

DISTRIB TAKES ON EASTERN EUROPE

Germany's A Company ties up top indie titles

By ED MEZA

BERLIN In just three years, Alexander van Duermen has gone from being jobless to managing one of Eastern Europe's biggest independent distribution outfits.

Counting among its suppliers companies including Lakeshore, Lions Gate, Summit and others, van Duermen's A Company has recently acquired rights to such titles as the upcoming World War I adventure "Flyboys," "Seven Swords," "Extreme Dating," "Saw II," Bob Dylan biopic "I'm Not There: Suppositions on a Film Concerning Dylan" as well as TV fare such as "The Librarian 2" and "The Triangle."

While A Co. handles sales in Russia, former Soviet states and Poland, its subsidiary Eastern European Ac-

quisitions Pool covers the rest of Eastern Europe. EEAP's other shareholders and regional partners include Munich-based Romanian distrib ProRom and Slovenia's Cinemania Group, which operates throughout the former Yugoslavia.

EEAP also works with Vilnius-based GPI for the Baltic region, Zagreb-based theatrical and homevid distrib Discovery, Hungary's Budapest Film, Bulgaria's Sunny Films and Palace Pictures, a new distrib operating in the Czech Republic and Slovakia.

TV sales remain the group's bread-and-butter business, with theatrical and home entertainment providing added opportunity for profitability. Regular TV rights buyers include RTR and Rent TV in Russia and Canal Plus in Poland, which just extended a pay-TV licensing agreement with A Co. by three years. Andrey M. Dementiev, head of acquisitions at Russian broadcaster Rent TV, praises A Co. as "a very reliable, knowledgeable and flexible company. They understand our market and always have the best films."

Rent TV recently picked up a slew of A Co. titles, including "Million Dollar Baby," "The World's Fastest Indian," George Clooney starrer "Michael Clay-



VAN DUERMEN



A Company sold "Million Dollar Baby" to Russian distrib Rent TV.

ton" as well as "Good Night and Good Luck," Rowan Atkinson starrer "Keeping Mum" and "Bordertown" with Jennifer Lopez and Antonio Banderas. "For a comparatively small channel like us, having first-run films like 'Million Dollar Baby' is incredibly important," Dementiev adds. "We're very grateful."

A Co. has flourished by using a tight network of distribution partners throughout Eastern Europe, some of whom are company shareholders, but it wasn't always smooth sailing for A Co.'s CEO.

Just prior to the pop of Germany's media bubble at the

turn of the century, van Duermen, then topper of Kinowelt Intl., had spearheaded the cash-flushed Kinowelt Medien group's ambitious expansion plans into Eastern Europe.

In 2001 however, Kinowelt's rapid cross-border expansion came to an abrupt halt as the entire group disintegrated along with Germany's scandal plagued Neuer Markt.

"I tried to do a management buyout of Kinowelt Intl., but we couldn't get it together in time," van Duermen says. "After that, I decided to go into business on my own."

Van Duermen had been gathering plenty of experience in Eastern Europe since 1997, when he was appointed head of Progress Film, the former state-run East German film distrib, with the task of renegotiating rights agreements involving thousands of films from throughout the former Eastern Bloc countries.

Banking on a long list of valuable contacts throughout the region, van Duermen went about setting up A Co. in 2002, enlisting the help of former partners like Michael Schlicht, managing director of Moscow-based distrib Gemini Film, Tomasz Karzcewski, head of Polish exhib-distrib Kino Swiat Intl., as well as Reinhard Klimmt, the former state premier of Saar-

land, all of whom became shareholders in the venture.

Obtaining €48,000 (\$58,000) in startup cash from the state-run Investitionsbank Berlin, van Duermen opened an office in an appropriately socialist-style high-rise building located at Berlin's Alexanderplatz.

Things were looking good until he made his first major deal at the American Film Market in 2003, putting up \$3 million in presales for eight titles from Franchise Pictures. Two pics were never made and another could not legally be delivered, but EEAP did get "Alex & Emma," "The Sound of Thunder," "Triste and Isolde," "Spartan" and "Out of Reach."

Van Duermen managed to offload the titles on Russian publisher RTR, Czech TV group AQS, which picked up multi-regional rights, and Munich-based Romanian distrib ProRom.

"Franchise was a bitter experience," van Duermen says now. "Most of my clients forgave me. They saw it was something I couldn't change."

Two years later, business is booming: From 2003 to 2005, A Co. and EEAP have seen combined revenues climb from \$2 million to \$15 million, with both firms in the black. The group's overall investment budget has grown from about \$3 million two years ago to up to \$12 million this year.