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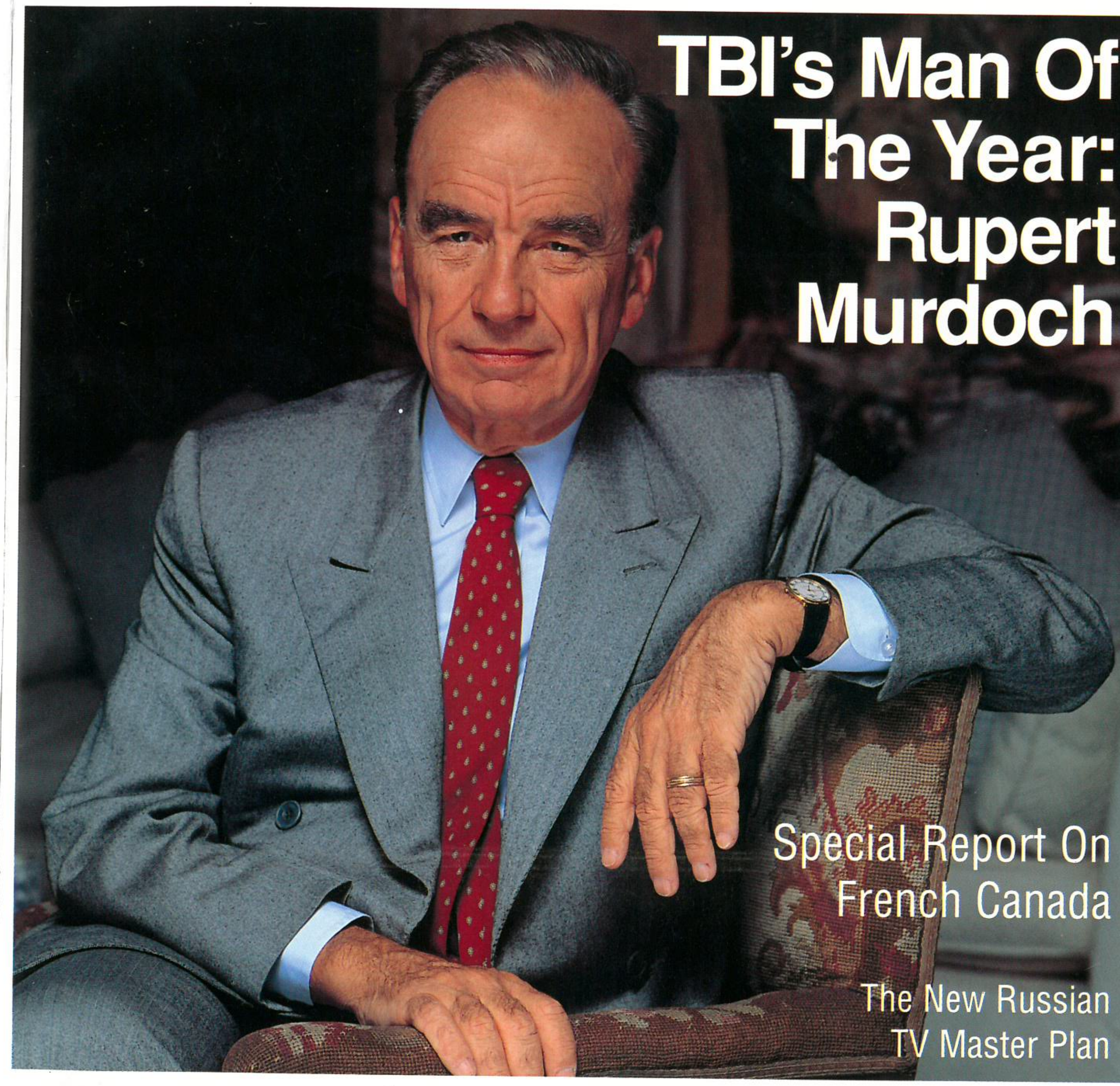
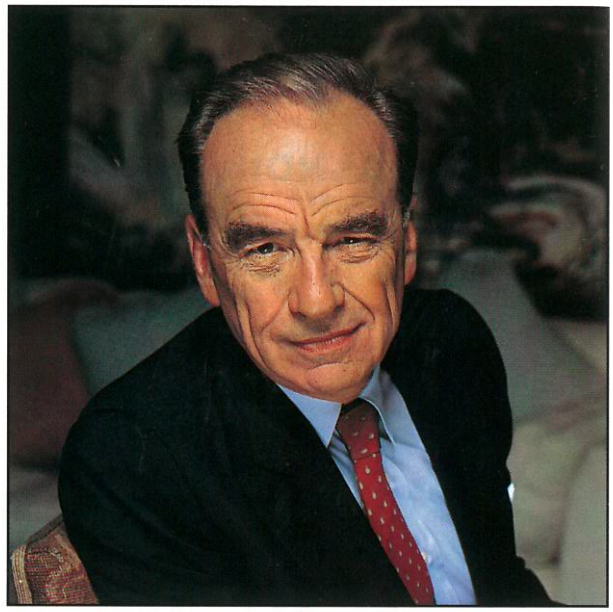


