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Posted: Sun., Sep. 19, 2004, 6:00am PT

Go east, young man

Media moguls eye biz in new Euro states

By ED MEZA

BERLIN -- Eastern Europe is already a logical market for growth among major media players, and the eastward expansion of the European Union offers opportunities and challenges.

The European Television Dialogue, a new media conference to be held Oct. 19 in Munich, on the eve of the annual Medientage Munchen (Munich Media Days) confab (Oct. 20-22), explores the potential of the new EU member states.

Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Czech Republic, Slovakia and Slovenia joined the EU earlier this year.

Set up by former Kinowelt exec and current Eastern Europe specialist Alexander van Duermen and the Bavarian state media agency gotoBavaria, the event will host a slew of industryites doing business in Eastern Europe. Among them are Dirk Gerkens, CEO of Hungary's RTL Klub, and Barry Cupples, CEO for Central and Eastern Europe at international media agency OMD, as well as TV and government reps from the region.

Eastern expansion by western media is nothing new. The RTL Group, Scandinavia's Modern Times Group, Central European Media Enterprises and SBS Broadcasting all have extensive or growing broadcasting assets in the region.

MTG recently upped its stake in Russia's CTC network and owns Russian terrestrial TV outfit DTV Viasat. The group also reaches more than 2 million pay TV subscribers in 11 countries with its Viasat Broadcasting feevee outlets TV1000, Viasat Explorer and Viasat History.

Ronald Lauder's Bermuda-based CME recently acquired Nova TV in Croatia and also has holdings in Romania (PRO TV and Acasa), Slovakia (Markiza TV), Slovenia (POP TV and Kanal A) and Ukraine (Studio 1+1).

CME is looking at opportunities in the Czech Republic, Hungary, Poland,

Serbia and Russia.

Pan-Euro broadcaster RTL Group last year fought off SBS Broadcasting and Rupert Murdoch's News Corp. for its stake in a former pubcaster, now known as RTL Televizija. Both it and RTL Klub in Hungary have become market leaders.

SBS, controlled by John Malone's Liberty Media and SBS chairman Harry Sloan, has stakes in TV2 in Hungary and Prima TV in Romania, while News Corp. owns bTV in Bulgaria.

In addition to the investment opportunities, the confab will examine the role of TV in various countries, including possibilities for financing.

The development of commercial TV in some Eastern European markets recalls the early days of U.S. television, with advertisers buying their own content and using channels as platforms to present their product and program, like "Texaco Star Theater" and "The Colgate Comedy Hour."

"Something like that would be strictly prohibited in Germany," says van Duermen.

Currently head of Berlin-based A Company, a consultancy specializing in Eastern Europe, as well as film licensing firm Eastern European Acquisition Pool, van Duermen has worked in Eastern Europe since 1997.

He was first appointed head of Progress Film, the former state-run East German film distrib, with the task of renegotiating rights agreements involving thousands of films from throughout the former Eastern Bloc countries.

Two years later, Duermen moved to the then-prospering Kinowelt to head its ambitious growth into Eastern Europe, a plan that ended with Kinowelt's bankruptcy two years later.

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