

# TVSportsMarkets

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## Celebrating two significant milestones for *TV Sports Markets* in 2017: **A BIRTHDAY AND NEW OWNERS**

*TV Sports Markets* celebrates its 20th anniversary this summer. The lead story of the first edition in 1997 was the result of a survey which suggested a large appetite for pay-per-view sport. PPV never achieved great traction, but the core idea – that there was a large, unexploited market willing to pay to watch sport on TV – proved correct in markets around the globe, and has driven the value of the industry upwards ever since.

The product is much changed since the first newsletter. Our coverage is broader geographically than ever before. Our reporting focus has turned more towards explaining the values of rights deals and the strategies behind them. We used our growing bank of rights deal information to create the Rights Tracker data product. We think our product today is vastly richer and more valuable than back in 1997, and happily that view is reflected in the loyalty of our customers and the value they place in their subscriptions.

And we look to continue enriching our product further under new ownership. We are delighted to announce the completion of a recent takeover process to acquire SportBusiness Group – and with it *TV Sports Markets*.

Full details of the acquisition can be found [here](#). We are now owned by Sport Business Acquisition Limited (SBA), a company owned and controlled by Riccardo Silva and Marco Auletta, two figures who are very familiar given their work in the sports media business, and indeed who have often appeared on these pages, during their time at the MP & Silva agency.

We are delighted to have found a partner that understands and has pledged to protect our independent journalism and analysis. A governance charter is being agreed between SportBusiness Group and Silva International, the investment company which manages SBA, so that the integrity and independence of SportBusiness Group content will remain unchanged, considering that this includes news and analysis covering Silva International investments.

Following the sale of MP & Silva last year, Silva International manages a minority shareholding in the agency. With this shareholding, Riccardo remains as non-executive vice-chairman with no operational control. Baofeng and Everbright control the agency. For the avoidance of doubt, there is, and will be, no relationship between SportBusiness Group and MP & Silva other than the existing relationship whereby MP & Silva is a client of SportBusiness Group.

It is a massive endorsement of the work we have done so far to receive backing from new owners who have such a strong knowledge of the industry. We have a clear roadmap of how we can grow the business – a vision shared by our new owners – to add further value to our customers.

Together, we believe we can create a bigger, broader, richer, more compelling service – by developing existing products and pushing into new areas – that customers will love, and that will help them build better-informed, more competitive, and more successful sports businesses.

Therefore, we are tremendously excited about the future for *TV Sports Markets*.

We are grateful to our subscribers and other partners in the industry for the co-operation and support they have given us over the past 20 years. We look forward to continuing to work with you in the years to come, and to providing even better coverage of this dynamic and ever-changing industry.

**Ben Speight**

Chief Executive Officer, SportBusiness Group

## REGULATION

# Clubs and Infront could benefit from probe into Serie A collusion

By Frank Dunne

**July 26 and 27, 2017, are two days that could completely reshape the sale of Serie A international media rights.**

On July 26, clubs from Italy's Lega Serie A approved the league's new strategy for the sale of its international rights from 2018-19 to 2020-21. On July 27, Italy's antitrust authority opened an investigation into alleged anticompetitive behaviour by three agencies – MP & Silva, IMG and B4 Capital – designed to alter the outcome of the last three international rights tenders.

If the thesis of the Autorità Garante della Concorrenza e del Mercato is correct – that there was collusion among the bidders for rights in the current cycle – the winners, in theory, would be the clubs and the league's rights adviser, the Infront Sport & Media agency.

In its current three-season buyout deal with MP & Silva, from 2015-16 to 2017-18, the league earns an average of €185.7m (\$221m) per season (*TV Sports Markets* 18:20). The league and Infront are targeting an increase of at least €100m per season for rights in the next cycle, from 2018-19 to 2020-21.

It was the third consecutive time MP & Silva had won the rights since they were recentralised after the 2008 Melandri Law. For the seasons 2010-11 and 2011-12, the agency paid an average of €90.75m per season. For 2012-13 to 2014-15, it paid an average of €117m per season.

The antitrust authority claims it has documents in its possession which prove that, since 2009, MP & Silva, IMG and B4 – directly or through subsidiaries – were involved in agreements designed to “alter the outcome of the process, to share revenues and divide up the areas where the rights would be distributed”. The authority has published a summary of its concerns on its website.

It said that MP & Silva, having won each of the tenders, was able to “commercialise the rights and divide revenues with IMG and B4”.

The authority is bringing the case under EU Treaty Article 101, which prohibits “agreements between two or more independent market operators which restrict competition”.

The EU's own guidance notes on Article 101 say: “The most flagrant example of illegal conduct infringing Article 101 is the creation of a cartel between competitors, which may involve price-fixing and/or market sharing.”

## Output deals or cartel?

Nobody at MP & Silva, IMG, B4 or the league was available for comment this week. Local sports industry executives expect the three agencies to be relaxed about the investigation for several reasons.

First, the deals described by the authority are effectively output deals, relating to how rights would be sold should one of the agencies win them. Pre-deals between agencies and broadcasters are standard practice. Pre-deals between agencies – even those going after the same property – are not unheard of.

Second, there does not appear to be any evidence the agencies tried to force down the price of the rights. No evidence has been presented in the authority's initial findings that the agencies shared information about what each would bid. And each time the rights were offered, the price went up: by just under 30 per cent between the first and second cycles and by just under 60 per cent between the second and third.

Third, the idea of a 'buying cartel' doesn't stand up to scrutiny. There were dozens of potential bidders for the rights, so two agencies acting together would not have had sufficient market power to 'fix' the outcome or restrict competition.

Finally, local experts say, the antitrust authority has a track record of making dramatic interventions in sports-rights cases which don't stand up.

Most recently, in April 2016, it fined the league, Infront and Italian pay-television broadcasters Sky and Mediaset a total of €66m for anticompetitive behaviour relating to the domestic rights auction for the period 2015-16 to 2017-18. The ruling was quashed by the administrative court of the Lazio region eight months later (*TV Sports Markets* 20:7; 21:1).

Marco Bogarelli, president of Infront Italy until November 2016, who devised the strategy for the last three Serie A international rights auctions, said the league and Infront had not seen any signals of collusion or any other behaviour by agencies designed to force down the price. The league had been satisfied with the level of increase it achieved each time, he said.

## Genesis of probe

In October 2015, the Milan prosecutor's office opened a criminal investigation into Infront executives Bogarelli and Giuseppe Ciocchetti, and MP & Silva founder Riccardo Silva.

The three were notified they were being investigated for bid rigging relating to the 2015-2018 domestic rights sales process for Serie A, and occult funding of Serie A clubs.

In April, the prosecutor's office asked for the three to be arrested on a much more serious charge: criminal conspiracy. A local judge rejected the request.

That decision was upheld on July 23 by the Milan Review Tribunal which said the "disintegration of the hypothetical accusations" had curtailed "any consideration that a criminal association existed".

The decision effectively ended the investigation and cleared the three of any criminal activity. However, documentation about the rights-sales process was given by the Milan prosecutor's office to the antitrust authority on May 22.

The authority claims the documentation demonstrates the existence of anticompetitive agreements between MP & Silva, IMG and B4. The agreements are described as follows:

**Agreement 1: MP & Silva and B4, from 2010-11 to 2011-12**

On September 29, 2009, B4 and MP & Silva signed a contract to establish a "commercial collaboration" for the acquisition and distribution of Serie A international rights. B4 was acting through its holding company, Be4 Sarl Luxembourg. MP & Silva Limited is based in Dublin, Ireland.

The agreement set out the following objectives:

- That MP & Silva would bid, either directly or through its subsidiaries, in the league's tender process, in line with the financial terms agreed in advance by the two parties.
- If the rights were awarded to MP & Silva, the agency and B4 would jointly distribute Serie A rights, sharing costs and revenues on a 50:50 basis. For each payment MP & Silva had to make, B4 would be required to pay MP & Silva 50 per cent of the costs. The terms of this agreement would also be applied fully if B4 was awarded the rights.
- If MP & Silva was required to pay a bank guarantee to the league, B4 would be required to provide MP & Silva a bank guarantee within a reasonable time frame for 50 per cent of the amount.
- The two parties would jointly create a marketing plan, taking account of the specific competences of each in the various territories where the rights would be distributed.
- At the end of each season, the two parties would produce a financial statement regarding the rights each had sold to enable the sharing of the income.
- Each party would receive 50 per cent of the profits from this activity, regardless of the results and contribution of each individual party.

"Profits" meant all earnings effectively banked by each party, minus the acquisition costs and technical management costs necessary to implement the contracts with third parties (for example, the costs of distributing the signal).

Any other costs sustained by either party (for example, commission paid to agents) had to be agreed in advance before they could be subtracted from earnings. By the same token, if there were no profits from the activity, each party would be required to take an equal share in the resulting losses.

The rights in Mena had to be licensed to Al Jazeera (which later became beIN) for a total of €48m for the two seasons of the agreement. The fee would be renegotiated if written offers came from the market for a value higher.

**Auction outcome:** MP & Silva won the rights with a bid of €90.75m per season. Four other agencies bid: Mediapro (€79m); B4 (€78m); IMG (€76m) and Sportfive (€75m).

**Agreement 2: MP & Silva and IMG, from 2012-13 to 2014-15**

The authority claims IMG agreed that, if it won the rights, it would sublicense the same rights to MP & Silva Limited for €93m per season. A few days later, IMG bid €92.5m per season for the rights.

Clause 3 of the agreement between the two agencies stipulated that MP & Silva would be sold the rights on the same conditions the league sold them to IMG. No rights would be retained by IMG.

If MP & Silva won the rights, the agency would nominate IMG as the exclusive consultant/ representative for services supplied in the Netherlands, Russia and the former Yugoslavia (Bosnia, Croatia, Kosovo, Macedonia, Montenegro, Serbia and Slovenia).

