

PGA TOUR Media Conference

Monday, June 4, 2018

Jay Monahan

David Zaslav

PGA TOUR/Discovery announcement

JAY MONAHAN: Thank you to everyone for being here. I'll just start off by saying that today is a historic, a monumental day for the PGA TOUR and the PGA TOUR and Discovery. As you see in the release, I think as you know, we are announcing a 12-year partnership, a multiplatform partnership that is global in nature, and we are really excited to be in business with Discovery, and I'll get into some of the specifics about why we're so excited as we go forward.

But I think you all know that the game of golf is a global game, and the PGA TOUR is the leading professional golf tour around the world. Today we've got 85 players as members representing 25 countries. Half of the top 50 players in the world are from outside the United States. 47 of the top 50 players in the official world golf rankings are members of the PGA TOUR. Going back to 2014, we've invested in developing talent around the world. We now have three international development tours, PGA TOUR China, PGA TOUR Latinamerica, PGA TOUR Canada, and that all fits into those numbers and the quality of our international membership.

While I say it's a global game, today there are roughly 50 million people around the world that play the game. 24 million play here in the United States, and the game is a \$170 billion industry with 55 percent of the participation coming outside the U.S. and 55 percent of the supply. And so when we look at where we are as an organization, given that international composition, our number one area of focus is growing and diversifying our fan base and doing our job as an organization and as an industry leader to accelerate the growth of the game on a global basis given the strong platform that we have with our players.

So you then look at who is the perfect partner, and for us, we've been in the international media business. We have been representing our own rights since we were formed as an organization. But we felt like when you look at Discovery, there's several things that attracted us. They are the strongest player internationally when it comes to content, when it comes to distribution, and when it comes to direct-to-consumer experience. As we look back to the



acquisition of Eurosport in 2015, the way that they have leveraged the Olympic rights across multiple platforms in Europe, you look at the super fans and the super brands and the content and the fanaticism that they bring to all their channels and to all their content, and we quickly came to the conclusion that this was the perfect partner for us, and we feel like we're going to be the perfect partner for them.

I want to stress that the world of media, as you all know and you cover so well, is fast-changing, and we feel like for this deal, this is not a rights deal. This is us coming together as partners. We are putting our people who work in this business into this partnership, our resources, our experiences, our content creation. I mentioned that we're in six offices around the world.

Our team now is going to be a part of the Discovery team, and the Discovery team is going to be a part of the PGA TOUR team, and we're going to go out, and we are going to address on a market-by-market basis alongside the creation of a PGA TOUR-branded OTT video streaming service, we are going to address each market, leveraging the incredible depth of experience and knowledge that Discovery has in order to put ourselves, put the PGA TOUR, put our partnership in the best possible position around the world.

David has said it on numerous occasions. He said it the first time I saw him. This is about every fan having access to content live and short-form content on every device and us being locally relevant, contextually relevant and taking advantage of the fact that our sport is uniquely global and it is becoming more and more so.

I want to take a moment and thank David and thank the entire team at Discovery. We couldn't be more proud to be in business with you. We love your brand. We love the passion that you have brought to these conversations, and we know as we go forward as partners, true partners, to build up this global golf ecosystem, that we're going to have great success together, and golf fans around the world are going to be the beneficiary of that. So thank you.

DAVID ZASLAV: That's great. It's a very big moment for us at Discovery. We see ourselves, and we are on a mission really to be the leading global IP company in



the world. We see ourselves very differently than the rest of media. We're not in the scripted business, we're not in the movie business. We create content that we own globally, and we're aggregating that content in super fan baskets. We've been on the hunt for what do people love, what are they passionate about, and how do we deliver them that content like no one elsewhere everywhere in the world. That's why we did Oprah Winfrey, that's why we did the Scripps transition with Food and HG and Travel and Cooking. We're the only company that owns all of our content, not only globally but on all platforms.

So we got into sports several years ago, and we've had a tremendous amount of success in Europe with Eurosport as the leading pan-European platform, and then we got into -- we looked around and we saw the Olympics, and we thought, high-quality IP, content that people absolutely love, and we're in the business now where people could watch anything, and so we've started to ask the question, what do we have that people will watch when they could watch anything, and that's how we aggregated this strategy of creating content around passionate fans.

