



STUDY ON THE TRANSFER SYSTEM IN EUROPE





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CONTENT OF THE STUDY

Foreword	6
Introduction	8
Methodology	10
Executive Summary	12
1 Players' Movement	24
> Chapter Summary	26
> Number of International Transfers Made by European Clubs	28
> Aggregated Number of Transfers Made by Major 5 European Leagues' Clubs	31
> <i>Ligue 1</i>	35
> <i>Bundesliga</i>	39
> <i>Premier League</i>	43
> <i>La Liga</i>	47
> <i>Serie A</i>	51
2 Money Redistribution through Transfers	56
> Chapter Summary	58
> Value of International Transfers Made by European Clubs	60
> Aggregated Value of Transfers Made by Major 5 European Leagues' Clubs	62
> <i>Ligue 1</i>	69
> <i>Bundesliga</i>	72
> <i>Premier League</i>	75
> <i>La Liga</i>	78
> <i>Serie A</i>	81

CONTENT OF THE STUDY

3 Solidarity Contribution & Club Agent Commissions	84
> Chapter Summary	86
> Solidarity Contribution	88
> Club Agent Commissions	94
4 Loan Activity	96
> Chapter Summary	98
> International Loans Made by European Clubs	100
> Aggregated Loan Activity within the Major 5 European Leagues	104
> <i>Ligue 1</i>	107
> <i>Bundesliga</i>	108
> <i>Premier League</i>	109
> <i>La Liga</i>	110
> <i>Serie A</i>	111
5 Sport Performances & Economic Results	112
> Chapter Summary	114
> Influence of Player Transfers on Clubs' Sport Performances	116
> Clubs Participating in UEFA Competitions	124
> Development of Key Financials: Transfer Expenditure, Revenues and Employee Costs	126
Glossary	127

FOREWORD

Player transfers play a central role in professional football. Every season clubs try to build their squads by keeping their best players, transferring and/or signing others with the ultimate aim of building a better team and enhancing performances on the pitch. Since the Bosman ruling in 1996, the importance of transfers has increased and has become a fundamental part of every club's core business. Today, it is very difficult to imagine the modern game without them.

Off the pitch, player transfers remain a popular topic for discussion, especially among supporters and the media. Recently, the transfer system has become the subject of intense discussions: some argue that the current system works well overall; others call for the system to be significantly modified. The recent extensive KEA study on transfers has re-affirmed these diverging opinions among European stakeholders and has led the European Commission to call on the football family to undertake action in many areas of high significance and impact.

While different positions exist, the European Club Association (ECA), as the sole representative body of football clubs in

Europe, believes that those outlined to-date have not been presented in a manner that can truly be described as objective. Discussions focussing on the transfer system are often led by individual opinions and personal experiences with little focus on detailed financial and data-based analysis.

It is for this reason that ECA felt the need to commission a study highlighting the reality governing the transfer system. The aim of this study, based on real figures from official sources and focussing on a European perspective, is to understand how the current transfer system works in order to provide a more credible and reliable basis for discussion.

The ECA Executive Board mandated PricewaterhouseCoopers (PwC) and LIUC Università Cattaneo, represented respectively by Emanuele Grasso and Ernesto Paolillo, to carry out this work. PwC disposes of vast knowledge and experience in the financial field of professional football and has previously worked alongside ECA on a number of important projects including Financial Fair Play. LIUC Università Carlo Cattaneo is a university which specialises in business and management programmes.

It is our view, that this study provides a unique and detailed overview covering all relevant aspects of transfers and presents some clear trends that form part of the current system. Significantly, the study sheds some light on important topics including top-to-bottom re-distribution, the role of clubs in youth development, players' movement, loans, agents and competitive balance. Equally, we hope that the study presents the system in the right context and counters

many of the inaccurate labels it has been attributed in the recent past.

We hope you will find this study both interesting and useful. For us at ECA, the study has accomplished its main mission and increased our knowledge on this complex matter. We believe that the study will add substantial value to further debates on the future of the football industry.



Karl-Heinz Rummenigge
ECA Chairman



Michele Centenaro
ECA General Secretary

INTRODUCTION

The “Study on the Transfer System in Europe” offers an in-depth overview, as never done before, of all the incoming and outgoing transfer transactions involving European clubs, with a specific focus on the ones participating in the major 5 European leagues.

