

UEFA

FINANCIAL REPORT 2017/18



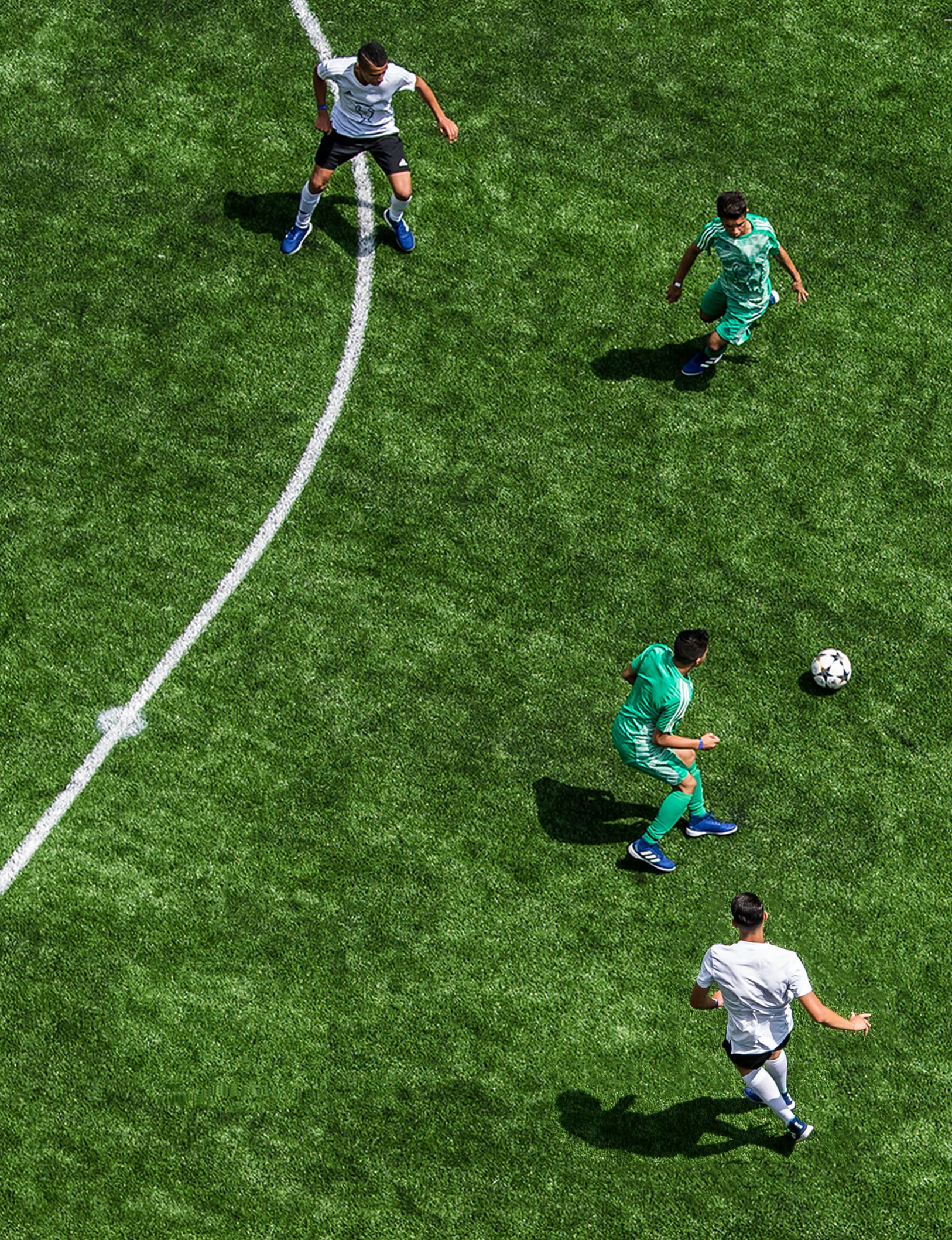


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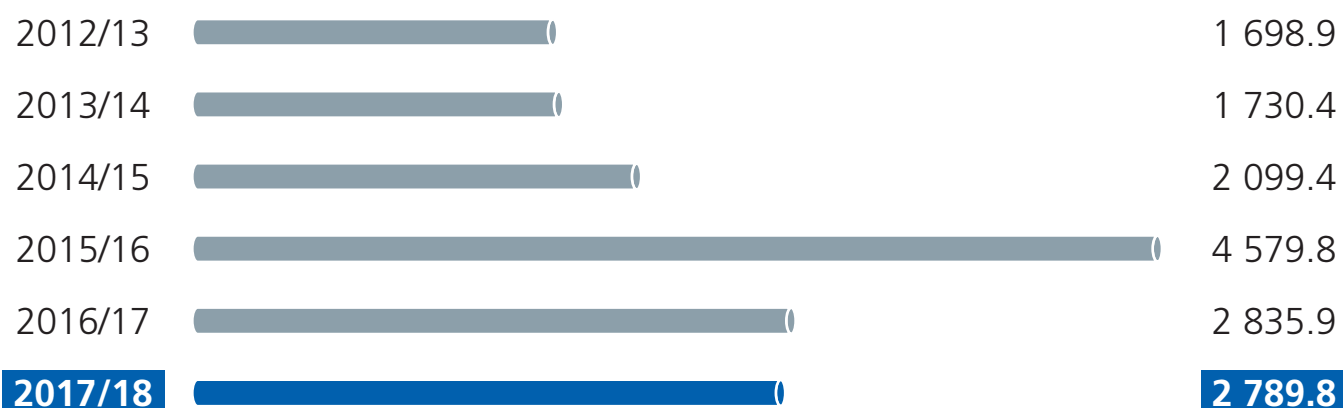
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REVENUE €m



MONEY DISTRIBUTED €m



Solidarity
payments

273.0
(2017/18)

268.3
(2016/17)



Participating
teams

2 061.7
(2017/18)

2 119.4
(2016/17)



UCL
winners

88.7
Real Madrid CF
(2017/18)

81.1
Real Madrid CF
(2016/17)



UEL
winners

16.1
Club Atlético
de Madrid
(2017/18)

44.5
Manchester
United FC
(2016/17)



Women's
EURO

8.0
Netherlands
(2017)

2.2
Germany (2013)

OTHER INFORMATION



Number of
matches played

2 090 (2017/18)

2 073 (2016/17)

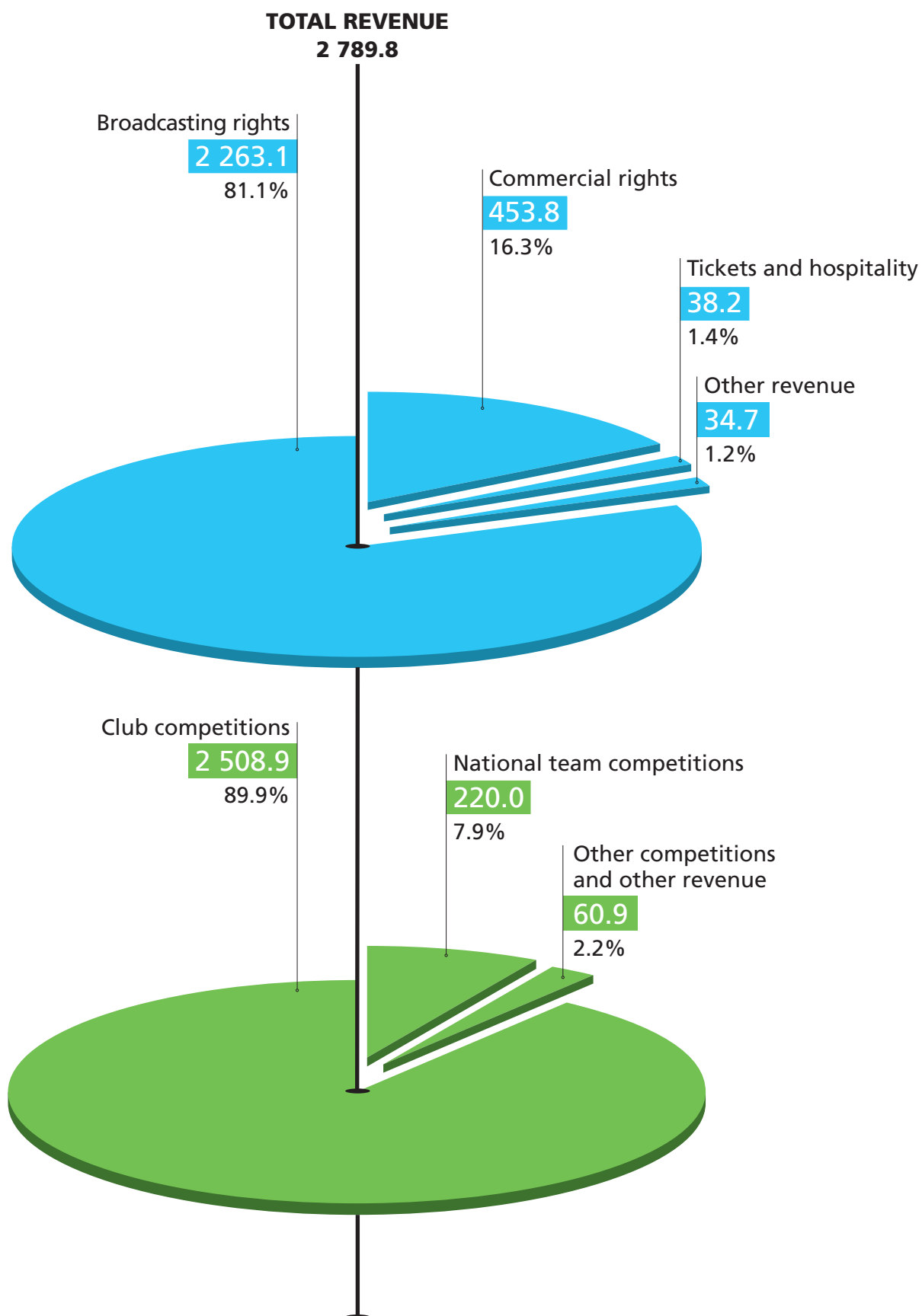


Average number
of employees

531 (2017/18)

723 (2016/17)

REVENUE BY NATURE AND COMPETITION €m



INTRODUCTION

UEFA is pleased to present its financial report for 2017/18 – a season packed with excitement for fans in Europe and beyond in UEFA's club and national team competitions, and marked by successes and achievements off the field as UEFA further consolidated its mission to promote, protect and develop European football. From a financial perspective, the focal points were UEFA Women's EURO 2017, UEFA Futsal EURO 2018, and the substantial increase in investment in youth, women's and futsal competitions, as well as in other areas such as elite youth football and national association development.

This report follows its usual structure, and is divided into a straightforward descriptive part and an annex containing detailed financial statements and the auditor's reports.

On average, UEFA is still growing revenue by 10% every year, and competitions such as the Women's EURO are a key factor in this development. In 2017/18, however, total revenue was 1.6% lower. This can be explained by the lower number of matches played in the second year of the European Qualifiers for the 2018 FIFA World Cup, the number of matches in a season being used as the basis for recognising revenue.

On the other hand, club competition revenue passed the €2.5 billion mark in the last season of the current 2015–18 cycle, with revenue approximately €20 million higher than in the previous season.

The women's game made great strides in 2017/18, particularly at UEFA Women's EURO 2017 in the Netherlands, where the hosts secured their first major international title on home soil. For the first time, the final round featured 16 teams. The Women's EURO was not only a success on the pitch, but also in terms of revenue, which almost doubled, reaching €12.7 million. The change in perception of women's football, allied to initiatives encouraging women of all ages to play the game, made it an easy decision for UEFA's Executive Committee to substantially increase the amount available for distribution from €2.2 million in 2013 to €8 million in 2017.

Futsal also maintained its forward momentum. This was largely due to the resounding success of UEFA Futsal EURO 2018 in Slovenia. An aggregate total of 101,934 spectators watched the 20 matches. This success is also reflected in an increase in revenue of around 40%.

UEFA increased its overall investments in European football from €36.7 million last season to €55.4 million this time around. Youth, amateur, women's and futsal competitions benefitted in particular from moves to further promote the game in middle areas of the football pyramid.

Investment in European football is a cornerstone of UEFA's financial vision, as illustrated by the €3 million invested in elite youth football, with development-related and technical visits taking place to countries such as Armenia, Belarus and Georgia to offer help and expertise, as well as to share crucial knowledge. Total investments in education and development increased, amounting to €45.7 million (2016/17: €36.8m).

