

Exhibit 1
American Colonial Letter

FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

10-21
CR-1-2

IN REPLY REFER TO:

January 10, 1985

American Colonial Broadcasting Corporation
P.O. Box 4189
San Juan, Puerto Rico 00905

Television Broadcasting Corp.
Suite 610
416 Ponce De Leon Avenue
Hato Rey, Puerto Rico 00918

Re: BTCCT-840316KH
BTCCT-840316KI

Dear Applicants:

This is in reference to the applications, as amended, in which you seek Commission approval of the transfer of control of American Colonial Broadcasting Corporation (American Colonial), licensee of stations WKBM-TV, channel 11, Caguas, and WSUR-TV, channel 9, Ponce, Puerto Rico, from Zaida Perez vda. de Perez-Perry, Zaida Perez Ramirez, Rafael Perez Ramirez and Ingrid Perez Ramirez to Television Broadcasting Corp. (the Buyer).

American Colonial is now licensee of the two stations as debtor in possession under the supervision of the U.S. Bankruptcy Court for the District of Puerto Rico. Both stations are silent. When operating, station WSUR-TV was primarily a satellite of station WKBM-TV. Petitions to deny the applications have been filed by: Ponce Television Corporation, licensee of station WLUZ-TV, channel 7, Ponce, Puerto Rico; Telemundo, Inc., licensee of station WKAQ-TV, channel 2, San Juan, Puerto Rico; and by Mr. Charles Wood, unsuccessful bidder (appeal pending) for the American Colonial assets. The petitioners raise two broad issues: whether the acquisition of control by the Buyer would be consistent with the alien-ownership restrictions set out in section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. §310(b)(4); and whether continued operation of station WSUR-TV as a 100 percent satellite of station WKBM-TV would be consistent with the public interest.

We have carefully reviewed the application, the petitions and related pleadings. ^{1/} For the reasons that follow, we cannot find that the public interest would be served by the grant of the applications.

Section 310(b)(4) of the Act provides:

^{1/} All pending motions for extensions of time in which to file pleadings are hereby granted.

(b) No broadcast . . . station license shall be granted or held by --

* * * * *

(4) any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, or of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license.

After closing of the proposed transaction, all officers and directors of American Colonial would be U.S. citizens. All of its stock would be held by the Buyer. The Buyer's shareholders are as follows:

Voting Stock

Class A Common (elects six directors) Telepictures Corp.	510 shares (49.04%)
Class B Common (elects three directors) Video Tape Systems, Inc.	250 shares (24.04%)
Class C Common (elects three directors) Joaquin A. Villamil	200 shares (19.23%)
Class D Common (elects one director) John Semack	40 shares (3.845%)
Class B Preferred (elects no directors) John Semack	40 shares (3.845%)

Nonvoting Class A Preferred Stock

Telepictures Corp.	3,379 shares (63.7%)
Video Tape Systems, Inc.	1,657 shares (31.3%)
John Semack	265 shares (5.0%)

Preferred shareholders may be required to buy additional shares upon a two-thirds vote of the Board of Directors of the Buyer.

Telepictures Corporation is a publicly traded U.S. corporation. All of its officers and directors are U.S. citizens, but 6.6 percent of its stock is owned by aliens, based on a survey of its shareholders. Video Tape Systems, Inc. (Video Tape), a Panamanian corporation, is a 100 percent subsidiary of a Venezuelan corporation, which in turn is owned by two Venezuelan citizens. The two remaining shareholders of the Buyer, Messrs. Semack and Villamil, are U.S. citizens, and the latter is the President of the Buyer.

The bulk of the \$6,000,000 purchase price will be provided by the owners of the nonvoting Class A preferred stock, which is valued at \$1,000 per share: Telepictures will provide \$3,379,000, Video Tape \$1,657,000 and John Semack \$265,000, for a total of \$5,301,000. The application is silent as to the amount of the contribution coming from the sale of voting shares of all classes. If, however, those shares are to make up the remaining portion (\$699,000) of the purchase price, the voting shares would be valued at about \$673 each.

The Buyer bases compliance with the statute on the grounds that only three of its thirteen directors (slightly more than 23 percent) will be aliens, which is within the statutory limit, and alien shareholder Video Tape cannot elect directors of the licensee subsidiary, American Colonial. 2/ Video Tape's interest in voting stock is 24.04 percent, which is assertedly under the 25 percent limit applicable to parents of licensee subsidiaries. You urge that the degree of alien ownership of Telepictures, owner of 49.04 percent of the Buyer's voting stock, should be ignored. You state in that regard that the Commission has expressly held that stock ownership at different corporate levels is not aggregated for purposes of considering alien ownership under section 310(b) of the Act, citing Data Transmission Company, 52 F.C.C.2d 439 (1975).

We disagree with your analysis of the Data Transmission case. In the specific circumstances found there, the Commission held that it would not add an alien's direct stock interest in a licensee to his interest in the parent of the licensee. Put differently, the Commission did not aggregate interests

2/ As originally planned, American Colonial was to have no board of directors, which is apparently consistent with Puerto Rican law when dealing with a 100 percent subsidiary. The operation of the stations would, therefore, be directly governed by the Board of Directors of the Buyer, which has three alien members. In these circumstances, we agree with the petitioners that such a plan would be inconsistent with the spirit, and perhaps the letter, of the statutory ban against having aliens on the board of licensee corporations. The Buyer now represents, however, that American Colonial will have its own Board of Directors, all of whom will be U.S. citizens and none of whom will be elected by aliens. This amended proposal eliminates the conflict with the statute with regard to alien directors. :-

covered by section 310(b)(3) with interests covered by section 310(b)(4). The ownership interests we are concerned about in this case all fall under section 310(b)(4): no aggregation of interests under section 310(b)(3) is involved. Further, the ruling in Data Transmission was specifically conditioned on the alien stockholder not being an officer or director of the parent or the licensee subsidiary, not proposing formally or informally the election of any officer or director, and not acquiring other interests relating to the control, management or operation of the licensee. Id. at 441. The alien interest in this case, in contrast, includes all these elements. Finally, Data Transmission dealt with common carrier licenses, not broadcast stations. The Commission has stated that alien ownership interests may be more closely reviewed in connection with broadcast licensees, with their editorial control of program content, than is the case in regard to licensees that have a passive role as to the content of their traffic. See GRC Cablevision, Inc., 47 F.C.C.2d 467, 468 (1974). We conclude, therefore, that Data Transmission does not govern this case, that the 25 percent limit specified in section 310(b)(4) applies here, and that any review of the specific circumstances presented must be governed by the more careful review accorded broadcast licensees under section 310(b).

We turn, then, to the question as to the extent of alien ownership found here. In addition to Video Tape's 24.04 percent interest, 6.6 percent of Telepictures' stock can be voted by aliens. The Commission has specifically applied a multiplier to determine the degree of ownership held by aliens. See News International, PLC, 97 F.C.C.2d 349, 366-67 (1984).^{3/} Further, as the Commission observed in Attribution of Ownership Interests, 55 R.R.2d 1465, 1476 (1984), section 310(b) "refers to total, as opposed to individual, ownership interests. . . ." Thus, for example, the statutory limit would be exceeded where 26 aliens hold one percent each of the parent of a licensee, even where the alien owners do not act in concert. Our practice of requiring random surveys of the stockholders of publicly traded corporations (see Form 315, p. 3, Instruction II-C) is designed to disclose total foreign ownership, not whether any individual alien shareholder owns more than the specified limit. The use of the multiplier dilutes the impact of such holdings when dealing with indirect interests as are involved here, but these interests must be aggregated with other alien-held interests. In this case, multiplying the 6.6 percent interest of Telepictures held or voted by aliens by the 49.04 percent interest Telepictures owns in the Buyer, we attribute a 3.24 percent alien interest to Telepictures. That interest added to Video Tape's 24.04 percent common stock ownership establishes a total alien holding of 27.28 percent in the Buyer.

^{3/} The bulk of Telepictures' stock is held by Cede & Co., a company that holds stock for the benefit of others. To the extent that Cede holds stock in street name for aliens, they can dictate how their shares are voted. The aliens, in other words, can vote the shares held by Cede in the same manner as though they voted their Telepictures shares directly. Accordingly, the alien interests held by Cede are not multiplied by its 72.4 percent interest in Telepictures.

There is another ground for finding that the 25 percent limit is exceeded. Section 310(b) refers to "capital stock" owned of record or voted by aliens. Capital stock includes preferred as well as common stock. Video Tape owns 31 percent of the Buyer's preferred stock and 24.04 percent of the common stock. It seems, therefore, that Video Tape owns more than 25 percent of the Buyer's capital stock. (The total value of the common stock would have to be about \$33,075,000 before Video Tape's interest would be at 25 percent. The Buyer has no apparent need for such a large capital fund, given the \$6,000,000 purchase price.) Assuming a value of \$573 per share of common stock, Video Tape owns 28.7 percent of the total capital stock. Accordingly, whether we consider common stock or capital stock interests, the ownership of the Buyer exceeds the 25 percent standard prescribed by the statute. Under section 310(b)(4), therefore, we must determine whether the public interest will be better served by refusing to grant the applications.

The alien owners of Video Tape are radio and television broadcasters in Venezuela and have experience producing television programming. They own Producciones Quico, S.A. (Quico), a Panamanian corporation, and will create and own Newco, a corporation to be organized under the laws of Puerto Rico. American Colonial proposes to enter into two contracts with Quico and Newco in order to avail itself of the experience of Video Tape's principals in broadcasting and in the production of Spanish-language programming. It is necessary to set out in some detail the pertinent provisions of these contracts so as to understand more fully the nature of our concerns.

The first contract is captioned a consulting agreement, under which Quico/Newco 4/ agree to provide services to American Colonial, as follows:

The areas in which Quico and Newco shall render consulting services as requested are:

- (i) repair, acquisition and maintenance of the equipment and property of the stations, including the hiring and training of technical personnel; and
- (ii) administration of the business of the stations, including developing and maintaining accounting controls and records, and the hiring and training of administrative and accounting personnel;
- (iii) sales of advertising time on the stations; and the hiring and training of sales personnel; [and]
- (iv) such other matters as may be requested by [American Colonial].

4/ The division of contractual obligations between Quico and Newco is not clearly stated, but Quico is not required to perform its work within Puerto Rico.

The personnel of Quico/Newco are obligated to "devote substantial time to the performance of services" for American Colonial, especially during the first year of operation. Quico/Newco officers and employees are required to report at least weekly to the officers of American Colonial.

For these services, Quico/Newco will receive a total, fixed fee of \$100,000 per-year over the five-year contract. The contract can be terminated by American Colonial if: (1) Video Tape transfers any of its shares of the Buyer; (2) Quico/Newco default in the performance of their obligations. American Colonial gives detailed notice as to the basis for the default, and such default continues for 60 days; and (3) Quico/Newco default under the companion programming and production contract (to be described below), and after specific notice, the default continues for 60 days.

