

# TVSportsMarkets

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## FOOTBALL

# Uefa earns unexpectedly large increase for club rights in Spain

By Robin Jellis

**Strong competition was the primary reason for the value of Champions League and Europa League rights in Spain increasing by about 77 per cent late last month.**

The Mediapro agency and pay-television broadcaster beIN Sports jointly acquired exclusive rights to both competitions for three seasons, from 2018-19 to 2020-21, for about €350m (\$392m) per season. Mediapro and beIN formed a joint venture ahead of the 2015-16 season – Mediapro holds 45 per cent, beIN holds 55 per cent.

The fee is believed to be split about €320m per season for the Champions League and €30m per season for the Europa League.

The new deal is up from the €197.5m per season Uefa, football's European governing body, currently earns in Spain for the two competitions, both from 2015-16 to 2017-18.

Champions League rights are currently split between three buyers: Mediapro/beIN, which pays just under €130m per season; commercial broadcaster Atresmedia, which pays just over €40m per season; and Catalan public-service broadcaster TV3, which pays about €6m per season (*TV Sports Markets* 18:18).

Europa League rights are currently held exclusively by Mediapro/beIN in a deal worth about €21.5m per season (*TV Sports Markets* 19:5).

*TV Sports Markets* understands Mediapro/beIN faced stiff competition from telco Telefónica. Both offered a similar amount in the first round for exclusive rights to both competitions – between €270m and €280m per season.

The winning Mediapro/beIN offer is understood to have been only slightly higher than a second-round bid from Telefónica.

Telcos Orange and Vodafone both said prior to the auction they would not bid. There are two reasons why it arguably made little sense to do so.

First, neither has the kind of market penetration that would enable them to refinance the investment by carrying the content exclusively on their platforms.

Second, both carry the beIN Sports channels. Had they bid aggressively against Mediapro/beIN and lost, they would have forced the fee up to their detriment, having to pay more to carry the channels in a new carriage agreement.

Telefónica's aggression surprised some observers as the company would have enjoyed limited exclusivity. In clearing Telefónica's takeover of pay-television broadcaster Canal Plus in May 2015, the Comisión Nacional de los Mercados y la Competencia – Spain's competition authority – required the telco to offer at least 50 per cent of its content to rival pay-television operators.

The new Mediapro/beIN deal means Champions League rights have for the first time been acquired exclusively by pay-television broadcasters in each of the big five European markets, although some coverage may subsequently be made available free-to-air.

It follows Uefa's decision last month to award exclusive Champions League rights in Germany to pay-television broadcaster Sky Deutschland (*TV Sports Markets* 21:11).

The Europa League has also been exclusively acquired by pay-television broadcasters in France, Italy, Spain and the UK. Europa League rights are yet to be sold in Germany, although commercial broadcaster RTL is expected to acquire at least part of the competition.

## Aggressive Uefa targets

Uefa is targeting income of €3.2bn per season from Champions League and Europa League media and marketing rights in the 2018-2021 cycle. This would represent an increase of 28 per cent on the €2.5bn per season it earns in the 2015-2018 cycle (*TV Sports Markets* 20:22).

The deal in Spain means Uefa has sold club competition rights in each of the big five European markets, as well as Scandinavia and the US – some of its most lucrative markets. *TV Sports Markets* research reveals Uefa has already guaranteed it will earn close to €1.9bn per season in its new cycle.

Large increases so far have been helped by changes to the format of the Champions League from 2018-19. First, the revamp of qualification, which means four teams from Uefa's four top-ranked markets (currently England, Germany, Italy and Spain) will be guaranteed places in the group stage, giving broadcasters in these markets a minimum of 24 matches of local interest per season.

Also, the addition of another kick-off slot during the group stages – with matches played at 7pm and 9pm CET – means broadcasters can show more live matches.

Broadcaster and fan interest in Spain has been helped by the success of local teams in both the Champions League and Europa League in recent seasons.

A Spanish club has won each of the last four Champions League competitions: Real Madrid has won three of the last four (2013-14, 2015-16 and 2016-17), with Barcelona winning in 2014-15. Spanish side Sevilla won three consecutive Europa League titles from 2013-14 to 2015-16.

## Bidding process

The Mediapro/beIN deal was struck by Team Marketing, Uefa's sales agent for its club competitions.

A tender for Champions League and Europa League rights in Spain was issued on May 16, with bids due by June 20. A second round was called with bids due the following day, June 21.

Uefa did not initiate a third round of bidding as it preferred the Mediapro/beIN offer, mainly for financial reasons but also due to certain free-to-air commitments for its coverage of the Europa League.

Mediapro/beIN have committed to show one Europa League match involving a Spanish team free-to-air each round, as long as there are at least two Spanish teams in the competition. If there is only one Spanish team left in the competition, Mediapro/beIN will make one of that club's two knockout matches per round available free-to-air.

Mediapro/beIN will keep exclusive rights to the final of both the Champions League and Europa League, although they are open to sublicensing should a strong offer be made. They are also open to sublicensing some Champions League matches but only if the financial offer is too good to turn down.

Uefa also received bids from four companies seeking to show matches free-to-air: public-service broadcaster TVE, media group Mediaset, Atresmedia and TV3. The first three are thought to have offered no more than €50m per season for rights to the first-pick Champions League match on Tuesdays – the rights that Atresmedia holds in the current cycle.

All six bidders made offers in both the first and second rounds.

## Rationale behind fee increase

Mediapro/beIN are thought to have been prepared to increase their combined offer for the Champions League and Europa League for several reasons.

First, competition. Strong offers from Telefónica forced Mediapro/beIN to pay more to secure rights to both Uefa competitions. The rights will be crucial in its upcoming carriage negotiations.

Second, the premium required to encourage Uefa to take the rights fully to pay-television. Uefa and Team needed persuading to take all rights off free-to-air due to the negative impact on exposure and, therefore, sponsorship revenue.

In the current cycle, both Atresmedia and TV3 show the first-pick Champions League match on Tuesday evenings on a non-exclusive basis. Mediapro/beIN only have the right to show this match on a delayed basis. Mediapro/beIN show all other matches.

Third, the change in Champions League format. Having four Spanish teams means there is a guaranteed amount of locally-relevant content, and more matches between Europe's strongest teams.

The addition of an extra broadcast slot during the group stages also makes the rights more valuable.

A source close to the negotiations said the rights would give Mediapro/beIN “control of their destiny” in a “landscape that’s rapidly changing”, referring to the possibility of aggressive moves into the sports-rights market from the likes of Amazon and Facebook.

One insider suggested the ongoing sale of Mediapro may have been a factor in the aggression of the Mediapro/beIN offer, as the agency would have been keen to secure an important asset well into the future. Spanish media reports suggest Chinese investment fund Orient Hontai Capital is the remaining bidder to acquire a majority stake – likely to be 76 per cent – in Imagina, Mediapro’s parent company.

## Upcoming carriage talks

Carriage deals for the beIN Sports LaLiga channel are currently in place with telcos Deion Comunicaciones, Orange, Telefónica and Vodafone; and cable company Telecable. These deals all run in the same cycle as the Uefa deals, from 2015-2018.

The Telefónica deal was struck late – midway through the 2015-16 season, in January 2016. That agreement was only struck after Mediapro/beIN acquired rights to eight LaLiga matches per week over three seasons, from 2016-17 to 2018-19, for €633m per season (*TV Sports Markets* 19:23).

Telefónica will pay Mediapro/beIN a total of €2.4bn until the end of the 2017-18 season to carry the channel, which shows coverage of: the top-tier Primera División; the second-tier Segunda División; the Copa del Rey knockout competition; and the Champions League and Europa League.

Mediapro/beIN have the option to agree exclusive carriage deals but believe the best way to monetise their investment in sports rights is to agree multiple non-exclusive carriage deals.

The fact Telefónica bid strongly in the auction shows it is keen on the Champions League and Europa League competitions, and this will strengthen the hand of Mediapro/beIN when it negotiates carriage.

## More Spanish growth for Uefa

The latest Mediapro/beIN deal represents yet another increase in value for Uefa’s club competitions in Spain. In the previous cycle, from 2012-13 to 2014-15, Uefa’s rights in the country were worth about €143.5m per season.

Champions League rights were worth €127m per season. Pay-television broadcaster Canal Plus paid €87m per season, TVE paid €35m per season, and TV3 paid €5m per season (*TV Sports Markets* 15:4).

Europa League rights were worth €16.5m per season: Mediapro paid €10.5m per season for the right to show all matches, while Mediaset paid €6m per season for non-exclusive rights to the first-choice match each match-week (*TV Sports Markets* 16:7). ♦

## CRICKET

# ECB gets more money and better reach in new ‘future-proof’ deals

By Robin Jellis

**The England & Wales Cricket Board (ECB) enjoyed the best of both worlds in agreeing its new domestic deals last week – it has grown media-rights revenue by almost 180 per cent and secured significant free-to-air coverage on UK public-service broadcaster the BBC.**

The ECB, the governing body of cricket in England and Wales, agreed five-year deals with pay-television broadcaster Sky and the BBC. Both contracts will run from 2020 to 2024 and will be worth a combined £220m (€250m/\$280m) per year.

