

indemnification of Taxes or any similar contract or arrangement without regard to whether any such agreement could have a Company Material Adverse Effect other than agreements between members of the affiliated group of which the Company is the common parent under Section 1504 of the Code; (xii) neither the Company nor any of its subsidiaries have agreed, or is required to make, any adjustment under Section 481 of the Code; (xiii) the Company and each of its subsidiaries were not, at any time during the period specified in Section 897(c)(1)(A)(ii) of the Code, a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code without regard to whether such status could give rise to a Company Material Adverse Effect; and (xiv) there have been no redemptions by the Company or any of its subsidiaries since March 31, 1998 without regard to whether such redemptions could give rise to a Company Material Adverse Effect.

Section 3.15 Tax Matters. None of the Company or any of its affiliates has taken or agreed to take any action, has failed to take any action or knows of any fact, agreement, plan or other circumstance that is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code; provided, however, that the foregoing representation is made only as of the date hereof in the case of the Reverse Merger. The preceding sentence excludes all transactions contemplated by this Agreement.

Section 3.16 Title to Properties; Assets. Neither the Company nor any of its subsidiaries owns, or has any material interest in, (i) any material assets in Australia or (ii) any television, media or other broadcasting assets in Australia. Except as set forth in Section 3.16 of the Company Disclosure Schedule and, in each case as, individually or in the aggregate, (i) as of the date of this Agreement, would not materially adversely affect the operation of the broadcasting facilities of the Company's subsidiaries' New York, Los Angeles, San Francisco or Minneapolis television stations and (ii) would not have a Company Material Adverse Effect:

(a) Each of the Company and its subsidiaries has good, marketable fee simple title to its owned properties and assets or good and valid leasehold interests in all of its leasehold properties and assets together with full legal and practical access to all of its properties except for such as are no longer used or useful in the conduct of its businesses or as have been disposed of in the ordinary course of business. All such properties and assets, other than properties and assets in which the Company or any of its subsidiaries has a leasehold interest, are free and clear of all Liens.

(b) Each of the Company and its subsidiaries has complied with the terms of all leases to which it is a party and under which it is in occupancy, and all deeds in respect of property which it owns, and all such leases and deeds are in full force and effect. Section 3.16(b) of the Company Disclosure Schedule sets forth a description of (i) each lease to which it is a party relating to its television broadcasting, (ii) all other leases to which it is a party in which the annual rental payments exceed \$250,000 or which contemplate aggregate payments in excess of \$500,000 and (iii) each deed under which it is the owner; and a copy of each such lease or deed, as applicable, has previously been provided to Buyer. The Company and its subsidiaries enjoy peaceful and undisturbed possession under all such leases. There are no facts that would prevent Buyer or any of its subsidiaries from using or occupying all of the leased and owned property referred to in clauses (i), (ii) and (iii) above, after the Effective Time, in the same manner such leased and owned property is used or occupied by the Company or its subsidiaries immediately prior to the Effective Time.

(c) The assets of the Company and each of its subsidiaries constitute all of the properties, assets and rights forming a part of, used, held or intended to be used in, and all such properties, assets and rights as are necessary in, the conduct of the business as it is now being conducted and contemplated to be conducted by the Company and its subsidiaries. At all times since December 31, 1999, each of the Company and its subsidiaries has caused such assets to be maintained in accordance with good business practice, and all of such assets are in good operating condition and repair and are suitable for the purposes for which they are used and intended.

Section 3.17 Year 2000 Compliance.

(a) The Company has adopted a plan that it believes will cause Company Systems (as defined below) to be Company Year 2000 Compliant (as defined below) (such plan, as it may be amended, modified or supplemented from time to time being, the "Company Year 2000 Plan") in all material respects. The Company has taken, and between the date of this Agreement and the Effective Time will continue to take, all reasonable steps to implement the Company Year 2000 Plan with respect to the Company Systems.

(b) For purposes of this Section 3.17, (i) "Company Systems" shall mean all computer, hardware, software, systems, and equipment (including embedded microcontrollers in non-computer equipment) embedded within or required to operate the current products of the Company and its subsidiaries, and/or

material to or necessary for the Company and its subsidiaries to carry on their respective businesses as currently conducted; and (ii) "Company Year 2000 Compliant" means that Company Systems will (A) manage, accept, process, store and output data involving dates reasonably expected to be encountered in the foreseeable future and (B) accurately process date data from, into and between the 20th and 21st centuries and each date during the year 2000.

Section 3.18 Opinion of Financial Advisors. The Company has received the written opinion of Allen & Company Incorporated (the "Company Financial Advisor") on or prior to the date of this Agreement, to the effect that, as of the date of such opinion, the Merger Consideration is fair to the stockholders of the Company from a financial point of view, and the Company will deliver a copy of such opinion to Buyer promptly after the date of this Agreement.

Section 3.19 Vote Required. At the Stockholders' Meeting, the affirmative vote of a majority of the votes cast by all stockholders entitled to vote at the Stockholders' Meeting (including the holders of the Convertible Preferred Stock) voting together as a single class, and the majority vote of the holders of the Convertible Preferred Stock, voting as a separate class, are the only votes of the holders of any class or series of capital stock of the Company necessary to adopt this Agreement, after giving effect to the redemption of the Prior Preferred Stock required pursuant to Section 5.2 hereof.

Section 3.20 Brokers. The Company Financial Advisor has entered into a letter of engagement with the Company in connection with the Merger, a copy of which has previously been provided to Buyer. Except as disclosed in Section 3.20 of the Company Disclosure Schedule, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Merger based upon arrangements made by or on behalf of the Company other than as provided in a letter of engagement previously provided to Buyer.

Section 3.21 State Takeover Statutes. The Board of Directors of the Company has taken all action necessary to render inapplicable to the Merger and the transactions contemplated hereby the provisions of Section 203 of Delaware Law. To the knowledge of the Company, no other state takeover statute or similar statute or regulation applies or purports to apply to the Merger.

Section 3.22 BHC and UTV.

(a) As of the date of this Agreement, the authorized capital stock of (i) BHC consists of 200,000,000 shares of Class A Common Stock, par value

\$0.01 per share ("BHC Class A Shares"), 200,000,000 shares of Class B Common Stock, par value \$0.01 per share ("BHC Class B Shares"), and 50,000,000 shares of Preferred Stock, par value \$0.01 per share ("BHC Preferred Stock"), and (ii) UTV consists of 25,000,000 shares of Common Stock, par value \$0.10 per share ("UTV Common Shares"), and 1,000,000 shares of Preferred Stock, par value \$1.00 per share ("UTV Preferred Stock"). At the close of business on June 30, 2000, (i) 4,510,823 BHC Class A Shares were issued and outstanding, 18,000,000 BHC Class B Shares were issued and outstanding, no shares of BHC Preferred Stock were issued and outstanding, 9,486,173 UTV Common Shares were issued and outstanding and no shares of UTV Preferred Stock were issued and outstanding; (ii) (A) no shares were held by BHC in its treasury and (B) no shares were held by UTV in its treasury; and (iii) (X) no BHC Class A Shares and no BHC Class B Shares were reserved for issuance upon the exercise of outstanding options to purchase such shares and (Y) 234,570 UTV Common Shares were reserved for issuance upon the exercise of outstanding options to purchase such shares. Since January 31, 2000, no shares of capital stock of BHC or UTV have been issued except pursuant to exercise of options of UTV outstanding as of September 30, 1999 in accordance with the terms thereof. As of the date of this Agreement, except as set forth above, no shares of capital stock or other voting securities of BHC or UTV are issued, reserved for issuance or outstanding. As of the date of this Agreement, except as set forth above or in Section 3.22(a) of the Company Disclosure Schedule, there are no securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which BHC or any of its subsidiaries or UTV or any of its subsidiaries is a party or by which any of them is bound obligating BHC or any of its subsidiaries or UTV or any of its subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities of BHC or any of its subsidiaries or UTV or of any of its subsidiaries or obligating BHC or any of its subsidiaries or UTV or any of its subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. All outstanding shares of capital stock of BHC and UTV are duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There are no bonds, debentures, notes or other indebtedness of BHC, UTV or any of their respective subsidiaries, and no securities or other instruments or obligations of BHC, UTV or any of their respective subsidiaries the value of which is in any way based upon or derived from any capital or voting stock of BHC or UTV having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of BHC or UTV may vote. Except as set forth in Section 3.22(a) of the Company Disclosure Schedule, to the knowledge of the Company, as of the date of this Agreement, there are no outstanding contractual obligations of BHC or any of its subsidiaries or UTV or any of its subsidiaries (i) to repurchase, redeem or

otherwise acquire any shares of capital stock of BHC or UTV or (ii) to vote or to dispose of any shares of the capital stock of any of BHC's or UTV's subsidiaries.

(b) As of the date of this Agreement (i) the Company, directly or indirectly, owns 10,000 BHC Class A Shares, 18,000,000 BHC Class B Shares and no shares of BHC Preferred Stock, and (ii) BHC directly or indirectly, owns 5,509,027 UTV Common Shares.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF BUYER

Except as disclosed in its Annual Report on Form 20-F filed with the SEC on October 27, 1999, and the reports on Form 6-K filed with the SEC on November 3, 1999, February 15, 2000 and May 12, 2000, or in a separate disclosure schedule which has been delivered by Buyer to the Company prior to the execution of this Agreement (the "Buyer Disclosure Schedule") (each section of which qualifies the correspondingly numbered representation and warranty or covenant to the extent specified therein and such other representations and warranties or covenants to the extent a matter in such section is disclosed in such a way as to make its relevance to the information called for by such other representation and warranty or covenant readily apparent), Buyer hereby represents and warrants to the Company that:

Section 4.1 Organization and Qualification; Subsidiaries. Each of Buyer and its subsidiaries is a corporation or entity duly incorporated or formed, validly existing and, as applicable, in good standing, under the laws of its jurisdiction of incorporation or formation, and has the requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to have such power, authority and governmental approvals would not, individually or in the aggregate, have a Buyer Material Adverse Effect (as defined below). Each of Buyer and its subsidiaries is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing that would not, individually or in the aggregate, have a Buyer Material Adverse Effect. The term "Buyer Material Adverse Effect" means any change, effect or circumstance that is or is reasonably likely to be materially adverse to the business, operations, results of operations or

financial condition of Buyer and its subsidiaries taken as a whole, other than any change, effect or circumstance relating to or resulting from (i) general changes in the industry in which Buyer conducts business, (ii) changes in general economic conditions or securities markets in general or (iii) this Agreement or the transactions contemplated hereby or the announcement thereof.

Section 4.2 Charter Documents. Buyer has made available to the Company a complete and correct copy of the constitution, as amended to date, of Buyer. The constitution (or equivalent organizational documents) of Buyer and its subsidiaries are in full force and effect. Except as would not have a Buyer Material Adverse Effect, none of Buyer or its subsidiaries is in violation of any provision of its corporate charter documents (or equivalent organizational documents).

Section 4.3 Capitalization.

(a) No shares of capital stock of Buyer are owned by any subsidiary of Buyer. All outstanding shares of capital stock of Buyer are, when issued in accordance with the terms thereof, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There are no bonds, debentures, notes or other indebtedness of Buyer or any of its subsidiaries and no securities or other instruments or obligations of Buyer or any of its subsidiaries the value of which is in any way based upon or derived from any capital or voting stock of Buyer, having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of Buyer may vote. Except as set forth above, there are no contracts of any kind to which Buyer or any of its subsidiaries is a party or by which Buyer or any of its subsidiaries is bound obligating Buyer or any of its subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock of, or other equity or voting interests in, or securities convertible into, or exchangeable or exercisable for, shares of capital stock of, or other equity or voting interests in, Buyer or any of its subsidiaries or obligating Buyer or any of its subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right or contract. There are not any outstanding contractual obligations of Buyer or any of its subsidiaries to (i) repurchase, redeem or otherwise acquire any shares of capital stock of, or other equity or voting interests in, Buyer or any of its subsidiaries or (ii) vote or dispose of any shares of the capital stock of, or other equity or voting interests in, any of its subsidiaries. To the knowledge of Buyer as of the date of this Agreement, there are no irrevocable proxies and no voting agreements with respect to any shares of the capital stock or other voting securities of Buyer or any of its subsidiaries.

