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THE TBI 100: WHO WILL TOP TIME WARNER?

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?

Double 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

Illustration: Frank Langford

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

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

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

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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, 90210* 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 Ansensio, led a coalition that took control. With allegations that Zeta, run by Ansensio, 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.

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 Also-rans

Canal Plus España and SES nearly made the grade

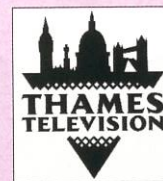
Premiere

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

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*.

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.