

Economic Impact of the 2006 Ryder Cup on Ireland

Report to Ryder Cup Europe LLP

16 March 2007

Private and Confidential

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Introduction

Background

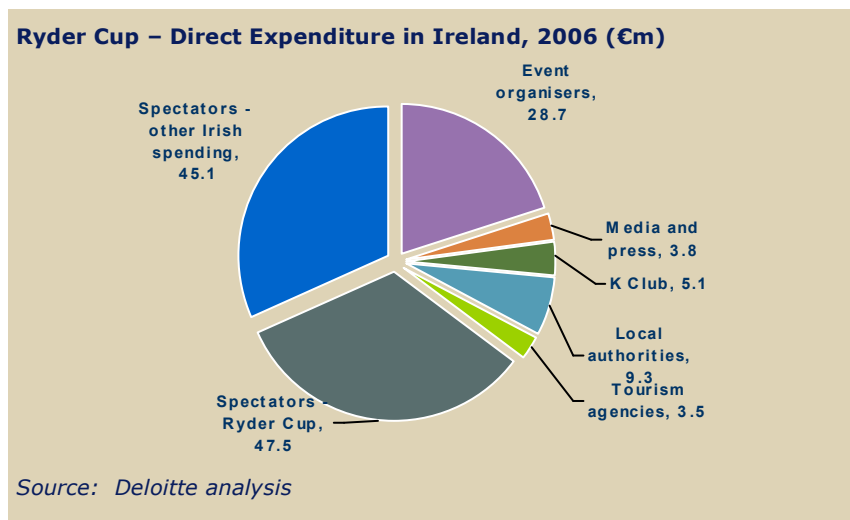
- The Ryder Cup ("Ryder Cup" or "the Event") is the premier team golf event in the world. The Event began as a series of 'matchplay' matches played between teams representing Great Britain and the USA. After first including players from Ireland, in 1979 the Great Britain and Ireland team was expanded to include players from Continental Europe.
- The biennial competition was first contested in 1927, with the location alternating between the USA and Europe. The 36th Ryder Cup took place in September 2006 at the K Club, County Kildare, and was the first time the Event had been held in Ireland.
- The 2006 Event was organised by Ryder Cup Europe LLP, who are responsible for the staging of matches in Europe. As such, Ryder Cup Europe LLP are keen to understand the overall economic impact of the Event on Ireland.
- Fáilte Ireland is the Tourist Authority for Ireland. They are keen to understand the impact that The Ryder Cup had on golf tourism in 2006, and the potential impact in the medium to long term.
- The overall objective of this Project is therefore to understand the economic impact of The Ryder Cup on Ireland.
- For the purposes of this project we define economic impact as the total amount of additional expenditure – together with other intangible economic benefits – generated within Ireland with particular reference to the Kildare/Dublin area.

This report

- This report estimates the economic impact of The Ryder Cup on the Kildare/Dublin area and the rest of Ireland. It measures how the Event resulted in increased economic activity, stimulated directly by the expenditure of the event organisers and spectators, which then flowed through the local economy to expand total regional and national Gross Domestic Product.

- This report is structured into seven main sections, as outlined below.
 - **Section one: The Ryder Cup in context** provides comparative analysis. We briefly outline the competition and provide some examples of previous economic impact studies, both from The Ryder Cup itself and other events for benchmark purposes;
 - **Section two: economic impact methodology** outlines our methodology and economic impact model for evaluating the impact;
 - **Section three: direct economic impact assessment** provides analysis of the economic impact of The Ryder Cup itself. We explore the impact of each of the major stakeholders individually to build up our total;
 - **Section four: indirect economic impact assessment** outlines the indirect economic impact, through multiplier analysis, which brings us to a total economic impact figure for The Ryder Cup in Ireland;
 - **Section five: business impact** outlines the impact on local businesses, identified by a business survey and published statistics in areas such as hotel occupancy;
 - **Section six: a preliminary legacy impact** outlines our analysis of the initial long term legacy impact of the Event on Irish golf tourism; and
 - **Section seven: spectator profiling and attitudes** presents summary information gleaned from our spectator survey regarding demographics, spectator attitudes and perceptions.
- All currencies in this report have been converted to the Euro using exchange rates as at the end of September 2006.

Executive summary (1)



- The Ryder Cup ("Ryder Cup" or "the Event") is one of the premier golf team events in the world. The Event comprises a series of 'matchplay' matches played between teams representing Europe and the USA over three days.

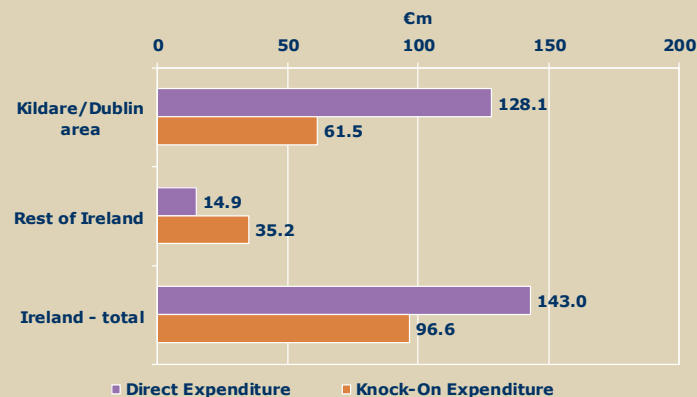
The Ryder Cup provided a significant economic impact to the Kildare/Dublin area and the rest of Ireland. In terms of direct impact, **the Event generated €143m of direct expenditure to the Ireland economy. Of this, €128m was invested in the Kildare/Dublin area.**

This expenditure excludes a further €70m of expenditure which either displaced expected existing activity in Ireland, or was spent outside Ireland.
- Some key metrics surrounding the Event are presented below:

 - The event **attracted 260,000 spectators** to the region, of which **over 35,000 were corporately entertained** at the Event;
 - 34,000 overseas spectators visited the Kildare/Dublin area** specifically in connection with The Ryder Cup;
 - Overseas visitors tended to attend The Ryder Cup for more days than domestic visitors, with the average American attendee present for three days, while domestic visitors attended 1.5 days on average;
 - In addition to being at The Ryder Cup, **American visitors stayed in Ireland for a further 4.7 days while other overseas visitors stayed for 3 days.** Around 25% of this time was spent outside the Kildare/Dublin area; and
 - An additional 90,000 overseas visitors came to Ireland** in September 2006, with a significant proportion of this influx being related to The Ryder Cup.
- 65% of direct expenditure related to spectator spending, which totalled €93m. Of this amount, almost 50% related to non event spending, by visitors extending their stay in Ireland beyond visiting The Ryder Cup itself.
- The next highest amount related to event management expenditure in the local Irish economy. To avoid double counting we have excluded ticket expenditure from spectator spending.
- The total spending of €143m represents an increase of 32% on a like for like basis, compared to an independent estimate of the previous European Ryder Cup, hosted in 2002 at the Belfry.

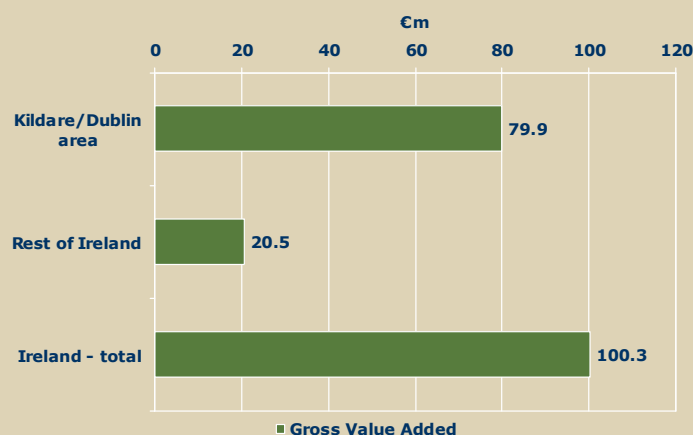
Executive summary (2)

Ryder Cup – total expenditure in Ireland, 2006 (€m)



Source: Deloitte analysis

Ryder Cup – Gross Value Added in Ireland, 2006 (€m)



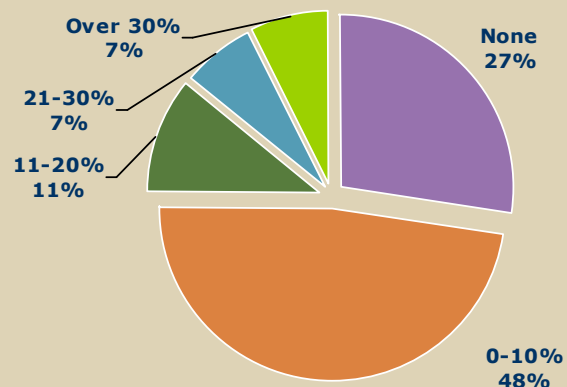
Note: Gross Value Added is a measure of economic contribution (or value added)

Source: Deloitte analysis

- In addition to the €128m of direct expenditure in the Kildare/Dublin area, there are a number of indirect impacts which must be estimated. These indirect impacts reflect the 'ripple effect' that the direct injection of cash will have circulated into the Irish economy.
- These indirect impacts comprise two elements:
 - **B2B or Indirect impacts** - additional expenditure caused by businesses sourcing materials **totalled €52m** in the Kildare/Dublin area; and
 - **Consumer or Induced Impacts** - the increasing individual spending patterns – **totalled €10m**.
- The total 'knock on' impact is therefore €62m. Thus, the **total contribution of The Ryder Cup to the Kildare/Dublin area was estimated to be c.€190m**.
- A further €15m was invested in the rest of Ireland, generating an additional €35m of knock on expenditure.
- The total economic impact of The Ryder Cup on Ireland is therefore c.€240m.
- The **industries benefiting the most** from The Ryder Cup are those directly related to associated tourist-style expenditure patterns - **hotels & catering, wholesaling & retailing, and transport**.
- In addition the **construction industry will have benefited** from the development of new facilities and the associated infrastructural developments.
- In additional Gross Value Added terms (a measure of economic contribution), the event generated €80m for the Kildare/Dublin area economy and €100m for Ireland as a whole.

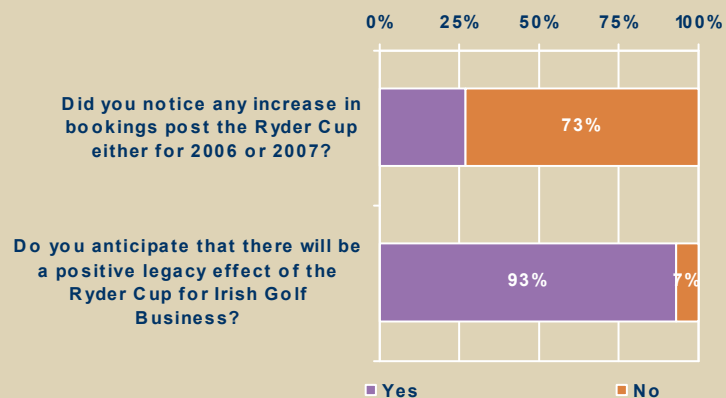
Executive summary (3)

Level of increase in trade as a result of The Ryder Cup



Source: Business Survey

Legacy impact - perceptions of Golf Tour Operators



Source: Golf Tour Operator Survey

Business impact

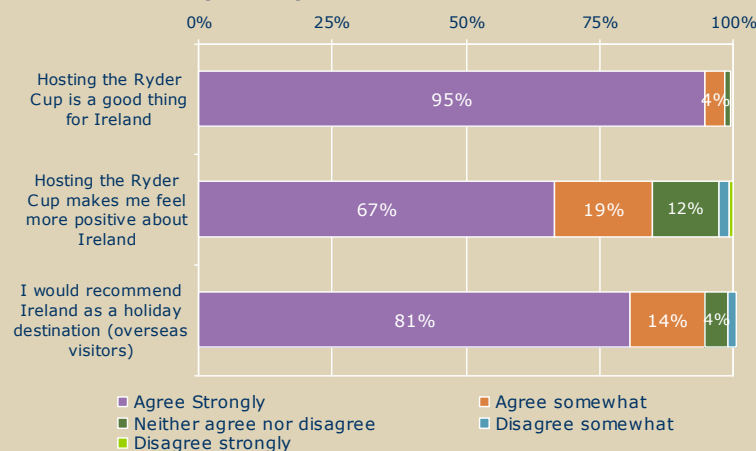
- Businesses also saw significant increases in trade as a result of The Ryder Cup. Over 70% of businesses interviewed reported an increase in their trade in September 2006. Increases were seen in almost all sectors, with restaurants, high end hotels, and golf clubs most likely to report an increase.
- Pricing levels did not appear to have changed widely, with only 13% of businesses increasing their prices during the summer and autumn because of The Ryder Cup.
- The hotel sector, and higher quality hotels in particular, were more likely to have increased prices than other sectors.
- Over 90% of respondents agreed that The Ryder Cup was a good thing for the Irish economy, and that it has increased the profile of the region, while 95% would like to see The Ryder Cup return again in the future.

Legacy impact

- There was a strong feeling among Golf Tour Operators that bringing The Ryder Cup to Ireland had been good for the Irish golfing industry. The challenge for Ireland is to turn the increased awareness of the event into additional trade. This anticipated uplift in business was not considered to have occurred pre Ryder Cup.
- Over a quarter of Golf Tour Operators had noted an increase in Irish golf trade, while over 90% anticipated post event legacy impact. 2007 will be a key year for Irish golf tourism in this respect.

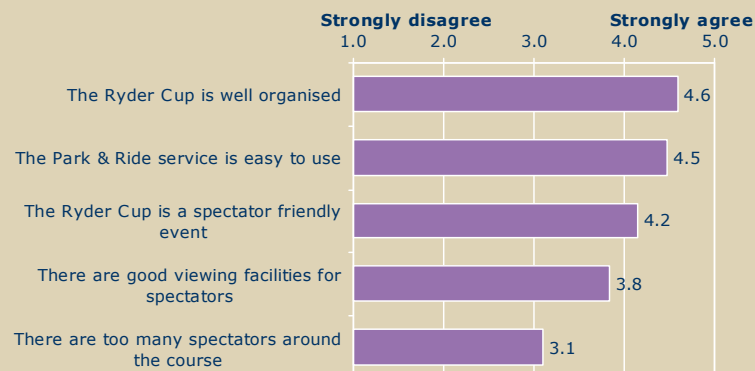
Executive summary (4)

Attitudes to The Ryder Cup and Ireland



Source: Spectator research

Spectators' satisfaction with event organisation



Source: Spectator research

- Spectators offered overwhelming support for The Ryder Cup, with 99% stating that it was a good thing for Ireland, and 86% saying that it made them feel more positive about the country.
- Overseas respondents reported positively about Ireland and their propensity to return to the area. Over 80% suggested that they would return to Ireland in future, while 95% said that they would recommend Ireland as a holiday destination.
- Perceptions of Ireland as a golf holiday destination are also good. 81% of overseas visitors believed that Ireland is a good destination for a golf holiday, while 92% would recommend Ireland as a golfing holiday destination.
- Spectators appeared to be generally very positive about event organisation. Spectators agreed strongly that the event was well organised and spectator friendly. Perceptions of both catering and merchandising were positive.
- With the significant increase in overall attendance, spectators reported differing views on crowding of the course. The average score of 3.1 is reflective of polarised views, with 43% feeling the course was too crowded, while 36% felt this was not an issue.

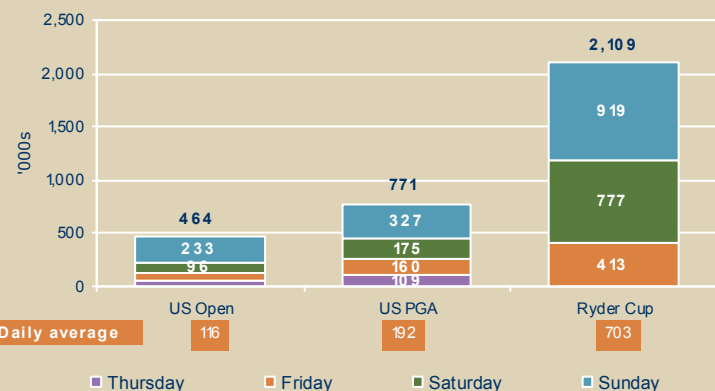
Section one: The Ryder Cup in context

As context, this section provides a brief overview of The Ryder Cup and the golfing sector in Ireland

Section one – The Ryder Cup in context

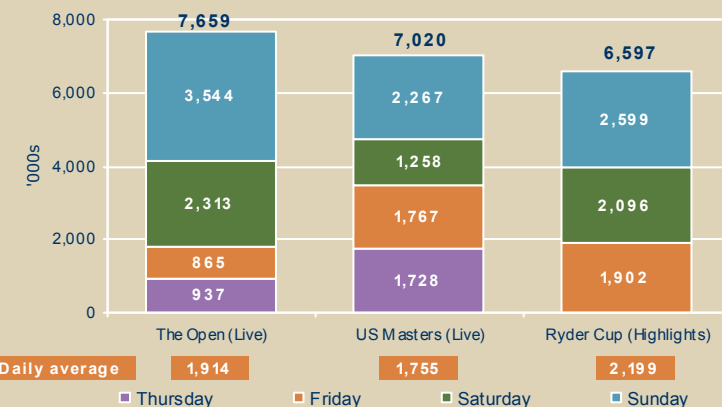
The Ryder Cup is golf's premier team event and attracted significant TV audiences.