The services provided by IMG would be defined in an agreement to be drawn up the moment the league assigned the rights to MP & Silva. For these services, MP & Silva would pay IMG a commission based on a percentage of the value of the deal signed by MP & Silva in each territory.

In an email on November 2, 2011, Riccardo Silva explained the rights distribution plan, should MP & Silva have won, to Ioris Francini. Francini is now president of IMG. At the time, he was senior vice president, head of sales, worldwide.

It was agreed that, on the basis of past earnings in the above territories, IMG would pay a 'soft guarantee' of €4.5m per season. For earnings above this, IMG would keep the first €2m per season. Income above that would be split 50:50.

The same day, Francini replied: "I have shared this with my colleagues. I'll call you this afternoon if you're free."

On November 30, a few hours after the rights were awarded to MP & Silva, Silva wrote the following to Francini:

"Dear Ioris, for obvious reasons I don't think it is a good idea to officially announce our agreement so close to the outcome of the tender. Someone at the league or among the clubs could have some doubts or suspicions (which would be unfounded) about how things were conducted and I don't think it's a good idea to encourage them.

"We have, anyway, nine months ahead of us to sell, all the time necessary. I think it is better to announce the agreement later, maybe in January, and to go to market at that time.

"Furthermore, formally we have to wait 45 days for the award of the rights to be ratified by the antitrust authority (tomorrow I'll send you the official letter with the 'technical' explanation of this) so from the procedural point of view the timing cannot be before January.

“However, I think it is possible to INFORMALLY pre-announce our agreement in Russia and the Netherlands, privately and confidentially, to the broadcasters in those countries. I will speak about this to Roberto [Dalmiglio, at the time MP & Silva’s managing director, Europe] and he will start doing this in the next few days. Then to begin the real negotiations we will wait until January.

**Auction outcome:** MP & Silva won the rights with a bid of €117m per season. Seven agencies bid. The other six were: IMG, B4, Sportfive, Ufa Sports, Pitch International and Kentaro. Mediapro submitted a bid after the deadline. Sportfive offered €92m per season plus a share of revenues. The other agencies offered minimum guarantees of between €85m and €96m per season.

### **Agreement 3: MP & Silva and IMG, from 2015-16 to 2017-18**

The authority claims MP & Silva and IMG stipulated the following agreement: if IMG won the rights it would sublicense them to MP & Silva for exclusive distribution in the following territories: France, Mena and Latin America. This would be for a total amount of €150m.

If MP & Silva won the rights, IMG would be the designated exclusive consultant for the following territories: the US, Canada, Russia, the former Yugoslavia, the Indian subcontinent, and Japan. IMG’s services in these territories would be identified in a later agreement.

For these services, IMG would be paid a commission of €12.5m, divided into three tranches: €3.5m for 2015-16, €4m for 2016-17, and €5m for 2017-18.

On October 13, 2014, a separate agreement was drawn up between MP Silva Sarl, a Monaco-based subsidiary of the agency, and US-based Trans World International LLC, the production division of IMG. The title of the contract was: “Agreement for the Audio Visual Live-Streaming and Retail Rights for betting services to the Events 2015-2018”.

Under this deal, MP & Silva agreed to sublicense global Serie A betting rights to IMG. MP & Silva valued the rights at €5m per season. IMG agreed to pay €20m per season for the rights.

The authority said that at the time of the deal, MP & Silva did not have the power to agree a sublicensing deal for betting rights. They were only brought to market by the league on November 4, 2015. Until that point, the league’s terms and conditions regarding the exploitation of the rights were not made public.

**Outcome:** MP & Silva won the rights with a bid of €185.7m per season. Only two other agencies bid – IMG and B4. IMG bid €140m per season. B4 bid €136m per season.

A source close to one of the agencies which had bid in earlier tenders said this week that the company did not bid last time because it “had come to the conclusion there was no point”.



## New international rights strategy

The league is due to issue a new invitation to tender for its international rights on August 7 and expects to complete the process within six weeks.

As expected, the rights will no longer be offered only as a single global (ex-Italy) block. Bids can be made for any combination of territories, or for single markets, regions, or the world (excluding Italy).

International Coppa Italia rights will be bundled into the package for the first time. Until now, they have been sold separately. In the current cycle, the rights are held by B4 in a three-season deal, from 2015-16 to 2017-18, worth an average of €17.3m per season (*TV Sports Markets* 19:9).

One view is that the antitrust probe could encourage the league to take sales of the rights in-house, agreeing deals directly with broadcasters. The league is said to be keen to have a direct relationship with broadcasters in key markets. In such a scenario, Infront would almost certainly have an active role as the league's adviser on each deal.

Bogarelli said the new strategy was the most logical one. It is increasingly the way in which most major football leagues sell their rights.

"In this way, you find out everything about the market – the potential value of the rights in every single territory – which puts you in a strong position," he said. "You can still do a global deal if that is the best offer on the table." He said the league's target was "very challenging" but not unrealistic.

The average annual value of the league and cup together is currently €203m per season. Increasing annual average revenues by €100m would take that to over €300m per season.

Bogarelli suggested a more meaningful benchmark was the value of the rights in the final season of the current deals: €226m. Of this, MP & Silva will pay €200m (for Serie A) and B4 €26m (for the Coppa Italia).

He added he did not expect the antitrust investigation to have any negative impact on bidding or the value of the rights, but said he was unfamiliar with the details of the case.

One football rights expert said the most important issue for the next cycle was not the antitrust probe but the economic sanctions imposed on Qatar, and how they would affect beIN Media Group's ability or desire to continue paying a high price for Serie A rights in territories in which it operates its beIN Sports channels.

In the current cycle, beIN is by far Serie A's most important broadcast partner, contributing €112m per season of MP & Silva's annual earnings from the sale of Serie A rights of about €208m per season (*TV Sports Markets* 19:19). BeIN pays: €55m per season for rights in the Middle East and North Africa; €24m per season for rights in the US and Canada; €18m per season for rights in France; €9m per season for rights in Indonesia, Thailand, Hong Kong, Chinese Taipei and the Philippines; and €6m per season for rights in Spain. ◆

## RUGBY UNION

# Pro14 banking on expansion leading to greater TV revenue

By Robin Jellis

**The expansion of the cross-border Pro12 rugby union competition, following the addition of two South African teams this week, has been driven by three factors: the desire to improve the competitiveness of the league, the aim of bringing its media-rights revenues closer into line with its rivals, and the availability of the Cheetahs and the Southern Kings.**

The league, which will be known as the Pro14 from the 2017-18 season, has added former Super Rugby clubs the Cheetahs and the Southern Kings. The rest of the league is comprised of four Welsh, four Irish, two Scottish and two Italian clubs.

In 2016-17, the Pro12 earned about £11m (€12.3m/\$14.3m) from its global media rights. Half of that came from a four-season deal with pay-television broadcaster Sky covering the UK and Ireland, from 2014-15 to 2017-18. Sky holds rights to 30 live matches per season, plus the semi-finals and the final (*TV Sports Markets* 21:5).

When asked about the rationale behind the expansion, a source close to the league said: “More first-party markets equals more TV money.” Another source said: “It’s taking the principle of the Pro12 as a cross-border competition and expanding it.”

## Sub-Saharan Africa deal

The league’s media-rights revenue will grow substantially following the imminent agreement of a broadcast deal covering sub-Saharan Africa.

The deal is being brokered by the Pro14 together with the South African Rugby Union (Saru). It will run for six seasons, from 2017-18 to 2022-23, and will be worth close to \$70m, or an average of slightly less than \$11.7m per season.

Each of the clubs in the league is set to benefit immediately from the deal, earning an additional £500,000 per season from the coming season.

Further growth is hoped for, with UK and Ireland rights currently on the market. Bids are due on September 4. The new cycle will cover five seasons, from 2018-19 to 2022-23. Rights in the UK and Ireland are currently worth about £10m per season in deals with Sky and other broadcasters in countries with competing teams.

The league is very keen to increase its media-rights revenue as its clubs earn substantially less from domestic media rights than their counterparts in England and France.

The English Premiership has a six-season domestic rights deal, from 2015-16 to 2020-21, with pay-television broadcaster BT Sport, worth an average of about £35m per season (*TV Sports Markets* 19:6).

France's Top 14 has a four-season domestic rights deal with pay-television broadcaster Canal Plus worth €74m per season, from 2015-16 to 2018-19. The contract has since been extended, from 2019-20 to 2022-23, for about €97m per season (*TV Sports Markets* 19:2; 21:10).

It is hoped that greater media-rights revenue will help Pro14 clubs hold out against Premiership and Top 14 clubs offering greater salaries to their players.

## Plans for further expansion

The move to expand the cross-border competition was expected. The league, together with its adviser the IMG agency, has been trying to expand the competition into the US for several months.

*TV Sports Markets* understands the league wanted to add two US teams from 2018-19, and rename the league the Atlantic Rugby Championship.

However, the league was presented with an earlier opportunity for expansion. On July 7, it was announced the Cheetahs and the Southern Kings were to be cut from the Super Rugby competition following the end of the 2017 season.

Super Rugby is also a cross-border competition. In 2017 it consisted of six clubs from South Africa, five clubs from Australia and New Zealand, and one club from both Argentina and Japan. From 2018, Super Rugby will downsize from 18 to 15 teams. As well as the two South African teams, one Australian team will be cut.

It is understood the Cheetahs and the Kings, together with Saru, approached the Pro12 about joining the competition.

The Pro14 is still planning further expansion, albeit from 2019-20 rather than 2018-19 to ensure its initial expansion goes smoothly.

A Washington DC-based team is highly likely to join from 2019-20. There are understood to be five other options as to the other team that will be added. One of these is understood to be from Vancouver in Canada; another is a German team.

