

# TVSportsMarkets

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## FOOTBALL

# AFC to tap into agency market but winner faces challenge

By Frank Dunne

**The Asian Football Confederation said this week there were three main reasons why the value of its media and marketing rights would increase in the next cycle: the increase in qualifying matches for the expanded 2026 Fifa World Cup; the growth of football in major markets like China and India; and the running of a competitive tender process.**

The confederation confirmed last weekend it would put its rights out to tender from 2021 onward. The sales process is expected to start in the fourth quarter this year.

Rights for the eight-year period from 2013 to 2020 are held by Lagardère Sports through its World Sport Group subsidiary. The agency pays a minimum guarantee of \$600m (€550m), or \$75m per year. It is thought media rights account for about 60 per cent of the value of the deal. It has so far brought in over \$1bn in sales.

## Selected deals for AFC properties, 2013 to 2020

Territory	Broadcaster	Duration	Fee (\$m per year)
Middle East and North Africa	BeIN Sports	2013-2020	37.5
Japan	Dentsu	2013-2020	
China	Great Sports Media	2013-2016	3.5
China	China Sports Media	2017-2020	27.5
South Korea	KBS/MBC/SBS	2013-2016	5.375
South Korea	JTBC	2017-2020	10
Thailand	BBTV	2013-2016	1.875
Thailand	BBTV	2017-2020	3.75
Australia	Fox	2017-2020	5.75
Indian subcontinent	ESPN Star Sports	2013-2016	0

Source: TV Sports Markets Rights Tracker

The AFC's general secretary, Dato' Windsor John, told *TV Sports Markets* the World Cup revamp would contribute to a large increase in rights value.

Fifa's expansion of the World Cup from 32 to 48 teams from 2026 onward means AFC member countries will be guaranteed eight direct places, plus one possible further place through the play-offs. The AFC currently has five slots. There are four rounds of qualifying to reach the World Cup.

“There will be more inventory in the World Cup qualifiers,” he said. “The final round of the qualifiers currently involves 12 teams. If you want to select 8.5 teams [eight nations plus a play-off], you have to increase the teams in the final round, which means more match days. We will enhance the format of our competitions to optimise their commercial value.”

## Agency battle

The confederation will bring its rights to market at a good time, with competition between agencies for top football rights reaching intense levels.

Incumbent Lagardère will face competition from agencies like IMG, Infront Sports & Media, MP & Silva and Mediapro. In 2015, Lagardère showed its determination to hold on to its core football properties beating strong competition from Infront to renew its Confederation of African Football rights in a \$1bn, 12-year deal (*TV Sports Markets* 19:12).

Independent experts say the AFC will earn a minimum of \$2bn for its rights from 2021 to 2028, and possibly more than \$3bn. In 2015, IMG made an unsolicited offer of \$2.5bn for the rights for the eight-year period from 2021 to 2028.

John said the confederation had not yet decided whether to offer the rights for four or eight years. It will spend the next few months evaluating possible sales models. “There are basically four models: IOC, Fifa, Uefa or AFC. All these are on the table at the moment,” he said.

The International Olympic Committee model mostly involves using its in-house team to agree deals directly with broadcasters while using an agency – IMG for most territories – as a consultant. On occasion, the IOC has also sold to agencies, such as its deal with Dentsu across Asia (*TV Sports Markets* 19:15).

The Fifa model is a hybrid of in-house sales and deals with agencies, such as that with Infront and Dentsu for the rights in Asia from 2015 to 2022 (*TV Sports Markets* 19:6).

Uefa works exclusively with two sales agents, Team Marketing and CAA Eleven, that work on a commission basis and do not acquire rights from the governing body. Their contracts are renewed on a rolling three- or four-year basis.

Until now, the AFC has sold all its commercial rights in one global package to a single agency.

The internal strategy team is led by former Fifa executive Ko-ichiro Kato, the AFC’s head of planning and strategy. *TV Sports Markets* understands the confederation has also retained external consultants Phil Lines (formerly of the English Premier League) and Tom Liston (formerly of Team).

## Winner’s curse?

With the contract likely to bring in upward of \$2bn, a single agency winning the rights in any new cycle will face some major challenges.

The sale of international football rights at a wholesale level – from rights-holders to agencies – is subject to massive levels of inflation, but there are increasing signs that at a retail level – from agency to broadcaster – something of a market correction is taking place.

This is happening for several reasons, including:

- pay-television companies becoming more selective, investing more of their budgets in must-have properties and less in everything else
- OTT players not yet creating genuine platform wars with traditional media companies
- a cooling of the rights market in China due to government-imposed caps on outward investments and the financial problems of digital streaming operator LeSports
- beIN Media Group becoming more selective about investments in its Middle East and North Africa heartland, as well as other territories, after several years of aggressive spending to create bridgeheads into new markets
- the Fox Networks Group – which two to three years ago was expected to compete aggressively for rights on a global basis – adopting a more targeted and generally less aggressive approach.

Mena and China will be critical markets for whoever sells AFC rights. BeIN pays \$300m in its current eight-year deal in Mena, or \$37.5m per year – accounting for half of WSG’s minimum guarantee to the AFC. The broadcaster was known as Al Jazeera Sport at the time the deal was struck, in April 2011.

In China, WSG had to hastily agree a deal with retail group Suning earlier this year when a \$110m deal for AFC rights with LeSports, for the 2017-2020 cycle, fell through (*TV Sports Markets* 21:4). The LeSports deal was almost an eightfold increase on the \$14m paid by Great Sports Media in the 2013-2016 cycle. Suning is honouring the LeSports fee.

John highlighted China and India as markets where the AFC expected to see growth. *TV Sports Markets* understands WSG did not earn a rights fee from the Indian subcontinent in the 2013-2016 cycle in its deal with pay-television platform ESPN Star Sports, the joint venture between ESPN and News Corp which was dissolved in 2012.

It is thought the governing body agreed to the deal to provide exposure for sponsors in an enormous market and to help develop interest in the sport. Lagardère is currently negotiating to renew the deal with Star, as ESPN’s platform was rebranded in 2013.

## Transparency

The AFC has stressed its sales process will be open and transparent. John said this would be a factor in increasing the value of its rights. “The open tender process will excite all the players to get involved,” he said.

He said the AFC's insistence on transparency, with the use of internal and external auditors to oversee the process, was not in any way a reaction to the 2015 FBI investigation into the American football confederations, Conmebol and Concacaf (*TV Sports Markets* 19:11).

"It is part of a reform process we started in 2011. The governance committee and audit committee recommended that the next cycle should be transparent, open, and monitored independently. These were internal recommendations, not affected by external pressures," he said.

That reform process started following the decision by Fifa, world football's governing body, to ban Mohamed bin Hammam – AFC president between 2002 and 2011 – for life from all football activities.

As part of the reaction to that, the AFC commissioned an audit of its activities by accountancy firm PwC. The report was highly critical of how the AFC had agreed its commercial rights deals with WSG. One of its recommendations was that the AFC should seek legal advice as to whether there were "sufficient grounds to renegotiate or cancel" the deal (*TV Sports Markets* 17:2).

## AFC-WSG deal history

WSG has handled the AFC's commercial rights since 1993. In October 1998, the AFC agreed a deal with WSG covering the 2001-2004 and 2005-2008 cycles, with an option for 2009-2012. The option was confirmed in June 2005.

In June 2009, a new deal was agreed covering the eight years from 2013 to 2020. None of these contracts were put out to tender.

For the 2001-2004 cycle, the agency paid a minimum guarantee of \$42m, with an agreement it would pay an increase of between 20 and 30 per cent for the 2005-2008 cycle. The contract allowed the AFC to share revenues above the minimum guarantee.

In March 2002, the contract was renegotiated, with WSG committing \$120m for the period from July 2001 to June 2009. The revenue share element was dropped.

The contract was amended again in 2005, when the option for 2009-2012 was taken up. WSG committed \$82m for 2005-2008 and \$130m for 2009-2012. There was no revenue share element.

In June 2009, the 2013-2020 contract was agreed. WSG paid a minimum guarantee of \$600m to the AFC. Of the first \$1bn brought in, \$400m is kept by WSG – \$250m is for "direct costs" and \$150m as margin.

