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J&J to shed up to 4,820 jobs

Johnson & Johnson said Tuesday it would reduce its global workforce by as much as 4%, or up to 4,820 jobs, to cut costs due to a slump in sales of its heart stents and its No. 2 drug, plus coming patent expirations for key drugs. The company, which employs about 120,500 people in 57 countries, said the restructuring — its largest ever — would bring pretax charges of \$550 million to \$750 million later this year, as well as other, unspecified steps besides job cuts. Excluding the charges, the maker of contraceptives, contact lenses, prescription drugs and baby products still expects to meet its 2007 profit targets. Johnson & Johnson said the moves should generate pretax, annual cost savings of \$1.3 billion to \$1.6 billion next year and similar amounts after that.

Midwest Air starts buyout talks

Milwaukee-based Midwest Airlines said Tuesday a committee of its directors will start talks with AirTran Airways about the discountair's pending \$389 million purchase offer. Midwest said its committee also will meet with other unnamed companies that have recently expressed interest in the airline, and cautioned that no sale is imminent. Robert W. Baird & Co. analyst Craig Kennison said the AirTran discussions send "a clear signal" that the Midwest board is changing its view that the carrier should remain independent.

Student lender agrees to \$2M settlement

New York Attorney General Andrew Cuomo said Tuesday that Nelnet, the leading consolidator of student loans, has agreed to pay \$2 million as part of a settlement into its business practices. Cuomo had charged Nelnet with paying college alumni groups for loan referrals. As part of the settlement, Nelnet agreed to stop making the payments and to adopt other reforms. Nelnet previously agreed to pay \$1 million to settle an investigation by Nebraska's attorney general. "We have fully cooperated with the New York attorney general's inquiry, and in order to put it behind us and move forward, Nelnet has agreed to abide by his code of conduct," Nelnet said in a statement.

Wyeth expects Pristiq approval

Wyeth said Tuesday it believes experimental drug Pristiq will be approved in the USA as a treatment for depression in the first quarter of 2008. The company still faces a significant regulatory delay in seeking approval to use the drug to treat hot flashes in postmenopausal women. Wyeth shares rose more than 2%, to \$49.50, in after-hours trading. Health regulators told Wyeth last week that they would not OK Pristiq for hot flashes until the company resolves concerns about potentially serious heart and liver problems and called for a new clinical trial of the drug. Wyeth said late Tuesday it would take at least 18 months to complete the new hot flashes trial.

Briefly ...

The iTunes Store said Tuesday it had passed a milestone, selling more than 3 billion songs since launching four years ago. The milestone came just six months after iTunes, Apple's online music download service, surpassed the 2 billion tracks-sold mark. ... **Lockheed Martin** on Tuesday won a \$5 billion contract to build 60 more F-22 fighter jets for the U.S. Air Force, the Pentagon said.

Compiled by Eric Nordwall from staff and wire reports

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66

Cover story

Media companies notice the sexiness of business news

Business may be journalism's 'last growth industry'



By Jim Sargent, USA TODAY

By David Lieberman
USA TODAY

NEW YORK — Nearly everyone knows that this is a trying time for news media. People are drifting away from major television networks, radio, newspapers and magazines — and too few make up the loss by getting news from the Internet.

But there's a surprising oasis in this parched landscape: A host of changes in the economy, technology and demographics have made business and financial news — traditionally one of the least sexy fields in journalism — into a hottie.

"I would call it the last growth industry in the (news) media world," says Chris Roush, a professor of business journalism at the University of North Carolina. "In 1970, only 10% of households owned stock in the market. Today it's more than

50%. There's greater interest in wanting to know what's happening in the business world. We're more and more affected by it."

That's a big reason some of the media's most powerful companies are bulking up to battle for business news dominance.

► News Corp. CEO Rupert Murdoch is leading the charge with his \$5 billion deal for the Dow Jones business news and data empire, including *The Wall Street Journal*. He'll also challenge NBC Universal's CNBC business news cable network with the Oct. 15 launch on cable of his Fox Business Network.

► Thomson bought Reuters in May for \$17 billion, creating a company that would top Bloomberg in providing financial data — mostly to traders and other

Please see COVER STORY next page ►

With Social Security's future bleak, everyone needs investment news

Continued from 1B

professionals, but also to consumers.

