CLUB LICENSING BENCHMARKING REPORT FINANCIAL YEAR 2011

11 selected findings

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UEFA Club Licensing Benchmarking Report FY2011

The 124 page report, the third annual report to be published on UEFA.com (4th February), is available in four languages and provides the broadest available profile of European domestic club football, including competition structures, attendances, coach and player contract profiles and club finances.

For the first time the benchmarking report includes a whole section on UEFA club competitions and the participating clubs, including analysis on where clubs' finances are in comparison to the impending financial fair play requirements. The report provides the widest and most complete financial health check of club football available, with the five year financial review sourced from over 3'000 detailed sets of financial statements, laying bare the strengths and weaknesses of club football finances across Europe.

11 SELECTED FINDINGS

1. European club **revenue growth of 3%** between 2010 and 2011 again outperforms the underlying European economic growth, underlining the largely recession-resistant nature of top division football across Europe;

2. The tough underlying economic conditions are only really noticeable within gate receipts (down 2.7% between 2010 and 2011), reflecting the flat 2010/11 attendances figures highlighted in last year's report. However we expect this trend to reverse as overall attendances have recovered in 2011/12 (**2.5% increase**) with **over 103 million people** attending top division domestic league matches in the 2011/12 season. Across Europe, 31 leagues reported increased attendances whilst 20 leagues reported decreases. In addition 13.4 million people attended UEFA club competition matches in 2011/12;

3. UEFA analysis demonstrates that little of the revenue boom of the last decade has been directed into longer term investments, with **fixed asset values** (stadium, training ground, equipment etc) of the 237 clubs competing in this season's UEFA competitions **totalling €4.8 billion**. This compares to the €6.9 billion spent on transfers of players currently on their books and the **€5.0 billion spent every year on wages and associated costs for these 237 clubs**;

4. UEFA club competitions contributed over €1 billion in prize and solidarity payments to participating clubs during the financial year 2011 and a further €340 million in gate receipts, which together represent **17% of total revenues** for these clubs;

5. A review of UEFA club competitions over the last decade highlights the healthy turnover of participating clubs with **578 different clubs** competing in the UEFA Champions league and/or Europa League/UEFA Cup. The most recent three year UEFA Champions League cycle (2009/10-2011/12) has featured 65 different teams in the group stages, a significant increase on the 53-55 clubs of the previous three cycles. **Only 10 clubs managed to qualify for the group stages in all three years, compared to 17 clubs in the previous cycle, highlighting the improved depth in participation**;

6. For all 700+ top division clubs, salaries and associated costs have **increased by 38% between 2007 and 2011**, far outpacing revenue growth of 24% during this period. **Combined employee and net transfer costs have increased from 62% of revenue to 71%**, making large increases in club losses inevitable;

7. **Club losses have ballooned from €0.6 billion in 2007 to a record €1.7 billion in 2011**. UEFA analysis indicates that the worsening results have been at all levels of the game and not just the widely reported high profile losses. Whilst the losses of the 10 largest loss making clubs increased by €260 million between 2007 and 2011, the results of clubs with losses ranked 11-30 deteriorated by €310 million, and other smaller loss-making clubs reported results €340 million worse in 2011 than 2007;

8. Transfer spending of top division clubs in the three most recently completed transfer windows (summer 2011, January 2012, summer 2012) of €4.8 billion is **14% below the peak transfer spend** of €5.6 billion (summer 2007, January 2008, summer 2008);

9. Analysis of the 50 largest transfers in the summer of 2012 indicates the **average contract period of high-value players to be 4.3** years. Elsewhere head coach turnover continues to be high with **55% of top division head coaches changing within the last 12 months**;

10. The first improvements from Financial Fair Play have been recorded with a **47% reduction in overdue transfer and employee payables** between the first assessment in June 2011 and the June 2012 assessment;

11. The latest three year Financial Fair Play simulation (2009, 2010 & 2011) indicates that **46 clubs** from **22 countries** would have been required to improve their balance sheet through equity contributions had the regulations already been in place during that period.