

# Electronic Media

Published weekly by  
Crain Communications

\$2.00 A COPY; \$69 A YEAR

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FEBRUARY 10, 1992

## AT PRESS TIME

### P&G cuts upfront buys

NEW YORK—Procter & Gamble Co. confirmed last week that it has canceled nearly half its upfront daytime network buys for the second quarter, according to Advertising Age. Last year, P&G exercised most of its second-quarter options to cancel upfront daytime buys but did spend \$30.3 million on the Big 3, according to Arbitron's MediaWatch. Ad agency sources estimate that P&G had committed to about \$50 million in daytime spending for the 1992 second-quarter upfront.

### CBS sells out Olympics

NEW YORK—CBS completed sales of its ad inventory for the Winter Olympics on Thursday, two days before the events were  
(Continued on Page 30)



Billionaire John Kluge says he thinks he "would get bored with just one business."

## Behind the billions

Kluge tells how he makes Metromedia grow

By DIANE MERMIGAS  
Financial editor

John Kluge, the self-made billionaire who turned independent television into a goldmine, has mostly shunned the media's spotlight.

At age 77, the richest man in America prefers to spend his time expanding his privately held Metromedia Co. beyond the domestic telecommunications interests that yielded most of his wealth.

In a rare interview, Mr. Kluge met recently with ELECTRONIC MEDIA in his Manhattan office to discuss his general business philosophy and

the unique development of his business interests.

An edited transcript of that interview follows:

**EM:** You left television in 1986 when you sold Metromedia's independent TV stations to Rupert Murdoch. Is there still some unrealized promise left in commercial broadcasting?

**Mr. Kluge:** I still think it is a good business. It's more of a mature business now, but it's a good business.

And I think that Rupert Murdoch and Barry Diller have done an absolutely brilliant job. They  
(Continued on Page 22)

## Mel Harris plots Sony expansion

By WILLIAM MAHONEY  
Los Angeles bureau chief

LOS ANGELES—Mel Harris, named last week as president of the newly formed Sony Pictures Entertainment Television Group, says he wants to expand Sony's TV involvement.

He says this includes tackling unconquered day-parts, creating new first-run programming, producing for cable, seeking international co-productions and possibly even starting a basic cable service.

Mr. Harris on Thursday moved into an expanded version of the job that will be officially vacated Feb. 29 by Gary Lieberthal, who is retiring as chairman of Columbia Pictures Television.

Like Mr. Lieberthal, Mr. Harris reports to Alan Levine, president and chief operating officer of SPE's Filmed Entertainment Group, and oversees all TV operations except international distribution.

Until last October, Mr. Harris was president of Paramount Television Group, a position he had held since 1985.

At Sony, Mr. Harris says he'll be able to apply his interest in new media technologies.

"This is a company that really has long-term vision," he said.

"The much-asked question about the capability of a married software and hardware company is something we will test to its limits."

He will oversee production companies Columbia Pictures Television, TriStar Television and Merv Griffin Enterprises, as well as domestic syndication arm Columbia TriStar Television Distribu-  
(Continued on Page 31)

## Prospects good for House cable bill

By DOUG HALONEN  
Washington bureau chief

WASHINGTON—In the wake of the Senate's historic 73-18 vote approving S.12, some cable TV lobbyists here last week were conceding that their industry is in a serious jam.

The overwhelming, bipartisan nature of the support for the Senate cable TV legislation creates strong momentum for a similar measure in the House.

See related column, Page 28.

"I think we've got a fight on our hands," said Bert Carp, vice president, government affairs, Turner Broadcasting System.

Nonetheless, broadcast proponents of S.12 here were also warning their troops not to let down their guard.

"We believe the strong Senate vote certainly will stir interest in the House, where we believe we'll have a

long, tough fight," said Eddie Fritts, president and chief executive officer of the National Association of Broadcasters.

In the immediate wake of S.12's passage, House leaders vowed to move quickly on cable TV legislation, with a House telecommunications subcommittee vote slated before the end of March.

So for the immediate future, cable TV industry lobbyists are expected to  
(Continued on Page 31)

## INSIDE:

3

### PTAR findings

Disney unveils "Married With Children" data.

12

### Getting crowded

More players hunt ad dollars and programming.

14

### ReZ.n8-ing designs

L.A. firm creates CBS's Olympics graphics.



## PROFILE: JOHN KLUGE

# Kluge: 'Now the world is our oyster'

(Continued from Page 1)

have demonstrated something we, Metromedia, never could because we didn't take the risk of spending an additional \$400 million to \$500 million to create a fourth network.

