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FOOTBALL

Uefa confident big five European markets can maintain growth

By Frank Dunne

UEFA TARGETS

- Uefa targets media and marketing rights income of €3.2bn per season from 2018-19
- Target represents an increase of 28 per cent on Uefa's revenue in the 2015-18 cycle
- Rights in new cycle tendered in China on December 13 and in Japan on December 14

Uefa is confident the European pay-television market – the engine room of value for Champions League media rights – is sufficiently competitive to help it reach its income targets for the next cycle.

Uefa, European football's governing body, is targeting income of €3.2bn (\$3.43bn) per season from media and marketing rights in the 2018-19 to 2020-21 cycle. This would represent an increase of 28 per cent on the €2.5bn it earned in the 2015-16 to 2017-18 cycle.

New media-rights deals in the France, Germany, Italy, Spain and the UK will be critical to hitting this target. In the current cycle, these five markets are worth almost 77 per cent of the total €1.468bn per season paid for broadcast rights across Europe (*TV Sports Markets* 19:16).

Strong competition drove increases on the previous cycle – from 2012-13 to 2014-15 – of 104 per cent in the UK, 37 per cent in Italy, 33 per cent in Spain, 30 per cent in France and 18 per cent in Germany.

Speaking exclusively to *TV Sports Markets* this week, Guy-Laurent Epstein, marketing director of Uefa Events, said Uefa was confident about its prospects in those five vital European markets.

“You can look at those markets in both ways [positively and negatively], but we look at it in a positive way. We feel that the Champions League is very important to the business of many platforms.

“In the top five markets you have a competitive environment and we have 18 months to exploit that. So it's a question of when you go to market.” He said that in all five markets there were developments that made Uefa “very confident” it could achieve value for its rights.

In Germany, where the pay-television market has been dominated for years by one player – Sky Deutschland – the launch of the Perform Group's OTT service DAZN this summer has brought dynamism to the market.

“In the past in Germany there was little competition in the pay-TV market. There are some developments now and we are following them closely,” Epstein said.

Uefa’s marketing agency for its club competitions, Team Marketing, is expected to tender rights in the UK in February, in Germany in March or April, and in Italy, France and Spain before the summer.

Top five European markets: 2015-2018

France: Pay-television broadcaster Canal Plus and beIN Media Group pay a combined €148m per season for Champions League rights: beIN pays about €92m per season and Canal Plus about €56m per season. The Europa League is worth about €25m per season: beIN pays about €18m per season and commercial broadcaster M6 about €7m per season for free-to-air rights.

Germany: Champions League rights are worth a total of €124m per season: public-service broadcaster ZDF pays about €64m per season for free-to-air rights and pay-television broadcaster Sky Deutschland about €60m per season. Europa League rights are worth about €22.5m per season – sports broadcaster Sport1 pays about €9m per season for free-to-air rights and Sky about €13.5m per season.

Italy: Pay-television broadcaster Mediaset Premium pays €230m per season for Champions League rights; rival pay-television broadcaster Sky pays €30m per season for Europa League rights.

Spain: BeIN Media Group and the Mediapro agency jointly acquired pay-television Champions League rights for €125m per season. For free-to-air rights, commercial broadcaster Atresmedia pays just under €40m per season and TV3 pays €6m per season. BeIN/Mediapro also pay €21.5m per season for all Europa League rights.

UK: Telco BT pays just under €359m per season for all Champions League and Europa League rights.

‘Cautious and ambitious’

The revamp of qualification to the Champions League – demanded by the continent’s elite clubs – means four teams from Uefa’s four top-ranked markets (currently Spain, Germany, England and Italy) are guaranteed places in the group stage, giving broadcasters in those markets a minimum of 24 matches of local interest each per season.

Broadcasters will also benefit from having a second kick-off slot, at 7pm CET each match day, during the group stage.

Given these changes, targeting a 30-per-cent uplift is arguably cautious. But Epstein argued that any growth should be seen in the context of the longer-term development of the competition.

“It’s cautious and ambitious at the same time”, he said. “That would make a 100-per-cent increase compared to the previous cycle, 2012-2015. On one hand, yes, it’s cautious because the product is so strong. On the other hand, it’s ambitious because we grew 45 per cent this time and it would be another 28 per cent.”

He said in current economic conditions, an increase of nearly one-third would still be “quite significant” but added the “real ambition is go further: this is not a ceiling”.

China and Japan first

Uefa began its next sales cycle this week by tendering its club competition rights in China and Japan.

Epstein said the governing body had been “greatly encouraged” by the huge increase in value secured in China last month by the Premier League, whose rights rose in value from \$18m per season to \$233m per season in a new deal with streaming company PPTV (*TV Sports Markets* 20:20).

In the current cycle, Uefa’s rights are shared between state broadcaster CCTV – which holds exclusive linear broadcast rights to the Champions League – and streaming operators LeSports, PPTV, Sina, and Tencent, which all have non-exclusive digital rights to both competitions. There is no linear broadcast deal for the Europa League in China.

The streaming companies each pay about \$2.5m per season for rights to both competitions, while CCTV pays just under \$2m per season for rights to the Champions League only, giving Uefa total income of about \$12m per season.

“We are very excited and positive, but we have to be pragmatic”, Epstein said. “We don’t have the same strengths as a domestic league. Our midweek live match scheduling is prime time in Europe. It’s not prime time in Asia. But we have great ambitions based on the strength of our product.”

In Japan, the launch of Perform’s DAZN in August has shaken up a cosy pay-television market – strong competition is expected for the rights in the next cycle. Pay-television operator SkyPerfecTV currently pays \$21.5m per season for all rights to both competitions (*TV Sports Markets* 19:2). ---

Europa League risk

Some industry experts believe that by improving the Champions League as a television product and leaving the Europa League format largely untouched, Uefa is taking a gamble: broadcasters may fund the likely increased cost for the Champions League by paying less for the Europa League. Uefa thinks this is unlikely to happen, for several reasons.

“In some markets, it is important for broadcasters to acquire the rights to both competitions so they can schedule European football across the week”, Epstein said. “They really want both competitions and allocate the right budget to both. This can be strategically important in attracting subscribers.”

In other markets, if one broadcaster loses the rights for the Champions League, “they might have an extra incentive to acquire the Europa League rights in order to remain part of European club football”.

He said there were many markets where Champions League and Europa League rights are held by different broadcasters and “we don’t see any cannibalisation in terms of value”.

He pointed out that the number of countries represented in the competition in the new cycle will increase from 17 to 22, and the new 'champions path' will ensure that any national champion eliminated from the Champions League will pass into the Europa League. Both changes should improve the commercial value of the Europa League in mid-sized markets. ♦



For the full interview with Guy-Laurent Epstein, visit
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MIXED MARTIAL ARTS

WME|IMG wants more TV, less ppv, to guarantee UFC returns

By Callum McCarthy

UFC RIGHTS IN THE US

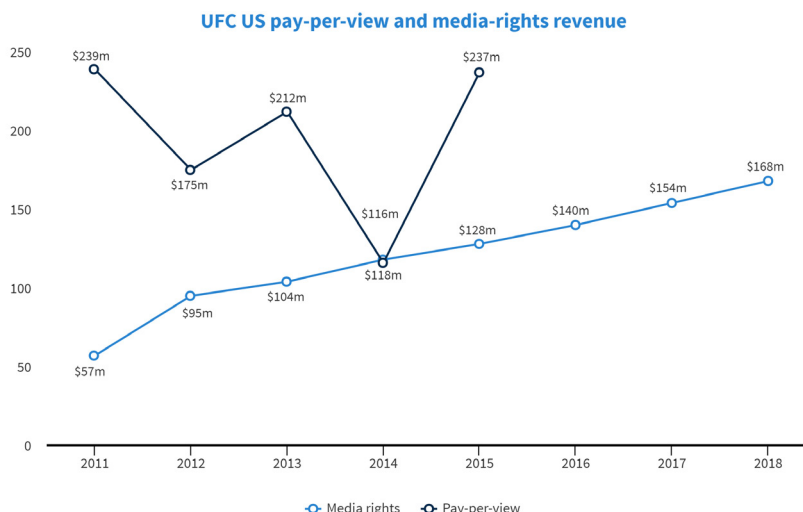
- UFC to offer US broadcasters better events in a new deal from 2019 onward
- Current Fox deal, from 2012 to 2018, is worth an average of \$129.6m per year
- In 2015, the UFC earned an additional \$194m from residential pay-per-view sales

The Ultimate Fighting Championship is preparing to ditch pay-per-view as its main media-rights revenue stream in the US, as owners WME|IMG seek to increase the guaranteed revenue of July’s \$3.775bn (€3.522bn) acquisition.

The WME|IMG agency is thought to be targeting an increase of between 160 and 180 per cent on the \$168m it will earn in the final year of its seven-year US broadcast deal with pay-television broadcaster Fox, from 2012 to 2018. This target would take it between \$440m and \$470m. The average fee paid by Fox is \$129.6m per year.