Live UK Pay-TV audiences for Major golf tournaments and The Ryder Cup, 2006



Source: TV Sports Markets

UK terrestrial TV audiences for Major golf tournaments and The Ryder Cup, 2006



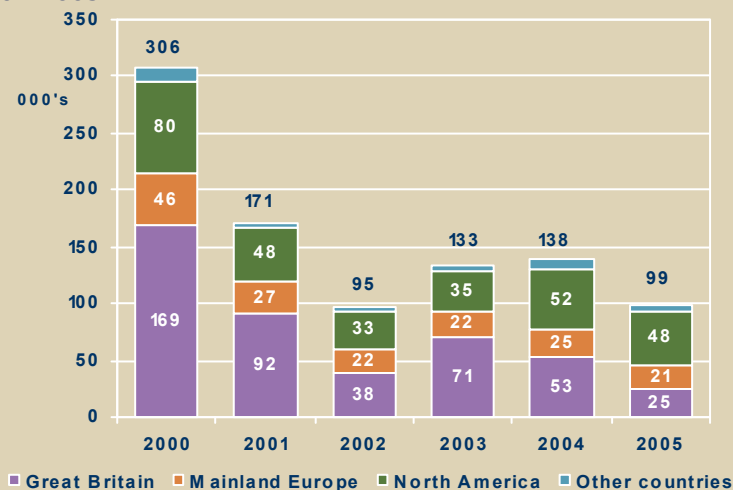
Source: TV Sports Markets

- Before outlining the economic impact of the 2006 Ryder Cup, we briefly profile the Event and recent trends in golf tourism activity in Ireland.
- The Ryder Cup was first contested in 1927 and is usually played on a biennial basis. The two competing teams represent Europe and the USA and play a series of matchplay matches over three days.
- Hosting the Event alternates between Europe and USA, and the 2006 Event was held in Ireland for the first time, at the K Club, Co. Kildare. The K Club is situated around 20 miles to the west of Dublin.
- The Event has increased in profile in recent years, and is one of the biggest golf properties, in commercial terms, worldwide.
- To illustrate this point, the charts opposite compare the terrestrial and Pay-TV audiences for the four Major tournaments, and The Ryder Cup, in 2006.
- The Event was screened live on BSkyB throughout and drew comfortably the highest viewing figures for a golf event during the year. A cumulative audience of over 2.1m people watched the Event on Pay-TV, an average of 703k per day. This is significantly above average viewing figures for the two golf Majors screened live on Pay-TV. It also compares well with average Pay-TV viewing figures for other major sports events (FA Premier League, England football internationals etc).
- Highlights of the Event were screened on the BBC, and over the three days these drew almost 6.6m viewers – comparable with the total audiences for the Open and US Masters, both of which were screened live over four days. The daily average viewing figures for Ryder Cup of 2.2m were above both those Majors.

Section one – The Ryder Cup in context - golfing in Ireland

Ireland has recently seen golfing visitor number decline. It is hoped that hosting The Ryder Cup in the country will help to reverse this trend.

Number of overseas visitors to Ireland engaging in golf, 2000 - 2005



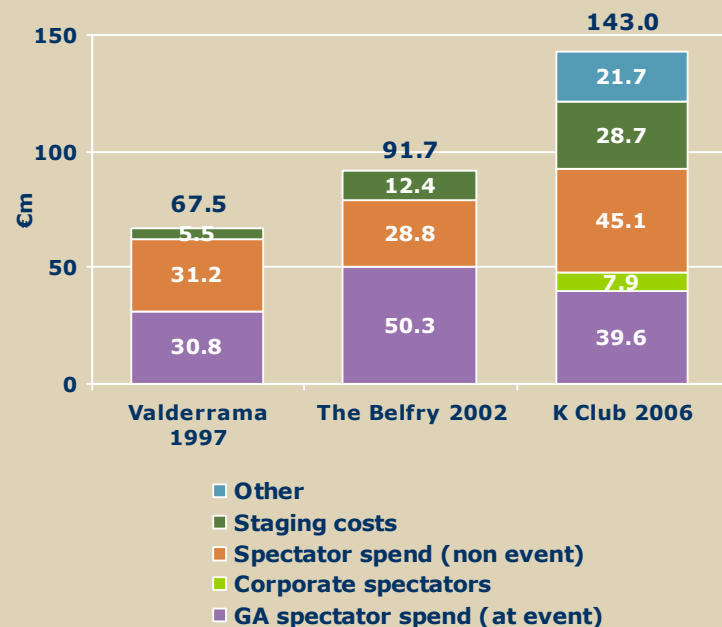
Source: Fáilte Ireland

- Fáilte Ireland is a major tourism authority in Ireland, and is keen to maximise the benefit of hosting such a major golf event to help to deliver increased golfing visitors to the country.
- Golf is a key tourism and leisure activity in Ireland, which has over 400 golf courses affiliated to the Golfing Union of Ireland (GUI).
- Fáilte Ireland measures the number of overseas visitors to Ireland who are engaged in golf activity on an annual basis. The number of golfing visitors has declined in recent years, from over 300,000 in 2000 to less than 100,000 in 2005.
- In 2001 and 2002 the decline was attributed to the impact of the UK Foot and Mouth outbreak and the 9/11 World Trade Centre terrorism attacks in the USA. Subsequently, in 2003 and 2004, visitor numbers figures recovered somewhat.
- However, 2005 saw a further dip in overseas golf visitor numbers, which fell below 100,000 for the first time since 2002. The reason for this reduction was reportedly due to the effect of cheap flights and competition from other European golf destinations. In particular, the level of golf visitors from Great Britain has decreased sharply, falling from 169,000 in 2000 to 25,000 in 2005.
- Fáilte Ireland are keen to ensure that The Ryder Cup delivers a long term boost to the Irish golf tourism industry, and in support of this objective, they have implemented a number of initiatives to promote Ireland as a golfing destination.
- We comment further on the initiatives themselves in the direct economic impact section of this report, and on our preliminary findings from golf tour operators in respect of legacy impact in section six.

Section one – The Ryder Cup in context – previous Ryder Cup economic impact studies

In the two previous economic impact studies in 1997 and 2002, by far the greatest impact came from spectators at or surrounding the Event.

Direct Economic Impact of The Ryder Cup, 1997, 2002 and 2006



Notes:

1. Figures for 1997 and 2002 are quoted as at 1997 and 2002 prices respectively, and no inflationary impact has been applied.
2. 1997 and 2002 figures have been converted to Euros using the exchange rate as at 30 September 2006 (£1=€0.67815).
3. Air travel expenditure, totalling €15.3m, was excluded from the 1997 survey to ensure comparability between the figures.

Source: Deloitte analysis

- In this section, we briefly outline results from impact studies on previous Ryder Cups held in Europe and results from studies of other major sporting events.
- The impact of the 2006 Ryder Cup was significantly higher than in the previous two Events, with total direct economic impact of €143m. Of this total, €128m was spent in the Kildare/Dublin area, with the remainder spent elsewhere in Ireland.

Previous Ryder Cup Economic Impact Studies

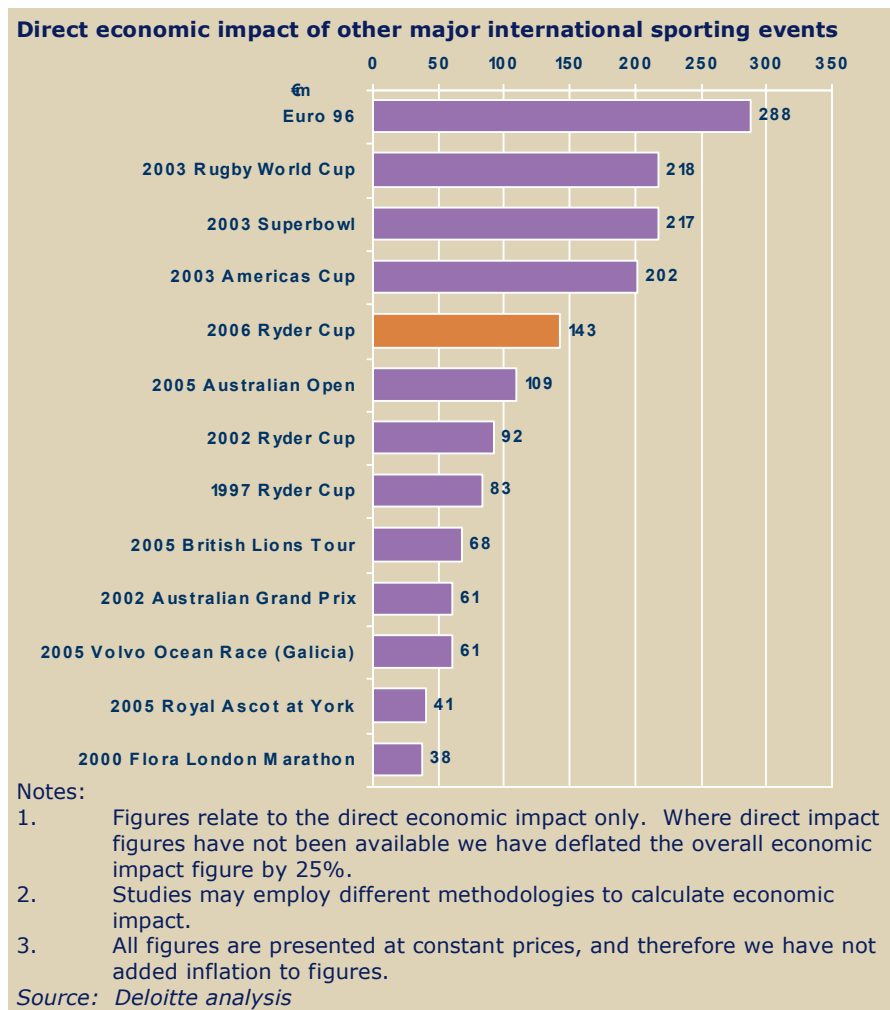
- Previous economic impact studies have been carried out in relation to the two previous Ryder Cups held in Europe, in 1997 and 2002. The results of these studies are produced in the chart opposite.
- The 2002 Ryder Cup showed a 36% increase in economic impact to €91.7m, with spending from spectators at the Event showing a particularly large increase, of 63%. In both the 1997 and 2002 studies, by far the greatest impact came from spectators at or surrounding the event.

The 2006 Ryder Cup

- Our analysis shows that the 2006 Ryder Cup generated a direct economic impact of €143m, of which €128m was spent in the Kildare/Dublin area. Of this, €22m related to expenditure which was not measured in previous studies.
- On a like for like basis, the total represents an increase of 32% compared to the previous European Event, hosted at the Belfry. Spectator spending totalled €93m, with almost half of this amount related to spectators who were extending their stay in Ireland surrounding The Ryder Cup.
- When indirect and induced impacts are added to this figure, the total economic impact of the Event rose to reach €240m, of which €190m related to the Kildare/Dublin area.

Section one – The Ryder Cup in context – other economic impact studies

The 2006 Ryder Cup had one of the largest economic impacts of short duration major sports events.



Comparative Economic Impact Studies

- We also present the results of some economic impact studies from other major sporting events for comparison. These figures have been developed by a range of agencies, and so the methodologies for developing these figures may not be completely consistent. However, at a high level they do provide the basis for some indicative comparisons between events.
- Looking at the chart, The Ryder Cup has one of the largest direct economic impacts of short duration events. The event has a considerably higher impact than the Australian Grand Prix, the 2005 Royal Ascot meeting at York (while the Ascot course was being redeveloped) and the 2000 London Marathon, although the Ryder Cup figure is some distance behind the NFL Superbowl.
- The Ryder Cup also compares well with some longer duration events such as the Australian Open (tennis), although major events such as Euro 96 and the 2003 Rugby World Cup had a significantly greater impact.
- The primary reason for its strong performance is the attendance of 260,000 spectators, which included 35,000 corporate attendees and 34,000 visitors from outside the country, many of whom combined their visit with a longer stay in Ireland.

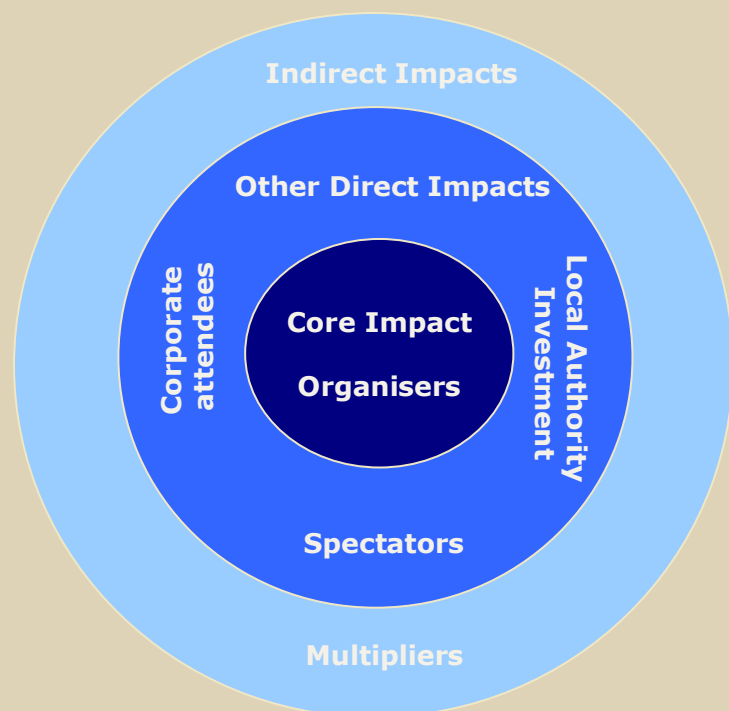
Section two – economic impact methodology

This section outlines our methodology for evaluating the economic impact of the 2006 Ryder Cup

Section two - economic impact methodology

The report quantifies the economic impact of The Ryder Cup on the Kildare/Dublin area and the rest of Ireland, showing core, other direct and indirect impacts.

Components of economic impact



Source: Deloitte analysis

- The diagram opposite illustrates the principal components of economic impact. There are three broad areas in which impact will occur, as outlined below:
 - **Core impacts** – core impacts represent the direct impact from spending by the event organisers, sponsors and facility providers. The core impact comprises the competing teams, event management, sponsors, and the media;
 - **Other direct impacts** – other direct impacts comprise investment on infrastructure, marketing spend, and spending by spectators present at the K Club on the practice days and the weekend of the matches themselves; and
 - **Indirect impacts** – indirect impacts quantify the 'ripple effect' as the direct investment is recycled through the economy via reinvestment by hotels, restaurants etc. We have developed a local economic model to estimate the indirect impact. The primary components of these impacts comprise indirect impacts, achieved largely by businesses investing in suppliers, and induced impacts, as recipients reinvest money in the economy themselves.
- It is important to include only the additional impacts, i.e. the impact which would not have occurred if the Event had not been hosted in Ireland. We aimed to capture information on all 'on-land' spending / investment made by stakeholders while in Ireland. Expenditure relating to travel to Ireland, for example, was excluded as it is unlikely that this will have accrued to Ireland itself.
- Further detail on the methodology used to estimate the indirect impact can be found in Appendix 1 of this report.
- This report quantifies the economic impact of The Ryder Cup on the Kildare/Dublin area and the rest of Ireland. It measures the increased economic activity, stimulated directly by the expenditure of the event organisers, spectators and other stakeholders, which flowed through the local economy to expand total regional and national GDP.

Section two - economic impact methodology

Primary and secondary research has been used to understand investment in the Kildare/Dublin area.

Map of Ireland, showing the counties comprising the immediate economic impact area



Source: Deloitte analysis

- Our methodology for estimating the economic impact of The Ryder Cup combines primary and secondary research to understand the scale and level of investment from all stakeholders.
- Before evaluating the economic impact it is useful to briefly profile the area where The Ryder Cup took place. The K Club is situated in Straffan village, around 20 miles west of Dublin in Co. Kildare.
- For the purposes of this report we have defined the Kildare/Dublin area as being Kildare and the six counties which surround it - Meath, Westmeath, Offaly, Laois, Carlow, Wicklow and Dublin.

Eliminating displacement activity

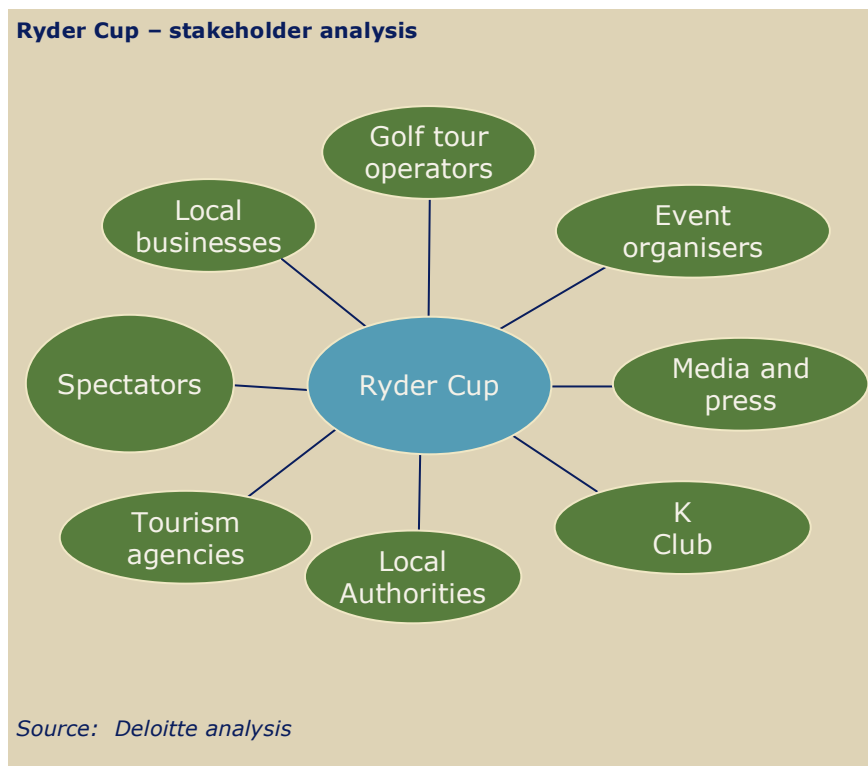
- The direct, or initial, impact of The Ryder Cup consists of all expenditure made in the Kildare/Dublin area, that would not have occurred in the absence of the Event.
- It is important to isolate only the additional impacts, i.e. the impact which would not have occurred if the Event had not taken place. Our methodology therefore aims to identify the additional expenditure which would not otherwise have occurred.
- To this end any expenditure by people resident in the Kildare/Dublin area, or who otherwise would have been in the Kildare/Dublin area regardless of The Ryder Cup, is omitted.
- We have taken a conservative approach in this respect, and excluded two key elements of expenditure in relation to our spectator survey. All domestic Irish spectator spending has been excluded from our analysis. We have defined this expenditure, totalling €31m, as displacement activity since, had The Ryder Cup not taken place, it is likely this investment would have occurred in the Irish economy in any case.
- Similarly, a portion of the public sector expenditure can be termed displacement, as this investment relates to projects which were already planned but brought forward. This is the case for €6-7m of Local Authority spending.

