



The European Club Footballing Landscape

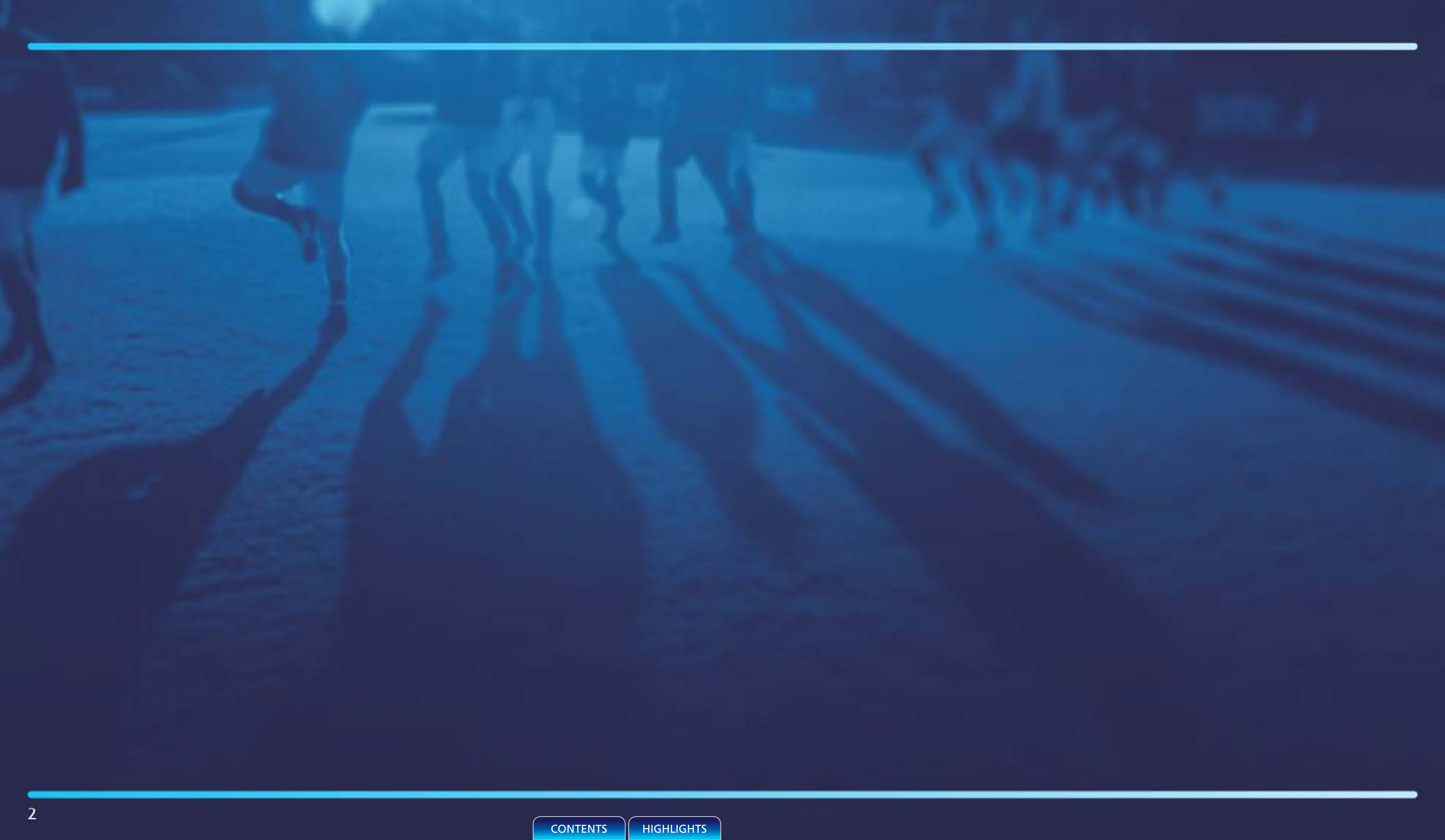


WE CARE ABOUT FOOTBALL

Club Licensing Benchmarking Report
Financial Year 2014

[CONTENTS](#)

[HIGHLIGHTS](#)



Foreword

Welcome to the seventh edition of the UEFA Club Licensing Benchmarking Report, which analyses and comments on the financial development of European club football and highlights the progress made during the first decade of club licensing.

While we should remain cautious, it appears that the worst financial excesses of European football reported in 2010 and 2011 are potentially behind us. This year's edition of the report highlights some notable improvements that have taken place in the last three years, coinciding with the introduction of financial fair play.

Club football's remarkable ability to grow revenues year after year is increasingly being matched by a willingness to adopt more sustainable plans for the future. The unanimous consensus among the whole football family on the financial fair play concept is being matched in most cases by action.

The independent Club Financial Control Body (CFCB) has taken difficult decisions during the first five years of overdue payables assessments and the first three years of break-even assessments, but this was, and is, necessary to prove that the system is credible and that the grand plans were more than just words.

With all of the clubs that breached the break-even requirements in the first two cycles entering settlement agreements with the CFCB, it appears that the financial fair play philosophy, aimed at balancing revenues with expenses and at boosting investments for the long-term health of the game, has been accepted in practice.

This report provides an in-depth analysis of the current situation, allowing national associations, leagues and clubs to benchmark their performance and all readers to better understand the context in which clubs across the 54 UEFA member associations operate. Reflecting the objective of financial fair play to bring ever greater transparency to European football, the report for the first time ranks clubs on a number of financial measures, providing a level of transparency not seen in any other team sport.

We would like to thank all the member associations, leagues and clubs that provided their financial information and the whole club licensing network for their invaluable assistance.

We hope you will enjoy this edition.

Gianni Infantino
UEFA General Secretary

Contents

Foreword	3
Introduction	7
Highlights	8

1 Domestic competition formats and structures 14

Season timings across Europe	15
Spread of the 716 top-tier clubs across Europe's leagues	16
Traditional home and away formats prevalent but numerous alternatives	17
Alternative formats and points deductions	18
When points are equal	19
Promotion and relegation open to all	20
The many shapes and sizes of domestic cup competitions	21

2 Domestic competition results and trends 22

The rise and fall of UEFA coefficients over the decade	23
On and off-pitch performance	24
Domestic title winners and winning streaks in the last ten years	25
Comparison of historic domestic title records	26
Spotlight on domestic cup competitions	27
50 year records and trends in domestic league results: Goals	28
50 year records and trends in domestic league results: Draws	29
50 year records and trends in domestic league results: Home wins	30

3 General revenue trends and comparisons 31

Long-term European club revenue growth: Ever upwards	32
Strong but varied medium-term European club revenue growth	33
Short-term revenue growth heavily impacted by currency values	34
Average revenue evolution: By league	35
Revenue and revenue growth: Top 30 clubs	36
Aggregate and average revenues: Relative club sizes by country	38

4 Detailed revenue trends and comparisons 39

FY2014 Europe-wide revenue trends: Revenues approach €16bn	40
Broadcast revenue levels and trends	41
Top 20 clubs by broadcast revenues	42
Broadcast revenue per capita	43
UEFA revenue levels and trends	44
Top 20 clubs by UEFA revenues	45
Gate receipt revenue levels and trends	46
Attendance levels under pressure	47
Top 20 clubs by gate receipts	48
Gate receipt revenues per attendee differ significantly	49
Sponsorship and commercial revenue levels and trends	50
Concentration of sponsorship and commercial revenue growth	53
Transfer proceeds levels and trends	54
Top 20 clubs by transfer proceeds	55
Relative importance and growth of different revenue streams across Europe	56

UEFA

5 Wage cost trends and comparisons 58

European top-division club net cost base of €16.4bn	59
Club wages up 664% over the last two decades	60
Noticeable downturn in wage growth	61
Player wages hit €7bn in FY14	62
Wage levels and trends	63
Top 20 clubs wage levels and trends	65
Clubs with high wage to revenue ratios	66
Large club wage gaps within and between leagues 1-7	67
Visual analysis of club wage gaps within leagues 1-7	68
Large club wage gaps within and between leagues 8-15	69
Visual analysis of club wage gaps within leagues 8-15	70

6 Operating and non-operating cost and transfer activity trends and comparisons 71

Operating costs grow by just 2%	72
Operating cost levels and trends	73
Top 20 clubs operating cost levels and trends	74
Non-operating item trends	75
The complicated interaction between transfer activity and club profits/losses	77
Net transfer costs and incomes in club profit and loss accounts	78
Relative size of net transfer costs and incomes	79
Size and relative importance of net transfer cost/income	80
Top 20 clubs by net transfer costs and net transfer spending	81
Top 20 clubs by net transfer income and net transfer proceeds	82

7 Underlying and bottom-line profitability 83

European club bottom-line losses cut by two-thirds in three years	84
Significant reduction in the number of loss making clubs	85
European clubs generate highest ever combined operating profits	86

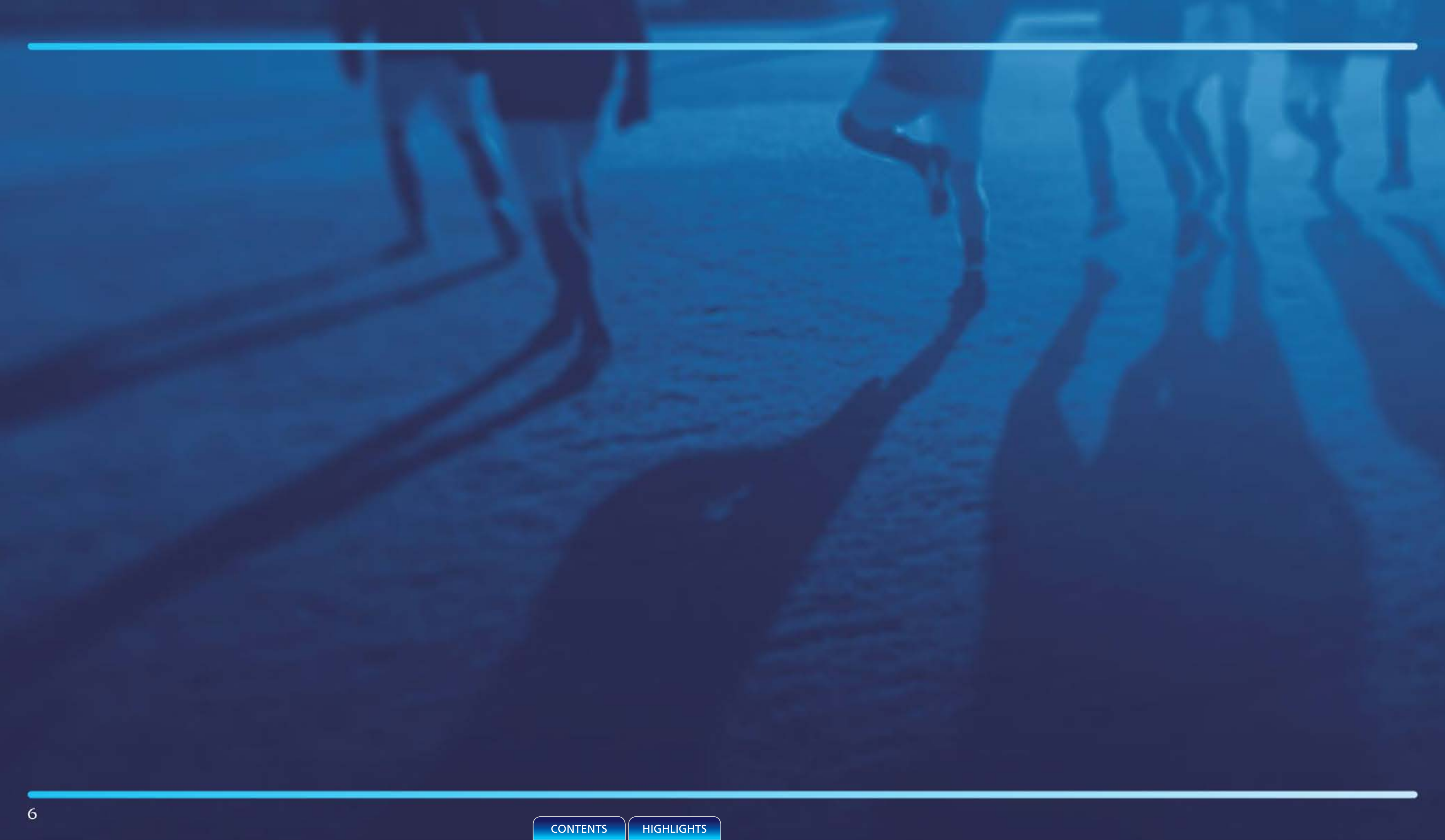
Variations in profitability across top 15 leagues	87
Underlying operating profitability across top leagues	88
Half of clubs from top leagues now generating bottom-line profits	89
Individual club record operating profits	90
Highest bottom-line profits on record	91
Reduced operating and bottom-line losses outside the top 15 leagues	92
Operating losses more common in less wealthy leagues	93
Many smaller clubs able to use transfer market to reach profitability	94

8 Balance sheet trends and comparisons 95

Club balance sheet net assets up 50% since 2011	96
Fixed asset investments average more than €200m for top 20 clubs	97
Premier League and Serie A responsible for 49% of transfer spending	98
Fifteen squads built for €200m+ in transfer fees	99
Transfer spending in the last 5 years heavily concentrated among 15 clubs	100
Club net debt €1bn below peak	101
Threat of financial fair play sanctions significantly reducing overdue payables	102

9 Global benchmarking of European club football 103

European football club revenues in context	104
European football revenues 80% of the four major US Sports combined	105
Global sports media rights continue to rise	106
English Premier League clubs poised to overtake NFL as highest earners	107
European club football's social media dominance	108
Social media growth heavily linked to performance in UEFA club competitions	109
Five largest social media markets in five different continents	110
Clear distinction between national and global brands	111
European club football gate receipts lag behind US sports	112
European football prominent in 35 most attended team sports events	113
Concluding remarks: European club football making positive strides	114
Appendices	115



Introduction

The seventh edition of the UEFA Club Licensing Benchmarking Report continues to provide a complete review of European club football, like no other publication.

This report is broken down into nine chapters. The first two chapters – **domestic competition formats and structures** and **domestic competition results and trends** – explore the differing formats of domestic football across Europe and highlight the unique depth, breadth and variety of European club football. The remainder of the report, chapters three to nine, provides a complete analysis of **financial trends**, covering revenue streams, wages, transfer fees and other operating costs, profitability and club balance sheets, as well as putting growth into context with a comparison of European football against other global team sports.

Unlike all other reports that benchmark European club football using aggregated figures provided by leagues, the underlying basis for this report consists of up to 170 separate line items per year and per club from club financial statements and their notes. In total, reaching back over nine years, the UEFA's club database includes over 2 million items, thus forming an unrivalled basis for the financial analysis of club football.

This report focuses on data from the financial year ending in 2014 – the latest complete set of financial data – analysed within the European club footballing landscape. It is compiled from the detailed financial figures of 696 different top-division clubs from all 54 UEFA member associations, and covers more than 99% of all top-division revenues, costs and assets.

There can be no question that the decision to introduce financial fair play has led to a **complete revolution in the media coverage of club football**. In just a few years, one or two articles or club press releases a month has expanded into numerous articles, blogs and club press releases covering club finances every day. The football public's knowledge is no longer restricted to just what happens on the pitch. While the passion and glory of the on-pitch action should, and will, always remain the main focus, in the context of more than 100 clubs seeking bankruptcy protection in recent years, UEFA believes that those taking financial decisions on behalf of football clubs should be open to the added scrutiny that this media coverage and supporter knowledge brings.

One of the stated objectives of financial fair play, agreed by all stakeholders when the rules were put in place, was to increase transparency in European club football. Previous versions of this report have been welcomed for bringing more transparency to club finances, by presenting authoritative analysis of trends across 700 clubs a season. This year's report takes us to a new level of financial disclosure. **For the first time, Europe's clubs are individually ranked in a series of top-20 lists, covering TV money, gate receipts, attendances, UEFA prize money, wages, other operating costs, underlying operating and 'bottom-line' net profitability, stadium assets, squad costs and transfer incomes and spend.**

Club football has profoundly changed over the last years mainly led by the continuous increase in broadcasting rights and the increasing visibility offered by the success of major leagues and UEFA competitions. The scale of financial superiority of the top twenty European clubs by revenues, with English clubs marking the lead (6 out of the top 15), clearly underlines the benefits of being recognized as a "global" brand and the capacity to reach fans throughout the world.

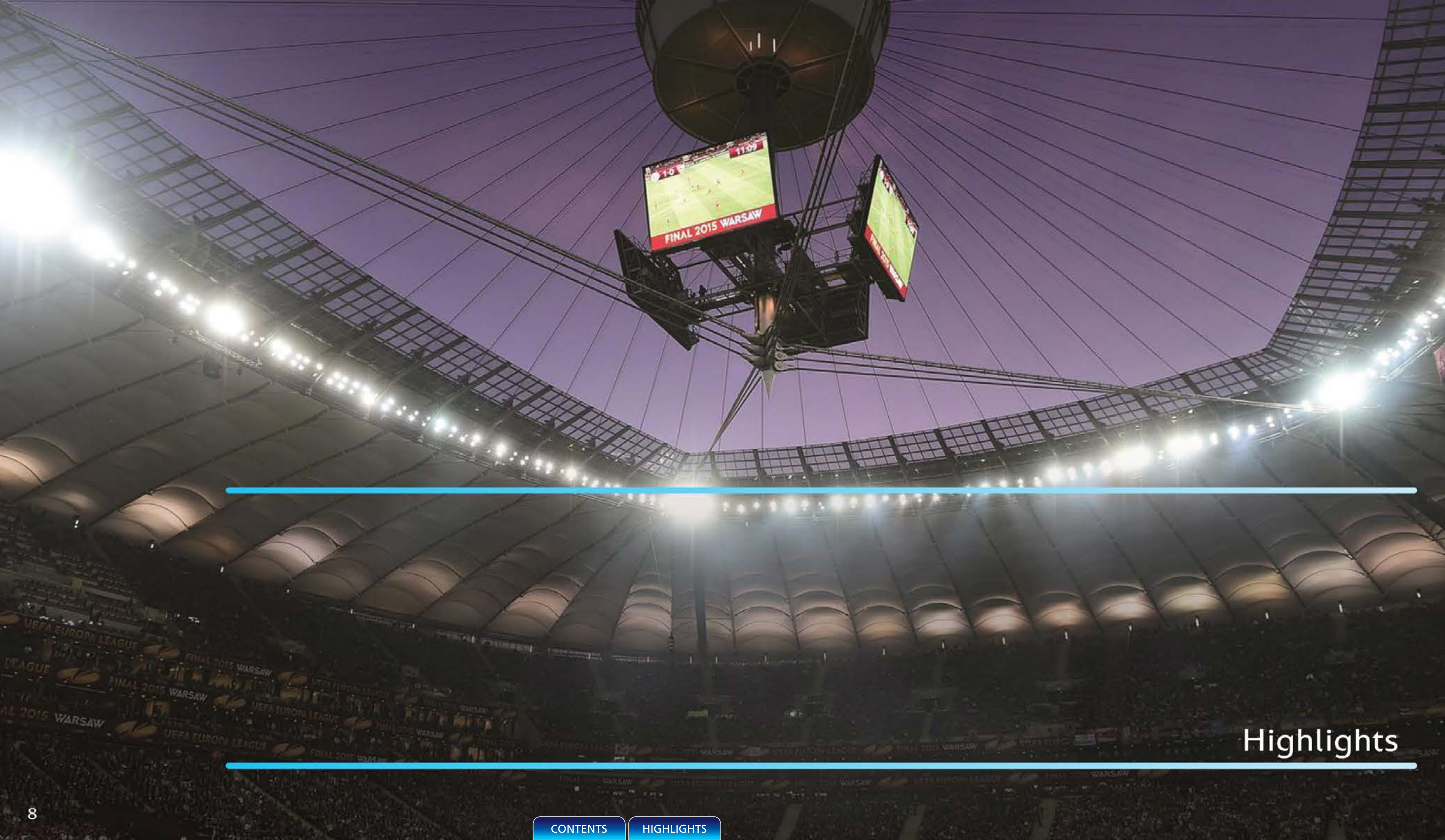
This financial strength is further underlined by the increased concentration of commercial and sponsoring revenues among the top clubs (80% of the last five years' increase was added by the top 20 clubs) and their spending power for playing talent which is greater than ever before. The rapid growing and wider gap between top and other clubs will represent the most important challenge for club competitions in the future. However, overspending and unsustainable business models cannot be the answer to financial inequality.

In this sense the five-year reviews presented throughout the report highlight the very positive impact that financial fair play has had on European club football, by presenting a complete picture of the years before and after implementation. The financial figures point towards **a more stable and sustainable financial position for European top-division clubs**, underlining the success of club owners and executives in introducing more sustainable and balanced business plans. The level of overdue debts of clubs in UEFA competitions has decreased every year for the last five years, from €57m to just over €5m, with deferrals and disputes on transfer and employee debts also decreasing significantly. The record underlying operating losses of 2011 have been transformed into **the largest combined operating profits that European club football has ever produced**. Bottom-line net losses, after financing and transfer activity, have been cut in three. Club net debt has decreased by more than €1bn and the balance between club assets and liabilities has improved dramatically, with club net assets increasing by more than 50% over the first three years of financial fair play break-even rules.

Work remains to be done, tough economic conditions especially in eastern Europe are putting pressure on attendances and the basic temptation for clubs to overstretch as their reach for success remains, albeit with the added consequences that the Club Financial Control Body brings. However, European football can be proud of what has been achieved in such a short space of time. The cooperation between clubs, leagues, players' unions and UEFA has been fruitful and we are now on the right track.

The production of this report was only possible thanks to the strong input and support of the national licensing managers and clubs, to whom we extend our thanks. There is no doubt that club licensing has had a huge impact in improving overall transparency in club football over the last ten years.

Andrea Traverso
Head of Club Licensing and Financial Fair Play



1-0
11:09
FINAL 2015 WARSAW

Highlights

European clubs generated the highest underlying operating profits in history in 2014



€78m

In 2014 Tottenham Hotspur FC reported the highest net profit in history

€140m

In 2014 Manchester United FC reported the highest club operating profit in history

Bottom-line club losses have been cut in three since the introduction of break-even rules in 2012



Club wages have multiplied by six in less than 20 years



10.5% p.a.

The extraordinary average annual growth in wages between 1996 and 2014

Following the onset of financial fair play, wage growth slowed to the lowest rate in recent history (3%) in 2014



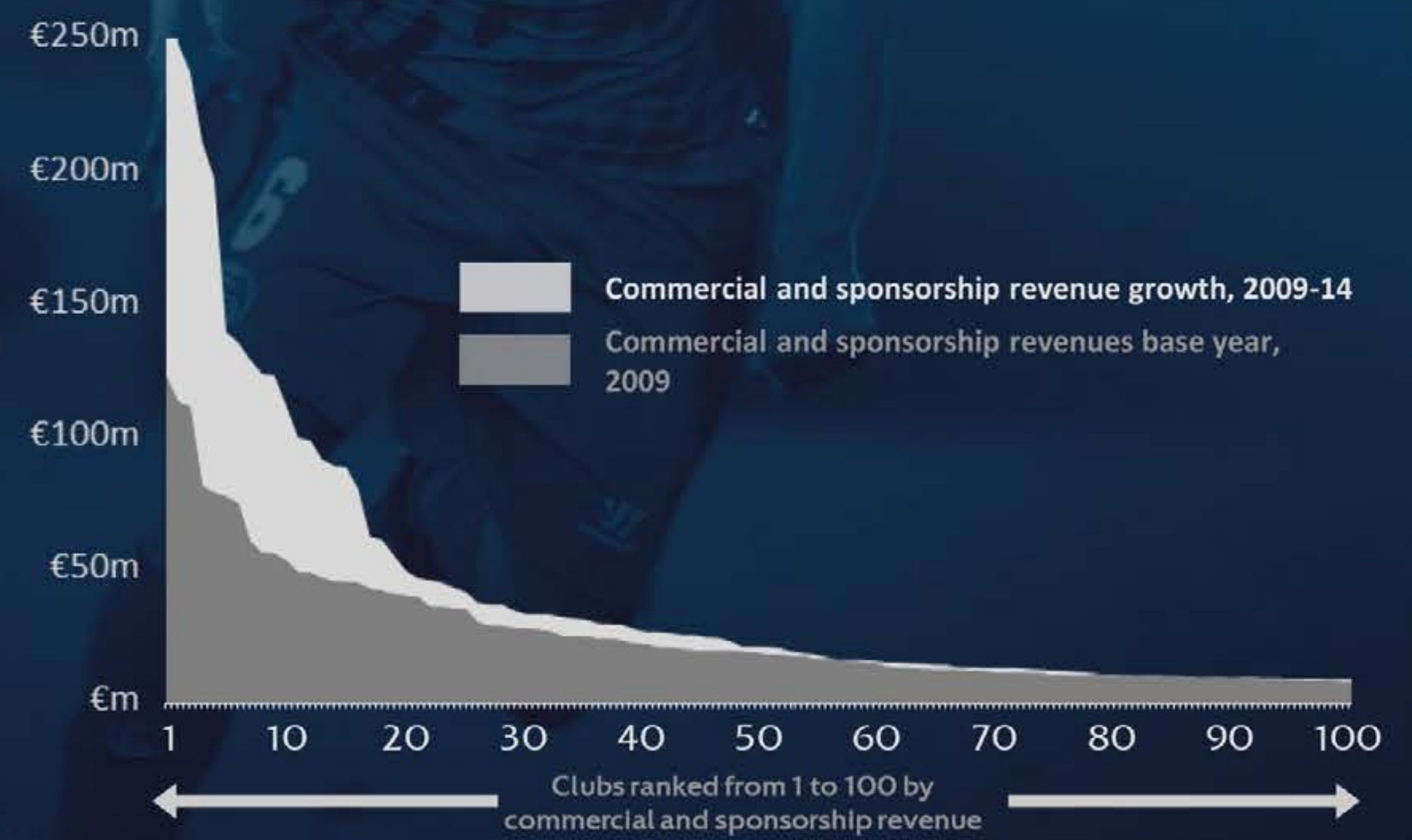
10 → 19

The number of clubs with a €100m+ wage bill almost doubled between 2009 and 2014

New TV rights cycles for English Premier League and German Bundesliga clubs drove a 5.7% revenue increase in 2014



Commercial and sponsorship revenue growth is two speed, more than doubling for the 20 wealthiest 'global' clubs and increasing less than 20% for the other top 100 clubs in the last five years



Gate receipts remain static as European top division attendances drop 3% to the lowest level for a decade



The €2.5bn in gate receipts collected by European football clubs in the last completed season is less than half the amount generated by US sports franchises. Nonetheless, European football leagues represent 11 of the 35 most attended global sports events or leagues.

European club football dominates global social media interest rankings, providing the top eight sports clubs and most followed sports event



The importance of the UEFA Champions League in expanding a club's global profile is clear, with the six fastest growing clubs in terms of social media following in the first half of 2015 all progressing to at least the quarter-finals.

With financial fair play requiring club owners to commit investment as equity rather than debt, club net debt has decreased by more than €1bn



European clubs' financial position has significantly improved, with assets exceeding all liabilities by almost €5bn





CHAPTER

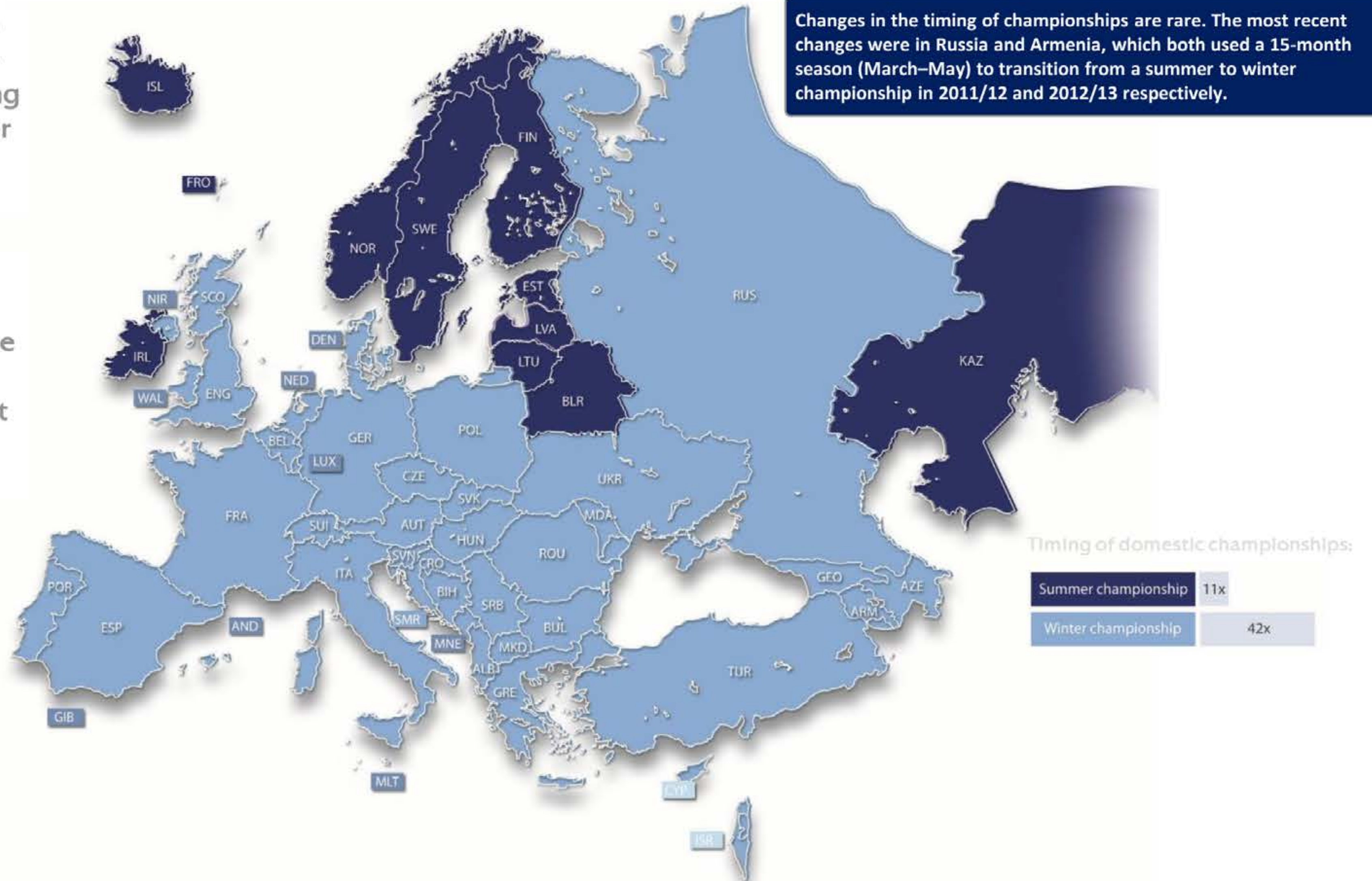
1

Domestic competition formats and structures

Season timings across Europe

In this chapter we profile the 53 top-tier domestic championships and 54 domestic cup competitions, analysing the 2014 summer and 2014/15 winter seasons in detail and noting recent changes and trends.*

With over half of Europe's domestic leagues undergoing at least one change in format or structure over the last decade, this rather dry subject is nonetheless of importance and is not covered or analysed in any other publication.



* There are 54 UEFA member associations but Liechtenstein does not run a top-tier domestic championship, its clubs participate in the Swiss league system instead, hence the league analysis is based on 53 top-tier leagues.

Spread of the 716 top-tier clubs across Europe's leagues

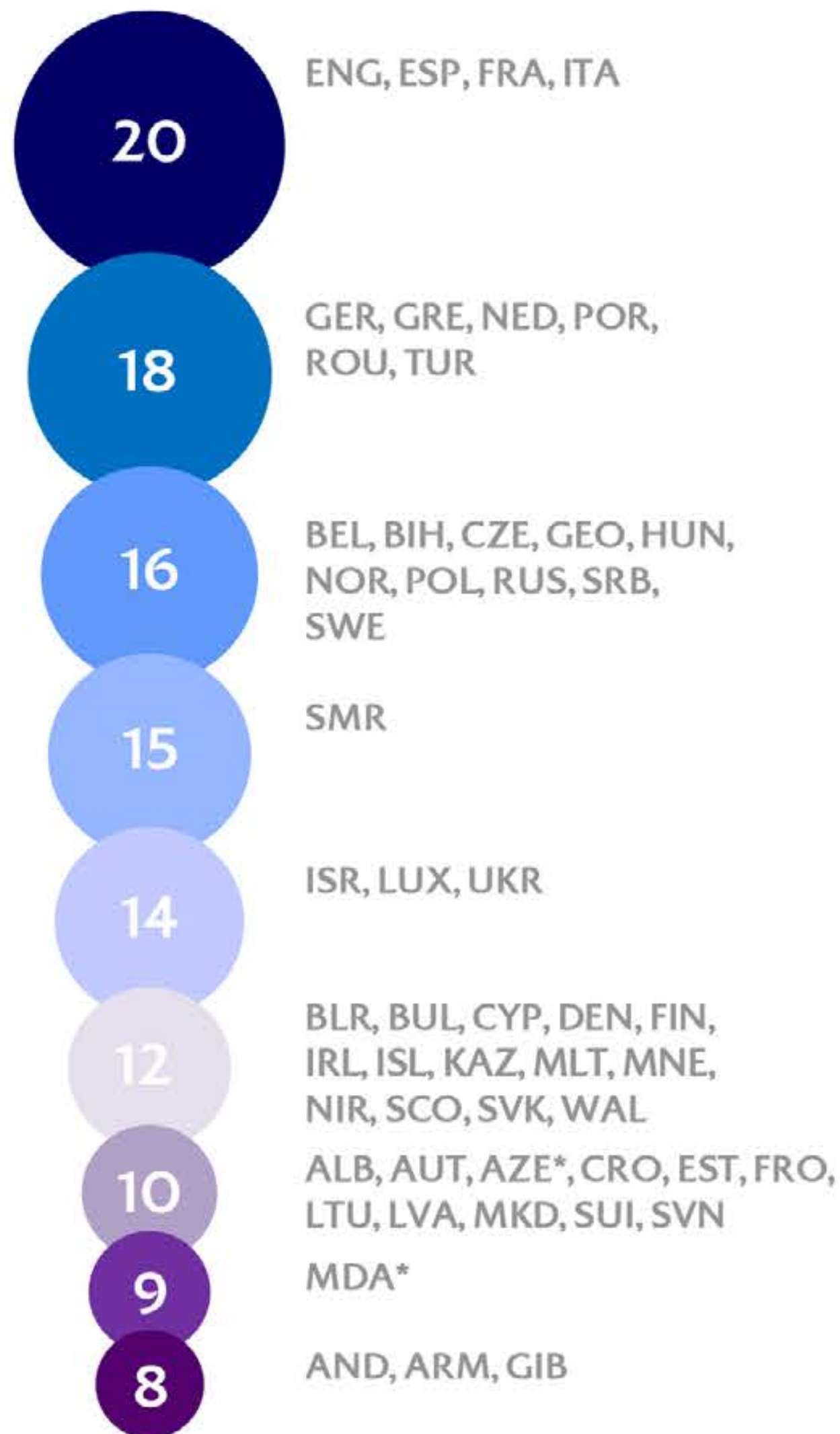
Europe-wide domestic league competitions:

53 top-tier championships

716 top-division clubs

11,749 regular top-division matches

Number of clubs:

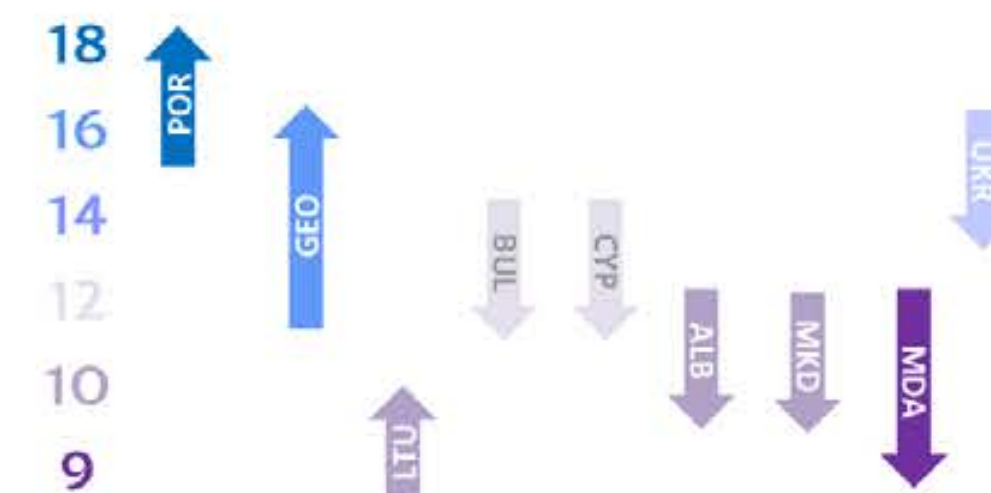


Five-year trend in league sizes:

While most of the higher-profile leagues in Europe have a stable format with a consistent number of clubs, many domestic leagues regularly tweak their formats and change the number of participating clubs. Over the last five seasons, 16 of the 53 top-tier leagues have changed size, leading to a decrease from 732 to 716 clubs in total.

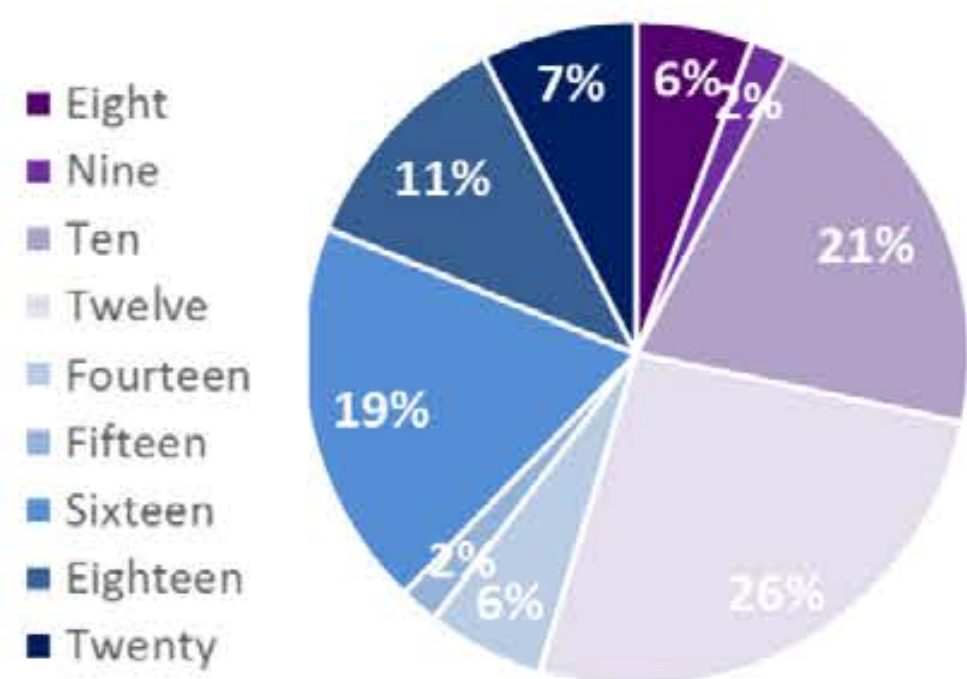
Recent changes:

In the most recently completed season, 2014/15(w) and 2014(s), the following nine countries changed the number of clubs in their top leagues.



The start of the 2015/16(w) and 2015(s) seasons sees more stability and the same number of overall clubs, with 716 clubs across the 53 domestic top-tier leagues. Latvia will decrease from 10 to 7 clubs and Romania from 18 to 14 clubs, while Moldova increases from 9 to 10 clubs, Belarus and Cyprus from 12 to 14 clubs and Gibraltar from 8 to 10 clubs.

League sizes (number of clubs):



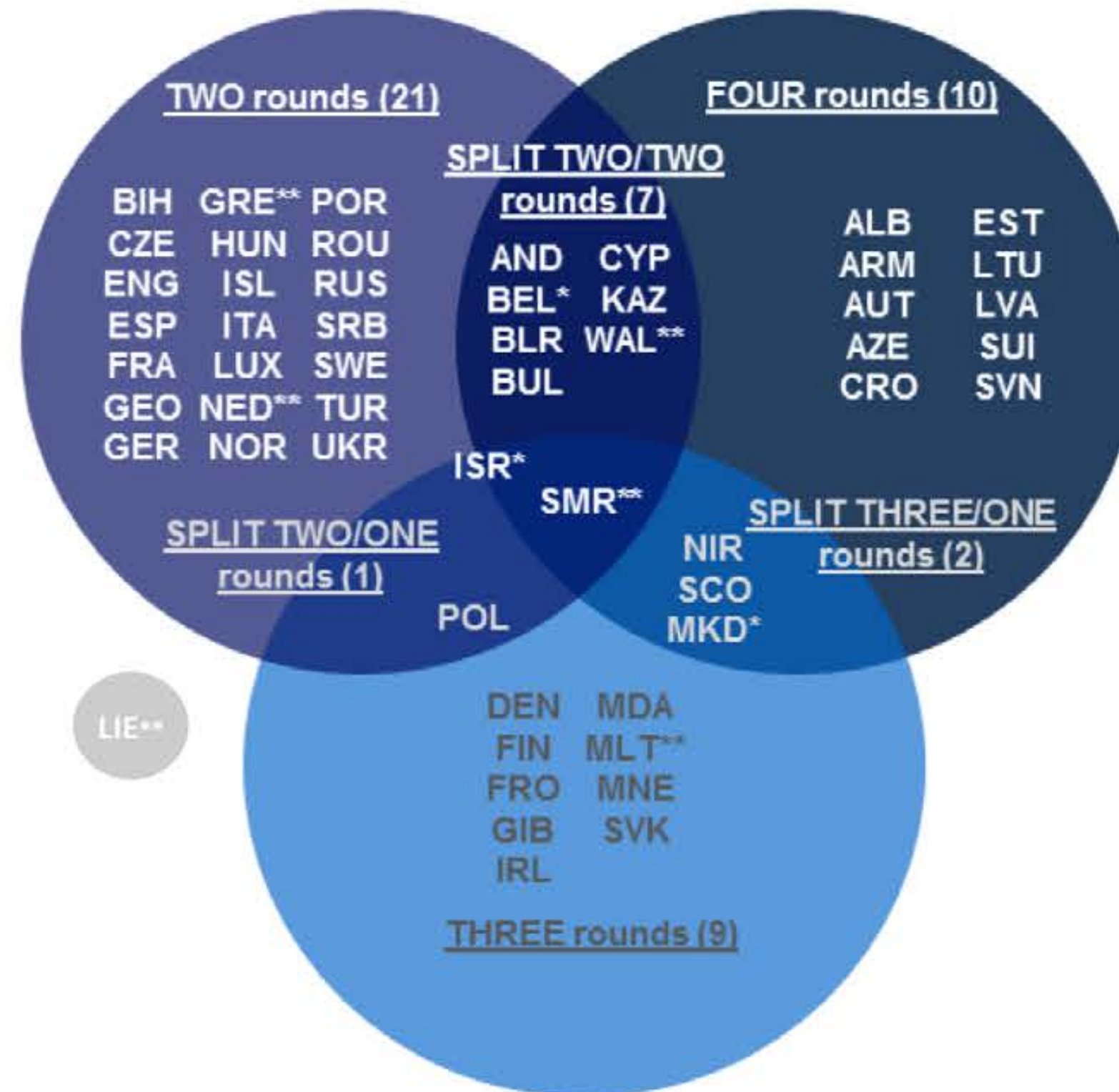
* Azerbaijan finished the season with 9 clubs; Moldova were due to start the season with 11 clubs but 2 pulled out at the last minute.

Traditional home and away formats prevalent but numerous alternatives

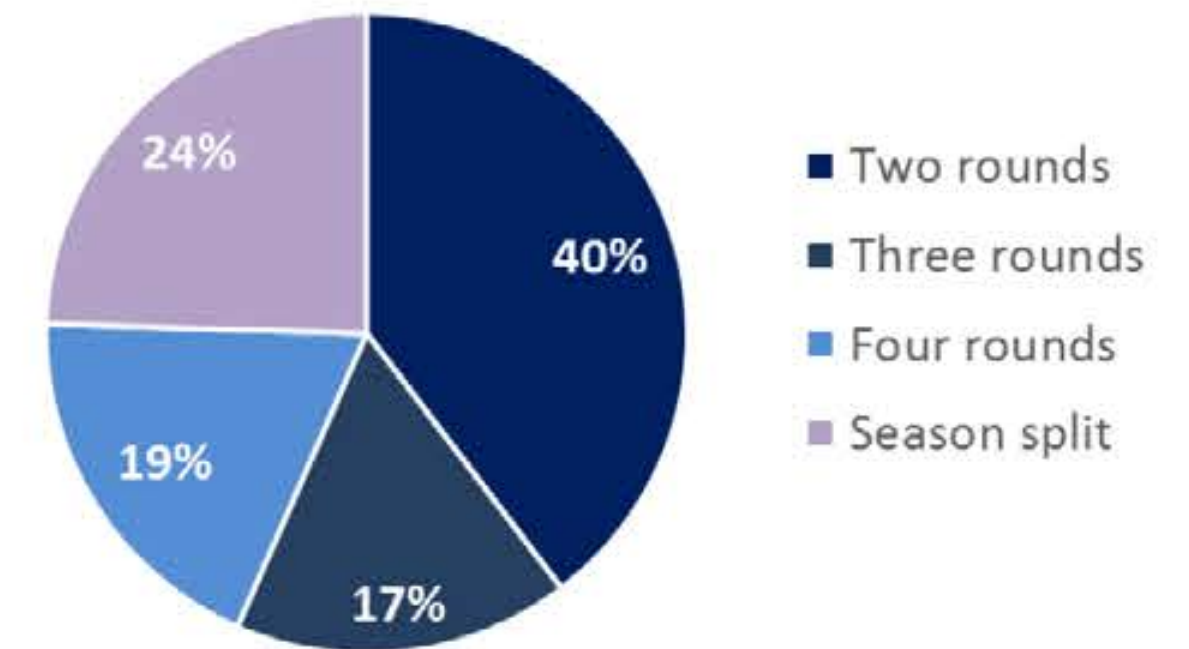
Description of competition formats:

This graphic indicates the format used in each European top division, with all championships operating between two and four rounds of matches. Forty leagues (76%) can be described as traditional, with everyone playing everyone twice (21), three times (9) or four times (10). The other competitions all split the teams into groups according to the rankings at a point in time during the season, after either two or three full rounds of matches. These different formats arise for a variety of reasons, including the desire to keep matches meaningful and maximise interest, as well as basic scheduling and timetabling factors.

Structure of domestic top-tier domestic championships (2014 summer and 2014/15 winter seasons):



Distribution of competition formats:



Recent format changes:

Three championships – Albania, Georgia and Malta – moved from a split-round format to a traditional home and away format in 2014/15, while Latvia moved from three to four rounds of matches. Romania is planning to move to a mid-season split round format for the first time in 2015/16.

* In general the 13 top domestic championships that split during the season do so after two or three rounds, with an even number of teams in the top and bottom halves. However, there are some exceptions. Last season they were: Belgium, which split into three groups of six, four and four; FYR Macedonia, which split into a top six and a bottom four; and Israel, which split into a top six who play a further two rounds, and a bottom eight who play one further round.

** The countries with double asterisks have certain nuances: the Netherlands have a standard two-round, home and away format, followed by qualifying play-off rounds for clubs ranked 5–8 for the final UEFA Europa League place at stake; Greece also uses a play-off for clubs ranked 2–5 for the second UEFA Champions League and UEFA Europa League places; Wales uses a play-off for clubs ranked 4–7 for the final UEFA Europa League place; San Marino starts its 15-team championship in two groups, with eight and seven clubs respectively, which play two rounds of matches within their own group and one round against the teams in the other group before the top three clubs from each group go into play-offs with a double elimination format (top two clubs from each group receive a bye); and Liechtenstein has a national cup with access to the UEFA Europa League but does not operate a league and hence has no access to the UEFA Champions League.

Alternative formats and points deductions

This page features some of the other specificities of domestic championships in European football

Leagues where points are divided in two mid-season:

POINTS
BEL
KAZ
MLT
POL
ROU*

Points deductions:

85 POINTS 15 CLUBS

ALB
AND
CRO
GRE
HUN
ISR
ITA
KAZ
LVA
NED
UKR

Domestic sanctions in the form of points deductions were given to 15 clubs from 11 countries, totalling 85 points in the most recently completed season. On the one hand it shows that leagues are willing to enforce their regulations and take difficult decisions to punish transgressions. On the other hand it highlights how many issues occur during a football season. Nonetheless, the trend is positive, as 20 clubs from 12 countries had a total of 115 points deducted the previous season.

Leagues with end-of-season UEFA competition qualification play-offs:

- 3.
 - 4. Feyenoord
 - 5. Vitesse
 - 6. PEC Zwolle
 - 7. SC Heerenveen
 - 8.
- NED: Clubs 4-7 for last UEFA Europa League place
GRE: Clubs 2-5 for second UEFA Champions League and UEFA Europa League places
WAL: Clubs 4-7 for last UEFA Europa League place

* In the 2015/16 season Romania will use a split round format with points halved after the first two round-robin matches.

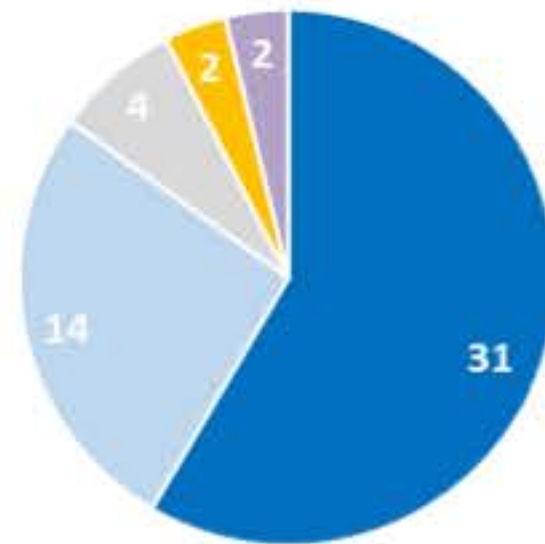
When points are equal

The long march to glory:

Title winners across Europe played on average 32.5 matches in the most recent season, ranging from 20 matches in Andorra to 40 matches in Belgium.

Basis for deciding title holder if clubs are equal on points:

- Goal difference
- Head to head
- Number of wins
- Play-off match
- Points before split



If points cannot separate teams, then goal difference is the deciding factor for 31 of the 53 leagues. Head-to-head match results are the next most popular method for separating teams. Over the last ten years, two or more clubs have finished equal on points on 23 separate occasions, hence the relevance of these rules.

14/15(w) & 14(s) season	Number of matches	Title ranking basis				
		Goal difference	Head to head	Number wins	Play-off match	Points before split
League	Matches for title					
BEL	40					x
ENG	38	x				
ESP	38		x			
FRA	38	x				
ITA	38		x			
NIR	38	x				
SCO	38	x				
POL	37					x
AUT	36	x				
AZE	36		x			
CRO	36	x				
EST	36			x		
ISR	36	x				
LTU	36	x				
LVA	36		x			
SUI	36	x				
SVN	36	x				
ALB	36		x			
GER	34	x				
GRE	34		x			
NED	34	x				
POR	34		x			
ROU	34	x				
TUR	34	x				
DEN	33	x				
FIN	33	x				
IRL	33				x	
MLT	33				x	
MNE	33	x				
SVK	33	x				
BLR	32		x			
BUL	32		x			
CYP	32		x			
KAZ	32			x		
MKD	32	x				
WAL	32	x				
BIH	30	x				
CZE	30	x				
GEO	30		x			
HUN	30			x		
NOR	30	x				
RUS	30			x		
SRB	30		x			
SWE	30	x				
ARM	28	x				
FRO	27	x				
SMR	27	x				
LUX	26	x				
UKR	26	x				
MDA	24		x			
ISL	22	x				
GIB	21	x				
AND	20		x			
Average	32.5					
Number leagues	53	31	14	4	2	2

Review of the 2014/15 title races:

Smallest points gap between first & second place

Rank	National Association	Club	Points difference
1.	Moldova	FC Milsami Orhei	0
2=.	Poland	KKS Lech Poznań	1
2=.	Iceland	Stjarnan	1
2=.	Faroe Islands	B36 Tórshavn	1

FC Milsami Orhei finished the most recent Moldovan championship level on points with two of their rivals and won on the basis of head to head results between the clubs in question. The unfortunate FC Sheriff were equal on points and had the best goal difference but finished down in third place. KKS Lech Poznań would have had the same points total as the second placed team but won the Polish league by one point due to the halving of points with seven matches remaining for the 'championship round'.

Largest points gap between first & second place

Rank	National Association	Club	Points difference
1.	Lithuania	FK Žalgiris Vilnius	18
2=.	Italy	Juventus	17
2=.	The Netherlands	PSV Eindhoven	17
2=.	Scotland	Celtic FC	17

FK Žalgiris Vilnius won their domestic title by the most points in the 2014/15 season, 18 points ahead of the runners-up. However, this margin of victory pales in comparison with Celtic FC's 29 point lead in the 2013/14 Scottish Premier League, the largest official margin of victory in the last 50 years. Benfica could potentially have won the 1972/73 Portuguese championships by even more, a 32 point gap, if three points had been awarded for a win at the time.*

* In the 1980's and 1990's all European domestic league championships shifted from two points for a win to three points for a win, with the aim to provide a greater reward for victory and hence encourage more attacking football. This change started in England in 1981 and gradually a number of leagues adopted three points, before it became commonplace in most European leagues in 1994 or 1995, with three points used in the 1994 World Cup group stage.

Promotion and relegation open to all

Deciding who goes down:

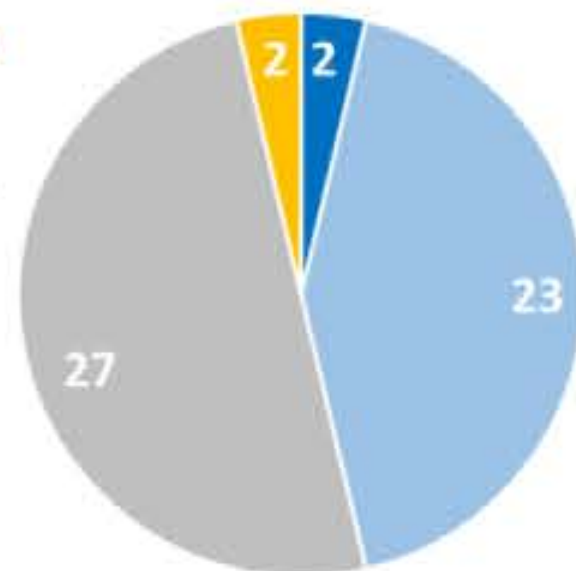
When the European domestic seasons commenced, between 95 and 120 top-division clubs had the potential to be relegated in 2014/15 or 2014 (summer leagues) depending on the result in end-of-season play-off matches between top and second-tier clubs.

When the dust settled at the end of the season, 104 clubs in total were relegated, 92 finishing in automatic relegation places, 3 through losing play-out matches and 9 through losing play-off matches.

Although Germany is the only one of the 'big 5' leagues to use a play-off to decide a relegation place, some type of end-of-season relegation play-off is used in half of the European top divisions. Play-offs matching a club or clubs from near the bottom of the top tier against a club or clubs from near the top of the second tier are the most popular format, used by 23 top-tier leagues. The Belgian league used both a play-out and a play-off system in 2014/15 but is reverting to just a single automatic relegation place in 2015/16.

Number of leagues using different relegation systems:

- Play-out (between top-tier clubs)
- Play-off (with 2nd-tier club(s))
- Automatic relegation only
- No relegation



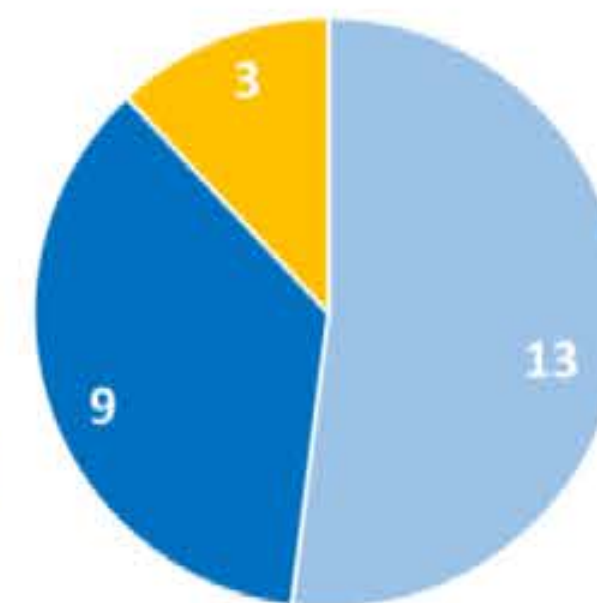
Non-standard formats:

Romania has in recent years been the only top-tier league to relegate four clubs a season. For the 2014/15 season only, this increased to six clubs as the league wanted to reduce the number of participating clubs for 2015/16.

No club relegations have taken place in Armenia in recent seasons but from 2015/16 one club will face automatic relegation. No play-off or relegation took place in Gibraltar in 2014/15 as it was decided to expand the league to ten clubs but in 2015/16 there will be one automatic and one play-off relegation place. The league in San Marino functions with 15 clubs and no relegation.

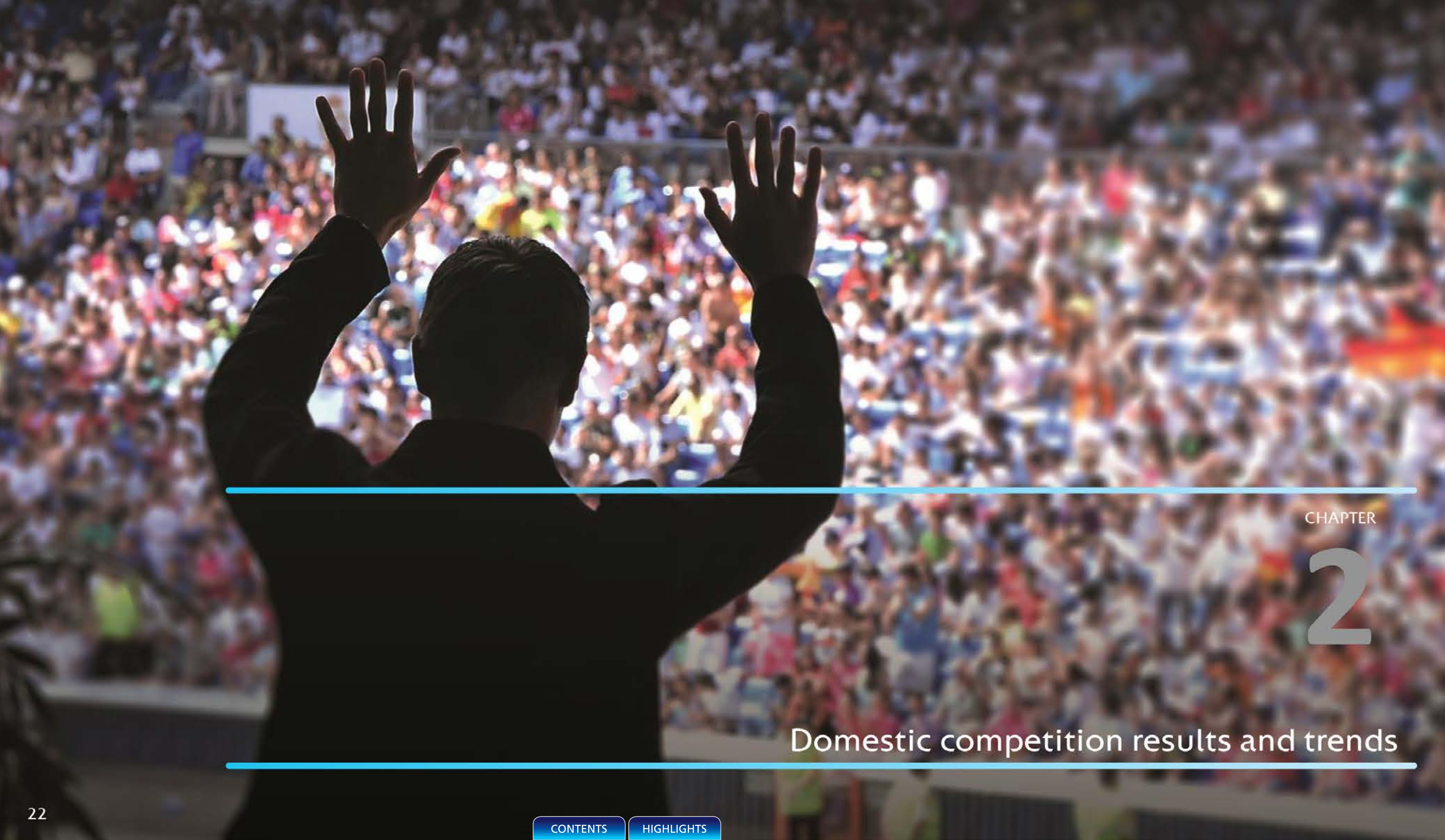
Results of play-off matches between top and second tier teams:

- Top-tier club won play-off
- Second-tier club won play-off
- No play-off took place



In the most recent 2014/15 play-off contests, clubs from the top tier defeated clubs from the second tier on 13 occasions while 9 top-tier clubs lost and were relegated. Two play-offs in Croatia and Finland were not needed as the second-tier club did not meet licensing requirements and one play-off in Gibraltar was cancelled as the number of clubs in the top division was increased.