## UK and Ireland tender

The Pro14 is seeking significant growth in the value of its media rights in the UK and Ireland. The league has begun talks with interested broadcasters over rights in a new cycle, with bids due in September.

Last August, the league's chief executive, Martin Anyi, told UK radio station BBC Radio 5 Live that when the league tendered its UK and Ireland rights in a new cycle it would "ask for a higher number".

*TV Sports Markets* understands the league is seeking to double the revenue it earns from its current UK and Ireland deals, to at least £20m per season.

The league is understood to have two broad options available. First, an exclusive deal with a pay-television broadcaster. This broadcaster would act as a gatekeeper as the league would require certain rights to be sublicensed to free-to-air broadcasters. Second, to continue with its existing patchwork of broadcast deals.

The possibility of an exclusive pay-television deal has been discussed with Sky, Eurosport and BT. BT would likely team up with telco Eir in Ireland. Eir has an agreement with BT to distribute the latter's sports channels in Ireland.

There is interest in free-to-air rights from multiple broadcasters: public-service broadcaster the BBC, in its various guises (BBC Alba, BBC Northern Ireland, BBC Scotland, BBC Wales); Welsh public-service channel S4C; UK commercial broadcasters ITV and Channel 5; Gaelic-language channel TG4; Irish public-service broadcaster RTÉ; and Irish commercial broadcaster TV3.

Several sources this week told *TV Sports Markets* Sky has submitted an offer for exclusive rights worth about £18m per season.

One rugby rights expert said the league's best chance of earning £20m per season was from an exclusive pay-television deal. He added there was not much room for growth with the current patchwork deals, as most of the incumbent rights-holders are free-to-air broadcasters with relatively small sports-rights budgets.

One expert said the addition of the South African teams would help the league earn a higher fee from broadcasters in the UK and Ireland due to the large South African expatriate community. About 230,000 South Africans are thought to live in the UK.

Of Sky's 6.5m subscribers to its sports channels, the league is thought to help the broadcaster attract just under 100,000.

## Current UK and Ireland deals

As well as the deal with Sky, the league has several deals with free-to-air broadcasters over the same four seasons, from 2014-15 to 2017-18.

BBC Northern Ireland is understood to pay close to €650,000 per season for rights to show Ulster home and away matches which are not shown live by Sky. Ulster matches that Sky select are aired live on BBC Radio Ulster.

TG4 is understood to pay about €800,000 per season for rights to show all four Irish clubs: Connacht, Leinster, Munster and Ulster. TG4 can show two live matches per week plus a weekly highlights show in Gaelic.

Rights in Wales are held by BBC Wales and S4C in a joint deal worth about £3.2m per season. BBC Wales pays a greater share – the split is roughly £2m per season from BBC Wales and £1.2m per season from S4C. Both broadcasters show one live match per round: BBC Wales shows Friday-night matches; S4C shows Sunday-afternoon matches. If Welsh teams qualify for the semi-final and final, rights to those matches are shared between the two broadcasters.

Rights in Scotland are held by BBC Scotland and Gaelic-language channel BBC Alba in a joint deal worth about £140,000 per season. The value of the rights in Scotland is significantly lower than the other competing nations as there is less interest in rugby union in the country. There are also only two Scottish teams in the league.

## Pro14 sponsorship revenues

Of the league's revenue, 72 per cent is derived from media rights, while sponsorship rights account for between 10 and 15 per cent.

Following the agreement of a media-rights deal in sub-Saharan Africa, and with a big uplift expected in a new deal covering the UK and Ireland from 2018-19 onward, this disparity is likely to increase further.

Irish beer brand Guinness is the title sponsor of the league in a four-season deal, from 2016-17 to 2019-20, worth about €1.75m per season. Its previous two-season deal, covering 2014-15 and 2015-16, was worth about €1.5m per season, according to *Sports Sponsorship Insider*.

The league is understood to have brought to an early end its sponsorship deal with sporting goods company Rhino: the deal was set to run from 2015-16 to 2018-19. Opticians Specsavers has a four-season sponsorship deal, from 2014-15 to 2017-18.

The Pro14 expects sponsorship revenue to grow following the addition of the two South African teams as it will open up the opportunity of agreeing deals with a host of new brands.

## IMG relationship

*TV Sports Markets* understands the league has agreed a five-season advisory deal, from 2018-19 to 2022-23, with IMG. Although the deal doesn't officially begin until September next year, IMG has been heavily involved in helping the league with its format change.

IMG will advise the league on the sale of media and sponsorship rights, and will seek to improve production standards. All commercial deals will still need to be signed off by the league. It is thought IMG will trigger a large commission payment if it reaches certain revenue targets.

The agency has a similar agreement to advise World Rugby, rugby union's global governing body, on the sale of its Rugby World Cup media rights.

The league's media rights in the current cycle were sold by former chief executive John Feehan, who was advised on the sale of the rights by Laurence St John's Bridge Television agency. Under the new model, all negotiations – domestic and international – will be handled by IMG with the league.

In October 2015, Feehan was replaced by Anayi. The latter joined from IMG where he had previously sold World Rallycross Championship media rights.

## Italian struggle

The league previously struggled to agree a deal in Italy. An agreement with sports broadcaster Eurosport was struck several months into the season, in November last year. The deal covered the remainder of the 2016-17 season only. Eurosport did not pay a fee.

There is thought to be limited interest in the rights in Italy for 2017-18. Eurosport is only likely to be keen to acquire Pro14 rights if it holds on to Six Nations rights in the country. These are yet to be sold for 2018 onward, and are being offered to the market directly by the Six Nations.

Six Nations rights in Italy from 2014 to 2017 were held by media company Discovery Communications, which owns Eurosport, in a deal worth about €2.5m per year (*TV Sports Markets* 17:16).

## International rights

In the current four-season cycle, from 2014-15 to 2017-18, league rights outside the competing nations are distributed by the Pitch International agency. Pitch is thought to have paid the league a minimum guarantee of close to £1m per season for the rights, with a share of revenues above this.

Pitch has a multi-territory deal with pay-television broadcaster beIN Sports covering France, the Middle East and North Africa, Australia and North America – some of the more valuable territories for rugby union rights.

The agency also has deals in: the Balkans with pay-television broadcaster Arena Sport; the Czech Republic and Slovakia with pay-television broadcaster Nova Sport; Germany, Austria and Switzerland with OTT platform DAZN; Asia with pay-television broadcaster Setanta Sports and OTT platform Rugby Pass, both owned by Discovery; New Zealand with pay-television broadcaster Sky; the US with Rugby Channel; and the Caribbean with telco Cable & Wireless Communications.

From 2018-19 onward, IMG is expected to take on the distribution of Pro14 international rights as part of the wider collaboration between the two parties.

## Format change

The league began in the 2001-02 season with teams from Ireland, Scotland and Wales, and was initially known as the Celtic League. It expanded from 10 to 12 teams from the 2010-11 season with the addition of two Italian teams.

The 2016-17 season was contested by 12 clubs, which played each other home and away.

From 2017-18 there will be 14 clubs. The clubs will be split into two conferences of seven, with two Welsh and Irish teams in each, and one Scottish, Italian and South African team in each. They will be split into each conference dependent on their performance in the previous season.

Clubs will play each team in their conference twice: once at home and once away. They will also play each team in the other conference once, plus one additional home and away match against their closest rival each season, regardless of which conference their rivals are in. This gives a regular season of 21 matches, compared to 22 matches in 2016-17.

The league felt having a home and away league system with 14 teams would be very difficult to fit into an already congested rugby union calendar.

Under the conference system, Pro14 matches won't take place during significant international weekends, so each club's best players will be able to compete in the league. Clashes with international matches have previously meant top players were often unavailable for their clubs.

The teams that finish top of each conference will progress automatically to the semi-finals. Second- and third-placed teams in each conference will play each other in a new quarter-final round. Previously, the top four teams contested semi-finals.

Adding two South African teams will cause logistical difficulties. For teams scheduled to play twice in South Africa, the aim will be to play both matches in one trip. The league is considering signing up an airline partner to help cover travel costs.

## European qualification

As before, seven league clubs will qualify for the Champions Cup, the top-tier European competition. The top three teams from each conference will qualify, while the fourth-placed team with the highest points total will claim the final Champions Cup place. The others will compete in the Challenge Cup, Europe's second-tier competition.

The two South African clubs will not be eligible to qualify for European tournaments at present, although they may be able to in future. Saru will have to negotiate the participation of its clubs with European Professional Club Rugby.

The existing agreement between EPCR and the rugby union governing bodies of Ireland, Scotland and Wales – the Irish Rugby Football Union, Scottish Rugby, and the Welsh Rugby Union – runs until the

end of the upcoming television cycle, to the end of the 2021-22 season.

It is thought unlikely the South African clubs, or US clubs in future, would be able to negotiate participation in European competitions until 2022-23 onward.

## Club ownership

Clubs in the Pro14 are either privately owned or are owned by their respective national governing body.

The four Irish clubs – Connacht, Leinster, Munster and Ulster – are owned by the IRFU. The two Scottish clubs – Edinburgh and Glasgow – are owned by Scottish Rugby.

Of the four Welsh clubs – Cardiff, the Dragons (Newport), Ospreys (Swansea), and Scarlets (Llanelli) – only the Dragons are owned by the WRU. The other three are privately owned.

Of the two South African clubs, the Kings are owned by Saru, while the Cheetahs are privately owned.

Zebre is now run by the Italian rugby federation, while Treviso is owned by fashion group Benetton. ◆



## ATHLETICS

# EBU teams up with ESPN to hold onto IAAF in Europe and Africa

By Callum McCarthy

**The value of International Association of Athletics Federations World Championships media rights in Europe has fallen for the second cycle in a row following a new deal announced this week.**

The European Broadcasting Union, the consortium of European free-to-air broadcasters, and the ESPN Media Distribution agency will pay about \$85m (€73m), from 2018 to 2023, or just over \$14m per year on average.

