

PR Newswire Europe September 25, 2004 Saturday

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HEADLINE: Capital Sports & Entertainment [CSE] Response to False and Misleading Statements Regarding Lance Armstrong by SCA Promotions [SCA]

BODY:

AUSTIN, Texas, September 25 /PRNewswire/ -- CSE is issuing the following statement in response to widespread media reports by CNN, the Associated Press and USA Today containing false and reputation-threatening information by SCA. This information pertains to the terms of an incentive bonus insurance policy with SCA on behalf of Lance Armstrong. The U.S. Postal Service [USPS] Team, which Lance Armstrong leads, is jointly owned and managed by CSE and Tailwind Sports.

CSE is shocked and disappointed by public statements being made by SCA regarding this situation. Lance's record-setting six consecutive Tour de France victories, along with his inspirational story of cancer survivorship, is one of the greatest comeback stories of our day. With this achievement comes reward, including an incentive bonus structure common in the sports business. Lance's bonus structure was put in place in 2001 by his team to incent him to win six Tours de France, all in a row. At the time, the idea seemed far-fetched: He had only won two, and he had to win four more to get this year's bonus of US\$10 million.

The bonuses were insured by three companies, one of which is SCA, a Dallas-based company that is responsible for US\$5 million of the payment to Lance. The insurance agreement is simple and clear: If Lance achieves six victories, he is paid his performance award. There is simply no question about the "validity" of Lance's victory, and it has been confirmed by the organizers of the Tour de France and by the Union Cycliste International [UCI], the international governing body of cycling. SCA's failure to pay the final installment of its bonus incentive insurance policy is a shameless and baseless breach of contract. Lance's 2002 and 2003 performance awards were insured under the same contract and, upon his victories, the sums were paid by SCA as required.

An SCA attorney's quote in USA Today stating, "We've requested drug test [results] to disprove the allegations -- clean test results that should be easily attainable" is simply untrue and not supported by the facts. Contrary to SCA's disingenuous and self-serving quote in USA Today, SCA is not interested in valid and authenticated "testing results"; to the contrary, SCA, before considering payment, demanded free and unlimited access to "every medical record and medical provider of Mr. Armstrong; his complete medical history; all records of all Armstrong's past bonus awards; and all contracts involving Armstrong, Tailwind, U.S. Postal Service, Capitol Sports & Entertainment, Disson Furst, and all related entities and individuals." Even if SCA did have any legitimate interest in the drug and doping test results, 90 percent of what SCA

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has demanded would have no relevance and further reveals the falsity of its statements. The actual testing protocols, consisting of 52 detailed pages, and the results of those tests were provided to SCA over a month ago.

On Aug. 16, 2004, CSE provided SCA CEO, Bob **Hamman**, with a letter from the UCI, which administered and enforced the anti-doping regulations and testing for the Tour de France, authenticating Lance's clean testing record at the 2004 Tour de France. In the letter sent to SCA by the UCI's anti-doping manager, Christian Varin, he stated:

"I confirm that Mr. **Lance Armstrong** was tested several times and all of the laboratory results were negative. I would also point out that the tests are performed in collaboration with the French Ministry of Sport. The laboratory is a 'WADA accredited' [World Anti-Doping Agency] laboratory [Chatenay - Malabry [FRA]]. This year, we proceeded to urine antidoping tests and blood antidoping tests. Mr. Armstrong was submitted to both kinds of tests. Also, all the test results are managed by another French independent body: The CPLD [Conseil de Lutte et de Prevention du Dopage] according to French legislation. As a conclusion, I reiterate the fact that Mr. **Lance Armstrong** was tested several times and that all results were negative."

Needless to say CSE is puzzled by SCA's accusations when we not only documented testing validation from the UCI over a month ago, but provided contact information and access to Mr. Varin and the organizations that developed, applied and analyzed the tests.

Lance has made it unambiguously clear over the years that he does not use, nor has he ever used, performance-enhancing drugs. The baseless and mean-spirited doping allegations against Lance are not supported by any facts. He has been tested more than any other professional athlete in the world and has never failed a drug test.

Unfortunately, it appears that SCA is changing the rules when it is time to fulfill its obligation. The SCA Web site states: "The concept behind Performance Coverage is simple: offer a professional athlete a cash bonus for an outstanding performance. When the athlete meets the stated mark, SCA funds the bonus in full and promptly." We met our "mark," and the bonus should be promptly paid -- as advertised. Capital Sports and Entertainment

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