

CTC Up on Putin Advertising Remark

By [The Moscow Times](#)

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CTC Media, the owner of Russia's fourth-largest television channel, rose on speculation that revenue will increase after Prime Minister Vladimir Putin said state television should stop running advertisements.

"State television should give up advertising, and it should be replaced by some other content," Putin said at a March 1 meeting with supporters in Moscow, Komsomolskaya Pravda reported on its website.

CTC led advances on the Bloomberg Russia-U.S. 14 index this week, climbing 7.2 percent to \$10.94 in New York after rising 0.8 percent Friday. An end to ads on state television may boost revenue at CTC as companies look for other outlets to showcase their products, Vladimir Kuznetsov, an analyst at UniCredit Moscow, said in an e-mailed note.

"If Putin's wish is implemented, this potentially would seriously boost CTC Media's pricing power, as currently state-owned and controlled channels have more than 40 percent of the \$4.4 billion a year TV ad market," wrote Kuznetsov, who rates the stock "buy" with a price

target of \$17.10 a share.

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