

# TBI TELEVISION BUSINESS INTERNATIONAL

MARCH 1994  
MONTE CARLO ISSUE



## THE TBI 100: WHO WILL TOP TIME WARNER?

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Cover illustration: Frank Langford

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# What Me Worry?

**A**n issue of immense importance is probably out there waiting to be commented on, a bull's-eye painted on its chest. But I'm worried this month. I'm worried about a few little things that taken together are still a few little things. If I were a CD-Rom, I'd know how to string them all to together, make them all interact with each other, even play a song or two. But my brain is analog. I await the digital interface.

A) I'm worried about Silvio Berlusconi. As TBI went to press, he confirmed plans to run in the Italian general elections in March. Berlusconi's finally doing it; he's leaving television for the world of entertainment. Even if he wins, it can't last that long given the survival rate of the average Italian government. But how long can we afford to have him out of the business? Does this mean no lightning raids on Mip for Association for Commercial Television press conferences where nothing is said? I'd be less worried if I could confirm what I suspect: This is really just a cunning business move. Berlusconi is attempting the craftiest reverse takeover in tv history. The Rai networks should watch out.

B) I'm worried about multimedia metaphor madness. The digital superhighway is just about everybody's metaphor of choice. That's fair enough. It's got a nice ring to it. However, executives, politicians and consultants are now tripping over each other's tongues in the race to come up with the cutest embellishment on the theme. Already used: "road kill on the digital superhighway..." "exit ramp off of..." "traffic jam on the..." "rest stop near the..." "billboards along the..." This must end. None of us can take ten years of a metaphor run riot. It'd be worse than some massive hard disc-drive grinding computer virus. I'm already nostalgic for "the 500-channel universe."

C) I'm worried about Milia. The first edition of the Midem Organisation's new multimedia and illustrated book market was refreshing. Almost everyone admitted some amount of ignorance, a pleasant experience in an exhibition hall full of computers. The seminars were jammed. People were riding the learning curve. So what happens next? The goal with Milia is to create a market where book publishers, software authors and tv producers do deals to create new multimedia programming. It's sort of analogous to the role Mip and Mipcom now play in the co-production business. But active co-production discussions didn't come first. For years, the markets served the single function of giving distributors an exhibit hall where they could sell existing shows to broadcasters. What is there to sell at Milia? And to whom? The stands of the Turkish and Slovak book publishers were quiet. Of course, there may be a business in Slovak-English CD Roms. And maybe not. The Apple stand was full of people playing with the Newton, Apple's Personal Digital Assistant. In the end, a major computer maker is hardly going to use an international market to push product it can sell at Computer Shack. Exhibitors at next year's Milia will need to sell things. Or there'll be more to worry about.

The Editor

# SECOND CHANCES



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# STAR PERFORMERS

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A Paramount Communications Company

American show business has gone through some odd phases, but this is one of the weirdest. Look who the big impresarios are going to be as television enters its new interactive stage — telephone people.

Bell Heads, they call themselves, the ultra-square executives who were schooled in the monolithic Bell System (before the government broke up the monopoly) when telephone was just a performance of wires and switches whose most dramatic utterance was the busy signal.

These are the sons and daughters of Ma Bell, as AT&T used to be called when it controlled all telephones in the U.S. They were, and for the most part still are, bland, corporate types in three-piece business suits, but now they work for the seven cash rich regional phone companies that were created in the 1984 break-up.

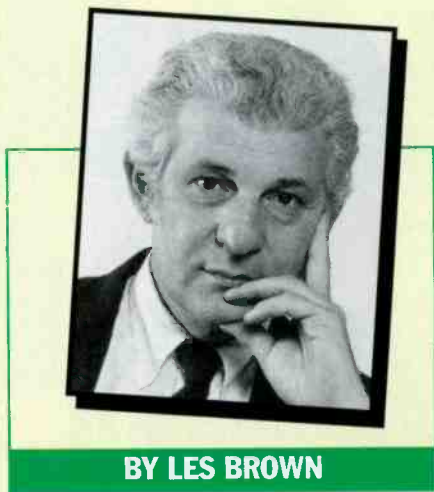
And they are turning up all over the video landscape, because the telephone is no longer just the device you use to call your lady friend, bookie, or room service. It also connects to the home computer and the tv, and technology has figured out how to send movies down its wire to your living room.

Telephone is cable today, and cable is telephone. The two U.S. industries have jumped into bed with each other like lusty youth. Every month brings news of an acquisition, merger, buy-in or strategic alliance between the two, and it is never the cable operator who is doing the taking over.

The scorecard shows Bell Atlantic buying TCI for \$30 billion; Southwestern Bell entering into a \$5 billion partnership with Cox Cable and buying the Hauser Communications Cable systems in the Washington D.C. area for \$675 million; U.S. West investing \$2 billion for a 25% share of Time Warner Cable; Bell South putting \$1 billion into Prime Cable and another \$1.5 billion into the QVC network's bid for Paramount Communications; and Nynex supporting Viacom's Paramount bid with \$1.6 billion.

Pacific Telesis is going it alone with a \$16 billion plan to establish an interactive fibre-optic network in California; and Ameritech Corp. has shied away

# Knocking The Bell Heads Together



BY LES BROWN

from an affiliation until a court rules on its request to offer a cable service in its own midwestern territory using its own telephone lines.

Until opportunity knocked, the telcos were in a slow-growth business as providers of local phone services. But they have big money to put on the table, with combined annual revenues of about \$100 billion, and in zealously expanding their markets they have the blessings of the Clinton Administration, which is avid for a national information superhighway built by private industry.

So the Bell Heads are entering the business of delivering movies, sporting events, interactive video games, gambling, computer software, news, and data to individual homes, on demand. Inevitably they will move into program ownership and production on the reasoning that consumers are drawn to

shows and not technology. And anyway, everyone knows the big payoff is in software.

By law the telcos are common carriers, open-access media that may not control the messages sent over their lines. But cable has no such restrictions, and that's partly what prompts the mergers and alliances — that and the fact that cable, rebuilt with optical fibre and equipped with digital switching, can invade the telcos' own core business.

The telco people are good at customer service, billing, and making the wires work efficiently, the sorts of virtues nurtured in the Ma Bell ethos. But what instincts could they have honed for the selection, management, or creation of entertainment products? Show biz requires a bit of flair, after all.

Of course the telco people will entrust the news and entertainment operations to professionals and not get directly involved themselves. But as experience has shown, no one can build a great news organization when higher management has no feel for journalism and is oriented to the bottom line.

As for the entertainment side, it is always affected by corporate climates. That's apparent to anyone who has followed the trials of CBS and NBC over the past dozen years, or saw what happened to Columbia Pictures in Coca Cola's brief tenure as its owner. Creative thinking does not find stimulation in a strictly-business environment.


I am of course guilty of pre-judging. I tell myself that surely the Bell Heads are intelligent and well-meaning folk, but then I wonder what "meaning well" means to them. Getting the fastest possible return on all those billions invested would have to be the operative priority.

That's a fitting agenda for other kinds of business, but show business is not ordinary business. You can never budget a year in advance because success is always so unpredictable. It's just possible that the Bell Heads have dialled the wrong number. **TBI**

**What instincts could the telco people have honed for the selection, management or creation of entertainment products?**



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## AUSSIE RULES AND DIM SUM

Viewers in China many soon be able to tune into such televised delights as live *Australian Rules Football* and *The Bush Tucker Man*, following an agreement signed between the Chinese government and the Australian Broadcasting Corporation's satellite-tv service, Australian Television International (ATVI). Under the agreement signed in Beijing, Central China TV (CCTV) and provincial Chinese stations will be able to access ATVI's output, while in return, the ABC will be able to tap into CCTV's programs for use on its domestic service. Significantly, the agreement came just as China announced the introduction of a licensing system for the manufacture, installation and viewing of satellite tv. This provided credence to those arguing the Chinese government is merely trying to control the potentially lucrative distribution of overseas tv signals into the country, as opposed to adopting ideologically-driven rules designed to keep all signals out.

then, the united network has gained access to over 60% of Israeli homes. The court decided this move had succeeded in creating a monopoly, thus contravening the Israeli cable law aimed at creating and nurturing local channels.

Given until the end of March to change the structure, the director of the Israeli Cable Association, Yosef Lapid, did not take the ruling in the best of spirits: "It will not affect programming or subscriptions. We will carry on as before, and in the meantime, we will appeal to the Supreme Court."

In a separate case, the Cable Association has challenged Channel 2's advertising exclusivity in an attempt to have the rules banning advertising on cable lifted. Channel 2, which began broadcasting last November, is the country's first, and at present only, commercial tv outlet.

If advertising were to be allowed on cable, it would result in strong competition for Channel 2, whose ratings are not much higher than cable, despite having a larger audience potential. The court's recent decision, however, means that should the cable advertising rules be changed in the future, advertisers will have to use four small channels as opposed to a single large network.

by **Barry Chamish** — TEL AVIV

## Palestinian TV Stations Delayed

**The Israelis won't act until a peace deal is done**

**P**roposals for the launch of two Palestinian owned-and-operated tv stations have been put on ice by the Israeli government.

Though the Ministry of Communications approved a Palestinian request to launch tv stations in mid-January, an unnamed ministry source told a daily newspaper: "We have no intention of granting any licenses until an overall peace agreement is reached."

The groundwork for the proposed stations, one for the West Bank and one for Gaza, was laid last November when the Palestine Liberation Organisation purchased studio equipment from Germany and transferred it to East Jerusalem. Shortly after that, 24 Palestinians arrived in Amman to take part in a technical course provided by Jordanian Television. The west has also been providing support: French public broadcaster France 2 is training dozens of Palestinians in administrative skills, while the EU has agreed to provide finance in the form of a \$2.5 million

fund.

As regards program production, fledgling ventures are already emerging. The Al-Kuds production company, formed by journalist Daoud Kutab and financed in part by the Swedish development fund Sidah, is preparing a news gathering and broadcasting team that will produce documentaries, current affairs and news programming.

Katub has chosen as the core of his production crew, Palestinian cameramen, editors and soundmen who have gained invaluable experience working for foreign networks based in Israel.

The main reason Israel has been reluctant to issue licenses to the Palestinian stations is the fear that they will be used to encourage nationalist violence. Katub scoffs at the notion: "We will not be like other Arab stations. Our news will not be devoted to honoring the president or the king, and we will not broadcast propaganda. Our aim is to concentrate on Palestinian affairs, partly because we cannot afford foreign correspondents. When we cover these affairs, it will be from every perspective, be it the PLO, Hamas or whatever."

Only one issue remains to be settled, but that is the issue of peace itself.

## PROGRAMMING

## It's All In The Game, But Which One?

**Author finds there is no such thing as a global gameshow**

**T**he world may indeed be getting smaller, but after studying 260 gameshow formats from 50 countries, communications scholar Anne Cooper-Chen concluded "global" television, at least as far as gameshows are concerned, doesn't exist and probably never will. That news will not comfort producers with an eye on the international market, but they could probably pick up some pointers from her analysis.

In her new book *Games in the Global Village* (published by Popular Press, Ohio), Cooper-Chen, director of the Centre for International Journalism at Ohio State University, defined four "cultural continents" – Southeast Asia, Latin America, Equatorial and The West – whose gameshows resemble each other. However, although similarities exist within these different "continents," there are also significant cultural differences.

For instance, unlike the low-budget gameshows broadcast in the U.S. during the day-

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# MOMENTO

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Wheel Of Fortune: Biggest selling gameshow

time and early evening, such shows in Japan are expensive, primetime entertainment featuring famous people as opposed to members of the public. "The Japanese like to watch celebrities," said Cooper-Chen. "They don't like civilians." On the few shows featuring non-celebs, the losers are treated badly. "Viewers like to see the losers suffer to see whether they can take it," she continued. "The camera will focus on a loser's face so audiences can closely inspect whether he or she is bearing up."

The "cultural continent" Cooper-Chen described as "Equatorial" includes areas as culturally dissimilar as Africa, the Middle East, India and Jamaica.

Here, gameshows tend to resemble quiz shows in which academic teams compete. Cooper said in these countries, the state-run broadcasters, schedule gameshows for educational purposes, and even countries with minimal production facilities produce gameshows.

In Latin America, by contrast, displays of intellect are not popular. Instead, gameshows tend to rely on surmounting physical obstacles — people have to run up an escalator backwards or catch eggs in a hat. The enormously popular 10-hour Brazilian show *Program Silvio Santos* interweaves variety acts with team games such as food fights and giant slingshot battles. The world's most watched gameshow, Cooper noted, is the Chilean production *Sabado Gigante*. Airing in 18 Latin American countries, it features another staple of the Latin American gameshow, the corpulent and charismatic male host.

Western (North America, Western Europe, Australia) gameshow hosts are decidedly less charismatic. They facilitate the games rather than assume center stage. Productions are also characterized by their quicker pace and are structured so that viewers can play along at home. Popular programs like *Jeopardy*, *The Price Is Right* and *Wheel Of Fortune* let viewers try to guess the answer before the contestants.

*Wheel Of Fortune*, said Cooper-Chen, is the biggest selling gameshow format, now broadcast in 25 countries. She attributes the show's success to its simplicity. "It's just slow enough," she said. "Almost anyone can get some of it." However, even *Wheel* doesn't translate everywhere.

Because its format relies on letters, the show can't work with Asian character-based languages.

Cooper-Chen said producers who distribute gameshow formats would have more success if they molded the format to the dominant features of each country's indigenous gameshows. She suggested producers consider how the game is played, looking in particular at the length, local scheduling patterns and the nature of the host.

Asked to design a hypothetical game she believed would work worldwide, Cooper said the game should be verbal but, unlike *Wheel Of Fortune*, not involve letters. She would model it loosely on the Japanese primetime travel game *Let's Go The World*, which includes segments shot on location. "Travel seems a good starting point," she said, "because almost everywhere people are interested in somewhere else."

by Barbara Bliss Osborn — LOS ANGELES

## CHINA

# BBC Opens Office As Door To China

**The new set-up will market BBC shows in the giant nation**

**B**BC Enterprises opened an office in Hong Kong in mid-February to supply programs and merchandising to Asian cable and satellite stations, and in particular, to concentrate on the rapidly expanding Chinese tv industry. "In Hong Kong, we will be on the doorstep of China," said John Neill, the new general manager of the Hong Kong office. "With a quarter of the world's population, there is a terrific amount of scope in China for brand name broadcasting."

The BBC has a long-standing reputation in China through its World Service radio broadcasts and World Service Television, the news and information channel carried by the Star TV satellite service. As such, the BBC brand name is recognized as trustworthy by Chinese stations.

Neill aims to repeat in China the BBC's experience elsewhere in Asia, where, in a market dominated by fast moving, advertisement-led programs, the distributor has serviced a demand for more highbrow programming. *Money Makers* and *Midas Touch* have both been successful in Malaysia, disproving the belief audiences in Asia prefer to watch unintellectually challenging programs and supporting the BBC's premise that, over time, quality will sell.

"We will be looking for this niche group in China as well," said Neill, "and although they may be a small percentage of the total market, in real terms, the numbers are huge." More impor-

## TOO REAL FOR SPAIN

The rumpus over the excesses of reality shows in Spain has finally led to the creation of a Special Commission of the Senate, headed by moral philosopher Victoria Camps. Throughout 1994, Camps will be calling on ministers, the directors of private and public television and teachers to give evidence to the commission. The main focus of its investigations will be the potential dangers for children, who are estimated to watch an average of four hours of television a day. "We are not dealing with prohibiting anything, rather putting limits on a medium which has recently been causing great social concern over its content," said Camps.



BBC has sold its natural history programs to China

tant, for potential advertising revenue, is the audience for such programming will be those people with higher disposable incomes.

Recent BBC sales to China, including a 38-program natural history package to Chinese state broadcaster CCTV, demonstrate the market for future BBC product. The adult education system in China, ranging from literacy classes to post-graduate education, is available at present to 875 million adults, and is serviced by two satellite-tv channels and approximately 1,000 tv stations.

China now has more than 500 cable tv systems. In the last four months of 1993, cable-tv began broadcasting as far afield as Inner Mongolia, Tibet, Tianjin and Dalian. Many of these smaller stations are focusing on economics and education and are key markets for the BBC.

While the prospects for the BBC are exceedingly promising, Neill remains realistic. "Instead of viewing the Chinese market as a whole," he concluded, "we will look at it as eight different countries. In order to make the business work, however, we have to be there forging relationships in a very hard working market."

by **Matthew Grenier** — LONDON

## JAPAN

# Council Backs Fibre For Stations

**Moving broadcasters onto the wires would free frequencies**

Japan's information superhighway is still a planner's dream. Held back by regulatory restrictions, high infrastructure costs and weak demand in the face of a lingering recession, multi-channel cable has so far only achieved a 3.5% penetration. But recent moves by government and businesses indicate Japan is now preparing for the media traffic of the 21st century.

In January, the Telecommunications Council, an advisory body to the Ministry of Posts and Telecommunications (MPT), proposed NHK and the five commercial networks change over from terrestrial transmission to a next-generation, fibre-optic system by the year 2010.

The object would be to create empty frequencies for use by mobile telephones, upgrade television broadcasting and lay the groundwork for new media businesses.

The MPT forecasts by 2010, new businesses using next-generation telecommunications networks will create a market worth ¥56 trillion (\$504 billion). The multimedia market as a whole will be worth ¥123 trillion (\$1.1 trillion), said the ministry.

Japanese broadcasters currently transmit programs from their key Tokyo stations to local broadcasters via NTT lines. The stations then beam them to viewers using 30 to 300 MHz frequencies. The MPT's council is proposing stations carry their signals via fibre-optic cables leased from network operators.

Separately, the MPT is pushing ahead with its next-generation network pilot project in the Kansai Culture and Science Research City in Kyoto. Set to start in August and run for a period of three years, the ¥5 billion (\$44.6 million) project will connect 300 homes and businesses to a fibre-optic tv and telecommunications network. Services will include tv, video telephones, tv conferences, home shopping and video-on-demand.

The ministry expects a total of 100 companies to participate in the project. Among the 45 telcos, broadcasters, electronics companies, trading houses and banks already signed on are NTT, Northern Telecom, NHK, Matsushita and Mitsui.

Next year, NTT will begin providing an experimental broadcasting and telecommunications service to another 100 households via fibre-optic cable. Services on offer will include video-on-demand and interactive games. Though NTT has not yet decided the site or duration of this experiment, the telco plans to spend ¥45 trillion (\$402 billion) to connect every household and business in Japan to fibre-optic networks by 2010. The company hopes this decade's multimedia experiments will give it the know-how needed to provide broadcasting and telecommunications services via the information superhighway.

Standing in the way of the NTT plan is a regulatory structure that separates the broadcasting and telecommunications sectors. The company is counting on regulators to change this structure by the time it begins providing full-scale multimedia services. Given recent MPT decisions to liberalize rules regarding the cable and satellite markets, the company's expectations are likely to be fulfilled.

Foreign companies are also starting to emerge on the Japanese superhighway, including U.S. giants TCI and Nynex.

by **Mark Schilling** — TOKYO

## ISLAND TV LIFE

Singapore International Television (SITV) will give southeast Asian viewers the chance to see an hour-long nightly slice of life in the island republic. Broadcasting from the Palapa B2P satellite, SITV will offer the Singapore Broadcasting Corporation's nightly news, as well as financial, variety and current affairs programs in Bahasa Malaysia, Mandarin and English. Independent production companies may also be asked to contribute programming. It is not clear if, and when, the SBC will expand the current output. Professor Chan Heng Lee of the Singapore International Foundation, which oversees SITV, said the project aims to provide a link for Singaporeans living overseas, as well as give Asian viewers a chance to understand the country's way of life.

## HONG KONG

## Star and Wharf Are Still At Loggerheads

**Cable is refusing to carry the satellite broadcaster's channels**

Star TV may have changed ownership, but the bad blood still flows between the pan-Asian satellite broadcaster and Cable TV, the cable system owned by Wharf Holdings.

