

News Corp, Murdoch open new post-breakup chapter

June 28 2013, by Sophie Estienne

A new chapter opens Friday for Rupert Murdoch and his News Corp with the split of the media-entertainment conglomerate as the 82-year-old coincidentally goes through a marriage breakup.

The split of the company with some \$34 billion in revenues worldwide becomes official after the close of US markets, creating two independent, publicly traded companies, both headed in some form by the Australian-born magnate.

Murdoch has said the split will "unlock value" for shareholders by creating one firm focused on the high-flying television and film activities, and another on newspapers and other struggling publishing entities.

Murdoch told shareholders on June 11 that the breakup would "unleash the true potential of our quite unparalleled portfolio of assets, brands and franchises."

The crown jewel has been baptized 21st Century Fox, comprised of the Fox studios in Hollywood and a global array of cable and broadcasting operations, including the Fox television entities, National Geographic Channels, Fox Pan American Sports, MundoFox, STAR, and 28 local television stations.

It has pay-TV services in Europe and Asia, including Sky Deutschland, Sky Italia and stakes in BSkyB and Tata Sky.

The "new News Corporation" will include newspapers in Britain, Australia and the United States, including The Wall Street Journal and The Times of London. It also includes digital real estate services, book publishing, digital education and sports programming and pay-TV distribution in Australia.

The company announced the restructuring last June, a move partly seen as a nod to shareholders angered by the reputational damage and costs inflicted by a phone hacking scandal in Britain, and partly because of troubles within the group's publishing arm.

While some analysts see the outlook for publishing as bleak, Murdoch says he remains committed to his newspaper roots.

"People are buying fewer papers but they are equally getting their [news](#) in many other forms," he said last year. "People will pay for news, it's the most valuable commodity in the world. People need to know what's going on."

As his empire was being built through a series of mergers and acquisitions, Murdoch was also going through a series of unions and breakups in his personal life.

Earlier this month, Murdoch filed papers to divorce his third wife Wendi Deng on Thursday, citing an "irretrievably" broken marriage to a woman 38 years his junior.

Deng was perhaps best known for a 2011 incident when she leapt to defend her husband by striking a pie-wielding protester, prompting headlines calling her a "tiger wife."

The divorce will not affect the way in which the media empire is run as Deng does not have stock or voting rights in News Corp, sources

familiar with the company said.

Murdoch will remain in charge of both firms after the split, as chairman and chief executive of 21st Century Fox, and executive chairman of the new News Corporation.

Murdoch has spent a lifetime building his News Corp empire from a single Australian newspaper he inherited.

He moved to London where his purchase of the weekly News of the World in 1969 gave him a high-profile foothold in the British market. He went on to buy The Sun, a daily which he turned into a popular and big-selling tabloid.

The success of his London-based newspapers helped finance his 1981 purchase of The Times and Sunday Times, both prestigious broadsheets, in an acquisition that met with intense opposition from parts of Britain's establishment.

He relocated to the United States where more bold acquisitions followed and where he became a naturalized US citizen in 1985.

The conglomerate made a string of high-profile acquisitions, including the Fox broadcast and Hollywood studios, and The Wall Street Journal.

His youngest son James, 40, is believed to be the heir apparent to the family empire.

James oversaw the closure of the 168-year-old News of The World tabloid, which folded on July 9 after the revelation the tabloid hacked into the phones of a murdered teenager and the families of dead soldiers.

James was named News Corp's deputy chief operating officer in March

2011 and serves as chief executive of the news and entertainment giant's international operations.

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