

NEWS CORP
Form 8-K
May 29, 2007

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

FORM 8-K

CURRENT REPORT

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

May 23, 2007

DATE OF REPORT

(DATE OF EARLIEST EVENT REPORTED)

NEWS CORPORATION

(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION)

001-32352
(COMMISSION FILE NO.)

26-0075658
(IRS EMPLOYER

IDENTIFICATION NO.)

1211 Avenue of the Americas

New York, NY 10036

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE)

(212) 852-7000

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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NOT APPLICABLE

(Former name or former address, if changed since last report)

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

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On May 23, 2007, News America Incorporated (News America), a subsidiary of News Corporation (the Company and together with News America, the Loan Party), terminated its existing \$1.75 billion revolving credit agreement (the Prior Credit Agreement) and entered into a new credit agreement (the New Credit Agreement), among News America as Borrower, the Company as Parent Guarantor, the lenders named therein (the Lenders), Citibank, N.A. as Administrative Agent (Citibank) and JPMorgan Chase Bank, N.A. as Syndication Agent (JPMorgan Chase). The New Credit Agreement consists of a \$2.25 billion five-year unsecured revolving credit facility with a sublimit of \$600,000,000 (or its equivalent in Euros) available for the issuance of letters of credit. Under the New Credit Agreement, News America may request an increase in the amount of the credit facility up to a maximum amount of \$2.5 billion. The New Credit Agreement is available for the general corporate purposes of News America, the Company and the Company 's subsidiaries. The maturity date is May 23, 2012, however, News America may request that the commitments be renewed, under certain circumstances as set forth in the New Credit Agreement for up to two additional one-year periods.

Any advance by the Lenders to News America as part of a borrowing may be available, at News America 's option, at either the Base Rate (as defined in the New Credit Agreement) which is a fluctuating rate equal to Citibank 's base rate plus the applicable margin or at the Eurodollar Rate (as defined in the New Credit Agreement) which is a periodic fixed rate equal to LIBOR plus the applicable margin.

News America may terminate, in whole or in part, the unused portion of the credit facility amount under the New Credit Agreement at any time during the term of the New Credit Agreement. Once terminated, a commitment may not be reinstated.

The New Credit Agreement contains certain customary affirmative and negative covenants each with customary exceptions, including limitations to the Loan Party 's ability to engage in transactions with affiliates, incur liens, merge into or consolidate with any other entity or incur subsidiary debt. In addition, the New Credit Agreement requires the Company to maintain a leverage ratio of 4.5.

In addition to Citibank and JPMorgan Chase, the additional members of the syndicate include: Citigroup Global Markets Inc. and J.P. Morgan Securities Inc. as Joint Lead Arrangers and Joint Bookrunners, Bank of America, N.A., BNP Paribas, HSBC Bank USA, National Association, Deutsche Bank AG New York Branch, Credit Suisse, Dresdner Bank AG, New York and Grand Cayman Branches, Lloyds TSB Bank plc, Merrill Lynch Bank USA, William Street Commitment Corporation, the Bank of Nova Scotia, National Australia Bank Limited, Calyon, New York Branch, the Bank of New York, Commonwealth Bank of Australia and Westpac Banking Corporation as Lenders.

In the ordinary course of their respective businesses, one or more of the Lenders, or their affiliates, have or may have various relationships with News America, the Company and the Company 's subsidiaries involving the provision of a variety of financial services, including cash management, commercial banking, investment banking, advisory or other financial services, for which they received, or will receive, customary fees and expenses. In addition, News America, the Company and the Company 's subsidiaries may have entered into or may enter into in the future certain engagements with one or more Lenders or their affiliates relating to specific endeavors.

The subsidiaries of the Company that were guarantors under the Prior Credit Agreement are not guarantors under the New Credit Agreement and, therefore, in accordance with the indentures pursuant to which News America has issued debt securities (a description of the debt securities is set forth in (i) Note 9 to the audited consolidated financial statements of the Company contained in its Annual Report on Form 10-K for the fiscal year ended June 30, 2006 and (ii) the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on March 2, 2007) (the Debt Securities), as of May 23, 2007, these subsidiaries have ceased to be guarantors of the Debt Securities. As of May 23, 2007, the Company is the sole Guarantor under the New Credit Agreement and of the Debt Securities.

The foregoing description of the New Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the New Credit Agreement, which is filed as Exhibit 10.1 hereto and incorporated herein by reference.

ITEM 1.02 TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT.

In connection with and at the time that News America entered into the New Credit Agreement, on May 23, 2007, the Prior Credit Agreement (as defined and described in Item 1.01 above) originally scheduled to expire on June 30, 2008, was terminated. There were no outstanding borrowings under the Prior Credit Agreement at the time of termination, and no termination penalties were paid as a result of the termination. Outstanding letters of credit issued under the Prior Credit Agreement equal to approximately \$120 million have been deemed to have been issued under the New Credit Agreement.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03 of this Current Report on Form 8-K.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit

Number	Description
10.1	Credit Agreement, dated as of May 23, 2007, among News America Incorporated, News Corporation and the initial lenders named therein, Citibank, N.A. as administrative agent, JPMorgan Chase Bank, N.A., as syndication agent, Citigroup Global Markets Inc. and J.P. Morgan Securities Inc. as joint lead arrangers and joint bookrunners.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEWS CORPORATION

(REGISTRANT)

By: /s/ Lawrence A. Jacobs
Lawrence A. Jacobs
Senior Executive Vice President and

Group General Counsel

Dated: May 29, 2007

EXHIBIT INDEX

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