Observers were surprised by Wharf's recent announcement it was going to court to determine if it is legally bound to take programming from the satellite-tv station. On the basis of a Hong Kong government directive signed in 1993, the operator of the colony's cable system has to adhere to a must-carry clause which stipulates it broadcast up to four of Star TV's subscription channels. The directive was designed as a compromise, allowing Star TV to run pay-tv channels without eroding the audience for cable.

Star TV and Wharf signed a memorandum of understanding to this effect shortly after Star was purchased last summer by Rupert Murdoch's News Corp. for \$525 million. The accord proved a contrast to the long-running animosity between Wharf Holdings and Star TV founder Li Ki-shing, chairman of Hutchison Whampoa.

However having cut deals with U.S. companies ESPN and CNN, Cable TV managing director

Stephen Ng soon began questioning Star TV's claim to be the exclusive provider of English-language programming in the region. The negotiations continued right up to Cable TV's launch on October 31 last year, but ended unresolved with Ng not only refusing to screen Star TV's four new subscription channels, but also three of its free-to-air channels.

As the number of program providers serving southeast Asia grows, it is clear Ng wants complete freedom to chose programming. "We are not suing Star TV. All we are asking the court to do at this time is to determine if there are any existing legal obligations," he said.

**by Owen Hughes —  
HONG KONG**



ESPN is supplying sports to Cable TV

## SPAIN



## Conde's Fall Puts Station On Market

**The crisis at Banesto means a stake in Antena 3 is up for grabs**

No obvious contenders are emerging as buyers for a stake in Spanish commercial-tv channel Antena 3, should the beleaguered Banco Español de Credito (Banesto) decide to divest of its majority stake. Following the fall of Banesto's youthful president Mario Conde, the ownership of Spain's leading private-tv channel is once again in doubt.

According to Eugenio Galdon, president of Multitel and former director of Spanish media conglomerate Prisa, investors from outside Spain are most likely to take a stake in Antena 3. He envisages a company such as RTL or Bertelsmann being brought in by Antonio Asensio, president of Grupo Zeta, Spain's second largest media company and an Antena 3 shareholder. Prisa, which already owns 25% of Canal Plus España, is the only Spanish group with the resources to acquire a stake in Antena 3, but given Spain's law on media ownership, such a move would "cause an absolute scandal," said Galdon.

A consortium comprised of Banesto, Rupert Murdoch and Asensio was believed to control a 72% stake in the commercial broadcaster, following a boardroom coup in 1992. However, in the aftermath of the bank's crisis — it was technically bankrupt — it emerged Banesto alone controlled 50% of the television station: 25% in direct shareholdings and a further 25% in shares mortgaged against a loan which has two years to run. Spanish law prevents a company from owning more than 25% of a tv station.

Sources in the new government-appointed crisis management team told Spanish daily newspapers the bank would be selling its media interests. Conde had political ambitions, and as his main motive for acquiring the broadcaster





The Power of Television. Times Two.

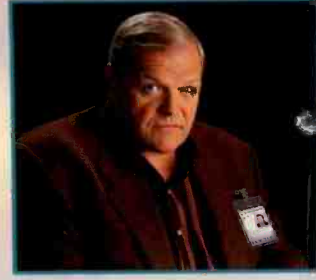
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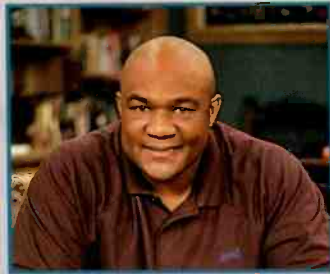
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# Television Programming.



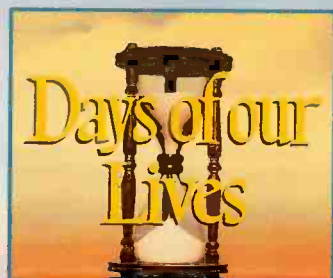
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*THE CRITIC*



*DADDY DEAREST*



*DAYS OF OUR LIVES*



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*MAD ABOUT YOU*



*MARRIED... WITH CHILDREN*



*RICKI LAKE*



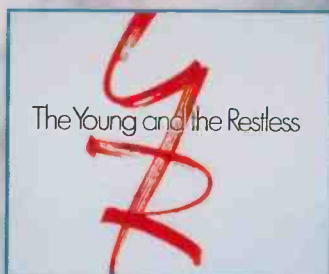
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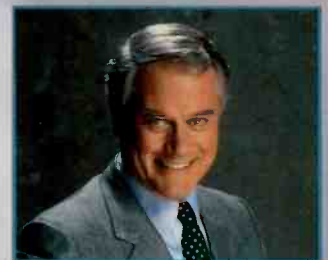
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appears to have been political as opposed to financial, Antena 3 is an obvious cut back for a bank with a shaky balance sheet.

"I think it was one of the causes of bad management at Banesto," said Galdon. "I hope this will make banks approach participation in media with more caution."

The market for selling is not good. Berlusconi is already reported to want to reduce his 25% stake in private broadcaster Tele 5. Another 10% is held by Jacques Hachuel, close friend of Conde, leading to speculation Tele 5 may also be linked to Banesto.

by Justin Webster — BARCELONA

## ASIA

## Breaking Down The Chinese Walls

**A new entertainment service is signing up stations and advertisers**

Where Star TV is failing, others are queuing up to take its place. China Entertainment Television Broadcast (CETV) announced plans at the Natpe convention for a 24-hour satellite-delivered, Mandarin-language service targeted at China. The new channel will launch January 1995, broadcasting via the Apstar 1 satellite.

The brainchild of Hong Kong businessman Robert Chua and run through his company, Robert Chua Productions, CETV has resources of \$100 million raised via venture capital funds in Hong Kong. Chua holds a 30% stake in the new channel, with most of the rest owned by what he described as "Chinese partners." Between 5% and 10% of the company has been earmarked for an as yet to be found other partner, probably from the West, who could bring to the channel "experience and influence."

Chua was attending Natpe to source programming for the new channel. He has been working in China since 1979, when he reached a media agreement with Guandong television. Since then, he has been involved with both program distribution and production and is probably best known in Asia for the hit *Enjoy Yourself Tonight*, a show he created for Hong Kong's TVB.

CETV has already secured agreements for terrestrial and cable distribution to about 35% of China, including all the major cities. Star TV's distribution has been hampered by a ban on satellite dishes in China that was introduced in October of last year, soon after Rupert Murdoch bought a controlling stake in the satellite broadcaster from the Li family. Chua said his approach differs from Star's: "We have created a lot of

goodwill through a sincere friendship with China."

CETV will acquire 50% of its programming from western distributors, another 30% in Asia (including China) and will produce 20% in house, including *Enjoy Yourself China*, a show based on Chua's original TVB hit. The schedule will be 100% light entertainment — what Chua describes as "total entertainment" — and will not include news programming.

The Chinese are very receptive to foreign programs, but Chua said there is a greater need to "create great programs for China." Whereas other channels targeting the region are run by business executives with television experience, Chua said he is "the only CEO with production experience in creating successful programs for Chinese markets."

The CETV business plan forecasts operating profit in the third year, with the channel's only revenues coming, at the start at least, from advertising. Chua plans to take advantage of the new compression technologies: "We will go to four channels when the technology becomes available," he said.

by Paul Nicholson — MIAMI

## NATPE NOTES

## Turner Calls The Toon

**The media mogul completes the entertainment puzzle in Asia**

Turner Broadcasting System filled in another piece of the global jigsaw when it announced the launch of an entertainment service for the Asia-Pacific region at Natpe. The 24-hour Cartoon Network/TNT format currently building audiences in Europe is scheduled to begin broadcasting an encrypted signal in July from the Apstar-1 satellite, migrating to Apstar-2 in 1995. Initially broadcasting in English, some dayparts will be subtitled and dubbed into Mandarin and Thai, with other language segments to be added in the future. The Cartoon Network will air 14 hours per day followed by TNT for 10 hours. Like its sister Latin American and European networks, the Asian version will be predominantly programmed from Ted Turner's Hanna-Barbera and MGM libraries.

Separately, Telemundo Group and Reuters Television told a news conference they've agreed in principle to launch a 24-hour Spanish language news channel. Called TeleNoticias, the channel will be transmitted via cable and satellite to 19 Latin American countries as well as the U.S. and Spain. Programming will consist of news, sports, business and weather in rotating half-hour blocks. [E]

## KOREANS SET FOR CABLE TV

South Korea has named 50 local companies as the sole operators of cable-tv networks, completing the basic framework for the initiation of cable services in 1995. The operators have been awarded monopoly rights to over 20 channels allocated for cable broadcasting in their designated areas. They will be the first group to start commercial broadcasts. The operators are mostly newly-established small companies, but some of the major shareholders include big construction firm Shindongah General Construction and retailer Midopa Department Store. The government has already selected 20 local providers of programs, including big names from the South Korean corporate world like Samsung and Hyundai. Foreigners are allowed to own up to 15% of non-news program providers, but are banned from taking a stake in news providers.

# How Do You Define Safe Sex?

In its years of adolescence, private television in Europe successfully applied the internationally tested rule that sex on the screen is a dependable audience winner in the uphill fight against the established monopolies. Public versus private television seemed a sure bet, red light a remedy for red ink.

The stiff battle for market share is still going on, but the private parts of the industry have reached maturity and in many cases won the upper hand.

To the extent that television is no longer something special, residing in a lofty sphere of culture and glamour, but a coolly accepted figure of everyday life, sex on the screen, too, has been reduced to dimensions of normalcy.

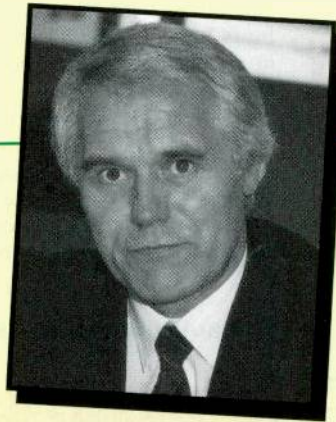
In Germany, for example, RTL and Sat1 have been reducing their levels of sex programming. Not for reasons of prudery but out of prudence. The former taboo breakers have been breaking in with their late-night ratings. But change has been brought for the simple reason that what passed as sex on the screen, lowest-budget product mostly from France and the U.S., proved as boring as could be expected.

The audiences, won with the then novelty of peep-show tv, have been reduced to the small customer potential of sex magazines, sex shops and adult video rentals. And the channels cannot even be sure to keep these viewers.

Hard core on free tv will remain legally out. Pay channels like Red Hot Television, TV1000 and FilmNet have begun to fill the gap, following Canal Plus which has been transmitting hard core from the beginning.

The business of pirate decoder cards in Europe, including hacker chips made in the U.S., testifies to the existence of an as yet unsaturated market. The future entry conditions of digital television will bring more ventures in kind. In a few years, the electronic kiosk will offer probably the same share of sex product as the print market does now.

This perspective, of course, does not only stimulate the imagination of aficionados. The idea of down-to-business tv sex in millions of European homes has captured the phantasies of moral lobbies in most countries as well.



BY WILFRIED AHRENS

Their problem, viewed on a European scale, is the question: what is pornography? German penal law for one, is clear enough. Its pornography article prohibits showing the sexual act in detail, close-ups of the vagina and the erected penis. Standards vary from country to country. In France, the Netherlands and Scandinavia, things are looked upon rather liberally. In other countries, sex, one of the most obvious facts of life, is principally considered evil when presented on the screen. The tiniest hairy detail can arouse the righteous.

In Germany the pertinent discussion grew hotter the more the reception of dull software cooled off. While RTL and the like have been reducing this kind of program for ratings reasons, a large group of Bundestag parliamentarians has been promoting a bill against violence on television which expressly includes

pornography in its catalogue of tv wrongdoings, to be fined DM500,000 (\$300,000) for each transgression.

Against this background, commercial tv lobby VPRT has volunteered to install a self-regulating moral youth protection institution. Its manager, Joachim von Gottberg, a former high school teacher and member of film censoring FSK, tries to find a compromise between the channel's wants and puritan restrictions.

"To me it is irrelevant how many genitals are shown," he said. "The question is, in which way the film depicts mankind. If, for example, young girls are presented as ever-ready stupids, anytime prepared for oral or anal sex, such films can seriously disorientate people."

Like the debate on violence on tv, public discussion has been characterised by hypocrisy and populism. Ingrained enemies of the successful private tv networks, including the beleaguered public networks, use the sex-on-tv debate as a welcome opportunity to vent their frustration. Back benchers, shamelessly eager to get their names into print, decry the loss of the sense of shame, which according to Freud is the "first sign of mental debility."

The discussion appears to be the more absurd as the liberal zeitgeist has left little of the moral code of former times. European youth has grown up with libertarian literature. The anti-authoritarian generation of the 1960s has raised its children without sexual taboos. Respectable hotels have long been offering softporn pay-tv. Four letter word language has been nothing uncommon even in the holy realms of public tv productions.

The discussion about sex on tv therefore has less to do with the problems of sex than with problems some people have with television as such.

The notion television is not a carrier of entertainment, information, culture — and pornography — in the same right as are books and newspapers cannot be uprooted from some heads. **IB**

**The discussion of sex on tv has less to do with the problems of sex than with the problems some people have with television**

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# The Big Get Bigger

**Ten percent growth boosted the world's 100 largest tv companies, reports Nick Bell. Time Warner is still lodged at number one in the TBI 100. But how much longer now the telcos are in the race?**

**D**ouble digit growth is not a thing of the past. The one hundred companies that made it into the TBI 100 this year posted a 10% rate of growth in television revenues, compared to 6% the previous year.

The three fastest climbers came from different parts of the industry. U.S. producer and distributor Spelling Entertainment (No. 79) more than doubled sales. Spanish commercial channel Antena 3,

still riding the wave of deregulation in its second year of operation, surfed into the ranking at number 84 with sales up 75%. Satellite tv company British Sky Broadcasting (No. 45) overtook all but one of the ITV channels on the back of a 63% increase in revenues. BSkyB is set to become the dominant player in the UK market within a few years.

Time Warner holds the number one spot again, the second year running that

# The 1994 TBI 100

1994 Rank	Company	1993 Rank	Country	TV Revenues (millions)	Change	TV Revenues As Percent Of Total Revenues
1	Time Warner	1	USA	\$5,500	18%	42%
2	NHK	3	Japan	\$4,075	8%	92%
3	Capital Cities/ABC	2	USA	\$4,025	-1%	76%
4	TCI	4	USA	\$3,574	11%	100%
5	GE/NBC	5	USA	\$3,363	8%	6%
6	CBS	6	USA	\$3,260	16%	93%
7	ARD	7	Germany	\$3,100	35%	60%
8	Fininvest Group	10	Italy	\$2,611	n/a	38%
9	RAI	9	Italy	\$2,416	11%	87%
10	BBC	8	UK	\$2,397	7%	100%
11	Fuji Television	11	Japan	\$2,163	4%	100%
12	Viacom	14	USA	\$1,783	7%	96%
13	News Corp.	18	Australia	\$1,690	24%	23%
14	Turner Broadcasting	16=	USA	\$1,650	18%	94%
15	Tokyo Bcstg. System	12	Japan	\$1,632	-10%	100%
16	Nippon TV	13	Japan	\$1,600	-5%	100%
17	CLT	22	Luxembourg	\$1,494	32%	78%
18	ZDF	16=	Germany	\$1,398	0%	100%
19	Canal Plus	19	France	\$1,355	13%	95%
20	Asahi National Bcstg.	15	Japan	\$1,328	-7%	100%
21	Paramount	20	USA	\$1,240	6%	29%
22	Deut. Bund. Telekom	25	Germany	\$1,200	16%	4%
23	TF1	22	France	\$1,197	8%	91%
24	Continental Cable	23	USA	\$1,113	7%	100%
25	QVC	27	USA	\$1,071	16%	100%
26	Home Shopping Network	26	USA	\$1,053	2%	96%
27	Cox Enterprises	28	USA	\$1,000	9%	n/a
28	Sat 1	33	Germany	\$991	31%	100%
29	Grupo Televisa	31	Mexico	\$973	18%	71%
30	Matsushita	29	Japan	\$970	14%	2%
31=	Rede Globo	30	Brazil	\$900	n/a	n/a
31=	Sony	35	Japan	\$900	20%	3%
33	RTVE	23	Spain	\$880	-15%	90%
34	Walt Disney	32	USA	\$850	6%	11%
35	France 3	37	France	\$786	13%	100%
36	France 2	41	France	\$761	25%	100%
37	Comcast	38	USA	\$728	13%	81%
38	CBC	36	Canada	\$725	-5%	72%
39	Tribune Co.	39	USA	\$684	11%	32%
40	Kirch Group	45	Germany	\$680	n/a	n/a
41	Westinghouse	40	USA	\$630	3%	7%
42	ORF	44	Austria	\$614	5%	100%
43	TV Tokyo	42	Japan	\$595	0%	100%
44	Thames TV	43	UK	\$592	1%	100%
45	BSkyB	61	UK	\$576	63%	100%
46	Cablevision Systems	46	USA	\$572	5%	100%
47	Times Mirror	47	USA	\$547	10%	15%
48	Bertelsmann	51	Germany	\$519	27%	5%
49	Central	49	UK	\$505	8%	100%
50	King World	48	USA	\$503	6%	100%

1994 Rank	Company	1993 Rank	Country	TV Revenues (millions)	Change	TV Revenues As Percent Of Total Revenues
51	Munhwa Bcstg. Corp.	50	S. Korea	\$456	9%	75%
52	Multimedia	54	USA	\$444	12%	77%
53	Cablevision Industries	52	USA	\$442	9%	100%
54	Rogers Cable	55=	Canada	\$437	11%	48%
55	LWT	55=	UK	\$429	9%	100%
56	KBS TV	57=	S. Korea	\$409	7%	61%
57	Channel 4	53	UK	\$395	-1%	100%
58	Gaylord Entertainment	60	USA	\$392	9%	61%
59	Granada	57=	UK	\$391	2%	19%
60	Nine Network	59	Australia	\$387	5%	100%
61	Scripps Howard	63	USA	\$378	12%	97%
62	Maclean Hunter	66	Canada	\$372	9%	23%
63	Seven Network	62	Australia	\$370	n/a	100%
64	YLE	64	Finland	\$364	8%	100%
65	Videotron	68	Canada	\$357	11%	82%
66	NOS	65	Netherlands	\$355	0%	77%
67	Washington Post	67	USA	\$336	4%	23%
68	TVS	69	UK	\$334	4%	100%
69	Yorkshire-Tyne Tees	70	UK	\$318	10%	100%
70	SVT	72=	Sweden	\$317	16%	100%
71	BHC Communications	74	USA	\$308	17%	100%
72	Gannett Co.	71	USA	\$304	6%	9%
73	Doordarshan	72=	India	\$300	10%	100%
74	RTP	79	Portugal	\$287	19%	100%
75	Century	75	USA	\$281	9%	93%
76	Adelphia	77	USA	\$277	10%	100%
77	WIC	80	Canada	\$272	16%	n/a
78	Tele 5	82	Spain	\$271	26%	100%
79	Spelling	NEW	USA	\$259	110%	100%
80	ABC	76	Australia	\$254	0%	55%
81=	Danmarks Radio	78	Denmark	\$246	1%	72%
81=	NRK	84	Norway	\$245	22%	72%
83	Kinnevik	85	Sweden	\$245	28%	21%
84	Antena 3	NEW	Spain	\$243	75%	100%
85	TV de Catalunya	83	Spain	\$227	9%	81%
86	TVB	86	Hong Kong	\$215	13%	52%
87	Anglia	81	UK	\$209	-9%	100%
88	Network Ten	87	Australia	\$206	n/a	100%
89	FilmNet	88	Sweden	\$205	12%	100%
90	AH Belo	90	USA	\$201	11%	39%
91	Canwest Global System	87=	Canada	\$197	5%	100%
92	Univision	91	USA	\$190	6%	95%
93	SABC	92	S. Africa	\$184	12%	73%
94	BRTN	93=	Belgium	\$180	12%	73%
95	Baton Bcstg.	97	Canada	\$179	12%	100%
96=	TVNZ	93=	New Zealand	\$176	9%	100%
96=	RTBF	95=	Belgium	\$176	10%	70%
98	HTV	87=	UK	\$176	-6%	88%
99	Scottish	98	UK	\$173	10%	93%
100	Media General	95=	USA	\$170	6%	24%

### Top 20 Private Broadcasters And Programmers\*

Rank	Broadcaster	TV Revenues (millions)	Activities
1	Capital Cities/ABC	\$4,025	ABC network, stations & ESPN cable
2	GE/NBC	\$3,363	network & stations
3	Time Warner	\$3,409	studio, HBO & Cinemax
4	CBS	\$3,260	network & stations
5	Fininvest	\$2,611	three networks & programming
6	Fuji Television	\$2,163	network
7	News Corp.	\$1,690	Fox network, stations & studio
8	Turner Broadcasting	\$1,650	Cable networks, production & distribution
9	Tokyo Bcstg. System	\$1,632	network
10	Nippon TV	\$1,600	network
11	CLT	\$1,494	RTL & other European Channels
12	Viacom	\$1,420	cable networks & production
13	Canal Plus	\$1,355	French pay-tv channel
14	Asahi National Bcstg.	\$1,328	network
15	Paramount	\$1,240	broadcasting & studio
16	TF1	\$1,197	French commercial channel
17	QVC	\$1,071	home shopping channel
18	Home Shopping Network	\$1,053	home shopping channel
19	Sat1	\$973	second largest private German channel
20	Grupo Televisa	\$973	Mexican networks

\* excludes revenues from cable systems

the U.S. conglomerate has headed TBI's list of the top 100 companies as measured by television revenues *only*. Time Warner consolidated its lead with growth in tv revenues of 18%, against second-place NHK's 8% growth. The world's most complete media company, with a major presence in publishing, music, film and tv production, programming and cable, Time Warner looks immovable from the top position. Its enormous debt is being gradually brought under control – the company made profits of \$86 million after losses of \$99 million in 1991 because of interest payments – and the chance of a break-up to pair down borrowing has been markedly reduced.

