

# Content is 'electronic emperor' says Murdoch

February 3 2010, by Chris Lefkow

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The logo of media firm News Corporation. Chief Executive of group, Rupert Murdoch, has repeated plans to begin charging online readers of his newspapers.

Buoyed by a box office hit in "Avatar" and better-than-expected profits, News Corp.'s Rupert Murdoch has predicted a rosy future for content companies such as his media and entertainment giant.

"The debate over the primacy of content is over," Murdoch told analysts after [News Corp.](#) reported a 254-million-dollar second-quarter net profit compared with a 6.4-billion-dollar loss in the same quarter a year ago.

"The value of content is now clear," said Murdoch, whose holdings include the Fox television networks, "Avatar" maker 20th Century Fox, The Wall Street Journal, the [New York Post](#) and newspapers in Australia and Britain.

"Content is not just king. It is the emperor of all things electronic," the

News Corp. chairman and chief executive said.

Declaring News Corp. "the world's preeminent content company," Murdoch said "devices and platforms are proliferating."

"But this clever technology is merely an empty vessel without any great content," he said. "Without content, the ever larger and flatter screens, the tablets, the e-readers and the increasingly sophisticated mobile phones would be lifeless."

Murdoch repeated plans to begin charging online readers of his newspapers. The Wall Street Journal is currently the only major newspaper in the News Corp. stable to charge readers a subscription fee.

"We expect to expand to other titles in the coming months," Murdoch said. "We'll be charging for online wherever we have publications."

News Corp., he added, is also holding "a very substantive conversation with device makers on developing a subscription model that will provide high-quality journalism to consumers whenever and wherever they want it."

An outspoken critic of Amazon's Kindle, Murdoch said News Corp. -- owner of book publisher Harper-Collins -- had entered into an agreement with Apple, which unveiled its "iPad" [tablet computer](#) last week.

Murdoch said the deal with Apple would allow for higher prices for e-books than the 9.99 dollars Amazon charges for bestsellers and hardcover releases.

Murdoch also said there have been "very early" talks with director James Cameron about making a sequel to "Avatar" and said the film will be

released "as soon as possible" on DVD although the DVD version will not be in 3-D.

Murdoch's exuberance was boosted by second-quarter earnings per share of 25 cents, better than the 20 cents expected by Wall Streets analysts.

Revenue during the three months to December 31 also blew past the forecasts, rising 10 percent to 8.7 billion dollars. Analysts had predicted 8.23 billion dollars.

Last year's second-quarter results included a massive impairment charge and this year's second-quarter results also included a one-time charge -- a 500 million dollar settlement over lawsuits filed by Valassis Communications Inc.

By sector, newspapers saw operating income grow 30 percent to 259 million dollars on increased advertising revenue at The Wall Street Journal and lower operating expenses across the newspaper division.

Advertising revenue for the print edition of the Journal rose five percent and ad revenue at the digital version of the newspaper was 17 percent higher.

"Avatar," "Ice Age: Dawn of the Dinosaurs," and other box office hits helped boost operating income in the film division to 324 million dollars, up from 112 million dollars a year ago.

Operating income for the broadcast television segment rose to 29 million dollars after losing two million dollars a year ago while cable networks improved to 604 million dollars from 448 million dollars a year ago.

SKY Italia lost 30 million dollars after making 10 million dollars a year ago.

News Corp. shares were trading 4.23 percent higher at 13.30 dollars in after-hours electronic trading.

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