.

REGULATION

Our operations are subject, in certain instances, to supervision and regulation by state, federal and various foreign governmental authorities and may be subject to various laws and judicial and administrative decisions imposing various requirements and restrictions, which, among other things, (i) regulate credit granting activities, including establishing licensing requirements, if any, in applicable jurisdictions, (ii) establish maximum interest rates, finance charges and other charges, (iii) regulate

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customers' insurance coverages, (iv) require disclosures to customers, (v) govern secured transactions, (vi) set collection, foreclosure, repossession and claims handling procedures and other trade practices, (vii) prohibit discrimination in the extension of credit and administration of loans, and (viii) regulate the use and reporting of information related to a borrower's credit experience. In addition to the foregoing, CIT OnLine Bank, a Utah industrial loan corporation wholly owned by CIT, is subject to regulation and examination by the Federal Deposit Insurance Corporation and the Utah Department of Financial Institutions.

EMPLOYEES

CIT employed approximately 6,235 people at March 31, 2002, of which approximately 4,585 were employed in the United States and 1,650 were outside the United States.

FACILITIES

CIT conducts its operations in the United States, Canada, Europe, Latin America, Australia and the Asia-Pacific region. CIT occupies approximately 2.6 million square feet of office space, substantially all of which is leased.

LEGAL PROCEEDINGS

We are a defendant in various lawsuits arising in the ordinary course of our business. We aggressively manage our litigation and evaluate appropriate responses to our lawsuits in light of a number of factors, including the potential impact of the actions on the conduct of our operations. In the opinion of management, none of the pending matters is expected to have a material adverse effect on our financial condition, liquidity or results of operations. However, there can be no assurance that an adverse decision in one or more of such lawsuits will not have a material adverse effect.

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RATIOS OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges of CIT for each of the periods indicated.

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	SIX MONTHS ENDED MARCH 31,		NINE MONTHS ENDED SEPTEMBER 30,	YEARS ENDED	
	2002	2001	2001	2000	1999
Ratios of Earnings to Fixed Charges	(1)	1.40x	1.37x	1.39x	1.45x

We have computed the ratios of earnings to fixed charges in accordance with requirements of the SEC's Regulation S-K. Earnings consist of income from continuing operations before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, minority interest in a subsidiary trust holding solely debentures of CIT and one-third of rent expense which is deemed representative of an interest factor.

- (1) Earnings were insufficient to cover fixed charges by \$3,873.1 million in the six months ended March 31, 2002. Earnings for the six months ended March 31, 2002 included a non-cash, estimated goodwill impairment charge of \$4,512.7 million in accordance with SFAS 142, "Goodwill and Other Intangible Assets." The ratio of earnings to fixed charges includes total fixed charges of \$737.2 million and a loss before provision for income taxes of \$3,873.1 million resulting in a total loss before provision for income taxes and fixed charges of (\$3,135.9) million.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus and the documents incorporated by reference are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements contained herein that are not clearly historical in nature are forward-looking and the words "anticipate," "believe," "expect," "estimate" and similar expressions are generally intended to identify forward-looking statements. Any forward-looking statements contained herein, in press releases, written statements or other documents filed with the SEC or in communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls, concerning our operations, economic performance and financial condition are subject to known and unknown risks, uncertainties and contingencies. Forward-looking statements are included, for example, in the discussions about:

- our liquidity risk management,
- our credit risk management,
- our asset/liability risk management,
- our capital, leverage and credit ratings,
- our operational and legal risks,
- how we may be affected by legal proceedings, and
- our separation from Tyco and our relationship with Tyco following the separation.

All forward-looking statements involve risks and uncertainties, many of

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which are beyond our control, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Also, forward-looking statements are based upon management's estimates of fair values and of future costs, using currently available information. Therefore, actual results may differ materially from those expressed or implied in those statements. Factors that could cause such differences include, but are not limited to:

- risks of economic slowdown, downturn or recession,
- industry cycles and trends,
- risks inherent in changes in market interest rates,
- funding opportunities and borrowing costs,
- changes in funding markets, including commercial paper, term debt and the asset-backed securitization markets,
- uncertainties associated with risk management, including credit, prepayment, asset/liability, interest rate and currency risks,
- adequacy of reserves for credit losses,
- risks associated with the value and recoverability of leased equipment and lease residual values,
- risks associated with the potential further impairment of our goodwill,
- changes in regulations governing our business and operations or permissible activities,
- changes in competitive factors, and
- future acquisitions and dispositions of businesses or asset portfolios.

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USE OF PROCEEDS

We intend to use the net proceeds from the sale of any debt securities offered under this prospectus to provide additional working funds for us and our subsidiaries. Generally, we use the proceeds of our short-term borrowings primarily to originate and purchase receivables in the ordinary course of our business. We have not yet determined the amounts that we may use in connection with our business or that we may furnish to our subsidiaries. From time to time, we may also use the proceeds to finance the bulk purchase of receivables and/or the acquisition of other finance-related businesses.

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DESCRIPTION OF DEBT SECURITIES

The debt securities offered by this prospectus will be unsecured obligations of CIT and will be either senior debt or senior subordinated debt. Senior debt will be issued under a senior debt indenture. Senior subordinated debt will be issued under a senior subordinated debt indenture. The senior debt indenture and the senior subordinated debt indenture are sometimes referred to in this prospectus individually as an "indenture" and collectively as the "indentures." We have filed forms of the global senior indenture and subordinated indenture as exhibits to the registration statement on Form S-3 (No. 333-) under the Securities Act of 1933, of which this prospectus is a part. The terms of the

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indentures are also governed by the applicable provisions of the Trust Indenture Act of 1939.

The following briefly summarizes the material provisions of the indentures and the debt securities, other than pricing and related terms disclosed in the accompanying prospectus supplement. You should read the more detailed provisions of the applicable indenture, including the defined terms, for provisions that may be important to you. You should also read the particular terms of a series of debt securities, which will be described in more detail in the applicable prospectus supplement. Copies of the indentures may be obtained from CIT or the applicable trustee. So that you may easily locate the more detailed provisions, the numbers in parentheses below refer to sections in the applicable indenture or, if no indenture is specified, to sections in each of the indentures. Wherever particular sections or defined terms of the applicable indenture are referred to, these sections or defined terms are incorporated into this prospectus by reference and the statements in this prospectus are qualified by that reference.

GENERAL

The indentures provide that any debt securities that we issue will be issued in fully registered form. We may issue the debt securities in one or more separate series of senior or senior subordinated securities. Debt securities in a particular series may have different maturities or different purchase prices. (See Section 2.01 of the indentures).

The debt securities that we issue will constitute either "superior indebtedness" or "senior subordinated indebtedness," as those terms are defined below. From time to time, we may issue senior debt securities or "senior securities," in one or more separate series of debt securities. We will issue each series of senior securities under separate indentures, each substantially in the form of a global senior indenture filed with the SEC. We will enter into each senior indenture with a banking institution organized under the laws of the United States or one of the states thereof. We refer to this banking institution as a "senior trustee."

From time to time, we may also issue senior subordinated debt securities as one or more separate series of debt securities. We will issue each series of senior subordinated securities under one or more separate indentures, each substantially in the form of a senior subordinated global indenture filed with the SEC. We will enter into each senior subordinated indenture with a banking institution organized under the laws of the United States or one of the states thereof. We refer to this banking institution as "senior subordinated trustee."

LIMITATIONS ON INDEBTEDNESS. The terms of the senior indentures do not limit the amount of debt securities or other unsecured superior indebtedness that we may issue. The terms of the senior indentures also do not limit the amount of subordinated debt, secured or unsecured, that we may issue. The terms of some of the senior subordinated indentures may limit the amount of debt securities or other unsecured senior subordinated indebtedness that we may issue or limit the amount of junior subordinated indebtedness that we may issue. For a description of these limitations, see "Description of Debt Securities--Restrictive Provisions and Covenants" on pages 18-19. At March 31, 2002, there was no senior subordinated indebtedness issued and outstanding. At March 31, 2002, under the most

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restrictive provisions of the senior subordinated indentures, we could issue up to approximately \$6.5 billion of additional senior subordinated indebtedness.

ORIGINAL ISSUE DISCOUNT. Debt securities bearing no interest or a below

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market interest rate when issued are known as original issue discount securities. We will offer any original issue discount securities which we issue at a discount, which may be substantial, below their stated principal amount. You should refer to the prospectus supplement for a description of federal income tax consequences and other special considerations applicable to original issue discount securities.

PARTICULAR TERMS OF OFFERED DEBT SECURITIES. You should refer to the prospectus supplement for a description of the particular terms of any debt securities that we offer for sale. The following are some of the terms of these debt securities that we will describe in the prospectus supplement:

- title, designation, total principal amount and authorized denominations;
- percentage of principal amount at which debt securities will be issued;
- maturity date or dates;
- interest rate or rates (which may be fixed or variable) per annum, the method of determining the interest rate or rates and any original issue discount;
- payment dates for interest and principal and the provisions for accrual of interest;
- provisions for any sinking, purchase or other comparable fund;
- any redemption terms;
- designation of the place where registered holders of debt securities may be paid or may transfer or redeem debt securities;
- designation of any foreign currency, including composite currencies, in which the debt securities may be issued or paid and any terms under which a holder of debt securities may elect to be paid in a different currency than the currency of the debt securities;
- any index that may be used to determine the amounts of principal, interest or any other payment due on the debt securities; and
- designation of the debt securities as senior securities or senior subordinated securities. (See Section 2.01 of the indentures).

PAYMENT. Unless otherwise specified in the prospectus supplement, we will make all payments due on debt securities, less any applicable withholding taxes, at the office of CIT or its agent maintained for this purpose in New York, New York. However, at our option, we may pay interest, less any applicable withholding taxes, by mailing a check to the address of the person entitled to the interest as their name and address appear on our register. (See Section 2.04 of the indentures).

TRANSFER OF DEBT SECURITIES. A registered holder of debt securities or a properly authorized attorney of the holder, may transfer these debt securities at our office or our agent's office. The prospectus supplement will describe the location of these offices. We will not charge the holder a fee for any transfer or exchange of debt securities, but we may require the holder to pay a sum sufficient to cover any tax or other governmental charge in connection with a transfer or exchange. (See Section 2.06 of the indentures).

CERTAIN DEFINED TERMS. "Indebtedness" in the definition of the terms "superior indebtedness," "senior subordinated indebtedness," and "junior subordinated indebtedness" means all obligations which in accordance with

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generally accepted accounting principles should be classified as liabilities on a balance sheet and in any event includes all debt and other similar monetary obligations, whether direct or guaranteed.

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"Superior indebtedness" means all of our indebtedness that is not by its terms subordinate or junior to any of our other indebtedness. The senior securities will constitute superior indebtedness.

"Senior subordinated indebtedness" means all of our indebtedness that is subordinate only to superior indebtedness. The senior subordinated securities will constitute senior subordinated indebtedness.

"Junior subordinated indebtedness" means all indebtedness of CIT that is subordinate to both superior indebtedness and senior subordinated indebtedness.

SENIOR SECURITIES

The senior securities will be direct, unsecured obligations of CIT. Senior securities will constitute superior indebtedness issued with equal priority to the other superior indebtedness. At March 31, 2002, CIT Group Inc.'s consolidated unaudited balance sheet reflected approximately \$24.5 billion of outstanding superior indebtedness.

The senior securities will be senior to all senior subordinated indebtedness, including the senior subordinated securities. At March 31, 2002, CIT Group Inc.'s consolidated balance sheet reflected no outstanding senior subordinated indebtedness and no outstanding junior subordinated indebtedness.

SENIOR SUBORDINATED SECURITIES

The senior subordinated securities will be direct, unsecured obligations of CIT. CIT will pay principal, premium, if any and interest on the senior subordinated securities only after the prior payment in full of all superior indebtedness of CIT, including the senior securities.

In the event of any insolvency, bankruptcy or similar proceedings, the holders of superior indebtedness will be paid in full before any payment is made on the senior subordinated securities. An event of default under or acceleration of superior indebtedness does not in itself trigger the payment subordination provisions applicable to senior subordinated securities. However, if the senior subordinated securities are declared due and payable before maturity due to a default, the holders of the senior subordinated securities will be entitled to payment only after superior indebtedness is paid in full.

Due to these subordination provisions, if we become insolvent, the holders of superior indebtedness may recover a higher percentage of their investment than the holders of the senior subordinated securities. We intend that any senior subordinated securities will be in all respects equal in right of payment with the other senior subordinated indebtedness, including CIT's outstanding senior subordinated securities. We also intend that all senior subordinated securities will be superior in right of payment to all junior subordinated indebtedness and to all outstanding capital stock.

RESTRICTIVE PROVISIONS AND COVENANTS

NEGATIVE PLEDGE. Generally, the indentures do not limit the amount of other securities that we or our subsidiaries may issue. But each indenture contains a provision, the "Negative Pledge," that we will not pledge or otherwise subject to any lien any of our property or assets to secure indebtedness for money borrowed, incurred, issued, assumed or guaranteed by us, subject to certain

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exceptions. (See Section 6.04 of the indentures).

Under the terms of the Negative Pledge, we are permitted to create the following liens:

- liens in favor of any of our subsidiaries;
- purchase money liens;
- liens existing at the time of any acquisition that we may make;

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- liens in favor of the United States, any state or governmental agency or department to secure obligations under contracts or statutes;
- liens securing the performance of letters of credit, bids, tenders, sales contracts, purchase agreements, repurchase agreements, reverse repurchase agreements, bankers' acceptances, leases, surety and performance bonds and other similar obligations incurred in the ordinary course of business;
- liens upon any real property acquired or constructed by us primarily for use in the conduct of our business;
- arrangements providing for our leasing of assets, which we have sold or transferred with the intention that we will lease back these assets, if the lease obligations would not be included as liabilities on our consolidated balance sheet;
- liens to secure non-recourse debt in connection with our leveraged or single-investor or other lease transactions;
- consensual liens created in our ordinary course of business that secure indebtedness that would not be included in total liabilities as shown on our consolidated balance sheet;
- liens created by us in connection with any transaction that we intend to be a sale of our property or assets;
- liens on property or assets financed through tax-exempt municipal obligations;
- liens arising out of any extension, renewal or replacement, in whole or in part, of any financing permitted under the Negative Pledge, so long as the lien extends only to the property or assets, with improvements, that originally secured the lien; and
- liens that secure certain other indebtedness which, in an aggregate principal amount then outstanding, does not exceed 10% of our consolidated net worth.

(See Section 6.04 of the indentures for the provisions of the Negative Pledge).

In addition, in the senior subordinated indentures, we have agreed not to permit:

- the aggregate amount of senior subordinated indebtedness outstanding at any time to exceed 100% of the aggregate amount of the par value of our capital stock plus our consolidated surplus (including retained earnings); or
- the aggregate amount of senior subordinated indebtedness and junior

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subordinated indebtedness outstanding at any time to exceed 150% of the aggregate amount of the par value of the capital stock plus our consolidated surplus (including retained earnings). Under the more restrictive of these tests, as of March 31, 2002, we could issue up to approximately \$6.5 billion of additional senior subordinated indebtedness.

(See senior subordinated indenture Section 6.05).

RESTRICTIONS ON MERGERS AND ASSET SALES. Subject to the provisions of the Negative Pledge, the indentures will not prevent us from consolidating or merging with any other corporation or selling our assets as or substantially as, an entirety. However, if we are not the surviving corporation in a merger, the surviving corporation must expressly assume our obligations under the indentures. Similarly, if we were to sell our assets as or substantially as, an entirety to another party, the purchaser must also assume our obligations under the indentures. (See Section 15.01 of the senior indenture, Section 16.01 of the senior subordinated indenture).

The holders of at least a majority in principal amount of the outstanding debt securities of any series may waive compliance with the restrictions of the Negative Pledge. This waiver of compliance

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will bind all of the holders of that series of debt securities. (See Section 6.06 of the senior indenture, Section 6.07 of the senior subordinated indenture).

Other than these restrictions, the indentures contain no additional provisions limiting our ability to enter into a highly leveraged transaction.

MODIFICATION OF INDENTURE

Each indenture contains provisions permitting us and the trustee to amend, modify or supplement the indenture or any supplemental indenture as to any series of debt securities. Generally, these changes require the consent of the holders of at least 66 2/3% of the outstanding principal amount of each series of debt securities affected by the change.

Unanimous consent of the holders of a series of debt securities is required for any of the following changes:

- extending the maturity of that series of debt security, reducing the rate, extending the time of payment of interest or reducing any other payment due under that series of debt security; or
- reducing the percentage of holders required to consent to any amendment or modification for purposes of that series of debt security.

The rights, duties or immunities of the trustee cannot be modified without the consent of the trustee.

(See Section 14.02 of the indentures).

COMPUTATIONS FOR OUTSTANDING DEBT SECURITIES

In computing whether the holders of the requisite principal amount of outstanding debt securities have taken action under an Indenture:

- for an original issue discount security, we will use the amount of the principal that would be due and payable as of that date, as if the maturity of the debt had been accelerated due to a default; or

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- for a debt security denominated in a foreign currency or currencies, we will use the U.S. dollar equivalent of the outstanding principal amount as of that date, using the exchange rate in effect on the date of original issuance of the debt security.

(See Section 1.02 of the indentures).

EVENTS OF DEFAULT

Each indenture defines an "event of default" with respect to any series of debt securities. An event of default under an indenture is any one of the following events that occurs with respect to a series of debt securities:

- nonpayment for thirty days of any interest when due;
- nonpayment of any principal or premium, if any, when due;
- nonpayment of any sinking fund installment when due;
- failure, after thirty days' appropriate notice, to perform any other covenant in the indenture (other than a covenant included in the indenture solely for the benefit of another series of debt securities);
- certain events in bankruptcy, insolvency or reorganization; or

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- nonpayment of interest on our indebtedness, including guaranteed indebtedness (other than indebtedness that is subordinate) or nonpayment of any principal on any of our indebtedness, after appropriate notice and expiration of any applicable grace period.

(See Section 7.01 of the indentures).

The trustee may withhold notice of any default (except in the payment of principal of, premium, if any or interest, if any, on any series of debt securities) if the trustee considers that withholding notice is in the interests of the holders of that series of debt securities. (See Section 11.03 of the indentures).

Generally, each indenture provides that upon an event of default, the trustee or the holders of not less than 25% in principal amount of any series of debt securities then outstanding may declare the principal of all debt securities of that series to be due and payable. (See Section 7.02 of the indentures).

You should refer to the prospectus supplement for any original issue discount securities for disclosure of the particular provisions relating to acceleration of the maturity of indebtedness upon the occurrence of an event of default.

Within 120 days after the close of each fiscal year, we are required to file with each trustee a statement, signed by specified officers, stating whether or not the specified officers have knowledge of any default and, if so, specifying each default, the nature of the default and what action, if any, has been taken to cure the default. (See Section 6.05 of the senior indenture, Section 6.06 of the senior subordinated indenture).

Except in cases of default and acceleration, the trustee is not under any obligation to exercise any of its rights or powers under an indenture at the request of holders of debt securities, unless these holders offer the trustee a

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reasonable indemnity. (See Section 11.01 of the indentures). As long as the trustee has this indemnity, the holders of a majority in principal amount of any series of debt securities outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the trustee under the indenture or of exercising any trust or power conferred upon the trustee. (See Section 7.08 of the indentures).

DEFEASANCE OF THE INDENTURE AND DEBT SECURITIES

We may, at any time, satisfy our obligations with respect to payments on any series of debt securities by irrevocably depositing in trust with the trustee cash or Government Obligations, as defined in the indenture or a combination thereof sufficient to make payments on the debt securities when due. If we make this deposit in a sufficient amount, properly verified, then we would discharge all of our obligations with respect to that series of debt securities and the indenture insofar as it relates to that series of debt securities, except as otherwise provided in the indenture. In the event of this defeasance, holders of that series of debt securities would be able to look only to the trust fund for payment on that series of debt securities until the date of maturity or redemption. Our ability to defease debt securities of any series using this trust fund is subject to certain tax, legal and stock exchange requirements. (See Sections 12.01, 12.02 and 12.03 of the indentures).

INFORMATION CONCERNING THE TRUSTEES

We may periodically borrow funds from any of the trustees. We and our subsidiaries may maintain deposit accounts and conduct other banking transactions with any of the trustees. A trustee under a senior indenture or a senior subordinated indenture may act as trustee under any of CIT's other indentures.

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PLAN OF DISTRIBUTION

We may sell the debt securities being offered hereby:

- directly to purchasers;
- through agents;
- to dealers; or
- through an underwriter or a group of underwriters.

We may directly solicit offers to purchase debt securities. We may also solicit offers through our agents. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment (ordinarily five business days or less). Under our agreements with agents, we may indemnify agents against certain civil liabilities, including liabilities under the Securities Act of 1933.

We may also sell debt securities through a dealer as principal. The dealer may then resell the debt securities to the public at varying prices to be determined by the dealer at the time of resale. Under our agreements with dealers, we may indemnify dealers against certain civil liabilities, including liabilities under the Securities Act.

We may also use one or more underwriters to sell debt securities. Under our agreements with underwriters, we may indemnify underwriters against certain liabilities, including liabilities under the Securities Act. The names of the underwriters and the terms of the debt securities will be set forth in the

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prospectus supplement. When reselling debt securities to the public, the underwriters will deliver the prospectus supplement and this prospectus to purchasers of debt securities, as required by applicable law.

The underwriters, dealers, and agents may be deemed to be underwriters under the Securities Act. Any discounts, commissions, or concessions that they receive from us or any profit they make on the resale of debt securities may be deemed to be underwriting discounts and commissions under the Securities Act. We will disclose in the prospectus supplement any person who may be deemed to be an underwriter and any compensation that we have paid to any underwriter. We may have various other commercial relationships with our underwriters, dealers, and agents.

If disclosed in the prospectus supplement, we may authorize underwriters and agents to solicit offers by certain institutions to purchase offered debt securities from us at the public offering price set forth in the prospectus supplement pursuant to contracts providing for payment and delivery on the date stated in the prospectus supplement. Each contract will be for an amount not less than, and unless we otherwise agree the aggregate principal amount of offered debt securities sold pursuant to contracts will be not less nor more than, the amounts stated in the prospectus supplement. We may authorize underwriters and agents to enter into contracts with institutions including commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions, all subject to our approval. Contracts will not be subject to any conditions except that any purchase of debt securities by an institution pursuant to a contract must be permitted under applicable laws. We will disclose in the prospectus supplement any commission that we pay to underwriters and agents who sell debt securities pursuant to contracts. Underwriters and agents will have no responsibility in respect of the delivery or performance of contracts.

