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FOOTBALL

Sky eyes chance to keep out Mediaset with Telecom in wings

By Frank Dunne

Lega Serie A's invitation to tender for its media rights could allow Sky Italia to secure a monopoly of Serie A rights in the next cycle, dealing a potentially fatal blow to its main rival Mediaset Premium. Bids are due tomorrow, June 10.

The overall outcome for the league will depend on two factors. First, loss-making Mediaset Premium's appetite to retain Serie A rights. Second, telco Telecom Italia's evaluation of an OTT package with no exclusivity.

Other operators, including sports broadcaster Eurosport and premium channel Fox Sports, who both bid the last time the Lega sold its rights, are expected to be peripheral to the contest. The Perform Group, which operates the DAZN OTT service, is not thought likely to enter the market for OTT rights. Strategic alliances between two or more of the players are not being ruled out.

The league is seeking a minimum of €1bn (\$1.18bn) per season for its live rights in the 2018-19 to 2020-21 cycle.

For equivalent rights in the current cycle, from 2015-16 to 2017-18, it set reserve prices totalling €892m per season. It earned €945m per season after a controversial sales process, with Sky paying €585m per season and Mediaset €360m per season (*TV Sports Markets* 18:13).

Packages

The league has created three platform-specific packages: one for satellite, one for digital-terrestrial and one for digital. It has also created one platform-neutral package.

The tender rules say no single bidder can acquire rights for more than two of the three technologies. But a portability clause in the optional ancillary packages would allow Sky, Italy's dominant pay-television platform, to get around this.

Sky could acquire packages A, B and D, giving it rights to all league matches on satellite and digital-terrestrial. It would need to create a digital-terrestrial platform, which it does not currently operate.

If it bought A and B, it would not be allowed to buy either of the OTT packages, C1 or C2. However, ancillary packages Silver A and/or Silver B would give it digital rights. It could stream all its matches to two other types of device, such as smartphones and tablets, as it does presently on its Sky Go service.

Reserve prices for Serie A domestic live pay-TV rights

Package	Technology	Teams/matches per season	Per-season value (€m)	Exclusivity
New tender, 2018-19 to 2020-21				
A	Satellite	8/248	200	Satellite only; same matches shown on DTT and digital
B	DTT	8/248	200	DTT only; same matches shown on satellite and digital
C1	Internet/IPTV/Mobile	4/140	100	Digital only; same matches shown on satellite and DTT
C2	Internet/IPTV/Mobile	4/140	100	Digital only; same matches shown on satellite and DTT
D	Platform-neutral	12/324	400	132 matches absolute ¹
Total			1000	
Previous tender, 2015-16 to 2017-18				
A	Satellite/IPTV/DVBH/Mobile	8/248	274	Satellite only; same matches shown on DTT
B	DTT/IPTV/DVBH/Mobile	8/248	274	DTT only; same matches shown in satellite
C	Ancillary rights for A and B	N/A	67	N/A
D	Platform-neutral	12/132	235	Absolute
E	Internet/mobile/IPTV	Various/114	109	None
Total			959	

Source: Lega Serie A, TV Sports Markets

¹ 192 matches overlap with A, B, C1 and C2

If it matched at least the reserve price for these packages, Sky would pay at minimum of €864m per season, although in practice it would probably bid well above the reserve price for package B, where it would expect competition from Mediaset.

The €864m would be made up of:

- €400m for D
- €200m for A
- €200m for B
- €32m for Silver D (eight per cent of D)
- €16m for Silver A (eight per cent of A)
- €16m for Silver B (eight per cent of B)

This would be an uplift of just under 50 per cent on the €585m per season it currently pays, but with the advantage of denying Mediaset any rights to Serie A, its main subscription driver.

It is this fear that prompted Mediaset to lodge a complaint with the country's antitrust authority, the Autorità Garante della Concorrenza e del Mercato, two days after the ITT was published.

Having made the complaint, it remained in doubt late this week whether Mediaset would bid at all. One informed source said the chances of the broadcaster's complaint delaying or derailing the process were "zero". The league's detailed sales guidelines were approved by the regulator last month.

The league is being advised on the sale of its media rights by the Infront Sports & Media agency.

How the 20 Serie A teams are split between packages

Package	Teams
2018-19 to 2020-21	
A & B	4 with most fans; 1 with fewest fans; 3 promoted teams
C1	Team with most fans; team with 4th most; team with fewest; third promoted team
C2	Teams with 2nd and 3rd most fans; 1st and 2nd promoted teams
D	12 teams not covered by A, B, C1/C2
2015-16 to 2017-18	
A & B	4 of the 5 teams with most fans; 2 of the teams ranked 6-10; 1 team ranked 11-15; 1 team ranked 16-20
D	12 teams not selected for A and B

Source: Lega Serie A, TV Sports Markets

The OTT question

Local experts believe OTT packages C1 and C2 have been created with Telecom Italia in mind. The company's chief executive, Flavio Cattaneo, has said on several occasions in recent months the operator will bid.

It remains to be seen whether the value of these packages could be undermined by broadcasters also having the right to stream matches to PCs, tablets and smartphones. These packages cover the same eight teams whose matches are available in packages A and B.

In theory, an OTT operator could still use the rights – which would include popular teams such as Juventus, Milan and Inter – to create a low-cost premium sports service that might attract football fans reluctant to pay for the full, high-cost offerings of Sky and Mediaset.

Experts doubt tech giant Amazon or Perform would pay anything close to the €200m per season reserve price for rights with such a low level of exclusivity. For Telecom Italia, however, the content would enable it to offer an attractive quad-play bundle of fixed line, mobile, internet and TV services.

As one expert put it: “Telecom is not in competition with Sky and Mediaset but with other telcos. The rewards are potentially much higher if it takes market share away from a rival. In that context, €200m per season is nothing to Telecom.”

In the current cycle, the league made a package of OTT rights to 114 matches per season available at €109m per season. Nobody bid.

In the end, the league gave the rights to Telecom Italia which created a mobile app – priced at €2.99 per month – to carry the league-produced channel Serie A TIM. The app was poorly promoted and informed sources say live streams of matches attracted only a few thousand viewers per match day.

If a similar scenario plays out this time, Sky would end up with something close to a monopoly of Serie A rights. Even though the league's sales guidelines have been cleared, it would be a surprise if the regulators accepted such an outcome.

Ancillary values

The last time it sold its rights, the league made a single package of ancillary rights available with a reserve price of €67m per season. This included content such as pitch-side interviews. It failed to secure an offer and after long private negotiations ended up selling the rights to Mediaset for about €3m per season.

Winners of live rights packages can opt to acquire ancillary rights for an additional fee of four or eight per cent of the amount paid to acquire their relevant live rights packages. This valuation is considered unrealistic by operators. However, a like-with-like comparison with last time is not possible.

The new packages have a much wider set of rights. The Gold and Silver packages contain different levels of ancillary rights. But they also contain things such as retransmission rights, which a broadcaster would need if it wanted to wholesale its channels to third-party platform operators.

Optional packages for ancillary¹ rights

Package	Fee ² (percentage)	Possible buyers
Gold ABC	8	Winner of A or B or both C1 and C2
Gold D	4	Winner of D
Silver A	8	Winner of A
Silver B	8	Winner of B
Silver C1	8	Winner of C1
Silver C2	8	Winner of C2
Silver D	8	Winner of D

Source: Lega Serie A, TV Sports Markets

¹ Includes pitch-side interviews, additional camera angles, and allows for multi-device coverage

² Percentage of related package fee

Combinations of packages that cannot be won by a single operator

Packages					
A	A	A	A	A	A
B	B	B	B	B	B
C1		C1	C1		C1
	C2	C2		C2	C2
			D	D	D

Source: Lega Serie A, TV Sports Markets

One area where the league looks certain to secure an uplift is from the rights to commercial premises, such as pubs and clubs. In the current cycle, these rights are included with the broadcast rights in each package. In the new cycle, they will be sold separately as a standalone product. One pay-television expert said these rights could be worth between €60m and €90m per season.

Beating Uefa to the punch

Serie A rushed its tender out on May 26 with a deadline of June 10, designed to secure bids before Uefa's June 12 deadline for rights to the Champions League and Europa League in Italy. The move was not well received in Uefa's Nyon headquarters.

A league assembly has been called for Saturday afternoon (June 10) to approve the winning bids. Broadcasters will then have one day to evaluate the outcome of the Serie A tender before deciding how much to invest in the Uefa rights.

Should Sky end up paying upward of €800m per season for Serie A rights, it would be less likely to bid aggressively for the Champions League. However, a knockout Sky bid for Serie A could lead to a similarly aggressive bid by Mediaset to retain the Champions League.

In the current cycle, Mediaset acquired all Champions League rights for just over €230m per season. Sky pays about €30m per season for all Europa League rights (*TV Sports Markets* 18:3).

