

“The men who bit the (watch) dogs”¹

Report on media ownership patterns in post-communist Romania – 5 profiles

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¹ Randall, David, 2000, “The universal journalist”, London: Pluto Press, p. 23 reads: “The most common hackneyed definition is that it is not news if a dog bites a man, but it is news if a man bites a dog.”

Introduction

Romania is a country that has internationally reputed, prize winning journalists¹ and media commercial success stories, but also media outlets and reporters who are fighting to survive financially without sacrificing professional independence. A landscape of contradictions, the Romanian media has been cross-cut in the past 25 years by countless business groups, commercial models and political frameworks. Hit hard by the recent financial crisis, the industry is currently struggling amidst high debts, judicial investigations and political scandals.

Much of the way in which media developed in Romania can be linked to the general patterns of evolution that have characterized the post-communist transition period. In this regard, post-communist Romania illustrates a somewhat chaotic scenery. Looking at recent developments, i.e. a former prime-minister convicted of corruption, the prime-minister in-office under criminal investigation, two media tycoons sent to jail and another one under various criminal charges, it would seem that politics and “kapitalism”² have followed an original recipe of development.

“Western media models assume that democratic institutions pre-date the rise of media and that core qualities of democratic governance exist (...). But such assumptions do not necessarily apply in Central and Eastern Europe, where democratic institutions and media institutions emerged simultaneously and interdependently, in a period of rapid and often chaotic reform.”³

- Mancini, Zielonka, 2013, online

¹ See Paul Radu and the Romanian branch of the OCCRP network, recipients of the Knight International Journalism Award (2004), the Investigative Reporters and Editors Award (2007), the Global Shining Light Award, the Tom Renner Investigative Reporters and Editors Award and the Daniel Pearl Award for Outstanding International Investigative Reporting (2011); See Alexandru Solomon awarded for of his documentaries, details at <http://www.rscine.ro/alexandru_solomon.html>, accessed 1 July 2015

² The term is used in Alexandru Solomon’s famous documentary on Romanian post-communist tycoons, “Kapitalism: our secret recipe”, released on 23 April 2010, details at <<http://www.kapitalism.ro>>, 7 July 2015.

³ Mancini, Paolo, Zielonka, Jan, 2013, “An introduction to the final project reports for the ERC funded project Media and Democracy in Central and Eastern Europe (MDCEE)”, at <http://mde.politics.ox.ac.uk/images/Final_reports/mancini_zielonka_intro%20to%20mdcee%20final%20reports_posted.pdf>, p. 2, accessed on 1 July 2015

“Long-term cultural patterns also impacted on the shape of the media and democracy. The lack of respect for law, institutionalized evasion of rules, and distrust of authorities”⁴ have had “detrimental effects on the functioning of the media and democracy.”⁵

- Mancini, Paolo, Zielonka, 2013

Within this odd political and economic climate, media has played an essential part. In fact, one can argue that it holds an almost central role within the politics – business – justice triangle. Thus, Romanian journalists find themselves in an uneasy situation. At times advocates of justice and anti-corruption and at times protectors of secrets, they work within a professional landscape characterized by both economic and political concentrations, as well as by opaque financing sources.

“Unfortunately, corruption in Romania is not only related to parties and businesses, but cuts across the most important institutions of society. Romanian media has gradually been captured, after having been largely free and fair at the end of the 1990s. (...) Naturally, the agenda set by this kind of media looks like a permanent war on anti-corruption, not on corruption.”⁶

- Alina Mungiu Pipidi, 2006, online

After the first wave of post-1989 journalistic enthusiasm, print media mushroomed with over-night appearances (1,200 newspapers in the early 1990s)⁷. That was a time when journalists wrote somewhat independent from pressures, although their style had little to do with professional journalism. After this so called naive period, media instrumentalisation (as defined by Hallin and Mancini, “control of the media by outside actors - parties, politicians, social groups or movements, or economic actors seeking political influence”⁸) took the landscape by storm. The professionalization of journalists at the same time with the proliferation of media outlets as means to serve different purposes, gave way for extraordinary investigative journalism to be developed, but also for propaganda and misinformation to take more sophisticated forms.

⁴ Mancini, Paolo, Zielonka, Jan 2013, cit., p. 2

⁵ Mancini, Zielonka, cit.

⁶ Mungiu-Pippidi, Alina, “Romania: Outsmarting the EU Smart Power”, in *Democracy’s Plight in the European Neighbourhood*, Centre for European Policy Studies (CEPS), Brussels, 2006, at <<http://www.sar.org.ro/amp/data/dox/academic/papers>>, as accessed 30 June 2015

⁷ In 2002, the number of publications reached 1,500, out of which 100 were local newspapers and 14 based in the capital. See Manuela Preoteasa, “Romania”, in Petković, Brankica (ed.), *Media Ownership and its Impact on Media Independence and Pluralism*, Ljubljana: Peace Institute, Institute for Contemporary Social and Political Studies, p. 404.

⁸ Hallin, C. Daniel, Mancini, Paolo, 2004, “Comparing Media System: three models of media and politics”, Cambridge/New York: Cambridge University Press, p. 37

To be sure, this pattern of development applies to several other Eastern and Central European countries as well. Having said that, what is particular to the Romanian case has to do with an enduring and powerful sentiment that its media structures are haunted by the communist past. In this sense, two of the elements most commonly shared across the market are ownership connections to the old secret police (“Securitate”) and the usage of money, obscurely produced during the communist regime and poorly tracked in the transitional period. Consequently, some of the most important media owners – public figures that have played essential roles in the socio-economic and cultural life of post-communist Romania – have in fact highly complex roots, as former collaborators of the communist secret police and business beneficiaries of the transition period.

Štětka points to indicators such as:

“a relatively weak economy, but also several others, namely a low presence of foreign investors (in the newspaper sector), a high level of involvement of oligarchs in media ownership structures, low ownership transparency, a relatively high fragmentation of both newspaper and television markets, as well as a very weak market position of the public service (or state) broadcaster. Even though none of these factors can be singled out as having the “crucial” effect, their co-occurrence seems to have a mutually reinforcing impact on the conditions for media freedom and journalistic autonomy - an impact which is clearly a negative one.”⁹

- Václav Štětka, 2013, *online*

This spectrum of obscure connections brought with it an increased propensity for secrecy which has lingered for the past two decades. Its main consequence is a gross contradiction between the industry’s ethical concern for transparency and its stubbornness to conceal its foundations, to hide its sources of financing and to disguise its ownership in off-shores structures.

In an attempt to address these issues, the current report offers a short overview of the development of post-communist Romanian media, in particular of the television market. It primarily focuses on transparency and ownership, its goal being to highlight different media models that have been applied in Romania and their relation, if any, to politics.

⁹ Štětka, Václav, 2013, Media Ownership and Commercial Pressures – Pillar 1 Final report, 2013, at <http://mde.politics.ox.ac.uk/images/Final_reports/stetka_2013_final%20report_posted.pdf>, p. 27, accessed 2 July 2015

The report follows three separate stages of development, i.e. from 1990 to 1999, from 2000 to 2010 and from 2010 to the current day. It offers insights with respect to several forms of media and draws attention to the peculiar patterns of development that have characterised the industry. The second half of the report is dedicated to five ownership profiles observable in post-communist Romania. The end of the report comprises a series of explanatory tables. The data presented has been collected from open sources (public reports, public archives and media articles), studies and other research projects. A series of interviews have also been organized with independent media experts. The authors have also asked for statements from the industry owners mentioned in the report, but have not received any such materials up to the completion of this material.

01. The early years of media development: 1990-1999

1.1 Print media

One of the primary features of the early years was the quasi absence of foreign investments. This was particularly true for news-orientated media outlets, but was also characteristic of those with generalist formats. The only poles of foreign capital were created by companies such as Ringier, who managed the weekly release “Capital” and the daily paper “Libertatea”.

Later on, in 2002, Ringier also took over “Evenimentul zilei” and in 2007 entered a joint-venture with Turkish Dogan for the TV channel Kanal D (its involvement at Kanal D lasted until 2012). Eventually, Ringier fully withdrew from the qualitative newspaper market in 2010, when it sold both “Capital” and “Evenimentul zilei”. It has kept only the tabloid “Libertatea” and the magazine division. Ringier’s withdrawal from quality news came in the context of the financial crisis, but also after Dinu Patriciu had made important investments in one of the main competitors within the segment, the newspaper “Adevărul”.

“(…) there is a clear parallel between a low presence of foreign ownership in the newspaper sector and a high occurrence of local business tycoons or oligarchs among media owners - a tendency which was reinforced as a consequence of the financial crisis.”¹⁰

- Václav Štětka, 2013, online

¹⁰ Štětka, Václav, online, cit., p 2.

Despite almost immediate post-1990 records in circulation, the market was extremely volatile. Characterised by a new-found diversity, but also by an unprepared readership, the print media landscape made few if any lasting connections with the Romanian public. In this regard, a 1995 national report developed by the Centre for Urban and Regional Sociology noted that at that time only 13% of the population had a subscription to a publication, 3% were subscribed to two, only 1% were subscribed to more than 3 and a massive 83% had no media subscriptions.¹¹

1.2 Television

The main player on the market of that time was the state-owned national television, TVR. Highly politicized, it had no competitors in the early '90s, as it enjoyed a unique technical coverage of the country. Its monopoly started to be gradually challenged, with the launch of Antena 1 (1993), Tele7abc (1994) and, finally, Pro TV (1995). These stations claimed their place in the media landscape by overpassing the national television in terms of ratings and advertising share in urban areas. Rural technical coverage became possible to private outlets only later, through the development of private cable operators.

The television market had a single foreign capital investment, namely that of Ronald Lauder's Central European Media Enterprises (CME). It first entered the market in 1995 with its first TV station, PRO TV. At the time, foreign entities required a local partner for operating an audiovisual license. Pro TV wrote in this sense one of the most important pages of the Romanian television history. Launched with a grand opening, on the National Day of Romania, the 1st of December 1995, it virtually combined the capacity of the local partner, MediaPro, to take action in the national framework of the industry, with the know-how and financial resources of CME.

In what concerns TV ratings, a 1996 poll focused on Bucharest, developed by IRSOP, showed a relatively close competition between 6 television stations – PRO TV (60%), TVR 1 (58%), TVR 2 (39%), Antena 1 (37%), Tele7abc (34%) and Amerom (12%).¹² These figures hint to a rating concentration in the state's capital.

At the national level, in 1996, according to public records, Romania had 678 local cable television organisations and 44 local and regional TV stations.¹³ Although the number of granted licenses seems balanced, in reality it was very low: all licenses were awarded to small local stations from the country's counties. Moreover, no nation-wide licenses for analogue terrestrial broadcasting were released in Romania (the same applies to digital terrestrial broadcasting, which continues to be postponed to this day). The companies who wanted to obtain more coverage had to act tender by tender, county by county, in a system managed by the heavily politicised broadcasting regulatory authority, the National Audiovisual Council (CNA).

¹¹ Gross, Peter, 1999, *Colosul cu picioare de lut* ("The colossus with feet of clay"), Bucharest: Polirom, p. 106

¹² Gross, Peter, *cit.*, p. 108

¹³ Gross, Peter, *cit.*, p. 107

In 1998, the Romanian Association for Audiovisual Communications (Asociația Română de Comunicații Audiovizuale - ARCA) launched a public debate, involving the Parliament, the National Audiovisual Council and the press. The initiative was meant to fuel discussions on the national resources of audiovisual communications and on transparency with regard to the administration of this resource, i.e. of the electromagnetic spectrum. ARCA attempted, in this sense, to bring “the Geneva and Stockholm Plans” in the public attention.¹⁴

- ARCA, online

The limitation of the number of tendered licenses, particularly as technical frequency bands were available (according to the Geneva and Stockholm Plans), remains without a clear justification. Irrespective of the reasons behind it, the reality was that, intentionally or not, these actions kept the market half-closed (oligopoly market). Being required to act through local partners, having no possibility of applying for a nation-wide license and dealing with an entirely fragmented tender system for county licenses, foreign media groups were discouraged to enter a market that still needed large technical investments. Consequently, it was easier for local, more familiarized businessmen to obtain broadcasting rights.

