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International Rugby Board
Huguenot House,
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July 22, 2009

Mr David Davies,
Free-to-air Events Review Panel
C/o DCMS
2-4 Cockspur Street
London SW1Y 5DH
United Kingdom

Dear David,

Re: Free to Air Events Review 2009

I would like to thank you for the opportunity of appearing before the free to air events review panel on July 9, 2009. I enjoyed the conversation and the opportunity to present the unique broadcasting issues of Rugby World Cup Limited and the IRB.

I thought it would be helpful to reaffirm some of the points and clarifications made by the IRB to the Panel and to provide the additional information that was sought.

Proceeding on the basis that the Free-to-Air events list is maintained (and you will recall my personal opinion questioning the need of the List at all), the IRB is strongly of the view that as far as the Rugby World Cup Tournament is concerned the status quo should similarly be maintained. We say that in light of the following facts:

- (a) Rugby World Cup is the source of over 95% of the IRB's total income;
- (b) 60% of all Rugby World Cup broadcast revenues on a global basis derive from two territories, England and France;
- (c) Any increase in the scope of the Rugby World Cup matches on the List will have a direct impact upon broadcast revenues. Because all revenues raised by the IRB go back into the global game (from grassroots to high performance level) a reduction in those revenues will have a direct and discernable impact on the funding of the global game. It is also worth noting that the RFU, WRU, SRU and IRFU will be allocated significant guaranteed funding as part of the RWC financial distribution policy, which will be used to develop the game at all levels throughout the UK and Ireland

The Panel was concerned to understand how persons (for example in isolated communities or with limited mobility) might be able to access the Rugby World Cup Tournament. In this regard we explained that the IRB policy of expanding the game of Rugby and bringing it to the widest possible audience is relevant. In order to do that the IRB has always ensured that the Rugby World Cup is broadcast (at least in part) on a free-to-air basis. Every edition of the Rugby World Cup has been broadcast on a free-to-air basis in the UK (BBC being the



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broadcaster for the first edition in 1987, and ITV broadcasting every Rugby World Cup since 1991). The rights in the UK for 2011 have not yet been brought to market given the prevailing market conditions.

The broadcast market in the UK for the Rugby World Cup rights is limited. It is essential that those broadcasters who are interested in the rights remain as competitive as possible. Were the Panel to consider expanding the number of Rugby World Cup matches as Listed Events it would directly impact upon the competitiveness of the interested parties, values would be driven down and ultimately as the IRB depends upon broadcast revenue to fund the Game, the loss will be to the Game of Rugby and to society as a whole.

We discussed with the Panel the changing nature of viewer habits and the means by which viewers now access content. Mobile and internet platforms are making headway in particular for the younger generation and this trend is unlikely to reverse. The IRB is adapting to those changing habits by making online and mobile content available on a simultaneous and deferred basis.

In our discussion in relation to the socialising factor around sport I noted that ironically it would appear that the migration of sport to subscription channels has probably made sports viewing more social by encouraging people to congregate together in pubs, clubs and friends homes in order to watch matches. In this regard I can confirm in response to a query raised during our discussion that for the major matches (particularly those in the knock-out stages involving the UK home Unions) in Rugby World Cup 2003 and Rugby World Cup 2007 up to 30% of the UK viewership was "social" viewing (including traditional out-of-home viewing in pubs, rugby clubs, and other non-home locations).

I thank the Panel for its continued attention and should you have any questions about the IRB's submissions, or other matters concerning the Rugby World Cup we would be please to address them.

Yours sincerely.

A handwritten signature in black ink, appearing to be 'Mike Miller', written over a light blue horizontal line.

Mike Miller
CEO/Secretary General