The increase in the number of guaranteed Italian teams from two to four will deliver far more matches of value to broadcasters. At present, a third team could reach the group stages via the qualifying phase. The format change, based on the coefficient of the top leagues in Europe, will come into effect from 2018-19 onward. ◆

RUGBY UNION

BeIN pays up for EPCR rights in France as UK deal draws closer

By Robin Jellis

- EPCR will earn €30.9m per season in France from two deals in the 2018-19 to 2021-22 cycle
- BeIN Sports will pay €24.7m per season; France Télévisions will pay €6.2m per season
- EPCR earns between €20m and €21m per season in the current 2014-15 to 2017-18 cycle

European Professional Club Rugby increased the value of its media rights in France by about 50 per cent late last month from deals with beIN Sports and France Télévisions.

Public-service broadcaster France Télévisions and pay-television broadcaster beIN Sports will pay a total of €30.9m (\$36.5m) per season over four seasons, from 2018-19 to 2021-22. The two deals were agreed separately. BeIN will pay about €24.7m per season; France Télévisions will pay about €6.2m per season.

This is an increase of between 47 and 55 per cent compared to the value of the same rights in the current four-season cycle, from 2014-15 to 2017-18.

In this period, France Télévisions and beIN pay a total of between €20m and €21m per season. BeIN pays between €14m and €15m per season; France Télévisions pays about €6m per season (*TV Sports Markets* 18:19).

Rights in both the current and the new cycle were sold by EPCR, the governing body for club rugby union in Europe. For the new deal, it was advised on the sale of its rights by the Cornerplay agency. EPCR runs the top-tier Champions Cup and second-tier Challenge Cup.

Increase follows Uefa loss

BeIN's vastly increased fee in its new deal – an uplift of between 65 and 76 per cent – is understood to mainly be due to its loss of Uefa Champions League and Europa League rights in France: beIN couldn't countenance losing another significant property in such a short space of time.

Last month, pay-television broadcaster SFR Sport acquired exclusive rights to both competitions, from 2018-19 to 2020-21, for a total of €350m per season (*TV Sports Markets* 21:8).

BeIN is also thought to have been prepared to pay a big increase for EPCR rights to prevent the acquisitive SFR from further expanding its portfolio, and to keep hold of an important property. The

EPCR rights represent beIN's only strong rugby union content in its portfolio, enabling it to position itself as a multi-sport broadcaster.

France Télévisions was keen on EPCR rights for two main reasons. First, they complement its other rugby coverage – the broadcaster also holds Six Nations rights and shows autumn test matches of the French national team (*TV Sports Markets* 20:6). Second, it covers only nine weekends each year, making the content easy to schedule.

Media-rights revenue from France for top-tier European rugby

Property	Duration	Broadcaster	Per-season fee (€m)
Champions Cup and Challenge Cup	2018-19 to 2021-22	beIN Sports	24.7
	2018-19 to 2021-22	France Télévisions	6.2
Champions Cup and Challenge Cup	2014-15 to 2017-18	beIN Sports	14-15
	2014-15 to 2017-18	France Télévisions	6
Heineken Cup and Amlin Cup	2010-11 to 2013-14	France Télévisions	11
	2010-11 to 2013-14	Canal Plus	2.8
Heineken Cup and Amlin Cup	2006-07 to 2009-10	France Télévisions	11

Source: *TV Sports Markets Rights Tracker*

Bidding intentions

The rights were tendered on April 21, with first-round bids due by May 17. Deals were agreed with beIN and France Télévisions after one round of bidding. It is understood the two were the only bidders.

EPCR made three packages available. The first, for free-to-air rights to one match per round from both the Champions Cup and Challenge Cup, was acquired by France Télévisions.

The second and third packages were both acquired by beIN. The second was for another Champions Cup match per round. The third was for all other matches.

Neither SFR nor pay-television broadcaster Canal Plus bid as they felt the rights would only add few subscribers.

Canal Plus holds exclusive rights to the top domestic rugby union league, the Top 14, in a four-season deal from 2019-20 to 2022-23 worth about €97m per season. Most keen rugby union fans already have a Canal Plus subscription.

EPCR hits target

The new deal is seen as a good outcome for EPCR for two main reasons.

First, it has reached its financial target. EPCR is understood to have sought €30m per season from any new deal. Earning such a large increase is impressive. There was little competition for rights in the new cycle, and when EPCR agreed its current deal it fell well short of its reserve price of €27m per season.

Second, the timing of the tender could have made discussions difficult. The tender was on the market at the same time as those for Formula One – acquired by Canal Plus for about \$60m per year from 2017 to 2019 – and Uefa’s Champions League and Europa League.

As one local source put it this week: “It’s always difficult to know if the timing will be good or not. In this case, it was good because EPCR put pressure on the losers of the other tenders.”

Coverage in France

beIN will continue to have rights to all matches in both competitions. It has committed to showing all Champions Cup matches involving Top 14 clubs, two Challenge Cup matches per round, plus the knockout stages of both competitions.

France Télévisions will continue to show the first-pick Champions Cup match each round non-exclusively on its main channel, France 2, on Sunday afternoons. The public-service broadcaster will also continue to show the first-pick Challenge Cup match each round non-exclusively on digital-terrestrial channel France 4 on Saturday evenings.

Each season, France Télévisions will show 18 matches – nine from both competitions. From both competitions, it will show one match per round during the group stages, one quarter-final, one semi-final and the final.

EPCR said further free-to-air coverage in the new cycle is possible, dependent on discussions between beIN and France Télévisions. It is understood these talks are specifically about the rights to matches in package two. EPCR is keen to secure further exposure of its matches.

TV Sports Markets understands that should a deal be struck, France Télévisions could begin coverage of the additional match each weekend from next season, ahead of the new cycle.

However, local experts would be surprised if an agreement is reached, for two reasons. First, beIN would not be keen for its exclusivity to be further diluted by having more matches on free-to-air. Second, France Télévisions would probably struggle to match beIN’s asking price in any sublicensing deal. Under the terms of the tender, beIN can only sublicense to France Télévisions as the public-service broadcaster won package one.

France Télévisions will cover the cost of production for the matches it shows that are hosted in France. BeIN Sports will cover production costs to all other matches hosted in France.

UK deals nearing completion

EPCR is close to a new deal in the UK covering the same four seasons, from 2018-19 to 2021-22.

TV Sports Markets understands deals have been agreed in principle with pay-television broadcaster BT Sport and commercial broadcaster ITV worth a combined sum of about £18m (€20.7m/\$23.1m) per season.

ITV will pay about £2m per season for rights to show the first-pick Champions Cup match per round. Its deal is not thought likely to cover the Challenge Cup. BT will acquire a package of pay-television rights covering all matches for about £16m per season.

Rights in the current cycle, from 2014-15 to 2017-18, are held jointly by pay-television rivals BT and Sky for a total of £24m per season. BT pays about £13m per season and Sky pays about £11m per season (*TV Sports Markets* 19:6).

The new deal will represent a fee decrease of about 25 per cent. But EPCR is thought to have been prepared to suffer a fall in value in order to ensure it achieved its two main objectives from any new deal.

These were: 1) to have only one pay-television partner; and 2) to have some free-to-air exposure. It is thought to hope wider coverage will help increase the competitions' popularity, making it easier to increase the value of its rights the next time they come to market.

The sales process is being handled by UK consultant David Kogan.

One rugby rights expert said moving from two pay-television broadcast partners to one meant a fee decrease was always likely. "When rights are split there is a challenge to drive value and to develop appointment to view. It's always going to need to go to one pay-TV partner. You have to take a bit of a step back."

Splitting coverage between BT and Sky has meant that neither has fully committed to marketing the EPCR competitions.

ITV's acquisition is seen as a surprise – the broadcaster did not renew its deal for Premiership Rugby highlights rights when they were recently on the market. ITV's four-season deal, from 2013-14 to 2016-17, was worth about £250,000 per season.

Last month, commercial broadcaster Channel 5 struck a four-season deal with Premiership Rugby, from 2017-18 to 2020-21, worth about £1m per season. The deal includes highlights of Premiership Rugby, the Anglo-Welsh Cup and Premiership Rugby 7s. The contract also includes five live matches per season. These live matches will be broadcast on a simulcast basis with BT, the league's domestic live rights partner, from 2015-16 to 2020-21. ◆

FOOTBALL

MP & Silva set to earn decent profit on Belgian Pro League deal

By Robin Jellis

- MP & Silva will earn at least €81m per season for Pro League sales from 2017-18 to 2019-20
- The agency guarantees the league €80m per season over the same three seasons
- About €75m per season will come from deals with Proximus, Telenet and Voo

The MP & Silva agency is set to earn a small profit on its deal for Belgium's top-tier Pro League, with its most lucrative broadcast deals now in place.

The agency has secured non-exclusive live rights deals with the three incumbent pay-television operators – Proximus, Telenet and Voo – as well as additional deals for highlights and clips rights.

Last month the league said its media rights will surpass an average of €80m (\$94m) per season in the next three-season cycle, from 2017-18 to 2019-20, with most international rights still available. The current total is understood to be about €81m per season.

