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#### **FOOTBALL**

# Collective switch vindicated as LaLiga overtakes Serie A following income jump

By Richard Welbirg

Spain's LaLiga has leapfrogged Italy's Serie A in media rights income to become Europe's second most valuable league following deals agreed in recent weeks.

Telco Telefónica paid €600m (\$660m) earlier this month for domestic paytelevision rights in the 2015-16 season. With international rights sales about 80 per cent complete, the league and its marketing agent Mediapro are on course to earn €650m per season.

A total of at least  $\in$ 1.25bn from all rights in 2015-16 will see LaLiga overtake Serie A. Lega Calcio earns  $\in$ 1.22bn per season for all rights in the 2015-16 to 2017-18 cycle, including Serie A (TV Sports Markets 18:13). LaLiga is yet to sell a package of domestic free-to-air rights.

But LaLiga remains well behind the Premier League, which will earn £1.712bn (\$2.66bn/£2.41bn) per season in the 2016-17 to 2018-19 cycle from domestic pay-television rights alone (TV Sports Markets 19:3).

Direct comparisons with previous seasons are difficult as Spanish clubs previously sold their global media rights on an individual basis. What is clear is income for 2015-16 will be a huge increase on the combined €792m the 42 Primera and Segunda División clubs earned from deals with Mediapro or media group Prisa in the 2014-15 season.

It is also considerably more than the combined €845m that would have been

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#### **BETTING RIGHTS**

## Masquelier: We intend to be number one

By Frank Dunne

The global betting rights for Spain's LaLiga will come to the market this summer, at a time when the betting rights market is reaching a fever pitch due to the aggressive entrance of the IMG Events & Media agency.

In the current three-season cycle, from 2012-13 to 2014-15, the rights are held by the Sportsman Media Group agency in a deal worth about €6m (\$6.6m) per season. One betting rights expert this week predicted that competition would push the value well beyond €30m per season – a more than five-fold increase.

The last major betting rights property which came to market was the German Bundesliga, which in February auctioned its rights for two seasons, from 2015-16 to 2016-17. Sportsman held on to the rights, but had to pay a 400-per-cent increase as the value of the rights rocketed to  $\[ \in \]$ 15m per season from  $\[ \in \]$ 3m per season (TV Sports Markets 19:5).

Much of the dynamism is coming from the entry of IMG in 2013 into a market which had for nearly a decade been cornered by just two players – Sportsman Continued on page 3 ▶

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#### **FOOTBALL**

# LaLiga's collective switch vindicated by jump in income

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earned by the 38 clubs which had agreed deals with either Mediapro or Telefónica for the 2015-16 season. Four clubs which have been promoted to the Segunda did not have deals in place.

Mediapro agreed to cancel its 2015-16 deals as a corollary of its appointment to advise the league on international sales. Telefónica cancelled its four 2015-16 club deals – with Barcelona, Celta Vigo, Espanyol and Real Sociedad – as part of its new domestic deal with the league.

The increase is a vindication for the league's push toward collective selling, and its subsequent decision to bring its introduction forward by one season, to 2015-16 (*TV Sports Markets* 19:12).

#### Pay-television planning

LaLiga originally planned to tender domestic rights for three seasons, from 2015-16 to 2017-18. It agreed a one-season deal with Telefónica after Spain's competition regulator, the Comisión Nacional de los Mercados y La Competencia (CNMC), expressed concerns that Telefónica's club deals for 2015-16 would complicate the process.

Domestic football is vital to Telefónica's hopes of growing Spain's pay-television market. In total revenue terms, Spain's pay-television market is the smallest of Europe's big five territories.

Telefónica became the dominant pay-television operator following its acquisition of the Canal Plus platform, which was approved in April.

Telefónica secured a 100-per-cent shareholding in Canal Plus in July 2014, buying Mediaset España's 22-per-cent stake for €295m. It had acquired Prisa's 56-per-cent stake for €750m in May that year, raising its interest to 78 per cent.

According to the CNMC, Canal Plus, and Telefónica's existing IPTV platform Movistar, had 1.7m and 1.9m subscribers respectively at the end of 2014. On July 6,

#### Mediapro makes strong start to international sales

LaLiga expects to earn €650m (\$716m) per season from international rights sales from 2015-16. This represents an enormous 177-per-cent increase on the €235m per season the Mediapro agency is thought to have earned from the sale of international rights in the last cycle, from 2012-13 to 2014-15.

Mediapro's contract with LaLiga to market international rights runs for five seasons, from 2015-16 to 2019-20, and may be extended to a sixth contingent on success. Deals with international broadcasters will run for three seasons in Europe for competition reasons, and for up to five seasons elsewhere.

Mediapro sold international rights to all Spanish clubs over this period as part of a rights-sharing agreement with media company Prisa. Spanish club rights were split between the two at the time (*TV Sports Markets* 16:15).

Mediapro is thought to have agreed deals in most territories already, and has secured some big rights-fee increases.

In Brazil, pay-television broadcaster ESPN Brasil has bought the rights over five seasons, from 2015-16 to 2019-20, for \$50m per season. It is the first time rights in Brazil have been carved out of a wider deal for Latin America.

Pay-television broadcasters ESPN and DirecTV jointly held LaLiga rights across Latin America, including Brazil, in a deal worth \$22.7m per season, from 2012-13 to 2014-15. The fee was split 50:50 (TV Sports Markets 16:2).

In North America, beIN Media Group has acquired rights in a five-season deal, from 2015-16 to 2019-20, worth \$120m per season. This is a 275-per-cent increase on the \$32m per season beIN paid for rights in the US from 2012-13 to 2014-15 (*TV Sports Markets* 16:17).

In Italy, premium sports channel Fox Sports will pay  $\in$ 15m per season over three seasons, from 2015-16 to 2017-18, up 131 per cent on the  $\in$ 6.5m per season it paid from 2012-13 to 2014-15.

In the Netherlands, pay-television broadcaster Sport1 renewed its rights for three seasons, from 2015-16 to 2017-18, in a deal worth about €7m per season. It beat an offer from rival pay-television broadcaster Fox Sports Eredivisie. This is a 116-per-cent increase on the €3.24m per season Sport1 paid from 2012-13 to 2014-15.

Sport1 prioritised having at least one of LaLiga or the Premier League. Premier League rights are currently held by Fox, from 2013-14 to 2015-16.

Rights in Greece and Cyprus have been sold to the Asset Ogilvy agency, which has worked with Mediapro since 2009. Asset Ogilvy is paying about €4m per season from 2015-16 to 2017-18, a 14-per-cent increase on the €3.5m per season it paid from 2012-13 to 2014-15.

Asset Ogilvy has sold on rights to pay-television broadcaster OTE in Greece for the 2015-18 cycle in a deal worth just over €4m per season. This is up from about €3.5m per season in the previous 2012-15 cycle. OTE beat an offer from its main rival, Nova.

Rights in Cyprus from 2015-18 are expected to be acquired by telco PrimeTel, which held the rights in the 2014-15 season in a deal worth less than €300,000 following the collapse of pay-television broadcaster Lumiere TV.

There are several reasons why the value of the international rights has increased on the previous cycle:

- The change in LaLiga scheduling of two years ago. All 10 weekly Primera matches are played at different times, and either Barcelona or Real Madrid are always scheduled to play at prime time in Asia or the Americas
- Approaching international markets before the Premier League does so later this year, ensuring broadcasters have not spent a large part of their budget
- The rapid decline of the euro in value against the dollar, making it easier for international broadcasters paying in dollars to meet the league's asking price
- Continuing success of Spanish teams in European competition, and the presence of stars such as Cristiano Ronaldo, Lionel Messi and Neymar
- The easing of the economic crisis in Europe since rights were last sold.

the telco merged the two platforms under the Movistar Plus brand.

The telco's acquisition of Canal Plus came with conditions. Telefónica will have to make its 'premium' channels – defined as those carrying top sport or major new films – available to competing operators as a wholesale package. The operators will be allowed to take up to half of the package, in channels of their choosing.

Prices paid by competing operators will be set by the CNMC, based on the buyer's television subscriber numbers, broadband subscriber numbers and potential broadband subscriber reach.

Telefónica allowed operators to express interest between Friday 17 and Monday 20 July. It will enter discussions with applicants. Any agreements must be ratified by the CNMC.