The place and time of delivery for the debt securities will be set forth in the prospectus supplement.

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EXPERTS

The consolidated balance sheet of CIT Group Inc. as of September 30, 2001, and the related consolidated statements of income, changes in shareholder's equity and cash flows for the periods from January 1, 2001 to June 1, 2001 and June 2, 2001 to September 30, 2001, incorporated by reference herein and in the registration statement of which this prospectus forms a part, have been so incorporated by reference in reliance on the reports of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated balance sheet as of December 31, 2000, and the related consolidated statements of income, changes in shareholders' equity and cash flows of The CIT Group, Inc. and subsidiaries for each of the years in the two-year period ended December 31, 2000, have been incorporated by reference herein and in the registration statement of which this prospectus forms a part, in reliance on the report of KPMG LLP, independent accountants, also incorporated by reference herein, and upon the authority of KPMG LLP as experts in accounting and auditing.

The stand-alone balance sheet of CIT Group Inc. (Del) as of September 30, 2001, incorporated by reference herein and in the registration statement of which this prospectus forms a part, has been so incorporated by reference in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

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The consolidated balance sheet of Tyco Capital Holding, Inc. as of September 30, 2001, and the related consolidated statements of income, changes in shareholder's equity and cash flows for the period from October 13, 2000 (date of inception), to September 30, 2001, incorporated by reference herein and in the registration statement of which this prospectus forms a part, have been so incorporated by reference in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

LEGAL OPINIONS

The validity of the debt securities offered will be passed upon for us by Schulte Roth & Zabel LLP.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a Registration Statement on Form S-3 to register the debt securities being offered in this prospectus. This prospectus, which forms part of the registration statement, does not contain all of the information included in the registration statement. For further information about us and the securities offered in this prospectus, you should refer to the registration statement and its exhibits. You may read and copy any document that CIT files at the SEC's Public Reference Rooms at 450 Fifth Street, N.W., Washington, D.C. 20549. You can also request copies of the documents, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. These SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>. Certain of our securities are listed on the New York Stock Exchange and reports and other information concerning us can also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. You can also obtain more information about us by visiting our web site at <http://www.cit.com>.

The SEC allows us to "incorporate by reference" the information we file with the SEC and information our predecessors filed in the past with the SEC, which means we can disclose important information to you by referring you to those documents. The information included in the following documents is incorporated by reference and is considered to be a part of this prospectus. The most recent information that we file with the SEC automatically updates and supersedes older information.

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We are incorporating by reference into this prospectus the following documents previously filed with the SEC:

1. CIT Group Inc. (Nevada)'s Transition Report on Form 10-K for the nine months ended September 30, 2001;
2. CIT Group Inc. (Nevada)'s Quarterly Report on Form 10-Q and 10-Q/A for the quarter ended March 31, 2002;
3. CIT Group Inc. (Nevada)'s Current Reports on Form 8-K filed January 17, 2002, January 24, 2002, February 7, 2002, February 22, 2002 and April 26, 2002; and
4. Our Current Report on Form 8-K filed July 10, 2002.

Until we have sold all of the debt securities that we are offering for sale under this prospectus, we also incorporate by reference all documents that we will file in the future pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act. In addition, we incorporate by reference all documents filed by us

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pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement and prior to the date of effectiveness of the registration statement.

We will provide without charge to each person who receives a prospectus, including any beneficial owner, a copy of the information that has been incorporated by reference in this prospectus. If you would like to obtain this information from us, please direct your request, either in writing or by telephone, to Glenn Votek, Executive Vice President and Treasurer, CIT Group Inc., 1 CIT Drive, Livingston, New Jersey 07039, telephone (973) 740-5000.

You should rely only on the information provided in this prospectus and the prospectus supplement, as well as the information incorporated by reference. CIT has not authorized anyone to provide you with different information. CIT is not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus, the prospectus supplement or any documents incorporated by reference is accurate as of any date other than the date on the front of the applicable document.

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PART II INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth all expenses payable by CIT in connection with the issuance and distribution of the securities being registered. All the amounts shown are estimates, except for the registration fee.

SEC registration fee.....	\$1,120,340*
Printing and engraving expenses.....	200,000
Legal fees and expenses.....	450,000
Accounting fees and expenses.....	190,000
Fees and expenses of trustees and paying and authenticating agents.....	150,000
Rating agencies.....	800,000
Blue Sky fees and expenses.....	25,000
Miscellaneous expenses.....	10,000

Total.....	\$2,945,340
	=====

* Pursuant to Rule 457(p) of the Securities Act of 1933, as amended, the registrant is offsetting the full amount of the \$1,120,340 in registration fees due under this Registration Statement against the filing fees previously paid.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law (the "DGCL") provides, in summary, that directors and officers of Delaware corporations are entitled, under certain circumstances, to be indemnified against all expenses and liabilities (including attorney's fees) incurred by them as a result of suits brought against them in their capacity as a director or officer, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to our best interests, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful; provided

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that no indemnification may be made against expenses in respect of any claim, issue or matter as to which they shall have been adjudged to be liable to us, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, they are fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. Any such indemnification may be made by us only as authorized in each specific case upon a determination by the stockholders, disinterested directors or independent legal counsel that indemnification is proper because the indemnitee has met the applicable standard of conduct.

Our certificate of incorporation and by-laws provide that we will indemnify our directors and officers to the fullest extent permitted by law and that no director shall be liable for monetary damages to us or our stockholders for any breach of fiduciary duty, except to the extent provided by applicable law (i) for any breach of the director's duty of loyalty to us or our stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL, or (iv) for any transaction from which such director derived an improper personal benefit.

In addition, we maintain liability insurance for our directors and officers.

We have entered into indemnification agreements with each of our directors and officers pursuant to which we have agreed to indemnify such persons to the fullest extent permitted by Delaware law, as the same may be amended from time to time.

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ITEM 16. EXHIBITS.

The exhibits to this Registration Statement are listed in the Exhibit Index to this Registration Statement, which Exhibit Index is hereby incorporated by reference.

ITEM 17. UNDERTAKINGS.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the "Securities Act");

(ii) to reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

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- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purposes of determining any liability under the Securities Act each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act, each filing of the Registrants' annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant, pursuant to the provisions described under Item 15 above, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of

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the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes (1) to use its best efforts to distribute prior to the opening of bids, to prospective bidders, underwriters and dealers, a reasonable number of copies of a prospectus which at the time meets the requirements of Section 10(a) of the Securities Act, and relating to the securities offered at competitive bidding, as contained in the registration statement, together with any supplements thereto, and (2) to file an amendment to the registration statement reflecting the results of bidding, the terms of the reoffering and related matters to the extent required by the applicable form, not later than the first use, authorized by the issuer after the opening of bids, of a prospectus relating to the securities offered at competitive bidding, unless no further public offering of such securities by the issuer and no reoffering of such securities by the purchasers is proposed to be made.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 11th day of July, 2002.

CIT GROUP INC.

By: /s/ JOSEPH M. LEONE

Joseph M. Leone
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
(PRINCIPAL FINANCIAL
AND ACCOUNTING OFFICER)

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned constitutes and appoints ALBERT R. GAMPER, JR., JOSEPH M. LEONE and ROBERT J. INGATO, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign this registration statement (including all pre-effective and post-effective amendments thereto and all registration statements filed pursuant to Rule 462(b) which incorporate this registration statement by reference), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons on July 11th, 2002 in the capacities indicated below.

By: /s/ ROBERT J. INGATO*

(Robert J. Ingato,
Attorney-in-fact)

NAME

TITLE

/s/ ALBERT R. GAMPER, JR.*

President, Chief Executive Officer, Chairman
of the Board and Director (Principal

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Albert R. Gamper, Jr.

Executive Officer)

/s/ JOSEPH M. LEONE

Executive Vice President, Chief Financial Officer and Director (Principal Financial and Accounting Officer)

Joseph M. Leone

/s/ JOHN S. CHEN*

Director

John S. Chen

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NAME

TITLE

/s/ WILLIAM A. FARLINGER

Director

William A. Farlinger

/s/ HON. THOMAS H. KEAN

Director

Hon. Thomas H. Kean

/s/ EDWARD J. KELLY, III

Director

Edward J. Kelly, III

/s/ PETER J. TOBIN

Director

Peter J. Tobin

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EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
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1.1	Form of Underwriting Agreement (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on February 11, 1999).
1.2	Form of Selling Agency Agreement (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on February 16, 1993).
4.1	Proposed form of Debt Securities (Note) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on October 25, 1984).
4.2	Proposed form of Debt Securities (Debenture) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on October 25, 1984).
4.3	Proposed form of Debt Securities (Deep Discount Debenture) (Incorporated by reference to an Exhibit to Form S-3 filed

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- by CIT on October 25, 1984).
- 4.4 Proposed form of Debt Securities (Zero Coupon Debenture) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on October 25, 1984).
- 4.5 Proposed form of Debt Securities (Extendible Note) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on July 24, 1989).
- 4.6 Proposed form of Debt Securities (Floating Rate Renewable Note) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on July 24, 1989).
- 4.7 Proposed form of Debt Securities (Floating Rate Note) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on February 16, 1993).
- 4.8 Proposed form of Debt Securities (Medium-Term Senior Fixed Rate Note) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on February 23, 2001).
- 4.9 Proposed form of Debt Securities (Medium-Term Senior Floating Rate Note) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on February 23, 2001).
- 4.10 Proposed form of Debt Securities (Medium-Term Senior Subordinated Fixed Rate Note) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on February 23, 2001).
- 4.11 Proposed form of Debt Securities (Medium-Term Senior Subordinated Floating Rate Note) (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on February 23, 2001).
- 4.12 Form of Indenture dated as of September 24, 1998 by and between CIT (formerly known as Tyco Capital Corporation and Tyco Acquisition Corp. XX (NV) and successor to The CIT Group, Inc.) and Bank One Trust Company, N.A., as trustee, for the issuance of unsecured and unsubordinated debt securities (Incorporated by reference to an Exhibit to Form S-3 filed by CIT on September 24, 1998).
- 4.13 First Supplemental Indenture dated as of May 9, 2001 among CIT (formerly known as Tyco Capital Corporation and Tyco Acquisition Corp. XX (NV) and successor to The CIT Group, Inc.), Bank One Trust Company, N.A., as trustee, and Bank One NA, London Branch, as London Paying Agent and London Calculation Agent (Incorporated by reference to Exhibit 4.2d to Post-Effective Amendment No. 1 to Form S-3 filed by CIT on May 11, 2001).
- 4.14 Second Supplemental Indenture dated as of June 1, 2001 among CIT (formerly known as Tyco Capital Corporation and Tyco Acquisition Corp. XX (NV) and successor to The CIT

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EXHIBIT NO.	DESCRIPTION
	Group, Inc.), CIT Holdings (NV) Inc. and Bank One Trust Company, N.A., as trustee (Incorporated by reference to Exhibit 4.2e to Form S-3 filed by CIT on June 7, 2001).
4.15	Third Supplemental Indenture dated as of February 14, 2002 to an Indenture dated as of September 24, 1998, as supplemented by the First Supplemental Indenture dated as of May 9, 2001 and the Second Supplemental Indenture dated as of June 1, 2001, by and between CIT Group Inc. (formerly known as Tyco Capital Corporation and Tyco Acquisition Corp. XX (NV) and successor to The CIT Group, Inc.) and Bank One Trust Company, N.A., as trustee, for the issuance of unsecured and unsubordinated debt securities (Incorporated by reference to Exhibit 4.2 to Form 8-K filed by CIT on February 22, 2002).
4.16	Fourth Supplemental Indenture dated as of July 2, 2002 to an Indenture dated as of September 24, 1998, as supplemented by the First Supplemental Indenture dated as of May 9, 2001 and the Second Supplemental Indenture dated as of June 1, 2001 and the Third Supplemental Indenture dated as of February 14, 2002, by and between CIT Group Inc. (formerly known as CIT Group Inc. (Del)) and Bank One Trust Company, N.A., as trustee, for the issuance of unsecured and unsubordinated debt securities (Incorporated by reference to Exhibit 4.1 to Form 8-K filed by CIT on July 10, 2002).
4.17	Form of Indenture dated as of September 24, 1998 by and between CIT (formerly known as Tyco Capital Corporation and Tyco Acquisition Corp. XX (NV) and successor to The CIT Group, Inc.) and The Bank of New York, as trustee, for the issuance of unsecured and senior subordinated debt securities (Incorporated by reference to an Exhibit to Form S-3 filed by CIT September 24, 1998).
4.18	First Supplemental Indenture dated as of June 1, 2001 among CIT (formerly known as Tyco Capital Corporation and Tyco Acquisition Corp. XX (NV) and successor to The CIT Group, Inc.), CIT Holdings (NV) Inc. and The Bank of New York, as trustee, for the issuance of unsecured and senior subordinated debt securities (Incorporated by reference to Exhibit 4.2f to Form S-3 filed by CIT on June 7, 2001).
4.19	Second Supplemental Indenture dated as of February 14, 2002 to an Indenture dated as of September 24, 1998, as supplemented by the First Supplemental Indenture dated as of June 1, 2001, by and between CIT Group Inc. (formerly known as Tyco Capital Corporation and Tyco Acquisition Corp. XX (NV) and successor to The CIT Group, Inc.) and The Bank of New York, as trustee, for the issuance of unsecured senior subordinated debt securities (Incorporated by reference to Exhibit 4.3 to Form 8-K filed by CIT on February 22, 2002).
4.20	Third Supplemental Indenture dated as of July 2, 2002 to an Indenture dated as of September 24, 1998, as supplemented by the First Supplemental Indenture dated as of June 1, 2001 and the Second Supplemental Indenture dated as of February 14, 2002, by and between CIT Group Inc. (formerly known as CIT Group Inc. (Del)) and The Bank of New York, as

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trustee, for the issuance of unsecured senior subordinated debt securities (Incorporated by reference to Exhibit 4.2 to Form 8-K filed by CIT on July 10, 2002).

- 4.21 Certain instruments defining the rights of holders of CIT's long-term debt, none of which authorize a total amount of indebtedness in excess of 10% of the total amounts outstanding of CIT and its subsidiaries on a consolidated basis have not been filed as exhibits. CIT agrees to furnish a copy of these agreements to the Commission upon request.
- 5.1 Opinion of Schulte Roth & Zabel LLP (Filed herewith).

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EXHIBIT NO.	DESCRIPTION
10.1	Form of Separation Agreement by and between Tyco International Ltd. and CIT (Incorporated by reference to Exhibit 10.2 to Form S-1/A filed by CIT on June 12, 2002).
10.2	Form of Financial Services Cooperation Agreement by and between Tyco International Ltd. and CIT (Incorporated by reference to Exhibit 10.3 to Form S-1/A filed by CIT on June 12, 2002).
10.3	Retention Agreement for Albert R. Gamper, Jr., as proposed to be amended (Incorporated by reference to Exhibit 10.19 to Form S-1/A filed by CIT on June 26, 2002).
10.4	Retention Agreement for Joseph M. Leone (Incorporated by reference to Exhibit 10.20 to Form S-1/A filed by CIT on June 26, 2002).
10.5	Retention Agreement for Thomas B. Hallman (Incorporated by reference to Exhibit 10.21 to Form S-1/A filed by CIT on June 26, 2002).
10.6	Retention Agreement for Lawrence A. Marsiello (Incorporated by reference to Exhibit 10.22 to Form S-1/A filed by CIT on June 26, 2002).
10.7	Retention Agreement for Nikita Zdanow (Incorporated by reference to Exhibit 10.23 to Form S-1/A filed by CIT on June 26, 2002).
10.8	Executive Severance Plan (Incorporated by reference to Exhibit 10.24 to Form S-1/A filed by CIT on June 26, 2002).
10.9	Long-Term Equity Compensation Plan (Incorporated by reference to Exhibit 10.25 to Form S-1/A filed by CIT on June 26, 2002).
10.10	Form of Indemnification Agreement (Incorporated by reference to Exhibit 10.26 to Form S-1/A filed by CIT on June 26, 2002).

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- 10.11 Form of Tax Agreement by and between Tyco International Ltd. and CIT (Incorporated by reference to Exhibit 10.27 to Form S-1/A filed by CIT on June 12, 2002).
- 12.1 Computation of Ratios of Earnings to Fixed Charges (Filed herewith).
- 21.1 Subsidiaries of CIT (Incorporated by reference to Exhibit 21.1 to Form S-1/A filed by CIT on June 12, 2002).
- 23.1 Consent of PricewaterhouseCoopers LLP (CIT Group Inc.) (Filed herewith).
- 23.2 Consent of KPMG LLP (Filed herewith).
- 23.3 Consent of PricewaterhouseCoopers LLP (CIT Group Inc. (Del)) (Filed herewith).
- 23.4 Consent of PricewaterhouseCoopers LLP (Tyco Capital Holding, Inc.) (Filed herewith).
- 23.5 Consent of Schulte Roth & Zabel LLP (Included in Exhibit 5.1).
- 24.1 Powers of Attorney (Filed herewith) (Included on the signature page of this Form S-3).
- 24.2 Board Resolutions (Filed herewith).
- 25.1 Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Bank of New York (Filed herewith).
- 25.2 Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of Bank One Trust Company, NA (Filed herewith).

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ts annual meeting of stockholders and which is available to all stockholders on request;

reports and other disclosures made to the SEC, and the stock exchanges in New York, Australia and London; and notices and proxy statements of special and annual meetings of stockholders.

It is the policy of the Company to facilitate communications of stockholders and other interested parties with the Board and its various committees. Stockholders may raise matters of concern at the annual meetings of stockholders. In addition, any stockholder or other interested party wishing to communicate with any Director, any committee of the Board or the Board as a whole, may do so by submitting such communication in writing and sending it by regular mail to the attention of the appropriate party or to the attention of our Lead Director, Sir Roderick I. Eddington, at News Corporation, 1211 Avenue of the Americas, New York, New York 10036. This information is also posted on the Company's website at www.newscorp.com.

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Director Evaluation Policy. The Nominating and Corporate Governance Committee is responsible for conducting an annual review and evaluation of the Board's conduct and performance based upon completion by all Directors of a self-evaluation form that includes an assessment, among other things, of the Board's maintenance and implementation of the Standards and the Company's corporate governance policies. The review seeks to identify specific areas, if any, in need of improvement or strengthening and culminates in a discussion by the full Board of the results and any actions to be taken.

Committees and Meetings of the Board of Directors

During the fiscal year ended June 30, 2008, the Board held six regularly scheduled meetings and one special meeting. During the fiscal year 2008, all of the Directors attended at least 75% of the meetings of the Board held during the period for which he or she has been a Director and the meetings of the committees on which he or she served, with the exception of Mr. Hurd who was appointed to the Board on February 12, 2008 and was unable to participate in one Board meeting and one Nominating and Corporate Governance Committee meeting due to a pre-existing commitment that he had notified the Board of prior to his appointment to the Board. From the time Mr. Hurd was appointed to the Board until the end of the fiscal year, the Board and the Nominating and Corporate Governance Committee each held two meetings.

It is the policy of the Board to hold regular executive sessions of the Non-Executive Directors without management present. During the fiscal year ended June 30, 2008, the Non-Executive Directors of the Board held seven executive sessions. Sir Roderick Eddington currently serves as Lead Director, presiding over the executive sessions of the Non-Executive Directors and supervising the self-evaluation of the Directors and the Board's determination of the independence of its Directors.

Directors are encouraged to attend and participate in the Company's annual meetings of stockholders. At the annual meeting of stockholders held by the Company in October 2007, all of the then serving Directors attended the annual meeting, with the exception of Mr. Chase Carey.

The Board has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. These committees are comprised entirely of independent Directors, as currently required under the existing rules of the Securities Exchange Act of 1934, as amended (the Exchange Act) and the NYSE. Each committee is governed by a written charter approved by the Board. These charters are available on the Company's website at www.newscorp.com/corp_gov/bc.html and are available in print to any stockholder requesting a paper copy of these documents from the Corporate Secretary.

Audit Committee. The Audit Committee consists of Sir Roderick Eddington, who serves as Chairman, and Messrs. Barnes, Knight and Perkins. The Audit Committee assists the Board in its oversight of (i) the integrity of the Company's financial reporting processes and systems of internal control, (ii) the qualifications, independence and performance of the Company's independent registered public accounting firm and the performance of the Company's corporate auditors and corporate audit function, (iii) the Company's compliance with legal and regulatory requirements involving financial, accounting and internal control matters, (iv) investigations into complaints concerning financial matters, (v) risks that may have a significant impact on the Company's financial statements and (vi) the review, approval and ratification of transactions with related parties. The Audit Committee provides an avenue of communication among management, the independent registered public accounting firm, the corporate auditors and the Board. During the fiscal year ended June 30, 2008, the Audit Committee held six meetings. The Audit Committee's report required by the SEC rules is included in this proxy under the heading Report of the Audit Committee.

The Audit Committee Charter provides that its members shall consist entirely of Directors who the Board determines are independent in accordance with the NYSE listing standards. The Board determined that each member of the Audit Committee meets the foregoing independence requirements and that each member of the

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Audit Committee is financially literate in accordance with the NYSE listing standards. The Board also determined that Sir Roderick Eddington and Messrs. Perkins and Barnes are audit committee financial experts as defined under the SEC rules.

Compensation Committee. The Compensation Committee consists of Mr. Knight, who serves as Chairman, Sir Roderick Eddington and Messrs. Dinh (appointed August 2007), Perkins and Thornton. The primary responsibilities of the Compensation Committee are: (i) to review and approve goals and objectives relevant to the compensation of the Chief Executive Officer, to evaluate the performance of the Chief Executive Officer in light of these goals and objectives and to recommend to the Board the compensation of the Chief Executive Officer based on this evaluation; (ii) to consider, recommend and oversee the Company's incentive compensation plans and equity-based plans and recommend changes in such plans to the Board as needed, and to exercise all authority of the Board with respect to the administration of such plans, including the granting of awards under the Company's incentive compensation plans and equity-based plans; (iii) to review and approve compensation, benefits and terms of employment of senior executives who are members of the Company's Office of the Chairman; (iv) to review the Company's recruitment, retention, compensation, termination and severance policies for certain senior executives; (v) to review and assist with the development of executive succession plans and to consult with the Chief Executive Officer regarding the selection of senior executives; and (vi) to review the compensation of non-executive directors for service on the Board and its committees and recommend changes in compensation to the Board.

