

**SBS Championship
The Plantation Course at Kapalua
Kapalua, Maui, HI**

January 5, 2010

INTERVIEW OF COMMISSIONER FINCHEM

JOHN BUSH: We will get started. We would like to welcome Commissioner Tim Finchem into the interview room at the SBS Championship.

Commissioner, thank you for joining us. It's an exciting start to the year, here in Maui and I know everyone is excited about having SBS on board.

If we can get your comments and open it up for questions.

COMMISSIONER FINCHEM: Thank you. Good morning. I know we had a press conference telephonically in December. I answered a range of questions, so I'm not going to go back over the comments that I made that day. They were fairly extensive.

I will make a couple of comments and see if I can get you caught up-to-date and then anything that you want to ask about.

First of all, we are delighted to be back at Kapalua. SBS has been a partner of the PGA TOUR since 1993 carrying our broadcasts in Korea. And we were pleased when we were successful in working out a long term arrangement with them for this tournament earlier in the year.

As well, Kapalua is a golf course that we are very fond of. It's a great way to start the year. The players enjoy coming here. It's kind of a reward for winning, and it's got a good culture to it in that fashion.

The tournament here has been a benefactor to local charities now for a good number of years raising over \$3 million for charities, and we want to see that continue as well.

We are looking forward to this week. And then next week at Sony, we are going to do some things as I mentioned my call in December that our new partnership with Sony on developing 3D television. We will taking some 3D footage . We will be making it available by way

of presentation, that we will share with all of you, and the fans during the course of the week. And then our goal with Sony is to hopefully actually transmit, in some fashion or another, some of our competition of the Sony Open for 2011 in 3D television.

I don't know exactly what form that's going to take yet, but we are excited about this technology and we want to use this relationship to create more awareness and interest in the possibilities of 3D as it relates to our sport.

You've seen what HD can do for sports in general, and golf in particular, and we think the developing aspects of 3D technology with Sony is going to give us that capability and enhance that capability for further years to come.

With respect to 2010 as a season, I don't have much to add to what I said in December. We have a full schedule. I think we probably have an announcement or two to make about the schedule.

But when all is said and done, we look at 2010. We think we will be compatible or basically the same as '09 as it relates to playing opportunities for our players.

We feel like our prize money will be slightly increased over 2009 this year. And we feel like charitable dollars, which were down significantly, not precipitously, but significant 2009, off of an all-time high in 2008, \$108 million in '09, we see that rebounding this year to probably 117, 118, \$119 million.

So that's function of a number of factors with the economy slowly starting to improve that factor.

From a sponsorship standpoint, as I mentioned a couple of weeks ago, we are delighted with the progress we made in '10. We are not sure about hour sponsorship structure yet, either at Hope or San Diego where we had bankruptcies in 2009 and didn't get into the marketplace until late. We are not at all concerned about the long term. We had a number of conversations regarding sponsorship of those tournaments. But if we are unable to replace sponsorship soon with respect to those tournaments, we have some bridging capability where we will bring in some short term sponsorship that will help us get through this year and I think we'll be fine for 2011.

The rest of the schedule is adequately sponsored and adequately in the way that it allows us to cover television. Just a slight increase I think in prize money and sets us up for a pretty solid year.

The longer term, we have some renewals coming up for '11. But here again, because of the economy come cutting back we are not seeing much signs of turnover. We will have some, I'm sure. But at a reduced level that we had originally anticipated. I think at a level that unless the economy were to go south again, we will be able to handle in the normal course of having some tournament with sponsorships.

So all in all, we are pleased about where we are, and we feel like if the economy comes back we can cautiously be able to say that after two years of this we are starting to see a little bit of light at the end of the tunnel. We have a long way to go. We've

got some challenges. But the efforts that our team has made paid off. And I think we'll be in good shape.