Of the \$600m guarantee, \$100m was paid in advance, with \$200m paid over the first four-year cycle and \$300m over the second four-year cycle.

WSG's costs were split \$110m for the first cycle and \$140m for the second. The agency's margin was split \$61.765m and \$88.235m across the two cycles.

For the first time in their relationship the AFC was party to all signed contracts, giving it visibility over the agency's agreements with third parties.

The deal included a revenue share on income generated from sales above \$1bn. The AFC's share was 50 per cent of the first \$100m, increasing in increments of five per cent for each subsequent \$100m up to 100 per cent of income above \$2bn.

A breakdown of beIN's \$300m agreement with WSG/AFC, from 2013 to 2020, provides an insight into the relative media-rights value of the different AFC competitions.

Each four-year Champions League cycle accounts for 22.5 per cent of beIN's investment. Each four-year AFC Cup cycle accounts for 7.5 per cent. The 2015 Asia Cup accounted for 7.5 per cent and the 2019 do so again in 2019. The World Cup Qualifiers for 2014 and 2018 each accounted for six per cent. The remaining 13 per cent was accounted for by other AFC content. ◆

## ICE HOCKEY

# SM-Liiga takes advantage as Telia makes first move into sport

By Robin Jellis

- Telia will pay about €24m per season for global SM-Liiga rights from 2018-19 to 2023-24
- Current deal with Nelonen, from 2013-14 to 2017-18, is worth about €16m per season
- Telia will cover production costs of about €4m per season on top of its rights fee

**Finland's SM-Liiga defied expectations by substantially increasing the value of its media rights last week thanks to telco Telia's entrance into the Finnish sports media-rights market.**

The SM-Liiga – the top ice hockey league in the country – currently has a deal with commercial and pay-television broadcaster Nelonen worth about €16m (\$17.5m) per season over five seasons, from 2013-14 to 2017-18. The broadcaster also covers production costs of between €3.5m and €4m per season.

Nelonen – owned by media group Sanoma – has publicly stated it was losing several millions of euros per season on the current deal. As such, many local rights experts had expected the fee in any new deal to decrease until a few months ago.

But the league has secured an increase of about 50 per cent from its new six-season deal with Telia. From 2018-19 to 2023-24, the telco will pay about €24m per season. Telia is expected to spend a similar amount on production as Nelonen in its deal, if not slightly more, although it is yet to announce its production plans.

Telia is the largest mobile network operator in Finland and Sweden – it was formed following the merger of the Swedish and Finnish telcos Telia and Sonera. It also has operations in Northern Europe and Central Asian countries. Across these territories it has a total of about 23.3m subscribers.

The agreement is the most valuable sports media-rights deal in Finland – the SM-Liiga is one of the top subscription-driving properties in the country.

SM-Liiga chief executive Riku Kallioniemi told *TV Sports Markets* exclusively this week: “We are the premium property in Finland. We had a set of things we needed our partner to agree to. This was mainly about exposure and marketing, how to be relevant and how to reach new generations who are always using their mobile phones. Of course, partly the money side too.



“We had very good discussions with different companies, but in the end we saw Telia as the best option.”

The deal represents Telia’s first move into sports rights. It currently only has access to sports content via carriage of sports broadcasters.

Telia bid unsuccessfully for English Premier League rights in autumn 2015, and strongly considered making an offer for Swedish Hockey League rights last year (*TV Sports Markets* 19:18; 20:17).

Local rights experts are unsure whether this deal will herald aggressive bidding from Telia across Scandinavia. But many believe the telco will use Finland as a “test market” to see if sports rights can work in other territories.

When contacted by *TV Sports Markets* about its ambitions outside Finland, Telia said: “Our ambition is to have the best possible TV product for our customers and content is important. We are reviewing rights case by case.”

Telia’s purchase of the SM-Liiga rights is seen as a move to increase subscriber numbers for its core broadband and mobile services. Last year, Telia had a broadband market share of 29 per cent in the country.

Similarities are being drawn between Telia and UK telco BT, which chose to acquire sports rights in order to stop subscribers migrating to rival Sky.

Telia said: “Our strategy is to always have the best available product for our TV customers and content is a vital part of that strategy.” It added that it would make SM-Liiga content available via IPTV, cable, TV Everywhere and OTT platforms.

## Bid process

The SM-Liiga was advised on the sale of its rights by the Commercial Sports Media agency. The league contacted the agency following its successful role advising the Swedish Hockey League in the sale of its rights to C More in September last year.

A tender was issued on March 3 with first-round bids due on March 24. It is understood MTV3 – the commercial and pay-television broadcaster owned by media group Bonnier – bid, as did Nelonen and Telia.

Nelonen is understood to have had a matching-rights clause in its current deal. It chose to withdraw from the process once it decided it would not match the fees being offered by MTV3 and Telia.

Second-round bids from MTV3 and Telia were due on March 31. One source suggested MTV3’s offer was worth about €20m per season.

Media group Modern Times Group – which runs commercial and pay-television channels across the Nordics – is not thought to have bid. It feels its rights to the Kontinental Hockey League and the NHL provide it with strong ice hockey content.

Despite losing the rights with more than one season left on its current contract, Nelonen will continue with its coverage in 2017-18 – it will not sublicense any rights.

The new deal represents a second successive significant increase for the league: from 2008-09 to 2012-13 the league's rights were worth about €10m per season. Then, Nelonen had one regular-season match per month and play-off matches, while now-defunct pay-television operator Urho TV had all other rights (*TV Sports Markets* 16:11).

## Telia rationale

The length of the contract is one of the main reasons Telia was willing to increase the value of SM-Liiga rights. Another factor is that Telia is a more multi-faceted business than the other bidders, earning revenue from multiple sources.

Telia also had to pay a premium to get into the Finnish sports-rights market. As one local media executive put it: “In Finland, they have bought themselves a seat at the table.”

In relative terms, the investment in SM-Liiga rights is a drop in the ocean for Telia, and it is wealthier than its local rivals. According to its 2016 annual report it had revenue of SEK84.2bn (€8.7bn/\$9.5bn). Rival telco Elisa had revenue last year of €1.636bn, while DNA reported revenue last year of €858.9m.

One source suggested Telia would use the SM-Liiga as an “experiment” before deciding whether or not to compete for more expensive rights across the region.

## SM-Liiga coverage

Critics say SM-Liiga viewership will decrease as Telia's television service is not available by satellite, and few people have access to it via cable. But the telco and league believe the deal caters well to Finnish viewers due to the large percentage of households with high-speed internet connections.

Viewers will be able to choose the amount of games they pay for, with offers such as single-day passes to be introduced.

One Finnish rights expert said: “They are looking forward to a period of time, maybe not next year but in a few years, where the environment will change.”

Kallioniemi said the league sought a long-term deal so it could work on coverage developments with Telia. These include launching 5G networks at all SM-Liiga venues by 2020, building a mobile app and better use of data and statistics on live broadcasts.

Telia's deal is for global rights although the vast majority of the value of the deal is in Finland.

## Upcoming football rights

Telia is not thought to have bid – at least not aggressively – in last week's auction for Uefa Champions League rights across Scandinavia. Rights in Denmark, Norway and Sweden were won after one round of bidding by MTG, which has sublicensed some coverage to commercial and pay-television broadcaster TV2 Norway.

However, Champions League and Europa League rights are also on the market in Finland and could provide an opportunity for Telia to further bolster its sports content. Bidding is understood to have gone to a second round.

From 2015-16 to 2017-18, Champions League rights are split between public-service broadcaster YLE and MTG. Europa League rights over the same period are held by Nelonen (*TV Sports Markets* 19:8).

Uefa, European football's governing body, will also be selling rights to European Qualifier and Nations League matches, plus Euro 2020. These are expected to be on the market this summer or autumn.

## Nelonen out of sport?

Local rights experts believe the loss of the SM-Liiga rights will likely see Nelonen stop acquiring sports rights. At a minimum, the broadcaster will increasingly focus on entertainment rather than sport content – as it has done for the last 18 months.