Last year, Time Warner found a strategic partner to take a stake in its Time Warner Entertainment subsidiary – comprised of Warner Bros., HBO and Time Warner Cable – alongside Japanese investors Toshiba and Itochu, who each already had stakes of 6.25%. US West paid \$2.5 billion for a 12.5% stake to become the first of the U.S. regional telephone companies to ally itself with a cable operator or program provider. The two companies intend to travel together down the information superhighway: US West has cash and expertise in telephone networks; Time Warner has everything else. The only thing that could possibly knock Time Warner from the top of the TBI 100 over the next few years would be a full-blown merger like that of Bell Atlantic-Tele-Communications Inc., and that would still depend on the companies' actual revenues in the television sector.

Europe is again the hottest area on the list, adding two percentage points to its share of TBI 100 global revenues. At \$30 billion, compared to \$26 billion in 1991, the continent accounts for 34% of TBI 100 sales, versus 41% for the U.S.

The opportunities for broadcasting unleashed by satellite and cable, especially in opening up pay-tv, are driving Europe's ascent, although the effects of deregulation are still apparent. Next year will see the entry onto the list of Luxembourg-based Société Européenne des Satellites (SES), operator of the Astra satellite system, which beams channels into 47 million homes in 22 countries. SES just missed out this year with revenues of \$165 million. The pay-tv service Canal Plus España, even closer, rocketed ahead 137% to \$169 million.

The on-going structural change in

### Top 25 Public Broadcasters

Rank	Broadcasters	Revenues (millions)	License Fee/ Govt. Support (millions)	% Support
1	NHK	\$4,075	\$4,171	97%
2	ARD	\$3,100	\$2,790	90%
3	Rai	\$2,416	\$1,450	60%
4	BBC	\$2,397	\$2,397	100%
5	ZDF	\$1,398	\$797	57%
6	RTVE	\$880	\$792	90%
7	France 3	\$786	\$556	71%
8	France 2	\$761	\$541	71%
9	CBC	\$625	\$515	71%
10	Orf	\$614	\$252	41%
11	Munhwa Bcstg. Co.	\$456	\$0	0%
12	KBS TV	\$409	\$185	45%
13	YLE	\$364	\$364	100%
14	NOS	\$355	\$256	72%
15	SVT	\$317	\$317	100%
16	TV de Catalunya	\$227	\$37	16%
17	Doordarshan	\$300	\$150	50%
18	RTP	\$287	\$43	15%
19	ABC	\$254	\$193	76%
20	Danmarks Radio	\$246	\$216	88%
21	NRK	\$245	\$245	100%
22	SABC	\$184	\$53	29%
23	TVNZ	\$176	\$14	8%
24	BRTN	\$180	\$136	75%
25	RTBF	\$176	\$128	73%

Total

\$16,598

Continued on page 28

# BEHIND CLOSED DOORS

TO SERVE THE QUEEN, TO KILL THE FLOWER,  
TO PULL THE STRINGS, WITHIN THEIR POWER.



## *THE HOUSE OF WINDSOR*

(6 x 25 mins)

A satirical sitcom revealing life at Buckingham Palace and featuring the latest royal news stories.



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# Winners, Losers And Left Out

## The Newcomers

### Spelling and Antena 3 crash the party



Spelling Entertainment (No. 79), the L.A.-based producer of *Beverly Hills, 90201* and *Melrose Place*, has had a busy three years. Since 1989, it has

invested more than \$150 million in acquiring new programming, including the purchase of the domestic tv rights to 150 films in Carolco's library (the *Rambo* trilogy and *Terminator 2: Judgment Day*).

The company now has the rights to over 4,000 hours of programming available for the U.S. market and more than 12,000 hours for the international market. International distribution is handled by Worldvision Enterprises, the former distribution arm of ABC, which was acquired by Spelling in 1989.

Spelling's presence in the market place was further boosted at the beginning of last year when Blockbuster Entertainment, the largest video chain in the world with over 3,000 stores, acquired a majority shareholding. Blockbuster also controls Republic Pictures, and in a surprise move announced a merger with Viacom (No. 12) at the beginning of this year. If Paramount (No. 21) also becomes a part of the group, the three companies would rank seventh in the TBI 100.

Making its debut at number 84, Antena 3 is following in the footsteps of Tele 5 (No. 78), a fellow Spanish commercial tv channel that made the list last year. Both stations were born out of Spanish deregulation and are now locked in a battle for ratings, with Antena 3 recently taking the lead with an audience share of 24%.

In 1988, the Spanish government enacted a law that led to the establishment of three private national networks. The licenses were awarded to

Antena 3, Canal Plus España and Tele 5.

The law stipulated a maximum shareholding of 25% for any single investor. Count Godo, a Spanish newspaper proprietor, was the leading shareholder in Antena 3, but was ousted in June 1992 in a boardroom coup. Another press baron, Antonio Ansenio, led a coalition that took control. With allegations that Zeta, run by Ansenio, and the bank Banesto together control 72%, there could be changes in Antena 3's ownership, particularly now that Mario Conde has been forced out at troubled Banesto.

Antena 3's rating success has been due to the current owners abandoning the channel's up-market ambitions – extensive news and current affairs coverage – and adopting an entertainment-led schedule.

## The Also-rans

### Canal Plus España and SES nearly made the grade



Canal Plus España, launched in September 1990, became profitable last year and narrowly missed out on the TBI 100 with revenues of \$169 million. Broadcasting a terrestrial signal under a ten-year license from the Spanish government, the channel's leading investors are Canal Plus (No. 19) in France and the Spanish media group Prisa, each with 25% shareholdings, the maximum allowed. Subscribers numbered 559,000 at the end of 1992, up from 278,000 a year before, and a place in next year's TBI 100 is assured as the channel approaches the 800,000 level.

The German pay-tv channel Premiere, which is also a Canal Plus venture, together with Bertelsmann (No. 48) and the Kirch Group (No. 40), is likely to follow a year later. It achieved 554,000 subscribers and revenues just

under \$100 million. Its subscribers now number 750,000.

Société Européenne des Satellites (SES), with revenues of \$165 million, also just missed out. Last year, it launched its third satellite, and with all the transponders taken up, revenues should register growth of about 30% to catapult it into the rankings – the first satellite company to make the grade.

The first independent European tv producers could also make an appearance in next year's TBI 100. At the end of last year, the Dutch production companies John de Mol and Joop van den Ende announced they were merging into a company with projected revenues of \$250 million. Over half of Endemol's business will be generated internationally, primarily in Germany, thanks to the growth of channels like RTL.

## The Losers

### Bankruptcy and loss of license push some out

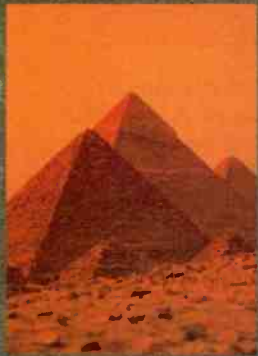


La Cinq, the French commercial channel that had ambitions to snatch the mantle of market leader from TF1 (No. 23), filed for bankruptcy and is now consigned to the history books. Pinelands, the bottom-ranked company last year, was acquired by 90th placed A.H. Belo.

Across the channel in the UK, two ITV companies, Thames and TVS, are making their final appearances in the TBI 100. Both lost their regional broadcasting franchises when they were auctioned in 1991. Thames, which has valuable programming assets and stakes in two satellite channels, was absorbed by Pearson, a UK media conglomerate with a minority shareholding in BSkyB. TVS was acquired by U.S. cable programmer IFE, which was keen to get its hands on MTM, the TVS subsidiary famed for *Hill Street Blues*.

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Europe is highlighted by the continuing retreat of the public broadcasters. At one time they completely controlled the airwaves over Europe, and although ARD, Rai and BBC all make the top ten of the TBI 100, their overall importance is diminishing. In fact, with spectrum scarcity becoming a thing of the past, their very *raison d'être* – to protect against an unaccountable private company having an economic and opinion-forming monopoly – is being questioned. The market-distorting support the public broadcasters receive from governments, be it in the form of license fees or grants, is a diminishing proportion of European tv revenues: in 1991 it was 40%, while in this survey it is down to 36%.

In marked contrast, the U.S. has no significant public finance flowing into television, whereas subscription revenue from cable operators and programmers amounts to 42% of its \$37 billion TBI 100 industry revenues – a marginal increase on last year's 41%. Unlike last year, when the advertising-supported channels had a torrid time in the recession, this year's figures show healthy growth across all sectors of the industry, with Capital Cities/ABC (No. 3) the only company to register a drop.

The six Japanese networks account for a 13% share of revenues – the same as last year – but if the two U.S. studio-owning electronics companies are included, the share increases to 15%. The Japanese have by far the largest concentration of ownership, with their TBI 100 entrants averaging \$1.7 billion in size, compared to \$1.2 billion for the U.S., \$750 million for Europe, and \$425 million for the rest of the world.

News Corp. (No. 13) is the biggest TBI 100 company from outside Japan, the U.S. and Europe, though its television interests lie primarily in the U.S. Grupo Televisa (No. 29), which was floated on the U.S. stock market two years ago, follows with revenues nudging \$1 billion. Privately-held Brazilian company Rede Globo (No. 31) is next largest, followed by the Canadian public broadcaster CBC (No. 38).

Outside Japan, Asia's small representation is disappointing, with the two South Korean broadcasters, Munhwa (No. 51) and KBC (No. 56), the largest. However, Star TV, the pan-Asian satellite service broadcast from Hong Kong, has been the catalyst for massive interest by Western media companies in this huge market. News Corp. swooped in to buy a controlling interest in Star right from

Aggregate TBI 100 Figures	
Total revenues	\$89.4 billion
Annual growth	10%
1994 entry threshold	\$169 million
1993 entry threshold	\$166 million
Geographical Breakdown	
USA	41%
Europe	34%
Japan	15%
Rest of the world	9%

under the nose of UK conglomerate Pearson, and the likes of HBO, ESPN and CNN are all targeting the region.

Meanwhile, a strategic goal for the U.S. regional phone companies is to muscle their way into the tv business, and so, onto the TBI 100. Bell Atlantic is set to make an appearance in the top three after its announced merger with TCI; Southwestern Bell is tying up with Cox Enterprises' (No. 27) cable subsidiary, and US West now owns 12.5% of Time Warner Entertainment. **TBI**

## TBI 100 Methodology: Putting Two And Two Together

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 the ownership of television assets and not the size of individual networks and program distributors. However, basing the 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 the German channel RTL are split between the two companies according to the proportions each company owns of the channel. News Corp., on the other hand, does not consolidate the revenues of British Sky Broadcasting, even though it has a 50% stake.

The information used in compiling the TBI 100 has mainly come from the companies themselves and their annual reports (which means most of the data is from 1992, although, where possible, we have included 1993 figures for companies that have reported full-year figures during the year). Data was also collected by industry professionals (special thanks to SRG in Hong Kong for help with

Asia) and TBI journalists around the world.

Given the enormous scope of the survey and the difficulty in obtaining data from some territories, mistakes will have been made, so the rankings should only be used as a general guide. Some companies that should be on the list may not be, due to lack of sufficient information at the time of going to press. We are particularly concerned about Taiwan and Venezuela (privately-held Venevision, which owns networks in Latin America, probably would have made it into the ranking).

We have had to rely extensively on informed estimates because very few companies provide a sufficient breakdown of their reported revenues. For example, the big three U.S. networks, and companies like Westinghouse, lump radio and television together as broadcasting revenues, while the Hollywood film studios do not report separately on the sales of their motion pictures to theaters, video and television. In these cases, we have used industry yardsticks to obtain a breakdown.

For public broadcasters that receive support from license fees and grants to operate both radio and tv 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.



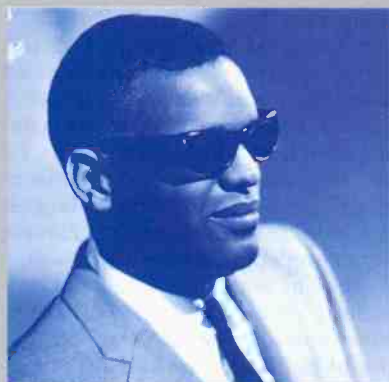
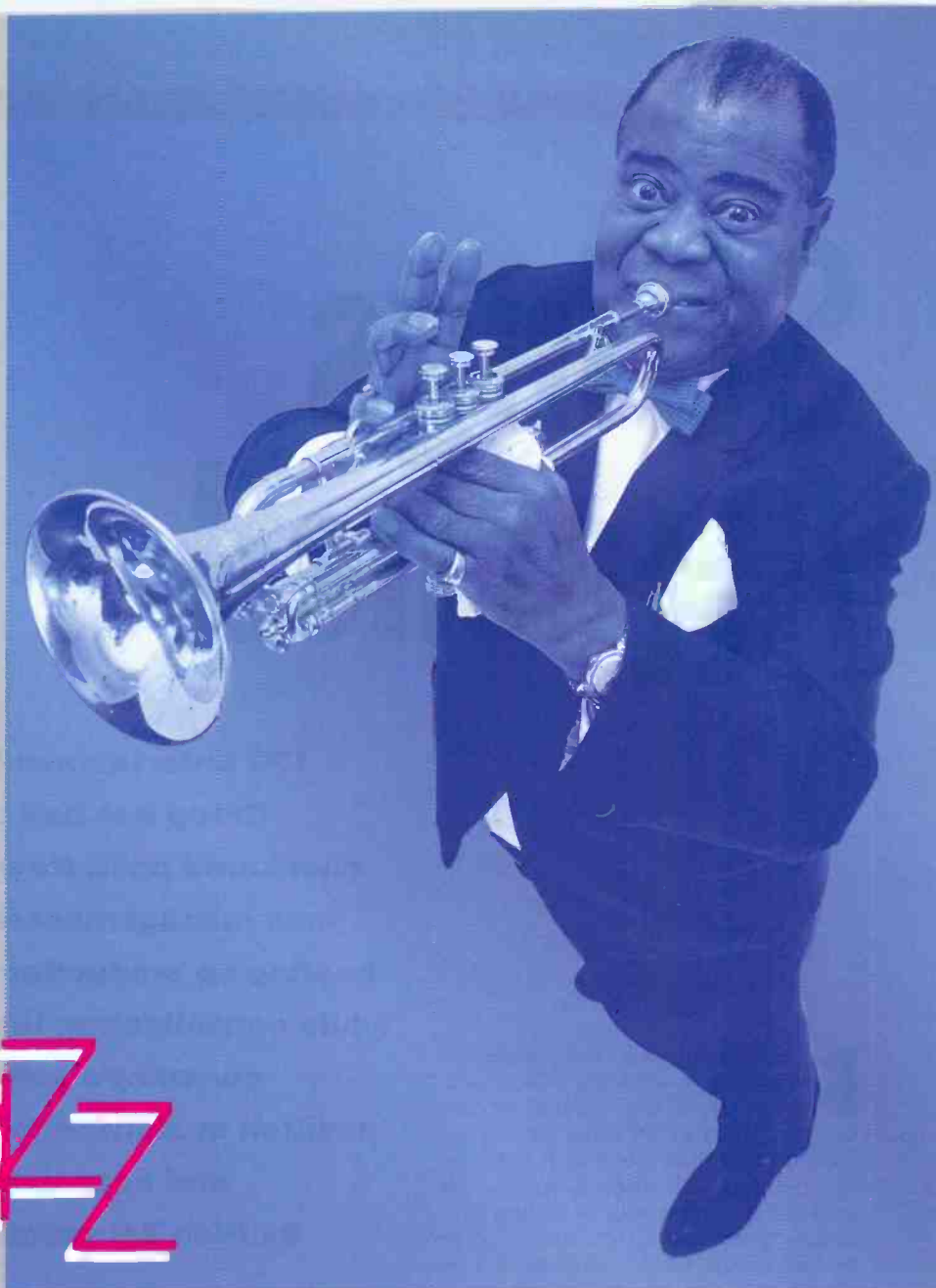
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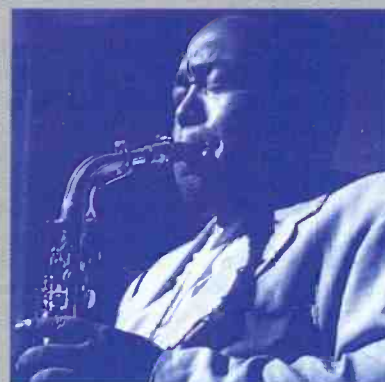
# MASTERS OF JAZZ



Ray Charles



Sarah Vaughan



Charlie Parker

  
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# Strings Attached

**ITC Entertainment Group has had a checkered past. Now, new management is beefing up production, while consolidating the company's solid position in distribution and licensing.**

**By Rich Zahradnik**

British tv impresario Lew Grade had no inkling in 1958 that a little venture he started with the Jack Wrather Organization in America would get kicked around as much as it has. The Independent Television Corp. was set up for the simple task of selling programs overseas. Later, after Grade bought up the whole company, it continued with a basic mandate: get shows on the air on both sides of the Atlantic. That it did, winning British and American timeslots for such classics as *The Saint*, *Secret Agent* and *The Prisoner*.

Now, 35 years after its founding, ITC Entertainment Group is a classic good news-bad news story. The good news is it has the programming – 10,000 hours of it – that will be the life-blood of the digital fiber and co-axial arteries of the future. The bad news is the company has been restructured so many times in the past decade that some still think the company is in trouble – a perception that could choke off the oxygen of ideas and deals ITC needs to expand.