Rupert Murdoch, chief executive of News Corporation

by Rowena Evans
and Jay Stuart in London
and Liz Fell in Sydney

Murdoch: An Outsider Who Challenged The Networks Of Two Worlds



Last summer, Rupert Murdoch was invited to give the keynote speech at the Edinburgh TV Festival. In the vast creakiness of a university auditorium sat several hundred British broadcasting executives, producers, journalists, script writers - a somewhat intellectual cross-section of the media status quo. It is a safe bet that most of them despised Murdoch's top-selling tabloid The Sun, and that many were suspicious of his new Sky TV satellite service (though it would be an even safer bet that most of them had never seen it). In his speech, Murdoch politely told this skeptical if not hostile assembly that their broadcasting world was coming to an end.

Murdoch said: "The arguments which have recently dominated British broadcasting, such as multi-channel choice versus public-service duopoly, will soon sound as if they belong to the Stone Age."

And he said: "Much of what is claimed to be quality television here is no more than the parading of the prejudices and interests of the like-minded people who currently control British television."

And he said: "This public-service tv system has had, in my view, debilitating effects on British society, by producing a tv output which is so often obsessed with class, dominated by anti-commercial attitudes and with a tendency to hark back to the past."

And at the end of it all, incredibly enough, the audience applauded warmly. In large part this was because, as a ranking BBC executive pointed out to him afterward, there is probably less distance between Murdoch and the British tv establishment than is commonly believed. But they also applauded as a typical show of respect for the courage of Murdoch's challenge: the British may disdain money-hungry moguls but they have a soft spot for gamblers, especially rich ones. Launched one year ago, Murdoch's four-channel Sky TV is the biggest gamble in international television just now – the first direct-to-home satellite service in Europe, started virtually from scratch in a highly developed terrestrial tv market with no satellite dishes at all (when it first went on the air, people couldn't even buy them in the stores). Murdoch's News International says it spent over £100 million ($160 million) on Sky in 1989, not including start-up capital.

Though it is absurd (and predictable) of Murdoch the billionaire to depict himself as a David against the Goliaths of BBC and ITV, it is the second time in the space of a couple of years that he has taken on an entrenched network system. In the U.S., his Fox Network has challenged the mighty Big Three and in 1989 solidified its place in the market.

Australian alien

No little David, nor is Murdoch by any means the classic self-made man who has battled his way to the top. He was born and raised in media ownership. He is nevertheless entitled to be considered something of an outsider, if only by virtue of having been born and raised in Australia. In Britain, despite his having an Oxford education and a friend at Number 10 Downing Street, he is still very much the Digger from Down Under, who first bought the News of The World and The Sun 20 years ago, later adding The Times (especially galling for the traditional ruling class) and more recently Today. In the U.S., his rapid acquisitions during the 1980s of Metromedia tv stations, 20th Century Fox, the New York Post, Village Voice, Boston Herald, TV Guide tumbled one upon another in true native robber-baron style. He is now an American citizen. Fittingly, he became one to get around laws restricting foreign media ownership.