“<I wish we shouldn't have to team up with any local partner, but we were obliged to. Otherwise, we couldn't get in.> Mark Palmer, a shareholder in CME, former ambassador in Hungary during communism, told me in 2002 in Washington.”¹⁵

- Marius Dragomir, 2015, interview

“I would argue that CME would have sought a local partner of a kind or another. From my experience in the region, any foreign investor was at the time looking for people to advise them on many things ranging from politically correct behaviour in the post-communist environment to knowing the right people in regulatory authorities or other state institutions that affected the media markets. So, there was, of course, a need to secure a certain political influence. Lauder and Palmer were very knowledgeable of these markets, of the political culture and of the communist legacy not to understand that they needed locals to guide and help them.”¹⁶

- Marius Dragomir, 2015, interview

¹⁴ Association for Audiovisual Communications (Asociația Română de Comunicații Audiovizuale - ARCA), website, <<http://audiovizual.ro/ro/english-summary>>, accessed on the 30 June, 2015.

¹⁵ Interview in written form by email with Marius Dragomir, 21 July 2015. Marius Dragomir is senior manager and publications editor with the UK-based Open Society Program on Independent Journalism; he has edited a series of global and European studies with regard to the media markets, with a special focus on broadcasting, “Mapping Digital Media” (2010-2012) and “Television Across Europe” studies (2005, 2008)

¹⁶ Interview in written form with Marius Dragomir, cit.

1.3 Radio

The radio market was more diverse, but it also lacked in foreign investments. Among the main foreign players were CME/MediaPro with PRO FM, Radio France Internationale and BBC (the Romanian branch, who struggled for years to obtain its own license, managing to do so just shortly before it was shut down).

The aforementioned IRSOP poll, notes for the radio market that the top eight most listened radio stations in 1996 were Radio România Actualități (48%), Radio Contact (29%), PRO FM (19%), Radio România Cultural (8%), Radio România-Antena Bucureștilor (7%), Radio 21 (4%) and Fun Radio (4%).¹⁷ These figures show a comparable concentration as in the television market (in 1996 there were 107 active radio stations¹⁸). Moreover, as there were no nation-wide licenses, most of the local stations were gathered under the same brand in network structures.

1.4 The end of first post-communist decade

The last four years of the 1990s saw television becoming “by far the strongest medium within the broadcasting industry”¹⁹ However, the situation continued in the same manner as before, with a half-closed market and a politically complex scenery.

In terms of market share, the situation continued to change to the advantage of private TV stations. Initially, when PRO TV made its debut it had “two primary private competitors, Antena 1 and Tele 7ABC, which reached approximately 15% and 9% of the population, respectively”²⁰. By the end of its fourth month, PRO TV achieved a technical reach of 9.6 million people, which increased to 12.5 million people at the end of 1996.²¹

The next stage for stations such as PRO TV was to increase their coverage by acquiring additional regional licenses through local entities, affiliations with local broadcasters or agreements with cable carriers.²²

¹⁷ Gross, Peter, *cit.*, p. 108

¹⁸ Gross, Peter, *cit.*, p. 106

¹⁹ IMCA for the for the European Commission – DG EAC Survey # DG EAC 59/02, mar tie 2004, “A Survey of the Landscapes and Political Policies of the European Community Candidate Countries in the Broadcasting Industry – Executive Report”, p. 11

²⁰ CME, annual report for Q 1 1996 filed at 13.05.1996 with the US Security and Exchange Commission (archives of the authors)

²¹ CME, annual report for Q1 1996, *cit.*

²² CME, annual report for year 1996, submitted at 24.03.1997, to the US Security and Exchange Commission (archives of the authors)

In 1999, TVR 1 was still covering the entire Romanian population, while TVR 2 was reaching about 60%. Antena 1 and Tele7ABC were covering 48% and 27% of the population, respectively, while a new private competitor, Prima TV (launched in December 1997) was reaching 20%. PRO TV and Acasă TV (another channel part of the CME media family) reached 64% and 25%, respectively, of the Romanian population.

The overall reality was one of a market that was inhospitable to the promotion of professional journalism and of credible industry methods. Prominent foreign investors had to focus solely on commercial success. They followed the rules of the transition and started, slowly but surely, to avoid the arena of hard news. To be sure, noteworthy exceptions did occur, but they lacked ripple effects across the market.

“There is a continuing and mutually supportive relationship between businessmen and politicians. Not only did the politicians in the region help their friends to win important competitive positions in the new market economy, but they also continue to exert considerable influence over the media. The media, in turn, tend to rely on relationships with politicians to gain advantages in the competitive struggle for survival and profit”²³

- Collin Sparks, 2005: 37

Eventually, similarly with other Central and Eastern European countries, the political system opened the market, but in very small steps and only after ensuring a certain level of control. In the hard TV news arena, foreign reputed media groups with long lasting professional standards encountered difficulties. The best example is the radio station BBC, to whom the CNA avoided to grant a license. The station produced journalistic content that was beyond any political control. BBC's news programmes were rebroadcast only through partnerships with qualitative-news radio stations, which were often marginal in terms of audience.

The first Romanian study on media ownership, published in 2004, revealed the case of the former radio station Uniplus, taken over by the Romanian businessman Cristian Burci. First, the station changed its name in Star FM. Secondly, it modified its target-audiences. It eventually excluded the BBC news programme out of the station, despite having a long history of broadcasting it.²⁴

²³ Sparks, 2005, cit., 37.

²⁴ Preoteasa, Manuela in Petković, Brankica (ed), 2004, cit., pp. 413-414

An important foreign investor in the radio market was Lagardère, which operated in Romania in different fields (EADS - European Aeronautic Defence and Space Company Europe were active in the fields of security and defence, while Europe Development International was the entity operating the media network). In 2000, Lagardère's media entity was granted for Europa FM the first nationwide license. Lagardère also owned a stake in Radio XXI together with Fundația Secolul XXI (the 21st Century Foundation). The latter had among its board members one of the former defence ministers, Ioan Mircea Pașcu (2002). Later, the foundation also received among its ranks Victor Ponta, currently the country's prime minister, at that time a young prosecutor. The situation made reporters to name the organization the PSD EADS Foundation²⁵.

Lagardère's Europa FM was involved in a controversial case with a former employee, Rodica Culcer, head of the news department. She resigned from the station accusing the management team of political pressures.

"It has to do with political pressures exercised by the team of managers of Europa FM. It is a team, which, I think, does not understand what the press means, what objective and impartial information means. We were not hostile to the economic interests in Romania of the Lagardère group (...), although the managers of the radio told us repeatedly that we have to support the interests of the group and that we must not upset those in government."²⁶

- Rodica Culcer, interview in *Capital*, 2003

²⁵ PSD stands for the Romanian Social Democrat Party, while EADS comes from European Aeronautic Defence and Space Company partially owned by Lagardère. The Center for Media Investigations, 19 September 2013, "The PSD EADS Foundation" ("Fundația PSD-EADS), *investigatiimedia.ro*, at <<http://www.investigatiimedia.ro/fundatia-psd-eads-2>>, accessed on 3 July 2015

²⁶ Interview with Rodica Culcer, "I could not pay the price I was asked for", *Capital*, 17.04.2003, at <<http://www.capital.ro/rodica-culcer-nu-pu-team-sa-platesc-pretul-care-mi-se-cerea-9071.html>>, accessed on 22 July 2015

02. The middle stage of development

One of the main changes that characterised the Romanian media sector after the year 2000 was a significant increase, at almost dominant levels, of “fake” foreign investments. What this refers to is an increment of foreign stakeholders that were in fact front operators for Romanian businessmen. An example in this sense was Bluelink Comunicazioni Ltd. In 2004, the company had a controlling interest at Realitatea TV, even though rumors had Sorin Ovidiu Vântu as being the true owner.

The issue of transparency in relation to ownership was doubled by the reality of obscure financing from various sources, including state advertising. The media industry, which should have served the ethical ideal of transparency, sank in secrecy with regard to its sources of money and the details of its ownership.

A key moment in the television industry came with the interval between the years 2000 and 2004. In this period, on one hand, the development of the cable industry and the increment of its national penetration intersected with the people’s desire, achievable for the first time in Romanian history, of having wide access to private commercial channels. The latter were highly competitive and offered innovative content, in contrast with the state-owned television that was providing the public with outdated formats.

On the other hand, this was also a period, when the social-democrat government led by Adrian Năstase started to provide media outlets with massive support. This strategy was followed down the stream and local politicians and businessmen adapted. TV stations that were already benefiting from tax reschedules and debt cancellations suddenly ended up as well on the receiving end of complicated schemes involving money from the state budget and from state-owned companies. Public firms, irrespective of their financial status, at times characterised by losses or debt, started to acquire useless advertising at media outlets, print publications and TV stations.

There were also other more sophisticated forms of “supporting” large media actors. Some of these affairs made the headlines of investigative papers and produced shocks across a system that was up until that time outside the reach of public scrutiny.

“In mid-2001, Prima TV became majority owned by Cristian Burci through the RID company, owned by another company, Albany Holdings, registered in New Jersey, USA. One year later, RID got enmeshed in a huge scandal when it was revealed that <the company received \$5.6 million from a State-owned company, MTC-TV (Maritime Training Centre Television).>²⁷ The money was to be used for buying advertising in the media. Soon after it received the money, RID purchased a majority stake in Prima TV for an amount similar to that received from MTC-TV.²⁸ There was speculation that the money was, in fact, moved through various accounts to help Prima TV, which was facing serious financial problems at the time. Prima TV's Drinceanu (legal representative, note of the authors) said that it was never proved that the money reached Prima TV accounts or covered the station's operations. Meanwhile, MTC-TV has been reimbursed with the whole amount it sent to RID's account, Drinceanu told EUMAP.”²⁹

- EUMAP, 2005: 1285

Irrespective of these scandals, the reality was that of a vicious circle that involved competition and debt. In this sense, private competitors were in a permanent need for money, either for investing in extending their technical reach or for paying highly expensive rights for foreign programmes. The companies that were integrated in an international conglomerate (e.g. PRO TV) were in a more favourable position, although the costs for copyrights were still high. Caught up in the race for broadcasting the newest movies and entertainment formats, most TV stations spent more money they could afford, subsequently increasing their tax-related debts to the state.

Advertising in 2004: TVR1, Pro TV and Antena 1 held together 50% of the total nationwide audience. They also took the bulk of the advertising revenue, although this was still modest, at around € 90 million annually (net) in 2004.³⁰

- EUMAP 2005: 36

²⁷ Barbu, Petre, “Prima TV's Boss Financed by Mitrea”, in Capital, 20 June 2002 apud Dragomir, Marius (ed.), “EU Monitoring and Advocacy Programme- Network Media Programme - Television across Europe: regulation, policy and independence”, Open Society Institute, Budapest-London, hereafter EUMAP 2005, at <<http://mediaobservatory.net/sites/default/files/TV%20across%20Europe.pdf>>, p.1285

²⁸ SBS Broadcasting, Annual Report 2002, as filed with the US Securities and Exchange Commission, Washington, 2003, apud EUMAP 2005, cit., p. 1285

²⁹ Barbu, Petre, “Prima TV's Boss Financed by Mitrea”, in Capital, 20 June 2002, apud EUMAP, 2005, cit., p. 1285

³⁰ EUMAP, 2005, cit., p. 1236

“Party colonization of the media was found to have manifold forms. In some countries, the major media resources extracted through party colonization included, in particular, senior positions in the media authority and the public service media (...), while in other countries these included in particular state advertising (Bulgaria and Romania) or newspaper subsidies (Slovenia), and in yet others the allocation of funds for programme production (Hungary).”³¹

- Peter Bajomi-Lázár, 2013, online

All discussions about tax liabilities and state advertising should also take into account the unfriendly business environment that has challenged the viability of commercial models within the media. Apart from high taxes, an enormous bureaucracy and a chronic instability of the general economic climate, media had also to face a series of contingent challenges, such as the lack of a tradition in terms of independence, a political culture that understood it as means of propaganda, the lack of a clear distinction between information and opinion and the absence of marketing- and sales-related knowledge. The result of this context was the continuation of a closed market populated by the state-owned television and a series of companies that succeeded in increasing their national coverage through the acquisition of local licenses. The dominance of the state-owned television was eventually overcome due to significant losses both in terms of advertising and in what concerns audiences and ratings. February 2007 was the last month when TVR1 surpassed Pro TV in nation-wide audience share. By the end of 2007, TVR1 felled on the third place, followed soon by a more severe drop, being passed by the news channels Realitatea TV and Antena 3.