This is good news for MP & Silva, the league's global media-rights adviser. The agency has a six-season deal with the league, from 2014-15 to 2019-20, in which it guarantees the league revenue of €450m – €70m per season in the first three seasons and €80m per season in the last three seasons (*TV Sports Markets* 18:4).

In the three-season cycle which has just ended, from 2014-15 to 2016-17, the agency is thought to have lost a total of between €5m and €10m (*TV Sports Markets* 20:22).

The bulk of revenue in this cycle – more than €60m per season – came from Proximus, Telenet and Voo. Telenet paid just over €28m per season, Proximus about €18m per season, and Voo just over €14m per season.

Although Proximus is available across the whole country, its fee in the 2014-2017 cycle was relatively low as it was the first operator to agree a deal. Telenet operates in Flemish-speaking Flanders, and Voo in French-speaking Wallonia.

In the new cycle, the three operators will pay a combined sum of about €75m per season. Telenet will pay about €36m per season, Proximus about €24m per season, and Voo about €15m per season. Telenet's fee has increased substantially as it has acquired numerous additional rights, including exclusive OTT rights.

MP & Silva and the league have agreed additional deals with: French-language public-service broadcaster RTBF, worth about €2m per season; and Dutch-language public-service broadcaster VRT, worth close to €1m per season. Neither is thought to have faced strong competition.

Further, smaller deals have been struck with multiple companies for clips rights, taking the agency close to its guarantee. These are thought to generate approximately €1m per season.

Deals for these rights so far have been struck with publishing companies De Persgroep and Mediahuis. MP & Silva and the league can agree additional non-exclusive clips rights deals.

It is also understood to have already agreed some international rights deals for the new cycle. Local experts believe a betting rights deal has been struck with the IMG agency for the 2017-18 season, thought to be worth more than €1m.

The cost of producing all live Pro League matches will be about €10m per season. It is understood this cost will be split roughly equally between Proximus, Telenet and Voo.

Tender process

The deals come after MP & Silva and the league issued a tender which looked to upset the status quo of the three operators.

The tender was issued on February 8 with the approval of the local competition authority (*TV Sports Markets* 21:3). First-round bids were due by March 7. Second-round bids were due by April 13.

Deals with Telenet and Voo were announced on May 2. The Proximus agreement was announced on May 15 following almost two weeks of direct talks between the agency and the broadcaster.

Proximus' initial offer, which contained a bonus to be paid if it won all the rights it bid for, was rejected. The league and the agency then had the difficult task of coaxing a greater fee from Proximus.

At the time the tender was issued, the incumbent operators felt they were being discriminated against, and that the tender was designed to enable pay-television broadcaster Eleven Sports Network to acquire at least some of the rights.

This was for two main reasons. First, broadcasters owned by telcos – Proximus, Telenet and Voo – could not acquire exclusive rights, but standalone channels could. Broadcasters owned by telcos could also only bid for three or four seasons, whereas standalone channels could bid for three, four or five.

The operators also felt there was a conflict of interest. Andrea Radrizzani, the owner of Eleven, is the co-founder of MP & Silva and retains a 14.5-per-cent stake in the agency (*TV Sports Markets* 20:9).

Independent experts, however, pointed out that the design of the tender was to shake up what had become a cosy alliance of incumbent broadcasters.

Ultimately, Eleven ended up with no rights. It is understood to have bid quite aggressively, although its offer was less than the combined sum of offers from Proximus, Telenet and Voo.

Eleven's offer was also rejected as it was for five seasons. Belgium's bigger clubs were not keen to sell their rights so far into the future. The clubs would also have been tempted to maintain the status quo as many are sponsored by Proximus or Telenet.

There was also a possible complication with the fact the Pro League's bargaining deal with its clubs – to sell rights collectively on their behalf – runs only until the end of the 2019-20 season.

Sports broadcaster Eurosport bid in the first round, but not in the second. Local sources suggested Eurosport's involvement was an attempt to acquire some live Pro League rights in Wallonia which would help in its carriage negotiations with Voo.

Flemish commercial broadcaster VTM is thought to have bid a low amount for the smaller Pro League packages. VTM is thought to have hoped Eleven would win rights in order to strike a sublicensing agreement for certain rights.

Further revenue

Theoretically, the league could earn further revenue from additional non-exclusive live rights deals. No such deal will be struck with Eleven, which was only interested in acquiring exclusive rights.

Local media reports suggested telco Orange is a possible buyer of non-exclusive live rights, but experts don't think it will be prepared to pay the required rights fees and production costs.

One pointed to the success Orange had in launching its pay-television service as proof it didn't need Pro League rights, or football rights in general – at the beginning of April it had 50,000 subscribers to its triple-play (mobile, internet and TV offering), having only launched its television service in May 2016. Orange has no sports rights.

One source close to the league added a deal with another player was unlikely, as it had unsuccessfully attempted to agree further non-exclusive live rights deals in the current cycle.

MP & Silva will be hoping to increase its revenue from international rights in the new cycle. In the current 2014-2017 cycle, it is understood to earn about €2.8m per season. However, the agency spends between €500,000 and €600,000 per season on commentary and graphics for the international broadcast feed. Pro League rights are generally bundled with other MP & Silva content in international deals.

The league is still to sell radio rights in the new cycle, although these are low in value. These are not part of the league's agreement with MP & Silva. ♦

TV SINGAPORE

Eleven cuts Premier League deal short to protect long-term future

By David Cook

The future of Eleven Sports Network in Singapore is uncertain after the pay-television broadcaster terminated its deal to show the English Premier League.

Eleven sublicensed the rights from telco Singtel last June in a three-season deal, from 2016-17 to 2018-19, worth \$16.7m (€14.9m) per season (*TV Sports Markets* 20:22). The deal included rights to three live matches per week and delayed rights to a further three matches per week.

Singtel holds exclusive Premier League rights in Singapore in the current cycle, over the same three seasons, paying about \$78.3m per season (*TV Sports Markets* 19:21). Sublicensing Premier League rights to Eleven helped Singtel reduce its costs. Both parties mutually agreed to end the deal two seasons early after Eleven failed to attract anywhere near the number of subscribers it had targeted.

Danny Menken, Eleven's managing director, told *TV Sports Markets*: "We found fans in Singapore really have a passion for their favourite team – like Man United, Arsenal, Chelsea, Liverpool. The problem is that if they don't have a favourite team, they won't subscribe."

TV Sports Markets understands Eleven had hoped to gain 120,000 subscribers for its Premier League coverage, but it actually achieved in the region of 35,000 to 40,000. Menken declined to comment on subscriber numbers when asked.

Several media-rights experts have told *TV Sports Markets* Eleven had been missing payments to Singtel, with one source claiming instalments had not been paid for four months.

A source close to Singtel said Eleven was unable to adhere to a payment deadline, so attempted to renegotiate the contract and lower the value of the sublicensing deal.

Menken told *TV Sports Markets*: "Eleven was in the process of renegotiating the deal [with Singtel] and in that process payments were temporarily suspended. Once the new deal was agreed, payments [to Singtel] were made in full and according to the new arrangements."

Eleven stressed the early termination of the sublicensing deal with Singtel was amicable, though did not reveal whether Eleven voluntarily ended the agreement or if the decision was taken by Singtel.

Eleven's linear channels are available on the pay-television operations of both major telcos in the country – Singtel and StarHub. Eleven also exploited the rights on its OTT service.

One expert said Eleven is now at a point where it needs to focus on being either an OTT or a linear operator, not both.

Menken said: “Our strategy is to be available everywhere. There is no reason to not continue with this strategy. We will continue building and will look at other properties. Our strategy for Asia is in line with our global strategy. That goes for OTT as well as all other platforms.”

Contrasting reasons for early end

Shalu Wasu, Eleven’s managing director in Singapore, told Singaporean news outlet Today online piracy presented a “big challenge” in the country, particularly for an OTT operator that does not offer matches online for free.

However, industry experts said this is no more testing in Singapore than in any other country and online piracy is a challenge for all broadcasters. Most said online piracy was not a viable reason for the deal failing to last for the agreed three-season term. One did accept, though, that online piracy is more of a challenge for OTT operators than for linear broadcasters.

The cost of the Premier League sublicensing deal with Singtel meant Eleven would always struggle to make the deal viable.

“People will look for other ways of watching matches rather than paying for them,” Menken said. “It isn’t a difficult choice. Online piracy is not the main reason we struggled with the Premier League in Singapore, but it is one of the main reasons.”

Despite the Premier League deal being terminated, it is thought Singtel has extended its deal to carry the Eleven channels. The deal was set to end in 2018 and will now run until 2021. It is understood there are certain clauses that would allow Singtel to end the deal early.

Premier League coverage

Eleven’s Premier League coverage was available as an add-on to Singtel’s mio Stadium+ package, which costs \$64.90 per month. A one-year subscription to Eleven’s OTT service cost \$19.90 per month. An Eleven Sports Premier Pass, which allowed rolling month-by-month access to Premier League matches, cost \$24.90 per month.

