

# TVSportsMarkets

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## Editorial


**Robin Jellis**

Editor  
+44 20 7265 4139  
+44 7846 822175  
robin@tvsportsmarkets.com  
@robinjellis


**Callum McCarthy**

Reporter  
+44 20 7265 4244  
+44 7462 149895  
callum@tvsportsmarkets.com  
@clmmcrthy


**David Cook**

Reporter  
+44 20 7265 4109  
+44 7402 085693  
david.cook@tvsportsmarkets.com  
@dmacook


**Frank Dunne**

Chief Sports Writer  
+39 051 523 815  
+39 349 584 6423  
frank@tvsportsmarkets.com  
@frankdunnetvsm

## Analysts


**Gino Di Castri**

Analyst  
+44 20 7265 4246  
+44 7792 662816  
gino.dicastro@sportbusiness.com  
@gdicastro


**David Svenson**

Analyst  
+44 20 7265 4245  
+44 7540 343332  
david.svenson@sportbusiness.com  
@David2241

## Account Management


**Paul Santos**

Head of Business Development  
+44 20 7265 4183  
+44 7931 390502  
paul.santos@sportbusiness.com  
@onesantos


**Scott Longhurst**

Account Manager  
+44 20 7265 4184  
+44 7500 904656  
scott.longhurst@sportbusiness.com


**Patrick Odling**

Account Manager  
+44 20 7265 4103  
+44 7921 140713  
patrick.odling@sportbusiness.com  
@patrickodling


**Max Frew**

Account Executive  
+44 20 7265 4178  
+44 7493 7793374  
max.frew@sportbusiness.com

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TV Sports Markets, registered address: 4th Floor, Park House, 116 Park Street, London, W1K 6AF

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## FOOTBALL

# Tender leads to windfall for Conmebol in IMG/Perform deal

By Frank Dunne

- IMG/Perform buys Conmebol rights from 2019 to 2022 for a minimum of \$1.4bn
- Average of \$350m per year is much higher than Conmebol's reserve price of \$200m per year
- Copa Libertadores and Sudamericana media rights will account for about \$300m per year

**When FBI raids brought the Fifa scandal to public attention in May 2015, one of the burning questions was: how will football benefit from the crackdown on corruption? The outcome of the Conmebol tender this week provided the clearest answer so far.**

Global Copa Libertadores and Copa Sudamericana media rights, which had been sold for just over \$70m (€59m) per year before the FBI investigation, have now been sold again for more than \$300m per year in Conmebol's first formal tender process.

Conmebol, football's South American governing body, operates both club competitions. The competing clubs will be the beneficiaries of this windfall.

In February 2016, the governing body increased the proportion of commercial revenues from the Copa Libertadores paid to the clubs from 60 per cent to 70 per cent, and doubled the amount paid per home group match to \$600,000 for each club. This covered the three years from 2016 to 2018. With the new deal in place, this is likely to increase drastically again.

Earlier this week, the IMG agency and digital media company Perform were jointly awarded all media and sponsorship rights to Conmebol's main club competitions for four years, from 2019 to 2022, in a deal worth a minimum of \$1.4bn, an average of \$350m per year.

IMG/Perform beat offers from the three other bidders that had been shortlisted (*TV Sports Markets* 21:16). A joint bid by the Synergy Sports and Infront Sports & Media agencies is thought to have run IMG/Perform the closest. It is understood to have involved a smaller minimum guarantee – \$310m to \$320m per year – but proposed a commission structure more beneficial for Conmebol.

The MP & Silva agency is thought to have made an offer with a lower minimum guarantee than both IMG/Perform and Synergy/Infront. Brazilian agency Sport Promotion is not thought to have offered a minimum guarantee.

Conmebol marked bids out of 70 for their ‘technical’ content, including distribution strategy, and out of 30 for their financial merit. It is understood that Conmebol judged the IMG/Perform, Synergy/Infront and MP & Silva bids to be at a similar level technically. The choice came down to money.

## Strange bedfellows

One of the most surprising aspects of the bidding process was the coupling of IMG and Perform. The two have generally been considered more than business rivals. The perception has been one of genuine antagonism between the two companies.

Much of this can be rooted in what was said to have been a fractious relationship between Perform co-founder Simon Denyer and IMG chairman Michel Masquelier. Denyer had been head of IMG’s digital activities at the TWI Interactive division but left in 2005 to found the Inform Group, which became the Perform Group in 2007 after merging with Premium TV.

However, the two companies are said to have a normal working relationship in routine commercial business, such as Perform’s OTT platform DAZN buying rights from IMG.

Sources say the two parties have looked at several possible collaborations in recent years. However, the Conmebol partnership is said not to presage a wider strategic alliance.

IMG and Perform’s agreement is a joint venture, with costs and revenues shared 50:50. It is not yet clear whether Perform will have preferred access to the content in territories where it operates DAZN, but acquiring these rights makes a launch of DAZN in Latin America much more likely.

As *TV Sports Markets* went to press, news reports in Latin America questioned Perform’s eligibility to bid in the process, claiming that an Argentina-based Perform division, Perform South America, was created with Hugo and Mariano Jinkis, the former owners of the Full Play agency who were indicted as part of the Fifa scandal. Any companies or people involved in the scandal and its related court cases were automatically disqualified from the process.

Perform said that while it had “historically” worked with Full Play in the region, the relationship had been terminated as soon as the owners were indicted and was no longer operable. The company said reports that Perform South America was linked to the Conmebol bid where “wholly inaccurate”, adding that “no company within the Perform Group, or its directors, officers or employees have ever been, or are currently under, investigation in relation to the so-called Fifa scandal”.

## Challenges and opportunities

Experts were divided this week as to whether the amount paid for the rights would leave the two companies much room for a margin. The value of the rights is split roughly 90:10 between the Americas and rest of the world. Within the Americas, the three biggest segments by value are Brazil, the rest of Latin America, and Mexico (when Mexican teams compete).

One factor which may make sales harder is the decision by teams from Mexico's top-tier Liga MX to withdraw from the Copa Libertadores due to a schedule clash. The withdrawal is currently only for 2017, but the issue has existed long enough for all bidders to have factored this into their valuations.

Brazil will be a crucial market. One local expert said bidding for the rights would be fierce. It is thought likely that media groups will form partnerships to acquire the rights, with Fox and Globo facing off against Disney-owned ESPN and Turner, owner of broadcaster Esporte Interativo.

Another local executive said there were signs the Latin American market had recently "gone soft". He said the outcome of the tender for Uefa Champions League and Europa League rights across Latin America, excluding Brazil, next month would be a strong indicator of the overall health of the market. These rights were tendered on August 29 with bids due on October 3.

## Dramatic uplift

The \$350m-per-year offer was 75-per-cent higher than the \$200m-per-year reserve price Conmebol included in its tender document, and represents a large uplift on the current value of the rights.

Rupert Murdoch's Fox Sports Latin America currently pays about \$148m per year for rights in the Americas for three years, from 2016 to 2018, in a direct deal with Conmebol. The Fox Networks Group pays a further \$15m per year for rights in the rest of the world over the same three years in a deal with the Traffic Sports agency. Traffic held these rights on a long-term basis, until the end of 2018, through a deal with T&T Sports Marketing.

Conmebol currently earns about \$30m to \$35m per year from its sponsorship rights in deals with IMG (Copa Libertadores) and Synergy (Copa Sudamericana).

The media-rights value of the new deal – thought to be at least \$300m of the total annual value – is over four times the \$72m per year Conmebol was due to receive for the rights in an agreement it signed prior to the FBI's dawn raid of the Baur au Lac hotel in Zürich on May 27, 2015.

The deal, which was one of those investigated by the FBI, was subsequently cancelled. In November 2015 they were replaced by the deals with Fox (*TV Sports Markets* 20:9).

## GolTV fails in damages claim

This week, pan-regional pay-television broadcaster GolTV failed in its claim for damages against Conmebol for the way the governing body awarded its rights between 2000 and 2015.

During that period, Conmebol sold its rights to T&T Sports Marketing, a shell company in which Fox Sports Latin America held a 75-per-cent stake. T&T then sold the rights on to Fox.

The *United States of America v Alfredo Hawit et al* case brought by the US Department of Justice alleged senior Conmebol officials had solicited bribes to ensure T&T was awarded the rights. The Federal Court of the Southern District of Florida this week dismissed GolTV's claim. ♦

## SKIING

# IMG's Austrian skiing deal could shake up winter sports market

By Robin Jellis

- IMG set to acquire Austrian skiing federation international rights, excluding Germany
- Deal will be for four seasons, from 2018-19 to 2021-22, and worth at least €7m per season
- ARD/ZDF acquired rights in Germany, from 2018-19 to 2021-22, for €3.5m per season

**IMG's acquisition of Austrian skiing federation international rights has surprised the industry, as the move could change the balance of power in the winter sports media-rights market.**

Most winter sports media rights are held either by the Infront Sports & Media agency or the European Broadcasting Union, the consortium of Europe's public-service broadcasters.