In October 2015, Nelonen's owner, Sanoma, cut 241 jobs across the businesses it runs as part of a €50m cost-saving initiative, including downsizing Nelonen's television sports department (*TV Sports Markets* 19:20). ◆

## FOOTBALL

# Premier League earns strong increase in SuperSport renewal

By Callum McCarthy

- SuperSport will pay between \$230m and \$235m per season from 2019-20 to 2021-22
- Deal covers exclusive pay-television rights, in all languages, across sub-Saharan Africa
- In the 2016-17 to 2018-19 cycle, SuperSport pays about \$180m per season

**SuperSport is understood to have paid an increase of about 30 per cent to retain its English Premier League rights in sub-Saharan Africa, beating competition from Econet and StarTimes to win in the first round of bidding.**

*TV Sports Markets* understands the pay-television broadcaster will pay between \$230m (€211m) and \$235m per season, from 2019-20 to 2021-22, for exclusive pay-television rights across sub-Saharan Africa, including South Africa. This equates to between ZAR3.06bn and ZAR3.13bn per season.

The deal solidifies sub-Saharan Africa as one of the Premier League's most lucrative international territories, alongside China and the US.

The percentage increase is about half that achieved by the Premier League when the rights were last sold. SuperSport acquired Premier League rights in the current 2016-17 to 2018-19 cycle for about \$180m per season, up about 60 per cent on the \$113m per season it paid from 2013-14 to 2015-16 (*TV Sports Markets* 19:15).

SuperSport pays most fees in US dollars but earns much of its revenue in South African rand. Since the beginning of the current cycle, its per-season rights fee has fluctuated between ZAR2.22bn and ZAR2.4bn per season. The weakness of the rand against the dollar partly explains why the rights-fee increase was not higher this time.

Along with its pay-television rights, SuperSport has acquired free-to-air rights to matches outside the Saturday 3pm kick-off slot. SuperSport could exploit these on its parent company Multichoice's digital-terrestrial operator GoTV.

As in the current cycle, SuperSport will hold English-, French- and Portuguese-language rights. SuperSport sublicenses French-language rights to pay-television operator Canal Plus Afrique in the current cycle, from 2016-17 to 2018-19, for about \$14m per season (*TV Sports Markets* 20:15).

SuperSport exploits Portuguese-language rights on its pay-television SuperSport Maximo channels in Portuguese-speaking territories.

The broadcaster is expected to continue this strategy, and will likely seek an increased fee from Canal Plus, which is rapidly expanding its operation across French-speaking territories.

## Lukewarm competition

SuperSport won the rights after the first round of bidding, which closed on April 3. The broadcaster was announced as the winner of the rights on April 10.

Multichoice relies heavily on Premier League rights to attract new subscribers, prevent churn and secure lucrative commercial deals with bars and hotels.

An increase of between \$50m and \$55m per season is sizeable for both the league and the broadcaster, but SuperSport is thought to be happy it has not been forced to pay even more in the face of greater aggression from competitors. Experts believed SuperSport would pay whatever it took to retain exclusivity over the rights.

While the league was happy with the offer from SuperSport, experts believe it will be disappointed not to have earned more at a time of strong competition for the region's pay-television market.

Sources believe telco Ecomet, parent company of sports broadcaster Kwesé Sports, made a first-round bid of between \$210m and \$220m per season. Some believed it was keeping its powder dry ahead of auctions for rights to the Uefa Champions League and Europa League, English FA Cup and Football League.

One informed source suggested Kwesé didn't receive the necessary financial backing to make a bid large enough to take bidding to a second round. Experts believe a bid in excess of \$250m per season would have been necessary to prise the rights from SuperSport.

StarTimes is believed to have submitted a strong bid, but its lack of production expertise is understood to have hampered its ability to win the rights. The Premier League is not bound to accept the highest bid it receives, though this is its preference in most tender processes.

Some experts have questioned the timing of the league's tender. It was originally slated to sell the rights in either the fourth quarter of 2017 or the first quarter of 2018, but is widely understood to have sold earlier in an attempt to take advantage of the competitive landscape.

In the end, the timing suited SuperSport. It had the opportunity to safeguard its medium-term future in one tender, before the aforementioned football rights were sold. Competition for these is expected to be cooler as a result. ◆

## AMERICAN FOOTBALL

# Perform becomes NFL partner in its third major international deal

By Richard Welbirg

**Perform's expertise in digital content was key to winning NFL distribution rights in this month's deal, the media group told *TV Sports Markets* this week.**

In particular, Perform's willingness to meet the league's desire to grow its Game Pass streaming subscription product is thought to have been a driving force behind the deal.

Bruno Rocha, chief commercial officer at Perform Content, said: "This conversation wouldn't have happened if it was just broadcast or just digital. I think the fact we could come in on both of those was valuable to us."

The deal covers media rights and Game Pass distribution in all territories excluding the US, sub-Saharan Africa, China and Europe – but including Israel and Turkey. In Mexico, Perform will distribute Game Pass but not media rights.

Perform is thought to be guaranteeing the NFL an average of close to \$14m (€12.8m) per year over five years, from 2017 to 2021. The minimum guarantee will change significantly from year to year as rights in territories with existing broadcast deals are folded into Perform's wider agreement.

## Territories where Perform will market NFL rights once existing deals expire

Territory	Rights-holder	Duration
New Zealand	ESPN	2014-2017
Australia	Seven and ESPN	2014-2018
Caribbean	Flow	2015-2019
Latin America (pay-TV)	ESPN and Fox	2016-2019

Source: *TV Sports Markets Rights Tracker*

Above the guarantee, earnings are first retained by Perform against the investments it will make in Game Pass and marketing. There is a revenue share thereafter.

The NFL has carved out rights in China, and has an existing deal in Europe with the MP & Silva agency. MP & Silva sells television and digital rights in 42 European territories for five years, from 2015 to 2019, paying an average of about \$6m per season (*TV Sports Markets* 19:5).

Perform chief executive Simon Denyer said the deal had grown out of Perform's regular contact with the NFL as the buyer of its media rights in Japan, and in Germany, Austria and Switzerland.

Perform's OTT operator DAZN holds rights in Germany over three years, from 2016 to 2018, paying slightly more than \$2m per year (*TV Sports Markets* 21:7).

Serious discussions over the form of the deal began at Super Bowl 50, in February last year. They were finalised last month.

## Three strands

The agreement has three aspects: media rights, marketing and the NFL's Game Pass subscription product. The majority of the value lies in the media rights.

Denyer told *TV Sports Markets* the rights could be exploited on DAZN if and when it launches in new territories. The company is expected to announce within the next two months the countries in which it will next launch DAZN.

One of these is understood to be Canada, where NFL rights would represent an important – though not solely sufficient – launch property.

Perform's first task will be to agree deals in Brazil, the Middle East and North Africa, and across Asia – existing deals in these territories all expired after the 2016 season.

Pay-television rights in Brazil were held by ESPN Brasil over three years, from 2014 to 2016; free-to-air rights over the same period were held by sports broadcaster Esporte Interativo.

In Asia, rights over the three years from 2014 to 2016 were distributed by the IMG agency (*TV Sports Markets* 18:17). IMG guaranteed the NFL \$2m per year and is thought to have recouped most of that in a single deal with pan-Asian pay-television broadcaster Yes TV.

Perform is thought to have made exploratory contact with broadcasters in each market. One agency expert said Perform would have to work hard to increase the value of NFL media rights in many territories:

“The NFL as a property falls into that nice-to-have bucket. I don't see there being much inflationary pressure on broadcasters.”

Depending on the market in question, Perform intends to grow the value of the rights by tailoring both the live feed and associated programming.

Denyer said that “at the moment the broadcasters are just getting an American product. We are going to take the feeds and programming and make it more international.”

## Game Pass and marketing

Perform will invest in expanding Game Pass beyond its existing group of subscribers – described by one agency expert as “a small but dedicated following” thought to number about 200,000 worldwide.

Primarily aimed at expatriate Americans, the expert added that, in its current incarnation, Game Pass had “reached its natural level”.

Perform will use the same OTT platform on which DAZN is built to relaunch Game Pass, adding more languages. The company has also committed to significant marketing of the NFL brand internationally.