To achieve this, *TV Sports Markets* understands WME|IMG will include some of the UFC’s 13 annual top-tier events – currently distributed exclusively via pay-per-view – in any new deal.

The volatility of the promotion’s pay-per-view revenue from 2011 to 2015 is a primary concern for WME|IMG, and the new ownership wants to ensure the majority of the UFC’s main source of revenue – media content sales – is guaranteed.



The UFC earned close to \$380m for its US media content sales in 2015: \$194m from residential pay-per-view sales; \$128m from its deal with Fox; about \$42m in commercial pay-per-view sales to bars and restaurants; and about \$14m from US subscriptions to its UFC Fight Pass OTT service.

While residential pay-per-view revenue has dramatically increased in 2016, WME|IMG recognises this success is due to the presence of stars such as UFC lightweight champion Conor McGregor – something that cannot be guaranteed in future.

Informed sources believe WME|IMG will reserve pay-per-view for super-events such as UFC 205, which contained three world title fights and amassed about 1.5m buys.

Events such as UFC 199, UFC 201 and UFC 204 – which all contained a single world title fight – are thought to have earned between 200,000 and 300,000 buys each. Events of this size are likeliest to be rolled into any new broadcast deal.

The agency will also try to use any reorganisation to negotiate more favourable revenue shares with the US pay-television platforms which host its pay-per-view broadcasts: DirectTV, Dish, Time Warner and Comcast. These deals expire in 2018 in line with the Fox deal.

Spanish-language rights in the US are currently bundled into Fox's deal, but will be sold separately from English-language rights in a bid to further increase income.

US broadcasters are expected to bid aggressively when UFC rights come on the market, as rights to most other major sports properties are tied up until at least 2021. Commercial and pay-television broadcasters NBC, ABC, Turner and incumbent Fox are all thought to be interested.

International rights

The UFC earned about \$85m from international rights in 2016, up from about \$72m in 2015. This was mainly due to new deals with pay-television broadcaster BT Sport in the UK and Ireland, and streaming company PPTV in China.

Selected UFC international rights deals

| Territory | Broadcaster | Duration | Average Annual Value (\$m) |
|--------------------|--------------------------------|---------------------|----------------------------|
| Brazil | Combate | 2014 to 2019 | 25 minimum |
| Brazil | Globo | 2012 to 2018 | 7.1 |
| Canada | TSN/The Fight Network | 2015 to 2017 | 2.1 |
| China | PPTV | June 2016 to 2021 | 7.2 |
| Latin America | The Golden Channel/UFC Channel | 2013 to 2018 | 1 |
| Mexico | Televisa/The UFC Channel | 2013 to 2018 | 1.6 |
| Nordics | Modern Times Group | 2016 to 2019 | 3.4 |
| Russia | Match TV | 2016 | 0.5 |
| South Korea | SpoTV | Until 2018 | 3.1 |
| Sub-Saharan Africa | Fox Sports Africa | 2016 to 2018 | 0.45 |
| UK & Ireland | BT Sport | August 2016 to 2018 | 10.6 |

Source: TV Sports Markets Rights Tracker

Just under half of the UFC's international rights income comes from deals in Brazil, where it earned about \$40m in 2016 from two separate deals with media group Globo, one for free-to-air rights and another for its pay-television channel Combate. Brazil is by far the UFC's most lucrative market outside the US.

But the depreciation of the Brazilian real, a dearth of young Brazilian talent and plans to reduce the number of events held in the country will make any future increase difficult. The impending retirements of Anderson Silva and Vitor Belfort – Brazil's two most popular fighters – will also affect negotiations.

Overall, the promotion plans to promote more events outside the US in 2017 in the hope of driving increases elsewhere. It held 15 events outside the US in 2016, four fewer than the 19 international events it promoted in 2015.

US media-rights sales will be led by WME co-chief executive Ari Emanuel, while international rights sales will be headed by IMG president Ioris Francini.

Cost-cutting plan

WME|IMG completed its acquisition of the UFC in July for an initial \$3.775bn. Extra payments of \$175m (no earlier than June 30, 2017) and \$75m (no earlier than December 21, 2018) will be made should the UFC reach 12-month ebitda targets of \$275m and \$350m respectively, taking WME|IMG's potential total spend to \$4.025bn. UFC ebitda for 2015 was \$189m.

WME|IMG will attempt to cut between \$60m and \$80m per year in costs. A large portion of these cost savings will come from the UFC's production budget. Its *Ultimate Fighter* reality show's production budget will be cut by about \$10m per year, and production costs for its events are likely to be at least shared with a US broadcaster from 2019. The UFC currently pays for production of all its events. ◆

FOOTBALL

Palmeiras sides with Esporte in Brazilian club football war

By Richard Welbirg

BRAZILIAN FOOTBALL DEALS

- Palmeiras agrees pay-TV deal with Esporte Interativo from 2019 to 2024
- Ponte Preta sells free-to-air and pay-per-view rights to Globo from 2019 to 2024
- Globo renews Campeonato Carioca rights from 2017 to 2024 for BRL120m per year

Reigning Brazilian champion Palmeiras has brought the battle over Série A club's pay-television rights to an end by agreeing a deal with Esporte Interativo from 2019.

The deal, announced this week, covers pay-television rights over six years from 2019 to 2024. Every Série A club has now sold its pay-television rights for the period to either Esporte Interativo or media group Globo.

A tussle between Esporte and Interativo and Globo for Série A pay-television rights began in February, when Esporte Interativo made an offer to all clubs for their Série A pay-television rights over six years, from 2019 to 2024 (*TV Sports Markets* 20:4).

Its offer was for a total annual fee of about BRL27.5m (€7.5m/\$8m) per signatory club. Half its total investment will be shared equally among the clubs, 25 per cent based on television ratings, and 25 per cent based on league position.

Palmeiras's agreement with Esporte Interativo is understood to fit within these terms. Its signing fee is believed to be much closer to the BRL40m Esporte Interativo paid to other major clubs – Atlético Paranaense, Bahia, Coritiba and Santos – than the BRL100m reported in Brazilian media.

Esporte Interativo declined to comment when contacted by *TV Sports Markets*.

By May, Esporte Interativo had claimed the signatures of 15 clubs in the top three divisions of Brazilian football (*TV Sports Markets* 20:8).

Globo's counter-offer to clubs for all their media rights over the same period – equivalent to a total of at least BRL1.1bn per year: BRL600m for free-to-air, BRL500m for pay-television rights and a share of pay-per-view revenue – claimed 16 signatures.

Brazilian clubs' pay-television rights-holders, 2019 to 2024

| | Globo | Esporte Interativo |
|---------|---|---|
| Série A | América, Atlético Mineiro, Botafogo, Chapecoense, Corinthians, Cruzeiro, Flamengo, Fluminense, Grêmio, Internacional ² , São Paulo, Sport Recife, Vitória, | Atlético Paranaense, Coritiba, Figueirense ¹ , Internacional ² , Palmeiras, Ponte Preta, Santa Cruz ¹ , Santos |
| Série B | Avai, Goiás, Londrina, Náutico, Vasco da Gama | Bahia, Ceará, Criciúma, Joinville, Paraná, Paysandu, Sampaio Corrêa |
| Série C | | Fortaleza |

Source: TV Sports Markets Rights Tracker

¹ Disputed

² Split

As one of the wealthiest and most recently successful clubs in the country, Palmeiras was in no rush to strike a deal with either Esporte Interativo or Globo. Most Brazilian clubs have much smaller financial resources, and the signing fees offered by both broadcasters were a strong enticement to agree deals.

TV Sports Markets understands Esporte Interativo is making a considerable marketing commitment to the club on top of its rights fee and signing fee.

Sources in Brazil said Palmeiras disliked that Globo would regularly prefer to show matches of rivals Corinthians and São Paulo nationwide on its pay-television broadcaster Globosat.

Break from the pack

Ponte Preta – which sold its pay-television rights to Esporte Interativo – has become the first club to sell its remaining free-to-air and pay-per-view rights to Globo. It is thought the club approached Globo over a deal in order to receive a signing fee before the end of the year.

From 2019 to 2024, Ponte Preta will be subject to the same distribution model Globo has offered to the other clubs it has signed – 40 per cent of its total fee equally between the Série A clubs, 30 per cent equally between the 16 clubs which avoid relegation and 30 per cent based on television audiences.

But this will only apply to Globo's allocation for free-to-air rights: about BRL600m per season.

The contract is not thought to contain any penalties for the potential lack of exclusivity given that Globo could end up showing the same games as Esporte Interativo on different platforms.

One local rights expert said Ponte Preta had some leverage as it was also negotiating with Globo for the sale of all its media rights in the forthcoming 2017 and 2018 seasons.

Next year will be Ponte Preta's third consecutive season in Série A. It was in a position to agree a two-season deal with Globo, worth BRL30m in 2017 and the same amount plus inflation in 2018.

Globo is currently the exclusive broadcaster of Série A and Série B football. The majority of its current club deals run from 2016 to 2018. With smaller clubs like Ponte Preta, it strikes one-season deals for their Série A rights based on promotion and relegation.