The landscape of media institutions in Romania was controlled by what the journalist Iulian Comanescu called the big five, i.e. Ringier, Voiculescu, Sârbu/CME, Vântu and Patriciu.³²

A closer look, however, reveals that PRO TV went straight to the top in terms of urban ratings from its very first years. In this regard, its private competition with Antena 1 outshined TVR1 in urban areas as early as the year 2000. In the end, it was only a matter of reach and of technical development, for private channels to start competing at the national level and to surpass the state owned television.

³¹ Bajomi-Lázár, Peter, 2013, „Media Regulation and Political Pressures”, Pillar 2 Final report, at <http://mde.politics.ox.ac.uk/images/Final_reports/bajomi-lazar_2013%20final%20report_posted.pdf>, accessed 25 June 2015, pp. 16-17

³² Comanescu, Iulian, 2009, How to become a Nobody. The Mechanism of notoriety, personal brands and media market in Romania (Cum sa devii un nimeni. Mecanismele notorietății, branduri personale și piața media din România), Bucharest: Humanitas, pp 82-83.

03. Current developments

After 2010, CME (PRO TV, Acasă TV, Pro Cinema, Sport.ro) continued to remain at the top of the market, reaching in 2014 an audience share of 19.57% and an advertising stake of 50%. It is currently followed by the Antena group (Antena 1, Antena 3, Antena Stars) that has a total of 18.63% of the audience market (2014) and an advertising share of 27%.

Audience average share of the groups - nationwide – 2014		
Media Group	Audience share	Advertising share
CME group	19.57	50%
Antena group	18.63	27%
Kanal D (Turkish Dogan)	7.1	8%
State-owned TV (TVR1 &TVR2)	5.51	2%
Cristian Burci (Prima TV)	3.12	4%

Source: for Kantar Media apud ARMA's website for audience share; Initiative "media factbook" 2015, for audience advertising share (p.25)

The general figures of the media market, in terms of ratings and advertising, show a highly uneven situation. First, the audience share and the advertising share are not directly proportional, as evidenced by the first two positions who have similar ratings but different advertising revenues. Second, it can be observed that the first two media groups cumulate 77% of the advertising market. However, when transforming these percentages in money, the cumulated share amounts to approximately 128 million Euro. This figure is extremely low, matching the revenues of TVR (the state-owned company) in the same year. What this shows is a highly fragile and extremely small advertising market, which somehow is able to sustain the extremely high number of existing TV stations. On a more in depth look, the paradox becomes exacerbated in relation to news-orientated media. Here, there at least 6 TV stations that combine for less than 15% in terms of audience share, but which are expected to be financially sustainable on the same advertising market.

Yearly audience average shares of the News TV networks (2014)	
Channel	Audience share (%)
Antena 3 (Antena group)	6.67
Romania TV	4.17
B1 TV	2.46
Realitatea TV	2.19
Digi 24	0.90
TVR News (state-owned)	Not available

Source: Kantar Media apud ARMA's website

In addition to these issues, the industry has become recently affected by severe legal problems that involve either the owners of the main media groups, or the groups themselves. Adrian Sârbu, Dan Voiculescu, Sorin Ovidiu Vântu, Sebastian Ghiță and Dinu Patriciu have all been in trials or are under criminal investigation for various offenses. Similarly, Antena 3, owned by the Voiculescu family, is currently criminally investigated for charges of blackmail, Realitatea TV is under investigation for acts pertaining to its insolvency procedures and Mediafax is criminally investigated for tax evasion.³³

“Indeed, blackmailing by press has had a long history in Romania, before, during and after the communist period. (...) beyond the facts themselves, what is significant is the discourse of the accused who used the freedom of expression as a magic shield meant to intimidate the prosecution (...).”³⁴

- Mihai Coman, 2009: 193

Transparency continues to be an unresolved issue. Although the constitution of Romania clearly states through article 30 (5) that the law can impose on mass communication channels the obligation to disclose their sources of financing, related-regulations continue to be absent. The system continues to be marked by obscure sources of financing - a situation that fuels a general state of vulnerability and challenges free commercial models.

³³ Statement from the Public Ministry for *Sursazilei.ro*, “The second file of tax evasion by Mediafax Group - launched by the general prosecutor” (“Dosarul Mediafax Group 2 de evaziune fiscal – deschis la Parchetul General”), at <<http://www.sursazilei.ro/dosarul-mediafax-group-2-de-evaziune-fiscala-deschis-la-parchetul-general>>, as accessed 20 July 2015

³⁴ Coman, Mihai, 2009, “Press Freedom and Media Pluralism in Romania: Facts, Myths and Paradoxes”, in Czepek, Andrea, Hellwig, Melanie, Nowak, Eva, Press Freedom and Pluralism in Europe: Concepts and Conditions, Bristol/Chicago: Intellect, p. 193.

“While the independent media were active and expressed a wide variety of views without overt restriction, politicians and persons with close ties to politicians and political groups either owned or indirectly controlled numerous media outlets at the national and local levels. The news and editorial tone of these outlets frequently reflected the views of the owners. There were also allegations that owners suppressed stories at odds with their interests or threatened the authors of such stories.”³⁵

- *Country Reports on Human Right Practices for 2014, United States Department of State*

In addition to these elements, one other sector characteristic that was present in the second decade of the transition period, but has become clearer in these last years, has to do with the integration of media with other industries, in particular the evolution of a cumulative operational capacity around telecom companies. In this sense, there exist now entities that are simultaneously mobile operators, cable operators, internet service providers and media content providers. One of the most relevant examples in Romania is that of RCS-RDS – a Romanian company started at the beginning of the 1990s as a cable operator – that has grown to cover other states in the region and that now has its own internet, telecom, mobile and TV services. This development is congruent with similar evolutions in other parts of the world, where the same integration of services has occurred. However, it raises new questions about other industries that are now interconnected with media, but do not share the same ethical concerns for transparency and the public interest.

Going back to the media industry, it has to be mentioned that the state has not remained passive to the latest developments. In this regard, the government has recently released an Ordinance that stands to provide television stations with 15 million euro for informative, cultural and education programmes.³⁶

“I don’t know the local context and the rationale behind this legal provision. There might be some hidden interests. (...) Either this is a way to fund a few selected TV stations that the government simply likes or a genuine move to save public service-like television operators. (...) Whatever the reasoning behind this act is, the key issue will be implementation. (...) The danger is to have under the mask of a public service support legal provision a plan to disburse funding to media outlets close to the government or which the government wants to keep aligned.”³⁷

- *Marius Dragomir, 2015*

³⁵ United States Department of State - Bureau of Democracy, Human Rights and Labor, 26 June 2015, “Country Reports on Human Right Practices for 2014, at <<http://www.state.gov/documents/organization/236780.pdf>>, accessed on 28 June 2015

³⁶ Government Emergency Ordinance no. 18/2015 on the establishment of measures necessary to ensure the transition from analogue terrestrial television to digital terrestrial television, *Monitorul Oficial*, no. 423 of 15 June 2015

³⁷ Interview in written form with Marius Dragomir, cit.

The system seems to be characterised today by what Collin Sparks has named the “extremist” commercial media model, where obscure patterns are accepted as normal, i.e. as being the norm. Amidst an insufficient advertising market, obscure financing sources, tabloidization, and criminal investigations against media owners and media groups, it is unclear how the industry will be able to sustain itself and remain credible.

04. Five profiles

4.1 Ronald Lauder's CME / Adrian Sârbu

In America people talk about the Murdochization of the media.³⁸ “At any given moment, one in every five households is tuned on a show produced or delivered by News Corp (Rupert Murdoch’s group –n.a.).”³⁹ In Romania, one in five households has been watching in the past 15 years at least one of the Central Media Enterprise’s channels. One of two euro spent in TV advertising is paid to CME. Since February 2007, Pro TV has become the leader of the nation-wide audience market and has remained so. In terms of advertising, it took the lion’s share from its very launch.

“In Poland and Hungary, where CME made “wrong alliances”, other groups made the first commercial licenses. CME was unable in both of those markets to overcome the disadvantages of a late start”.⁴⁰

- Collin Sparks, 2005: 37

CME was founded by Ronald Lauder, an American businessman and philanthropist, the son of Estée Lauder (cosmetics industry). He began in the early 1990s and immediately started to expand across Eastern Europe. By 1997, Lauder’s group had TV stations in Slovenia, Romania, Slovakia and Ukraine. The company had a complicated development and needed backdoor access strategies, particularly as the markets it approached were heavily affected by corruption and half-closed to foreigners. In order to launch local operations, the company had to associate with local partners.

³⁸ Mahler, Jonathan, “What Rupert Wrought”, *New York*, at <<http://nymag.com/nymetro/news/people/features/11673>>, accessed on 21 July 2015

³⁹ Business week apud Mahler, Jonathan, as cited

⁴⁰ Sparks, Collin, 2005, cit., p. 37

This was the case of Romania, but also of other countries such as Ukraine. Here, Lauder's main partners were Vadim Rabinovich and Boris Fuchsmann, who were reportedly "well known around Kiev for their influence and wealth"⁴¹ and believed to have "ties to Russian organized crime, according to reports by the F.B.I. and European law enforcement agencies."⁴² This connection brought only problems for Lauder who was faced with "a lawsuit seeking \$750 million in damages (...) filed by rival broadcaster Perehid Media Enterprises Ltd."⁴³, involving accusations of using criminal instruments to obtain a broadcasting license⁴⁴, but also with an official investigation from US federal prosecutors.⁴⁵ At the time, Ronald Lauder stated that he had no knowledge of the past of his collaborators.⁴⁶

"There are many differences between various partnerships. In some of them, CME was, in fact, misused by local partners. The fact that Lauder's partners are under criminal charges only shows how badly the decision on local partners were. What was clearly a trend was that Lauder's company teamed up with people who had either money or influence in the local politics and business."⁴⁷

- Marius Dragomir, 2015, interview

"In all the countries where CME launched operations, their TV stations were hailed as pioneers of modern television. And they were. They appeared on a market where only former state broadcast behemoths were in operation. Audiences were thrilled by colour, entertainment, tabloid news, heated debates. I am not sure this was entirely modern television. It was a combination of blockbusters and tabloid news. Many of these stations also soon learned to be and remain apolitical. It didn't make any sense for them to do solid coverage of political issues or to spend on investigative journalism."⁴⁸

- Marius Dragomir, 2015, interview

In Romania, the CME's presence was related to PRO TV. The station was among the first in the country to promote a highly commercial and attractive format. The news programmes were made interesting and eventually the hierarchy of relevance was modified so as to match the format. The channel was the first to introduce the 5PM News and the 10PM Funny News programmes, as well as a series of successful foreign entertainment formats. The combination between entertainment and news, brought

⁴¹ Bonner, Raymond, "Lauder Media Company Faces a Federal Inquiry", *The New York Times*, 12 June 201, at <<http://www.nytimes.com/2001/06/12/nyregion/lauder-media-company-faces-a-federal-inquiry.html>>

⁴² Bonner, Raymond, *The New York Times*, 12 June 201, *cit.*

⁴³ Brzezinski, Matthew, "For Cosmetics Heir Lauder, Ukraine Venture Brings Trouble", *The Wall Street Journal*, 21 November 1997, at <<http://www.wsj.com/articles/SB879290509121491000>>

⁴⁴ Brzezinski, Matthew, 1997, *The Wall Street Journal*, *cit.*

⁴⁵ Bonner, Raymond, *The New York Times*, 12 June 201, *cit.*

⁴⁶ Brzezinski, Matthew, 1997, *The Wall Street Journal*, *cit.*

⁴⁷ Interview in written form with Marius Dragomir, *cit.*

⁴⁸ Interview in written form with Marius Dragomir, *cit.*

forth the Romanian version of infotainment and laid the foundation of what scholars have named the “de-politicization of news content.”⁴⁹ Newsworthy topics on serious issues were moved to the end of the line, while Infotainment was pushed to the top.

