



# The European Club Footballing Landscape

Club Licensing Benchmarking Report  
Financial Year 2012

WE CARE ABOUT FOOTBALL



## Foreword



Welcome to the sixth edition of the Club Licensing Benchmarking Report, which analyses off-pitch trends in club football across the length and breadth of Europe, from north to south, east to west.

This report is unique, as it highlights both the tremendous popularity of European club football and the challenges and pressures that this brings. With more than three quarters of European adults interested in football and attendances of more than 163 million at domestic league matches last season, the report fully emphasises how much football means to so many people, and the tremendous responsibility that falls upon the football governing bodies and stakeholders alike to make sure that the game remains healthy.

Everyone involved in football wants to win – but when we look at the last three years of club football and see almost 2,000 head coach changes and combined club losses of more than €4bn, it is clear that the football family needs more stability, less short-term thinking and better financial sustainability. In this respect, UEFA is providing leadership to protect European football from greed, reckless spending and outright financial insanity. It is only through good governance that we will be in a position to protect European football for the long term by ensuring that clubs live within their own revenue in a sustainable manner.

That is why this year is a very important one for the long-term future of club football, as the final parts of the financial fair play initiative enter into force. This project is a major challenge for both the clubs and UEFA, and it will certainly not solve all of football's problems off the field. Nevertheless, it is a necessary and important step in the right direction, towards having a more stable base from which football can grow stronger in the coming years.

We are pleased to report positive signs that the requirements put into place with financial fair play are starting to have an effect on European club football. The figures analysed from almost 700 clubs show more owners fully committing their money to clubs, rather than lending it, and almost €600m lower losses than in each of the two previous years. While such figures are encouraging, there is still considerable work to be done in reducing these losses further.

Once again, we would like to thank all the UEFA member associations, leagues and clubs which provided their financial information, and the entire club licensing network for their invaluable assistance.

We hope you find this report an invaluable source of information and knowledge.

A handwritten signature in blue ink, which appears to be 'GIANNI INFANTINO'. The signature is stylized and fluid.

Gianni Infantino  
UEFA General Secretary



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## Introduction

The sixth edition of the benchmarking report represents an analysis of European top-division club football as a whole, providing national associations, leagues, clubs and other interested parties with information for comparison. It remains a unique annual publication, now in its sixth year, which fully documents the financial, structural and other off-pitch trends in European club football.

This report complements the 'Licensed to thrill' report which we issued for the first time in September 2013 and which focused on the 2013/14 UEFA competition season and the 237 competing clubs.

Together, utilising and mobilising the information available within the club licensing and financial fair play network, we believe these two annual reports will contribute significantly to increased transparency in European club football, one of the project's stated goals.

This year's report is again available in four languages (English, French, German and Russian) and comprises nine chapters. It combines the familiar with the new: familiar analyses presented each year, such as the number of teams competing in each domestic championship, attendance trends across more than 50 top divisions and the financial results and position of these clubs; and new analyses such as a timeline detailing the start and end of the 2013/14 season in each country, market research on football interest levels across Europe and cash flow analyses of European football clubs.

The financial information included in this report covers the 2012 financial year (FY2012) and is derived directly from third-party audited financial statements. It is sourced directly from clubs that submitted financial information to their national associations as part of the club licensing requirements.

Unlike all other reports that benchmark European club football data using aggregated figures provided by leagues, the underlying basis for this report consists of up to 170 separate line items per year, per club from club financial statements and their notes, followed up this year by more than 980 email queries and responses. In total the club database includes over 2.5 million items, thus forming an unrivalled basis for the financial analysis of club football.

This year's report covers figures from the financial statements of 696 different top-division clubs from 53 UEFA member associations, and covers an estimated 99% of all top-division revenues and costs.

In some cases, full details may not be available or considered robust and reliable enough to include in the analysis, in which case a slightly smaller sample of divisions and clubs is used and this is mentioned in the footnotes.

The production of this report was only possible thanks to the efforts of football clubs across Europe and the strong input and support of the national licensing managers, to whom we extend our thanks.

This year's report includes separate sections on head coaches, player transfer activity and wages, making it clear that the management of the coaching staff and playing squad remains club football's greatest challenge.

Of great interest is the analysis of the transfer activity of European clubs over the last five years. Unlike other reports that analyse the impact of international transfers only, our review covers both domestic and international transfers and provides an insight into commissions paid to agents involved in transfer deals.

The first assessment cycle of the break-even rule is now underway and the Club Financial Control Body will make and publicly announce their decisions between April and June. The 2012 financial figures analysed in this report are, consequently, the first that will be reflected "inside of the break-even scope". After years of deteriorating financial results, there are some positive signs that clubs are bringing a better balance to their finances.

The first major sign is the fact that salary growth matched rather than exceeded revenue growth at 7%. This is the first time in recent records that this has happened and the aggregate bottom-line results for FY2012 reflect this fact. The second positive sign is the level and spread of owner commitments to their clubs, a crucial and fundamental requirement of the break-even rule, which aims to prevent the build-up of club debts from 'uncovered' deficits. This is clearly illustrated in the new cash flow section of the report, with two thirds of new net cash financing in the year coming through capital commitments rather than soft loans. This is reinforced in the balance sheet analysis, with owner contributions more than covering the €1.1 billion in losses and leading to a strengthening of European top-division balance sheets by approximately €500 million.

This does not mean that all individual clubs have got their finances to a position that is sustainable in the long run or that all clubs are becoming self-sufficient. In this sense the report is clear: wage growth remained strong with €588 million added to top-division club wage bills between 2011 and 2012. The strong correlation observed between sporting results and wages acts as the driver for this rise. In this context, domestic licensing bodies play an important role in promoting the implementation of good management practices by clubs, promoting long-term investments in football, encouraging clubs to operate on the basis of balanced and sustainable plans and ensuring they settle their debts towards employees and other clubs at domestic and international level punctually.

Four years ago UEFA and its stakeholders unanimously agreed to financial fair play, designed to improve the sustainability of European club football in the long run. Now that financial fair play is fully in operation, clubs are requested to take action and we all look forward to learning how they will improve their financial management and act responsibly in the future.

We hope you will find our study both interesting and useful.

Andrea Traverso  
Head of Club Licensing and Financial Fair Play

## Highlights

### Competition profiles

7

Seven clubs from five countries excluded from UEFA Europa League this season on club licensing and FFP grounds

44

In total, 44 clubs from 20 countries have missed out on UEFA Champions League/Europa League places due to this poor off-pitch management

22 

Domestic league attendances are mixed, with the average down in 28 leagues and up in 22 leagues

28 

163,000,000+

At least 163 million people went to European league football matches last year

### Commercial profiles

82%

More than three-quarters of European adults are 'interested' in football, with a quarter 'very interested'

25%

23%

On average, the most popular club in each country attracts a 23% share of supporters in that country





## Head coach profiles

**5x** Average number of head coach changes between 2010 and 2013 in various south-eastern European leagues was five, compared with less than one change in various leagues in northern Europe **1x**

**17 months** Current head coaches have spent an average 17 months in their positions, with 60% in place for less than a year **60%**

**52%** More than half of European top division head coaches are in their 40s

More than three-quarters of clubs have a head coach holding a UEFA Pro diploma **76%**

## Transfer activity review

**10,900,000,000**

Total transfer fees of €10.9 billion have been spent assembling European top division playing squads

Just under half of the transfer fees paid remain on the clubs' balance sheets, with the rest absorbed already as costs

**48%**

**50%**

The English, Italian and Spanish top division clubs have been responsible for 50% of transfer spending and 38% of worldwide transfer earnings over the last five years

**38%**

**3bn**

The record summer 2013 European club transfer spend of €3 billion was 12% above the previous peak

**12%** 

**35%** 

By contrast, the January 2014 transfer spend of €420 million was the lowest for three seasons and 35% below the peak



Clubs playing in UEFA competitions reported an average agent cost equivalent to 12.6% of transfer spending

**12.6%**

**1 in 16**

Large agent fees of more than a third of the total transfer fee were observed in only 1 in 16 larger value deals but in 1 in 3 smaller deals

**4–5yrs**

The vast majority (76%) of players transferred for more than €1 million get a contract of between 4 and 5 years

## Financial revenue profile of club football

**800m** 

Total European top division club revenues increased by €800m to reach a record of €14.1 billion in 2012

**14.1bn**

**42%** 

Club revenues increased by 42% between 2007 and 2012 despite the challenging economic conditions

### Across the board

The 20 wealthiest leagues in Europe all reported revenue growth between 2007 and 2012



The share of total income from gate receipts continued its downward trend, from 23% in 2007 to 18% in 2012



## Wages profile of club football

**600m** 

Total club wages increased by €600m since 2011 to reach €9.2bn in 2012

**9.2bn**

**59%** 

Wages increased by 59% between 2007 and 2012 with more than half of Europe's top division leagues experiencing wage growth of more than 50%

The wage to revenue ratio has, however, stabilised at 65%

**65%**

The highest club wage bill remains more than triple the wage bill of the 25th highest paying club

**3x**

**Strong link**

The club with the highest wage bill finished in the top half of its league in all 50+ European top division leagues

**56%**

More often than not the clubs with the highest wage bills won their domestic leagues

## Cost and profit/loss profile of club football

**600m**  Total top division club losses reduced by €600m from €1.7 billion in 2011 to €1.1 billion in 2012

More than 200 clubs from 42 different countries spent €12 for every €10 of income

**€10 in, €12 out**

Wage and loss ratios get worse as clubs get smaller



11 of Europe's talent developing leagues generated net profits from transfer activity equivalent to more than 10% of total revenue

**€1 in €10**



## Financial cash flow profile of club football

**52%**

More than half of Europe's clubs reported a positive cash flow during 2012, with total cash outflow of just over €100m

**€100m**

Whilst 24 leagues reported combined club losses of 10%+, no leagues had net cash outflows of 10%+ after financing

**Cash is king**

Cash spent on transfers in 2012 was more than five times higher than cash investments in all other assets

**5x****Benefactors**

On a Europe-wide basis the €1.5bn net financing cash flows coming into clubs were sourced entirely from owner(s) or related parties

## Financial balance sheet profile of club football

**61%**

Just over 6 out of 10 clubs reported assets greater than liabilities (positive equity) in 2012, unchanged from the previous year

European club balance sheets strengthened by €600 million in 2012 to finish with combined positive equity of just under €3.9 billion

**600m** 



1

Competition profiles



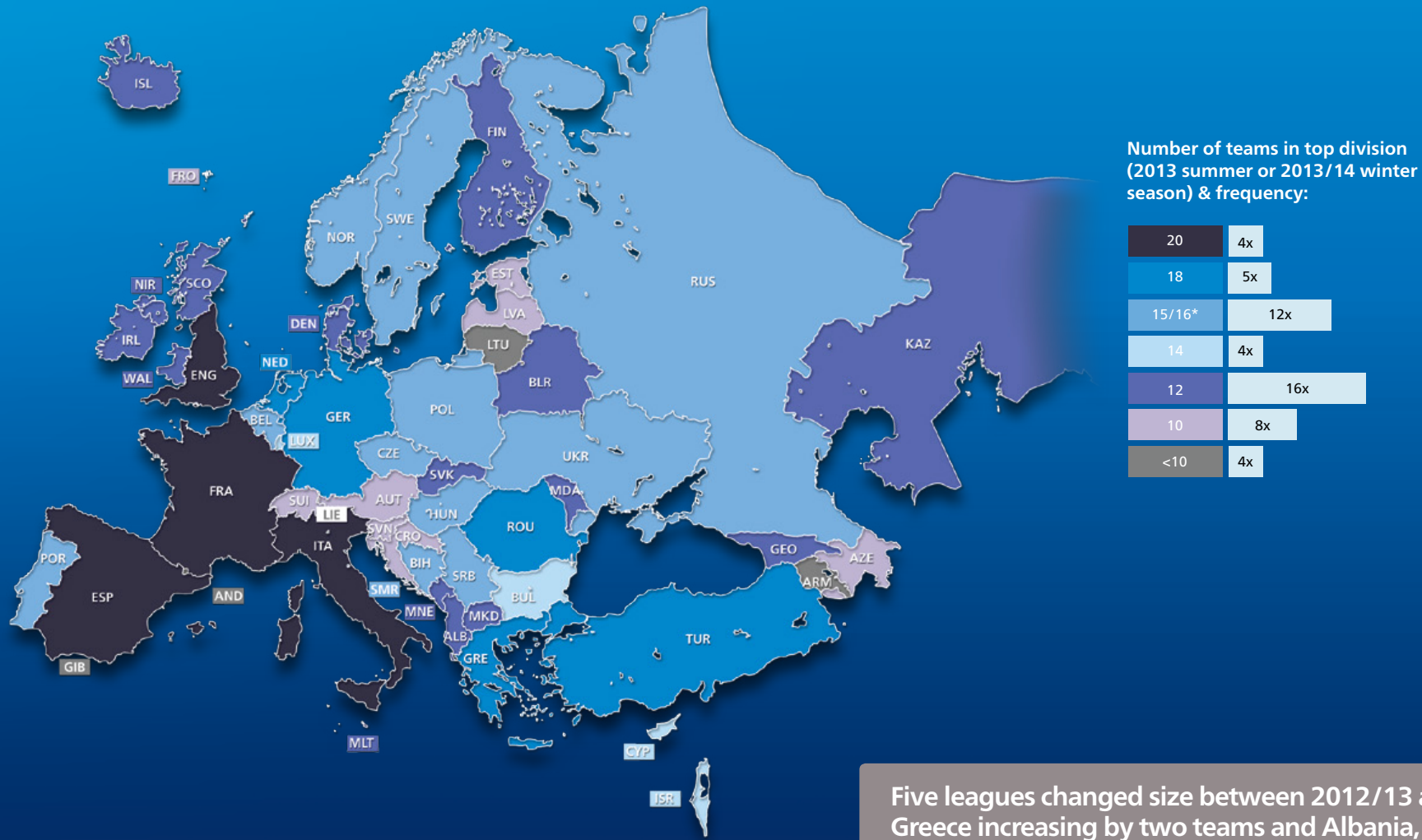


View of the Estádio do Dragão, home of FC Porto, taken during the UEFA Champions League group stage match between FC Porto and Club Atlético de Madrid held on 1 October, 2013.

All source photos from UEFA.com library.

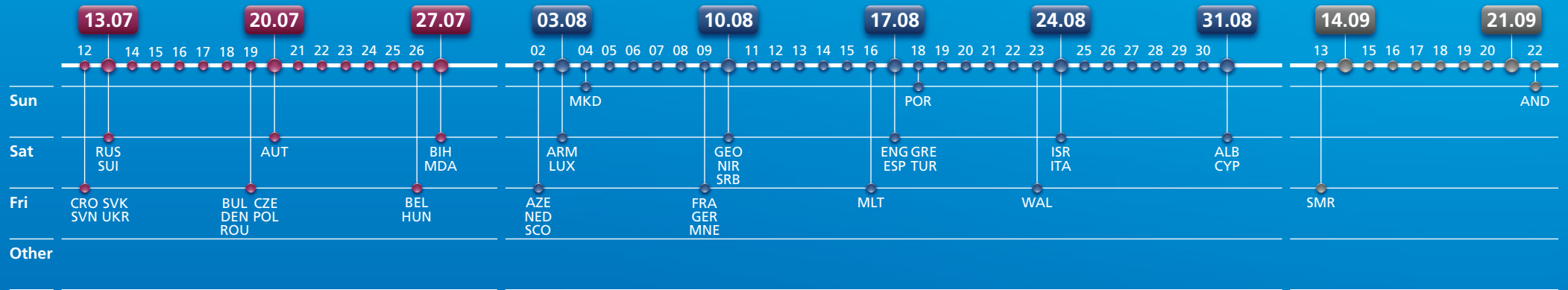


More than half of Europe's top divisions comprise either 12 or 16 teams.



Five leagues changed size between 2012/13 and 2013/14, with Greece increasing by two teams and Albania, Azerbaijan, Bulgaria and Croatia decreasing by two teams.

Top division season start dates (2013/14 winter championships)



16 leagues started in July

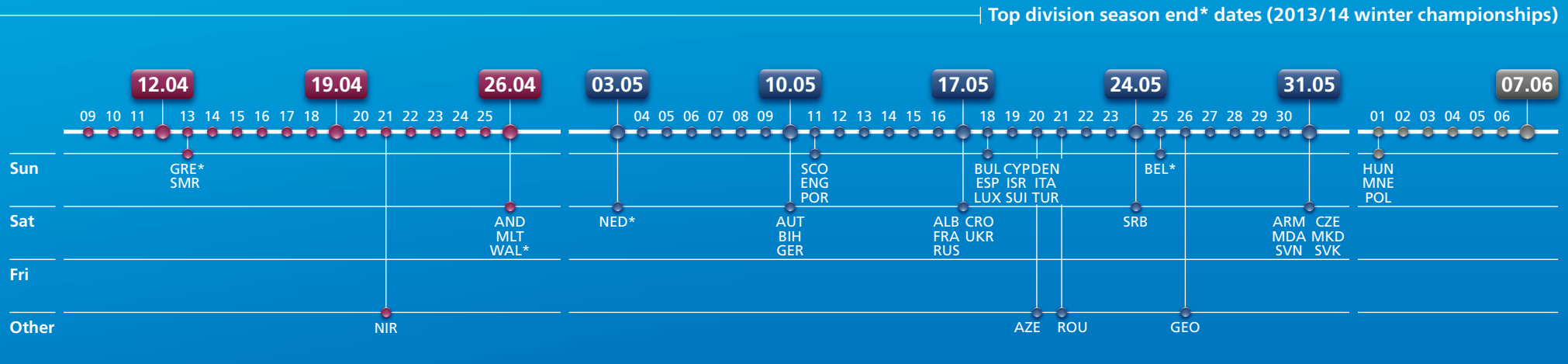
23 leagues started in August

9 of the 11 summer championships started in March

22 leagues started on a Friday, 24 on a Saturday, 5 on a Sunday and 1 on another day

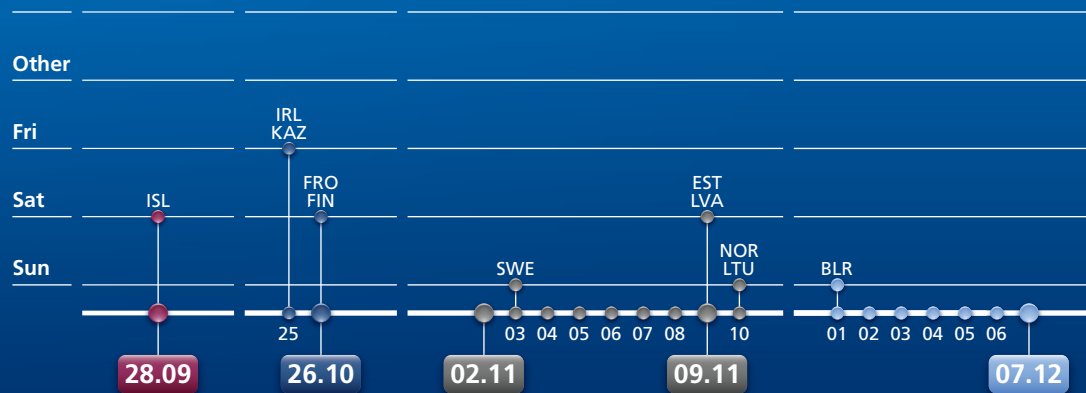


Top division season start dates (2013 summer championships)



The middle weekend in May remains the most common end date

Iceland has the shortest season, lasting just 21 weeks



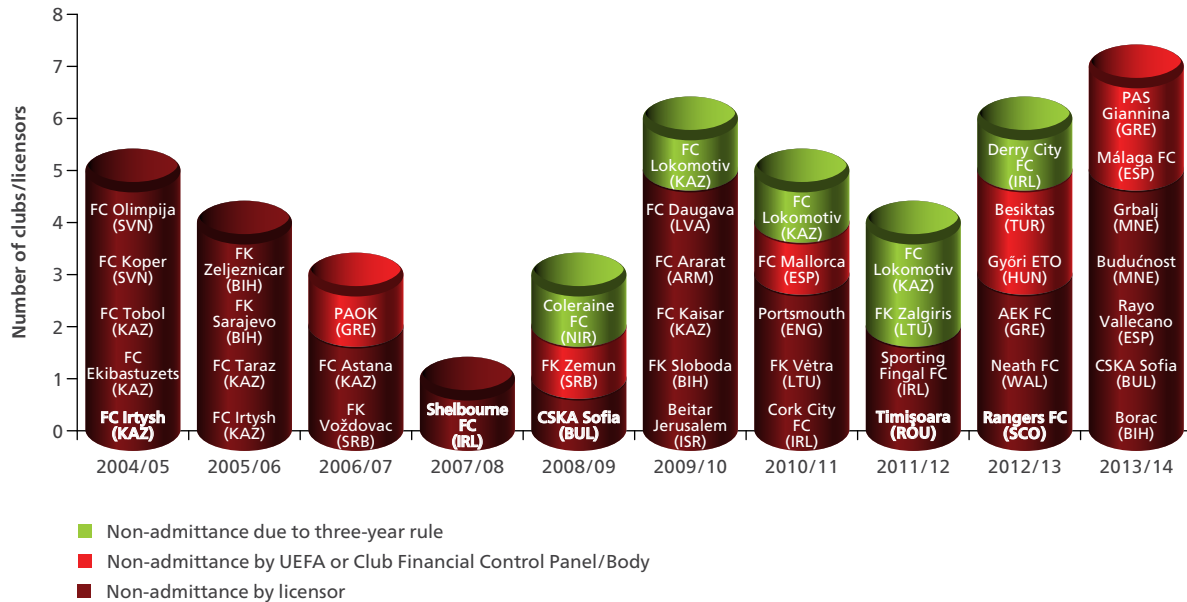
24 leagues end on a Saturday and 22 on a Sunday

Two thirds of the top division leagues are finishing earlier in 2014 than 2013 due to the World Cup

Top division season end\* dates (2013 summer championships)

\* A number of leagues have different formats (see FY2011 benchmarking report, page 59). The dates on the timeline refer to the final matches played by all clubs. In particular, please note that the regular season in Greece finishes on 13 April but play-off matches involving some teams continue into May; the regular season in the Netherlands finishes on 3 May but European competition and relegation play-off matches involving some teams continue until 18 May and the regular season in Wales finishes on 26 April but Europa League qualification play-off matches involving some teams continue until 17 May. In addition, Belgium splits into three groups in March but all clubs are involved until May and various leagues employ play-out matches to decide one or more relegation places.

Clubs not admitted to UEFA competitions on licensing or financial fair play grounds



For the 2013/14 UEFA season, seven clubs from five countries qualified directly on sporting merit but were excluded on licensing or financial fair play grounds.

A further nine clubs that qualified indirectly for the Europa League (because club(s) above them didn't have a license) missed out because they themselves were refused a license.

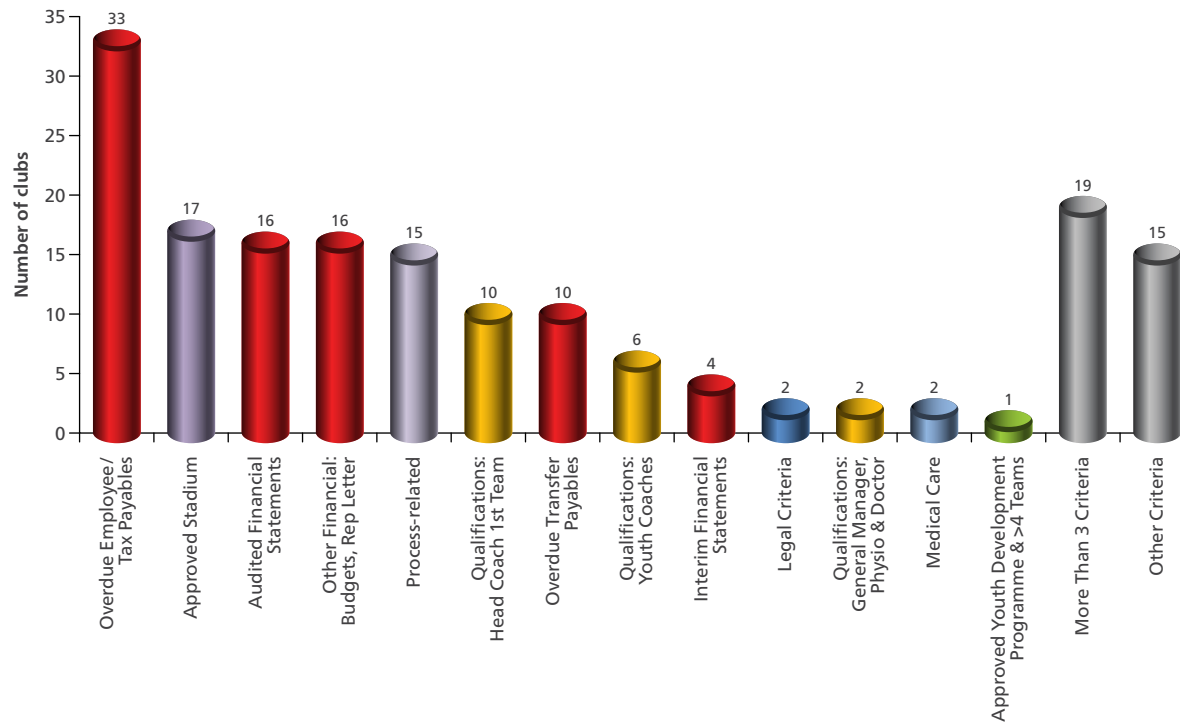
Over the last ten years, five clubs have missed out on the Champions League (in bold above) and 39 on the Europa League on licensing or financial fair play grounds.

A total of 20 countries have now had a club qualify on the pitch but miss out because of poor management off the pitch.

In total, 577 clubs applied for a license for UEFA competitions and 18% were refused.

The most common reason for refusal was overdue payables towards employees and social/tax authorities.

Overview of reasons for 2013/14 license refusals



Clubs were refused licences on failures relating to at least\* 23 different criteria, underlining that club licensing is much more than just financial regulation.

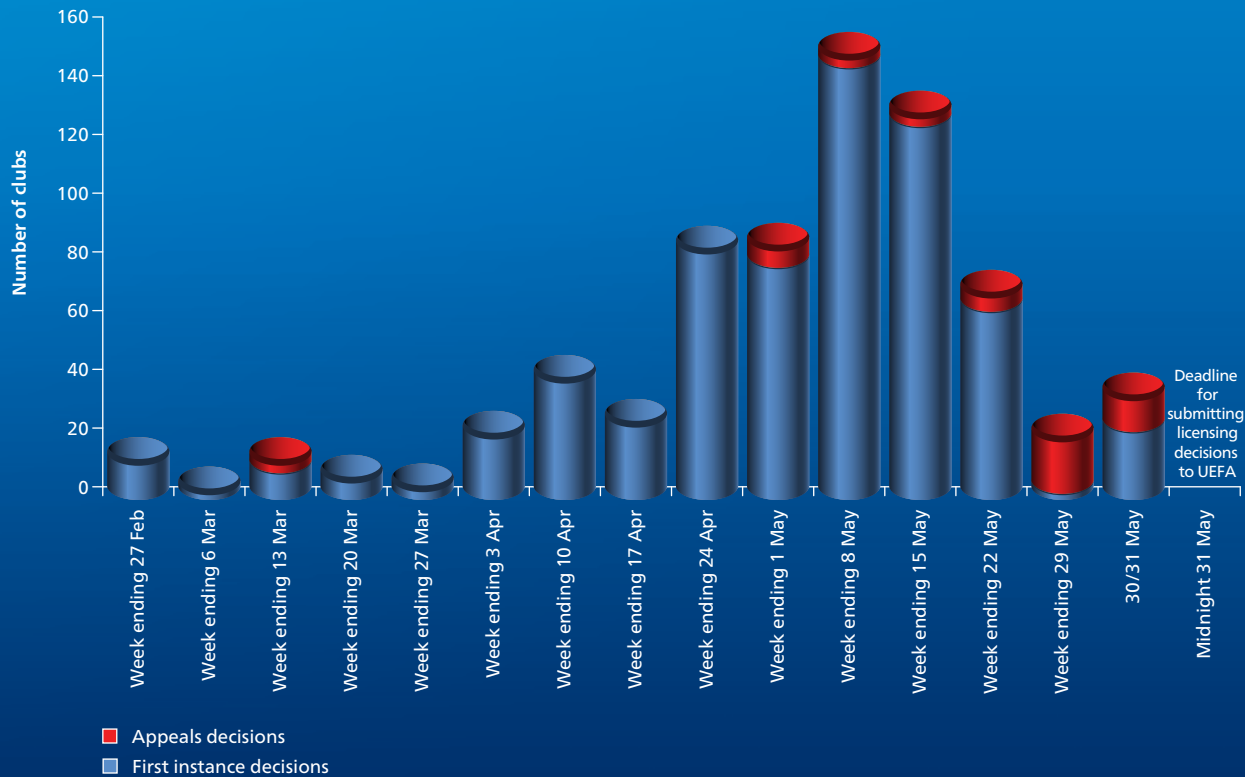
\* 'At least' because separate reasons for refusal were given for 83 of the 102 clubs refused a license. Specific criteria were not provided for a further 19 clubs that were refused for failing more than 3 criteria.