The other clubs who have sold pay-television rights to Esporte Interativo are in early discussions over banding together to negotiate the sale of their remaining rights to Globo as a bloc.

Internacional has it both ways

Last month, Internacional became the first club to split its pay-television rights between Esporte Interativo and Globo.

The club was one of the first to agree a deal with Esporte Interativo, in March. But because the term of current club president Vitorio Piffero does not encompass the full six years, the final four years of the six-year deal – from 2019 to 2024 – required approval by the club's board.

Globo made the club an offer for 2021 to 2024 which was accepted by the board.

Legal action

TV Sports Markets understands legal proceedings are underway against the two clubs which signed deals with Esporte Interativo but attempted to switch to Globo: Figueirense and Santa Cruz. Arbitration is being managed by the Fundação Getúlio Vargas institution.

Figueirense, Internacional and Santa Cruz were all relegated following the 2016 Série A season.

State championships

Globo is also understood to have agreed a deal in principle with the football federation of Rio de Janeiro state for its annual championship, the Campeonato Carioca.

The proposed deal is for eight years, from 2017 to 2024, and is thought to be worth about BRL120m per year. Its completion requires the signature of Flamengo, one of Brazil's best-supported clubs.

Rights in the previous five-year cycle, from 2012 to 2016, were held by Globo in a deal worth about BRL60m per year.

Brazilian state championships run from January to early May. Série A runs from May to December. Rights to the state championships – sold by the state associations – are currently all held by Globo.

Their value varies enormously depending on the clubs involved. The most valuable is the Campeonato Paulista – the São Paulo state championship. Globo pays about R160m per year for those rights in a six-year deal from 2016 to 2021. This is just over double the value of the rights from 2011 to 2015.

For both competitions, the significant increases in value and duration are thought to have been driven by Globo facing competition from Esporte Interativo. ♦

FOOTBALL

AFC confirms WSG extension is dead as LeEco looks to offload

By Frank Dunne

The Asian Football Confederation this month voted to put its media and marketing rights beyond 2020 out to tender. The decision ends nearly two years of speculation and confirms the extension the World Sport Group agency negotiated to its existing deal is dead.

The Lagardère-owned agency currently holds all commercial rights to AFC competitions in a deal based on a guarantee of \$600m (€560m) over eight years, from 2013 to 2020, or \$75m per year.

In early 2015, WSG and the AFC agreed an extension worth \$1.25bn over eight years, from 2021 to 2028, or just over \$156m per year. The deal was negotiated privately with the rights not offered to the market, but was never ratified by the AFC executive committee.

In July, AFC president Sheikh Salman bin Ebrahim al-Khalifa set up an ad-hoc committee to evaluate all options beyond 2020. At the time, the AFC's director of communications, Colin Gibson, told *TV Sports Markets* this information was "wrong" (*TV Sports Markets* 20:13).

On December 1, following the executive committee decision, Sheikh Salman told AFC members: "It is very important that we have a transparent process to choose the right model and partner for our next cycle. The administration will come back with their options for our decision in the middle of next year before we issue the tender for our rights."

It is understood the AFC has not yet decided what sales model to employ or how to sell the rights territorially. These details will be worked out within the coming months.

There is a strong desire among confederation members, however, that the AFC should not allow a sports marketing agency to agree a pure buyout deal – the AFC must remain signatory to all contracts and must be able to share in any upside revenues above a minimum guarantee.

Bidding war expected

Competition for the AFC rights is expected to be fierce, particularly among the major sports rights agencies. England's Football Association earned over \$1bn last month for international FA Cup rights, more than double their current value, following a battle between agencies (*TV Sports Markets* 20:19).

In October 2015, IMG president Ioris Francini said the agency had made the AFC an offer of \$2.5bn over eight years for its rights (*TV Sports Markets* 20:1). Since then, the market has become even more competitive.

Although widely expected, the confirmation of the decision is a blow to WSG and its parent company, Lagardère. The deal was by far its most profitable. It was so favourable to the agency that in July 2012, accountancy firm PricewaterhouseCoopers advised the AFC it should seek legal advice on whether it could cancel or renegotiate the deal (*TV Sports Markets* 17:2).

WSG is currently in final talks to renew another important deal in its portfolio, which covers all commercial rights to the competitions of the Asean Football Federation, the governing body for football in Southeast Asia. The most valuable element of the deal is the AFF Championship national team competition, known as the Suzuki Cup for sponsorship reasons.

The agency's current four-year deal runs from 2013 to 2016. Informed sources say WSG has agreed an extension to the deal which is yet to be ratified by the AFF executive committee.

LeEco looks to sell WSG stake

Chinese technology conglomerate LeEco Holdings is looking for a buyer for its 20-per-cent stake in WSG, according to local market sources.

LeEco needs to raise cash quickly having expanded rapidly and found itself with cash-flow problems (*TV Sports Markets* 20:19). Last week, the company halted trading in its shares on the Chinese stock market following a dramatic slide in their value.

LeEco bought the WSG stake for \$75m in October 2015 as part of a deal in which it also acquired AFC rights for four years, 2017 to 2020, for \$110m, or \$27.5m per year (*TV Sports Markets* 19:21).

Many local observers believe it took up the stake in the belief that WSG had AFC rights through to 2028, and that the stake would give it a stronger position in future negotiations. LeEco declined to comment this week. ◆

FOOTBALL

MP & Silva to bring Pro League rights to market early next year

By Robin Jellis

PRO LEAGUE RIGHTS

- MP & Silva to tender domestic Belgian Pro League rights in January
- Non-exclusive live rights deals from 2014-15 to 2016-17 bring in €60m per season
- MP & Silva guarantees the league an average of €75m per season from 2014-15 to 2019-20

The MP & Silva agency will invite offers for domestic rights to Belgium's top-tier Pro League in mid- to late-January 2017, TV Sports Markets understands.

Interested parties were required to register interest by December 9. Once the tender has been issued, bids will be due within three to four weeks.

The rights will be available for three seasons, from 2017-18 to 2019-20, and will cover both Belgium and Luxembourg. The Super Cup will also be available.

Domestic live rights in the current cycle are held non-exclusively by the country's three main pay-television broadcasters: BeTV, Proximus and Telenet. In the three-season cycle, from 2014-15 to 2016-17, the three pay a total of €60m (\$64m) per season. Each feels exclusive rights are too expensive for their respective businesses (*TV Sports Markets* 18:12).

After these non-exclusive deals were struck by the league and MP & Silva in June 2014, competition in the market declined as global channel syndicator Fox Networks Group abandoned its plans to launch sports channels in Belgium (*TV Sports Markets* 18:15).

But competition in the market has since strengthened again with the launch of pay-television broadcaster Eleven Sports Network in the country in August 2015.

Most experts believe there are two likely scenarios in the upcoming auction. First, that the incumbent broadcasters continue their non-exclusive live coverage. Second, that Eleven acquires exclusive live rights. A third, less likely, alternative is that a new player acquires exclusive rights ahead of entering the Belgian market.

One local rights expert said the three incumbent rights-holders tried to renew their existing deals directly with the league and MP & Silva in the summer. The fact the rights will be tendered gives Eleven

a chance of acquiring them.

Should Eleven win the rights, the fact they are being sold in a fair and transparent tender process could help deflect against accusations of favouritism. Eleven owner Andrea Radrizzani was a co-founder of MP & Silva and retains a 14.5-per-cent stake in the agency following its purchase by Chinese investors Everbright Securities and Baofeng Technology in May (*TV Sports Markets* 20:9).

The incumbent live rights-holders and Eleven have all officially registered their interest in the rights. Local sources say some international media companies are also interested.

MP & Silva advises the Pro League on the sale of its media rights under a six-season deal, from 2014-15 to 2019-20, for which the agency guarantees the league €450m. The fee is split €70m per season for the first three seasons and €80m per season for the last three seasons (*TV Sports Markets* 18:4).

MP & Silva struggles

As well as the current live rights deals, MP & Silva agreed highlights, clips and betting rights deals, while also bundling Pro League international rights into deals with broadcasters around the world.

The agency sold highlights in Wallonia, the French-speaking region of Belgium, to local public-service broadcaster RTBF for €2m per season from 2014-15 to 2016-17.

MP & Silva agreed two highlights deals in Flemish-speaking Flanders. It sold match-day magazine rights plus live Super Cup rights to commercial broadcaster VTM in a deal worth about €2.5m per season. And it sold Monday evening magazine rights to public-service broadcaster VRT for about €500,000 per season. Both deals are for 2014-15 to 2016-17 (*TV Sports Markets* 18:13).

The agency also agreed 10 non-exclusive clips deals worth a total of close to €2.5m per season over the same period.

It is difficult to put a value on the league's international rights as the agency bundles them with other properties. In the previous cycle, from 2011-12 to 2013-14, they were acquired by the IMG agency for about €1m per season and sold on for about €1.5m per season.

Betting rights were not sold in the first season of MP & Silva's deal, 2014-15, but IMG acquired the rights in 2015-16 and 2016-17. The deal covers betting streaming and betting data rights internationally, and betting streaming rights in Belgium. Betting data rights in Belgium are thought to be held by betting services company Sportradar.