The services are always subject "to the overall power of [American Colonial] to manage its business," and American Colonial "shall not be required to adopt any recommendations made by, or to accept any advice or assistance furnished" by Quico/Newco. Further, Quico/Newco cannot "create or assume any obligations on behalf" of American Colonial, or hold themselves out as having such authority.

The second contract, which is captioned as a programming and production agreement, states American Colonial's need for "program production assistance and advice" and the "extensive Spanish language program development and production experience" found in the officers and employees of Quico/Newco. The parties to the contract therefore agreed as follows:

(a) . . . Quico and Newco shall render programming and production advice and services for the operation of the stations as [American Colonial] may from time to time request of them, including:

- (i) recommendation of programs and program series for the stations, including those to be produced by [the] stations or licensed by [the] stations;
- (ii) production of programming for the stations, including the hiring and training of [American Colonial's] creative, technical and support staff necessary for program production.

Quico/Newco are required to make their senior management available for these program services, who are required to devote "substantial time" to performing the specified obligations, especially during the first months of the contract. The President, Vice President-Programming and Vice President-Finance of Newco are specifically directed to devote a "substantial portion" of their business time to the programming activities during the first year of operation. All officers and employees of Quico/Newco performing services under the contract are required to report at least weekly to the officers of American Colonial.

Over the five-year life of the contract, Newco will be paid for these services based on a sliding percentage of the stations' revenues, ranging from eight percent of gross revenues up to \$5,000,000 to five percent of gross revenues over \$25,000,000. A formula is specified so that estimated monthly payments can be made. Quico/Newco have access to American Colonial's accounting records so that they can review the basis for the fees due to them. The amount paid may be reduced under another formula if cash flow does not reach certain defined levels. Quico, in contrast, will be paid a fee not dependent on revenues. Instead, it will receive a fee fixed by the date it is paid. Quico will receive a \$1,000,000 fee if it is paid during the first year of the contract. The amount increases in steps up to \$1,657,815, if the fee is paid in the fifth year of the contract. The fee is payable immediately, however, if any of the Class A nonvoting preferred stock is redeemed. In addition, American Colonial is obligated to pay Quico/Newco for all nonpersonnel expenses reasonably incurred during the first year of the contract.

American Colonial can terminate the programming and production contract in very much the same circumstances described above as to the consulting agreement. That is, the agreement can be terminated only if: Video Tape transfers any of its shares of the buyer; and Quico or Newco default on either the two contracts, specific notice is given by American Colonial, and the default continues for 60 days. If the cash flow is such that the payment to Newco is reduced under the specified formula for two consecutive years, American Colonial can cancel the contract.

Again, all these services are subject to American Colonial's "overall power . . . to manage its business." Further, American Colonial

shall not be required to adopt any programming recommendations made by, or to accept any programming or production advice or assistance furnished by Quico or Newco. All phases of [the] stations' programming shall be the full and complete responsibility [of American Colonial], and all final decisions with respect to the programming of the stations shall be made by [American Colonial].

American Colonial has the right to reject any program or program idea proposed by Quico/Newco that it believes to be contrary to the public interest, and nothing hinders American Colonial from substituting another program that is of greater importance.

You contend that the reservation of ultimate decision-making authority, as described in the preceding paragraphs, eliminates any significant concern as to excessive alien control or de facto control of the licensee. In this regard, however, the Commission has previously recognized the existence of similar provisions, but still looked at the facts to determine the likelihood of control by others. See Phoenix Broadcasting Co., 44 F.C.C.2d 838 (1973). In that case, a person lent money to a broadcast licensee, performed as a consultant as to all aspects of the station's operation, including the

institution of a new program format, and was involved in the licensee's affairs on a day-to-day basis. Despite the reservation to the licensee of all final decisions, the Commission still found an unauthorized assumption of control on the facts presented. Similarly, we must also look behind the contractual language that purportedly reserves ultimate decision making to American Colonial.

Before turning to the contracts before us, we address your contention that similar programming arrangements provide precedent for finding that your contracts are consistent with the public interest. This case is not like a network contract where the affiliate is paid a fixed fee to broadcast the network's programs and where the contract can be cancelled upon appropriate notice by either party. In contrast to the two contracts now before us, we know of no network contract requiring an affiliate to tolerate a default for 60 days, all the while paying that network. Nor is this case like the typical licensee's relationship with a program syndicator. There, the licensee pays the syndicator for one or more existing motion pictures, programs or program series. The payment is only for programs selected. Further, the licensee typically deals with several syndicators. We know of no case where a single syndicator provides or produces virtually all of licensee's programming.^{5/} The existing programming relationships between San Juan television stations and other Puerto Rican television stations appear in many respects similar to network affiliation agreements. Finally, according to your pleadings and associated materials, some San Juan stations produce specific programs for other Puerto Rican television stations. These arrangements are not for the bulk of the broadcast week and are described as coproductions, not produced solely by the San Juan station. We find no fault with those arrangements.

Although not expressly stated, the contract with Quico/Newco for programs, production advice and services appears to contemplate Quico/Newco's involvement with respect to the substantial bulk, if not all, of the stations' programs. While it is true that American Colonial can reject programs and presumably buy programs from other sources, it does so at a substantial cost. As described above, the payments to Quico/Newco are not based on whether their programs or services are used. Instead, they receive a fixed fee in the case of Quico and a fee based on gross revenues in the case of Newco. American Colonial would be in the position, therefore, of buying

^{5/} In fact, the seller's experience with program producers discloses that multiple program sources were used when the two stations were operating. You state, for example, that the stations acquired programming "Latin American, Spanish language programming from Argentina, Peru, Mexico and Venezuela, and [they] also undertook to produce Spanish Language programming in Puerto Rico with Latin American talent and program producers combined with Puerto Rican native actors, technicians and production employees and trainee." You also describe your television competitors as acquiring programming from "various Latin American countries" and joint production arrangements with Latin American producers.

substitute programming while at the same time continuing to pay Quico/Newco for their unused programs or advice. These payments are substantial, and provide considerable incentive to American Colonial to rely exclusively on Quico/Newco. Our concern is not diminished by the fact that the contract cannot be cancelled on default, but only if Quico/Newco are in default for 60 or more days. This compels American Colonial to arrange for substitute programming for a substantial period, but continue to retain its relationship with Quico/Newco if they return to compliance within 60 days. That provision provides substantial leverage to Quico/Newco in the case of a dispute among the contracting parties as to the preferred course to follow. Further, the contract can only be terminated for cause. It follows that even where American Colonial finds that the programs and services offered by Quico/Newco are acceptable under the contract, but where it finds a better source of programming or advice, the contract cannot be cancelled upon appropriate notice. We note in this regard that the contract term is five years, considerably longer than the maximum two-year term permitted for network affiliation contracts under section 73.658(c) of the Rules. These factors, when considered cumulatively, give alien or alien-controlled Quico/Newco the potential for substantial control of American Colonial's programming, if not complete control.

These programming concerns are accentuated by the additional activities engaged in by Quico/Newco under the consulting contract. Their employees will be in day-to-day contact with the two stations and their officers must report to American Colonial at least on a weekly basis. It appears that they will be at the station much more frequently than that, particularly during the first year of operation. Quico/Newco will be providing services or advice on the technical operation of the stations and on the hiring and training of technical personnel. They will also have access to the licensee's books, aid in the establishment of the accounting and other business practices of the stations and be involved in the hiring and training of the sales staff. Aliens will participate in the board meetings of the Buyer, albeit in a statutorily permissible number, will contribute substantial capital and may be called upon to contribute more. The contracts, by their terms, cannot be terminated by American Colonial or the Buyer, however, if Video Tape refuses to make any called for capital contribution, thereby giving its principals additional potential leverage by providing or refusing to provide needed funds. 6/

6/ As noted, the programming and production contract can be terminated if any (not all) of the Buyer's preferred shares owned by Video Tape are redeemed. The redemption feature is not described. If the shares can be redeemed solely on the initiative of the Buyer, no problem arises. If, on the other hand, the redemption feature can be triggered by the initiative of Video Tape or its principals, they would have substantial influence over the affairs of the licensee by virtue of the ability to compel an immediate payment of \$1,000,000 or more for Quico's services, less an adjustment for the time remaining in the five-year term of the contract. Because we do not know the facts, we do not base our decision on this possibility. If the Buyer wishes to prosecute the applications, however, this provision of the contract should be clarified.

Cases such as this must be decided on the basis of the particular facts presented. Nonetheless, in various circumstances, all of the above factors have been found relevant to the question of control of broadcast stations. See, e.g., WLOX Broadcasting Co. v. F.C.C., 260 F.2d 712 (D.C. Cir. 1958); Lorain Journal Co. v. F.C.C., 351 F.2d 824 (D.C. Cir. 1965), cert. denied sub nom. W.W.I.Z. Inc. v. F.C.C., 383 U.S. 967 (1966); Stereo Broadcasters, Inc., 55 F.C.C.2d 819 (1975), reconsidered in part, 59 F.C.C.2d 1002 (1976); and Channel 31, Inc., 45 R.R.2d 420 (1979).

Given the 20 and 25 percent standards set out in sections 310(b)(3) and (4) of the Act, the provisions pertaining to alien interests are clearly intended to apply to many cases that do not constitute de jure or de facto control under section 310(d). Instead, Congress adopted a more stringent standard that would "amply safeguard" American communications while still permitting U.S. communications companies to compete in foreign countries. 78 Cong. Rec. 8825 (1934) (remarks of Sen. Dill). Based on our review of all of the above, we conclude that the Buyer has failed to establish that such an "ample safeguard" is present here. Consequently, the application could be denied without a hearing. United States v. Storer Broadcasting Co., 351 U.S. 192 (1956).

As a separate matter, even if alien interests were not a factor in this case, the pervasive presence of Video Systems, its principals and subsidiaries in the operation of the two stations raises a substantial and material question of fact as to the party that is in control of the stations, particularly their programming. As a necessary result of that conclusion, we would still not be able to grant the application without a hearing, under section 309(d) of the Act.

We turn now to the second issue raised by the petitioners: the proposed operation of station WSUR-TV as a satellite. A television satellite is a full-fledged broadcast station authorized under Part 73 of the Rules that differs from conventional television stations only as to the amount of locally produced programming. A 100 percent satellite retransmits all of the programming of its parent. A station categorized as "primarily a satellite" airs most of its parent's programs, but produces up to five percent of its programming locally. See, e.g., Amaturo Group, Inc., 68 F.C.C.2d 899 (1978). The Buyer proposes to operate station WSUR-TV as a 100 percent satellite of station WKBM-TV, and there is grade B overlap of the two stations. In these circumstances, note 5 to Section 73.3555 of the Rules provides that a case-by-case review must be made "to determine whether common ownership, operation, or control of the stations in question would be in the public interest." That review, as noted by the petitioners, is required in transfer-of-control cases as well as cases involving new stations. See Newhouse Broadcasting Corporation, 77 F.C.C.2d 97, 106-12 (1980).