The large majority of club licensing decisions are taken by the national licensing bodies between late April and the end of May.

Timeline of licensing decisions (UEFA licence) by week



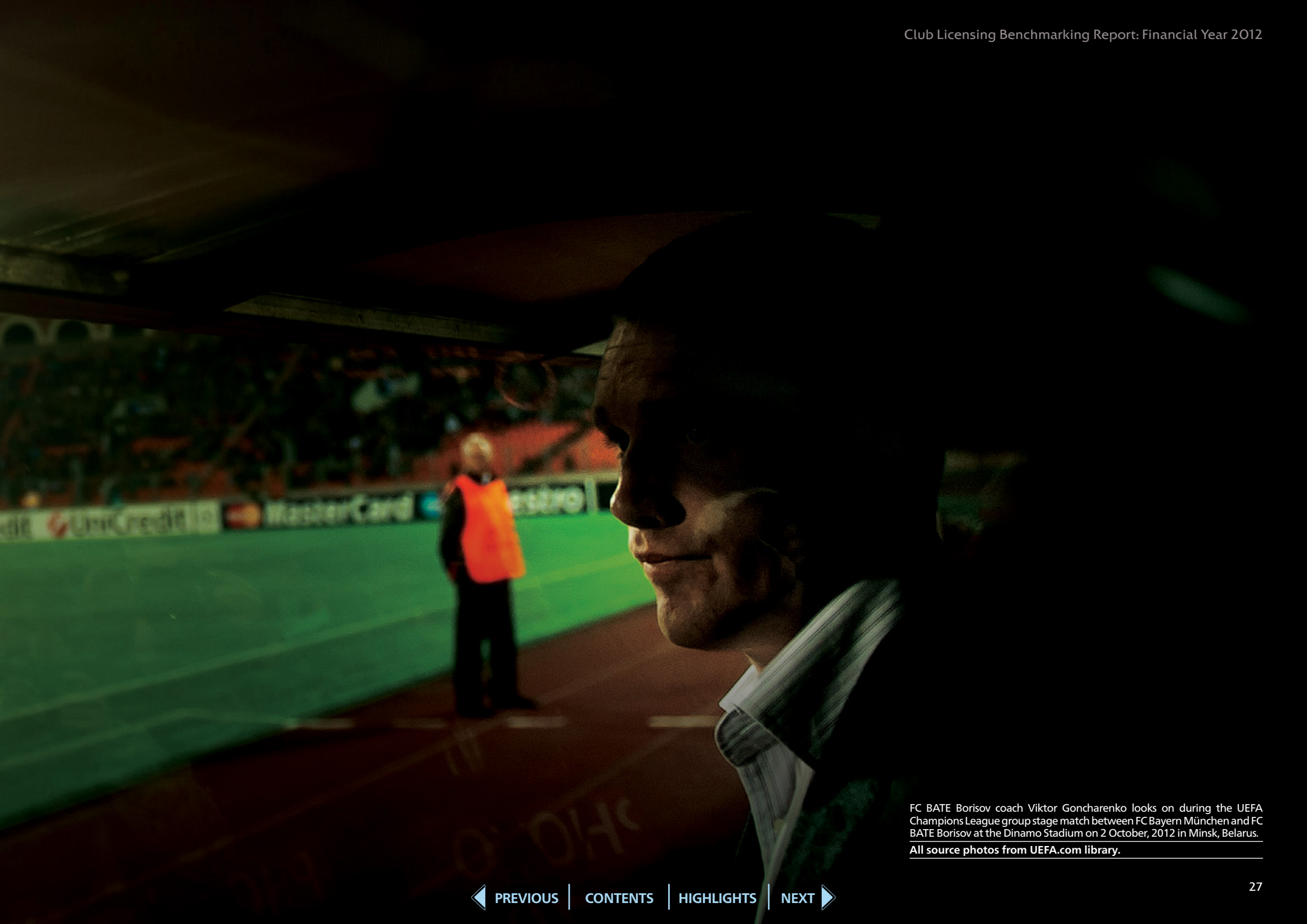
The majority of appeals body decisions are taken at the end of May, shortly before the final list of licensing decisions is sent to UEFA.

By contrast, club monitoring for financial fair play purposes is a continuous process performed by the Club Financial Control Body.



2

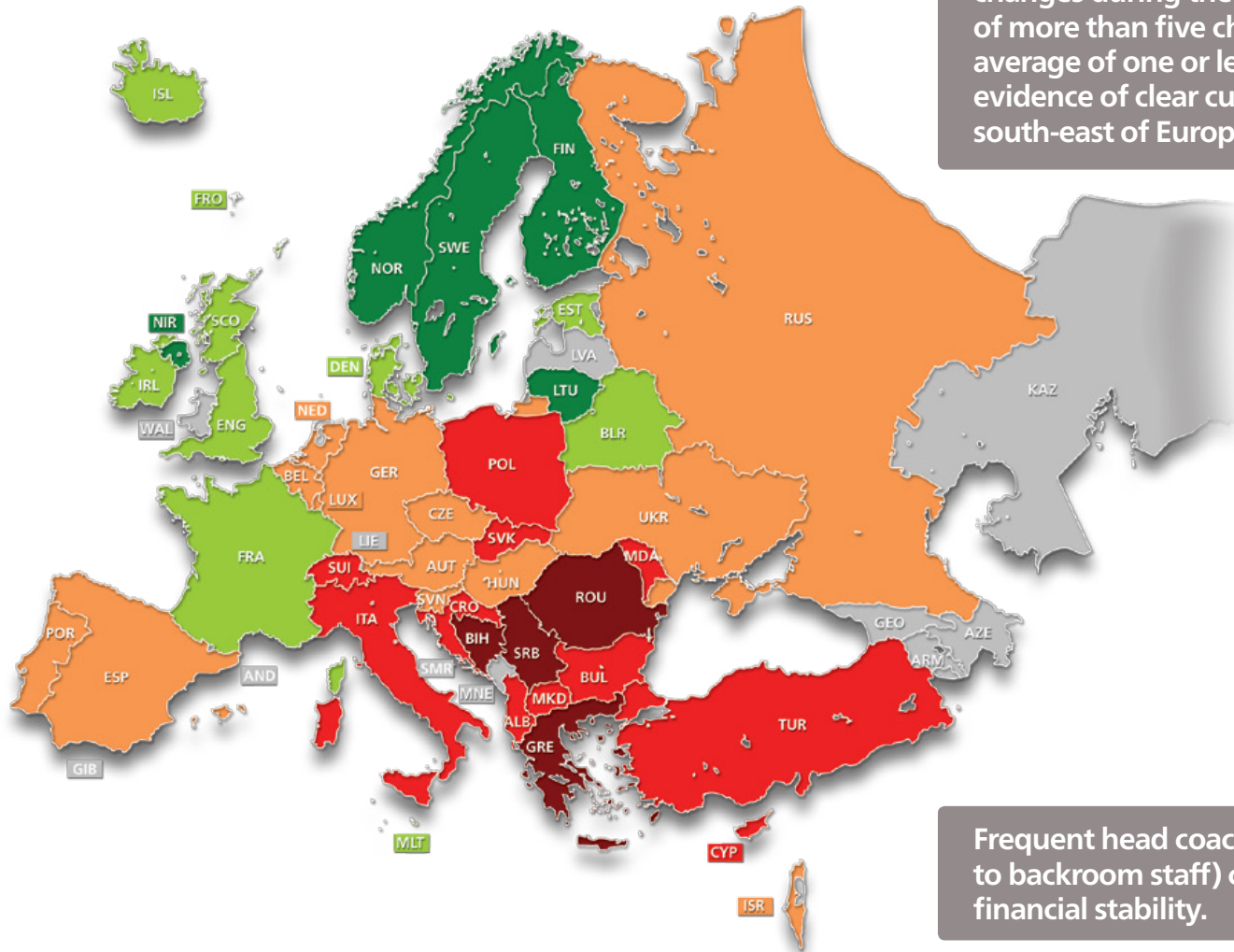
## Head coach profiles



FC BATE Borisov coach Viktor Goncharenko looks on during the UEFA Champions League group stage match between FC Bayern München and FC BATE Borisov at the Dinamo Stadium on 2 October, 2012 in Minsk, Belarus.  
All source photos from UEFA.com library.

Head coaches are analysed in three different ways. The first study\* looks at the three-year period from July 2010 to June 2013, covering more than 1,700 club head coach changes.

European top division clubs made an average of 2.7 head coach changes during the three-year period. This ranged from an average of more than five changes per club in ROU, GRE, SRB & BIH to an average of one or less change per club in FIN, LTU, SWE, NIR & NOR, evidence of clear cultural differences between the north and south-east of Europe.



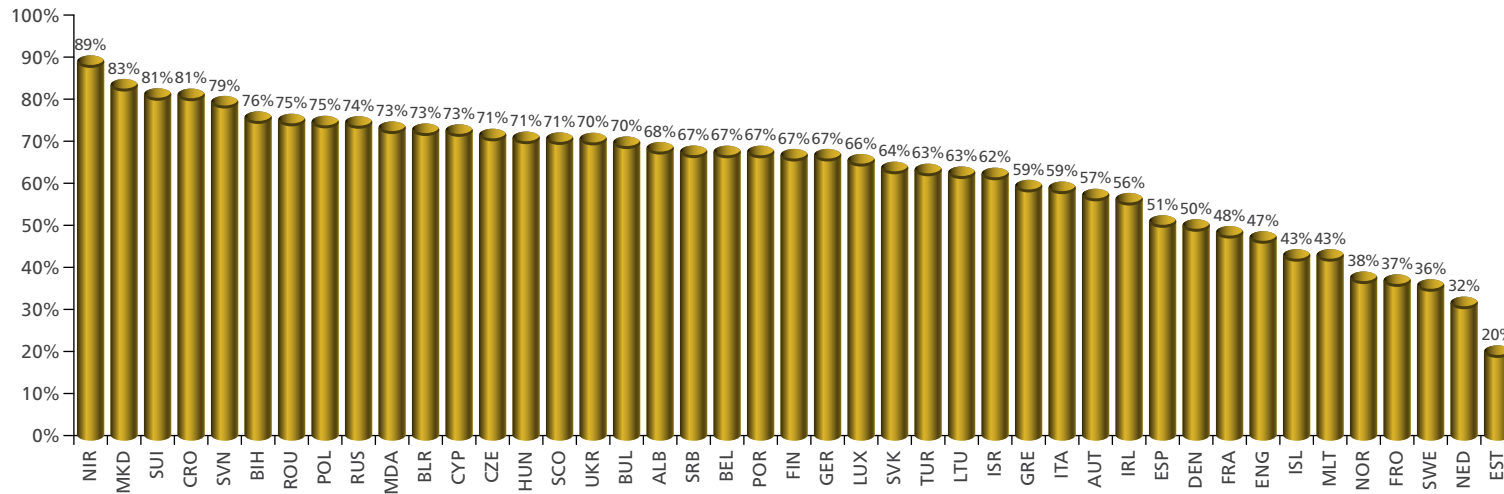
Average number of head coach changes per club in each NA over a three-year period (July 2010 to June 2013)

5+	4x
3 to 5	11x
2 to 3	13x
1 to 2	10x
1 or less	5x
Not available	11x

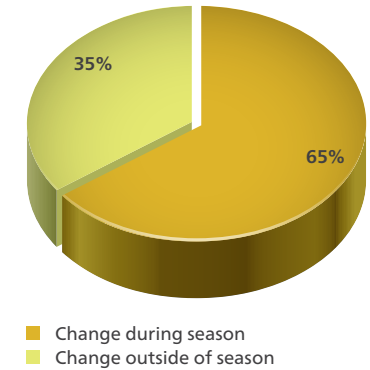
Frequent head coach changes (often accompanied by changes to backroom staff) can have an impact on both sporting and financial stability.

\* Analysis of 1,709 head coach changes from 43 countries over a 36-month period. Coach changes analysed across 700 different clubs. Data from the following NAs excluded from first study (either not available or incomplete): AND, GIB, LIE, SMR, MNE, GEO, WAL, ARM, AZE, KAZ, LVA. UEFA analysis based on data extracted from [www.transfermarkt.de](http://www.transfermarkt.de) and sanitised by UEFA. The analysis uses the clubs in each top division for each of the three seasons analysed and tracks the activity of these clubs from the start of summer to the end of the season. Temporary caretaker head coaches in charge for less than 60 days are not considered as a change for the purposes of this analysis.

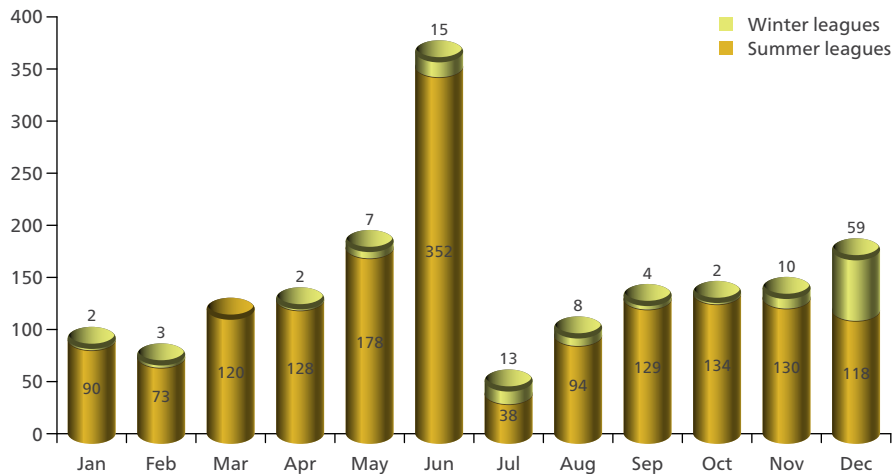
Percentage of head coaches changed during season



Timing of head coach changes, July 2010 to June 2013



Departure months of coaches, July 2010 to June 2013



Changes of head coach during the season tend to be a reaction to results rather than a pre-planned action. Whilst clubs in EST, NED, NOR & SWE tended to change head coach outside the season, clubs in the Balkans and Switzerland made more than 75% of their head coach changes during the season.

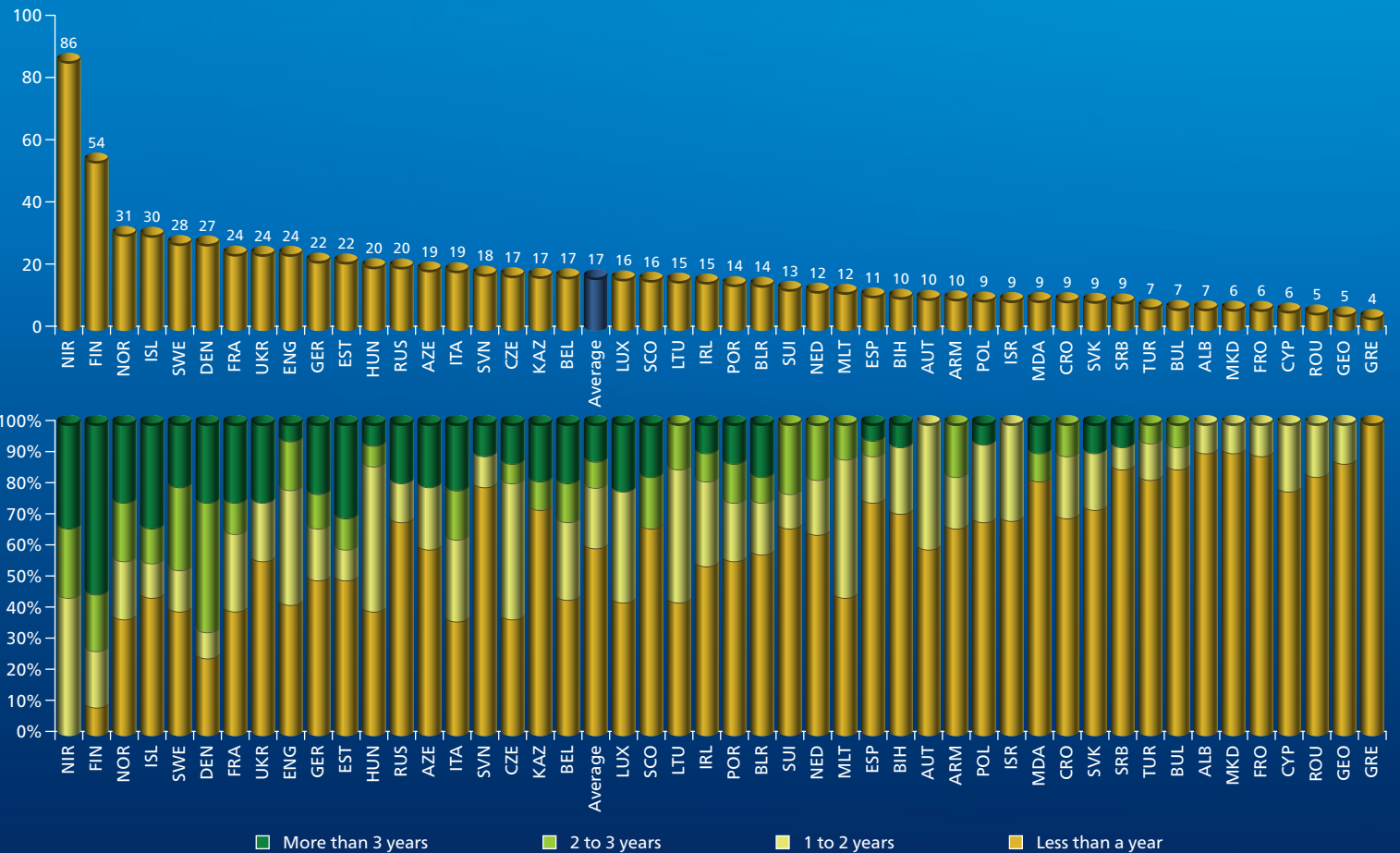
Although 65% of head coach changes are during the season, the most popular single month for coach changes is June, when most championship seasons have just finished and the summer transfer window has not yet opened.

December is another busy month for coach changes as it is right before the winter transfer window and at the end of the summer championship seasons.

The second study\* looks at the age profile and longevity of club head coaches in place at 624 top division clubs at a specific point in time (November 2013).

Northern Ireland has the most stable environment for head coaches, with Greece at the other end of the scale. The latter's head coaches average 4 months and all 18 clubs changed head coach within the previous 12 months.

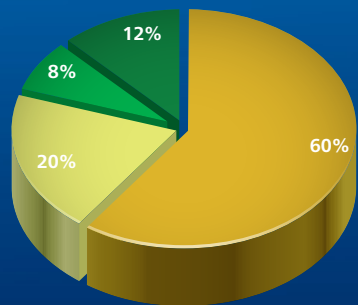
Average length of service of head coaches (months)



\* Analysis of head coaches of 624 clubs from 47 countries. Data from the following NAs excluded from second study (either not available or incomplete): AND, GIB, LIE, SMR, MNE, LVA, WAL. UEFA analysis based on data extracted from www.transfermarkt.de.

The average length of service of head coaches across Europe is 17 months.

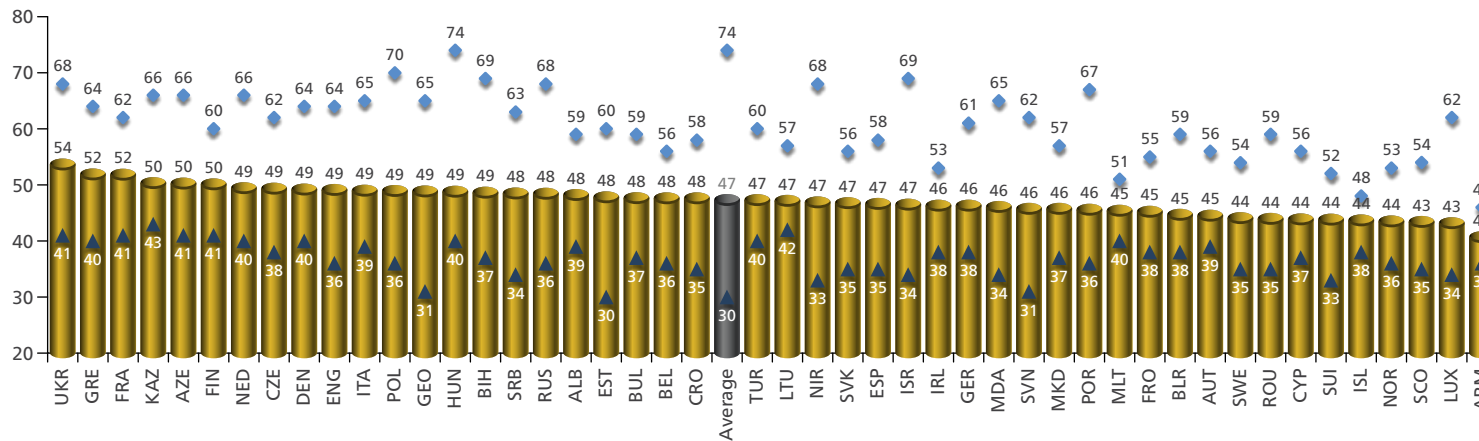
60% of top division head coaches appointed within the previous year.



The average age of European head coaches remains 47 years old.

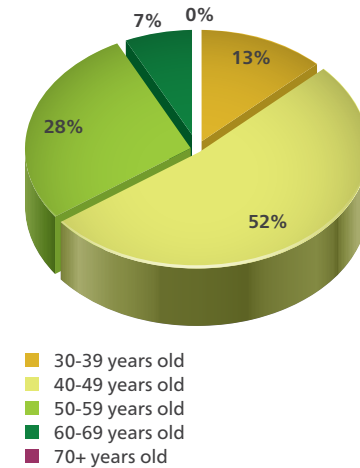
Over half of top division head coaches are in their 40s.

Average, youngest and oldest head coaches (years)



The highest average age was recorded in Ukraine (54 years old), while in Armenia coaching is a 'younger man's game' (head coaches average 41 years old).

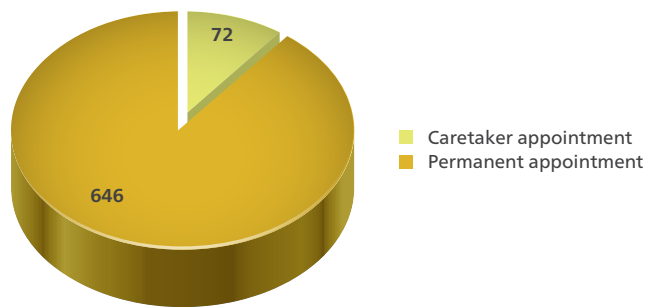
Age profile of top division head coaches



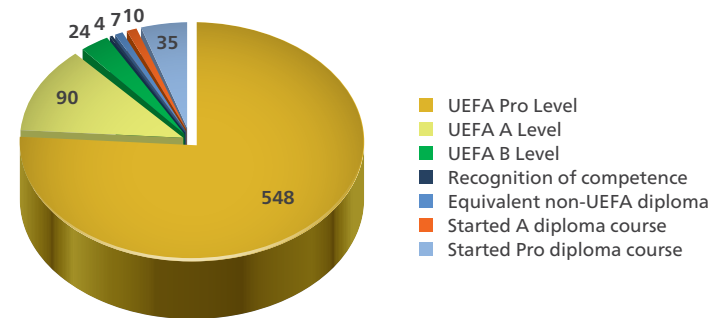


The third study of club head coaches looks at the qualifications of head coaches of 718 clubs that went through the club licensing process between March and May 2013.