Including only spending in Ireland

- We have attempted to isolate only the expenditure which occurred within the Kildare/Dublin area and the rest of Ireland. To this end, we have excluded ticketing expenditure from the spectator survey, and calculated the staging expenditure spent in Ireland by the event organisers.
- This is to account for the possibility that a proportion of ticketing expenditure may either be spent outside Ireland or be retained by the event organisers, thereby not being invested in the economy.

Section two - economic impact methodology

Various approaches were used to engage with the different stakeholders of The Ryder Cup Event.



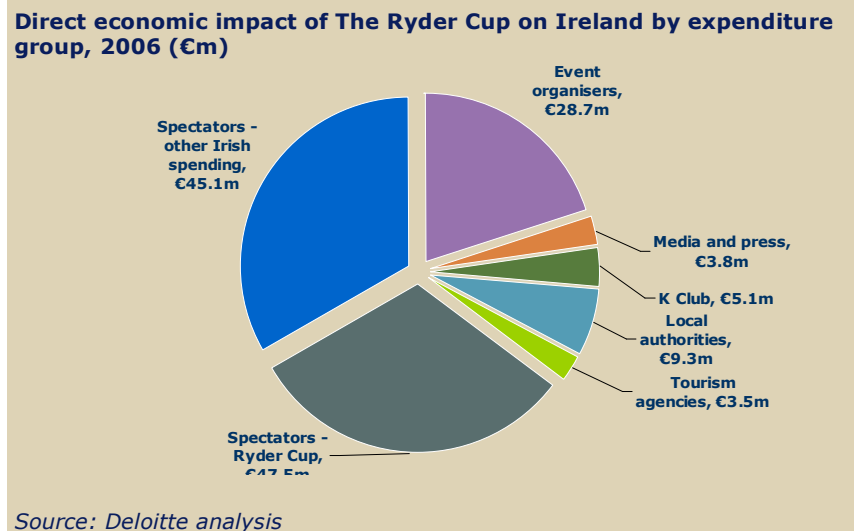
- **Media and Press** – we obtained total numbers of accredited media from the PGA European Tour, and conducted interviews with representatives of both European Tour Productions and NBC, the primary broadcasters. We also interviewed a sample of non-visual media representatives at the K Club to understand their home location, length of time spent in Ireland and the associated level of expenditure.
 - **K Club** – we conducted interviews with key representatives of the K Club to understand investment made in advance of the Event and to explore any other impacts which the Club has experienced in the lead up to the Event.
 - **Spectators** – we conducted face to face interviews with spectators at The Ryder Cup to understand where they resided, length of time in Ireland and any associated expenditure. We also asked a number of questions concerning the impact of The Ryder Cup on visitors' perception of Ireland, and attitudes towards potential repeat visits to the country. We achieved over 550 interviews with a broad sample of spectators, including both general admission and corporate attendees.
 - **Local Authorities** – we conducted an interview with a key representative of Kildare County Council, to understand any infrastructure or associated investment which had been made in conjunction with hosting the Event.
 - **Tourism Agencies** – we spoke with Fáilte Ireland and Dublin tourism, to understand the impact of The Ryder Cup from a tourism perspective.
 - Although not part of the 'core' economic impact methodology, we also gained the input from two further groups of stakeholders:
 - **Local businesses** – we interviewed a sample of over 80 local businesses to gain their views on the impact of the Event; and
 - **Golf tour operators** – we spoke to a sample of 15 golf tour operators to obtain some initial thoughts on the legacy impact.
- The stakeholder diagram above outlines the various event stakeholders, and below we illustrate our approach to engage with each of them. A full list of consultees is included in Appendix 2.
 - **Event organisers** – we conducted interviews with a number of representatives from the PGA European Tour, covering a number of aspects of the event management operation. Our interviews aimed to understand the expenditure involved in the management of the Event itself and the proportion of this expenditure which was spent in Ireland.

Section three: direct economic impact assessment

In this section we review the direct economic impact of The Ryder Cup on Ireland

Section three - direct economic impact assessment

The Ryder Cup delivered a significant boost to the Irish economy, with around €143m of additional direct expenditure.



- In this section we review the direct economic impact of The Ryder Cup in Ireland.
- The Ryder Cup generated around €143m of direct expenditure in the Irish economy, as outlined in the chart opposite. The majority of this (€128m) was invested in the local Kildare/Dublin area, with a further €15m spent in other parts of Ireland.
- There was a relatively even spread across key spending categories, with the largest amount seen in infrastructure (largely comprising staging costs). However, accommodation, food and catering, transport, and retail also felt significant impacts.
- To help to put this figure into context it is useful to highlight some of the key metrics surrounding the Event:
 - Total attendance at the K Club was 260,000, with a daily capacity of 45,000;
 - The total number corporately entertained was 35,000, with over 8,000 entertained daily over the three competition days;
 - Taking into account spectators and guests who attended more than one day, an estimated 145,000 individual visitors attended The Ryder Cup, of which 34,000 were from outside Ireland, providing a significant boost to the Irish economy. Almost all overseas visitors combined their visit with a short break in Ireland, boosting the economic impact figure further;
 - 1,000 accredited media were present onsite; and
 - Significant public sector and tourism work (€12.8m) provided a further benefit to the local economy.
- On the following pages we highlight the investment by each of the stakeholder groups surrounding the Event.

Section three - direct economic impact assessment

Our direct economic impact figures is a conservative one, and excludes other identified expenditure.

Additional and displacement Ryder Cup expenditure, 2006 (€m)

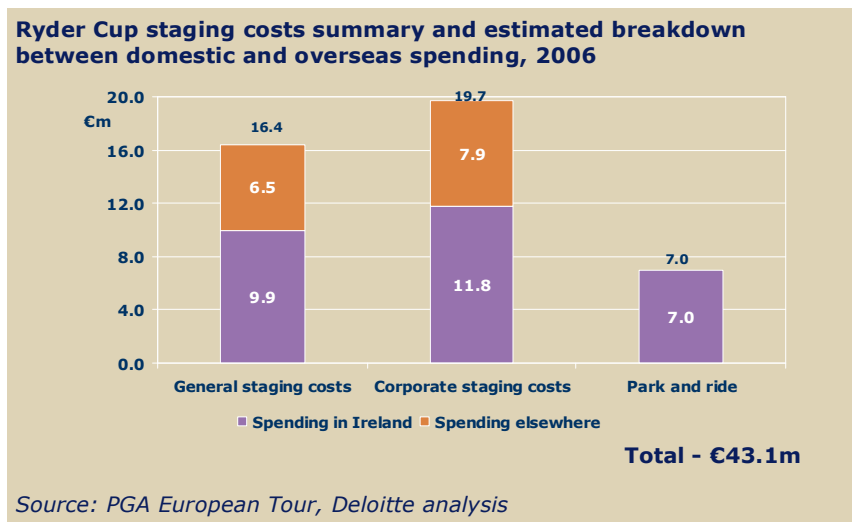
Category	Total expenditure (€m)	Additional expenditure (€m)	Displacement/ excluded expenditure (€m)
Staging costs	43.1	28.7	14.4
Media and press	3.8	3.8	0.0
K Club	5.1	5.1	0.0
Public sector	15.8	9.3	6.5
Tourism authorities	7.5	3.5	4.0
Spectator spending – at event	78.5	47.5	31.0
Spectator spending – non event	45.1	45.1	0.0
Media exposure	13.9	0.0	13.9
Total	212.8	143.0	69.8

Source: Deloitte analysis

- It is notable that our €143m figure is a conservative estimate and excludes expenditure by a number of other stakeholders. We have excluded a total of €70m of expenditure from our calculations. The reasons for this are highlighted below:
 - Some expenditure is likely to have happened regardless of The Ryder Cup event. For example, in the absence of The Ryder Cup, domestic spectators are likely to have spent on other goods and services;
 - A portion of public services expenditure would have happened in the absence of the event;
 - A portion of event staging expenditure would have flowed out of Ireland through contracts with non Irish companies or UK based expenditure; and
 - Media exposure reflects the value of exposure rather than actual expenditure, and therefore this was not included in our calculations.
- The displacement factor, derived by expressing excluded expenditure as a proportion of total expenditure, is therefore 33%. When consulting with key stakeholders, many felt that there would be a significant displacement factor (particularly in relation to accommodation and food and beverage expenditure), and our analysis reflects this.
- On the following pages we highlight the investment by each of the stakeholder groups surrounding the Event.

Section three - direct economic impact assessment – staging costs

The primary components of staging costs were facilities investment and travel/transport costs.

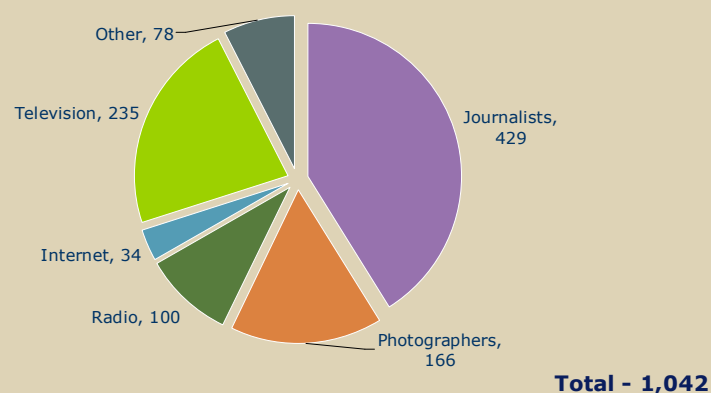


- Staging any major golf event requires complex project management. PGA European Tour staff are onsite assisting with, or managing, PGA European Tour Events throughout the year, but it is clear that The Ryder Cup is a significantly larger event, requiring additional management.
- Planning for the event took place over a number of years, with numerous visits to the K Club to ensure that any work on the course was progressing as anticipated. In the run up to the event itself, event management representatives were onsite from June until November 2006. In a 'normal' PGA European Tour event, the onsite time would typically be around 6 weeks.
- The whole K Club site was effectively managed by the PGA European Tour in the run up to the tournament, while during the competition week only the hotel was operated by the K Club itself.
- The corporate hospitality operation required considerable investment to deliver the hospitality services to over 8,000 individuals per day.
- The individuals were housed in six extensive, high quality marquees at various locations around the site, Staging costs included bespoke items such as food and beverage and operational costs such as facilities and utilities, staff costs, travel and security.
- A substantial park and ride operation, operated by Ryder Cup Travel Services ('RCTS'), ensured people could easily access the K Club itself. A five mile traffic exclusion zone was in operation on all event days, with all incoming general traffic being directed to one of two large parking venues (north and south of the venue), from where a fleet of 130 buses (hired from Bus Éireann) transported spectators to the course.
- The park and ride scheme was well received by spectators, with 84% of spectators viewing the park and ride scheme as being easy to use (see section seven).
- Total staging costs of The Ryder Cup, including staging costs incurred by the PGA European Tour's partners Ryder Cup Travel Services and the PGA of America, were approximately €43m, of which €16.5m (39%) related to corporate facilities, €19.7m (44%) to general facilities, and the remaining €7.0m (17%) to the park and ride scheme.
- Following our discussions with event management representatives, we estimate that 60% of the general and corporate facilities costs were invested in the Irish economy, with the remainder assumed to have been invested outside Ireland. All the transport costs have been included as local spending. The total staging costs allocated to the local economy are therefore €28.7m.

Section three - direct economic impact assessment – media and press

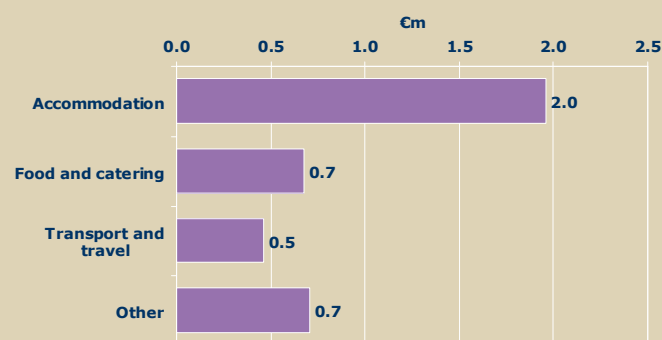
The Ryder Cup was a major media event with over 1,000 accredited media onsite.

Number of Accredited Media at Ryder Cup, 2006



Source: Deloitte analysis

Media Expenditure associated with The Ryder Cup, 2006



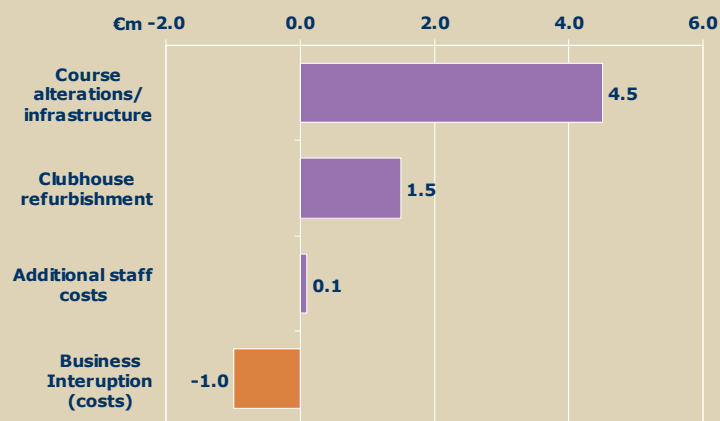
Source: Deloitte analysis

- The Ryder Cup received extensive worldwide exposure, and a significant media presence of over 1,000 accredited media personnel was onsite throughout the event weekend. Media from 24 countries were present onsite, illustrating The Ryder Cup's worldwide impact.
- The Ryder Cup is the only PGA European Tour managed event which has two visual media broadcasters onsite, European Tour Productions (ETP) and NBC, and these two bodies had almost 500 personnel (including accredited and other personnel) onsite. In other events ETP are the sole onsite broadcaster.
- To understand the impact of the media representation, we conducted interviews with representatives from the two visual media broadcasters, and with a sample of the non visual media, to understand their length of stay in Ireland and associated expenditure.
- The visual media reported a total spend of €1.7m, of which almost 60% related to accommodation.
- Over two thirds of the non visual media respondents stayed more than one night in the region, with the average length of stay being 5.8 days. This reflects the prestige nature of The Ryder Cup and the six day effective length of the Event (three competition days and three practice days).
- Respondents staying overnight reported a total spend per head of c.€2,500 over the course of their whole visit (total €2.0m), while those on a day trip spent c.€400 each (total €100,000). This equated to a total spend of €2.1m. As with TV representatives, accommodation formed by far the largest single expenditure item, accounting for almost 50% of spending.
- Total media expenditure is derived by adding visual media spending (€1.7m) to non visual media spending (€2.1m) and is therefore estimated to be €3.8m as illustrated in the chart opposite.

Section three - direct economic impact assessment – K Club

The K Club invested to enhance the course in advance of The Ryder Cup, and also suffered some lost revenue due to course closure in September.

K Club investment and operating revenue costs in relation to the 2006 Ryder Cup



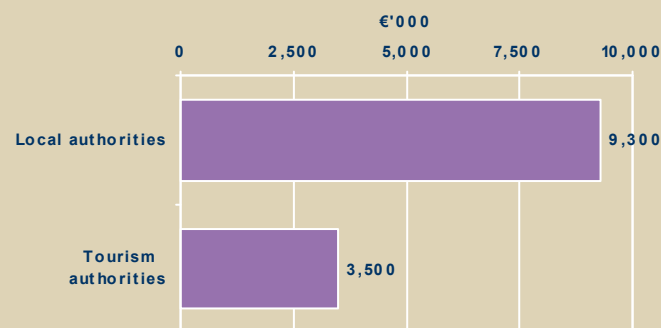
Source: K Club, Deloitte analysis

- Hosting The Ryder Cup is a key opportunity for the K Club to showcase itself to thousands of attendees and millions of viewers worldwide. In order to host such a high profile event, a number of improvements were necessary requiring considerable investment.
- It is unlikely that The Ryder Cup would have been hosted at the K Club without these improvements, and therefore we have included the costs in our calculations on economic impact. The key areas of investment are outlined opposite:
 - The primary area of investment related to the course infrastructure. Improvements to the course – including drainage, banking and obstacles – cost €2m, while other on site infrastructure and miscellaneous costs cost a further €2.5m;
 - The K Club invested €3m upgrading the clubhouse prior to the Event. However, we have only included €1.5m of this investment as the remainder was already planned; and
 - The K Club invested approximately €100k in staff costs planning and preparing for The Ryder Cup. The K Club did not incur significant additional staff costs in relation to hosting the Event.
- As part of the hosting agreement, the course itself is effectively taken over by the event organisers some time prior to The Ryder Cup itself. The club was closed at the end of July 2006 (except for club members and hotel guests), and at the end of August was closed to all guests. These disruptions to trade cost the club approximately €1m.
- Looking forward, the club has invested to develop additional facilities. Currently, there are 69 bedrooms, 15 fountain suites and 17 garden suites – and investment has been made in developing an extra block accommodating a further 30 bedrooms from 2007.
- Whilst not directly related to The Ryder Cup, the K Club will hope to benefit from The Ryder Cup legacy to boost sales and utilisation of these new assets.