Before the end of the year, the league will launch a tender for domestic rights over a three-season cycle, from 2016-17 to 2018-19. The tender will run for one month. LaLiga will hope for strong competition. Vodafone-owned telco Ono may make an offer, and it is almost certain that beIN Media Group, which launches its beIN Sports channel officially in Spain on August 1, will bid.

BeIN appears to be the only loser from LaLiga's decision to bring forward collective selling. Mediapro has retained a position at the heart of Spanish football selling international rights, LaLiga has secured a huge increase in revenue to pass to the clubs, and Telefónica has control over domestic football on pay-television, at least for the 2015-16 season.

BeIN would have been keen to acquire domestic football content to support its nascent channel, which will depend on Uefa's Champions League and Europa League for premium content in its first year of operation. These were acquired with Mediapro, which is distributing the channel to pay-television operators (*TV Sports Markets* 18:18; 19:5). BeIN 'soft' launched two weeks ago when Mediaproowned pay-television channel Gol T was rebranded as beIN Sports.

#### Liga coverage

Telefónica's €600m has acquired rights to nine of the 10 weekly Primera División

matches, all Segunda División matches, and pay-television rights to the Copa del Rey club competition.

LaLiga carved out one Primera
División match per week and one match
from each round of the Copa del Rey for
sale to free-to-air broadcasters. The
Primera match will not involve teams
participating in European competition. A
tender was launched for the rights on
July 17 and will close on July 27.

The Copa del Rey final is a listed event in Spain, meaning it must be shown free-to-air, and is sold separately by the Spanish football federation, the Real Federación Española de Fútbol.

The final is sold with the annual two-legged Supercopa match between the winners of the Copa del Rey and the Primera, plus home friendlies of the Spanish national team.

The rights are currently held by commercial broadcaster Mediaset in a three-year deal, from 2015 to 2017, worth about €35m (*TV Sports Markets* 19:2).

#### Global battle

TV Sports Markets understands that LaLiga's original deal with Mediapro for marketing the league's international rights – a €400m minimum guarantee, with the agency taking the next €50m and income shared thereafter – was adjusted one month ago at the direction of the CNMC.

Mediapro will instead be paid on a commission basis for all international rights sales. LaLiga will collect revenue and distribute to its clubs.

Shortly after Mediapro's appointment as marketing agent on June 19, Telefónica made an unsolicited €450m-per-season bid to LaLiga for all international rights.

Mediapro had already invited bids for international LaLiga rights from June 19 to 29. At that stage, deals would not have included Telefónica's four clubs in the 2015-16 season.

Telefónica agreed a deal for the IMG Events & Media agency to represent the international rights of these four clubs. IMG is understood to have made a bid of €455m per season to Mediapro for all international rights. This would have solved the problem of Mediapro selling an incomplete package in 2015-16.

Both Telefónica's and IMG's offers were

rejected as too low. The agreement with IMG ended after the telco agreed to cancel its 2015-16 club deals in order to agree the domestic deal with LaLiga.

#### **BETTING RIGHTS**

# IMG throws down the gauntlet as Liga comes to market

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and the Perform Group.

IMG has grown rapidly by buying the betting rights to top football, tennis and basketball. The agency is candid about its ambitions. Agency chairman Michel Masquelier told *TV Sports Markets:* "If we are not already number one in the sector, we are not far off. Certainly, it is our intention to be the number one."

The agency believes its approach is different to that of its three main rivals in the sector – Sportsman, Perform and Sportradar – in only using official data. Masquelier also believes that IMG is moving the business model away from buying rights from rights-holders and making large profits from bookmakers.

"I believe that we are changing the way the business works in a number of ways," he said. "First, by working only with official data where there are no IP issues. Second, by having an open, transparent relationship with the governing bodies where they know exactly how we are exploiting all of their inventory and are receiving an income from this.

"We get paid a commission for our work. We are not in it to make a high margin for ourselves in the short term but to help build lasting value for the governing body."

In terms of revenue, the number one position is held by Perform (see table, page 4). Joint chief executive Simon Denyer this week said there was an important difference between Perform and IMG in the way Perform positioned itself.

"We don't sell this like a package of rights. We are not a rights sales company like IMG. We are a product company," he said. "We create products that work for bookmakers and allow them to create new revenues. We have 50 people that work on the product, 150 developers that build the background technology. The content schedule is important but the features are really important."

Daniel Fenner, UK managing director of Sportsman, said the way the sector had grown to date was good for both rightsholders and betting operators.

Lukas Seiler, managing director of audiovisual media and content at Sportradar, said the recent level of competition had been "somewhat aggressive and destructive" and had pushed prices to unsustainable levels.

#### Ligue 1 puzzle

The betting rights to another of Europe's top football leagues – France's Ligue 1 – may also be on the market this summer, in an unexpected development.

IMG acquired the rights in December last year when it bought a portfolio of sports rights held by the MP & Silva agency, which also included betting rights to Italy's Serie A. IMG paid about €21m per season for the full package of rights for three seasons, from 2015-16 to 2017-18 (TV Sports Markets 18:23). Independent experts put the value of the Ligue 1 rights at about €2m per season in the previous three-season cycle.

TV Sports Markets understands that in April, beIN Media Group, the French league's international rights-holder, asked MP & Silva to remove the rights from the IMG deal. IMG's fee to MP & Silva was reduced proportionally.

It is understood that the decision was not based on IMG's valuation of the rights, but because beIN wanted to have direct control over the property. Informed sources say beIN will talk with all of the players in the market, including IMG.

#### Rapid growth

The live streaming of sport to bookmaker websites, which spawned the industry, was born in 2004 when Sportsman was asked to provide content for Bwin to drive customers to the online bookmaker's site.

The live streaming industry is today worth more than \$250m per year.

The streaming of horse racing, whose rights are controlled by the racing industry and not made available to

Live online streaming: how the market breaks down			
Operator	Live events per year	Bookmaker clients	Annual revenue (\$m)
Sportsman Media Group	24,000	50	50
Perform Group	19,000	50	160
IMG Events & Media	16,000	40	55
Sportradar	7,500	15	15
Source: TV Sports Markets Client and revenue figures refer only to live streaming and exclude other data-based services.			

agencies or brokers, adds about \$40m to \$45m per year to the total.

Live sport is valuable to online bookmakers. It is one of the main drivers of in-play betting, which has become an increasingly lucrative part of their business. Having the most glamorous sports leagues and tournaments has a lot of marketing value. However, it is also vital for bookmakers to have content which they can offer at all times of the day, all year round. But securing quality and volume doesn't come cheap.

Both Perform and Sportsman have a minimum price which online bookmakers must pay. The bookmakers can choose what content they show, to a certain degree, but must hit the minimum price.

For bookmakers in the UK, the most lucrative market, this is just under £2m (€2.8m/\$3m) per year for Perform and slightly less for Sportsman. IMG has a three-tier offering, with gold, silver and bronze packages. One UK bookmaker source said IMG's gold package was the most expensive product on the market.

#### **Bubble set to burst?**

Many bookmakers opt for a deal with one supplier, but some of the major bookmakers sign up with two or even three, pushing annual content costs above €8m per year. It is a level where many are questioning whether they are getting an adequate return on investment.

As one industry insider put it: "Video streaming is a luxury for bookmakers. Data is the petrol that drives the car. If prices continue to rise, many bookies will find other ways of visualising data, such as virtual sports content and the whole streaming bubble will burst."

Sportradar's Seiler said the level rights fees have reached "no longer makes sense for the industry which, unlike the general broadcast media landscape, is truly dedicated to quick returns on investment and profitability." He said it was difficult

not to see price inflation as the precursor to "some kind of bubble-bursting reaction".

Sportradar is the market leader in the provision of data to bookmakers and entered the live streaming market in 2014. It was one of four bidders for the Bundesliga rights in February. However, the company seems unlikely to get into further price wars with the other three operators for premium rights. It is thought to have ruled out, for example, bidding for either LaLiga or Ligue 1.

Sportsman's view is that factors such as consolidation among bookmakers, the growth of other forms of sports betting, and "more complex legal environments" will lead to a cooling of prices for top-level sports properties. But prices will rise for smaller sports properties.

"There is big competition for the flagship rights, like top football, that you need in your portfolio to get a foot in the door," Fenner said. "You need to diversify and focus on other things. We are in a very strong position in sports like table tennis, volleyball, beach volleyball, badminton for example. There will be other sports which will pop up in the next three to five years, especially where you can combine them with live data."