For a more comprehensive view on the trends characterising the transfer system in Europe we segmented the 54 UEFA countries into 3 different bundles (top, medium and low) and each of the major 5 leagues’ clubs into 4 clusters. The rationale used for the segmentation, which will be explained in the methodology section, implies that countries belonging to the top bundle are the ones in which the football industry is more developed and richer compared to the medium and low bundles. The same applies to clubs composing clusters 1&2 compared to clusters 3&4.

The analyses performed in the Study show that the current transfer system is set up in such a way that allows solidarity redistribution between clubs. In fact, top bundle countries provided players to other countries, with a net outflow of 1,054 players, and redistributed money of approximately 1 billion US dollars to the rest of the world during the 2-year period of analysis (sporting seasons 2011/12 and 2012/13). Similar redistribution effect also emerges from a major 5 European leagues’ perspective, as the participating clubs were net exporters of players in terms of number of transactions, with a net outflow of players of 1,489,

and net spenders in terms of value of transactions with a net outflow of money of €909m.

Competitive balance is enhanced by the current transfer mechanism. Out of the 5,491 transfers involving major 5 leagues’ clubs, merely 1,110 (or 20%) occurred internally amongst them. As a result, the remaining 80% of the transfers, of which 1,446 were players acquired and 2,935 ceded, were executed with clubs not belonging to the major 5 European leagues, which have therefore benefited by receiving either trained players and/or money to be invested with the aim to increase their competitiveness. Furthermore, competitive balance within the top 5 leagues has been also reached as players exported by them (2,935 or 54% of total transfers) were equally distributed amongst different clusters.

Competitive balance and redistribution effectiveness were confirmed by several other facts including the turnover of clubs participating in UEFA competitions: 578 different clubs participated over the last 10 years, i.e. 11 clubs per country on average.

In the period under analysis 1.15% of the overall compensation arising from international transfers was paid as solidarity contribution, this figure is under the 5% threshold set by FIFA.

Increasing the solidarity rate, however, without enhancing the level of disclosure and the knowledge the clubs should have about their rights, would not solve the problem but would paradoxically penalize compliant clubs, making them pay more, and further discourage non compliant clubs to observe the solidarity mechanism.

Loan activity in the UEFA territory involves players under 23 in more than a half of total international loans, both in an incoming and outgoing direction. In the top bundle, the amount of both incoming and outgoing international loans is significantly higher compared to lower bundles, even if it is composed by fewer countries. This is a sign that the international loans are used more frequently by the top bundle compared to the rest of European clubs.

In the major 5 leagues in particular, loan practice is widespread and increasing rapidly: the number of loans were 2,355, making up 43% of the overall transfers made by major 5 leagues' clubs. Outgoing loans granted by major 5 leagues' clubs were mainly directed to respective lower divisions for approximately 69% of total amount.

Transfers involving club agents had a total value of \$1,740m or 33.8% of the total transfer value (\$5,147m). Total club agent

commissions amounted to \$254m corresponding to 14.6% of the value of transfers that involved a club agent. The incidence of fees paid to agents by clubs is thus significant, even higher if considering commissions paid to agents directly by players, which are not included in our calculation.

While revenues of European first division clubs experienced a healthy growth, the increase in income was offset by rapidly rising employee costs rather than transfer expenditure. In fact, the incidence of the transfer expenditure on total clubs' income during the timeframe 2007/2011 decreased (from 28% in FY07 to 22% in FY11), while cost of employees rose at a higher pace (+8.5% 07/11 CAGR).

In conclusion, there are several indicators emerging from the Study which show that the current transfer system allows for the free movement of players and the redistribution of money from top to bottom. Thus, competitive balance seems to work but could still be better improved by defining a higher level of transparency and disclosure on loans, club agent commissions, and the solidarity mechanism.

Advisors to ECA:



METHODOLOGY

The present Study was realised thanks to the cooperation of the major European leagues, which provided some of the data regarding transfers involving participant clubs.

Other data on transfers were directly provided by a sample of clubs among ECA Members.

Information on international transfers involving European clubs was also provided by FIFA TMS.

Furthermore, the Study comprises data obtained from a variety of other sources, of which the most relevant are CIES and UEFA with its “UEFA Benchmarking report 2011”.

