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# The untouchables
# Football Money League

Sports Business Group
February 2011

We expect a battle between Spain’s two superclubs for top spot in the Money League for the next few years at least

# Contents




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**February 2011**

# Welcome

Welcome to the 14th edition of the Deloitte Football Money League, in which we profile the highest earning clubs in the world's most popular sport. The Money League is published nine months after the end of the 2009/10 season, and is therefore the most contemporary and reliable analysis of clubs' relative financial performance.

There are a number of methods that can be used to determine clubs' relative size – including measures of fanbase, attendance, broadcast audience, or on-pitch success. Indeed the relative wealth of certain clubs' owners has filled many column inches in recent times. However, the Money League focuses on the clubs themselves, comparing revenue from day to day football operations which we believe is the best publicly available financial comparison.

Whilst last year's Money League, covering the 2008/09 season, showed football's top clubs' relative resistance during the early stages of the economic downturn, it wasn't until the 2009/10 season, which is the focus of this edition, that we expected to see the full impact on clubs.

We continued to assert that the game's top clubs would be well placed to meet these challenges given their large and loyal supporter bases, ability to drive broadcast audiences, and continuing attraction to corporate partners.

This was more than borne out by clubs' revenue performance in 2009/10. The combined revenues of the top 20 Money League clubs surpassed €4 billion for the first time, with a total of €4.3 billion being an 8% increase on the previous year. All bar three of the top 20 clubs achieved revenue growth in 2009/10.

The established large and loyal supporter bases and historic on-pitch success underpin the brand strength of football's top clubs. These characteristics mean that a handful of clubs continue to drive the highest revenues and populate the top positions within the Money League.

The same ten clubs populate the top ten places in the Money League for the second successive year, with the top six ranking identical to last year. Six of those top ten have been in our Money League top ten in each of the last ten years. Each of this year's top ten clubs has been in for at least eight of the last ten years and none has ever dropped below 13th in that period. This shows both the enduring strength of these clubs and the scale of the challenges to those aspiring to break into that elite group. Nonetheless, we expect to see one or two clubs make that step in the next year or two.

### Spanish one-two

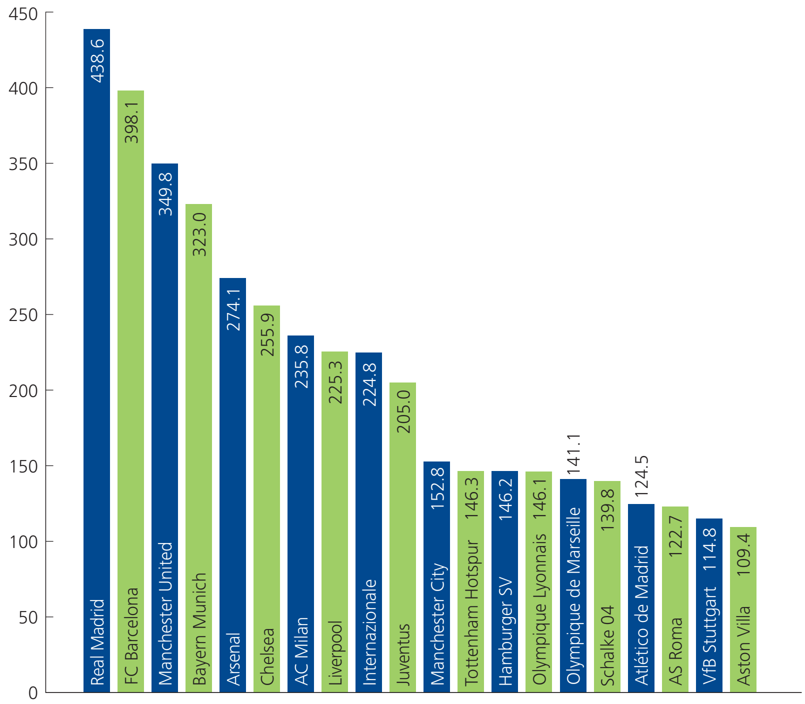
Congratulations to Real Madrid who head the Money League for the sixth successive year. Los Blancos will doubtless be confident that they can match Manchester United's eight year hegemony enjoyed from 1996/97, the first edition of the Money League, through to 2003/04.

FC Barcelona is placed second in the Money League completing a Spanish one-two for the second successive year. Whilst the Catalan club could not quite match its domestic double and UEFA Champions League winning season of 2008/09 in 2009/10, it retained the La Liga title and added the FIFA World Club Cup and UEFA Super Cup.

It is Barca's on-pitch success that has underpinned its revenue growth in recent years. Conversely, Real's recent revenue growth has been achieved despite relatively modest on-pitch performance by the club's own high standards, particularly in the Champions League.

The combined revenues of the top 20 Money League clubs surpassed €4 billion for the first time in 2009/10

**Chart 1: Total revenues 2009/10 (€m)**




Source: Deloitte analysis.

Whilst Real held a €40m revenue advantage over Barca in 2009/10, Barca's revenues should exceed €400m in the next edition of the Money League, particularly given the club's new shirt sponsorship deal with the Qatar Sports Investment Agency which will deliver revenue from 2010/11. Hence, we expect a battle between Spain's two Superclubs for top spot in the Money League for the next few years at least, with on-pitch performance likely to be a key driver.

### Promotion and relegation

Whilst Spanish clubs claim the top two spots in the Money League, England retains the largest representation from any single country, again with seven clubs. This strength in depth is driven by the scale and relatively even distribution of the Premier League's centrally negotiated broadcast monies and the success of English clubs in generating higher matchday revenues than their continental competitors.

## Fourteen of the top 20 clubs participated in the Champions League in 2009/10 with six clubs participating in the Europa League from the Group phase onwards

As in last year's edition, all of this year's 20 clubs are from the 'big five' European leagues with Germany and Italy contributing four clubs each, Spain three clubs, and France two clubs.

VfB Stuttgart and Aston Villa return to the top 20 after a one year and five year absence respectively. Atlético de Madrid's success in winning the reformatted and renamed UEFA Europa League, Europe's second tier clubs competition, allow it to claim 17th position, its highest position since the 12th place secured in our first edition of the Money League back in 1996/97.

Two German clubs, Werder Bremen and Borussia Dortmund, drop out of this year's top 20, continuing a recent trend of two or three clubs being relegated from the top 20 each year, with on-pitch performance and particularly participation, or a lack of it, in the Champions League being a key driver of a club's promotion or relegation from the top 20. Fourteen of the top 20 clubs participated in the Champions League in 2009/10 with six clubs participating in the Europa League from the Group phase onwards, four of whom parachuted in from the top-tier competition. Four clubs – Manchester City, Tottenham Hotspur, Schalke 04, and Aston Villa – didn't participate in any European competition from the group phase onwards.

# Inter's treble winning season – lifting the Scudetto, Coppa Italia, and Champions League – did not allow it to move up the Money League with the club retaining ninth position despite a €28m (14%) uplift in revenue

### Movers and shakers

So who are the biggest movers in this year's list? Manchester City has climbed the most places, up nine to eleventh position, even though the club did not participate in European competition. Whilst its revenue growth in 2009/10 has been due to commercial revenue increases, the club's owners will be hoping the heavy investment in the playing squad will translate into on-pitch success, particularly in qualifying for the Champions League. Should this be achieved, Manchester may join Milan and London in having two clubs in the Money League top ten in future editions.

Perhaps a more immediate challenger to the top ten is Tottenham Hotspur, who climb three places to 12th in this edition. The club's continued on-pitch improvement allowed it to finish fourth in the Premier League in 2009/10 and qualify for this season's Champions League. Whilst there is a gap of over €50m between them and tenth place Juventus, the revenue that Spurs will receive from participating in Europe's top clubs' competition in 2010/11 will provide a substantial boost. Juve's failure to qualify for the Champions League in 2010/11 will likely mean that it drops out of the top ten next year.

Perhaps surprisingly, Inter's treble winning season – lifting the Scudetto, Coppa Italia, and Champions League – did not allow it to move up the Money League with the club retaining ninth position despite a €28m (14%) uplift in revenue. The club is close behind Liverpool and its Milan neighbours, but its non mover status emphasises the challenges it, along with most Italian clubs, has in addressing matchday and commercial revenues.

Clubs from the 'big five' European leagues also occupy the vast majority of positions immediately below the top 20 as the table below shows.

| Club | Reported revenue €m |
|---|---|
| ACF Fiorentina | 106.4 |
| Borussia Dortmund | 105.2 |
| FC Girondins de Bordeaux | 102.8 |
| Sevilla CF | 99.6 |
| Valencia | 99.3 |
| Benfica | 98.2 |
| Everton | 96.6 |
| Werder Bremen | 96.5 |
| Napoli | 95.1 |
| Fulham | 94.2 |
| West Ham United | 87.6 |

### Moving forward

What can we expect in future years? New, bigger central overseas broadcast deals, from 2010/11 should allow English clubs to retain the highest representation in the Money League in forthcoming years.

Whilst Inter, AC Milan and Juventus retained top ten positions in this edition, and Serie A's return to collective selling from 2010/11 is an encouraging sign that Italian football is in the early stages of much needed reform, more action is necessary at an accelerated pace particularly in relation to stadia, if Italian clubs are not to lose further ground against their European peers. It is only five years since two Italian clubs, Juventus and AC Milan, claimed top five positions in the Money League.

The much discussed implementation of UEFA's Financial Fair Play Regulations from 2013/14 will not impact on clubs' revenue generation, with the key principle underlying the regulations being that clubs do not spend more than they earn. Indeed the regulations should help encourage clubs to identify and realise sustainable increased revenues.

In any event, in principle, it is logical to expect those clubs earning the most to be able to invest the most in their playing squads and this to translate into on-pitch success and hence a continued stasis amongst clubs in terms of the Money League rankings, particularly towards the top of the list.

In our previous publications, we have demonstrated that there is a strong correlation between a club's wage bill and on-pitch success, particularly within domestic competition. Indeed this year's Money League clubs have won 43 of the 50 domestic league titles available in the 'big five' countries over the past ten years. The link is less strong at European competition level although only one club from outside the Money League top ten – Porto in 2003/04 – has won the Champions League in the past ten years.

In the positions immediately below first place in domestic leagues, the all important European qualification places, there is more variability in clubs' finishing position although in general those clubs further up the Money League have been the most consistent qualifiers for the Champions League.

In future, we expect a continuation of the pattern of the top positions in the list being relatively resistant to movement of clubs, and two or three clubs dropping in and out of the top 20 rankings each year, largely due to on-pitch performance.

This year's Money League clubs have won 43 of the 50 domestic league titles available in the 'big five' countries over the past ten years

**Our focus this year**

In addition to our usual profiles of the top 20 clubs we include two feature articles in this year's publication. The first assesses each of the three key revenue streams, listing the top 20 clubs for each, whilst comparing and contrasting these lists with the overall top 20. With the return of Serie A to collective selling from 2010/11, Spain stands alone as the only 'big five' league to retain an individual selling regime, although discussions are currently taking place regarding the future distribution of broadcast revenues with the rights selling method potentially open for future discussion. Our second feature article therefore looks at the collective and individual sale of broadcast rights, the relative impact of each regime on clubs' revenue generating ability, and the impact on both domestic competition and the Money League.

The Deloitte Football Money League was compiled by Dan Jones, Austin Houlihan, Richard Battle, Adam Bull, Martyn Hawkins, Simon Hearne, Rich Parkes and Alexander Thorpe. Our thanks go to all those who have assisted us, inside and outside the Deloitte international network. We hope you enjoy this edition.

**Dan Jones, Partner**
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# How we did it

We have used the figure for total revenue extracted from the annual financial statements of the company or group in respect of each club, or other direct sources, for the 2009/10 season. In some cases, the annual financial statements do not cover a whole season, but are for the calendar year, in which case we have used the figures for the most recent calendar year available.

Revenue excludes player transfer fees, VAT and other sales related taxes. In a few cases we have made adjustments to total revenue figures to enable, in our view, a more meaningful comparison of the football business on a club by club basis. For instance, where information was available to us, significant non-football activities or capital transactions have been excluded from revenue.

Each club's financial information has been prepared on the basis of national accounting practice or International Financial Reporting Standards ("IFRS"). The financial results of some clubs have changed, or may in future change, due to the change in the basis of accounting practice. In some cases these changes may be significant.

Based on the information made available to us in respect of each club, to the extent possible, we have split revenue into three categories – being revenue derived from matchday, broadcast and commercial sources. Clubs are not wholly consistent with each other in the way they classify revenue. In some cases we have made reclassification adjustments to the disclosed figures to enable, in our view, a more meaningful comparison of the financial results.

Matchday revenue is largely derived from gate receipts (including season tickets and memberships). Broadcast revenue includes revenue from both domestic and international competitions. Commercial revenue includes sponsorships and merchandising revenues. For a more detailed analysis of the comparability of revenue generation between clubs, it would be necessary to obtain information not otherwise publicly available.

Some differences between clubs, or over time, will arise due to different commercial arrangements and how the transactions are recorded in the financial statements. Some differences between clubs, or over time, will arise due to different ways in which accounting practice is applied such that the same type of transaction might be recorded in different ways.

This publication contains a variety of information derived from publicly available or other direct sources, other than financial statements.

We have not performed any verification work or audited any of the information contained in the financial statements or other sources in respect of each club for the purpose of this publication.

For the purpose of the international comparisons, all figures for the 2009/10 season have been translated at 30 June 2010 exchange rates (£1 = €1.2214). Comparative figures have been extracted from previous editions of the Deloitte Football Money League.

There are many ways of examining the relative wealth or value of football clubs – and at Deloitte we have developed methodologies to help potential investors or sellers do just that. However, for an exercise such as this, there is insufficient public information to do that. Here – in the Deloitte Football Money League – we use revenue as the most easily available and comparable measure of financial wealth.

