NHL Looking to Hit Jackpot on Next TV Deal

Written by Matthew Coller Tuesday, 05 October 2010 02:55

After a lockout caused the NHL to miss the 2004-05 season, the league was sitting at rock bottom. The league left the most recognizable company in sports ESPN and joined forces with a virtually unknown (to hockey fans at least) network Versus, signing a three-year, \$207.5 million deal that included an option for three more seasons.

On the back of the new rules, the Winter Classic, the Olympics and incredibly intense playoffs and Stanley Cup Finals, the league has found its way to relevance, even substantial popularity. And just in time for a new TV deal.

<u>SportsBusiness Journal</u> reported Monday that the NHL expects to take score big with their next deal, possibly even see a 50 percent boost from the aforementioned contract. That would increase the numbers to more than \$115 million per year, or \$3.87 million per team per year.

The NHL's momentum could cause the price to go up, SBJ says both ESPN and FOX are considering putting together offers. The ratings on Versus increased significantly since the first year of the contract, the network averaged 118,175 viewers in '06. Last season the NHL on Versus saw 775,000 viewers through the first 54 telecasts of the Stanley Cup playoffs, then posted 3.6 million viewers for Game 2 of the Stanley Cup, Versus' highest rated game in the network's history.

Signs point to Versus retaining the deal, the network has increased distribution from 64 million households to 75 million and its asset value has doubled from \$625 million to \$1.3 billion. It would be well worth it to Versus to increase the offer by 50 percent; where would they be without their partnership with the NHL? SportsBusiness Journal featured a Turnkey survey which found that 50 percent of more than 1,100 senior-level sports executives said the NHL would stay on Versus. Both ESPN and NBC scored 38 percent of the votes (those polled could vote more than once).

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