

3 | Background Information

2006 FIFA World Cup™ Marketing the rights: What guided Infront?

When Infront became FIFA's exclusive marketing agency for the distribution of the broadcast rights for the FIFA World Cup™, there was a lot of alarmist publicity about FIFA's decision to use a "private enterprise" approach to the distribution of its television rights. The decision was initially depicted in colourful terms as a move that would deprive audiences of the opportunity to see the FIFA World Cup™ on television.

In fact, the opposite has happened (as demonstrated by the 2002 FIFA World Cup™) when compared to 1998. Free-to-air coverage has actually grown.

For example, in Europe, Infront contracted with Free TV broadcasters in every European market – two thirds of whom were members of the European Broadcast Union (EBU). The difference was that Infront achieved a much better result in terms of coverage and hours of broadcast, as well as layering different offerings for the various media platforms. When Infront negotiates directly with broadcasters, it can achieve enhanced financial results and stronger broadcasting commitments.

In 1998 (under the EBU's deal with FIFA), European broadcasters aired 6,934 hours of coverage. In 2002 (under Infront's deal with FIFA), this rose to 11,364 hours – a 65% increase over 1998 – with 45 contracts and 63 channels.

The official Television Report for the 2002 FIFA World Cup™ in Korea and Japan was compiled by the British research agency Sports Marketing Surveys (SMS). Television coverage reached 213 countries, virtually every country in the world, with over 41,400 hours of dedicated programming. This represents a 39% increase in coverage over the 1998 event and is a record for a single sporting event.

Infront follows specific criteria in selecting Broadcast Partners to work with. These are enshrined in FIFA's Distribution Policy, a document which lays down clear rules ensuring minimum levels of free to air coverage and protection for key matches, such as national team matches. Infront respects these guidelines and has always been able to work comfortably within them, while improving results financially and in terms of coverage and choice.

For the 2006 FIFA World Cup™ Infront will deliver once again significant increases in hours of coverage, number of audiences and broadcast partners. Coverage is expected to reach more than 200 countries with a projected cumulative viewing audience of 32.5 billion. More than 500 broadcast partners, including 240 television stations, 220 radio stations and over 50 New Media licensees will have access to the event.

Infront has made sure that the viewer of the 2006 FIFA World Cup™ will enjoy more choice than ever before, through a greater variety of viewing windows, reflecting the reality of competition in the television market and the growth of viewing options.

One reason that – through first hand experience – broadcasters have come to respect Infront's approach is the delivery of a much higher standard of signal production and service. This justifies a higher rights fee. The standards of production have increased beyond all recognition and broadcasters now enjoy standards of service that are higher than anything they received in the past.

Marketing the New Media rights

In 2002, new media coverage of the FIFA World Cup™ was limited to the official FIFA website and trial transmissions to mobile phones within just one territory – Japan. For 2006, there will be new media licenses in place covering almost the whole world.

Infront has marketed the new media rights to the 2006 FIFA World Cup™ separately from the television and radio broadcast rights packages, market by market to all interested parties worldwide. Especially in the more developed markets, Infront has arranged new media coverage that is complementary to mainstream broadcast television, through agreements with broadcasters, media companies, mobile operators and (mobile) content providers. Infront has not imposed any limitations on who can apply for a new media license.

Infront's strategy has led to an increased competition in every market and produced more variety and choice for the viewer. This year's event will show its full potential as a round-the-clock, round-the-world experience, contributing to the variety, richness and choice of the viewers' experience. More than 100 countries are covered by licenses – almost all in both categories – “Mobile Telephony” and “World Wide Web”.

There is one standard package for all new media licensees including World Wide Web and mobile telephony exploitation. This package was reserved from the traditional broadcast rights at a very early stage of the sales process for the 2002 and the 2006 FIFA World Cup™.

The standard package includes the right to transmit up to four minutes of match footage. There are no limitations regarding live, near-live or delayed exploitation, but usually rights will be exploited as near-live and will be clip based – including goal alerts and post-match highlights. The method of delivery – especially over mobile telephony networks – is not specified (MMS, WAP, etc.) as long as the licensee can meet Infront's specified Digital Rights Management (DRM) and geo-blocking requirements.

If the rights situations in certain territories has allowed, Infront has been open to discussing rights packages of more than four minutes per match and new media licenses for complete live streaming of all matches via WWW and mobile telephony networks.

Due to this marketing strategy fans will be able to receive near-live coverage of the most dramatic and decisive moments of all the 64 matches of the 2006 FIFA World Cup™ on their mobile telephony devices or their home computer. Thanks to the development of new media coverage, they never need miss another goal.

- Ends -

For further information please contact:

Jörg Polzer

Manager, Communication & PR

Event Tel. +49-(0)89-949 32 077 *(until 5 July)*

Event Mobile +49-(0)171-56 40 477 *(until 10 July)*

press@infrontsports.com

www.infrontsports.com