Condé Nast recently launched a lavishly designed business magazine, *Portfolio*, that could poach readers from sales from industry leaders *Fortune*, *Forbes* and *BusinessWeek*.

The surge of interest in business news comes just a year after a spectacular fall from grace. Business ratings, print circulation and ad sales for both plummeted after the Internet bubble popped in 2000 and the economy fell into recession.

The field also suffered from consumer disillusionment when it became all too clear that all too few reporters asked tough questions that might have exposed corporate scandals that disintegrated high-flying companies including Enron, WorldCom and Adelphia Communications.

Several business news outlets still are struggling. For example, Dow Jones stock fell about 23% in the three months before news of Murdoch's \$60-a-share offer was leaked out. Ad pages have fallen over the last few years, *Forbes* and *BusinessWeek*.

So, why is business news a hot business?

Rich people like it.

certainly easier to attract big audiences with stories about Paris Hilton, Lindsay Lohan and Orlando Bloom than it is with features about stocks, corporate earnings and retirement plans.

News media outlets are multiplying — including cable channels and websites — and becoming specialized. That makes the competition for advertising dollars increasingly intense.

In that environment, it makes sense to focus on appeals to the well-to-do rather than courting a mass audience. Advertisers pay top dollar to reach people with the money to buy luxury goods and financial services companies, including lenders and brokers, are especially eager to reach the rich.

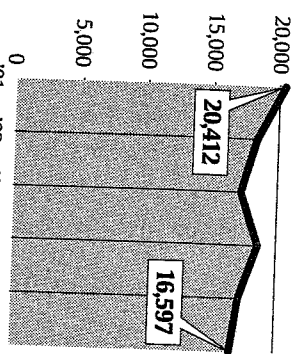
look at CNBC. Its ratings are unimpressive: Its business news attracts about 300,000 viewers most nights, according to Nielsen Media, the commonly used source for this data (though one that CNBC disavows because Nielsen doesn't count people who watch the channel at work).

CNBC is a money machine. It should generate \$335.3 million in profit on \$584.5 million in revenue this year, according to SNL Kagan Research.

action: CNBC has the richest audience in cable, puts its viewers' median family income at \$148,000 for the year, vs. \$48,000 for the average cable home. A study by Mendelsohn Media Research, which includes out-of-home viewers, puts the CNBC median at \$156,000 a year.

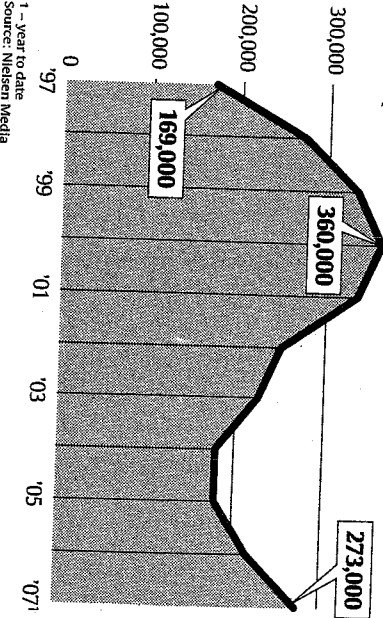
Folding pages

Advertisers appear to be losing enthusiasm for business and finance magazines. Total annual ad page sales for 12 top business magazines.



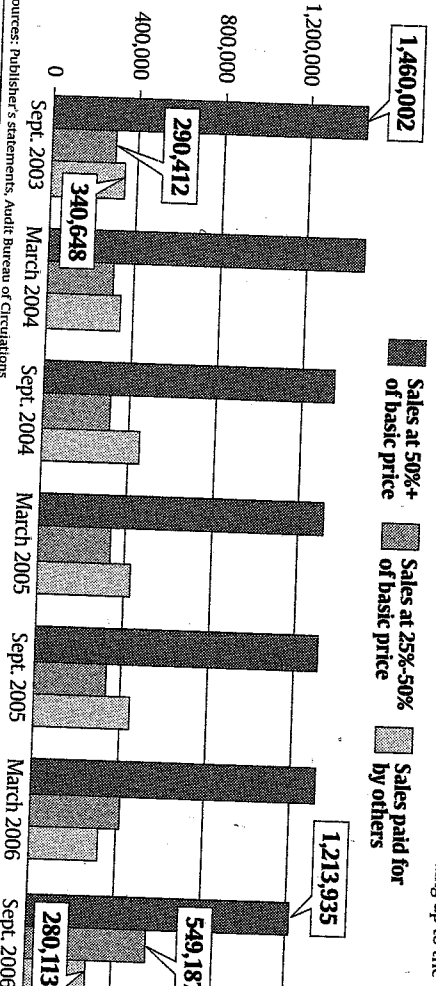
CNBC: Back to business

The audience for CNBC's business news is growing again, but remains short of its peak during the Internet boom. Average number of viewers from 6 a.m. to 6 p.m. ET.



