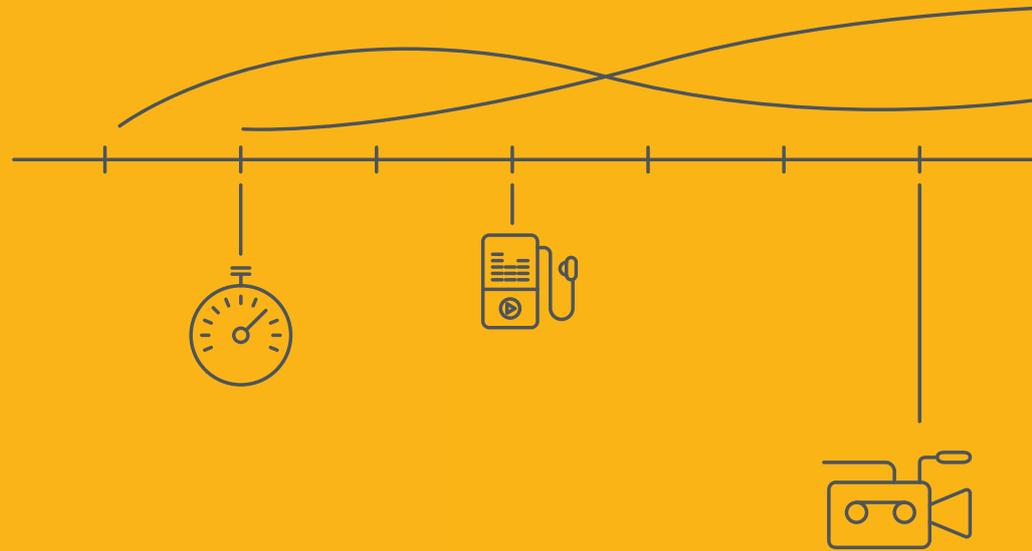


THE PHILIP LEE SPORT REPORT II



PHILIP LEE





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INTRODUCTION



Philip Lee
Managing Partner

The Philip Lee Sport Report II provides a snapshot of sport in Ireland. Since the 2014 report, Ireland's economy has continued to grow, our population has aged a little more, and consumers have even more choice in how they spend their time and money. Though much of this is good for sport and fitness in Ireland, it isn't all positive, as the country's problems with obesity and poor diets reminds us.

2.7 million Irish adults are interested in sport and exercise while 2.6 million adults participate in sports or other physical activity in Ireland. Our latest survey reflects the stark reality that while we're spending more money with the sport business (€2.5 billion in 2016 vs €2.4 billion in 2014), as citizens we're participating less in sports and activity. That clearly presents challenges for the future, particularly around Government policy and the promotion of sport in addition to physical well-being and the general health of the nation.

Our report takes a wide ranging look at sport in Ireland – primarily through the eyes of its citizens – adding to the debate about the nation's health and fitness in the years to come.

The report is in four parts:

Part One looks at levels of interest and participation in sport, including a special briefing on children and sport.

Part Two examines sport-related commitments and spending, from gym membership to club membership and gives unique insights into the economic impact of sport. Sports briefings on women in sport and on MMA are also included.

Part Three explores the changing landscape of sport sponsorship and advertising, including the brands

which are gaining most from their investments.

Part Four looks at perceptions of how well the Government is doing with sport policy, including a special briefing on GAA and professionalism.

We are advisors to many public and private entities in the health and sport sectors and are very conscious of the relationship between sport and better physical and mental health. We encourage an ethos of sport, wellbeing and community within our firm. Our sponsorship of parkrun and of various other sport events aligns with this philosophy. Society recognises the incredible value of sport to our health, to addressing the needs of children and to halting the increasing rate of obesity in Ireland. Corporate sponsorship together with government assistance are vital for increased participation and higher standards.

My partners and I hope that you enjoy the findings. I would personally like to thank those who contributed to the report, namely, Annalise Murphy, Philip Browne, Ronan O'Gara, Matt Shields, Sarah Keane and John Treacy. Their tremendous insight adds a dimension that brings the findings to life.

Philip Lee





① FANS AND PLAYERS



1. FANS AND PLAYERS

The Irish love sport more than ever. In fact, our survey shows that 84% of adults are interested in sport and exercise - that's 2.7 million people. Interest varies by gender and age, but not that much: a slightly lower 82% of women are interested in sport and exercise, while up to 90% of 35-44 year olds are interested.

/// 2.7 million adults are interested in sport and exercise

Of course, 'interest' takes many forms. For some it involves watching their favourite teams on television, for others it is about cycling with their friends at the weekend. Some do both. Our survey reveals big differences when it comes to viewing sport on TV. More than twice as many men (27%) watch sport on TV at least 4 or more times a week as women do (11%). Those aged 35-44 watch sport on TV most often, while 16-24s watch it least often. Hopefully because they're too busy participating in sport.

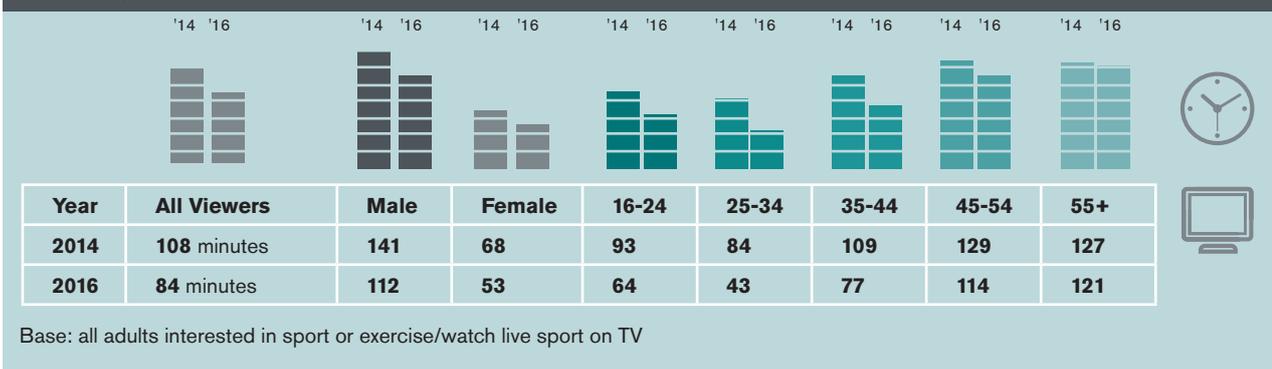
We asked people who watch sport on TV (over 3 in 4 adults) how much time they spend watching live sport on TV in a typical week. As the chart reveals, the amount of time (in minutes per week) is quite high for some groups, but has dropped for all groups since 2014, with the biggest drop observed in the 25-34 age group. Men watch twice as much live sport as women, while over 45s watch considerably more than under 35s. Other findings show that those in higher income groups watch slightly less live sport than lower income groups. While those

who are unemployed watch almost double the amount of live sport on TV than those who are employed in a typical week. What is cause and what is effect in this relationship between these statistics is worthy of further research.

/// The average viewer watches 84 minutes of live sport on TV every week

However, we are not in danger of becoming a nation of couch potatoes let alone 'fair weather' fans. The vast majority (79%) of those interested in sport and exercise also attend professional and amateur sporting events - that's 2.1 million adults. Admittedly attendance is (a lot) less regular than viewing sport on TV - though nearly half (46%) do attend a sporting event at least once a month or more often. This demonstrates a high level of commitment and support beyond the merely passive consumption of TV broadcasts. Nevertheless, once again there are many differences across the population groups: men are considerably more likely than women to attend sporting events, while 35-44 year olds are more likely to attend than other age groups. It is interesting that once the age of 34 is reached, the consumption of live tv increases for both genders consistently.

Average minutes per week watching live sport on tv



/// 2.1 million adults attend sporting events in Ireland

Given such high levels of interest in sport – whether viewing on TV or at events themselves – what sports and activities are people most interested in? Answers vary depending on whether ‘interest’ is defined as a sport or activity you participate in yourself, or whether it is simply one you follow as a fan and a viewer. We can see this in the answers from our survey (full list in Appendix 2):