During the fiscal year ended June 30, 2008, the Compensation Committee held five meetings. Pursuant to its charter, the Compensation Committee may delegate its authority to one or more members of the Board or officers of the Company, to the extent permitted by law, as it deems appropriate. The Compensation Committee has delegated to Messrs. K.R. Murdoch, Chernin and DeVoe the authority to make grants of restricted stock units within certain prescribed limits to non-executive officers of the Company. Any grants made by Messrs. K.R. Murdoch, Chernin or DeVoe pursuant to this authority are reported to the Compensation Committee on an annual basis. Further discussion of the processes and procedures for the consideration and determination of the compensation paid to the named executive officers during fiscal 2008, including the role of our Chief Executive Officer in recommending the amount or form of compensation paid to the named executive officers, other than himself, is found in the section entitled "Compensation Discussion and Analysis" below.

Pursuant to its charter, the Compensation Committee has the sole authority to retain and terminate any compensation consultant. During the past several years, including fiscal 2008, the Compensation Committee has retained Deloitte Consulting LLP (Deloitte) to provide advice on a variety of compensation matters as requested by the Compensation Committee. Deloitte primarily provides advice relating to named executive officer and non-executive director compensation, compensation trends, the design of the Company's equity incentive plans, and, from time to time, the structure of individual executive employment agreements. The Compensation Committee reviews information provided by Deloitte to determine the appropriate level and mix of compensation for each of the named executive officers in light of our compensation objectives.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee consists of Mr. Dinh, who serves as Chairman, and Messrs. Cowley, Hurd (appointed February 2008), Perkins (appointed August 2007) and Thornton. The responsibilities of the Nominating and Corporate Governance Committee are: (i) to review the qualifications of candidates for Director suggested by Board members, stockholders, management and others in accordance with criteria recommended by the Nominating and Corporate Governance Committee and approved by the Board; (ii) to consider the performance of incumbent Directors in determining whether to nominate them for re-election; (iii) to recommend to the Board a slate of nominees for election or re-election to the Board at each annual meeting of stockholders; (iv) to recommend to the Board candidates to be elected to the Board as necessary to fill vacancies and newly created directorships; and (v) to advise and make recommendations to the Board on corporate governance matters. The Nominating and Corporate Governance Committee also makes recommendations to the Board as to determinations of Director independence and conducts an annual self-evaluation for the Board. The Nominating and Corporate Governance Committee held five meetings during the fiscal year ended June 30, 2008.

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Subject to stockholder ratification, the Audit Committee has selected Ernst & Young LLP (E&Y) as the Company's independent registered public accounting firm to audit the books and accounts of the Company for the fiscal year ending June 30, 2009. E&Y has audited the books and records of the Company since the fiscal year ended June 30, 2002. A representative of E&Y is expected to be present at the Annual Meeting to respond to appropriate questions and will be given the opportunity to make a statement if the representative desires to do so.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE PROPOSAL TO RATIFY ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JUNE 30, 2009, WHICH IS DESIGNATED AS PROPOSAL NO. 2 ON THE ENCLOSED PROXY CARD.

Fees Paid to Independent Registered Public Accounting Firm

The Audit Committee is responsible for the appointment, compensation, retention and oversight of the work of the independent registered public accounting firm. Accordingly, the Audit Committee has appointed E&Y to perform audit and other permissible non-audit services for the Company and its subsidiaries. The Company has formal procedures in place for the pre-approval by the Audit Committee of all services provided by E&Y. These pre-approval procedures are described below under Audit Committee Pre-Approval Policies and Procedures.

The description of the fees for professional services rendered to the Company and its subsidiaries by E&Y for the fiscal years ended June 30, 2008 and 2007 is set forth below.

	Fiscal 2008	Fiscal 2007
Audit Fees ⁽¹⁾	\$ 18,936,000	\$ 16,161,000
Audit-Related Fees ⁽²⁾	\$ 5,041,000	\$ 2,835,000
Tax Fees ⁽³⁾	\$ 12,594,000	\$ 12,509,000
All Other Fees ⁽⁴⁾	\$ 4,000	\$ 16,000
Total Fees	\$ 36,575,000	\$ 31,521,000

- (1) Audit fees include: fees rendered in connection with the annual audit of the Company's consolidated financial statements as of and for the fiscal years ended June 30, 2008 and June 30, 2007; the audit of the Company's annual management assessment of the effectiveness of internal control over financial reporting as of June 30, 2008 and June 30, 2007 (as required by Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the Sarbanes-Oxley Act)); statutory audits required internationally; reviews of the Company's unaudited condensed consolidated interim financial statements included in the Company's statutory and regulatory filings; and other services normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings.
- (2) Audit-related fees principally relate to employee benefit plan audits, due diligence related to mergers and acquisitions, audits of entities to be sold, accounting consultations, agreed-upon procedure reports, reports on internal controls over certain distribution services provided to third parties and other services related to the performance of the audit or review of the Company's consolidated financial statements.
- (3) Tax fees include fees for tax compliance and tax consultations for domestic and international operating units.
- (4) All other fees principally consist of services relating to E&Y training seminars in the fiscal years ended June 30, 2008 and 2007.

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Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has established policies and procedures under which all audit and non-audit services performed by the Company's independent registered public accounting firm must be approved in advance by the Audit Committee. The Audit Committee's policy provides for pre-approval of audit, audit-related, tax and certain other services specifically described by the Audit Committee on an annual basis. In addition, individual engagements anticipated to exceed pre-established thresholds, as well as certain other services, must be separately approved. The policy also requires specific approval by the Audit Committee if total fees for tax services would exceed total fees for audit and audit-related services in any given fiscal year. The policy also provides that the Audit Committee can delegate pre-approval authority to any member of the Audit Committee provided that the decision to pre-approve is communicated to the full Audit Committee at its next meeting. The Audit Committee has delegated this responsibility to the Chairman of the Audit Committee. Management has also implemented internal procedures to ensure compliance with this policy. As required by the Sarbanes-Oxley Act, all audit and non-audit services provided in the fiscal years ended June 30, 2008 and June 30, 2007 have been pre-approved by the Audit Committee in accordance with these policies and procedures. The Audit Committee also reviewed the non-audit services provided by E&Y during the fiscal years ended June 30, 2008 and 2007, and determined that the provision of such non-audit services was compatible with maintaining the auditor's independence.

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PROPOSAL NO. 3

AMENDMENT OF THE COMPANY'S RESTATED CERTIFICATE OF INCORPORATION TO PROVIDE FOR THE ANNUAL ELECTION OF DIRECTORS BEGINNING AT THE COMPANY'S 2008 ANNUAL MEETING OF STOCKHOLDERS

The Company and the Board are committed to good corporate governance practices that will benefit the Company's stockholders. The Board is currently divided into three classes, with each Director elected at an annual meeting of stockholders generally serving a term of three years. Neither the Board nor the Nominating and Corporate Governance Committee believe that Directors who serve three-year terms are any less accountable to stockholders than Directors who serve a series of one-year terms. Under Delaware law, Directors owe fiduciary duties to the Company's stockholders regardless of the length of their term.

As the Board has previously stated, one of the Board's primary reasons for the classified board structure is to protect the Company's and its stockholders' interests in the event of an unfriendly or unsolicited proposal by a third party to takeover or restructure the Company. The classified board structure, together with the Company's stockholder rights plan (the "Stockholder Rights Plan"), would provide the Company with time to negotiate with the third party, to consider alternative proposals and to assure that stockholder value is maximized. The Board felt that the risk of such an unfriendly or unsolicited takeover or restructure proposal from a third party was significant given the substantial number of shares of the Company's common stock previously held by Liberty Media Corporation ("Liberty") and Liberty's prior public statement regarding its investment in the Company's common stock.

In February 2008, pursuant to the Share Exchange Agreement, dated December 22, 2006, by and between the Company and Liberty (the "Share Exchange Agreement"), the Company and Liberty completed an exchange whereby Liberty exchanged all of the shares of Class A Common Stock and Class B Common Stock held by Liberty for all of the shares of a wholly-owned subsidiary of the Company, whose holdings consisted of all of the Company's interests in DIRECTV, all of the Company's interest in three of the Company's Regional Sports Networks (FSN Northwest, FSN Pittsburgh and FSN Rocky Mountain) and approximately \$625 million in cash (the "Exchange").

With the completion of the Exchange, Liberty is no longer a significant stockholder. The Board believes that the risk of a third party takeover is now significantly reduced. Consequently, the Board has terminated the Stockholder Rights Plan, and the Board believes it is now the appropriate time and in the best interests of the Company and its stockholders to declassify the Board. In addition, Mrs. Evelyn Y. Davis, a stockholder, submitted proposals in 2006 and 2007 requesting that the Board take the necessary steps to eliminate the Company's classified Board structure. Ms. Davis' proposals received support from 32.7% and 17.3% of the votes cast by the Company's stockholders at the 2006 and 2007 annual meeting of stockholders, respectively, which indicated to the Board that a significant number of the Company's stockholders support the declassification of the Board. Therefore, the Board has approved, and recommends approval by the Company's stockholders, an amendment to the Certificate of Incorporation to provide for the annual election of Directors beginning at this Annual Meeting. The effect of this amendment to the Certificate of Incorporation, if approved by the Company's stockholders, would be to eliminate the classification of the Board effective upon the Company's filing of a Certificate of Amendment to the Certificate of Incorporation with the Secretary of State of Delaware. Assuming this Proposal 3 is approved, the Company intends to file the Certificate of Amendment promptly after the results of the stockholder vote are certified.

The Director nominees listed under Proposal 1B, consisting of the two classes of Directors currently scheduled to remain in office until the 2009 and 2010 Annual Meeting of Stockholders, are being nominated for election for a one-year term expiring at the 2009 Annual Meeting of Stockholders, with each Director to hold office until his or her successor shall have been duly elected and qualified. The election under Proposal 1B is conditioned upon, and will only be effective upon the effectiveness of the amendment to the Certificate of Incorporation as proposed in this Proposal 3.

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The proposed amendment to the Certificate of Incorporation under this Proposal 3 provides that Article V, Section 1 would be revised as follows:

ARTICLE V

SECTION 1. The business and affairs of the Corporation shall be managed by, or under the direction of, the Board of Directors. Except as otherwise provided for or fixed pursuant to the provisions of this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series Common Stock) relating to the rights of the holders of any series of Preferred Stock or Series Common Stock to elect additional directors, the total number of directors constituting the entire Board of Directors shall be not less than three (3), with the then-authorized number of directors being fixed from time to time exclusively by the Board of Directors.

Except with respect to directors who may be elected by the holders of any series of Preferred Stock (the Preferred Stock Directors) or by holders of any series of Series Common Stock (the Series Common Stock Directors), beginning with the annual meeting of stockholders held in 2008 (the 2008 Annual Meeting), the directors of the Corporation shall be elected annually at each annual meeting of stockholders of the Corporation. The directors will hold office for a term of one year or until their respective successors are elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. The terms of office of each director whose term of office did not expire at the 2008 Annual Meeting shall nonetheless expire upon the effectiveness of this Restated Certificate of Incorporation under the DGCL (the Effective Time), such that the directors elected at the 2008 Annual Meeting effective upon the Effective Time to succeed such directors shall commence their term of office at the Effective Time, for a term expiring at the next annual meeting of stockholders, with each such director to hold office until his or her successor shall have been duly elected and qualified.

Subject to the rights of the holders of any one or more series of Preferred Stock or Series Common Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director so chosen shall hold office until the next election of directors and until his or her successor shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

Except for such additional directors, if any, as are elected by the holders of any series of Preferred Stock or Series Common Stock, any director, or the entire Board of Directors, may be removed from office at any time by the affirmative vote of at least a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (Voting Stock), voting together as a single class. At any time that there shall be three or fewer stockholders of record, directors may be removed with or without cause.

During any period when the holders of any series of Preferred Stock or Series Common Stock have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock or Series Common Stock, as applicable, shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until the next annual meeting of stockholders and until such director's successor shall have been duly elected and qualified, unless such director's right to hold such office terminates earlier pursuant to said provisions, subject in all such cases to his or her earlier death, disqualification, resignation or removal. Except as otherwise provided

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by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock or Series Common Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

Notwithstanding the foregoing, whenever the holders of outstanding shares of one or more series of Preferred Stock or Series Common Stock issued by the Corporation shall have the right, voting separately as a series or as a separate class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal, filling of vacancies, and other features of such directorship shall be governed by the terms of this Restated Certificate of Incorporation (including any Certificate of Designation relating to any series of Preferred Stock or Series of Common Stock) applicable thereto.

Assuming this Proposal 3 is approved, the Board has approved, subject to the effectiveness of the amendment to the Certificate of Incorporation as proposed in this Proposal 3, conforming changes to the Company's By-laws to provide for the annual election of directors. As authorized by Article IX of the Company's By-laws, the Board is expressly authorized to amend the By-laws by the vote of a majority of the entire Board without stockholder approval. Accordingly, Article II, Sections 1 and 2 of the By-laws will be amended by the Board to read as follows:

ARTICLE II BOARD OF DIRECTORS

Section 1. Number, Election and Term of Directors.

The business and affairs of the Corporation shall be managed by, or under the direction of, the Board. Except as otherwise provided for or fixed pursuant to the provisions of the Certificate of Incorporation relating to the rights of the holders of any series of Series Common Stock or Preferred Stock to elect additional directors, the total number of directors constituting the entire Board shall be not less than three with the then-authorized number of directors being fixed from time to time exclusively by the Board.

Except with respect to directors who may be elected by the holders of any series of Preferred Stock (the Preferred Stock Directors) or by holders of any series of Series Common Stock (the Series Common Stock Directors), beginning with the annual meeting of stockholders held in 2008, the directors of the Corporation shall be elected annually at each annual meeting of stockholders of the Corporation. The directors will hold office for a term of one year or until their respective successors are elected and qualified, subject to such director's earlier death, resignation, disqualification or removal.

Section 2. Newly Created Directorships and Vacancies.

Subject to the rights of the holders of any one or more series of Series Common Stock or Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board. Any director so chosen shall hold office until the next annual meeting of stockholders and until his or her successor shall be elected and qualified or until his or her earlier death, resignation or removal from office in accordance with the Certificate of Incorporation, these By-laws, or any applicable law or pursuant to an order of a court. No decrease in the number of directors shall shorten the term of any incumbent director.

Pursuant to Article VIII of the Certificate of Incorporation, the amendment to the Certificate of Incorporation proposed under this Proposal 3 requires the affirmative vote of the holders of sixty-five percent

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(65%) or more of the then outstanding shares of Class B Common Stock of the Company. If this amendment to the Certificate of Incorporation is approved, then such amendment will become effective upon the filing of such amendment with the Secretary of State of Delaware, which filing will be made promptly after the results of the stockholder vote are certified.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THIS PROPOSAL CONCERNING THE AMENDMENT OF THE COMPANY S RESTATED CERTIFICATE OF INCORPORATION TO PROVIDE FOR THE ANNUAL ELECTION OF DIRECTORS BEGINNING AT THE COMPANY S 2008 ANNUAL MEETING OF STOCKHOLDERS, WHICH IS DESIGNATED AS PROPOSAL NO. 3 ON THE ENCLOSED PROXY CARD.

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EXECUTIVE OFFICERS OF NEWS CORPORATION

The executive officers of the Company at June 30, 2008 are set forth in the table below. Each holds the offices indicated until his successor is chosen and qualified at the regular meeting of the Board to be held following the Annual Meeting, or at other meetings of the Board as appropriate.

Name	Age	Position with the Company
K. Rupert Murdoch	77	Chairman and Chief Executive Officer
Peter Chernin	57	Director, President and Chief Operating Officer
James R. Murdoch	35	Director, Chairman and Chief Executive, Europe and Asia
David F. DeVoe	61	Director, Senior Executive Vice President and Chief Financial Officer
Roger Ailes	68	Chairman and Chief Executive Officer of FOX News Channel and FOX Business Network and Chairman of Fox Television Stations and Twentieth Television
Lawrence A. Jacobs	53	Senior Executive Vice President and Group General Counsel

Mr. K.R. Murdoch, is the father of Mr. J.R. Murdoch and Mr. L.K. Murdoch, a Director. Messrs. J.R. Murdoch and L.K. Murdoch are brothers. None of the other executive officers of the Company is related to any other executive officer or Director of the Company by blood, marriage or adoption.

Information concerning Messrs. K.R. Murdoch, Chernin, J. R. Murdoch and DeVoe can be found under the headings Election of Directors and Election of Additional Directors.

Roger Ailes has been Chairman and Chief Executive Officer of FOX News Channel since 1996, Chairman of Fox Television Stations and Twentieth Television since 2005 and Chairman and Chief Executive Officer of FOX Business Network since 2005. Prior to joining the Company, Mr. Ailes was President of CNBC from 1993 to 1996 and served as President of America's Talking, an information talk channel that later became MSNBC.

Lawrence A. Jacobs has been a Senior Executive Vice President and Group General Counsel of the Company since 2005. Mr. Jacobs served as the Company's Deputy General Counsel from 1996 to 2004, as Executive Vice President from 2001 to 2004 and as Senior Vice President from 1996 to 2001. Mr. Jacobs has been a Director of NDS since 2005. Mr. Jacobs has been a member of the Bar of the State of New York since 1982.

Table of Contents**SECURITY OWNERSHIP OF NEWS CORPORATION**

The following table sets forth the beneficial ownership of both Class A Common Stock and Class B Common Stock as of August 18, 2008 for the following: (i) each person who is known by the Company to own beneficially more than 5% of the outstanding shares of Class B Common Stock; (ii) each member of the Board; (iii) each named executive officer (as identified under Executive Compensation and Other Information) of the Company; and (iv) all Directors and executive officers of the Company as a group.

Name ⁽²⁾	Common Stock Beneficially Owned ⁽¹⁾				
	Number of Shares Beneficially Owned		Option Shares ⁽³⁾	Percent of Class ⁽⁴⁾	
	Non-Voting	Voting	Non-Voting	Non-Voting	Voting
	Class A	Class B	Class A	Class A	Class B
	Common Stock	Common Stock ⁽⁵⁾	Common Stock	Common Stock	Common Stock ⁽⁵⁾
Murdoch Family Trust ⁽⁶⁾	9,843,721	297,280,548	0	*	37.2%
c/o McDonald Carano Wilson LLP					
100 W. Liberty Street					
10 th Floor					
Reno, NV 89501					
HRH Prince Alwaleed Bin Talal Bin Abdulaziz Alsaud ⁽⁷⁾	0	56,237,915	0	0	7.0%
c/o Kingdom Holding Company					
Kingdom Centre Floor 66					
P.O. Box Riyadh, 11321					
Kingdom of Saudi Arabia					
K. Rupert Murdoch ⁽⁸⁾	18,629,895	307,947,777	12,000,000	1.7%	38.6%
Roger Ailes	302,236	0	725,000	*	*
José María Aznar	2,500	0	0	0	0
Natalie Bancroft	0	0	0	0	0
Peter L. Barnes	7,959	0	0	*	0
Peter Chernin ⁽⁹⁾	10,465	0	7,000,000	*	0
Kenneth E. Cowley AO	80,723	5	18,000	*	*
David F. DeVoe	8,160	0	750,000	*	0
Viet Dinh	0	1,010	0	0	*
Sir Roderick I. Eddington	134,770	0	52,000	*	0
Mark Hurd	0	0	0	0	0
Andrew S.B. Knight ⁽¹⁰⁾	201,123	120,657	30,000	*	*
James R. Murdoch ⁽¹¹⁾	3,998,580	1,644	330,000	*	*
Lachlan K. Murdoch ⁽¹²⁾	4,585,772	7,057	1,600,000	*	*
Thomas J. Perkins	6,000	21,750	30,000	*	*
Stanley S. Shuman ⁽¹³⁾	332,515	60,996	30,000	*	*
Arthur M. Siskind	33,226	10,934	1,570,000	*	*
John L. Thornton	0	0	0	0	0
All current Directors and executive officers as a group (19 members)	28,392,243	308,171,830	24,454,400	2.9%	38.6%

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- * Represents beneficial ownership of less than one percent of the issued and outstanding Class A Common Stock or Class B Common Stock, as applicable, on August 18, 2008.
- (1) This table does not include, unless otherwise indicated, any shares of Class A Common Stock or any shares of Class B Common Stock or other equity securities of the Company that may be held by pension and profit-sharing plans of other corporations or endowment funds of educational and charitable institutions for which various Directors and officers serve as directors or trustees.
- (2) The address for all Directors and executive officers of News Corporation is c/o News Corporation, 1211 Avenue of the Americas, New York, NY 10036.

