TBI TELEVISION BUSINESS INTERNATIONAL

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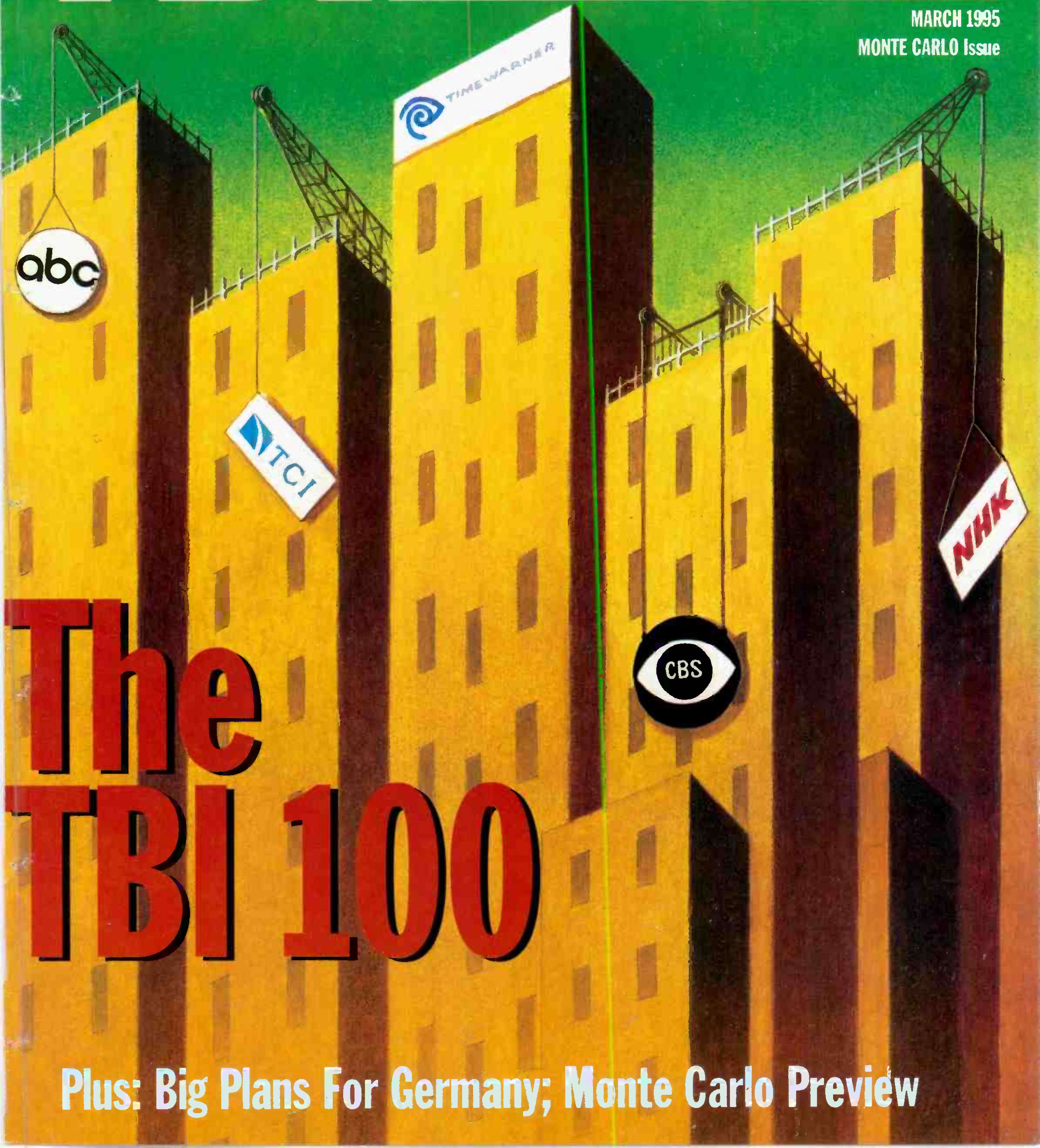

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What You're Missing

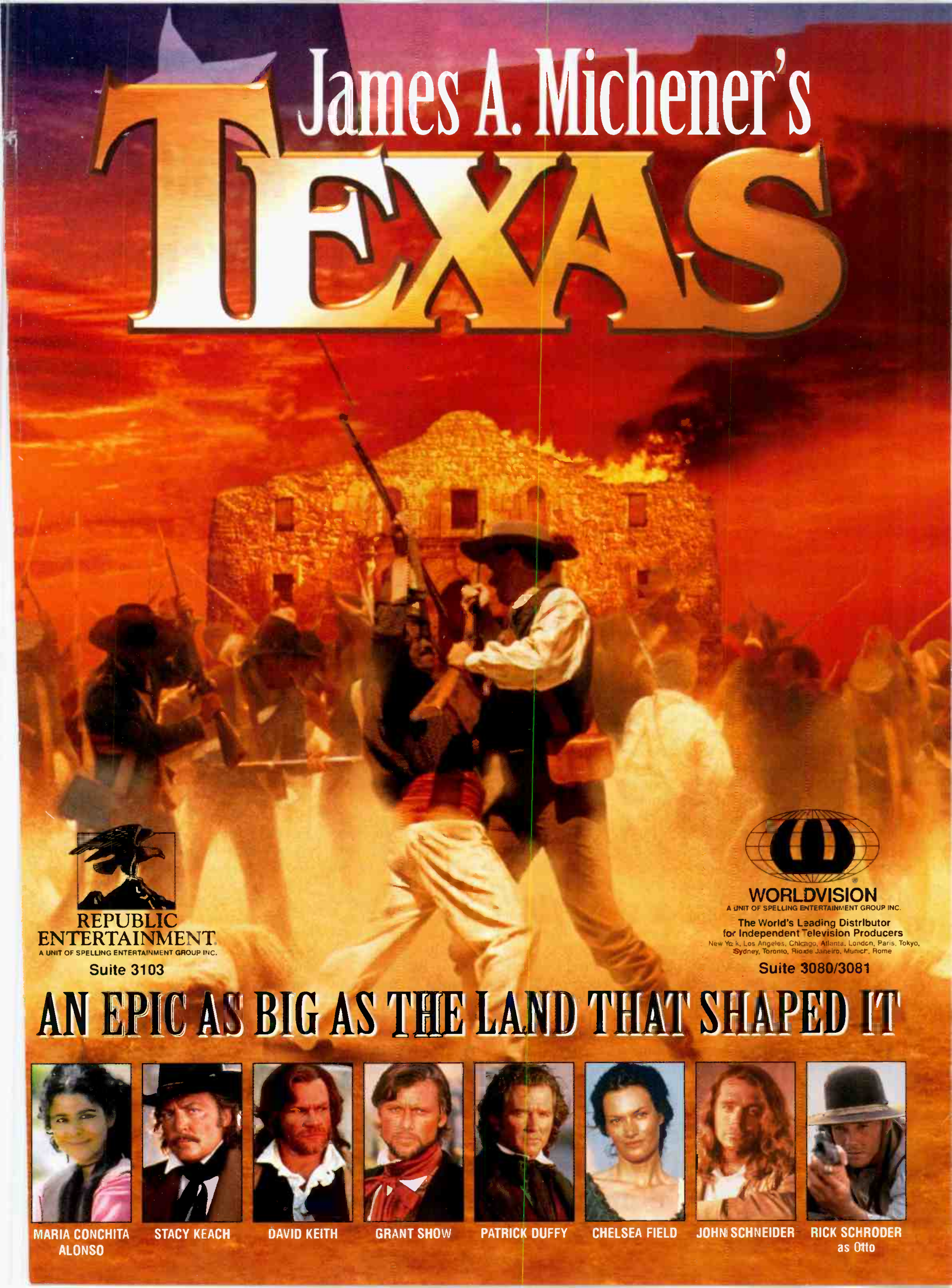
One of the great perks of editing an international trade magazine is I get to read press releases you'll never ever see. Thousands of them. I am the gate keeper. I decide which of those stacks of press releases will be bent, mutilated and rewritten to reflect the truth as we see it here at TBI Central. Such power begets fears, paranoid visions that the truth in all those lovingly-crafted corporate statements is not being told. In a my own little effort to quell such fears, I'm reprinting here just one of the thousands of releases I receive each month.

TERROR TACTICS DAMAGING TV

> The television industry is estimated to be losing millions of pounds each year because of behavior commonly associated with the school playground, a Royal Television Society audience in Bristol was warned this week. The UK's leading authority on bullying at work, Andrea Adams, told tv professionals that bullying was no longer the prerogative of children but adopted by adults in the work place as psychological terror tactics designed to oppress people through fear.
>
> Persistent public humiliation, swearing, personal attacks, unreasonable increases in workloads, withholding and changing objectives, giving out menial tasks as punishment and setting people up to fail, are just some of the tactics adopted by bullies to break down their victims. And it's causing untold damage to both employees and employers.
>
> "Bullying in the television industry is often attributed to 'creative temperament' or tolerated as a necessary means of motivating employees in today's highly competitive, commercial environment," says Andrea. "But the consequent impact on organization is devastating – low morale, stress-related sickness, absenteeism, poor productivity, and even the loss of good employees. And where cases progress to tribunal or come to the attention of the media, the effect on an organization's reputation is incalculable."

If I were going to bend and mutilate the truth of the above, the first question I'd need to ask is why the million-salaried men who pilot billion-dollar companies have to be told "persistent public humiliation, swearing, personal attacks" etc are bad for business. Shouldn't they know that already? Shouldn't everyone who works for them know it too? And if they don't, are we doing them a favor by calling it something school-yard silly like bullying? It makes bad management, not doing your job, sound like what the red-haired fat kid at South Avenue Elementary School used to get up to. That's what I'd ask if I were going to rewrite the above. Now, aren't you glad I usually shield you from the truth?

The Editor



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Congress Is Ready To Rock The TV Business

BY LES BROWN

I will make an easy prediction: 1995 will be a tumultous year in U.S. television, reminiscent of the Ronald Reagan swing era when deregulation was the rhythm and mergers the percussion.

The Conservatives are back in power, but in a whole new way, controlling the legislative rather than the executive branch. This is the first Republican-dominated Congress in four decades, and it seems determined to rock and roll with a pro-business agenda.

The political superstar in the U.S today is a brashly voluble congressman from Georgia, Newt Gingrich, whose knee-in-groin strategies helped engineer the conservative Republican sweep in last November's mid-term elections. His reward was elevation by his party to speaker of the House of Representatives.

This puts him third in line for the Presidency, in the event the worst should happen to both Bill Clinton and Vice President Al Gore. But from the media coverage Gingrich has gotten, both personally and for the legislative package he proposes to ram through Congress, you'd think he was already running the country.

And in a way he is. President Clinton's various missteps have cost him credibility and weakened his leadership. Gingrich has thrust himself into the void and is setting the national agenda with a plan to cut federal spending, mainly by eliminating social programs and downsizing government, and to reduce regulation and let the market rule.

In my view, the essential difference between left and right in U.S. politics today is that liberals still tend to think of people as citizens while conservatives see them as consumers. Ultimately, the people call the tune by how they view themselves. Last November the voters spoke as consumers.

The difference is not a subtle one. Citizens look to government to maintain and mend the social fabric; consumers, in contrast, trust the laws of commerce and are satisfied by greater product choice, reduced prices for goods, more jobs, and lower taxes.

Since it is business that serves the consumer, Gingrich and his clan mean to give business its head while opening the way to greater competition. In the next few months, Congress is expected to pass a telecommunications bill that will remove most government restrictions against telephone and cable companies entering each other's businesses.

After that, look for cable to be deregulated once again. The new Speaker has friends in the industry and has been given his own program on one of the new channels controlled by TCI.

A professed information age enthusiast, Gingrich has indicated he would create a climate in which all the media technologies are free to wrestle with one another, with no holds barred by the Federal Communications Commission. Though the FCC members are appointed by the President, the agency reports to the Congress.

Indications are that the new Congress will not frown on mega-mergers between cable and telephone companies or on the cross-ownership of media (newspapers, radio, tv and cable) in local markets.

Gingrich & Co. are forging ahead with bold libertarian policies without concern for social and cultural consequences

Moreover, some key Congressional Republicans are proposing to eliminate restrictions on foreign ownership of the broadcast media – currently limited to 25% – arguing that the rules are out of date. The rationale is that American business needs capital to expand, and where's the harm in taking money from foreign investors?

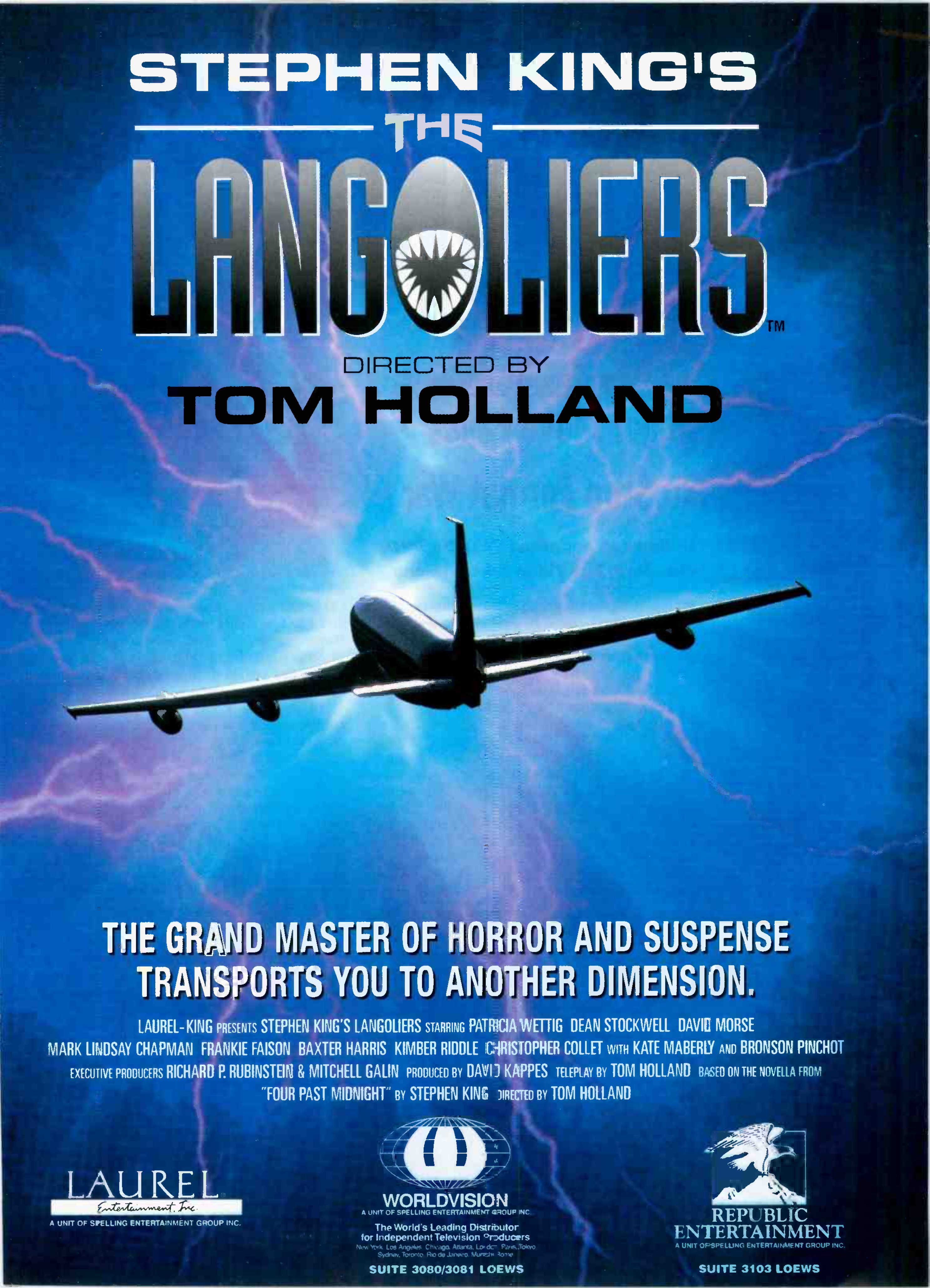
In his plan to reduce federal spending, one of Gingrich's primary targets is public broadcasting, which he has characterized as a "plaything for the elite." If he has his way, the system would be privatised, but in any case he would eliminate the annual federal contribution, currently at $285.6 million.

The amount is paltry in the scheme of government spending, but its elimination would devastate the already impoverished system, which is what Gingrich clearly intends. His motives are more political than economic. Ever since Nixon, public tv has been perceived by conservatives as a hotbed of liberalism, although liberals see it quite otherwise.

Gingrich & Co. are forging ahead with bold libertarian policies without concern for social and cultural consequences, convinced that the market will serve the public interest better than the regulatory agencies.

Maybe they're right. But if they are wrong, they will likely have damaged the social fabric, destroyed a valued institution and, like Reagan, widened yet again the gap between rich and poor.

In that event, the saving grace is that consumers might start thinking like citizens again. It may be too late to reverse the mischief of latter-day robber barons or to revive public broadcasting (if Gingrich prevails), but it's a healthier way to think in a democracy, or so it seems to me. TBI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MONITOR

NEW MEDIA

Major Move Fails To Stop Format War

Hollywood endorses Toshiba DVD standard, but Video CD burgeons

Three Hollywood studios, Time Warner, MCA, and MGM/UA, have backed a next-generation Video CD standard defined late January by an alliance of mainly Japanese consumer electronics manufacturers led by Toshiba. It will allow 135 minutes of digitized broadcast-quality video to be stored on two sides of a single CD.

The move, announced on January 25, is a blow to a rival, incompatible standard defined last year by Sony and Philips. The two companies had hoped that Matsushita, which owns MCA, would back their standard – but Matsushita's decision to align itself instead with the Toshiba camp, which includes JVC, Pioneer, Hitachi, and Thomson, and had already received Time Warner and MGM's blessing, probably sealed its fate.

Sony and Philips have now said they will co-operate with the Toshiba/Hollywood group in a bid to define a common standard for the Digital Video Disc (DVD), which is seen as an eventual replacement for the analog videotape cassette – but the possibility of an industry wide dispute along the lines of the notorious Betamax/VHS format war has not yet been completely averted.

In the Video CD corner: Paramount's Star Trek IV

The DVD format has its origins in the Hollywood majors' unhappiness with the existing, globally-accepted Video CD (or White Book) standard defined by Philips at the end of 1993.

A "linear" version of the CD-Rom format, Video CDs are capable of being played across a wide variety of hardware platforms – including CD-based games consoles, PCs with video cards, and CD-I players with digital video modules. However, they can store only around 74 minutes of MPEG-1 (roughly VHS-quality) video, which means that standard movies, which are generally 100 minutes long, require two discs.

These capacity and picture quality problems are the ones the studios want to address with the new standard. Their concerns have not prevented the creation of a burgeoning market in Japan and Europe for the existing Video CD standard, and industry estimates suggest there should be around 500 Video CD titles on the shelves by the end of 1995, a substantial proportion of them sourced by Philips from the movie properties of Paramount, MGM, and Orion.

Toshiba claims that there will be some 200 titles available in its DVD standard by 1996. Such claims should probably be treated with a pinch of salt. The Toshiba standard, like the Sony/Philips one, achieves its results by storing MPEG-2 video on a high-density CD, which is read by a red laser instead of the blue ones used in existing CD players. Stamping the new discs and making the new lasers may not be a problem – but creating the cheap MPEG-2 decoders which would have to be contained in every player certainly is. This means the first DVD players would have a high price tag, and would therefore be unlikely to become mainstream consumer items until the end of the decade.

In the meantime, the existing Video CD standard looks set to prosper. If there is to be a format war, it's arguably more likely to take place between Video CD and DVD than between the two rival DVD standards.

by Barry Flynn – LONDON

SWEDEN

TV3 Boss Sues Former Aide

Steinmann move to SBS provokes breach of contract claim

Competition among the growing number of commercial tv enterprises in Scandinavia has, up to now, been a fairly amicable affair. But a British court is the unlikely setting for a dispute which indictates that may be about to change.

Jan Stenbeck, the Swedish-born, New York-based businessman who is president of the Kinnevik conglomerate, filed the lawsuit against Jan Steinmann, once his right-hand man and largely responsible for getting TV3, Kinnevik's lucrative satellite tv operation, off the ground.

After eight years working for Stenbeck – an acquaintance from childhood days – Steinmann defected to Scandinavian Broadcasting System (SBS), a mainly U.S.-backed concern which is gradually putting itself on the map of Nordic television.

The move did not come as a complete surprise within the business. Despite his success at TV3, Steinmann was – for reasons still unknown – cold-shouldered by Stenbeck a couple of years ago, but last year he resurfaced with a new, five-year contract to act as a consultant for the expanding Kinnevik media group.

It is this contract that is the focus of the lawsuit against Steinmann. When TV3 (based in West Drayton, England, and transmitted via satellite to the Nordic countries) was formed in 1987, Steinmann shocked many among his staff by presenting them with contracts that included a clause preventing them from working for a competitor – at the risk of huge fines and legal action. To the Scandinavians this was pretty much unheard-of, and it took some time before all the contracts were signed.

One of Steinmann's tasks in his new role as consultant for Kinnevik was to help launch TV6, a cable station with women's appeal which was started last spring with the specific aim of annihilating SBS' Femman (formerly TV5 Nordic) a satellite station launched shortly after TV3. Femman has managed to carve a small niche for itself among female viewers, and is the biggest of SBS' Scandinavian operations, which include Norway's TVNorge and a minority interest in Finland's long-lived commercial channel Mainos TV (MTV).

The signing of Steinmann is the most spectacular move by SBS, Nasdaq-listed and part-owned by Capital Cities/ABC, in recent months. Late last year, Bo Lynnerup, head of the International department at Danmarks Radio, left to become director of programs at Broadcast Denmark, the Danish arm of SBS, controlling Kanal 2 and a string of regional stations. Lynnerup was recruited by Jesper Smith, who before joining the board of Broadcast Denmark created the tv distribution arm of Danish media giant Nordisk Film. Martin Lindskog, for many years managing director of Filmnet, was recruited to the board of SBS not long ago.

Steinmann: Expanding the SBS empire?

Stenbeck, reported to be furious at Steinmann's move, is embroiled in another court case, this time in Stockholm with TV4, the channel in which Kinnevik owns a 30% stake. The dispute arises from the formation of Airtime, a joint advertising sales company for TV3 and TV4, following Kinnevik's acquisition. Advertisers and agencies protested against the move, which gave one company a near-monopoly of the tv advertising market, so TV4 pulled out to form a sales operation of its own. Kinnevik claims breach of contract and $60 million in lost income.

by a TBI correspondent – STOCKHOLM

ISRAEL

CNNI In Hebrew Worries Local Nets

Network seeks to capitalize on plunging Israeli news ratings

CNN International has decided to broadcast a one-hour Hebrew news program to its Israeli cable viewers every evening at 9pm and Israeli news programmers are worried. Nonetheless, publicly they are acting unconcerned.

David Gilboa, news programming director for the government-run Channel One said: "It's a cute gimmick and certainly it will attract a few viewers. But CNN can never be a replacement because they broadcast from an international per-

U.S. TV, POLISH STYLE

Poland is likely to see the launch of a basic-cable channel carrying only U.S. programming this spring. Transmitted direct to the country from the U.S. via an Intelsat satellite, it will be on air for at least ten hours daily and dubbed into Polish. TV America, which is backed by the New York-based distribution company American Communications & Entertainment TV (ACE-TV), will be advertising-funded and made available to cable systems in Poland free of charge.

spective. They won't report on local issues."

Shalom Kittel, Gilboa's counterpart at the privately operated Channel Two is equally sanguine. "I'm in favour of an open market. This won't hurt us."

CNNI made its decision after an in-depth survey of the Israeli market. Among its findings were that ratings for the Israeli news programs had plummeted in the past year. Just a year ago, half of all Israelis tuned into the Channel One evening news program. Today barely 30% of Israelis watch both news programs. CNNI has picked up much of the loss. Of the 60% of Israelis hooked to cable television, 22.8% tune into CNNI at least once a day.

The ratings drop is attributed to two factors: last year's switch of the news hour from 9pm to 8pm and a loss of faith in political and security reporting. As Gilboa admitted: "There is a lack of confidence in those sides of our reporting. Take the issue of the killing of a kidnapped soldier two months ago. CNN reported the event and we didn't because we were ordered not to by the military censor."

CNN's Israeli bureau chief Charles Hoff believes that he will supply enough local coverage to cut into the ratings. "Every week our world news uses 12 minutes from Israel," he explained. "That is the most of any country. England only supplies two minutes."

Israeli news programmers do have something to be anxious about. CNN's two previous news programs translated into Japanese and Norwegian are successful. If the success is repeated in Israel, Channel Two will lose advertising revenue.