The IMG agency's main winter sports deal is for NHL international rights. That five-season deal, from 2016-17 to 2020-21, excludes the US, Canada and the Nordic territories (*TV Sports Markets* 19:18).

But *TV Sports Markets* understands IMG has all-but completed a deal with the Österreichischer Skiverband (ÖSV), the Austrian skiing federation, for all Fédération Internationale de Ski (Fis) World Cup events held in the country. The deal will cover all disciplines: alpine skiing, ski jumping, Nordic combined, cross-country, freestyle and snowboard.

IMG's deal will cover all countries outside Austria except Germany and will run for four seasons, from 2018-19 to 2021-22. IMG is understood to have guaranteed the federation a minimum of €7m (\$8.4m) per season for these rights; it will share any revenue above this with the federation. There is thought to be an option to extend the contract.

This follows a separate deal in Germany, agreed directly between the federation and public-service broadcasters ARD and ZDF. That deal will also run for four seasons, from 2018-19 to 2021-22, and will be worth about €3.5m per season. ARD/ZDF also has the option to prolong its deal.

Both these deals will guarantee the federation a minimum of about €10.5m per season, an increase of about 24 per cent on the value of its international rights in the current cycle.

All Austrian skiing federation international rights are currently held by the EBU in a four-season deal, from 2014-15 to 2017-18, worth about €8.5m per season (*TV Sports Markets* 19:18). The EBU contributes about €500,000 per season on top of its rights fee in value-in-kind services.

Both IMG and the ÖSV declined to comment when contacted this week by *TV Sports Markets*.

## IMG rationale

Many media-rights experts are puzzled by the move from IMG. If it is part of a wider play for winter sports rights, the agency must be intent on playing the long game. Most other significant winter sports rights are locked up well into the future.

### Current and future global deals for major winter sports properties

Property	Cycle	Rights-holder	Value
Fis Alpine and Nordic World Ski Championships	2019 and 2021	Infront Sports & Media	€110m
Fis Alpine and Nordic World Ski Championships	2015 and 2017	European Broadcasting Union	€93.5m
International Ice Hockey Federation World Championships	2018 to 2023	Infront Sports & Media	CHF26m per year
International Ice Hockey Federation World Championships	2012 to 2017	Infront Sports & Media	CHF20m per year
Champions Hockey League	2017-18 to 2022-23	Infront Sports & Media	€6m per season
International Biathlon Union	2018-19 to 2021-22	European Broadcasting Union	€22.5m per season
International Biathlon Union	2014-15 to 2017-18	European Broadcasting Union	€17.5m per season
International Skating Union <sup>1</sup>	2015-16 to 2018-19	European Broadcasting Union	€4m per season

Source: TV Sports Markets Rights Tracker

<sup>1</sup>The deal excludes rights in China, Japan, South Korea, the US and Canada. These are sold by the ISU.

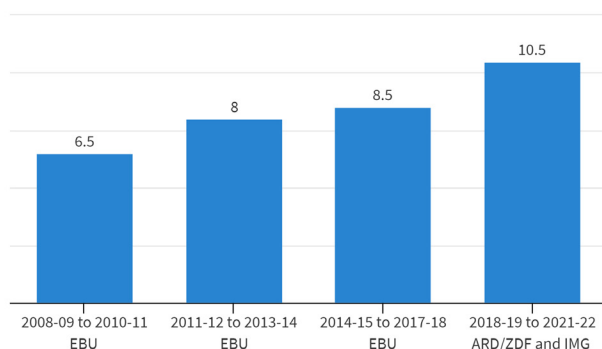
Two possible reasons are put forward for IMG's move into winter sports. First, that this is part of a wider strategy to broaden its sports-rights portfolio ahead of an IPO. Second, that the agency believes it can extract more value from the rights by bundling them with other properties it holds.

One expert said winter sports rights are "Infront's market". Infront has a near-monopoly on international skiing federation rights: aside from the new Austrian deal, Infront holds rights to all skiing federations apart from the Swiss and Romanian federations, which have deals with the EBU. Infront's deals all run until at least the end of the 2020-21 season.

Infront also holds global media and marketing rights to the Alpine and Nordic World Ski Championships – the showpiece events organised by Fis, skiing's global governing body – in a deal worth about €110m covering 2019 and 2021 (*TV Sports Markets* 17:11).

The loss of the ÖSV rights is a blow to the EBU. It regards the Austrian events as the crown jewel in the skiing calendar. It also held the federation's rights in the previous cycle in a three-season deal worth about €8m per season, from 2011-12 to 2013-14.

### Austrian skiing federation, international rights values (2008-2022)



Source: TV Sports Markets Rights Tracker

## International rights bidding process

The ÖSV launched a tender for its international rights at the end of May together with its media-rights adviser, the Profile Partners agency.

There are thought to have been three bidders in the first round: the EBU, IMG and Infront. Infront did not progress to the second round as its offer was the lowest – it was reluctant to pay a large increase as this would have reduced the margin it could have made on the rights.

The EBU and IMG progressed to a second round, after which the federation decided it wanted to retain control over its rights and take them in-house rather than selling to either party.

The federation then sold its rights directly in Germany to ARD/ZDF to guarantee income and exposure in its most valuable market, and the most important one for its sponsors.

IMG separately agreed to pay the federation a guarantee to advise it on the sale of its rights in all other territories. The federation will sign off on all agreements.

One winter sports expert said: “IMG will become a player on the market and will take all the risks which is new. But perhaps this is the price to enter the [winter sports rights] market.”

## Selling the rights on

The likeliest buyers of the rights in most European markets are EBU members. These broadcasters are unlikely to offer significantly more money to IMG than they currently contribute to the EBU’s deal.

As an example, ARD/ZDF’s direct deal with the federation is flat on the €3.5m per season the public-service broadcasters currently contribute to the EBU deal for rights in Germany.

IMG may be able to increase revenues in Scandinavia where there is currently strong competition, especially between multi-territory commercial and pay-television broadcaster Modern Times Group and US media company Discovery Communications.

A skiing rights expert said increases could also be earned in France, Czech Republic and Poland, and that a lucrative pan-European deal could be struck with sports broadcaster Eurosport. The expert added that IMG would be able to sell these rights more effectively than the EBU in the US and across Asia.

There is also some value in Italy, while Swiss public-service broadcaster SRG contributes roughly 10 per cent of the EBU total in the current cycle; about €850,000 per season.

IMG will benefit from the fact the Austrian races are some of the most prestigious in world skiing, chiefly the race at Kitzbühel and the federation’s two Four Hills events (the other two events in the tournament take place in Germany).



However, one source said that in markets where Infront has already agreed deals with broadcasters for 80 to 85 per cent of World Cup skiing content, IMG would have little leverage.

## Domestic renewal with ORF

Austrian public-service broadcaster ORF is also close to renewing a deal for domestic rights to Austrian skiing federation events.

The new deal will run for three seasons, from 2017-18 to 2019-20, and is expected to be worth about €3.4m per season. ORF will contribute at least €2.5m per season to production costs on top of its rights fee. The new deal was agreed between ORF, the ÖSV and Profile.

This represents an increase of about 10 per cent on ORF's previous five-season deal, from 2012-13 to 2016-17, worth about €3m per season. The broadcaster also covered production costs of about €2.5m per season on top of its fee (*TV Sports Markets* 19:7).

ORF is understood to have faced little competition for the rights.

Pay-television broadcaster Sky is thought to have seriously studied an offer as it recognises its need for winter sports, but did not bid as it was put off by the high price of the rights and large production costs. OTT service DAZN also showed interest, but declined to bid.

Any pay-television bid would have had to be substantial to encourage the federation to take the rights off free-to-air. The wide exposure ORF provides is vital to the federation securing lucrative sponsorship deals.

Commercial broadcasters Puls 4 and ATV, both under the ProSiebenSat.1 banner, did not bid.

Despite the lack of competition, ORF will pay an increase as the rights generate strong viewing figures: the men's slalom at Schladming in January attracted 1.6m viewers, while the men's downhill at Kitzbühel secured an audience of 1.4m – a market share of about 73 per cent.

ORF is the main broadcaster of skiing in Austria. It will show the Alpine and Nordic World Ski Championships in 2019 and 2021 after agreeing a deal with Infront worth close to €11m. It will also contribute toward production costs of the 2019 Nordic World Ski Championship which will be held in Seefeld, Austria. ORF contributed about €10m to the EBU deal for the 2015 and 2017 editions.

