

News Corp shares rise on doubled share buyback

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(AP) -- Shares in Rupert Murdoch's News Corp. rose Thursday after the company posted upbeat quarterly results and doubled its commitment to buying back shares.

THE SPARK: News Corp. on Wednesday vowed to buy back another \$5 billion in shares by June 2013, on top of \$5 billion buyback plan announced last July that is nearly 80 percent complete. That eased fears that Murdoch would spend company cash on an overpriced acquisition.

On top of that, News Corp. reported earnings for the quarter through March that beat [analyst expectations](#), thanks to gains at its pay TV businesses, including [Fox News](#), and movie studio [20th Century Fox](#). In their forecasts, analysts don't typically include unusual items such as News Corp.'s \$63 million in legal bills to deal with the ongoing [phone hacking](#) and bribery investigation of its British newspaper unit.

THE BIG PICTURE: News Corp. generates most of its profits from U.S. pay TV networks including FX, and its TV station business and Fox [broadcast network](#). Attention has been focused on the hacking and bribery probe in Britain. That has cost \$167 million in legal bills so far and caused the company to abandon its bid for control of British Sky Broadcasting.

Further share buybacks reflect the rising influence of Chief Operating Officer Chase Carey, who Wall Street views as far more shareholder-friendly than Murdoch. He is also more focused on the profit center pay TV businesses, while Murdoch has put more energy into the less-profitable newspaper business.

THE ANALYSIS: "Perhaps more important than the results of a single quarter ... is the commitment to share repurchases," wrote Canaccord Genuity analyst Thomas Eagan in a research note. He said he thought that the company was not likely to

make expensive acquisitions, and he expects investments in the hundreds of millions, rather than billions, in the near future.

SHARE ACTION: Shares were up \$1.17, or 6 percent, at \$20.55 in afternoon trading Thursday. Shares had gained about 45 percent from a 52-week low reached in August of last year, shortly after the hacking scandal blew up.

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