For Perform's Denyer, the period of really rapid growth in revenues for players in the sector is over, unless major regulatory changes open up new markets like the US, China or other parts of Asia.

"We believe there is no way that revenues can grow at more than 10 per cent per year without significant regulatory change in some of the bigger markets," he said. "Current markets are reaching maturity, the number of people betting is reaching maturity. Some operators in those markets are consolidating. That's why we are genuinely surprised that some of the new guys have chosen now to enter the market."

Www. For the full interview with Michel Masquelier, visit our website.

#### **AGENCIES**

## Race to pick off 'highly profitable' Traffic contracts

By Frank Dunne

Several major sports-rights agencies are trying to buy Traffic Sports's rights portfolio in the wake of the Fifa bribery scandal in which the agency is implicated. The agency is in talks with several parties, with negotiations expected to take about six months to complete.

Traffic will almost certainly have to sell its entire rights portfolio so its founder, José Hawilla, can pay a \$151m (€135m) forfeiture to the US Department of Justice after pleading guilty to racketing, wire fraud and money laundering.

In May, the DoJ issued a 47-count indictment against nine football confederation officials and five sports marketing executives, including Hawilla and Aaron Davidson, president of Traffic Sports USA (*TV Sports Markets* 19:11).

One rights expert said the situation represented an "unprecedented opportunity" for agencies like IMG Events & Media, Infront Sports & Media, Lagardère Unlimited, Mediapro, MP & Silva and Pitch International. "You have an exploding market," he said. "There is no crisis in Latin America. There has only been one direction for the last 15 years, and that is up. The guys who have run the show for the last 30 years are disappearing from one day to the next. We are starting again with a blank sheet of paper."

Given the pressure Traffic is under, some rival agencies anticipate a fire sale which could give them a cheap entry into a hugely valuable market. But one source close to the agency told *TV Sports Markets* that it would not be doing "any stupid deals".

Traffic holds global television and/or marketing rights to a wide range of football properties in long-term deals (see panel). The agency source described it as a "highly profitable" portfolio.

An alternative to selling the portfolio would be to sell the entire agency. However, one industry executive said that

#### The Traffic Sports football portfolio

**Copa América.** Datisa holds global media and marketing rights to the competition until 2023, with an option for a further three editions.

Datisa, a company made up of Traffic and the Full Play and Torneos y Competencias (TyC) agencies, agreed the deal with the South American Football Confederation (Conmebol), beginning with the 2015 Copa.

Datisa paid Conmebol \$75m for the 2015 edition, \$80m for the 2019 edition and \$85m for the 2023 edition. For the 2016 centenary edition it paid Concacaf \$35m and Conmebol \$112.5m.

Potential buyers have two choices: buy Traffic's stake or agree deals with all three companies to take over the rights completely. It is understood that Full Play and TyC are also both keen to sell. **Copa do Brasil**. Global marketing rights, including the highly lucrative

sponsorship rights in Brazil, plus media rights outside Brazil, from 2013 to 2022. The rights are held in a 50:50 joint venture with Brazilian agency Klefer Sports Marketing.

Copa Sudamericana. Global media rights, outside the Americas, until 2018. Copa Libertadores. Global media rights, outside the Americas, until 2018. World Cup qualifiers. A mixture of media and marketing deals signed with individual Concacaf federations covering the 2014-18 and 2018-22 cycles. Some deals include first-party media rights, all include second- and third-party rights. The home matches of the USA and Mexico are not included. A large part of the value is thought to lie in the away matches of Mexico.

The rights are sold with the US-based Media World agency. Each acquired rights directly from the federations.

other agencies would probably not want to take on "the head count of Traffic or an expensive office in Brazil when they have their own structures in place".

#### **Gold Cup withdrawal**

Earlier this month, Traffic Sports USA handed back to Concacaf the sponsorship rights it held to the biennial Gold Cup until 2021 and the Concacaf Champions League until 2022. Traffic had paid \$60m for the rights. Concacaf is the governing body of football in the Caribbean, North America and Central America.

The agency was experiencing problems in servicing its contracts as a result of the bribery scandal, with one major sponsor questioning the agency's continued involvement. "Traffic felt the agreement could not be serviced in a way that makes them or Concacaf happy," the source said. "They got together in a cooperative manner and Traffic said: 'Let's give the rights back to you guys.' The initiative came from Traffic."

Local media sources say that ending the deal early suits Concacaf from a political perspective as it gives the governing body a clean break with the past. One executive said Concacaf's public stance on

reforming and cleaning up its operations was in marked contrast to the approach of the South American Football Confederation (Conmebol), which has so far said nothing on the matter.

However, Concacaf has not yet made any moves to end its contract with Datisa, the joint venture company made up of Traffic and the Full Play and Torneos y Competencias (TyC) agencies, for the commercial rights to the centenary edition of the Copa América in 2016.

The global media rights to the 2015 Gold Cup and Concacaf Champions
League were acquired by IMG (*TV Sports Markets* 18:16). The agency is understood to want to renew the deals beyond 2015 and is expected to use the renewal talks to push for a long-term deal covering both media and marketing rights. The existing deal is thought to be worth about \$2m.

Some local experts expect IMG to face strong competition from Soccer United Marketing, the marketing arm of Major League Soccer and the United States Soccer Federation.

#### Datisa freeze

The case has created other short-term problems for Traffic. Datisa bank accounts

were frozen by the DoJ just before the 2015 tournament got under way last month. This prevented Datisa paying rights fees from broadcasters and sponsors to Conmebol, the tournament organiser.

The fees ended up being paid directly to Conmebol, leaving Datisa with no debt to Conmebol but no access to the fees it had already accrued. The account remains frozen and it is unclear how rights fees will be paid for future editions, including the centenary edition next year.

#### Watertight

There had been speculation that Full Play, Traffic and TyC would be forced to hand back rights to Concacaf and Conmebol as a result of the bribery investigation. However, the agencies believe there are no legal grounds for their contracts to be unilaterally cancelled by the two confederations.

Traffic also believes the DoJ would not welcome any move which could push it into bankruptcy as this would make it harder for the DoJ to get its money back. Hawilla has paid off \$25m and needs to find a further \$126m. He is hugely wealthy and has other assets, but it is understood that the forfeiture must come from Traffic revenues.

As part of the DoJ investigation, Traffic Sports USA and Traffic Sports International are each operating on one year's probation and have had to pay a \$500,000 fine.

#### **RUGBY UNION**

# Pay-TV premium not enough to stop free-to-air team-up

By Robin Jellis

The Six Nations Committee bucked the trend when awarding its UK rights earlier this month, opting for wide coverage from free-to-air broadcasters and leaving pay-television money on the table.

Its new deal for Six Nations rugby union rights in the UK with public-service broadcaster the BBC and commercial broadcaster ITV is understood to be

worth an average of £50m (€70m/\$78m) per year over six years, from 2016 to 2021, although some sources close to the Six Nations claim the value is higher.

The deal replaces the previous £41m-per-year BBC deal, intended to run for four years, from 2014 to 2017.

Under the deal, ITV will show home matches of the English, Irish and Italian national teams. The BBC will show home matches of the French, Scottish and Welsh national teams. The fee is thought to be split about 55:45. ITV is paying about £27.5m per year and the BBC about £22.5m per year.

The committee chose the BBC/ITV offer ahead of a bid from pay-television broadcaster Sky worth £60m per year from 2018 to 2021. Local experts say the £10m per year premium was not enough to warrant moving the Six Nations to pay-television, and that any pay-television broadcaster would have had to offer at least £70m per year to win the rights.

There is thought to have been some discord among the committee members. The Welsh Rugby Union was strongly in favour of maintaining free-to-air coverage. Scottish Rugby, however, is said to have wanted the most lucrative deal possible. The Celtic unions are far less well-off than the English Rugby Football Union and television revenues make up the bulk of their income.

The Six Nations is a category B event under listed-events legislation in the UK, meaning the whole of the Six Nations can be shown exclusively live on paytelevision, as long as delayed or highlights coverage of home nation matches is made available free-to-air.

Commercial broadcasters Channel 4 and Channel 5 did not bid for the rights.

In January, Six Nations chief executive John Feehan said that offers from pay-television broadcasters would be considered for the first time.