Based on the information made available to us, we have split revenue into three categories – matchday, broadcast and commercial sources

# Ups and downs

**2009/10 Revenue (€m)**

| | | | | |
|---|---|---|---|---|
| 1 | →← | 0 | Real Madrid | 438.6 |
| 2 | →← | 0 | FC Barcelona | 398.1 |
| 3 | →← | 0 | Manchester United | 349.8 |
| 4 | →← | 0 | Bayern Munich | 323.0 |
| 5 | →← | 0 | Arsenal | 274.1 |
| 6 | →← | 0 | Chelsea | 255.9 |
| 7 | ↑ | 3 | AC Milan | 235.8 |
| 8 | ↓ | 1 | Liverpool | 225.3 |
| 9 | →← | 0 | Internazionale | 224.8 |
| 10 | ↓ | 2 | Juventus | 205.0 |
| 11 | ↑ | 9 | Manchester City | 152.8 |
| 12 | ↑ | 3 | Tottenham Hotspur | 146.3 |
| 13 | ↓ | 2 | Hamburger SV | 146.2 |
| 14 | ↓ | 1 | Olympique Lyonnais | 146.1 |
| 15 | ↓ | 1 | Olympique de Marseille | 141.1 |
| 16 | →← | 0 | Schalke 04 | 139.8 |
| 17 | ↑ | 1 | Atlético de Madrid | 124.5 |
| 18 | ↓ | 6 | AS Roma | 122.7 |
| 19 | n/a | new | VfB Stuttgart | 114.8 |
| 20 | n/a | new | Aston Villa | 109.4 |

**2008/09 Revenue (€m)**

| | | | | |
|---|---|---|---|---|
| 1 | →← | 0 | Real Madrid | 401.4 |
| 2 | ↑ | 1 | FC Barcelona | 365.9 |
| 3 | ↓ | 1 | Manchester United | 327.0 |
| 4 | →← | 0 | Bayern Munich | 289.5 |
| 5 | ↑ | 1 | Arsenal | 263.0 |
| 6 | ↓ | 1 | Chelsea | 242.3 |
| 7 | ↑ | 1 | Liverpool | 217.0 |
| 8 | ↑ | 3 | Juventus | 203.2 |
| 9 | ↑ | 1 | Internazionale | 196.5 |
| 10 | ↓ | 3 | AC Milan | 196.5 |
| 11 | ↑ | 4 | Hamburger SV | 146.7 |
| 12 | ↓ | 3 | AS Roma | 146.4 |
| 13 | ↓ | 1 | Olympique Lyonnais | 139.6 |
| 14 | ↑ | 2 | Olympique de Marseille | 133.2 |
| 15 | ↓ | 1 | Tottenham Hotspur | 132.7 |
| 16 | ↓ | 3 | Schalke 04 | 124.5 |
| 17 | n/a | new | Werder Bremen | 114.7 |
| 18 | n/a | new | Atlético de Madrid | 105.0 |
| 19 | ↑ | 1 | Borussia Dortmund | 103.5 |
| 20 | n/a | new | Manchester City | 102.2 |

- Position in Football Money League
- Change on previous year
- Number of positions changed


adidas
bwin.com
RMCF

# 1. Real Madrid

**€438.6m** (£359.1m)

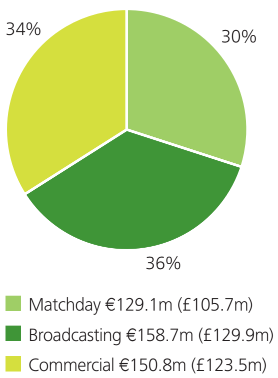
**2009 Revenue** €401.4m (£341.9m)
**2009 Position** (1)

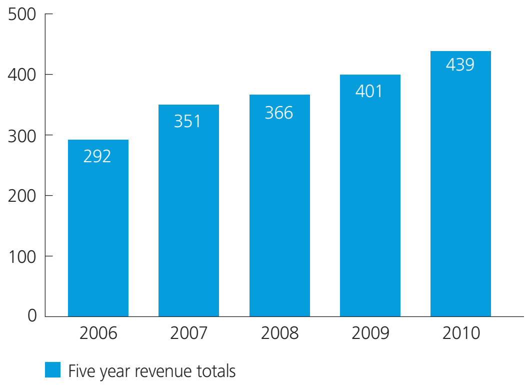
Revenues of €438.6m (£359.1m) cement Los Blancos' position at the top of the Money League for the sixth consecutive year. Real remains the only club to surpass €400m in revenue, doing so for the second successive season. Whilst the 2009/10 season saw Real Madrid again outperformed on the pitch by Barcelona, who beat them to the league title for a second successive year, in revenue terms Real Madrid were over €40m (£33m) ahead of their Spanish rivals.

Broadcasting revenue of €158.7m (£129.9m) was consistent with the previous season (falling by only 1%), underpinned by the club's broadcast rights contract with Mediapro. This contract, combined with certain others guarantees the club more than €1.1 billion up to 2013/14. Exiting the UEFA Champions League at the Round of 16 meant Real Madrid earned €26.8m (£21.9m), €22m (£18m) less than the tournament winners, Inter Milan. La Liga clubs are currently discussing proposals for a more equal revenue distribution mechanism from domestic competition broadcast rights, although Real and Barca will seek to at least protect current revenue levels which provide a key advantage over their European peers. To put this into context, Real's broadcasting revenue is higher than the total revenue of half of the Money League clubs.

## Los Merengues will need their star player signings of 2009 to justify their transfer value on the pitch both domestically and in the Champions League in order to maximise its revenues

**Real Madrid: Revenue sources and percentages (€m)**




Real reported an €11.6m (8%) increase in commercial revenue to €150.8m (£123.5m). As a result Real and Bayern Munich are the only two clubs that generated over €150m from this source. Real's shirt front deal with Bwin runs until 2012/13 and reportedly generates between €15m (£12.3m) and €20m (£16.4m) per season. Adidas will continue as kit sponsor until 2011/12. Other partnerships, including with Audi, Coca-Cola and Spanish beer brand Mahou also contributed to commercial income in 2009/10, with Saudi Arabian telecoms company STC signing a three year deal starting from 2010/11.

Matchday revenues grew by a remarkable €27.7m (27%) to €129.1m (£105.7m). One driver of this growth was the hosting of the Champions League final in 2010 at the Santiago Bernabéu in front of a crowd of 75,000. Real Madrid also achieved matchday revenue increases at other matches owing to increased attendances, memberships and prices. Real has reconfigured certain areas within the Bernabéu in recent years in order to grow corporate hospitality revenues.

In the coming years, particularly as UEFA's Financial Fair Play rules take effect, Real Madrid's revenue prowess should, in theory, translate into a competitive advantage on the pitch. In the short term, Los Merengues will need their star player signings of 2009 to justify their transfer value on the pitch both domestically and in the Champions League in order to maximise its revenues and keep ahead of great rivals Barcelona in the Money League.

# 2. FC Barcelona

**€398.1m** (£325.9m)

**2009 Revenue** €365.9m (£311.7m)
**2009 Position** (2)

Barcelona's unprecedented on-pitch success in 2008/09 was continued into 2009/10, a season in which the club won La Liga and the Spanish Supercopa. This was complemented by reaching the semi-final of the UEFA Champions League and being crowned FIFA Club World Cup champions in December 2009.

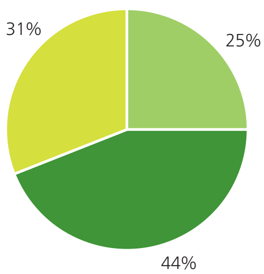
Despite the strengthening of Sterling against the Euro between 2008/09 and 2009/10, Barcelona have consolidated their 2nd placed position in the Football Money League, increasing their lead over Manchester United from €38.9m in 2008/09 to €48.3m (£39.5m). In 2009/10, revenue grew across all three categories with total revenue increasing by 9% to €398.1m.

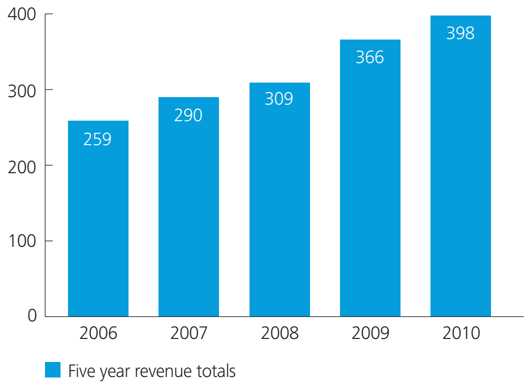
Less successful Copa del Rey and Champions League campaigns saw the number of home matches at the Nou Camp reduce from 30 in 2008/09 to 27 in 2009/10. Even so, matchday revenue increased slightly by €2.3m (2%) to €97.8m, with Barcelona generating the 4th highest matchday revenues amongst Money League clubs. A small increase in matchday revenue in 2010/11 will likely enable Barcelona to join Real Madrid in generating over €100m across each of the three revenue streams. Manchester United will also potentially achieve this in 2010/11.

Broadcast revenues increased by €19.7m (12%) to €178.1m with a rise in Champions League central distributions of €8.1m, particularly driven by higher market pool payments to Spanish clubs, contributing to this increase. The club also signed a new individual broadcast contract with Mediapro in 2010, with improved financial terms, which runs until 2014.

2009/10 saw a healthy increase in commercial revenue of €10.2m (9%) to €122.2m. Following the arrival of new President Sandro Rosell in June 2010, the club entered into a multi-year main shirtfront sponsorship deal for the first time in its history. The new administration has attributed this decision to the need to to tackle the club's debt. The five and a half season deal with Qatar Sports Investment worth a guaranteed minimum of €165m (£135m) is the highest of any reported shirt sponsorship deal and will see the Qatar

**FC Barcelona: Revenue sources and percentages (€m)**



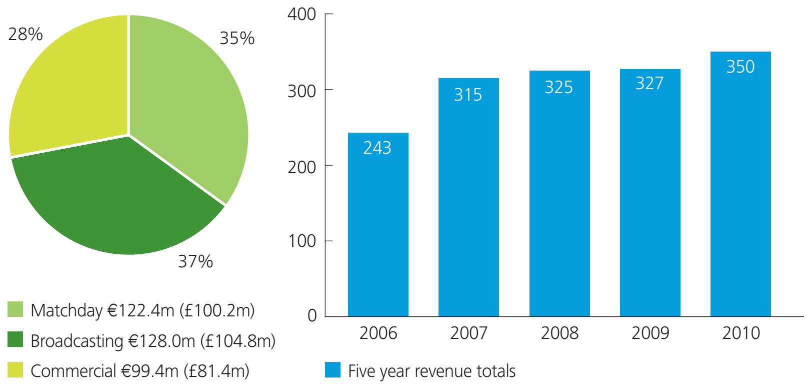




Foundation logo on the Blaugrana's shirt from the start of the 2011/12 season through to the end of the 2015/16 season. Part of the new administration's strategy will look to build on Barca's on-pitch success and the strength of its brand in order to increase commercial revenue.

If Barcelona can sustain their remarkable on-pitch success of recent seasons and continue to translate this into revenue growth then they will challenge their great rivals for top position in the Money League in future editions.

# 3. Manchester United

**Manchester United: Revenue sources and percentages (€m)**




| **€349.8m** (£286.4m) | **2009 Revenue** €327.0m (£278.5m) **2009 Position** (3) |
|---|---|

Manchester United retains third place in the Money League after a season in which the club experienced mixed fortunes on the pitch. Victory in the League Cup for a second successive season and a second placed Premier League finish were tempered by comparatively disappointing FA Cup and UEFA Champions League campaigns.

Overall revenue grew by £7.9m (3%) to £286.4m (€349.8m) with the club's fortunes on the pitch mirrored by mixed performance across the three revenue categories. A decrease in matchday revenue was more than offset by growth in both broadcasting and most significantly, commercial revenues. Despite favourable fluctuations in the Sterling exchange rate, Barcelona increased the gap between second and third spot in the Money League by €9.4m to €48.3m.

Elimination in the Champion's League at the quarter-final stage and an early exit from the FA Cup resulted in fewer home games (28 versus 30 in 2008/09) and a decrease of £8.6m (8%) in matchday revenue to £100.2m. However, the Red Devils still generate revenues per home match of £3.6m (€4.4m). Despite a c.5% decrease in season ticket renewal ahead of the 2010/11 season, average league match attendances have to date remained broadly consistent with previous years.

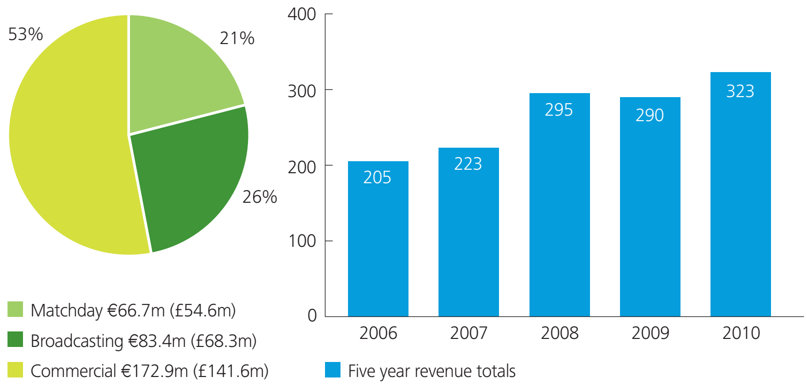
The new cycle of Champions League broadcast and commercial contracts, with improved values, meant that despite a less successful run in the competition, the club's distribution actually rose by €7.5m (20%) to €45.8m. This was the principal driver of overall broadcasting revenue growth, which increased by £5.1m (5%) in 2009/10.

The club's commercial activities saw the most significant revenue growth over the year, increasing by £11.4m (16%) to £81.4m. United have built on the commercial success of previous years with the addition of several new commercial partners which boosted revenues in 2009/10 including deals with Turkish Airlines, Betfair and several telecommunications companies. The increased value of the club's new shirt sponsorship deal with Aon Corporation which came into effect for the 2010/11 season will boost United's commercial revenue further, as will additional commercial deals including those with Singha, Thomas Cook, Epson and Vina Concha y Toro.

As predicted in last year's Money League, despite a favourable move in the Sterling exchange rate, the gap between United and its Spanish rivals has increased. Manchester United's revenue performance this year emphasises that only the most successful on-pitch performance, particularly in the Champions League, along with continued growth in commercial revenues and a stronger Sterling will enable the club to catch the two Spanish clubs.

# 4. Bayern Munich

**Bayern Munich: Revenue sources and percentages (€m)**




| **€323.0m** (£264.5m) | **2009 Revenue** €289.5m (£246.6m) **2009 Position** (4) |
|---|---|

A domestic league and cup double and their first UEFA Champions League final since 2001 helped Bayern Munich to generate total revenue of €323m (£264.5m), up by €33.5m (12%) on 2008/09, and secure fourth place in the Money League for the third consecutive year. The Bavarians have closed the gap on Manchester United in third spot to €26.8m, a reduction of €10.7m since 2008/09. However, given that Bayern's almost perfect season coincided with United's worst run in the Champions League for four years and that the Red Devils will grow broadcast and commercial revenues again in 2010/11 it remains a significant challenge for Bayern to break into the top three for the first time since the 2001/02 season.