**EM:** Are you sorry now that you didn't?

**Mr. Kluge:** No. We were involved in other businesses, especially in cellular and outdoor advertising.

I'll tell you something, Diane, I never look back. I like new challenges because you do get somewhat stale otherwise.

I'd been in broadcasting since 1946. This is a new career for me in the sense that Metromedia now is growing more internationally.

When we owned the TV stations, we were really focused more domestically because of having to guard those licenses. I think it absorbed us.

Now the world is our oyster, and our people thrive on that challenge.

Metromedia in its heyday did \$900 million in business annually and had about 5,500 employees. Today, we have 66,000 part-time and full-time employees and do billions of dollars of business.

**EM:** How many billions?

**Mr. Kluge:** Billions. I haven't added it up myself recently.

**EM:** You haven't remained in any of your businesses too long. Do you regret that?

**Mr. Kluge:** No. Actually, I enjoy developing a new business.

I know this might sound a little strange, but I think I would get bored with just one business. I find pleasure in a myriad of businesses and meeting the challenge of making each of them viable.

And I've always liked a David and Goliath relationship in business like we had with the independent TV stations and like we still have with the long-distance business.

**EM:** What investment

surprised you the most?

**Mr. Kluge:** Well, I remember one of my first acquisitions in the radio business in the 1950s.

I borrowed \$5,000 from the bank and only used \$1,000 of it, and then sold the business for \$500,000.

I told the bank what happened, and they said to me, 'That's some leverage!' And I responded with, 'What's leverage?'

Years later, I was sorry I had asked.

**EM:** A key to your success has been your ability to anticipate new technologies. How does your pending sale of cellular properties to Comcast and Metromedia's continued involvement with Comcast fit in with that?

**Mr. Kluge:** On the Comcast deal, there are different parts of that transaction that could change. Comcast, of course, has been in cable. And I've always felt that cable companies should be in cellular.

There might be a way where cable and cellular together might provide a means of circumventing a Bell telephone system. It seems to me the more logical thing would be for local Bell companies to merge with or acquire cable companies.

They (Comcast) also are licensed to experiment with emerging businesses like personal communications networks.

**EM:** Is that something you would hope to do with your own long-distance carriers, or is this your way of finally getting into cable?

**Mr. Kluge:** Being fourth largest in the U.S. in the long-distance phone business is not in itself particularly meaningful since the three companies ahead of us are much larger. But we have ambitions.

All you have to think about is a business that is about \$53 billion. If you have only 2 percent of that, you still have a billion-dollar business.

**EM:** But you are selling off your cellular and not your long-distance telephone interests.

**Mr. Kluge:** Yes, between paging and cellular we are approximately more than \$4 billion in sales over three years.

Actually, the sales we were involved in even in 1986 were made in response to a dramatic change in the tax laws. It just seemed like an opportune time to dissolve those interests.

**EM:** Do you think any future investment you make could ever prove as profitable as cellular?

**Mr. Kluge:** We are in other technical areas where perhaps in four years' time there would be a return that could very well be of that type or magnitude.

**EM:** You have such diverse businesses. Which of them are you referring to?

**Mr. Kluge:** I really don't want to be too specific because it would probably involve going public with that particular asset.

Metromedia, as you know, is private, although we have interests in public businesses like Image Entertainment, which is in laserdisc distribution, for which I foresee a very strong future.

**EM:** What do you see as the future of laserdisc technology?

**Mr. Kluge:** Well, I am thinking of it in the movie industry. Young people,

especially, are very aware of this new technology.

It reminds me of FM technology years ago. All of this new electronic technology is subject to enhancement.

We see that constantly, say for instance, in the cellular business.

The instruments will get smaller. The share of marketplace increases because you sell more units at a lower price.

**EM:** Will you increase your 40 percent interest in Image?

**Mr. Kluge:** I can't tell you what we're going to do, just like I can't tell you what I'm going to have for breakfast. I think it would be foolish to do anything but see and support that new technology develop.

**EM:** The one business that doesn't seem to fit the Kluge investment profile, and that has provided you with the least return for your investment, is your 69 percent interest in Orion Pictures Corp.

**Mr. Kluge:** Actually, that investment is one I made to help a friend. And that was it. We don't manage the company. We're only investors.

**EM:** Since it was connected more to a friendship and not a pure investment play, how do you feel about the investment?

**Mr. Kluge:** I'm not happy about it, but I'm not particularly sad either. It's one of those things over a period of years, you do certain things and you look back and wonder why you did them.

But it's all part of the game. You buy a ticket and you take your chances.