Sky will hold live rights to all home England national team and domestic county matches, and will also hold highlights and clips rights. The BBC will hold non-exclusive live rights to 21 selected national team and domestic matches per year, and will hold clips, highlights and radio rights. The deals cover the UK and Ireland.

## Split of domestic England & Wales Cricket Board rights, 2020-2024

Buyer	Competition	Type of rights
Sky	Test matches	Live, highlights, clips
	International T20s (men)	Live, highlights, clips
	One Day Internationals (men)	Live, highlights, clips
	England women's internationals	Live, highlights, clips
	New T20 competition	Live, highlights, clips
	Women's T20 competition	Live, highlights, clips
	County Championship	Live, highlights, clips
	County T20	Live, highlights, clips
	One Day Cup	Live, highlights, clips
BBC TV	Test matches	Highlights, clips
	International T20s (men)	2 x live, highlights, clips
	One Day Internationals (men)	Highlights, clips
	England women's internationals	1 x T20 live, highlights, clips
	New T20 competition	10 x live (including final), clips
	Women's T20 competition	8 x live (including final), clips
	County Championship	Clips
	County T20	Clips
BBC Radio	One Day Cup	Clips
	All above competitions	All radio rights

Source: England & Wales Cricket Board

*TV Sports Markets* understands Sky will pay about £210m per year, with the BBC paying about £10m per year. Sky will also spend about £10m per year on top of its rights fee to help promote the ECB's All Star Cricket programme, aimed at increasing participation at the grass roots.

Sky is paying a far bigger share than the BBC as it will hold live rights to the most attractive matches. The ECB did not strike a deal with the BBC primarily for commercial reasons – it wanted to grow the reach and relevance of the sport.

The new deals represent a huge uplift on the £78.75m per year the ECB presently earns from all its deals in the UK. They also represent an increase of about 123 per cent on the value of the ECB's domestic media rights in 2018 and 2019, which will generate £98.75m per year.

A source close to the ECB said its new deals with the BBC and Sky had “future-proofed the game in our country”.

## Current deals

The ECB's live rights are currently held exclusively by Sky in a four-year deal, from 2014 to 2017, worth £75m per year. In January 2015, Sky took up an option to extend its deal for 2018 and 2019 for £95m per year (*TV Sports Markets* 19:1; 21:5).

Radio rights are held by the BBC in a six-year deal, from 2014 to 2019, worth about £2m per year. The rights form the basis of the broadcaster's popular Test Match Special coverage.

Highlights rights are held by commercial broadcaster Channel 5 in a four-year deal, from 2014 to 2017, worth about £1m per year. *TV Sports Markets* understands the broadcaster has extended the deal to cover 2018 and 2019 for the same fee.

Clips rights are held by the BBC in a four-year deal, from 2016 to 2019, worth about £750,000 per year. These rights were initially included in the ECB's 2014-2017 live rights deal with Sky, but the governing body negotiated them back in early 2016 to sell on and generate additional exposure.

The clips deal gives the BBC the right to show up to six minutes of content per hour of play from each England international match. The BBC exploits these rights on the BBC Sport website and on its app.

The BBC is expected to show live and highlights rights in the new cycle on its BBC Two and BBC Four channels.

## Bidding process

The ECB launched a tender process on May 12, with bids due by June 28. The BBC and Sky deals were announced on June 30 after only one round of bidding.

As well as the BBC and Sky, other bidders included: commercial broadcasters Channel 4 and Channel 5, and pay-television broadcasters BT Sport and ESPN – ESPN bid for clips rights which it would have



exploited on the espncriinfo.com website.

A source close to the ECB said this list was “not exhaustive” but declined to reveal which other companies had bid. Commercial broadcaster ITV did not bid.

The introduction of a new domestic T20 competition – similar to the Big Bash and Indian Premier League competitions operated by Cricket Australia and the Board of Control for Cricket in India respectively – appealed to free-to-air broadcasters who would struggle to schedule Test matches or One Day Internationals which last much longer.

The ECB is understood to have identified the BBC early on as its preferred partner and is said to have declined a higher financial offer from a free-to-air rival.

All offers were considered by a panel made up of the ECB’s chief executive and chairman – respectively Tom Harrison and Colin Graves – as well as Glamorgan Country Cricket Club chairman Barry O’Brien; former Channel 4 executive David Scott; and Lord Patel of Bradford, an independent director on the ECB board.

The ECB was advised on the sale of its rights by the Pitch International agency.

## BT spectre drives price up

There are two main reasons why the ECB was able to secure such a large fee increase.

First, the live rights were undervalued in its current deal with Sky. That deal was struck before BT entered the bidding for sports rights, at a time when Sky faced no real competition.

Second, Sky’s fear of an aggressive BT bid. In August 2015, BT acquired Cricket Australia rights over five seasons, from 2016-17 to 2020-21, for £15m per season. The deal was widely seen as a signal of intent from BT that it was seriously considering a strong offer for ECB rights (*TV Sports Markets* 19:15).

Finally, both the men’s and women’s national teams have established a more aggressive style of play in recent times, which is attractive to fans and makes the rights more appealing to broadcasters.

## Return to free-to-air

The new deals are a personal triumph for Harrison, who began his role as ECB chief executive in January 2015 after moving from the IMG agency. He has helped the ECB secure a huge fee increase while bringing coverage to a wider audience, at a time when many rights-holders are shifting coverage exclusively to pay-television.

The move to ensure some free-to-air coverage was not unexpected. In May, Harrison told local media the ECB had “no ambition to be the richest, most irrelevant sport in this country”.

The deal with the BBC sees the return of live ECB rights to free-to-air for the first time since 2005, and is

the body's first live television deal with the country's public-service broadcaster since 1999.

Many cricket experts point to the switch from free-to-air to pay-television as an infamously seminal moment for the ECB, as participation levels plunged thereafter.

But others say the huge amounts of money Sky invested into the game was a real positive, especially as that deal was struck at a time when there were few, if any, viable alternatives to Sky.

## Early sale

The ECB has sold its rights two-and-a-half years before its existing deals end for two main reasons.

First, it wanted to sell its rights before the English Premier League. BT and Sky currently hold domestic live Premier League rights in deals worth a combined £1.712bn per season from 2016-17 to 2018-19 (*TV Sports Markets* 19:3).

The ECB feared that if it waited until the Premier League had sold its rights in a new cycle, from 2019-20 onward, the budgets of both BT and Sky would be greatly lessened, reducing their ability to pay large fees for ECB content. The Premier League is likely to offer its rights to the market late this year or early next.

Second, the ECB was keen to guarantee revenue for its new T20 competition. This will help it push forward with its plans to establish the franchise-style competition. Both the BBC and Sky will be part of this decision-making process, and will help select match locations and team names.

The ECB was also keen to guarantee revenue for its counties, many of which need to begin expensive renovation work on their grounds.

## Does BT have a future in cricket?

Top cricket rights are now off the market in the UK for the long term. ECB rights have been sold until the end of 2024 and International Cricket Council rights until the end of 2022-23. Sky holds ICC rights in an eight-year deal, from 2015-16, worth \$200m – or \$25m per year (*TV Sports Markets* 18:19).

But several deals for international cricket board rights in the UK are coming up for renewal. Sky holds: Board of Control for Cricket in India rights until 2017-18; Sri Lanka Cricket rights until the end of 2018; West Indies Cricket Board rights until the end of 2019; Cricket South Africa rights until 2019-20; and New Zealand Cricket rights until the end of 2020.

Sky also has a three-year deal, from 2015 to 2017, for Indian Premier League rights worth between \$4m and \$5m per year (*TV Sports Markets* 18:4).

Cricket appeals to a different – and generally wealthier – demographic to football fans, making the content attractive to broadcasters. Some experts believe BT will be loath to allow Sky to pick up other cricket rights for low fees so is likely to bid for these rights. ♦

## FOOTBALL

# Relevant overcomes choppy waters to net solid ICC increase

By Callum McCarthy

**The International Champions Cup pre-season tournaments will earn an increase of about 20 per cent for its media rights in 2017, despite tricky negotiations in some key European markets.**

Relevant Sports, the International Champions Cup organiser and commercial rights-holder, will earn about \$20m (€17.9m) in 2017 – a figure which includes broadcaster contributions to production and marketing. This is up by just over 10 per cent when compared with 2016, when it earned about \$18m (*TV Sports Markets* 20:9).