Bayern's revenue exceeded €300m for the first time in 2009/10 with growth across all three revenue streams. The largest rise was in broadcast revenue which increased by €13.8m (20%) on the 2008/09 figure to reach €83.4m (£68.3m) in 2009/10. Finishing runner-up in the Champions League to Internazionale earned Bayern central UEFA distributions of €44.9m, an increase of €10.3m on 2008/09, the third highest of all the Money League clubs after Internazionale and Manchester United. However, the value of these deals remains significantly lower than its European rivals due to the limited development of the German Pay-TV market compared to the other 'big five' European countries.

As in previous years, commercial revenue is the club's real strength, accounting for over half of total revenue. The €172.9m (£141.6m) generated from commercial activities in 2009/10, an increase of €13.6m (9%) on the previous year, is the highest of any of the Money League clubs and remains more than €20m higher than the next best, €150.8m (£123.5m), achieved by Real Madrid.

The club's on-pitch success during 2009/10 is likely to have contributed to this growth by triggering performance bonuses attached to their sponsorship deals.

The progress of Louis van Gaal's men to domestic and European cup finals led to the club playing 25 home matches during 2009/10 as compared with 23 in 2008/09. This, combined with a season of largely selling out the 69,000 capacity Allianz Arena, has seen Bayern's matchday revenue increase by €6.1m (10%) in 2009/10 to €66.7m (£54.6m). These increased revenues have facilitated the club's ability to pay off a large portion of the stadium debt; within six years of the stadium opening the club will reportedly have paid off €176m.

Despite an indifferent first half of the 2010/11 domestic season Bayern have successfully qualified for the knockout stages of the Champions League, which is vital if they are to keep clear distance between themselves and the chasing pack and make up further ground on the Money League's top three.

# 5. Arsenal

**€274.1m** (£224.4m)

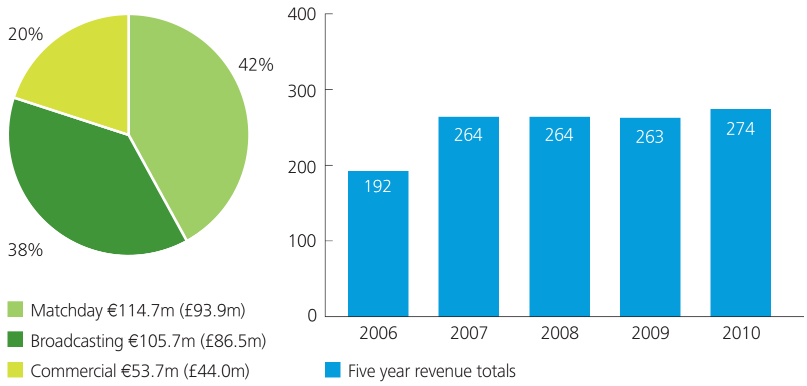
**2009 Revenue** €263.0m (£224.0m)
**2009 Position** (5)

Arsenal retain fifth place in the Money League, posting core football revenues of £224.4m (€274.1m) to maintain their position as the second highest ranking English club in the Money League. Whilst football revenues remained flat overall, the club also earned a further £157m (€192m) from property development.

The financial benefits derived from the Emirates stadium are regularly acclaimed. In 2009/10 the club consistently achieved its now customary capacity attendances, averaging 59,765 for home league games, though five fewer home matches (27) were played than in 2008/09, contributing to the 6% fall in matchday revenue from £100.1m (€117.5m) to £93.9m (€114.7m). Four fewer home games were played in domestic cup ties. But on a positive note, matchday revenue per match rose from £3.1m (€3.7m) to £3.5m (€4.2m) implying that if the club performs well in future cup competitions substantial matchday revenue increases will follow.

Broadcast revenues increased by 14% in 2009/10, to £86.5m (€105.7m), up from £75.8m (€89.0m) in the previous season. This uplift is partly attributed to higher distributions from the Premier League, which contributed £51.7m (€63.1m), as the team finished third in the league rather than fourth, as in 2008/09. And whilst in 2009/10 Arsenal fell one round short of reaching the semi-final of the Champions League (as in the previous season), distributions from UEFA rose from €26.8m (£22.8m) to €33.4m (£27.3m), driven by the

**Arsenal: Revenue sources and percentages (€m)**




overall increase in value of UEFA's new broadcasting and commercial contracts for the competition.

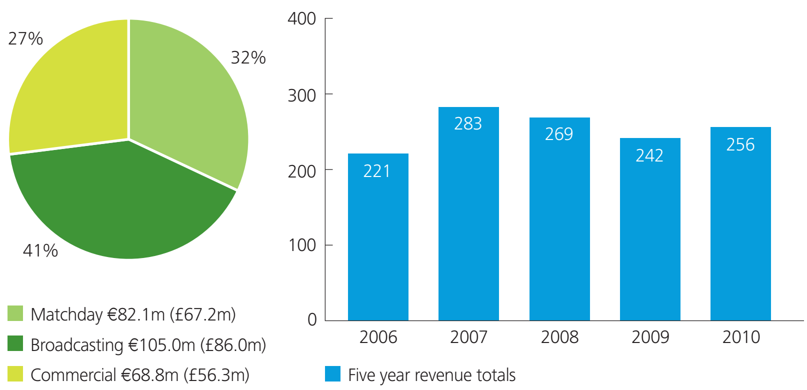
In previous years we have noted how, in terms of commercial revenues, Arsenal lagged behind other elite European clubs. This remained the case in 2009/10, when commercial revenues reduced by £4.1m (9%) to £44.0m (€53.7m). The decrease can be attributed to a mixture of the economic climate, the lower number of home games which resulted in lower merchandising and catering revenues, and less successful Champions League and FA Cup campaigns meant lower revenues were generated from some sponsorship contracts.

Emirates hold stadium naming rights under a long term deal worth a reported £90m (€110m) extending to 2020/21, which also includes shirt front sponsorship rights until 2013/14. The club's kit deal with Nike has also been extended, and improved, to run for a further three years to 2013/14. Bound by such long-running partnerships, it may be that substantial increases in commercial revenues are not achievable in the short term, although the club renewed its secondary sponsorship deal with Lucozade Sport and secured Thomson Sport as its new travel agency partner in 2010.

Arsenal is committed to its mission of financial self sufficiency and has a strong and stable business model. Its investment in its stadium has provided the business with a solid foundation. In the longer term, if its strategy of pursuing international commercial development is successful, it could provide The Gunners with a financial strength matched by few clubs.

# 6. Chelsea

**Chelsea: Revenue sources and percentages (€m)**




**€255.9m**
(£209.5m)

**2009 Revenue** €242.3m (£206.4m)
**2009 Position** (6)

The arrival of Carlo Ancelotti as manager in the summer of 2009 after a period of managerial turbulence was immediately followed by significant on-pitch success. The club won the Premier League to end Manchester United's three year reign as champions, with the league title complemented by retaining the FA Cup and in doing so, securing for the club its first League and Cup double. However, domestic achievement contrasted with a disappointing UEFA Champions League campaign that saw Chelsea eliminated in the first knockout round by their former manager José Mourinho's Internazionale.

The club achieved less success in terms of revenue growth, with total revenue growing by only £3.1m (2%) to £209.5m, preventing the club from regaining their place in the top five (which was lost to Arsenal last year). As with Manchester United, a decline in matchday revenue was offset by increases in broadcast and commercial revenue.

Over the year, commercial revenue grew by £3.5m (7%) to £56.3m (€68.8m). The long term, high value shirt front (Samsung) and kit (adidas) deals were complemented by new partnerships, such as that with 188Bet. The security of the club's main partner deals as well as the continued growth of its sponsorship portfolio through recent deals such as those with Singha and Lucozade, provides a platform for the club to achieve further growth in future years.

For the first time since Roman Abramovich's acquisition of the club Chelsea's matchday revenue fell, by £7.3m (10%), in part due to the club's disappointing Champions League campaign resulting in two fewer home fixtures in the competition. Although average home league attendances remained very strong at 99% of capacity (41,422), limited stadium capacity restricted Chelsea to the lower half of the top 20 in terms of average attendance amongst the Money League clubs. Despite this the club still generated the fifth highest matchday revenue with £67.2m (€82.1m) at an average of £2.4m per game.

Despite a less successful European campaign, the increased Premier League and UEFA Champions League distributions, up £5.1m to £52.8m (€64.5m) and €1.3m (£1.1m) to €32.2m (£26.5m) respectively, contributed to an increase in total broadcasting revenues of £6.9m (9%) to £86m (€105m).

Consistent on-pitch success, both domestically and in Europe, coupled with further commercial revenue gains are likely to be key to revenue growth in the short term. However, the limited capacity of Stamford Bridge, and the limitation this places on matchday revenues will make it challenging for Chelsea to return to the top five in the Money League in the near future.

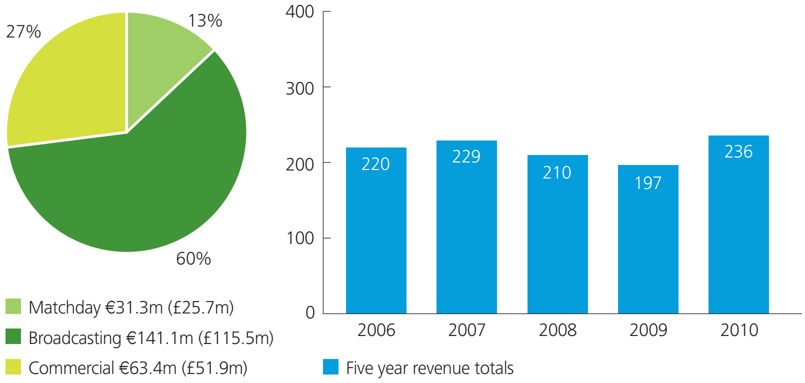
# 7. AC Milan

| **€235.8m** (£193.1m) | **2009 Revenue** €196.5m (£167.4m) **2009 Position** (10) |
|---|---|

The return to UEFA Champions League football in 2009/10 helped AC Milan climb three places to seventh in the Money League with record revenues of €235.8m (£193.1m), up €39.3m (20%) on 2008/09. This climb in the rankings included overtaking city rivals Inter, despite the Nerazzurri's on-pitch dominance in 2009/10.

Reaching the Champions League's Round of 16 earned the club €23.8m in UEFA central distributions, dwarfing the €0.4m they received during their 2008/09 UEFA Cup run. This, combined with revenue from archive rights and option payments, drove a €42.1m (43%) increase in broadcast revenue in 2009/10. Milan boast the third highest broadcast revenue in this year's Money League with €141.1m (£115.5m). However, the club faces a struggle to maintain or increase this in the next edition of the Money League, given the introduction of collective selling of Serie A broadcast rights from 2010/11 and a more equal distribution of revenues amongst Italian clubs.


**AC Milan: Revenue sources and percentages (€m)**




Despite finishing third in Serie A and competing in the Champions League, Milan's matchday revenue fell by €2.1m (6%) to €31.3m (£25.7m) in 2009/10 and accounted for only 13% of total revenue. A 16,900 decrease on 2008/09's average league attendance of 59,700 has left Milan's matchday revenue, with the exception of Juventus, as the lowest of the top ten clubs in the Money League and lower than that achieved by some clubs who did not make it into the Money League's Top 20. Plans to renovate the San Siro as part of Italy's bid for UEFA Euro 2016 may have provided the platform to boost matchday revenue, but since France were chosen to host the tournament these plans are less certain, although redevelopment is much needed.

The Rossoneri's commercial revenue decreased by €0.7m (1%) to €63.4m (£51.9m) in 2009/10. The club's shirt sponsorship deal with Bwin, reportedly worth an average of €12m per season, expired at the end of the 2009/10 season and has been replaced by a five year deal with Emirates worth a similar €60m (£49m). This contract, combined with a kit deal with adidas until 2016/17 and Champions League qualification, will help Milan to generate strong commercial revenues in 2010/11.

As noted, the club faces long term structural challenges in matchday and broadcast revenue. In the short-term, the club's performance both domestically and in the Champions League under new manager Massimiliano Allegri will be the key determinant of how high they finish in next year's Money League.

# 8. Liverpool

**€225.3m** (£184.5m)

**2009 Revenue** €217.0m (£184.8m)
**2009 Position** (7)

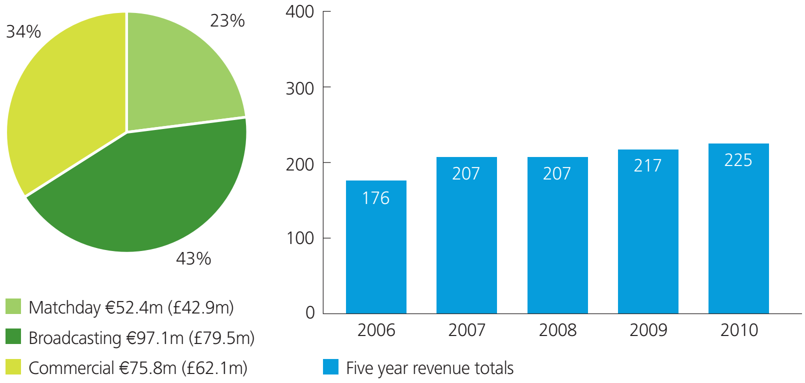
Liverpool slip one place to eighth position with revenues of £184.5m (€225.3m) in 2009/10. As is the case on the pitch, they are likely to face strong competition from Manchester City, who are the highest climbers up this year's Money League under their Middle Eastern owners, and Tottenham Hotspur who have qualified for the UEFA Champions League for the first time, for a top four position among English clubs in the Money League next year. The strategy of the Merseyside club's new North American owners, New England Sports Ventures (NESV), will be central to re-establishing and sustaining the club's on and off pitch success.

Matchday revenue of £42.9m (€52.4m) in 2009/10 was slightly up (by £0.4m) on the previous year despite a 2% drop in average home league attendance to 42,863 following a less successful Premier League campaign. 27 home games were played in both seasons, with matchday revenue per match of £1.6m consistent with the previous season (although this followed a 23% rise from £1.3m between 2007/08 and 2008/09).

Broadcasting revenue increased by £4.9m (7%) to £79.5m (€97.2m) from £74.6m (€87.6m) in 2008/09, driven by an uplift in UEFA distributions, as a seventh place finish in the Premier League provided £48.0m (€58.6m), £2.3m lower than in 2008/09 when the club finished second. Although Liverpool exited the Champions League at the Group stage, they received €5.7m (£4.7m) more in central distributions than in the previous season, when they reached the quarter-final, and a further €3m (£2.5m) as a result of parachuting into the Europa League and reaching the semi-final. However, not qualifying for the Champions League in 2010/11 means the club will receive significantly lower distributions from UEFA.