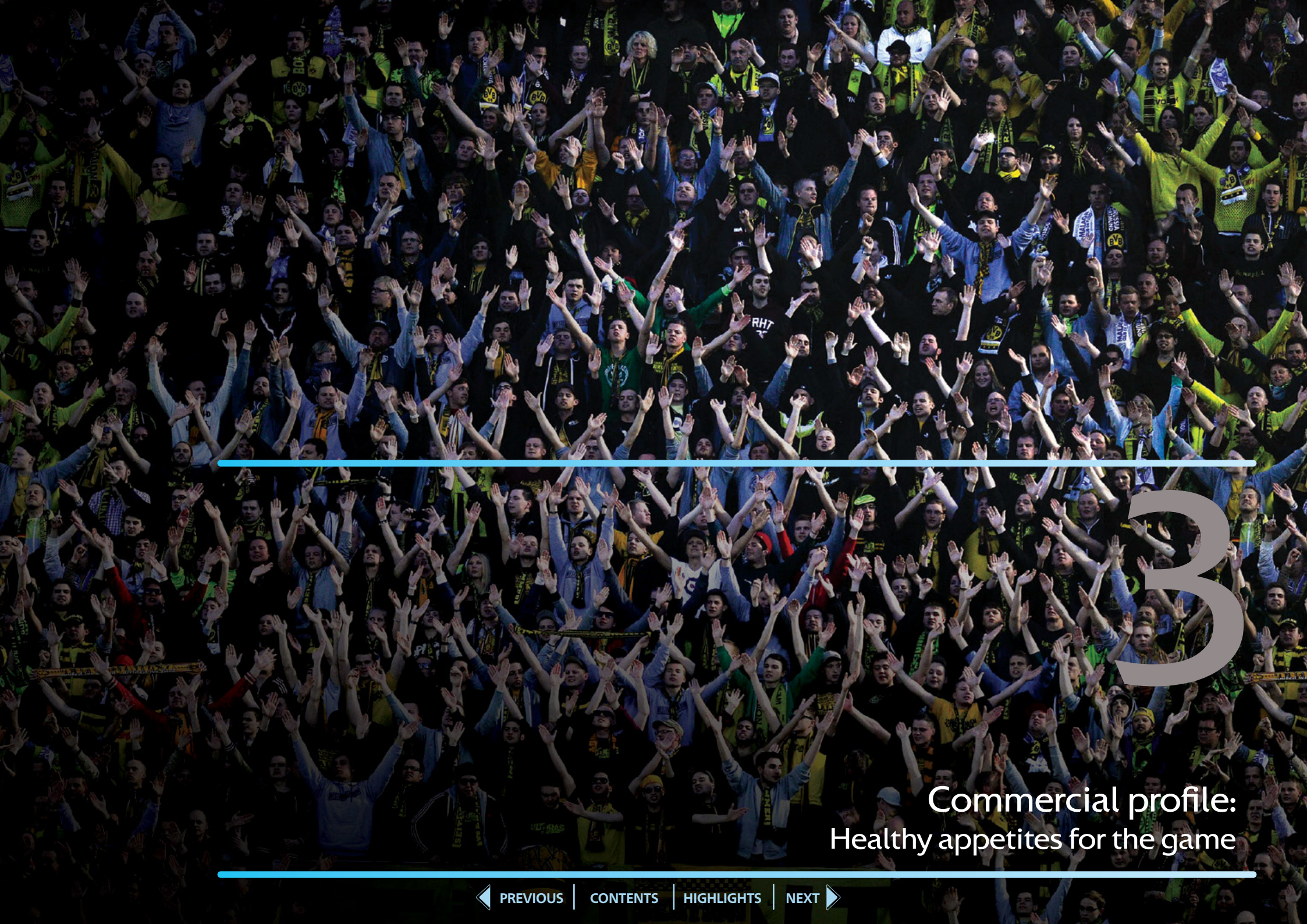
Status of head coach



Head coach qualifications

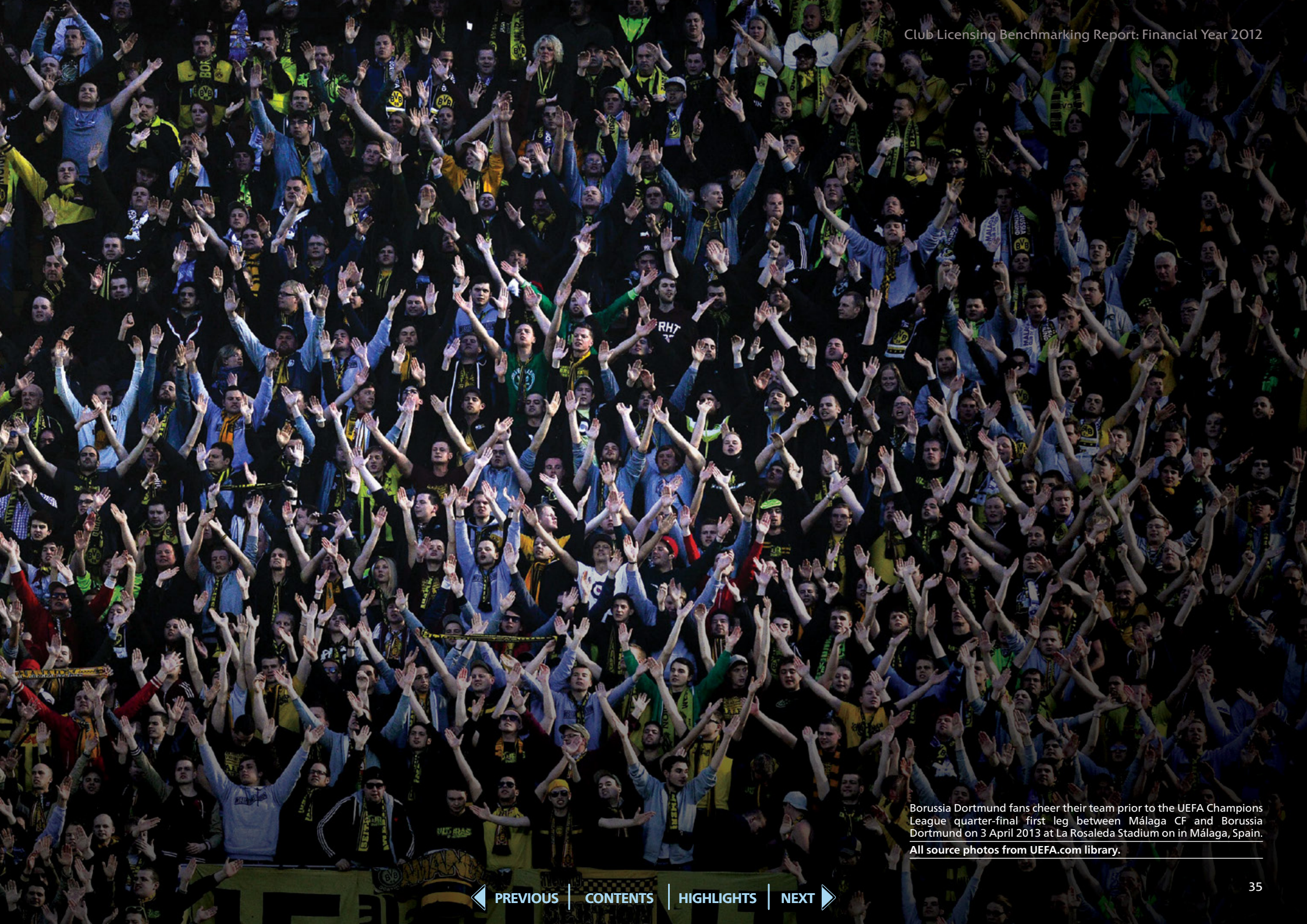


At the time of licensing, the head coaches of 76% of Europe's top division clubs already had Pro diplomas. The minimum head coach qualification required to receive a licence depends on the national association's UEFA Coaching Convention membership status.



# 3

Commercial profile:  
Healthy appetites for the game



Borussia Dortmund fans cheer their team prior to the UEFA Champions League quarter-final first leg between Málaga CF and Borussia Dortmund on 3 April 2013 at La Rosaleda Stadium on in Málaga, Spain. All source photos from UEFA.com library.

More than 163 million people attended European club football league matches in the most recent completed season (2013 or 2012/13, as applicable).

There were 22 divisions from the top tier, 12 from lower tiers and the 2 UEFA club competitions, that reported combined attendances of more than one million.

2013s & 2012/13w league attendances						
League	Aggregate rank	Average rank	Average	Number of clubs	Number of matches	Aggregate
ENG	1	2	35,921	20	380	13,649,923
GER	2	1	42,624	18	306	13,042,961
ESP	3	4	28,237	20	380	10,730,155
ENG (L2)*	4	8	17,488	24	552	9,653,376
ITA	5	5	23,234	20	379	8,805,568
FRA	6	7	19,211	20	380	7,300,218
UCL	7	3	31,928	76	213	6,800,590
UEL	8	10	13,230	169	479	6,337,008
NED	9	6	19,619	18	306	6,003,363
GER (L2)*	10	9	17,237	18	306	5,274,522
TUR	11	12	12,984	18	291	3,778,383
ENG (L3)*	12	25	6,319	24	552	3,488,088
RUS	13	11	13,180	16	240	3,163,170
ESP (L2)*	14	23	6,783	22	462	3,133,746
UKR	15	13	12,547	16	239	2,998,771
FRA (L2)*	16	20	7,013	20	380	2,664,940
ENG (L4)*	17	34	4,389	24	552	2,422,728
BEL	18	18	8,265	16	289	2,387,167
POR	19	16	9,803	16	240	2,352,795
GER (L3)*	20	26	6,160	20	380	2,340,800

The aggregate figure would increase further with the addition of domestic cup matches, for example The FA Cup audience of more than 2 million and the League Cup audience of more than 1.2 million.

## 2013s &amp; 2012/13w league attendances

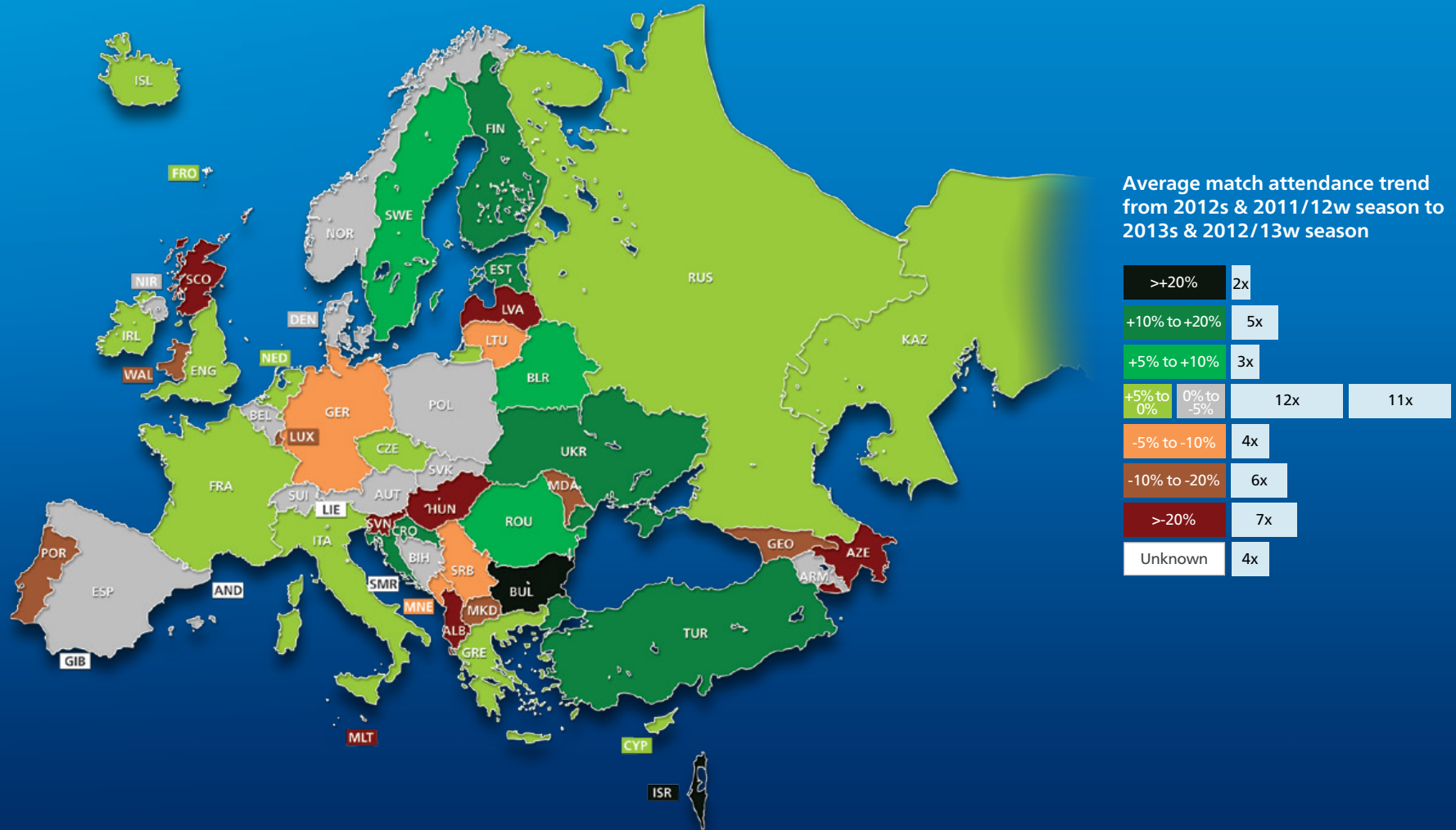
League	Aggregate rank	Average rank	Average	Number of clubs	Number of matches	Aggregate
SCO	21	15	10,022	12	228	2,284,997
ITA (L2)*	22	32	4,847	22	462	2,239,314
SUI	23	14	12,022	10	180	2,163,870
POL	24	17	8,409	16	240	2,018,205
SWE	25	19	7,627	16	240	1,830,615
NOR	26	21	6,828	16	240	1,638,735
ROU	27	29	5,184	18	306	1,586,321
TUR (L2)*	28	28	5,386	18	279	1,502,694
DEN	29	24	6,760	12	198	1,338,443
AUT	30	22	6,802	10	180	1,224,378
ISR	31	30	5,061	14	240	1,214,614
GRE	32	31	4,975	18	240	1,193,910
CZE	33	33	4,798	16	240	1,151,505
NED (L2)*	34	35	3,597	20	297	1,068,309
ENG (L5)*	35	36	1,886	24	552	1,041,072
SCO(L4)*	36	27	5,572	10	180	1,002,960
Other league 1						8,087,525
Other leagues 2+						14,530,385
Leagues total						163,446,224
League 1 subtotal						99,945,592
League 2+ subtotal						50,362,934
UEFA comps. subtotal						13,137,698

Lower league attendance was just over 50% of top division attendances across Europe,\*\* indicating the depth of professional European club football.

\* Whilst the benchmarking report focuses on data from the top leagues of the 54 UEFA member associations, for completeness we include attendance figures for lower leagues as the data is readily available. Attendance data by nature can vary between sources as attendances are sometimes measured by tickets sold, tickets issued including free tickets or actual match attendance. UEFA analysis primarily uses club by club attendance data available at [www.european-football-statistics.co.uk/attn.htm](http://www.european-football-statistics.co.uk/attn.htm), supplemented by data from licensing managers at leagues and national associations. \*\* The League 1 data covers all European top divisions whilst the lower league data covers 67 lower tier leagues, down to 13th tier in England, 7th tier in Germany and Russia, 6th tier in France and Italy, 5th tier in the Netherlands and 3rd tier in most of the other countries.



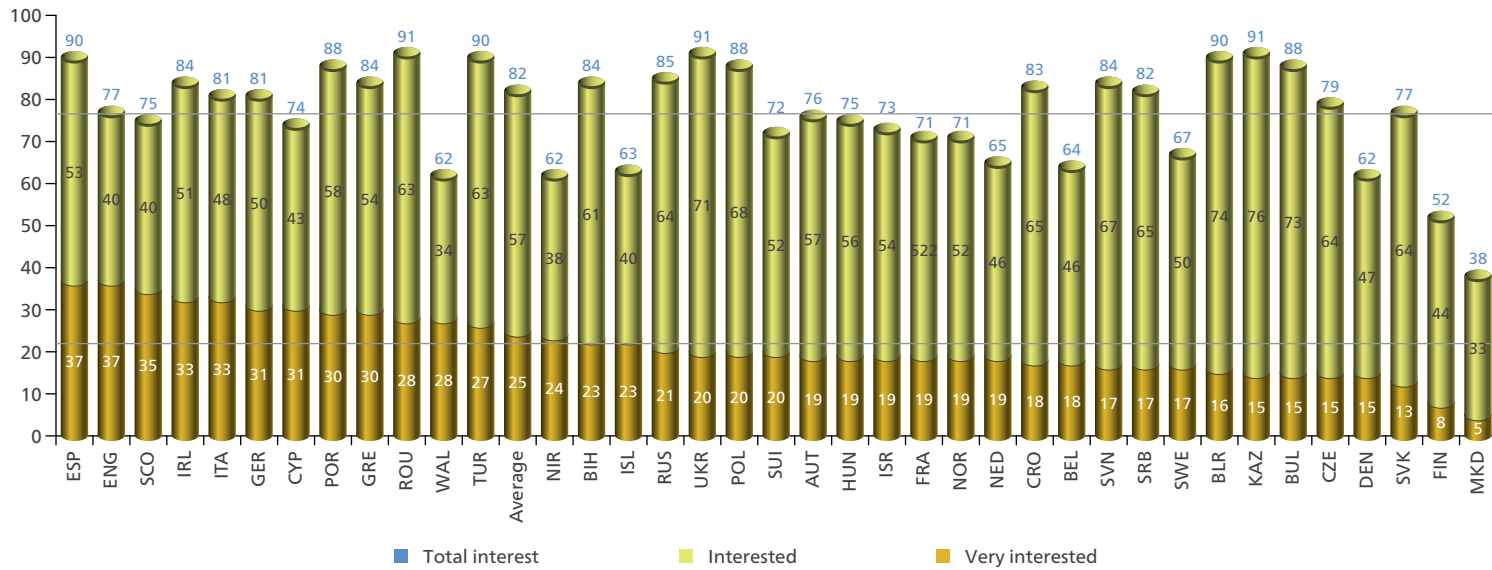
The year on year trend across top tier leagues was mixed, with 28 experiencing decreasing attendance figures and 22 increasing.



On average, 82% of people across Europe say they are 'interested' in football, including 25% who say they are 'very interested'\*

The percentage of adults either 'interested' or 'very interested' in football is typically between 75% and 90% (25 from 38 countries in survey within this range).

Percentage interest levels in football per country



The Spanish and English are the most likely to be 'very interested' (37%), followed by the Scottish, Irish, Italians and Germans.

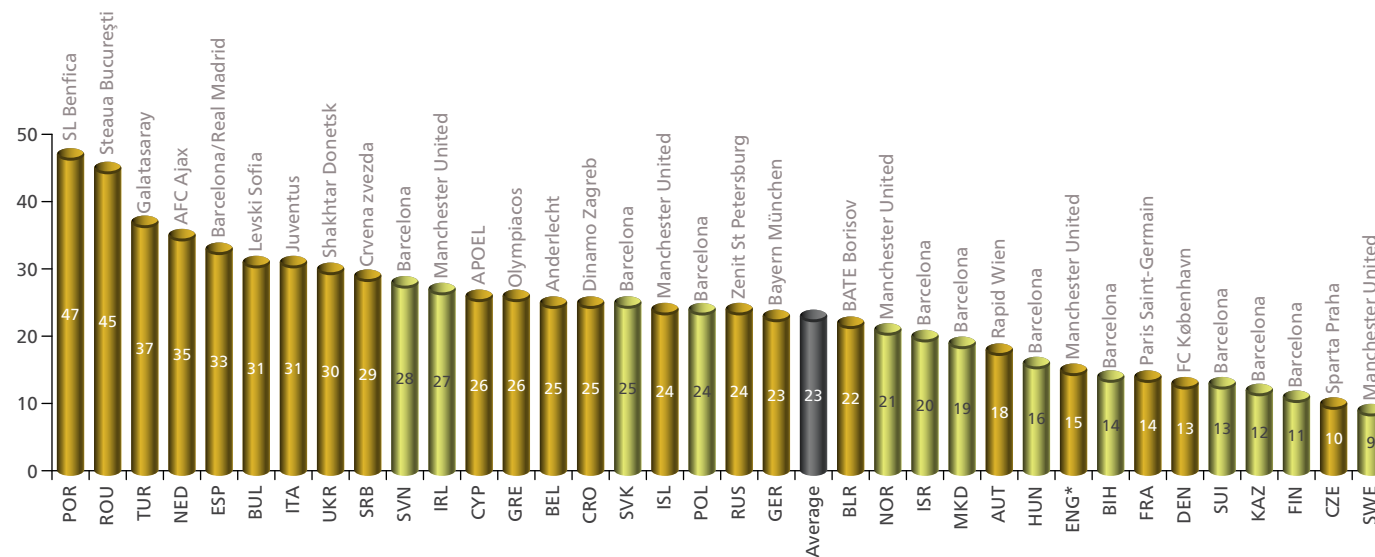
\* Source: Bespoke study performed by Repucom for UEFA in November 2012 covering a sample of more than 18,000 representative European citizens between the ages of 18 and 69. Participants from 38 UEFA territories were asked if they were interested or very interested in football. \*\* 'Average' represents the weighted average of people in the territories.



Portugal and Romania have the highest degree of supporter concentration in Europe with 47% and 45% of all football supporters in their countries aligning themselves with the same club (Benfica and Steaua București respectively). At the other end of the scale, in Sweden no single club attracted more than 9% of the support of football fans. On average the best supported club in each country attracted a supporter share of 23%.

Among the largest leagues, support is more widely spread in France (14%) and England (15%) than in Spain (33%) and Italy (31%).

#### Concentration of people supporting the most popular club



The 13 yellow columns indicate that the most popular club in the country is not a domestic one.

\* Combined UK question and answer for most popular club (Manchester United); NIR, WAL & SCO therefore excluded from this analysis.

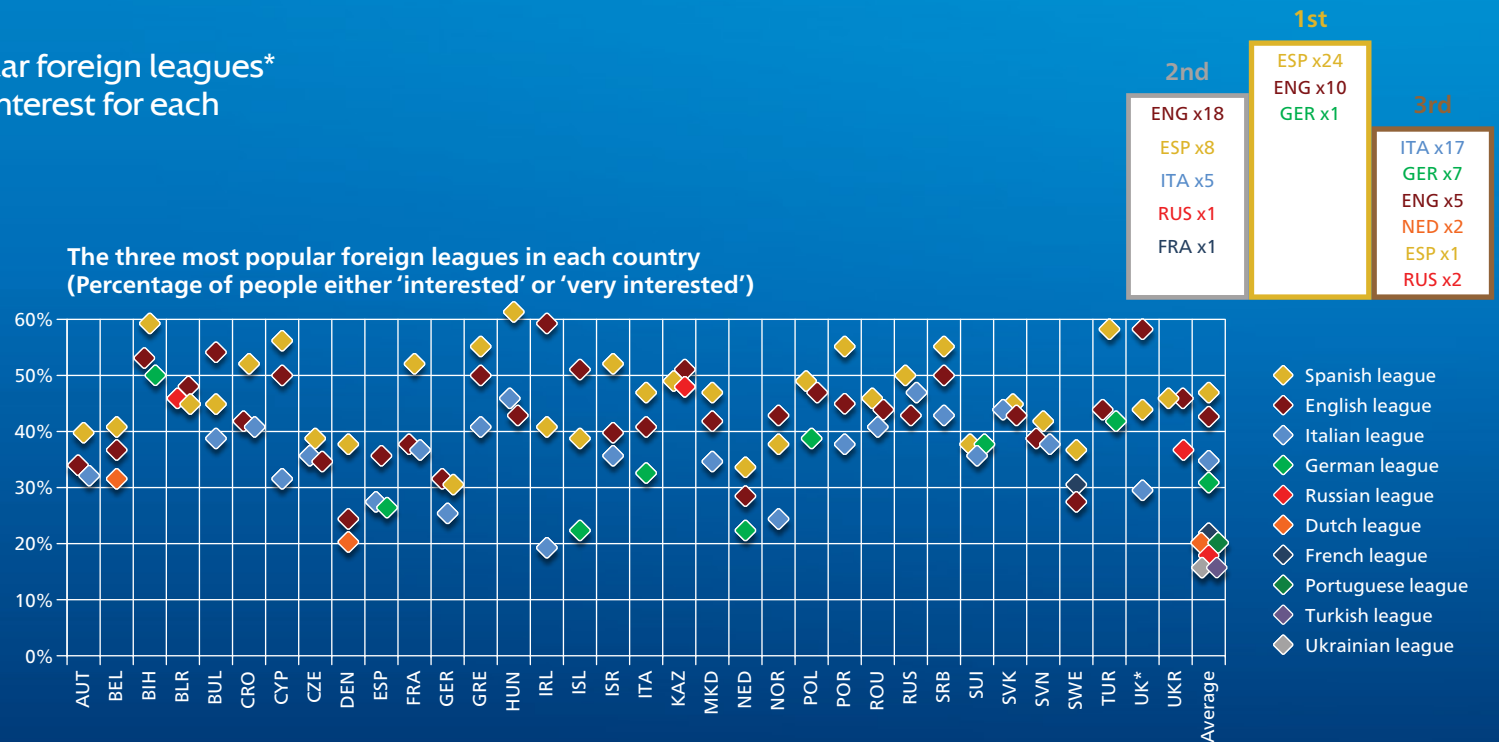
Source: Bespoke study performed by Repucom for UEFA in November 2012 covering a sample of more than 18,000 representative European citizens between the ages of 18 and 69. Participants from 38 UEFA territories were asked their favourite club (could be domestic or foreign).

At least 30% of respondents in each country surveyed expressed an interest in at least one foreign European league. This underlines the immense cross-border interest in European club football.

The chart identifies the three most popular foreign leagues\* in each country and the overall average interest for each league across the 34 territories.

The Spanish and English leagues were the two most followed in the vast majority of European territories. However, more than 30% of respondents also expressed interest in the Italian and German leagues and between 15% and 22% on average\*\* expressed an interest in the other selected leagues.

The three most popular foreign leagues in each country (Percentage of people either 'interested' or 'very interested')



\*For this particular analysis respondents from England, Northern Ireland, Scotland and Wales were grouped together on the basis that the Premier League has the highest interest levels in all parts of the UK, hence the UK abbreviation. Respondents across Europe were only questioned on their interest levels across the ten leagues represented in the chart. In reality, another league could potentially be one of the three most popular foreign leagues in a particular territory. \*\* 'On average' in this case is not a weighted average of European citizens but an average of the interest levels across the 34 territories. There are 35 "most popular leagues", as Spain and Germany were ranked joint top among Swiss respondents.





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# 4

Commercial profile:  
Transfer activity review



Pre-season friendly between Alemannia Aachen and SV Werder Bremen at Tivoli Stadium in Aachen, Germany, on 26 July 2009.

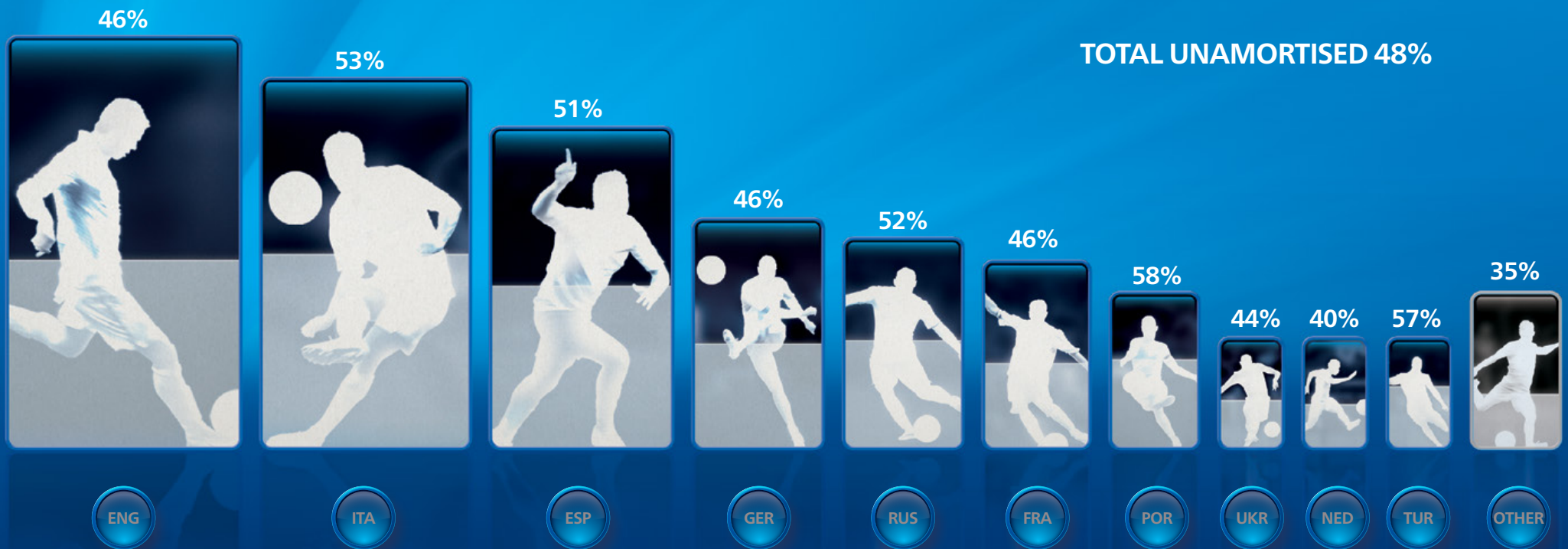
All source photos from UEFA.com library.

Total transfer fees\* of €10.9 billion have been spent assembling European top division playing squads, with English, Italian and Spanish clubs accounting for 62% of the total.



\* Total transfer fees are obtained from the detailed notes to each clubs' financial statements, which state the combined transfer costs of players on their books at the end of the financial year.

Just under half (48%) of the transfer fees paid remain unamortised on the clubs' balance sheets. A higher percentage is an indicator of more recent acquisitions, as the amounts are written down over the period of the players' contract.

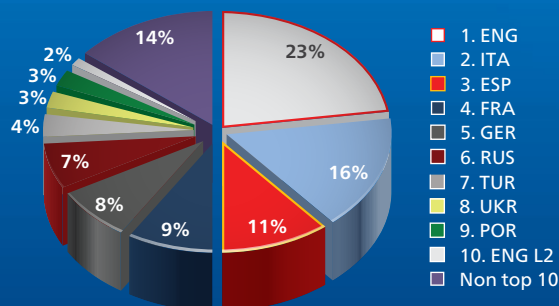


The following pages present various analyses of transfer activity over the last five seasons, covering the transfer windows from summer 2009 up to and including January 2014.

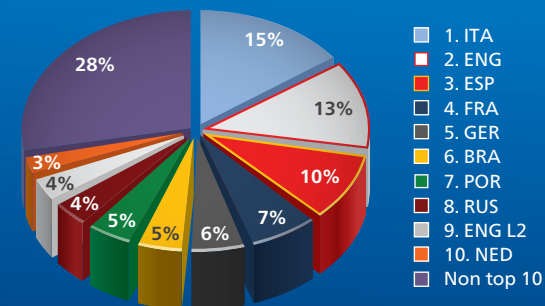
Transfer activity over the last five years\* is heavily concentrated, with half of worldwide transfer spending accounted for by the English, Italian and Spanish top divisions. The same three leagues account for an estimated 38% of transfer earnings.

