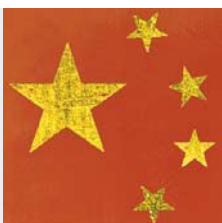


MARKETPLACE



When Losses Make You Interesting
SPORTS B10



China Aims for Sky At Aviation Show
THE WEEK AHEAD B2



Starbucks Chief On Prices, Rival
BOSS TALK B6

Copyright 2011 Dow Jones & Company, All Rights Reserved THE WALL STREET JOURNAL. Monday, March 7, 2011 B1

Airlines to Load On More Fees

After Checked Bags, Carriers Seek to Charge for Early Boarding, Fancier Foods and Reclining Seats

By SUSAN CAREY

Airlines are digging around for ways to pile on more fees.

In recent years, airlines from AMR Corp.'s American Airlines to Spirit Airlines Inc. found new ways to boost profits—and annoy fliers—by charging fees for checked bags, selecting a choice seat or other services once included in ticket prices.

Now they're mulling and testing various new fees for services that never were part of a ticket: Want a seat that reclines more? A pre-ordered champagne brunch in coach? Insurance against a blizzard that waylays a trip? Access to speedy security lines and early boarding? Soon you might be able to get them all—for a price.

Airlines started charging for checked bags, snacks, pillows and other items in a big way in 2008. Last year, such fees brought in an estimated \$22 billion, or 5% of global industry revenue.

Carriers could tap into "billions and billions of potential revenue" says Tom Douramakos, chief executive of GuestLogix Inc., a Toronto technology sup-



For a while travelers have been paying more for checked bags and seat choice. That appears to be just the beginning, though, as airlines, trying to offset rising fuel costs, are looking at new ways to generate revenue, such as \$25 champagne brunches and insurance services.



plier that helps airlines sell products and services. "The airlines are only scratching the surface" with baggage and seat fees, he insists. They could become virtual shopping malls, offering captive travelers a variety of

buy-while-they-fly items such as theater tickets or a handbag, he says.

Two small, low-fare carriers, Spirit and Allegiant Travel Co., have led the way in the U.S. by charging for almost everything

but lavatory access and by marketing travel packages including hotels, rental cars and theme-park tickets along with air travel.

Spirit derives 27% of its revenue from fees, says the U.S. De-

partment of Transportation. Last summer, it began charging between \$20 and \$30 for a second carry-on bag. Spirit also charges between \$10 and \$18 for advanced seat assignments. *Please turn to page B8*

LVMH To Buy Fabled Bulgari

By ELIZABETH HOLMES

LVMH Moët Hennessy Louis Vuitton SA is to take a controlling stake in Bulgari SpA, a person familiar with the matter said Sunday, underscoring the French group's acquisitive streak as the luxury market rebounds.

The deal, expected to be announced Monday, would put the family-controlled Italian maker of jewelry and fine watches into the hands of LVMH, which owns some 50 luxury brands, including Louis Vuitton, Moët et Chandon and TAG Heuer.

Bulgari has a market value of about €2.3 billion (\$3.22 billion). Paolo Bulgari and Nicola Bulgari, along with Chief Executive Francesco Trapani, also a relative, own about 51% of the company.

Under the agreed transaction, the family is to swap its shares for stock in LVMH, the person familiar with the matter said. LVMH will then launch a tender offer for the Italian company's remaining shares, the person said.

Bulgari shares rose 0.7% to €7.64 in Milan trading Friday.

Senior members of Bulgari's controlling family are likely to take roles at LVMH, the person said. News of the deal was reported earlier by the Financial Times.

The transaction comes as the luxury-goods market is rebounding sharply from a deep trough during the recession. Bulgari itself reported a 21% jump in quarterly revenue in January, helped by strong sales in Japan, pushing its annual sales well over €1 billion.

Watch sales account for about a fifth of Bulgari's revenue; jewelry accounts for nearly half. Mr. Trapani aims to push more aggressively into China this year.

Bulgari will add to LVMH's watches and jewelry holdings, which include Zenith and Hublot as well as TAG Heuer. The division last year posted revenue growth of 29%, the fastest of LVMH's main business groups. But it remains by far the company's smallest, with €985 million in revenue, less than 5% of LVMH's total.

The agreement with the Bulgari contrasts sharply with LVMH Chief Executive Bernard Arnault's standoff with Hermès International SCA. LVMH shocked the family-owned luxury brand last year when it disclosed it controlled 17% of the smaller company, a stake LVMH boosted in December to about 20%.

TV Pilots Reach Into Crazier Territory



Sam Neill and Sarah Jones in a pilot for 'Alcatraz,' which toys with time.

By SAM SCHECHNER

Cops are packing magic powers. Criminals from the 1960s haven't aged. And a young Edgar Allan Poe is prowling 19th-century Boston as a private eye.

This spring, U.S. television networks are testing out unusual—and even bizarre—ideas for TV shows as the networks look for ways to stand out from a growing deluge of entertainment options.

The five biggest English-language TV networks are starting production on roughly 80 pilot episodes for new scripted shows. By mid-May, each network will select anywhere from a handful to a dozen of the pilots to make into TV series for its fall lineup.

But after turning up few big hits last season, some TV executives say they are working on a larger number of "noisy"—industry jargon for conspicuous or atypical—ideas in an effort to be noticed. A rebounding ad market also is making TV executive more bullish about taking risks.

