

News Corp will charge for newspaper websites, says Rupert Murdoch

Current days of free internet will soon be over, says media mogul

By [Andrew Clark](#)

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Rupert Murdoch expects to start charging for access to [News Corporation](#)'s newspaper websites within a year as he strives to fix a "malfunctioning" business model.

Encouraged by booming online subscription revenues at the Wall Street Journal, the billionaire media mogul last night said that papers were going through an "epochal" debate over whether to charge. "That it is possible to charge for content on the web is obvious from the Wall Street Journal's experience," he said.

Asked whether he envisaged fees at his British papers such as the Times, the Sunday Times, the Sun and the News of the World, he replied: "We're absolutely looking at that." Taking questions on a conference call with reporters and analysts, he said that moves could begin "within the next 12 months," adding: "The current days of the [internet](#) will soon be over."

Plunging earnings from [newspapers](#) led the way downwards as News Corporation's quarterly operating profits slumped by 47% to \$755m, although exceptional gains on sale of assets boosted bottom-line pretax profits to \$1.7bn, in line with last year's figure.

Dwindling advertising revenue across print and television divisions depressed the News Corp numbers despite box office receipts from Twentieth Century Fox movies such as Slumdog Millionaire and Marley and Me. But Murdoch said he believed signs of hope were appearing.

"I'm not an economist and we all know economists were created to make weather forecasters look good," he quipped. "But it is increasingly clear the worst is over."

He continued: "There are encouraging signs in some of our businesses that the days of precipitous declines are done, and things are beginning to look healthier."

News Corp's newspaper division barely broke even, with quarterly profits collapsing from \$216m to \$7m year-on-year. Advertising revenue in Britain fell by 21% and Murdoch revealed the Sunday Times is struggling: "It's still in profit, but only just so." The tabloids had fared better, aided by price battles at supermarkets which spend heavily on print promotions.

Television profits also shrank dramatically, falling from \$419m to \$4m due to a loss of Superbowl revenue and weaker advertising at the group's Fox channels in the US and its Star network in Asia.

News Corp has cut 3,000 jobs over the last year, although Murdoch said very few affected journalists or “creative” personnel. Its filmed entertainment division enjoyed an 8% rise in profits to \$282m, while Fox News Channel in the US helped push profits from cable subscription networks up by 30% to \$429m.

But News Corp revealed that its interactive media division, which includes the social networking site MySpace, had turned in a lower contribution. MySpace’s management was recently replaced as News Corp struggles to build sustainable profitability but Murdoch dismissed competition from its larger rival, Facebook.

“We’re not going for the Facebook model of getting hundreds and hundreds of million of people who don’t bring any advertising with them at all,” he said.

Meanwhile a threat to close the Boston Globe was averted today as its owner, the New York Times Company, struck a deal with the daily’s largest union after a week of talks; the 137-year-old publication is the 14th biggest-selling US paper.

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