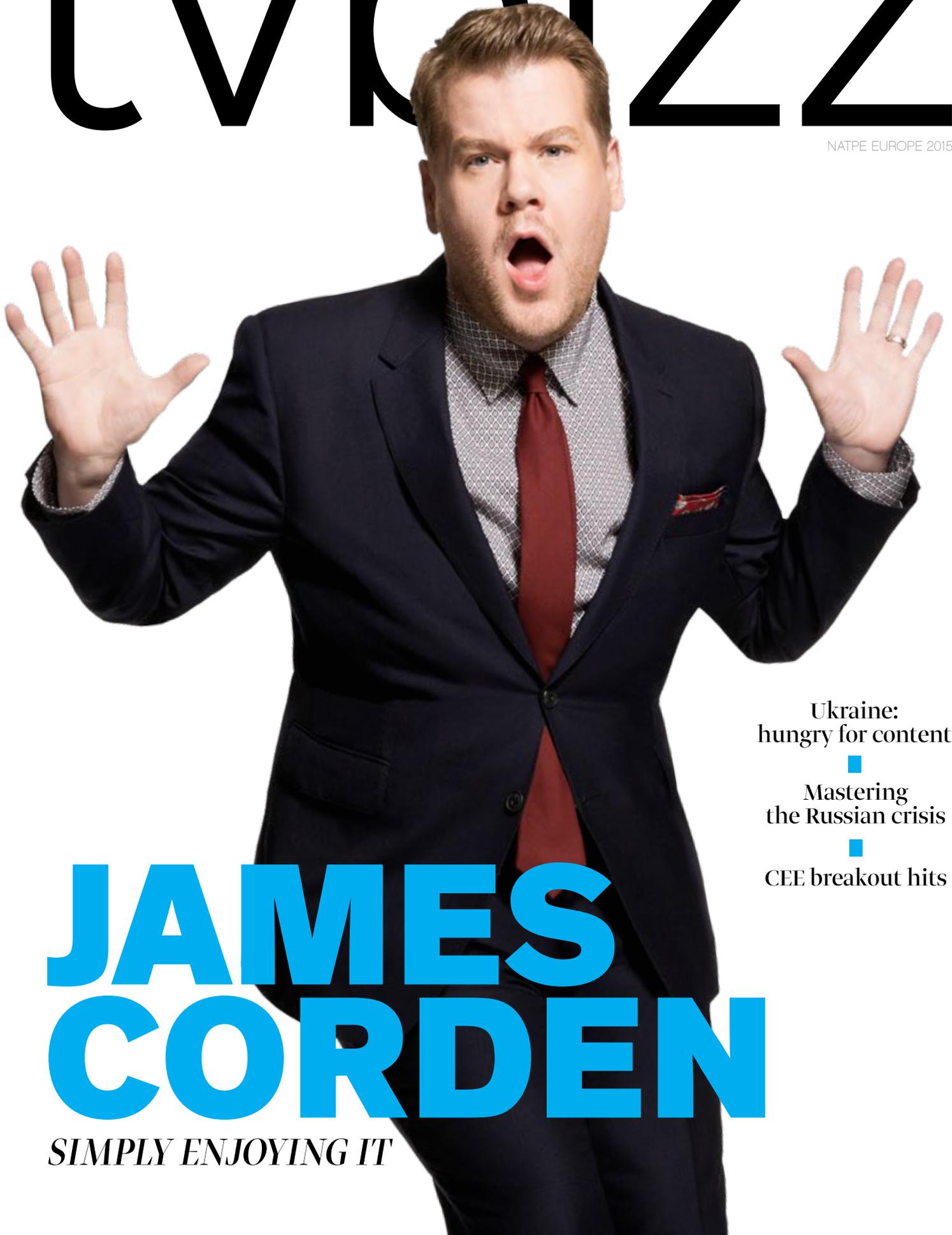


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NATPE EUROPE 2015



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the Russian crisis

CEE breakout hits

# JAMES CORDEN

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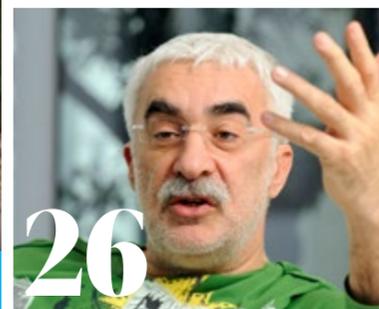


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Georgi R. Chakarov  
 Editor-in-chief

# The Legend Walks Out



A few days ago, Rupert Murdoch announced that he is giving up the position of CEO of 21st Century Fox in favor of his son James. The move marks an end to a 63-year long managerial career of a man who created a global media empire controlling more than 800 companies in over 50 countries.

It would be exaggerated to say that the decision came as a surprise. Mr. Murdoch is a smart man who knows that it's best to walk out when you're on top of your game. Beyond his personal reasons, this move could also be interpreted as a sign for the global television business which Murdoch has been ruling for decades.

Is the Golden Age of Television coming to an end? Even though, it has just begun? Is Mr. Murdoch seeing something we don't see yet? Let's think about that.

The latest forecasts are quite controversial. On one hand we have the biggest ever consumption of TV content, but on the other - TV is losing the advertising battle to the internet, meaning that more and diverse content is needed to satisfy the viewers, while less capital is generated for its production. Eventually, this hits back at the viewers who are asked to pay more and more to watch their favorite shows. Then comes cord-cutting and even less revenues for the traditional broadcasters - the core of Murdoch's business.

One could argue that Murdoch has enough cash to buy Time Warner (which he tried to do) or Netflix. However, in the long term SVOD services will be facing the same problems the FTA and pay-TV sector is having now due to lack of new content and sufficient funds to produce it. So why bother?

As Murdoch is leaving the stage, it seems the lights are slowly going down on television.

Enough of this.

Time to cheer up! James Corden is next! ■



### ■ Inter license renewed

After weeks of speculations and political pressure, the broadcasting license of Inter was finally renewed for seven more years in mid-June.

Earlier, Dmitro Firtash and his partner Sergey Levochkin were forced to acquire the stakes of Russian net Perviy (Channel One) for the sum of \$100 million. The presence of Russian shareholders could have become a reason to shut down Ukraine's most-watched net. The deal is reportedly still investigated by the authorities.



### ■ Grcic heads Antenna Group's operations in Serbia and Montenegro

Manja Grčić has been appointed new manager of Antenna Group for Serbia and Montenegro. In her new role, she will implement a strategy for the current media activities of the terrestrial channels PRVA, PRVA Montenegro, the cable channel PRVA Plus as well as the digital access portfolio, including the web-pages - www.prva.rs and www.vic.com/rs. She will continue to manage the corporate and regulatory affairs of Antenna Group for South East Europe.



### ■ ERT back on air

The Greek state broadcaster resumed its operations under the ERT (Hellenic Radio Television) brand on June 11, exactly two years after it was shut down. Reconstituting ERT was one of the prime items in the pre-election platform of the ruling Syriza party. The broadcaster will operate two channels - ERT1 and ERT2, replacing NERIT and NERIT plus.



### ■ Surviving the crisis on TV

360 TV Podmoskovie (Greater Moscow Area) launched the reality show *Made in Russia* (Sdelano v Rossii) in which 5 families of different income and lifestyle have to survive 13 weeks without foreign goods. The goal is to test if Russians can live well in the times of sanctions and counter-sanctions between the West and the Kremlin. One of the families had to give up 86% of the items and products they normally use.



### ■ Dogan TV CEO takes a Sabbatical

Dogan TV Holding's CEO İrfan Şahin is taking a one-year Sabbatical to go the US. It will last from August 2015 until May 2016. The CEO will use the time to acquire new knowledge and skills in media management and content creation. Şahin will return to his position on June 1, 2016.



### ■ TV2 Group launches new channel in Hungary

TV2 Group will launch a new niche channel in Hungary. TV2 Classic is expected to start before Christmas. The new net will be targeting elderly viewers aged 60+. It will be distributed free of charge.



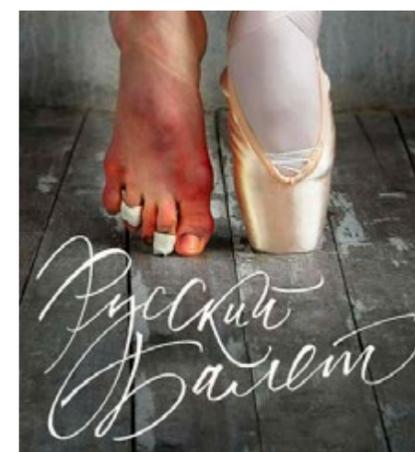
### ■ Slovakia's longest running series ends

Slovak commercial net JOJ announced that the current 15th season of popular series *Panelak* will be its last. The story of the dwellers in one of Bratislava's panel buildings (thus the name of the series) will wrap up after 7 years on air, as Slovakia's longest running series.



### ■ TVP and 1+1 developing stronger ties

In an exclusive interview for CEETV, 1+1 Media CEO Oleksandr Tkachenko confirmed that his company and Polish broadcaster TVP are developing stronger ties. He said they are discussing at least two drama projects and one major entertainment show for coproduction.



### ■ Ballet reality and first Indian series in Russia

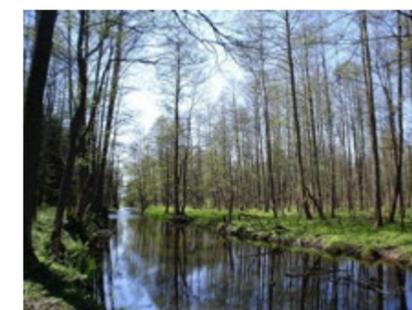
Russia boasts international fame with its achievements in the art of ballet and this spring U TV decided to show for the first time on TV the sacrifices dancers have to make for the desired success. *Russian Ballet* told the backstage stories of a large Moscow ballet troop, whose members competed for the right to join the international touring cast.

