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The first edition of the *Deloitte & Touche Comparative Review of Sports Finances* shows that clubs from every major UK team sport can further improve their business by learning from the experiences of other sports. Deloitte's report compares, based on a sample of clubs, financial and business aspects from County Cricket, the Rugby Union Premiership, Rugby Super League, Football League Division One in England and the Scottish Premier League.

Whilst there continues to be a huge focus on football finance, there is now an increasing amount of interest in the business of other sports. Gerry Boon, Head of Deloitte & Touche Sport, the Sports Business Consultancy, observes "UK football may still lead the commercial race, in terms of income generation, but there are definitely some areas in which it can learn from other sports. The disciplines imposed on the clubs in Cricket and both codes of Rugby have a positive influence on the financial balance."

Boon commented further "There are many commonalities amongst the commercial demands and political complexities faced by clubs and governing bodies in the UK's main team sports. The triumph and disaster, the honour and the glory, that creates the unique fan interest and loyalty continue to be fundamental for a robust and successful industry. However, in equal measure, the commercial realities also need to be addressed."

Boon picks out controlling salary costs as an example "This year there has been a convergence of views across football to address the issues around football's cost base." Recently, both the English Football League and the G-14 have announced proposals for systems of cost control.

In the season ending 2001, the average Division One club was in deficit as soon as its wages were paid out (with a wages/turnover ratio of 101%). For Scottish Premier League clubs the average was 91%. Aided by growing incomes and the salary cap, the average Rugby Union Premiership club had a ratio of 68%. The ratio for the average Rugby Super League club was somewhat higher at around 77%.

Meanwhile, in County Cricket the average ratio was only 48% enabling more clubs to be profitable. It is interesting to compare the resulting player wages. Estimated player wages for the average Division One footballer in 2001 were £175,000 per annum and in Scotland (even excluding the Old Firm), the average was £102,000. Sportsmen at clubs in the top division of other sports are also well rewarded for playing the game they love.

In Rugby Union the average was £51,000, slightly ahead of counterparts in Rugby League at around £47,000. And in County Cricket, the average was £41,000.

Whether it is Football or Cricket, Rugby Union or League, sports clubs are part of the fabric of everyday life in Britain. Dan Jones, Director of Deloitte & Touche Sport observes, "Those charged with the operation of sports clubs have many obligations and responsibilities - and it isn't an easy life. Whichever sport it may be, one over-riding business imperative remains. 'Only spend what you can afford'."

Jones scorns criticism of those who see management holding costs down as a lack of ambition, "Such directors deserve credit for acting responsibly. Their actions help ensure that the viability of the club can be sustained for future generations in the locality. It means fans still have a club to support and players somewhere to play."

Football is the highest earning of all English club sports, with the average Football League Division One club's income (£8.6 million) nearly twice the level of the average Scottish Premier League club (£4.6 million, excluding Celtic and Rangers) in 2001.

Over recent years, the growing commercialisation of Rugby Union has given rise to increasing income

generation. Meanwhile, despite the robust following for Rugby Super League, income levels appear to have been relatively static in recent years. The average income for Rugby Union Premiership clubs in 2001 (£3.9 million) was 50% greater than its Rugby Super League counterparts (at £2.6 million).

Both received similar amounts (around £0.8 - £1.0 million) from centrally generated deals in 2001 - and the top division for each code of Rugby has twelve clubs.

The estimated average income of County Cricket clubs for the 2001 season was £3.7 million, of which 43% came from broadcast and other central contributions - a greater dependency on 'the Centre' than the other sports clubs - and also greater in absolute money terms (£1.5 million per club on average).

Cricket continues to spread its resources across a greater number of clubs than the Rugby codes, as it maintains an eighteen county structure.

For a long time, Deloitte & Touche Sport has promoted the adage 'No Fans = No Value'. Dan Jones, Director of Deloitte & Touche Sport, commented: "Clubs must actively engage their supporter, and potential supporter, base to help provide the entertainment spectacle on match-day and to provide the atmosphere and audience for the sponsors and broadcasters." Jones added, "The stadium facilities are pivotal at every club. Not only can they be a leisure facility at the heart of the community, they are also a major revenue generating asset; and, for the fans, 'the temple at which they worship'."

