

Deloitte.



Spanish Masters Football Money League



Real Madrid becomes
the first sports team to
record revenues in
excess of €400m

Contents

2	Welcome
5	How we did it
6	Ups and downs
7	The Deloitte Football Money League
29	Golden years
32	Spain lights the way
37	Risky business?

Edited by

Dan Jones

Authors

Austin Houlihan, Rich Parkes, Adam Bull,
Martyn Hawkins, Simon Hearne
and Caspar Schmick

Sports Business Group at Deloitte

PO Box 500, 2 Hardman Street, Manchester, UK
M60 2AT

Telephone: +44 (0)161 455 8787

Fax: +44 (0)161 455 6013

E-mail: sportsteamuk@deloitte.co.uk

www.deloitte.co.uk/sportsbusinessgroup

March 2010

Welcome

Welcome to the 13th edition of the Deloitte Football Money League, in which we profile the highest earning clubs in the world's most popular sport. Coming nine months after the end of the 2008/09 season, it is the most contemporary and reliable analysis of clubs' relative financial performance.

Whilst there are a number of methods that can be used to determine clubs' relative size – including measures of fanbase, attendance, broadcast audience, or on-pitch success – we compare clubs using revenue from day to day football operations which we believe is the best publicly available financial comparison.

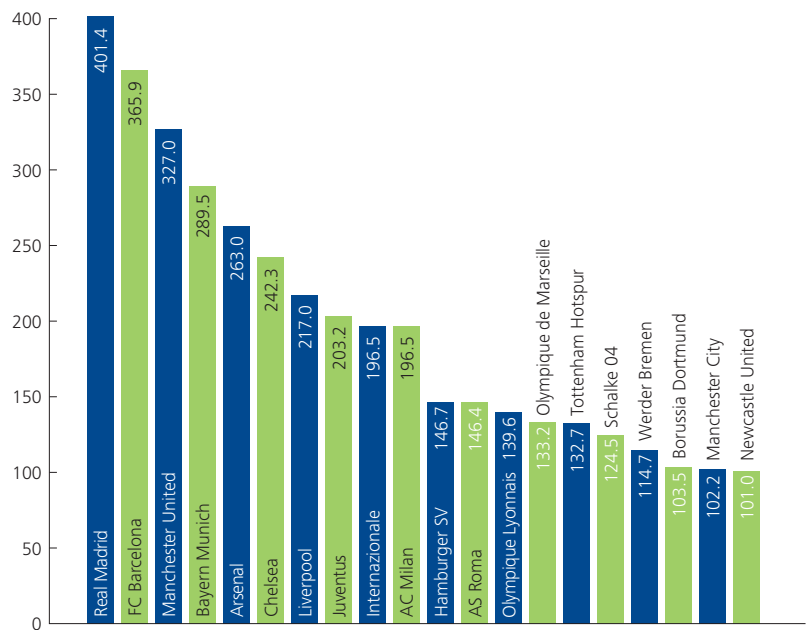
We published last year's edition of the Money League amidst an economic downturn impacting on the majority of industry sectors. We predicted that 2008/09, the season covered by this edition, would show some early signs of football's top clubs' resistance to the recession. But we knew it would not be until 2009/10, the season currently in progress, before we saw the full impact on clubs' revenues.

We continue to assert that the game's top clubs are well placed to meet the challenges presented by the difficult economic environment. Their large and loyal supporter bases, ability to drive broadcast audiences, and continuing attraction to corporate partners provide a strong base to underpin revenues.

This premise is supported by clubs' revenue performance in 2008/09. The combined revenues of the top 20 Money League clubs was over €3.9 billion in 2008/09, a €26m increase on the previous year. However, nine of the top 20 clubs showed a decrease in revenues in local currency in 2008/09 compared to the previous year, although for two of these clubs the revenue fall was due to inferior performance in European competitions, and hence lower UEFA central distributions.

The vast majority of Money League clubs maintained average match attendances when comparing 2008/09 with 2007/08. This continued into 2009/10, other than for clubs who face additional challenges in 2009/10 in maintaining attendances at previous levels, due to on-pitch performance or stadium redevelopment issues. Nonetheless, the changing economic environment has placed increased pressure on ticket pricing strategies and all clubs will continue to face challenges in managing matchday yields.

Chart 1: Total revenues 2008/09 (€m)



Source: Deloitte analysis.

Congratulations to Real Madrid who top the Money League for the fifth consecutive year and become the first team in any sport to record revenues in excess of €400m. FC Barcelona's exceptional season on the pitch, winning the domestic double and the UEFA Champions League, helped drive the largest year on year absolute revenue growth of any Money League club with a €57m increase to €366m resulting in the club returning to second place in the list and completing a Spanish one-two.

The sustained depreciation of the Pound Sterling against the Euro continues to impair English clubs' positions in the list. For example, had Manchester United's 2008/09 revenues been converted to Euros at the summer 2007 exchange rate, the club would have topped this year's Money League. For the purposes of our analysis, we use the exchange rate as at the 30 June each year, and the Pound Sterling fell by 21% against the Euro between 2007 and 2009 meaning that Manchester United's revenue in Euros for 2008/09 is €74m below that of Real Madrid and €39m below FC Barcelona, who leapfrog the English champions in to second place.

However, England retains seven clubs in this year's top 20, the largest representation of any single country reflecting its continued strength in depth as a result of the Premier League's central broadcast deals and the ability of the league's clubs to generate comparatively high matchday revenues.

All of this year's top 20 clubs are from the 'big five' European leagues with Germany contributing five clubs, Italy four, and France and Spain represented by two clubs each. In fact there is little change in the top 20 clubs compared with last year with two new clubs, Werder Bremen and Manchester City, replacing VfB Stuttgart and Turkish club Fenerbahce. The limited change in the clubs comprising the Money League top 20 reflects the fact that those clubs with the largest supporter bases in the strongest economic markets, high attraction to commercial partners, and consistent participation in European competition will dominate the top positions.

This is reinforced by the fact that clubs from the 'big five' European leagues also occupy most of the positions immediately below the top 20 as the table below indicates.

Club	Reported revenue €m
Paris Saint-Germain	100.8
Club Atlético de Madrid	100.3
FC Girondins de Bordeaux	99.8
VfB Stuttgart	99.8
Aston Villa	98.9
ACF Fiorentina	94.1
Everton	93.5
SSC Napoli	90.1
West Ham United	89.3
Fenerbahce SK	87.0

So what of the future? Whilst there has been relatively little change in the clubs that comprise the top 20, participation and relative performance in the UEFA Champions League continues to be a key factor in determining a club's position in the Money League. Six clubs in our top 20 did not compete in the Champions League in 2008/09, although only one (AC Milan) was in the top ten. Of these six only Newcastle United did not compete in any European competition in 2008/09.

The combined revenues of the top 20 clubs was over €3.9 billion in 2008/09

There is only one change to the clubs comprising the top ten with Juventus' return to Europe's top-tier clubs competition for the first time since 2005/06 allowing it to replace fellow Italian club AS Roma. This restores the long term top ten of all the three seasons prior to the Turin club's well publicised off-pitch difficulties.

However, competing in Europe's top clubs competition need not be the sole factor in allowing a club to achieve significant revenue growth. Eleventh placed Hamburger SV, which participated in the UEFA Cup in 2008/09, achieved a €19m (15%) growth in revenues largely through a growth in matchday and commercial income, and was the highest climber in this year's list jumping four places.

Whilst there is now almost a €50m gap between tenth and eleventh place, consistent qualification for the Champions League, coupled with pressure on top Italian clubs' revenues with the re-introduction of collective selling of Serie A broadcast rights, may help the German club challenge for a top ten position. The same could be said for 15th placed Tottenham Hotspur for whom completion of a new stadium will provide additional revenue growth and the opportunity to climb further up the list. French champions Olympique Lyonnais also have plans for a new facility which may provide the platform to challenge the top ten, particularly if the club can consistently progress to the latter stages of the Champions League.

Juventus, Internazionale and AC Milan occupy positions eight to ten in the Money League and there has been a gradual decline in Italian clubs' positions in the list in recent years emphasising the need to address a number of issues specific to Italian football, particularly with regard to matchday revenues, if they are to remain competitive with the elite clubs in European football.



Whilst there has been relatively little change in the clubs that comprise the top 20, participation and relative performance in the UEFA Champions League continues to be a key factor in determining a club's position in the Money League

The Premier League's new improved broadcasting deals from 2010/11, with a particularly impressive rumoured growth in the value of the league's overseas rights to over £1.2 billion (€1.4 billion), are likely to provide the platform for England to maintain the most representatives from any country in the top 20.

In addition, relative performance in the Champions League will become even more important in determining a club's revenue performance and position in the Money League in future. 2009/10 is the first season of new improved three year broadcast and commercial deals which will, in total, deliver a 29% increase in distributions to participating clubs.

It is still likely to be Real Madrid and FC Barcelona that contest the top two positions in the Money League for the immediate future, particularly if English clubs continue to suffer from a weak exchange rate. Real's returning president Florentino Pérez showed, through his transfer spending in the summer of 2009, a clear intent, and need, to remain number one in revenue terms. The ability of Los Blancos to mould these recruits into a successful team on the pitch, particularly in the Champions League, may hold the key to it retaining its title as the world's highest earning club. For Barça, the ability to maintain and monetise its on-pitch success will be crucial in providing the opportunity to close the revenue gap to its great rivals and challenge for top position.

Our focus this year

In addition to our usual profiles of the top 20 clubs we include three feature articles in this year's publication. The first highlights the continuing financial importance of the Champions League to Europe's top clubs and includes analysis of the absolute and relative financial contribution that participation in Europe's premier clubs' competition delivers to our top 20 clubs' revenues. We also assess the remarkable revenue growth achieved by Real Madrid and FC Barcelona in recent years, which has allowed these two Spanish giants to occupy the top two positions in the Money League. We compare the revenue models of the two clubs, outline what revenue advantages they have over their European peers, and assess their future prospects. Finally, we provide an update on last year's analysis regarding the impact of the economic downturn on the world's top clubs with a particular focus on the three revenue streams – matchday, broadcast and commercial.

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

Dan Jones, Partner

www.deloitte.co.uk/sportsbusinessgroup

How we did it

We have used the figure for total revenue extracted from the annual financial statements of the company or group in respect of each club, or other direct sources, for the 2008/09 season. In some cases, the annual financial statements do not cover a whole season, but are for the calendar year, in which case we have used the figures for the most recent calendar year available.

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

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

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

Matchday revenue is largely derived from gate receipts (including season tickets and memberships). Broadcast revenue includes revenue from both domestic and international competitions. Commercial revenue includes sponsorships and merchandising revenues. For a more detailed analysis of the comparability of revenue generation between clubs, it would be necessary to obtain information not otherwise publicly available. Some differences between clubs, or over time, will arise due to different commercial arrangements and how the transactions are recorded in the financial statements. Some differences between clubs, or over time, will arise due to different ways in which accounting practice is applied such that the same type of transaction might be recorded in different ways.

This publication contains a variety of information derived from publicly available or other direct sources, other than financial statements. We have not performed any verification work or audited any of the information contained in the financial statements or other sources in respect of each club for the purpose of this publication.

Club	Reported revenue £m	Revenue translated at 30 June 2007 rate ¹ €m	Revenue translated at 30 June 2008 rate ² €m	Revenue translated at 30 June 2009 rate ³ €m
Manchester United	278.5	413.7	351.8	327.0
Arsenal	224.0	332.8	283.0	263.0
Chelsea	206.4	306.6	260.7	242.3
Liverpool	184.8	274.5	233.4	217.0
Tottenham Hotspur	113.0	167.9	142.7	132.7
Manchester City	87.0	129.2	109.9	102.2
Newcastle United	86.0	127.8	108.6	101.0
Aston Villa	84.2	125.1	106.4	98.9
Everton	79.7	118.4	100.7	93.5
West Ham United	76.1	113.1	96.1	89.3
Celtic	72.6	107.9	91.7	85.2

All figures for the 2008/09 season have been translated at 30 June 2009 exchange rates (£1 = €1.1741). Comparative figures have been extracted from previous editions of the Money League. The exchange rate for Pound Sterling to the Euro fell by 7% between 30 June 2008 and 30 June 2009, and by 15% between 30 June 2007 and 30 June 2008. The table above illustrates the negative impact of this on the Euro equivalent total revenue figure for British clubs for 2008/09 by translating their reported income in Pounds Sterling at the three different year end rates. The international nature of some of the clubs' revenue streams and the fact they will be earned in currencies other than the Pound Sterling will mean that this is a simplification of the true picture, but nonetheless it provides useful guidance.

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

- 1 30 June 2007 exchange rate (£1 = €1.4856)
- 2 30 June 2008 exchange rate (£1 = €1.2632)
- 3 30 June 2009 exchange rate (£1 = €1.1741)

Source: Deloitte analysis.

Ups and downs

2008/09 Revenue (€m)

1	↔	0	Real Madrid	401.4
2	↑	1	FC Barcelona	365.9
3	↓	1	Manchester United	327.0
4	↔	0	Bayern Munich	289.5
5	↑	1	Arsenal	263.0
6	↓	1	Chelsea	242.3
7	↑	1	Liverpool	217.0
8	↑	3	Juventus	203.2
9	↑	1	Internazionale	196.5
10	↓	3	AC Milan	196.5
11	↑	4	Hamburger SV	146.7
12	↓	3	AS Roma	146.4
13	↓	1	Olympique Lyonnais	139.6
14	↑	2	Olympique de Marseille	133.2
15	↓	1	Tottenham Hotspur	132.7
16	↓	3	Schalke 04	124.5
17	n/a	new	Werder Bremen	114.7
18	↑	2	Borussia Dortmund	103.5
19	n/a	new	Manchester City	102.2
20	↓	3	Newcastle United	101.0

2007/08 Revenue (€m)

1	↔	0	Real Madrid	365.8
2	↔	0	Manchester United	324.8
3	↔	0	FC Barcelona	308.8
4	↑	3	Bayern Munich	295.3
5	↓	1	Chelsea	268.9
6	↓	1	Arsenal	264.4
7	↓	1	AC Milan	209.5
8	↔	0	Liverpool	207.4
9	↑	2	AS Roma	175.4
10	↓	1	Internazionale	172.9
11	↑	1	Juventus	167.5
12	↑	1	Olympique Lyonnais	155.7
13	↑	3	Schalke 04	148.4
14	↓	4	Tottenham Hotspur	145.0
15	↔	0	Hamburger SV	127.9
16	↑	3	Olympique de Marseille	126.8
17	↓	3	Newcastle United	125.6
18	n/a	new	VfB Stuttgart	111.5
19	n/a	new	Fenerbahce	111.3
20	n/a	new	Borussia Dortmund	107.6

■ Position in Football Money League

■ Change on previous year

■ Number of positions changed

1. Real Madrid

€401.4m
(£341.9m)

2008 Revenue €365.8m (€289.6m)
2008 Position (1)

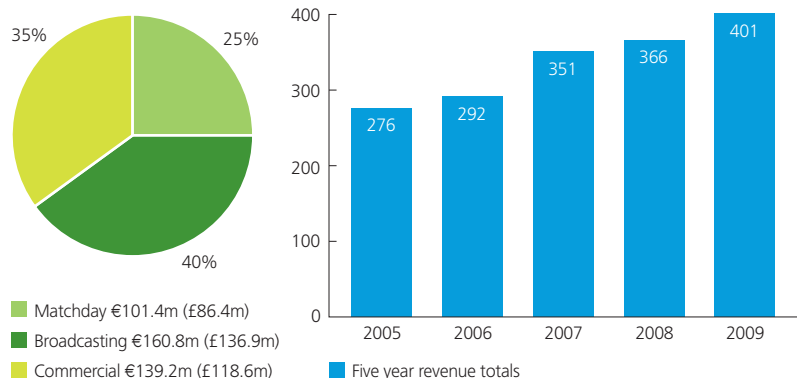
Real Madrid retains its title at the top of the Money League for the fifth successive year becoming the first sports team to generate revenue of more than €400m. The €35.6m (10%) increase in revenue to €401.4m (£341.9m) came despite a relatively disappointing season where Los Merengues surrendered the La Liga title to its resurgent arch rivals FC Barcelona and exited the UEFA Champions League at the Round of 16 stage – the sixth successive season the club has failed to win a knockout tie.