The operating result before solidarity payments comes to €274.6 million, which is 1% down on 2016/17. Nevertheless, this result is still remarkable, taking into account the slightly lower contribution margin from main competitions, and the much higher investments in football in general.

Solidarity payments increased slightly, thanks to higher club competition revenue, and donations also rose, first and foremost to the UEFA Foundation for Children.

The introduction to any financial report must make reference to the situation in the financial markets and the interest environment, which continued to stabilise in Europe in 2017/18. However, an upswing in interest rates is not likely to happen soon, which makes it difficult to invest over a longer period, with investors biding their time to participate in expected interest increases. For short-term investments which, unfortunately, represent a large share of its total financial assets, UEFA started to be charged negative interest. To address this situation, UEFA made payments to member associations at an earlier stage. Despite the fact that the downward trend stabilised, the situation remains challenging. On the other hand, the risk is also lower because we are maintaining our conservative investment policy.

The net result of €-5 million is very satisfactory (2016/17: €-6.7m), and ahead of budget. Far more importantly, considerable value is being generated for European football, not only through increased investments – such as higher contributions to the costs of organising competitions – but also as a result of a notable increase in education and development activities.

FINANCIAL STRATEGY

A constant but important part of UEFA's financial report is to reiterate UEFA's core principles and commitments. This underlines UEFA's objective to be transparent and open and, at the same time, shows whether those principles continue to be abided by and applied, and the commitments pursued.

UEFA is committed to encouraging its member associations to work together in putting football first and to constantly strive for the betterment of football, right from the grassroots level to the role-model pinnacles of the professional game. UEFA is committed to strengthening solidarity, to protecting the future of the game and to maximising UEFA's finances in a way that reflects and highlights the concept of solidarity.

UEFA is committed to good governance and to the promotion of good governance throughout its member associations. Leadership in this sphere implies responsibilities and duties. UEFA's finances must therefore aim to demonstrate that good governance begins at home.

UEFA is committed to maintaining and enhancing the balance between national team and club football as complementary elements within the game. The distribution of financial resources therefore needs to achieve an equitable balance between the two.

UEFA is committed to safeguarding sporting integrity and preserving the true spirit of the game while running its competitions in an efficient way and optimising revenues from commercial contracts to benefit and develop European football. The financial results offer an indication of whether sporting and business criteria have been successfully married and whether those objectives have been achieved.

UEFA is committed to promoting fair play on and off the pitch. If UEFA is to lead European football in the right direction and provide top-class administrative support, its economic status must be an illustration of financial fair play in terms of responsibility, fairness and transparency – principles that need to be attached to all existing and future projects.



INCOME STATEMENT

2017/18 was an unusual year due to a reduction in revenue compared with previous financial years. There is a natural explanation: this financial year was the last of the current club competition cycle with, historically, a smaller revenue increase, but more significantly, there was a lower number of matches in the second year of the European Qualifiers for the 2018 FIFA World Cup, the matches in the season being used as the basis for revenue recognition.

Nevertheless, based on a four-year average, UEFA is still growing 10% every year, and competitions such as UEFA Women's EURO 2017 contributed to this success, with revenue doubling compared with the 2013 final tournament.

In particular, rights revenue was down on the previous year due to the lower number of matches, as just mentioned. In contrast, ticketing revenue was higher, thanks to sold-out stadiums for the club finals. Ticket sales for the Women's EURO were also very successful, resulting in substantially higher income. Hospitality revenue from the UEFA Champions League final fell by 20% due to lower demand, while 'Other revenue' increased compared with 2016/17 because of the contribution from the FIFA Forward programme being recognised upon signature of our agreement for both the 2016/17 and 2017/18 seasons.

Most of the revenue generated is distributed to the participating teams. Distribution for the European Qualifiers was lower than the previous year because of the lower number of matches. A total of €212.2 million was recognised in 2017/18, but this does not reflect the actual payments to the national associations, which follow a specific payment schedule over several seasons. Distribution for club competitions amounted to €1.84 billion, a slight increase on the previous year, in line with the higher revenue. There was also an increased amount for distribution to the UEFA Women's EURO 2017 participating associations, reflecting the clear objective of the UEFA Executive Committee to invest more in women's football. Altogether, €2.06 billion was distributed to participating teams, representing 74% of total revenue.

From total expenses of €2.52 billion, the biggest share – apart from distribution – was used for 'Event expenses', standing at €180.4 million (2016/17: €177.1 million). 'Contributions to associations' went up by 30%. This should not be seen as a negative development as it reflects UEFA's intention to invest more and more in non-elite and women's competitions by means of higher contributions to mini- and final tournaments. 'Employee salaries and benefits' remained on the same level,

despite the number of employees going up from 500 to 562, but with a high share of these incremental costs related to EURO 2020, which will be recognised as costs only in 2019/20. The stronger euro against the Swiss franc had also a positive impact on salaries as well as on other expenses.

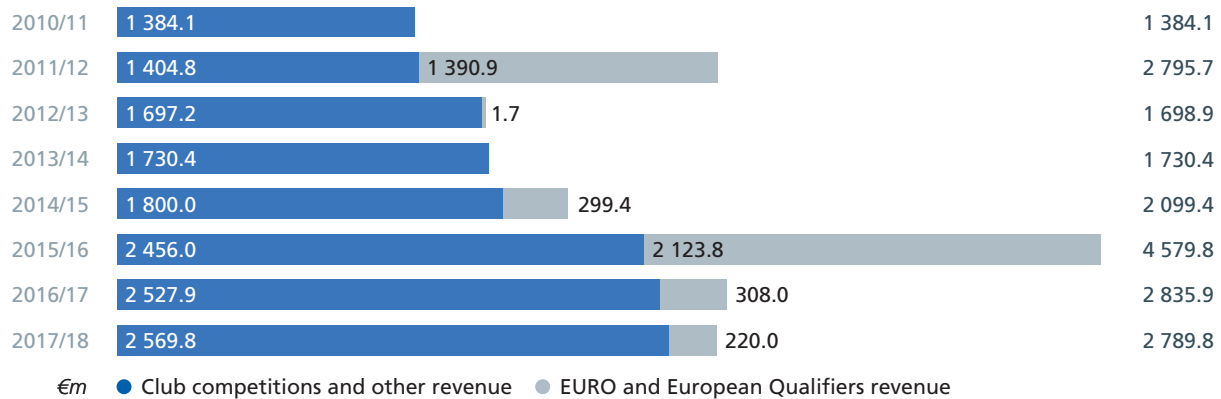
The operating result before solidarity payments comes to €274.6 million, which is 1% down on 2016/17. The result is still remarkable taking into account the slightly lower contribution margin from main competitions and the much higher investments in football in general.

Higher club competition revenue led to higher solidarity to non-participating clubs as well as to clubs eliminated in the qualifying phase. UEFA also increased its donations, first and foremost to the UEFA Foundation for Children. Total solidarity stands at €273 million, an increase of roughly 2% over the previous year.

The situation in the financial markets and the interest environment in Europe continued to stabilise in 2017/18, although an upswing in interest rates is not likely to happen until the beginning of 2020. This makes it very difficult to invest over a longer period, as investors are biding their time in order to participate in those expected interest improvements. UEFA could no longer escape from being charged negative interest on short-term investments, which, unfortunately, concern a large share of total financial assets due to the high liquidity requirements. The negative interest paid in 2017/18 is still low and acceptable. Total interest income, however, is up thanks to income from long-term structured products, and investments in US dollars and British pounds bearing higher interest than those in euros.

Apart from the euro, UEFA's main operating currencies are the Swiss franc, US dollar and the British pound, all three of which experienced devaluation against the euro. However, as a result of higher positions in those currencies, the unrealised currency effect was slightly positive. Adding the realised currency effects, the overall net result for 'Financial items and taxes' shows a loss of €6.6 million. This is an improvement on the previous year, when unrealised currency effects had a negative impact.

In conclusion, the net result of €-5 million is very satisfactory (2016/17: €-6.7m) taking into account the much higher investments in football through significantly higher contributions to the costs of organising non-top competitions.



Breakdown | by nature

€m	2017/18	2016/17
Broadcasting rights	2 263.1	2 322.2
Commercial rights	453.8	458.1
Tickets	23.4	20.0
Hospitality	14.8	17.8
Other revenue	34.7	17.8
Total revenue	2 789.8	2 835.9
Distribution to participating teams	-2 061.7	-2 119.4
Contributions to associations	-43.3	-32.8
Event expenses	-180.4	-177.1
Referees and match officers	-33.7	-32.4
Information and communications technology	-48.2	-54.2
Employee salaries and benefits	-83.2	-83.2
Depreciation and amortisation	-7.9	-9.3
Other expenses	-56.8	-50.0
Total expenses	-2 515.2	-2 558.4
Operating result before solidarity payments	274.6	277.5
Solidarity payments	-273.0	-268.3
Financial items and taxes	-6.6	-15.9
Net result for the period	-5.0	-6.7

DISTRIBUTION

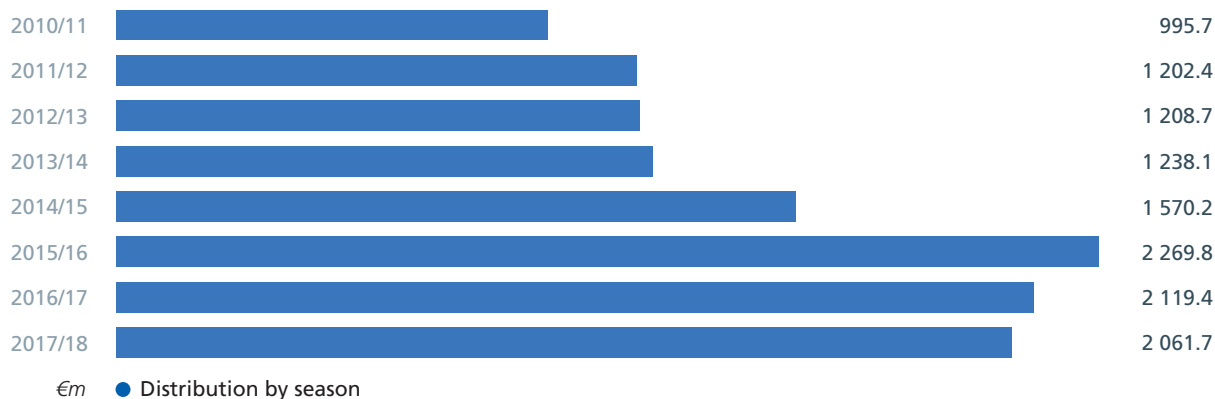
From the total revenue (€2.79bn) UEFA generates from selling broadcasting and commercial rights to partners worldwide for the various club and national team competitions, the lion's share (74%) is distributed to the participating clubs and associations.

In 2017/18 total distribution stood at €2.06 billion, which is 2.7% lower than in the previous season (2016/17: €2.12bn). The decrease can be explained by the lower number of matches in the second year of the European Qualifiers for the 2018 FIFA World Cup. The amount distributed for the European Qualifiers represents the recognised annual cost and not the actual amount paid out to the national associations, which follows a payment schedule with five instalments over the whole cycle.

From total club competition gross revenue of €2.51 billion, competition costs (€243.8m) and solidarity payments (€213.3m) were deducted, then 90% of the net revenue (€2.05 bn)

was distributed to the participating clubs at a fixed ratio of 3.3 to 1 between UEFA Champions League and UEFA Europa League clubs. There is a slight increase in nominal values, which can be explained by the higher revenue in 2017/18.

The table below also shows the amounts paid out to teams playing in other competitions, such as the Women's EURO, the UEFA Women's Champions League and the Under-21 final tournament, where it is a clear objective to compensate member associations and clubs even though these competitions are not financially self-sufficient. The amounts are higher for 2017/18 because of the decision taken by the UEFA Executive Committee to substantially increase the prize money for the Women's EURO in the Netherlands to a total distribution of €8 million (Women's EURO 2013: €2.2m).



Breakdown | by competition

€m	2017/18	2016/17
European Qualifiers	-212.2	-295.4
UEFA Champions League	-1 405.6	-1 389.1
UEFA Europa League	-428.2	-423.2
UEFA Super Cup	-7.0	-7.0
Other competitions	-8.7	-4.7
Total	-2 061.7	-2 119.4

SOLIDARITY

UEFA's main objective is to reinvest as much as possible in European football, not only by way of payments to participating clubs and member associations, but also to those which do not qualify for our competitions.