**EM:** Do you plan to stick it out beyond your proposed role in the company's reorganization in hopes of a better return later?

**Mr. Kluge:** Frankly, I am not handling that situation. I can't even tell you at this moment where it's at.

**EM:** Has the Orion investment cost you not just financially but professionally as well?

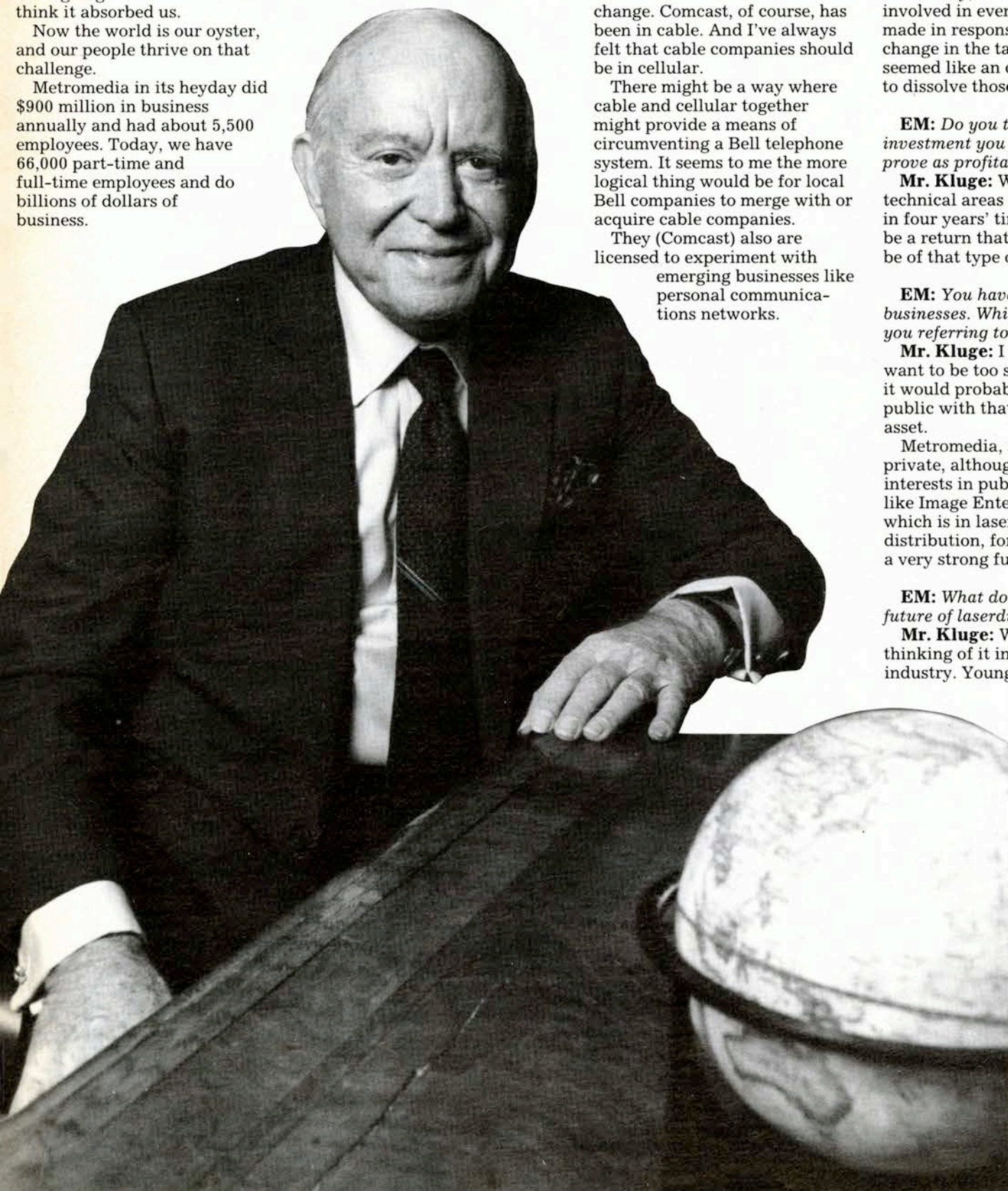
**Mr. Kluge:** It's a substantial amount of money. But in the large scheme of things, we make the money up somewhere else.

**EM:** Is it true that of the estimated \$240 million you have invested in Orion so far, the value of your stake is worth only about half that now?

**Mr. Kluge:** I can't tell you what the value is. I hope the company succeeds, whatever happens.

**EM:** Would you continue to seek to be aligned with the entertainment industry even after the Orion situation is resolved?