The ten highest spending leagues account for an estimated 86% of the transfer market by value (compared with 72% of total earnings).

Worldwide transfer spend (5 years, 2010–14)



Worldwide transfer income (5 years, 2010–14)



Italy swaps with England at the top of the gross transfer earnings table, with Spain, France and Germany in the same order as for transfer spending. Brazil, which did not appear in the top 10 transfer spenders, is ranked sixth on transfer income with an estimated 5%, with Portugal just behind.

\* The figures on this page are based on the 42 worldwide leagues with largest transfer activity by value and cover ten transfer windows from summer 2009 up to and including January 2014.

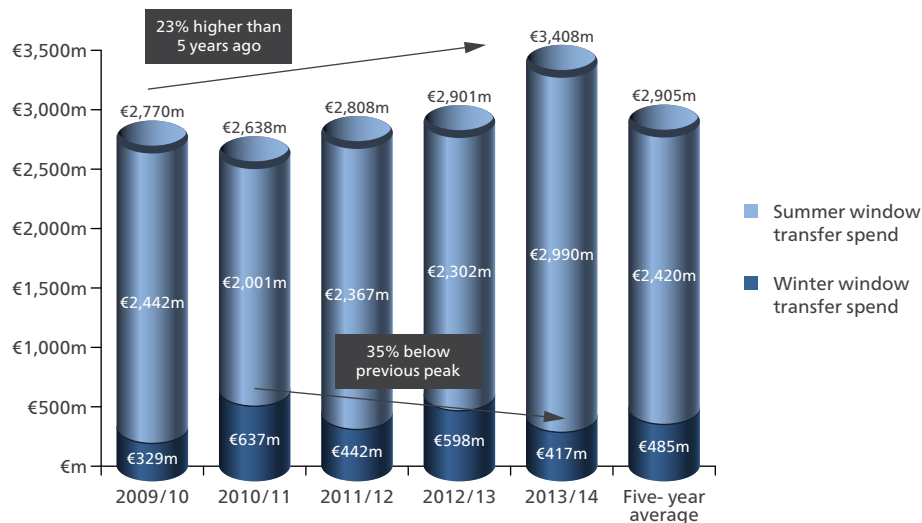
Note: Unless specifically stated in the footnotes, transfer values in this section are based on data extracted and collated from the transfermarkt website and include best estimates where transfer values are not disclosed by clubs. Transfer values are inherently imprecise as assessments are needed to determine the most likely contingent payments, which ancillary costs to include and the time value of money. Transfer spends published on [www.transfermarkt.de](http://www.transfermarkt.de) tend to be lower than those reported in financial statements as the financial statements also tend to include agent fees and other intermediary costs associated with a transfer. Three-year aggregate transfer earnings were within 1% of financial statement figures. In addition to sanity checking the overall aggregate club totals against the financial statement disclosures, a sample of individual transfers in major leagues was also sanity checked by UEFA against known values (submitted by clubs). Whilst not an exact science, the data is deemed suitably accurate for comparative benchmarking purposes. It should not be relied upon for other purposes.





The 2013 summer transfer window saw record activity by European clubs, with total transfer fees of approximately €3.0billion.

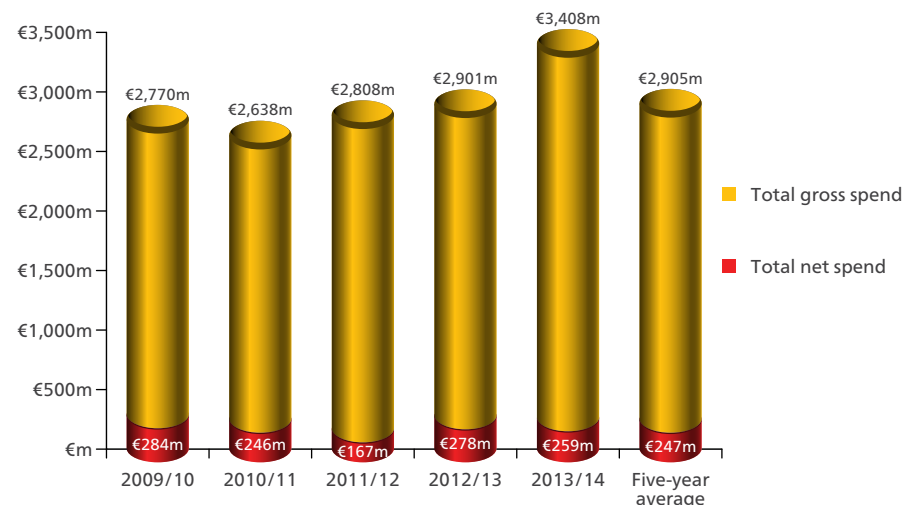
Five-year transfer spend of European clubs



The January 2014 transfer window, by contrast, was more subdued, with fees of just over €400m.

Context: Whilst total transfer spending for the 2013/14 season was 23% higher than five years ago, club revenue has grown 42% and wages 59% over the last five years. Transfer fees relative to total club income or total costs are lower than either five or ten years ago.\*

Five-year transfer spend of European clubs



To put the transfer spend further in context, note that the annual net European club transfer spend (before agent fees) is less than €300m. If a benchmark estimate of 12-15% agent fees is included, then the total net cost would be c€650-700m. This compares to wages of c€9,200m and total costs of c€15,000m.

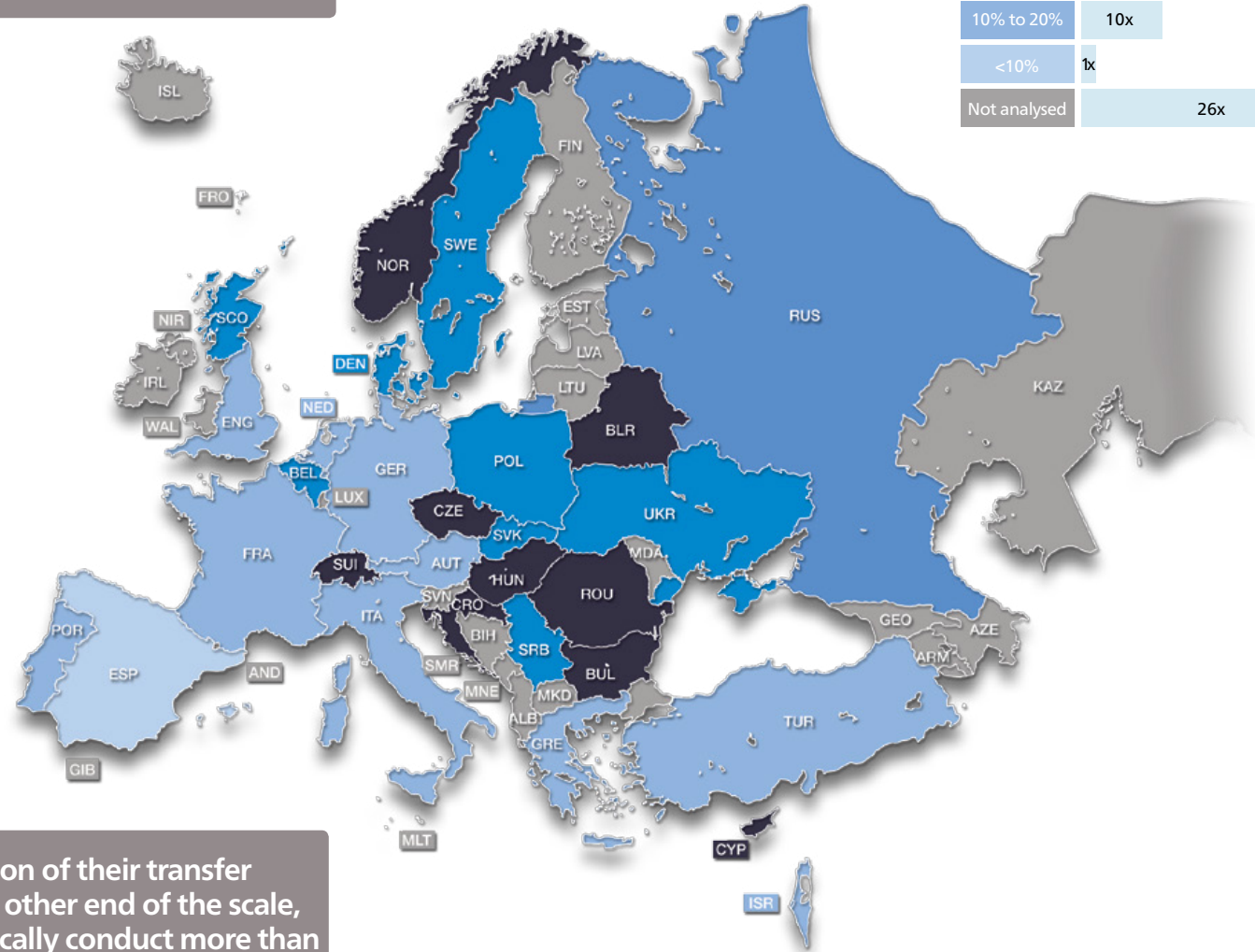
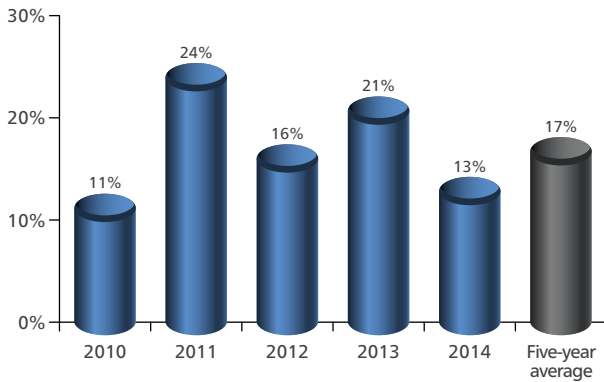
\* Revenue and wage growth was not yet available for this exact period at the time of writing, so the most comparable five-year period from FY2007 to FY2012 has been used. Gross transfer activity tends to be higher in summers without a World Cup or EURO, as significant start of summer activity leads to follow-on activity ("multiplier effect"). This partially explains the peak summer 2013 activity. Note: Transfer values in this analysis are based on data extracted and collated from www.transfermarkt.de and include estimates where transfer values are not disclosed by clubs. Transfer values are estimates only, as assessments are needed to determine the most likely contingent payments and the time value of money. Transfer spends tend to be lower than those reported in financial statements as the financial statements also include agent fees and other intermediary costs associated with a transfer. Selected transfers in major leagues have been sanity checked by UEFA against known values and deemed suitably accurate for benchmarking purposes.

European club transfer activity is concentrated in the summer, with just 17% of activity on average in the winter transfer window.

2010–14 January transfer window activity as a percentage total transfer activity (seasons 2009/10–2013/14):

>30%	9x
20% to 30%	9x
10% to 20%	10x
<10%	1x
Not analysed	26x

Winter transfer window activity\* as a percentage of overall transfer activity (5 seasons, 2010–14)

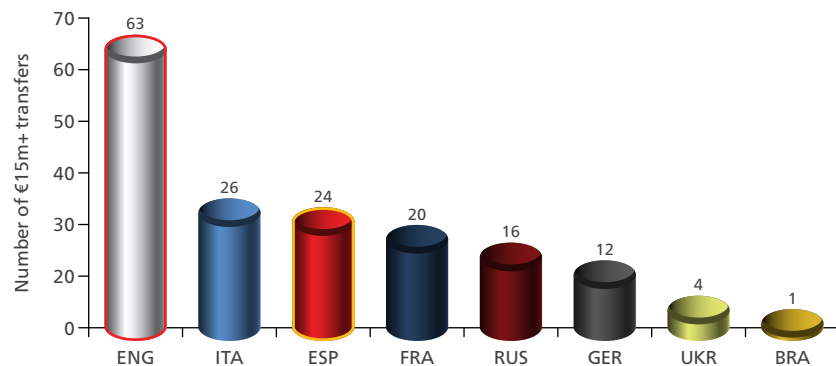


Spanish clubs conduct the smallest proportion of their transfer activity in the January window (6%). At the other end of the scale, countries with summer championships typically conduct more than 30% of transfer activity in January.

\* 'Transfer activity' refers to both transfer spending and earning. 'Average' refers to the weighted average of all activity. Figures collated from www.transfermarkt.de and sanity checked by UEFA. Leagues with an average transfer activity of less than €1m have not been analysed as data is inconsistent.

In the last five years there have been an estimated 166 transfer deals with transfer fee of €15m+ covering 150 different footballers. This study highlights the financial pre-eminence of European clubs, responsible on the selling side for 95% and on the buying side for all but one of the transfers.

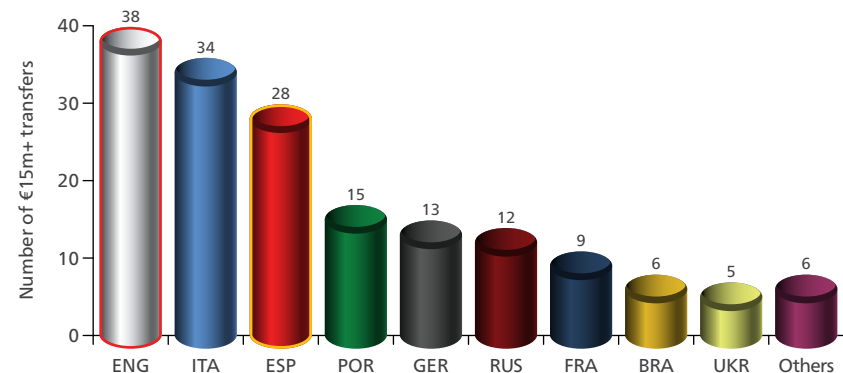
Nationality of buying club by number of €15m+ transfer deals



Heavy concentration of buying, with English clubs responsible for more than twice as much as any other country. In total, 41 clubs from just 8 countries were involved on the buying side.

The buying side included 13 English, 8 Italian, 6 Spanish, 5 Russian, 4 French and 3 German clubs.

Nationality of selling club by number of €15m+ transfer deals



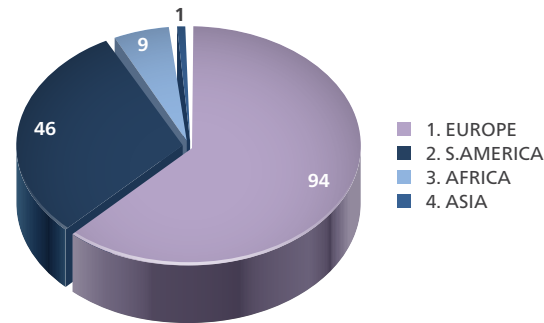
Strong concentration of selling, with English, Spanish and Italian clubs together covering 60% of sales. However, in total, 79 different clubs from 14 countries were involved on the selling side.

The selling side included 17 English, 14 Italian, 11 Spanish, 9 German, 7 French, 6 Russian and 5 Brazilian clubs.

Note: All transfer values in the above charts are based on data extracted from [www.transfermarkt.de](http://www.transfermarkt.de), which in most cases is based on publicly reported transfer values. UEFA has not checked every value and is not in a position to do so, but we have performed a sanity check on a sample of reported transfer values. Despite the figures being estimates, we believe the accuracy is sufficient for indicative benchmarking analysis but it should not be relied upon for any other purposes. In particular, assumptions are made regarding contingent payments and transfer fee receipts are not adjusted for TPO shares, solidarity payments or training compensation. Transfer spending does not include agent fees. The period covered includes ten windows from summer 2009 to January 2014 inclusive.

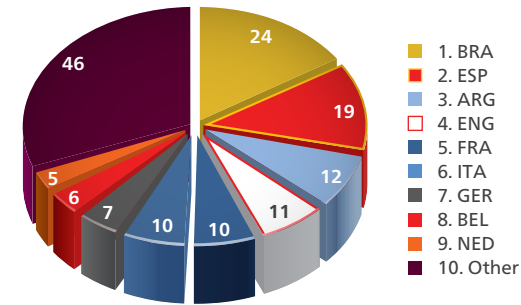
The global nature of footballing talent is illustrated here, with the 150 players involved coming from 35 different countries and four different confederations.

Confederation of players transferred for €15m+



The quality of European and South American players is underlined, with 63% and 31% of players from these continents respectively the subject of these €15m+ transfers over the last five years.

Nationality of players transferred for €15m+



No individual nationality dominates, with Brazil the most represented but accounting for just 16% of players.

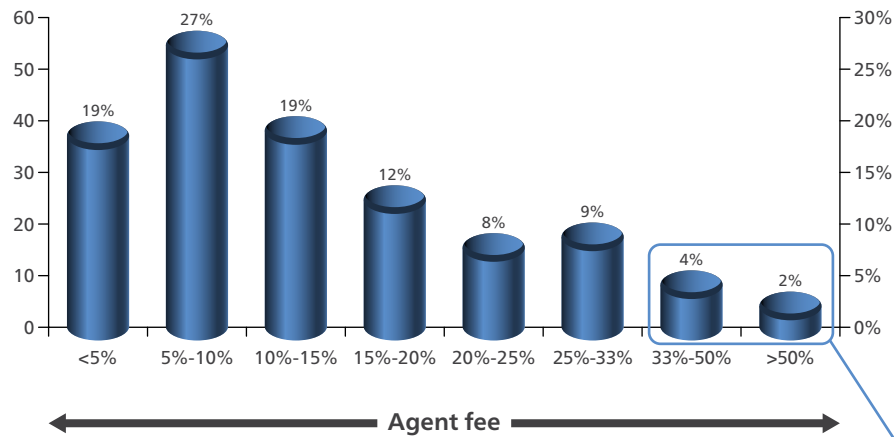
Players from 6 South American and African countries and a remarkable 22 different UEFA nationalities were subject to these €15m+ transfers over the last five years.

Buying club agent costs are equivalent to 12.6% of transfer fees.

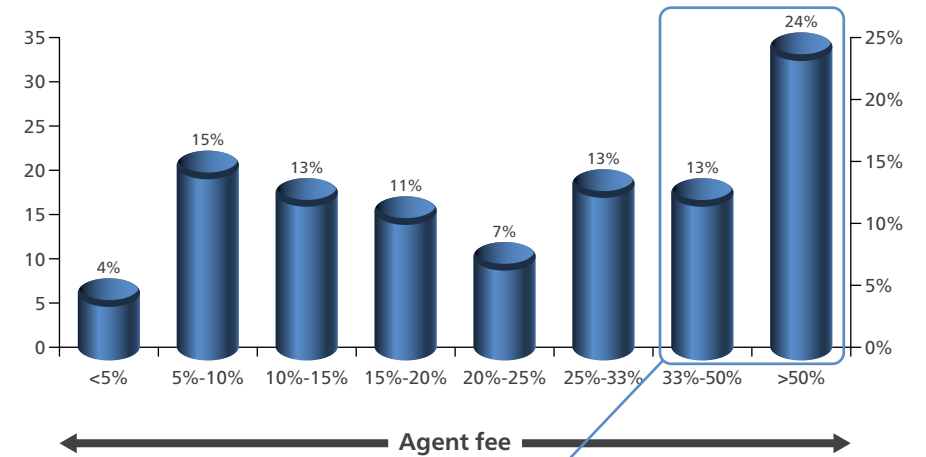
Analysis shows a large variation in commission rates paid by different clubs and also for different deals by the same club. This should therefore be considered if using this commission rate as a benchmark.

Context: The analysis is based on a sample of 332 transfer deals of 56 clubs from 22 UEFA associations\*\* where an agent fee was paid. These transfers account for €1.2bn of transfer fees and include 194 deals of €1m+ and 136 lower value deals of less than €1m.

Agent costs as a percentage transfer fee\*:  
For 194 transfer deals worth €1m+



Agent costs as a percentage transfer fee\*:  
For 136 transfer deals worth less than €1m



Number and percentage of deals

Agent costs were equivalent to more than a third of the transfer fee for only 6% of larger deals but 37% of smaller deals. The variation in commission rates is also higher for smaller deals.

\* 'Transfer fee' and the 'agent costs' thereon refer specifically to the fixed transfer fee element and excludes contingent transfer fees and agent costs thereon. 'Agent costs' includes €117m identified as agent costs and €33m identified as other direct transfer costs. Analysis does not include loan deals, out-of-contract player transfers, deals where no agent fee was paid, any agent costs incurred by the selling club or agent fees relating to player contracts or contract renegotiations.

\*\* Although the sample covers less than half of the annual transfer activity of European clubs, it includes transfer deals from 20 of the 25 leagues most active in transfer dealings and is therefore considered a representative sample of overall activity.

The average length of player contracts varies in relation to transfer value.

Generally speaking, the larger the transfer fee, the longer the period in which it will be recorded and amortised in club financial statements.

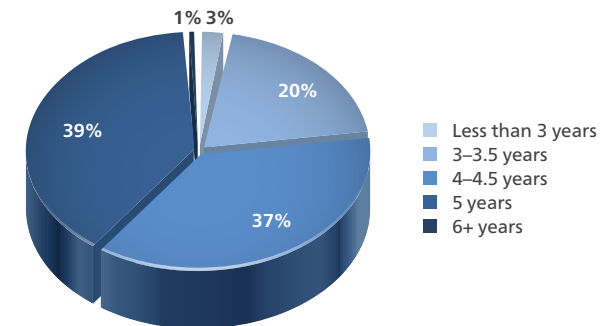
Context: There is a clear link between transfer value and contract length but in addition to clubs wanting to ‘protect their assets’, there are various likely factors behind this link. The transfer value is itself influenced by things such as the age of the player, type of clubs involved, length left on existing contract and other potential explanatory factors.

Context: The analysis is based on a sample of more than 650 transfer deals and more than 200 free transfers/out of contract players. These transfer and player contract details cover 88 clubs from 34 UEFA member associations.



Players transferred for fees of €1 million upwards typically receive a contract of between four and five years. This drops significantly for lower value transfers and drops again for out of contract players and players on free transfers.

Players subject to a €1m+ transfer fee were most often rewarded with a five-year contract (39%), with a four or four and a half year contracts also common (37%). Less than 1% of the sample received contracts longer than five years.



\* Column chart from sample of 859 contracts covering clubs in 34 countries. The pie chart is from a smaller sample of 366 player contracts that were the subject of transfer fees in excess of €1 million.



5

Financial profile:  
Revenue

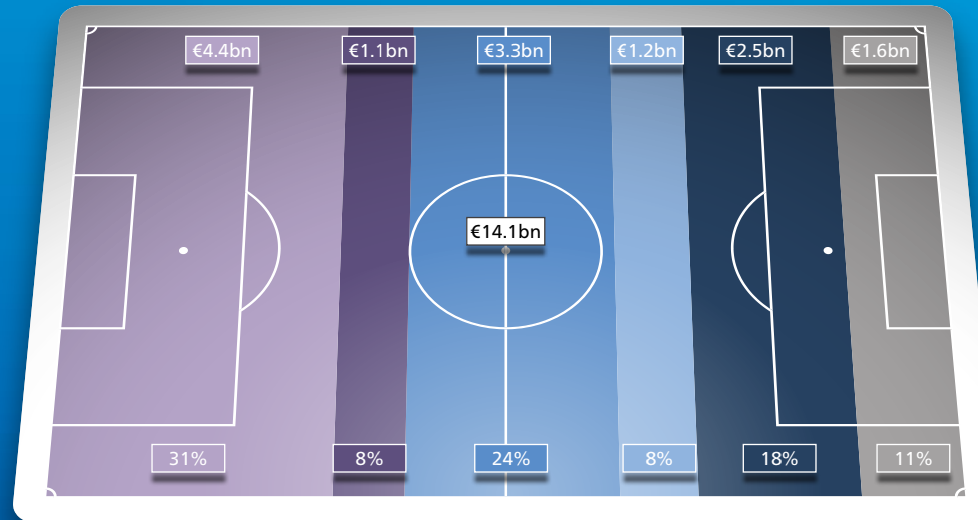




FC Kuban Krasnodar and Valencia CF line up for the UEFA Europa League group stage match between FC Kuban Krasnodar and Valencia CF held on 3 October, 2013 at the Kuban Stadium in Krasnodar, Russia. All source photos from UEFA.com library.

Total top division club revenues reached a record €14.1 billion in FY2012\*

Club revenues increased by just under 7% between FY2011 and FY2012.



Domestic broadcasting revenue increased by 8%.

The huge uplift in ENG broadcast rights will on its own have an approximate 15% Europe-wide impact on domestic broadcasting revenue from FY2014.

UEFA prize money and other distributions are set to increase by c15% from FY2013.

Commercial & sponsor revenues increased by a healthy combined 7%. This growth is expected to continue in FY2013.

For the second year in a row the 728 top division clubs reported a combined decrease in gate receipts of 2%.

Gate receipt revenue has been static at the 2007 level. The overall proportion of total club revenues from this source has therefore decreased from 23% in 2007 to 18% in 2012.

For the avoidance of doubt 'club revenue' is not necessarily the same as 'relevant income' as defined by UEFA in its regulations. Relevant income excludes some related party or owner donations/subsidies and includes gains from transfers, divesting of other assets and finance incomes.

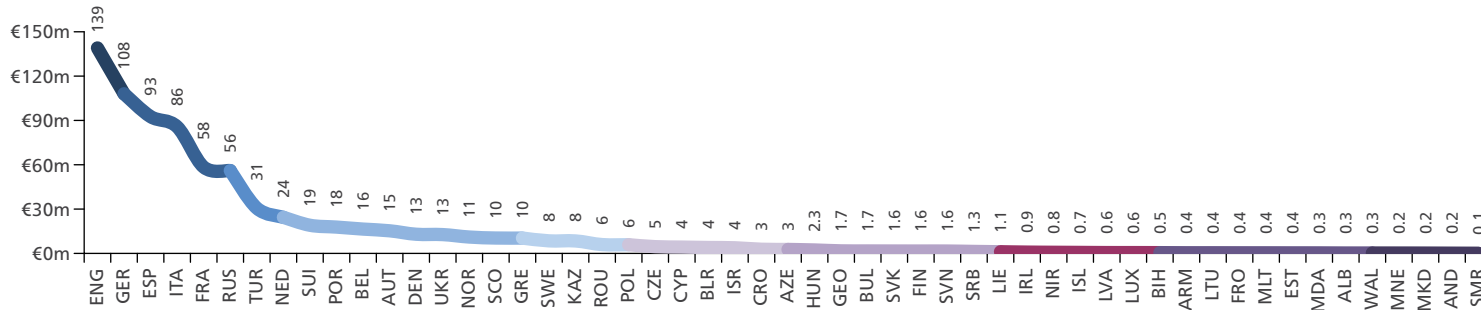
- Domestic broadcasting
- UEFA prize money
- Sponsorship
- Commercial
- Gate receipts
- Other revenue

\* This confirms the total revenue figure first published by UEFA in the mid-year 'Licensed to thrill' publication. Since then more than 900 clarifications have been sought and received from clubs and national associations on their submitted financial data.

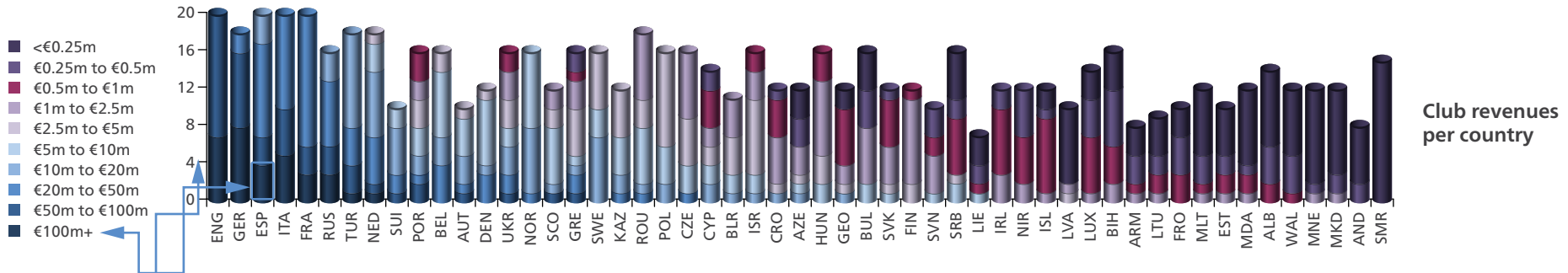


European top division club revenues vary widely in scale, with 32 clubs reporting revenue of €100m+ and 269 clubs reporting revenue of less than €1m.