14/15(w) & 14(s) season	Relegation places		
	Automatic relegation	Play-out (between top-tier clubs)	Play-off (with second-tier club(s))
BEL		1	1
ENG	3		
ESP	3		
FRA	3		
ITA	3		
NIR	1		1
SCO	1		1
POL	2		
AUT	1		
AZE	2		
CRO	1		1
EST	1		1
ISR	2		
LTU	3		
LVA	3		1
SUI	1		
SVN	1		1
ALB	2		
GER	2		1
GRE	3		
NED	1		2
POR	2		
ROU	6		
TUR	3		
DEN	2		
FIN	1		1
IRL	1		1
MLT	2		1
MNE	1	2	
SVK	1		
BLR			1
BUL	2		
CYP	1		
KAZ	1		1
MKD	2		1
WAL	2		
BIH	2		
CZE	2		
GEO	2		1
HUN	2		
NOR	2		1
RUS	2		2
SRB	2		1
SWE	2		1
ARM			
FRO	2		
SMR			
LUX	2		1
UKR	1		
MDA	1		
ISL	2		
GIB	1		1
AND	1		1
Number of clubs	92	3	25
Number of leagues	49	2	23

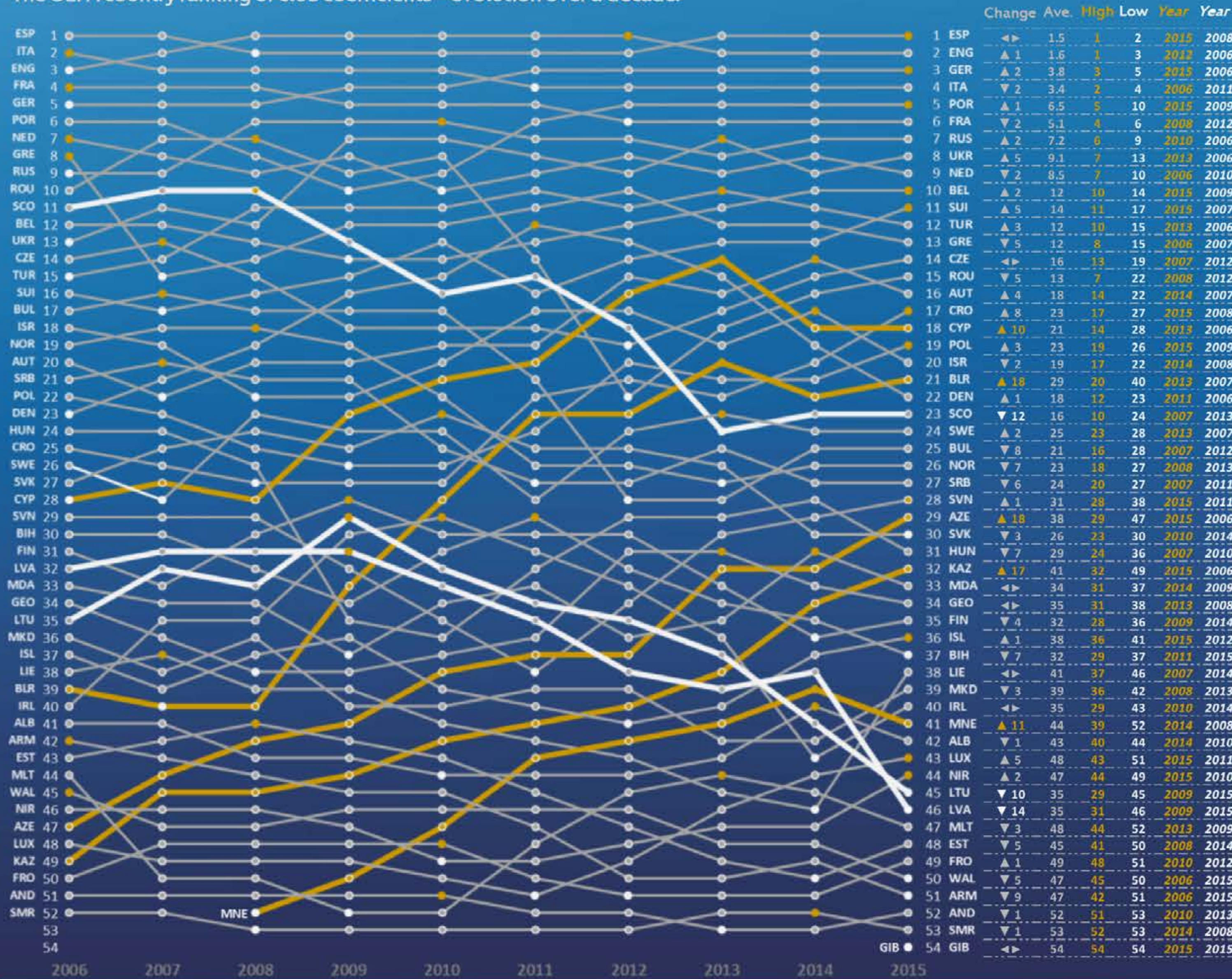


CHAPTER

2

Domestic competition results and trends

The UEFA country ranking of club coefficients – evolution over a decade:



The rise and fall of UEFA coefficients over the decade

Trends over the last decade:

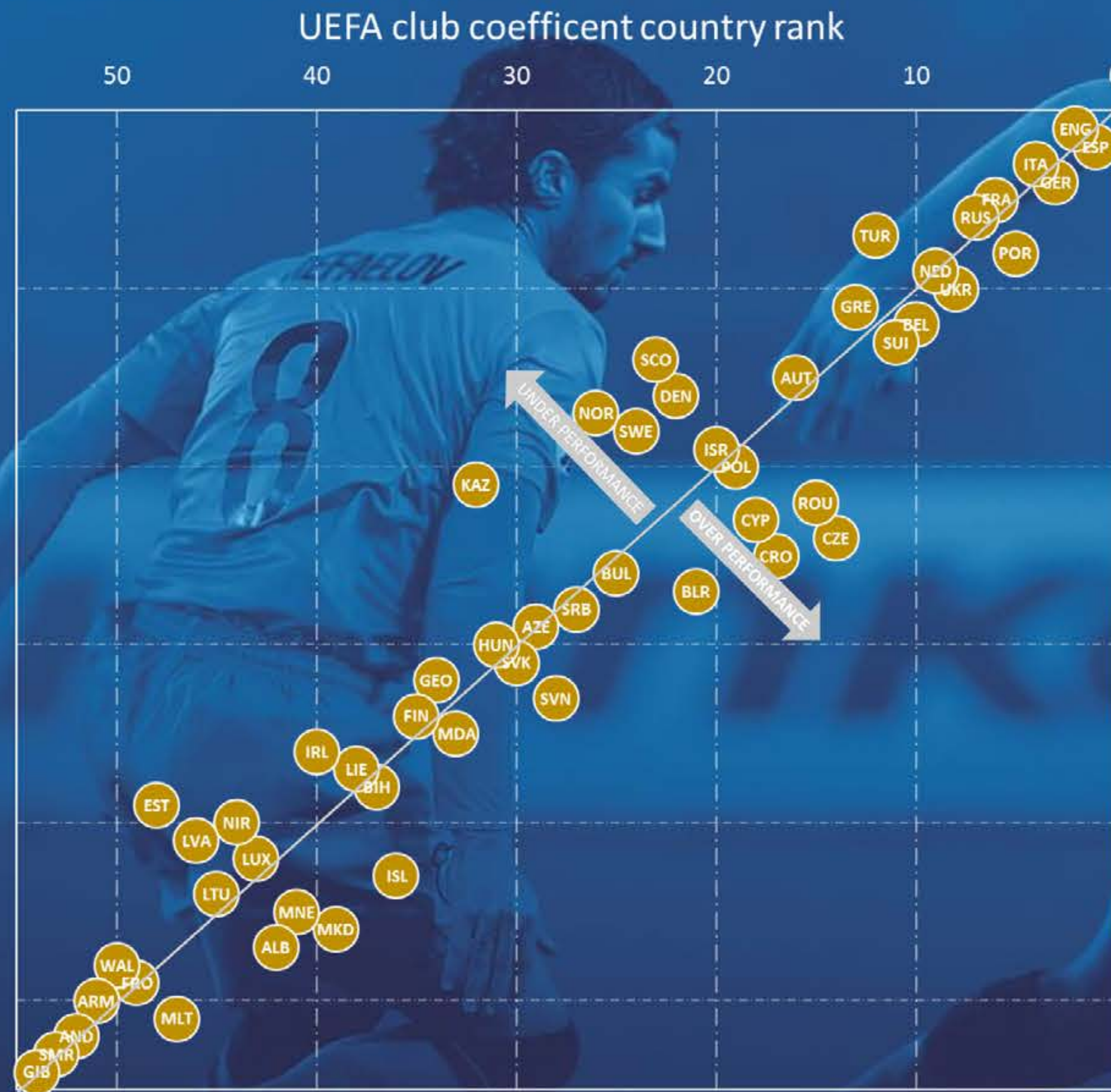
UEFA club and country rankings reflect the average results of clubs over the last five seasons and so can provide a good indication of the relative success of clubs in UEFA club competitions over time.

The rankings in the top 10 countries tend to be more stable than lower down the table, where one good series of results by a club can make a significant difference to the average coefficient. Nonetheless, swapping Italy and Germany in third and fourth was highly significant as a fourth UEFA Champions League spot changed hands. The most dramatic fluctuation in the top half of the rankings, however, related to Romania, who rose to 7th place in 2007 and 2008 before tumbling from 8th place in 2010 to 22nd place just two seasons later, before recovering to 15th place.

The decline in Scottish clubs' performance in UEFA competitions is evident, with their ranking dropping from 11th to 23rd. Baltic clubs' results have also deteriorated, with the Lithuania and Latvia falling 10 and 14 places respectively.

In the top half of the table, Cyprus moved up 10 places to 18th and Belarus moved up 18 places to 21st. Further down the rankings, Azerbaijan moved up 18 places to 29th, Kazakhstan moved up 17 places to 32nd, and Montenegro moved up 11 places to 41st.

Comparison of results and spending (based on UEFA club coefficient five-year national association ranking and average spend of four largest clubs in each association during this five-year period)*



Average five-year spend of top four clubs

On and off-pitch performance

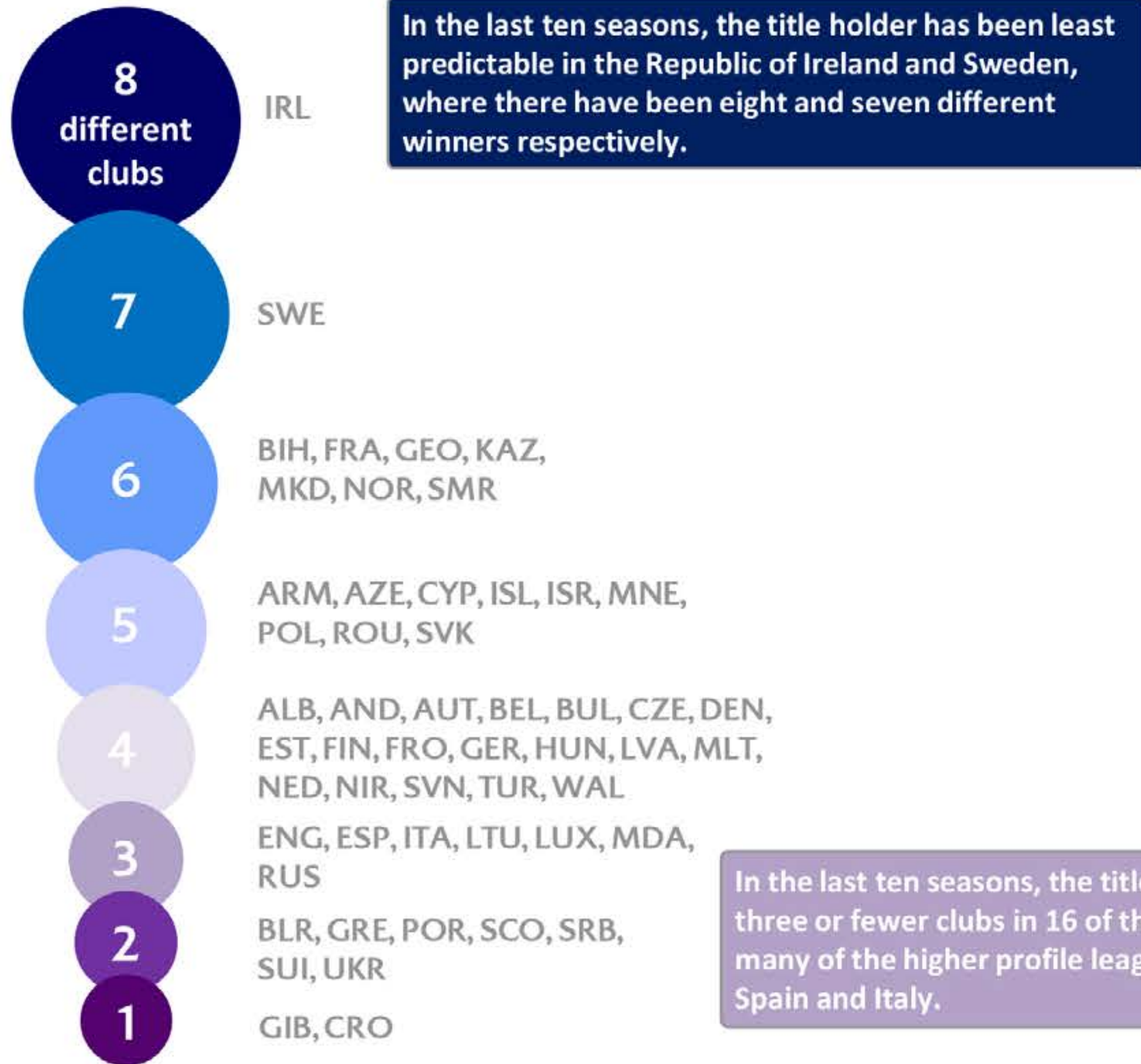
Spending to performance ratios:

The performance of clubs in Europe is closely related to spending, as illustrated in this chart, which compares the spending and rankings of clubs from each of the 54 national associations. The top 13 national associations by performance are also the top 13 national associations by spending but between ranks 14 and 26 the spending gaps are closer and there is much over and under-performing. For next season, the Czech Republic and Romania have over-performed and secured the important second UEFA Champions League qualifying place reserved for the associations ranked 14th and 15th.

* The average five-year spend of the top clubs in each association is based on financial years 2010 to 2014 and includes all costs and net costs incurred by these clubs. The UEFA club coefficient national association rank is based on the 2015 rankings, which will be used for the 2016/17 UEFA competition access list and is based on performances across the 2010/11 to 2014/15 seasons.

Domestic title winners and winning streaks in the last ten years

Number of different clubs to have won their domestic championship in the last ten years:



In the last ten seasons, the title holder has been least predictable in the Republic of Ireland and Sweden, where there have been eight and seven different winners respectively.

In the last ten seasons, the title has been shared by three or fewer clubs in 16 of the 53 leagues, including many of the higher profile leagues such as England, Spain and Italy.

Current winning streaks in domestic championships:



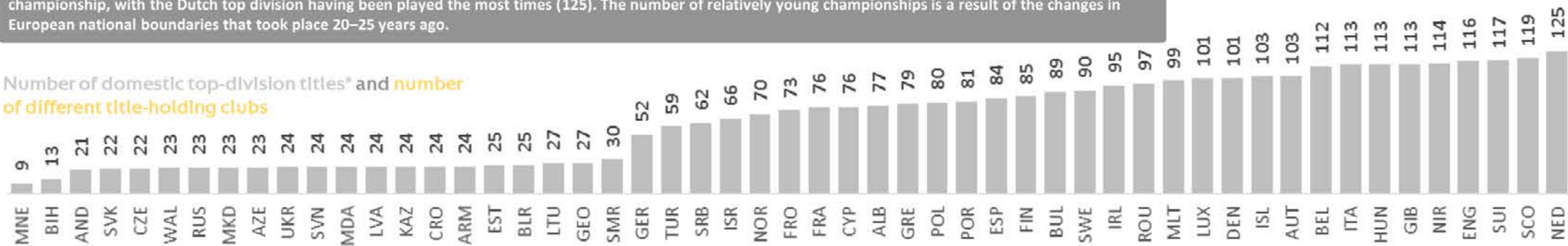
In total, there were 25 repeat domestic winners in the most recent two championships, with a new champion club in 28 leagues.

Lincoln FC have won the Gibraltar domestic championship for the last 12 years, with GNK Dinamo Zagreb in Croatia currently on a ten-year winning streak. Clubs in eight leagues have won five or more domestic titles in a row.

Comparison of historic domestic title records

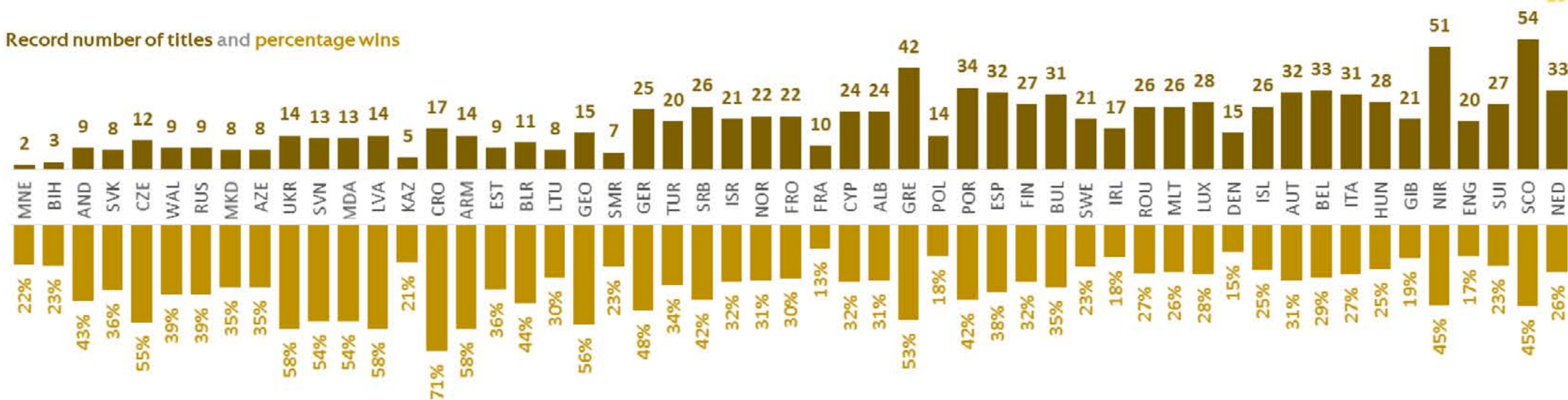
National championships have a long history dating back to 1888/89 (English and Dutch championships). Switzerland has the longest continually running championship, with the Dutch top division having been played the most times (125). The number of relatively young championships is a result of the changes in European national boundaries that took place 20–25 years ago.

Number of domestic top-division titles* and number of different title-holding clubs



The Dutch (29), Finnish (26) and English (23) titles have been shared among the largest number of clubs. At the other end of the scale, the Portuguese and Turkish championships have had just five winners in over 50 years.

Record number of titles and percentage wins



Rangers FC in Scotland have won the most European domestic titles (54), followed by Linfield FC in Northern Ireland (51), Celtic FC, again in Scotland (46), and Olympiacos FC in Greece (42).

Across its history, the French league has been the least dominated by one club, with AS Saint-Étienne's ten victories representing just 13% of the available titles.

* Some domestic championships have existed in different forms and countries have been around for different lengths of time. For the purposes of this analysis, Soviet, Czechoslovakian and Yugoslavian titles are not included.

Spotlight on domestic cup competitions

Repeat cup winners and the unpredictability of knockout competitions:

Only 16 clubs were able to defend their domestic cup wins in 2014/15 or 2014 compared with 25 clubs who defended their domestic league titles. While 12 clubs have currently defended their league titles 3 or more times, only FK Žalgiris Vilnius in Lithuania have managed to defend their domestic cup for the last three seasons. This highlights the unpredictability of knockout competitions. With domestic wealth gaps increasing, the uncertainty that knockout competition brings is increasingly welcome.

First-time winners:

There were a remarkable nine first-time winners in 2014/15, with clubs in Bosnia and Herzegovina, Bulgaria, Estonia, Germany, Montenegro, the Netherlands, Scotland, San Marino and Slovakia all winning their domestic cups for the first time.

Record cup winners:

Throughout this report, 54 countries or national associations and 53 leagues are referenced because Liechtenstein does not have a domestic league. FC Vaduz (LIE) hold the record among UEFA member associations with their 43 domestic cup triumphs, edging out Linfield FC's (NIR) 42 domestic cup successes.

The grand old cups

136 years - The FA Cup (ENG)

135 years - The Scottish FA Challenge Cup (SCO)

130 years - The Irish FA Challenge Cup (NIR)

50 year records and trends in domestic league results: Goals

Average goals per game in European top-tier domestic championships over the last 50 years:

This chart suggests that the average number of goals per game rises and falls over time. The 1990s increasingly look like a golden age for goal lovers, with eight of the ten highest average goals per match of the last 50 seasons recorded in seasons 1992/93 to 2002/03. Three major changes occurred around the start of this period: the creation of many new UEFA member association leagues in eastern Europe, the move of the majority of leagues around this time to three points for a win and the introduction of the no back-pass rule. Analysis of the data is inconclusive but suggests that the three combined to increase the average number of goals scored per match. The 2014/15 season average of 2.70 goals per match was slightly down on the 2.74 goals per match the previous season, but nonetheless higher than eight of the previous ten seasons.



Goal hungry and goal shy 2014/15:

Rank	Club	National Association	Goals scored	Average
1.	Real Madrid CF	ESP	118	3.11
2.	FC Levadia Tallinn	EST	112	3.11
3.	FC Barcelona	ESP	110	2.89
4.	JK Sillamäe Kalev	EST	108	3.00

National Association	Average goals scored
EST	3.57
AND	3.48
WAL	3.42
NIR	3.17
MLT	3.12

National Association	Average goals scored
MKD	2.34
SRB	2.32
ROU	2.29
BIH	2.23
ALB	2.09

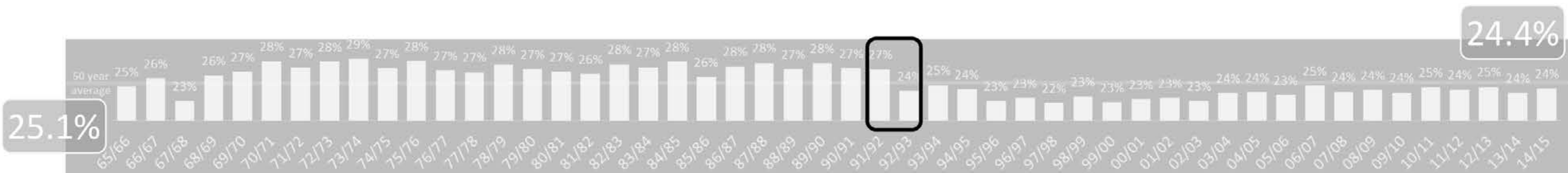
In the most recently completed season, four clubs in Europe, all from either Spain or Estonia, reached the magical 100 goals in a league season. At the other end of the scale, three clubs managed to finish their domestic season with fewer than ten goals apiece.

Estonia and Andorra took their customary place at the head of the goalscoring charts with 0.8-0.9 goals per game more than the European average. Their 3.5 goals per game was relatively restrained compared with the average of more than 5 goals per game recorded in Andorra in 1999/00. At the other end of the scale, you would have been happy to see more than two goals a game in Albania in 2014/15.

50 year records and trends in domestic league results: Draws

Average draw percentage in European top-tier domestic championships over the last 50 years:

Analysing results on a league by league basis, the seasons before and after the introduction of the no back-pass rule and before and after the adoption of the three points for a win rule provide clear evidence of their impact. While the average percentage of drawn matches was consistently at the 27% to 28% mark for the 25 years before these rules were adopted, the percentage dropped within 1992/93 to 24% and has remained between 23% and 25% ever since.



Draw specialists 2014/15:

Rank	Club	National Association	Draw %	Matches
1.	Breidablik	ISL	55%	22
2.	A. Académica de Coimbra	POR	50%	34
3.	SønderjyskE	DEN	48%	33
4.	Empoli FC	ITA	47%	38
5=.	UC Sampdoria	ITA	45%	38
5=.	Sunderland AFC	ENG	45%	38

Two clubs managed to draw half or more of their matches in 2014/15, while one club, FC Zaria Balti in Moldova, managed to play all 24 league matches without a single draw in 2014/15. Across the last ten seasons there were three draw specialists – Hapoel Akko FC in Israel, FC Lens in France and Torino FC in Italy – who managed to play at least 200 top flight matches and draw at least a third of them.

National Association	Draw % 2014/15	Draw % decade	National Association	Draw %	Draw % decade
ITA	32%	28%	AND	14%	15%
UKR	30%	25%	MDA	14%	23%
ROU	30%	26%	LVA	16%	20%
ISR	29%	27%	ALB	16%	23%
BIH	28%	19%	EST	18%	16%

Serie A in Italy recorded the highest number of draws in the 2014/15 season, with 32% of matches ending in a draw. This was considerably higher than normal but may have been a statistical quirk. It should be noted that Serie A also recorded more goals scored than any other European top-tier league in 2014/15. Fewer than one in seven matches in Andorra ended in a draw in 2014/15, the lowest rate in Europe.

* In the 1980s and 1990s all European domestic league championships shifted from two points for a win to three points for a win, with the aim of providing a greater reward for victory and hence encouraging more attacking football. This change started in England in 1981 and gradually more leagues adopted three points, before it became commonplace in most European leagues in 1994 or 1995, with three points used in the 1994 World Cup group stage.

50 year records and trends in domestic league results: Home wins

Percentage of home wins in European top-tier domestic championships over the last 50 years:

Home advantage is still powerful throughout European football, with 45.6% of matches resulting in a home win in 2014/15 compared with just 29.9% ending in a home defeat. However, this 50-year chart illustrates how the impact of playing matches at home has been diluted over time. This has been observed elsewhere and various reasons have been proposed, including better refereeing, improved conditions for visiting clubs and more standardisation of pitch conditions.



Home comforts 2014/15:

Rank	Club	National Association	Win %	Home matches
1.	NK Dinamo Zagreb	CRO	94%	18
2=.	PSV Eindhoven	NED	94%	17
2=.	FC Midtjylland	DEN	94%	17
4.	FC Viktoria Plzeň	CZE	93%	15
5.	Lincoln FC	GIB	91%	11

In the most recently completed season, five clubs in Europe won more than 90% of their home league matches but none managed a clean sweep. A 100% home record is perhaps more common than one would imagine, with at least 35 clubs managing this over the last 50 years and Portuguese clubs managing it on seven separate occasions.

A thought should be spared for the supporters of Silkeborg IF, who were the only group of fans to see their club finish the season without a home win.

National Association	Home win %
ALB	55%
GRE	54%
KAZ	53%
SVK	52%
BIH	51%
UEFA 53	46%

National Association	Home win %
GIB	38%
BLR	39%
ROU	39%
ITA	40%
EST	41%
UEFA 53	46%

Albania is where home comforts were enjoyed most in 2014/15, with 55% of matches ending in a home win. At the other end of the scale, the chance of a home win in Gibraltar, Belarus and Romania was less than 40%, comfortably below the 46% Europe-wide average.*

* In Gibraltar all matches are played at the national stadium. The distinction between home and away is therefore negligible and this results in the lowest home win percentage of all European leagues, including three clubs who managed to lose all ten home matches.



CHAPTER

3

General revenue trends and comparisons

[CONTENTS](#)

[HIGHLIGHTS](#)

Long-term European club revenue growth: Ever upwards



European club revenues have grown every year for the last 19 years at an average growth rate of 9.5%.*

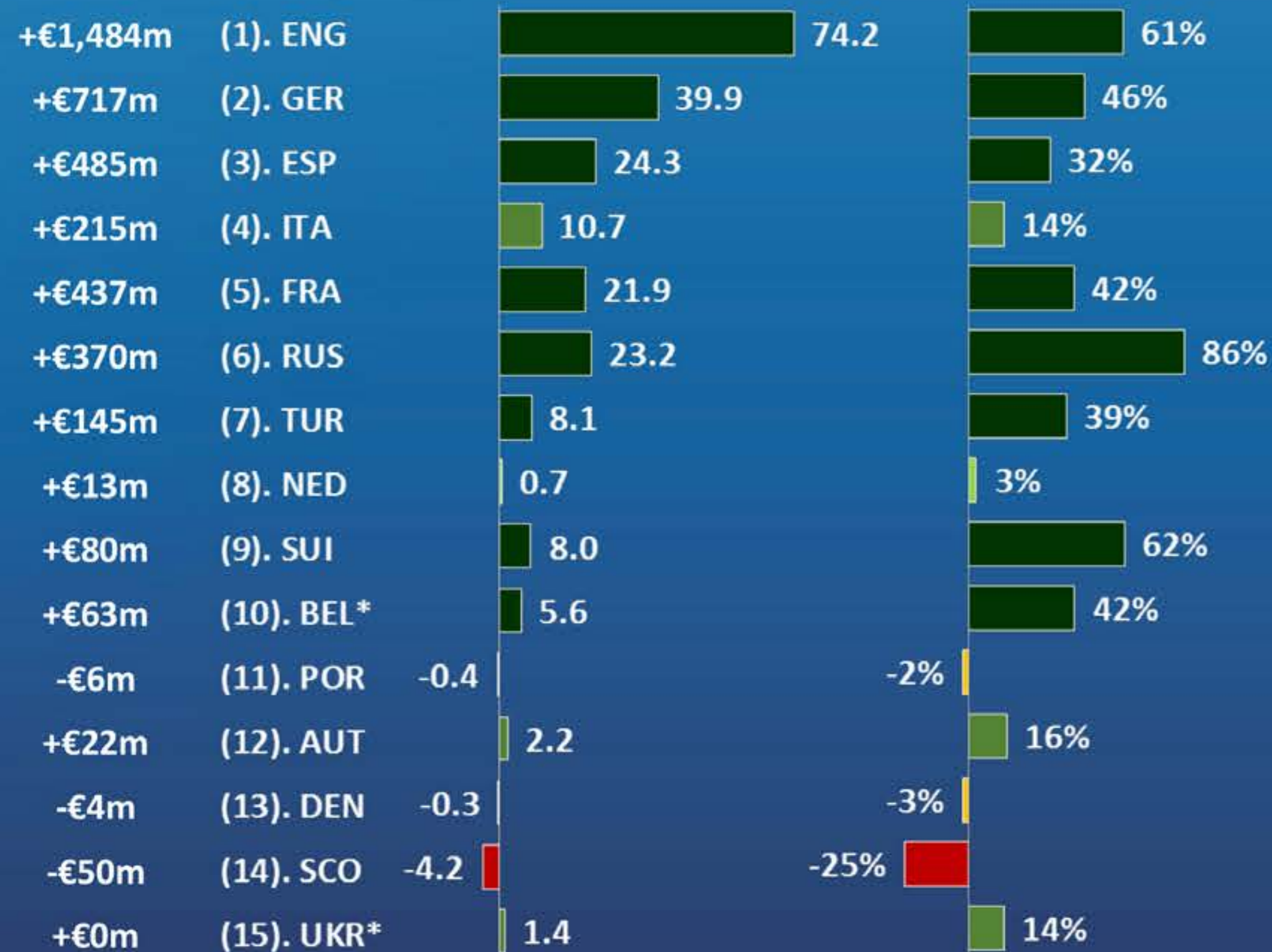
Club revenues are now more than double the level of 2002 and more than five times the level of 1996.

The achievement of this level and consistency of long-term revenue growth is extraordinary, especially given that this is a mature activity, with many leagues dating back more than a century. It is testament to the increasing interest in and health of European football.

* Average refers to the compound average growth rate. Source: Data covering all of Europe's top-division clubs submitted directly to UEFA since 2007. Prior to this no Europe-wide data was available but many of the major leagues collected data and this has been summarised in the Deloitte Annual Football Review dating back to 1996. The full European top-division aggregate revenue and wages between 1996 and 2006 has been estimated by extrapolating across the missing leagues using a ratio of 68:32 (known top 5 data:extrapolated non-top-5 data).

Strong but varied medium-term European club revenue growth

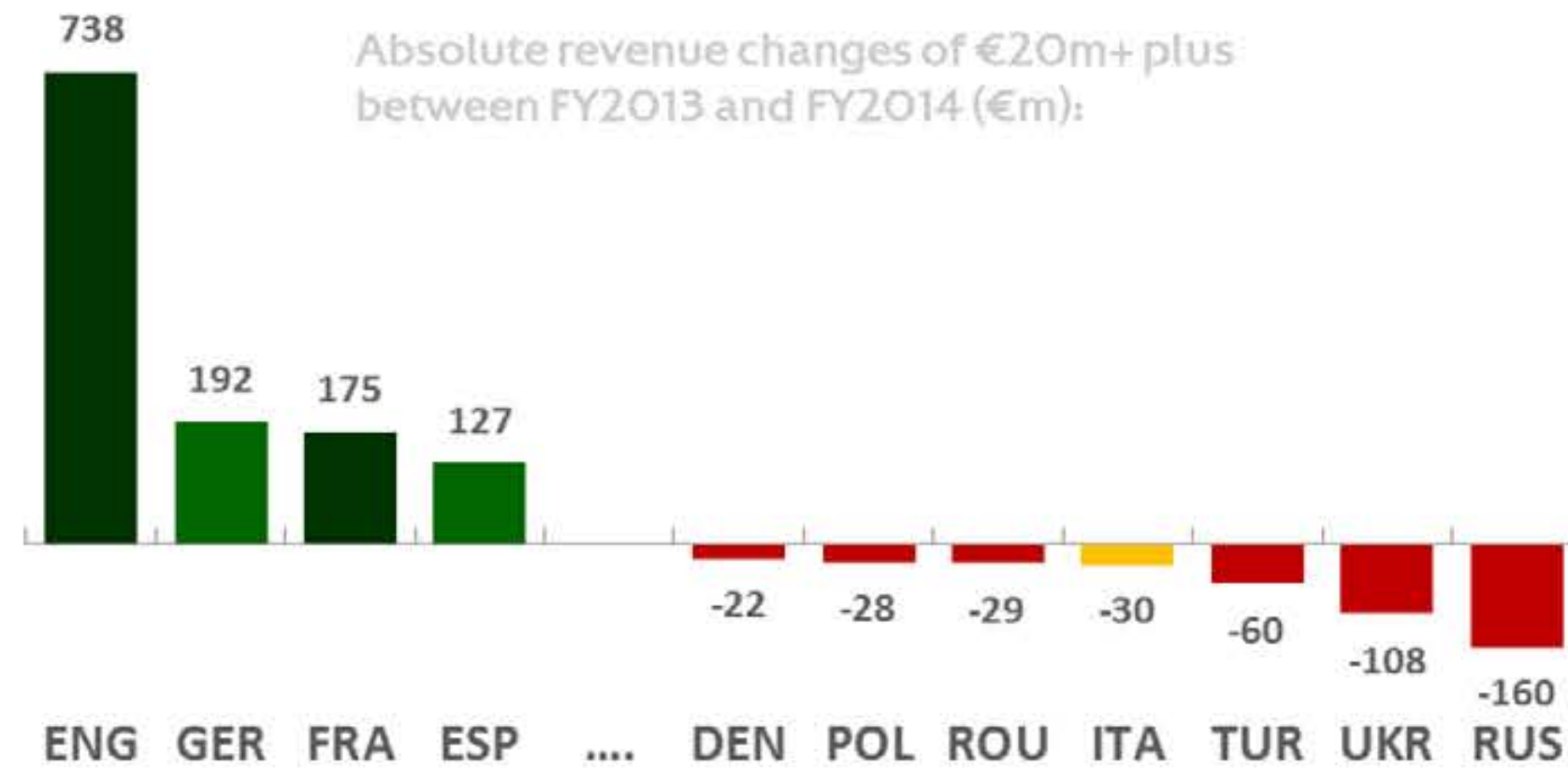
Five-year revenue growth, FY09-FY14
(aggregate league increase, €m per club
increase and percentage growth):



Over the five-year medium term, clubs in 12 of the 15 top leagues have increased their revenues, with the majority of leagues growing by at least 30%. In absolute terms the English clubs have extended their revenue advantage, growing by €74.2m per club, with German clubs consolidating their second spot by growing €39.9m per club. French and Russian clubs have added more than €20m per club on average. Among the top seven markets Italian clubs have experienced the lowest growth rate, at just 14%. Growth has been more patchy lower down the rankings, where clubs have not benefitted from TV growth, with Belgian and Swiss clubs the most successful in increasing their revenues.

* Ukrainian clubs' average revenue increased despite the aggregate revenue remaining level due to a reduction in the number of clubs from 16 at the start of the period (2009) to 14 at the end of the period (2014). The top Belgian league decreased from 18 in 2009 to 16 in 2014.

Average revenue evolution: By league



Year on year movement in local currency relative to euro exchange rate:



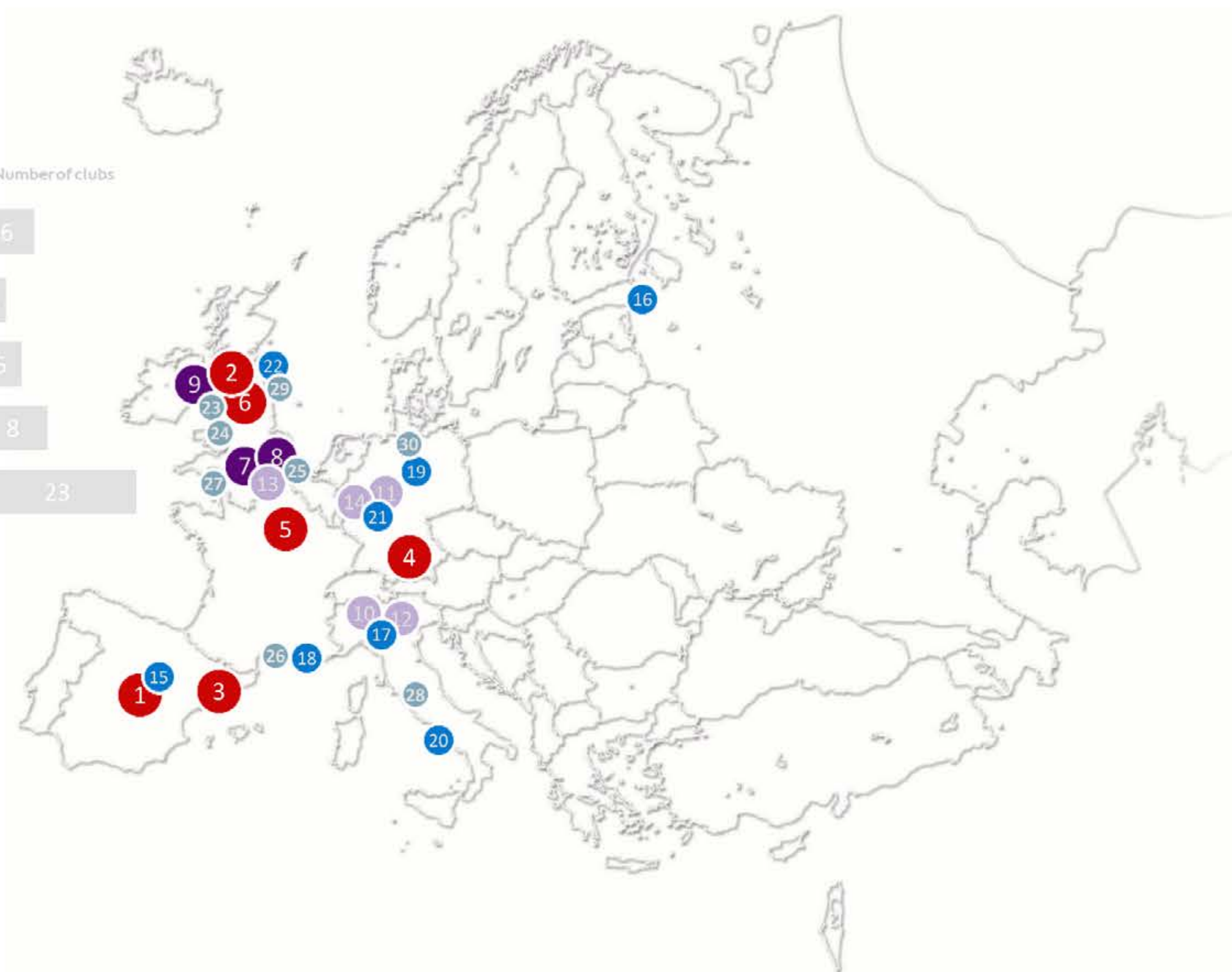
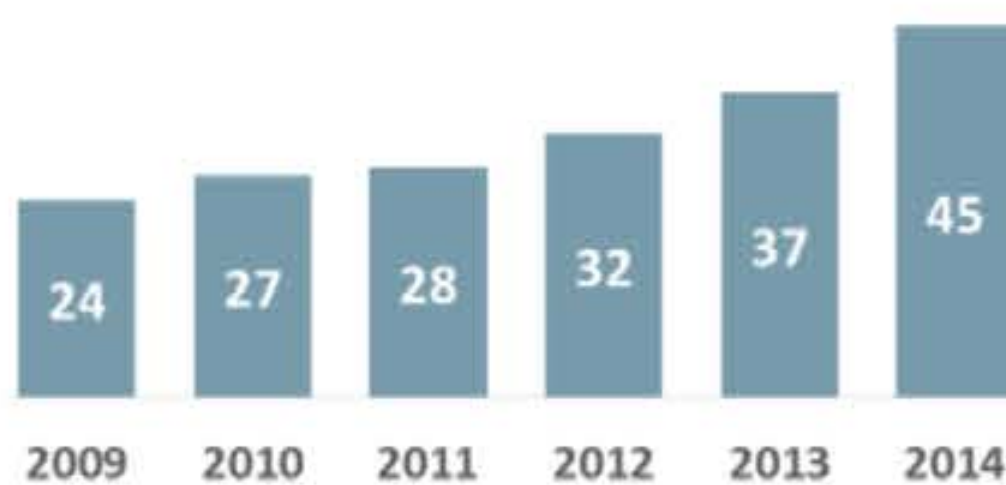
The 5.7% or €863m European top-division revenue growth between FY2013 and FY2014 was principally driven by strong growth in four of the five largest revenue leagues. In particular, the improved TV deal in England contributed a €654m increase. In total, English clubs added €738m in revenue.

This outweighed €360m of negative currency translation effects from weakening local currencies. The 13.3% average weakening of the Turkish Lira was responsible in full for the negative revenue trend of Turkish clubs, which actually increased their revenues in local currency terms. Likewise, the 12.6% and 29.5% weakening of the Russian Rouble and Ukrainian Hryvnia were responsible for most of the revenue decreases of Russian and Ukrainian clubs. Indeed, in local currency terms European top-division revenues increased by 8.4% between FY2013 and FY2014.

Nonetheless, the map highlighting the year on year revenue changes clearly illustrates the challenges faced in eastern Europe and the Balkan regions. The majority of the significant (10% or more) revenue decreases between FY2013 and FY2014 took place in these regions.

Revenue and revenue growth: Top 30 clubs

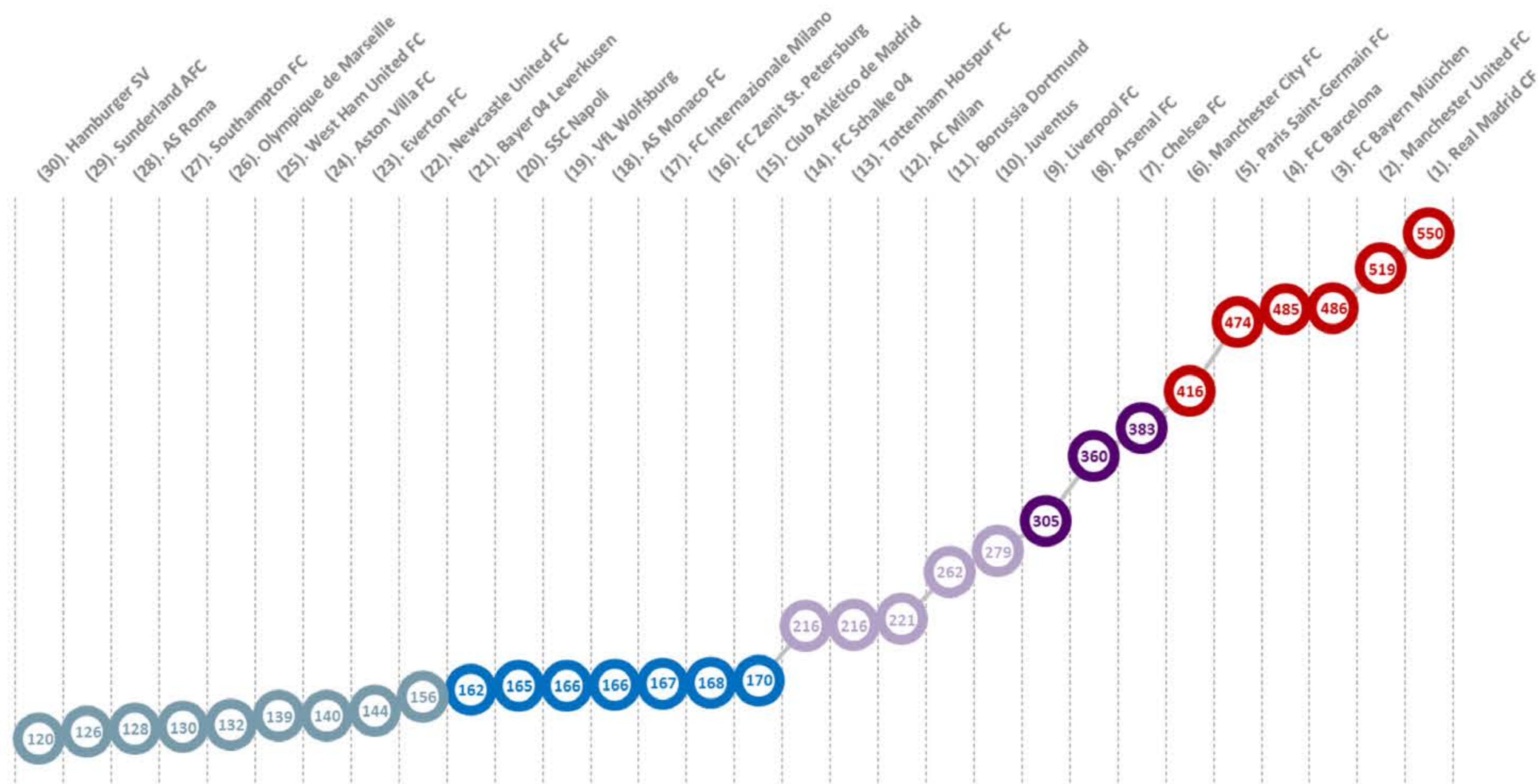
Number of clubs with €100m+ annual revenue:



In total, there are 45 clubs in Europe with revenue in excess of €100m, the top 30 of which are featured on the map and in this revenue table and chart. In five seasons the number of clubs above this threshold has almost doubled, from 24 to 45, boosted by the current English Premier League TV deal.

Revenue and revenue growth: Top 30 clubs

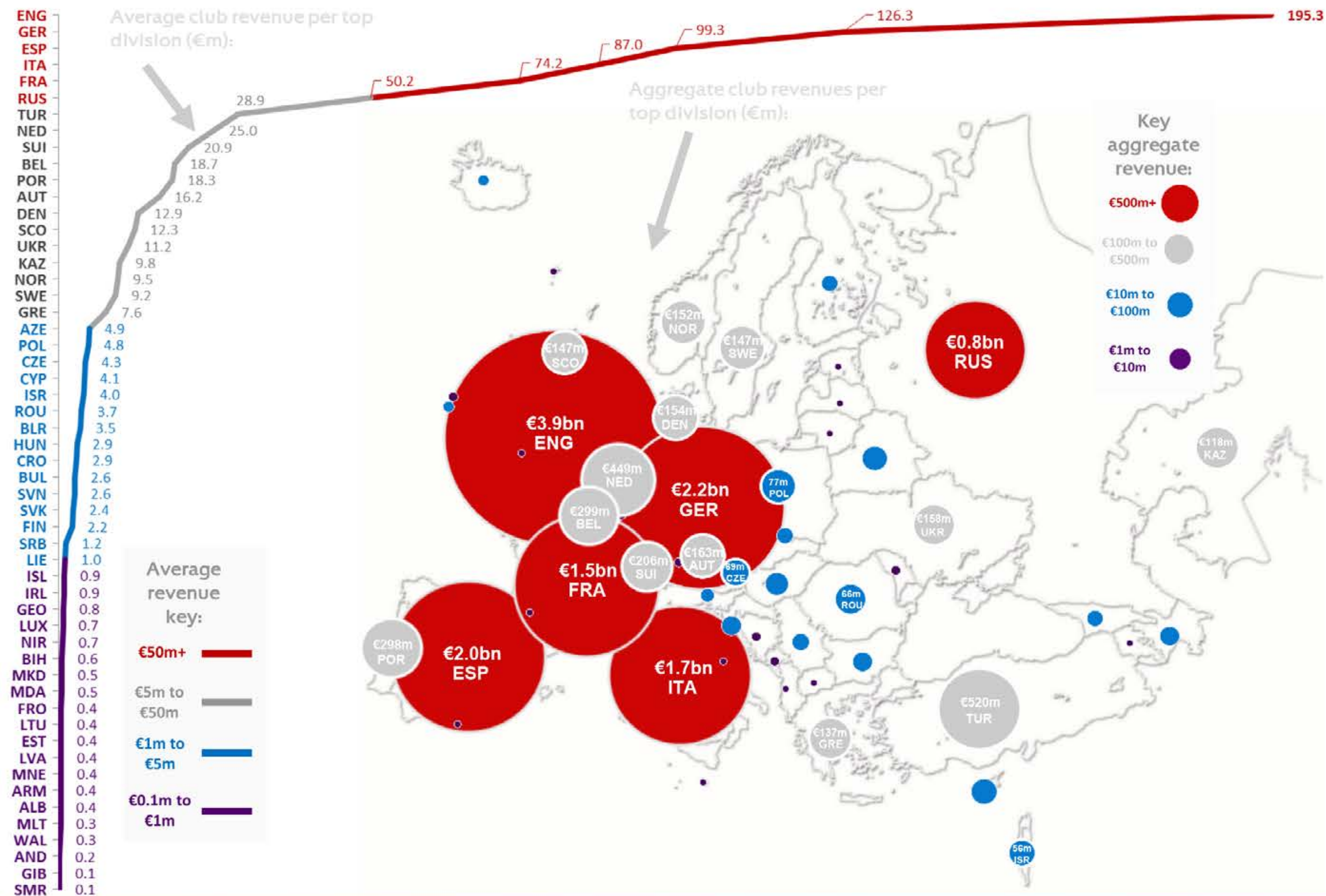
Rank	Club name	NA	FY2014	Year on year %
1	Real Madrid CF	ESP	€550m	6%
2	Manchester United FC	ENG	€519m	18%
3	FC Bayern München	GER	€486m	13%
4	FC Barcelona	ESP	€485m	1%
5	Paris Saint-Germain FC	FRA	€474m	19%
6	Manchester City FC	ENG	€416m	7%
7	Chelsea FC	ENG	€383m	24%
8	Arsenal FC	ENG	€360m	5%
9	Liverpool FC	ENG	€305m	21%
10	Juventus	ITA	€279m	3%
11	Borussia Dortmund	GER	€262m	2%
12	AC Milan	ITA	€221m	-12%
13	Tottenham Hotspur FC	ENG	€216m	21%
14	FC Schalke 04	GER	€216m	6%
15	Club Atlético de Madrid	ESP	€170m	56%
16	FC Zenit St. Petersburg	RUS	€168m	-20%
17	FC Internazionale Milano	ITA	€167m	-1%
18	AS Monaco FC	FRA	€166m	154%
19	VfL Wolfsburg	GER	€166m	10%
20	SSC Napoli	ITA	€165m	42%
21	Bayer 04 Leverkusen	GER	€162m	26%
22	Newcastle United FC	ENG	€156m	34%
23	Everton FC	ENG	€144m	37%
24	Aston Villa FC	ENG	€140m	37%
25	West Ham United FC	ENG	€139m	26%
26	Olympique de Marseille	FRA	€132m	15%
27	Southampton FC	ENG	€130m	49%
28	AS Roma	ITA	€128m	3%
29	Sunderland AFC	ENG	€126m	39%
30	Hamburger SV	GER	€120m	-1%
1-30	Average		€252m	14%
1-30	Aggregate		€7,552m	



These top 30 clubs generated over €7.5bn in revenues in FY14, representing 48% of European top-division club revenues. Of the 30 clubs 26 reported a revenue increase, with an extremely strong 14% average revenue increase across the group.

The first year of a new TV cycle propelled a number of English clubs into the top 30, with 12 English clubs in this top 30, compared with 8 the previous year. In total, 19 of the 20 English Premier League clubs reported revenue in excess of €100m.

Aggregate and average revenues: Relative club sizes by country



The ability of clubs to generate revenues across Europe's top-tier leagues varies enormously, from England, where clubs generate €195.3m on average and €3.9bn in aggregate, to San Marino, where the 15 clubs generate an average of just over €0.1m and an aggregate of €1.8m.

Indeed, the 20 English clubs together reported more revenue than all 597 clubs combined from the 48 grey, blue and purple countries. By way of historical sporting context, these countries have provided 20 different clubs that have won UEFA silverware.



CHAPTER

4

Detailed revenue trends and comparisons

[CONTENTS](#)

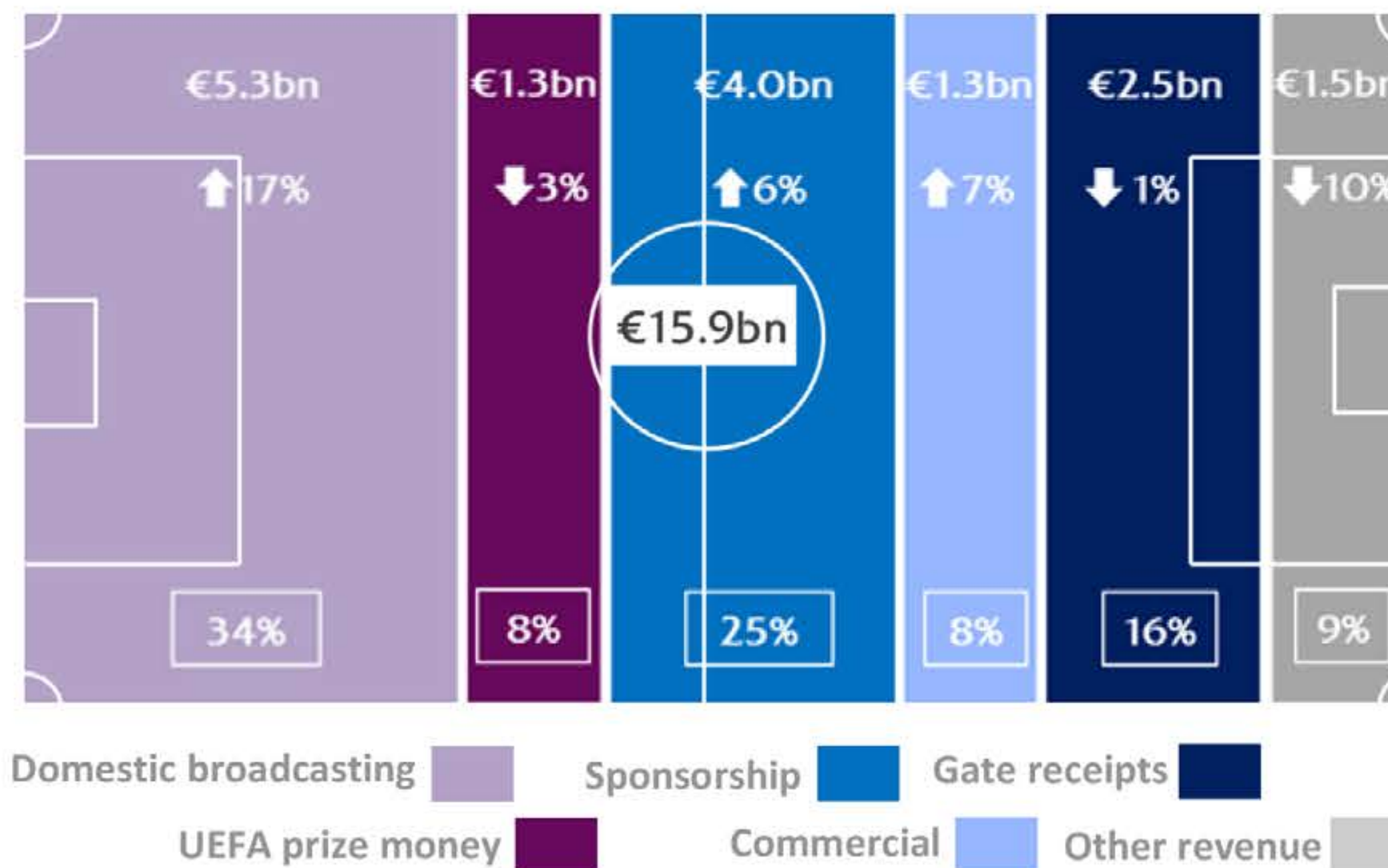
[HIGHLIGHTS](#)

FY2014 Europe-wide revenue trends: Revenues approach €16bn

Club revenues increased by 5.7% between 2013 and 2014, following a 6.7% increase the previous year.

Domestic broadcast revenue increased by 17.3% following the 4.8% increase in FY13.

Broadcast revenue growth came principally from the first year of new rights cycles in England (€654m/52% increase) and Germany (€108m/23% increase).



Revenue from gate receipts remains static at the 2007 level. The overall proportion of total club revenues from this source has therefore decreased from 23% in 2007 to 16% in 2013, as other revenue streams have grown.

Other revenues decreased by 9.8% in FY14, with lower revenues (donations and subsidies) in Russia and Ukraine driving this decrease.

UEFA prize money and other distributions remained at €1.3bn in FY14 following the 15% increase in FY13 from the first season of the new competition rights cycle. UEFA revenues represented 8% of revenue for all clubs and 14% for participating clubs. This will increase from FY16 as the 30% increase in the new rights cycle is fully reflected in club finances.

Club sponsorship revenues increased by 6.3% in FY2014 following the 7.3% increase in FY13. Sponsorship growth in FY14 was almost exclusively generated by the 20 largest clubs.