This has a two-fold benefit, given that reducing financial gaps also reduces sporting gaps and opens up UEFA's elite competitions to a maximum number of member associations and clubs. At the same time, reinvesting and sharing resources boosts the development of football at grassroots and youth levels. Thus, the solidarity concept is first and foremost a statutory objective aimed at developing European football as a whole and promoting the social values of the game.

Solidarity payments are made available to:

- member associations to develop their infrastructure
- member associations to contribute to their running costs
- member associations as incentive payments
- clubs eliminated in the preliminary stages of the UEFA Champions League and UEFA Europa League
- other top-division clubs that do not qualify for UEFA's main

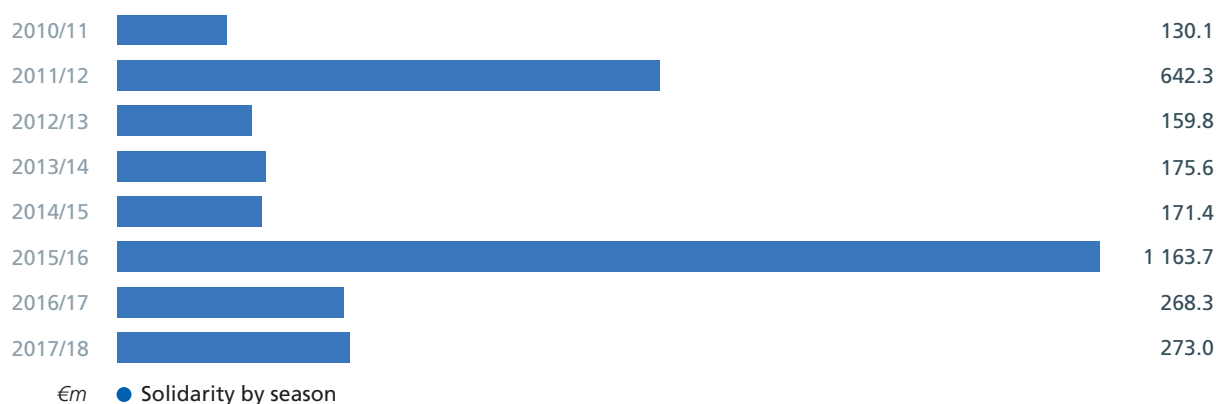
competitions, with payments distributed by the leagues or associations for youth development

- clubs that contribute to the success of national team football in general and the EURO in particular through the participation of some of their players

UEFA also makes donations to the UEFA Foundation for Children as well as to other core and associated partners to support social responsibility activities and initiatives. A detailed breakdown can be found on pages 19 and 20 of the annex to this financial report.

The chart below shows the amounts made available to member associations and clubs and accrued in UEFA's accounts on an annual basis. The actual payments are not necessarily made within the same financial year because of internal approval processes or because they are split over a whole cycle (e.g. yearly HatTrick solidarity payments).

A table detailing all actual payments made to member associations can be found on page 11.



Breakdown | by beneficiary

€m	2017/18	2016/17
Member associations	31.3	31.1
Clubs	233.3	231.4
Donations	8.4	5.8
Total	273.0	268.3

THE FLOW OF SOLIDARITY PAYMENTS

This section provides a transparent overview of all solidarity payments to member associations and clubs. The various beneficiaries are disclosed by country in the table on the opposite page.

Account needs to be taken of the fact that solidarity payments stem in part from revenue generated by club competitions and that this part therefore mainly benefits club football. The rest, financed by national team football and derived from EUROs, is, to a large extent, made available to member associations within the framework of the HatTrick programme. However, European football is not divided into two separate parts, but is an integrated, interrelated whole. Solidarity within European football is based on mutual values, which means that earnings are channelled into club and national team football. These interrelationships can be illustrated by the fact that when a EURO takes place every four years, a significant portion of the revenue goes to the clubs which participate in the success of the tournament and national team football in general. Likewise, as the table on the next page shows, a proportion of the annual income generated by club football benefits member associations.

Solidarity payments: national team football

A

The HatTrick IV programme for the 2016/17 to 2019/20 four-year cycle provides for a one-off €3.5 million solidarity payment to each UEFA member association to be used for investments in football infrastructure. The amounts distributed during the 2017/18 financial year are disclosed in this section. In some cases, these might include payments from previous HatTrick cycles.

B

The HatTrick programme also provides for yearly solidarity payments in favour of member associations, consisting of the following elements:

- €750,000 as a solidarity payment to cover the running costs of the member association and good governance projects
- €1,150,000 in maximum annual incentive payments, divided up as follows:
 - €250,000 for participating in UEFA youth, women's and futsal competitions
 - €250,000 for implementing and applying the UEFA club licensing system
 - €150,000 for implementing and applying the UEFA Grassroots Charter
 - €100,000 for implementing and applying the UEFA Coaching Convention

- €100,000 for implementing and applying the UEFA Referee Convention
- €100,000 for implementing the UEFA women's football development programme
- €100,000 for implementing the UEFA elite youth player development programme
- €50,000 for implementing the UEFA football and social responsibility programme
- €50,000 for integrity activities

From an accounting point of view, each association receives a maximum of €1.3 million each year financed from national team football.

Solidarity payments: club football

C

€33 million was channelled from the UEFA Champions League to member associations to co-finance the aforementioned yearly HatTrick solidarity payments.

The total solidarity payment received by each member association in 2017/18 is therefore the sum of columns B and C. The maximum amount available is €1.9 million.

D

A substantial amount was made available for youth development to clubs not involved in either of the two main UEFA club competitions. As decided by the relevant leagues and/or member associations, clubs in the domestic top division and, in some cases, the next division down benefited from these payments.

E

A lump sum, calculated according to the number of matches played, was paid to clubs which played in the qualifiers but failed to reach the group stage of the UEFA Champions League, with an additional €260,000 for a domestic champion club. No payments were made to clubs involved in UEFA Champions League qualifying rounds which succeeded in reaching the group stage.

F

The formula described in point E above was also applied to the UEFA Europa League.

€000

		Financed by national team football		Financed by club football			
				Champions League		Europa League	
Total per association		A Investments	B Yearly solidarity	C Yearly solidarity	D Non-participating clubs	E Eliminated clubs	F Eliminated clubs
5 153	Albania	1 000	1 265	600	507	613	1 168
3 122	Andorra	-	1 165	600	396	507	454
3 743	Armenia	-	1 215	600	401	845	682
6 101	Austria	500	1 280	600	957	1 057	1 707
7 019	Azerbaijan	200	1 250	600	3 553	-	1 416
4 573	Belarus	-	1 300	600	438	1 057	1 178
6 917	Belgium	-	1 300	600	3 817	444	756
5 535	Bosnia and Herzegovina	1 364	1 300	600	501	613	1 157
4 933	Bulgaria	-	1 235	600	635	1 057	1 406
5 350	Croatia	-	1 300	600	613	613	2 224
7 630	Cyprus	-	1 240	600	3 618	-	2 172
3 934	Czech Republic	-	1 300	600	581	719	734
6 937	Denmark	-	1 300	600	2 252	613	2 172
16 311	England	550	1 300	600	13 613	-	248
3 725	Estonia	-	1 300	600	399	507	919
4 455	Faroe Islands	672	1 260	600	396	845	682
4 164	Finland	-	1 300	600	494	613	1 157
11 298	France	-	1 300	600	8 901	-	497
5 040	FYR Macedonia	-	1 275	600	443	1 057	1 665
3 608	Georgia	-	1 300	600	413	613	682
10 317	Germany	-	1 300	600	8 169	-	248
9 537	Gibraltar	6 500	1 080	600	396	507	454
8 492	Greece	-	1 300	600	4 647	444	1 501
6 306	Hungary	1 262	1 300	600	866	613	1 665
6 036	Iceland	1 232	1 260	600	471	1 057	1 416
4 809	Israel	-	1 300	600	631	613	1 665
13 780	Italy	-	1 320	600	11 612	-	248
9 091	Kazakhstan	5 000	1 300	600	421	613	1 157
2 735	Kosovo	-	1 005	600	396	507	227
4 535	Latvia	700	1 300	600	403	613	919
2 601	Liechtenstein	-	1 140	600	396	-	465
4 907	Lithuania	59	1 300	600	422	613	1 913
6 715	Luxembourg	2 490	1 210	600	396	613	1 406
5 099	Malta	1 000	1 265	600	470	845	919
4 278	Moldova	-	1 300	600	402	1 057	919
3 836	Montenegro	-	1 260	600	444	613	919
7 855	Netherlands	-	1 300	600	4 259	444	1 252
5 053	Northern Ireland	1 250	1 280	600	396	845	682
7 707	Norway	880	1 300	600	2 454	1 057	1 416
6 409	Poland	-	1 300	600	1 766	1 057	1 686
6 890	Portugal	-	1 280	600	4 254	-	756
4 428	Republic of Ireland	-	1 280	600	778	613	1 157
5 455	Romania	350	1 300	600	1 244	719	1 242
8 348	Russia	1 750	1 320	600	3 922	-	756
4 137	San Marino	1 000	1 180	600	396	507	454
10 127	Scotland	2 625	1 300	600	4 661	-	941
4 738	Serbia	-	1 150	600	763	1 057	1 168
4 599	Slovakia	-	1 300	600	443	613	1 643
7 199	Slovenia	-	1 300	600	3 634	-	1 665
12 046	Spain	382	1 320	600	9 496	-	248
6 168	Sweden	1 075	1 300	600	915	613	1 665
6 073	Switzerland	-	1 300	600	3 687	-	486
7 435	Turkey	-	1 300	600	4 790	-	745
6 821	Ukraine	-	1 300	600	3 721	444	756
3 823	Wales	-	1 300	600	396	845	682
347 933	Total	31 841	69 835	33 000	125 445	29 295	58 517

BALANCE SHEET

Compared with the previous year, the balance sheet total was €606.2 million higher as at 30 June 2018, standing at €2.98 billion (30 June 2017: €2.37bn), representing a 26% increase. Despite the continuous cash outflow to finance UEFA's HatTrick programme, the balance sheet total increased thanks to advance payments for the new club competition cycle, which will be recognised as revenue in 2018/19. In addition, instalments received for national team competitions such as the European Qualifiers, Nations League and UEFA EURO 2020 also contributed to the increase.

As at 30 June 2018, cash and cash equivalents and other financial assets stood at €2.15 billion, up from €2.07 billion at the end of the previous year. Despite significant advance payments for 2018/19 competitions, this total has not changed much from the previous year-end because of the cash outflow used to finance the HatTrick programme, and also as a result of the UEFA Executive Committee's decision to make European Qualifiers and UEFA Nations League payments to the national associations earlier to limit negative interest being charged on short-term bank deposits. Altogether, those financial assets represent 72% of total assets (87% as at 30 June 2017). This decrease compared with the previous year-end is essentially a consequence of the decision to pay the national associations earlier. 83% of UEFA's total financial assets are invested short term to cover all commitments related to the HatTrick solidarity programme and the UEFA club competitions. The remainder is invested in long-term capital-protected securities and, to a lesser extent, to provide loans.

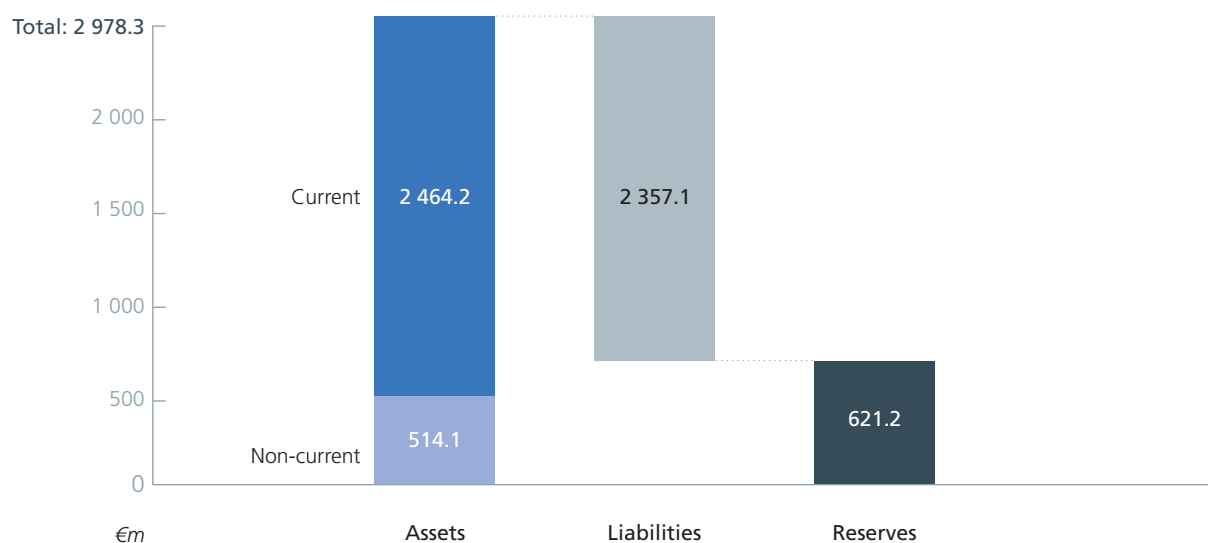
UEFA's cash base is strong and its financial position is sound, with a surplus of current assets over current liabilities of €1.06 billion, leading to a coverage ratio of 176% (156% as at 30 June 2017).