In another first, U became the first Russian terrestrial net to launch an Indian series - *Iss Pyar Ko Kya Naam Doom*.



### ■ TVP has a new President

Janusz Daszczyński is the new President of Polish broadcaster TVP. Daszczyński used to be chief editor of TVP Gdansk, member of the board of TVP between 1994-1999, head of PR and marketing of Ergo Hestii as well as director of the Polish exhibition during the Expo 2010 in China.



### ■ Discovery shows the beauty of Belarus

Discovery Channel is planning to create a cycle of programs about Belarus. The Minister of Information Lilya Ananich noted that negotiations with the US broadcaster resulted in an agreement to create a cycle of shows about the national heritage of Belarus; in particular, about the Bialowieza forest.



### ■ RTS has a new GM

This month the Management Board of Radio Television Serbia elected journalist Dragan Bujošević as the new General Manager of the public broadcaster. The appointment put an end to the managerial crisis at RTS after the sudden death of the former head Aleksandar Tijanic in October 2013.

### ■ Estonia and Latvia develop Russian channels

The crisis in Ukraine and the aggressive Russian propaganda have forced both Latvia and Estonia to reconsider their attitude toward the vast Russian speaking minorities. The public broadcasters of both countries have been given the task to launch specialized national channels to serve the Russian speaking viewers.

ERR will launch ETV+ this September, while LTV's third channel is expected to start airing in Latvia in the first half of next year.

### ■ Couples shoot Happy TV to the top

Happy TV's scandalous reality show *Couples* (Parovi) was the biggest hit of the spring season in Serbia. In April it helped the channel reach the top of the charts while nearly tripling its average audience share.

### ■ Big Brother debuts in Turkey

Strange as it seems, the world's biggest reality show *Big Brother* has never aired in Turkey. But this is about to change as Star TV and Endemol Shine Turkey have now started the castings for the first edition of the reality format.



# JAMES CORDEN

SIMPLY ENJOYING IT

.....

**James Corden** has been hosting *The Late Late Show* on CBS for just a few months but anyone who has seen him would tell you it feels like he has been doing this job for years. The young British star has easily conquered the TV screens in America and broken YouTube records with the hilarious clips from his show. Naturally, we had to have him on our cover.

James Corden's *Late Late Show* with with Chris Pine, Arnold Schwarzenegger, Mariah Carey, One Direction, Tom Hanks and Justin Bieber.



**Georgi. R. Chakarov** tried to find out how Corden feels about the show's success life in America.

**J**ames, first off, congratulations on a great show. In just a few months you have become one of the hottest names on US television. Success follows you everywhere. What's your secret?

Well, I don't know that success follows me everywhere. I think I have been very very fortunate to work with good people and I guess that is the secret in a way. You are never really 100% responsible for any of your successes in the same way you are not 100% successful, responsible rather, for things that do not work out. But I am very pleased, mostly just relieved that people seem to be enjoying the show around here, because it was not really cut and dry that they would.

**Millions have watched the hilarious video where you win the Golden Ticket to host *The Late Late Show*. But tell us, what is the real story? How did you get this job?**

I still don't really know how I got the job. I was not really something out of huge and it was something I felt quite rested for a long time because I was very happy at home and happy with where my career was going. Then it just felt like it was inconceivable to me that I would not regret turning it down so I would rather regret doing something than not doing something. It was just a sequence of conversations and then I sort of got off with it. But I never really tried out in any way, I did not do a test show or a pilot or anything.

**US talkshows are known for being a well-oiled machine,**



“  
I have never had as much freedom as I have had working on this show  
”



**with big teams looking after all elements of the show. Exactly how much freedom do you have in, let's say, choosing the guests, writing your monologues, selecting the questions for the interviews and writing the jokes? How difficult is it to try new stuff?**

I have never had as much freedom as I have had working on a show as I do on this one. The network are unbelievably supportive and pretty much leave us alone to make the show. I feel like I am involved in every corner of it really. You have to be.

These shows work if they are an expression of the host. You have to be working with the team. I very much feel like I am just part of the team and it is only when the show starts that it is that I am sort of out there on my own and the rest of the time it is me and the whole team.

**Do you watch recordings of your show at home? How do you rate yourself on a scale from 1 to 10?**

Oh man, how do I rate myself? In what capacity? How do I look? About a 3. I watch the show most days. I watch it in the morning when I wake up. I don't know, I think there is room for improvement, let's just put it that way.

**What else do you like to watch?**

I love watching *Veep*. *Silicon Valley* I am really enjoying. *Last Week Tonight with John Oliver* is one of my favorite shows. Those are the shows I am really into at the moment.



BIO

**James Corden** became one of America's hottest talkshow masters when he took over CBS's *The Late Late Show* in March this year.

Corden is a Tony Award-winning performer on Broadway and a BAFTA-winning star for his sports-themed show *A League of Their Own*. He also stars in, produces and writes the BAFTA nominated comedy thriller *The Wrong Mans*. In 2013, Corden was awarded the Royal Television Society Award for Comedy Writer of the Year for his work on the show.

He also starred in the critically acclaimed BBC comedy series *Gavin and Stacey*, which he co-created and co-wrote. For his role, he earned the BAFTA Television Award for Best Male Comedy Performance in 2008 and the British Comedy Award for Best Male Comedy Performer in 2007.



“ I am just trying to enjoy every second ”

**After *The Wrong Mans* and *Gavin and Stacey*, are you planning similar projects in the US? Which are your favorite American comedy shows?**

My favorite shows are *The Larry Sanders Show*, *Seinfeld*, *Curb Your Enthusiasm*. I would love to have a go and try to write a narrative show, a comedy here, I am not entirely sure when that will be. But one day I'd really love to give it a shot.

**You are pretty much the biggest British import in the US since Hugh Laurie and Simon Cowell. What has been the reaction back home to your growing popularity in America?**

The reaction has been great from everyone really. All is great that we now really live in a world where people can consume the show on their own leisure whether taping it at home on their DVR boxes or watching clips and things on YouTube, so mostly I am just overwhelmed. The response to it – we never thought we'd hit the ground running as fast as we have. The reaction at home has just been terrific. People have just been so supportive. I have really felt a wave of support and there are often quite a few Brits in our audience in the studio which always makes me feel great.

**Is British humor getting more recognizable or is the American audience becoming more open? How would you compare British to American life in general and the entertainment business in particular?**

I feel the world is a much smaller place than it used to be. There is this strange thing when you are working on a TV show or a film at home in the UK people often go 'I wonder if it would work in America'. But in America when they wake you and say come work on a movie they never say 'Oh, I wonder if it would work in the UK'.

Ultimately, I think if something is good it travels whether that be a sitcom or a movie. It feels very similar in so many ways. I don't think I had to change that much. I just have to change the way I say 'water'. Here they do not really know what you mean if you say it with a 't'.

**Elvis, Michael Jackson, Freddie Mercury. Which one would you pick for Carpool Karaoke if you could?**

Oh my goodness! I genuinely couldn't choose. Because as soon as I feel I am going to choose one, I think 'You're mad! You got to choose one of the other two'. So if it is alright with you, I could never ever choose between those three.

**Do you miss the theater?**

I miss the theater very much and I miss acting. I hope one day I will be able to go back and do some more plays and things, I really, really do. I would hate it if that door was closed.

**What do you do when you are not working? What's your favorite US sport now?**

I haven't really got into US sports yet. I have tried baseball. It lasts so long it just looks like lots of people you do not know having a picnic. I guess basketball is the one I have enjoyed the most watching. Mostly when I am not working I am just with my family or trying to be asleep. That's about it really.

**What is the best piece of advice you have received? Besides Jay Leno's.**

Most people just said that you just got to be yourself, which is daunting. And enjoy it, because what is the point, if you are not; there is really no point of doing any of this stuff. So mostly I am just trying to enjoy every second, because it is not lost on me what a privilege all of this is. ■



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Weinstein in *Your Face Sounds Familiar*

# Timur Weinstein: Mastering the Crisis

**Timur Weinstein**, head of WeIT Media and one of the leading TV producers in Russia, tells **Alexandra Egumenova** how the crisis has affected the local TV market and his company's business in particular.

**M**r. Weinstein, Russia's TV market is facing very tough times at the moment. Experts claim that the crisis could be bigger than in 2008-2009. How serious is the situation in your opinion?

The situation is not easy at all. The most difficult part is not knowing how the market would behave tomorrow. The market players froze in anticipation and are waiting for the new input data. This particular crisis is complicated because it is very localized and we have to deal with it on our own. The foreign partners still do not fully understand the gravity of the crisis on the Russian market. We are experiencing particular difficulties with the format deals, the prices of which skyrocketed due to the exchange rates and started having a profound effect on the production budgets. However, the negotiations with the format owners on decreasing the price are still unsuccessful.

**Do you see this crisis as a new chance for the Russian TV industry? How will the business change in the future and when do you expect the crisis to be over?**

I see a positive effect of this crisis in a way that it would clean up the production market in Russia. A huge number of producers and production companies appeared in Russia recently. The chan-

nels would start being more careful when picking partners and content, and would work on minimizing the risks. For them it means working with reputable and large players of the market. The same thing happened during the last crisis as well.

Advertising dropped by more than 20% in the first months of the year. How have channels and other market players adapted to this?

