

CTC Plans Internet Push in Face of Slowing TV Market

By [The Moscow Times](#)

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Broadcaster CTC Media has announced plans to expand its online presence in a bid to tap a surge in spending on Internet advertising and offset slowing growth in the television ad market.

Russian advertising spending grew 9 percent in the third quarter, with online advertising rising 27 percent — three times faster than the television segment, according to industry association AKAR, as people increasingly watch movies and television shows online.

Revenues at Russia's biggest non state-controlled broadcaster rose in line with the market — by 9 percent in ruble terms or 6 percent in dollars to \$171 million, CTC said in a statement late last week.

"Russia's television ad market continues to grow since it remains underdeveloped with ad spend as a percentage of GDP still lower than in Europe. However the ad market is slowing

down in 2013 and 2014," said chief executive Yuliana Slashcheva.

"The macro forecasts on the Russian market are deteriorating ... which will of course influence overall business and the company," she said.

CTC, which runs three free-to-air entertainment channels in Russia, revised down its estimate for television ad market growth this year and now expects high single-digit growth in ruble terms compared with last year, against its previous estimate for a 10 percent increase.

Slashcheva said CTC aimed to diversify revenue streams in the next five years, targeting digital projects, online services and e-commerce — part of a strategy to make CTC a leader in content creation and distribution via "all potentially monetizable platforms", including mobile.

The company, which already has production companies, is focused on developing more of its own content including through partnerships and joint ventures with Russian and international production companies, said Slashcheva.

CTC also reported a \$46.7 million net profit for the third quarter against a \$38.5 million loss the year earlier when it recorded a one-off impairment charge related to the planned shift from analogue to digital broadcasting.

Analysts forecast net profit of about \$29 million and revenue of \$174 million. CTC is part-owned by Sweden's Modern Times Group and private Russian media company National Media Group.

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