It is understood MP & Silva will lose between €5m and €10m in the current three-season cycle, from 2014-15 to 2016-17. As such, local rights experts believe the agency will struggle to make a profit in the new cycle, from 2017-18 to 2019-20.

One expert said this week: "How can they break even or make money on the rights this time when their costs are going up? It's going to be very hard for them."

The source added the best chance of an increase came from Eleven, as a “disruptive” player would have to bid aggressively to prise the rights from the incumbent live rights-holders.

Pro League clubs are understood to be expecting a large increase in the value of their live rights. In August, Gent chairman Ivan de Witte told local media “the sums generated from TV rights must be higher” and that the rights should fetch “up to €100m per season” in the next cycle.

Long-time Pro League chief executive Ludwig Sneyers left the league this week. In March, the league extended the contract of managing director Pierre François until 2020-21. It is thought François will take over Sneyers’s responsibilities, which included handling media-rights negotiations. ◆

FOOTBALL

Uefa gets rights increase from Digitalb in Albania and Kosovo

By Robin Jellis

UEFA RIGHTS

- Digitalb buys all Uefa national team rights in Albania and Kosovo for about €7.5m
- The deal covers Euro 2020, qualifiers from 2018-19 to 2021-22, and the Nations League
- Rights across the rest of the Balkans are understood to have been bought by Sportklub

Uefa, European football's governing body, last month secured a strong increase in the value of its national team media rights from telco Digitalb in Albania and Kosovo.

Digitalb acquired all Uefa national team rights across the two territories in the next four-season cycle, from 2018-19 to 2021-22. This includes the Euro 2020 tournament, European Qualifiers across the period, and two editions of the Nations League in 2018-19 and 2020-21.

The deal is understood to be worth a total of about €7.5m (\$8m), split about one-third for Kosovo and two-thirds for Albania.

The rights were tendered by Uefa and CAA Eleven, its sales agent for its national team competitions, on August 23, with bids due by September 27. A deal was finalised in early November.

Uefa sought to sell the rights in the two territories relatively early due to the recent success of the Albanian national team, whose appearance at Euro 2016 was the first time it had reached a European Championship.

Rights were divided into national team matches and third-party matches. Within that, national team matches were split between European Qualifier matches and Nations League matches.

Digitalb was awarded all rights having made the highest cumulative offer. It is thought to have beaten offers from public-service broadcasters in both countries – RTSH in Albania and RTK in Kosovo.

Euro 2016 rights in Albania were shown by Digitalb, while European Qualifier rights in the country from 2014-15 to 2017-18 are jointly held by RTSH (as part of a wider European Broadcasting Union deal) and Digitalb.

In Kosovo, Euro 2016 rights were held by RTK and Digitalb, while European Qualifier rights from 2014-15 to 2017-18 are held by RTK.

It is understood the overall value of Euro 2020 in Albania and Kosovo is up more than 50 per cent on the value of rights to Euro 2016.

It is more difficult to establish an increase in the value of the other national team matches due to the creation of the Nations League in the new cycle. On a per-match basis though, fees are thought to have stayed relatively steady.

Digitalb will show all European Qualifier matches of the Albanian and Kosovan national teams over the period. Coverage will be shown on its SuperSport pay-television channels.

Balkans deal close

Rights in Albania and Kosovo were offered to the market at the same time as in other Balkan territories: Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Slovenia.

No deal has yet been finalised in these territories, but an agreement is expected to be in place early in 2017. *TV Sports Markets* understands pay-television broadcaster Sportklub is in advanced stages of negotiations over a deal covering all six territories.

European Qualifier rights in the current cycle, from 2014-15 to 2017-18, were split between public-service broadcasters in each of the territories – as part of a wider EBU deal – while Sportklub held rights across all six countries.

Free-to-air rights were held by public-service broadcasters BHRT in Bosnia, HRT in Croatia, MRT in Macedonia, RTCG in Montenegro, RTS in Serbia, and RTV Slovenija.

Each of these six public-service broadcasters held exclusive Euro 2016 rights in their respective territories – also as part of an EBU deal.

Europe's consortium of public-service broadcasters has a 30-territory deal for European Qualifiers from 2014-15 to 2017-18 worth about €90m. Its 26-territory Euro 2016 deal was worth about €120m (*TV Sports Markets* 17:11; 19:13). ◆

KICKBOXING

Expansion and star power drives Glory increase in Netherlands

By Callum McCarthy

The Glory kickboxing promotion has secured a huge increase in its latest deal in the Netherlands with Ziggo, leveraging stiff competition and a marquee fight between two Dutch stars to sign its most lucrative single deal to date.

The promotion will increase the number of annual ‘numbered’ and Superfight Series events it produces – from 10 of each in 2016 to 18 of each in 2017 – considerably increasing the value of its rights.

Telco Ziggo will pay about €1.3m (\$1.4m) from December 2016 to the end of 2017. The deal includes exclusive free-to-air and pay-television rights to all Glory events, including the promotion’s ‘Collision’ event held on December 10, which is excluded from the promotion’s other broadcast deals around the world. Glory: Collision was the first event shown on Ziggo as part of the deal.

The deal represents an increase of just over 180 per cent on Glory’s previous deal in the Netherlands with digital-terrestrial broadcaster Spike, from December 2015 to December 2016, worth about €450,000. It is the promotion’s most valuable media-rights deal.

Glory deals in the Netherlands

| Broadcaster | Duration | Value (\$) |
|-------------|-------------------------------|------------|
| RTL | 2014 | 200,000 |
| RTL | January 2015 - November 2015 | 400,000 |
| Spike | December 2015 - December 2016 | 500,000 |
| Ziggo | December 2016 - 2017 | 1.4m |

Source: TV Sports Markets Rights Tracker

Its global deal with the UFC Fight Pass OTT service for its Superfight Series events is worth just over \$100,000 per event in 2016.

Its deal in the US with pay-television broadcaster ESPN is based on an advertising revenue share, which is thought to yield less than the promotion’s previous US deal with basic-tier cable channel Spike, worth \$150,000 per event.

Competition for Ziggo

Media company Liberty Global, Ziggo's parent company, took an undisclosed stake in Glory in September. Despite this, sources close to the deal are adamant the promotion forced the telco to compete fairly for the rights against other local broadcasters.

Incumbent Spike and commercial broadcaster SBS both bid. Spike is thought to have made two bids: a bid for all events from December 2016 to the end of 2017 worth about €850,000; and an individual bid of about €150,000 for Glory: Collision. SBS is believed to have bid in excess of €1m for rights to all events, including Collision, until the end of 2017.

Spike was especially keen to continue its deal with Glory as it has invested heavily in ancillary programming around Glory's Dutch fighters. Despite losing out it will continue with its plans for a reality show starring Dutch fighter Nieky Holzken.

Ziggo will show Glory on its basic-tier Ziggo Sport channel – available in just under 5m Dutch households – and its other pay-television sports channels. It is the first time Glory events have been shown on pay-television in the Netherlands.

The promotion believed the time was right to move from free-to-air to pay-television, having already gained wide exposure through deals with Spike and commercial broadcaster RTL (*TV Sports Markets* 19:23).

Glory: Collision

Glory: Collision, which took place on December 10 in Oberhausen, Germany, was a key factor in earning a dramatic increase in the Netherlands. Kickboxing is mostly a niche sport in the Netherlands, but big events involving Dutch stars become mainstream attractions.

The non-title heavyweight bout between Glory heavyweight world champion Rico Verhoeven and Moroccan-Dutch ex-champion Badr Hari was shown on pay-per-view in most international markets for one of two reasons: either Glory felt broadcaster bids were too low, or a compelling pay-per-view revenue share offer was made.

Its pay-per-view deals in the US – with pay-television operators Dish, In Demand and DirecTV, as well as the Ultimate Fighting Championship's ufc.tv website – are believed to be based solely on a revenue share. The deals are structured so Glory will earn more from each buy should certain milestones be reached. ◆

FOOTBALL

Fox follows African trend but brings unique terms to Wafu deal

By Callum McCarthy

Fox Sports Africa is the latest of the region's pay-television broadcasters to invest in African football, but the structure of its joint venture with the West African Football Union differs greatly from recent deals struck by its competitors.

Fox will pay no rights fee to Wafu – West Africa's union of football associations and federations – but will instead invest a minimum of \$2m (€1.9m) per year in production and operational costs in return for global media and marketing rights to all Wafu competitions over 12 years, from 2017 to 2028.

Fox will sell on international rights and marketing rights, with revenue from these sales split between the broadcaster and Wafu. Prize money for all tournaments will be paid for by revenue from these rights, not from Fox's direct investment.

The deal comes with two optional extensions of six years each, meaning the deal could potentially run until the end of 2040.

The extraordinary length of the deal is thought necessary for it to succeed. Fox is investing in the union's potential rather than its current inventory of properties. Wafu currently organises no events.

Fox believes its investment could be increased to as much as \$4m per year, with additional one-off investments above this, should top-level men's national team tournaments be played.