Just another note on charity. We will this year, because of our "Together Anything is Possible Program" will be working with players, with the new web site adjunct to the PGATOUR.com to promote what players do with charities. We will be reporting that activity on that website as an adjunct report to our historical reporting of tournament activity. That will be a separate reporting.

We look forward to sharing with you that later in the year. I don't think I have anything else that jumps out at me that is particularly important to this point. I will be happy to try to answer your questions.

Q. This time a year ago there has been some uncertainty that Kapalua (inaudible) what's the position now going forward?

COMMISSIONER FINCHEM: We are comfortable here. There is a lot of rumors floating the marketplace about the down economy, and the affect on properties here. But we are comfortable here. We like being here, and I don't see any reason why we are not going to be here hopefully.

Q. Along those same lines, where is Kapalua in the 10 year deal with SBS? Are they part of that 10 year deal? Are they locked in for that?

COMMISSIONER FINCHEM: No, they are not contractually locked in for that period of time. As I said, we don't see any particular problem with moving forward during that 10-year period. I think the tournament drives a lot of value for Kapalua, and its ownership. As would be the case with any week, if PGA TOUR players are playing, it's great television, it's global television. Hawaii markets globally. It's always been a good partnership and it can continue.

Q. Do you know the amount of time Kapalua is locked in for?

COMMISSIONER FINCHEM: I think the current contract is through 11. I think the contract would be discussed in the spring of this year, but like I say, the various parties that are involved, it doesn't seem to be any question that everybody wants to move forward.

Q. Is that contracted through 11, is that also with TOUR and SBS or is that a 10-year deal?

COMMISSIONER FINCHEM: Well, as the SBS commitment is for 10 years to do the tournament. We and SBS agree we would like to play here. There aren't any issues between us and SBS. And then it remains with the facility. There are no issues with the facility. We don't see any handicaps on the horizon to not move forward at all. Everybody involved wants the tournament to be here.

Q. Tim, you mentioned the possibility of some bridging capabilities short term if you don't get sponsors soon for San Diego and Bob Hope. What does that mean?

COMMISSIONER FINCHEM: Well, they are on top of us. So we don't have much time. We still prefer to close, as we always would, a multiyear commitment. But because of the activation time, it's increasingly and unlikely that we are going to get things done. We already can't get things done in a way that a sponsor can adequately, or even begin to adequately activate the sponsorship. It takes a long time. Which is why, when we do a sponsorship, we give ourselves a year and a half between the time a sponsor has to decide an extension, and the next affected tournament, because it takes that long, usually six months or eight months to bring a sponsor in and they want usually a year to activate. When I say activate it, that means, who are the customers that I'm bringing? Can I get them there? I got to invite them. I got to give them notice, save the date stuff, so you all understand that. There is just not that much time. It makes it difficult. It's still possible because we are having ongoing discussions. If that's not going to happen we have to have alternative things. So we are at the same time working on short term things that shore up the financial strength of the tournament which includes a number of things. It includes some local sponsorship. On the tournament side, it includes television sales to companies that buy media late in the game. We've done it before. You've seen it happen on the TOUR. So we have some things in place that if we don't have a longer agreement. I'm comfortable with how we are going to get through this year. I don't have any hesitation saying that there is enough marketplace interest in these events that I don't see a problem with them moving forward. So I doubt that we will need bridging. I doubt seriously we will need bridging again, but you may see it those two weeks this year. The main thing is that our prize money is going to be at or above last year's levels. Our charity dollars are going to rebound nicely from last year, and are playing opportunities, so you are not going to see any fall off because of the inability to bring long term sponsorship to a tournament a week or two. I think that's the fundamental.

Q. Have you talked to Tiger or attempted to talk to him?

COMMISSIONER FINCHEM: Have I talked to who?

Q. Tiger?

COMMISSIONER FINCHEM: I answer this question before. The answer is, I have not.

Q. When?

COMMISSIONER FINCHEM: The day I did my press conference.

Q. It's a few weeks later?

COMMISSIONER FINCHEM: No, I have not talked to Tiger. No, I have not talked to him. I don't know when I would talk to him.