Time horizon of the analyses reported in the first 4 chapters is the 2-year period represented by the sporting seasons 2011/12 and 2012/13.

Data referring to the transfer expenditure, used in chapter 5, cover the sporting seasons from 2008/09 to 2012/13.

The analyses reported in the first 4 chapters are based on each incoming and outgoing transfer transaction involving European countries occurred during the aforementioned time frame, with a specific focus on the ones involving the clubs of the major 5 European leagues.

As described in the next page, European clubs were segmented into 3 different bundles (top, medium and low bundle) and major 5 leagues’ clubs into 4 clusters.

In this Study, the major 5 European leagues included only the clubs competing in the respective top divisions during the period of analysis, whereas respective lower division clubs were not included.

Data referring to international transfers provided by FIFA TMS are in US Dollars.

With the exception of the above, other data obtained in a currency different from Euro were converted, using the average conversion rate applicable during the period the data referred to.

METHODOLOGY - BUNDLES & CLUSTERS



For the analyses regarding the major 5 leagues we segmented the clubs into **4 clusters** based on their ranking in their respective league during the sporting seasons 2011/12 and 2012/13. For all 5 leagues, with the exception of the Bundesliga, each cluster is made of 5 clubs:

- **Cluster 1** Clubs ranking from 1st to 5th
- **Cluster 2** Clubs ranking from 6th to 10th
- **Cluster 3** Clubs ranking from 11th to 15th
- **Cluster 4** Clubs ranking from 16th to 20th

As per the Bundesliga, due to 18 clubs playing in the league, the first 2 clusters are composed each by 4 clubs, whereas cluster 3 and 4 are made of 5 clubs per season.

POPULATION OF THE STUDY

The Study offers an analysis of the current European transfer market from 2 perspectives:

> International transfers in which a European club was involved

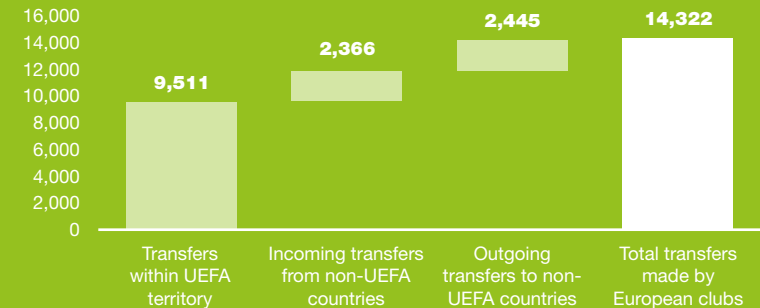
The total number of international transfers made by European clubs in the 2-year period 2011/12 and 2012/13 was 14,322 for a total value of \$5,147m.

66% of transfers were within the UEFA territory, whereas the remaining 34% were evenly distributed between incoming and outgoing transfers with non-UEFA countries.

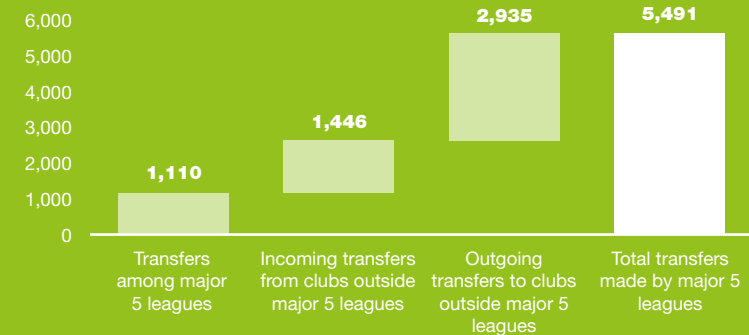
> International and domestic transfers in which a major 5 leagues' club was involved

The total number of transfers made by major 5 leagues' clubs in the two-year period 2011/12 and 2012/13 was 5,491 for a total value of €4,853m. Only 1,110 (20%) occurred amongst the major 5 leagues' clubs, whereas 2,935 (54%) were outgoing transfers from these clubs.