Fox is the third broadcaster in the region to agree a deal with a regional football governing body. Pay-television broadcaster SuperSport holds rights to tournaments operated by Cecafo (the Council of Eastern and Central African Football Associations), from 2014 to 2017. Pay-television broadcaster Kwesé Sports holds rights to junior and women's tournaments operated by Cosafa (Council of Southern African Football Associations), for 2016-17 only.

Best-laid plans

In the immediate future, Fox will invest in broadcasting and helping to organise Wafu U17, U20, U23 and women's tournaments. However, the broadcaster is most excited at the prospect of reviving the Wafu Nations Cup as an invitation-only tournament. Wafu contains some of Africa's top footballing nations, including Côte d'Ivoire, Ghana, Nigeria and Senegal.

The last Wafu Nations Cup – the union's men's national team tournament – was played in 2013. The

inaugural tournament in 2002 was cancelled after one day due to the First Ivorian Civil War, while the 2011 tournament was blighted by only five of the eight teams attending the tournament.

Fox is currently planning for a Nations Cup to be played in June or July, during European football's off-season, to increase the chance of top-level players being available. Local experts believe the likelihood of these nations fielding full-strength teams in such a tournament is low, but that a well-produced and marketed tournament could still have pan-regional appeal.

Fox is also interested in helping organise a regional Champions League club competition between the league winners of selected Wafu nations.

Wafu has operated very few tournaments in the recent past, and was split into two 'zones' – 'West Zone A' and 'West Zone B' – by the Confédération Africaine de Football in 2011 due to infighting between association presidents seeking control over the union.

The union has since been led by Ghana Football Association president Kwesi Nyantakyi, who recently secured a 10-season deal with digital-terrestrial and pay-television operator StarTimes for his own association's rights (*TV Sports Markets* 20:21).

Wafu and Fox will have to ensure each new tournament it operates is sanctioned by Caf. Caf recently blocked the creation of a new national team tournament by Cecafo and StarTimes, which would have fallen outside of SuperSport's deal.

Union or League?

Domestic African leagues often gain little traction outside their home country, and pan-regional pay-television operators mainly acquired these properties to strengthen their subscriber base in the specific country. Fox's position as a pan-regional broadcaster rather than an operator means its strategy is markedly different.

Deals with unions provide broadcasters with relevant content across sub-Saharan Africa, as opposed to a single market. But African fans are considerably less passionate about union tournaments, and Fox will face a challenge organising top-level tournaments within Wafu.

The countries and clubs under the Wafu banner have more prestigious tournaments to compete in. Convincing these parties to prioritise Wafu competitions will require political sway and large amounts of prize money, increasing the risk taken on by Fox. ◆

TENNIS

MTG baulks at WTA asking price, opts for ATP instead in Denmark

By Robin Jellis

TENNIS IN DENMARK

- MTG agrees three-year deal with ATP, from 2017 to 2019, worth about €650,000 per year
- WTA sells rights from 2017 to 2020 to TV2 Denmark for €650,000-€700,000 per year
- ATP deals in the rest of the Nordics are close, while the WTA is struggling

Modern Times Group has opted for ATP World Tour rights instead of extending its coverage of the Women's Tennis Association Tour, *TV Sports Markets* understands.

MTG, the multi-territory commercial and pay-television broadcaster, acquired ATP rights after refusing to meet the asking price for WTA rights in a new cycle – the broadcaster felt the ATP is a stronger property than the WTA.

The broadcaster's three-year deal for ATP rights, from 2017 to 2019, is worth about €650,000 (\$697,000) per year and covers all ATP World Tour Masters 1000 and World Tour 500 series events. MTG acquired the rights for use on its TV3 Sport pay-television channels.

The last time ATP rights were sold in the Nordics, pay-television broadcaster C More acquired them across the region. That deal was for three years, from 2014 to 2016, and was worth about €1.6m per year (*TV Sports Markets* 20:17).

Rights from 2017 onward are being sold on a market-by-market basis. Since the last deal, C More has changed its acquisition strategy from buying rights pan-regionally to focusing on the Swedish market.

The ATP is understood to be in very advanced talks over a deal in Finland, while it is also trying to agree deals in Norway and Sweden. The rights are being sold by ATP Media, the commercial arm of the tour, which is advised by the IMG agency.

From 2013 to 2016, WTA rights across the Nordics were sold to C More in a four-year deal for about \$900,000 per year. C More sublicensed rights in Denmark across the period to MTG for about \$500,000 per year.

Rights in a new cycle are being sold by the Perform Group, which holds WTA rights globally as part of its 10-year, \$525m deal from 2017 to 2026 (*TV Sports Markets* 18:23).

Rights across the Nordics from 2017 onward were offered to broadcasters in informal talks – no official tender was launched. After receiving little enthusiasm for a pan-regional deal from C More, MTG or Discovery Communications-owned sports broadcaster Eurosport, Perform chose to sell the WTA rights market by market.

MTG would have bought rights in Denmark alone, but only at a certain price. Once MTG switched its attention to the ATP, Perform struck a deal with commercial and pay-television broadcaster TV2. That deal is for four years, from 2017 to 2020, and is worth between €650,000 and €700,000 per year.

The fee has increased by about 75 per cent based on the exchange rate when the last WTA deal in Denmark was agreed. There are two main reasons for this.

First, the increased content available – from 2017 Perform will be producing all 2,000 WTA matches per year, compared to 750 matches per year at present.

Second, the improved form of Danish women's star Caroline Wozniacki in the second half of 2016. She won the Toray Pan Pacific Open in September and the Hong Kong Open in October.

TV2 will show coverage on its pay-television TV2 Sport channel and via its OTT service TV2 Play. TV2 Sport and TV2 Play will show a minimum of 400 live matches each year.

However, Perform is understood to be struggling to agree deals in Finland, Norway and Sweden. The first WTA tournament in 2017 starts on January 2. ◆

FOOTBALL

Eleven sustains Uefa fees and increases coverage in Singapore

By Richard Welbirg

Eleven Sports Network's deal for Uefa national team rights in Singapore is worth close to \$20m (€19m), TV Sports Markets understands.

Eleven's deal for Euro 2016 was announced in April. *TV Sports Markets* understands it also includes rights to the 2020 European Championship, plus European Qualifier matches from 2016-17 to 2021-22 and the Nations League in 2018-19 and 2020-21.

It is a small increase in fee for Uefa, European football's governing body, and its sales agent CAA Eleven. Almost all of the value lies in the two Championships.

Rights to Euro 2012 were acquired by telco StarHub for about \$8m – the same fee it paid for Euro 2008 rights. Regardless, it is a good result in a difficult market. Neither StarHub nor rival telco Singtel was prepared to meet CAA Eleven's valuation when the rights were tendered in late 2015.

The deal was eventually agreed directly with Eleven. It ensures consistent coverage of European Qualifier matches in Singapore for the first time. In the past, Singtel or StarHub have bought high-profile matches on an ad-hoc basis, for about \$2,000 to \$7,000 per match.

For Eleven, European Qualifier and Nations League matches provide a large amount of content to buttress a portfolio now spread across three channels: Eleven, Eleven Sports and Eleven Plus, its English Premier League-focused channel.

Premier League sublicensing

Eleven Plus was launched in June following the broadcaster's acquisition of rights to three Premier League matches per week. The deal, a sublicensing agreement with Singtel, runs for three seasons from 2016-17 to 2018-19.

Singtel pays the Premier League about \$78.3m per season for all rights over the three seasons (*TV Sports Markets* 19:21). Eleven is thought to be paying Singtel \$50m, or about \$16.7m per season.

Singtel carries Eleven's channels in its sports pack, so sublicensing the rights was an opportunity to offset the costs of its acquisition without harming its subscriber base.

Cross-carriage

The Premier League is one of two properties – alongside the Fifa World Cup – which the Singaporean government subjects to cross-carriage regulation.

This prevents either Singtel or StarHub, who together dominate the pay-television market, from broadcasting the league exclusively.

Singtel complies with the regulation by allowing StarHub to sell its customers a package of Singtel's sport channels. Singtel retains all revenues associated with the sale of the package, but must pay StarHub a carriage fee for each channel.

Eleven's channels are available via OTT platform Toggle and via its own website and app, as well as on Singtel's platform. They are carried by StarHub's OTT platform, Go, but not by the telco's pay-television platform.

StarHub fears that carrying Eleven Plus, with its Premier League coverage, would weaken its argument for the continuation of cross-carriage. The regulations only apply to pay-television, and not OTT operations.

Eleven did not exploit its Euro 2016 rights on its standard channels, instead creating two event-specific channels which were made available for a one-off fee on both Singtel and StarHub.

This was done to create a direct revenue stream. Showing the tournament on Eleven's normal channels would not have allowed Singtel to extract any extra income from its subscribers, or to pass any on to Eleven. ♦

FOOTBALL

MP & Silva struggles with the Premier League in Asia-Pacific

By Richard Welbirg

MP & Silva has struggled to refinance its investment in English Premier League rights across Asia-Pacific, outside Japan, TV Sports Markets understands.