Jules Haimovitz, the experienced tv executive brought in as president and CEO last year, agreed ITC “has never lost the onus of a troubled company since 1981.” The reputation dates from the reign of Australian Robert Holmes à Court, who purchased the company from Grade in 1982. “Obviously when

Holmes à Court bought the company and started divesting a great deal of the assets,” Haimovitz said, “the assumption was it was troubled, ailing.”

Developments over the next ten years didn't help. Holmes à Court got caught in the 1987 crash and sold the company off to fellow Australian Alan Bond, who continued selling off chunks – and not for the best prices. Michael Jackson bought ATV Music for \$35 million – a steal, said Haimovitz, when compared with the prices such assets have commanded recently. A year after Bond got hold of ITC, Montagu Private Equity bought out the company for \$125 million, leaving executives Jerry Leider and Chris Gorog in charge. Management was brought under one roof in L.A., and New York and London were downgraded to regional offices. Leider soon departed, then Gorog was replaced last year as president-CEO by Haimovitz, who had been president and chief oper-



ating officer of Spelling Entertainment.

The dizzying changes at ITC left everybody confused. But Haimovitz said he is now in a position to “re-establish it as a vital company within the entertainment community.” In that campaign, he has the backing of Hong Kong & Shanghai Bank, one of the world's largest banks, which owns Montagu Private Equity through the UK's Midland Bank.

A company with 10,000 hours of programming, including gems like *The Thunderbirds* and *The Saint*, already has the building blocks for a major comeback. The new management team's job was to see what it had and where to go with it. Explained Haimovitz, “We found we had a very large library of product – British and European in nature – that had been under-exploited, and an organizational structure that wasn't really



The Thunderbirds: A classic hit and licensing bonanza

focused on exploiting that library, but was really focused on producing low-budget genre films."

The new CEO put a three-pronged strategy in place: Programming distribution was re-focused and improved, the highly lucrative licensing business given its own corporate focus and production in tv and film expanded to projects that will enhance the library.

Focusing distribution was an important goal for a company that brings in two-thirds of its revenues and profits from overseas. Haimovitz began a comprehensive inventory to find out what those 10,000 hours were, and where they had been sold. This gave members of the sales force, headed up by international tv senior executive vice president James Marrinan, data on what was available and assisted them in setting bud-

gets. Haimovitz said he also moved to get the sales team involved in the selection of new product.

"Since his (Haimovitz's) arrival at ITC the pace has increased two-fold," said Marrinan. "We are back to where the company was when I joined, with U.S. network movies, miniseries and series. Competition in distribution between independents is so strong that we needed an edge with producers. Money was not enough by itself to get producers. Jules has a track record of working with leading producers and since he arrived (at ITC) he stepped forward and made commitments with producers."

It was in U.S. domestic syndication that Haimovitz found ITC had its biggest problem. "People were allowed to cherry-pick windows," he said. The domestic operation is now being pushed to boost

sales to cable networks, as well as cash sales to broadcasters, in an overall effort to exploit ITC rights in the U.S. In 1993, ITC added a domestic home video division under Vallery Kountze, executive vice president and general manager. Fox handles physical distribution and the first titles went out in May.

Licensing is a huge business. Anyone who has had a hit kid's show with toy tie-ins will know that. No company knows it better than ITC, following rebroadcasts of the 1960s Gerry Anderson series *Thunderbirds* on BBC2. Nostalgic parents watched along with their kids, who went nuts for all five Thunderbird ships and anything else to do with the series. Retail sales of *Thunderbirds* merchandise topped \$350 million in the UK, with licensees scoring in virtually every consumer product category. BBC2 later added the Anderson series *Stingray* and *Captain Scarlet and the Mysterons* to the schedule.

ITC only gets a cut of that \$350 million, of course, but with some observers predicting the company's licensing revenues now exceeds its international tv sales, it's no small change. No wonder Haimovitz moved in mid-January to create ITC Licensing, a division to handle worldwide merchandising representation for all the company's programming, with Stella Green, an ITC legal and business affairs executive, at the helm as vice president, worldwide licensing. Under Green, ITC Licensing will work in the areas of toys and games, publishing, audio and video, children's apparel, gifts and stationary, school supplies and domestic goods. The division will also handle licensing of ITC tv and movie clips and music publishing rights.

"The establishment of ITC Licensing reflects our commitment to furthering the company's assets in all areas in the most effective and efficient manner possible," said Haimovitz. "The future will add more high-profile film and television properties to our extensive inventory of classic entertainment, creating a virtually unlimited range of licensing opportunities worldwide."

ITC Licensing's first big deal was an agreement with Tyco, making that company worldwide master toy licensee for *Thunderbirds*, *Stingray*, *Captain Scarlet* and *Joe 90*. The deal comes as ITC, following on *Thunderbirds*' success in the UK and other countries, is about to relaunch the series in the mother of all toy markets, the United States. Tyco unveiled its line for the U.S. at the Toy Fair in February.

Noted Green, "Tyco is a global toy

industry leader and *Thunderbirds* is a major licensing property and we look forward to a successful partnership... (A global deal) works best because Tyco is one of a very small number of companies that can truly work worldwide in the toy business, and they've been an excellent partner so far in the territories we've worked with them. Being able to work with them on a worldwide basis gives them a great deal of flexibility to move stock around to take advantage of broadcast opportunities."

What goes best with a re-focused distribution operation and new licensing division? New programming. And Haimovitz intends to create big-ticket film and tv product because that's the only way to build up the value of the library.

Topping the list (though still in early development), and likely to make the merchandising community salivate even further, is a live-action feature based on *Thunderbirds*. Director Renny Harlin, the action director who helmed *Cliffhanger*, has expressed interest. ITC owns the rights and a script for a prequel to *Prizzi's Honor* called *Prizzi's Family*, and among other titles in the library, is also looking at theatrical remakes of *The Prisoner* and *Secret Agent (Danger Man)*. Other ITC titles could be turned into features, as could the 400 to 500 unproduced scripts sitting on its shelves. The company even owns a Tom Stoppard play.

"All this development is being built on product and rights we currently own," said Haimovitz. "That's where our principal development thrust will be, so really we won't look to acquire books and things to establish a development infrastructure here."

ITC also has a couple of films from the last regime to release, including *Fear of the Black Hat*, a satirical look at rap music à la *This Is Spinal Tap's* treatment of heavy metal.

Development of new projects is the responsibility of Michael Birnbaum, ITC Entertainment senior vice president and an executive Haimovitz brought into the company from Spelling. In addition to feature film development, production and acquisition, Birnbaum also handles strategic management of the company's operations in tv, film and home video



Second Chances: A sale to CBS

production and distribution.

ITC's first step in gearing up for tv production was to set up Gerber/ITC Productions with well-known tv producer David Gerber (*Policy Story*, *That's My Mama*, *Thirtysomething*, *Inherit The Wind*, among others). And the first project out of that venture is *Royce*, a spy-thriller starring James Belushi and made for Showtime and ABC. ITC also controls worldwide rights to *Second Chances*, a romantic mystery series from Latham/Lechowick Productions that debuted on CBS as a two-hour movie and is now running as a one-hour series on Thursday nights. At Natpe this year, the company brought several movie packages its weekly sports highlights show *The George Michael Sports Machine* and *MotorWeek*, a PBS automotive series making its debut in syndication this year.

ITC is even moving into programming areas that haven't been traditional for the company, including gameshows with *You Don't Say*, which is being made for a U.S. network.

In theory, all ITC network tv production will go through Gerber/ITC. "There have been no disagreements," Haimovitz said. "But there are certain types of product (Gerber) is less known for." Haimovitz stands ready to talk to other

producers about tv projects.

A natural production market for ITC is the UK, where many of the company's shows have a large and nostalgic following. Birnbaum suggested the company could capitalize on that by seeking to make series for the BBC or ITV. "We primarily see ourselves as a distributor," said Birnbaum. "We feel that we add value or provide service to any production."

That said, Haimovitz is not convinced international co-production is a profitable way to go. "If I really understood it, I guess I'd do it. Anytime you try to bring into a development process more than one buyer, you complicate the process of making a program."

In future, ITC will push into home video sell-through in the U.S. and the creation of cable networks elsewhere. Plans for a satellite and cable network in the most natural market, the UK, have been stymied by the issue of residuals to be paid to union talent. But Haimovitz, who ran the entertainment and

cable network arms at Viacom before joining Spelling, plans to use his experience in the cable programming business to get services launched. Also for the future, Birnbaum said, are interactive games based on *Thunderbirds* and *The Prisoner*.

The tremendous value of programming libraries has been lit up in neon in recent months as those building the distribution systems of the future – cable operators and phone companies – sought out access to vast quantities of programming for their new superhighways. "The plethora of opportunities," said Haimovitz, "means that every piece of product should be working somewhere."

But the recent round of mega-deals could mean it's the right time for Montagu Private Equity to cash out its holding in ITC, selling to a company that must have access to such assets.

In his interview with TBI, Haimovitz said the venture capitalists were quite pleased with their investment and are content to let it keep appreciating. "At some point, like any other investor – myself included, when I buy a stock and I sell a stock so I'll make a profit – I would guess that at a propitious time the bank will sell its stock and take its profits." ■

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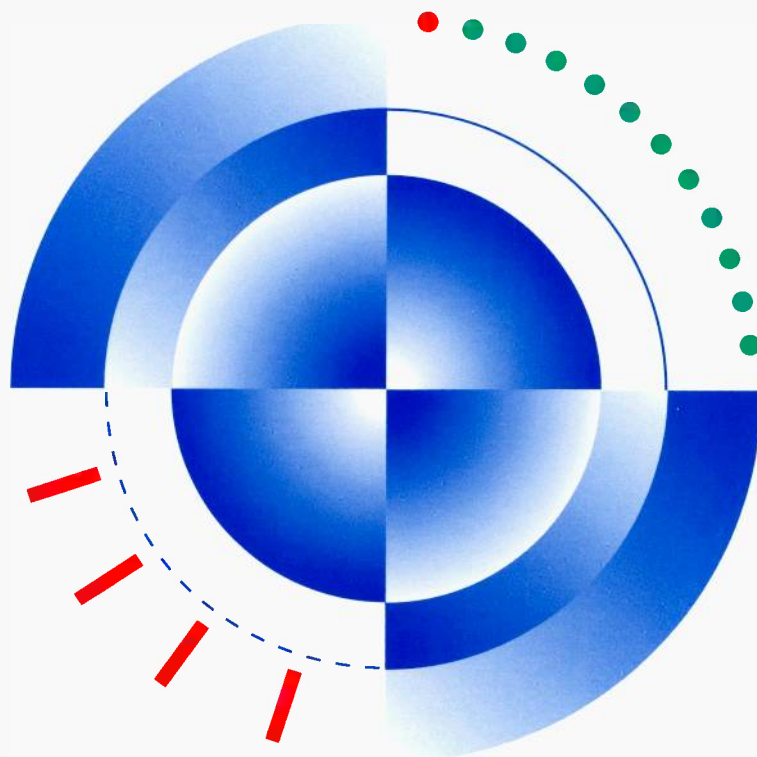


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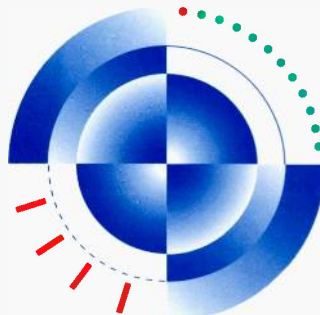
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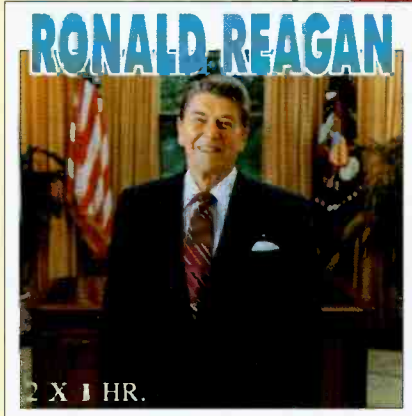
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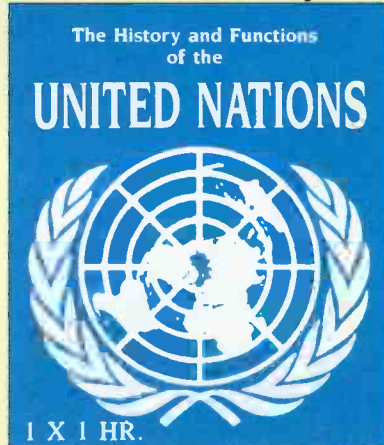
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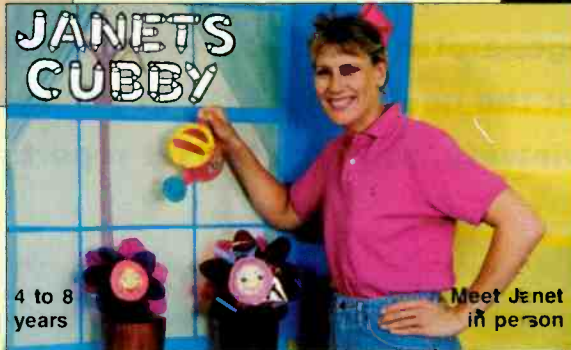
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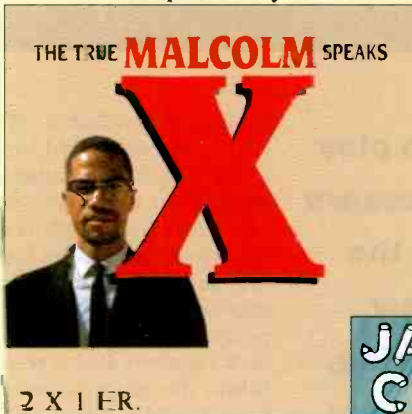
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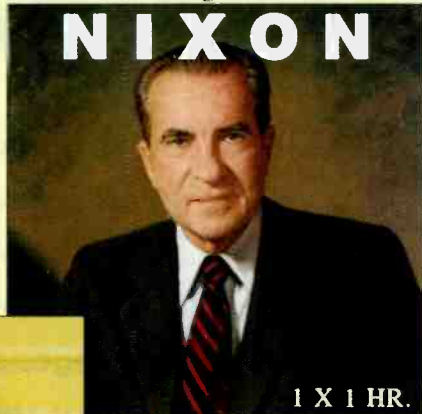
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# Bells, Buzzers And Bodies



The Devil's Track: Play it down the phone line

No-one ever went broke underestimating popular taste. Many have even made a good living out of exploiting it. Gameshows, often the mirror of public taste, have built a reputation as being cheap to produce, available in great volume and attractive to mass audiences. Stripped across the week, they can build to be as popular as sitcoms and soaps. But there is a sea-change in the gameshow business. Gameshow-crazy new channels that built their audiences and revenues around bells and buzzers are finding they now need snappier programming to sharpen schedules. Studio-based panels of people answering questions to move along electronic scoreboards are out of vogue. Taking their place are more active, mul-

**Gameshows are being forced to play at a new level. Fingers on the buzzers are being replaced by feet on the starting line as the gameshow regenerates itself. Costs are rising, but the new shows attract younger viewers, as Sarah Walker reports**

tipple camera shoots, where participants run, jump and even physically battle with each other. Gameshows are moving with the times. Action-adventure is not an exaggeration.

Not only has the style of gameshows been changing, but so has the centre of

gameshow production. While in the past the world looked to the U.S. for its gameshow lessons, an explosion in the numbers of channels broadcasting in Europe has fuelled the need for the genre to regenerate itself, and Europeans have had to be their own creatives in this respect. While the giant shows like King World's *Wheel Of Fortune* and *Jeopardy* still dominate in U.S. domestic syndication, and provide the financial model many other producers and distributors dream of emulating, old-style gameshow production has dropped off stateside. Producers have focussed instead on making and promoting other types of shows, particularly reality shows.

The gameshow ball may have been temporarily dropped in the U.S. and

picked up by the Europeans, but signs are that the Americans want it back and are prepared to run with it harder than ever. At Natpe the Americans were adapting to the change, with several new shows coming on to the syndication market.

The European providers of gameshow formats, such as Dutch-based Endemol (the company formed out of the recent merger of gameshow specialists JE Entertainment and John De Mol Productions) and the UK's Action Time (with its association of production affiliates across Europe in the Action Group) are unlikely to be too fazed. Increasingly, they have developed their own shows or acquired formats within Europe to adapt in their own markets. Such has been the drop-off of new gameshow production in the U.S., that European gameshow specialists are accomplishing the ultimate role reversal, by selling their formats into the U.S. market. Action Time, said chief executive Stephen Leahy, has just concluded U.S. network deals for two of its formats, *Cluedo* and *Lose A Million*.

While U.S. distributors such as King World, Fremantle and Mark Goodson Productions continue successfully to market the traditional, bells- and-buzzers studio-based gameshows at home and abroad, the new shows that have made the biggest mark on the market of late have deviated from that format.

Hedy van Bochove, head of acquisitions at Endemol, identified two key trends: "Game shows are moving more towards people-orientated shows such as *The Honeymoon Quiz*, *Stars In Their Eyes* and *All You Need Is Love*. Interactive elements are increasingly being introduced into new productions. We are hoping to acquire the format of *Talking Telephone Numbers* from the UK's Celador."

The changing face of the gameshow has prompted producers to spice up old shows. Mark Goodson Productions has developed a new version of *The Price Is Right* to run later in the evening. Targeted at access primetime in the U.S., the show's look has been revamped in an attempt to appeal to the younger-skewing end of the market. King World is doing the same with *Jeopardy*. Accord-

ing to King World International president Fred Cohen, attempts to modernize the show have included taking the show on the road, and implementing targeted promotions such as a collegiate week.

Perhaps the most significant gameshow trend to date is the development of the weekly, big-budget, action-adventure show. With episodes ranging from 30 to 90 minutes in length, the emphasis is on sport and action, rather than the big prize. The most successful is undoubtedly Samuel Goldwyn's *Gladiators*. Now in its sixth season, the show has sold into about 50 markets worldwide as well as powering ahead in the U.S.

The all-action appeal of *Gladiators* has attracted the advertiser-friendly, younger-skewing market, as opposed to the older audience that watches traditional gameshows. Its success has prompted the Samuel Goldwyn Company to create more of the same. A new 26x30 minute spin-off series called *Camp Gladiators* is already in the works. Aimed at the children's market, *Camp Gladiators* will combine entertainment with education and information and has already cleared 15 of the top 25 U.S. markets. A wild-west version is also in production.

As with most successful genres, *Gladiators* has spawned a host of imitators. All American Television, distributor of the action-adventure series *Acapulco H.E.A.T.* and *Baywatch*, has developed an outdoor action-adventure gameshow called *BeachQuest*. Available for fall 1994, *BeachQuest* will showcase young amateur athletes competing in unusual events at beaches throughout the U.S.

According to Paul Siegal, All American's executive vice president of programming, the initial series of 26x30 minutes, sold on an all-barter basis, has already got clearances in the top 10 markets and Siegal is hopeful 80% of the U.S. will be cleared by September. Aimed at the 12-34 age group, Siegal said the show will fit a Saturday/Sunday primetime slot, ideally scheduled after sports coverage.


Siegal said All American has had queries for format rights from Germany and Spain and has concluded sales of the original U.S. production to some Far East countries. With budgets of about \$150,000 per episode, Siegal said inter-

**The changing face of the gameshow has prompted producers to spice up old shows. Mark Goodson Productions has developed a new version of The Price Is Right to run later in the evening**

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Camp Gladiators: Full contact for the little ones

national sales were not of paramount importance and would not be a deciding factor as to whether the series goes forward or not. "The U.S. sales will cover the cost of production, and any additional dollars made from international will be incremental," he said.

For producers of studio-based gameshows who are looking at budgets ranging from an incredibly low \$8,000 to a maximum of \$150,000, international sales are not essential. "The international market is important, but we never go into production on a show unless we can make a profit in first run," said Jonathan Goodson, president of Mark Goodson Productions. For the producers and distributors of action-adventure gameshows, however, costs of \$250,000 plus an episode make international sales imperative.