Section three - direct economic impact assessment – public sector (1)

Local authorities made additional investments over and above that already planned in support of the Event.

Public sector investment in support of The Ryder Cup 2006, €'000



Source: Kildare County Council, Fáilte Ireland, Dublin Tourism, Deloitte analysis

- The Ryder Cup was supported by substantial public sector investment, totalling €12.8m. In this section we briefly outline the nature of this investment. We also set out other public sector investment which, while associated with The Ryder Cup, can be considered displacement activity as the investments are likely to have happened anyway, or the amount is funded from existing budgets, which would have spent elsewhere in the economy if not on The Ryder Cup.

Local Authorities – included investment

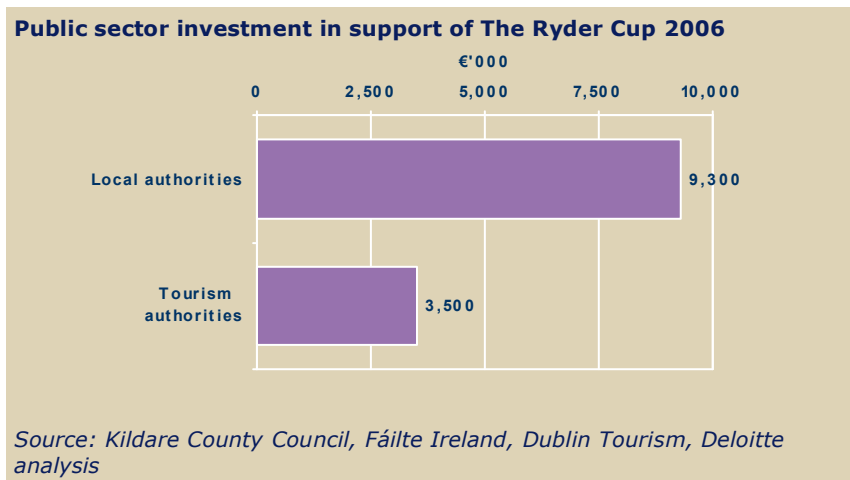
- To support The Ryder Cup, Kildare County Council made some infrastructure investments to ensure that the Event ran smoothly. The council received grants from national Government totalling €9.3m (over and above their usual budget) which was invested as follows:
 - A major road realignment between Barberstown Cross and Straffan, upgrading a very poor quality road;
 - A major road improvement from Straffan to Kill interchange; and
 - A new roundabout at Barberstown.
- We understand that funding for these schemes was made on a one-off basis in addition to the Council's usual budget. We consider that these initiatives are additional to 'normal' council activities, and have therefore included this investment in our economic impact calculations.

Local Authorities – other investment

- Kildare County Council also stated that a number of other improvements to the local area had been made – which included the Straffan village enhancement scheme, a sewerage scheme, new water scheme and new surface water scheme. These were all delivered in time for the Event. The cost of these schemes was estimated at €6.5m.
- However, it is likely that these investments would have happened without The Ryder Cup as, although the deadlines accelerated due to the Event, the work was already planned. We have therefore excluded this from our impact calculations.

Section three - direct economic impact assessment – public sector (2)

Tourism authorities invested to drive a long term legacy impact from The Ryder Cup.



Tourism authorities – included investment

- Fáilte Ireland is one of the primary tourism authorities in Ireland, along with the Northern Ireland Tourist Board and Tourism Ireland. Having noted the recent downturn in visitors playing golf in Ireland, as shown in the chart earlier, Ireland was keen to take the opportunity to showcase the country as a destination event. Hence, they implemented a substantial campaign of activity during 2006.
- Around €7.5m was invested by Irish Tourism authorities in support of The Ryder Cup, in largely marketing related activities. The majority of this was invested by Fáilte Ireland. The primary activities were as follows:
 - Over €4m was invested on overseas TV commercials, direct mail and promotional activity prior to The Ryder Cup itself, focusing on the UK, USA, Nordic countries, France, Germany and new developing markets (e.g. Australia and Japan). As this expenditure did not occur in Ireland, we have not included this in our calculations;

- In the USA, various channels were targeted between February and May, supported by print advertising and 10 minute golf TV segments. Marketing expenditure in overseas markets was over 200% greater than 2005;
- The domestic campaign centred around the 'Let's Play' theme, which was highly visible in and around Dublin. The campaign – featuring TV, press, outdoor and radio activity - sought to create a sense of anticipation and a feel good factor from hosting The Ryder Cup; and
- In addition, UK press adverts were planned for Q4 of 2006 to promote value for money Irish golf products in the UK market.

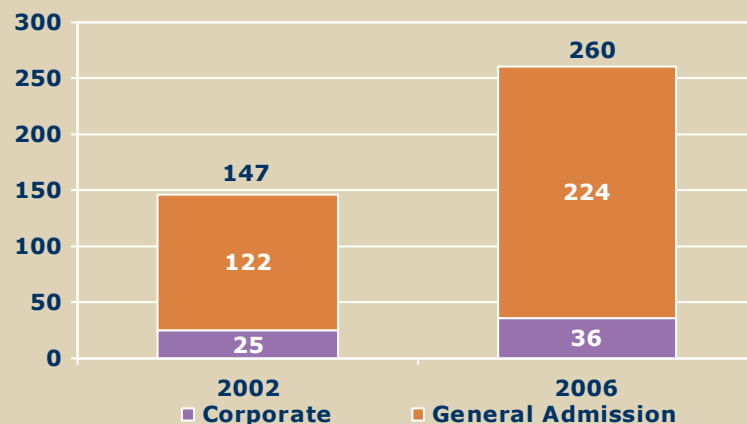
Tourism investment – other initiatives

- Although not included in our calculations (as the activity would have occurred whether The Ryder Cup was being contested in Ireland or not) Fáilte Ireland have led a number of other initiatives as profiled below:
 - a **major golf workshop**; "Golfing in Ireland: More to Discover" was held in October 2006. This intended to showcase the broader extent of the Irish golf product, emphasising both Championship and value for money courses; and
 - The **'golf passport scheme'** is an initiative between Fáilte Ireland, local tourism offices, the Irish Hotels Federation and a number of courses. It aims to allow tourists the opportunity to play a number of courses at affordable prices. For example, in Sligo and Donegal, 3 courses may be played, costing €125 and €95 respectively, providing players spend 2 nights at the participating hotels.
- We consider the responses of the Golf Tour Operators to the Fáilte Ireland initiatives, and make some suggestions as to how they feel that Ireland can best maximise the legacy impact of The Ryder Cup in section six.

Section three - direct economic impact assessment – attendance

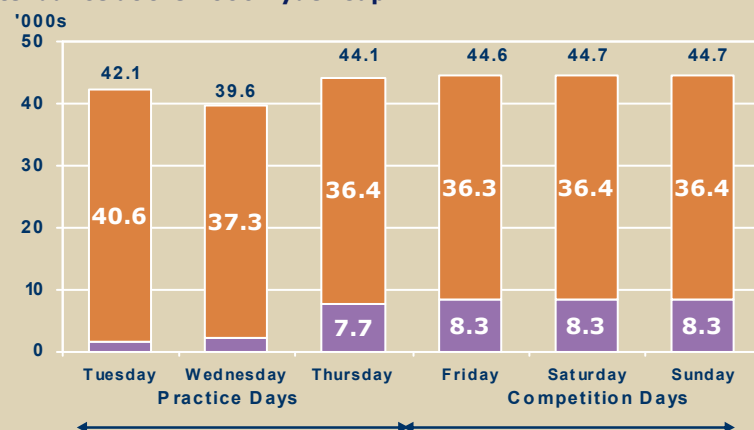
The Ryder Cup attracted 260,000 attendees, including 36,000 who were corporately entertained.

Comparative attendances at Ryder Cups ('000s)



Source: PGA European Tour

Attendance at the 2006 Ryder Cup



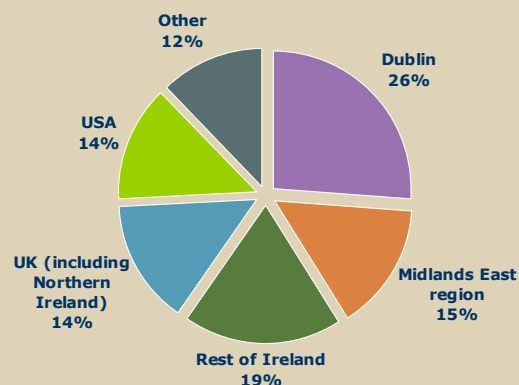
Source: PGA European Tour

- The primary impact of The Ryder Cup was seen through the spending patterns of the spectators present at The Ryder Cup.
- The Ryder Cup is a high profile spectator event and one of the world's top tier sporting events. 260,000 spectators were able to see the 2006 Ryder Cup, an increase of almost 50% compared to the previous European hosted Ryder Cup at The Belfry in England. Significant increases in both general admission and corporate spectators were made.
- The 2006 Ryder Cup attracted a total attendance of 260,000, of which 135,000 attended the three competition days (Friday, Saturday and Sunday).
- The course was also open for three practice days, which were attended by a further 126,000 spectators, with over 44,000 attending the final practice day. The course had a capacity of 45,000, therefore 4 of the 6 days attracted capacity crowds.
- This is arguably the largest attendance for any golf event. All tickets sold out well in advance, illustrating the high demand for top quality golf and the demand for major sporting events in Ireland.
- 8,300 spectators were corporately entertained daily at the course, which is comparable to capacity at the largest English Premier League football grounds and Twickenham (English Rugby Football Union national stadium). The majority of corporate spectators were entertained in six extensive, high quality marquees on the course itself, which contained 126 suites, each with a 30 seat capacity, or on 10 seater tables. A small number of corporate guests were entertained in the Smurfit clubhouse itself.

Section three - direct economic impact assessment – spectator profile

60% of Ryder Cup spectators were from the Republic of Ireland, with a broad spread of attendees within the country.

Spectators' Home Location



Source: Spectator Survey (Base=318)

Note: Kildare/Dublin area defined as the counties of Kildare, Dublin, Carlow, Laois, Meath, Offaly, Wicklow and Westmeath

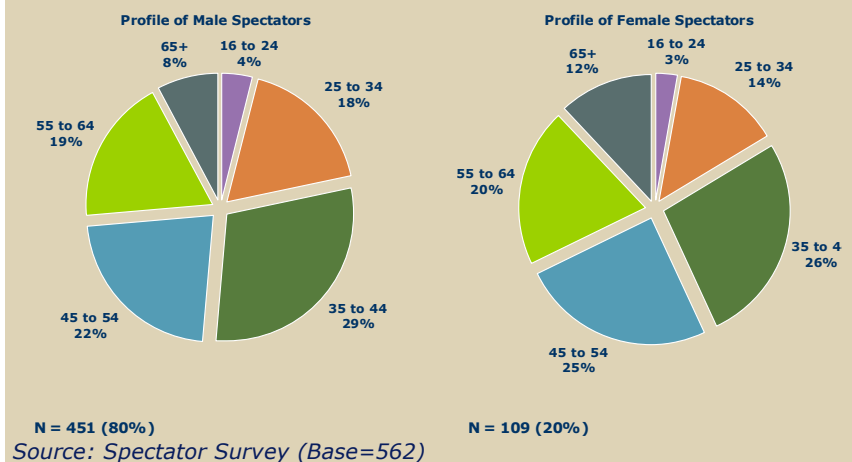
Location of Attendees

- To understand the geographical split of attendees, we conducted random sample interviews with 318 individuals onsite over The Ryder Cup weekend, to understand the home location of spectators (i.e. where they normally reside).
- Around 60% of the spectators were from the Republic of Ireland. Of the Irish respondents, 44% were from Dublin, 25% from the Kildare/Dublin area, and the remaining 31% from other Irish counties.
- 14% of spectators came from UK, with the same proportion travelling from the USA. A further 12% came from other countries, indicating the popularity of The Ryder Cup outside of the UK. Clearly The Ryder Cup was a major 'destination event' with almost half of respondents visiting from outside Ireland.

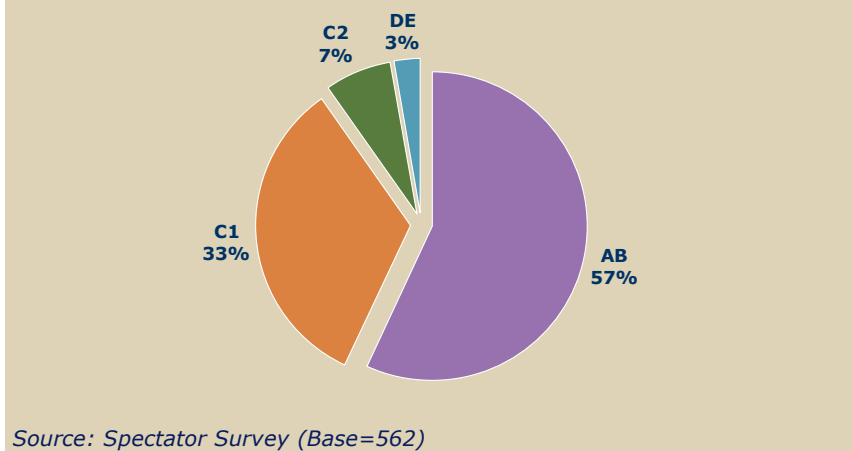
Section three - direct economic impact assessment – spectator profile (2)

Ryder Cup attendees were primarily from the higher socio-economic grades, and from the older age groups.

Age and Gender of Spectators



Spectators' Social Group



Demographic profile of spectators

- In total we interviewed 562 individuals, present at The Ryder Cup, between 20th and 24th September. The age and gender split of respondents is shown in the chart opposite, and provides a general profile of respondents.
- 80% of spectators were male, and the sample was weighted towards the upper end of the age scale. Over a quarter of attendees were over 55, and only a small proportion were among the lower age ranges.
- This is a similar age profile to that usually seen major sporting events, although there are slightly higher proportions in the over 55 categories, with fewer in the under 24s.

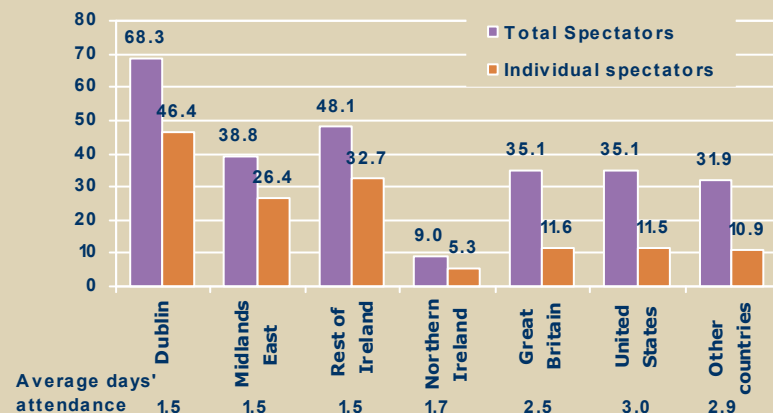
Socio-economic profile of respondents

- The profile of attendees is skewed towards the upper end of the socio-economic scale, with more than half of attendees being in social groups A and B, and 90% in the ABC1 groups. Only 3% of attendees classed themselves as being in the lower socio-economic groupings.
- This profile is consistent the profile of spectators at previous Ryder Cups, and illustrates the general 'up market' profile of those with an interest in golf.

Section three - direct economic impact assessment – overseas visitors

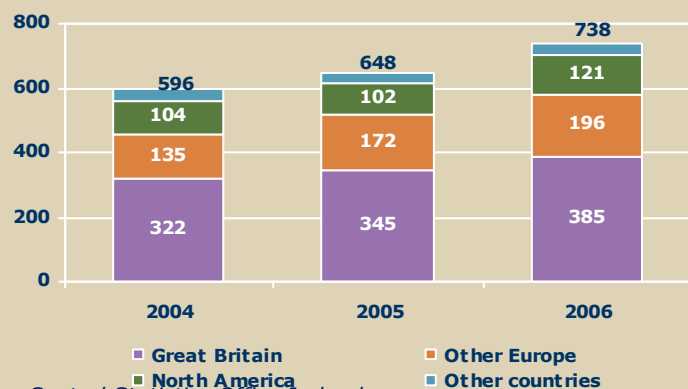
The Ryder Cup was a significant destination event for overseas visitors. Visitors to Ireland increased significantly in September 2006, with The Ryder Cup likely to have been a major factor.

Estimated 2006 Ryder Cup total spectator days by home location ('000s)



Source: Deloitte analysis

Overseas visits to Ireland, September 2004-2006



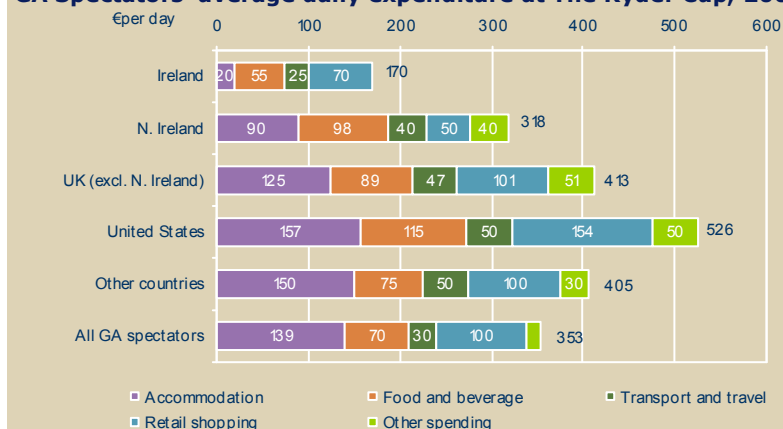
Source: Central Statistics Office Ireland

- Unsurprisingly, overseas visitors tended to attend The Ryder Cup for more days than domestic visitors. USA visitors attended the Event for an average of three days, while domestic visitors only attended an average of 1.5 days.
- This analysis allows an estimation of the number of individual visitors to be made, which is shown opposite. We estimate that over 145,000 individuals attended The Ryder Cup, of which around 34,000 travelled from outside Ireland.
- The considerable proportion of spectators travelling from overseas is testament to the popularity of The Ryder Cup, and considerably higher than might be anticipated for other major sporting Events in Ireland. A major rugby union match at Lansdowne Road, for example, may attract 10-15,000 overseas visitors.
- The large number of overseas visitors is consistent with figures recently released by the Ireland Central Statistics Office, which showed that overseas visitors to Ireland increased significantly to reach 738,000 in September 2006 (see chart opposite below).
- The chart shows the number of overseas visitors had increased by c.50,000 between 2004 and 2005. If this underlying level of increase is assumed to continue into 2006, the higher level of September 2006 increase (90,000 year on year) is broadly consistent with the number of additional overseas attendees drawn by The Ryder Cup.
- This suggests that the additional economic activity by overseas visitors can be interpreted as additional rather than displacement activity and should be included in our calculations.