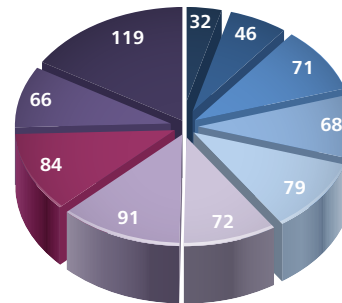
Average club revenue



Number of clubs in each threshold

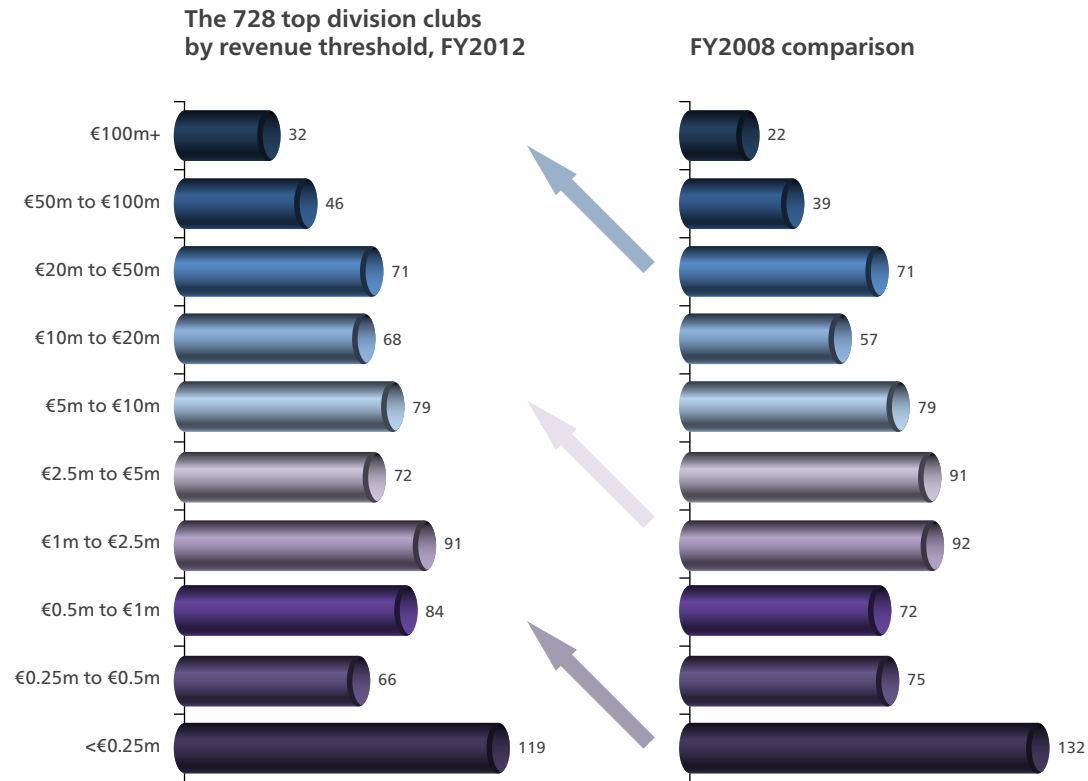


**How to read charts:**  
 Spain had four clubs with revenues of €100m+, three clubs between €50m and €100m, ten clubs between €20m and €50m, and three clubs with revenue between €10m and €20m.

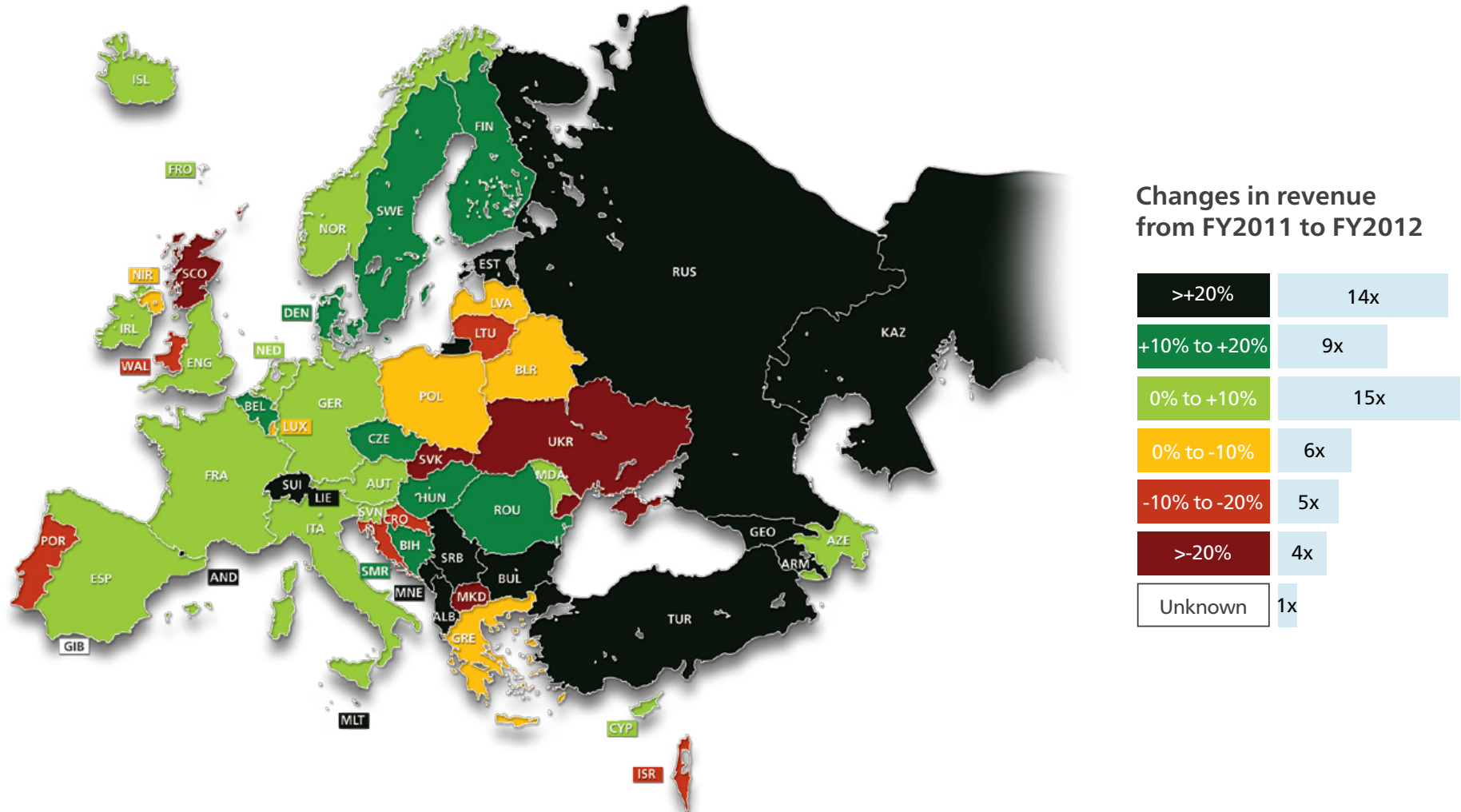


728 clubs  
 €19m average  
 €2.5m median

In the last five years the number of clubs with revenue above €100m has increased from 22 to 32 and the number of clubs above €10m has grown from 189 to 217.



Top division club revenues continued to increase across Europe, with 39 leagues reporting revenue growth and only 15 reporting decreased revenues between 2011 and 2012.



The wealthiest leagues were less susceptible to the 2009 and 2010 economic downturn due to longer term TV and commercial deals. The negative impact is clear, however, (brown and yellow shades) for mid and smaller revenue leagues.

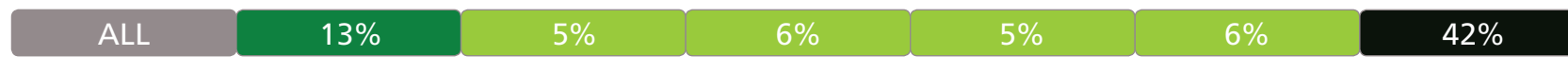
Revenue growth between 2007 and 2012 per country with currency impacts excluded\*

	2008	2009	2010	2011	2012	5 YEARS
ENG	27%	6%	5%	6%	2%	53%
GER	4%	9%	6%	10%	7%	42%
ESP	11%	4%	9%	3%	9%	43%
ITA	10%	8%	3%	3%	5%	33%
FRA	2%	4%	3%	5%	3%	19%
RUS	-4%	28%	32%	5%	38%	134%
TUR	29%	8%	31%	-2%	23%	118%
NED	6%	3%	-4%	3%	2%	10%
POR	-7%	19%	-9%	17%	-11%	6%
BEL	16%	3%	1%	-6%	18%	33%
UKR	158%	-12%	40%	23%	-34%	161%
SUI	12%	18%	-1%	-4%	23%	54%
NOR	-4%	6%	-2%	5%	-4%	1%
GRE	30%	-3%	5%	-14%	-8%	5%
DEN	32%	-22%	1%	-13%	12%	1%
AUT	-3%	2%	4%	5%	0%	8%
SWE	-3%	14%	-7%	16%	6%	27%
SCO	16%	-18%	0%	-4%	-35%	-40%
ROU	89%	-21%	16%	7%	25%	132%
KAZ	26%	30%	6%	25%	42%	210%
POL	43%	-19%	14%	25%	-6%	56%
CZE	-24%	-14%	26%	-4%	15%	-9%
ISR	-4%	67%	-2%	0%	-15%	35%
CYP	68%	9%	-5%	32%	4%	136%
BLR	62%	11%	-3%	187%	30%	556%
HUN	65%	36%	-10%	24%	21%	202%
1-26	13%	6%	7%	5%	6%	42%

	2008	2009	2010	2011	2012	5 YEARS
CRO	1%	-24%	-4%	26%	-13%	-20%
AZE	49%	12%	-10%	142%	0%	266%
BUL	-19%	3%	5%	-25%	87%	23%
SRB	18%	-17%	103%	-24%	42%	116%
GEO	3%	-2%	29%	82%	183%	568%
SVK	117%	-25%	-8%	19%	-39%	8%
FIN	10%	-19%	9%	-1%	14%	9%
SVN	8%	-15%	1%	22%	7%	21%
IRL	72%	-41%	-10%	-12%	4%	-16%
NIR	16%	2%	4%	14%	-10%	26%
BIH	-12%	3%	-19%	-6%	12%	-23%
ISL	25%	8%	-6%	13%	0%	43%
LIE	-3%	70%	-22%	-42%	59%	19%
LUX	-7%	14%	9%	15%	-1%	31%
LVA	-18%	96%	-39%	0%	-3%	-6%
MLT	15%	3%	20%	32%	49%	179%
MDA	26%	144%	-12%	-39%	-3%	61%
FRO	62%	90%	-45%	-7%	10%	73%
LTU	22%	-56%	15%	-2%	-19%	-51%
ALB	-27%	17%	-22%	27%	105%	73%
EST	60%	-43%	-19%	2%	45%	9%
ARM	17%	-37%	46%	33%	51%	117%
WAL	2%	24%	-12%	-14%	-24%	-27%
MNE	75%	-26%	8%	-60%	32%	-25%
MKD	25%	59%	57%	38%	-50%	114%
SMR	15%	-5%	-8%	6%	11%	18%
AND	19%	33%	30%	-16%	35%	134%
27-53	20%	-9%	-1%	9%	9%	29%

Despite the challenging economic climate, club revenues grew strongly across Europe over the five-year period (2007–12) with a strong majority growing by over 20% and 19 of 20 wealthiest leagues reporting revenue growth.

Whilst revenues fluctuate more at clubs in mid and smaller revenue leagues, the combined revenues of leagues ranked 27-53 still increased 29% over the period.



Top division revenues have increased\* 42% in five years.

\* Revenue growth in domestic currency. The five-year revenue growth in euro currency terms was 33% due primarily to the strong pound sterling in the 2007 base year.



6

Financial profile:  
Wages



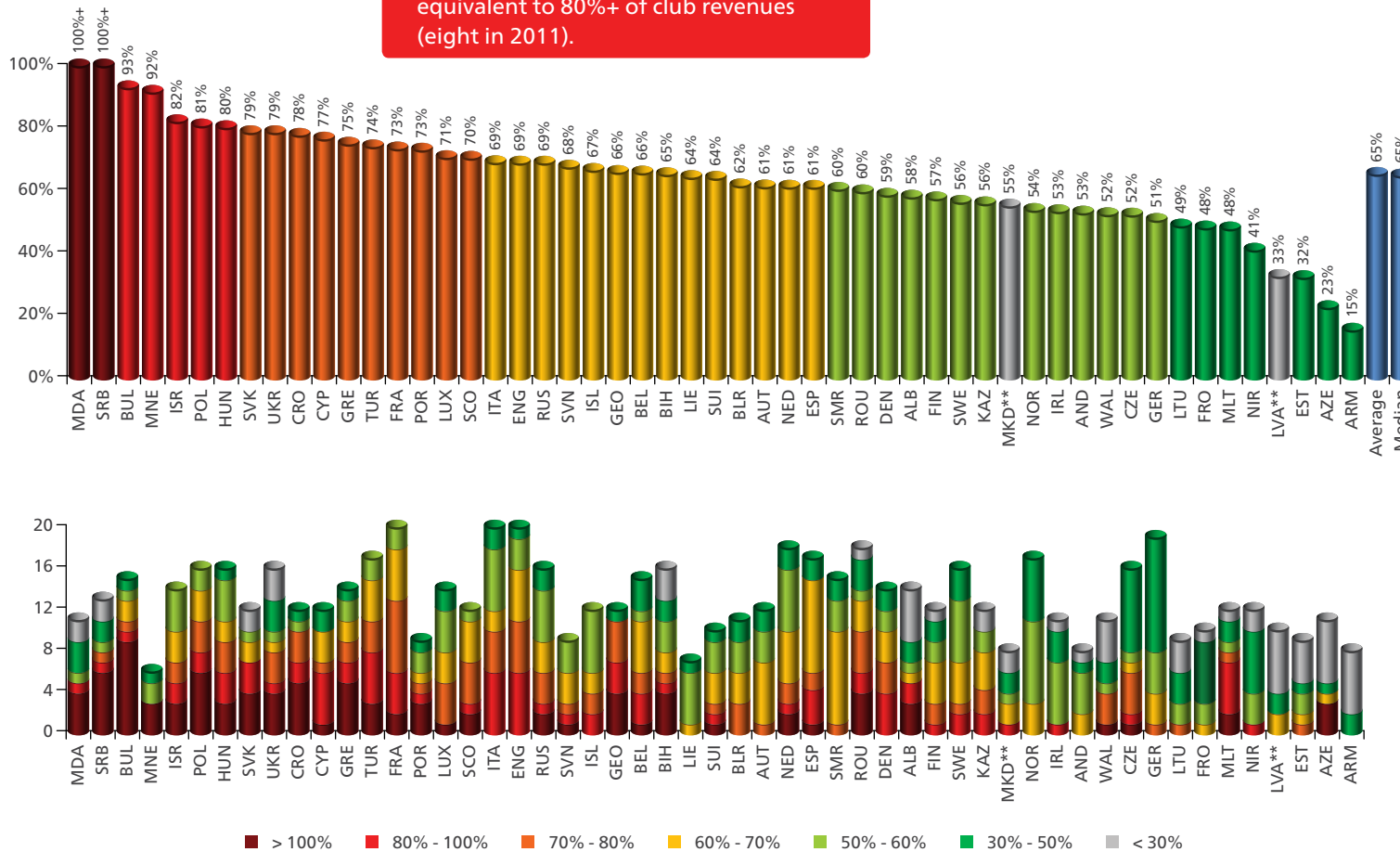


Olympiakos players applaud their fans after the UEFA Champions League group match away against RSC Anderlecht on 2 October 2013. All source photos from UEFA.com library.

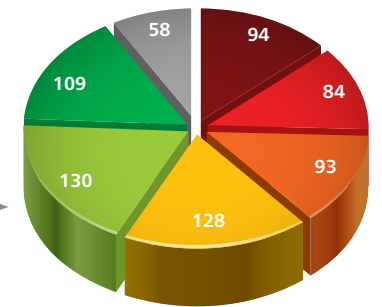
Wages\* of €9.2 billion took up 65% of club revenues in FY2012, the same as in FY2011.

Wage growth remained strong. In total, €588 million was added to top division clubs' wage bills between 2011 and 2012. However, as highlighted in the 'Licensed to thrill' report, wage growth was back in line with revenue growth (just under 7%) for the first time in a number of years.

Seven leagues had aggregate club wages equivalent to 80%+ of club revenues (eight in 2011).



Wages as a percentage of club revenue



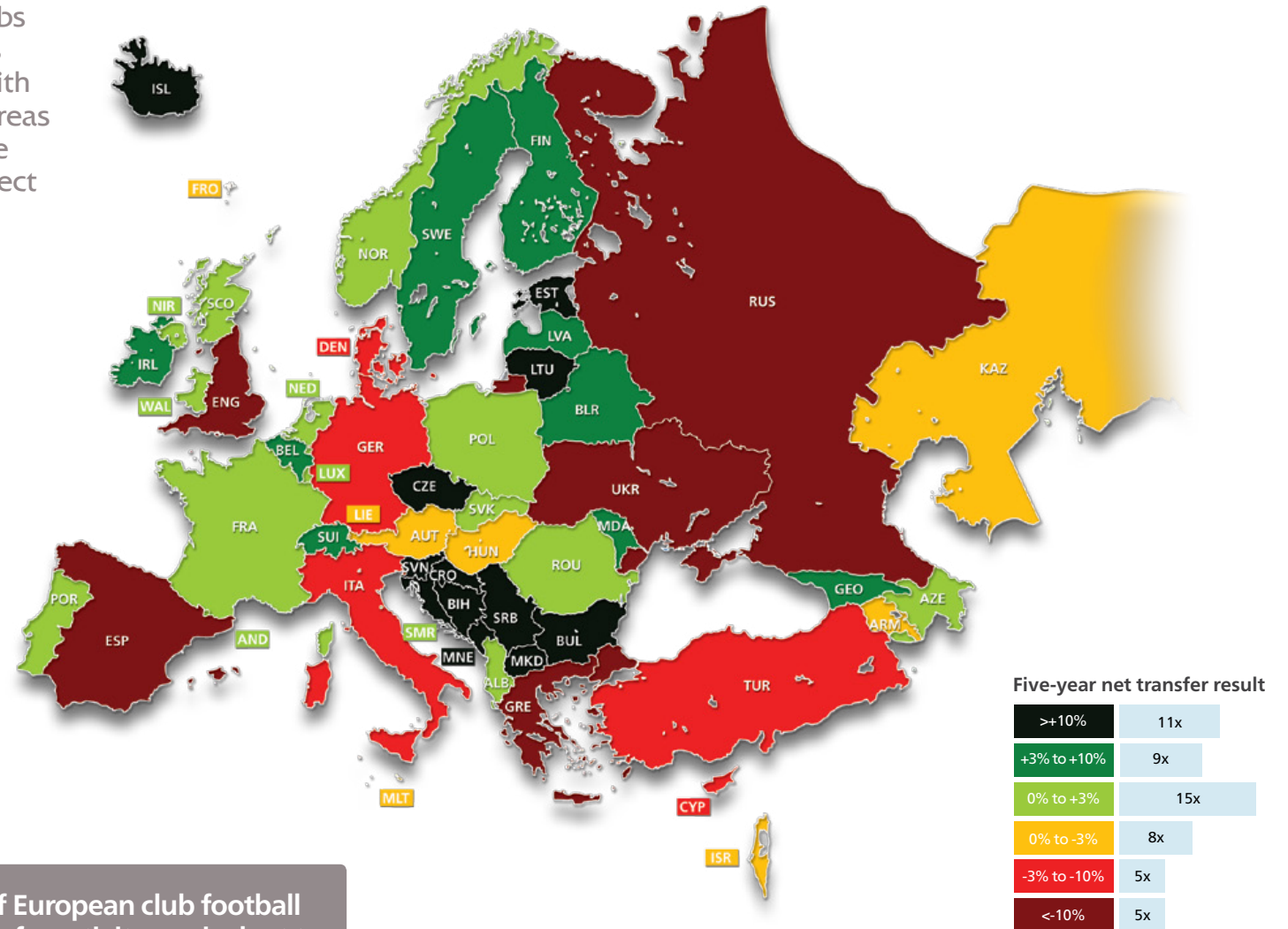
In total 178 top division clubs reported wage % of 80%+ (167 in 2011).

79% of wages\* were attributable to players and 21% to technical staff and other employees.

\* 'Wages' refers in all cases to the total employee benefits expense. This includes all wages, salaries, bonuses and social charges paid by the club.

\*\* The ratio for MKD and LVA should be considered indicative only as a small number of clubs are suspected of reporting some employee costs within operating costs.

Before looking at wages and wage trends in more detail, it is worth looking at the net transfer result map and wage to revenue percentage charts together. Many of the clubs with high wage to revenue ratios (see charts on left-hand page) balance their finances with transfer profits. To a certain extent the two areas (wages and transfers) are linked, for example a player at the end of his contract is not subject to a transfer fee and hence able to demand higher wages.



The transfer system is an important part of European club football ecology, with net gains or losses from transfer activity equivalent to 10% of total revenue for clubs from 11 leagues, including 7 separate Balkan countries.

Note: 'Net transfer result, is a combination of amortisation on player transfer fees, impairment for players that have lost their value and profit or loss on the sale of players. The period covers financial statements from 2008 to 2012 inclusive.



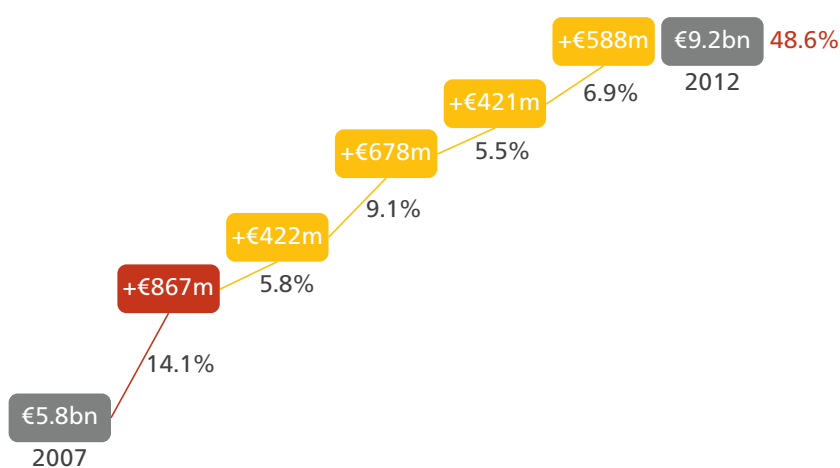
On a country by country basis, the aggregate club employee cost to revenue ratio increased in 26 and decreased in 24 countries.



Change in percentage points (pts) of employee benefit to revenue ratio from FY2011 to FY2012

> -10%pts	10x
-3% to -10%pts	6x
0% to -3%pts	10x
0% to +3%pts	8x
+3% to +10%pts	7x
> +10%pts	9x
Not available	4x

Top division club wages increased by 49% between 2007 and 2012. If currency fluctuation is excluded the increase is even higher, at 59%.



After significant wage overheating between 2007 and 2008, wages in the wealthiest leagues carried on increasing more steadily throughout the period (light orange).

Wages in many cases were cut back in the next group of strong leagues without major long-term commercial deals (greens).

Wage growth between 2007 and 2012 per country with currency impacts excluded\*

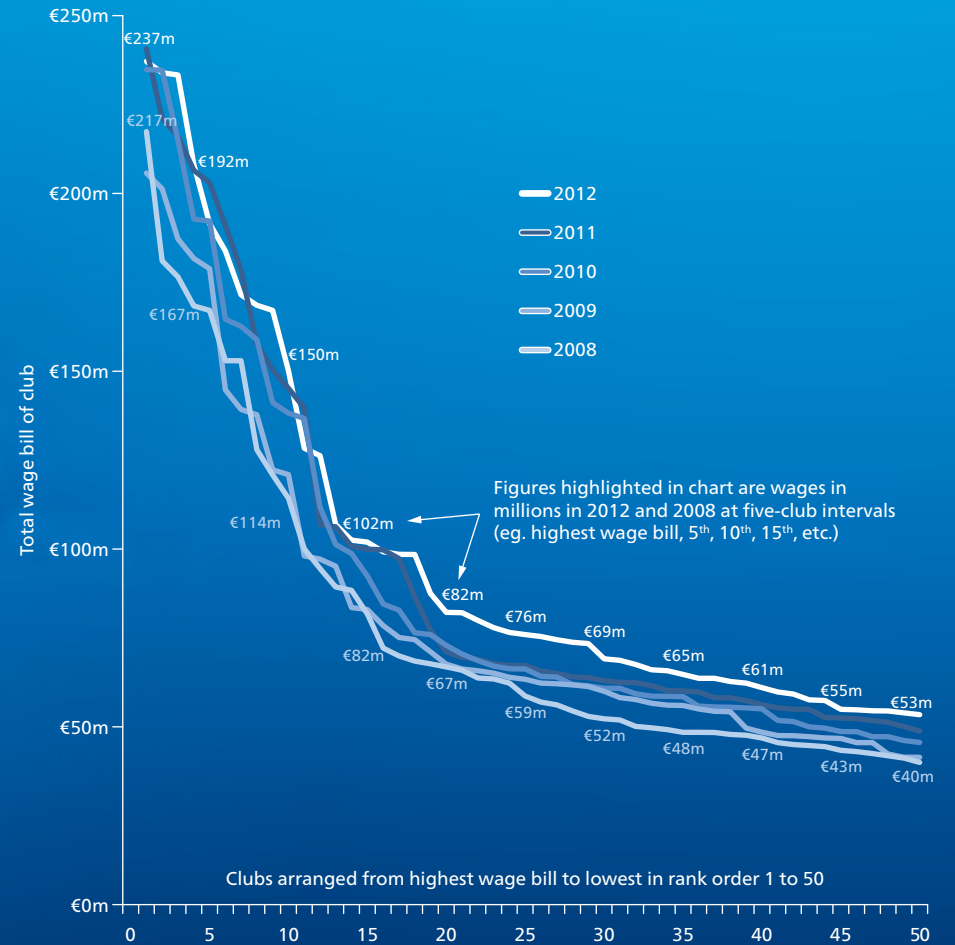
	2008	2009	2010	2011	2012	5 YEARS
ENG	23%	8%	7%	14%	3%	67%
GER	18%	10%	5%	11%	5%	58%
ESP	17%	2%	4%	7%	9%	44%
ITA	16%	11%	7%	-1%	2%	39%
FRA	14%	3%	8%	0%	9%	38%
RUS	54%	32%	9%	20%	26%	100+%
TUR	15%	25%	48%	4%	27%	100+%
NED	10%	10%	5%	-5%	-3%	16%
POR	6%	28%	0%	-1%	13%	52%
BEL	21%	11%	8%	5%	17%	77%
UKR	100+%	-62%	5%	82%	-6%	100+%
SUI	9%	26%	5%	4%	8%	61%
NOR	14%	8%	-10%	-4%	2%	9%
GRE	25%	60%	-1%	-1%	-26%	45%
DEN	32%	32%	-2%	-9%	9%	69%
AUT	2%	-3%	16%	-8%	4%	10%
SWE	2%	9%	-5%	4%	8%	20%
SCO	16%	-4%	-7%	-2%	-27%	-26%
ROU	55%	-5%	-6%	8%	4%	55%
KAZ	24%	31%	2%	40%	19%	100+%
POL	9%	12%	31%	27%	-6%	90%
CZE	-35%	4%	-31%	61%	1%	-24%
ISR	-2%	-18%	29%	-3%	3%	4%
CYP	20%	32%	-3%	66%	3%	100+%
BLR	43%	29%	7%	100+%	63%	100+%
HUN	15%	25%	5%	100+%	71%	100+%

\* 'Currency impact excluded' means that historic figures have all been restated to the FY2012 closing exchange rates. The largest currency difference relates to the English figures between 2007 and 2008, as the value of the pound sterling dropped 15% against the euro. The table therefore gives equivalent wage growth in domestic currency terms. The wage growth per country covers 52 countries with San Marino excluded due to lack of accurate historical wage data.