ORF also has a deal for all Fis World Cup international skiing events held by Infront. The deal – from 2016-17 to 2018-19, with an option to extend for the 2019-20 and 2020-21 seasons – is worth about €6m per season. ♦

## HANDBALL

# Large increase for EHF expected as 25 companies receive tender

By Robin Jellis

- EHF club and national team tender received by 25 companies; bids due by November 15
- Rights currently worth total of about €12m per season in deals with MP & Silva and Infront
- MP & Silva pays €7.5m-€8m per season for club rights; Infront pays total of €35m for Euros

**The European Handball Federation is expected to secure a large increase in the value of its club competition and national team media and marketing rights, with bids due in six weeks.**

Rights have been made available from summer 2020 to summer 2030. The most valuable rights are those for the EHF Champions League – available over 10 seasons from 2020-21 to 2029-30 – and the EHF Euro, the biennial national men's and women's tournament.

The EHF, handball's European governing body, is also selling rights to the men's and women's European Handball League and the EHF Cup, as well as qualifying matches for all its club competitions. As well as the Euros, it will sell Euro qualifier matches and youth and beach handball.

All these aforementioned rights are currently worth a total of about €12m (\$14.3m) per season.

One handball rights expert said: "The revenues from handball media and marketing rights are under-developed." The source added that any new deal(s) would "completely re-set the value of handball rights in Europe".

David Szlezak, managing director of EHF Marketing, the federation's marketing arm, told *TV Sports Markets* this week there were three main reasons why he expects the value of the EHF rights to increase in the new cycle.

"First, because of this leverage from bundling the rights and putting European handball as one on the market. Second, we are dealing with the products. We are further developing them following a clear logic of the market. Third, due to the current transformation of the media industry, combined with the fact the handball community is one of the largest sports communities in Europe, makes us feel confident."

A 126-page tender document was sent to interested parties on September 18, with bids due on November 15 by 12pm CET. It was received by 25 companies: 12 agencies and 13 media organisations. This includes the federation's two current agency partners: Infront Sports & Media and MP & Silva.

Global men's and women's European club competition media rights are currently held by MP & Silva in a seven-season deal, from 2013-14 to 2019-20, for which the agency pays a minimum guarantee of between €7.5m and €8m per season (*TV Sports Markets* 17:13). It is understood the agency is currently earning between €11m and €12m per season from the rights.

Global media and marketing rights to the men's and women's Euro are currently sold by Infront in a deal covering four editions: 2014, 2016, 2018 and 2020. The agency pays the EHF €35m for these rights, split equally per two-tournament cycle (€17.5m for each). Infront is understood to earn between €28m and €30m per two-tournament cycle.

The tender has also been sent to: the IMG and Lagardère Sports agencies; the European Broadcasting Union, the consortium of Europe's public-service broadcasters; US media company Discovery Communications; US media group Turner; digital media company Perform; internet company Amazon; social media platform Twitter; public-service broadcasters in Denmark (DR), France (France Télévisions) and Germany (ARD and ZDF); and French commercial broadcaster TF1.

The federation will arrange production for the Final Four of the men's and women's Champions League and European Handball League competitions. A live feed for other club competition matches must be produced by the winning bidder(s).

The EHF will also ensure that national federations or event organisers produce a live feed for all qualification matches of the men's and women's Euro, and all matches of the main court of the men's and women's Beach Euro.

The federation's rights are on the market at the same time as those for the other most important handball property: the International Handball Federation World Championships. Bids for global rights to the 2019 and 2021 Championships are due by September 30. Global rights to the 2015 and 2017 editions were bought by beIN Media Group for CHF100m (€87m/\$104m) (*TV Sports Markets* 18:1).

However, the fee for rights to the 2019 and 2021 World Championships is not expected to increase much, if at all. BeIN paid a strategic premium for the rights as both editions were hosted in key territories for its business – 2015 was in Qatar and 2017 in Paris.

The last time IHF rights were sold, beIN's bid was comfortably higher than that of the second-highest bidder. BeIN's desire to win the rights this time is understood to be much lower as it focuses its efforts on premium football content.

## Complex tender

EHF Marketing is being advised on the sale of its media and marketing rights by SN1 Consulting, the consultancy run by media-rights executive Sascha Kojic.

Kojic was vice president sports for Central and Eastern Europe, Middle East and Africa at Discovery from February 2016 to February 2017, and chief representative for Germany, Austria, Switzerland and

Eastern Europe at MP & Silva from March 2012 to February 2016. Before this he worked at the Sportsman Media Group agency, now owned by sports media group Sportradar.

There are almost two months between the issue of the tender and the bid deadline due to the complexity of the tender and the amount of content it includes: there is an average of more than 900 EHF club and national team games per season. The period should allow companies adequate time to prepare an offer and to secure board approval where necessary.

Rights are available on a modular basis, meaning bids can be made for specific packages, a combination of packages, or all packages. The EHF and SN1 Consulting have offered seven media-rights packages and three marketing-rights packages. The EHF hopes to announce its decision before Christmas.

#### European Handball Federation media rights packages in 2020-2030 tender

Package	Content	Number of matches	Transmission
A	EHF club competitions, including qualification matches	More than 600 per season	Free and pay
B1	Men's and women's Euro	Between eight and nine per territory every two years	Free only
B2	Men's and women's Euro, including qualification matches and EHF Beach Euros	Between 359 and 367 every two years	Pay only
B3	Men's and women's Euro, including qualification matches and EHF Beach Euros	Between 359 and 367 every two years	Free and pay
C1	Package A plus Package B1		Free and pay for club competitions, free only for national team competitions
C2	Package A plus Package B2		Free and pay for club competitions, pay only for national team competitions
C3	Package A plus Package B3		Free and pay for club competitions and national team competitions

Source: TV Sports Markets

The federation will be present at the Sportel Monaco trade fair in October to hold meetings with interested companies.

The federation has chosen to sell all its rights at the same time as it believes doing so will be far more valuable. This approach is possible as many of its most important agreements end at the same time.

Its media-rights deals with MP & Silva and Infront end in 2019-20 and 2020 respectively, while a sponsorship deal with Velux and a hosting deal with the Lanxess Arena in Cologne for the Champions League Final Four competition both expire at the end of the 2019-20 season (*TV Sports Markets* 21:11).

From 2020, the men's EHF Euro will expand from 16 to 24 teams, while the format of the Champions League is set to change to a round robin system. ♦

## TV AFRICA

# Fox expands football rights portfolio with two new leagues

By Callum McCarthy

- Fox Sports Africa buys English Football League and Turkish Süper Lig rights across region
- EFL deal is worth \$500,000 per season from 2017-18 to 2021-22 for non-exclusive content
- Exclusive Süper Lig deal is worth just under \$150,000 per season from 2017-18 to 2019-20

**Fox Sports Africa has bolstered its European football content by acquiring rights to the English Football League and the Turkish Süper Lig across sub-Saharan Africa.**

The pay-television broadcaster's deal for non-exclusive rights to English football's second-tier Championship, third-tier League One and fourth-tier League Two is for five seasons, from 2017-18 to 2021-22. The deal is worth about \$500,000 (€418,850) per season and was struck with the Pitch International agency.

Fox will share rights in the region with sports broadcaster Kwesé Sports, which holds exclusive rights to the English League Cup and non-exclusive rights to the Championship, League One and League Two. Kwesé's deal with Pitch is also for five seasons, from 2017-18 to 2021-22, and is worth just under \$4m per season (*TV Sports Markets* 21:8).

Fox's three-season deal for exclusive English-language Süper Lig rights, from 2017-18 to 2019-20, was agreed with beIN Media Group and is worth just under \$150,000 per season. It is the first time the Süper Lig has been broadcast in sub-Saharan Africa.

The EFL provides Fox with a large amount of live content to fill its schedules, while the Süper Lig broadens its portfolio of football leagues. Fox also holds rights to the Belgian Pro League, Dutch Eredivisie, French Ligue 1, Scottish Professional Football League and Major League Soccer.

The two new deals are particularly well-timed, as Fox is expected to face strong competition from Kwesé when Ligue 1 rights are sold across Africa in the coming months. Ligue 1 is the top football property in Fox's portfolio and the broadcaster is considered unlikely to hold onto the rights.

Its current three-season deal for English-language Ligue 1 rights, from 2015-16 to 2017-18, is worth \$2m per season. Fox sublicenses two matches per week to pay-television operator StarTimes for about \$1m per season (*TV Sports Markets* 19:16).

Ligue 1 international rights are currently held by beIN in a six-season deal, from 2012-13 to 2017-18, worth €32.5m per season. BeIN's deal for international rights in the next cycle, from 2018-19 to 2023-24, will be worth €80m per season (*TV Sports Markets* 18:11).

Pitch's deal for EFL international rights is worth \$32m per season, from 2017-18 to 2021-22 (*TV Sports Markets* 21:16).