Section three - direct economic impact assessment – daily spending at The Ryder Cup

Daily spectator expenditure was significant, with overseas visitors spending more than their domestic counterparts and corporate attendees spending more than General Admission ('GA') attendees.

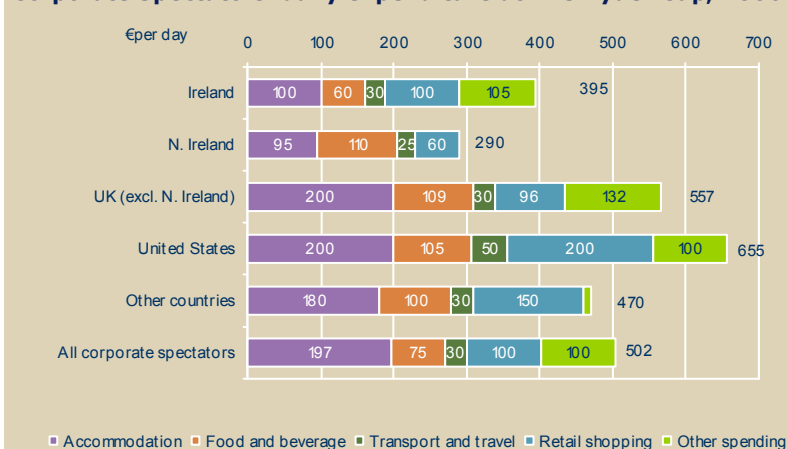
GA Spectators' average daily expenditure at The Ryder Cup, 2006



Source: Spectator Survey, Deloitte analysis

Note: €100 per day has been excluded from other leisure spending to avoid 'double counting' ticket spending

Corporate Spectators' daily expenditure at The Ryder Cup, 2006



Source: Spectator Survey, Deloitte analysis

GA spectators – average daily spending

- Total spending by GA spectators per day was around €350. However, there were significant differences between attendees from different countries. Irish attendees had a relatively small daily expenditure of c.€170, while the largest daily average expenditure was from US visitors (€526).
- Domestic and Northern Irish visitors were less likely to spend significant amounts on accommodation, which is unsurprising given the relatively short duration of their stays, whereas overseas visitors had higher accommodation costs.
- The two most significant spending categories were accommodation and retail spending, both of which generated spending of €100 or over per day. The retail spending figure is consistent with the tremendous business done onsite in the merchandise tent throughout the week.
- Our survey reported that little event related spending occurred outside of the Kildare/Dublin area.

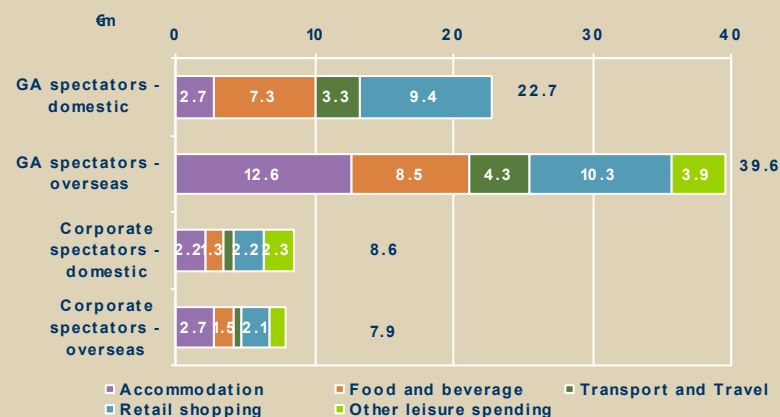
Corporate spectators – average daily spending

- Corporate spending excludes that spent on packages and therefore only includes out of pocket spending. Corporate spectators had a higher average daily spend than GA spectators – with an average daily expenditure of €500 per person. As above, there were some variations between countries, with domestic visitors tending to have a lower average spend than overseas visitors. United States visitors had the highest daily average spend, at over €600 per day.
- As above, accommodation and retail spending were the largest single expenditure items, with accommodation spending tending to be higher than for general admission attendees. Other spending tended to be higher for corporate spectators.
- As with the GA visitors above, respondents stated that their expenditure occurred in the Kildare/Dublin area.

Section three - direct economic impact assessment – Ryder Cup spectator spending

Total spectator spending at the Ryder was €79m. However a portion of this is excluded from economic impact calculations as displacement spending.

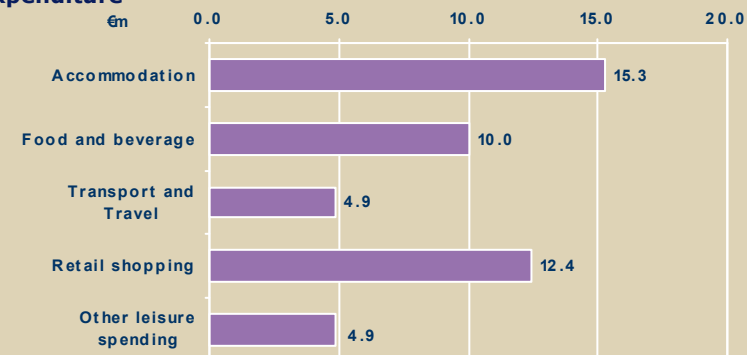
Spectators' total expenditure at The Ryder Cup (by spectator group)



Source: Spectator Survey, Deloitte analysis

- Total spending directly by spectators at The Ryder Cup totalled €79m. This compares well with spectator spending at the previous Ryder Cup at the Belfry in 2002 (€50m spectator spending) and is reflective of the higher attendance at the K Club in 2006.
- However, to be consistent with accepted economic impact methodology, we would recommend discounting spending by residents in Ireland. This can be viewed as displacement activity, as this expenditure would most likely have occurred regardless of whether The Ryder Cup was held in Ireland.
- This spending, totalling €31m, has been excluded from our analysis. The remaining expenditure from overseas residents (totalling €47.5m) is supported by the additional overseas visitor numbers.
- The largest element of spectator expenditure was accommodation (€15m), followed by retail shopping (€12m) and food and beverage (€10m).

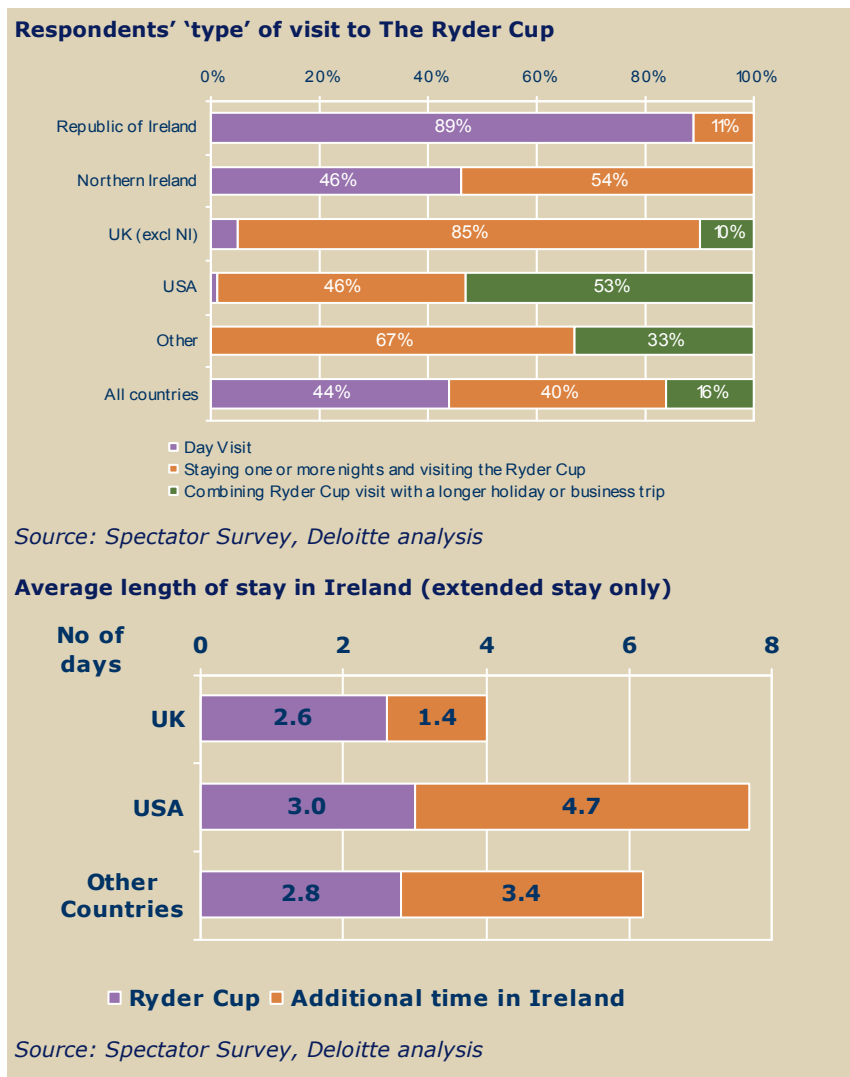
Overseas spectators' expenditure at The Ryder Cup by type of expenditure



Source: Spectator Survey, Deloitte analysis

Section three - direct economic impact assessment – non Ryder Cup spending (1)

Overseas visitors tended to combine The Ryder Cup with additional time spent in Ireland.

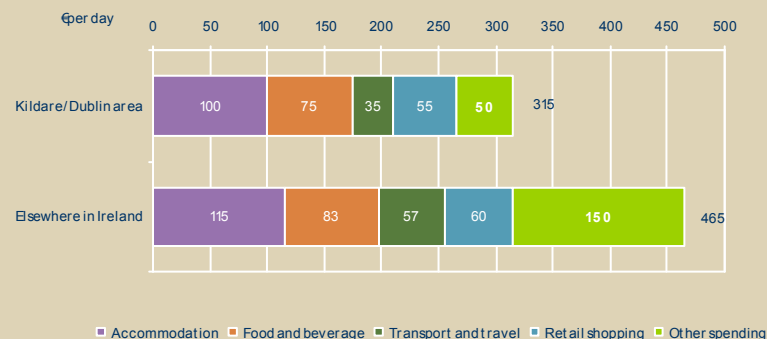


- Almost half of attendees (44%) described their visit to The Ryder Cup as being a day visit, and a further 40% said they were staying one or more nights. The remaining 16% were combining their visit to The Ryder Cup with a holiday or business trip. There was little difference between corporate and non corporate spectator in this respect.
- As would be expected, responses were strongly related to the respondents' country of origin. Domestic spectators were largely visiting on a daily basis, while most British visitors were staying for a short period. A significant proportion of non UK overseas visitors were likely to have an extended stay.
- Those who were staying for a longer period were planning to stay in Ireland for a average of 3.4 additional nights, in addition to their time at The Ryder Cup. Visitors from the USA were likely to have extend their stay longer, for 4.7 nights, while UK visitors had a shorter break.
- Around 25% of this additional time was spent outside of the Kildare/Dublin area region.

Section three - direct economic impact assessment – non Ryder Cup spending (2)

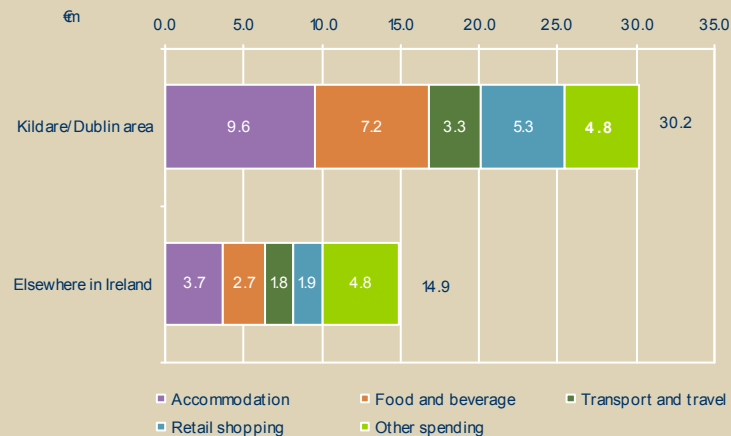
The impact of the additional time spent in Ireland by spectators was comparable with the immediate spectator impact.

Non Ryder Cup related average daily expenditure



Source: Spectator Survey, Deloitte analysis

Non Ryder Cup related total spectator expenditure



Source: Spectator Survey, Deloitte analysis

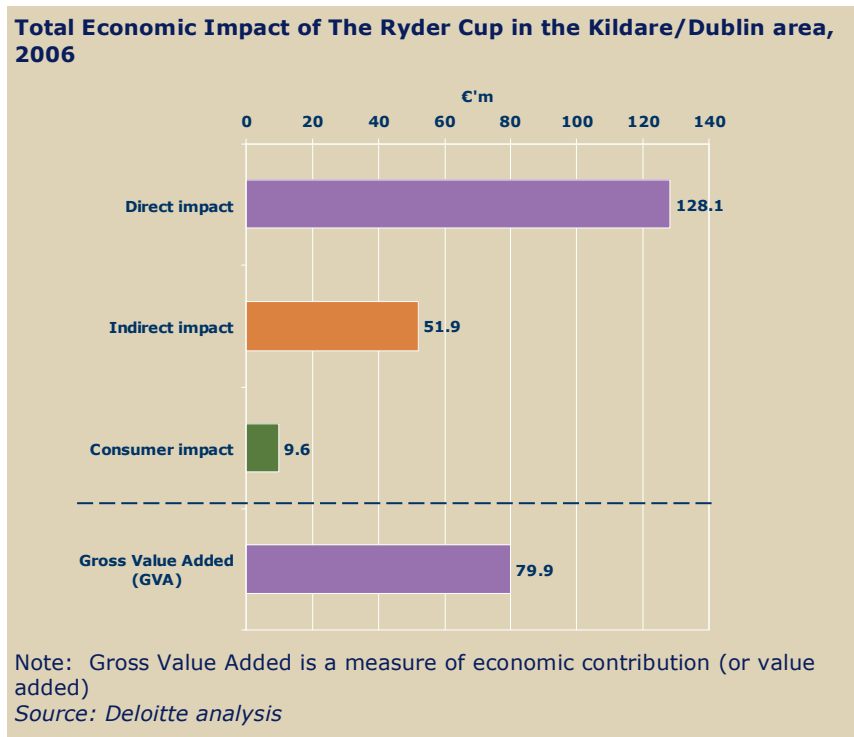
- As stated, significant spending by spectators took place on days other than Ryder Cup days, as outlined below.
- In addition to capturing information regarding spending during The Ryder Cup itself, our spectator survey also investigated other expenditure while they were in Ireland.
- Spending patterns differed slightly between the local region and elsewhere, with spending totalling €315 per day in the local region and €465 per day elsewhere.
- The key expenditure categories were accommodation, food and beverage and other expenditure. The high values in other spending categories may be indicative of the golfing costs for those playing golf as part of their stay in Ireland, for example.
- From these daily spend figures and the split of time spent in the local region and elsewhere in Ireland, an estimate of the additional (i.e. not directly related to The Ryder Cup) expenditure in Ireland itself can be calculated. This totalled €45m, with approximately two thirds of this accruing to the local region and the remainder to the rest of the country.
- The greatest benefit was felt in the accommodation sector (29% of expenditure), followed by food and beverage (22%).
- The Ryder Cup therefore delivered significant benefits to the Irish economy beyond the event itself, as spectators spent significantly as part of a longer trip.

Section four: indirect economic impact assessment

This section evaluates the indirect economic impact of The Ryder Cup on Ireland

Section four - indirect economic impact assessment – Kildare/Dublin area

Considerable 'knock on' investment boosted the economic impact of The Ryder Cup further.



- **Indirect (B2B) impact** estimates the total additional expenditure caused by businesses sourcing from further down the supply chain (i.e. by businesses investing the money they received on supplies etc). We estimate that B2B impacts totalled €52m.
- **Induced (Consumer) impact** measures the associated consumer spending effects (i.e. by individuals recirculating revenue into the economy). We estimate that Consumer impact totalled €10m.