Wages increased in 42 of the 52 European countries during the 2007–12 period, increasing by more than 50% in more than half of Europe's top division leagues.

	2008	2009	2010	2011	2012	5 YEARS
CRO	47%	10%	32%	-15%	-16%	53%
AZE	100+%	14%	4%	9%	-19%	100+%
BUL	42%	63%	-2%	4%	30%	100+%
SRB	18%	-15%	52%	3%	0%	57%
GEO	17%	20%	-4%	77%	89%	100+%
SVK	-42%	100+%	-8%	-35%	-12%	1%
FIN	15%	5%	-1%	-17%	1%	0%
SVN	17%	0%	-19%	9%	15%	18%
IRL	33%	-43%	-31%	-14%	0%	-55%
NIR	-5%	24%	5%	-14%	-6%	-1%
BIH	-45%	32%	46%	-12%	16%	7%
ISL	17%	21%	-6%	8%	-1%	41%
LIE	-22%	100+%	-43%	-41%	63%	40%
LUX	6%	12%	14%	7%	5%	53%
LVA	-84%	100+%	-11%	12%	-40%	-40%
MLT	24%	-7%	9%	0%	76%	100+%
MDA	39%	-15%	26%	2%	100+%	100+%
FRO	35%	87%	-43%	-1%	17%	67%
LTU	13%	-68%	-35%	15%	6%	-71%
ALB	-23%	59%	-62%	100+%	56%	79%
EST	-22%	-28%	-23%	-2%	51%	-35%
ARM	-10%	-36%	26%	31%	-21%	-25%
WAL	5%	-41%	86%	8%	-51%	-39%
MNE	100+%	-14%	29%	-52%	25%	38%
MKD	-46%	100+%	100+%	20%	-43%	100+%
AND	27%	26%	21%	24%	3%	100+%

Less wealthy leagues exhibit much higher wage fluctuation (dark orange/red and darker greens).





The disparity in wage bill\* amongst the world's largest clubs is highlighted by the shape of the line charts, with a steep sloping line between clubs 1 and 20. The highest reported wage bill in 2012 of €237m is more than triple the wage bill of the 25th highest paying club and four and a half times the wage bill of the 50th highest paying club.

The relative disparity between clubs is not a recent phenomenon, with the relative gaps between clubs relatively consistent between 2008 and 2012 (each line a similar shape).

The 50 clubs with the highest wage bills were comprised of 15 English, 8 German and Italian, 6 Spanish and Russian, 5 French and 2 Turkish clubs.

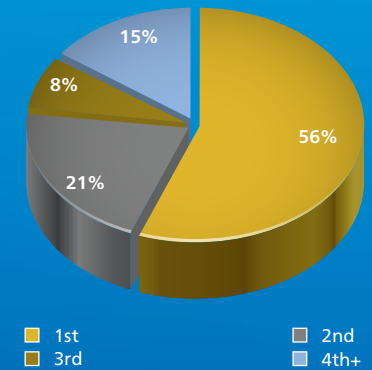
These 50 clubs paid over half the total top division wage bill, with the top 20 wage paying clubs responsible for just under a third of total wages and social charges.

\* 'Wage bill' refers to total employee costs across all employees, including wages, salaries, bonuses and employer social taxes.

The link between wage spending and on-pitch success is clear. The club with the highest wage bill wins the league more often than not.

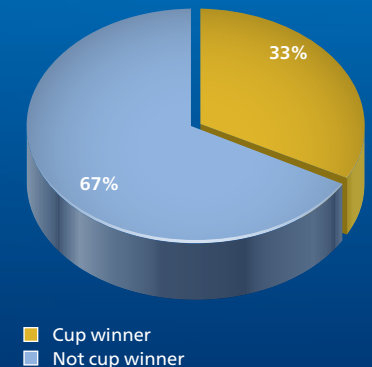
The pie chart illustrates that the club spending the most on wages in FY2012 managed to win their 2012 league in 29 of 52 cases (56%). This success rate increased to 73% if the two most recent seasons (ending 2012 and 2013) are counted. The club finished in the top half of the table in all 52 European top division leagues.

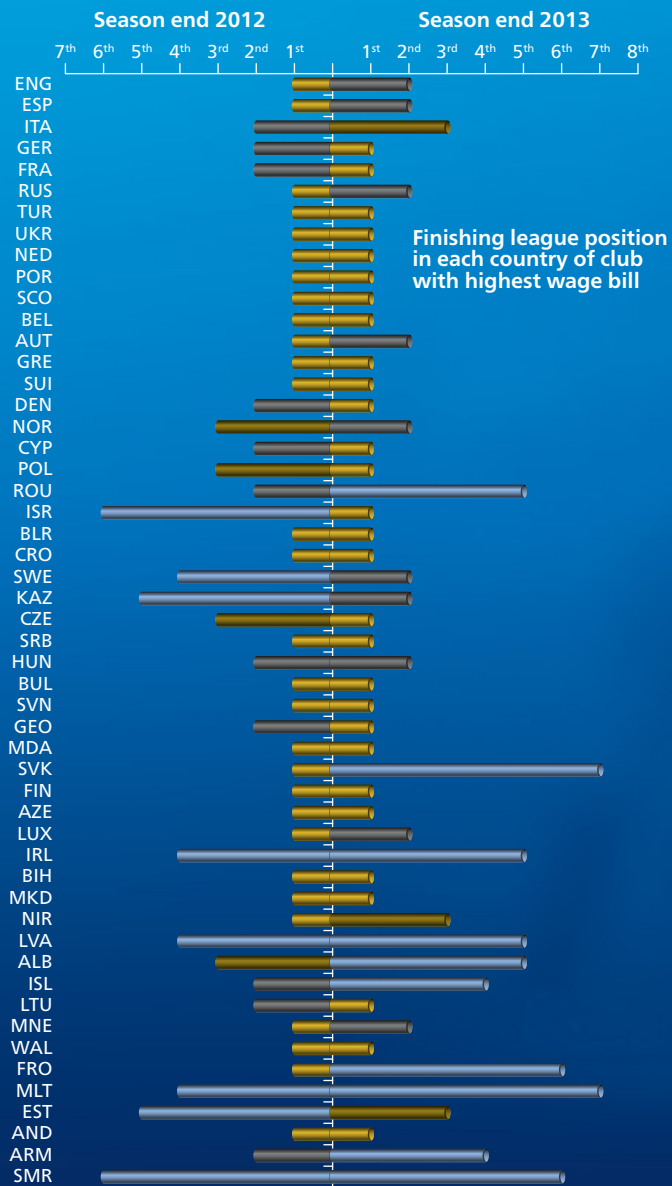
This relationship is even stronger amongst the 20 wealthiest leagues, with the highest wage spender winning the league in 12 cases in 2011/12 (60%). Five of the eight clubs that did not win in 2011/12 won the league the following year, meaning that 85% of top wage spenders won the league in at least one of the two most recent seasons.



Success in the domestic cup competition is less likely for the highest wage spender, with success in fewer than one in three cases.

This relationship between the highest wage spender and cup success is even weaker amongst the 15 wealthiest leagues, with the highest wage spender winning the cup in just four cases in 2011/12 (25%).





# 7

Financial profile:  
Cost base and profits/losses



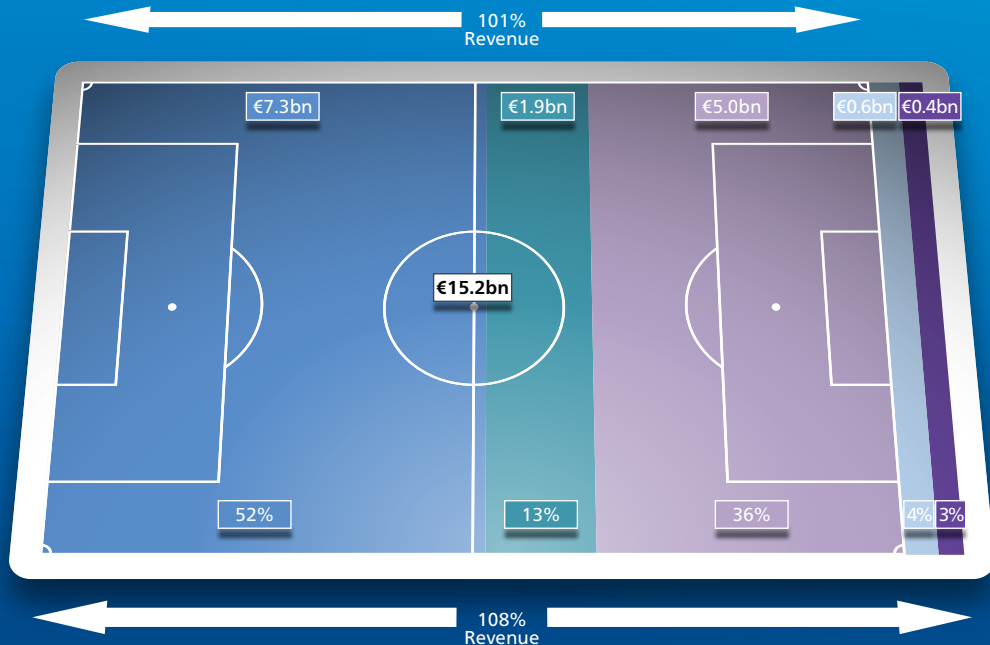
UEFA Europa League second-leg play-off match between Royal Standard de Liège and FC Minsk at the Stade Maurice Dufrasne on 29 August, 2013 in Liège, Belgium.

All source photos from UEFA.com library.

In total, the 728 top division clubs reported €14.2bn in operating costs and a further €1.0bn in net transfer and non-operating costs in FY2012.

As highlighted in the previous section, in total clubs spent 65% of revenue on salaries, wages, signing bonuses, employee benefits and social taxes.

€7.3bn of this €9.2bn employee cost was spent on players and €1.9bn on technical, administrative and other employees.



This means top division club football generated a combined operating loss\* of €110m (1% operating loss margin), compared with €390m operating losses the year before (3% margin).

Operating profits/losses represent the contribution of the core underlying club activities to player transfers, before any other gains/losses on financing, divestments, non-operating items and tax.

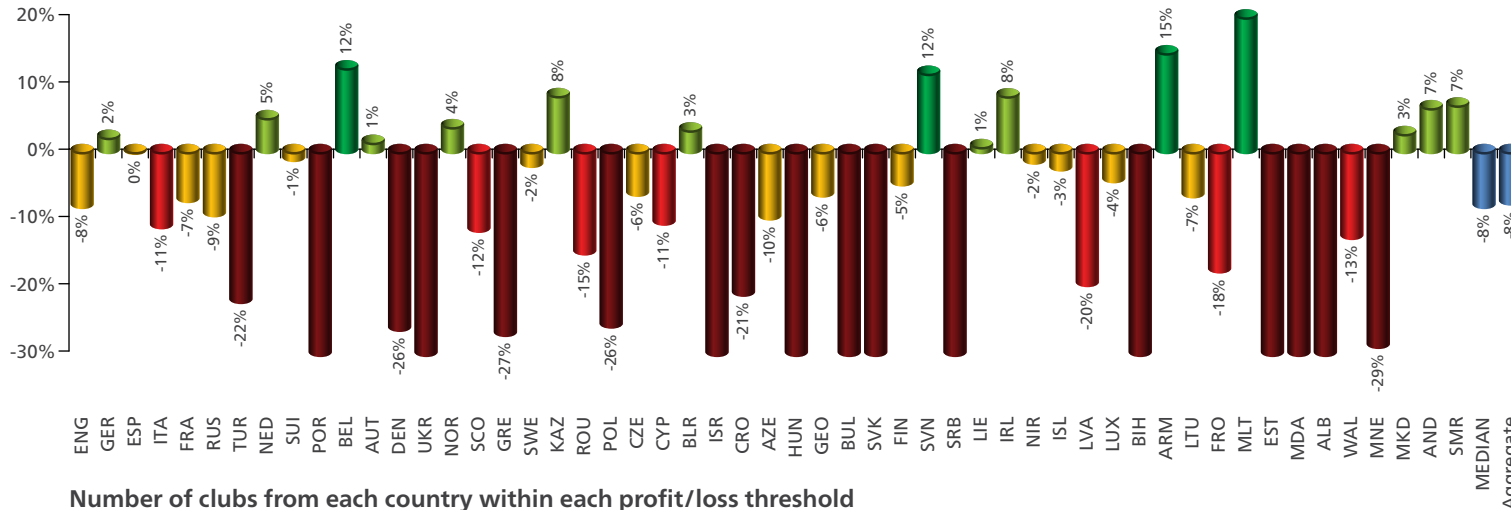
As already highlighted in the 'Here to stay' report, net losses including all incomes and costs\*\* were just below €1.1bn, which is equivalent to an 8% loss margin – a significant amount but considerably less than the €1.7bn of the year before.

\* This definition of football club 'operating profits' excluding amortisation on legacy player transfer fees is common practice. This is much more appropriate than traditional 'operating profit', which includes the cost side of the transfer activity (amortisation) but excludes the income side (profit on sale of players). \*\* For the avoidance of doubt, the net profit/loss after tax is not the same as the break-even result assessed for financial fair play purposes. For example, approximately 9% of the non-wage operating costs relate to fixed asset costs (depreciation) which may be excluded from break-even calculations. Youth costs equivalent to approximately 7% of non-wage operating expenses may potentially also be excluded from break-even calculations.



Clubs from 15 countries reported aggregate net profits in 2012, an increase from 9 in 2011. Six of the 20 highest income leagues reported profits in 2012, compared with four in 2011 and just two in 2010.

Aggregate profits/losses after tax of clubs in each country



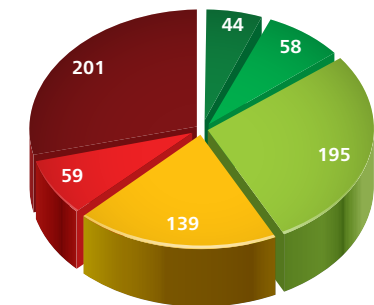
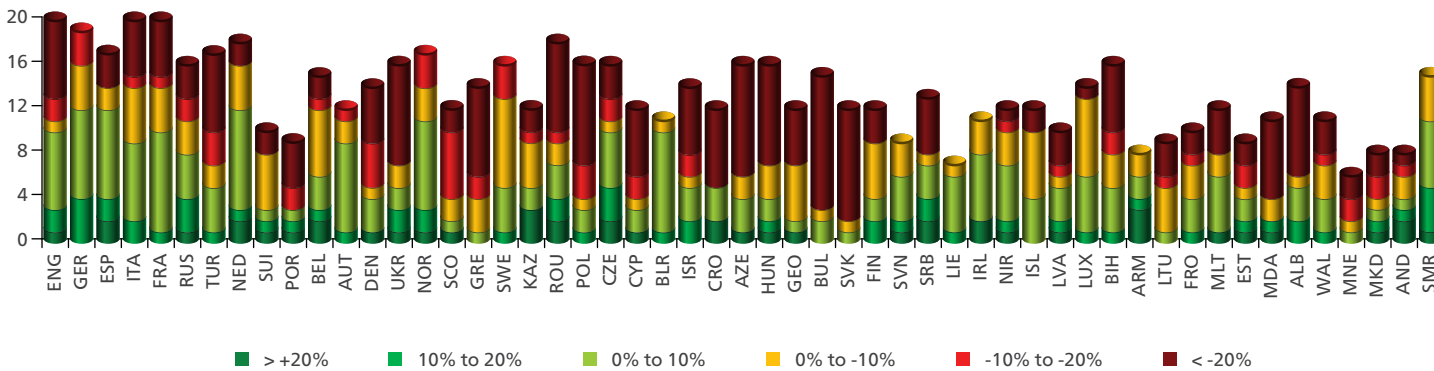
The dark red represents a combined loss margin of more than 20%. These 17 countries in aggregate and 201 clubs in total spent more than €12 for every €10 of revenue, which, if repeated, makes them heavily dependent on funding.

Net profit ratio FY2012

Profit or loss margin 2012



Number of clubs from each country within each profit/loss threshold

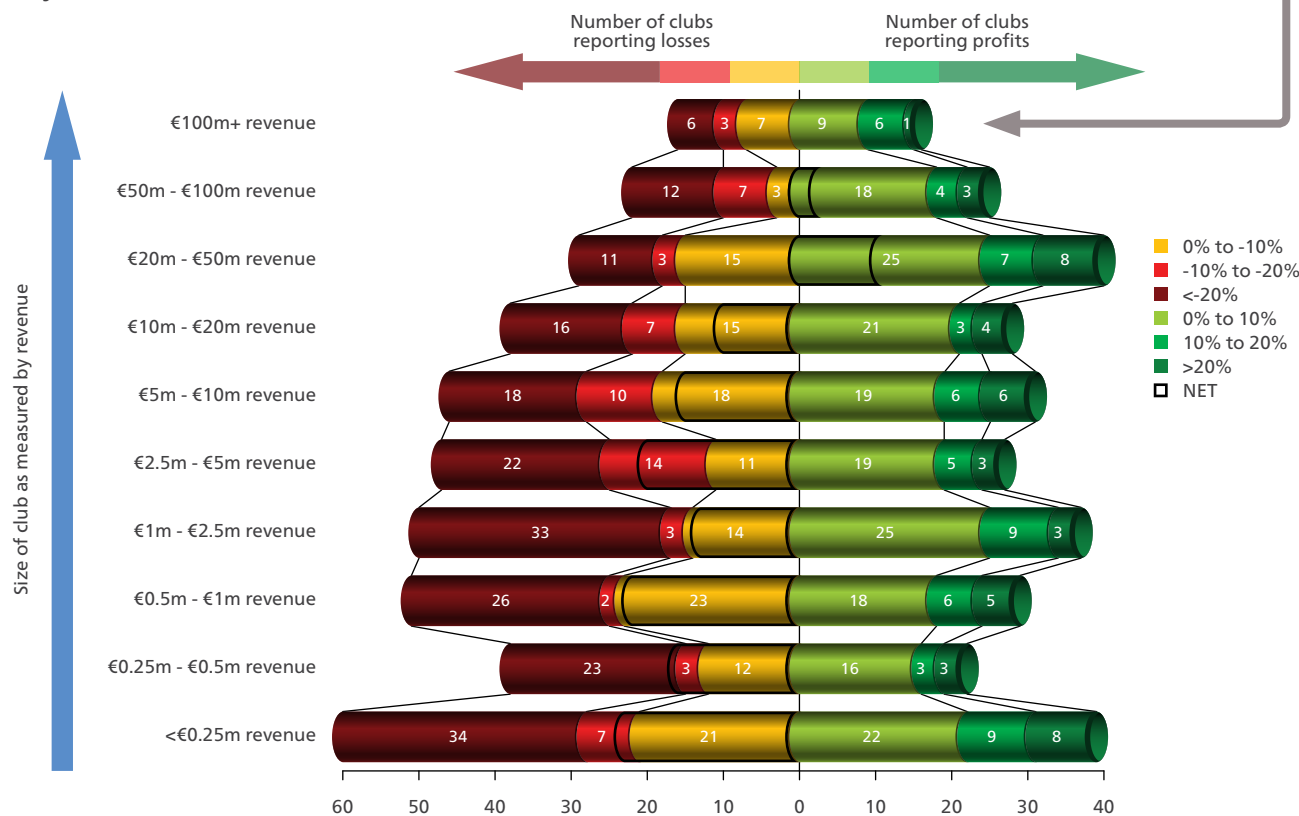




Whilst the proportion of overall top division clubs reporting losses has remained about the same at 57%, analysis by club size reveals profitability rates are better and have improved for larger clubs.

If the 149 larger clubs are analysed on their own (clubs with over €20m in revenue), there are some encouraging signs as we enter the first year of break-even assessment. 58% of these clubs reported either higher profits or lower losses than the previous year and 55% reported profits.

Bottom-line financial result analysed by margin (profits/loss as a percentage of revenue) and presented by club size (revenue)



The financial redistribution of the transfer system is evident if we look at both operating and net profitability by club size. Europe's largest clubs (€100m+ revenue) generally report operating profits\*, but after net transfer and financing activities they split exactly 50% between profit and loss-making as seen on the chart. The net impact of transfer activity for all other revenue groups\*\* improves the balance of profit and loss-making clubs.

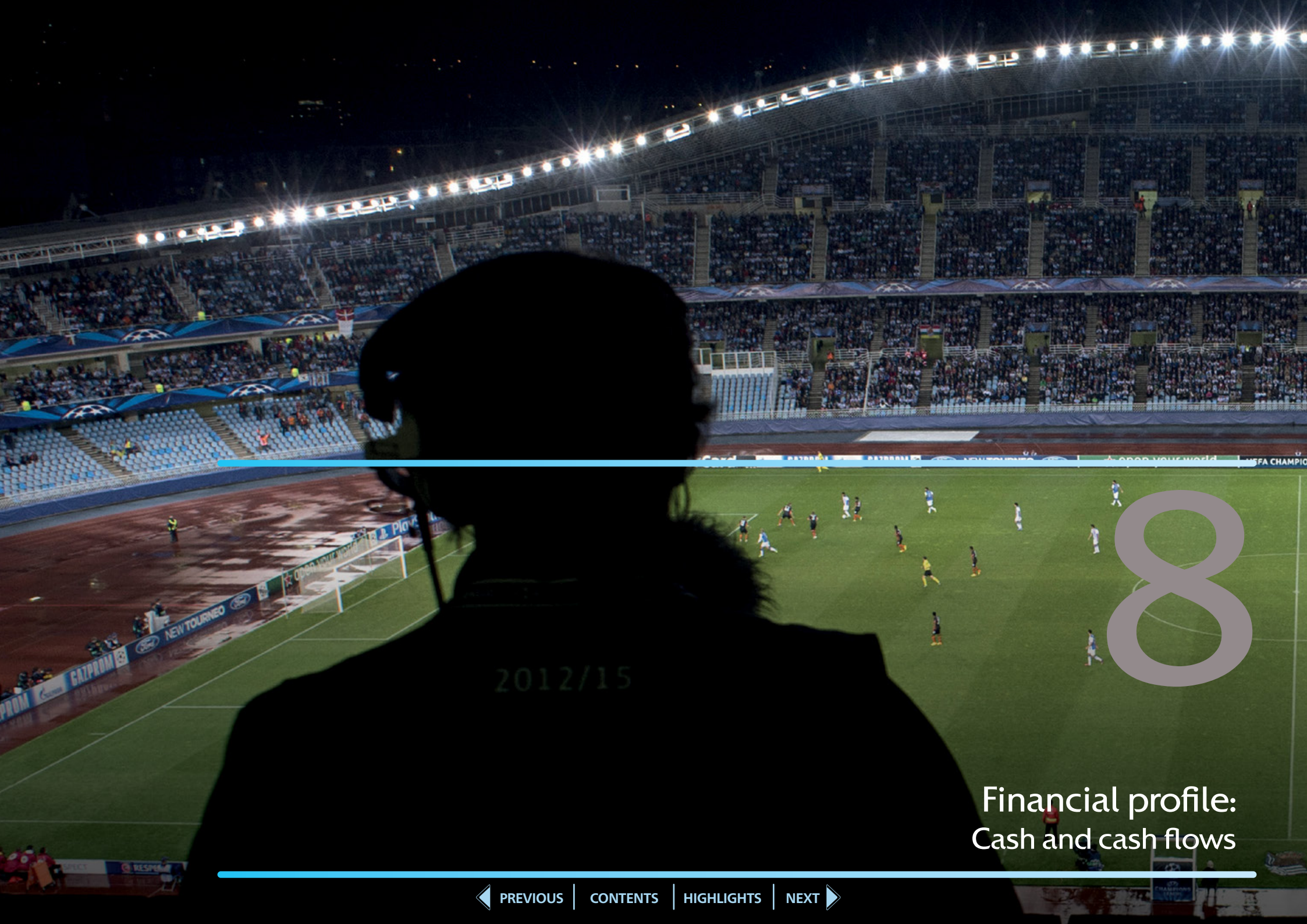
\* Sometimes sizeable operating profits with the five most profitable clubs generated combined operating profits of €422million in FY2012. \*\* 'All other groups' with the exception of the smallest category clubs (revenue less than €250,000), which generally do not pay or receive transfer fees but sometimes have financing charges.



On a pan-European basis, the largest four clubs from each league have lower loss margins than the clubs ranked 5-8 by size due to noticeably lower wage spending relative to revenue. The financial results deteriorate further for smaller clubs.

Whilst the previous financial analyses of clubs by revenue threshold gives insights into relative profitability, these are impacted by the country mix. On this page we remove the country mix impact by analysing clubs in three groups based on domestic revenue rankings: clubs with revenue ranks 1-4, 5-8 and 9+.

Top 4 Clubs by revenue	Clubs 5-8 by revenue	Clubs 9+ by revenue
Total revenue €7.6bn	Total revenue €2.8bn	Total revenue €3.5bn
Total wage ratio 60%	Total wage ratio 67%	Total wage ratio 74%
Net transfer ratio 6%	Net transfer ratio 2%	Net transfer ratio 0%
Loss margin 4.8%	Loss margin 8.8%	Loss margin 12.2%



2012/15

8

# Financial profile: Cash and cash flows



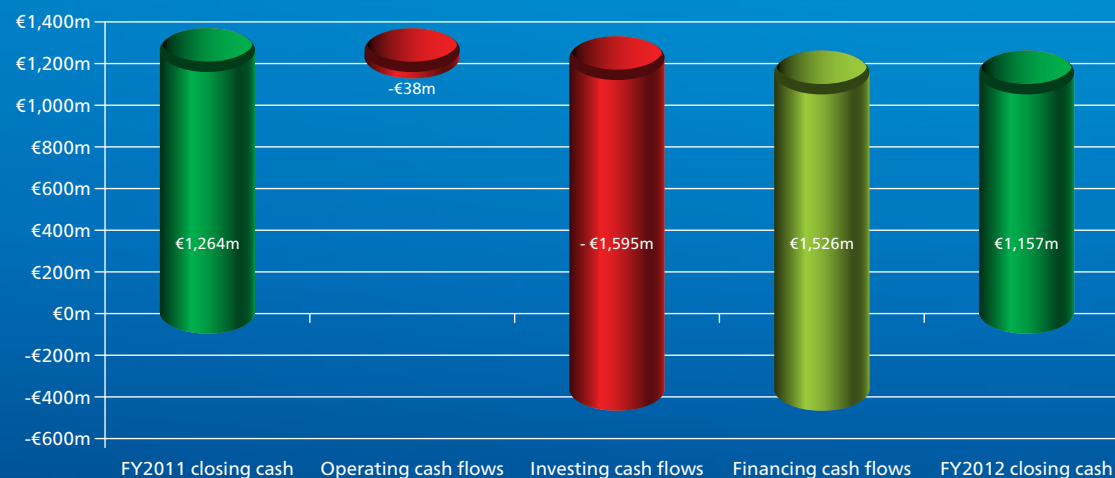
UEFA Champions League group stage match between Real Sociedad de Fútbol and Shakhtar Donetsk held on 17 September, 2013 at the Anoeta Stadium in San Sebastian, Spain.

All source photos from UEFA.com library.

