

Takeover action fuels football shares boom

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ROMAN Abramovich and Malcolm Glazer have fuelled a boom in Premiership football club stocks, with the share performance of the likes of Arsenal and Tottenham Hotspur thrashing the FTSE and leisure sector indices.

Football shares have been the whipping boys of the stock market, generally performing woefully since the float bonanza in the 1990s.

Burnt investors deserted the sector as they failed to stack up football finances in the face of raging player wage inflation.

But the £150 million acquisition of Chelsea by the Russian Abramovich in 2003 — he has since spent another £130 million on new players — and this year's £800 million acquisition of Manchester United by American Glazer and his family have fuelled a share-price boom among the biggest English clubs left on the stock market as speculators bet on the next takeover deal.

Over the last three years, shares in Arsenal on the lightly-regulated Ofex exchange have tripled and are up more than 150% since the start of last season.

Spurs shares are up nearly 50%

HOW THEY HAVE SCORED

Club	Price now	Start of last season
Arsenal	£4000	£1550
Newcastle United	59p	40p
Tottenham Hotspur	40p	27 1/2p
Birmingham City	22p	14 1/2p
Aston Villa	389 1/2p	296p
Charlton Athletic	29p	23 1/2p

over the past year. Charlton Athletic shares, which have risen 24% in the last year, have nearly doubled since 2002.

Other Premiership clubs Newcastle United, Aston Villa, Birm-

ingham City, Villa have seen their share prices soar by between 30% and 50% during the past 12 months.

This compares with growth in the FTSE All Share and the FTSE

Leisure sector over the last year of 22%.

"Though over the longer term most football shares have been lousy investments, they have bounced on the back of the takeover speculation and action," said Andy Yates of Digital Look, the financial information group that has been monitoring the sector.

"Football club shares have proved to be for die-hard fans rather than serious investors."

Football analyst Vinay Bedi at stockbroker Wise Speke, said: "There have certainly been rich pickings among the football clubs but the prime driver has been corporate activity.

"We have had the Chelsea and Man U takeovers and there is revived speculation at Aston Villa and Newcastle.

"But is football a good investment?

"On fundamentals nothing has changed. They are still struggling to balance the demand of players' wages at a time when revenues from the gate or from television are static.

"A lot of the clubs have got a takeover premium already priced in. I certainly would not encourage investors to go chasing the sector."