(b) All shares of Buyer Preferred Stock underlying the Buyer Shares to be issued in the Merger, when deposited with the Custodian in accordance with Section 1.5(a) hereof and the terms of the Deposit Agreement, will be duly authorized, validly issued, fully paid and nonassessable and free and clear of all Liens. Upon the due issuance by the Depositary of Buyer Shares evidencing Buyer Preferred Stock against the deposit of Buyer Preferred Stock in accordance with the terms of the Deposit Agreement, the Buyer Shares to be issued in the Merger will be duly authorized, validly issued, fully paid and non-assessable and free and clear of all Liens and persons in whose names the Buyer Shares are registered will be entitled to the rights of registered holders of Buyer Shares specified therein and in the Deposit Agreement, and the Buyer Shares will conform in all material respects to the description of the Buyer Shares set forth in the proxy statement dated July 10, 1997 of Heritage Media Corporation, which proxy statement was incorporated by reference into the Registration Statement on Form F-4 of Buyer. The Deposit Agreement has been duly and validly authorized by all necessary corporate action of Buyer, has been duly and validly executed and delivered by Buyer, and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights generally and by equitable principles to which the remedies of specific performance and injunctive and similar forms of relief are subject.

Section 4.4 Authority Relative to Agreement. Buyer and its subsidiaries have all necessary power and authority to execute and deliver this Agreement, to perform their obligations hereunder and to consummate the Merger and the other transactions contemplated hereby. The execution and delivery of this Agreement by Buyer and the consummation by Buyer and certain of its subsidiaries of the Merger and the other transactions contemplated hereby have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of Buyer or any of its subsidiaries are necessary to authorize the execution and delivery of this Agreement or to consummate the Merger and the other transactions contemplated hereby (other than any necessary stockholder approval of Buyer (as provided in Section 4.5(b) hereof) or of any publicly owned subsidiaries of Buyer in connection with Section 6.18 hereof, which shall be obtained in accordance with Section 6.2(b) hereof). This Agreement has been duly and validly executed and delivered by Buyer and, assuming the due authorization, execution and delivery by the Company, this Agreement constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. The Newco-FTH Agreement (as hereinafter defined), when executed and delivered by the parties thereto, will have been duly and validly executed and

delivered by such parties and, will constitute a legal, valid and binding obligation of such parties, enforceable against such parties in accordance with its terms.

Section 4.5 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement by Buyer does not, and the performance of this Agreement and the consummation of the Merger and the other transactions contemplated hereby by Buyer and its subsidiaries will not, (i) conflict with or violate the corporate charter documents (or equivalent organizational documents) of (A) Buyer or (B) any of its subsidiaries, (ii) assuming the consents, approvals and authorizations specified in Section 4.5(b) have been received and the waiting periods referred to therein have expired, and any condition precedent to such consent, approval, authorization, or waiver has been satisfied, conflict with or violate any Law or the Listing Rules (the "ASX Listing Rules") of the Australian Stock Exchange Limited ("ASX") applicable to Buyer or any of its subsidiaries or by which any property or asset of Buyer or any of its subsidiaries is bound or affected or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of Buyer or any of its subsidiaries pursuant to, any note, bond, mortgage, indenture or credit agreement, or, to Buyer's knowledge as of the date of this Agreement, any other, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Buyer or any of its subsidiaries is a party or by which Buyer or any of its subsidiaries or any property or asset of Buyer or any of its subsidiaries is bound or affected, except, in the case of clauses (i)(B), (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences of the type referred to above which would not have a Buyer Material Adverse Effect and would not prevent or materially delay the consummation of the Merger; provided, however, that for purposes of this Section 4.5(a), the definition of Buyer Material Adverse Effect shall be read so as not to include clause (iii) of the definition thereof.

(b) The execution and delivery of this Agreement by Buyer do not, and the performance of this Agreement by Buyer and the consummation of the Merger and the other transactions contemplated hereby by Buyer and its subsidiaries will not, require any consent, approval, authorization, waiver or permit of, or filing with or notification to, any Governmental Authority, except for applicable requirements of the Exchange Act, the Securities Act, Blue Sky Laws, the HSR Act, such filings and approvals as may be required under the Communications Act, filing and recordation of appropriate merger documents as required by Delaware Law, the rules of the NYSE filings and recordings of appropriate documents with, and

announcements to, the Australian Securities and Investment Commission and the ASX, and a waiver from the ASX (or, if not obtained, the approval of Buyer's shareholders at a special meeting of Buyer shareholders (the "Buyer Shareholder Approval")) with respect to Listing Rule 10.1 of the ASX Listing Rules (the "ASX Waiver") and except where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not have a Buyer Material Adverse Effect and would not prevent or materially delay the consummation of the Merger; provided, however, that for purposes of this Section 4.5(b), the definition of Buyer Material Adverse Effect shall be read so as not to include clause (iii) of the definition thereof.

Section 4.6 Permits and Licenses. Buyer or its subsidiaries have (i) operated the television stations and associated facilities for which Buyer or any of its subsidiaries holds licenses from the FCC, in each case which are owned or operated by Buyer or its subsidiaries (the "Buyer Licensed Facilities"), in compliance with the terms of the permits issued by the FCC to Buyer or its subsidiaries ("Buyer FCC Licenses"), and in compliance with the Communications Act, and (ii) timely filed or made all applications, reports and other disclosures required by the FCC to be filed or made with respect to the Buyer Licensed Facilities and have timely paid all FCC regulatory fees with respect thereto, in each case except as would not have a Buyer Material Adverse Effect. As of the date hereof, to Buyer's knowledge, there is not pending or threatened before the FCC any material investigation, proceeding, notice of violation, order of forfeiture or complaint against Buyer or any of its subsidiaries, relating to any of the Buyer Licensed Facilities or FCC regulated services conducted by Buyer or its subsidiaries that, if adversely decided, would have a Buyer Material Adverse Effect.

Section 4.7 Buyer SEC/ASX Reports. Buyer has filed with the SEC and ASX all forms, reports, schedules, statements and other documents required to be filed with the SEC and ASX by Buyer since January 1, 1997 (together with all information incorporated therein by reference, the "Buyer Reports"). As of their respective dates, the Buyer Reports complied in all material respects with the requirements of the Securities Act or the Exchange Act or the ASX Listing Rules, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such Buyer Reports, and none of the Buyer Reports at the time they were filed contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements (including the related notes) of Buyer included in the Buyer Reports comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC or the

ASX with respect thereto, have been prepared in accordance with Australian generally accepted accounting principles with appropriate reconciliation to GAAP as required by SEC rules (except, in the case of unaudited statements, as permitted by forms or rules of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of Buyer and its consolidated subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal and recurring year-end audit adjustments). Buyer and its subsidiaries do not have any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) other than liabilities and obligations which, individually or in the aggregate, would not have a Buyer Material Adverse Effect.

Section 4.8 Absence of Certain Changes or Events.

(a) Since December 31, 1999, except as contemplated by this Agreement, there has not been any change, event or circumstance which, when taken individually or together with all other changes, events or circumstances, has had or would have a Buyer Material Adverse Effect, and (b) since December 31, 1999 to the date of this Agreement, each of Buyer and its subsidiaries has conducted its businesses only in the ordinary course and in a manner consistent with past practice.

Section 4.9 Tax Matters. None of Buyer or any of its affiliates has taken or agreed to take any action, has failed to take any action or knows of any fact, agreement, plan or other circumstance that is reasonably likely to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code; provided, however, that the foregoing representation is made only as the date hereof in the case of the Reverse Merger. The preceding sentence excludes all transactions contemplated by this Agreement.

Section 4.10 Brokers. No broker, finder or investment banker (other than Donaldson, Lufkin & Jenrette, Inc.) is entitled to any brokerage, finder's or other fee or commission in connection with the Merger based upon arrangements made by or on behalf of Buyer or any subsidiary of Buyer.

Section 4.11 Interim Operations of Acquisition Sub. In the case of the Reverse Merger, Acquisition Sub will be a newly formed indirect subsidiary of Buyer, or a newly formed subsidiary of the Company, will be a Delaware corporation and, when formed, will have been formed solely for the purpose of engaging in the transactions contemplated hereby and the Subsidiary Mergers, as applicable, and will have engaged in no business other than in connection with such

(b) issue, sell, pledge, dispose of, grant, encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of, (i) any shares of its or its subsidiaries' capital stock, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of its or its subsidiaries' capital stock or any other ownership interest (including any phantom interest), of the Company or any of its subsidiaries (except for the issuance of shares issuable pursuant to any Company Options outstanding as of the date hereof), (ii) any assets except for sales of marketable securities and investment assets for their fair value and except for sales of other assets in the ordinary course of business consistent with past practice not in excess of \$500,000 in the aggregate;

(c) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to the Company's or any of its subsidiaries' capital stock (other than regular cash dividends in respect of the Company's Convertible Preferred Stock or the Prior Preferred Stock or cash dividends payable by any wholly owned subsidiary (or by BHC or UTV (if permitted under the BHC Merger Agreement or the UTV Merger Agreement)) with respect to ordinary course dividends, including dividends designated as special dividends, in a manner consistent with past practice);

(d) in the case of the Company, reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock;

(e) (i) except in connection with acquisitions or investments which are made in the ordinary course of business consistent with past practice not in excess of \$10,000,000 individually or \$25,000,000 in the aggregate and which the Buyer has not reasonably objected to as presenting any meaningful risk of resulting in the FCC Consent (with no Adverse Condition) not being obtained or delayed for more than an immaterial period of time and except with respect to the reinvestment of marketable securities or investment assets, and the investment of cash generated by the operations of the Company and its subsidiaries in marketable securities, in each case in the ordinary course of business consistent with past practice (A) acquire (including by merger, consolidation, or acquisition of stock or assets), or otherwise make any investment in, any corporation, partnership, limited liability company, other business organization or any division thereof, or any material amount of assets, or acquire any interest in any broadcast radio or television station, daily English-language newspaper or cable television system, as defined at Note 2 to 47 C.F.R. Section 73.3555; or (B) incur any indebtedness for borrowed money, issue any debt securities, assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any person, agree to amend or otherwise modify in

any manner any agreement or instrument pursuant to which the Company has incurred indebtedness, or make any loans or advances, except in the ordinary course of business and consistent with past practice, except the refinancing of existing indebtedness, borrowings under commercial paper programs in the ordinary course of business or borrowings under existing bank lines of credit in the ordinary course of business, (ii) enter into any material contract, agreement or transaction, other than (X) in the ordinary course of business, and (Y) which would not be reasonably likely to prevent or materially delay the consummation of the Merger, (iii) authorize any capital expenditures which are, in the aggregate, in excess of 110% of the amounts currently budgeted for fiscal year 2000, and with respect to fiscal year 2001, in excess of 120% of the amount budgeted for fiscal year 2000, in each case for the Company and its subsidiaries taken as a whole; provided that any amounts budgeted in respect of DTV may be reallocated between the two years or (iv) enter into or amend any contract, agreement, commitment or arrangement which would require the Company to take any action prohibited by this subsection (e);