The increase in broadcast revenue was offset by a £5.6m decrease in commercial revenues, from £67.7m (€79.5m) to £62.0m (€75.9m). This reduction is attributed to reduced royalties and merchandising income. However Liverpool's 2010/11 commercial revenues will be boosted by the new four year deal with Standard Chartered Bank, providing a reported £20m per season – £12.5m more per annum than under the previous agreement with Carlsberg. Whilst adidas will continue as the club's kit provider until the end of the 2011/12 season, NESV will be hoping to bring their experience from baseball to help Liverpool generate further commercial revenues from global sources.

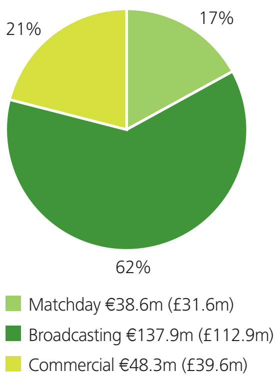
**Liverpool: Revenue sources and percentages (€m)**

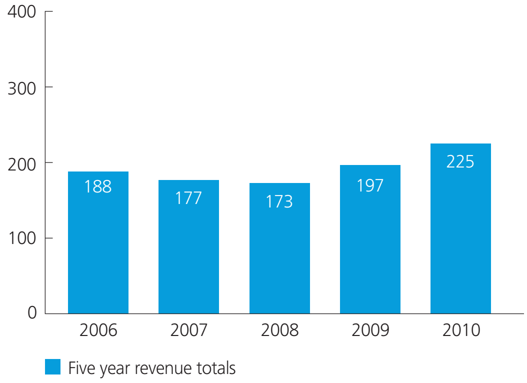



Since they acquired the club in October 2010, the new owners have spent time 'taking stock' and have yet to appoint a new CEO, although they were active in the January 2011 transfer window. Plans for a new stadium are also being considered, which, if the business case for construction is proven, will be the most sustainable way for Liverpool to achieve further significant revenue increases in the coming years. In the meantime, an improvement in on-pitch performance is essential for the club to remain securely in the top half of the Money League.

# 9. Internazionale

**Internazionale: Revenue sources and percentages (€m)**




| **€224.8m** (£184.1m) | **2009 Revenue** €196.5m (£167.4m) **2009 Position** (9) |
|---|---|

Despite growing revenue by €28.3m (14%) to €224.8m (£184.1m) and winning every competition that they entered in 2009/10, Internazionale remain in ninth place in the Money League. Whilst the increase in revenue saw Inter surpass their compatriots Juventus and close the gap on Liverpool in eighth position to less than €1m, the Nerrazzurri will be most disappointed in being overtaken by their city rivals AC Milan.

On the pitch, Inter, under the management of the self-proclaimed 'Special One', created history during 2009/10 becoming the first Italian side to win the Scudetto, the Coppa Italia and the UEFA Champions League in a single season.

This success generated matchday revenue of €38.6m (£31.6m), a €10.4m (37%) increase on 2008/09, the highest of all the Italian clubs, yet still only the twelfth highest overall. Matchday revenue still only accounts for 17% of the club's total revenue and will need to be grown further if Inter are to climb higher in the Money League. Plans were announced to redevelop the San Siro as part of Italy's UEFA Euro 2016 bid, however as the bid was unsuccessful it remains to be seen if the renovation plans will still go ahead.

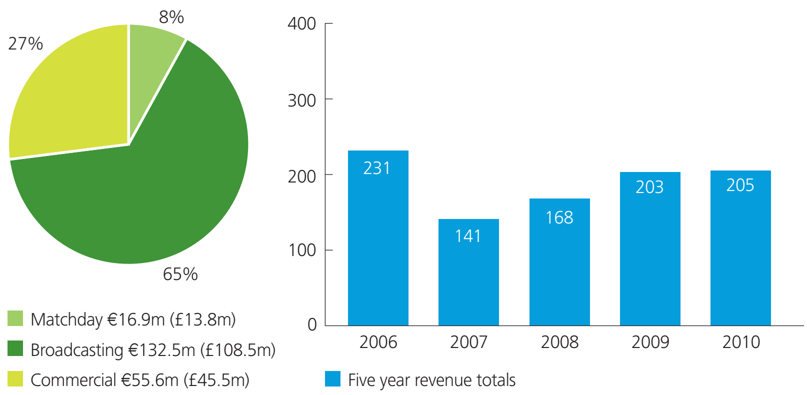
Inter's 2009/10 broadcast revenue increased by €22.2m (19%) on 2008/09 largely owing to the victorious Champions League campaign, which earned the club €48.8m in UEFA central distributions, compared to €28.3m in 2008/09. The €137.9m (£112.9m) of broadcast revenue generated in 2009/10 is the fourth highest amongst Money League clubs, only bettered by the Spanish giants, Barcelona and Real Madrid, and their city rivals AC Milan. As with their neighbours, Inter will face challenges in maintaining this level in 2010/11 given the return to collective selling of Serie A broadcast rights.

Commercial revenue in 2009/10 decreased by €4.3m (8%) to €48.3m (£39.6m) owing to a reduction in both the revenue received from the club's kit supplier, Nike, and the value received from general club sponsors, partially offset by a €3.8m increase in the club's shirt sponsorship deal with Pirelli. Despite the €13.1m and €13.8m received from Pirelli and Nike respectively, Inter's 2009/10 commercial revenue was only fourteenth highest amongst Money League clubs.

In 2010/11 Inter have already added the Italian Supercup and the FIFA World Club Cup to their bulging trophy cabinet, but the departure of new manager Rafael Benitez after just six months in charge and a disappointing first half of the domestic season leaves the club with plenty to do if it is to emulate its achievements of 2009/10 and climb higher in next year's Money League.

# 10. Juventus


**Juventus: Revenue sources and percentages (€m)**




**€205.0m** (£167.8m)

**2009 Revenue** €203.2m (£173.1m)
**2009 Position** (8)

Reporting flat revenues in 2009/10, Juventus drop two places to tenth position in the Money League. Despite a second consecutive season in the UEFA Champions League, after a two year absence, the club lost its place as the highest revenue generating Italian club falling behind both Milan based clubs.

In spite of playing two fewer home games (25) at the Stadio Olimpico in 2009/10, matchday revenues nudged upward to €16.9m (£13.8m). Average league attendances were up 4%, rising to 23,186 following Juve's second place league finishing position in the previous season. Ticket price increases contributed to the improvement in matchday revenue per match to €0.7m, but Juventus' matchday revenues remain the weakest element of their business and they still only account for only 8% of total revenue.

However, by 2011/12 Juve expect to be playing in their new 40,000 capacity stadium, which will assist them to increase matchday revenues considerably. The new stadium will also provide enhanced opportunities to boost non matchday revenues from events.

Commercial revenue increased marginally by €1.3m (2%) to €55.6m (£45.5m) in 2009/10. Following the expiry of its shirt front sponsorship deal with New Holland Group, Juventus decided on a dual shirt front sponsorship strategy. Sports betting company BetClic will sponsor the home jersey with Italian confectioner Balocco sponsoring the second jersey. The BetClic deal is reportedly worth at least €15m (£12.3m) in total over the two seasons to 2011/12, whilst the kit deal with Nike extends to 2015/16, delivering at least €12.4m (£10.2m) per season. Juve has partially funded the new stadium's €105m (£86m) construction cost through the sale of adjacent commercial land and through a commercial partnership with Sportfive, covering the exploitation of stadium naming rights and corporate facilities at the new facility, worth a minimum of €75m (£61.4m) over a 12 year period.

Juve benefitted from €22.2m (£18.2m) of UEFA central distributions, finishing third in the Group stage of the UEFA Champions League, before being parachuted into the Europa League. At €132.5m (£108.5m) their total broadcasting income remained almost unchanged from the previous season. 2009/10 was also the final year of the club's €100m+ per annum broadcasting contract with Mediaset before Serie A returns to a collective basis of selling broadcast rights in 2010/11.

Finishing seventh in Serie A brought the disappointment of no Champions League football in 2010/11. This is compounded by the negative revenue impact collective rights selling is anticipated to bring Juventus, at least in the short term. We therefore expect Juve to be out of the top ten in next year's Money League. The club will need on-pitch success including qualification for the Champions League to regain a top ten place.

# 11. Manchester City

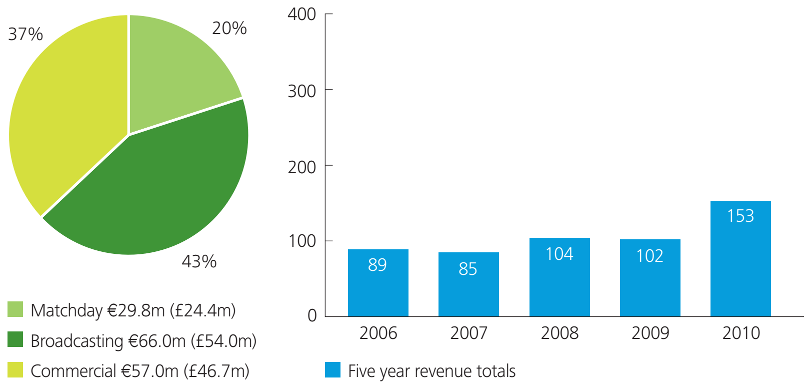
**€152.8m**
(£125.1m)

**2009 Revenue** €102.2m (£87.0m)
**2009 Position** (20)

Manchester City are the biggest climbers in this year's Money League, moving up nine places from 20th to 11th. Under the ownership of the Abu Dhabi United Group, significant investment in the playing squad translated into a fifth placed finish in the Premier League, the club's highest since the league began. As a result, the club recorded its highest ever revenues, with an increase of £38.1m (44%) to £125.1m (€152.8m).

Commercial revenue more than doubled to £46.7m (€57.0m) and was the principal driver of the club's overall revenue growth. 2009/10 was the first year of improved shirt sponsorship and kit supply deals with Etihad Airways and Umbro respectively. The new Umbro deal facilitated merchandising revenue growth of 60% to £7.9m (€9.6m). The club has focused on expanding its commercial partnership portfolio, revenue from which grew five fold in 2009/10, including deals with the Abu Dhabi Tourism Authority, Etisalat, and Aabar all of which are based in the Middle East. Further growth in this area is anticipated in 2010/11 as a result of additional deals, including those with Heineken and Jaguar.

**Manchester City: Revenue sources and percentages (€m)**



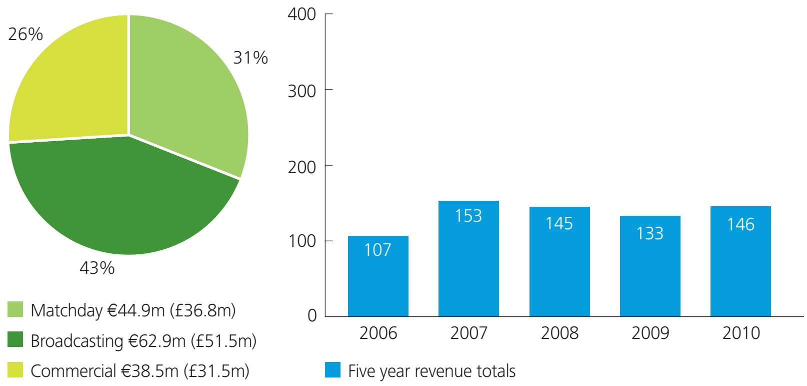

Manchester City's matchday revenue grew in the year by £3.6m (17%) to £24.4m. This was in spite of the club having missed out on European qualification and thus the number of home matches decreasing from 28 to 24 in 2009/10. The reduction in the number of European competition home matches was partially offset by successful and lucrative domestic cup campaigns, including reaching the semi-final of the League Cup and the fifth round of the FA Cup. Matchday revenue was also driven by increased average league home match attendances, with a 6% increase to 45,512 (c.95% of capacity).

Despite receiving no European broadcast revenue, the club's improved performance in the Premier League and an increase in the number of live televised games, accounted for broadcasting revenue growing by £5.8m (12%) to £54.0m. Premier League central distributions for the year were £49.6m, an increase of £9.5m (24%) on 2008/09, which was supplemented by broadcast revenues from domestic cup campaigns.

City have raced to a record 11th position in the Money League. The seemingly substantial gap (€52.3m) between 10th (Juventus) and 11th looks bridgeable over the next couple of years, particularly given the issues faced by Juventus and Liverpool, although Premier League rivals Tottenham Hotspur will also be pushing for a top ten position in the immediate future. Crucial to the next step up will be whether the heavy investment in the playing squad is matched by on-pitch success, both domestically and, more importantly in revenue terms, through qualification for the UEFA Champions League.

# 12. Tottenham Hotspur

**Tottenham Hotspur: Revenue sources and percentages (€m)**




| | |
|---|---|
| **€146.3m** (£119.8m) | **2009 Revenue** €132.7m (£113.0m) **2009 Position** (15) |

Tottenham Hotspur move three places up the Money League to 12th after posting record revenue, in Sterling terms, of £119.8m (€146.3m), an increase of £6.8m (6%) from 2008/09. Increases in broadcast (£6.7m) and commercial (£2.8m) revenue were partially offset by a decrease in matchday income (£2.7m) that resulted from the club playing two fewer home games in 2009/10 than the previous season.

Spurs' strong on-pitch performance secured them a fourth place finish in the Premier League and allowed them to qualify, via a play-off, for the UEFA Champions League for the first time. The club subsequently won its play-off and beat Internazionale, the reigning champions, to win its group and progress to the knockout stage.

Broadcast income increased by £6.7m (15%) to £51.5m (€62.9m), despite playing no European football in 2009/10, as a result of the club's best ever Premier League finishing position.

Tottenham's matchday revenue is constrained by the capacity of its stadium (36,240), with income per home game of just £1.5m.

Central to increasing matchday revenue are Spurs' plans for a new stadium, with increased capacity and improved corporate hospitality offerings. The club are currently pursuing two routes. The Northumberland Development Project would see the club remain in North London and provide a 56,250 seat stadium. Alternatively, the club has applied to become anchor tenant of the Olympic Stadium where they propose to build a new 60,000 seat stadium.