As a matter of fact, no one is adapting right now, everybody is waiting. The advertising revenue of some channels dropped by almost 40% in the first months of the year. Of course, there are objective reasons for that. One of such is the Sochi 2014 Olympic Games, which drove the advertising budgets in the beginning of last year to a very high level. Despite that, the fall happened and it is obvious. Today everybody wants to understand the real numbers, including the channels and the producers.

The main problem is the lack of any knowledge of what is going to happen. The channels need to build the fiscal policy based on many elements, including the advertising income. Since there is no official forecast, the companies still do not fully understand the incoming numbers, it is difficult for them to estimate the outgoing ones. And the production budgets do depend on such outgoing indicators.



TIMUR WEINSTEIN

TIMUR WEINSTEIN was born in Baku, Azerbaijan, on March 1st, 1974. In 1996 he graduated from Azerbaijan State Medical University, specializing in psychiatry. He then specialized in TV directing in Moscow. In 1996 he started working for VID TV Company. In 2000 he became a shareholder and general producer of prodco Lean-M which is now 100% owned by Sony Pictures Entertainment. Weinstein founded WeIT Media in 2009. The company became a strategic partner of Endemol In March 2010. Timur Weinstein has produced more than 150 TV projects.



Art Pictures Studio Founder and producer Dmitry Rudovsky (left) with Timur Weinstein on the set of *Barman*, which will be released in cinemas on June 18

“  
**The situation is not easy at all. The most difficult part is not knowing how the market would behave tomorrow.**  
 ”

Vitally important things continue to happen. However, essentially, many contracts have been put on hold, while most of them had to be cancelled.

I think that the volume of the commissions would decrease by 25-30% in terms of the quantity of content. This would happen not only due to the decline of the advertising market, but also due to the fact that in the last 2-3 years, the channels have acquired a certain quantity of the material and content to help them to last through the next couple of years. The number of shows on the channels would also decrease: they would not launch three large shows per season; instead, they would confine to just one.

We have completed preliminary work for most of our projects; we have casted the actors, directors and other participants. Now we just wait for the final authorization, in other words, the contract with the channel.

On the other hand, as weird as it may sound, we expect an active infusion of capital into the movie production in Russia from the Cinema Fund and the Ministry of Culture. I think that this summer we will all get the feeling that many projects are being produced.

**How has this situation affected your**

**company?**

We hope that there won't be any serious changes, since WeiT Media now has another giant partner - Shine. I think that in a good year, this would have caused an increase of the volumes. Shine has a large catalog, which we have the right to exclusively represent and produce in Russia and CIS. We have already started working on a few projects based on the formats of this company. Unfortunately, given the current situation on the market, I think we would stay on the same level as last year. I hope that that the negative dynamic that we might experience this year would be compensated by the opportunities that the new catalog presents us with.

**As you mentioned earlier, you now represent Endemol Shine Group in Russia and CIS. Besides working with a bigger catalog, will there be any structural changes in your company?**

In terms of people, of course there will be changes, as they always happen. This is normal. In terms of the working system, nothing is going to change. I have to repeat myself and say that the only change would be working with the amazing catalog of Shine, and this brings us great pleasure. Apart from this, there are no prerequisites for any



*Getting Married Urgently* (left) and *Barman* are new films, co-produced by WeiT Media and Art Pictures Studio



other changes.

**What are WeiT Media's plans for the next TV season? What projects are you working on at the moment?**

Our project based on Shine's format *The Biggest Loser* premiered on CTC channel in April and has already been renewed for a second season.

We have recently launched the production of a series project based on the format *The Killing*, and started negotiations to produce the adaptation of *The Bridge*. Moreover, we are working on a range of original series projects. We will produce 5-6 projects this year as planned.

Today we have to diversify towards movie production as well. If a couple of years ago, I used to say that the movie market is very risky, but the situation has drastically changed since. Recently, we finished two full feature projects; they will come to the big screens this year. Together with Art Pictures, we are working on the production of other movies.

I have to mention that our company is one of the few on the Russian market that produces both scripted and non-scripted formats at the same time. We gladly work on large shows. *Odin v Odin* (Russian adaptation of *Your Face Sounds Familiar*) airs on Rossiya 1, and we are leading negotiations on another

great show for this fall.

**Russian producers are also suffering from the reduced demand for Russian content from Ukraine. What has been the impact of the changed programming policies of the Ukrainian channels?**

It hit the entire market very hard. We estimate the package that we unfortunately cannot sell to Ukraine to be a very substantial sum of money. We are not even leading any negotiations. This is a very serious problem, since we can easily just subtract 20% from our profit. Profit specifically, because we used to sell the final product. Both the producers and the channels suffered, because these 20% were part of their budgets.

We met with various organizations and companies in order to discuss the possible options of substituting this market. They, however, did not lead to any result. This is a serious problem and unfortunately, in my opinion, it cannot be solved.

**You have also produced lots of scripted and non-scripted content in Ukraine. What are your relations with clients and co-production partners there?**

We maintain the relationship, but at

the same time, both sides fully understand the situation we face. We used to have exclusive rights for the formats of Endemol Shine Group in Ukraine, and produced joint projects with Ukrainian companies. Now, at least for this year, Endemol Shine Group works there directly. This was the mutual decision.

**Your company is one of the most active format buyers from Russia. What are the recent trends you have observed this TV season?**

Not that many things have changed in Russia in the last few years. It is still the big shows and series that draw attention of the viewers. The other platforms, for which it would be possible to produce new projects and look for new trends, are still not developed well enough. It sounds like a fairy tale when we hear that in England the advertising market is equally divided between the TV and Internet.

Of course, we all like and look for something new, for the shows that unexpectedly make it big. But I think that our TV audience is very conservative. We could look for trends on other platforms, but not on TV, where the permanent trend is a good quality series, a good show, everyday news and cartoons for children. ■

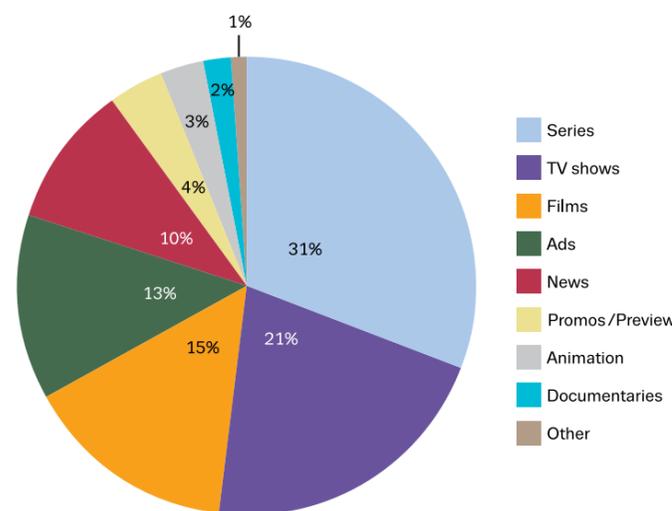
# Ukraine is Hungry for New Content

Broadcasters need to fill the gap left by banned Russian series

by Artem Vakalyuk, Head of Analytics at Media Resources Management

The global television industry is changing its traditional paradigm due to the rapid development of new platforms of audiovisual content distribution like OTT, VoD services, cloud technologies, etc. Ukraine has also entered this new era of transformations driven by the change in content consumption, but also due to new legislation which obliges the TV channels to change their programming policy: namely, the new amendments to the Law on Broadcasting which came into force on June 4.

The Ukrainian authorities have banned the broadcasting of



Content broadcast on Ukraine's 6 leading channels in 2014, by genre

Source: Media Resources Management

all Russian-made content that focuses on Russian armed forces, police and all kinds of governmental security services. The restrictions also concern all films, shows and series that were produced with the participation of 'personae non gratae' who have neglected Ukrainian laws and threaten the national security of Ukraine. Moreover, all Russian-made content produced after the 31<sup>st</sup> of December 2013 is also banned.

These legislative measures came as a natural reaction to Russia's annexation of Crimea and Kremlin's support for the separatist "republics" in Eastern Ukraine. Ultimately, for the Ukrainian channels this means a significant reduction in the volume of Russian content shown on air which opens up big holes in their schedules.

Taking into account the considerable share of Russian productions on Ukrainian TV, it is easy to see that the local broadcasters will develop a hunger for new acquired content. This will not happen immediately, as the channels will try to outlive this period by airing both locally-produced series and TV shows while also repeating earlier acquired non-prohibited Russian content. But it is obvious that all Ukrainian broadcasters will not be able to maintain their positions and avoid losing audience in the nearest future without introducing brand new TV series and films. The channels are starting to seek for new partnerships, ideas, formats and ready-made content, dropping the traditional cooperation model and looking beyond Russian-speaking productions.

To understand better Ukraine as a high-prospective territory for the international producers and distributors, the Kiev-based Media Resources Management (MRM) conducted a research of the content that was aired by the Top 6 local broadcasters in 2014. Inter, 1+1, Ukraina, ICTV, STB and Novy collectively account for more than 51% of the TV viewing share in the country. Last year, out of more than 52,300 hours of broadcasting time on the six channels more than a half was dedicated to TV series and shows and 15% to films and movies.



New episodes of comedy series like *Kitchen* are now banned in Ukraine.

The programming policy of the major Ukrainian channels differs a lot. For instance, Inter, Novy and ICTV give about a third of their air time to TV series; almost half of Ukraina's schedule is filled with this type of content, while STB and 1+1 rely more on entertainment and only a quarter of their air time in 2014 was filled with series.