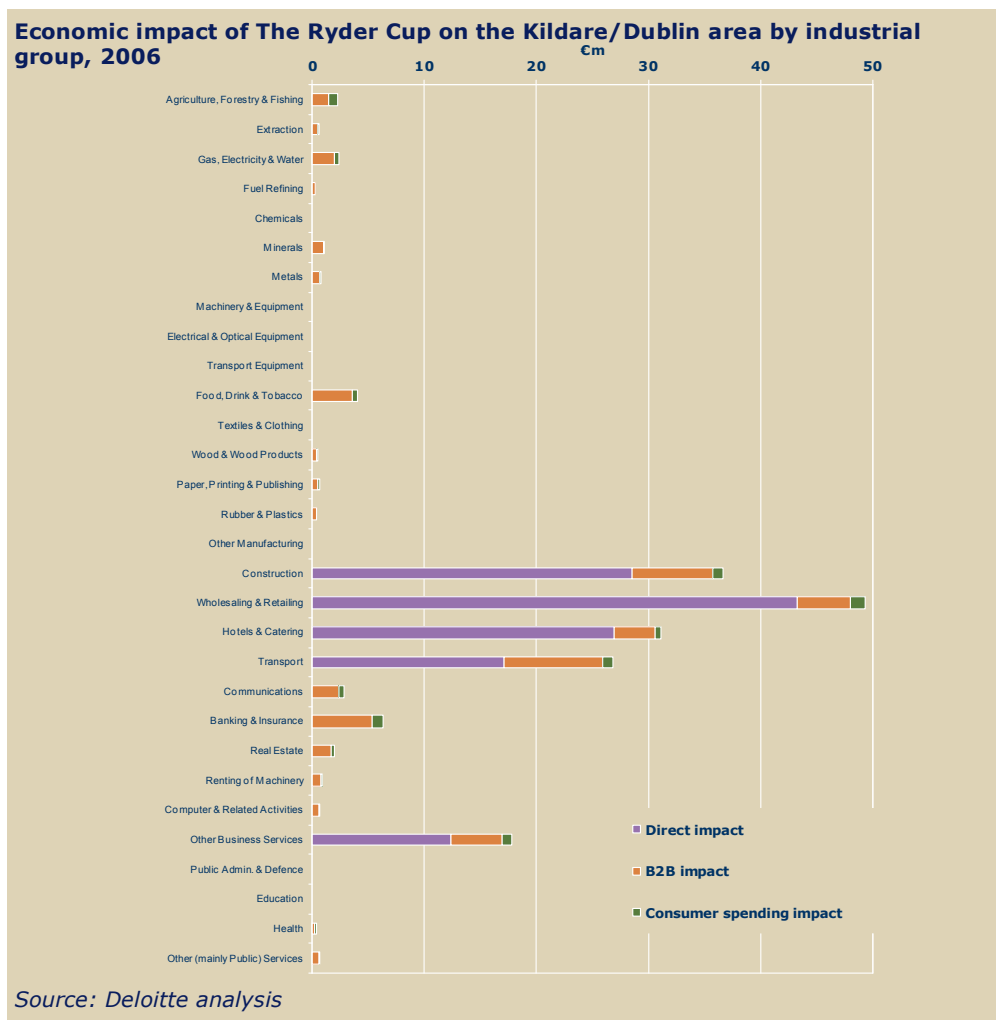
- **Total 'knock on' impact** is calculated by aggregating B2B and Consumer impact and **equates to €62m**.
- Thus, the total contribution of The Ryder Cup to the Kildare/Dublin area was estimated to be **€190m**.
- An alternative measure of economic contribution (or Value Added) - and one which can be most readily compared to national indicators such as Gross Domestic Product (GDP) – is given by Gross Value Added (GVA)¹. In Gross Value Added terms The Ryder Cup generated **€80m** for the Kildare/Dublin area economy.

- In this section we outline the indirect economic impact of The Ryder Cup on the local region and Ireland. In addition to the €128m of direct economic impact outlined in section three, there are a number of indirect impacts which must also be included.
- For a more detailed explanation of the methodology underpinning these calculations please see Appendix 1.
- To achieve a total impact figure, two further impacts need to be evaluated – Business to Business (B2B) impacts and Consumer impact.

¹ Total expenditure generated by the event is relevant in assessing the contribution made to Ireland. However, using expenditure alone does not acknowledge the fact that value is added by the sourcing of physical inputs alone. It is what the firm in question does with those inputs that contribute to the economy, rather than purchasing the inputs. In simple terms expenditure can be adjusted to exclude intermediate demand so that only the real or gross value added by companies is included in the analysis and the impact does not double count.

Section four - indirect economic impact assessment – local region - impact by industrial group

The main industries benefiting from The Ryder Cup were those directly related to tourist style expenditure.



- The chart opposite illustrates the direct and knock on economic impact in Ireland by industrial grouping.

Overall impact

- The industries benefiting the most from The Ryder Cup are those directly related to tourist-style expenditure patterns - hotels & catering, wholesaling & retailing and transport.
- In addition, the construction industry will have benefited from some of the staging expenditure and infrastructural developments associated with The Ryder Cup.

Business to business impact

- Business to Business effects are greatest in industries that are well represented locally and dominant in subsequent supply chains. Examples of such industries are food, drink and tobacco, construction, banking and insurance, and retail and wholesaling.

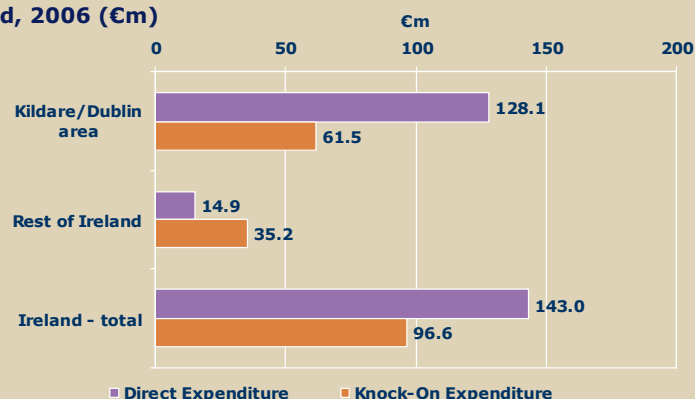
Consumer spending impact

- Consumer spending effects are greatest in the wholesaling, retailing and catering sectors, where local people are likely to source locally through the chain.
- The local industry that benefits most through the supply chain is the production of food, drink and tobacco, a key supplier to wholesalers, retailers and hotels and caterers.

Section four - indirect economic impact assessment - the overall impact on Ireland

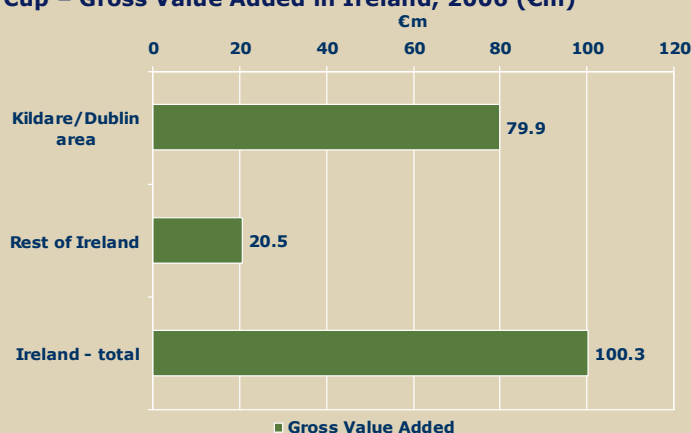
The rest of Ireland benefited from overseas visitors spending time outside the Kildare/Dublin area.

Economic Impact of The Ryder Cup in the Kildare/Dublin area and Ireland, 2006 (€m)



Source: Deloitte analysis

Ryder Cup – Gross Value Added in Ireland, 2006 (€m)



Note: Gross Value Added is a measure of economic contribution (or value added)

Source: Deloitte analysis

- Here we estimate the potential economic impact to the rest of Ireland, beyond the Kildare/Dublin area. We estimate that in the rest of Ireland, the direct impact was €15m, and the indirect impact a further €35m.

Direct impact

- Direct expenditure was therefore not only related to the local region. Our work highlighted evidence of international visitors leaving the Kildare/Dublin area after The Ryder Cup to spend money elsewhere in Ireland. This outweighs the negative effects of non-Kildare/Dublin area Irish residents redistributing expenditure to the region because of The Ryder Cup.

Indirect impact

- However, knock-on or multiplier effects are proportionately much greater across Ireland because there is less scope for leakage from the economy. Hence, overall knock-on expenditure from The Ryder Cup for the whole of Ireland, including the Kildare/Dublin area is €97m.

Total impact

- Total expenditure attributable to The Ryder Cup was thus €240m for Ireland as a whole and of this €190m came in the Kildare/Dublin area. Thus over €50m of expenditure was generated in the rest of Ireland as a result of the Event.
- In real output terms, the effects are also greater for Ireland as a whole. Additional GVA in Ireland is €100m, whilst the equivalent figure in the Kildare/Dublin area is €80m. This reflects variations in industry profitability and the magnitude of expenditure effects. In the context of total national economic output, The Ryder Cup is thought to have generated around 0.06% of forecast GDP for 2006 (€174bn - Source: Eurostat).

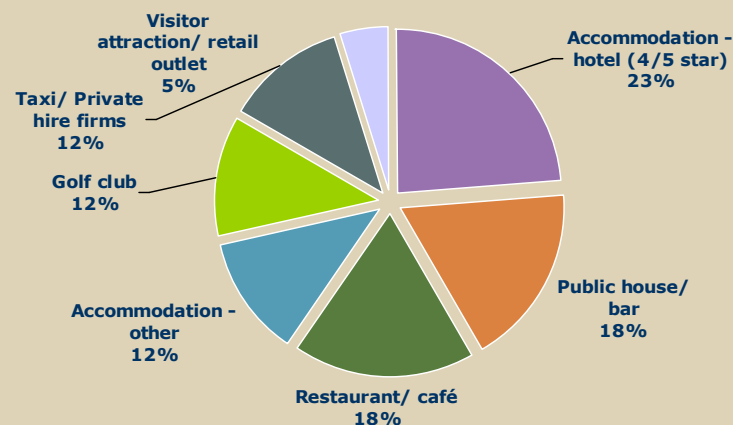
Section five: local business impact

This section provides a summary of the results of a survey of local businesses to gauge their views

Section five - local business impact

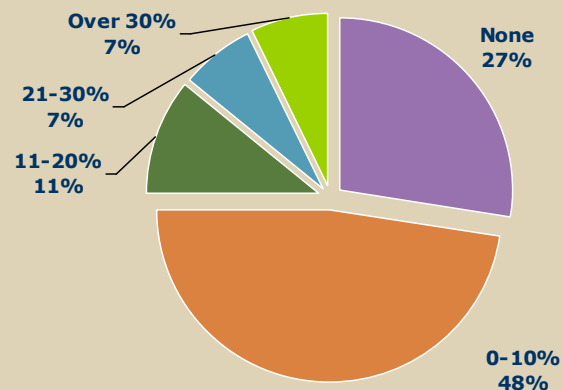
Over 70% of businesses reported an increase in trade in September 2006 as a result of The Ryder Cup.

Business survey – industrial breakdown of respondents



Source: Business Survey (Base=80)

Level of increase in trade as a result of The Ryder Cup



Source: Business Survey (Base=80)

Introduction

- As well as evaluating the impact in terms of investment from the various stakeholders associated with The Ryder Cup, we also took steps to capture the impact on businesses in Ireland as a result of the Event.
- During late October / early November 2006 we conducted 84 telephone interviews with businesses in key industrial sectors in the Kildare/Dublin area and Dublin to understand their experience and perceptions of the Event and its impact on their business.
- A breakdown of the businesses we interviewed is shown in the chart opposite. The survey was structured to reflect the views of local businesses and those situated in the Kildare/Dublin area equally.

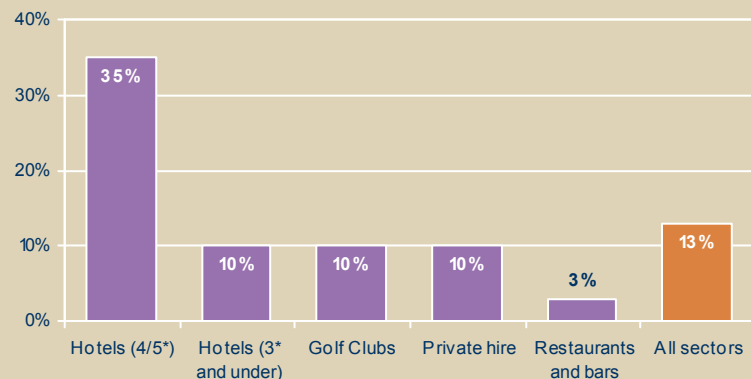
Overall impact on trade

- Over 70% of respondents reported an increase in their businesses' trade in September 2006, as a result of The Ryder Cup. Increases were seen in almost all sectors, with restaurants, high end hotels, and golf clubs most likely to report an increase.
- In terms of the level of increase, 48% of businesses reported a slight increase (of 0-10%), with a further 11% of businesses reporting an increase of 11-20%. 7% of respondents reported trade increases of 21%- 30%, and a further 7% an increase over 30%.
- Later in this section we cover in more detail the business impact on different sectors of the economy.

Section five - local business impact (2)

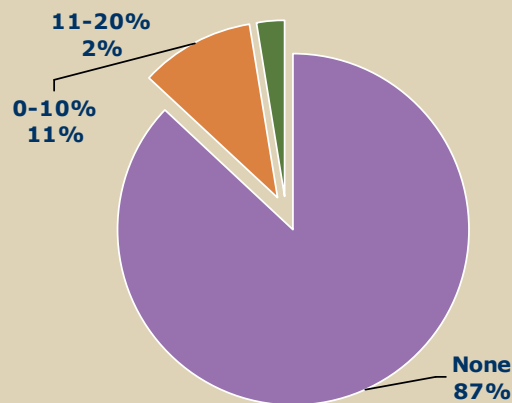
High end hotels were able to implement significant price rises, but few other establishments implemented price rises.

Percentage of businesses reporting increased prices because The Ryder Cup in Summer/ Autumn 2006



Source: Business Survey

Level of price rises implemented



Source: Business Survey

- Our business survey also looked at pricing levels of business, at around the time of The Ryder Cup.

Pricing

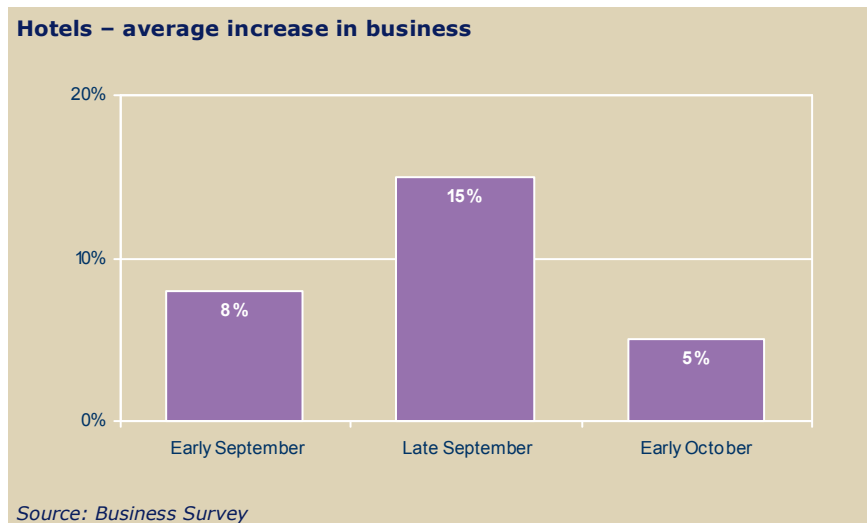
- Pricing levels did not appear to have changed widely, with only 13% of businesses increasing their prices during the summer and autumn of 2006 because of The Ryder Cup.
- The hotel sector was most likely to have increased prices, with 35% of hotels having increased prices. Within the hotel sector, the higher quality, 4 and 5 star hotels were more likely to have increased prices than the other hotels.
- Slight increases were also reported from the private hire, restaurant and golf club sectors. However, less than 10% of respondents from these sectors had increased prices (and only 3% in the case of restaurants and bars).

Level of price increases

- Almost nine of every ten businesses made no price rises due to The Ryder Cup.
- Of those business that raised prices, most did so by 10% or less – there were only isolated incidences of larger price rises.

Section five - local business impact – hotels

Over 70% of hotels reported increased business as a result of The Ryder Cup, with the main impact being in late September.



- This section provides some high level comments on the key sector trends arising from the business survey.

Hotels

- Over 70% of hotels reported increased business as a result of The Ryder Cup. Both Dublin and regional businesses reported significant increases in trade.
- When asked about the level of increase in trade during September and early October, the impact of The Ryder Cup at the end of the month is clear. In early September the average reported level of increase was 8%, growing to 15% during the latter part of the month. A small increase in trade was also reported in early October.
- Only 13% of hotels employed extra staff during The Ryder Cup period, with small numbers of staff recruited (typically 1 or 2). However, 30% saw their existing staff work extra hours, with 4 additional days typically being worked.
- 27% of all hotels increased their prices due to The Ryder Cup, with 4/5 star hotels (35%) being more likely to increase prices than their lower quality counterparts. This is perhaps indicative of the very high demand for top class hotel accommodation surrounding the Event, reflecting the social class of Ryder Cup attendees.
- This suggests that the additional demand created by The Ryder Cup was largely absorbed within hotels' existing capacity.
- Three quarters of those who increased their prices did so by less than 10% with the remainder increasing prices by 11-20%.

Section five - local business impact – other industries

Golf clubs and restaurants and bars also reported an increase in trade as a result of the Event.

Golf clubs

- Golf clubs reported significantly increased trade as a result of The Ryder Cup. 80% of respondents reported that trade has increased, with the impact being similar in Dublin to the region.
- Of those who had reported an increase in trade, 50% reported increases of under 10%, while 25% reported an increase of 11-20%. The remaining 25% reported higher increases in trade above 20%. Golf clubs in the Dublin area reported larger levels of trade increases than in the regions.
- Only 10% of golf clubs increased their prices during the summer and autumn, with increases of under 10% reported.

Taxis / Private hire firms

- 70% of private hire firms reported increases in trade. The level of increases varied, with 30% reporting under 10% increases, a further 30% reporting 11-20% increases, and 40% reporting over 20% increases.
- Only 10% of firms increased prices, with the level of price rises being under 10%.