Commercial revenue increased by £2.8m (10%) to £31.5m (€38.5m) with 2009/10 being the final season of the club's shirt front sponsorship with Mansion worth a reported average of £8.5m per season. In 2010/11 Autonomy is the club's new shirt sponsor in the Premier League, and Investec has that right in all domestic cup and European competition matches. The deals are reportedly worth £10m and £2.5m per season respectively. Tottenham's kit deal with Puma runs to the end of the 2010/11 season, and reportedly generates approximately £5m in revenue per season.

Tottenham's participation in the Champions League could provide the springboard for them to break into the top ten of the 2012 edition of Money League, with Juventus, Liverpool and Manchester City not featuring in Europe's premier club competition in 2010/11. Spurs will hope that its transition to the top level of club football will be matched with a stadium that allows it to make the most of the accompanying opportunities and secure a top ten place in our listing for the long term.

# 13. Hamburger SV

**€146.2m**
(£119.7m)

**2009 Revenue** €146.7m (£124.9m)
**2009 Position** (11)

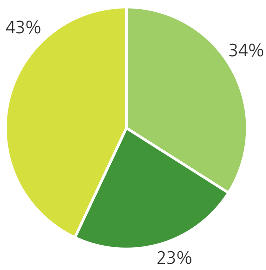
Hamburger SV remain the second highest placed Bundesliga club in the Money League with revenues broadly remaining flat at €146.2m (£119.7m). However, the North German club drops two places given the revenue growth achieved by Manchester City and Tottenham Hotspur.

The club reached the semi-finals of the newly reformatted and rebranded UEFA Europa League, Europe's second tier clubs' competition, for the second successive season, but only finished a disappointing seventh in the Bundesliga.

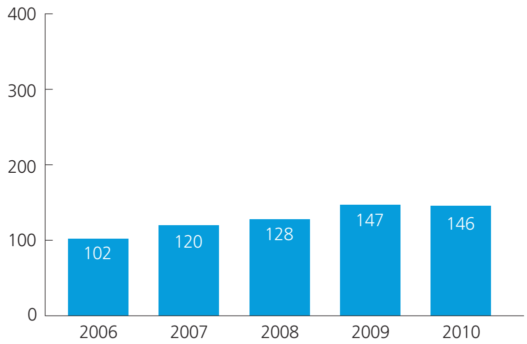
Commercial revenues remain the clubs largest revenue stream contributing €63.2m (43%) of total revenues, with growth of €7.6m (14%) almost completely offsetting decreases of €6.2m (11%) and €1.9m (5%) across matchday and broadcasting respectively.

Hamburg is Germany's second largest city, which provides a strong base for the club's commercial revenues. An extension to its shirt sponsorship agreement with Emirates, reportedly worth an increase in basic fee of €1.5m to €7m per season, and a new stadium naming rights deal with technology services provider Imtech worth a reported average of €4.2m per season are key contributors to this total.


**Hamburger SV: Revenue sources and percentages (€m)**




Matchday €49.3m (£40.4m)
Broadcasting €33.7m (£27.6m)
Commercial €63.2m (£51.7m)




Five year revenue totals

## Hamburg is Germany's second largest city, which provides a strong base for the club's commercial revenues

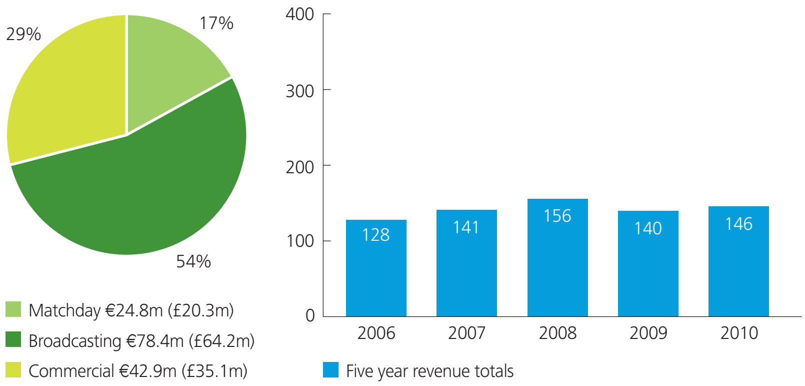
The decrease in matchday revenues to €49.3m (£40.4m) was in part due to a decreased number of home matches compared to the previous season (26 compared to 27). The club attracted an average Bundesliga home attendance of 55,240.

Hamburger SV received €7.5m (£6.1m) in UEFA distributions as a reward for reaching the semi-finals, an increase of €3.8m compared to the previous season, a result of 2009/10 being the first season of improved broadcast and commercial deals for the competition. However this was offset by a drop in Bundesliga finishing position from fifth to seventh, and early elimination from the German FA Cup, which meant a slight drop in overall broadcast revenue to €33.7m (£27.6m).

A lack of participation in European competition in 2010/11 will mean that Die Rothosen will be hard pressed to retain its current Money League position. In the longer-term, qualification for the Champions League is the key for the club to challenge for a top ten position in future editions.

# 14. Olympique Lyonnais

**Olympique Lyonnais: Revenue sources and percentages (€m)**




**€146.1m**
(£119.6m)

**2009 Revenue** €139.6m (£118.9m)
**2009 Position** (13)

The highlight of 2009/10 for Olympique Lyonnais was reaching the semi-final of the UEFA Champions League for the first time in the club's history. Despite this run, and an increase in revenue of €6.5m to €146.1m (£119.6m), the club drop one place in the Money League. The 2009/10 season also saw Olympique Lyonnais finish as runner-up in Ligue 1, one place behind Olympique de Marseille above whom they sit in the Money League.

The improved Champions League performance generated €29.1m (£23.8m) in UEFA central distributions, €5.5m (23%) more than the previous year and 20% of Lyon's total revenue. This is a key driver behind an increase in broadcast income of €10.3m. Second place in Ligue 1 secured automatic qualification to the 2010/11 Champions League where, as in 2009/10, the club faces Real Madrid in the round of 16.

OL's commercial revenues decreased by €6.2m, taking the total fall since 2007/08 to €16m (27%). The club attributed the fall in commercial income to the impact of the wider economic climate and being unable to carry the logo of online gaming company BetClic on its shirts in 2009/10 due to French regulatory restrictions. Lyon expects to see an increase in merchandising revenues following the commencement in 2010/11 of a deal with adidas to be the club's kit manufacturer for ten years which the club anticipate will deliver between €80m and €100m in total over the duration of the contract.

Matchday revenue increased by €2.4m (11%) to €24.8m (£20.3m) in 2009/10 bolstered by playing 27 home games, two more than the previous season. Nevertheless matchday accounted for only 17% of the club's income and average league attendance fell 4% to 35,767, one of the lowest amongst Money League clubs.

The club will hope that a new stadium will help to increase matchday revenue and plans are in place for a new 60,000 seat venue, scheduled to be completed by the end of 2013.

Continued participation in the Champions League will secure OL's top 20 position in future editions of Money League, with a substantial revenue boost from the delivery of the new stadium needed to fuel its challenge for the top ten placing which has eluded it so far.

Continued participation in the Champions League will secure OL's top 20 position in future editions of Money League

# 15. Olympique de Marseille

**€141.1m**
(£115.5m)

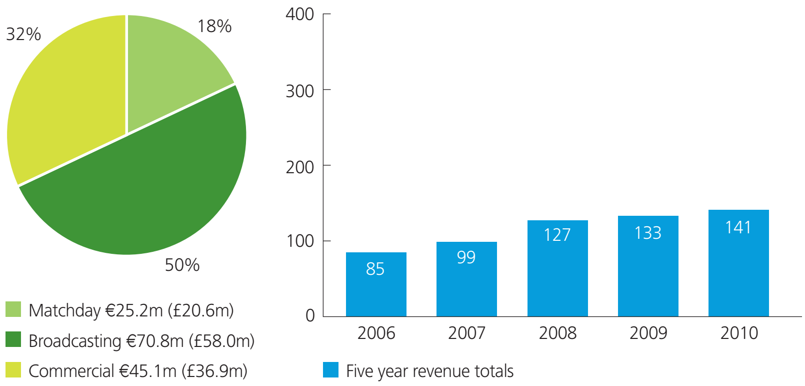
**2009 Revenue** €133.2m (£113.5m)
**2009 Position** (14)

Olympique de Marseille slips down one place in the Money League but again narrows the gap to French rivals Olympique Lyonnais, the fifth consecutive season that the rival from the Côte d'Azur has made up ground on the club it finished one place above to win Ligue 1 in 2009/10, reducing the revenue gap over that period from €43m to €5m.

The club's first league title since 1991/92 secured a place in the group stage of the 2010/11 UEFA Champions League, where it has progressed to the knock-out stages. This is an improvement on the previous season which saw the club parachute from the Champions League into the Europa League having failed to qualify from its group for the knock-out stages of Europe's top-tier clubs competition. As a result OM can anticipate an increase in UEFA central distributions in next year's Money League.

Despite an average league attendance of over 50,000, by far the highest in France, OM generated matchday income of only €1m per match from 25 home games, one of the lower values among Money League clubs. Marseille's plans to renovate the Stade Vélodrome are central to increasing matchday income, and work is due to start in June 2011 to increase the capacity to 67,000 by the summer of 2014. The completed stadium is expected to meet UEFA's 5 star rating and be a key venue when France stages UEFA Euro 2016.


**Olympique de Marseille: Revenue sources and percentages (€m)**




Although the redevelopment can be expected to provide the platform for long term increases in matchday revenue, a temporary drop in capacity to 42,000 whilst the work is carried out will dent Marseille's chances of increasing income from this source over the three seasons from 2011/12.

Broadcasting revenues account for c.50% of the club's total revenues at €70.8m (£58m). The growth of €5.2m on the previous season includes an increase of €2m in distributions from the Champions League and UEFA Europa League.

OM recorded a rise in commercial income of €2.4m (6%) to €45.1m (£36.9m). The 2009/10 season was the last with Direct Energie as the main shirt sponsor, having been replaced for 2010/11 by betting company BetClic.

We expect the club to feature in coming editions of Money League as long as it continues to qualify for the Champions League. With five points separating the top ten teams going into the Ligue 1 winter break, maintaining domestic performance whilst competing in the knock-out phase of the Champions League is central to maintaining income levels over coming seasons.

# 16. Schalke 04

**€139.8m**
(£114.5m)

**2009 Revenue** €124.5m (£106.0m)
**2009 Position** (16)

Schalke's best domestic league finish for three years and remarkable commercial revenues keeps them in 16th place in the Money League. Finishing runner-up to Bayern in the Bundesliga and an appearance in the semi-final of the German Cup went some way to making up for the lack of European football in 2009/10, but the fans and directors will be glad that it has returned in 2010/11.

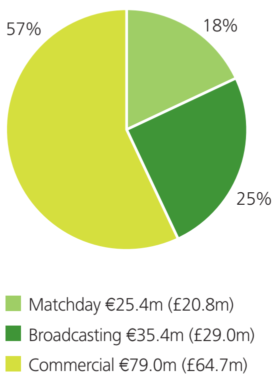
Once again Die Königsblauen, who report having over 90,000 members, had an average league attendance close to the 61,800 capacity of their Veltins Arena, but matchday revenue still decreased by €3.8m (13%) as the club played four fewer home games due to the lack of European matches.

The annual uplift in the Bundesliga's broadcast contract has helped the club to increase its broadcast revenue by €1.2m (4%) to €35.4m, despite the lack of UEFA central distributions, which were €0.3m in 2008/09.

Once again commercial revenue is Schalke's main source of income, accounting for more than half of their total turnover. The club has a wide-ranging partnership with sports rights agency Infront Germany. This deal, which runs to the end of the 2017/18 season, covers perimeter advertising sales as well as assistance in marketing the stadium for various sports and entertainment events. This, combined with contracts to the end of the 2011/12 season with Gazprom, the club's main sponsor, and adidas, the club's kit sponsor, has helped Die Knappen report an extraordinary €79m of commercial revenue.

Qualifying for the knockout stages of the 2010/11 UEFA Champions League should guarantee Schalke an improved placing in next year's Money League.
Which position they occupy will depend on how far they can progress.

**Schalke 04: Revenue sources and percentages (€m)**



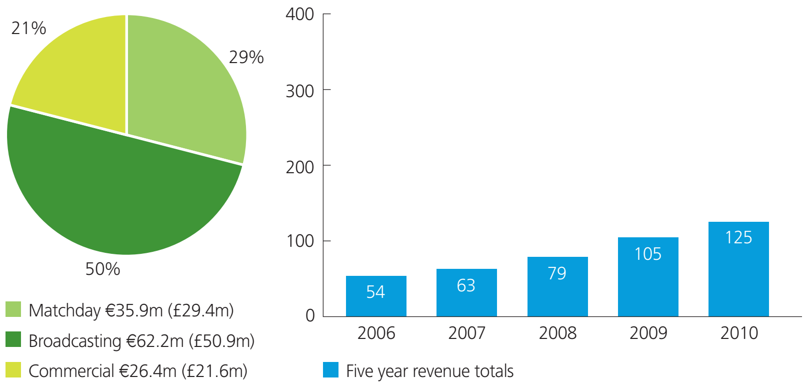


Note: Schalke's annual reporting period covers a calendar year rather than a conventional football season.

Once again Die Königsblauen, who report having over 90,000 members, had an average league attendance close to the 61,800 capacity of their Veltins Arena

# 17. Atlético de Madrid

**Atlético de Madrid: Revenue sources and percentages (€m)**




**€124.5m**
(£101.9m)

**2009 Revenue** €105.0m (£89.4m)
**2009 Position** (18)

Club Atlético de Madrid's performance in European competitions in 2009/10 is sufficient to earn the club its highest position in the Money League since they were placed 12th in our very first edition, which covered the 1996/97 season.

After a group stage exit from the UEFA Champions League they moved into the UEFA Europa League where a victory over Fulham in the final brought the club its first major trophy in 14 years. Atlético subsequently won the UEFA European Super Cup in August 2010, beating Champions League winners Internazionale.

Broadcast revenue accounts for 50% of Atlético's total income, with the key components being central distributions from UEFA and the club's domestic broadcast deal. The club's participation in UEFA competitions generated a total of €21.4m (£17.5m) in central distributions for 2009/10, an increase of €5.1m (31%) on the previous season. The club failed to qualify for the 2010/11 Champions League and exited the Europa League at the group stage, which is likely to result in a significant decrease in broadcast income.

Broadcast income was further bolstered by the commencement of Atlético's individual domestic rights deal with Telemadrid, worth a reported average of €42m per season over five years, the driving factor behind an increase of €18m (40%) in broadcasting revenue. However, despite having the third highest broadcast income in Spain, Atlético is almost €100m behind its cross-city rivals in this respect, emphasising the polarisation in revenues between Spain's clubs.