Murdoch is, above all, the one man who best epitomizes the concept of multimedia mogul, with holdings in print as well as broadcasting and entertainment. He more than any other draws attention to the growing concentration of international media interests, and prompts criticism of cross-ownership. The reach of his ambitions is vast. Consider that:

'Quality is gauged in terms of not being vulgar'

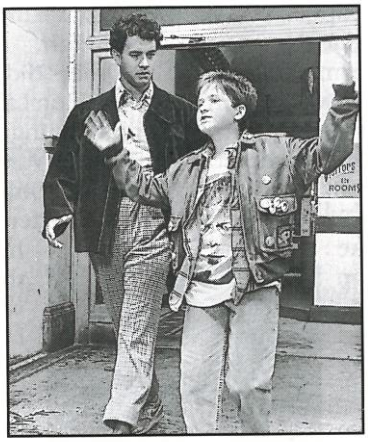
- Already owner of 20th Century Fox, he has made two attempts to buy another Hollywood studio, MGM/UA. When Christopher Skase of Qintex appeared ready to close a deal for acquisition of MGM/UA last autumn, he offered a counterbid in the range of $1.4 billion, the only effect of which was apparently to raise MGM/UA's price to Skase, who declared bankruptcy after trying to raise the money. In June 1989, as the Time-Warner takeover battle was raging, Murdoch waded in and hired investment bank Rothschilds to assess the opportunities that might arise from that situation.
- He is reportedly interested in expanding into cable by buying one third of Rainbow Programming Services in the U.S., owner of several national cable networks and seven regional sports networks.
- Last year, he held the maximum 25% shareholding allowed a foreign investor in the Univision Group, one of the unsuccessful applicants for a private tv licence in Spain. He has since invested 25% in Spanish publishers Grupo Zeta, which still hopes to win at least a share of a private tv licence.
- Along with Leo Kirch, he is an investor in the consortium of Greek publishers which owns Antenna, Greece's second commercial tv station.
- He has been exploring the opportunities in Eastern Europe and recently bought a 50% share of two Hungarian journals: weekly magazine Reform, and the associated daily Mai Nap, which has a shareholding in Nap TV, a commercial breakfast tv program.

NEWS CORPORATION FINANCIAL DATA (YEAR ENDING JUNE 30, 1989)

	Revenue	Profit
U.S.	48%	42%
Australia/Pacific Basin	30%	30%
UK	22%	28%
	$m	$m
Newspapers	2,358	557
Magazines	951	224
Television	629	81
Filmed entertainment	981	98
Commercial printing	385	40
Other	1,118	177

He has come a very long way from Adelaide.

Last October, when Murdoch breezed back home to Australia for News Corp's annual meeting, he seized the opportunity afterward to comment on the parlous financial state of the nation's three commercial television networks. "They are great businesses," he observed. The "tragedy" was that three "relative amateurs" had moved into them when he and other media barons had exited in 1987. Indeed, he had never wanted to get out of the industry: it was more a case of having been "thrown out" because some people did not believe press proprietors should own television. His company had at least known the business, he added.


Big (20th Fox) : Murdoch likes the idea

Since Murdoch operated highly profitable television stations in Australia for just under 30 years, he can rightly lay claim to knowing the business better than others. It was in Australia that he first refined the tabloid techniques that attempt to squeeze maximum dollars out of advertisers by appealing to the lowest common denominator. To quote his distinguished friend and rival, Denis Forman of Britain's Granada, Murdoch's "broadcasting philosophy is that of a fairground proprietor. Success is gauged in terms of profits, and quality in terms of not being vulgar, by which he means no explicit sex, although he would defend tits and bums as good wholesome fun".

