

Eisner makes foray into Internet TV

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He was ousted from the House of Mouse, but the entertainment industry remains an integral part of business deals that Michael Eisner pursues. In his first deal since he stepped down as the Walt Disney Company's chief executive late last year after two decades with the media giant, Eisner has decided to hedge his bets on Internet television.

On Tuesday Internet broadcasting system start-up Veoh Networks announced that Eisner will join its board of directors and take an unspecified stake in the company as well. In addition, Eisner's venture capital group Tornante Company together with Spark Capital and Time Warner will be investing a total of \$12.5 billion in the company. How much exactly Eisner is pumping into the venture is another unknown, but the former Disney executive made clear his enthusiasm for his latest project.

"Cable and satellite fundamentally changed the way television was distributed by creating the capacity for greater choice in programming. Veoh revolutionizes television again by leveraging the Internet to expand broadcast capacity to the point that every single user, whether an individual or a media company, can create their own 'channel' and every 'channel' can be supported by its own business model," Eisner said. "In the past, distributing television programming required an enormous broadcast infrastructure. Veoh enables anyone with an Internet connection to distribute and receive programming in the highest quality," he added.

Eisner named his investment group after the Italian warning sign for a

hairpin turn, and by investing in a fledgling company in a technology that appears at first blush to have much potential and yet with much to prove as of yet, many analysts argue that he is taking on considerable risk. The ex-media mogul has kept mum about other ventures, if any, that Tornante might have invested in, save to indicate that they have been media content-related concerns.

Started up in 2004 by Dmitry Shapiro, the San Diego-based Veoh specializes in using the Internet and peer-to-peer technology as a broadcast system. Unlike conventional broadcasting systems, Veoh provides an open system that will allow anyone to broadcast videos directly to consumers.

The company itself states on the Web site that "if you have ever wanted to broadcast your own TV show, Veoh is what you've been dreaming of. No matter if you are a complete novice, or a large Hollywood studio, Veoh provides a broadcasting medium that lets you reach hundreds of millions of users around the world."

Whether or not Veoh's mission statement becomes a reality remains to be seen, but for now, those who are invested in the company are certainly bullish about future prospects.

"Video delivery over the Internet is not a new concept, but the ability to deliver long-form, high definition programming and provide interactivity and community is an important differentiator. Veoh's unique combination of technologies creates a strategic content distribution platform as well as the opportunity to greatly enhance the consumer's experience with Internet-delivered video. We're excited to be a part of that," said Rachel Lam, group managing director of Time Warner Investments.

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