And so over the last four years in the sports business in Europe, we've looked at all sport. There is no sport that's more global than the PGA TOUR. There's no sport that's more loved than the PGA TOUR. There's no sport that's more local than the PGA TOUR. And there's no sport that has a demographic that's voraciously hungry to consume content.

So when we looked at the PGA TOUR, 43 weeks a year of content, four days a week, we looked at the fan base, and we said, this is an extraordinary opportunity to build a global platform, an ecosystem around golf that will nourish and excite every golf fan everywhere in the world.

And so we sat down with Jay after hearing him as commissioner talk about his vision how global golf is. We pulled up everything Jay said about what his vision was, and we put it up on a board and we put it next to our vision for our company, and it was the same. How do we get as many people that love golf spending time with us on every device, and then what we have is we have an ability to drive globally like no one else. We're the leading international global content company in the world, we're the leader in sports in Europe, and just on a simple basis, we can tell the stories of every local athlete. We can tell it on Eurosport, we can tell it on any one of our 12 channels, but more importantly we can promote between 10 and 12 channels and free-to-air channels around the world. We can be letting everybody know that we have the most compelling, most exciting PGA TOUR golf ecosystem, and we can grow in a way that's so contemporary. No one has ever

challenged this idea of global except for the big fine companies. They've said, we're not going to do this by cable franchise, we're not going to do this regionally, we're going to do this globally.

And I think what makes this different is Jay's vision and our boots on the ground around the world and our shared vision, we've done it by buying Scripps, we've done it by investing in every country around the world, and when you put us together, I think you have something that really presents an extraordinary opportunity.

A big thanks to Jay and the PGA TOUR. He is a visionary. He's focused on where golf is today, and he wants to make sure that every demographic everywhere in the world is enjoying and loving golf and that he's going to -- our mission is to support that taste, to make sure that people are nourished every day, and we're going to do that.

The other piece is that we're in the direct-to-consumer business already, and it's tough. Jay has been in it, and we've been in it, but we're finding real success. With the Olympics we had over half a million subscribers in eight days. We got a top rating on our app, we delivered 3,000 hours across 18 days, and not only didn't we have an issue, but everyone that went on the app loved it.

And that was really three years in the making. But we're offering our products in Europe. This is a completely different product. We're now, as we think about discovery sports, we have Eurosport, we have the Olympics, and now we have a global partnership with the PGA where we're going to bring everything that we have and Jay and the PGA TOUR are going to bring everything that they have, and we think for golf fans, things won't ever be the same. So let's just take a look at the tape.

(Video shown.)

We have full flexibility together. So we could launch a golf channel in every country, and if that's what we decide to do, we already have channels in every country, so we could very quickly flip into a golf channel in every country. Or do we decide to make the content available free to air? But no matter what we do, the number one mission here is a global, direct-to-consumer platform that innovates and changes the way people consume content, and it's not just the live content, which is very compelling. All the Tours that the PGA TOUR has, one of the key elements here is that 43 days (inaudible) because it's during the week and the French Open. People want to see it while they're at work. That's going to be a big part of it. But the other is what else is going to be on that ecosystem.

Is it going to be -- we think it could be where people shop. It could be where people talk to each other, short-form content with what's going on with golf, what's coming up this week, instructional video. We're after a full nourishment of people who love golf. And I think we're going to line up all of our resources behind the people that know it better than anybody else, and that's Jay Monahan and his team.

Q. How long was this in the works? Did the Olympics put it over the top, Jay, in terms of working with Discovery and what they were able to do on a pan-European basis?

JAY MONAHAN: Yeah, I would say at the end of 2016 and beginning of 2017, we really started to get into the future of our international business, and that was largely to do with the fact that we were seeing more and more top international stars come forward and had spent a lot of time thinking about creating our own direct-to-consumer product and experience globally, and then we also looked at what are all of our options. The first part of that conversation was short-lived because shortly after that I came up with our team, led by Rick Anderson, who runs our global media business, and we sat down with David and Alex and started talking about where we were as a business and where we were going and where exactly they were. And at that point in time, you're talking about a period where you've come through an Olympic window, and they had had some great success, and we just felt like as the number one player in Europe and given the way that they had leveraged those rights and given their international presence or their presence in Asia and their desire to grow that presence, it just really was -- this was the path that we pursued, and we pursued it exclusively.