News Corporation Limited, the holding company for Murdoch's vast collection of media properties, is registered in Adelaide, the capital city of South Australia. It was in Adelaide that Murdoch, aged 23, assumed control of a small newspaper inheritance in 1954. Within two years, the 'boy publisher' snapped up another small paper in Perth, Western Australia. The next step was to embark on a strategy – foreshadowed in his father's last will and testament – to strengthen his newspaper interests with broadcasting revenue. Adelaide and Perth were soon to receive their first commercial television channels, so Murdoch's News Ltd decided to try for a licence in both cities.

Before facing the licensing board, he travelled to the U.S. and Britain to study the television business and to set up links with program suppliers such as ABC's Leonard Goldenson, who became a close business friend. With an eye on new media opportunities, he returned to Australia and launched a weekly TV Guide, an Australian clone of TV Guide in the U.S. It took another 30 or so years before he satisfied his ambition to purchase the original. Synergy was the name of the game, though this was not part of his business rhetoric yet.

Sleaze and tease

Murdoch won one of two licences in Adelaide, a city of 500,000, but missed out in Perth. He moved east to invade the tabloid newspaper industry in Sydney. It was here, in the 1960s, that he developed the publishing style that gained him worldwide notoriety: sleaze and tease scandal sheets, plenty of cleavages, and cheeky, flamboyant headlines.

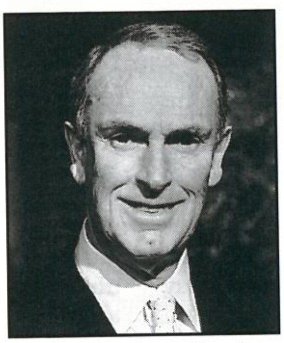
Since the major publishers in Sydney and Melbourne were already operating their own television station, Murdoch's next move was to try and break into big city television. When a third Sydney licence came up in 1963, he hired expensive lawyers and stitched together a respectable consortium of two church groups, two trade unions and an agricultural firm.

NEWS CORPORATION KEY EXECUTIVES

Chairman: Richard Searby
Chief Executive: Keith Rupert Murdoch
Vice Chairman: Harold Mervyn Rich
Directors: Lord Catto, Kenneth Cowley, Sir James Cruthers, Barry Diller, Keith McDonald, Bruce Matthews, Sir Kenneth May, William O'Neill, Richard Sarazen, Stanley Shuman, Martin Singerman, Charles Wick

American programs

When his application failed, he tried a more aggressive approach. He bought his way into a small provincial station on the outskirts of Sydney and flew off to the U.S. where, with some help from his friends at ABC, he spent a reported $3 million on rights to 2,500 hours of programming, including popular series like *Ben Casey* and *Ironside*. He soon announced a plan to beam the programs into the homes of two million Sydney viewers from his nearby provincial base. The bold move prompted an immediate response from one of his chief competitors, Frank Packer, who offered Murdoch a 25% stake in his Network Nine station in exchange for sharing the programs. Murdoch had bulldozed his way into the big league. But he was still the only Australian press owner who did not control his own major city network station.



Gyngell: gave in on the rules

So he turned his sights to Britain. There his recent newspaper acquisitions presented a chance to secure a slice of the television market. The ailing London Weekend Television was searching for an injection of capital; Murdoch purchased a major non-voting stake. It was not long before he dismissed the managing director and started fiddling with the program schedules. This drew the wrath of the Independent Broadcasting Authority, which stepped in demanding the appointment of both a program director and a new managing director who was not to be Rupert Murdoch.The opportunity to launch a full-scale assault on the Sydney television market arrived in 1979 when Murdoch bought control of the very licence he had failed to win 16 years earlier. "Now that News is effectively in control of Channel 10, viewers can expect a major shake-up at the station, resulting in a better program content, " trumpeted his Sydney Daily Telegraph.

Others did not agree, especially the opposition Labor Party. The Australian Broadcasting Tribunal's hearings into the controversial purchase unleashed a litany of complaints: his record of editorial interference, the ruthlessness of his staffing policies, and the possible dangers that would arise from the 'unholy marriage' of Channel Ten with his three Sydney-based daily papers. Given that he now lived in the U.S. most of the year, there were also questions about his Australian residency, a requirement for all television licensees.