## Organisation

A dedicated NFL team will be led from London by Alex Peebles, currently EVP content distribution APAC & general manager ANZ. It will be made up of divisions focusing on content production, marketing and product development.

For Perform, the deal is the third large-scale partnership with a global rights-holder it has agreed in the past three years.

In December 2014, it struck a deal with the Women’s Tennis Association to distribute its global media rights via a joint venture, WTA Media. The 10-year deal, from 2017 to 2026, is worth \$52.5m per year (*TV Sports Markets* 18:23).

And in February 2016 it created a similar joint venture with the International Basketball Federation (Fiba). The deal is worth about €500m to Fiba and will run for 17 years, from 2017 to 2033 (*TV Sports Markets* 20:3).

“The clear difference with this NFL agreement is that the subscription and digital portion played a much bigger role, whereas the WTA and Fiba deals were primarily driven by broadcast rights,” Rocha said.

“The conversation started about digital – that led to a bigger conversation about broadcast rights, and how one should balance that income with the digital push.”

Denyer added: “We don’t want to be an agency with a catalogue of a lot of rights but we do want to work with major rights-holders across the world.” ♦



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



## TV FRANCE

# Canal Plus pays up for F1, misses out on Champions League rights

By Robin Jellis

- Canal Plus will pay just over \$60m per year for F1 rights from 2018 to 2020
- F1 has carved out the right to sell free-to-air rights and launch an OTT product in France
- Deal came a week before SFR's €350m-per-season Champions and Europa League contract

**Canal Plus' loss of Champions League rights – announced late this week – is a blow to the broadcaster, softened slightly by its recent extension of Formula One rights.**

Last week, Formula One increased the value of its pay-television rights by about 50 per cent, despite carving out a package of free-to-air rights and the right to launch an F1-branded OTT offering in the country.

Pay-television broadcaster Canal Plus agreed a three-year deal, from 2018 to 2020, worth just over \$60m (€55m) per year. This is an increase of about 50 per cent on the broadcaster's existing five-year deal, from 2013 to 2017, worth just over \$40m per year (*TV Sports Markets* 21:7).

Canal Plus will continue to cover production costs on top of its rights fee.

The deal is the first media-rights agreement struck since F1 was bought by US media company Liberty Media. It was agreed by Formula One Management, F1's commercial rights-holder.

Although Canal Plus will pay a much higher fee for less exclusivity in its new F1 deal, it is seen as a good outcome for two main reasons. First, it is a positive message to send to the market at a time when it is hemorrhaging subscribers. Second, it gives it some security following its loss of Uefa Champions League rights in the country to SFR Sport.

## SFR claims Uefa rights

As *TV Sports Markets* went to press, pay-television broadcaster SFR was announced as the winner of exclusive Champions League and Europa League rights in the country in a three-season deal, from 2018-19 to 2020-21.

It will pay a total of €350m per season for rights to both competitions: €315m per season for the Champions League and €35m per season for the Europa League. This is an increase of about 103 per cent on the value of the same rights in the current cycle.

Champions League rights in the current cycle, from 2015-16 to 2017-18, are split between beIN and Canal Plus for a combined fee of about €148m per season: beIN pays about €92m per season while Canal Plus pays about €56m per season (*TV Sports Markets* 18:8).

Europa League rights are split between beIN and commercial broadcaster W9 over the same three seasons for a combined total of about €24m per season. BeIN pays about €16m per season and W9 about €8m per season.

## F1 bidding process

F1 sought a shorter deal in France this time as it did not want to under-sell its rights. The new owners are planning to invest heavily in the sport and better market the series – as such they are confident of growing the value of the championship.

The increase in rights fee was driven primarily by strong competition. Interest in the rights from new parties encouraged FOM to launch a tender – the commercial rights-holder usually holds direct talks with broadcasters before agreeing a deal.

First-round bids were due on April 21. FOM received offers from Canal Plus and rival pay-television broadcasters beIN Sports and SFR.

*TV Sports Markets* understands SFR bid together with sports broadcaster Eurosport. The two had agreed that Eurosport would sublicense from SFR the right to show a weekly highlights programme. SFR's offer is thought to have been worth slightly less than \$50m per year.

After one round of bidding, FOM sought clarifications from each bidder before opting to enter exclusive discussions with Canal Plus.

It opted for Canal Plus for several reasons. First, the higher fee offered. Second, the fact it is the largest pay-television broadcaster in the country in terms of subscribers. Third, the chance to establish a wider partnership with media company Vivendi – Canal Plus' owner – that will encompass opportunities in music, video and gaming.

Local experts say there are just under 300,000 F1 fans in the country. Although this is not a huge following, the fanbase is very loyal and helps pay-television broadcasters protect against churn in football's off-season.

## Live on free-to-air again

Canal Plus will have the right to show all F1 races in the new deal, as in the current contract. However, FOM is still to sell a free-to-air package of rights.

This will give the winning bidder the right to show four grands prix live each year. One will be the French grand prix, which returns to the F1 calendar from 2018; the other three can be selected by the

broadcaster, although at least one must be held in the Americas. Under local listed-events legislation, the French grand prix must be shown free-to-air.

The sale of the free-to-air rights was put on hold as FOM finalised the sale of the more valuable pay-television rights. FOM will finalise an agreement in direct talks with interested broadcasters. A deal will be announced in the coming weeks.

It is understood F1 recognises the strength of its brand in France has decreased since it moved fully to pay-television in 2013. From 2008 to 2012, the championship was shown free-to-air by commercial broadcaster TF1 in a deal worth about \$37.5m per year.

The return of the French grand prix from 2018 was seen as a good opportunity to increase the exposure of the championship without diluting the value of the pay-television rights.

During the sales process, *TV Sports Markets* understands Canal Plus said it would commit to making coverage of this year's Monaco grand prix available on free-to-air via digital-terrestrial channel C8 – simultaneous to its pay-television coverage.

In its current deal, Canal Plus only shows a weekly highlights programme free-to-air during an unencrypted window on its eponymous channel.

## F1 OTT launch

As part of the agreement with Canal Plus, FOM has carved out the right to show simultaneous live coverage of all races on an F1-branded OTT product in France.

This is planned to launch next year. F1 is having to negotiate the ability to launch such a product in each of its new deals.

F1 hopes to launch this product globally, although it must be written into each contract around the world. Such an offering would be priced highly so as not to cannibalise the offering of F1's pay-television partners.

The launch of this OTT product is in response to changes in consumer habits, and so F1 can reach cord-cutters and cord-nevers who don't subscribe to pay-television services. The product will be designed primarily for die-hard F1 fans. ◆

## OLYMPIC GAMES

# IOC secures large uplift thanks to SuperSport and Kwesé deals

By Callum McCarthy

- The IOC will earn about \$65m from Africa for rights to the 2018, 2020, 2022 and 2024 Games
- Kwesé will pay about \$27m, SuperSport about \$24m, and SABC \$13m-\$15m
- For the 2014-2016 cycle, the IOC earned about \$23m across the region

**The International Olympic Committee will earn about 40 per cent more from sub-Saharan Africa compared to the previous two-Games cycle, taking advantage of Kwesé Sports' strong desire for Olympic association, TV Sports Markets understands.**

Sports broadcaster Kwesé is understood to be paying about \$27m (€24.7m) for exclusive free-to-air and non-exclusive pay-television rights – excluding South Africa – to four Games: the 2018 and 2022 winter Games (Pyeongchang; Beijing), and the 2020 and 2024 summer Games (Tokyo; to be decided).

Pay-television broadcaster SuperSport will pay about \$24m for exclusive pay-television rights in South Africa and non-exclusive pay-television rights outside South Africa to the same four Games, from 2018 to 2024.

A free-to-air deal in South Africa with public-service broadcaster SABC has been completed for a fee of between \$13m and \$15m, covering all four Games.

The IOC declined to comment when reached by *TV Sports Markets* went to press, but it is thought to have the right to agree additional pay-television deals due to the non-exclusive nature of SuperSport and Kwesé's deals.

Rights to the previous two-Games cycle in sub-Saharan Africa, covering the 2014 and 2016 Games, earned the IOC about \$23m. The Infront Sports & Media and TV Media Sport agencies paid a combined minimum guarantee of \$3m for free-to-air rights in all territories in sub-Saharan Africa, excluding South Africa (*TV Sports Markets* 19:15).

