

CURRENT OWNERSHIP IN MAJOR LEAGUE BASEBALL

Team name	Principal owner	Year	Purchase Price	2008 Value	CAGR
Arizona Diamondbacks	Jeff Moorad 2004 (Ken Kendrick)	1995*	130.0	379.0	8.58%
Atlanta Braves	Liberty Media	2007	450.0	497.0	10.44%
Baltimore Orioles	Peter Angelos	1993	173.0	398.0	5.71%
Boston Red Sox	John Henry (Tom Werner & Larry Lucchino)	2002	700.0	816.0	2.59%
Chicago Cubs	Tribune Company (Sam Zell)	1981	20.5	642.0	13.61%
Chicago White Sox	Jerry Reinsdorf (Eddie Einhorn)	1981	20.0	443.0	12.16%
Cincinnati Reds	Robert Castellini	2005	270.0	337.0	7.67%
Cleveland Indians	Larry Dolan	1999	323.0	417.0	2.88%
Colorado Rockies	Charlie Monfort	1992*	95.0	371.0	8.89%
Detroit Tigers	Mike Ilitch	1992	82.0	407.0	10.53%
Florida Marlins	Jeffrey Loria	2002	158.5	256.0	8.38%
Houston Astros	Drayton McLane	1992	102.7	463.0	9.87%
Kansas City Royals	David Glass	2000	96.0	301.0	15.36%
Los Angeles Angels of Anaheim	Arturo Moreno	2003	184.0	500.0	22.13%
Los Angeles Dodgers	Frank McCourt	2004	371.0	694.0	16.95%
Milwaukee Brewers	Mark Attanasio	2005	223.0	331.0	14.07%
Minnesota Twins	Carl Pohlad	1984	44.0	328.0	8.73%
New York Mets	Fred Wilpon	2002	391.0	824.0	13.23%
New York Yankees	George Steinbrenner	1973	8.7	1,306.0	15.39%
Oakland Athletics	Lewis Wolff	2005	180.0	323.0	21.52%
Philadelphia Phillies	David Montgomery	1981	30.0	481.0	10.82%
Pittsburgh Pirates	Bob Nutting 25% (Kevin McClatchy)	1996	92.0	292.0	10.10%
St. Louis Cardinals	William O. DeWitt, Jr.	1995	150.0	484.0	9.43%
San Diego Padres	John Moores	1995	94.0	385.0	11.46%
San Francisco Giants	Peter Magowan	1992	100.0	494.0	10.50%
Seattle Mariners	Howard Lincoln (Nintendo America)	1992	106.0	466.0	9.70%
Tampa Bay Rays	Stuart Sternberg 2005 (Vince Namoli)	1995*	130.0	290.0	6.37%
Texas Rangers	Thomas O. Hicks	1998	250.0	412.0	5.12%
Toronto Blue Jays	Rogers Communications	2000	140.0	352.0	12.22%
Washington Nationals	Theodore N. Lerner	2006	450.0	460.0	1.11%

*expansion fees

**Red Sox price includes \$60 million debt, Fenway Park and 80 percent of NESN

CHICAGO CUBS DEAL

Seller: Tribune Company purchased Cubs from Wrigley family in 1981 for \$20.5 million

Buyer: Ricketts Family from Omaha Nebraska. Father Joe Ricketts founder of TD AmeriTrade, Team operating officer Tom Ricketts. Cubs retain 5% share for taxes.

Estimated value of Chicago Cubs, Wrigley Field and 25% of Comcast SportsNet Chicago

\$845

Equity share	\$150
Family Debt	\$250
Bank Debt	\$425
95% share purchased by Ricketts	\$825

Cubs Revenue 2008	\$240
Cubs cash flow	\$30
Cubs debt payment 30 years at 4.75%	\$27
Cash Reserve Requirement	\$35
Debt/cash flow ratio (MLB rule 10-15 times)	14.2
Value/revenue multiple	3.52
Leverage ratio	50.3%

Rays owners dealing with deep pockets

The six-man partnership led by Stuart Sternberg puts riches into new deals and pet causes.