Relevant – a division of US investment company RSE Ventures – mostly agrees one-year deals for ICC rights. The company believes strongly in its ability to secure year-on-year growth using this strategy, and demands steep escalators in any multi-year deals. Multi-year deals are usually signed at the broadcaster's request.

Key regions for growth in 2017 are Asia-Pacific and the Americas, which are favourable time-zones for the three tournaments. One will be played in each of the US, China and Singapore.

Solid growth has been secured in Spain and Germany, but fees have fallen by about 10 per cent in Italy and the UK compared with 2016.

The most lucrative of the ICC's deals is its three-year agreement with pay-television broadcaster ESPN in the US, from 2016 to 2018. The deal is thought to be worth about \$1.3m in 2017, up from just over \$1m in 2016, and will be worth about \$1.5m in 2018.

Elsewhere, there have been increases of about 50 per cent in Indonesia and Thailand. Brazilian sports broadcaster Esporte Interativo, which has a three-year deal from 2015 to 2017, will pay about 25 per cent more in 2016 compared to last year. And media group Dogan will pay a 25-per-cent increase for rights in Turkey.

Informed sources believe the tournament has managed to maintain much of the value of its rights in China after its four-year joint venture with internet company LeEco, from 2015 to 2018, collapsed last year. LeEco was paying a minimum guarantee which averaged about \$11m per year. The deal covered a range of commercial rights, as well as hosting rights for the tournament (*TV Sports Markets* 20:7).

The ICC's new four-year deal with Chinese state broadcaster CCTV, from 2017 to 2020, covers exclusive linear rights, non-exclusive streaming rights and selected sponsorship rights. CCTV will produce all

matches held in China, as well as making a significant commitment to marketing. The media rights portion of CCTV's deal is thought to be worth between \$300,000 and \$400,000 per year.

Streaming deals have also been struck for the 2017 tournament, with local sources saying streaming operators PPTV and BesTV will once again hold non-exclusive rights.

## Tough sell in the UK

Perhaps Relevant's second trickiest market for 2017, after China, was the UK, where there was little competition for the rights. Pay-television broadcaster Premier Sports is understood to have been the only bidder for exclusive rights to all matches other than those involving Manchester United.

Premier Sports is thought to be paying just over £500,000 (€570,000/\$635,000) as a rights fee and is likely to spend roughly £150,000 on producing two matches held in the UK, in a deal covering 2017 only. These matches are not part of the official ICC tournament but are organised by Relevant and included in the package.

Pay-television club channel MUTV – Manchester United's club channel – will continue to hold exclusive rights to the club's matches in the UK, and will also hold non-exclusive digital rights overseas. The deal covers 2017 only.

Sky paid a total of about £700,000 in 2016 for exclusive rights to all matches not involving English clubs, and non-exclusive rights to matches involving English clubs other than Manchester United. Of this, about £500,000 was a rights fee and about £200,000 was for production.

Deals with the club channels of Liverpool (non-exclusive rights to Liverpool matches), Chelsea (non-exclusive rights to Chelsea matches), and Manchester United (exclusive rights to Manchester United matches) were worth a combined £1.2m in 2016. Most of this was paid by MUTV.

Experts believe the total contribution from the UK – including media rights and production – has gone down by about 10 per cent, with MUTV believed to have paid a decent increase to retain its rights.

Sky and BT's absence from the tender process for 2017 is due to each focusing their budgets on premium properties, and due to the ICC tournaments not attracting a significant number of new subscribers in previous years.

## European rollercoaster

Commercial broadcaster Mediaset acquired exclusive rights to most matches in Spain, for 2017 only, beating relatively weak competition.

Mediaset will pay about €1m for exclusive rights to all matches apart from those involving Barcelona – it will share these rights with Catalan public-service broadcaster TV3. TV3 will pay about €300,000 for non-exclusive rights to Barcelona matches.

The €1.3m total is slightly more than was paid by commercial broadcaster Atresmedia and TV3 in separate deals covering 2016. Both TV3 and Mediaset are thought to have paid small increases on the 2016 values, influenced by the addition of El Clásico – a match between Real Madrid and Barcelona. The rights would have been worth even more, but the 2am CET kick-off time restricted their value.

In Italy, pay-television operator Mediaset Premium will pay about €650,000 for exclusive rights to the competition in 2017, down slightly on the €700,000 it paid in a deal for 2016.

In Germany, sports broadcaster Sport1 has a two-year deal with Relevant covering 2016 and 2017. It will pay about €600,000 in 2017, up about 30 per cent on its 2016 fee of just over €450,000. The broadcaster is thought to pay a base fee of about €80,000 per year, with bonus payments of roughly €100,000 for each match involving German clubs Bayern Munich or Borussia Dortmund in 2017.

Rights are held by pay-television broadcaster beIN Sports in France and across the Middle East and North Africa as part of Relevant's participation deal with French club Paris Saint-Germain. PSG chairman Nasser Al-Khelaifi is also the chairman and chief executive of beIN Sports. There is no allocated media-rights fee. ♦

## FOOTBALL

# DAZN takes Champions League rights away from Sky in Japan

By David Cook

**Strong competition helped Uefa secure an increase of about 50 per cent for its club competition rights in Japan last month, as OTT platform DAZN added another premium property to its portfolio.**

DAZN – owned by digital media company Perform – acquired rights to both the Champions League and Europa League competitions in a three-season deal, from 2018-19 to 2020-21, worth between \$40m (€35.6m) and \$45m per season.

This is up from the \$27m per season pay-television broadcaster Sky PerfecTV pays for both competitions in the current three-season cycle, from 2015-16 to 2017-18. Of this, \$21.5m per season is for the Champions League and \$5.5m per season is for the Europa League (*TV Sports Markets* 19:2).

The latest deal represents another increase in Japan for Uefa. The last time it sold its rights in the country it earned a 15-per-cent increase on the value of its previous deal with Sky for both competitions, worth \$24m per season from 2012-13 to 2014-15 (*TV Sports Markets* 16:4).

The rights are sold by Team Marketing, Uefa's marketing agent for its club competition rights. A tender was issued for the rights on December 14, with bids due on February 3. Uefa and Team began exclusive negotiations with DAZN in March (*TV Sports Markets* 21:4).

Sky is understood to have bid to renew its deal, but couldn't match DAZN's financial offer. Telco SoftBank is said to be taking a less aggressive approach towards sports rights after acquiring English Premier League and Spanish LaLiga rights in the country (*TV Sports Markets* 20:5).

## No plans for free-to-air

There is no requirement for DAZN to sublicense rights to a free-to-air broadcaster and the platform does not plan to take that option. The operator will exploit some content on digital platforms such as goal.com, also owned by Perform. Perform will use data collected across its digital platforms to improve its marketing strategies for DAZN.

In the current cycle there is a free-to-air exposure requirement in Sky's contract. Sky sublicenses one Champions League match per match-week in the group stage and knockout rounds, and the final to commercial broadcaster Fuji TV. It sells highlights rights to commercial broadcaster Nippon TV and

news access rights to several free-to-air broadcasters.

## DAZN's push in Japan continues

DAZN is attempting to rapidly grow its subscriber numbers in Japan through its partnership with mobile phone operator NTT Docomo.

The partnership allows Docomo customers to subscribe to DAZN for JPY980 (€7.84/\$8.80) per month, just over half the price of a regular monthly subscription, which costs JPY1750 per month. The scheme began in February.

DAZN launched in Japan last August and has aggressively sought football content, acquiring rights to France's Ligue 1, Germany's Bundesliga, Italy's Serie A and, most notably, Japan's J-League. Its J-League deal is worth an average of \$205m per year over 10 years, from 2017 to 2026 (*TV Sports Markets* 20:13).

DAZN also operates in Germany, Austria and Switzerland. Last month, DAZN secured a portion of Champions League rights in Germany and Austria as part of a sublicensing agreement with pay-television broadcaster Sky Deutschland (*TV Sports Markets* 21:11). ♦

## BASKETBALL

# ERT rises from the ashes to sign long-term Fiba gatekeeper deal

By Callum McCarthy

**Greek public-service broadcaster ERT last month fought off competition from local commercial broadcasters to acquire International Basketball Federation (Fiba) events for five years.**

ERT will pay about €6.5m (\$7.3m) for exclusive free-to-air and pay-television rights to all Fiba events, from 2017 to 2021 – an average of about €1.3m per year. The package includes rights to the 2017 and 2021 EuroBasket national team competitions, as well as the 2019 Basketball World Cup.

The broadcaster will also produce coverage of Greece's home qualifiers for the 2019 World Cup and the 2021 EuroBasket, and has committed to spend significant amounts on promoting and marketing the tournaments in Greece.

ERT will act as a gatekeeper of the rights in Greece and is expected to sublicense a package of rights to a pay-television broadcaster. Pay-television broadcasters Cosmote (formerly OTE) and Nova are not thought to have bid during Fiba's tender process.