Broadcasting revenue has provided Real with its largest increase in revenue (€25m, 18%) with the club's contract with Mediapro a key contributor to total broadcast revenues. This contract, combined with certain others, guarantees the club more than €1.1 billion over the seven seasons to 2013/14. The ability of Spanish clubs to sell their broadcast rights on an individual basis gives the country's larger clubs a substantial competitive advantage compared with their English, French, German and, from 2010/11, Italian peers. By comparison, Manchester United generated €43.7m (£37.2m) less from broadcasting than Real despite receiving €18.1m (£15.4m) more in Champions League distributions after reaching the final.

Real's broadcasting revenue of €160.8m (£136.9m) is higher than the total revenue of all but the top ten Money League clubs. In addition to the Mediapro contact, broadcast revenue also includes UEFA central distributions, revenues from friendly matches and revenue from the club-owned channel, Real Madrid TV.



Real Madrid: Revenue sources and percentages (€m)



Commercial revenue grew by €10.2m (8%) with Real in the middle of long term sponsorship agreements with key partners. The club's shirt sponsor, online betting company Bwin, has extended its agreement by three years until 2012/13 in a deal reportedly worth €15m (£12.8m) to €20m (£17m) per season. The club's long standing association with adidas – which commenced in 1998 – runs to 2011/12.

Matchday revenue remained flat with €101.4m (£86.4m) generated from its 25 competitive home matches. This equates to more than €4m (£3.4m) per match, second only to Manchester United out of the Money League clubs. Since 2000, the club has invested over €300m (£256m) in the Santiago Bernabéu and La Ciudad, the new training complex. Real plan to continue investing, including the addition of a theme park in La Ciudad.

The club hope the return of Florentino Pérez as president and the subsequent €219m (£187m) investment in players including Ronaldo, Kaka, Benzema and Alonso, will herald a new era of on-pitch success delivering further revenue growth. Pérez's first spell in charge saw revenues more than double between 2000 and 2006. Real has announced a budget of €422m for 2009/10 and if this new team is able to improve its on-pitch performance – particularly in the Champions League – they will prove very difficult to catch at the top of the Money League in coming seasons.

2. FC Barcelona

€365.9m
(£311.7m)

2008 Revenue €308.8m (€244.4m)
2008 Position (3)

FC Barcelona can look back on 2008/09 as the most successful season in the club's history. Pep Guardiola's team was crowned UEFA Champions League, Copa del Rey and La Liga champions. In 2009/10, the club added the Spanish Supercopa, the UEFA European Supercup and the FIFA World Club Cup to its trophy cabinet to hold the titles of every competition it entered, an unprecedented achievement.

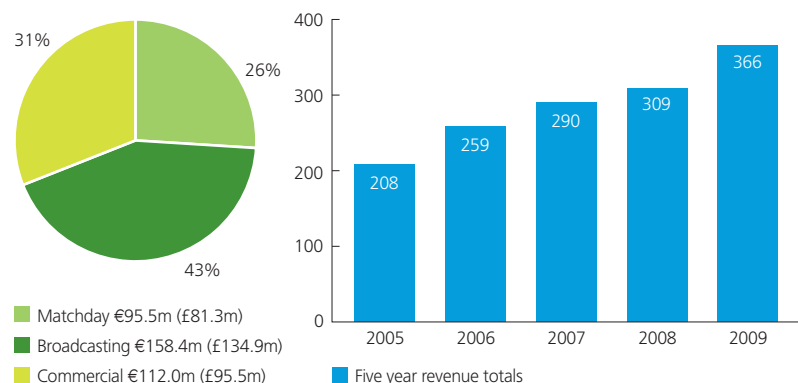
The club's sporting success and the favourable Euro to Pound Sterling exchange rate saw Barcelona leapfrog Manchester United into second place in the Money League, with total revenues increasing by 18% (€57.1m) to €365.9m (€311.7m). The club has therefore more than doubled its total revenues in five years since it reported revenues of €169m in 2003/04. This is the largest absolute revenue growth of any Money League club over that period. The Blaugrana's outstanding season is furthermore reflected by a rise across all three main revenue streams and net profits of €8.8m.

The Catalan club benefits from a rise in broadcasting revenues through an improvement to the terms of its individual broadcasting contract with Mediapro, which runs until 2012/13 and guarantees them average broadcasting revenues of c.€150m per season. The €158.4m (€134.9m) from the 2008/09 season includes central UEFA distributions of €31m (€26.4m) and represents 43% of total revenues.

Another rise in matchday revenues, up €4m (4%) to €95.5m (€81.3m), brings Barcelona closer to being only the second club to exceed €100m from each of its three revenue streams. The Camp Nou redevelopment to expand the stadium and bring in new corporate hospitality facilities (originally planned to be completed by 2011) has been postponed, thereby making surpassing the €100m mark a harder target.

Commercially, Barcelona delivered yet another strong result, reporting a 32% (€27m) increase in revenues to record the third highest commercial revenues of any Money League club. As reported in last year's Money League, the improved annual minimum guarantee of €30m (€25.6m) from its kit supplier deal with Nike played

FC Barcelona: Revenue sources and percentages (€m)



a significant role in this growth. The club also secured deals with UAE telecommunications company Etisalat (four year term) and betting provider Betfair (two years) worth a reported €3m and €2m per year respectively.

It is impossible for the Catalans to better their sporting achievements from the 2008/09 season. However, off the pitch, Barcelona's revenues may continue to rise steadily given the annually improving terms of their broadcast agreement with Mediapro, the strong international appeal and marketability of the Barcelona brand, and, longer term, from increasing matchday revenues from the Camp Nou redevelopment.

Barça has already recorded the second highest annual football club revenue ever, narrowly beating Real Madrid's 2007/08 total. Regardless of whether it can catch its great rival in the revenue stakes, the club looks set to be a mainstay in the top three of the Money League over the coming years.

3. Manchester United

€327.0m
(£278.5m)

2008 Revenue €324.8m (€257.1m)
2008 Position (2)

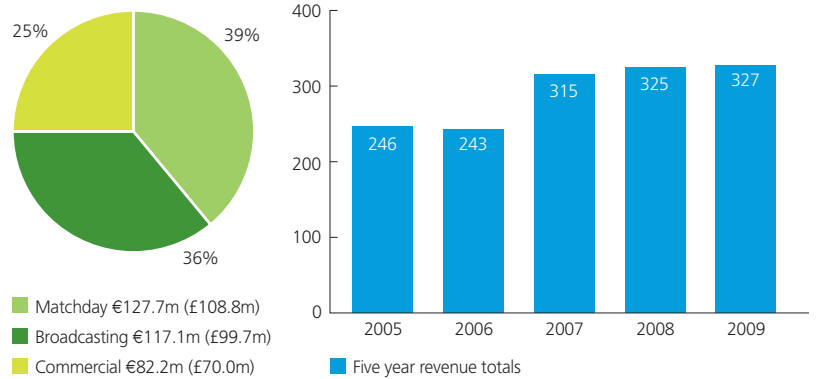
Despite another extremely successful season in which Manchester United won the FIFA Club World Cup, the Premier League and the Carling Cup, the club dropped to third in our Money League with revenues of £278.5m (€327m). As in the UEFA Champions League final in Rome, FC Barcelona proved just too strong.

The club managed to achieve solid increases of between 7% and 9% in each of its three revenue categories. Yet even this was not enough for it to retain last year's runner-up position in the Money League, with further deterioration in the Sterling exchange rate compounding the effect of Barcelona's more rapid revenue growth.

United rode out the early stages of the recession as 2008/09 matchday revenues rose by £7.3m (7%) to £108.8m (€127.7m), with the number of home games played increasing from 29 to 30. The club once again posted the highest matchday revenues of any Money League club, with matchday revenue per match rising to £3.6m (€4.3m). The effect of season ticket price increases for 2009/10 will have a limited impact on matchday revenue growth, which will rely also on a repeat of the European success of the past two seasons.

Broadcast revenues increased by £8.1m (9%) to £99.7m (€117.1m). As losing finalists in the Champions League, central distributions of €38.3m (£32.6m) were €4.6m lower than in the previous year in Euro terms. A third consecutive season of winning the Premier League provided central distributions of £51.5m (€60.4m), an increase of £2.2m (4%) on the previous year resulting

Manchester United: Revenue sources and percentages (€m)



from the annual uplift built into the Premier League's distribution model. Reaching the semi-final of the FA Cup and winning the Carling Cup also provided £1.5m (€1.8m) in broadcasting and prize money. Winning the Club World Cup was worth \$5m (€3m) in prize money. Participating in the UEFA Super Cup, and the impact of a full year's majority ownership and revenue from the MUTV joint venture, combined with an increase in club-owned media revenue, provided further growth.

Commercial revenue increased by £6m (9%) to £70m (€82.2m) following the addition of several second tier sponsors, including Saudi Telecom and Swiss watch brand Hublot. US insurer AIG provides £14.1m (€16.6m) per season until its shirt front sponsorship expires in 2009/10. The replacement agreement with Aon Corporation is worth a reported £80m over four seasons from 2010/11, a significant (c.40%) increase. Nike will continue as United's long term kit supplier until 2014/15.

Arguably, the revenue gap between Manchester United and its Spanish rivals has reached a level that it is difficult to foresee being bridged in the near future, certainly without help from exchange rate movements. However, the club makes clear in their recent £500m debt offering memorandum that it remains ambitious and confident about prospects for all its revenue streams, from the 'mix of matchday experience' to 'leveraging the appeal of the brand and global fanbase'. Sustained on-pitch performance at the highest level will, as ever, be a prerequisite for achieving its revenue targets.



4. Bayern Munich



€289.5m 2008 Revenue €295.3m (£233.8m)
(£246.6m) 2008 Position (4)

Bayern Munich retains fourth spot in the Money League ranking despite revenues declining by €5.8m (2%) to €289.5m (£246.6m). The club continues to be the financial pace setter in Germany, achieving revenues almost double those of the next highest ranked German club, Hamburger SV.

Bayern failed to win a trophy in the 2008/09 season but secured direct qualification to the 2009/10 UEFA Champions League by finishing second in the league behind surprise champions VfL Wolfsburg.

Quarter-final losses in both the German Cup and the Champions League resulted in fewer home games being played at the Allianz-Arena (23 games as opposed to 27 games in 2007/08). Therefore, despite regularly selling out the 69,000 capacity stadium, matchday revenues fell by €8.8m (13%) to €60.6m (£51.6m) – a fifth of Bayern's total revenues.

More than half of Bayern's revenues stem from the club's strong commercial activities. Once again, the Bavarians reported by far the highest revenues from this source of any Money League club (€159.3m), with Real Madrid in second place c.€20m behind the Munich club. With commercial revenues alone, Bayern would be ranked 11th in this year's Money League. However, the economic

climate also took its toll on Bayern, leading to a decline in commercial revenues of 10% (€17.2m) with reductions in merchandising, sponsorship and other commercial revenue.

Broadcasting was the only revenue stream that grew at Bayern last year. Having missed out on Champions League football in 2007/08, Bayern's advance to the quarter-final led to central distributions of €34.6m (the second highest of all Money League clubs) which helped drive broadcasting growth of €20.2m (41%) to €69.6m (£59.3m). Despite this, due to the comparatively low domestic broadcast rights distributions to German clubs compared with their European peers, this is still the lowest broadcasting revenue of any club in the top ten of the Money League.

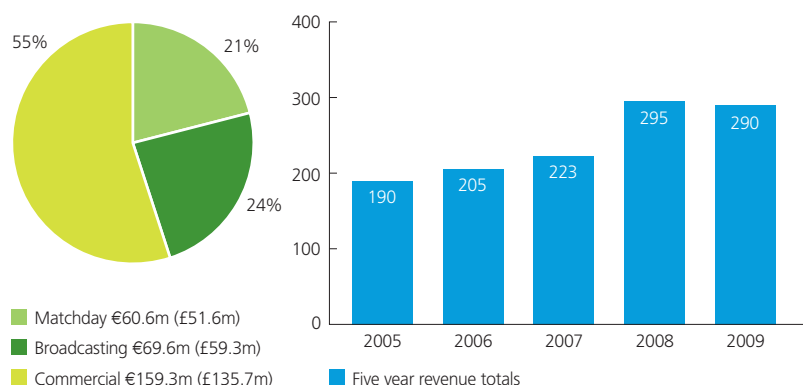
Looking forward, Bayern were able to secure two important commercial deals with key sponsorship partners. The contract with shirt sponsor Deutsche Telekom was extended until the end of the 2012/13 season, guaranteeing the club a higher base fee than previously, reportedly worth between €22m and €24m per year. Performance bonuses included, the club could earn close to €30m per year, potentially the highest value shirt sponsorship deal in world football.

Bayern has also extended its co-operation with Audi, who, besides extending their sponsorship deal as Premium Partner until 2019, acquired 9.09% of FC Bayern München AG shares for €90m. Overall, Audi will invest a reported €200m in the club until 2019. The remaining €110m represents sponsorship fees from Audi of a reported c.€10m per year. Audi thus becomes the second major corporate shareholder at Bayern, after adidas' acquisition of 10% of FC Bayern München AG shares in 2002. The members club (FC Bayern München e.V.) still holds 81% of its shares.