In a brash attempt to pre-empt the tribunal's decision, Murdoch dashed home to appear in person at the hearings. In the first of several public performances before the tribunal, he warned that he might have to close the station unless the purchase was approved. He then launched into an impassioned speech accusing his competitors of painting him as a "power crazed tycoon who could not be trusted with a TV station", and presenting himself as a national hero who had spent his life fighting Australia's newspaper monopolies. The tribunal, headed by Bruce Gyngell (now with TV-am in the UK), buckled under and Murdoch's financial muscle won the day.

All hell broke loose in the Labor Party when Murdoch bought control of the second network channel in Melbourne later the same year. This time round, a reconstituted tribunal chose to reject his purchase on 'public interest' grounds, and he was forced to spend almost two years fighting the decision through the courts until he finally won.

Meanwhile, the ruling Conservative Party moved swiftly to placate Murdoch by changing the broadcasting rules to suit him. Known as the 'Murdoch Amendments', the changes shifted the power to select a licensee from the tribunal to the market, removed thorny concepts such as the 'public interest' and 'media concentration' as criteria for rejecting licences and substituted the term, 'citizen' for 'resident'.

Citizenship bind

With citizenship as a requirement, Murdoch got caught in a legal trap of his own making when he decided to become an American and forgo his Australian citizenship in 1985. As a foreigner, he could no longer continue to control Network Ten's licences. His lawyers tried to argue that a flimsy legal trust could distance him from day-to-day control but the tribunal was not convinced that this would work.

Mindful that in the past Australia's most powerful media baron had shown himself to be an unreliable political ally, but also an unremitting enemy, the ruling Labor Party came to the rescue. It gave its blessing to Murdoch, a foreigner, taking control of about 70% of the nation's newspapers. In return, he agreed to sell control of the Network Ten properties, pocketing about 70 times their cash flow. Said one Labor politician: "Murdoch may be a bastard but you've still got to admire him."

The comment could just as well have been made by someone in Europe, where Murdoch was adopting similarly aggressive tactics, with less success. While bombastically espousing the principle of freedom in broadcasting, he was demonstrating that the freedom to make money also means the free-

Building the Elusive Fourth Network

Fox Broadcasting Company has succeeded by not hitting the Big Three head-on

U.S. Citizen Murdoch seems to be doing the impossible – starting a new national network in a shrinking universe. The idea of the Fourth Network has always been something of a Holy Grail in the United States. In every decade since television took hold in the 1950s , at least one major contender has tried to establish itself in the league of the Big Three networks, ABC, NBC and CBS. In every decade they have failed. As tv writer Jim Traub mused several years ago, "How many planets are there? Nine. How many sins? Seven. Networks? Three. It almost seems to be part of the natural order."

So when Murdoch let it be known in 1985 that he intended to change his citizenship and seek the grail – in the form of Fox Broadcasting Company – he was roundly derided, despite his reputation as a media mogul. The timing was, after all, even worse than with the other attempts: the existing networks were beginning to lose their audience, nickel-and-dimed to death by cable, independent stations and the VCR. Programming costs were becoming unbearable. Most observers were uncertain if there was room for three national networks in the television economy; certainly four was out of the question. The network entertainment chiefs made jokes about Fox programming in their speeches.

Now, three years after its inception, no one is poking fun. The Fox network is generating upfront ad sales of over $325 million (triple 1988-89 figures) for its three broadcast evenings; it has established itself with the ad community. It has attracted a loyal audience of young viewers with lively programs like the earthy comedy *Married With Children*, which placed in the weekly Top Ten but was boycotted by some advertisers. The nascent network's success has been so conspicuous that Paramount and MCA actually considered the previously unthinkable: launching a fifth network.

Fox's network is working because Murdoch and his chairman, former Paramount head Barry Diller, did not challenge the Big Three head on, but created a new type of network, the basis of which was a hybrid of an independent station and a network affiliate.