(f) except as set forth in Section 6.12 hereof or as required by Law or by the terms of any collective bargaining agreement or other labor union contract or other agreement currently in effect between the Company or any subsidiary of the Company and any executive officer or employee thereof (provided, however, that except as contemplated hereby no actions shall be taken with respect to the acceleration of vesting or cashing-out of Company Options in connection with the execution and delivery of this Agreement or the consummation of any transactions contemplated hereby or otherwise), increase the compensation payable or to become payable to its executive officers or employees, or grant any severance or termination pay to, or enter into any employment or severance agreement with, any director or executive officer or employee of it or any of its subsidiaries, or establish, adopt, enter into or amend in any respect or take action to accelerate any rights or benefits under any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, executive officer or employee, provided that this clause shall not prevent the Company or any of its subsidiaries from (i) making severance payments to the extent contractually obligated under contractual arrangements currently existing at the Company or such subsidiary and previously disclosed to Buyer, (ii) increasing compensation in accordance with the provisions of agreements with executive officers or employees in accordance with the terms of such agreements in effect on the date of this Agreement, provided that if any such agreement does not specify the amount of such increase, no such increase shall (A) fail to be in the ordinary course of business and in accordance with the past practices of the Company and (B) exceed 10 percent of

---

the compensation of such executive officer or employee in effect on the date of this Agreement, or (iii) increasing compensation for employees who are not parties to agreements relating to compensation, provided that each such increase (A) is in the ordinary course of business, and in accordance with the past practices of the Company and (B) does not exceed, with respect to any employee, 10 percent of the compensation of such employee on the date of this Agreement; or (iv) taking any actions necessary and appropriate to effectuate the provisions of Section 6.12(e) of the Company Disclosure Schedule;

(g) change (except as required by the SEC or changes in GAAP which become effective after the date of this Agreement) any accounting methods, policies, practices or procedures;

(h) enter into any contract, agreement, lease, license, permit, franchise or other instrument or obligation which if in existence and known to the Company prior to the date of this Agreement would have resulted in a breach of Section 3.5 hereof;

(i) settle or compromise any material arbitration, action, suit, investigation or proceeding (other than those related to Tax matters, which shall be governed exclusively by the provisions of Section 5.4 hereof), other than any such matter which, if settled or compromised, would not be materially detrimental to the Company and its subsidiaries taken as a whole; provided, however that the Company shall not in any event settle any arbitration action, suit, investigation or proceeding arising out of this Agreement or the matters contemplated hereby without Buyer's consent (other than those related to Tax matters, which shall be governed exclusively by the provisions of Section 5.4 hereof);

(j) settle or discharge any material liability of a type not covered in subsection (i) above, other than in accordance with its terms or on terms no less favorable to the Company and its subsidiaries;

(k) amend or waive any right under or enter into any agreement with any affiliate of the Company (other than its wholly owned subsidiaries or BHC or UTV in the ordinary course of business consistent with past practice) or with any stockholder of the Company or any of its subsidiaries or any affiliate of any such stockholder;

(l) enter into, amend in any material respect or terminate any network affiliation agreement, retransmission consent agreement or, except in the case of agreements terminable without cost or penalty by the Company prior to the Closing or by Buyer within 30 days thereafter, any agreement licensing or creating any obligations with respect to the use of the digital data stream of any DTV Station;

(m) enter into, amend or terminate any film or program license or syndication agreement (each a "Program Agreement") involving aggregate payments of more than (i) \$2,500,000 in the aggregate on a per Program Agreement, per station basis, (ii) \$5,000,000 in the aggregate on a per station basis, (iii) \$500,000 per annum on a per Program Agreement, per station basis and (iv) barter agreements that expire after December 31, 2001; or

(n) enter into or publicly announce an intention to enter into any contract, agreement, commitment or arrangement to, do any of the foregoing actions set forth in this Section 5.1.

Section 5.2 Prior Preferred Stock. The Company shall (i) take all actions required pursuant to the Restated Certificate of Incorporation to cause a notice (as defined in paragraph III.A(2) of Article Fourth of the Restated Certificate of Incorporation) of redemption to be mailed to the holders of the Prior Preferred Stock not less than 30 days prior to the date fixed for redemption which date shall be set by the Company to be no fewer than five (5) or greater than ten (10) days prior to the date set by the Company pursuant to Section 6.2 hereof for the Stockholders' Meeting and (ii) prior to the Stockholders' Meeting (a) cause the redemption price (as specified in the Restated Certificate of Incorporation) to be deposited with the redemption depository (as specified in the Restated Certificate of Incorporation) and (b) take all necessary action to effectuate such redemption.

Section 5.3 FCC Matters. During the period from the date of this Agreement to the Effective Time, the Company shall, and shall cause each of its subsidiaries: (i) to use its reasonable best efforts to comply with all material requirements of the FCC applicable to the operation of the Company Stations; (ii) promptly to deliver to Buyer copies of any material reports, applications or responses filed with the FCC; (iii) promptly to notify Buyer of any inquiry, investigation or proceeding initiated by the FCC; (iv) not to make or revoke any material election with the FCC; and (v) use its reasonable best efforts to take all actions necessary to complete construction and initiate operation of the DTV Stations by the relevant deadline established by the FCC, as it may be extended, and

to consult with Buyer about, and keep Buyer reasonably informed of, the progress of construction of the DTV Stations.

Section 5.4 Certain Tax Matters. During the period from the date of this Agreement to the Effective Time, the Company shall, and shall cause each of its subsidiaries to: (i) timely file all Tax Returns ("Post-Signing Returns") required to be filed by it and such Post-Signing Returns shall be prepared in a manner consistent with past practice; (ii) timely pay all Taxes due and payable in respect of such Post-Signing Returns that are so filed; (iii) accrue a reserve in its books and records and financial statements in accordance with past practice for all Taxes payable by it for which no Post-Signing Return is due prior to the Effective Time; (iv) promptly notify Buyer of any Federal, California, New Jersey or New York income or franchise tax and any other material suit, claim, action, investigation, proceeding or audit (collectively, "Actions") pending against or with respect to the Company or any of its subsidiaries in respect of any Tax matter, including (without limitation) Tax liabilities and refund claims, and not settle or compromise any such Tax matter or Action without Buyer's consent, which consent shall not be unreasonably withheld; and (v) not make or revoke any material Tax election or adopt or change a material tax accounting method without Buyer's consent.

## ARTICLE VI

### ADDITIONAL AGREEMENTS

#### Section 6.1 Registration Statement; Proxy Statement.

(a) As promptly as practicable after the execution of this Agreement, (i) the Company shall prepare and shall cause to be filed with the SEC a proxy statement (together with any amendments thereof or supplements thereto, the "Proxy Statement") relating to the meeting of the Company's stockholders to be held to consider the adoption of this Agreement and the approval of the Merger, (ii) Buyer shall prepare and file with the SEC a registration statement on the appropriate form (together with all amendments thereto, the "Share Registration Statement") in which the Proxy Statement shall be included as a prospectus, in connection with the registration under the Securities Act of the Buyer Shares to be issued to the stockholders of the Company pursuant to the Merger and (iii) Buyer shall prepare and file with the SEC a registration statement on the appropriate form (together with all amendments thereto, the "Option Registration Statement," and together with the Share Registration Statement, the "Registration Statement") in which the Proxy Statement will be included as a prospectus, in connection with the registration under

the Securities Act of the Buyer Shares to the issued upon exercise of the Substituted Options, it being understood that the Option Registration Statement shall be considered filed as promptly as practicable if it is filed by Buyer within at least two (2) business days following the Effective Time. In addition to the foregoing, Buyer shall make such other appropriate filings and deliveries as may be required by applicable law (including any applicable prospectus delivery requirements thereof). Each of Buyer and the Company shall use its reasonable best efforts to cause the Registration Statement to become effective at such time as they shall agree, and, prior to the effective date of the Registration Statement, Buyer shall use reasonable best efforts to take all or any action required under any applicable Federal or state securities Laws in connection with the issuance of Buyer Shares pursuant to the Merger. If requested by the SEC, each of the Forward Merger and the Reverse Merger shall be submitted to the Company's stockholders at the Stockholders' Meeting (as defined in Section 6.2) as separate proposals. Each of Buyer and the Company shall furnish all information concerning it as may reasonably be requested by the other party in connection with such actions and the preparation of the Proxy Statement and Registration Statement. As promptly as practicable after the Registration Statement shall have become effective, the Company shall mail the Proxy Statement to its stockholders. Each of Buyer and the Company shall also promptly file, use reasonable best efforts to cause to become effective as promptly as practicable and, if required, mail to the Company's stockholders, any amendment to the Registration Statement or Proxy Statement which may become necessary after the date the Registration Statement is declared effective.

(b) The Proxy Statement shall include the recommendation of the Board of Directors of the Company to the stockholders of the Company in favor of the adoption of this Agreement and the approval of the Merger; provided, however, that the Board of Directors of the Company may take or disclose to its stockholders a position contemplated by Rule 14e-2(a) promulgated under the Exchange Act or make any disclosure required under applicable Law and may, prior to the date of its Stockholders' Meeting (as defined in Section 6.2 hereof), withdraw, modify, or change any such recommendation to the extent that the Board of Directors of the Company determines in good faith that such withdrawal, modification or change is required in order to comply with its fiduciary duties under applicable Law after receiving advice to such effect from independent legal counsel (who may be the Company's regularly engaged outside legal counsel). Unless this Agreement is previously terminated in accordance with Article VIII, the Company shall submit this Agreement to its stockholders at its Stockholders' Meeting even if the Board of Directors of the Company determines at any time after the date hereof that is no longer advisable or recommends that the Company's stockholders reject it.

---

SEC in connection with the Merger will comply as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act.

Section 6.2 Stockholders' Meetings; Approvals.

(a) The Company shall, as promptly as practicable following the date of this Agreement, establish a record date (which will be set in accordance with Section 5.2 hereof and as promptly as reasonably practicable following the date of this Agreement) for, duly call, give notice of, convene and hold a meeting of its stockholders (the "Stockholders' Meeting"), for the purpose of voting upon the adoption of this Agreement and approval of the Merger, and the Company shall hold the Stockholders' Meeting as soon as practicable after the date on which the Registration Statement becomes effective. The Company shall use its reasonable best efforts to cause the Stockholders' Meeting to occur on the same day as the meetings of stockholders are held to consider the Subsidiary Mergers. The Company shall use its reasonable best efforts to solicit from its stockholders proxies in favor of the adoption of this Agreement and approval of the Merger, and shall take all other action necessary or advisable to secure the vote of its stockholders, required by the NYSE or Delaware Law, as applicable, to obtain such approvals; provided, however, that the Company shall not be obligated to solicit proxies in favor of the adoption of this Agreement at its Stockholders' Meeting (but shall nonetheless remain obligated to submit this Agreement to a vote of its stockholders) to the extent that the Board of Directors of the Company determines in good faith that such failure to solicit proxies is required in order to comply with its fiduciary duties under applicable Law after receiving advice to such effect from independent legal counsel (who may be such party's regularly engaged outside legal counsel).

(b) Without limiting the provisions of Section 4.4 hereof, Buyer shall, as promptly as practicable following the date of this Agreement, obtain, and cause its subsidiaries to obtain, all stockholder and other approvals, including the Buyer Shareholder Approval if required, necessary to consummate the Merger and the other transactions contemplated hereby, including, without limitation, entering into and performing the agreements and transactions contemplated by Section 6.18 hereof.

Section 6.3 Appropriate Action; Consents; Filings.