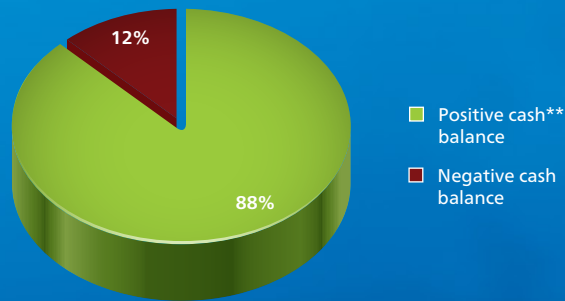
Net cash balances (cash less overdrafts) fell by just over €100 million during the year but remain positive, with top division clubs having nearly €1.2bn in cash reserves.

European football club cash flow disclosure has considerably improved as a result of club licensing requirements. Hundreds of clubs that are not required to prepare any cash flow information by local reporting requirements now provide a complete set of financial statements. The introduction of financial fair play is further improving the quality and consistency of disclosure, enabling a pan-European cash flow analysis to be included in a benchmarking report for the first time\*.

Net cash flow bridge, FY2011 to FY2012



\* The cash flow analysis is based on 581 clubs which provided full cash flow disclosures. Excluded from this analysis are clubs from AZE and SMR as well as a further 67 clubs that provided only partial cash flow data and 30 clubs for whom we did not receive any financial data. Amongst the larger revenue leagues, the analysis covers all clubs with the exception of 1 ENG and ITA, 3 ESP and 5 TUR clubs. The sample covers more than 96% of top division clubs by revenue. The split between operating and investing cash flow should be considered indicative only, as some reclassifications have been necessary for ITA clubs to ensure all transfer cash flows are reflected within investing cash flow, and the classification of tax and servicing of finance cash items differs between countries.



Whilst 52% of clubs had a positive cash movement during the year, a healthy 88% of clubs had a positive cash balance at year end.

Observers regularly ask how clubs are able to continue whilst generating such large losses – over €1 billion each year for the last four years. Cash flow analysis provides some insight when combined with the oft used phrase “cash is king”. Whilst we saw 17 countries reporting cumulative club loss margins of more than 20% this year (dark red columns in the profit analysis), all of the 50+ leagues reported either a cumulative cash surplus or a cash deficit equivalent to less than 10% of revenue.

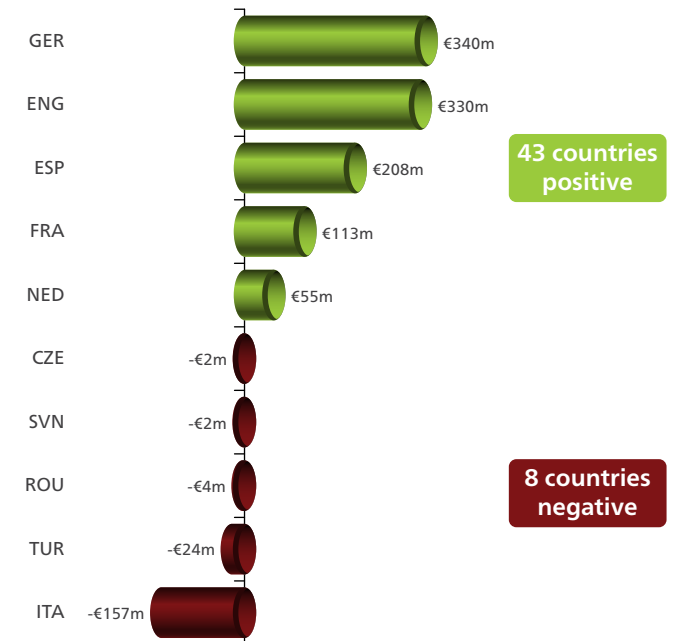


\*\* 'Cash balance' refers to the standard definition of net cash balances, which includes cash, cash equivalents and overdrafts.

Only three out of 600 clubs reported a net cash outflow of more than €10 million combined with a negative cash balance at year end.

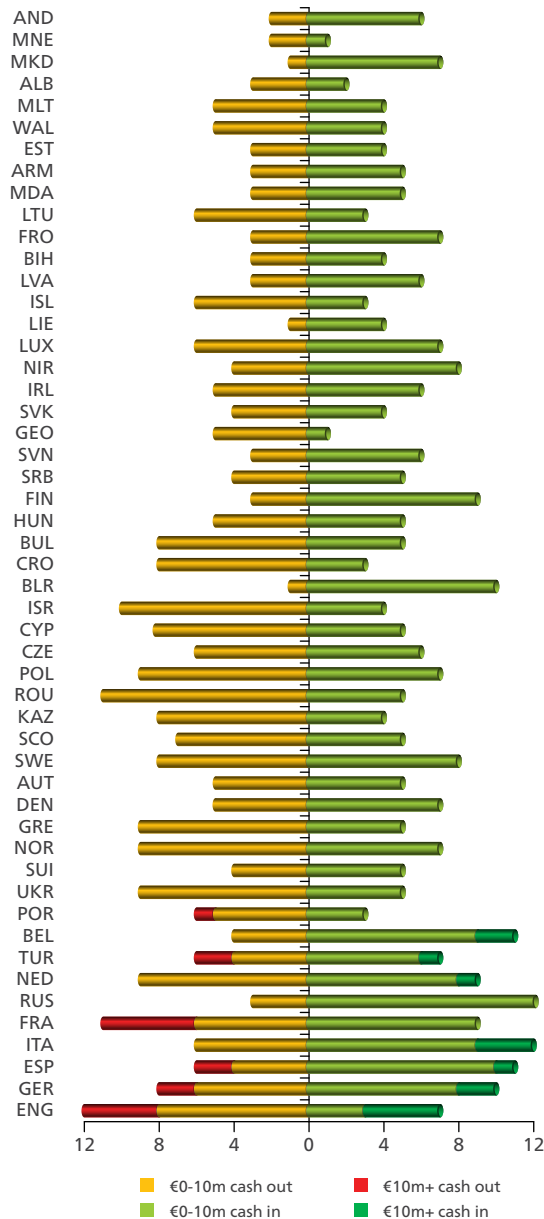
Whilst ITA clubs reported the largest combined negative cash balance at year end (€157million), this fell significantly during the year as they reported a net cash inflow of €104 million.

#### Aggregate cash position





### Club cash flows' by country

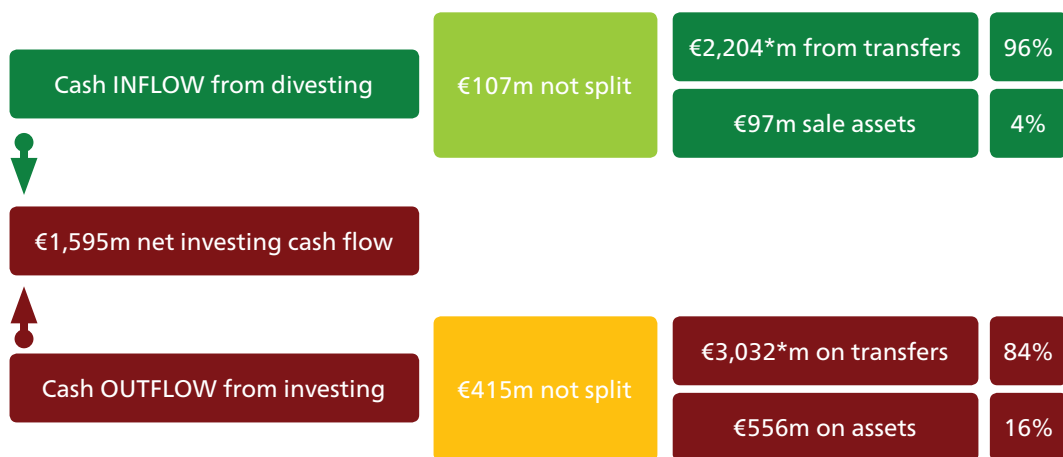


During the year, 14 and 16 clubs reported in excess of €10m net cash inflows and outflows respectively. Each list contained four English and two German clubs, with three Italian clubs featuring in the cash inflows list and five French clubs featuring in the cash outflows list. Of the 23 countries with club aggregate net cash outflow, 19 reported a positive cash balance at year end.

### Aggregate cash flow in period

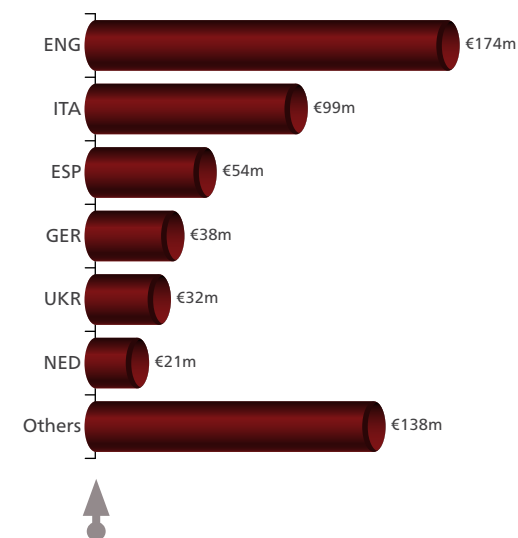


The clubs' investing cash flow disclosures indicate that club transfer fees paid were more than five times higher than spending on all other asset investments (including stadium and facilities).



The 14 clubs that paid more than €10million in the year on buying, upgrading or renovating their facilities can be compared with the 71 clubs that paid transfer fees of more than €10million in the year or the 47 clubs that paid out net transfer fees (cash out less cash in from transfers) of more than €10 million.

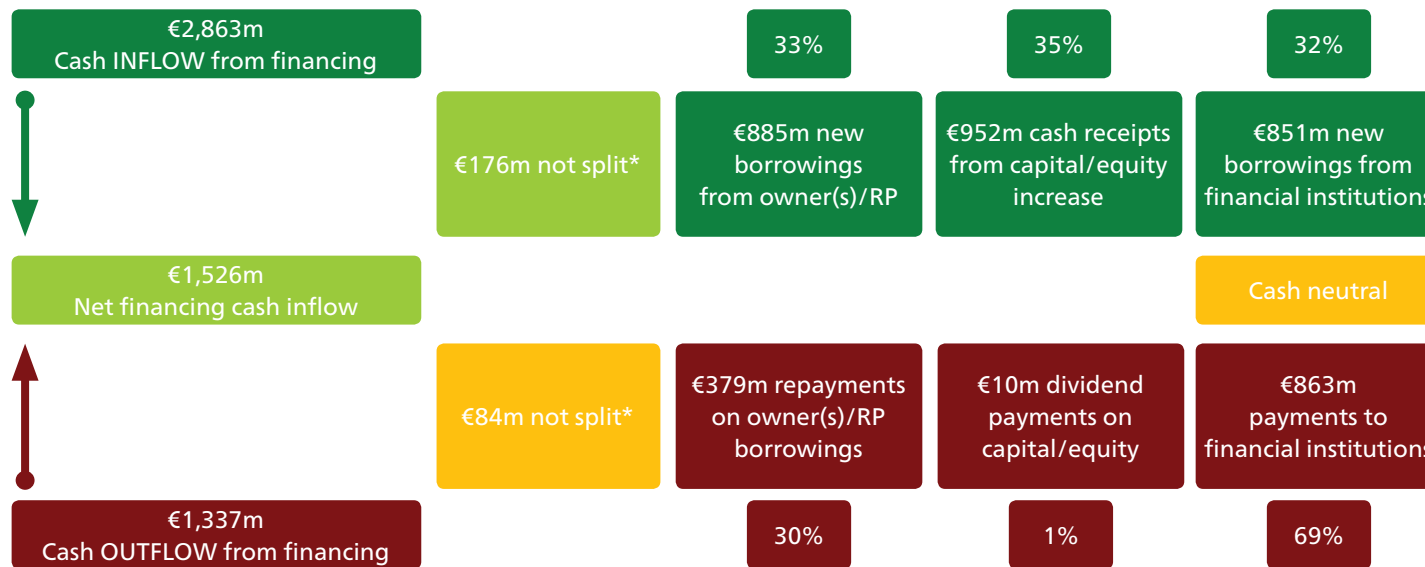
Cash payments from purchase of tangible fixed assets



The financial fair play rules incentivise club owners to invest in football facilities and infrastructure by excluding these costs from the break-even calculation. In 2012, English clubs' investment in assets (excluding player transfers) represented more than 30% of the European total. With only a minority of clubs in Europe owning their stadium/training facilities and many facilities in need of renovations or upgrades, there remains a need and plenty of opportunity for infrastructure investment.

\* The investing cash flows should be considered indicative only, as some reclassifications have been necessary for ITA clubs to ensure all transfer cash flows are reflected within investing cash flows and because the nature of €415m of investing cash outflows and €107m of investing cash inflows were not disclosed. Readers might note that the NET cash outflow from transfers (c€800m) differs from the NET transfer in the transfer section (c€250m). There are three principal reasons: (i) the transfer section figure also includes the largest second divisions, which are net exporters, (ii) the cash flow incorporates more agent and intermediary costs, and (iii) there are some timing differences between financial analysis and transfer 'season' analysis, particularly for clubs with December year ends.

The clubs' financing cash flow disclosures indicate that 65% of cash receipts were in the form of borrowings, split almost evenly between financial institutions and owner(s) and related parties (RP).



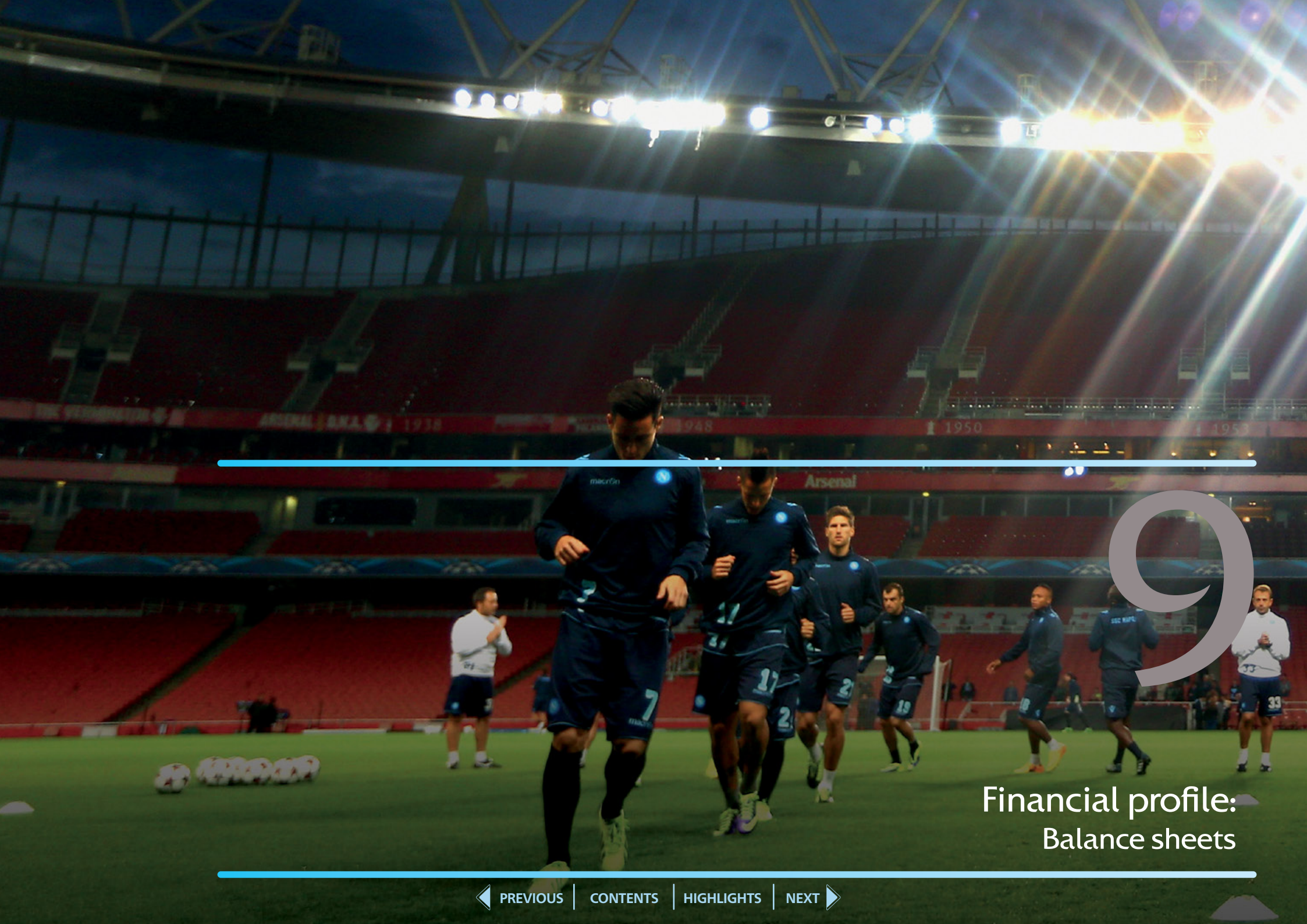
There were 12 clubs that received cash injections of more than €20 million in the form of equity/capital increases. These came from ITA (5 clubs), ENG & ESP (2), RUS, NED & BEL (1).

The majority of owner/related party injections into French and Russian clubs were designated in the form of borrowings rather than equity increases.

However, on a net basis, taking into account both cash receipts and payments, 66% of net financing cash flows during the year came from capital/equity funding and 34% from an increase in net borrowings.

On an aggregate club basis, the €1.5bn net financing cash flows coming into clubs were sourced entirely from owner(s) or related parties.

\* Other non-split financing cash flows are from clubs that either did not provide detailed disclosure or clubs with cash flows that were financing in nature but did not fit into one of the six sub-categories above (for example, some cash flows relating to tax or servicing of finance). The cash flows from owners and related parties disclosed here are just the financing cash flows and do not include financial support that passes directly through operating activities and cash flows.



Financial profile:  
Balance sheets



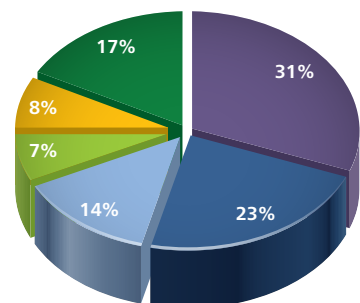
SSC Napoli players warming up for a training session ahead of their Champions League Group F match against Arsenal at Emirates Stadium on 30 September, 2013 in London, England.

All source photos from UEFA.com library.

The asset base of top division clubs increased by €1.4bn in FY2012, whilst the total liabilities increased by a smaller €0.8bn. Short-term assets (less than 12 months) represented 30% of total assets and short-term liabilities 59% of total liabilities.

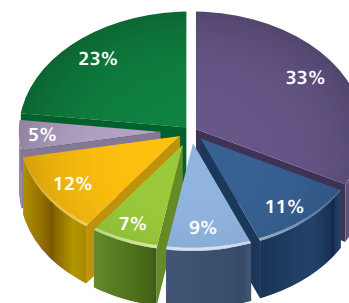
As per the previous year, 32% of payable amounts from transfer activity were due in more than 12 months, equivalent to just under €750 million of the €2.4 billion transfer payables.

Assets by type, FY2012



	FY2012		FY2011
Fixed assets	€7.2bn	↑	€6.6bn
Player assets	€5.2bn	↑	€5.0bn
Other long-term assets	€3.3bn	↑	€3.0bn
Cash	€1.7bn	↓	€1.8bn
Transfer receivables	€1.8bn	↑	€1.7bn
Other short-term assets	€4.0bn	↑	€3.6bn
<b>Total reported assets</b>	<b>€23.2bn</b>	<b>↑</b>	<b>€21.8bn</b>

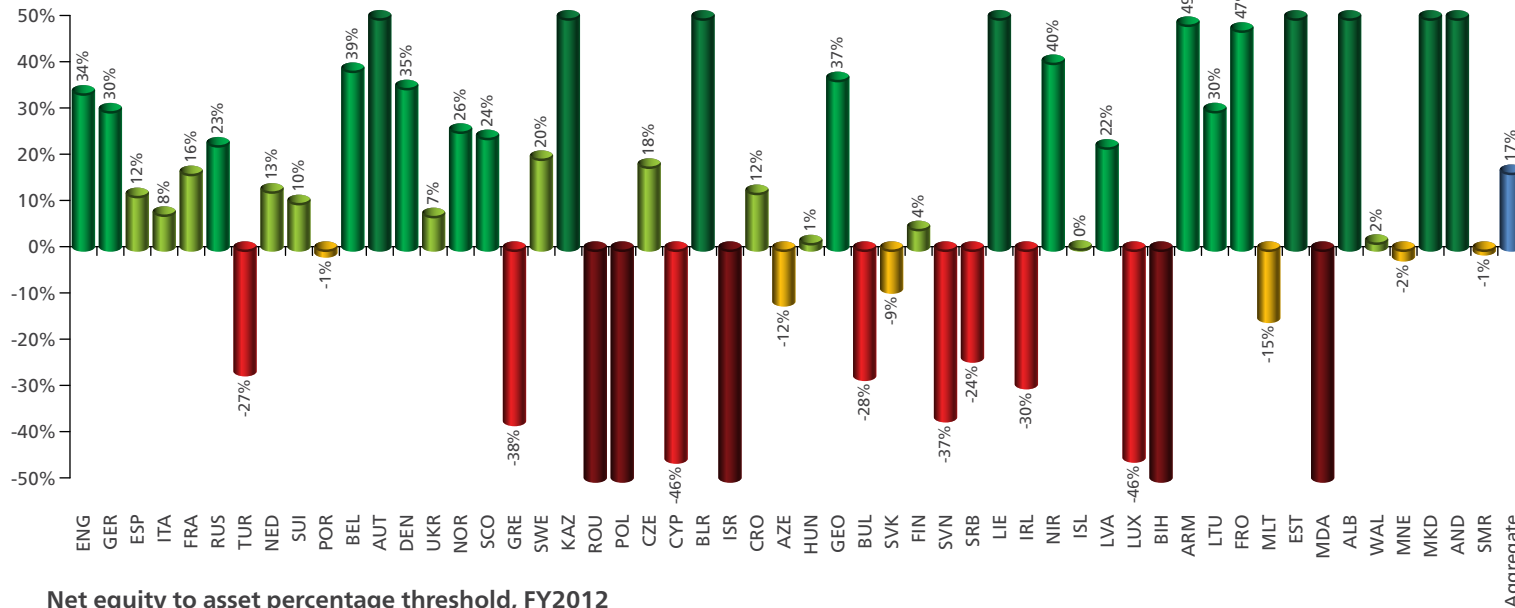
Liabilities by type, FY2012



	FY2012		FY2011
Bank and commercial loans	€6.3bn	↑	€5.1bn
Group and related parties	€2.1bn	↓	€2.6bn
Other long-term liabilities	€1.7bn	↓	€2.1bn
Taxes and social charges	€1.4bn	—	€1.4bn
Transfer payables	€2.4bn	↑	€2.3bn
Employee payables	€1.0bn	↑	€0.7bn
Other short-term liabilities	€4.4bn	↑	€4.1bn
<b>Total reported liabilities</b>	<b>€19.3bn</b>	<b>↑</b>	<b>€18.5bn</b>

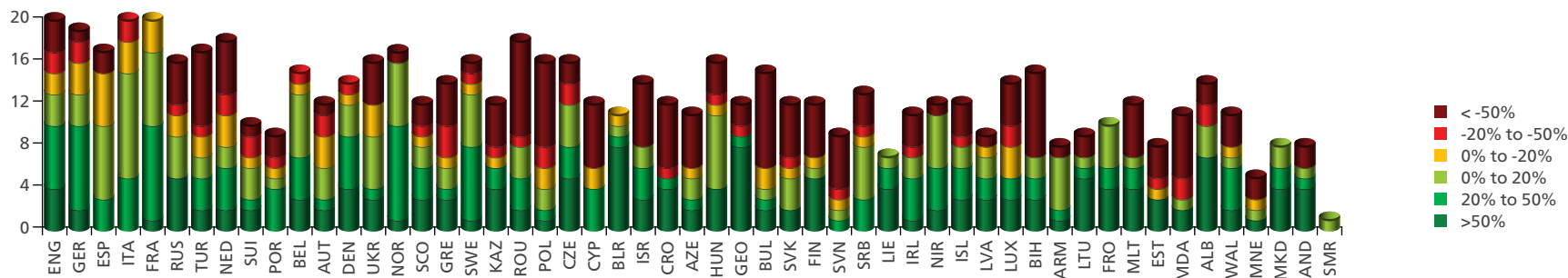
Europe-wide top division net equity was equivalent to 17% of the asset base and 27% of revenues. The majority of clubs (61%) and leagues (64%) reported positive equity (assets larger than liabilities).

Net equity per league, FY2012 (percentage of assets)



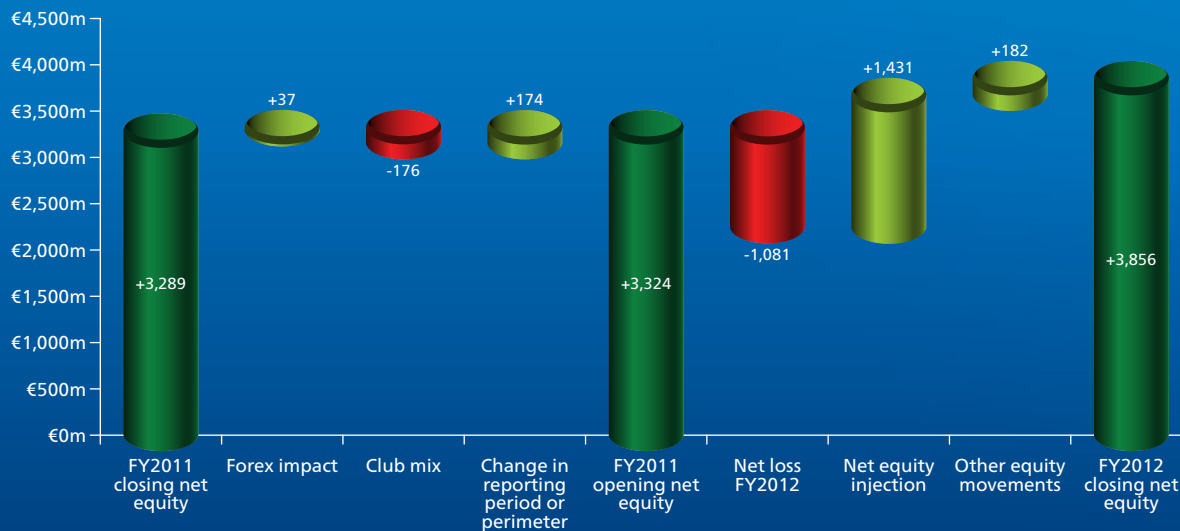
As highlighted in previous benchmarking reports, football clubs often have considerable ‘hidden reserves’, with assets not valued on the balance sheet due to the difficulty in precisely valuing them. These include the club brand, heavily depreciated stadium assets and undervalued (home-grown) or undervalued (amortised) player registration assets.

Net equity to asset percentage threshold, FY2012



Despite the losses recorded in 2012, the aggregate balance sheet position of top division football clubs has strengthened from €3.3bn to €3.9bn, driven by equity injections of just over €1.4bn\*. We believe the requirement for club owners to 'cover' losses as part of the break-even rule is at least partly responsible for this.

Net equity bridge, FY2011 to FY2012



Whilst most financial fair play media attention has been concentrated on a relatively small group of prominent clubs striving to meet the upper break-even limit of €45m, less attention has been paid to the larger group of clubs with smaller combined deficits of €5m-€45m who nonetheless require contributions from equity participants and/or related parties. This is a crucial element of the basket of financial fair play rules and one that should prevent the accumulation of debts. In total, there were 65 clubs that received equity contributions and/or owner or related party donations of more than €1m during the year.

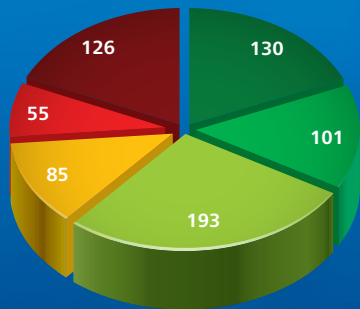
61% of European top division clubs had positive equity at year end, with the proportion reaching 69% for larger clubs with revenues over €20 million.