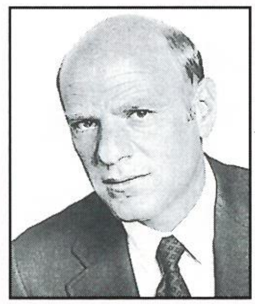
After purchasing one of the strongest station groups in the U.S. for a whopping $2 billion, FBC executives formed their affiliate network, signing up independent stations mostly in the less-desirable UHF frequency (channels 14-83). Eventually, Fox gained about 90% coverage of the U.S.

They then started slowly, programming the network just two nights a week (Saturday and Sunday), and then three (Monday), to get a feel for primetime tv, where, at $1 million plus per hour, the stakes are the highest in television. Time periods not scheduled by Fox are still programmed by the stations with the usual local and syndicated fare. Though the network has had some failures, the general feeling among Fox affiliates is positive – the stations benefit from identification with a national network, from the national promotion (at a time of audience fractionalization makes viewer recognition increasingly difficult) and a cost structure lower than licensing syndicated shows outright themselves.


Married With Children: too crude for some advertisers

The hybrid has also created an attractive middle price tier for national advertisers. When the budding network was beginning, its prices were 20-25% lower than the Big Three networks. Now Fox rates are 10-15% lower, and they still get 20% more than the prices syndicators receive in national barter advertising on independent stations.

One of the reasons for FBC's rate increases in its first three years is improvement in program ratings. The audience for Fox shows, while vastly smaller than the three network's viewership, grew 5% last year on Sunday and 3% on Saturday. Together the Big Three lost 7% and 10% respectively. Fox programming also tends to skew to a younger audience, which is highly desirable to advertisers.


Diller: creator of a hybrid

To make up for a slightly lower cost-per-thousand revenues, Fox has relied, in part, on its owned stations to spawn new cost-effective programs. This core group is also working on creating a children's block and news programming for the network.

Diller's plan is to continue adding nights to the schedule until Fox becomes a full-fledged fourth network. The rough guideline calls for Wednesday and Friday nights sometime early this year, a fourth by mid-1990, a fifth by this fall, a sixth by June, 1991 and a seventh by December of next year. If this schedule is followed, Fox Broadcasting would air 15 hours of programming a week by late 1991 – qualifying as a "network" by U.S. regulations.

This would risk Fox's in-between status: the network would not have many of the advantages of the powerhouse Big Three, but would labor under regulations that limit primetime scheduling. And if existing restrictions are not lifted, Murdoch's cross-ownership of 20th Century Fox studios and Fox Broadcasting might also be deemed illegal.

But by all signs, these difficulties of playing in the big leagues do not worry Diller or Murdoch. And if in fact, there is only room for three networks in the U.S. broadcasting club, perhaps it might be CBS, NBC or ABC that will have to go.

by Kevin Pearce and Alex Ben Block – **New York**

Sky Line 1981-1990

1981
October: Satellite Television Plc was established by Brian Haynes, a former Thames TV producer. Investors included Barclays, Guinness Mahon, Ladbrokes and publisher D.C. Thomson.
1982
April 26: Satellite Television began transmitting two hours a night of English-language programming to 200,000 cable networks in Norway and Finland, plus tv homes in Malta. In July, Switzerland became the third country in Europe to take the channel.
1983
June: The company increased its funding and News International purchased 65% of Satellite TV's capital. Murdoch joined the board, and Patrick Cox, previously with RTL of Luxembourg, was named managing director in September.

Satellite TV transferred from the second Orbital Test Satellite to the new European Communications Satellite (ECS-1). A pan-European programming philosophy was adopted and Satellite TV started to make some of its own programming for the European viewer.
1984
January: The new brand name – Sky Channel – was adopted. Cable homes in the UK, W.Germany and Austria started to take Sky.
May: Sky went into Sweden and doubled its audience reach overnight when it entered cable nets in the Netherlands.

Transmission output increased from five hours daily in January, to eight and a half hours daily by September.
1985
March: Cable reach hit three million. Cable nets in Luxembourg, France and the Walloon area of Belgium joined the network.