(a) Each of the parties hereto shall (i) make promptly its respective filings, and thereafter make any other required submissions under the HSR Act with respect to the transactions contemplated herein and (ii) make promptly filings with or applications to the FCC with respect to the transactions

contemplated herein (the "FCC Application"). The parties hereto will use their respective reasonable best efforts to consummate and make effective the transactions contemplated herein and to cause the conditions to the Forward Merger and, if a Restructuring Trigger has occurred, the Reverse Merger, in each case as set forth in Article VII to be satisfied (including using reasonable best efforts to obtain all licenses, permits, consents, approvals, authorizations, waivers, qualifications and orders of Governmental Authorities as are necessary for the consummation of the transactions contemplated herein), and will do so in a manner designed to obtain such regulatory clearance and the satisfaction of such conditions as expeditiously as reasonably possible; provided, however, that Buyer and FTH shall have the right to make all decisions concerning any divestiture commitments necessary to comply with the FCC's multiple ownership rules set forth at 47 C.F.R. Section 73.3555 as in effect on the date of this Agreement (the "FCC Multiple Ownership Rules"); provided, that Buyer and FTH shall regularly consult with the Company during the processes referred to in this Section 6.3 and consider in good faith the views of the Company with respect thereto; and provided, further, that, in connection with the Merger, Buyer and FTH shall not seek a waiver of Section 73.3555 of the FCC's rules except for a temporary waiver of subsections (b) and (e) thereof for a period not to exceed twelve months from the Closing Date for television divestitures required in order to obtain the FCC Consent (as defined in Section 7.1(e) hereof) and, with respect to subsection (d) thereof in the FCC Application when it is filed, Buyer will (1) maintain that no waiver is required to permit it to own a newspaper and two television stations in the New York market, and (2) request in the alternative, if that position is rejected or a permanent waiver is not issued by the FCC, a temporary waiver to hold the two television stations and newspaper for a period not to extend beyond the date which is the later of (A) twelve months from the Closing Date and (B) the conclusion of any then pending FCC rule making proceeding regarding 47 CFR Section 73.3555(d); provided that the foregoing sentence shall be subject to the provisions of subsection (b) below. Failure to obtain any of the waivers set forth above shall not limit Buyer's obligations pursuant to subsection (b) below.

(b) Notwithstanding anything to the contrary in this Agreement other than the following sentence, the Company, Buyer and FTH each agree to take promptly any and all steps necessary to avoid or eliminate each and every impediment and obtain all consents or waivers under any antitrust, competition or communications or broadcast Law that may be validly required by any U.S. federal, state or local antitrust or competition Governmental Authority, or by the FCC or similar Governmental Authority, or by any Australian Law, in each case with competent jurisdiction, so as to enable the parties to close the transactions contemplated by this Agreement as expeditiously as reasonably possible, including

committing to or effecting, by consent decree, hold separate orders, trust, or otherwise, the sale or disposition of such of its assets or businesses as are required to be divested in order to obtain the FCC Consent (as defined below), or to avoid the entry of, or to effect the dissolution of or vacate or lift, any decree, order, judgment, injunction, temporary restraining order or other order in any suit or proceeding by or with any Governmental Authority (each, an "Order"), that would otherwise have the effect of preventing or materially delaying the consummation of the Merger and the other transactions contemplated by this Agreement. Notwithstanding the foregoing, (i) neither Buyer nor FTH shall be required to divest any of its material assets or accept any material limitation on any of its material businesses other than (x) the divestiture of such broadcast assets (i.e., newspaper and television stations) as it is required to divest or (y) the material limitation on such broadcast assets or Buyer's and FTH's operation thereof as it is required to be subject to, in the case of each of clauses (x) and (y) in order to comply with the FCC Multiple Ownership Rules or a final Order in an action brought by an antitrust or competition or FCC or similar Governmental Authority, (ii) notwithstanding clause (i), neither the Company, Buyer nor FTH shall be required to divest or to hold separate, or to accept any substantial limitation on the operation of, or to waive any rights material to, the Los Angeles or San Francisco television stations of Buyer or the Company (each of the actions described in clause (i) and (ii) above being an "Adverse Condition"), (iii) neither party shall be required to take any of the foregoing actions if such action is not conditioned on the consummation of the Merger and (iv) without limiting Buyer's obligations set forth herein, the Company shall not agree to any of the foregoing without Buyer's consent and, at Buyer's request, the Company shall agree to any of the foregoing so long as such agreement is conditioned upon consummation of the Merger.

(c) Each of Buyer, FTH and the Company shall give (or shall cause its respective subsidiaries to give) any notices to third parties, and Buyer, FTH and the Company shall use, and cause each of its subsidiaries to use, its reasonable best efforts to obtain any third party consents not covered by paragraphs (a) and (b) above, necessary, proper or advisable to consummate the Forward Merger or, if a Restructuring Trigger has occurred, the Reverse Merger; provided that neither Buyer nor FTH shall be required to pay, and the Company shall not pay, without Buyer's prior written consent, any material consideration to obtain any such third party consent. Each of the parties hereto will furnish to the other such necessary information and reasonable assistance as the other may request in connection with the preparation of any required governmental filings or submissions and will cooperate in responding to any inquiry from a Governmental Authority, including immediately informing the other party of such inquiry, consulting in advance before making any presentations or submissions to a Governmental Authority, and

supplying each other with copies of all material correspondence, filings or communications between either party and any Governmental Authority with respect to this Agreement.

Section 6.4 Access to Information; Confidentiality.

(a) From the date hereof to the Effective Time, Buyer will comply with the reasonable requests of the Company to make officers available to respond to the reasonable inquiries of the Company in connection with the transactions contemplated by this Agreement and to make available information regarding Buyer and its subsidiaries as the Company may reasonably request.

(b) From the date hereof to the Effective Time, to the extent permitted by applicable Law and contracts, the Company will provide to Buyer (and its officers, directors, employees, accountants, consultants, legal counsel, agents and other representatives, collectively, "Representatives") access to all employees, sites, properties, information and documents which Buyer may reasonably request regarding the business, assets, liabilities, employees and other aspects of the Company; provided, however, that the Company shall not be required to provide access to any employees, sites, properties, information or documents which would breach any agreement with any third-party or which would constitute a waiver of the attorney-client or other privilege by the Company.

(c) Except with respect to matters related to the hiring of employees and the solicitation for hiring of employees, which matters shall be governed by the provisions of Section 6.17 hereof, the parties hereto shall comply with, and shall cause their respective Representatives to comply with all of their respective obligations under the Confidentiality Agreement dated September 16, 1999 between Buyer and the Company, as supplemented by the Addendum to the Confidentiality Agreement, dated August 7, 2000 (as so supplemented, the "Confidentiality Agreement"); provided that, following any termination of this Agreement, Section 6.17 hereof shall be of no further force or effect.

(d) No investigation pursuant to this Section 6.4 shall affect any representation or warranty in this Agreement of any party hereto or any condition to the obligations of the parties hereto.

Section 6.5 No Solicitation of Competing Transactions.

(a) The Company shall not, directly or indirectly, through any officer, director, agent or otherwise, initiate, solicit or knowingly encourage (including by way of furnishing non-public information), or take any other action knowingly to facilitate, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Competing Transaction (as defined below), or enter into or maintain or continue discussions or negotiate with any person or entity in furtherance of such inquiries or to obtain a Competing Transaction, or agree to or endorse any Competing Transaction, or authorize any of the officers, directors or employees of the Company or any investment banker, financial advisor, attorney, accountant or other agent or representative of the Company to take any such action, and the Company shall notify Buyer as promptly as practicable of all of the relevant material details relating to all inquiries and proposals which the Company or any such officer, director, employee, investment banker, financial advisor, attorney, accountant or other agent or representative may receive relating to any of such matters, provided, however, that prior to the adoption of this Agreement and the approval of the Merger by the stockholders of the Company, nothing contained in this Section 6.5 shall prohibit the Board of Directors of the Company from (i) furnishing information to, or entering into and engaging in discussions or negotiations with, any person that makes an unsolicited proposal that the Board of Directors of the Company determines in good faith, after consultation with the Company's financial advisors and independent legal counsel, can be reasonably expected to result in a Superior Proposal; provided that prior to furnishing such information to, or entering into discussions or negotiations with, such person, the Company (1) provides notice to Buyer to the effect that it is furnishing information to, or entering into discussions or negotiations with, such Person and provides, in any such notice to Buyer in reasonable detail the identity of the Person making such proposal and the material terms and conditions of such proposal, and (2) has received from such person or entity an executed confidentiality agreement or (ii) complying with Rule 14e-2 promulgated under the Exchange Act with regard to a tender or exchange offer or making any disclosure required under applicable Law.

(b) For purposes of this Agreement, "Competing Transaction" shall mean any of the following involving the Company: (i) any merger, consolidation, share exchange, business combination, issuance or purchase of securities or other similar transaction other than transactions specifically permitted pursuant to Section 5.1 of this Agreement; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of the assets of the Company in a single transaction or series of related transactions; (iii) any tender offer or exchange offer

for the Company's securities or the filing of a registration statement under the Securities Act in connection with any such exchange offer; in the case of clauses (i), (ii) or (iii) above, which transaction would result in a third party (or its stockholders) acquiring more than 25% of the voting power of the capital stock then outstanding or more than 25% of the assets of the Company and its subsidiaries, taken as a whole; or (iv) any public announcement of an agreement, proposal, plan or intention to do any of the foregoing, either during the effectiveness of this Agreement or at any time thereafter.

For purposes of this Agreement, a "Superior Proposal" means any proposal made by a third party which would result in such party (or in the case of a parent-to-parent merger, its stockholders) acquiring, directly or indirectly, including pursuant to a tender offer, exchange offer, merger, consolidation, share exchange, business combination, share purchase, asset purchase, recapitalization, liquidation, dissolution, joint venture or similar transaction, more than 50% of the voting power of the capital stock then outstanding or all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, for consideration which the Board of Directors of the Company determines in its good faith judgment, after consultation with independent legal counsel and its financial advisors, to be more favorable to the Company's stockholders than the Merger.

#### Section 6.6 Directors' and Officers' Indemnification and Insurance.

(a) The Certificate of Incorporation and By-Laws of the Surviving Corporation shall contain the provisions with respect to indemnification set forth in the Restated Certificate of Incorporation and By-laws of the Company on the date of this Agreement, which provisions shall not be amended, repealed or otherwise modified after the Effective Time in any manner that would adversely affect the rights thereunder of individuals who at any time prior to the Effective Time were officers, directors or employees of the Company in respect of actions or omissions occurring at or prior to the Effective Time (including, without limitation, the transactions contemplated by this Agreement), unless such modification is required by law.

(b) The Surviving Corporation shall maintain (or cause to be maintained) in effect for six years from the Effective Time directors' and officers' liability insurance covering those persons who are currently covered by the Company's directors' and officers' liability insurance policy on terms comparable to such existing insurance coverage; provided, however, that in no event shall the Surviving Corporation be required to expend pursuant to this Section 6.6 more than an amount per year equal to 300% of current annual premiums paid by the Company

for such insurance; and provided further that if the annual premiums exceed such amount, Buyer shall be obligated to obtain a policy with the greatest coverage available for an annual cost not exceeding such amount.