**Mr. Kluge:** I'm really not  
(Continued on next page)



Metromedia's John Kluge

Photo by Emmett Martin



## PROFILE: JOHN KLUGE

# Kluge's empire a product of continuing makeovers

By DIANE MERMIGAS

Financial editor

At age 77, John Kluge isn't nearly finished blazing new business trails, even if he has to make a few more billion dollars doing it.

In a rare interview, the plain-speaking chairman and president of Metromedia Co. insists he still wakes up each morning eager for the challenge of starting new businesses or cashing in on developing investments.

In fact, Mr. Kluge admits he's as surprised as anyone that his financial derring-do has brought him from a poor upbringing in Detroit to a billionaire's lair that includes a 10,000-acre estate in Virginia, a castle on 80,000 acres in Scotland and a 204-foot yacht called the Virginian.

For the last three years, Forbes magazine has ranked Mr. Kluge first on its list of the nation's 400 richest people, conservatively estimating his net worth at \$5.9 billion.

In its annual list of the world's wealthiest people, Fortune last year ranked Mr. Kluge ninth, estimating his net worth at closer to \$7.1 billion.

Calling himself "an average investor," Mr. Kluge says he still operates by the instincts that drove him to sell shoes and stationery and play in backroom poker games to put himself through college.

Cautiously guarding his business plans, Mr. Kluge for decades has demonstrated a knack for buying and building assets on the cutting edge of new trends and then selling them for a handsome return before they peak.

He forged his company, Metromedia, one of the largest private concerns in the United States, from the Metropolitan Broadcasting Corp.—formerly Dumont Broadcasting Corp.—which he acquired in 1959.

Acquiring his first radio station in Washington in 1946, Mr. Kluge eventually purchased 13 radio

stations and seven UHF independent television stations that no one else wanted.

After adeptly counterprogramming them against the Big 3 networks and giving them a marketing lift, Mr. Kluge sold the independent TV stations in 1986 for more than \$2 billion to Rupert Murdoch, who used them as a foundation for his Fox Broadcasting Co.

By that time, Metromedia had begun buying into the paging and cellular businesses, acquiring cellular licenses that no one else wanted or understood.

Started with an initial \$30 million cellular investment on a tip from a friendly attorney, Mr. Kluge's Metromedia will finish cashing out on its cellular investments this year at over \$4 billion.

Mr. Kluge bought into the outdoor billboard business for \$10 million in 1960 when it was a dying concern, and 26 years later sold his outdoor advertising holdings for more than \$700 million.

Ironically, Mr. Kluge's interest in the outdoor billboard business was first sparked by information about the ailing Foster & Kleiser billboard company that he discovered in the president's desk of the Metropolitan Broadcasting Corp., which was renamed Metromedia in 1960.

"We do have a penchant for making passed-over visibles valuable," says Stuart Subotnick, Mr. Kluge's longtime partner and friend.

In what is his third makeover of Metromedia, Mr. Kluge now is investing in steakhouse chains, long-distance telephone companies and new high-tech applications, some of which haven't yet come to market.

Abroad, he's introducing wireless cable, paging and cellular to the emerging Eastern European democracies in a move that he says eventually could yield billions of dollars in revenues.

Never wedded to any one industry, Mr. Kluge now sees the whole world as a sphere of business opportunities to further expand Metromedia, a



Photo by Emmett Martin

Stuart Subotnick (above), John Kluge's longtime friend and partner, crafted many of Mr. Kluge's biggest deals.

company conservatively valued at \$4.5 billion with gross annual revenues of nearly \$3 billion, according to business sources.

"He has spent his entire life finding the opportunities and managing the risks," says Mr. Subotnick, 50, who joined Metromedia 25 years ago as an attorney fresh from the Internal Revenue Service.

Mr. Subotnick, now Metromedia's chief operating officer, (Continued on next page)

## 'You really only learn from failure and from challenge'

(Continued from previous page)  
drawn to the entertainment industry one way or another. This was an investment that was made as a personal favor in a white knight situation.

**EM:** What are you going to do with the \$4 billion in proceeds from the sale of your cellular interests?

**Mr. Kluge:** Some of our thrust is to be in businesses that not only have revenues but make some type of a new statement. We are careful not to jump into things.

**EM:** Do you plan on making any major acquisitions this year?

**Mr. Kluge:** Let's take the long-distance telephone business we're in.

There is AT&T and the regional Bell companies. I see in the long run that the Bell telephone companies will be in long distance and there will be other systems that will circumvent the Bell telephone companies.