Channel One's Gilboa admits he is watching developments carefully with an eye to moving his news hour to 9pm to compete head on with CNN. "At the end of the summer we'll take stock," he said. "And perhaps we will change."

by Barry Chamish – TEL-AVIV

CNN is gearing up for more Israeli news

ASIA

Apstar 2 Loss Leaves Channels In The Lurch

Room for new channel ventures suddenly looks in short supply

The failed launch of the Chinese-backed Apstar 2 satellite, which exploded shortly after take-off from China's Xiching space center at the end of last month (Janaury), has dealt a blow to foreign broadcasters trying to extend their reach into the Asian market.

Companies that had leased transponder space on the 100-channel capacity satellite include Home Box Office (HBO), Turner Broadcasting, Viacom, Walt Disney, ESPN, Discovery, TVBI, NBC, Reuters and Dow Jones.

Although many of these companies are already broadcasting to China and much of north and east Asia via Apstar 1 and other satellites such as Panamsat and Palapa, Apstar 2, run by the Hong Kong-based APT satellite company, was so high-powered it could have broadcast into the homes of two-thirds of the world's population in an area between Eastern Europe and Australia.

As Apstar 2 had digital capabilities it would also have provided the capacity necessary for broadcasters to adopt a regional as opposed to a pan-Asian approach by launching customized, language-specific services for individual markets, now thought to be the best way of tackling the culturally-disparate region. MTV Asia has already indicated that it plans to adopt this approach once it relaunches in the region.

Apstar's operator said it regretted the failure and that it would try to provide a service in the future. However, Apstar 2's manufacturer Hughes said it would take two years to build and launch another satellite. Many of the companies that have leased space on Apstar 2, including HBO, Turner, Viacom and ESPN, also have space on Panamsat's PAS-4 which, set to launch in July, will also allow them to target India. That is however as long as PAS-4 doesn't suffer the same fate as PAS-3, which exploded on launch in December last year. HBO even released a statement to say that the explosion would have "no short or long-term impact" on the business plans of HBO Asia because of its other satellite leases.

Despite predictions of a transponder glut over Asia in the coming years, this latest disaster will increase demand for exisiting operators. Asia Satellite Telecommunications has no space on Asiasat 1 which launched in 1990 while a waiting list exists for space on Asiasat2, due to be launched later this year.

The delay of Apstar 2 will give Star TV and its

Russian Stat[illegible]ration Archives

CHRONICLING A CHANGING WORLD

Karl Ammann

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NATIONAL GEOGRAPHIC
TELEVISION

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For Broadcast Licensing: ITEL, Loews Suite 3048
For Video Licensing: Julie Bellonte, Loews Suite 3083

ITEL

NEW TV4 MD'S LICENSE BID

Renegotiating TV4's concession from the Swedish government will be Christer Forsström's first task when he takes over as managing director of the private channel on April 1. The ten-year concession, awarded in 1991, requires TV4 to pay a share of its revenue to the state broadcaster and to produce 50% of its output within Sweden. Forsström said he hoped to have a "realistic" solution to the concession, though he added that "up to now we have had very few problems" with it. TV4, the only commercial channel with national coverage in Sweden, made a profit of $26.25 million in the first nine months of last year on revenues of $169 million. It has recently been investigating the options of launching a satellite-delivered channel or the sale of a minority stake to other European broadcasters to develop its business. Forsström said he would be interested in collaborating with other European stations in program production and advertising sales. Forsström is currently head of the white goods division of the Electrolux group, owned by TV4 shareholder Wallenberg.

Indian affiliate Zee TV a chance to consolidate their sizeable lead in India. However, Star's plans for the expansion of its pay-tv services could be thwarted if the launch of Asiasat 2 (on which the pan-Asian broadcaster has reserved half the transponders) is further delayed due to technical difficulties.

China, which recently successfully launched the Apstar 1 satellite has said it hopes to launch 30 satellites into orbit by the year 2000. However, insured for $160 million, the loss of Apstar 2 is probably the country's biggest insurance disaster.

by Sarah Walker – HONG KONG

SOUTH AFRICA

SABC Axes Staff, Ups Production

Job cut of 15% will mean more funds for news and current affairs

The South African Broadcasting Corporation (SABC) is not waiting for the official hearings about the reorganization of the tv and radio industry in the country to make radical changes of its own. The pubcaster's chief executive Zwelakhe Sisulu told a hearing by the Independent Broadcasting Authority in December that 800 employees (mostly administrative staff) would be shed from the payroll at the start of 1995.

This staff cut of 15% will mean a saving of R73 million ($22 million) that will be diverted to programming. A further 550 jobs "may be made available" to allow the SABC to reach its aim of 50% black representation – its affirmative action quota – by the end of 1997, said Sisulu.

Current affairs, news and educational programming have been given top priority by the SABC and Sisulu confirmed that news programming will increase by 57% during this year. Current affairs programming in the 11 official languages will increase by 92%. Sisulu said the SABC would seek State assistance of some R150 million ($45 million) for its reinforced educational programming. The SABC plans to retain all three of the networks it presently operates. Channel 1 (currently TV1) would broadcast high-rated programs including sports, while Channel 2 (currently CCV) would be a multicultural service with an emphasis on education and information. A third, mainly urban, channel – which will use the transmitter network currently operated by NNTV – would be broadcast mainly in English.

The SABC committed itself to 60% local content on tv and says it plans to rely less on imported product, creating programming which reflects South Africa's situation. "Viewers and listeners in South Africa will be treated as citizens first and consumers second," said Sisulu.

Sisulu: Radical moves welcomed by producers

Following the hearings, the IBA is due to recommend new legislation to promote local content, regulate cross-media ownership and restructure public broadcasting. Its regulatory powers are limited: final decisions will be made by Parliament.

The IBA also heard from the Bophuthatswana Broadcasting Corporation (BBC), set up in the former homeland, from pay-tv network M-Net and from the Film and Television Federation (FTF), a lobby group representing South Africa's film and tv producers.

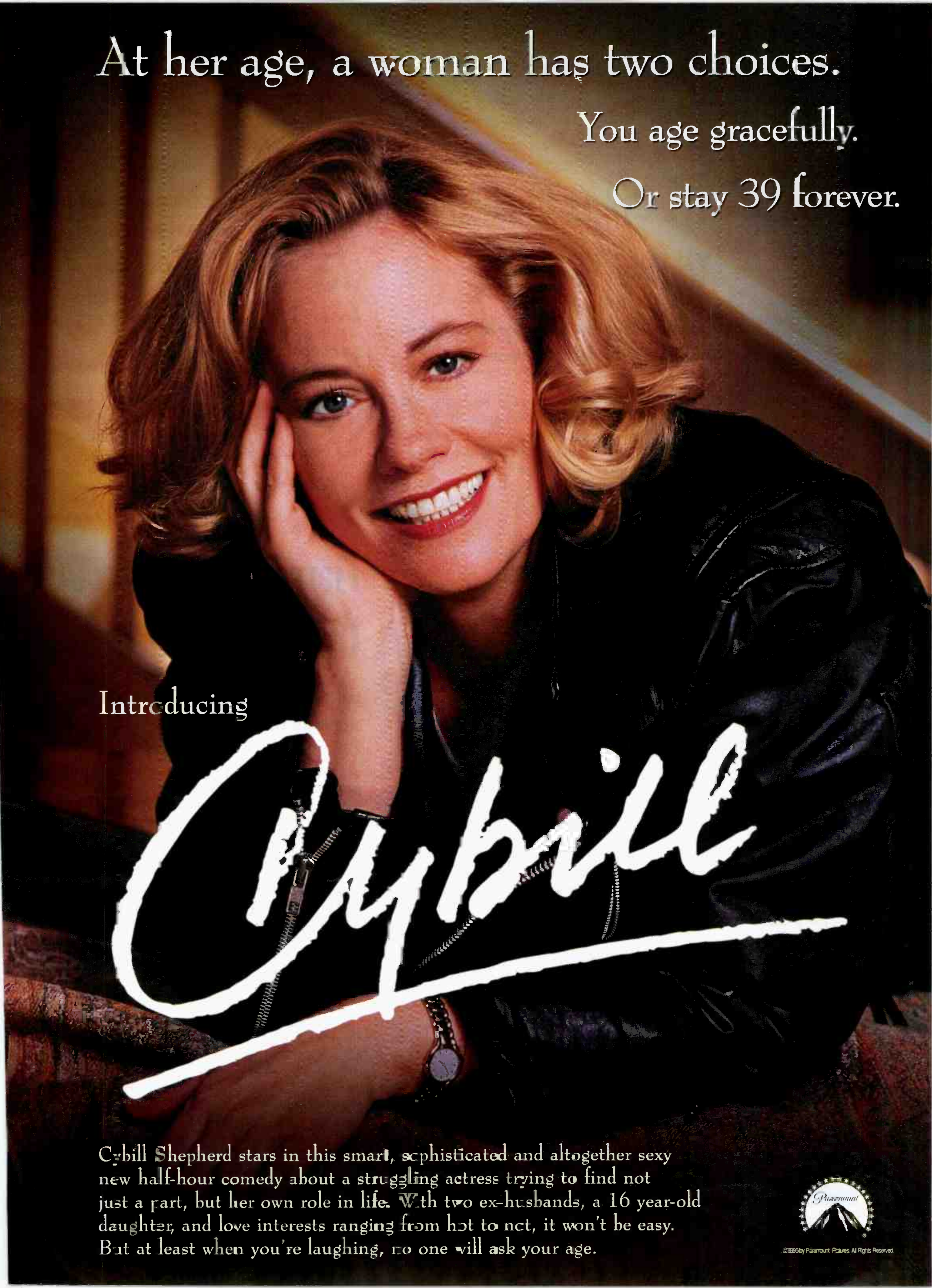
Indicating the BBC's desire to remain independent of the SABC, director general Solly Kotane emphasized the need for existing broadcast facilities to be permitted to develop.

M-Net argued against having local content regulations imposed on it, warning that the channel, which relies heavily on Hollywood movies, could go bankrupt if high local content quotas were imposed.

Group managing director, Koos Bekker, suggested the IBA set a specific sum for investment by M-Net in local content, rising annually at a set rate so that the station could plan ahead. Setting the figure as a percentage of gross revenue would harm commercial broadcasters.

Carl Fischer, co-chairman of FTF, welcomed the "enormous and far-reaching" changes proposed by the SABC. Fischer singled out an acknowledgement by the pubcaster that past and present commissioning procedures were "inadequate and flawed" and said the FTF had been invited to draw up a new, "more open and transparent" commissioning system.

by Dezi Rorich – JOHANNESBURG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Paramount
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MTV BACK INTO ASIA

MTV has confirmed the launch-date of two 24-hour channels targeting the Asian region. MTV Mandarin, broadcast in Mandarin, will start on April 15 with English-language MTV Asia launching on May 3. The channels will be uplinked from Singapore, the base for administrative and production facilities. Local programming will also be sourced from regional offices in Hong Kong, Taipei and Bombay. MTV Mandarin was booked on to Apstar2 but will most probably transmit from PAS-2 with MTV Asia on Palapa. Bill Roedy, president, international of MTV Networks, said the channels would feature a mixture of local and international music with the ratio "totally reflecting" the audience's tastes. He admitted that he was "uncomfortable" about the acquisition of stakes in rival music service Channel V by four major record labels, but had been "assured" that the labels would supply material from their artists to the MTV services. Roedy said the seven-year-old MTV Europe made a profit last year and said the Viacom network was working to a five-year business plan in Asia.

FRANCE

TF1 Drops Challenge To Pay-TV Giant

Private station opts for less risky strategy for new channel LCI

Canal Plus, France's monopoly terrestrial pay-tv station, appears to have extinguished the threat of satellite-delivered competition in its home market by striking a deal with TF1, the country's leading ad-supported channel.

TF1 has opted to encrypt and distribute its thematic news channel La Chaîne Info (LCI) as part of Canalsatellite, the 12-channel package operated by Canal Plus. The deal, which came into effect on February 1, lasts for five years. There were rumors that TF1 planned to order five transponders on Télécom 2D, the digital satellite operated by France Télécom, which is due for launch in 1997, a move which Canal Plus had chosen to pre-empt by renting transponders on the digital bird, Astra 1E, due for launch this fall.

LCI, a low-pay channel on cable, could have chosen its own encryption system, as did CLT's Télécom 2B-delivered RTL-TV, or even join forces with the Luxembourg group.

A number of factors swayed TF1 against launching a rival bouquet. With ESPN, Canal Plus co-owns and operates TF1's main satellite asset, the French version of pan-European sports channel Eurosport.

Also, priorities had to be reassessed following the successful bid by TF1's main shareholder, Bouygues, for the new digital cellular telephone license. It would be risky for the group to spread its ventures following such a big investment. And LCI, with an annual budget of $32.4 million and a $23 million yearly loss, does not come cheap.

Finally, Canal Satellite offered a $7.6 million minimum guarantee on direct satellite reception, and, as the costs of starting up a competing system from scrap would be very costly, TF1 took the cheaper option.

While Canal Satellite is carried on Télécom 2A, LCI will be carried on 2B. Viewers will pay $4.80 to receive a two-channel package of LCI and Tele Monte Carlo but will need two dishes or a moveable dish to pick up both satellites. According to Canal Plus, there were 215,690 subscribers to Canalsatellite at the end of last year. Over 400,000 homes receive the free channels on Télécom 2B.

It now looks unlikely that there will be any rival to Canalsatellite – at least for the time being – as even CLT would be unlikely to challenge Canal Plus on its own turf. There is a wider issue for Canal Plus, however. By choosing Astra for its digital services, Canal Plus made a strategic manoeuvre, perhaps positioning itself eventually to abandon not only Télécom 2A and B for all of its services, but France's tough cable and satellite regulations as well.

by Serge Siritzky – PARIS

BRAZIL

Fiery Star Written Out Of Globo Telenovela

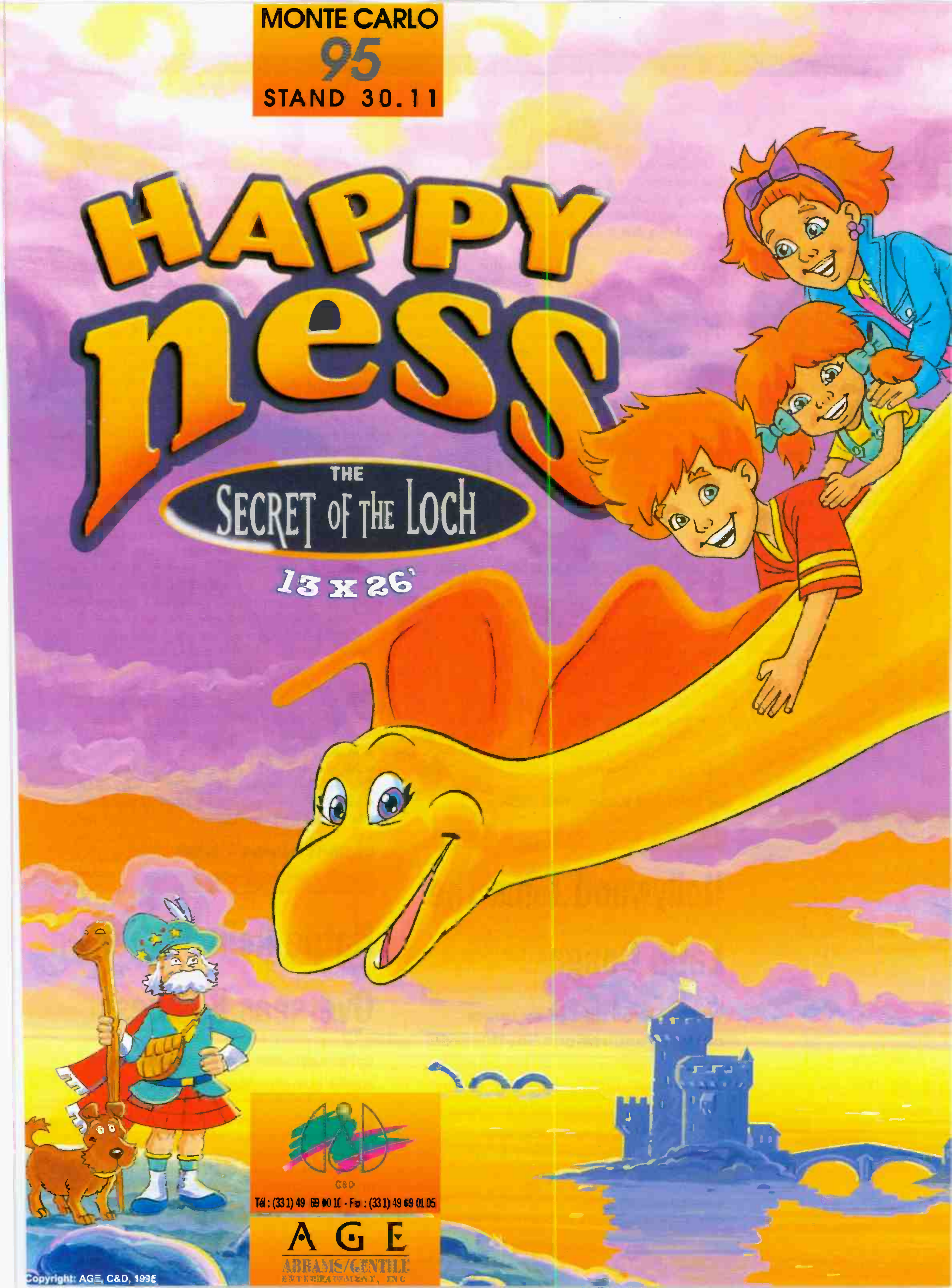
Ratings suffer after "indisciplined" actress meets with a tragic demise

In most countries, a tv network's firing of a soap opera actress would not turn into the talk of the town. But in Brazil, where *telenovelas* are the primetime fare of most tv viewers, the main network's (TV Globo's) recent and unprecedented sacking of one of the stars on the country's most popular soap *Patria Minha* (My Homeland) has made front-page headlines.

First off, Vera Fischer, the sacked star, aside from being a good actress, is considered Brazil's biggest sex symbol. Despite her 43 years, Fischer's well-endowed figure, blonde hair and blue eyes – features which once helped her become Miss Brazil – also guaranteed a large male viewing audience.

So, when TV Globo, in January, fired Fischer for indiscipline, *Patria Minha's* 47% slice of the viewing audience slipped to 41%. Though that rating still makes the 8.00pm soap the most widely-watched show on Brazilian tv, most TV Globo primetime novelas attract 55%-60% of the 30 million tv viewing households.

TV Globo had never before fired a starring actor or actress and knew the sacking would hurt ratings. The network, nonetheless, broke with precedent after Fischer and her estranged husband Felipe Camargo (who had a bit part in the telenovela) began constantly arriving late on the



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FILING INTO INDIA

United International Holdings (UIH) the U.S. cable investment company, has signed a letter of intent with RPG Enterprises of India to launch a cable tv and communications network serving 1.4 million homes in Calcutta. The venture will also distribute program services to population centers in the surrounding region of West Bengal. Two further foreign companies have launched ventures in India's promising tv market recently: Pearson has agreed to develop cable tv chanels with the Hindustan Times group; while Walt Disney Co has started airing a weekly *Disney Club* segment of animated programming on national broadcaster Doordarshan, via a partnership with the Modi group.

set and fighting with fellow actors.

Fischer's late arrivals became so predictable that her on-screen husband Tarcisio Meira refused to leave home for the set till Fischer arrived there. And those late arrivals slowed the soap's shooting schedule so that the normal time-lag of more than a week between taping of one of Fischer's scenes and televising it, was reduced to one day. So TV Globo decided to give both Fischer and Camargo's characters the axe by killing them in a hastily-scripted hotel fire. *Patria Minha* scriptwriter Gilberto Braga, who had specially created Fischer's character for her, is now having to do a major rewrite.

Patria Minha's director Denis Carvahlo told Rio's influential Journal do Brasil newspaper that firing the two actors "will avoid similar problems in the future. Not taking such steps creates a situation where impunity reigns."

In the meantime, Fischer and Camargo will now have time to take a rest not only from tv but from each other. Their own string of contretemps, some of them physical brawls in public, read better than a soap and seem to have reached Homeric proportions.

Late last year, Fischer broke her arm, after which TV Globo gave her a three-week leave of absence from the *Patria Minha* set. Though Camargo said Fischer got the fracture falling down stairs, colleagues said it was the result of one of the couple's constant free-for-alls. In December of 1994, shortly after the fracture occured, the couple separated.

Fischer, who last year bought the film rights to a best-selling biography, may have feathered her nest before her firing. With TV Globo not likely to hire her back anytime soon, she may be headed for the silver screen.

by Michael Kepp – RIO DE JANEIRO

SOUTH AMERICA

Hollywood Joins The Latin Conga

Warner Bros and Sony beam channel aspirations southwards

Warner Bros and Sony announced the launch of two new channels targeted at Latin America at Natpe last month. Both channels will be driven by the programs in the Warner Bros and Columbia catalogs. They will be programmed separately by the two Hollywood giants, but they will consult each other on the final look of their schedules. "The channels are designed to be complementary," said Michael Grindon, executive vice president of Sony Pictures Entertainment's Columbia TriStar International.

Sony Entertainment Television is the first broadcast channel to take the Sony name, others are expected to follow the Latin launch. The Sony channel is planned for a mid-summer launch, at which time WBTV will be up to a full 24-hour schedule. WBTV–The Warner Channel is predicting a late spring launch broadcasting between six and eight hours to begin with.

Transmitted via PanAmSat, the channels will initially reach about 500,000 cable homes across Latin America. They will be packaged to cable operators with the pay services HBO Olé, Cinemax and HBO Brasil, though will rely heavily on advertiser support. HBO Olé Partners, which supplies HBO Olé and Cinemax to about 1.2 million homes throughout South and Central America, is a joint venture of Home Box Office, Sony Pictures Entertainment, Warner Bros and OLE Communications.

At this stage details of the channels' schedules are limited. The reliance on the Columbia and Warner Bros catalogs will mean that they will have to be "creative with windowing," said Jeffrey Schlesinger, president of Warner Bros. International Television Distribution. Sue Kroll, senior vice president, programming and operations at Warner Bros. International Channels, said WBTV will be a "broad-based service." Featuring *Looney Tunes*, "the bulk of the mix will be library product built around specialty blocks." There will be some local acquisition of programs. "The channel's ID will be created in Burbank and will be tailored to the local environment," said Kroll.

More detail of The Sony Entertainment Television schedule was available. Targeting a young adult audience, the channel will air hits like *Seinfeld*, *Mad About You*, *The Nanny*, *Party of Five*, as well as the daytime soaps *Days of our Lives* and *The Young and the Restless*.

by Chris Dziadul – LAS VEGAS

NATPE

Natpe Rolls Higher On Overseas Business

International presence doubles amid syndication market fears

Natpe has become an international event, whether domestic syndicators like it or not. With attendance up at the 1995 show in Las Vegas last month to 16,000 and international attendees up by more than 1,000 to 2,500 delegates, Natpe has become a mix of two markets. A domestic syndication market that is gradually los-

ing its intensity of purpose, and a smaller, but growing, international market.

Domestic panel discussion centered on the two new networks (WBTV and UPN) and whether there was room for both of them. Grant Tinker doubted whether both could survive in the long run while NBC's Warren Littlefield felt that the two networks would enjoy the benefits of a relatively healthy tv ad business for the first two years of their existence. International attention was more focused on what kinds of windows would be licensed for programs in markets that are still playing catch-up with the U.S.

When it came to doing business, international executives who once upon a time turned up to observe and hope to find a way of doing business in the U.S., now turn up to meet, sell to and buy from each other. At times the international and the domestic delegates met, usually confusedly.

Natpe has long been a strong market for selling to Latin Americans who often do not make the pilgrimage to Mip and Mipcom. This year the Latin contingent were stronger and more significant than ever with companies like Argentina's Artear taking stands for the first time.

But new to Natpe was a visibly increased attendance of Europeans, particularly on group stands. The British have for some time had a group presence with the ITV distributors sharing the cost of exhibition space. New this year were a grouped section of booths of independent producers and distributors from the UK.

The Germans were in their second year of attendance (as a group), the French were building on an established presence, while the Italians combined on one stand for the first time.

There were also first-time exhibitors from the U.S. Of particular note was the cable pavilion of channels (like E! Entertainment and Discovery) who have had significant success in the past two years in the international market. In the U.S. they are regarded first and foremost as suppliers of channels.

Sesto Cifola, chief operating officer of Sacis, who together with Sacis chief excutive officer Giampaolo Sodano was responsible for co-ordinating the Italian group, said: "We feel that Europe has a role to play and that Italians are part of this. We had to present a strong image of the Italian audiovisual industry... We are living this moment for sure."

This was echoed by the German producers. "Last year we learned how to present ourselves and our umbrella stand. This year we have prepared better and our producers are all making sales and building new relationships," said Christian Dorsch, managing director of German Films. The Germans had 50% of their costs covered by the Bavarian Film Fund and the Berlin Brandenburg Film Fund.