I'm excited that we're obviously here today. But I think the important piece here is that we've been -- we'd imagined that business by ourselves since we were formed, and our team did a great job, and we could have continued to do that. But we would not be able to do the things that David just outlined, specifically really get our content in front of our fans on every device, really understand the fan on a market-by-market basis. They have people on the ground, they've got data, they've got all the information that you need to make the right decisions about who to partner with and how to present your content, and for us, given the intense effort we have on that front here in the U.S., we felt like we needed to put the same effort internationally, and Discovery was the perfect partner.

That's a pretty -- you go back to January of 2017 to today, there are no pictures on any scorecards, but there are a lot of discussions and a lot of good fruitful discussions, and again, we're really thrilled to be here today.

Q. Jay, how do you see this impacting existing and future rights agreements that you guys have overseas?

JAY MONAHAN: Well, I think we are -- when you look at the agreements that we're in now, I think we've got 55 unique deals internationally, and we are going to honor those existing -- we're going to work into and through the life cycle of those contracts, so we've got a number of markets, I think eight, that our teams have been working on for 2019.

So we are now, as we approach each market, we have a PGA TOUR branded OTT video streaming service that will be ready January 1. It's going to be an important part of how we seek to come into every single market, to be able to grow our fan base, and I think as it relates to future agreements, Dave and I have had a lot of conversation on that front. We want to be with the best partners in the best position to give us the maximum exposure distribution for our stars, our competitions, and not just to our core fans, but we want to celebrate this game and bring people that don't yet know they're fans into our sport, and that's a big contributing factor to what Discovery brings because of their depth of audience of profile.

Q. If I could just follow up on that, it seems like with this you're putting a big priority on OTT. To what extent does this take a model for the future of the way the sport is consumed and the way you guys are hoping to do things in the U.S.?

JAY MONAHAN: Well, I think we launched PGA TOUR live several years ago, so you've got early round coverage, and we're creating content outside of live coverage there to satisfy the needs of our fan.

I think the shortest way to answer this question is we are always going to seek to understand fully how the fan and how the consumer wants to engage with the PGA TOUR and what the right -- what the consumption habits are today and where they're going, and that's where David and his team bring incredible experience and knowledge.

That's why this partnership makes us much stronger as a Tour and much stronger as a go-forward partnership, just given that experience.

DAVID ZASLAV: We're going to learn together the best approach, and the consumer, the lover of golf, is going to lay that out for us. Our job is to create as much content, as much nourishment for them as possible. But for instance, with the Olympics (inaudible) create a campaign called We Have It All, and the idea was you can go to the BBC and you could see some of the Olympics, and you could see some of the Olympics on

Eurosport. But the only place where you can see it all was on the Olympic Player, and it really resonated, this idea that this is the home of the Olympics.

And so our vision will evolve, but as we did those Olympic deals, and we did do some sub-licensing, we gave rights to the BBC, we gave rights to different free-to-air distributors around Europe. But we held all the digital rights. In some cases, we let them have some of it, in some cases they got a fair amount of it, but the only person across all of mainland Europe that was able to deliver on all devices, all of the Olympics, was us. And then we were the only ones that added to it. We added 700 pieces of short-form content a day.

What we've learned and what Jay's team has also taught us in terms of what works is it's not just about watching the live content. They want to see how Sergio warms up, they want to talk to his coach. A piece of short-form content on what Sergio ate last night for dinner and what he's looking forward to about the course.

So all of that color, but we will be holding back this IP as very precious. We'll figure out a way to use it to create the most value for the golf fans.

Q. I had a couple questions. For the U.S. audience, they won't have access to this new online service, this is only for international --

DAVID ZASLAV: For outside.

Q. Who will handle the production, the announcers, things like that? Is that going to be you guys?

JAY MONAHAN: Well, as it relates to production, it really depends on who we're partnered with and how we're partnered in every single market individually and uniquely, but that's an effort that will be led by David and his team obviously in close concert with us. But that's one of the considerations as you start to think about, and we're well along the way, start thinking about what that product is, what that PGA TOUR-branded OTT video streaming service is, content and relatability to our fan base and who is going to be participating in that and helping share those stories is something that we're excited to get into.

