



OFFICIAL NEWSLETTER OF THE ARSENAL SUPPORTERS' TRUST

Issue 10

August 2007

Welcome to the latest edition, with a bright new look, of the official newsletter of the Arsenal Supporters' Trust. The newsletter is just one of the ways we use to keep in touch with the AST membership. We also hold monthly Board meetings (second Monday of each month) to which all members are invited and distribute occasional email updates. Please keep us informed of your latest email address so we can ensure we stay in touch.

The Arsenal Supporters' Trust goes from strength to strength. We now have more than **425 members**, representing both small shareholders and supporters who wish to have a share and say in how Arsenal is run.

The Trust's involvement and input to the ownership debate at Arsenal. It has been a tumultuous time in the Arsenal Boardroom. In April 2007, Kroenke Sports Enterprises (KSE) bought ITV's 9.99% shareholding in Arsenal. They also bought 1% from Danny Fiszman and a small number from other shareholders giving them a total of 12%. Almost simultaneously, David Dein left the club, 'irreconcilable differences' with the other Board members being cited as the reason.

All this against a backdrop of Arsene Wenger only having a year left on his contract and major investors coming into other Premier League clubs.

In the last three months, the AST has discussed these issues with representatives of all of the club's major shareholders, including current Board Directors, Managing Director Keith Edelman, Lansdowne, Kroenke Sports Enterprises (KSE), David Dein and ITV (in their role as sellers of 9.99% of the club and joint partners in Arsenal broadband).

We have also communicated our views through the broadcast and written media, our website and Arsenal blogs.

The AST position has been very clear, and we are setting it out in detail below so that all our members can read it first-hand. We welcome on-going feedback and contribution from all members on this subject and are grateful to you for the support that allows us to undertake this work:

The Trust's position

The AST recognises and is proud of the huge contribution that the existing Board directors, including Keith Edelman, Ken Friar, Danny Fiszman, Peter Hill-Wood, and the Bracewell-Smith and Carr families have made to our club. They have delivered stability and success over many years, both on the pitch and in delivering the Emirates.

In particular, we recognise the contribution made to the club by its two leading shareholders Danny Fiszman and David Dein. Danny's energies and leadership has given us a marvellous new stadium in our Islington home. David's vision brought Arsene Wenger to the club and we all salute Arsene for his work in transforming our football fortunes, so that we now challenge for trophies every season playing attractive and entertaining football.

Both Danny and David are huge Arsenal fans who we know will always put the club's interests first. We will continue our dialogue with them and the other major shareholders in Arsenal.

We will not shirk from challenging actions we do not think are in the best interests of Arsenal's continued development as a leading sporting institution on and off the field.

The AST believes that boardroom instability undermines football clubs. We therefore continue to urge all of the club's major shareholders to work together, and with us. The AST is pleased Peter Hill-Wood took our advice to meet with Stan Kroenke. All parties, with their different interests and skill sets, need to work together to ensure the club's continuing success on the field.

We have also said it is a matter of urgency that the Arsenal board and Arsene Wenger sit down to agree not only a new contract, but a football strategy for the next four years. This must include ensuring we have the financial resources to challenge for the Premier League title every year. We are encouraged that all sides say contract talks are progressing well.

At our regular end of season get together for all Trust members with Keith Edelman, we asked Keith some tough questions. Keith has been supportive of the AST since our formation in 2003 and we welcome the time, and candour, he gives to us. A full report of this meeting covering Keith's detailed answers to the many questions our members asked him is set out on our website at www.arsenaltrust.org

At this meeting, Trust members specifically challenged Keith as to whether the club had funds necessary to support Arsene Wenger build another team capable of winning the Premier League. Keith assured us he did and this issue is addressed further in the report circulated with this note

The Trust has also raised with the Board and all of the major shareholders the suggestion that a limited rights issue be placed. This would see extra money going into the club, rather than to shareholders, as currently happens when new investors buy a stake in Arsenal. The huge increase in the value of the club's shares in recent years would mean that no shareholder need suffer any financial loss from this approach. It would also allow more fans to have a share in our club, something the current Board have said they favour. We will continue to explore and promote this option.

The AST has also asked some tough questions of Stan Kroenke's representatives about the reasons behind his investment in Arsenal, and future plans. We welcome the reassurances that Stan Kroenke does not believe in excessive gearing of his sports investments. Our own research demonstrates that KSE are very different operators to the Glazers.

Stan Kroenke has agreed to meet with the Trust. We look forward to discussing the contribution he feels Kroenke Sports Enterprises can make to Arsenal. We have made it very clear that we would not support a takeover that placed the club into severe acquisition led debt and had as its sole objective the extraction of profit, for instance through increasing ticket prices. The Trust will lead the fight against a Glazer type takeover at Arsenal

Looking to the future, the AST has set out four key objectives we want to see realised at Arsenal

- Stability in its ownership structure
- Key personnel in football and commercial positions
- Further investment in the team
- A corporate structure that allows for effective involvement and representation from shareholders and supporters

We will continue to strive for these objectives.

2007 ARSENAL SUPPORTERS' TRUST ANNUAL GENERAL MEETING (AGM)

6.30-8.30 pm, Thursday 15 November 2007

NABARRO, FIRST FLOOR LACON HOUSE, 84, THEOBALD'S ROAD, LONDON, WC1X 8RW
Tube: Holborn (Piccadilly & Central Lines) 5 mins walk Buses: 19,38,55,98,243 all stop right outside