Across all the sports, there is room for improvement in levels of facilities utilisation. The average clubs in the Rugby Union Premiership, Rugby Super League and the Scottish Premier League all operate around 50% utilisation of their ground capacity. Football League Division One clubs in England fare better at 63% utilisation - and they generate more from Matchday activities (44% of total income) than other sports.

The average attendance at County Cricket matches compares poorly against crowds generated by the other sports clubs (around 8% of capacity for County Championship matches and 22% for one-day league matches).

Gerry Boon, Head of Deloitte & Touche Sport, concludes "No matter which sport, *ceteris paribus*, the more a club earns the more it can afford to spend on wages and business infrastructure; the better players are attracted to the squad and the more skilled managers in the business teams-this "virtuous circle" converts to more fans and more ticket sales. Or, in other words, 'More Fans = More Value'."

Highlights

Please refer to attachment as extracted from the *Deloitte & Touche Comparative Review of Sports Finances*.

Notes to Editors

Over the last decade **Deloitte & Touche Sport** has developed a unique focus on the business of sport. The specialist Sports Business Consulting team offers a multi-disciplined expert service with the people and skills capable of serving any business needs in the sports sector.

Whether it is benchmarking or strategic business reviews; operational turnaround, revenue enhancement strategies or stadium development plans, business planning, market and demand analysis, acquisitions, due diligence, audits or tax planning, we have worked with more clubs, leagues, governing bodies, stadia developers, commercial partners and investors than any other adviser. We bring an unparalleled knowledge of the sports industry to service business needs in the sports sector.

For further information on **Deloitte & Touche Sport**, you can access our website on www.sportsconsulting.co.uk

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MANCHESTER UNITED TOPS WORLD FOOTBALL RICH LIST FOR FOURTH SUCCESSIVE YEAR AS BIG ITALIAN CLUBS MOVE UP **30 November 2001**

Manchester United has retained the top spot in the Deloitte & Touche/SportBusiness International Rich List for the 1999/2000 season -- its fourth successive year at number one. Its turnover of £117 million is £13m above Real Madrid - the only other club generating over £100m.

Lucrative television deals were behind the strong Italian presence in this year's list. AC Milan moved to the highest Serie A position on the list (at number four) in the first year of their deal with broadcaster Telepiu. The FA Premier League, however, will stage a comeback when its television deals hit the accounts from 2001/02 onwards.

The fourth Deloitte & Touche Sport report, released jointly this year with SportBusiness International, identifies the twenty richest football clubs in the world and sees England's Premier League dominate with seven clubs making the grade. The rest of Europe fills the remaining places with seven Serie A, two Bundesliga, two Primera Liga clubs and one Scottish Premier League club. With eight clubs from the UK in the top twenty, the popularity and financial strength of British continues, although the total clubs listed is down from previous years. Olympique Marseille made its debut appearance in the list at 16th thanks to its extended run in the Champions League, and Bordeaux remains a contender for next year, lurking just outside the list at 21st place.

For the first time, the Rich List analyses the teams ranked 21-40 in order to preview those clubs that may feature in future compilations. The list also includes a comparison with the USA -- one of the few countries where football does not dominate the sport scene.

Gerry Boon, partner in charge, Deloitte & Touche Sport, commented on this year's results: "The pace of football growth has been such that clubs have had to move fast to keep up. When we compiled the Top 20 list three years ago, those clubs had a combined income of £816m. This year that figure is 69 percent greater at £1,376 million. But while the minimum entry numbers have increased, the list of top money-makers hasn't altered much - 16 of this year's Rich List have made it each year we've drawn up the list."

The combined income of the twenty richest clubs broke the billion pound mark last year. This year's combined income rose 31 percent from last year. Even among the top twenty clubs the disparity between top and bottom is stark with a range of £117 million to £45.1 million.

"Stadium development continues to be a key factor in English clubs' football business supremacy, and these clubs' business models allow them to generate revenue from those assets on-, and off- season," said Gerry Boon. "England's stadia are far superior to European municipally-owned facilities and South America's crumbling venues. Germany and Portugal, however, are hosting major tournaments which will spur stadium development."