Things get even more interesting when we look at the share of Russian series aired on the Top 6 Ukrainian nets in 2014. In total, more than 18,260 hours of TV series were shown during the last year. Russian-produced TV series accounted for almost 12,680 hours or 69.4% of the total volume of series broadcast in Ukraine in 2014.

The nets which relied the most on Russian content in 2014 include Novy (87% of all series aired on the channel; series comprised 33% of its total air time), Ukraina (81%, series took 47%), ICTV (74%, 33% of the total air time was occupied by series) and Inter (65% Russian series, 34% series of the total air time). STB and 1+1 had the much humble 37% (series in the total air took 16%) and 32% (23%), respectively. The leader in aired Ukrainian original series productions and co-productions was Inter with 32%, followed by STB with 27% and 1+1 with 18%, while ICTV and Novy had only 9% and 4% in this category.

The issue with Russian content gets even more serious when we take into account that almost 1,900 hours (or 15% of all Russian-made series aired on the Top 6 nets) were produced in 2014. Considering the restrictions mentioned above

these 15 percent will also disappear from the TV grids. Adding almost all detective and crime series as well as war and action dramas that depict the life and work of Russian military and security services we come to the situation where almost 40% of the Russian-made series (aired in 2014) are now banned for broadcasting in Ukraine.

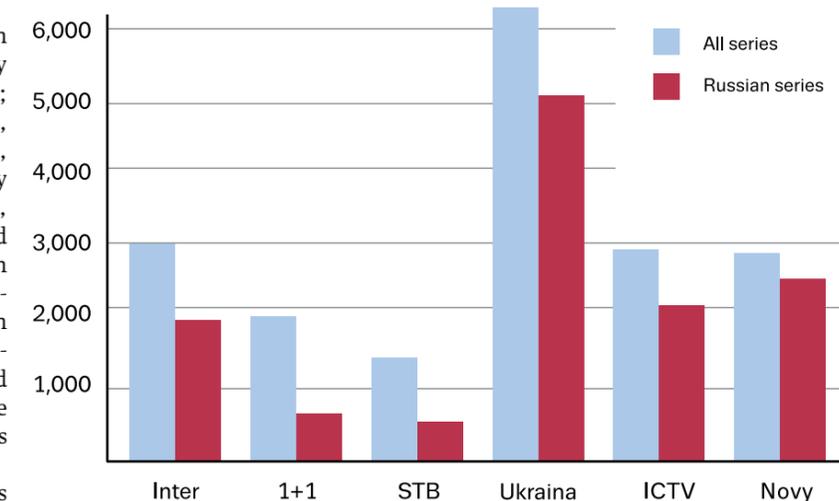
We should also not forget that in total there are more than 20 nation-wide TV channels in Ukraine, 11 of which are general interest nets. The analysis above shows the situation on the leading TV channels, but the other broadcasters were also active buyers of Russian TV content and now they will feel the hunger for content as well. MRM's analytical department forecasts that even with the boosting of local series production the shortage of new TV series will vary at the level of five to seven thousand hours a year.

Moreover, recently the Ukrainian Parliament voted on the reduction of the allowed volume of TV advertising from 20% to 15% of the broadcast hour. This will also open up additional space to fill in the grids.

The stats above prove that Ukraine is now a new market where the traditional model of scheduling of Russian content will be replaced by new programming strategies: some channels will start relying more on own productions, others on more international acquisitions. This will open up great new opportunities for the international producers and distributors willing to fill the huge gap left by the disappearance of Russian content in Ukraine.

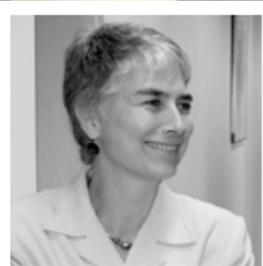
This year distributors and producers from all over the world will have the chance to rediscover and reinvent the TV market in Ukraine in the course of Ukrainian Content Market taking place in Kyiv this September, as part of Kiev Media Week 2015. The forum will feature a special line-up dedicated to the most challenging issues for the local media industry. In the course of the Reinvent Ukraine program there will be a special focus on new cooperation and coproduction opportunities between Ukraine, CEE and producers from the rest of the world. ■

\* TIC is the data owner. TV panel operator – Nielsen, monitoring - Communication Alliance. Data is provided by Media Resources Management. The data is calculated for 2014 and presented by indicator Length.



Russian-produced TV series on the Top 6 Ukrainian channels in 2014, total hours

Source: Media Resources Management



# EBU pushes for Digital Single Market

The European Affairs team at the European Broadcasting Union (EBU) defines policy positions according to the needs and experience of the EBU members and scrutinizes EU proposals before exploring the implications of legislation. Its role as an authoritative and trusted lobbying presence in Brussels is to advocate frameworks that allow EBU members to operate with peak efficiency. **Nicola Frank**, Head of European Affairs at EBU, tells **Iliyan Stoychev** about EBU's role in EU's digital single market strategy.

**M**s. Frank, what is the EBU's position on the EU digital single market strategy? What is the role of EBU in developing and implementing this strategy in regard to broadcasting and digital online services?

The Digital Single Market strategy is, generally speaking, a much needed development to address the huge market changes we are experiencing today. For the EBU and its members, it offers the possibility to take many initiatives in the broadcasting and audiovisual sector one step forward and continue innovating.

In this context the EBU pursues work on standards and is actively seeking to boost applied research in the audiovisual area and coordinate its members' activities. And we are also seeking to contribute to the policy debate on the Digital Single Market strategy: it is likely to introduce, or review, important legislation for public service media.

**How exactly will the EU digital single market strategy affect the operations of the traditional public-service broadcasters, the members of EBU?**

Our members are changing fast, in line with society, technology and the economy. For a start, they have already taken the step from being 'traditional' public service broadcasters to public service media, which must be present on all relevant platforms. The Digital Single Market strategy must in this respect help our members consolidate their posi-

tion as key players in the digital media landscape.

Then of course, we will have to see how the EU turns its high-level plans into concrete legislation: it will largely be down to policy details. One thing that is important for us is that the policies on radio spectrum and net neutrality for example offer long-term guarantees that our content reaches viewers in the best conditions on all the relevant platforms and devices, via broadcast or broadband.

**How will the role and function of EBU change in a digital single EU market?**

The EBU's role will generally remain the same, and that implies a very diverse range of activities, from developing technical standards to making the case on the international stage for public service media. One dimension of our activities which should come out reinforced is bringing our members together to assess and plan for the future together, like we have done recently in our Vision 2020 initiative, a year-long investigation that garnered the opinion of more than 150 Members and experts from the EBU community in order to strengthen PSM's contribution to the networked society and raise performance levels in the lead-up to 2020 and beyond.

**How successful are public-service broadcasters in the 28 EU countries dealing with the rise of online streaming? Is there a threat for them in**

**The 10 recommendations of EBU to public service media (PSM) as defined in VISION2020:**



The full text of the document VISION2020 is available at [www.ebu.ch](http://www.ebu.ch)

1. Better understand your audiences
2. Increase engagement and diversity
3. Set priorities in your portfolio
4. Be the most relevant and trusted source of information
5. Be more relevant to younger audiences
6. Empower, curate and share
7. Accelerate innovation and development
8. Ensure prominence
9. Transform organisational culture and leadership style
10. Make the case for PSM

**respect to the technological development and the consequent changing behavior of the audience?**

On the whole PSM in Europe were fast to take up the possibility to offer online streaming and catch-up services. It is true that other new services have shaken the market and changed viewer behavior, but I do not think there is necessarily a threat for public service broadcasters any more than for other players in the media sector. I actually think that the rise of online streaming services makes public service media more relevant than ever and makes us evolve towards a more personalized relationship with the audience.

**Will banning the geo-blocking of online content affect in any way illegal downloads of such?**

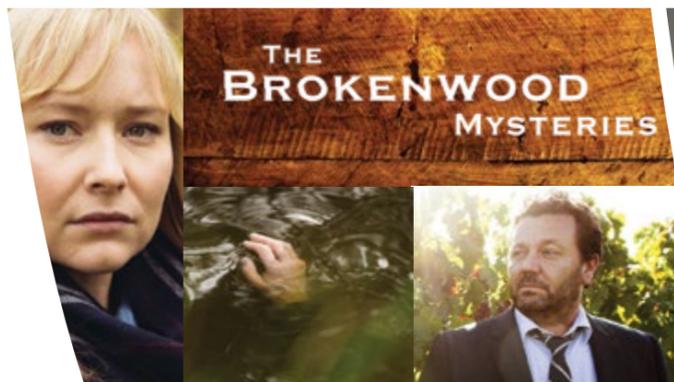
No, I think these are separate issues. An outright ban on audiovisual geoblocking though would harm the creative value chain and actually poses more risks for cultural diversity than anything else.

I can understand why at first hand, it would seem like good idea to ban geoblocking, especially when you are newly expatriated: you want to get all the content from your home country. But when you scratch the surface, you quickly understand that a ban would harm the European creative economy: the change of tone of the European Commission over the past six months on this subject shows that this has been well understood. ■

“**The Digital Single Market strategy must help our members consolidate their position as key players in the digital media landscape.**”



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# The "Shogun" Adrian Sarbu

**A**drian Sarbu's success story as the highest ranking media executive coming from Eastern Europe as President and CEO of Central European Media Enterprises between 2009 and 2013, went ugly this year as he ended up being detained under suspicion of tax evasion, money laundering and embezzlement.

## Charges and House Arrest

This February, the former Romanian media tycoon Adrian Sarbu was arrested. The decision to detain him was taken after several people were arrested late last year in a major tax evasion and money laundering case related to Sarbu's media group, Mediafax. Prosecutors said that Mediafax was using third companies to accumulate debt in unpaid taxes, then discarding the said firms only to establish new ones for the same purpose. The total tax evasion claimed by prosecutors amounted to some 17 million RON.