There are several factors that support the continuation of the satellite status of station WSUR-TV. These include our estimate that approval of the sale would be the quickest way to provide an additional choice of programming for the residents of the Caguas/San Juan and Ponce areas. In making our determination, moreover, the court has held that the public interest standard requires some consideration of the policies embodied in the bankruptcy laws. LaRose v. F.C.C., 494 F.2d 1145 (D.C. Cir. 1974). The bankruptcy court has determined in this case that the sale of the two stations to a single buyer would increase the assets available for distribution to creditors.

Despite the above, we do not believe that a sufficient showing has been made. The showing needed to support a satellite operation has evolved and is not so stringent as it once was. See Capital Broadcasting Co., 54 R.R.2d 811 (1983). The Commission stated in that case that extensive economic data were not required because "the economic justification may be inferred from the [small] size of the market." Id. at 814, n.9. Puerto Rican stations and markets are not ranked by ARB along with mainland stations, and we lack ready access to information as to the size of Ponce as a television market. We seek such information. Comparisons to similarly sized mainland markets would be helpful.

The more difficult problem flows from your proposal to operate station WSUR-TV as a 100 percent satellite. Station WLUZ-TV, a full-service station, is licensed to Ponce. The Commission has routinely ruled that it will not authorize a 100 percent satellite in a market served by a full-service station. See, e.g., Midcontinent Broadcasting of Wisconsin, Inc., 12 F.C.C. 2d 111 (1968). See also Capital Broadcasting Co., above, where the applicant amended its proposal to provide locally produced programs so as to comply with this policy. The applicants cite no case, and we are not aware of any, permitting a 100 percent satellite to compete with a conventional television station licensed to the same community. The absence of a commitment to maintain a local studio and present some local programming makes exceedingly difficult the grant of the Ponce application without a hearing. Your comments on this matter are requested.

Finally, there are some other matters that need correction or clarification if you intend to prosecute the applications. The sellers have failed to certify that they have or will publish appropriate public notice, as required by section 73.3580 of the Rules. The public notice should be published in the manner prescribed by that rule, if you have not already done so, and an appropriate certification submitted.

In the Buyer's portion of the applications, you have not answered Section II, questions 5(b) and (c). Instead, you refer to an Exhibit C. That exhibit, however, does not state whether the buyer or any party to the application has any ownership interest in, or is an officer, director or partner of, an investment company, bank, or insurance company that has an interest in a broadcast station or daily newspaper. You should provide this information.

The purpose of this letter is to advise you of the staff's position, based on the information before us. You have three options. You may contest the legal, policy and factual foundation upon which we rest our conclusions. You may amend the applications to eliminate the problems specified above. Or you may advise us that you no longer wish to prosecute the applications. In all cases, please submit your response within 30 days of the date of this letter. If you elect the second option, your response should be submitted as an amendment, in triplicate, and signed in the same manner as the original applications.

Sincerely,

James C. McKinney
Chief, Mass Media Bureau

cc: John P. Bankson, Jr. Esquire
William P. Bernton, Esquire
Thomas J. Keller, Esquire
Nicholas W. Fels, Esquire
John B. Kenkel, Esquire

Proposed transfer of control of American Colonial Broadcasting Corp.:
foreign ownership of proposed buyer.

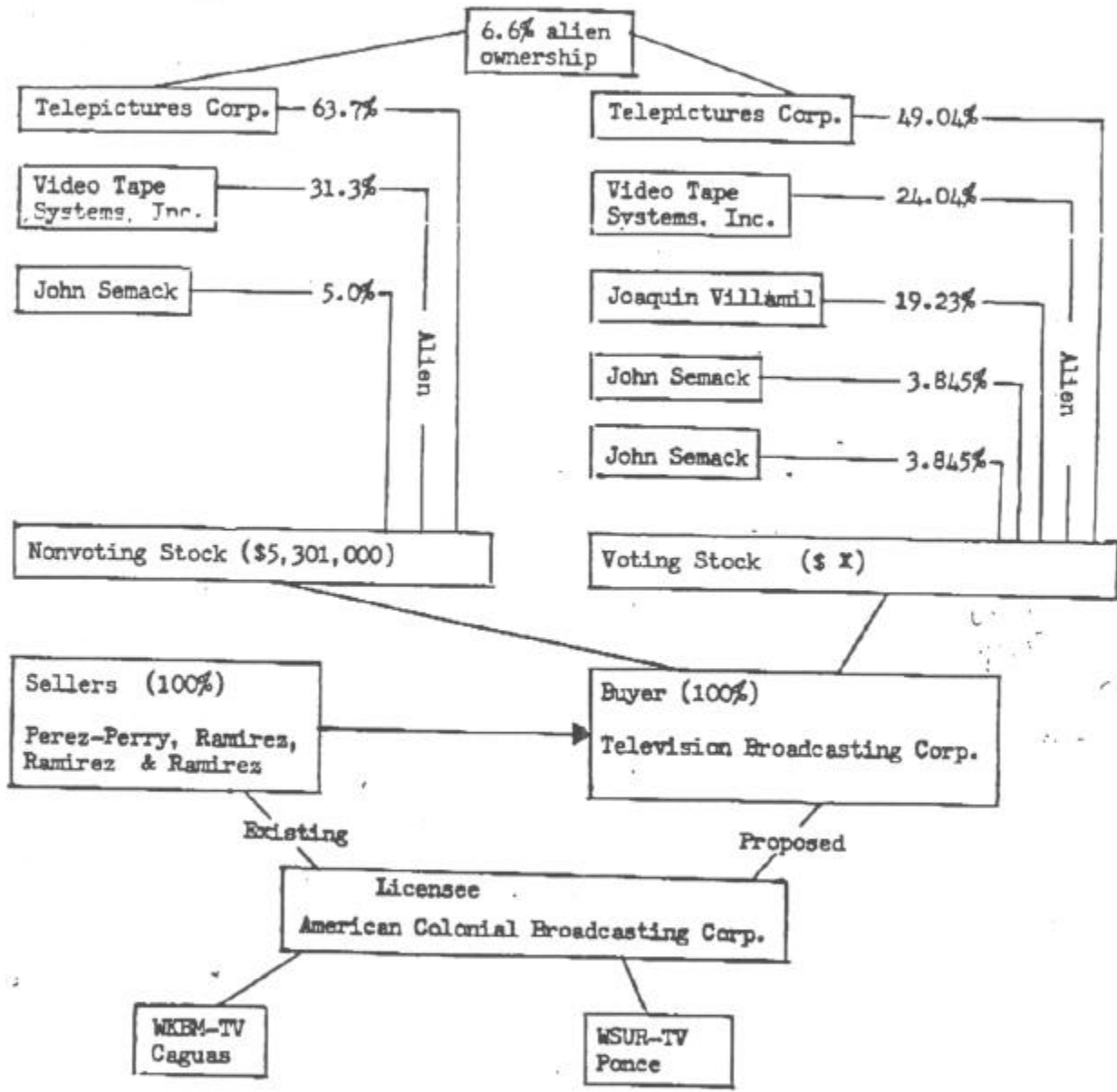


Exhibit 2
News Corp. Controlled Entities

Notes to and forming part of the Full Financial Report

for the year ended 30 June, 2000

NOTE 30 CONTROLLED ENTITIES

Company	Country of Incorporation	Company	Country of Incorporation
THE NEWS CORPORATION LIMITED #	Aust	Graphon (Typesetters) Pty. Limited	Aust
A.C.N. 000 024 028 Pty. Limited #	Aust	Graphon Printing (NSW) Pty. Limited	Aust
A.N. Investments Pty. Limited #	Aust	HWT (N.S.W.) Pty. Limited #	Aust
Access Securities Pty. Limited #	Aust	Larrikin Entertainment Pty. Limited	Aust
Adelaide Rams Pty. Limited	Aust	Leader Associated Newspapers Pty. Limited #	Aust
Advertiser Newspapers Limited #	Aust	Leader Media Group Pty. Limited #	Aust
Advertiser-News Weekend Publishing Company Pty. Limited #	Aust	Leteno Pty. Limited	Aust
AH SO Pty. Limited	Aust	Lisrich Pty. Limited #	Aust
Allied Press Pty. Limited**	PNG	Lower Burdekin Newspaper Company Pty. Limited #	Aust
ALW Pty. Limited #	Aust	Melodian Records Pty. Limited #	Aust
Australian Indoor Tennis Championships Pty. Limited #	Aust	Messenger Press Pty. Limited #	Aust
Australian News Network Pty. Limited #	Aust	Mirror Newspapers Limited #	Aust
Ayr Newspapers Pty. Limited #	Aust	Mushroom Assets Pty. Limited #	Aust
B.B.A.C. Pty. Limited #	Aust	Mushroom Distribution Services Pty. Limited #	Aust
Binni Limited #	Aust	Mushroom Multi Media Pty. Limited #	Aust
Bookcraft Binding Pty. Limited	Aust	Mushroom Records Pty. Limited #	Aust
Bookcraft Printing Pty. Limited	Aust	N.Q.N. Investments Pty. Limited #	Aust
Broadsystem Australia Pty. Limited	Aust	National Rugby League Investments Pty. Limited	Aust
Cable Media Investment Pty. Limited	Aust	Nationwide News Pty. Limited #	Aust
Canberra Raiders Marketing Pty. Limited	Aust	News Broadcasting Australia Pty. Limited	Aust
Careerone Pty. Limited	Aust	News Classifieds Network (NCN) Pty. Limited #	Aust
Careerone Services Pty. Limited	Aust	News Connect Pty. Limited #	Aust
Cello-Gloss Pty. Limited	Aust	News Group Holdings Pty. Limited #	Aust
Central Coast Publications Pty. Limited #	Aust	News Holdings (NZ) Limited **	NZ
Citynet Pty. Limited #	Aust	News Interactive Pty. Limited #	Aust
Control Investments Pty. Limited #	Aust	News Interactive Sports Australia Pty. Limited	Aust
Cumberland Printers Pty. Limited #	Aust	News Limited #	Aust
Davies Brothers Limited #	Aust	News Magazines Operations Pty. Limited	Aust
epartners Pty. Limited	Aust	News Magazines Pty. Limited	Aust
F.T.H. Properties Limited**	Fiji	News Netherlands B.V.	Netherlands
Festival Allied International Trading House Pty. Limited #	Aust	News NT Investments Limited #	Aust
Festival Books and Associates Limited**	Hong Kong	News Pay TV Pty. Limited	Aust
Festival Music Pty. Limited #	Aust	News PD Investments Pty. Limited #	Aust
Festival Records (NZ) Ltd**	NZ	News Securities B.V.	Netherlands
Festival Records Pty. Limited #	Aust	News Sports Programming Pty. Limited #	Aust
Fiji Times Limited**	Fiji	News TV Magazines Pty. Limited	Aust
Flying Nun Records (Australia) Pty. Limited	Aust	News U.S. Holdings Pty. Limited #	Aust
Flying Nun Records Limited**	NZ	Newscorp Music Pty. Limited #	Aust
GoFish Online Pty. Limited	Aust	Pacific Publications (Fiji) Limited**	Fiji
GoFish Online Services Pty. Limited	Aust	Perth Print Pty. Limited #	Aust
		Picture This Records Pty. Limited #	Aust