This season has seen Uli Hoeness succeeding Franz Beckenbauer as president of the club. After a difficult start to the season under new head coach Louis van Gaal, the club has recently improved on the pitch and advanced to the Champions League knock out stages.

If the club can improve on last season's campaign, Bayern looks set to become the fourth club to break the €300m revenue barrier in 2009/10.

Bayern Munich: Revenue sources and percentages (€m)



5. Arsenal

€263.0m
(£224.0m)

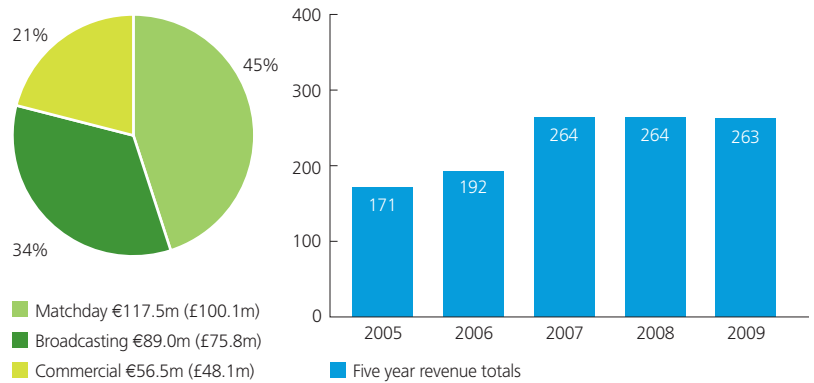
2008 Revenue €264.4m (£209.3m)
2008 Position (6)

Arsenal's core footballing revenues grew by £14.7m (7%) in 2008/09 to reach £224m (€263m), helping them to climb above Chelsea to become, for the first time since 2002/03, the second highest ranked English club in the Money League. Arsenal also returns to the Money League top five after a one year absence. The club's revenue figure excludes income from property development which increased substantially from £15m (€19m) to £88m (€104m), driven by the sale of private apartments following the completion of construction works at Highbury Square.

Chief Executive Ivan Gazidis' aim of running a financially 'self sufficient' club is assisted by repeatedly filling the Emirates stadium to its 60,400 capacity. With the number of home games rising from 28 to 32 in 2008/09, Arsenal's matchday revenue topped £100m for the first time. At €117.5m (£100.1m) this was the highest matchday revenue of any football club, apart from Manchester United. Given a freeze in season ticket prices it may be hard to match this high level of matchday revenue in 2009/10.

The increase in the number of home games was due to reaching the semi-final of both the UEFA Champions League and FA Cup, compared with quarter-final and fifth round eliminations in the respective competitions in 2007/08. European broadcast revenues of €26.8m (£22.8m) rose by €3.6m to contribute to the £5.4m (7%) increase in broadcast revenues from £70.4m (€88.8m) to £75.8m (€89m). A fourth place league finish delivered Premier League broadcast revenues of £46.5m (€54.6m).

Arsenal: Revenue sources and percentages (€m)



Arsenal grew its commercial revenues by £3.8m in 2008/09 to £48.1m (€56.5m). However, the club's commercial revenue continues to lag behind its European peers and is a continued area of focus, which has recently prompted a major restructuring of its commercial department. Arsenal is tied into a long term stadium naming rights (running until 2020/21) and shirt sponsorship (running until 2013/14) deal with Emirates worth a reported £90m (€105.7m).

The club's seven year kit deal with Nike runs until the end of 2010/11 and Arsenal have renewed their long-running deal with O2 for a further three seasons.

Arsenal will hope that overseas developments – including opening retail outlets and soccer schools in the Middle East, Far East and the USA – will help to build its brand internationally. This will be important in the future, as whilst the club's long term sponsorship deals have so far helped to protect it somewhat from the economic downturn and provided security to finance the development of its stadium, these same deals mean its short term growth potential is constrained. This is particularly evident if one compares the value of Arsenal's current shirt front deal with those recently announced by Manchester United and Liverpool.



6. Chelsea

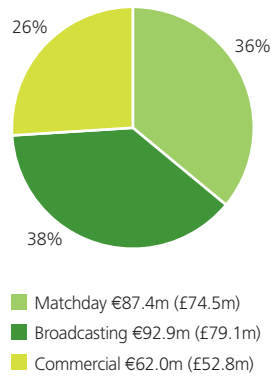


€242.3m (€206.4m)
2008 Revenue €268.9m (€212.9m)
2008 Position (5)

Chelsea’s footballing fortunes were mixed in 2008/09. Managerial instability provided a backdrop for a disappointing yet respectable third place finish in the Premier League, whilst the disappointment of being knocked out of the Carling Cup by Burnley was outweighed by winning the FA Cup. The club also came within seconds of reaching a second successive UEFA Champions League final.

Off the pitch Chelsea also dropped out of the Money League top five for the first time since 2002/03, as revenue fell by £6.5m (3%) to £206.4m (€242.3m) largely as a result of a £8.2m decline in commercial revenue. The reduction in commercial revenue was primarily due to the structuring of its eight-year kit deal with adidas. In 2009 Chelsea extended its shirtfront deal with Samsung (currently worth a reported £10m (€11.7m) a year) for a further three years to 2012/13, whilst its deal with adidas (reportedly worth around £12m (€14m) a year on average) runs until 2013/14. Partnerships with Thomas Cook and Etihad Airways also contributed to commercial revenues in 2008/09.

Chelsea: Revenue sources and percentages (€m)



Overall the club faces a significant challenge to regain a top five position in our Money League

For the third successive year, Chelsea’s matchday revenue remained at £74.5m (€87.4m), buoyed by playing six Champions League games at home in each year. Season ticket prices were frozen in 2008/09 and average home league attendances of 41,600 remained at capacity. Chelsea still generates the fifth highest matchday takings of any club, even though Stamford Bridge’s limited capacity means its average attendances were only 15th highest amongst Money League clubs.

Broadcast revenues grew by £1.7m (2%) to £79.1m (€92.9m). Reaching the semi-final of the Champions League delivered broadcast revenues of £26.3m (€30.9m) which was €5.5m lower in Euro terms than that earned from UEFA in the previous season when they were runner up, whilst Premier League distributions in the second year of the domestic TV deal rose by £1.6m (4%) to £47.7m (€56m), despite dropping a league finishing position. Winning the FA Cup provided additional prize money and facility fee payments.

As predicted last year, Chelsea’s recent double digit revenue growth – enabled by the new Premier League broadcast deal and improved performance in the Champions League – has proved impossible to sustain. We expect only a slight uplift in matchday revenue following small ticket price increases for 2009/10 assuming that Chelsea will continue to fill Stamford Bridge to its capacity. Overall the club faces a significant challenge to regain a top five position in our Money League.

7. Liverpool

€217.0m
(£184.8m)

2008 Revenue €207.4m (£164.2m)
2008 Position (8)

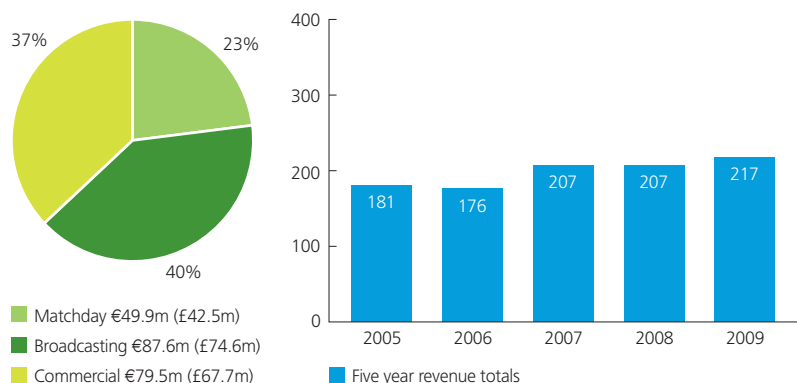
Once again Liverpool are the fourth placed English club in the Money League, climbing one place to seventh position due to a £20.6m (13%) increase in revenue to £184.8m (€217m).

Broadcasting revenue of £74.6m (€87.6m) has risen by £3.8m (5%) since 2007/08. The increase reflected a second place Premier League finish in 2008/09, which provided £50.3m of revenue (a £4.3m (9%) uplift). Reaching the quarter-final of the UEFA Champions League in 2008/09 earned Liverpool €23.2m (£19.7m) which was €3.6m lower than the amount received from UEFA for reaching the semi-final in the previous season. Having failed to reach the last 16 of the Champions League in 2009/10, Liverpool will be looking for a very strong UEFA Europa League performance to minimise the shortfall against the level of European revenues they usually generate.

Despite the challenging sponsorship market, Liverpool achieved a £13.5m (25%) increase in commercial revenues to £67.7m (€79.5m), which accounts for 37% of the club's total revenue, following the commencement of four new partnerships, reportedly worth a combined £10m (€12m).

The club's commercial team have also secured future growth, agreeing a new shirt sponsorship deal with Standard Chartered Bank, reportedly worth £20m per season for the four years from 2010/11 onward. The

Liverpool: Revenue sources and percentages (€m)



new deal provides a huge £12.5m per annum uplift on the value of the current shirt sponsorship deal with long standing partner Carlsberg, who, after a 17 year relationship with Liverpool will continue to be one of the Club's main partners. The ongoing kit deal with adidas runs until the end of the 2011/12 season, while 188bet have recently signed as the club's betting partner, replacing Paddy Power, and Bank of America have renewed their partnership for a further four years.

Average league home attendances of 43,600 helped to lift matchday revenues by 8% from £39.2m (€49.5m) to £42.5m (€49.9m), despite a reduction in the number of home games from 30 to 27 due to slightly less successful domestic and European campaigns. This was an impressive achievement within the constraints of Anfield, aided by a rise in pre-season matchday income and a different mix of cup games.

Liverpool's aspirations to build a new 73,000 capacity stadium at Stanley Park have remained on hold throughout 2009 as the club's owners are waiting for the appropriate time to raise finance for project. With 10,000 corporate seats, the enhanced matchday revenues of the proposed new stadium will hold the key to helping Liverpool close the gap on its rivals in the Money League.



8. Juventus



€203.2m 2008 Revenue €167.5m (£132.6m)
 (£173.1m) 2008 Position (11)

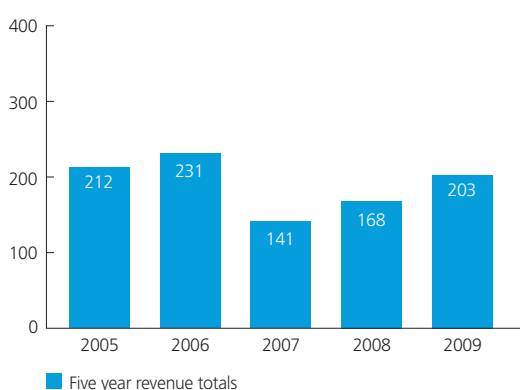
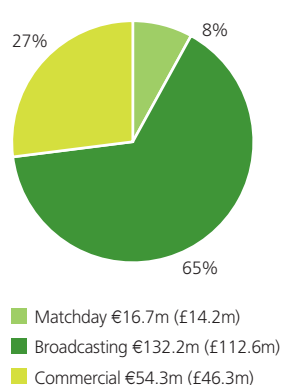
Juventus' first UEFA Champions League campaign since 2005/06 helped drive a revenue increase of €35.7m (21%) to €203.2m (£173.1m) as the Old Lady returned to its traditional position within the Money League top ten and reclaimed its position as the highest placed Italian club.

Additional matchdays, as a result of Champions League participation, saw the Bianconeri increase matchday revenues by €4.2m (34%) to €16.7m (£14.2m). However, contributing only 8% of total revenues, Juventus' matchday revenues remain the lowest of any Money League club. By contrast, Liverpool, the lowest earning non-Italian club from this source in the top ten, generated €49.9m (£42.5m). This is almost three times the matchday revenue generated by Juventus, highlighting the vast gap in matchday revenues to its non-Italian peers.

Continued appearances in the Champions League and building matchday and commercial revenues through the new stadium project are fundamental to the Bianconeri keeping pace with its European peers

Juventus' commercial revenue increased by €5.9m (12%) to €54.3m (£46.3m) underpinned by the second season of a three year shirt sponsorship deal with the New Holland Group worth a minimum of €33m (£28.1m) and a long-term kit deal with Nike worth a minimum of €12.4m (£10.6m) per season running until 2015/16.

Juventus: Revenue sources and percentages (€m)



The club has progressed plans to develop a new 40,000 capacity stadium – scheduled to open in June 2011 – with the demolition of the former stadium, the Stadio Delle Alpi, being completed in June 2009. The €105m (£89.4m) construction cost is being funded by advance receipts from a naming rights and corporate facilities agreement with Sportfive worth a minimum of €75m (£63.9m) over a 12 year period as well as the sale of adjacent commercial land.

The Bianconeri continue to generate around two thirds of their revenue (65%) from broadcasting with the increase of €25.6m (24%) owing largely to the €22.1m (£18.8m) received from its progress to the Round of 16 stage of the Champions League. The club's broadcasting contract with Mediaset has been extended to the end of the 2009/10 season for €112m (£95.4m). Thereafter Serie A will return to a collective basis of selling broadcast rights.

A second place finish in Serie A ensured Champions League entry again in 2009/10, although the club have parachuted into the UEFA Europa League after finishing third in the Group Stage. Continued appearances in the Champions League and building matchday and commercial revenues through the new stadium project are fundamental to the Bianconeri keeping pace with its European peers. More critically, it faces the same short term challenges as its competitors, the two Milan clubs, in that collective rights selling is more likely to see them caught in revenue terms by those below them, outside the top ten, than catching those above.

9. Internazionale

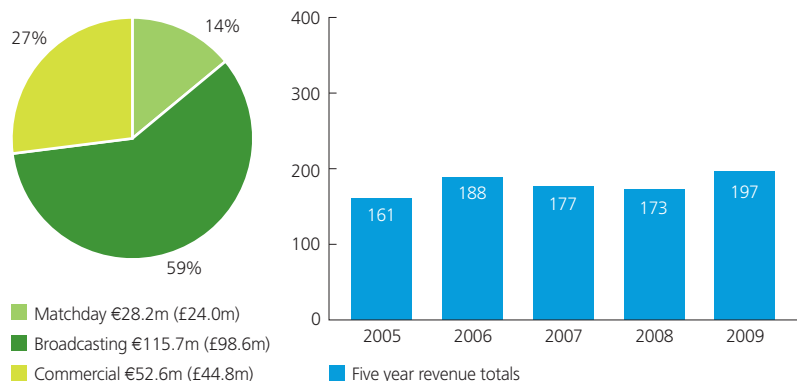
€196.5m
(£167.4m)

2008 Revenue €172.9m (£136.9m)
2008 Position (10)

Internazionale rise one place in the Money League posting a €23.6m (14%) increase in revenue to €196.5m (£167.4m). The rise puts them above their city rivals for the first time ever in our Money League. On the pitch, the Nerazzurri, the dominant force in Italian football since the Calciopoli scandal in 2006, won their fourth successive Scudetto but were eliminated from the UEFA Champions League at the Round of 16 stage for the third season in a row.