(c) In addition to the other rights provided for in this Section 6.6 and not in limitation thereof (but without in any way limiting or modifying the obligations of any insurance carrier contemplated by Section 6.6(b)), from and after the Effective Time, Buyer shall, and shall cause the Surviving Corporation to, to the fullest extent permitted by applicable Law (the "Indemnifying Party"), (i) indemnify and hold harmless (and release from any liability to Buyer or the Surviving Corporation or any of their respective subsidiaries), the individuals who, on or prior to the Effective Time, were officers, directors or employees of the Company or served on behalf of the Company as an officer, director or employee of any of the Company's current or former subsidiaries or affiliates (including, without limitation, those affiliates listed in Section 6.6(c) of the Company Disclosure Schedule (collectively, "Covered Affiliates") or any of their predecessors in all of their capacities (including as stockholder, controlling or otherwise) and the heirs, executors, trustees, fiduciaries and administrators of such officers, directors or employees (the "Indemnitees") against all Expenses (as defined hereinafter), losses, claims, damages, judgments or amounts paid in settlement ("Costs") in respect of any threatened, pending or completed claim, action, suit or proceeding, whether criminal, civil, administrative or investigative, based on, or arising out of or relating to the fact that such person is or was a director, officer, employee or stockholder (controlling or otherwise) of the Company or any of its current or former subsidiaries or Covered Affiliates or any of their predecessors arising out of acts or omissions occurring on or prior to the Effective Time (including, without limitation, in respect of acts or omissions in connection with this Agreement and the transactions contemplated hereby) (an "Indemnifiable Claim"; except for acts or omissions which involve conduct known to such Person at the time to constitute a material violation of Law); provided that the Surviving Corporation and Buyer shall not be responsible for any amounts paid in settlement of any Indemnifiable Claim without the consent of Buyer and the Surviving Corporation; and (ii) advance to such Indemnitees all Expenses incurred in connection with any Indemnifiable Claim (including in circumstances where the Indemnifying Party has assumed the defense of such claim) promptly after receipt of reasonably detailed statements therefor; provided that the person to whom Expenses are to be advanced provides an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification from Buyer or the Surviving Corporation. Any Indemnifiable Claim shall continue until such Indemnifiable Claim is disposed of or all judgments, orders, decrees or other rulings in connection with such Indemnifiable Claim are fully satisfied. Except as otherwise may be provided pursuant to any

Indemnity Agreement, the Indemnitees as a group may retain only one law firm with respect to each related matter except to the extent there is, in the opinion of counsel to an Indemnitee, under applicable standards of professional conduct, a conflict on any significant issue between positions of any two or more Indemnitees; provided that any law firm or firms so retained shall be reasonably acceptable to Buyer. The Indemnifying Party shall be entitled to assume and control the defense of any potential Indemnifiable Claim at its expense and through counsel of its choice if it gives notice of its intention to do so to the Indemnified Party within 30 days of its receipt of notice from the Indemnified Party that a potential Indemnifiable Claim has been made and so long as it unconditionally agrees in writing (x) to indemnify fully and indefinitely, subject only to limitations required by applicable Law, and (y) not to seek repayment of any Expenses advanced (unless such repayment would otherwise be available pursuant to clause (ii) of the first sentence of this Section 6.6(c) solely because such matter was excluded from the definition of Indemnifiable Claim pursuant to the exception contained in the definition thereof appearing immediately prior to the initial proviso in this subsection) from, the Indemnitees in respect of such potential Indemnifiable Claim, and acknowledges in writing its obligation to do so under this Section; provided, however, that, if there exists or is reasonably likely to exist a conflict of interest that would make it inappropriate in the judgment of the Indemnified Party, in its reasonable discretion, for the same counsel to represent both the Indemnified Party and the Indemnifying Party, then the Indemnified Party shall be entitled to retain its own counsel at the expense of the Indemnifying Party. In the event that the Indemnifying Party exercises the right to undertake any such defense against any such Indemnifiable Claim as provided above, the Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. Similarly, in the event the Indemnified Party is, directly or indirectly, conducting the defense against any such Indemnifiable Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party, at the Indemnifying Party's expense, all such witnesses, records, materials and information in the Indemnifying Party's possession or under the Indemnifying Party's control relating thereto as is reasonably required by the Indemnified Party. No such Indemnifiable Claim may be settled by any Indemnified Party without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld or delayed. For the purposes of this Section 6.6, "Expenses" shall include reasonable attorneys' fees and all other reasonable costs, charges and expenses paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or

participate in any Indemnifiable Claim, but shall exclude damages, losses, claims, judgments and amounts paid in settlement. The term "Indemnitees" shall exclude persons who both (x) were serving as officers or directors or employees of the Covered Affiliates listed on Section 6.6(c) of the Company Disclosure Schedule at the request of an entity other than the Company or one of its current or former subsidiaries, or any predecessor thereto, and (y) are not otherwise an Indemnatee.

(d) Notwithstanding anything contained in Section 9.1 hereof to the contrary, this Section 6.6 shall survive the consummation of the Merger indefinitely, is intended to benefit each Indemnatee, shall be binding, jointly and severally, on all successors and assigns of Buyer, the Surviving Corporation and its subsidiaries, and shall be enforceable by the Indemnitees and their successors. In the event that Buyer or the Surviving Corporation or any of its subsidiaries or any of their respective successors or assigns (i) consolidates with or merges into any other Person or (ii) transfers all or substantially all of its properties or assets to any Person, then, and in each case, the successors and assigns of Buyer or the Surviving Corporation or its subsidiary, as the case may be, shall expressly assume and be bound by the indemnification obligations set forth in this Section 6.6.

(e) The obligations of the Surviving Corporation, its subsidiaries and Buyer under this Section 6.6 shall not be terminated or modified in such a manner as to adversely affect any Indemnatee to whom this Section 6.6 applies without the consent of such affected Indemnatee (it being expressly agreed that the Indemnitees to whom this Section 6.6 applies shall be third party beneficiaries of this Section 6.6).

Section 6.7 Notification of Certain Matters. The Company shall give prompt notice to Buyer, and Buyer shall give prompt notice to the Company, of (i) the occurrence, or nonoccurrence, of any event the occurrence, or nonoccurrence, of which would be likely to cause (x) any representation or warranty contained in this Agreement to be untrue or inaccurate or (y) any covenant, condition or agreement contained in this Agreement not to be complied with or satisfied or (z) the Forward Merger not to be consummated and (ii) any failure of the Company or Buyer, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.7 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

Section 6.8 Tax Matters. Buyer and the Company shall make reasonable best efforts to obtain the IRS Ruling, the tax opinions set forth in Sections 7.2(f) and 7.3(c) hereof, and the FCC Consent, including taking any reasonable

actions requested by the IRS or the FCC in connection with obtaining the IRS Ruling and the FCC Consent and cooperating in preparing and submitting any filings and documents to the IRS and the FCC in a prompt manner. In the case of the Forward Merger (a) the Agreement is intended to constitute a "plan of reorganization" within the meaning of Section 1.368-2(g) of the income tax regulations promulgated under the Code; (b) neither the Company nor Buyer nor their affiliates shall directly or indirectly (without the consent of the other) take any action, that would reasonably be expected to adversely affect the intended tax treatment of the transactions contemplated by this Agreement; (c) officers of Buyer, Acquisition Sub and the Company shall execute and deliver to Squadron, Ellenoff, Plesent & Sheinfeld LLP, tax counsel to Buyer, and Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Company, (i) certificates substantially in the form agreed to by the parties as of the date hereof and other appropriate representations at such time or times as may be reasonably requested by such law firms, including contemporaneously with the execution of this Agreement and at the Effective Time, in connection with their respective deliveries of opinions, pursuant to Sections 7.2(f) and 7.3(c) hereof, with respect to the tax treatment of the Merger and (ii) representations required by the U.S. Internal Revenue Service in order to issue the IRS Ruling; and (d) none of the Buyer, Acquisition Sub or the Company shall take or cause to be taken any action which would cause to be untrue (or fail to take or cause not to be taken any action which would cause to be untrue) any of such certificates and representations.

Section 6.9 Stock Exchange Listing. Buyer and the Company shall (a) as promptly as reasonably practicable prepare and submit to the NYSE applications covering the Buyer Shares to be issued in the Merger and the Buyer Shares underlying the Company Options outstanding immediately prior to the Effective Time, and shall use their reasonable best efforts to cause such securities to be approved for listing on the NYSE prior to the Effective Time, (b) within two business days after the Effective Time, prepare and submit to the ASX, pursuant to the applicable listing rules of the ASX, applications covering the Buyer Preferred Stock underlying the Buyer Shares issued pursuant to the Merger and cause such securities to be approved for quotation by the ASX, and (c) promptly seek the ASX Waiver or, if the ASX Waiver is not granted, as soon as possible thereafter call a special meeting of shareholders to obtain the Buyer Shareholder Approval and take all actions and prepare all documents and shareholder materials required in connection therewith.

Section 6.10 Public Announcements. Buyer and the Company shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement and shall not issue any such press release or make any such public statement without the prior consent of the other

(which consent shall not be unreasonably withheld or delayed), except as may be required by Law or any listing rules of, or listing agreement or arrangement with, a national securities exchange or the ASX to which Buyer or the Company is a party. The parties have agreed on the text of a joint press release by which Buyer and the Company will announce the execution of this Agreement.

Section 6.11 Affiliates of the Company. The Company represents and warrants to Buyer that prior to the date of the Stockholders' Meeting the Company will deliver to Buyer a letter identifying all persons who may be deemed affiliates of the Company under Rule 145 of the Securities Act, including, without limitation, all directors and executive officers of the Company, and the Company represents and warrants to Buyer that the Company has advised the persons identified in such letter of the resale restrictions imposed by applicable securities laws. The Company shall use its reasonable best efforts to obtain from each person identified in such letter a written agreement, substantially in the form of Exhibit A. The Company shall use its reasonable best efforts to obtain as soon as practicable from any person who may be deemed to have become an affiliate of the Company after the Company's delivery of the letter referred to above and prior to the Effective Time, a written agreement substantially in the form of Exhibit A.

Section 6.12 Employee Matters.

(a) During the one-year period commencing on the Effective Date, Buyer shall provide or shall cause the Surviving Corporation to provide to employees and former employees of the Company and any of its subsidiaries ("Company Employees") employee benefits (including incentive opportunities but excluding benefits under equity-based plans) that are either (i) in the aggregate, substantially comparable to the benefits being provided to Company Employees as of the date of this Agreement under the Company Benefit Plans or (ii) substantially similar to those being provided to similarly situated employees of the Buyer (other than for former employees of the Company).

(b) Without limiting the generality of paragraph (a) of this Section 6.12, if the Effective Time occurs prior to December 31, 2000, (1) each Company Employee who either (a) is a participant in the Company's 2000 Management Incentive Compensation Plan or (b) received an annual bonus in respect of 1999 and is eligible to receive an annual bonus for the year 2000 and who, in either case, is employed by the Company immediately prior to the Effective Time, shall be entitled to receive, in lieu of any other bonus to which the participant may otherwise be entitled under such plan, or for the period from January 1, 2000 through the Effective Time, as the case may be, a prorated bonus (the "Pro-Rata Bonus"),

determined by multiplying (i) the participant's annual bonus in respect of 1999 by (ii) a fraction, the numerator of which is equal to the number of days in calendar year 2000 through and including the Effective Time and the denominator of which is 366 and (2) each such Company Employee (other than any person who is a party to an Employment Agreement (as defined in Section 6.12(e) of the Company Disclosure Schedule)) who remains employed with the Company (or its successor) or any affiliate thereof through December 31, 2000, shall be entitled to receive an additional bonus such that, when added to such employee's Pro-Rata Bonus, such employee's aggregate annual bonus in respect of 2000 is not less than such employee's annual bonus in respect of 1999. Such annual bonus with respect of 2000 shall be payable at such time that annual bonuses are normally paid to similarly situated employees of the Company. If the Effective Time occurs during the calendar year 2001, then the process described in (1) of the preceding sentence shall apply in an analogous manner to the Company's 2001 Bonus Plan and to other employees who receive an annual bonus in respect of the year 2000, with the references to the year 2000 therein being deemed to be references to the year 2001 and with references to the year 1999 therein being deemed to be references to the year 2000 and subject to Section 6.12(a), the process for determining the bonus for those who remain employed on and after the Effective Time through December 31, 2001 shall be determined in the discretion of the Buyer.

(c) Without limiting the generality of paragraph (a) of this Section 6.12, with respect to each Buyer Plan, each Surviving Corporation plan and such other employee benefit plans as may be maintained for Company Employees from time to time following the Effective Time by Buyer, the Surviving Corporation or any subsidiary of the Surviving Corporation (including, without limitation, plans or policies providing severance benefits and vacation entitlement), and service with the Company and any of its subsidiaries (or a predecessor to the Company's or any of its subsidiaries' business or assets) shall be treated as service with the Buyer, the Surviving Corporation or any of its subsidiaries, as the case may be, to the extent recognized in the comparable plans of the Company for purposes of determining eligibility to participate and vesting but not for purposes of benefit accrual. Such service also shall apply for purposes of satisfying any waiting periods, evidence of insurability requirements, or the application of any preexisting condition limitations. In the event Company Employees are transferred to a new health plan maintained by the Surviving Corporation effective as of a date within the annual plan year for purposes of accumulating annual deductibles, copayments and out-of-pocket maximums, Company Employees shall be given credit for amounts they have paid under a corresponding benefit plan during the new health plan's year in which the Company Employees are transferred for purposes of applying deductibles, copayments and out-of-pocket maximums as though such amounts had been paid in

accordance with the terms and conditions of the benefit plan maintained by Surviving Corporation or any of its subsidiaries. Buyer shall also honor, or cause the Surviving Corporation to honor, all vacation, personal and sick days accrued by the Company Employees under the plans, policies, programs and arrangements of the Company or any of its subsidiaries immediately prior to the Effective Time to the extent reserved against the Company's financial statements.