Revenue does not include transfer sales, which are reflected separately in club accounts as profits on sale of assets. However, to provide some context, €2.8bn in gross sales income from transfers was reported, representing 18% of revenues. Transfer sales income was 7% lower in FY14 than in FY13.

Broadcast revenue levels and trends

The top 15 leagues by average club broadcast revenue (€m), aggregate broadcast revenue and percentage of total revenue:



The top 15 markets:

English clubs' domestic broadcast revenues approached an average of €100m in FY14, more than double the Italian and Spanish club average and almost triple the German club average. As a percentage of overall revenue, Italian clubs remain reliant on broadcast revenue, which generates over half their total revenues. For English clubs it was just below half (49%), followed by Turkish clubs (45% of total revenue). Elsewhere, Russian TV revenues represented just 3% of their overall revenue.

Outside the top 15 markets:

While broadcast revenues feature as the largest revenue stream for many of the larger markets, they contribute less than 10% of revenue to most (36 of 53) European leagues. Outside the top 15 included in the table, broadcast revenue is also significant in Romania (36%), Cyprus (22%) and Hungary (21%).

Notable changes:

The increase of €654m (52%) between FY13 and FY14 generated from the first year of the three-year English Premier League TV cycle exceeds the total domestic TV revenue in all but two leagues. Elsewhere, the first year of a new Bundesliga deal saw German clubs report a significant €108m uplift, equivalent to a 23% increase. In absolute numbers these two deals dwarfed other increases. However new or improved domestic TV revenues led to notable uplifts of 41% in Portugal and 51% in the Czech Republic.

Top 20 clubs by broadcast revenues

Top 20 clubs by broadcast revenue:

The large broadcast revenue gap between the two Spanish giants and the top English clubs narrowed to €20m in FY2014. While the English domestic champions earned 1.3 times the Premier League average, the Spanish clubs earned 3.7 times the La Liga average. Juventus, the Italian champions, earned 2.3 times the Serie A average broadcast revenue. All Premier League clubs ranked in the European top 25 by TV income.

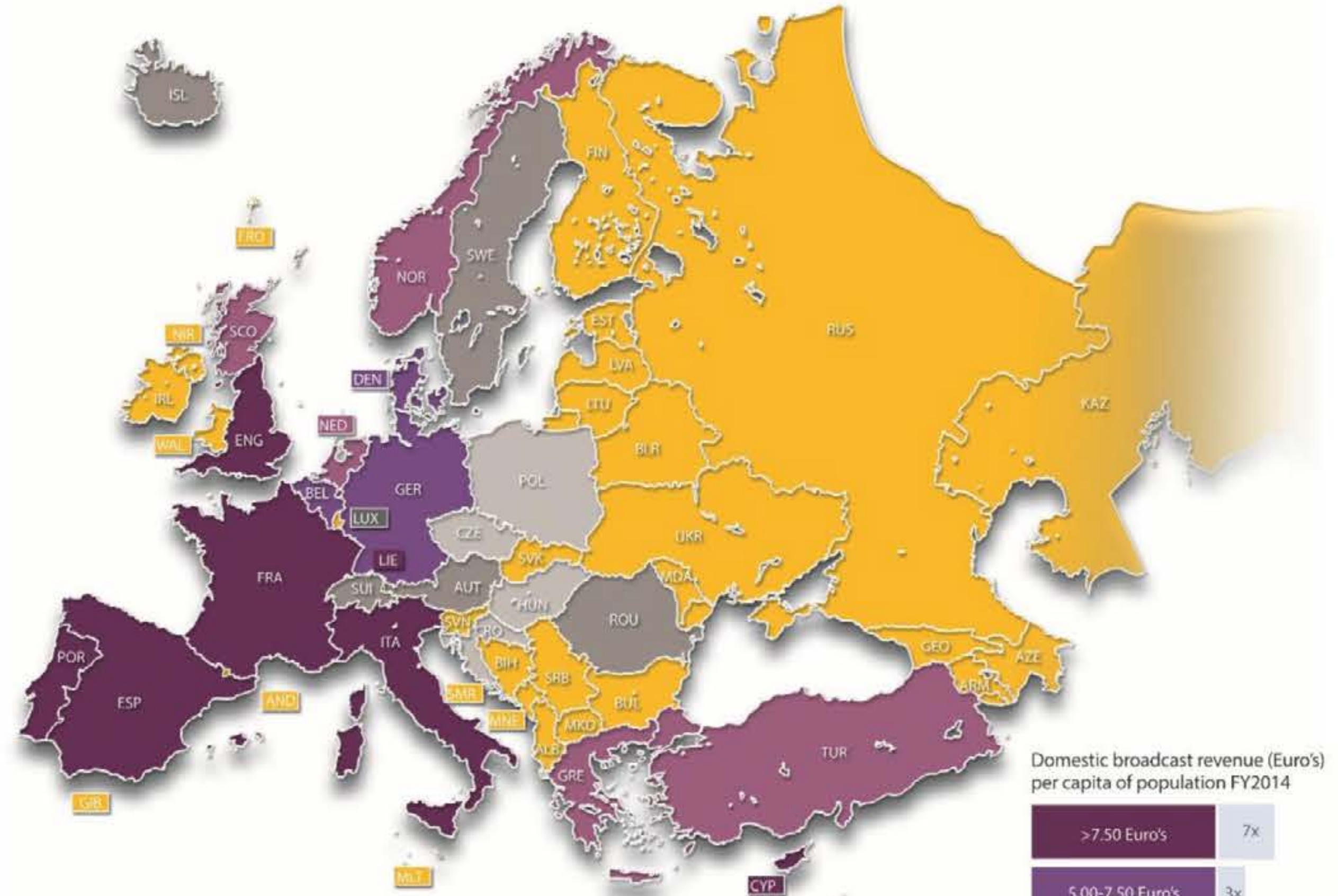
Rank	Club name	NA	FY2014	Year on year %	Total revenue %	Multiple of league average
1	Real Madrid CF	ESP	€142m	-1%	26%	3.8 x
2	FC Barcelona	ESP	€139m	-1%	29%	3.7 x
3	Manchester City FC	ENG	€122m	55%	29%	1.3 x
4	Liverpool FC	ENG	€121m	66%	40%	1.3 x
5	Chelsea FC	ENG	€119m	60%	31%	1.2 x
6	Manchester United FC	ENG	€116m	35%	22%	1.2 x
7	Arsenal FC	ENG	€114m	60%	32%	1.2 x
8	Tottenham Hotspur FC	ENG	€107m	54%	50%	1.1 x
9	Everton FC	ENG	€106m	56%	73%	1.1 x
10	Juventus	ITA	€101m	3%	36%	2.3 x
11	Southampton FC	ENG	€95m	67%	73%	1.0 x
12	Newcastle United FC	ENG	€94m	68%	60%	1.0 x
13	Swansea City FC	ENG	€92m	48%	78%	1.0 x
14	Stoke City FC	ENG	€91m	61%	77%	0.9 x
15	West Ham United FC	ENG	€90m	42%	65%	0.9 x
16	Crystal Palace FC	ENG	€89m	n/a	82%	0.9 x
17	FC Internazionale Milano	ITA	€87m	1%	52%	2.0 x
18	Aston Villa FC	ENG	€87m	55%	62%	0.9 x
19	Sunderland AFC	ENG	€87m	60%	69%	0.9 x
20	West Bromwich Albion FC	ENG	€83m	30%	80%	0.9 x
1-20	Average		€104m	43%	53%	1.4 x
1-20	Aggregate		€2,080m			



Broadcast revenue per capita

Future trends:

A massive additional 65-70% uplift in domestic English Premier League live rights has been announced from the 2016/17 season, with the international rights process ongoing in 2015 but expected to also see large uplifts. Together, English clubs could expect an uplift in the region of €50-60m each from 2016/17. Elsewhere, the Spanish league (LFP) anticipates a tripling of international rights for La Liga to €600m per season from 2015/16, which would be an increase equivalent to an average €19m per club. The multiple of largest club domestic broadcast revenues to average broadcast revenues should also decrease with the collective selling of rights taking effect. While FY14 was the first year of a four-year cycle in Germany, TV rights will increase gradually during the deal, which means an 8-10% increase in each of the next two seasons can be anticipated. In Italy we expect clubs to receive a 10-15% average increase in FY16, with 2-3% increases the following two seasons. In France the next cycle will commence in 2016/17 and it is too early to make predictions. In Turkey the current rights period was extended and should lead to a 40% increase in domestic rights in 2014/15.



Context – Domestic broadcast revenue (€ per capita):

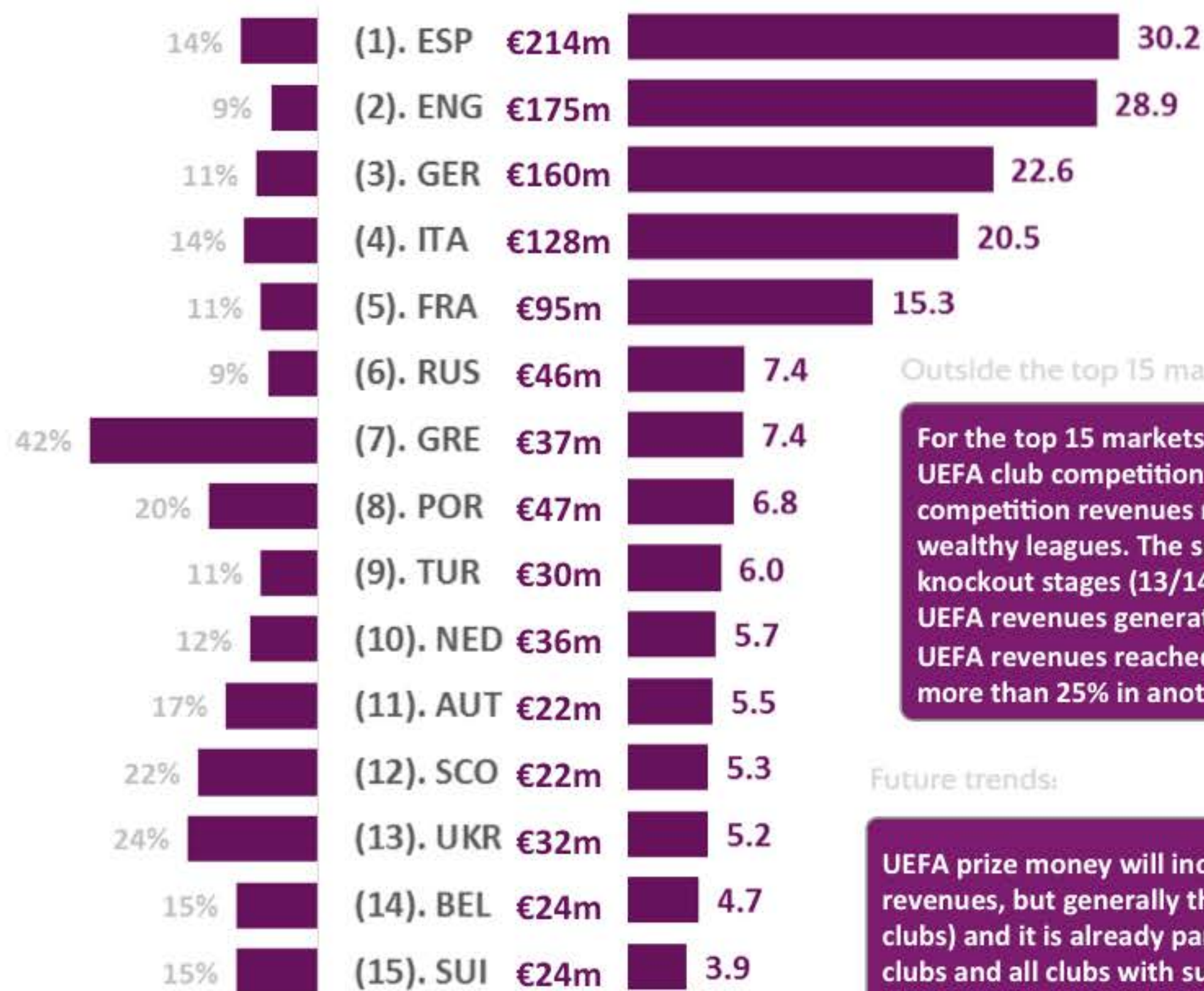
Domestic broadcast revenue (Euro's) per capita of population FY2014	Multiple
>7.50 Euro's	7x
5.00-7.50 Euro's	3x
2.50-5.00 Euro's	5x
1.00-2.50 Euro's	5x
0.25-1.00 Euro's	5x
<0.25 Euro's	28x

The majority of broadcast rights for club football come from local domestic TV rights. While the number of interested viewers is important, the revenue generated from domestic TV is strongly influenced by the market structure within the local TV market (free to air and pay TV, and number and level of competitors). The map indicating revenue per capita is a crude measure but highlights the differences across Europe, with total Premier League rights equivalent to €35 per capita, compared with higher level leagues in eastern Europe such as Ukraine and Russia, where TV rights are equivalent to less than €0.25 per capita.



UEFA revenue levels and trends

The top 15 leagues by average UEFA club revenue (€m) per UEFA club competition participant, aggregate UEFA revenue and percentage of total revenue per participant*

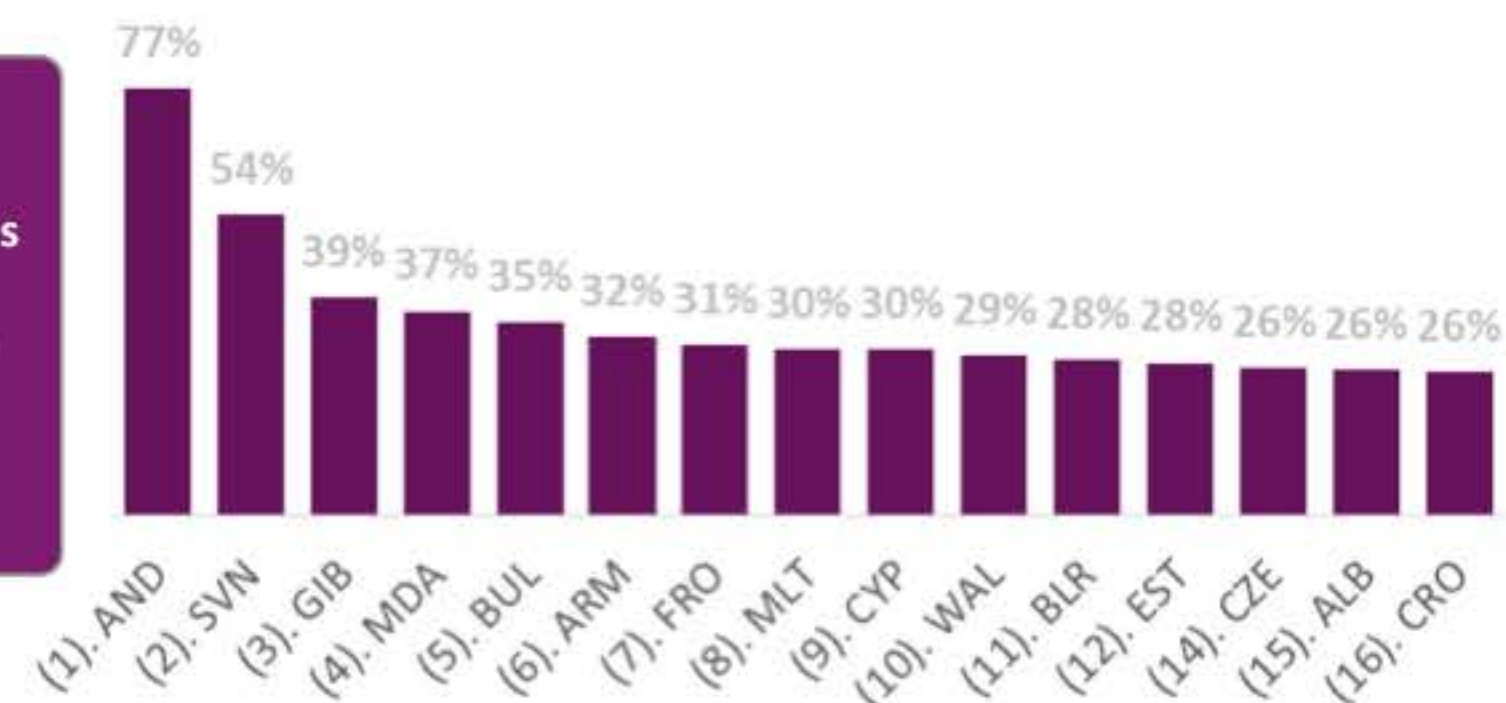


The top 15 markets

UEFA competition rights and prize money is based on a three-year cycle, with FY14 marking the middle of the 2012/13-2014/15 cycle. UEFA distributions totalled €1.3bn in clubs' FY14 figures, a similar level to the previous year. The level of club prize money is partially determined by the contribution of national broadcasters and partly by sporting performance. The sporting success of Spanish clubs in the 2013/14 club competitions led to a €30m increase in UEFA revenues in FY14 for La Liga clubs, up to €214m (€10.7m average).

Outside the top 15 markets:

For the top 15 markets, the UEFA contribution varied from 9% of total revenues for UEFA club competition participants to more than 40% in Greece.** However, UEFA competition revenues represent a greater proportion of overall revenues in many less wealthy leagues. The sporting success of NK Maribor in the UEFA Europa League knockout stages (13/14) and the UEFA Champions League group stage (14/15) led to UEFA revenues generating 54% of total Slovenian club revenues in FY14. In Andorra, UEFA revenues reached 77% of total club revenue and UEFA revenue contributed more than 25% in another 13 leagues.



Future trends:

UEFA prize money will increase by around 35% in the three seasons from 2015/16. Clubs across Europe have various policies for when to recognise their UEFA revenues, but generally this uplift will be reflected in the FY16 figures for clubs with a summer year end (English, French, Spanish and most German and Italian clubs) and it is already partly reflected in the FY15 figures for clubs with a December year end (most clubs in eastern Europe, a minority of German and Italian clubs and all clubs with summer sporting seasons). In FY15, Spanish clubs will again be the biggest earners. In FY16, Spain will have five UEFA Champions League group stage clubs and so depending on performance-related prize money has a chance of staying ahead of English and Italian clubs despite the large increases in the market pool distributions to clubs from these countries (the market pool reflects the rights paid by English and Italian broadcasters).

* Average club revenue and percentage of total revenue covers just the teams (between 4 and 7) participating in UEFA competitions during their financial year under review - this is more meaningful than presenting average or percentage figures for all clubs including non-participating clubs. The aggregate UEFA revenue includes all direct revenues including prize money, solidarity payments for qualifying matches and in most cases also solidarity payments for non-participating clubs distributed through their respective leagues. Indirect revenues, either sponsor or commercial partner bonuses and gate receipts are reported elsewhere. The FY14 values are not impacted by profit-sharing from UEFA EURO 2012, as this was paid after the competition (early 2013). ** 9% refers to UEFA revenues for the six clubs participating in UEFA club competitions that were in the English Premier League in FY14. One other club, Wigan Athletic FC, also participated but is not included in the total or average figures as they were outside the Premier League and therefore not included in the scope of this report. The percentage is 4% of the total revenue of all 20 Premier League clubs.

Top 20 clubs by UEFA revenues

The top 20 clubs by UEFA revenue:

Rank	Club name	NA	FY2014*	Year on year %	Total revenue %	Competition stage in FY14
1	Real Madrid CF	ESP	€63m	24%	11%	UCL Final
2	FC Bayern München	GER	€53m	-16%	11%	UCL SF
3	Juventus	ITA	€52m	-21%	19%	UCL GS/ UEL SF
4	Club Atlético de Madrid	ESP	€51m	637%	30%	UCL SF
5	Chelsea FC	ENG	€48m	8%	12%	UCL SF
6	Manchester United FC	ENG	€47m	24%	9%	UCL QF
7	FC Barcelona	ESP	€44m	-10%	9%	UCL QF
8	SSC Napoli	ITA	€40m	483%	24%	UCL GS/ UEL R16
9	Manchester City FC	ENG	€37m	27%	9%	UCL R16
10	Borussia Dortmund	GER	€36m	-35%	14%	UCL QF
11	Paris Saint-Germain FC	FRA	€36m	-21%	8%	UCL QF
12	Olympique de Marseille	FRA	€35m	519%	26%	UCL GS
13	Arsenal FC	ENG	€30m	-9%	8%	UCL R16
14	Olympiacos FC	GRE	€29m	18%	48%	UCL R16
15	FC Schalke 04	GER	€28m	6%	13%	UCL R16/UCL GS
16	Bayer 04 Leverkusen	GER	€28m	53%	17%	UCL R16/UCL GS
17	SL Benfica	POR	€22m	3%	21%	UCL GS/ UEL SF
18	Real Sociedad de Fútbol	ESP	€22m	n/a	34%	UCL GS
19	AFC Ajax	NED	€22m	4%	21%	UCL GS/ UEL R32
20	Galatasaray AS	TUR	€21m	-16%	21%	UCL R16
1-20	Average		€37m	88%	18%	
1-20	Aggregate		€744m			



The 2013/14 UEFA champions League winners, Real Madrid CF, topped the UEFA revenue listings for FY14. Not surprisingly, the top 20 clubs by UEFA revenue all featured in the 2013/14 UEFA Champions League group stage, with 15 having progressed to the knockout stages. The large year on year increases of 400%+ were for clubs participating in the UEFA Europa League the previous year. Juventus ranked third in UEFA distributions during FY14 despite being knocked out of the UEFA Champions League in the group stage, due to further successes in the UEFA Europa League but also due to receiving a large market pool share. On average, UEFA revenues represented 18% of total revenue for these top 20 clubs, reaching more than 30% for Club Atlético de Madrid, Real Sociedad de Fútbol and Olympiacos FC.

* The timing of payments and accounting recognition policies means that the competition prize money published by UEFA for 2013/14 will not exactly match the value reported in the financial statements. For clubs with a summer financial year end the amounts are usually close, with just the final market pool uplift typically recorded the following year, while for clubs with a December year end the reported prize money is a combination of the 2013/14 and 2014/15 seasons.

Gate receipt revenue levels and trends

The top 15 leagues by average gate receipt revenue (€m), aggregate gate receipt revenue and percentage of total revenue:



The top 15 markets:

Premier league clubs averaged €34.3m in gate receipts during FY14, an average €8m per club more than Bundesliga clubs who were comfortably the second highest earners. Gate receipts contributed the highest proportion of total revenue in Switzerland (35%) and Scotland (34%), with Russia at the other end of the scale (4%) followed by Italy, France and Turkey where gate receipts contributed only 11% of revenues.

Outside the top 15 markets:

Outside the top 15 markets, gate receipts are a significant part of the revenue mix in Ireland (34%), Israel (26%), Northern Ireland (22%) and Cyprus (21%).

Notable changes:

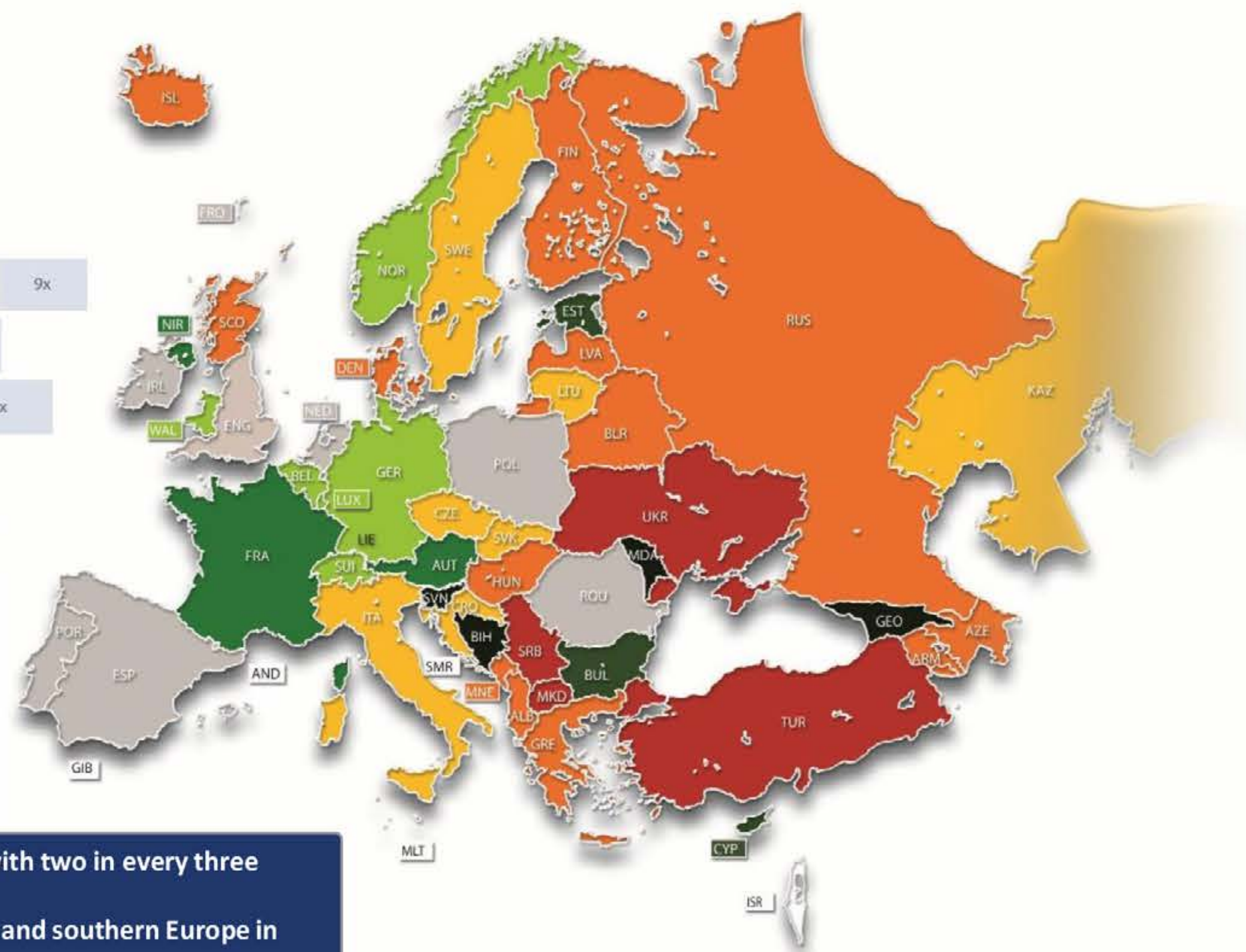
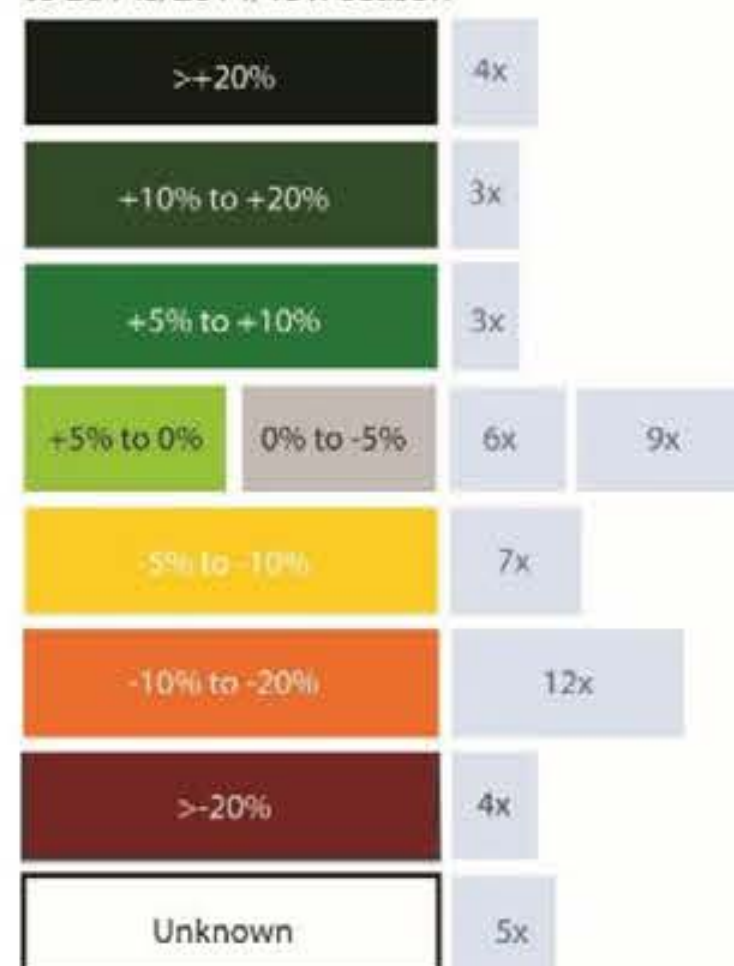
While club revenues from sponsorship, commercial and both UEFA and domestic TV rights have carried on climbing through the challenging European economic conditions, gate receipts paint a different picture. Gate receipts have decreased as a percentage of the overall revenue mix in every one of the top 15 markets in the last five years.

In absolute terms, gate receipts in FY14 were just over €100m lower than they were five years ago. Gate receipt trends by country during this period reflect the trend in the national economies, with German, Swiss and Swedish clubs increasing by more than 20% and gate receipts decreasing dramatically for Spanish (28%), Portuguese (29%), Turkish (36%) and Greek clubs (70%).

Attendance levels under pressure

Top-division league attendances fell below 100 million to the lowest level for a decade. The decrease of just under 3.5 million spectators (3.5%) compared with the previous year was driven by decreases in Turkey (1.2m), Italy (500,000), Greece, Russia, Scotland and Serbia (all between 200,000 and 350,000).

Average match attendance trend from 2013s/2013/14w season to 2014s/2014/15w season

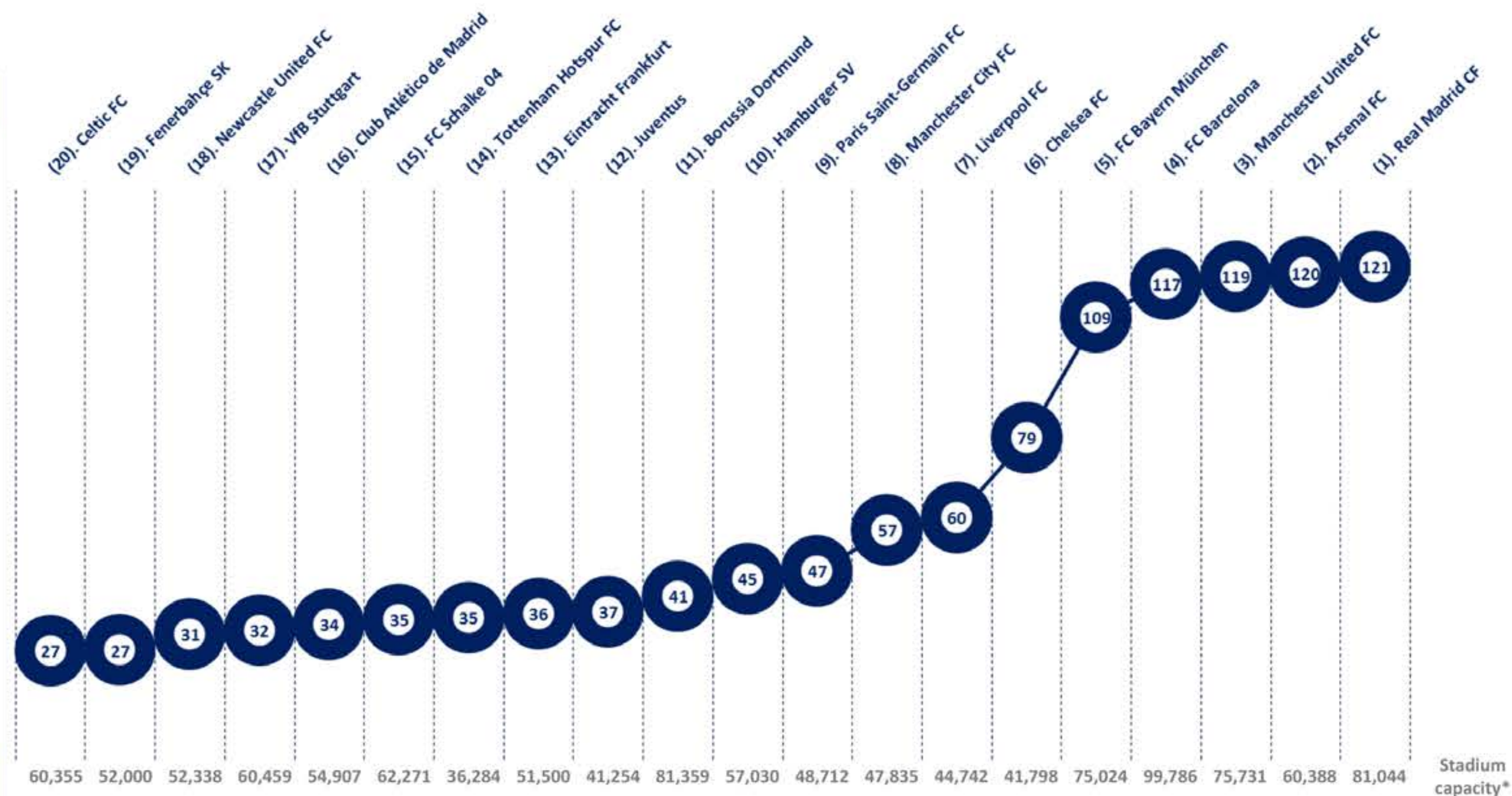


Economic conditions remain challenging across Europe, with two in every three leagues reporting lower crowds. This map highlights the fact that many leagues in eastern and southern Europe in particular have had a negative attendance trend.

Top 20 clubs by gate receipts

The top 20 clubs by gate receipt revenue:

Rank	Club name	NA	FY2014	Year on year %	Total revenue %	Multiple of league average	Revenue per match (est.)
1	Real Madrid CF	ESP	€121m	-7%	22%	5.7 x	€4.0m
2	Arsenal FC	ENG	€120m	6%	33%	3.6 x	€4.1m
3	Manchester United FC	ENG	€119m	-3%	23%	3.6 x	€4.4m
4	FC Barcelona	ESP	€117m	-1%	24%	5.5 x	€4.2m
5	FC Bayern München	GER	€109m	2%	22%	4.1 x	€4.0m
6	Chelsea FC	ENG	€79m	3%	21%	2.4 x	€3.0m
7	Liverpool FC	ENG	€60m	10%	20%	1.8 x	€2.8m
8	Manchester City FC	ENG	€57m	17%	14%	1.7 x	€2.0m
9	Paris Saint-Germain FC	FRA	€47m	6%	10%	6.3 x	€1.8m
10	Hamburger SV	GER	€45m	4%	37%	1.7 x	€2.2m
11	Borussia Dortmund	GER	€41m	-9%	15%	1.5 x	€1.8m
12	Juventus	ITA	€37m	6%	13%	4.0 x	€1.4m
13	Eintracht Frankfurt	GER	€36m	-1%	41%	1.4 x	€1.7m
14	Tottenham Hotspur FC	ENG	€35m	2%	16%	1.1 x	€1.3m
15	FC Schalke 04	GER	€35m	0%	16%	1.3 x	€1.6m
16	Club Atlético de Madrid	ESP	€34m	15%	20%	1.6 x	€1.2m
17	VfB Stuttgart	GER	€32m	-2%	31%	1.2 x	€1.7m
18	Newcastle United FC	ENG	€31m	-8%	20%	0.9 x	€1.4m
19	Fenerbahçe SK	TUR	€27m	-10%	25%	7.4 x	€1.4m
20	Celtic FC	SCO	€27m	-20%	35%	6.2 x	€1.0m
1-20	Average		€60m	1%	23%	3.2 x	€2.4m
1-20	Aggregate		€1,208m				

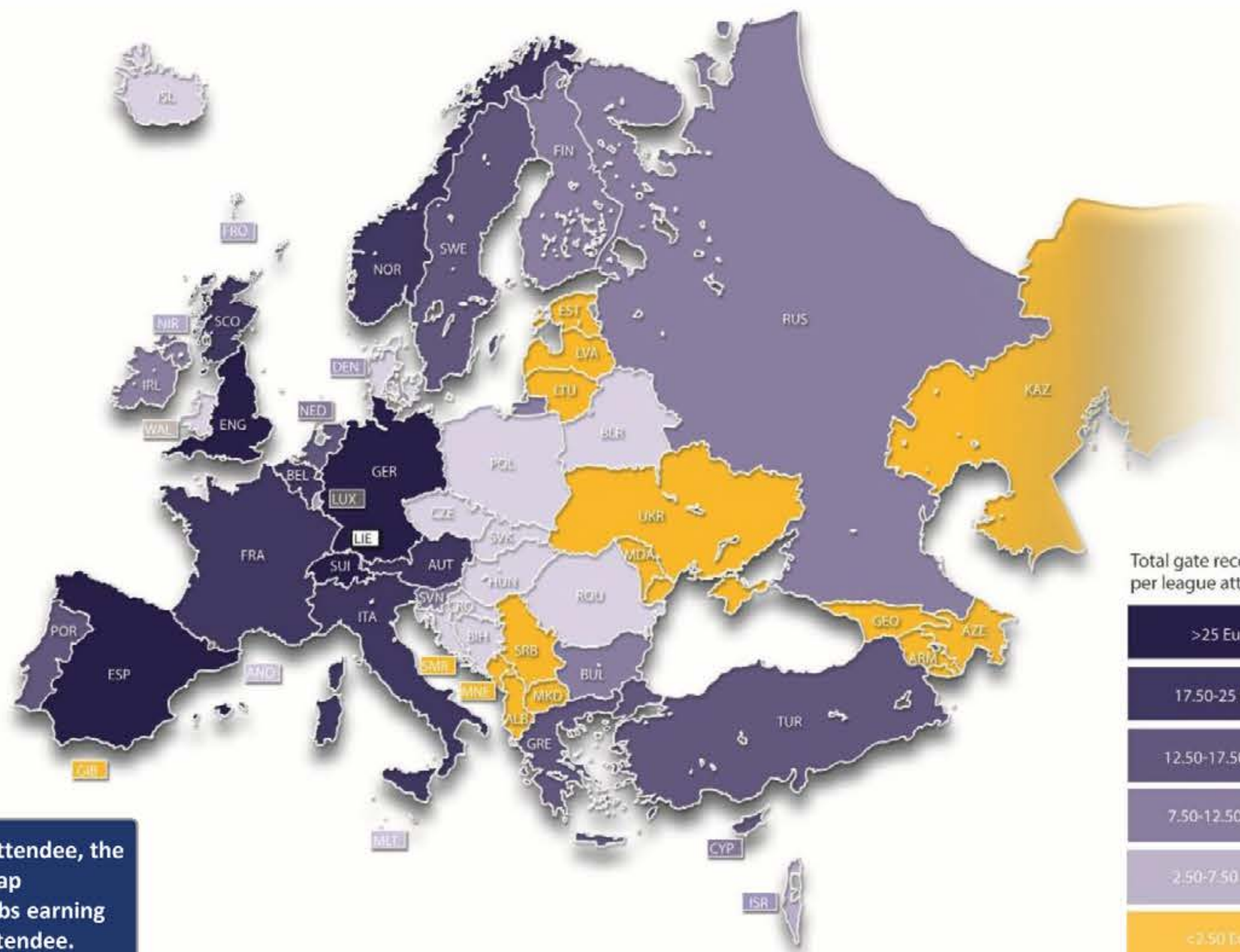


The top 20 list includes seven English clubs, six German clubs, three Spanish clubs and four clubs from elsewhere. Together, these 20 clubs generated more than €1.2bn in gate receipts during FY14. Five clubs, all with 60,000+ stadium capacities, generated more than €100m from gate receipts in FY14 at an average of between €4m and €4.4m per home match. The ability of clubs to generate revenue from gate receipts varies noticeably, with Liverpool FC ranked seventh and generating only half of the gate receipts of each of the top three clubs. Most of the clubs in the list operate at or near full capacity and year on year growth across these top 20 clubs was only 1%, mirroring the picture Europe-wide. The year on year changes are a function of pricing changes but also the number of matches played in cup competitions. Gate receipts for these 20 clubs represented 23% of their total revenue, with the highest gate receipt contributions among the top 20 clubs at Eintracht Frankfurt (41%), Hamburger SV (37%), Celtic FC (35%) and Arsenal FC (33%). New and upgraded stadium projects at Club Atlético de Madrid, Beşiktaş JK, FC Dinamo Moskva, Olympique Lyonnais, Chelsea FC, Liverpool FC, FC Zenit St. Petersburg and Tottenham Hotspur FC should lead to some movements in the rankings, some additional revenue growth and a potential narrowing of the top-five gap in the years to come.

* Stadium capacities are sourced from league or club websites and represent the standard capacity for domestic matches during the 2013/14 season. Some stadium capacities have been expanded since.

Gate receipt revenues per attendee differ significantly

Context – Gate receipts (€) per league attendee:



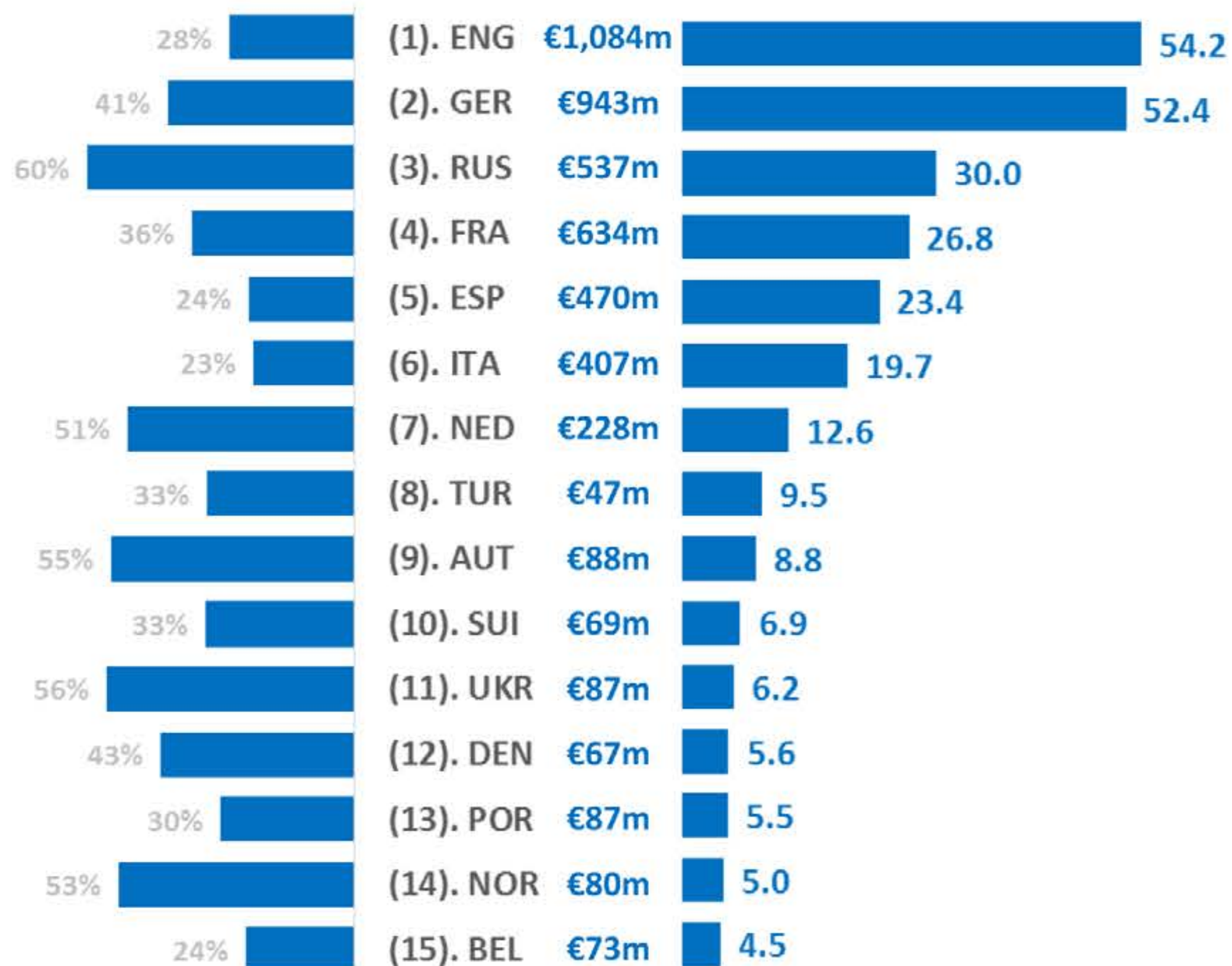
While clubs in England, Germany, Switzerland and Spain average over €25 per match attendee, the average revenue elsewhere differs considerably.* The distribution of colours on this map highlights the challenges faced by clubs in the eastern regions of Europe, with most clubs earning less than €7.50 per attendee and clubs across 15 leagues earning less than €2.50 per attendee.

Total gate receipts (Euro) per league attendee 2014	Frequency
>25 Euro's	4x
17.50-25 Euro's	6x
12.50-17.50 Euro's	6x
7.50-12.50 Euro's	9x
2.50-7.50 Euro's	13x
<2.50 Euro's	15x

* Since gate receipts are generally not separated into league, UEFA club competition, cup and friendly matches, it is not possible to allocate accurately the proportion of gate receipt revenue generated specifically by league matches. The method for splitting gate receipt revenue between two clubs for cup and friendly matches also differs greatly. This map is therefore based on total gate receipts divided by league attendances and the figures should be seen as benchmarks only. In practice we would expect the average gate receipt revenue for league matches to be 5-15% lower.

Sponsorship and commercial revenue levels and trends

The top 15 leagues by average sponsorship and commercial revenue (€m), aggregate league sponsor and commercial revenues and percentage of total revenue:



The top 15 markets:

English Premier League and German Bundesliga clubs averaged more than €50m in sponsorship and commercial revenues during FY14. Sponsorship and commercial revenues contributed between 23% (Italian clubs) and 60% (Russian clubs) of total revenues for the top 15 leagues. Clubs in Austria, the Netherlands, Norway, Russia and Ukraine, generated more than half their revenues from sponsorship and commercial deals.

Outside the top 15 markets:

Outside the top 15 markets, where there are much lower broadcast revenues, many clubs heavily rely on sponsorship and commercial deals, both with third parties and with related parties. Clubs in Armenia, Azerbaijan, Belarus, FYR Macedonia, Liechtenstein, Luxembourg and Slovakia, average over half their revenues from sponsor and commercial partnerships.

Notable changes:

For the first time English clubs have overtaken German clubs with the highest average revenue from sponsor and commercial deals. Between 2010 and 2014 German clubs reported a very healthy increase of 50% in sponsor and commercial revenues but English clubs reported a remarkable 90% increase during the same period. Six English and five German clubs feature among the top 20 clubs by commercial and sponsorship revenues.

Analysing sponsorship and commercial growth by league provides some interesting context, but it does not completely highlight the two-speed impact that the more globalised market for European football is having on commercial revenues. To do this we need to rank clubs from largest to smallest, irrespective of nationality, as we do on the following page.





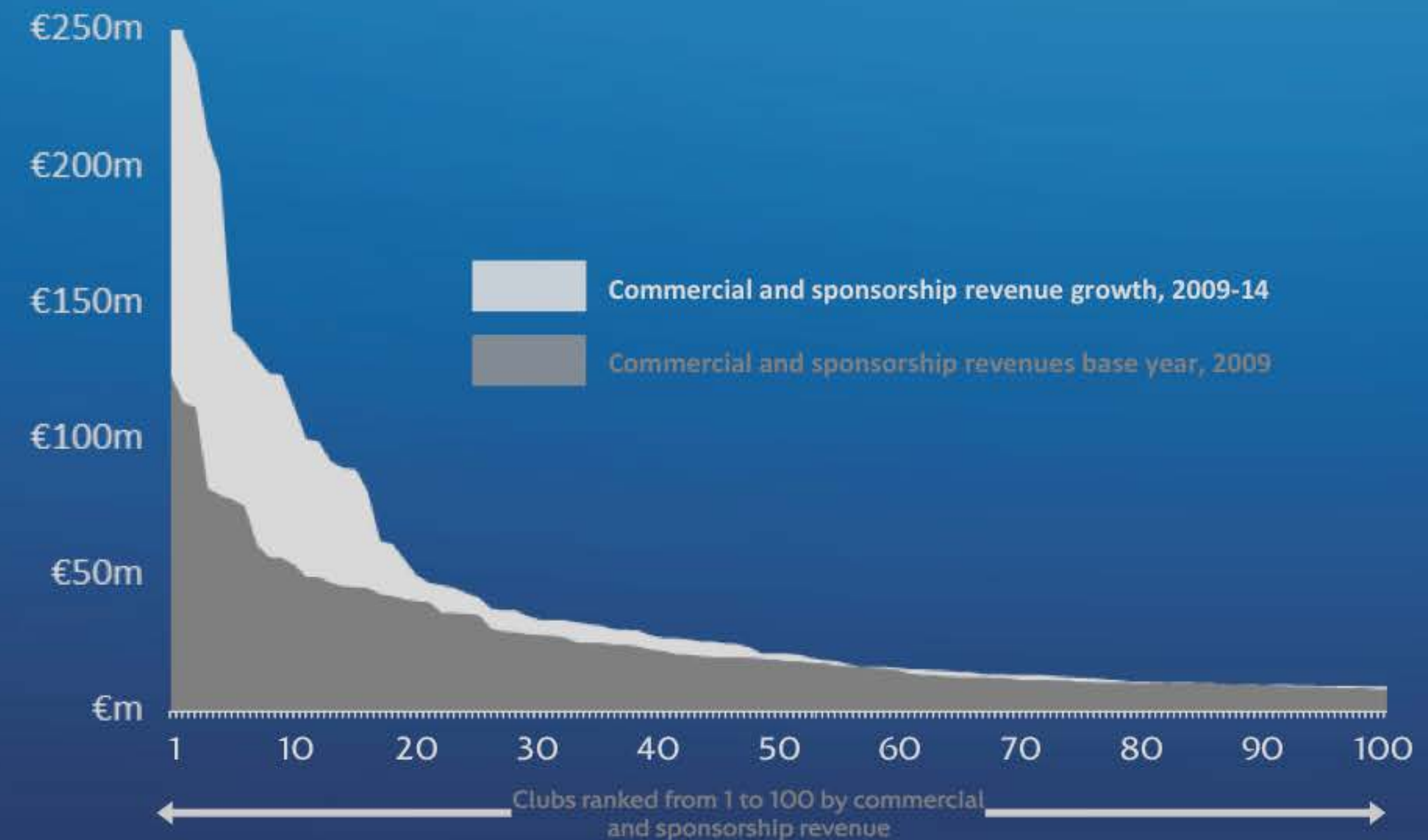
The concentration of sponsorship and commercial revenue growth

More than €1,400m in sponsorship and commercial revenues added in just five years by the 20 wealthiest clubs (108% increase).

Less than €250m added in the same five years by the remaining top 100 clubs (17% increase)

The increasing concentration of wealth is clear when five-year growth is assessed across the 100 largest clubs, with the largest clubs' sponsorship and commercial revenues growing much more than the remaining clubs. A decade ago, sponsorship and commercial revenues were concentrated on shirt sponsorship and kit manufacturer deals, some merchandising and a small number of local sponsorship deals. For the vast majority of clubs this remains the case, but for the dozen or so 'global super clubs', sponsorship and commercial departments are expanding and sponsorship and commercial partnerships are being sliced and segmented into an ever larger and more lucrative number of deals. This is enabling those 'global super clubs' to monetise their huge supporter bases, which extend across the globe and which can be accessed far better through social media than was ever possible through traditional marketing in the past. These supporter bases are growing inexorably, powered by star players, overseas tours and regular participation in the UEFA Champions League group stage (see social media section of chapter nine for further analysis).

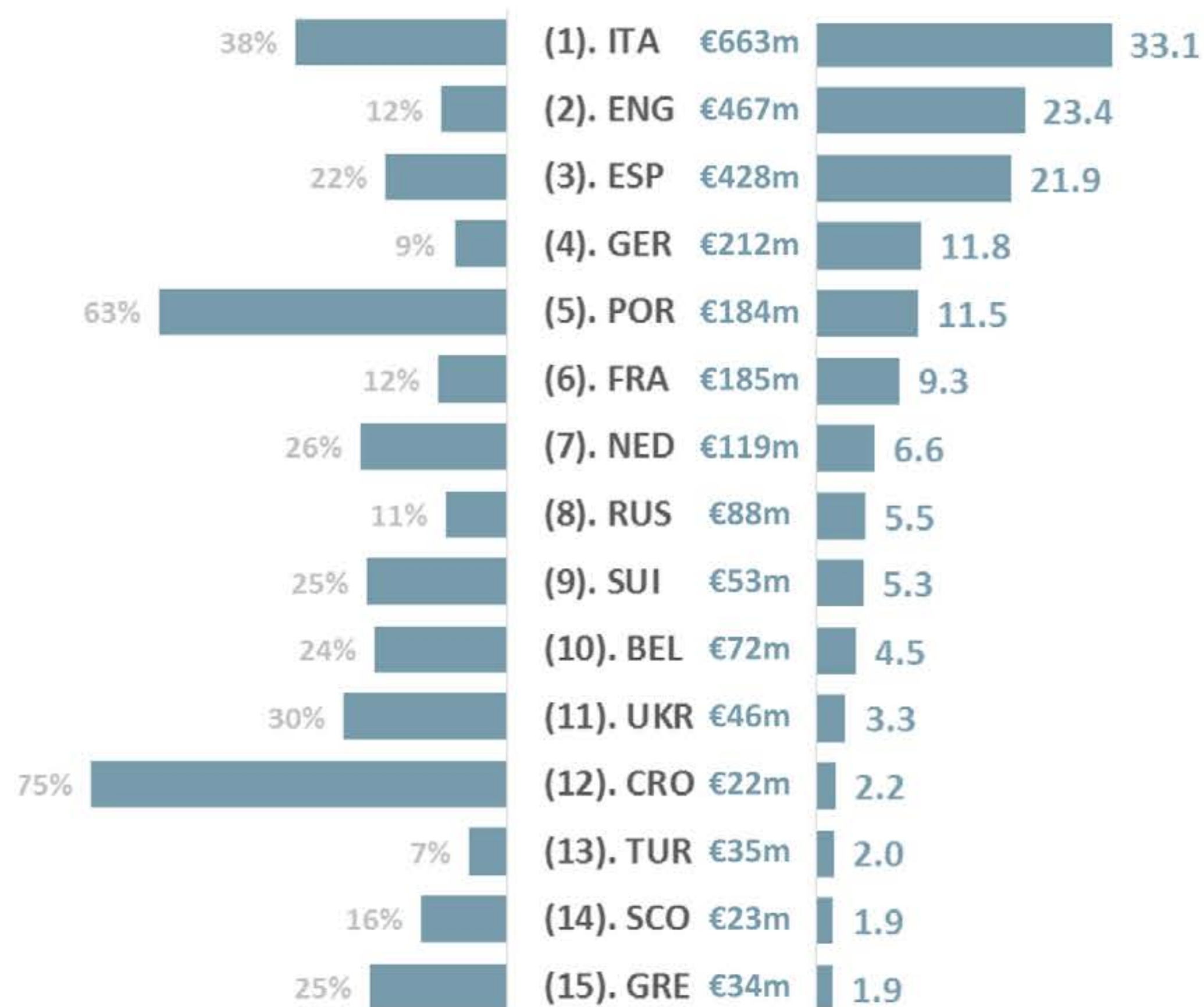
Five-year growth in sponsorship and commercial revenues, 2009-2014, top 100 clubs:



Transfer proceeds levels and trends

Transfer proceeds reflect the value of all outward transfer activity during FY2014*. This is not included in revenue but the percentage of revenue is presented as a benchmark highlighting the relevant scale and importance of transfer proceeds to clubs in different leagues during the financial period. Transfer proceeds are indirectly included below the revenue line in the transfer activity result as part of the calculation of profit and loss on the sale of player registrations. This is analysed and explained in detail later in the report.

The top 15 leagues by average transfer proceeds (€m), aggregate proceeds per league and percentage of total revenue:



The top 15 markets:

The relative size and importance of transfer activity in clubs' annual finances is highlighted by the table, with Italian clubs on average generating €33.1m in transfer proceeds in FY2014, equivalent to 38% of their total revenues.

The relative size of transfer fees to revenue is significantly higher for Portuguese (63%) and Croatian (75%) clubs, where the business model is typically based on developing and exporting talent.

Outside the top 15 markets:

Outside the top 15 markets, transfer market activity is also an important part of clubs' business models, with transfer fees, solidarity contributions and training compensation together equivalent to more than 30% of club revenue in Bulgaria, the Czech Republic, Montenegro, Romania and Serbia, in FY2014. As consistent exporters of talent, Serbian clubs have generated €117m in transfer fees in the last five years, compared with €100m in total revenue.

Notable changes:

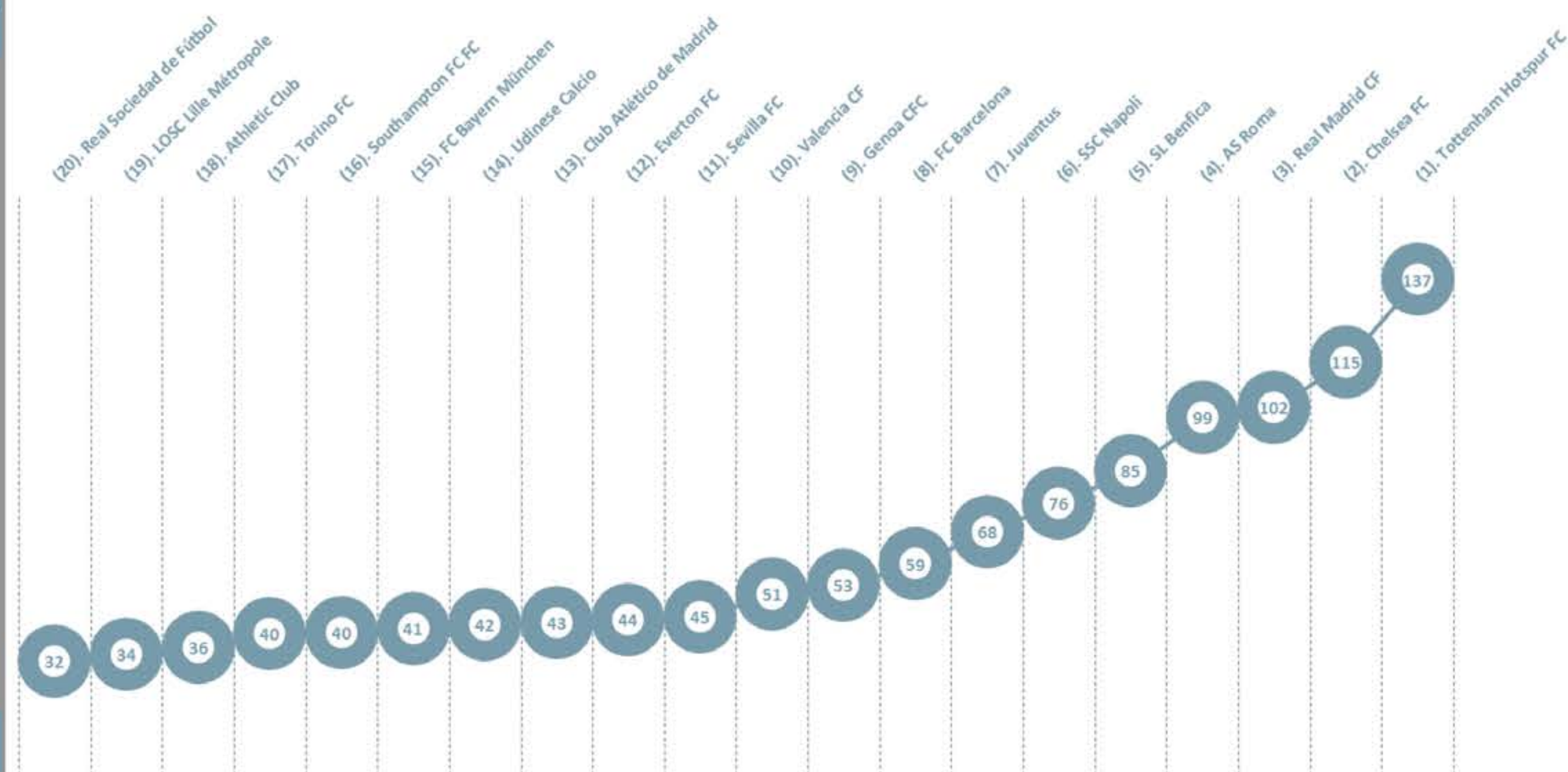
The distribution and relative scale of transfer proceeds fluctuates considerably from year to year as transfer proceeds are, by nature, a combination of one-off discrete transfer events. With 76% of transfer proceeds reported by clubs with summer financial year ends, which occur just before the main summer transfer window opens, it also means there is a delay between observed transfer activity and transfer activity reported in the financial statements. As an example, the majority of FY2014 proceeds reflect the summer 2013 transfer window. From observing summer 2014 and 2015 transfer activity we can confidently predict that English and Spanish clubs will return to the top of the list of average club transfer proceeds in FY2015 and the German figure will double in FY2016.

