

SMSA and the bank finally agree on the naming rights

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STADIUM Management South Africa (SMSA) and First National Bank have reached an agreement which ends their long-dragging dispute over the naming rights of the FNB Stadium.

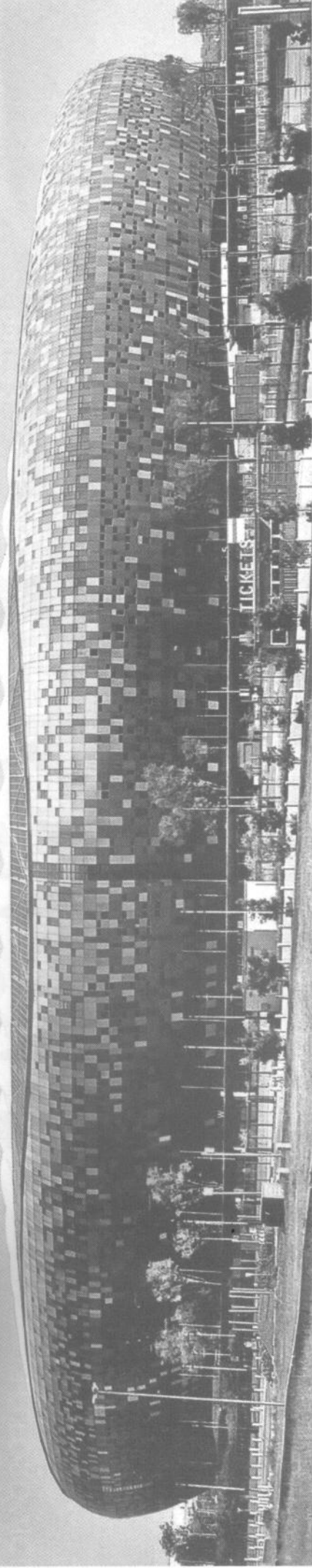
This week, the parties called a truce and are now singing from the same hymn book.

The agreement means for the first time First National Bank will pay a fair market share of R14-million for the naming rights of the calabash-shaped football cauldron which hosted the opening and final matches of the 2010 Fifa World Cup.

The Sunday Times understands that the deal states that the R14-million will be paid in 12 tranches.

The financial institution has first right of refusal and can exercise an option to renew the

FNB Stadium saga settled



ICONIC VENUE: The dispute over naming rights for Soccer City has been resolved

deal for a further five-year term.

The department of public works, which owns the land on which the stadium was built, issued a public tender for the valuation of the naming rights.

Repucom conducted the valuation and put it at R15-million.

It was about the same figure of R14-million which BMI Sport, the company that performed a similar exercise for SMSA, arrived at.

The revenue will go a long way into boosting the coffers of the iconic venue, which is the home of Premier Soccer League outfit Kaizer Chiefs.

It costs as much as R6-million a month to maintain FNB

Stadium. As part of its plan to raise revenue, SMSA also hosted international rugby matches and the stadium, through its partnership with Big Concerts, has been the stage for massive music concerts of global super-

stars such as Rihanna, One Direction, Red Hot Chili Peppers, U2, Bruce Springsteen, Justin Bieber and Lady Gaga.

When the original stadium was built, First National Bank loaned R10-million to the South

African Football Association (Safa). Construction company Grinaker also injected money for the building of the arena that was opened in 1989.

When South Africa was awarded the right to host the

2010 World Cup in 2004, Safa were the owners of the stadium. But the football governing body in the country couldn't come up with the funds to build the new venue.

The bank then wrote off a R10-million loan to Safa in exchange for the naming rights.

The City of Joburg signed a 99-year lease with the department of public works for the newly reconstructed stadium.

The City of Joburg and Treasury each contributed R1.7-billion for the reconstruction and renovation costs that eventually reached R3.8-billion.

Since taking over the running of the 94 736 calabash, SMSA — which also runs Orlando, Dobsonville and Rand stadiums — has been at loggerheads with First National Bank in a bid to wrestle the naming rights from the bank.

SMSA chief executive Jacques Grobbelaar expressed delight that the matter has been settled.

"FNB has been the longest-standing stadium naming rights sponsor in the country. We are delighted we've reached consensus and have agreed to work even closer together," he said.

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Picture: MIKE DIBETSOE