In 2017/18 capital expenditure represented a volume of €12.4 million – up considerably on the previous year (2016/17: €4m). The reason for this increase is twofold. First, capital expenditure was required to make changes in the in-house restaurant to increase its serving capacity and to replace and modernise existing equipment. Second, investments linked to intangible assets related to the branding of the new club competition cycle and ticketing system upgrades to meet EURO 2020 requirements were needed. Depreciation and amortisation for the period decreased mainly due to the end of the depreciation of UEFA's ERP system and IT workplace equipment.

Current liabilities increased by €190.4 million to €1.4 billion as at 30 June 2018. Under current liabilities, a major portion relates to the 'Accrued expenses and deferred income' item, amounting to €1.37 billion as at 30 June 2018 (€711m as at 30 June 2017). This item contains rights revenue received for future seasons that is reported as deferred income in the balance sheet. The highest share will be reversed as revenue in 2018/19 in the first year of the new club competition cycle.

From total reserves of €626.1 million as at 30 June 2017, the negative net result for the period was deducted. Due to the increase in the balance sheet total, UEFA's reserves as a percentage of the total balance sheet decreased to 21% (26% as at 30 June 2017).

More details on UEFA's reserves and their use can be found on page 14 under 'Own resources'.



Breakdown | by category

€m	30/06/2018	30/06/2017
Cash and cash equivalents	577.6	803.4
Other financial assets	1 208.5	908.8
Other current assets	678.1	171.7
Current assets	2 464.2	1 883.9
Other non-current assets	32.7	15.6
Property and equipment	101.8	101.9
Intangible assets	14.0	9.3
Other financial assets	365.6	361.4
Non-current assets	514.1	488.2
Total assets	2 978.3	2 372.1
Current liabilities	1 401.3	1 210.9
Non-current liabilities	955.8	535.1
Liabilities	2 357.1	1 746.0
Undesignated reserves	500.0	500.0
Retained earnings	126.2	132.8
Net result for the period	-5.0	-6.7
Reserves	621.2	626.1
Total liabilities and reserves	2 978.3	2 372.1

OWN RESOURCES

UEFA needs own resources to be covered against any business risk and unforeseen events. The fact that UEFA is financed from both club and national team competitions mitigates the risk and reinforces the cover from two sides. On the other hand, the continued increase in revenue as a result of, for instance, the centralisation of the European Qualifiers and the creation of the UEFA Nations League, necessitates a strong financial basis in order to be protected in the years to come.

UEFA's own resources are divided into:

- undesignated reserves
- retained earnings
- net result for the period

The UEFA Congress agreed that undesignated reserves be fixed at €500 million. This decision was based on a risk assessment and an evaluation of costs if no turnover was generated. Undesignated reserves therefore reflect UEFA's actual risk exposure as at the end of this reporting period. However, given the continued change in UEFA's business activities,

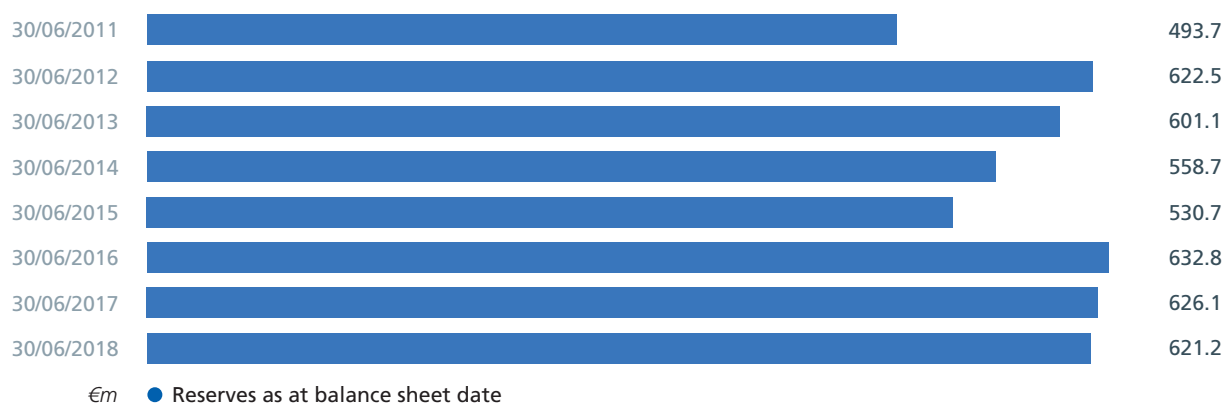
the requirements are constantly monitored and may in time need to be reviewed.

If necessary, the Executive Committee can propose to the UEFA Congress that special designated reserves be created to allow funds to be put aside to finance specific long-term projects. For transparency reasons, any such designated reserves would be separate from the undesignated reserves.

Retained earnings constitute part of the amount UEFA needs to cover its running expenses in years when there is no EURO. Retained earnings move close to zero before the end of a EURO cycle (i.e. 2018/19), reflecting the not-for-profit status of the organisation.

The net result for the period shows the financial outcome for the year under review.

UEFA's total reserves decreased as a consequence of the negative net result generated in 2017/18.



Breakdown | by category

€m	30/06/2018	30/06/2017
Undesignated reserves	500.0	500.0
Retained earnings	126.2	132.8
Net result for the period	-5.0	-6.7
Total	621.2	626.1
Average revenue over four years	3 076.2	2 811.4
Undesignated reserves as a % of average revenue	16.3%	17.8%



RESULT BY COMPETITION AND ACTIVITY

UEFA's cost accounting is set up in such a way that the result can be analysed from different angles. The financial statements are classified by nature and checked by our external auditors, as published in the annex to this financial report as well as on page 7.

However, it is also useful to disclose supplementary information on the source and use of income, or in other words, how funds are generated and how they are invested. Therefore, in parallel and as complementary information, UEFA breaks down its result by competition and activity.

The source of net income (revenue minus expenses) reflects the net result from:

- **Main competitions:** this shows the net result of national team and club competitions. The income from a EURO is recognised in the year the tournament takes place, i.e. in 2019/20 in the case of EURO 2020.
- **Other revenue and asset management:** other revenue represents income from fines, contributions from FIFA and other non-football-related matters. Asset management consists of income from financial investments, net of any fees, as well as any currency exchange differences.

The use of net income is divided into four sections, with more details published on page 19 under 'Use of income':

- **HatTrick programme and social responsibility:** this is the sum of accruals made for the HatTrick solidarity programme and HatTrick administrative costs as well as football and social responsibility activities.
- **Other competitions:** these are net investments in women's, youth and amateur football, as well as futsal competitions.
- **Other football activities:** this relates to development, education and conferences, and includes a range of initiatives that UEFA undertakes to further improve football in areas such as knowledge exchange between associations, refereeing, coaching, stadium and security, grassroots, as well as doping and medical matters.
- **Governing expenses:** this groups administrative overheads and institutional costs, as explained on page 20.

'Net financing from reserves' corresponds to the 'Net result for the period' in the income statement and balance sheet and shows how much has been taken from retained earnings (see also page 14).

Breakdown | by competition and activity

€m	2017/18 Net result	2016/17 Net result
National team competitions	-13.7	-13.5
Club competitions	211.0	213.5
Other revenue and asset management	36.5	9.0
Source of net income	233.7	209.0
HatTrick and social responsibility	-61.6	-57.2
Other competitions	-55.4	-36.7
Other football activities	-45.7	-36.8
Governing expenses	-76.0	-85.0
Subtotal	-238.7	-215.7
Net financing from reserves	5.0	6.7
Use of net income	-233.7	-209.0

SOURCE OF INCOME

This section provides additional information on UEFA's sources of finance. The table below discloses revenue and expenses for all main competitions; other income, including returns from asset management; and comparative figures for the net result. More information is available within the different competition sections starting on page 24.

EURO 2016 net earnings were recognised in 2015/16, but with the last matches played in July 2016. Therefore, the actual closing of the project only took place in 2016/17, which led to an additional net result of €6.1 million in that financial year.

In years without a EURO, the UEFA club competitions are the main source of income, producing net earnings of €211 million in 2017/18 (2016/17: €213.5m). Total gross revenue passed the €2.5 billion mark and was roughly €20 million higher than in the previous season. The reason for the small decrease in net earnings relates to the lower applied fixed percentage used for competition costs, which increased the share in favour of clubs.

'Other revenue', which comes to €41.8 million, is 74% up on last year (2016/17: €24.0m). The reasons for this increase are higher income from fines and the fact that the annual contributions of \$10 million from FIFA for its FIFA Forward programme were released and recognised as revenue in 2017/18 only.

Income from asset management improved from a negative €15 million in 2016/17 to a negative €5.3 million in 2017/18. This improvement is thanks to higher interest income from long-term structured products, and investments in US dollars and British pounds bearing higher interest than those in euros. Realised currency effects were 8% higher in 2017/18, whereas unrealised currency effects had no negative impact, unlike in 2016/17, therefore helping to improve the overall asset management result.

Breakdown | by competition and other income

2017/18 Revenue	2017/18 Expenses	€m	2017/18 Net result	2016/17 Net result
0.0	0.0	UEFA EURO 2016	0.0	6.1
220.0	-233.7	European Qualifiers	-13.7	-19.6
2 508.9	-2 297.9	Club competitions	211.0	213.5
2 728.9	-2 531.6	Main competitions	197.3	200.0
41.8	0.0	Other revenue	41.8	24.0
0.0	-5.3	Asset management	-5.3	-15.0
2 770.7	-2 536.9	Source of net income	233.7	209.0

USE OF INCOME

The table on the opposite page details investments made under 'HatTrick programme and social responsibility', 'Other competitions' and 'Other football activities'.

The provision for HatTrick IV was accrued for the largest part in the financial year when EURO 2016 took place (2015/16), with the remaining 15% to be accrued in the following three financial years (i.e. up to 2018/19). Total investments in 2017/18 were higher because of the increase in the donation portfolio and owing to solidarity not covered by provisions.

UEFA invests a substantial amount in staging women's, youth and futsal competitions, and the UEFA Regions' Cup. In the year under review, two major final tournaments took place: UEFA Women's EURO 2017 in the Netherlands and UEFA Futsal EURO 2018 in Slovenia. Altogether, total investment in 'Other competitions' came to €55.4 million (2016/17: €36.7m). The big increase reflects the substantially higher investments in mini- and final tournaments as well as the higher distribution to the UEFA Women's EURO 2017 participating associations.

An important statutory duty of UEFA is to promote and monitor the development of every type of football in Europe. The different activities that come under the heading of 'Other

football activities' are described in more detail in the UEFA annual report, with a disclosure by types of activity on the facing page. In 2017/18, €45.7 million was invested in football development, conferences and education. This increase of almost €9 million is mainly related to the stadium and security strategy and development programme in partnership with the EU and the Council of Europe, as well as UEFA GROW, our central business development support programme that aims to systematically and strategically grow European football in close collaboration with our member associations.

UEFA's governing expenses amounted to €76 million (2016/17: €85.1m). These refer to all expenses not attributed to a competition or a project, and are grouped as administrative overheads and institutional expenses. Further details are published under 'Governing expenses' on page 21.

Finally, the net result for the period stands at €-5 million (2016/17: €-6.7m).