Sarbu claims that the case against him was fabricated by Prime Minister Ponta and his close ally, media entrepreneur Sebastian Ghita, aiming to destroy the media institutions he has built for the past 25 years and which, according to him, he has kept politically independent. Sarbu calls this a form of state terrorism against media institutions, pushing them into insolvency or sale to other groups.

According to the Prosecutor's Office, "in a decision issued on April 23, 2013, Mediafax Group was granted permission to pay its taxes amounting to RON 3,949,358 over a period of 24 months. The mentioned company,

its representatives as well as people from law firms involved in attesting the legality of the documents of this company set up a scheme to avoid the payment of taxes, which included creating dummy companies on the name of people who lacked financial means, profiting from their situation, and these companies were dragged into this commercial circuit."

Sarbu's troubles do not end with the Mediafax case, however. Together with journalist Sorin Rosca Stanescu, he is being investigated by the Romanian Directorate for Investigating Organized Crime and Terrorism over a new scheme: the two have allegedly taken a 4 million USD loan back in 2008 from BRD bank which was never paid back. Sarbu vouched for the loan with his management contract with an international media group (which is not named). Stanescu, on the other hand, took a loan of 3 million euros. The loans were taken the same day the documents were signed but it turned out there were insufficient guarantees for the money.

Proceedings on both cases are currently ongoing and Adrian Sarbu remains under house arrest. As Romania's biggest media mogul faces possible imprisonment, we take a look back at his rise to the top and his time as the leader of CEE's largest broadcasting company - CME.

\*Shogun (from Japanese) - general, military leader; a nickname coined by his employees

Once **Adrian Sarbu** was the most-powerful media figure in Romania. Now he is the Shogun\* under house arrest, with ongoing criminal proceedings against him. By **Yako Molhov**.

## Building a Media Empire

In the period from 1980 to 1990, Sarbu wrote and directed over 150 short films: art, documentary and commercial projects. He rose to prominence when he shot the December 1989 revolution in Bucharest and produced for television the first documentary film on the events, called *December 1989*. After Nicolae Ceausescu's demise, Adrian Sarbu joined the first structure of the newly emerging state power and was appointed as Adviser on Media Affairs to Prime Minister Petre Roman. In July 1990 he was appointed Secretary of State for Media Affairs in the Petre Roman cabinet and resigned from the office in October 1990.

In November 1990, Sarbu founded the first private daily newspaper in Romania, *Curierul National*, and one month later he set up the video production company MediaPro. In partnership with CME, he launched Pro TV in 1995. It quickly became the most-watched network and has been the market leader in Romania ever since.

## At the Helm of CME

Being at the right place, at the right time and working with the right people, Sarbu climbed to the top of the management of CME, the largest broadcasting company in Central and Eastern Europe. Before becoming its COO (in 2007) and subsequently its CEO and President (in July 2009), the Ronald Lauder-founded company entrusted him the operations of three of the company's most-successful markets: The Czech Republic and Slovakia alongside Romania.

With the arrival of the economic crisis, Sarbu took the upper hand in guiding CME's expansion and restructuring plans. In 2008, CME acquired Bulgarian start-up channel TV2 which it later rebranded to Pro.BG for the whopping sum of 172 million USD (for an 80% share in TV2 and Ring). Revealing audacious plans to make it the local market leader, CME invested heavily in people, infrastructure and TV content. As it could not even get close to the leading channels in Bulgaria, and after selling its losing Ukrainian operations (1+1) CME eventually bought the local market leader bTV in 2010 for 400 million USD and merged it with Pro.BG.

Sarbu was unsuccessful in his plans to make CME a vertically integrated and financially healthy company. He introduced the management model he had been using in Romania to other countries where the group operates, appointing Romanian managers to some key executive positions. His actions were heavily criticized in the Czech Republic as his decision to change the sales policy of market leader TV Nova allowed competitor Prima to take the lion share of TV ad revenues for the first time in Czech TV history.

He also tried to unite all CME productions under the MediaPro brand with the goal to create strong content developed in-house and distributed within the group and internationally. He saw no problem in removing big executives standing in his way; like Marijan Jurenc in Slovenia, Petr Dvorak in the Czech Republic and Vclav Mika in Slovakia.

As CME's financial troubles deepened and the company found a new majority shareholder with Time War-



Sarbu's arrest live on B1 TV

ner, Sarbu's time to leave had come.

The first reports that the company is not satisfied with Sarbu's management started to appear in late 2011 and in spring 2012 he was removed from the management of Czech Nova. Later, Romanian media speculated that he is planning an exit to RCS&RDS, and after CME changed his contract in spring 2013 his resignation was announced in the summer of 2013. The reason for the departure was obvious: CME posted a net loss of 41.1 million USD for Q2 2013, compared to a net income of 3.1 million USD for Q2 2012. Moreover, its strongest market: the Czech Republic posted revenues of 49.7 million USD - a significant drop from the 76.9 million a year earlier.

Following the news about his resignation, it turned out that Sarbu plans to continue on his own, setting up a content business. CME said Sarbu intends to develop a content business in which CME will acquire an equity stake but that never happened.

## Still Romania's Shogun

Adrian Sarbu, undoubtedly, has left a big mark on Romania's new history. In 2013 Forbes listed him as the fifth richest media mogul in Romania with a fortune of 60 million euros.

Sarbu has always been a mysterious character: rarely giving any interviews and avoiding being photographed. He was also described by Romanian media as the person who decides who wins or loses elections; who can become famous or remain unknown.

Like a real media Shogun, he shaped Romania's media landscape with the help of Pro TV which is still the undisputed leader in the country. Thanks to his strong charisma Sarbu proved a talented leader, inciting great loyalty among his employees, many of whom have stayed with him throughout the years and helped him build his empire. Some of them are pursuing other ventures now after Pro TV changed its management. Andrei Boncea, the former GM of MediaPro Pictures and former head of the content unit of CME, applied for broadcasting licenses for two channels earlier this year. Ruxandra Ion, the former motor behind Acasa TV, is also planning to launch her own channel, Happy TV.

As for Adrian Sarbu, his fate is now in the hands of the court. Only time will tell when the Shogun will be back to restore his media empire. ■



# CEE Breakout Hits of 2015

## Vacation in the Protectorate

CZECH Television hit the global headlines with this controversial reality project. *Vacation in the Protectorate* sees a family sent back in time to live their life the way people lived during World War II, under Nazi occupation in The Protectorate of Bohemia and Moravia. CT1 posted average results with the show which will be back for a second season.



### No Matter What

Nova TV continues to be the undisputed leader in CROATIA thanks to major hits like *No Matter What*. The series was the most-watched local fiction production in the 2014/2015 season averaging nearly 700,000 viewers per episode with 36.7% share.



### Our Year in China

Following the success of *Our Year in Siberia*, Kanal 2 returned with *Our Year in China* this spring. The docu-reality project which showcased the year of the family of popular TV face Tuuli Roosma in China became ESTONIA'S highest-rated new show this spring with 176,000 viewers per episode and 33.6% share.



### A Noble Tale

Planet TV took a chance this spring with the launch of SLOVENIA'S first original series in years. The move was more than successful as *A Noble Tale* nearly tripled the channel's shares in the commercial demo.



### Upper Lower

*Upper Lower* was SLOVAKIA'S breakout hit of the season. Season 1 averaged the whopping 48% share in the commercial demo. It will be back with new episodes on Markiza in the fall.



### The Last Moskal

1+1's comedy series *The Last Moskal* became the most-watched series in UKRAINE since 2009 with 26.3% share in the 18-54 demo for the 16 episodes of the first season. It reached a total of 17.6 million viewers this spring and generated close to 7 million views online.



## Firefighters

*Firefighters* was one of the few premiering original series in POLAND this spring. It improved TVP1's results in the Saturday night slot and has been renewed for a second season.



## Resurrection

*Resurrection* was the breakout hit among Turkish drama series this season. The period drama turned TURKEY'S state broadcaster TRT1 into a market leader in the key demos tripling the results of the channel on Wednesday nights.

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TV7 employees try to stop the bailiff from entering the station



TV7's live coverage of the political rallies of Bulgaria Without Censorship



TV7 airs the attempt to stop its broadcasts live

## TV7-the shutdown will be televised

by Yako Molhov  
& Georgi R. Chakarov

The story of TV7 is symptomatic for the history of Bulgaria following the fall of the communist regime. The so-called “transition period” has continued for more than 25 years and even though Bulgaria is now a member of the EU, it looks like the country still has a long way to go to become a modern, democratic state without corruption, legal loopholes and secret political games. TV7 as one of the biggest media in Bulgaria is now the most prominent symbol of the shady affairs orchestrating the country’s agenda.

This year, the private broadcaster was nearly shut down as Bulgarian viewers watched unmoved how bailiffs, together with movers and police entered the offices of TV7 and threatened to confiscate some of its equipment due to unpaid debts.

Nobody was shocked. Even when the journalists swore live on air that they just want to do their job but someone wants to stop them from telling the truth, no one seemed to listen. The statements sounded a bit surreal, as for years TV7 had been used as a loudspeaker for certain political and business interests and a tool for outright propaganda and misinformation, which affected the social, economic and political climate in the country.

So, how could anyone believe them? You wouldn’t as well. After you read this piece.