Pay-television broadcaster BT Sport is understood to have looked seriously at the Six Nations, but declined to bid. It is happy with its current portfolio of rugby rights, which includes the English Premiership and European matches. BT was also wary of damaging its relationship with the BBC, with which it shares coverage of the FA Cup.

BT also felt that if the Six Nations were shown on pay-television it could have a detrimental effect on its own rugby coverage. The Six Nations draws huge audiences on free-to-air, which is vital to attracting new fans.

#### Good deal?

At first glance, the deal appears a decent one for most parties involved.

The Six Nations will remain free-to-air, reaching a large audience, and has secured a fee increase. The BBC has reduced its fee with immediate effect, but has retained some rights. And ITV has acquired a strong property which will appeal to male viewers following the loss of the Uefa Champions League to BT in November 2013 (*TV Sports Markets* 17:21). It also ties in with its coverage of the Rugby World Cup later this year.

However, a 22-per-cent increase for a sought-after property such as the Six Nations in an era of rapid rights-fee inflation is quite underwhelming; especially considering the 2014-2017 rights fee was the same as the previous four-year cycle, from 2010 to 2013.

Other rugby properties sold in recent months, such as Sanzar and RFU rights, have commanded far larger fee increases. This raises questions over whether it may have been more beneficial to sell the Six Nations rights at another time.

One expert suggested it may have been better to sell the rights in December this year or January next. By then, the BBC is likely to know what budget it has been set by the UK government. Sky is likely to have worked out how to manage its increasing costs for Premier League rights from 2016-17 to 2018-19, and BT will have a new commercial director – Josh Smith, who is joining from the Team Marketing agency and will fill the vacancy left by James Lord.

The rights could have fetched between £70m and £80m per year in the right market conditions, one independent expert said.

The Six Nations Committee is thought to have been wary of following sports like cricket and golf to pay-television. Both sports have seen a marked decline in participation since coverage in the UK moved from free-to-air.

#### Sales process

The package initially offered to UK broadcasters is understood to have been for four years, from 2018 to 2021. The BBC is understood to have initially bid alone, offering only a marginal increase, before holding talks with ITV.

The Six Nations has historically been advised on the sale of its rights by the Bridge Television agency. The UK sales process, however, was handled by media rights adviser David Kogan.

Kogan's selection was pushed by Ian Ritchie, chief executive of the RFU. Kogan's Reel Enterprises used to advise the English Football League, for whom Ritchie used to be a director.

The change was motivated by the fact this was the first time Six Nations rights have been tendered in the UK. Deals have previously been agreed directly with broadcasters.

The Six Nations declined to comment on the deal when contacted by *TV Sports Markets*, but said it was approved unanimously by the Six Nations council.

#### **BBC** bonus

The BBC has lost half the Six Nations rights it used to hold, but the deal can, in some respects, be seen as a victory.

Last month it lost out in the bidding for Olympic Games rights to the Discovery Communications media group (*TV Sports Markets* 19:13). It is likely to be able to sublicense only 100 hours of the 2022 winter Olympic Games and 200 hours of the 2024 summer Olympic Games.

In February, the larger fee from pay-television persuaded the Royal and Ancient Golf Club to switch coverage of British Open golf to Sky from the BBC. The deal will run from 2017 to 2021 and is worth £15m per year (*TV Sports Markets* 19:3).

The BBC has also agreed sharing deals with Sky for its coverage of Formula One motor racing and US Masters golf (*TV Sports Markets* 15:15; 18:22). These moves are a result of a shrinking budget at the public-service broadcaster.

Earlier this month the UK government announced plans to offer over-75s free television licences – a move set to cost the BBC £650m, one-fifth of its total budget.

Barbara Slater, BBC director of sport, has said the corporation will have to make "tough choices" in the years ahead.

Despite this, the BBC looks likely to extend its deal for Wimbledon rights. The All England Lawn Tennis Club is said to be keen for the rights to remain on the BBC when the broadcaster's current deal ends. It pays £42m per year from 2015 to 2017 (TV Sports Markets 19:13).

Www. For information on other deals the Six Nations will agree, visit our website.

#### PARALYMPIC GAMES

# Japan hosting helps IPC land its biggest broadcast deal

By Richard Welbirg

The value of exclusivity and a home Games in 2020 helped the International Paralympic Committee strike its biggestever deal, with Japanese state broadcaster NHK, late last month.

NHK, the long-time Paralympic broadcaster in Japan, will pay close to \$28m (€25m) for four Paralympic Games: the 2018 winter Games in Pyeongchang, South Korea; the 2020 summer Games in Tokyo, Japan; and the 2022 and 2024 Games.

The price of the Tokyo games, which includes production costs, accounts for about 80 per cent of the total.

It is a huge increase on the two-Games deal with NHK for Sochi 2014 and Rio 2016, which was understood to be in the low millions of dollars (*TV Sports Markets* 18:1). That deal was a three-fold increase on the value of the rights in Japan for the 2010-2012 cycle.

Following 2012, the committee entered direct talks with NHK over a deal for 2014 and 2016, after which it was also approached by pay-television operator Sky PerfecTV.

As soon as Tokyo was awarded the 2020 Games the IPC began discussions with NHK. But it again found broadcasters willing to bid against NHK. NHK was concerned by the precedent of the 2012 Games, where the IPC left its long-term UK home on public-service

broadcaster the BBC for a better offer from commercial broadcaster Channel 4. This helped push up the price in Japan.

NHK was also willing to pay more to ensure exclusive control over the rights. NHK lacks the channel space to show more than a fraction of the total Paralympic content.

For Sochi, NHK sublicensed rights to Sky, which created a dedicated 24-hour channel for the duration of the Games, showing about 60 hours of live coverage. Customers could take advantage of a trial period to watch the Games at no cost; its value to Sky was in getting viewers in the hope they would become subscribers.

Sky will also sublicense rights from NHK for 2016. Sublicensing deals are common in Japan, where there is a tradition of cooperation between broadcasters. It is extremely likely NHK will sell on rights to subsequent Games, although no agreements are yet in place.

As well as acquiring Paralympic rights, NHK is a key member of the Japan Consortium which acquires rights to Olympic Games and football World Cups in the country. The Consortium paid ¥110bn (€770m/\$880m) for the four Olympics from 2018 to 2024 (*TV Sports Markets* 18:12).

In contrast to the consortium approach, signing an exclusive deal with the IPC ensures NHK has ultimate control over which broadcaster shows what content as it will handle sublicensing agreements.

A four-Games deal – the first time the IPC has sold four Games in one transaction – has advantages for both sides. The IPC gains guaranteed coverage and long-term financial stability. NHK pushed for a longer deal as it did not want another broadcaster capitalising on the work it will put into 2020.

NHK's broadcast commitments have risen over the years. It aired 15 hours live from the winter Games in Vancouver 2010 and 29 hours from Sochi 2014. It committed to 38 hours from the summer Games in London 2012 and 46 hours from Rio 2016.

The new deal does not contain specific commitments to broadcasting a certain number of hours live. NHK is understood to have made clear its intention to exceed its Sochi coverage for Pyeongchang, and

to broadcast more live coverage from Tokyo 2020 than any preceding Games.

The deal also includes non-exclusive rights to international para-sports events staged by the IPC between Paralympics. These are: Alpine skiing, athletics, biathlon, cross-country skiing, sledge hockey, powerlifting, shooting, snowboarding, swimming, as well as wheelchair dance sport, which is not part of the programme for 2020.

There is no fixed commitment from NHK to show these events, but the broadcaster has made them part of its strategy to build interest in para-sports ahead of the 2020 Games.

#### **GOLF**

# Shift to pay-TV helps R&A boost global Open revenue

By Callum McCarthy

The Royal and Ancient Golf Club (R&A) is thought to have earned \$55m (€50m) in global media rights revenue for the 2015 British Open golf tournament, an increase of about \$10m in the last three years. And fees for the Open are set to jump dramatically to about \$90m in 2017 when lucrative deals in the UK and US begin.

The R&A doubling its income in five years is arguably a good result. Golf properties do not generally enjoy the huge percentage increases earned by other sports. This is mainly because golf is less of a driver of subscriptions for paytelevision broadcasters in comparison to premium, season-long content.

The R&A employs the IMG Events & Media agency to negotiate the sale of its media rights in each market, but remains the signatory to all deals. The R&A/IMG strategy has sometimes been controversial in moving coverage to pay-television, but it is clearly driving revenues.