StarHub packaged the Eleven channels into its own Prime Eleven Pass for customers of its StarHub Go OTT service. The Prime Eleven Pass will be removed from StarHub’s network on June 30.

Tough times ahead for Eleven

It is thought terminating the Premier League deal with Singtel was required to save the company. It has led to 10 members of staff being released – around a third of its employees in the country.

UK business registry Companies House shows Eleven reported a loss of €5.7m in Singapore for the year ending June 30, 2016, despite earning revenue of €6.4m for the same period. The report said Eleven's market reach in Singapore was 2.7m households.

Eleven reported losses in several of the countries in which it operates. The company's overall operating loss for the period was €28.3m.

Eleven also operates in Taiwan and recently acquired a majority stake in Italian OTT service Sportube, which will be rebranded as Eleven in the summer (*TV Sports Markets* 21:9). ◆

BOXING

WBSS aims to broaden boxing appeal with season-long format

By Callum McCarthy

The World Boxing Super Series believes its unique format will make boxing a “profit-and-loss” proposition for broadcasters, as opposed to a series of one-off investments.

The first season of WBSS – comprised of two separate eight-man knockout tournaments using fighters from the super-middleweight and cruiserweight classes – will begin this September and end in May 2018. A total of 14 events are planned for the inaugural 2017-18 season.

The MP & Silva agency will sell media rights to the WBSS in all territories outside the US and the Nordics, where tournament owner and organiser Comosa will sell rights itself. The media rights sales process is expected to begin next month.

Roger Lodewick, chief commercial officer at Comosa, told *TV Sports Markets* this week: “I don’t think it’s going to be a difficult sell. Whenever we presented this to a broadcaster, they get it, understand it and say this works. But they also say we need to deliver what we’re selling, so we need to sign up the boxers to make it the Champions League of boxing.”

Thus far, Comosa has signed up three fighters for its cruiserweight tournament: International Boxing Federation champion Murat Gassiev, World Boxing Council champion Mairis Briedis and ex-titleholder Krzysztof Włodarczyk.

German boxing promotion Sauerland is a stakeholder in Comosa, while ex-Golden Boy Promotions chief executive Richard Schaefer has been appointed chairman of the Americas.

“The US is an essential market,” Lodewick said. “We have half of the fights scheduled in a US time zone and half of the fights in a European time zone – with that we’re already showing this is a global product.”

MP & Silva enters the fray

MP & Silva is the latest major sports-rights agency seeking a stake in the combat sports world after IMG acquired the Ultimate Fighting Championship last July.

Informed sources believe MP & Silva is paying a low eight-figure-per-season dollar minimum guarantee for WBSS’s media rights outside the Nordics and the US, from 2017-18 to 2019-20. MP & Silva confirmed to *TV Sports Markets* it holds no stake in the company.

Comosa originally planned to sell all media rights to the tournament in-house, but eventually decided to partner with an agency to ensure the tournament received immediate global exposure.

“You need to have the network and the people in place to actually sell it,” Lodewick said. “It was a reality check – when you are in a conceptual phase you have ideas and visions. When you get to the point where it’s happening, you realise how many things need to be organised.

“The key is that we deliver a top-notch product, but it also needs to be sold. To get the right people on board in such a short time frame was not realistic. We needed to sell this on a global basis so we needed to find a media partner who can sell that for us.”

Schaefer, who has strong relationships with US pay-television broadcasters Showtime and HBO, will sell rights in the US. It is thought pay-television broadcaster Eleven Sports Network is a likely destination for the rights should Schaefer’s first choices decline a deal.

Roberto Dalmiglio, formerly MP & Silva’s chief commercial officer, is now the head of the management board at Comosa.

Multi-territory commercial and pay-television broadcaster Modern Times Group – which operates in the Nordic and Baltic territories – owns a stake in Comosa. It is thought highly likely MTG will acquire rights in the Nordics, but sources close to Comosa insist this will be at market value.

Other key markets for the WBSS are the UK and Germany. The agency hopes the competition’s linear, tournament format will attract stronger interest in smaller and non-boxing markets by providing broadcasters with a consistent product.

Lodewick is keen for the WBSS to be shown by free-to-air broadcasters to gain exposure for the brand, and says Comosa will work closely with MP & Silva on deciding between revenue and exposure.

“We want to create the Champions League of boxing and ensure people see this product, that it’s not just behind a pay-wall or pay-per-view wall.

“In the US, for example, with the parties we’re having discussions with, one of the key elements is that we don’t want to have this on pay-per-view. We want to ensure this is available to as many people as possible and I think everybody understands that and sees it from a strategic, long-term view.”

Furrowed brows from the old guard

Industry experts are sceptical boxing can be successfully marketed as a collective brand, and point to previous and current formats as a sign of the difficulties the WBSS will face.

Boxing agent and manager Al Haymon’s Premier Boxing Champions promotion began with a \$925m (€827m) investment in April 2013 from investment fund Waddell and Reed Financial.

That investment was valued at \$301m as of June 2016 – a decline in value of 67.5 per cent. Large fighter purses, a huge production spend and a strategy based around time-buys on US networks is thought to be largely to blame for the fall in value.

It is thought Haymon will allow fighters he manages to enter the WBSS, especially those struggling for exposure at present.

The Super Six World Boxing Classic – a six-man super-middleweight tournament organised by Sauerland and Showtime – was plagued by fighter injuries and poor organisation, leading to the tournament taking more than two years to complete.

Lodewick is keen to assuage fears of similar occurrences with the WBSS, and believes the competition can learn from the mistakes of others. The WBSS will have reserve fighters on hand to ensure tournaments can progress regardless of injury, and will not employ a time-buy strategy.

“We need to deliver the fight when we tell broadcasters and fans it will take place. That’s one of the key concerns we had, as Super Six had this problem with injuries. We have a tournament that takes place over a maximum of nine months, from September until May.” ◆

FOOTBALL

Ability to sell advertising allows Ten to beat ABC to FFA FTA rights

By David Cook

- Fox to pay FFA A\$2m per season for Ten to have free-to-air rights in 2017-18 and 2018-19
- Ten will show one A-League match per week and some Australia national team matches
- Fox pays an average of A\$57.7m per season for all FFA rights from 2017-18 to 2022-23

Public-service broadcaster ABC missed out on free-to-air rights to the Australian A-League and Australia national team matches as it cannot sell advertising, *TV Sports Markets* understands.

Commercial broadcaster Ten last week agreed a deal to show one A-League match per week and some Australia national team matches in a two-season deal, covering 2017-18 and 2018-19. Ten will not pay a fee for the rights, but pay-television broadcaster Fox Sports will pay Football Federation Australia a fee of about A\$2m (€1.3m/\$1.5m) per season for Ten to simulcast its own coverage.

Fox holds rights to live A-League matches in a six-season deal, from 2017-18 to 2022-23, for which it pays an average of up to A\$57.7m per season (*TV Sports Markets* 21:1).

The terms of the deal are extremely beneficial for Ten as it will not have to pay for the rights. The broadcaster announced a full-year loss of A\$157m for 2016.

The deal makes sense from Fox's perspective as it allows Fox to advertise its pay-television content on a free-to-air platform. A source close to Fox said its branding is likely to be visible on Ten's coverage. Tenplay, Ten's OTT service, will also simulcast the free-to-air matches it shows on its linear channel.

TV Sports Markets understands ABC bid for the rights, but missed out because – as a public-service broadcaster – it cannot sell advertising around its coverage.

Fox was under no obligation to partner with a free-to-air broadcaster, but it was granted the right to negotiate a free-to-air deal and have final say on any agreement. The fact Fox and Ten use the same advertising company, Multi Channel Network, is thought to have been a significant factor in Ten buying the rights.

Some local rights experts said ABC's coverage of a friendly match between A-League team Sydney FC and English Premier League side Liverpool last month negatively affected its chances of securing free-to-air FFA rights, as the coverage was met with heavy criticism.

A source close to the FFA said the quality of that broadcast had no bearing on the decision to grant the rights to Ten, but that the deciding factor was Ten's ability to attract commercial partners, which is seen as advantageous to both the FFA and Fox.

Experts believe the Fox/Ten deal is part of a wider strategy to make Ten the free-to-air arm of Fox. Foxtel, a separate pay-television service jointly owned by News Corporation and Telstra, has a 15-per cent stake in Ten. News Corp also owns Fox.

Experts lack enthusiasm

The A\$2m per season Fox will pay was referred to by one industry expert as “an embarrassment” for the FFA, while another called it a “terrible deal” that will be a ratings disaster.

The value is substantially lower than the approximately A\$7m per season public-service broadcaster SBS paid for free-to-air rights in a four-season deal, from 2013-14 to 2016-17. This was the first live free-to-air domestic deal for the A-League.

The fall in value is partly because the Ten deal does not include the national team's qualifying matches for the 2018 Fifa World Cup. When SBS held the free-to-air rights, it was able to show World Cup qualifying matches on a one-hour delay.