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Company	Country of Incorporation
Radmar Pty. Limited #	Aust	21st Century Pacific Holdings Limited	Hong Kong
Rosella Music Pty. Limited	Aust	Acetic Investments Limited	Mauritius
Rugby International Pty. Limited #	Aust	All Satellite TV Equipment Co Limited	BVI
Sparad (No 9) Pty. Limited #	Aust	All Satellite TV Equipment Company Limited	Hong Kong
Sports Online Pty. Limited #	Aust	Anurak Investments Limited	Mauritius
Standard Newspapers Limited #	Aust	Asia Production Limited	Mauritius
Super League Pty. Limited	Aust	Asian Music Corporation Limited	BVI
Tejeku Pty. Limited #	Aust	Best Alliance Profits Limited	BVI
Television Broadcasters Investments Pty. Limited	Aust	Boggie Investments Limited	Mauritius
Terrace Investments Pty. Limited #	Aust	Buzzer Investments Limited	Mauritius
The Herald and Weekly Times Limited #	Aust	Cable Technology Asia Corporation	Philippines
The North Queensland Newspaper Company Limited #	Aust	Dimples Investments Limited	BVI
The Sydney Suburban Newspaper Company Pty. Limited #	Aust	Edgecliff Investments Limited	Mauritius
T-Net Online Pty. Limited #	Aust	EL Television Limited	BVI
United Media Pty. Limited #	Aust	Fieldmouse Production, Inc.	USA
Wespre Limited #	Aust	Forcewide Limited	Hong Kong
Winston Investments Pty. Limited #	Aust	Fruition Goal Limited	BVI
		Great Energy Enterprises Limited	BVI
NEWS PUBLISHERS HOLDINGS PTY. LIMITED #	Aust	Hong Kong DTV Company Limited	Hong Kong
News Cayman 2000 Limited	Cayman Islands	Hutchvision Hong Kong Limited	Hong Kong
News Cayman DTH (Mexico) Ltd.	Cayman Islands	Indian Sky Broadcasting Limited	Hong Kong
News Cayman DTH Limited	Cayman Islands	International Global Newtorks B.V.	Netherlands
News Cayman Finance Limited	Cayman Islands	Invicom Limited	UK
News Cayman Holdings Limited	Cayman Islands	Kushmore Profits Limited	BVI
News Cayman Investments Limited	Cayman Islands	Live Wire Programme Trading Co. Private Limited	India
News Cayman Limited	Cayman Islands	Mandarin-Media Assets Limited	BVI
News DTH do Brasil Comercios & Participacoes	Brazil	Maximum Marks Limited **	Hong Kong
News DTH Investments Limited	Cayman Islands	Media Assets (BVI) Limited	BVI
News Finance Pty.	Aust	Media Assets Limited	Hong Kong
News Printing Limited**	Hong Kong	Media Consultancy YH	Korea
News Publishers Investments Pty. Limited #	Aust	Moonglow International Limited	BVI
News Regional Sports Holdings Limited	Cayman Islands	Mulberry Investments Limited	Mauritius
News Regional Sports Member Limited	Cayman Islands	News Communications Hong Kong	Hong Kong
Newscorp Cayman Islands Limited	Cayman Islands	News Finance HK Ltd.	Hong Kong
Newscorp Overseas Limited	Cayman Islands	News Television (India) Limited	India
SmartSource Marketing Pty. Limited	Aust	News Television Mauritius Limited	Mauritius
Star Multimedia Group Limited	Cayman Islands	Pine Hill Investments Limited	Mauritius
		Precision Components Private Limited	India
STAR TELEVISION LIMITED	BVI	PT Senturi Duapuluh Satu	Indonesia
21st Century Holdings Limited	Hong Kong	Satellite Broadcasting Limited	Hong Kong
		Satellite Television Advanced Reception Limited	Hong Kong

Notes to and forming part of the Full Financial Report

for the year ended 30 June, 2000

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Company	Country of Incorporation
Quazar Investments (Mauritius) Limited	Mauritius	Convoys (London Wharves) Limited	UK
Satellite Television Asian Review Limited	Hong Kong	Convoys Limited	UK
Satellite Television of Asia Limited	Hong Kong	Convoys Pension Trustees Limited	UK
Satellite Television Asian Region Limited	Hong Kong	Convoys Transport Limited	UK
Shining Profits Limited	BVI	Cruden Holdings UK Limited	UK
Skyhill Enterprises Limited	Hong Kong	Crescent Wharves Limited	UK
Spanish Investments Limited	Mauritius	Delphi Internet Limited	UK
Star Baazee Investment Limited	BVI	Deptford Cargo Handling Services Limited	UK
Star India Properties Investment Limited	BVI	Druzen Investments Limited	UK
Star Television Advertising Limited	BVI	e-partners Capital Limited	UK
Star Television Asia Limited	BVI	e-partners Limited	UK
Star Television Entertainment Limited	BVI	Eric Bemrose Limited	UK
Star Television Filmed Entertainment (HK) Limited	Hong Kong	Eric Bemrose Staff Pension Trustees Limited	UK
Star Television Filmed Entertainment Limited	BVI	Eric Bemrose Works Pension Trustees Limited	UK
Star Television Holdings Limited	BVI	Exclusiv Media S.r.l.	Romania
Star Television News Limited	BVI	Festival Records International Limited	UK
Star Television Oriental Limited	BVI	Firedup.com Limited	UK
Star Television Productions Limited	BVI	Flying Nun (UK) Limited	UK
Star Television Sports Limited	BVI	HDM Worboys Limited	UK
Star Television Technical Services Limited	BVI	Homeground Marketing Limited	UK
Star TV (Middle East) Limited	BVI	Infectious Records Limited	UK
Star TV (Nominees) Limited	Hong Kong	Learnfree Limited	UK
Star TV (South East Asia) Pte. Limited	Singapore	Lyntress Limited	UK
Star TV (Taiwan) Limited	BVI	Media Debt Collections Limited	UK
Star TV Hotel Services Limited	Hong Kong	Multimedia Holdings B.V.	Netherlands
STARTV.COM (BVI) Limited	BVI	Murdoch Magazines (UK) Limited	UK
STARTV.COM Limited	Bermuda	Mushroom Records (UK) Limited	UK
Superfair Development Limited	Hong Kong	News Collins Holdings Limited	UK
Yarraton Limited	BVI	News Collins Limited	UK
		News Corp Europe S.r.l.	Italy
NEWSCORP INVESTMENTS	UK	News Financial Services Limited	Cayman Islands
Admacraft Limited	UK	News German Television Holdings GmbH	Germany
Advanced Database Marketing Limited	UK	News Group Newspapers Limited	UK
AIM (Active Independent Marketing) Limited	UK	News International (Advertisements) Limited	UK
Applied Decision Systems Limited	UK	News International Associated Services Limited	UK
ArchAngel Media Limited	UK	News International Distribution Limited	UK
Broadsystem Limited	UK	News International Newspapers (Knowsley) Limited	UK
Broadsystem Ventures Limited	UK	News International Newspapers (Scotland) Limited	UK
Canterpath Investments Limited	UK	News International Newspapers Limited	UK
Canterpath Limited	UK	News International Pension Trustees Limited	UK
Caribiner Graphic Design Limited	UK	News International plc.	UK

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Company	Country of Incorporation
News International Supply Company Limited	UK	Sky Radio Reklam A.B.	Sweden
News International Television Investment Company Limited	UK	Star Advertising Sales Limited	UK
News International Television Limited	UK	The News Corporation Limited Japan	Japan
News Investments UK Limited	USA	The Sun Limited	UK
News Japan Programming Services Limited	UK	The Sunday Times Limited	UK
News Magazines Holdings Limited	UK	The Times Educational Supplement Limited	UK
News NCH	UK	The Times Higher Educational Supplement Limited	UK
News Network Holdings Limited	UK	The Times Limited	UK
News Network Limited	UK	The Times Literary Supplement Limited	UK
News Notes Limited	UK	The Times Network Systems Limited	UK
News of the World Limited	UK	The Times Pension Trusts Limited	UK
News Offset Limited	UK	Times Newspapers Holdings Limited	UK
News Outdoor Limited	UK	Times Newspapers Limited	UK
News Promotions Limited	UK	Times Newspapers Production Company Limited	UK
News Publishers Limited	Bermuda	TM3 GmbH & Co KG	Germany
News Telemedia Europe Limited	UK	TNL Pension Trustees Limited	UK
News Television B.V.	Netherlands	Tower Trustees Limited	UK
News Television Japan	UK	Town & City II S.A.	Poland
News Television Limited	UK	TSL Education Limited	UK
News Times Holdings Limited	UK	Virginia Three Limited	UK
News UK Nominees Limited	UK	Virginia Two Limited	UK
Newscorp Finance Limited	Cayman Islands	Vox Filmworks (Canada), Inc.	Canada
Newscorp Finance N.V.	Netherlands Antilles	Welling Storage Limited	UK
Newscorp Investments	UK	Worldwide Learning Limited	UK
Newscorp Japan Holdings B.V.	Netherlands	HARPERCOLLINS PUBLISHERS INC.	USA
Newscorp Japan Investments B.V.	Netherlands	Editora Harper & Row de Brazil Ltda.	Brazil
Newscorp Netherlands Antilles N.V.	Netherlands Antilles	Editora Vida Ltda.	Brazil
Newscorp Preference Limited	Cayman Islands	Editora Vida S.A.R.L.	France
NGN Editorial Pension Trustees Limited	UK	HarperCollins Japan, Inc.	USA
NGN Executive Pension Trustees Limited	UK	The Beautiful Cookbook Company	USA
NGN Staff Pension Trustees Limited	UK	The Zondervan Corporation	USA
NI Syndication Limited	UK	VidaPublishers, Inc.	USA
Nursery World Limited	UK	Zonderben, Inc.	USA
OOO Logovaz News Corporation	Netherlands	Zondervan International, Inc.	USVI
OOO Ultra Production	Russia	Zondervan Leasing Corporation	USA
Ordinto Investments	UK		
Salcombe Securities Limited	UK	HARPERCOLLINS (UK)	UK
Satellite Marketing and Advertising Limited	UK	Bartholomew Limited	UK
Sky Channel Limited	UK	Cartographic Services (Cirencester) Limited	UK
Sky Radio A.B.	Sweden	Cobuild Limited	UK