Of the \$55m total, about 70 per cent is from the UK and US, in deals with state broadcaster the BBC and pay-television channel ESPN respectively. By 2017 the amount generated from the UK and US will account for more than 80 per cent when new deals begin.

In March, the R&A agreed a five-year deal covering the UK and Ireland with pay-television broadcaster Sky, from 2017 to 2021, worth £15m (£21m/\$23m) per year. This is double the amount paid by the BBC in its current five-year deal, from 2012 to 2016 (TV Sports Markets 19:3).

In June, the NBCUniversal media group agreed a 12-year deal, from 2017 to 2028, which will be worth just over \$50m per year, more than doubling what is currently paid by pay-television channel ESPN (*TV Sports Markets* 19:11).

These deals are the primary drivers behind the projected increase of about 64 per cent in global rights fees from 2015 to 2017.

The British Open earns more than the US Open and US PGA Championship, two of the three other golf majors, from its global media rights.

It is thought that the other major, the US Masters, earns slightly more than the British Open. These rights are sold by the Augusta National Golf Club.

#### Sales strategy

Decisions on whether tenders are offered to local broadcasters are made jointly by the R&A and IMG. Tenders are almost always launched in competitive markets, though this was not the case in the UK until the most recent deal.

Negotiations with UK broadcasters had previously been conducted privately, but the tender earlier this year produced a 100-per-cent increase.

Private negotiations are generally preferred in territories where the R&A has long-term relationships with broadcasters, or where a particular market is dominated by one broadcaster.

Sales strategies are decided jointly on a market-by-market basis, but IMG's sales representatives are responsible for negotiating deals with broadcasters.

#### **Broadcast appeal**

As the oldest of the four major golf tournaments, the British Open brings prestige to broadcasters. The tournament is also appealing to sponsors and advertisers with luxury products to sell.

However, the value of Open rights is limited in some markets by the time at which the tournament takes place. One US golf expert said: "The morning airtime isn't ideal for broadcasters and advertisers, but there's an aspirational and travel angle to the British Open in the US."

Some broadcasters believe the British Open suffers from its policy of rotating the golf courses it uses for the tournament. The Open has been played on nine different courses since 2004. The US Masters, meanwhile, is played at the iconic Augusta National each year.

#### **R&A** deals

Outside the UK and the US, the most valuable market is Japan, where the R&A has a five-year deal with commercial broadcaster TV Asahi worth about \$7m per year, from 2013 to 2017. Rights fees have grown steadily in Japan over the last decade or so. TV Asahi's deal from 2003 to 2007 was worth between \$5m and \$6m per year (TV Sports Markets 11:12).

The British Open's favourable timezone for Japanese audiences is thought to have helped the R&A avoid stagnant rights fees, but it has not been so lucky in other markets.

Germany, Europe's second-largest golf market, has been problematic for the Open. Pay-television broadcaster Sky Deutschland is the only likely buyer, decreasing the R&A's ability to negotiate higher fees. Sky currently pays €200,000 per year in a four-year deal, from 2015 to 2018 (TV Sports Markets 19:8).

Another market where the R&A has one likely buyer is sub-Saharan Africa, where it has a five-year deal, from 2013 to 2017, worth \$350,000 per year with pay-television broadcaster SuperSport.

Open rights in Spain are currently held by pay-television operator Canal Plus in a deal worth about €650,000 per year.

Established Western golf markets outside the UK and US are unlikely to provide much growth over the next decade. The R&A will be looking for growth in countries with an expanding middle class, or where golf participation is growing. However, the fastest-growing golf market is South Korea, a country with an already established middle class.

In South Korea, golf is not seen as an elite, expensive, and male-dominated sport as it is in many other countries, and is more accessible than in other markets.

Pay-television channel JTBC Golf holds Open rights in South Korea in a deal worth about \$800,000 per year. This is expected to grow more quickly in future deals than in other more established golf markets.

#### **CHANNELS**

# New BTV deals part of continued market shake-up

By Callum McCarthy

Pay-television channel BTV, owned by Portuguese Primeira Liga club Benfica, this month acquired exclusive rights to three second-tier properties in Portugal.

BTV will pay around €400,000 (\$440,000) per year for Ultimate Fighting Championship rights, including pay-perview and Fight Night events, over three seasons from 2015-16 to 2017-18. It will show around 40 live events per year.

BTV also acquired rights to Italy's Serie A and France's Ligue 1 in threeseason deals, from 2015-16 to 2017-18, worth a combined total of less than €500,000 per season. The rights were sold by the MP & Silva agency.

Benfica TV launched as a basic-tier club channel in December 2008, showing only club content. It acquired other sports rights before rebranding as BTV ahead of the 2013-14 football season.

Its arrival has made Portugal a more fertile territory for rights-holders; the market had long been dominated by pay-television broadcaster Sport TV.

Domingos Soares de Oliveira, Benfica chief executive, said that BTV turned a profit of  $\epsilon$ 17m in 2014, and expects to increase this margin by between  $\epsilon$ 3m and  $\epsilon$ 5m in 2015.

However, a number of local media executives dispute this, and believe the channel is losing money.

De Oliveira told *TV Sports Markets* this week: "We are in the market fighting with Sport TV for any content. They know now they have a competitor who will bid for everything. There will be deals where they will beat us, but there will be a market with two strong competitors."

#### **New deals**

BTV previously held exclusive rights to UFC Fight Nights hosted in Europe and the Middle East from 2014-15. Sport TV held rights to UFC pay-per-view and Fight Night events hosted outside Europe, the Middle East and Africa.

UFC events hosted in time-zones less favourable for live coverage will be broadcast live, but will also be repeated during prime-time on weekday evenings.

"We see the interest around fight sports is increasing. We've been following the UFC for the last two to three years and we understand demand from subscribers is much stronger than in the past," de Oliveira said

The acquisition of Serie A and Ligue 1 is not expected to have a big impact on BTV's subscriber numbers, as the leagues are not hugely popular in Portugal.

"Our view is that the content driving revenue is Benfica matches," de Oliveira said. "That's the content people are trying to see. We have the Italian and French leagues, and they are important. I would never say those leagues are complementary content, but it's not the main driver for our subscribers."

#### Primeira Liga ambition

Experts believe the future success of BTV will hinge on whether it can acquire rights for top-tier properties in Portugal, of which there are few. Football is by far the most popular sport in the country.

The domestic Primeira Liga, the Champions League, the Spanish Liga and the English Premier League are the most important properties.

Of these, BTV holds rights only to the Premier League in a three-season deal, from 2013-14 to 2015-16, worth €2.3m per season (*TV Sports Markets* 17:5). Sport TV holds rights to the other three.

Despite this, BTV holds rights to all Benfica home Liga games. These were carved out of the Olivedesportos agency's package of Liga rights, which began from the 2013-14 season. Benfica home games are BTV's jewel in the crown – Benfica's decision not to pool its rights was the reason for the expansion of its club channel in 2012.

De Oliveira said BTV will bid for all Primeira Liga rights when they are next on the market. Primeira Liga rights are currently sold by individual clubs, but it is thought the league may move to a centralised model when its deal with Olivedesportos expires after 2017-18.

If the rights are centralised, and BTV were to bid for all rights, its current ownership structure would present a huge problem.

BTV is wholly-owned by Benfica, and about 80 to 90 per cent of revenue generated by smaller Primeira Liga clubs comes from media rights. BTV would have to become independent of the club if it were to bid.

De Oliveira said: "We are comfortable with our vision and overall structure, but in order to prepare for 2018 we are more than open to study possibilities of opening up our TV channel to other investors. With a different shareholder structure, BTV will be ready to bid for the Portuguese league TV rights."

For the full interview with Domingos Soares de Oliveira, visit our website.

#### **FOOTBALL**

# Premier League boosts coverage in China; sells UK clips

By Richard Welbirg and Frank Dunne

The value of Premier League internet rights increased hugely in deals in China, but the value of digital clips in the UK remained flat in this week's deal with Sky.

In China, Super Sports Media Group will make a considerable profit on the Premier League next season after striking three digital rights deals this month.

Three internet firms – LeTV Sports, Tencent and Sina – will each pay \$18m (€16m) for non-exclusive rights to 230 of the 380 Premier League matches in the 2015-16 season. Matches are streamed free-of-charge to users. Content is monetised by selling advertising.