* Transfer proceeds for FY2014 have been extracted from the detailed notes to the audited financial statements of the 700+ clubs. Transfer proceeds include guaranteed future transfer proceeds and proceeds received during the year on transfers concluded within the last 12 months, transfer receipts from conditional clauses on past transfers triggered during the period, and any solidarity, training compensation or negotiated sell-on clauses triggered during the period. In most cases it also includes any loan fees received for players loaned out during the period in question.

Top 20 clubs by transfer proceeds

The top 20 clubs by transfer proceeds:^{*}

Rank	Club name	NA	FY2014 transfer proceeds	Proceeds relative to revenue	FY2014 proceeds: original cost	FY2014 proceeds: +/- mark-up	FY2014 transfer spend	FY2014 net transfer proceeds
1	Tottenham Hotspur FC	ENG	€137m	63%	€54m	€83m	€131m	€6m
2	Chelsea FC	ENG	€115m	30%	€146m	-€32m	€183m	-€69m
3	Real Madrid CF	ESP	€102m	19%	€150m	-€48m	€191m	-€89m
4	AS Roma	ITA	€99m	77%	€81m	€18m	€107m	-€7m
5	SL Benfica	POR	€85m	81%	€42m	€42m	€40m	€44m
6	SSC Napoli	ITA	€76m	46%	€49m	€27m	€110m	-€34m
7	Juventus	ITA	€68m	24%	€77m	-€9m	€87m	-€19m
8	FC Barcelona	ESP	€59m	12%	€134m	-€75m	€84m	-€25m
9	Genoa CFC	ITA	€53m	19%	€36m	€17m	€26m	€27m
10	Valencia CF	ESP	€51m	56%	€47m	€4m	€24m	€27m
11	Sevilla FC	ESP	€45m	63%	€30m	€15m	€38m	€6m
12	Everton FC	ENG	€44m	30%	€44m	€0m	€38m	€6m
13	Club Atlético de Madrid	ESP	€43m	25%	€38m	€5m	€43m	€0m
14	Udinese Calcio	ITA	€42m	85%	€35m	€7m	€26m	€16m
15	FC Bayern München	GER	€41m	8%	€70m	-€28m	€104m	-€63m
16	Southampton FC FC	ENG	€40m	31%	€10m	€30m	€31m	€9m
17	Torino FC	ITA	€40m	67%	€8m	€32m	€27m	€13m
18	Athletic Club	ESP	€36m	53%	€18m	€18m	€7m	€29m
19	LOSC Lille Métropole	FRA	€34m	48%	€9m	€25m	€4m	€30m
20	Real Sociedad de Fútbol	ESP	€32m	49%	€0m	€32m	€17m	€16m
1-20	Average		€62m	44%	€54m	€8m	€66m	-€4m
1-20	Aggregate		€1,242m		€1,080m	€163m	€1,319m	-€77m



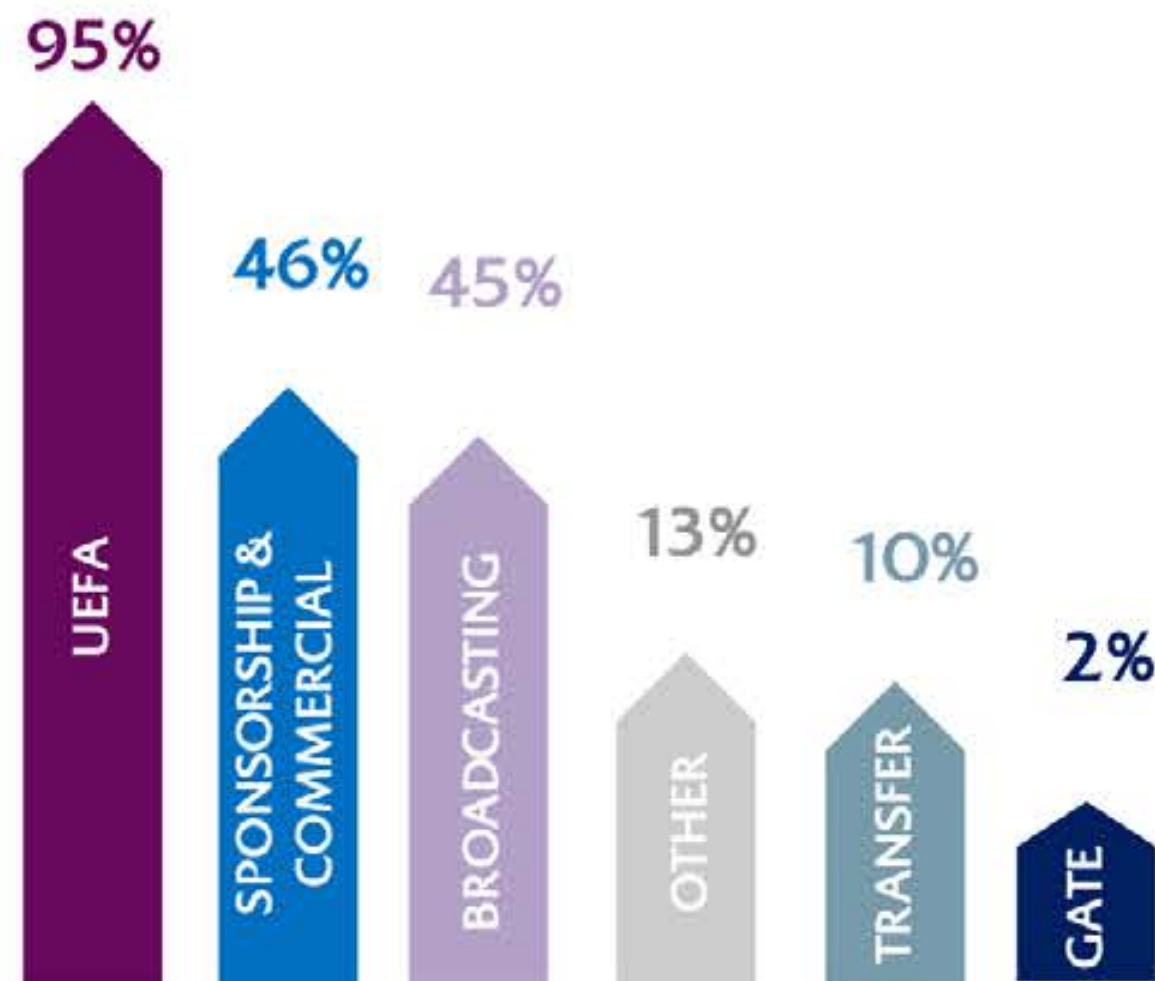
For FY14, two English clubs – Tottenham Hotspur FC and Chelsea FC – officially generated the highest transfer proceeds, with €137m and €115m respectively. Spanish (seven) and Italian (six) clubs feature heavily in the top 20 transfer proceeds list. Unlike the main revenue categories, where the top 20 lists are relatively stable from year to year, transfer proceeds and spend fluctuate noticeably, with only 7 of the top 20 sellers in 2014 also appearing in the previous year's list. Indeed, the three highest earners in FY13 – FC Anzhi Makhachkala, FC Porto and FC Shakhtar Donetsk – were all outside the top 20 in FY14. The importance of transfer activity in club finances is clearly evident when you compare transfer proceeds with revenues, with 9 of the top 20 clubs in FY14 receiving transfer proceeds equivalent to more than half their total revenue for the year.

While the average top 20 transfer proceeds were €62m, most clubs manage their squads and high transfer proceeds are typically accompanied by transfer spending. Indeed, the top 20 clubs listed in the table reported an average net transfer spend of €4m per club. Five of the top ten highest spenders were also in the top ten highest earners in FY14. Comparing transfer proceeds with the original transfer spend on these players, Tottenham Hotspur FC generated the highest mark-up by selling players for €83m more than they originally spent, followed by SL Benfica (+€42m), Torino FC and Real Sociedad de Fútbol (+€32m each). At the other end of the scale, there were a number of clubs who sold players for a 'markdown'.

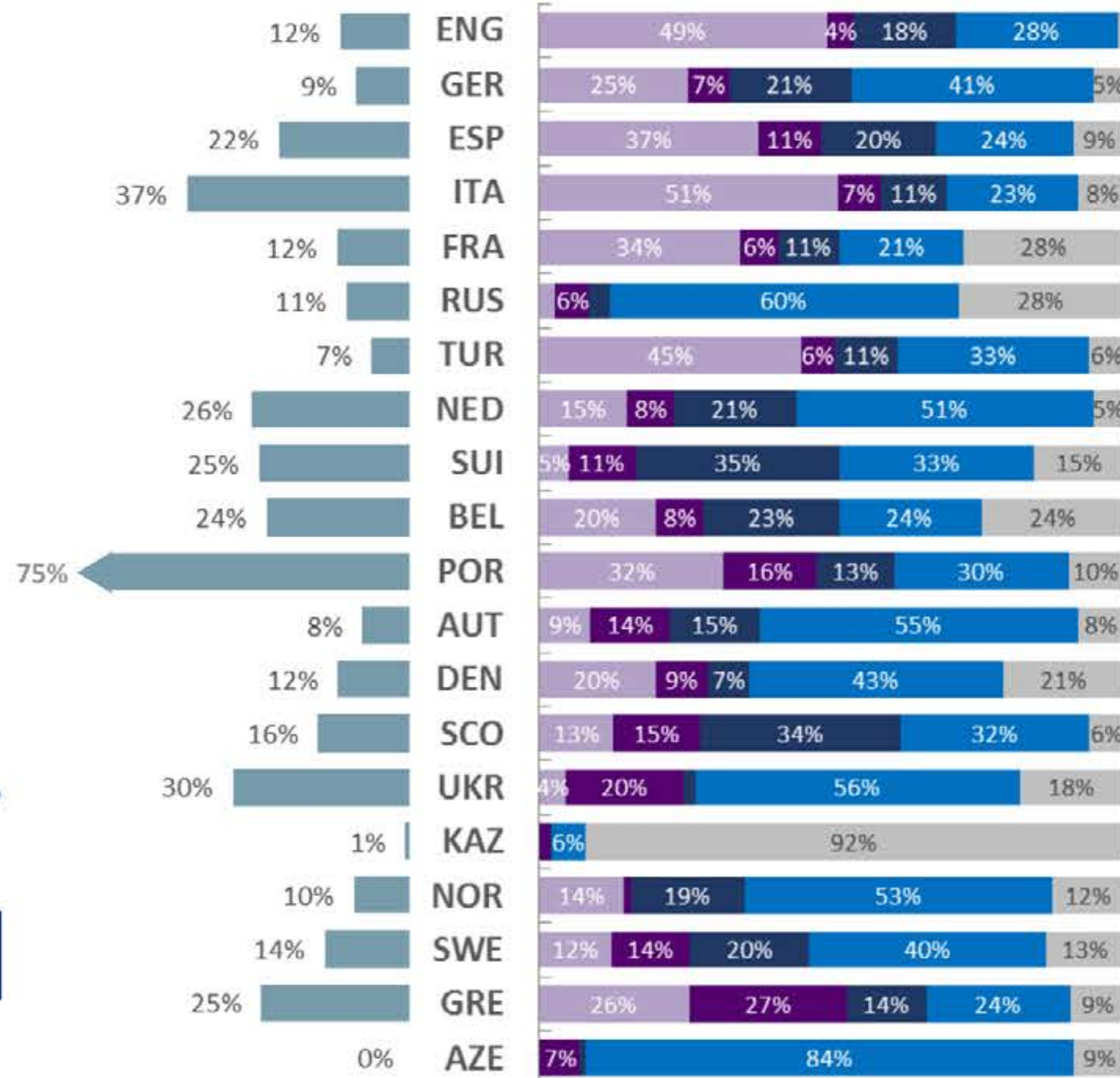
^{*} Transfer proceeds are the gross income from player sales and loans during FY14. We refer to this as the "official" transfer proceeds figure as this is calculated from figures included in the audited financial statements rather than figures only covering part of the transfer market (FIFA TMS reports) or estimates (all other reports or press figures). Comparisons of transfer proceeds against original transfer cost are available in the detailed notes to club financial statements.

Relative importance and growth of different revenue streams across Europe

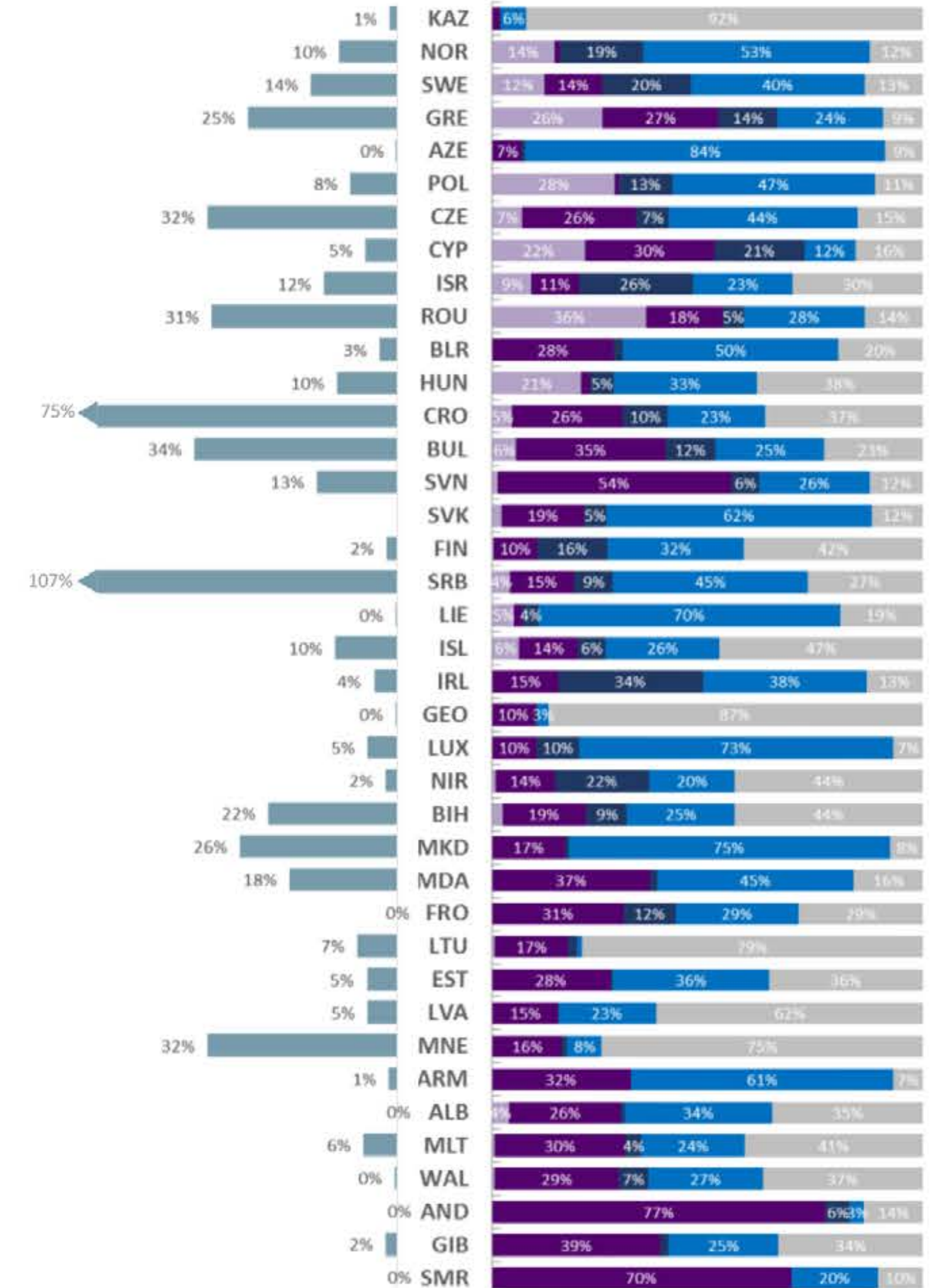
Five-year increase (2009-2014) in European club revenues per revenue stream:



Revenue streams and transfer proceeds of the top 15 leagues:



Revenue streams and transfer proceeds of the non-top leagues:



Transfer proceeds National Association Domestic broadcasting UEFA prize money Gate receipts Sponsorship/commercial Other revenue





CHAPTER

5

Wage cost trends and comparisons

European top-division club net cost base of €16.4bn

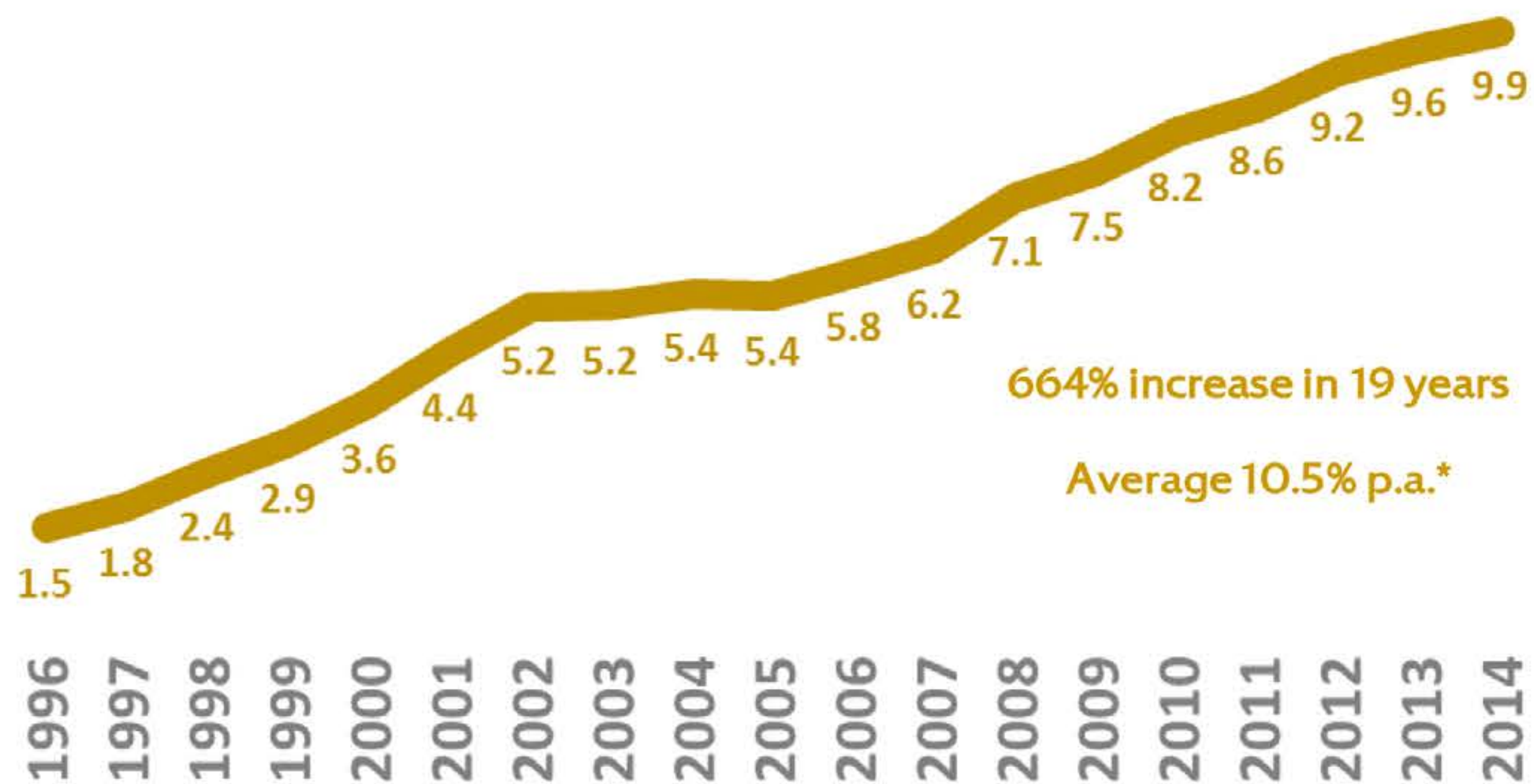
Clubs had wages and other operating costs of €15,070m in FY14, absorbing 95% of club revenues. In other words, 5% of club revenues were left to cover transfer activity and non-operating costs (one-off non-operating items, finance, tax and divestment).



* In this report section 'wages' and 'wage growth' are commonly used. In this context, 'wages' refers to and is interchangeable with 'employee costs', which includes wages, salaries, bonuses and employer social contributions.

Club wages up 664% over the last two decades

Long-term evolution of total European top-division club wages (€bn)



Club wages are estimated to have grown at an annual rate of more than 10% over the last 19 years. This compares to European economic growth of just 1.5% per year during the period**.

* Average refers to the compound average growth rate. Source: Data covering all of Europe's top-division clubs submitted directly to UEFA since 2007. Prior to this no Europe-wide data was available but many of the major leagues collected data and this has been summarised in the Deloitte Annual Football Review dating back to 1996. The full European top-division aggregate revenue and wages between 1996 and 2006 has been estimated by extrapolating across the missing leagues using a ratio of 68:32 (known top 5 data : extrapolated non-top-5 data). ** 'Economic growth' refers to the Euro area GDP growth rate as reported by Eurostat and is a benchmark only, used to give context to the extraordinary wage growth of European football clubs. This rough benchmark has been used since nominal wage growth across all of the national economies of UEFA national associations is not available.

Noticeable downturn in wage growth

Recent evolution of total European revenue and wages (percentage growth per year):



After a decade where wage growth outstripped revenue growth, revenues have now grown faster than wages for two consecutive years.

After wage growth had slowed to 4.3% in 2013, the lowest rate of wage growth in the last decade, the downward trend continued with wage growth of just 3.0% in 2014, another record.

Player wages hit €7bn in FY14

Breakdown of club wages, FY14:



The overall tax burden and type of taxes paid varies greatly across Europe, making accurate comparisons of the overall tax burden difficult. Employer social security taxes vary tremendously, with French clubs paying more than 25% on top of wages, compared with 12% for English clubs and 4-6% for German, Italian and Spanish clubs.

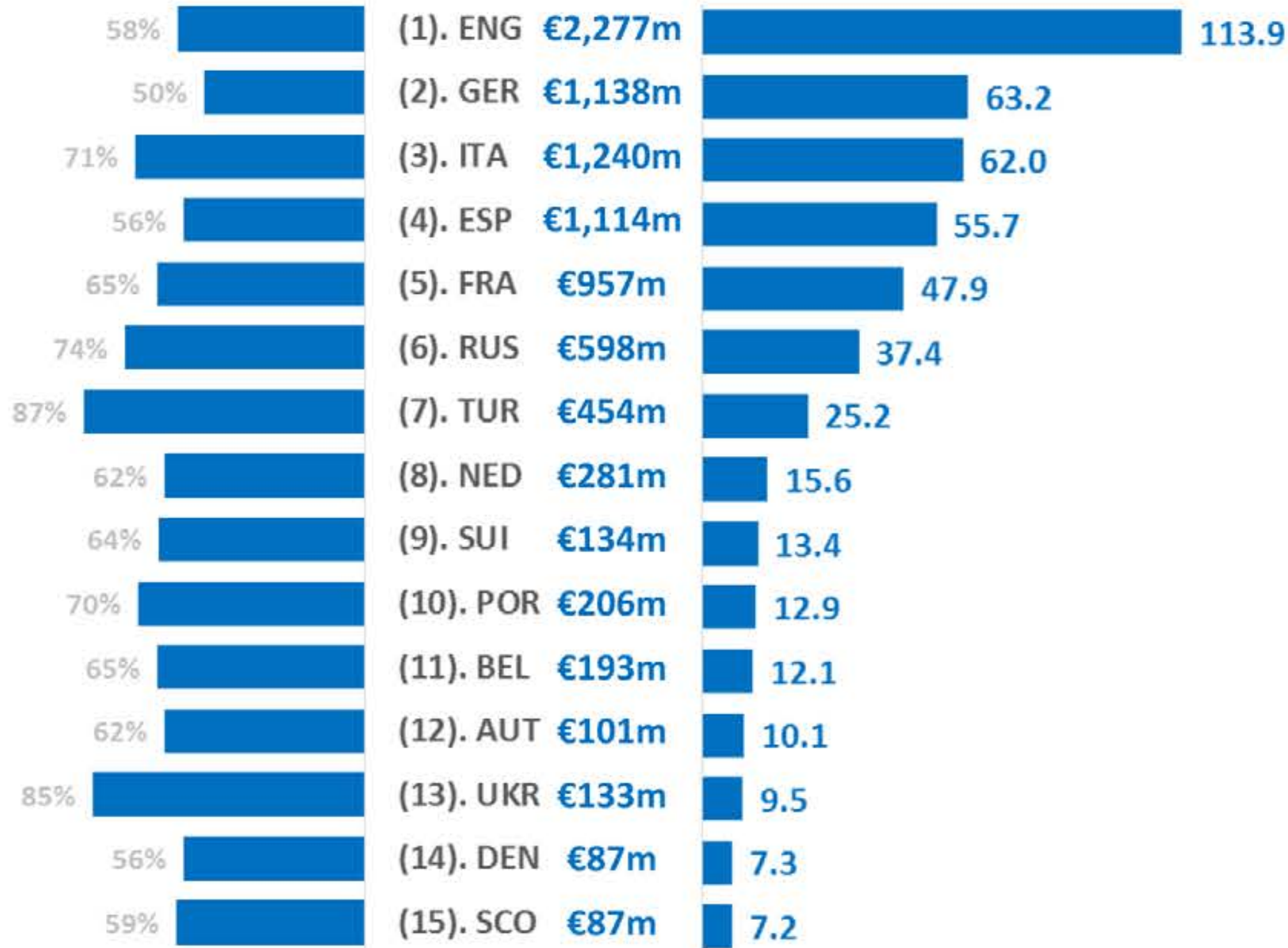
In total, European top-division clubs paid more than €900m in employer social security contributions in 2014. This is, however, only one type of tax contribution that club football makes to national treasuries. Improved profitability led to further taxes of more than €300m, while VAT and other input taxes also contributed greatly. Last but not least, taxes on the wages of club employees dwarfed these figures with an estimated €3.4bn in income taxes and social costs paid directly by players and other employees.*

Direct player wages represented 71% of overall club employee, costs with direct wages for other staff of 20% and social security contributions of 9%. The split of employee costs between players (78%) and technical and other staff (22%) has been stable for a number of years and the player share among the highest paying leagues varies from 78% in France to 84% in Spain.

* The estimated income taxes paid directly by employees is an indicative benchmark figure calculated using some basic assumptions rather than an exact figure directly collected from the tax calculations of specific individuals, which for obvious reasons is not possible. The main assumptions use the known upper (players) and middle (other employees) rates of taxation and employee social taxes in the tax jurisdictions of the 'big 5' leagues, which represent over two-thirds of total European top-division employee costs. For the employee costs of the remaining countries, a simplified estimate based on the blended EU-28 implicit labour tax rate of 36.1% (source: Eurostat) was applied to the gross wages.

Wage levels and trends: Top 15 leagues

The top 15 leagues by average club wages (€m)*, aggregate league wages and wages to revenue percentage:



The top 15 markets:

The average English club wage bill of €113.9m in 2014 was 80% higher than the average German Bundesliga wage bill of €63.2m and more than double the Spanish (€55.7m) or French (€47.9m) average.

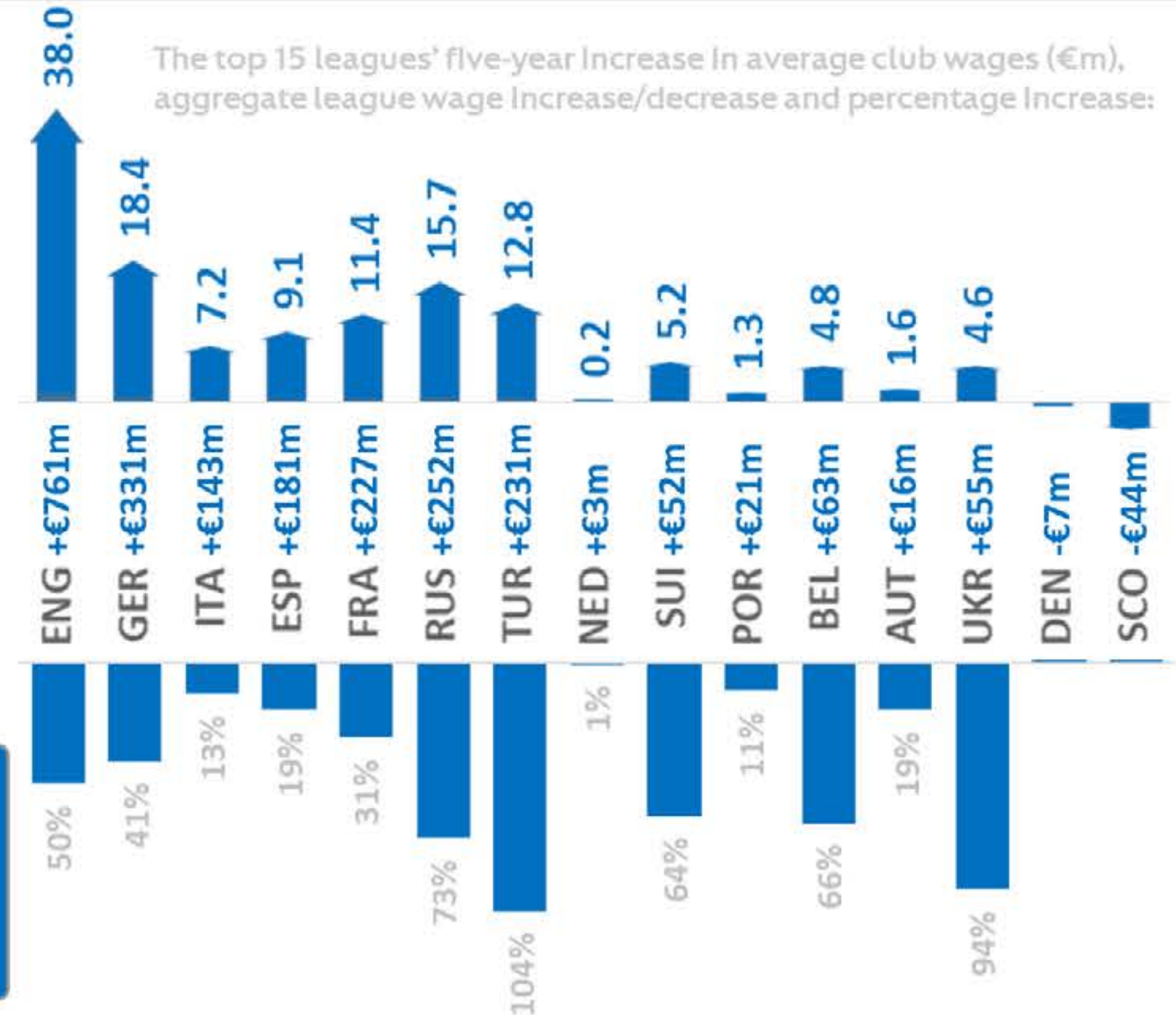
Elsewhere, Russian wages, which were close to overtaking average French wages in 2013, decreased by 12% but Russia remained the sixth highest paying top-tier league in Europe, followed by Turkey in seventh place. There was a noticeable gap between Turkey and the Dutch clubs in eighth place.**

German clubs continued to have the lowest wage to revenue ratio of just 50% in 2014, with average Danish, English, Scottish and Spanish ratios also under 60%. At the other end of the scale, wages absorbed 87% and 85% of Turkish and Ukrainian club revenues respectively.

Notable changes:

Wage increases between 2013 and 2014 were very similar across the highest paying leagues, with clubs in England, Germany, Italy and Spain all averaging increases of between 4.9% and 5.8%.

Analysis of five-year wage increases between 2009 and 2014, however, highlight markedly different rates of growth, with English clubs adding an average €38m to their wage bills, followed in €m growth order by German, Russian, Turkish and French clubs, who have all added between €10m and €20m to their wage bills. Austrian, Danish, Dutch, Portuguese and Scottish club wages have grown the least, highlighting the challenges for clubs of middle sized TV markets to keep pace with clubs from the larger markets.



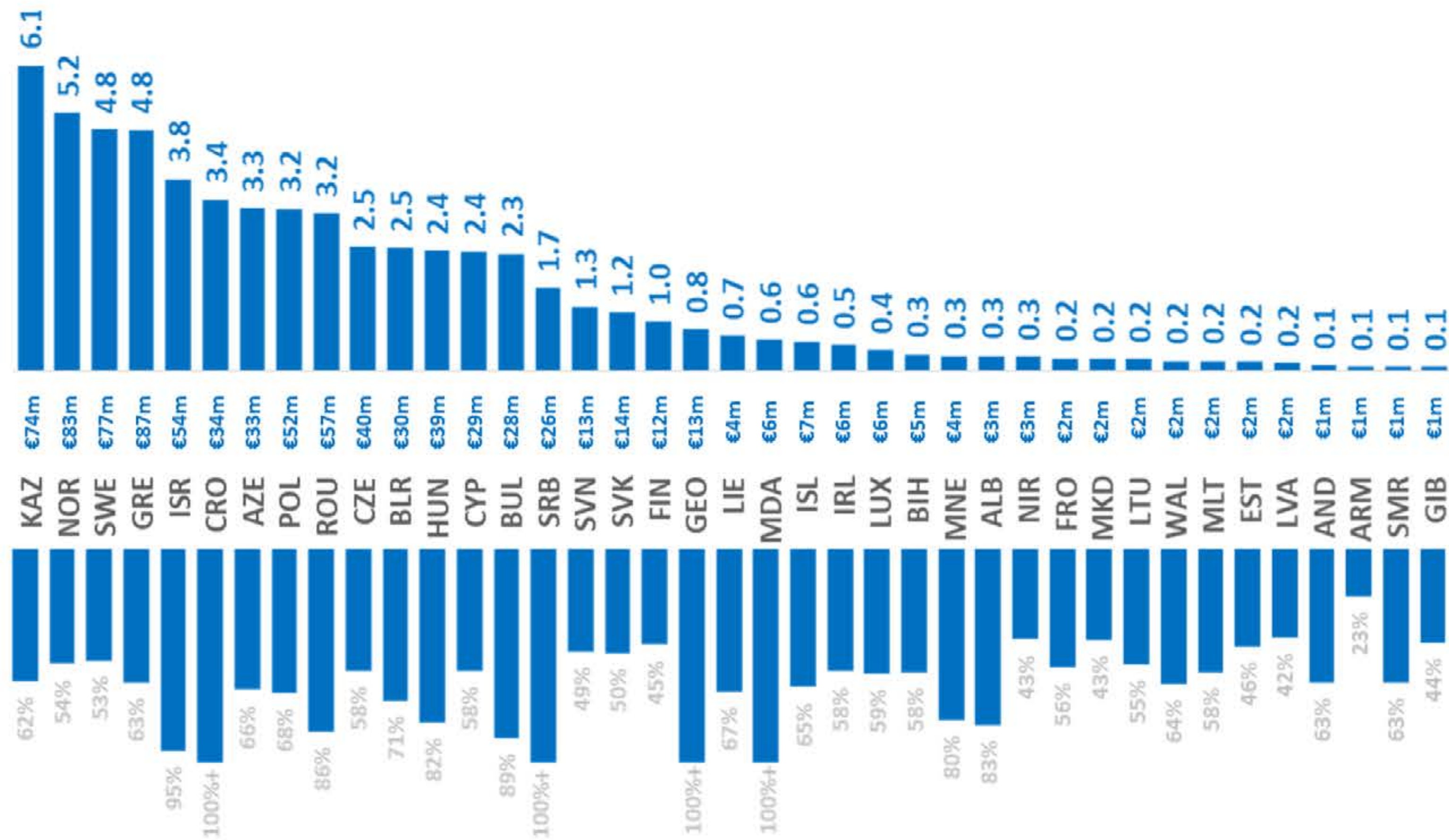
* 'Wages', 'wage levels' and 'wage bills' refer in these analyses to all employee costs (including the club's share of social taxes) and all employees (technical, administrative and players). ** This report concentrates on clubs from the top tier of each of the 54 UEFA member associations, for which UEFA receives detailed financial information. All tables and charts are based on this information. In 2014 it should be noted that the aggregate and average wages from the second tier in England (the Championship) rose to €620m and €25.9m respectively, making it the sixth highest aggregate wage bill and seventh highest average wage bill in Europe. In addition, the aggregate wage bill in Greece was slightly higher than in Scotland but the top 15 selection is based on average wages.

Wage levels and trends: Leagues 16-54

The non-top markets by average club wages (€m)*, aggregate league wages and wages to revenue percentage:

Differences in the scale of club wage bills become evident once the leagues outside the top 15 are analysed. The clubs from 16 of Europe's top-tier leagues reported an average wage bill of less than €500,000, indicating a mix of professional and semi-professional players.

The wages of clubs in four countries – Croatia, Serbia, Georgia and Moldova – averaged over 100% of revenue in FY14. For Serbia and Moldova this high ratio was principally due three clubs in each country with high wage to revenue percentages of more than 100%. The Croatian and Serbian clubs' percentages reflect their strategy as talent exporters. If net transfer profits are added to employee costs (combined employee cost), the ratio drops to a much more healthy 53% and 68% respectively.

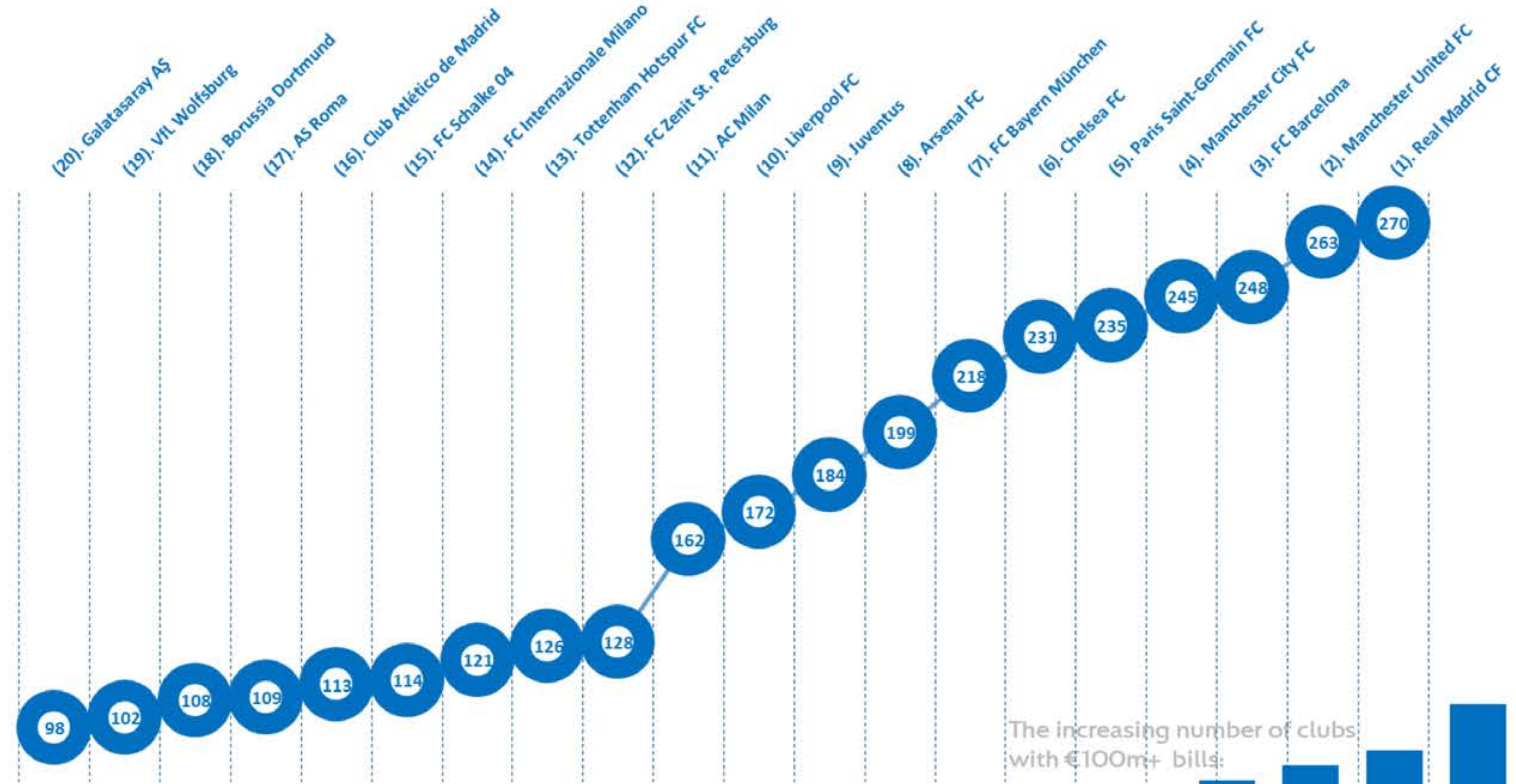


* As per the previous analyses, 'club wages' and 'wage bills' refer to all employee costs (including the club's share of social taxes) and all employees (technical, administrative and players).

Top 20 club wage levels and trends

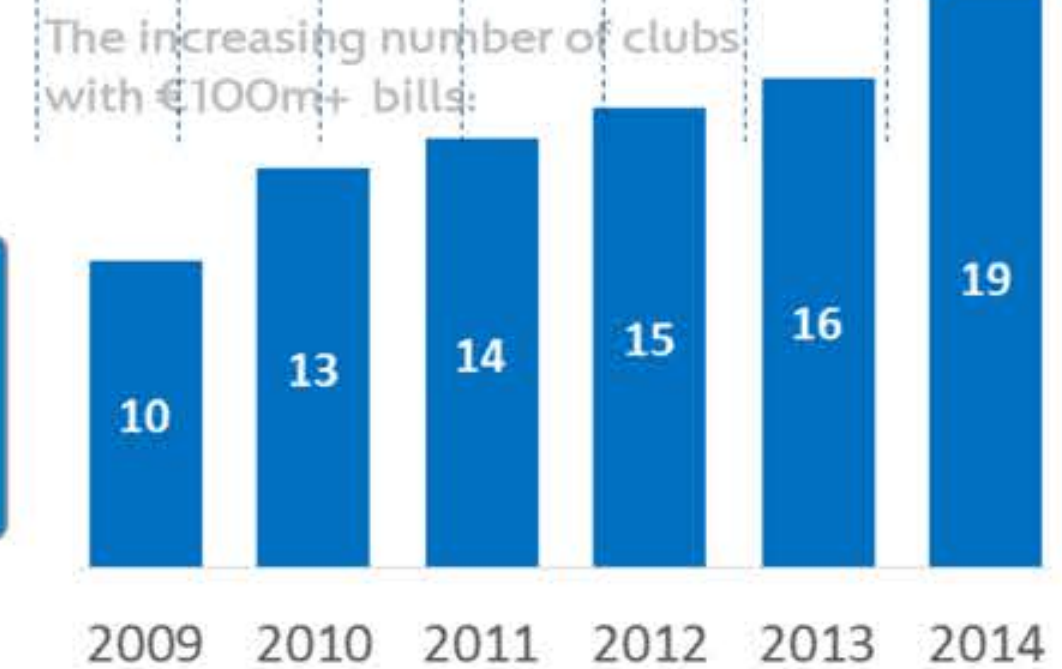
The top 20 clubs by wages:

Rank	Club name	NA	FY2014	Year on year %	Total revenue %	Multiple of league average
1	Real Madrid CF	ESP	€270m	10%	49%	4.8 x
2	Manchester United FC	ENG	€263m	19%	51%	2.3 x
3	FC Barcelona	ESP	€248m	-4%	51%	4.4 x
4	Manchester City FC	ENG	€245m	-14%	59%	2.1 x
5	Paris Saint-Germain FC	FRA	€235m	4%	50%	4.9 x
6	Chelsea FC	ENG	€231m	8%	60%	2.0 x
7	FC Bayern München	GER	€218m	7%	45%	3.4 x
8	Arsenal FC	ENG	€199m	5%	55%	1.7 x
9	Juventus	ITA	€184m	13%	66%	3.0 x
10	Liverpool FC	ENG	€172m	6%	56%	1.5 x
11	AC Milan	ITA	€162m	7%	73%	2.6 x
12	FC Zenit St. Petersburg	RUS	€128m	19%	76%	3.4 x
13	Tottenham Hotspur FC	ENG	€126m	8%	58%	1.1 x
14	FC Internazionale Milano	ITA	€121m	-10%	73%	2.0 x
15	FC Schalke 04	GER	€114m	16%	53%	1.8 x
16	Club Atlético de Madrid	ESP	€113m	77%	66%	2.0 x
17	AS Roma	ITA	€109m	14%	85%	1.8 x
18	Borussia Dortmund	GER	€108m	1%	41%	1.7 x
19	VfL Wolfsburg	GER	€102m	-10%	61%	1.6 x
20	Galatasaray AS	TUR	€98m	3%	97%	3.9 x
1-20	Average		€172m	9%	57%	2.6 x
1-20	Aggregate		€3,444m			



A total of 19 clubs had wage bills exceeding €100m in FY14,* with 7 of these clubs exceeding €200m. The average wage increase among the top 20 clubs was 9%, with Club Atlético de Madrid the only club with a wage increase in excess of 20% (due in part to success bonuses).

Of the 20 highest paying clubs, 15 reported a comfortable wage to revenue ratio of less than 70%, including 12 who reported a healthy ratio of less than 60%. The number of clubs with a wage bill in excess of €100m has increased each year from just 10 clubs in 2009 to 19 clubs in 2014.

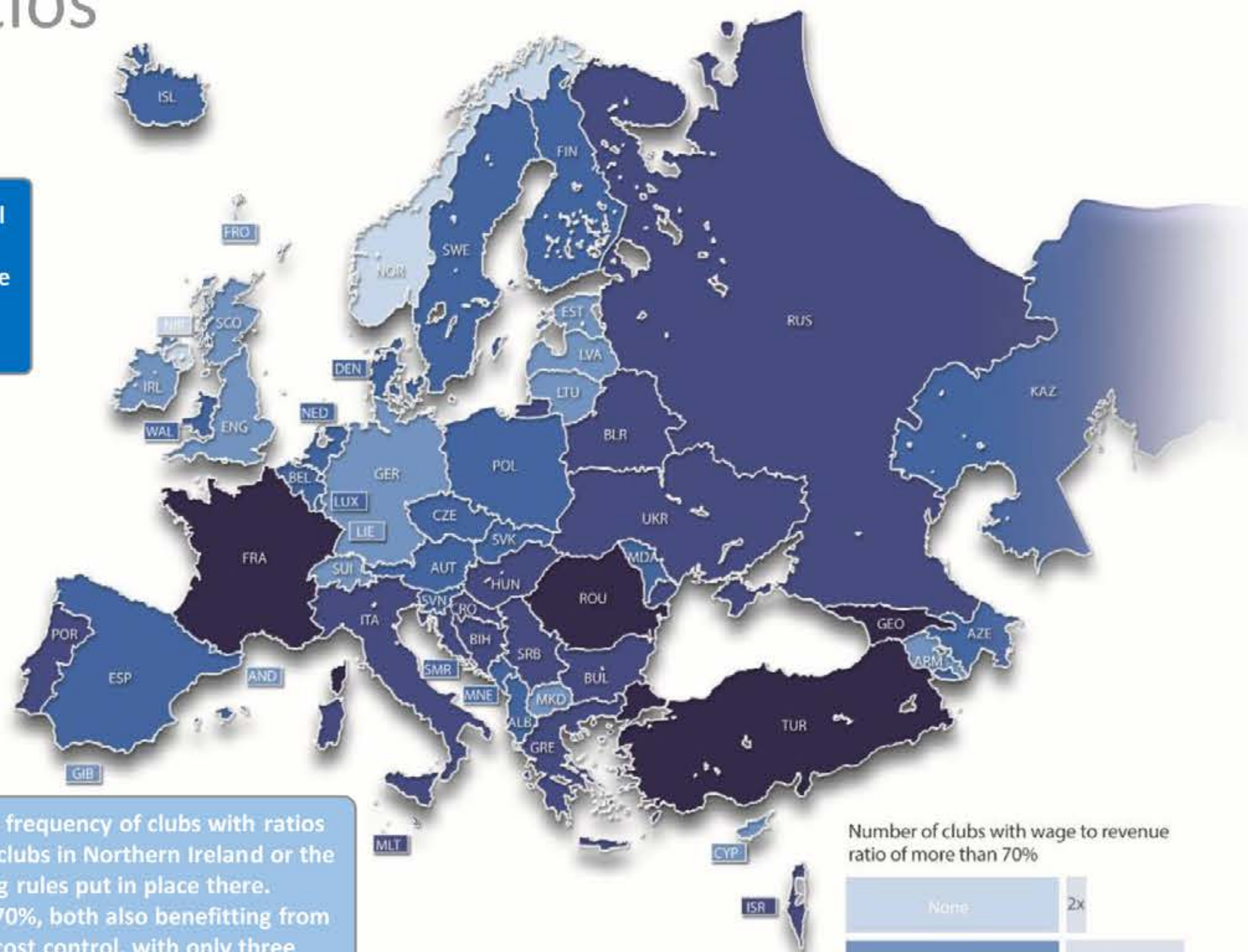
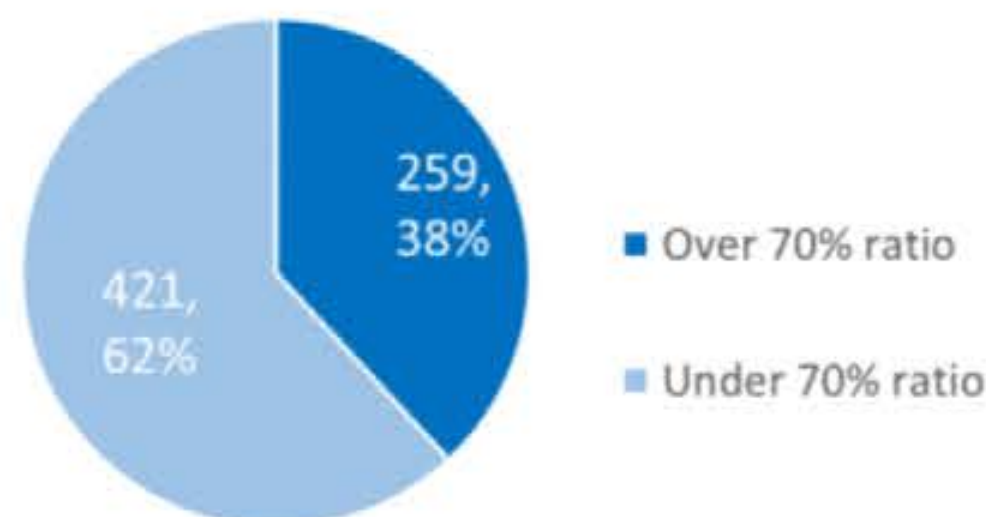


* While UEFA only has detailed financial information on European clubs, reports in the public domain (e.g. BDO report on Brazilian club football) suggest club wages outside Europe are below the €100m mark.

Clubs with high wage to revenue ratios

European club wage to revenue ratios:

Wages may be just one element of a club's cost mix but they are an extremely important part. While a handful of successful and financially secure clubs combine high wage ratios with profitable transfer activities, a good proportion of club financial difficulties are triggered by overstretching on wages. This is why a wage to revenue ratio of 70% is included as a risk indicator in financial fair play. In 2014 there were 259 top-division European clubs with a ratio of over 70%, a slight decrease from the 270 clubs in 2013.



Distribution of high club wage to revenue ratios:

While the average wage to revenue ratio per league has already been presented and analysed, the spread and frequency of clubs with ratios of over 70%, as presented in the map, provides perhaps a better indication of potential issues. None of the 12 clubs in Northern Ireland or the 16 clubs in Norway reported a ratio of over 70%, a mark of the success of the additional domestic club licensing rules put in place there. Among the wealthier leagues, only one of the 18 German and two of the 20 English clubs had a ratio of other 70%, both also benefitting from domestic cost controls. In Germany, where licensing extends back decades, this keeps up a tradition of sound cost control, with only three clubs over the last seven years going beyond 70%. For England this represents a remarkable turnaround, after 12 clubs had a ratio greater than 70% in 2013. Domestic financial fair play rules combined with the UEFA rules have contributed to English clubs successfully retaining most of the benefits of the improved domestic TV deal, in stark contrast to the previous 2010 to 2011 pre-financial fair play TV uplift, when 12 clubs reported a ratio of over 70% both before and after the domestic TV revenue increase.

Number of clubs with wage to revenue ratio of more than 70%



At the other end of the scale, 259 clubs across Europe reported wage to revenue ratios of more than 70%, including at least ten clubs per league in four countries – France, Georgia, Romania and Turkey.

Large club wage gaps within and between leagues: Leagues 1-7

Deeper wage comparisons:

League totals and averages provide only part of the picture, and comparisons can be misleading. This is particularly the case where a league is dominated by a small number of clubs, which is typically the case in European football. To allow better, more meaningful comparisons, we have broken down the average club wage bill into three categories of club in each country: the four clubs with highest wage bill, the next four (i.e. clubs 5–8) and the remainder (between 2 and 12 clubs, as leagues range from 10 to 20 participating clubs*). This provides a comparison of the wage spread within each league and also provides comparisons of the three groups of club between leagues. The peer groups are based on wage rankings, not league positions.

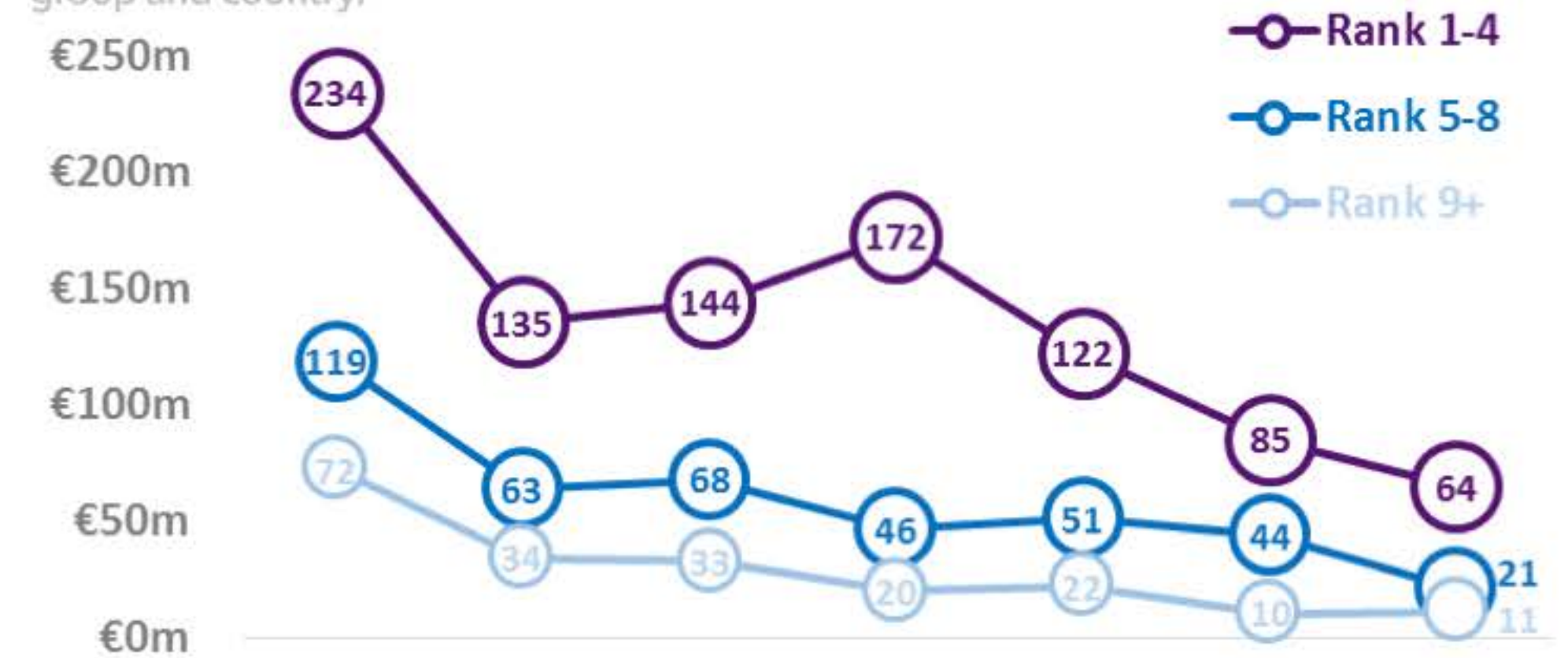
Wage comparisons between leagues:

The second level of English clubs (clubs 5–8) are pretty competitive with all but the top clubs in the other wealthy European leagues. The Premier League TV deal enables the third level of clubs in England (clubs 9–20) to have slightly higher average wages (€72m) than clubs 5–8 in Italy (€68m) and Germany (€63m) and 40-55% more than the average of clubs 5–8 in France (€51m) and Spain (€46m).

Wage spread within leagues:

The average wage gap between the top four clubs and clubs 5–8 is fairly similar in England, Germany, Italy and Russia, with multiples between 1.9x and 2.1x. The wage gap is noticeably more extreme in Turkey (3.1x) and Spain (3.7x). The average wage gap between clubs 5–8 and clubs 9+ tends to be closer. The ratio between the top four clubs and clubs 9+ ranges from 3.3x in England to 8.6x in Spain.