By SCOTT BARANCIK and TOM ZUCCO, Times Staff Writers

Published November 25, 2007

ST. PETERSBURG -- Convincing elected officials to foot two-thirds of the \$450-million bill for a new Tampa Bay Rays stadium may be a tough sell.

But the 23 individuals who own the baseball team should have no trouble scraping up the remaining \$150-million.

That's particularly true for the six-man partnership, led by New York's 48-year-old Stuart L. Sternberg, that spent \$65-million to buy a controlling stake of the Rays in 2004.

The Sternberg Six - which includes Andrew Cader, Randy W. Frankel, Timothy R. Mullen, Gary F. Goldring, Stephen M. Levick and Sternberg - are essentially low-profile financial experts who were at the right place at the right time. They all had been top executives at a New York securities firm called Spear Leeds & Kellogg in 2000 when Wall Street banking and investment giant Goldman Sachs acquired it for \$6.5-billion.

Sternberg alone took home, conservatively, tens of millions of dollars.

Since then, the men, all roughly 50 years old, have lived like corporate nobility, spending their free time investing, pushing pet causes and acquiring lavish lifestyles and homes far from the Tampa Bay area.

None of the Sternberg Six agreed to be interviewed for this story, deferring instead to a press conference scheduled for Wednesday at Al Lang Field that team officials say will provide details of the new park and the redevelopment of Tropicana Field.

Sternberg's group could probably foot the entire \$450-million bill themselves rather than dip into the public kitty for a big chunk of it. Not that they would. But a cursory look at their assets shows just how deep their pockets are. For example:

- Andrew Cader, a 49-year-old New Yorker who owns a \$7.4-million vacation home in Aspen, Colo., will mark his 50th birthday there next year with a four-day bash. His house in Bedford, N.Y. - whose upscale lifestyle attracts the likes of Martha Stewart - is valued at \$7.2-million.

- Randy W. Frankel, 50, owns a \$7.6-million house along the New Jersey coast and a 3.5-acre estate in Montville, N.J. Sternberg's Harrison, N.Y., home is valued at \$6-million.

- Timothy R. Mullen, a 51-year-old Chicagoan, donated \$100,000 to the reelection campaign of Democratic Mayor Richard Daley last year. That put him into an exclusive club of corporate kingpins that included billionaire real estate investor Sam Zell and the executive chairman of insurer Aon Corp.

The Sternberg Six don't just spend money on themselves. Five have created their own charitable foundations, with combined assets of \$58-million and 2006 donations totaling more than \$2-million. Their causes differ wildly.

Gary F. Goldring, a 50-year-old Connecticut resident, gave \$110,000 to Earthwatch Institute, an environmental organization on whose board he sits. Cader gave \$125,000 to the Manhattan Institute, a so-called "free market" think tank where President Bush twice delivered speeches last year. Sternberg gave more than \$120,000 to the Rye Country Day School in New York.

Meanwhile, the Sternberg Six remain active investors, and not just in the Rays. Partnerships led by Frankel have purchased a 730-acre ski resort in the Catskill Mountains for \$25-million as well as the centuries-old Montville Inn in New Jersey. Mullen served on the board of online brokerage Thinkorswim Inc. of Chicago until February, when Utah-based Investools Inc. acquired it for \$340-million.

Money isn't all that the Sternberg Six bring to the stadium deal. Goldring has an MBA from the University of Pennsylvania's Wharton School of Business and a law degree from Columbia University. Cader, the former co-CEO of Spear Leeds, worked closely with former Goldman Sachs chairman and current U.S. Treasury Secretary Henry Paulson and has testified before Congress. Frankel is a former CPA.

Collectively, their clout and experience putting together complex deals, sometimes under fire, should serve them well in the stadium negotiations.

As Wall Streeters who appreciate the power of leveraging their investments, it's unlikely the Rays owners would spend much of their own money to pay the full \$150-million, anyway.

Sal Galatioto, president of a New York investment bank that specializes in sports deals, said teams often borrow money to help pay their share of a stadium's cost. Some are able to pledge future cash flows from sources such as naming rights or sky boxes.

"There are a whole bunch of ways to structure a stadium deal," he said. The Rays will provide additional information about the proposed deal when they officially unveil it Wednesday.