Breakdown | by competition and activity

2017/18 Revenue	2017/18 Expenses	€000	2017/18 Net result	2016/17 Net result
-	-53 994	HatTrick programme	-53 994	-51 091
-	-691	HatTrick administrative costs	-691	-669
736	-7 617	Social responsibility	-6 881	-5 428
736	-62 302	HatTrick and social responsibility	-61 566	-57 188
12 662	-21 169	UEFA European Women's Championship	-8 507	-1 191
2	-5 588	UEFA European Women's Under-19 Championship	-5 586	-3 690
23	-5 226	UEFA European Women's Under-17 Championship	-5 203	-3 459
412	-6 176	UEFA Women's Champions League	-5 764	-4 113
13 099	-38 159	Women's competitions	-25 060	-12 453
290	-7 840	UEFA European Under-21 Championship	-7 550	-7 228
132	-5 811	UEFA European Under-19 Championship	-5 679	-4 777
316	-7 638	UEFA European Under-17 Championship	-7 322	-5 835
3 345	-5 932	UEFA Youth League	-2 587	-2 801
-	-1 362	UEFA Regions' Cup	-1 362	-1 641
4 083	-28 583	Youth and amateur competitions	-24 500	-22 282
855	-3 689	UEFA European Futsal Championship	-2 834	-631
134	-3 178	UEFA Futsal Cup	-3 044	-1 343
989	-6 867	Futsal competitions	-5 878	-1 974
18 171	-73 609	Other competitions	-55 438	-36 709
-	-1 251	Study Group Scheme	-1 251	-771
50	-10 209	National association development	-10 159	-7 436
-	-4 816	Competition development	-4 816	-5 185
-	-3 683	Women's football development	-3 683	-4 157
27	-4 372	Referee education	-4 345	-4 369
-	-1 164	Match officer education	-1 164	-586
-	-3 502	Coach education	-3 502	-3 098
-	-1 913	Anti-doping and medical	-1 913	-2 008
-	-2 053	Technical conferences	-2 053	-1 684
-	-3 420	Stadium and security	-3 420	-1 342
-	-1 701	Football facilities	-1 701	-1 776
-	-719	Grassroots development	-719	-1 194
-	-1 012	Supporters' movement	-1 012	-1 354
-	-5 962	Other confederation support	-5 962	-1 798
77	-45 777	Other football activities	-45 700	-36 758
188	-76 205	Governing expenses	-76 017	-85 058
19 172	-257 893	Subtotal	-238 721	-215 713
		Net financing from reserves	5 001	6 696
		Use of net income from reserves	-233 720	-209 017

GOVERNING EXPENSES

Expenses related to the running of UEFA as a governing body are classified under two headings:

- **Institutional:** this relates to the costs of running UEFA as a political and governing institution, which includes the UEFA Congress, committees and disciplinary proceedings, among other items.

Costs are €1 million lower than last year, despite additional club licensing and financial fair play and Executive Committee activities. These additional activities were offset by lower UEFA Congress costs (one Extraordinary UEFA Congress in 2016/17) and the downsizing of the corporate part of the UEFA website.

- **Administrative overheads:** these comprise personnel and other general administrative costs such as travel and office running costs which are not allocated to a competition or an activity. Essentially, these costs are for 'division management' as well as unit costs for legal, finance, language services and human resources.

Total administrative overheads decreased compared with last year, thanks to a large extent to the cost culture initiative and lower ICT costs. A large share of the administrative costs are expressed in Swiss francs. On average, the Swiss franc

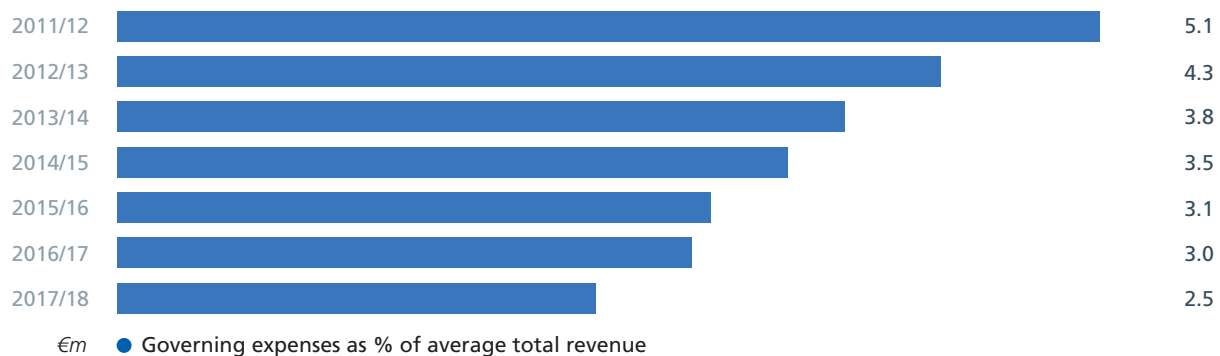
was 7% weaker than the euro, which clearly had a very positive impact.

UEFA's commitment to keeping governing expenses as low as possible allows maximum resources to be allocated to solidarity, football development and to teams participating in its competitions.

Governing expenses are set against the average total revenue over four years. This percentage offers a good basis for comparison, bearing in mind that such comparisons would otherwise be distorted by a EURO every fourth year. This percentage has dropped, reflecting, on the one side, stable governing expenses and, on the other side, the significant increase in revenue.

The table opposite shows governing expenses and the breakdown by category of institutional expenses as well as the overall total of administrative overheads.





Breakdown | by category

€000	2017/18	2016/17
Executive Committee and presidency	-7 301	-6 101
Committees and expert panels	-3 049	-2 766
Congress	-1 597	-2 467
Disciplinary proceedings	-2 799	-2 866
Club licensing and financial fair play	-5 924	-4 993
Top Executive Programme	-183	-1 274
Betting fraud detection	-1 009	-1 583
Players' status and transfer issues	0	-183
Publications and media	-7 489	-9 327
Other institutional matters	-3 606	-2 360
Institutional	-32 957	-33 920
Administrative overheads	-43 060	-51 138
Governing expenses	-76 017	-85 058
Average total revenue over four years	3 076 235	2 811 368
As % of average total revenue	2.5%	3.0%

COMPENSATION

The following section discloses details on compensation governance as well as information on compensation to the UEFA president, the UEFA general secretary and the members of the UEFA Executive Committee for the 2017/18 financial year.

The Compensation Committee was created in September 2016 by decision of the Executive Committee. It is independent of the Executive Committee and the UEFA Congress and ensures a compensation system is in place that is designed and operated in line with sound performance management, compliance and corporate governance principles.

Authorities and responsibilities

The Compensation Committee oversees all aspects of compensation of the UEFA president, the UEFA general secretary and the members of the Executive Committee, as well as of the directors of UEFA and UEFA Events SA and any other individuals whom the Compensation Committee deems it appropriate to cover in accordance with the powers and duties assigned to it by its charter.

Composition and organisation

The Compensation Committee is chaired by the UEFA treasurer and Finance Committee chairman, David Gill. The other members of the Compensation Committee during the period under review were Herbert Hübel and José Juan Pintó Sala (independent), both members of the Governance and Compliance Committee, as well as Stephan Hostettler, as another independent member without voting rights. He is a managing partner of HCM International Ltd, a leading international consulting firm, and an expert in the areas of compensation, governance and compliance. The Compensation Committee met five times during this financial year.

President

Aleksander Čeferin was elected as UEFA president on 14 September 2016 at the 12th Extraordinary UEFA Congress in Athens. For 2017/18, the UEFA president received fixed compensation of CHF 1,560,000 gross, unchanged from the previous year. The UEFA president is not eligible for any bonus. UEFA contributes to his social charges, pension fund and accident insurance.

General secretary

Theodore Theodoridis was appointed by the Executive Committee as UEFA general secretary on 15 September 2016. For 2017/18 he received fixed compensation of CHF 950,000 gross, unchanged from the previous year. He was awarded a bonus of CHF 285,000 (2016/17: CHF 275,000). UEFA contributes to his social charges, pension fund and accident insurance, and also pays him a representation allowance and school fees for his children's education.

Executive Committee

The members of the Executive Committee receive a fixed compensation amount and are not eligible for a bonus. Vice-presidents receive €250,000 gross and other members receive €160,000 gross a year.



FOUR-YEAR CYCLE

Analysing UEFA's financial figures for one single year in isolation is not really meaningful, as the fundamental aspect of UEFA as a not-for-profit organisation is only visible if results over a period of four years are cumulated. A four-year cycle therefore starts with the year when a EURO takes place and produces a positive net result, whereas non-EURO years tend to yield a negative result. In other words, the positive result generated in a financial year with a EURO is used to co-finance the following three years. Consequently, the overall revenue and expense streams have to be combined over the whole four-year financial period to create an accurate picture.

2015/16 was the first year of the EURO 2016 cycle, which ends in 2018/19. UEFA's status as a not-for-profit organisation means that the aim is to end every four-year cycle with a balance just above zero and to put any earnings generated back into football, while at the same time making sure that UEFA's reserves of €500 million do not have to be touched.

In the case of 2015/16, the surplus of €102.1 million is being used to co-finance the three years until the end of the EURO 2016 cycle. The table below shows the actuals from 2015/16 to 2017/18 and the estimates for the remaining financial year of that cycle (2018/19), as well as the totals for both the EURO 2016 and EURO 2012 cycles.

In addition, the table shows the cumulative figures as a percentage, disclosing, on the one side, where the income came from and how much, and on the other side, how it was invested. In a nutshell, roughly 47% is financed by national team competitions for both the EURO 2012 and EURO 2016 cycles, while club competitions contribute 36% and 48% respectively. The substantial increase in the club competition contribution is explained by the fact that asset management (including foreign exchange effects) contributed more than €100 million to the total source of net income in the 2012 cycle but is expected to produce a negative contribution of €16 million for the 2016 cycle.

The details of the use of income shows a substantial increase from 49% to 57% in 'HatTrick and social responsibility', reflecting the higher amount available for solidarity payments thanks to the success of EURO 2016.

It goes without saying that the table below is forward-looking and for information purposes only.

Breakdown | over two cycles

	2015/16	2016/17	2017/18	2018/19	EURO 2016 cycle	as %	EURO 2012 cycle	as %
€m								
National team competitions	829	-14	-14	-20	781	46%	570	47%
Club competitions	199	214	211	178	802	48%	433	36%
Other competitions and revenue	33	24	42	23	122	7%	101	8%
Asset management	-3	-15	-5	7	-16	-1%	103	9%
Source of net income	1 058	209	234	188	1 689	100%	1 207	100%
HatTrick and social responsibility	-807	-57	-62	-40	-966	57%	-586	49%
Other competitions	-38	-37	-55	-63	-193	11%	-149	12%
Other football activities	-33	-37	-46	-48	-164	10%	-131	11%
Governing expenses	-78	-85	-76	-83	-322	19%	-304	25%
Subtotal	-956	-216	-239	-234	-1 645	97%	-1 170	97%
Net financing to (-) / from reserves (+)	-102	7	5	46	-44	3%	-37	3%
Use of net income	-1 058	-209	-234	-188	-1 689	100%	-1 207	100%

EUROPEAN QUALIFIERS

The qualifying matches for the 2018 FIFA World Cup were played over two seasons and ended in November 2017. The concept of the Week of Football, featuring matches across six days from Thursday to Tuesday every match week, is now established and has proved to be a big success. There were 13 places in the 2018 FIFA World Cup for UEFA member associations, not counting Russia, who qualified automatically as hosts. The 53 teams (Kosovo did not participate because they were not FIFA members at that time) involved in the European Qualifiers were divided into nine groups of six, with the winners of each group going through to the finals, leaving the eight best runners-up to contest play-offs to determine which four would also be travelling to Russia.