Q. It's been three weeks, I just thought I would ask.

COMMISSIONER FINCHEM: When I address that, I thought I addressed it in this context that he asks for privacy. We pledged our commitment to give him privacy so that would include me trying to talk to him.

Q. I understand that. I thought with a personal relationship, if you tried to reach him at all?

COMMISSIONER FINCHEM: No.

Q. The one World Championship that doesn't have a title sponsor through 10 would be CA?

COMMISSIONER FINCHEM: CA is through 10.

Q. Going forward after this year I wonder if you could talk about that situation there. There is a lot of indications about them.

COMMISSIONER FINCHEM: They are not sure where they are going to come out. They just had another change in leadership. Their CEO left. So we are back talking to them about the future. But we have half a dozen tournaments. 10 coming up for renewal that we had some others coming up we haven't renewed yet, but we know we will. But we have a half dozen a year ago weren't certain of. That's down to probably three or four.

So as a consequence we are already in discussions with potential replacement on all three or four of those. I don't anticipate a probably with CA. That would be the least of our concerns.

Q. You don't anticipate?

COMMISSIONER FINCHEM: If CA did not extend. I'm not so sure they won't at this point. If they don't, I do not anticipate a problem with a replacement sponsor.

Q. I don't want to get into the process here or hypotheticals, but is it important that WGC stay at Doral?

COMMISSIONER FINCHEM: There are a lot of pluses to playing at Doral particularly that time of the year. Nothing says we have to play in any location. Part of it would depend on what the sponsor wants to see happen. I suppose you could have a scenario the sponsor says, I would like to sponsor this vent, I don't want to play at Doral. I want to play over here. It's possible. But at this juncture, our focus to keep it at Doral. And I anticipate we will stay at Doral. The way these things work, most weeks it is a 3 way agreement between us, title sponsor and host organization. In this case it's different, it's us and the title sponsor. It's a two-way deal, but we could move it, but I don't see that happening.

Q. First the HSBC is that finally been decided it's not going to be official prize money or up in the air?

COMMISSIONER FINCHEM: It's been decided that it's not official prize money. Finally decided might not be the right term, because we have two board meetings between now and when the board would have to decide that. We have a number of players that are interested in it being on some basis more of an official event than just sanctioned as a World Golf Championship. So we are going to review that over the next few months. I wouldn't speculate when this come out. You probably won't know the final answer until July.

Q. You were asked about Tiger's relationship with (inaudible), you said you had no concerns, that comment was?

COMMISSIONER FINCHEM: No, what I said was that I was not involved in evaluating it myself. That our anti-doping team, which includes internal people and external people, had reviewed the procedure that was given to Tiger in media reports, and they had no concerns that that procedure violated our anti-doping policies. That's what I said.

Q. You also said, according to the transcript, I have no reason to have any concern.

COMMISSIONER FINCHEM: Because of that report, I had no reason.

Q. That comment was widely panned by a number of doping experts including the head of Weider, who accused you of having your head in the sand?

COMMISSIONER FINCHEM: Was he talking about the procedure or the possibility of using HGH? I had no report that they said anything about me having my head in the sand.

Q. Well he said, I quote, unquote, as a doping expert, when I hear in the same question, blood spinning HGH and activision, I tend to straighten up and have a better look, at least you look into it?

COMMISSIONER FINCHEM: I appreciate his advice. I will stand by the response I gave during the press conference. I had no reason to be concerned about the procedure that was reported. I'm not so sure that that's inconsistent with what he said. I'm not suggesting it is, but I will stand by my response. Do you have another question?

Q. You don't think maybe you could have phrased it differently?

COMMISSIONER FINCHEM: I'm not going to play word games with you. I answered your question. If you have another question I will try to answer that one.

Q. That's all I have on that.

COMMISSIONER FINCHEM: Thanks.