Besides, the Sternberg Six are not the Rays' only deep pockets. Joseph Chlapaty, one of 17 limited partners who held on after the team's general partners were bought out, recently donated \$22-million to the University of Dubuque for a recreation facility being built in his name.

Chlapaty, 61, recently disclosed one other goal he has in mind for that Iowa city. He wants to relocate a minor-league baseball team there, and build a stadium to house it.

Times researcher Carolyn Edds and staff writers Aaron Sharockman, John Romano and Marc Topkin contributed to this report. Scott Barancik and Tom Zucco can be reached, respectively, at barancik@sptimes.com or zucco@sptimes.com.

The Rays' 23 owners

Below is a list of the 23 individuals, partnerships and trusts that own the Tampa Bay Rays, and the ownership group that each one arrived with: Vince Naimoli (1995), Stuart Sternberg (2004) or sometime in between the two (Interim). The Rays do not disclose the percentage stake held by individual owners. Sternberg's group Naimoli's group Interim Andrew Cader

Randy W. Frankel

Gary F. Goldring

Stephen M. Levick

Timothy R. Mullen

Stuart L. Sternberg

P.J. Benton

Claude Focardi Family Trust

Mel Danker

Robert Kleinert

Gary Markel

Vincent Naimoli

Lance Ringhaver

Gus Stavros

Joseph Chlapaty

Franklin Eck

MacDougald Family LP

Arthur Nagle

Daniel O'Connell

Frank Richardson

Thomas Sansone

Van Beuren Trust

Stephen Waters

Sources: Tampa Bay Rays, Times research

THE TEAM

Address	4 Yawkey Way Boston, MA 02215
Phone	617-267-9440
Fax	617-226-6640
Web	www.redsox.com

FINANCIAL OVERVIEW

Most recent sale price (date)	\$700 million for team and stadium (2002)
Payroll (2005)	123,505,125
Corporate structure	Limited Partnership

ATTENDANCE

Percent of capacity	103%		
Attendance history	<i>Season</i>	<i>Total</i>	<i>Change</i>
	2004	2,837,304	4.2%
	2003	2,724,165	2.8%
	2002	2,650,862	1.0%
	2001	2,625,333	1.5%
	2000	2,586,032	5.7%
	1999	2,446,162	5.7%
	1998	2,314,721	5.2%
	1997	2,200,000	-5%
	1996	2,315,233	7%
	1995	2,164,410**	21.9%
	1994	1,775,818*	-26.7%
	1993	2,422,021	-1.9%
	1992	2,468,574	-3.7%
	1991	2,562,435	

* through 8/11/94

** MLB played 144-game schedule due to labor dispute

Ticket price range	\$80, \$80, \$75, \$75, \$40, \$40, \$40, \$25, \$21, \$20, \$20, \$12
Admission tax per ticket	0
Sales tax per ticket	0
Season ticket sales	22,000 (100%)
Fan Cost Index	\$276.24

MEDIA OVERVIEW

Flagship TV station	WSPK (UPN 38)
Length of deal	Deal through 2005
Sales responsibility	Station

Flagship radio station	WEEI-AM
Length of deal	Deal through 2006
Sales responsibility	Station
Stations in network	66
:30 second spot rate	\$2,000

Flagship cable station	New England Sports Network (NESN)
Length of deal	Indefinite (The Red Sox have owned NESN since 1984)
Sales responsibility	Station

Web Site Designer	MLB Advanced Media, Sun
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Microsystems