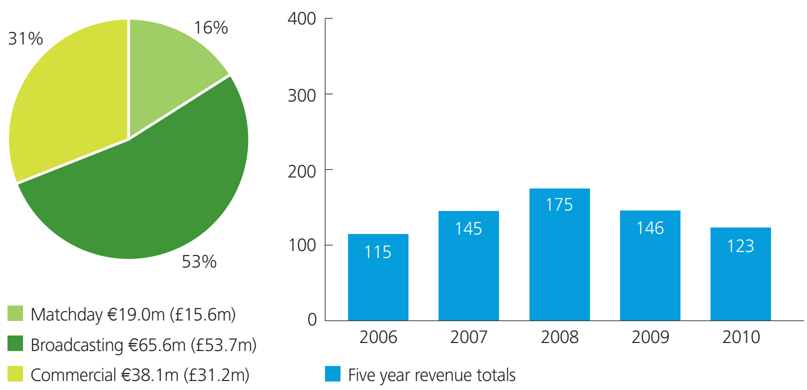
Atlético played five more home games in 2009/10 than the previous season, raising matchday income to €35.9m (£29.4m), an increase of €5.4m (18%). The club earned about income of c.€1.2m (£1m) per home game, which is about the average for clubs in the lower half of the Money League. Atlético is set to move to a new stadium, which formed part of Madrid's unsuccessful bid for the 2016 Olympic Games, from 2013 which is planned to have a capacity in excess of 70,000 and should provide the platform for increased matchday revenues.

Commercial income is underpinned by deals with Kia for the club's shirt sponsorship and Nike as the kit supplier. Both companies remain as club partners for the 2010/11 season.

Atlético's ninth place finish in La Liga in 2009/10 was insufficient to secure Champions League qualification and an exit at the group phase of the Europa League makes it unlikely that the club will remain in the Money League top 20 next year. Consistent qualification for Europe's top club completion is central to the club gaining a regular top 20 placing, and with the club lying outside the top four places in La Liga at the midpoint of the 2010/11 season a strong finish to the season is required if Atlético is to feature in the 2011/12 Champions League.

# 18. AS Roma

**AS Roma: Revenue sources and percentages (€m)**




**€122.7m** (£100.5m)

**2009 Revenue** €146.4m (£124.7m)
**2009 Position** (12)

AS Roma experience the largest fall in position in this year's Money League, dropping six places, with non-qualification for the UEFA Champions League for the first time in four years resulting in a revenue drop of €23.7m (16%) to €122.7m (£100.5m).

Despite not participating in Europe's top clubs' competition, the Giallorossi competed strongly in domestic competitions finishing runner-up in Serie A in a closely fought race for the Scudetto with Internazionale and losing to the same opposition in the Coppa Italia.

Broadcasting remains the dominant revenue stream contributing €65.6m (53%) of total revenue. Progressing to the round of 32 of the Europa League delivered just €2.2m (£1.8m) in UEFA central distributions. The lack of revenue from participation in Europe's top tier clubs' competition meant that broadcasting revenue dropped by €21.3m (25%).

The Giallorossi generate the second lowest matchday revenues of any Money League club, narrowly beating Juventus. Despite non-participation in the Champions League, the club's matchday revenues slightly increased by €0.2m (1%) to €19m (£15.6m) due to its strong domestic competition performance. The club's average attendances for Serie A matches was 40,925.

Commercial revenues totalled €38.1m (£31.2m), a €2.6m (6%) decrease compared to the previous year. However, the club extended its shirt sponsorship deal with telecommunications company Wind for a further three seasons to 2012/13 and struck a kit supply deal with Basic Italia until the 2016/17 season, worth average guaranteed basic fees of €5.5m (£4.5m) and €6.8m (£5.6m) per year respectively.

The club's return to the Champions League in 2010/11 will deliver revenue growth and allow it to compete for a higher Money League placing in future seasons. However, it has key challenges off the pitch. The Sensi family put the club up for sale in the summer of 2010, whilst the club will need to accelerate plans for a new stadium in order to provide the platform for it to compete with its European peers in the longer-term. We do not anticipate a return to the Money League top ten for Roma in the foreseeable future.

The club will need to accelerate plans for a new stadium in order to provide the platform for it to compete with its European peers

# 19. VfB Stuttgart

**€114.8m**
(£94.0m)

**2009 Revenue** €99.8m (£85.0m)
**2009 Position** (n/a)

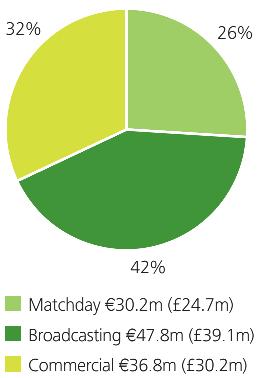
On the back of a third place finish in the 2008/09 Bundesliga, VfB Stuttgart's participation in the 2009/10 UEFA Champions League helped the club achieve record revenues of €114.8m (£94.0m), sufficient to give the VfB its second Money League appearance. The increase of €15m represents an improvement of 15% on the previous year.

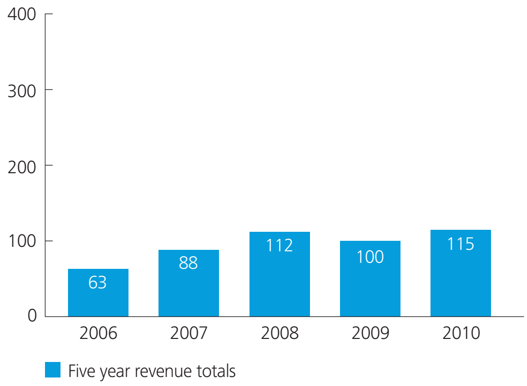
In 2009/10 Stuttgart was runner-up in its Champions League group before being eliminated by Barcelona in the round of 16. Meanwhile the club's performance in the Bundesliga secured it sixth position and a place in the qualifying rounds of the Europa League. VfB has progressed from the group phase, qualifying for the knock-out stages.

Broadcast revenue increased by €18.2m (61%) to €47.8m (£39.1m) in 2009/10, the key contributing factor being central distributions from UEFA with VfB receiving in excess of €20m in respect of the club's Champions League participation. The other major source of broadcast income is central distributions from the Bundesliga.

Broadcast income accounted for the largest share of overall revenue (42%), thus differentiating Stuttgart from other German Money League clubs for whom commercial income is the key revenue driver. This reinforces the importance to VfB of Champions League qualification if the club is to feature in future Money Leagues.


**VfB Stuttgart: Revenue sources and percentages (€m)**




Note: VfB Stuttgart's annual reporting period covers a calendar year rather than a conventional football season.

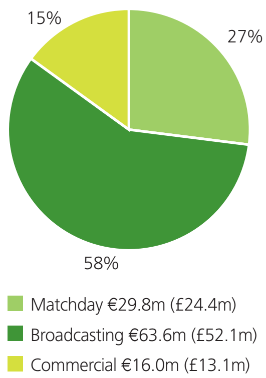
Commercial revenue accounts for €36.8m (32%) of VfB's income and is underpinned by long term deals with Puma and Mercedes-Benz, for kit supply and naming rights to the stadium respectively. The 2009/10 season was the last of the shirt sponsorship deal with energy company EnBW, which generated a reported €6.5m (£5.3m) per season. From 2010/11, food brand Gazi became the club's main sponsor as part of a two year deal worth a reported average of €5.5m per season.

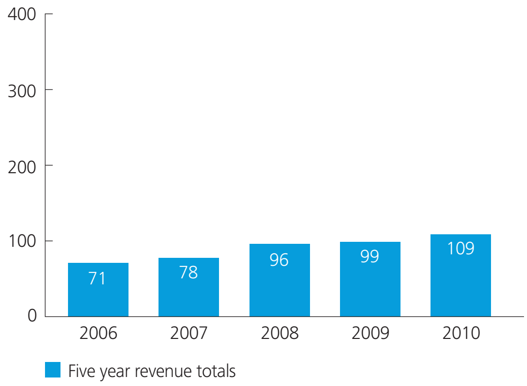
Matchday revenue totalled €30.2m (£24.7m), an increase of €0.6m (2%) from the previous year. Redevelopment work on the Mercedes-Benz arena took place during 2009/10 and is scheduled to continue until the summer of 2011. VfB played the 2009/10 season in a 'U' shaped arena whilst work took place behind one goal, and they continue to do the same in 2010/11 while the opposite end is developed. The club will be hoping that once work is complete the increased capacity (c.60,000 from 56,000) and improved corporate hospitality offerings can stimulate revenue growth.

Broadcast income is expected to fall for 2010/11 without Champions League football, and a disappointing league start that left VfB in 17th place, having picked up only 12 points from 17 games and replaced the head coach twice, at the midpoint of the Bundesliga season suggests Stuttgart is unlikely to reappear in the Money League in the near future.

# 20. Aston Villa


**Aston Villa: Revenue sources and percentages (€m)**




| **€109.4m** (£89.6m) | **2009 Revenue** €99.0m (£84.3m) **2009 Position** (n/a) |
|---|---|

Following Wembley appearances in both domestic cup competitions, Aston Villa return to the Money League for the first time since 2003/04 with revenue of £89.6m (€109.4m). They take their place as England's seventh highest revenue generating club, replacing Newcastle United who spent the 2008/09 season in the Football League Championship.

Villa's matchday revenue increased by £1.8m (8%) to £24.4m (€29.8m). The Villans attracted an average league attendance of 38,600 at Villa Park during the season achieving stadium utilisation of over 90%, albeit this was a decline on the 2008/09 average of 39,800.

The club's broadcast revenue, which accounted for 58% of total revenue, increased by £2.6m (5%) on 2008/09 to reach £52.1m (€63.6m). The majority of this revenue, £45.9m, was earned from Premier League broadcast distributions, as the club finished in sixth place for the third successive season.

During 2009/10 the club promoted Acorns, a local children's hospice, on its shirtfront rather than a fee paying sponsor and so understandably its commercial revenue of £13.1m (€16m) is lower than many of its competitors. This revenue stream will increase in 2010/11 as Villa begins a three year deal with FxPro having re-established a commercial framework for its shirt sponsorship whilst maintaining close links with Acorns as its principal charity partner.

After a second successive early exit from the Europa League and a disappointing first half of the domestic league season Aston Villa must turn things around in the second half of 2010/11 if they are to remain in the Money League's top 20 next year.

## Aston Villa must turn things around in the second half of 2010/11 if they are to remain in the Money League's top 20 next year

Manchester City has climbed the most places, up nine to eleventh, even though the club didn’t participate in European competition

# Three pronged attack

Money League clubs vary in terms of both the level and proportion of revenue delivered by each of the three revenue sources – matchday, broadcasting and commercial.

Football clubs generate revenues from day to day football operations from three separate broad sources:

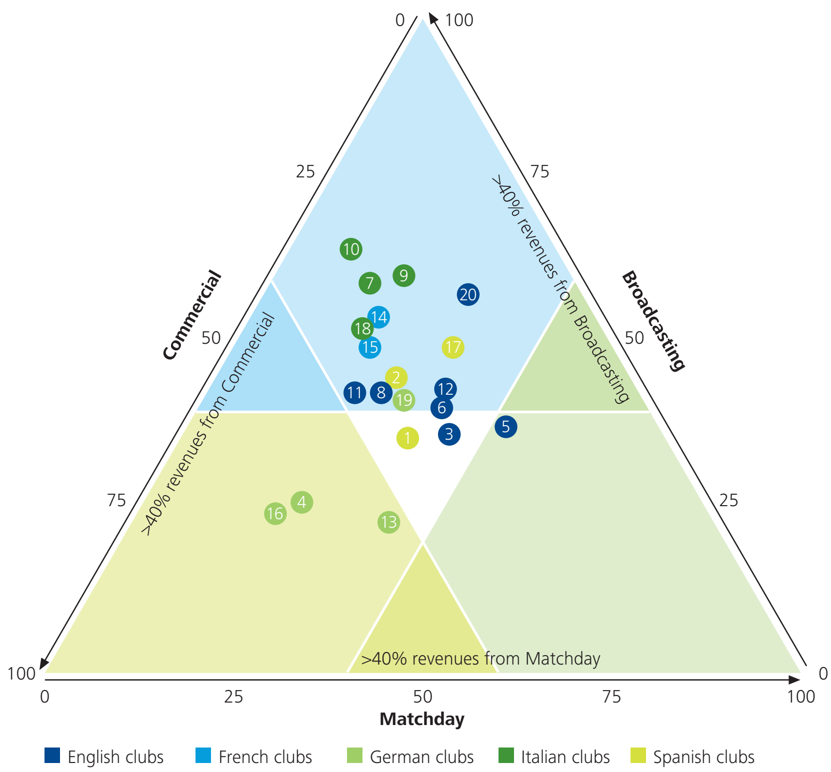
- matchday revenue – largely derived from gate receipts (including season tickets and memberships);
- broadcasting revenue – from both domestic and international competitions; and
- commercial revenue – including sponsorships and merchandising.

It is desirable for clubs to have a balanced revenue model, whereby each source contributes a relatively equal share of total revenues. This ensures that clubs diversify risk, reducing the potential impact of factors not wholly under the business' control such as weaker on-pitch performance or adverse conditions in the broadcast or sponsorship market.

### All rounder

So, how successful are Money League clubs at operating balanced revenue models? Perhaps surprisingly, Real Madrid and Manchester United are the only Money League clubs that do not rely on one source for at least 40% of their total revenues. Broadcasting revenue is the most dominant source with 14 Money League clubs earning more than 40% of total revenues in this area. This is as a result of it being the key driver behind Money League clubs recent revenue growth. Since 2005/06, the top 20 clubs' total revenues have increased by €1 billion with broadcasting revenues contributing 54% of this growth, dwarfing the 19% and 27% provided by matchday and commercial revenues respectively.