Notes to and forming part of the Full Financial Report

for the year ended 30 June, 2000

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Company	Country of Incorporation
Collins Desktop Publishing Limited	NZ	Heritage Media Corporation	USA
Dolphin Bookclub Limited	UK	Heritage Media Management, Inc.	USA
Dovcom Nominees Pty. Limited	Aust	Heritage Media Services, Inc.	USA
Dove Communications Trust	Aust	HMI Broadcasting Corporation	USA
George Allen & Unwin (Publ) Limited	UK	LJL Corporation	USA
George Allen & Unwin (Storage) Limited	UK	Murdoch Publications, Inc.	USA
Golden Press Pty. Limited	Aust	NAHI Real Estate Corporation	USA
Harper Educational (Australia) Pty. Limited	Aust	NAPI G.P. Corporation, Inc.	USA
HarperCollins B.V.	Netherlands	NAPI/WNS, Inc.	USA
HarperCollins Canada Limited	Canada	News Advertising Sales, Inc.	USA
HarperCollins Investments (UK) Limited	UK	News Air, Inc.	USA
HarperCollins Publishers (Australia) Pty. Limited	Aust	News America DTH Leasing, Inc.	USA
HarperCollins Publishers (New Zealand) Limited	NZ	News America DTH Techno, Inc.	USA
HarperCollins Publishers Limited	UK	News America Finance, Inc.	USA
HarperCollins Publishers Pensions Trustee Co. Limited	UK	News America Incorporated	USA
HarperCollins Publishers Pty. Limited	Aust	News America In-Store, Inc.	USA
Marshall Pickering Holdings Limited	UK	News America Magazines, Inc.	USA
Poilokshields Printing Services Limited	UK	News America Marketing FSI, Inc.	USA
Thorsons Publishers Limited	UK	News America Marketing In-Store Services, Inc.	USA
Thorsons Publishing Group Limited	UK	News America Marketing Interactive, Inc.	USA
Times Books Group Limited	UK	News America Marketing Properties, Inc.	USA
Times Books Limited	UK	News America Real Estate, Inc.	USA
Unwin Hyman Limited	UK	News Bulgaria, Inc.	USA
William Collins Holdings Limited	UK	News Digital Media, Inc.	USA
William Collins International Limited	UK	News Group / Times Newspapers U.K., Inc.	USA
William Collins Sons & Company Limited	UK	News Group Realty Corporation	USA
		News In-Flight Network Company	USA
NEWS PUBLISHING AUSTRALIA LIMITED	USA	News Limited of Australia, Inc.	USA
ASkyB Holdings, Inc.	USA	News Marketing Canada Corp.	Canada
Austair, Inc.	USA	News PLD Holdings, Inc.	USA
Balkan News Corporation AD	Bulgaria	News PLD LLC	USA
Blue Sky Studios, Inc.	USA	News Romania Inc.	USA
Broadsystem Incorporated	USA	News Sports Programming, Inc.	USA
DLO Corporation	USA	News T Investments, Inc.	USA
epartners Limited	USA	News T Magazines, Inc.	USA
Evergreen Trading Co, Inc.	USA	News T Operations, Inc.	USA
FEG Holdings, Inc.	USA	News Television Romania S.r.l.	Romania
Fox Studios East, Inc.	USA	News Triangle Finance, Inc.	USA
Fox TV 10 Holdings, Inc.	USA	News TV Romania B.V.	Netherlands
Heritage Broadcasting Group, Inc.	USA	Newsflight II, Inc.	USA
Heritage GP, Inc.	USA	Newsflight, Inc.	USA

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Company	Country of Incorporation	Percent Ownership
NYP Holdings, Inc.	USA	Entities controlled by The News Corporation Limited in		
NYP Realty Corporation	USA	which the ordinary share capital is not wholly owned by the		
Omini Holdings, Inc.	USA	group are:		
Repaca, Inc.	USA	AH AU Pty. Limited	Aust	62.50%
Rugged Limited	Bermuda	AH CB Pty. Limited	Aust	72.00%
San Antonio Film Features, Inc.	USA	AH CR Pty. Limited	Aust	62.50%
SESLA, Inc.	USA	AH WR Pty. Limited	Aust	62.50%
Sky Entertainment Latin America, LLC	USA	Channel [V] Music Networks Limited Partnership	HK	74.00%
Sky Global Networks, Inc.	USA	Microtrans Limited	UK	80.00%
Sky Latin America, LLC	USA	Natural History Limited	NZ	80.00%
Smart Source Direct, Inc.	USA	New Found International Limited	BVI	95.00%
Sports Team Analysis and Tracking System of Missouri, Inc.	USA	News Broadcasting Japan KK	Japan	80.00%
TENC, Inc.	USA	Post Courier Limited	PNG	62.50%
The Express-News Corporation	USA	Rawkus Entertainment LLC	USA	80.00%
TV 10 B.V.	Netherlands	Sky Radio B.V.	Netherlands	71.50%
TV 10 Holdings, LLC	USA	Sky Radio Limited	UK	71.50%
Very Imaginative Pictures, Inc.	USA	South Pacific Post Pty. Limited	PNG	62.50%
World League of American Football II, LLC	USA	Tianjin Golden Mainland Development Co Limited	China	60.00%
World League of American Football, LLC	USA	19th Holdings Corporation	USA	82.76%
World Printing Company, Inc.	USA	21st Century Fox Film Corporation	USA	82.76%
		Aktiebolaget Fox Film	USA	82.76%
		Ameristar Music Publishing Co.	USA	82.76%
		Auction Media Ventures, LLC	USA	82.76%
		Baal Productions, Inc.	Cayman Islands	82.76%
		Baja Holdings, Inc.	USA	82.76%
		Baja Studios, Inc.	USA	82.76%
		Bazmark Film Pty. Limited	Aust	82.76%
		Because He Can Productions, Inc.	USA	82.76%
		Bob Productions, Inc.	USA	82.76%
		British Movietone Limited	UK	82.76%
		BST, S.A. de C.V.	Mexico	82.76%
		Camp Management Incorporated, S.A.	Dominican Republic	78.62%
		Cannell Entertainment, Inc.	USA	82.76%
		Cannell Production Services, Inc.	Canada	82.76%
		CBS/Fox French Film Licensing Corporation	USA	82.76%
		Centfox Film GmbH	Austria	82.76%
		Centfox Film, GESmbH	Austria	82.76%
		Cinemas Fox-Severiano Ribeiro Limited	Brazil	82.76%

** Companies of which firms other than Arthur Andersen or its affiliates have acted as auditors.
BVI represents British Virgin Islands.

Notes to and forming part of the Full Financial Report

for the year ended 30 June, 2000

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Percent Ownership	Company	Country of Incorporation	Percent Ownership
Cinemascope Products, Inc.	USA	82.76%	Fox Film A/S	Norway	82.76%
Constance Music, Inc.	USA	82.76%	Fox Film ApS	Denmark	82.76%
Cotton Cage Productions, Inc.	USA	82.76%	Fox Film de Cuba S.A.	Cuba	82.76%
D.A.W. Productions, Inc.	USA	82.76%	Fox Film de la Argentina S.A.	Argentina	82.76%
Deliberate Intent Productions Ltd.	Canada	82.76%	Fox Film Do Brasil Ltda.	Brazil	82.76%
Deliberate Intent, Inc.	USA	82.76%	Fox Film Music Corporation	USA	82.76%
Deluxe Laboratories Film Storage, Inc.	USA	82.76%	Fox Filmed Entertainment Australia Pty. Limited	Aust	82.76%
Digital Leaseholds, Inc.	USA	82.76%	Fox Hockey Holdings, LLC	USA	82.76%
Dobson Music Corp.	USA	82.76%	Fox Home Entertainment Ltd.	UK	82.76%
Dodgertown, Inc.	USA	78.62%	Fox Home Entertainment Worldwide L.L.C.	USA	82.76%
Dolittle Productions, Inc.	USA	82.76%	Fox Interactive Ltd.	UK	82.76%
Drive-In Cinemas Limited	Kenya	82.76%	Fox Interactive, Inc.	USA	82.76%
Echoes in the Darkness Productions, Inc.	Canada	82.76%	Fox Interamericana S.A.	Mexico	82.76%
EFL Licensing, Inc.	USA	82.76%	Fox International Equity, Inc.	USA	82.76%
Emmett Street Films, Inc.	USA	82.76%	Fox International, Inc.	USA	82.76%
Evergreen Television Production, Inc.	USA	82.76%	Fox Japan Movie Channels, Inc.	USA	82.76%
F4 Productions, Inc.	USA	82.76%	Fox Japan Television Programming Services, Inc.	USA	82.76%
FA Productions, Inc.	USA	82.76%	Fox Lane Productions, Inc.	USA	82.76%
FBC Sub, Inc.	USA	82.76%	Fox LAPT V LLC	USA	82.76%
FEG Finco, Inc.	USA	82.76%	Fox Latin American Channel, Inc.	USA	82.76%
FEG Ventures Holdings, Inc.	USA	82.76%	Fox Moore Park Pty. Limited	Aust	82.76%
Final Stretch Productions, Inc.	USA	82.76%	Fox Motion Picture Venture No. 1, Inc.	USA	82.76%
Fit TV Holdings, LLC	USA	82.76%	Fox Movie Channel, Inc.	USA	82.76%
FLAC Worldwide LLC	USA	82.76%	Fox Movietonews, Inc.	USA	82.76%
Four Star Entertainment Corp.	USA	82.76%	Fox Music, Inc.	USA	82.76%
Four Star International, Inc.	USA	82.76%	Fox Net, Inc.	USA	82.76%
Fourtel Music Publishing Company	USA	82.76%	Fox News Holdings, Inc.	USA	82.76%
Fox Animation Los Angeles, Inc.	USA	82.76%	Fox News Network, LLC	USA	82.76%
Fox Animation Studios, Inc.	USA	82.76%	Fox News Productions, Inc.	USA	82.76%
Fox Australia Investments Pty. Limited	Aust	82.76%	Fox News Service, Inc.	USA	82.76%
Fox Australia Pty. Limited	Aust	82.76%	Fox News, Inc.	USA	82.76%
Fox Baseball Holdings, Inc.	USA	78.62%	Fox Nitetime Prods., Inc.	USA	82.76%
Fox Basketball Holdings, LLC	USA	82.76%	Fox On Air Music, Inc.	USA	82.76%
Fox Broadcast Music, Inc.	USA	82.76%	Fox Partnership Investment Pty. Limited	Aust	82.76%
Fox Broadcasting Company	USA	82.76%	Fox Pathe Home Entertainment Limited	UK	82.76%
Fox Broadcasting Sub, Inc.	USA	82.76%	Fox Pay - Per - View Services, Inc.	USA	82.76%
Fox Center Productions, Inc.	USA	82.76%	Fox Production Services Australia Pty. Limited	Aust	82.76%
Fox Channels Services, LLC	USA	82.76%	Fox Professional Services 3, LLC	USA	82.76%
Fox Circle Productions, Inc.	USA	82.76%	Fox Professional Services, LLC	USA	82.76%
Fox Daytime Prods., Inc.	USA	82.76%	Fox Records, Inc.	USA	82.76%
Fox Development Group, Inc.	USA	82.76%	Fox Regional Sports Holdings II, Inc.	USA	82.76%
Fox East Productions, Inc.	USA	82.76%	Fox Regional Sports Holdings, Inc.	USA	82.76%
Fox Entertainment Group, Inc.	USA	82.76%			