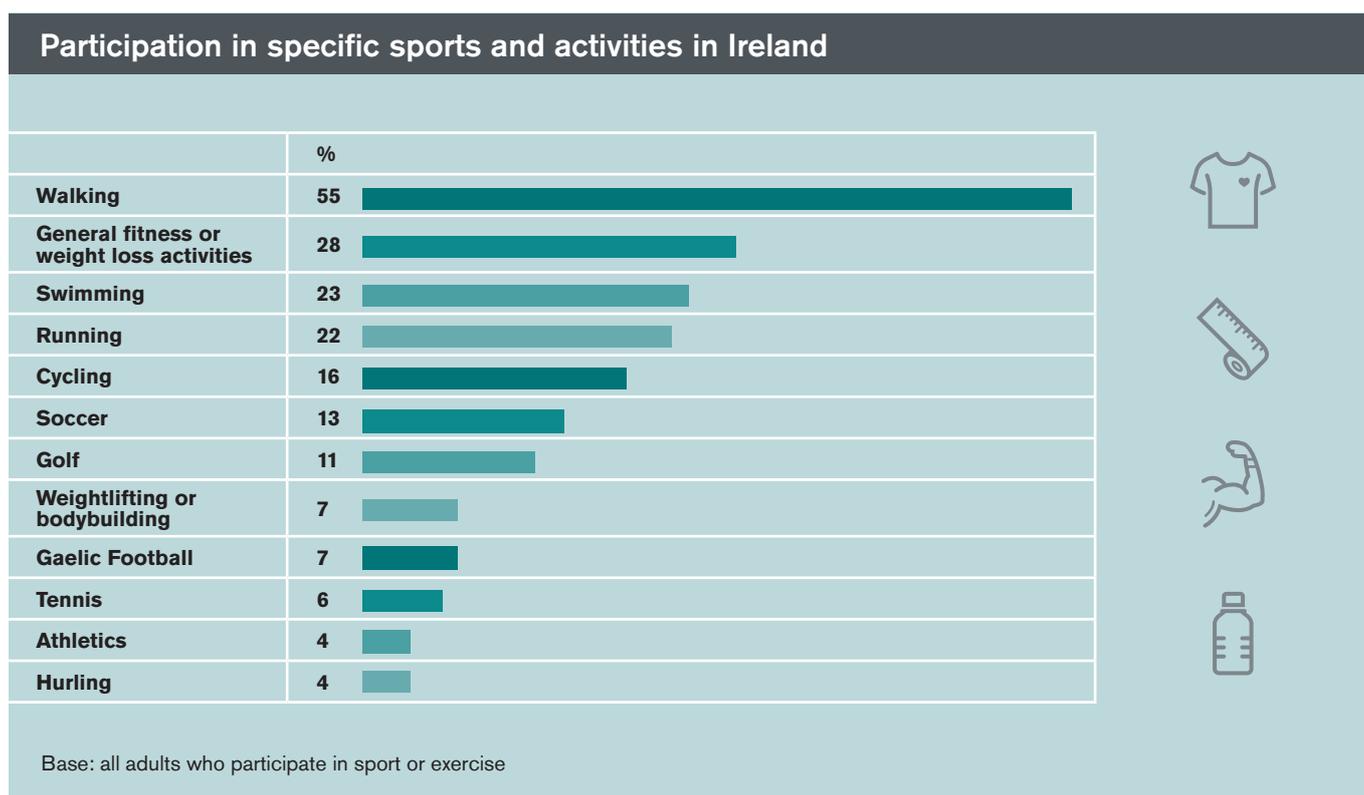
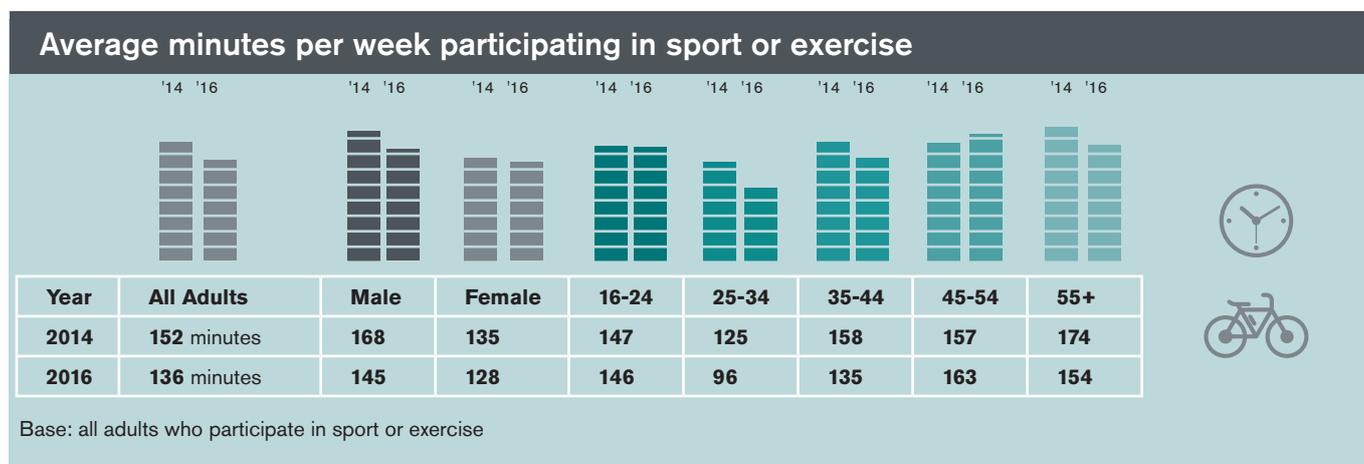
Some 2.6 million adults take part in some form of exercise (other than team sports) such as going to the gym, running, cycling etc. The majority do so two or more times per week (and there are surprisingly few significant differences by gender, age or income group). This high participation level is probably due to the fact that activities such as walking, keeping fit and swimming are ‘age friendly’ in that they remain accessible into old age.

/// 2.6 million adults participate in sports or other physical activities in Ireland

The average active adult spends over two hours a week in physical activities such as walking etc. Though as the first chart shows, participation has fallen for nearly all groups since 2014. Men spend more time than women on sport and exercise, while older people actually spend more time than younger people in our survey:

/// The average active adult in Ireland spends over two hours a week exercising

As for what people are doing during this time, we can see in the second chart that walking, fitness, swimming and running are the most popular activities, remaining largely unchanged since 2014 (full list in Appendix 2):



Who are these people? Below, we provide thumbnail sketches of participants in several of the main sports:

Walking: 1.4 million adults

The majority of participants are female, with the highest level of participation among over 55s. Walking is more popular in Connacht /Ulster (63%) than in other regions. Over a quarter of all walkers (27%) do so seven days a week – the highest frequency for any sport or activity.

Swimming: 0.6 million adults

Most participants are female, with the highest level of participation among 45-54 year olds (30%). The majority of swimmers swim once a week or more often. 28% of whom are parents with children under 18.

Running: 0.6million adults

Females make up the majority of participants, with the highest level of participation among 16-24 year olds (35%), with keen interest in Dublin (23%) and Leinster (24%). The majority of runners run twice a week or more often.

Cycling: 0.4 million adults

Participants are slightly more male than female, with the highest level of participation among 35-44 year olds (20%). Those in Munster are the keenest on cycling (22% of all active adults). Nearly half of cyclists cycle twice a week or more often.

Golf: 0.3 million adults

The majority of participants are male (19% vs 2%), with the highest level of participation among over 55s (21%). Parents are more likely to participate than those without children (14% vs 6%). The majority of golfers golf once a week or more often.

Soccer: 0.3 million adults

Males make up the majority of participants (22% vs 3%), with the highest level among 16-24s (22%). People from Leinster (excluding Dublin) are the keenest players (15% of all active adults). The majority play soccer once a week or more often

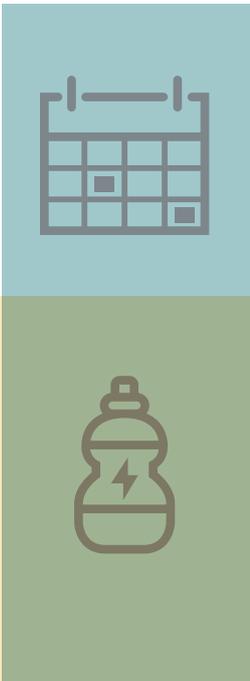
Gaelic Football: 0.2 million adults

As with soccer, the majority of players are male, with the highest level of participation among under 25s (16%). Frequency of playing is similar to soccer. Active adults living in Connacht/Ulster are more likely to participate in Gaelic football than any other region (11%).

Not surprisingly there is a great disparity between the numbers interested in field sports such as soccer, rugby and GAA and those actively participating. Is there an opportunity for more active participation in some of these sports after people pass their prime?

Overall, such high levels of active participation involve considerable money and time commitments. In the next section, we look at the financial investment Irish people make in sport – from gym membership to sports equipment.

SPORT BRIEFING: CHILDREN AND SPORT



There is a growing realisation of the importance of sport and exercise for our children, especially as the incidence of obesity increases. We asked all adults in our survey (whether interested in sport or not) if they thought children were more involved or less involved, in exercise today than adults were when they were young? The answer couldn't be clearer:

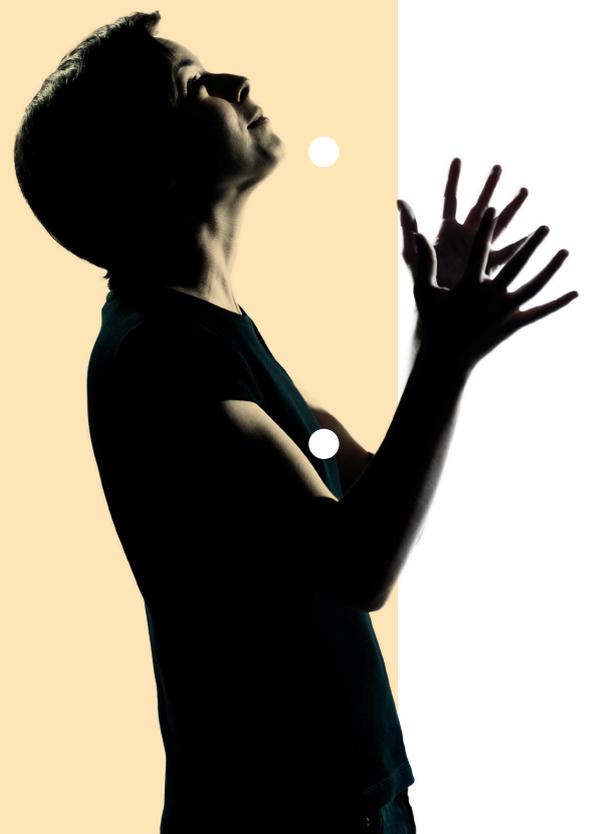
Only one in four (27%) think children are doing more exercise nowadays than when they were children. However, six in ten (59%) think children are doing less exercise nowadays compared to the past.

That said, parents with children under 18 are slightly less negative: 35% think their children are doing more exercise, and 46% think they are doing less exercise than when they – the parents – were children themselves.

Why is this? Those who think children are doing less point to a large number of explanations, with entertainment technology rather than the schools or teachers themselves getting most of the blame.

Nevertheless, a third of those surveyed (32%) feel that schools are not doing enough to encourage children's interest in sport, with a vast majority feeling that schools could play an important role in reducing incidences of childhood obesity.

It is interesting that, in theory, control lies with parents to address the biggest perceived factor in lack of exercise, namely the 80% believing screens are the problem.