The agency acquired rights from 2016-17 to 2018-19 in seven Asia-Pacific territories when they were tendered in late 2015. Its total spend was about \$72.8m per season.

In a first round of bidding, the agency agreed deals for Japan – worth \$29m per season – and the Philippines, where it is paying \$500,000 per season (*TV Sports Markets* 19:20).

In the second round, MP & Silva paid about \$43.3m per season for the league's rights in five territories: Mongolia, the Pacific Islands, South Korea, Taiwan and Vietnam (*TV Sports Markets* 19:21).

The Premier League's tender allowed bidders to make a single pan-regional offer only if they also made individual offers for rights in each territory. Though MP & Silva's final five-territory bid does not allocate values, it is possible to estimate the agency's valuation of each territory.

Any reading of MP & Silva's total income in the region is complicated by its sales in Japan, where it bundled Premier League rights with other football content in a very profitable deal worth about \$180m with telco SoftBank (*TV Sports Markets* 20:5). The deal covers the entire Premier League cycle, from 2016-17 to 2018-19, and four LaLiga seasons, from 2016-17 to 2019-20.

MP & Silva did not bundle Premier League rights in any other territories. All deals are for the entire 2016-17 to 2018-19 cycle.

According to *TV Sports Markets* research, the agency is earning about \$31.3m per season from its deals outside Japan.

South Korea & Vietnam

MP & Silva's most aggressive valuation was in Vietnam, where its \$26m-per-season offer was more than double the \$12m per season the IMG agency paid for the rights from 2013-14 to 2015-16.

IMG had made a decent profit over that cycle in deals with pay-television broadcasters K Plus and VTVcab. But while MP & Silva has grown the value of the market to about \$20m per season, it is still about \$6m per season short of meeting its original valuation.

K Plus pays MP & Silva about \$16m per season for three exclusive and seven non-exclusive matches per week (*TV Sports Markets* 20:9). The seven non-exclusive matches are also sold to two other pay-television broadcasters – VTVcab and SCTV – in deals worth about \$4m per season.

In South Korea, the agency's aggressive valuation of the rights was seen as the key in beating IMG to a pan-regional deal. Commercial broadcaster SBS is thought to have lost money on its deal, from 2013-14 to 2015-16, worth about \$13m per season. MP & Silva nonetheless bid \$14m per season.

It has managed to earn \$10m per season from deals with SBS and the Elta agency, which owns IPTV broadcaster Spo TV. Both broadcasters have rights to all games on their respective platforms.

Smaller markets

In Taiwan, OTT operator Eleven Sports Network acquired the rights from MP & Silva for about \$200,000 per season (*TV Sports Markets* 20:12). MP & Silva had valued the rights at about \$167,000 per season.

In Mongolia, MP & Silva sublicensed the rights to the incumbent, national broadcaster SPS, for a fee of about \$1m across the cycle, or \$330,000 per season. The agency had valued the rights at between \$1.5m and \$2m over the three-season cycle. IMG had paid \$500,000 per season in the 2013-14 to 2015-16 cycle. SPS still has payments outstanding on its deal with IMG.

MP & Silva's agreement in the Philippines is thought to have been backed by its sublicensee, beIN Media Group, which is paying MP & Silva the same value the agency placed on the rights. This is thought to be \$500,000 per season, up from \$400,000 per season in the previous cycle.

When the rights were last sold in the Philippines, the beIN Sports pay-television channels in the country were operated as a joint venture between beIN and MP & Silva.

Pay-television broadcaster Sky Pacific is paying about \$300,000 per season for rights in the Pacific Islands. The agency valued the territory at \$660,000 per season in the tender process. ◆

ICE HOCKEY

Commercial Sports Media to advise SM-Liiga on domestic deal

By Robin Jellis

SM-LIIGA RIGHTS

- SM-Liiga rights are held by Nelonen from 2013-14 to 2017-18 for €16m-€17m per season
- Commercial Sports Media will advise on a new deal following its SHL success
- The SHL's new domestic deal will be almost double the current SEK350m per season

The Commercial Sports Media agency is confident it can grow the value of SM-Liiga domestic media rights despite a tricky local market. CSM was last week appointed as the top-tier Finnish ice hockey league's adviser.

The league currently has a five-season deal with commercial and pay-television broadcaster Nelonen. The deal runs from 2013-14 to 2017-18 and is worth between €16m (\$17m) and €17m per season. Nelonen also covers production costs on top of its fee (*TV Sports Markets* 19:20).

CSM was selected to advise the SM-Liiga following its success in advising the Swedish Hockey League – Sweden's top-tier ice hockey league – on the sale of its domestic rights in September.

The SHL agreed a six-season renewal with pay-television broadcaster C More, from 2018-19 to 2023-24, worth about SEK670m (€68m/\$73m) per season. This is almost double the value of the league's current four-season deal, from 2014-15 to 2017-18, worth just under SEK350m per season (*TV Sports Markets* 20:17).

Conditions in the Finnish market, however, are not as ripe for growth. Nelonen is said to be losing between €3m and €6m per season on the SM-Liiga deal and has reduced its investment in sport.

Despite this, the SM-Liiga remains one of the most important subscription-driving properties in the country, and its rights are likely to be strongly contested.

Jonas Persson, Commercial Sport Media's chief executive, told *TV Sports Markets* this week: "We are there to help the league do as good a deal as possible. We always like to do better than previous deals.

"If you look at domestic, premium properties in the last five to 10 years, it's fair to say they have all increased in value."

SM-Liiga domestic TV rights deals

| Duration | Broadcaster(s) | Per-season value (€m) |
|--------------------|-------------------------------------|-----------------------|
| 2002-03 to 2004-05 | MTV3 | 2 |
| 2005-06 to 2007-08 | Canal Plus and Nelonen | 3.7 |
| 2008-09 to 2012-13 | Canal Plus ¹ and Nelonen | 9 to 10 |
| 2013-14 to 2017-18 | Nelonen | 16 to 17 |

Source: TV Sports Markets Rights Tracker

¹ Canal Plus sublicensed its rights to UrhoTV

The value of SM-Liiga rights has increased season-on-season for more than a decade.

“We feel we can bring a more structured process to the market. We are good at analysing the market.” Persson said. He added: “Premium rights have a strategic value and different players look at these rights in various ways.”

He said the agency feels there are three potential buyers of SM-Liiga rights in a new cycle. First, traditional broadcasters. Second, operators who currently have no sports rights and may seek to buy content directly. Third, new entrants to Finland – especially telecommunication companies.

Before appointing CSM as its adviser, it is understood the league was approached directly about a deal by other agencies as well as local broadcasters.

Talks early next year

CSM and the SM-Liiga have begun discussions with interested parties and will plan a sales process in January. The league hopes a deal will be in place next summer.

CSM is under no pressure to secure any live free-to-air coverage. Nelonen currently shows between five and 10 matches per season free-to-air with all other matches on pay-television. There are more than 500 league matches per season.

The current Nelonen deal was agreed by the league, without an adviser. In April, Riku Kallioniemi was appointed as the league’s new chief executive, replacing Kimmo Rannisto. Kallioniemi has no background in media rights. ◆

MOTORSPORT

WRC happy to renew with Sport1 in Germany for small increase

By Robin Jellis

The World Rally Championship last week earned a small increase from sports broadcaster Sport1 for its rights in Germany, Austria and Switzerland.

Sport1 agreed a two-year deal, covering 2017 and 2018, for just over €50,000 (\$54,000) per year. The broadcaster's previous two-year deal, covering 2015 and 2016, was worth about €50,000 per year.

Both the new and previous deal were agreed directly with WRC Promoter, the commercial rights-holder. There was no tender process as there is understood to have been little competition for the rights.

Sport1's deal covers exclusive live rights across all its platforms. The broadcaster is understood to be actively seeking motorsport rights.

WRC Promoter is understood to have been happy to renew with Sport1 as it reaches a wide audience on its main free-to-air channel, and provides tailored coverage for the German market.

Sport1 will show all races live on its pay-television Sport1 Plus channel. The broadcaster is yet to define what it will show on its main free-to-air Sport1 channel, although it will likely show a weekly highlights show.

The renewal comes after Sport1 last month lost rights to the top tier German handball league, the Handball-Bundesliga (*TV Sports Markets* 20:21).

WRC had a deal with German commercial broadcaster RTL for 2016, which showed clips and non-exclusive highlights coverage on its N-TV channel. WRC Promoter is in talks to renew the RTL deal from 2017 onward.

WRC Promoter did not sell rights beyond the 2018 season as this is when its mandate to sell the rights on behalf of the Fédération Internationale de l'Automobile ends (*TV Sports Markets* 20:17).