DAVID ZASLAV: And the foundation of that is all the content that Jay creates with his partners here in the U.S. will be available to us. Now, if we get the content that's created here in the U.S., we'll obviously want to change that and localize it significantly in Korea or in China or in other local markets. We do that for a living. We translate our content into 48 languages. We have a whole factory that does that. One of the reasons we were successful with the Olympics is we were able to in real-time do it in 22 languages. But we have the wealth of content that's already created. So like there's

a traditional feed that we got in the Olympics. We will get the feeds from here in the U.S., and then in addition to that, we'll create local.

And local matters. What we found with sport throughout Europe is local is everything, so the fact that 50 percent of the top players on the TOUR are from outside the U.S. is huge. So who plays in Canada? Yes, you get the big superstars of the game, but it's the local players. In the Olympics we got over a 90 share in Norway a couple of nights, and we were focused on the great Norwegian athletes. So that's what we will bring to it. But a lot of the bulk is already produced and will be delivered to us.

JAY MONAHAN: So today, from a live standpoint, PGA TOUR is distributed to 650 million households in 200 countries and territories, and you add non-live, it's a billion and 226, and we're in 23 different languages, and so when we partner in market, our goal is to partner with the best possible distribution partner and have people that are calling our competitions that are relevant to that audience.

I think the big additive here as we go forward is we want our players from those home countries to have a greater voice and to be able to tell their story, and for them to be able to share to their fans in their home country how they're progressing through the year, and to his point, what they're eating, how they're training, the ups, the downs, the life cycle of a season, which has incredible highs and lows, but really to be able to follow that player more intimately than we currently can today, and that's really where this OTT video streaming service and this commitment, incredible commitment to dimensionalizing what happens on the PGA TOUR, I think that's where the fan is going to really benefit.

DAVID ZASLAV: And we're in the business of telling stories, and that's what really works. If, in fact, we're showing an Olympic downhill, and you don't really know except for what country those athletes come from, you don't feel the emotion. You don't know the back story. You don't feel the passion. The PGA TOUR has done an extraordinary job of telling us who these athletes are. We can now on a very local basis, not just what's going on in their life, are they getting married, are they having kids, did they change coaches, was there a dust-up with another player the week before, and are they going to be paired with them this week. Content is about conflict, it's about understanding emotionally where the player is coming from, what they have to come back from, and we'll be able to, with our platforms, and we have content people all over the world, to really dig into that.

And so we think, Jay and I, that that ability to continue to develop those local characters and kind of create an

echo chamber will be a big helper to the popularity of the game, will be another reason why people tune in, but it will be a driver of a very big business for us.

Q. David, so you guys have a partnership with ML Fan for the Eurosport Player. Is ML Fan going to be handling the back end, or who's going to sort of be doing the technical side of it, and have you thought about how much this service might cost?

DAVID ZASLAV: We've been working for the last couple of months behind the scenes together on starting to build this. It'll be a separate platform, because we think the flexibility of the platform, we've learned a lot. We built a great platform with MLB, and we may end up working with them. But the experience that we've had in building it out, there's a lot that we want to be able to do on this platform, so we will launch a new platform, which Alex Kaplan, who's going to be running this business for us - he built the sports business of DirecTV - will be leading. We'll be all in with him. But we see it as a new platform, and it will iterate. We're still learning every day about -- we're in the very early stages of understanding how people consume content on these smaller devices, and it is different. You don't run your finger up and down to get an update on your TV set, and you're much more willing to accept a single feed and a single amount of information, whereas when you look at something on a phone, on a smaller device, you want to see publishing all day long, you want more variability on what you can see, on what foursome you want to watch, on what's going on. So we will be working very hard to try and build a platform that at least has the ability to be flexible, because it's going to take us a long time.

I think we'll launch with something that's quite good, probably better than anything that's out there right now, but we're talking about doing a global offering that no one has ever done before. So the consumer is going to be telling us over the several months what else they want to see, and then we're going to be building that into the platform.

