

Discovery Finds Local Partner to Stay in the Russian Market

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U.S. media giant Discovery Communications will set up a joint venture with a Russian media holding, which will allow it to maintain its presence on the Russian market in line with Russia's new media ownership law.

Together with its Russian partner — the major private media holding National Media Group — Discovery Communications will create a new company that will manage its 11 channels in Russia, the media corporations said in a joint press release issued Thursday.

The decision of Discovery Communications to establish a partnership with the Russian media holding was triggered by the new Russian legislation, limiting foreign ownership of media in Russia to 20 percent.

The new media ownership law, that will come into force on Jan. 1, 2016, forces foreign media owners to change their ownership structure in order to continue doing business in Russia.

The new company, set up by Discovery Communications and National Media Group, will operate under the brand name Media Alliance, the press release said.

Media Alliance will create a solid base for the appearance of a new serious player in the pay television market, said Alexander Ordzhonikidze, CEO of National Media Group, in a press release.

The deal will be completed within the next few weeks, according to the press release.

As a result of the deal, National Media Group will receive an 80 percent stake of the new Media Alliance company, Olga Paskina, Discovery's manager of northeast Europe told the RBC newspaper Thursday.

National Media Group is one of the largest private media holdings in Russia. The company co-owns Russian television channels Channel One, REN TV and Channel Five.

National Media Group also owns stakes in the Izvestia and the Metro-Petersburg newspapers, the Russian News Service radio station and the Art Pictures Vision film company.

The company's board of directors is lead by Russian Olympic champion and former State Duma deputy Alina Kabayeva.

Discovery Communications runs Russian television channels Discovery Channel, Animal Planet, TLC and Eurosport.

The Discovery Channel attracted a daily audience of 2.1 million viewers in July, followed by Animal Planet with 2 million viewers, RBC reported, citing the data from research company TNS Russia.

In the recent years Discovery Communications has increased the number of the local versions of its channels in Russia, the press release said.

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