Journal circulation holds steady, but with discounts

The Wall Street Journal continues to be a big seller, but a growing proportion of readers take advantage of discounts — including sales of the electronic edition. Figures reflect average daily circulation for the six months leading up to the reporting date.



stay focused on business news even when the market cools. That's because the median age of the population is rising, swelling the ranks of people who must save and invest for major expenses, including their kids' education and retirement.

"The big bang (for business news), if there was one, was the realization by people like me that the Social Security system is not going to be around for us when we get ready to retire," Roush says. "We have to take care of our retirement by putting together an IRA or 401(k) plan."

CNBC Business News Senior Vice President Jonathan Wald has a similar view.

Web — business news from brand-name media operations that have lots of reporters and solid track records for getting things right.

"You don't see a lot of stand-alone, business-specific blogs," says Peter Himler of Flatiron Communications, a public relations firm that specializes in corporate announcements. "It comes back to the audience for this kind of news. It's still wedded to traditional and mainstream media."

Artists, meanwhile, appreciate how business news pulls in and engages an audience. "I snow me another kind of magazine title or career," he says.

that (business news) consumers want to go to only a few trusted sources of information, and they want to be able to get a very broad array of information when they go there," Poleway says.

"I don't think there are a whole lot of players who will be able to deliver on that."

Bloomberg seems to have reached the same conclusion for its service, which charges big-time traders \$1,500 a month to provide a mountain of news and data via special dedicated computers and other media.

The privately held firm appears to be booming as it expands in foreign markets and other fields, including the business of law and health. "Bloomberg as a com-

"There's a nation of investors hungry for this information. Today's business news is different than it was 10 years ago."

— Jonathan Wald, CNBC Business News senior vice president

pany had its best May ever," says spokeswoman Judith Czelusnak. Last year it hired 300 new people, bringing the total to 2,300. This year it opened bureaus in Moscow, Cyprus, Hanoi, Ljubljana, Slovenia, Tehran, Iran, Bahrain, Riga, Latvia, and Kiev, Ukraine.

Where the sticking points are

With so many trends favoring business news, what accounts for continuing troubles at some of the major providers?

Several executives say it has a lot to do with trends in how audiences and advertisers are changing — some, but not all, involving the Internet.

"Auto (advertising) has been a big category for the big business magazines, and auto is moving online in large measure — that's been a big blow," Poleway says. But he adds, "Another thing that's happening below the surface: Ads that used to be the domain of business or personal finance magazines — like personal financial services ads — you can see in anything from women's service magazines to any kind of lifestyle magazines."

Other traditional business-news print outlets face similar challenges. Ad revenue at *The Wall Street Journal* fell 4.2% this year through May vs. the same period in 2006. The biggest hit came from technology ads, where the volume of pages sold dropped 24.4%. But Murdoch is betting that the problem is with the print product — not with business news — and that he can turn it around.

By Julie Sneider, USA TODAY

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In that environment, it makes sense to focus on appealing to the well-to-do rather than courting a mass audience. Advertisers pay top dollar to reach people with cash to burn. Purveyors of luxury goods and financial-services companies, including lenders and brokerages, are especially eager to reach the rich.

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The reason: CNBC has the richest audience in cable. Nielsen puts its viewers' median family income at \$63,000, vs. \$48,000 for the average cable home. A survey by Mendelsohn Media Research, which includes out-of-home viewers, puts the CNBC median income at \$156,000 a year.

The network says that 99% of its viewers own stocks and that eight out of 10 trade more than three times a month.

The audience is growing.

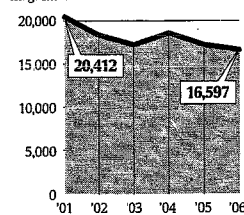
People who enjoy trading stocks are returning to the market — and are hunting for news that they can use — now that the stock market is flirting with record highs.