Q. Is this going to affect the PGA's tax-exempt status at all?

JAY MONAHAN: No, I think if you look at the PGA TOUR today, we're a 501(c)6; we're a membership organization. Virtually all of our tournaments are operated by 501(c)3s. I think what this does is this continues to make the PGA TOUR, our FedExCup season, all of our Tours even stronger as we go forward, and hopefully when you look at our model as we go forward, we raised \$181 million for charity last year across all of our tournaments, and we see this partnership, our ability to grow our fan base, it has an impact on everything that we're doing down the road. It's contributing to what we think is one of our greatest

assets, which is a model that's all about being purposeful, being caring, and contributing to every community where we play.

This is a -- David's commitment to the PGA TOUR is a commitment to that model, a commitment to our players, the players today, the players that preceded them, and this is -- it's exciting because it just allows us to tell that story to more people around the world.

DAVID ZASLAV: Maybe you should mention some of the Tour events outside the U.S.

JAY MONAHAN: Yeah, so we've got -- when you look into the October time frame, we play a World Golf Championship event in Shanghai. Last year we went to Korea, to Seoul, coming off of the Presidents Cup, which was a great success for us. In 2015, we played in Kuala Lumpur. We've got two events in Mexico. We're playing in the Dominican Republic. We're going to continue to grow and expand where we play. We play a national championship in Canada that rotates throughout the country, and listen, as you look at that, a lot of those events didn't exist a decade ago, and now it's more and more players coming forward from the international marketplace. You look at that, you look at an event like the Presidents Cup, and we will be in Melbourne in 2019. We have not yet decided where we'll be in 2023, but that's an asset with the best players in the world on the U.S. side, the best players in the world non-European on the international side where it's a perfect strategic element to what we can do in this partnership to grow and diversify our fan base by taking this great premium property, this tournament, and activating a market alongside Discovery. That hasn't been available to us, and those are the kind of things, and we think about where we want to be and where the fan wants us to be that we'll be doing together.

DAVID ZASLAV: We also have the ability, because we have the Olympics through '24, so for Tokyo, we'll be able to take you right through to the gold. So we've built out this platform. In addition to the platform we'll be super serving, whether it be through our own golf channels or by sublicensing or by discovery of some markets running the PGA TOUR itself, but then as the Olympics starts, we'll be able to take all that excitement, build right up to it, and then -- which the Olympics were so successful for golf last time, and it was the first time. So we think that Tokyo will be a big -- another very big opportunity for us to accentuate the strength of what we have together.

Q. Jay, just to follow up on that point, to what extent do you see the possibility of the TOUR adding even more international events than it already has? As you're thinking about this deal, is

it a goal to even add more than you guys already have, or are you pretty comfortable with sort of domestic/international balance that you have at this point?

JAY MONAHAN: I would say that we're comfortable with the balance right now, but we're out talking -- we've got offices in six markets around the world. We've got offices in Beijing, offices in Tokyo, Seoul, Kuala Lumpur, Melbourne, London. A lot of what we're doing, particularly in those Asian markets, is being on the ground, being contextually locally relevant, working closely about our media partners, now working closely with Discovery in that endeavor, and then trying to build the stardom of our players and understanding where we think there might be opportunities as it relates to a competition standpoint.

So we are preparing to -- we're putting ourselves in a position where we would have the ability to do so. Whether we do so is complicated for the reasons you just mentioned given our current schedule, but it is something that -- we want to be in all the right markets where our fans want us to be with the biggest impact, so that's a process that will continue to evolve.

And I do want to stress that when you look at the Presidents Cup and you look at the World Cup, those are important elements to what we're going to do internationally in terms of being in big markets and being there with the best players in the world, and you're starting to see the international side. Look at Joaquin this weekend. Every week it seems like there's three to four inside the top 10 to 12 each week on the international side, and that event is still young in its life cycle. But there are a lot of markets, some of the biggest in the world, we haven't been to yet with both that and the World Cup, so that's also an area of focus for us.

DAVID ZASLAV: When Jay talks about Beijing, we've been on the ground in China for over 15 years. We have a big team there, and we're one of the largest providers of content to the Chinese government. We enter in that market together, and with the resources that we already have, the fact that there's two of the top players on the PGA TOUR from China, a billion and a half people in China, and what does this present? Part of this is what can we do together, but we're always going to be looking for who can help us, who are the players in China that can take the strength of the IP and the offering that we have and reverberate it, and who can do that -- when I was in Korea, every meeting I had, that's all they wanted to talk about. It's everything in South Korea, and so -- in Japan.