Reasons children are less involved in exercise nowadays %

Impact of video games.....	82
Impact of other digital devices.....	82
Impact of television.....	64
Being dropped to school in the morning.....	51
Children aren't allowed out as much to play.....	41
Not being allowed to run in playgrounds.....	39
Not enough is being done to promote sport among young people.....	26

Base: all adults who think children are a lot less involved in sport

Annalise Murphy Olympic Medallist



Annalise Murphy won the silver medal in the Laser Radial at the 2016 Summer Olympics in Rio de Janeiro, Brazil. In December 2016, she was honored as the Irish Times/Sport Ireland 2016 Sportswoman of the Year.

Annalise attributes part of her success to Sport Ireland's performance planning approach to developing athletes across a number of sports, including sailing. Through coaching, funding and other supports, elite athletes in Ireland now have access to world class training and guidance.

Such support is vital: recent estimates in the UK show that winning a medal at the Olympics and other international championships requires an investment of between £1 million and £7 million per medal, depending on the sport. Ireland has adopted world class practices in relation to the development of its sports talent: but it is relatively early days compared to other countries. Countries like Denmark and New Zealand currently outperform Ireland in competitive sailing, reflecting the fact that they have been investing for longer in performance pathways for their athletes.

But all that has changed. Up to 7-8 years ago, Irish athletes with international ambitions often had to fund much of their own progress, often provided by the parents of young athletes themselves. That was Annalise's experience growing up, but from 2010 the Irish Sports Council (now Sport Ireland) provided grant support for her to buy equipment, to attend training camps and to participate in international competitions. The results speak for themselves: as they do for other Irish athletes. Indeed, Annalise challenges the view that Rio was 'disappointing' for Team Ireland compared to London. She points out that more Irish athletes finished in the top 10 in different sports than in London, and there were more personal bests

at Rio than before. All of which bodes well for Tokyo in 2020.

Success breeds success and Annalise welcomes the growing interest in competitive sailing in Ireland in recent years. It's partly due to her own success but also to that of brothers Gary and Paul O'Donovan (who also won a silver medal at the Summer Olympics, in the lightweight double sculls). There is an encouraging pool of young talent already emerging in different sailing clubs around Ireland, including girls and young women inspired by the success of Annalise and others.

COMMERCIALISATION OF SPORT

EXPLOITATION OF RIGHTS AND SPONSORSHIP AGREEMENTS



Commentary by
Eoin Brereton
 Senior Associate and Sport Lawyer, Philip Lee

Sport is now big business. Long gone are the Corinthian amateur days of the past. The commercialisation of sports stars and events is now a billion dollar industry and one that shows no sign of slowing down. The power of sport can be emphasised by the fact that a 30 second television advertising slot for the 2016 Superbowl cost \$5 million. It is common to hear about sports stars signing multi-million dollar endorsement deals with the likes of Nike and Reebok.

/// A 30 second television advertising slot for the 2016 Superbowl cost \$5 million

Rights – protection and exploitation

So how are sporting clubs and organisations generating revenues from their sport? The easiest way to understand where the money in sport is generated is by looking at the rights that sports organisations, teams and players are exploiting. The main sports related rights that are exploited are sponsorship rights, broadcasting rights, merchandising rights and ticket sales. Broadcasting rights for major sporting organisations are now almost always dealt with collectively by the likes of the UEFA Champions League, the National Football League in the United States, the Bundesliga and the English Premier League. Typically, broadcasting rights are sold by a tender process undertaken in compliance with the relevant rules of the organisation running the competition. Each club participating is required to sign up to a participation agreement with the organisation running the tournament.

The main rights that individual sports teams, organisations and stars retain for commercial exploitation relate to their image and brand. It is therefore vital that such teams, organisations and stars take steps to effectively protect their

sponsorship rights. The rights holders can best achieve this by maintaining trademark registrations for team logos and emblems. In recent years image rights have become a key component of any negotiation between a star athlete and his club. Under Irish law there is no specific legislation providing for a proprietary right to a person's image. However, there are enough protections in the common law to enable stars to deal with their image rights as a commodity. For example, if a rugby player's image was used in an advert for a product without his or her authorisation that player could use the common law tort of "passing off" to prevent further exploitation of their image without consent. To succeed in such an action the player in question would need to be able to show that they have generated a reputation and goodwill attaching to their image and that the use of their image in the advert or by reference to the product or service in question is causing damage to their reputation and/or goodwill.

Sponsorship Agreements

Sponsorship agreements in Ireland are not subject to any mandatory statutory provisions. Typically, the final agreement arises as a result of the bargaining positions of the parties. In effect a sponsorship agreement is a commercial contract between two parties and reflects a commercial deal reached between the parties. It consists of an agreement whereby a rights holder (be it a team, an organisation or an individual) agrees to allow the sponsor to use and exploit its rights in exchange for a payment or other benefits. For that reason it is very important for a sponsorship agreement to clearly state the scope of the rights being granted to the sponsor. Will the sponsor have an exclusive right to exploit the right holders rights or does the rights holder have similar agreements in place with other commercial partners?

In recent years rights holders have developed smart ways to maximise their ability to exploit their rights by granting exclusivity to commercial partners in different jurisdiction or in relation to specific product ranges or categories. A good example of smart exploitation of rights is Manchester United's partnerships with a large number of commercial partners ranging from Chevrolet (as its principal partner and shirt sponsor) to DHL as its official logistics partner. It has an "official global spirits partner" (Aperol Spritz), an official wine partner (Casillero del Diablo) and even an official Global Noodle Partner (Nissin Foods Group). Clearly, a brand like Manchester United is able to command high levels of demand for sponsorship partnerships but its model of engaging with numerous sponsors in different product sectors and regions is one that has been a particularly successful revenue generator.

Each sponsorship agreement needs to clearly define the particular category or sector in which the rights holder is granting rights. A sponsorship agreement must specifically deal with exclusivity and should set out any applicable territorial restrictions. Reserving substantial market sectors and significant geographical territories to the rights holders or its other commercial partners needs to be considered. From the sponsor's perspective it is important that a sponsorship agreement maximises access they get to the team and players for advertising or marketing purposes.

A sponsor will also want to deal clearly with its rights around the expiration of the sponsorship agreement. Can they continue to use the brand name or images or do they have to cease all use immediately on termination?

/// Clever exploitation by rights holders of their protected rights can exponentially increase their monetary return.

Given the continuing and ever growing popularity of sport it is quite clear that sport sponsorship will continue to be a lucrative area for sports organisations and athletes. For that reason it is vitally important that careful consideration is given to the terms of such agreements. Clever exploitation by rights holders of their protected rights can exponentially increase their monetary return.

SPORT BRIEFING: GAA PROFESSIONALISM



Should the GAA pay its players? Paying players amounts to professionalism of the sport – something rugby did in the 1990s but the GAA has so far resisted.

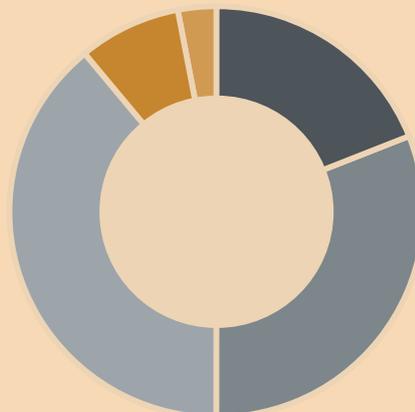
We asked Irish people in our survey whether they agree with the GAA's policy of not paying its players. Some 26% of adults do agree with its policy (markedly down from 32% in 2014), however, 42 % disagree. The rest are undecided. Men are more likely to agree with the policy than women, while the highest level of agreement by age is among the over 55s at 31% and those from Connacht/Ulster (30%). Perhaps not surprisingly, support for the policy is higher among GAA fans (39%) than the general public.

As for the future, the majority of adults – 66% - agree that the GAA should offer some sort of compensation for players, however this has dropped since 2014 when 73% held this view. And despite their higher level of support for the current policy, GAA fans are even more in agreement with the future offering of compensation – with more than 75% approving of such a scenario.

Interestingly, half of participants agree that the GAA is becoming too professional for an amateur sport by introducing professional training regimes that lead to problems like burnout and increased levels of injury.

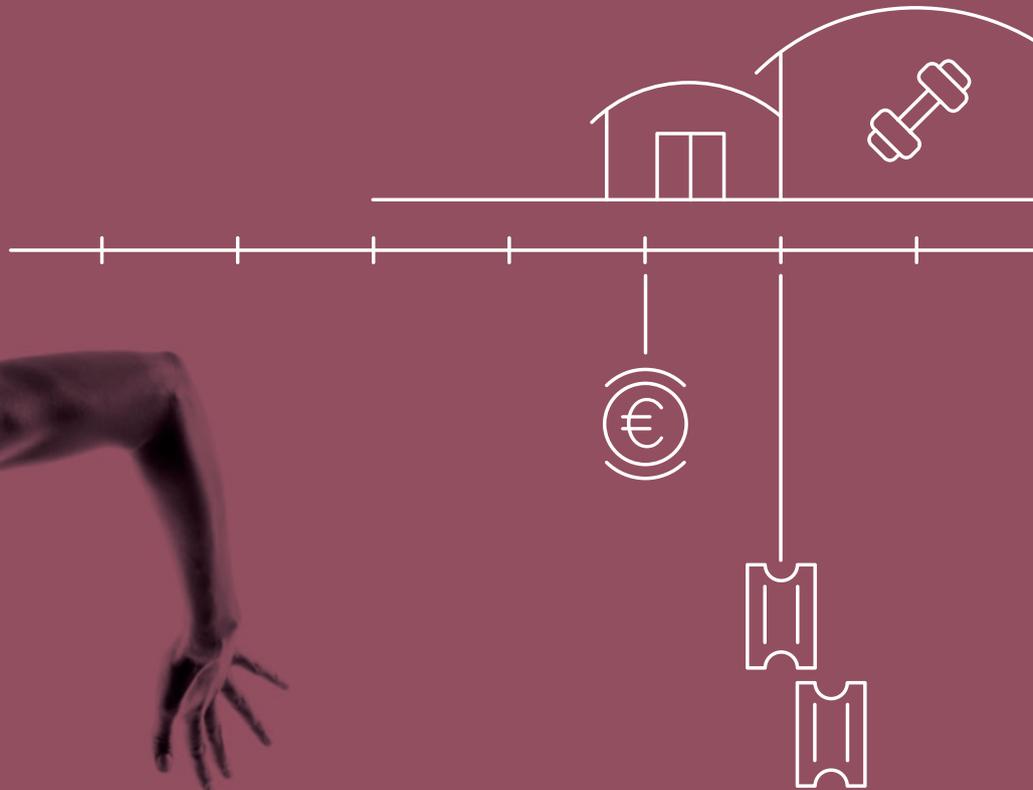
The GAA is becoming too professional for an amateur sport by introducing professional training regimes that lead to burn out and increased levels of injury.