Q. Tim, it was announced Tiger will not be hosting the AT&T National. I'm wondering if that's a natural extension of the spirit of the privacy issue that you are bound to uphold?

COMMISSIONER FINCHEM: Well, I'm not going to go into all of the reasons behind it. All of the parties involved with the tournament got together and based their decisions and that was one of them.

Q. Tim, were you involved at all or was anybody involved with the discussions with AT&T as they deliberated on what their actions would be with regard to Tiger and the tournament?

COMMISSIONER FINCHEM: We were not involved in discussions with AT&T as it relates to AT&T's contractual relationship with Tiger. We are not a party to that agreement. We did not have discussions with AT&T about their decision as it related to that decision. We've had discussions with AT&T about those issues where we are contractually related, for example, a tournament. But not the personal representation of the contract.

Q. So during that time that you talked to them about the contractual relationship in regard to the tournament, did any of the discussion pertain at all to what happened, and why they took their decision to take themselves off his bag, and how that might reflect on the tournament or anything?

COMMISSIONER FINCHEM: No, no. When we discussed the tournament with AT&T, they had made the decision on a personal representation and reported the decision to us. They did not discuss with us the details of how they came or arrived at that decision.

Q. I'm sorry, I want to be really clear on this. On Tiger as the host of the tournament, whose decision was that, or who was involved in the discussion that he would not be the host this year?

COMMISSIONER FINCHEM: The foundation, the AT&T and the PGA TOUR.

Q. All three parties?

COMMISSIONER FINCHEM: Yes.

Q. Has there been any discussion on tweaking the entry requirement for this event this year? We are missing some pretty big names that are often here. Only one player in the field has won this event before. Any recent discussions? I know there has been over the years.

COMMISSIONER FINCHEM: There has. From time to time we talk about it. We talked about it again recently. Right now, however, the likelihood is we will have a commercial title sponsor for this event in conjunction with SBS in some fashion.

We think it's not timely to talk about anything we would do with the field unless it was in conversations with that particular company. We may get into it during the course of the year, yes.

Q. What's the timeline on that commercial title sponsor?

COMMISSIONER FINCHEM: I don't know. We are having conversations with potential sponsors. But like everything else in this economy it's slow. I couldn't answer that question. I would be guessing.

Q. What would happen to SBS? Would they be a presenting sponsor?

COMMISSIONER FINCHEM: To be determined. We would figure out some way to interface an SBS roll. But, again, it would be conjecture right now. You have to wait to see how that develops.

Q. You may have answered this before I got in, Sony, that contract is through 11 now? It used to be through 10.

COMMISSIONER FINCHEM: Sony is going to be in 11 and a longer term relationship will be discussed during the course of 10 as part of our broader strategic partnership with Sony.

Q. Isn't that unusual to do a one-year extension?

COMMISSIONER FINCHEM: We didn't do a one-year extension. They had a one year option. They took the option, as we continue to discuss some of the issues that relate to the tournament and as it relates to the 3D.

Q. Tim, in regards to sponsorship, do you have specific focuses that you are looking at? I mean in the past obviously there were automobiles, those went away, then the financial institutions, now that's obviously a difficult area, do you have certain focuses that you are looking at specifically?

And second, how much, if any, has the discussion of Tiger come up in discussions with potential sponsors?

COMMISSIONER FINCHEM: I'm not going to answer the second question. It's not really relevant to anything. Anybody who hasn't talked about the Tiger thing in the last two months was on the moon. The first part, we look at companies in all industry circuits. I wouldn't say that the financial institutions has been a big negative for us. Financial institutions have been hurt. But financial institutions like to market their product, and were the best place to market their products.

If you look at our schedule, we haven't seen a big falloff of financial institutions. We have a lot of financial institutions. But we are looking at other economic sectors and industry sectors, a wide range of things. There is a wide range of things, we brought waste management into Phoenix. We are excited about that. What President Obama calls a green company. We are looking at every industry setting. In this economy you have to. We need lots of companies to talk to.