For Twentieth Television International, which is distributing one-hour science-fiction action game *Scavengers*, the international market is more important than the domestic.

The show, in which four contestants led by a team leader must negotiate a predetermined series of adventure hazards to find valuable salvaged items, is being co-produced in association with the UK's JGTV and a number of international co-production partners, including

the UK's Carlton Television, Italy's Silvio Berlusconi Communications, Germany's Telemunchen, Spain's Antena 3 and Scandinavia's Nordisk Film. "We were looking to find a format that would work globally but could also be turned into indigenous versions," said Doug Schwalbe, Twentieth Television's vice president, marketing and co-production.

Using a permanent, multi-million dollar set in the UK, each co-production partner will make its own local version of the show, tailored to whatever length, time period and demographic appeal is most suited to its needs. For example, Carlton will be making 13x1 hour shows, whereas Antena 3 will be producing 26x90 minute versions.

Twentieth reckons *Scavengers* is the first time a gameshow has been developed with international partners and without being dependent on an initial U.S. network or syndication deal, although Schwalbe confirmed discussions are underway with several possible U.S. partners.

*Scavengers* also opens up previously unexplored possibilities for international sales. If the cost of the production is prohibitively high for a single broadcaster, it is feasible for several broadcasters from different countries to collaborate and produce a single version that would

be culturally and linguistically suited for each of their territories.

The fact that several different language versions of the same show will exist means there will also be greater opportunities for the sale of ready-made series, as opposed to formats. Countries that otherwise wouldn't have been happy buying a finished U.S. or UK version, will be able to choose the production closest to their culture. "A Finnish version may well be more suitable for, say, the Baltic States," said Schwalbe. "It is going to be interesting to see whether the smaller territories buy the U.S. or European versions."

While the success of *Gladiators* has ensured the U.S. has received a profile as the most prolific producer of this new type of gameshow, the Europeans have not been left behind. French gameshow specialist JAC's action-adventure gameshow *Fort Boyard* first aired on French public broadcaster France 2 in 1990. Since then, the company has done format deals for the show in the UK, Scandinavia, Canada, the Netherlands, Belgium and Germany. Pilots have also been developed for the Italian and U.S. markets. Like *Scavengers*, *Fort Boyard* has a fixed set - the production is filmed on a real fort in the west of France. Broadcasters wanting to adapt the for-

mat go and film there. JAC has also developed other action-adventure gameshows, including *Treasure Hunt*, which has now been adapted in ten countries, and *Treasure Of Pago Pago*, produced with TFI. Other Europeans getting into the action-adventure game include the UK's Mentorn Films, which produced a series called *Happy Families* for the BBC, and prolific gameshow makers Action Time, also based in the UK. Action Time's Leahy is currently producing a 30-minute series called *Body Heat*. Aimed at viewers in the 16-24 age bracket, the show



Cluedo: Sold to a U.S. network

encompasses a series of physical tests for fit, sporting people.

The studio-based gameshow scored bonus points because it was cheap enough to be produced by even the poorest broadcasters, and did not require huge amounts of production expertise. But a word of caution. "We get heavily involved in the creative process," said Grundy's Alan Boyd. "If a broadcaster formats a show badly, they can destroy it. It is more difficult and expensive to do it this way, rather than just handing a tape over, but we don't necessarily look at the cost. It is more important to protect our product."

On the other hand, the high action, low dialogue action shows are more expensive to produce, but it is often possible to sell the original series as opposed to the format. *Gladiators* has, as yet, only concluded three format deals, with France, the UK and Finland. JAC has sold the original French version of *Fort Boyard* to Poland, Russia, Venezuela and Portugal. Mark Goodson Productions is currently developing what Jonathan Goodson describes as a hybrid of the studio-based and action-adventure show called *The Ultimate Challenge* for a U.S. network. He is hoping to sell versions of the show, not the format.

Boyd is not a big fan of the new gameshows, despite their evident popularity. "The gameshow format is bells and buzzers. It has a cost-effective formulaic structure that means five episodes can be produced in a day," he said. He believes the new one-hour or 90-minute people variety or action show productions do not lend themselves to


mass production either in terms of cost-effectiveness or production time. "These shows are more difficult to produce because you have to keep thinking up new ideas," he said. "The pilot may be good, but what about episode 17? Eventually you will run out of steam."

While Boyd conceded the traditional gameshow is dropping off in primetime, he said this is not the case during daytime hours. In addition, he said, the new territories that are emerging with fledgling broadcasters are hungry for cheap product. "Some territories have still got five or six years of life to get out of the old shows. People still want to see classics that play well."

Action Time's Leahy doesn't agree. "Just because a territory is developing or a broadcaster is new, it doesn't mean that they will want to broadcast old-fashioned shows. When a country's population first starts buying tv sets, they don't automatically go back to the beginning and buy a black-and-white set. They want to plug into modern equipment and modern shows."

Next step for the gameshow genre is to embrace interactivity. The first moves are being made now. Action Time is, said Leahy, increasingly introducing interactive elements into its shows. It has developed a gameshow called *The Big Bang* with the Family Channel, in which two contestants, each based in their own home, compete at video games using a touchtone phone to work the controls. Paramount is also launching a version in the U.S. The show costs less than \$8,000 to produce, said Leahy, because it only requires a small set and a single host.

JAC is also producing and developing a number of interactive game shows. It produces the French version of the Danish interactive show *Hugo* and is currently developing another interactive gameshow called *The Devil's Track*, which, like *The Big Bang*, can be operated down the telephone.

Interactivity has to be the future for the gameshow genre; it is an obvious extension and a small technological step now for viewers who have chosen to watch a show to also choose whether they want to play or not. Come on down. 

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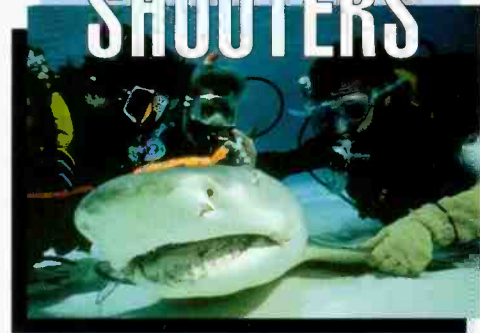


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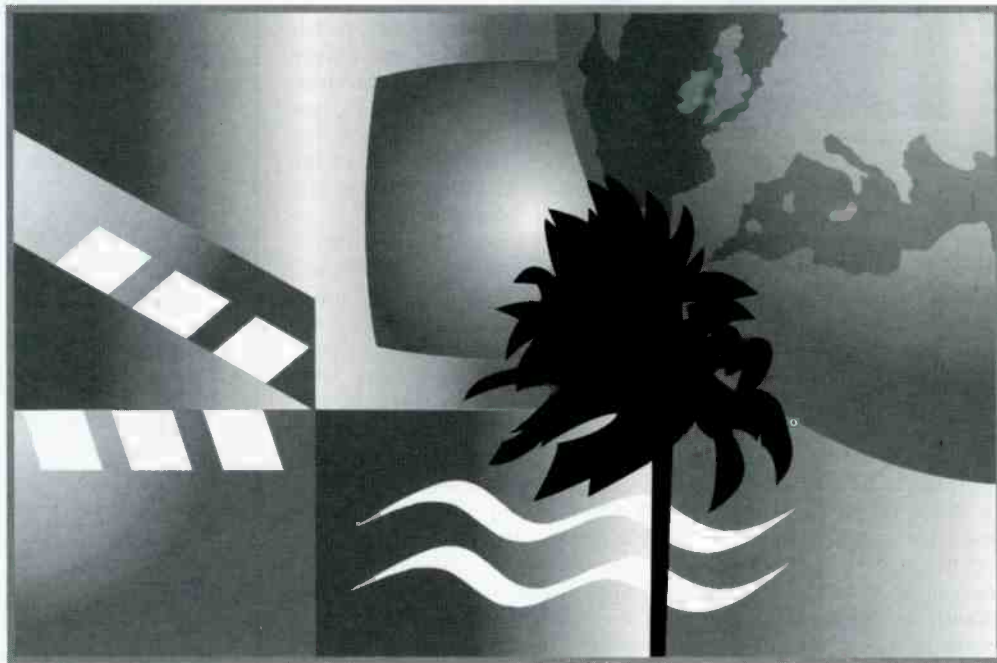
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# Take It ALL Off

## Japan

*Eros once reigned on Japanese late night tv. In the early 1980s, shows such as 11 P.M. regularly featured bare-breasted models and on-the-scene reports from Japan's thriving sex industry. Now, reports Mark Schilling, late night viewers are more likely to see sports roundups, news shows and infotainment programs. 11 P.M. and most of its imitators have long left the scene.*

One survivor is TV Tokyo's *Gilgamesh Night*, which airs at 1:15 am on Sunday mornings. Hosted by Kyosei

Iwamoto and Ai Iijima, the show offers its audience erotic skits, interviews with scantily clad porno stars and information about the latest video and movie releases. Two and a half years after its debut, it gets ratings in the 6 to 7 range, numbers the TV Tokyo programming department considers "quite good for the time period." The show, however, has evolved since its debut. "It started out as an infotainment program, but because most of the viewers are young males, we gradually changed the contents to reflect their interests," said spokeswoman Reiho Moji.

**Global Report:** Topless housewives and softcore films are tactical weapons in the programming arsenal. A quick strike can bring instant ratings success. That's why new stations favor adult tv, using it to win press attention and audiences when other programming would be prohibitive. But what of the staying power of skin and sex?



Why aren't the other nets pursuing the same audience with similar programs? TBS programming department manager Koji Sugawara said the network does not make or broadcast adult fare "as a basic policy." "It would damage our image," he explained. "Also, the Ministry

of Posts and Telecommunications advises networks not to show such programs. People who want that kind of thing can get it from videos. We don't have to use the public airways for it. I think most of the other networks feel the same way."

Though the ministry may

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be an advisor, it is not a censor; the Japanese tv industry is self regulating. The broadcasting standards of the National Association of Commercial Broadcasters say that "matters relating to sex shall be expressed in such ways as not to cause feelings of unpleasantness or consternation" and that "in displaying or expressing a part of the body, caution shall be exercised so as not to arouse feelings of indecency or obscenity." Interpretation is up to the individual network, and more often, the program producer or director.

Despite the frowns of the regulators and criticism from its broadcasting peers, TV Tokyo is determined to stand behind *Gilgamesh Night*. "The show is getting more popular," said Moji. "Also, late night shows on the networks are starting to move in the same direction. I think the reason is the recession. Videos cost money, but television is free."

## Italy

*Italian television is often associated with anarchy and chaos, but when it comes to adult programs, limits are stricter than many might expect. Cecilia Zecchinelli writes Italian laws, including tv regulations passed in 1990, say channels cannot air movies and other programs forbidden to those below 18 years of age.*

If stations violate the rules, as sometimes happens, a judge will order the program pulled and impose sanctions on the offending broadcaster. For this reason, major broadcasters prefer to play it straight, while smaller channels are more likely to take chances in order to gain larger audiences.

Public broadcaster Rai is the most careful, and only Rai3, the most intellectual and experimental of the three public channels, will some-



RTL's Tutti Frutti: Leis from Italy to Germany

times broadcast movies with erotic content. When Rai3 showed the Japanese movies *Sex and Zen* and *Tokyo Decadence*, Rai3 director Angelo Guglielmi was later forced to apologize to his audience.

Fininvest, well known in Italy and abroad for its tits and spaghetti style, in reality dares only a little more, and always in the softcore area. Currently, Italia 1 airs the weekly *Playboy Show*, while the balance of erotic programming on the network consists of half-naked girls – wearing very small bikinis – usually on gameshows and variety shows.

For local stations, things are a bit different. In the 1970s, Pinna (Prima Antenna Nord Italia), a small local channel in the Turin region, aired *Midnight Playboy*, a program that showed housewives doing a strip tease. Despite its very small audience, the show caused a scandal and was taken off the air. But Pinna had begun a trend: *Midnight Playboy* was followed in later years by other shows, often with very low budgets and short production lives. Among these, the most successful was *Colpo Grosso (Tutti Frutti)*, started in 1987 on Italia 7, a

Milan-based station. Housewives, taxi drivers and students took part in the program, playing roulette and undressing themselves when they lost. After initial success – the format was sold to many countries – *Colpo Grosso* lost its appeal and Italia 7 is now re-running old shows.

The same channel more recently aired *Vizi privati e pubbliche virtù (Private vices and public virtues)*, which featured erotic videotapes produced by viewers in their homes. The program is now in re-runs. Other small channels have tried similar shows, though none are airing now.

In recent years, several different operators have tried to get hardcore services on the air. Most never appeared or failed in just a few weeks, though recent developments indicate things could change.

Rome and Milan already have access to adult services via multichannel microwave distribution systems (MMDS). Last January, Superstar began operating in the area around Rome, transmitting X-rated movies at night. Sister channel Supervideo, launched in Milan last year, shows the same kind of programs at night, and sports and normal films in the day.

## Germany

*The clothes are off in the battle for late primetime ratings in Germany. While the public networks and their regional programs thought higher thoughts, commercial broadcasters RTL, Sat1 and pay service Premiere programmed late-night slots with erotic films and magazine shows. Jack Kindred reports.*

RTL broke tv taboos way back in 1988 when, to court younger male viewers, it launched the magazine show *Sexy Follies*. This opened the way for more daring nudity, like stripping gameshow *Tutti Frutti* and the eyebrow-raising 30-minute *Erotic Clips*, which featured handsome studs in the nude for female viewers and the gay crowd. RTL augmented its erotic selection with French softcore features from the Emmanuelle series on Saturday nights, as well as a series of somewhat crude lederhosen erotica. All programming was aired after 11 pm to comply with Germany's stringent youth morals protection regulations.

As RTL's ratings climbed, rival Sat1 followed suit with late-night erotic features, buy-

ing the rights to hardcore films and editing to convert them to softcore. Today Sat1 airs the long-running series *Schulmädchen Report* (*Schoolgirl Report*), made-in-Germany productions dating back to 1977, British-produced erotic magazine *Electric Blue*, as well as the German opus *Bademeister Report* (*Pool Attendant*).

Most of Premiere's erotic films are from the U.S. "Aside from straightforward softcore films," said Premiere's newly appointed program director Jochen Kröhne, "we also produce our own monthly *Ladies Night* show and do erotic specials. For example, in January, we showed Japanese erotic films, and in March, the *Emmanuelle* series is scheduled."

But as the novelty of tv porn has waned among viewers, both RTL and Sat1 have rethought their programming policies vis-a-vis softcore.

As a first step, RTL has stopped all erotic programs on Saturday nights, limiting the genre to late slots on Friday and Sunday. According to Robert Florin, RTL's editor of films and series from the U.S.: "We're getting away from the lederhosen image in favor of good quality erotic." RTL currently airs its *Happy Playboy Hour*, which comprises *Eden* and *Playboy Late Night*, to give the channel's softcore more class. "Good quality erotic forms part of our general entertainment program," said Florin.

Sat1 spokesman Peter Strahlendorf said the channel is no longer acquiring erotic films. "In the next few years, we predict that hardcore adult channels will appear, either on pay tv or pay-per-view. Our decision to phase out erotic films is based on our view of the future when the audience will prefer hardcore. They will get what they want in special channels, but we will not be going in that direction. Our programming is aimed at the whole public."

While RTL shot to public



No titillation please, we're British

attention with its screening of erotic shows, sister channel RTL2 will not be using the same tactic, instead focusing on family programming, said RTL2 chief Gerhard Zeiler. His sentiments are shared with his closest commercial rivals Pro7 and KabelKanal, neither of which have or are planning erotic films in their programming line-ups.

## United Kingdom

*Adult programming may have ceased to be a novelty in Europe, but in the UK it never really got the chance to get started. Pay service The Adult Channel is on cable, and, Sarah Walker writes, it is a no-no for the terrestrial channels to air soft porn or eroticism for titillation's sake.*

This means that when something slightly risqué is broadcast, such as the BBC's *Lady Chatterley's Lover* or Carlton Television's info-edu-tainment series *The Good Sex Guide*, it becomes a big topic in newspaper columns, and generally boosts ratings. Produced by UK-based independent Prospect Pictures, *The Good Sex Guide*, which dealt with the facts and figures,

methods and mechanics and taboos of sex, garnered a rating of 10 million in a 10.40 pm timeslot and will be back on ITV in the fall for another seven-week run.

It's not that the British are adverse to watching bare bums or sex on their television screens, they just have a problem admitting it, unlike their European counterparts.

The most up-front of the British terrestrial broadcasters is undoubtedly Channel 4. With a remit to serve minority interests and tastes, Channel 4 has seen fit to broadcast several shows and themed weekends that deal with sex and relationships in a frank manner.

These have included the three late-night series *Sex Talk*, *Love Talk* and *Men Talk*, during which subjects covered included *Men and Seduction* (*The Casanova Complex*), *Men and Sexual Fantasies* (*Please, Please Me*) and *Women Bite Back*.

The UK's Independent Television Commission (ITC) stipulates that 18-rated films should be shown after 10 pm and that R18-rated films shouldn't be transmitted at all, although a definition of what exactly constitutes an R18-rated film isn't offered. In

fact, the ITC is vague on what exactly it deems is acceptable. According to the ITC code of practice, "Representation of sexual intercourse should be reserved until after 9 pm. Exceptions to this rule may be allowed in the case of nature films, programs with a serious educational purpose, or where the representation is non-graphic..."

"Even though there are no set guidelines for adult programming, even though they don't say you can show this act or you can't show that act, you have to be careful in making your own judgment," said Adult Channel program manager Jeremy Yates "They do have the power to take your license away."

Broadcasting via Astra 1C from midnight to 4 am seven days a week, The Adult Channel is subject to the same rules as the terrestrial stations, though Yates doesn't think this should be the case and has had several requests from viewers wanting to see more explicit material. "Bearing in mind the times we are broadcast and the fact that a separate smart card is needed in order to view us, that makes us pretty child proof, and our audience, as discerning adults, should be able to see more if they want."

Yates said The Adult Channel shows full-frontal nudity scenes but doesn't plan to show hardcore, which he defines as scenes showing sexual penetration. The Adult Channel gets half its programming from Europe, particularly from the UK, Germany, France and Italy, and half from the U.S. The channel has also started producing its own product, which last year included a series, *National Miss Wet T-Shirt Competition*, and two one-offs, *Male Review Of The Year* and *Male Rear Of The Year*. Yates said the channel is looking to commission or co-produce adult dramas or comedies. [E]

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# Different. Positions

Adult tv can be as varied as sex itself. Alternative forms include talk shows,

reality series, gameshows and thrillers. Barbara Bliss Osborn reports



Playboy's Secret Confessions and Fantasies: A new kind of adult show

**Q**uestion: What do you get when you cross a reality show with an adult movie? Answer: Unsolved Mysteries of Annie Sprinkle.

Well, not quite. But you might get *Playboy's Secret Confessions and Fantasies*, a new kind of adult show that combines a traditional tv format with adult themes.

Adult programming isn't just triple-X porno flicks anymore. Alternative sex programming is becoming a whole genre that includes test-your-knowledge gameshows, bare-all talk shows, confess-all reality series, steamy primetime soaps and anthology dramas, and titillating (but always educating) documentaries. How big the market for this product will become remains to be seen. What's certain is that adult tv pulls strong ratings and sells well.

Playboy, which produces much of its programming for

the company's own pay-per-view service, began putting a little sexual spice into an ordinary tv format back in 1990 with the music video program *Hot Rocks*. Since then, the company has given a sex spin to a lot of genres. *Eden*, for instance, is an erotic soap. Playboy spokesman Jim Nagle compares it to *Dallas* but distinguishes *Eden*

from its network forebear. "When *Dallas* steams up, the bedroom door is shut. With Playboy, the bedroom door stays open."