Next stop on the international television program syndication circuit is Monte Carlo. Clearly many questions are being asked, particularly by U.S. distributors, about the validity of holding a market so close to an internationalizing Natpe. But Monte Carlo still has its fans and wherever you put buyers, sellers will find their way. As Bert Cohen, executive vice president and chief operating officer of Worldvision said: "If you give me 250 buyers in the Sahara desert I'll put a tent up."

by Paul Nicholson – LAS VEGAS

ARGENTINA

Jewish Network Set For Lat Am Launch

Backed by Argentines and Israelis, Alef aims for universal appeal

What company executives are calling the world's first Jewish tv channel outside of Israel will see the light when the Alef Network hits Latin American cable systems this April.

Created in mid-1994 by a group of 15 Argentine investors and local and Israeli media professionals, the Alef Network will begin transmitting 24 hours daily, although early on some of the programming will be repeated.

About two-thirds of the launch-date programming will come from Israel, both purchased and produced in-house. Carlos Gurovich, production director at Israel's Channel 2, will oversee operations at Alef Network's Israel facility.

The remainder of the programming will come from Alef's studios in Buenos Aires. The network hopes to diversify its base – which ranges from news to cooking to documentary programs – having yet to rule out any source. Plans to broadcast Arab productions are already set.

"Egypt has an important movie production industry, and Palestine tv stations are just getting started," said Alef vice president Horacio Lutzky in an interview. "We're going to explore both these markets." Lutzky admits the channel will have a Jewish perspective, but is looking for a universal audience.

Alef executives are currently in negotiation with cable operators in Argentina for broadcast here and expected to have deals to cover the entire country cut by mid-February.

Also underway are negotiations with cable operators in other Latin American countries and a deal with Brazilian cable operator TVA, owned by the continent's largest publisher Editora Abril, for it to downlink and distribute the channel there.

Lutzky eventually expects the channel to head north of the border saying it has entered early discussions with U.S. interests in California and Miami.

by Mike Galetto – BUENOS AIRES


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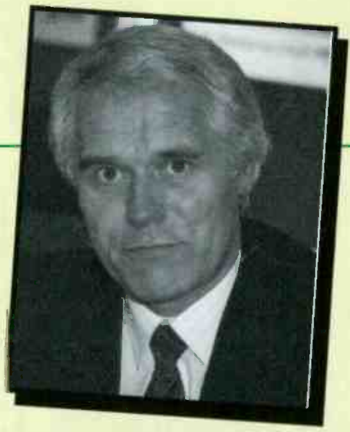
Culture Guardians Fight Progress



BY WILFRIED AHRENS

Political correctness, the brain disease that inhibits clear thinking and the ability to see and describe things as they are, has been afflicting the discussions on the future of television and communication.

One sure sign of the PC virus at work is when people say one thing and mean something different, if not the direct opposite.

Take, in our case, the innocent noun "culture." A simple and homely word, isn't it?

In Germany, cultural affairs, including broadcasting, are constitutionally under the jurisdiction of the 16 Bundesländer which otherwise don't have a say over much. That makes culture a factor of provincial power prestige with a host of comical PC results. So, such trivial pastimes as homeshopping are elevated to the status of culture to be duly controlled and regulated.

The doctrine simply is: commercial broadcasting is broadcasting is culture and therefore not to be meddled with by the federal government and the European Commission. The Bundesländer have consequently sued Bonn at the German Constitutional Court for signing the EU tv directive. The court will rule on that some time this spring. The outcome may well have the planners of the European television landscape wiping their eyes.

Culture, of course, belongs to the vocabulary of the politically correct because it is – like pro-choice or emancipation – immune against attack. Who is against culture? Who is against another staple, "plurality of opinion?" The answer is, all who look at commercial television as a means of making money.

As a result, the anti-capitalistic views of some European intellectuals have been pervading the discussion on the development and regulation of the industry. In this perception, entrepreneurs like Rupert Murdoch, Silvio Berlusconi and Leo Kirch are at least viewed as cultural barbarians, if not as outright crooks.

In Germany, sensible legislation to tackle the challenges of the digital age has been blocked by the kind of culture guardians who proclaim it necessary to safeguard democracy from dictatorially-inclined media potentates.

Arm-in-arm with the French-inspired quota lobby and other protectionists, politician-bureaucrats are bent on turning the promises of the digital revolution into a nightmare of lost opportunities.

The nightmare, of course, is reserved for European players only. The technical realities in the age of satellite television will still keep the European skies open for the competition from across the Atlantic.

But this is no problem for the PC virus carriers in the ranks, for instance, of German regulators. It would be chauvinistic, they argue, to be against foreign investors just because they are foreigners (here it is again: who is against culture?). That this xenophile harp is also played by the chief of Germany's most successful commercial tv company, Helmut Thoma of RTL, is surprising only at the surface; RTL's major shareholder, CLT, is controlled by French and Belgian interests.

Culture, of course, belongs to the vocabulary of the politically correct because it is immune against attack. Who is against culture?

The Austrian Thoma is a good example of another form of the PC syndrome in the German tv business: the ability to confuse the well-being of society as a whole with one's own interests. Thoma asks, in pure PC-ese: Who is against the protection of democracy? Nobody. Who is for the protection of democracy? Well, certainly I, Helmut Thoma. Which is one way of strengthening democracy? Answer: Weakening the competition of RTL. To this tune, Thoma has been smearing Leo Kirch (Sat 1, DSF, Premiere) as a modern Hugenberg, comparing him to a rightist German press magnate of pre-Nazi days.

The PC virus causes real havoc in some regulators' brains when both the culture and the well-being-of-society elements get mixed up.

It is to this aggravated form of PC affliction that the once-defunct Vox owes its survival. Though in many respects incompatible with the law, the channel was allowed to operate for months and has been granted a sort of special amnesty to rectify its doubtful legal status.

To everybody in the business, the reason for this kind of magnitude is clear: Vox shareholder Bertelsmann is more in favor with the culture mentors of the Bundesländer than others, maybe because Bertelsmann has cleverly been catering to the PC community more than, say Kirch.

Against the background of this experience, observers have come to the conclusion that one remedy against PC is PR, including lucrative gestures towards politically correct people and causes.

Perhaps the most curious effect of the PC virus is that those afflicted cannot and will not perceive the fact that they owe their very jobs of overseeing and regulating and strangulating to the business they lay their hands on. TBI

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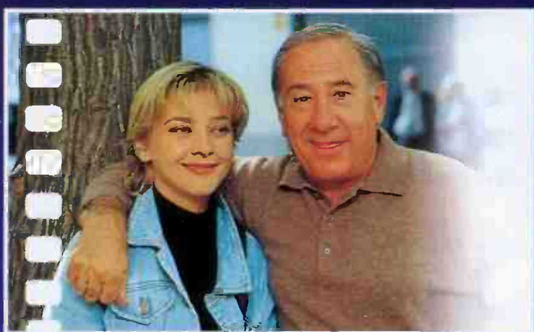

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News That's New

After less than a year, Nova is winning its head-on fight with Czech TV

TV Nova, the Czech Republic's year-old commercial network, is redefining tv news for Czech viewers. Rich Zahradnik watched recently as Nova's news team prepared for the evening broadcast

TV Nova, the Czech Republic's one-year-old national commercial channel, is bringing Czech viewers a kind of television news they're not used to, even in the days of post-Velvet Revolution freedom. From its first evening on the air last February, Nova scheduled its main half-hour newscast at 7:30 p.m. and prepared for head-on battle with state broadcaster CT1's main news show. That alone was a bit of a heresy, since new stations in Europe rarely, if ever, take on the established broadcaster in news.

At first, CT1 held the audience by a massive three-to-one margin, at a time when Nova was winning half the audience during the rest of the day's schedule. By autumn, the situation had almost reversed itself, with Nova's newscast winning 2.5 times as many viewers as the CT1 news. Czech viewers switched to Nova for Western innovations like live shots from ENG (Electronic News Gathering) trucks, a male-female anchor team and the startling view of the newsroom behind the anchors. CT1, meanwhile, hasn't given up on its lone male anchor, and while not as dull-looking as the oft-satirized Soviet newscasts of the Cold War era, the program's stories are longer and more serious. Nova news is faster, snappier, looser.

Jan Vavra, Nova's editor in chief, says even after CT1 came out from under state control to become a public channel, the news staff there took an official view of the world. Vavra and his team have delved into corruption and – most controversially – crime. The Nova newscast puts a big emphasis on murders, car wrecks and fires. I spent an evening with the Nova news staff as they prepared to put their main 7:30 pm program on air.

6:00 pm: A handful of days after the Velvet Revolution's fifth anniversary, Nova's newsroom looks like any other. Maybe that's a tribute to how far the country has come. Jan Martinek, executive producer, sits at the top desk in the newsroom, writers' positions running away from him towards the slanted win-


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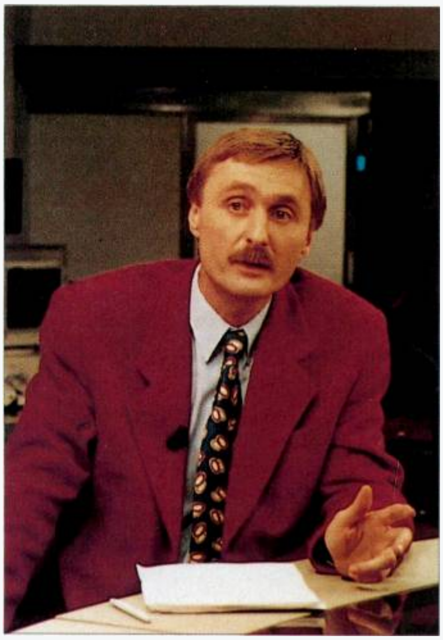
dow of master control; behind him are the anchor desk and cameras. He and the newsroom will act as backdrop once the show goes on the air in an hour and a half. He works on an IBM PC (Intel inside!) running Newsmaker software, a newsroom management system that handles the wires, scripts and the show's rundown. The story slugs on the rundown are in Czech, though the meaning of several terms is clear. ENG at position five means the show's fifth item will be a live shot from one of Nova's two ENG trucks.


Nova News: leading on murder

6:03: A reporter walks over to Martinek with a cassette. It's a report on the trial of a bounty-hunter who's charged with killing his quarry. Martinek turns to a nearby play-back machine, puts on headphones and roles the tape. A dead body lies on the pavement, looking like a man at attention. Shots of money on the seat of the car, a courtroom scene, an interview with the judge, then the reporter talking into camera from a position right in the middle of the courtroom. Nice place for a stand-up, if you can get it. Imagine what the O.J. Simpson trial would look like if that were allowed. "I think the judge talks for too long," says Martinek. Nova believes in the tight soundbite.

6:07: A row of 13 tv screens facing the newsroom from above the control room window plays feeds from Euronews, Sky News, CNN, public channels CT1 and CT2 and Nova, among others. Reuters is feeding pictures from an auction in Berlin, where all the worldly goods of the late East German leader Eric Honecker are being sold off. Nova is airing a local soccer match.

6:08: Martin Severa, mustachioed, good-looking, the male half of the Nova anchor team, is briefed by a field reporter on the live shot – who will say what the dialogue will be. Martinek screens a package on Bosnia that's had a voice track added here in Prague. Martinek shrugs: "We are limited by the pictures from Reuters." Nova doesn't send reporters out of the Czech Republic very often. The 7:30 pm program is usually 60% domestic news, 40% foreign, he notes.

6:25: Martinek, who looks at all the packages before they air, checks out one about a married Czech actor who's being sued for child support by another woman. The woman calls the actor's wife a bitch. Martinek asks me if I'd leave the word in or bleep it. I hedge. "We're broadcast at 7:30 and small children are watching," he says, but leaves the issue open. The reporter on the child-support story sits down at a desk to write a lead-in for the anchor to read.

6:26: The black window of the control room becomes darkly translucent as monitors and computers are switched on back there.

6:35: Martinek screens a package from Bratislava, the capital of Slovakia. Again too much talking. Martinek shakes his head. "He was saying nothing," he says of the Slovak foreign minister.

6:44: A hexagon of thin lighting strips, looking like something that could beam-you-up-Scotty, flares to life over the anchor desk. The prompters are switched on.

6:50: Martinek clears another package, this one on the completion of the Czech privatization program that very day. The woman reporter was someone who, when I'd seen her around the newsroom in jeans and a sweater, I'd assumed was a desk assistant, or, at best, an assignment editor. Staffers at Nova are young, obviously, and I realize almost anyone in this newsroom could be an on-air reporter.

6:53: Martinek types SOT – for sound on tape – into the computer to indicate a sound bite. Newsmaker will process Czech words, but still requires English commands.

6:59: Three glasses of orange juice arrive at the anchor desk.

7:02: Severa, now in a different jacket and wearing heavy tv make-up, sits down at the anchor desk. Martina Kocianova, the female anchor, joins him. They're a matched set; she's as good-looking as he is, with long, thick anchor-hair. The director sits with them, and Martinek stands between the two anchors. The four of them spend the next few minutes going over the script: the intros, the outcues, who will be on which camera when. The oddest thing in this newsroom are the phones. This close to air, and they're hardly ringing.

7:12: A staffer calls Martinek over to a monitor for a look at the 7 pm news on Premiera, a local Prague station. On the screen is video of a kid doing tricks on a bike. "It is not serious," the executive producer says. The Premiera anchor, in a turtle neck, looks like he's 12. "Yes, probably. Fifteen if he's lucky."

7:15: A report from Poland covering Czech prime minister Vaclav Klaus's visit there today is missing. It was supposed to come in on the satellite at 7:10. And it's scheduled as the fourth item in tonight's show.

7:16: The meeting around the anchor desk gets more intense. Flipping pages of script, the director calls out the first names of the two anchors as he goes along, indicating who will be reading into camera at different points in the program. A cameraman pulls back camera two. Two more staffers lean against the desk.

7:19: The meeting is done. Scripts and rundowns are re-stacked. Everybody moves off in a different direction.

7:20: Martinek checks the wires. A producer runs through the newsroom to the VTR near Martinek. He's got a cassette in hand. It's the Klaus tape. "The last shot is here," Martinek says.

7:21: Eight people gather round the

TV Nova

Vladislavova 20
113 13 Prague 1
Czech Republic
422-268-551

Ownership: 66% Central European Media Enterprises (CME); 23% Czech Savings Bank; 12% CET 21

Established: February 1993
Coverage: 99.8%
Programming hours/week: 140 (approx.)
Programming breakdown: 60% entertainment; 30% news and documentary, 10% other
General Director: Vladimir Zelezny
Head of News: Jan Vavra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Nova's newsroom: writers and master control are on-screen behind the anchors

VTR as Martinek previews the report. It's got a problem: the color is washed out. The package almost looks like it's been shot in black and white.

7:23: Someone kills the fluorescent lights over the newsroom. Two Nova staffers dash to a terminal to log in the Klaus piece and type in the outcute.

7:26: The anchors settle into their chairs.

7:28: The control room buzzes. The technical director gives a two-minute warning. Kocianova is up on preview, reading script. The first package is cued, ready to roll.

7:29: The control room goes quiet. The director hits a button and talks in the anchor's ear piece, one last instruction before show time.

7:30: Nova's news logo rolls. Severa reads the intro to the hit man package, the first story of the night. Nova likes crime. On one of several other monitors in master control, CT1's solo male presenter, balding and grey, looking like a retired CBS weekend anchor, sits in front of blue backdrop with a Mercedes-Benz graphic floating over his shoulder. CT1 is leading on industry, not murder.

7:32: Kocianova introduces Nova's coverage of the Mercedes-Benz story. The Nova reporter, sitting at his desk, turns from the camera to make a phone call for comment. CT1's reporter is phoning his report in from Germany: the station has put up a still photo of the reporter holding a telephone handset to his ear. The picture looks like a phone company ad from the 1950s.

7:34: Nova comes out of the Mercedes package to Severa. He tosses to an ENG live shot with the reporter who filed the Mercedes story. The reporter, outside now, begins a man-on-street interview. CT1 is still with the Mercedes story, the story it led its program with.

7:35: Severa and the live reporter do a little Q&A debrief. The director hits a button and yells into his mike. The street reporter laughs at a joke by the anchor.

7:36: Kocianova reads the anchor lead to the privatization story. CT1 is still doing the Mercedes-Benz story. Nova staff had told me earlier the public broadcaster favored the long and the serious, even though Nova's pacier approach meant it was now the ratings leader. They weren't just being catty about the competition.

7:38: The Slovakia story is up next for Nova. CT1 finally finishes with Mercedes-Benz and begins its second story of the night.

7:40: The Klaus piece from Poland is airing. The director and several control room staff are yelling. The color is still washed out.

7:42: Nova covers a strike by airport workers in Spain with news agency video. Police clash with strikers. The action-packed shots of near-rioting must be the only reason Martinek picked the story, since it hardly merits a mention in the international press the next morning. It's strong video, but not the kind of story that will have much impact on Joe Czech-pack.

7:43: The director yells for silence, claps his hands, then points at the monitor to cue the Bosnia package, which runs after the report on the Spanish strike.

7:47: A couple of stories have come and gone on Nova with no problems. In the same period, CT1 has aired its report on the prime minister's trip. Yup, the state broadcaster is definitely into slower and longer.

7:48: The paternity suit piece rolls. Laughter in the control-room as the aggrieved woman says the Czech word for bitch – without a bleep. Kocianova laughs then flips up her anchor-hair.

7:49: Kocianova reads into a report on a raging fire in Gdansk, another story CT1 gives a miss this evening.

7:50: The five minutes up to Nova's commercial break demonstrate the stark contrast between Nova and CT1. Nova reports on the MTV Europe Music Awards from Berlin, the Macy's Thanksgiving Day parade – shots of the Bart Simpson and Spiderman balloons – and a baby alligator in America. CT1 carries a story on Nato that started back when Nova was doing the paternity suit, then does pieces on the European Union and Prague's new Catholic cardinal, the latter consisting mainly of lingering shots of red robes and a red cardinal's hat.

7:55: Renata Dloha, the sports anchor, is the most nervous person I've seen this evening. She drops her mike, picks it up and pins it on again, rolls her eyes and fixes her jacket. With a nervous smile and a puff of air at her fringe, she's into the sports, leading on soccer.

7:56: Match coverage is on the screen. Dloha rehearses the script for her next story. Sports continues in this way: she intros more soccer, then tennis, then hockey, practising her copy while the highlights of each play.

8:00: Hockey is on the screen. The director says something quick into his mike and Dloha finally smiles.

8:01: The director cues Nova's logo. The newscast ends. The newsroom has emptied before I can get out of the control room.

8:02: Martinek is happy enough with tonight's show, but wants to know why the package fed from Poland was so washed out. The phone is ringing. He's got to get ready for the 10 pm news update. He was in at 9 am today, as he is every day. But at least he gets every other weekend off. TBI

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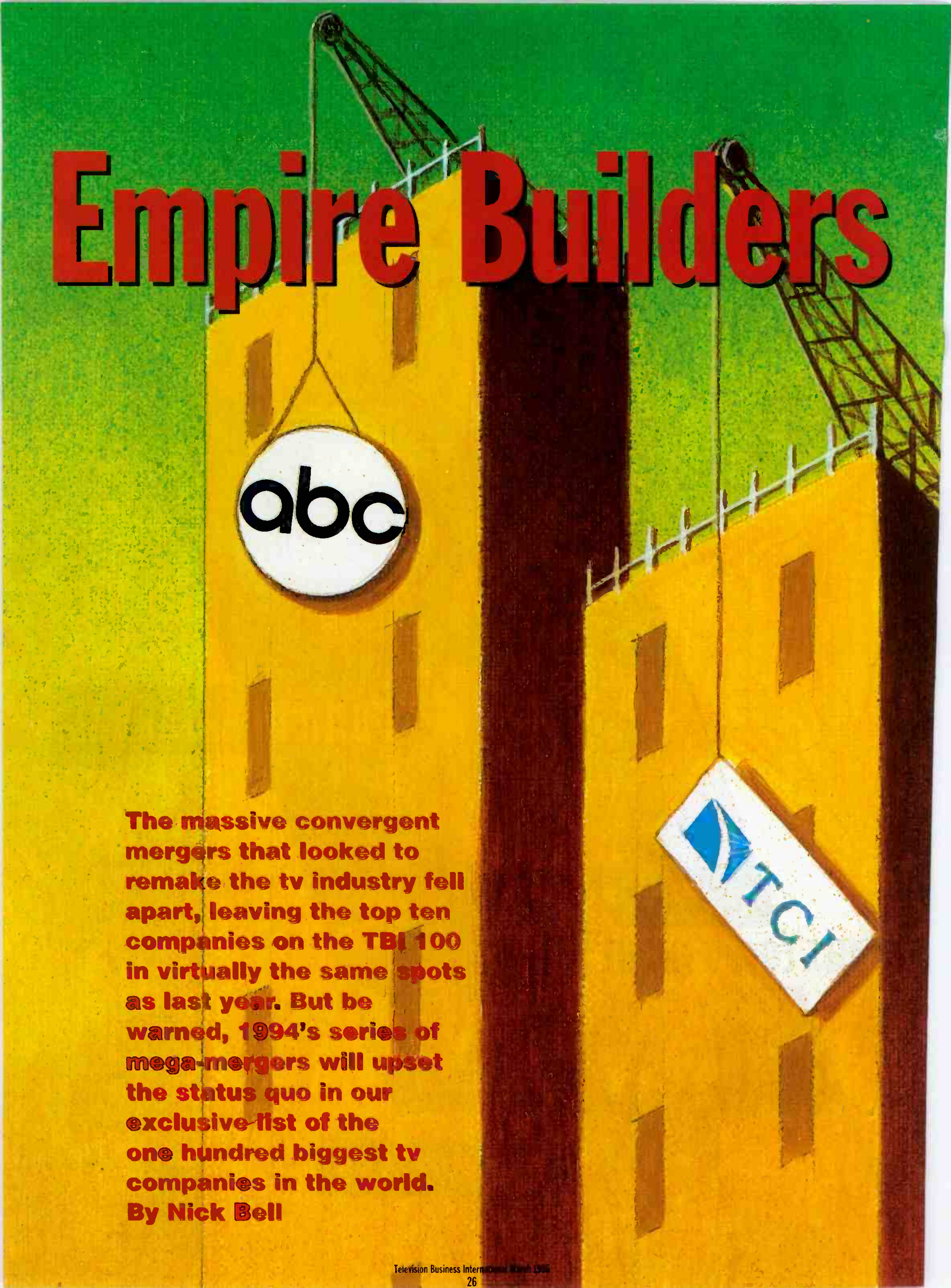


**The massive convergent mergers that looked to remake the tv industry fell apart, leaving the top ten companies on the TBI 100 in virtually the same spots as last year. But be warned, 1994's series of mega-mergers will upset the status quo in our exclusive list of the one hundred biggest tv companies in the world.
By Nick Bell**

If the TBI 100 companies are a good indicator of how the industry as a whole is doing, then 1994 was a good year, with total tv revenues of the companies on the 1995 list increasing by 9% to $92.9 billion. The entry threshold rose by 6%, from $189 million to $201 million. Of the four new names in the list, two are there as a result of the UK independent TV auction in 1991 **(see The Newcomers, Page 32)**. Only Canal Plus España and International Family Entertainment made it through growing their businesses.

The higher echelons of the 1995 TBI 100 showed surprisingly few changes. During the last quarter of 1993, the year we base our revenue estimates on, most industry pundits were predicting an unprecedented shake-up, with companies previously unrelated to television storming into the rankings.

In the end, though, the merger and acquisition activity that was supposed to be unleashed by the digital revolution and convergence between cable operators and telephone companies didn't happen. Early that year, the Denver-based Baby Bell US West became a 25% stake holder in Time Warner Entertainment, but it was the Bell Atlantic-TCI engagement, announced in the autumn, that triggered a frenzy of activity among competitors fearful of being left on the shelf. But no sooner had Southwestern Bell and Cox Cable, a division of Cox Entertainment, announced their $4.9 billion wedding than things started to unravel.