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- (3) The number of option shares reported reflects the number of option shares currently exercisable or that become exercisable within 60 days following August 18, 2008.
- (4) Applicable percentage of ownership is based on 1,814,211,606 shares of Class A Common Stock and 798,520,953 shares of Class B Common Stock outstanding as of August 18, 2008, together with the exercisable stock options, for such stockholder or group of stockholders, as applicable. In computing the number of shares of Common Stock beneficially owned by a person and the percentage ownership of that person, shares issuable upon the exercise of options that are exercisable within 60 days of August 18, 2008 are not deemed outstanding for purposes of computing the percentage ownership of any other person.
- (5) Beneficial ownership of Class B Common Stock as reported in the above table has been determined in accordance with Rule 13d-3 of the Exchange Act. Unless otherwise indicated, beneficial ownership of Class B Common Stock represents both sole voting and sole investment power.
- (6) Beneficial ownership of the Class A Common Stock is as of May 13, 2008 as reported on Form 4 filed with the SEC on May 14, 2008. Beneficial ownership of Class B Common Stock is as of December 15, 2006 as reported on a Form 3 filed with the SEC on December 15, 2006. Cruden Financial Services LLC, a Delaware limited liability company (Cruden Financial Services), the corporate trustee of the Murdoch Family Trust, has the power to vote and to dispose or direct the vote and disposition of the reported Class B Common Stock. In addition, Cruden Financial Services has the power to exercise the limited vote and to dispose or direct the limited vote and disposition of the reported Class A Common Stock. As a result of Mr. K.R. Murdoch's ability to appoint certain members of the board of directors of Cruden Financial Services, Mr. K.R. Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the Murdoch Family Trust. Mr. K.R. Murdoch, however, disclaims any beneficial ownership of such shares. Some of the Murdoch Family Trust's shares of the Class A Common Stock are pledged from time to time to secure lines of credit with certain banks.
- (7) Beneficial ownership of Class B Common Stock is as of March 28, 2007 as reported on Schedule 13D/A filed by HRH Prince Alwaleed Bin Talal Bin Abdulaziz Alsaud (HRH) on April 30, 2007. Based on the Schedule 13D/A, 24,917,341 shares of the reported Class B Common Stock are owned by Kingdom 5-KR-62, Ltd. (KR-62), and 31,320,574 shares of the reported Class B Common Stock are owned by Kingdom 5-KR-63, Ltd. (KR-63). KR-62 and KR-63 are wholly-owned subsidiaries of Kingdom 5-KR-11, Ltd. (KR-11), which is owned by the Kingdom Holding Company (KHC). HRH, as the majority shareholder of KHC, has the power to appoint a majority of the directors of KHC and, through this power, has the power to appoint a majority of the directors of KR-11, and in turn, KR-11, as sole shareholder of KR-62 and KR-63, has the power to appoint a majority of the directors of KR-62 and KR-63. HRH is the sole director of KR-62 and KR-63. Accordingly, HRH may be deemed to indirectly control the disposition and voting of the reported Class B Common Stock.
- (8) Beneficial ownership reported includes 9,843,721 shares of Class A Common Stock and 297,280,548 shares of Class B Common Stock beneficially owned by the Murdoch Family Trust. Mr. K.R. Murdoch may be deemed to be a beneficial owner of the shares beneficially owned by the Murdoch Family Trust. Mr. K.R. Murdoch, however, disclaims any beneficial ownership of such shares. Beneficial ownership reported also includes 37,402 shares of Class A Common Stock and 10,646,571 shares of Class B Common Stock held by the K.R. Murdoch 2004 Revocable Trust of which Mr. K.R. Murdoch holds a beneficial and trustee interest. Beneficial ownership reported also includes 4,800 shares of Class A Common Stock and 4,540 shares of Class B Common Stock held by certain members of Mr. K.R. Murdoch's family. Beneficial ownership also includes 8,729,432 shares of Class A Common Stock held by the GCM Trust which is administered by independent trustees for the benefit of Mr. K.R. Murdoch's minor children. Mr. K.R. Murdoch, however, disclaims beneficial ownership of such shares.
- (9) Beneficial ownership reported includes 1,400 shares of Class A Common Stock held by the Peter and Megan Chernin Revocable Trust of which Mr. Chernin holds a beneficial and trustee interest.
- (10) Beneficial ownership reported includes 201,133 shares of Class A Common Stock and 120,657 shares of Class B Common Stock held by the ASB Knight 1989 Settlement which is administered by an independent trustee for the benefit of Mr. Knight and certain members of his immediate family.
- (11) Beneficial ownership reported includes 3,055,301 shares of Class A Common Stock held by the JRM Family Trust which is administered by an independent trustee for the benefit of Mr. J.R. Murdoch and his immediate family.
- (12) Beneficial ownership reported includes 4,364,716 shares of Class A Common Stock held by the LKM Family Trust which is administered by an independent trustee for the benefit of Mr. L.K. Murdoch, his immediate family members and certain charitable organizations.
- (13) Mr. Shuman is a Director Emeritus.

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COMPENSATION DISCUSSION AND ANALYSIS

Overview of Our Compensation Program Philosophy and Objectives

The goal of creating long-term growth and value for our stockholders drives our philosophy of how we design our executive compensation program. As one of the world's leading entertainment companies, with a diversified portfolio of businesses, News Corporation's executives are central to the value the Company creates for our stockholders. It is their leadership, creativity and ability to identify and execute on business opportunities that spur the Company's future growth and success. To that end, we must attract, motivate and retain the highest quality talent to lead the Company, and our compensation program is a key tool in achieving these goals.

In accordance with its charter, the Compensation Committee establishes and oversees our executive compensation program. The Compensation Committee has the primary responsibility of reviewing and approving the compensation levels and benefit programs for certain of our executives, including for the executive officers listed on the Summary Compensation Table below, who we collectively refer to as the named executive officers. The Compensation Committee also oversees and reviews our incentive compensation plans and equity-based plans. For more information on the Compensation Committee's responsibilities and its composition, see the section entitled "Committees and Meetings of the Board of Directors - Compensation Committee" above.

The Compensation Committee believes that compensation for executives, including the named executive officers, should fulfill the following objectives: (i) attracting the highest quality talent to the Company; (ii) motivating executives in the short-term and long-term by rewarding them for meeting or exceeding individual or Company performance goals; (iii) aligning our executives' interests with the long-term interests of our stockholders; and (iv) encouraging and providing incentives for executives to remain with the Company for long and productive careers.

In order to attract and retain the best talent, our executives' compensation packages must remain competitive. The Compensation Committee annually reviews the compensation practices of a group of our peer companies, consisting of other publicly-traded international media companies and other comparably sized Standard & Poor's 500 companies, as well as evolving market practices, to ensure that it makes informed compensation decisions. Although the Compensation Committee considers the compensation practices of our peer companies, because of the complex mix of industries and markets in which the Company operates, it does not use peer group data to base, justify or provide a framework for compensation decisions. The Compensation Committee also does not target any element of compensation or total compensation to a specific range within the peer group. Rather, it uses peer group data to obtain a general understanding of current compensation practices. The Compensation Committee's goal is to provide total compensation packages that are competitive with prevailing practices in our industry and in the geographic markets in which we conduct business. However, the Compensation Committee retains flexibility within the compensation program in order to respond to and adjust for specific circumstances and our evolving business environment.

The Compensation Committee retains Deloitte to provide advice on a variety of compensation matters as requested by the Compensation Committee. Deloitte primarily provides advice relating to named executive officer and non-executive director compensation, compensation trends, the design of the Company's equity incentive plans, and, from time to time, the structure of individual executive employment agreements. The Compensation Committee reviews information provided by Deloitte to determine the appropriate level and mix of compensation for each of the named executive officers in light of our compensation objectives. In addition, members of our senior management team keep abreast of developments in compensation and benefits matters and participate in the gathering and presentation of facts related to these matters as requested by the Compensation Committee. Our Chief Executive Officer (CEO) consults with and provides recommendations to the Compensation Committee on the design of our compensation program, as discussed below. In addition, our CEO periodically reports to the Compensation Committee on other named executive officers' performance and,

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when appropriate, provides recommendations regarding the other named executive officers' compensation packages. The CEO does not, however, make recommendations about, or participate in, decisions regarding his own compensation.

Elements of Our Named Executive Officers' Compensation Packages

The key elements of our executive compensation program for our named executive officers are base salary, incentive compensation and retirement benefits. The named executive officers also receive certain perquisites, but such perquisites are not a key element of compensation. The chart below illustrates how each element of compensation fulfills our four compensation objectives discussed above:

Element of Compensation	Motivation			Alignment with Stockholder Interests	Retention
	Attraction	Short-Term	Long-Term		
Base Salary	X				X
Incentive Compensation	X	X	X	X	X
Retirement Benefits	X				X

When making individual executive compensation decisions, the Compensation Committee considers such characteristics as the named executive officer's leadership and management expertise, performance history, the complexity of the position and responsibilities, growth potential, term of service with the Company, reporting structure and internal parity considerations. The Compensation Committee also takes into account certain other market factors, such as the significance that our industry and geographic markets (particularly New York City, Los Angeles and London) play in the Company's ability to attract and retain talent, among others. In determining the amount of total compensation, the Compensation Committee considers both currently paid compensation and the opportunity for future compensation, as well as the mix of cash and equity-based compensation.

The Compensation Committee annually reviews and analyzes the nature and amounts of all elements of each named executive officer's total compensation package, both separately and in the aggregate, to ensure that total compensation is competitive within the marketplace, that a significant portion of each named executive officer's compensation is performance based, and that an appropriate balance is maintained in focusing different elements of compensation on both the short-term and long-term performance of the Company. The Compensation Committee also reviews the amount of each named executive officer's equity interest in the Company. Any future compensation decisions by the Compensation Committee for the named executive officers are made in the context of this review.

Our fiscal 2008 named executive officers are Messrs. K. Rupert Murdoch, Peter Chernin, James R. Murdoch, David F. DeVoe and Roger Ailes. Messrs. K.R. Murdoch, Chernin, DeVoe and Ailes have served the Company or its subsidiaries or affiliates for 56, 19, 25 and 12 years, respectively. Mr. J.R. Murdoch has been with the Company for a total of 12 years, having rejoined the Company in December 2007 as our Chairman and Chief Executive, Europe and Asia, after serving as the Chief Executive Officer of BSKyB, in which the Company has a 39% equity interest, for the prior four years. The depth of each of the named executive officer's institutional knowledge, the breadth and continuity of their experience and their superior leadership talents have been instrumental and invaluable in making News Corporation one of the pre-eminent international entertainment companies.

With the exception of our Messrs. K. R. Murdoch and J.R. Murdoch, each of our named executive officers is party to a pre-existing negotiated employment agreement. (For a detailed description of Messrs. Chernin, DeVoe and Ailes' employment agreements, please see the section entitled Employment Agreements, and for a discussion of the compensation arrangement approved by the Compensation Committee for Mr. J.R. Murdoch, please see the section entitled Compensation Arrangement for Mr. James R. Murdoch.) The level of compensation contractually agreed upon and/or approved by the Compensation Committee reflects, among other

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factors, the scope and nature of their individual responsibilities, past performance and retention considerations at the time those agreements were entered into. The compensation package of each of the named executive officers does not necessarily contain each of the elements of compensation mentioned above. Instead, the Compensation Committee creates a compensation package for each of the named executive officers that contains a mix of compensation elements that it believes best addresses his particular responsibilities and that will best achieve our overall compensation objectives. In addition, the Compensation Committee has made a determination that, to the extent practicable, there should be parity in compensation between the Company's Chairman and Chief Executive Officer and its President and Chief Operating Officer because they both have responsibilities in establishing and executing the Company's overall strategy.

Base Salary

The basic element of compensation needed to attract and retain an employee in any organization is base salary. Base salary is the fixed element of a named executive officer's annual cash compensation, and serves as a baseline measure of the named executive officer's value to the Company and the foundation upon which the types and amounts of other elements of compensation for the named executive officer is based.

As discussed above, Messrs. Chernin, DeVoe and Ailes are each a party to a pre-existing negotiated employment agreement, which provides for a specified or minimum base salary. At the time each of these employment agreements was entered into, the Compensation Committee established each named executive officer's base salary in the context of the nature of the named executive officer's particular position, the responsibilities associated with that position, length of service with the Company, their experience, expertise, knowledge and qualifications, market factors, retention factors, our CEO's recommendation and the Company's overall compensation philosophy.

The Compensation Committee reviews annually the base salary of each of the named executive officers, subject to the terms of any applicable employment agreements. Base salary may be adjusted if the Compensation Committee determines that an adjustment is warranted or that a different mix of compensation elements may more appropriately compensate the individual named executive officer in light of the Company's compensation objectives. The factors considered by the Compensation Committee when determining adjustments in base salary include: past performance; the assumption by the named executive officer of any additional responsibilities; retention considerations; market factors; internal parity considerations; and the CEO's recommendation (with the exception of his own base salary). For purposes of parity between Messrs. K.R. Murdoch and Chernin, the Compensation Committee has made their base salaries equal since fiscal 2007.

The base salaries for each of the named executive officers remained unchanged in fiscal 2008 from fiscal 2007, with the exception of Mr. J.R. Murdoch who joined the Company on December 7, 2007.

Incentive Compensation

The named executive officers have a direct influence on our operations and strategy. Consequently, the Compensation Committee believes that a larger portion of each of the named executive officers' total compensation should be variable based on the Company's performance. As incentive for the named executive officers to strive continuously for better performance, a significant portion of a named executive officer's total compensation is at risk based upon the Company's short-term and long-term performance. Incentive compensation awarded to our named executive officers is designed to foster a performance-driven, pay-for-performance culture that also aligns our named executive officers' interests with those of our stockholders, and to reward the named executive officers for superior results.

In determining the performance criteria for incentive compensation, the Compensation Committee uses performance measures that are based on objective operational results of the Company because it believes that the performance measures should be based on results that are within the control of the named executive officers,

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rather than a stock price that is also influenced by external market forces and that could potentially lead to an undesirable focus on short-term factors outside of the named executive officer's control. Performance-based measures are chosen which the Compensation Committee believes will incentivize an executive to drive operating results in the short-term, as well as drive sustainable and profitable growth in order to create long-term value for our stockholders.

Beginning in fiscal 2005, the Compensation Committee adopted a methodology that based a portion of Messrs. K.R. Murdoch, Chernin and DeVoe's incentive compensation on the Company's year-over-year change in adjusted earnings per share (EPS Bonus). In February 2008, the Compensation Committee adopted the same methodology for Mr. J. R. Murdoch's EPS Bonus for fiscal 2008. A metric based on earnings per share (EPS) was chosen as a performance metric because the Compensation Committee believes that EPS is a significant factor in how our stockholders and analysts evaluate the performance of both the Company and our management. In addition, the Compensation Committee believes EPS is a performance metric that aligns the interests of these named executive officers with those of our stockholders and that continued growth in EPS year-over-year will lead to long-term improvement in return on investment for our stockholders through an increase in the market value of our shares over time. Thus, for these named executive officers who have responsibility for our overall business operations and strategy, the Compensation Committee determined that basing a portion of their incentive compensation, which can potentially be the most significant portion of the named executive officer's total compensation, on growth in adjusted EPS is appropriate. This methodology remains in effect for Messrs. K.R. Murdoch, Chernin, J.R. Murdoch and DeVoe through fiscal 2009 and involves the following calculation:

- Determination of the prior fiscal year's adjusted EPS;
- Determination of the current fiscal year's adjusted EPS; and
- Calculating the percentage change in adjusted EPS.

Adjusted EPS is used because the Compensation Committee believes that the adjustments provide a better evaluation of the Company's operating performance, as they take into account specific events that may distort the Company's performance in a specific performance period. The adjustments made reflect the elimination of the net income effect of the following items:

- Non-cash intangible asset impairment charges and write-downs on investments to realizable values;
- Gains or losses on the sale or other disposition of businesses or investments;
- Items classified as extraordinary items;
- The impact of changes in accounting in the fiscal year of such change (with the intent being to measure adjusted EPS in each fiscal year on the same bases of accounting);
- Costs of material business restructurings, reorganizations and relocations; and
- Gains and losses from capital and debt issuances and retirements.

In this manner, executives are not unduly influenced in their decision making, because they will neither benefit nor be penalized as a result of certain unanticipated and uncontrollable events that may positively or negatively affect EPS in the short term.

The Compensation Committee determined a pre-established range of the percentage change in adjusted EPS calculation with corresponding EPS Bonus payment levels for each of Messrs. K.R. Murdoch, Chernin, J.R. Murdoch and DeVoe. Although this methodology is based upon adjusted EPS on an annual basis, the fact that these EPS Bonus guidelines are in place for each of Messrs. K.R. Murdoch, Chernin and DeVoe over multiple years encourages them to look to the long-term performance of the Company. For purposes of parity, the EPS Bonus guidelines are the same for each of Messrs. K.R. Murdoch and Chernin. Based on the percentage change in adjusted EPS calculation, Messrs. K.R. Murdoch and Chernin could receive an EPS Bonus of between \$0 and \$25 million in a particular fiscal year and Mr. DeVoe could receive an EPS Bonus of between \$0 million

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and \$7 million in a particular fiscal year. Mr. J.R. Murdoch could receive an EPS Bonus of between \$0 to \$12.5 million, with the fiscal 2008 EPS bonus to be pro-rated based upon Mr. J.R. Murdoch's commencement of employment on December 7, 2007. For additional information on these ranges and the EPS Bonuses, see footnote (a) to the Grants of Plan-Based Awards Table below.

The annual EPS Bonuses are awarded following the Compensation Committee's certification that the performance goals upon which these EPS Bonuses are based have been attained. The Compensation Committee determined to pay the EPS Bonuses in cash to Mr. K.R. Murdoch and in a combination of cash and cash-settled RSUs to Messrs. Chernin, J.R. Murdoch and DeVoe, as reflected in the Summary Compensation Table and its associated footnotes below. Any portion of the EPS Bonus paid in cash must be paid no later than ninety days after the applicable fiscal year end or within ten days after the Company's earnings for the applicable fiscal year are publicly released. If any portion of the EPS Bonus is paid in cash-settled RSUs, the number of cash-settled RSUs awarded is determined by dividing the amount of any EPS Bonus allocated to cash-settled RSUs by the average of the closing price of our Class A Common Stock on the New York Stock Exchange for the 20-day trading period ending on the date prior to the date on which the cash portion of the EPS Bonus is paid.

The Compensation Committee determined to pay Mr. K.R. Murdoch's EPS Bonuses in cash because, as a significant stockholder of the Company and his long history with the Company, it believed that his interests were already significantly aligned with those of our stockholders and it is unlikely that he will leave the Company during his working career. For Messrs. Chernin, J.R. Murdoch and DeVoe, the Compensation Committee approved payment of their EPS Bonuses in a mix of cash and time-vested, cash-settled RSUs. The RSUs serve as a retention tool because, except in certain limited circumstances, Messrs. Chernin and DeVoe must remain with the Company through the term of their employment agreements and Mr. J.R. Murdoch must remain with the company for three years to receive their full value. In addition, by paying a portion of their EPS Bonuses in RSUs, these named executive officers have an increased equity interest in the Company, which further encourages decision making that will drive long-term results for the Company. RSUs provide a direct alignment between the interests of our stockholders and the named executive officers.

Based upon the above calculation, the Compensation Committee determined that the adjusted EPS percentage increase from fiscal 2007 to fiscal 2008 was 25% and approved a fiscal 2008 EPS Bonus of \$17.5 million for each of Messrs. K.R. Murdoch and Chernin, \$5.1 million for Mr. J.R. Murdoch (pro-rated as noted above) and \$5.5 million for Mr. DeVoe. See the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table below.

As discussed in more detail below in the Our Long-Term Incentive Plan section, the Compensation Committee granted awards under the Company's 2005 Long-Term Incentive Plan (the LTIP) to executives responsible for the Company's various business units that are conditioned upon the achievement of pre-determined fiscal 2008 operating profit goals for their respective business units at a target level of 50% of base salary for the highest level of executives. Pursuant to the terms of their respective employment agreements, Messrs. Chernin and DeVoe are entitled to participate in broad-based equity grants under the LTIP. In August 2008, the Compensation Committee considered that the Company as a whole had operating profit growth from fiscal 2007 to fiscal 2008 of 21%; therefore, pursuant to the terms of their employment agreements, the Compensation Committee determined to award time-vested, cash-settled RSUs under the LTIP in an amount equal in value to \$4.1 million for Mr. Chernin and \$1.4 million for Mr. DeVoe, which amounts are 50% of their respective annual base salaries. For purposes of parity among the named executive officers, the Compensation Committee determined to also award time-vested, cash-settled RSUs in amount equal in value to \$4.1 million to Mr. K.R. Murdoch which is 50% of his annual base salary, and \$947,600 to Mr. J.R. Murdoch which is 50% of his annual base salary pro-rated based on the commencement of his employment on December 7, 2007. In converting the dollar value of these awards to the number of RSUs to grant these named executive officers, the Compensation Committee used a similar formula as that used for the business unit executives which is discussed in more detail below. Consequently, in August 2008, the Compensation Committee awarded 282,821, 282,821, 66,173 and 99,642 time-vested, cash-settled RSUs to Messrs. K.R. Murdoch, Chernin, J.R. Murdoch and DeVoe, respectively. These awards are set forth in the Grants of Plan-Based Awards Table below. Twenty-five percent of

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these RSUs vested on August 15, 2008, with the remaining balance vesting in three equal annual installments over the next three years. These RSUs are not eligible to receive dividend payments. The Compensation Committee believes that these LTIP awards serve its compensation objectives because the payment of the awards in time-vested, cash-settled RSUs further encourages a longer term view of the Company's performance and promotes retention.

As a part of the compensation package approved by the Compensation Committee discussed below, beginning fiscal 2009, Mr. J.R. Murdoch is eligible to receive an annual bonus based on the operating profit growth of the operating divisions over which Mr. J.R. Murdoch has responsibility, with a target opportunity of 75% of his base salary and a maximum opportunity of 100% of his base salary. However, because of his hire in the middle of fiscal 2008, in August 2008, the Compensation Committee determined to award Mr. J.R. Murdoch a bonus award of 1.0 million (approximately \$1.4 million) in cash, pro-rated due to the commencement of his employment on December 7, 2007, based on an assessment of the operating profit growth of the operating divisions that Mr. J.R. Murdoch is responsible for. See the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table below.

Under the terms of his employment agreement, one element of Mr. Ailes compensation is annual incentive compensation based solely upon the financial performance of the FOX News Channel. Similar to the responsibility of Messrs. K.R. Murdoch, Chernin and DeVoe for the overall financial performance of the Company, Mr. Ailes is directly responsible for FOX News Channel's operating results. Therefore, the Compensation Committee chose FOX News Channel's earnings before interest, tax, depreciation and amortization (EBITDA) as the objective financial performance measure to determine Mr. Ailes' incentive compensation (the FOX News Channel Bonus). The amount that Mr. Ailes will receive for his FOX News Channel Bonus in any fiscal year during the term of his agreement, including fiscal 2008, is tied to a performance range of FOX News Channel's EBITDA for that fiscal year. These ranges were approved and separately conveyed to Mr. Ailes by the Compensation Committee in fiscal 2007. The Compensation Committee established EBITDA ranges that were designed to reward Mr. Ailes for achieving significant growth in FOX News Channel's EBITDA. The Compensation Committee intended these ranges to be achievable by FOX News Channel; however, the high end of the EBITDA range assumed FOX News Channel's attainment of over 75% growth in EBITDA over the term of the employment agreement, which it believed is an extremely high level of performance. Because of previous time-vested equity awards granted to Mr. Ailes, the Compensation Committee determined that Mr. Ailes' interests were sufficiently aligned with stockholders in the long-term and that there was already a significant retention feature in Mr. Ailes' total compensation package, and therefore determined to pay Mr. Ailes' FOX News Channel Bonus in cash.