	%
Strongly Agree	19
Agree	31
Neither / Nor	39
Disagree	8
Strongly Disagree	3



Base: all Irish adults

② MONEY AND MEMBERSHIP



2. MONEY AND MEMBERSHIP

Sport is big business in Ireland; but it's also a big consumer spending category as well. In other words, beyond headlines about sponsorship deals, transfer fees etc, millions of fans, supporters and participants spend millions of euro driving the economy of sport in Ireland.

Membership

Most of us have belonged to a gym at some stage, and many have dropped out. Gym membership is a significant investment of money, so joining and not using a gym is an expensive option. Our survey reveals that a third of those active in sport or other physical activities are members of a gym (32%) that's over 800,000 adults. But our survey also shows that over half (54%) of those who are not members used to be members – that's nearly 950,000 adults.

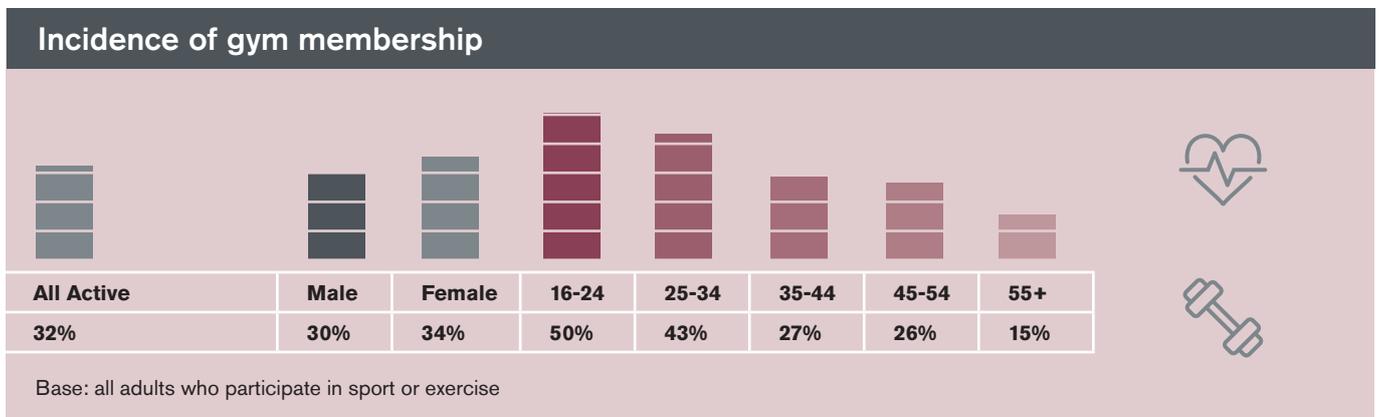
/// Over 800,000 adults are members of a gym, but nearly 950,000 used to be members

The majority of gym members are female and predominantly under the age of 35. Those in employment are significantly more likely to be members of a gym than those who are unemployed (35% vs 22%).

Those who were previously members, but are no longer in a gym, cite a range of reasons for their departure. The number one reason is simple affordability: 59% of 'lapsed' members say they had to make cut backs and gym membership was one of them. For others, it was the environment in the gym that turned them off membership (for 21%), followed closely by the fact that they just never went to the gym, so didn't get good value for money (15%).

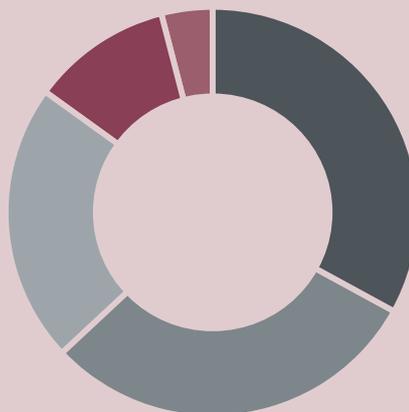
/// 59% of 'lapsed' gym members say they could no longer afford membership

About 4 in 10 (42%) of gym users pay their membership fee annually, and a further 4 in 10 (41%) pay every month. Only 15% of gym members in our survey pay on a weekly or 'pay as you go' basis.



Average annual spend on sports club membership fees?

	%
€1-75	33
€76 - 300	30
€301- 1001+	22
Don't pay membership fees	11
Don't know	4



Base: all sports club members

How much does it all cost? For those who pay annually, the average cost is €340 each. People who pay monthly typically spend €63 per month (an increase of over 20 euro on average since 2014). While weekly visitors pay roughly €30 per week.

Beyond gyms, Irish people are enthusiastic supporters of local sports clubs. Of those who participate in sport and other activities, 3 in 10 (29%) are members of a sports club. Men are more likely to be club members than women (37% of all active men vs 20% of active women), while the youngest and oldest age groups are more likely than the middle aged to join sports clubs.

/// Over 0.7 million active adults are members of sports clubs

Not surprisingly, the GAA continues to dominate in terms of club membership levels, comprising 4 in 10 (39%) of all those in sports clubs. As the chart shows, soccer is a distant second in the rankings, followed by golf, to make up the top three.

Incidence of sports club membership – top 7 sports

	%
GAA	39
Soccer	24
Golf	19
Rugby	13
Athletics	9
Tennis	8
Swimming	7



Base: all sports club members

Membership has its costs as well as its privileges, so how much do Ireland's sports club members pay for membership? The average annual cost – across all sports – is around €380 per annum, only slightly more than a gym membership (and excludes the membership fees of those who do not participate in sports or other physical activities).

/// Sports club members spend a combined €380 million on membership every year

Of course, most sports club members spend a great deal more than just their membership fee in their clubs. Though it is outside the scope of this study, spending on events, prize draws, food and drink in sports clubs by members is another, significant source of income for clubs.

Sport Spending

Beyond membership fees, there are several other, sports-related categories of spending that amount to a significant part of the sport economy in Ireland. Take attendances at sporting events (amateur and professional, indoor and outdoor). The average sports fan spends around €260 per annum on the various matches, heats and finals, though this figure is down significantly from an average of €340 in 2014.

Nor do fans limit their spending to match tickets. Many buy replicas of their team jerseys, other team related products etc. This 'sports memorabilia' category is a big one given that there are 2.7 million people interested in sport, and they typically spend about €70 each year on their teams' jerseys etc.

Nowadays, spending on specialist sports gear – clothing, footwear, equipment etc – is a major feature on Irish main streets and in our shopping centres. Some 2.6 million adults actively participate in sports and exercise, generating a lot of demand for runners, leggings, shorts etc. What the active Irish spend on sports gear alone has increased to an average of €195 (from €172 in 2014): on top of their other sports commitments. This increase speaks to the growing trend of sportswear fashion.

/// What the active Irish spend on sports gear alone has increased to an average of €195 from €172 in 2014

Women now outspend men when it comes to sports gear, a switch in the gender balance since 2014. Females spend on average €220 per annum versus the average male spend of €171.

Again, this is an interesting question of cause and effect. Do we spend more on sports clothing because we are doing more sport, or does the fashionable nature of sports clothing help us become more involved in sport? In the end perhaps it doesn't matter so long as the net outcome is increased participation in sport.

SPORT BRIEFING: WOMEN IN SPORT

When it comes to women in sport it appears that in some areas male dominance is still a problem in this country. Nearly half of those in our survey (44%) have not watched any women's sporting events in the past six months and three in four have not attended any female sporting events.

This may be due to lack of promotion or media attention for females. 8 in 10 (79%) feel that female sporting events get less promotion than male events, while three in four say participation in female sport would increase if there was more TV or media coverage. Perhaps rather than looking for a gender quota on national governing bodies, the government could impose a gender quota on the broadcasting of sport on TV.

However, it is not all bad news for women in sport. One in four (26%) say they are more interested in women's sports compared with a few years ago, while some female sporting personalities have managed to grab the hearts of the nation – Katie Taylor was mentioned by 37% of those surveyed as their favourite female Irish sports personality a level that Irish male sports personalities are trailing behind.

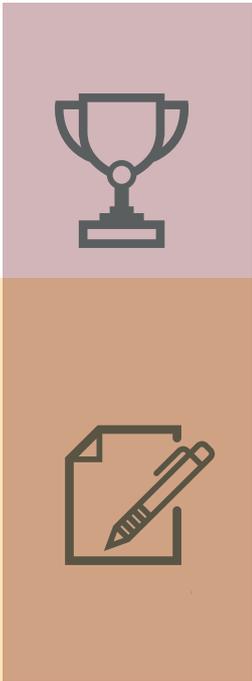
Favourite female Irish sports personality

- Katie Taylor
- Sonia O'Sullivan
- Cora Staunton
- Annalise Murphy
- Dearbhal O'Rourke
- Niamh Briggs
- Anna Geary
- Stephanie Roche

Base: all Irish adults



SPORT BRIEFING: MEN IN SPORT



Favourite male Irish sports personality

- Paul O'Connell
- Conor McGregor
- Brian O'Driscoll
- Roy Keane
- Pádraig Harrington
- Robbie Keane
- Johnny Sexton
- Ronan O'Gara

Base: all Irish adults

When it comes to Irish male sports personalities, there are no dominating characters, with Conor McGregor and Paul O'Connell coming out on top with just 8% of the vote and 36% answering 'don't know' or 'don't have one'. Rugby stars perform well however, holding four of the top seven answers.