All fingered the U.S. Federal Communications Commission as the culprit because the rate roll-backs it was demanding from the cable companies completely upset the valuations on which the mergers were based. However, if the desire for marriage ran deep, then the valuations could always have been tweaked to fit. The failure to do

The 1995 TBI 100

1995 Rank	Company	1994 Rank	Country	TV Revenues (millions)	Change	TV Revenues As Percent Of Total Revenues
1	Time Warner	1	USA	$4,800	3%	33%
2	Capital Cities/ABC	2	USA	$4,400	9%	78%
3	TCI	4	USA	$4,153	16%	100%
4	NHK	3	Japan	$4,046	2%	89%
5	CBS	6	USA	$3,250	0%	93%
6	GE/NBC	5	USA	$3,102	-8%	8%
7	ARD	7	Germany	$2,510	-1%	55%
8	BBC	9	UK	$2,397	7%	100%
9	Fuji Television	8	Japan	$2,341	-5%	100%
10	Viacom	10	USA	$2,005	7%	96%
11	News Corp.	16	Australia	$1,943	23%	25%
12	Fininvest Group	13	Italy	$1,850	3%	25%
13	Nippon TV	12	Japan	$1,788	-2%	100%
14	Turner Broadcasting	14	USA	$1,750	7%	91%
15	Deut. Bund. Telekom	17	Germany	$1,735	14%	5%
16	Tokyo Bcstg. System	11	Japan	$1,715	-7%	100%
17	CLT	19	Luxembourg	$1,666	19%	80%
18	Rai	15	Italy	$1,650	2%	70%
19	Canal Plus	21	France	$1,456	9%	100%
20	Paramount	23	USA	$1,440	16%	30%
21	Asahi National Bcstg.	18	Japan	$1,423	-6%	100%
22	TF1	22	France	$1,336	4%	91%
23	Grupo Televisa	27	Mexico	$1,260	20%	65%
24	ZDF	20	Germany	$1,249	-9%	100%
25	QVC	26	USA	$1,222	14%	100%
26	Continental Cable	25	USA	$1,177	6%	100%
27	Liberty Media	n/m	USA	$1,153	n/m	100%
28=	Walt Disney	31	USA	$1,100	30%	13%
28=	Cox Enterprises	28	USA	$1,100	9%	n/a
30	Comcast	34	USA	$1,095	49%	82%
31	Matsushita	29	Japan	$1,019	5%	2%
32	Rede Globo	32	Brazil	$1,000	20%	n/a
33	Sony	30	Japan	$945	5%	3%
34	RTVE	24	Spain	$859	-26%	85%
35	France 2	33	France	$841	11%	100%
36	BSkyB	43	UK	$826	45%	100%
37	Sat 1	38	Germany	$803	27%	100%
38	France 3	36	France	$775	13%	7%
39	CBC	35	Canada	$730	5%	74%
40	Tribune Co.	39	USA	$669	6%	34%
41	Cablevision Systems	42	USA	$667	16%	100%
42	TV Tokyo	37	Japan	$648	-4%	100%
43	Bertelsmann	44	Germany	$635	22%	6%
44	Westinghouse	40	USA	$610	-3%	7%
45	NOS	41	Netherlands	$600	1%	71%
46	Kirch Group	48	Germany	$550	15%	n/a
47	ORF	45	Austria	$524	1%	68%
48	EW Scripps	47	USA	$516	5%	45%
49	Carlton	NEW	UK	$510	n/m	28%
50	Munwha Broad Corp	50	S Korea	$506	11%	75%

1995 Rank	Company	1994 Rank	Country	TV Revenues (millions)	Change	TV Revenues As Percent Of Total Revenues
51	Central	49	USA	$547	10%	15%
52	Channel 4	59	UK	$495	36%	100%
53	Multimedia	52	USA	$482	11%	76%
54	Rogers Cable	53	Canada	$481	13%	47%
55	King World	46	USA	$474	-6%	100%
56	Times Mirror	51	USA	$470	7%	13%
57	Pro 7	80	Germany	$460	91%	100%
58	KBS TV	54	S. Korea	$454	11%	61%
59	BHC Communications	69	USA	$412	34%	100%
60	Cablevision Industries	58	USA	$397	9%	100%
61	Editorial Atlantida	65	Argentina	$395	20%	n/a
62	Tele 5	67	Spain	$390	24%	100%
63	LWT	57	UK	$387	6%	100%
64	Seven Network	55	Australia	$385	-1%	100%
65	Grupo Clarin	66	Argentina	$385	20%	n/a
66	Granada	56	UK	$384	0%	16%
67	Antena 3	87	Spain	$382	71%	100%
68=	M6	63	France	$380	10%	100%
68=	Nine Network	60	Australia	$380	5%	100%
70	Videotron	62	Canada	$374	8%	83%
71	SVT	74	Sweden	$365	30%	100%
72	Washington Post	64	USA	$363	8%	24%
73	Maclean Hunter	61	Canada	$356	0%	20%
74	Yorkshire-Tyne Tees	68	UK	$355	13%	100%
75	Gaylord Entertainment	71	USA	$331	15%	53%
76	Gannett Co.	70	USA	$325	7%	9%
77	M-Net	85	South Africa	$306	36%	100%
78=	Adelphia	76	USA	$305	12%	100%
78=	Kinnevik	78	Sweden	$305	18%	26%
80	Century	73	USA	$302	7%	88%
81	Meridian	NEW	UK	$284	n/m	100%
82=	RTP	72	Portugal	$274	-5%	78%
82=	Danmarks Radio	75	Denmark	$274	0%	72%
84	TVB	82	Hong Kong	$268	14%	100%
85	ABC	79	Australia	$257	2%	54%
86=	SABC	86	South Africa	$247	10%	67%
86=	WIC	88	Canada	$247	15%	85%
88=	Houston Industries	83	USA	$244	4%	6%
88=	YLE	81	Finland	$244	3%	75%
90	FilmNet	91	Sweden	$238	16%	100%
91	Canal Plus Espana	NEW	Spain	$232	62%	100%
92	NRK	84	Norway	$231	0%	72%
93	Anglia	89	UK	$228	9%	100%
94	Network Ten	93	Australia	$221	10%	100%
95	Spelling	77	USA	$217	-16%	79%
96	AH Belo	92	USA	$209	4%	39%
97	Intl Family Entertainment	NEW	USA	$208	25%	100%
98	Taiwan TV Enterprises	97	Taiwan	$207	11%	100%
99	Canwest Global System	94	Canada	$202	1%	100%
100	TVNZ	98	New Zealand	$201	8%	100%

Top 20 Private Broadcasters And Programmers

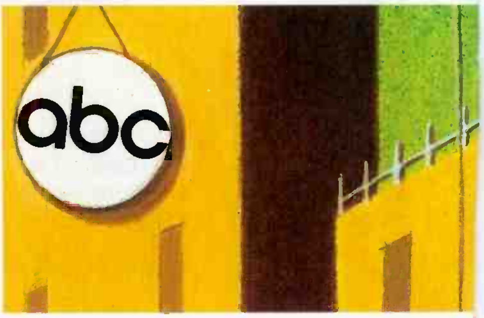
Rank	Broadcaster	TV Revenues (millions)	Activities
1	Capital Cities/ABC	$4,400	ABC network, stations & ESPN cable
2	CBS	$3,250	network & stations
3	GE/NBC	$3,102	network & stations
4	Time Warner	$2,592	studio, HBO & Cinemax
5	Fuji Television	$2,341	network
6	News Corp.	$1,943	Fox network, stations & studio
7	Fininvest	$1,850	three networks & programming
8	Nippon TV	$1,788	network
9	Turner Broadcasting	$1,750	cable networks, production & distribution
10	Tokyo Bcstg. System	$1,715	network
11	CLT	$1,666	RTL & other European channels
12	Viacom	$1,589	cable networks & production
13	Canal Plus	$1,456	French pay-tv channel
14	Paramount	$1,440	programming & studio
15	Asahi National Bcstg.	$1,423	network
16	TF1	$1,336	French commercial channel
17	QVC	$1,222	home shopping channel
18	Liberty Media	$1,153	cable programming
19	Grupo Televisa	$1,145	Mexican networks
20	Walt Disney	$1,100	studio

Top 25 Public Broadcasters

Rank	Broadcasters		Revenues (millions)	License Fee/ Govt. Support as % of total revenue
1	NHK	Japan	$4,046	96%
2	ARD	Germany	$2,510	90%
3	BBC	UK	$2,397	100%
4	Rai	Italy	$1,650	60%
5	ZDF	Germany	$1,249	57%
6	RTVE	Spain	$859	90%
7	France 2	France	$841	71%
8	France 3	France	$775	71%
9	CBC	Canada	$730	71%
10	NOS	Netherlands	$600	72%
11	ORF	Austria	$524	41%
12	Munhwa Bcstg. Co.	S Korea	$506	0%
13	KBS TV	S Korea	$454	45%
14	SVT	Sweden	$365	100%
15 =	RTP	Portugal	$274	15%
15 =	Danmarks Radio	Denmark	$274	88%
17	ABC	Australia	$257	76%
18	SABC	S Africa	$247	29%
19	YLE	Finland	$244	100%
20	NRK	Norway	$231	100%
21	Taiwan TV Ents	Taiwan	$207	0%
22	TVNZ	New Zealand	$201	8%
23	RTBF	Belgium	$200	73%
24	TV de Catalunya	Spain	$198	16%
25	China TV Company	Taiwan	$181	50%

so suggested that perhaps the suitors found their differences were too great; a cultural gap certainly exists between the aggressive MSOs and the conservative telephone companies.

One big merger did take place, but in early 1994, too late to make it into our calculations, based as they are on full-



year figures for 1993. If Viacom (no.10) and Paramount (no. 20) had got it together earlier, they would have vaulted into fifth place ahead of CBS. The subsequent merger with Blockbuster, the video rental giant, will boost their tv revenues further since it brings Spelling Entertainment (no. 95) and Republic into the family.

Other mergers and acquisitions that will affect next year's rankings include the merger of the cable systems owned by Cox (no. 28) and Times Mirror (no. 56) and Rogers' (no. 54) acquisition of Maclean Hunter (no. 73). More recently, TCI agreed to buy Viacom's cable systems, with revenues of over $400 million. There were also three important mergers among the UK's independent television companies **(see The Newcomers, page 32)**.

While those changes will show up in next year's rankings, the ten companies that headed the list last year are all still in the Top 10 this year, pretty much in the same spots they held in 1994, give or take a couple of companies trading places on the list. Time Warner holds the number one spot for the third year running. During the past year, the world's largest media company has focused on its full-service network trials in Orlando, as well as pursuing plans to enter into the U.S. network tv business. Talks with General Electric to acquire a controlling stake in NBC (no. 6) failed, so Time Warner has launched a "fifth" network. Viacom has done the same.

After seeing its tv revenues leap 23%, News Corp (no. 11) is banging on the door to the elite Top 10. In fact, if the revenues from BSkyB (no. 36) were con-

Continued on page 34

Movers And Shakers

The Lion's Share

Walt Disney Co's TV dreams are coming true

Disney enjoyed the highest organic growth rate among the TBI 100 companies with sales over $1 billion, with only Comcast's acquisition-fuelled jump in revenues beating the 30% achieved by the Hollywood studio.

Disney's performance is testimony to the growing importance of "content" like film and tv rights, and more specifically content which has The Walt Disney brand name attached. The Disney brand is probably the most valuable asset in the entertainment industry, and it has enabled the company to build massive theme park and merchandise businesses. Key to maintaining and growing the brand is the filmed entertainment division, which in 1994 became to the first studio ever to gross more than $1 billion at the box office.

In particular, it is the animated product that drives the company. The Lion King grossed more than $250 million at the U.S. box office and is duplicating that success internationally, while Snow White and the Seven Dwarfs sold more than 27 million on its video release in the States and it is shooting straight to the top of the sell-through charts as it is rolled out in other countries (usually displacing Aladdin, another Disney title). On television the Disney Club programs, each specifically produced for the 30-odd television territories around the world where they currently are screened, are a long-running ratings success providing continuous promotion.

Growth is set to continue. Last August the company signed a memorandum of understanding with three Baby Bells which positions it on a fast lane to the information superhighway. But of more immediate importance to sales growth is the accelerating pace of international expansion in the television business.

Over the past eight years Disney's sales of television programming in the international market place have grown at a heady rate of 40% per year, but apart from taking a 25% stake in the UK's GMTV channel back in 1992 it has shied away from investing in new channels – until, that is, last summer, since when there has been a flurry of activity. Super RTL, the Disney-CLT joint venture family entertainment channel in Germany, is set for launch in the first quarter of this year. The Disney Channel is being launched on satellite in the UK after a deal with BSkyB. It is also set for launch on cable in Taiwan.

Within three years, international activities are likely to contribute 50% of Disney's motion picture and television sales, up from about 35% currently. That will ensure Disney's continued climb up the ranking by a few places every year, but it is quite possible that the company could soon pole vault into the top three since it is a front runner to acquire one of the big three U.S. networks.

The Newcomers

Canal Plus España and ITV companies are bullish

Another banner year for Canal Plus España, the Spanish pay-tv channel, has propelled it into the TBI 100 for the first time. Launched in 1990, a year after the Spanish government granted private broadcast licenses for the first time, Canal Plus España achieved profitability by its second year and subscriber numbers are now breaking through the one million level. The channel's leading investors are Canal Plus (no.19) and Spanish media group Prisa, each with a maximum permitted 25% stake. More recently, it has augmented its terrestrial distribution with an expanded offering on satellite – like its French parent..

The UK provides two of the new names this year as a result of the 1991 auction of the Independent Television licenses which saw Thames in London and TVS in the south-east of England replaced by Carlton TV (no. 49) and Meridian (no. 81).

Carlton Communications, which owns 90% of London's new weekday broadcaster, is one of the UK's most successful media companies. During the eighties it made a string of acquisitions to come from virtually nowhere to a $1.5 billion turnover company today. Meridian is majority-owned by MAI, a UK financial services group which has targeted television as a growth area.

Changes in UK regulations will also impact next year's TBI 100. At the end of 1993 a relaxation in ownership rules resulted in Carlton acquiring Central TV (no. 51) and Meridian snapping up Anglia (no. 93). LWT (no. 63), holder of the London weekend franchise, will also disappear after a successful hostile takeover from Granada (no. 65).

Off the pace

Although it retained its license in the ITV franchise round, Scottish TV joined Thames and TVS in dropping out of the TBI 100 ranking, as did Belgian public broadcaster RTBF. Last year Scottish and RTBF respectively occupied positions 95 and 89 in the TBI 100. While neither suffered a major downturn in business, the rapid growth rates of companies in the lower quartile of the Top 100 as well as of the industry wannabes just outside (see below) that it takes a lot of running just to maintain position.

... Bubbling under

Holland's aggressively expanding Endemol Entertainment will certainly feature in next year's TBI 100. Endemol was not far off $200 million in sales for 1993 and probably achieved something closer to $250 million in 1994.

Revenues for Univision, the Spanish-language cable network in the U.S. part-owned by Televisa (No.27), amounted to $200 million in 1993. Ad income jumped by $30 million.

SES, the Luxembourg-based operator of the Astra satellite system, just missed out with sales of $196 million. Other candidates include the German pay-tv channel Premiere ($169 million) and China TV Company ($181 million).

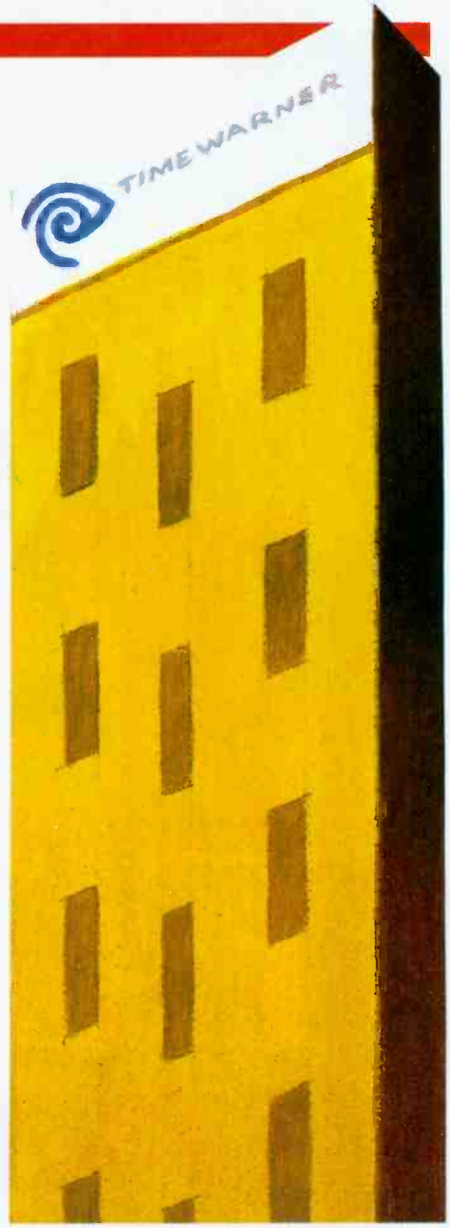
solidated in its accounts, it would already be there. Next year will see the first year's contribution from Star TV. Taking a longer view, another contender for the elite ten is Walt Disney (no. 28), which looks set to continue double digit growth in tv revenues for years to come **(see Movers And Shakers, page 32)**.

The accolade of fastest-growing company goes to the German channel Pro 7 (no. 57); it stormed up 23 places on the back of a 91% increase in revenues. The channel, 48% owned by Leo Kirch's son Thomas, has evolved from showing American series and dubbed old movies into a channel that invests in original programming and runs its own news-gathering operation. It now enjoys a 9.5% viewing share compared to the 17% share held by top German channel RTL (owned by Bertelsmann, no. 43, and CLT, no.17).

The next two fastest-growers are both Spanish, reflecting the relative immaturity of a market that was not liberalized until 1989. The commercial channel Antena 3 (no. 67) clocked up a growth rate of 71%, while the pay service Canal Plus España, see **The Newcomers, page 32)** achieved 62% growth in tv revenues.

One marked feature of this year's table is the downward slide of the public broadcasters **(see chart, page 30)**, reflecting increased competition and the reluctance of most governments to ratchet up license fees and grants at the same rate that the revenues of private channels are growing.

Government funding of the TBI 100 amounted to $14.3 billion, equating to 15% of total revenues. Europe is the most heavily subsidized tv marketplace, with taxpayers' money accounting for 32% of the $29 billion in TBI 100 revenues generated in Europe. That amount could increase as governments in Spain and Germany step in to bail out hard-pressed public broadcasters battered by competition in the advertising markets. TBI



Regional Breakdown

	Number Revenues	%Total	Average Companies (millions)	Size
USA	$38,948	42%	32	$1,214
Europe	$29,178	32%	38	$ 768
Asia Pacific	$18,747	20%	18	$1,042
Rest of World*	$5,983	6%	10	$ 598

(*Latin America, Canada, South Africa)

TBI 100 Methodology

We define "television revenues" to include the full spectrum of television activity, counting everything from program production and distribution through to broadcasting. This includes the revenues of public broadcasters and those of cable operators and programmers. We have also estimated and included the revenues made by feature films from tv. We do not include the sale of related hardware, such as television sets and satellite dishes.

We want the rank to convey a picture of who are the movers and shakers in the industry, so it is based on a picture of television assets and not the size of individual networks and program distributors. However, basing this list on ownership leads to some inconsistencies because of the different accounting approaches around the world.

For example, in their group accounts, CLT and Bertelsmann include the revenues of tv networks in which they do not have majority ownership; the revenues of RTL Germany are split between the two companies according to the proportions each company owns of the channel. On the other hand, two other German channels, Sat 1 and Pro 7, are shown separately because their major shareholders are privately owned and do not release results. Another anomaly is News Corp. which even though it had 50% control of BSkyB in 1993, nonetheless chose not to consolidate the pay-tv company's revenues.

The information used in compiling the 1995 TBI 100 has mainly come from the companies themselves and their annual reports (which means most of the data is from 1993, although where possible we have included 1994 figures for companies that have reported full-year figures during the year). Data was also collected by industry professionals and TBI journalists around the world.

For public broadcasters that receive support from license fees and grants to operate both tv and radio services, it is not meaningful to separate out tv revenue, so "expenditure on tv" has been used as a proxy. And non-quoted private companies like the Kirch Group and Rede Globo are highly secretive – so again, estimates have been used. Where newer and more accurate information has been discovered on the figures used to calculate last year's TBI 100, last year's rankings have been re-based to take account of the findings. TBI

Shopping All Over The World

TV shopping networks have conjured billions of dollars of business out of comparatively small numbers of customers. Paul Nicholson reports on a phenomenon which is rapidly going global

There is a married couple in the U.S. who keep the lights turned down in their house because they don't want the autographs to fade on their collection of footballs, basketballs and baseballs. All were bought from home shopping networks. The same couple over two years have spent $44,000 buying products from these channels. They represent the marketer's dream consumer when it comes to product satisfaction and repeat buying.

Consider this. The top-ranked infomercial of 1994 in the U.S. was the Dionne Warwick-hosted *Psychic Friends Network* featuring celebrity psychic Linda Georgian. The Psychic Friends Network interviews television stars about how a psychic has helped them manage their lives. Viewers are given the opportunity to then call a Linda Georgian-approved psychic via the phone number appearing on their screen.

Cynics around the world will claim that this is something for the emotionally disturbed. It could never happen in their country. Really? In the U.S. the *Psychic Friends Network* has generated more than four million calls since it was launched in 1991. The infomercial generates more than $200 million a year through phone calls that are charged at $4.95 a minute (the average call is 20 minutes in length). The show has developed a cult following and Linda Georgian is now pitching her own talk show (not an infomercial) and with that kind of audience pulling-power she will probably get it.

The two examples illustrate the simple fact that the right product before the right people will sell over and over again. Home shopping is a big business and internationally it is getting bigger all the time. What was initially regarded by television regulators and broadcasters as a creeping television disease from the U.S. has developed into an accepted and healthy way to make money out of the commercially slow time periods in broadcasters' schedules. And while the broadcasters are turning to the infomercial producers to find out what they can do for them, so the regulators are coming to terms with the fact that shopping channels may not be the evil they first feared and are even prepared to grant them broadcast licenses.

In the U.S. most of the home shopping channel battle has been fought between Home Shopping Network (HSN) which runs three channels, and QVC (Quality, Value, Convenience). They generate revenues of $1.1 billion and $1.2 billion respectively. QVC launched its second channel Q2 last summer along with its home shopping fashion channel onQ (onQ was rapidly consolidated into the second channel after a poor start).

HSN and QVC dominate the network business. Their nearest rival is Minnesota-based Value Vision which tried to buy infomercial giant National Media (owner of Quantum) in the spring of last year but failed. But the broadcast field is not being left to these companies alone. Catalog 1, a joint venture between Time Warner and mail order catalog specialist Spiegel, is currently testing what it describes as a "high end" home shopping service in about six markets in the

REGAL SHOP INTERNATIONAL

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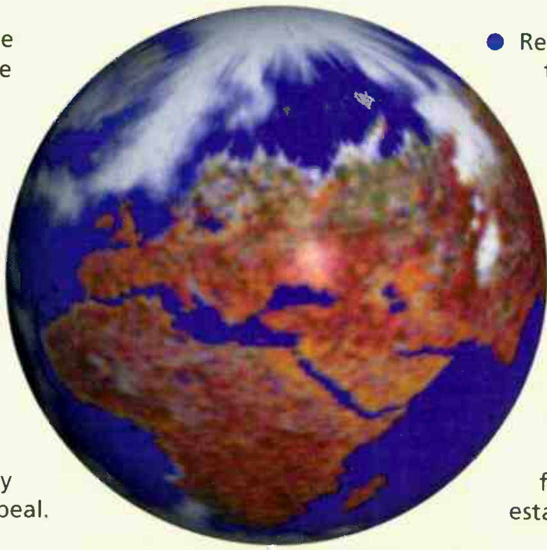
- Regal Shop has introduced many leading TV stations to the enormous benefits of this fast developing sales medium.
- Regal Shop's programmes are now seen in more than thirty countries.
- Regal Shop has the resources to ensure that broadcasters have a reliable and constant flow of quality programmes with wide-ranging appeal.



- Regal Shop's programmes can instantly turn those down time and off-peak TV slots into genuine revenue earners and audience builders.
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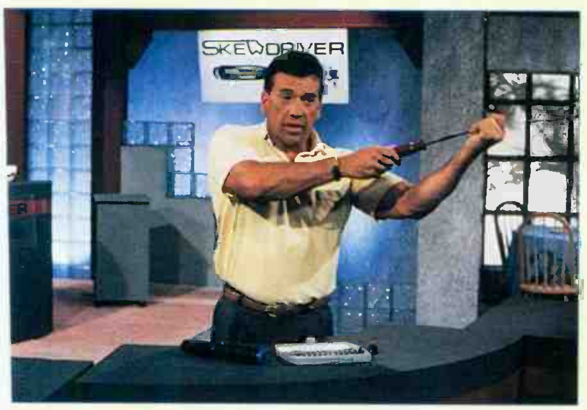


To find out how **REGAL SHOP INTERNATIONAL** can bring considerable benefits to your company contact Hayley Benson or Richard Whinfrey in London:

Telephone (44) (0) 171 434 0567 *Fax* (44) (0) 171 434 0796

Sjöwall: shopping expedition in Europe

U.S. It is also participating in the interactive cable trial in Orlando, Florida.

Currently raising finance is U.S.-quoted company Merchandise Entertainment TV (METV) which wants to launch the Celebrity Shopping Channel. Marketing itself as the "Superstore of superstars" it will be broadcast from Hollywood via satellite to what it reckons will be 4.25 million cable and dish homes initially. And in a more recent announcement, home shopping veteran Bud Paxson has introduced the U.S. to INTV (Infomall tv network). Paxson is buying stations in seven major markets and has ten affiliates in 14 of the top 30 markets. By the end of 1995 he says $200 million of capital will have been raised.