Pursuant to this arrangement, the Compensation Committee awarded Mr. Ailes a FOX News Channel Bonus of \$4.5 million in cash, reflecting FOX News Channel's performance in fiscal 2008 which was at the high end of the EBITDA range. In addition, pursuant to the terms of his employment agreement, Mr. Ailes is also entitled to receive awards in the form of shares of our Class A Common Stock upon the launch of the FOX Business Network and when the fair market value of the FOX Business Network equals or exceeds two times its cost as determined pursuant to the terms of Mr. Ailes' employment agreement. Accordingly, upon launch of the FOX Business Network on October 15, 2007, Mr. Ailes received an award of 333,333 shares of Class A Common Stock. Mr. Ailes' employment agreement also provides that he receive a minimum, annual bonus of \$1 million in cash, which he received for fiscal 2008.

Incentive compensation represented 73%, 73%, 48%, 71% and 67% of the total compensation awarded to Messrs. K.R. Murdoch, Chernin, J.R. Murdoch, DeVoe and Ailes, respectively, for fiscal 2008.

Retirement Benefits

Our defined-benefit pension plans serve as an important retention tool. In addition to a broad-based, tax-qualified pension plan, we also administer the News America Incorporated Supplemental Executive Retirement Plan, or SERP, in which certain executives who will earn more than \$230,000 in calendar 2008 are

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eligible to participate. The SERP increases the retirement benefits of its participants above the amounts available under our broad-based plan, as limited by the Internal Revenue Code. Generally, the compensation limit for the SERP is capped at \$330,000 for calendar 2008. As an additional retention incentive, Messrs. K.R. Murdoch, Chernin, J.R. Murdoch and DeVoe participate in the Company's Individual Supplemental Employee Retirement Agreement Plan (ISERA), which provides enhanced benefits to certain of the Company's executives. The ISERA raises the compensation limit of the SERP to \$2 million. The ISERA also provides enhanced retirement health benefits to the participating executives and their spouses. Although Mr. Ailes does not participate in the ISERA, his employment agreement provides for enhanced post-retirement healthcare benefits. The SERP and the ISERA are unfunded, unsecured obligations of the Company and are non-qualified for tax purposes. For additional information on these arrangements and plans, please see the Pension Benefits Table and the Potential Payments Upon Termination Table, together with their accompanying footnotes, below.

Perquisites

Our named executive officers are provided with limited types of perquisites and other personal benefits that the Compensation Committee feels are reasonable and consistent with the Company's overall compensation philosophy. Perquisites constitute a very small percentage of each of the named executive officer's total compensation package. Some perquisites are intended to serve a specific business need for the benefit of the Company; however, it is understood that some may be used for personal reasons as well.

For safety and security reasons, all of the named executive officers are required to use the Company aircraft for all travel. We also provide automobiles for certain of our named executive officers. In addition, pursuant to the terms of Mr. Ailes' negotiated employment agreement, we provide him personal security services in connection with his business responsibilities. Also, Mr. Chernin is provided with supplemental executive life insurance and reimbursement for country club dues. The perquisites received by each named executive officer in fiscal 2008, as well as their incremental cost to the Company, are reported in the Summary Compensation Table and its accompanying footnotes below.

Compensation Arrangement for Mr. James R. Murdoch

In December 2007, Mr. J.R. Murdoch rejoined the Company as our Chairman and Chief Executive, Europe and Asia, after serving as the Chief Executive Officer of BSKyB for four years. In determining Mr. J.R. Murdoch's compensation package upon his re-joining the Company, the Compensation Committee generally considered the scope of Mr. J.R. Murdoch's responsibilities in his new position, his compensation package at BSKyB, his achievements at BSKyB, his prior experience and history with the Company, including as Chairman and Chief Executive Officer of STAR, and parity with our other named executive officers. Given these factors, the Compensation Committee determined to provide Mr. J.R. Murdoch with a compensation package that ultimately would be comparable to his existing compensation package at BSKyB. Because of Mr. J.R. Murdoch's existing equity interest in the Company, the Compensation Committee determined his interests are already significantly aligned with those of our stockholders. Therefore, while his overall compensation has both a cash and equity component, a larger percentage of his overall compensation should be paid in cash. In addition, the Compensation Committee believes that a significant portion of Mr. J.R. Murdoch's compensation should be at risk, rather than fixed, based on the performance of the business units over which he has direct responsibility, as well as the overall performance of the Company.

Based upon the above considerations, in February 2008, the Compensation Committee approved the following terms of Mr. J.R. Murdoch's compensation arrangement: (a) an award of 400,000 cash-settled RSUs which vest in three equal annual installments beginning January 1, 2009, (b) an annual base salary of 2.3 million Euros (approximately US\$3.4 million); (c) eligibility to receive, on an annual basis, a bonus based on the performance of the operating divisions over which Mr. J.R. Murdoch has responsibility for the applicable fiscal year, with a target opportunity of 75% (and a maximum opportunity of 100%) of base salary, to be paid in cash; and (d) eligibility to receive, on an annual basis, an EPS Bonus of between \$0 and \$12.5 million in a particular

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fiscal year following the same methodology used for Messrs. K.R. Murdoch, Chernin and DeVoe's EPS Bonuses (as set forth in footnote (a) to the Grants of Plan-Based Awards Table below) to be paid in a combination of cash and cash-settled RSUs that will vest over a three-year period. In addition, the Compensation Committee determined that Mr. J.R. Murdoch will be eligible to participate in our LTIP, pursuant to which he may be granted performance-based or discretionary equity awards and will be entitled to other benefits and perquisites commensurate with executives of his level within the Company.

Severance and Change in Control Arrangements

The employment agreements of Messrs. Chernin, DeVoe and Ailes contain negotiated severance provisions which provide benefits to these named executive officers upon their separation from the Company, which are more fully described in the section entitled "Potential Payments Upon Termination" below. None of these named executive officers' employment agreements contains provisions relating to a change in control of the Company. However, as negotiated under Mr. Chernin's employment agreement, if Mr. K.R. Murdoch is no longer the CEO of the Company, Mr. Chernin may terminate his employment agreement and be entitled to the severance payable upon his resignation for "good reason." These severance provisions are more thoroughly described in the section entitled "Potential Payments Upon Termination" below.

Recoupment of Previously Paid Named Executive Officer Performance-Based Compensation

In August 2007, the Board of Directors adopted a policy regarding the recoupment of performance-based compensation paid to the named executive officers in the event of certain financial restatements. Under the policy, the Company will require reimbursement, to the extent permitted by governing law and any employment arrangements, of the excess of any performance-based compensation paid to an executive officer where:

the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement; in the Board's view, the officer engaged in fraud or misconduct that caused the need for the restatement; and a lower payment would have been made to the officer based upon the restated financial results.

In each such instance, the Company will, to the extent practicable, seek to recover the amount by which the named executive officer's performance-based compensation for the relevant period exceeded the lower payment that would have been made based on the restated financial results, plus a reasonable rate of interest.

Limitations on Deductibility of Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), generally limits to \$1 million the U.S. federal tax deductibility of compensation (including stock options and RSUs) paid in one year to the named executive officers (other than, pursuant to Internal Revenue Service pronouncements, Mr. DeVoe, our Chief Financial Officer). The deductibility of non-qualified deferred compensation paid to an executive officer when he is no longer subject to Section 162(m) is not subject to this limitation. Performance based compensation (including if such compensation is paid stock options and RSUs) is also subject to an exception under Section 162(m), provided such compensation meets certain requirements, including stockholder approval.

The Compensation Committee strives to provide the named executive officers with a compensation package that will preserve the deductibility of those packages for the Company to the extent reasonably practicable and to the extent consistent with its other compensation objectives. However, the Compensation Committee believes that stockholder interests are best served by not restricting the Compensation Committee's discretion and flexibility in structuring compensation programs, even though those programs may result in certain non-deductible compensation expenses.

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Our Long-Term Incentive Plan

We use equity awards to recognize performance of certain Company executives who drive the development and execution of our business strategies. The primary purposes of these equity awards are to align further the executive's interests with the Company's longer-term objectives, to drive stockholder return, to foster stock ownership and to promote retention.

Since fiscal 2007, the Compensation Committee has granted performance-based and discretionary awards that are settled in time-vested RSUs. The RSUs typically vest over four years and are generally subject to continued employment with the Company. The Compensation Committee believes RSUs provide a strong retention incentive to the grantees and further links their interests with our stockholders' interests.

In structuring our equity incentive program and determining the type and amounts of each award, we consider the impact the equity awards will have on our operating results, and we strive to achieve an appropriate balance between the impact on our financial operating results and our compensation objectives. Occasionally, the Compensation Committee will approve one-time equity grants for particular circumstances, such as upon a hiring, promotion, contract renewal or certain discretionary performance-based achievements. More generally, awards under the LTIP are primarily made once a year through a broad-based program. During the first quarter of each fiscal year, the Compensation Committee approves performance targets and the range of equity awards payable upon the achievement of those targets for that fiscal year.

Consequently, in the first quarter of fiscal 2008, the Compensation Committee approved a broad-based program under which a group of executives responsible for various business units within the Company had the opportunity to earn a grant of RSUs under the LTIP. These fiscal 2008 LTIP awards were conditioned upon the attainment of pre-determined operating profit goals for fiscal 2008 by the executive's particular business unit. If the actual fiscal 2008 operating profit of the executive's business unit as compared to its pre-determined target operating profit was within a certain performance goal range that was approved by the Compensation Committee, the executive was entitled to receive a grant of RSUs under the fiscal 2008 LTIP award. Following the end of the 2008 fiscal year, the Company determined the degree to which the operating profit goals were obtained. To the extent that it was determined that the business unit's actual fiscal 2008 operating profit fell within the performance goal range, the executive received a percentage of his or her annualized base salary, ranging from 0% to 100%, in time-vested RSUs representing shares of our Class A Common Stock. The number of RSUs awarded to an executive in satisfaction of a fiscal 2008 LTIP award was determined by dividing the value of the award by the average closing price of our Class A Common Stock on the New York Stock Exchange for the 20-day trading period ending on August 5, 2008. The RSUs are generally payable in shares of our Class A Common Stock. In fiscal 2009, approximately 8.9 million RSUs were issued in connection with these fiscal 2008 LTIP awards, 25% of which vested on August 15, 2008, with the remaining balance vesting in three equal annual installments over the next three years. The Compensation Committee believes that this combination of the performance feature of the fiscal 2008 LTIP award and the RSU award best serves our compensation objectives because the performance feature focuses on business priorities by clearly communicating to the executives what we believe is most important in driving business performance and ultimately creating value for our stockholders, and the time-vested RSU component further fosters stock ownership, encourages a longer term view of the Company's performance and promotes retention.

The Compensation Committee currently intends to grant equity awards under the LTIP to certain of its executives, including the named executive officers, on an annual basis. Such awards may be contractual, discretionary or based on pre-determined performance goals, including, but not limited to, operating profit, adjusted operating profit and adjusted EPS.

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REPORT OF COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors has reviewed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and discussed it with the Company's management. Based on the Compensation Committee's review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2008 and this proxy statement.

THE COMPENSATION COMMITTEE:

Andrew S.B. Knight (Chairman)

Viet Dinh

Sir Roderick I. Eddington

Thomas J. Perkins

John L. Thornton

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee consists of the following non-executive directors: Andrew S.B. Knight (Chairman), Viet Dinh, Sir Roderick I. Eddington, Thomas J. Perkins and John L. Thornton, all of whom the Board has determined are independent in accordance with the New York Stock Exchange's listing standards. There are no interlocking relationships as defined in the applicable SEC rules.

Table of Contents**EXECUTIVE COMPENSATION****Summary Compensation Table for the Fiscal Year Ended June 30, 2008**

The following table sets forth information with respect to total compensation for the fiscal years ended June 30, 2007 and June 30, 2008, respectively, for the Company's Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executive officers of the Company (collectively, the named executive officers) who served in such capacity on June 30, 2008.

Named Executive Officer and Principal Position	Fiscal Year	Salary	Bonus	Stock	Option	Non-Equity Incentive Plan	Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation	Total
				Awards (a)	Awards (b)	Compensation (c)	Earnings (d)(e)	(f)	
K. Rupert Murdoch Chairman and Chief Executive Officer	2008	\$ 8,100,000	\$ -	\$ 1,545,292	\$ -	\$ 17,500,000	\$ -	\$ 403,169	\$ 27,548,461
	2007	\$ 8,100,000	\$ -	\$ 1,012,500	\$ -	\$ 15,795,000	\$ 6,872,000	\$ 356,175	\$ 32,135,675
Peter Chernin President and Chief Operating Officer	2008	\$ 8,100,000 ^(g)	\$ -	\$ 10,243,171	\$ (1,245,396)	\$ 11,250,000	\$ 221,947	\$ 232,259	\$ 28,801,981
	2007	\$ 8,100,000	\$ -	\$ 12,902,837	\$ 1,245,396	\$ 10,397,500	\$ 1,108,909	\$ 230,936	\$ 33,985,578
James R. Murdoch ^(h) Chairman and Chief Executive, Europe and Asia	2008	\$ 1,895,200	\$ 1,421,400 ⁽ⁱ⁾	\$ 1,648,381	\$ -	\$ 3,572,917	\$ 2,381,000	\$ 54,175	\$ 10,973,073
David F. DeVoe Senior Executive Vice President and Chief Financial Officer	2008	\$ 2,853,750	\$ -	\$ 2,994,999	\$ (576,982)	\$ 4,250,000	\$ -	\$ 212,603	\$ 9,734,370
	2007	\$ 2,853,750	\$ -	\$ 3,230,640	\$ 622,697	\$ 4,079,500	\$ 790,000	\$ 153,313	\$ 11,729,900
Roger Ailes Chairman and Chief Executive Officer of FOX News Channel and FOX Business Network and Chairman of Fox Television Stations and Twentieth Television	2008	\$ 5,000,000	\$ 1,000,000	\$ 9,165,588	\$ -	\$ 4,500,000	\$ 10,000	\$ 228,251	\$ 19,903,839
	2007	\$ 5,000,000	\$ 1,000,000	\$ 1,627,662	\$ -	\$ 3,000,000	\$ 56,000	\$ 210,951	\$ 10,894,613

- (a) The amounts set forth in the Stock Awards column represent the value of RSU awards, including the portion of Messrs. Chernin, J.R. Murdoch and DeVoe's EPS Bonus paid in RSUs, recognized for financial statement reporting purposes for the applicable fiscal year, as computed in accordance with SFAS 123R, disregarding estimates of forfeitures related to service-based vesting conditions.
- (b) The amounts set forth in the Option Awards column represent the value of stock appreciation rights (SARs) recognized for financial statement reporting purposes for the applicable fiscal year as computed in accordance with SFAS 123R using the Black-Scholes option pricing model, disregarding estimates of forfeitures related to service-based vesting conditions. For additional information about the assumptions used in these calculations, see Note 13 to the audited consolidated financial statements of the Company included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2008. The discussion in the Company's fiscal 2008 audited consolidated financial statements reflects weighted-average assumptions on a combined basis for both retirement-eligible and non-retirement eligible employees and Non-Employee Directors.
- (c) The amounts set forth in the Non-Equity Incentive Plan Compensation column represent Mr. K.R. Murdoch's EPS Bonus for the applicable fiscal year, the cash portion of Messrs., Chernin, J. R. Murdoch and DeVoe's respective EPS Bonuses for the applicable fiscal year and Mr. Ailes' FOX News Channel Bonus for the applicable fiscal year. For additional information regarding these bonuses, see Compensation Discussion and Analysis Incentive Compensation.

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- (d) The values reported are theoretical as these amounts are calculated pursuant to SEC requirements and are based on a retirement assumption of age 55 or current age, if later, and other assumptions used in preparing the Company's audited consolidated financial statements for the fiscal years ended June 30, 2007 and June 30, 2008. The change in pension value from year to year as reported in the Summary Compensation Table is subject to market volatility and may not represent the value that a named executive officer will actually accrue under the Company's pension plans during any given fiscal year. The reduction of the pension value in the fiscal year ended June 30, 2008 was due to the change in the discount rate used in the actuarial calculation of the year-end obligation. The change in pension value is attributable to the following:

		Change in Pension Value From Fiscal 2007 to Fiscal 2008		
Named Executive Officer	Pension Plan	Due to One Year Accrual	Due to Assumption Changes	Total
K. Rupert Murdoch	News America Incorporated Employees Pension and Retirement Plan	\$ 268,000	\$ (118,000)	\$ 150,000
	Individual Supplemental Executive Retirement Plan	30,000	(6,303,000)	(6,273,000)
				\$ (6,123,000)
Peter Chernin	Fox Pension Plan	\$ 8,000	\$ (15,000)	\$ (7,000)
	News America Incorporated Employees Pension and Retirement Plan	44,000	(17,000)	27,000
	News America Incorporated Supplemental Executive Retirement Plan	29,000	(14,000)	15,000
	Individual Supplemental Executive Retirement Plan	346,000	(1,083,000)	(737,000)
				\$ (702,000)
James R. Murdoch	News America Incorporated Employees Pension and Retirement Plan	\$ 5,000	\$ (8,000)	\$ (3,000)
	News America Incorporated Supplemental Executive Retirement Plan	3,000	(4,000)	(1,000)
	Individual Supplemental Executive Retirement Plan	2,385,000	0	2,385,000
				\$ 2,381,000
David F. DeVoe	News America Incorporated Employees Pension and Retirement Plan	\$ 66,000	\$ (45,000)	\$ 21,000
	News America Incorporated Supplemental Executive Retirement Plan	26,000	(23,000)	3,000
	Individual Supplemental Executive Retirement Plan	174,000	(1,117,000)	(943,000)
				\$ (919,000)
Roger Ailes	Fox Pension Plan	\$ (4,000)	\$ (6,000)	\$ (10,000)
	News America Incorporated Employees Pension and Retirement Plan	33,000	(13,000)	20,000
	News America Incorporated Supplemental Executive Retirement Plan	10,000	(10,000)	0
				\$ 10,000

- (e) Mr. Chernin's amount includes earned interest on deferred compensation in excess of 120% of the long-term applicable federal rate determined pursuant to the SEC rules in the amount of \$221,947 for the fiscal year ended June 30, 2008. See footnote (g) to this table, "Employment Arrangements" and the Non-Qualified Deferred Compensation Table and accompanying footnotes below for additional information on Mr. Chernin's deferred compensation arrangement.
- (f) All Other Compensation paid in the fiscal year ended June 30, 2008 is calculated based on the incremental cost to the Company and is comprised of the following:

	K. Rupert Murdoch	Peter Chernin	James R. Murdoch	David F. DeVoe	Roger Ailes⁽¹⁾
<i>Perquisites</i>					
Personal Use of Corporate Aircraft	\$ 378,923	\$ 170,462	\$ 54,175	\$ 178,133	\$ 0
Personal Use of Corporate Car/Car Allowance	16,196	35,037	0	26,420	168,173
Personal Security	0	0	0	0	52,028
Country Club Dues	0	18,710	0	0	0
Company Contributions to 401(k) Plan	8,050	8,050	0	8,050	8,050
Total	\$ 403,169	\$ 232,259	\$ 54,175	\$ 212,603	\$ 228,251

- (1) The Company provides security services to Mr. Ailes in connection with his business responsibilities. Although included in the amount of Mr. Ailes All Other Compensation, the Company considers the cost of the personal security to be a business expense and not a personal benefit to Mr. Ailes.

- (g) Pursuant to the terms of Mr. Chernin's employment agreement, he participates in a non-qualified deferred cash compensation arrangement in which \$4.3 million of his annual base salary of \$8.1 million is deferred by the Company on a monthly basis into a deferred compensation account, which is maintained in a grantor trust. For additional information regarding this arrangement, see "Employment Arrangements" and the Non-Qualified Deferred Compensation Table and accompanying footnotes below.
- (h) Mr. J.R. Murdoch's base salary and the portion of his bonus paid upon the operating profit achievements of the operational divisions that Mr. J.R. Murdoch has responsibility were paid in Euros. The U.S. dollar amounts presented are based on an exchange rate of 1 to US\$1.46 on June 27, 2008.
- (i) The amounts set forth in the Bonus column represent Mr. J.R. Murdoch's divisional operating bonus for fiscal 2008.

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Grants of Plan-Based Awards during the Fiscal Year Ended June 30, 2008

The following table sets forth information with respect to grants of plan-based awards to the named executive officers during the fiscal year ended June 30, 2008.

Named Executive Officer	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(\$) ^(a)			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
		Threshold	Target	Maximum				
K. Rupert Murdoch		\$ -	(a)	\$ 25,000,000	n/a	n/a	n/a	
	08/08/2007 ^(b)				186,292	n/a	n/a	\$ 4,049,988
Peter Chernin		\$ -	(a)	\$ 25,000,000				
	08/08/2007 ^(b)				186,292	n/a	n/a	\$ 4,049,988
	08/08/2007 ^(c)				248,275	n/a	n/a	\$ 5,397,499
	10/17/2007 ^(d)				1,818	n/a	n/a	\$ 40,596
	04/16/2008 ^(d)				2,309	n/a	n/a	\$ 40,708
James R. Murdoch		\$ -	(a)	\$ 12,500,000	n/a	n/a	n/a	
	2/12/2008 ^(e)				400,000	n/a	n/a	\$ 7,804,000
David F. DeVoe		\$ -	(a)	\$ 7,000,000				
	08/08/2007 ^(b)				65,633	n/a	n/a	\$ 1,426,861
	08/08/2007 ^(c)				49,655	n/a	n/a	\$ 1,079,500
	10/17/2007 ^(d)				362	n/a	n/a	\$ 8,083
	04/16/2008 ^(d)				461	n/a	n/a	\$ 8,127
Roger Ailes	10/15/2007 ^(g)	\$ -	(f)	\$ 4,500,000	333,333	n/a	n/a	\$ 7,669,992

(a) Amounts represent potential EPS Bonus for the fiscal year. Final EPS Bonus payouts are based on the following schedule, and as such, there are not specific targets identified. The EPS Bonus amount is determined proportionately within the corresponding year-on-year adjusted EPS percentage change range. For further discussion on the EPS Bonus, see Compensation Discussion and Analysis Incentive Compensation above. For the portion of the respective named executive officer's fiscal 2008 EPS Bonus paid in cash, see the Non-Equity Incentive Compensation column of the Summary Compensation table above.