(d) Without limiting the generality of paragraph (a) of this Section 6.12, Surviving Corporation shall, or shall cause its subsidiaries to, honor, in accordance with their terms, and shall, or shall cause its subsidiaries to, make required payments when due under, all Company Benefit Plans maintained or contributed to by the Company or any of its subsidiaries or to which the Company or any of its subsidiaries is a party (including, but not limited to, employment, incentive and severance agreements and arrangements), that are applicable with respect to any Company Employee or any director of the Company or any of its subsidiaries (whether current, former or retired) or their beneficiaries; provided, however, that, subject to the provisions of Section 6.12(e) of the Company Disclosure Schedule, the foregoing shall not preclude the Surviving Corporation or any of its subsidiaries from amending or terminating any Company Benefit Plan in accordance with its terms.

(e) Buyer and the Surviving Corporation agree to the terms and conditions set forth on Section 6.12(e) of the Company Disclosure Schedule with respect to certain employee benefit matters.

Section 6.13 Letters of the Company's Accountants. The Company shall use reasonable best efforts to cause to be delivered to Buyer two "comfort" letters in customary form from PricewaterhouseCoopers LLP, the Company's independent public accountants, one dated a date within five business days before the date on which the Registration Statement shall become effective and one dated a date within five business days before the Closing Date, each addressed to Buyer.

Section 6.14 Letters of Buyer's Accountants. Buyer shall use reasonable best efforts to cause to be delivered to the Company two "comfort" letters in customary form from Arthur Andersen LLP, Buyer's independent public accountants, one dated a date within five business days before the date on which the Registration Statement shall become effective and one dated a date within five business days before the Closing Date, each addressed to the Company.

Section 6.15 [INTENTIONALLY OMITTED]

Section 6.16 Other Merger Agreements. Buyer shall comply with its obligations under the BHC Merger Agreement and the UTV Merger Agreement. The Company shall comply with its obligations under the voting and proxy agreement related to the BHC Merger and shall cause BHC to comply with its obligations under the voting and proxy agreement related to the UTV Merger.

Section 6.17 Employee Solicitation. In addition to, and not in limitation of any restrictions on the parties hereto contained in other documents, the parties hereto agree that during the period from the date hereof to the earlier of the termination of this Agreement or the consummation of the Merger, neither they nor any of their controlled affiliates shall solicit for employment any current senior management level employees or any of the three (3) highest compensated on air talent employees at each station of the other party hereto. This Section 6.17 shall govern in the event of any inconsistency between this Section 6.17 and Section 6.4 hereof.

Section 6.18 Post-Closing Covenant of Buyer. As of or promptly following the Effective Time, in the case of the Forward Merger Buyer shall cause such assets as Buyer shall determine, but at a minimum shall include the broadcast assets and related liabilities held or previously held by the Company and its subsidiaries, to be transferred to and assumed by one or more direct or indirect subsidiaries of Buyer, and shall cause such assets and liabilities to be ultimately held by, a newly formed subsidiary which is a member of the consolidated group for U.S. federal income tax purposes of News Publishing Australia Limited ("Newco") of Fox Entertainment Group, Inc. ("FEG"). As of or promptly following the Effective Time, Newco and either FTH or a wholly owned subsidiary thereof will enter into the Newco-FTH Agreement (as hereinafter defined). The "Newco-FTH Agreement" shall be an agreement prepared by Buyer and FTH as soon as practicable after the date hereof and in any event no later than August 31, 2000 which (i) reflects and is consistent with the terms set forth on Exhibit B hereto and (ii) otherwise is as Buyer and FTH shall determine, but which is consistent with the objective of obtaining the FCC Consent (without an Adverse Condition) with respect to the Forward Merger and the IRS Ruling; provided that it shall not contain any provisions as to which the Company reasonably objects by reason of concerns as to the Federal income tax treatment of the Forward Merger or the ability to obtain the FCC Consent (without any Adverse Condition) or the IRS Ruling for the Forward Merger. Buyer and FTH shall comply with this Section 6.18 in a manner deemed appropriate by Buyer and FTH; provided, that Buyer and FTH shall act in a manner that preserves (i) the qualification of the Merger as a reorganization under Section 368(a) of the Code and

(ii) the effectiveness and validity of the FCC Consent (as defined below). In the event of the Reverse Merger, as of or promptly following the Effective Time, the broadcast assets and related liabilities held by the Company and its subsidiaries (or the Company and its subsidiaries themselves by way of merger) will be transferred to and assumed by FTH or one or more direct or indirect subsidiaries thereof. The foregoing processes contained in this Section 6.18 and the actions contemplated hereby shall be deemed to constitute "transactions contemplated by this Agreement" for purposes of Buyer's representations and warranties herein.

Section 6.19 Form of Merger. In the event that there is a Ruling Failure or an FCC Failure (each, a "Restructuring Trigger"), then the Merger shall be effected as the Reverse Merger and not as the Forward Merger and, in lieu of News Publishing Australia Limited, a newly formed indirect subsidiary of Buyer shall be Acquisition Sub and Buyer shall cause such Acquisition Sub to execute a counterpart signature page to this Agreement and become a party hereto. In the event that following the occurrence of a Restructuring Trigger and prior to the Effective Time, subsequent events occur such that the conditions to effecting the Forward Merger are all satisfied, then the Merger shall occur as if such Triggering Event had never occurred. For purposes of this Agreement, a "Ruling Failure" shall be deemed to have occurred (i) if the IRS Ruling (as defined herein) is not obtained on or prior to the seven month anniversary of the submission of the ruling request to the Internal Revenue Service (unless a responsible officer of the Internal Revenue Service has indicated to representatives of both the Company and Buyer that the IRS Ruling is likely to be issued within the next succeeding three months and such IRS Ruling is so issued within such three month period) in form and substance reasonably satisfactory to each of the parties hereto or (ii) a responsible officer of the Internal Revenue Service has indicated to representatives of both the Company and Buyer prior to the three month anniversary of this Agreement that the IRS Ruling, in form and substance reasonably satisfactory to each of the parties hereto, is not likely to be issued, and such indication shall not have been reversed or withdrawn prior to the five month anniversary of the date of this Agreement or (iii) either Skadden, Arps, Slate, Meagher & Flom LLP or Squadron, Ellenoff, Plesent & Sheinfeld LLP indicates in writing to the Company and Buyer that it will not be able to deliver its respective opinion pursuant to Section 7.3 or Section 7.2, as the case may be. For purposes of this Agreement, an "FCC Failure" shall be deemed to have occurred (i) if the FCC Consent (without an Adverse Condition) is not obtained on or prior to the ten month anniversary of this Agreement (unless a responsible officer of the FCC has indicated to representatives of both the Company and Buyer that the FCC Consent (without an Adverse Condition) will be issued within the next succeeding two months and such FCC Consent is so issued within such two month period) in form and substance reasonably satisfactory to each of the parties hereto or (ii) a

responsible officer of the FCC has indicated to representatives of both the Company and Buyer that the FCC Consent, in form and substance reasonably satisfactory to each of the parties hereto, will not be issued and, prior to the three month anniversary of this Agreement, such indication shall not have been reversed or withdrawn; provided that no FCC Failure shall have occurred if a responsible officer of the FCC has indicated (and subsequently not withdrawn or changed such indication) to representatives of both the Company and Buyer that the sole reason or reasons for the FCC Consent (without an Adverse Condition) not having been obtained does not relate in any manner to whether the Merger is the Forward Merger or the Reverse Merger and that there is no material greater likelihood of obtaining the FCC Consent (without an Adverse Condition) with respect to the Reverse Merger than the Forward Merger.

Section 6.20 Obligations of FTH. In view of the fact that one or more subsidiaries of FTH would become the licensees of the Company Stations under either the Forward Merger or the Reverse Merger and would otherwise benefit from either merger, FTH agrees that it shall take such actions, and shall cause its subsidiaries to take such actions, as may be necessary to accomplish the requirements of FTH under Sections 6.3, 6.18 and 6.19 hereof and any other requirements of this Agreement relating to the effectuation of, or transactions to be accomplished immediately following, the Forward Merger or the Reverse Merger, as the case may be.

## ARTICLE VII

### CONDITIONS TO THE MERGER

Section 7.1 Conditions to the Obligations of Each Party. The obligations of the Company and Buyer to consummate the Merger are subject to the satisfaction or waiver by the Company and Buyer of the following conditions:

- (a) this Agreement shall have been adopted by the affirmative vote of a majority of the votes cast by all stockholders entitled to vote at the Stockholders' Meeting (including the holders of the Convertible Preferred Stock) voting together as a single class, and the majority of the holders of the Convertible Preferred Stock, voting as a separate class;
- (b) any applicable waiting period under the HSR Act relating to the Merger shall have expired or been terminated;

(c) no Governmental Authority or court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law, rule, regulation, executive order or Order which is then in effect and has the effect of making the Merger illegal or otherwise prohibiting the consummation of the Merger;

(d) the Registration Statement shall have been declared effective, and no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the SEC;

(e) the FCC Consent (as defined below) shall have been obtained. "FCC Consent," as used herein, means action by the FCC granting its consent to the assignment or to the transfer of control of the FCC licenses of the Company and its subsidiaries to FTH (or a wholly owned subsidiary of FTH), including transfer of those authorizations, licenses, permits, and other approvals, issued by the FCC, and used in the operation of the Company Stations, pursuant to appropriate applications filed by the parties with the FCC, as contemplated by this Agreement;

(f) all other authorizations, consents, waivers, orders or approvals for the Merger required to be obtained, and all other filings, notices or declarations required to be made, by Buyer and the Company prior to the consummation of the Merger and the transactions contemplated hereunder, shall have been obtained from, and made with, all required Governmental Authorities, including the ASX Waiver or, if the ASX Waiver is not granted, the Buyer Shareholder Approval, and except for such authorizations, consents, waivers, orders, approvals, filings, notices or declarations the failure to obtain or make which would not, individually or in the aggregate, have a Company Material Adverse Effect or Buyer Material Adverse Effect; provided, however, that a party who has failed to fulfill its obligations under Section 6.3 hereof shall not be entitled to deem this Section 7.1(e) unsatisfied by reason of such non-fulfillment;

(g) the Buyer Shares issuable to the Company's stockholders in the Merger and to holders of Company Options outstanding immediately prior to the Effective Time shall have been authorized for listing on the NYSE, subject to official notice of issuance; and

(h) all conditions to all parties' obligations to consummate the Subsidiary Mergers, except completion of the Merger and, in the case of the UTV Merger, completion of the BHC Merger, shall have been satisfied or waived; provided, however, that this condition may not be enforced by a party whose actions or failure to act has prevented the conditions to the consummation of the Subsidiary

Mergers from being satisfied; and provided further that this condition may not be enforced by the Company by reason of the failure to obtain the requisite stockholder vote by the stockholders of BHC or UTV, as the case may be, at a duly held stockholders' meeting called for such purpose or at any adjournment or postponement thereof.

