

Murdoch presses offer for Dow Jones

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NEW YORK — News Corp. said Tuesday it is bidding \$5 billion to buy Dow Jones & Co., publisher of *The Wall Street Journal*, but controlling shareholders of 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' (NYSE: DJ) share price Monday. Shares rose \$19.87 or 54.6 percent on the day to close at \$56.20.

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 oppose News Corp.'s bid.

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

Murdoch said he did not know whether the whole family had been consulted yet but there is 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."

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, not only sending Dow Jones shares skyrocketing but also boosting other 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.

"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 Bancroft family probably will take the offer seriously because it is "a premium over the current price," said Joe Astrachan, a family business expert at Kennesaw State University's Coles College. The Bancrofts, who have owned Dow Jones for about a century, have done a good job as stewards and keeping up with technology.