And so we think Asia is a huge opportunity. We're already in business in those markets. We're in business with every distributor, and there's a real

opportunity here for -- Netflix -- one of the reasons Netflix is growing so aggressively right now is the cable distributors and satellite distributors are sub-distributing them. So you get a bill from Comcast, you get a bill from Liberty Global in Europe, and in that business is the \$10 for Netflix. And when that happens, the churn goes down. We've seen that because we're in this business. This is content that almost anybody would want to affiliate with.

For us, it's the top of the heap. And so going into Asia, a growth market, and reigniting together, Jay and I sitting down with every major distributor, and the non-traditional distributors, TenCent, Alibaba. The market now -- the market used to be the satellite distributors and the cable distributors. Apple is a distributor. Facebook is a distributor. Alibaba is a distributor. The traditional mobile players across Europe are distributors.

So for us they're all looking how to decommo-ditize their platforms. When you look at T-Mobile in the U.S. offering Netflix for free, they're saying, I have something special for you, in addition to just the pipe or the signal. And this is happening all over the world. And then you have the Amazons and the Apples and the Facebooks and the Googles.

And so for us, we're agnostic. Anybody that can help us reach more people around the world, anybody that has great direct-to-consumer business already and they want to offer our product, then we're open for business, and we think there's very few people or distributors that wouldn't want -- just like I did. Jay said, let's have a real discussion, and for us, we stopped everything to do it because we look at the PGA TOUR and the qualities that it has, and we say, we want to be affiliated with that, the values of the PGA TOUR, the quality of the PGA TOUR.

And so we think that there isn't anybody that wouldn't want to be in business with us.

Q. Do you guys have a name yet for the service? Has that been discussed at all?

JAY MONAHAN: We're working on it now.

DAVID ZASLAV: But this will be a separate product from everything -- when we think about Discovery sports, we have the Olympics, we have Eurosport. Right now we're doing the French Open. I'm heading over there on Wednesday. This is a completely separate business that's a partnership with us and that will highlight the most important piece of that brand, which is the PGA TOUR.

Q. It seems like a big emphasis you mentioned earlier was focusing on the players themselves and

personalizing them. Is it your vision that that will promote PGA TOUR as a whole and benefit your viewers and promote and financially help? Like by personalizing you grow your whole company?

JAY MONAHAN: Yeah, absolutely. I think going back to your first question, one of the things that I'm most proud of and we're most proud of is our business model, but it's also the way our players introduce you to that business model. We've got a campaign now that hopefully you've seen, Live Under Par. There's a way of playing and there's a way of being, and connecting to your fans, supporting the communities, being actively involved in all the great events that happen week in and week out is an important part of what we contribute to society and what we contribute to each market that we go to.

So you start to look at that, and to Brian's question, we certainly have fewer events internationally than we do in the U.S., but we have great personalities that are at the top of the game from virtually every single major market.

So in advance of any events that are coming to that market, making certain that, because these players are their own networks, they're independent contractors, how do we work with them to tell their story, to dimensionalize them, to let fans into their world and show angles, show perspective that you might not get if you're just following the 25 to 35 hours of coverage week in and week out. We think that currently is an unmet need, a strong need on a market-by-market basis. I hear it.

David has talked about how he hears it. And I think once you have that, ultimately -- hopefully one of two things: You've taken the core fan that follows that player and you've made them even more rabid, and for those who aren't yet fans, they're starting to be introduced to that player or that group of players and they're supporting them as national heroes and they're getting more engaged in not only our content, but then they're also understanding what makes this game the greatest game on the planet, and that affects everybody else that's involved in our industry.

And so we really do feel like this is a partnership where we're not just -- we're not the only ones that are going to win. Players, tournaments, the game itself, other tours, everybody is going to be a part of what we're doing here.

Q. My email inbox started filling up very late last night and early this morning, but two questions to -- two of the people who replied to me were players, Jay, and they asked me, what does this mean, and at the time I was uniquely unqualified to answer

that question. So for your players, what does this mean in terms of purses or other benefits that as members of the nonprofit association they're going to enjoy?