## Committed to pan-regional strategy

Fox Sports Africa's business relies on earning carriage fees from pay-television operators such as StarTimes. Acquiring season-long football content will help prevent these fees from declining while the broadcaster pivots towards African sport.

Its 12-year joint-venture with the West African Football Union, from 2017 to 2028, comes with a 12-year optional extension from 2029 to 2040, and is currently the centrepiece of Fox's African offering (*TV Sports Markets* 20:22). Wafu is made up of 16 nations, including Côte d'Ivoire, Ghana, Nigeria and Senegal.

The 2017 edition of the Wafu Cup of Nations – a national-team tournament with teams comprised almost solely of Africa-based players – was well produced, and Fox is aiming to build the tournament's brand over the coming years so it can become integrated into the Confederation of African Football and Fifa calendars.

Fox is spending about \$3m per year on production and operational costs, but this could increase if Wafu succeeds in adding new competitions and tournaments. Fox and Wafu are seeking to increase the amount of content in their deal, and are currently negotiating with Caf to create a qualifying stage for its junior tournaments.

Some industry experts have questioned Fox's investment in what was a defunct regional confederation. However, Fox believes its African channel should have an African identity.

Fox is uninterested in acquiring rights to domestic African leagues as they have limited appeal outside of the respective country. Sources close to Fox say it is committed to content with pan-regional appeal.

## UFC rights hang in the balance

As well as facing competition for Ligue 1, Fox's recent acquisitions will help to fill any potential void created by the loss of its rights to the Ultimate Fighting Championship in sub-Saharan Africa.

Fox's four-year deal for exclusive English-language rights to the UFC across the region, from 2015 to 2018, is worth an average of \$420,000 per year. The broadcaster's chances of retaining the rights are understood to rest upon the success of its American counterpart, as the IMG agency's asking price for the rights in Africa is likely to exceed what Fox will be willing to spend.

Fox holds exclusive UFC rights in the US, from 2012 to 2018, in a deal worth an average of \$129.6m per year (*TV Sports Markets* 20:22). The US broadcaster's exclusive negotiating window expires on September 30 and negotiations with other broadcasters in sub-Saharan Africa are on hold until then.

Sources close to the promotion say a multi-territory deal encompassing at least the US, sub-Saharan Africa and Australia – all territories where Fox currently holds rights until the end of 2018 – is being considered.

Industry insiders doubt whether the promotion can reach its target of between \$440m and \$460m per year from one or more media-rights deals in the US.

Should the promotion sell rights on a standalone basis in the US, Fox is likely to lose the rights in Africa. Pay-television broadcasters SuperSport and KweSé are both interested and sources say that, should rights in sub-Saharan Africa be sold separately, SuperSport would be IMG's preferred destination for the rights. ♦

## BOXING

# Álvarez vs. Golovkin proves a success, exceeding expectations

By Callum McCarthy

- Álvarez vs. Golovkin set to earn between \$85m and \$90m from US residential PPV buys
- Rights in the UK acquired by BoxNation in a deal worth between £400,000 and £500,000
- The fight generated between \$1.5m and \$2m outside the US, Mexico and Kazakhstan

**Golden Boy Promotions and HBO are expected to earn between \$85m (€71m) and \$90m in US residential pay-per-view revenue from the middleweight world title fight between Saúl Álvarez and Gennady Golovkin, *TV Sports Markets* understands.**

Sources close to the promoter and broadcaster say the event will comfortably exceed 1m PPV buys in the US, with some experts expecting close to 1.2m. One report in the US has suggested the event has amassed 1.3m buys. The PPV cost \$79.95 in high definition and \$69.95 in standard definition.

US PPV revenue is split between Golden Boy (Álvarez's promoter), K2 Promotions (Golovkin's promoter), the respective US cable operator via which the event was ordered, and pay-television broadcaster HBO. It is thought that, of the share of revenue taken by the promoters (thought to be about 50 per cent), Golden Boy earned between 60 and 70 per cent.

Revenues are much smaller outside the US, but experts say Mexico was the second-most lucrative market by a distance. Mexican commercial broadcasters Azteca and Televisa simulcast the fight.

Golden Boy was responsible for sales in almost all markets including the US, where it has a long-term deal with HBO. It is understood the IMG agency – K2 Promotions' media-rights adviser – was awarded rights in the Nordics as part of the bout agreement. K2 also retained rights in Kazakhstan, where they were passed on to state broadcaster Qazaqstan.

## Other markets

The UK was the biggest market for the rights outside the US and Mexico. Pay-television broadcaster BoxNation acquired the rights for a guarantee of between £400,000 (€451,770/\$539,280) and £500,000.

BoxNation subscribers received the fight as part of their subscriptions, but those subscribing to BT Sport packages (which include BoxNation) had to buy the fight on PPV for £16.95. One source said the fight did "great business for 5am" – when the fight was aired in the UK – but is expected to fall short of pre-fight expectations of about 150,000 buys/new subscriptions.



It was BoxNation's first PPV event. The broadcaster acquired PPV rights to show the second bout between Wladimir Klitschko and Tyson Fury in October 2016, but the event was later cancelled. BoxNation faced competition from pay-television broadcaster Sky, which also planned to show the fight on PPV. It is understood each broadcaster offered a similar guarantee.

Álvarez vs. Golovkin was also shown on PPV in Australia, Malaysia, New Zealand, the Nordics and the Philippines. Of these markets, only Australia and the Nordics is expected to have generated significant revenue.

Experts believe the fight will have generated between \$1.5m and \$2m in media-rights and pay-per-view revenue outside the US, Mexico and Kazakhstan.

In France, pay-television broadcaster beIN Sports paid about €40,000 for the rights. BeIN faced competition from pay-television broadcaster Canal Plus.

OTT service DAZN acquired rights in Germany, Austria and Switzerland for about €25,000 in a sublicensing deal with CSI Sports – thought to be part of a package deal spanning multiple boxing events. CSI Sports owns multi-territory basic-tier broadcaster Fight Sports, which held live rights in Germany, Austria, Switzerland, Belgium and Indonesia. CSI also sublicensed rights in Indonesia to commercial broadcaster TVOne.

Rights in South Africa and sub-Saharan Africa were acquired by pay-television broadcaster SuperSport and sports broadcaster Kwesé Sports respectively. The two deals were completed with the Protocol Sports Marketing agency and were worth a total of about \$30,000.

## MayMac comparison unfair

The amount earned by Floyd Mayweather Jr. vs. Conor McGregor in a deal with US pay-television broadcaster Showtime – about \$425m – demonstrates the gap between almost all traditional boxing matches and one-off spectacles.

The chasm in fees was replicated outside the US. DAZN is thought to have paid €500,000 for Mayweather vs. McGregor in Germany, Austria and Switzerland, with most of this paid via a share of revenue earned from new subscribers.

In France, Canal Plus paid just over €300,000. SuperSport held rights to the fight across sub-Saharan Africa, paying about \$400,000.

While the event's crossover appeal and the global popularity of its participants exceeded that of Álvarez and Golovkin by a distance, boxing insiders suggest the IMG agency – which held international rights to the event – benefitted from only having a standalone event to sell.

In the case of Álvarez vs. Golovkin, it is understood Golden Boy favoured broadcasters that hold rights to the promotion's lower-tier fights. Broadcasters often acquire these from US boxing promotions to develop relationships, in the hope of being favoured in bidding processes for larger events. ♦

## BASKETBALL

# Tencent close to direct deal for CBA rights; others likely to follow

By David Cook

- Tencent set to pay about \$25m per season for CBA digital rights, for three or five seasons
- CBA earned total of less than \$30m from digital rights deals in the 2016-17 season
- Association targeting total media-rights income of about \$60m per season in new cycle

**Online streaming platform Tencent is close to agreeing a deal for domestic Chinese Basketball Association rights for a fee close to the total value of the association's digital rights last season.**

*TV Sports Markets* understands Tencent will pay about \$25m (€21m) per season for digital media rights, and that the deal is unlikely to be exclusive. The deal will last for either three or five seasons from 2017-18 onward. A source close to Tencent said talks are ongoing but an agreement has not yet been finalised.

Basketball is integral to Tencent's offering. It pays a minimum of \$150m per season for digital NBA rights – the most popular property in China – in a five-season deal, from 2015-16 to 2019-20 (*TV Sports Markets* 20:21). It also shows International Basketball Federation (Fiba) events in a nine-year deal, from 2017 to 2025, for which it pays about \$10m per year (*TV Sports Markets* 20:9).

The CBA is targeting media-rights income of about \$60m per season in its new cycle and will need to agree deals with more platforms to achieve this target.

Tencent was one of seven streaming platforms to hold CBA digital rights in the last cycle. Tencent, LeSports and PPTV showed the competition in 2015-16 and were joined by Alisports, Baofeng, Sohu and YY Sports in the 2016-17 season. The CBA's total income from digital rights in 2016-17 was less than \$30m.