One informed source believes the amount paid to the IOC for rights to 2014 and 2016 grew to almost \$5m as a result of Infront and TV Media Sport's earnings from media rights and airtime sales.

Exclusive pay-television rights to 2014 and 2016 were sold to SuperSport for about \$10m. That deal was for all territories in sub-Saharan Africa, including South Africa. SABC held free-to-air rights in South Africa for a fee in the region of \$8m.

## Competition and bidders

Competition for both free-to-air and pay-television rights was strong. Kwesé and SuperSport secured their respective rights with second-round bids. StarTimes and Canal Plus Afrique are also understood to have bid for pay-television rights to all four Games. Kwesé faced a joint bid from Infront and TV Media Sport for free-to-air rights to the four Games.

TV Media Sport – a free-to-air specialist in Africa – has been somewhat sidelined by Kwesé’s aggressive acquisition of free-to-air rights to global sporting events. It is currently selling free-to-air rights to the 2017 IAAF World Championships, but has no other major properties.

Despite the increase in total fee and competition in the free-to-air sector, the IOC still regards sub-Saharan Africa as a developmental territory for the Games. But while Infront and TV Media Sport offered guaranteed coverage, Kwesé comfortably outbid the two agencies.

Kwesé is keen to acquire free-to-air rights to major sporting events as a method of marketing its Kwesé TV pay-television service. As a result, it is not entirely focused on directly refinancing its spend in the same way as other free-to-air broadcasters or agencies.

## Exploitation

Kwesé will act as a gatekeeper for the rights – it will not simply be the exclusive free-to-air broadcaster of the Games in sub-Saharan Africa. Kwesé will have to sublicense rights to public-service broadcasters in markets where its free-to-air broadcaster Kwesé Free Sports is not present, or lacks sufficient reach.

Its sales and advertising team includes ex-Octagon South Africa director Jonathan Riley, who established the model of selling airtime around major sporting events in sub-Saharan Africa to lower costs for poorer free-to-air broadcasters.

Octagon employed this model for the 2010 Fifa World Cup and the 2012 summer Games. It was taken further by Infront for the 2016 summer Games, when the agency enlisted WPP-owned agency ESP Properties to secure sponsors for Olympics coverage in the region (*TV Sports Markets* 20:13).

Like Infront, it is thought Kwesé will be required to make airtime available for IOC TOP partners – the Olympics’ major sponsors – before selling to other brands. Kwesé will do this itself and is highly unlikely to employ an agency to help with sourcing sponsors.

In countries where Kwesé is expected to exploit the rights on Kwesé Free Sports – such as Ghana, Kenya, Rwanda and Uganda – it will broadcast at least 200 hours from each summer Games. The IOC does not expect live coverage from the 2018 or 2022 winter Games as interest is limited in the region.

As part of the new deal, pay-television operators DSTV and Kwesé TV will receive carriage of the IOC’s Olympic Channel, which is designed to give the Games greater year-round relevance. DSTV and Kwesé will be expected to produce a significant portion of content for the channel. ◆

## FOOTBALL

# Kwesé picks up EFL rights, but deal value hit by early EPL sale

By Callum McCarthy

- Outside South Africa, Kwesé will pay just under \$4m per season from 2017-18 to 2021-22
- Rights in South Africa are likely to be acquired by SuperSport
- SuperSport pays about \$3.5m per season for exclusive rights from 2012-13 to 2016-17

**Kwesé Sports is understood to be close to a deal for English Football League rights with Pitch International, but has not met the agency's original asking price.**

Sports broadcaster Kwesé will pay an average of just under \$4m (€3.7m) per season in a five-season deal, from 2017-18 to 2021-22, for exclusive free-to-air and pay-television rights to the League Cup and the second, third and fourth tiers of English club football.

Kwesé's rights will be valid in all languages and all territories in sub-Saharan Africa, excluding South Africa. Pitch is likely to seek a deal with pay-television broadcaster SuperSport covering South Africa only.

The imminent Kwesé deal suggests Pitch will earn a decent overall increase on its current income from EFL rights in the region. Its current exclusive five-season deal in sub-Saharan Africa with SuperSport, from 2012-13 to 2016-17, is worth about \$3.5m per season (*TV Sports Markets* 21:3).

How Kwesé will exploit free-to-air rights is yet to be decided, but the broadcaster is expected to show at least one match from the second-tier Championship live each week, and multiple live matches from each round of the League Cup, on its pay-television channels.

Most of the deal's value is in League Cup rights, but the Championship and its end-of-season play-offs carry value in sub-Saharan Africa. Experts say clubs such as Aston Villa and Leeds United have lasting associations with the Premier League and can attract solid ratings.

## Premier League bursts the bubble

In February, Pitch's target was to earn about \$10m per season from the region. This did not account for the Premier League selling its rights early – the league was expected to sell its rights in late 2017 or early 2018.

Before these rights were sold, there was greater demand for other English club football properties, meaning EFL rights carried more value as they represented a failsafe for broadcasters.

However, the Premier League's decision to sell early meant there was less competition for EFL rights, especially outside South Africa, as SuperSport felt it did not need EFL as well as Premier League rights (see separate story, page 12).

While Kwesé's need for the rights was fairly urgent – it had no English club football before this deal – it did not face competition from StarTimes or pay-television broadcaster Fox Sports Africa. The latter is focusing on developing local content and acquiring low-cost bundles of rights from agencies.

FA Cup rights are still to be sold in the region. It is thought IMG is keen to split rights between South Africa and the rest of sub-Saharan Africa in order to reach its target of about \$30m per season (*TV Sports Markets* 21:3).

Sources believe IMG will find it tough to reach this target. Competition for FA Cup rights is likely to be similar to that for EFL rights – SuperSport will show little interest outside South Africa and will face no competition in the country.

## Late payments

*TV Sports Markets* understands that Econet, which owns pay-television operator Kwesé TV and sports broadcaster Kwesé Sports, has made late payments to multiple rights-holders and service providers.

In December 2015, Econet secured a \$500m loan facility from the China Development Bank and technology company ZTE.

Speaking to *TV Sports Markets* in February, Econet Media chief executive Joseph Hundah said the Kwesé TV pay-television service would need to make money fast in order to be successful (*TV Sports Markets* 21:2). “How long before we start reaping the rewards? It has to be immediate,” Hundah said. “We certainly need to return money to shareholders pretty quickly.”

A written address from Kwesé to *TV Sports Markets* this week read: “Econet Media is a responsible organisation built on sound business practices. Whilst it is not our policy to discuss contractual relationships that we have with rights-holders, especially with regards to financial matters, we can confirm that our records indicate that we have honoured our contractual obligations.

“As a start-up we are grateful to the rights-holders that have shown faith in us and we continue to have open and direct relationships with them. As such, any matters which may arise regarding our contractual agreements are dealt with through our established engagement processes.” ◆

## FOOTBALL

# Lagardère adds to Asian rights portfolio with Thai FA deal

By Richard Welbirg

**Lagardère Sports last month agreed to distribute international media rights to events organised by the Football Association of Thailand.**

The agency agreed the deal with Plan B Media, the Thai FA's marketing agent. Lagardère's deal will run for four years, from 2017 to 2020, and is worth just over \$500,000 (€458,000) per year, with a revenue share above the guarantee.

It covers home matches of the Thai national team as well as domestic club football rights to the Thai Premier League, League 2, Thai FA Cup and Thai League Cup.

A Lagardère spokesperson told *TV Sports Markets* this week: "Thailand has produced one of the top football teams in Southeast Asia in recent years, and we hope to continue nurturing and growing its fan base internationally by maximising the distribution of their events.

"While this will benefit Thai football, it also dovetails with our overall strategy to raise the profile and quality of Asian football."

Most of the deal's value is in Thailand's home matches in the second round of Asian Football Confederation qualifying for the 2022 Fifa World Cup, which will be played in 2019 and 2020.

Rights to matches from the third qualifying round onward are held by the AFC, and included in its eight-year, \$600m deal with Lagardère from 2013 until 2020 (*TV Sports Markets* 20:22).

