

Fox launches theatrical and DVD business in Russia

Wendy Mitchell in London 10 April 2006 12:42

Twentieth Century Fox International is establishing a theatrical and home entertainment venture in Russia. Michael Schlicht, founder of leading Russian distributor Gemini Film, will serve as managing director of Fox's new Russian business.

Gemini Film's Russian office, which had been Fox's partner in Russia for more than a decade, will now become Twentieth Century Fox Russia, and all its Russian employees will be Fox employees. The office is based in Moscow.

Fox will distribute Gemini titles in Russia and other Commonwealth of Independent States areas, while Gemini will continue to operate in the Ukraine and Siberia, where it will handle Fox titles.

Fox's International co-presidents Paul Hanneman and Tomas Jegeus noted that Fox would "actively seek to produce and acquire Russian movies for distribution, both within Russia and internationally."

Gemini released Fox's current hit *Ice Age 2: The Meltdown*, which took \$8.58m during its opening weekend, breaking the Russian records for a Fox film, an animated film, and a non-Russian film.

The first Twentieth Century Fox Russia release will be local production *Piter FM* on April 20, followed by *X-Men: The Last Stand* on May 25.

"We are very excited about the launch of our Russian operation," said Christian Grass, executive VP, Europe, Middle East & Africa, for Twentieth Century Fox International. "Russia is now one of the top ten international territories in terms of revenue and over the last five years we have watched the market grow more than six-fold (\$65m gross box office in 2001 vs. \$420m projected in 2006). The improvements in the exhibition sector and the resurgence of local films have ignited a revival of the Russian film industry. We are equally delighted that Michael Schlicht, who is such a force in the Russian market, has joined us as our managing director. He has done a fantastic job of handling Fox's product and his astute insight into the business will be invaluable in helping Fox to play a major role in developing that market."

Gary Ferguson, senior VP of Twentieth Century Fox Home Entertainment International, noted that piracy was still "a huge concern for the DVD business right across Russia and the CIS states, but we're finally seeing the tide turn in the industry's favour."

Fox had already made inroads in the Russian film industry with its international acquisition (outside of Russia) of Russian hit *Night Watch*, its sequel *Day Watch* and the planned third instalment, *Dusk Watch*.