The fact is that when something can be logically attached to your core business, unless there is a legal obstacle, it will eventually make sense to do it.

So, I'm sure we will—if something comes up that makes sense. Size doesn't matter as much as whether it makes strategic sense.

But sometimes you really don't know what you're going to get into. We receive hundreds of requests and ideas every day of the week. You'd be amazed how few make sense.

**EM:** Would you re-enter a business you had already left, such as broadcasting?

**Mr. Kluge:** Abroad we are in wireless cable, paging and cellular again. There, it's a different challenge. I like it very much because it fills a need there.

**EM:** Will Metromedia over the next five years emerge as more of an international concern rather than domestic?

**Mr. Kluge:** We want to develop both.

**EM:** How important will limited partnerships with international companies be for you?

**Mr. Kluge:** We have some joint ventures abroad now. A joint venture makes sense if the other party has somewhat the same objectives and, perhaps, is

more familiar with the territory or has some expertise.

There are several such situations we are considering outside of telecommunications now.

But we're a cautious investor. It isn't that we're afraid of failure; it's just the time you waste pursuing something that ends up for naught.

**EM:** What other evolving new technologies would you like to be involved in?

**Mr. Kluge:** We are looking at a number of things. We're interested in interactive television and personal communications. We're interested in computer software.

We're also interested in the technical side of certain manufacturing products.

**EM:** In some ironic way, is Metromedia Technologies' approach to computerized sign painting and billboard display especially well-suited to these times?

**Mr. Kluge:** Well, I think the outdoor business has something to offer in terms of reach and frequency, especially in major markets, given the proliferation of cable and television signals.

Metromedia Technologies had

a substantial jump in business between 1990 and 1991. I think this developing outdoor technology has given creative directors an important alternative.

**EM:** What about the state of the advertising marketplace in general?

**Mr. Kluge:** In advertising, there are so many more alternatives now, which in itself presents a certain problem. And quite often, merged companies will look at what the company spends overall on things like advertising and seek to reduce those costs.

Corporate America is undergoing a rigorous cost-cutting routine, which in the long run will make these companies stronger and make the country a stronger competitor worldwide.

Maybe I am an optimist, but in the 1980s, it seems the expectations were a little unrealistic. In the 1990s, we tend to be somewhat over-pessimistic.

Balance is a very difficult thing to achieve. I think we are going through a very difficult period.

American business is responding to a world challenge.

I think sometimes people are so close to it that they might not see it.

The American, in the final analysis, is a competitive animal. We've seen it in war and we'll see it in peace.

**EM:** So you are not concerned that America is losing any of its competitive footing abroad during this economic downturn and retrenchment?

**Mr. Kluge:** I think that the competitive climate is such that business people today, particularly in broadcasting, have to be a lot sharper and a lot closer to the target than they were five or seven years ago.

They have to be more efficient and alert because of the increased competition for ad dollars. And that's not a bad thing.

You never learn anything from success. You really only learn from failure and from challenge.

**EM:** You did the first big leveraged buyout in the 1980s. Do you see any major changes afoot in the way transactions will be financed?

**Mr. Kluge:** I think things are changing because everyone has (Continued on next page)



## PROFILE: JOHN KLUGE

# 'I guess you could say we've been fortunate'

(Continued from previous page) become more cautious—the banks, the insurance companies.

From now on there will be more equity and less leverage. That means the financial institutions will lend if there is more equity and the business makes any sense, and the chief executive is a driving force to make that business grow.

It means that people are going to be much more on the ball in looking at things with a magnifying glass.

**EM:** What do you feel has been the more important element in your success?

**Mr. Kluge:** If we have had any success, it's because we are people-oriented.

Assets are cold. What brings them to life are the people who operate those assets. So we have a commitment to the business and to its people.

My philosophy all my life has been the pursuit of excellence.

I remember all too well being a salesman in the 1930s for a paper conversion company.

The first man I came to showed me that the product I was selling was not very good. So I spent the rest of the sales trip killing the product.

You see, I relate to the user or to the buyer. We do that in our telephone business. We are oriented to the buyer of our services and products rather than adopting a take it or leave it attitude.

**EM:** How much of what you've done in your business career has been luck vs. calculated risk?

**Mr. Kluge:** If I told you it was all luck, I wouldn't be

## Metromedia's holdings

Some of the better-known holdings of privately held Metromedia include:

### Technology

Metromedia Technologies  
Axon Systems  
Stanadyne Automotive Corp.