In 2016-17, state broadcaster CCTV showed seven games per week on linear television and several regional channels broadcast the home games of their local team.

All aforementioned digital platforms held rights to all games, including the regular season, the CBA All-Star game, and the playoffs.

Tencent, PPTV and LeSports could stream matches on their website, mobile devices and OTT services. Sohu and Alisports held website and mobile streaming rights. YY Sports' deal only covered website streaming. Baofeng's deal covered streaming on its website and mobile devices, as well as the playback of matches via its virtual-reality product.

## CBA opts for direct sale

For the first time in at least a decade the CBA has opted to sell its media rights directly.

The CBA did not renew its long-running media and marketing rights partnership with the Infront Sports & Media agency when it expired earlier this year. Infront had held CBA rights from 2005-06 to 2011-12, paying \$10m per season, and from 2012-13 to 2016-17, paying \$48m per season (*TV Sports Markets* 21:6).

Though the CBA consulted with the IMG agency on how it should structure its rights for sale in the new cycle, IMG has not been involved in the sales process.

It now seems certain the CBA will continue to sell its rights directly in its new cycle, rather than selling the rights to an agency. ♦

## MOTORSPORT

# Formula One free-to-air package grows revenue further in France

By Robin Jellis

- TF1 buys F1 free-to-air package for about \$3m per year for three years, from 2018 to 2020
- Deal follows Canal Plus renewal in May, from 2018 to 2020, worth just over \$60m per year
- In the current cycle, 2013 to 2017, F1 rights in France are worth just over \$40m per year

**Formula One Management has increased its media-rights income from France following last week's free-to-air deal with commercial broadcaster TF1.**

The three-year deal, from 2018 to 2020, will be worth close to \$3m (€2.5m) per year. TF1's offer is understood to have been only slightly ahead of that of the other bidder, public-service broadcaster France Télévisions.

The agreement represents the first time FOM, the commercial rights-holder of the F1 championship, has carved out a separate package of free-to-air rights in the country.

In May, FOM agreed a three-year deal for all F1 content with pay-television broadcaster Canal Plus. That deal will also run from 2018 to 2020 and will be worth just over \$60m per year. Canal Plus will cover production costs on top of its rights fee (*TV Sports Markets* 21:8).

Commercial broadcaster M6 expressed interest in the free-to-air package, but did not bid as it felt its ratings would be too low given live coverage would be shown simultaneously by Canal Plus.

The TF1 agreement means the total value of FOM's rights in France from next year will increase by about 58 per cent compared to 2017 – from just over \$40m per year to about \$63m per year.

This is a good result, especially considering FOM has secured free-to-air coverage of four races per year on the largest French commercial broadcaster and carved out the right to launch an F1-branded OTT offering in the country.

FOM issued a tender for its rights in France earlier this year, with bids due on April 21. It agreed the pay-television deal with Canal Plus before the free-to-air deal as the former is far more valuable.

## TF1 agreement details

Under its deal, TF1 will have the right to show four grands prix live, including those hosted in France and Monaco. These four grands prix will also be shown non-exclusively by Canal Plus. Under local listed-events legislation, the French grand prix must be shown live on free-to-air.

The French grand prix is returning to the Formula One calendar in 2018 after a 10-year absence. TF1 can choose the other two grands prix it will show, though one must be held in the Americas.

Rather than having coverage of only the French grand prix on free-to-air, FOM opted to create a larger package for two main reasons.

First, FOM was keen to increase its exposure as it recognises its popularity and the strength of its brand in France has decreased since moving fully to pay-television in 2013, and the lack of a French grand prix on the calendar. From 2008 to 2012, all F1 rights were held by TF1 in a deal worth about \$37.5m per year.

Second, due to the strong competition in the country for pay-television rights – between pay-television broadcasters beIN Sports, Canal Plus and SFR Sport – FOM felt creating a larger package of free-to-air rights would not significantly dilute the value of the main package.

Some local media-rights experts believe having live F1 coverage on free-to-air will grow interest in the sport and may help Canal Plus attract new subscribers.

As well as the live rights, the TF1 deal includes highlights of all grands prix. The broadcaster will dedicate part of its weekly motorsport programme *Automoto* to Formula One. ♦

## FOOTBALL

# Eleven is latest Serie A partner ahead of domestic rights auction

By Frank Dunne

**Eleven Sports will begin showing live Serie A matches in Italy this weekend, in a deal which will cost the company nothing but could have multiple advantages.**

Eleven, the sports channel operator owned by Andrea Radrizzani, has acquired a licence to distribute the joint-venture channel created by Lega Serie A and telco Telecom Italia which shows three live Serie matches each match-day non-exclusively. The deal will run until the end of the 2017-18 season.

It is understood the company did not pay an upfront fee. Matches will be shown on a pay-per-view basis on Eleven's OTT service Sportube. Revenue will be shared with the league.

Eleven revenues probably won't be substantial for matches priced at €1.99 (\$2.37) each or €3.99 for all three per match-day. These same matches will also be shown by domestic pay-television broadcasters Sky and Mediaset Premium.

But the deal has two benefits: it transforms the positioning of Sportube from a marketing perspective – its top football content up until now has been third-tier Serie C matches – and makes Eleven a player in the market for Serie A rights ahead of the next domestic rights auction, expected in November.

One informed football source said: "This is a smart move by Eleven. The fact they even knew this type of deal was possible shows they are well informed. And they can make an awful lot of noise on the back of having Serie A."

He said a more interesting question was why the league would do such a deal now, over a month into the final season of the current rights cycle. "This will not add millions to the league's income, so it could be a signal to the market that the league has alternatives for its IPTV rights. But it's a gamble. It will annoy Sky and Mediaset and nobody really expects Eleven to bid tens of millions of euros for Serie A next time."

The IPTV rights were originally offered to the market with a reserve price of €109m per season in the last domestic rights auction, in May 2015. After receiving no bids, the league reduced the price to €55m per season that July.

After still receiving no interest in the package, it decided to produce its own streaming product together with Telecom Italia, the league's main sponsor, which launched in August 2015. The TIM app also offers Serie A matches at €1.99 each or €3.99 for all three per match-day.

The league was also unsuccessful in attracting satisfactory bids for IPTV rights in its failed auction in June for its next three-season cycle, from 2018-19 to 2020-21.

OTT service DAZN offered €25m per season each for two packages each priced at €100m per season. Each contained non-exclusive rights to the matches of four teams. Perform is understood to be very keen to launch DAZN in Italy but will only invest in rights that drive subscriptions. ♦

## GOLF

# DSport outbids Ten Sports to acquire US PGA Championship

By David Cook

**Pay-television broadcaster DSport is paying a slightly higher fee than previous rights-holder Ten Sports for the US PGA Championship in the Indian subcontinent.**

DSport will pay an average of \$175,000 (€147,000) per year for the rights for five years, from 2017 to 2021. This is a nine-per-cent increase on the fee paid by pay-television broadcaster Ten. Ten paid \$160,000 per year in a four-year deal, from 2013 to 2016.

The deal was agreed with the IMG agency. IMG has a deal with the PGA of America to distribute international rights to the PGA Championship for five years, from 2017 to 2021. The rights were not tendered.

DSport is determined to acquire rights to golf majors to create a niche position in a market dominated by pay-television broadcasters Sony Pictures Networks India (which agreed to buy Ten in August 2016) and Star India.

DSport has already acquired rights to the US Open and the Open Championship, worth \$172,500 per year and \$125,000 per year respectively (*TV Sports Markets* 21:11; 21:14). The US Masters is the only major for which DSport does not hold the rights in India.

IMG pressed Ten to renew its rights late last year. The broadcaster initially offered a reduced fee and failed, even after increasing its bid in the face of interest from DSport. The higher fee offered by DSport was not the only reason why IMG sold the rights to the broadcaster: DSport's commitment to golf was also a factor.

Since the PGA Championship deal was struck, Ten has since been sold to Sony by Zee Entertainment Enterprises for \$385m and its channels have been rebranded as Sony Ten. Ten made its bids for PGA Championship rights prior to the completion of the takeover, but even at that point Ten was unsure about its future commitment to golf.

Sony's acquisition included the Ten Golf channel, but it is unclear what Sony's strategy will be regarding golf rights. Sony paid \$40,000 to show the US Open in 2016, but did not compete with DSport for those rights when they were sold earlier this year.

DSport launched in February as a partnership between US media company Discovery Communications and Indian broadcast executive RC Venkatesh. ♦



## FOOTBALL

# Globo keeps out Silicon Valley for streaming, lowballs on TV

By Frank Dunne

**Brazilian media group Globo is understood to have paid a substantial premium to acquire non-exclusive domestic digital rights to Brazil matches, but would not meet the federation's valuation of its linear television rights.**

The Brazilian football confederation, the Confederação Brasileira de Futebol, offered two packages to the market. The first contained exclusive linear and non-exclusive digital rights. The second contained non-exclusive digital rights only. Both packages contained rights to 37 matches between November 2017 and the 2022 Fifa World Cup: nine qualifying matches and 28 friendly matches.