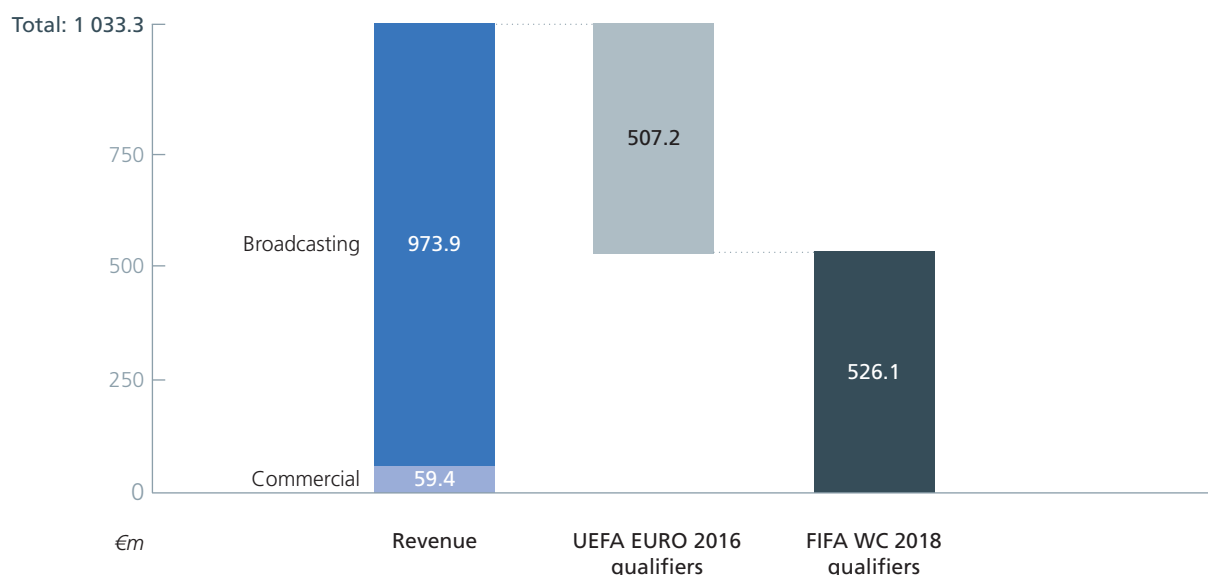
The European Qualifiers for the 2018 World Cup represented the second part of the first cycle of centralised media and sponsorship rights for all qualifying matches and some friendlies. The home associations keep the revenue generated from ticket and hospitality sales.

Total revenue from the first cycle of European Qualifiers (EURO 2016 and 2018 World Cup qualifiers) came to €1.03 billion. Revenue was recognised according to the number of matches played in a given season. As there were more matches in 2016/17 than in 2017/18, revenue for the second year, at €220 million, was slightly lower than the €306.1 million reported in 2016/17. Total revenue for

the European Qualifiers for EURO 2016 came to €507.2 million, while for the European Qualifiers for the 2018 World Cup, total revenue of €526.1 million was recorded. This represents a 3.7% increase compared with the qualifiers for EURO 2016 and is again linked to the recognition of revenue by season. Altogether, 298 matches are used as the basis for the 2018 FIFA World Cup qualifiers, compared with 288 matches for EURO 2016.

In 2017/18, €212.2 million was distributed to the participating associations based on individual declarations signed between the corresponding member associations and UEFA. Those amounts are fixed, with no performance bonus awarded for a win or for a draw.

The overall result for the full cycle of European Qualifiers is negative and requires a contribution from European football. The total shortfall of €79.5 million over four years, which basically represents the costs of operating the competition, is lower than budgeted and has to be seen as an important investment to put national teams in a prime position and to give them greater visibility, while at the same time, the Week of Football concept gives fans more excitement and more matches to follow.



European Qualifiers | project accounts

€m	2017/18	2016/17	Total 2016–18	Total 2014–16	Cycle
Broadcasting rights	205.7	286.1	491.8	482.1	973.9
Commercial rights	14.3	20.0	34.3	25.1	59.4
Rights revenue	220.0	306.1	526.1	507.2	1 033.3
Other revenue	-	-	-	-	-
Total revenue	220.0	306.1	526.1	507.2	1 033.3
Competition costs	-21.5	-30.3	-51.8	-64.0	-115.8
Distribution to participating associations	-212.2	-295.4	-507.6	-489.4	-997.0
Contribution from European football	-13.7	-19.6	-33.3	-46.2	-79.5
Total revenue					100.0%
Competition costs					11.2%
Distribution to participating associations					96.5%
Contribution from European football					-7.7%



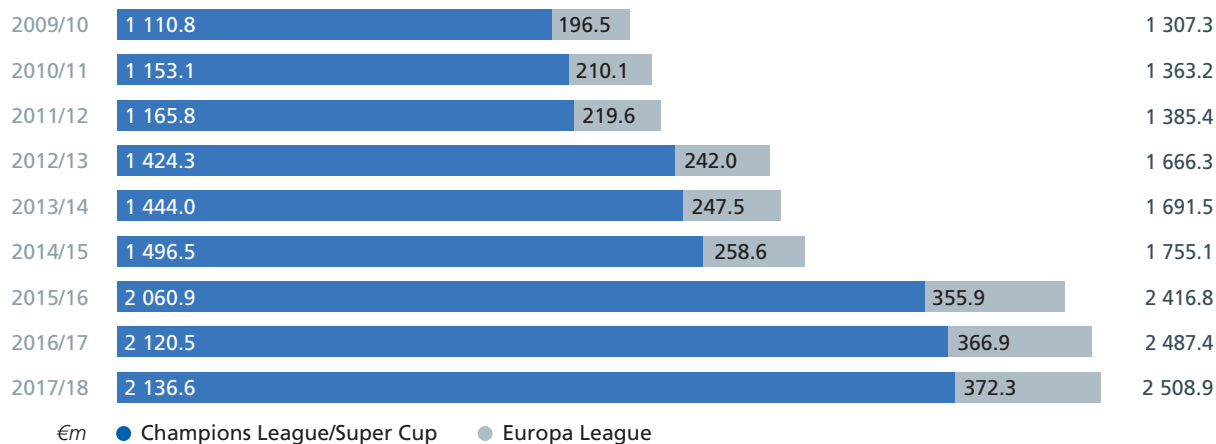
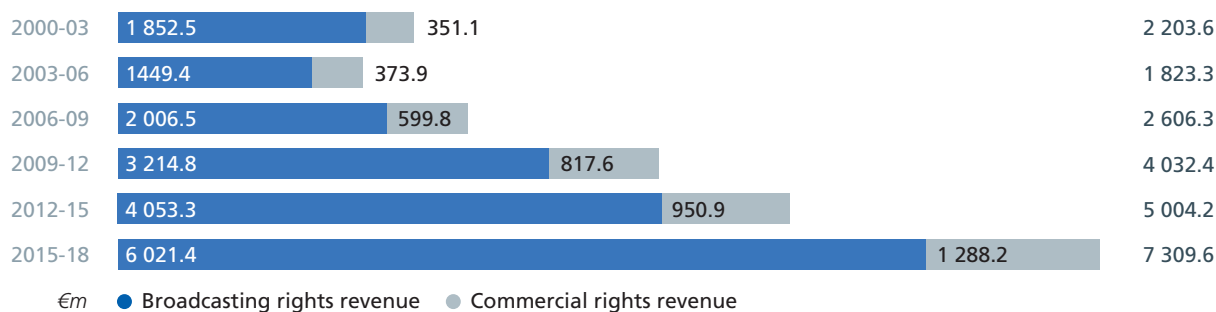
CLUB COMPETITIONS

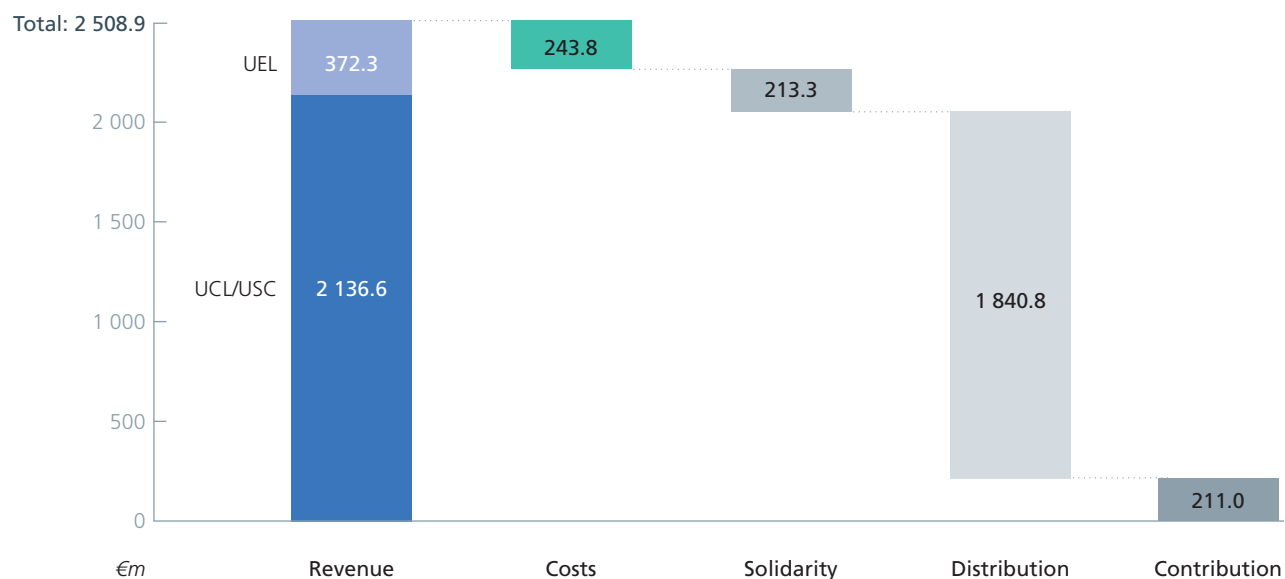
Revenue

2017/18 is the last season of the current three-year club competition cycle (2015–18). The centralised marketing of sales of broadcasting and commercial rights concerns the main club competitions: the UEFA Champions League (including the UEFA Super Cup), and a separate sales process for the UEFA Europa League.

The first graph below charts the figures per cycle and for rights revenue only (i.e. broadcasting and commercial). Cumulative rights revenue for the 2015–18 cycle increased by 46% to reach €7.31 billion (2012–15: €5bn). Broadcasting rights increased by as much as 49% thanks to general increases in most markets, in particular in Latin America and Europe. Commercial rights increased by 36% and now also include full centralisation and pitchside LED boards for the Europa League.

The second graph shows total revenue per season and per competition. Besides rights revenue, total revenue also includes ticket and hospitality sales for the Champions League and Europa League finals as well as for the Super Cup. This additional revenue is largely dependent on the stadium seating capacity, the teams playing and the venue. The 2018 finals were played in Kyiv (Champions League), Lyon (Europa League) and Skopje for the 2017 Super Cup. Total ticket and hospitality revenue for all three games stood at €35 million, which is roughly €2 million down on 2016/17. Total gross revenue passed the €2.5 billion mark and was roughly €20 million higher than in the previous season.





Club competitions | project accounts

€m	UCL/USC	UEL	2017/18	2016/17
Broadcasting rights	1 718.2	324.0	2 042.2	2 021.1
Commercial rights	389.7	42.0	431.7	429.4
Rights revenue	2 107.9	366.0	2 473.9	2 450.5
Tickets	15.8	4.4	20.2	18.8
Hospitality	12.9	1.9	14.8	18.1
Gross revenue	2 136.6	372.3	2 508.9	2 487.4
Competition costs	-171.5	-72.3	-243.8	-243.2
Solidarity payments			-213.3	-211.4
- to non-participating clubs			-125.5	-124.4
- to clubs eliminated in qualifying phase			-87.8	-87.1
Net revenue			2 051.8	2 032.8
- Distribution to participating clubs	-1 412.6	-428.2	-1 840.8	-1 819.3
- Contribution to European football			-211.0	-213.5
Total of gross revenue			100.0%	100.0%
Competition costs			9.7%	9.8%
Solidarity payments			8.5%	8.5%
Net revenue			81.8%	81.7%
- share distributed to clubs			89.7%	89.5%
- share contributed to European football			10.3%	10.5%

Distribution to participating clubs

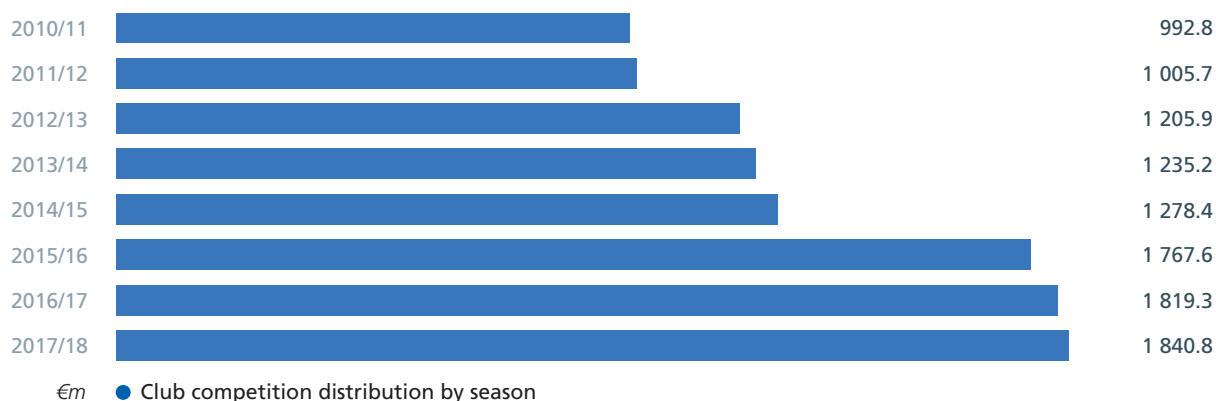
The financial distribution system was adapted for the 2015–18 cycle. It is based on gross revenue and now includes ticket and hospitality revenue. All Champions League/Super Cup and Europa League gross revenue is put into one single distribution pot, from which fixed percentages are used for competition costs (12% up to and 11.75% above €2.5bn) and solidarity payments (8.5%), leaving the remaining net revenue of 79.75% to be split between the clubs (92%) and UEFA (8%). Therefore, the major share of net revenue goes to the participating clubs, at a fixed ratio of 3.3 to 1 between the Champions League and Europa League.