National football federations retain the rights to home matches in the first and second rounds of qualifying. While the first round involves the 12 lowest-ranked AFC teams and has little media-rights value, the second round involves all AFC nations, playing in eight seeded groups of five.

There is significant value in the second-party rights to a match against a country with a major media market like Japan, Australia or South Korea. Agencies compete for federation's rights in the hope their national team receives a favourable draw.

Rights to Thailand's matches in 2018 World Cup qualifying were held by the Infront Sports & Media agency (*TV Sports Markets* 19:8). A willingness to also take on domestic club football rights is thought to have helped Lagardère win the rights in the new contract.



Lagardère has already struck a deal for Thai Premier League rights in Malaysia with OTT platform SportsFlix – owned by the TSA agency – worth a total of between \$100,000 and \$150,000 over four years, from 2017 to 2020.

There is also thought to be some value in TPL betting rights. These are yet to be sold by the agency.

## Plan B for billboards

The presidency of Thailand's FA changed hands in February 2016, when Somyot Poompanmoung was elected to replace Worawi Makudi.

Poompanmoung quickly tore up the advisory relationship which had run for 10 years between the FA and the Siam Sports Syndicate agency, and opened a tender for the FA's commercial rights.

The tender excluded domestic rights to Thai club football competitions which had been sold to pay-television operator TrueVisions in October 2015, under Makudi's regime. TrueVisions pays THB1.05bn (€29m/\$31m) per year for these rights (*TV Sports Markets* 19:20).

Plan B won the Thai FA's commercial-rights tender in April 2016, beating the Thai arm of the Dentsu agency and Thai marketing agency Index Creative.

A source at a global agency told *TV Sports Markets* his company, and others like it, "didn't get a look in" as the Thai FA wanted a deal with a local firm.

Plan B's deal with the FA runs for four years, from 2017 to 2020, and covers: media rights to all Thai national-team football and, outside Thailand, domestic league football; event organisation; sponsorship and merchandising.

Including value-in-kind, the deal is worth at least THB3.24bn over the four years, or THB810m per year.

Plan B guarantees the FA THB250m per year for the national team commercial rights and THB260m per year for the league's commercial rights. It has also committed to spend THB200m and THB100m per year promoting the national teams and the league respectively.

Plan B's core business is in outdoor advertising, and the acquisition of these rights is seen as a means of diversification.

Analyst reports suggest Plan B met its minimum guarantee at the beginning of 2017. The Siam Sport Syndicate is understood to have earned THB885m in the final year of its deal with the FA.

Plan B has agreed an exclusive deal for domestic rights to all home matches of the national team with digital-terrestrial channel Thairath TV. The deal covers the four-year cycle, from 2017 to 2020, and is worth an average of about THB120m per year. ♦

## BASKETBALL

# Fiba projecting huge increase in global media-rights revenue

By Callum McCarthy

**The International Basketball Federation (Fiba) is set to more than double its annual media-rights income compared to the previous cycle, boosted by a lucrative deal in China and strong increases in key markets.**

Fiba Media, the joint-venture between Fiba and the Perform Group, is thought to be projecting average media-rights income of about €50m (\$53m) per year for the 2017 to 2021 cycle. This is more than double the €22m per year Fiba earned in the 2013 to 2015 cycle (*TV Sports Markets* 20:3).

A nine-year deal agreed in March with Chinese state broadcaster CCTV, from 2017 to 2025, is believed to be worth in the low millions of dollars per year.

Fiba's overall income from China has been boosted by the country's hosting of the 2019 Basketball World Cup, and a deal with digital media company Tencent worth about \$10m per year, also from 2017 to 2025 (*TV Sports Markets* 20:9).

Last week's five-year deal with Spanish media group Mediaset, from 2017 to 2021, is worth about €8m per season – a slight increase on Mediaset's previous three-year deal, from 2013 to 2015, worth about €7m per season.

In Israel, commercial and pay-television broadcaster the Sports Channel last month renewed its deal. It will pay about €600,000 per year in a five-year deal, from 2017 to 2021. This is an increase of about 20 per cent on its previous three-year deal, from 2013 to 2015, worth about €500,000 per year.

Fiba in March completed a five-year deal in the Baltics with multi-territory commercial and pay-television broadcaster Modern Times Group, from 2017 to 2021. MTG is understood to have paid a significant increase on its previous deal, from 2013 to 2015.

Shortly after agreeing the Fiba deal, MTG announced the sale of its free-to-air, pay-television, digital and radio businesses across the Baltics to US private equity investment firm Providence Equity Partners in a deal which valued the company at €115m.

Under each of these four Fiba deals, the body's broadcast partners will increase their investment in production. Broadcasters are responsible for producing home qualifiers to continental and World Cup events in their respective nations.

In February 2016, Perform agreed to invest a minimum of €500m into its 17-year joint venture with Fiba, from 2017 to 2033. At the time, experts were surprised by Perform's aggression and willingness to invest in a property previously viewed as second- or third-tier in many key markets.

However, Fiba's new international basketball calendar – which includes qualifier matches to continental events and World Cups for the first time – has given its properties some significance in previously untouched markets.

A total of 80 nations will play in African, American, Asian and European qualifiers for the 2019 World Cup. While deals completed in many of these markets will either be for a very low rights fee or cover production only, sources close to Fiba are confident the added exposure will lead to significant rights fees in future cycles. ◆

## FOOTBALL

# SuperSport terminates NPFL deal and seeks currency switch

By Callum McCarthy

**SuperSport's termination of its Nigeria Professional Football League deal due to a breach of contract may not be as final as the broadcaster's withdrawal in Kenya, *TV Sports Markets* understands.**

Local sources say the pay-television broadcaster has terminated its agreement with the NPFL as it wants to agree a new deal on more favourable terms.

The breach of contract was caused by the League Management Company, the NPFL's commercial-rights holder, live-streaming matches via the U R Live streaming service and social media platform Facebook. Had the LMC geo-blocked these streams in sub-Saharan Africa, no breach would have occurred. Sources claim multiple requests to geo-block these streams were made but not heeded.

SuperSport will meet with the LMC on May 15 in order to discuss a potential new deal. The broadcaster's original four-year deal for exclusive NPFL rights in sub-Saharan Africa, from 2016 to 2019, was worth about \$7.5m (€6.9m) per year.

SuperSport will now attempt to negotiate a new deal with the LMC at a much lower cost, and will propose it pays a rights fee in Nigerian naira, not dollars. The LMC is understood to prefer a deal in dollars.

SuperSport's old \$7.5m-per-season deal was viewed by experts as a strategic investment rather than a market-value acquisition.

The termination follows SuperSport's decision to cancel its six-year deal for the Kenyan Premier League, from 2016 to 2021, worth a total of about KES266m (€2.4m/\$2.6m) per season, including production (*TV Sports Markets* 21:5).

The NPFL is more important to SuperSport's local offering in Nigeria than the Kenyan Premier League is in Kenya. Pay-television operator DSTV, owned by SuperSport's parent company Multichoice, faces greater competition in Nigeria from rival pay-television operator StarTimes, meaning premium local content is more valuable.

The NPFL deal was SuperSport's most expensive African domestic league contract after its four-plus-two-season deal, from 2013-14 to 2018-19, with the South African Premier Soccer League. That deal is worth about ZAR675m (€46m/\$51m) per season in the 2017-18 and 2018-19 seasons.

## Rationale behind deal termination

While SuperSport had solid legal grounds to terminate the deal, local experts believe the broadcaster's decision was influenced by four other factors.

First, the increase it must pay for English Premier League rights (see story, page 12). Second, restrictions on access to foreign currency in Nigeria – especially dollars – and an inability to move dollars out of the country. Third, the Central Bank of Nigeria's decision in June 2016 to unpeg the Nigerian naira from the dollar, causing rapid depreciation. Fourth, that SuperSport must pay its NPFL rights fee in dollars as opposed to naira.

Since the naira was unpegged in June 2016, its value against the dollar has depreciated by 37 per cent.

Pay-television operator DSTV – on which SuperSport is shown exclusively – collects Nigerian subscription fees in naira. DSTV increased the subscription price in the country for its premium package – which contains all SuperSport channels – by about five per cent in May.