Ever since its launch TV7 has had an interesting and unceratin fate. It was launched in November 2005 by former banker Lyubomir Pavlov, his wife and TV host Dilyana Grozdanova and his

brother Yuly with the strong support of Bulgaria’s advertising tycoon Krassimir Guergov. It operated with a regional terrestrial license in Sofia and via cable and satellite for the rest of the country. The first three years of its existence were a relatively quiet period for the station which failed to make an impact on the market and suffered losses causing clashes among the owners.

In December 2008 the channel was finally sold to New Bulgarian Media Group, marking the start of a new (dark) era for the broadcaster. The deal’s reported value was 11 million euros and according to rumors it was funded by a bank close to the socialist party BSP. The new owner of TV7 was Irena Krusteva whose business interests are closely related to those of political party DPS. This relationship is no secret to the public, as Krusteva’s son, Delyan Peevski, is a member of its parliamentary group, which was in coalition with BSP at the time. With the acquisition of TV7, Krusteva formed one of the country’s biggest media companies which already had some of the country’s most-read newspapers under its control.

In October 2009, a third force joined the broadcaster as it was announced that an Austrian-based fund has become the owner of the net. Tsvetan Vassilev, the prominent chairman of the board of Corporate Commercial Bank (CCB), provided financial consultancy on the deal. According to unofficial sources, the bank co-financed the deal, sharing potential profit or loss with the fund. The fund was a strategic investor and acquired the media in order to increase its viewership and later sell it to another company, under

the management of Crown Media. The reported price was 31 million euros in cash and 10 million in real estate.

A few months later, in January 2010, TV7 effectively became a national channel with broadcasting licenses in 58 Bulgarian cities. The time of TV7 had finally arrived.

Having secured solid political support and financial resources, the channel started growing like a mushroom, led by its new ambitious CEO Nikolay Barekov, Bulgaria’s most popular morning presenter at the time. The broadcaster invested heavily in new content, technical equipment and studios and attracted some of the country’s most popular TV faces with record-breaking fees.

By the end of 2011 TV7 gradually became the third most-watched commercial channel in Bulgaria. In November 2012 another formal change of ownership was executed, as Alegro Capital, an independent corporate finance advisory firm focusing on clients across Europe, bought Crown Media for 15 million euros. Still, reports in the media pointed to the fact that TV7 continues to serve the interests of MP Peevski and banker Tsvetanov.

In late 2012 the media’s assets were expanded with the acquisition of struggling channel BBT which was turned into news net News7 in 2013 following another major strike for Barekov – a co-operation deal with CNN. TV7 had now become a news factor, of unsuspected proportions, as Bulgarians were about to find out.

Just one day before the elections (which is banned for any type of political messages) TV7 came out with a report that political party GERB

had prepared 350.000 fake ballots to influence the results of the vote and return to power. The outcome of the huge scandal was a new government formed by BSP and DPS. Subsequently, Delyan Peevski (allegedly one of the secret owners of TV7) was elected by the parliament as the new head of the Agency for National Security. The appointment became a “moment of truth” for thousands of Bulgarians who spontaneously went out on the streets to protest “the marriage of the government with the mafia”. Peevski’s nomination was quickly taken down but he remained MP. Protests against the new government continued for more than a hundred days.

At the same time, TV7 achieved its biggest ratings ever. The season one finale of *The Mole* gave the channel its highest share in history – 16.4% share in the commercial demo for the day, making TV7 the second most-watched net in the country.

As the ratings soared, CEO Barekov made a seemingly surprising move – announcing his resignation to start a political career with the new party Bulgaria Without Censorship, named after his daily talkshow. His exit was preceded by a failed attempt to sell the channel – this time for real. Reports indicated that the alleged buyer, Antenna Group, was not impressed by the financial performance of the broadcaster and pulled out of the negotiations.

As the owners of TV7 had spent tens of millions of euros to boost the channel’s ratings but buyers were hard to find, from fall 2013 they started spending even more on the new political proj-

**In an unprecedented move, the channel started broadcasting live the attempt to stop its broadcasts**

**CCB was closed down with multi-billion losses for the state, while TV7 somehow continued to operate.**

ect of their protégé. Every workday TV7 would air live the political rallies of Barekov's party in various cities. The news of the station became a tool to promote the image and initiatives of Bulgaria Without Censorship which started to gain speed in the polls and formed strong political alliances.

In May 2014 Barekov scored another major victory as his party got 10.66% of the vote in the European elections, making him a Member of the European Parliament. Bulgaria Without Censorship ranked as the fourth biggest political party in Bulgaria, just four months after its official founding. TV7 was also the fourth biggest channel in the country with 4.6% share (all day, 4+) in the first half of 2014.

But the political triumph was followed by the demise of the young media/political enterprise because Tsvetan Vassilev and Delyan Peevski were ending their partnership after seven years. The reason: the financial problems of Corporate Commercial Bank which also funded TV7. Former CEO Barekov was first to request insolvency proceedings against the channel through his company No Frame Media, TV7's in-house producer.

At the same time, CCB was declared insolvent and put under the control of Bulgarian National Bank. After several months of auditing it turned out the blackhole in the bank grew from one to five billion levs (approx. 2.5 billion euros). Losing the support of the union Peevski-Tsvetanov, Barekov's party got only 5.7% of the vote at the parliamentary elections in October 2014. Soon after, its parliamentary group of 15 deputies was dissolved.

CCB was closed down with multi-billion losses for the state, while TV7 somehow continued to operate. This year the channel was reportedly sold to another company, based in the US and connected to Russian bank VTB (former shareholder in CCB) and the oligarch Konstantin Malofeev, a close ally of Russian President Vladimir Putin. Despite these reports, the financial problems of the channel remained unsolved.

Rumors that TV7 would cease its broadcasts started appearing in March. The media reported that the channel's employees had given an ultimatum to the alleged new owners to pay their salaries which they had not received for two months.

New CEO Kiril Blagoev, however, told 24 Hours daily that there were no worries in this direction. The management even came out with an official statement announcing plans to offer a new schedule, with lots of surprises. Unsurprisingly, this has not happened yet.

On April 29, TV7 announced that it may be forced to stop its broadcasts since their servers would be shut down. The channel informed that a private bailiff, together with a group of movers was in front of TV7's building with an order to confiscate the equipment.

In an unprecedented move, the channel started broadcasting live the attempt to stop its

broadcasts. Viewers saw how policemen interfered and blocked access to the studios forcing TV7 to delay its afternoon newscast. The net continued to air the drama throughout the day urging Prime Minister Borisov to protect media freedom.

The attempt to confiscate TV7's equipment was not successful. The channel's staff organized a protest in which they claimed that there was political pressure to shut down the station.

On the following day, the trustees (i.e. the state) of the insolvent Corporate Commercial Bank announced that they have appointed a bailiff who, accompanied by police, entered the building and began appropriating assets, following two written notices. Eventually, the management was given one more week to start repaying the debts.

In May TV7 sent an open letter to the media and the PM explaining it has offered a payment plan and is ready to begin repaying its debt to the creditors of CCB but the bank's appointed trustees turned the proposal down. The channel said that apparently it is more important for the state to close down TV7 instead of getting its money back.

Several days later, TV7 announced that it has reached an agreement with CCB for the payment of 5 million levs (2.5 million euros) which it owes to the defunct bank. Still, a bailiff ordered for some of the assets of the TV station to be confiscated without hindering the broadcasts. This deal left another bitter taste of shady games as Tsvetan Vassilev sent an open letter from Serbia, where he has been residing for months due to life threats and fear of prosecution, in which he said that TV7 actually owes 288 million levs.

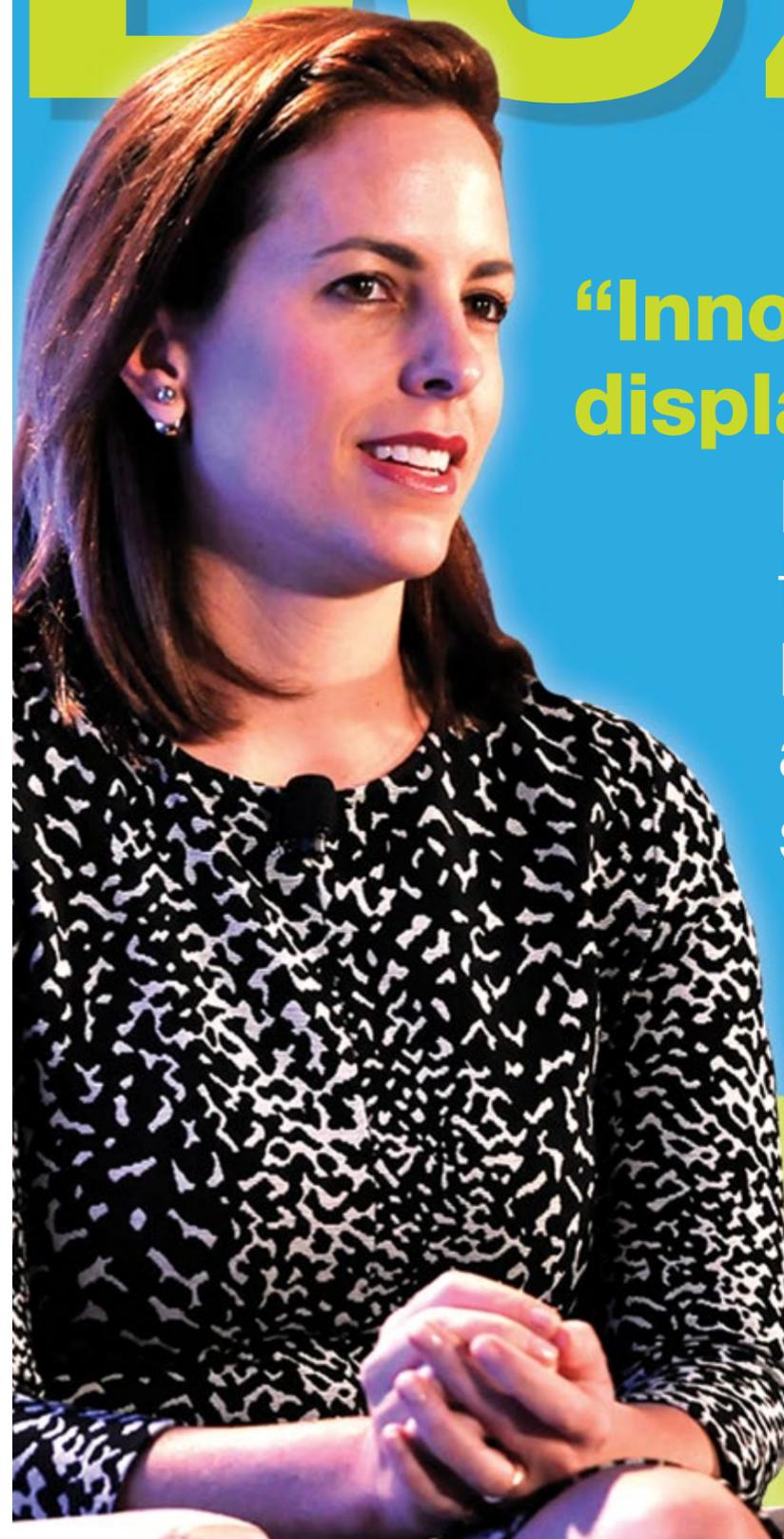
At the same time, there was an attempt to constitute a new management of TV7 with a request to the Trade Register including the name of Nikolay Malinov - the former publisher of the socialist party's newspaper Duma, indicating a new hot link between BSP and DPS. The people who applied for managers of News7 were Malinov, Asen Asenov and John Hanick who was earlier presented to the employees as representative of the new owners, supposedly Asenov's company PrimeMedia. The requests were turned down.

