

0
2
0
0
0
0

shareholder vote on its planned merger with Germany's Deutsche Boerse and will advise shareholders about why it is rejecting a hostile bid from Sweden's OM Group. OM, owner of Stockholm's exchange, bid \$1.2 billion to take over the larger London exchange.

Aussie brewer buys U.S. winemaker

Shares of Beringer Wine Estates Holdings jumped \$10.25 to \$55.31 Tuesday after Australia's Foster's Brewing Group agreed to buy the winemaker for \$1.1 billion. The deal will double the size of Foster's Mildara Blass wine division and gives Australia's largest brewer access to the USA's premium wine market. Analysts expect more consolidation in the world wine industry.

Intel recalls faulty Pentium III chip

Intel's fastest chip has been slowed by a flaw, prompting a limited recall. Intel, which found the glitch, says it has no customer complaints and only a handful of the processors — the 1.13 gigahertz Pentium III — have been shipped.

AT&T earnings, credit rating to drop

AT&T's earnings will reflect losses at cable Internet company Excite At Home sooner than expected. And, in unrelated news, its credit rating could drop. AT&T has stepped up a deal to take control of Excite At Home, even though folding in the losses sooner may cut projected third quarter profit by up to 5 cents. Investors liked the idea, bidding AT&T shares up \$1.56 to close at \$31.81. Meanwhile, in a decision not related to the earnings news, credit rater Standard & Poor's says it may cut AT&T's rating. "The CreditWatch placement reflects concerns regarding AT&T's cable television strategy, long-term prospects for AT&T's core long-distance business, a more aggressive wireless expansion plan and the company's overall strategic direction," S&P said. Even a cut of more than one notch would leave AT&T debt investment grade. And borrowing costs might not change much because S&P rates AT&T higher than rival Moody's.

AOL looks for deal on AT&T's Net service

Despite the planned \$132 billion merger between America Online and Time Warner, AOL told the Federal Communications Commission it still wants its Internet service to be carried on rival AT&T's cable systems. AOL "is presently engaged in preliminary discussions with AT&T to determine what the terms and structure of a viable deal might be," according to an FCC filing on the two merging companies. Critics of the AOL-Time Warner marriage want the FCC to keep the new company and AT&T far apart to ensure competition in the cable market.

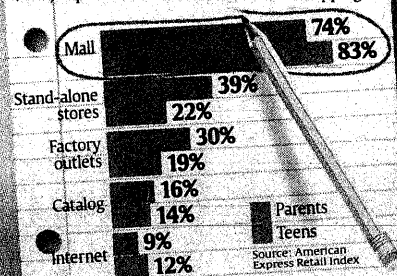
By Anne R. Carey from staff and wire reports

USA TODAY Get business & financial news as it happens.
Visit us on the Web at
.com <http://money.usatoday.com>

USA TODAY Snapshots®

Malls are still most popular for school shopping

Where parents (amount they plan to spend: \$424) vs. back-to-schoolers ages 12 to 17 (average contribution: \$124) expect to do most of their school shopping:



By Anne R. Carey and Gary Visgaltis, USA TODAY



Give me an "e"! eBay executives, from left, President and CEO Meg Whitman, General Manager Jeff Jordan, Officer Brian Swette and Senior Vice President Steve Westly spell out their enthusiasm.

Cover story

EBay readies for airwave ad

Net auction powerhouse altering strategy, looks to TV can

By Deborah Kong
USA TODAY

SAN JOSE, Calif. — eBay should be in marketing heaven. It seems to effortlessly attract attention while spending a pittance on advertising.

Jeopardy! quizzes contestants about items that are, as one recent category was called, "Banned on eBay." Comic David Letterman makes it the butt of his gags.

It is a pop culture phenomenon and the Web's second most-recognized brand, according to a recent Harris Interactive study.

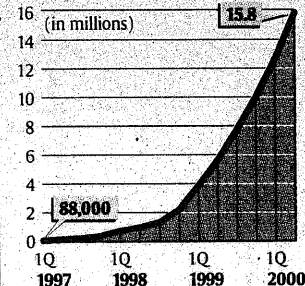
But that's not good enough. Its stock price is down 49% since late March. And as it faces tough new competitors, eBay has decided it must persuade a lot more people to sell and buy stuff on the site.

That's why the company, which marks its fifth anniversary in September, is trying to pull off a risky change in strategy. eBay is supplementing its traditional low-key approach to marketing and preparing its first TV ad campaign, a possible prelude to a national blitz.

The timing might seem odd. Most Internet companies are slashing their outlays, including marketing, as once-

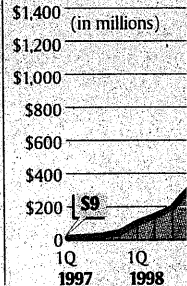
More getting sold on eBay

As the number of registered buyers and sellers has grown ...



Source: eBay

... so has the value of n sold on the site



By Ma

euphoric investors raise gimlet-eyed questions about potential profits.

Dot-coms "want to stay alive as long as possible," says marketing expert David Aaker, author of *Brand Leadership*. "And the money they spent before (on ads and marketing) was spent so wastefully, they're insecure about their ability to build brands effectively."

But eBay CEO Meg Whitman says the industrywide retreat from the airwaves

means "it might be to actually increase o

That could be dang of the Internet's few because it has been al cheap. eBay limits it: niche magazines for *Linn's Stamp News*. It trade shows, such as

Please see COVER ST

Full flights, sickout could mar week

By Chris Woodyard
and Marilyn Adams
USA TODAY

A possible wildcat sickout by some Southwest Airlines ramp workers could put a damper on a jammed Labor Day travel weekend.

The threatened disruption — unconfirmed by the airline — would cap a summer of frequent flight delays as reflected by Transportation Department figures released Tuesday.

The figures showed only 66.3% of domestic flights by the nation's 10 largest airlines arrived on time in June, compared with 70.9% in June 1999. The Federal Aviation Administration said earlier that June was the worst ever for delays for private, military and commercial flights.

Among the major airlines, Northwest posted the best on-time record, 75%. The carrier worked closely with the FAA to avoid air-traffic-control bottlenecks, says spokeswoman Kathy Peach.

Besides having the skies clogged with

planes, the system was plagued by a particularly bad summer storm season.

United Airlines, stricken by some pilots' refusal to fly beyond contractually required hours, had the worst showing: only 48.3% of flights were on time. The pilots union reached a tentative agreement over the weekend, but the airline has yet to make peace with the machinists union.

Southwest, by contrast, has prided itself on its labor peace. But tensions have been building between the company and 5,000 aircraft-service employees represented by the Transport Workers Union.

The National Mediation Board appointed a mediator last week, but TWU officials say there could be wildcat actions. "There's a rumor circulating that there will be a massive sickout over the holiday weekend, but it's not sanctioned by the union," says Southwest TWU President Gary Shults. "We've made it clear to members that we want them to show up for work. They are short-handed already."

Two possible trouble spots: Las Vegas and Phoenix.

Southwest spokes the talk is "rumor" that the carrier exp this weekend. "We ready to go," he say

Airlines say they senger loads this w

"We're noticing trend of the summ September, includ weekend," says De man John Kennedy.

Bookings are "u year" at US Airways Weintraub.

One sign of how expected to be is t discounting. United Internet discount f few weeks, althoug sure it matches oth

"We've been pret eration and getting says spokesman Mi

► Three delay-pla