Among the English clubs, Arsenal, Tottenham Hotspur, Liverpool, Chelsea and Newcastle United all slipped relatively in the ranking with only Leeds United climbing -- from 17th to 13th place due to a turnover increase of 54 percent. Liverpool and Newcastle both dropped eight places to 19th and 20th respectively.

Kevin Roberts, Editorial Director of SportBusiness Group added: "English clubs are the most commercially developed in terms of the breadth of income streams from television, gate and commercial revenues. But the Rich List shows that the major European soccer brands will rise to the top. Bayern Munich and Juventus reportedly both plan to float in the near future - a move that should increase turnover if the money raised is invested wisely. Clubs

all over Europe are also far more aware of the need to further develop commercially. The giants of the game have their sights on European leadership and global exposure and this is why the big clubs will always score over their smaller competitors in the long-run."

The richest Italian club - AC Milan - generated income of £89.7 million in the season ended 2000. Standing in fourth place, it leads Juventus, SS Lazio and AS Roma - as well as city rivals Internazionale in an Italian dominated top 10. AS Roma entered the top 10 with a dramatic leap from 16th to 10th place, due to an 83 percent increase in turnover (from £39.4 million to £64.1 million).

The survey ranks clubs according to their turnover, judging a club's richness to be reflected in its ability to generate income, regardless of how that revenue is then subsequently spent. Financial information from the season that ended in 2000 was used to rank the clubs.

Deloitte & Touche/SportBusiness International Rich List

Position	Club	Turnover (£m)
1.	Manchester United	117.0
2.	Real Madrid	103.7
3.	Bayern Munich (Note 1)	91.6
4.	Ac Milan	89.7
5.	Juventus	88.4
6.	SS Lazio	79.4
7.	Chelsea (Note 2)	76.7
8.	Barcelona	75.2
9.	Inter Milan	68.9
10.	AS Roma	64.1
11.	Arsenal	61.3
12.	Borussia Dortmund	59.5
13.	Leeds United	57.1
14.	Fiorentina	54.2
15.	Glasgow Rangers	51.7
16.	Olympique Marseille	49.9
17.	Tottenham Hotspur	48.0
18.	Parma	47.5
19.	Liverpool	46.4
20.	Newcastle United	45.1

Source: Deloitte & Touche Sport

Note 1: Income includes transfer fees received which could not be separately identified.

Note 2: Chelsea's turnover is adjusted to exclude their travel agency and property sales / leasing figures. These are about 40% of the size of the remaining football and ancillary income, in our view a disproportionately large figure, which would distort the comparison with other clubs. Chelsea's turnover including the travel company but excluding property sales and leasing is £104.8m which would just place it in second position.

Bubbling under:

21.	Bordeaux	41.9
22.	Celtic	38.6
23.	Sunderland	37.3
24.	Aston Villa	35.8
25.	West Ham United	35.7

Source: Deloitte & Touche Sport

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About Deloitte & Touche Sport

Over the last decade Deloitte & Touche Sport has developed a unique focus on the business of sport. The team offers a multi-disciplined expert service with people and skills capable of adding significant value to the business of sport. Whether it is benchmarking or strategic business reviews; operational studies, commercial enhancement projects or stadium development plans; flotations, acquisitions, due diligence or tax planning; we have worked with more clubs, leagues, governing bodies, stadia, financiers and owners than any other adviser. Deloitte & Touche Sport's headquarters are in Manchester, England and that team undertakes assignments throughout Europe and the rest of the world.

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SportBusiness Group provides global commentary and intelligence to enable clients to grow their commercial interests in sport. SportBusiness supports some of the most influential figures from sporting federations, governing bodies and key rights holders to leading sponsors, broadcasters and sport marketing companies. Their portfolio includes SportBusiness International, which is read by over 50,000 business professionals, and other publications such as Football Business International, Sports Television: The Ever Changing Face and Sport and Medicine Today. SportBusiness also put together international conferences, provide up-to-the minute news and directory listings on SportBusiness.com and write special reports about key issues affecting the industry. Please visit www.sportbusiness.com