The deal covers platform-neutral rights to three editions of the IAAF World Championships in 2019, 2021 and 2023; three editions of the World Indoor Championships in 2018, 2020 and 2022; and competitions under the IAAF World Athletics Series. The agreement covers Europe and sub-Saharan Africa.

It is a per-year decrease of about 22 per cent on the IAAF's current four-year deal with the EBU, from 2014 to 2017, which is worth just over \$18m per year.

It is understood several EBU members are guarantors for the deal, including broadcasters in the UK, France, Germany and Italy. EBU members will have first option on rights to each IAAF property in their respective territories.

It is the second time the EBU and ESPN MD have teamed up to acquire rights. The two agreed a joint deal in October for rights to competitions organised by Fina, the global governing body of aquatic sports (*TV Sports Markets* 20:19).

The EBU is by far the more significant partner in that deal, and will only grant ESPN MD the right to sell in territories where EBU members do not want the rights.

However, in the new IAAF deal, the EBU and ESPN MD are equal partners, and will jointly sign off all deals. The EBU and ESPN MD will be jointly responsible for pay-television and digital rights sales in Europe to support free-to-air coverage. ESPN MD will assist the EBU on the distribution of rights to its members, and will collaborate on free-to-air sales in territories where EBU members decline them.

ESPN MD will be responsible for sales in sub-Saharan Africa. *TV Sports Markets* understands the agency has already sold exclusive free-to-air and pay-television rights in the region to sports broadcaster Kwesé Sports, from 2018 to 2023, in a deal worth a total of about \$11m.

Experts believe the package's per-year value has remained about the same in sub-Saharan Africa. For the 2017 edition, pay-television broadcaster SuperSport and sports broadcaster Kwesé Sports hold pay-television rights. The TV Media Sport agency holds free-to-air rights and has distributed to public-service broadcasters. The agency is thought to have paid just under \$1m for its rights.

## Another IAAF decrease

The overall per-year value of the package has dropped for two main reasons.

First, limited competition. Sources close to the bidding believe the Lagardère Sports agency was the only other bidder, with some suggesting Lagardère offered slightly more per-year than the EBU/ESPN MD joint bid. However, the IAAF is said to have preferred the EBU/ESPN MD bid as it guaranteed free-to-air coverage in key markets.

The IMG agency studied a bid but decided against it. IMG holds rights to the IAAF's Diamond League competition, from 2015 to 2019, in a deal worth a minimum guarantee of \$10m per year (*TV Sports Markets* 19:9).

The Dentsu agency, which holds rights outside Europe and Africa until 2029, also met with the IAAF about expanding its relationship, but decided against a bid (*TV Sports Markets* 18:17).

Second, experts say doping and corruption scandals have weakened public interest in athletics, discouraging free-to-air broadcasters from acquiring rights at increased prices.

Third, the impending retirement of Jamaican sprinter Usain Bolt – one of athletics' few global stars – means there will be less interest in the sport as a whole.

A tender was issued for the rights, with bids due on June 19. Interested parties were able to bid for four, six or eight years. Negotiations between the IAAF, the EBU and ESPN MD are understood to have concluded two weeks ago.

The EBU and ESPN MD bid over six years – as opposed to the more traditional four – as they hope a six-year deal will cover a Europe-based 2023 World Championships. Industry experts believe a Europe-based 2023 event is the only way the new deal would be financially viable. The 2019 and 2021 Championships will be held in Doha, Qatar, and Eugene, US, respectively.

The last time IAAF rights across Europe and Africa were sold to an agency was the 2010 to 2013 cycle, when rights were sold to IEC in Sports – an agency since absorbed by Lagardère. IEC paid \$20m per year for the rights (*TV Sports Markets* 15:22).

IEC struggled to sell rights to EBU members at a profit as these members had already bid against IEC and lost out during the IAAF sales process. IEC made losses of between \$6m and \$8m over the cycle. It is understood the IAAF feared a repeat and opted for a safer option, leaving money on the table to do so. ◆

## MIXED MARTIAL ARTS

# UFC works hard for increase in latest set of Australian deals

By David Cook

**The Ultimate Fighting Championship has earned an increase of about 38 per cent for rights to its second-tier Fight Night events in Australia, but has had to remove incumbent Fox Sports' exclusivity in order to do so.**

New deals with pay-television operator Foxtel and IPTV platform Fetch began this July and will run until the end of 2018.

The UFC will earn an average of about \$1.1m (€945,000) per year from July 2017 to the end of 2018. Fetch is thought to be paying about \$600,000 per year for non-pay-per-view events, which are shown on sports broadcaster EDGEsport, although the platform disputed the fee. Fox is thought to be paying just over \$500,000 per year.

In the previous cycle, from July 2016 to July 2017, Fox paid about \$800,000 for rights to non-events, but is now paying less as its deal is non-exclusive.

Previously, UFC rights in Australia have been sold in one-year deals beginning in July, but the promotion has agreed longer deals this time to sync with the end of its seven-year US rights deal with the Fox network, from 2012 to 2018 (*TV Sports Markets* 20:22).

## PPV deals

Residential PPV rights will be shared by Foxtel and Fetch TV until the end of 2018. The cost of each PPV event is A\$49.99 (€34/\$39.60) on Fetch and A\$49.95 on Foxtel.

In the previous one-year cycle, linear residential PPV rights were held exclusively by Foxtel, which it showed – and will continue to show – on its Main Event channel. These events were also available on PPV via the UFC's Fight Pass OTT service.

Pay-television broadcaster Fox Sports will continue to be the exclusive broadcaster of PPV events on linear television in commercial venues, such as pubs and clubs. Fox also had these rights in the previous cycle, from July 2016 to July 2017.

## Revenue share

Fox's residential and commercial PPV deals are solely based on a revenue-share. While the exact split is slightly different for each, revenue will be split roughly 60:40 in the UFC's favour.

Fetch is paying a low minimum guarantee for its PPV events, with revenue also shared about 60:40 in the UFC's favour. Foxtel and Fox Sports are not paying minimum guarantees as they are existing partners, and the UFC has past data with which it can project its income from future PPV sales.

## Why go with Fetch?

The UFC agreed deals with Fetch for two main reasons. First, offering the events on a second linear platform will increase exposure in a market where pay-TV penetration is just 30 per cent. Fetch says it has over 500,000 subscribers.

Second, Fetch can offer reach via internet service providers in Australia. Fetch has broadband partnerships in place with telco Optus, and ISPs iiNet, Dodo and iPrimus.

Via its deal with Foxtel, the UFC already has access to customers of telco Telstra, which has a 50-per cent stake in Foxtel.

Linear rights to non-PPV events will be shared between Fox and Fetch, meaning Fox has lost its linear exclusivity on those events. Fetch does not have the capability to show these events on an in-house channel, so these will be shows on EDGEsport. Both EDGEsport and the UFC are owned by the WME-IMG agency.

EDGEsport has been carried on Fetch's platform since February – the agreement with Fetch for non-PPV UFC events is a separate deal. Fox agreed its deal for non-PPV events in late June.

Fetch subscribers can access EDGEsport as part of a package of channels for A\$6 per month. EDGEsport also shows niche events including the World Rally Championship, Motocross, and BMX, skiing and surfing events.

The non-PPV linear UFC content includes most UFC Fight Night events, UFC On Fox events as well as preliminary fights to numbered PPV events. Eight UFC Fight Night events will be shown exclusively on the UFC's Fight Pass OTT service.

## Change for Fight Pass

The UFC is hoping to increase revenue from Fight Pass subscriptions in Australia by increasing the number of events shown exclusively by the service. Fight Pass will show about 28 fight nights, including eight on an exclusive basis.

The UFC is thought to be targeting an extra 15,000 to 20,000 subscriptions in Australia across the next 12 months, which would generate additional revenue of between A\$1.1m and A\$1.5m.

Fight Pass subscribers in Australia can pay to watch PPV events for A\$49.95. PPV events are not included in a regular Fight Pass package subscription.

## Free-to-air deal not ruled out

The UFC has not ruled out the sale of some rights to free-to-air broadcasters later in the cycle, though none showed any interest when the rights were recently offered to the market.

Any deal would likely include highlights from non-PPV UFC events, or the promotion's ancillary content. Fox would support a free-to-air broadcaster picking up rights as it would like UFC events to gain greater exposure. ◆

## FOOTBALL

# National team increase for Uefa in Netherlands and Finland

By Robin Jellis

**Uefa has earned increases of at least 50 per cent in Finland and the Netherlands from recent sales of its national team rights.**

In Finland, commercial and pay-television broadcaster Modern Times Group acquired Uefa's package of national team rights: all European Qualifier and Nations League matches. The deal will run from 2018-19 to 2021-22 and will be worth a total of about €4.5m (\$5.2m).

This is about 50 per cent more than the €3m Uefa earns in Finland from two deals for all European Qualifier matches in the current cycle, from 2014-15 to 2017-18.

In the Netherlands, pay-television broadcaster Ziggo retained third-party European Qualifier rights and third-party Nations League rights. The deal will cover the 2018-2022 cycle and will be worth a total of between €6m and €7m.

In the current 2014-2018 cycle, Ziggo holds third-party European Qualifier rights only in a deal worth about €4m (*TV Sports Markets* 17:23).

The deals were agreed with Uefa, European football's governing body, and CAA Eleven, Uefa's sales agent for its national team competitions.

## MTG bounces back

In the 2014-2018 cycle, Finnish public-service broadcaster YLE holds first- and second-party European Qualifier rights for a total of about €2.6m. On top of its fee, YLE covers production costs to matches of the Finnish national team of about €100,000 per match. MTG will pick up these costs in the new cycle.

