

Whither the Giro?

Seemingly lost in the furor surrounding TUEs, Bradley Wiggins and the upcoming World Championships is the fact that ownership of the Giro d'Italia changed hands earlier this month. Italian businessman Urbano Cairo, a protégé of former Prime Minister Silvio Berlusconi and a magazine publisher, gained control of the parent RCS Mediagroup in a deal that just closed a few days ago. The *Financial Times* reported that Cairo's takeover is "seen as an uprooting of the vestiges of Milan's old establishment who prized seats in RCS Mediagroup's boardroom above all for its political and social influence." Mr. Cairo also told the newspaper that he intended to slash costs in the new organization. All of this could be a big deal for professional cycling.

One of the assets hidden somewhere down in the RCS Media Group is the Giro d'Italia – the world's second largest Grand Tour and itself an iconic event in world cycling – as well as a portfolio of other top race properties, including Tirreno-Adriatico, Strade Bianchi, Milano-San Remo, and Il Lombardia. At first glance, and according to the financial press, it might appear that Cairo acquired the company primarily for the media assets, and that the cycling events are likely to constitute more of an after-thought, or third wheel that came along with the deal. If – and this is still a big if – those cycling assets were to become expendable, it could result in a major change in the landscape of pro cycling.

It has been heavily rumored around the industry that both ASO and the Chinese Wanda Group have expressed interest in the Giro over the past eighteen months. However, none of these approaches have gone anywhere – rumored to be largely because of the protective, staid and politically-entrenched nature of the previous ownership. The dynamics of those discussions may now shift, with a new owner much more likely to make deals.

As we hypothetically [proposed](#) in a business plan last year, if ASO was to acquire the RCS properties, it would then control all three Grand Tours, four of the five Monuments, and most of the other critical events on the WorldTour. People may complain about ASO controlling the sport today, but if it was actually able to acquire these races as well, it would then truly control the sport. On the other hand, if Wanda Group or some other third party (such as Virgin Sports, or IMG) were to successfully wrest control of the Giro, this could also have a tectonic impact on pro cycling – and make it a far more competitive business.

But there is a third possibility here too. Urbano Cairo also happens to own a major Italian television station, and is the owner of the Torino football club – so he himself also has a clear interest in sports properties. Largely unnoted by the press, he appeared last month at the announcement ceremonies for the 2017 Giro – the 100th edition – saying, "My intention is to grow the Giro d'Italia more and more and take it to the maximum level." So, at the moment, who knows what may happen with the RCS cycling properties? As Felix Magowan, former owner of *VeloNews* and long-time observer of pro cycling put it, "Cairo has quietly built an Italian media and sports empire – it's sort of like someone in the U.S. owning both the New York Times and ESPN. He could well turn out to be the most important man in pro cycling over the next couple years." A change in ownership, or a major shift in strategic direction for the Giro and its sister races could certainly imply major changes for the overall sport. Although largely under the radar of the cycling media so far, this is an unfolding situation which should command careful observation from the cycling world.

Steve Maxwell and Joe Harris, October 7, 2016