Q. Just last year, around this time, some things sort of started occurring on Capitol Hill and there was some negative reactions from members of commerce toward golf. Have you been able now to sort of calm those waters and make lawmakers understand what the mission is here for golf and for the PGA TOUR specifically?

COMMISSIONER FINCHEM: I don't think you can make lawmakers understand anything. You can try to make them understand. I think it was overblown to begin with, but it doesn't matter whether it was overblown. It recreated a distorted view of what

entertainment is in a PGA TOUR event that's dedicated to raising money for charity. It was two members of Congress.

Q. Two big hitters?

COMMISSIONER FINCHEM: Yes. But I think the broader story is the economic impact and charitable impact. If you had read the news in February, you would have thought there was 380 members of Congress lined up with torches demonstrating against the PGA.

The vast majority of members of Congress are extremely supportive on the way this sport is organized and what it stands for and what it delivers to communities around the country. I know this.

I'm not troubled by the reality of our political support. I was only troubled about the rhetoric getting the attention it was because in today's world, it could have a chilling affect on new companies in this sport making decisions at the time when we need new companies. That was troublesome. That's essentially gone away. We haven't heard anything like that in months. It's yesterday's news.

Q. I talked to the folks at the Century Club who suggested that there were some possibilities for sponsorship of that event, but they were chilled by, it's a direct quote in Golf World, chilled by the reaction to Washington?

COMMISSIONER FINCHEM: I think they are mistaken. We are the ones that market the title sponsorships for tournaments.

Q. So they misspoke?

COMMISSIONER FINCHEM: Think about it. That happened in February. GM didn't go in Bankruptcy until virtually the summer. We determined based on conversations with GM not to go into the marketplace until after they came out of Bankruptcy. It was six months later.

We are not having a problem marketing the San Diego event. The timing of bringing sponsorship to San Diego was thrown off because of the late Bankruptcy. I don't think it had anything to do with it. The biggest problem is the economy. It's not stuff like when you read in the paper Barney Frank chewing off on Cheryl Crow. Anything that's negative like that is not positive.

Q. How do you assess the preparations?

COMMISSIONER FINCHEM: How do I sense the preparations? I think the staging has been very well done. I think Chairman Une (phn) has given the direction to his people to work very hard to create a proper look for the tournament in concert with our tournament people. So we are very, very pleased.

We really like and enjoy our partnership with SBS. We like the way they think. They are very attentive to detail as it relates to preparation and all of that adds up to a good start to the PGA TOUR. So we're indebted to SBS for that commitment?

Q. What does this tournament mean to the PGA?

COMMISSIONER FINCHEM: It means we are off to a start. This is where the PGA TOUR starts. We start with the players who won last year, so it's a special event in that regard. It's deserving of the quality sponsor, quality purse, quality golf course, quality global telecast on television. We think we have all of those things. It would not have happened but for SBS.

Q. Can you tell us how the acquisition of NBC Universal by Comcast, does it change at all the dynamics of negotiations?

COMMISSIONER FINCHEM: I don't think it's a negative. I think it's probably a positive. NBC on the production side. NBC is already in close working relationship with the Golf Channel a bunch of weeks of the year. So nothing changes there.

I think the big plus probably is that you have an enhanced group of people who are thinking about production issues and presentation issues and can cross-pollinate and continue to improve, which is what you want to see.

The business side probably continues to go in two tracks. I really can't answer that question until it all shakes out and the merger is complete, and we see what we are dealing with.

A lot of these things have to do with relationships and history. In this case we have a relationship with both groups. It would depend on whether there is fundamental changes of who we are dealing with. As long as we are dealing with the same people, I don't see any problems.

Q. The potential commercial sponsor you are talking about for this event, where does that leave Kapalua? Would the event move with that development?

COMMISSIONER FINCHEM: No, I don't think so. The advantage of having a commercial sponsor brings one more element of investment in terms of marketing. That's in everybody's interest.

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