September: Transmissions increased to 16.5 hours daily.
1986
April: Six million households had joined the Sky network with additional viewers in Denmark and Iceland.

October: Jim Styles was appointed managing director.
1987
October: Satellite Television Plc raised £22.63 million ($36.2 million) of further funding for Sky Channel through a rights issue. Sky reached its 10 millionth home.

December: News International and members of the EBU, announced plans to establish a transnational sports channel in 1988. Proprietors of pan-European service Screensport soon brought an anti-trust suit, which has yet to be resolved.
1988
June 8: Murdoch announced plans to increase News International's involvement in satellite tv in the UK, with Sky Channel being reformed to include all NI's broadcasting interests under the name Sky Television, targeted initially at Britain and Ireland to minimize the language problem.

A 10-year lease was signed with British Telecom to take three transponders on the Astra satellite for a general entertainment channel, a news channel and a feature film channel (available in the UK only). An option was taken on a fourth transponder for a joint venture sports channel.

September: News Corp decided to withdraw Sky Channel from W.Germany, France and Austria, which accounted for about four million of its 13 million viewing households.

November: Sky and Disney formed a joint venture to operate Sky Movies and a fifth channel, The Disney Channel, in the UK and Ireland.
1989
February 5: Sky TV went on air with Sky One, Sky News, Sky Movies and Eurosport on the Astra satellite.

May: Sky's joint venture with Disney collapsed with a $1.5 billion law suit.

July: 118,000 homes in the UK said to receive Sky by satellite, with 300,000 homes in the UK and 300,000 homes in Ireland receiving Sky by cable.

August 31: Sky launched a subscription package backed by a £21 million ($34 million) ad spend.

November: Director of sales Jim Lawenda, resigned, reportedly at odds with co-managing director Pat Mastandrea. He was the third person to occupy the position since December 1988. Mike Whittington quit the post prior to Sky's launch, replaced by Mastandrea, who was acting director of sales until Lawenda's appointment.

December: Sky TV signed its first charter advertising agreement giving SmithKline Beecham the right to book £4 million ($6.4 million) of airtime on over the next two years at a fixed cost per thousand.

dom to lose it. Sky Channel, the satellite-to-cable service launched in 1983, had lost £40 million ($64 million) in five years. The obstacles to a pan-European television service – resistance to programs in the English-language and the inexperience and hesitancy of advertisers in pan-European marketing – were enough to dampen the most entrepreneurial spirit Murdoch had tried, and failed, to realize a great pan-European dream. Europe, and the Europeans, weren't ready for it.

British relaunch

The UK, on the other hand, presented another set of challenges, another set of obstacles, and another set of opportunities for making money. The pan-European advertising market, of which Sky Channel took the largest share, was only 1.5% of the UK national equivalent *(see adjacent box)*. At a press conference in June 1988, Murdoch announced the reformation and relaunch of Sky Channel as Sky Television, targeting "three-four-five" million homes in the UK and Ireland as the point at which the new venture would start making a profit.

Sky TV, operating with a new technology and a new market, would double the number of channels available to the UK viewer overnight, and promised advertisers it would be reaching 2.5 million households by the end of 1990. Taking on what the British government called the "comfortable duopoly" of the BBC/ITV system – a bastion of public service broadcasting and monopolistic advertising practices – was a daunting enough task. To get the new channel up and on the air in eight months, seemed sheer madness.

When Sky TV launched, on the target date of February 5, 1989, the number of people who could actually see the service was minuscule, almost all cable subscribers. Problems with dish manufacturers, delays in deliveries to shops and in getting dishes installed, coupled with widespread confusion among consumers about the new technology, made for a most inauspicious debut. Neither the 700-strong team of employees (increased from 80 in June), nor the viewing public, were prepared. Sky's first few months on air were more like a test transmission than a television revolution. By August 1989, only about 120,000 homes in Britain and Ireland were receiving Sky Television via satellite dish. On the plus side, BSB had been forced to delay its launch until spring 1990. The government-sanctioned service had opted to use the D-Mac system to broadcast (although most of Europe has opted to use D2-Mac) and components vital for the manufacture of the receiver package were not ready. Murdoch, for the sake of speed and simplicity, had opted for the traditional Pal system to broadcast his Sky channels via the Astra satellite, and thus secured himself a valuable head start.