“The [economic] summit in Davos went on fifth place, while the crime from (...) Fălticeni [small city, East Romania] opened the news programme”⁵⁰

- Raluca Feher, 2015, interview

PRO TV followed in this sense the recipe of Lauder’s CME. The process undertaken by the stations resembles what some authors have called Murdochisation - “a trend towards market-led entertainment and infotainment”.⁵¹ Thussu explained it as a “process which involves the shift of media power from the public to privately owned, transnational, multimedia corporations controlling both delivery systems and the content of global information networks.”⁵²

“If you talk about tabloidization and concentration, we can call Lauder a Murdoch.”

- Marius Dragomir, 2015

“But as an investor, Lauder is totally different. Murdoch is an investor in the media, media was for him from the beginning his bread and butter. For Lauder was one of the many ways he spent his money. Secondly, they are different. Murdoch put his fingers deep in the pie because he loves dirt, yellow journalism (...). Lauder was not like that. He wanted to invest (...) as he thought he knew the region, (...) he was sure he would make money (...). He wanted to bring the “cool” American television to CEE.”⁵³

- Marius Dragomir, 2015

CME entered the Romanian market through Adrian Sârbu. The latter was the founder of MediaPro, one of the most known media managers and owners of post-communist Romania. Adrian Sârbu is mostly associated with the television and film industry, although he was also the first to set up in Romania a private news-agency (Mediafax). A graduate of the Academy for Theatre and Film, he was the director of Sahia film – the largest documentary studio of communist Romania.

⁴⁹ Downey apud Štětka, Václav 2013, *cit.*, p. 21

⁵⁰ Interview in written form with Raluca Feher, interview in written form by email, former PRO TV reporter, head of the Frontline Club Bucharest, branch of the London-based media club, 29 June 2015, Bucharest.

⁵¹ Thussu, Daya Kishan, 2008, “Mapping of the Murdochisation of the Media”, in Banerjee, INdrajit, Logan, Stephen (eds) “Asian Communication Handbook 2008”, AMIC.

⁵² Thussu, Daya Kishan, 1998, “Electronic Empires: Global Media and Local Resistance”, London: Arnold

⁵³ Interview with Marius Dragomir, *cit.*

In 1989, at the Romanian revolution, he made video materials with the internal discussions of the first post-communist leaders and also recorded the trial of the Ceaușescu couple⁵⁴. He made the first documentary film of the Romanian Revolution.⁵⁵ He took part in the first Romanian post-communist government as the advisor of the Prime Minister on media issues. Between July 1990 and October 1990, he was the Secretary of State for Media Affairs. Later he became a media investor, setting up the newspaper “Curierul național” and eventually the news agency Mediafax.

Benefiting from the support of CME, Sârbu rapidly managed to put Pro TV in the top of private stations - to this day the number one TV station in Romania (nation-wide ratings, all-day averages, +4).

“The most common way to survive on these markets, extremely politicized and corrupt, was to become apolitical, to focus on ratings and revenue and stop taking sides in politics or even reporting objectively on political and business issues. Again, Romania is an example. For many years, the government didn't disturb Pro TV in a tacit agreement with the station in exchange for the station's uncritical stance on government affairs. The EU slammed Romania for these tradeoffs. It was one of the cases when official reports of the EU actually mentioned a station by name.”⁵⁶

- Marius Dragomir, 2015, interview

In July 2008, almost 18 years after he recorded the Romanian revolution, he became CEO and Chairman of the Board of the Central European Media Enterprises (CME), to which he sold most of his shares in the radio and TV businesses that he owned under the MediaPro umbrella. In his own words, he was “the only Romanian appointed as a CEO of a publicly listed American company”⁵⁷.

⁵⁴ *Adevărul*, 3 August 2009, “Adrian Sârbu: Life like a movie”, at http://adevarul.ro/news/eveniment/adrian-sarbu-viata-film-1_50abd7347c-42d5a663810e1a/index.html, un-authored article, accessed on 4 July 2015

⁵⁵ Bloomberg Business: “Central European Media Ent-A (CETV:NASDAQ GS)” , at <http://www.bloomberg.com/research/stocks/people/person.asp?personId=26116793&ticker=CETV>, accessed on 2 July 2015

⁵⁶ Interview in written form with Marius Dragomir, 21 July 2015, cit.

⁵⁷ Bunea, Iulia, “Adrian Sârbu, salary of 1.8 million dollar per year, in the past four years”, *Paginademedi.ro*, 2013, at <http://www.paginademedi.ro/2013/08/adrian-sarbu-salariu-de-18-milioane-de-dolari-in-ultimii-patru-ani/#sthash.yF79jaxi.dpuf>, accessed on 29 June 2015

Six years later, the media man “bit the dog”. It was news when, on the 3rd of February 2014, Adrian Sârbu was charged with tax evasion, money laundering and embezzlement.

“At his beginning, I don't think that Adrian Sarbu wanted to personally control the editorial policy or to exert direct control on the elites. From my own experience as a former employee in his companies, I can neither say that I was pressured, nor that I assisted pressures from one side or another. However, when I left Media Pro, the focus was to reduce the presence of politicians in news and to bring out instead the real people.”; “Certainly, part of his business success is due to its political relations (...). But he was discrete, he did not interfere in the editorial job.”⁵⁸

- Ioana Avădani, 2015, interview

The media model of Adrian Sârbu was a commercial one, characterised by a tendency to develop industry influential structures. For example, Mediafax has remained for the entire post-communist period the most important source of information, feeding almost 90% of the Romanian media. It dominated the market almost completely, being palely challenged by the state-owned Rompres (later Agerpres) and, for a few years, by Sorin Ovidiu Vântu's NewsIn (Realitatea – Cațavencu group).

The media success of Adrian Sârbu had an Achilles' heel in state taxes. In this regard, a 2002 EU Commission Report on Romania's accession progress noted that: “Pro TV is heavily indebted to the Romanian state and has applied to the tax authorities for a rescheduling of its outstanding tax liabilities. This makes the channel's continued operation dependent on the good will of the Romanian authorities”⁵⁹ The tax debt was of approximately 6.2 million euros.

“These foreign owners have been sophisticated enterprises, sometimes very large ones, with considerable experience in operating in conditions of capitalist democracy, but they also have been deeply involved in alliances with local forces and played the game of political capital without any apparent hesitation.”⁶⁰

- Collin Sparks, 2005: 37

⁵⁸ Interview in written form with Ioana Avădani, interview in written form by email, former PRO TV reporter, head of the Frontline Club Bucharest, branch of the London-based media club, 29 June 2015, Bucharest, 29 June 2015, Bucharest

⁵⁹ Preoteasa, 2004, in Petković (ed.), *cit.*, p. 408

⁶⁰ Sparks, 2005, *cit.*, p.37.

“Colin Sparks is right in the case of Romanian media, with a mention – “sophisticated commercial enterprises of large dimensions” never came here, we rather had small media groups (Ringier, CME) or small capital pieces of larger groups (Springer for example) on the local press market. (...) The effect was renouncing the classical role (essential for the proper functioning of a democracy) of watchdog. Under the mask of the obligation to tender to the desires/expectations of the public (meaning to provide entertainment or to wrap information in the discourse of entertainment), these groups have eliminated or marginalized the information on political events, presenting it in soft forms, without critical accents, without political background (replaced with an affective sensationalist background).”⁶¹

- Mihai Coman, 2015, interview

A reference to a high liability connected to the existence of this debt was also included in one of the mother-company (CME) reports: “If the Romanian tax authorities demand immediate payment (...), the company would experience difficulties in continuing to operate.”⁶²

“The system created by Adrian Sârbu is responsible for the tabloidization of television.”⁶³

- Raluca Feher, 2015, interview

The irony was that the main source for discovering the rescheduling of debts of PRO TV came from the financial reports of the foreign shareholders. In this sense, the annual CME report for 2001 revealed that “MPI [Media Pro International – the operating entity – A/N] has requested a re-scheduling of its tax liabilities. Should such re-scheduling fail to be granted and the Romanian tax authorities demand immediate payment in full of all potential tax liabilities, the Romanian operation would experience difficulties in continuing to operate.”⁶⁴ The same report showed that the American authorities were interested in learning more on the issue of debts: “On February 11, 2002, the Securities and Exchange Commission requested that the Company voluntarily allow the Commission’s Staff to inspect certain documents and records, related primarily to actual or potential liabilities payable by the Company or MPI (...) to any government entity in Romania.”⁶⁵

⁶¹ Interview with Mihai Coman, 24 July 2015, Bucharest. Mihai Coman is the head of School of Doctoral Studies in Communication Sciences, former Dean of the School of Journalism and Mass Communication studies within the University of Bucharest.

⁶² CME report for year 2002, as filed with the Security and Exchange Commission, Washington, 2013

⁶³ CME report for year 2002, as filed with the Security and Exchange Commission, Washington, 2013

⁶⁴ CME report for year 2001, as filed with the Security and Exchange Commission, Washington, 28 March 2002

⁶⁵ CME report for year 2001, as filed with the US Security and Exchange Commission, at 28 March 2002, Washington

A unique case in the Romanian legislative procedure is the Emergency Government Ordinance no. 16/1999, which exempted in 1999 the media industry from due advertising taxes and all the subsequent penalties (if they were not paid in time). The Ordinance was reported as being dedicated for CME's Pro TV.⁶⁶ Normally, an Emergency Ordinance has to be approved by the Parliament. In this case, it simply avoided the Parliament's agenda for 15 years. Only in 2014, the Parliament debated it and rejected it.

In 2014, Ronald Lauder, the founder, CEO and main shareholder of CME, withdrew from the board.⁶⁷ In the fall of 2014, Adrian Sârbu sold all of his shares in CME and withdrew from all positions. Pro TV is now owned by Time Warner, which has an approximately 68% economic interest (an approximately 49% voting stake) in CME. It also owns options and warrants that, although currently not exercisable, could raise its economic interest in CME to 75%.⁶⁸ The Radio station Pro FM was sold to RCS-RDS.⁶⁹

The same debt problems appeared at the other group managed and owned by Adrian Sârbu, Mediafax Group. In this case, the Fiscal authority blocked the accounts of the company and took the measure of distraint against the organizations that owned money to the group.⁷⁰ Adrian Sârbu argued that the Fiscal authority was acting on orders from the social-democrat Prime Minister, Victor Ponta, who, he considered, was displeased over a series of disclosures involving accusations of traffic of influence that were published in one of the group's media outlets.⁷¹ Victor Ponta publicly declared that the only traffic of influence that was ever attempted in his office was made by Sârbu himself. The PM Ponta stated that he had refused Sârbu's offer to support him in the presidential election.⁷²

"I have created values of hundreds of millions of dollars for my stockholders and for myself. The companies under my control or management have paid only in the last ten years hundreds of millions of euro to the Romanian state", was one of Sârbu's last statements at the time of his arrest. He characterised the assault on Mediafax "as state terrorism on some media institutions".⁷³

⁶⁶ Andronache, Carmen Maria, "The Ordinance through which Pro TV was exempted from tax liabilities was rejected after 15 years" ("Ordonanța prin care Pro TV era scutit de datorii a fost respinsă după 15 ani"), paginademedi.ro, 25 April 2014, at <<http://www.paginademedi.ro/2014/04/ordonanta-prin-care-pro-tv-era-scutit-de-datorii-a-fost-respinsa-dupa-15-ani/#sthash.iZ3RwGJT.dpuf>>, accessed 20 July 2015

⁶⁷ Reuters, 14 March 2014, Prague, unauthored article, "UPDATE 1-Founder Ronald Lauder resigns from broadcaster CME's board", at <<http://www.reuters.com/article/2014/03/14/cme-lauder-idUSL6N0MB3FN20140314>>, 1 July 2015

⁶⁸ Streetinsider.com, 20 November 2014, "S&P Raises Central European Media Enterprises (CETV) to 'B+' (TWX)", <<http://www.streetinsider.com/Credit+Ratings/S%26P+Raises+Central+European+Media+Enterprises+%28CETV%29+to+B%2B+%28TWX%29/10036381.html>>, accessed 29 June 2015

⁶⁹ Mediafax, 29 May 2015, "RCS & RDS released that they finalized, on Friday, the takeover of Pro FM, Info Pro, Music FM and Dance FM" ("RCS&RDS anunță că a finalizat, vineri, preluarea Pro FM, Info Pro, Music FM și Dance FM", at <<http://www.mediafax.ro/cultura-media/rcs-rds-anunta-ca-a-finalizat-vineri-preluarea-pro-fm-info-pro-music-fm-si-dance-fm-14364867>>, accessed on 29 June 2015.