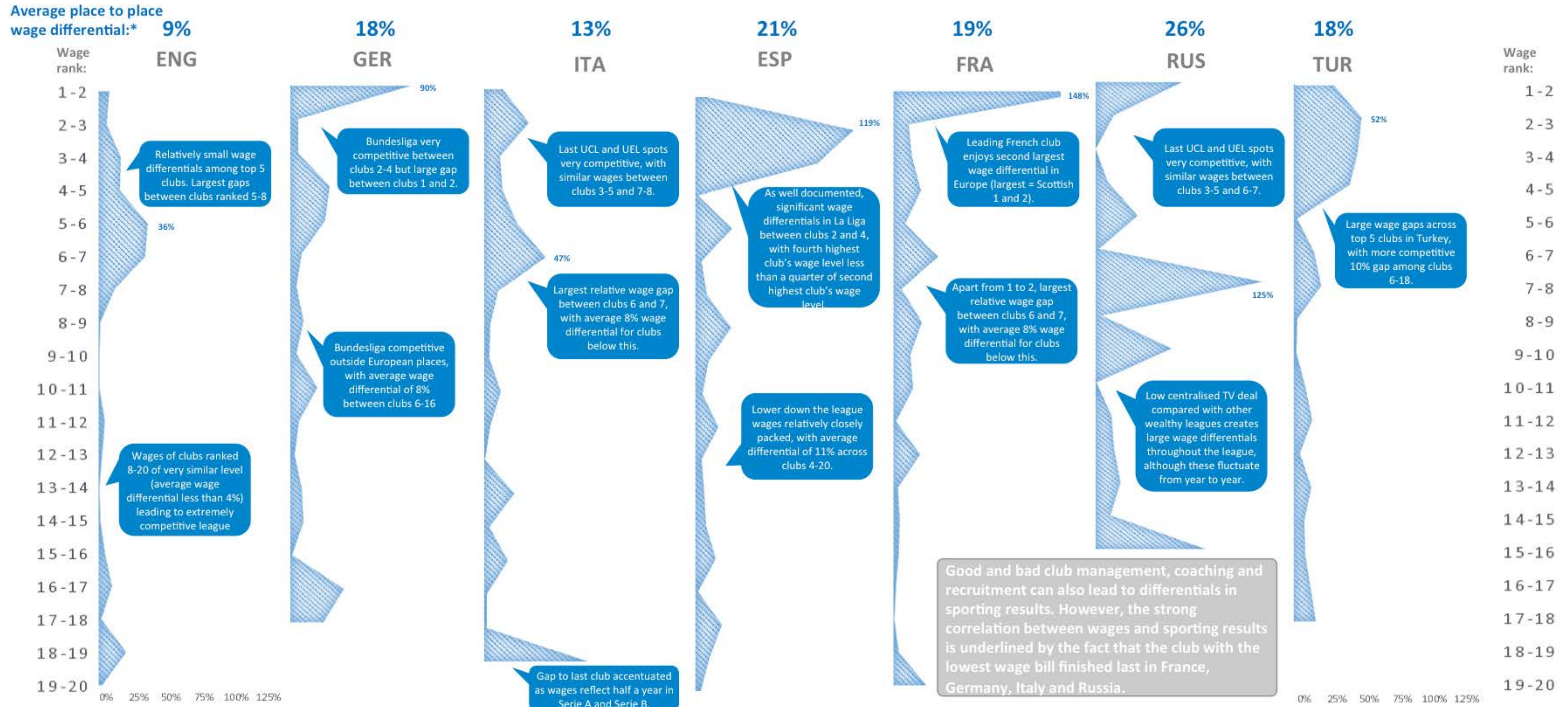
Average club wage bill (€m) by club peer group and country:



	ENG	GER	ITA	ESP	FRA	RUS	TUR
Clubs 1-4 v 5-8	2.0x	2.1x	2.1x	3.7x	2.4x	1.9x	3.1x
Clubs 5-8 v 9+	1.6x	1.9x	2.1x	2.3x	2.3x	4.2x	1.8x
Clubs 1-4 v 9+	3.3x	4.0x	4.4x	8.6x	5.5x	8.1x	5.7x

* The number of clubs in the league determines that peer group C covers: clubs 9 to 18 in Germany and Turkey; clubs 9 to 16 in Russia, and; clubs 9 to 20 in England, France and Italy. In the absence of data for the three relegated clubs, peer group C in Spain comprises clubs 9 to 17.

Visual analysis of club wage gaps within leagues 1-7



* This analysis ranks clubs within each league by FY14 wages and the average differential reflects the average of the wage differences between each club (i.e. 1 to 2, 2 to 3, 3 to 4, etc.). The average has been adjusted for Italy and Russia to exclude the bottom club, for whom the wage level reflected half a season in the second league. "Wages" refers to all employee costs (including the club's share of social taxes) and all employees (technical, administrative and players).

Large club wage gaps within and between leagues 8-15

Deeper wage comparisons:

In the countries analysed on this page, comparisons by club average are even more susceptible to influence from a small number of large clubs in each league. To allow better, more meaningful comparisons, we have broken down the average club wage bill into three categories of club in each country: the four clubs with highest wage bill, the next four (i.e. clubs 5–8) and the remainder (between 2 and 12 clubs, as leagues range from 10 to 20 participating clubs). This provides a comparison of the wage spread within each league and also provides comparisons of the three groups of club between leagues. The peer groups are based on wage rankings, not league positions.

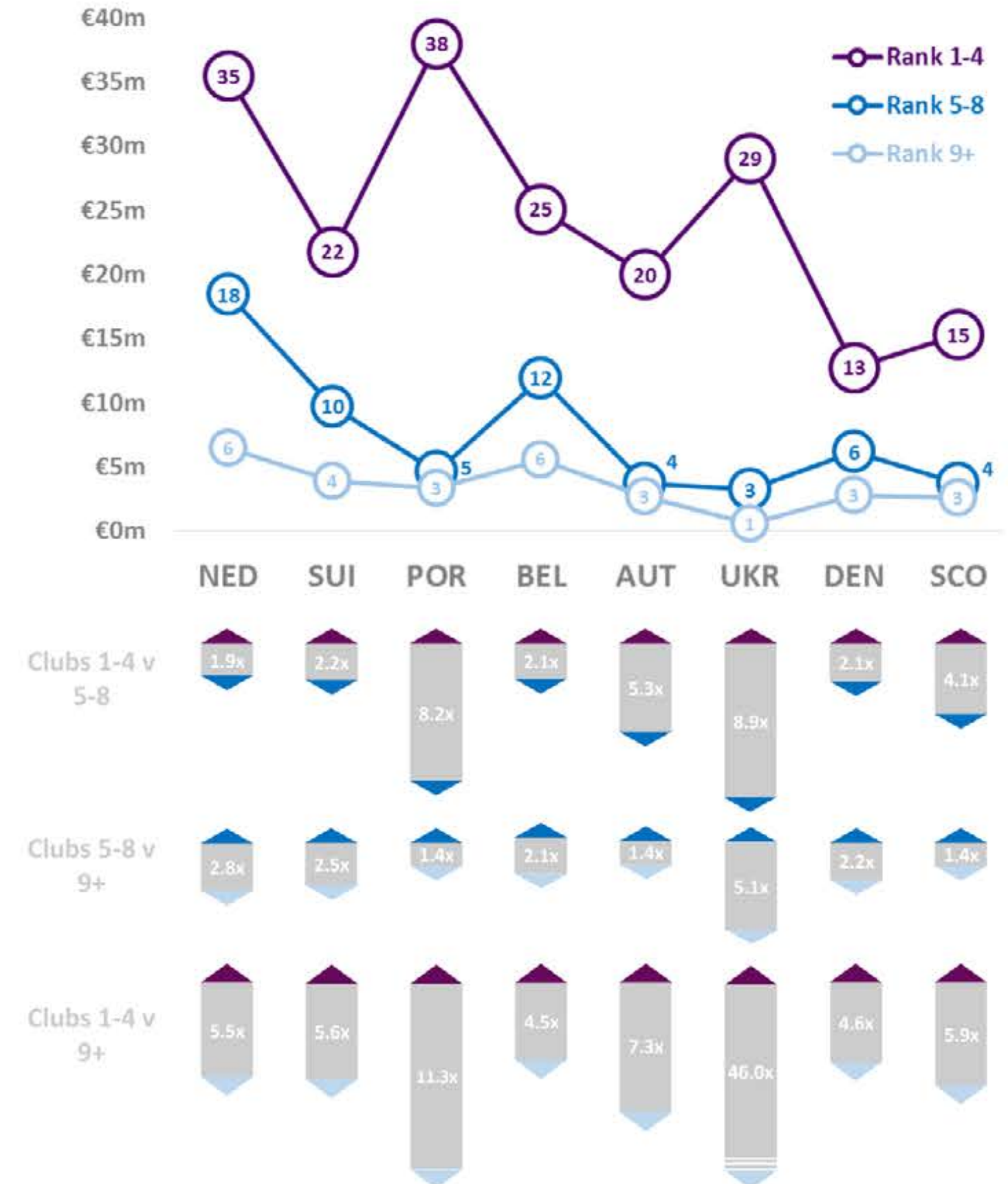
Wage comparisons between leagues:

The top four Portuguese and Ukrainian clubs have very competitive wages within this group of leagues and this is reflected in the clubs' good performance in UEFA club competitions. The Belgian, Dutch and Swiss leagues, on the other hand, have much more wage 'depth', with clubs 5–8 in these leagues more competitive than their Portuguese and Ukrainian counterparts.

Wage spread within leagues:

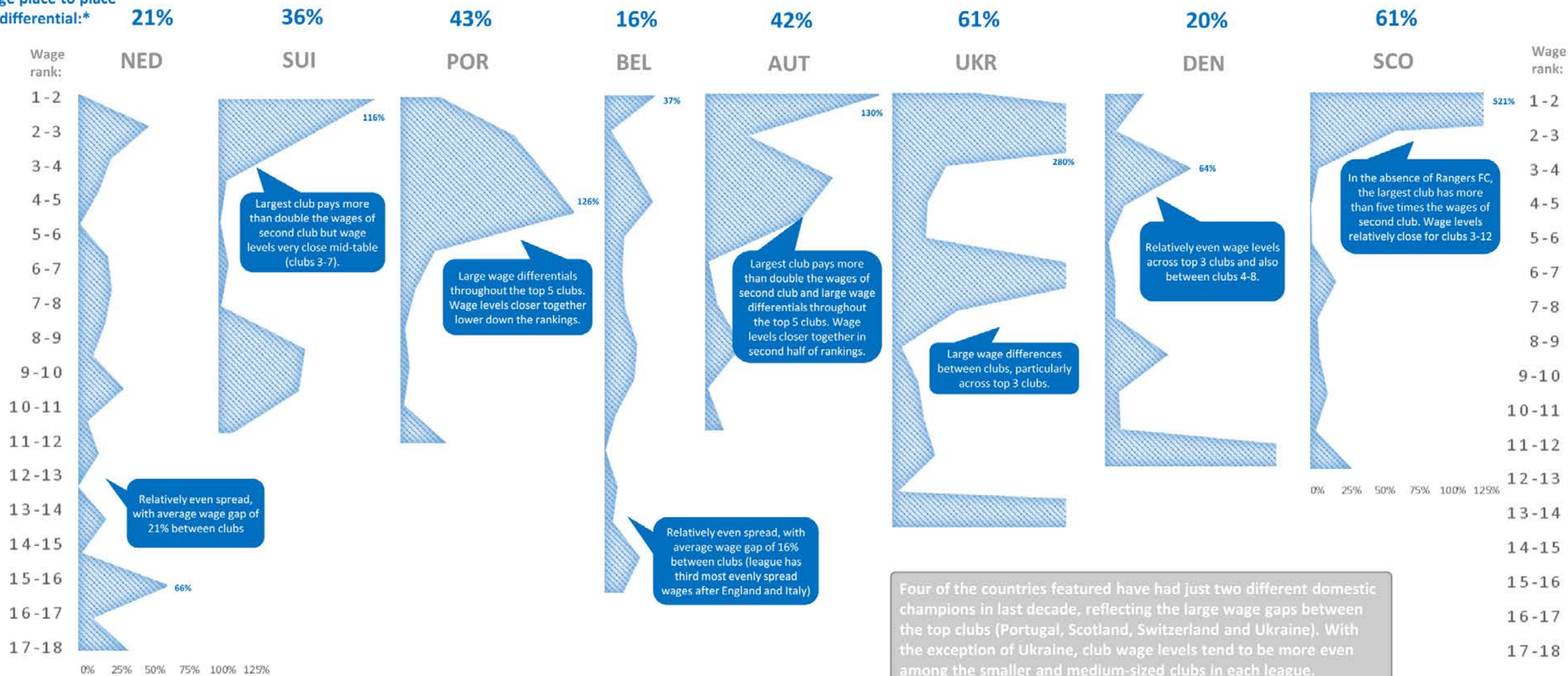
The relative gap in average wages between the top four clubs and clubs 5–8 is fairly similar in Belgium, Denmark, the Netherlands and Switzerland, ranging from a multiple of 1.9 to 2.2. The wage gap is significantly higher for the other leagues, with the largest clubs in Portugal and Ukraine enjoying a particularly large wage advantage over the next clubs in their leagues. Lower down the leagues, the gaps between clubs 5–8 and clubs 9+ tend to be smaller. The gap between the top four clubs and clubs 9+ ranges from 4.5x in Belgium to 46.0x in Ukraine.

Average club wage bill (€m) by club peer group and country:



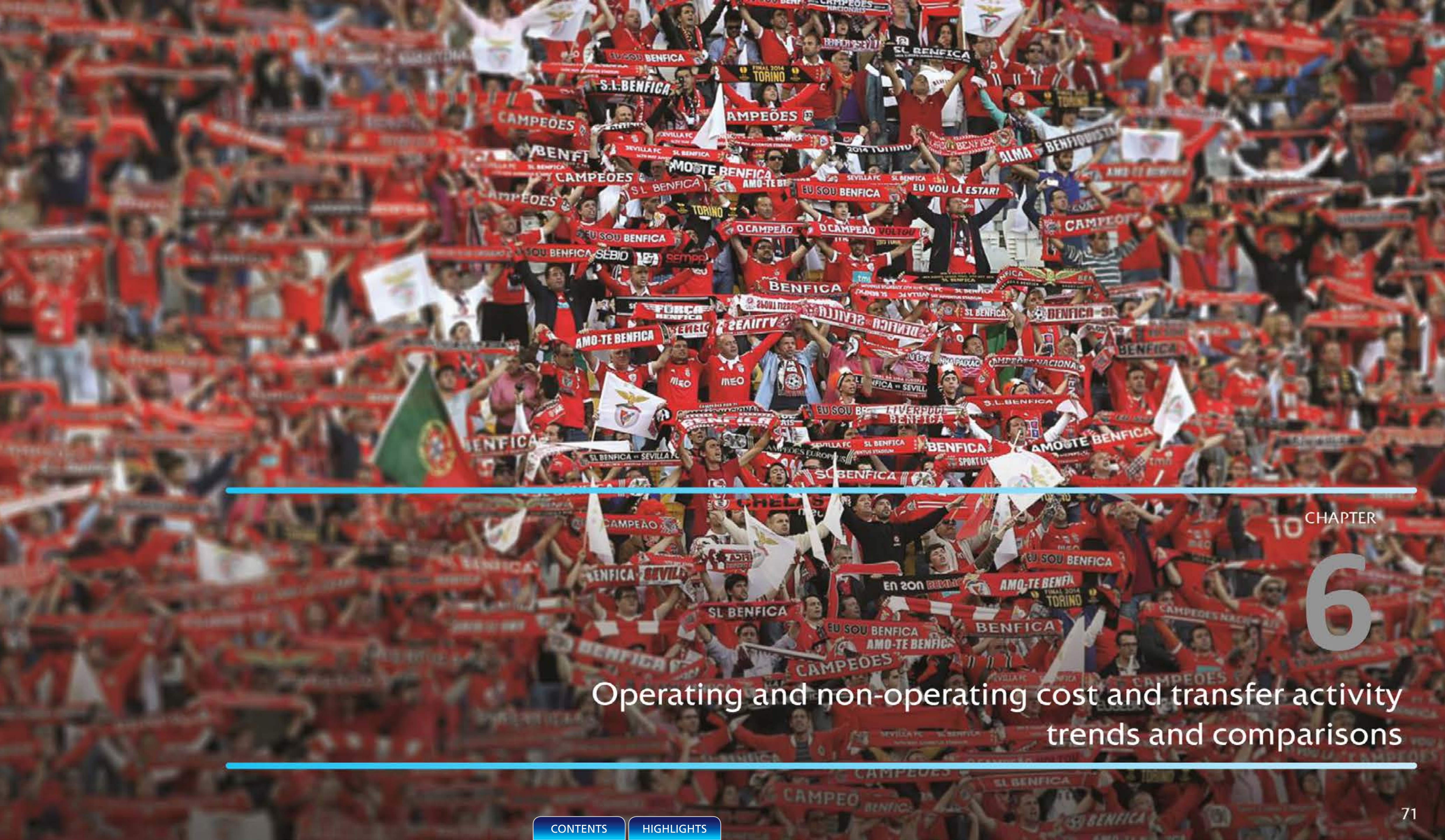
Visual analysis of club wage gaps within leagues 8-15

Average place to place wage differential:*



Four of the countries featured have had just two different domestic champions in last decade, reflecting the large wage gaps between the top clubs (Portugal, Scotland, Switzerland and Ukraine). With the exception of Ukraine, club wage levels tend to be more even among the smaller and medium-sized clubs in each league.

* This analysis ranks clubs within each league by FY14 wages and the average differential reflects the average of the wage differences between each club (i.e. 1 to 2, 2 to 3, 3 to 4, etc.). The average has been adjusted for Denmark to exclude the bottom club, for whom the wage level reflected half a season in the second league. 'Wages' refers to all employee costs (including the club's share of social taxes) and all employees (technical, administrative and players)



CHAPTER

6

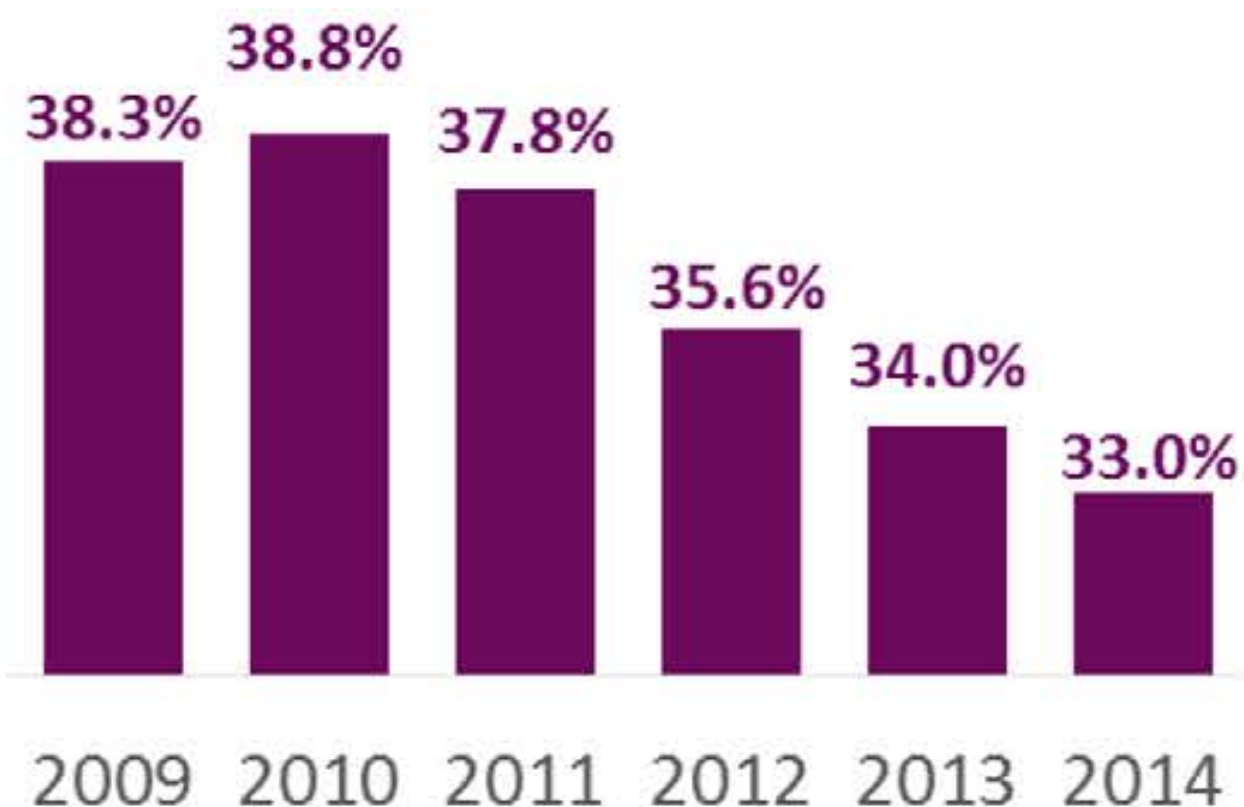
Operating and non-operating cost and transfer activity trends and comparisons

Operating costs grow by just 2%

Much of a club's operating cost base* is either fixed (assets and property, cost of facilities and basic administrative costs) or linked to the number of matches played (matchday expenses). With revenues increasing significantly each year, the proportion of revenue dedicated to (non-wage) operating costs is decreasing, down from 38.8% in 2010 to 32.9% in 2014.

Total operating costs, supported by generally low inflation, have increased at a rate of just 2% in each of the last two years. However, a closer look at this stable aggregate figure provides some insights nonetheless, with some notable cost increases reported by larger clubs as they step up their commercial operations.

Five-year evolution of clubs' operating costs as a percentage of revenue:*



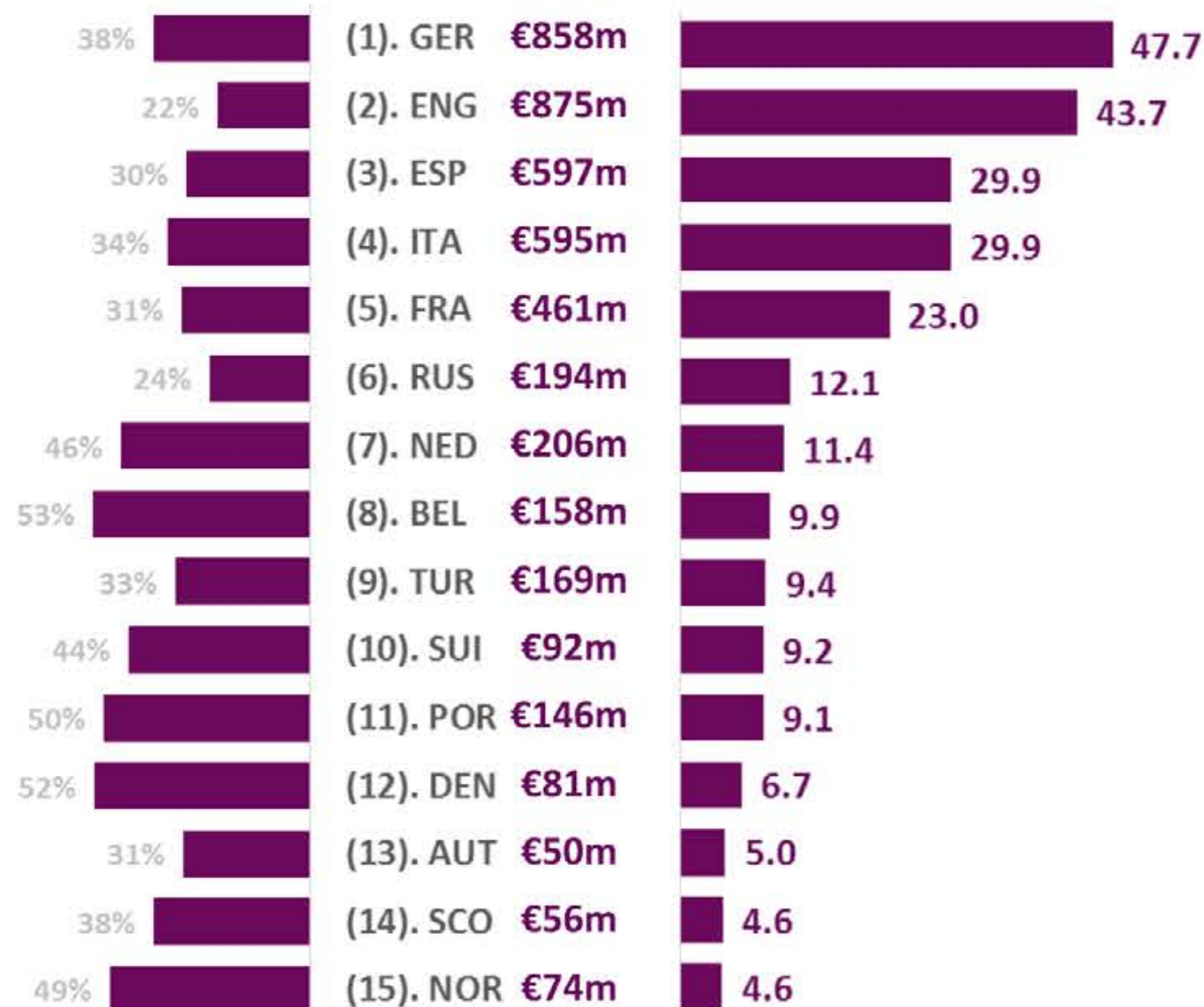
Breakdown of operating costs across cost categories:



* References to 'Operating cost base' and 'Operating costs' in this report exclude employee costs (which have been analysed separately) and transfer activity (amortisation analysed elsewhere). ** Disclosure of operating costs differs significantly between financial reporting frameworks. UEFA and many of its member associations require additional disclosure from clubs, above and beyond normal company reporting, and this has enabled the first Europe-wide analysis of club operating costs allocated to different categories. Individual club cost structures differ considerably. One obvious example is stadium ownership, which will heavily impact the level of the 'cost of assets' (including depreciation) and 'property and facilities expense' (including repairs and maintenance expenses, as well as rental/leasing costs). Merchandising and hospitality arrangements also influence the level of the 'cost of sales' (including raw materials), 'matchday costs' and 'commercial costs'.

Operating cost levels and trends across leagues

The top 15 leagues by average club operating costs (€m)*, aggregate league operating costs and operating costs as a percentage of revenue:



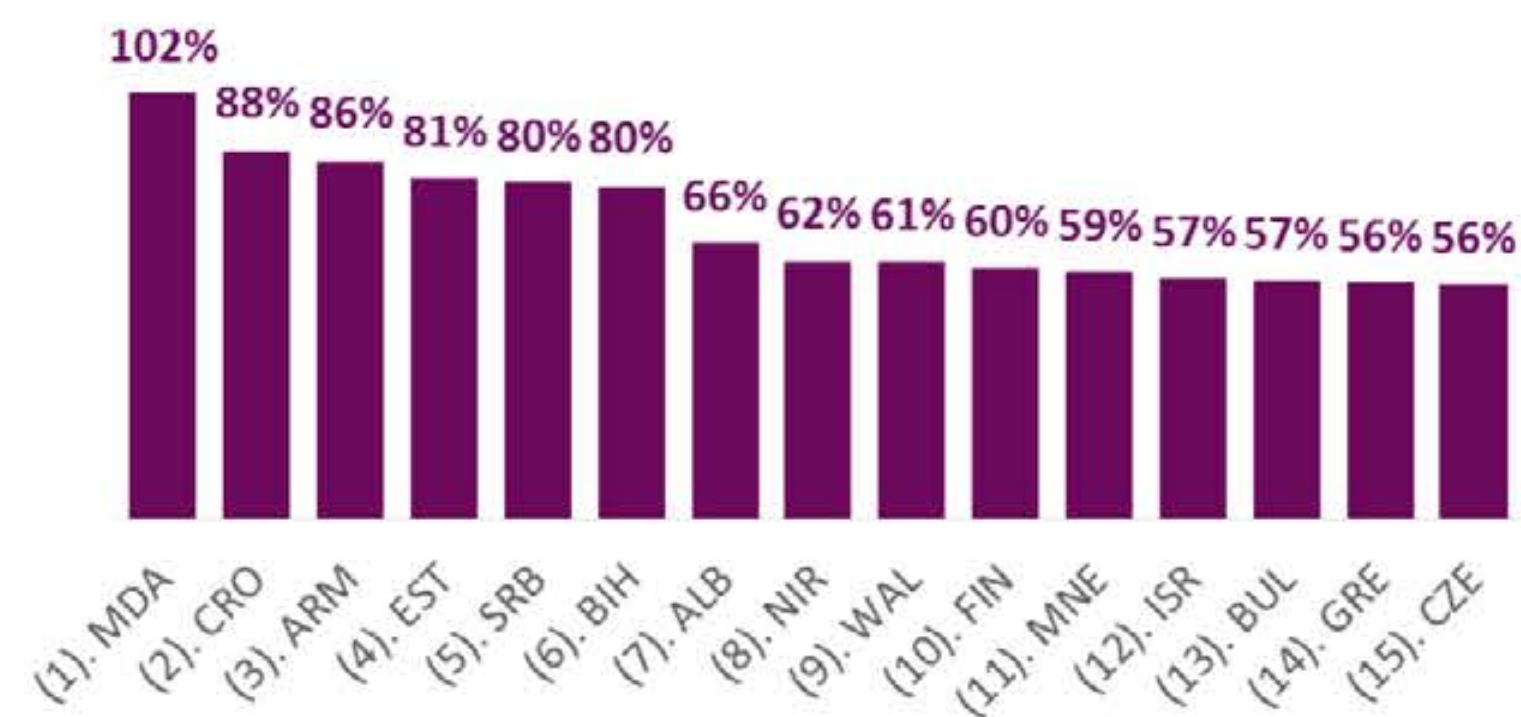
The top 15 markets:

The extent of the commercial activity of German and English clubs highlighted in the revenue analysis is also clear from the cost side, with average club operating costs of €47.7m and €43.7m respectively. The high stadium ownership rate and associated costs faced by clubs in England, Germany and Spain is also a factor in their relatively high operating costs.

While the wealthiest clubs operate on a larger scale, servicing their global commercial activities, the match organisation and club running activities of most football clubs are, by nature, broadly fixed costs. This leads to large economies of scale and explains why operating costs generally grow at a much slower rate than revenues. This is also evident when looking at operating costs as a percentage of revenue, ranging from an average of just 22% for the high-earning English clubs to just over 50% for clubs in Belgium, Denmark and Portugal.

Outside the top 15 markets:

The tendency for fixed operating costs to absorb a higher percentage of revenues is clear when analysing the leagues outside the top 15 by value. Operating costs absorb more than three-quarters of revenue for clubs in six of Europe's leagues that are either small in terms of revenue or heavily involved in scouting and player development. With this level of operating costs before wages, it is clear that clubs need to make player transfer profits in order to balance their books.



* 'Operating costs' in this report excludes employee costs (which have been analysed separately) and transfer activity (amortisation analysed elsewhere).

Top 20 clubs operating cost levels and trends

The top 20 clubs by operating costs:

Rank	Club name	NA	FY2014	Year on year %	Total revenue %	Multiple of league average
1	FC Bayern München	GER	€185m	32%	38%	4.2 x
2	Real Madrid CF	ESP	€182m	16%	33%	6.7 x
3	FC Barcelona	ESP	€159m	24%	33%	5.9 x
4	Paris Saint-Germain FC	FRA	€126m	42%	27%	6.8 x
5	Manchester United FC	ENG	€116m	17%	22%	2.8 x
6	Borussia Dortmund	GER	€111m	-7%	42%	2.5 x
7	Arsenal FC	ENG	€102m	-21%	28%	2.5 x
8	Manchester City FC	ENG	€101m	52%	24%	2.4 x
9	Chelsea FC	ENG	€101m	-3%	26%	2.4 x
10	AC Milan	ITA	€81m	-6%	37%	2.5 x
11	Liverpool FC	ENG	€78m	9%	25%	1.9 x
12	FC Schalke 04	GER	€75m	-1%	35%	1.7 x
13	Juventus	ITA	€68m	2%	24%	2.1 x
14	FC Internazionale Milano	ITA	€66m	6%	40%	2.1 x
15	Bayer 04 Leverkusen	GER	€60m	21%	37%	1.4 x
16	Hamburger SV	GER	€56m	-10%	47%	1.3 x
17	FC Zenit St. Petersburg	RUS	€56m	38%	33%	4.0 x
18	Tottenham Hotspur FC	ENG	€55m	-2%	26%	1.3 x
19	AS Roma	ITA	€51m	14%	39%	1.6 x
20	SL Benfica	POR	€48m	14%	46%	5.2 x
1-20	Average		€94m	12%	31%	3.1 x
1-20	Aggregate		€1,877m			



Operating costs absorbed an average 31% of club revenues among these top 20 clubs, ranging from the lowest share of revenue at Manchester United FC (22%) to the highest share at Hamburger SV (47%).

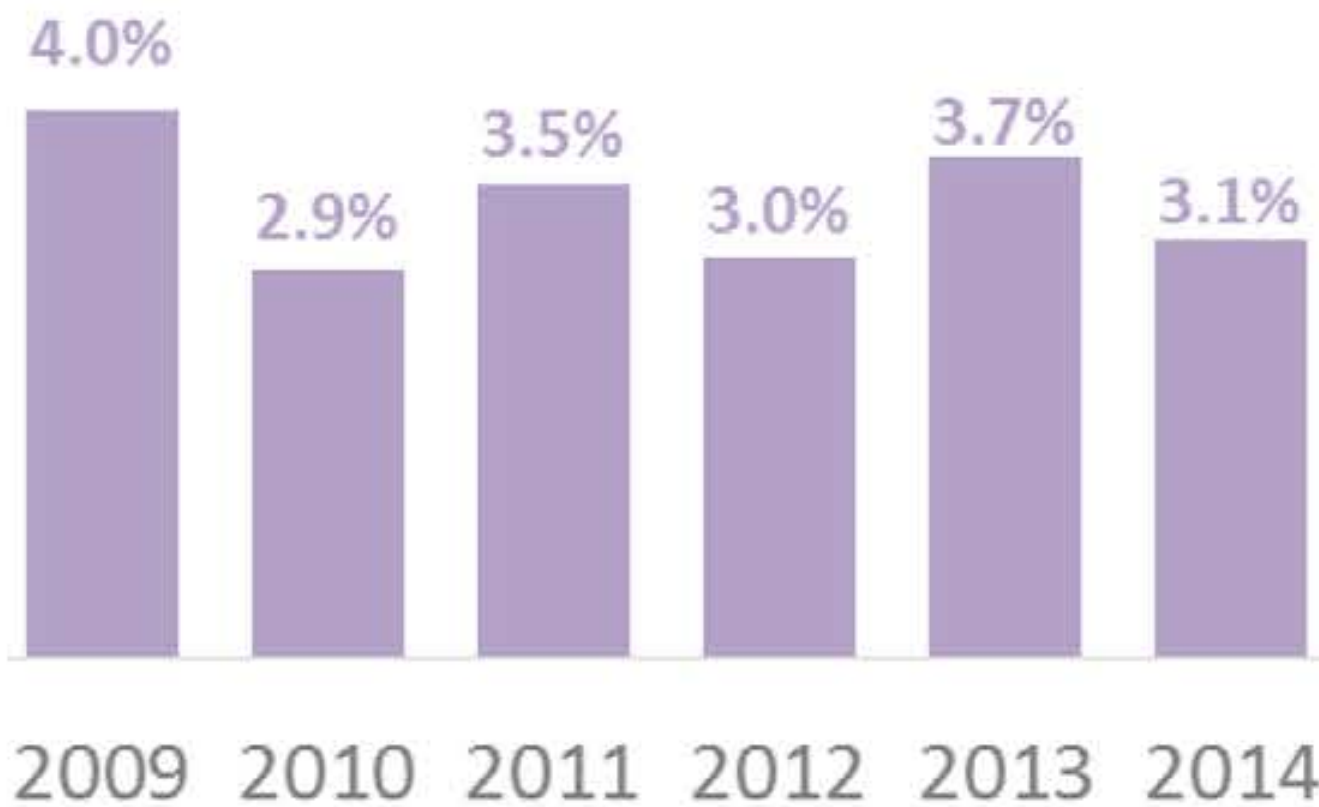
With the exception of Arsenal FC (large non-football property costs in 2013 masks underlying growth) many of the clubs at the top of the list reported large double-digit operating cost increases in 2014, in contrast to the generally low Europe-wide 2% increase. Operating costs across the top 20 clubs increased by an average of 12% in FY14 as many larger clubs put increasing resources and investment into supporting the global expansion of their commercial activities. This is the flipside of the large increases in commercial revenues highlighted in the previous section.

* 'Operating costs' in this chapter exclude employee costs (which have been analysed separately) and transfer activity (amortisation analysed elsewhere).

Non-operating items

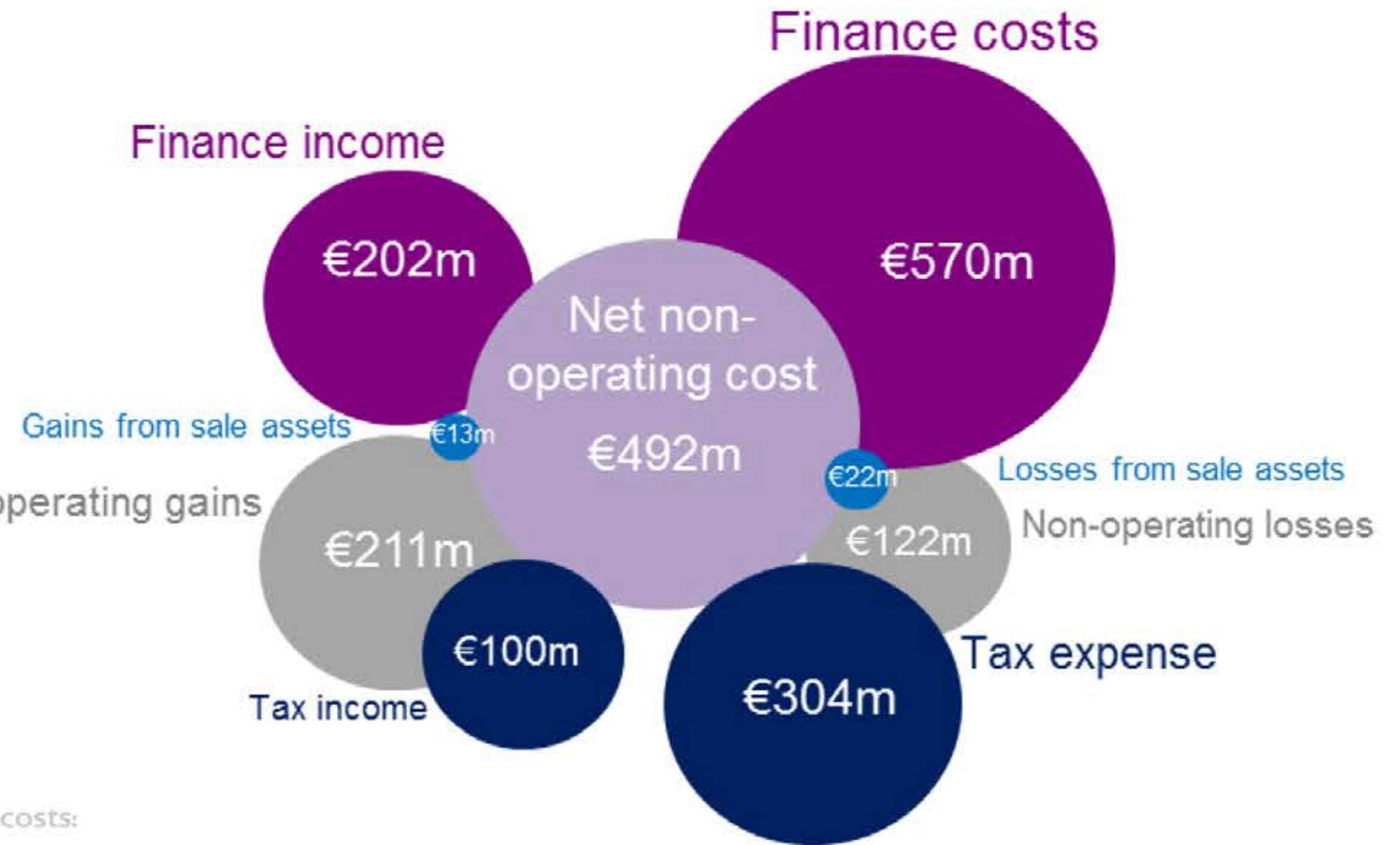
In addition to wages, transfers and normal operating costs, clubs reported costs from non-operating items (gains offset against losses) of just under €500m in 2014. This net cost, covering financing, divesting, other non-operating gains and losses, and tax was equivalent to 3.1% of revenue, on a par with recent years. It should be noted that many of these items are adjusted or removed for the purposes of calculating a club's financial fair play break-even result. As in the rest of this report, however, no adjustments have been applied to the figures presented here.

Five-year evolution of club net non-operating items as a percentage of revenue:



Breakdown of European club non-operating costs:

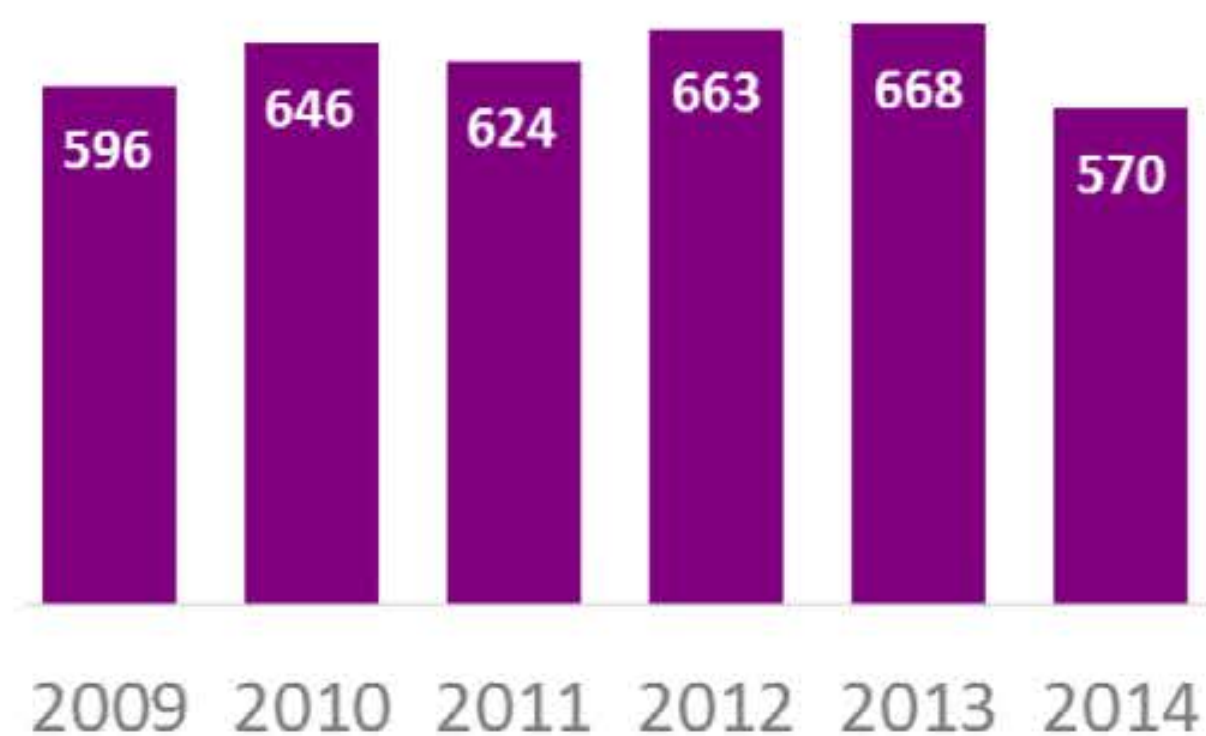
English clubs reported a combined non-operating cost of €130m, equivalent to 3.3% of revenue, followed by Spain, Italy and France. In relative terms, non-operating costs are highest for Portuguese and Danish clubs, with stadium financing costs primarily leading to non-operating costs equivalent to 15.1% and 7.6% of revenue respectively.



Country	Losses (+) / gains (-) on divestments	Non-operating losses (+) / gains (-)	Finance expense (+) / income (-)	Tax expense (+) / income (-)	Net non-operating costs (+) / incomes (-)	Non-operating costs (+) / incomes (-) as % of revenue
ENG	€0m	-€2m	€85m	€47m	€130m	3.3%
ESP	€18m	-€5m	€52m	€30m	€96m	4.8%
ITA	€0m	-€35m	€63m	€62m	€90m	5.2%
FRA	€0m	€7m	€9m	€63m	€78m	5.3%
TUR	€0m	-€30m	€42m	€1m	€14m	2.7%
GER	€0m	-€23m	€39m	€32m	€48m	2.1%
POR	-€7m	€7m	€40m	€4m	€44m	15.1%
NED	€0m	€8m	€7m	-€1m	€14m	3.2%
DEN	-€1m	€0m	€11m	€1m	€12m	7.6%
Other	-€3m	-€16m	€18m	-€36m	-€36m	-1.1%
Total	€8m	-€88m	€367m	€204m	€491m	3.1%

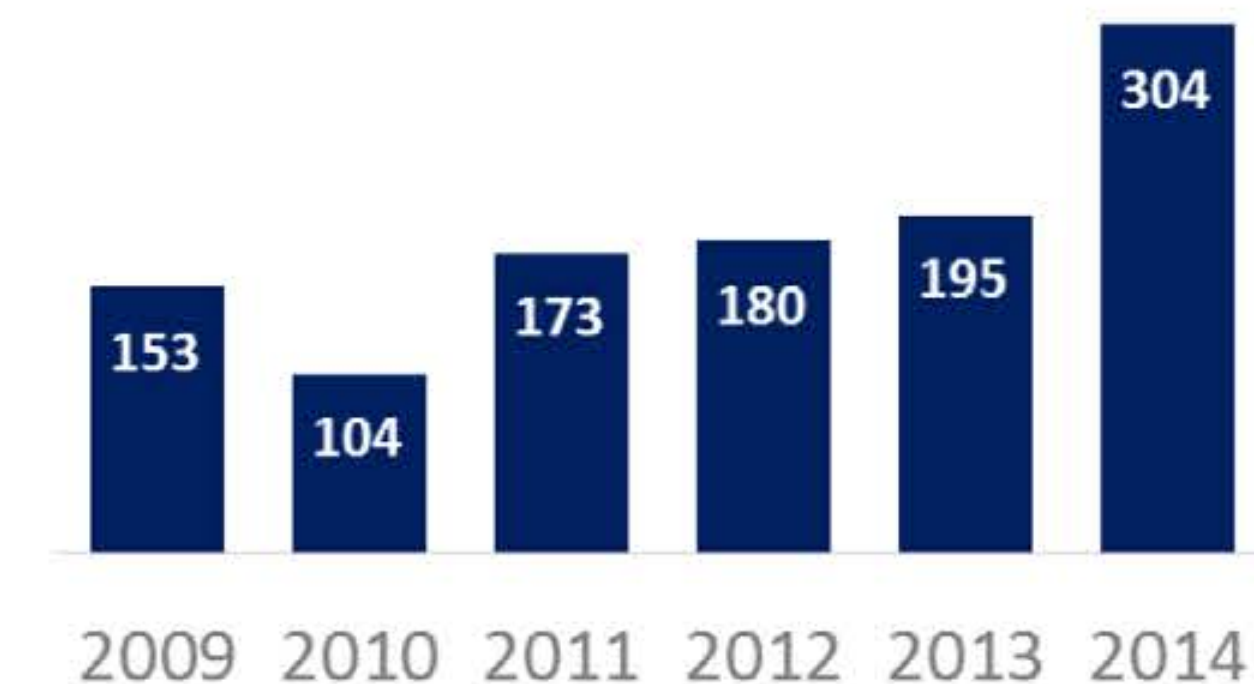
Non-operating item trends

Five-year evolution of European club finance costs (€m):



Club finance costs in 2014 of €570m were the lowest for a number of years, almost €100m lower than in 2013. This was mainly driven by a decrease in the gross bank debt of top-division clubs from €6.2bn to €5.7bn.

Five-year evolution of European club tax charges (€m):



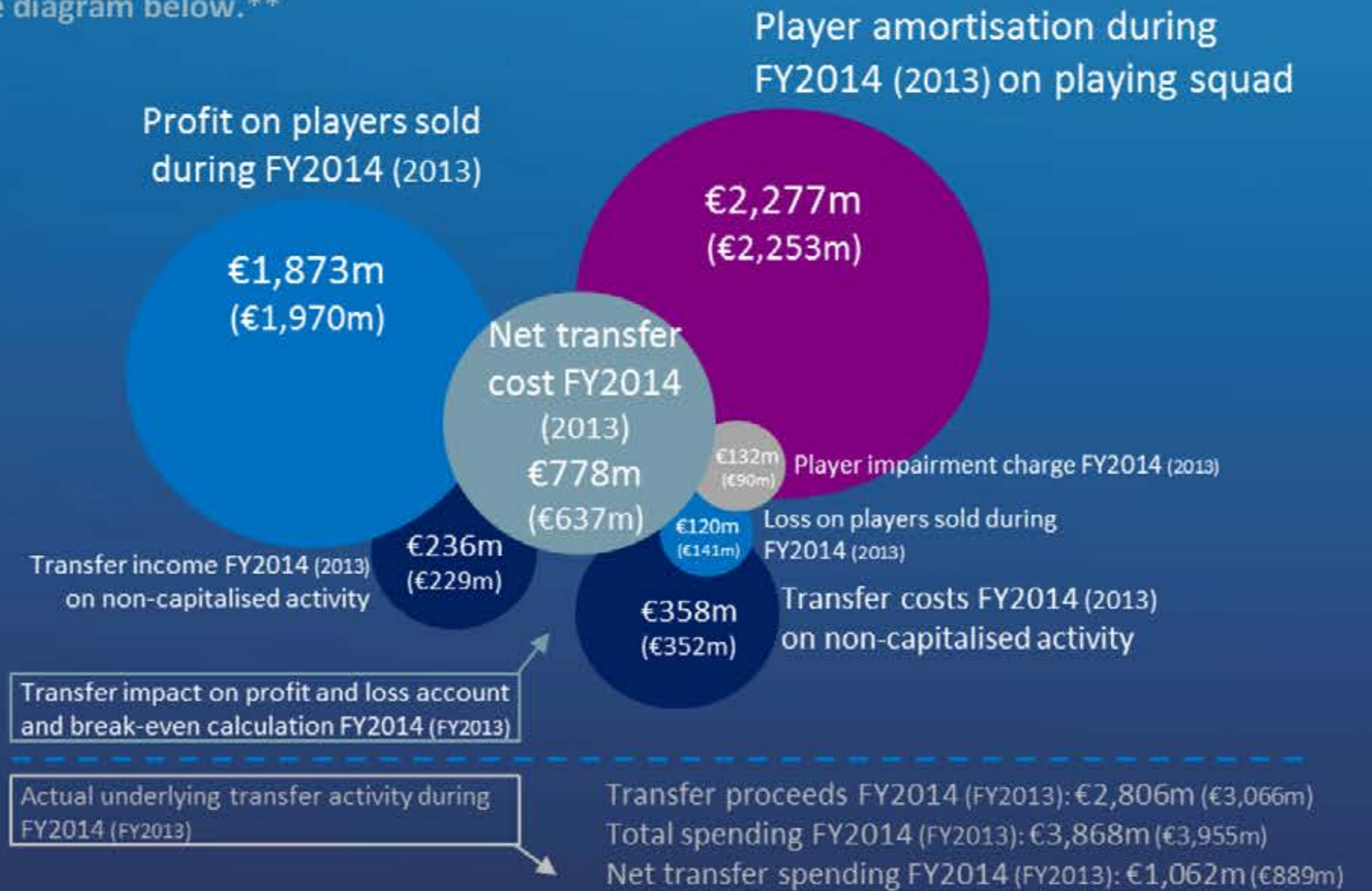
Club tax charges of €304m were the highest for a number of years and more than €100m higher than in 2013. This increase in tax charges has been driven by the improved profitability of European club football. These tax charges are the charge on taxable profit and do not include any of the other taxes that clubs pay, such as employer social taxes, VAT, property taxes, input taxes and capital taxes.

The complicated interaction between transfer activity and club profits/losses

The impact of transfer activity on clubs' reported profit and loss accounts is often significant. Profits and losses (usually profits) triggered by outward player transfers during the 12 month period are combined with transfer income and costs from loans and with transfer costs (amortisation and impairment) on players still at the club during the year. These transfer costs are based on the original transfer fee, which is spread over the length of each player's contract (typically four or five years). The best way to explain the complicated interaction between transfer activity and club profits/losses is with a simplified example: a player signed on a five-year contract for €50m will create costs of €10m per year (amortisation). If he is transferred out after just two years, the new transfer value ('proceeds' featured in the revenues section of this report) is compared with the value of the player in the books. In this example the player has a value in the books of €30m (original €50m transfer fee less two years of €10m). If the new transfer value is €60m, a 'profit' of €30m will be triggered (€60m fee less €30m value in the books)*. On a European level, the combination of profits, losses, incomes and charges which led to a combined net transfer cost of €778m in FY2014 is illustrated in the diagram below.**

European top-division clubs, on the whole, tend to report a net transfer cost because they are net importers of talent from outside Europe and lower leagues and because transaction (intermediary) costs are usually incurred during transfer activity. As a benchmark from the FY12 report, which analysed a cross-section of 332 transfer deals, agent costs represented on average 12.6% of buying club transfer fees, which, if extrapolated to the gross transfer spend of between €3.1bn and €3.9bn per year between 2009 and 2014, would lead to €385 – €485m of intermediary costs a year during this period.

The actual difference between inward and outward transfer commitments and costs during FY14 was €1,062m. This is analysed later in this section, as transfer proceeds and spending. It differs from the €778 net transfer cost that hit clubs' financial results in FY14 due to the timing differences which arise from the accounting of transfers as explained above.



* The simple example presented here represents the transfer activity that generates the bulk of the profit and loss account impacts, through profits on sale and amortisation costs. The FY2014 transfer income and costs on non-capitalised activity represent a combination of loan fees (both costs and incomes), agents' fees that have not been rolled into the transfer fee ('capitalised') and hence recognised in the financial year 2014, and the overall transfer activity of a number of mainly smaller clubs, which employ a different accounting policy of recognising transfer incomes and costs as soon as the transfer takes place. ** The timing of the financial period for the majority of the clubs most active in transfer activity (ending just before the main summer transfer window), combined with the delay in publication of financial statements means that a number of transfer windows have passed by the time figures are analysed, rendering the figures less compelling than the numerous up to date transfer market reports that proliferate in the news. Nonetheless the figures in this report have some considerable value as they can be considered as the only 'official' European club transfer figures on the basis that they are compiled from the detailed notes of the audited financial statements of each of the 700+ clubs, as opposed to official figures that only cover part of the transfer market (FIFA TMS reports) or pure estimates (all other reports, websites or press figures).

Net transfer costs and incomes in club profit and loss accounts

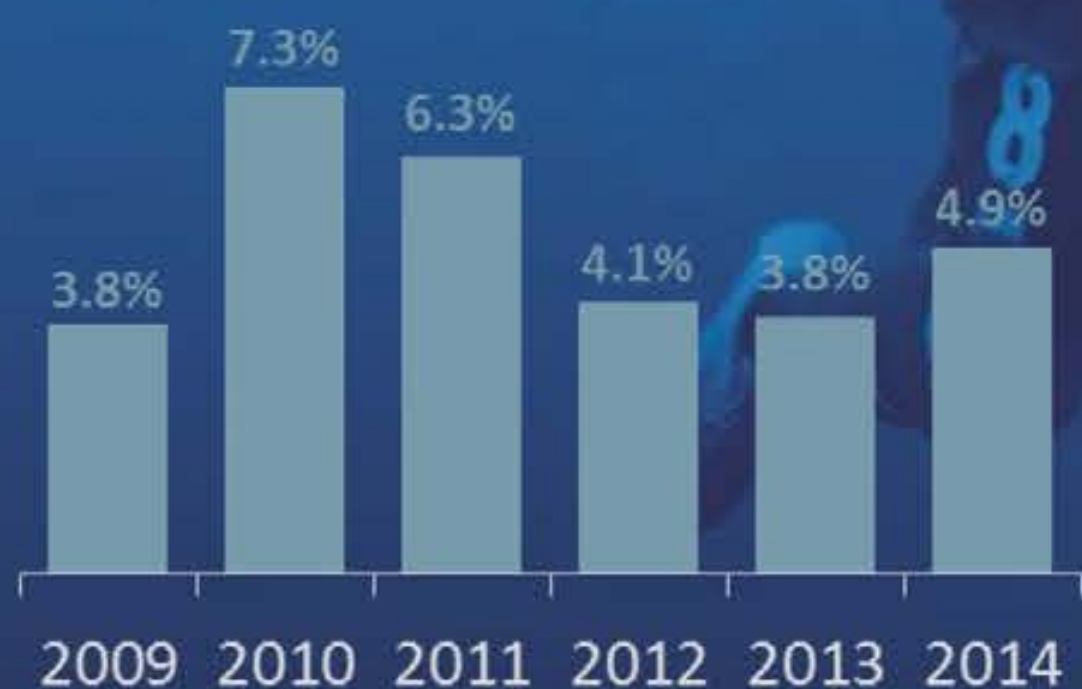
Analysis of FY14 net transfer costs:

Clubs reported net transfer costs of €778m in FY14, equivalent to 4.9% of revenue and €140m higher than in FY13.* The actual transfer volume was 5% lower in FY14 than in FY13,** with a massive €700m reduction in Russian and Ukrainian clubs' transfer business only partially offset by a €400m increase in English club transfer volume.

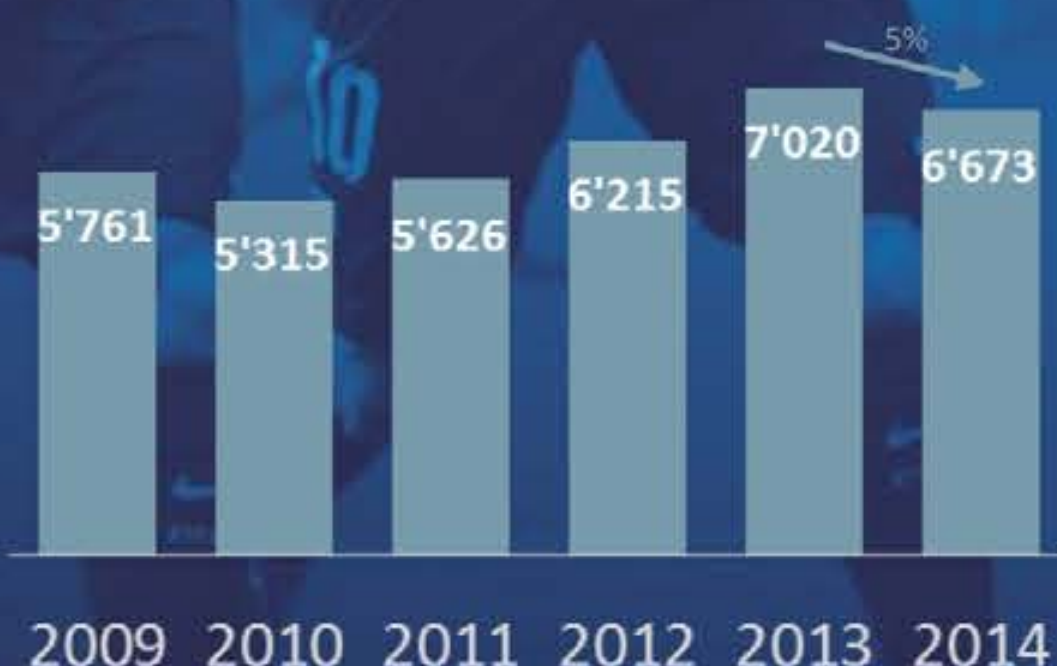
In their absence, the traditional 'big 5' leagues were responsible for more than 75% of overall top-division transfer volume, with the English Premier League volume of €1.6bn beating the record Serie A volume of €1.5bn from 2012. Based on the summer 2014 and 2015 transfer windows and disclosed or estimated transfer fees, we can reasonably expect transfer volume to rise further. However, it is more complicated to forecast the impact on net transfer costs. Perhaps counterintuitively, larger transfer volumes tend to lead to lower net transfer costs in the financial period concerned, as profits are triggered.

On average, players were sold 70% of the way through their original contracts in FY14 (66% in FY13) and combined transfer values were 103% of the players' original transfer costs (101% in FY13).

Five-year evolution of club net transfer costs in €m and as a percentage of revenues:



Five-year evolution of underlying club transfer volume in €m (spending + proceeds):



The net transfer cost impacting on club profits varies greatly between clubs and countries and is a combination of items as shown in the illustration on the previous page. The net amount is calculated from the profits or losses on players sold in FY14, the accompanying costs and incomes of players sold or loaned in FY14 and costs (amortisation and impairment) on players previously transferred in.

At an aggregate level, European top-division clubs have always reported a net cost because they are net importers of talent from outside Europe and from lower leagues within Europe, and because of transaction costs (agents' fees).

* A concerted effort was made in the FY14 reporting to include all transfer costs and incomes and loan activity within the transfer activity analysis. In some cases this required clubs to reclassify transfer costs/incomes from general operating costs to transfer activity. In FY2014 this led to the addition of €70m (2.3%) of transfer incomes/proceeds on non-capitalised activity and €130m (3.4%) of gross transfer costs/spending on non-capitalised activity. To ensure the best comparison, the reported transfer costs/spending, incomes/proceeds, net transfer costs/spending and transfer volumes in financial years 2009 to 2013 have had the same percentage adjustments applied. ** 'Transfer volume' refers to the underlying transfer activity (transfer sales plus transfer proceeds) during the financial years 2009 to 2014.