Restaurants and bars

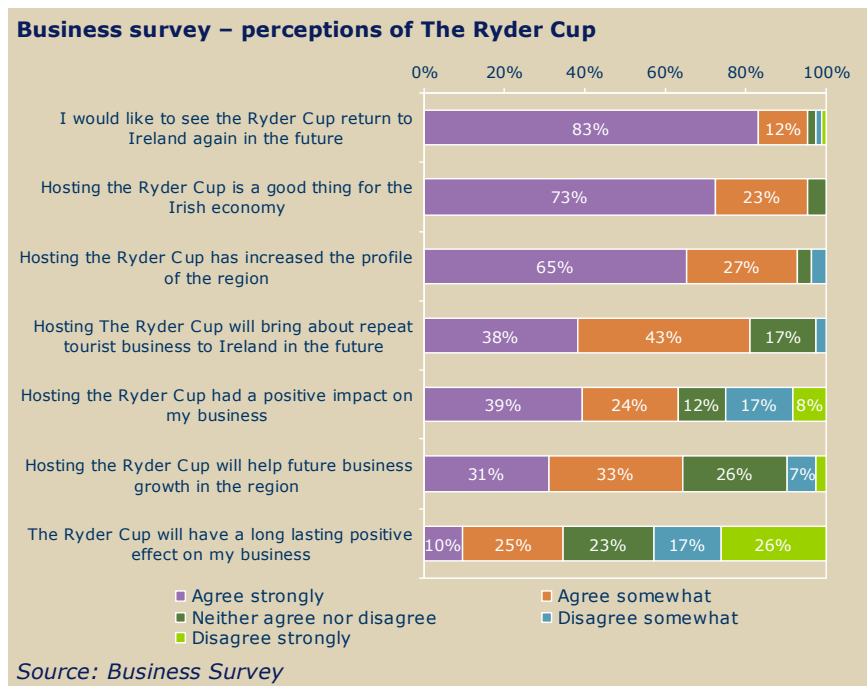
- Almost three quarters (73%) of restaurants and bars reported increased trade as a result of The Ryder Cup, with an equal split between Dublin and the region. Of those which reported an increase in trade, 82% reported an increase of under 10%.
- Only two of the 30 organisations we contacted had taken on additional staff. However, almost one in four saw existing staff work longer hours. Again there was little difference between Dublin and the regions. On average, 2 days additional work was carried out by existing staff in restaurants and bars.
- Very few restaurants and bars (3%) increased prices.

Visitor attractions and retail outlets

- A total of 4 visitor attractions and retail outlets were interviewed as part of the business survey. One visitor attraction reported limited increased trade (under 10%) with the remainder reporting no difference to normal.
- No price increases were reported in this sector.

Section five - local business impact – perceptions of The Ryder Cup

The Ryder Cup attracted very positive feedback from local businesses, who were keen to see it return in the future.



Perceptions of The Ryder Cup

- We asked respondents' views on a number of statements related to The Ryder Cup. These received generally positive feedback – businesses appeared to see significant value in hosting the Event.
- Statements related to The Ryder Cup and its impact on the economy and the profile of Ireland received the most positive responses. Over 90% of respondents agreed that The Ryder Cup was a good thing for the Irish economy, and that it has increased the profile of the region, while 95% would like to see The Ryder Cup return again in the future.
- Respondents were very confident that hosting The Ryder Cup would bring future repeat tourist business to Ireland, with almost 80% of respondents agreeing strongly or somewhat with this statement.
- Over 60% of respondents agreed strongly or somewhat that The Ryder Cup had a positive impact on their businesses.
- However, respondents were more circumspect about the long term impact on their own business. 35% agreed that The Ryder Cup would have a long term impact on their business, while 43% disagreed.
- The responses reflected the positive feedback which was widely felt throughout the Event.

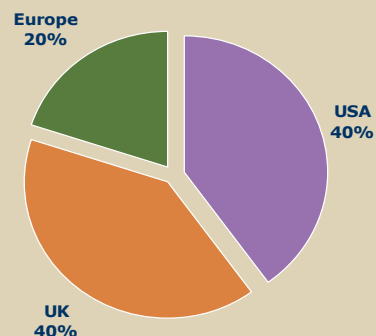
Section six: legacy impact

This section provides a summary of the results of a survey of golf tour operators to obtain their views on The Ryder Cup's legacy impact

Section six – legacy impact

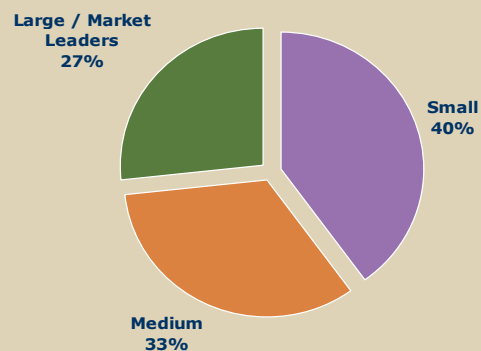
Some 5-6 weeks after The Ryder Cup, a Golf Tour Operators survey was conducted with businesses in the USA, UK and European destinations. The majority of businesses have 'high value' clients.

Country Profile of Golf Tour Operator sample



Source: Golf Tour Operators Survey (Base=15)

Golf Tour Operators Business Size



Note: Business size is as defined by the Golf Tour Operators relative to their market perception as to their position

Source: Golf Tour Operators Survey (Base=15)

Introduction

- In section three of this report we outlined the initiatives that Fáilte Ireland have led, with the aim of securing a long term legacy impact from hosting The Ryder Cup. In this section, we provide some indicative feedback received from a survey of 15 Golf Tour Operators conducted shortly after the staging of the Event.
- Our survey took place in late October / early November and was therefore 5 - 6 weeks after the Event. Although only indicative at this stage, the survey does provide some initial impact information and some pointers as to potential further opportunities for golf in Ireland.

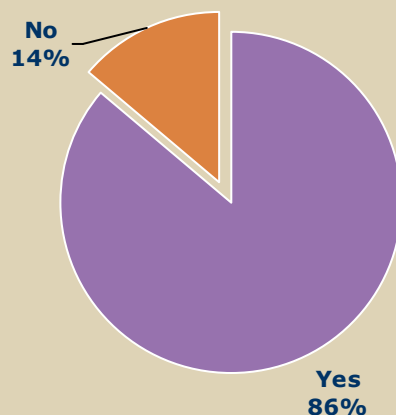
Golf Tour Operators Survey

- We interviewed 15 Golf Tour Operators to ascertain their experiences and perceptions of Irish golf. The sample was designed to reflect the major international markets for Irish golf and is shown in the chart opposite above. 40% of the sample were based in the USA, 40% in the UK and 20% in Europe, consisting of operators in Sweden, France and Germany.
- The majority of Operators perceived their client base to be small, in numbers of passengers or trips, but high in value.
- As such, the majority of customers seek to only play Championship level courses, with only one Operator specialising in standard level courses. Many individuals who choose to play standard courses may be likely to organise their trips direct, as opposed to using a specialist Operator.

Section six – legacy impact – golf tour operators' survey

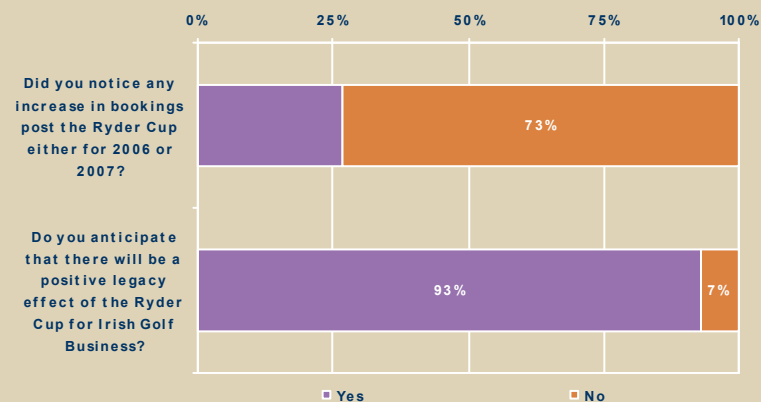
Although operators were positive about the impact of The Ryder Cup on business, little increased trade was witnessed in advance of the Event.

Golf Tour Operators – Ryder Cup good for Irish Golf Business?



Source: Golf Tour Operators Survey

Golf Tour Operators – Ryder Cup good for Irish Golf Business?



Source: Golf Tour Operators Survey

Pre Event impact

- There was a strong feeling in advance of the Event that bringing The Ryder Cup to Ireland had been good for Irish golfing industry, with 86% of Operators stating a positive view.
- However, no Operators felt that Ireland had increased its market share in 2006. Operators felt that potential customers may have considered that Ireland will have been busy preparing for The Ryder Cup, and a small number felt that Irish golf business may have suffered slightly in the run up to the Event, as business shifted from Ireland to the UK. Some enquiry interest was noted, but this rarely translated to sales.
- This is a common experience in the run up to major events, with demand falling back slightly under the perception that major structural improvements are being implemented.

Immediate impact

- The effect of The Ryder Cup in September 2006 has to date brought mixed success for Operators, with some reporting a marked upturn in interest, while others had seen little impact.
- One UK Operator noted that over 30% of 2006 business in Ireland occurred in September and October, while others have seen bookings increase between 10-50%.
- In summary, 27% of Operators reported an upturn in bookings for the remainder of 2006 and for 2007.
- A number of Operators have noticed additional interest and increased enquiries, but have not yet been able to convert these into sales.
- The above analysis suggests that there has been an increased awareness of Ireland as a golf tourist destination before and during The Ryder Cup.

Section six – legacy impact – golf tour operators’ survey

2007 will be a key year for determining the legacy impact, and levels of bookings taken between November 2006 and February 2007 will be a key indicator of performance.

Legacy effect

- Irish golf has a great tradition, heritage and global interest especially for Links golf. Hosting The Ryder Cup is likely to deliver future interest in Ireland as a golf destination.
- Over 90% of the Operators we consulted believed that there would be a positive legacy impact for Ireland in hosting the Event. The majority of Operators felt that hosting The Ryder Cup would stimulate further interest in primarily Championship courses.
- There was also hope from Operators that if courses are marketed correctly, this interest may also lead to some benefits ‘trickling down’ to standard courses.
- The profile of Operator businesses stimulated varied responses. Some US customers will be attracted to Ireland because they have proved they can host a high profile event. However, the K Club is a significantly different course to the ‘traditional’ Irish Links course – and some US visitors are likely to want to play the K Club, whilst others will want to play traditional Links golf.
- Operators believe that other European destinations still possess their relative strengths in terms of weather and price, especially at Championship course level. Irish golf will need to take more business from these European competitors to increase its market share.
- Generally, the European customer base may be slightly more price conscious than its American counterpart. However, a number of US operator customers are also sensitive to the higher Irish golf market green fees.
- 2007 has been identified as a significant year for the legacy impact of The Ryder Cup. A key time for bookings is between Autumn 2006 and Spring 2007. While it is clear the impact of The Ryder Cup in 2006 has had some success, over 70% of operators have yet to note an increase in sales for 2007.
- There may be value in revisiting this position early in 2007 to monitor any impact on bookings.

Section six – legacy impact – golf tour operators’ survey

Operators gave largely positive feedback about recent Irish golf tourism initiatives.

Impact of other activities

- Here we provide some tour Operators’ high level feedback on the impact of the golf tourism initiatives highlighted in the direct impact section.

Advertising and promotion campaign

- Operators generally feel that the 2006 Ryder Cup related advertising and promotion has been more impressive than at previous Ryder Cups. The country and host did not just rely on the Event to promote itself.
- TV spot advertising in the US and UK markets was positively received – some operators specifically commented that the TV golf adverts and tourism advertising rated as highly as in any other country.
- During the Event, media commentary was extremely valuable as this also helped position local courses and approximate prices. This may have helped to create additional enquiries at some Operators immediately around The Ryder Cup.
- Most Operators felt that advertising had stimulated immediate enquiries, and therefore from the perspective of stimulating awareness and demand, this campaign will have aided a number of Operators.
- Operators would like to see continued investment in post event advertising and promotion as it helps develop awareness in the golf market.
- Future promotional activity should ideally also continue to be spread across Championship and standard course target media sources in order to maximise Ireland’s potential legacy.

Post event literature and workshops

- Operators who attended the “Golfing in Ireland” workshop mainly considered it to be an excellent networking and familiarisation event, that should assist the majority in selling Ireland as a golfing destination.
- However, over 30% of the Operators had yet to see any post event marketing literature or promotional activity.
- The legacy challenge to convert awareness to sales could benefit from continued investment in post event promotion.

Passport initiative

- The Operators view of the ‘golf passport’ initiative is varied. A number of operators believe it will have a limited effect on their business, primarily because their clients are not necessarily price conscious. Others see it as a great initiative that will have an impact.
- The size of discount could be relevant when packaging Championship courses with standard courses as some clients would prefer still to pay a green fee premium in order to play the exact courses they wish to. For standard courses, this initiative could be useful within the domestic market and in attracting customers from the UK who are relatively price conscious.
- It is therefore critical that this initiative has awareness within customer groups who play standard courses. This would help maximise this initiative’s contribution to the legacy effect of The Ryder Cup.
- A potential issue with the passport scheme for some consumers is that there is a lack of flexibility in the package deals. As a result, certain consumers may reject such a package, regardless of price, instead choosing greater flexibility.

Section six – legacy impact - what could Irish golf do better?

Key issues for Irish golf are largely price related, with green fees a key issue.

Comparison of Championship course green fees, Nov 2006

Course	Country	2006/7 € Green Fee
Wentworth	England	420
K Club	Ireland	370
Old Head	Ireland	295
Club de Golf Valderrama	Spain	290
The Grove	England	229
Gleneagles	Scotland	192
St. Andrews	Scotland	184
Carnoustie	Scotland	170
Lahinch	Ireland	155
BallyBunion	Ireland	150
Golf club Munchen	Germany	100
Aa Saint. Omer	France	91
Castello de Tolcinasco	Italy	80
Gut Kaden	Germany	70
Santa da Serra	Portugal	64

Note: Table compares non residents/non members' high season prices, 2006 or 2007

Source: Course websites

Price of golf in Ireland

- The Operators felt that Irish golf has a number of strategic challenges it could seek to address to maximise The Ryder Cup legacy.
- At Championship course level, green fees and prices are highlighted as a serious challenge for Ireland in order for the country to remain competitive within the golf market.
- In 2000, Ireland was perceived to have a significant price advantage over the UK of 25-30%. Gradually this price competitiveness has eroded away, and now Irish courses are felt to be probably as expensive as most UK Championship courses. Some courses green fees have increased by over 300% since the millennium.

- However, a limited benchmark analysis of a number of Championship/Trophy courses' 'high season' green fees suggests that Ireland, whilst having some expensive courses, generally may still have a price advantage over some UK courses.
- This analysis highlights that Ireland could benefit from an integrated Marketing Communications / PR campaign to address this price perception issue in relation to the UK.
- However, courses in other European destinations do offer significant financial advantages for customers in terms of green fee prices. Championship type courses are significantly cheaper in France and Portugal, although Club de Golf Valderrama in Spain (itself a Ryder Cup host venue) is an exception, ranking high in the list of green fee prices.
- Even for the level slightly below Championship, a number of operators highlighted that in certain countries, e.g. France, Portugal and Spain it is likely that comparable courses cost less than half as much to play.
- A number of potential solutions were raised by operators to address this strategic challenge, including freezing green fee increases for a couple of years, and increasing speed of play so that the increased throughput of numbers compensates for maintaining or lowering prices (an example was quoted that some courses use a 5½ hour estimated round time).

Other tourism challenges

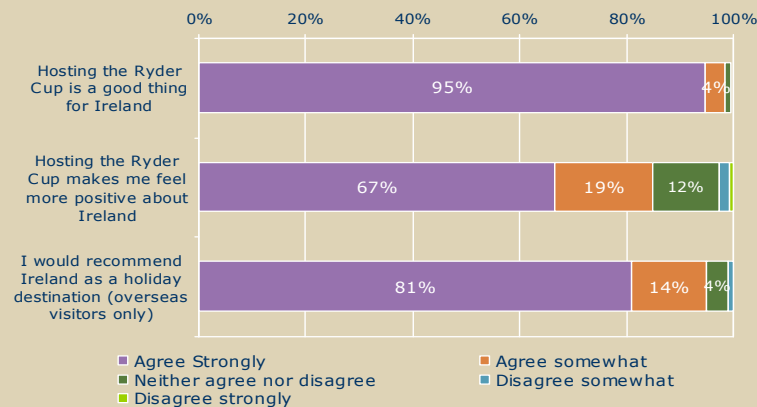
- Other tourism challenges could also impact the legacy effect of The Ryder Cup. Hotel prices appear to be relatively expensive in comparison to other international destinations. Hence, whilst good value does exist, perceived value is an issue.
- Travel costs (e.g. car hire costs) and transport infrastructure issues (particularly around Dublin) were also raised as other factors that could reduce the legacy effect.
- In summary Operators felt that The Ryder Cup should help stimulate interest in Ireland as a golf tourist destination. However, prices are already high and if further increases occur following The Ryder Cup, then the interest may not translate to sales.