### Investments

Orion Pictures Corp.  
International Telcell Group  
Image Entertainment

### Telecommunications

Metromedia  
Communications Corp. (long distance)  
AWACS (cellular interests)

### Restaurants

Ponderosa Steak & Ale  
Bennigan's Bonanza

Source: Metromedia

truthful. But if I told you it was all strategy, it would be a downright lie.

I would not want to leave you with the impression that we've done anything magical here because we haven't. It was really a lot of persistence and a lot of disappointment, which didn't overwhelm but rather created another challenge.

**EM:** What is the one investment you would like to

forget and the one you are proudest of?

**Mr. Kluge:** Isn't that funny. I'm interested in all of my investments.

It's a little bit like children in a family. You basically like them all. But they all have different characteristics. And you find that they disappoint you sometimes.

**EM:** Do you feel that you are in some respects representative

of a disappearing breed of a pure investor?

**Mr. Kluge:** Can I tell you, you will see the same thing happening. Thirty or 40 years from now, this same scene will occur again. There will be a whole new generation of investors.

I went through the deep Depression and certain things stayed with me. Since then, we've had other periods that have shaped the opinions of others. There's really nothing new.

**EM:** What is left to do? What do you feel any urgency about doing?

**Mr. Kluge:** Well, I just take it one day at a time. We have a number of ideas. We're certainly going to accomplish some of them.

**EM:** And they are?

**Mr. Kluge:** (Laughs) Did you hear my laugh?

**EM:** What about the Kluge legacy, both professional and personal?

**Mr. Kluge:** I have no legacy as such, and if I do it's only through my foundation, which funds the education of minorities.

I wouldn't write a book because saying the word 'I' over and over again would nauseate me.

**EM:** Then what advice would you give an up-and-comer today?

**Mr. Kluge:** If I have any advice it would be don't go into something just for the sake of going into it. Go into something because you really like it, and

then do it with a drive and enthusiasm so that it isn't work.

I have looked forward to Monday morning all my life. The luckiest day is when I can get up in the morning and work.

Secondly, I would advise not to look for shortcuts. Look for really doing something that has meaning.

Be honest with yourself. It comes down to some very simple philosophy: not to think of yourself as something special as much as doing something special, being a contributor.

**EM:** In pursuing that philosophy, have you surprised yourself by making a few billion dollars along the way?

**Mr. Kluge:** I never worked for money. I'm dedicated to the pursuit of excellence and to winning the game.

**EM:** Where do you see this company five, 10 years from now?

**Mr. Kluge:** There are others who will follow—(Metromedia Chief Operating Officer and Chief Financial Officer) Stu Subotnick, for one. We've worked long enough together that we have rubbed off on each other.

The company will be larger. It will be better. It will be more diversified. It probably will be in industries it's not in now.

I don't make many grand statements, except in my sleep. I just want you to know we're very average.

We make an average number of mistakes, and we have our average number of successes. And when you add them all up, I guess you could say we've been fortunate. #

## Subotnick on Kluge: 'He's in it for the game'

(Continued from previous page) and chief financial officer, has been the chief architect of many of Mr. Kluge's most substantial business deals.

"John is still the boy with one shoe tucked under his arm, and the only way you're going to see the other one is by going to his room. He's in it for the game," Mr. Subotnick says.

"He has taught me that this isn't work, it's love."

Although Mr. Kluge's fortune is vast, he maintains modest offices in a building on Manhattan's East Side next door to his former station, Fox Television Stations-owned WNYW-TV.

His private office is wood paneled and decorated with artwork and photographs of family and business friends. His desk includes a telephone switchboard that would be the envy of any world leader with its multiple lines and multicolored buttons.

And in the best tradition of true partnership, Mr. Kluge shares his office suite with Mr. Subotnick, with whom creative ideas and business strategies flow freely.

Just like Metromedia's own regeneration, the symbiotic nature of their partnership is uncommon in American business.

Indeed, those who have come to know them well say Messrs. Kluge and Subotnick tend to embrace a simplistic, down-to-earth, even playful quality that is rather unexpected in the world of high finance.

Robert Bennett, who was president of the now defunct Metromedia Broadcasting until the company sold its stations, says Mr. Kluge has always been propelled by "that bit of river boat gambler in him."

"His genius has been a willingness to act quickly, investing in new businesses or business relationships he has a hunch will pay off," says Mr. Bennett, who now heads his own film distribution company.

Indeed, Mr. Bennett, then sales manager for KTTV in Los Angeles, first met Mr. Kluge at a reception and offhandedly commented on the unattractiveness of Mr. Kluge's necktie.

Drawn by the teasing remark, Mr. Kluge struck up a business association with Mr. Bennett that lasted more than 25 years.