But not all proposed launches have come off. Fingerhut in the U.S. wanted to take QVC and HSN head-on with its S Channel, but had to shelve its plans when it couldn't get the carriage it felt it needed to launch properly.

These are the mainstream channels, but home shopping networks do not end there. Spanish-language shopping channel Tele Compras is understood to be doing good business, while a channel with a difference is Cupid Network Television. To understand Cupid imagine a televised tupperware party but substitute the demonstration of plastic kitchen and picnic goods with sexual aids.

Even MTV is finding it cool to get in on the home shopping act via a series of two-hour shows called The Goods which run on MTV and VH-1 and sell everything from fashionwear and concert tickets to Beavis and Butthead videotapes.

This is what's happening in the states. In other countries, home shopping channel activity is becoming equally frenetic with a rush by broadcasters to make sure they do not miss an opportunity. In Europe QVC has been on air for over a year, and although its outgoing president Barry Diller slammed the venture as badly managed from the start and a massive lossmaker for its American parent, the truth in fact is becoming far from this. Neil Blackley of Goldman Sachs said at a home shopping conference in London in January that he expects QVC to make $750,000 profit by end 1996 and $6 million by the end of 1997 (excluding the start-up costs).

QVC is part-owned by BSkyB in the UK and is marketed as part of the BSkyB multichannel package. This was probably its biggest mistake. By being encrypted into the package it denied itself the opportunity of reaching the broad mass of consumers it needs to build a significant base of purchasers. QVC has recently announced that it will be changing to a soft-encrypted mode in order to reach more consumers and generate the new names and customers that are key to its success. Building the base of active viewers is crucial. Some 50% of QVC sales in the U.S. are attributed to 300,000 customers, and 10% of sales come from just 6,000 customers.

Looking back to the QVC model in the U.S., it is reckoned that about 8% have accepted the QVC concept. The difficult part is to get to the other 92%. QVC's target is to generate 100,000 new customers every month, of which it reckons 60% will reorder. Third-quarter financials for QVC make interesting reading. The channel reported revenue of $364.5 million, up 16.1% from $313.9 million for the same quarter last year. This translates to a net profit of $14.5 million which compares unfavorably to the net profit of $21.5 million on the same quarter last year. Effectively the channel is making more sales for less profit.

QVC is cutting large chunks out of its UK operation in an effort to bring it closer to profit. Staff have been cut and operations slimlined. QVC has increased its shareholding in the channel to 80% (from 50%) with BSkyB retaining 20%. The 30% QVC has taken back is expected to be used to raise new finance. One rumor has been that HSN will pick the stake up, thus keeping competition under control and signaling its long anticipated march into Europe.

QVC is not only active in Europe. In Mexico it has operated CVC with its Mexican partner Telemercado. Telemercado put the money up and QVC provided the expertise for a percentage of profits. But Mexico presents different kinds of problems for even the most seasoned home shopping channel.

Credit cards are not widely held and so payment generally has to be cash on delivery, and when interests recently ballooned to 90% the channel was in serious danager of going off air.

Psychic Friends Network: generated phenomenal telephone response

But home shopping around the world is not dominated by QVC. Asia is opening up rapidly to infomercials and Orbit has expressed an interest in setting up a home shopping service for the Middle Eastern market.

In France two 24-hour shopping channels have been licensed for cable. Canal Plus is working with a group of manufacturers that will provide set-top boxes with all sorts of interactive home shopping possibilities. In Germany the Kirch Group and broadcaster Pro 7 have announced plans to launch Home Order TV (HOT TV), most likely transmitted via the Astra satellite. Current launch date has been set for September – strategic partners are currently being sought who can help secure a position on German cable. Electronic retailing consultant Budd Margolis predicts there will be between thee and five dedicated German home shopping channels by the end of the year.

In Northern Europe Kinnevik's TV Shop, managed by Jan Sjöwall, is leading the way and is widely expected to expand its services into channels using up the capacity the company has at its disposal on the Astra and Sirius satellites. The channels would most likely be based at the TV3 broadcasting headquarters in the UK.

The reason is not just because it has an available facility in the UK but more to do with regulation. When the European Union's Television Without Frontiers document was first written, no account was taken of home shopping channels – at that stage there weren't any in Europe. Instead regulators had to adapt the guidelines surrounding advertising which was simply defined as the selling of airtime for the promotion of a product by a third party. This gave most of Europe's lawmakers something to hide behind when it came to home shopping channels and effectively limited infomercials to an hour a day. Where the ITC in the UK ruled differently was that it said the rules do not apply to home shopping channels where the channels own the product that is being advertised – there is no buying or selling of airtime taking place.

Home shopping channels are no longer a quirky broadcast phenomenon – nowadays they have a "more upscale look"

Currently the European Union television directive is being redrafted with the likely outcome being a move to allow 24-hour home shopping channels across the continent and the lifting of time broadcasters can air infomercials from one hour to three.

The ITC in the UK has licensed a number of companies to offer home shoppping services, but to date few have gone for full out launches though some operate in a middle ground, like Quantum and Regal Shop.

Quantum is the successful international offshoot of National Media in the U.S. Currently operating in more than 35 countries, the company has developed what it calls "five internationally-recognised branded channels": Sell-A-Vision, Quantum Channel, Super Shop, What's On Store and Novedades Incredibiles.

QVC: Hounding the consumer for repeat purchases

These branded segments vary in length and generally share broadcast signals with another, usually general entertainment, broadcaster. Within the Quantum branded airtime the company airs infomercials selling its own products.

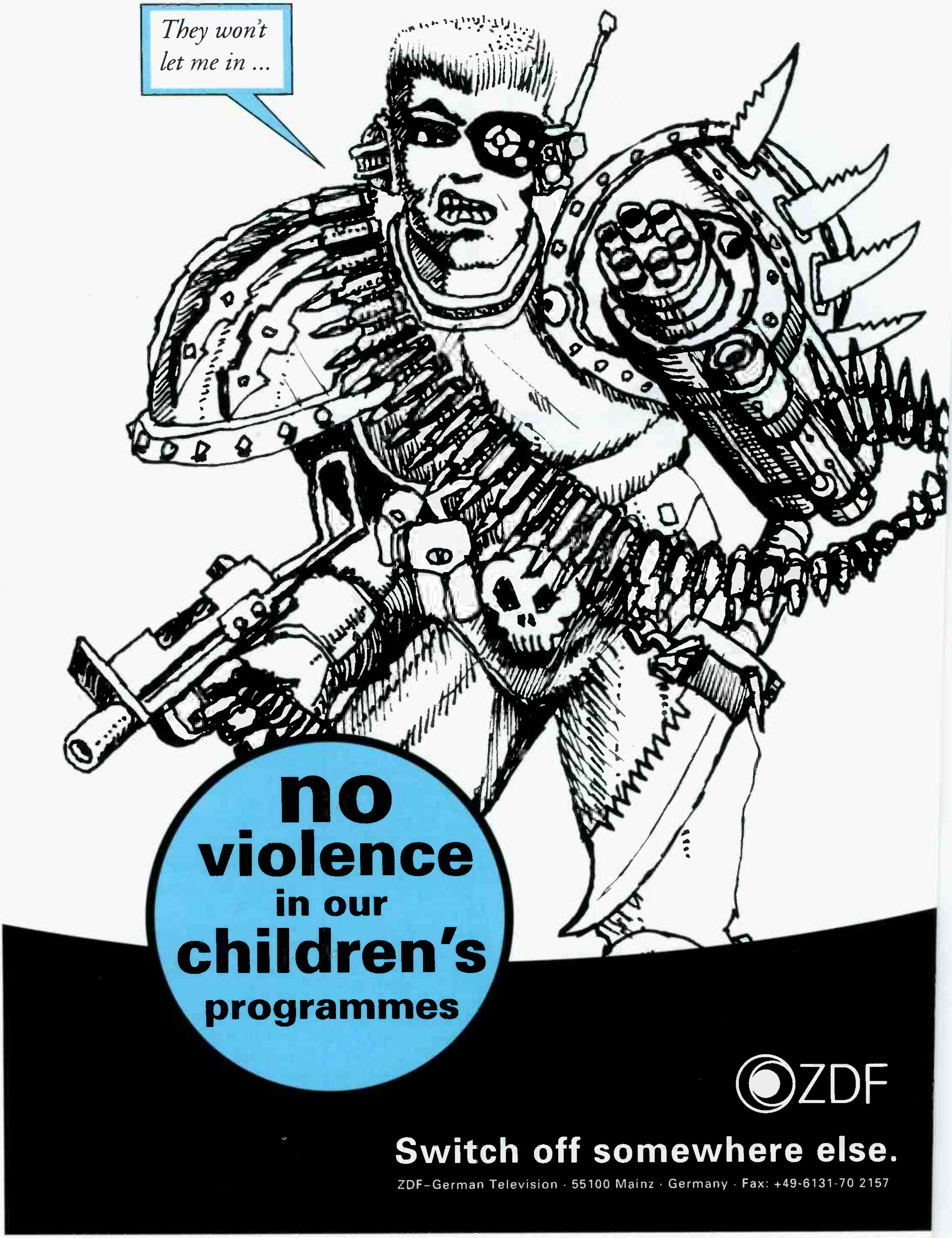
Regal Shop International, part of the U.S.-owned Regal Communications Corporation, has adopted a slightly different strategy, preferring to make its airtime buys on strong national and local stations so that it can more finely tune its infomercials. "We look to establish long-term contracts with commercial stations," said Regal Shop International managing director Richard Whinfrey. For example, Regal has a deal with French-language RTL-TV that goes through to December 1998. This enables it to plan a schedule of products and, in advertising terms, maximise its airtime buy. "We will price a product for a market and adapt the infomercial for that market. One product may be appropriate in a certain market and not in another," said Whinfrey. "For example, an anti-wrinkle cream might do well on TeleMonteCarlo where there is a clearly-defined target audience, but might not do so well in Scandinavia where a sweater machine might have more success."

Regal holds a license from the ITC to operate a home shopping channel and according to Whinfrey "is always looking at being a channel. We are always looking for good quality transponder time both here (in the UK) and in markets outside Europe." Regal has sometimes used its UK broadcast license; at one time it aired six hours a day of infomercials on UK satellite service UK Gold.

Home shopping channels are no longer a quirky broadcast phenomenon selling kitchen knives and questionable jewelery. Of course you will always find these products because they sell well. But there is a shift towards what Hollywood infomercial talent manager Ray Manzella calls a "more upscale look." Manzella ties talent to products to enhance the product value, but he insists that the product is the star. "If the consumer is ripped off then the party is over." Manzella reckons his clients do more than 10% of HSN's business.

Earl Greenberg, who runs his own infomercial marketing and production company, echoes Manzella's views on the infomercial and home shopping business moving more upmarket. "We are seeing an increasing use of infomercials by larger corporations. They are becoming more program-oriented and more content-driven," said Greenberg.

At Natpe in 1994 in Miami the infomercial business entered the mainstream of the broadcast business when for the first time some of the bigger players took space on the convention floor. In Las Vegas this year the trend continued with the infomercial producers being grouped in their own "pavilion." Infomercials are a serious part of the television business, and like all television, the best shows and showmen survive the longest. "The difference between a good and a bad presenter is typically 8%," said Budd Margolis. "And in this business that could determine a company's survival." TBI


They won't let me in ...
no violence in our children's programmes
ZDF
Switch off somewhere else.
ZDF–German Television · 55100 Mainz · Germany · Fax: +49-6131-70 2157

Feasting In The Land Of Plenty


Anna Maria – Einen Frau Geht Ihren Weg was Sat 1's top-rated drama in 1994

On the eve of the digital era, Europe's biggest tv market is witnessing a second Gold Rush, with plans for 17 new channels dumped on the desks of regulators. Politicians and commercial players are seeking new ownership rules that will determine who will shape the future of German tv. The pubcasters continue the battle to stay afloat. Wilfried Ahrens introduces TBI's focus

They called it the "Big Bang," and it started in relatively humble form in a pilot cable project in the town of Ludwigshafen. The launch of private commercial tv in Germany on January 1, 1984 started an electronic gold rush, a dash for quick and easy money that has left some of the participants booming and some on the verge of going bust.

Television in Germany is a matter of plenty: plenty of opportunities and plenty of problems, competitive, regulatory and political.

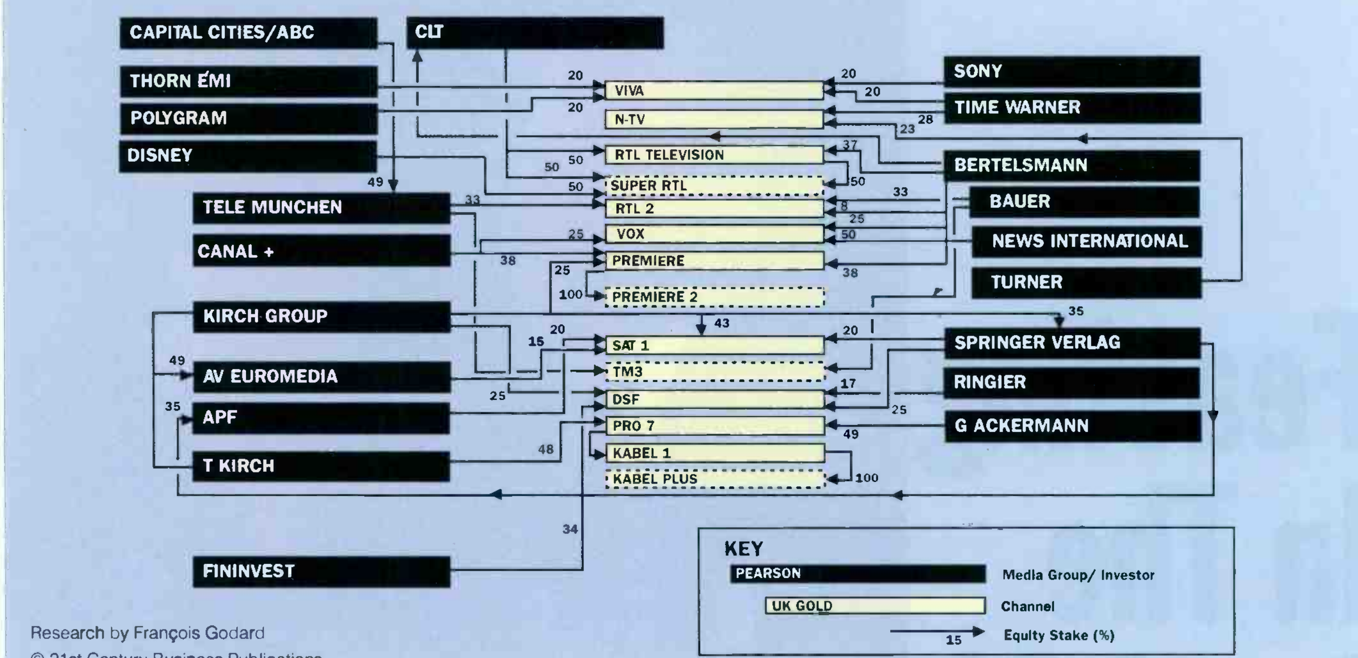
For some – namely the leading private commercial tv operators – it has been a matter of plenty of money. Spending on tv advertising rose from $975 million in 1985 to $3.5 billion last year. A total of 140,000 new jobs have been created. In 1995, German tv producers will gross $1.5 billion for game shows, series and tv movies ordered by the private channels. RTL – the market leader and the only private network to have earned back its initial investment – spent about $450 million on domestic product last year, with Sat 1 and Pro 7 (both of which broke even last year) not far behind.

Public broadcasters ARD and ZDF have seen their monopoly in the market dwindle to 1994 viewing shares of 16.3% and 17%, respectively, and despite combined license fee revenues of $5 billion a year, they are struggling to make ends meet.

Many of the private networks have struggled to make an impression, especially the first niche channels to try to capitalize on Germany's high cable penetration. Vox, which narrowly avoided bankruptcy last year, managed a market share of only 2%. Deutsche Sport Fernsehen (1.3%) and n-tv (0.3%) were even more disappointing.

Nevertheless, the prospect of digital tv

Who Owns Who in German TV



Research by François Godard

has encouraged an unprecedented number of new applications for licenses for new tv channels. At time of writing, Germany's 16 media authorities were processing applications for 17 new tv channels backed by established German players, would-be tv entrepreneurs and foreign companies with bulging war-chests keen to get into the market. Pro 7, managed by Georg Kofler, has been most dynamic in preparing for the multimedia future. Kofler has founded a total of 13 affiliates, including a project for Germany's first home shopping channel, H.O.T. (Home Order Television).

Germany's tv advertising cake is the biggest in Europe but is not, of course, limitless. Before they can even try to take a slice, the new channels will have to compete simply to get distribution. Terrestrial frequencies, satellite transponders and space on cable systems are all in increasingly short supply. The digital era may be coming, but its promise of massive distribution capacity is still that – a promise, not a reality.

The major short-term complication in Germany is regulatory. H.O.T. faces a unique problem in that the Rundfunkstaatsvertrag (German media treaty) and the EU tv directive both place limitations on home shopping that mean it will be limited to one hour a day of such programming unless the rules are changed.

The question of ownership is, however, more vexed. The media treaty limits to 49.9% the stake an individual company can have in a general television channel, and to 24.9% in any additional channel. Since this obviously limits horizontal growth of existing channels, a rule based on the market shares controlled by media owners has been discussed and agreed upon in principle by most of the German states.

The discussion has been going on for more than a year now and opened a Pandora's box of problems, prejudices and calculated misunderstandings. Some argue that one of the effects of a market share rule would be to punish internal growth and economic success. "That would be a totally new dimension of a free market policy," jested the Frankfurter Allgemeine Zeitung.

Interested competitors have introduced another problem in the discussion: cross-ownership.

When the Compagnie Luxembourgeoise de Télévision (CLT) recommended last month that newspaper and magazine publishers should be at least partially barred from television ownership, Bertelsmann – CLT's partner in RTL – furiously retorted that foreign companies like the Luxembourg-based group should be barred as shareholders in German tv enterprises. Bertelsmann also targeted the Kirch Group, suggesting that "close relationships" should be a restricting factor in tv ownership, meaning the holdings of Leo Kirch (Sat 1, DSF, Premiere) and his son Thomas, who is the major shareholder of Pro 7, should be counted together.

The Kirch Group, which owns the German-language market rights to 80,000 hours of television programs, also came under fire from Helmut Thoma, the managing director of RTL. Thoma accused his program-rich competitor of political demagogy, making a comparison with the pre-war press baron Hugenberg.

Jürgen Büssow, a member of the opposition Social Democrat Party from Northrhine-Westfalia, the home of Bertelsmann, has proposed banning any publisher with a print market share exceeding 30% from engaging in television.

It remains to be seen who will prevail in the on going debate over changes to the federal media treaty. Germany's major media players have been skirmishing over cross-ownership for more than two years. In this stalled situation, Chancellor Helmut Kohl decided late last year to take the initiative and rally support for a liberal set of new regulations.

Broadcasting as part of cultural policy is, it is true, constitutionally in the realm of the states. But given the as-yet incalculable possibilities of the digital future, Kohl argues, television as part of the overall spectrum of communication is a major economic factor to be reckoned with. If the German market is not to be

handed over to international competitors, Kohl thinks, German companies like Bertelsmann, Kirch and others should not be blocked by political barriers.

The debate has not left the public broadcasters untouched. ARD and ZDF have been left to marvel at the dynamics of commercial television. While RTL, Sat 1 and the others make use of every trick and maneuver open to private business, foremost among them outsourcing production and technical services, the public giants face the constant threat of collapsing under the burden of their colossal bureaucracies.

The 11 ARD member stations and national ZDF have a combined staff of nearly 29,000, each of whom has job security comparable to that of a civil servant. While ARD-ZDF have a stable influx of fees – a monthly $15.60 from each of the 32 million tv households or a total of about $5 billion a year – the commercial competition has meant serious financial difficulty for them.

By the end of 1996, ARD and ZDF will have lost $2.7 billion in advertising income over a period of five years. The reason: the traditional restriction of public tv advertising to 20 minutes on weekdays only. and none after 8 p.m. The limits continue to leave the lucrative mass audiences during primetime to the private channels. And this situation will not change in the foreseeable future, if at all, as the Bundesländer politicians keep stressing.

The idea is, of course, that a primetime program studded with commercials would drive ARD and ZDF into what is called "self-commercialization," a term of horror in the world of public broadcasters, who like to see themselves as part of the nation's cultural system, where, in contrast, the noun "profit" is a dirty word.

The financial realities are that the ARD stations actually lose money by airing commercials when they are allowed to during primetime access hours. The surrounding programs, mostly domestic series, cost more than the money they earn from advertising.

So, while the ARD stations will try to balance their combined deficit of $2 billion by spending less, ZDF has been forced to borrow at least $400 million. Both pubcasters are hoping that after 1996, the license fee will be raised substantially, That is by no means a certainty, as the fee gets harder to justify in a multi-channel world; it has to be paid whether or not the payer ever switches on either ARD or ZDF.

Their financial problems have not prevented both ARD and ZDF from expanding their activities over the last few years. Following the commercial channels, they introduced early morning television. ARD's regional stations, which are meant to report on the affairs of the respective Bundesländer, have combined to launch an international service on the Astra satellite.

Both ARD and ZDF have resolved to participate in any innovation the digital future might hold, including pay-tv, pay-per-view, video-on-demand, and a diversification into special interest pay channels of all kinds.

Against this background, political pressure has been building up.

Edmund Stoiber, prime minister of Bavaria, has even suggested abandoning the ARD national network Das Erste altogether and leaving national public broadcasting to ZDF. While Stoiber has not found widespread support for this extreme solution, which would save ARD $1.8 billion per year, another proposal to restructure ARD by reducing the number of stations from 11 to six or seven has a better chance of being realized.

ARD and ZDF do not have to fear too harsh a treatment at the hands of the politicians, for the simple reason that both public networks have served the politicians well. Though officially beyond the grip of the state and political parties, any position of influence in either system is filled by partisan consensus, a method called *Proporz*. And ARD and ZDF have risen even higher in the esteem of politicians since the early attempts at utilizing the commercial channels for political purposes proved futile. Political propaganda is a ratings killer, as anybody vaguely familiar with the business might have guessed in the first place.

None of this means public television's cause in Germany is lost. ARD and ZDF still have a combined audience share of more than 30%. Their most successful program element, information, has been topping the ratings lists and, for financial reasons, cannot be rivalled even by RTL. They have the most numerous and possibly the best qualified network of foreign correspondents in the world. And even the first place spots on the weekly lists of top primetime programs are regularly occupied by either ARD or ZDF, mostly by ZDF's show *Wetten daß* with Thomas Gottschalk. The tv rights to Bundesliga soccer may have gone to Sat 1 – at the price of $465 million for the five-year period ending 1997 – but last year's soccer World Cup put ARD and ZDF at the top in soccer coverage, too.

The rights to Bundesliga matches, by far the most attractive sport on television in Germany, will certainly not become cheaper after 1997. Nevertheless, ARD has resolved to be present at the bidding. Where they expect to get the money from or, alternatively, which expensive program is to be axed in favor of the Bundesliga, they did not say. It is, at the least, another warning that playing the all-too-serious game of German television will only get more expensive. TBI

TV Toppers: (l to r) Thoma, Kirch and Kofler

Spot The Market

Several companies are risking millions in the hope Germany will support local tv stations. So far, Tim Westcott reports, the money's been spent, but the support has yet to show itself

If you were looking for a symbol of the new German media scene, the Fernsehturm in the center of Berlin would be an obvious choice. An imposing, needle-shaped building on the edge of the Alexanderplatz, the tv tower used to transmit the tv signals of the German Democratic Republic over east and west Berlin, as well as performing other, more secret, functions.

These days the Fernsehturm is the home of IA Brandenburg, a tv station housed in American-designed studios at its base and almost entirely financed by American investment. IA Brandenburg, on the air for just over a year, uses former GDR frequencies to transmit to six million people in the city and in the surrounding state of Brandenburg. The station is one of a new breed of local outlets which, their backers hope, will ultimately become a force in the advertising and distribution markets. Berlin already has two local tv stations. Counterparts are on the air in Munich and Nuremburg, a new station launches in Hamburg this month and the local authority is about to award a license for a channel in Stuttgart. Two further Länder – Schleswig-Holstein and Mecklenburg-Vorpommern – could be inviting applications soon.