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Percent Ownership	Company	Country of Incorporation	Percent Ownership
Fox Regional Sports Member II, Inc.	USA	82.76%	Fox Studio Operations Pty. Limited	Aust	82.76%
Fox Regional Sports Member, Inc.**	USA	82.76%	Fox Television Animation, Inc.	USA	82.76%
Fox Searchlight Pictures, Inc.	USA	82.76%	Fox Television Australia Pty. Limited	Aust	82.76%
Fox Services, Inc.	USA	82.76%	Fox Television Holdings, Inc.	USA	82.76%
Fox Software, Inc.	USA	82.76%	Fox Television Stations of Birmingham, Inc.	USA	82.76%
Fox Sports Arena, LLC	USA	82.76%	Fox Television Stations of Philadelphia, Inc.	USA	82.76%
Fox Sports Basketball, LLC	USA	82.76%	Fox Television Stations, Inc.	USA	82.76%
Fox Sports CNS, LLC	USA	82.76%	Fox Television Studios Productions, Inc.	USA	82.76%
Fox Sports Hockey, LLC	USA	82.76%	Fox Television Studios, Inc.	USA	82.76%
Fox Sports Net Ad Sales Holdings, LLC	USA	82.76%	Fox Transactional TV, Inc.	USA	82.76%
Fox Sports Net Arizona, LLC	USA	82.76%	Fox Tunes, Inc.	USA	82.76%
Fox Sports Net Baseball, LLC	USA	82.76%	Fox Unit Investment Pty. Limited	Aust	82.76%
Fox Sports Net Bay Area Holdings, LLC	USA	82.76%	Fox Video International Corporation	USA	82.76%
Fox Sports Net Canada Holdings, LLC	USA	82.76%	Fox West Pictures, Inc.	USA	82.76%
Fox Sports Net Chicago Holdings, LLC	USA	82.76%	Fox West Sports Member, Inc.	USA	82.76%
Fox Sports Net Detroit, LLC	USA	82.76%	Fox Worldwide Telecommunications LLC	USA	82.76%
Fox Sports Net Distribution, LP	USA	82.76%	Fox Worldwide Television LLC	USA	82.76%
Fox Sports Net Finance, Inc.	USA	82.76%	Fox Worldwide Theatrical LLC	USA	82.76%
Fox Sports Net Financing, LLC	USA	82.76%	Foxfilmes Limitada	Portugal	82.76%
Fox Sports Net Minnesota Holdings, LP	USA	82.76%	Foxlab, Inc.	USA	82.76%
Fox Sports Net Minnesota, LLC	USA	82.76%	Fox-NGC Holdings, Inc.	USA	82.76%
Fox Sports Net National Ad Sales Holdings, LLC	USA	82.76%	FoxStar Productions, Inc.	USA	82.76%
Fox Sports Net National Network Holdings, LLC	USA	81.93%	FoxVideo International Distribution, Inc.	USA	82.76%
Fox Sports Net Northwest Holdings, LP	USA	82.76%	FoxVideo New Zealand Limited	NZ	82.76%
Fox Sports Net Northwest, G.P.	USA	82.76%	FoxView, Inc.	USA	82.76%
Fox Sports Net Pittsburgh, LP	USA	82.76%	FRSM Arizona, Inc.	USA	82.76%
Fox Sports Net Utah, LLC	USA	82.76%	FRSM Canada, Inc.	USA	82.76%
Fox Sports Net West 2, LLC	USA	82.76%	FRSM Central Services, Inc.	USA	82.76%
Fox Sports Net West Holdings, LLC	USA	82.76%	FRSM Distribution, Inc.	USA	82.76%
Fox Sports Net West, LP	USA	82.76%	FRSM FX, Inc.	USA	82.76%
Fox Sports Net, LLC	USA	82.76%	FRSM Network Programming, Inc.	USA	82.76%
Fox Sports Networks, LLC	USA	82.76%	FRSM Southeast, Inc.	USA	82.76%
Fox Sports NGC, LLC	USA	82.76%	FRSM Sunshine, Inc.	USA	82.76%
Fox Sports OLN, LLC	USA	82.76%	FRSM Utah, Inc.	USA	82.76%
Fox Sports Productions, Inc.	USA	82.76%	FRSM West, Inc.	USA	82.76%
Fox Sports Regional News, LLC	USA	82.76%	FRT Productions, Inc.	USA	82.76%
Fox Sports RPP Holdings, LLC	USA	82.76%	FSO Productions, Inc.	USA	82.76%
Fox Sports SV, LLC	USA	82.76%	FST Advertising, Inc.	USA	82.76%
Fox Sports Ventures Productions, LLC	USA	82.76%	FTS Boston, Inc.	USA	82.76%
Fox Sports Ventures, LLC	USA	82.76%	FTS Investments, Inc.	USA	82.76%
Fox Square Productions (Canada), Inc.	USA	82.76%	FTS North Carolina, Inc.	USA	82.76%
Fox Square Productions, Inc.	USA	82.76%	FTS Philadelphia, Inc.	USA	82.76%
			FWA Productions, Inc.	USA	82.76%

Notes to and forming part of the Full Financial Report

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NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Percent Ownership	Company	Country of Incorporation	Percent Ownership
fx Holdings, Inc.	USA	82.76%	Liberty Productions, Inc.	USA	82.76%
FX Networks, LLC	USA	82.76%	Library Holdings, Inc.	USA	82.76%
FX Productions, LLC	USA	82.76%	Looks At Productions, Inc.	USA	82.76%
Galaxy Way Finance Company, Inc.	USA	82.76%	Los Angeles Dodgers, Inc.	USA	78.62%
Galaxy Way Productions, Inc.	USA	82.76%	Marvel Music Groups, Inc.	USA	82.76%
Galileo Productions, Inc.	USA	82.76%	Mighty Marvel Music Corporation	USA	82.76%
GATV Productions, Inc.	USA	82.76%	Millennium Canadian Productions Limited	Canada	82.76%
Genesis Video Entertainment, Inc.	USA	82.76%	Millennium US Prodco, Inc.	USA	82.76%
Giant Bowling Pin Productions, Inc.	USA	82.76%	Mirror Pictures Corporation	USA	82.76%
Glen Avenue Films, Inc.	USA	82.76%	Monet Lane Prods., Inc.	USA	82.76%
Gold Key Entertainment, Inc.	USA	82.76%	Morning Glory Productions S.A. de C.V.	Mexico	82.76%
Gone Fission, Inc.	USA	82.76%	Movietonews, Inc.	USA	82.76%
Good Ghouls, Inc.	USA	82.76%	Moving Target Productions, Inc.	USA	82.76%
Greenleaves Productions, Inc.	USA	82.76%	MT 2 Services, Inc.	USA	82.76%
GTH-103, Inc.	USA	82.76%	MT 3 Services, Inc.	USA	82.76%
Guthy-Renker Holding Corporation	USA	82.76%	MT 4 Services, Inc.	USA	82.76%
Harmon Cove Productions, Inc.	USA	82.76%	MT Services, Inc.	USA	82.76%
Harsh Realm US Prodco, Inc.	USA	82.76%	MVP Video Productions, Inc.	USA	82.76%
Highgate Pictures, Inc.	USA	82.76%	NA Property Holdings, Inc.	USA	82.76%
Highgate Productions, Inc.	USA	82.76%	National Studios, Inc.	USA	82.76%
Hispano FoxFilm S.A.E.	Spain	82.76%	Natural History New Zealand Limited	NZ	82.76%
In-Cine Distributora Cinematografica, S.L.	Spain	82.76%	Netherlands Fox Film Corporation B.V.	Netherlands	82.76%
Janpra Productions, Inc.	USA	82.76%	New World Administration	USA	82.76%
Junior High Productions, Inc.	USA	82.76%	New World Animation, Limited	USA	82.76%
KDFW License, Inc.	USA	82.76%	New World Communications Group Incorporated	USA	82.76%
KDFW Television, Inc.	USA	82.76%	New World Communications of Atlanta, Inc.	USA	82.76%
KNSD License, Inc.	USA	82.76%	New World Communications of Detroit, Inc.	USA	82.76%
KSAZ License, Inc.	USA	82.76%	New World Communications of Kansas City, Inc.	USA	82.76%
KSAZ Television, Inc.	USA	82.76%	New World Communications of Milwaukee, Inc.	USA	82.76%
KTBC License, Inc.	USA	82.76%	New World Communications of Ohio, Inc.	USA	82.76%
KTBC Television, Inc.	USA	82.76%	New World Communications of St Louis, Inc.	USA	82.76%
KTVI License, Inc.	USA	82.76%	New World Communications of Tampa, Inc.	USA	82.76%
KTVI Television, Inc.	USA	82.76%	New World Distribution, Inc.	USA	82.76%
L.C. Holding Corp.	USA	82.76%	New World Entertainment, Limited	USA	82.76%
LAPTV A Corporation	USA	82.76%	New World International (Australia), Limited	USA	82.76%
LAPTV B Corporation	USA	82.76%	New World Knowledge, Inc.	USA	82.76%
Latin American Finance Company, Inc.	Cayman Islands	82.76%	New World Licensing, Inc.	USA	82.76%
Leap Off Productions, Inc.	USA	82.76%	New World Music Publishing Corp.	USA	82.76%
Learning Corporation of America	USA	82.76%	New World Pictures, Limited	USA	82.76%
Learning Corporation of America Films, Inc.	USA	82.76%			
Les Productions Fox Europa S.A.	France	82.76%			