Globo made a knockout bid of close to \$30m (€25.2m) to acquire the second package. The CBF had set a reserve price of \$18.5m, with each match valued at \$500,000. Globo still wants to acquire the first package, but did not want another bidder to undermine its exclusivity.

Local experts say Globo's main concern is not the digital platforms of rival broadcasters but keeping major internet players like Amazon, Facebook and Twitter out of the market.

The CBF set a reserve price of \$3.5m per match for the first package, \$129.5m in total. Prior to its deal expiring in 2016, Globo paid between \$1m and \$2.5m per Brazil home match, depending on its status.

As the long-term broadcaster of Brazil matches, Globo sees itself as favourite to land the television rights – and is generally considered to be so – but if it lowballs, experts say, it risks letting rivals in.

For Brazil's matches against Argentina and Australia in June, the CBF awarded the rights to public-service broadcaster TV Brasil and free-to-air network TV Cultura respectively. The federation has not yet decided how it will package the linear rights when it comes back to the market.

The sales process has been handled by the Synergy Sports agency, which the CBF appointed in August. Synergy's contract was timed to expire this week, as the agency was also bidding for rights to the club competitions of Conmebol, the governing body for football in South America (see story, page 3).

The Conmebol tender excluded agencies also working for one of its member federations. Having lost out in the tender for Conmebol rights, Synergy is expected to try to renew its advisory agreement with the CBF. ♦

## RUGBY UNION

# Pro14 finalises lucrative African deal as UK deadline is extended

By Robin Jellis

**The Pro14 cross-border rugby union league secured the medium-term future of its new format with the agreement of a lucrative deal across sub-Saharan Africa earlier this month.**

Pay-television broadcaster SuperSport's deal is thought to be for six seasons, from 2017-18 to 2022-23, and worth close to \$10m (€8.4m) per season. The agreement was struck by SuperSport together with the Pro14 and the South African Rugby Union, which was advised by the IMG agency.

SuperSport agreed the deal ahead of the start of the new season after two South African teams joined the league: the Cheetahs and the Southern Kings (*TV Sports Markets* 21:14).

A source close to SuperSport suggested that rather than a six-season deal, the agreement will run for two seasons, after which there is an option to extend the deal for the following four seasons. This is thought to be for two reasons. First, to allow the broadcaster to assess the product. Second, as further South African teams may be added to the league from 2019-20 onward.

Meanwhile, the league's deadline for bids in the UK and Ireland was pushed back after a request from pay-television broadcaster Sky. The initial deadline was September 4, but was extended to September 29. The league currently has a patchwork of deals with multiple broadcasters across the UK and Ireland over four seasons, from 2014-15 to 2017-18, worth about £10m (€11.3m/\$13.5m) per season.

The Pro14 is expecting offers from seven broadcasters for rights in a new five-season cycle, from 2018-19 to 2022-23. These are: pay-television broadcasters BT Sport, Eir Sport and Sky; public-service broadcaster the BBC; Welsh public-service channel S4C; Gaelic-language channel TG4; and Irish commercial broadcaster TV3.

Local media-rights experts expect the league to retain at least some free-to-air coverage, although this may be via a pay-television gatekeeper deal. The value of any new deal(s) is expected to be between £18m and £20m per season.

The likely increase in rights fee is set to be driven by strong interest in Ireland, with Eir and TV3 said to be especially interested in the rights.

In the current cycle, Sky pays about £5.5m per season. BBC Northern Ireland pays about €650,000 per season. TG4 pays about €800,000 per season in Ireland. BBC Scotland and BBC Alba pay about £140,000 per season in Scotland. BBC Wales and S4C pay about £3.2m per season in Wales. ♦

## PARALYMPIC GAMES

# TVNZ-Attitude pay higher fee to renew Paralympics rights in NZ

By David Cook

**New Zealand public-service broadcaster TVNZ, in partnership with production company Attitude Pictures, has renewed its deal for Paralympic Games rights for an increase of around 30 per cent.**

The new deal covers the 2018 winter Games and the 2020 summer Games. Its previous deal covered the 2014 winter Games and the 2016 summer Games. TVNZ-Attitude will pay a total of slightly less than \$100,000 (€83,700) in total for the rights. This value will be split roughly two-thirds for the summer Games and one-third for the winter Games. The fee is up from about \$70,000 in the previous cycle.

No other broadcasters challenged TVNZ-Attitude for the rights. Pay-television broadcaster Sky, which held rights to the 2012 Games, never showed a willingness to match TVNZ's spending on the event. Its bid for the 2014 and 2016 Games was just \$9,000.

TVNZ will produce the live coverage, while Attitude will produce the highlights coverage. Attitude will show live events on its AttitudeLive.com streaming platform on a non-exclusive basis. This coverage will include on-demand, clips and highlights coverage. TVNZ will simulcast its linear television coverage online. TVNZ and Attitude have the option to sublicense highlights rights.

## TVNZ and Attitude partnership

Attitude produces 35 documentary programmes per year for TVNZ about disabilities. It was this existing partnership which led to both parties bidding together for rights in the 2014 to 2016 cycle.

TVNZ and Attitude were keen to renew their deal for two main reasons. First, showing the Paralympics ties in with the ongoing partnership between both parties. Second, New Zealand's performance at the 2016 Games generated interest in the event and have made the rights more appealing. New Zealand finished 13th in the gold medal table as the Games were watched by a peak audience of 2.2m viewers.

The International Paralympic Committee, the commercial rights-holder, did not tender the rights, instead agreeing the deal directly with TVNZ and Attitude. In general, the IPC believes that long-term broadcast partnerships help develop interest in the Games, and it was happy with the viewing figures on TVNZ for 2014 and 2016. ♦

## MOTORCYCLING

# MotoGP fee stays relatively flat in Greek renewal with Cosmote

By Callum McCarthy

**Dorna Sports has prevented a decline in the value of MotoGP rights in Greece, renewing its deal earlier this month with Cosmote for about the same fee.**

Pay-television broadcaster Cosmote will continue to pay just over €300,000 (\$358,000) per year for exclusive MotoGP rights in a three-year deal, from 2018 to 2020.

Cosmote first acquired MotoGP rights in 2012 (when it was known as OTE), with the fee having risen very slightly since then. Its first deal for MotoGP rights, from 2012 to 2014, is thought to have been worth just under €300,000 per year (*TV Sports Markets* 18:11).

Local sources believe the new deal demonstrates the strength of MotoGP in Greece. Due to Greece's ongoing economic turmoil, only top-tier properties – such as the English Premier League, Greek Superleague and Euroleague basketball – have earned significant increases in value in recent years.

Cosmote's acquisition budget is currently restricted due to a lack of pay-television subscriber growth over the past six months. Cosmote's pay-television business reached 500,000 subscribers in January, but is not thought to have increased since then. It lost about 1,000 subscribers in Q2 of 2017.

This has meant the broadcaster is struggling to meet US media group Discovery Communications' asking price for carriage of the latter's channels. Negotiations between the two sides are ongoing. The current agreement expires on September 30.

Discovery-owned sports broadcaster Eurosport is still carried on Greece's two other major pay-television operators, Nova and Vodafone. But failure to complete a deal with Cosmote would decrease its reach in Greece to about 440,000 households, down from about 940,000.

Eurosport holds rights to all four grand slam tennis tournaments in Greece, as well as rights to Major League Soccer and the Tour de France. It will also show coverage of the next four Olympic Games, from 2018 to 2024. ♦

## HORSE RACING

# ITV grows horse racing portfolio with Prix de l'Arc de Triomphe

By David Svenson

**UK commercial broadcaster ITV this month extended its horse racing portfolio by acquiring rights to the 2017 Prix de l'Arc de Triomphe for a nominal fee.**

The one-year deal, thought to be worth about £20,000 (€23,000/\$27,000), brings the race back to free-to-air television in the UK.

Pay-television broadcaster Sky acquired rights to last year's edition after commercial broadcaster Channel 4 decided against extending a sequence of rolling one-year deals, which had seen it broadcast the race from 2013 to 2015. Channel 4 is thought to have paid about £15,000 each year.

The Prix de l'Arc de Triomphe is run by France Galop, the governing body of flat and steeplechase horse racing in France. France Galop is advised on the sale of its international rights by the IMG agency.

The deal strengthens ITV's horse racing portfolio. It is in the first year of a four-year deal with Racecourse Media Group, from 2017 to 2020, for rights to most UK horse racing events. The deal is worth about £7.5m per year (*TV Sports Markets* 20:1).