The early days of these new outlets

The Power of Love • 2 x two hours

Duckman • 26 x half hour

Detective Lea Sommer • 26 x one hour

The Tinku • 1 x one hour

Harlequin • 6 x two hours

Soccer

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IA newsreaders: Only getting 100,000 viewers

have not been easy ones. IA Brandenburg, the most expensive, with start-up costs in the region of $19.5 million and annual operating costs of $20 million to $26 million, has already been through two changes of management. Despite its claimed daily reach of 800,000 to one million people, the station admits its main evening news bulletin only gets, at best, 100,000 viewers. Franken Fernsehen (FF), the Nuremburg station, was scrutinized by Bavaria's media authority over its agreement to sell a 50% non-voting stake to Central European Media Enterprises (CME), the investment company that also owns 43% of IA and 66% of TV Nova in the Czech Republic. (CME said the authority had been notified of the agreement and expected it to be ratified last month.)

Herbert Kloiber, managing director of Telemünchen, Germany's biggest distributor after the mighty Kirch Group, called the debut of IA Brandenburg and FF "disasters" and alleged that a third station – tv münchen – is merely the "offspring of the Kirch Group... just another vehicle for Kirch to run his movies." Kloiber's dismissiveness is tinged with impatience since his company, which has branched out into broadcasting with a stake in RTL2 and a second network targeting women, is a supplier, rather than a competitor, for the new local stations.

Kloiber said Telemünchen has "tentatively agreed" a part-cash, part-barter deal with IA for a package of around 100 movies. "Given that they have very modest revenues (we are) basically trying to get the market started," he said. "We see it as an incentive program, not as a business. We get less from them than it costs to actually manufacture the material and bike the prints."

Telemünchen, with help from its U.S. backer Capital Cities/ABC, has even drawn up a detailed plan to establish a syndication market for the local stations, using a satellite feed to supply a menu of programming.

Kloiber said the plan could be implemented within six months of the word being given. But it has, for the time being, been shelved. Separately, CLT has touted a program supply deal based on barter, but only one station – Hamburg 1 – has so far taken up the offer.

Naturally, the view from within the stations is rosier. Time Warner, which is backing the Berlin and Hamburg stations and is behind a bid in Stuttgart by a consortium called City TV, believes Germany offers the potential to create a nationwide market for second-run tv product funded by local advertising revenue. (In Germany, Time Warner is also an investor in niche cable channels n-tv and Viva.)

John Janas, managing director of Time Warner Broadcasting International, said the market is "starting to segment, like it did in the States," with the launch of regional and niche stations offering advertisers the opportunity to target specific audiences and localities for the first time. "Advertising will be able to drive into the regional tv system and ultimately make it economically viable."

Competition is, however, intense. The high cable penetration achieved by the state telecoms operator Deutsche Bundesposte means that in Berlin most homes can receive 28 tv channels, including IA and a second local channel, Fernseh Aus Berlin. But the new local operators say that, for key reasons, they are different from the mass of national terrestrial, satellite and cable channels trying to attract German viewers. Not least is their local coverage. Lacking any truly national newspaper, Germany is a fully federalized newspaper market, with most titles selling most of their copies in the city where they are published or – as in the case of the tabloid Das Bild – publishing local editions adapted to each city. The new stations, therefore, are reaching audiences that are used to thinking local, and to receiving their news from a local, albeit print, outlet.

All of the stations on the air offer a schedule dominated by local news, information and magazine shows. IA uses videojournalists trained along the lines of those at shareholder Time Warner's low-cost New York City news channel, New York 1. FF broadcasts nothing but local news and information, while tv münchen in Munich has 14 news bulletins and round-ups in its 21-hour schedule. One of the station's three studios is even located in Munich's biggest cinema, a move designed to bring it closer to its audience.

"We believe there is a huge demand for local tv. Our thrust is to provide what the networks cannot provide," said John Severino, president of CME, "local news, talk and information shows, local public affairs and education."

The focus on news and studio-based discussion and magazine shows also makes for lower budgets. Tv münchen is spending $7.8 million on acquired programming this year and about the same amount on its own production, according to managing director Reinald Walter. FF has a budget of $6.5 million a year for its five-hour daily schedule, which is all first-run. The station with the largest budget is IA, which spent somewhere between $19.5 million and $26 million last year and which has its own satellite newsgathering unit. Hamburg 1 is planning to spend $6.5 million to $7.2 million per year on programming, with around 60% of it produced in-house.

IA and tv münchen have their own studios, but those of Hamburg 1 will be rented and costs kept further under control with a variety of services – including technical facilities, advertising sales and even graphics – being supplied from outside on long-term contracts. City TV's plans in Stuttgart envisage broadcasts of videotext information during the day and a full schedule starting up in the early evening. The budget for acquired programming will be $1.6 million a year, according to Jurgen Weirich, head of one of the companies backing the bid.

Although FF president Dietmar Straube believes it is pointless for the channels to carry bought-in programming, as it does not differentiate them from the mass of national channels on offer, all of the other stations have made

Germany's Local TV Players: A Who's Who

tv münchen
Am Moosfeld, 37
81829 Munich
Tel: +89 420410
Fax: +89 42041205
Shareholders:
CH TV (Claus Hardt) 70%;
Franz Georg Strauss 30%
Started: Sept. 1, 1993
(launched on cable Nov 18, 1985)
Coverage: 1.9 million people in Munich region
Transmission hours:
21 hours/day
Key personnel:
Reinald Walter - chief executive

IA Brandenburg
Panoramastrasse, 1A
101 78 Berlin
Tel: +30 238005
Fax: +30 23800610
Shareholders:
CME 43%; Time Warner 21.6%; George Soros 21.6%; Ulrich Schamoni 10%; APAX 3.5%
Started: Nov. 29, 1993
Coverage: 6 million people in Berlin and Brandenburg region
Transmission hours:
24 hours/day
Key personnel:
Michael Stellmacher, Hans Hoenig - joint chief executives
Robert Böhler - head of acquisitions and sales
Martina Schubert - head of advertising sales

Stuttgart
Bidders: City TV (Bauknecht, CME, Werner Kimmeg, Time Warner); Stuttgarter Zeitung; Münchener Merkur; Dietmar Straube; TC Studios (Frank Otto/DFA)
License expected to be awarded March/April

Franken Fernsehen
Weinstrasse, 70
91058 Erlangen
Tel: +49 9131 6090
Fax: +49 9131 609216
Shareholders:
Dietmar Straube 75%;
Hans Rudolf Wöhrl 25%;
(CME has a "non-voting interest" of 50%)
Started: Feb. 27, 1994
Coverage: 900,000 people in Nuremberg region
Transmission hours: 5 hrs/day original progs
Key personnel:
Dietmar Straube – president
Bianca Bauerstadler – chief of programming

Fernsehen Aus Berlin
Nollendorfplatz, 5
10777 Berlin
Tel: +30 2629301
Fax: +30 2619036
Shareholders:
39 film and tv producers, including
Stefan Aust 13%
Manuel Werner 12.8%
Hans-Gerhard Roth 11.8%
Started: Sept. 1, 1994
Coverage: 4 million people in Berlin
Transmission hours: 24 hrs/day
5 hrs/day original programs
Key personnel:
Hans-Gerhard Roth - director
Kai Schibenhöfer - head of advertising sales

Hamburg 1
Mediacentrum
Rothenbaumchaussee, 80
20148 Hamburg
Tel: +40 41442400
Fax: +40 414424444
Shareholders:
DAF 24%; Frank Otto 24%; Springer 24%; Time Warner 24%; Ingo Borsum 2%; Werner E Klatten 2%
Planned start: March 1, 1995
Coverage: 3.3 million people
Transmission hours: 18 hrs/day
Key personnel:
Ingo Borsum - managing director

Source: VPRT, TBI

room for acquired films and series. The problem is that as local stations they are a long way down the food chain for rights to current product. Tv münchen gets around 80% of its films and series from the Kirch Group via its major shareholder, the film producer Claus Hardt. Most of this product is pre-1985, including 16 Elvis Presley films and the dusty British series *Upstairs, Downstairs*.

Under the deal agreed with CLT (not a shareholder in the channel), Hamburg 1 will have access to films and series, including Walt Disney Co. product that will air on Super RTL, the family-targeted service that is a joint venture between CLT and the U.S. studio. In return, IPA Plus, the sales house for the RTL stations, will have the right to sell half of Hamburg 1's advertising airtime. According to Hamburg 1, Super RTL will not apply for terrestrial licenses in its region, a further indication of the co-operative nature of the Hamburg 1-CLT pact.

While the deal does raise questions of how much choice Hamburg 1 will have over the programming it receives, barter could end up being the best way for Germany's local stations to improve the quality of their acquired programs. Joint acquisition of rights is another possibility, though this is unlikely to take off until more channels come on the air. Walter of tv münchen said there would have to be "stations of equal quality, equal philosophy and strong in their market" for it to work, and predicted it will take two to three years for joint buying to become "an important point of discussion." Joint advertising sales are also under discussion, but again, could also take some time to take off for similar reasons.

IA would not release any figures, but was believed to have had $6.5 million as a revenue target last year, with break-even forecast next year. Walter said tv münchen made $3 million from advertising last year and expects to more than double that amount this year, with breakeven forecast for the end of 1997. Klaus Lippert, head of the broadcast division at Axel Springer Verlag, said he expected Hamburg 1, in which his company has a stake, to breakeven in three to four years.

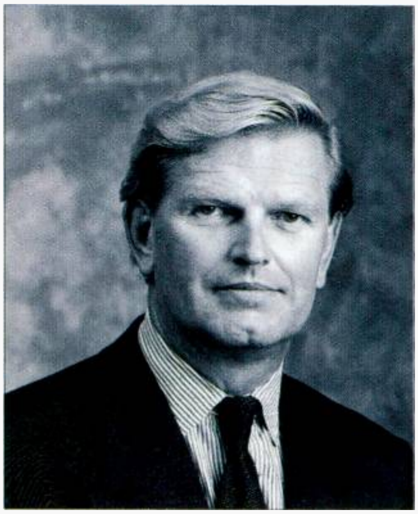
So far advertisers, previously slow to warm to the appeal of niche cable channels, have been less than enthusiastic about local tv. "These channels are only going to make an impression if they are able to be a significant medium in their own area," said David Linn, head of research at HMS Carat, which buys media for clients that include the Volkswagen group. "IA has a very small share of tv usage in Berlin. It's not like the U.S., where local stations are affiliates."

One of the upsides to the local trend is the German advertising market is still growing and tv takes a relatively low 20% share. The new players are insistent that they have learnt from the mistakes made up to now and that a leaner approach to budgeting will enable them to make a living out of the market that exists. For Kloiber, only improved management and programming will allow the new stations to cash in. "Until somebody emerges with a truly local programming schedule which is not full of cartoons and old movies, nobody's really going to make a dent in that business." TBI

German Goals

Germany has welcomed foreign investment in its tv industry, with 40% of the business claimed to be in foreign hands. Jack Kindred spoke to some of the leaders

For all the might of Bertelsmann and the Kirch group, outsiders play a major role in the relatively young commercial tv market in Germany. A recent study by the Munich Media Group, which handles marketing for Pro 7, estimated that 40% of the shares in the country's private tv stations are in foreign hands, compared to about 14% in Italy and France, 15% in Britain, and 21% in Spain.



Janas: "strong commitment" to Germany

Most of the top global media companies have lined up for a piece of the action. Luxembourg's CLT was one of the first foreign companies into the market, launching RTL Plus (now simply RTL) in 1984 – now the biggest private tv network in Europe. Interest from elsewhere in Europe has come from Canal Plus, which launched a German offshoot in 1991 to create a satellite-delivered pay-tv niche, and from Italy's Silvio Berlusconi – as a major shareholder in the Tele Fünf channel now renamed and rebranded as DSF.

Capital Cities/ABC was the first major U.S. player to come in via a partnership with producer/distributor TeleMünchen, and since then interest from across the Atlantic has increased considerably. Time Warner, Walt Disney, Viacom, Turner and NBC have all hopped on to the German tv bandwagon.

Time Warner International Broadcasting is the most active U.S. concern in Germany, with stakes in the all-news service n-tv (23%), the local tv channels Hamburg 1 (24%) and IA Brandenburg (22%), and the pop and rock music channel Viva (19.8%). TW has also applied for a local license in Stuttgart.

John Janas, TW's managing director for Germany and eastern Europe, explained: "Time Warner went into the German market because it's one of the strongest ad markets in Europe." Despite low ratings so far at news channel n-tv and IA, Janas is confident about the health of both operations and the benefits of the "learning-curve" TW is on. Viva, in which Warner Music is partnered by Sony, Polygram and Thorn EMI, has been more of a hit and Janas confirmed that plans for Viva 2 are in the works.

"Given our expertise, we've made a strong commitment to the German market and we are pleased with the professionalism in the market place. We have an excellent working relationship with the local groups as well as media authorities. We issue periodic projects to media authorities, and this open line of communications has been very constructive. They also help us within the system with other regulatory bodies."

ABC linked up with TeleMünchen as far back as 1989 when the U.S. group's Jack Healy and TM's managing director Herbert Kloiber found a mutuality of interests.

"For us," according to Rick Spinner, head of ABC Cable and International Broadcast's European operations, "it gave us a way to enter the European sales and production market and for Kloiber, it meant support and financing from ABC. Since that time, we have achieved every goal or surpassed it." ABC Cable's main effort is to seek investment opportunities related to broadcasting including program production and to oversee the investment, reporting back to New York.

Through its 50% stake in TeleMünchen, ABC Cable effectively co-operates with the commercial channel RTL2, in which TM has a 30% holding. Kloiber's group is also the agent for ABC product and supplies programming to RTL2 through this arrangement.

Aware that the German market is not going to be in the same as in previous decades, ABC Cable is interested in "expansion beyond current operations and to develop profit not dependent on local sources."

Despite the rapid development of broadcasting technology, the future will depend on what the consumers want and what the market wants, Spinner stressed. "The market place will determine which of the new channels succeeds and which fails. It is also difficult to predict market limits. In 1989 everybody was saying there was only room for two general broadcasters. Now they are saying there's room for three or four or six theme channels."

Spinner: "we've achieved every goal"

Spinner, a 28-year veteran of Capital

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02 ☐ Educational/Public/Non-Commercial
03 ☐ Network TV Station
04 ☐ Cable/Satellite System
05 ☐ Program Distributor/Producer
06 ☐ Agent
07 ☐ Unions/Associations
08 ☐ Government Broadcast/ Telecommunictions Authorities/ Information Ministries
09 ☐ Consultant
10 ☐ Financial Institution/Investors/Brokers
11 ☐ Other (please specify)

2 What best describes your title? (Tick one)

01 ☐ Owner/Chairman/President
02 ☐ Director/Vice President
03 ☐ Corporate Executive/Manager
04 ☐ Creative Executive
05 ☐ Program Director/Program Buyer
06 ☐ Sales Executive
07 ☐ Purchasing Executive
08 ☐ Ad Agency Executive
09 ☐ Consultant
10 ☐ Public Relations/Publicity Executive
11 ☐ Other (Please specify)

3 What is your purchasing authority? (Tick one)

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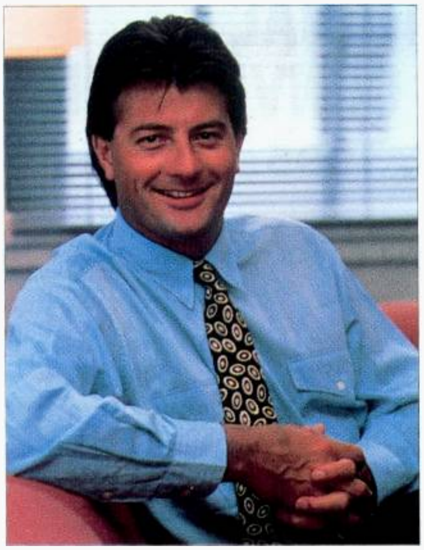
Cities in various sales and tv station management posts, said the company does not deal directly with media authorities, a task carried out by the licensees.


De Villliers: plans to increase local content

Walt Disney plans to enter the German market with the Compagnie Luxembourgeoise de Télédiffusion (CLT) in a family cable channel, Super RTL. Etienne de Villiers, president of International Television, Walt Disney Television and Telecommunications, in explaining the evident risky move, described Germany as a "key market, whose tv ad spend is relatively underdeveloped. Risk is always attendant, but if you offer quality and appeal to sufficient people, you win. If not, you lose."

The partners hope to launch Super RTL early this year, "if we get the license shortly as we expect," de Villiers said.

While ARD's output deal with the U.S. major expires this year, Disney has struck an agreement with the public network, "to gain immediate access to certain programs," de Villiers said. "The new RTL relationship (through CLT) accommodates Super RTL's needs for our shows, as well."

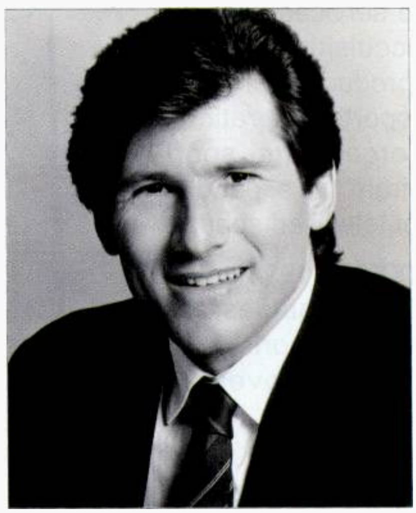
Asked whether a hardening of the European Union's broadcast quotas as demanded by France would change plans for the channel, the Disney executive said, "not really. We plan over time to increase our local content as our economics justify this. EU regulations allow for a gradual build-up towards just a compliance (with quotas) of seven years on thematic channels." Negotiations with Germany's state media authorities are done by Disney management, with CLT's help, de Villiers added.

He stressed that Disney is "open to exploring new business opportunities," should Germany liberalize cross ownership regulations in future allowing greater non-German participation.

Berlusconi's 33.5% stake in Deutsche Sportfernsehen (DSF) via his Rete Invest holding is more of a source of controversy. DSF is under fire from the Berlin/Brandenburg media authority, whose director Hans Hege says its corporate structure has never been properly investigated. Some allege that Berlusconi's stake is a front for the Kirch group, which has a 24.9% stake in DSF and would otherwise be far over the ownership limits. Kirch vehemently denies this.

The media authority in Nordrhein Westphalia recently approved Canal Plus' acquisition of a 24.9% stake in Vox. The French pay-tv group also has a 37.5% stake in Germany's only pay-tv service, Premiere. Along with its partners Bertelsmann and Kirch, Canal Plus will also participate in the planned children's channel Premiere 2, whose license has already been approved.

The cost-free acquisition of a 49.9% stake in Vox last July by Murdoch's British-based unit News International rescued the loss-making broadcaster from liquidation. However, with a 24.9% stake via its subsidiary UFa Film and Television, Bertelsmann contractually still remains in control of the channel. A DM200 million ($129 million) budget has been earmarked for programming for 1995. In an interview with the news weekly Der Spiegel, Murdoch said the revised programming schema would involve "game shows, documentaries, children's programs, and films and series like *The Simpsons* or *Beverly Hills 90210*. "We're also thinking about new special channels for sport and children in a cable and satellite channel," he told the magazine.


Golden: received some heat about Rangers

The 14 million households already connected to cable are one significant reason for the foreign interest in the market. But non-German channels such as the mainly English-language NBC Super Channel find themselves near the back of the queue for access to the country's cable systems.

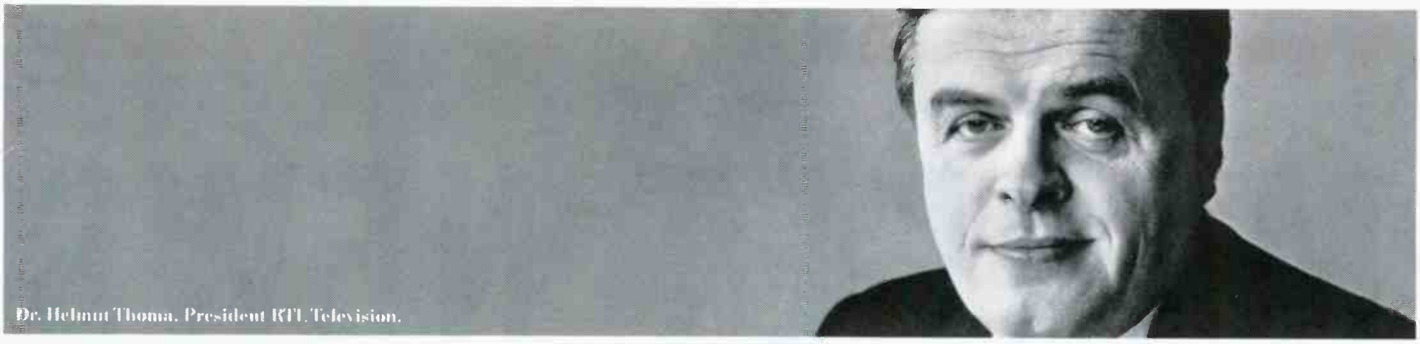
Since Germany is its biggest market, the pan-Euro channel is reshaping its English-language programming to make it more palatable to German viewers through dual-language transmission, subtitles and voiceovers. "We're trying to become a channel with something for everybody," said a channel spokesman, "a full program with sports, entertainment, business and news."

Saban Entertainment has an ongoing business in supplying German television. Since 1988, the L.A.-based company has provided series and other product to the pay-tv channel Premiere, the RTL channels and public network ZDF.

Children's show *Mighty Morphin Power Rangers* has attracted the most attention. "We have received some heat against screening the program before children go to school," Stan Golden, president of Saban, said. Following criticism from various sources against alleged excessive violence, at the recommendation of a state media authority RTL removed the series from the 7.30am slot. *Power Rangers*, whose market share varies between 15% and 22%, is now aired on Saturdays. The series is dubbed into German, but "we've had no negative coments. Germans are very particular about dubbing and spend the most money on it," Golden said. Otherwise, the series is aired without changes. Saban, which has sold 100 *Power Rangers* episodes to RTL, is discussing the sale of another 45 in the series to the channel.

"We have a relationship with RTL which has benefits to both. For one thing, it helps give CLT (which has a 25% stake in Saban), a foothold in the U.S. RTL is also responsible for communications with the authorities, as is the case with the *Rangers*, but we're happy to provide information and background if required," Golden said.

Besides its two sales offices, the Cologne company MCL handles *Power Rangers* merchandising, with over 40 licensees under contract. Marketing of *Power Rangers* items has brought revenues so far of DM62 million ($40 million). TBI



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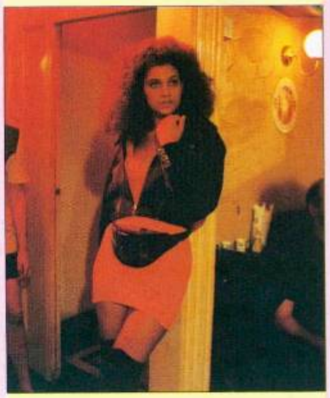
MARKET NEWS

● Showing for the first time at an international market, Germany's **Bavaria Film** will preview *Gegen*

Den Wind (Against the Wind), a 15-part series about a group of young surfers which is airing on the ARD network, and *Marienhof*, a daily soap targeted at a younger audience.

● **Granada LWT** is headlining its slate with a powerful new drama series, *Band of Gold*, starring Cathy Tyson and Geraldine James, about the impact of a murder on a group of four prostitutes. Also new from the UK broadcaster/distributor is *Johnny*



and the Dead, based on a fantasy novel by Terry Pratchett.

● **Kinnevik** has begun acquiring movies for its international distribution company, led by Joe Kovacs, the co-founder and former president of All American Television. Known as Kinnevik Media Properties (KMP), it has

ITEL Adds Rabbit Ears To Catalog

UK distributor ITEL will have three new series from U.S. family entertainment producer Rabbit Ears Productions available at Monte Carlo. ITEL recently signed a five-year agreement to handle the worldwide tv and video sales for the company, which specialises in animated and live action programming featuring music and celebrity narration.

Rabbit Ears programs air on PBS and Showtime in the U.S. and have already bred radio, newspaper features, CD-Roms, books and tapes. New to the 1995 catalog are three series: *Storybook Classics*, *The Greatest Stories Ever Told* and *We All Have Tales 2*.

Three Rabbit Ears specials will be launched at Mip and new tv and theatrical programs are in development. The deal adds to a growing catalog of children's programming at ITEL which includes the output of Cosgrove Hall Films and two programs in development, *Peter And The Wolf* and *Happily Ever After*.

Also on offer from ITEL are eight new *Survival* sepcials and new product from National Geographic Television.

The Great Outdoors

WEST coast distributor/producer Unapix International is hoping to secure the first international distribution deals for science and adventure series *The New Explorers*. Now in its fifth series on U.S. public television, where it airs in prime-time, *The New Explorers* is mainly concerned with educating teenagers and young adults about scientific discoveries both in the field and in the laboratory. Fronted by veteran presenter Bill Curtis, the series explores subjects ranging from saving the bald eagle to medicine in the Amazon rain forest.

