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OPEN TO NEW ACCORD

Intertainment partners with Teuton financier

By ED MEZA

BERLIN — German film distrib Intertainment has formed a wide-ranging partnership with fellow Munich financing firm OpenPictures that includes legal assistance in Intertainment's litigation against Franchise Pictures.

OpenPictures, which broke into the scene last year, has been looking for local and international partners to fill in some of the gaps left by fallen Teutonic media titans. It has bailed out more than one survivor of the Neuer Markt crash, including the recently reanimated Kinowelt.

The strategic alliance with Intertainment also foresees cooperative ventures with U.S. majors in financing and selling international feature films.

In its civil suit against Franchise, Intertainment claims CEO Elie Samaha illegally inflated the budget on a slate of films it agreed to finance by \$100 million. The trial is set to start Aug. 5. Franchise and Samaha are facing two RICO claims under the federal anti-racketeering statute (Racketeer Influenced and Corrupt Organizations Act), which allows for treble damages. OpenPictures has agreed to share Intertainment's legal costs and responsibilities in the proceedings.

OpenPictures is also keen to tap Internet distribution of audio and video content. Intertainment holds a stake in Pennsylvania-based online distrib SightSound, which offers its patented high-resolution Electronic Versatile Download (EVD) package.

Baeres hailed

"CEO Rudiger Baeres has boldly steered Intertainment through difficult times and set it up well for further growth," said OpenPictures chief exec Stefan Piech, who described the lawsuit against Franchise as "a unique case of fraud of extraordinary measure in the nor-

mally renowned U.S. film industry." Intertainment and OpenPictures will present details of the deal at a news conference in Munich on Wednesday.

It's not the first time OpenPictures has stepped in to help a troubled film company immersed in a legal dispute.

Last year it joined brothers Rainer and Michael Koelmel in their last-minute bid to buy back the remains of their bankrupt Kinowelt after creditors had agreed to a competing management buyout. The Koelmels succeeded thanks in part to OpenPictures' support.



Baeres

Adelphia sues 450 banks

to recoup bad loan losses

By MEREDITH AMDUR

NEW YORK — Determined to recoup losses incurred in the cable industry's biggest financial scandals to date, Adelphia Communications and its bond holders are seeking retribution from the company's 450-plus banks, including blue chips JP-Morgan Chase, Barclays, Bank of America, Wachovia and Citigroup, for extending bad loans to the founding Rigas family.

Those loans, the plaintiffs claim, effectively allowed founder John Rigas and certain members of his family to commit fraud by draining company coffers before Adelphia

was compelled to declare bankruptcy last June.

Similar suits have been lodged against banks by shareholders and creditors in scandal-ridden horror stories like Enron and WorldCom, claiming that the lenders were responsible for the corporate wrongdoing.

According to the suit, filed Sunday in a U.S. bankruptcy court in the Southern District of New York, plaintiffs claim that the banks are accountable for some \$5 billion in damages for providing credit to the Rigas family, who defrauded the company. Suit claims that the banks made no effort to recognize the "corporate separateness and disparate financial resources of the debtors and entities owned by the Rigas family." Specifically, plaintiffs want to disqualify \$3 billion in bankruptcy claims by these banks.

The company carries some \$18 billion in debt and is trying to reorganize its capital structure under Chapter 11 protection. Adelphia family members are defending themselves against criminal charges of taking out loans and credit lines (up to \$5.6 billion worth) secured against company assets for personal use.

Bondholders say the banks did not properly appraise the borrowers' ability to repay the loans and therefore are partly to blame for the egregious loss of money. Suit claims many of the banks that arranged the syndicated loans "merely rubber-stamped the co-borrowing facilities so that their investment banks could earn hundreds of millions of dollars in fees."



Rigas

ZDF posts surprise surplus

By ED MEZA

BERLIN — Despite dwindling ad revenues and recent calls for a hike in TV viewer fees, German pubcaster ZDF posted a financial surplus of €46.1 million (\$52.2 million), nearly \$15 million more than expected, for fiscal year 2002-03.