Playboy's less-than-traditional approach has even produced *Who's On Top*, a new 30-minute talk show that lets men and women represent their gender's point of view, supplemented by

expert commentary. Playboy is also producing a new sex-based game show, *Playboy's Love and Sex Test*, several magazine shows, a half-hour dramatic anthology series *Inside/Out*, and news bites, movie reviews, short films, comedy bits and a video version of Playboy Magazine's Advisor column.

Most of Playboy's new adult tv programs have been sold overseas; only the magazine shows don't travel well. Nagle said Playboy was considering selling *Who's On Top* as a format in which a co-production partner would use the show's topics but plug in local experts. Already, *Playboy's Love and Sex Test* is being used as a format by RTL. Ultimately, however, it may make more sense for Playboy to hold on to some of its programming, as the company may launch a Playboy Europe service.

The other famous name in the U.S. adult publishing business is Penthouse. It got into the tv business at the end of 1990 to produce video cassettes, and the company is just beginning to turn its attention to production for broadcast and cable. Currently, Penthouse is developing



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two dramatic series it expects to have on the market next fall. *Andrew Blake's Dream Trips* is a 30-minute anthology series about a professor who develops a virtual reality machine that allows people to take erotic VR adventures. The second, *Canterbury Tales*, is an episodic series Matt Ferro, managing director of General Media Entertainment, described as an erotic *Northern Exposure*. Penthouse plans to cut three versions of each series: a home video version (hot), a premium-cable version (warm), and a basic-cable version (cool). All three will be sold overseas depending on restrictions and taste.

"There are only two brand name competitors and we're one of them," Ferro said. "The Penthouse name is like the Good Housekeeping seal of approval. Penthouse has no plans to develop other adult formats. We don't want to flood the market. We would rather have people foaming at the mouth [for our product]."

At Penthouse, the hope is to make director Andrew Blake a bigger name than Zalman King. Producer/director/writer King established his reputation in 1986 with the feature *9 1/2 Weeks*. Since then, he has produced and/or directed several features as well as the Showtime series *Zalman King's Red Shoe Diaries*. Although Showtime will not release ratings, the company's publicity material indicates *Red Shoe Diaries* is the most popular series in Showtime history. The 30-minute anthology explores the erotic experiences and fantasies of women through their secret diaries. Rafael Eisenman, King's business partner and the director of the series, attributed its popularity to the lack of "serious adult entertainment" available to audiences. "Most movies that deal with sex and passion are called erotic thrillers," said Eisenman. "That means that if

somebody is sexual, something bad is going to happen. People want to celebrate sexuality. That's what we do." Budgets of \$600,000 and up, which mean high production values and actors who can act, help.

*Red Shoe Diaries* was originally produced as a feature film and the Showtime series spin-off is not the only example of successful erotic features becoming adult series. After the success of the *Emmanuelle* films, 21st Century Films decided to put *Emmanuelle, The TV Series* into production. Howard Kohn, director of international finance, reported the seven, 90-minute episodes have been sold worldwide. The company is currently in Chapter 11, however, and no immediate plans exist to develop additional episodes or new adult series.

One-off event programs are finding an audience both in the U.S. and overseas. A year and a half ago, Bruder Releasing Inc. began distributing 150 event programs like *Miss Nude World*, lingerie shows, and bikini and wet T-shirt contests. BRI president Mark Bruder said the bikini contests and similar programs are examples of "kinder, gentler programming" of a sexual kind. They are one step up, he said, from the erotic thrillers, which are often at odds with "community standards," the two dreaded words inscribed in the U.S. Supreme Court decision that regulates obscenity. BRI's programs are "a little more romantic," Bruder said. "They arouse, but they're socially acceptable. They're cute, sexy, fun for normal people to watch."

Domestically, BRI dis-

tributes to cable, particularly pay per view. Internationally, the appetite for skin varies from country to country. In the UK and Taiwan, "you give them soft romantic. No nudity," he said. In Scandinavia, France, Germany and



Red Shoe Diaries: Celebrates sexuality

the Benelux countries, the material can be "harder." Generally speaking, Bruder said, the more nudity, the better the product sells.

Jean Ovrum, president of Trident Releasing, which handles international distribution for Bruder subsidiary Cable Entertainment Distribution, said she has found new interest in adult programs around the world. Countries like the UK are lifting restrictions, she explained, and in India, satellite channels may circumvent them.

Adult themes are also being used to perk up that often ponderous format, the documentary. Since late 1990, HBO has intermittently aired late-night programs in a popular series called *Reel Sex*. The one-hour segments are produced in a magazine style and feature on-the-street interviews from around the world. Just recently, HBO commissioned a one-off documentary, *Talking Sex: Making Love in the 90s*, 90-min-

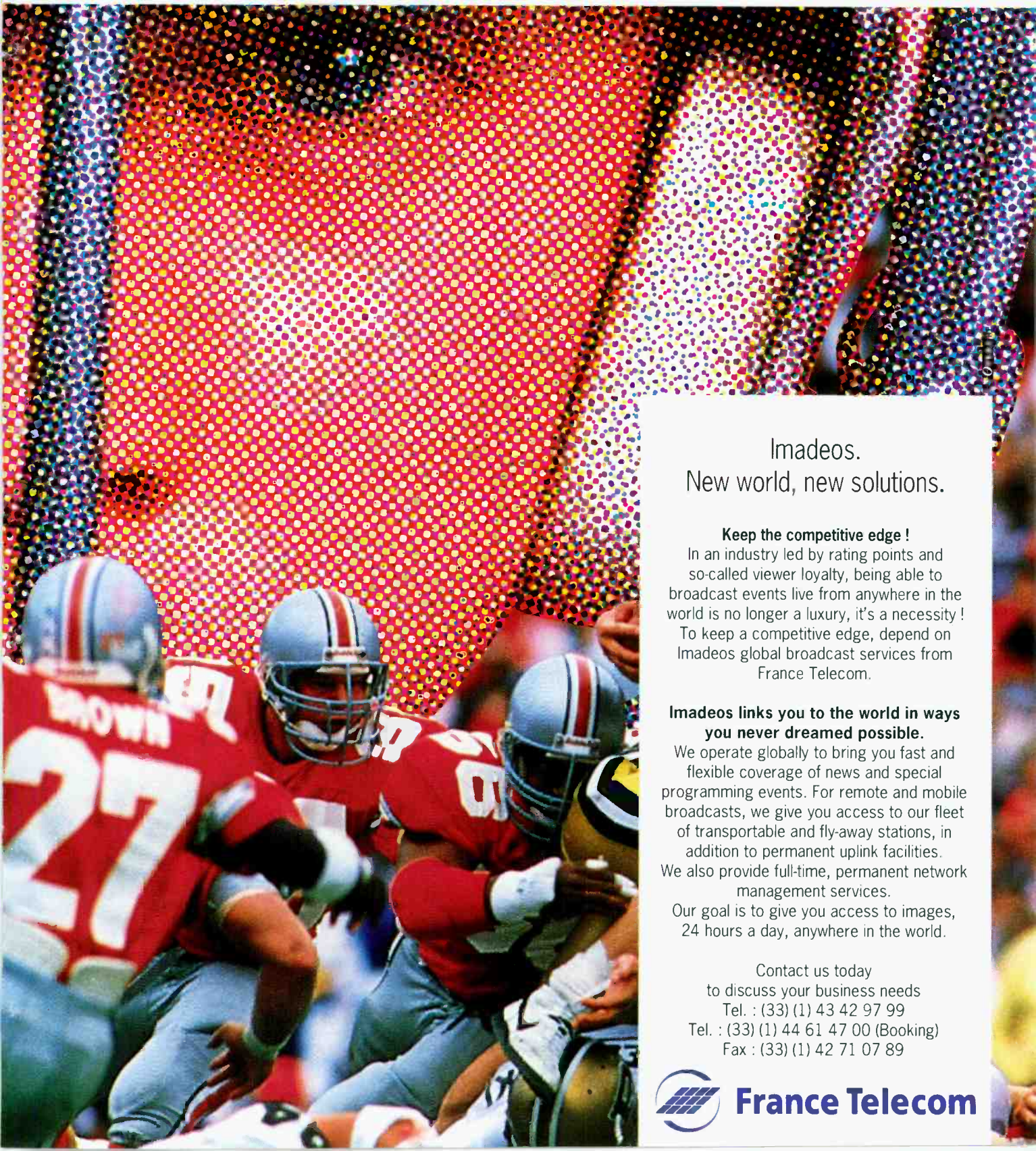
utes of informal conversation with young men and women about sex in the age of Aids.

Documentary how-tos will be the speciality of newly-formed production company Sinclair Productions. "What sets us apart," said executive vice president Alan B. Schwartz, "is that we are not part of the gratuitous sex business. We're not competing with Playboy and Penthouse." Schwartz's comments make clear the disdain with which much adult programming continues to be regarded in the U.S. and the obstacles to its presence on broadcast or cable. Indeed, despite strong ratings, HBO and Showtime give the programs little promotion.

Sinclair first got into production with successful home video series called *The Better Sex Video Series*, which was launched mid 1991. The first volume sold over half a million copies and has been re-edited in the UK for distribution there. Now the company plans to expand into production designed for broadcast and cable. The newest project, *Speaking of Sex*, is "the 20/20 of sex," said Schwartz. The one-hour magazine style program was originally produced as a home video, but Sinclair plans to market it in a series format. Sinclair will supply the elements, and buyers can produce their own wraparound and local segments.

Sinclair also hopes to sell the program to basic cable, still virgin territory for explicitly sexual tv. The company cut two versions of the show: a one-hour version for the European market and video sales, and a second, 35-minute, low-sex version. Sinclair president Alan Hecht believes the U.S. political and social climate has changed and he attributes that change to talk shows. "Celebrities are the most frequent topic on talk shows," he said. "Sex is second. There's a natural voyeurism that people have whether we like it or not." [E]

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# The TBI Erotic

Country	Channel	Restrictions imposed	Hours broadcast per week and timeslots	Genres	Top-rated adult program
France	Canal Plus	Broadcast after midnight, no children or animals	1.5 hours The same film is broadcast on the first Saturday of every month and then re-scheduled another three times	Tv movies	—
	Cine-Cinema	Broadcast after midnight, no children or animals	3 hours Wednesday, Friday, Saturday	Tv movies	—
	M6	No X-rated shows, only R-rated productions	Sunday, 11 pm Wednesday and Friday, midnight	Magazines, tv movies	Emmanuelle
Finland	MTV	Only soft core material is allowed, although full frontal nudity is permitted	1 hour Friday, 11 pm; Sunday, 11.20 pm	Tv movies, feature films, magazine shows	Playboy
Germany	RTL	16-rated films allowed after 10 pm, 18-rated films after 11 pm. No hard core permitted	4 hours Friday after midnight, Saturday after 1 am, Sunday after 11 pm	Tv movies, quiz shows, series	Playboy's Eden
	Sat1	Broadcast after 11 pm, no full frontal nudity	4 hours Friday and Saturday	Tv movies	—
Japan	TV Asahi	Pubic hair cannot be shown on tv. Anything else goes!	5 hours Monday to Friday, 11.55 pm-12.50 am	Information shows featuring strip bars, videos and sex toys	Tonite
Netherlands	Veronica	Broadcast after 9 pm, no hard core	25 minutes	Tv movies	Erotica
Scandinavia	TV1000	Programs have to pass the Swedish censor	6 hours Monday, 12-2 am Wednesday after 11 pm Friday after 11 pm	Tv movies, features films	—
Sweden	TV4	No specific restrictions	30 minutes Friday 11.30-midnight	Series	Inside Out (35% share)
Spain	Antena 3	No specific restrictions	No particular amount	Tv movies	—
UK	BSkyB	S10 rated films can only be shown after 10 pm, S11 rated films with explicit content can be shown after 11 pm	4.5 hours Broadcast on Sky Movies in the After Dark slot on Saturday and Wednesday evenings. An additional variable adult slot is also included.	Tv movies, feature films	—

Notes: The Information in this chart has been compiled from questionnaires completed by broadcasters. If channels are omitted it is because of failure to return the survey forms.





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# Programming Survey

Compiled by  
Sarah Walker & Marie Beardmore

Number of adult hours imported each year	Adult programs (a) purchased abroad (b) purchased domestically (c) produced in-house	Main countries supplying adult programs	Main suppliers	Adult programs produced in-house or distributed internationally
18 hours	(a) 50% (b) 50%	France, U.S.	—	Le Journal Du Hard
—	(b) 100%	Shows are acquired from French distributors but can be French, English or U.S. in origin	Alpha (French distributor)	—
—	(a) 70% (c) 30%	France, Italy, U.S.	—	Co-produced: Emmanuelle Red Shoe Diaries, Joy
50 hours	(a) 100%	U.S., France, Italy	Playboy, Vivid, Raspail, CPV	—
200 hours	—	U.S.	Playboy	Co-produced: Playboy's Love and Sex Test, Tutti Frutti, Schloss Pompon Rouges
—	—	—	—	—
None	(b) 95% (c) 5%	—	—	—
20 hours	(a) 100%	U.S., France	—	—
75 hours	(a) 99%	U.S.	Bestseller (local distributor)	Tusen Och En Natt
26 hours	(a) 100%	U.S.	Playboy	—
—	(a) 10% (b) 90%	U.S., Spain	—	—
50 hours	(a) 85% (b) 15%	U.S., Europe, Australia	No main suppliers	—

The following broadcasters answered the questionnaire but do not broadcast any erotic programming: ABC (Australia), Seven Network (Australia), Nine Network (Australia), CTV (Canada), DR (Denmark), Kanal 2 (Denmark), YLE (Finland), Rai (Italy), Nippon TV Network (Japan), TBS (Japan), TVNZ (New Zealand), NRK (Norway), TV Norge (Norway), TV5 Nordlc (Sweden).

■ **Cori Film Distributors** is bringing the erotic thriller *Fatal Past* to Monte Carlo this year. Also included on the company's slate are the romantic drama *The Long Shadow*, the political drama *White Rage* and the family-adventure feature *The Fifth Musketeer*. In addition, the four-part miniseries *A Tale From An Island* and the wildlife specials *Jack Hannahs Wildlife Series* will be screened.

■ **Sullivan Entertainment International** will screen the two-hour tv movie *Betrayal Of Innocence*, as well as the miniseries *By Way Of The Stars* and all 65-episodes of the family series *Road To Avonlea*. *Anne Of Green Gables* and *Anne Of Green Gables (the sequel)* will also be sold.

■ **MGM International Television Distribution** is offering 40 half hours of the classic animated series *Pink Panther*, the Emmy-award winning drama *In The Heat Of The Night* and *Young Riders*, the saga of seven young adults who sign on with the Pony Express in the Dakota territory during the 1860s. Made for tv movies from MGM this market include *Fatal Memories*, *Miss America: Behind the Crown* and *In The Arms Of A Killer*.

■ The Canadian wilderness sets the scene for *Due South*, a tv buddies movie with a difference from **Alliance**. In the film, a mountie's murder brings together an unusual pairing of characters, one the quintessential Canadian mountie, the other a wise cracking, Armani-suited cop. Also from **Alliance** this market: *The Mighty Jungle*, a contemporary version of Dr. Doolittle set in a rain forest; *Blanche*, a sequel to the highly acclaimed series *Emilie* set

# Monte Carlo News

## NBC Waits And Builds

NBC has revamped its Saturday TNBC schedule and will be making the programs available at Monte Carlo. NBC is the only U.S. network currently programming an all live-action Saturday morning for teenagers. In the new line-up are two installments of NBC's *Saved By The Bell: The New Class*. Other returning shows are *Name Your Adventure* and *California Dreams*.

Exhibiting at Natpe for the first time, NBC Enterprises president John Agoglia said he's confident NBC is only at the beginning of a production and distribution build up. "If the perception in the production community is that we will be moving more production in-house, as creative contracts expire, the creatives will come to us. The perception will drive the reality. We don't have to go out and steal talent," Agoglia said there are no production targets in terms of hours produced by the company. "We produce shows that test well, are advertiser friendly and get a fair opportunity to be put on-air," he said. "The show must work." NBC International also has 26 new hours of Danielle Steele programming and a new Patty Duke series that will likely air in the U.S. this autumn.



Saved By The Bell: Broadcast on Saturday mornings

## Child's Play

**NEVER** work with animals or children, unless they make a great show. MTM is debuting its family gameshow *Baby Races* at Monte Carlo, and MTM International president Greg Phillips is adamant it is the uncontrollability of the kids that makes the show. Already airing on The Family Channel, *Baby Races* pits young families with young children against each other for prizes. Phillips said he's looking to do format deals and sell the original U.S. shows. "We will offer the set, the games and the ideas which broadcasters can either use or develop their own." MTM is also selling a new format for the gameshow *Trivial Pursuit*,

which will be available to the Australasian and the Pacific Rim territories for the first time.

Drama series *Boogie's Diner* is also coming on to the international market as production starts to crank up. Set in a real location in the U.S., a diner-cum-clothing store, *Boogie's Diner* went into syndication at Natpe for the first time. *Diner* is targeted as a teen transition show (a lead-in to news or the early evening schedule) and plans are afoot for 65x30 minute episodes, of which eight are already made.

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in the roaring twenties and focused on Blanche, one of Emilie's daughters, and *Odyssey*, a fantasy series that combines the horror of Lord of the Flies with the surrealistic grit of Mad Max.

■ The Australian federal police provide the framework for *FEDs*, a fast-moving adventure feature **Eaton Films** is offering at the market. The company is also selling *Animal Heroes*, a film that takes its inspiration from some of the brave animals who won the Dickin Medal during the Second World War. (It was awarded to 31 pigeons, 18 dogs, three horses and one cat). The zaniest extra terrestrial feature of all time, *Halfway across the Galaxy* and *Turn Left*, and *Bad Cops*, a two-hour documentary about police corruption in the U.S., round out Eaton's Monte Carlo slate.

■ **Sacis** distribution arm of Italian broadcaster Rai, is bringing a raft of new documentaries to this year's Monte Carlo. On the slate are *China after the Long March*, the story of China now and thirty years ago, and *Through Italy*, a filmed encyclopedia examining Italy. Also available will be the three-part feature *Willy Nilly Private Eye*, the story of a lackadaisical lawyer who ends up a detective.

■ **Warner Bros.** product for distribution this market includes *The Adventures Of Brisco County, Jr.*, an action-packed tale of the Old West that follows the extraordinary adventures of a Harvard Law graduate and son of the greatest sharpshooting sheriff in the land. On a calmer note, *Family Album* is a comedy that takes a snapshot look at the funny and frustrating life of a family after a young couple return with their children to their

## Interactive Animation

With interactivity a buzz word for the past few months, producers are trying to introduce interactive elements into their shows. French animation house C&D is no exception. International sales executive Donald Lawrie said C&D is developing an animation series called *Samson* with an unnamed U.S. network. The show will, he said, "include innovative, new interactive elements." Further discussions will be taking place at Monte Carlo. Two other new C&D series also in their early stages are the 26x26 episode *The Real Adventures Of Aladdin And His Wonderful Lamp*, being developed with European partners, and another proposed series called *Carnimals*.

Aside from the three new shows, C&D is taking its usual catalog to Monte Carlo, including *Conan The Adventurer* and *The Bots Master* – both available from C&D in a limited number of territories, including Latin America, Southeast Asia and Scandinavia – *T-Rex*, *King Arthur And The Knights Of Justice* and *Twins Of Destiny*.



The Bots Master: Available from C&D

## A News Environment

**AS** the world slowly starts to realize more than talk is needed to tackle environmental problems, so World Environment News launches as the first environmental news service. Already offering broadcasters footage for use in magazine programs, the UK-based company will expand this to a 10-minute weekly news feed. The feed will focus on major international environment and development issues, said the service's Peter Sibley: "We will be making more powerful use of our network of journalists and crews. Already

they shoot a lot for local broadcasters and sell us the international rights. Many are also involved in making conservation materials. We work closely alongside environmental agencies throughout the world."