As with the other Italian clubs in the Money League, broadcasting provides the majority of the club's revenue (59%). The €115.7m (£98.6m) generated from this source represents a €8m (7%) increase from 2007/08 aided by a €1.6m (6%) increase in Champions League central distributions to €28.3m (£24.1m). Inter's broadcasting agreement with Mediaset, which had been due to expire in 2009, has been extended to cover the 2009/10 season – the final year in which rights will be sold on an individual basis by Serie A clubs. From 2010/11, the collective selling of rights is likely to reduce the level of broadcast revenue Inter generates. As this is Inter's primary revenue source this may impair its ability to compete with the non-Italian clubs at the top of the Money League.

Internazionale: Revenue sources and percentages (€m)



Redevelopment of the San Siro is crucial to help offset the potential reduction of domestic broadcast revenue

Inter increased commercial revenue by €15.8m (43%) to €52.6m (£44.8m) primarily owing to improved sponsorship values. Its key long term partners, kit supplier Nike and shirt sponsor Pirelli, contributed €18.1m (£15.4m) and €9.3 (£7.9m) respectively.

Inter's matchday revenue provides only 14% of the club's total and remained flat at €28.2m (£24m). Despite attracting average attendances of 55,300, the Nerazzurri only generated revenues of €1.1m (£0.9m) per home match. By contrast the top six Money League clubs each generated a minimum of €2.6m (£2.2m) per home match. Inter are addressing this with plans to redevelop the San Siro for Italy's bid to host UEFA Euro 2016.

The success of the redevelopment in delivering matchday and commercial revenue increases is crucial to help offset the potential reduction in domestic broadcast revenue and remain competitive, in terms of revenue, with its Money League peers. Inter will be hoping for an improvement in performance in the Champions League – the club has not won Europe's top clubs competition since 1965 – which will help boost revenues in the short term.



10. AC Milan

€196.5m
(£167.4m)

2008 Revenue €209.5m (€165.8m)
2008 Position (7)

AC Milan fall three places to tenth in the Money League with a reduction in revenues of €13m (6%) to €196.5m (£167.4m) in 2008/09 as the Rossoneri did not compete in the UEFA Champions League for the first time since 2001/02.

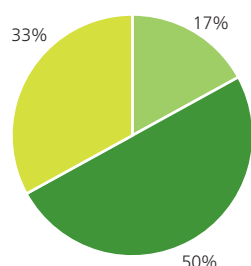
A fifth place finish in Serie A in 2007/08 meant that Milan entered the UEFA Cup, rather than the Champions League, in 2008/09. This resulted in UEFA central broadcasting distributions falling from €26.4m (£20.9m) to €0.4m (£0.3m) as overall broadcast revenue fell by €23.5m (19%) to €99.0m (£84.3m).

Matchday revenues increased by €6.7m (25%), primarily due to the €6.1m (£5.2m) Milan generated from friendly matches including games against Al Sadd of Qatar and Glasgow Rangers. A 5% increase in home league match average attendances in 2008/09 to 59,700 – the highest in Serie A – and four home matches in the UEFA Cup compensated for the reduction in matchday revenues from not competing in the Champions League.

Commercial revenue increased by €3.8m (6%) to €64.1m (£54.6m) with key contributors being shirt sponsors Bwin – worth a reported average of €12m (£10.2m) per season over the four years to 2009/10 – and adidas whose contract runs to 2016/17.



AC Milan: Revenue sources and percentages (€m)



■ Matchday €33.4m (£28.5m)
■ Broadcasting €99.0m (£84.3m)
■ Commercial €64.1m (£54.6m)



The club has announced a five-year shirt sponsorship agreement with Emirates worth €60m (£51m) which will commence in 2010/11.

Competing in the Champions League in 2009/10 will secure Milan another top ten position in next year's Money League and probably regaining its place above its city rivals in the financial, if not footballing, stakes. However, the club faces two significant challenges which may constrain its ability to compete financially with its European peers.

Firstly, Milan's Serie A broadcast rights revenue is likely to reduce from 2010/11 due to the return to collective selling. The club's current contract with Mediaset provided the majority of the €99m (£84.3m) generated from this source.

Secondly, Milan also needs to address stadium issues that constrain its matchday revenue generation. In 2008/09 the club generated an average of €1.4m (£1.2m) per home match at the San Siro. By contrast the top six Money League clubs each generate a minimum of €2.6m (£2.2m) per home match.

Officials from both Milan clubs have announced plans for the San Siro to be renovated as part of Italy's bid for UEFA Euro 2016. The success of this project in generating additional matchday revenue is critical to Milan retaining its place in the Money League top ten in years to come.

11. Hamburger SV

€146.7m
(£124.9m)

2008 Revenue €127.9m (£101.3m)
2008 Position (15)

Hamburger SV reported an increase across all revenue streams to record total revenues of €146.7m (£124.9m), an impressive 15% (€18.8m) increase, despite not featuring in the UEFA Champions League in 2008/09. The North German club climb four places in the Money League to become the number two German club behind Bayern Munich in revenue terms. They have almost doubled their revenues in the past five years.

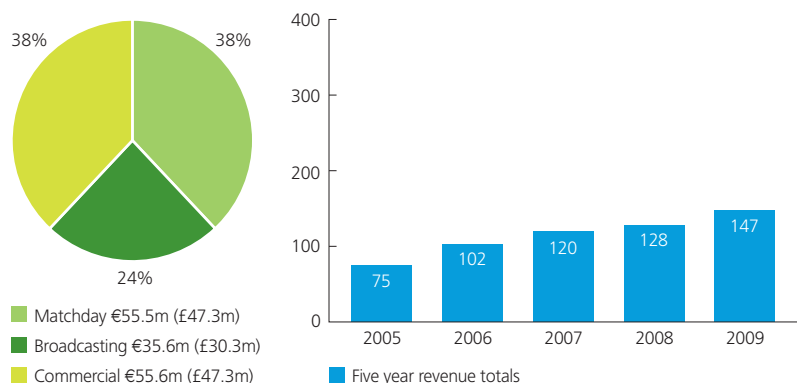
Matchday and commercial revenues each contributed 38% to total revenues. Die Rothosen substantially increased their matchday revenues, by €10m (22%) due to three more home matches (27 as opposed to 24 in 2007/08) and increased ticket prices (up 8%). The club earned €2.1m per home game as opposed to €1.9m in 2007/08, and command the highest average ticket prices in the Bundesliga.

Broadcasting revenues rose by 24% to €35.6m (£30.3m), the third lowest value in the Money League's top 20, to highlight the gulf in media revenue that is distributed via participation in the Champions League as opposed to the former UEFA Cup. Despite advancing to the semi-finals in the UEFA Cup, the club received just €3.7m in UEFA central distributions.

As with most German clubs, the largest revenue stream for Hamburg is its commercial operations. The club increased its revenues from this source by 4% (€1.9m) to €55.6m (£47.3m).



Hamburger SV: Revenue sources and percentages (€m)



The club has now firmly established itself in the Money League having almost doubled its revenues in the past five years

The club extended its shirt sponsorship agreement with Emirates until the end of the 2011/12 season, reportedly increasing the base fee by €1.5m to €7m per season, and secured Audi as official car sponsor in a three year deal.

Stadium naming rights partner HSH Nordbank opted to use an exit clause in their contract amidst reported financial difficulties at the financial services provider, and will cease to name the stadium after the 2009/10 season. The club has already found a new naming rights partner in technology service provider Imtech, in a deal reportedly worth €25m (£21.3m) over six years. Imtech will already be Hamburg's third stadium naming rights partner in the space of four years.

The club has now firmly established itself in the Money League. However, it will have to qualify for the Champions League to have a chance of reaching the top ten in future editions.

12. AS Roma



€146.4m 2008 Revenue €175.4m (£138.9m)
(£124.7m) 2008 Position (9)

As predicted in last year's Money League, AS Roma were unable to retain their position within the top ten and fall three places to 12th. Revenues fell by €29m (17%) with all three main revenue streams declining.

The Giallorossi had a disappointing season on the pitch finishing in sixth position in Serie A – its lowest position since 2004/05 – and were eliminated in the UEFA Champions League in the Round of 16 and the Coppa Italia in the quarter-final.

Matchday revenue fell by €4.6m (20%) to €18.8m (£16m) – the second lowest total among the 20 Money League clubs – resulting from fewer home matches after the earlier exits in cup competitions. The Giallorossi has identified the problem it faces in generating sufficient matchday revenues to compete with its European peers and is reportedly planning for a new 55,000 stadium, which it will own. Like all the big Italian teams – other than Juventus who will own the new stadium under construction – Roma's current stadium is council owned and rented by the club which reduces its revenue generating capability.

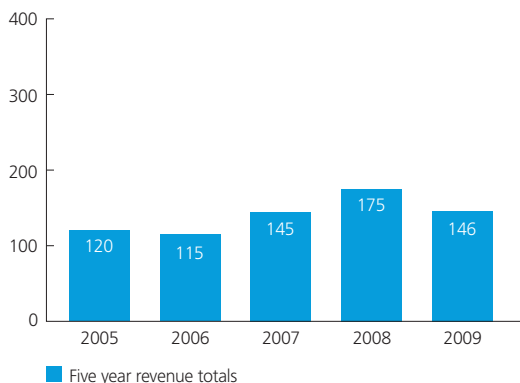
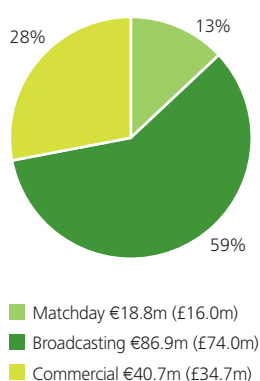
The club will be hoping a prolonged run in the UEFA Europa League in 2009/10 will help to replace some of the lost Champions League revenue

Commercial revenue, the driver of Roma's record revenues in 2007/08, reduced by €5.6m (12%) to €40.7m (£34.7m), as the previous year's results included one-off receipts of €5.5m (£4.7m) in relation to a broadcasting option payment. The club's shirt sponsor Wind and kit partner Kappa were key contributors to this total providing €6m (£5.1m) and €5m (£4.3m) respectively.

The majority of Roma's revenue (59%) came from broadcasting, which fell by €18.8m (18%) to €86.9m (£74m) primarily due to a reduction in domestic rights received from Mediaset. The Giallorossi received €26.1m (£22.2m) from central Champions League distributions, revenue Roma will lose in 2009/10 after its sixth place finish in Serie A in 2008/09 meant the club failed to qualify.

The club will be hoping a prolonged run in the UEFA Europa League in 2009/10 will help to replace some of the lost Champions League revenue, although it is likely that Roma will fall several positions in next year's Money League.

AS Roma: Revenue sources and percentages (€m)



13. Olympique Lyonnais

€139.6m
(£118.9m)

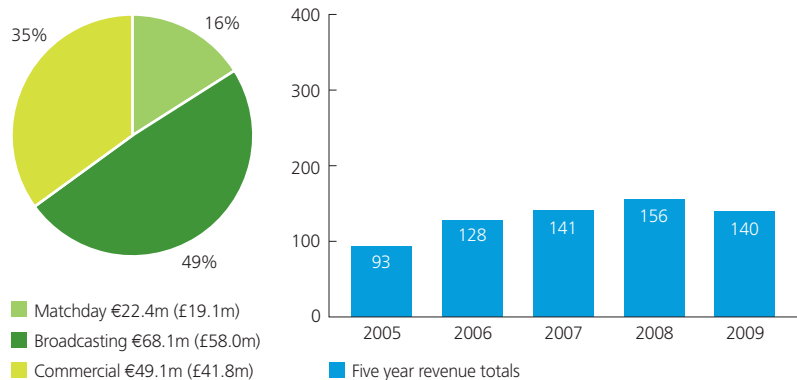
2008 Revenue €155.7 m (£123.3m)
2008 Position (12)

2008/09 marked the end of domestic league dominance for Olympique Lyonnais, which finished third, having won Ligue 1 for the seven previous seasons. Its revenue, in turn, fell by €16.1m (10%) to €139.6m (£118.9m), with decreases of €7m and €10m in the broadcast and commercial categories respectively. As a result, Lyon slip one Money League place to 13th.

Reaching the first knock-out stage of the UEFA Champions League provided Lyon with €23.6m (£20.1m) in UEFA central distributions, €3.7m (13%) less than in the previous year. Broadcast revenue overall fell by 9% from €75m to €68.1m (£58m) as the club reached only the fourth round of the Coupe de France, having won the Cup in 2008.

The €9.8m (17%) fall in Olympique Lyonnais' commercial revenues to €49.1m (£41.8m) is primarily due to lower merchandising revenues, which the club attributes to the tougher economic environment and the club's commercial revenues in 2007/08 being boosted by securing a signing-on fee from commercial partner Sodexo. The club has signed a new long term kit supply deal with adidas for ten years from 2010/11, replacing its current contract with Umbro.

Olympique Lyonnais: Revenue sources and percentages (€m)



A new stadium should deliver substantially enhanced matchday and commercial revenues, which will preserve Lyon's place in the top 20

Lyon's matchday revenue is constrained by the capacity of its stadium (40,500) and is the fourth lowest of the Money League clubs. An additional home game in 2008/09, compared with 2007/08, helped matchday revenue rise by €0.6m (3%) to €22.4m (£19.1m). A proposed new 60,000 capacity stadium is planned for opening in 2013.

As we have seen at several other Money League clubs, a new stadium should deliver substantially enhanced matchday and commercial revenues, which will preserve Lyon's place in the top 20 and potentially widen its revenue gap over French rivals Marseille.

As outlined later in this publication, in 'Golden Years', Champions League revenue is particularly important for clubs like Lyon. Until it has a new stadium, which is unlikely to be for at least three years, the club's best chance of climbing up the Money League will be to progress further in Europe's elite clubs competition.



14. Olympique de Marseille

€133.2m
(£113.5m)

2008 Revenue €126.8m (£100.4m)
2008 Position (16)

Olympique de Marseille climbs two places in the Money League to close the gap on French rivals Olympique Lyonnais to €6.4m (£5.4m), from last year's difference in total revenues of €28.9m. Marseille's revenues increased by 5% (€6.4m) to a total of €133.2m (£113.5m), with consistent UEFA Champions League qualification resulting in a doubling of revenues since 2005.