⁷⁰ Osman, Oana, 3 January 2015, "Adrian Sârbu has lost over 100 million euros", Capital, 2015, at <<http://www.capital.ro/top-300-capital-adrian-sarbu-a-pierdut-peste-100-de-milioane-din-avere.html>>, accessed on 1 July 2015

⁷¹ Osman, Oana, 3 January 2015, *cit.*

⁷² Osman, Oana, 3 January 2015, *cit.*

⁷³ Mediafax, 2 February 2015, *cit.*

On the 3rd of February 2015, Adrian Sârbu was preventively detained for 30 days after a criminal investigation for tax evasion, money laundering and embezzlement was launched against him. He was recently released and awaits trial.

“The arrest of Adrian Sârbu was perceived outside Romania as a corruption case. For some media in western Europe, such as the UK, this moment had to come after years of reports on CME's tax dodging in Romania. Sârbu, since his appointment to lead CME's operations, has appeared often in the media, particularly in the Czech media as he was based in Prague (...) He was known as trying to import programs and transplant models based on his experience in a specific country without thinking about the local habits, needs or likes. Often, these programs proved to be a rating disaster, further cementing the antipathy of the station's staff.”⁷⁴

- Marius Dragomir, 2015, interview

4.2 Dan Voiculescu

Dan Voiculescu is one of the most important businessmen of post-communist Romania and the founder of the Intact Media Group, the second largest Romanian media outlet. The fortune of his family has varied from 1.5 billion euros in 2009 to 600-650 million euros in 2012⁷⁵. Apart from his business profile, Dan Voiculescu has been a member of the Romanian senate in several legislatures after 2004 and has also held the position of vice-president of the Senate and that of vice prime-minister.

“It was believed that Ceaușescu used in the 1980s a Romanian-Cypriot firm, Crescent, to transfer in foreign accounts a great deal of money. Dan Voiculescu was Crescent's director in that period.”⁷⁶

- Adina Marina Ștefan, 2009: 84

An informer of the former Securitate under the code names “Mircea” and “Felix”⁷⁷, he made an estimated fortune of 1.5 billion euro in less than twenty years after the revolution of 1989, investing in energy, construction, trade and media.

⁷⁴ Interview in written form with Marius Dragomir, cit.

⁷⁵ Capital Top 300 the Richest People, 2009, 2014, respectively (online)

⁷⁶ Ștefan, Adina Marina, “Democratization and Securitization: The Case of Romania”, Brill, 2009, p. 84

⁷⁷ Decision of the National Council for the Study of the *Securitate* Archives of 20 June 2006, reconfirmed by court, the final decision by Supreme Court in March 2001.

“At the revolution, I was in Bucharest. I worked as the general director of Crescent – its representation in Romania. I had a very large salary for that time of 5000 USD per month, which was an extraordinary salary. It is true that the salary was not paid by the state. It was not paid by the public. It was paid by my owner. (...) We have worked with an external trade company (...) which was legally registered in Romania. (...) By chance it was a unity of the state`s security department.”⁷⁸

- Dan Voiculescu, 2010

Similar to other European cases, such as that of Silvio Berlusconi, his business ascension, in particular that of his media group, has been chronologically parallel with his political evolution. As his TV stations were surpassing the national television and beginning to challenge PRO TV over ratings, so his political carrier took off. He managed to grow his party by linking it to the Social-Democrats, but did not hesitate to form governmental alliances with their opponents. He eventually went on to win three elections for the Romanian senate. He became the vice-president of the Senate and even the vice prime minister in the centre-right government of Călin Popescu Țăriceanu.

“(…), the Berlusconiization process of the media means that the mass media are monopolized by politicians and businessmen and used for their personal, political or business purposes exclusively.”⁷⁹

- Angelika Wyka, 2008: 98

The main congruence between his media group and his political carrier has been a ten years-long conflict with the former president of Romania, Traian Băsescu. He initiated twice the impeachment procedure against the country`s president, being ultimately unsuccessful on both occasions. The first impeachment was the first of its kind in the history of Romania. The second followed a significantly more prepared strategy, including changes in legislation and procedures. Hundreds of independent voices criticised the process that took place in 2012. There were also many concerns raised by the international community. Voiculescu`s anti-presidential political discourse was shared by his media channels, which to this day continue to be in conflict with the former president, Traian Băsescu.

⁷⁸ Dan Voiculescu interviewed in Alexandru Solomon`s documentary “Kapitalism – our secret recipe”, minute 12:55

⁷⁹ Wyka, Angelika, 2008, “Journalistic standards and democratization of the mass media in Poland, Hungary and the Czech Republic,” in Keeble, Richard (ed), *Communication Ethics Now*, Leicester: Troubador Publishing Ltd, pp.97-98; The idea of “Berlusconiisation” was developed by Dusan Reljić based on the concept of “italianization” developed by Hallin and Mancini in Hallin, C. Daniel, Mancini, Paolo, 2012, “Comparing Media System. Beyond the western world”, Cambridge/New York: Cambridge University Press, p.5

The conflict between the president and Antena 3 reached its peak when Traian Băsescu publicly requested Romanian citizens to stop watching the TV station for a week. The statement was condemned by civil society organizations.

"I am addressing you with the request to understand that you have an obligation to do an exercise, an exercise requested by the elected president of the Romanian people. Do not watch for a week the Antene!"⁸⁰

- Traian Băsescu, former president of Romania, 2012, online

Antena 3 is also currently involved in a criminal investigation. The station is prosecuted for accusations of blackmail, in a case that also features the name of Camelia Voiculescu, the daughter of Dan Voiculescu.⁸¹ The press release of the National Anticorruption Directorate (DNA) notes the prosecution of several persons, shareholders and employees of Antena TV group and also of an official of the Romanian state from ANAF (the Romanian fiscal authority) for using media institutions as blackmail instruments.⁸²

Faced with prior legal problems, Dan Voiculescu, was sentenced in 2014 at 10 years in prison for money laundering and the fraudulent privatization of the Institute of Food Research. His media outlets have accused Traian Băsescu and the members of "his regime" of manufacturing the case against him and against the Intact Media Group as retaliation for their criticism.

4.3 Sorin Ovidiu Vântu

Sorin Ovidiu Vântu is one of the wealthiest and most volatile businessmen of post-communist Romania. His fortune reached a peak of 1.2 billion euros in 2008, before dropping to almost 35 million euros in 2014.⁸³

Highly controversial, his history is one of the most complex of the post-communist media landscape. A confirmed collaborator of the former secret police⁸⁴, under the code name Nuș, he appears to have been recruited by the Securitate after an early conviction received from a communist court in a case of financial crime.⁸⁵

⁸⁰ Active Watch, press release, 31 July 2012, "Traian Băsescu asked Romanians not to watch Antena for one week", at <<http://www.activewatch.ro/ro/freeex/reactie-rapida/comunicat-traian-basescu-le-a-cerut-romanilor-sa-nu-se-mai-uite-la-antene>>, as accessed 31 July 2015

⁸¹ Public Ministry - DNA, press-release, 1 October 2013, <www.pna.ro/comunicat.xhtml?id=4335>, as accessed 21 July 2015

⁸² Public Ministry - DNA, press-release, 1 October 2013, *cit.*

⁸³ Vladimir, Tudor, 20 November 2014, "Sleep well, Sorin Ovidiu Vântu lost a fortune" ("Dormi liniștit, Sorin Ovidiu Vântu a sărăcit), *Capital*, at <<http://www.capital.ro/dormi-linistit-sorin-ovidiu-vintu-a-saracit.html>>, accessed on 1 July 2015

⁸⁴ Tăpălagă, Dan, Prisăcariu, Cătălin, 11 July 2010, "Sorin Ovidiu Vântu's hidden past. The story of the informer Nuș", *HotNews.ro/Kamikaze*, 2010, at <<http://www.hotnews.ro/stiri-esential-7566833-trecutul-ascuns-lui-sorin-ovidiu-vntu-povestea-informatorului-nus.htm>> accessed on 30 June 2015

⁸⁵ Tăpălagă, Dan, Prisăcariu, Cristian, 11 July 2010, *cit.*

“[In 1990,] I had only one thing in mind at the time, my friend: to make money. Nothing else.”⁸⁶ ; “In 1989, my friend, I had a 4-room flat in Roman, (...). At the end of the year 1990, I had 100 million USD in cash in my unfurnished room. I celebrated with my wife at that time drinking a bottle of champagne and making love on 100 mil. USD in cash”.⁸⁷

- Sorin Ovidiu Vântu, 2014, online

He was successful in business from the early 1990s. He invested in various fields and industries and by the second half of the 2000s he reached the 1 billion mark. He became known to the public at the end of the 1990s after the scandal of the National Fund for Investments – one of the most resounding financial crashes in Romanian history that involved the savings of more than 300.000 Romanians. He was criminally investigated for his involvement and received a suspended conviction in 2005.

His main media venture refers to the all-day news TV channel, Realitatea TV. His involvement with the station was kept secret at the beginning. The ownership was hidden through different proxies. Sorin Ovidiu Vântu acknowledged his involvement only after the National Audiovisual Council of Romania petitioned the station to reveal its true owner. Nonetheless, according to the statements of his children, they were the actual owners of Realitatea at that time, although there have been no legal documents made public, as the company is legally registered in Cyprus.

His connection to Realitatea eventually led to his imprisonment, after he was convicted for blackmail charges that involved one of the former managers of Realitatea, Sebastian Ghiță. The tensions between the two businessmen led in the end to a split within the TV station.

“If the Romanian state would have caught me with everything I did, I would have spent all my life in prison”⁸⁸

- Sorin Ovidiu Vântu, 2014, online

The trials that involved him in the last years have produced a series of transcripts that show the content of several meetings with Realitatea`s managers and editors. The discussions are suggestive with regard to his approach to politics and media. One of these transcripts shows a discussion with one of the editors of the station at that time, currently the chairman of the Romanian public television, Stelian Tănase. Asked about the potential results of the 2009 presidential election, Vântu replied with certitude that

⁸⁶ Voinea, Mihai, Delcea, Cristian, 2 December 2014, Video-interview with Sorin Ovidiu Vântu: “Exclusive Sorin Ovidiu Vântu: „Dacă statul român m-ar fi prins cu tot ce am făcut, făceam pușcărie pe viață”, Adevărul, at <http://adevarul.ro/news/eveniment/video-exclusiv-sorin-ovidiu-vintu-da-ca-statul-roman-m-ar-prins-facut-faceam-puscarie-viata-1_547df123a0eb96501e4c39a2/index.html>, accessed on 1 July 2015

⁸⁷ Voinea, Mihai, Delcea, Cristian, 2 December 2014, Video-interview with Sorin Ovidiu Vântu, Adevărul, cit.

⁸⁸ Voinea, Mihai, Delcea, Cristian, Video-interview with Sorin Ovidiu Vântu, cit

Mircea Geoană, the candidate of the social-democrats, will win.⁸⁹ He, in fact, met with Mircea Geoană the night before the first presidential debate, eventually hurting the latter's campaign. His domineer with respect to media and politics can be observed in phrases such as "these people (the Romanian people) have become dumb, they still supports the imbecile (Traian Băsescu, note of the authors). Let us disperse their stupidity. (...) I will talk with Mircea (Mircea Geoană, candidate of the social-democrats, note of the author) and with Crin (Crin Antonescu, candidate of the liberals, note of the authors)."⁹⁰

He was released at the beginning of 2015. Since his return, he started to record various video materials that he promotes through social media, in which he presents his opinions regarding Romanian social, political and economic issues.

4.4 Sebastian Ghiță

Sebastian Aurelian Ghiță is a representative of the younger generation of Romanian businessmen. Born in 1978, he was only 11 years old at the time of the Romanian revolution. He made his fortune in IT, reaching an estimated net worth of 130-135 million Euros.⁹¹ The second decade of the post-communist period saw him reaching his business peak, entering the media market and joining politics, but also brought him a series of legal challenges that currently hold him under criminal investigation.