ZDF, which is financed primarily through mandatory viewer fees bolstered by limited advertising, is using the surplus to lower its debt. Company topper Markus Schaechter described the surplus as outstanding and said it was evidence that the pubcaster's administrative cost cuts helped to counter the impact of the advertising slump.

The nonprofit broadcaster operated at a loss with revenues of \$2 billion (including ad sales of \$50.7 million) and costs of \$2.04 billion.

ZDF is expecting its overall deficit of \$226 million to be down 25% by the end of 2004, with a surplus of \$12 million this year.

The pubcaster also is reckoning with a slight drop in ratings this year, due to its decision not to purchase pricy sports rights. "At the end of 2003 we ... will have very stable but lower ratings," Schaechter said. ZDF had an average 13.9% market share in 2002.

After intense opposition from commercial rivals and government officials, ZDF and fellow pubcaster ARD have postponed demands for a viewer fee hike until 2005.

SEC complicates

Cablevision moves

By MEREDITH AMDUR

NEW YORK — With just over a week to go before Cablevision launches its Rainbow DBS satellite and with an SEC accounting probe now under way at its Rainbow Media programming unit, questions are orbiting over whether the company will be able to conduct business as usual.

Several analysts on Monday warned that the announcement of a formal SEC investigation last Thursday could delay the company's plan to spin off its satellite and cinema assets as a separate company, thus increasing the risk that Cablevision will have to invest more money in the controversial new DBS service. If the spinoff is delayed, Cablevision could be under greater pressure to sell the satellite and orbital slots, most logically to rival EchoStar.

While most analysts insist the SEC review is immaterial to the stock in the long term, the open-ended nature of the investigation could derail the spinoff and potentially undermine Cablevision's alliance with Edgar Bronfman Jr.'s bid for Vivendi Universal Entertainment.

The three Rainbow media channels — IFC, WE and AMC — are pledged as supporting assets in the bid and would become part of VUE should Bronfman's private-equity backed bid be successful. Sources say that if Bronfman does not make the final cut with VUE, Cablevision will likely look to sell off Rainbow in its own auction later this year or early next. Viacom is believed to be an interested buyer for the assets if they are offered up for sale.