"Business is growing again," says Christopher Poleway, former president of The Time Inc. Business and Financial Network, which includes *Fortune*, *Money* and *CNNMoney.com*. "Earnings are strong. Innovation is strong. There are a lot of start-ups. There is a lot of venture capital again supporting new ideas. So it's become exciting again."

Leaders in the field say that many people likely will

Folding pages

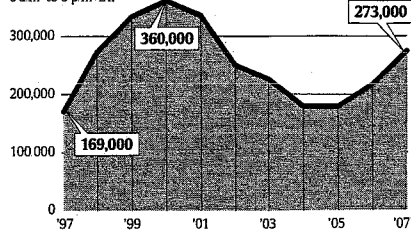
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1 — Barron's, Black Enterprise, Business 2.0, BusinessWeek, Entrepreneur, Fast Company, Forbes, Fortune, Harvard Business Review, Inc., Jipling's Personal Finance, Money
Source: Publishers Information Bureau

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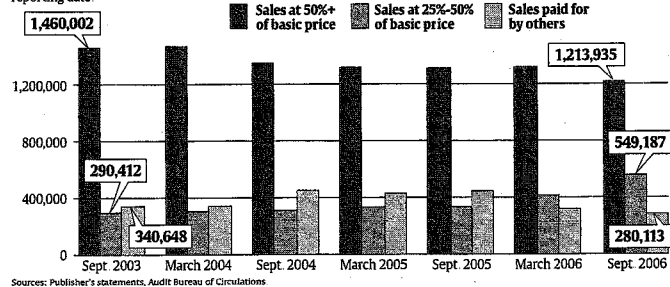
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1 — year to date
Source: Nielsen Media

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Sources: Publisher's statements, Audit Bureau of Circulations

By Julie Salner USA TODAY

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CNBC Business News Senior Vice President Jonathan Wald has a similar view.

"There's a nation of investors hungry for this information," he says. "Today's business news is different than it was 10 years ago. It has changed as the markets have, as real estate has, as equities have and as options trading has. Equities trading is up something like 8% this year. Options trading is up 30%. That tells you people are trying to make money in different ways."

It's perfect for the Internet era.

People who take charge of their finances often are overwhelmed by the variety and complexity of investment options and fast-changing valuations. The Web gives them a fighting chance to keep up, with easy access to data, including up-to-the-minute headlines and price changes.

But people with serious money at stake don't want to take chances: They tend to prefer — even on the

Web — business news from brand-name media operations that have lots of reporters and solid track records for getting things right.

"You don't see a lot of stand-alone, business-specific blogs," says Peter Himler of Flatiron Communications, a public relations firm that specializes in corporate announcements. "It comes back to the audience for this kind of news. It's still wedded to traditional and mainstream media."

Advertisers, meanwhile, appreciate how business news sites pull in and engage an audience.

"Show me another kind of magazine title or category that has been able to compete so successfully online," Poleway says. "We've had unbelievable success."

Fans will pay for good stuff — even on the Internet.

Internet users famously expect news and information to be free. But people looking for business news have shown they'll pay for information they think might give them an edge.

The *Wall Street Journal* demonstrated that business news operations don't have to give away their product online. The *Journal* and the British-based business paper *Financial Times* are alone among major daily newspapers in successfully charging a subscription fee for online access to their news stories, analysis, data and commentary.

"One of the things we've learned in our research is

that (business news) consumers want to go to only a few trusted sources of information, and they want to be able to get a very broad array of information when they go there," Poleway says.

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But Murdoch is betting that the problem is with the print product — not with business news — and that he can reinvent Dow Jones and its brands with all the resources at his disposal more effectively than the newspaper company could do on its own.

That's most readily apparent at the planned Fox Business Network. The new network likely would be worth about \$540 million without a connection to Dow Jones and *The Wall Street Journal*, Bear Stearns analyst Spencer Wang estimates.

The value could go much higher, though, if an affiliation with the *Journal* brand and reporting capabilities attracts additional viewers, cuts operating costs or gives the channel cachet it can use to raise ad prices or negotiate higher fees from cable operators.

"I'm not sure that Murdoch is looking at *The Wall Street Journal* newspaper as a big moneymaker as much as it is a legitimizer for him," Himler says. "He comes out of the tabloid world. ... The big question (with Fox Business Network) is whether it's going to be business news or business views."