Over the same period, telco Elisa holds third-party European Qualifier rights for about €400,000. Part of Elisa's fee goes toward technical costs, although the majority is a rights fee (*TV Sports Markets* 19:12).

Rights in the new cycle in Finland were tendered on February 9 last year, with bids due on March 14.

The increase in fee is for two main reasons. First, the addition of the Nations League to the Uefa package. Second, MTG's strong desire to acquire the rights having lost the Champions League in the country for the next cycle.

In June, Uefa sold Champions League and Europa League rights exclusively to commercial and pay-television broadcaster MTV3. The deal will run for three seasons, from 2018-19 to 2020-21, and will be worth close to €6m per season. In the current cycle, from 2015-16 to 2017-18, MTG holds pay-television Champions League rights in a deal worth about €1.1m per season (*TV Sports Markets* 19:8; 21:13).

Several local sources said they viewed MTG's deal with Uefa for national team rights as a "counter acquisition".

YLE is thought to have been confident it would renew its first- and second-party rights and only offered a small increase on its current fee.

The value of Uefa national team rights in the country is relatively low due to the limited success of the Finnish national team and the fact interest in football is low – ice hockey and motorsport are far more popular.

MTG will show most matches via its pay-television Viasat service, or on OTT service Viaplay. Selected high-profile matches will be shown via advertising-funded streaming service Viafree.

Uefa is still in negotiations over rights to Euro 2020 in the country. YLE – which held Euro 2016 rights in a deal worth about €4m – is thought to be the likeliest buyer (*TV Sports Markets* 18:15).

## Ziggo holds off Fox

Uefa rights in the Netherlands were tendered on November 7 last year, with bids due on December 6. There were three rounds of bidding – Ziggo faced strong competition from channel syndicator Fox Networks Group.

Ziggo won out as it offered more money. Uefa also favoured a deal with its incumbent broadcast partner.

The fee increased for two reasons. First, the addition of the Nations League to the package. Second, competition between Ziggo and Fox.

Ziggo will show matches on its Ziggo Sport and Ziggo Totaal channels. It will also show highlights of matches played by the Netherlands national team.

First- and second-party rights in the new cycle are yet to be sold by Uefa as no broadcasters have met its asking price. The governing body is seeking a similar increase to that earned for its third-party rights, but the incumbent – public-service broadcaster NOS – is unwilling to increase its spending to that extent.

These rights were tendered at the same time as the third-party rights. Uefa closed the tender and is now holding talks directly with interested broadcasters. A deal with NOS is still thought to be the likeliest outcome.

In the current 2014-2018 cycle, NOS holds rights to first- and second-party European Qualifier matches in a deal worth about €18m.

Friendly matches of the Dutch national team – which are being sold by Uefa from 2018-19 onward – were previously sold by the Dutch football federation, the KNVB. These matches, from 2014-15 to 2017-18, are held by Fox in a deal worth about €800,000 per match.

In January, NOS acquired Euro 2020 rights for about €26m, an increase of just over eight per cent on its €24m deal for Euro 2016 (*TV Sports Markets* 21:1).

## Impending Uefa deals

Uefa is also in the final stages of negotiation in many other territories for its national team rights, with a host of deals set to be confirmed this autumn.

In the Balkans, pay-television broadcaster Sportklub has agreed a deal covering European Qualifier and Nations League matches from 2018-2022 as well as Euro 2020. Completion of the deal has been delayed due to its complexity – it covers all six territories in the region and there are two contracts per territory: one for Euro 2020 and one for all other national team matches.

Deals have also been struck with public-service broadcasters in the Czech Republic and Slovakia – respectively Česká Televize and RTVS – for Euro 2020 and national team football from 2018-2022.

In Hungary, public-service broadcaster MTVA has acquired national team rights from 2018-2022. Rights to Euro 2020 have not yet been sold, but MTVA is the likely buyer.

In Ireland, public-service broadcaster RTÉ is close to finalising a deal for Euro 2020 and national team matches from 2018-2022.

In Lithuania, commercial broadcaster LNK has acquired Euro 2020 rights. ◆



## OTT ASIA

# Sportsfix looking for niche rights ahead of Southeast Asian rollout

By David Cook

**New OTT platform Sportsfix is attempting to carve a niche in Southeast Asia by picking up properties ignored by broadcasters in the region.**

Owned by a subsidiary of the TSA agency, the platform was launched in Malaysia on July 14 and will be rolled out in other countries across Southeast Asia. It is expected to launch in Indonesia and Thailand in the next couple of months, before further launches in the Philippines, Singapore, Vietnam and Myanmar.

TSA founder and chief executive Marcus Luer told *TV Sports Markets* this week: “I’m tired of being just a broker. In my view, the agency business is getting harder and harder and the bigger agencies are getting bigger, which makes it harder for the mid-sized agencies like us to compete with them.

“We are cannibalising our own business model to some degree, by cutting out broadcasters and going straight to the consumer. To me, that is evolution. I see that as the future of the industry.”

Sportsfix has targeted properties with no existing broadcast deals in place in these countries. Top-tier football rights it has acquired include the Chinese Super League, the Indonesian Liga 1, Thai League 1 and South Korea’s K League Classic. It has also bought rights to pre-season friendlies which include teams from the English Premier League, German Bundesliga, Spanish LaLiga and Italian Serie A.

The OTT platform has also bought Philippine Basketball Association rights, rights to Bangladesh international and domestic cricket, and rights to several MMA promotions.

Each of these deals covers at least Malaysia, but some will also cover additional territories in which Sportsfix intends to launch.

“We are going after everything that is under the radar, and in some cases, not of interest to the traditional broadcasters,” Luer said. “There is a tonne of that content out there. We know the niches, we know how to buy these rights and that is part of the strategy. We are not going to start competing with premier broadcasters that are buying the Premier League.”

## How will Sportsfix monetise rights?

Sportsfix subscriptions are offered on a weekend, weekly and monthly basis. Weekly subscriptions will cost between \$1 (€0.89) and \$2.50. Monthly subscriptions will cost about \$3. Sportsfix will also carry

advertising and will target existing sponsors of the properties it has acquired.

Sportsfix will also be available via an app which is set to launch in the next few months. The app will launch in Malaysia but Luer expects Sportsfix to be active in other countries by then.

TSA is attempting to exploit a gap in the market as there are currently no pan-regional sports-only OTT broadcasters in Southeast Asia.

Sportsfix is available on mobile, tablet, PC and smart televisions, but mobile is Sportsfix's main focus. A partnership with Malaysian telco Celcom has been confirmed and two further deals with telcos are set to be announced. Celcom had 10.2m subscribers as of Q1 2017.

Luer said: "Telcos need content. The old telco business of people making phone calls isn't the same anymore, with people using things like WhatsApp and WeChat. That traditional business was a very large chunk of their business and that has gone. Now, the only thing that can really replace that is live content. That's where we come into play."

Sportsfix this week announced it has secured funding from Australian investment group IPO Wealth.

## TSA link will help

Luer said deals between Sportsfix and TSA would be negotiated at "arms-length" and require the platform to pay rights fees.

Sportsfix's deal for Glory kickboxing rights is exclusive and is an internal, multi-year deal, though it is assisted by the fact Luer is Glory's co-founder.

## CSL deal

One local rights expert estimated the Sportsfix deal for CSL rights in Malaysia to be worth less than \$50,000 in a deal covering the rest of the 2017 season. It is the first time the league has had coverage in the country.

Pay-television broadcaster Astro turned down the opportunity to acquire the rights from agency Orientivity, which sublicensed CSL rights in Singapore and Malaysia from the IMG agency. IMG holds the league's international rights in a two-year deal covering 2016 and 2017 (*TV Sports Markets* 20:5).

Luer said: "Games are played in a good time zone for us. Southeast Asia has a large Chinese population anyway. As a league, it ticks several of the boxes we are interested in. To me, it was almost a no-brainer. I can also see why Astro would not go after it, because it wouldn't change their business." ♦



For the full interview with Marcus Luer, visit  
[www.sportbusiness.com](http://www.sportbusiness.com)

## BASKETBALL

# Discovery expands basketball offering with Euroleague in Italy

By Callum McCarthy

**Discovery Communications is on the verge of replacing Fox as the exclusive broadcaster of the Euroleague in Italy, more than doubling the value of the rights, TV Sports Markets understands.**

Should the deal go through, Euroleague Ventures – the joint venture between the IMG agency and Euroleague – will earn an average of just over €2m (\$2.3m) per season over four seasons, from 2017-18 to 2020-21. Discovery will exploit rights across sports broadcaster Eurosport and digital-terrestrial channel Dmax.

This is an increase of just over 104 per cent on the value of the Euroleague's previous deal with pay-television broadcaster Fox Sports, which paid €980,000 per season in a four-season deal, from 2013-14 to 2016-17 (*TV Sports Markets* 21:9). Fox held the rights in Italy as part of a wider deal originally covering the Netherlands, Poland and sub-Saharan Africa, though rights in Poland were later handed back to the league.

The result is an impressive one for IMG, especially considering Sky and Mediaset – Italy's two main pay-television broadcasters – showed no interest. It is thought Fox was Discovery's only rival bidder, but the broadcaster's limited budget for sports rights did not allow an aggressive bid.

Discovery, on the other hand, was very keen on the rights. Three weeks ago Discovery acquired domestic rights to Italian basketball's Lega Basket domestic competition, from 2017-18 to 2019-20, in a deal worth 140 per cent more than Sky paid in 2015-16 and 2016-17 (*TV Sports Markets* 21:13).

Local basketball experts are unsure as to whether Discovery's investment in European club basketball will pay off in Italy. Interest in Italian clubs has been steadily declining in recent years, and Olimpia Milano – Italy's best-supported and most-successful club – finished bottom in last season's Euroleague.

