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RTL Group May Leave Russian Television Market

By The Moscow Times

August 25, 2013

The Luxembourg-based company RTL Group is considering using its option to sell its 7.5-percent stake in the media holding Natsionalnaya Media Gruppa, or National Media Group, for 81 million euros ($107.7 million), the company said in its half-year financial report.

RTL Group's departure in September would leave just two foreign strategic investors in the Russian television sector, Sweden's Modern Times Group and the U.S. Walt Disney Co., Kommersant reported.

NMG, owned by billionaire Yury Kovalchuk's bank Rossia, controls several major broadcasting assets including Ren-TV and Channel Five and is a co-owner of Channel One, CTC and the newspaper Izvestia.

RTL Group's spokesman, Oliver Fahlbusch, said the decision to sell the company had not been made yet. However, a decision to leave the Russian market would be motivated by the

company's desire to be a leader or "a strong second" on each market where it is present, he said, adding that the company generally aims to gain operational control over its investments.

The sale of RTL Group's stake in NMG will be conducted according to an option agreement, which allows the sale of the company's shares to existing shareholders.

The group's investors include Rossia bank, businessman Alexei Mordashov and the state oil firm Surgutneftegaz.

In 2010, RTL received its share of the media holding in exchange for its 30 percent stake in Ren-TV, which it bought in 2005.

Last year, NMG reported revenue of 12.1 billion rubles and net profit of 756 million rubles.

RTL has recently been looking beyond its core Western European markets, which have seen declining ad revenue, and in early August announced a joint venture with the American company CBS to expand into Southeast Asia, Variety reported.

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