



RUGBY
WORLD CUP

Financing the Global Game



IRB/ Rugby World Cup Structure

The International Rugby Board (IRB) is the owner of Rugby World Cup. It manages the Tournament through a wholly-owned subsidiary, Rugby World Cup Ltd, which has an IRB appointed Board of Directors. The IRB is therefore the beneficiary of the surpluses generated by the Rugby World Cup. The financial success of the tournament has enabled the IRB to be at the forefront of Rugby development, enabling it to implement and fund the development of the Game worldwide.

The IRB is responsible for developing the Game across the world, the Laws of the Game and promoting the essential game. In simple terms its objective is to have more people playing, supporting and enjoying Rugby across the world. To emphasise the impact of the exposure of RWC tournaments, the playing population across the world has increased from two million to three million in the past 10 years.

The sport of Rugby is founded upon the respect for the principles of fair play and sportsmanship and the values of a drug-free Game. It is built upon the fact that Rugby is a sport for all shapes and sizes, all religions, men, women and children, and above all is a sport that can be enjoyed both as an individual and as a team.

Rugby is experiencing unprecedented global growth in participation, interest and support and the Rugby World Cup has been at the heart of this growth.

RWC 2003 generated a surplus of £64.3 million while RWC 2007 recorded a surplus of £122.4 million reflecting the continued growth and popularity of the Tournament.

Indeed Rugby World Cup 2007 was the most successful tournament in Rugby World Cup history. The tournament sold two million tickets (for the first time in RWC history), a full corporate sponsorship inventory (for the first time) and unprecedented corporate hospitality sales with around 100,000 packages sold (greater than the previous two tournaments combined).

RWC Tournament Revenues

(All GBP)

	1995 South Africa	1999 Wales	2003 Australia	2007 France
	£m	£m	£m	£m
Host Union Revenues				
Gate Receipts	15.1	55	80.5	147
Tournament costs	10.6	25	62.3	133
Host Union's surpluses	4.5	30	18.2	14
RWC Revenues				
Broadcasting	18.8	44	60	82
Sponsorship	7.7	18	16	28
Other commercial revenues	3.8	8	5.8	36
Tournament fee			13.3	55.6
Total Revenue	30.3	70	95.1	201.6
RWC costs *	12.7	23	30.8	79.2
RWC Surplus	17.6	47	64.3	122.4

* Includes the costs of participation fees, qualifying rounds and tournaments, agency commissions, and other costs.
1987 surplus was £1.0 million, 1991 surplus was £4.1m



Development of the Global Game

While Rugby World Cup continues to reach new heights with each tournament in terms of ticket sales, commercial revenue and broadcast reach, it also has a major role in the development of global Rugby. The generation of a significant surplus from the tournament is now allowing unprecedented investment in the Game. It must be remembered that the Tournament is responsible for around 95 percent of the IRB's income and this income is only generated once every four years.

As noted above, the Rugby World Cup 2007 net surplus was £122.4 million and this has already been committed by the IRB to underwrite major funding initiatives, including annual Union grants and the Strategic Investment Programme that, in the years between RWC tournaments, targets specific development programmes to increase the competitiveness of the Game. For example, in August 2005 the IRB launched a three-year £30 million global Strategic Investment Programme aimed specifically at increasing global playing standards through a number of high performance, Union management and tournament structure initiatives. Then, in 2008 following RWC 2007, the IRB announced that a further £48 million would be invested through the next round of strategic investment between 2009 and 2012.

The IRB used its capital reserves to fund the initial 2005-2008 Strategic Investment Programme and will do so again for the 2009-2012 programme. The IRB must generate and retain a sufficient balance in its reserves once in every 4 years in order to meet annual Union grants, administration costs and other funding in the event of a Rugby World Cup tournament not taking place due to some unforeseen circumstances.

Rugby World Cup Surpluses are utilised annually in several ways:

1. Payment of annual development and tournament grants to Member Unions and Regional Associations with around £13.4 million paid out each year.
Development grants £74m
Regional tournaments £3m
IRB tournaments £3m
2. Implementation of the IRB's global Strategic Investment Programme (high performance, Union management and new tournament structures including the IRB Pacific Rugby Cup, IRB Pacific Nations Cup, IRB Nations Cup and Americas Rugby Championship). To date £78 million committed via this programme between 2005 and 2012.
3. Underwriting major tournaments including the IRB Junior World Championship, IRB Junior World Rugby Trophy, IRB Sevens World Series, Men's and Women's Rugby World Cup Sevens and Women's Rugby World Cup. (RWC Sevens qualifiers included in £3m above. Women's RWC an additional £750,000 in 2010.
4. Delivery of global educational programmes, training and development initiatives to all our Member Unions. This includes major training and educational programmes such as Rugby Ready.
5. Costs associated with Test match officials and judiciary officers.
6. Hosting of IRB meetings; Rugby World Cup Board, IRB Executive Committee, IRB General Assembly, IRB Council and working committees and the Women's Conference on the Game.
7. Promotion of the Game globally via broadcasting, internet and electronic publications.
8. Costs associated with the day-to-day running of the IRB, including its nine Regional Development Managers.