Currently in production is a repackaged version of the French adventure series *Ushuaia*. Co-produced by TF1 and Protocrea, *Ushuaia* airs weekly on the French station as a one-hour show. Unapix is helping to reversion the show with new introductions, in English, by the host Nicolas Hulot and a fast-paced half-hour format. Scott Hanock, managing director of Unapix International, said a one-hour network special was being produced with a view to launching the series on the U.S. market. The company also has UK rights.

Scandi Networks Team Up

TV2 Denmark heads for Monte Carlo having inked an exclusive global three-year distribution deal with Swedish commercial counterpart TV4. The deal comes into play on April 1, just in time for the Mip market.

Among its raft of programs at this year's market, TV2 is taking its documentary on Aids and medicine, *Shadows of Ignorance*, which was pre-sold to NRK and Sweden's SVT last Monte Carlo, to cover production costs.

Also, from TV2's stable this year, is *When the State Kills*, a human interest look at prisoners on death row, produced by TV2's managing director and acclaimed documentary producer Flindt Pedersen.

Documentaries, said Mette Hoffman Meyer TV2's sales co-ordinator, are particularly important to TV4, which produces approximately 200 hours of the genre per year. They are also good ratings winners, she said, with most titles pulling in 18-30% of the audience in Denmark.

Culture Education Information

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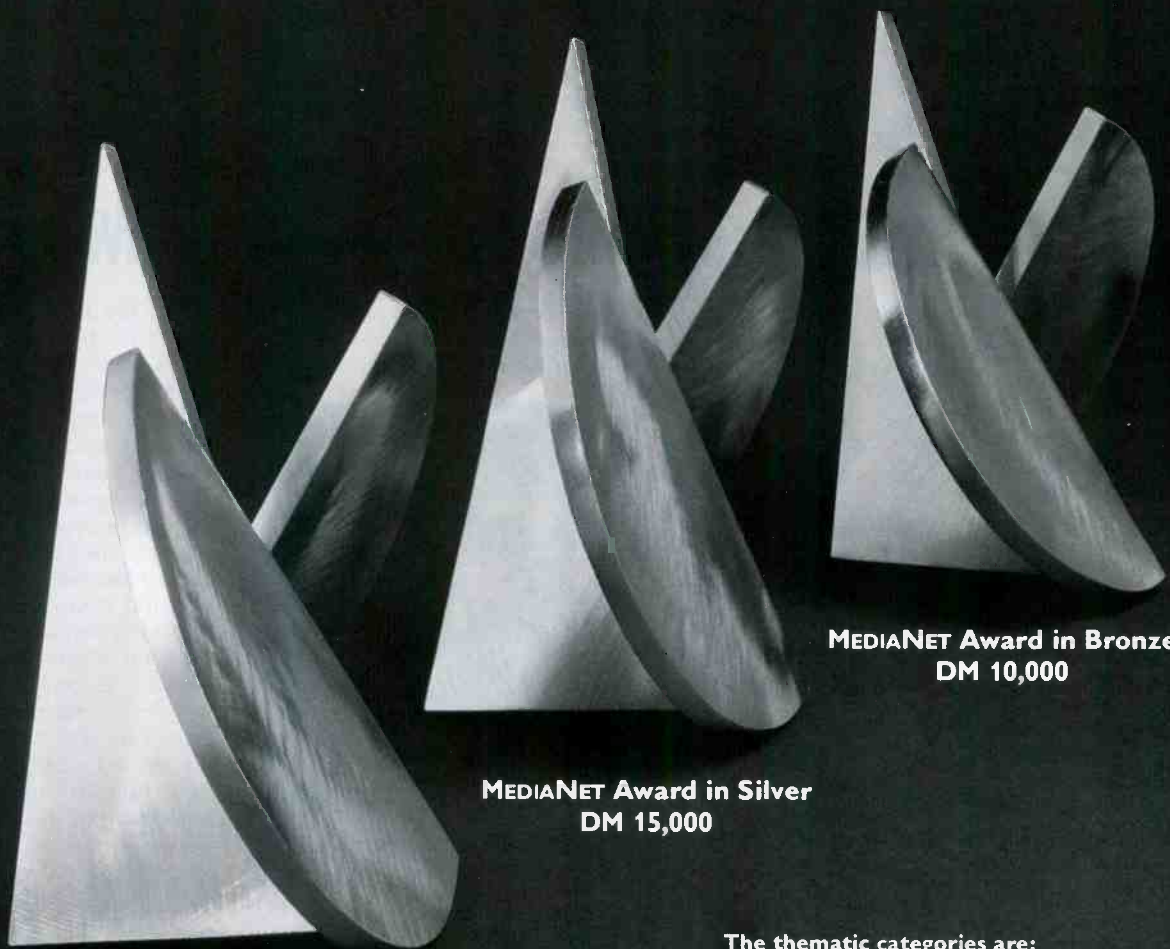
MediaNet Award 95

June 29, 1995, Munich



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Social Affairs/Social Conflicts
Education/Psychology/Children/Youth Education
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Natural Sciences/Research/Technology
Ecology/Environmental Issues
Nature/Wildlife
Professional Training/Languages

Information and application forms
Internationale Münchner Filmwochen GmbH,
MediaNet Award, Kaiserstr. 39, D-80801 München,
Tel. +49+89-381904-12/17, Fax +49+89-38190461

Deadline for registration: April 30, 1995

MediaNet Award - Organized under the patronage of the Bavarian State Government already bought distribution rights to 400 films from Epic Pictures, Showtime Networks and the Pandora/Vestron library. KMP's senior director of operations Steven Nurkin said the titles will be syndicated in the U.S. He added that although sales have already been made to several broadcasters in eastern Europe including Russia's 2x2 and Poland's TVP and Polsat, the company will initially concentrate on the "aggressive acquisition of motion pictures."

● **Paragon International**, a division of Paragon Entertainment Corporation, pays homage to a great comedian in the hour-long *Comedy Tribute to Sam Kinison*, while *Once Upon A Hamster: New Riverbank Tales*, chronicles the animal antics of Hammy Hamster and his friend Guinea Pig. Other upcoming releases from Paragon, one of the three largest independents in Canada, include MOW *Lives and Girls and Women* and the children's nature series *Kratt's Creatures*.

● The only Cuban stand is occupied by **Distribuidora Internacional de Peliculas ICAIC**, which, according to Francisco León, sales and purchase manager, will be particularly on the look-out for co-production deals. León hopes to take along a demo of ICAIC's latest venture, *From The Afrocuban To Salsa*, a miniseries of ten half-hour programs with images showing the origins and evolution of Cuban music presenting the countries most famous orchestras. Also on the ICAIC slate this year: *Madagascar*, a controversial film about a mother-daughter relationship; *Right of Asylum*, based on renowned Cuban writer Alejo Carpentier's short story about refugees; and *Quiéreme Y Verás*, an essentially Cuban tragicomic film noir.

Atlantis' U.S. Move Pays Off

CANADA'S Atlantis has two made-for-tv movies and a new version of *Destiny Ridge* on offer at Monte Carlo.

The Man In The Attic is a tale of a bizarre clandestine love affair between a woman (played by Ann Archer) and her lodger (Neil Patrick Harris). The movie was made for the CBS network and Showtime and is being distributed by Atlantis in Europe and CBS International elsewhere.

A second movie, *The War Between Us*, was made for the CBC network. It tells the story of Japanese/Canadian citizens who were interned during World War II.

The Ridge is a primetime 13-part series airing on the Global network in Canada. It is a repackaged version of *Destiny Ridge*, which was co-produced by Atlantis and Germany's ARD. Ted Riley, president of Atlantis Releasing, said "we have brought in some younger actors and made it a lot hotter and sexier."

Riley said Atlantis is expecting to produce $120 million worth of product this year with children's programs, tv movies, prime-time series and sci-fi forming the major part of its activity. He said the opening of an office in LA is paying off with most of Atlantis' activity focusing on the U.S. market. "Around 80% of what we are producing has an American home up front. Around 40% is developed in Hollywood and the rest is developed in Canada and pre-selling in the States."

CBS Plans More Drama Co-Pros With Siegler

CBS Entertainment has signed up Scott Siegler, former head of Columbia Pictures Television, to expand its production of drama series through international co-ventures.

The U.S. network has already been active in the international field, co-producing with European partners the Kirch group, TF1 and Fininvest. Recent partnerships include *Fortitude*, *Mafia Marriage* and *Scarlett*.

Siegler, who will work closely with CBS Enterprises president James Warner, headed Columbia Pictures TV from 1987-1994. While there, he oversaw programs including *Designing Women* and *Beakman's World* (which aired on CBS), *Who's The Boss* and *Facts Of Life*. Siegler was at CBS Entertainment for three years in the early 80s in comedy and drama development roles.

Scarlett: CBS blockbuster co-pro

"The idea of using dual revenue streams to produce 'bigger television' has been done successfully for years in the long-form area," said Siegler, "but this is the first time a network has assigned specific series commitments to such a venture."

Peter Tortorici, president of CBS Entertainment, said Siegler's "background as a studio head and as an imaginative network programmer give him an unprecedented advantage in this competitive area."

Telescreen Sells To Japanese Partner

JAPANESE trading company Mitsui & Co has made its first move into European tv production with the acquisition of the distribution and merchandising activities of Amsterdam-based animation specialist Telescreen.

Both Telescreen Distribution and Telescreen Licensing will continue to trade under the control of a new company called Primation Media, a subsidiary of Mitsui. Telescreen's founder Dennis Livson is to stay on in a consultancy role.

Mitsui started working with Telescreen in the late 80s, funding productions such as *Alfred J Kwak*, *Moomin* and the feature film Comet In Moominland. Masaaki Koyama, acting managing director of Primation, said Mitsui saw European production as an increasingly important sector and added: "We are also very interested in stepping up involvement in new media such as Video CD, CD-I and CD-Rom."

Primation is preparing to launch animated series *Bamboo Bears*, a $23 million co-production with Marina Productions in association with ZDF, TF1 and Mitsui, this spring.

● **Tapestry** has several new episodes of the long-running U.S. public television documentary strand, *Nova*: *Secret of the Wild Child* follows the case of Genie, a child whose parents kept her imprisoned in her home from

infancy; *Web of Life* is an entertainment special celebrating the diversity of life through the use of music and the performing arts.

● Comedy kicks off **Paramount's** slate this market with *Cybill*, a sitcom featuring Cybill Sheperd as a working actress confronted with an erratic career and a complicated extended family. *The Watcher* (13X60) features rap artist Sir Mix-A-Lot, and uses surveillance cameras to zip from glamorous casinos and showrooms to 24-hour wedding chapels.

● New animation from **Saban International** this market includes *Creepy Crawlers*, an imaginative (26 X 30) series, *Battletech*, a half-hour weekly series based on the popular interactive virtual reality and role-playing games, featuring exciting 3-D

Solomon Takes The Next Step

THERE is no stopping Michael Jay Solomon, especially now he has raised $75 million of equity for his privately-held company Solomon International Enterprises via Warburg, Pincus Ventures. Solomon expects to invest this money over the next two years.

While many have expected him to walk straight back into the television program distribution business, Solomon has remained true to his stated intention of making a range of investments in companies and production throughout the world. At first he used his own money, now he has the funds to speed up his activities.

Solomon said: "I will be making investments where I can be a strategic partner." He already has a strategic joint venture with Armritraj Entertainment in India, has acquired an interest in Total Film & Video in Australia, and formed an alliance with Canal Plus to develop pay-tv services in Latin America, beginning with Chile and Uruguay.

Solomon has also started building a television distribution business which he reckons will make up 40% of his business. He has acquired various international rights to a range of titles totaling more than 170 hours of programming and says he will "be acquiring product on a selective basis and will be buying by region." Much of the acquisition will be tailored around the international affiliations he is building.

One area in which Solomon is becoming particularly involved is in production where he is acting for the first time as executive producer on teenage comedy series *Out of the Blue*, which was launched at Natpe. The series is double shot in Spanish and English. Solomon is also securing a number of link-ups with U.S. producers of network tv movies and miniseries and has committed to produce low budget theatrical features.

Gaumont Goes Back For More

IF you have cracked the U.S. market once then you have few inhibitions when it comes to trying again. Gaumont, which with the *Highlander* series smashed conventional wisdom that to make successful series work in the U.S. you had to be based in that market, has returned to the U.S. with four series that are all with networks. *Raising Mom and Dad*, based on the French comedy *Pere au Pair* for M6, is currently in development with Fox; *Beck*, a coming of age story of an extraordinary boy in an ordinary house, is a pilot subject to casting with CBS and, should it go ahead, will be an in-house partnership with CBS; *Club Paradise* is a series of hours with NBC; and Gaumont also has an action adventure series with a female lead in development with Warner Bros.

All programs will be produced by Gaumont in the U.S. usng the expertise of Gaumont's in-house production team lead by Marla Ginsburg and Gaumont chief executive Christian Charet.

Elsewhere Gaumont is involved in the turn of the century action/adventure series *Tales of the South Seas*, a co-production with New Zealand's South Pacific Pictures, FR3 and CLT. It is also in production with Australian independent producer Crawfords on six-hour miniseries *Violent Earth*.

Nelvana Clears The Mystery Series

FOR some time Nelvana has owned the rights to classic mystery novels Nancy Drew and The Hardy Boys. This Natpe saw the first public exploitation of those rights in Las Vegas with New Line syndicating the two Nelvana-produced series in the U.S.

New Line was syndicating the shows as hours, though the Canadian independent's director of co-production David Ferguson said that internationally the show can be aired as half-hours. He is suggesting to broadcasters that the shows should be packaged together as *The Mystery Hour*.

The two 13 x 1 hour series are currently in production and will likely air in the fall of this year. International tracks are expected at the beginning of 1996.

Nelvana is perhaps better known for its animation series, but the move into live action is not a totally new departure for the Canadia producer which has another live action series, the 13 x 1-hour *Jake and the Kid*, currently in production.

Set in the Prairies, the family series is a co-production with Germany's Ravensburger. The Canadian broadcast partner is CanWest.

Nat Geo Renews Kids' Pitch

SOME marketeers may grumble about the timing and location of Monte Carlo, but the festival has a hard core of enthusiasts. "February is a good month, because it is the beginning of the calendar year," said Kris Sofley, international manager, promotion and public relations for National Geographic Television. "Monte Carlo is smaller, and people have more time to view programs."

The U.S.-based natural history/documentary producer and distributor is bringing a number of new kids' titles to this year's market after launching the genre in 1994. On show are *Really Wild Animals*, a series that combines live action footage with animation, and *Geokids*, a series designed to introduce preschoolers to numbers and language in a natural history setting.

National Geographic celebrates its anniversary with *Thirty Years of National Geographic*, featuring memorable program moments from the last three decades, including behind the camera shots of some of the most internationally renowned wildlife filmakers.

Continuing the company's hallmark natural history strand, its range of *Premier Specials* feature a raft of new documentary programming including: *The Great Indian Railway, Race to Australia, Wings Over the Serengeti, Life at the Edge*, and *Russia's last Tsar.*

Taking off: Wings over the Serengeti

Flipper Is Back

FLIPPER, the world's favorite dolphin, has swum back into the international television world in a new series currently being produced by Samuel Goldwyn.

Stephen Bickel, president of Samuel Goldwyn International, has already sold the series in a number of territories and is expecting to confirm a number of other commitments at the Monte Carlo market.

To date three shows have been shot with the balance of the shooting starting in May. Shot in the Florida Keys, the series builds on the strengths of the original Flipper shot in Florida and the Bahamas and which made a specialty of underwater scenes. *Flipper* first aired on NBC in 1964 and the old series, produced by MGM TV, still sells well internationally.

Discovery Sets Latin Pace

THE first audience study of the U.S. channels being beamed into Latin America, sponsored by the cable networks and advertising agencies, has made some surprising findings about television viewing trends in the region. Surveying a cross section of respondents representing 90% of the Latin American market, it found that the greatest interest was shown in news programming (67%), while documentaries (46%) were more popular than recent movies and variety programs

The trend was particularly noticeable among key consumer categories of adults aged 35-49 and professional/managers, while programs about nature and animal life came fourth in a list of 74 types of programming in which sports such as NFL Football games from the U.S. ranked amongst the least popular. Indeed, programs on nature led in the non-fiction stakes and — perhaps not surprisingly — most male appeal was skewed towards scientific programming.

In the network battle, The Discovery Channel performed particularly well in the survey. Besides ranking the most popular of the ten ad-supported pan-regional services, it was (after Cartoon) the second highest-rated cable network. Its ratings were particularly strong among males, decision makers and adults aged 18-34 — three key groups that are likely to make the channel more popular with advertisers.

computer generated animation, and *Honeybee Hutch*, a half-hour series based on a honeybee in search of his Queen-bee mother.

● **DL Taffner** announces its new six-hour documentary series, *Cinema Europe: The Other Hollywood*, commissioned to celebrate the 100th anniversary of film. Produced by the award-winning Photoplay Productions team of Kevin Brownlow and David Gill, in association with DLT Entertainment UK Ltd, the BBC, and ZDF in Germany, the series was also made with the help of MAP-TV, part of the EU media program.

● New titles from **Beyond Distribution Pty Ltd** include the telemovies *Bread & Roses*, the tale of a woman with a passion to survive; and *Typhon's People*, a look at the shadowy world of genetic research. Also available from the Aussie producer/distributor is the children's animation series *Gladrags.*

● New drama from **BBC Worldwide Television** this market: *The Buccaneers*, Edith Wharton's story of a group of adventuring, free-spirited young American women who, snubbed by the elitist New York set, take aristocrat-

ic England by storm; *Devil's Advocate*, a dark thriller based on the true story of a woman accused of black magic, and *Pat and Margaret*, a 90-minute tv movie which explores the nature of family relationships.

● New product from **Hearst Entertainment** this Monte Carlo includes the animated series *Phantom 2040*, and *The Magical Adventures of Quasimodo.* Documentary specials from **Hearst** this market are *Harley Davidson:*

The American Motor Cycle, an in-depth history of the motor cycle, and *Smithsonian Expedition Specials*, three one-hour films of expeditions in remote and exotic locations across the globe.

● Art translates into live action with *The Painted World* from **Rigel** this Monte Carlo, when world-renowned film directors turn their favorite piece of art into tv stories. Currently in post-production, *The Sadness of Sex*, is a full-length feature film that brings to life stories of cult author Barry Yourgrau.

● Included in the line-up from **Channel 4 International** are two six-part comedy series: *Father Ted Crilly*, featuring the life and adventures of three unlikely Irish priests, and *One for the Road*, which, chronicles the adventures of one man and his camcorder. Documentary series *The 3,000*

Mile Garden charts a trans-Atlantic green-fingered friendship. Trans-continental culture with a more suppressed flavor is expressed in the *Red Light Zone*, a series of seven programs spotlighting the sex industry.

● **Thames International** is the exclusive distributor for the new documentary series *The Churchills*. Currently in production, *The Churchills* is being made for the ITV network by Brook Associates, one of Britain's leading independent documentary producers, and will be transmitted in April/May 1995 to coincide with the 50th Anniversary of the end of the Second World War.

● **Polygram Television Int'l** is exhibiting alongside its new acquisition, **ITC Entertainment Group**. New product from ITC includes *A Woman of Indepedent Means*, a compelling story chronicling the life of a woman coming to terms with a million-dollar inheritance. And there's action with *Turbocharged Thunderbirds*, a weekly series which uses a combination of newly-produced live action with footage from the original Thunderbirds series.

● Musical specials and documentaries feature on the slate this year from **Coral Pictures Corp**. *Lo Mejor de Montaner and Reencuentro* both feature Latin American singing sensation Ricardo Montaner, while *Sin Limite* is a variety/entertainment format which features exclusive interviews, profiles and performances by todays leading talent. Meanwhile, in 39 one-hour episodes, documentary series *Expedition* features perilous ventures through the Amazon, a study of Latin America's most exotic fauna and flora.

● New product from **DSL Productions** includes *Home Green Home* (10X30) a new gardening series full of hints and tips for today's home and garden. Also on the slate, *Simple Style*, a 65-episode strip for the Learning Channel which will be available in April 1995, demonstrates how to create a dynamic look to fit both personality and budget.

● *Salute To the Clio Awards* kicks off **20th Century Fox's** new product. The awards, which honor the best in advertising from around the world, are featured in this one-hour special which looks at all genres from humor, sex, travel and animals to animation. Meanwhile, animated sportcasters *Grunt and Punt* play host to world of professional American football.

● UK drama and comedy distributor **The TV Sales Company**, part of the SelecTV group, launches its powerful new drama series *Hearts and Minds*. A mini-series in four one-hour parts, *Hearts and Minds* gives a gripping insight into everyday life, mayhem and madness in an inner city school.

● **Sunbow Productions**' latest animated series, *G.I. Joe*, pioneers live action opening segments with upbeat music. For younger kids, *The Puzzle Place* uses puppets, music animation and live action to explain and teach kids about co-operation and individuality, while *Littlest Pet Shop* highlights pets for kids aged 2-11.

● Headlining the offering from **Turner International** are the Turner Pictures/20th Century Fox film The Pagemaster, tv movie *Good Old Boys*, starring Sam Shepard and Sissy Spacek and *The Mask*, the half-hour series based on the feature film which will be available fall 1995.

● The thriller *Tom Clancy's Op Center*, ghoulish thriller series *Tales from the Crypt*, and the autobiographical tale of a woman's search for an adopted son, *The Other Mother*, are at Monte Carlo courtesy of **New World Entertainment**. Also available: *Murder or Memory* and the 2-hour MOW *Cult Rescue*.

● The new line-up from Canada's **Alliance Communications** includes *Rugged Gold*, a two-hour family adventure movies, and The *Harlequin Alliance Romance Collection*. Based on the popular Harlequin romance novels, the series consists of four two-hour made for tv movies.

● **Worldvision's** raft of new product this market includes Stephen King's *The Langoliers*; half-hour situation comedy *Madman of the People*; and the tv movies *Forget Me-Not Murders, Green Dolphin*

Beat, Love on the Run, and *The Veron Johns Story*. Also available: dramatic series *Winnetka Road*, and tv movies *Jane's House* and *Sidney Sheldon's A Stranger in the Mirror*.

● *Mysterious Tales* is a magazine series covering places as far and wide as the Egyptian Pyramids to Peru's Machu Pichu and Nazca lines, from U.S. distributor **Westinghouse Broadcasting International**. Also available: *Dick Dead Eye* – a cartoon featuring the villain of Gilbert & Sullivan's most popular operetta.

● New product from **Le Groupe MultiMédia du Canada** includes *Earthscape*, the behaviour and natural habitat of animals explored in easily digested four to 12 minute monographs. Also available: *Women: This Wave an Ocean*. Produced by Point de Mire Productions, in association with MultiMédia du Canada, this six-part documentary series looks at the progress of women through history.

● Pubcaster **Danmarks Radio** is using Monte Carlo as a forum to present its latest documentary, *Endgame Europe*. The 55-minute program analyses the impact of the predicted fall of the social security systems of Europe, where individual governments are under pressure both from unemployment and the economic expansion of overseas countries.

● UK independent **Eaton Films** is distributing two productions from Australia's Crawford: *The Feds*, six two-hour telemovies set around the activities of the Australian Federal Police and zany children's series *Halfway Across the Glaxy and Turn Left*, (28x30).

● New titles from Paris-based distributor **Cinexport** are *Ce que Savait Maisie (What Masie Knew)* Based on the Henry James novel, and filmed in French with English subtitles, and *Reveuse Jeunesse* a 90-minute French-language tv movie about the impact of war on four young friends.

● Pre-selling films currently in post-production from **Initial Entertainment Group** include the psychological thriller *Lucan*, the murder mystery *Press Enter*, and the action thriller *Sea of Ice*.

An Eye For Detail

The European Audiovisual Observatory has produced its first statistical analysis of the sector in the old continent. It is no easy task, as Jean-Luc Renaud explains

Researchers comparing country media data know that, in Europe, statistics never add up. The various definitions, methodologies, and measurements used turn what should be a science into abstract art. The need for harmonized, comparable, reliable data is all the more urgent to broadcasters, advertisers, regulators, and industrialists who are now operating in a global marketplace.

The Strasbourg-based European Audiovisual Observatory might well go a long way in bringing clarity, even transparency, into media statistics through the publication of its first Statistical Yearbook. This writer knows well enough Dr André Lange, the Observatory's market and economic information expert and the brain behind the project, to be confident that uncompromising efforts have been dispensed in its preparation.

The European Audiovisual Observatory was established in December 1992 by a Resolution of the Committee of Ministers of the Council of Europe, an agreement between 33 states of Greater Europe and the Commission of the European Communities. True to bureaucratic principle, it was nearly three years in the making – the idea had originated at the European Audiovisual Assises in Paris back in October 1989.

According to its remit, the Observatory should cover cinema, television and the video sectors. Defining the scope does, however, come up against two major problems, as noted in the Yearbook's introduction. For some data (especially corporate financial information), it is difficult to disregard certain related areas – print, radio and sound recording. It would also appear vital to include information related to electronic consumer goods, telecommunications and information technology, taking stock of how the lines between these sectors and the audiovisual sector are becoming more and more blurred.