2011/2013 International Transfers Made by European Clubs



2011/2013 Number of Transfers of the Major 5 Leagues' Clubs



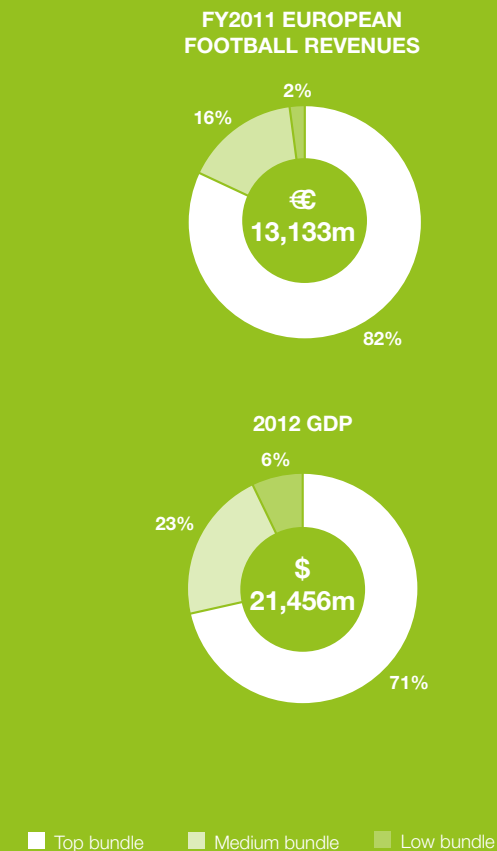
POSITIVE CORRELATION BETWEEN FOOTBALL AND THE REST OF THE ECONOMY

Football industry is not different to the rest of the economy

82% of European football revenues in FY2011 were generated by clubs competing within the top bundle countries. Top bundle countries also accounted for 71% of total European Gross Domestic Product in 2012.

At the same time, the €65m average revenues of a top bundle country were much higher than those of a medium and low bundle country: respectively €9m and €1m.

Football Revenues & GDP of European Countries by Bundle



EUROPEAN CLUBS' REVENUE GROWTH WAS ABSORBED BY EMPLOYEE COSTS

In relative terms, transfer expenditure did not increase during past years compared to the revenue growth

Margin after Employee Costs and Transfer Expenditure



Although revenues within the European football industry increased continuously from 2007 to 2011, transfer expenditure as a percentage of revenues decreased during the same period from 28% to 22% remaining stable at approximately €3bn per year.

However, employee costs increased by 8.5%, absorbing a large part of the revenue growth.

THERE IS SUBSTANTIAL REDISTRIBUTION OF PLAYERS FROM BIG CLUBS TO SMALLER ONES...

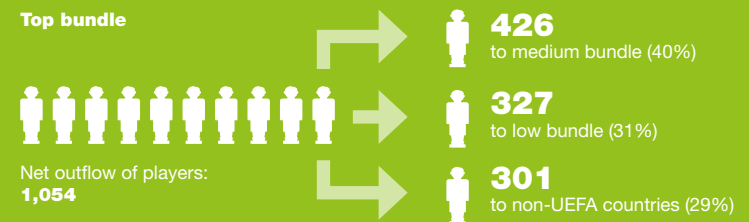
Redistribution of players is proven by the current transfer mechanism

Clubs competing in top bundle countries redistributed 1,054 players to the rest of the world.

At the same time, major 5 leagues' clubs contributed significantly to the redistribution with a net outflow of 877 players.

Redistribution of players was proven from 2 perspectives:

> International transfers in which a European club was involved



> International and domestic transfers in which a major 5 leagues' club was involved



...ALONG WITH REDISTRIBUTION OF MONEY

The current transfer system allows for redistribution of money from top to bottom

European clubs within top bundle countries distributed \$1.028m to the rest of the world during the 2-year period 2011/12 and 2012/13.

With respect to the transfers involving major 5 leagues' clubs, it is possible to observe a similar tendency, with a net outflow of €904m heading from clubs in clusters 1 & 2 to lower clusters, respective lower divisions, other European leagues and non-UEFA countries.