WRC Promoter is a joint operation of the Red Bull Media House and the Sportsman Media Group agency. It holds rights under a six-year deal, from 2013 to 2018 (*TV Sports Markets* 17:1). ♦

TVSportsMarkets RIGHTSTRACKER

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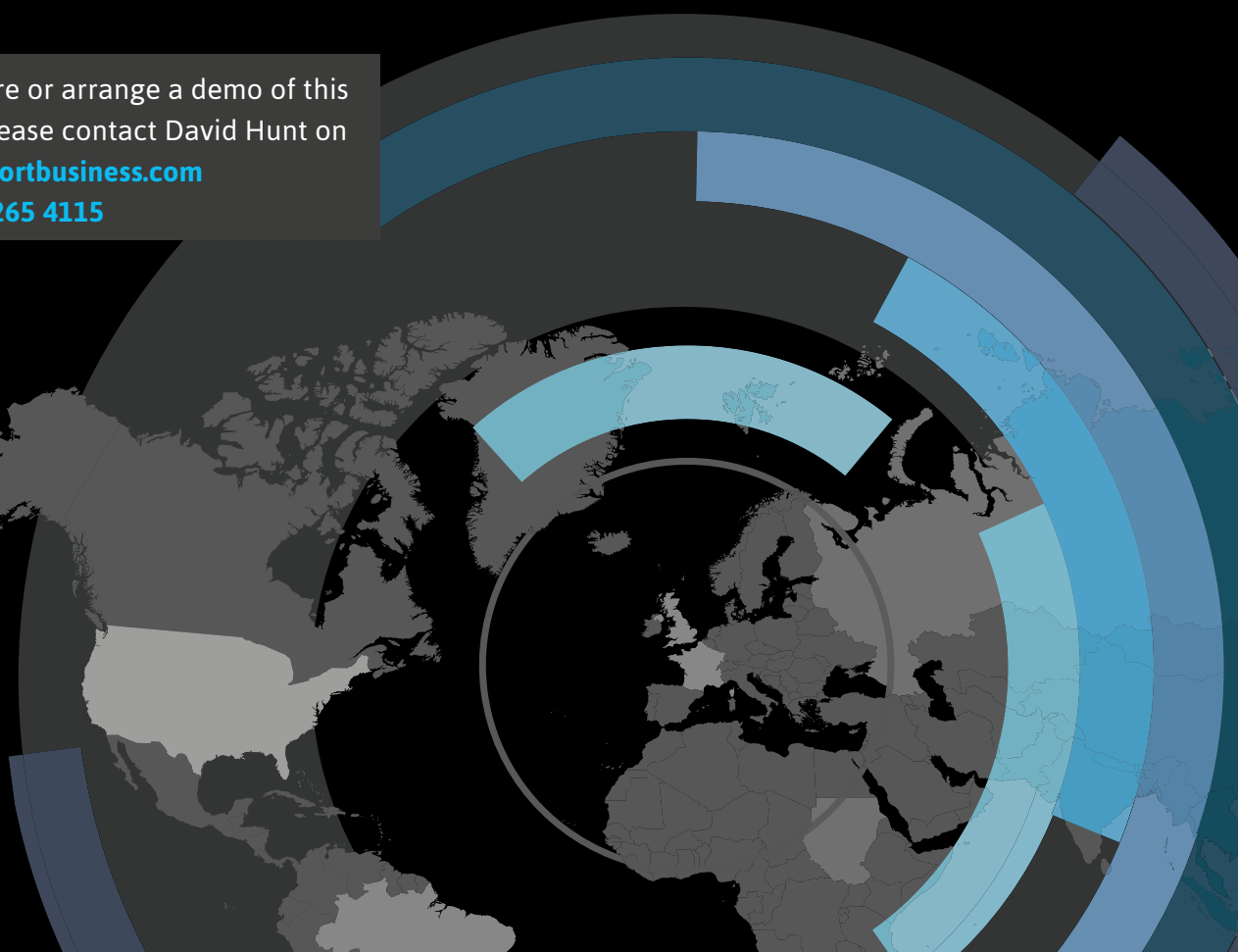
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MEDIA RIGHTS DEALS

DECEMBER 1 TO 14

FOOTBALL

- ◆ Pay-television broadcaster Fox Sports Netherlands acquired rights to the Africa Cup of Nations national team tournament in 2017 and 2019.
- ◆ Pay-television broadcaster Canal Plus Afrique signed a seven-year deal with the Confédération of Africaine de Football and the Lagardère Sports agency for French-language rights to club and national team competitions staged by the continental governing body, from 2017 to 2023.
- ◆ Greek public-service broadcaster ERT acquired rights for Spain's Copa del Rey. The deal begins immediately and runs until the end of the 2017-18 season.
- ◆ German commercial broadcaster ProSiebenSat.1 acquired rights for the 2017 Telekom Cup mid-season domestic tournament on January 14.
- ◆ The West African Football Union signed a 12-year rights deal with pay-television broadcaster Fox Sports Africa (page 22).

OTHER SPORTS

- ◆ **Athletics:** USA Track and Field signed an eight-year deal, from 2017 to 2024, with the NBC Sports Group division of US media company NBCUniversal. NBC Sports will hold exclusive rights to USATF's elite-level events.
- ◆ **Athletics:** International sports broadcaster Eurosport acquired rights across Europe for the Malmö Games indoor track and field event for three years, from 2017 to 2019.

- ◆ **Aussie Rules:** Australian pay-television operator Foxtel acquired rights for the 2017 season of the AFL Women's competition.
- ◆ **Aussie Rules:** Australian commercial broadcaster Seven acquired free-to-air rights for the AFL Women's competition. Seven will broadcast select games from the 2017 campaign, including the season-opener on February 3 and the Grand Final on March 25.
- ◆ **Badminton:** The MP & Silva agency extended its global rights deal with Badminton Asia for an additional four years, from 2017 to 2020.
- ◆ **Badminton:** The Lagardère Sports agency extended its host broadcast and global rights deal with the Scottish Open Badminton Grand Prix until 2019.
- ◆ **Baseball:** International sports broadcaster Eleven Sports Network acquired exclusive rights in Taiwan to the 2017 World Baseball Classic national team tournament.
- ◆ **Basketball:** Pay-television broadcaster Canal Plus Afrique agreed a sublicensing deal with telco Econet for rights to the NBA in Francophone African markets, as well as Madagascar and Mauritius. The agreement began immediately and ends after the 2018-19 season.
- ◆ **Basketball:** Australian commercial broadcaster Seven will show live coverage of Women's National Basketball League team Perth Lynx's games against the Dandenong Rangers on December 11 and the Adelaide Lightning on December 18. They will be shown on digital-terrestrial channel 7Two in Western Australia.

MEDIA RIGHTS DEALS

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- ◆ **Boxing:** UK commercial broadcaster ITV acquired exclusive rights for the IBO World Super Middleweight bout between Chris Eubank Jr and Renold Quinlan on February 4. The fight will be shown on ITV Box Office, the broadcaster's new pay-per-view channel.
- ◆ **Cricket:** Australian telco Optus acquired rights for the 2016-17 season of the domestic Women's Big Bash League.
- ◆ **Equestrian:** German public-service broadcasters ARD and ZDF signed a four-year extension to their rights agreement with the German Equestrian Federation. The deal runs until the 2020 summer Olympic and Paralympic Games in Tokyo and covers at least 13 equestrian events in Germany.
- ◆ **Gaelic Sports:** The Gaelic Athletic Association extended its rights deals for hurling and Gaelic football with Irish public-service broadcaster RTÉ and pay-television broadcaster Sky. Both deals run for five years, from 2017 to 2021.
- ◆ **Gaelic Sports:** Public-service broadcaster BBC Northern Ireland retained rights to the GAA's Ulster senior football championship in a five-year deal from 2017 to 2021.
- ◆ **Gaelic Sports:** Irish-language free-to-air broadcaster TG4 retained access to GAA National Football League and club championship games, as well as minor championship games, in a five-year deal from 2017 to 2021.
- ◆ **Gaelic Sports:** The GAA renewed a rights deal with Premium Sports covering commercial premises in North America. The five-year deal runs from 2017 to 2021.
- ◆ **Gaelic Sports:** UK pay-television broadcaster Premier Sports renewed a rights agreement with the GAA for five years, from 2017 to 2021.
- ◆ **Handball:** Pay-television broadcaster beIN Sports sublicensed a package of rights to the men's World Championship to French commercial broadcaster TF1. The tournament will take place in France from January 11-29.
- ◆ **Handball:** Multi-territory commercial and pay-television broadcaster Modern Times Group acquired rights in the Nordics to the 2020 editions of the men's and women's European Handball Championships.
- ◆ **Horse Racing:** UK horse racing pay-television broadcaster Racing UK agreed a deal with the Hong Kong Jockey Club for live coverage of 63 HKJC fixtures in the 2016-17 season.
- ◆ **Horse Racing:** The Racing Partnership – a joint venture between UK racecourse owner and operator Arena Racing Company, and seven UK independent racecourses – signed a long-term media-rights deal with bookmaker William Hill. Under the deal, which starts on January 1, William Hill will buy betting shop media rights directly from TRP.
- ◆ **Mixed Martial Arts:** Pan-African digital-terrestrial and pay-television operator StarTimes acquired rights to the One Championship promotion.
- ◆ **Motorsport:** Pay-television channel Motorvision TV extended a rights deal with North American stock car-racing series Nascar. The

MEDIA RIGHTS DEALS

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agreement will run for three years, from 2017 to 2019. Motorvision TV will broadcast live coverage of all races in the Nascar Sprint Cup Series to audiences in Austria, Germany, Liechtenstein, Luxembourg and Switzerland.

