



WORLD CUP 2002



POPPERFOTO

German firm Kirch Media is signing record-setting television deals for rights to the World Cup.

By Paul Kennedy

TELEVISION

Kirch's big payday

Television rights fees to broadcast the World Cup in major European markets have gone through the roof.

FIFA received an average of approximately \$110 million globally for television rights to the last three World Cups under the terms of an agreement signed in 1987 — before the cable and pay TV boom hit in Europe.

German communications giant Kirch Media and Swiss firm ISL guaranteed FIFA a minimum of \$880 million for the television rights to the 2002 World Cup and more than \$1 billion for 2006. Kirch has since taken control of all World Cup rights after ISL's bankruptcy last year and is set for a huge payday.

The German firm used the World Cup's tremendous selling power and competition from cable and pay-channel stations to jack up the asking price.

British network ITV generated more than \$72 million in advertising revenue for World Cup '98 broadcasts after buying the rights in partnership with the rival BBC for only \$8 million. Kirch de-

manded 40 times that amount for 2002 World Cup rights before an agreement was reached with ITV and the BBC on English rights in 2002 and 2006 for \$225 million.

With the exception of Spain, where Via Digital paid \$175 million, Europe's major national networks prevailed over cable or digital outfits — but at a premium. In Italy, RAI paid \$138 million for the rights to the 2002 World Cup and partial rights in 2006. French network TF1 paid \$148 million for a similar deal.

The threat of the 2006 World Cup rights going to cable or digital outfits in Germany, which will host the finals, was so great that Chancellor Gerhard Schroeder intervened to protect the interest of state networks ARD and ZDF. They paid almost \$175 million to share the World Cup rights with Kirch's pay channel, Premiere.

By comparison, Anschutz Entertainment Group paid a reported \$40 million for English-language rights in the United States — and the deal's value was in AEG's leveraging the World Cup rights to keep MLS on ABC and ESPN2.

For English television networks, the World Cup won't be the money-making venture in 2002 that it was in 1998, when English defender Sol Campbell (red shirt) battled Colombia's Jorge Bermudez.