Sources say the fall is also due to the A-League failing to generate enough interest to warrant an increase from free-to-air broadcasters, despite securing a large increase in the value of its pay-television deal with Fox.

The FFA is understood to have struggled to generate interest in the rights, with one source claiming ABC was practically begged to bid.

A tender was sent out by the FFA to all free-to-air broadcasters. Free-to-air broadcaster Nine chose not to bid – a source close to Nine said this was because it would have had to cover production costs of A\$50,000 per match on top of any rights fee. It is believed Seven chose not to bid for similar reasons.

Ten's coverage

Ten's free-to-air A-League matches will be played on Saturdays at 7.30pm. The simulcast broadcast means no matches will be broadcast exclusively on free-to-air.

Under its deal, 75 to 80 per cent of the matches shown on Ten will be the highest-profile match of the week. The deal covers all 27 A-League game-weeks as well as the Finals Series. From 2013-14 to 2016-17, SBS broadcast the third-highest profile match each week on Friday nights, but had no say over which matches it showed. ◆

FOOTBALL

Confederations Cup signed off in Russia as World Cup deal nears

By Callum McCarthy

- VGTRK, Channel One and Match to pay about \$4.5m for 2017 Confederations Cup rights
- Deal for 2018 Fifa World Cup, to be held in Russia, still not agreed upon
- The three broadcasters are trying to jointly acquire rights to the 2018 and 2022 World Cups

Russian broadcasters VGTRK, Channel One and Match TV have agreed a deal with Fifa for rights to this year's Confederations Cup, but wrangling over rights to the 2018 World Cup continues.

The broadcasters are believed to have agreed to pay \$4.5m (€4m) for Confederations Cup rights, but have not yet agreed on how the matches will be split between them. Russia matches are likely to be shown on state broadcaster VGTRK and state-controlled commercial broadcaster Channel One.

Rights to the 2018 World Cup remain unsold, despite a claim by Match TV on June 2 that a deal had been agreed. Multiple offers for the 2018 World Cup have been made by the three broadcasters, ranging between \$30m and \$36m. Fifa's original asking price for rights to the World Cup was in excess of \$100m, but not as high as the \$120m claimed by Russian media reports.

Fifa, football's global governing body, is thought to be reluctant to accept a bid totalling \$40m for the Confederations Cup and World Cup as it feels the broadcasters are underestimating the advertising revenue they will generate.

Sources close to the negotiations told *TV Sports Markets* in February that the Russian market would yield between \$55m and \$60m for both tournaments (*TV Sports Markets* 21:2). The broadcasters are currently claiming they will earn \$30m to \$35m.

One local source said the broadcasters offered a compromise: to acquire rights to the 2018 and 2022 World Cups at the same time for a total price of about \$60m, in a deal that would also have included 2017 Confederations Cup rights.

However, each broadcaster is reluctant to specify the amount it will pay before knowing how much it will earn from advertising and which matches it will be entitled to show.

The Telesport agency – which on occasion acquires rights on behalf of broadcasters in return for advertising airtime – paid upfront fees for rights to Uefa Euro 2016 and four Olympic Games from 2018 to 2024. This method simplified the negotiating process for these properties (*TV Sports Markets* 20:1).

However, the agency has not handled negotiations for Confederations Cup or World Cup rights. Telesport is not thought able to afford to pay for World Cup rights upfront, although it remains involved in discussions with the three broadcasters as it will be sell airtime around both tournaments.

Telesport paid about \$60m for rights to the 2018, 2020, 2022 and 2024 Olympic Games in a deal with the International Olympic Committee. It paid just under €30m for rights to Euro 2016. Informed sources believe the agency struggled to afford these fees and has assumed great risk in doing so.

Without Telesport providing a guarantee to Fifa it is thought likely the Russian government will assist with paying the fee for any World Cup deal despite its assertions to the contrary. One source believes this is why the broadcasters' offers have been low in comparison to their expected advertising yield.

Formula One extension

Match TV's acquisition of Formula One rights was simpler. The broadcaster has committed to a three-year deal, from 2017 to 2019, worth just over \$2m per year. The deal represents a small increase on Match TV's previous one-year deal, covering 2016 only, worth about \$2m (*TV Sports Markets* 20:8).

The deal is only Match TV's fourth multi-year deal for a sports property since the Russian sports broadcast sector was reorganised in autumn 2015 (*TV Sports Markets* 19:18).

Match TV's first two multi-year deals were for the English Premier League and the Uefa Champions League and Europa League, in which the value of each both deals roughly halved (*TV Sports Markets* 19:20; 20:13). Late last year it acquired rights to the Euroleague European basketball competition in a three-season deal, from 2016-17 to 2018-19, worth \$500,000 per season.

The broadcaster is now more willing to invest in rights over a longer term after early budget problems reduced its ability to buy rights for more than one year. ◆

Selected major sports-rights deals in Russia

Property	Duration	Buyer(s)	Seller	Broadcaster(s)	Value (per year/season)
Confederations Cup	2017	Channel One, VGTRK, Match TV	Fifa	Channel One, VGTRK, Match TV	\$4.5m
Olympic Games	2018 to 2024	Telesport	International Olympic Committee	Channel One, VGTRK, Match TV	\$60m
Olympic Games	2014 and 2016	Channel One, VGTRK, NTV Plus, RIA Novosti	Lagardère	Channel One, VGTRK, NTV Plus	€80m
Fifa World Cup	2010 and 2014	Channel One, VGTRK	Fifa	Channel One, VGTRK	€40m
Uefa European Championships	2012	Channel One, VGTRK	Uefa	Channel One, VGTRK	€19m
Uefa European Championships	2016	Telesport	Uefa / CAA Eleven	Channel One, VGTRK, Match TV	<€30m
English Premier League	2016-17 to 2018-19	Match TV	English Premier League	Match TV	\$15m (\$5m)
Uefa Champions League and Europa League	2015-16 to 2017-18	Match TV	Uefa / Team Marketing	Match TV	€45m (€15m)
Formula One	2017 to 2019	Match TV	Formula One Management	Match TV	\$6m+ (\$2m+)
Euroleague	2016-17 to 2018-19	Match TV	Euroleague / IMG	Match TV	\$1.5m (\$500,000)

Source: TV Sports Markets Rights Tracker

TV ASIA

LeSports funding may make little difference if legal action is taken

By David Cook

OTT operator LeSports' latest financing round could be at risk if rights-holders take legal action over missed payments, *TV Sports Markets* understands.

The IMG, Lagardère Sports and MP & Silva agencies are considering legal action against LeSports for late payments to properties they sell: IMG for Wimbledon tennis rights and Lagardère for Asian Football Confederation rights.

LeSports is understood to have missed payments for its deal for Wimbledon rights in China, for which it is scheduled to pay about \$3m per year in a three-year deal, from 2016 to 2018 (*TV Sports Markets* 20:11).

It lost AFC rights in the country earlier this year, ending a four-year deal meant to run from 2017 to 2020, worth \$27.5m per year (*TV Sports Markets* 19:21). The deal was terminated by the regional governing body after a revised payment deadline was missed. This followed two occasions where LeSports failed to pay instalments on that deal (*TV Sports Markets* 21:4).

In Hong Kong, LeSports was not permitted to show the English FA Cup final between Arsenal and Chelsea on May 27, once again due to LeSports failing to adhere to a payment agreement.

FA Cup rights in the country were sold by the MP & Silva agency to LeSports in a three-season deal, from 2015-16 to 2017-18, thought to be worth between \$7m and \$8m per season. It is possible LeSports could be charged for the missed payment.

Commercial broadcaster TVB stepped in to cover the FA Cup final for what was described by MP & Silva as a "symbolic fee". It is estimated the fee would likely have been in the region of \$100,000. It is currently unclear whether LeSports' FA deal will continue in 2017-18.

LeSports also had issues regarding payments for rights to ATP World Tour events. The operator has a five-year deal, from 2016 to 2020, worth about \$20m per year. It missed dates for the 2016 instalment of the deal, though it was eventually paid in full. The 2017 instalment was also missed.

Funding could be jeopardised

LeSports, a subsidiary of technology giant LeEco, was in late May reported to have secured financing valuing it at CNY24bn (€3.13bn/\$3.5bn), though the total investment for the round was not revealed.

In February 2016, LeSports was reported to have raised \$1.2bn, although some or all of the capital was diverted to other LeEco divisions (*TV Sports Markets* 20:19). In November 2016, LeEco secured \$600m in funding amid concerns over the sustainability of its expansion into multiple new business areas.

An industry expert said the future of LeSports is still “very precarious” as the funding could be withdrawn should legal action be brought by rights-holders owed money. The latest financing round is seen as essential to the survival of the operator.

LeSports declined to comment when contacted.

Aggression has not paid off

After launching in 2014, LeSports took an aggressive approach in acquiring sports rights, as it attempted to build its portfolio quickly.

Among its properties in Hong Kong are the English Premier League – for which it pays just under \$130m per season from 2016-17 to 2018-19 – and the NBA, for which it pays approximately \$21.5m per season in a five-season deal, from 2016-17 to 2020-21 (*TV Sports Markets* 20:16).