Regardless, the Euroleague will provide Discovery with locally-relevant, season-long content in the country. Its current sports portfolio in Italy is mainly based on one-off events such as grand slam tennis tournaments, matches of the Italian national rugby team and cycling tours.

Rights to the second-tier Eurocup – which will include four Italian clubs in 2017-18 – are not included in Discovery's deal, and will be sold separately. Rights to the Eurocup are to be centralised from 2017-18, and broadcasters had hoped Euroleague and Eurocup rights would be packaged together. Until now, clubs have sold rights to their home Eurocup games individually.

## UK and France

As part of its deal in Italy, Discovery will also receive rights in the UK over the same period. It is thought a nominal fee has been allocated to the territory. Rights in the UK were held by Sky in 2016-17, with the pay-television broadcaster paying only technical costs.

The Euroleague and IMG are keen to build the league's brand in the UK, as it has long-term plans to incorporate a UK team in its competitions.

Discovery will show games on sports broadcaster Eurosport in the UK. It is likely to show more live games than Sky or pay-television broadcaster BT Sport, which held the rights in 2014-15 and 2015-16.

Rights in France are yet to be sold, with a little over two months to go until the start of the 2017-18 season. Before rights can be sold, the Euroleague must convince top clubs in France to switch allegiance from club competitions operated by Fiba, to competitions operated by the Euroleague.

Euroleague rights in France are currently held by pay-television broadcaster beIN Sports, which pays €1m per season in a four-season deal, from 2013-14 to 2016-17 (*TV Sports Markets* 17:18).

Local experts believe that, without French clubs playing in either the Euroleague or the Eurocup, the rights are worth much less than the amount beIN currently pays (*TV Sports Markets* 21:9). ◆

## TENNIS

# LeSports demise hits value of ATP rights despite new iQiyi deal

By David Cook

**The value of digital rights to ATP events in China have fallen by about 80 per cent in a new deal that replaces its cancelled agreement with streaming platform LeSports.**

Streaming platform iQiyi acquired the rights on a non-exclusive basis last month and will pay about \$4m (€3.6m) per year for the remainder of 2017 until the end of 2020.

LeSports had been due to pay \$20m per year for five years, from 2016 to 2020 (*TV Sports Markets* 19:22). Its fee was a 10-fold increase on the \$2m per year LeSports paid in the previous three-year cycle, from 2013 to 2015.

The LeSports deal was cancelled after the platform missed the payment date for its 2017 instalment, having previously delayed payment of the 2016 instalment.

iQiyi's deal will cover: nine ATP World Tour Masters 1000 events, 13 ATP World Tour 500 events, and the ATP Finals. It is also thought to cover 12 ATP 250 events.

The deal was struck directly between ATP Media and iQiyi. ATP Media, the commercial arm of the tour, is advised on the sale of its rights by the IMG agency.

A source close to the ATP stressed that despite the sharp decline in value from the LeSports deal, the \$4m per year iQiyi will pay is significantly more than the value of LeSports' deal in the 2013-2015 cycle.

iQiyi had shown interest in the rights before the 2016-2020 LeSports deal was struck in 2015.

Rival platform PPTV – which also showed an interest last time – was not interested in picking up the rights this time. PPTV is focusing on top-tier football.

Linear rights to ATP events are held by state broadcaster CCTV. The broadcaster also holds non-exclusive digital rights, but can only show live simulcast streams online and cannot show any other content, such as on-demand highlights or clips.

## ATP joins WTA in iQiyi portfolio

Tennis is a key component of the iQiyi portfolio. It holds Women's Tennis Association digital rights in a 10-year deal, from 2017 to 2026, worth a total of between \$160m and \$170m (*TV Sports Markets* 19:21).

It held Australian Open digital rights in a deal that expired after this year's tournament held in January (*TV Sports Markets* 20:3).

The platform's major golf investment is for US PGA Tour rights. Its five-year deal, from 2016 to 2020, is worth between \$9m and \$10m per year.

iQiyi acquires second-tier rights as it is not prepared to compete for top-tier rights in the country. The platform prefers tennis and golf due to their integration with the fashion and entertainment sectors.

Baidu, China's largest search engine, owns an 80-per-cent stake in iQiyi. Baidu reported revenue of \$3.08bn for the second quarter of 2017. ◆

## WRESTLING

# SuperSport buys WWE rights to widen its subscription base

By Callum McCarthy

**World Wrestling Entertainment has continued its transition into a pay-television property outside the US, moving away from free-to-air to sign a four-year deal with SuperSport in sub-Saharan Africa.**

WWE's current deal with South African commercial broadcaster e.tv will expire on August 27, after which pay-television broadcaster SuperSport will hold the rights until August 2021.

SuperSport will pay slightly less than \$4m (€3.4m) per year for exclusive English-language pay-television rights.

WWE has been on free-to-air television in South Africa for more than a decade. It earns an average of about \$1.5m per year in its current five-year deal with e.tv, from August 2012 to August 2017.

It is thought e.tv could not afford to renew its deal, even at the price it currently pays. The South African rand was considerably stronger against the dollar when the deal was initially agreed. The broadcaster also says it is moving toward more traditional entertainment programming.

Sports broadcaster Kwesé Sports, which has its own free-to-air channel in nine territories across sub-Saharan Africa and partnerships with free-to-air broadcasters in 16 others, also made a strong offer.

It is thought WWE preferred SuperSport's bid – though it is thought to have been less valuable than Kwesé's – as it valued SuperSport's experience as well as its multi-channel offering, subscriber demographic and penetration across sub-Saharan Africa.

SuperSport hopes the deal will bring a fresh batch of subscribers in South Africa. WWE hopes the coverage elsewhere in sub-Saharan Africa will improve its position in the region.

## WWE is the Big Show in Africa

*Raw* and *SmackDown* – WWE's flagship programmes – have consistently been two of the most-watched shows in South Africa across all programming, with *Raw* averaging about 2.5m viewers and *SmackDown* averaging about 2m viewers on e.tv during 2017. E.tv has aired about 10 hours of WWE content per week with an average cumulative audience of about 8m viewers.

While this kind of reach will not be replicated on SuperSport, the new deal gives WWE strong distribution outside South Africa for the first time. E.tv's reach in the rest of the region is weak. Since 2010, it has had syndicated blocks of content available on broadcasters in 12 countries, including Ghana, Kenya, Nigeria, Tanzania and Uganda.

The new deal will see *Raw* and *SmackDown* broadcast live in sub-Saharan Africa for the first time. As e.tv only had one channel appropriate for WWE content, it broadcast both shows on delay.

WWE is not thought to be particularly worried about the reduced reach in South Africa. The promotion believes targeting a more affluent demographic will help its business in, and outside, South Africa.

SuperSport will position WWE content across its subscription tiers, from basic-tier to premium. Live broadcasts of *Raw* and *SmackDown* will be broadcast on premium channels, but will be available on delay on basic-tier channels.

The lack of broadband penetration across sub-Saharan Africa means WWE is less focused on its WWE Network offering as an OTT service than in other markets.

While the deal will begin as a rights agreement, it could be expanded to include the WWE Network as a linear channel on DSTV, the pay-television operator which carries SuperSport exclusively. WWE's deal with pay-television operator OSN in the Middle East and North Africa uses this model.

OSN's six-year deal in Mena, from 2014 to 2019, is worth about \$6m per year. It pays about \$4.5m per year for the pay-television rights and about \$1.5m per year for access to the WWE Network. ◆



## FOOTBALL

# BBC Alba pays increase for set of live and delayed SPFL rights

By David Svenson

**The Scottish Professional Football League earned an increase of about 18 per cent in a renewed deal with BBC Alba at the end of June.**

The Gaelic-language channel, operated by UK public-service broadcaster the BBC in a joint venture with Gaelic statutory organisation MG Alba, will pay about £1m (€1.1m/\$1.3m) per season in a three-season deal, from 2017-18 to 2019-20. This is an increase in the value of BBC Alba's previous three-season deal, from 2014-15 to 2016-17, in which it paid about £850,000 per season. It also held the rights in a two-season deal, covering 2012-13 and 2013-14.

Each season the broadcaster will hold rights to: 38 top-tier Premiership matches on a delayed basis; four live matches from the second-tier Championship; two live matches from third-tier League 1 or fourth-tier League 2; live rights to the League 1 play-off final; and five live matches from the Challenge Cup. The number of live lower-league regular-season matches has decreased from 16 to six per season.

The previous deal did not include live Rangers matches even though they were in the lower leagues. After suffering from financial and ownership difficulties and entering into liquidation in 2012, Rangers was forced to re-enter the Scottish league system in the fourth tier from 2012-13.

Live Rangers matches were included in deals with pay-television broadcasters Sky and ESPN, from 2012-13 to 2016-17. BT took over the ESPN contract in 2013. BT and Sky have since extended their deals for live pay-television SPFL rights by three seasons, from 2017-18 to 2019-20. BT has an option in its deal to show up to three live Championship matches per season (*TV Sports Markets* 16:15; 19:17).

As part of the new BBC Alba deal, the broadcaster will produce the 38 matches it will show on a delayed basis. It will cover the production cost of about £285,000 per season, or £7,500 per match, on top of its fee.

The BBC currently owns SPFL highlights rights in a non-exclusive four-season deal, from 2016-17 to 2019-20, worth an average of £2.65m per season (*TV Sports Markets* 20:8).

Scottish football rights are important to BBC Alba. Alongside its main function to serve the Gaelic-speaking audience it must also produce content that serves its audience throughout the country. Scottish football provides high viewing figures for BBC Alba, with many non-Gaelic speakers enjoying the free-to-air coverage. There are around 57,000 Gaelic speakers in Scotland, 1.1 per cent of the total population. ♦

## BASKETBALL

# StarTimes sets Fiba on course for big increase with Angola to come

By Callum McCarthy

**The International basketball federation (Fiba) has earned a huge increase in the value of its rights in sub-Saharan Africa, buoyed by this year's AfroBasket being held in Angola.**

Pay-television operator StarTimes will pay about \$800,000 (€690,000) per year, from 2017 to 2021, for exclusive English-language free-to-air and pay-television rights, and non-exclusive French-language pay-television rights. The deal includes rights to all of Fiba's continental championships, including the AfroBasket tournaments in 2017 and 2021, and the 2019 Basketball World Cup.