Year-on-Year Adjusted EPS % Change		Messrs. K.R. Murdoch and Chernin EPS Bonus Amount		Mr. J.R. Murdoch EPS Bonus Amount*		Mr. DeVoe EPS Bonus Amount	
Low	High	Low	High	Low	High	Low	High
< 25.00%	- 25.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- 25.00%	- 12.50%	\$ -	\$ 4,000,000	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000
- 12.50%	0.00%	\$ 4,000,000	\$ 5,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,000,000	\$ 2,000,000
0.00%	10.00%	\$ 5,000,000	\$ 10,000,000	\$ 2,500,000	\$ 5,000,000	\$ 2,000,000	\$ 4,000,000
10.00%	20.00%	\$ 10,000,000	\$ 15,000,000	\$ 5,000,000	\$ 7,500,000	\$ 4,000,000	\$ 5,000,000
20.00%	30.00%	\$ 15,000,000	\$ 20,000,000	\$ 7,500,000	\$ 10,000,000	\$ 5,000,000	\$ 6,000,000
30.00%	40.00%	\$ 20,000,000	\$ 25,000,000	\$ 10,000,000	\$ 12,500,000	\$ 6,000,000	\$ 7,000,000
40.00%	> 40.00%	\$ 25,000,000	\$ 25,000,000	\$ 12,500,000	\$ 12,500,000	\$ 7,000,000	\$ 7,000,000

* The EPS Bonus awarded to Mr. J.R. Murdoch for fiscal 2008 was pro-rated based upon his commencement of employment on December 7, 2007.

- (b) Represents the fiscal 2007 cash-settled RSU award made under the LTIP, which were granted in fiscal 2008. These awards vest in four equal annual installments beginning on August 15, 2007. For a discussion of the fiscal 2007 cash-settled RSU LTIP awards, see Compensation Discussion and Analysis Incentive Compensation above.
- (c) Represents the portion of the fiscal 2007 EPS Bonus paid in cash-settled RSUs, which were granted in fiscal 2008. These awards vest in two equal installments, on July 1, 2008 and June 30, 2009. These unvested cash-settled RSU awards are eligible to receive dividend payments when and on the same basis as dividends declared and paid on the Class A Common Stock. For a discussion of the fiscal 2008 EPS Bonuses, including the portion to be paid in cash-settled RSUs, see Compensation Discussion and Analysis Incentive Compensation above.

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- (d) Represents cash-settled RSUs issued in satisfaction of dividends payable on the non-vested RSUs awarded for the applicable EPS Bonuses, which vest as follows:

Vesting Date	10/17/2007 Grant		04/16/2008 Grant	
	Peter Chernin	David F. DeVoe	Peter Chernin	David F. DeVoe
07/01/2008	1,101	220	1,398	280
06/30/2009	717	142	911	181

- (e) Represents Mr. J.R. Murdoch's grant of cash-settled RSUs upon his hire pursuant to his negotiated compensation arrangement. This award will vest in three equal annual installments beginning on January 1, 2009.
- (f) Represents Mr. Ailes' fiscal 2008 FOX News Channel Bonus. For further discussion on the FOX News Channel Bonus, see Compensation Discussion and Analysis Incentive Compensation above.
- (g) Represents grant of shares of Class A Common Stock to Mr. Ailes in connection with the launch of the FOX Business Network. For further discussion on this award, see Compensation Discussion and Analysis Incentive Compensation above.

Employment Arrangements*Summary of K. Rupert Murdoch's Letter Agreement*

On July 28, 2005, the Company entered into a letter agreement with Mr. K.R. Murdoch establishing performance goals for annual EPS Bonuses for the fiscal years ended June 30, 2005, 2006, 2007 and 2008 and the fiscal year ending June 30, 2009 to be awarded under the LTIP. For additional information regarding the methodology and calculation of these EPS Bonuses, please see Compensation Discussion and Analysis Incentive Compensation above.

Summary of Peter Chernin's Employment Agreement

The Company entered into an Amended and Restated Employment Agreement with Mr. Peter Chernin, the Company's President and Chief Operating Officer, effective August 1, 2004 and expiring on June 30, 2009. The Company and Mr. Chernin subsequently agreed to amend the employment agreement on August 10, 2005, September 8, 2005 and August 8, 2006. Mr. Chernin's agreement provides that he will receive a base salary of not less than \$3,800,000 per year. Mr. Chernin is also eligible to receive annual incentive compensation based on the Company's achievement of financial performance targets. For the fiscal years ended June 30, 2005 and 2006, the terms of Mr. Chernin's annual incentive compensation were set forth in his employment agreement. For the fiscal years ended June 30, 2007 and 2008 and the fiscal year ending June 30, 2009, the Compensation Committee has determined annual incentive compensation criteria for Mr. Chernin pursuant to the LTIP, which compensation has been, or will be, paid pursuant to the terms of Mr. Chernin's employment agreement. If the Compensation Committee certifies that the performance criteria have been met, Mr. Chernin's incentive compensation will be determined by calculating the percentage change in Adjusted Earnings Per Share (as defined in the employment agreement and Compensation Discussion and Analysis Incentive Compensation above) of the Company for the fiscal year then ended and then determining the EPS Bonus payable based on the EPS Bonus guidelines set forth in the employment agreement (see footnote (a) to the Grants of Plan-Based Awards Table below).

Pursuant to Mr. Chernin's employment agreement, the first \$5 million of the annual EPS Bonus is payable in cash and the remaining balance is payable one-half in cash and the other half in RSUs (paid in two equal annual installments for the fiscal year ended June 30, 2007 and one annual installment for the fiscal year ended June 30, 2008). The RSUs may be paid, at the Company's discretion, in shares of Class A Common Stock or in cash equal to the value of the shares of Class A Common Stock subject to such RSUs. The number of RSUs to be delivered is equal to the applicable value divided by the average closing price of the Class A Common Stock on the NYSE for the 20-day trading period ending on the date prior to the date on which the cash portion of the EPS Bonus is paid. Any bonus earned for the period ending June 30, 2009 is to be paid solely in cash.

Pursuant to Mr. Chernin's employment agreement, in August 2004, Mr. Chernin received a grant of stock appreciation rights on 500,000 shares of Class A Common Stock which vest as to 25% on each anniversary date

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after the date of grant. In addition, Mr. Chernin is also eligible to receive grants of annual equity-based awards in the form of stock, stock options or other stock-related grants in amounts equal to and on terms at least as favorable as grants made to other Company executives. Mr. Chernin may participate in the Company's pension and welfare plans that are applicable to the Company's senior executives, which generally include retirement plans, SERP, group life insurance, accident and death insurance, medical and dental insurance, sick leave and disability plans and any plan or program providing fringe benefits or perquisites to the Company's executive officers. Pursuant to the terms of his employment agreement, the Company will also pay premiums under Mr. Chernin's existing variable universal life insurance policies with a death benefit of \$5 million. Mr. Chernin is also entitled to reimbursement, in accordance with the policies of the Company, for travel and other expenses incurred in his performance of the Company's business, including, to the extent available, use of the Company airplane for business travel.

In addition to these pension and welfare benefits, from August 1, 2004 through November 15, 2004, Mr. Chernin was entitled to monthly Company contributions of \$41,667 to a pension account, which earns a guaranteed annual rate of return and, commencing on August 1, 2004, a savings account with monthly Company contributions of his base salary equal to \$358,334. Both the pension account and savings account are to be fully vested at all times. The funds in the savings account are maintained in a grantor trust. Mr. Chernin directs the investment of the assets in the grantor trust and their value fluctuates in accordance with the investment performance. The assets in the grantor trust are unsecured funds of the Company and may be used to satisfy the Company's obligations in the event of bankruptcy or insolvency. The pension and savings account are to be paid in cash in a lump sum to Mr. Chernin upon his termination of employment with the Company or at a time otherwise elected by Mr. Chernin in accordance with procedures developed by the Company. For additional information on this deferred compensation arrangement, see the Non-Qualified Deferred Compensation Table and accompanying footnotes below.

Mr. Chernin's employment agreement also provides for certain payments and benefits upon his separation from the Company, or, among other reasons, if Mr. K.R. Murdoch is no longer the Chairman and Chief Executive Officer of the Company. For a discussion of these provisions of Mr. Chernin's employment agreement, see [Potential Payments Upon Termination](#) below.

Summary of James R. Murdoch's Compensation Arrangement

On February 12, 2008, the Compensation Committee approved the compensatory arrangement for Mr. J.R. Murdoch. For discussion of this compensatory arrangement, see [Compensation Discussion and Analysis Compensation Arrangement for Mr. James R. Murdoch](#) above.

Summary of David F. DeVoe's Employment Agreement

On March 8, 2005, the Company entered into an employment agreement with Mr. David F. DeVoe, the Company's Senior Executive Vice President and Chief Financial Officer, effective as of November 15, 2004 and expiring on November 14, 2009. Under his employment agreement, Mr. DeVoe will serve as Senior Executive Vice President and Chief Financial Officer of the Company, as well as Senior Executive Vice President and Chief Financial Officer of both News America Incorporated ([NAI](#)) and Fox Entertainment Group, Inc. ([FEG](#)), each wholly-owned subsidiaries of the Company. Mr. DeVoe will also serve as a Director on the Boards of Directors of the Company, [NAI](#) and [FEG](#).

Pursuant to the terms of his employment agreement, Mr. DeVoe is to receive a base salary at an annual rate of not less than \$2,503,750 and is eligible to receive annual incentive compensation. Mr. DeVoe is entitled to participate in incentive or benefit plans or arrangements in effect or to be adopted by the Company applicable to senior executives of the Company, [NAI](#) or [FEG](#), including any stock option or purchase plan, stock appreciation rights plan or any bonus or other incentive compensation plan and any profit sharing, pension, group medical, dental disability and life insurance or other similar benefits plan (collectively, the [Benefits](#)). In addition, Mr. DeVoe is to be provided with the use of an automobile, and the Company will pay for the insurance, maintenance, fuel and telephone for such automobile.

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On July 28, 2005, the Company entered into a letter agreement with Mr. DeVoe establishing performance goals for annual EPS Bonuses for the fiscal years ended June 30, 2005, 2006, 2007 and 2008 and the fiscal year ending June 30, 2009 to be made under the LTIP. For additional information regarding the methodology and calculation of these EPS Bonuses, see Compensation Discussion and Analysis Incentive Compensation above.

Mr. DeVoe's employment agreement also provides for certain payments and benefits upon his separation from the Company. For a discussion of these provisions of the employment agreement, see Potential Payments Upon Termination below.

Summary of Roger Ailes Employment Agreement

On December 16, 2005, the Company and Roger Ailes entered into an Amended and Restated Employment Agreement effective as of August 15, 2005 and expiring on August 14, 2010. The Company and Mr. Ailes subsequently agreed to amend the employment agreement on February 27, 2007. Under the terms of his employment agreement, Mr. Ailes will serve for a five-year term as Chairman and Chief Executive Officer of FOX News Channel and FOX Business Network, Chairman of Fox Television Stations (FTS) and Twentieth Television and Editor-in-Chief of FOXNews.com. Each of the FOX News Channel, the FOX Business Network, FTS, Twentieth Television and FOXNews.com are subsidiaries of the Company.

Pursuant to the terms of his employment agreement, Mr. Ailes is to receive a base salary at an annual rate of \$5,000,000 and annual incentive compensation of at least \$1,000,000. Mr. Ailes is also eligible to receive annual performance-based bonuses based on the EBITDA of the FOX News Channel. Pursuant to the terms of his employment agreement, the FOX News Channel Bonus payable to Mr. Ailes for each fiscal year during the term of his employment agreement is to be based on a corresponding FOX News Channel EBITDA range established for such fiscal year. The incentive compensation payable to Mr. Ailes in fiscal 2008 ranged from \$0 to \$4.5 million, with the high end of the range increasing each year up to \$6.5 million in the final fiscal year of his employment agreement.

Upon the signing of his employment agreement, Mr. Ailes received a one-time grant of 333,333 RSUs (Bonus RSUs), which vest in five, equal annual installments, beginning on August 15, 2006. The Bonus RSUs may be paid, at the Company's discretion, in shares of Class A Common Stock, in cash equal to the value of the shares of Class A Common Stock subject to the Bonus RSUs or in a combination of cash and shares of Class A Common Stock. In addition, Mr. Ailes is entitled to receive bonus shares of Class A Common Stock (Bonus Stock) as incentive compensation upon the occurrence of certain milestones relating to the FOX Business Network. Pursuant to this provision, upon the launch of the FOX Business Network on October 15, 2007, Mr. Ailes received an award of 333,333 shares of Bonus Stock. In addition, Mr. Ailes is entitled to receive an additional award of 333,333 shares of Bonus Stock when the fair market value of the FOX Business Network equals or exceeds two times its cost as determined pursuant to his employment agreement.

Pursuant to the terms of his employment agreement, Mr. Ailes is entitled to participate in any equity, profit-sharing, pension, group medical, dental, disability and life insurance and other similar benefit plans in effect or to be adopted by the Company that are applicable to the highest level of senior executives of the Company. In addition, Mr. Ailes is entitled to participate in, and the Company will pay for, group medical, dental, disability and life insurance and other similar benefit plans in effect or to be adopted by the Company that are applicable to the highest level of senior executives of the Company during his lifetime.

The employment agreement also provides Mr. Ailes with the use of an automobile and driver, use of the Company airplane or charter jet for business travel and security services.

Mr. Ailes' employment agreement also provides for certain payments and benefits upon his separation from the Company. For a discussion of these provisions of the employment agreement, see Potential Payments Upon Termination below.

Table of Contents**Outstanding Equity Awards at June 30, 2008**

The following table sets forth information with respect to each of the named executive officer's outstanding equity awards at June 30, 2008, which included vested and unvested stock options, vested and unvested SARs and unvested RSUs.

Named Executive Officer	Option Grant Date	Option Awards					Stock Awards				
		Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options ^(a)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price ^(b)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested ^(c)	Market Value of Shares or Units of Stock That Have Not Vested ^(d)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested	
K. Rupert Murdoch	11/15/1999	12,000,000	-	-	\$ 42.28	11/15/2009	139,719	\$ 2,155,864	n/a	n/a	
Peter Chernin	11/15/1999	2,500,000	-	-	\$ 21.14	11/15/2009	1,255,840	\$ 19,377,611	n/a	n/a	
	05/01/2000	3,000,000	-	-	\$ 34.11	05/01/2010					
	08/01/2000	500,000	-	-	\$ 34.88	08/01/2010					
	08/30/2001	500,000	-	-	\$ 26.97	08/30/2011					
	08/14/2002	500,000	-	-	\$ 15.41	08/14/2012					
	08/11/2003	500,000	-	-	\$ 19.01	08/11/2013					
	08/11/2004	375,000	125,000	-	\$ 15.20	08/11/2014					
James R. Murdoch	08/01/2000	250,000	-	-	\$ 34.88	08/01/2010	400,000	\$ 6,172,000	n/a	n/a	
	08/30/2001	80,000	-	-	\$ 26.97	08/30/2011					
David F. DeVoe	05/01/2000	500,000	-	-	\$ 34.11	05/01/2010	312,945	\$ 4,828,741	n/a	n/a	
	08/01/2000	120,000	-	-	\$ 34.88	08/01/2010					
	08/30/2001	130,000	-	-	\$ 26.97	08/30/2011					
	08/11/2004	-	62,500	-	\$ 15.20	08/11/2014					
Roger Ailes	09/06/1999	100,000	-	-	\$ 20.10	09/06/2009	267,495	\$ 4,127,448	n/a	n/a	
	08/01/2000	125,000	-	-	\$ 34.88	08/01/2010					
	12/03/2001	150,000	-	-	\$ 24.12	12/03/2011					
	08/14/2002	175,000	-	-	\$ 15.41	08/14/2012					
	08/11/2003	175,000	-	-	\$ 19.01	08/11/2013					

(a) Represents unvested SARs, which vest as follows:

Vesting Date	Peter Chernin	David F. DeVoe
08/11/2008	125,000	62,500

(b) The exercise prices of all stock options and SARs issued prior to fiscal 2005 are denominated in Australian dollars. The U.S. dollar exercise price included in the above table is based on the exchange rate of A\$1 to US\$0.96 on June 27, 2008 and is subject to change as the exchange rate between the Australian dollar and the U.S. dollar fluctuates.

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(c) Represents unvested RSUs, which vest as follows:

Vesting Date	K. Rupert Murdoch	Peter Chernin	James R. Murdoch	David F. DeVoe	Roger Ailes
07/01/2008	-	412,328	-	82,466	-
08/15/2008	46,573	264,073	-	80,158	33,748
12/16/2008	-	-	-	-	66,667
01/01/2009	-	-	133,334	-	-
06/30/2009	-	268,793	-	53,755	-
08/15/2009	46,573	264,073	-	80,158	33,748
12/16/2009	-	-	-	-	66,666
01/01/2010	-	-	133,333	-	-
08/15/2010	46,573	46,573	-	16,408	-
12/16/2010	-	-	-	-	66,666
01/01/2011	-	-	133,333	-	-

(d) Calculated using closing price of the Class A Common Stock as reported on the News York Stock Exchange on June 27, 2008 of \$15.43.

Options Exercised and Stock Vested during the Fiscal Year Ended June 30, 2008

The following table sets forth information with respect to the exercise of stock options and vesting of RSUs for each of the named executive officers during the fiscal year ended June 30, 2008.

Named Executive Officer	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
K. Rupert Murdoch	-	\$ -	46,573	\$ 934,720
Peter Chernin	-	\$ -	549,767	\$ 11,359,515
James R. Murdoch	-	\$ -	-	\$ -
David F. DeVoe	437,500	\$ 1,703,559	137,298	\$ 2,820,709
Roger Ailes	100,000	\$ 317,918	433,747	\$ 9,685,301

Pension Benefits at June 30, 2008

The following table sets forth information with respect to each Company plan that provides payments in connection with retirement with respect to each of the named executive officers.

Named Executive Officer	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit	Payments During Last Fiscal Year
K. Rupert Murdoch	News America Incorporated Employees Pension and Retirement Plan	56	\$ 3,181,000	\$ -
	Individual Supplemental Executive Retirement Plan	56	49,092,000	440,193
			\$ 52,273,000	
Peter Chernin	Fox Pension Plan	8	\$ 222,000	\$ -
	News America Incorporated Employees Pension and Retirement Plan	19	246,000	-
	News America Incorporated Supplemental Executive Retirement Plan	19	199,000	-
	Individual Supplemental Executive Retirement Plan	19	10,356,000	-
			\$ 11,023,000	
James R. Murdoch	News America Incorporated Employees Pension and Retirement Plan	8	\$ 36,000	\$ -
	News America Incorporated Supplemental Executive Retirement Plan	8	22,000	-
	Individual Supplemental Executive Retirement Plan	12	2,385,000	-

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				\$ 2,443,000	
David F. DeVoe	News America Incorporated Employees Pension and Retirement Plan	25	\$ 706,000	\$ -	-
	News America Incorporated Supplemental Executive Retirement Plan	25	365,000		-
	Individual Supplemental Executive Retirement Plan	25	12,231,000		-
				\$ 13,302,000	
Roger Ailes	Fox Pension Plan	5	\$ 112,000	\$ -	-
	News America Incorporated Employees Pension and Retirement Plan	12	243,000		-
	News America Incorporated Supplemental Executive Retirement Plan	12	183,000		-
				\$ 538,000	

Table of Contents*Description of Pension Benefits*

The Company sponsors the News America Incorporated Employees Pension and Retirement Plan (the Qualified Pension Plan) which provides retirement benefits to each of the named executive officers and employees of certain U.S. subsidiaries. The Qualified Pension Plan is a broad-based, tax-qualified defined benefit plan for employees hired before January 1, 2008. Participation in the Qualified Pension Plan begins on January 1 or July 1 following the later of the date on which an eligible employee attains age 21 or completes one full year of service. Under the Qualified Pension Plan, participants become fully vested in their accrued benefit upon completion of five full years of service and are entitled to receive unreduced benefits upon retirement at age 65 or later. The benefit is paid in the form of a monthly annuity. The accrued benefit under the Qualified Pension Plan at normal retirement age for service after June 30, 1989 is equal to 1% of monthly compensation times years of service, plus 0.6% of average monthly compensation in excess of average covered compensation times years of service limited to 35 years (includes service prior to June 30, 1989 for limiting service). For service prior to June 30, 1989, the accrued benefit is the accrued benefit calculated under the prior plan formula and adjusted for increase in average compensation. Average compensation is generally compensation reported on the participant's W-2 form, plus 401(k) plan or Section 125 deferrals, but does not include non-cash bonuses) for any 60 consecutive months during the participant's last 120 months of service. The Company pays the entire cost of the benefits provided under the Qualified Pension Plan. Eligible compensation for purposes of the Qualified Pension Plan is limited by federal law.

In addition to the Qualified Pension Plan, the Company maintains the News America Incorporated Supplemental Executive Retirement Plan (the SERP), which provide benefits to employees who are participants in the Qualified Pension Plan but whose annual compensation exceeds the compensation limit of the Qualified Pension Plan (which was \$230,000 in 2008). With the exception of Mr. K.R. Murdoch, each of the named executive officers participates in the SERP. The compensation limit for the SERP is capped at \$100,000 in excess of the Qualified Pension Limit (\$330,000 in 2008). The benefits of the SERP are calculated using the same formula as the Qualified Pension Plan. The SERP is an unfunded, unsecured obligation of the Company and is non-qualified for tax purposes.

Messrs. K.R. Murdoch, Chernin, J.R. Murdoch and DeVoe also participate in the Company's Individual Supplemental Employee Retirement Agreement Plan (the ISERA), which provides enhanced benefits to a select group of the Company's top executives. The ISERA raises the compensation limit of the SERP to \$2 million. The benefit provided under the ISERA is unreduced for early retirement beginning at age 55 and for 100% joint and surviving spouse annuities. Messrs. Chernin and DeVoe are currently eligible for early retirement with unreduced benefits under the ISERA. The ISERA for Mr. J.R. Murdoch includes service while employed by BSKyB and, therefore, his ISERA benefit is reduced by any retirement benefit he may receive from BSKyB. For fiscal 2008, the additional benefit related to his BSKyB service is \$0. The ISERA also provides retirement health and life insurance benefits to the participating executives and their spouses. The ISERA is an unfunded, unsecured obligation of the Company and is non-qualified for tax purposes.