Redistribution of money was proven from 2 perspectives:

> International transfers in which a European club was involved



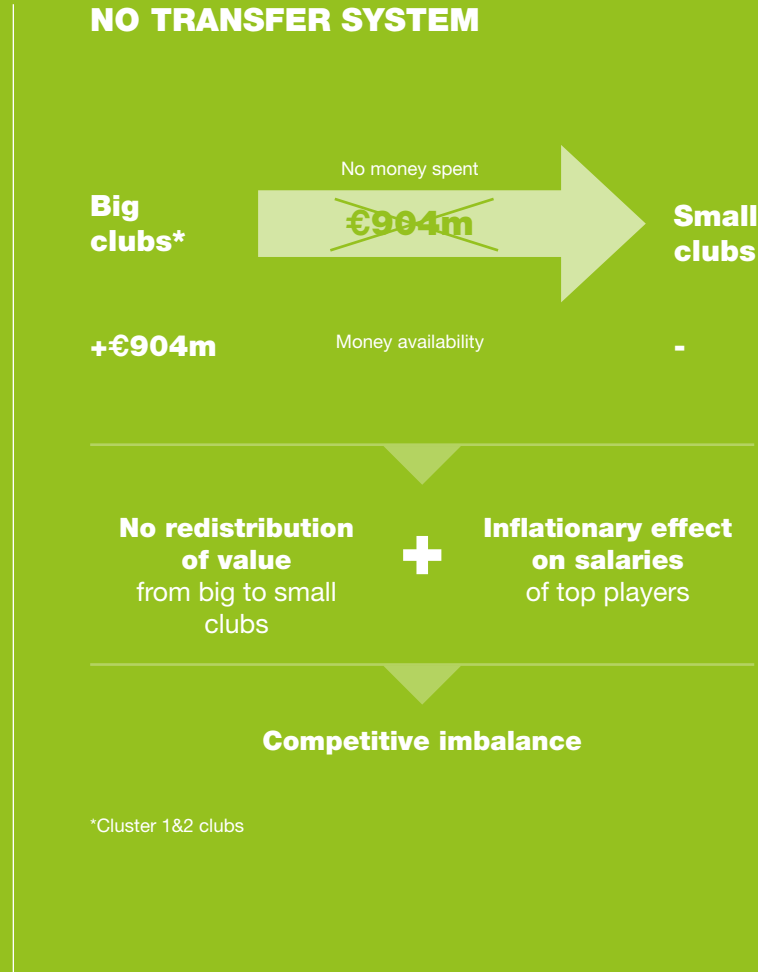
> International and domestic transfers in which a major 5 leagues' club was involved



TRANSFER SYSTEM IS A MECHANISM THAT COUNTERS COMPETITIVE IMBALANCE

Wealth goes to clubs with a larger fan base and the transfer system is a way to redistribute it to clubs with a smaller fan base

Transfer operations are primarily driven by clubs' revenue generating abilities, which are a direct consequence of their fan base. The transfer system is not a source of competitive imbalance. On the contrary, it strives to limit it through the redistribution of value. Without such a system, competitive balance would be greatly compromised as the gap between top players/big clubs and other players/small clubs may widen and top players' salaries may rise significantly



SIGNIFICANT NUMBER AND WEIGHT OF OUT-OF-CONTRACT TRANSFERS

Freedom of movement of players is guaranteed by the current system as out-of-contract transfers represented the majority of the total transfers

73% (or 10,431) of total transfers involving European clubs during the period 2011/12-2012/13 were out-of-contract transfers.

The remaining transfers were evenly distributed between permanent deals (13%) and loans (14%).

The average transfer value was equal to \$0.4m. However, if we exclude both out-of-contract transfers and loans, the average value increases to \$2.7m.

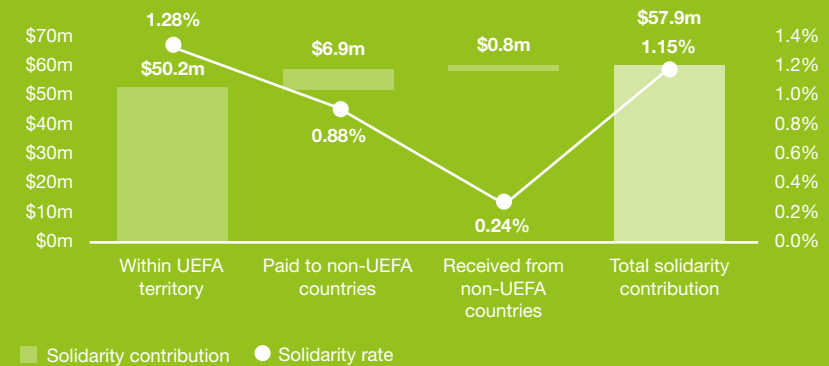
2011/2013 International Transfers Made by European Clubs by Type