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Percent Ownership	Company	Country of Incorporation	Percent Ownership
New World Song, Inc.	USA	82.76%	SC Productions, Inc.	USA	82.76%
New World Television (NWT) SRLA	France	82.76%	Schrodinger's Cat Productions, Inc.	USA	82.76%
New World Television Incorporated	USA	82.76%	SCI Sub 1 Incorporated	USA	82.76%
New World Television Productions, Inc.	USA	82.76%	SCI Subsidiary Corporation	USA	82.76%
New World Television Programming	USA	82.76%	SCPI, Inc.	USA	82.76%
New World Video	USA	82.76%	Servicios BST, S.A. de C.V.	Mexico	82.76%
New World/Genesis Distribution	USA	82.76%	Shadow In The Sun USA	USA	82.76%
News From The Edge, Inc.	USA	82.76%	Shoot the Horse Productions, Inc.	USA	82.76%
News Germany Holdings GmbH	Germany	82.76%	Small Cages Productions, Inc.	USA	82.76%
News Preferred Finance, Inc.	USA	82.76%	SOB Productions, Inc.	USA	82.76%
NF Productions, Inc.	USA	82.76%	Sports Geniuses, Inc.	USA	82.76%
NGC-Network International LLC	USA	82.76%	Sports One, LLC	USA	82.76%
Northgate Productions, Inc.	USA	82.76%	Springwood Productions, Inc.	USA	82.76%
NW Communications of Austin, Inc.	USA	82.76%	Sprocket Music, Inc.	USA	82.76%
NW Communications of Phoenix, Inc.	USA	82.76%	STF Productions, Inc.	USA	82.76%
NW Communications of San Diego, Inc.	USA	82.76%	Strange World Productions, Inc.	USA	82.76%
NW Communications of Texas, Inc.	USA	82.76%	Strike-A-Match Productions, Inc.	USA	82.76%
NW Management Incorporated	USA	82.76%	Stronghold, Inc.	USA	82.76%
NW Programs Incorporated	USA	82.76%	Studios De La Playa, S.A. de C.V.	Mexico	82.76%
NWC Acquisition Corporation	USA	82.76%	TCF Canadian TV Enterprises, Inc.	USA	82.76%
NWC Holdings Corporation	USA	82.76%	TCF Digital Holdings, Inc.	USA	82.76%
NWC Intermediate Holdings Corporation	USA	82.76%	TCF Distributing, Inc.	USA	82.76%
NWC Management Corporation	USA	82.76%	TCF Harsh Realm Productions, Inc.	USA	82.76%
NWC Sub I Holdings Corporation	USA	82.76%	TCF Music Publishing, Inc.	USA	82.76%
NWC Sub II Holdings Corporation	USA	82.76%	TCF Speed II Productions, Inc.	USA	82.76%
NWCG Holdings Corporation	USA	82.76%	TCFC Film Distribution Company B.V.	Netherlands	82.76%
NWE Acquisition Inc.	USA	82.76%	TCFTV Canadian Productions, Inc.	USA	82.76%
NWE Holdings Corporation	USA	82.76%	TCFTV Canadian Services, Inc.	USA	82.76%
NWE Sub I Incorporated	USA	82.76%	TCFTV CanPro II, Inc.	Canada	82.76%
NWTV Intermediate Holdings Corporation	USA	82.76%	TCFTV CanPro, Inc.	USA	82.76%
O/Y Fox Film A/B	Finland	82.76%	TCFTV US Prodco #1, Inc.	USA	82.76%
On the Blocks Pty. Limited	Aust	82.76%	TCFTV US Prodco #2, Inc.	USA	82.76%
P&T Productions, Inc.	USA	82.76%	TCFTV Van II Services Limited	Canada	82.76%
Panoramic Productions, Inc.	USA	82.76%	TCFTV Van Services Limited	Canada	82.76%
Pico Films, Inc.	USA	82.76%	The Fox Interactive Store, Inc.	USA	82.76%
Plaid Jacket Productions, Inc.	USA	82.76%	The Fox Store, Inc.	USA	82.76%
President Video Limited	UK	82.76%	The Greenblatt Janollari Studio, Inc.	USA	82.76%
Prime Time Media, Inc.	USA	82.76%	Tour of Duty Productions, Inc.	USA	82.76%
Rags Productions, Inc.	USA	82.76%	TVF II Productions, Inc.	USA	82.76%
Ray Tracing Films, Inc.	USA	82.76%	TVF Productions, Inc.	USA	82.76%
Rewind Music, Inc.	USA	82.76%	TVM Productions, Inc.	USA	82.76%
Say It Isn't So Productions, Inc.	USA	82.76%	TVP Productions, Inc.	USA	82.76%

Notes to and forming part of the Full Financial Report

for the year ended 30 June, 2000

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Percent Ownership	Company	Country of Incorporation	Percent Ownership
TVT License, Inc.	USA	82.76%	Twentieth Century Fox Home Entertainment Italy	Italy	82.76%
Twentieth Century Fox (Far East), Inc.	USA	82.76%	Twentieth Century Fox Home Entertainment Japan KK	Japan	82.76%
Twentieth Century Fox A/O	Russian Federation	82.76%	Twentieth Century Fox Home Entertainment Korea	Korea	82.76%
Twentieth Century Fox Canada Limited	Canada	82.76%	Twentieth Century Fox Home Entertainment Latin America, Inc.	Cayman Islands	82.76%
Twentieth Century Fox Chile, Inc.	USA	82.76%	Twentieth Century Fox Home Entertainment Latin America, Inc.	USA	82.76%
Twentieth Century Fox Columbia Tristar (Switzerland) S.A.	Switzerland	82.76%	Twentieth Century Fox Home Entertainment Limited	UK	82.76%
Twentieth Century Fox Distributing Corporation	USA	82.76%	Twentieth Century Fox Home Entertainment Middle East, Inc.	USA	82.76%
Twentieth Century Fox Film (East) Private Limited	Singapore	82.76%	Twentieth Century Fox Home Entertainment South Pacific Pty. Limited	Aust	82.76%
Twentieth Century Fox Film (Malaya) Sendirian Berhad	Malaysia	82.76%	Twentieth Century Fox Home Entertainment Taiwan, Inc.	USA	82.76%
Twentieth Century Fox Film Belge S.A.	Belgium	82.76%	Twentieth Century Fox Home Entertainment, Inc.	USA	82.76%
Twentieth Century Fox Film Company (Export) Limited	UK	82.76%	Twentieth Century Fox Hong Kong, Inc.	USA	82.76%
Twentieth Century Fox Film Company Limited	UK	82.76%	Twentieth Century Fox Import Coporation	USA	82.76%
Twentieth Century Fox Film Company Services Limited	UK	82.76%	Twentieth Century Fox India, Inc.	USA	82.76%
Twentieth Century Fox Film Corporation	USA	82.76%	Twentieth Century Fox Inter-America, Inc.	USA	82.76%
Twentieth Century Fox Film Corporation (Australia) Pty. Limited	Aust	82.76%	Twentieth Century Fox International Corporation	USA	82.76%
Twentieth Century Fox Film de Mexico, S.A.	Mexico	82.76%	Twentieth Century Fox International Limited	UK	82.76%
Twentieth Century Fox Film Distributors Pty. Limited	Aust	82.76%	Twentieth Century Fox International Telecommunications Distribution, Inc.	USA	82.76%
Twentieth Century Fox Film Netherlands B.V.	Netherlands	82.76%	Twentieth Century Fox International Television Distribution, Inc.	USA	82.76%
Twentieth Century Fox Films S.A.	Panama	82.76%	Twentieth Century Fox International Television, Inc.	USA	82.76%
Twentieth Century Fox France, Inc.	USA	82.76%	Twentieth Century Fox International Television, Inc.	Italy	82.76%
Twentieth Century Fox Home Entertainment Australia Pty. Limited	Aust	82.76%	Twentieth Century Fox International Theatrical Distribution, Inc.	USA	82.76%
Twentieth Century Fox Home Entertainment B.V.	Netherlands	82.76%	Twentieth Century Fox Italy S.p.A., Inc.	USA	82.76%
Twentieth Century Fox Home Entertainment Canada Limited	Canada	82.76%	Twentieth Century Fox Korea, Inc.	Korea	82.76%
Twentieth Century Fox Home Entertainment de Mexico S.A. de C.V.	Mexico	82.76%	Twentieth Century Fox Latin America Theatrical, Inc.	Cayman Islands	82.76%
Twentieth Century Fox Home Entertainment Espana S.A.	Spain	82.76%	Twentieth Century Fox Licensing & Merchandising Limited	UK	82.76%
Twentieth Century Fox Home Entertainment France	France	82.76%			
Twentieth Century Fox Home Entertainment Germany GmbH	Germany	82.76%			

NOTE 30 CONTROLLED ENTITIES (CONTINUED)

Company	Country of Incorporation	Percent Ownership	Company	Country of Incorporation	Percent Ownership
Twentieth Century Fox Merchandise Store, Inc.	USA	82.76%	Twenty-First Century Fox Mexico, S.A. de C.V.	Mexico	82.76%
Twentieth Century Fox of Germany GmbH	Germany	82.76%	Twenty-First Century Fox Varieties, Inc.	USA	82.76%
Twentieth Century Fox Pakistan, Inc.	USA	82.76%	Van Ness Films, Inc.	USA	82.76%
Twentieth Century Fox Pay Television (Australia) Pty. Limited	Aust	82.76%	Venue Merchandising, Inc.	USA	78.62%
Twentieth Century Fox Peruana S.A.	Peru	82.76%	VNE, Inc.	USA	82.76%
Twentieth Century Fox Philippines, Inc.	Philippines	82.76%	WAGA License, Inc.	USA	82.76%
Twentieth Century Fox Productions Limited	UK	82.76%	WBRC and WGHP Holdings Corporation	USA	82.76%
Twentieth Century Fox Puerto Rico, Inc.	Puerto Rico	82.76%	WBRC and WGHP Television Corporation	USA	82.76%
Twentieth Century Fox Studio Club	USA	82.76%	WBR License, Inc.	USA	82.76%
Twentieth Century Fox Telecommunications International, Inc.	USA	82.76%	WDAF License, Inc.	USA	82.76%
Twentieth Century Fox Television Limited	UK	82.76%	WDAF Television, Inc.	USA	82.76%
Twentieth Century Fox Thailand, Inc.	USA	82.76%	Wedron Silica Company	USA	82.76%
Twentieth Century Fox Titanic Productions, Inc.	USA	82.76%	West End Circle Studios, Inc.	USA	82.76%
Twentieth Century Fox Trinidad Limited	Trinidad	82.76%	Westgate Productions, Inc.	USA	82.76%
Twentieth Century Fox Worldwide Productions, Inc.	USA	82.76%	WFXT, Inc.	USA	82.76%
Twentieth Century Fox, Inc. U.S.A. (Taiwan)	USA	82.76%	WGHP License, Inc.	USA	82.76%
Twentieth Century Fox/Motion Television Distribution, Inc.	Canada	82.76%	WITI License, Inc.	USA	82.76%
Twentieth Television, Inc.	USA	82.76%	WJBK License, Inc.	USA	82.76%
Twenty First Century Fox Film Corporation	Canada	82.76%	WJW License, Inc.	USA	82.76%
Twenty-First Century Film Corporation	USA	82.76%	World War III Productions, Inc.	USA	82.76%
Twenty-First Century Fox Corporation	USA	82.76%	X-F Productions, Inc.	UK	80.2%
Twenty-First Century Fox Film Company Limited	UK	82.76%	NDS GROUP plc.	UK	80.2%
Twenty-First Century Fox Film Corporation of Germany GmbH	Germany	82.76%	Digi Media Vision Limited	USA	80.2%
Twenty-First Century Fox Film Distributors Pty. Limited	Aust	82.76%	NDS Americas, Inc.	UK	80.2%
Twenty-First Century Fox Italy S.r.l.	Italy	82.76%	NDS Asia Pacific Limited	UK	80.2%
			NDS Asia Pacific (Hong Kong & Thailand Branch)	HK	80.2%
			NDS Asia Pacific Pty. Limited	Aust	80.2%
			NDS Limited	UK	80.2%
			NDS Marketing Israel Limited	Israel	80.2%
			NDS Technologies Israel Limited	Israel	80.2%
			News Datacom Limited	UK	80.2%