Cablevision declined to comment on the status of any of its planned

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Name	Tkr	PE	Last	Chg	YTD %Chg	Name	Tkr	PE	Last	Chg	YTD %Chg
AMC	AEN	...	10.99	+14	+24.2	LionsGt g	LGF	...	2.21	+07	+12.2
AOL TW	AOL	...	16.76	+46	+27.9	Marcus	MCS	20	15.00	+14	+5.6
AcmeCm	ACME	2	8.24	+29	+3.4	MarvelEnt	MVL	...	19.43	+25	+116.4
Actvsn	ATVI	21	13.20	+08	+35.7	Matsush	MC	...	11.94	+74	+24.4
AllAtl	AACB	...	14.40	-15	+34.6	Media Gen	MEG	25	58.10	+94	-3.1
Avid	AVID	93	39.83	+84	+73.6	Meredith	MDP	25	45.66	+66	+11.1
Blockbstr	BBI	15	17.50	+77	+42.9	MGM	MGM	...	12.57	+21	-3.3
Cablvsn	CVC	85	22.85	+85	+36.5	MovieGal	MOVI	26	18.96	-24	+45.8
Carlton	CCTVY	...	12.00	...	+8.1	NY Times	NYT	22	45.25	...	-1.0
Carmike n	CKEC	12	22.25	-35	+13.2	NewsCorp	NWS	...	31.35	+92	+19.4
ChartCm	CHTR	...	3.57	-02	+202.5	Pixar	PIXR	41	63.40	+1.91	+19.6
ClearChan	CCU	36	41.75	+65	+12.0	Playboy	PLA/A	...	12.55	+55	+37.2
Comcast	CMCSA	...	32.95	+203	+39.8	Rank	RANKY	...	8.30	-05	+1.8
CorusE gn	CJR	...	17.03	+18	+42.5	ReadgIntA	RDIA	...	5.08	+34	+30.9
Crown	CRWN	...	3.99	-01	+76.5	RegalEnt s	RGC	23	19.30	+13	+14.8
Disney	DIS	40	20.58	+51	+26.2	Rentrak	RENT	...	7.04	+06	+30.6
EKodak	EK	11	27.65	+28	-21.1	SBS	SBTV	...	18.46	-02	+27.1
EchoStar	DISH	...	36.50	+1.99	+64.0	Scripps	SSP	36	89.35	+71	+16.1
EmmisC	EMMS	...	21.62	+53	+3.8	Sinclair	SBGI	...	11.85	+41	+1.9
Entprop	EPR	18	29.85	+55	+26.9	SiriusS	SIRI	...	1.76	-08	+175.0
Fox Ent	FOX	32	29.50	+92	+13.8	Sony	SNE	...	33.14	+1.59	-19.8
GabGloM	GGT	...	7.88	+08	+23.1	TIVOInc n	TIVO	...	12.88	-67	+147.2
Gannett	GCI	18	78.25	+85	+9.0	Tribune	TRB	24	48.54	+18	+6.8
GenElec	GE	20	29.27	+72	+20.2	Univision	UVN	91	32.91	+74	+34.3
GM H	GMH	...	13.28	+15	+24.1	ViacomB	VIA/B	34	44.29	+1.29	+8.7
Granite	GBTVK	1	3.01	-06	+46.8	VivendiU	V	...	18.80	+47	+17.0
TVisa	TV	...	34.60	+45	+23.9	WashPst	WPO	26	734.00	-10.47	-5
HlywdE	HLW	5	18.26	+28	+20.9	WestwOne	WON	32	32.40	+31	-13.3
ImagEn	DISK	...	2.21	-05	-10.9	XM Sat	XMSR	...	12.70	-10	+372.1
Imax Cp	IMAX	79	8.67	-09	+114.6	Yahoo	YHOO	...	35.27	+42	+115.7
InterActive	IACI	9	42.74	+3.19	+86.5	Young	YBTV	2	21.46	+02	+62.9
LibtyMA	L	...	12.19	+74	+36.4						

Stock Market Indexes

52-Week High	Low	Name	Last	Net Chg	%Chg	YTD %Chg	12-mo %Chg
9,413.08	7,197.49	Dow Industrials	9,216.79	+146.58	+1.62	+10.49	-63
277.52	162.52	Dow Utilities	249.50	-.07	-.03	+15.95	-4.37
5,739.03	4,418.62	NYSE	5,639.15	+80.69	+1.45	+12.78	+1.52
979.01	757.68	Amex	977.57	+1.41	+1.4	+18.58	+10.52
1,686.10	1,108.49	Nasdaq	1,721.25	+57.79	+3.47	+28.88	+22.46
1,015.33	768.63	S&P 500	1,004.31	+18.61	+1.89	+14.15	+2.80
4,483.03	2,202.96	Germany DAX	3,332.87	+93.26	+2.88	+15.22	-24.97
4,685.80	3,287.00	Britain FTSE	4,074.80	+53.30	+1.33	+3.41	-11.44
3,897.99	2,403.04	France CAC	3,182.19	+109.79	+3.57	+3.86	-17.52
10,960.25	7,607.88	Japan Nikkei	9,795.16	+247.43	+2.59	+14.18	-9.04

Stock Footnotes: g = Div or earnings in Cdn \$; stock in U.S. \$; n = New in past 52 weeks. pf = Preferred. s = Split or stock dividend of 20 pct or more in past 52 weeks. cc = PE over 99. dd = Loss in last 12 months. rt = Rights. u = Units. v = Trading halted on primary market. vj = In bankruptcy or receivership. wd = When distributed. wi = When issued. wt = Warrants. ww = With warrants. rs = Stock has undergone a reverse stock split of at least 50 percent within the past year. Source: The Associated Press. Sales figures are as of 4:00 PM ET and unofficial.