The club managed to secure direct qualification to the 2009/10 Champions League by achieving second spot in Ligue 1. However, it could not advance past the group stage and will now compete in the UEFA Europa League knock-out stages. Marseille's 2008/09 matchday revenues increased by €1.4m to €24.9m (£21.2m) from 26 games, an average of just under €1m per match, one of the lowest values in this year's Money League.

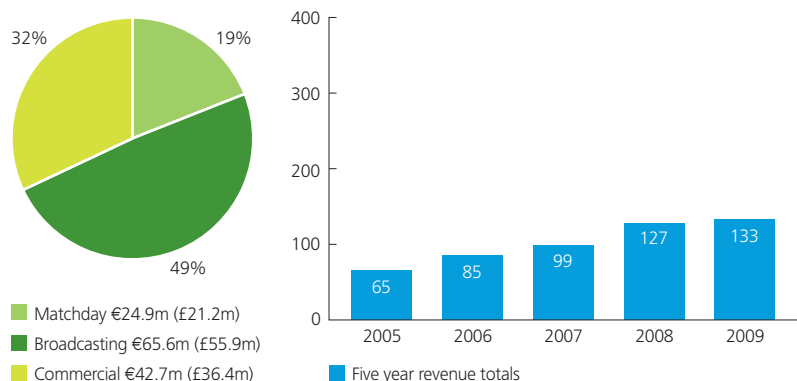
Key to improving its matchday income position are the club's plans for a new stadium, the Nouveau Stade Vélodrome, with an enhanced capacity and significantly upgraded hospitality facilities. However, the stadium is not anticipated to open until 2014 at the earliest.

Broadcasting revenues contributed almost 50% (€65.6m) to total revenues, but declined compared with last season (down €3.8m). Marseille again exited at the group stage in the Champions League and parachuted into the UEFA Cup, with combined UEFA contributions of €15.7m (£13.4m) compared with €20.7m in 2007/08.

Commercially, the Côte d'Azur club recorded a rise of €8.8m (26%) to €42.7m (£36.4m) in revenues. The extension of the shirt sponsorship agreement with energy company Direct Energie who reportedly pay c.€5m per year until the end of the 2009/10 season will help keep commercial revenues stable.

Under new coach Didier Deschamps, Marseille invested c.€40m (£34.1m) in the playing squad before the 2009/10 season. Amongst the newcomers is record transfer Lucho Gonzalez, who joined from FC Porto in a deal reportedly worth €18m.

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



Whilst domestically being well positioned to qualify for the Champions League again, the club has already exited this year's competition and will now compete in the Europa League which will impact on its broadcasting revenues. OM is unlikely to advance further up the Money League ranks until the new stadium is completed.

For the foreseeable future we expect the club to feature regularly in the Money League as long as it appears in the Champions League, albeit in the lower half of the top 20.

15. Tottenham Hotspur

€132.7m
(£113.0m)

2008 Revenue €145.0m (£114.8m)
2008 Position (14)

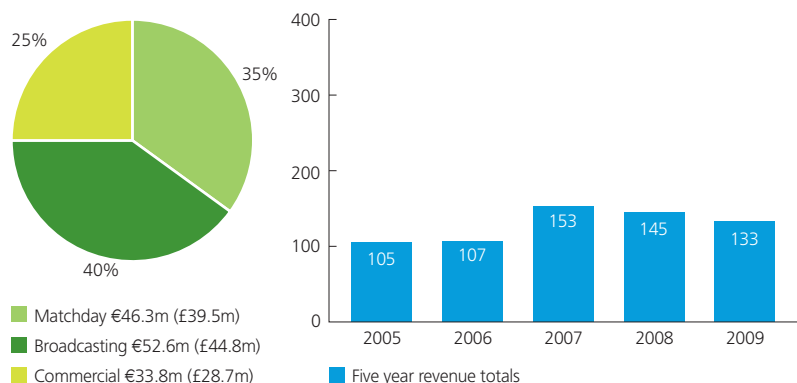
Tottenham Hotspur fall one place in this year's Money League, posting revenue of £113m (€132.7m), which was only 2% lower than the club's record revenue in 2007/08 (in sterling terms), with a £4.5m (€5.3m) uplift in broadcast revenue being offset by lower income from merchandising and cup competitions. Cup related gate receipts and prize monies decreased by 21% from £10.3m to £8.1m (€9.5m).

Although Spurs did not quite match its Carling Cup success of 2007/08, it nevertheless reached the final for a second successive year, and finished eighth in the Premier League, after an extremely disappointing start to the season, as well as reaching the final 32 of the UEFA Cup.

Improving on the previous season's 11th place Premier League finish, Tottenham earned additional merit award payments worth £2.3m (€2.7m), which contributed to the 11% increase in broadcast revenues to £44.8m (€52.6m). Elimination in the fourth round of the FA Cup was consistent with performance in the previous season.

Whilst the number of home games fell from 28 to 26, matchday revenues decreased only marginally, by 2% from £40.4m to £39.5m (€46.3m), and overall matchday revenue per match increased from £1.4m to £1.5m (€1.8m). Tottenham was not alone in seeing its corporate hospitality revenues impacted by the economic downturn, with lower box and lounge membership renewals. However gate receipts rose by £1.5m (€1.8m) to £19.8m (€23.2m), reflecting season ticket price increases and consistently high average home league attendances of just below 36,000.

Tottenham Hotspur: Revenue sources and percentages (€m)



Commercial revenue decreased by £5.4m (16%), from £34.1m to £28.7m (€33.8m), largely driven by the fall in merchandising revenue from £9.7m to £7m (€8.2m) as the one-off gain from sales relating to the club's 125th Anniversary and new kit launches was not repeated.

Tottenham's shirt front sponsorship deal with Mansion is due to finish at the end of the 2009/10 season, a deal which since 2006/07 has provided a reported £8.5m a season. The five-year kit deal with Puma is worth a reported £5m per season and runs until 2010/11, whilst the club's partnership with MBNA has recently been extended for another five years.

Tottenham's plans to build a new 56,000 capacity stadium at White Hart Lane have gathered momentum, with a planning application submitted in October 2009. With 23,000 fans on the waiting list for season tickets, a new stadium will undoubtedly provide a significant boost to matchday revenues that, combined with new enhanced commercial revenue opportunities, will enable it to achieve higher rankings in future Money Leagues.

Tottenham will feel that with a new stadium, if they can also qualify for the Champions League, a top ten place in the Money League could again be theirs in future.



16. Schalke 04

€124.5m
(£106m)

2008 Revenue €148.4m (€117.5m)
2008 Position (13)

As we forecast in last year's edition of the Money League, Schalke's lack of UEFA Champions League group stage football in 2008/09 meant it slipped three places down the Money League rankings due to a reduction in total revenues of €23.9m (16%). The royal-blues finished a disappointing eighth in the Bundesliga in 2008/09, and only reached the quarter-final of the German Cup, thereby missing out on European football completely in the 2009/10 season.

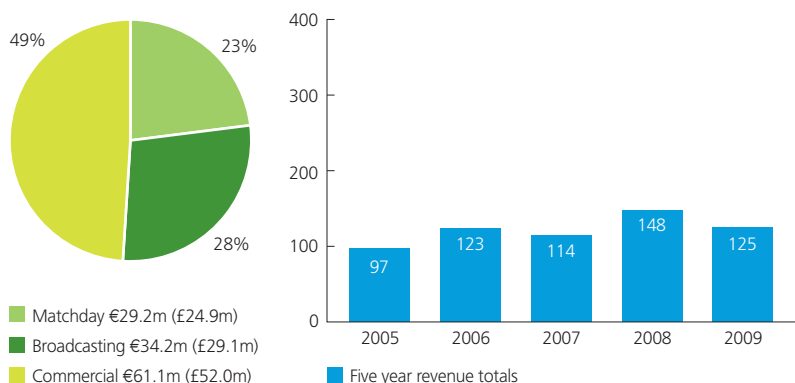
The main reason for the reduction in revenues was the relative lack of on-pitch success in last season's European competitions, compared to Schalke's best ever performance in the Champions League in 2007/08. Broadcasting revenues declined by 39% (€21.8m) to €34.2m (€29.1m), as Schalke received only €0.3m from UEFA central distributions, compared with €26.9m in 2007/08.

The club continues to sell out its Veltins Arena despite raising Bundesliga ticket prices by an average of c.4%. A different mix of games (UEFA Cup instead of Champions League) contributed to a reduction in matchday revenues of €3.1m to €29.2m (€24.9m) from 22 home games.

Commercial revenues increased slightly by €1m to €61.1m (€52m). The Ruhr area club has an extensive partnership with sports rights agency Infront Germany until the end of the 2017/18 season. Aside from perimeter advertising sales, the partnership now includes co-operation in marketing the Veltins Arena and the various sports and entertainment events that take place at Schalke's state-of-the-art facility.

This, together with long term contracts with main sponsor Gazprom and kit supplier adidas (both contracts expire at the end of the 2011/12 season), ensures the club's commercial revenues remain stable.

Schalke 04: Revenue sources and percentages (€m)



Schalke's failure to qualify for European competitions may see the club fall further down next year's Money League table. However, under new coach and general manager Felix Magath the club has made a promising start to the 2009/10 season and look set to challenge for a spot in the top five of the Bundesliga, which would ensure European qualification and thus a likely rise in revenues for the 2012 edition of the Money League.

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

Failure to qualify for European competitions may see the club fall further down next year's Money League table



17. Werder Bremen

€114.7m
(£97.7m)

2008 Revenue €91.0m (£72m)
2008 Position (n/a)

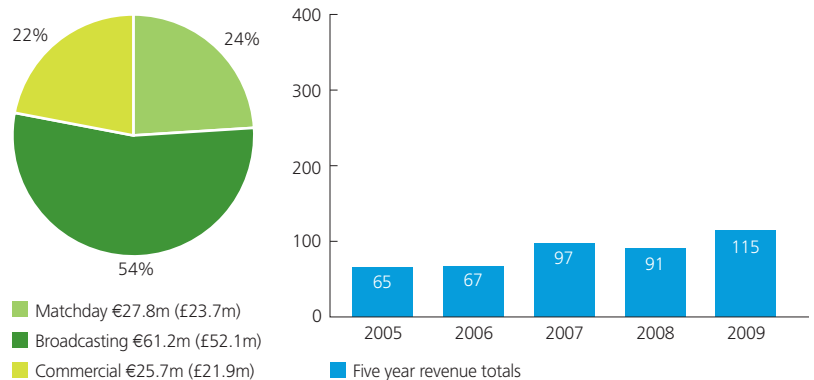
Werder Bremen have made it into the Money League for the second time, having managed to save a disappointing Bundesliga season (tenth place) by winning the German Cup for the sixth time and reaching the UEFA Cup final, in which they narrowly lost to Ukrainians Shakhtar Donetsk after extra time.

The club's revenues rose by €23.7m (26%) to a record €114.7m (£97.7m), mainly due to a substantial increase in broadcast revenue of €13.9m (29%) to €61.2m (£52.1m). UEFA central distributions from the UEFA Champions League and the UEFA Cup contributed almost half (€29.3m) of this total broadcast revenue figure.

Werder reported increases across all revenue sources. An increase in average ticket prices helped raise matchday revenues by 37% to €27.8m (£23.7m), and commercial revenues increased by €2.3m (10%) to €25.7m (£21.9m). Werder's revenues in 2008/09 predominantly stemmed from broadcasting (54% of total revenues), whilst the other German Money League clubs relied more heavily on commercial revenues.

The Hanseatic club has initiated steps towards a more balanced revenue model by extending the agreement with marketers Infront Sports & Media until 2019. Infront paid a reported signing fee of c.€10m and have expanded the scope of their partnership from perimeter advertising sales to also assume responsibility for selling the shirt sponsorship (previously managed by Sportfive). Infront have already secured a contract extension with shirt sponsors Citibank, now operating in the German market as Targobank, until the end of the 2010/11 season, reportedly worth an annual fee of €8m (£6.8m), representing an uplift of €0.5m on the previous deal.

Werder Bremen: Revenue sources and percentages (€m)



A rise in average ticket prices and a capacity utilisation in the Bundesliga of more than 95% helped to drive a significant growth in matchday revenues, which are likely to rise as the club is redeveloping its Weserstadion and increasing the number of VIP facilities.

The stadium redevelopment, the improved shirt sponsorship agreement and a new five year kit supplier deal with Nike (replacing Kappa), which started in the 2009/10 season and is reportedly worth €4m (£3.4m) per season, will give Werder the potential for higher and more steady matchday and commercial revenues.

Provided they consistently qualify for European club competitions, the club has the potential to become a more regular member of the Money League over the coming years.

A rise in average ticket prices and a capacity utilisation in the Bundesliga of more than 95% helped to drive a significant growth in matchday revenues



18. Borussia Dortmund

€103.5m
(£88.1m)

2008 Revenue €107.6m (£85.1m)
2008 Position (20)

Borussia Dortmund, the UEFA Champions League winners of 1996/97, achieves its highest position in the Money League since its 11th place in 2002/03. The club has been rejuvenated under the auspices of head coach Jürgen Klopp with a sixth placed Bundesliga finish.

The Ruhr area club recorded average attendances of 74,800 per Bundesliga match, the second highest average in Europe, behind Manchester United. Dortmund's relatively low matchday revenues (€22.2m) can be partially attributed to the large number of standing places (c.27,000) for which tickets are priced as cheaply as €12 (£10).

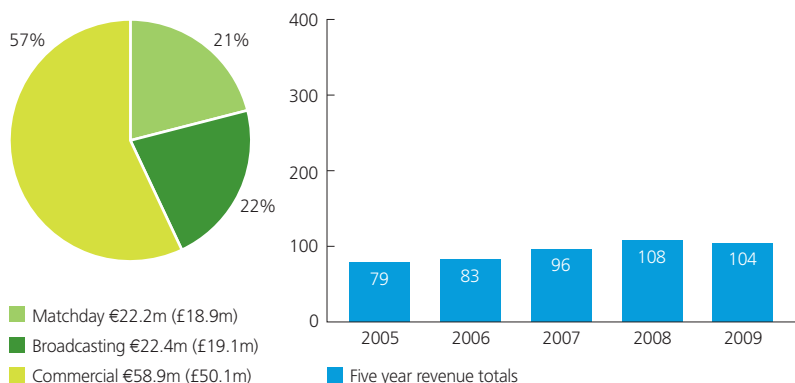
The lack of European matches resulted in broadcast revenues of €22.4m (£19.1m), the lowest value of all Money League top 20 clubs in 2008/09. Broadcasting contributed just 22% of total revenues having declined by €3.6m (14%) compared with 2007/08. This value will not change dramatically, as the club has already been eliminated from the DFB Cup and the new Bundesliga broadcast agreement (a four year deal from 2009/10 onwards) starts from a lower base fee than the previous deal.