His media-related history is closely connected to that of Sorin Ovidiu Vântu. He entered the media landscape in 2010 after a series of failed negotiations that involved the ownership of Realitatea and a potential buyer, rumoured to have been Cristian Burci.⁹² The failed take-over, resulted in a shift of management within the group that brought Sebastian Ghiță in the top position. Having said that, in the context of a difficult financial situation of the channel, his relationship with Sorin Ovidiu Vântu became highly tense, resulting in a severe quarrel one year later. Later, Sebastian Ghiță pressed criminal charges for blackmail against the owner of Realitatea.⁹³

⁸⁹ Efrim Lucia Margareta, Curcea Dana Mihaela, 18 October 2010, Vântu congratulates Geoană at 18 pm, in the second run of the presidential elections" ("Vîntu îl felicita pe Geoană la ora 18.00, la turul 2 al Prezidențialelor"), Mediafax, <<http://www.mediafax.ro/social/vintu-il-felicita-pe-geoana-la-ora-18-00-la-turul-2-al-prezidentialelor-7490651>>, accessed on 28 June 2015

⁹⁰ Mediafax, 18 October 2010, "Transcripts of the file SOV: Cătălin Popa and Vîntu establish the editorial strategy in the [presidential] campaign" ("Stenograme din dosarul SOV: Cătălin Popa și Vîntu stabilesc strategia editorială de campanie", at <<http://www.mediafax.ro/social/stenograme-din-dosarul-sov-catalin-popa-si-vintu-stabilesc-strategia-editoriala-de-campanie-7490460>> accessed 20 June 2015

⁹¹ Capital, *Top 300 The Richest People 2011*, online

⁹² Obae, Petrișor, Obae, Petrișor, "Shocking transaction: Cristi Burci, advanced negotiations to buy Realitatea TV, at <<http://www.paginademedi.ro/2010/10/tranzactie-bomba-cristi-burci-negocieri-avansate-pentru-cumpararea-realitatea-tv/#sthash.qPZ15ISG.dpuf>>, accessed 3 July 2015

⁹³ Mediafax, 25 april 2011, "Sebastian Ghiță: I was blackmailed and death-threatened by Sorin Ovidiu Vîntu and Ion Ilie" "Sebastian Ghiță: Am fost șantajat și amenințat cu moartea de către Sorin Ovidiu Vîntu și Ion Ilie", <<http://www.mediafax.ro/social/sebastian-ghita-am-fost-santajat-si-amenintat-cu-moartea-de-catre-sorin-ovidiu-vintu-si-ion-ilie-8189693>>

“In the same way as I assumed my entry at Realitatea, I also did it when I built România TV. Then I went into politics and starting from that moment I begun selling my IT firms and renouncing my stocks (...). Money came from here, not from businesses with the state. The only two businesses which you might think I control, belong to my brother (...). I supported him from the beginning, but now it is his business. There remains a small entity (...) owned by my brother in law (...).”⁹⁴

- Sebastian Ghiță, 2014, online

2011 brought a change in the ownership of the station that introduced a new majority stakeholder, Elan Schwartzberg. Tensions escalated, however, causing the channel to effectively split in two. Ghiță kept part of the team and the old studios, founding Romania TV, while Realitatea TV moved to another location.⁹⁵ In 2013, criminal investigations began against Realitatea TV for acts related to its insolvency procedure.⁹⁶

“There is a division of paparazzi at România TV, who try to obtain, in accordance with their job, different things, (...), regarding public figures.”;

- Sebastian Ghiță, 2014, online

“You being a right-wing journalist and I being a protector of left-wing ideas, at an ideological level you annoy me all the time. That does not mean that we are sending the paparazzi (...). But if the paparazzi catch you with a mistake, I will not intervene to help you.”⁹⁷

- Sebastian Ghiță, 2014, online

⁹⁴ Dan Tăpălagă, HotNews.ro, 28 May 2014, Video-Interview with Sebastian Ghiță “The media group I want to build prepares for a venture and for an exit/I don’t want to become neither Voiculescu, nor Vântu/ The only solution is to diminish this type of influence” (“Grupul media pe care-l construiesc se pregătește de o fuziune și de o vânzare/ Nu vreau sa ajung nici Voiculescu, nici Vântu/ Singura soluție este să-mi diminuez acest tip de influență”), at <<http://www.hotnews.ro/stiri-esential-17375787-sebastian-ghita-grupul-media-care-construiesc-pregateste-fuziune-vanzare-nu-vreau-ajung-nici-voiculescu-nici-vantu-singura-solutie-este-diminuez-acest-tip-influenta.htm>> , accessed 20 July 2015

⁹⁵ Realitatea.net apud Mediafax, 2 May 2011, “Elan Schwartzberg: I bought 90% of Realitatea TV. Sebastian Ghiță remains manager” (“Elan Schwartzberg: Am cumpărat 90% din Realitatea TV. Sebastian Ghiță rămâne manager”), at <http://www.realitatea.net/elan-schwartzberg-am-cumparat-90prc-din-realitatea-tv-sebastian-ghita-ramane-manager_830552.html#ixzz3fBgZIGM3>, accessed 30 June 2015

⁹⁶ Public Ministry, Anti-corruption Department (Departamentul Național Anticorupție - DNA), 25 October 2013, Press-Release no. 929VIII/3, at <<http://www.pna.ro/comunicat.xhtml?id=4390>>, accessed on 30 June 2015

⁹⁷ Realitatea.net apud Mediafax, 2 May 2011, “Elan Schwartzberg: I bought 90% of Realitatea TV. Sebastian Ghiță remains manager” (“Elan Schwartzberg: Am cumpărat 90% din Realitatea TV. Sebastian Ghiță rămâne manager”), at <http://www.realitatea.net/elan-schwartzberg-am-cumparat-90prc-din-realitatea-tv-sebastian-ghita-ramane-manager_830552.html#ixzz3fBgZIGM3>, accessed 30 June 2015

The highlight of Ghiță's political career came in 2012, when he won a seat in the Romanian Parliament running for the social-democrats (the party was at that time in an electoral alliance with the National Liberal Party, the Social-Liberal Union). His path in politics has been closely connected to his relation with Victor Ponta, Prime Minister of Romania, president of the social-democrats and running candidate of the left at the 2014 presidential election. This link brought him in a full-on collision with some of the other leaders of the party, particularly after the defeat of Ponta in the presidential race. He resigned from the Social-Democrat Party and announced the launch of a new political formation orientated towards young people.

“(...) the solution is not for me to fight the entire society to show how good, performing and powerful I am. If, in general, embassies, institutions, partners, party colleagues give these kind of signals, I do not want to live alone. And I will not be able to. And I do not want to fight with... I do not want to end up as Voiculescu and I do not want to end up like Vântu. In conclusion, the only solution is to decrease my influence of this type. If I have influence, let it be related to the mind that I have, to what information I have and to the work I do.”⁹⁸

- Sebastian Ghiță, 2014, online

His activity in the Parliament has been mainly related to his membership in the Committee for Defence, Public Order, and National Security and in the Joint Standing Committee of the Chamber of Deputies and the Senate for the exercise of parliamentary control over the activity of the Romanian Intelligent Service SRI.⁹⁹ In 2014, he publicly contested the decision of the Romanian Constitutional Court to strike down the so called big-brother and pre-paid cards laws. These legislative acts were justified as necessities for continuing crime and terrorism prevention and provided measures for data retention and the identification of prepaid SIM cards owners and of wireless networks users. The court decided that the provisions of the laws were not clear and that the private liberties of Romanian citizens were at risk.¹⁰⁰ Sebastian Ghiță stated that the decision “is a huge mistake in relation to Romania's interest.”¹⁰¹

⁹⁸ Tăpălagă, Dan, 28 May 2014, Video Interview with Sebastian Ghiță, available at <http://www.hotnews.ro/stiri-esential-17375787-sebastian-ghita-grupul-media-care-construiesc-pregateste-fuziune-vanzare-nu-vreau-ajung-nici-voiculescu-nici-vantu-singura-solutie-este-diminuez-acest-tip-influenta.htm>

⁹⁹ The public website of the Chamber of Deputies, available at <http://www.cameradeputatilor.ro>

¹⁰⁰ Gândul, 5 September 2014, “The Constitutional Court on Big Brother Law...” (Curtea Constituțională despre Legea Big Brother...), at <http://www.gandul.info/stiri/curtea-constitucionala-despre-legea-big-brother-prejudiciaza-manifestarea-libera-a-dreptului-la-exprimare-ce-se-va-intampla-cu-emailurile-si-convorbirile-tale-13208027>, accessed on 29 June 2014

¹⁰¹ “22 Magazine”: Sebastian Ghiță criticizes again the CCR decision regarding the big Brother Laws (Sebastian Ghiță critică din nou decizia CCR in privinta legilor Bog Brother”), <http://www.revista22.ro/sebastian-ghita-critica-din-nou-decizia-ccr-in-privinta-legilor-big-brother-domnul-zegreanu-poate-sa-mi-interzica-mie-ceva-ne-incalzim-sub-ancelasi-soare-52498.html>, accessed 29 June 2015

“Today, I do not believe that I have such great financial and media power and political influence so as to fit exactly in that type of character (oligarch, note of the authors) in the society.”¹⁰²

- Sebastian Ghiță

The first legal problems of Ghiță began in 2002, when he was prosecuted in a case that involved serious losses suffered by the state budget. He was acquitted in the first stages of the trial, which is currently being stalled within the Romanian judiciary system.¹⁰³ His latest legal affaire involves a European fund case that reached the family of the Prime Minister, Victor Ponta. Sebastian Ghiță is accused of traffic of influence, tax evasion, money laundering, complicity to changing the destination of EU funds and corrupting voters at the parliamentary election of 2012 and at the presidential race of 2014.¹⁰⁴ Currently, he is under judicial control and has his fortune under seizure.

4.5 Dinu Patriciu

Dinu Patriciu was a Romanian billionaire who made his fortune in energy, oil, real estate and retail. In 2009, his net worth was 1.5-1.6 billion euro¹⁰⁵.

An architect at his origins, he was successful in the communist period, designing several buildings in Romania and in the United Arab Emirates.

His post-communist business ascension started with the purchasing of the Romanian oil company, Rompetrol, which was terribly indebted. He later acquired a giant oil refinery, Petromedia. These purchases brought him legal problems, as he was accused by Romanian prosecutors for taking money that were due to the state budget. In February 2006, a Bucharest court rejected the prosecutor`s demands to arrest Dinu Patriciu and two other managers of Rompetrol, U.S. citizens, Phil Stephenson and Colin Hart, on charges of defrauding the state and conspiracy.¹⁰⁶ The trial went on and Dinu Patriciu was acquitted by the first court.

¹⁰² Tăpălagă, Dan, 28 May 2014, Video Interview with Sebastian Ghiță “What his parents did before ‘89, how he met the first Romanian Intelligent Service first general and how it reached to have the first criminal file before his age of 23...” (“Ce au facut părinții înainte de ‘89, cum a cunoscut primul general SRI, cum a ajuns să aiba primul dosar penal la 23 de ani...”, HotNews.ro, at <<http://www.hotnews.ro/stiri-esential-17376308-facut-parintii-inainte-89-cum-cunoscut-primul-ofiter-sri-cum-ajuns-aiba-primul-dosar-penal-23-ani-cum-intrat-firmele-sale-reteaua-cosma-cum-ajuns-oligarh-raspunsurile-lui-sebastian-ghita.htm>>, accessed 21 July 2015

¹⁰³ HotNews.ro, Anticorruption Files (continuously updated), “Tracia-Asesoft File - Sebastian Ghiță” (Tracia-Asesoft File - Sebastian Ghiță), available at <<http://anticoruptie.hotnews.ro/ancheta-16182421-dosarul-tracia-asesoft-sebastian-ghita.htm>>, accessed 3 July 2015

¹⁰⁴ HotNews, *Anticorruption Files*, “Tracia-Asesoft File - Sebastian Ghiță”, cit.

¹⁰⁵ Forbes, International Edition, “Dinu Patriciu: 2013 Billionaires List – Dropoff”, at <www.forbes.com/profile/dinu-patriciu>, accessed 30 June 2015

¹⁰⁶ Digi24.ro, “Dinu Patriciu comes back in front of the judges. Rompetrol file, again in front of the Appeal Court of Bucharest”, (“Dinu Patriciu revine în fața judecătorilor. Dosarul Rompetrol, din nou la Curtea de Apel București”), 2014, at <<http://www.digi24.ro/Stiri/Digi24/Actualitate/Justitie/Dinu+Patriciu+Dosarul+Rompertol+inapoi+Curtea+de+Apel+Bucuresti>>, accessed 30 June 2015

In 2014, the Romanian High Court of Cassation and Justice convicted under various charges 11 people involved in the Rompetrol affair, at more than 30 collective years in prison. Dinu Patriciu continued to be part of the trial, confronted with accusations such as embezzlement, money laundering, stock market manipulation and setting up an organized crime group. He did not survive to see the verdict as he died due to illness earlier that year.