The total amount available for distribution came to €1.84 billion (2016/17: €1.82bn). From the total amount, €1.41 billion was paid out to the clubs participating in the Champions League

and the Super Cup. In brief, there is 60:40 split between fixed amounts and bonuses on the one side and the market pool reflecting the value of each TV market in the respective country on the other.

Clubs playing in the Europa League earned €428.2 million in total. The distribution model is the same as for the Champions League and includes fixed amounts, match bonuses depending on the result and a market pool share.

Full details of the distribution per club are shown on pages 32 and 33 for the Champions League and Super Cup, and on pages 36 to 39 for the Europa League.



Contribution to European football

This contribution reflects UEFA's share of net revenue and represents an important part of the overall net source of income. It is reinvested directly in football, first and foremost in other competitions, to further develop the game at the base of the footballing pyramid and for the benefit of European football as a whole. But it is also used to finance football development and education activities, as well as to cover UEFA's administrative and institutional costs.

The result is slightly lower for 2017/18, coming to €211 million (2016/17: €213.5m). The actual club competition costs were on the same level as in the previous season, but the lower fixed percentage applied to competition costs increased the clubs' share and explains the small decrease.

Solidarity

The aim of centralised marketing in the Champions League is to ensure that clubs which do not participate in or qualify for the Champions League or Europa League still participate in the success of UEFA's flagship club competition by way of solidarity payments, with the pot available fixed at 8.5% of gross revenue. Total solidarity came to €213.3 million in 2017/18 (2016/17: €211.4m).

Out of the pot of 8.5% of gross revenue, 3.5% (€87.8m) is paid to the clubs participating in the Champions League and Europa League qualifying rounds, leaving a 5% solidarity portion for non-participating clubs, to be used for youth development. The amount available in 2017/18 was €125.5 million (2016/17: €124.4m), 80% of which was distributed to national associations and/or leagues with at least one club participating in the Champions League group stage and 20% to those with no participating clubs in the group stage. This amount is accrued on actual revenue in the 2017/18 financial year and will be paid out during the following season (2018/19).

The solidarity payment process for clubs involved in the qualifying phases is more complex because the basis (i.e. gross revenue) is only known once the accounts have been audited. To overcome this, fixed amounts are calculated beforehand on the basis of a forecast of gross revenue and paid out during the year. Thanks to higher actual gross revenue, it was then possible to pay a surplus to all clubs involved in the 2017/18 qualifying rounds.

The following table shows the amounts per qualifying round as well as the surplus and a comparison with the previous year.

Breakdown | by qualifying phase

€m	Number of clubs	Amount in €000	2017/18	2016/17
Domestic champion	37	260	9.62	9.10
First qualifying round	10	220	2.20	1.76
Second qualifying round	30	320	9.60	9.28
Third qualifying round (eliminated clubs only)	15	420	6.30	6.30
Surplus (average per club)	42	37	1.57	1.99
UEFA Champions League			29.29	28.43
First qualifying round	100	215	21.50	20.64
Second qualifying round	66	225	14.85	14.85
Third qualifying round	58	235	13.63	13.63
Play-offs (eliminated clubs only)	22	245	5.39	5.39
Surplus (average per club)	145	22	3.15	4.11
UEFA Europa League			58.52	58.62
Total eliminated clubs			87.81	87.05

UEFA CHAMPIONS LEAGUE

The format of the UEFA Champions League remained unchanged and started with 20 play-off matches to finalise the list of 32 group stage participants. These play-offs, from which the ten losing teams move into the group stage of the UEFA Europa League, are included in the Champions League contracts, bringing the total number of Champions League matches to 145. The UEFA Super Cup match is also part of the Champions League contracts.

The principles governing the distribution of revenue among the 32 Champions League group stage clubs also remained the same, with a fixed amount, a performance bonus and an important part of the financial benefits distributed through the market pool concept. Market pool shares in favour of Champions League clubs are in proportion to the value of the broadcasting rights revenue within the territory of their respective national associations. Being directly linked to the increase in gross revenue, the amounts distributed to clubs followed the same upward trend. Obviously, this type of distribution system with variable parameters has a significant impact on the individual amounts received by the clubs, even among clubs that achieve similar results in the competition. Consequently, in previous seasons the club which lifted the trophy did not necessarily receive the biggest financial reward.

€1.41 billion (2016/17: 1.4bn) was paid out to the clubs participating in the Champions League and the Super Cup. The reason for this small increase is twofold: on the one side, it

follows the increase in revenue, and on the other side, the lower fixed percentage applied to competition costs also had a positive impact on the clubs' share.

As from the group stage, €42.4 million was distributed on average to the clubs, with the highest amount, €88.7 million, going to Real Madrid CF. In contrast, the lowest amount was still €16.8 million. It should also be noted that the home clubs kept all the gate receipts for all their matches, except for the final at the Olimpiyskiy National Sports Complex in Kyiv, for which the ticketing share for the two finalists is included in the performance bonus.

Given that the final total of club competition net revenue was higher than had been anticipated when the amounts for distribution in 2017/18 were fixed, a surplus of €89.2 million was available at the end of the season. This surplus was shared among the 32 clubs in proportion to the total of the fixed amounts and market pool shares already received by each club during the season. The surplus amounts per club are included in the market pool column on page 33.

The two clubs involved in the Super Cup were also rewarded with a fixed amount of €4 million for the winners, Real Madrid CF, and €3 million for Manchester United FC.





UEFA Champions League 2017/18 | distribution to clubs

€000

	Club	Association		Total
Group A	FC Basel 1893	SUI	<div></div>	28 780
	SL Benfica	POR	<div></div>	17 451
	PFC CSKA Moskva	RUS	<div></div>	23 025
	Manchester United FC	ENG	<div></div>	40 347
Group B	Paris Saint-Germain	FRA	<div></div>	62 058
	FC Bayern München	GER	<div></div>	70 494
	RSC Anderlecht	BEL	<div></div>	19 057
	Celtic FC	SCO	<div></div>	32 476
Group C	Club Atlético de Madrid	ESP	<div></div>	31 730
	Chelsea FC	ENG	<div></div>	65 156
	FK Qarabağ	AZE	<div></div>	16 819
	AS Roma	ITA	<div></div>	83 802
Group D	Sporting Clube de Portugal	POR	<div></div>	21 795
	FC Barcelona	ESP	<div></div>	57 439
	Juventus Football Club	ITA	<div></div>	80 057
	Olympiacos FC	GRE	<div></div>	31 072
Group E	Sevilla FC	ESP	<div></div>	48 431
	NK Maribor	SVN	<div></div>	18 444
	FC Spartak Moskva	RUS	<div></div>	19 908
	Liverpool FC	ENG	<div></div>	81 283
Group F	SSC Napoli	ITA	<div></div>	38 967
	Feyenoord	NED	<div></div>	25 045
	Manchester City FC	ENG	<div></div>	63 821
	FC Shakhtar Donetsk	UKR	<div></div>	29 437
Group G	Beşiktaş JK	TUR	<div></div>	43 272
	RB Leipzig	GER	<div></div>	34 519
	AS Monaco FC	FRA	<div></div>	46 574
	FC Porto	POR	<div></div>	29 411
Group H	Borussia Dortmund	GER	<div></div>	27 339
	Real Madrid CF	ESP	<div></div>	88 654
	APOEL FC	CYP	<div></div>	17 699
	Tottenham Hotspur FC	ENG	<div></div>	61 307
Clubs eliminated	TSG 1899 Hoffenheim	GER	<div></div>	9 255
	OGC Nice	FRA	<div></div>	10 244
	İstanbul Başakşehir F.K.	TUR	<div></div>	4 687
	BSC Young Boys	SUI	<div></div>	3 197
	HNK Rijeka	CRO	<div></div>	3 000
	SK Slavia Praha	CZE	<div></div>	3 000
	F.C. København	DEN	<div></div>	3 000
	Hapoel Beer-Sheva FC	ISR	<div></div>	3 000
	FC Astana	KAZ	<div></div>	3 000
	SC Fotbal Club FCSB	ROU	<div></div>	3 000
USC	Real Madrid CF	ESP	<div></div>	4 000
	Manchester United FC	ENG	<div></div>	3 000

UEFA Champions League 2017/18 | distribution to clubs

		Play-offs	Group matches			Knockout matches				Total
€000			Fixed amount	Bonus	Market pool	Round of 16	Quarter-finals	Semi-finals	Final	
Group A	FC Basel 1893	-	12 700	6 524	3 556	6 000	-	-	-	28 780
	SL Benfica	-	12 700	-	4 751	-	-	-	-	17 451
	PFC CSKA Moskva	2 000	12 700	4 893	3 432	-	-	-	-	23 025
	Manchester United FC	-	12 700	8 155	13 492	6 000	-	-	-	40 347
Group B	Paris Saint-Germain	-	12 700	8 155	35 203	6 000	-	-	-	62 058
	FC Bayern München	-	12 700	8 155	29 639	6 000	6 500	7 500	-	70 494
	RSC Anderlecht	-	12 700	1 631	4 726	-	-	-	-	19 057
	Celtic FC	2 000	12 700	1 631	16 145	-	-	-	-	32 476
Group C	Club Atlético de Madrid	-	12 700	3 631	15 399	-	-	-	-	31 730
	Chelsea FC	-	12 700	5 893	40 563	6 000	-	-	-	65 156
	FK Qarabağ	2 000	12 700	1 000	1 119	-	-	-	-	16 819
	AS Roma	-	12 700	5 893	45 209	6 000	6 500	7 500	-	83 802
Group D	Sporting Clube de Portugal	2 000	12 700	3 762	3 333	-	-	-	-	21 795
	FC Barcelona	-	12 700	7 524	24 715	6 000	6 500	-	-	57 439
	Juventus Football Club	-	12 700	5 893	48 964	6 000	6 500	-	-	80 057
	Olympiacos FC	2 000	12 700	500	15 872	-	-	-	-	31 072
Group E	Sevilla FC	2 000	12 700	4 762	16 469	6 000	6 500	-	-	48 431
	NK Maribor	2 000	12 700	1 500	2 244	-	-	-	-	18 444
	FC Spartak Moskva	-	12 700	3 131	4 077	-	-	-	-	19 908
	Liverpool FC	2 000	12 700	6 393	29 190	6 000	6 500	7 500	11 000	81 283
Group F	SSC Napoli	2 000	12 700	3 262	21 005	-	-	-	-	38 967
	Feyenoord	-	12 700	1 631	10 714	-	-	-	-	25 045
	Manchester City FC	-	12 700	8 155	30 466	6 000	6 500	-	-	63 821
	FC Shakhtar Donetsk	-	12 700	6 524	4 213	6 000	-	-	-	29 437
Group G	Beşiktaş JK	-	12 700	7 524	17 048	6 000	-	-	-	43 272
	RB Leipzig	-	12 700	3 762	18 057	-	-	-	-	34 519
	AS Monaco FC	-	12 700	1 000	32 874	-	-	-	-	46 574
	FC Porto	-	12 700	5 393	5 318	6 000	-	-	-	29 411
Group H	Borussia Dortmund	-	12 700	1 000	13 639	-	-	-	-	27 339
	Real Madrid CF	-	12 700	7 024	33 430	6 000	6 500	7 500	15 500	88 654
	APOEL FC	2 000	12 700	1 000	1 999	-	-	-	-	17 699
	Tottenham Hotspur FC	-	12 700	8 655	33 952	6 000	-	-	-	61 307
Eliminated clubs	TSG 1899 Hoffenheim	3 000	-	-	6 255	-	-	-	-	9 255
	OGC Nice	3 000	-	-	7 244	-	-	-	-	10 244
	İstanbul Başakşehir F.K.	3 000	-	-	1 687	-	-	-	-	4 687
	BSC Young Boys	3 000	-	-	197	-	-	-	-	3 197
	HNK Rijeka	3 000	-	-	-	-	-	-	-	3 000
	SK Slavia Praha	3 000	-	-	-	-	-	-	-	3 000
	F.C. København	3 000	-	-	-	-	-	-	-	3 000
	Hapoel Beer-Sheva FC	3 000	-	-	-	-	-	-	-	3 000
	FC Astana	3 000	-	-	-	-	-	-	-	3 000
	SC Fotbal Club FCSB	3 000	-	-	-	-	-	-	-	3 000
USC	Real Madrid CF	-	4 000	-	-	-	-	-	-	4 000
	Manchester United FC	-	3 000	-	-	-	-	-	-	3 000
Allocated in accordance with the Memorandum of Understanding with the ECA										4 550
Total		50 000	413 400	143 956	596 196	96 000	52 000	30 000	26 500	1 412 602

UEFA EUROPA LEAGUE

The 48 teams which qualify for the group stage of the UEFA Europa League are drawn into 12 groups, meaning that every team plays a minimum of three home matches. The winners and runners-up from each of the 12 groups are joined in the round of 32 by the eight teams which earn the right to continue their European campaign by finishing third in their UEFA Champions League group. In all, 205 UEFA Europa League matches were staged all over Europe in 2017/18, including the final at the Parc Olympique Lyonnais in Lyon, France.