Germany's only listed club has, however, achieved strong commercial returns of €58.9m (£50.1m), and is the Money League club for which commercial makes up the highest proportion of its revenues (57% of total revenues).

Several factors contributed to the club's solid commercial revenues, including a ten year contract extension with marketing company Sportfive until 2020, by which time they will have been the club's marketing partner for 20 years.

Dortmund have furthermore been boosted by the reported extensions of its €4m per year stadium naming rights agreement with Signal Iduna until 2016 and its agreement with shirt sponsor Evonik until 2011 (c.€7m per year). Technical sponsors Nike have been succeeded by Italian kit supplier Kappa in 2009/10 which reportedly signed a deal with the club for three years with an annual fee of c.€4m (£3.4m).

Borussia Dortmund: Revenue sources and percentages (€m)



In order to secure a spot amongst the top 20 clubs in the coming years, Dortmund will need to add regular Champions League football to its impressive commercial revenues and matchday attendances.

Dortmund recorded average attendances of more than 74,800 per Bundesliga match, the second highest average in Europe behind Manchester United



19. Manchester City

€102.2m
(£87.0m)

2008 Revenue €104.0m (£82.3m)
2008 Position (n/a)

Manchester City claims 19th place in this year's Money League with an increase in revenue of £4.7m (6%). 2008/09 was the first season of the Abu Dhabi United Group's ownership of the club and, despite a significant investment in the playing squad, City finished the Premier League in tenth position, one place lower than in 2007/08.

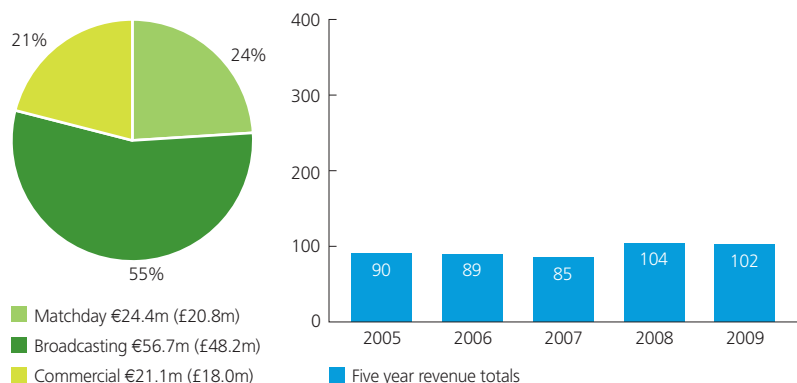
Broadcasting revenues increased by £4.9m (11%) owing to the £4.6m (£5.4m) in central distributions received after progressing to the UEFA Cup quarter-final. The other main component of broadcasting revenue was the £40.1m (£47.1m) of Premier League central distributions.

The run to the quarter-final of the UEFA Cup resulted in City playing 28 home matches (compared with 22 in 2007/08), facilitating an increase in matchday revenues of £2.3m (12%). At £20.8m (£24.4m) matchday revenues are relatively low – £8.2m (£9.7m) lower than Newcastle United, despite playing seven more matches, and around half that achieved by Tottenham Hotspur despite having average league attendances 7,000 higher.

Commercial revenue fell by £2.5m (12%) to £18m (£21.1m) as the City of Manchester Stadium had hosted the UEFA Cup final and more concerts in the previous season. 2008/09 was the last season of City's association with shirt sponsor Thomas Cook and kit sponsor Le Coq Sportif. New agreements with Etihad, reportedly worth £25m over three seasons to 2011/12,



Manchester City: Revenue sources and percentages (€m)



Manchester City will be expecting that the new owners' investment in the playing squad – in excess of £200m (€235m) since they acquired the club – will end the club's 34 year wait for a trophy

and Umbro, with whom City have entered into a ten year strategic partnership reportedly worth more than £50m (€59m), are likely to prompt a step change in the club's commercial revenue.

Manchester City will be expecting that the new owners' investment in the playing squad – in excess of £200m (€235m) since they acquired the club – will lead to a sustained improvement in on-pitch performance and ultimately end the club's 34 year wait for a trophy. A regular top six Premier League position and UEFA Champions League or UEFA Europa League football would be likely to increase revenue across all three streams and could see City rise up the Money League in future years.

20. Newcastle United

€101.0m
(£86.0m)

2008 Revenue €125.6m (£99.4m)
2008 Position (17)

2008/09 was a season to forget for Newcastle United as they were relegated from the Premier League after 16 seasons in the top flight of English football. Total revenues fell by £13.4m (13%) to £86m (€101m) as all three main revenue streams decreased.

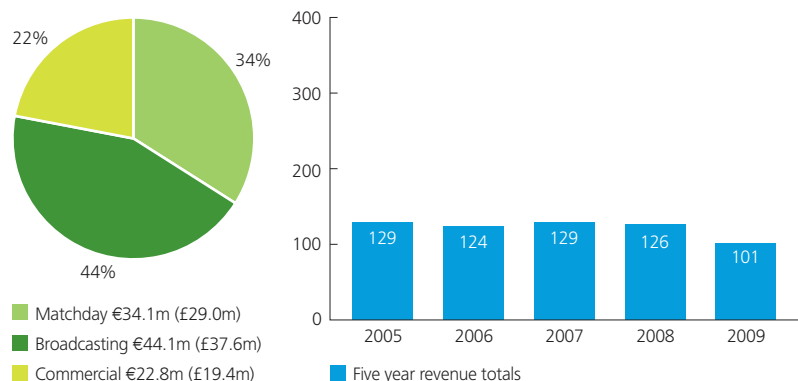
Newcastle is the only club to feature in this year's Money League who did not compete in European competition in 2008/09. Impressively, they still generated the tenth highest matchday revenues out of Money League clubs at £29m (€34.1m). Despite boardroom uncertainty, managerial changes and poor performances on the pitch the club still attracted average attendances of almost 49,000, albeit this was the first time in nine seasons that average attendances dipped below 50,000 as matchday revenues decreased by £3.4m (10%).

Commercial revenue fell by £6.5m (25%) to £19.4m (€22.8m). In January 2010, the club announced an extension to the Northern Rock shirt front sponsorship – reportedly worth up to £10m over four years to 2013/14 provided Newcastle plays in the Premier League over this period – and a new kit partnership with Puma, to replace adidas.

Although Newcastle finished in 18th position in the Premier League, its appeal to broadcasters remained strong with the club being selected for 20 live televised matches, the third highest in the division. This meant the club received £36.3m (€42.6m) from central Premier League distributions.

Owner Mike Ashley has reportedly withdrawn the club from the market and fans will be hoping for a period of stability off the pitch – Newcastle has had seven managers since the start of 2006. After a promising start to the 2009/10 season the club will be looking to return to the Premier League at the first attempt. Should this be achieved, we expect to see Newcastle return to the Money League in the future. However, next year will be the first, since we started compiling our analysis in 1996/97, in which Newcastle will not feature amongst the world's top 20 revenue generating clubs.

Newcastle United: Revenue sources and percentages (€m)



Despite boardroom uncertainty, managerial changes and poor performances on the pitch the club still attracted average attendances of almost 49,000



We continue to assert that the game's top clubs are well placed to meet the challenges presented by the difficult economic environment



Golden years

The UEFA Champions League has undergone its most extensive overhaul – in terms of the format of the competition – since 2003. How has the tournament changed, and how significant is the revenue it provides to Money League Clubs?

The UEFA Champions League is football's leading international club competition and, in effect, the sixth big European league, in revenue terms. Created in 1992/93 by reform of the European Champion's Cup, it has developed from a 32 team competition involving one representative from each country (the previous season's domestic league champions), to one which in 2009/10 involves 77 clubs from 52 countries, with up to four representatives per country.

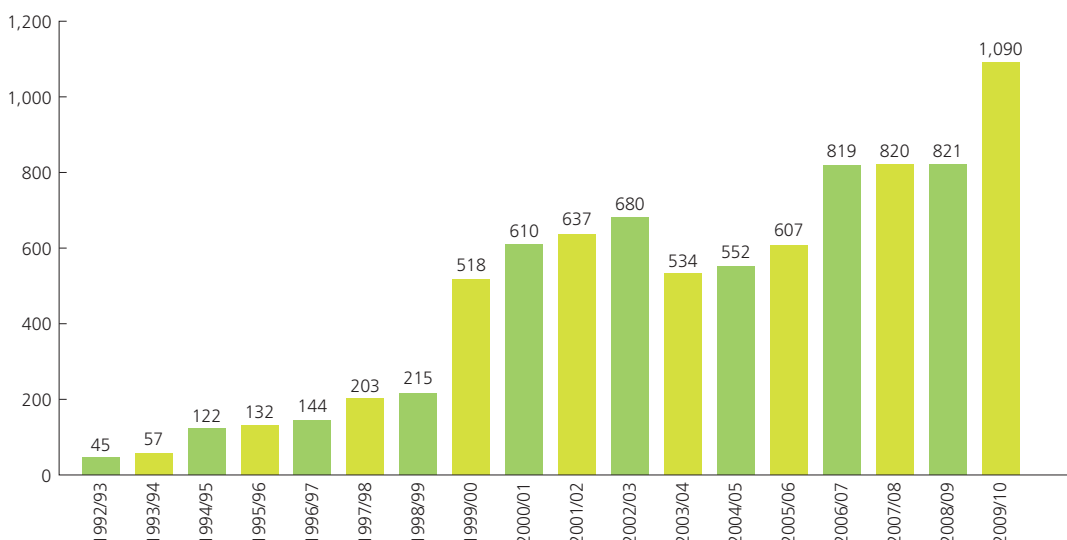
Changes

UEFA has made periodic adjustments to the competition, with the 2009/10 season's being the most extensive since the removal of the second Group Stage after the 2002/03 season. The changes seek to expand the breadth of country representation at the Group Stages and beyond, and increase the number of reigning domestic Champions participating. 22 teams now qualify for the Group Stages directly compared with 16 previously, including the league champions from 12 countries and the winners of the competition in the previous season. In addition the qualifying rounds have

been restructured and now involve two paths to the Group Stages, with five places available through a qualifying section for 40 domestic league champions, while a separate section makes five places available to 15 other clubs. Champions make up more than half of the 32 Group Stage places, previously the proportion could be less than 30%.

The real commercial value in the competition comes from the Group Stages onwards. These guarantee qualifying clubs a minimum number of matches, and revenues from broadcasters and commercial partners – who receive a highly desirable and well marketed product. UEFA's commercial partner TEAM markets broadcasting and sponsorship rights (and from 2009/10 its remit has been expanded to cover the third qualifying round). In commercial terms the competition is one of modern sport's great success stories. UEFA generated broadcast and sponsorship revenues of €45m from the first Champions League in 1992/93. In 2009/10 this total has increased to €1.1 billion. Distributions to the leading clubs in the current season may well eclipse UEFA's total revenues from the competition's inaugural season.

Chart 2: UEFA centrally generated Champions League revenue – 1992/93-2009/10 (€m)



Note: Figures in each year are the gross revenues generated from central broadcast and commercial contracts to the competition.

From 2009/10 the third qualifying round is included in centrally marketed broadcast rights.

Since 2006/07, figures have been announced in Euros. (Figures prior to this have been translated as at 30 June 2007 exchange rates).

Source: UEFA.

Table 1: Contribution of UEFA Champions League estimated revenue to overall club revenues

	2008/09 total revenue	UCL central revenue	Estimated UCL matchday revenue	Total estimated UCL revenue	UCL estimated revenue as a % of total 2008/09 revenue
		€'000	€'000	€'000	
Werder Bremen	114,700	22,300	4,300	26,600	23%
Arsenal	263,000	26,800	25,700	52,200	20%
Chelsea	242,300	30,900	17,900	48,800	20%
AS Roma	146,400	26,100	3,300	29,400	20%
Olympique Lyonnais	139,600	23,600	3,900	27,500	20%
Internazionale	196,500	28,300	3,800	32,100	16%
Bayern Munich	289,500	34,600	12,600	47,200	16%
Manchester United	327,000	38,300	15,400	53,700	16%
Liverpool	217,000	23,200	11,000	34,200	16%
FC Barcelona	365,900	31,000	20,900	51,900	14%
Olympique de Marseille	133,200	14,300	4,000	18,300	14%
Juventus	203,200	22,100	3,100	25,200	12%
Real Madrid	401,400	20,200	14,400	34,600	9%
Total	3,039,700	341,700	140,300	482,000	16%
Average	233,823	26,285	10,792	37,077	16%

Unless stated clearly as a specific item in the clubs' accounts, or other official documents, estimated UCL matchday revenue is derived by multiplying average matchday revenue per spectator per game by total Champions League 2008/09 attendance, including qualifying UCL matches.

UEFA distributed centrally generated Champions League revenues in Euros.

Source: Deloitte analysis.

Sound and vision

The majority of Champions League broadcast and sponsorship revenue is distributed to the 32 clubs which participate from the Group Stage onwards – in 2008/09 this exceeded €580m. 50% of this pool of revenue was distributed according to performance in that season's Champions League and 50% according to the relative value of the broadcast market in each country, and each club's on-pitch performance relative to its domestic peers. The amounts received by clubs in 2008/09 ranged from the €6m received by Bate Borisov to the €38m received by Manchester United.

However, competing clubs are not the only beneficiaries. Champions League revenue also underpins UEFA's solidarity policy. This saw €96m distributed to member national associations, clubs and leagues, providing substantial benefit to the wider football 'family', particularly in smaller nations.

As ever, the Money League is dominated by clubs which participate in the Champions League. Of the 20 clubs, 13 participated in the Champions League Group Stages during 2008/09, of which 11 progressed to the

knockout stages. 12 of this year's 20 Money League clubs also participated in the competition in 2009/10, with nine having progressed beyond the Group Stages.

In addition to centrally generated revenue, clubs directly generate matchday revenue and, indirectly, their participation also boosts their sponsorship and other commercial revenues both in the short term, through contractual bonuses, and longer term by strengthening their brand attractiveness through increased exposure and profile. For a successful club in a large market, this can add up to a highly significant revenue stream.

We estimate that the 13 Money League clubs collectively generated almost €500m directly from their respective Champions League campaigns, which equates to 16% of these clubs' total turnover. Manchester United, as a result of its run to the final, generated the most direct Champions League revenue in 2008/09 – the total of €54m comprising 16% of its total revenue. Werder Bremen's Champions League revenue made up nearly a quarter of its revenue, but Real Madrid's direct revenue from Champions League in 2008/09 was less than 10% of its overall total.