SOLIDARITY CONTRIBUTION LOWER THAN EXPECTED

The collection of solidarity contribution has to be enhanced

2011/2013 Solidarity Contribution Involving European Clubs



According to the FIFA regulations, solidarity contribution paid by clubs for international transfers over the last 2 seasons should have been approximately \$257m, equal to 5% of the overall transfer fee. However, the effective solidarity contribution recorded for this period amounted to \$57.9m (1.15% of transfer fee), showing a gap of more than \$199m with respect to the theoretical figure. In other words, solidarity contribution represented only 1.15% of the overall transfer fee arising from international transfers, well under the 5% threshold set by FIFA.

Clubs competing within the UEFA territory appeared closer to being compliant, but even in those countries with the highest solidarity rate (such as Germany and Italy), the observed solidarity rate was significantly below the required level.

At this stage, focus on visibility and collection should come before increasing the rate, as such uplift would penalise compliant clubs, making them pay more, while further discouraging non-compliant clubs to observe the solidarity mechanism.

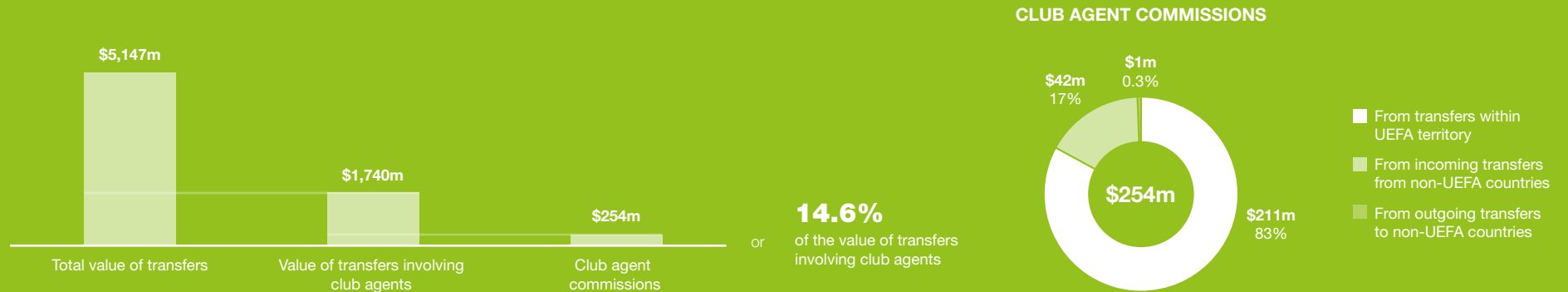
SIGNIFICANTLY HIGH AMOUNT OF CLUB AGENT COMMISSIONS

The role of club agents and their compensation should be reviewed carefully

Club agents were involved in transfers with a total value of \$1,740m. For their contribution they earned commissions amounting to \$254m, equal to 14.6% of the value of transfers in which they were involved.

Such percentage appears significantly high, considering that commissions paid to player agents were not taken into account.

