



NEWS CORP. OFFERS \$5 BILLION FOR DOW JONES AND WALL STREET JOURNAL

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NEW YORK - News Corp. is bidding \$5 billion to buy Dow Jones & Co., publisher of The Wall Street Journal, the companies said Tuesday, but the shareholders controlling Dow Jones said they will oppose the offer.

If successful, the deal could catapult Rupert Murdoch's media empire, which includes the Fox networks, to the forefront of business journalism, enhancing already ambitious plans for a financial cable news network set to debut this year.

News Corp. offered to pay \$60 a share in cash or cash and stock for Dow Jones, which also publishes Barron's, MarketWatch, Dow Jones Newswires and market indexes including the Dow Jones industrial average.

The unsolicited offer is a premium of about 65 percent over Dow Jones' share price on Monday.

Dow Jones initially said its board of directors and the Bancroft family, the majority shareholders, were "evaluating the proposal."

Later, the company said family members and their trustees with more than 50 percent of Dow Jones voting power opposed News Corp.'s bid. Like some other major newspaper companies, the owning family maintains control through a special class of stock.

Its opposition could invite other potential bidders or push Murdoch to offer more.

Murdoch said he did not know if the whole family had been consulted yet, but there is still plenty of time to make the deal work. He said he expects to meet with the Bancrofts within a few weeks.

"We will take it calmly and hope that they take it calmly and will think about it," Murdoch told the Fox News Channel. "It's a generous offer and we are the sort of people with the same traditions that I think will prove great guardians for this paper."

Murdoch, 76, who has long sought the Journal, said he did not foresee any regulatory hurdles blocking the deal for what he called "the greatest newspaper in America."

"It's got great journalists, it's got great management," he said. But "it needs to be part of a bigger organization to be taken further."

News Corp., with a market value of about \$70 billion, owns properties including the New York Post, the Fox broadcast network and cable news channel, the Twentieth Century Fox studio, the MySpace Web site and newspapers in Australia and the United Kingdom.

News of the offer rippled through Wall Street Tuesday, sending Dow Jones shares up more than 50 percent and boosting media stocks.

At a time when the future of newspapers is widely seen as uncertain, the News Corp. offer is a surprise, said Rick Edmonds, a newspaper industry analyst at the Poynter Institute in St. Petersburg, Fla.

"It's a big shift from the idea that newspapers are going down, down, down and aren't of financial interest to anybody," he said.

The News Corp. offer quickly drew opposition from the union for Dow Jones employees.

"Mr. Murdoch has shown a willingness to crush quality and independence, and there is no reason to think he would handle Dow Jones or the Journal any differently," the Independent Association of Publishers' Employees said in a statement.

"The staff, from top to bottom, opposes a Rupert Murdoch takeover of Dow Jones," the union said.

While the Journal would be a "real trophy property" for Murdoch, Edmonds said, the deal could also benefit News Corp. plans for a Fox financial news network.

"If he is going into the business of a financial news cable network, having the information capabilities of Dow Jones would be a real plus," he said.

Such a network would be a competitor with CNBC, which has a partnership with Dow Jones through 2012.

Murdoch said that would not be a problem.

"We just want to have a business channel that lives up to the quality and the traditions of the Wall Street Journal," he said. "We think there's plenty of room for us all to work together."

Before the news emerged that the Bancrofts planned to oppose the deal, Joe Astrachan, a family business expert at Kennesaw State University's Coles College in Georgia, said the family would likely take the offer seriously since it is "a premium over the current price."

He said the Bancrofts, which have owned Dow Jones for about a century, have done a good job as stewards and keeping up with changing technology.

That Dow Jones is more advanced than many media companies in embracing a "digital future" appeals to Murdoch, Edmonds said. News Corp. bought the online phenomenon MySpace for \$580 million in 2005.

Tammy Joyner of the Atlanta Journal-Constitution contributed to this article.