While, at one time, an appearance on the European stage was seen as a reward for a successful domestic season – and hence unforeseen, bonus, revenue – many clubs now target Champions League qualification as the minimum acceptable level of on-pitch success, as the resultant revenues are essential to their business model.

Under pressure

Given the potential rewards it is perhaps not surprising that some clubs commit to certain costs (principally in terms of player salaries) in the hope – and expectation – of achieving Champions League football and the additional revenues. But such plans can fall apart and Champions League qualification cannot be assumed. Werder Bremen, the club whose direct Champions League revenues comprise the greatest proportion of total revenues did not qualify for the 2009/10 competition. The resulting impact on revenue is likely to mean they will not make next year's Money League top 20.

We have seen the impact of clubs 'gambling' on, and failing to achieve, Champions League qualification – most notably the case of Leeds United, who in 2000/01 were Champions League semi-finalists and fifth in the Money League. However, their failure to qualify for the 2002/03 competition led to well publicised financial difficulties from which the club is still struggling to recover – although their recent victory over Manchester United in the FA Cup will have rekindled memories of past glories.

Some clubs are belatedly beginning to 'insure' themselves against such occurrences by developing performance related pay for players (with bonuses for qualification, rather than guaranteed salaries). This is a welcome development, and one which we would like to see more of.

While the existence of Champions League football is an important element of revenue for positions in the Money League, progress in the competition does not guarantee a place in the list. It is notable that the majority of Champions League competitors – from the Group Stages onwards – are not in our Money League top 20 clubs, and that some Money League regulars are not participants in the competition, notably Tottenham Hotspur, who have been ever present in our Top 20 but have never appeared in the Champions League.

We estimate that the 13 Money League clubs collectively generated almost €500m directly from their respective Champions League campaigns, which equates to 16% of these clubs' total turnover

Hunky dory

There have been further changes to the distribution system for the 2009/10 season, given the significant (33%) increase in UEFA's central revenues from the competition. The overall amount available for distribution to the 32 clubs has increased to €751m, which is to be divided on a 55:45 ratio between the fixed pool and market pool. The fixed pool now totals €413m and payments, which relate to on-pitch performance, have increased considerably, such that the maximum potentially available in 2009/10 from the fixed pool would be €31.2m, an increase of €7.5m or 32%. Similarly, the market pool has increased by 22% to reach €338m. Given that seven teams in 2008/09 received over €15m in market pool payments the total UEFA distributions to certain clubs in 2009/10 could reach €50m.

The amounts potentially available from progression in the competition – from central distributions and club specific revenues – mean that there is more than on-pitch pride at stake for the competition's Round of 16 qualifiers. As we move towards the conclusion of the competition – which will culminate in the first weekend final in Madrid in May – progression will provide some further indicators as to the potential make up and order of the Money League for the 2009/10 season.

Spain lights the way

Real Madrid and FC Barcelona have long been iconic brands within world football, and fierce rivals on the pitch. El Clásico, the derby match between Spain's two largest clubs, also currently pits not just the two highest earning football clubs, but the highest earning sports teams worldwide, against each other.

Whilst many of the Money League's top clubs have enjoyed staggering revenue growth over the past decade, it is these two Spanish giants that have led the way. Here we compare the revenue models of both clubs, outline what differentiates them both from their Money League rivals, and look forward at their future prospects.

El Presidente

Both clubs are mutual organisations, with the elected executive accountable to its members. For both Real and Barça, it has been presidential elections that have been key in transforming the clubs' fortunes both on and off the pitch.

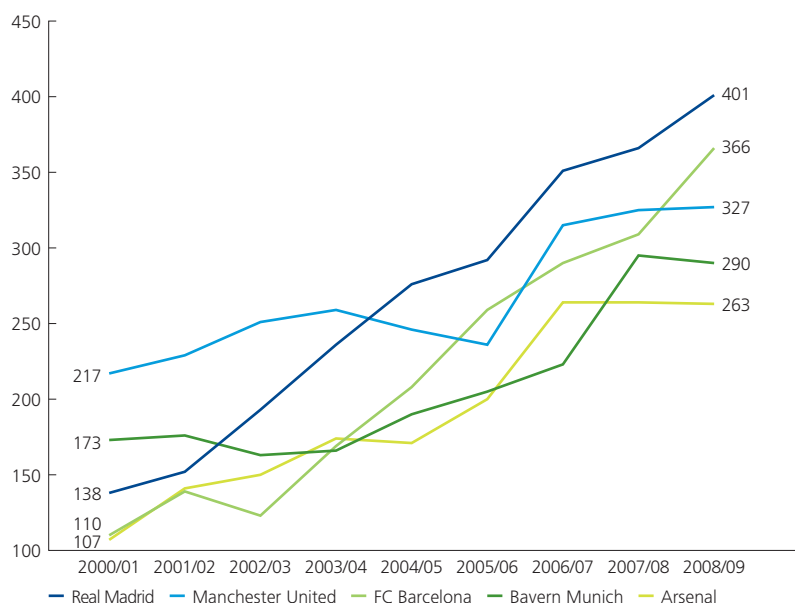
Florentino Pérez's first term as president of Los Blancos launched the Galáctico player recruitment policy of signing the world's best and most marketable playing talent in order to drive success both on and off the pitch. At the end of the 2000/01 season, Pérez's first as president, Real were ranked sixth in the Money League with revenues of €138m. Four years later, the club's revenues had doubled and as a result it reached the top of the Money League.

Joan Laporta's election as president of FC Barcelona in June 2003 also resulted in similarly impressive revenue growth. Prior to his arrival the club was in a perilous financial position, and placed 13th in the Money League with revenues of €123m in 2002/03. Revenues have almost tripled over the first six years of his tenure, an increase of over €240m at an average annual rate of increase of more than €40m.

Pérez's re-election as president in the summer of 2009, after a three year absence, and the outcome of Barça's presidential election this June are likely to have a strong influence on both clubs' strategies for future success on and off the pitch.

The chart below shows the revenue growth this year's top five Money League clubs, over the period 2000/01 to 2008/09.

Chart 3: Revenue growth of selected Money League clubs 2000/01 to 2008/09 (€m)



Matinee idols

The key revenue advantage enjoyed by the two Spanish giants over their Money League peers is through broadcasting income. Real generated €160.8m from this source in 2008/09, with Barça's total just €2.4m less. To put these huge sums in context, the level of broadcasting revenue generated by each of Real and Barça is more than the total revenues of all bar the top ten Money League clubs. Barça's total is more than €26m higher than that of the next highest generating club from this source, Juventus, and €41m more than the broadcasting revenue received by Manchester United, third in this year's Money League.

Note: Manchester United and Arsenal's revenues have been converted to Euros using the exchange rate as at 30 June each year (e.g. 2008/09 revenues converted using exchange rate as at 30 June 2009). Hence, the year on year Euro movements for these clubs as indicated above differ from Sterling movements. For example, Manchester United's revenues have increased each year in local currency (Sterling) except 2004/05.

Source: Club accounts, club press statements.



It is likely that Real and Barça will add vying for the top position in the Money League to their on-pitch rivalry for the foreseeable future

The key revenue advantage enjoyed by the two Spanish giants over their Money League peers is through broadcasting income. Real generated €160.8m from this source in 2008/09, with Barça's total just €2.4m less

Both clubs currently have long term deals with media company Mediapro running until at least 2012/13 which will contribute to broadcasting revenues of, on average, approximately €150m per year. The ability of Spanish clubs to negotiate individual deals for their home matches coupled with a competitive broadcast market for their rights has helped drive substantial increases from this source, with current deals providing the platform for the future levels of revenue.

Time will tell whether the current speculation on the subject will turn into real pressure on the Spanish league to move towards a collective model for the sale of broadcast rights, particularly given that it will be the only 'big five' league to have an individual sales model from 2010/11. It seems certain that the big two clubs would resist such a change.

Kitted out

Pérez's famous Galáctico player recruitment strategy underpinned the club's business model and financial turnaround in the early part of the last decade. The ability to monetise the recruitment of these global icons drove huge commercial revenue growth.

In the four year period from 2000/01, the first year of Pérez's reign, to 2004/05, Real's first year at the top of the Money League, total revenues doubled from €138m to €276m with commercial revenue growth contributing €85m (62%) of this €138m increase.

Within this, merchandising revenues increased from €12m to €54m as Figo, Zidane, Ronaldo and Beckham arrived in successive summers. Sponsorship increased from €23m to €46m. These two commercial sources delivered €61m and €40m respectively in 2008/09.

It is across the commercial revenue stream that Los Blancos hold their key revenue advantage over the Catalan club. Real's commercial revenues totalled €139m in 2008/09, which is €27m above those of Barça and represents over 75% of the total revenue gap between the two clubs.

Nevertheless Barça delivers impressive commercial returns, and under Laporta's leadership has grown revenue in this area by €73m from €39m in 2002/03 to €112m in 2008/09 with only Real and Bayern Munich earning more from this source.

It is possible that the €27m gap to Real's commercial total could be wholly or partially bridged if Barça chose to pursue a shirt sponsorship. Within the last twelve months, Liverpool, Manchester United and Bayern have all negotiated new deals reportedly worth upward of €20m per season whilst Real extended its deal with Bwin for a further three seasons to 2012/13 at a reported value of between €15 and €20m per annum. However, the Catalan club has traditionally kept its shirt front clean of commercial sponsors. Indeed its partnership with Unicef, involves the club making a financial contribution to the children's organisation.

The two clubs' rivalry is highlighted by current merchandise partnerships. Barça's merchandise operation is a partnership with Nike with the club receiving a minimum €30m per season for the five seasons to 2012/13 (with an option for a further five seasons), whilst Real's kit partner is with rival sportswear manufacturer Adidas, which has a contract with the club running through to 2011/12.



Back to the future

So what of the future? Upon his re-election as Real president in the summer of 2009, Pérez initiated an aggressive player recruitment drive with a staggering €219m invested in playing talent. According to the club, this is the equivalent of its recent historic average transfer expenditure over a rolling three year period (based on expenditure between 2000/01 and 2007/08).

The original Galáctico project began to falter when it failed to deliver sustained on-pitch success, with some labelling the playing squad as consisting of 'Zidanes y Pavones' with a handful of expensively recruited global superstars integrated with players graduating from the club's cantera, its youth team. Indeed, whilst La Liga titles were delivered following Pérez's departure in 2006/07 and 2007/08, Real's attempts to add to its record nine European Cup triumphs have consistently stalled. At the time of writing, the club has not won a Champions League knock-out tie for six seasons.

Regaining their on-pitch supremacy is key with the club itself stating that this 'stepped-up investment is part of the club's business priority of regaining its global benchmark and leadership status as quickly as possible'.

However, Pérez's most recent player recruitment project may point to a subtle change in emphasis. Whilst the transfer expenditure in the summer of 2009 has undoubtedly netted two of the world's great stars in Kaka and Cristiano Ronaldo, it has also brought in top Spanish national team talent in Alonso, Albiol and Arbeloa. The club will hope that these recruits integrated with home grown talent such as Casillas and Raul will provide the balanced squad which can deliver on-pitch success.

In this regard the challenge to Barcelona is obvious. Whilst the two clubs have each won two of the last four La Liga titles, the Catalans undoubtedly currently enjoy on-pitch supremacy having secured two Champions League titles during this time, with an unprecedented treble in 2008/09 and subsequent additions of the FIFA World Club Cup and UEFA Super Cup.

Barça's famed academy structure has been the cornerstone of its on-pitch success. Seven of the starting line-up in last season's Champions League final triumph over Manchester United emerged through the youth set-up – Valdes, Puyol, Piqué, Sergio Busquets, Xavi, Iniesta and Messi. With many of these players on long-term contracts, and the club's current head coach Pep Guardiola himself an academy product, the club believe this home grown talent will provide the basis for further success.

Future prospects

Real held a €35m lead in revenues over Barça in 2008/09, who in turn had created a gap of over €39m to third placed Manchester United. Whilst the Red Devils' revenues from 2010/11 onwards are likely be boosted by increased Premier League broadcast distributions and a new shirt sponsorship deal, the club is likely to remain behind the two Spanish giants unless the Sterling to Euro exchange rate becomes more favourable. Hence, it is likely that Real and Barça will add vying for the top position in the Money League to their on-pitch rivalry for the foreseeable future.

The Catalan club announced that it had increased revenues by €36m for the six months to December 2009, compared to the corresponding period in 2008, as it strives to surpass €400m in revenues for 2009/10. Meanwhile, Real has announced budgeted revenues of €422m in 2009/10, as it seeks to keep Barça one year behind it in revenue terms.

It will be the battle between Real's ability to mould its expensive recruits into a successful team on the pitch, beating its great rivals and thus providing the platform for further revenue growth and Barça's ability to continue to capitalise on home grown talent and sustained on-pitch success that will decide the contest for the title of the world's highest earning sports club.



Risky business?

Days of thunder

In last year's Money League, which was written at a relatively early stage of the global economic downturn, we set out our views on how football, and in particular its top clubs, would cope with the economic challenges that lay ahead. We predicted that Money League clubs would be relatively well positioned given their large and loyal supporter bases and strong commercial and broadcasting relationships. In the 12 months that have passed, the majority of the world's major economies have tentatively exited recession but how have the Money League clubs fared and what does the future hold?

Chart 4 shows that Money League clubs' revenue growth has comfortably exceeded that of the 'big five' European football nations' economies since 1997. This growth has been achieved across all three major revenue streams: matchday, commercial and, most notably, broadcasting, as Money League clubs have become highly developed businesses.