It should be noted that national accountancy statistics, as practised by the national statistical institutes and by Eurostat, tends to draw a clear line between the industrial (product production and distribution) and the service (production and distribution of services) sectors. This means that sound and video recordings are considered to be industrial activities and therefore in a different sector to other activities which are considered as services.

The Observatory has elected not to follow this line for a Yearbook which is especially aimed at helping trade professionals. "We opted instead for a sector-by-sector analysis, by presenting as best we can the information on the various businesses," it says.

The Yearbook includes sections on basic economic and demographic data, household equipment, details media companies and employment, the film industry, home video and the new media, television and advertising.

The Statistical Yearbook is the first palpable product of the statutory aim of the Observatory which is "to improve the transfer of information within the audiovisual industry, to promote a clear view of the market and a greater transparency." Within this remit, the Observatory "shall pay particular attention to ensure reliability and comparability of information."

This careful attention to methodology with a view to harmonization – if sustained – is probably what will set the Statistical Yearbook apart from the variety of published information elsewhere.

Each chapter, organized around themes, includes a "Methodological Comments" section, which outlines the methods used to gather the data presented. Knowing how the data were obtained is a prerequisite to their analysis, an aspect all too frequently ignored in comparative approaches. The widespread lack of harmonization between the different methods of collecting data across Europe goes deep: it includes basic data such as the number of households.

The Observatory does not claim to have achieved its mission of harmoniza-

Origin Of TV Programs Broadcast By Public Service Organizations

	Hours			In %			Growth(%) (92v88)
	1988	1990	1992	1988	1990	1992	
First run	99,468	117,133	123,242	78.9	78.8	77.6	23.9
Own/co-produced/ commissioned	61,955	77,961	76,385	49.1	52.5	48.1	23.3
Purchases and exchanges	37,513	39,172	46,857	29.8	26.4	29.5	24.9
Repeats	26,604	31,499	35,560	21.1	21.2	22.4	33.7
TOTAL	126,072	148,632	158,802	100	100	100	26.0

Source: EBU

tion by publishing this Yearbook. "It should, on the contrary, be taken as the first stage in a complex harmonization process which will take place over several years (...) it is a preliminary exploration," says the introductory note.

The Observatory's network of partners is another unique feature of this endeavour. Rather that undertaking its own collection of - improbably definitive - primary field data, the Observatory has tapped into existing reservoirs of authoritative sectorial statistics maintained by specialist organizations with whom it entered into partnership agreements. "Using specialist partners does seem the best way to contribute to the harmonization process and its conceptualization," says the Yearbook. Data was provided by nearly 1,000 various national sources.

Gathering its own original data would have been a tall order for the Observatory. Notwithstanding its limited resources – a dozen staff and a $2.5 million budget – the organization might have navigated in shallow waters. When information is money, power and politics, more than a few potential private sources of data might have frowned at assisting directly the Observatory, a very political creation intent on distributing information widely. Aware of the need to preserve neutrality, the Statistical Yearbook does not analyse per se the data it publishes.

Last, but not least, the inclusion of Central and Eastern European countries is the third distinguishing feature that set the Yearbook apart, for the time being.

Although the publication tries to provide exhaustive coverage of the Observatory's 33 member States, "the availability (or lack of it) of statistics, along with prevailing market realities, necessitated a more flexible approach." The authors admit that coverage of the Russian Federation and the Baltic states is wanting, but promise to remedy the situation in the next edition.

"Producers, distributors, broadcasters, investors and also creators, political decision-makers, executives of professional associations, advertisers and advertising agencies, researchers, consultants and journalists" to whom the Observatory's Statistical Yearbook is designed, will certainly find this information-packed 280-page compendium, also available in French and German, very useful. Perhaps subscribers to bi-monthly premium-priced industry newsletters will be irritated by the fact that the latest year for most data contained in this 1995 publication is 1993. This is the unavoidable price to pay for any yearbook.

If this Statistical Yearbook entices others to display the same level of methodological clarity in the collection and presentation of data, it will have rendered an important service indeed to the audiovisual industry. TBI

The Statistical Yearbook can be purchased from the European Audiovisual Observatory, 76, allée de la Robertsau, 67000 Strasbourg, France; Tel +33 88 14 44 00, Fax +33 88 12 44 19, FFr800/£95/$150.

Percentage of Total Revenue of Public Broadcasters Generated By License Fees and Advertising

Country	Station	License Fee & Subsidies		Advertising & Sponsorship		Others	
		1992	1993	1992	1993	1992	1993
A	ORF	42	42.9	49.1	47.4	8.9	9.7
B(F)	RTBF	68.1	56.1	16.2	14.5	9.9	16.7
B(FL)	BRTN	76.1	76.3	21.6	23	1.8	1.4
BG	BNT			95.8		4.2	
CH	SSR-SRG	72.1	73.3	22	21.3	6	5.4
CS	CT		49		34.6		16.1
CY	CyBC	46		44.7		10.3	
D	ARD	76.7	75.4	9.4	8.6	13.8	15.9
D	ZDF	59.3	60.2	31.3	16.1	9.4	23.7
DK	DR	95.4	92.9			4.6	7.1
E	RTVE		28.4	93.6	68.2	6.4	3.4
F	F 2	51.9	50.9	42.4	43.4	5.6	3.7
F	F 3	70.5	70	20	20.6	9.4	9.5
FIN	YLE	82.8	80.3			17.3	17.1
GB	BBC	87.4	86.3			12.6	13.7
GR	ERT	9.3		10.4		80.3	
H	MTV	66.2		33.6		0.4	
I	RAI	56.3	58.9	34.4	33	9.3	8.1
IRL	RTE	40.2		50		9.8	
IS	RUV	76.9	74.7	21.4	22.6	1.7	2.7
N	NRK	81.3	78.3			18.7	21.7
NL	N 1,2,3	64.6		34.2		1.2	
P	RTP	14.9		70.6		14.5	
PL	TVP	15.2		33.5		51.3	
RO	RTVR	70.3		26.3		3.4	
S	SVT	92.8	93			7.2	7
SI	RTVS	58.5		27.3		14.2	
SK	ST	73.4		23.8		2.8	

Source: European Audiovisual Observatory with collaboration from the EBU. (Some figures not available)

Zenith's U.S. Move Is Bold, By Any Name

Twenty-five years ago, Charles and Maurice Saatchi founded their eponymous advertising agency in Charlotte Street, London. Inside ten years, Saatchi and Saatchi grew to become number one in the United Kingdom, and for a short while, its parent, Saatchi and Saatchi Company plc, was the biggest advertising group in the world following its acquisition of Ted Bates in 1986.

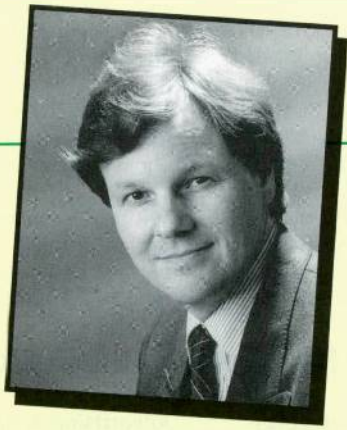
These were the Thatcher years when no dream seemed too big. Saatchi and Saatchi was the advertising agency of the British Conservative Party, and it was through Saatchi and Saatchi that British admen arrived as new age conquistadors of North America.

Then struck the worst-ever advertising recession. The Saatchi group narrowly avoided financial collapse. But, just as it appeared to be reaching calmer waters at the beginning of the year, U.S. investors in the restuctured Saatchi empire led a palace coup and ousted Maurice.

Among the disputes which forced Maurice Saatchi to quit, investors wanted to change the name of the holding company in order to differentiate between it and its advertising agencies. They argued that it helped none of the agencies to be constantly referred to as Saatchi-owned companies.

And now to irony. At about the same time the boardroom disputes erupted, one of the group subsidiaries, Zenith Media Worldwide, announced its entry into the U.S. Zenith is a media specialist. In countries where it has been set up, Zenith plans and buys media for the Saatchi group as well as third-party businesses. Unlike the parent company, Zenith is fully differentiated by name from the group agencies. But, very much in the manner of Saatchi nine years before, Zenith will be the first major European media specialist to set foot in the States.

Media specialists have, of course, existed in the U.S. for years, but only one (Western) is considered large in American terms, and still the great majority of advertiser spend passes through traditional full-service advertising agencies. By contrast, an estimated 80% of national advertising spend is handled by media specialists in France, Italy and Spain, and approaching 50% in Germany and the United Kingdom. Some media specialists are largely independent of full-service agency connections, but many, like Zenith, are used by one or more agency groups in preference to it handling media in-house.



BY TOBY SYFRET

Why media specialists have fared so well in Europe is another story. Suffice to say, one factor that powered their growth during the eighties was the chase for volume, for it was generally perceived, rightly or wrongly, that the bigger you were, the greater your negotiating clout with the media.

The chase for volume was paralleled on the client side by trends of centralization; and, in the process, many European advertisers became attuned to the notion that it was possible to separate media from creative functions. Large American advertisers have themselves long been alert to the benefits of centralization. Where Europeans have media specialists, they have "agencies of record."

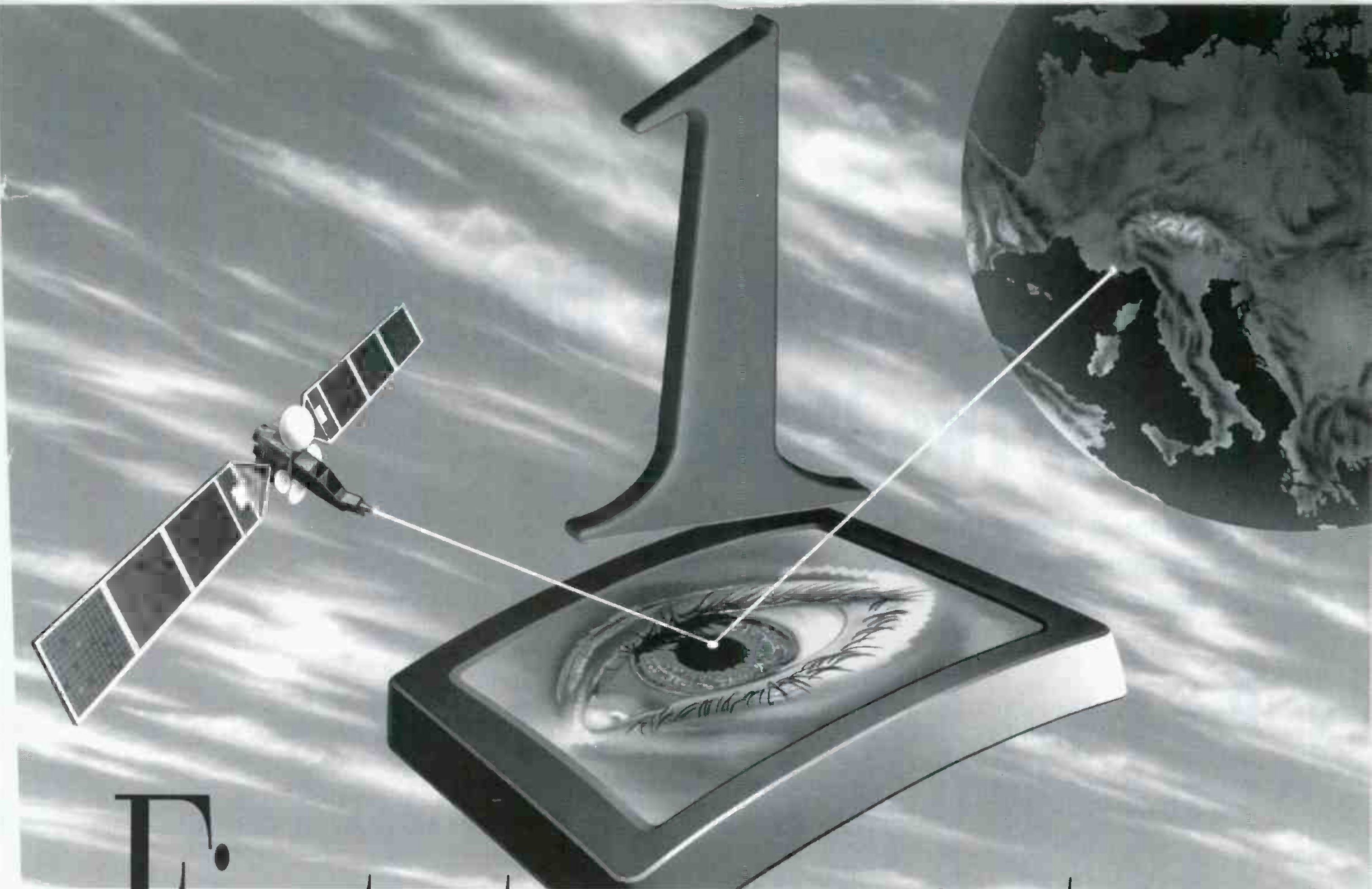
The AOR concept is similar to the "volume" gospel which media specialists have promulgated in Europe. But it stops short of it in three respects. First, the AOR is invariably an aligned agency network. Second, the rationale for centralization is client volume and never agency volume. Third, AOR assignments are about the implementation of media plans: that is to say, media buying and administration. Nowadays, European media specialists compete strongly in all three media disciplines of research, planning and buying.

If Zenith sees a chance to use the volume of its clients to leverage media buys, this could disrupt the conservative traditions of U.S. tv

According to one report, the formation of Zenith in the U.S. will make it instantly the country's biggest media buyer, with billings of about $2 billion. At first, Zenith will simply pool the media buying from the group agencies. In time, it intends to pitch for third-party media accounts, which now account for more than half its billings in the UK.

Undoubtedly, there are risks as Zenith must gain the acceptance of Saatchi group clients. On the other hand, we can be sure that Zenith bosses in the UK would never have acted without doing their homework. Judging by the team they sent over to case the North American joint, their main focus is buying. If they see a real chance for using their volume to leverage media buys, this could disrupt the relatively conservative U.S. traditions in television. With rare exceptions, U.S. advertisers appear always to have danced to the tune of the network majors, who command a disproportionate share of budgets compared with their share of audience.

So, will Zenith throw the cat among the pigeons? Or is its goal merely the reduction of its overheads? Is it for itself alone, or its clients too? Is or is not its arrival a bold move, worthy of the founders of the parent group now seeking a new name? TBI



Eutelsat Offers A Digital Dip In The Water

Programmers hedge their bets with satellite signal...
SES to launch new digital bird...
UK venture ups its video CD slate

Programmers wishing to enter the European cable market should be aware of a new service the European satellite operator Eutelsat has dreamed up to allow its clients to hedge their bets on the digital/analog question. The service is only possible because Eutelsat's transponders traditionally offer a minimum bandwidth of 36MHz. While this was what you normally required for cable distribution in Europe a decade ago, private operator SES, which runs the Astra DTH satellites, has proved that modern reception allows you to get away with 27MHz transponders and suffer no noticeable loss of quality: in fact, it has never used anything bigger.

What Eutelsat has therefore done is to devise a system to use the 9MHz "excess" available on a 36MHz transponder for the transmission of a digitally-compressed signal alongside the standard analogue signal resident in the remaining 27MHz. This is an ideal combination for a programmer wanting to dip its toe in the digital water, allowing it to simulcast both analog and digital versions of its channel from the same transponder.

In fact, for the moment, the facility is being used in even more inventive ways. European Business News, the Dow Jones/Flextech venture launched in February, will use it to broadcast a digital business data service alongside its analog business news channel. The revamped BBC World will use the digital part of its Eutelsat transponder to beam a compressed version of sister entertainment channel BBC Prime – supplementing the coverage BBC Prime already has on Intelsat 601.

For the moment, Eutelsat is only offering the service on its new Hot Bird 1 satellite, due to launch at the end of February. This is a high-powered bird which Eutelsat hopes will be used for DTH purposes as well as cable distribution: the signal strength should ensure that any reduction in the quality of the analog signal will be negligible. Because one signal is analog and the other digital, they don't interfere with each other, despite occupying adjacent frequencies. Eutelsat has already carried out a number of tests, and the system seems to work fine.

Astra's G Force

Many of the programmers whose applications for satellite transponders on Eutelsat's rival Astra were turned down recently due to lack of capacity can be assured that the problem is unlikely to be repeated in the digital domain.

The Société Européen de Satellites (SES) has just confirmed the order for Astra 1G, a digitally-capable bird which will take its place alongside Astras 1E and 1F (the first of which should launch this August) in the first half of 1997. SES has also got an option on another craft after 1G, which could either be another digital satellite, or could replace the first in the series, the ageing Astra 1A. With digital compression, Astras 1E through 1G should be able to offer around 400 channels in total.

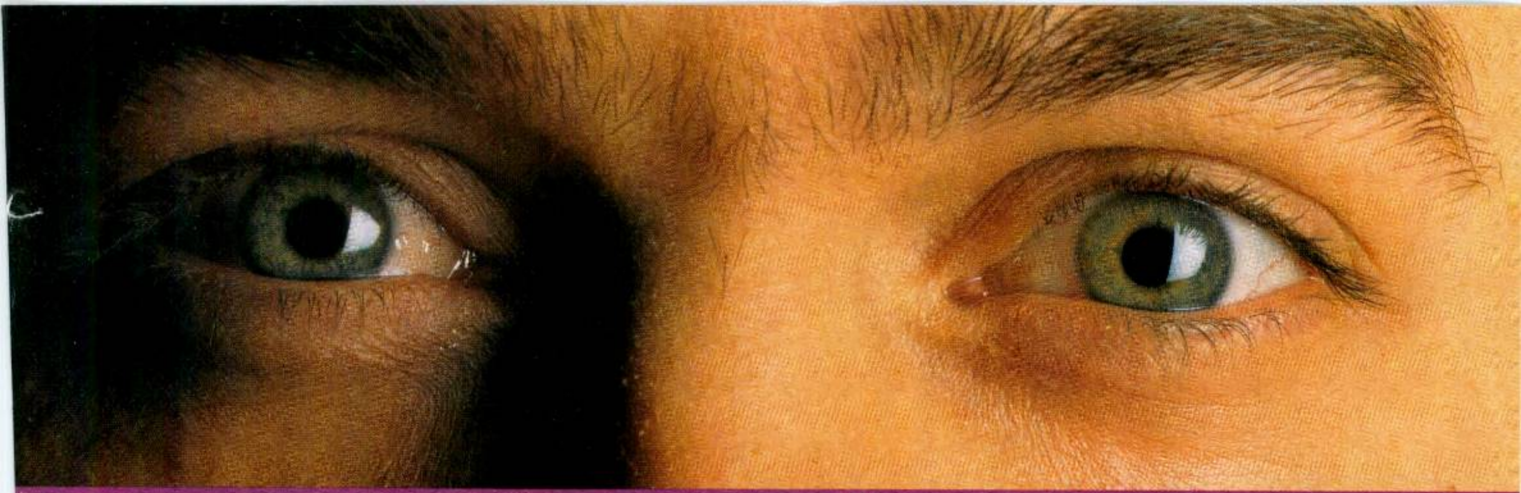
Major players like the Kirch Group, News Corp. and Canal Plus have already reserved roughly half the future capacity on these three craft, and there has been persistent speculation that a European version of the Hughes DirecTv venture might book up even more. So just in case there is a shortage, the Luxembourg government is taking the unusual step of requesting eight new orbital positions and frequencies on behalf of SES from the International Telecommunications Union (ITU) in Geneva.

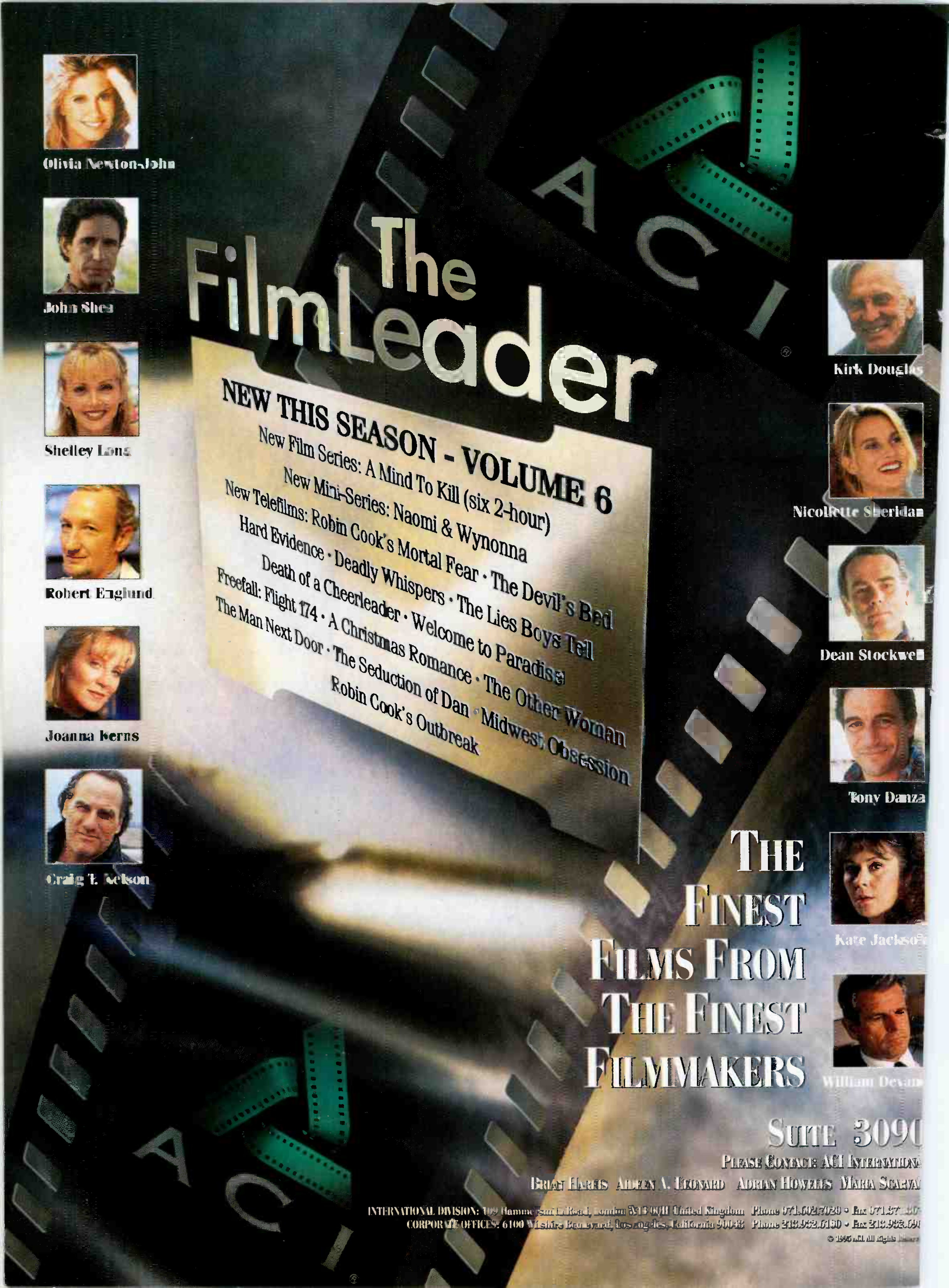
The ITU said it could take many years for some of the allocations to be agreed, by which time the issue of whether there is a need for so much satellite transponder space may be a little clearer. Many observers believe demand is due to fall off sharply towards the end of the decade: not just because of digital compression, but because the development of a global fiber-optic network will allow distribution of signals to cable headends to bypass geo-stationery satellites. An increasing number of DTH subscribers are also likely to convert to cable reception.

The Vision Thing

CD Vision, whose 40-title slate Hard Tech mentioned last fall, released details at Milia '95 of a further 30 Video CD titles it intends publishing this year – plus another six interactive CD-Rom titles.

The new slate makes it one of the world's biggest Video CD publishers. CD Vision is able to draw on the video rights of some of the UK's top independent producers, including RPTA/Primetime, Workhouse and Zenith, through an umbrella organization called Television Enterprise and Asset Management plc (TEAM), the Robert Fleming and Rockefeller-backed programme investment fund. TBI





Olivia Newton-John
John Shea
Shelley Long
Robert Englund
Joanna Kerns
Craig T. Nelson
ACI
The FilmLeader
NEW THIS SEASON - VOLUME 6
New Film Series: A Mind To Kill (six 2-hour)
New Mini-Series: Naomi & Wynonna
New Telefilms: Robin Cook's Mortal Fear · The Devil's Bed
Hard Evidence · Deadly Whispers · The Lies Boys Tell
Death of a Cheerleader · Welcome to Paradise
Freefall: Flight 174 · A Christmas Romance · The Other Woman
The Man Next Door · The Seduction of Dan · Midwest Obsession
Robin Cook's Outbreak
Kirk Douglas
Nicollette Sheridan
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