

MGM readies for move into cable

Symes out, Haimovitz in as troubled studio looks to leverage library, including classics

By Joe Schlosser

Aturbulent week at MGM resulted in the departure of a number of top executives and the addition of TV veteran Jules Haimovitz, along with a promise of big things to come on the cable front.

The financially challenged Hollywood film and TV studio undertook a major restructuring last Tuesday, one that came with a 5% reduction in workforce and the ousting of its top TV executive, John Symes. A total of 16 TV executives were let go after MGM announced it planned to record

a \$250 million second-quarter loss, the result of a one-time charge of \$225 million for severance and other film-related costs.

Since taking over as the company's chairman in April, Alex Yemenidjian has wasted little time trying to resurrect the company's finances and remake top executive ranks. The hiring of Haimovitz, who steps into the newly created position of president of MGM Networks Inc., is seen as the first significant move by the studio to break into the cable industry.

Haimovitz, who has held a handful of top TV executive posts, including presi-

dent of the Viacom Network Group, says he is looking to maximize MGM's vast film and TV library in the digital cable arena. "We are at a point in the industry where digital television is upon us," says Haimovitz, who ran Showtime, MTV and a group of other cable channels while working at Viacom. "The satellite industry is taking off, the phone companies are talking about getting in, so, essentially, this is the time for a company like this to get in."

MGM executives have been in serious discussions with Encore Media Group over deals to license movies to the company's Encore and Starz! cable movie channels, and there has been talk of the two companies teaming up on a classic movie channel relying heavily on MGM library product.

The timing of MGM's entry into the cable business coincides with the return of many of the studio's top film titles from Turner Entertainment. Ten years ago, MGM licensed hundreds of titles to Turner for its cable networks, including its classic movie channel. The studio is set to get those movies back in the coming year.

Haimovitz concedes MGM executives have been talking with Encore executives, but he also said they have had discussions with a number of other cable programmers, including Bravo and AMC. Haimovitz says MGM is currently evaluating its options on entering the cable business.

"If it makes sense to be with others, we'll do that," he says. "If it makes sense to be on our own and we feel comfortable that we can go that way, we may go that way. There have been dialogues with a lot of people before I got here and we may bring in other people to discuss our options."

As for MGM's broadcast and syndication divisions, studio executives say that there probably won't be any more shake-ups for awhile. The TV division, under Symes' control for the last five years, has been MGM's most profitable sector, with a number of first-run syndication hits. Through broadcasts on Showtime and also in syndication, MGM has found a profitable route for a number of action series in recent years, including *The Outer Limits* and *Stargate SG-1*. ■

Paramount bulks up

Paramount Television is now of paramount importance in Hollywood.

The Viacom Inc.-Spelling Entertainment merger was completed last week, more than doubling the size of Viacom's Paramount Television Group. Paramount Television Group Chairman Kerry McCluggage says Spelling Entertainment's Spelling Television and Big Ticket Television will remain intact, while Spelling-owned syndicator Worldvision Enterprises will soon close its doors.

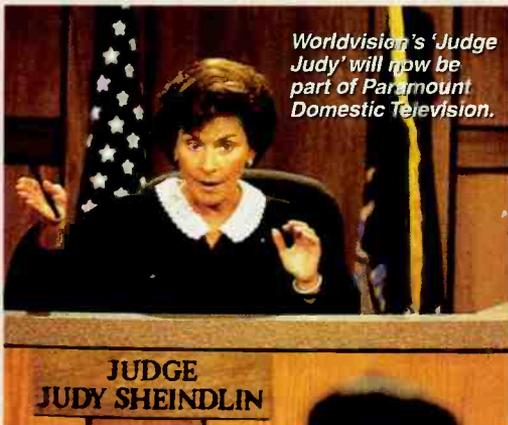
Worldvision's library and first-run programming, which includes the popular court series *Judge Judy*, will now be produced and distributed under the Paramount Domestic Television banner. McCluggage says a number of transition committees have been set up to seek out the "best and brightest" executives from Worldvision and other new and soon-to-be combined divisions. Paramount, which last month reached a production and distribution deal with Rysher Entertainment, now supplies prime time series for all six major broadcast networks and has added a number of top first-run syndicated series to its fold.

McCluggage says the combined annual revenue of all divisions of Paramount Television Group will now exceed \$3 billion. Between Paramount Network Television, Spelling Television, Big Ticket Television and Viacom Productions, Paramount Television Group now produces 23 weekly prime time series (that includes programs on HBO, Showtime and Lifetime) and 27.5 hours of first-run syndicated shows per week. The Paramount Television Group now consists

of 13 operating units, including the Paramount Stations Group, Wilshire Court Productions and UPN. (Viacom owns 50% of UPN with United/Chris Craft Television.)

Paramount executives say there will likely be a number of structural changes to the TV division to accommodate the new programming.

—Joe Schlosser



Worldvision's 'Judge Judy' will now be part of Paramount Domestic Television.