As mentioned in this report, 90% of net revenue is distributed to Champions League and Europa League clubs at an agreed fixed ratio of 3.3 to 1 between the two competitions. For 2017/18, this allowed a total of €428.2 million (2016/17: €423.2m) to be distributed to the participating teams – €5 million more than in the previous season and 72% more than in the previous cycle.

The Champions League distribution model also applies to the Europa League, where the participating clubs are also entitled to a fixed amount, a performance bonus and a share of the market pool based on the commercial value of their domestic media rights markets. Given that the final total gross revenue for club competitions was higher than had been

anticipated when the amounts for distribution in 2017/18 were set, a surplus of €28.3 million was available at the end of the season. This surplus was split among the clubs in proportion to the total of the fixed amount and market pool shares already received by each club during the season. These surplus amounts are included in the market pool columns on pages 37 and 39. Ticket revenue is treated in the same way as in the Champions League, with the home club retaining all gate receipts, except for the final, for which the ticketing share for the two finalists is included in the performance bonus.

On average, €7.6 million was paid to the clubs, with the highest amount going to Arsenal FC, who actually only made it to the semi-finals. The reason for this difference is clearly the substantial share from the market pool, as only two English clubs played in the 2017/18 UEFA Europa League and the amount available is generally higher for the English market. It is also interesting to see that the winners of the final, Club Atlético de Madrid, received less than the runners-up, Olympique de Marseille. This is because Club Atlético de Madrid were eliminated in the Champions League and started their Europa League campaign in the round of 32. Therefore, the amount paid out from the Champions League distribution of €31.7 million would in principle have to be added to make a meaningful comparison.



UEFA Europa League 2017/18 | distribution to clubs

€000

	Club	Association		Total
Group A	Maccabi Tel-Aviv FC	ISR	<div></div>	3 618
	Villarreal CF	ESP	<div></div>	9 716
	FC Astana	KAZ	<div></div>	5 258
	SK Slavia Praha	CZE	<div></div>	4 163
Group B	FK Partizan	SRB	<div></div>	5 114
	FC Dynamo Kyiv	UKR	<div></div>	7 660
	KS Skënderbeu	ALB	<div></div>	3 749
	BSC Young Boys	SUI	<div></div>	4 172
Group C	PFC Ludogorets 1945	BUL	<div></div>	5 727
	TSG 1899 Hoffenheim	GER	<div></div>	7 960
	SC Braga	POR	<div></div>	6 449
	İstanbul Başakşehir F.K.	TUR	<div></div>	9 426
Group D	AEK Athens FC	GRE	<div></div>	9 224
	FK Austria Wien	AUT	<div></div>	4 302
	AC Milan	ITA	<div></div>	13 937
	HNK Rijeka	CRO	<div></div>	4 239
Group E	Olympique Lyonnais	FRA	<div></div>	12 091
	Atalanta BC	ITA	<div></div>	12 273
	Everton	ENG	<div></div>	14 117
	Apollon Limassol FC	CYP	<div></div>	3 564
Group F	FC Lokomotiv Moskva	RUS	<div></div>	8 445
	FC Zlín	CZE	<div></div>	3 383
	FC Sheriff	MDA	<div></div>	4 141
	F.C. København	DEN	<div></div>	7 735
Group G	FC Viktoria Plzeň	CZE	<div></div>	6 751
	Hapoel Beer-Sheva FC	ISR	<div></div>	3 618
	FC Lugano	SUI	<div></div>	4 628
	SC Fotbal Club FCSB	ROU	<div></div>	6 883
Group H	1. FC Köln	GER	<div></div>	8 128
	FK Crvena Zvezda	SRB	<div></div>	5 168
	FC BATE Borisov	BLR	<div></div>	3 683
	Arsenal FC	ENG	<div></div>	37 780
Group I	FC Salzburg	AUT	<div></div>	10 873
	Olympique de Marseille	FRA	<div></div>	22 966
	Konyaspor	TUR	<div></div>	10 942
	Vitória SC	POR	<div></div>	4 500
Group J	Athletic Club	ESP	<div></div>	11 340
	FC Zorya Luhansk	UKR	<div></div>	4 437
	Östersunds FK	SWE	<div></div>	6 620
	Hertha BSC Berlin	GER	<div></div>	7 960

UEFA Europa League 2017/18 | distribution to clubs

€000		Group matches			Knockout matches					Total
		Fixed amount	Bonus	Market pool	Round of 32	Round of 16	Quarter-finals	Semi-finals	Final	
Group A	Maccabi Tel-Aviv FC	2 600	528	490	-	-	-	-	-	3 618
	Villarreal CF	2 600	2 064	4 552	500	-	-	-	-	9 716
	FC Astana	2 600	1 644	514	500	-	-	-	-	5 258
	SK Slavia Praha	2 600	1 056	507	-	-	-	-	-	4 163
Group B	FK Partizan	2 600	1 356	658	500	-	-	-	-	5 114
	FC Dynamo Kyiv	2 600	2 352	1 458	500	750	-	-	-	7 660
	KS Skënderbeu	2 600	648	501	-	-	-	-	-	3 749
	BSC Young Boys	2 600	768	804	-	-	-	-	-	4 172
Group C	PFC Ludogorets 1945	2 600	1 476	1 151	500	-	-	-	-	5 727
	TSG 1899 Hoffenheim	2 600	648	4 712	-	-	-	-	-	7 960
	SC Braga	2 600	1 944	1 405	500	-	-	-	-	6 449
	İstanbul Başakşehir F.K.	2 600	1 056	5 770	-	-	-	-	-	9 426
Group D	AEK Athens FC	2 600	1 308	4 816	500	-	-	-	-	9 224
	FK Austria Wien	2 600	648	1 054	-	-	-	-	-	4 302
	AC Milan	2 600	2 064	8 023	500	750	-	-	-	13 937
	HNK Rijeka	2 600	936	703	-	-	-	-	-	4 239
Group E	Olympique Lyonnais	2 600	1 764	6 477	500	750	-	-	-	12 091
	Atalanta BC	2 600	2 472	6 701	500	-	-	-	-	12 273
	Everton	2 600	528	10 989	-	-	-	-	-	14 117
	Apollon Limassol FC	2 600	360	604	-	-	-	-	-	3 564
Group F	FC Lokomotiv Moskva	2 600	2 064	2 531	500	750	-	-	-	8 445
	FC Zlín	2 600	240	543	-	-	-	-	-	3 383
	FC Sheriff	2 600	1 176	365	-	-	-	-	-	4 141
	F.C. København	2 600	1 476	3 159	500	-	-	-	-	7 735
Group G	FC Viktoria Plzeň	2 600	2 232	669	500	750	-	-	-	6 751
	Hapoel Beer-Sheva FC	2 600	528	490	-	-	-	-	-	3 618
	FC Lugano	2 600	1 224	804	-	-	-	-	-	4 628
	SC Fotbal Club FCSB	2 600	1 644	2 139	500	-	-	-	-	6 883
Group H	1. FC Köln	2 600	816	4 712	-	-	-	-	-	8 128
	FK Crvena Zvezda	2 600	1 476	592	500	-	-	-	-	5 168
	FC BATE Borisov	2 600	648	435	-	-	-	-	-	3 683
	Arsenal FC	2 600	2 352	28 978	500	750	1 000	1 600	-	37 780
Group I	FC Salzburg	2 600	2 184	2 239	500	750	1 000	1 600	-	10 873
	Olympique de Marseille	2 600	1 356	11 660	500	750	1 000	1 600	3 500	22 966
	Konyaspor	2 600	768	7 574	-	-	-	-	-	10 942
	Vitória SC	2 600	648	1 252	-	-	-	-	-	4 500
Group J	Athletic Club	2 600	2 064	5 426	500	750	-	-	-	11 340
	FC Zorya Luhansk	2 600	816	1 021	-	-	-	-	-	4 437
	Östersunds FK	2 600	1 764	1 756	500	-	-	-	-	6 620
	Hertha BSC Berlin	2 600	648	4 712	-	-	-	-	-	7 960

UEFA Europa League 2017/18 | distribution to clubs

€000

	Club	Association		Total
Group K	S.S. Lazio	ITA	<div></div>	17 250
	SV Zulte Waregem	BEL	<div></div>	5 088
	OGC Nice	FRA	<div></div>	10 078
	Vitesse	NED	<div></div>	7 474
Group L	Rosenborg BK	NOR	<div></div>	5 999
	FK Vardar	MKD	<div></div>	3 145
	Football Club Zenit	RUS	<div></div>	8 674
	Real Sociedad de Fútbol	ESP	<div></div>	9 584
Clubs from UCL	Borussia Dortmund	GER	<div></div>	3 388
	Club Atlético de Madrid	ESP	<div></div>	16 127
	FC Spartak Moskva	RUS	<div></div>	639
	Celtic FC	SCO	<div></div>	970
	SSC Napoli	ITA	<div></div>	1 220
	RB Leipzig	GER	<div></div>	5 955
	Sporting Clube de Portugal	POR	<div></div>	2 900
	PFC CSKA Moskva	RUS	<div></div>	2 952



UEFA Europa League 2017/18 | distribution to clubs

€000		Group matches			Knockout matches					Total
		Fixed amount	Bonus	Market pool	Round of 32	Round of 16	Quarter-finals	Semi-finals	Final	
Group K	S.S. Lazio	2 600	2 352	10 048	500	750	1 000	-	-	17 250
	SV Zulte Waregem	2 600	936	1 552	-	-	-	-	-	5 088
	OGC Nice	2 600	1 524	5 454	500	-	-	-	-	10 078
	Vitesse	2 600	648	4 226	-	-	-	-	-	7 474
Group L	Rosenborg BK	2 600	648	2 751	-	-	-	-	-	5 999
	FK Vardar	2 600	120	425	-	-	-	-	-	3 145
	Football Club Zenit	2 600	2 760	2 064	500	750	-	-	-	8 674
	Real Sociedad de Fútbol	2 600	1 932	4 552	500	-	-	-	-	9 584
Clubs from UCL	Borussia Dortmund	-	-	2 138	500	750	-	-	-	3 388
	Club Atlético de Madrid	-	-	5 777	500	750	1 000	1 600	6 500	16 127
	FC Spartak Moskva	-	-	139	500	-	-	-	-	639
	Celtic FC	-	-	470	500	-	-	-	-	970
	SSC Napoli	-	-	720	500	-	-	-	-	1 220
	RB Leipzig	-	-	3 705	500	750	1 000	-	-	5 955
	Sporting Clube de Portugal	-	-	650	500	750	1 000	-	-	2 900
	PFC CSKA Moskva	-	-	702	500	750	1 000	-	-	2 952
Total		124 800	62 664	188 319	16 000	12 000	8 000	6 400	10 000	428 183





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