The popularity of Conor McGregor is unsurprising given his success in MMA in the last two years but does this translate into pride in MMA as a sport? One in four Irish adults

(26%) disagree that MMA is a sport we can be proud of in Ireland due to McGregor's success versus 43% who agree that we can. Surprisingly, women are more likely to agree with this than men while agreement levels decrease with age, highest among 16-24 year olds (57%) and lowest among the over 55s (22%).

Mixed martial arts is a sport we can be proud of in Ireland due to the success of Conor McGregor.

	%
Strongly Agree	17
Agree	25
Neither/ Nor	32
Disagree	11
Strongly Disagree	15

Base: all Irish adults

parkrun

Matt Shields Country Manager - parkrun Ireland



● Athletics in Ireland was in decline a decade ago - both in terms of the number of people participating and the quality of athletes.

● Over the past few years however that decline in participation levels has reversed significantly, owing in no small part to a massive influx of recreational runners who are interested more in the social aspect and health benefits as opposed to more traditional, competitive athletics. Running booms tend to coincide with economic downturns and this is a likely a factor in the recent resurgence in the number of people taking part - both first-timers and those returning to the sport. Running can be a very inexpensive activity compared to other sport and recreational pursuits, with appropriate shoes and clothing readily available in high street stores.

● It is well documented that many people run for the mental benefits more than the physical. The increased focus on both the physical and mental benefits, as well as the low cost, are positive changes that encourage participation by showing that running does not have to involve muddy playing fields reminiscent of school cross-country. Running is uniquely accessible in that people of all ages can take part, families can participate together, parents can push their baby in a buggy, and in events such as parkrun people can even take part with their dogs on most courses providing they are on a short lead. Beyond the economy, the rising cost of the health service budget is forcing a focus on preventative healthcare rather than a 'pills for ills' approach. Consequently, sport in general is increasingly viewed as a good investment. We need a joined-up approach from all stakeholders towards a common goal of a healthier and happier nation in the future as envisaged in The National Physical Activity Plan. Increasing participation levels, and a focus on running as a holistically beneficial activity for improved health and wellbeing, has created a significant opportunity to have a long-term impact on public health when we need it most.

● Regards the elite side of the sport, investment in measures designed to promote higher levels of activity in both adults and early years will eventually find the one in a thousand type athletes we are looking for. The number of Olympic qualifying runs at the marathon distance for Rio suggest that maybe this is already starting to happen. Equally, 26% of nine-year-olds are already defined as overweight, signaling that the next generation are on course for greater health problems than the current one.

● Early interventions that promote physical activity as fun, sociable and part of daily life for young people is one of the keys to breaking the circle of inactivity and making exercise a lifelong habit. Not only will this improve the health of our children, but also boost the talent pool of young athletes and potential future world class performers.



Alice Whittaker
Environment and Climate Partner, Philip Lee
Avid parkrunner

Walking through my local park one Saturday morning I was curious to see a gathering of brightly coloured individuals of every age and size all milling around. Suddenly they all set off together, some running very fast, but many jogging and walking. I longed to be a lean leggy runner, but I didn't know where to start. Running clubs can be intimidating to a complete beginner, but this run in the park – this looked like my kind of thing!

When I got home I searched on line and discovered that what I had observed was a “parkrun”, a global phenomenon in full swing.

When you participate in a parkrun, it is incredibly powerful to know that you are part of a global network of parkrunners. All over the world people are coming together to run, jog and walk 5km at their own pace, free of charge, and with the guidance and support of volunteers without whom none of it could happen. Inclusivity, volunteerism, community and health are all part of the parkrun ethos, and it has great significance in the lives of many people whose health has been transformed through active participation.

Networks are incredibly powerful things. Philip Lee is part of Multilaw, a global network of law firms, and we know that when we act together

as a network we can make a difference and create opportunities for our clients.

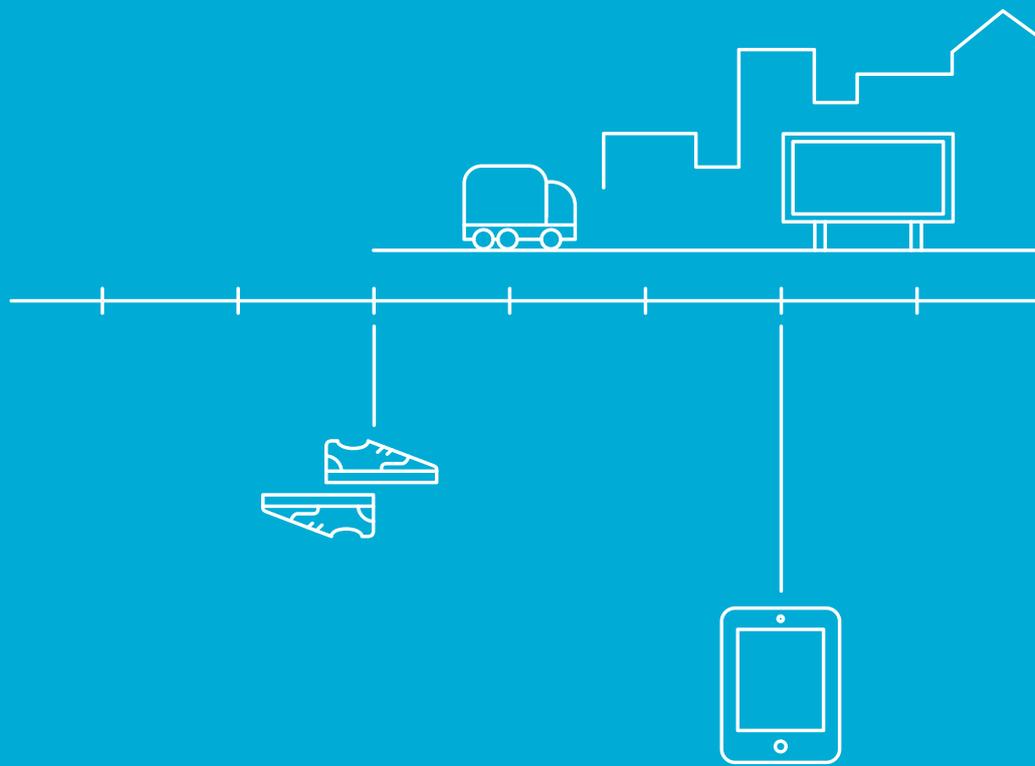
And so, when I learned (while volunteering to sort the chip-timers) that parkrun wanted corporate support that would be low-key and would respect their non-commercial ethos, I was happy to bring the concept to my partners at Philip Lee.

Two years on, we are very happy to still be on board, helping to ensure that runners and walkers get their finishing times with a supportive message ‘Philip Lee: lawyers who love and live sport!’



Philip Lee, proud supporter of parkrun

③ BRANDS AND MARKETING



3. BRANDS AND MARKETING

Hardly a week goes by without one brand or another announcing a major sponsorship deal with a team, sporting event or league. Sports sponsorship in Ireland is big business but the ultimate aim of sponsorship is to win the hearts and minds of fans who may – in turn – become customers (or even remain customers) because of the positive associations created between a sponsor and a team or event. Our survey looks at the impact sports sponsorship is having nowadays and how new brands and sponsors are resonating with Irish adults.

The first table shows the top brands associated with Gaelic football in Ireland, among those who are interested in Gaelic football (nearly 3 in 10 adults in the country).

/// SuperValu and AIB are in the top five for unprompted awareness



The good news is that nearly nine out of ten GAA fans were able to name one or more sponsors of Gaelic football. However, the bad news is that no brand connected with a majority of fans – even the likes of SuperValu and O’Neills were recalled by a minority of fans. Moreover, there is a very long tail of many other brands (not shown) cited by small numbers of

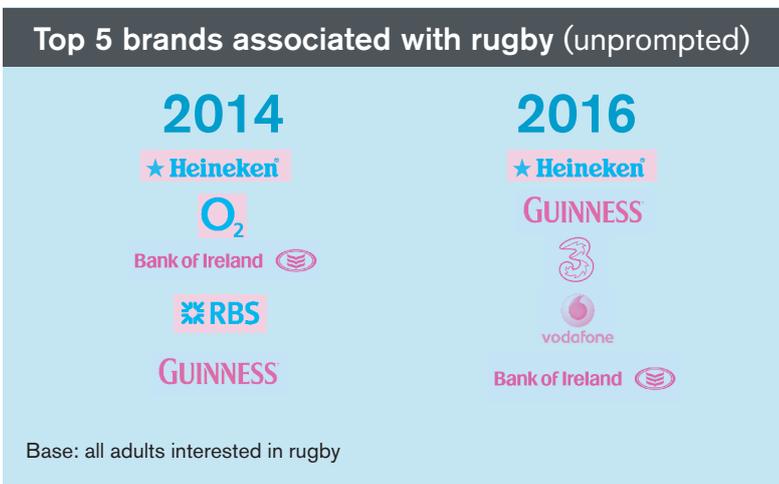
fans and making up the rest of the 88% who named at least one sponsor. Nevertheless, two of the current sponsors – SuperValu and AIB – are in the top five for unprompted awareness (a very high bar it should be added). The other – eir – is further down the ranking.



But just to add to the confusion, some brands – such as Guinness and AIG– either don't sponsor Gaelic football, or used to but don't any longer. This in turn highlights some of the challenges facing 'first time' sponsors in a sport that may have a long legacy of previous associations – adding to the barriers sponsors must overcome in terms of association, brand saliency and emotional connection in order to secure the return on investment they require.