Total income of \$54m means the agency is earning a considerable margin on the \$18m per season it pays for exclusive Premier League rights in China and Macau over six seasons, from 2013-14 to 2018-19 (*TV Sports Markets* 18:4).

It is a significant increase on the value of the digital deals the agency agreed with LeTV (\$11m) and PPTV (\$13m) for the 2014-15 season. Both covered 152 live matches. The agency agrees one-season deals to account for volatility in what is a fast-changing sector.

The deals highlight the returns that can be earned from the large and still growing online sector in China, where rights fees have historically been depressed by the dominance of state broadcaster CCTV.

They also pose the question of whether the Premier League has missed out by selling its rights to SSMG over such a long period at what now looks like a low price.

The Premier League was one of the first rights-holders to try to earn more in China by circumventing CCTV. In the 2007-08 to 2009-10 cycle, the league irked CCTV by signing a deal worth \$62m with Win TV, but the nascent pay-television operator struggled for subscribers.

Win TV's financial troubles meant SSMG took over the 2010-11 to 2012-13 rights, paying \$16m per season. When the Premier League last sold its rights, the offer from SSMG is thought to have been the only financially acceptable bid.

SSMG also signs single-season deals with Chinese provincial broadcasters. These are less valuable – a deal for 2015-16 with Guangdong TV, one of the larger provincial networks, is worth RMB10m (£1.5m/\$1.6m) – but help meet the Premier League's demand for exposure.

#### **UK clips deal**

The Premier League this week secured only a very small increase in the value of its UK digital clip rights in its deal with pay-television operator Sky.

In the new deal, from 2016-17 to 2018-19, Sky will pay slightly more than the £12m (£16.9m/\$18.6m) per season that newspaper publisher News Corp pays in the current three-season deal, from 2013-14 to 2015-16. Both companies are owned by Rupert Murdoch.

Sky faced competition from, among others, rival pay-television operator BT, and newspaper group DMGT, owner of Mail Online. BT is in the middle of a £12.5bn takeover of mobile operator EE, for whom the clips would have had good marketing value. BT is not thought to have bid aggressively.

Last time, News bid against Sky and wanted exclusivity to drive subscription

take-up of the online versions of its newspapers *The Sun, The Times* and *The Sunday Times*. News had been determined to win the rights in the first round and went in at a level at which nobody could compete (*TV Sports Markets* 17:3).

In the new deal, Sky will use the clips across its digital platforms and will share the clips with News Corp, which will use them for its newspapers.

One expert said: "Last time, News Corp was just launching and it was all about making a statement. This time it was about monetisation." The new version of News Corp launched in June 2013, following the separation by Murdoch of his media and publishing assets in the wake of the UK phone-hacking scandal.

The online version of *The Sun* is changing strategy. This month, two years after launching as a pure subscription service, it has started making content available for free.

One UK expert said that for Sky, the investment was largely defensive. It ensured no other media operator could link their brand to the Premier League. The more Sky invests in live television rights, the more important it becomes to protect its exclusivity.

#### **FOOTBALL**

# MP & Silva opts for wider coverage in deal with MSM

By Richard Welbirg

Star India's strategic shift away from overseas sport allowed Multi Screen Media to buy rights to Italy's Serie A and the English FA Cup earlier this month.

From 2015-16 to 2017-18, Sony-owned pay-television broadcaster MSM will pay just over \$1m (€910,000) per season for Serie A and \$2m per season for English Football Association content, including the FA Cup. The deals were agreed with the MP & Silva agency.

Both properties were held by paytelevision broadcaster Star, the legacy of deals signed with its predecessor ESPN Star Sports, the joint venture between US broadcaster ESPN and Rupert Murdoch's News Corporation (*TV Sports Markets* 16:8). The joint venture was dissolved in 2012 when Murdoch bought out ESPN's 50-per-cent stake and divided its Indian and Asian operations.

Star has since shifted its strategy from top European football to India-oriented acquisitions. It has invested enormous amounts in cricket, and is attempting to drive the growth of smaller domestic properties including football, field hockey and kabaddi (*TV Sports Markets* 16:7; 17:20; 18:19; 19:13).

This has squeezed the airtime available for international sport. Star held the FA rights in a six-season deal, from 2012-13 to 2017-18, worth \$2m per season.

However, MP & Silva cut short the deal, buying back the rights from Star over the final three seasons because the broadcaster could not guarantee acceptable levels of coverage.

MP & Silva pays \$20m per season for FA rights across Asia, excluding Thailand, from 2012-13 to 2017-18.

The new deals bring the FA Cup back to MSM. It held the rights for four seasons, from 2008-09 to 2011-12, in a deal with the IMG Events & Media agency worth \$875,000 per season. IMG had acquired FA rights – which also include home friendlies of the England national team – in Japan and the Indian subcontinent for about \$1.25m per season (TV Sports Markets 16:20).

Similar to its FA deal, Star's \$500,000-per-season deal for Serie A rights from 2012-13 to 2014-15 was not renewed due to the fact the broadcaster could not guarantee enough coverage.

MP & Silva held discussions with all players, and found MSM's commitment to broadcast five matches per week, outside of the Indian Premier League season, the most persuasive.

In the previous Serie A cycle, 2009-10 to 2011-12, pay-television broadcaster Ten Sports paid \$100,000 per season.

MP & Silva pays  $\in$ 185.6m per season for Serie A international rights from 2015-16 to 2017-18 (*TV Sports Markets* 18:20).

# TVSportsMarkets RIGHTSTRACKER



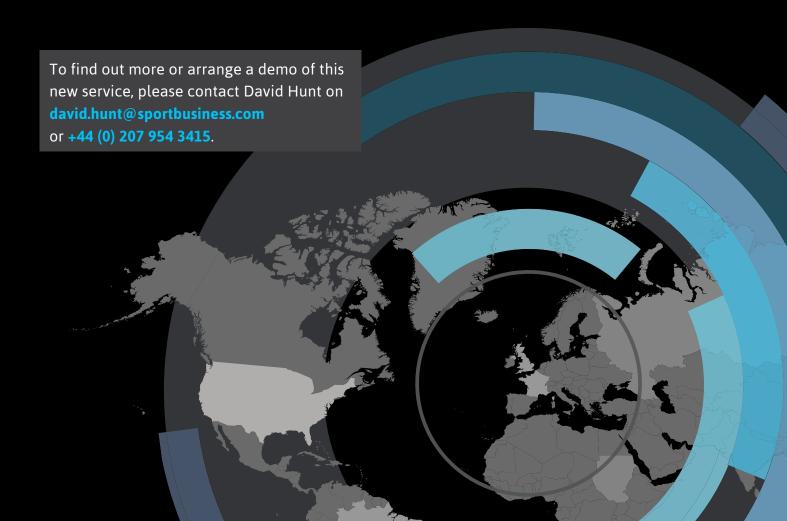
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- how historic trends might affect the value of rights in a particular market
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Constantly updated by our new research analyst team, the platform also features analysis by the renowned TV Sports Markets team as well as up-to-date company financial and key market data.



#### **MEDIA RIGHTS 1**

### Football: LaLiga, Premier League, Champions League, FA Cup and more

- **Football:** Spanish telco Telefónica struck a deal with LaLiga, the new brand name for the Spanish football league, covering the 2015-16 season (page 1).
- **Football:** UK pay-television broadcaster Sky secured a three-season deal, from 2016-17 to 2018-19, for video clips rights to the English Premier League. Sky also signed an exclusive distribution partnership with News UK for clips across the newspaper group's digital services for *The Sunday Times*, *The Times* and *The Sun* (page 9).
- Football: BeIN Media Group acquired rights in Oceania for the Uefa Champions League and Europa League European club tournaments. The deal, worth \$7.5m (€6.8m) to \$8m per season, will run for three seasons, from 2015-16 to 2017-18.
- Football: LeTV Sports, the sports-rights venture operated by Chinese IPTV operator LeTV, agreed a three-season deal, from 2015-16 to 2017-18, for rights to the Uefa Champions League, Europa League and Super Cup competitions.
- Football: LeTV Sports agreed a strategic collaboration with the MP & Silva agency under which it acquired rights for several properties, including: Italian Serie A, French Ligue 1, Belgian Pro League, English Football Association rights, English Football League rights and the 2015 Copa América. The majority of the rights are exclusive.
- Football: LeTV Sports and Chinese online companies Sina and Tencent secured digital rights for the 2015-16 season of the English Premier League in a sublicensing deal with Super Sports Media Group (page 9).