2011/2013 Club Agent Commissions from Transfers Involving European Clubs



MORE THAN HALF OF TOTAL INTERNATIONAL LOANS INVOLVED UNDER 23 PLAYERS

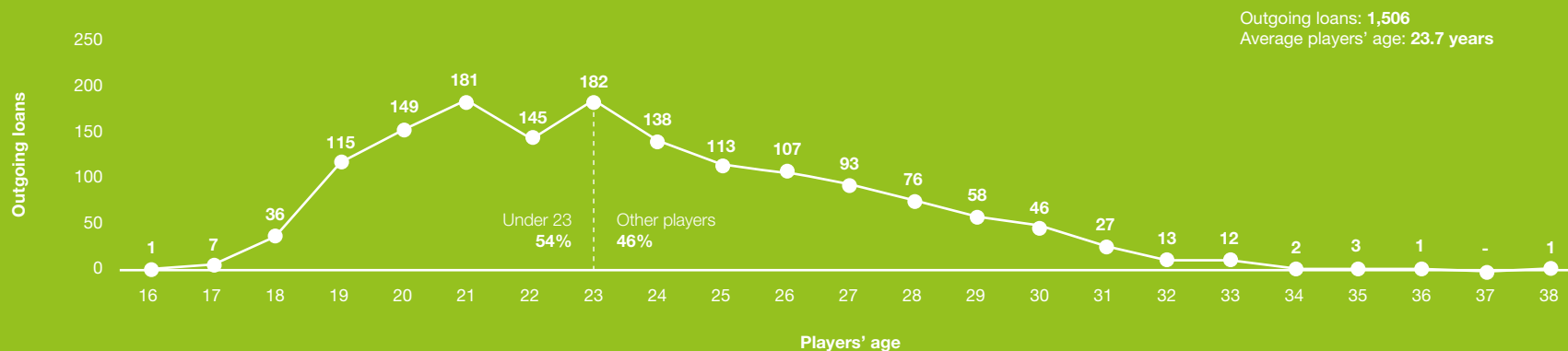
Loans are a fundamental tool for the development of young players as they allow them to gain first team experience

Loans appear to be a very popular practice which allows young players to gain invaluable first-team experience.

Loans involving under 23 players represented 60% of the incoming and 54% of the outgoing loans with the average age of players transferred on loan being between 23 and 24 years for both incoming and outgoing loans.

Spanish and Portuguese clubs had the highest number of international incoming loans amongst top bundle countries, whereas English and Italian clubs had the highest number of outgoing loans.

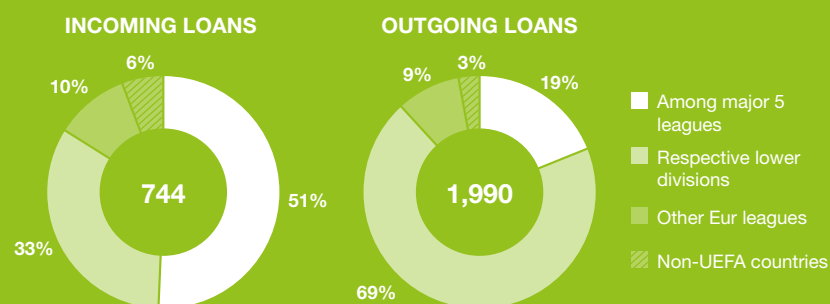
2011/2013 Outgoing Loans of European Clubs by Players' Age



WIDESPREAD LOAN PRACTICE IN THE MAJOR 5 LEAGUES

Although loan practice is widespread in the major 5 leagues, the market does not appear to grant value for loans

2011/13 Breakdown of Loans by Origin/Destination



The total number of loans in the 2-year period 2011/12 and 2012/13 was 2,355, representing 43% of the overall transfers made by major 5 leagues' clubs, and demonstrating a widespread use of this practice.

In fact, of the 2,355 loans observed, only 11% were backed by a monetary compensation.

Furthermore, 69% of outgoing loans granted by major 5 leagues' clubs were directed to the respective lower divisions

11%

The percentage of loans made by major 5 leagues' clubs that involved a monetary compensation

Players' Movement

- > Chapter Summary
- > Number of International Transfers Made by European Clubs
- > Aggregated Number of Transfers Made by Major 5 European Leagues' Clubs





1

CHAPTER SUMMARY

Overall, there were 14,322 transfers made by European clubs in the 2-year period 2011/12 and 2012/13, with 66% of those being made within Europe and the remainder being primarily driven by transfers from and to South America (14%), Asia (8%) and Africa (7%).

Transfer volumes between European clubs and those in non-UEFA countries during this period show a net outflow of 79 players, with a healthy balance of outgoing (2,445) and incoming (2,366) transfers indicating fluid player movement within the current global transfer market.

The analysis also shows the prominence of transfers for out-of-contract players and also loan deals (see section “Loan activity” for more details), which respectively contribute to 73% (10,431) and 14% (1,975) of the total activity. The high volume of out-of-contract player transfers illustrates that freedom of movement is not only available in the current system, but heavily activated by players and clubs.