For the most part, Mr. Kluge now spends his time building a broad range of companies rather than stripping and selling them off as he did with his smaller Metromedia in the mid- to

late-1980s, driven partly by changes in the tax laws.

After taking the company private in 1984 through a \$1.3 billion leveraged buyout—the first of its kind—Mr. Kluge sold off some of the publicly owned pieces, personally netting himself more than \$1.6 billion, according to Forbes estimates.

There is little doubt that Mr. Kluge has found it more profitable—and more personally satisfying—to manage his Metromedia assets as a private concern focused on cash flow rather than earnings.

He has nurtured Metromedia Technologies to become the world's largest and most sophisticated computerized billboard painting concern, generating an estimated \$100 million in revenues annually.

In a complete business turnaround three years ago, a new leveraged buyout fund Mr. Kluge assembled invested in Connecticut-based Stanadyne Inc., maker of high-tech fuel injectors for diesel engines.

He also owns Axon Systems, which makes advanced brain-wave monitors for operating rooms.

Believing that a resurgence of consumer interest in beef is on the way,

Mr. Kluge has invested heavily in a string of popular restaurants, including Ponderosa, Bonanza, Steak & Ale and Bennigan's, which he is expanding worldwide.

In fact, Mr. Kluge's 10,000-acre Charlottesville, Va., estate doubles as a working cattle operation specializing in breeding and genetic research to support those restaurant interests.

"John insists on winning. He can't stand to lose," says one longtime associate of Mr. Kluge who asked not to be identified.

"There are no back burners; only front drawers for John."

Consequently, Metromedia's holdings have come to span not just television and radio stations, cellular and long distance telephone, but also the Harlem Globetrotters, the Ice Capades, music publishing companies, Playbill magazine, a syndication production company and a major food brokerage firm.

In what was billed by the press as a battle of the Wall Street titans, Mr. Kluge went head-to-head with Viacom and National Amusements Chairman Sumner Redstone, another self-made billionaire investor, for control of Orion

(Continued on next page)



# Kluge casts eye on East Europe's financial promise

(Continued from previous page) Pictures Corp., and won.

While defending the business interests of his friend and Orion chairman, Arthur Krim, Mr. Kluge has watched his estimated \$240 million investment in Orion diminish to half its original value as the studio has lapsed into bankruptcy.

However, at the same time, Metromedia has struck a lucrative deal with Comcast Corp.

Although Metromedia will sell its Philadelphia-based cellular operations to Comcast for \$1.1 billion, Mr. Kluge will maintain an ownership interest in Comcast's burgeoning cellular and cable TV operations, and its experiments in such new high-tech fields as personal communications networks.

But it is through International Telcel Group, a consortium in which Metromedia has a major ownership stake, that Mr. Kluge hopes to realize one of his grandest business enterprises yet.

The company has positioned itself through several dozen licenses to roll out wireless cable, cellular and paging services throughout Russia and Eastern Europe over the next several years.

With an initial investment of less than \$50 million, Metromedia expects its new telecommunications interests in Russia and Eastern Europe to be cash positive the first full year of operation.

"It's like the Wild West over there," says Mr. Subotnick.

"It's exciting to think about the prospects of 300 million people coming to market and getting in there early.

"We look at the new consolidated world and all of the countries that can shut us out. It's clear America needs new markets for its exports and that Russia is a natural trading partner for us," Mr. Subotnick adds.

Ironically, Metromedia's biggest claim to fame in the future is likely to be the restaurants it owns both domestically and abroad—a segment that generated an estimated \$115 million in profits for the company last year, according to industry sources.

The restaurants will generate an estimated 60 percent of Metromedia's revenues this year, with another 23 or so percent of the revenue coming from telecommunications related operations.

Because it is a private company, officials of Metromedia decline to discuss financial details.

With Mr. Kluge's success, however, has come some personal sacrifice.

A father of two sons and one daughter, Mr. Kluge has been married and divorced three times.

He is described by business associates as a relentless worker who can't relax on the weekends and can't wait till the work week begins.

But Mr. Kluge says he is striving to leave behind a legacy that reaches beyond his business ventures.

In recent years, he's donated \$50 million to his alma mater, New York-based Columbia University, to establish an ongoing scholarship fund for minority students.

Mr. Kluge has also set up a foundation that eventually will expand scholarship support for minority college students at universities throughout the country.

The German-born son of an engineer who died when he was a child, Mr. Kluge says he's establishing these funds because he's never forgotten what it felt like to be hungry during his own college years.

"The government can't afford to support minorities in their pursuit for a higher education.