There is no listed-events legislation in Greece, so ERT can sublicense whatever it pleases to a pay-television broadcaster. However, it is certain to keep hold of rights to at least Greece's matches in the men's and women's national-team tournaments.

The deal is viewed by local experts as a return to form for ERT, which was reopened in 2015 after being shut down in 2013 and replaced by Nerit, which acted as Greece's public-service broadcaster from May 2014 to June 2015 (*TV Sports Markets* 17:19).

## Is it really an increase?

Each major men's tournament is thought to be worth an average of about €1.8m in the new cycle, an increase of about 28 per cent on the equivalent average value in the previous cycle, from 2013 to 2015. The qualifiers are thought to be worth about €500,000 across the five years.

But comparing the value in the current cycle with the value from 2013 to 2015 is difficult.

Since the 2013-2015 cycle, Fiba has changed its continental national-team tournament calendar to work on a quadrennial basis from 2017, instead of the biennial system it used previously. Fiba has also included qualifiers to major tournaments, creating a year-round proposition for broadcasters.



Rights in Greece to the previous two EuroBasket tournaments in 2013 and 2015 were worth a total of €2.7m. Commercial broadcaster Antenna paid €1m for its free-to-air rights in 2015, and €800,000 for the same package rights in 2013. Pay-television broadcaster Cosmote paid €500,000 for its pay-television rights in 2015, and €400,000 in 2013 (*TV Sports Markets* 18:1).

The World Cup in 2014 was worth a total of €1.5m, with Antenna paying about €1m for free-to-air rights and Cosmote paying about €500,000 for pay-television rights.

The total increase in value for two EuroBasket tournaments and one World Cup is just under 30 per cent.

The total value of Fiba's national-team rights in Greece, from 2013 to 2015, was about €1.4m per year. This has decreased marginally in the new cycle to about €1.3m per year, mainly due to the reorganisation of the calendar.

Fiba is thought to be projecting annual media-rights income of about €50m from 2017 to 2021, up from €22m per year in the 2015 to 2017 cycle (*TV Sports Markets* 21:8).

Industry experts believe this projection to be optimistic, but sources close to Fiba say the governing body is happy with its earnings thus far and is confident it can achieve its target.

## Taf times for Fifa

Elsewhere in Greece, football's global governing body Fifa decided to reclaim rights to the 2018 World Cup from the Taf Sports agency after the latter's tender process did not produce suitable bids.

Fifa has now decided to sell the rights itself in the hope of earning more money from its own process. Sources close to the situation described the decision as a "change of philosophy" at Fifa, which wants to become less reliant on third-party agencies.

It is thought bids made to Taf during its tender process, which was launched in January this year, may not have reached the minimum guarantee Taf had made to Fifa. Bids were made by ERT and Skai, but these were rejected.

Rights to the 2014 World Cup were acquired by ERT as part of a multi-territory bid by the European Broadcasting Union, the consortium of Europe's public-service broadcasters. ERT paid €13m for rights in Greece (*TV Sports Markets* 21:2).

Media rights experts believe Fifa will do well to earn anything close to €10m from its own tender process, and that the market value of the rights is €5m to €6m. ♦

## FOOTBALL

# Polsat topples NC Plus to hoover up Europa League rights

By Callum McCarthy

**Polsat has completed its set of European club football rights in Poland, agreeing last month to pay an increase of about 40 per cent for rights to Uefa's Europa League.**

Commercial and pay-television broadcaster Polsat will now hold exclusive rights to both the Champions League and Europa League competitions in Poland for three seasons, from 2018-19 to 2020-21.

Polsat will pay just over €6m (\$6.7m) per season for Europa League rights. This represents an increase of at least 33 per cent for Uefa, football's European governing body. Pay-television operator NC Plus's current deal for Europa League rights, from 2015-16 to 2017-18, is worth about €4.5m per season.

The rights were sold by Team Marketing, Uefa's sales agent for its club competitions. Tenders for the two competitions were launched on March 17, with bids due by April 6.

In the current cycle, NC Plus sublicenses two matches per round to media group Discovery Communications, which exploits the rights on its Eurosport channels. Discovery is thought to be paying about €2m per season to NC Plus for these rights over the same period.

In addition, NC Plus sublicenses matches involving Polish teams – as well as the finals of both the Champions League and Europa League – to Polish public-service broadcaster TVP. Matches are sublicensed on an ad-hoc basis.

The new Europa League deal means Polsat will pay a total of just over €41m per season for Uefa's club competition rights, from 2018-19 to 2020-21. In April, the broadcaster agreed to pay just over €35m per season for Champions League rights over the same duration (*TV Sports Markets* 21:7).

Polsat's deals are a big blow for NC Plus, which currently holds rights to both competitions. The operator now holds rights to just two premium football properties in Poland: the top-tier domestic league, the Polish Ekstraklasa, from 2015-16 to at least 2018-19; and the English Premier League, from 2016-17 to 2018-19 (*TV Sports Markets* 19:12; 19:23).

It is thought Polsat's bids for both Champions League and Europa League rights were linked – the broadcaster made it clear to Uefa it wanted both competitions or neither. It was not the only broadcaster to stipulate this in Uefa's tender process.

Sources close to Uefa say broadcasters in Eastern Europe are increasingly expressing this desire to acquire rights to both competitions as this is the only way to ensure a return on investment. Holding rights to both competitions enables broadcasters to sell more valuable advertising packages, as well as giving broadcasters a better chance of showing local clubs in European competition.

Eastern European teams often exit the Champions League during the qualifying rounds, making the Europa League more valuable. But on occasions when local clubs progress to the group stage, the competition's value soars.

## Europa League increase

The boost in value for the 2018-2021 cycle is for two main reasons. First, competition for Europa League rights in the new cycle was plentiful and quite strong. It is thought NC Plus, Discovery and sports broadcaster Eleven Sports Network all bid.

Second, changes in qualification for the Europa League. From 2018-19, domestic champions that lose in Champions League qualifying rounds will enter qualifying rounds for the Europa League, giving clubs – such as Legia Warsaw – a better chance of competing in Europe each season.

Currently, the winner of the Ekstraklasa is entered into the Champions League second qualifying round. Should they lose at any point during the second or third qualifying round, they are eliminated from European competition.

In the new cycle, this format change could give the Europa League – in which many clubs from the region have more success – greater value. Holding rights to both competitions covers all eventualities.

The number of Polish teams eligible to qualify for European competition will not change. Each season's Ekstraklasa champions qualify for the Champions League second qualifying round, while second and third place both enter the Europa League first qualifying round. ♦

## SPEEDWAY

# NC Plus and Eleven to share speedway spoils in Poland

By Callum McCarthy

**NC Plus has renewed its rights to the three most important speedway properties in Poland – the Speedway World Cup, Speedway Grand Prix and the Polish Ekstraliga – but will share the Ekstraliga with Eleven Sports Network from 2019.**

Rights to the Ekstraliga, Poland's top-tier speedway league, will be worth an average of about PLN20.5m (€4.9m/\$5.5m) per year, from 2019 to 2021.

Commercial rights-holder the Polski Związek Motorowy – Poland's automobile and motorcycle association – agreed the deal with pay-television broadcaster NC Plus after a tender process, and gave prior approval for NC Plus to sublicense half of the fixtures to sports broadcaster Eleven.

It is thought the two broadcasters will pay a roughly equal share of the fee. NC Plus will continue to show two regular-season fixtures each Sunday, as it does in its current deal, while Eleven will broadcast two regular-season fixtures each Friday night.

The new deal represents an increase of about 150 per cent on the value of the current exclusive deal with NC Plus, from 2016 to 2018, worth just over PLN8m per year.

The value has increased significantly for two main reasons. First, the number of televised fixtures will double from 28 to 56 each season, meaning every fixture will be shown live from 2019.

The PZM's addition of Friday night fixtures from 2019 is designed to boost the league's value and meet demand from broadcasters. Ratings for the league on NC Plus have stagnated due to strong live attendances at speedway fixtures and most fixtures beginning at the same time.

By spreading fixtures across multiple dates each weekend, the PZM hopes to strike a better balance between attendance and viewership, and help both its broadcast partners attract subscribers.

Second, strong competition from commercial and pay-television broadcaster Polsat, and public-service broadcaster TVP. It is thought Eleven did not bid in the tender, but had agreed a pre-deal with NC Plus should it have won the rights.

The PZM's decision to permit NC Plus to sublicense rights was in order to ensure maximum revenue and exposure for the Ekstraliga.

NC Plus did not want to pay the increase the PZM was looking for by itself, but by sharing the cost with Eleven it was able to agree a deal that suited both parties.

The sublicensing deal will also ensure greater reach for the PZM as Eleven, unlike NC Plus's sports channels, are carried on rival pay-television operator Cyfrowy Polsat. It is thought the league will reach about 4m households in Poland from 2019 onward.