Deed of cross guarantee

Companies marked with # are parties to a deed of cross guarantee which has been lodged with and approved by the Australian Securities and Investment Commission ("ASIC"). Under the deed of cross guarantee each of the companies guarantees the debts of the other named companies. Additionally, as a result of the class order issued by ASIC these companies are relieved from the requirement to prepare and have audited separate accounts. The aggregate assets and liabilities of the above named companies as at 30 June, 2000 and 1999, and their aggregate net profits after tax for the years then ended (after eliminating intercompany investments and other intercompany transactions) are as follows:

Assets	20,800	9,034
Liabilities	1,554	2,491
Net operating profit	7,436	364

Exhibit 3
Cruden Investments Pty. Limited
Annual Return

registered agent number 10323
 lodging party or agent name EVANS BOCEARAN
 address GPO BOX 4377 QQ
 MELBOURNE VIC 3001
 DX no DX location

Electronic lodgement
 Document No. 085203367
 Lodgement datetime 12/12/2000 13:08:39
 Message trace no. 36120001211161424

Please indicate if the company is one of the following:

Home Unit Company Superannuation Trustee Company Non-profit Company



Australian Securities and Investments Commission

form 316

Annual Return of a company

Corporations Law
345, 346, 347, 348

Has a financial report been lodged with ASIC in the 12 month period prior to the date of lodgement of this return? yes no

Declaration

This declaration must be signed by a current director or secretary of the company.

I declare (a) that the information given on this Annual Return and any annexures is complete and correct at the date of signing

(b) that within the period of one month prior to lodgement of this return the directors of the company have resolved that they are of the opinion that there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

name EVANS, IAN LEONARD

date 12/12/2000 capacity SECRETARY

1 company name CRUDEN INVESTMENTS PTY. LIMITED

Australian Company Number 004 251 058

2 Annual Return year 2000

3 registered office address IAN L EVANS
LEVEL 2
306 LITTLE COLLINS STREET
MELBOURNE VIC 3000

Has there been a change in registered office address since the last notification? yes no
date of change (d/m/y)

Does the company occupy the premises specified as the address of the registered office? yes no

if no name of occupier

The occupier of the premises has consented in writing to the use of the specified address as the address of the registered office of the company and has not withdrawn that consent.

4 principal place of business IAN L EVANS
LEVEL 2
306 LITTLE COLLINS STREET
MELBOURNE VIC 3000

Has there been a change in the principal place of business since the last notification? yes no
date of change (d/m/y)

5 ultimate holding company name KAYAREM PTY LIMITED

A.C.N. or A.R.B.N. 008 483 261 Place of incorporation

6 company officers

status CONTINUING - NO CHANGES
 name ANGELO, JESSE
 address 10TH FLOOR, 1211 AVENUE OF THE AMERICAS
 NEW YORK NY USA
 birth details 23/08/1973 NEW JERSEY USA
 office DIRECTOR

status CONTINUING - NO CHANGES
 name BETSIS, GEORGE
 address JUNIPER HALL
 248 OXFORD STREET
 PADDINGTON NSW 2021
 birth details 05/10/1959 SYDNEY NSW
 office DIRECTOR

status CONTINUING - NO CHANGES
 name CONRAD, HENRIETTA
 address 38 NEWTON ROAD
 LONDON UK UNITED KINGDOM
 birth details 28/11/1963 LONDON UNITED KINGDOM
 office DIRECTOR

status CONTINUING - NO CHANGES
 name DEVOE, DAVID FRANCIS
 address 110 VAN BRUNT MANOR ROAD
 POQUOTTI NEW YORK USA
 birth details 05/01/1947 NEW YORK USA
 office DIRECTOR

status CONTINUING - NO CHANGES
 name EVANS, IAN LEONARD
 address 17 HOWARD STREET
 GLEN IRIS VIC 3146
 birth details 24/04/1944 EAST MELBOURNE VIC
 office SECRETARY

status CONTINUING - NO CHANGES
 name LITTLE, CLIVE
 address 123 GIPPS STREET
 EAST MELBOURNE VIC 3002
 birth details 07/12/1933 SHEPPARTON VIC
 office DIRECTOR

status CONTINUING - NO CHANGES
 name MANNIX, JOHN EDWARD
 address 8 CLARENCE STREET
 BURWOOD NSW 2134
 birth details 25/10/1952 SYDNEY NSW
 office DIRECTOR

status CONTINUING - NO CHANGES
 name OLDFIELD, RICHARD
 address DODDINGTON PLACE
 DODDINGTON, NEAR SITTINGBOURNE
 KENT UK UNITED KINGDOM
 birth details 11/10/1955 LONDON UNITED KINGDOM
 office DIRECTOR

status CONTINUING - NO CHANGES
 name SISKIND, ARTHUR MICHAEL
 address 17 EAST 73RD STREET
 NEW YORK USA
 birth details 11/10/1938 NEW YORK USA
 office DIRECTOR

7 Issued shares and options

class code	description, full title of share
A	A CLASS
A1	A CLASS \$1.15
B	B CLASS
B1	B CLASS \$1.15

class code	shares			options
	total number issued	total amount paid	total amount unpaid	Number of unissued shares subject to options
A	627366365	1254732730.00	0.00	
A1	71307236	82003330.25	0.00	
B	311476675	622953350.00	0.00	
B1	28795325	33114623.75	0.00	

8 List of members (shareholders)

member's full name and address or name and address of executor/s where applicable	class code (see item 7)	total number of shares held	Are shares fully paid?	is the member the beneficial owner of the shares?
shareholding member A.C.N./A.R.B.N. member name address 008 483 261 KAYAREM PTY. LIMITED LEVEL 9, NATIONAL MUTUAL CENTRE 15 LONDON CIRCUIT CANBERRA ACT 2600	A	287028360	Y	Y
shareholding member A.C.N./A.R.B.N. member name address 008 657 252 CRUDEN HOLDINGS PTY. LIMITED IAN L EVANS LEVEL 2 306 LITTLE COLLINS STREET MELBOURNE VIC 3000	A	240283205	Y	Y
shareholding member A.C.N./A.R.B.N. member name address 054 067 793 CRUDEN NOMINEES PTY. LIMITED IAN L EVANS LEVEL 2 306 LITTLE COLLINS STREET MELBOURNE VIC 3000	A	100054800	Y	N
shareholding member A.C.N./A.R.B.N. member name address 008 657 261 ACTRAINT NO 119. PTY. LIMITED AND KRITH RUPERT MURDOCH LEVEL 9 15 LONDON CIRCUIT CANBERRA ACT 2601	A1	71307235	Y	N
shareholding member A.C.N./A.R.B.N. member name address 008 483 261 KAYAREM PTY. LIMITED LEVEL 9, NATIONAL MUTUAL CENTRE 15 LONDON CIRCUIT CANBERRA ACT 2600	A1	1	Y	N
shareholding member A.C.N./A.R.B.N. member name 008 483 261 KAYAREM PTY. LIMITED	B	142670000	Y	Y

B list of members (shareholders) (continued)

member's full name and address or name and address of executor/s where applicable	class code (see item 7)	total number of shares held	Are shares fully paid?	Is the member the beneficial owner of the shares?
address LEVEL 9, NATIONAL MUTUAL CENTRE 15 LONDON CIRCUIT CANBERRA ACT 2600				
shareholding member A.C.N./A.R.B.N. 054 067 793	B	100607520	Y	N
member name CRUDEN NOMINEES PTY. LIMITED address IAN L EVANS LEVEL 2 306 LITTLE COLLINS STREET MELBOURNE VIC 3000				
shareholding member A.C.N./A.R.B.N. 008 657 252	B	68199155	Y	Y
member name CRUDEN HOLDINGS PTY. LIMITED address IAN L EVANS LEVEL 2 306 LITTLE COLLINS STREET MELBOURNE VIC 3000				
shareholding member A.C.N./A.R.B.N. 008 657 261	B1	28795325	Y	N
member name ACTRAINT NO 119. PTY. LIMITED AND KEITH RUPERT MURDOCH address LEVEL 9 15 LONDON CIRCUIT CANBERRA ACT 2601				

CERTIFICATE OF SERVICE

I, Angela J. Campbell, hereby certify that I have this 8th day of February, 2001, mailed by First Class mail, postage prepaid, a copy of the "Response to Amended Application of Fox and Chris-Craft" to the following:

John C. Quale
Skadden, Arps, Slate, Meagher & Flom, L.L.P.
1440 New York Avenue, NW
Washington, DC 20005

Marvin J. Diamond
Law Office of Marvin J. Diamond
464 Common Street, PMB 365
Belmont, MA 02478

William S. Reyner, Jr.
Hogan & Hartson, L.L.P.
Columbia Square
555 Thirteenth Street, NW
Washington, DC 20004

The Honorable Michael K. Powell, Chairman*
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

The Honorable Harold Furchtgott-Roth*
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

The Honorable Susan Ness*
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

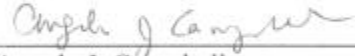
The Honorable Gloria Tristani*
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Roy Stewart, Chief*
Mass Media Bureau
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Susan Fox, Deputy Chief*
Mass Media Bureau
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Barbara A. Kreisman, Chief*
Video Services Division, Mass Media Bureau
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Clay Pendarvis, Chief*
Television Branch, Mass Media Bureau
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554



Angela J. Campbell

*Hand delivered