



## **Open Letter to The Fans, Supporters and Allies of SWFC:**

July 30, 2010

Dear Wednesday Fans, Supporters, Allies and Interested Parties:

We write this letter today as an open and direct communication to those of you who want to know more about our offer to purchase a controlling interest in SWFC, our specific motivations and plans for this historic club. As of 5 pm (GMT) Thursday, the Board of Directors of SWFC has again chosen not to accept or respond to our funded offer.

Our offer to purchase the club is based on a generous valuation on Wednesday of approximately £20 million. We use the term generous as this valuation has not been adjusted from our previous offer to reflect the risk associated with the recent disclosure of tax issues, vendor payment issues and player transfers. Our offer represents an immediate improvement to the club's financial situation of £9.5 million, which includes a £3m cash infusion and a £6.5m write down of existing debt.

As you may know, the club's current debt is £25 million. Our offer also includes an additional £2 million cash infusion before the beginning of the 2011/12 season. Finally, our offer includes a cash infusion of £5 million upon the Owls gaining promotion back to the Coca-Cola Championship. In total, the Board's acceptance of our offer will yield a net improvement to the club's financial position of £16.5 million (£10m in cash; £6.5m in debt reduction).

For this offer, CLUB 9 SPORTS and its partner, sports promoter Dennis Hobson, would gain a controlling interest in the club, which would include control of the Board of Directors. This is most important to us as the Board represents the governance of the club. In order to enact our strategic plan to improve SWFC, we must have operational authority. Despite what others have attempted to infer, this offer has been prepared and submitted with knowledge of the Co-op Bank. We have consistently communicated openly and regularly with the bank since we first expressed interest in the club some months ago.

We are motivated to acquire a controlling interest in Wednesday because we believe strongly that the club needs a new plan, new leadership and new energy. We have studied the decline of the past ten years and believe we have both the correct strategy for turning things around and the management skills necessary to do it.

Why would we want to take on the turnaround of SWFC? There are three reasons:

- 1) We specialize in turnarounds and operational improvements of distressed businesses; it is what we do best.
- 2) We have a particular focus on sports management and sports marketing; it is our passion and we will bring best practices and personnel to S6.

- 3) We believe that upon our successful, long-term implementation of the strategy, we will benefit financially (along with any investor, shareholder or fan). With the addition of life-long Wednesday supporter, Dennis Hobson on side, we have a financial partner who shares the same local passion for Wednesday as the fan base.

Now that you know our motivation, the likely question is why SWFC? Again, let us outline the reasons:

- 1) Though currently distressed, deep in debt and relegated to the third tier of English football, we know SWFC has the history, size, stadium and fan support of an EPL team.
- 2) We have studied the city of Sheffield and find it a very strong market with a solid future and the strength to support two large clubs - with Wednesday being the preferred, of course..
- 3) We understand that fans and supporters are currently frustrated and attendances have been impacted, mainly as a result of inconsistent pitch performance. We have confidence that the fans and supporters will return to Hillsborough as we improve the on and off-pitch performance of the club.
- 4) We have studied the growth of football as a global sport and analyzed the international media rights trends, including the growing viewership in the Americas as ratings for EPL and MLS games increase. We believe there will be long-term appreciation for the clubs who gain an international following by competing at the highest levels of English Football and who can expand their brands to markets beyond Europe. As we turnaround Wednesday, it can again be one of those clubs.

So now that you know our motivation and our interest in SWFC, the last question is what are we going to do once we acquire the controlling interest? Though we have very detailed plans for executing the turnaround and improvement of Wednesday (to be made public in the future), the below represents the basic outline for our plans:

- 1) We will aim to provide Alan Irvine, Sean McAuley and Howard Wilkinson with not only financial security to make key, strategic acquisitions this season as Wednesday attempts to win League One, but also with the long-term benefit of a structured and integrated international player development program. Using key strategic relationships we have in place, SWFC will expand its organic player development program well beyond Europe and into the Americas and Africa. Using the Wednesday Academy as the base, we will institute a world-wide player development system that will reduce the financial pressure to make expensive signings and player loan arrangements in lieu of a long-term plan to organically develop much of the future talent of Wednesday. While this will not eliminate the need for short-term player acquisitions, it will greatly reduce the need to spend massively into a system that has proven to lead many good clubs into insolvency instead of championships.
- 2) We will support the club with highly experienced sports marketing and management personnel designed to more completely execute a plan for increasing club revenues and for decreasing or eliminating programs that are not core to the mission of winning and succeeding.
- 3) We will put a major focus on customer service and improving relationships with the fans and supporters of SWFC. We will communicate openly and will be welcoming to all supporters, fans and allies of Wednesday. We will improve all areas of interaction between Wednesday fans and the club.

- 4) We will operate the club as a business, with financial discipline and with the long-term goals of the club and its customers at the core of our decisions. We do not view the Board of Directors as a social club or as position only for elitists or insiders. We view the Board as a serious body of individuals who have a duty to oversee the corporate governance of the club on behalf of its shareholders. We will have regularly scheduled meetings of the Board, but we will not charge the Board with running the day-to-day operations of the club. That will be done by the executive management team that we will put in place.
- 5) We will not sell Hillsborough or the Training Ground. Hillsborough is one of the largest and most important venues in English football. We do have long-term plans to make improvements to certain areas of the venue, including immediate capital improvements to concessions, concourse, scoreboard and dressing rooms. We have made this clear to the Co-op Bank.

In summary, we have offered to acquire a controlling interest in SWFC because it is a unique opportunity to use our skills, experience and passion to execute a turnaround that will benefit all stakeholders (shareholders, employees, bank and fans). We know Wednesday can return to its rightful place in English football, but it will take capital, time, hard work and leadership.

We firmly believe our offer is fair and compelling because we offer more than capital; we offer a strategic and operational plan to improve the club for the long-term coupled with the personnel to get the job done.

Most importantly, we believe in the fans and supporters of SWFC. We understand that the key to any well-run sports organization is the health and happiness of its fan base. We believe Wednesday's fan base is its most valuable asset.

We hope you will give us the opportunity to demonstrate our respect and appreciation for you, the fans of your great club. Together, we will put the club back on top.

Warmest personal regards,

John Prutch  
Managing Partner  
Prometheus Capital

Jon L. Pritchett  
CEO/Operating Partner  
Club 9 Sports

Dennis Hobson  
Sports Promoter  
Wednesday Supporter