Marketed as a complete environmental news service, a range of programs and production services will be provided. Broadcasters will be able to access material on a weekly subscription basis, commission packaged news and current affairs programs, buy in scripted news features or take rush delivery.

## Unapix Pulls In Slavkin



**DEBBIE** Slavkin has folded her distribution company into Unapix and will herself take charge of a new educational division at the U.S.-based distributor. Slavkin, who went out on her own a year ago and primarily focused on selling educational and sports-based programs, said the move into Unapix was a logical step. "I will now be part of a big public corporation with more resources. We will be marketing and promoting the educational division." While Unapix already has some documentaries, including *Shark Files*, Slavkin will bring in 1,500 hours of educational programming. Most of her catalog comes from a group of six producers who work under the banner The Telecourse People and make educational programs for PBS in the U.S. The library of telecourses goes back to the early 1970s. Internationally, the greatest demand for these programs has come from developing countries. Currently in production is a 26x30 minute series titled *Astronomy*, as well as a 26x30 minute series called *Living With Health*.

# Protele

## Novelas Enhance Ratings

Novelas are an extremely important programming option because they cross borders easily and appeal to a common demographic in each country. Broadcasters all over the world have recognized the price/value relationship of Novelas and have made **Protele** the undisputed world leader in the distribution of this exciting television format.

<b>Country:</b> Mexico <b>Title:</b> TWO WOMEN, ONE PATH <b>Rating:</b> 42.1	<b>Country:</b> Switzerland <b>Title:</b> WILD ROSA <b>Rating:</b> 30.9	<b>Country:</b> Turkey <b>Title:</b> THE RICH ALSO CRY <b>Rating:</b> 45.9	<b>Country:</b> Russia <b>Title:</b> SIMPLY MARIA <b>Rating:</b> 41.0
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- **TWO WOMEN, ONE PATH** (DOS MUJERES, UN CAMINO)
- **BEYOND THE BRIDGE** (MAS ALLA DEL PUENTE)
- **VALENTINA** (VALENTINA)



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hometown of Philadelphia and realize living close to their parents may not be such a good idea.

■ **National Geographic Television** is presenting *The Lions Of Darkness* at Monte Carlo. This engrossing documentary offers an intriguing chronicle of three powerful male lions who make a new home for themselves in the Savuti region of Botswana.

■ Topping **Genesis Entertainment's** slate is the series *Marvel Action Hour* featuring *The Fantastic Four* and *Iron Man* in separate back-to-back, half-hour programs. The series will debut in the autumn, joining Genesis' existing superhero series, *Biker Mice From Mars* (the maddest, baddest motorcycle-riding mice on earth). Specials available include *Adventures, Journeys and Archives*, a documentary covering nature, culture and customs; *Angola: Twenty Years Later*, a half-hour special profiling the people, cities and villages of the war-torn African nation, and *Gorbachev's Early Years*, a look at the formative days of Mikhail Gorbachev from the perspective of his childhood friends and neighbors.

■ Foodies will love *Cuisine Passion*, a series presented by 27 young Swiss chefs who belong to the Association de Jeunes Restaurateurs d'Europe.

■ **Filmoption Internationale** is offering the series, along with *One Arctic Summer*, a film that casts an appreciative eye over the wildlife that populates a roadless wilderness some 40-miles from Prudhoe Bay in Alaska. This deceptively barren region teems with life as the film follows the life cycle of the Arctic animals from the end of one winter until the start of another.

## Paragon Gets Real

CANADIAN distributor Paragon International has widened its programming offerings to include more reality-based product. Among the new additions are two series from Skyvision: *Hearts Of Courage*, hosted by Alex Trebek, featuring stories about ordinary people undertaking courageous tasks, and *The Pet Connection*, a how-to magazine about pets.

Paragon is also gearing up for the launch of *Katie And Orbie*, a 13x30 minute animated series based on books by cartoonist Ben Wicks. The series is being produced by Ottawa-based Laceywood Productions, whose credits include *The Teddy Bears' Picnic* and *Tooth Fairy, Where Are You?*

In addition, president Isme Bennie said she will be pushing a second season of the 25x30 minute drama series *Ready Or Not*. The show centers on two pre-adolescent girls, Amanda and Busy, and tells a series of stories about their first-time experiences. Bennie said the show was well received at markets last year, selling into more than a dozen territories, including the UK, Germany and France.



Bennie: Offering more reality product

## Grove Comes Out Of The Shade

ONE of the surprises at the Natpe program market in Miami was the sudden move to prominence by Grove Television Enterprises. Recently refinanced by private investors to the tune of \$4.5 million, the company has adopted an aggressive domestic strategy, picking up series like *Space Police* from UK producer Mentorn Films (24x1 hour) and *Tough Target with Detective J.J. Bittenbinder* (26x30 minutes). According to president Rich Grove, the new money and the ability to hire Roger Lefkon and Melvyn Smith to look after the

company's production interests have given the company "the clout and expertise we needed to move on to a different level."

Grove will be represented internationally by Phil Howard, but Grove reckons within a year, international distribution will move in-house. In the meantime, international interest at Natpe was such that *Space Police* raised \$10 million from international buyers in just one and a half days. In the U.S., the show is said to have cleared over 60% of the country. Budget for the show is \$1.2 million per episode.

## Glittering Prizes



SPELLING and Worldvision's focus on launching networks has not hampered the sister companies' ability to produce and distribute dramatic programming for domestic and international markets. Monte Carlo sees the launch of the Spelling Premiere Network. Consisting of two series, *Heaven Help Us* and *Robin's Hoods*, the shows are designed to attract women viewers in primetime. High gloss and style-conscious, they were shown to Latin American and Australasian buyers at Natpe, with their European launch saved for Monte Carlo, said Worldvision executive vice president and chief operating officer Bert Cohen. Worldvision has also brought back the one-hour police series *Burke's Law*. Again a glamor series, *Burke's Law* is returning with brand new episodes. "We're pleased at the extent of our product, which all taken together indicates a tremendous growth at Spelling Entertainment," said Cohen.



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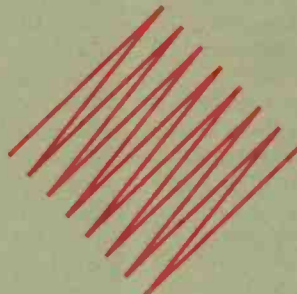
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UFA



■ **Fox Lorber Associates** will be attending Monte Carlo with two new features: *Big Time*, the story of a Greek immigrant in 1959 who is torn between his culture and another, and *Barney Barnato*, the tale of the founder of the world renowned DeBeers Diamond Mining Co.

■ Spearheading **BetaFilm's** slate is the upbeat hospital drama *For The Love Of A Child*. The show takes place in the busy pediatric ward of a big city hospital and combines elements of a hospital drama with those of a family series. Beta will also launch its new fairy tale feature *The Emperor's New Clothes*. This opulent adaptation of Hans Christian Andersen's classic is the latest addition to Beta's Fairy Tale Collection library.

■ **ABC Distribution Co.**, a division of ABC Cable and International Broadcast Group, is launching a raft of new product at Monte Carlo. Two specials available for distribution are the *1994 Academy Awards* and *Reader's Digest on Television*, a program featuring segments based on the popular magazine. Tv movies from ABC at the market include *Assault At West Point*, *Betrayed By Love*, *My Name Is Kate* and *The Only Way Out*. Also on the ABC slate is *Stolen Babies*, the true story of a conspiracy within the Tennessee State Adoption Service to rob babies from the poor to sell them to the rich, and *Whose Child Is This? The War for Baby Jessica*, based on the true story of the on-going child custody dispute between adoptive parents Jan and Robby DeBoer and birth parents Dan and Cara Schmidt.

■ *Conan The Adventurer* and *Conan The Adventur-*

## Channel 4 Looks Stateside

**CHANNEL 4** International (C4I), the distribution arm of the UK broadcaster, will handle all sales of its program catalog to outlets in the U.S., taking over from distributor Devillier Donegan Enterprises. Colin Leventhal, managing director of C4I, said the broadcaster's reputation as a supplier of alternative, niche product will enable it to differentiate itself from other UK broadcasters and distributors hawking product in the territory.

In 1993, revenues from sales to the U.S. accounted for approximately 25% of C4I's turnover. Sales included episodes of the sitcom *Desmond's* to Black Entertainment Television and the improvisation show *Whose Line Is It Anyway?* to Comedy Central.

C4I hopes the change will help stimulate co-production, pre-sales and format deals, which are already handled by the broadcaster. Recent pre-sales included *Armistead Maupin's Tales Of The City* to American Playhouse, and the documentary series *From Beirut To Bosnia* was produced with The Discovery Channel. Discussions are underway with broadcasters for a further series of *Tales Of The City*. C4I is also looking for co-production partners for a 6x1 hour drama series based on the prize-winning novel *Sacred Hunger*.



From Beirut to Bosnia: Produced with The Discovery Channel

## Fox Hunts International

**20TH** Century Fox International Television has developed a 26x1 hour reality series *Manhunter* for the international market. Based on *America's Most Wanted*, *Manhunter* tracks down and catches international criminals by using photos, real video, re-enactments, interviews and personality profiles to get inside

the criminal mind. The producers have worked closely with international law enforcement bodies to both bring criminals to justice as well as keep the stories accurate. The new shows will be available for broadcast in the summer of this year. John Walsh is the host.

*er: The Young Warriors* are both being sold by **Sunbow Productions**. The animated series follow the heroic feats and epic adventures of Conan as he journeys through a mythological world filled with mystery, magic and monsters.

■ New international distribution company **Rigel Distribution and Entertainment** is planning to exhibit *RoboCop: The Series* and *RoboCop: The Future of Law Enforcement* at this year's Monte Carlo. Rigel holds international distribution rights, while Rysler Entertainment is handling

U.S. distribution.

■ **Turner International** is selling *A Life In The Theatre*, *Cisco Kid* and *Geronimo*, *Gettysburg* and *Zelda*. Animation from the company includes *Two Stupid Dogs*, *Swat Kats*, *Droopy*, *Master Detective*, *Captain Planet*, *The Halloween Tree*, *The Town Santa Forgot* and *The Addams Family*. Specials from the Turner stable this market include *Celebrity Retrospective: Jean Harlow*, the six-part documentary *The Heart of Healing* and *Cats and Dogs*.

■ **Harmony Gold** the U.S. based producer-distributor

has acquired rights to *Vincent Price: My Life and Crimes* and will be distributing it at this year's Monte Carlo. The one-hour special chronicles the life of the famous horror actor. Video, broadcast and cable rights will be on offer during the market.

■ **Tomwill** recently cut a deal with America's Prime Ticket Network to distribute all the network's original programming internationally. Top of the list for Monte Carlo is *Horseworld*, a 20x60 magazine series. Broadcast, cable and home video rights are available.

**W**hat in all seriousness are we to make of a fast approaching future time when millions of viewers in many countries can access hundreds of channels? What prospects of survival for the old order?

The idea of being able to tune into hundreds of channels is at once appealing and disturbing. And, of those who appear to find the prospect more disturbing than appealing, the advertising community is a conspicuous group. In general, advertising representatives seem very apprehensive. Who would not be when city pundits cry that hundreds of channels will fragment audiences, subscription revenues will soar, and advertisers will go to the wall unless they change their ways?

This column last month was deeply sceptical about the promised surge in subscription revenues. The fears of the advertising community are unfounded.

I shall confine my proof to the conventional programming now shown on broadcast channels, and the revenues they generate.

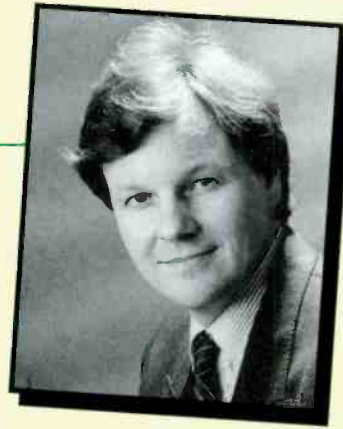
The essential problem is that viewers will probably watch about as much television with a choice of five decent channels as with a choice of five hundred. Recognizing that channels with advertising generally require substantial national audience share (often more than 10%) in order to be profitable, we can only wonder at their chances on the digital superhighways of the future.

That said and all external factors being equal, I reckon advertising will remain an important source of revenue in the digital age, and both advertising spend and audience share will be concentrated on a few channels, even when there are a thousand to choose from. The bones of the argument are as follows:

1. Advertising has been the main source of financing television services for many years. Although subscription revenues worldwide are growing steadily, they have a huge distance to catch up. Even in a mature, conventional pay tv market like the U.S., advertising revenues greatly exceed total revenues from cable subscription. Moreover, the U.S. has the advantage of being by far

# Death By Digit

## An Unfounded Fear



**BY TOBY SYFRET**

and away the world's largest home producer of films and televised entertainment.

2. The construction of digital superhighways will require vast sums of investment. It strains credulity to believe that key players like Time Warner or TCI will let the advertising market go hang itself while they try and make mint out of pay-tv. They have too much to gain by maximizing both revenue streams, and much too much to lose by turning their backs on advertising.

3. The majority of viewing is accounted for by items of topical or ephemeral interest, such as news, sports, soaps, quiz shows, comedies, reality shows, etc. Apart from sports, there is little evidence of the public being willing to pay directly for the topical and ephemeral, except as a basic service charge. They depend on advertising or the license fee.

4. Wherever competition for advertising spend is given a free rein, markets are mostly able to sustain only one or two key players, and rarely three or more, who account for the lion's share of audiences and advertising income. This holds true regardless of channel capacity.

5. The digital future of hundreds of channels will nonetheless materialize because a few channels supported by advertising can co-exist with hundreds of pay-on-demand channels. This is simply because pay-on-demand channels will require tiny audiences, and hence audience share in order to be profitable. First, their overheads need will be very low. Second, their revenue returns per person per hour watched are likely to be high by comparison with non-pay channels. To illustrate this, the hidden cost of free television in Western Europe must be in the order of 10 cents per person per hour viewed; about half of it concealed in advertising, and half in annual license fee payments. By contrast, the cost of videotape rental, our nearest equivalent to pay-on-demand, probably works out at closer to one dollar per hour. Supposing digital pay-on-demand channels to be the same, it follows they will earn as much as advertising channels with only one tenth of their audience share.

But for want of further space, I might as well expand my arguments to cover channels with mixed funding from advertising and direct payments, or outline the future for different forms of pay television. I do not think they affect my basic arguments, except I have one big concern about the future of advertising in the digital age. If there is a threat, I do not think it comes from the new technology but from the possibility, voiced in some quarters, that brands may be losing their power to sell products. Should advertisers lose confidence in the effectiveness of brand advertising, then, maybe, the digital age will have a problem. **[E]**

**Viewers will probably watch about as much television with a choice of five decent channels as with a choice of 500**

# European Cablers Prepare To Cross The Red Line

**A new report predicts that the European cable-tv industry will move firmly into a cash positive position during the last decade of the century. And not before time, cry industry and investors alike. Analysis by Jean-Luc Renaud**

In 2002, 47.5 million of Western Europe's 178.2 million TV households will receive cable television. Cable tv viewers will spend ECU7.8 billion (\$7 billion) on basic services and ECU2.8 billion (\$2.5 billion) on premium channels. Cable tv operators will earmark ECU100 million (\$90 million) for program provision.

These forecasts are made in the report *Cable TV Communications in Europe 1993*, released by London-based CIT Research. Produced annually, the 1993 version is the first that includes the Eastern European markets, as well as a cool-headed analysis of the issues of advanced network infrastructure (FITL, FTTC, FTTH), pay-per-view, video-on-demand, digital transmission, informa-

**Table 1: Cable Growth Projections For Western Europe**

	1992	1994	1996	1998	2000	2002
Tv households (m)	152.1	157.3	162.5	167.8	173.0	178.2
MATV households (m)	38.5	7.9	36.1	35.8	34.4	32.6
Cable households (m)	29.7	35.5	39.6	43.3	46.0	47.5
Cable penetration	20%	23%	24%	26%	27%	27%
Pay tv penetration of cable subscribers	6%	9%	12%	15%	17%	19%

**Cable Subscriber Revenue (ECUm)**

	1992	1994	1996	1998	2000	2002
Connection	486	244	200	172	123	79
Basic service	2867	4053	5079	6093	7021	7761
Extended basic	102	153	211	269	328	382
Pay tv (broadcaster)	464	853	1290	1773	2265	2670
Pay tv (operator)	70	136	205	283	360	412
<b>Total revenue (ECUm)</b>	<b>3993</b>	<b>5443</b>	<b>6988</b>	<b>8593</b>	<b>10100</b>	<b>11304</b>

**Cable Operator Costs (ECUm)**

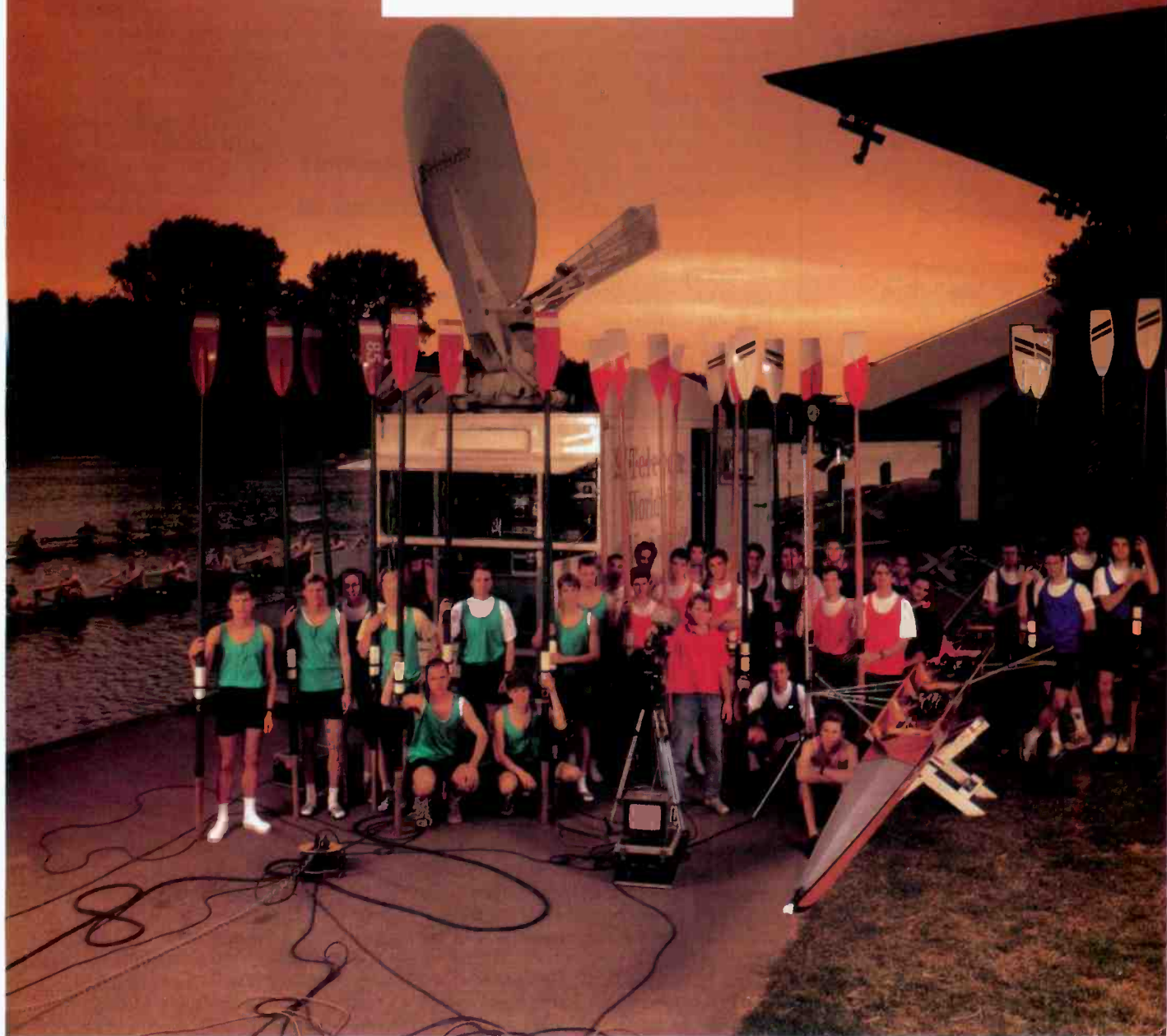
	1992	1994	1996	1998	2000	2002
Network development	1642	1363	1139	1026	736	417
Program provision	30	59	80	96	104	101
Operating costs	1563	1974	2256	2507	2690	2793
Other: licence fee	37	45	52	58	63	67
<b>Total costs (ECUm)</b>	<b>3237</b>	<b>3391</b>	<b>3464</b>	<b>3610</b>	<b>3513</b>	<b>3293</b>

**Table 2: CIT Analysis of Pay-per-view Potential In Selected European Countries**

	Cable	DTH	Pay TV	Addressability	2-Way	Total
<b>Austria</b>	10	7	10	5	3	35
<b>Belgium</b>	18	1	15	5	3	42
<b>Finland</b>	8	1	10	30	3	52
<b>France</b>	10	5	15	20	8	58
<b>Germany</b>	20	15	9	5	3	52
<b>Greece</b>	0	0	0	0	0	0
<b>Italy</b>	0	3	15	0	0	18
<b>Luxembourg</b>	2	0	0	0	3	5
<b>Netherlands</b>	18	5	15	30	3	71
<b>Norway</b>	5	5	15	25	3	53
<b>Portugal</b>	1	2	0	0	0	3
<b>Spain</b>	1	3	5	0	0	9
<b>Sweden</b>	15	7	15	30	3	70
<b>Switzerland</b>	15	2	15	5	3	40
<b>UK</b>	5	5	10	10	3	33

This table assigns a rating to each country for ppv potential. Points were awarded on the basis of the relative sizes of cable and DTH markets, how well pay tv is established, as well as the presence of addressability. Maximum points for each category: 20 for cable, 15 for DTH, 15 for pay tv, 40 for addressability and 10 for two-way capability.