His business ventures were matched by a long political career. He started his path in politics in 1990, as a founder of the National Liberal Party (Partidul Național Liberal – PNL). In 1991, he was appointed the Minister for Public Works and Territorial Planning. He was elected three times as a member of the Romanian parliament in 1992-1996, 1996-2000 and 2000-2004. His last legislative tenure was cut short, as a new law introducing the conflict of interest was passed, precluding MPs from having administrative positions in private companies. He thus withdrew from the Parliament to continue his business affairs.

His business ventures entered the media market through Adevărul Holding. His money brought him the best selling Romanian daily newspaper. Eventually, the high risk investments in marketing and new tools for increasing the paper's audiences brought him high financial losses. The paper's audience reached its record, but the business model was proved financially unviable.

"The Romanian market is distorted. It manifests (...) through massive investments, done by people who win their money in entirely different sectors of the economy, who run millions of euros in different mechanisms for artificially increasing the audience, such as prizes, tombola and other games, and thus distort the market"¹⁰⁷

- Bodo Hombach, 2010

¹⁰⁷ Bodo Hombach, former CEO WAZ, online interview for Handelsbalt apud Deutsche Welle, 3 August 2010, "Tombolas and contests distort the media market and make artificial audience", at <<http://www.dw-world.de/dw/article/0,,5861280,00.html>>, accessed 27 June 2015

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As a journalist, Manuela Preoteasa has been the publisher of EurActiv Romania since its launch, 10 years ago. In 2006, she participated in the Marshal Memorial Fellows Programme, a joint German-USA programme for Young Leaders, aiming to strengthen transatlantic relations. Since 2014, she has been involved in a research project on digital infrastructure ownership, winner of the Knight News Challenge.

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Annex 1: Cable penetration, urban ratings and Ownership structures

Background information: Romania has an estimated population of 22.7 million

Table 1: Cable penetration

	1997	2001	2003	2011	2013
Cable penetration	31%	48%	58%	82.6%	85%

Sources: CME report for year 1997; CME report for the year 2001; EUMAP 2015; ANCOM

Table 2: Reception of the TV signal

Reception type	2010	1011	2012	2013	2014
Analogue cable	66.7	59.9	56.6	63.7	64.1
Digital cable with receiver	4.1	9.8	14.1	15.9	17.3
Direct to Home (DTH)	26.2	26.1	24.9	24.4	23.3
Terrestrial	5.8	6.2	4.4	3.8	3.9

Source: Kantar media apud Initiative, mediafactbook

Table 3: TV stations' reach levels

	1997	1999	2000		2001	
Channel	Reach	Reach	Reach	Audience share*	Reach	Audience share*
TVR1	98-99%	98-99%	99%	15%**	99%	13%
TVR2	60%	60%	60%	70%	70%	N.A.
Pro TV	55%	64%	72%	29% (no. 1)	77% (100% urban)	23%
Antena 1	15%	48%	70%	N.A.	72%	N.A.
Tele7abc	9%	27%	60%	N.A.	60%	N.A.
Prima TV (launched Dec.1997)	-	20%	65%	N.A.	65%	N.A.
Acasă TV (launched Feb 1998)	-	35%	60%	9%	N.A.	N.A.

Source: Romania: CSOP Gallup/Taylor Nelson Sofres apud. CME Annual Report for Year 2000

*Audience share in the covered area, December each year

** Audience share in the area covered by Pro TV (meaning 72% of the territory), December each year.

Sources: CME's annual reports for the years 1997, 1998, 1999, 2000 and 2001

Table 4: Urban ratings (urban areas was the first areas where commercial TV networks penetrated)

Urban	2002		2003		2004	
	Thousand viewers	Rating	Thousand viewers	Rating	Thousand viewers	Rating
Pro TV	342	3.2	346	3.1	318	3
TVR1	311	2.9	279	2.5	228	2.1
Antena 1	297	2.8	259	2.3	227	2.1
Acasă TV	168	1.6	182	1.6	180	1.7
Prima TV	125	1.2	123	1.1	95	0.9

Source: paginademedia.ro

*1 GRP (urban) approximately 106 thousands

Table 5: Top 3 on audience share/ nationwide

Channel	Nationwide audience shares, all day, 4+				
	2002	2004	2005	2007	2014
Pro TV	15.2	15.8	15.7	12.9	15.5
TVR 1	34.3	22.1	18.9	5.2	3.7*
Antena 1	13.5	12.3	13.6	9.1	12.7

*Kanal D replaced TVR1 on the third place, with 7.10 audience shares

Table 6: Ratings by year

Channel	Rating (%)				
	2010	2011	2012	2013	2014
Pro TV	3	2.66	3.309	3.6	3.65
Antena 1	2	1.992	2.495	3.054	2.994
Kanal D	0.9	1.149	1.534	1.836	1.677
Antena 3 (News & current affairs)	1	0.969	1.411	1.154	1.574
Prima TV*	0.8	0.791	0.877	0.907	0.737
Realitatea TV	1.3	1.023	0.75	0.499	0.581
Național TV*	0.6	0.547	0.67	0.773	0.718
OTV	0.5	0.411	-	-	-
B1 TV	0.3	0.209	0.501	0.49	0.581
România TV	-	-	0.481	0.721	0.984
Antena 2/ Antena Stars	0.3	0.22	0.191	0.252	0.42
Favorit TV	0.1	0.167	0.16	0.153	0.152
Taraf TV	0.2	0.136	0.145	0.138	0.1
Kiss TV	0.1	0.11	0.119	0.118	0.102
Euforia Lifestyle TV	0.1	0.094	0.1	0.12	0.119
Digi 24	-	-	-	0.119	0.214
Mynele TV	0.1	0.042	N. A.	0.079	-
GSP-TV	0.1	0.076	0.088	0.078	-
Național 24 Plus (formerly N24)	0.1	0.547	0.068	0.058	0.032
U Televiziune Interactivă	0.1	0.07	0.063	-	0.053
Music Channel	-	0.033	0.043	0.054	0.043
Neptun TV	N. A.	0.022	0.015	0.023	0.024
Speranta TV	N. A.	0.005	-	0.019	0.022
Nașul TV	-	-	0.013	0.018	0.019
Transilvania Live	N. A.	-	0.01	0.016	N. A.
Look TV	N. A.	-	0.01	N. A.	-
Hlt Music Channel	N. A.	-	0.01	N. A.	0.015
TV H 2.0 (formerly TVRM)	N. A.	0.004	0.006	0.012	0.026
Inedit TV	N. A.	-	0.005	0.008	0.012
Alfa Omega TV	N. A.	0.015	N. A.	0.005	0.007
Credo TV	N. A.	-	N. A.	0.004	0.002
Travel Mix	N. A.	-	N. A.	0.003	0.003
OTV	N. A.	0.411	-	-	-

Source: Kantar Media apud CNA (ARMA)

1 GRP (nation-wide) = approx. 180 thousand

Table 7: Nation-wide yearly audience share (2014) Top 25

Channels	Audience Share 2014 (%)
Pro TV (generalist, entertainment)	15.45
Antena 1 (generalist, entertainment)	12.68
Kanal D (generalist, entertainment)	7.10
Antena 3 (news)	6.67
Romania TV (news)	4.17
TVR1 (state-owned, generalist)	3.75
Prima TV (generalist, entertainment)	3.12
National TV (generalist)	3.04
B1 TV (news)	2.46
Acasă TV (women oriented)	2.45
Disney (youth & children)	2.27
Realitatea TV (news)	2.19
Antena Stars (entertainment)	1.78
TVR2 (generalist, youth)	1.76
Etno TV (etno music)	1.49
Cartoon Network (cartoons)	1.31
Disney Junior (cartoons)	1.15
Boomerang (cartoons)	0.930
Digi 24 (news)	0.90
Pro Cinema (movies)	0.89
Minimax/A+ (cartoons)	0.88
Nickelodeon (cartoons)	0.82
Sport.ro (sports)	0.78
AXN (movies)	0.76
Favorit TV (ethno music)	0.64

Source: Kantar Media apud ARMA's website, "Yearly Audience Index 2014"

Table 8: Ownership structure of the main national television and radio broadcasters - 2004 vs. 2014 (A)

Broadcaster (TV/ radio)	License holder (2004)	Main Owner (2004)	Other important owners 2004	Main owner(s) in 2014
Pro TV	Pro TV SA	Central European Media Enterprises (CME, 82%)	Adrian Sârbu (12.82%), Rootland Trading Limited Cyprus (5%)	CME - Time Warner
Pro FM/Info, Pro Clasic (radio)	Compania de radio Pro	Adrian Sârbu (40%), Rootland Trading Limited Cyprus (40%)	CME (20%)	RCS-RDS - Tezsary Zoltan
Antena 1/ Romantic FM	Corporația pentru Cultură și Artă Intact	Dan Voiculescu (84%)	Fundația Umanistă Dan Voiculescu - Humanist Foundation Dan Voiculescu (4.53%)	Dan Voiculescu's daughters (the group extended meanwhile with other influential TV and radio channels; i.e. Antena 3, Radio Zu)
Prima TV	Amerom Television	Foreign investor SBS Broadcasting (86%)	-	Cristian Burci
Radio Kiss FM (formerly Radio Contact)	Prima Broadcasting Group SA	SBS Broadcasting (86%)	Untill 1 March 2005, a proxy shareholder was officially declared	Kyriakou Athina (Greece), Kyriakou Theodors (Greece), Kyriakou Minas (Greece), Kyriakou Xenofon (Greece) (25% each)
Realitatea TV	Realitatea Meda	Bluelink Comunicazioni (54.99%)	Federația Petrom a Sindicatelor Libere Independente (a federation of unions of the oil company Petrom), (25%), the company Petrom Service, (10%), Global Video Media (10%)	Gușă Cozmin Horea (50%), Păcurariu Marcel (20%)

Sources: CNA's website for 2014 ownership data as of 23.06.2015, EUMAP 2005 for the rest of the data

Table 9: Ownership structure (B)

Major Broadcasting Groups	Format	Ownership data as of 23.06.2015	Rating (2014, nationwide, all day, 4+)
Pro TV	Generalist	CME Media Enterprises B.V. Netherlands 99,999997% (Time Warner and Lauder) and CME Investments B.V.ş public company listed on the US Nasdaq (Olanda) – 0,000003%.	3.646
Acasă TV	Female-oriented audience		0.577
Acasă Gold	TV series and soap-operas		0.069
MTV	Music		0.038
Pro Cinema	Movies		0.209
Pro TV Internațional	International		N. A.
Sport.ro	Sports		0.185
Voyo.ro	Video-on-demand		N. A.
Pro TV Plus	Video-on-demand		N. A.
Total CME group			
Antena 1	Generalist	Antena Group: Camelia Rodica Voiculescu – 41.780095%, Corina Mirela Voiculescu – 37.457653%, Mihai Lazăr – 8.644884%. Grivco SA – 4.450426%, Fundația Dan Voiculescu pentru Dezvoltarea României, (founder and chairman – Dan Voiculescu) – 3.91666%, Gheorghe Anca Raluca – 3.750282%.	2.994
Antena Stars (formerly Antena 2)	Entertainment		0.42
Euforia Lifestyle TV	Female-oriented audience		0.119
ZU TV	Music		0.073
Antena Play	VOD		N. A.
Antena 3 – news & current affairs	All news		1.574
Antena International	International	Voiculescu Corina Mirela – 49.58%, Voiculescu Camelia Rodica – 43.85%, Oancea Sorin – 5.3%, Fundația Dan Voiculescu pentru Dezvoltarea României – 1.27% Voiculescu Corina Mirela – 49.58%, Voiculescu Camelia Rodica – 43.85%, Oancea Sorin – 5.3%, Fundația Dan Voiculescu pentru Dezvoltarea României – 1.27% Voiculescu Corina Mirela – 49.58%, Voiculescu Camelia Rodica – 43.85%, Oancea Sorin – 5.3%, Fundația Dan Voiculescu pentru Dezvoltarea României – 1.27%	N. A.