Section 7.2 Conditions to the Obligations of Buyer. The obligations of Buyer to consummate the Merger are subject to the satisfaction or waiver by Buyer of the following further conditions:

(a) each of the representations and warranties of the Company contained in this Agreement that is qualified as to materiality shall be true and correct, and each of the representations and warranties of the Company contained in this Agreement that are not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Effective Time with the same effect as though made as of the Effective Time (except to the extent expressly made as of an earlier date, in which case as of such date), and the Buyer shall have received a certificate signed on behalf of the Company by the chief executive officer or chief financial officer of the Company to such effect;

(b) the Company shall have performed or complied in all material respects with all material agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time, and Buyer shall have received a certificate signed on behalf of the Company by the chief executive officer or chief financial officer of the Company to such effect;

(c) Buyer shall have received from each person named in the letter referred to in Section 6.11 an executed copy of an agreement substantially in the form of Exhibit A hereto;

(d) Buyer shall have received evidence, in form and substance reasonably satisfactory to it, that Buyer or the Company shall have obtained (i) all material consents, approvals, authorizations, qualifications and orders of all Governmental Authorities legally required for the consummation of the Merger and (ii) all other consents, approvals, authorizations, qualifications and orders of Governmental Authorities or third parties required (other than those set forth in Section 7.2(d) of the Company Disclosure Schedule) for the consummation of the Merger, except, in the case of this clause (ii), for those the failure of which to be obtained individually or in the aggregate could not reasonably be expected to have a Company Material Adverse Effect or a Buyer Material Adverse Effect; provided, however, that if Buyer has failed to fulfill its obligations under Section 6.3 hereof it

shall not be entitled to deem this Section 7.2(d) unsatisfied by reason of such non-fulfillment;

(e) the redemption of the Prior Preferred Stock shall have been consummated in accordance with Section 5.2;

(f) In the case of the Forward Merger, Buyer shall have received (i) the opinion of Squadron, Ellenoff, Plesent & Sheinfeld LLP, in form and substance reasonably satisfactory to Buyer, dated as of the Closing Date, on the basis of facts, representations and assumptions set forth in such opinion, the IRS Ruling, and certificates obtained from officers of Buyer, Acquisition Sub and the Company, all of which are consistent with the state of facts existing as of the Effective Time, to the effect that (A) the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, (B) for U.S. federal income tax purposes, no income, gain or loss will be recognized by Buyer, Acquisition Sub and the Company as a result of the Merger, and (C) for U.S. federal income tax purposes, no income, gain or loss will be recognized by the holders of Common Stock Equivalents as a result of the Merger except to the extent such holders receive cash as Merger Consideration and (ii) a private letter ruling (the "IRS Ruling") from the IRS, to the effect that the Merger will satisfy the continuity of business enterprise requirement described in Treasury Regulations Section 1.368-1(d). In rendering the opinion described in clause (i) hereof, Squadron, Ellenoff, Plesent & Sheinfeld LLP shall have received and may rely upon the certificates and representations referred to in Section 6.8 hereof; and

(g) the FCC Consent shall not contain any Adverse Condition.

Section 7.3 Conditions to the Obligations of the Company. The obligations of the Company to consummate the Merger are subject to the satisfaction or waiver by the Company of the following further conditions:

(a) each of the representations and warranties of Buyer contained in this Agreement that is qualified as to materiality shall be true and correct, and each of the representations and warranties of Buyer contained in this Agreement that are not qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Effective Time with the same effect as though made on and as of the Effective Time (except to the extent expressly made as of an earlier date, in which case as of such date), and the Company shall have received a certificate signed on behalf of Buyer by the chief executive officer or chief financial officer of Buyer to such effect;

(b) Buyer and FTH shall have performed or complied in all material respects with all material agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time, and the Company shall have received a certificate signed on behalf of Buyer by the chief executive officer or chief financial officer of Buyer to such effect; and

(c) In the case of the Forward Merger, the Company shall have received (i) the opinion of Skadden, Arps, Slate, Meagher & Flom LLP, in form and substance reasonably satisfactory to the Company, dated as of the Closing Date, on the basis of facts, representations and assumptions set forth in such opinion, the IRS Ruling, and certificates obtained from officers of Buyer, Acquisition Sub and the Company, all of which are consistent with the state of facts existing as of the Effective Time, to the effect that (A) the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, (B) for U.S. federal income tax purposes, no income, gain or loss will be recognized by Buyer, Acquisition Sub and the Company as a result of the Merger, and (C) for U.S. federal income tax purposes, no income, gain or loss will be recognized by the holders of Common Stock Equivalents as a result of the Merger except to the extent such holders receive cash as Merger Consideration and (ii) the IRS Ruling. In rendering the opinion described in clause (i) hereof, Skadden, Arps, Slate, Meagher & Flom LLP shall have received and may rely upon the certificates and representations referred to in Section 6.8 hereof.

## ARTICLE VIII

### TERMINATION, AMENDMENT AND WAIVER

Section 8.1 Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, notwithstanding any requisite adoption of this Agreement and approval of the Merger, as follows:

(a) by mutual written consent duly authorized by the Boards of Directors of each of Buyer and the Company;

(b) by either Buyer or the Company, if the Effective Time shall not have occurred on or before 15 months from the execution of this Agreement (the "Termination Date");

(c) by the Company, upon a breach of any representation, warranty, covenant or agreement on the part of Buyer or FTH set forth in this Agreement, or if any representation or warranty of Buyer shall have become untrue, in either case such that the conditions set forth in Section 7.3(a) or (b) cannot be satisfied on or before the Termination Date (a "Terminating Buyer Breach");

(d) by Buyer, upon breach of any representation, warranty, covenant or agreement on the part of the Company set forth in this Agreement, or if any representation or warranty of the Company shall have become untrue, in either case such that the conditions set forth in Sections 7.2(a) or (b) cannot be satisfied on or before the Termination Date ("Terminating Company Breach");

(e) by either Buyer or the Company, if any Governmental Authority of competent jurisdiction shall have issued an Order or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such Order or other action shall have become final and nonappealable;

(f) by Buyer or the Company if the approval of the Merger by the stockholders of the Company required for the consummation of the Merger as set forth in Section 7.1(a) shall not have been obtained by reason of the failure to obtain such required vote at a duly held Stockholders' Meeting or at any adjournment or postponement thereof; or

(g) by Buyer or the Company if either of the Subsidiary Merger Agreements shall have been terminated; provided, however, that a party shall not have the right to terminate this Agreement pursuant to this Section 8.1(g) if its actions or failure to act shall have prevented the consummation of either such Subsidiary Merger; and provided further that this condition may not be enforced by the Company by reason of the failure to obtain the requisite stockholder vote by the stockholders of BHC or UTV, as the case may be, at a duly held stockholders' meeting called for such purpose or at any adjournment or postponement thereof.

Section 8.2 Effect of Termination. Subject to Sections 8.5 and 9.1 hereof, in the event of termination of this Agreement pursuant to Section 8.1, this Agreement shall forthwith become void, there shall be no liability under this Agreement on the part of Buyer, FTH or the Company or any of their respective officers or directors and all rights and obligations of each party hereto shall cease; provided, however, that nothing herein shall relieve any party from liability for the willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

Section 8.3 Amendment. This Agreement may be amended by mutual agreement of the parties hereto by action taken by or on behalf of their respective Boards of Directors at any time prior to the Effective Time; provided, however, that, after the adoption of this Agreement and the approval of the Merger by stockholders of the Company, there shall not be any amendment that by Law requires further approval by the stockholders of the Company without the further approval of such stockholders. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

Section 8.4 Waiver. At any time prior to the Effective Time, any party hereto may (a) extend the time for the performance of any obligation or other act of any other party hereto, (b) waive any inaccuracy in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) subject to the proviso of Section 8.3, waive compliance with any agreement or condition contained herein. Any such extension or waiver shall only be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby.

Section 8.5 Expenses. Except as set forth in this Section 8.5, all Expenses (as defined below) incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be paid by the party incurring such expenses, whether or not the Merger or any other transaction is consummated, except that the Company and Buyer each shall pay one-half of all Expenses relating to (i) printing, filing and mailing the Registration Statement and the Proxy Statement and all SEC and other regulatory filing fees incurred in connection with the Registration Statement and the Proxy Statement, (ii) any filing with the FCC or similar authority and (iii) any filing with antitrust authorities; provided, however, that Buyer shall pay all Expenses relating to the Exchange Agent and, provided further, that the Company, BHC and UTV shall not, in the aggregate, pay more than one-half of the Expenses. "Expenses" as used in this Agreement (other than Section 6.6 hereof) shall include all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, experts and consultants to a party hereto and its affiliates) incurred by a party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement, the preparation, printing, filing and mailing of the Registration Statement and the Proxy Statement, the solicitation of stockholder and stockholder approvals, the filing of any required notices under the HSR Act or other similar regulations, any filings with the SEC or the FCC and all other matters related to the closing of the Merger and the other transactions contemplated by this Agreement.

## ARTICLE IX

### GENERAL PROVISIONS

Section 9.1 Non-Survival of Representations, Warranties and Agreements. The representations, warranties and agreements in this Agreement and any certificate delivered pursuant hereto by any person shall terminate at the Effective Time or upon the termination of this Agreement pursuant to Section 8.1, as the case may be, except that this Section 9.1 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time or after termination of this Agreement, including, without limitation, those contained in Sections 6.4, 6.6, 6.8, 6.10, 6.11, 6.12, 6.18 and 6.20.

Section 9.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by facsimile, by courier service or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.2):

if to Buyer or to FTH:

The News Corporation Limited  
1211 Avenue of the Americas  
New York, New York 10036  
Telecopier: 212-768-2029  
Attention: Arthur M. Siskind, Esq.  
Senior Executive Vice President and Group General Counsel

with copies to:

Squadron, Ellenoff, Plesent & Sheinfeld LLP  
551 Fifth Avenue  
New York, New York 10176  
Telecopier No.: (212) 697-6686  
Attention: Jeffrey W. Rubin, Esq.

if to the Company:

Chris-Craft Industries, Inc.  
767 Fifth Avenue  
New York, New York 10153  
Telecopier No.: (212) 759-7653  
Attention: General Counsel

with copies to:

Skadden, Arps, Slate, Meagher & Flom LLP  
Four Times Square  
New York, New York 10036-6522  
Telecopier No.: (212) 735-2000  
Attention: Lou R. Kling, Esq.  
- and -  
Howard L. Ellin, Esq.

Section 9.3 Interpretation, Certain Definitions. When a reference is made in this Agreement to an Article, Section or Exhibit, such reference shall be to an Article or Section of, or an Exhibit to, this Agreement, unless otherwise indicated. The table of contents and headings for this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any statute defined or referred to herein or in any agreement or instrument that is referred to herein means such statute as from time to time amended, modified or supplemented, including (in the case of statutes) by succession of comparable successor statutes. References to a person are also references to its permitted successors and assigns. References to "\$" or "dollars" herein shall be deemed to be references to US\$.

For purposes of this Agreement, the term:

(a) "affiliate," of a specified Person, means a Person who, directly or indirectly, through one or more intermediaries controls, is controlled by, or is under common control with, such specified Person;

(b) "business day" means any day on which the principal offices of the SEC in Washington, D.C. are open to accept filings, or, in the case of determining a date when any payment is due, any day on which banks are not required or authorized to close in the City of New York;

(c) "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, or as trustee or executor, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise;

(d) "Governmental Authority" means any United States (Federal, state or local) or foreign government, or governmental, regulatory, judicial or administrative authority, agency or commission;

(e) "knowledge" means the actual knowledge of the following officers and employees of the Company and Buyer, without benefit of an independent investigation of any matter, as to (i) the Company: Herbert J. Siegel, John C. Siegel, William D. Siegel, Brian C. Kelly, Evan C Thompson and Joelen K. Merkel and (ii) Buyer: K.R. Murdoch, D.F. DeVoe, A. Siskind, Peter Chernin and Chase Carey; and

(f) "subsidiary" or "subsidiaries," of any Person, means any corporation, partnership, joint venture or other legal entity of which such Person (either above or through or together with any other subsidiary), owns, directly or indirectly, more than 50% of the stock or other equity interests, the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity. For purposes of this Agreement, FTH and its subsidiaries shall each be deemed to be a subsidiary of Buyer, of FEG and of all of the entities of which FEG is itself a subsidiary.

Section 9.4 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law, or public policy, all other conditions and provisions of this Agreement shall

nevertheless remain in full force and effect so long as the economic or legal substance of the Merger is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Merger be consummated as originally contemplated to the fullest extent possible.