## Other speedway deals

NC Plus also renewed its rights to international team tournament the Speedway World Cup and the season-long individual Speedway Grand Prix competition, also from 2019 to 2021. The rights were sold by the IMG agency.

These two competitions comprise the top tier of world speedway, but Polish interest in international speedway is not as strong as interest in the Ekstraliga.

Speedway is the second-most popular sport in Poland, behind football. It is the most popular sport in many Polish cities and towns, especially in the west of the country.

As well as its Ekstraliga deal, Eleven holds rights in Poland to UK domestic competition the Speedway Premiership, and Swedish domestic competition the Elitserien.

Its Ekstraliga coverage could put a strain on Eleven's international speedway portfolio. Should Eleven retain its rights to the Premiership and Elitserien, clashes will be likely due to the way each league is scheduled. Sources close to Eleven say that, in these eventualities, the Ekstraliga will be prioritised. ♦

## FOOTBALL

# Uefa earns another big revenue jump in Israel with Charlton

By Robin Jellis

**Uefa has earned an increase of about 40 per cent in the value of its Europa League rights in Israel following a renewal with Charlton.**

Pay-television broadcaster Charlton will pay about €700,000 (\$784,000) per season for Europa League rights over three seasons, from 2018-19 to 2020-21. This is up from the €500,000 per season Charlton pays in its current three-season deal, from 2015-16 to 2017-18 (*TV Sports Markets* 18:5).

The current deal only represents a small increase in value from the previous deal, from 2012-13 to 2014-15, which was worth about €450,000 per season.

The rights were sold by the Team Marketing agency. Team sells Champions League and Europa League rights on behalf of Uefa, football's European governing body. Tenders for Champions League and Europa League rights in Israel were issued on February 23 with bids due by March 20.

The growth in the Europa League's value follows a massive increase for Champions League rights in the country. In April, pay-television broadcaster the Sports Channel agreed to pay €18m per season for Champions League rights from 2018-19 to 2020-21, up from €3.3m per season in the 2015-2018 cycle (*TV Sports Markets* 21:6).

But it also follows huge increases for other properties in the country. In December 2015, the English Premier League increased its fee by about 400 per cent, while in January 2016, the Israeli Premier League almost trebled its earnings (*TV Sports Markets* 20:1).

The increased value of these three properties was driven by aggressive bidding from Israeli telco Partner. However, there was no such aggression in the Europa League process – no other broadcaster is thought to have bid against Charlton for the rights.

Despite this lack of competition, there are three factors which helped Uefa secure an increase.

First, Charlton has increased its monthly subscription fee. Charlton's channels are carried by Israel's two major cable companies, Hot and Yes, but an additional cost has to be paid for access to Charlton's channels. In recent months the cost to access these has increased, meaning it has more money to spend on rights. Uefa would have been aware of this during the sales process.

Second, the participation and relative success of Israeli sides in the Europa League recently. In the 2016-17 season, Hapoel Be'er Sheva reached the round of 32, while Maccabi Tel Aviv was knocked out in the group stage. The Europa League provides Charlton with a good standard of continental club football during the week when it has little other live football.

Third, Charlton would not have wanted to risk its strong working relationship with Uefa by offering below market value for the rights. ♦

## TENNIS

# US Open rights up modestly in Australia after new ESPN deal

By David Cook

**The value of US Open tennis rights in Australia and New Zealand increased slightly last month, despite Australian incumbent Fox Sports choosing not to renew its deal.**

Sports broadcaster ESPN acquired US Open rights for five years, from 2017 to 2021, in a deal worth an average of about \$1.6m (€1.4m) per year. The fee will be about \$1.2m in 2017 and 2018, before increasing in each of the following years up to about \$2m in 2021.

The deal represents a 14-per-cent increase on the average of \$1.4m per year paid by pay-television broadcaster Fox over four years, from 2013 to 2016. The Fox deal covered only Australia.

Although the per-year increase in value is relatively small, the result is positive given ESPN faced no competition for the rights.

The United States Tennis Association – the tournament organiser and commercial rights-holder – was prepared to agree a longer-term deal with ESPN as it wanted to bring the Australian rights deal in line with its other deals around the world.

The USTA is advised on the sale of its rights by the IMG agency under a global advisory deal – excluding US, Canada, and Latin America – from 2017 to 2025 (*TV Sports Markets* 19:5). The agency ran a tender for the rights from March to May.

## Focus on local players

ESPN was keen on the rights for three main reasons.

First, the event features top Australian players. ESPN is targeting rights in which there will be a strong interest in Australian athletes. For example, ESPN holds NBA rights in Australia and New Zealand in a nine-season deal from 2016-17 to 2024-25, as several Australian players compete.

Second, its sister broadcaster in the US also holds US Open rights, and host broadcasts the tournament. ESPN has an 11-year deal in the US, from 2015 to 2025, worth \$75m per year.

Third, the event ties in with the start of the season for other US sports, such as the NBA and the NFL, creating a bloc of US sport. ESPN holds NFL rights in Australia and New Zealand in a five-year deal, from 2014 to 2018.



ESPN will live-stream 1,300 hours per US Open tournament. ESPN's coverage will include a magazine show with a focus on Australian players.

## Anti-siphoning list aids SBS, for now

Australian public-service broadcaster SBS will show both the men's and women's singles from the US Open quarter-finals onward on a non-exclusive basis after agreeing a sublicensing deal with ESPN. The deal will cover both 2017 and 2018, and SBS has an option to extend its deal. *TV Sports Markets* understands SBS will pay a fee to ESPN for these rights. The sublicensing deal only covers Australia.

SBS was keen on the US Open as it is aired at a convenient time in Australia. Matches run from the early hours of the morning to early afternoon local time, meaning it does not interfere with SBS's primetime schedule.

ESPN had to sublicense these rights to a free-to-air broadcaster in accordance with Australia's listed-events legislation: the anti-siphoning list.

Fox and IMG successfully applied for the US Open to be taken off the list during the 2013-2016 cycle. Events can be taken off the list when no free-to-air broadcasters express interest in the rights.

The property was automatically placed on the list when Fox's deal ended. However, it could be taken off the list permanently if the Broadcasting Legislation Amendment Bill becomes law. The bill, which also proposes that rights to Wimbledon be taken off the list, is likely to be voted on when Australian parliament resumes in August. Wimbledon singles matches from the quarter-finals onward are currently on the list.

It is the presence on the anti-siphoning list of these events – the entirety of the Australian Open is also on the list – that weakened Fox's interest in retaining grand slam tennis rights. Fox has instead focused on content that does not appear on the list, such as golf majors. Fox holds rights to all four golf majors – the US Masters is the only one that appears on the anti-siphoning list.

Fox also declined to renew its deal for French Open tennis rights. The rights were tendered at the same time as the US Open, but not as part of the same package. Those rights are still on the market.

A source close to Fox said it had dropped both the French and US Open tournaments due to listed-events restrictions, but also due to cuts to its sports-rights portfolio. ♦

## FOOTBALL

# Bigger guarantee helps IMG secure FFA international rights

By David Cook

**Football Federation Australia earned a substantial increase in the value of its international media rights in a deal with the IMG agency last month.**

IMG will pay the FFA – Australian football's governing body – a minimum guarantee of about \$2m (€1.8m) per year with a share of revenue above this. The deal will run for six seasons, from 2017-18 to 2022-23.

This is close to the value targeted by the FFA when it tendered the rights in November. The FFA had considered selling rights in-house before deciding to use an agency.

FFA international rights were previously held by the Lagardère Sports agency in a four-season deal, from 2013-14 to 2016-17.

IMG's deal will cover rights to: the top-tier men's A-League; the top-tier women's W-League; the domestic knockout FFA Cup; and rights to selected matches of the Australian national men's and women's teams. The rights are global, excluding Australia.

The FFA sold its international rights for six seasons to bring the international rights deal in line with the FFA's main domestic deal. Pay-television broadcaster Fox Sports holds domestic rights in the 2017-18 to 2022-23 cycle, for which it pays an average of up to A\$57.7m (€38.7m/\$43.9m) per season (*TV Sports Markets* 21:2).

## Competition drives value

At least five agencies are said to have bid for the FFA's international rights. The federation agreed a deal with IMG as it was the highest bidder.

IMG also has a strong international football rights portfolio which includes Major League Soccer, the English FA Cup and the Dutch Eredivisie.

According to a source close to the FFA, Lagardère bid to renew its deal during an initial period of exclusive negotiation, which ran from early August to late September. The FFA rejected the offer as it felt it could earn more by tendering its rights. Lagardère is also said to have bid for the rights during the subsequent tender.

The rights were an attractive proposition for IMG as they will help the agency position itself for a bid for global Asian Football Confederation events.