JAY MONAHAN: Well, I think from a player standpoint, again, you look to -- in the short-term, coming together with the largest international media company in the world with its demonstrated experience is going to help us to grow our TOUR and to grow the profile of all of our players and to continue to lead the game of golf forward from a professional tour standpoint, and that's something that we are absolutely committed to, and that's something that players can bank on. And we've got a great commitment to do that and to have a partner like Discovery, to take us forward internationally in this manner, we think is a testament to our players and a tip of the cap to them, and our job is to maximize playing and financial opportunities. Our job is to create the ultimate platform and the ultimate set of opportunities from a competition standpoint, and this relationship certainly will do all of that.

But this is one of many steps we're taking. Obviously we're working through our schedule, we're working through elevation of the FedExCup, the FedExCup Playoffs, continue to focus on the players, the Presidents Cup, everything that we can control, and our players will hopefully do -- hopefully we're going to do for our players what we've shown that we do year in and year out, which is to grow those playing and financial opportunities.

But the specifics of it, I think ultimately once we're successful, you'll see it, and you'll see it in what they're playing for and you'll see it in the growth of our sport and the opportunities they have both on and off the golf course.

DAVID ZASLAV: We do think that we can, not just by creating content together with the PGA TOUR, but with all the platforms that we have, with the amount of time that people spend on our cable channels around the world and our free-to-air channels, that we can reverberate the stories and the personalities from the PGA TOUR. We do it with all of the Discovery talent that we have now. Buddy Valastro went to Cake Boss, went to Brazil six months ago. He built a stadium. And a year and a half ago people didn't know who he was, but we took Cake Boss down to Latin America, we promoted it, we promoted him, and he filled the stadium.

And so I think there's no question that the PGA TOUR has done a great job, but there are markets that they're not in that we're in, and our singular focus together is going to be to make the talent on the PGA TOUR even more popular, even more recognizable, because that's going to really drive the love of the game and it's going

to drive our business.

Q. David, what will spell success for you in this venture for you and the PGA? You're launching in 2019, you said obviously you've got it set to launch in sort of various markets as the rights become available, but what will spell success, because as you well know, the DTC business has been difficult. Eurosport Player has been harder than I think we all thought it was going to be, the march to a million, et cetera, and then my second question is specifically to the UK, you don't have any rights there until 2022, I think. Is there any way you can launch something before that? Is there a way to carve out some kind of digital rights with SKY, or is there really no surfacing of this product in the UK until 2022?

DAVID ZASLAV: Okay, thanks so much. We have been having a lot more success with the Eurosport Player, and one of the things it taught us was we were offering a buffet of content, so Tour de France, all the majors in tennis, all the Olympic sports, football in a number of markets, and we found that what people really wanted was when they loved the particular sport, that's what they wanted, and they wanted it all the time. So we'd have a big group that would come in for the French Open, and then they would leave and we'd speak to them, and they would say, well, I don't love cycling, and I don't love world championship diving.

And so we pivoted about a year ago, and we've been working on that technology to what we call Seasons Pass. So for people that love cycling -- it's as if you were a golf fan and you got three golf magazines and you were waiting at the mailbox and the postman came and he gave you another 25 magazines, boating, cycling, tennis, you'd look at it and you'd say, well, why do I want all that stuff? I love golf.

So we had already pivoted toward this idea that what's really scalable in a meaningful way. You start with magazines with the subscriptions and the amount of money that people are willing to pay, and the fact that that's a static, once-a-week or once-a-month opportunity, but the real opportunity here is a full-on ecosystem for people that love a particular sport. And there's no more international sport with more local players with more content 43 weeks a year than this. So we think there's two opportunities here. One is the first thing we're going to do is create something that people love. And that's going to take us a while. They're going to absolutely love the ability to watch this content on any platform whenever they want. But what else do they want to see? What do they want to see in the morning? What do they want to see when they wake up? Do they want more long form, short form, more instruction? Do they want to be able to buy more

stuff? What do they want? And so our number one objective is to create a product for golf fans that they love, and we'll be looking at a very simple algorithm, which is we want to create something that every person wakes up in the morning, hits it, says I love this thing, and then asks five or ten friends, do you have this thing? If you love golf, you've got to have it.