- Football: Pay-television broadcaster Eleven Sports Network acquired rights in Poland for England's FA Cup in a three-season deal, from 2015-16 to 2017-18.
- Football: The ESPN International division of sports broadcaster ESPN agreed a five-season deal, from 2015-16 to 2019-20, for rights to the Spanish Liga in Brazil. It previously held rights across Latin America. The agreement was brokered by the Mediapro agency (page 2).
- Football: Italian pay-television broadcaster Fox outbid rival paytelevision broadcaster Mediaset Premium for Spanish Liga rights from 2015-16 to 2017-18. The sale was managed by the Mediapro agency (page 2).
- **Football:** Dutch pay-television broadcaster Sport1 renewed rights for the Spanish Liga for three seasons, from 2015-16 to 2017-18 (page 2).
- **Football:** Greek pay-television broadcaster OTE renewed its exclusive deal for the Spanish Liga. The deal will run for three seasons, from 2015-16 to 2017-18 (page 2).
- Football: Ethiopian public-service broadcaster EBC acquired rights for Serie A. The length of the deal was not disclosed. Italian company TVN Media Group helped broker the deal.
- Football: The Setanta Sports Eurasia pay-television channel agreed deals with MP & Silva for Serie A, Ligue 1, the Belgian top-tier Pro League and the Scottish Professional Football League. The rights, covering Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan,

- Kyrgyzstan, Latvia, Lithuania, Moldova, Tajikistan, Turkmenistan and Uzbekistan, will run for three seasons, from 2015-16 to 2017-18.
- Football: Italian commercial broadcaster Mediaset acquired rights for Ligue 1 and the Scottish Professional Football League in a three-season deal, from 2015-16 to 2017-18.
- Football: Pay-television broadcaster NTV Plus extended its domestic rights deal for the Russian Premier League, the sport's top division in the country, for three seasons, from 2015-16 to 2017-18. The deal was approved by Liga TV, the body responsible for selling the rights. Earlier this month, it was reported NTV Plus offered R2.2bn (€35.4m/\$39m) per season for the rights, before lowering its offer to R1.9bn per season.
- Football: BeIN Media Group acquired rights for North America's Major League Soccer in seven territories in Southeast Asia and Oceania. The deal covers Australia, Cambodia, Hong Kong, Indonesia, Laos, the Philippines and Thailand for four seasons from 2015 to 2018. The agreement includes at least two regular-season matches per week plus other MLS events.
- Football: The IMG Events & Media agency became the exclusive distributor outside Spain and the US of Barça TV, the official club television channel of Spanish club Barcelona, for three seasons, from 2015-16 to 2017-18. IMG struck the deal with telco Telefónica.
- Football: Mediaset Premium acquired exclusive rights in Italy for the 2015 International Champions Cup preseason club friendly tournament.

#### **SINCE LAST TIME**

- BeIN Media Group completed a deal to acquire Turkish paytelevision broadcaster Digiturk. The deal is reportedly worth up to \$1.5bn (€1.4bn).
- Germany's federal cartel office approved media company
   ProSiebenSat.1's acquisition of a majority stake in the DOSB New
   Media division of the German Olympic Committee.
- Shanghai Oriental Pearl, a subsidiary of Shanghai Media Group, and private equity fund China Media Capital will jointly acquire a five-per-cent stake in Infront Sports & Media following the completion of the agency's takeover by Chinese conglomerate Dalian Wanda.
- Dutch public-service broadcaster NOS's bid to acquire highlights of the Eredivisie, football's top division in the country, over three seasons, from 2014-15 to 2016-17, was competitive, according to

#### **MEDIA RIGHTS 2**

## NFL, Premier12 baseball, boxing, Women's Big Bash T20 and more

- American Football: Austrian commercial broadcaster Puls 4 agreed a three-season extension, from 2015-16 to 2017-18, to its deal with the sport's NFL. Puls 4 will show 30 games live per season.
- Baseball: Japanese commercial broadcasters Tokyo Broadcasting System and TV Asahi were awarded rights for the 2015 World Baseball Softball Confederation's Premier12 national team competition in Chinese Taipei and Japan. TV Asahi's deal included rights for the 2015 U-18 Baseball World Cup in Osaka, Japan.
- Boxing: German commercial broadcaster RTL extended its deal for the fights of reigning heavyweight world champion, Wladimir Klitschko. RTL's exclusive new deal with Klitschko Management Group encompasses the Ukrainian's next five bouts.
- Cricket: Australian commercial broadcaster Ten agreed a deal with Cricket Australia to show live coverage

- of the inaugural 2015-16 Women's Big Bash League Twenty20 competition on its One channel.
- Cycling: The International Cycling Union (UCI) approved a five-year deal, from 2015-16 to 2019-20, with Belgian pay-television broadcaster Telenet, for its principal cyclo-cross events. Telenet will show five of the seven rounds of the 2015-16 UCI Cyclo-cross World Cup in a sublicensing deal with public-service broadcaster VRT, which will retain rights for the Flemish rounds in Koksijde and HeusdenZolder. From 2017 to 2020, VRT will continue to broadcast, in partnership with Telenet, two rounds of the Cyclo-cross World Cup in Belgium as well as the Cyclo-cross World Championships. From 2016-17 to 2019-20, Telenet will broadcast all rounds of the Cyclo-cross World Cup across its channels and digital platforms. Telenet will also manage international production.
- Equestrianism: French pay-television

- broadcaster Equidia Life acquired rights for equestrian events during the 2016 summer Olympic Games in a sublicensing deal with French public-service broadcaster France Télévisions. *TV Sports Markets* first reported the deal on June 26.
- Handball: BeIN Media Group acquired rights for competitions operated by the European Handball Federation. The contract covers the 2016 and 2018 men's and women's European Handball Championship national team competitions and the France national team's away qualification matches for each tournament. The agreement covers free-to-air and pay-television rights in territories including Andorra, Australia, Canada, France, Madagascar, Mauritius, the Middle East and North Africa, Monaco, and the US. BeIN Sports France will act as host broadcaster of the 2018 women's tournament. The deal was agreed with the Infront Sports & Media agency, the EHF's media and marketing partner.

national media regulator the CvdM. Commercial broadcaster SBS made the complaint against the deal after losing out to NOS in the sales process. The CvdM did order the wording of the contract to remove mentions of free exposure for pay-television broadcaster Fox, which has rights for the Eredivisie in a 12-season deal, from 2013-14 to 2024-25.

- Telcos Vodafone and Orange submitted appeals in Spain's High Court over rival Telefónica's takeover of pay-television broadcaster Canal Plus.
- US telco AT&T's proposed \$48.5bn (€44bn) takeover of satellite television provider DirecTV is set to close after the Federal Communications Commission recommended the transaction be approved. The Department of Justice's antitrust division said it would not block the deal.

#### MEDIA INTERNATIONAL

■ US network ABC restructured a content partnership with pay-television sports broadcaster ESPN covering basketball's NBA. From January, ESPN on ABC will launch a new weekly primetime series called Saturday Night NBA on ABC, featuring live coverage of games at 8.30pm eastern time. ESPN will continue to broadcast weekly, primetime double-headers on Wednesdays and Fridays, but will split its previously scheduled double-headers on Sundays so one game is shown exclusively on

Saturday nights and one game is shown live on Sunday afternoons.

- Canadian public-service broadcaster CBC committed to showing 12 more hours of the 2015 Pan American Games in Toronto after receiving complaints from viewers.
- Ofcom rejected a call by telco BT to include a full investigation into the country's pay-television market as part of the UK media regulator's ongoing digital communications review. The first phase of the review looking at the impact on competition of bundling channels and how easy it is for pay-television subscribers to switch providers was published on July 18.
- Spanish Liga football club Barcelona launched a subscriptionbased video-on-demand service, Barça GamePass, which is available in Catalan, Spanish and English.
- International pay-television sports broadcaster Eleven Sports Network agreed a carriage deal with Belgian operator Proximus. Two Eleven Sports Network channels will be available through the Proximus 11 Plus package.
- Russian pay-television broadcaster NTV Plus agreed a five-year production and distribution deal, from 2015 to 2019, with pan-European club ice hockey competition the Kontinental Hockey League. The agreement includes the production and distribution of the league's KHL-TV and KHL-TV HD channels.

