

# FINANCIAL REVIEW

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HD **Rugby union clubs courted by investors**  
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Private investors are circling Australian rugby union franchises as interest in sports teams grows from wealthy individuals and groups.

It is understood the owners of the Melbourne Storm NRL club have made preliminary approaches to the Australian Rugby Union regarding buying Super Rugby club Melbourne Rebels.

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The Storm and the Rebels share Melbourne's AAMI stadium. Another tenant is A-League football club Melbourne Heart, in which the Storm owners have a 20 per cent **stake**. English Premier League giant Manchester City own the remainder.

Despite denials, the discussions between the Storm owners, the Rebels and ARU took place in recent weeks but may not **lead** to a deal.

The Storm are owned by a consortium led by New Zealand businessmen Bart Campbell and Michael Watt, as well as Jayco Caravans owner and BRW Rich list member Gerry Ryan and Beteasy owner Matthew Tripp.

The ARU's 2013 annual report, out last week, shows the Rebels cost the governing body \$5.5 **million** in extra funding after it took over the club from founding chairman and Rich lister Harold Mitchell.

This year the Rebels have cut costs, although the club is still expected to lose money, putting further pressure on the ARU's strained balance sheet.

The governing body announced a \$19.5 **million** profit last week for the 2013 year.

However, ARU chief executive Bill Pulver said earlier this year that the organisation's revenue would take a hit this year and 2015, when income would be cut significantly due to the World Cup taking place in England. Suitors circle Waratahs

Fairfax Media reported last week that former Wallabies coach Bob Dwyer is leading one of two consortiums seeking to take over Super Rugby club the NSW Waratahs.

Mr Dwyer's consortium, which includes former ARU chairman Dilip Kumar, has proposed to invest \$2 **million** annually for five years in the rugby union structure that sits underneath the Waratahs, including the Sydney club competition and country leagues.

The other consortium circling the Waratahs is led by David Levy, the founder and managing director of Waratahs sponsor Pet Resorts Australia.

Mr Levy was reported to be in a consortium with up to seven other Sydney-based businessmen including Michael Hendler, who founded sportswear distribution **company** True Alliance.

The interest in rugby union comes after two sales in the A-League this year.

Manchester City and the Storm owns bought the Melbourne Heart for an estimated \$11 million to 12 million in January while Football Federation Australia sold the Western Sydney Wanderers for about \$10 million last week.

The new owners of the Wanderers are a consortium led by Rich list member Paul Lederer , who has been a director of the club since its inception two years ago.

Mr Lederer's fellow investors are Filipino-Chinese businessman Jefferson Chang, Pirtek owner and David Slade, a partner in the Australian branch of the UK retail chain Topshop-Topman.

**CO** ausrul : Australian Rugby Union

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