Relative size of net transfer costs and incomes

As explained earlier, the impact of transfer activity on clubs' reported profit and loss accounts is often significant. Profits and losses (usually profits) triggered by outward player transfers during the 12 month period are combined with transfer income and costs from loans and with transfer costs (amortisation and impairment) on players still at the club during the year. These transfer costs are based on the original transfer fee, which is spread over the length of each player's contract (typically four or five years). Earlier in the report, transfer 'proceeds' were analysed against revenue. The net impact of transfer activity across Europe is reflected in both the charts below and the map on the following page. The first chart features the eight leagues that reported the highest average net transfer costs when transfer costs and incomes are offset, while the second presents the eight leagues that reported the highest average net transfer income when the net transfer costs and incomes are offset against each other.

The top leagues by average net transfer cost (€m), aggregate league net transfer cost and net transfer cost as a percentage of revenue:



The top markets by net costs and net income:

On average, English clubs recorded a record €21.6m net cost from transfers in FY14, equivalent to 11.1% of revenue. This average net spending was more than double the next highest net spending, by German clubs (€10m). Net transfer costs as a percentage of revenue was highest for Turkish (15.1%) and Russian (13.3%) clubs.

At the other end of the scale, Portuguese clubs reported a €5m net income from transfers in FY14, equivalent to a massive 27.5% of revenue. The top five countries by average net transfer income – Portugal, the Netherlands, Belgium, Croatia and Switzerland – are all well-known talent developers/exporters. For a second year in a row, net transfer income was equivalent to more than 50% of total revenue for Croatian and Serbian clubs.

The top leagues by average net transfer income (€m), aggregate league net transfer income and net transfer income as a percentage of revenue:

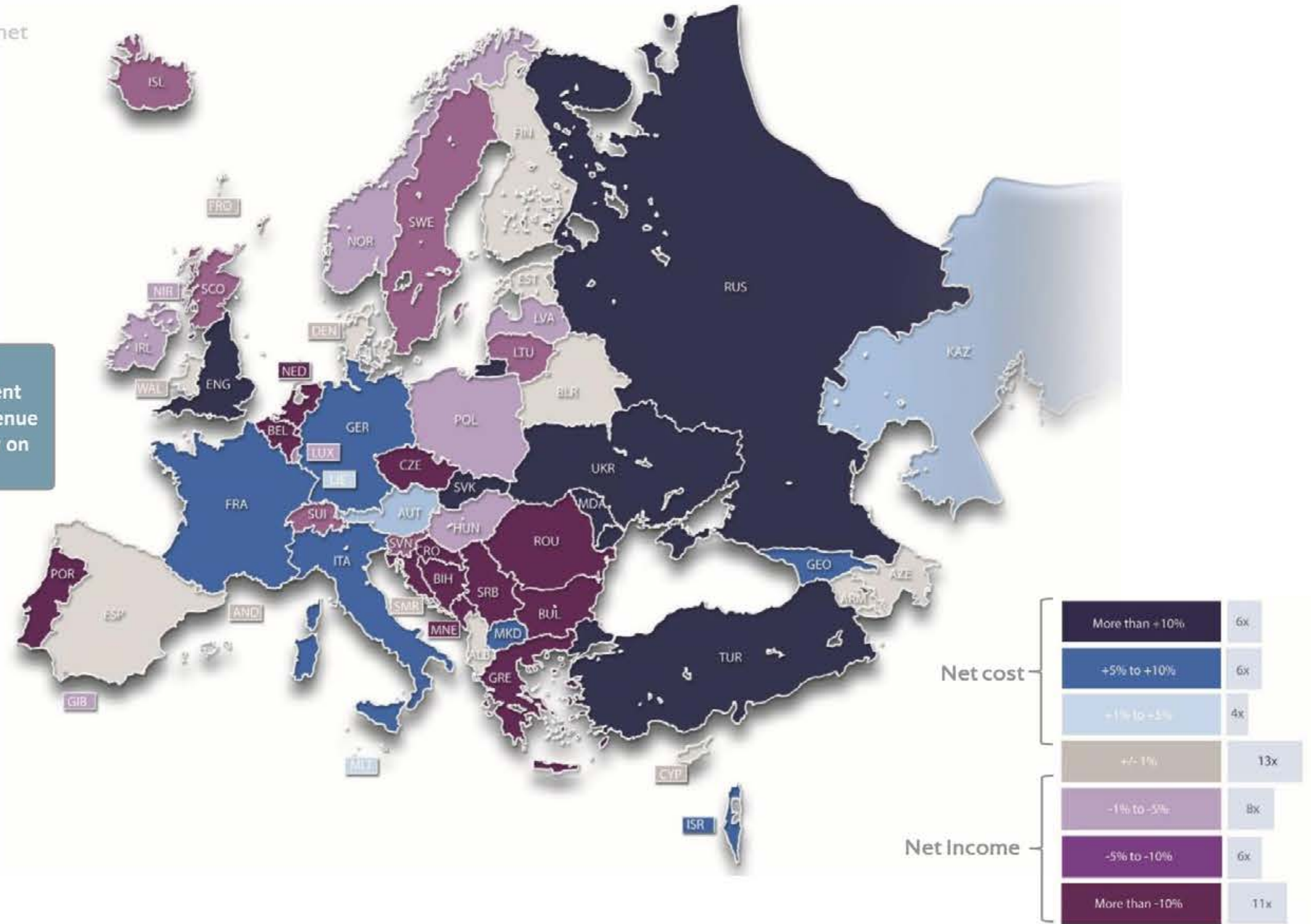


Size and relative importance of net transfer cost/income

FY14 net transfer costs (+) or net transfer Income (-) in the top division of each country as a percentage of revenue:

Outside the top markets:

Transfer income is a crucial part of the strategic and financial mix of many clubs outside the largest markets. As talent exporters, clubs from 11 different leagues reported net transfer incomes equivalent to more than 10% of revenue in FY14. In particular, clubs from the majority of leagues in the Balkans rely on relatively large incomes from transfers to balance their books.

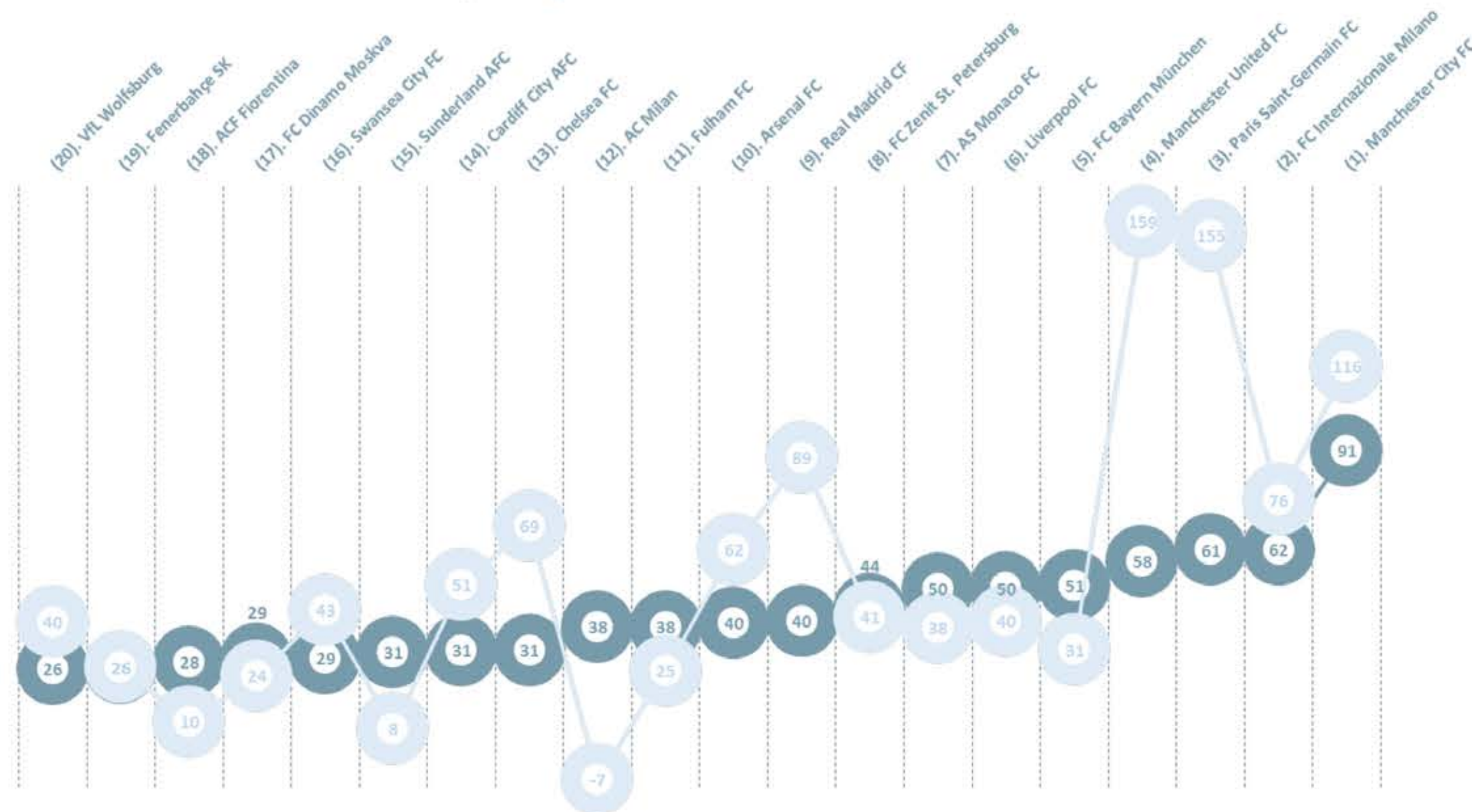


Top 20 clubs by net transfer costs and net transfer spending

The top 20 clubs by net transfer costs in FY14:

Rank	Club name	NA	Transfer costs/ losses	Transfer profits/ incomes	Net transfer costs	Net transfer costs as a % of total revenue	Net transfer spending
1	Manchester City FC	ENG	€91m	€0m	€91m	22%	€116m
2	FC Internazionale Milano	ITA	€72m	€10m	€62m	37%	€76m
3	Paris Saint-Germain FC	FRA	€85m	€23m	€61m	13%	€155m
4	Manchester United FC	ENG	€66m	€8m	€58m	11%	€159m
5	FC Bayern München	GER	€81m	€31m	€51m	10%	€31m
6	Liverpool FC	ENG	€50m	€0m	€50m	16%	€40m
7	AS Monaco FC	FRA	€57m	€7m	€50m	30%	€38m
8	FC Zenit St. Petersburg	RUS	€48m	€4m	€44m	26%	€41m
9	Real Madrid CF	ESP	€92m	€52m	€40m	7%	€89m
10	Arsenal FC	ENG	€48m	€8m	€40m	11%	€62m
11	Fulham FC	ENG	€39m	€0m	€38m	35%	€25m
12	AC Milan	ITA	€50m	€12m	€38m	17%	-€7m
13	Chelsea FC	ENG	€109m	€78m	€31m	8%	€69m
14	Cardiff City AFC	ENG	€31m	€0m	€31m	32%	€51m
15	Sunderland AFC	ENG	€37m	€6m	€31m	24%	€8m
16	Swansea City FC	ENG	€30m	€1m	€29m	25%	€43m
17	FC Dinamo Moskva	RUS	€32m	€4m	€29m	30%	€24m
18	ACF Fiorentina	ITA	€36m	€8m	€28m	31%	€10m
19	Fenerbahçe SK	TUR	€26m	€0m	€26m	23%	€26m
20	VfL Wolfsburg	GER	€37m	€11m	€26m	16%	€40m
1-20	Average		€56m	€13m	€43m	17%	€55m
1-20	Aggregate		€1,116m	€263m	€853m		€1,098m

FY14 net transfer costs and net transfer spending:



Placing the 2014 figures in context:

Manchester City FC's net transfer cost of €91m was comfortably the highest net cost that a club had to absorb in 2014. The net figure was high as there were no transfer profits triggered on transfer sales in 2014 to set against the costs. However, the net transfer cost figure was slightly down on the previous year and considerably below the club's record €126m net cost of 2011.

Six of the clubs listed above absorbed net transfer costs equivalent to more than 30% of turnover, headed by FC Internazionale Milano (37%) and Fulham FC (35%).

Manchester United FC and Paris Saint-Germain FC had the highest net transfer spends in FY14, at more than €150m each.* The costs from 2014 acquisitions will be spread out over the next years on a straight-line basis according to the contract lengths of the players involved. The Manchester United net spend was some way short of the record €221m net spend of Real Madrid CF in 2009. While AC Milan incurred a net transfer cost of €38m, earning them 12th place in this top 20, their net transfer spend in 2014 was actually -€7m (i.e. net proceeds).

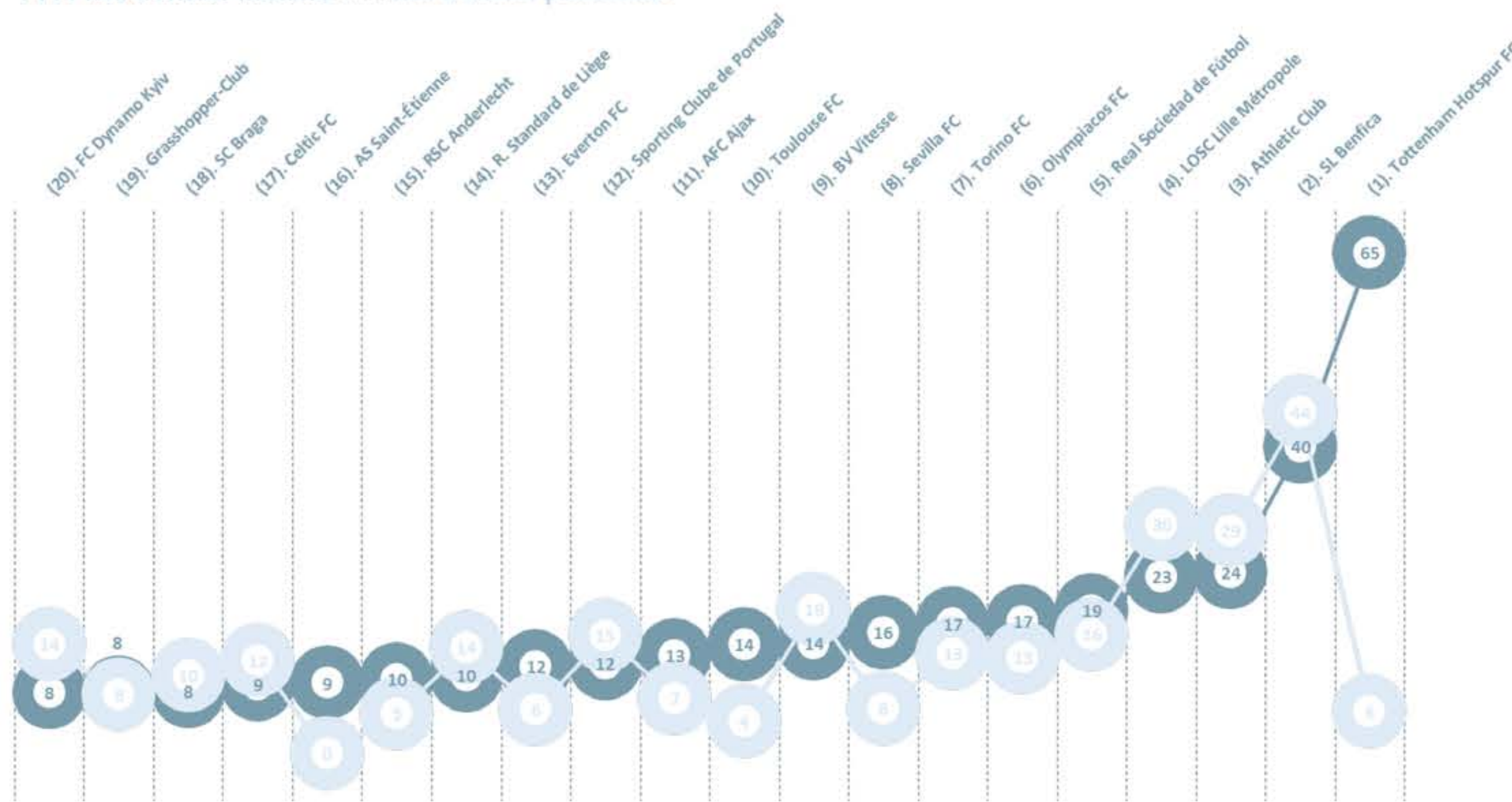
* Net transfer costs and net transfer spending are the negative equivalent of the net transfer income and net transfer proceeds analysed on the next page. Both provide insights. The net transfer costs are the net costs that clubs actually absorb in their financial statements, which impact heavily on both the club's bottom line net profits/losses and their break-even calculation. Net transfer spending is not the amount directly impacting the 2014 financial statements but represents the net of the total committed transfer spending and proceeds during FY2014. This gives a better indication of the actual transfer activity (ins and outs) during FY2014.

Top 20 clubs by net transfer income and net transfer proceeds

The 20 most profitable clubs by net transfer income in FY14:

Rank	Club name	NA	Transfer costs/ losses	Transfer profits/ incomes	Net transfer income	Net transfer income as a % of total revenue	Net transfer proceeds in year
1	Tottenham Hotspur FC	ENG	€60m	€125m	€65m	30%	€6m
2	SL Benfica	POR	€30m	€69m	€40m	38%	€44m
3	Athletic Club	ESP	€8m	€31m	€24m	35%	€29m
4	LOSC Lille Métropole	FRA	€8m	€31m	€23m	33%	€30m
5	Real Sociedad de Fútbol	ESP	€14m	€32m	€19m	28%	€16m
6	Olympiacos FC	GRE	€7m	€24m	€17m	29%	€13m
7	Torino FC	ITA	€16m	€33m	€17m	28%	€13m
8	Sevilla FC	ESP	€18m	€34m	€16m	22%	€5m
9	BV Vitesse	NED	€4m	€19m	€14m	115%	€19m
10	Toulouse FC	FRA	€4m	€19m	€14m	41%	€4m
11	AFC Ajax	NED	€10m	€23m	€13m	12%	€7m
12	Sporting Clube de Portugal	POR	€8m	€20m	€12m	30%	€15m
13	Everton FC	ENG	€22m	€34m	€12m	8%	€6m
14	R. Standard de Liège	BEL	€5m	€16m	€10m	30%	€14m
15	RSC Anderlecht	BEL	€6m	€15m	€10m	18%	€5m
16	AS Saint-Étienne	FRA	€12m	€21m	€9m	18%	€0m
17	Celtic FC	SCO	€11m	€21m	€9m	12%	€12m
18	SC Braga	POR	€4m	€12m	€8m	94%	€10m
19	Grasshopper-Club	SUI	€1m	€10m	€8m	67%	€8m
20	FC Dynamo Kyiv	UKR	€16m	€24m	€8m	36%	€14m
1-20	Average		€13m	€31m	€17m	26%	€14m
1-20	Aggregate		€262m	€611m	€349m		€274m

FY14 net transfer income and net transfer proceeds:



Placing the 2014 figures in context:

Tottenham Hotspur FC's net transfer income of €65m was comfortably the highest in 2014 and the second highest on record after FC Shakhtar Donetsk's €67m in 2013. As the comparison of net transfer income and net transfer proceeds indicates, most of the profits from the sale of Gareth Bale were reinvested in the transfer market, with a net proceeds figure of just €6m. Nonetheless, as shown later in this report, the profits triggered from the sale led directly to the club reporting the highest overall profit of any club in Europe during the year.

Net transfer income across the 20 clubs was equivalent to 26% of annual revenue, underlining how transfer activity can significantly impact on club profitability.

At €44m, SL Benfica had the highest net transfer proceeds in 2014, followed by LOSC Lille Métropole and Athletic Club on €30m and €29m respectively. * Benfica's net transfer sales fell some way short of FC Porto's record €73m net transfer sales in 2013 and have been exceeded eight times in the last five years. Udinese's appearance in the 'top clubs by net sales' list continues a remarkable streak of six consecutive years ranked in the top ten. ** Other clubs that regularly feature are LOSC Lille Métropole (top 20 for five consecutive years) and R. Standard de Liège (top 20 three times in the last six years).

* Net transfer income and net transfer proceeds are the positive equivalent of the net transfer costs and net transfer spending analysed on the previous page. The net transfer income is the net income that clubs actually benefit from in their financial statements, which impacts heavily on both the club's bottom line net profits/losses and their break-even calculation. The net transfer proceeds are not the amount on the financial statements but represent the net of the total committed transfer spending and transfer proceeds during the financial year. This gives a better indication of the actual transfer activity (ins and outs) during FY2014. ** UEFA started collecting detailed financial data from the notes to the financial statements of 700+ clubs in 2009.



CHAPTER

7

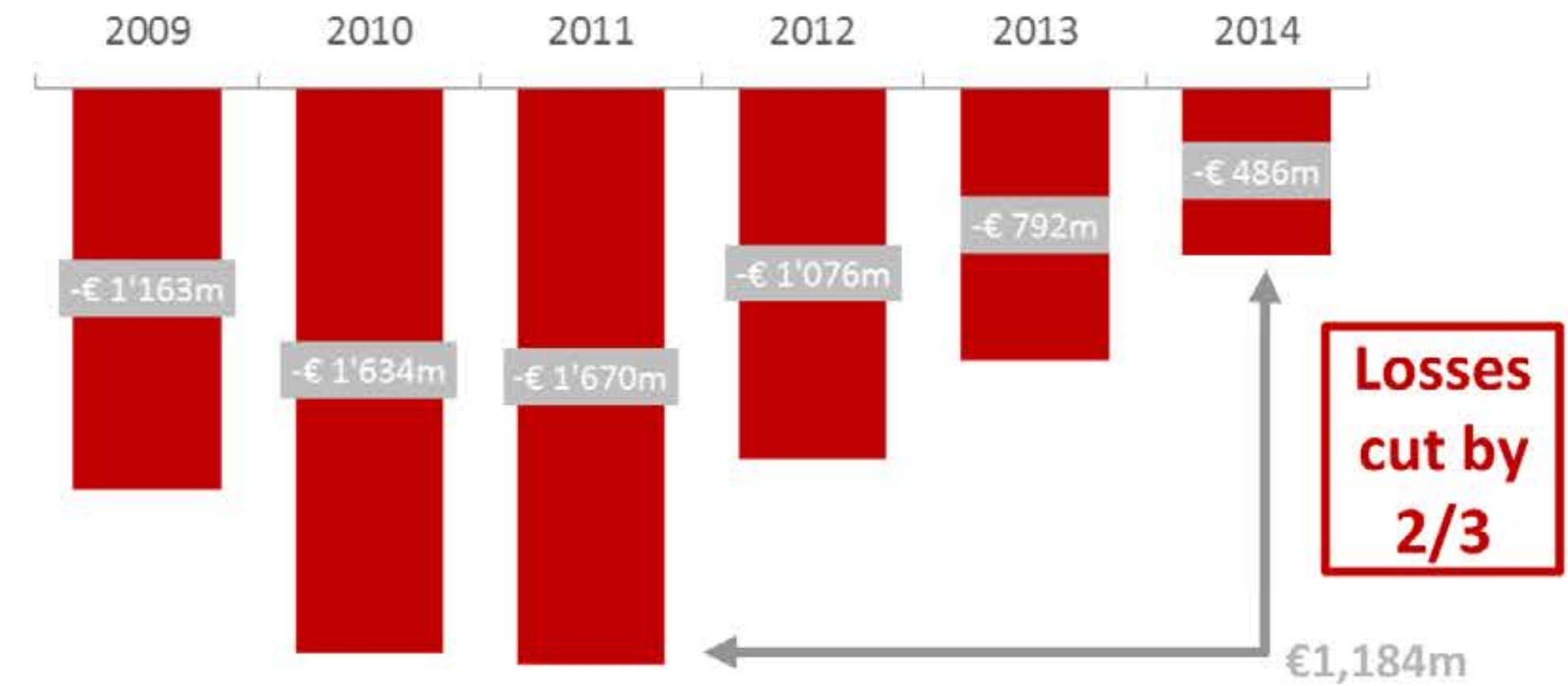
Underlying and bottom-line profitability

European club bottom-line losses cut by two-thirds in three years

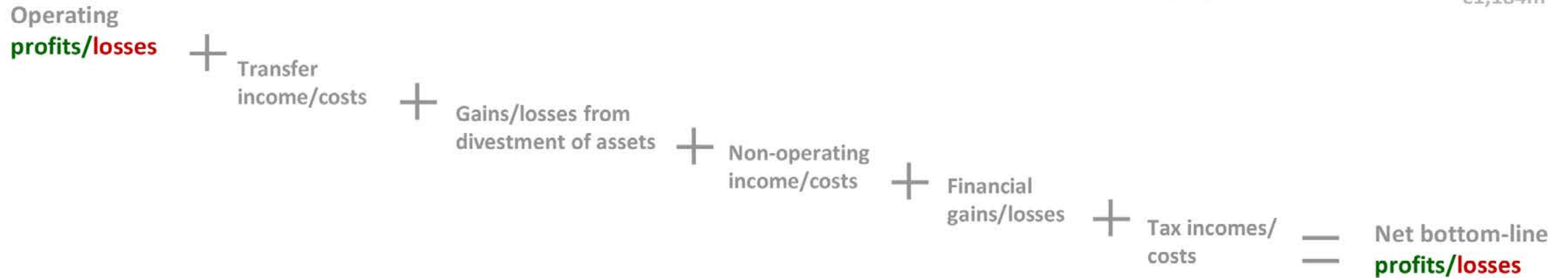
The losses reported here and referred to throughout the report, whether individual club, aggregate league or aggregate European losses, are final audited financial statement losses after tax, sometimes referred to as ‘bottom-line’ losses. For the sake of clarity, this is not the same as the break-even result, which includes various adjustments, such as the removal of costs for virtuous investments in the areas of youth, community and infrastructure, the removal of certain taxes and fair value assessments of transactions for related party transactions. In seeking to meet break-even targets, clubs will however tend to improve their bottom-line profitability.

Aggregate European club bottom-line losses:

Net bottom-line losses after transfer, non-operating, financing, tax and divesting activities was an aggregate €486m in 2014. These losses are now less than a third of the pre-financial fair play level (either 2010 or 2011). Importantly, it can be concluded that this sharp reduction in bottom-line losses has been driven by the underlying profits generated from operating activities rather than temporary movements in the other post-operating items.



Bridge from operating result to bottom-line net result:



Note: The availability of detailed club by club Europe-wide data was initiated by UEFA in 2008 and the 2014 financial result is comfortably the best during this period.

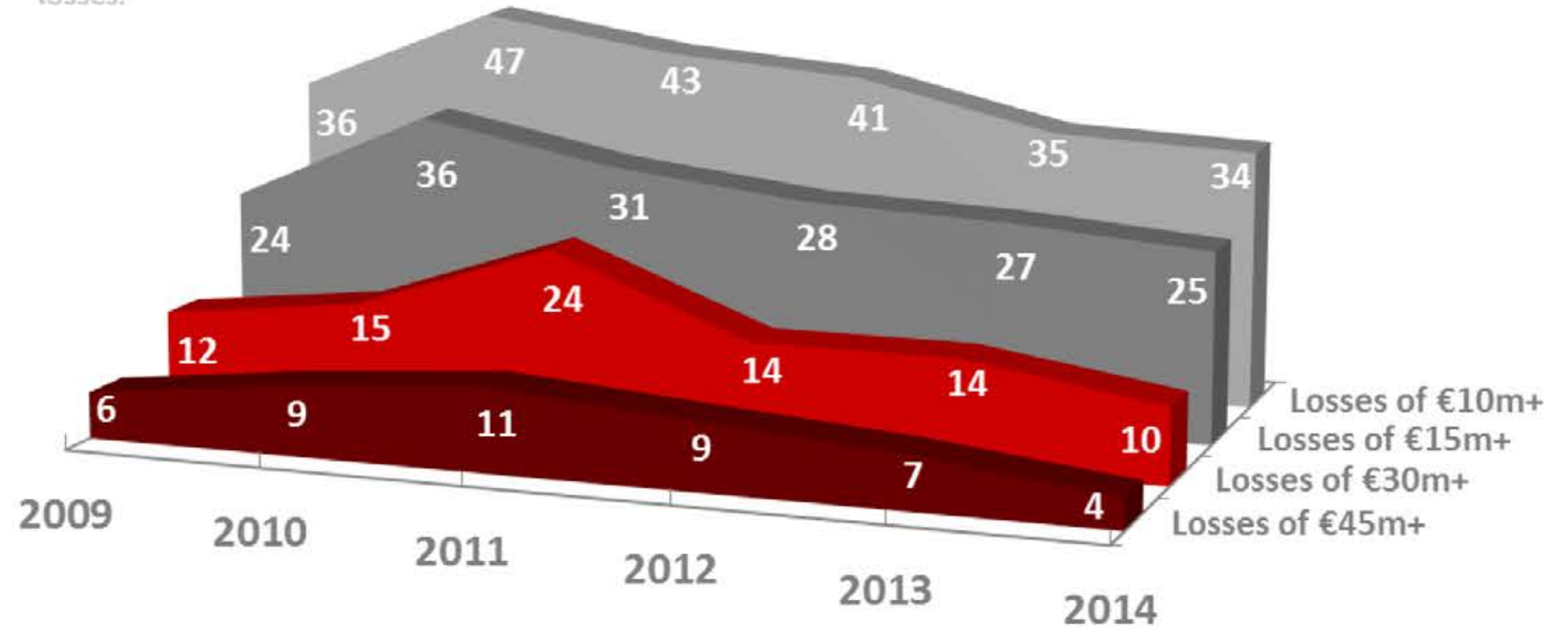
Significant reduction in the number of loss making clubs

Financial fair play objectives and results to date:

The UEFA Club Licensing and Financial Fair Play Regulations aim to discourage both large-scale repeated losses among clubs and the build-up of debt, hence increasing the credibility and investibility of club football. Their objective is not to turn the clubs into profit centres but to reduce the most extreme excesses that had started to become more common in recent years as larger and larger revenues flowed into club football and the financial stakes rose.

While there are still a number of clubs making large losses, nearly all of these are now operating under settlement agreement restrictions agreed by the clubs and the UEFA Club Financial Control Body, based on a set of bespoke targets designed to bring clubs back to break-even point.

Evolution of the number of clubs operating with large losses:



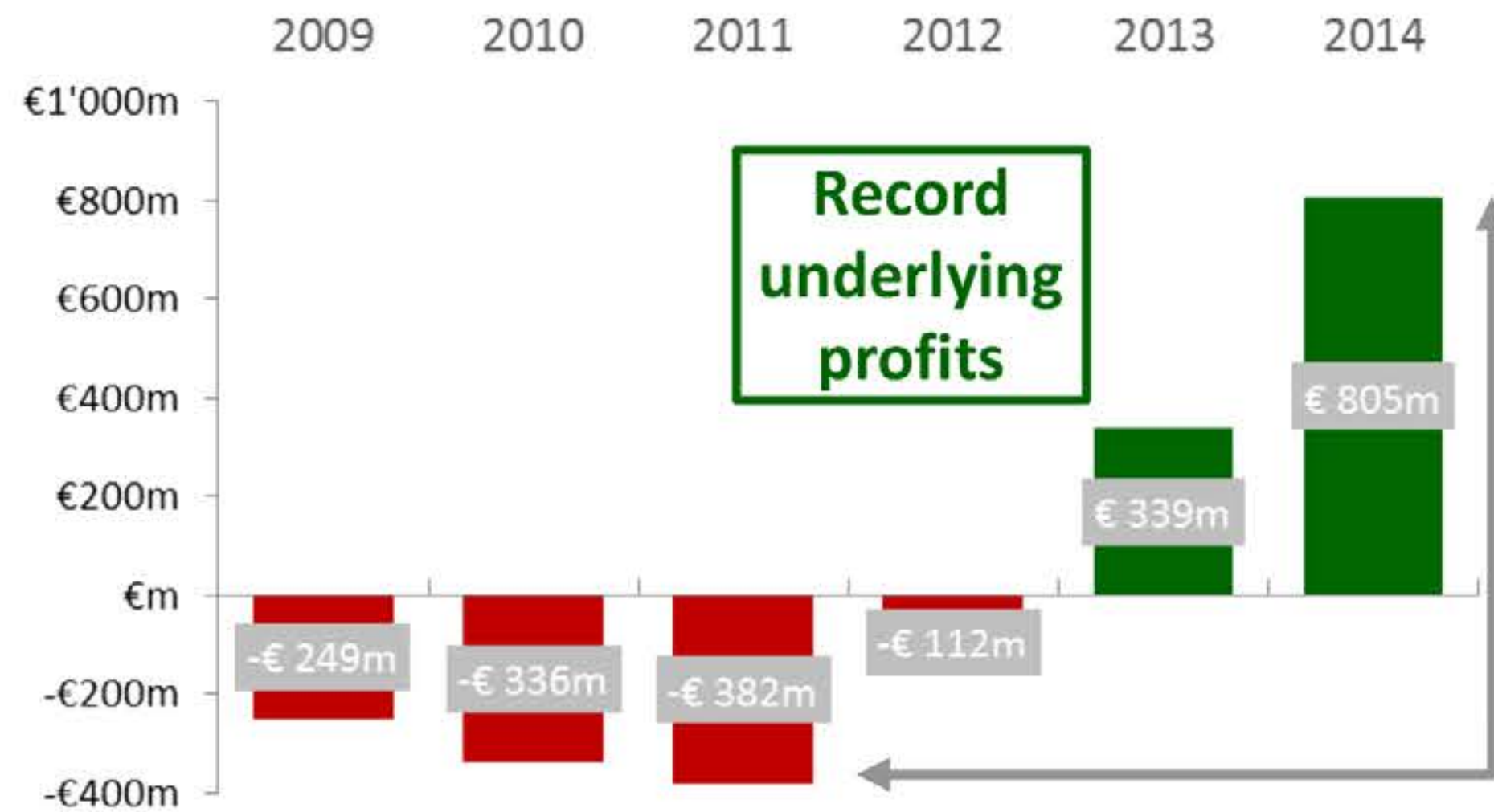
Noticeable reduction in the number of clubs operating with large losses:

The number of clubs generating large losses has reduced each year since the break-even rule was introduced. As examples, the number of clubs with a single-year loss of more than €45m has dropped from 11 clubs in FY11 to 4 clubs in FY14 and the number of clubs with a single-year loss of more than €30m has dropped from 24 clubs in FY11 to 10 clubs in FY14.*

* The losses reported here and referred to throughout the report are final audited financial statement losses after tax. This is not the same as the break-even result, which includes various adjustments, such as the removal of costs for virtuous investments in the areas of youth, community and infrastructure development, the removal of certain taxes and fair value assessments of transactions for related party transactions.

European clubs generate highest ever combined operating profits

Aggregate European club operating profit:



The cost controls implemented by clubs since the introduction of the financial fair play break-even rule in 2011 has had a game-changing impact on underlying club profitability.

Between 2011 and 2014, wages grew just under 15% and operating costs just 5%. In the meantime, revenues grew by more than 20%.

Operating profit before transfers, financing and divesting results moved from a €382m deficit in 2011 to a €805m surplus in 2014. We can say with some certainty that this aggregate operating profit is the highest that European football has ever generated.*

* The availability of detailed club by club Europe-wide data was initiated by UEFA in 2008 and the 2014 result is clearly the best during this period. Aggregate data for the largest leagues (which have represented approximately 70% of top-division revenues and costs over the last two decades) have been collected and analysed by Deloitte stretching back almost 20 years. The 2014 operating profits of these leagues are more than double the previous record high. Aggregate revenues prior to 1996 were not high enough to generate operating profits to match the 2014 level. On this basis, it is concluded that the 2014 aggregate operating profit is the highest European football has ever generated.

Variations in profitability across top 15 leagues

Operating profitability of the top 15 leagues:*

While overall Europe-wide operating profits have increased and net losses decreased, the financial results vary across Europe.

At the operating profit level, 7 of the 15 top leagues reported aggregate underlying operating profits, ranging from smaller profit margins in Russia (+1.4%), Scotland (+3.5%) and France (+4.4%), to larger operating profit margins in Germany (+12.2%), Spain (+14.3%) and England (+19.3%). With this level of financial contributions from operating activities, it is no surprise that clubs from these three countries are very active in the transfer market.

At the other end of the scale, clubs in Turkey and Portugal spent 20% more on wages and operating costs than they generated in revenues, with Ukraine (-19.1%) and Belgium (-17.2%) also generating large operating deficits.

On an aggregate basis across the 240 clubs in these 15 leagues, a positive operating margin of +6.8% was generated in 2014, compared with +3.8% in 2013.

Bottom-line net profitability of the top 15 leagues:*

At net profit level, after transfer, non-operating, financing, tax and divesting activities have been included, 5 of the 15 top leagues reported aggregate profits, ranging from Germany (+2.2%), through Austria (+3.4%), England (+4.9%) and Scotland (+7.9%), to Spain (+9.0%).

Less successful in balancing their books in 2014 were Turkey and Ukraine, who reported critical net loss margins of -38% and -26% respectively. Clubs in Italy (-18.6%) and Denmark (-17.0%) also reported larger bottom-line losses than operating losses. Transfer profits helped clubs in Belgium (-7.8%), the Netherlands (-1.3%), Portugal (-7.9%) and Switzerland (-2.2%) to report more manageable loss margins. The flexible nature of the transfer market again enabled clubs in these countries to recoup most of their operating losses.

On an aggregate basis across the 240 clubs in these 15 leagues, a net margin of -3.0% was generated in 2014, compared with a margin of -5.3% in 2013.

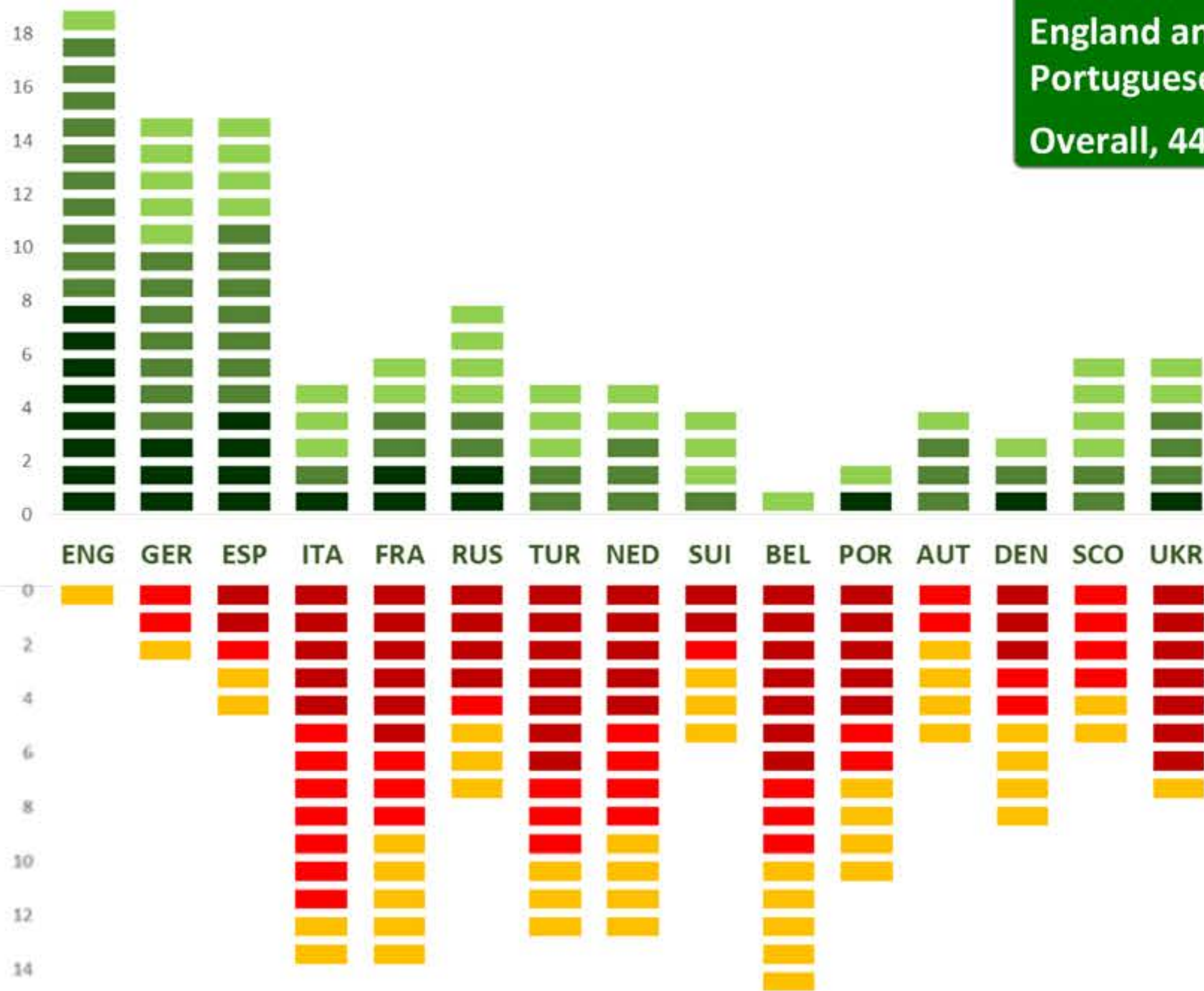
Profit (operating and net) margins in the top 15 leagues:*



* For the analysis of profitability, the leagues have been split into two groups (top 15 and the rest) based on average club revenue. The net margins have been stated after excluding gains from debt write-offs (Scotland) and unrealised gains and losses from foreign exchange (Russia, Turkey and Ukraine).

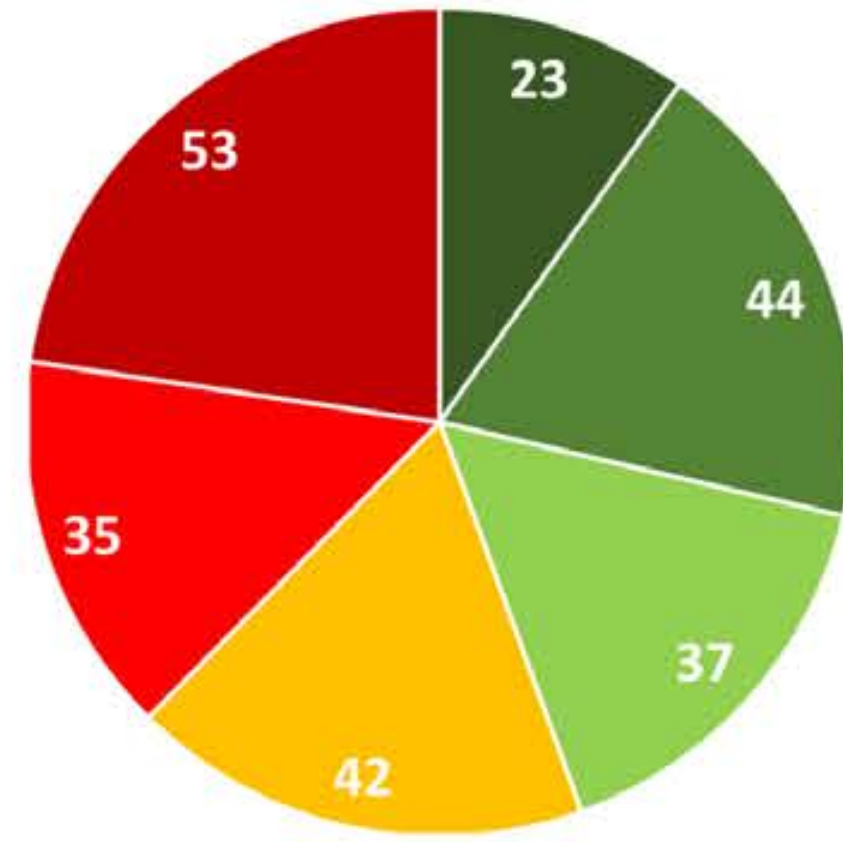
Underlying operating profitability across top 15 leagues

Distribution of clubs with operating profits and losses across the top 15 leagues:*



More than 100 clubs in the top 15 leagues generated operating profits, with 19 from England and 15 each from Germany and Spain. By contrast, just one Belgian and two Portuguese clubs recorded operating profits in 2014.*

Overall, 44% of clubs in the top 15 leagues generated operating profits in 2014.



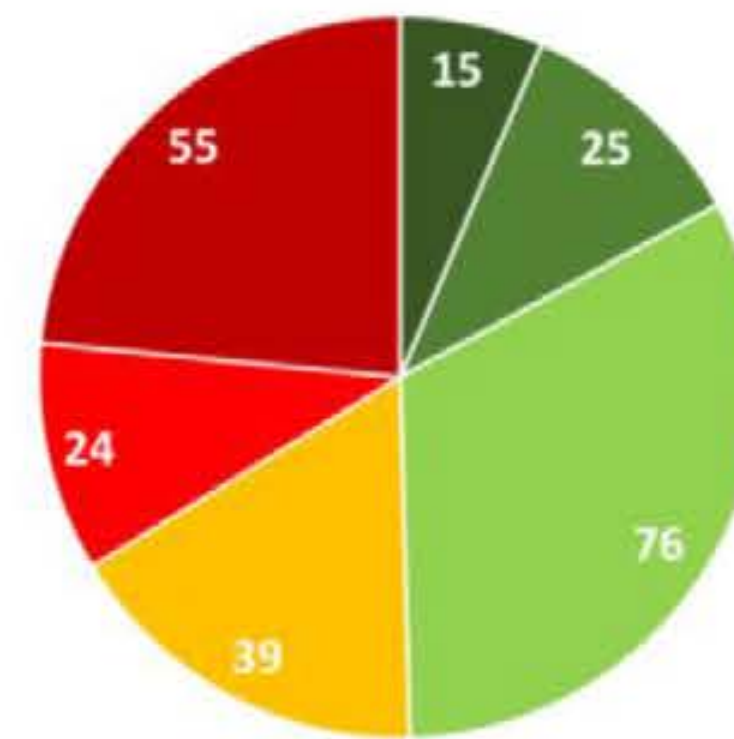
* Data was available for all clubs in the top 15 leagues analysed on this page with the exception of one Italian and five Portuguese clubs. The club by club analysis for these leagues therefore covers 19 and 11 clubs respectively.

Half of clubs from top 15 leagues now generating bottom-line profits

Distribution of clubs in the top 15 leagues with net bottom-line profits and losses:^{*}



Almost exactly half the clubs from the top 15 leagues generated net profits in 2014, with at least five profitable clubs in each league apart from Turkey. This 50% rate has to be considered in the context of club football, where the majority of club owners view break-even with hope rather than expectation, in contrast to most commercial activities, where the central objective is to generate regular profit margins.



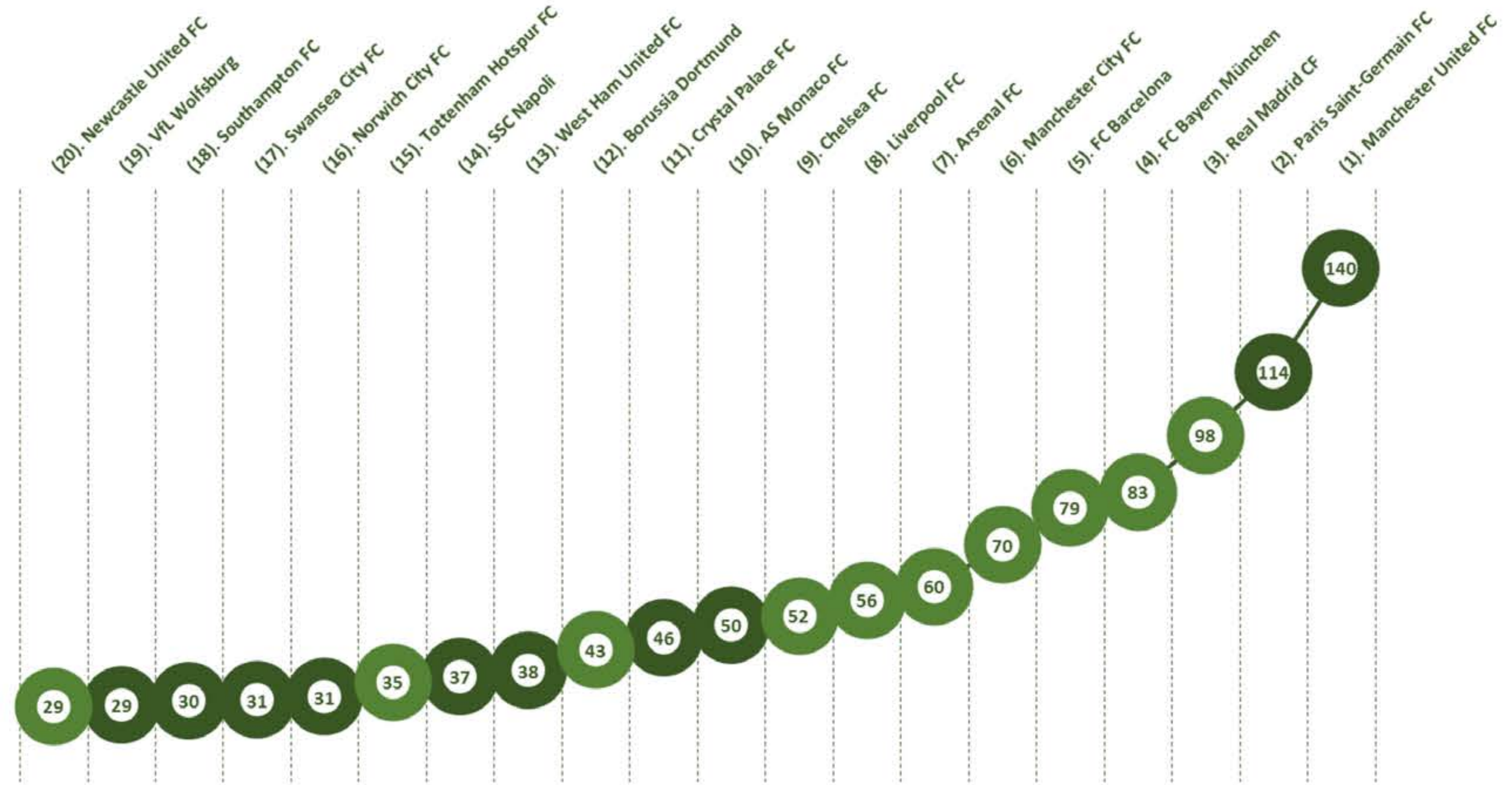
The turnaround in profitability in the English and Spanish top divisions is particularly noticeable, with 15 clubs from each country reporting profits in FY14. To give a little perspective, just four English clubs reported profits in 2010 and just seven Spanish clubs as recently as 2011.

^{*} Data was available for all clubs in the top 15 leagues analysed on this page with the exception of one Italian and five Portuguese clubs. The club by club analysis for these leagues therefore covers 19 and 11 clubs respectively.

Individual club record operating profits

Top 20 clubs by operating profit:*

Rank	Club name	NA	2014	Operating profit margin	2013 rank
1	Manchester United FC	ENG	€140m	27%	1
2	Paris Saint-Germain FC	FRA	€114m	24%	5
3	Real Madrid CF	ESP	€98m	18%	2
4	FC Bayern München	GER	€83m	17%	4
5	FC Barcelona	ESP	€79m	16%	3
6	Manchester City FC	ENG	€70m	17%	9
7	Arsenal FC	ENG	€60m	17%	14
8	Liverpool FC	ENG	€56m	18%	20
9	Chelsea FC	ENG	€52m	14%	100+
10	AS Monaco FC	FRA	€50m	30%	58
11	Crystal Palace FC	ENG	€46m	43%	100+
12	Borussia Dortmund	GER	€43m	17%	10
13	West Ham United FC	ENG	€38m	27%	21
14	SSC Napoli	ITA	€37m	22%	16
15	Tottenham Hotspur FC	ENG	€35m	16%	57
16	Norwich City FC	ENG	€31m	27%	22
17	Swansea City FC	ENG	€31m	26%	36
18	Southampton FC	ENG	€30m	23%	38
19	VfL Wolfsburg	GER	€29m	18%	50
20	Newcastle United FC	ENG	€29m	19%	24
1-20	Average		€58m	20%	
1-20	Aggregate		€1,151m		



The top 20 includes 12 English clubs, buoyed by the first year of the current TV contract. All 20 clubs come from one of the traditional 'big 5' leagues, supported by large domestic broadcast deals.

Half of the clubs featured in the list operating profits list also featured in the 2013 top 20, indicating repeated underlying profitability.

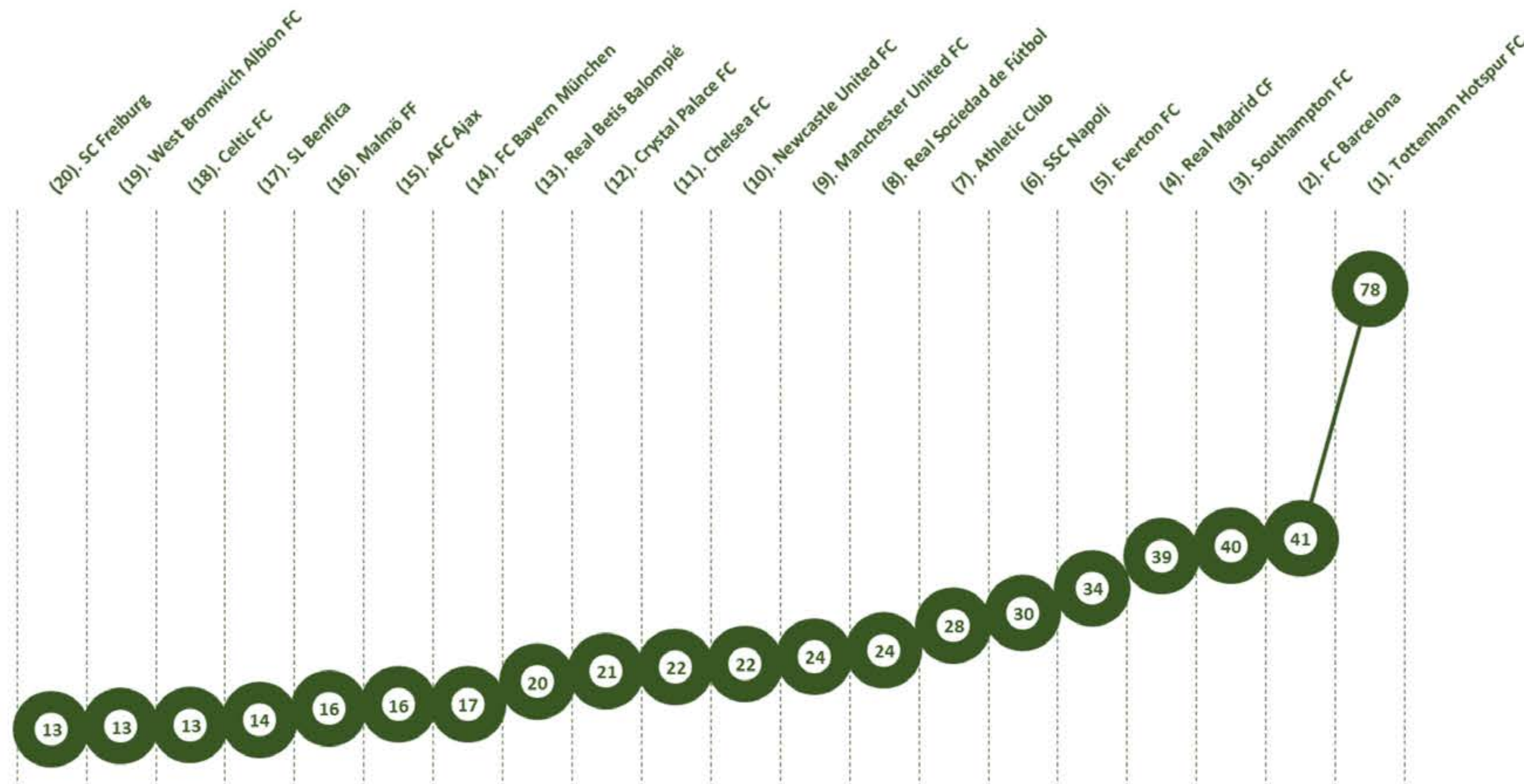
Manchester United FC generated record operating profits of €140m in 2014, with a 27% operating margin, surpassing the previous record of €135m reported by Real Madrid CF in 2011. Operating profits allow clubs to finance themselves and be active in the transfer market while still balancing their books.

* Rayo Vallecano de Madrid reported €35m operating profits but have been excluded from the top 20 as that high figure was a result of some debt and provision write-offs on exiting administration rather than underlying profitability.

Highest bottom-line profits on record

Top 20 clubs by net profit.*

Rank	Club name	NA	2014	Net profit margin	2013 rank
1	Tottenham Hotspur FC	ENG	€78m	36%	64
2	FC Barcelona	ESP	€41m	8%	5
3	Southampton FC	ENG	€40m	31%	100+
4	Real Madrid CF	ESP	€39m	7%	3
5	Everton	ENG	€34m	23%	62
6	SSC Napoli	ITA	€30m	18%	20
7	Athletic Club	ESP	€28m	41%	4
8	Real Sociedad de Fútbol	ESP	€24m	37%	94
9	Manchester United FC	ENG	€24m	5%	100+
10	Newcastle United FC	ENG	€22m	14%	15
11	Chelsea FC	ENG	€22m	6%	100+
12	Crystal Palace FC	ENG	€21m	20%	100+
13	Real Betis Balompíe	ESP	€20m	29%	14
14	FC Bayern München	GER	€17m	3%	13
15	AFC Ajax	NED	€16m	16%	10
16	Malmö FF	SWE	€16m	40%	100+
17	SL Benfica	POR	€14m	13%	100+
18	Celtic FC	SCO	€13m	17%	17
19	West Bromwich Albion FC	ENG	€13m	13%	26
20	SC Freiburg	GER	€13m	21%	28
1-20	Average		€28m	13%	
1-20	Aggregate		€500m		



The top 20 for FY14 includes eight English clubs and five Spanish clubs, with clubs from Germany, Italy, the Netherlands, Scotland, Sweden and Portugal also represented. The list features traditional club 'giants' as well as less famous clubs.

Eight of the clubs featured in the top 20 net profits list also featured in the 2013 top 20, indicating repeated underlying profitability.

As already illustrated in the transfer profit and operating profitability reviews, Tottenham Hotspur FC were top of the pile in FY14, with a bottom-line profit after tax of €78m. This was after paying €18m tax and is the highest reported European club net profit on record (since detailed records started to be collected for all clubs in 2008), beating the €75m of their local North London rivals Arsenal FC, recorded in 2010.

* Rayo Vallecano de Madrid and Hearts of Midlothian FC reported large net profits but have been excluded from table as their high profitability in 2014 was generated by some debt and provision write-offs on exiting administration rather than underlying profitability.

Reduced operating and bottom-line losses outside the top 15 leagues

Operating profitability outside the top 15 leagues:*

While overall Europe-wide operating profits have increased and net losses decreased, the results vary across Europe. At operating profit level, 12 of the 38 non-top leagues generated aggregate underlying operating profits, a minority but nonetheless an increase on the 7 leagues in 2013 and 4 leagues in 2011.

On an aggregate basis across the 481 clubs in the top 15 leagues, a negative operating margin of -14.8% was generated in 2014, a slight worsening on the -14.0% in 2013 but an improvement on the operating loss margins of more than -20% reported each year between 2009 and 2011.

What is evident from the comparison of top 15 leagues with the other leagues is the more common reliance on benefactors, transfer profits and UEFA club competition prize money, which can lead to greater fluctuations in financial performance from year to year.

