



## Germany's A Company buys Budapest Film

**Distributor, rights-group takes 51% of Hungarian company**

By Scott Roxborough

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COLOGNE, Germany -- German distributor and rights-group A Company has signed a deal to acquire a 51% stake in Hungary art house distributor Budapest Film.

The deal, which is expected to get final board approval from the two firms later this year, is a lifeline for the Hungarian company, which has been plagued by bankruptcy rumors in recent months. Ferenc Port will remain on as managing director at Budapest.

A Company itself was hard hit by the recession in Eastern Europe, its key markets. But the group was rescued thanks to fresh credit from PE groups Future Capital Partners and Screen Capital International, which together acquired a 25.2% stake in the Berlin-based operation.

Budapest Film has been the exclusive Hungarian distributor for the films of A Company subsidiary EEAP since 2004, something that will continue under the new arrangement. Budapest Film will continue to acquire titles from three parties, A Company CEO Alexander van Dulmen told THR.

"We are looking to make Budapest Film slightly more commercial in its approach, and its lineup will reflect that but we want to maintain the brand's reputation for quality," van Dulmen said.

Budapest Film titles accounted for 10% of the Hungarian market last year. Van Dulmen said a 15%-17% market share in the next 2-3 years is realistic. He said the company would also focus more strongly on Hungarian productions. Of the 20-25 titles Budapest Film plans to release annually, around a fifth should be locally-made features. Van Dulmen said the distributor would begin offering minimum guarantees to Hungarian producers -- perhaps in cooperation with A Company's new German production outfit, which launched earlier this year.

Budapest Film and A Company already jointly control VOD platform Filmklik, with Budapest owning a 54% stake and A Company holding 25.1%. A Company hopes to begin the pan-European rollout of Filmklik following its acquisition of Budapest.