Major sponsors

Amerada Hess Corp., Amtrak, Anheuser-Busch, Avaya, Benjamin Moore, Blue Cross/Blue, Shield Assoc., Bob's Stores, Boston Beer Company, Boston Globe, Bridgestone/Firestone, Cendant Corporation, Chevrolet Motor Division, Citgo, Clorox Company, The, Coca-Cola, ConAgra Grocery Products, Coors Brewing Co., Delta Air Lines, Dodge, Dunkin' Donuts, FleetBoston Financial Corporation, Ford, Inc., Franklin Sports, General Motors, Gillette, Gulf Oil, H.P. Hood Inc., Hewlett-Packard, Holsum Bakery-Interstate Brands, Home Depot, J & J Snack Foods Corp., John Hancock Insurance & Financial Services, Majestic Athletic, Marriott International Inc., MasterCard International, MBNA, McDonald's, MET-Rx, Miller Brewing Co., Mohegan Sun Resort, Monster.com, NAPA Auto Parts, New Era, Papa Gino's Pizza, Perrier (Nestle Waters), Polaroid Corporation, PowerBar, Russell Corporation, Sara Lee Corporation, Sharp Electronics, Sovereign Bancorp. Inc., Sports Authority, The, Stop & Shop, Toro Company, The, Verizon Communications, Volvo Cars of North America, Xerox Corporation

PERSONNEL

Principal Owner	John Henry
President, CEO	Larry Lucchino
SVP/General Manager	Theo Epstein
SVP Sales and Marketing	Sam Kennedy
SVP Corporate Relations	Meg Vaillancourt
VP Human Res./Controller	Steve Fitch
VP/CFO	Robert Furbush
VP Media Relations	Glenn Geffner
VP Business Operations	Jonathan Gilula
Vice President	Joseph McDermott

THE FACILITY

Name (date built)	Fenway Park (1912)
Ownership	Team owner
Capacity	33,993
Cost of construction	\$420,000
Stadium concessionaire	ARAMARK
Premium seating caterer	ARAMARK

LUXURY SEATING

Number/price – luxury suites 49 16-seat suites @ \$216,000 - \$220,000. Leased on a 3-year basis with no escalator.

Includes tickets and option to purchase up to 4 additional standing spots @ \$165 per game per ticket.

Single game suites: 20- and 30-seaters @ \$5,750 and \$9,000 per game. Legends suite @ \$15,000 per game. Includes option to purchase 4 additional

standing spots @ \$165 per ticket.

Suites include two parking passes for every game and access to additional tickets.

Number/price – club seats 13,559 seats @ \$3,645 - \$6,885 per season. Leased on a 1- and 3-year basis. Individual games cost \$45 - \$85 per game.

Includes 1 parking pass per 4 seats.

Amenities include wider seats, all playoff games and concert preferences.

■ PRE-SEASON TRAINING SITE

<i>Name (date built)</i>	City of Palms Park (Fla.) (1993)
<i>Ownership</i>	City of Ft. Myers
<i>Lease arrangement</i>	15-year deal through 2007

■ OWNERSHIP STRUCTURE

Owner:	John Henry
Year Purchased:	2002
Purchase Price:	\$700 million (approximately)

Ownership Structure

Former Florida Marlins owner John Henry, former San Diego Padres owner Tom Werner, and veteran baseball executive Larry Lucchino purchased the Boston Red Sox from the Jean Yawkey Trust in February 2002 for what was then a Major League baseball-record \$660 million, plus \$40 million in debt.

Included in the purchase of the team were Fenway Park, adjacent land, and 80 percent of the New England Sports Network.

Henry is Chairman of John W. Henry & Company Inc. (JWH), which he founded in 1981. Located in Boca Raton, Fla., JWH is currently among the largest alternative investment firms in the world, managing foreign exchange financial futures and commodities for leading money center banks, brokerage firms, multi-national corporations, retirement funds and private clients worldwide.

Henry is the Principal Owner of the Red Sox, while Werner is Chairman of the team and Lucchino is President and CEO. David Ginsburg, Phillip H. Morse and Leslie B. Otten are partial owners and Vice Chairmen of the team. George Mitchell is in the ownership group well and his title is Director.

The other partners are: Theodore Alfond, William Alfond, Ben Cammarata, David D'Alessandro, Thomas R. DiBenedetto, Michael Egan, Ed Eskandrian, Michael Gordon, John A. Kaneb, the New York Times Co. (represented by Richard Gilman and Jim Lessersohn), Arthur E. Nicholas, Frank Resnek, Samuel A. Tamposi, Jr., Martin Trust, and Jeffrey Vinik.

Related Sports Interests

Fenway Park

Red Sox own their stadium.

New England Sports Network

Red Sox own an 80 percent share of the regional sports network.