**Chart 2: Proportion of revenues generated from matchday, broadcasting, commercial activities (%)**




| | | Matchday % | Broadcasting % | Commercial % |
|---|---|---|---|---|
| 1 | Real Madrid | 30 | 36 | 34 |
| 2 | FC Barcelona | 25 | 44 | 31 |
| 3 | Manchester United | 35 | 37 | 28 |
| 4 | Bayern Munich | 21 | 26 | 53 |
| 5 | Arsenal | 42 | 38 | 20 |
| 6 | Chelsea | 32 | 41 | 27 |
| 7 | AC Milan | 13 | 60 | 27 |
| 8 | Liverpool | 23 | 43 | 34 |
| 9 | Internazionale | 17 | 62 | 21 |
| 10 | Juventus | 8 | 65 | 27 |
| 11 | Manchester City | 20 | 43 | 37 |
| 12 | Tottenham Hotspur | 31 | 43 | 26 |
| 13 | Hamburger SV | 34 | 23 | 43 |
| 14 | Olympique Lyonnais | 17 | 54 | 29 |
| 15 | Olympique de Marseille | 18 | 50 | 32 |
| 16 | Schalke 04 | 18 | 25 | 57 |
| 17 | Atlético de Madrid | 29 | 50 | 21 |
| 18 | AS Roma | 16 | 53 | 31 |
| 19 | VfB Stuttgart | 26 | 42 | 32 |
| 20 | Aston Villa | 27 | 58 | 15 |

Source: Deloitte analysis.

German clubs' revenues have a different shape, being more reliant on sponsorship and other commercial income than other Money League clubs, reflecting both the fact that they operate in Europe's largest commercial market and the relative immaturity of their Pay-TV market. Three of the four German clubs in the Money League top 20 generate at least 40% of revenues from commercial sources. They are the only clubs to do this.

Arsenal are the only Money League club to receive more than 40% of revenues from matchday activities. The move to the Emirates Stadium in 2006/07 provided a step change in the Gunners' revenue with 2009/10 revenues 69% higher than only five years ago. The increased stadium capacity and premium pricing – and notably the expanded corporate hospitality capacity – have provided more than half of that growth. By contrast, commercial revenues have only provided 11% of the total revenue growth in that same period as the club entered into long term shirt front, kit and naming rights agreements to fund the development, constraining its ability to increase commercial deal values at the same rate.

In this article we go on to consider what the Money League would look like if clubs were ranked on their revenue generation from each individual stream. We also outline the key drivers behind the clubs' success and identify the barriers which hinder the development of other revenue streams.

Three clubs generate more than €100m from matchday revenues – Real Madrid, Manchester United and Arsenal

## Through the gate

**Table 1: Top 20 matchday revenue generating clubs**

| Rank | Club | Revenue €m | Money League ranking |
|---|---|---|---|
| 1 | Real Madrid | 129.1 | 1 |
| 2 | Manchester United | 122.4 | 3 |
| 3 | Arsenal | 114.7 | 5 |
| 4 | FC Barcelona | 97.8 | 2 |
| 5 | Chelsea | 82.1 | 6 |
| 6 | Bayern Munich | 66.7 | 4 |
| 7 | Liverpool | 52.4 | 8 |
| 8 | Hamburger SV | 49.3 | 13 |
| 9 | Tottenham Hotspur | 44.9 | 12 |
| 10 | Celtic | 43.4 | n/a |
| 11 | Benfica | 40.2 | n/a |
| 12 | Internazionale | 38.6 | 9 |
| 13 | Atlético de Madrid | 35.9 | 17 |
| 14 | Rangers | 31.5 | n/a |
| 15 | AC Milan | 31.3 | 7 |
| 16 | VfB Stuttgart | 30.2 | 19 |
| 17 | Aston Villa | 29.8 | 20 |
| 18 | Manchester City | 29.8 | 11 |
| 19 | Valencia | 28.4 | n/a |
| 20 | Werder Bremen | 27.8 | n/a |

Source: Deloitte analysis.

# Matchday revenue is a direct function of the number of matches played, therefore extended cup runs can provide a significant boost to clubs' top line

Three clubs generate more than €100m (£81.9m) from matchday revenues – Real Madrid, Manchester United and Arsenal, with FC Barcelona just behind at €97.8m (£80.1m). Each of these club's matchday revenue equates to more than €3.5m (£2.9m) from every home match they play. The seventh ranked club, Liverpool, earn only 53% of Barcelona's total – and less than €2m (£1.6m) per match – highlighting the stark polarisation that exists, by this measure, between the top few clubs and the rest.

The seven English Money League clubs each feature in the matchday top 20. Each club is able to charge relatively high ticket prices (general admission and corporate hospitality) compared with their European peers, whilst attracting average attendances second only to the Bundesliga.

The stadia redevelopment programme for the 2006 FIFA World Cup continues to benefit German clubs who provide four of the matchday top 20. The Bundesliga's high quality new, or redeveloped, stadia helped to attract the world's highest average league attendance of 41,800 – 22% higher than the Premier League. However, significantly lower average ticket prices than their English counterparts ensured that Schalke 04 – who were 16th in the Money League – and Borussia Dortmund do not make the matchday top 20 despite average home league attendances of 61,300 and 77,200 respectively.

Most strikingly, only three clubs from outside Europe's 'big five' leagues feature in any of our rankings. The Glasgow giants, Celtic and Rangers have not appeared in the Money League since 2006/07 and 2005/06 respectively but they still generated the 10th and 14th highest matchday revenues owing to their phenomenal support. Each club has average league attendances in excess of 45,000. However, the limited size of their domestic broadcast market means that, barring UEFA Champions League success, neither club is likely to reappear in the Money League top 20 in the foreseeable future.

The other club from a non-'big five' league to feature, Benfica, generated the 11th highest matchday revenue. Participation in the Champions League and Europa League in 2010/11 may allow them to return to the Money League for the first time since 2005/06.

Matchday revenue is a direct function of the number of matches played, therefore extended cup runs can provide a significant boost to clubs' top line. The UEFA Europa League campaign for Atlético de Madrid and Valencia (Atlético knocked out Valencia in the quarter finals en route to winning the inaugural edition) saw each club playing 31 and 28 home matches respectively, joining Real Madrid and Barcelona in the matchday top 20.

Four of the five Money League clubs who did not make the matchday top 20 – AS Roma, Juventus, Olympique Lyonnais and Olympique de Marseille – are progressing with stadium (re)developments. Such projects are vital as each club only generates between 8% and 18% of revenues from matchday activities. Whilst market factors – including location, demographics etc. – may limit the actual growth potential, each club could realistically expect to significantly reduce the matchday revenue gap to the clubs above them should they complete such developments.

**Beamer**

### Table 2: Top 20 broadcast revenue generating clubs

| Rank | Club | Revenue €m | Money League ranking |
|---|---|---|---|
| 1 | FC Barcelona | 178.1 | 2 |
| 2 | Real Madrid | 158.7 | 1 |
| 3 | AC Milan | 141.1 | 7 |
| 4 | Internazionale | 137.9 | 9 |
| 5 | Juventus | 132.5 | 10 |
| 6 | Manchester United | 128.0 | 3 |
| 7 | Arsenal | 105.7 | 5 |
| 8 | Chelsea | 105.0 | 6 |
| 9 | Liverpool | 97.1 | 8 |
| 10 | Bayern Munich | 83.4 | 4 |
| 11 | Olympique Lyonnais | 78.4 | 14 |
| 12 | Olympique de Marseille | 70.8 | 15 |
| 13 | ACF Fiorentina | 69.7 | n/a |
| 14 | Manchester City | 66.0 | 11 |
| 15 | AS Roma | 65.6 | 18 |
| 16 | FC Girondins de Bordeaux | 65.4 | n/a |
| 17 | Aston Villa | 63.6 | 20 |
| 18 | Tottenham Hotspur | 62.9 | 12 |
| 19 | Atlético de Madrid | 62.2 | 17 |
| 20 | Fulham | 62.0 | n/a |

Source: Deloitte analysis.

Clubs primarily receive broadcasting revenues from two sources – domestic competitions and UEFA competitions. In Spain and Italy clubs are able to market their own broadcast rights for domestic competitions (although Italian clubs have moved to a collective model in 2010/11 and in Spain a method of redistributing revenues more equally is being considered – see **TV Times** for more details). Individual selling allows larger clubs in each territory to collect the majority of broadcast revenue in that market, leading to significant polarisation between the "haves" and the "have-nots". This competitive advantage extends across European borders with all of the top five coming from Spain and Italy. Both Barcelona and Real Madrid generated more than €130m (£106.4m) of broadcast revenue, excluding distributions received from UEFA – c.€50m (£40.9m) more than Manchester United from the same source, a significant advantage.

The five Italian clubs in the broadcasting top 20 each receive between 53% and 65% of total revenues from this source. An over-reliance on broadcast revenue, to the neglect of other revenue streams, in particular matchday revenue – only the Milan clubs were in the matchday top 20 – will present a significant challenge to clubs from 2010/11 when they will not be able to market their own rights. It is critical that Italian clubs focus on other revenue streams to keep pace with their European peers.

The Premier League's three year £2.8 billion (€3.4 billion) broadcasting contracts provided clubs with distributions of between £31.8m (€38.8m) and £53m (€64.7m) in 2009/10, enabling eight of the broadcasting top 20 to come from England. The Premier League's broadcast revenue distribution model is the most equal of the 'big five' leagues – the club which received the highest distribution (Manchester United £53m, €64.7m) received 1.7x the revenue of the club which received the lowest distribution (Portsmouth £31.8m, €38.8m). A new set of broadcasting deals come online in 2010/11 – which will increase the three year value to £3.6 billion (€4.4 billion) – will not be sufficient to bridge the gulf in broadcast revenues received by the top English clubs compared with Barcelona and Real Madrid, but will widen the advantage that clubs outside of the Champions League qualifying places enjoy over their European peers.

Clubs' other main source of broadcasting revenue comes from UEFA distributions for the Champions League and Europa League. All but three clubs in the broadcasting top 20 participated in the group phases of either the Champions League or Europa League. 15 clubs received Champions League distributions of between €15.1m (£12.4m, Atlético de Madrid) and €48.8m (£40m, Internazionale). These distributions typically provide around 20% of broadcasting revenue to the largest clubs who sell their domestic rights individually. This proportion increases to more than 30% of broadcasting revenue for clubs whose domestic rights are sold collectively. The highest proportion is the 54% of broadcasting revenues that UEFA distributions contributed to Bayern Munich, the sole German club in the broadcasting top 20. The lack of an established Pay-TV market in Germany, has constricted the growth of Bundesliga domestic broadcast revenues which are the lowest of the 'big five' European leagues.

# Manchester United's agreement with Aon and Liverpool's deal with Standard Chartered are each worth a reported €24m (£20m) per year

### Building partnerships

**Table 3: Top 20 commercial revenue generating clubs**

Note: The structure of commercial contracts and sponsorship agreements varies from club to club, therefore revenues may not be directly comparable. For example certain clubs will have in house retail and/or catering operations and recognise sales as revenue (gross method) whilst other clubs outsource such operations to a third party, receiving revenue in the form of a royalty (net method).

Source: Deloitte analysis.

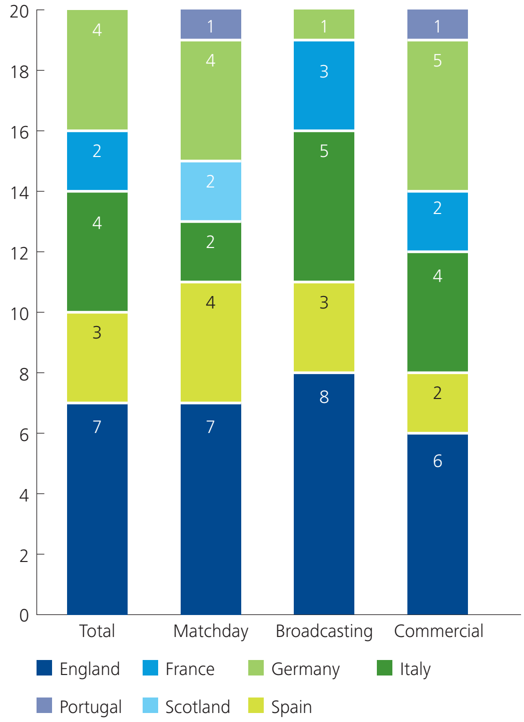
| Rank | Club | Revenue €m | Money League ranking |
|---|---|---|---|
| 1 | Bayern Munich | 172.9 | 4 |
| 2 | Real Madrid | 150.8 | 1 |
| 3 | FC Barcelona | 122.2 | 2 |
| 4 | Manchester United | 99.4 | 3 |
| 5 | Schalke 04 | 79.0 | 16 |
| 6 | Liverpool | 75.8 | 8 |
| 7 | Chelsea | 68.8 | 6 |
| 8 | AC Milan | 63.4 | 7 |
| 9 | Hamburger SV | 63.2 | 13 |
| 10 | Borussia Dortmund | 60.7 | n/a |
| 11 | Manchester City | 57.0 | 11 |
| 12 | Juventus | 55.6 | 10 |
| 13 | Arsenal | 53.7 | 5 |
| 14 | Internazionale | 48.3 | 9 |
| 15 | Olympique de Marseille | 45.1 | 15 |
| 16 | Olympique Lyonnais | 42.9 | 14 |
| 17 | Benfica | 41.2 | n/a |
| 18 | Tottenham Hotspur | 38.5 | 12 |
| 19 | AS Roma | 38.1 | 18 |
| 20 | Napoli | 37.7 | n/a |

Generally, clubs which have established brands with history and tradition augmented by support that reaches beyond domestic markets are the most successful in driving commercial revenues.

Bayern Munich, the most successful German club, with the largest fanbase in Europe's largest commercial market generated commercial revenue of €172.9m (£141.6m) including sponsorship and marketing of €82.6m (£67.6m), merchandising of €38.9m (£31.8m) and other stadia revenues of €38.2m (£31.3m). Based on commercial revenue alone, Bayern would hold a top ten Money League position. There are three other German clubs in the commercial top 20 including Borussia Dortmund who generated the tenth highest commercial revenues of any club, despite not being in the overall Money League top 20. The Bundesliga's 2010/11 Herbstmeister (autumn champions), who headed into the winter break with a ten point lead, will be aiming for qualification for Champions League which would ensure that the club return to the Money League.

Six English clubs are included in the commercial top 20 with the clubs with the largest fanbase and global appeal able to record sponsorship deals such as Manchester United's agreement with Aon and Liverpool's deal with Standard Chartered which are each worth a reported €24.4m (£20m) per year. Further down the Premier League the market remains challenging with many clubs restricted to low value and/or short term deals. This picture is replicated across Europe with Barcelona securing a €165m (£135.1m) five and a half year deal with Qatar Foundation at the same time that three La Liga clubs are playing in 2010/11 without shirt front sponsors. Whilst this agreement has caused controversy with some of their support, the revenue increase will see Barcelona challenge Real Madrid at the top of the Money League in seasons to come.