This approach has led to cash-flow problems and it is thought that, even if LeSports can tackle its financial difficulties, it could take a year or two for it to refinance its debt.

LeSports was spun off from LeEco in 2014, when the parent company was known as LeTV. Jia Yueting, founder of LeEco, stepped down as chief executive of the group’s main listed unit last month.

While it is possible LeSports can recover its financial position, it is believed its reputation has been damaged beyond repair in the eyes of many rights-holders. ◆

FOOTBALL

MTVA pays huge increase to keep Champions League in Hungary

By Callum McCarthy

- MTVA set to buy Champions League from 2018-19 to 2020-21 for at least €10m per season
- Its current deal in Hungary, from 2015-16 to 2017-18, is worth about €4.7m per season
- TV2 has also acquired a package of Champions League rights in the new cycle

Hungarian public-service broadcaster MTVA has bucked the Champions League's recent trend of selling to pay-television broadcasters, paying a huge increase to retain its rights in the country.

MTVA has agreed a deal in principle to pay in excess of €10m (\$11.8m) per season to retain rights to the first-pick group-stage match on Tuesdays and Wednesdays, simulcast rights to the knockout stages, and exclusive rights to the final. The deal is for three seasons, from 2018-19 to 2020-21.

This is an increase of over 110 per cent on the value of MTVA's current deal for the same rights, from 2015-16 to 2017-18, worth about €4.7m per season.

Commercial and pay-television broadcaster TV2 has acquired rights to all other group-stage matches and simulcast rights to the knockout stages over the same period. It is thought TV2 will exploit most, if not all, of the matches on its Spíler TV pay-television channel.

TV2 is paying a significant increase compared to the current cycle. Media group AMC Networks International Central Europe – which owns pay-television channels Sport 1 and Sport 2 – pays just under €3m per season for the same set of rights in the current cycle.

This package has increased considerably in value due to competition for the rights and the Champions League's new kick-off times. Group stage matches will kick off at 7pm and 9pm CET from 2018-19, meaning TV2 will have exclusivity over one of these slots.

AMC is thought to have bid aggressively to retain its rights, but couldn't match the financial power of either MTVA or TV2, Hungary's two richest broadcasters.

TV2's purchase of Champions League rights completes a changing of the guard in Hungary, where pay-television broadcasters Digi Sport and AMC once held a far greater percentage of top sports rights.

TV2 Group was acquired in January 2016 by Andrew Vajna and has since been aggressive in its acquisition of sports content thanks to strong state investment in advertising. The Champions League

will sit alongside its rights to the English Premier League, the National Hockey League and MotoGP (TV Sports Markets 20:16).

MTVA is one of Europe's best-funded public-service broadcasters in terms of its ability to compete for sports rights.

The Hungarian government is thought to provide funding above the broadcaster's annual budget for large acquisitions, such as the Champions League. MTVA's total budget for 2017 is about HUF80bn (€260m/\$290m). Champions League rights will cost the equivalent of over HUF3.1bn per season.

Other acquisitions

MTVA holds other important sports rights in the country, including its deal with the Hungarian football federation, Magyar Labdarúgó Szövetség.

The broadcaster's current five-season deal for exclusive rights to Hungarian national team friendlies and the top-tier domestic league, from 2016-17 to 2020-21, is worth about HUF3.8bn per season.

This is about 12 per cent more than its previous four-season deal, from 2012-13 to 2015-16, worth about HUF3.4bn per season.

MTVA's other major, season-long sports content is Formula One. Its current three-year deal, from 2017 to 2019, is worth just over \$6m per year in a deal with Hungaroring Sport Zrt, the host of the Hungarian grand prix. It is understood Hungaroring acquires Formula One media rights along with its hosting rights and sublicenses them.

In MTVA's previous five-year deal from 2012 to 2016 – also with Hungaroring – the broadcaster paid a fee of about \$2.5m per year. MTVA also paid about \$3m per year in production costs during this deal. ◆

Selected major sports-rights properties acquired by MTVA since 2012

Property	Duration	Seller	Value (per year/season)
Olympic Games	2014 and 2016	Lagardère	HUF733m
Olympic Games	2018 to 2024	Discovery Communications	€10m
Formula One	2012 to 2016	Hungaroring Sport Zrt	\$12.5m (\$2.5m)
Formula One	2017 to 2019	Hungaroring Sport Zrt	\$18.212m (\$6.07m)
Hungarian Football Federation properties	2012-13 to 2015-16	Hungarian Football Federation	HUF13.54bn (HUF3.385bn)
Hungarian Football Federation properties	2016-17 to 2020-21	Hungarian Football Federation	HUF19bn (HUF3.8bn)
Fifa World Cup qualifiers	2016-17 to 2017-18	Uefa / CAA Eleven	HUF752m
Fifa World Cup	2018 and 2022	Fifa	HUF2.32bn
European Handball Championships	2016 and 2018	Infront Sports & Media	HUF171.5m
Uefa Champions League	2015-16 to 2017-18	Uefa / Team Marketing	HUF4.3bn (HUF1.43bn)
Uefa Champions League	2018-19 to 2020-21	Uefa / Team Marketing	€30m+ (€10m+)

Source: TV Sports Markets Rights Tracker

FOOTBALL

Fox Latin America pays up to keep Concacaf rights until 2022

By Mónica Villar

The Confederation of North, Central America and Caribbean Association Football (Concacaf) last month agreed a new deal with Fox Networks Group in Latin America for its club competitions, earning a decent increase.

One local rights expert estimated the five-season deal, from 2017-18 to 2021-22, to be worth about \$20m (€17.9m) per season. The most important property included in the deal is the Concacaf Champions League. The deal also includes the new Concacaf League, which smaller teams play in to qualify for the top-tier Champions League.

Francisco Pazmiño, senior vice president of acquisitions and programming strategy at Fox Sports Latin America, told *TV Sports Markets* interest in the competition had grown greatly in the region in the last five years.

Fox will retain exclusive pay-television and digital rights in South America (excluding Brazil) and Central America. In Mexico, it will have free-to-air and pay-television rights.

Its previous five-season deal, from 2012-13 to 2016-17, covered the same territories. The deal was comprised of the same set of rights, although it also had free-to-air rights in South America (excluding Brazil) and Central America.

Concacaf put the rights out to tender. Fox faced competition from pan-regional sports broadcaster ESPN, which is also thought to have pushed to secure all rights in territories outside Latin America.

The ESPN bid is understood to have been very close in value to that of Fox, but the latter was chosen for its experience of broadcasting the property in the region.

The new deal coincides with a format change as the Concacaf League has been introduced. The previous Champions League group stage has been removed from 2017-18 onward, the number of participating teams has been reduced from 24 to 16, and the number of matches has been reduced from 62 to 30 per season.

It will be made up of two phases: qualifying rounds in the Concacaf League followed by the knockout stage in the Champions League. The Concacaf League will take place between August and October, and feature clubs from Central America (excluding Mexican teams) and the Caribbean. The Champions League will run between February and May.

Under the new format, the Champions League will be made up of teams from Mexico, the US, the winner of the Concacaf League, and one club from each of the following: Costa Rica, El Salvador, Guatemala, Honduras, Panama and the Caribbean.

The rights in Mexico are particularly important to Fox due to the success of Mexican teams. Since 2009, all the winners have come from Mexico's top-tier football league, the Liga MX.

Under the new format, Mexico will have four guaranteed teams in the Champions League. This is the same number of Mexican teams that took part in the previous format, but in the new format these teams will no longer have to qualify to reach the knockout stage. ◆

HANDBALL

Norwegian federation severs Discovery ties and returns to TV2

By Robin Jellis

The Norwegian handball federation returned to former broadcast partner TV2 last month, keeping its media-rights revenue steady in the process.

Norges Håndballforbund agreed a five-season deal, from 2017-18 to 2021-22, with commercial and pay-television broadcaster TV2, worth about NOK5m (€532,000/\$595,000) per season.

The federation's previous two-season deal with media company Discovery Communications, for 2015-16 and 2016-17, is also thought to have been worth about NOK5m per season.

Discovery did not bid to renew as it felt the rights would be of little benefit to its carriage deals with pay-television operators in the country following its acquisition of Norwegian top-tier football rights in December 2015. Discovery holds rights to the Eliteserien (known as the Tippeligaen from 1990 to 2016 for sponsorship reasons) in a six-year deal, from 2017 to 2022, worth NOK400m per year (*TV Sports Markets* 19:23).

TV2 is not thought to have faced any competition for the handball rights. The new deal was agreed directly between TV2 and the federation following the expiry of Discovery's exclusive negotiating window with the federation.

Before losing the rights to Discovery in the most recent cycle, TV2 had held the federation's rights going back to 1992. Both the Discovery and TV2 deals cover national team and domestic club handball.

The federation sells rights to home matches of the Norwegian men's and women's national teams, excluding matches played in the European Championships, World Championships and Olympic Games. It also sells rights to the top men's and women's leagues in the country.