Purchasing Issue

Henry, Werner and Lucchino's \$660 million bid was not the highest bid for the team, yet they still were granted the franchise.

Cablevision Systems Corp. Chairman Charles Dolan had outbid Henry by about \$90 million for the team, but Commissioner Bud Selig awarded the team to Henry after a nearly unanimous vote by the other Major League owners (the Yankees abstained).

Upon securing the purchase, Henry swapped the Marlins for the Red Sox, while Jeffrey Loria gave up the ownership to his Montreal Expos franchise and took over the Marlins. MLB then took over operations for the Expos.

It was the first time in history that a baseball owner purchased a team immediately after selling another one.

Werner and Lucchino had to sell their remaining shares of the Padres and Henry also had to give up his one percent stake in the New York Yankees to complete the deal.

World Series Issues

For the first time since 1918, the Red Sox won the World Series, beating the St. Louis Cardinals in a four-game sweep.

The Red Sox will try to defend their championship in 2005 with baseball's second-highest payroll, more than \$123 million.

The financial results of the World Series are not yet fully known, but the team is in excellent financial shape. The Red Sox now have a capped-off season ticket base of 20,680, according to the *Boston Globe*, with a 4,000-person waiting list. On Opening Day 2002, there was no waiting list and the base was 15,061.

In the past two years, the season ticket renewal rates have been 99.8 percent (2004) and 99.2 percent (2005), and the Sox entered the 2005 season with 145 consecutive sell-outs.

Media rights are soaring as well and according to the *Globe* story, sports economist Andrew Zimbalist said the team, along with its interest in NESN (which was reportedly worth between \$250 and \$300 million when the team was sold), is probably worth close to \$1 billion.

Ticket Price Issues

According to **TMR's** 2005 *Fan Cost Index* (FCI), the Red Sox have the highest average ticket price (based on season ticket figures) at \$44.56 and the highest FCI number (based on assortment of costs for four people to attend a game) of \$276.24.

The next-highest FCI total, the Chicago Cubs, was \$66.23 less than Boston's.

The Red Sox had the sixth-highest increase in ticket prices (9.3 percent), and the ninth-highest FCI increase (five percent).

(Editor's note: After the 2005 FCI was released, the Red Sox wrote a letter to **TMR** stating their 2005 average ticket increase was 7.1 percent.)

Stadium Issues

In Spring Training 2005, the Red Sox declared they would not pursue a new stadium. Five years prior, under the old ownership, the Massachusetts state legislature authorized \$312 million in city and state funds for a proposed \$665 million stadium project. However, the Yawkey Trust couldn't get its financing in order and never went through with the plan.

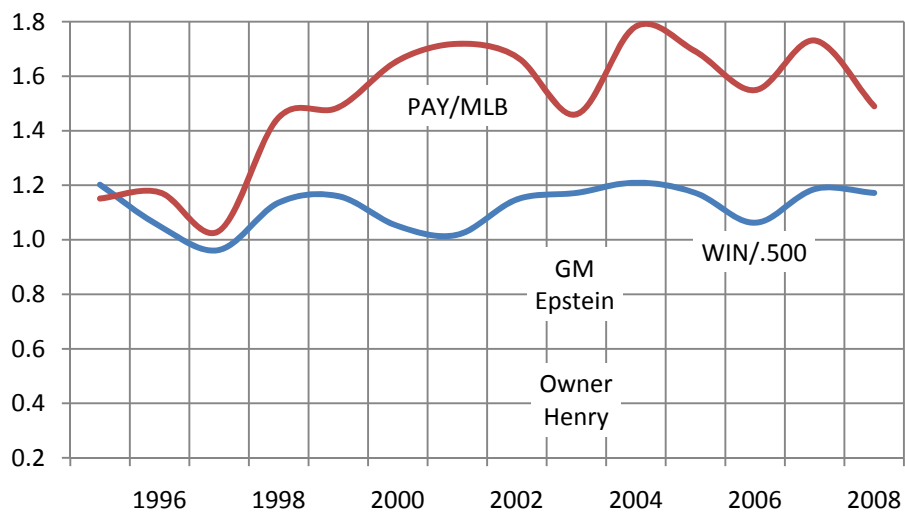
Fenway Park opened in 1912 and is the smallest stadium in baseball. While there are no plans for a massive renovation, or a new stadium, since Henry took over, he has maximized the space at Fenway Park by adding nearly one thousand seats. The team added popular seats atop the Green Monster (which sell for around \$50) and in a Budweiser-sponsored patio above right field (which cost between \$75 to \$100, including food service).

