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CIT Agrees to Lend Katz \$100 Million to Buy Oilers

Hockey Franchise In Edmonton Scores Amid Credit Crunch

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Not everyone is getting body checked by the credit crisis. In a sign that confidence in the National Hockey League continues to grow, CIT Group Inc. said Monday it had completed a \$100 million loan agreement with Daryl Katz for the purchase of the Edmonton Oilers. Mr. Katz, owner and operator of the closely held Rexall drugstore chain, reached a deal to purchase the Oilers during the winter for \$200 million.



Getty Images

The Edmonton Oilers

"The debt markets have been a little finicky," said Gordon Saint-Denis, managing director of media, entertainment and sports for CIT. "But this is a deal for a hockey team in Canada, where hockey is king, and Edmonton has been doing very well from an economic standpoint."

The agreement with Mr. Katz comes four days after partners of Hollywood producer Oren Koules completed a deal to purchase the NHL's Tampa Bay Lightning, also for \$200 million. That deal took nearly two years to close, partly because of financing problems.

Mr. Katz's deal took about three months. He said his purchase of the franchise was timed to take advantage of a booming local economy. The region benefits from natural resources, particularly the vast oil and gas reserves nearby.

Mr. Katz plans to build a new, downtown arena for the franchise, which has sold out its games for several consecutive seasons, and to market it to a new generation of wealthy Edmonton natives, who grew up rooting for the team that won five Stanley Cups from 1983 to 1990 and featured superstars Wayne Gretzky and Mark Messier.

In the 1990s, as player salaries climbed and the Canadian dollar weakened, the Oilers struggled to survive, but the team has rebounded since the NHL lockout that produced a hard limit on salaries. The team lost in Game 7 of the Stanley Cup Finals in 2006. "We think this league is growing," Mr. Katz said. "It's an entirely different market than it was a decade ago."