◆ **Motorsport:** German sports broadcaster Sport1 signed a two-year extension to its deal for World Rally Championship rights (page 32).

◆ **Olympic Games:** Eesti Meedia, a media company that operates in the Baltics, acquired rights in Estonia for the 2018 winter Games in Pyeongchang and the 2020 summer Games in Tokyo, under a sublicensing deal with media group Discovery Communications. It will show free-to-air coverage on the Kanal 2 channel.

◆ **Rugby Union:** Premiership Rugby, the governing body of England's top tier, agreed a distribution partnership with in-flight and in-ship specialist Global Eagle Entertainment. The five-season deal, from 2016-17 to 2020-21, grants GEE rights to the Premiership, the Premiership Rugby 7s series and the Anglo-Welsh Cup. The deal was first reported in *TV Sports Markets* 20:18.

◆ **Triathlon:** Spanish public-service broadcaster TVE extended its deal with the International Triathlon Union to cover its World Triathlon Series during the 2017 season.

◆ **US College Sport:** The Fox Sports division of US network Fox acquired rights to annual college American football game the NFLPA Collegiate Bowl. Fox Sports signed a multi-year partnership with the NFL Players Association for the rights, beginning with the 2017 edition on January 21.

MEDIA RIGHTS NEGOTIATIONS

◆ Portuguese football club Benfica requested a review of its media-rights deal with Nos after claiming the telco's agreement with rival club Sporting was more valuable.

◆ Clubs in Argentina's top-tier Primera División put forward a counterproposal to US media companies Fox and Turner for its media rights. Last month, Fox and Turner made a 15-year offer, from 2017 to 2031, said to be worth an initial 2bn pesos per year (€122.6m/\$130m). Clubs have reportedly demanded 3.5bn pesos per year for the rights, plus additional revenue which could take the value closer to 4.25bn pesos per year.

◆ Eurovision, the European Broadcasting Union's production arm, is set to secure the host broadcasting contract for the 2018 European Championships multi-sport event in Glasgow after organisers said it was the preferred bidder.

◆ Australian pay-television operator Foxtel decided against sublicensing any of its AFL Aussie rules football league games to a free-to-air broadcaster in the 2017 season.

◆ Football Federation Australia asked bidders in the auction for the next cycle of domestic rights – from 2017-18 to 2020-21 – to state their preferred locations for expansion franchises in the top-tier A-League. Two new teams will be added to the A-League in the 2018-19 season.

◆ SM-Liiga, the top division of ice hockey in Finland, appointed the Commercial Sports Media agency to advise on its upcoming media rights sales process (page 30).

NEWS IN BRIEF

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- ◆ Athlete representation, event management and sports marketing group TLA Worldwide moved into the sports-rights business by backing newly-formed agency Talisman Sports and Media. Talisman will work on the sale of rights owned by the TLA Group as well as seeking new business opportunities. TLA will not initially have a shareholding in Talisman but has the option to acquire a majority stake within a five-year period from December 6.
- ◆ Agcom, Italy's communications regulator, launched an investigation to define rules for next year's sale of domestic rights to Serie A, the top division of Italian football. Agcom aims to complete this by January 29.
- ◆ Pan-European pay-television broadcaster Sky accepted a buyout offer from media group 20th Century Fox for a reported \$14.7bn.
- ◆ Sandy Brown, chief executive of One World Sports, said the North American sports broadcaster has an "extremely bright future" amid reports its employees have been sent on periods of leave as it entered takeover talks.
- ◆ US network CBS agreed a deal with the NFL American football league to add live coverage of games to its CBS All Access streaming service. The multi-year agreement began on December 4 and covers all games.
- ◆ The NFL relaxed its rules for teams' use of in-game video on social media, following a backlash from franchises and fans. Teams can now capture and post GIFs of ancillary content – such as touchdown celebrations and player reactions – during games. Teams can conduct one pre-game live stream via Periscope or Facebook Live per game, use post-game content immediately and upload five snaps of live in-game action to Snapchat per game.
- ◆ The Fox Sports division of US network Fox broadcast live coverage of Major League Soccer's championship game between Toronto FC and Seattle Sounders on December 10 in virtual reality.
- ◆ US broadcaster Turner Broadcasting System expanded its partnership with mobile application Snapchat.
- ◆ UK commercial broadcaster Channel 4 opted to end its coverage of British horse racing on December 27 – four days earlier than planned. Channel 4 cited problems in handing over broadcast equipment to commercial broadcaster ITV, which will become the exclusive free-to-air broadcaster of horse racing in the UK on January 1.
- ◆ Constantin Medien's supervisory board chairman, Dieter Hahn, approached the company and its Highlight Communications subsidiary in an attempt to take over both entities. The approach was rejected by Highlight.
- ◆ German production company Wige Media unveiled a major restructuring plan under which it will sell its Wige Broadcast and Wige Solutions divisions in favour of developing its new sporttotal.tv platform. The purchase price for the two operations amounts to €4m (\$4.3m) in total, €3.5m of which is for Wige Solutions and €500,000 for Wige Broadcast. Wige Media's workforce will be cut by 115 to about 215.

NEWS IN BRIEF

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- ◆ Multiple reports claimed French telco Orange was in talks to invest in media group Vivendi's pay-television broadcaster Canal Plus.
- ◆ According to reports, French telco Altice will close tennis-dedicated pay-television channel MCS Tennis on December 31.
- ◆ The Ligue de Football Professionnel reached an agreement with pay-television broadcaster Canal Plus over its coverage of the top two divisions of French football. Sunday evening's main top-tier Ligue 1 match will be shown at 9pm on Canal Plus, while Monday evening's second-tier Ligue 2 match will kick-off at 8.45pm on Canal Plus Sport. The LFP also gave its approval for Ligue 1 matches scheduled for Friday at 8.45pm and Saturday at 5pm to be broadcast on Canal Plus Sport. The agreement will commence on January 14.
- ◆ French media company Vivendi has stated it could acquire up to a fifth of Italian broadcaster Mediaset, leading to speculation about a hostile takeover bid. On December 13, Vivendi said it raised its stake in Mediaset to 12.3 per cent. In response, Mediaset's controlling shareholder Fininvest claimed it had bought 27.6m shares in the broadcaster and had rights to buy 14m more on December 14, which would take it to 39.775 per cent of the voting capital.
- ◆ Australian commercial broadcaster Seven will offer an OTT service to enhance its coverage of the 2017 Australian Open grand slam tennis tournament. Seven will introduce a service that allows viewers access to more than 600 live matches with reduced commercial content for a one-off fee of A\$9.99 (€7/\$7.50).
- ◆ Premier League club Manchester United made its in-house television channel, MUTV, available for free in China, according to UK newspaper *The Times*. MUTV will be carried on the Sina Sports platform.
- ◆ Chinese internet company LeEco is to cut 10 per cent of staff from its LeSports division.
- ◆ The International Olympic Committee's Olympic Channel partnered with US filmmaker Frank Marshall and sports media company Mandalay Sports to create a documentary series. Scheduled to launch in 2017, *Five Rings Films* will feature five hour-long episodes showcasing iconic athletes and record-breaking teams from the modern Olympic era.
- ◆ The International Table Tennis Federation partnered with sports marketing company Seca to deliver virtual-reality coverage of the World Tour Grand Finals event in Doha, Qatar, from December 8-11. The event served as a test project, with the same coverage to be rolled out at a number of key tournaments in 2017.
- ◆ Acer, Google, HTC, Facebook, Samsung and Sony created a new non-profit industry body for virtual-reality headset manufacturers.
- ◆ The Torneos y Competencias agency agreed a deal with US prosecutors to pay \$112.8m (€106m) to settle charges in relation to a football corruption probe. Torneos agreed to forfeit \$89m and pay a \$23.76m penalty. A charge of one count of wire fraud conspiracy will be dropped if the company abides by the terms of the agreement for four years. The company will also implement new internal compliance and

NEWS IN BRIEF

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accounting controls. Prosecutors claimed Torneos paid bribes and kickbacks to top football officials over a 15-year period in order to secure media and marketing rights.

◆ Fifa, football's global governing body, signed a content agreement with the Olympic Channel. The agreement covers news access and content licenses to promote football within the Olympic movement.

INDUSTRY MOVES

◆ The Red Bull Media House production company appointed Dietmar Otti as its new chief operating officer.

◆ Arndt Jaworski was promoted to become the second managing director of German agency U! Sports. He will commence his new position in the new year, serving alongside Robert Müller von Vultejus.

◆ Discovery Communications appointed Bernard Ross to the new role of 'chief operating officer and general manager for the Olympic Games' at international sports broadcaster Eurosport. Ross begins the role in January and will oversee all production, logistics and organisational aspects of the planning for the Games, particularly in Germany, Norway and Sweden – territories where Discovery will retain Olympic rights for use on its own channels.