TV2 is expected to secure rights to away matches of the men's and women's national teams in separate agreements. It will do so by exchanging rights to matches held in Norway with broadcasters in other countries in return. These deals are usually straight swaps with no additional fees.

The TV2 Sport pay-television channel will show one live match per week from either the men's or the women's league, while the men's and women's cup finals and matches of the men's and women's national teams will be shown on the main free-to-air TV2 channel. TV2 will also provide magazine programming.

The handball rights will complement TV2's coverage of other domestic sport. It holds rights to the top Norwegian ice hockey league in a three-season deal, from 2015-16 to 2017-18, with the Norwegian ice hockey association, Norges Ishockeyforbund. Both parties have the option to extend the deal for a fourth season, to cover 2018-19. ♦



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DEALS ROUNDUP

MAY 25 TO JUNE 7

FOOTBALL

◆ **Modern Times Group**, the multi-territory commercial and pay-television broadcaster, acquired exclusive rights in Finland to qualifiers for the Uefa Euro 2020 and 2022 Fifa World Cup tournaments, and the 2018-19 and 2020-21 editions of Uefa's Nations League competition.

◆ UK pay-television broadcaster Sky acquired rights to the Premier League Asia Trophy pre-season tournament which takes place in Hong Kong from July 19-22.

◆ The Brazilian Football Confederation (CBF) sublicensed rights to the men's national team's friendly matches against Argentina on June 9 and Australia on June 13 to public-service broadcaster TV Brasil. The matches will also be streamed via the CBF TV OTT platform.

◆ Australian commercial broadcaster Ten acquired rights to the A-League, the top tier of domestic football, as well as matches played by the men's national team (page 21).

◆ UK pay-television broadcaster Premier Sports acquired live rights to this year's International Champions Cup pre-season club tournament, which runs from July 18-30.

OTHER SPORTS

◆ **American Football:** Social media company Twitter signed a global live-streaming partnership with indoor competition the Arena Football League. Twitter will live-stream five regular-season games in 2017.

◆ **American Football:** The Oakland Raiders NFL franchise signed a regional rights deal with KVVU Fox5 TV, a Las Vegas affiliate of media company 21st Century Fox. Fox5 will be the exclusive regional rights-holder for the Raiders for three years, from 2017 to 2019. Fox5 will hold rights to all pre-season games not broadcast by a national network.

◆ **American Football:** NFL team the Carolina Panthers extended a local rights deal with the Spectrum News division of Spectrum Networks. Spectrum News North Carolina will broadcast live coverage of the Panthers' pre-season games.

◆ **Cricket:** UK public-service broadcaster the BBC acquired highlights rights to the International Cricket Council's Champions Trophy, which runs from June 1-18 in England and Wales. Highlights will be shown each night on the BBC Two channel, with in-play highlights accessible via the BBC Sport website in the UK.

◆ **Cricket:** OTT content provider YuppTV acquired exclusive live digital rights for the Champions Trophy in Canada, and non-exclusive digital rights in continental Europe, with the exception of Germany, Austria and Switzerland.

◆ **Cycling:** The Hammer Series, a new event created by the Infront Sports & Media agency and the Velon body of pro cycling teams, was live-streamed for free via social media platform Facebook and video-sharing platform YouTube.

◆ **Cycling:** Rights to the Hammer Series were sold to: pay-television broadcaster Eleven Sports Network in Belgium; Danish commercial and

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pay-television broadcaster TV2; pay-television broadcaster Bike Channel in the UK and Italy; public-service broadcaster NOS and regional broadcaster L1 in the Netherlands; and international sports broadcaster Eurosport on a pan-European basis.

◆ **Endurance:** Tough Mudder expanded its deal with the CBS Sports division of US network CBS. CBS will broadcast seven shows this year, beginning on July 22.

◆ **Esports:** Twitter agreed a deal with video games developer Riot Games to stream live global coverage of the League of Legends: League of Origin event on June 3-4. The event took place in Sydney.

◆ **Hockey:** UK pay-television broadcaster BT Sport agreed a deal with the International Hockey Federation (FIH). The two-year deal covers major FIH national team events, including the 2018 women's World Cup, the 2018 men's World Cup and the 2017 Hockey World League semi-finals and finals.

◆ **Horse Racing:** The NBC Sports Group division of US media company NBCUniversal extended its exclusive rights deal for the Pegasus World Cup Invitational. NBC Sports will cover the second edition of the event, which takes place at Gulfstream Park in Florida on January 27, 2018.

◆ **Ice Hockey:** Modern Times Group reached an agreement with Swedish public-service broadcaster SVT to share rights in the country to six editions of the International Ice Hockey Federation's World Championship national team tournament, from 2018 to 2023, and the

Champions Hockey League club competition, from 2017-18 to 2022-23. The 2018, 2020 and 2022 editions of the World Championship will be shown exclusively on MTG's linear channels. MTG's Viaplay streaming service will also provide coverage in 2019, 2021 and 2023 – years in which SVT will carry the linear broadcast.

◆ **Rowing:** NBC Sports Group agreed an exclusive deal with the World Rowing Federation for this year's World Championships, which will take place in the US city of Sarasota from September 24 to October 1.

◆ **Rugby Union:** European Professional Club Rugby, the organising body of the Champions Cup and Challenge Cup competitions, extended deals in France with pay-television broadcaster beIN Sports and public-service broadcaster France Télévisions (page 8).

◆ **Rugby Union:** The Brazilian Confederation of Rugby agreed a deal with sports broadcaster Esporte Interativo. The agreement will begin with the national team's test match against Portugal on June 10.

◆ **Rugby Union:** Irish pay-television broadcaster Eir Sport acquired exclusive rights in the country to the national team's upcoming tour of the US and Japan. Ireland will take on the US in New Jersey on June 10, Japan in Fukuroi City on June 17, and Japan again in Tokyo on June 24.

◆ **Rugby Union:** UK pay-television broadcaster Premier Sports acquired exclusive rights to the Irish national team's tour of the US and Japan.

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- ◆ **Rugby Union:** UK pay-television broadcaster Sky and the BBC acquired rights to the Scottish national team's summer tour. The BBC One Scotland channel will show the match against Italy at Singapore's National Stadium on June 10. Sky will broadcast the game against Australia at Sydney's Allianz Arena on June 17. The game against Fiji in Suva on June 24 will be streamed live via the Scottish Rugby website.
- ◆ **Swimming:** NBC Sports Group signed a deal with USA Swimming. The deal grants NBC Sports exclusive rights to USA Swimming-organised events such as the Pro Swim Series, National Championships, winter National Championships and the Pan Pacific Swimming Championships, until 2024.
- ◆ **Table Tennis:** US sports broadcaster ESPN acquired rights for the International Table Tennis Federation's 2017 World Championships, which ran from May 29 to June 5 in the German city of Düsseldorf.
- ◆ **Table Tennis:** Canadian public-service broadcaster CBC acquired rights to the 2017 World Championships.
- ◆ **Table Tennis:** Brazilian media group Globo acquired rights to the 2017 World Championships.
- ◆ **Table Tennis:** Latin American media platform Claro Sports acquired rights for the 2017 World Championships.
- ◆ **Tennis:** Eurosport acquired rights to the qualifiers for this year's edition of the Wimbledon grand slam tournament. Eurosport will show coverage of the qualifiers, which are set to include former women's world number one Maria Sharapova, in 34 territories across Europe. The qualifiers will start on June 26 in Roehampton, London.
- ◆ **Tennis:** France Télévisions acquired rights to men's ATP events the Paris Masters and World Tour Finals. France Télévisions will broadcast the final of the Paris Masters in 2017 and 2018, and the final of the World Tour Finals.
- ◆ **Tennis:** Spanish commercial broadcaster Mediaset acquired rights to the latter stages of the 2017 French Open grand slam. Mediaset will broadcast Rafael Nadal's semi-final against Dominic Thiem on June 8, and the men's final on June 10.
- ◆ **US College Sport:** The CBS Sports division of US network CBS secured a sublicensing agreement with sports broadcaster ESPN to televise coverage of the American Athletic Conference's 2018 basketball championship. CBS Sports will broadcast live coverage of the semi-finals and the championship game.
- ◆ **Volleyball:** Brazilian commercial broadcaster RedeTV agreed a deal with the Brazilian Volleyball Confederation to cover the friendly games of the men's and women's national teams. The deal covers four games in 2017.
- ◆ **Weightlifting:** The Lagardère Sports agency signed a four-year deal with the International Weightlifting Federation, from 2017 to 2020. The deal covers global media rights and host-broadcasting services.