This equates to an annual expenditure of over £26 million.

Growth of Rugby World Cup

	1987 New Zealand	1991 England	1995 South Africa	1999 Wales	2003 Australia	2007 France
Participating Unions	16	31	52	69	82	94
Total ticket sales	600,000	1,000,000	1,100,000	1,700,000	1,900,000	2,200,000
Pool match ticket sales	270,000	649,000	617,000	1,000,000	1,450,000	1,650,000
Television reach [countries]	17	103	124	209	193	200
Television reach [audience]	230 million	1.4 billion	2.3 billion	3.1 billion	3.4 billion	4.2 billion



IRB Member Union Grants

Each year the IRB distributes grants to all of its Member Unions around the world. This is in addition to the Strategic Investment Programme.

The individual annual grants for Union development and infrastructure initiatives increased to £74 million in 2009 and included a number of new initiatives aimed at aiding the growth of the Game both on and off the pitch. The increase in Development Grant expenditure between 2007 and 2008 was 14.3% (£6.3m to £7.2m), while the increase between 2008 and 2009 was 2.5% (£7.2m to £7.4m).

The funding for regional tournaments increased to £3 million across all six regions to help subsidise a raft of key regional tournaments that provide Unions with access to regular high level competition which is necessary for player development. This is in addition to the £3 million annually invested in IRB tournaments such as the record-breaking IRB Sevens World Series and key IRB development tournaments, the IRB Junior World Championship and the IRB Junior World Rugby Trophy.

All grants are based upon detailed reviews and recommendations of Member Unions by IRB Management, the Regional Development Managers in the respective regions and the relevant Regional Associations. Investments are prioritised to cover Senior Men's, Age Grade, Men's and Women's Rugby Sevens and Women's fifteens competition programmes. The increase in funding for Women's competitions, and the introduction of the inaugural Women's RWC Sevens in 2009, as a result of the Women's strategic plan that was launched in April 2006.

RUGBY WORLD CUP LIMITED

Huguenot House,
35-38 St. Stephen's Green,
Dublin 2, Ireland

Tel +353 1 240 9200
Fax +353 1 240 9201

www.rugbyworldcup.com

IRB Strategic Investment Programme

The IRB is fully committed to increasing the competitiveness of the Game globally and this stance is backed by a comprehensive strategic plan and the substantial levels of funding the IRB is now pumping into the Game at the Tier 1, Tier 2 and Tier 3 levels. There are two principle goals behind this unprecedented initiative: to maintain the base and improve standards within Tier 1; and to improve the standard and bring through Tier 2 and Tier 3 Unions to the Tier 1 level.

This massive injection of funds for strategic high performance programmes, Union management and playing infrastructure and new tournament structures is over and above the £13.4 million the IRB invests annually in its 116 Member Unions.

The first injection of funds via this programme equated to £30 million for the 2005-2008 period following Rugby World Cup 2003. This included £8.2 million for Tier 2 Unions, £7.4 million for Tier 2 and 3 tournaments, £12 million for Tier 1 programmes and £1.5 million for Tier 3 initiatives. A major part of this investment was the establishment of these new development tournaments that will provide added competition and matches for the participating Unions and thus provide new player pathways.

The second funding phase was announced in 2008 and was increased to £48 million for the 2009-2012 period. This second tranche included £14.4 million for Tier 2 Unions, £12 million for the continuation and expansion of tournaments, £14 million for Tier 1 and £4.9 million for targeted Tier 3 Unions.

To make lasting change the IRB understands that you need commitment, people, infrastructure and competitions. This programme will make a real difference for the developing Unions in terms of increasing their competitiveness and by providing ongoing consultancy, administration and management support for the programme.

The rewards of the investments were evident at Rugby World Cup 2007 when the Pacific Island nations and Georgia in particular showed huge improvement. This return on investment was earlier than expected but the IRB is hopeful that by 2011, and certainly 2015, there will be even more competitiveness at the Rugby World Cup.