Section 9.5 Entire Agreement; Assignment. This Agreement (including the Exhibits, the Company Disclosure Schedule and the Buyer Disclosure Schedule which are hereby incorporated herein and made a part hereof for all purposes as if fully set forth herein) and the Confidentiality Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof. The parties agree to comply with all covenants and agreements set forth on the Company Disclosure Schedule and the Buyer Disclosure Schedule as if such covenants and agreements were fully set forth in this Agreement. This Agreement shall not be assigned by the Company. Buyer shall not assign this Agreement, other than to an affiliate of Buyer; provided that no such assignment shall relieve Buyer of any of its obligations hereunder.

Section 9.6 Parties in Interest. Except as otherwise provided in this Section 9.6, this Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement other than Sections 6.6 and 6.11 and as specified in paragraph nine (9) of Section 6.12(e) of the Company Disclosure Schedule (which are intended to be for the benefit of the Persons covered thereby and may be enforced by such Persons), 6.20 and, in the event that the Forward Merger is consummated, Sections 6.8 and 6.18 (which three sections are intended for the benefit of the persons who were the stockholders of the Company immediately preceding the Effective Time).

Section 9.7 Governing Law. This Agreement shall be governed by, and construed in accordance with the laws of the State of Delaware.

Section 9.8 Consent to Jurisdiction.

(a) Each of Buyer and the Company hereby irrevocably submits to the exclusive jurisdiction of the courts of the State of Delaware and to the jurisdiction of the United States District Court for the State of Delaware, for the purpose of any action or proceeding arising out of or relating to this Agreement and each of Buyer and the Company hereby irrevocably agrees that all claims in respect to such action or proceeding may be heard and determined exclusively in any Delaware state or federal court. Each of Buyer and the Company agrees that a final judgment in any action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of Buyer and the Company irrevocably consents to the service of the summons and complaint and any other process in any other action or proceeding relating to the transactions contemplated by this Agreement, on behalf of itself or its property, by personal delivery of copies of such process to such party in accordance with Section 9.2. Nothing in this Section 9.8 shall affect the right of any party to serve legal process in any other manner permitted by law.

Section 9.9 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 9.10 WAIVER OF JURY TRIAL

EACH OF BUYER AND THE COMPANY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF BUYER OR THE COMPANY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF.

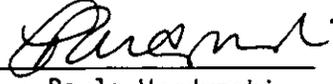
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Buyer, Acquisition Sub and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

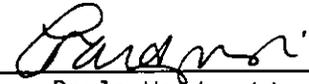
THE NEWS CORPORATION  
LIMITED

By:   
Name: Arthur M. Siskind  
Title: Director

NEWS PUBLISHING AUSTRALIA  
LIMITED

By:   
Name: Paula Wardynski  
Title: Vice President

FOX TELEVISION HOLDINGS,  
INC.  
(solely as to Section 6.3 and Section  
6.20 of this Agreement)

By:   
Name: Paula Wardynski  
Title: Vice President

CHRIS-CRAFT INDUSTRIES, INC.

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, Buyer, Acquisition Sub and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

THE NEWS CORPORATION  
LIMITED

By: \_\_\_\_\_  
Name: Arthur M. Siskind  
Title: Director

NEWS PUBLISHERS AUSTRALIA  
LIMITED

By: \_\_\_\_\_  
Name:  
Title:

FOX TELEVISION HOLDINGS,  
INC.  
(solely as to Section 6.20 of this  
Agreement)

By: \_\_\_\_\_  
Name:  
Title:

CHRIS-CRAFT INDUSTRIES, INC.

By: Herbert J. Siegel  
Name: Herbert J. Siegel  
Title: Chairman and President



Exhibit A

Form of Affiliate Letter - Chris Craft Industries, Inc.

\_\_\_\_\_, 2000

The News Corporation Limited  
1211 Avenue of the Americas  
New York, New York 10036  
Attention: Arthur M. Siskind

Ladies and Gentlemen:

I have been advised that as of the date of this letter agreement I may be deemed to be an "affiliate" of Chris-Craft Industries, Inc., a Delaware corporation (the "Company"), as such term is defined for purposes of paragraphs (c) and (d) of Rule 145 of the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"). Pursuant to the terms of the Agreement and Plan of Merger, dated as of August 13, 2000 (the "Merger Agreement"), by and among The News Corporation Limited, a South Australian corporation ("News Corporation"), the Company, News Publishing Australia Limited, a Delaware corporation, Fox Television Holdings, Inc., a Delaware corporation, the Company and a subsidiary of News Corporation will be merged (the "Merger"). Capitalized terms used in this letter without definition shall have the meanings assigned to them in the Merger Agreement.

Pursuant to the Merger, I may receive American Depositary Shares (the "News Corporation Preferred ADSs"), each representing four Preferred Limited Voting Ordinary Shares of News Corporation (the "News Corporation Preferred Shares"), and all options which I may hold to purchase capital stock of the Company and will be converted into options to purchase News Corporation Preferred ADSs.

I represent, warrant and covenant to News Corporation that, with respect to all News Corporation Preferred ADSs I may receive as a result of the Merger or pursuant to the exercise of my options:

1. I shall not make any sale, transfer or other disposition of such News Corporation Preferred ADSs, or News Corporation Preferred Shares received in respect thereof, in violation of the Act or the Rules and Regulations.

2. I have carefully read this letter and the Merger Agreement and have had an opportunity to discuss the requirements of such documents and any other applicable limitations upon my ability to sell, transfer or otherwise dispose of News Corporation Preferred ADSs, or News Corporation Preferred Shares received in respect thereof, with my counsel or counsel for the Company.

3. I have been advised that the issuance of News Corporation Preferred ADSs to me pursuant to the Merger has been registered with the Commission under the Act on a Registration Statement on Form F-4. However, I have also been advised that, since at the time the Merger was submitted for a vote of the stockholders of the Company, I may be deemed to have been an affiliate of the Company and the distribution by me of the News Corporation Preferred ADSs has not been registered under the Act, I may not sell, transfer or otherwise dispose of News Corporation Preferred ADSs that may be issued to me as a result of the Merger or pursuant to the exercise of my options, or News Corporation Preferred Shares received in respect thereof, unless such sale, transfer or other disposition (i) has been registered under the Act, (ii) is made in conformity with Rule 145 under the Act, or (iii) in the opinion of counsel reasonably acceptable to News Corporation or pursuant to a "no action" letter obtained by the undersigned from the staff of the Commission, is otherwise exempt from registration under the Act.

4. I understand that News Corporation is under no obligation to register under the Act the sale, transfer or other disposition of News Corporation Preferred ADSs, or News Corporation Preferred Shares received in respect thereof by me or on my behalf or to take any other action necessary in order to make compliance with an exemption from such registration available.

5. I understand that News Corporation will give stop transfer instructions to News Corporation's Depository with respect to the News Corporation Preferred ADSs received by me in the Merger or upon exercise of my options and may give similar instructions to the transfer agent with respect to News Corporation Preferred Shares, and that the certificates for such News Corporation Preferred ADSs issued to me, or any substitutions therefor, will bear a legend substantially to the following effect:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED IN A TRANSACTION TO WHICH RULE 145 UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") APPLIES, AND MAY ONLY BE TRANSFERRED IN CONFORMITY WITH RULE 145,

PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR IN ACCORDANCE WITH AN EXEMPTION FROM REGISTRATION, WHICH SHALL BE EVIDENCED BY A WRITTEN OPINION OF COUNSEL, REASONABLY ACCEPTABLE TO THE ISSUER, IN FORM AND SUBSTANCE TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE ACT.”

6. I also understand that unless the sale or transfer by me of News Corporation Preferred ADSs received in the Merger or upon exercise of my options has been registered under the Act or is a sale made in conformity with the provisions of Rule 145, News Corporation reserves the right to place a legend substantially to the following effect on the certificates issued to any transferee:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND WERE ACQUIRED FROM A PERSON WHO RECEIVED SUCH SECURITIES IN A TRANSACTION TO WHICH RULE 145 UNDER THE SECURITIES ACT OF 1933 APPLIES. THE SECURITIES HAVE NOT BEEN ACQUIRED BY THE HOLDER WITH A VIEW TO, OR FOR RESALE IN CONNECTION WITH, ANY DISTRIBUTION THEREOF WITHIN THE MEANING OF THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR IN ACCORDANCE WITH AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933.”

It is understood and agreed that the legends set forth in paragraphs 5 and 6 above shall be removed by delivery of substitute certificates without such legend if such legend is not required for purposes of the Act. It is understood and agreed that with respect to News Corporation Preferred ADSs received by me as a result of the Merger, such legends and the stop orders referred to above will be removed if (i) one year shall have elapsed from the date of the Merger and the provisions of Rule 145(d)(2) are then available to the undersigned, (ii) two years shall have elapsed from the date of the Merger and provisions of Rule 145(d)(3) are then applicable to the undersigned, or (iii) News Corporation has received either an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to News Corporation, or a “no action” letter obtained by the undersigned from the staff of the Commission, to the effect that the restrictions imposed by Rule 145 under the Act no longer apply to the undersigned.

The News Corporation Limited  
\_\_\_\_\_, 2000

Page 4

Execution of this letter should not be considered an admission on my part that I am an "affiliate" of the Company as described in the first paragraph of this letter, or as a waiver of any rights that I may have to object to any claim that I am such an affiliate on or after the date of this letter.

For so long as and to the extent necessary to permit me to sell the News Corporation Preferred ADSs which I may receive as a result of the Merger pursuant to Rule 145 and, to the extent applicable, Rule 144 under the Act, News Corporation shall (a) use its reasonable efforts to (i) file, on a timely basis, all reports and data required to be filed with the Commission by it pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and (ii) furnish to me upon request a written statement as to whether or not News Corporation has complied with such requirements during the 12 months preceding any proposed sale of the shares by me pursuant to Rule 145, and (b) otherwise use its reasonable efforts to permit such sales pursuant to Rule 145 and Rule 144. News Corporation hereby represents to me that it has filed all reports required to be filed with the Commission under Section 13 of the 1934 Act during the preceding 12 months.

Sincerely,

\_\_\_\_\_

Accepted this \_\_\_ day of  
\_\_\_\_\_, 2000

THE NEWS CORPORATION LIMITED

By: \_\_\_\_\_  
Name:  
Title:



## EXHIBIT B

- At the acquisition closing, Newco will transfer all FCC licenses to a subsidiary of THC (the "THC Sub"), which may be FTS, for nominal cash consideration and the agreement described below, and THC Sub will become the licensee of the Stations.
- The Newco - FTH agreement will have a term of 20 years whereby THC Sub will control the operation of the Stations. THC Sub will have full access to the operating assets held by Newco. The Agreement will provide as follows:
  - The employees at the Station-level will be employed by Newco or its subsidiaries and will be responsible for the day-to-day operational responsibilities incident to running the Stations, subject to the ultimate direction and control by THC Sub, with the General Manager of each station reporting directly to FTS management.
  - Net income and net losses will be shared on the basis of THC Sub receiving approximately 5% of such income and losses and Newco receiving approximately 95% of the net income and losses.
  - The costs and expenses of the Stations will be borne by the parties based on their respective percentage interests in the net income and net losses of the venture.
  - Neither party will indemnify the other party for causes of action that might arise as a result of the operation of the Stations, except for causes of action arising due to gross negligence.
  - Neither the operating assets of the Stations nor the licenses may be sold without the other, and the Agreement may not be terminated, nor can substantially all the assets be sold without the consent of both parties.
  - Upon conclusion of the Agreement, unless the parties agree otherwise, and upon any disposition of the Stations, THC Sub will receive a payment equal to 5% of the excess of the sale price upon a sale (or the fair market value in the case of a dissolution) over the cost of the Stations.
  - Consistent with IRS regulations, the parties will treat this arrangement as if it were a partnership for tax purposes.