Total Antena Group			5.18
Kanal D	Entertainment	DOGAN MEDIA INTERNATIONAL SA (Turkish Dogan TV Holding A. – 99.99997%)	1.677
Romania TV	News	RIDZONE COMPUTERS SRL, owned by RTV Satellite Net SRL (sole shareholder Tronaru Radu Mihai) – 95% and Tronaru Radu - 5%	0.984
Prima TV	Generalist	PRIMA BROADCASTING GROUP SRL, owned by Graffiti Red SRL, company owned by Graffiti Marketing and Multimedia Holding SA-95% (unic shareholder - Burci Cristian Ionel) and Toboşaru Diana (5%)	0.737
Național TV	Generalist	ABC PLUS MEDIA SA, through its owners - Micula Ioan (50%) and Micula Viorel (50%)	0.718
Realitatea TV	News	Strategies Research Investments SRL (Cozmin Horea Gușă – 50%, Păcuraru Maricel – 50%)	0.518
B1TV	News	News Television- Romania – 50% which is composed of Dac Air SA – 44.571%, Brazen Limited Liability Company (SUA) – 22.858%, Pavo SA – 22.571, Emilian Schwartzenberg – 10% and Oancea Sorin – 50%	0.581
Digi 24*	News	Cable Communications Systems N.V. (Olanda)– 87.099512%, Teszari Zoltan	0.214
UTV	Music		0.053
			0.267
State-owned			N. A.
TVR1	Generalist	-	0.885
TVR2	Youth-oriented	-	0.416
TVR News	News	-	N. A.
Total TVR	-	-	1.301

Source: CNA's website for 2014 ownership and Kantar Media-ARMA apud CNA

* together with a series a regional news channels (Digi Iași, Timișoara, Oradea, Constanța, Craiova, Brașov, Cluj-Napoca, Galați), Digi Sport (1,2,3, Digi Sport Plus), Digi World, Digi Animal World, Digi Life, Digi Film, Digi Info, UTV. The radio network: Pro FM, Digi FM, Dance FM, Music FM. Most of them are not measured for rating by the Romanian Association for Audience Measurement

Table 10: Advertising net expenditure 2010-2014

	2010	2011	2012	2013	2014f
Total (mil. Euro)	325.775	287.232	271.015	233.334	236.768
Total (mil. USD)	415	384	335	298	302
TV (mil. Euro)	215.875	190.74	175.553	127.629	127.792
TV (mil. USD)	275	255	217	163	163
Newspapers (mil. USD)	48	43	41	35	35
Magazine (mil. USD)	49	44	40	32	32
Radio (mil. USD)	19	18	17	16	16
OOH (mil. USD)	24	24	20	20	20
Digital (mil. USD)	22	27	29	32	36
Cinema (mil. USD)	3.9	3.9	3.5	3.5	3.5
Exchange rate (yearly average Euro/USD)	0.785	0.748	0.809	0.783	0.784

Source: GfK Romania/TNS-AGB INT'l, Alfa Cont Media Watch and Carat estimation apud Aegis Global Advertising Expenditure Report 2013

Table 11: % Share of Advertising Expenditure by Medium

Year	TV	Newspapers	Magazine	Radio	OOH	Digital	Cinema
2010	62.4	10.9	11.1	4.3	5.3	5.1	0.9
2011	61.6	10.4	10.6	4.3	5.7	6.4	0.9
2012	59.2	11.1	10.8	4.6	5.4	8.0	1.0
2013	54.2	11.5	10.5	5.3	6.6	10.7	1.1
2014	53.6	11.4	10.4	5.3	6.6	11.7	1.1

Source: GfK Romania/TNS-AGB INT'l, Alfa Cont Media Watch and Carat estimation apud Aegis Media

Table 12: % Share of Advertising Expenditure by Medium

Year	TV	Newspapers	Magazine	Radio	OOH	Digital	Cinema
2010	62.4	10.9	11.1	4.3	5.3	5.1	0.9
2011	31.6	10.4	10.6	4.3	5.7	6.4	0.9
2012	59.2	11.1	10.8	4.6	5.4	8.0	1.0
2013	54.2	11.5	10.5	5.3	6.6	10.7	1.1
2014	53.6	11.4	10.4	5.3	6.6	11.7	1.1

Source: GfK Romania/TNS-AGB INT'l, Alfa Cont Media Watch and Carat estimation apud Aegis Media

Annex 2: Major Media Owners (past & present)

Adrian Sârbu

Estimated fortune (Top 300 Wealthiest People Capital)¹	Max 200 million EUR (2009) 80-85 mil. EUR (2014)
Judicial status	Prosecuted for instigation to tax evasion, money laundering, instigation to embezzlement
Media (in the past)	Founder and co-owner, in a joint-venture with CME (and in its early stage with the former tennis champion Ion Țiriac), of Pro TV, Sport.ro, Pro FM networks (Pro FM, Info Pro, Dance FM, etc. It also launched regional print outlets, which were closed later on, and a sport daily (Pro Sport), which was sold a few years after its launch
Media (owner) currently	Founder and major owner of Mediafax SA (1991 - present) news-agency; “ZIarul Financiar”, the online “Gândul” (initially on print)
Main (other) businesses	Film, show-biz, entertainment industry
Communist past	Graduated from the Academy of Theater and Film. Recorded the Romanian Revolution
Post-communist start	He made a documentary on the Romanian Revolution He became an advisor and later a minister in the first post-communist government
Transparency of capital / sources of money	Pro TV: Joint-venture with CME (the later a Bermuda-registered company operating in Romania via Netherlands-registered entities) Sources of money - transparent for the American investor

¹ Capital, “Top 300 The Wealthiest People” (for years 2007, 2008, 2009, 2013, 2014), online

Dan Voiculescu

Estimated fortune (Top 300 Wealthiest People Capital)¹	Max. 1.5 billion EUR (2009) 230-250 mil EUR (2014)
Judicial status	10-year imprisonment, convicted for money laundering and fraudulent privatization of a food research institute
Media (in the past)	Founder of TV, Radio networks, print outlets “Jurnalul național” (National Journal), “Săptămâna financiară” (Financial week): Antena 1 (generalist), Antena 3 (news channel), Antena Stars (entertainment)
Media (owner) currently	-
Main (other) businesses	Energy, media
Communist past	Securitatea informer (Mircea, later Felix - high position, with a salary of 5,000 USD (an enormous amount for a communist country) as director of Crescent
Post-communist start	Businessman
Transparency of capital / sources of money	Off-shore capital (Cyprus-registered Crescent Maritime and Commercial ltd)

¹ Capital, “Top 300 The Wealthiest People” (for years 2007, 2008, 2009, 2013, 2014), online

Sorin Ovidiu Vântu

Estimated fortune (Top 300 Wealthiest People Capital)¹	Max. 1,4-1,5 bl. EUR (2007) 35-40 mil. EUR (2014)
Judicial status	Served in jail for blackmail. It was involved in another file - one of the biggest financial bankruptcies in Romania, prescribed
Media (in the past)	He has never been the official owner His children took over for a while the ownership of Realitatea TV, Realitatea FM, “ <i>Curentul</i> ” (daily in its first years)
Media (owner) currently	None (neither officially, nor rumoured): Since released from jail, he regularly writes on its blog, commenting on politics and business
Main (other) businesses	Financial, energy, real estate
Communist past	1982: 5-year convicted for embezzlement 1983-1985: informer of the secret police Securitatea – the secret name Nuș (Decision of Appeal Court of Bucharest, 30 June 2015)
Post-communist start	According to his own statement, it made his first money from “counterfeiting” ²
Transparency of capital / sources of money	Off-shore capital

¹ Capital, “Top 300 The Wealthiest People” (for years 2007, 2008, 2009, 2013, 2014), online

² Voinea, Mihai, Delcea, Cristian, 2 December 2014, Video-interview with Sorin Ovidiu Vântu: “Exclusive Sorin Ovidiu Vântu, „Dacă statul român m-ar fi prins cu tot ce am făcut, făceam pușcărie pe viață”, Adevărul, at <http://adevarul.ro/news/eveniment/video-exclusiv-sorin-ovidiu-vintu-da-ca-statul-roman-m-ar-prins-facut-faceam-puscarie-viata-1_547df123a0eb96501e4c39a2/index.html>, accessed on 1 July 2015

Dinu Patriciu

Estimated fortune (Top 300 Wealthiest People Capital)¹

Max. 3 billion EUR (2007)
250 mil EUR (2013)

Judicial status

Prosecuted under charges of embezzlement, money laundering, stock market manipulation and setting up an organized crime group. He died before the court reached a final verdict.

Media (in the past)

His major investment in media was in print, Adevărul Holding – it reached a record of circulation in their segment: “Adevărul” (135,000) in generalist newspaper and “Click” (230,000) in tabloid market. “Adevărul” sold 50 million books.²

Media (owner) currently

-

Main (other) businesses

Oil, energy, real estate

Communist past

Architect, he had contracts abroad (in Saudi Arabia)

Post-communist start

Politician, he was a founder of the Liberal Party.
In 1998 he led an investor buy-out of the previously state-owned Romanian oil company, Rompetrol.

Transparency of capital / sources of money

-

¹ Capital, “Top 300 The Wealthiest People” (for years 2007, 2008, 2009, 2013, 2014), online

² Ionescu, Costin, 19.08.2014: “Patriciu and the press: the mogul of the blue pen...” (“Patriciu și presa: Mogulul pixelului albastru...”), HotNews.ro, at <http://economie.hotnews.ro/stiri-media_publicitate-17925817-patriciu-presa-mogulul-pixelului-albastru-care-trecut-milioane-carti-vandute-adevarul-planuri-vanda-ziare-datorie-sacosa.htm>, accessed 20 July 2015.

Cristian Burci

Estimated fortune (Top 300 Wealthiest People Capital)¹	Max. 250-260 million EUR (2009) 100-110 mil EUR (2013)
Judicial status	No charges
Media (in the past)	Stakeholder of Prima TV, STAR FM, KISS FM in a joint-venture with SBS Broadcasting, later on a significant stake was taken over by ProSieben1. The latter withdrew from the market and Cristian Burci became again the main shareholder of Prima TV. He also took over Adevărul daily.
Media (owner) currently	PRIMA TV / RADIO M PLUS, through a Luxemburg based entity. He also took over Adevărul Holding (“Adevărul”, daily newspaper and the tabloid “Click”)
Main (other) businesses	Advertising, railways industry
Communist past	Romanian businessman who lived in USA during the communist times and returned after the 1989 Revolution.
Post-communist start	He set up an advertising agency – Graffiti BBDO.
Transparency of capital / sources of money	Off-shore entities for the majority of his media businesses.

¹ Capital, “Top 300 The Wealthiest People” (for years 2007, 2008, 2009, 2013, 2014), online

Sebastian Ghiță

Estimated fortune (Top 300 Wealthiest People Capital)¹

130-135 million EUR (2011)

Judicial status

Under criminal investigation, he is accused of traffic of influence, tax evasion, money laundering complicity to chancing the destination of EU funds and corrupting voters at the parliamentary election in 2012 and the presidential race in 2014.

Media (in the past)

Former manager of Realitatea TV. He was a key person in the major change of Realitatea TV ownership, one of the most influential news channel at the time of the change (October 2010).

Media (owner) currently

He is not officially, in public records, an owner in the broadcasting field, but he allegedly is connected to România TV.²

Main (other) businesses

IT&C, sports.

Communist past

Not the case. B. 1978, he was 11 years at the time of the Revolution.

Post-communist start

He started in business, especially in It&C. Later on he got involved in politics.

Transparency of capital / sources of money

Lack of transparency

¹ Capital, "Top 300 The Wealthiest People" (for years 2007, 2008, 2009, 2013, 2014), online

² Andronache, Carmen Maria, 1 July 2014, "Sebastian Ghiță, the owner of România TV, heard in the file of death threatens" ("Sebastian Ghiță, patronul România TV, audiat în cazul amenințărilor cu moartea", Paginademedia.ro, at <<http://www.paginademedia.ro/2014/07/sebastian-ghita-patronul-romania-tv-audiat-in-cazul-amenintarilor-cu-moartea/#sthash.hsMWGUJc.dpuf>>, accessed on 20 July 2015