At present, it is still unclear who owns TV7. But this has been the case ever since the interests of Delyan Peevski and Tsvetan Vassilev were united in this major media project controlled by mysterious off-shore entities. For more than six years of its 10-year existence TV7 was used as a tool to manipulate the public opinion and influence the social and political agenda. Eventually, it became a platform for a new, short-lived (though still existing) political movement which could not achieve its goal - gain enough power to save the Peevski-Tsvetanov partnership, which effectively drained 2 billion euros from the state with the CCB affair.

That is why even if TV7 goes dark tomorrow, no one would miss it.

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# Free Netflix now!

As Netflix is breaking borders and revolutionizing TV markets around the globe, **Iliyan Stoychev** tried to find an answer to the question “What if Netflix could be free?”

**It sounds like a better, free version of Netflix, but is it?**

**N**etflix CEO Rick Hastings has adamantly turned down suggestions for advertising on the platform, and defended the company’s solid subscription model and unique binge watching offer which has also been put in question by the TV industry.

So what do you do if you can’t afford to pay for the cool Netflix services, or you simply can’t get access to the stuff you want to watch due to copyright restrictions?

The first time I found out about Popcorn Time was in a story on the TVBIZZ website which informed that Danish authorities are planning to shut down several pirate streaming services, including Popcorn Time. So, I got curious and asked around. After getting some positive reviews I had to test it.

Popcorn Time is an open source app that uses sequential downloading to stream content that is listed in torrent trackers. Basically, it shortens the whole process of searching for torrents, waiting for the files to download in your BitTorrent client and then playing the content in your media player. The app does it all for you with a simple user interface. Even subtitles are downloaded automatically. You just need to wait a bit for the content you have chosen to start downloading and streaming on your screen.

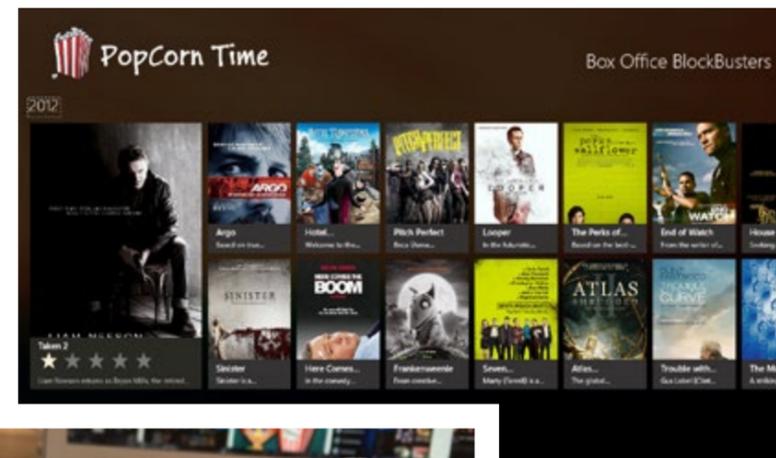
No territory limitations, no geoblocking or rights expiration. It all sounds like a better ver-

sion of Netflix, and the best thing is that it is for free.

I had this uneasy feeling about it. Downloading the app immediately meant taking a double risk: being prosecuted for piracy and possibly getting my computer hacked. With fingers crossed, I installed Popcorn Time which immediately offered me full privacy protection and traffic security for only 3.33\$ per month. Such a nice way to remind you that you might be using something (a bit) illegal! Ironically, you are invited to pay a third of the amount of a monthly Netflix subscription to enjoy an otherwise pirated service.

The service looks good and is very user-friendly. The fact that the third section (besides Movies and TV Series) is Anime quickly proves what is written in the credits of the app – ‘made with (heart) by a bunch of geeks from All Around The World’.

I was also surprised to find out that Popcorn Time is “officially closed”. The original app was closed in March last year after pressure and actions from the MPAA (Motion Picture Association of America). In a note on the web the anonymous creators of the app explain their reasons to develop it and their reasons to shut it down. They say that their project was legal but “standing against an old fashioned industry has its own associated costs... that no one should have to pay in any way, shape or form”.



Popcorn Time is an open source app that streams content from torrent trackers

However, the service is still up and running and getting support from other web pirates who would do anything to watch their favorite TV shows for free. Piracy is open for business here.

As it turns out, even in countries where Netflix is enjoying huge popularity Popcorn Time is also ranked among the most popular streaming services. For example in Norway, where Netflix now has over a million subscribers, Popcorn Time counts 315.000 users, according to TNS Gallup. Even, the head of Dutch pubcaster MAX, Jan Slagter, recently admitted that he downloaded *Homeland* illegally. He said he didn’t want to wait until BNN launches the series which would only be available on Netflix much later, so he downloaded the episodes from the web. He added he will never do that again but who knows how long his patience will last the next time.

And if the legal aspect still scares the majority of people, what will happen if the companies oversleep this process and do not react on time? Remember what happened to the music industry? The new generation (so called millennials) grows and lives in a time where all the good stuff is online and available for free – Facebook, Twitter, Instagram, YouTube, Vimeo, Tumblr, porn, you name it. It’s just not social if it is not free.

The model of the pirated digital economy is extremely social, as well. Somebody acquires/

steals the content from broadcasters or studios and then starts distributing it to other people on his network. First you leech then you start seeding a torrent. This peer-to-peer economy is also valid for Popcorn Time. If there are more active torrent trackers with that particular movie and series, the content will download and stream better and faster. More users will in the end mean a better service. And that’s the only thing Popcorn Time lacks, for the moment.

This brings me back to my Popcorn Time experience. After testing my patience, I realized that I need 46 minutes to watch a 21-minute long episode of one of my favorite shows *Parks and Recreation*. Blame it on lack of leechers or slow internet, my fun night was ruined. I just can’t wait that long! I also want the stuff that I want whenever and however I want it! So thanks, Popcorn Time. But, No, Thanks!

Why? Because nobody likes to wait and there is always another way. Even the big players are now realizing this and have started adapting to the new user-defined conditions with global simultaneous premieres and various options and platforms to reach the viewers anytime, anywhere.

No. It’s not the Golden Age of Television. It’s the Golden Age of the Viewer. We have all the options – free or paid, legal or illegal – the consumers are in control now, and if they want their Netflix for free, they will have it. ■

## TOP 5 MOST PIRATED TV series

(in total illegal downloads via torrents\*)



Game of Thrones (HBO)  
48.369 million



The Walking Dead (AMC)  
47.642 million



The Big Bang Theory (CBS)  
33.431 million



Arrow (CW)  
29.296 million



The Vampire Diaries (CW)  
22.921 million

\*Source: Excipio, 2014

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## PROGRAMMING



### Endemol preps new gameshow for Rai 1

Endemol Italy is preparing a new gameshow for Rai 1. The idea is to develop a new hit which will allow the channel to give *Deal or no Deal* deserved breaks during the season. According to the report, the new format would be similar to Shine format *Identity* which aired on the channel under the title *I soliti ignoti* several years ago.



### Eyeworks prepares new dating format

Eyeworks Spain will be working to create a new dating format for the next season. The new show is expected to follow the trend set with the shows *Who Wants to Marry My Son* and *A Prince for Corina*. The producers are already casting people for the new project.



### Shine Iberia to produce two formats for TVE1

Shine Iberia will be working on two new projects, which will be created for the Spanish pubcaster TVE1. Those are *Food Trucks* and *Hollywood Game Night*. The cooking show will probably premiere this summer as the producers are already casting different chefs for it. The local adaptation of *Hollywood Game Night* will most probably be aired in the afternoon slot in order to regain the pubcaster's positions in it.