Holding rights to, and having a relationship with, a big AFC member nation will grow its influence in the region. AFC rights in a new cycle are expected to be tendered in the fourth quarter of this year (*TV Sports Markets* 21:8).

## Previous two-way relationship

While Lagardère held FFA international rights, the FFA bought rights to some AFC competitions from Lagardère. Lagardère has a deal in place to sell global AFC rights for eight years, from 2013 to 2020 (*TV Sports Markets* 19:7).

The FFA bought rights to AFC events for four years, from 2013 to 2016. While it is rare for governing bodies to buy broadcast rights, the FFA then sold these rights to broadcasters as part of its own domestic rights sales process. Fox bought the rights for the 2013-2016 cycle. The AFC Asian Cup was held in Australia in 2015.

For the following AFC rights cycle, from 2017 to 2020, Lagardère sold rights in Australia directly to Fox in a deal worth \$5.75m per season (*TV Sports Markets* 20:19). A source close to the FFA said this had no bearing on the FFA's decision not to sell its international rights from 2017-18 onward to Lagardère.

## Upcoming international sales

FFA rights are understood to be most valuable in Asia and the Middle East where time zones are more favourable and there will likely be more interest, as Australian club and national teams participate in AFC competitions.

The FFA is also looking at the UK, Ireland and the US as important markets. Interest in women's football in the US is something the FFA will be keen to exploit. ESPN acquired live rights to the W-League for the 2016-17 season. ♦

## FOOTBALL

# Football rights frenzy begins in Brazil with EPL and Uefa sales

By Mónica Villar

**The summer of 2017 will prove a critical period in determining where major football rights in Brazil will end up for the next few years.**

One key deal – for the English Premier League – has just been completed. Another, for Uefa national team games, is being finalised. Both organisations will enjoy a fee increase.

The Fifa Club World Cup is currently on the market, with Fifa also looking for an uplift. And within the next two to three months, rights to Brazil's national team matches, the Copa América, the Copa Libertadores and the Copa Sudamericana will all come to market.

## Premier League stays with ESPN

Pan-regional sports broadcaster ESPN has renewed its deal for exclusive Premier League rights in Brazil for three seasons, from 2019-20 to 2021-22.

In the new deal, the broadcaster will pay close to \$40m (€35.7m) per season. This is a 60-per-cent increase on the \$25m per season ESPN pays in its current deal, from 2016-17 to 2018-19 (*TV Sports Markets* 19:18).

The new deal includes rights for all platforms, including the WatchESPN streaming service.

The fee increased despite limited competition. Local sources say many broadcasters didn't bid as they are targeting Copa Libertadores and Copa Sudamericana rights.

ESPN bid aggressively for two main reasons. First, the property has been very successful for it. Its average live audience increased by 23 per cent on the previous cycle, when it shared rights with Fox Sports.

Second, ESPN lost Uefa Champions League in the current cycle, from 2015-16 to 2017-18, by not bidding aggressively enough. They were won by media group Globo and Turner-owned sports broadcaster Esporte Interativo (*TV Sports Markets* 18:21).

## Globo wins and loses

Globo is understood to have won exclusive rights to Euro 2020. Informed sources say the broadcaster

will pay about \$13m, which is a 10-per-cent increase on the \$12m it paid for Euro 2016 (*TV Sports Markets* 17:11).

However, the broadcaster has lost the right to show European national team qualifier matches. These, along with rights to the new Nations League tournament, have been acquired by Esporte Interativo.

In the new cycle, from 2018-19 to 2021-22, Esporte Interativo is expected to pay between \$17m and \$18m, or just under \$4.5m per season. This is also about 10 per cent up on what Globo paid for the rights in the 2014-15 to 2017-18 cycle. However, the last cycle did not include the Nations League.

Neither deal has yet been signed off but it is understood all the key terms have been agreed. The rights were put out to tender by the CAA Eleven agency, Uefa's sales agent for its national team games, on March 6. Bids were due by April 4.

## Club World Cup

ESPN, Globo, media groups Fox and Turner have all bid for rights in Brazil to the 2017 and 2018 Fifa Club World Cups. The 2017 tournament will take place in the United Arab Emirates from December 8 to 16.

The rights were carved out of a separate tender for the rest of Latin America in which Fox, ESPN and publishing group Claro are thought to have bid. The deadline for both tenders was July 7.

Local sources say Fifa is looking for at least \$2m for the tournament in Brazil, which would represent an increase on last year. It also requires matches to be available on free-to-air in countries that have a club participating in the tournament.

For the 2016 tournament, which didn't feature a Brazilian club, the rights were held by Globo.

Local experts say this is another property that will be hit by going to market just ahead of the rights for the Copa Libertadores and the Copa Sudamericana.

## Brazil games centralised

A package of rights for Brazil friendly matches and World Cup qualifying matches, from 2018-19 to 2021-22, is expected to come on the market in the next two months.

The Confederação Brasileira de Futebol, the Brazilian football federation, has decided to create a single package for both sets of rights. Until now, they have been sold separately.

Globo currently holds rights to home qualifier matches in a four-season deal, from 2014-15 to 2017-18. It also held rights to home friendly matches in a long-running deal which came to an end at the end of 2016. One local expert said the deal valued the friendlies at about \$1m per match.

The federation sought to renew the contract with Globo last year but the two sides were a long way

apart on price. The continued impasse encouraged the federation to put the rights out to tender with the qualifier rights.

In the meantime, the CBF agreed a revenue-share deal with social media platform Facebook to stream its friendly matches against Argentina on June 9 and Australia on June 13. There was little broadcaster interest in these matches due to the poor time zone for a Brazilian audience. The Facebook deal was struck just days before the match against Argentina.

Under Brazilian listed-events laws, competitive matches such as qualifiers must be shown free-to-air. This does not apply to friendly matches.

## Conmebol seeks partner

Conmebol, the governing body for football in South America, will launch a tender process on July 10 to find an agency to sell global commercial rights to its club and national team competitions.

The tender will cover rights to the Copa Libertadores and Copa Sudamericana, as well as national team event the Copa América, from 2019 to 2022.

The media rights in the rest of Latin America are expected to come to market in the next two to three months.

In Brazil, rights to the Copa Libertadores and Copa Sudamericana are held exclusively by Globo in a four-year deal, 2015 to 2018. ♦

## FOOTBALL

# Fox the favourite to take control of Chilean league channel

By Mónica Villar

**Latin America's major media groups are competing to take ownership of Chile's successful football league channel, Canal del Fútbol.**

Rupert Murdoch's Fox network is widely considered to be the front runner to buy the channel, but satellite operator DirecTV and regional sports broadcaster ESPN are also thought to be interested. BeIN Media Group is understood to have seriously studied a bid last year, but decided against it.

Canal del Fútbol, the exclusive broadcaster of the top two tiers of Chilean football, has been put up for sale by the cash-strapped national football association, the Asociación Nacional de Fútbol Profesional. The association owns an 80-per-cent stake in the channel. The other 20 per cent is owned by Grupo Claro publishing group.

Canal del Fútbol is comprised of two channels: one basic and one premium. The premium channel shows all live matches from the top division and two each match day from the second division. The basic channels show six live matches from the top division and one each match day from the second.

Fox has offered \$1bn (€890m) for the association's 80 per cent. It will seek to acquire Claro's stake separately. The media group is also offering the association an extra \$30m in cash to help to pay off debts carried by the clubs.

In April, the association reached an initial agreement to buy Claro's stake and has until the end of the year to take up the option. Under the terms of the original joint venture, the federation had the right to buy Claro's stake every five years – it had this opportunity in 2010 and 2015. The option in 2015 had been deferred until this year.

The value of the Claro stake is set at 10 times 20 per cent of the channel's ebitda. Currently, that values the stake at about \$253m.

One of the ANFP's requirements is that any bidder would have to match this offer should it acquire Claro's stake. Any buyer would also have to commit to maintaining the current broadcast arrangements.

Local sources say Fox is the most determined to acquire the entire channel stake. ESPN and DirecTV are thought to be open to other options, including buying the Claro stake and creating a new joint venture. Informed sources say the association, in such a scenario, would look to create a partnership

lasting for 12 to 15 years.

## Profitable channel

Canal del Fútbol launched in 2003. By 2014, it had become the most profitable channel in Chile.

It is carried by pay-television platforms Claro, CTC, DirecTV, Tuves, VTR, Entel and GDT Manquehue. In 2015, CdF was available in 800,000 homes in the country.

In 2015, it generated \$60m in profit for the clubs. Of this, 25 per cent was divided equally between the top three clubs: Colo-Colo, Club Universidad de Chile and CD Universidad Católica; 57 per cent was split evenly between the other 15 top-division clubs; 18 per cent was split equally between the 33 clubs of the second division.