\* The difference between net equity injection in equity roll forward and cash injections from owners/related parties in cash flow analysis is mainly due to a number of cases where soft loans were converted to equity leading to an equity increase but no cash injection during the year.





Net equity as a percentage of FY2012 revenues



- >+50%
- 20% to 50%
- 0% to 20%
- 0% to -20%
- -20% to -50%
- <-50%



# Appendices



2012 UEFA Europa League final: Club Atletico de Madrid and Athletic Club (3-0), National Arena, Bucharest.  
All source photos from UEFA.com library.

## APPENDIX: Map of benchmarking studies, 2007–12

Subject	Report references	Coverage	Sample of findings
<b>Topic: Governance and club licensing</b>			
Who's in charge of fixtures, disciplinary, refereeing and commercial rights?	FY 2009, Page 27	31 UEFA member associations	Generally, the professional leagues are responsible for two main areas: championship organisation and league member representation. Most professional league organisations are in charge of fixture schedules and the collective sale of commercial rights. However, most disciplinary action and refereeing matters under the remit and jurisdiction of the national associations. There are also a few cases where clubs still exercise control over broadcasting rights as opposed to the league or national association.
Where are collective bargaining agreements and standard player contracts in place?	FY 2009, Page 28	31 UEFA member associations	There are collective bargaining agreements in approximately 50% of sampled countries. Approximately 93% of the sample indicated that there were national standard player contracts in place.
Where can you find squad limits, home-grown, foreign and young player rules?	FY 2009, Page 29	31 UEFA member associations	Squad limits are operated in 45% of the surveyed countries. Some form of home-grown player rule exists in 42% of the surveyed countries. 52% enforce some kind of foreign player (i.e. non-EU) restrictions - these are in addition to national work permit requirements. 42% specify regulations pertaining to young players. All in all 80% of the surveyed countries operate one or more forms of squad regulation.
How widespread is club licensing across Europe?	FY 2010, Page 25 FY 2009, Page 24 BR 2009, Page 14 FY 2008, Page 18	31 UEFA member associations	In addition to the UEFA requirements for clubs competing in UEFA club competitions, many countries also have domestic licensing criteria for entrance into their domestic competitions. Out of the 53 national associations, 49 impose either a domestic licensing system based on the same principals as the UEFA licensing regulations or some domestic financial controls. In more than half of these countries, these licensing systems go beyond the top division. In addition to the clubs applying for a licence for UEFA competitions, we anticipate a further 900+ clubs undergoing these domestic licensing controls this year, making it over 1,500+ clubs in total undergoing licensing. (FY 2009)
<b>Topic: Competitions and structural profile of European club football</b>			
What is competitive balance and why is it important?	FY 2009, Page 40	25 UEFA member associations	Competitive balance measures are indicators of the uncertainty of outcome of a match, a competition or a league, which help to avoid undermining the nature of the competition. Additionally, there is a large variety of estimators (a sample of which are represented in the Appendix) that measure different aspects of uncertainty using different elements.
How are the domestic championships structured?	FY 2011, Page 59 FY 2010, Page 36 FY 2009, Page 37 BR 2009, Page 20 FY 2008, Page 27	UEFA member associations	The standard home and away round-robin format is the most common league format used. With the international match calendar and player health considerations dictating the available match dates, the number of clubs to some extent determines the league format, with three rounds of matches typically used in leagues of 12 clubs (33 matches) and four rounds of matches in leagues of 10 clubs or less. Eleven top divisions use alternative formats, splitting up the clubs midway through the season. (FY 2011)
How is promotion and relegation structured across Europe?	FY 2011, Page 60 FY 2008, Page 28	52 UEFA member associations	The number of teams relegated and promoted between the top two divisions each year varies according to the results of the play-outs and changes in the league structure from year to year. On the basis of the current season, the number of clubs relegated, subject to clubs meeting the necessary licensing requirements in each country, will vary between 13% and 17% of the total top division clubs. This is a key element of the European professional sports model pyramid. (FY 2011)
What are the most common legal forms for clubs?	Licensed to thrill, Page 27 FY 2011, Page 32 BR 2009, Page 21 FY 2008, Page 29	UEFA member associations, over 700 clubs	Clubs are most commonly organised in the form of associations (42%), frequently as incorporated companies (38%), and in some cases a stock exchange listed (4%), state owned (3%) or as specifically defined sporting incorporated companies (13%). (FY 2008)
What is the most common ownership profile for clubs?	BR 2009, Page 21 FY 2008, Page 29	UEFA member associations, over 700 clubs	The majority (54%) of top divisions clubs in Europe have an owner with majority control. This is further split as 24% with a single full owner, 30% with majority control but not full ownership, 31% with one or more significant shareholders (5-50%) and, finally, 15% with widespread control (all shareholders <5%). (FY 2008)
How many fans attend domestic championship matches across Europe?	FY 2011, Page 61 FY 2010, Page 37 FY 2009, Page 34 BR 2009, Page 24 FY 2008, Page 34	53 UEFA member associations	For the 2011/12w and 2011s season, over 103 million fans attended domestic club league matches in Europe. This is an increase on 2010/11, driven primarily by growth in Germany, Hungary, Serbia and Ukraine. It was a resurgent season, with attendances climbing back towards the volumes experienced in 2008/09. (FY 2011)
What are the season and transfer window timings across Europe?	FY 2009, Page 38	UEFA member associations & selected non-European countries	The majority of European leagues hold their competitions during the winter months and usually run from autumn through the springtime. Thirteen leagues organise their championships over the summer months, usually from March until November. The highest transfer activity occurs in July/August and January when the windows of summer and winter leagues overlap.
What impact have the locally trained player rules had?	FY 2010, Page 46	UEFA member associations	It is of course not possible to say with any certainty what the opportunities for locally trained players would have been without the introduction of new rules in recent years. Despite the on going globalisation of football and the increasing freedom of movement of football players and coaches, the proportion of minutes played by locally trained players in the UEFA Champions League has remained stable since the implementation of the new rules. The average number of club-trained players on the pitch at any one time in UEFA Champions League group stage matches has increased from 2.16 before the rules to 2.50 in the last completed season with the locally trained player rules (2010/11). Indeed, the current representation is above the level of a decade ago. Furthermore, it seems that there is also some knock-on effect in the domestic leagues in that the same clubs competing in the UEFA Champions League have also fielded their locally trained players more in the domestic championships. A complementary effect has been the increase in the use of Under-21 players with the chances of these players playing in important matches increasing by 50% from a decade ago.
"Home field" advantage – is the 12th man losing his voice?	FY 2009, Page 41	UEFA member associations	Over the past 25 years, the proportion of home matches won has been on a slow decline and visiting teams now have a better record of scoring away wins. One marked break in trend is the number of matches drawn at home. It appears that the extensive adoption of the three-point rule across leagues in Europe asserted a positive influence on away teams to "go for the win" as opposed to playing for a draw. Most leagues implemented the three-point rule between 1994 and 1995, although some leagues (e.g. ENG) had been awarding three points for a win as early as 1981.
Thirty years on – how did three points for a win impact match results?	FY 2009, Page 42	11 UEFA member associations	It encouraged teams to become more "attack" oriented in order to try to secure three points and thus reduced the number of draws occurring in the top divisions. The immediate and across the board improvements illustrated in the charts have more or less continued in the years since the three-point rule was adopted.

The first public European Club Footballing Landscape report was entitled "Benchmarking report 2009 club licensing" (BR 2009). Please note that this covered the 2009 licensing year but the 2007 financial year. The naming convention changed for all subsequent reports, which refer to the financial year and not the licensing year.

## APPENDIX: Map of benchmarking studies, 2007–12

Subject	Report references	Coverage	Sample of findings
<b>Topic: Long-term investment and development profile</b>			
What proportion of clubs own their stadium?	Licensed to thrill, Page 41 FY 2011, Page 31 FY 2009, Page 50 BR 2009, Page 22 FY 2008, Page 30	UEFA member associations	Based on the 625 clubs analysed, 120 clubs in total (19%) directly own their stadium, while 399 (64%) rely on lease or rental agreements with state, municipal or other public authorities. The remaining 17% play in a stadium owned by a third party, which means that stadium is owned neither directly by the club nor by the public authorities. (FY 2009)
Where is municipal/state stadium ownership common?	FY 2008, Page 32	UEFA member associations	Either all or the majority of stadiums are owned by municipal or state authorities in 39 of the 53 national associations.
How big are European club stadiums?	FY 2009, Page 46	53 UEFA member associations, 541 stadiums	Based on the 541 stadiums analysed, the average top division capacity across Europe is just over 18,000. There are 20 countries with a 50,000+ capacity stadium and 22 with a 40,000+ capacity stadium.
How old are Europe's stadiums and what has been the recent investment?	FY 2009, Page 48	53 UEFA member associations, 447 stadiums	The average age of the 447 club stadiums analysed was 47 years, with the most recent investments made on average 7 years ago.
Profile of stadiums in use in 2013/14 UEFA club competitions	Licensed to thrill, Page 32	UEFA member associations stadiums	Nine countries have an average club capacity above 40,000. The stadiums that clubs use in the initial qualifying stages tend to be smaller home stadiums before clubs move to a larger stadium in the area. The most extreme examples would be Ireland, Finland and Wales, where the clubs start playing at stadiums with capacities averaging 3,000, 6,000 and 5,000 before moving to the national or regional stadiums with an average capacity of 51,000, 40,000 and 23,000 respectively.
Does ownership correlate to match day income?	FY 2009, Page 50	53 UEFA member associations, 625 stadiums	For the 98 club sample included within the table, gate receipt income proves to be significantly larger for stadium owners than for clubs renting or leasing their facilities. In fact, none of the 12 highest match day income clubs, which come from separate countries, operated from municipality/state owned stadiums. However, the ability of clubs to improve their stadium infrastructure by modernising and renovating, to make stadiums more comfortable and personalised to the club and their supporters is probably the most significant factor.
How many coaches have obtained UEFA recognised coaching qualifications?	FY 2010, Page 51 FY 2009, Page 52 BR 2009, Page 27	UEFA member associations	160,472 coaches obtained UEFA recognised coaching qualifications (+1% increase from 2008). Among them, 120,303 (75%) have B licences, 34,471 (21%) have A licences and 5,698 (4%) are authorised to coach at highest level having obtained a UEFA Pro licence. (BR 2009)
What are the participation rates across Europe?	FY 2009, Page 54	UEFA member associations	Football has, in total, more than 23 million registered players as well as countless millions of unregistered casual players. Total registered participation in the last five years has, in fact, increased by approximately 1 million players, with the biggest relative growth areas concerning female, youth and futsal players.
Head coach migration – which coaches travel?	FY 2010, Page 52	UEFA member associations, 535 club head coaches	Almost one third of UEFA national team head coaches and one quarter of top division club head coaches are foreign, with considerable differences between the leagues.
Which countries have had most success in youth football competitions?	FY 2010, Page 48	UEFA youth competitions from 1992/93 until 2010/11	The four most successful national associations in men's youth tournaments have been Spain, France, Portugal and Italy, while Germany has clearly been the most successful in women's youth competitions. In total, 16 associations have enjoyed success in UEFA youth competitions and an encouragingly high number (40) have reached the final stages.
<b>Topic: Financial profile: transfer review</b>			
How has transfer activity fluctuated across Europe in the last five years?	FY 2011, Page 78	24 most active leagues in terms of transfer activity	Transfer spending peaked in the summer of 2007 and 2008 at just over €2.5bn, with overall transfer spending (summer and winter) approximately €500m lower in the last three and a half seasons. The FY2008 and FY2009 financial results benefitted significantly from these transfer activity trends, with low transfer costs (legacy of relatively low transfer spend 2004–06) and high transfer profits (triggered by relatively high transfers in 2007 and 2008). The same timing difference effect has negatively affected club financial results in FY2010 and FY2011, with lower profits (slowdown in transfer level 2009–11) and higher costs (legacy of relatively high spend 2007–08).
What are the profiles (nationality, age, club) of the top 400 transfers?	FY 2010, Page 104	Sample of 400 transfers (top 25 reported transfer fees for each of the last 16 years).	'Big money' transfers over the last 16 years have most commonly involved: 24-year-olds, Brazilian forwards, and English and Italian clubs.
What are the main trends in transfer spending over the last 16 years?	FY 2010, Page 100	24 most active leagues in terms of transfer activity	There have been two main peaks in transfer activity over the last 16 years: 2000–02 and 2007–09.
Which clubs and countries have spent and made the most money from transfer activity?	FY 2011, Page 81 FY 2010, Page 106	53 UEFA member associations	A number of factors influence the relative transfer to wage spend between countries, including the proportion of home-grown players used within leagues (wages but not transfer fees are paid to/for home-grown players) and the player profile of club signings (experienced players nearing the end of their career often warrant high wages and lower transfer fees). The analysis includes estimated figures, so should be considered a benchmark only, but clearly demonstrates that Swedish, Norwegian, Austrian and Swiss clubs spend, on average, much less of their player budget on transfer fees (transfer spend 6–11% of wages) compared with the average (36%). Among the most active, clubs from Germany bought the contractual rights of players with transfer fees equivalent to 27% of wages over the five-year period, compared with clubs from Spain, England, Italy and Russia (41–47%). (FY 2010)  The estimated transfer sales to wages analysis also highlights some key differences between clubs across Europe. The fact that transfer fees on the sale of player registrations ("transfer sales") exceeded the total amount of wages paid during the five-year period by Serbian and Croatian clubs clearly underlines the financial importance of transfer activity for these clubs. Five-year data for Portuguese clubs shows a slightly lower transfer sales to wages level of 72%, but is nonetheless much higher than the average of 29% and, hence, demonstrates the importance of transfer activity within their financial strategy. The Czech and Dutch clubs are on aggregate also clearly net sellers, with transfer sales significantly higher than transfer spending. (FY 2011)
How consistently do clubs account for transfers in their books?	FY 2008, Page 54	UEFA member associations, clubs across Europe	The transfer in and out of players (player registration) can have a significant impact on the finances of all but the smallest clubs. In Europe as a whole, 61% of clubs treat players purchased in the transfer market assets, whilst 39% do not and take the whole transfer fee as an immediate cost.

## APPENDIX: Map of benchmarking studies, 2007–12

Subject	Report references	Coverage	Sample of findings
<b>Topic: Financial profile (subjects not directly covered in this FY2012 report)</b>			
Debt, in debt, net debt, secured debt, liabilities, going concern – what does it all mean?	FY 2008, Page 68	N/A	Definitions can be found in the FY 2008 benchmarking report
Gross profit, operating profit with and without transfers, EBITDA, EBIT, profit before tax, net profits – how relevant are profit measures for football clubs?	FY 2008, Page 60	N/A	Definitions can be found in the FY 2008 benchmarking report
Player asset values: under or overvalued?	FY 2008, Page 72	600 clubs	The undervaluation is relatively higher for smaller clubs, which tend to develop and sell more home-grown players and are more likely not to capitalise players on the balance sheet in the first place (annual profit or net income equivalent to 0.63x total player asset value compared with 0.22x for TOP clubs). The TOP clubs taken together also reported a net loss on player activity (profit/loss on sale equivalent to 0.58x depreciation/impairment charge) whilst other clubs (below €50m income) reported a net gain on player activity (ratio 1.71x).
Who are the auditors?	FY 2010, Page 87 FY 2009, Page 95	53 UEFA member associations, 599 clubs	A diverse range of club auditors are used across Europe - perhaps not surprising, given the massive differences in scale of clubs. Just over a quarter uses an international firm and just over half use auditors with multiple offices. The majority of clubs reviewed in Austria, Armenia, Denmark, England, Finland, Italy, Luxembourg, the Netherlands and Sweden used international firms, with half of the clubs in this year's UEFA club competitions group stage doing likewise. (FY 2010)
What are the major domestic TV contracts currently in place?	FY 2009, Page 70	UEFA member associations	The largest broadcast contracts for domestic championships are in ENG and ITA. The growth in value for international rights has exponentially increased for ENG, thus driving up the total value. The sales cycle for most European domestic leagues is every three or four years but there are exceptions.
What are clubs' financial reporting dates?	FY 2010, Page 117 FY 2008, Page 39	UEFA member associations, clubs across Europe	31 December is the most common financial year end, used by 64% of top division clubs, include all ex-CIS and Baltic clubs, followed by 30 June, used by 26% of clubs. (FY2010)
How closely are financial resources linked to on-pitch domestic and European success?	FY 2009, Page 72 BR 2009, Page 36 FY 2008, Page 48	UEFA member associations, clubs across Europe	Once again, our analysis illustrates the extremely strong link between financial resources and on-pitch success. The club reporting the highest income in their domestic league finished in the top 2 of their league in 66% of cases analysed, winning the championships in 18 countries and finishing runners-up in a further 13. Looking at it from the other end, the domestic champions reported either the highest income or the highest employee costs in half the leagues. (BR 2009)
In which country is the income most balanced between clubs?	FY 2010, Page 60 FY 2009, Page 64 BR 2009, Page 34	UEFA member associations	Club income is spread unevenly across the different top divisions. The "TOP" clubs represent 13% of the 734 European top division clubs but generate 67% of the €12.8bn total European revenue. Although this share is down from 69% in FY2008 and FY2009 and the divisions with the fastest growing revenues in FY2010 (notably Russia, Turkey and Ukraine) were outside these top 5, the proportion of top revenue is likely to rise again next year, when significantly better English and Italian broadcast contracts feed into their club revenues. (FY 2010)
How important is TV income beyond the divisions?	FY 2009, Page 34	UEFA member associations	Broadcast income was most significant for the five TOP divisions, contributing between 35% and 57% of total reported income. For large and some medium divisions broadcast income is typically of major significance, contributing 10+% in 13 countries, although this tends to be less in eastern Europe. For small and micro divisions broadcast income is typically of little relevance (less than 5%).
How do average ticket prices compare across Europe?	FY 2010, Page 62	53 UEFA member associations	The average for the 53 top divisions was approximately €11.28 per attendee, but with massive variation between clubs and countries. Spain and England lead the 53 top divisions, with around €50 per attendee, in contrast to countries like Armenia and Kazakhstan, which receive (and charge) very little.
<b>Topic: Competition profile of UEFA club competitions</b>			
Is it the same old clubs always competing in UEFA club competitions?	FY 2011, Page 21	UEFA member associations	In the three-year cycle between 2009/10 and 2011/12, there were 24 of 53 (45%) different member associations represented in the group stages of the UEFA Champions League and 33 (62%) represented in the group stages of the UEFA Europa League. In the UEFA Champions League group stage alone, 44 clubs made just one appearance between 2009/10 and 2011/12 and only 10 clubs appeared in all three seasons.
How do UEFA club competition match results compare with domestic competition results?	FY 2011, Page 24	UEFA member associations	A comparison of on-pitch match results shows a similar number of total match goals in domestic and UEFA Champions League group stage matches and beyond. However, the difference in goals scored home and away is much closer in the UEFA Champions League matches.
Ten-year competitions review: Club participation and success by national association	Licensed to thrill, Page 13	UEFA member associations	35 national associations have had at least one club reach the UEFA Champions League or Europa League group stages, with Spanish clubs having the highest success rate (96%).
Ten-year competitions review: Participation and success by club	Licensed to thrill, Page 14 & 15	UEFA member associations	97 different clubs have reached a UEFA Champions League group stage during the last ten years. 255 different clubs have participated in the UEFA Champions League (qualifying and/or group stage) during the last ten years. 583 different clubs have played in the UEFA Champions League and/or Europa League during the last ten years.
New club and long-term absentees	Licensed to thrill, Page 22	UEFA member associations	26 clubs participated in 2013/14 UEFA competitions for the first time in at least a decade. 11 clubs participated in the 2013/14 UEFA Champions League for the first time in at least a decade.

### Links to previous reports:

FY2008 [http://www.uefa.com/MultimediaFiles/Download/Publications/uefaorg/Publications/01/45/30/45/1453045\\_DOWNLOAD.pdf](http://www.uefa.com/MultimediaFiles/Download/Publications/uefaorg/Publications/01/45/30/45/1453045_DOWNLOAD.pdf)

BR2009 [http://www.cies-uni.org/sites/default/files/2009\\_UEFA\\_Club\\_Licensing\\_Benchmarking.pdf](http://www.cies-uni.org/sites/default/files/2009_UEFA_Club_Licensing_Benchmarking.pdf)

FY2009 [http://www.uefa.org/MultimediaFiles/Download/Tech/uefaorg/General/01/58/53/46/1585346\\_DOWNLOAD.pdf](http://www.uefa.org/MultimediaFiles/Download/Tech/uefaorg/General/01/58/53/46/1585346_DOWNLOAD.pdf)

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## APPENDIX: Definition of terms and data sources

Definition of terms used in this report		Explanation of sources	
<b>Average clubs</b>	References to “average” clubs (e.g. average club revenue) represent the aggregate figure of the division divided by the number of clubs. Where analysis is in percentage terms, this is therefore the weighted average (average of totals rather than average of each club’s percentage).	<b>Competition profiles of domestic club football</b>	League structures and trends – taken from UEFA.com, cross-referenced against Wikipedia.  League timelines taken – from a mixture of sources: UEFA member associations and leagues; UEFA.com; TMS.  Licensing decisions and timeline – data extracted from the list of licensing decisions submitted by the 53 national associations to UEFA.
<b>Benchmarking</b>	Benchmarking refers to collaborative benchmarking using information (i) directly prepared or supplied by clubs for the purposes of obtaining a club licence; (ii) obtained by utilising the knowledge held within the extensive network of licensing managers and their staff at each of the 53 national associations; (iii) held by the UEFA club licensing unit or elsewhere within the UEFA administration.  Benchmarking in the narrow context of this report does not refer to the ranking of countries or target setting but rather to increasing basic transparency and knowledge of club football in financial and other licensing areas. The objectives are set out in the report introduction. In the general club licensing context, the UEFA benchmarking project also has the wider objectives of sharing best practice on licensing matters between national associations and enabling better informed decision-making by national and international football stakeholders. It complements the benchmarking of national associations themselves and their operations (UEFA Top Executive Programme [TEP] and KISS [Knowledge and Information Sharing Scenario]).	<b>Head coach profiles of domestic club football</b>	A combination of data provided by national associations on the list of licensing decisions template and data extracted from www.transfermarkt.de and sorted, sanitised and analysed by UEFA.
<b>Club licensing system</b>	This refers to the system, based on the observance of minimum criteria set out in the UEFA Club Licensing and Financial Fair Play Regulations, that leads to the granting or refusal of licences to clubs. Holding a licence is a prerequisite for access to UEFA competitions (competition regulations).	<b>Commercial profile: Healthy appetites for the game</b>	Attendances and trends – www.european-football-statistics.co.uk/attn.htm, verified or supplemented in some cases by licensors and UEFA databases.  Country by country and Europe-wide interest levels in football and different leagues – Data source from Repucom as part of a bespoke survey of 18,000+ adults aged between 18 and 69 and covering 38 UEFA member associations.
<b>Countries/divisions/leagues</b>	Refers to clubs from a UEFA member association. All member associations operate their own leagues, with the exception of Liechtenstein, whose clubs compete in the Swiss leagues. The member associations of UEFA are not all countries as defined by the United Nations. Some, such as England, Northern Ireland, Scotland and Wales, are constituent countries of the United Kingdom. Another, the Faroe Islands, is an autonomous region of the kingdom of Denmark. Nevertheless, in the report we refer at times to countries. The three-letter codes used are the UEFA codes, which differ in some cases from the IOC or ISO codes (Latvia, Romania and Slovenia).	<b>Commercial profile: Transfer activity review</b>	Some analyses sourced from five years of data collected and analysed by UEFA from over 3,000 sets of club financial statements, including the detailed intangible asset player roll-forward notes to the financial statements.  Overall net and gross trends and data on the 166 major (€15m+) transfer deals sourced from www.transfermarkt.de and analysed by UEFA.  Aggregated data on agent commission rates and player contract lengths sourced from clubs through their overdue transfer submissions to UEFA.
<b>Currency</b>	The figures for each individual club have been translated to euros from their reporting currency using the average of the average monthly rates (effectively the average daily rate) during the particular financial reporting period of each club. These daily rates were sourced either from the rates published by the European Central Bank or, failing that, from the OANDA mid-rate. Final rates were rounded to four decimal places. Example rates used are: Russian clubs 0.0251; Ukrainian clubs 0.0975; and UK clubs with May year end 1.1751, June year end 1.1846, July year end 1.1961, or December year end 1.2334.	<b>Financial profile of European club football: all analyses</b>	Unless otherwise stated in the text, footnotes or this appendix, the financial figures used in this report have been taken directly from figures submitted by clubs or their national associations to UEFA through the BOFC electronic reporting system between April and July 2013. These figures refer to the financial year ending in 2012 (FY2012). The figures match the underlying audited financial statements which are prepared either using national accounting practices or International Financial Reporting Standards and audited according to International Auditing Standards. In many cases additional breakdowns of audited income and expense figures have been provided to UEFA as part of the benchmarking review, enabling a fuller understanding of the financial performance of clubs (e.g. split of personnel costs between playing staff and other staff and between social charges and base remuneration, split of income source between UEFA and national competitions, split of investing cash flows between player transfer payments/receipts and longer-term fixed asset investments or sales). In total, 984 queries and clarifications were sought from clubs.  The data submitted, covering 696 clubs, was used to make extrapolations for the remaining 30 mainly smaller relegated European top division clubs. The general approach was to use the average data of smaller clubs from each division (excluding the four largest-income clubs) to simulate figures for these 30 clubs and hence the estimated Europe-wide and country totals. The simulated data covers less than 1% of the total.
<b>Income/revenue</b>	Income (either average or total) and revenue are used interchangeably to aid the syntax of the report. Either term when used throughout the report excludes income or profits from player transfers, excludes gains or losses from divestment of assets, excludes gains and losses from financial items (income or net gains from investments or interest income) and excludes gains or losses from non-operating items (all of which are analysed separately). The definition of “exceptional incomes” differs considerably between countries but is rare under the IFRS and, therefore, “exceptional incomes” are included within revenue/income.	<b>Disclaimer</b>  This review is based primarily on figures supplied to UEFA by licensors (national associations or leagues) and their clubs. This data has not been verified or checked against the source financial statements by UEFA for its accuracy. The review has been written in general terms, to provide context only, and should not therefore be relied on to cover specific situations. The review sets out some of the difficulties in comparing data and information extracted from financial statements but this list is not exhaustive. The review is addressed to national associations (or leagues where the league is the licensor) and is not intended to be utilised or relied upon by any other parties. No rights or claims against UEFA can be derived from this document or its contents.	
<b>Income/revenue streams</b>	Term used to break down revenue (income) into smaller components. Unless separately disclosed within commercial revenues, TV-related domestic prize money is typically included within broadcast revenues. UEFA requires all clubs to now separately identify UEFA prize money, solidarity payments and other distributions as a separate revenue streams. Food and drink sales would normally be included as commercial revenues but may be included within gate receipts for some hospitality customers. Likewise, sponsorship revenues may include an element of gate receipts if matchday stadium access is included within overall commercial and partner agreements. The delineation between sponsorship and commercial deals is also not clear. Revenue stream splits of any kind should therefore be considered as indicative only.		
<b>National associations</b>	The national associations are the 54 UEFA member associations through which the club licensing system is operated. In the report, these include the three member associations which have delegated all or part of the management of licensing on a national level to the league (Austria, Germany and Switzerland). All of the analyses in the report, with the exception of some of the maps, include data from up to 53 UEFA member associations. Next year we intend to include data from the 54th UEFA member association, Gibraltar, as Gibraltar clubs will participate in UEFA club competitions for the first time in the 2014/15 season.		
<b>Financial fair play</b>	Financial fair play is a set of requirements adopted by UEFA in accordance with its member associations, the clubs, leagues and players’ unions to monitor the financial situation of clubs. Full details are provided in the UEFA Club Licensing and Financial Fair Play Regulations (2012 edition), which can be downloaded from www.UEFA.com/MultimediaFiles/Download/Tech/uefaorg/General/01/80/54/10/1805410_DOWNLOAD.pdf		

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