## RATINGS



### The Best Singers premieres with a record and daily win

Vox premiered the new season of *The Best Singers* (Sing meinen Song - Das Tauschkonzert) on May 19 with very good results. The format managed to both score a show record and the daily win. 1.46 million viewers in the 14-49 demo made the show the most watched program for the day in the commercial demo. The market share was 13.8%. Total audience was 2.38 million for 8.0% market share.



### The Puppet Show ends with a million

Over a million viewers watched the announcement of the winner in the first season of *The Puppet Show* (Popster) on SBS6 on May 17. The segment was aired live just before 23.00 averaging 18.0% share. Before that, the main show at 20.30 had 704,000 viewers with 10.5% share. RTL4's *Anything Goes* had 1,228,000 viewers and 17.7% share that night which was led by *Witse* with 1,345,000 viewers and 19.7% share.



### Rising Star grows again

Following last week's slight drop in viewership, *Rising Star* gained back its viewers and posted 11.5 points with its third episode on Globo. This result is equal to the season 2 premiere.

## DISTRIBUTION



### Banijay International secures distribution to Sing It On

Banijay International has secured international distribution rights to the much-anticipated *Sing It On*, an original docu-reality series inspired by the blockbuster movie *Pitch Perfect*. Set in the fiercely competitive world of collegiate acappella, the 8 x 1 hour series *Sing It On* is executive produced by John Legend.



### Dutch crime format sold in Germany

Dutch crime format *Op De Vlucht* (On the Run) has been sold to Sat.1 in Germany. The show is aired on RTL4 in the Netherlands and started its new season on May 7 with 1.3 million viewers.



### Mediaset announces exclusive deals with Warner and NBCUniversal

Mediaset has announced exclusive deals with Warner Bros. and NBCUniversal for the territory of Italy. New CEO Pier Silvio Berlusconi explained that the agreements cover all possible rights: Free and Pay TV, on-demand and streaming. The deal with Warner is valid until 2020 and that with NBCUniversal until 2018. They will give access to 1,000 hours of content per year and more than 2,500 hours of film titles exclusively to Italian customers.

## M&A/FINANCIALS



### ITV completes acquisition of Talpa Media

ITV has completed the acquisition of Talpa Media, the entertainment show producer behind worldwide hit formats *The Voice*, *The Voice Kids*, *Utopia*, *I Love My Country* and *Dating In The Dark*. This follows the previously announced agreement in March. The acquisition is a further milestone in the company's strategy of building an international content business and significantly strengthens ITV's position as a leading producer in Europe.



### Fremantle and Endemol looking to acquire two production companies

FremantleMedia is interested in acquiring prodco Skyhigh TV. According to AD, Skyhigh TV's value is estimated at 20 million euros. At the same time, Endemol Shine Group is reportedly looking into a deal for Simpel Media.



### Rai with a profit of 47.8 million euros

The shareholders of Rai have approved the financial statement as of December 31, 2014 which states that the public broadcaster closed the financial year with a net profit of 47.863.000 euros and the related distribution of profits. The meeting has also taken note of the consolidated financial statements of the Group which has a net profit of 57.9 million euros.

## APPOINTMENTS



### 17 to leave Endemol Nordics after merger with Shine, including MDs

A total of 17 people from Endemol Nordics will lose their jobs, while the MDs of Endemol's operations in Denmark, Norway and Sweden (Nordics) will leave as well. These are Rikke Nissen, Eric Linschooten and Michael Porseryd. Michael Starck is the only one joining Shine's Meter Television from Endemol Sweden.



### Eyeworks rebrands as Warner Bros., German COO leaves

Eyeworks Germany and the other Eyeworks branches will be rebranded as Warner Bros. in May in time for the LA screenings. Eyeworks Germany's COO Martin von Winterfeld has left the management. He had managed the company, together with CEO René Jamm, since 2012.



### Banijay International appoints Jackson as Head of Global Sales

Leading distributor Banijay International has appointed international distribution specialist Michael Jackson as Head of Global Sales. Formerly Senior Sales and Acquisitions Executive at DCD Rights, Jackson will take on the new role of Head of Global Sales selling to UK, Asia and pan-regional broadcasters.

## DIGITAL



### Netflix testing the ground in Italy

Netflix is testing the ground in Italy for a potential launch of its service in the Belpaese. Reportedly, Darren Nielson, who is responsible for content acquisitions, recently visited Rome and held talks with Telecom Italia and Vodafone. At the same time, Netflix is studying the local market in order to pick the most attractive content for the Italian audience.



### New streaming service launches in the Nordics

As of April 21, viewers in Denmark, Finland, Sweden and Norway have gained access to a new streaming service called Plejmo. The new platform was established in Sweden this year after Film2home acquired rival Headweb. The new service aims to become the leading online viewing platform in the region. The main attraction for users is the pricing of films which decreases or increases based on their popularity - the least popular ones will cost less. Plejmo will offer up to 8.000 film titles.



### New slow-TV hit on the web

The slow-TV project *Tidens Krav* has collected 90.000 video streams online ahead of the climax - the hatching of little eagles of the pair Baron Blue and Baroness Barefoot. The event can be followed round the clock via [tk.no/reiret](http://tk.no/reiret). The Baroness has laid two legs and they are expected to hatch in early May.

## ADVERTISING



### Australian TV faces shake-up

The Australian TV landscape is changing rapidly as people shift their viewing to digital devices and as free-to-air (FTA) networks come under increasing pressure from pay TV and streaming networks. According to Justin Diddams, a media analyst with Citi, Australia has one of the highest proportions of households viewing FTA commercial networks in the world - more than 70% compared to around 30% in the US. He forecast that the leading networks, Seven, Nine and Ten, would see annual audience declines of 2% over the next three years.



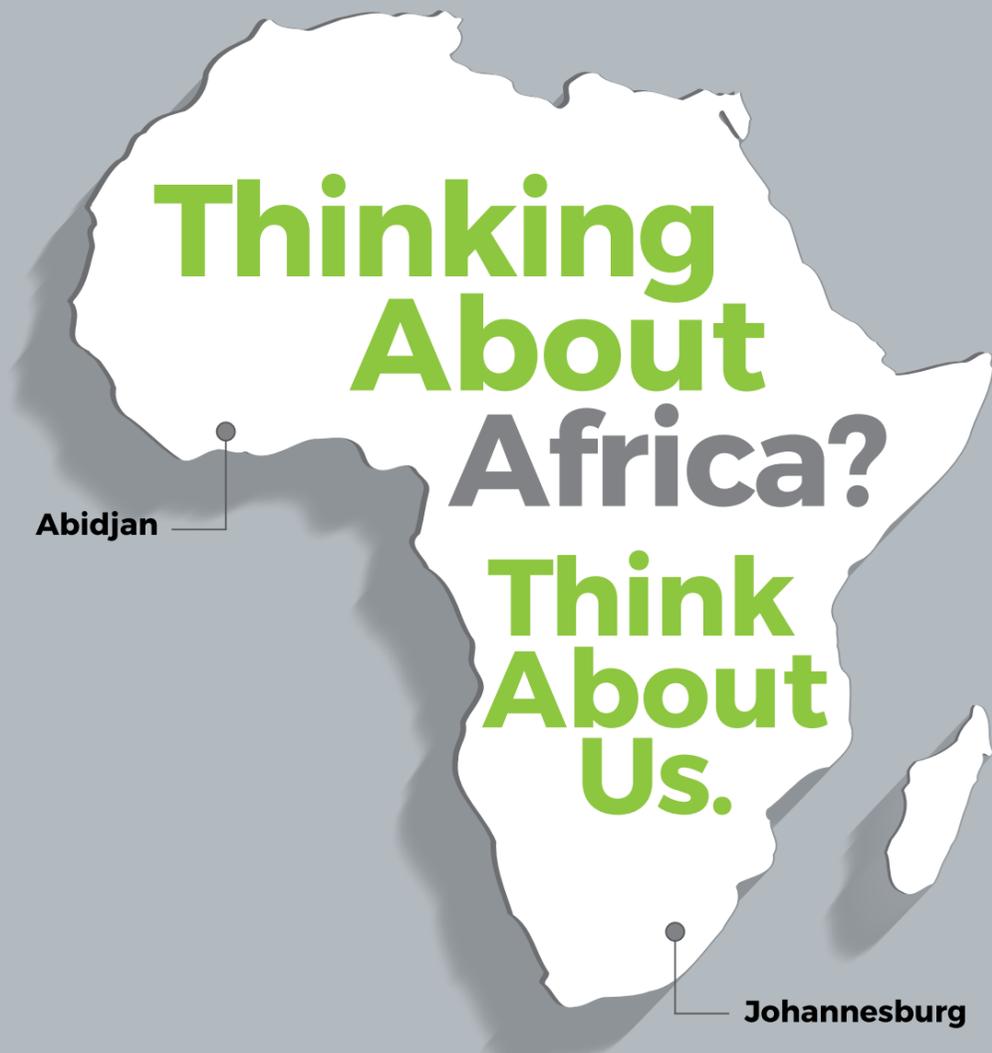
### Good news for TV advertising in Spain

The Spanish TV advertising increased during the first quarter of 2015. The sector posted 8.9% growth compared with the same period last year. The total incomes for the period were estimated to be around 454 million.



### TV drops 8.4% in Q1

IRM reports that the Swedish ad market grew 0.7% in the first quarter to reach nearly 7.5 billion SEK (800 million euros). TV was the biggest loser with a drop of 8.4% which is also explained with last year's Winter Olympics. Digital grew 16.8% to 2.8 billion SEK (300 million euros).



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