The picture for hurling is similar from a sponsorship awareness perspective. Among those interested in the sport (one in four adults), two of the current sponsors (Centra and Etihad) make it to the top five.

Again, a number of non-sponsors or former sponsors also appear in the rankings, reflecting some of the same issues noted in relation to Gaelic football (though not exclusive to the GAA it should be added).

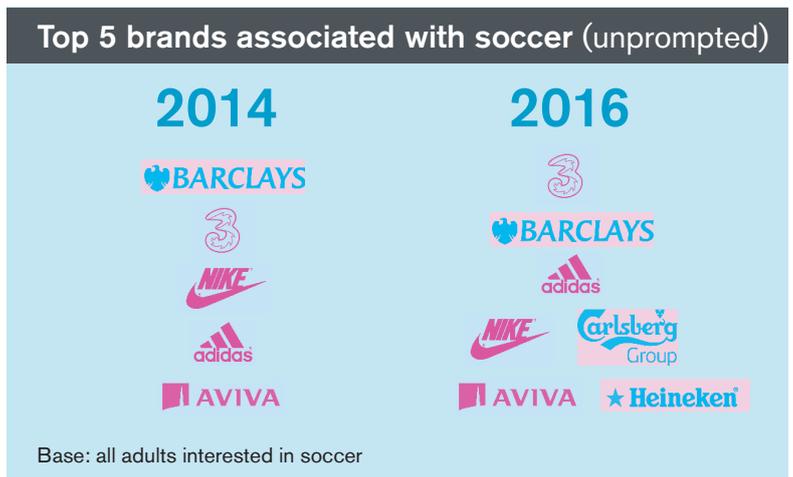


Turning to rugby – a sport of interest to a third of all adults – sponsors face a different set of challenges to GAA, especially as there is a national rugby team that participates in international fixtures alongside strong provincial teams. This is reflected in the levels of unprompted awareness among rugby fans.

As with GAA fans, there is a long tail of other brands identified by rugby fans tied to local sponsorships, legacy sponsorship and 'confused' sponsorship associations.

/// Heineken has the highest level of unprompted recall among rugby sponsors

The challenges facing rugby sponsors are, if anything, superseded by sponsors of soccer. Soccer is Ireland's favourite sport (nearly 4 in 10 adults are interested in soccer), and like soccer, fans range from supporters of teams outside Ireland to local clubs and school teams.



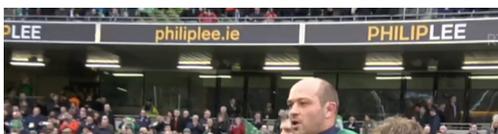


Ronan O'Gara



Before the recovery began, an overt sign of the economic collapse was empty seats at stadia like the Aviva and Thomond Park. Thankfully, the fans are now back. Emotionally they are Ireland's greatest tool. That's true for all Irish sports of course but I feel there is a particular bond between Irish rugby fans and their provincial and national teams.

I really believe in the importance of local and provincial participation. Since I've been coaching Racing 92 I've been able to compare and have gained invaluable insights into European club rugby. Where rugby clubs in Ireland are a centre in a community, that is not the case in Paris. Cork Constitution has a clubhouse, a history and a distinct aura about it. Past players and members come back whenever they can to celebrate or commiserate. Racing has nothing like that.



Philip Lee in the Aviva Stadium, Dublin



Philip Lee in the Aviva Stadium, Dublin

Something else you can't really put a figure on is the trust factor. There's massive trust in Irish squads, because many of them share the same dressing room, and go into battle with the same comrades. In France, the turnover every year is much higher.

One of the big differences now in rugby is the emphasis on strength and conditioning. The influence of those who coach in this area permeates more than the gym. Preparing players, physically and mentally, to peak at the right moment, driving scores, making them far better competitors than they might have been — this is what they do and it makes a huge difference.

Philip Browne

Chief Executive, IRFU



Philip Browne has been chief executive of the Irish Rugby Football Union since 1998. That period has seen extraordinary success on the part of the four provincial teams as well as the Irish national team.

Philip believes that rugby union in Ireland – post-recession – must adopt a different strategy to that of England and France where TV rights deals and wealthy investors have created a ‘false environment’ in terms of resources and investment. Ireland needs to be clever about using our more limited resources to make an impact in international competitions.

The creation of a strong academy structure for the provincial teams in recent years is already bearing fruit. This provides an eighteen-month performance pathway for older teenagers through coaching, support and the identification of talent for further development. There is a growing imperative to produce more, high quality players more quickly for the provincial teams to fill the gaps as others move on.

A focus on streaming players into provincial talent squads can also feed through to the national squad in time. But it takes a lot of support at club and provincial levels: including medical and nutritional support, coaching and the upskilling of coaches and other volunteers themselves.

Philip observes that all team sports in Ireland are facing the same pressures when it comes to cultivating the next generation of players. There are lifestyle distractions for young people, and a growing number of individual sports and fitness activities that may appeal more to some participants.

The game of rugby union is evolving in response to these trends, hence the growth of the rugby 7s game (now an Olympic sport). The increasing involvement of women in rugby and the growth of tag and touch rugby are all designed to appeal to a wider pool of potential players with different entry points into the sport. Concerns about concussion have also been addressed through increasing awareness and education, with the result that Ireland is now leading the development of concussion practices and education.

But more government investment is required to improve our performance further, including completing phase 2 of the National Indoor Arena that will provide a covered pitch for the training of the national team. Together with a regional network of 4G (artificial) pitches, careful investment in facilities as well as people will equip rugby union in Ireland to continue to thrive in the years ahead.

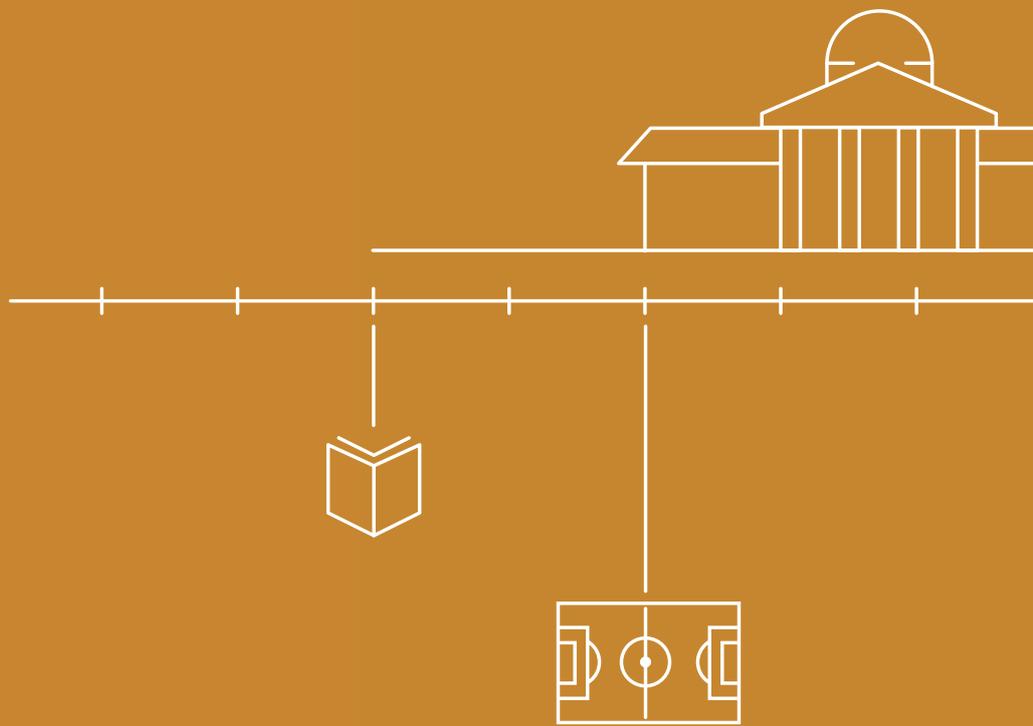


Philip Lee, proud supporter of the IRFU at the Aviva Stadium, Dublin





④ POLICY AND SPORT



4. POLICY AND SPORT

If sport is big business, it is also a big policy issue. The Irish Government, like governments in other developed countries, plays a key role in providing direct and indirect support for the development of sport in clubs and organisations across the country.

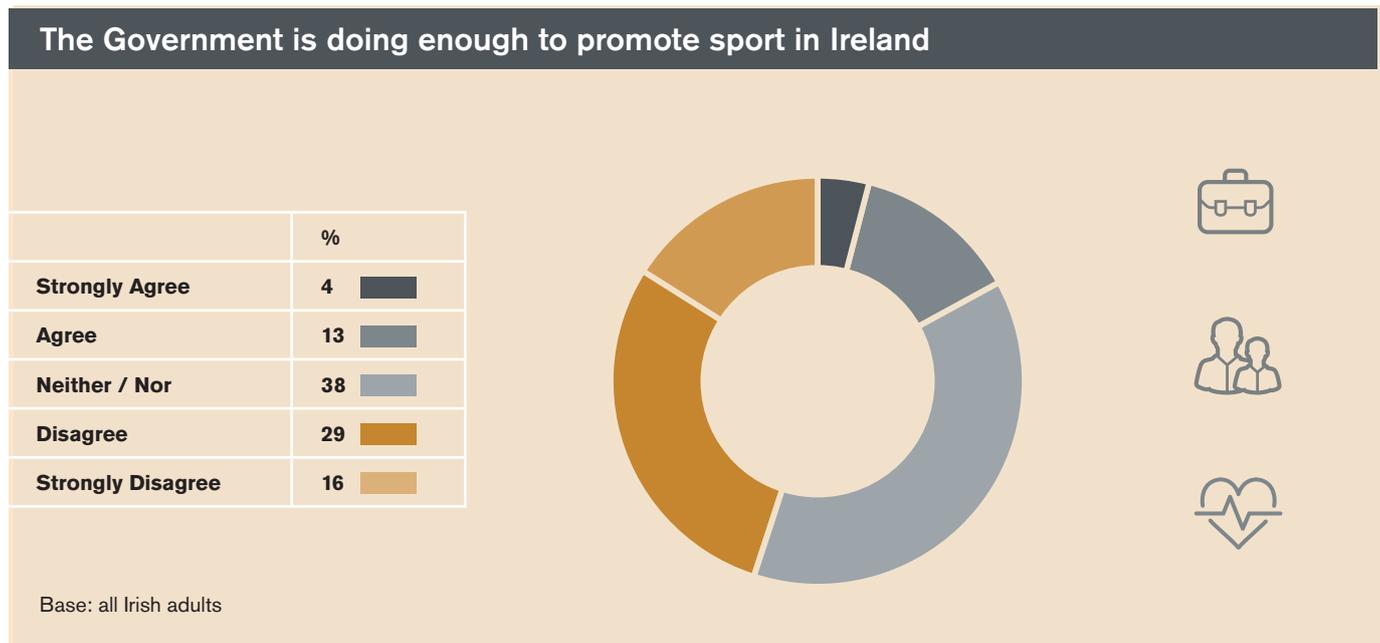
But sometimes it is the indirect support from Government that matters more. Government can encourage sport participation through its health and education policies, for example. As with all policy issues, sport is also 'political'. The views of citizens and voters about the role of government in Irish sport tend to be both demanding and critical. Take a simple question such as whether the Government is doing enough in Ireland to promote sport?

