

# WINNER TAKES ALL?



**ROWENA EVERSON**  
DISCOVERS THAT LOSERS CAN  
SOMETIMES COME UP TRUMPS

**F**ootball is a game played by 22 men and then the Germans win." If ever a saying was truer, then this summer's Euros prove that one takes some beating. Despite being spanked in the early group stages by the Croatians, a team that qualified by losing to Macedonia and where 90 per cent of the players' surnames end in the same letter (don't you just love sports stats?), they came back to grind down Austria, Portugal and Turkey in a series of one goal wins. But victory doesn't always equal dollars. Witness Portugal – the most expensive team in the tournament, valued at €300m and with their star player Cristiano Ronaldo sporting a price tag of €100m – who bombed to the Germans in the quarters. Germany's golden boot of World Cup 2006, and the only player ever to score more than five goals in successive world cups, Miroslav "I'm not really Polish" Klose, is worth a paltry €15m.

So if performance doesn't always guarantee payback, where does all the cash in televised sports go? Who's really making a mint and who's still searching for the mint in their biscuit? And why do you still have to pay extra to watch the Euros when you've already got the *Football Channel*?

The cash that flows in through the gate makes up only part of the big bucks in the beautiful game. Manchester United made €315m in revenue for the season ending 2007: 44 per cent of that came from sales on the

day, the rest came from TV and commercial revenues.

A massive €58.1m poured into Man U's coffers courtesy of commercial interests. Anyone who's ever bought a genuine EPL jersey knows how expensive being a true supporter can be, but a vast proportion of commercial income comes from the corporate sponsors – companies like Emirates, who paid £100m over 15 years for the naming rights to the Arsenal stadium at Ashburton Grove. Sponsorship has its risks though – Coca-Cola and McDonalds had concerns over being associated with the Beijing Olympics, which drove down the tournament value. But the allure of having Cristiano Ronaldo and pals on a marketing board is often enough to win over the sceptics: witness the 2010 World Cup in South Africa where sponsorship is valued at around US\$125m before a single stand has been built.

And then there's TV. The more potential viewers a tournament has, the more bucks the advertisers will pay for it and the more the event producers can charge for it. The latest Euro finals sold for €1bn in Europe alone. Big pull events, like the Superbowl final, which draws 90 million viewers, are a cutthroat business. Networks battle to win the exclusive rights, which they on-sell to advertisers. In contrast many Asian golf events have to pay to get on air.

A rising tide floats all boats, so they say,

and it's certainly been true in football, where costs have spiralled alongside revenues. Headline grabbing salaries have become common place in the EPL where average wages are upwards of US\$1.8m a year. Big name stars, like Chelsea's Michael Ballack, earn around US\$12.5m, which is considerably more than golfing Vijay Singh's 2007 winnings of US\$4.7m, but a lot less than NBA's Kobe Bryant who pulled in US\$21m (including sponsorship rights and endorsements).

Away from the bright lights and glamour, armies of event managers and organisers also take their toll. Event producers pay organisations, like the PGA, millions of dollars for the right to stage and host events. So much of their potential income relies on TV and advertising that deals typically include guaranteed attendance of big name stars. And that's where Mister Ten Percent comes in. Agents, facilitators, negotiators, everyone takes a cut.

At the end of the day, David Beckham might not be as fluffy as he once was, and despite the fact that he now plays for a team that sounds more like a Sci-Fi B movie than a premier soccer club, he's still got it where it counts – on the billboard. And perhaps that's where the Germans went wrong. Solid though the munching Munchens may have been, Spain was the only Euro 2008 team, other than the Portuguese, to make it to the leaderboard of expensive clubs. Sometimes you just get what you pay for. □