**Chart 3: Number of clubs in top 20 rankings by country**




Source: Deloitte analysis.

## Leading edge

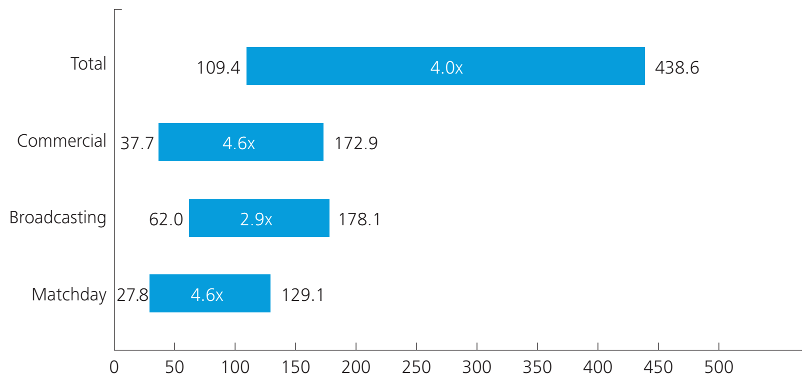
Each of the top nine Money League clubs feature prominently in all three categories with six clubs recording top ten positions in each list. At the top of the tree are the Money League top three of Real Madrid, Barcelona and Manchester United. While at least one club is able to displace one of them from the top three in each category, they each generate a minimum of c.€100m (£81.9m) from each source – a consistency other clubs cannot match.

The larger clubs, as football's most recognisable brands with the largest fanbases will, barring crises, such as a prolonged period of reduced on-pitch performance and non-participation in the Champions League, remain at the top of the revenue lists for each stream in the years to come.

Below the top level, clubs typically rely on broadcasting to provide at least 40% of their revenues. With all but the elite clubs facing an increased challenge in delivering commercial revenue growth in the difficult economic climate, matchday revenues – which is the most controllable revenue stream on a day to day basis – have become increasingly important to clubs seeking to improve the balance of revenue from each source. Matchday and commercial revenues are significantly more polarised amongst the top 20 clubs than broadcasting, providing the opportunity to clubs to differentiate themselves from their peers.

Clubs who have recently completed stadia enhancements, or moved stadia, have shown the competitive advantage that can be gained on their peers. It is critical that clubs complete developments that are in the pipeline. Although the economic climate remains challenging, innovative pricing solutions and corporate hospitality offerings can help clubs maximise these more controllable revenues.

**Chart 4: Polarisation by revenue stream**




Source: Deloitte analysis.

# TV Times

Broadcasting has been the key driver of Money League clubs' spectacular revenue growth. With significant differences in broadcasting rights sales mechanisms between the major European leagues, and comprehensive changes being implemented in Italy and considered elsewhere, we compare and contrast the different approaches.

The finances of football clubs have been transformed over the last two decades, propelled directly and indirectly by television, which has provided both a mechanism to deliver direct revenue and the exposure required to drive other key revenue streams.

During the 1990s maturing broadcast markets, and in particular the development of Pay-TV, brought a step change in broadcast capacity, allowing premium channels to offer the extensive live coverage, analysis and other exposure which now makes football an integral element of popular culture. More recently, continuing technological advances, the proliferation of delivery platforms, and in particular the development of high speed internet connections to the mass market have extended the range of methods to connect the global consumer with top class football on a 24/7 basis.

Football's ability to capitalise on these opportunities means that broadcasting revenue has been a key driver of overall revenue for Money League clubs. Our first Money League in 1996/97 reported that the then leaders Manchester United generated €134m in revenue, of which €19m (14%) related to broadcasting. By comparison, in 2009/10, United's total revenue has grown to almost three times this level, at €350m, but broadcasting revenue, at €128m, has increased to nearly seven times its 1996/97 level and comprises 37% of the total.

The 20 Money League clubs' collective broadcasting revenue is now almost €1.9 billion, and at 44% is comfortably the greatest contributor to total revenue. It is the largest source of revenue for 16 of our 20 clubs, and for seven clubs broadcasting comprises over 50% of revenue. The importance of broadcasting revenue cannot be overstated, especially given that the very limited associated direct cost means that it goes straight into boosting clubs' spending power for their playing squad and other items.

### Different strokes

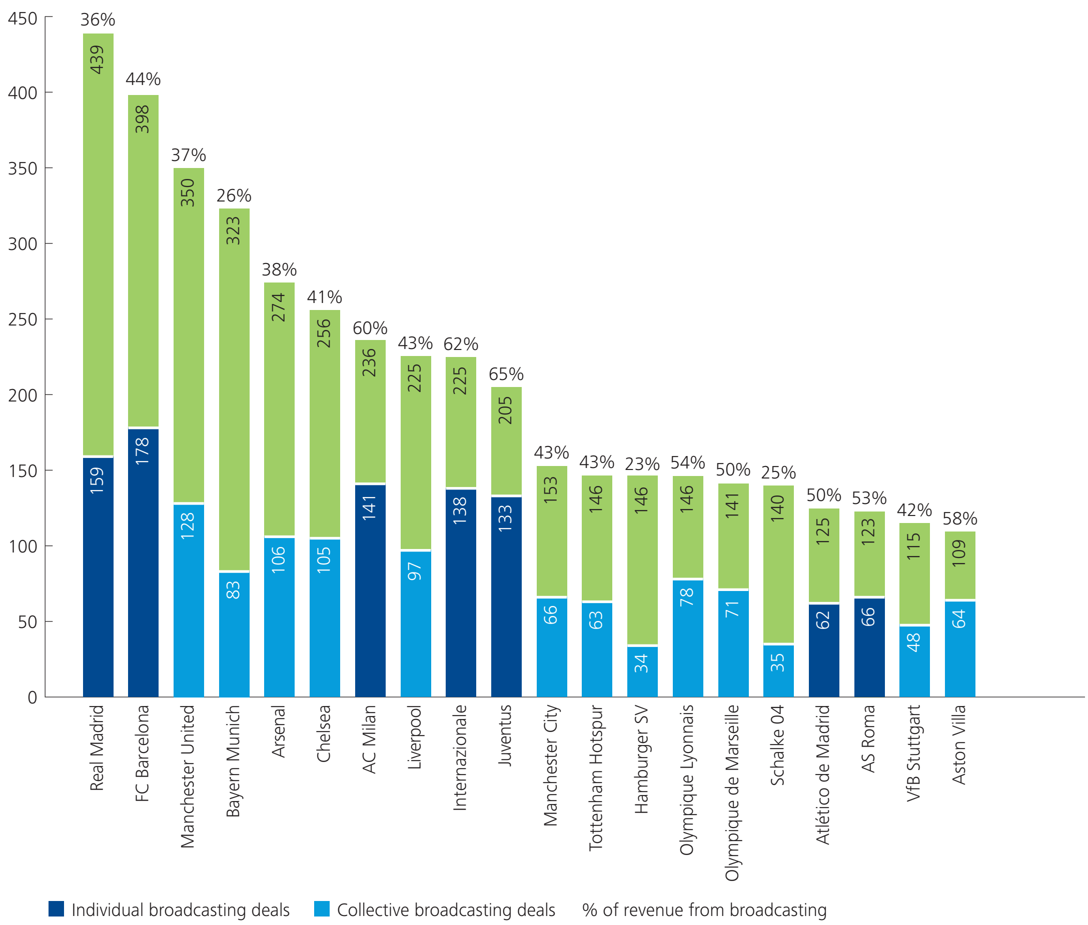
A variety of legal processes have demonstrated that the ownership of broadcast rights largely rests with the clubs themselves. However, two primary marketing methods have developed for selling those rights. In many countries, the league – or competition organiser – markets and sells the rights on the clubs' behalf, as has been the case in England, Germany, France and many other countries. This is also now the accepted model for the majority of matches in supra-national competitions such as UEFA club competitions, and may be adopted for European national team qualifiers if UEFA's current exploratory proposals come to fruition. However, in some countries, most notably Italy and Spain, since the late 1990s, clubs have marketed and sold broadcasting rights individually and agreed deals direct with broadcasters or agencies.

The two approaches deliver widely differing results for the potential Money League clubs in each market. Where individual selling takes place, there is a limited level of revenue sharing, which means that clubs retain the vast majority of the revenue they generate. By contrast, where broadcasting rights are marketed collectively the distribution is more equal and consequently the revenue advantage accruing to the larger clubs more limited.

In 2009/10 the three Italian giants, Internazionale, AC Milan and Juventus, each held contracts with Mediaset reportedly worth over €100m per season. With only 20% of these revenues pooled centrally and redistributed between all clubs, total broadcasting revenue, including those from UEFA competitions, domestic cup competitions and other areas, increases to between €133m and €141m. Broadcasting remains the primary component in supporting the leading Italian clubs' top ten Money League positions, with all three clubs earning over 60% of their revenue from this source.

The 20 Money League clubs' collective broadcasting revenue is now almost €1.9 billion, and at 44% is comfortably the greatest contributor to total revenue

**Chart 5: Broadcasting revenue as a percentage of total revenue and sales mechanism (€m)**




Source: Deloitte analysis.

## Crackerjack!

Similarly, in Spain, Real Madrid and Barcelona currently have individually brokered deals with Mediapro, each reportedly worth around €150m per season. With no meaningful revenue sharing in Spain, Real and Barca's broadcasting revenues are the highest in club football. Barcelona's broadcasting revenue totals almost €180m, with Real generating almost €160m, which helps to keep them in the top two spots in the Money League. Real and Barca have been successful in delivering a more balanced revenue model than their Italian counterparts, but nevertheless broadcasting remains critical to their Money League position.

It is testament to the ability of English clubs to capitalise on all revenue streams that they occupy seven Money League positions, the most of any individual country – including six of the top 12 positions

The only other Money League clubs generating over €100m from broadcasting are the leading English clubs, Manchester United (€128m), Arsenal (€106m) and Chelsea (€105m). English clubs benefit from the Premier League broadcasting deal, which generates by some distance the largest broadcasting revenue of any European football league.

Centrally negotiated deals are typically accompanied by a distribution mechanism to reflect the collective nature of the league, normally including a component shared equally among all clubs, with other monies shared according to variables such as league position, numbers of TV appearances, TV ratings or other measures of a club's reach or popularity. In the Premier League's case, for domestic revenues, of the amount distributed to its 20 member clubs, 50% is shared equally among clubs, 25% according to TV appearances with the remaining 25% distributed according to finishing position. More critical for the future development of their member clubs' revenue balance, all revenues from international broadcast contracts are shared equally. Thus, in total, league winners Chelsea received €65m in 2009/10, while Portsmouth, the league's bottom club, received over 60% of this amount, €39m.

Hence the most successful English clubs (and those in Germany and France) typically receive considerably lower domestic broadcast revenues than their counterparts in Italy and Spain. It is testament to the ability of English clubs to capitalise on all revenue streams that they occupy seven Money League positions – the most of any individual country – including six of the top 12 positions. Similarly, Bayern Munich's top four position owes much to its excellent commercial revenues and its clear leading position in the Europe's largest economy.

The differentials between the revenues of clubs in countries where individual selling takes place are significant – in Spain the leading clubs reportedly generate 19 times more from TV deals than the smallest clubs in the top division. Atlético Madrid earned €62m from broadcasting (including UEFA distributions) but this is only c.40% of Real's income from these rights, while other Spanish clubs generate fair less than this amount. In Italy Roma and Fiorentina each generated around €70m from broadcasting in 2009/10, €60-70m less than each of the 'big three'.

These wide variations in broadcasting revenues between clubs in Italy and Spain, and their impact on overall revenues, have a significant impact on the sport in each country, exacerbating both competitive imbalance on the pitch and financial tensions off it. Collective selling – and hence the more equal distribution of revenue – is widely credited with delivering important benefits to the game, a view long held by many inside football.
In a notable recent communication, following a series of inquiries the European Commission recommended collective selling, saying that it was 'a good example of financial solidarity and redistribution mechanisms within sports'.

These wide variations in broadcasting revenues in Italy and Spain, and their impact on overall revenues between clubs, have a significant impact on the sport in each country

# Reform of the individual sales mechanisms which are in place may deliver a more even revenue distribution within certain leagues

**Growing pains**

Italy and Spain have both seen recent moves to promote a more equal distribution of revenues. In 2010/11 Italy returned to collective selling, following Italian legislation passed in 2007, which overturned the 1999 decision to authorise individual selling. However, some issues remain unresolved. In principle there is agreement that revenue should be split 40:30:30, with 40% shared equally, 30% according to on-pitch performance and 30% according to the size of each clubs' supporter base, but the finer details of the revenue sharing mechanism – in particular relating to the mechanism for distributing the share relating to the supporter base – are yet to be finalised.

Following a complex negotiation process collectively negotiated deals for the 2010/11 and 2011/12 seasons were agreed which are reportedly worth over €900m per annum. This is a considerable increase compared to the previous values, and gives Serie A the most valuable domestic football rights in Europe, marginally ahead of the English Premier League. We expect that this increase – which illustrates the premium to broadcasters of having the 'whole product' rather than the rights to individual clubs – will help the largest clubs keep the levels of broadcasting revenues closer to those they enjoyed during the individual selling regime than they might have previously feared.

Many Spanish clubs and other stakeholders are keen to see a more equal distribution of broadcasting revenue between clubs. Most Spanish clubs have existing broadcasting contracts in place until 2013 or 2014, making short term reform unlikely. However, detailed discussions are taking place, with initial proposals from Real and Barca focusing on developing a more balanced distribution of revenue. The current proposal would reportedly see their share of the La Liga clubs' combined TV revenues fall from 45% to 34%. A tentative agreement between the majority of clubs proposes some level of revenue sharing between the clubs from 2015/16. It remains to be seen whether a more fundamental move to collective selling moves onto the agenda as discussions progress.

These experiences highlight the challenges of delivering a material change to regulations governing such an important aspect of revenue, due to the far reaching implications for clubs both domestically and further afield, and vested interests of stakeholders. Reform requires careful political, managerial and leadership skills to implement, a key element being the need to build trust and the long term vision to carry all stakeholders through the process.

Reform of the individual sales mechanisms which are in place may deliver a more even revenue distribution within certain leagues. However, it is unlikely that we will see significant movements up and down the Money League as a result. Although broadcasting revenue remains important, the challenge for clubs remains to develop their businesses in all areas and hence mitigate any impact of a reduction in revenue from any single aspect, be that related to on-pitch performance, regulatory factors, or other developments.

We expect a continuation of the pattern of the top positions in the Money League being relatively resistant to movement of clubs

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