Under any new ownership agreement, these percentages will initially remain the same. Longer term, the association wants to reduce the gap between the big and small clubs.

The operational costs of the channel are thought to be about \$6m per year. The costs are quite low because the channel hires out the majority of its production equipment and facilities. ♦



## FOOTBALL

# Televisa acquires rights to Liga MX new boys Lobos Buap

By Mónica Villar

**Mexican media group Televisa took the number of Liga MX clubs in its media-rights portfolio to eight when it signed up newly-promoted club Lobos Buap last month.**

The broadcaster is paying \$3.5m (€3.1m) in a one-season deal, covering 2017-18. The deal was negotiated on behalf of the club by the Wasserman Media Group agency. Mexican clubs sell their own media rights.

The club is understood to have sought \$5m per season and held talks with rival media groups Imagen and TDN, but was unable to secure this amount. As broadcaster of Chiapas, the team relegated last season, Imagen had a first right of negotiation with Lobos Buap.

Chiapas, which was promoted for the 2016-17 season, was paid \$4m per season by Imagen, but that deal was ended by the broadcaster when the club was relegated (*TV Sports Markets* 21:2).

Lobos Buap were promoted to the Liga MX for the first time on May 20, after winning the play-off final against Dorados de Sinaloa.

Lobos Buap was the final club to agree a media-rights deal for next season, which begins on July 21. This has enabled the league to finalise its calendar for 2017-18, with Lobos Buap playing its home matches in the Saturday 5pm slot. Each Mexican club has a fixed broadcast slot for its home matches.

Three clubs – Atlas, Pachuca and Santos – have non-exclusive deals with more than one broadcaster. For next season, rights to the 18 clubs will be split as follows:

- **Televisa:** América, Cruz Azul, Lobos Buap, Monterrey, Necaxa, Pumas, Tigres, Toluca
- **TV Azteca:** Atlas, Morelia, Puebla, Santos, Tijuana, Veracruz
- **Fox Sports:** León, Pachuca
- **Imagen:** Pachuca, Querétaro
- **ESPN:** Atlas, Santos
- **TDN/Chivas TV:** Chivas. ♦



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# SPORTS MARKETING & MEDIA CONVENTION

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## DEALS ROUND-UP

JUNE 22 TO JULY 5

### FOOTBALL

- ◆ Social media platform Twitter struck a deal with sports marketing company Sela Sport to stream this year's Arab Championship, an annual club competition for teams from Arab nations. The event will run from July 21 to August 5.
- ◆ Pan-regional pay-television broadcaster GolTV agreed a 10-year deal, from 2018 to 2027, with the Ecuadorian football federation (FEF) to become the new rights-holder of the Primera Categoría Serie A and Serie B, the top tiers of Ecuadorian club football. The deal will be worth more than \$276m (€246m).
- ◆ Polish commercial and pay-television broadcaster Polsat confirmed the acquisition of exclusive rights for the Uefa Champions League and Europa League club competitions (page 18).
- ◆ German sports broadcaster Sport1 acquired rights for the Star Sixes legends tournament, held in London from July 13-16.
- ◆ The Fox Sports division of US network Fox struck a deal with social media platform Facebook to stream live coverage of the Uefa Champions League. The deal will begin in 2017-18 and will cover the US only. Facebook will show two live matches per day in the group stage, four round-of-16 matches and four quarter-finals.
- ◆ Teleclub acquired exclusive rights for the Champions League and Europa League in a three-season deal, from 2018-19 to 2020-21.
- ◆ The Scottish Professional Football League struck a three-season deal, from 2017-18 to 2019-20, with BBC Alba, the Gaelic-language channel operated by UK public-service broadcaster the BBC.
- ◆ Pay-television broadcaster ESPN Brasil signed a three-season extension to its deal with the English Premier League (page 28).
- ◆ The IMG agency acquired global in-flight and in-ship rights for its Sport 24 and Sport 24 Extra channels to Fifa's 2017 Confederations Cup, 2018 World Cup and 2019 women's World Cup national-team tournaments.
- ◆ Dutch pay-television broadcaster Ziggo retained rights to Uefa European Qualifiers from 2018-19 to 2021-22, and acquired rights to the Nations League competitions in 2018-19 and 2020-21.
- ◆ Kenyan free-to-air television platform Bamba TV acquired rights to the top-tier Kenyan Premier League for the remainder of the 2017 season, in a deal worth about KES36.7m (€311,700/\$353,600).
- ◆ Australian public-service broadcaster SBS acquired rights to English Premier League club Arsenal's pre-season matches in Australia against A-League teams Sydney FC and Western Sydney.

### OTHER SPORTS

- ◆ **American Football:** The Canadian Football League signed a live-streaming deal with the Twitter Canada division of the social media platform. A 30-minute magazine programme will be shown every Wednesday.

# DEALS ROUND-UP

JUNE 22 TO JULY 5

◆ **Aquatic Sports:** The CBC Sports division of Canadian public-service broadcaster CBC agreed a four-year deal with global governing body Fina, for exclusive rights to its events. The deal will run from 2017 to 2020.

◆ **Basketball:** Swiss public-service broadcaster SRG agreed a five-season extension to its deal with the Swiss Basketball national governing body, from 2017-18 to 2021-22.

◆ **Basketball:** International sports broadcaster Eleven Sports Network struck a five-year deal in Taiwan with global governing body Fiba, from 2017 to 2021. The deal includes rights to the 2017 and 2021 editions of the Asia Cup, and the 2019 World Cup.

◆ **Cricket:** The International Cricket Council extended a deal with ITN Productions to provide digital clips for women's Cricket World Cup rights-holders. The deal covers the ongoing 2017 edition of the competition.

◆ **Cricket:** UK pay-television broadcaster Sky and the BBC acquired rights to England & Wales Cricket Board properties (page 7).

◆ **Cycling:** Online streaming platform Tencent agreed a deal to show coverage of this year's Tour de France.

◆ **Cycling:** The European Broadcasting Union consortium of public-service broadcasters signed a four-year extension to its deal with Amaury Sport Organisation, the Tour de France's organiser and commercial rights-holder, from 2020 to 2023. The deal also includes other prestigious races organised by ASO.

◆ **Esports:** Social video platform Twitch agreed a two-year deal for exclusive, global third-party streaming rights with game developer and publisher Blizzard Entertainment. The deal includes rights to World of Warcraft, Hearthstone and Overwatch tournaments.

◆ **Golf:** US network NBC acquired rights to the singles matches at this year's Solheim Cup, the biennial women's match-play event between the US and Europe.

◆ **Golf:** Australian commercial broadcaster Seven agreed new long-term deals with the PGA of Australia and Golf Australia.

◆ **Ice Hockey:** Twitter agreed a global deal to live-stream games from US competition the National Women's Hockey League. Twitter will stream 16 regular-season matches in 2017-18, as well as the 2018 All-Star Game and two matches from the NWHL/Team Russia Summit Series.

◆ **Mixed Martial Arts:** Middle Eastern pay-television operator OSN signed a multi-year deal to retain rights to the Bellator promotion.

◆ **Mixed Martial Arts:** Filipino media company ABS-CBN renewed its deal for the One Championship series.

◆ **Motorsport:** Polish pay-television operator NC Plus acquired rights to the World Rally Championship until the end of 2018.

◆ **Netball:** Pan-African pay-television broadcaster SuperSport extended its deal with the Netball South Africa national governing body for a further five years.

# DEALS ROUND-UP

JUNE 22 TO JULY 5

◆ **Olympic Games:** Telco Telecom Italia (TIM) agreed a deal with media group Discovery Communications granting it access to Olympic Games content. TIM customers will gain exclusive access to content from the 2018 winter Games and the 2020 summer Games.

◆ **Rowing:** UK pay-television broadcaster BT Sport acquired rights to this year's edition of the Henley Royal Regatta. BT Sport showed live coverage of the final three days of the event, from June 30 to July 2.

◆ **Rugby Union:** BT Sport acquired exclusive rights in the UK and Ireland to the Champions Cup and Challenge Cup competitions. The deal was first reported in *TV Sports Markets* 21:20.

◆ **Softball:** US sports broadcaster ESPN signed a multi-year rights deal with USA Softball to show coverage of the annual World Cup of Softball. The length of the deal was not disclosed.

◆ **Tennis:** The Wimbledon Channel, the All England Lawn Tennis Club's digital news channel dedicated to the grand slam, will be streamed live on Twitter for the duration of the 2017 event. The channel will be available on a global basis, except in Austria, Italy, Germany and Spain.

◆ **Tennis:** ATP Media, the Association of Tennis Professionals' broadcast arm, has centralised international media rights to 12 '250' events on the ATP World Tour. These rights will be sold for the five-year period from 2017 to 2021.

◆ **Tennis:** The BBC extended a deal for the Eastbourne International event until at least 2024.

