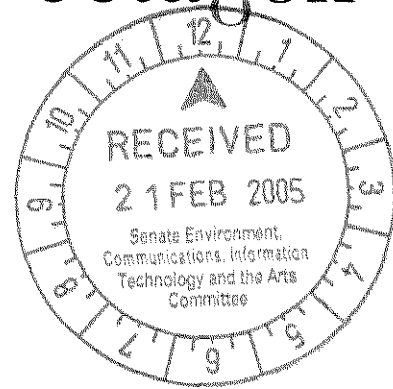


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The Secretary
Senate Environment, Communications, Information Technology
and Arts Legislation Committee
Parliament House
CANBERRA ACT 2006



18 February 2005

Dear Secretary,

In response to recent press coverage and the ongoing speculation surrounding Premier Media Group's (FoxSport's) acquisition of the broadcast rights (other than free-to-air) to the 2005 Ashes series (and additional ODI's), Octagon CSI thought it would be helpful to shed some light on the negotiations surrounding the sale of broadcast rights to the 2005 Ashes series.

For many years, Octagon CSI ("Octagon") has represented the England and Wales Cricket Board ("ECB") with respect to the marketing of its overseas broadcast rights inventory, including the 2005 Ashes series.

In mid 2001, Octagon commenced the Australian market sales process for the 2005 Ashes series. As the series is a listed event, we began the process by contacting free to air broadcasters to ascertain their interest in the series and to establish who the likely bidders would be. The priority was first and foremost the incumbent rights holder; Channel 7. We certainly expected strong interest from Nine Network and Seven Network as they had previously acquired the rights to the series.

Representatives of Octagon attended meetings with the then Heads of Sport at Channel 9, Channel 7 and SBS all of whom indicated that they were either not interested in the Ashes series or were not in a position to make an offer.

Seven Network rejected the rights (including the Ashes Series) out of hand.

Channel 9 informed Octagon that it would not be in a position to make an offer for the series until at least 12 months out as it considered the value of the series to be solely dependant on how the England team was playing at the time, although Channel 9 also expressed concerns about the negative publicity that came from joining the play after lunch and the alleged moderate returns on the investment.

SBS advised Octagon that it was not interested in the Ashes series as it was not in accordance with its charter.

With regard to ABC and Channel 10, both broadcasters indicated that they had no interest in pursuing the opportunity to acquire the series.

In view of the lack of any firm interest from the free to air broadcasters, Octagon commenced discussions with FoxSports about the possibility of acquiring Pay TV rights to an output package or a multi year deal in the Australian territory to include all ECB domestic cricket rights for the period 2002 to 2005 inclusive. From the outset of our discussions, it was made clear to FoxSports that the broadcast rights on offer were for exclusive standard and non-standard broadcast rights for all ECB matches except for the Australian Tour to take place in 2005 (including the Ashes series), in respect of which the ECB would be free to sell free-to-air rights as it wished. FoxSports was comfortable with this and actually encouraged Octagon to provide some assurance that a free-to-air (FTA) deal would be concluded in order to allow it to air the series or at least to give ECB sufficient time to have the event de-listed if no FTA deal was forthcoming.

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An agreement was finally concluded with Foxsports in May 2002 for a package of ECB cricket that included the non-exclusive right to the Ashes series, with the ECB retaining the FTA rights. The agreement was concluded only after all FTA broadcasters were given a full and final opportunity to make an offer or at least to express some interest in the rights to the Ashes series. However, from May 2002 until January 2005, Octagon did not receive any interest in (or offers for) the Ashes series from any of the FTA broadcasters in Australia. In fact, ECB approached all FTA broadcasters in 2004 to confirm such non-interest which was confirmed in writing by all FTA broadcasters.

In view of the facts outlined above, we are surprised that the FTA broadcasters (through FreeTV Australia) are now claiming that they were not given the opportunity to acquire rights to the Ashes and were only offered the rights to the Ashes series after the sale of such rights to FoxSports. The simple truth of the matter is that the FTA broadcasters were given several opportunities to acquire the rights to the 2005 Ashes series, but all declined to do so on numerous occasions for a variety of reasons.

Octagon CSI trust that this now clarifies the situation. Subject to confidentiality provisions we would be happy to provide further details if required.

Yours sincerely,



Sean Nicholls
Managing Director
Octagon Australia

Tabled at the Committee's public hearing 21 February 2005