Disney glitch

Sky looked set to suffer a major setback when the joint venture signed with Disney in November 1988, collapsed in May of the following year. The loss of the Disney channel – the mainstay of Sky's promised offerings – at a time when Sky had finally acknowledged that dish sales were well below estimates, came as a severe blow, but the suit was settled out of court and Sky came out with a compromise package including a movie deal with Touchstone, which added to those secured with Fox, Warner and Carolco, gave a much needed boost to Sky Movies program offering.

In the autumn, Sky launched the UK's biggest ever media launch campaign, spending £6 million ($9.6 million) in the first four weeks alone, promoting a subscription package for the complete Sky service – dish, installation and maintenance – for £4.49 ($7.20) a week. The unprecedented amount of publicity, coinciding with the seasonal increase in consumer spending on electrical goods, boosted sales at a rate which, Murdoch is fond of emphasizing, was far greater than the initial take-up of color tv sets and VCRs in the UK. By the end of 1989, Sky looked well on course to reach its target of 1.15 UK homes by the end of its first year of operation, although less than half of these would be via dishes.

Davey and Mastandrea: joint Sky chiefs

Murdoch has always been committed to the idea of offering a general entertainment channel (Sky One) along with specialized channels, but the latter have probably been bigger factors in getting people to buy dishes. Sky Movies, as a free channel, has been unable to offer many pictures that are not also available in the video shops, but that will change in February when the signal is scrambled; the film channel will cost dish-buyers £2.29 ($3.70) per week. Sky News has been widely praised for its quality but Eurosport may have been the most successful programming attraction for dish-buyers to date. In charge of programming at Sky TV is joint managing director Gary Davey, who joined the original Sky Channel in 1982 and was later head of programming at Fox affiliate WNYW in New York. Davey says he is confident that Eurosport will win the anti-trust case brought against it by rival Screensport, and denies that there are contingency plans being prepared for a possible defeat. Meanwhile, however, Sky One will be getting more UK-targeted sports, with Tuesday night soccer and Sunday cricket exclusives.

Sky Movies will encrypt its signal in February

In the first year, Sky spent about $48 million on advertising (BSB will have spent about the same before it has even launched). "I'd prefer to call them investments", Murdoch says of Sky's losses, which are running at a little over £2 million ($3.2 million) a week. BSB, he points out, has lost in the region of £420 million ($672 million) without even getting a picture on the air

His commitment to Sky is not, however, open-ended. News Corporation, in which Murdoch has a 44.8% share, has suffered a 60% drop in profits in the last year, for which Sky Tv is largely to blame. Corporate borrowings, upon which Murdoch's empire is largely built, could amount to around A$8 billion ($6.5 billion) and News Corp's interest payments for the last fiscal year amounted to some A$935 million ($760 million).

Last October, Murdoch put a time limit of five years on his commitment to the venture: "We'll either have a few million people with dishes subscribing and happy, or we'll have to admit we were wrong." More recently he has hinted that he may reconsider the situation sooner – in two or three years. By February, the results of the critical Christmas period, which traditionally accounts for three-quarters of the annual sales of all consumer electronic goods in the UK, will clarify the situation.

Murdoch has managed to circumvent UK legislation on ownership because Sky is broadcast via Astra, a Luxembourg satellite, which is outside the UK government's jurisdiction and which, because it is a medium-powered telecoms satellite, is not considered to 'broadcast'. BSB wants News International to be subject to the same ownership legislation as the rest of the British press. BSB has also objected, as has the journalists' union, to excessive exposure of Sky in Murdoch's papers.

The success or failure of Sky will depend upon a number of factors, most importantly the success of BSB: most industry commentators believe there isn't room in the UK market for both. Whatever happens to Sky, however, Murdoch will continue to gamble with investments in tv in Europe and the rest of the world: he revels in the sport. TBI