◆ **Tennis:** Tencent acquired exclusive live digital rights in China for this year's Wimbledon Championships.

◆ **US College Sport:** ESPN extended a deal for Brigham Young University's American football games. The one-season extension – covering 2018-19 – will be added onto an existing eight-season deal, which was due to expire at the end of 2017-18. ESPN will retain exclusive rights for BYU's home games.

◆ **Volleyball:** NC Plus acquired exclusive rights in Poland for the Volleyball Champions League European club competition for two seasons: 2018-19 and 2019-20.

## MEDIA RIGHTS NEGOTIATIONS

◆ The Mediapro agency and beIN Media Group acquired exclusive rights to the Uefa Champions League and Europa League (page 3).

◆ German public-service broadcasters ARD and ZDF were set to conclude a deal for rights to the Uefa Nations League, the national team competition to be launched in 2018-19 by football's European governing body.

◆ ZDF has stated its willingness to partner with rival operators in a bid to enhance its position in the sports-rights market.

◆ Media group Mediaset's president Fedele Confalonieri confirmed it would participate in the new sales process for domestic rights to Serie A, the top division of Italian football, when it launches later this year. Mediaset filed a complaint to Italy's antitrust authority, the AGCM, over the structure of the recently-aborted

## DEALS ROUND-UP

JUNE 22 TO JULY 5

sales process, which the broadcaster claimed favoured pay-television rival Sky.

◆ New Zealand public-service broadcaster TVNZ said it will contend for rights to the next edition of the America's Cup. It was outbid for the 2017 edition of the competition by pay-television broadcaster Sky.

◆ Fifa launched an invitation to tender in Greece for the rights to the 2018 World Cup in Russia (page 16).

◆ The China Sports Media agency is reportedly seeking to renegotiate its deal with the Chinese Football Association for the Chinese Super League, amid unease at the impact of new reforms brought in for the top division of domestic football. Chinese website The Paper said a recent CFA meeting saw the disclosure of a letter from CSM saying it would seek to postpone the payment of a CNY600m (€78m/\$88m) instalment due on July 1.

◆ The English Football League, which operates the three divisions below the top-tier Premier League, issued an invitation to tender for its domestic live broadcast rights. The rights, which are available from 2019-20 onward for a period of between three and five seasons, are for all EFL matches including the play-offs, the EFL Cup and the EFL Trophy.

◆ The EFL will significantly increase the number of live matches available in its new domestic tender, according to UK newspaper *The Times*. The EFL will reportedly increase the number of live matches from 112 to 324 per season in 2019-20. Up to 228 of the 552 matches from the

Championship, the second tier of English football, would be shown live, compared with 92 at present.

◆ Uefa launched tender processes for rights to its Champions League and Europa League club competitions in the Middle East and North Africa, from 2018-19 to 2020-21.



## INDUSTRY NEWS IN BRIEF

JUNE 22 TO JULY 5

- ◆ The NBC Sports Group division of US media company NBCUniversal partnered with online competitive gaming platform FACEIT and games developer Psyonix to launch a new tournament for vehicular soccer game Rocket League.
- ◆ NBC Sports Group said it would launch a new live-streaming service for its coverage of the English Premier League ahead of the 2017-18 season. Premier League Pass will be part of NBC Sports Gold, NBC Sports Digital's direct-to-consumer live-streaming product.
- ◆ UK pay-television broadcaster Sky is to rebrand its numbered sports channels with names that focus on specific sports. Sky will have two dedicated channels for football, one for golf and one for cricket, as well as the existing Sky Sports F1 channel. A new Sky Sports Arena channel, offering rugby and tennis, will be launched, while the Sky Sports Mix channel will be retained. It will also launch a cheaper subscription package, starting at £18 (€20.45/\$22.90) per month.
- ◆ Media company 21st Century Fox received regulatory approval in Ireland for its proposed takeover of European pay-television operator Sky. It later emerged Fox's proposed takeover of Sky would be referred to the UK competition regulator.
- ◆ French pay-television broadcaster Canal Plus will benefit from a decision by France's competition authority, l'Autorité de la Concurrence, to ease rules seeking to limit its market share. The regulator made the move in recognition of increased competition in the French media market, with Canal Plus losing money and subscribers to video-on-demand platforms such as Netflix and Amazon, along with facing a substantial challenger in the sports-rights market through the emergence of Altice-owned pay-television broadcaster SFR Sport.
- ◆ The Regional Court of Cologne ruled in favour of international media and entertainment company Discovery Communications in a dispute over pay-television broadcaster Sky Deutschland's recent marketing campaign surrounding Bundesliga football coverage in Germany. Discovery alleged that a recent campaign by Sky suggested fans could watch all Bundesliga matches and goals on channels carried by the pay-television operator. However, it will be the Eurosport Player digital service, which is operated by Discovery-owned Eurosport, that will be offering coverage rather than Discovery's single sports channel that is available on the Sky platform, Eurosport 2.
- ◆ The Vodafone España division of the telco launched an esports channel on digital platform Twitch. Esports Vodafone features training, entertainment and gaming-focused content.
- ◆ Italian DTT sports broadcaster Sportitalia signed up as a partner of sports and betting-related services company Sportradar's new OTT service.
- ◆ Dutch pay-television operator Ziggo has lost a court case concerning the carriage of channels operated by pay-television broadcaster Fox Sports Netherlands. A court ruled that Ziggo must strike new carriage deals with Fox following its merger with fellow pay-television operator

## INDUSTRY NEWS IN BRIEF

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UPC in 2015. Ziggo's current deal with Fox runs until 2020, while UPC's agreement expires on July 31.

◆ Altice entered talks with rival media company Prisa to acquire a majority stake in the latter's Portugal-based Media Capital, which operates Portuguese commercial broadcaster TVI.

◆ Swiss telco Swisscom extended its long-term carriage agreement with the Discovery Networks Deutschland division of media group company Discovery Communications. The deal includes access in Switzerland and Liechtenstein to Eurosport's coverage of the Bundesliga, the top-tier of German football.

◆ Chinese internet companies Sina Weibo, iFeng and ACFUN were ordered by the country's regulators to stop audio- and video-streaming services. The platforms were reportedly accused of providing platforms for political views that clash with China's political leaders.

◆ Chinese internet company LeEco, which operates the LeSports online streaming platform, had some of its assets frozen by a Shanghai court. China Merchants Bank made the application due to late interest payments from one of LeEco's subsidiaries, Leview Mobile. CMB's application was approved by the Shanghai High People's Court, which ordered assets of CNY1.237bn (€162m/\$181m) to be frozen.

◆ Indian public-service broadcaster Doordarshan signalled its intention to enter the sports event business with plans to form three university leagues dedicated to basketball, kabaddi and tackle football, a modified form of

American football.

◆ Media moguls Lachlan Murdoch and Bruce Gordon launched a joint takeover bid for troubled Australian commercial broadcaster Ten. The deal would give Birketu and Illyria Nominees Television, the respective investment vehicles of Gordon and Murdoch, a 50:50 stake. Birketu currently has a 15-per-cent stake in Ten, while Illyria has 7.5-per-cent.

◆ Pay-television broadcaster Sky New Zealand and telco Vodafone New Zealand scrapped plans to merge. The two parties also confirmed they would drop an appeal lodged against the Commerce Commission's decision to block the merger.

◆ International sports broadcaster Eleven agreed a carriage deal with Taiwanese telco Chunghwa Telecom.

◆ Consumer electronics company Samsung struck a deal with North America's Major League Baseball to provide virtual-reality content for the remainder of the 2017 season. The deal covers Canada, Japan, Mexico, South Korea, Taiwan and the US.

◆ Sean Bratches, Formula One's managing director of commercial operations, hit out at the motor-racing series' broadcast-rights model inherited by the previous regime led by Bernie Ecclestone, stating that a focus on pay-television, especially in the UK market, has been detrimental to the sport. Bratches said free-to-air was "critically important" to F1.

◆ The International Orienteering Federation said



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its 2017 World Orienteering Championships would receive live coverage in host nation Estonia, as well as the sport's key markets of Denmark, Sweden, Finland and Switzerland.

◆ Conmebol, the South American football confederation, will launch a tender process on July 10 covering global rights to club competitions the Copa Libertadores and Copa Sudamericana, as well as national team event the Copa América, from 2019 to 2022 (page 28).

## INDUSTRY MOVES

◆ Dominic Coles stepped down from his role as executive vice-president of strategic projects at international media and entertainment company Discovery Networks International.

◆ Global investment vehicle Aser, which owns sports broadcaster Eleven, appointed Marco Pistoni as managing director of its media division.

◆ Jamie Horowitz was fired as the head of programming at the Fox Sports division of US network Fox. Daniel Petrocelli, a lawyer representing Fox Sports, said Horowitz's departure was "fully warranted" but did not elaborate on the reasons for the dismissal.