On this issue, men are more likely to disagree than women as are the older age groups. Dubliners are more likely than those in other regions to agree that the Government is doing enough for sport in Ireland.

/// Nearly half of all adults feel the Government isn't doing enough for sport

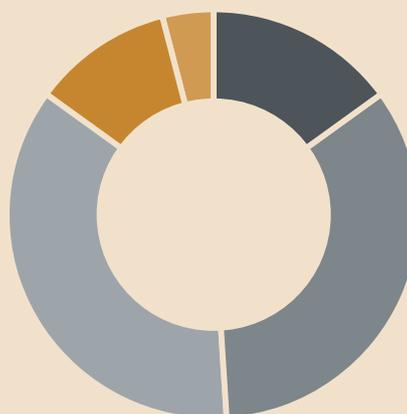
Another indication of the high expectations voters have for the role of government in sport is the issue of funding. Despite several years of recession and cut backs, over two thirds of adults (68%) think that government funding of sport should be increased. Most of the rest think it should remain the same. In line with these findings government funding is also the most popular choice when it comes to how sport should be funded/supported at 64%. Sponsorships (53%) and revenue from gambling taxes (42%) are other top choices, with ticket revenues (36%), membership fees (34%) and philanthropy/fundraising (30%) coming after.

As with all funding requirements, there are inevitably many, competing demands for funds. We asked people in our survey whether they thought it important for the Government to invest in sports infrastructure projects such as stadia, even ahead of other projects in non-sports areas. As the chart shows, nearly half of Irish adults (49%) feel that spending on this type of project is important.



Importance of Government investment in sport infrastructure compared to other infrastructure

	%
Very Important	15
Somewhat Important	34
Neither/ Nor	36
Somewhat unimportant	11
Very unimportant	4



Base: all Irish adults

When asked how funding in sport should be used in general terms, eight in ten (81%) Irish people think it should be used to encourage greater participation in sport generally throughout the county versus the 15% who think it would be better used to improve elite level sport performance so that Irish players and athletes can be more successful in international competitions.

Dissatisfaction with the government is again high in terms of promoting Ireland abroad. More than twice as many adults in our survey (47%) disagree that the Government is doing enough to promote Ireland as a sporting destination to tourists as agree it is doing enough (16%). In terms of the sports that Ireland should be promoted for, the more leisurely sports options are coming out on top with walking/hiking, golfing, fishing and sailing making up four of the top five.

Sporting activities which Ireland should be promoted as a sporting destination for tourists

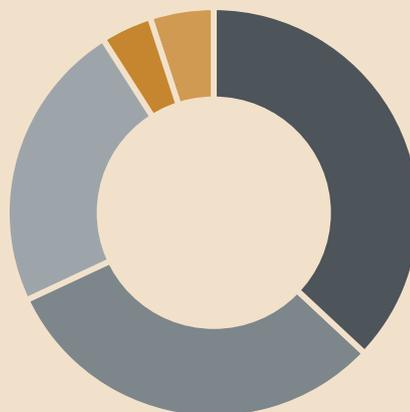
	%
Walking/Hiking	65
Golfing	59
GAA	56
Fishing	55
Sailing	45
Rugby	44
Equestrian	42
Surfing	40
Running	24
Motorsport	9
Other (please specify)	3



Base: all respondents

Agreement with Ireland's decision to bid to host the Rugby World Cup in 2023

	%
Strongly Agree	37
Agree	31
Neither / Nor	23
Disagree	4
Strongly Disagree	5



Base: all Irish adults

Probably the most high profile example of policies aimed at attracting tourists through sport is the hosting of international competitions. The Irish Government is currently putting together a bid to host the Rugby World Cup (RWC) in 2023. There is a very high level of support for this initiative – in fact, nearly seven in ten (68%) adults agree with the Government’s decision to make the bid, as the chart reveals.

/// 7 in 10 adults support the Government’s bid to host the Rugby World Cup in 2023

The majority (76%) feel that hosting such an event will have a positive impact on the country, some of the potential main effects highlighted were the generation of revenue, promotion of Ireland abroad and increased engagement in sport.

However, support for the bid has dropped somewhat since 2014 - 37% strongly agree with the bid this year compared to 46% two years ago). Not surprisingly, support is even higher among rugby fans (over 8 in 10 support the initiative). But more importantly – from the viewpoint of accessing stadia such as Croke Park – a similar proportion of GAA and soccer fans also support the bid.

Improving our reputation abroad is particularly relevant this year due to the recent Olympic ticket scandal, which the public appear to have strong feelings about. When asked if they agree that Sport Ireland (formally the Irish Sports Council) should reduce its support for the Olympic Council of Ireland in light of the ticket scandal, 44% of Irish adults agreed that they should. Agreement was highest among the over 55s (61%).

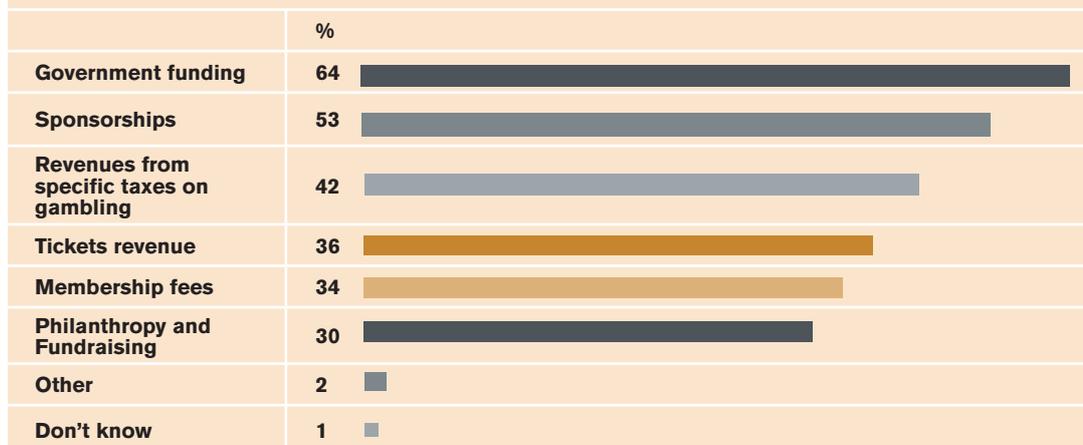
Sport Ireland should reduce its support for the Olympic Council of Ireland

	%
Strongly Agree	23
Agree	21
Neither / Nor	36
Disagree	14
Strongly Disagree	6



Base: all Irish adults

How should sport be funded?



Base: all Irish adults

The fall out from the ticket controversy shows us that the current policy of Sport Ireland to promote the Code of Governance is well placed and is extremely important in monitoring public support for the funding of sport.

The Government will continue to play a key role in supporting the development of sport in Ireland, whether at a grass roots level (through, for example, its capital programme), and at an international level, as in the case of the RWC bid. Government can't do everything – and nor do citizens and fans expect it to. But it can play a powerful, catalytic role in maximising the return on scarce resources in the sporting sector to ensure the benefits are more evenly spread and fully optimised.

/// 44% of Irish adults agree that Sports Ireland should reduce its support for the Olympic Council of Ireland

The majority (81%) would like to see increased funding for sport used to encourage greater participation in sport generally throughout Ireland.

7 main effects of hosting such a major sporting event %

Tourism /Hospitality.....	38
Revenue.....	23
International attention/promotion of Ireland.....	21
Promotion/Increased engagement in sport.....	7
Cost to country (Money taken from other areas e.g healthcare, housing).....	6
Jobs.....	4
Boost national morale.....	4

Base: all Irish adults



Sarah Keane
President
Olympic Council of Ireland

The Olympics is hugely important to Irish people, they follow it intensely.

They support our athletes and whilst they welcome and celebrate the success of our podium winners we actually honour and respect greatly all Olympians, both medal winners and participants.

There is now a very new team in the Olympic Council of Ireland and I am very honoured to have been chosen as its President. However, I am only one person amongst a very impressive team.

We are going to do our utmost to make Ireland proud - proud of the OCI, its governance, its innovation and its creativity. In turn, very proud of the many athletes from the different disciplines who train and compete so hard, some of whom will become Olympians, others who try but may not succeed, and of course those that come back with glory and medals.