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tion superhighways, interactive tv and the likes, which all currently circling cable television.

CIT calculated that, at the start of 1993, nearly 30 million of Western Europe's 152 million tv homes were connected to cable tv systems (20% penetration), up from just over 26 million the previous year. The 2002 forecast still represents a poor 27% cable penetration. Indeed, overall growth in the market is predicted to slow over the period and this is reflected in the reduction in revenues from connections from ECU486 million (\$437 million) in 1992 to just under ECU80 million (\$72 million) in 2002. Investment in cable network infrastructure and upgrade peaked in 1992 at ECU1.64 billion (\$1.48 billion), according to CIT, and should fall gradually to about ECU400 million (\$359 million) per year by 2002 (table 1).

The most dramatic impact on revenues will, not surprisingly, come from pay tv. In 1992, pay tv revenue from cable networks amounted to ECU534 million (\$480 million). This market is projected to rise to more than ECU2.8 billion (\$2.5 billion) by 2002. As the pay tv market matures, CIT envisages the gradual development of the extended basic package to a ECU400 million (\$359 million) revenue item, still small when compared with the value of the basic service revenue. However, combining the extended and pay markets, their share of total subscriber revenues would rise from 16% in 1992 to 31% in 2002.

With the increase in these markets, cable operators' share of revenues is set to fall as program providers (generally speaking, the satellite broadcasters) take a greater proportion. In 1992, CIT estimated that broadcasters took 12% of the total fees paid by cable subscribers, about ECU464 million (\$417 million). By 2002, the broadcasters are expected to be taking 25% of the total subscriber fees – ECU2.6 billion (\$2.3 billion).

Western European tv watchers spent nearly ECU4 billion (\$3.6 billion) on cable tv in 1992. This is a respectable 24% increase on 1991 revenues. Given that Europe is still in the depths of recession, the cable industry can congratulate itself, claims CIT. However,

every silver lining has a cloud – when pay tv revenues are netted out, retained revenues were ECU3.46 billion (\$3.1 billion), only marginally higher than total costs.

The fragmented nature of the cable industry, and the resulting difficulties facing would-be satellite programmers, is best illustrated by the average revenue per cable connection (table 3). In the absence of a satisfactory yield per cable subscriber, some cable operators have neither the resources nor the intention of paying satellite programmers for their signals. The end result in many coun-

tries is cable systems that charge a low subscription fee but provide few services.

So where next for European cable? The requirements are one or all of the following: increase subscribers (by extra build and/or marketing), charge existing subscribers more for more pay channels, or add on other supposedly high-yield services. Telephony is the name of the game in the UK, where liberal regulations exist, and MSOs and telcos are creeping

into each others' territory. CIT suspects neither side is prepared for the ensuing expense in technology and marketing that results from the belief that the grass is greener on the other side.

Modern, high-capacity cable networks combined with digital signalling techniques open the way to ppv, already in the commercial - but not very profitable - phase in the U.S. CIT reckons that advocates in Europe will be more realistic as regards ppv revenue potential.

Ppv requires addressability and conditional access systems. But the number of addressable subscribers on cable networks in Europe is very low, and the number of networks with a return path capable of transmitting an impulse order is even lower. The largest addressable community is in Sweden, with an estimated 540,000 homes. By comparison, Belgium has about 280,000 addressable homes, France 200,000, Norway 140,000, and Finland 60,000. CIT is cautious about the potential for ppv in Europe, believing the investment to be high and the profit margins thin.

Table 2 assigns a rating to each individual country's potential for ppv. Points

**Ppv requires addressability and conditional access systems. But the number of addressable subscribers on cable networks in Europe is very low, and the number of networks with a return path capable of transmitting an impulse order is even lower**

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Table 3: Estimated Revenues Of Major MSOs In Western Europe

MSO	1992 Subscribers	1992 Revenue (ECUm)	ECUs Per Subscriber	MSO	1992 Subscribers	1992 Revenue (ECUm)	ECUs Per Subscriber
<b>Germany</b>				<b>Finland</b>			
DBP Telekom	11,823,000	1155.5	107.6	HTV	176,800	11.5	67.3
<b>France</b>				Telecom Finland	122,547	8.3	68.6
Lyonnaise Comms	190,000	59.9	362.7	Tampereen Tietoverkko	48,547	4.3	90.5
Com-Dev	289,000	55.3	217.3	<b>Netherlands</b>			
CGV	300,000	54.5	205.4	NV CASEMA	750,000	58.5	79.1
France Télécom Câble	97,000	n/a	n/a	NV EGD/BUCAI Groningen	275,000	25.6	92.7
<b>United Kingdom*</b>				KTA Amsterdam	370,000	22.7	61.5
TeleWest	146,377	37.3		GEB Rotterdam	249,000	19.8	80.0
Videotron	63,556	19.2		<b>Belgium</b>			
BCE/C&W	72,811	18.6	UK Average	Electrabel (ex Coditel)	482,000	49.7	103.4
CUC/Telus	48,486	16.8	364.2	Brutele	257,000	25.4	101.0
Comcast	68,719	16.0		ALE	231,000	23.2	103.4
SouthWestern Bell/Cox	57,794	14.8		<b>Switzerland</b>			
General Cable	62,268	9.1		Rédifusion	521,100	135.3	268.5
NYNEX	34,485	7.5		Ascom	200,000	107.4	671.2
<b>Sweden</b>				TeleColumbus	225,000	36.7	671.2
Svenska Kabel-TV	1,150,000	73.5	65.0	Télégenève	60,000	7.1	129.3
Kabelvision	250,000	48.8	195.4	<b>Austria</b>			
Stjärn-TVnätet	135,000	26.9	201.4	Telekabel	358,401	36.4	106.8
Sweden-on-Line	120,000	14.0	119.4	Kabelsignal	106,850	12.8	123.0
<b>Norway</b>				BEWAG	27,800	3.0	114.8
TBK Kabel	130,000	27.3	226.6	<b>Ireland</b>			
Norkabel	142,500	24.8	177.3	Cablelink	270,000	22.3	84.1
Janco Kabel TV	152,363	10.9	72.6	Cork Multichannel	30,000	5.3	215.5
<b>Denmark</b>				Horizon TV	19,000	5.1	394.2
KTAS	320,000	22.5	72.0	Cable Management	42,000	3.9	98.6
JTAS	235,000	10.1	43.6	* UK figures are for year ending March 31, 1993			
Stofa	121,500	8.3	107.8				

were awarded to each country on the basis of the relative sizes of cable and DTH markets, how well pay tv is established, as well as the presence of addressability. It is based on original research, but the weightings, and therefore the results, are necessarily subjective.

Operators in the UK, Belgium, France, the Netherlands, Sweden, Norway and Finland all expressed an interest in ppv when interviewed by CIT. The Germans were less interested.

While the opportunity to offer ppv services seems to fall safely within the remit of the European cable operators, this may not be the case with video-on-demand (VOD) services. This type of

point-to-point service will have to be delivered to subscriber homes through switched networks. To date only the phone companies have that switching ability combined with comprehensive reach. And they are working hard on asymmetrical digital subscriber loop (ADSL) technology to download VHS-quality pictures down twisted-pair phone lines. CIT does not expect large-scale VOD to be commercially available in Europe generally until 2000.

As regards multimedia, the CIT analysts do not fall easily for the multimedia hype, and raise a number of serious political and commercial questions which crucially affect the future of cable tv in both the U.S. and Europe:

- who is permitted to build and operate networks offering such a wide range of voice, data and video services?

- what is the status of a provider of such services – is it an electronic publisher with constitutional rights to freedom of speech, or is it merely a transporter/carrier, whose activities may be constrained by regulation?

- should there be more than one operator offering multimedia services in any one geographical area, and if so, should you restrict the number of wires that can be connected to a customer's premises?

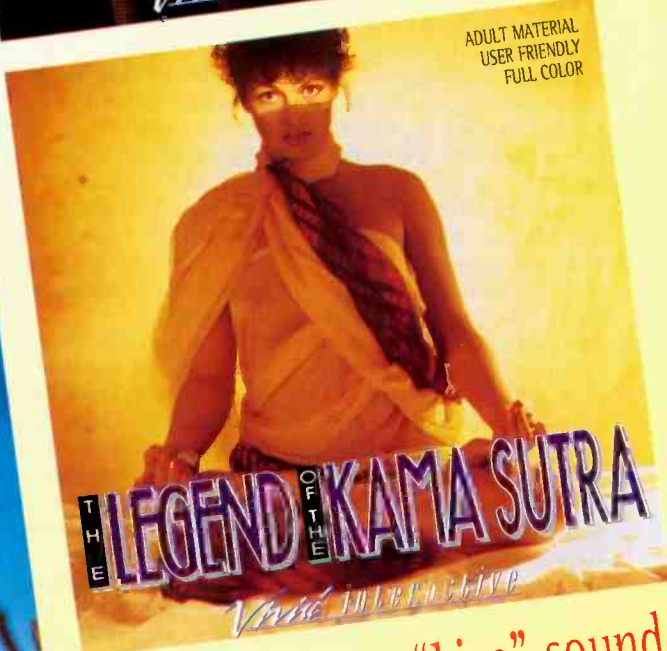
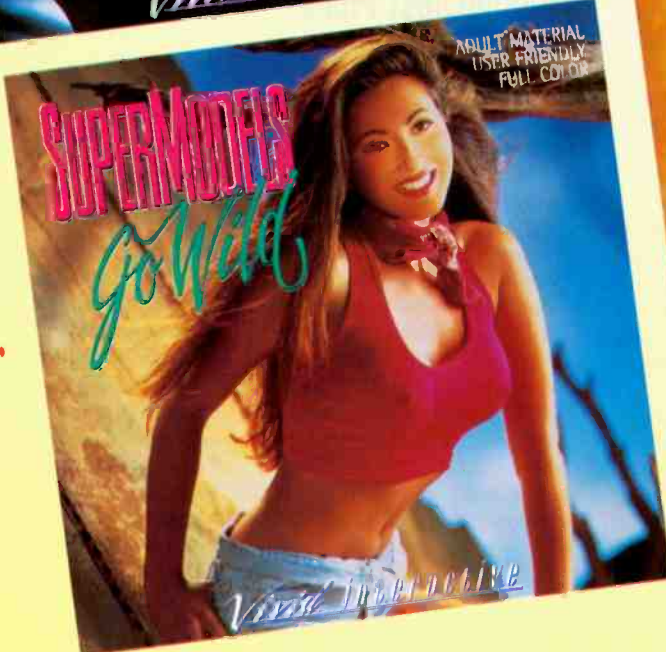
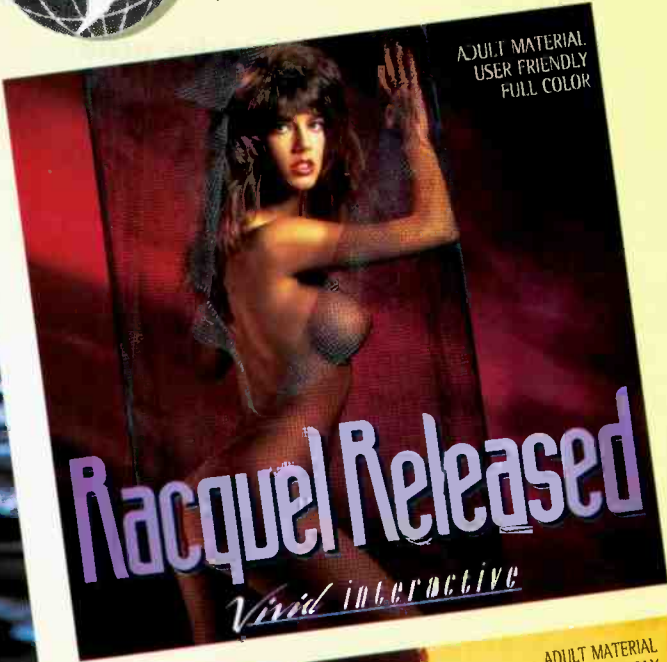
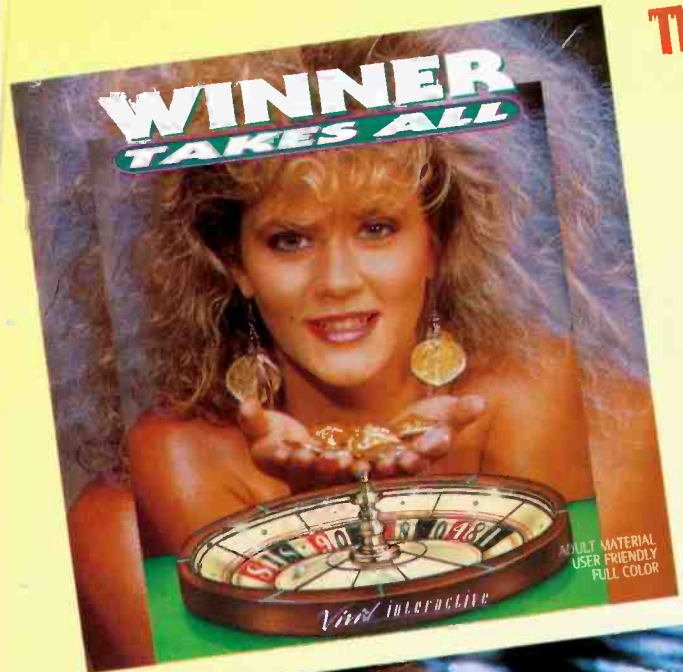
- do posts and telecom administrations retain a public service obligation to offer multimedia services on a nationwide basis? ■■■



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# Multimedia: When Rights Is Patently Wrong

**Compton's NewMedia won, then lost, now waits on a patent that could affect everyone in multimedia production**

People who make and distribute tv programs are used to the idea of copyright being vested in the content of the final product. It's a concept at the very core of today's tv business. But how would they feel if someone suggested to them that the way a particular tv program is put together – by stringing together a certain sequence of shots in a certain manner, or by using a particular kind of lighting for a particular type of scene – should also have rights attached to it?

This is the debate that is currently raging in the multimedia world, and it's the Chicago-based Tribune Company, the biggest owner of independent tv stations in the U.S., which has sparked the whole thing off.

Last year, Tribune acquired a company called Compton's NewMedia from Encyclopaedia Britannica. One of the principal reasons for the acquisition was that Compton's had been awarded a patent by the U.S. Patent Office for the software (in the computer sense) that enabled users of its CD Rom encyclopaedia to search the disk (although only Tribune knew this at the time). Trouble is, the patent didn't just apply to that particular title – it effectively applied to any retrieval system that used pictures, graphics or icons

(anything but text) to cross-link bits of a database.

In fact, what Compton's had succeeded in doing was to pretty much patent the whole concept of multimedia. To return to the tv analogy we began with, the company had established rights not just to the contents of the disk, but to the way in which the bits of it were strung together – even though the techniques are in use by everyone else.

When the patent was published, and Compton's announced that it would be collecting royalties from anyone whose multimedia titles crossed over its boundaries, there was outrage from the multimedia development community, who bombarded the U.S. Patent Office with examples of "prior art" – that is, examples of multimedia applications which, it was claimed, had achieved what the Compton's disk had, but much earlier.

In an almost unheard of development, the Patent Office subsequently decided to "recall" Compton's patent for re-examination. What the outcome will be is anybody's guess, but the saga has a number of lessons for the tv industry.

The first is that as convergence brings the computer sector into collision with tv, the products born of this union will be infected with two competing notions of

what rights are about. It is, for instance, quite possible to claim rights over the "look and feel" of a piece of computer software. A similar practice is not established in television.

The second is that multimedia is – at least as far as potential tv investors are concerned – a legal minefield, as Tribune has discovered to its cost.

The third is: don't make the mistake of thinking that none of this has anything to do with you. Multimedia lawyers say the Compton's patent is so broad that, if upheld, it will even apply to *broadcast* interactive television. If you haven't already, ring your lawyer now.

## Bundespost Picks Its Partners

Merger madness is not just the province of the cable MSOs and regional phone companies. German state telephony operator DBP Telekom has just inked two cross-sector technology deals: one with Astra operator Société Européenne des Satellites (SES), and the other with German pubcaster ZDF and media giants Bertelsmann and Kirch Group.

The alliance with SES will take the form of a new company to promote the devel-


opment of digital transmission technology in the areas of satellite and cable distribution for television and radio, as well as for interactive services. It will eventually mean DBP taking a stake in SES, too.

SES says that the deal means it will be able to use the fact that DBP operates most of Germany's cable systems to exploit a "return path" for future satellite-delivered pay-per-view services, among other things.

Under the second agreement, ZDF, Bertelsmann, Kirch Group and DBP are combining to launch a company that will offer pay-tv and interactive services – including encryption of programs, distribution of decoders for subscribers, and subscription advertising and billing.

The aim is said to be to prevent US-based technology gaining a foothold in this market.

What DBP brings to the party – apart from substantial technology know-how – is in-depth experience of subscriber billing, supported by a huge database that lists every telephone subscriber (and almost every cable household) in the country.

Given that DBP also entered into an alliance last year with AT&T and France Telecom, the company looks set to be one of 1994's biggest players in the European convergence stakes. 

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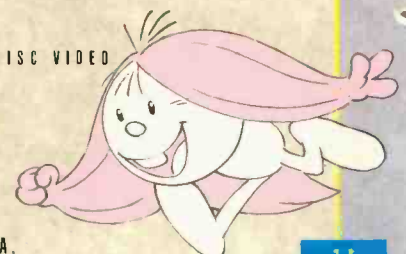
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