There are at least five pilots set decades, even more than a century, in the past. Over a dozen potential shows involve magic, fairy tales or explore an alternate reality. And a handful started with crude titles.

"Big concepts became more attractive to us this year," said

Suzanne Patmore-Gibbs, head of scripted programming at Walt Disney Co.'s ABC network. "We were looking for something that would break through the clutter."

Hits have become harder to find in recent years as the broadcast-TV audience continues to drift to cable. The five biggest English-language networks averaged 5.8% fewer viewers for their prime-time shows through Feb. 27 this season than they did a year earlier, according to Nielsen Co.

NBC's '17th Precinct,' set in a supernatural town, is described as 'Hill Street Blues' with magic.

The rise of Internet video can make it even harder to stand out. New shows now compete with older ones on services from Netflix Inc., Amazon.com Inc., Apple Inc. and Hulu LLC, among others. Time Warner Inc.'s HBO last week uploaded virtually every season of every show in its library to its HBOGo.com website.

"The landscape is more competitive than ever," said Terence Carter, senior vice president of

drama development at Fox Broadcasting, which, like The Wall Street Journal, is owned by News Corp. "That makes it more difficult to launch a successful show anywhere you put it."

This spring, two period pieces evoke the martini-filled 1960s popularized by "Mad Men," from cable network AMC. ABC's "Pan Am" follows stewardesses and pilots around the world, while "Playboy" for Comcast Corp.'s NBC, is set among women who work at the iconic magazine's Chicago club.

But those two networks also are venturing deeper into the past. NBC's "Reconstruction" is a Western set after the Civil War. And ABC, which came close to making a pilot version of "Romeo and Juliet" set in Renaissance Verona, is now working on "Poe," which places the eponymous poet in a buddy-detective role in the 1800s.

"It has a fun, gothic flair without feeling like homework," Ms. Patmore-Gibbs. "We don't want it to feel like 'Masterpiece Theater.'"

Out-of-this-world premises are everywhere, too. ABC's "Once Upon a Time" and NBC's "Grimm" bring fairy-tale characters and stories into the present day. Fox's "Locke & Key" adapts the haunted comic book by the

Please turn to page B5

Plastic Surgeon and Net's Memory Figure in Google Face-Off in Spain

In 1991, the Spanish newspaper El País published an article centered on a dispute between Madrid plastic surgeon Hugo Guidotti Russo and one of his patients over an allegedly botched breast surgery. The headline: "The Risk of Wanting to Be Slim."

By Paul Sonne, Max Colchester And David Roman

Nearly 20 years later, Dr. Guidotti Russo, backed by Spain's privacy regulator, contends that the tale of the dispute is personal information and wants to purge the article from Google, where it shows up on the first page of results when his name is searched.

His complaint accounts for one of about 80 instances in which the Spanish regulator has told U.S.-based Google Inc. to remove personal information about individuals from its search results.

Google says it plans to challenge most of those orders, arguing that the agency is overstepping its authority.

In January, a Spanish court heard the first five complaints that Google is contesting, including Dr. Guidotti Russo's. Now, af-



Google lawyer Javier Aparicio, left, at a Jan. 19 hearing in Madrid.

ter weeks of deliberation, the Spanish court is considering referring the matter to the European Court of Justice in Luxembourg to clarify European privacy law, according to a person familiar with the situation. "We're pleased that the [Spanish] court is considering asking guidance from Europe's top court," Peter Barron, Google's head of European external relations, said in a statement.

Such a referral could pave the way for a major Europe-wide ruling on the indexing of personal data on the Web—but it also could delay a resolution for years. European lawmakers in Brussels, meanwhile, are working on an overhaul of the same

European Union data-protection law the Luxembourg court could be asked to interpret.

The legal wrangle between Google and the Spanish regulator comes amid a broader debate about how much control individuals should have over their private data and reputations in the era of the Internet.

A movement has cropped in parts of Europe to create a "right to be forgotten," which would let individuals excise personal information from the Web on privacy grounds. The European Commission, as part of its data-protection overhaul, has proposed recognizing such a right. France's Senate has also

Please turn to the next page

ACHIEVEMENT. HEALTHCARE, POWERED BY EFFICIENCY

TAKING CONTROL OF YOUR REVENUE cycle is no small task. Billing challenges. Claims issues. Disparate systems. At PNC, we deliver efficiency. We start with your needs, then tailor a solution that spans across your revenue cycle. Keeping financial data at your fingertips. Reducing paper processes. Improving collections. All delivered from a single source. To see how PNC Healthcare and our industry experience can help deliver unmatched efficiency, go to pnc.com/healthcare

PNC BANK

FINANCING • TREASURY MANAGEMENT • CAPITAL MARKETS
M&A ADVISORY • GLOBAL BANKING • INVESTMENT MANAGEMENT

PNC is a registered mark of The PNC Financial Services Group, Inc. (PNC) Banking products and services and bank deposit products and Treasury Management Products and Services for Healthcare Professionals are provided by PNC Bank National Association, a wholly owned subsidiary of PNC and Member FDIC. Certain banking and lending products and services may require credit approval. GEN-5398 ©2011 The PNC Financial Services Group, Inc. All rights reserved.