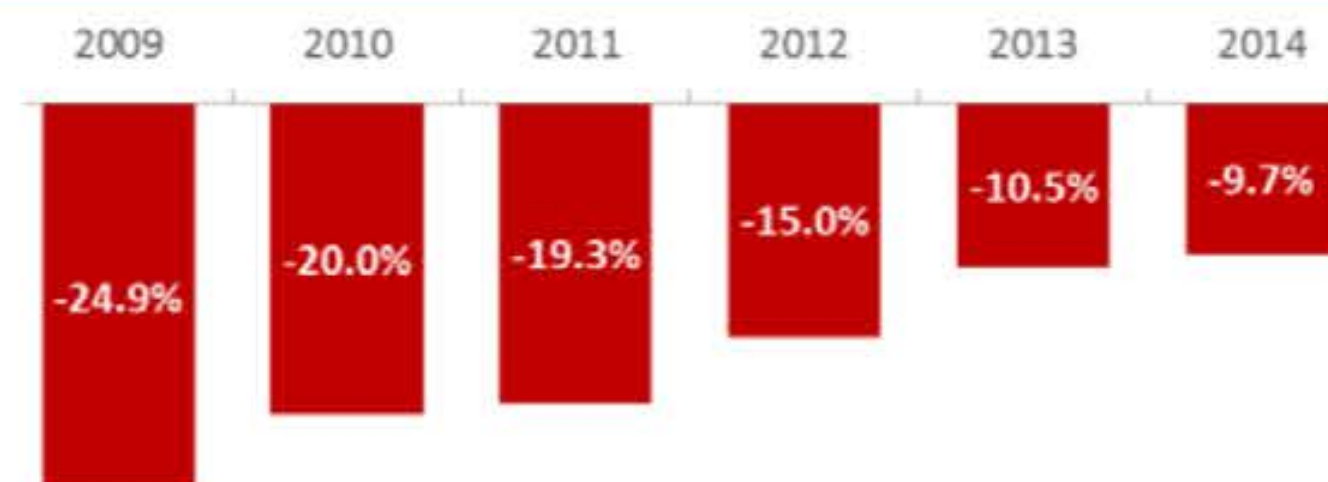
Bottom-line net profitability outside the top 15 leagues:*

At net profit level, after transfer, non-operating, financing, tax and divesting activities have been included, 11 of the 38 other leagues reported aggregate profits, with Slovenia (+22%) and Sweden (+13%) leading the way, both bolstered by UEFA Champions League group stage prize money for one of their clubs.

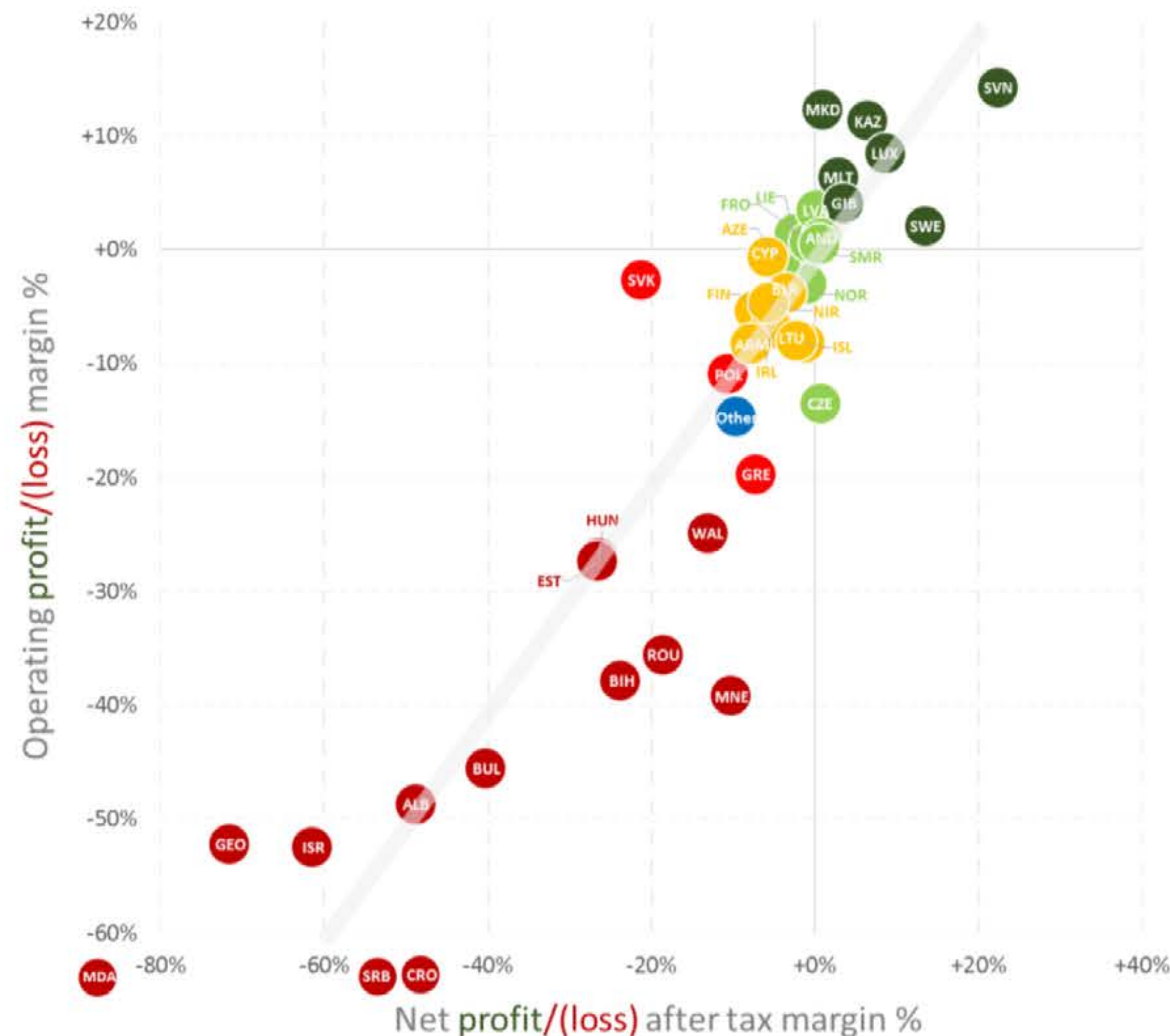
Less successful in balancing their books in 2014 were the clubs of 11 countries that reported net loss margins of more than 20%, in particular Croatia, Georgia, Israel, Moldova and Serbia, where the loss margins exceeded 50%. Clubs in these countries spent more than €3 for every €2 of income.

On an aggregate basis across the 481 clubs in these non-top leagues, a negative bottom-line loss margin of just under 10% was generated in 2014. While on the face of it this loss margin is a cause for concern, it nonetheless continues a trend of reducing losses in Europe's less wealthy leagues.

Evolution of the bottom-line net loss margin outside the top 15 leagues:*



Profit (operating and net) margins outside the top 15 leagues:*

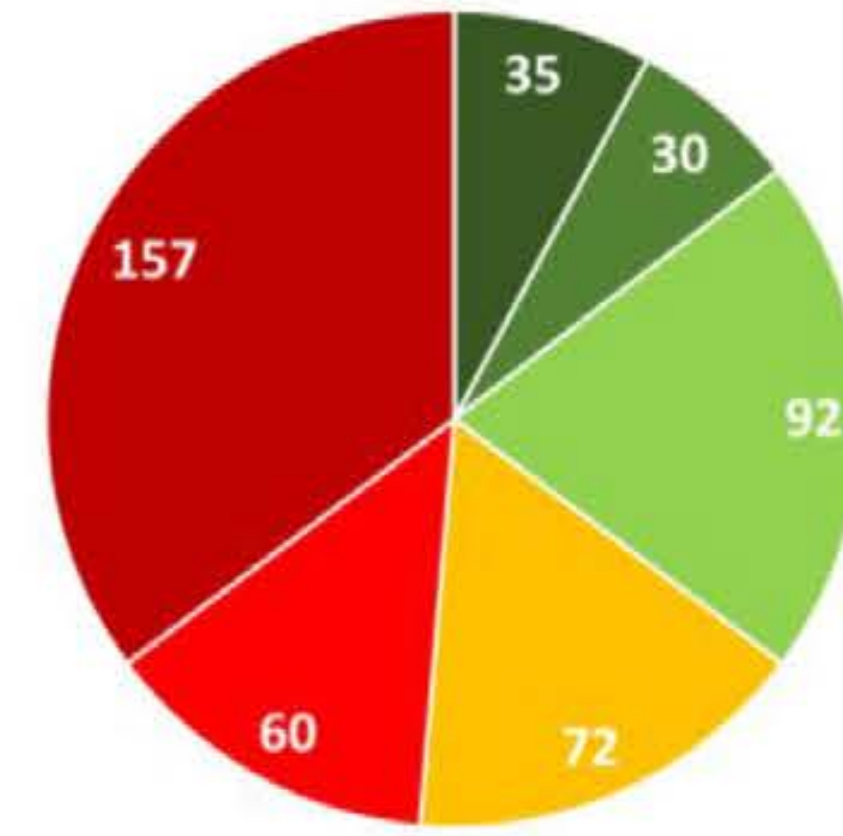


* For the analysis of profitability, the leagues have been split into two groups (top 15 and the rest) based on average club revenue. The net margins have been stated after excluding gains from debt write-offs (Scotland) and unrealised gains and losses from foreign exchange (Russian, Turkey and Ukraine).

Operating losses more common in less wealthy leagues

Distribution of clubs with operating profits and losses outside the top 15 leagues:

More than 150 clubs outside the top 15 leagues generated underlying operating profits, including at least five clubs in Kazakhstan, Norway, Azerbaijan, Poland, Cyprus, Georgia, Luxemburg, Northern Ireland, Bosnia and Herzegovina, the Faroe Islands, Malta and San Marino.



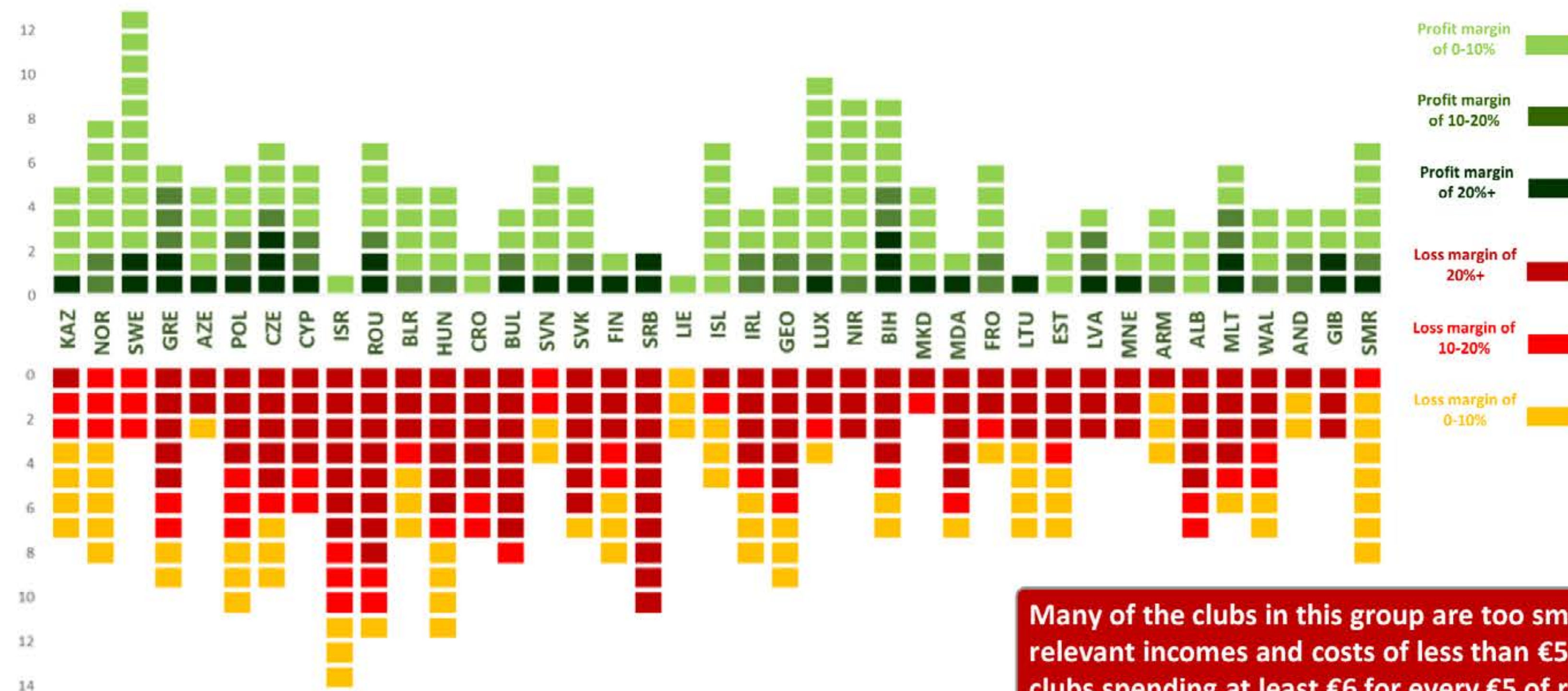
By contrast, just one Israeli, Serbian and Lithuanian and no Croatian club recorded operating profits in 2014.

Overall, from the 39 countries featured on this page, a large 35% of clubs (157 clubs) generated an operating loss equivalent to more than 20% of revenue, underlining the fragile state of many clubs' finances and the reliance on either transfer profits or an ex post benefactor to 'cover losses'*

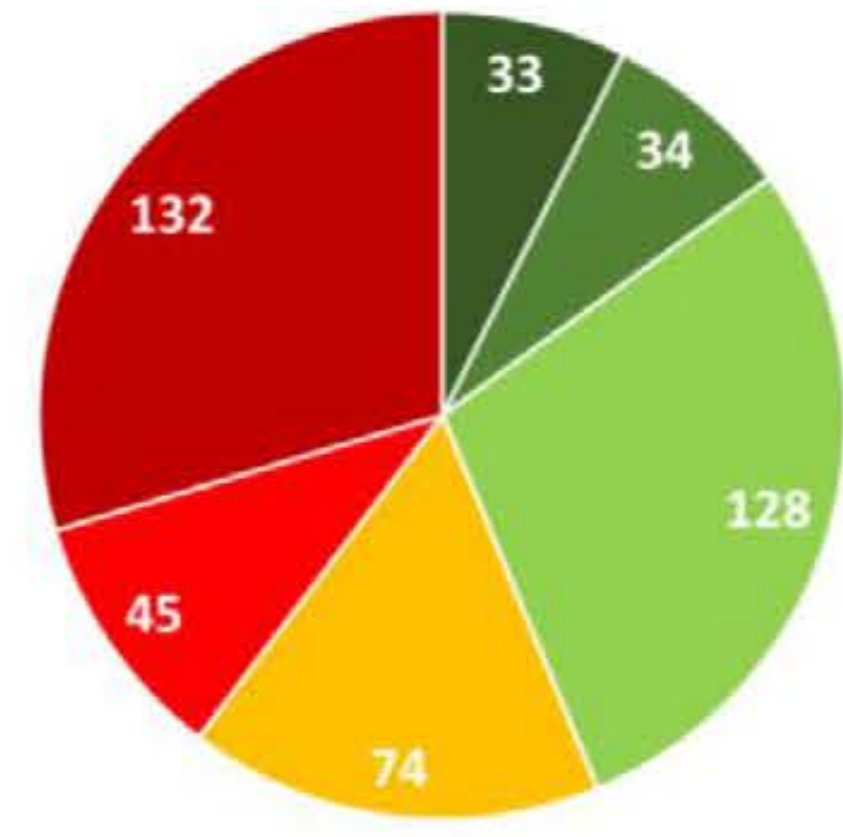
* An 'Ex post benefactor' is an owner or other related party that financially supports a club by making ad hoc contributions. In layman's terms he effectively 'picks up the bill', as opposed to an 'ex ante benefactor' who contractually commits in advance to financial contributions through a sponsorship or other contract. Whilst many clubs thrive with an 'ex-post benefactor', the ad hoc and uncertain nature of their support can lead to problems if their financial support changes. Notes: data was available for most of Europe's top-division clubs but there are some exceptions, with relegated clubs often not submitting data. While missing club data is modelled for the global and country aggregate data calculations, the club by club analysis includes only the actual data submitted.

Many smaller clubs able to use transfer market to reach profitability

Distribution of clubs with net profits and losses outside the top 15 leagues:



Almost 200 clubs outside the top 15 leagues generated bottom-line net profits in FY14, with at least 10 clubs in Sweden and Luxemburg reporting profits.



Many of the clubs in this group are too small to be assessed under the break-even rule, with relevant incomes and costs of less than €5m. With 56% of clubs reporting losses overall and 132 clubs spending at least €6 for every €5 of revenue, the reliance on benefactors and occasional income from transfers and training compensation remains apparent. In a number of countries, profitability remains the exception rather than the rule.



CHAPTER

8

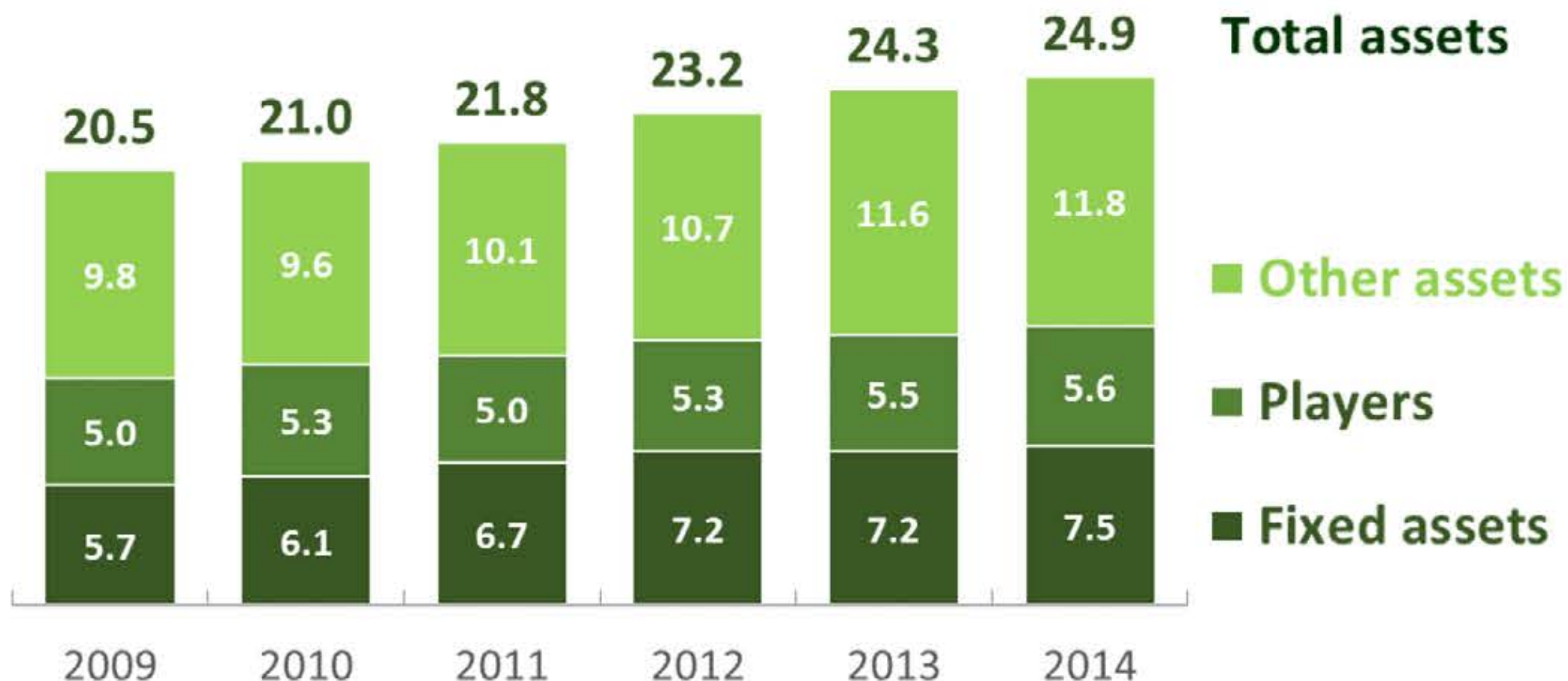
Balance sheet trends and comparisons

[CONTENTS](#)

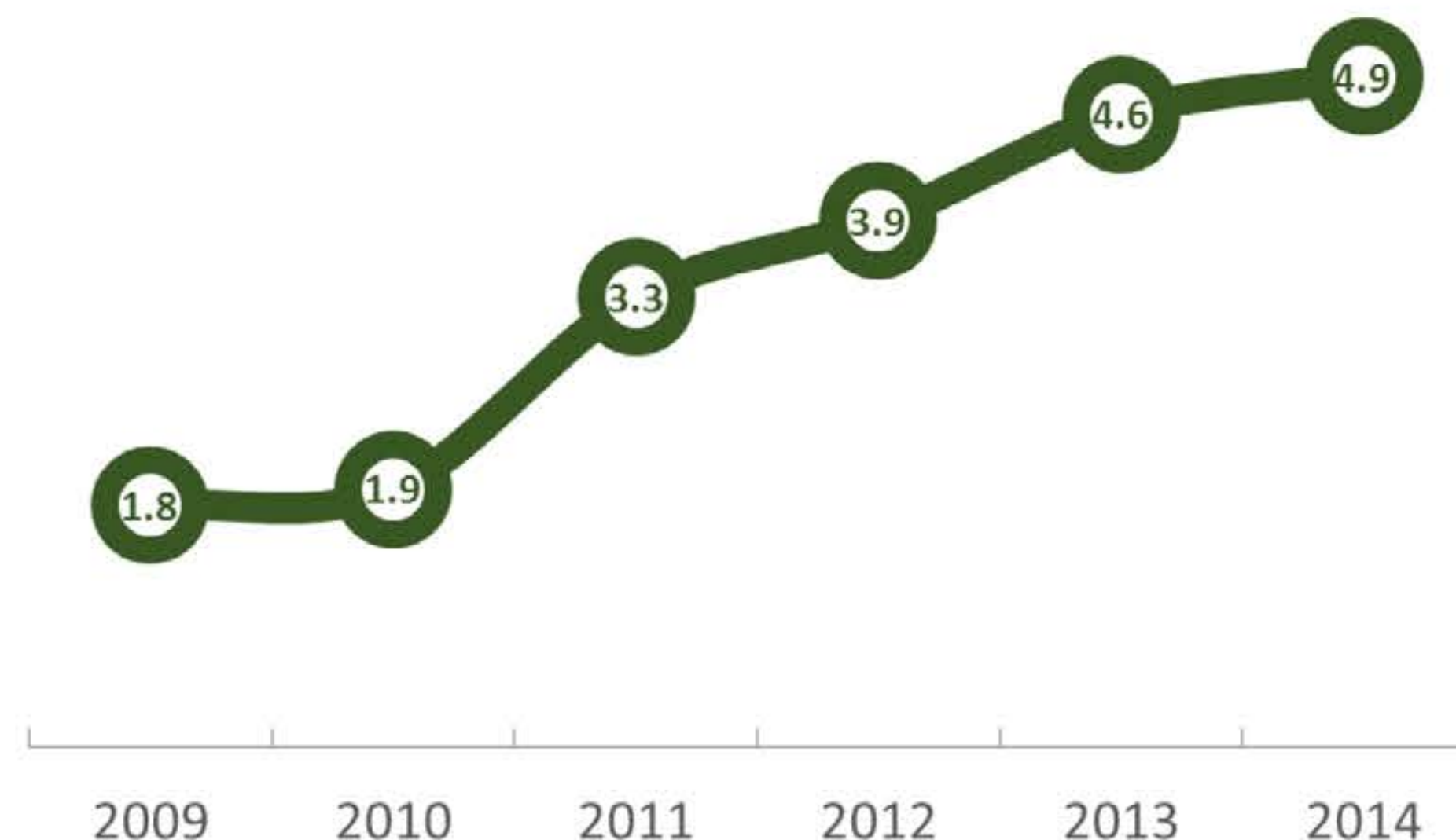
[HIGHLIGHTS](#)

Club balance sheet net assets up 50% since 2011

Evolution of European top-division club assets:



Evolution of European top-division club net equity (assets less liabilities):



The asset base of European club football has increased by more than 20% over the last five years and now stands at just under €25bn. Since the introduction of the FFP break-even requirements, €800m has been added to the balance sheet value of fixed assets, primarily stadium, training facilities and other infrastructure.

European club balance sheets are significantly healthier in 2014 than when the break-even requirements started in 2011*. Club net equity, which represents the clubs' assets less all debts and liabilities, has increased by 50% from €3.3bn to €4.9bn.

* The aggregated balance sheet evolution of European top-tier football is impacted by changes in club ownership, club corporate restructurings and the mix of clubs (promoted and relegated), as well as the financial performance and financing of clubs. As highlighted in previous benchmarking reports (see 'The European Club Footballing Landscape Financial year 2011') the large jump in net equity between 2010 and 2011 was largely due to a change in the reporting perimeter of a number of English and German clubs. The improvement since 2011, the period after the introduction of the FFP break-even rule is almost entirely due to increased owner capital contributions and the writing off of owner debt to equity, both actively encouraged by the break-even requirements.

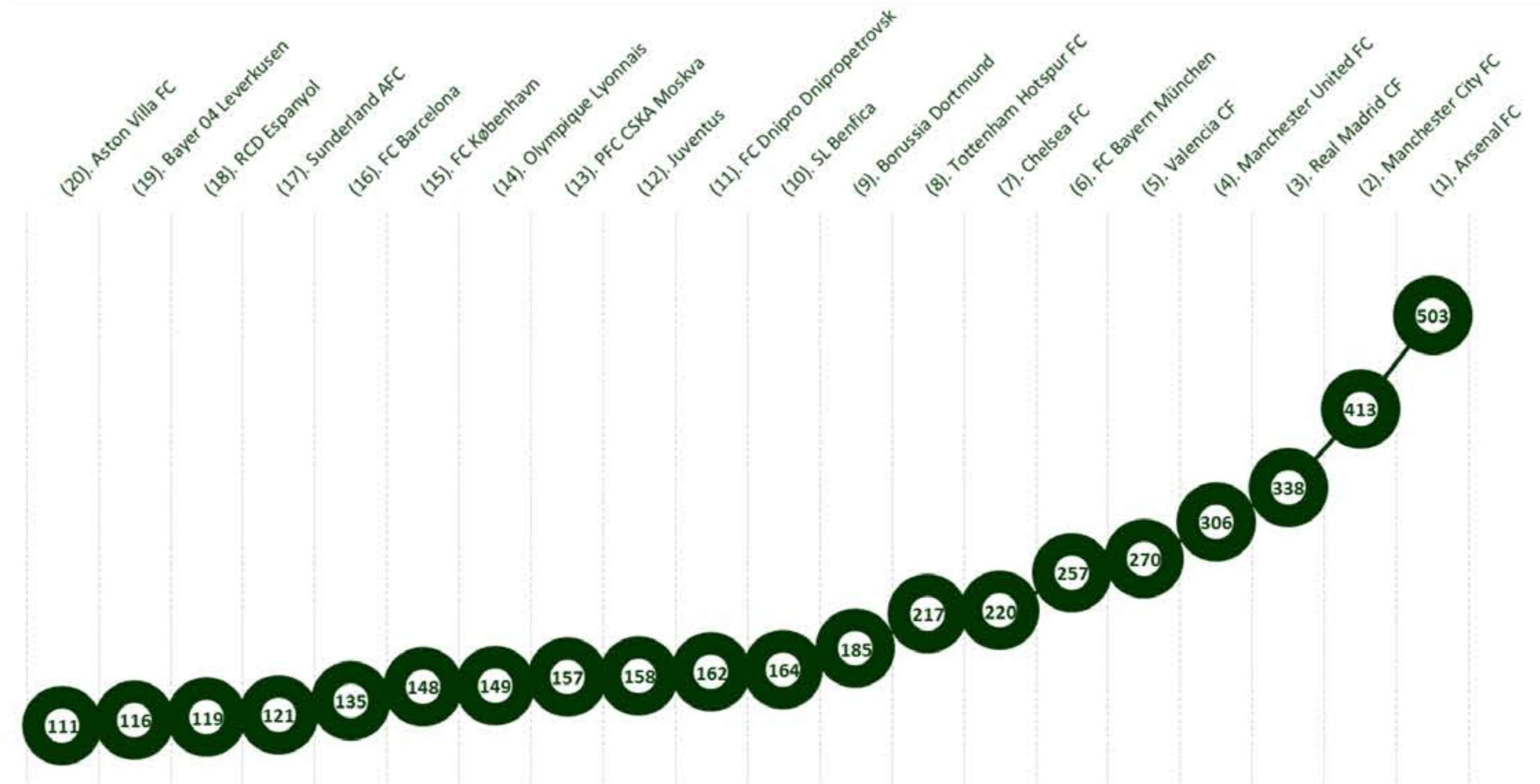
Fixed asset investments average more than €200m for top 20 clubs

The top 20 clubs by fixed assets (€m)*:

Rank	Club name	NA	FY2014	FY2014 Additions	Fixed assets to revenue ratio
1	Arsenal FC	ENG	€503m	€15m	1.4x
2	Manchester City FC	ENG	€413m	€112m	1.0x
3	Real Madrid CF	ESP	€338m	€1m	0.6x
4	Manchester United FC	ENG	€306m	€13m	0.6x
5	Valencia CF	ESP	€270m	€1m	3.0x
6	FC Bayern München	GER	€257m	€10m	0.5x
7	Chelsea FC	ENG	€220m	€13m	0.6x
8	Tottenham Hotspur FC	ENG	€217m	€21m	1.0x
9	Borussia Dortmund	GER	€185m	€7m	0.7x
10	SL Benfica	POR	€164m	€12m	1.6x
11	FC Dnipro Dnipropetrovsk	UKR	€162m	€0m	3.0x
12	Juventus	ITA	€158m	€2m	0.6x
13	PFC CSKA Moskva	RUS	€157m	€24m	2.6x
14	Olympique Lyonnais	FRA	€149m	€87m	1.4x
15	FC København	DEN	€148m	€4m	3.6x
16	FC Barcelona	ESP	€135m	€16m	0.3x
17	Sunderland AFC	ENG	€121m	€1m	1.0x
18	RCD Espanyol	ESP	€119m	€1m	2.6x
19	Bayer 04 Leverkusen	GER	€116m	€5m	0.7x
20	Aston Villa FC	ENG	€111m	€2m	0.8x
1-20	Average		€212m	€17m	0.9x
1-20	Aggregate		€4,249m	€346m	

Context:

Clubs invested €670m in fixed assets in 2014, mainly in stadium and training facilities and complexes. This outweighed the depreciation and write-down of fixed assets, leading to an increase in net fixed assets from €7.2bn to €7.5bn. Fixed assets remain relatively concentrated in Europe, with less than 25% of clubs owning their own stadium. Indeed, €4.2bn of the €7.5bn balance sheet total fixed assets is concentrated in the 20 clubs listed here.



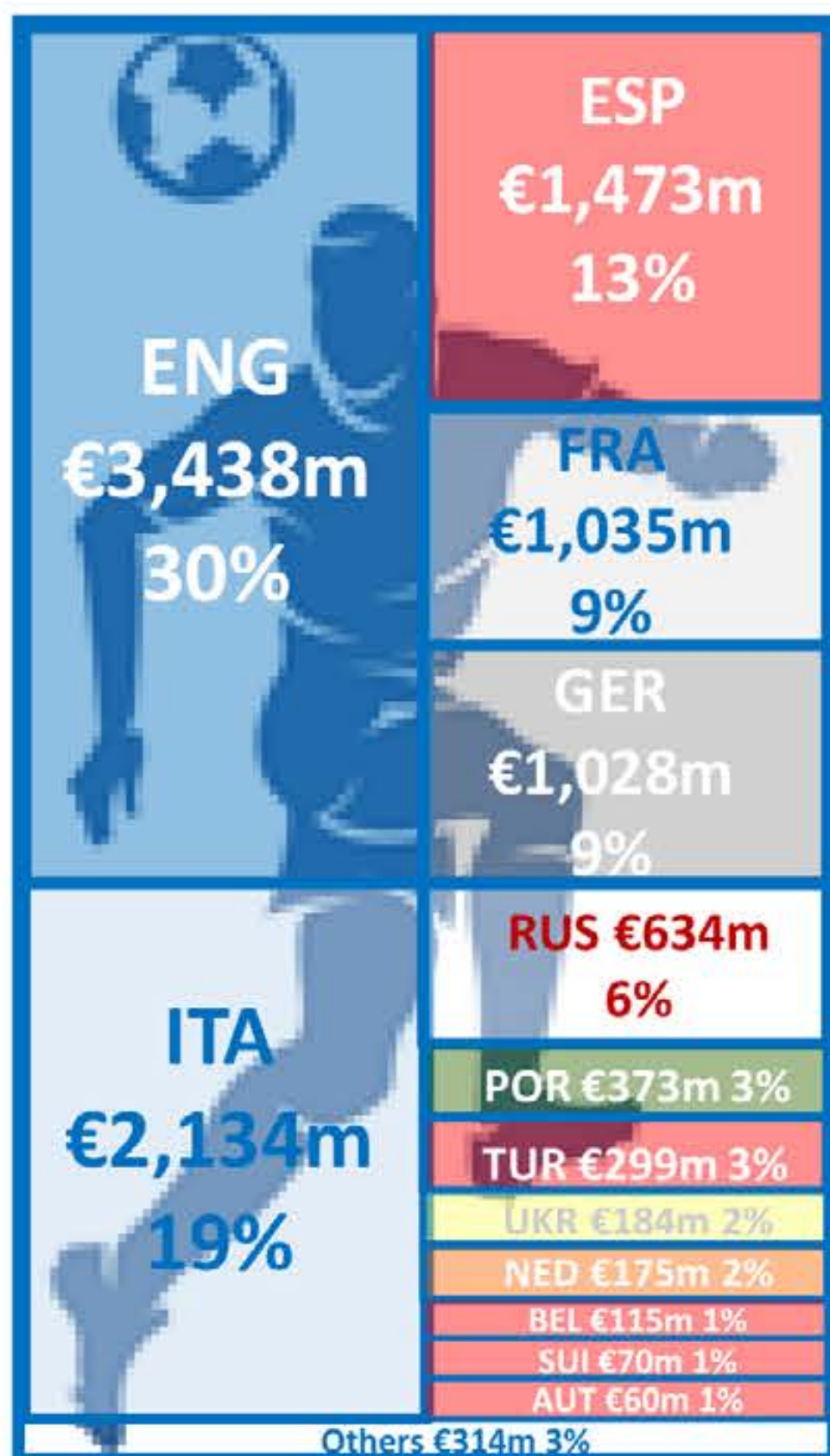
The top 20 for FY14 includes seven English clubs, four Spanish clubs, three German clubs and one club each from Portugal, Ukraine, Italy, Russia, France and Denmark. On average, gross club bank and commercial debt is equivalent to 56% of the depreciated stadium and facilities assets, with four of the clubs in the list having no external debt.

Arsenal FC retained the top spot, with balance sheet fixed assets remaining over €500m. The development of a large training complex allowed Manchester City FC to rise to second place in the rankings with the €417m, including €152m in facilities that were under construction. New stadium projects or redevelopments will potentially see Olympique Lyonnais and Tottenham Hotspur FC move up the rankings and Liverpool FC, FC Zenit St. Petersburg, FC Dinamo Moskva and West Ham United FC enter the top 20 for fixed assets within the next three years.

* The fixed asset value and ratio should be placed in context. The balance sheet value of fixed assets (presented here) is the cost of the assets depreciated over time rather than a market value, and it therefore tends to underestimate the market value of the stadium and other infrastructure as a going concern. Typically, the older the stadium, the more its value has been depreciated.

Premier League and Serie A responsible for 49% of transfer spending

The figures included in this report were taken at a fixed point in time (financial year end) and are therefore not as up to date as some 'transfer market reports' published shortly after each transfer window closes. Nonetheless, the figures used here are the only market-wide figures covering national and cross-border transfer activity that are based on independently audited and verified transfer fees and can therefore be considered authoritative. The basic and conditional transfer values involved in transfers are rarely disclosed, especially in England, which is the largest market. This should be considered when reading transfer market reviews, which are largely based on estimates and assumptions.



The top 15 leagues by average squad cost (€m) and in relation to annual revenue:*



While the total balance sheet value of players was €5.6bn, the total original transfer fees paid in assembling these squads at the end of FY14 was €11.3bn.* English and Italian squads account for 49% of this total.

The top 15 markets:

English clubs spent an average €172m on transfer fees when compiling their squads, with Italian squads comfortably the second most expensive (€107m).*

Portuguese, Italian and Ukrainian clubs committed relatively high squad transfer spending relative to their revenues (1.3 and 1.2 times their annual revenue respectively), compared with German clubs, which spent on average 0.5 times their revenues. At just 0.2 to 0.4 times the revenue, transfer spending is lower in all the mid-tier talent-exporting leagues, which have a higher proportion of home-grown or low-transfer fee players.

Outside the top 15 markets:

Transfer spending is extremely concentrated among the largest clubs and the wealthier leagues. Outside the top 15 markets, average club squads have been put together for less than €1m, with the exception of Bulgaria, Croatia, Greece, Israel, Norway and Sweden, where the squad cost average is between €1m and €2.5m.

* Total transfer fees are obtained from the detailed notes to each club's financial statements, which state the combined transfer costs of the players on their books at the start and end of the financial year. These have been externally audited by qualified independent accountants and can therefore be considered more accurate than other transfer figures that appear in the print media, in reports or on websites.

Fifteen squads built for €200m+ in transfer fees

The top 20 clubs by players (€m) - balance sheet value and original transfer cost:

Rank	Club name	NA	Players balance sheet value	Original squad cost	Balance sheet to squad cost %	Squad cost as x total revenue	Year on year balance sheet change
1	Real Madrid CF	ESP	€316m	€629m	50%	1.14 x	€49m
2	Paris Saint-Germain FC	FRA	€276m	€440m	63%	0.93 x	€95m
3	Chelsea FC	ENG	€271m	€498m	54%	1.30 x	€34m
4	Manchester City FC	ENG	€247m	€526m	47%	1.26 x	€20m
5	Manchester United FC	ENG	€245m	€495m	50%	0.95 x	€100m
6	FC Barcelona	ESP	€175m	€327m	53%	0.67 x	-€4m
7	FC Internazionale Milano	ITA	€159m	€329m	48%	1.97 x	€15m
8	AS Monaco FC	FRA	€151m	€202m	75%	1.21 x	-€12m
9	Tottenham Hotspur FC	ENG	€147m	€250m	59%	1.15 x	€58m
10	Arsenal FC	ENG	€137m	€297m	46%	0.83 x	€20m
11	Liverpool FC	ENG	€136m	€286m	47%	0.94 x	-€13m
12	Juventus	ITA	€120m	€300m	40%	1.07 x	€1m
13	SSC Napoli	ITA	€118m	€205m	58%	1.24 x	€41m
14	FC Bayern München	GER	€114m	€262m	43%	0.54 x	€12m
15	FC Zenit St. Petersburg	RUS	€113m	€239m	47%	1.43 x	-€29m
16	SL Benfica	POR	€94m	€175m	53%	1.67 x	-€4m
17	AS Roma	ITA	€89m	€131m	68%	1.02 x	€10m
18	ACF Fiorentina	ITA	€77m	€156m	50%	1.72 x	-€18m
19	AC Milan	ITA	€72m	€189m	38%	0.85 x	-€45m
20	VfL Wolfsburg	GER	€65m	€123m	53%	0.75 x	€14m
1-20	Average		€156m	€303m	52%	1.13 x	€17m
1-20	Aggregate		€3,122m	€6,060m			€344m



Context:

The top 20 features clubs with €3.1bn in player transfers remaining as assets on their balance sheets. These players originally cost €6.1bn in combined transfer fees and the €303m average squad cost is equivalent to 1.13 times the average annual revenues. The balance sheet player value of these top 20 clubs increased by an average of €17m between 2013 and 2014, with 7 clubs recording a decrease (amortisation of transfer fees greater than new transfer spending) and 13 clubs an increase.

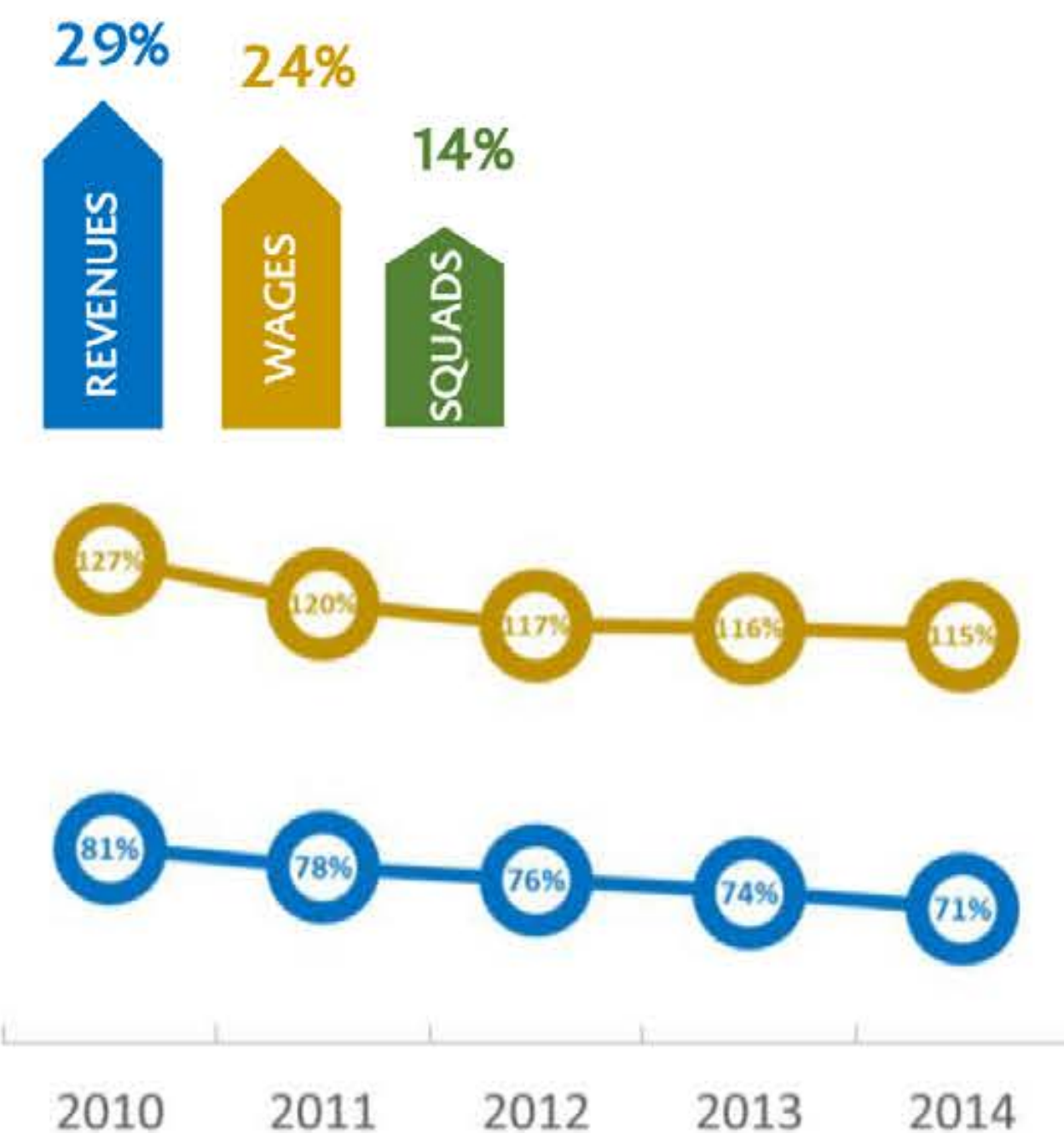
Real Madrid CF reported the most expensive squad in both original cost (€629m) and depreciated balance sheet amount (€316m). Although the Paris Saint-Germain FC squad was the fifth highest in transfer fees (€440m), it has the second highest balance sheet value as it is a relatively new, unamortised squad. There is a noticeable gap of €168m between the squad cost (combined transfer fees of squad members) of clubs five (Manchester United FC) and six (FC Barcelona). In total, 15 clubs have players valued at more than €100m as intangible assets on their balance sheet and all these squads cost at least €200m to build in terms of transfer fees. Relative to annual revenue, the squad costs range from 0.67 times revenue (FC Barcelona) to 1.97 times revenue (FC Internazionale Milano). While it is not a hard and fast rule and there are numerous factors that determine any subsequent transfer fee, generally if a squad is more depreciated then there are potentially higher profits to be made on resale, as the transfer fee is compared to balance sheet value to calculate profits/losses on sale.

Transfer spending in the last 5 years heavily concentrated among 15 clubs

Relative transfer cost of squads:

Contrary to much media speculation and published transfer reports, there is a clear trend for European clubs to decrease their net spend on transfer fees relative to wages and revenues. The €11.3bn combined cost of all of Europe's top-division squads is equivalent to 115% of the annual wage bill, down from 127% in 2010.* This has decreased each year for the last five years. Likewise, the combined transfer cost of clubs' squads is equivalent to 71% of their annual revenue, down from 81% in 2010. Even the record transfer spending reported in the summer 2015 summer transfer window, fuelled by squad rebuilding from a number of the top spending clubs, will represent a smaller percentage of club revenues than the transfer spending in the summer 2008 window.**

Comparison of growth in various measures for top 100 clubs between 2010 and 2014 and squad costs as a percentage of revenue and wages:

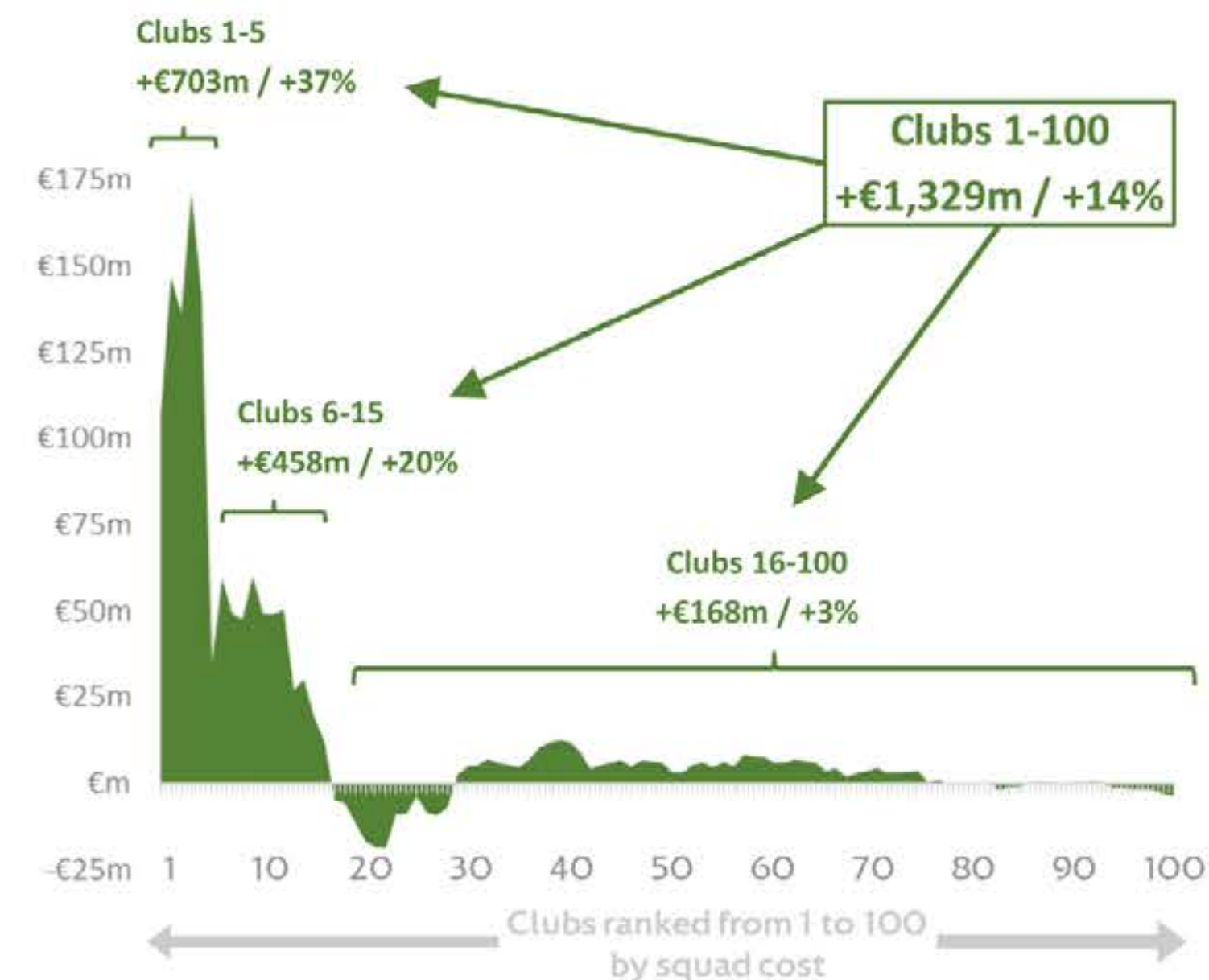


Increased squad costs concentrated in most expensive squads:

Another strong trend over the last five years is illustrated in the area chart, showing the squad cost increase/(decrease) between 2010 and 2014 across the top 100 most expensive squads. In total, the combined cost of the top 100 squads increased by 14% between 2010 and 2014 but this increase was heavily skewed to the most expensive squads. The five costliest squads are €700m more expensive than the five costliest squads in 2010, equivalent to a 37% increase, with the next ten clubs also investing heavily in their squads, increasing by more than €450m, equivalent to a 20% increase. By comparison, the rest of the top 100 squads (clubs 16 to 100) increased by just €168m, equivalent to just 3% across the five-year period. Outside the elite spenders, the squads of the clubs ranked 16-30 have actually decreased in cost since 2009, hinting at the increasing concentration of top players among a small group of clubs.

- Squad cost to wage bill
- Squad cost to revenue

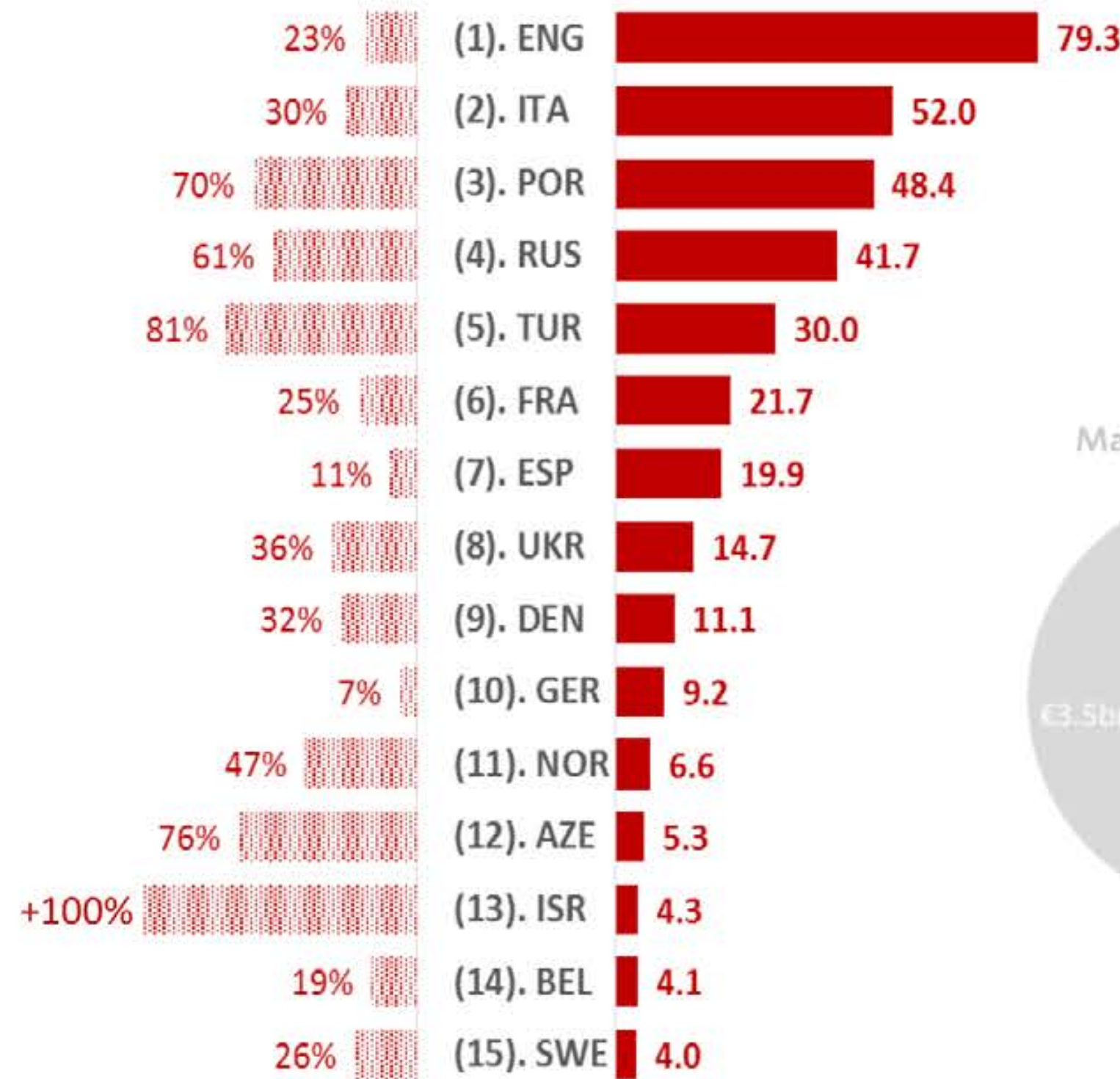
Increase / decrease (-) in squad cost between 2010 and 2014:



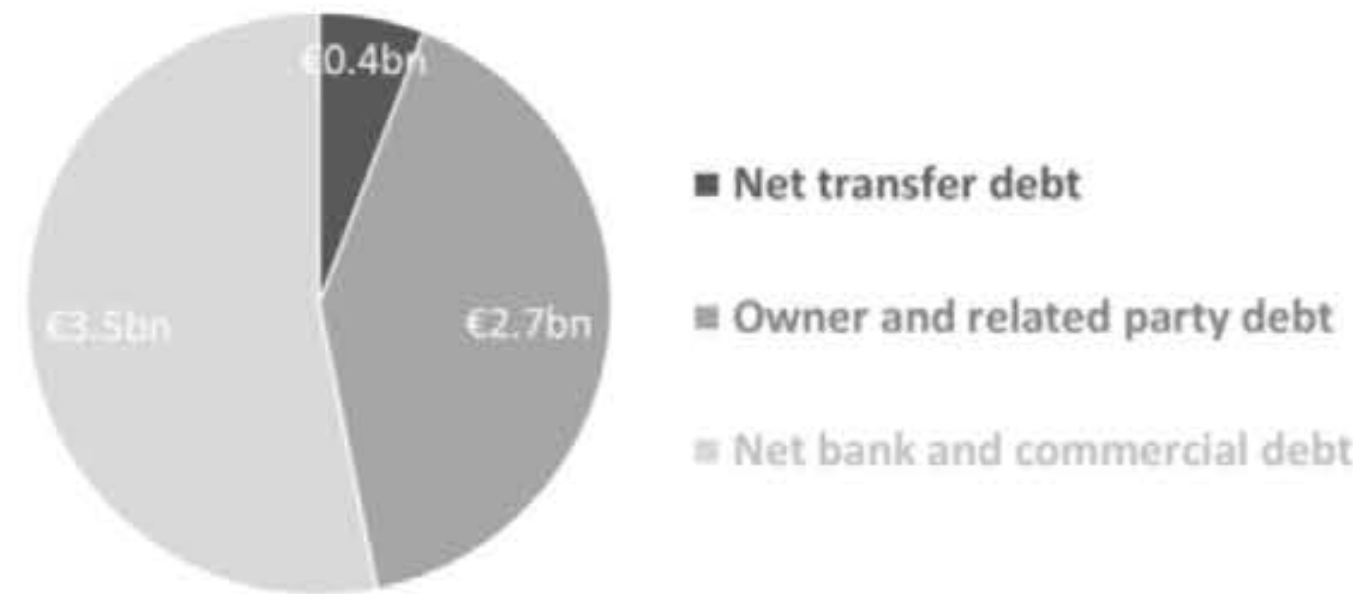
* The squad cost is the combined transfer fees paid for the players contracted to the club, including players temporarily loaned out. The value at the start and end of the financial year is obtained from the detailed notes to each club's financial statements and the figures presented are those at the financial year end. Depending on the date of financial year end, this was either the squad at the start of the summer 2014 or January 2015 transfer window. In some cases where the club auditors believe the transfer deals have been agreed and finalised before the financial year end, transfers in and out from the following transfer window are already reflected in the figures. These detailed figures have only been available for all clubs since 2010, hence the development from 2010 rather than from 2009 as elsewhere in report. ** 'Reported' transfer spending is heavily based on estimates on undisclosed transfer fees. Nonetheless based on www.transfermarkt.de estimated figures it appears that the summer 2015 transfer window was a record in absolute € spending and just under 20% higher than the 2013 summer window.

Club net debt €1bn below peak

The top 15 leagues by average net debt* (€m) and net debt as a percentage of the asset base:



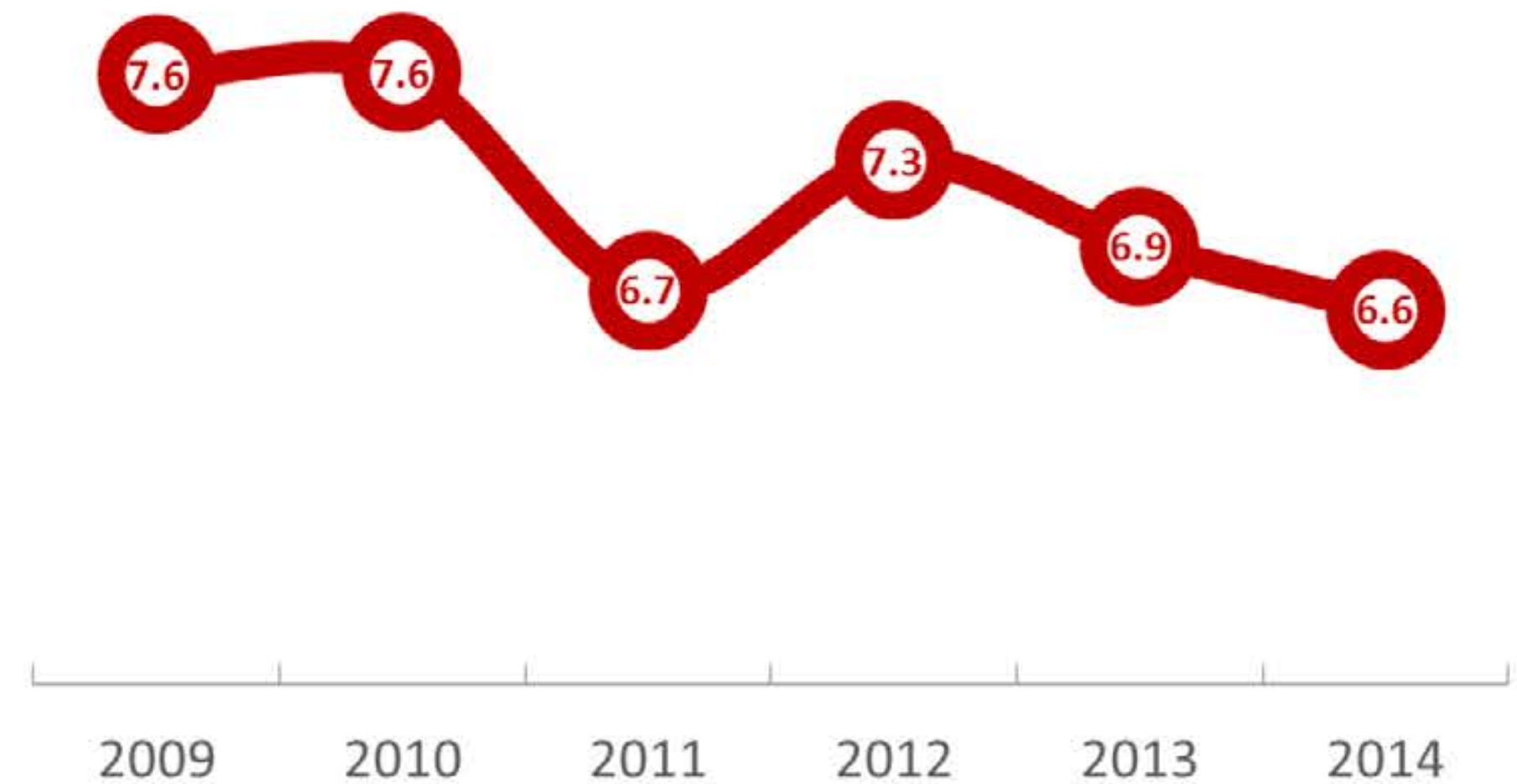
Make-up of net debt:



English clubs averaged €79m in net debt at the end of FY14, a considerable decrease from the €100m average the previous year. Despite this being comfortably the highest average net debt figure, it was relatively low (23%) when compared with club assets. The average club net debt in a number of leagues represented more than 50% of total club assets (Portugal, Russia, Turkey, Azerbaijan and Israel).