And that's going to be -- that love of what we create will be what we think will create the success. The second is we look at the 4 billion people around the world, the billion and a half people in China alone, the growth of this in Asia and internationally, that this could, should, and with all of the will that Jay and I have, will be a massive business. There's no reason why we shouldn't have 10, 20, 30, 40 million people around the world over the next couple of years that love golf. Why wouldn't you have this?

If you love golf, why wouldn't you have this? Why would you wait by the mailbox to get a magazine when you can wake up every morning and get everything you want on your phone? And so our mission is going to be to create a product that people love, and if we create a product that everybody that loves golf loves, it's going to be a massive global piece. No one else has taken on the -- the only guys that have taken on a global attack have been the big -- the Amazons, the Apples, the Facebooks, and we look at them, Jay and I, and we go, wow, that's the approach.

And so the whole idea of this is we start with the globe. We start with 4 billion people that could have access to this.

Q. So you're saying 40 million subscribers? What would spell success?

DAVID ZASLAV: I think success is having a great product. What we believe is that eventually everybody that loves golf will have this, whether it's 10 million people, 20, 30, 40. We're going to follow that journey. But the idea isn't to say how many subscribers we want. We want everyone that has this thing to say it's fantastic, that they get everything they want about the golf ecosystem delivered on every device that they have, and that to us is success. We believe, I believe that if we can do that, that this can be a very, very big business, and we'll decide what the price point should be. And it may be different in different countries, and we'll work together with Jay on that.

On the UK, right now SKY has it. They have a golf channel, and that's not up for a little while. Eventually we will have -- those rights will turn out pretty early, in the early 20s, where everything will turn back, and we'll be making decisions beginning in early '19 in number of markets, and then by the early '20s where together we'll be deciding how much are we going to sub-

distribute, where will we continue to support an existing golf channel, where will we launch golf channels ourselves, and the separate overall attack of we've got it all, which is our mission of making sure on a contemporary basis we're delivering something that everybody that loves golf can hold in their hand.

JAY MONAHAN: One thing I would add to David's points is that in 2019, we'll be working together to bring PGA TOUR Live into the UK, so that is something that -- something that we've got to do here in the short-term, which is a great opportunity, and like we've talked about earlier, we're going to do that in the most direct way, and that is an OTT product that we launched here in the United States several years ago where we are featuring -- we have feature groups on Thursday, Friday, anywhere from two to three groups both of those mornings, and that's been very well-received, and we expect that to be the case as we come into the UK.

One other point I'll make just as context, sometimes when you make an announcement of a partnership of this magnitude, it takes people some time to understand it, and I can tell you that as we started to reach out to our partners from FedEx to Schwab to Rolex to some of our biggest partners on the PGA TOUR and we started to reach out to our industry partners, the other leading organizations in golf, I heard this morning from Martin Slumbers at the R&A, Mike Davis at the USGA, Pete Bevacqua of the PGA of America, I've heard from the LPGA. There is a lot of excitement for this, not just for the PGA TOUR but for everybody in golf, understanding that this is an important step for our game, and this is a potential opportunity for every single entity in the game. That's going to be an exciting part to how we grow this partnership, this streaming service and build this game together.

I think more to come on that front in the years ahead.

Q. Jay, I know the trend has been in the last few years for a lot of leagues and sports organizations to really start their own services, start their own networks. Obviously \$2 million is a lot of reason not to do that, but I'm just curious why you decided to go this route and what partnering with Discovery gives you if you had done this on your own and obviously retained a lot more control but also a lot more responsibility would not have given you? Why kind of eschew that direction to go in this direction?

JAY MONAHAN: Well, I think it's simple. Discovery is the largest international media company. They have content experience, distribution experience, direct-to-consumer experience that, candidly, nobody else has,

so they can do for the PGA TOUR and they can do for the game of golf what no one else can do internationally.

And yes, you can go at it alone, but when you think about the people -- the offices that Discovery has around the world, the content and the way they've adapted market to market, the relationships they have in those markets with all the distribution partners, the understanding of engagement and how consumers are engaging content in that market, we have a great team at the PGA TOUR that has managed this business, but this puts us in a place that we could never get to on our own, and it allows us to accomplish some things that we think a decade from now will be exceptional.