When SuperSport's NPFL deal was struck in August 2013, it was worth about NGN1.22bn per year. At the time of the termination of the contract its value was about NGN2.3bn per year – an increase of almost 90 per cent.

## SuperSport could face competition

Attempting a renegotiation is a risky move from SuperSport, which wants to hold onto NPFL rights – just not for the price it was paying.

It will face competition from pay-television operator StarTimes – which has about 5m subscribers to its digital-terrestrial service in Nigeria – and from telco Econet, which is desperate to gain a foothold in Nigeria for its burgeoning pay-television operator Kwesé TV.

Of StarTimes and Kwesé, StarTimes is thought to be best-placed to take advantage. Unlike in other markets, StarTimes has strong relationships and local expertise in Nigeria.

Econet is interested in adding to its local sports offering in Nigeria. It title-sponsors and broadcasts the top-tier Nigerian Basketball Premier League in a five-year deal, from 2017 to 2021, worth \$2m per year.

Free-to-air broadcasting consortium the Nigerian Television Authority is understood to have met with the LMC about a stop-gap deal to cover the remainder of the 2017 season. ◆

## BASKETBALL

# NBA achieves free-to-air, digital coverage in Indonesia with EMTK

By Richard Welbirg

**Indonesian media group Elang Mahkota Teknologi (EMTK) will pay about \$250,000 (€229,000) per season for exclusive NBA media rights in the country.**

The deal covers the remainder of the current 2016-17 season and runs for a further three seasons, from 2017-18 to 2019-20. There was previously no deal in place in Indonesia.

It is in line with the NBA's policy of seeking broad exposure in markets where it is trying to grow its brand.

EMTK will show 240 games per year across several platforms. Online streaming service Vidio.com – owned by EMTK's digital division Kreatif Media Karya – will exclusively show 170 games per year, with the remaining 70 games per year shown across EMTK's free-to-air channels Indosiar and O-Channel.

It is the first time the NBA will be shown free-to-air in the country. Pay-television operators PT Link Net and Indonesia Media Televisi show the league via carriage deals for the NBA TV channel.

Basketball is seen as a second-tier sport in Indonesia, where football, badminton and motorcycling are the most popular sports.

One agency expert said the fact the NBA would be shown free-to-air indicated growing interest from local sponsors. Streaming platforms like Vidio.com attract many visitors but per-impression advertising rates are very low.

KMK will also market the NBA's League Pass streaming subscription service in the country, sharing revenues with the league. ♦



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# MEDIA RIGHTS DEALS

APRIL 27 TO MAY 10

## FOOTBALL

- ◆ Modern Times Group, the multi-territory commercial and pay-television broadcaster, extended its deal for the Uefa Champions League club competition in Denmark, Norway and Sweden, from 2018-19 to 2020-21. MTG acquired exclusive rights in Denmark and Sweden, along with 108 matches per season on an exclusive basis in Norway.
- ◆ Norwegian commercial and pay-television broadcaster TV2 signed a sublicensing agreement for Champions League rights with MTG, from 2018-19 to 2020-21. TV2 will show two matches per round, including from the knockout stages, as well as the final.
- ◆ The Tenfield agency extended rights deals with Uruguayan top-tier clubs Nacional and Peñarol, until 2025. Nacional and Peñarol will reportedly each receive \$3.25m (€3m) per year under the new agreement.
- ◆ Pay-television broadcaster Fox Sports Latin America extended its exclusive deal with the Confederation of North, Central American and Caribbean Association Football (Concacaf) in Central and South America. The five season deal, from 2017-18 to 2021-22, includes rights to the Champions League and a new competition for teams from Central America and the Caribbean.
- ◆ Public-service broadcaster France Télévisions agreed a deal for the final of the 2016-17 Uefa women's Champions League.
- ◆ Belgian pay-television operators Telenet and Voo acquired non-exclusive linear rights to the Pro League, the top division of club football in Belgium, from 2017-18 to 2019-20. Telenet will hold Dutch-language rights and Voo will hold French-language rights.
- ◆ Telenet acquired exclusive digital Pro League rights in Dutch and French from 2017-18 to 2019-20.
- ◆ Telenet acquired exclusive pay-television rights to the Belgian Super Cup. Public-service broadcaster RTBF acquired French-language free-to-air rights, from 2017-18 to 2019-20.
- ◆ Lot four of the Pro League's rights package, featuring in-game delayed coverage and clips, was acquired on a non-exclusive basis in French by Voo and RTBF, and on a non-exclusive basis in Dutch by public-service broadcaster VRT.
- ◆ The Pro League's weekend free-to-air highlights included in lot five were acquired on a non-exclusive basis by Telenet in Dutch and RTBF in French. Telenet will offer highlights via free-to-air channel Vier.
- ◆ Rights for the Pro League's lot six, featuring a Monday magazine show, were acquired non-exclusively by VRT in Dutch and RTBF in French.
- ◆ Italian state broadcaster Rai acquired exclusive rights to the next two editions of the Uefa European Under-21 Championship, in 2017 and 2019.
- ◆ German sports broadcaster Sport1 acquired rights for this year's Fifa Confederations Cup national team tournament. Sport1 will broadcast three matches live.



# MEDIA RIGHTS DEALS

APRIL 27 TO MAY 10

◆ Sport1 acquired rights for this year's Uefa Under-21 European Championship.

## OTHER SPORTS

◆ **American Football:** NFL team the Los Angeles Chargers signed multi-year rights deals with local broadcasters KABC-TV and KAZA-TV. Both will air all available pre-season games in Southern California, as well as pre- and post-game shows.

◆ **American Football:** US telco Verizon acquired rights for the NFL regular-season game between the Baltimore Ravens and Jacksonville Jaguars in London on September 25. The fee for the one-game deal was reportedly \$21m (€19.2m).

◆ **American Football:** Media company Perform signed a five-year deal with the NFL, from 2017 to 2021 (page 14).

◆ **Badminton:** Spanish public-service broadcaster TVE signed a deal for events operated by the Spanish Badminton Federation. The deal will run for one year and covers tournaments including the European Championships and World Cup.

◆ **Basketball:** Social media platform Twitter agreed a three-year deal with the Women's National Basketball Association, from 2017 to 2019. Twitter will live-stream 20 regular-season games per year.

◆ **Basketball:** Kreatif Media Karya, the digital arm of Indonesian media conglomerate Elang Mahkota Teknologi, bought NBA rights (page 30).

◆ **Basketball:** Spanish commercial broadcaster

Mediaset acquired rights to national team events organised by the International Basketball Federation (page 26).

◆ **Basketball:** International sports broadcaster Eleven Sports Network acquired rights in the US to Liga ACB, the top division of basketball in Spain. The deal includes the last two rounds of the regular-season and the entirety of the playoffs in 2016-17.

◆ **Biathlon:** French digital-terrestrial television channel L'Équipe retained rights to events organised by the International Biathlon Union, from 2017 to 2022. International sports broadcaster Eurosport retained pay-television rights.

◆ **Cycling:** UK pay-television broadcaster Bike Channel acquired rights to this year's Mountain Bike World Cup. The agreement includes the option to extend for a further two years, covering the 2018 and 2019 editions.

◆ **Darts:** Eleven acquired exclusive rights in the US to 14 competitions taking place between May and November via an agreement with promoter Matchroom Sport, including the 2017 World Cup of Darts.

◆ **Esports:** Social video platform Twitch signed a long-term extension to its exclusive streaming partnership with Team Liquid.

◆ **Handball:** The European Handball Federation signed a deal with the MP & Silva agency to market the Beach Handball Euro 2017 rights. The agency will distribute rights for the event, from June 20-25, on a global basis.

# MEDIA RIGHTS DEALS

APRIL 27 TO MAY 10

◆ **Ice Hockey:** Finnish telco Telia acquired rights to the SM-Liiga, the top division of ice hockey in Finland (page 8).

◆ **Lacrosse:** Twitter agreed a rights deal with Major League Lacrosse. Twitter will stream MLL's 'Game of the Week' during the 2017 season. The streaming schedule consists of 15 regular-season games and two post-season games.

◆ **Motorsport:** French pay-television broadcaster Canal Plus signed a three-year extension to its rights deal with Formula One, from 2018 to 2020 (page 17).