Section seven: spectator profile and attitudes

This section provides an overview of the profile of spectators interviews and some attitudinal views on The Ryder Cup

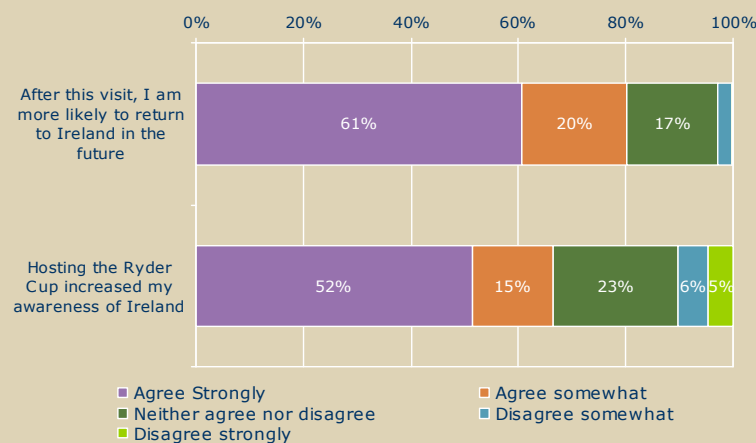
Section seven - spectator profile and attitudes – the 2006 Ryder Cup and previous events

Spectator attitudes to The Ryder Cup and Ireland



Source: Spectator research, Deloitte analysis

Overseas visitor attitudes to Ireland



Source: Spectator research, Deloitte analysis

- In this section we provide a high level summary of the responses to the attitudinal questions that were asked in the spectator survey.

Spectator attitudes to The Ryder Cup

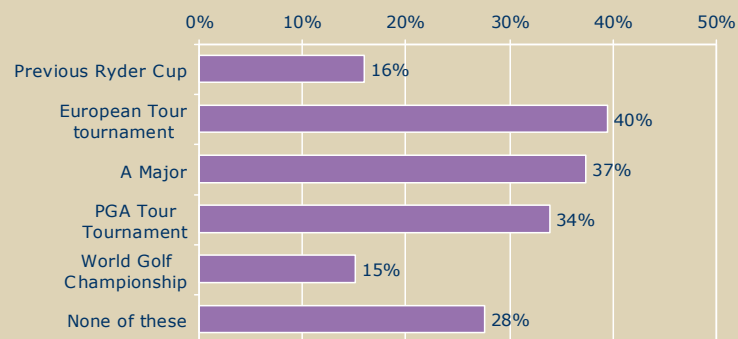
- Spectators were extremely positive about The Ryder Cup. Almost all respondents felt that the Event was good for Ireland, and similarly high responses were received relating to individuals' perception of the country.
- We rarely witness such positive responses to attitudinal questions and these results suggest that The Ryder Cup had a real and positive impact on the population.

Overseas visitors' attitudes to The Ryder Cup

- Similarly, very encouraging responses were seen from non local residents. Over 80% planned to return to the region in the future, while two thirds felt that The Ryder Cup increased their awareness of the country.
- These results illustrate the potential intangible tourism benefits which can be accrued by hosting a major international sporting event.

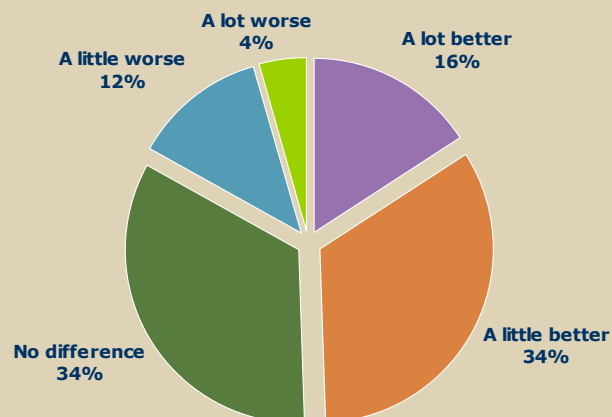
Section seven - spectator profile and attitudes – the 2006 Ryder Cup and previous events

Previous event attendance



Source: Spectator research

2006 Ryder Cup perceptions compared to previous events



Source: Spectator research

Previous event attendance

- There were significant differences in the profile of events previously attended depending on nationality.
- From the spectator survey sample, 40% had attended a previous European Tour tournament, 37% a Major, 34% a PGA Tour event with 16% having attended a previous Ryder Cup.
- The advantage of this interest is that with a previous interest in golf, there may be an opportunity to try and convert this interest in golf into participation in golf tourism or attending future major golf events in Ireland.

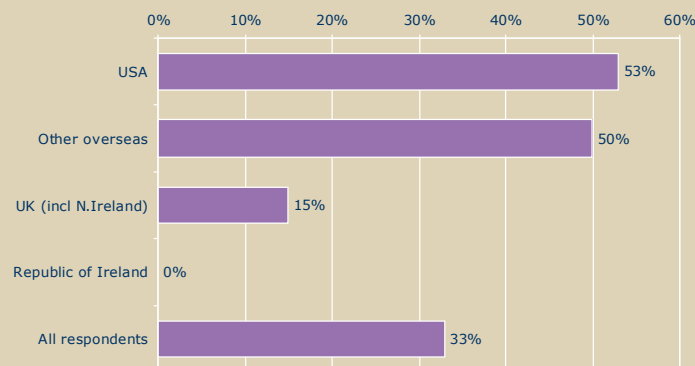
Perception of the 2006 Ryder Cup compared to previous events

- Spectators who had attended previous Ryder Cups had generally positive perceptions of the 2006 Event. 50% of respondents considered this Ryder Cup to be a lot, or a little, better than previous events, only 16% considered it to be worse.
- This perspective too, is positive as generally perceptions of such events are that they are extremely well organised. To exceed such high spectator expectations is a good start to assist with the legacy effect of golf and major event golf in Ireland.

Section seven - spectator profile and attitudes – golf participation

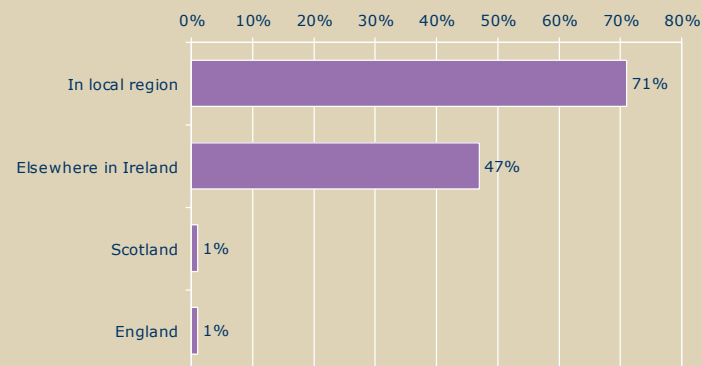
A third of all visitors were due to play golf as part of their Ryder Cup trip.

Country of origin of spectators who were playing golf on their trip



Source: Spectator research, Deloitte analysis, (Base = 105)

Location where individuals would play golf on their trip



Source: Spectator research, Deloitte analysis, (Base = 126)

Visitors playing golf

- 33% of all visitors were due to play golf as part of their Ryder Cup trip, with overseas visitors significantly more likely to play than domestic visitors.
- American and other overseas visitors numbers were significantly higher, with 53% of US travellers and 50% of other overseas travellers playing golf as part of their visit.

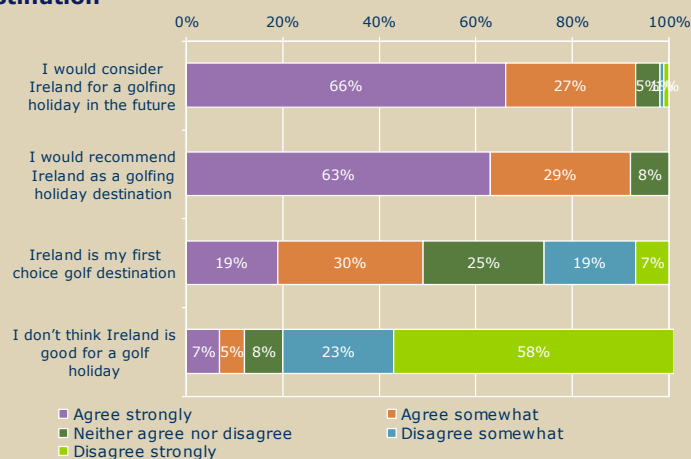
Location where visitors would play golf

- The majority of individuals who would be playing golf as part of their trip, chose to play within the Kildare/Dublin area (71%).
- However, a significant percentage (47%) would be playing elsewhere in Ireland. This is consistent with the additional, non local, expenditure that we have seen surrounding The Ryder Cup, and a positive indicator for Irish golf tourism.
- Very few individuals chose to play golf outside of Ireland, with 1% playing in Scotland and 1% in England. With reference to the Golf Tour Operator Survey, one Operator indicated that they organised pre or post event tours to destinations in Ireland or Scotland.

Section seven - spectator profile and attitudes – Ireland as a golf destination

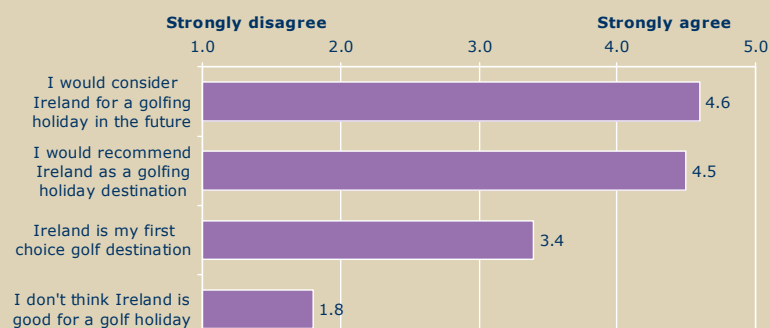
The perception of Ireland from those that play golf is very positive; an excellent base to build upon.

Of those that play golf – views of Ireland as a golf tourism destination



Source: Spectator research, Deloitte analysis, (Base = 105)

Of those that play golf – views of Ireland as a golf tourism destination



Source: Spectator research, Deloitte analysis, (Base = 105)

Ireland as a golf destination

- Themes emerging from the sample highlight positive views of Ireland as a golf destination. Almost 20% strongly agree that Ireland is their first choice golf destination, with a further 30% agreeing somewhat that the country probably is their number one golf destination. With almost 50% therefore stating Ireland as their first choice destination there is obviously a loyal customer base.
- Perceptions of Ireland as a golf holiday destination are also good. 81% of the sample believe that Ireland is a good destination for a golf holiday.
- This loyalty brings potential for 'word of mouth' advertising by visitors and players of golf within Ireland. 63% strongly agree that they would recommend Ireland as a golfing holiday destination, and a further 29% agree somewhat that they would. 92% recommending Ireland as a golfing holiday destination is a strong position to be in.
- Additionally, experiences of those that have played golf in Ireland suggest that consumers are extremely satisfied when they play. Over 93% would strongly agree, or somewhat agree that they would choose Ireland for a future golfing holiday.
- A challenge for Ireland, will be to ensure this positive feedback is more widely known.
- In relation to existing golf players, on an average scale (where 3 indicates neutrality), Ireland has a high rating from individuals who would consider Ireland as a golfing holiday destination (4.6) and who would recommend Ireland as a golfing holiday destination (4.5). In addition, there is more agreement than disagreement that Ireland is the first choice golf destination.
- Ireland is therefore very well positioned in the minds of customers who already play on Irish courses.

Limitations

- We refer you to our engagement letter, dated 31 August 2006, for details of the scope and limitations of our work and other important terms of business agreed between us.
- This report has been prepared by Deloitte & Touche LLP solely for the purpose of assisting Ryder Cup Europe LLP ("you"). It should not be quoted or referred to for any other purpose.
- The scope of our work has been limited to the terms of reference set out in our engagement letter and our report is limited to matters we have identified from that work which we believe are of significance to you.
- No liability is accepted by Deloitte & Touche LLP to any third party for the contents of this report nor any advice contained herein; and, no third party may place any reliance on the report or advice.
- Our procedures have not included audit or verification work. We do not express any conclusions or opinions on any information presented herein to us by you, or other relevant organisations.
- Deloitte & Touche LLP have provided advice and recommendations to the you. All decisions in connection with the implementation or execution of such advice and recommendations shall be your responsibility.
- Unless otherwise stated, the information contained in this report and upon which it is based has been obtained from interviews and documents provided by you, interviews with spectators, businesses and golf tour operators and other relevant organisations, or from publicly available sources.
- Whilst all reasonable care has been taken to ensure that such information has been accurately extracted or derived from these sources, we have not separately verified the information, nor sought to establish the reliability of the sources.
- We have not audited the information. We have assumed that the management of Ryder Cup Europe LLP have drawn to our attention all matters of which they are aware concerning the project, and which may have an impact on our work and the report.
- Accordingly, we accept no liability howsoever arising, directly or indirectly, from any error or incompleteness of fact or opinion in this report to the extent caused by inaccuracies or incompleteness in the information on which we have relied.
- Insofar as this report contains conclusions and opinions, these are statements of opinion and should not be treated as statements of fact. These opinions and conclusions are derived from the work we have undertaken, as described herein, and are held at the date hereof but may not be applicable thereafter. We give no undertaking to update or correct any conclusion, opinion or fact in the light of circumstances arising or information becoming known after the date hereof.
- Notwithstanding that the report may be provided to Fáilte Ireland, no-one (including, without limitation, Fáilte Ireland) other than Ryder Cup Europe LLP is entitled to rely on our report for any purpose whatsoever and we accept no duty of care or liability to any other party (including, without limitation, Fáilte Ireland) who is shown or gains access to this report.

Appendices

- Appendix 1: indirect impact methodology
- Appendix 2: list of consultees

Appendix 1: indirect impact methodology (1)

Summary stages in our Methodology

Surveying

- Collation of expenditure data using survey techniques. This stage is analogous to the spectator survey carried out onsite at The Ryder Cup.

Estimating the direct impact

- Translation of survey data into estimated total direct expenditure, by industry, as a result of The Ryder Cup. This is analogous the section three of our report

Input-Output modelling

- Development of an Input-Output model to calculate the knock-on effects of any expenditure identified in the stages above. This stage relates to section four of our report.

- The calculation of the indirect impact of The Ryder Cup is made using an input-output methodology developed by the academics Flegg & Webber. This involves approximating a local input-output table for the Kildare/Dublin area of Ireland.
- To achieve this the Ireland Domestic Use Table from 2000 (published by the Central Statistics Office) is used. Specifically the Irish table is adjusted to take into account key differences between the Kildare/Dublin area economy and the Irish economy as a whole. These adjustments are made using employment data (various series) including Census employment and population data and 2003 Annual Services data provided by the CSO:
 - An adjustment for the relative national presence of an industry type using location quotients;
 - An adjustment for the relative presence of each industry with respect to all other industries using cross-location quotients; and
 - An adjustment for the size of the Kildare/Dublin area economy relative to Ireland.
- The first adjustment recognises the fact that an industry with only a small relative presence in the region compared to Ireland is unlikely to see such high levels of supply-chain linkage. An example might be financial and business services.
- The second adjustment accounts for the fact that if an industry sources many inputs from another industry not well represented in the Kildare/Dublin area, it will have no choice but to source them from elsewhere. An example here might be the construction industry sourcing from the extractive industries, which itself is poorly represented in the Kildare/Dublin area.
- The final adjustment simply acknowledges the fact that the Kildare/Dublin area, as a smaller component of the Irish economy, is not as self-sufficient as Ireland. As such a downward adjustment is made on the basis of size.

Appendix 1: indirect impact methodology (2)

Summary of types of economic impact

DIRECT IMPACT

- This is the additional expenditure in the Kildare/Dublin area calculated from survey results.

INDIRECT EFFECTS – BUSINESS TO BUSINESS (B2B)

- These give the total additional expenditure caused by businesses sources from further down the supply chain.

INDUCED EFFECTS – INCLUDING CONSUMER SPENDING EFFECTS

- These give the total effects of the initial impact and by subtracting the indirect effect it is possible to isolate the associated consumer spending effects.

SYNERGISTIC EFFECTS

- These are multipliers that arise as a result of a change in the underlying structure of the area, for example a new firm choosing to locate in the Kildare/Dublin area because of The Ryder Cup. Unfortunately this multiplier cannot be modelled.

- The input-output methodology recreates the local economy in terms of who might be expected to buy what from whom, who might be expected to pay whom for their work, and what is likely to leak outside the region because the necessary local suppliers are not available.
- A feature of the model are round effects. This means that for every euro spent in Kildare/Dublin area some proportion of it will go towards purchasing inputs from suppliers, some will go into people's pockets and some will leave the region. Of the proportion that remains in the region, those suppliers who benefited from the initial spending will themselves have to source further inputs locally. Equally the people with additional money to spend will spend some of it on goods and services produced in the region.
- This process carries on until the effects have filtered out of the system, and are known as multiplier effects. There are three types of multipliers arising from the initial direct impact, as outlined opposite.
- The results from the model are given in expenditure terms, but can be related to Value Added by using Irish industry average profitability.
- The model framework allows data to be entered for Ireland as well as the Kildare/Dublin area, which means that it is able to approximate the spillover effects of The Ryder Cup on the rest of Ireland by subtracting the Kildare/Dublin area results from the Irish results.

Appendix 2: list of consultees

PGA European Tour

- Simon Cory-Wright, Marketing Manager
- Jonathan Orr, Financial Director
- Julia Fischer Wasels, Hospitality Manager (Operations)
- Edward Kitson, Staging Director
- Tom Critchley, Staging Manager
- Antonia Beggs, Staging Manager
- David Watt, Hospitality Manager (Sales)
- Jane Swinnerton, Financial Director
- Jenny Mercer, Marketing Manager
- Frances Jennings, Media Manager

Media Representatives

- Nic Hayllar, European Tour Productions
- Sandra Baker, NBC

Travel Services

- John Parker, Ryder Cup Travel Services
- Ann Mabry, Premier Golf, USA

K Club

- Michael Davern, Chief Executive Office
- John Mitchell, Director of Finance

Tourism Authorities

- Frank Magee, Chief Executive, Dublin Tourism
- Paul Keeley, Director of Marketing, Fáilte Ireland
- Kevin Kidney, Midlands East Regional Tourism Authority

Local Authorities

- Eugenie Deehan, Dept for Arts, Sports and Leisure
- Jo Boland, Kildare County Council

Industry Group Representatives

- John Power, Irish Hotels Federation
- Henry O'Neill, Restaurant Association of Ireland



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