The team plans to add 2,000 seats over the next few years bringing the capacity to 39,000. The Red Sox led the Major Leagues with more than a 100 percent capacity rate for home games in 2004, but they finished just 12th in MLB for home attendance, drawing about 2.8 million fans.

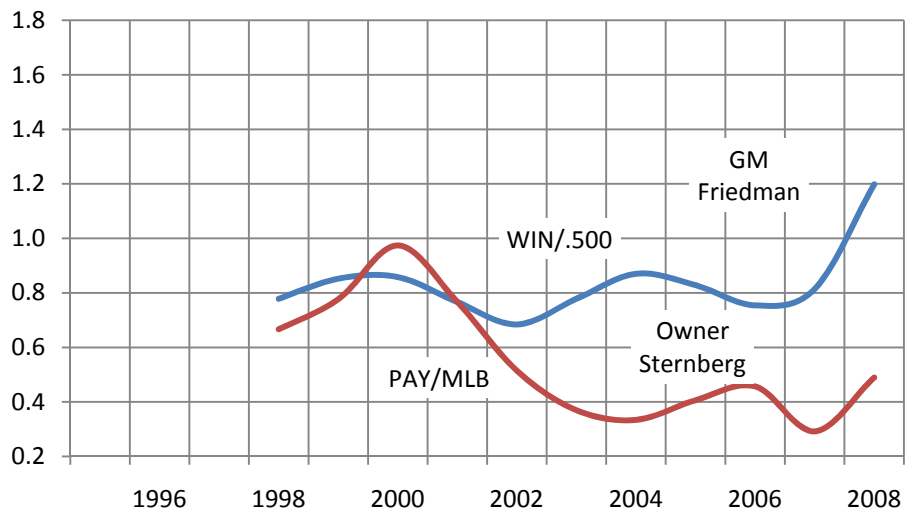
After the 2004 season, Fenway Park underwent its first major on-field construction with the addition of a new drainage system and new sod.

ALCS 2008

Boston Red Sox

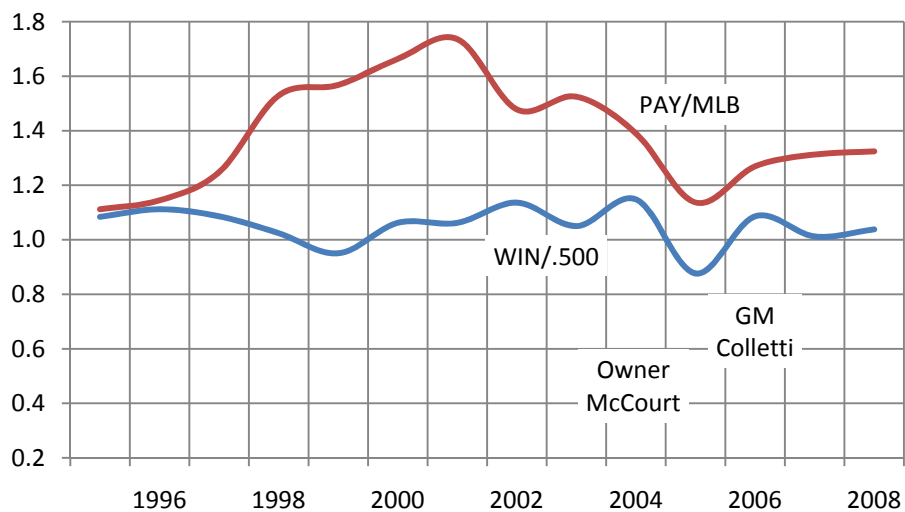


Tampa Bay Rays



NLCS 2008

Los Angeles Dodgers



Philadelphia Phillies