RMG distributes media rights on behalf of 34 UK racecourses. These rights were held by Channel 4 in a four-year deal, from 2013 to 2016, worth about £5m per year.

Channel 4 chose not to compete for the Prix de l'Arc de Triomphe rights this year. The race was complementary to its UK horse racing coverage and holds little value to it now it has lost these rights.

The Prix de l'Arc de Triomphe rights are non-exclusive as pay-television broadcasters At The Races and UK Racing will both show the race.

French commercial broadcaster TF1 holds domestic rights to the Prix de l'Arc de Triomphe in a three-year deal, from 2016 to 2018, as part of a wider package of French horse racing events operated by rights-holders France Galop and LeTrot. ♦

## TENNIS

# Wide coverage secured but little revenue earned for Laver Cup

By David Svenson

**The stakeholders involved in last week's inaugural Laver Cup were happy with its global distribution, though it is thought to have generated little media-rights revenue.**

The Laver Cup pits a team of European players against a team representing the rest of the world, seeking to emulate the success of golf's Ryder Cup. It was organised by Roger Federer's Team8 Agency, and the governing bodies of tennis in Australia and the US.

Media-rights distribution and production is managed by Tennis Australia. The rights were sold on a standalone basis in some territories and added to Tennis Australia's package of rights – which includes the Australian Open grand slam – in others.

The value of standalone Laver Cup deals was nominal. Richard Heaselgrave, commercial director of Tennis Australia, refused to comment on deal values, but told *TV Sports Markets* that “wide distribution was the priority over revenue”.

The Laver Cup was broadcast live in 192 territories, while highlights deals were struck in a further nine countries. In most territories, Tennis Australia agreed one-year deals. It struck a three-year deal with international sports broadcaster ESPN covering Brazil, Latin America and the Caribbean, from 2017 to 2019.

Heaselgrave explained the tournament's stakeholders “are trying to build the brand” and that a “short-term, three-year view was taken when dealing with both media rights and sponsorship deals as we want the event to become much larger in scale over time”.

The longevity of the tournament and its commercial appeal relies on the players it can attract. Heaselgrave said: “Initially it was a hard sell as broadcasters wanted to know exactly what they were acquiring before the event had begun.” ♦





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# DEALS ROUND-UP

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## FOOTBALL

- ◆ Polish public-service broadcaster TVP agreed a sublicensing deal for Uefa Champions League rights with the club competition's domestic rights-holder, pay-television operator NC Plus. TVP1 will broadcast one match per week during the 2017-18 season.
- ◆ Digital-terrestrial broadcaster BritAsia TV acquired rights for the Indian Super League club competition. The multi-year deal begins on November 17.
- ◆ The China Sports Media agency acquired rights to the East Asian Football Federation's 2017 E-1 Championship national team tournament, which will take place in Japan in December.
- ◆ Media group Globo acquired non-exclusive digital media rights to Brazilian national team matches (page 25).
- ◆ Super Sports Media Group acquired exclusive digital media rights to the Uefa Nations League national team tournament in China, covering 2018-19 and 2020-21.
- ◆ Pay-television broadcaster beIN Sports agreed a deal in Australia for competitions organised by the English Football League, which operates the League Cup and the three divisions below the top-tier Premier League. The deal is for five seasons, from 2017-18 to 2021-22.
- ◆ International sports broadcaster Eleven Sports acquired digital rights to live-stream Italian Serie A matches in Italy (page 22).

- ◆ Goal.com, the website owned by digital media company Perform, signed a media partnership with international pay-television broadcaster Fox Sports for the 2017 West African Football Union Nations Cup.
- ◆ Costa Rican media group Teletica said it would retain exclusive television rights to the 2018 Fifa World Cup national team tournament after failing to strike a sublicensing deal with media group Repretel.
- ◆ Sports broadcaster ESPN joined forces with several US operators to simulcast coverage of Liga MX, Mexico's top division, as part of a fundraising initiative to support people affected by natural disasters in the Americas. Basic-tier broadcaster Azteca America, beIN Sports, ESPN, multi-territory commercial and pay-television broadcaster Fox, basic-tier broadcaster Fusion TV, basic-tier broadcaster UniMás and pay-television broadcaster Univision Deportes aired more than 10 hours of Liga MX action.

## OTHER SPORTS

- ◆ **American Football:** Social media platform Facebook agreed a multi-year deal with the NFL for rights to highlights and ancillary content.
- ◆ **Athletics:** London Marathon Events extended its global rights deal with the TCB Sport Media agency for three years, from 2018 to 2020.
- ◆ **Basketball:** The NBA agreed a multi-season deal with digital media company Vice Media. The Vice Sports arm of Vice Media will produce a range of original mobile and digital NBA content which will be available worldwide.



# DEALS ROUND-UP

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- ◆ **Basketball:** Sports broadcaster ESPN acquired rights in Australia to three upcoming friendly matches between teams from the domestic National Basketball League and the NBA. ESPN will broadcast the Sydney Kings vs. Utah Jazz on October 3, Melbourne United vs. Oklahoma City Thunder on October 9, and Brisbane Bullets vs. Phoenix Suns on October 14.
- ◆ **Basketball:** Australian public-service broadcaster SBS extended and expanded its rights deal with the NBL to show two live games each match-week in 2017-18.
- ◆ **Basketball:** The Pro Basketball League, the top-tier club competition in Belgium, agreed a partnership with sports streaming service Fanseat, covering 2017-18 only.
- ◆ **Boxing:** Showtime acquired the US rights to world heavyweight champion Anthony Joshua's defence against Kubrat Pulev after reportedly beating a strong bid from pay-television rival HBO. The fight takes place at the Principality Stadium in Cardiff on October 28.
- ◆ **Cycling:** International sports broadcaster Eurosport acquired exclusive rights in 36 European countries to the International Cycling Union's (UCI) World Championship events, from 2017 to 2020. Eurosport will hold rights to all UCI events across Europe, except in France, Norway, Sweden, Denmark, Iceland and Finland. Its coverage will be non-exclusive in: Albania, Austria, Belgium, Czech Republic, Germany, Italy, Netherlands, Poland, Slovakia, Slovenia, Spain, Switzerland and the UK.
- ◆ **Formula One:** French commercial broadcaster TF1 signed a three-year deal with the motor-racing series, from 2018 to 2020 (page 20).
- ◆ **Golf:** The PGA Tour renewed its global streaming partnership with social media platform Twitter to cover 2017-18.
- ◆ **Horse Racing:** UK commercial broadcaster ITV acquired rights to this year's edition of the Prix de l'Arc de Triomphe, which will take place on October 1 (page 29).
- ◆ **Ice Hockey:** Swiss pay-television broadcaster Teleclub acquired rights to the Swiss Ice Hockey Cup through a sublicensing deal with public-service broadcaster SRG, covering 2017-18 only.
- ◆ **Kabaddi:** Punjabi broadcaster PTC acquired rights in India to the 2017 season of the World Kabaddi League.
- ◆ **Motorsport:** German sports broadcaster Sport1 extended a deal for free-to-air rights to the ADAC GT Masters, from 2018 to 2020.
- ◆ **Multi-sport:** SRG agreed a five-season extension to its rights deal with the Swiss governing bodies of basketball, handball, floorball and volleyball, from 2018-19 to 2022-23.
- ◆ **Table Tennis:** The Lagardère Sports agency extended its deal with the Asian Table Tennis Union. Lagardère will market rights to all ATTU events globally, from 2018 to 2021.
- ◆ **Tennis:** Commercial and pay-television broadcaster Modern Times Group acquired rights in Norway and Sweden to the ATP World Tour Masters 1000 series and the ATP Finals.

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◆ **Tennis:** A host of broadcasters acquired rights to this year's inaugural Laver Cup, which ran from September 22-24 in Prague. These were: Czech public-service broadcaster Česká Televize; Spanish public-service broadcaster TVE; pay-television broadcaster Sky in the UK and Ireland; pay-television broadcaster Sky in Germany, Switzerland and Austria; Swiss commercial broadcaster TV24; beIN Sports in France, Turkey and the Middle East and North Africa; commercial broadcaster SuperTennis in Italy; Dutch pay-television broadcaster Ziggo Sport; pay-television broadcaster Sportklub in the Balkans; Eleven in Belgium and Luxembourg; pay-television broadcaster Tennis Channel in the US; French-language pay-television broadcaster TVA Sports in Canada; ESPN in more than 40 territories in Latin America and the Caribbean; pay-television broadcaster Fox Sports in Asia; Chinese state broadcaster CCTV; Chinese online portal iQiyi; pay-television broadcaster DSport in the Indian subcontinent; and pay-television broadcaster SuperSport in sub-Saharan Africa.

◆ **Tennis:** Sky acquired rights in Austria to this year's edition of men's ATP World Tour tournament the Vienna Open.