Significant changes to Fiba's national-team calendar, and the way rights are packaged in sub-Saharan Africa, makes a direct comparison between the new and previous cycle impossible.

From 2013 to 2015, Fiba sold English-language pay-television rights in the region to SuperSport. The pay-television broadcaster paid about \$150,000 per year. French-language pay-television rights were held by Canal Plus Afrique for the same duration.

StarTimes faced no competition for the rights. Incumbent pay-television broadcaster SuperSport and sports broadcaster Kwesé Sports both declined to bid. Fiba rights have not been a success for SuperSport, and Kwesé was discouraged by Fiba's asking price.

The deal is arguably Fiba's first major success of the current cycle, having received modest per-year increases in key markets such as Greece and Spain (*TV Sports Markets* 21:8; 21:12).

In the new deal, StarTimes will also produce all games played in the region, though Fiba Media – the joint venture between Fiba and digital media company Perform – will work closely with StarTimes to ensure high production standards. Fiba Media will also work closely with StarTimes on free-to-air distribution. Fiba Media is particularly keen to ensure coverage in key markets such as South Africa and Nigeria. Good deals in these territories would also offset some of StarTimes' spend on the rights.

Fiba has carved out free-to-air rights in Angola, by far Africa's strongest basketball market. Local experts believe these rights could earn Fiba between \$800,000 and \$1m over the five-year period, a value boosted by Angola's hosting of the AfroBasket tournament in September.

Fiba is also thought to be close to a deal with pay-television operator Canal Plus Afrique. The deal would cover non-exclusive pay-television French-language rights over the same five-year period. ♦

## GOLF

# DSport's golf push continues with Open Championship buy

By David Cook

**The Open Championship returned to screens in the Indian subcontinent this year following a late deal with pay-television broadcaster DSport.**

The exclusive two-year deal, covering 2017 and 2018, included this year's event held in July. DSport will pay about \$125,000 (€111,000) in the first year and just over \$150,000 in the second.

The Open was not broadcast in the region last year. Pay-television broadcaster Star India, which previously paid about \$125,000 per year for the rights, decided to drop golf from its portfolio.

DSport, which launched in February, is a joint venture between media group Discovery Communications and Indian broadcast executive RC Venkatesh. The broadcaster believes it can carve out a niche showing golf content.

DSport's fee for the Open is slightly lower than the \$172,500-per-year average it is paying in its two-year deal for the US Open, also covering 2017 and 2018 (*TV Sports Markets* 21:11). DSport also holds rights to the US PGA Championship.

The Open takes place in a convenient time zone for DSport, with most of the tournament played during the afternoon and early evening local time.

DSport is not thought to have faced any competition for the rights. Star India and major rival Sony Pictures Networks India are focusing on rights to cricket's Indian Premier League, which issued a tender for its next rights cycle on July 21. Bids are due on August 28.

The IMG agency negotiated the Open deal on behalf of the R&A, the tournament's operator and commercial rights-holder. ◆



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# DEALS ROUND-UP

## JULY 20 TO AUGUST 2

### FOOTBALL

- ◆ The joint venture between the Mediapro agency and pay-television broadcaster beIN Sports was confirmed as the exclusive rights-holder in Spain for the Uefa Champions League and Europa League club competitions for three seasons, from 2018-19 to 2020-21. The deal was first reported in *TV Sports Markets* 21:12.
- ◆ BeIN Media Group extended its deal in the Middle East and North Africa for rights to the Champions League and Europa League for three seasons, from 2018-19 to 2020-21.
- ◆ Sportsfix, a new OTT service in Southeast Asia, acquired live rights in Malaysia for the Chinese Super League, the South Korean K League Classic, Liga 1 Indonesia and Thai League top-tier domestic competitions (page 25).
- ◆ Goal, the football news website operated by digital media company Perform, acquired rights to this year's Arab Championship club tournament, which runs from July 22-August 6.
- ◆ Russian Premier League club FC Rostov signed a rights deal, for 2017-18 only, with local terrestrial broadcaster Don 24. The government of the Rostov region agreed the deal with sports broadcaster Match TV.
- ◆ The French football federation extended deals with public-service broadcaster France Télévisions and sports broadcaster Eurosport for the Coupe de France knockout tournament. The new four-season deals will run from 2018-19 to 2021-22. Eurosport will also hold international rights in certain territories.
- ◆ Pay-television operator Canal Plus International acquired rights in French-speaking sub-Saharan Africa to the top-tier Turkish Süper Lig, from 2017-18 to 2019-20.
- ◆ Estonian public-service broadcaster ERR announced a deal for a package of Uefa national team rights via a partnership with the Estonian Football Association. ERR acquired rights to the European Qualifiers from 2018-19 to 2021-22; the 2018-19 and 2020-21 Nations League competitions; and other international matches. According to [postimees.ee](http://postimees.ee), the agreement is worth €1.2m (\$1.4m).
- ◆ Rights to the Audi Cup pre-season tournament were awarded to: German public-service broadcaster ARD; UK commercial broadcaster ITV; pay-television broadcaster Sky Italia; pay-television broadcaster beIN Sports in France; Dutch pay-television broadcaster Ziggo Sport; Eurosport in Poland; commercial and pay-television broadcaster Modern Times Group in the Nordics; Turkish telco Türk Telekom; Spanish-language broadcaster Univision in the US; pay-television broadcaster ESPN Brasil; pan-regional pay-television broadcaster DirecTV in Latin America; OTT platform DAZN in Japan; Indonesian free-to-air network SCTV; beIN Sports in Australia and New Zealand; and Indian pay-television broadcaster DSport.
- ◆ BeIN Sports extended its deal in the US for the English second-tier club competition, the Championship, for 2017-18 only.
- ◆ German pay-television broadcaster Sportdigital extended a deal for Portugal's

# DEALS ROUND-UP

## JULY 20 TO AUGUST 2

top-tier Primeira Liga for three seasons, from 2017-18 to 2019-20. OTT platform DAZN also struck a three-season deal in Germany for the Primeira Liga, from 2017-18 to 2019-20.

◆ Chilean free-to-air broadcaster Chilevisión acquired rights to the Chilean national team's qualifiers for the 2022 Fifa World Cup.

### OTHER SPORTS

◆ **Athletics:** The CBC Sports division of Canadian public-service broadcaster CBC signed a four-year deal with the Athletics Canada national governing body.

◆ **Athletics:** The International Association of Athletics Federations signed a six-year deal with the European Broadcasting Union consortium of public-service broadcasters and the ESPN Media Distribution agency (page 17).

◆ **Basketball:** Pan-African pay-television operator StarTimes acquired exclusive rights in sub-Saharan Africa for national team competitions operated by the International Basketball Federation (Fiba) (page 34).

◆ **Boxing:** Pan-African pay-television broadcaster SuperSport acquired rights to the Floyd Mayweather Jr. vs. Conor McGregor fight.

◆ **Boxing:** Pay-television broadcaster Sky acquired exclusive rights in the UK and Ireland to Mayweather vs. McGregor, which will be shown via the Sky Sports Box Office pay-per-view service. The fight will be available for £19.95 (€22.30/\$26.35) in the UK and €24.95 in Ireland.

◆ **Boxing:** Joe Hand Promotions, a distributor of

pay-per-view and closed-circuit events for commercial establishments, was named as the exclusive distributor of Mayweather vs. McGregor in the US.

◆ **Boxing:** DAZN acquired rights for Mayweather vs. McGregor in Germany and Austria. The fight will be available as part of a standard DAZN subscription, which costs €9.99 per month. A one-month free trial is available.

◆ **Boxing:** Pay-television operator OSN acquired rights to Mayweather vs. McGregor in the Middle East and North Africa. The event will be shown on the OSN Sports Box Office pay-per-view platform for \$10 (€9). The fee will rise to \$20 from August 14.

◆ **Boxing:** Pay-television operator Fox Networks Group Latin America acquired rights for Mayweather vs. McGregor. The event will be available throughout the region, excluding Brazil, via its Fox Premium and Fox Sports platforms.

◆ **Cycling:** International sports broadcaster Eurosport extended its pan-European deal for rights to the Tour de France for a further four years, from 2020 to 2023. The deal was first reported in *TV Sports Markets* 21:13.

◆ **Esports:** Indian pay-television broadcaster DSport acquired rights for the ESL India Premiership. DSport will show coverage on a daily basis until December this year.

◆ **Esports:** International sports broadcaster Eleven Sports Network agreed a deal with tournament organiser Gfinity for its Elite Series

## DEALS ROUND-UP

### JULY 20 TO AUGUST 2

competition. Eleven will broadcast coverage in all seven of its active markets: Belgium, Italy, Luxembourg, Poland, Singapore, Taiwan and the US.

◆ **Esports:** The Ligue de Football Professionnel, which operates the French football league, struck a two-season deal with pay-television broadcaster beIN Sports for coverage of its e-Ligue 1 competition, for 2017-18 and 2018-19.

◆ **Esports:** The LFP renewed a deal with online media company Webedia for the e-Ligue 1. The deal covers the 2017-18 and 2018-19 seasons.

◆ **Esports:** UK public-service broadcaster the BBC acquired rights to Gfinity's Elite Series. One match per week will be shown on the BBC Three online channel for the duration of the tournament.

◆ **Esports:** UK pay-television broadcaster BT Sport agreed a deal with Gfinity for the Elite Series.