Messrs. Chernin and Ailes have accrued benefits under the Fox Pension Plan. They accrued benefits under the Fox Pension Plan prior to participating under the Qualified Pension Plan. The Qualified Pension Plan counts their service under the Fox Pension Plan. However, the benefit payable from the Qualified Pension Plan is reduced by their accrued benefit under the Fox Pension Plan. Similar to the Qualified Pension Plan, the Fox Pension Plan is a broad-based, tax-qualified, defined benefit plan that provides retirement benefits to employees hired before January 1, 2008 of certain U.S. subsidiaries of the Company. Under the Fox Pension Plan, participants become fully vested in their accrued benefit upon completion of five years of service and are entitled to receive unreduced benefits upon retirement at age 65 or later. Participants retiring after age 55 with five years of service can receive an unreduced benefit at age 62. The benefit is paid in the form of a monthly annuity. The accrued benefit under the Fox Pension Plan at normal retirement age is equal to 1.2% of the final average compensation times years of service, plus 0.4% of final average compensation in excess of average wage base times years of service. Final average compensation is the highest base salary plus commission during the five

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calendar years in the ten most recent calendar years divided by the lesser of 60 or the participant's months of credited service. The Company pays the entire cost of the benefits provided under the Fox Pension Plan. Eligible compensation for purposes of the Fox Pension Plan is limited by federal law.

The material assumptions, except for assumed retirement age, used to quantify the present value of accumulated benefits for each named executive officer in the table above are set forth in Note 16 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2008, including the discount rate of 7% and mortality assumption of RP 2000 projected to 2015. The assumed retirement age for Messrs. K.R. Murdoch, Chernin, DeVoe and Ailes is current age as they are currently entitled to unreduced pension benefits under the ISERA. For Mr. J.R. Murdoch, the assumed retirement age is 55, the age he is entitled to receive unreduced benefits from the ISERA.

Non-Qualified Deferred Compensation for Fiscal Year Ended June 30, 2008

The following table sets forth information with respect to non-qualified deferred compensation for Mr. Chernin, the only named executive officers with deferred compensation for the fiscal year ended June 30, 2008.

Named Executive Officer	Executive Contributions in Last Fiscal Year	Registrant Contributions in Last Fiscal Year	Aggregate Earnings in Last Fiscal Year	Aggregate Withdrawals/Distributions	Aggregate Balance at Last Fiscal Year-End
K. Rupert Murdoch	n/a	n/a	n/a	n/a	n/a
Peter Chernin ^(a)	\$ 4,300,008	\$ -	\$ 1,058,416	\$ -	\$ 26,970,909
James R. Murdoch	n/a	n/a	n/a	n/a	n/a
David F. DeVoe	n/a	n/a	n/a	n/a	n/a
Roger Ailes	n/a	n/a	n/a	n/a	n/a

- (a) Pursuant to the negotiated terms of Mr. Chernin's employment agreement, he participates in a non-qualified deferred cash compensation arrangement in which \$4.3 million of his annual base salary is deferred into a savings account, the entire amount of which is included in the fiscal 2008 Salary column of the above Summary Compensation Table. Pursuant to the non-qualified deferred compensation arrangement, the Company contributes a portion of Mr. Chernin's base salary to a deferred compensation account, which is maintained in a grantor trust. Mr. Chernin decides how these funds are invested and the value of his account fluctuates in accordance with the investment performance. The assets in the grantor trust are unsecured funds of the Company and may be used to satisfy the Company's obligations in the event of the Company's bankruptcy or insolvency. For additional information on this arrangement, see Employment Arrangements above. Of the amount set forth in the Aggregate Earnings in Last Fiscal Year column, \$221,947 is included in the fiscal 2008 Change in Pension Value and Non-Deferred Qualified Compensation Earnings column of the Summary Compensation Table above. Of the amount set forth in the Aggregate Balance at Last Fiscal Year-End column, \$9,022,857 was previously disclosed in the Summary Compensation Table for Mr. Chernin with respect to fiscal 2007 and 2008.

Potential Payments Upon Termination

As discussed under Employment Arrangements above, the employment agreements of each of Messrs. Chernin, DeVoe and Ailes provide for certain payments and benefits upon the respective named executive officer's separation from the Company. These provisions are summarized below.

Peter Chernin

Pursuant to his employment agreement, if Mr. Chernin's employment is terminated by the Company for cause, by reason of death or if Mr. Chernin resigns without good reason (as generally defined below), he is entitled to receive:

a payment equal to his base salary accrued through the date of such termination or resignation;

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a payment of the pro-rata portion of his annual incentive compensation;
a payment of any annual incentive compensation earned but not yet paid for any period ending prior to the date of such termination or resignation;
a payment of the total accrued amount in Mr. Chernin's pension account and savings account (as described under "Employment Arrangements" above and set forth in the Non-Qualified Deferred Compensation Table above);
a grant of SARs or other equity-based awards that he may be eligible to receive prior to the date of such termination or resignation to the extent not yet granted; and
other benefits, such as enhanced SERP benefits, lifetime medical and life insurance and lifetime health and welfare benefits.

Any unvested equity awards held by Mr. Chernin at the time of termination will be forfeited upon such termination unless Mr. Chernin elects to enter into post-termination production agreements (as described below); provided, however, that in the event of Mr. Chernin's death, he will be entitled to full vesting and exercisability of any outstanding unvested SARs, stock options and other equity-based awards granted to him prior to or on such death, and the ability to exercise such awards for their full ten-year terms, as well as payment of all RSUs.

Within 30 days following the termination of Mr. Chernin's employment for any reason (including for cause), except due to death, if Mr. Chernin resigns after declining to replace Mr. K.R. Murdoch as Chief Executive Officer of the Company (a "CEO Termination"), or if he becomes a full-time employee of an entity that derives more than 10% of its revenue from film or television production, Mr. Chernin may require that the Company enter into a six-year motion picture production agreement and a six-year television production agreement with him. The motion picture production agreement will provide for the purchase by the Company of at least two motion pictures per year, and both the motion picture and television production agreements will contain terms relating to guarantees, fees and compensation at least as favorable as the most favorable agreements entered into by the Company and any other producer prior to August 1, 2004, the effective date of the employment agreement. Both production agreements will provide the Company with the first look with respect to any television programming or motion picture projects developed pursuant to the agreements. During the term of the production agreements, Mr. Chernin's equity awards under his employment agreement will continue to vest or be paid out on their original schedule and Mr. Chernin will continue to receive credit for age and service for the purposes of post-retirement benefits under each pension plan, the SERP and the ISERA. In addition, Mr. Chernin will be entitled to certain other benefits, as described in footnote (c) to the table below.

If Mr. Chernin's employment is terminated by the Company without cause, for reason of disability, or if Mr. Chernin resigns for good reason, he is entitled to receive the payments listed above, plus:

full vesting and exercisability of outstanding unvested SARs, stock options and other equity-based awards granted to him prior to, on or after his termination, and the ability to exercise such equity awards for their full ten-year term, as well as payment of all RSUs;
a lump sum cash severance amount of \$40,000,000;
payment of all RSUs paid in accordance to the terms of the employment agreement; and
other benefits, including continued medical, disability, dental and life insurance coverage for life.

In addition, if Mr. Chernin becomes subject to golden parachute excise taxes as a result of the payments pursuant to the employment agreement, the Company is to pay him a tax gross-up for such taxes.

Pursuant to the employment agreement, "good reason" is defined to include, among other things:

any material reduction in Mr. Chernin's benefits under any employee benefit plan, or any material reduction in fringe benefits and perquisites provided to Mr. Chernin;
the assignment to Mr. Chernin of any duties inconsistent with his positions, duties and status with the Company;

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a change in Mr. Chernin's reporting responsibilities, title or offices; and
if any person other than Mr. K.R. Murdoch is appointed as Chairman and Chief Executive Officer of the Company.

In addition, as provided in the employment agreement, if Mr. Chernin terminates his employment without good reason to become the chief executive officer of another company engaged in material business that is competitive with the business conducted by the Company, and such company is not a listed company and its direct or indirect parent is a listed company, the Company and its affiliates will have no claim for damages against Mr. Chernin or any other person or entity if Mr. Chernin has provided six months notice to the Company and obtained the consent of the Chairman.

During the term of his employment agreement and for one year thereafter, Mr. Chernin may not induce any employee of the Company or its affiliates to leave his or her employment or to provide services for any other person or entity.

David F. DeVoe

Pursuant to his employment agreement, during any period that Mr. DeVoe fails to perform his duties as a result of disability, the Company will continue to pay Mr. DeVoe his full base salary, a minimum annual incentive compensation payment equal to the average of the two immediately preceding annual incentive compensation payments paid to Mr. DeVoe and the Benefits or payments on account of the Benefits until Mr. DeVoe returns to his duties or until Mr. DeVoe's employment is terminated.

If Mr. DeVoe's employment agreement is terminated by reason of his death, the Company will pay directly to his surviving spouse or legal representative of his estate, (i) for a period of one year (commencing with the date of termination) (a) an amount equal to and payable at the same rate as his then current base salary, (b) a minimum annual incentive compensation payment equal to the average of the two immediately preceding annual incentive compensation payments paid to Mr. DeVoe, and (c) the Benefits or payments on account of the Benefits, and (ii) any payment Mr. DeVoe's surviving spouse, beneficiaries or estate may be entitled to receive pursuant to any pension or employee benefit plan or life insurance policy then provided to Mr. DeVoe or maintained by the Company.

If Mr. DeVoe's employment is terminated for cause (as defined in his employment agreement), Mr. DeVoe will be entitled to receive his full base salary, a minimum annual incentive compensation payment equal to the average of the two immediately preceding annual incentive compensation payments paid to Mr. DeVoe and the Benefits or payment on account of the Benefits through the date of termination from employment.

If Mr. DeVoe's employment is terminated other than for disability, death or cause, or if Mr. DeVoe terminates his employment due to (i) a breach of the employment agreement by the Company, or (ii) the requirement that Mr. DeVoe be based outside the New York metropolitan area, Mr. DeVoe will be entitled to receive the compensation and other payments and Benefits through the remaining term of his employment agreement and in the same manner as though he continued to be employed under the terms of his employment agreement, including a minimum annual incentive compensation payment equal to the average of the two immediately preceding annual incentive compensation payments paid to Mr. DeVoe. In addition, the employment agreement provides that Mr. DeVoe will not be required to seek or accept other employment for the term of his employment agreement and any amounts earned from any other employment for the term of his employment agreement will not reduce or otherwise affect the payments due to Mr. DeVoe.

The employment agreement provides that, if, in the future, the Company, NAI or FEG enters into agreements with their senior executives for the purpose of providing such executives with severance benefits in the event of a change of control of the Company, NAI or FEG, then the Company, NAI or FEG will enter into an agreement with Mr. DeVoe which affords him comparable benefits. To date, none of the Company, NAI or FEG has entered into such agreements.

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Roger Ailes

Pursuant to his employment agreement, if Mr. Ailes' employment is terminated by reason of his death, his estate or beneficiaries will be entitled to:

- his base salary through the date of death;
- the full minimum annual incentive compensation for the fiscal year in which his death occurs and one-half of the minimum annual incentive compensation for the next fiscal year;
- exercise any stock options, including any unvested stock options which are to immediately vest as of the date of death, for a period of 12 months following the date of death;
- payment of any unvested FOX News Channel Bonus RSUs and FOX Business Network Bonus Stock (as described in Compensation Discussion and Analysis Incentive Compensation above); and
- any other or additional benefits in accordance with applicable plans or programs of the Company.

If Mr. Ailes' employment is terminated by reason of his disability, he will be entitled to;

- his base salary through the one year anniversary of the date of termination;
- the full minimum annual incentive compensation for the fiscal year in which termination occurs and one-half of the minimum annual incentive compensation for the next fiscal year;
- the right to exercise any stock options, including any unvested stock options which are to immediately vest as of the date of termination, for a period of 12 months following the date of termination;
- payment of any unvested FOX News Channel Bonus RSUs and FOX Business Network Bonus Stock;
- continued participation for life in medical, dental, hospitalization and life insurance coverage and in all other employee plans and programs in which he was participating on the date of termination in accordance with the terms of such plans; and
- any other or additional benefits in accordance with applicable plans and programs of the Company.

If Mr. Ailes' employment is terminated for cause (as defined in his employment agreement), Mr. Ailes will be entitled to receive his full base salary through the date of termination.

If Mr. Ailes' employment is terminated other than for death, disability or cause, he will be entitled to:

- his base salary plus the applicable minimum annual incentive compensation for the period from the date of termination to the end of the original term of the employment agreement (discounted 8% per annum);
- a payment equal to one-half of each of the high end target FOX News Channel Bonus payments for the period from the date of termination to the end of the original term of the employment agreement;
- the right to exercise any stock options, including any unvested stock options which are to immediately vest as of the date of termination, for a period of 12 months following the date of termination; and
- payment of any unvested FOX News Channel Bonus RSUs and FOX Business Network Bonus Stock.

Quantification of Payments. The following table sets forth quantitative information with respect to potential payments to be made to each of the named executive officers or their beneficiaries upon termination in various circumstances as described above, assuming termination on June 30, 2008. The amounts included in the table below do not include amounts otherwise due and owing to each applicable named executive officer, such as salary or annual incentive compensation earned to date, or payments or benefits generally available to all salaried employees of the Company.

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The amounts presented in the below table are in addition to each of the named executive officer's vested pension benefits as of June 30, 2008 noted in the Pension Benefits Table above.

Named Executive Officer	Type of Termination						
	Death	Disability	Retirement	By Company for Cause	By Company without Cause	By Executive with Good Reason	By Executive without Good Reason
K. Rupert Murdoch^(a)							
Health Benefits	\$ 1,336,000	\$ 1,336,000	\$ 1,336,000	\$ 1,336,000	\$ 1,336,000	n/a	\$ 1,336,000
Stock Awards	2,155,864	-	-	-	-	-	-
	\$ 3,491,864	\$ 1,336,000	\$ 1,336,000	\$ 1,336,000	\$ 1,336,000		\$ 1,336,000
Peter Chernin^(b)							
Stock Awards	\$ 19,377,611	\$ 19,377,611	\$ -	\$ -	\$ 19,377,611	\$ 19,377,611	\$ -
Deferred Compensation	26,970,909	26,970,909	26,970,909	26,970,909	26,970,909	26,970,909	26,970,909
Health Benefits	775,000	775,000	775,000	775,000	775,000	775,000	775,000
Severance Payment	-	40,000,000	-	-	40,000,000	40,000,000	-
Other ^(c)	-	2,910,000	-	1,860,000	2,910,000	2,910,000	1,860,000
	\$ 47,123,520	\$ 90,033,520	\$ 27,745,909	\$ 29,605,909	\$ 90,033,520	\$ 90,033,520	\$ 29,605,909
James R. Murdoch^(a)							
Stock Awards	\$ 6,172,000	\$ -	\$ -	\$ -	\$ -	n/a	\$ -
David F. DeVoe							
Salary	\$ 2,853,750	\$ 2,853,750	\$ -	\$ -	\$ 2,853,750	\$ 2,853,750	\$ -
Bonus	5,329,500	5,329,500	-	-	5,329,500	5,329,500	-
Stock Awards	4,828,741	4,828,741	4,828,741	-	4,828,741	4,828,741	-
Health Benefits	764,000	764,000	764,000	764,000	764,000	764,000	764,000
	\$ 13,775,991	\$ 13,775,991	\$ 5,592,741	\$ 764,000	\$ 13,775,991	\$ 13,775,991	\$ 764,000
Roger Ailes							
Salary	\$ -	\$ 5,000,000	\$ -	\$ -	\$ 9,412,469	n/a	\$ -
Bonus	500,000	500,000	-	-	7,882,494	-	-
Stock Awards	4,127,448	4,127,448	4,127,448	-	4,127,448	-	-
Health Benefits	861,000	861,000	861,000	-	861,000	-	-
	\$ 5,488,448	\$ 10,488,448	\$ 4,988,448	\$ -	\$ 22,283,411		\$ -

(a) Messrs. K.R. Murdoch and J.R. Murdoch are not party to an employment agreement.

(b) Under the terms of Mr. Chernin's employment agreement, if any amount payable to Mr. Chernin results in the imposition of an excise tax, then, in addition to any other benefits to which Mr. Chernin may be entitled, the Company is required to pay Mr. Chernin an amount in cash equal to the sum of the excise taxes (and any associated interest and penalties) payable.

(c) During the term of the production agreements, Mr. Chernin has the right to the use of a corporate jet for 50 hours per year (an assumed aggregate value of \$1,650,000) and a corporate car (an assumed aggregate value of \$210,000), and, in the event Mr. Chernin's termination is due to disability, the Company's termination without cause or Mr. Chernin's termination with good reason, the Company must also provide Mr. Chernin with personal secretarial services during the term of the production agreements (an assumed aggregate value of \$1,050,000).

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Directors' fees are not paid to Directors who are executives or employees of the Company (the Executive Directors) because the responsibilities of Board membership are considered in determining compensation paid as part of the executives' normal employment conditions.

The basic fees payable to the Directors who are not executives of the Company (collectively, the Non-Executive Directors) are reviewed and recommended by the Compensation Committee of the Board (the Compensation Committee) and set by the Board. The Compensation Committee periodically reviews director compensation against the Company's peers and other comparably sized Standard & Poor's 500 companies and considers the appropriateness of the form and amount of director compensation and makes recommendations to the Board concerning director compensation with a view toward attracting and retaining qualified directors. The Company believes that compensation for Non-Executive Directors should be competitive and pay such Directors fairly for work required for a company of News Corporation's size and complexity. The Company also believes that Non-Executive Director compensation should include equity-based compensation in order to align Directors' interests with the long-term interests of stockholders. In accordance with the Company's Non-Executive Director equity ownership requirements, Non-Executive Directors are required to own equity securities of the Company equal in value to at least three times the amount of the Non-Executive Directors' annual cash retainer (as set forth below) within three years of his or her first election to the Board or August 2009, whichever is later.

During fiscal 2008, the Non-Executive Directors were Messrs. Aznar, Barnes, Cowley, Dinh, Hurd (appointed February 12, 2008), Knight, L.K. Murdoch, Perkins, Thornton, Sir Roderick Eddington, Dr. Paige (resigned February 12, 2008) and Ms. Bancroft (appointed December 7, 2007). The annual retainers paid to Non-Executive Directors for service on the Board and its committees in the fiscal year ended June 30, 2008 is set forth in the table below.

Board and Committee Retainers for the Fiscal Year Ended June 30, 2008

Annual Cash Retainer	\$ 90,000
Annual Deferred Stock Unit (DSU) Retainer	\$ 105,000
Audit Committee Chair Annual Retainer	\$ 27,000
Compensation Committee Chair Annual Retainer	\$ 16,000
Nominating and Corporate Governance Committee Chair Annual Retainer	\$ 16,000
Audit Committee Member Annual Retainer	\$ 16,000
Compensation Committee Member Annual Retainer	\$ 11,000
Nominating and Corporate Governance Committee Member Annual Retainer	\$ 11,000

Effective as of July 1, 2008, the cash portion of the Non-Executive Directors' annual retainer was increased to \$100,000 and the DSU portion of the Non-Executive Directors' annual retainer was increased to \$120,000.

The value of the Class A Common Stock underlying each DSU will be paid to the respective Non-Executive Director in cash at the market value of the Class A Common Stock on the fifth anniversary date of when it was credited to that Director's account, unless that Director leaves the Board before that date. Upon a Non-Executive Director's end of service on the Board, that Director will be paid in cash the value of the shares of Class A Common Stock credited to his or her account at the market value of those shares of Class A Common Stock as of the date of the Director's end of service.

In addition, all Non-Executive Directors are reimbursed for reasonable travel and other out-of-pocket business expenses incurred in connection with attendance at meetings of the Board and its committees.