◆ **Rugby Union:** England's Premiership Rugby signed a four-season deal with UK commercial broadcaster Channel 5, from 2017-18 to 2020-21. Channel 5 will show five live matches each season and a highlights show every Sunday.

◆ **Rugby Union:** Welsh public-service channel S4C acquired highlights rights to the British and Irish Lions' upcoming tour of New Zealand via a sublicensing agreement with pay-television broadcaster Sky. S4C will show free-to-air highlights of all 10 fixtures on the tour.

◆ **Speedway:** UK pay-television broadcaster Premier Sports acquired rights to the Ekstraliga, the top-tier league in Poland.

◆ **Speedway:** Premier Sports acquired rights to the Elitserien, the top-tier league in Sweden.

◆ **Tennis:** Indian pay-television channel DSport acquired rights to the 2017 Tie Break Tens event on May 4.

## MEDIA RIGHTS NEGOTIATIONS

◆ Belgian pay-television broadcaster Proximus said it expected to seal a deal for the Pro League within weeks, adding that an agreement would be reached barring an "improbable catastrophe".

◆ The Asian Football Confederation executive committee agreed on a strategy to launch an open tender for its next cycle of rights from 2020 (page 3).

◆ Uefa, European football's governing body, is set to launch tenders in Slovenia for rights to the Champions League, Europa League and Super Cup club competitions. The tenders will launch on May 18 covering the 2018-19 to 2020-21 seasons of the Champions League and Europa League, and the 2018, 2019 and 2020 Super Cup matches. The deadline for bids is June 21.

◆ The International Association of Athletics Federations issued a request for proposal to select one or more media-rights partners for its World Athletics Series in Europe and Africa. The agreement will cover all series competitions and the contract duration will be determined in negotiations. The IAAF also issued a request for information with the intent of establishing a joint venture for its broadcasting and media production.

## NEWS IN BRIEF

APRIL 27 TO MAY 10

- ◆ The International Boxing Association signed a global marketing partnership with the Alisports arm of Chinese e-commerce giant Alibaba Group, which includes global digital rights.
- ◆ The Australian federal government's Communications Minister, Mitch Fifield, revealed a broad package of media reforms, including a shortened anti-siphoning list of sporting events reserved for free-to-air television and tighter restrictions on gambling advertisements during sports coverage. The government will also spend A\$30m (€20m/\$22m) over four years to encourage pay-television broadcasters to increase coverage of women's and niche sports.
- ◆ Sinclair Broadcast Group agreed a \$3.9bn (€3.57bn) deal to acquire fellow US media group Tribune Media Company. The two parties entered into a definitive agreement under which Sinclair will acquire 100 per cent of the issued and outstanding shares of Tribune for \$43.50 per share, plus the assumption of approximately \$2.7bn in net debt.
- ◆ US sports broadcaster ESPN laid off over 100 employees, including broadcast talent and journalists.
- ◆ Atlantic Coast Conference commissioner John Swofford told staff he had received assurances from ESPN's John Skipper that the ACC Network college sports channel is still on course to launch in 2019, despite recent staff cutbacks.
- ◆ Bob Iger, the chief executive of ESPN's parent company, Disney, said the broadcaster is adapting to changing market conditions as it copes with a fall in subscribers. Iger said revenue at Disney's cable networks had dropped three per cent quarter-on-quarter while operating income was down three per cent due to ESPN's performance. ESPN's viewership climbed 15 per cent in the quarter, but a five-per-cent increase in advertising revenue did not offset a drop in distribution revenue.
- ◆ US subscription video-on-demand service Hulu signed a distribution deal with media company NBCUniversal for its new television channel-streaming service. Various NBC-owned channels will be made available on the new Hulu service, due to launch this spring.
- ◆ US regional sports broadcaster Root Sports introduced in-market live streaming of games for Major League Baseball teams the Seattle Mariners, Houston Astros, Pittsburgh Pirates and Colorado Rockies games in their local markets.
- ◆ The English Football League, which operates the three club divisions below the top-tier Premier League, is to launch a live-streaming platform for overseas fans. The iFollow platform will allow supporters outside the UK and Ireland to watch up to 46 live matches per club per season. Subscribers will pay £110 (€130/\$141) per season for the service, which will begin in 2017-18. The platform will show every EFL league match live unless it has been selected by the EFL's overseas broadcast partners.
- ◆ Racecourse Media Group distributed £85.5m (€101m/\$111m) in media-rights payments to the 34 UK racecourses with which it is affiliated in 2016, six per cent more than in 2015.

## NEWS IN BRIEF

APRIL 27 TO MAY 10

- ◆ UK horse racing pay-television broadcaster Racing UK agreed a carriage deal with the YouView platform, which is available through BT TV, TalkTalk TV and Plusnet TV.
- ◆ German commercial broadcaster ProSiebenSat.1 partnered with media group Discovery Communications to launch a 50:50 joint venture OTT service in the country. The service will bring together the seven channels included in ProSiebenSat.1's current 7TV mobile offering: ProSieben; Sat.1; Kabel Eins; Sixx; ProSieben Maxx; Sat.1 Gold; and Kabel Eins Doku, along with Discovery's free-to-air German channels DMax and TLC.
- ◆ Spanish public-service broadcaster TVE renewed an agreement to produce and manage the worldwide live feed for coverage of the Conde de Godó ATP World Tour men's tennis tournament. The new deal will run for one year.
- ◆ Eleven entered the Italian market with the acquisition of a majority stake in OTT platform Sportube. The service will be re-branded this summer.
- ◆ Eleven agreed a carriage deal for its Eleven Sports 3 channel with Belgian pay-television broadcaster Proximus.
- ◆ Swedish investment firm Kinnevik acquired an 18.5-per-cent stake in Swedish cable-television operator Com Hem, becoming the largest shareholder in the company. Kinnevik agreed to acquire 33.9m shares in Com Hem from holding company NorCell in a deal worth SEK3.7bn (€386m/\$412m).
- ◆ Pay-television broadcaster Sky New Zealand halted its 'Fan Pass' service, which allowed non-subscribers to access its sports channels online. Customers will still be able to purchase monthly passes, but from May 24 the price will increase from NZ\$59 (€37.40/\$40.80) per month to NZ\$99.99 per month. Six-month passes can be bought for NZ\$330.
- ◆ Indian pay-television broadcaster Star Sports contacted the International Cricket Council to outline its concerns regarding a possible boycott of the forthcoming Champions Trophy national team competition by the Board of Control for Cricket in India. The BCCI had been considering its options after it was outvoted on plans to introduce a revamped financial model in the world game, but later stepped away from the threat of a boycott. Star has an eight-year global rights deal with the ICC, from 2015-16 to 2022-23.
- ◆ Pan-European pay-television operator M7 Group said it would stop carrying the channels of media company Discovery Communications by the end of April if talks over a new deal did not come to a satisfactory conclusion.
- ◆ Twitter registered an eight-per-cent fall in first-quarter revenue to \$548m (€514m), representing the first such drop since it listed on the stock market in 2013. Twitter reported a net quarterly loss of \$62m compared to \$80m in the first quarter of 2016.
- ◆ The IMG agency partnered with media company Mandalay Sports Media to develop and produce a series of sports-focused feature films. The companies reportedly intend on launching at least 10 films over the next three to five years.

## NEWS IN BRIEF

APRIL 27 TO MAY 10

◆ The International Cricket Council launched a new mobile application that will feature high-definition videos, news, fixtures and results.

### INDUSTRY MOVES

◆ Delia Bushell, managing director of television and sport for UK telco BT, has resigned, according to multiple reports. Bushell reportedly gave her notice soon after overseeing BT's retention of its rights to Uefa's Champions League and Europa League competitions. Bushell is expected to remain in her post until early June. BT is reportedly unlikely to seek a direct replacement.

◆ InfrontRingier, the Infront Sports & Media agency's joint venture with Swiss media company Ringier, hired Martin Blaser, an executive with Swiss Super League football club FC Basel, as its new managing director. Blaser is currently director of marketing, sales and business development at FC Basel, and will succeed Gian Gilli at InfrontRingier.