◆ **Tennis:** Online streaming service iFeng agreed a clips deal with the China Open, which runs from October 2-8.

◆ **Tennis:** Internet company Amazon struck a deal with ATP Media for global OTT rights, excluding China, to distribute the Next Gen Finals tournament. The deal also includes rights in the US, which are to be shared with the ATP's TennisTV streaming service.

◆ **US College Sport:** Sports marketing and media firm Van Wagner Sports and Entertainment agreed a long-term, exclusive deal with Towson University to distribute its rights.

◆ **US College Sport:** Van Wagner Sports & Entertainment signed a multi-year deal with the Western Athletic Conference to distribute its rights.

◆ **Volleyball:** Pay-television broadcaster Fox Sports signed a two-season extension to its deal in Italy for the Champions League club competitions operated by the European Volleyball Confederation (CEV), covering 2017-18 and 2018-19.

◆ **Volleyball:** 7Sports, the sports business division of German commercial broadcaster ProSiebenSat.1, acquired rights to the annual beach volleyball tour operated by the German Volleyball Federation (DVV). The multi-year deal begins in 2018 and will ensure select matches receive free-to-air coverage.

### MEDIA RIGHTS NEGOTIATIONS

◆ Manchester United vice-chairman Ed Woodward said English Premier League clubs expect internet company Amazon and social media firm Facebook to compete for the next set of rights to the top division of English club football.

◆ Simon Green, head of UK pay-television broadcaster BT Sport, played down the threat posed by the likes of Facebook and Amazon in the bidding for the next set of Premier League rights. Green said he doesn't see such companies

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competing in the sports-rights market “over a five- or 10-year span”.

◆ The International Handball Federation launched a tender process for global media rights to its men’s and women’s World Championships in 2019 and 2021. The bid deadline is September 30 (page 10).

◆ Yousef Al-Obaidly, beIN Media Group deputy chief executive and president of beIN Sports France, said the pay-television broadcaster hopes the French football league (LFP) launches a new rights tender as late as possible.

◆ A total of 95 bids from 30 companies were submitted in the international rights-sales process for a package of rights comprising Serie A, the top division of Italian football, the Coppa Italia knockout tournament and the Supercoppa Italiana. Lega Serie A, the governing body of the top tier of Italian club football, said it will now hold private talks with interested parties.

◆ Italian media group Mediaset has bid for rights to the 2018 and 2022 editions of the Fifa World Cup, according to multiple reports.

◆ Football’s European governing body Uefa launched tender processes for rights to its Champions League and Europa League club competitions in Georgia on September 28. Both tenders include rights for three seasons, from 2018-19 to 2020-21.

## INDUSTRY NEWS IN BRIEF

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- ◆ US technology company Intel expanded its partnership with golf's PGA Tour to provide virtual-reality coverage of a range of events in 2017 and 2018. The deal began with the Tour Championship and covers the 2017 Presidents Cup, as well as the Phoenix Open and Players Championship in 2018. Two more tournaments will be announced at a later date.
- ◆ Technology and social media platform 15 Seconds of Fame (15SOF) signed a multi-year agreement with the NFL. 15SOF will deliver fans' on-camera experiences during NFL broadcasts throughout the 2017 season.
- ◆ US media company Entertainment Studios unveiled a direct-to-consumer global OTT subscription platform, Sports.tv. Entertainment Studios said it has aggregated "high-profile and independent sports networks" for the platform, which will be available on smartphones, tablets, smart televisions and games consoles, as well as PCs and laptops.
- ◆ The Learfield Sports agency is reportedly in talks with the IMG College division of the WME|IMG agency over a merger. The two agencies, which manage rights for about 90 per cent of North America's universities in the 'Power Five' conferences, would reportedly form a 50:50 venture led by Learfield president and chief executive Greg Brown.
- ◆ The NBC network, holder of Olympic Games rights in the US, confirmed it will not broadcast any games from the NHL during the 2018 winter Games. The Games will run from February 9-25. NBC will not cover any NHL games from February 7-26.
- ◆ DAZN, the OTT service operated by digital media company Perform, said problems surrounding its coverage of the NFL in Canada had been mostly resolved. DAZN customers in Canada had reported a number of issues during the platform's coverage of the NFL pre-season, as well as the start of the regular season.
- ◆ UK sports production company Sunset+Vine agreed a deal with UK public-service broadcaster the BBC to provide its coverage of domestic women's football. The deal covers the English national team's four home qualifiers for the 2019 Fifa World Cup, as well as next year's women's FA Cup final.
- ◆ Portugal's telecoms market watchdog Anacom declared that telco Altice's takeover of Portuguese media group Media Capital would create serious competition issues and negatively impact consumers. In its report on the proposed deal to Portugal's competition authority, AdC, Anacom said the proposed terms outlined five key concerns, including the barring of access to television channels. Altice is also said to have failed to explain the benefits of the proposed merger between its telco unit Meo and Media Capital.
- ◆ Swedish pay-television broadcaster C More said it would launch a new channel on October 14. During its launch weekend, the channel will cover the top two domestic football leagues, the Allsvenskan and Superettan, showing live coverage of Halmstads BK vs. IFK Göteborg and Dalkurd vs. Östers. The second-tier HockeyAllsvenskan game between Leksands and AIK will also be shown.

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◆ Greek telco Forthnet, owner of pay-television broadcaster Nova, widened the reach of its Novasports platform by agreeing carriage deals with telcos Wind and Vodafone. Vodafone TV and Wind's soon-to-be-launched IPTV pay-television platform will carry the seven Novasports channels. Vodafone will launch a new television package, Vodafone TV Sports +.

◆ Ten's creditors agreed for the Australian commercial broadcaster to be acquired by US network CBS for A\$209.7m (€140m/\$168m). The creditors voted in favour of the CBS option after the network increased its offer by A\$8.6m following a counter-offer from Lachlan Murdoch and Bruce Gordon.

◆ Indian pay-television broadcaster Zee Entertainment Enterprises said the sale of its sports business, Ten Sports, to media group Sony Pictures Networks India had been completed following the agreement of a revised deal worth \$36.32m.

◆ Jia Yueting, founder of Chinese internet company LeEco, agreed to sell much of his stake in the group's LeSports division, according to multiple reports. The EJ Insight website, citing Tencent Finance, said a new consortium made up of several veteran investors will replace Jia to become the largest shareholder of the company.

◆ BeIN Media Group was joined by a further eight sports organisations in its bid to shut down a pirate channel called beoutQ, which is operating in Saudi Arabia. Football's global governing body Fifa and the English Premier League and French football league (LFP) committed to the alliance, along with the

International Olympic Committee, the NBA, the All England Lawn Tennis Club, the United States Tennis Association and Tennis Australia.

◆ African pay-television operator Kwesé TV launched an OTT service in South Africa anchored by a partnership with streaming service Netflix. Kwesé Play will allow subscribers to stream Netflix and about 100 other channels.

◆ Kwesé TV suspended operations for the second time in Zimbabwe following a decision by the country's regulator to appeal a ruling granting permission for the service to be launched.

◆ Social media platform Twitter agreed a partnership for the Asia-Pacific region with Cricket Australia, through which it will show clips from the forthcoming Ashes series. It also signed deals with the International Cricket Council; commercial broadcaster Seven, rights-holder of the Australian Open grand slam tennis tournament; pay-television broadcaster Fox Sports Asia; video games developer Riot Games; and the Premier Futsal event, which runs from September 15 to October 1 in India and the UAE.

◆ Golf's PGA Tour agreed a content partnership with Hispanic-focused digital network mitú in a deal designed to target the Hispanic market.

◆ Indian telco Tata Communications and the Formula One motor-racing series concluded a test of live 360-degree video at the Singapore Grand Prix. Tata and Formula One said it is the first time live 360-degree video feeds and television broadcast have been shown in sync.

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◆ A new OTT sports streaming platform, Fanatiz, launched in Latin America. Fanatiz said it would offer live coverage of the top-tier football leagues in Argentina, Mexico, Peru and Chile, in addition to the Copa Argentina and Copa Chile competitions.

◆ BeIN Media Group agreed a three-year partnership with digital security company Irdeto. BeIN will utilise Irdeto's conditional access solution and security services to deliver sports content to customers across the Middle East and North Africa.

◆ Conmebol, football's South American governing body, hailed a ruling from the Federal Court of the Southern District of Florida, which dismissed a claim from pan-American pay-television broadcaster GolTV and its agency partner Global Sports Partners for damages. In the suit, GolTV and Global Sports Partners claimed they were the victim of one of the bribery schemes outlined in the second indictment of the 2015 Fifa corruption scandal. GolTV and Global Sports Partners took to the US courts in October 2016, claiming hundreds of millions of dollars in damages, but the court has rejected this claim. Conmebol had long insisted the illicit behaviour was the responsibility of individuals from previous regimes and not the governing body in its current guise.