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The table below shows the total compensation paid during the fiscal year ended June 30, 2008 by the Company to each of the Directors who are not named executive officers:

Director Compensation for the Fiscal Year Ended June 30, 2008

Director	Fees Earned or Paid in Cash (\$)	Stock Awards ^(a)	Option Awards ^(b)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ^(c)	All Other Compensation	Total
José María Aznar	\$ 90,000	\$ 50,147	n/a	n/a	n/a	\$ 140,147
Natalie Bancroft ^(d)	\$ 49,500	\$ 44,971	n/a	n/a	n/a	\$ 94,471
Peter L. Barnes	\$ 106,000	\$ 5,315	n/a	n/a	n/a	\$ 111,315
Chase Carey ^(e)	\$ -	\$ -	n/a	\$ -	n/a	\$ -
Kenneth E. Cowley AO	\$ 101,000	\$ (8,907)	n/a	n/a	n/a	\$ 92,093
Viet Dinh	\$ 126,961	\$ 5,315	n/a	n/a	n/a	\$ 132,276
Sir Roderick I. Eddington	\$ 144,000	\$ (8,907)	n/a	n/a	n/a	\$ 135,093
Mark Hurd ^(f)	\$ 38,997	\$ 31,935	n/a	n/a	n/a	\$ 70,932
Andrew S.B. Knight	\$ 157,038 ^(g)	\$ (8,907)	n/a	n/a	n/a	\$ 148,131
Lachlan K. Murdoch	\$ 90,000	\$ (469,873)	\$ (356,625) ^(h)	\$ -	\$ 48,830 ⁽ⁱ⁾	\$ (692,668)
Roderick R. Paige ^(j)	\$ 62,564	\$ 63,130	n/a	n/a	n/a	\$ 125,694
Thomas J. Perkins	\$ 126,961	\$ (8,907)	n/a	n/a	n/a	\$ 118,054
Arthur M. Siskind	\$ 1,000,000 ^(k)	\$ 1,485,072	\$ (622,698) ^(h)	\$ -	\$ 143,977 ^(l)	\$ 2,006,351
John L. Thornton	\$ 112,000	\$ 5,315	n/a	n/a	n/a	\$ 117,315

- (a) The amounts set forth in the Stock Awards column represent the value of stock awards recognized for financial statement reporting purposes, as computed in accordance with SFAS 123R, disregarding estimates of forfeitures related to service-based vesting conditions, as applicable. Negative amounts result from a decrease in value of the outstanding DSUs during the fiscal year. The decrease value recognized represents the Director compensation expense previously recognized in the consolidated financial statements of the Company included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2008 and previously reflected in the Director Compensation Table. The grant date fair value of DSUs awarded to each of Messrs. Aznar, Barnes, Cowley, Dinh, Knight, L.K. Murdoch, Perkins, Thornton and Sir Roderick Eddington in fiscal 2008 was \$105,000. The grant date fair value of DSUs awarded to each of Miss Bancroft, Mr. Hurd and Mr. Paige was \$57,750, \$40,542 and \$78,750, respectively.
- (b) No stock options were granted in fiscal 2008. The amounts set forth in the Option Awards column represent the value of SARs recognized for financial statement reporting purposes as computed in accordance with SFAS 123R using the Black-Scholes option pricing model, disregarding estimates of forfeitures related to service-based vesting conditions. For additional information about the assumptions used in these calculations, see Note 13 to the audited consolidated financial statements of the Company included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2008. The discussion in the Company's fiscal 2008 audited consolidated financial statements reflects weighted-average assumptions on a combined basis for both retirement-eligible and non-retirement eligible employees and Non-Employee Directors. Negative amounts represent a decrease in value of the outstanding stock options during the fiscal year. The decrease in value recognized represents the Director compensation expense previously recognized in the consolidated financial statements of the Company included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2008 and previously reflected in the Director Compensation Table.
- (c) Certain Directors were previously employees of the Company and have vested pension benefits due to them. The values reported are theoretical as those amounts are calculated pursuant to SEC requirements and are based on a retirement assumption of age 55 or current age, if later, and other assumptions used in preparing the Company's audited consolidated financial statements for the fiscal years ended June 30, 2007 and June 30, 2008. There was a reduction in Mr. Siskind's pension value in the fiscal year ended June 30, 2008 of \$579,000, which was due to the change in the discount rate used in the actuarial calculation of the year-end obligation.

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- (d) Ms. Bancroft was appointed as a Director on December 7, 2007.
- (e) Mr. Carey resigned as a Director on December 7, 2007.
- (f) Mr. Hurd was appointed as a Director on February 12, 2008.
- (g) Includes £12,000 (US\$24,038) paid to Mr. Knight for his service on the board of directors of Times Newspapers Holdings Limited, a subsidiary of the Company. The U.S. dollar amount presented is based on an exchange rate of £1 to US\$2.00.
- (h) Includes equity awards granted to these Directors during their employment with the Company.
- (i) Includes expenses paid on behalf of Mr. L.K. Murdoch, relating to \$16,995 for personal security, \$10,734 for health insurance and \$16,101 telecommunication services.
- (j) Dr. Paige resigned as a Director on February 12, 2008.
- (k) Represents amount paid to Mr. Siskind for service as Senior Advisor to the Chairman of the Company.
- (l) Includes the Company's contributions to Mr. Siskind's 401(k) plan in the amount of \$8,050, and, pursuant to Mr. Siskind's employment agreement, Company contributions to a non-qualified deferred compensation account in the amount of \$113,279 and car-related expenses in the amount of \$22,648.

Mr. Stanley S. Shuman, who served as a Director from 1982 to 2005, was named Director Emeritus in 2005. Mr. Shuman receives the same director fees as other Non-Executive Directors, and may attend Board and committee meetings but may not vote on Board or committee matters.

The following table sets forth information with respect to the aggregate outstanding equity awards at June 30, 2008 of each of the Directors who were Directors as of June 30, 2008 and who are not named executive officers, which include deferred stock units, vested and unexercised stock options, unvested and unexercised stock options, unvested stock appreciation rights and unvested RSUs.

Name	Option Awards		Stock Awards
	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Number of Shares or Units of Stock That Have Not Vested
	Exercisable	Unexercisable	
José María Aznar	-	-	9,882
Natalie Bancroft	-	-	2,913
Peter L. Barnes	-	-	17,638
Kenneth E. Cowley	18,000	-	20,099
Viet Dinh	-	-	17,638
Sir Roderick I. Eddington	52,000	-	20,099
Mark Hurd	-	-	2,069
Andrew S.B. Knight	30,000	-	20,099
Lachlan K. Murdoch	1,928,125	46,875	141,621
Thomas J. Perkins	30,000	-	20,099
Arthur M. Siskind	2,007,500	62,500	144,750
John L. Thornton	-	-	17,638

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The following table summarizes information as of June 30, 2008 with respect to the Company's outstanding stock options and shares of Common Stock reserved for future issuance under the Company's equity compensation plans, including the News Corporation 2004 Stock Option Plan (the 2004 Stock Option Plan), the News Corporation 2004 Replacement Stock Option Plan (the Replacement Plan) and together with the 2004 Stock Option Plan, the 2004 Plans) and the LTIP. All shares reflected in the table are shares of the Class A Common Stock.

Plan Category	Number of securities to be issued upon exercise of outstanding options and RSUs (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders ⁽¹⁾			
LTIP	24,493,185	-	143,585,682
2004 Plans	71,806,907	\$26.15	-
Equity compensation plans not approved by stockholders	-	-	-
Total ⁽²⁾	96,300,092	\$26.15	143,585,682

(1) Beginning June 30, 2005, no additional stock options may be granted under the 2004 Plans.

(2) Does not include stock options to purchase an aggregate of 12,527,298 shares of Class A Common Stock, at a weighted average exercise price of \$16.75, granted under plans assumed in connection with acquisition transactions. Also does not include equity awards convertible into 261,702 shares of Class A Common Stock. No additional equity awards may be granted under these assumed plans.

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REPORT OF THE AUDIT COMMITTEE

The following Report of the Audit Committee shall not be deemed to be soliciting material or to be filed with the SEC under the Securities Act or the Exchange Act or incorporated by reference in any document so filed.

In accordance with its written charter, the Audit Committee assists the Board in its oversight of (i) integrity of the Company's financial statements and the Company's financial reporting processes and systems of internal control, (ii) the qualifications, independence and performance of the Company's independent registered public accounting firm and the performance of the Company's corporate auditors and corporate audit function, (iii) the Company's compliance with legal and regulatory requirements involving financial, accounting and internal control matters, (iv) investigations into complaints concerning financial matters, (v) risks that may have a significant impact on the Company's financial statements and (vi) the review, approval and ratification of transactions with related parties. The Audit Committee provides an avenue of communication among management, the independent registered public accounting firm, the corporate auditors and the Board. Management has the primary responsibility for the preparation of the Company's financial statements and the reporting process, including the system of internal control over financial reporting. The independent registered public accounting firm has the responsibility for the audit of those financial statements and internal control over financial reporting. The Audit Committee's responsibility is to monitor and oversee these processes.

In discharging its oversight responsibility as to the audit process, the Audit Committee (i) obtained from the independent registered public accounting firm a formal written statement describing all relationships between the independent registered public accounting firm and the Company that might bear on the independent registered public accounting firm's independence consistent with Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, (ii) discussed with the independent registered public accounting firm any relationships that may impact its objectivity and independence, and (iii) considered whether the non-audit services provided to the Company by Ernst & Young LLP (E&Y) are compatible with maintaining the accountants' independence. The Audit Committee reviewed with both the independent registered public accounting firm and the corporate auditors their identification of audit risks, audit plans and audit scope. The Audit Committee discussed with management, the independent registered public accounting firm and the corporate auditors the corporate audit function's organization, responsibilities, budget and staffing.

The Audit Committee also discussed and reviewed with the independent registered public accounting firm all communications required by generally accepted auditing standards, including those described in Statement on Auditing Standards No. 61, as amended, Communication with Audit Committees. The Audit Committee met with each of the independent registered public accounting firm and the corporate auditors, both with management present and in private sessions without management present, to discuss and review the results of the independent registered public accounting firm's audit of the financial statements, including the independent registered public accounting firm's evaluation of the accounting principles, practices and judgments applied by management, the results of the corporate audit activities and the quality and adequacy of the Company's internal controls.

The Audit Committee discussed the interim financial information contained in each of the quarterly earnings announcements with Company management and the independent registered public accounting firm. The Audit Committee also reviewed the audited financial statements of the Company as of and for the fiscal year ended June 30, 2007 with management and the independent registered public accounting firm.

At three of its meetings during fiscal year 2008 and one meeting during fiscal year 2009, the Audit Committee met with members of management, the independent registered public accounting firm and the corporate auditors to review the fiscal 2008 certifications provided by the Chief Executive Officer and the Chief Financial Officer under the Sarbanes-Oxley Act, the respective rules and regulations of the SEC and the overall certification process. At these meetings, management reviewed with the Committee each of the Sarbanes-Oxley Act certification requirements including whether there were any (i) significant deficiencies or material

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weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, and (ii) any fraud, whether or not material, involving management or other employees who have a significant role in the Company's internal control over financial reporting.

Based on the above-mentioned review and discussions with management, the independent registered public accounting firm and the corporate auditors, the Audit Committee recommended to the Board that the Company's audited financial statements be included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2008, for filing with the SEC. The Audit Committee also recommended the reappointment, subject to stockholder ratification, of E&Y as the Company's independent registered public accounting firm, and the Board concurred in such recommendation.

THE AUDIT COMMITTEE:

Sir Roderick I. Eddington (Chairman)

Peter L. Barnes

Andrew S.B. Knight

Thomas J. Perkins

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CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

Arrangements between News Corporation and Certain Stockholders or Stockholder-Related Entities

Until February 2008, Liberty was a more than 5% stockholder of the Company. In February 2008, the Company and Liberty completed the Exchange contemplated under the terms of the Share Exchange Agreement, whereby Liberty exchanged its entire interest in the Company's common stock (approximately 325 million shares of Class A Common Stock and 188 million shares of Class B Common Stock) for 100% of a News Corporation subsidiary, whose holdings consisted of the Company's approximately 38% interest (approximately 470 million shares) in DIRECTV constituting the Company's entire interest in DIRECTV, three of the Company's Regional Sports Networks (FSN Northwest, FSN Pittsburgh and FSN Rocky Mountain) and approximately \$625 million in cash.

In April 2008, Rotana Media Services (Rotana), a company controlled by HRH Prince Alwaleed Bin Talal Bin Abdulaziz Alsaud who is a more than 5% stockholder of the Company, entered into a ten-year arrangement to license two English-language, free-to-air general entertainment channels from the Company for distribution in the Middle East.

Arrangements between News Corporation and Directors or Director-Related Persons or Entities

Directors of News Corporation and directors of its related parties, or their director-related entities, conduct transactions with subsidiaries of News Corporation that occur within a normal employee, customer or supplier relationship on terms and conditions that are believed to be no more favorable than those with which it is reasonable to expect the entity would have adopted if dealing with the director or director-related entity at arm's length in similar circumstances.

Ms. Natalie Bancroft was appointed as a Director pursuant to the terms of the Dow Jones Merger Agreement, whereby the Board agreed to take all requisite action to cause a member of the Bancroft family or another mutually agreed upon individual to become a member of the Board. In connection with the Dow Jones Merger Agreement, the Company also entered into a ten year voting and support agreement with certain members of the Bancroft family and trustees of trusts for their benefit. This voting and support agreement specified the procedures for nomination of appointment and election of a Bancroft family members to a seat on the Board. In addition, Mr. K.R. Murdoch and the Murdoch Family Trust have entered into a separate letter agreement with the Company obligating them, for a period of ten years expiring in 2018, to vote in favor of the election of the initial Bancroft director and any successor Bancroft director to the Board in accordance with the terms of the voting and support agreement at any meeting of the Company's stockholders at which the initial Bancroft director or any successor stands for election.

Mr. Chase Carey, a Director of the Company until December 2007 and the President and Chief Executive Officer of DIRECTV, is entitled to receive retirement benefits under the News America Incorporated Employees' Pension and Retirement Plan and the News America Incorporated Supplemental Executive Retirement Plan, which are each pension plans maintained by the Company. Pursuant to an arrangement between the Company and Mr. Carey, Mr. Carey's service at, and compensation from, DIRECTV for the period during which the Company was a stockholder of DIRECTV are included in the calculation of these retirement benefits. The retirement benefits payable to Mr. Carey by the Company shall be reduced by the amount of the DIRECTV retirement benefits paid to Mr. Carey attributable to the period during which the Company is a stockholder of DIRECTV. Mr. Carey ceased accruing benefits under this arrangement on February 27, 2008 upon the consummation of the Exchange contemplated under the Share Exchange Agreement.

Mr. Mark Hurd, a Director of the Company, is also the Chairman and Chief Executive Officer of HP. Through the normal course of business, HP sells certain equipment and provides services to the Company and its subsidiaries pursuant to a worldwide agreement entered into by the Company and HP in August 2007. Pursuant to this agreement, the Company paid HP approximately \$68 million in the fiscal year ended June 30, 2008.

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In July 2005, Mr. Lachlan K. Murdoch, the Company's former Deputy Chief Operating Officer, announced his resignation from all of his executive positions with the Company, effective August 31, 2005. The Company entered into a letter agreement with Mr. L.K. Murdoch dated July 28, 2005. The letter agreement provides that Mr. L.K. Murdoch will be available to advise and consult with the Company on such matters and in such manner as the Company may from time to time request for a two-year period commencing on the effective date of resignation. The letter agreement also describes the transition and separation benefits to be provided to Mr. L.K. Murdoch. Pursuant to the terms of the letter agreement, the Company and Mr. L.K. Murdoch agreed that Mr. L.K. Murdoch shall continue to provide advisory services as needed to the Company for a two-year period, and that Mr. L.K. Murdoch shall not engage in business which is directly competitive with the business carried on by the Company or by any of its affiliates or solicit any employees of the Company to engage in a directly competitive business for a two-year period. The Company and Mr. L.K. Murdoch also agreed that the Company shall provide Mr. L.K. Murdoch with: (1) a separation cash payment equal to his salary and bonus for fiscal year ended 2005; (2) continued vesting of his outstanding stock options and stock appreciation rights for as long as he continues to serve as a Director of the Company and is not in breach of this letter agreement; and (3) continued medical benefits during the two-year period. The terms of the letter agreement expired on August 31, 2007.

Dr. Roderick R. Paige was a Director of the Company until February 2008. Upon his resignation from the Board, the Company and Dr. Paige entered into a consultancy arrangement pursuant to which Dr. Paige advises the Company on certain educational matters. The fees paid by the Company to Dr. Paige pursuant to this arrangement are \$240,000 per annum and Dr. Paige received \$90,668 in the fiscal year ended June 30, 2008.

Fox Interactive Media (FIM), a subsidiary of the Company, has engaged Mrs. Wendi Murdoch, the wife of Mr. K. Rupert Murdoch, the Company's Chairman and Chief Executive Officer, to provide strategic advice for the development of the MySpace business in China. The fees paid by FIM to Mrs. Murdoch pursuant to this arrangement are \$100,000 per annum and Mrs. Murdoch received \$100,000 in the fiscal year ended June 30, 2008. Mrs. Murdoch is a Director of MySpace China Holdings Limited (MySpace China), a joint venture in which the Company owns a 51.5% interest on a fully diluted basis, which licenses the technology and brand to the local company in China that operates the MySpace China website. Similar to other Directors of MySpace China, Mrs. Murdoch received options over 2.5% of the fully diluted shares of MySpace China that vest over four years under the MySpace China Option Plan.

The Shine Group (Shine), a television production and distribution company, is controlled by Ms. Elisabeth Murdoch, the daughter of Mr. K.R. Murdoch. Through the normal course of business, certain subsidiaries of the Company have entered into various production and distribution arrangements with Shine. Pursuant to these arrangements, the Company paid Shine an aggregate of approximately \$453,000 in the fiscal year ended June 30, 2008.

Freud Communications, which is controlled by Matthew Freud, Mr. K.R. Murdoch's son-in-law, provided external support to the press and publicity activities of the Company during the fiscal year 2008. The fees paid by the Company to Freud Communications were \$669,202 for the fiscal year ended June 30, 2008.

Mrs. Prudence MacLeod is the daughter of Mr. K.R. Murdoch and serves as a member of the Board of Directors of Advertiser Newspapers, a subsidiary of the Company, and receives customary director fees for such service.

Mr. Alasdair MacLeod is the son-in-law of Mr. K.R. Murdoch and is a salaried employee of News Limited, a subsidiary of the Company, serving as its Managing Director of Nationwide News.

Mr. David F. DeVoe Jr. is the son of Mr. David F. DeVoe, a Director and Chief Financial Officer of the Company, and is a salaried employee of Fox Entertainment Group, Inc., a subsidiary of the Company, serving as its Deputy Chief Financial Officer and as an Executive Vice President.

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Mr. Stanley Shuman, Director Emeritus, is a Managing Director of Allen & Company LLC, a United States-based investment bank, which provided investment advisory services to the Company during the fiscal year ended June 30, 2008 related to the Company's acquisition of Dow Jones & Company, Inc., the Exchange with Liberty and the sale of certain of the Company's television stations. The fees paid by the Company to Allen & Company were \$7.5 million in the fiscal year ended June 30, 2008.

Policy for Evaluating Related Party Transactions

The Audit Committee has established procedures for the review, approval or ratification of related party transactions. Pursuant to these procedures, the Audit Committee reviews and approves (i) all related party transactions when and if required to do so by applicable rules and regulations, (ii) all transactions between the Company or any of its subsidiaries and any of the Company's executive officers, directors, director nominees, directors emeritus or any of their immediate family members and (iii) all transactions between the Company or any of its subsidiaries and any security holder who is known by the Company to own of record or beneficially more than five percent of any class of the Company's voting securities, other than transactions that (a) have an aggregate dollar amount or value of less than \$120,000 (either individually or in combination with a series of related transactions) and (b) are made in the ordinary course of business of the Company or its subsidiary, as applicable, and such related party.

During fiscal 2008, all of the transactions described in this section that were subject to the Audit Committee's policies and procedures described above, were reviewed and approved or ratified by the Audit Committee or the Board.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires that the Company's Directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, file reports of ownership and changes in ownership with the SEC and the NYSE. Directors, officers and beneficial owners of more than 10% of the Common Stock are required by the SEC to furnish the Company with copies of the reports they file.

We believe that all of our current and former Directors and executive officers reported on a timely basis all transactions required to be reported by Section 16(a) during the fiscal year ended June 30, 2008, with the exception of one report for each of Messrs. Aznar, Chernin and DeVoe relating to one transaction for each such report and an amendment to the initial report of Mr. J.R. Murdoch relating to two transactions.

ANNUAL REPORT ON FORM 10-K

The Company filed its Annual Report on Form 10-K for the year ended June 30, 2008 with the SEC on August 13, 2008. The Annual Report on Form 10-K, including all exhibits, can also be found on the Company's website: www.newscorp.com and can be downloaded free of charge. Paper copies of the Annual Report on Form 10-K may be obtained without charge from the Company, and paper copies of exhibits to the Annual Report on Form 10-K are available, but a reasonable fee per page will be charged to the requesting stockholder. Stockholders may make requests in writing to the attention of the Company's Corporate Secretary by mail at News Corporation, 1211 Avenue of the Americas, New York, New York 10036, by telephone at (212) 852-7000 or by email at corporatesecretary@newscorp.com.

2009 ANNUAL MEETING OF STOCKHOLDERS

If you wish to submit a proposal to be presented at the 2009 Annual Meeting of Stockholders pursuant to Rule 14a-8 under the Exchange Act, your proposal must be received by the Corporate Secretary of the Company at the principal executive offices at News Corporation, 1211 Avenue of the Americas, New York, NY 10036 no later than May 8, 2009 and must otherwise comply with the requirements of Rule 14a-8 in order to be considered for inclusion in the 2009 proxy statement and proxy.

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In order for proposals of stockholders made outside the processes of Rule 14a-8 under the Exchange Act to be considered timely for purposes of Rule 14a-4(c) under the Exchange Act, the proposal must be received by the Company at its principal executive offices not later than July 22, 2009. Additionally, stockholder proposals made outside the processes of Rule 14a-8 under the Exchange Act must be received at the Company's principal executive offices, in accordance with the requirements of the By-laws between June 22, 2009 and July 22, 2009; provided, however, that in the event that the 2009 Annual Meeting of Stockholders is called for a date that is not within 30 days before or after the date of the 2008 Annual Meeting of Stockholders, notice by stockholders in order to be timely must be received not later than the close of business on the later of the 90th day prior to the date of the 2009 Annual Meeting of Stockholders or the tenth (10th) day following the day on which public announcement of the date of the 2009 Annual Meeting of Stockholders is made. Stockholders are advised to review the By-laws, which contain additional requirements with respect to advance notice of stockholder proposals and director nominations.

ADDITIONAL INFORMATION

In an effort to reduce the amount of paper mailed to stockholders' homes and to help lower the Company's printing and postage costs, stockholders can elect to receive future News Corporation proxy statements, annual reports and related materials electronically instead of by mail. The Company highly recommends that you consider electronic delivery of these documents. If you are interested in participating in this electronic delivery program, you should select the Enrollment for Electronic Delivery of Stockholder Materials link in the Investor Relations section of the Company's website at www.newscorp.com. You may resume receiving copies of these documents by mail at any time by selecting the appropriate stockholder link on this enrollment page and canceling your participation in this program.

OTHER MATTERS

At the time of the preparation of this proxy statement, the Board knows of no other matters that will be acted upon at the Annual Meeting. If any other matters are presented for action at the Annual Meeting or at any adjournment thereof, it is the intention of the persons named in the accompanying proxy to vote the shares to which the proxy relates in accordance with their best judgment as determined in their sole discretion.

By Order of the Board of Directors

Lawrence A. Jacobs

Senior Executive Vice President and Group

General Counsel

New York, NY

August 19, 2008

YOUR VOTE IS IMPORTANT. THEREFORE, PLEASE PROMPTLY VOTE YOUR SHARES BY TELEPHONE OR INTERNET, OR IF YOU HAVE REQUESTED A PAPER PROXY CARD, BY COMPLETING, SIGNING AND DATING THE PROXY CARD AND RETURNING IT IN THE ENVELOPE PROVIDED.

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