Evolution of European top-division club net debt*:

Net debt can be calculated in various ways, but the definition in the UEFA Club Licensing and Financial Fair Play Regulations includes net borrowings (i.e. bank overdrafts and loans, other loans and accounts payable to related parties less cash and cash equivalents) and the net player transfer balance (i.e. the net of accounts receivable and payable from players' transfers).

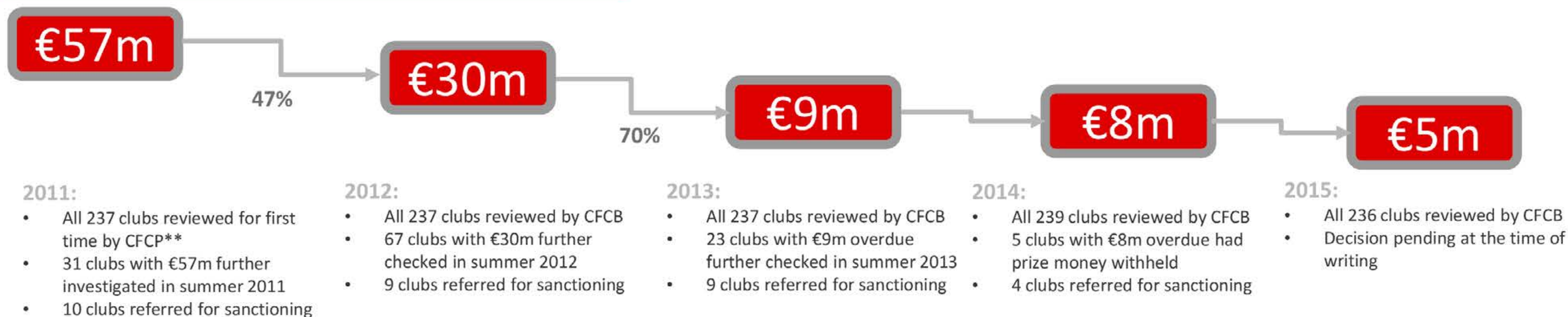


Combined European top-division club net debt has decreased by more than €1bn in the last five years.

* Net debt is calculated as per the definition in the UEFA Club Licensing and Financial Fair Play Regulations, which nets bank overdrafts, bank and other loans, related party loans and payables and transfer payables against transfer receivables and cash balances. Some other liabilities, including debts to tax authorities or employees, are not included in this definition but may nonetheless attract finance charges. The 'gross debt' is the list of items above without cash balances and transfer receivables.

Threat of financial fair play sanctions significantly reducing overdue payables

Overdue payables* continue to fall as clubs react to the tough UEFA sanctioning regime.



Overdue payables of €5m assessed in the summer of 2015 are the lowest in the five years of financial fair play. In addition, while deferred debts (deferral agreed by both parties) do not classify as 'overdue', they nonetheless can be a sign of cash flow issues or poor financial management. The value of deferred payables at 30 June 2015 has dropped since 2014 and more than halved compared with 30 June 2013, meaning more on-time payments to clubs, players and tax authorities.

* 'Overdue payables' is defined in the UEFA Club Licensing and Financial Fair Play Regulations and refers to contractually and legally payable transfer fees and training compensation/solidarity payments to clubs, amounts owed to current and former players and administrative, technical, medical and security staff, including wages, salaries, image rights payments, bonuses and other benefits, and amounts owed to social/tax authorities as a result of contractual or legal obligations in respect of employees. ** The 'CFCP' is the short version of the Club Financial Control Panel. This became the Club Financial Control Body ('CFCB') in 2012 when their duties and status was further formalised.



CHAPTER

9

Global benchmarking of European club football

[CONTENTS](#)

[HIGHLIGHTS](#)

European football club revenues in context

The continued revenue growth in European club football is a success story and highlights the appeal of the sport. On the following pages we analyse what is underpinning this growth and how it compares with that of other major sports and sports events, highlighting some of the differences.

In 2014, the total revenues of European top-division football clubs were €15.9bn, which was equivalent to 80% of the estimated €19.8bn revenues of the four major US professional sports combined. The revenues of the 122 highest earning football clubs were equivalent to 67% of the 122 major North American sports franchises.

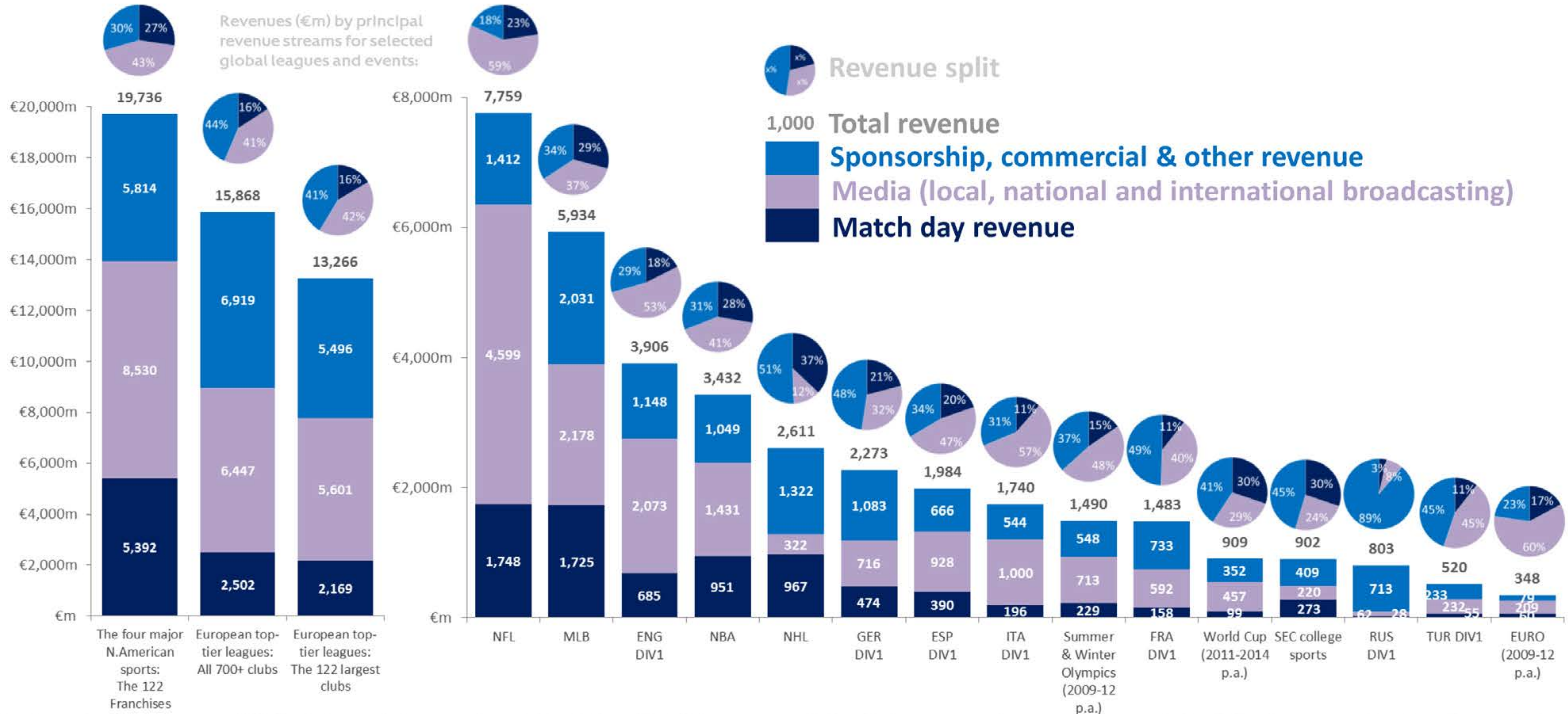
Media revenues in 2014 provided an estimated 43% of total North American sports revenues and 41% of European football club revenues. This level is notably lower than the 48%–60% of the comparator one-off major events: the Olympics, the World Cup and the European Football Championship.

The split of the remaining revenue between commercial revenues and gate receipts differs considerably between the North American sports and European football. The four major North American sports generated an estimated €5.4bn in gate receipts, equivalent to 27% of total revenues and more than double the €2.5bn that European football clubs generate. By contrast, European football clubs generated €6.9bn in commercial revenues, equivalent to 44% of total revenues and comfortably more than the €5.5bn that the four North American sports generated.

In the following pages these different revenue streams are analysed in more detail.

Notes: Revenue stream comparisons are indicative only, as allocations between revenue streams can differ. In particular, the centralisation of revenues and split of local media rights for the different North American sports differ considerably. The revenues per annum for competitions that take place over a four-year cycle are included for context, by dividing the total cycle revenue by four. We have presented the latest completed cycle, but it should be noted that these revenues and their sources can vary considerably from cycle to cycle depending on the event location as well as the normal market conditions that effect all revenues over time. We would in particular expect UEFA EURO 2016 to generate markedly higher revenues due to the location and the expansion of the competition, as well as market evolution. Among the North American leagues, NFL stands for National Football League (American football), MLB for Major League Baseball, NBA for National Basketball Association, NHL for National Hockey League, and SEC for South Eastern Conference (American college conference encompassing various sports but with American football providing the majority of revenues). All figures are for 2014 unless otherwise stated, with the average 2014 USD to euro exchange rate of 1.33 used. At the time of writing the USD has appreciated a further 17% compared with the 2014 average used in the FY14 comparative analysis above.

European football revenues 80% of the four major US Sports combined



Note: For comparison purposes, a percentage (81%) of UEFA prize money has been allocated as media rights with the remaining 19% allocated as commercial rights. This allocation represents the revenue sources as reported in the UEFA financial statements. North American media values reflect best estimates for both national and local deals. Various sources have been used to corroborate best estimates of 2014 revenues and these are listed in the appendices. NBA figures are from the season before the large media uplift.

Global sports media rights continue to rise

While the overall contribution of media revenues to overall revenues is similar for US sports (43%) and European football (41%), there are some notable differences in the media landscapes that need to be considered when making revenue comparisons at a given point in time. The length of deals, packaging of rights and redistribution of revenues vary considerably between the different sports.

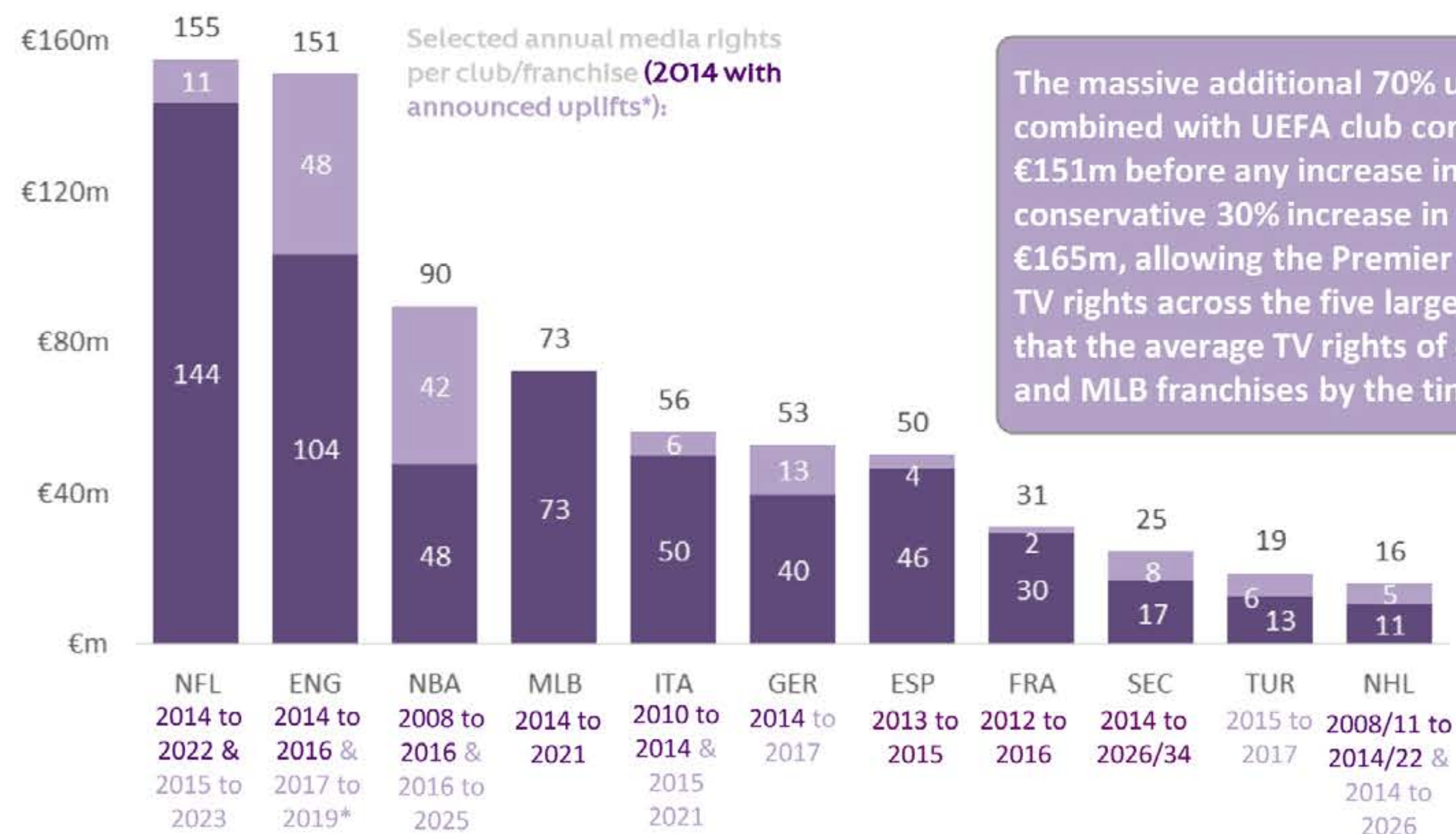
Media deals are typically concluded on a much shorter basis for football (a 3 or 4 year cycle is most common) than in the US sports world (8 to 10 years for national deals and up to 25 years for local deals are common). The timing of new cycles is included under the respective charts and it is noticeable that the US sports rights all extend beyond 2020*, by which time the main European leagues will have had an additional one or two cycles.

In 2014, the NFL media deals are estimated as equivalent to €144m per franchise and this will rise to €155m in 2015 when the final part of the new rights cycle starts. By comparison, English Premier League clubs received an average of €104m in 2014 from media rights, followed by the MLB franchises (€73m), Italian Serie A clubs (€50m), NBA franchises (48m) and Spanish La Liga clubs (€46m).

The 2014 media values underline that global sports media rights are continuing to increase. The current English Premier League deal represents an increase of 60% on the previous three-year cycle, the German deal 52%, the final NFL figure will reflect roughly a 75% increase and the MLB national deals approximately double the previous cycle. The 67% increase in UEFA club competition rights will be fully reflected in 2015 and is included in the uplifts of the European clubs, while the NBA franchises will almost double their media rights due to the estimated 180% increase in national rights from 2016.

* US sports rights timings in this sentence refer to national rights. Meanwhile, some local deals for individual franchises will enter a new cycle and some uplifts are therefore expected. In baseball, some local TV deals with team-owned regional sports networks extend 25-30 years.

English Premier League clubs poised to overtake NFL as highest earners



The massive additional 70% uplift in domestic live rights recently announced for English Premier League clubs combined with UEFA club competition increases will take annual Premier League club media rights to at least €151m before any increase in international rights, which are due to be negotiated later in 2015. A conservative 30% increase in these international rights would mean total media rights per club would reach €165m, allowing the Premier League club average to surpass the average media rights of NFL franchises. With TV rights across the five largest European leagues increasing by an average of 25% each cycle, it is possible that the average TV rights of clubs from the other larger European leagues could approach the level of NBA and MLB franchises by the time their next national media deals start.**

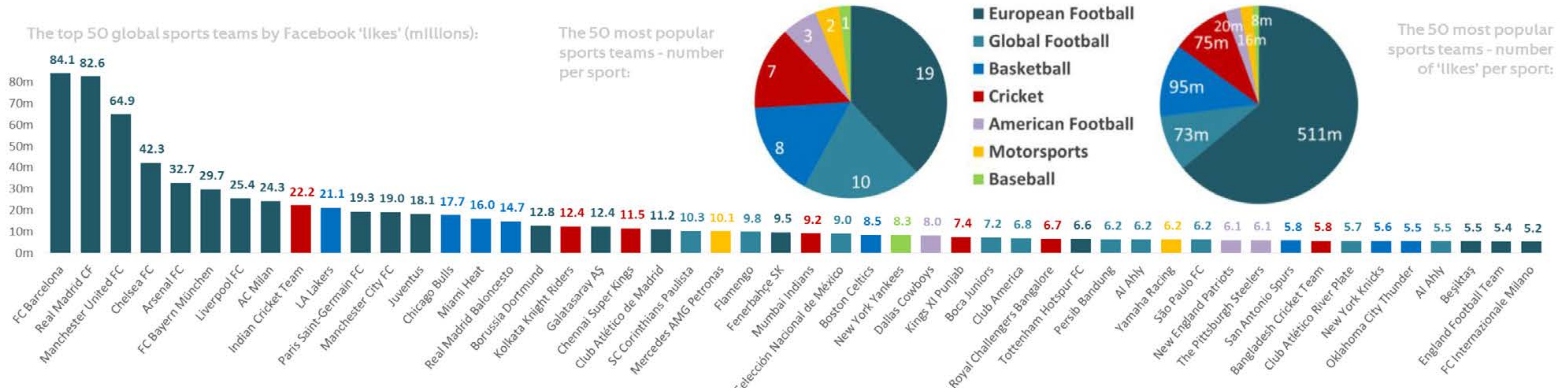
While some or all media rights are centrally marketed and redistributed within each league, the basis for packaging rights and redistributing revenues differs considerably. In football and American football, rights are typically sold to national broadcasters in packages of matches, with international rights sold separately by market(s). The revenue from these centrally marketed rights are then redistributed to clubs according to different formulas, usually with a fixed part for each club and a variable component based partly on performance. In some US sports, most notably baseball and basketball, additional local TV rights are marketed on an individual club basis before being partly redistributed and, in baseball's case, the local TV rights can match or exceed national rights. While all leagues strive to expand globally, with varying degrees of success, the English Premier League has by far the highest international rights, generating more than €40m a year for each club from 2014, with a further increase expected in 2017.

* Only announced TV rights increases for the current/next cycle are included in the chart. For 'ENG Div 1' (Premier League) the uplift includes recently announced domestic rights for the 2016/17–2018/19 cycle but no uplift for international rights as these have not been finalised. The annual media rights per football club, both current and uplifts, include an allocation of 81% of UEFA prize money (approximate share arising from media deals). The future uplifts include the new UEFA club competition cycle which a 30% uplift and assumes similar success and prize money divided between countries. In most cases the media rights values reflect the average annual rights across the new cycle, while in practice values often increase during the term of the cycle and can include front-loaded revenues. The German uplift factors in a significant annual increase each year of the cycle and reflects the difference between the already reported first year of the cycle and the predicted rights for the last year of the cycle. ** There was a 92% increase between 2005 and 2014 in the aggregate TV revenues of clubs in the five largest leagues, including UEFA club competition revenues. Additional notes: US sports broadcast rights are benchmark estimates only, based on values reported in the media that have not been verified. The SEC revenues are for all sports. Comparisons of US, English, Turkish and other European revenues have been made using the average 2014 exchange rates but are subject to considerable fluctuations. For comparison purposes, a percentage (81%) of UEFA prize money has been allocated as media rights with the remaining 19% allocated as commercial rights.

European club football's social media dominance

The use of social media has transformed how football clubs interact with their supporters, near and far, underlining the sheer scale of potential 'customers' that clubs' commercial partners can access. The analysis here is kept very simple but highlights the global nature of club football at the top and why clubs' sponsorship and commercial deals are dramatically diverging in value between global and local clubs.

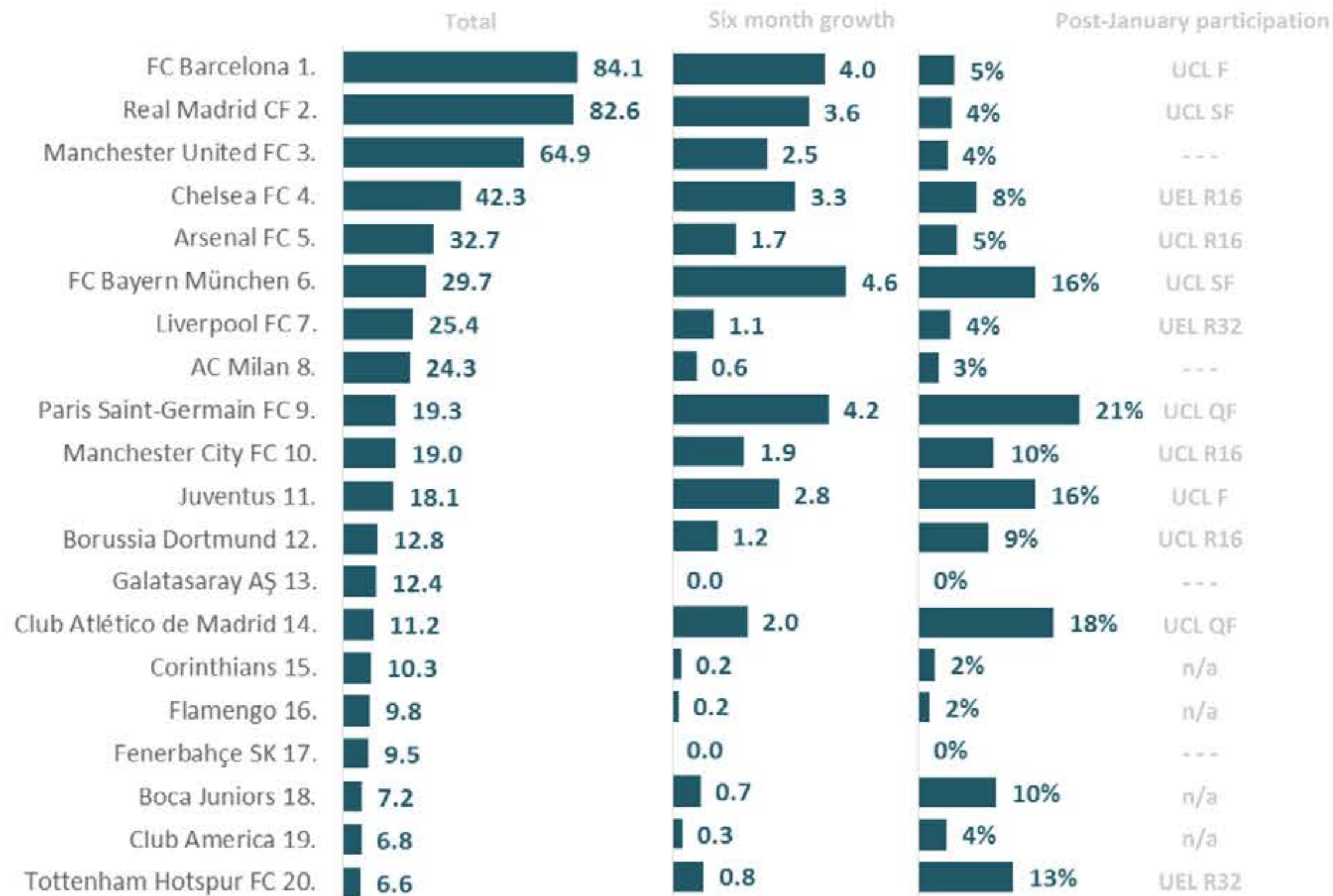
While the social media that we analyse here (Facebook and Twitter) originated and were first embraced in the US, it is clear that the global nature of football has allowed social media-savvy European football clubs to rise to the top. European football clubs occupy the eight most 'liked' sports Facebook accounts. Indeed, the most popular two teams, FC Barcelona and Real Madrid CF, with over 80 million Facebook 'likes' each, dwarf the reach of most sports teams, with four times the 'likes' of the 10th most popular team and 15 times more than the 50th most popular team.



Note: The data presented in these analyses were collected from Socialbakers social media analysis in two phases, during the week of the 2015 UEFA Champions League final and six months before. The Facebook 'likes' and Twitter 'followers' have been analysed for the 50 most popular sports clubs. Different language versions of the primary official accounts have been added but unofficial supporter sites and other secondary accounts have been disregarded. Where clubs appear with different sports accounts, these have not been aggregated but included separately. The data covers the 46 largest Facebook markets but excludes China, where alternative social media outlets are more prevalent.

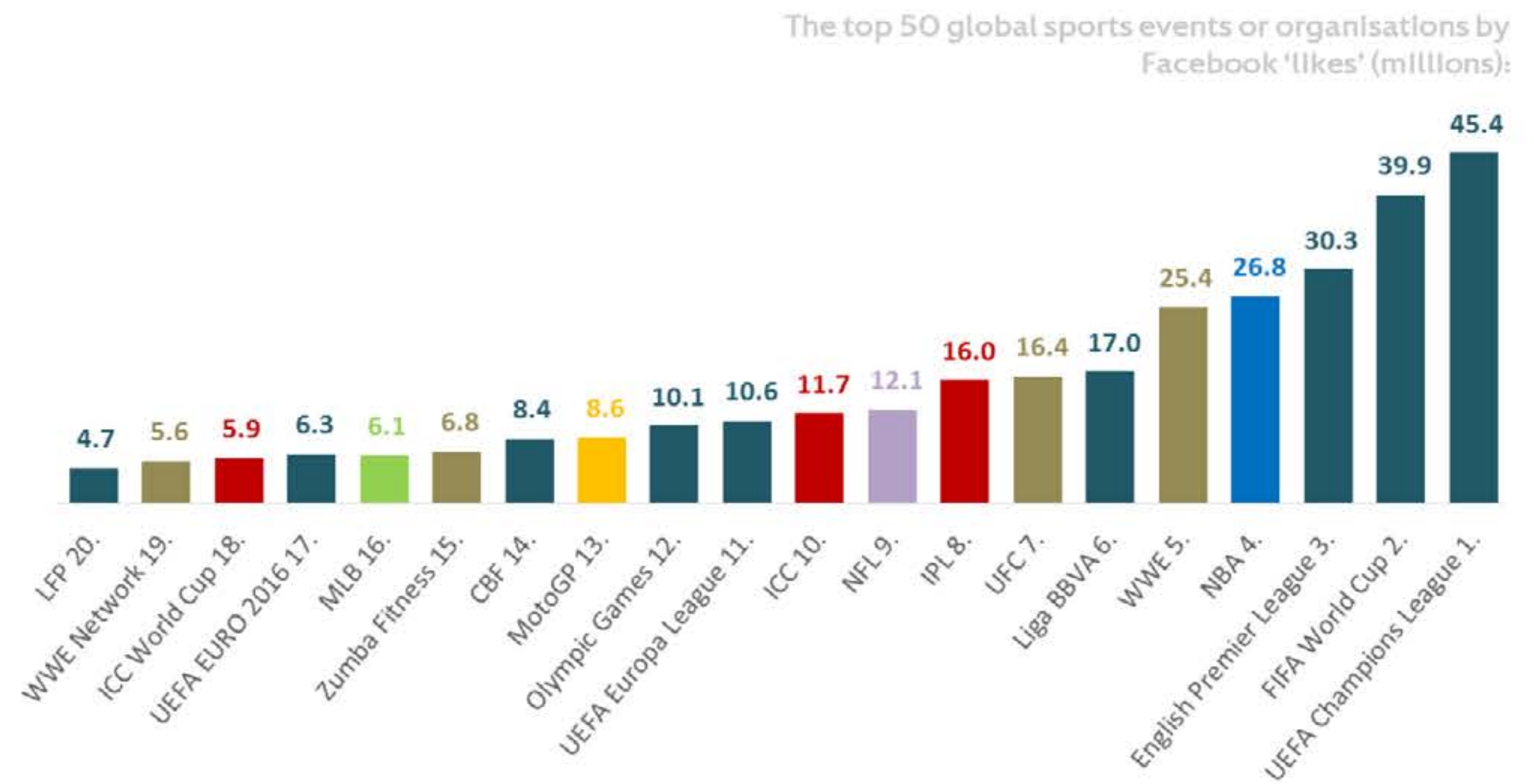
Social media growth heavily linked to performance in UEFA club competitions

Six-month social media growth leading up to UEFA Champions League final (millions and percentage growth):

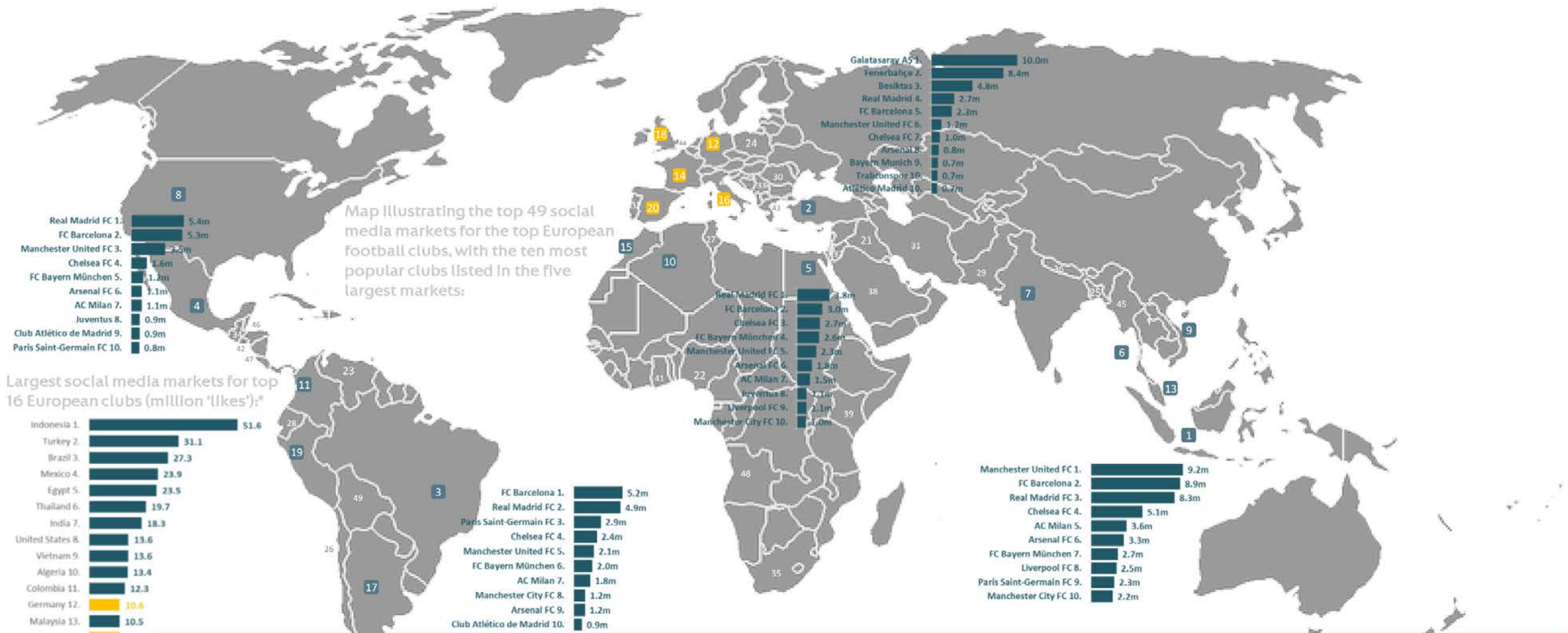


Football competitions are also very prevalent in the most popular global sports events/ organisations and take the top three social media placings. The UEFA Champions League 'likes' total of 45.4 million is only exceeded by three clubs.

The six-month social media growth figures underline the importance of UEFA Champions League success, with the fastest growth rates (15%+) experienced by clubs progressing to at least the quarter-finals. While remaining outside the top 20, the other two quarter-finalists, AS Monaco FC and FC Porto, also enjoyed significant social media growth of 33% and 16% respectively.



Five largest social media markets in five different continents



Large emerging markets are particularly attractive to commercial partners, and their scale, combined with their voracious appetite for football, is clear. All of the 'big 5' traditional European markets feature outside the top ten social media markets for the top European clubs. The largest five markets, in rank order, Indonesia, Turkey, Brazil, Mexico and Egypt represent five different continents, highlighting the truly global nature of European club football.

* This more detailed geographical analysis focuses on the 16 most popular European football clubs that featured in the previous top 50 global sports teams chart and does not include national teams or clubs outside Europe. The numbers on the map indicate in rank order the 49 largest social media markets (minimum 1 million 'likes') for these 16 clubs.

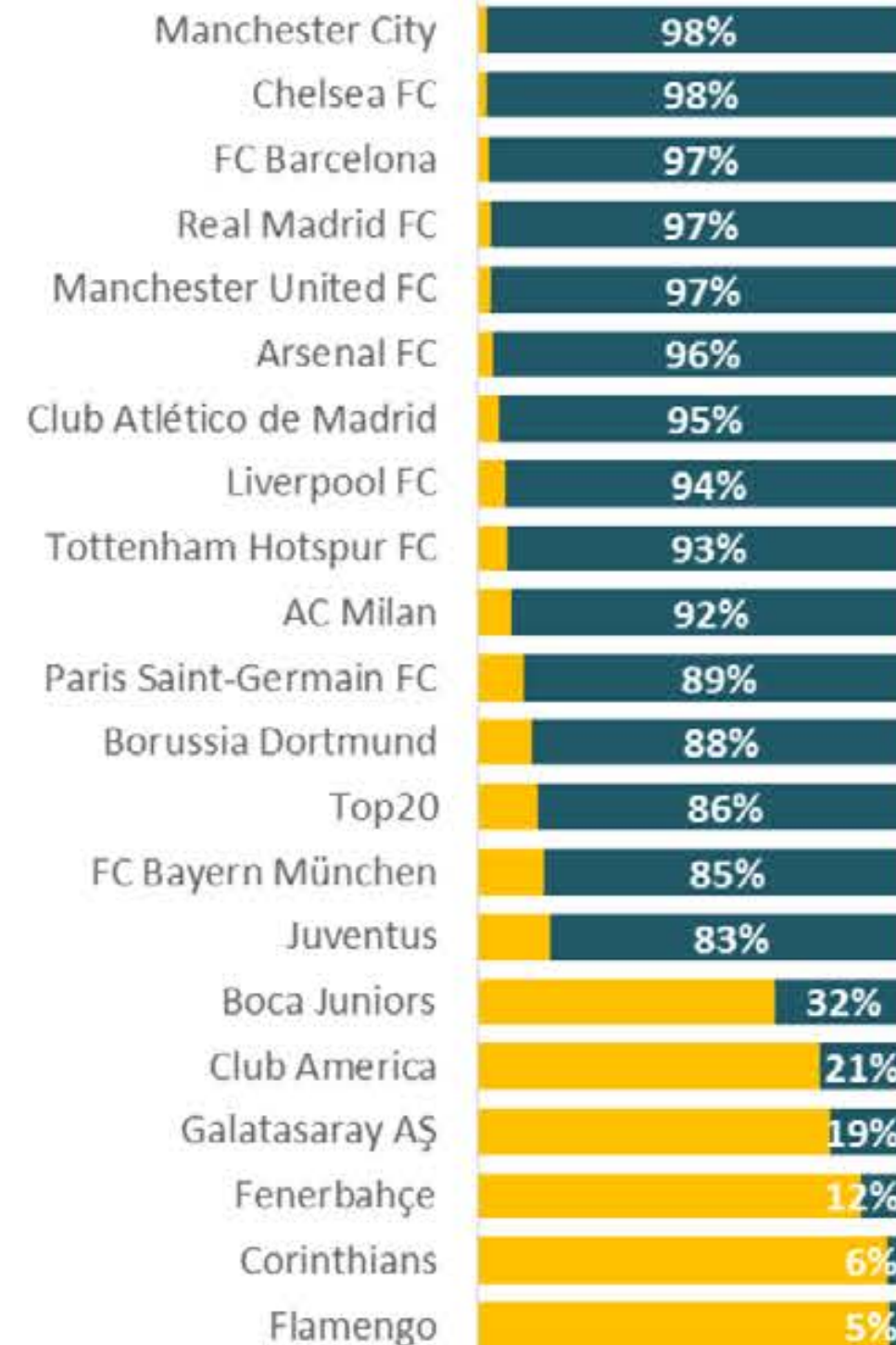
Clear distinction between national and global brands

The destinations of many pre-season club tours are no surprise when the social media footprint of the most popular clubs is analysed by country. Large South and North American, Far East and South East Asian countries with large populations feature prominently, with Indonesia featuring as one of the top three markets for all ten of the most popular European football clubs. Indeed, Juventus and FC Bayern München are the only clubs whose largest social media following is in their home country.

The top 25 clubs by social media interest is clearly divided into two groups: 'national institutions', for whom 70% or more of their interest is concentrated in their home markets, and 'global brands', which derive less than 20% from their home market and whose social media following is widely spread.

The 'global brands' are the clubs best placed to increase their commercial revenues, combining global sponsors with local partnerships in each country.

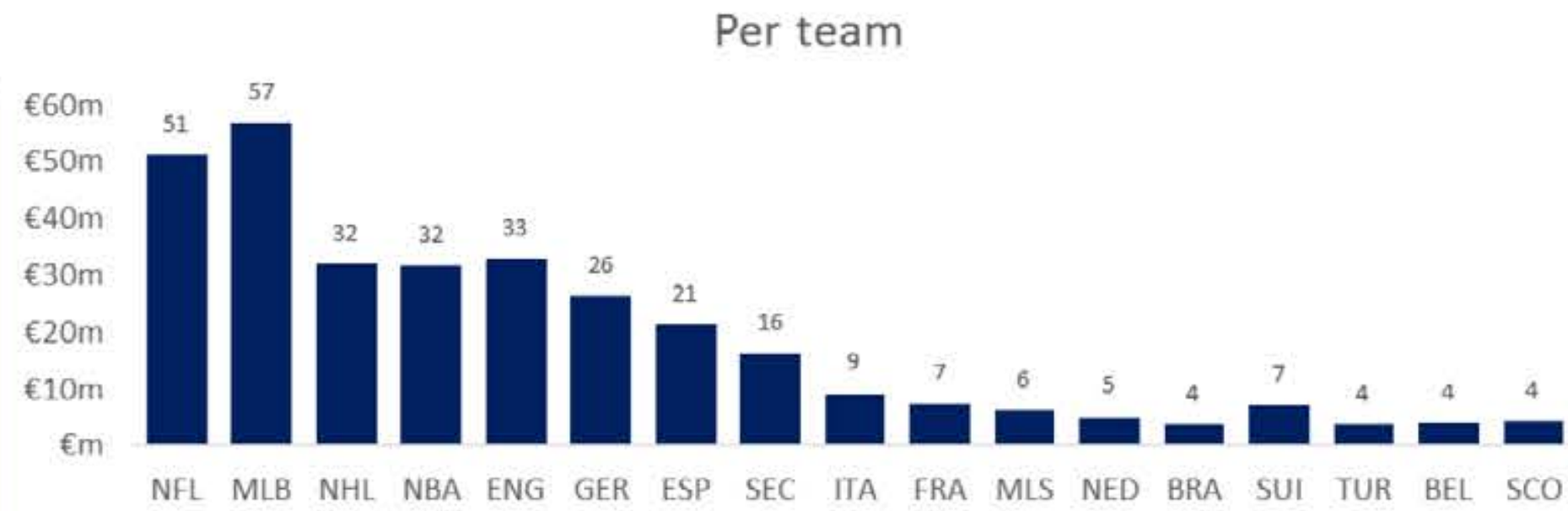
Distribution of social media interest –
domestic v international:



European club football gate receipts lag behind US sports

In recent years the UEFA Club Licensing Benchmarking Report has documented how European club football's matchday revenues have remained broadly stable, with economic challenges and/or full capacities limiting potential attendance growth. Nonetheless, these charts and the map on the following page provide some context in comparison to other major sports.

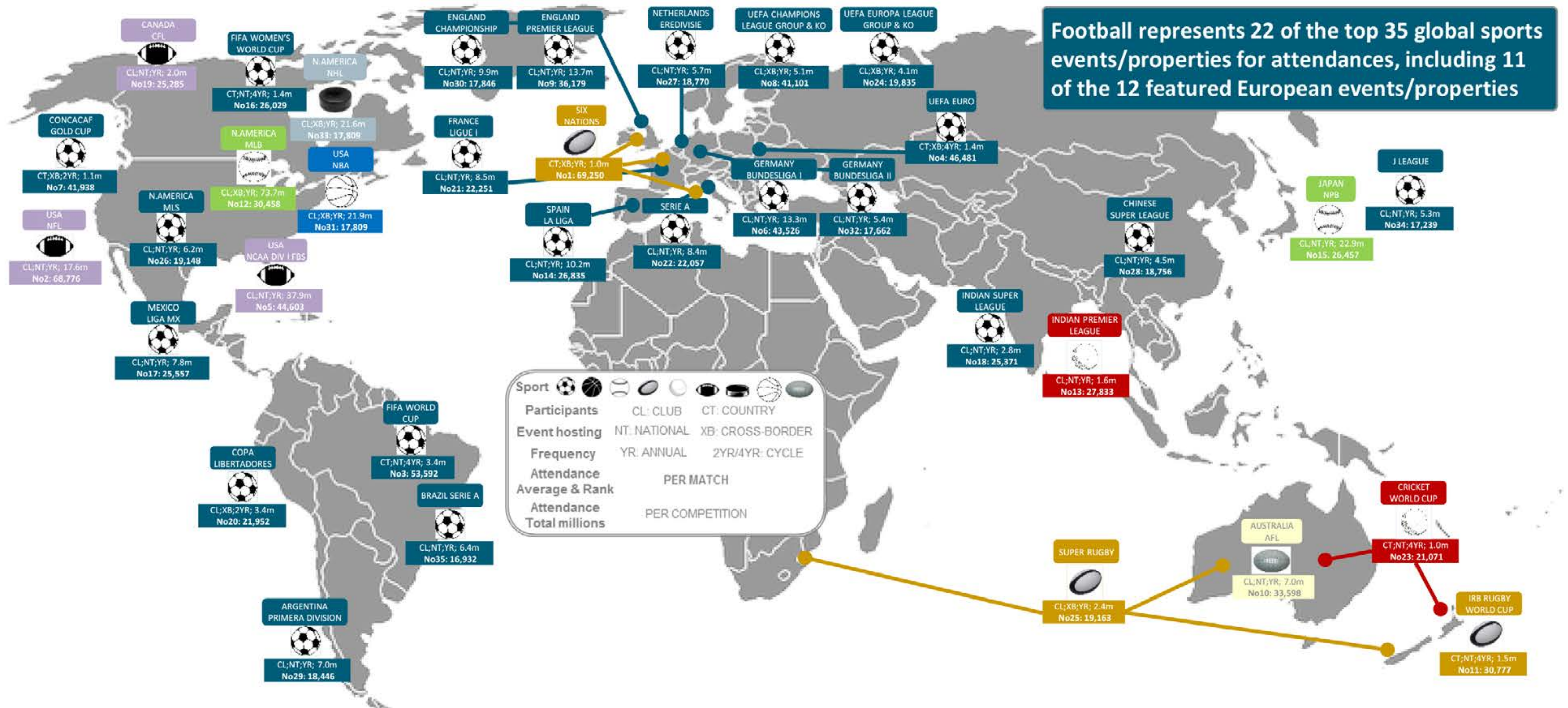
The size of the outdoor sports stadiums and the modernity of the indoor arenas in the US, combined with the extensive seasons and larger number of teams, are factors that help US sports generate much higher total gate receipts than European football. If analysed by team, gate receipt revenues in England and Germany are broadly comparable with NHL and NBA franchise revenues but considerably lower than in the NFL and MLB. Per match, the NFL and major college American football leagues* are able to generate considerably higher gate receipts, but the English Premier League and German Bundesliga rank third and fourth among leagues.



German and English top-division clubs generate on average €1.2m and €1.4m per match, which is only exceeded by the NFL and college American football teams.**

* Matchday revenue per match calculated per home match. Football club 'per match' figures are calculated using total gate receipts divided by the number of league matches, with the gate receipts adjusted by 20% to account for cup and friendly matches. The SEC league revenue figure and the previous revenue split analysis are the figures for all sports, as reported. The 'per team' and 'per match' gate receipt values represent the American football teams and are adjusted down 22% to account for basketball and other gate receipt revenues. ** The SEC is the highest earning US college conference and is hence selected for the benchmarking in this section. However, another conference not featured here, the Big 10, actually reported 12% higher average gate receipts per team.

European football prominent in 35 most attended team sports events



Notes: All attendance figure comparisons should be taken as a benchmark and not relied upon, including those on this page. The basis for recording attendances differs by event and within events as it can be calculated from the number of tickets sold, the actual attendance figures or the number of paid attendances. Attendance figures are for the last available completed season or event (2014, 2015 or 2014/15), with the exception of UEFA EURO 2012. References to clubs include franchises; the distinction drawn is between national teams and clubs/franchises. When analysing event attendances, a cut-off was applied that an event must have had a total attendance of 1 million+ to be included. Only full team sports were considered, so motor sports are not included, for example.

Concluding remarks: European club football making positive strides

The UEFA Club Licensing Benchmarking Report attempts to give a neutral picture of club football across the whole of Europe, with data and charts highlighting positive and negative trends, and country by country data enabling cross-border comparisons.

In previous editions, attention was drawn to clubs' deteriorating balance sheets, increasing debt and rapid wage growth, and the large number of qualified audit opinions on clubs' financial accounts, despite successful revenue growth. In particular, the reports highlighted the acute deterioration in aggregate club losses between 2008 and 2011, from €630m to almost €1.7bn. For two years prior to the introduction of the financial fair play break-even rules, the benchmarking report ran simulations of trailing three-year club financial results and capital injections, highlighting the large number of clubs at risk from breaching the requirements.

Challenges remain, with many individual clubs, especially those further down the leagues, continuing to have financial issues. Attendances across Europe as a whole have also been more or less static over the last five years, as the tough economic conditions take their toll, in particular on the matchday experience. Nonetheless, it is pleasing to be able to report some good news in this year's report, with European club football generally making positive strides towards achieving a better financial balance. This 'top 10' is a recap of the encouraging signs contained in this report.

1. European top-division club revenues topped €15bn in 2013 and approached €16bn in 2014, having first exceeded €12bn as recently as 2010.

2. Top-division aggregate revenues increased by more than 5% in more than half of UEFA member associations top-tier leagues (28 of 53).

3. The top eight global sports teams by social media interest are all European football clubs. Football also provides the top three events/leagues according to social media.

4. Wage increases fell to 4.3% in 2013 and 3.0% in 2014, the lowest growth rates of the last decade and significantly outpaced by revenue growth.

5. European top-division clubs reported the first operating profit for five years in 2013, followed by the highest operating profit in history (€805m) in 2014.

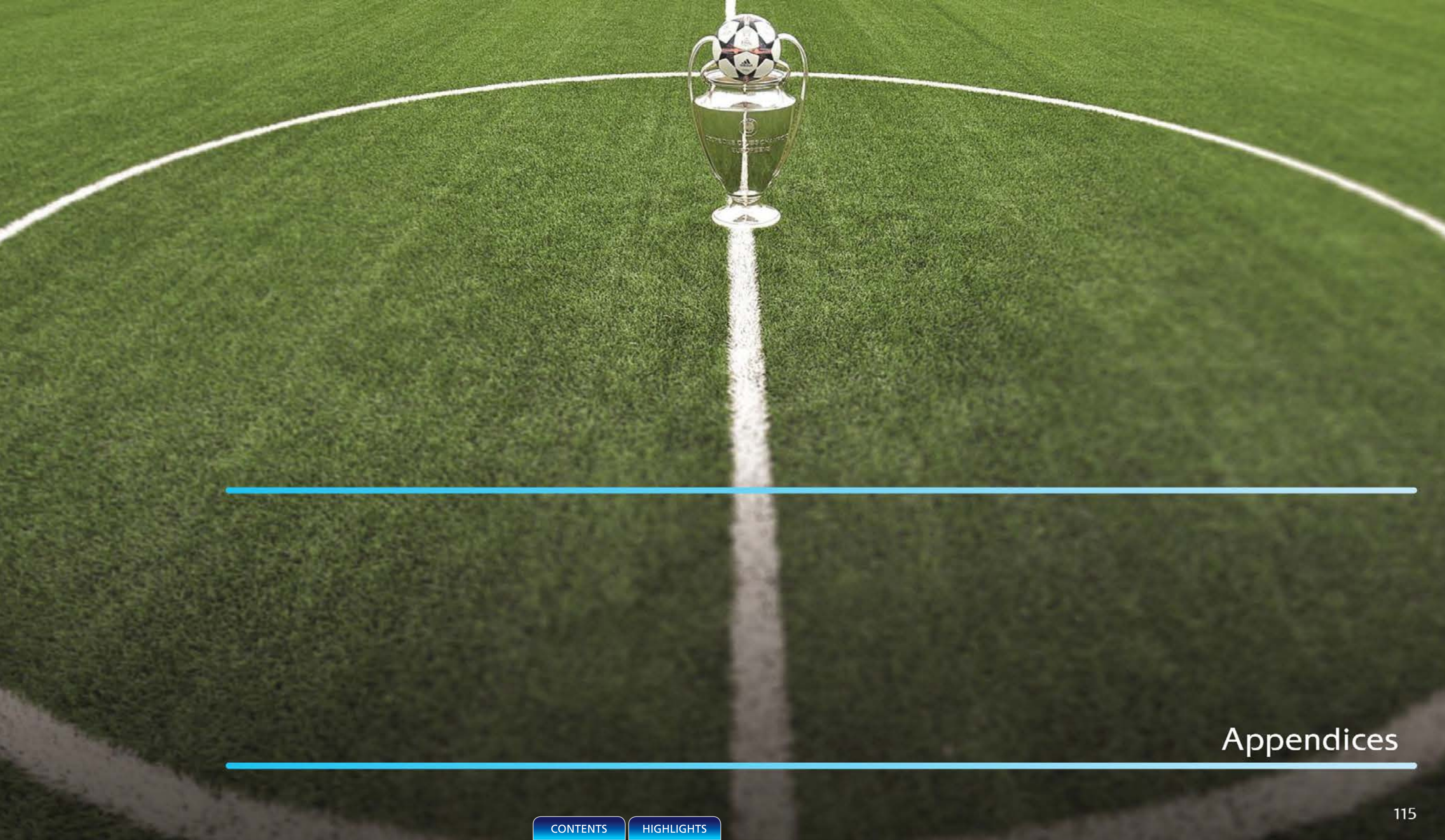
6. The bottom-line aggregate European top-division losses have been cut by two-thirds in the three years since the financial fair play break-even rules started being applied.

7. Club balance sheet net assets have increased by more than €1.6bn in the last three years, with financial fair play boosting owner contributions, which have comfortably exceeded losses.

8. Club balance sheet assets now exceed all debts and liabilities by €4.9bn.

9. Transfer and employee payment disputes and deferrals fell by €28m between the summers of 2013 and 2015, with overdue payables reduced by 80% since the introduction of the financial fair play enhanced overdue payable rules.

10. While gross transfer spending is widely reported to be on the increase, the affordability of transfer fees has improved, with the squad cost to revenue ratio falling in each of the last five years.



Appendices

Appendix: Data sources and notes

Data sources and notes

Underlying data source for financial figures: The European footballing landscape	Unless otherwise stated in the report, footnotes or this appendix, the financial figures used in this section have been taken directly from figures submitted through UEFA's online financial reporting tool by clubs or national associations in May 2015. These figures relate to the financial year ending in 2014, in most cases the year ending 31 December 2014. The figures have been extracted from financial statements prepared either using national accounting practices or the International Financial Reporting Standards and audited according to the International Standards on Auditing.
Exchange rates	Club financial data has been converted to euros for the purposes of comparison. The exchange rate used is the average rate during the financial year of each club, calculated from the average of the 12 month-end rates. In many countries clubs' do not share the same financial year end so the rate used is tailored for each club. For example, the 2014 rate for English clubs with a May year end was 1.19316, a June year end 1.19898 and a July year end 1.20741. A full list of exchange rates used is provided in the accompanying table.
Sources for social media analysis in Chapter 9: Global benchmarking of European club football	The social media data presented in this chapter was collected from www.socialbakers.com on 11 December 2014 and 5 June 2015 (the week of the 2015 UEFA Champions League final). The 'six month' movements are therefore approximately six months. The Facebook 'likes' were analysed for the 250 most popular sports clubs. Different language versions of the primary official account were included but unofficial supporter sites and other secondary accounts were disregarded. The cumulative data only covers official club accounts from within the top 250 accounts. Where clubs appear with different sports accounts (e.g. Real Madrid football and basketball), these have not been aggregated but included separately. The data covers the 46 largest Facebook markets but excludes China, where alternative social media outlets are more prevalent.
Sources for financial figures on US sports leagues in Chapter 9: Global benchmarking of European club football	Financial figures for US sports were taken from a number of sources. While these have been corroborated by matching various sources, the figures remain estimates as they are not taken whole from any audited financial statements or official data sources. In addition, the allocation of revenues between revenue streams is not an exact science and some differences can be expected between sports in the allocation to different revenue streams of centralised revenues and matchday hospitality in particular. The figures should therefore not be relied upon for any purpose other than indicative comparisons as per this report. The principal source for US media revenues (national, local and international) is the Sportcal subscription service, which includes reported total deal values. These have been applied on a straight line per annum basis across the contract unless a front or back-loaded payment is known and the full media value has been counted before any centrally retained monies. The SEC (US college American football) figures were sourced from USA Today, which featured college by college financial results summarised from official college disclosures. The gate receipts per match figure assumes 78% of college athletics revenue is derived from American football teams. The NFL data was built on from known centralised revenue distributions extrapolated from Green Bay accounts, the only publicly available official data. In addition, IEG and TEAM management estimates for annual growth of sponsorship and gate receipts have been applied to 2013 base data. Figures sourced from Forbes form the basis for total MLB, NBA and NHL revenues. Non-media revenues have then been allocated between matchday revenues (gate receipts and some hospitality) and commercial/sponsorship revenues using Bloomberg, Statista, Forbes and some direct communication.

Data sources and notes

Sources for financial figures on international sports events in Chapter 9: Global benchmarking of European club football	Financial figures for the FIFA World Cup and UEFA EURO were extracted from the relevant audited financial statements of FIFA and UEFA, with some assumptions applied to obtain comparable gate receipt revenue stream figures. The IOC Summer and Winter Olympics data was obtained from the official IOC Olympic marketing fact file.
Attendances in chapter 3 and chapter nine	Attendance figures should be used as a benchmark only as the exact definition of attendances can differ. European league football attendances are based on the figures published at www.european-football-statistics.co.uk/attn.htm , which features club by club figures covering the vast majority of European leagues. There were supplemented by figures provided to UEFA directly by leagues and national associations. Attendance figures for other sports are taken from the official league/event website where available, supplemented by figures from Wikipedia where no official figure is readily disclosed.
Club financial figures: Short and long reporting period in chapters 3 to 9	All football club financial figures cover the latest 12 month period with the exception of the following clubs which have changed their financial year-end: FC Viktoria Plzeň (CZE), FC Utrecht (NED) and MŠK Žilina (SVK): 18 months; Hull City AFC (ENG), SJK Seinäjoki (FIN) and FK Dainava (LTU): 11 months; Manchester 62 FC (GIB): 9 months; Legia Warszawa, KKS Lech Poznań, and MKS Pogoń Szczecin (all POL) and İstanbul Başakşehir (TUR): 6 month period. The country figures have not been adjusted for these short or long periods.

Currency rates applied throughout report (euro exchange rates)

Country	Year end (month)	Common year end or various	Currency	Average rate applied	Country	Year end (month)	Common year end or various	Currency	Average rate applied
ALB	12	Common	LEK	0.00714	KAZ	12	Common	TENGE	0.00418
AND	12	Common	EURO	1.00000	LIE	6 / 12	Various	CHF	0.81524 / 0.82300
ARM	12	Common	DRAM	0.00183	LTU	12	Common	LITAS	0.28962
AUT	6	Common	EURO	1.00000	LUX	12	Common	EURO	1.00000
AZE	12	Common	MANAT	0.95436	LVA	12	Common	LATS	1.42287
BEL	6 / 12	Various	EURO	1.00000	MDA	12	Common	LEU	0.05409
BIH	12	Common	MARK	0.51128	MKD	12	Common	Denar	0.01626
BLR	12	Common	BYR	0.00007	MLT	5	Common	EURO	1.00000
BUL	12	Common	LEV	0.51130	MNE	12	Common	EURO	1.00000
CRO	12	Common	KUNA	0.13115	NED	6 / 12	Various	EURO	1.00000
CYP	5 / 12	Various	EURO	1.00000	NIR	3 / 4 / 5 / 12	Various	GBP	1.186/1.189/1.193/1.240
CZE	6 / 12	Various	Kroner	0.03632 / 0.03726	NOR	12	Common	KRONER	0.12132
DEN	6 / 12	Various	KRONE	0.13403 / 0.13413	POL	12	Various	ZLOTY	0.23834 / 0.23905
ENG	5 / 6 / 7	Various	GBP	1.1931 / 1.1989 / 1.2074	POR	6	Common	EURO	1.00000
ESP	6	Common	EURO	1.00000	ROU	12	Common	LEU	0.22534
EST	12	Common	EURO	1.00000	RUS	12	Common	ROUBLE	0.02068
FIN	11 / 12	Various	EURO	1.00000	SCO	5 / 6 / 7	Various	GBP	1.1931 / 1.1989 / 1.2074
FRA	6 / 12	Various	EURO	1.00000	SMR	6	Common	EURO	1.00000
FRO	12	Common	KRONE	0.13413	SRB	12	Common	DINAR	0.00856
GEO	12	Common	LARI	0.42787	SUI	6 / 12	Various	CHF	0.8152 / 0.8229
GER	6 / 12	Various	EURO	1.00000	SVK	12	Common	EURO	1.00000
GRE	6	Common	EURO	1.00000	SVN	12	Common	EURO	1.00000
HUN	12	Common	FORINT	0.00322	SWE	12	Common	SEK	0.11023
IRL	11	Common	EURO	1.00000	TUR	5 / 12	Common	LIRA	0.35948 / 0.34380
ISL	12	Common	KRONA	0.00647	UKR	12	Common	HRVYNIA	0.06522
ISR	5	Common	SHEKEL	0.20924	WAL	11 / 12	Various	E	1.2343 / 1.2400
ITA	6 / 12	Various	EURO	1.00000	GIB	12	Common	GIP	1.24005
					US	12	Common	USD	1.32750

Production

UEFA Club Licensing and Financial Fair Play Unit

Author

Sefton Perry

Acknowledgements and special thanks

The support of Paolo Ciabattini and Alexis Angelopoulos and the European club licensing network, in particular the financial criteria experts and licensing managers from national associations and leagues and the financial experts from top-division clubs who submitted data.

Enquiries

Enquiries to be addressed to Sefton Perry at clublicensing@uefa.ch



UEFA
ROUTE DE GENÈVE 46
CH-1260 NYON 2
SWITZERLAND
TELEPHONE: +41 848 00 27 27
TELEFAX: +41 848 01 27 27
UEFA.org

WE CARE ABOUT FOOTBALL

[CONTENTS](#)

[HIGHLIGHTS](#)