I am pleased to see that there is a reaction in the survey conducted for The Philip Lee Sport Report, from those people suggesting there should be a relationship between good governance and increased funding and support. That encourages me as we will in the future meet the highest standards of good governance. We are confident through our own work and through support from Sport Ireland, that we will increase assistance to athletes chasing the great dream of being an Olympian.

I am also encouraged by the report which shows great support for more public funding to encourage sport and physical activity.

John Treacy
Chief Executive Officer
 Sport Ireland



John Treacy was appointed CEO of Sport Ireland in 2015, having previously served as CEO of the Irish Sports Council. Sport Ireland brought together the Irish Sports Council and the National Sports Campus Development Authority in one organisation.

John notes that the Government continued with investment in the national sports campus throughout the recession and we are now reaping dividends from that commitment. The opening of phase 1 of the National Indoor Arena in early 2017 means that up to 20 different sports will benefit from world class training facilities. The focus on high performance development and coaching through the Sport Ireland Institute means that several critical, infrastructural pieces are in place to support the future development of sport in Ireland.

The headquarters of Special Olympics Ireland has also been located at the National Sports Campus. This provides closer proximity to the facilities on the campus, as well as the other National Governing Bodies for Sport.

The Department of Transport, Tourism and Sport will shortly issue a policy statement on sport, with Sport Ireland setting out a new strategy in 2017. This will include insights from a review of Team Ireland's performance in Rio to determine where next for the future of sport in Ireland looking ahead to Tokyo 2020.

John believes that Ireland should be going for Olympic medals in a number of sports including but not limited to boxing, rowing and sailing. While the performance of our boxers in the Summer Olympics was disappointing, it was clear that our athletes performed very well in several other sports, with many more top 10s and top 20s. Continuing and increasing investment in high performance pathways for Irish athletes will deliver more success in the future.

But it isn't just about success at the Olympics, Sport Ireland has a clear remit to support and encourage the participation of Irish adults in sport and fitness activities, whether competitive

or not. As our population ages, keeping the nation active, fit and healthy will reap dividends of its own, both for the participants themselves and for the taxpayers funding our health services and the nation's investment in sport.

DATA PROTECTION:

HEALTH MONITORING AND FITNESS APPS



Anne Bateman
Data Protection Partner, Philip Lee

Mobile apps and wearable technology that help users to monitor their health and fitness are becoming ever more prevalent, and not just for amateur sports enthusiasts who use the app/device as an extra incentive to keep fit. Sports organisations are also actively encouraging (and in some cases, requiring) their players and athletes to use this technology so that the player/athlete, and in some cases, the organisation itself, can understand the individual's fitness, health and performance.

This type of data collection and monitoring by organisations is a potential encroachment on the person's privacy, and therefore brings this area under the remit of the data protection rules. If the data collected by the app or device can tell things about the user's health, then it is likely to be treated as collecting and processing sensitive health data. Under data protection law, there are strict rules governing the processing of this type of sensitive information by organisations. The rules regulate not only the app or device sellers, but also the sporting organisations that access and use the information. One of the key rules is that the organisation collecting and processing the data should have the user's explicit (opt-in) consent to that processing.

A recent case in The Netherlands involving the Nike+ RunClub app has highlighted the issues involved. The app collected user information including the person's height, weight, gender, how frequently they exercised and their running distances and speeds. An investigation by the Dutch Data Protection Office found that Nike, who as the promoter of the app was the organisation collecting and processing the information about the individual user, had not

obtained opt-in consent from the app users and had not specified how long it was going to keep the users' data. The Dutch DPO took the view that the information being collected via the app was sensitive health data: the information collected by the app gave an indication of the state of the person's health, there being a relationship between how often and intensively a person exercises and their life expectancy. After engagement with the Dutch DPO, Nike changed the consent to opt-in consent and implemented a maximum 4-year retention period for the data, with the data being encrypted after 13 months.

The interpretation of what falls within the category of "health data", and therefore attracting these stricter rules about data processing, is interesting. For example, it could mean that apps that track information about a person's eating habits over time could qualify as the collection and processing of sensitive health data.

Access to the information on a player's or athlete's personal app by their sporting organisation also triggers data protection considerations. Normally, when a person downloads and uses an app, unless the information collected by the app is confined to their device and therefore kept personal to them, the app promoter will usually have access to the data and will be regarded as a "data controller" of that data under the rules. For example, Nike is a data controller of the user information collected via its Nike+ RunClub app. The data controller bears the responsibility of complying with the data protection rules. The rules include that:

- they must have a defined legal basis for

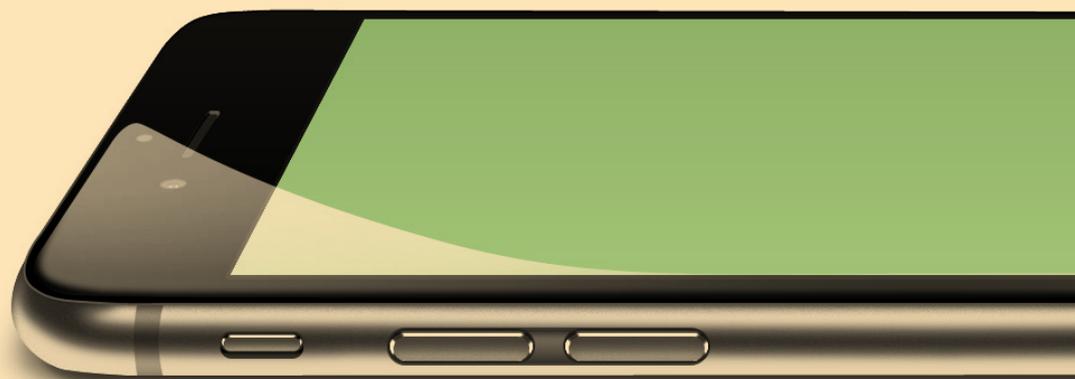
processing the person's data (usually this is explicit consent);

- they must be fully transparent with the person about the processing (usually achieved using the app terms and conditions and/or a privacy policy);
- they must have clearly defined purposes for their processing of the person's data;
- the data they collect must be accurate and kept up-to-date;
- they should have a clearly defined retention period for the data;
- they must keep the data safe and secure.

protection rules are going to significantly increase under the GDPR, with national data protection authorities having the ability to impose administrative fines of up to €20m or 4% of an organisation's annual worldwide turnover in relation to the most serious cases of non-compliance.

If the sporting organisation is also accessing and using the player's or athlete's information, then they must also comply with these rules.

It's also important to note that our current data protection rules are due to be replaced in May 2018, by the EU General Data Protection Regulation ("GDPR"). The GDPR will be a single data protection law for the EU, and will be directly effective in all EU member states. The penalties for non-compliance with the data



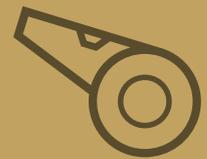
CONCLUSION

These are exciting times for sport in Ireland. Our survey and report confirms that Irish people in general, sports fans and participants in particular, are playing their part in securing the future for sport. The commitments of time and money to sport from the Irish people and the Irish Government will sustain us through our continuing recovery and on to the next phase of development.

Women in sport are still not reaching the same levels of participation and interest as men. This area needs addressing whether through Government funding or other means.

The economic value of sport is enormous among Irish people as supporters, parents, participants and consumers. Everyone benefits from this investment, whether through better health for the nation as a whole, or healthier finances for local businesses and retailers. Government also benefits through increased tax revenues (from citizens and tourists alike), as well as from fewer health service commitments (over the long run in particular).

This report has shown another snapshot of sport in Ireland following on from our 2014 findings. In a time of uncertainty in many areas, interest and participation in sport remains strong. While the international arena is changing, Ireland is positioned for kick off.



APPENDIX 1: METHODOLOGY

The survey for The Philip Lee Sport Report II was conducted in October 2016.

Amárach polled a nationally representative sample of 1,000 adults aged 16-75 online, using quota controls for gender, age and social class.

The sample profile is as follows:



Base: All Irish Adults – 1000

APPENDIX 2: FULL LIST OF SPORTS AND ACTIVITIES

Full list of sports and activities people are interested in, ranked in order:

Question asked:

Which of the following sports are you interested in? Tick all that apply.

	%2016	%2014
Walking	46	56
Soccer	44	47
Rugby	40	41
Gaelic Football	34	34
Swimming	34	38
General fitness or weight loss activities	31	41
Hurling	30	31
Cycling	25	28
Running	25	29
Tennis	24	30
Golf	22	29
Boxing	19	17
Athletics (E.g Track or Cross country)	18	17
Motorsport	15	15
Basketball	10	11
MMA	9	4
Martial Arts	9	9
Weightlifting or bodybuilding	9	10
Camogie	8	6
Cricket	8	10
American Football	8	7
Hockey	5	6
Fencing	2	2
Horse Riding/Racing	2	-
Other Racquet Sports (badminton, squash)	1	-
Water sports	1	-
Gym classes (eg Yoga, Pilates, Zumba)	1	-
Other	4	9

Base: all those interested in sport and exercise

Full list of sports and activities people participate in, ranked in order:

Question asked:

Do you play or take part in any of the following sports or exercise? Tick all that apply.

	%2016	%2014
Walking	55	58
General fitness or weight loss activities	28	33
Swimming	23	26
Running	22	22
Cycling	16	18
Soccer	13	13
Golf	11	16
Weightlifting or bodybuilding	7	8
Gaelic Football	7	7
Tennis	6	7
Hurling	4	4
Athletics	4	4
Rugby	3	5
Basketball	3	4
Martial Arts	3	3
Boxing	3	2
Cricket	2	3
MMA	2	1
Camogie	2	2
Gym classes (eg Yoga, Pilates, Zumba)	2	-
Motorsport	1	2
Hockey	1	1
American Football	1	0
Fencing	1	0
Other Racquet Sports (badminton, squash)	1	-
Water sports	*	1
Horse Riding/Racing	*	-
Other	3	6

Base: all who participate in sports and exercise



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