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MEDIA RIGHTS NEGOTIATIONS

- ◆ John Petter, the chief executive of telco BT's consumer division, said it would consider bidding for the rights to the next British & Irish Lions rugby union tour to South Africa in 2021.
- ◆ Russian state broadcaster VGTRK, state-controlled commercial broadcaster Channel One and privately-held broadcaster Match TV acquired rights to the Fifa Confederations Cup national team football tournament (page 23).
- ◆ Lega Serie A, the governing body of the top division of Italian football, issued a domestic rights tender for the three seasons from 2018-19 to 2020-21 (page 3).
- ◆ The CAA Eleven agency launched new tenders in 13 markets for rights to Uefa national team properties. Tenders were launched in: Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Tajikistan, Turkmenistan and Uzbekistan. The rights on offer include European Qualifiers for the Uefa Euro 2020 and 2022 Fifa World Cup tournaments, the 2018-19 and 2020-21 Nations League competitions and other international matches. Euro 2020 rights are also available. Bids are due by June 22.
- ◆ A complaint lodged by German pay-television broadcaster Sky Deutschland against federal cartel office the Bundeskartellamt over the implementation of a no-single-buyer rule for the domestic rights process to the Bundesliga, the top division of German football, was dismissed. Sky's complaint to the Higher Regional Court in Düsseldorf was lodged in June 2016, ahead of

the German Football League's announcement of its next set of rights contracts for the four seasons from 2017-18 to 2020-21.

- ◆ Italian broadcaster Mediaset filed a complaint to the country's antitrust authority, the AGCM, over the tender for domestic Serie A rights. Mediaset told the AGCM that the sales process, which is being handled by Lega Serie A's media-rights adviser the Infront Sports & Media agency, "favours" pay-television broadcaster Sky and represents a "monopoly risk". Mediaset called for the process to be suspended.

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- ◆ US technology company Intel entered into a three-year partnership with Major League Baseball for virtual-reality coverage of league games. Intel will live-stream one out-of-market game every Tuesday via the Intel True VR app, in addition to featuring post-game highlights and on-demand replays of each game. Fans will also have access to player and team statistics.
- ◆ Chelsea secured a payment of more than £150.8m (€177.4m/\$194.8m) for winning the English Premier League in 2016-17 as the first season of the football competition's new rights cycle was completed.
- ◆ The Swiss Competition Commission opened an investigation into the pay-television market for ice hockey in the country, stating there had been "indications" of antitrust violations by telco UPC. In April, telco Swisscom filed a complaint against rival UPC to the regulator over the latter's failure to grant access to its exclusive ice hockey rights to all operators.
- ◆ Finnish telco Telia said it would no longer offer the channels of media company Discovery Communications to its television customers in the Nordic markets from June 8. The current carriage agreement, which included channels such as Eurosport 1 and 2, expired on June 7 and Telia said it had not been able to reach a new agreement, adding it would provide its customers with replacement channels.
- ◆ Maltese telcos Melita and Vodafone agreed a merger in a bid to provide a greater challenge to rival telco Go. The combined company's mobile and enterprise business will operate under the Vodafone brand. At completion, current shareholders of Melita – Apax Partners Midmarket and Fortino Capital – will own 51 per cent of the combined company. Vodafone Europe, the current shareholder of Vodafone Malta, will own the remaining 49 per cent. The transaction values Vodafone Malta at an enterprise value of €208m (\$228m) and Melita at an enterprise value of €298m.
- ◆ LeSports, which is operated by Chinese internet company LeEco, said it had sealed a new round of funding that valued it at CNY24bn (€3.1bn/\$3.5bn), adding that its investors will form a new body that will seek to supervise its financial affairs (page 25).
- ◆ Chinese internet operator Sina entered into a strategic partnership with the International Table Tennis Federation. Sina Sports will serve as the official media partner of the cn.ITTF.com website. The ITTF will in return benefit from exposure across the Sina Weibo social media platform. Sina's Weibo Sports division also served as the official Chinese social media partner of the ITTF's World Championships in the German city of Düsseldorf.
- ◆ Chinese internet company Tencent signed an exclusive digital media partnership with the French Tennis Federation for coverage of the French Open grand slam tournament. The five-year deal covers this year's ongoing tournament and runs until the end of the 2021 edition. Tencent will create a French Open content platform delivering programmes and exclusive data to its users in China.
- ◆ Jiangsu Suning Sports, whose sister operations include streaming platform PPTV, has

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formed a partnership with sports and entertainment company DDMC to strengthen their respective positions in the Chinese sports media market. The Yutang Sports website said the two firms will form a joint venture to advance their ambitions, with an initial investment of CNY100m (€13m/\$14.6m) in the new entity.

◆ Indian pay-television broadcaster Star Sports launched a new Tamil-language channel. Star Sports Tamil went live on May 28 and is available across the country, including in the state of Tamil Nadu. The channel will broadcast coverage of various major sporting events such as the Tamil Nadu Premier League Twenty20 club cricket competition.

◆ The Supreme Committee for Delivery & Legacy, the organising body of the 2022 Fifa World Cup in Qatar, partnered with local sports channel operator Al Kass. The partnership will lead to co-operation in areas including, but not limited to, broadcast content production, media-rights ownership and public relations.

◆ UAE pay-television providers Etisalat and du stopped broadcasting the beIN Sports channels after a number of Arab states cut diplomatic ties with Qatar. The Qatari-operated sports channels were reportedly “blocked” after the UAE – as well as Bahrain, Egypt, Libya, Saudi Arabia and Yemen – severed diplomatic ties with Qatar.

◆ Shalu Wasu, managing director of Eleven Sports Network, said the international sports broadcaster’s future in Singapore remained secure after it decided to drop its coverage of the English Premier League (page 15).

◆ The Argentinian government reached a deal with US media companies Fox and Turner to subsidise free-to-air coverage of the country’s top-tier Primera División football competition for the first three months of next season. The new season will begin on August 20 and the free-to-air coverage will run until November 20. After that, access to matches will cost ARS300 (€17/\$19) per month.

◆ SuperSport, the pay-television broadcaster that operates in sub-Saharan Africa, is to introduce a new channel line-up. Subscribers to DSTV, the pay-television operator owned by SuperSport’s parent company Multichoice, will now have access to 14 SuperSport channels and one dedicated esports channel.

◆ Social video platform Tellyo struck a deal with rugby union league the Pro12. Tellyo created video content for the May 27 Pro12 final, and will continue to do so for the 2017-18 season.

◆ South Korean consumer electronics company Samsung signed a virtual-reality content partnership with the Ultimate Fighting Championship mixed martial arts promotion. Samsung will live-stream select events through its Gear VR platform. Live streams of the UFC 212 main card on June 3 were accessible in countries where Samsung VR is available, excluding the US and New Zealand.

◆ Samsung signed a VR content partnership with action sports series the X Games. The company will live-stream select events through the Gear VR platform, starting with the event in Minneapolis, US, from July 13-16.

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- ◆ Modern Times Group launched a VR platform in the Nordics called Viareal.
- ◆ French media group Vivendi secured European Union antitrust approval for its plan to gain control of Telecom Italia after the European Commission said it had agreed to sell the Italian telco's majority stake in broadcasting services group Persidera. Telecom Italia currently owns 70 per cent of Persidera.
- ◆ The EHF Marketing division of the European Handball Federation entered into a wide-ranging partnership with sports and betting-related services company Sportradar. Sportradar will provide a range of data, streaming, marketing and digital services for the EHF's competitions as part of the long-term deal. Sportradar will become the official streaming and data partner of EHF club competitions.
- ◆ Sportradar launched a new service called Sportradar OTT, which will be available for sports federations around the world. The service will be used to launch and develop the EHF's own OTT platform, ehfTV.com. Sportradar OTT will also sell rights for all digital content for the EHF's club competitions.
- ◆ The EHF said it would switch to a new method of selling its rights for showpiece competitions the EHF European Championship and Champions League, adding a "huge package" of rights will be available through a tender set to launch in September. Currently, the Infront Sports & Media agency is responsible for the marketing of the EHF Euro, while the MP & Silva agency markets the media rights to the Champions League.
- ◆ Gravity Media Group, a holding company that owns, operates and acquires businesses serving the live broadcast sector globally, acquired sports production company Input Media. Input Media will retain its branding and current staff.
- ◆ Euroleague Ventures, the 10-season joint venture between the Euroleague and the IMG agency, is centralising the media rights of the Eurocup from 2017-18. Euroleague Basketball said the 2017-18 season of the Eurocup would result in a major improvement of the second-tier club competition's broadcast footprint, as well as boosting revenues for teams.
- ◆ Formula One chief executive Chase Carey said the motor-racing series is focusing on developing its own OTT broadcast model. Formula One's plans for an OTT service was first reported in *TV Sports Markets* 21:8.
- ◆ UK sports production and media company Sunset+Vine was appointed as the exclusive global distribution agency for the 2017-18 edition of the Volvo Ocean Race sailing event. Sunset+Vine will produce nine 30-minute shows over the course of the event, as well as pre-race and post-race shows. The company will also provide digital coverage at the start and finish of each leg, and during in-port races.

INDUSTRY MOVES

- ◆ The European Broadcasting Union consortium of public-service broadcasters appointed Noel Curran as its new director general. The Irishman is expected to take up the role at the beginning of September.