#### **MEDIA RIGHTS 3**

## NHL, Pro-Kabaddi League, UFC, Olympic Games, Six Nations and more

- **Ice Hockey**: Modern Times Group, the multi-territory commercial and pay-television broadcaster, sealed a five-season extension, from 2016-17 to 2020-21, to its deal in the Nordic region for North America's NHL. The exclusive television and online deal, which covers Denmark, Finland, Norway and Sweden, includes the 2016 World Cup of Hockey national team event, which is co-operated by the NHL. Coverage will be shown on online streaming service Viaplay and MTG's pay-television sports channels, including Viasat Hockey across the region and TV3 Sport in Denmark. NHL games can also be broadcast on any of MTG's 10 Nordic free-to-air channels.
- **Ice Hockey**: UK pay-television broadcaster Premier Sports renewed a deal with the Elite Ice Hockey League for the 2015-16 season. The deal covers six regular-season games and the play-off finals weekend on April 2-3.

- **Kabaddi:** Canadian broadcast group Asian Television Network acquired exclusive rights for the second season of India's Pro-Kabaddi League, beginning on August 23.
- Mixed Martial Arts: BTV, the paytelevision channel operated by
  Portuguese Primeira Liga football club
  Benfica, acquired rights for the Ultimate
  Fighting Championship for three seasons,
  from 2015-16 to 2017-18 (page 9).
- Motorsport: Fox Sports struck a deal to replace rival US pay-television broadcaster ESPN as the "long-term" rights-holder of the National Hot Rod Association series. The deal will begin in 2016, with coverage on Fox Sports 1. Four events will also be shown on the Fox network. The deal includes coverage on the Fox Sports Racing channel in Canada and the Caribbean.
- Olympic Games: Tanzania-based pay-television operator Azam Media

- acquired exclusive rights for the 2016 Rio Olympics. The agreement, brokered by Infront Sports & Media, comprises exclusive free-to-air rights plus non-exclusive rights on internet and mobile.
- Rugby Union: UK public-service broadcaster the BBC and commercial broadcaster ITV agreed a six-year deal, from 2016 to 2021, under which they will share rights to the Six Nations national team tournament (page 6).
- Rugby Union: The BBC reached a five-season agreement, from 2015-16 to 2019-20, with the Rugby Football Union, the sport's governing body in England, to show highlights from the national team's autumn international Test matches and this year's Rugby World Cup warm-up fixtures. The deal includes live coverage of the men's Varsity match between the Oxford and Cambridge University teams plus highlights of the women's Varsity match.

- Hungarian public-service broadcaster MTVA launched a new free-to-air sports channel called M4 Sport. The channel will show coverage of football, handball, water polo, basketball and ice hockey. M4 Sport will broadcast from 4pm on weekdays and all day on weekends.
- Japanese pay-television broadcaster Wowow agreed a five-season deal, from 2015-16 to 2019-20, with the International Paralympic Committee to produce a series of documentaries on para-athletes in the build-up to the Tokyo 2020 Paralympic Games.
- Pay-television broadcaster Canal Plus launched four dedicated sports channels in the African market entitled Ý Sport 1, Ý Sport 2, Ý Sport 3 and Ý Sport 4.

#### **MEDIA RIGHTS NEGOTIATIONS**

- The CAA Eleven agency opened tenders in Chinese Taipei and Singapore for media rights to football properties of European governing body Uefa. The tender package includes European qualifiers for Euro 2020 and the 2022 Fifa World Cup, the Euro 2020 finals, the 2018-19 and 2020-21 Nations League competitions and other international matches. CAA Eleven also opened a bidding process for rights to Euro 2016 and certain European qualifiers for that tournament and the 2018 Fifa World Cup. The deadline for bids is August 24.
- Lega Basket, which operates the top division of basketball in Italy, will begin private discussions with two bidders – state broadcaster

- Rai and media company RCS MediaGroup for the competition's rights over three seasons, from 2015-16 to 2017-18.
- Pay-television broadcaster Fox Sports is set to acquire rights in Australia for the W-League domestic women's football tournament from the 2015-16 campaign. Fox Sports will replace Australian public-service broadcaster the ABC, which ended coverage of the league at the end of the 2014-15 season due to government-enforced budget cuts.

#### **ALSO SINCE LAST TIME**

- A class-action lawsuit was filed against American football's NFL and pay-television operator DirecTV by antitrust attorney Michael Hausfeld and his Hausfeld law company. Hausfeld is seeking to represent a class of "commercial subscribers" such as bars and restaurants that access DirecTV's Sunday Ticket package of out-of-market NFL games. Currently such premises have to go through DirecTV to show the games. The complainant said that if the package were available through more providers, "more competitive pricing" would be available.
- MLB Advanced Media, the interactive media and internet division of North America's Major League Baseball, is unlikely to carry out an initial public offering, according to Bob Bowman, MLBAM's chief executive and MLB's president of baseball and media. According to Bowman, it is more probable that part of the league's technology arm might be sold to a third party.

#### **MEDIA RIGHTS 4**

## America's Cup, Wimbledon, US college sports and French volleyball

- Sailing: Chinese state broadcaster CCTV acquired exclusive rights for 2017 America's Cup events. Coverage will be shown on free-to-air sports channel CCTV5 Plus.
- Sailing: Portuguese pay-television broadcaster Sport TV acquired rights for 2017 America's Cup events.
- Tennis: LeTV Sports, a sports-rights venture operated by Chinese IPTV operator LeTV, agreed a three-year deal, from 2016 to 2018, for rights to the Wimbledon Championships.
- Tennis: French commercial broadcaster TF1 agreed a sublicensing deal with pay-television broadcaster beIN Sports to broadcast Richard Gasquet's 2015 Wimbledon Championships semi-final defeat to Novak Djokovic on July 10.
- US College Sport: US sports broadcaster ESPN extended a deal for the Southland Conference for five seasons, from 2015-16 to 2019-20.
- **US College Sport:** The Learfield Sports agency signed a multimedia rights agreement with the athletics

- division of Saint Louis University for five-and-a-half years, from 2015 until the end of 2020.
- US College Sport: Learfield acquired Front Row Marketing Services' collegiate multimedia rights properties from Comcast Spectator, part of US media company Comcast.
- Volleyball: French digital-terrestrial television channel L'Équipe 21 agreed a three-season deal, from 2015-16 to 2017-18, with the Ligue Nationale de Volley, the domestic league.

- Imagina, the operator of the Mediapro agency, categorically denied it is involved in an investigation into allegations of football rights corruption after the Reuters news agency reported that an affiliate of the Spanish media company was allegedly one of the unidentified sports marketing companies to have been implicated in the scandal by the US Department of Justice.
- UK public-service broadcaster the BBC defended its decision not to show the first six hours of play at golf's Open Championship on Monday, July 20. The tournament ran into an extra day of play following adverse weather conditions, with the final round beginning at 7.45am. The BBC, which started showing coverage at 1.45pm, said it had made the best use of its resources on the day.
- Shadow Culture Secretary Chris Bryant accused the UK government of forcing the BBC to reduce its interest in bidding for major sports rights through budget cuts.
- Indian media group Viacom 18 has no immediate plans to enter the local sports-rights market due to the spiralling cost of cricket rights and India's lack of a sporting culture, according to chief executive Sudhanshu Vats.

- WME/IMG is performing 12 to 18 months ahead of its financial projections since its merger and is now focusing on broadening its content base, according to the agency's co-chief executive, Ari Emanuel. The agency is focusing on balancing IMG's representation business with ownership and distribution of content.
- The IPC Swimming division of the International Paralympic Committee revealed a record level of broadcast coverage for the 2015 IPC Swimming World Championships in Glasgow, Scotland. Sixteen broadcasters from eight countries showed highlights and live coverage on television and online platforms during the event.

#### **INDUSTRY MOVES**

- The Sportsman Media Group agency appointed Giuseppe Sampino as its new director of media rights. Sampino most recently served as senior media sales executive at the Dorna Sports agency.
- Media company Discovery Communications, the parent company of international sports broadcaster Eurosport, appointed Arthur Bastings as head of its Discovery Networks Asia-Pacific division.

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