

11<sup>th</sup> June 2014 - How does STAR feel about the Reading FC ownership situation?

**Constrained.** For the last 18 months we've been trying to engage the club and its various owners in a dialogue. This began with the small issue of what was going to happen to our (and others') small shareholdings when the TSI takeover was completed.

For some months there was a wall of silence and when we piped up to say something about this in October 2013 we were constrained upon to pipe down, in a somewhat heavy-handed manner, for the sake of the future of the club. This tone however quickly changed and a dialogue with TSI representatives began.

In these meetings we were told various things in strict confidence, which we kept, but most of which have since appeared in statements or rumours from others. This agreement imposed a constraint on what we could tell our members and supporters. By January 2014 it was clear that the Zingaverich deal was dead but positive-sounding and plausible new deals were likely to be on the table. We communicated as much as we could about our general feelings on developments via short statements on our website. Essentially our message was 'we've been told to trust in the process and it sounds OK to us.' Frankly, with delicate negotiations in progress, to which we were not party, what else could we say? We would need to and want to work with whoever completed the deal so that too was a constraint. We were told, when there is good news we would be among the first to hear it. This may of course still be true.

**Suspended.** No deal happened in January. STAR has several times requested updates on the situation. Other than re-iterating what was already in the public domain we have had no new feedback from the club. This is not unexpected - and not unreasonable either. There probably has been no real news and they have been spending all their time trying to find new investors. While this is going on we feel in a state of suspended animation.

**Saddened.** We really do not want to see the Madejski era end like this but none of the various parties involved in this situation have covered themselves in glory.

Reading FC's main target this season on the pitch was a return to the Premier League via automatic promotion. Hand on heart we were never in real contention. In our view Nigel Adkins did well, given the background situation and limited resources, to take us within a minute of the play-offs. But apart from the odd game we were never convincing promotion material.

Reading FC's main target this season off-the-pitch was to effect an orderly transition to new ownership. Those involved faced an unusually complicated situation. We believe a great deal of effort has gone into trying to find a buyer. Many have viewed, some have offered, none has bought. Whether it was the wrong buyer, the wrong price, the wrong conditions we just don't know. We can only judge by results. There was no sale and the sale is now in the hands of those whose interests are, shall we say, more financially-driven.

The combination of these two factors has led to a fall in the notional value of the club from (maybe) £25 million to (apparently) £1. The value is a reflection of the assets, debts and prospects of the enterprise. This sudden reduction saddens us greatly, as no doubt it does those with a far greater financial stake. Those brokering the sale say they will consult stakeholders and there will be no immediate fire-sale. We would like to think as both shareholders and representatives of the supporters, without whom there would be no need for professional football in the town, we would be counted as stakeholders.

**What next?** STAR's interest is the long-term continuation of the club and the enjoyment of its supporters. We believe an organised body of supporters has a role to play in achieving both these objectives and it is best equipped to do so when working in conjunction with the football club.

Therefore we will welcome any new ownership, at its outset, and seek to develop a relationship that both meets our objectives and supports the club.