◆ **Golf:** The BBC acquired rights for the 2017 edition of the PGA Championship major golf tournament. The BBC will show live coverage of the event on BBC iPlayer, BBC Sport online and the Red Button service with highlights of each day's play to be shown on the BBC Two channel.

◆ **Golf:** Social media platform Facebook acquired streaming rights in the UK to this year's PGA Championship. Live coverage of each day will be available via the Facebook page and website of digital media platform GiveMeSport.

◆ **Golf:** Social media platform Twitter acquired rights to this year's PGA Championship. Twitter

will provide live coverage across all four days in the UK, Ireland and Japan through the @PGACHampionship handle, while world feed access will be offered in Latin America and the Caribbean.

◆ **Horse Racing:** The Racing Partnership, a joint venture between UK racecourse owner and operator Arena Racing Company and seven UK independent racecourses, agreed a new deal with gambling company Ladbrokes Coral PLC. Ladbrokes Coral's betting shops across the UK and Ireland will be able to show racing from 15 ARC-owned racecourses and the seven independent racecourses. The deal also includes South African Racing events.

◆ **Horse Racing:** The Racing Partnership signed a deal with UK bookmaker Betfred. Coverage will be shown across Betfred's 1,668 UK-based betting shops. South African Racing events will also be shown.

◆ **Ice Hockey:** The Lagardère Sports agency renewed an agreement with the Kontinental Hockey League to distribute the competition's international media rights. The new four-season deal runs from 2017-18 to 2020-21 and includes global rights outside Russia, Belarus and Kazakhstan.

◆ **Mass Participation:** The CBS Sports division of US network CBS agreed a two-year deal with CrossFit. CBS Sports will show the CrossFit Games throughout 2017 and 2018.

◆ **Mixed Martial Arts:** Australian IPTV platform Fetch TV acquired rights to the Ultimate Fighting Championship (page 19).

## DEALS ROUND-UP

### JULY 20 TO AUGUST 2

- ◆ **Mixed Martial Arts:** The One Championship agreed a deal with Latin American media platform Claro Sports.
- ◆ **Multi-Sport:** The newly-launched Olympic Channel in the US struck a deal to show the 2017 World Games, which took place in Wrocław, Poland, from July 20-30.
- ◆ **Olympic Games:** Olympic Channel-branded content will be shown on international sports broadcaster Eurosport in August as part of a new partnership between the latter's parent company, Discovery Communications, and the International Olympic Committee-operated channel. The agreement began on August 2, covering 50 markets in Europe, and will run until the end of 2024.
- ◆ **Tennis:** Chinese streaming platform iQiyi signed an exclusive four-year deal, from 2017 to 2020, for tournaments on the men's ATP World Tour series (page 29).
- ◆ **US College Sport:** The Big Ten Conference agreed a six-season deal with CBS, from 2017-18 to 2022-23, covering all its basketball content.
- ◆ **US College Sport:** The Big Ten Conference signed six-season deals, from 2017-18 to 2022-23, with the Fox network and ESPN covering its American football content.
- ◆ **Wrestling:** SuperSport agreed a four-year English-language rights deal with WWE across sub-Saharan Africa (page 31).
- ◆ English Football League, which operates the three divisions below the top-tier Premier League, is in discussions with social media company Twitter and internet company Amazon over digital rights in the UK for its third-tier League One and fourth-tier League Two competitions. The agreement would come into effect in 2019 and would incorporate the EFL's iFollow live-streaming and content platform. The deal would facilitate the streaming of every League One and League Two match that does not kick off at 3pm on a Saturday.
- ◆ German newspaper *Frankfurter Allgemeine Zeitung* reported that public-service broadcaster ARD is in talks to acquire free-to-air rights for the Formula One motor-racing championship from the 2018 season. These rights are currently held by commercial broadcaster RTL.
- ◆ UK newspaper *The Telegraph* reported that UK pay-television broadcaster BT Sport is in talks with Augusta National Golf Club, the organiser and commercial rights-holders of the Masters, for rights to the event.
- ◆ UK newspaper *The Guardian* reported that Amazon has acquired rights ATP World Tour tennis rights in the country.

#### MEDIA RIGHTS NEGOTIATIONS

- ◆ *The Times* newspaper reported that the



# INDUSTRY NEWS IN BRIEF

## JULY 20 TO AUGUST 2

- ◆ US pay-television operator Dish Network launched legal action over a streaming deal between Univision Deportes and social media platform Facebook. Facebook's deal with Univision Deportes allows it to stream selected live matches from Liga MX, the top tier of club football in Mexico, free of charge. Dish said in a lawsuit that the deal is in conflict with its own affiliate agreement with Univision. Dish said the agreement prohibits Univision from "allowing linear services to be distributed for free via the internet or a wireless cellular provider".
- ◆ Media group Discovery Communications struck a deal to acquire cable television network owner Scripps Networks Interactive. The agreement is worth \$14.6bn (€12.5bn).
- ◆ Karen Bradley, the UK's secretary of state for culture, media and sport, confirmed she had not decided whether to refer the proposed takeover of pay-television broadcaster Sky by media company 21st Century Fox to the Competitions & Markets Authority for a 'phase two' investigation.
- ◆ Football's English Premier League obtained a High Court order that will require UK internet service providers to block servers hosting illegal streams of matches during the 2017-18 season.
- ◆ The Milan prosecutor's office had a request to arrest two former senior executives at the Infront Sports & Media agency dismissed by the Milan Review Tribunal.
- ◆ Italy's antitrust watchdog, the AGCM, launched an investigation into possible cartel activity by the MP & Silva, IMG and B4 Capital agencies (page 4).
- ◆ French media group Vivendi confirmed plans to form an Italian pay-television platform in association with its Telecom Italia (TIM) and Groupe Canal subsidiaries. The initiative will be considered by the TIM control and risk committee and then submitted to the board.
- ◆ German production company Wige Media is to rebrand as Sporttotal. The rebrand follows the launch of the company's Sporttotal.tv streaming platform.
- ◆ German telco Deutsche Telekom began offering a new package of sports channels operated by pay-television broadcaster Sky Deutschland on August 2. The package is available for €9.95 (\$11.65) per month.
- ◆ Multi-territory media group Sky said it intended to launch an OTT service in Spain during the first half of the 2017-18 financial year.
- ◆ Romania's anti-corruption authority, the DNA, is set to bring criminal charges against a subsidiary of telco RCS-RDS. Integrasoft will be charged with bribery and money laundering offences, according to multiple reports in the country. The charges are reportedly connected to the award of rights to Liga 1 top-tier football matches in Romania. The DNA seized two buildings operated by RCS-RDS as part of the investigation.
- ◆ The Australian government came under scrutiny for a A\$30m (€20m/\$22.8m) payment to pay-television operator Foxtel to aid its sports operation. Foxtel was assigned the funds over four years in May's budget. Public-service broadcaster the ABC has since submitted a

# INDUSTRY NEWS IN BRIEF

## JULY 20 TO AUGUST 2

freedom of information request seeking explanation over how Foxtel plans to use the funding over the next two years, but this has been denied. The Department of Communications and the Arts stated there is no documentation associated with the grant.

- ◆ Qatar-based pay-television broadcaster beIN Sports returned to IPTV platforms Etisalat and Du customers in the UAE on July 22.

- ◆ Sportflix, Mexico's first OTT sports-streaming platform, is to launch in August.

- ◆ Pay-television operator Canal Plus International launched a sports channel in Africa, A+ Sport. The channel is an offshoot from A+, the entertainment channel brand Canal Plus launched in the African market in July 2014.

- ◆ The Formula E electric car-racing series awarded its production contract for four seasons, from 2017-18 to 2020-21, to a joint venture between existing partner Aurora Media Worldwide and North One Television.

- ◆ Sky reported a six-per-cent fall in operating profit in the year up to June 30, due to the increased costs of rights to the English Premier League. Sky reported an operating profit of £1.468bn (€1.64bn/\$1.91bn), down £97m on the previous year amid additional Premier League costs of £629m. Group revenues grew by more than £1bn to £12.916bn. UK and Ireland revenue was up four per cent to £8.6bn. Revenue in Germany and Austria grew nine per cent to £1.858bn. In Italy, revenue increased by four per cent to £2.458bn. Operating profit in the UK and Ireland fell by 14 per cent to £1.292bn. The case

was different in Germany and Austria, as well as Italy, where these figures increased by 900 per cent and 139 per cent to £40m and £136m respectively.

- ◆ The Women's Tennis Association launched a new subscription service offering live streaming and on-demand coverage of matches. WTA TV launched on July 31. The service will be available globally, except China, where streaming platform iQiyi holds digital WTA rights.

- ◆ The MP & Silva agency entered into a five-year deal, from 2017 to 2021, with sports management and content creation company Baral, through which the two will market the US media and sponsorship rights of a number of teams in the Liga Ascenso, the second tier of club football in Mexico. The media-rights package will include all home matches played by Cafetaleros de Tapachula, Venados, Dorados de Sinaloa, Club Atlético Zacatepec and Potros UAEM, among other clubs.

- ◆ The IAAF appointed ITN Productions as its partner in forming a joint venture company for host broadcasting and media production.

### INDUSTRY MOVES

- ◆ Cycling-focused digital sports media company Play Sports Group appointed Wayne Brown as its managing director.

- ◆ Italian media company Mediaset appointed Adriano Galliani, a former senior executive at Serie A football club AC Milan, as president of pay-television unit Mediaset Premium.

- ◆ Euroleague Basketball appointed Andrea

## ***INDUSTRY NEWS IN BRIEF***

**JULY 20 TO AUGUST 2**

Bassani as the media manager of its Eurocup club competition.

◆ International media and entertainment company Discovery Communications appointed TS Panesar as the head of its Indian pay-television broadcaster, DSport.