That means the private sector must step in," says the billionaire, who attended Columbia on a scholarship.

"We must never lose sight of the fact in this country that our most important resource is people." #

## CALENDAR

### February

Feb. 10-April 5, "Jack Benny: Radio and Television Work," retrospective exhibition, The Museum of Television & Radio, New York. Information: Diane Lewis, 212-621-6685, or Dana Rogers, 212-621-6705.

Feb. 10-May 31, "The Television of Dennis Potter," seminars sponsored by The Museum of Television & Radio, at the museum, New York. Information: Diane Lewis, 212-621-6685, or Dana Rogers, 212-621-6705.

Feb. 10-11, National Association of Broadcasters annual Radio Group Head Fly-In, Grand Hyatt, Washington. Information: Susan Grossberg or Lynn McReynolds, 202-429-5402.

Feb. 10-12, Computer Graphics '92, Buena Vista Palace, Walt Disney World Village, Lake Buena Vista, Fla. Information: Sheila McDonald, 212-233-1080.

Feb. 11, "Using Humor in Business," cocktail reception sponsored by the New York chapter of American Women in Radio and Television, Intercontinental Hotel, New York. Information: Rosemarie Sharpe, 212-481-3038.

Feb. 11, "Future Shock at the FCC? Regulating New Technology" panel/tour sponsored by American Women in Radio and Television, KQED-TV studios, San Francisco. Information: Francis Larose, 415-974-6601.

Feb. 11-12, Georgia Cable Television Association 1992 Convention, Peachtree Plaza Hotel, Atlanta. Information: Nancy Horne, 404-252-4371.

Feb. 12, Drop-in luncheon sponsored by the New York chapter of the National Academy of Television Arts & Sciences with Michael Alexander, Pinelands, and WWOR-TV, New York. Copacabana, New York. Information: Ellen Muir, 212-768-7050.

Feb. 12-14, Satellite Broadcasting and Communications Association Bally's Hotel, Reno, Nev. Information: Laurie McCall,

Major events	
<b>TVB</b>	
Las Vegas.....	April 10 to 12
Info: Ronni Faust or Julia Zagrodnik, 212-486-1111.	
<b>MIP-TV</b>	
Cannes, France .....	April 10 to 15
Info: Barney Bernhard, 212-689-4220.	
<b>NAB</b>	
Las Vegas.....	April 13 to 16
Info: Rick Dobson, 202-429-5335.	
<b>BCFM</b>	
New York .....	April 22 to 24
Info: Cathy Lynch, 708-296-0200.	
<b>NCTA</b>	
Dallas.....	May 3 to 6
Info: Paula Rocha, 202-775-3690.	

703-549-6990.

Feb. 17-18, 10th Cable Television and Satellite Broadcasting Conference, sponsored by the Financial Times of London, Hotel Inter-Continental, London. Information: Churchy Thompson, 44-71-925-2323. Fax: 44-71-925-2125.

Feb. 17-19, Broadcast Cable Credit Association credit seminar, Town & Country Hotel, San Diego. Information: Cathy Lynch, 708-296-0200.

Feb. 17-21, Image World Dallas exposition sponsored by Knowledge Industry Publications, Infomart, Dallas. Information: Benita Roumanis, 800-248-5474.

Feb. 18, West Virginia Broadcasters Association sales seminar, Marriott, Charleston, W.Va. Information: Marilyn Fletcher, 304-344-3798.

Feb. 18-19, Wisconsin Broadcasters Association winter convention, The Edgewater Hotel, Madison, Wis. Information: John Laabs, 608-255-2600.

Feb. 19, "Television of Tomorrow," conference sponsored by the Financial Times of London, London Hilton on Park Lane, London. Information: Churchy Thompson, 44-71-925-2323. Fax: 44-71-925-2125.

Feb. 19, Drop-in luncheon sponsored by the New York chapter of the National Academy of Television Arts & Sciences with producer Pierre Cossette, Copacabana, New York. Information: Ellen Muir, 212-768-7050.

Feb. 19, West Virginia Broadcasters Association sales seminar, Ramada Inn, Morgantown, W.Va. Information: Marilyn Fletcher, 304-344-3798.

Feb. 19, "Fifth Annual Cable Cup Challenge" sponsored by New York Women in Cable, Time-Life Building, New York. Information: Susan Kearns, 212-258-7584.

Feb. 19, American Women in Radio and Television, Houston chapter, luncheon, Holiday Inn Crowne Plaza, Houston. Information: Patty Millsbaugh, 713-688-8651, ext. 267. #

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