There has been much conjecture regarding a 'recession within football', notably after a record low level of transfer spending by Premier League clubs in the 2010 January transfer window. The evidence at a revenue level amongst football's top clubs does not support such a theory, although clubs have undoubtedly been

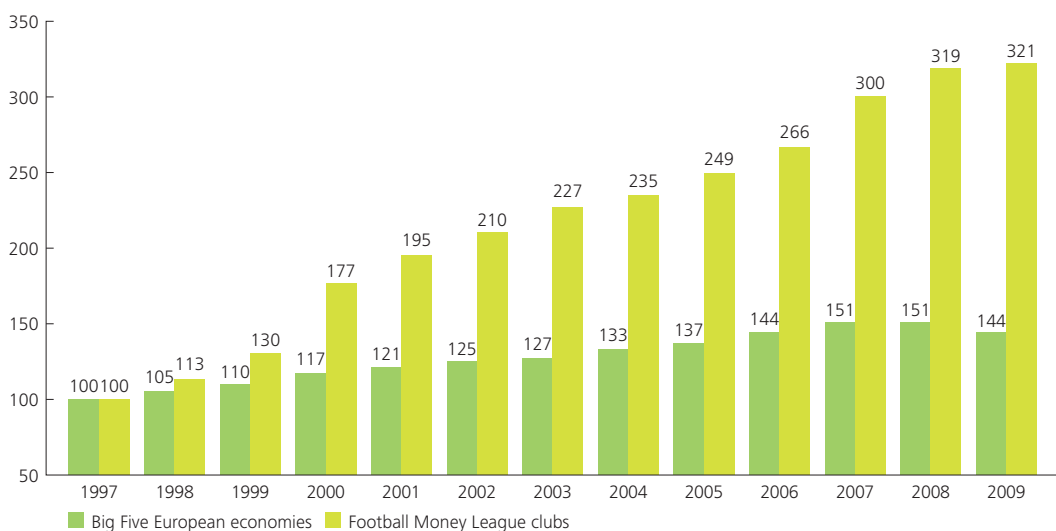
required to adapt to a changing environment. The economies of the 'big five' European football nations have contracted by around 5% since their peak in 2007, returning to 2006 levels. By contrast, the top 20 Money League clubs have grown their total revenues by a combined 21% (€673m) since 2006 and in 2009 recorded growth of just under 1%, continuing the consistent trend of year on year revenue growth.

In the rest of this article we consider, in turn, the impact of the recession on each of the core components of Money League clubs' revenues – broadcasting, matchday and commercial.

The colour of money

Broadcasting revenue has been the main driver of revenue growth for Money League clubs since we began our analysis in 1996/97. In 2008/09, broadcasting revenue accounted for €1.6 billion (42%) of the €3.9 billion in total revenues generated by the top 20 clubs, and was the largest revenue stream for 14 clubs. For the majority of Money League clubs, broadcasting revenue is also the most secure revenue stream as medium to long term contracts mean, assuming reasonable on-pitch performance, they have good visibility of the level of revenue several seasons in advance.

Chart 4: Indexed nominal GDP growth of the 'big five' European football nations' economies and Money League clubs' revenue – 1997-2009



Source: Deloitte analysis, Eurostat.

The Premier League was the only top league that negotiated its domestic broadcast rights deal following the onset of the economic downturn. For the three year period from 2010/11, their value increased by 4% to £1.8 billion

For the majority of 'big five' leagues, broadcast contracts were negotiated prior to the downturn in the global economy. Centrally negotiated broadcasting deals for France's Ligue 1 and the German Bundesliga had already secured revenue levels to 2011/12 and 2012/13 respectively. Barcelona and Real Madrid, the only two Spanish clubs in the top 20, meanwhile, continue to benefit from individually negotiated deals with current contracts, both with Mediapro, running until 2012/13 and 2013/14 respectively.

Italy's Serie A returns to a collective sales model from 2010/11, and it is the country's top clubs which will face the greatest threat to their broadcast revenues. Infront Sports have been appointed as exclusive media rights partner to Liga Calcio reportedly guaranteeing the league €900m per season in rights. This is higher than the total broadcasting revenue, including UEFA Champions League revenue, generated by all Serie A clubs in 2007/08. However, the revenue to top clubs is expected to reduce due to the more equal distribution of revenues amongst clubs. This is likely to be to the long term benefit of Italian football, but be painful for its top clubs in the short term.

Of the 'big five' leagues, the Premier League was the only one that negotiated its broadcast rights following the onset of the economic downturn. The League announced in February 2009 that its domestic live broadcast rights, for the three year period from 2010/11, increased in value by 4% to £1.8 billion. These values were maintained even after Setanta, which held certain live rights, went into Administration with its rights picked up by ESPN. Most impressively, the League's overseas rights for the period are rumoured to be on course to earn around £1.2 billion over the three year period which will be more than 70% higher than the previous deal.



The ability of the Premier League to underpin the Pay-TV models of BSkyB and ESPN, the US broadcaster who acquired the rights previously held by Setanta at the same value, is a remarkable testament to the value of the competition.

The continued success of BSkyB through the recession has been perhaps the clearest example of the phenomenon of "intertainment", with the public spending more time consuming entertainment from their home as disposable income remains tight. Subscriber numbers increased by 13% to 9.7m between 30 June 2007 and 31 December 2009. In addition, subscribers have signed up for improved services (such as Sky+ and high definition). It is no surprise that Premier League football seems set to be a key part of their plans to bring 3D TV into the mainstream.

The growth of the Champions League has played a key role in driving revenue growth for Europe's top clubs since the competition began in 1992/93. Whilst the individual market rights have varied in the most recent deals – the UK, Spain and Germany have achieved growth while Italy and France have suffered reductions – overall, gross revenues have increased with distributions to clubs, from the Group Stage onwards, forecast by UEFA to increase by 29% (€168m) to €751m for the 2009/10 season. The benefit of this increase to each individual club will be dependent on its performance in the competition and the value of the broadcast rights from its own domestic market.

Table 3: 2007/08, 2008/09 and 2009/10 (season to date) attendances for Money League clubs

Club	Average attendance			Increase/ (decrease) 2007/08 to 2009/10	Change % 2007/08 to 2009/10	Capacity 2009/10	Capacity utilisation % 2009/10
	¹ 2009/10	2008/09	2007/08				
Real Madrid	64,300	64,300	67,600	(3,300)	(5%)	76,400	84%
FC Barcelona	76,000	66,800	64,300	11,700	18%	98,800	77%
Manchester United	74,800	75,300	75,700	(900)	(1%)	75,800	99%
Bayern Munich	69,000	69,000	69,000	-	-	69,000	100%
Arsenal	59,800	60,000	60,100	(300)	(1%)	60,400	99%
Chelsea	41,400	41,600	41,400	-	-	41,800	99%
Liverpool	43,300	43,600	43,500	(200)	(1%)	45,500	95%
Juventus	23,900	22,400	21,800	2,100	10%	28,000	85%
Internazionale	52,500	55,300	51,400	1,100	2%	80,000	66%
AC Milan	41,600	59,700	55,900	(14,300)	(26%)	80,000	52%
Hamburger SV	55,100	54,800	54,800	300	1%	57,000	97%
AS Roma	36,600	39,400	36,200	400	1%	72,700	50%
Olympique Lyonnais	35,800	37,400	37,300	(1,500)	(4%)	40,500	88%
Olympique de Marseille	48,400	52,300	52,600	(4,200)	(8%)	57,300	84%
Tottenham Hotspur	35,800	35,900	36,000	(200)	(1%)	36,500	98%
Schalke 04	61,100	61,400	61,300	(200)	(1%)	61,800	99%
Werder Bremen ²	34,800	40,400	40,300	(5,500)	(14%)	37,000	94%
Borussia Dortmund	76,800	74,800	72,500	4,300	6%	80,700	95%
Manchester City	45,400	42,900	42,100	3,300	8%	47,700	95%
Newcastle United	42,300	48,800	51,300	(9,000)	(18%)	52,400	81%
Average	50,900	52,300	51,800	(900)	(2%)	60,000	85%

Endless love

We expected matchday revenues to hold up in the 2008/09 season in part because the majority of season tickets were bought or renewed in summer 2008, before the full extent of the downturn was felt. The full impact of the recession on matchday revenues is expected to come through in 2009/10.

On first consideration, it would appear logical for matchday revenues to be hard hit during a period of recession, particularly in times of rising unemployment, as disposable income is reduced. Additionally, in a challenging economic climate, it would appear reasonable to expect corporates to have lower entertaining budgets. But, does the evidence support this assumption? The table above sets out the Money League clubs' home league match attendances from 2007/08, the season before the economic downturn, 2008/09 and for 2009/10 up to January 2010.

Premier League clubs represented in the Money League, excluding Newcastle United, have seen their attendances remain relatively unaffected by the downturn with an overall increase of 1% in 2009/10 to date, compared with 2007/08 levels, driven by the 8% increase in average attendances at Manchester City. Capacity utilisation at these Premier League clubs is 98% emphasising their loyal fanbases and attractiveness of the competition. Newcastle United, who were relegated in 2008/09, have achieved average attendances of 42,300 in 2009/10 to January, an impressive level for a club in the Championship.

The German Money League clubs continue to enjoy the benefit of new, or redeveloped, stadia for the 2006 FIFA World Cup. Their average capacity utilisation of 97% is a remarkable achievement in a challenging time. The only significant fall in attendance, at Werder Bremen, is due to capacity constraints whilst the stadium is redeveloped.

Note: Average attendances for domestic home league matches only. Attendances and capacities have been rounded to the nearest 100.

Key:

1 Average attendance up to 31 January 2010. Information in respect of Italian clubs is up to 20 January 2010.

2 Werder Bremen are redeveloping their stadium and are operating a variable capacity during the 2009/10 season.

Source: Deloitte analysis; Sky Sports Football Yearbook; Premier League; DFB; www.kicker.de; Lega Calcio; LFP (France); and individual club websites.

The foundation of Money League clubs' commercial revenues are their key sponsorship deals (notably shirt front and kit deals), and merchandising revenue. Money League clubs are seen by prospective partners as an attractive channel to reach their target audience

Overall, Money League clubs' attendances have held up well over the recession. Certain clubs have fared less well than others, but these are generally compounded by other factors in addition to the recession – for example Newcastle United's relegation in 2008/09.

Since the early 1990s many football clubs have been very successful in transforming their stadia into highly impressive venues and adding lucrative corporate hospitality – many new stadia now incorporate 10-15% of capacity as corporate seating – and non-matchday elements to their operations. Premier League clubs are the most developed in their corporate hospitality offerings where up to 40% of matchday revenues come from corporate hospitality. Therefore, a reduction in demand due to the recession is proving challenging. The extent of the impact is varying from club to club. For example, at Arsenal renewals for general admission and club level season tickets reached their maximum level. By contrast, Manchester United, the club which generates the highest matchday revenues in the world, has announced reduced demand for executive and box seats which resulted in 16% of those facilities (by value) remaining unsold at 30 September 2009, compared with 12% at the same stage in the previous season. Outside football, even the very top tier of sporting events such as the Ryder Cup have been suffering in times of reduced budgets for client entertaining.

The 20 clubs that comprise this year's Money League, produced a robust set of matchday revenues in 2008/09 that saw revenues remain flat at €1 billion contributing 26% of total revenues. However, ignoring exchange rate movements, matchday revenues would have increased by around 3.5%. Clubs are facing an undoubted challenge in the corporate market in a time that businesses are reviewing their expenditure in all areas. While attendances appear to be holding up in 2009/10, it seems likely that clubs are facing increasing pricing pressure from general admission, and in particular, corporate attendees. We will be monitoring the average yield per attendee with interest in the next edition of Money League.

The firm

Money League clubs are now highly developed businesses and have been extremely successful in developing commercial activities which provide around a third of their total revenue. Germany, Europe's largest commercial market, provides five out of the top 20 Money League clubs, four of which count commercial revenue as their largest source of revenue.

The foundation of Money League clubs' commercial revenues are their key sponsorship deals (notably shirt front and kit deals), and merchandising revenue. Money League clubs are seen by prospective partners as an attractive channel to reach their target audience.



Table 4: Selected shirt sponsorship deals announced by Money League clubs

Club	Sponsor	¹ Reported annual value	Reported uplift
Real Madrid	Bwin	€15m-€20m	up to 33%
Manchester United	Aon Corporation	€23m	42%
Bayern Munich ²	Deutsche Telecom	€24m	10-20%
Liverpool	Standard Chartered Bank	€23m	167%
AC Milan	Emirates	€12m	–
Hamburger SV	Emirates	€7m	27%

Key:

1 Values are as reported and, in certain circumstances, are dependent on performance related conditions.

2 Total value of contract could reach €30m dependent on on-pitch performance.

Source: Deloitte analysis; Press releases and media reports.

At a time of economic uncertainty discretionary budgets are often the first areas to be affected, with sponsorship, marketing and corporate hospitality budgets cut back. There is a risk that many companies will withdraw from the football market in the short term, leaving some clubs without potential partners. However, we have seen evidence that Money League clubs remain a compelling proposition to prospective sponsors as some of the largest clubs – including Liverpool and Manchester United – have recently announced major new sponsorship deals at a significant premium to their previous agreements. The major commercial deals are often more than ‘pure’ sponsorship deals and develop into long term strategic partnerships. As we highlighted in last year’s edition, Money League clubs’ shirt sponsorship partners, on average, have a relationship with the club for six years.

Outside of clubs’ top level sponsors, shirt front and kit partners, clubs face challenges in growing, or retaining, other commercial revenues. Merchandising revenues rely on spending by supporters from their disposable income, and reducing corporate budgets have put pressure on secondary sponsorships. This downward pressure is not confined to smaller clubs as Bayern Munich and Chelsea – both in the top six of the Money League – both reported reductions in merchandising, sponsorship and other commercial revenues of 10% or more in 2008/09.

Top gun

Underpinned by large and loyal supporter bases, a strong relationship with broadcasters, and commercial partnerships delivering real value to both parties, Money League clubs’ financial performance in the 2008/09 season was strong in a challenging economic climate. Looking forward, Money League clubs will hope that these factors will provide a firm foundation from which to weather the storm as top level football remains resistant, but not immune, to the recession.

Beyond the Money League clubs the picture may not be so clear cut. Smaller clubs, offering less exposure, a smaller fanbase and limited on-pitch success may well be less attractive to a partner and, given the difficulties in the market, may have a more challenging negotiating position. Deals will be doable, however, as with ticket prices, clubs may need to work harder to support their price expectations, or adjust them accordingly.

At the top level of European club football though it is clear that any financial and economic difficulties that exist at these clubs are caused more by weak cost control, bad management and a reduction in available credit, than any downturn in revenue generation.

Contacts

Manchester

Dan Jones, Paul Rawnsley, Alan Switzer
PO Box 500, 2 Hardman Street, Manchester, UK M60 2AT
Telephone: +44 (0)161 455 8787
Fax: +44 (0)161 455 6013
E-mail: sportsteamuk@deloitte.co.uk

London

Mark Roberts
Hill House, 1 Little New Street, London, UK EC4A 3TR
Telephone: +44 (0)20 7936 3000
Fax: +44 (0)20 7583 8517
E-mail: sportsteamuk@deloitte.co.uk

For further information, visit our website at www.deloitte.co.uk/sportsbusinessgroup

Deloitte refers to one or more of Deloitte Touche Tohmatsu ('DTT'), a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTT and its member firms.

Deloitte LLP is the United Kingdom member firm of DTT.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte LLP would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte LLP accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

© 2010 Deloitte LLP. All rights reserved.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Tel: +44 (0) 20 7936 3000 Fax: +44 (0) 20 7583 1198.

Designed and produced by www.heliographic.co.uk

Member of Deloitte Touche Tohmatsu