Further analysis on European transfer activity has been completed by grouping UEFA clubs into 3 bundles (see section “Methodology” for more details). The overall fluid trend is again evidenced with an equal flow of players both within and between each bundle. The highest volume of transfer activity was the

purchase of players from the top bundle by medium bundle clubs (1,537 or 16%), and the least being top bundle acquisitions from low bundle clubs (590 or 6%).

Focussing on clubs in the major 5 European leagues, the analysis seems to further evidence an active and fluid system, which also provides a redistribution effect towards clubs outside the top tier of world football. Clubs from the major 5 leagues were involved in 5,491 transfers. These clubs recorded a net outflow of 1,489 players, 92% (1,375) of which were attributable to players being redistributed to clubs in lower domestic divisions.

This redistribution mechanism is further evidenced when analysing transfers of players from the top European clubs to the rest. Cluster 1 clubs (see the section “Methodology” for more details) are the main contributors to player redistribution, with 3 times as many players going to other clubs as joining them resulting in a net outflow of 504 players, 34% of the total.

In fact, all 4 clusters of clubs within the major 5 leagues were net exporters of players, with loan activity being the most prominent, accounting for 43% (2,355) of the total. The Italian Serie A aside, all major 5 leagues were net exporters of players towards non-UEFA countries, further highlighting that the redistributive impact of the current transfer system is not limited to the UEFA region.

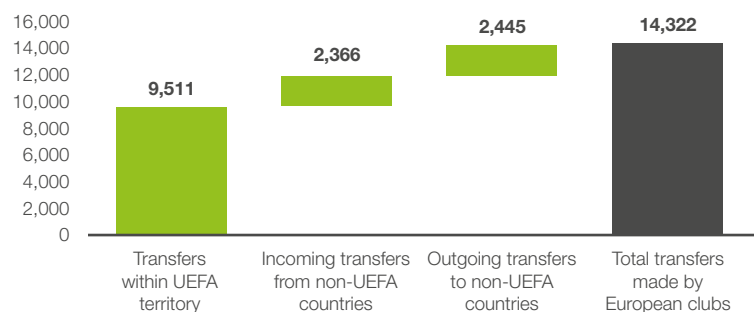
14,322

The total number of international transfers made by European clubs in the 2-year period 2011/12 and 2012/13

NUMBER OF INTERNATIONAL TRANSFERS MADE BY EUROPEAN CLUBS

The period under analysis presents a busy transfer market in which the large part of player exchanges occurred between clubs within the UEFA territory. Incoming players were close to the number of those outgoing with 2 notable exceptions: African clubs being net exporters and Asian clubs being net importers.

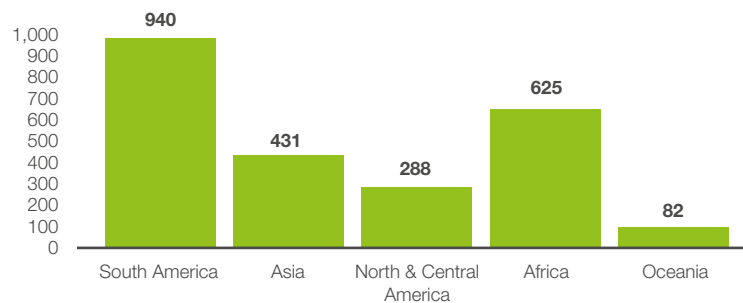
2011/2013 Transfers Made by European Clubs



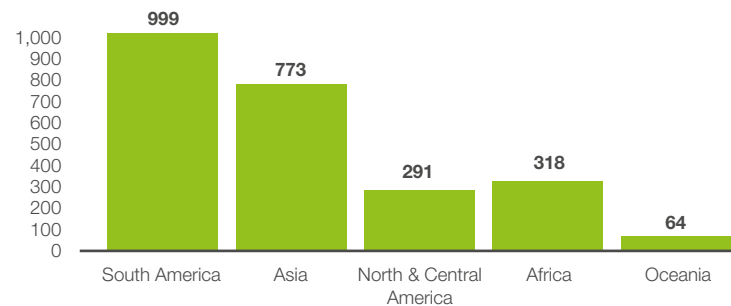
Transfers within UEFA Territory by Bundle

	Top bundle		Medium bundle		Low bundle		Incoming transfers
Top bundle	1,419	15%	1,111	12%	590	6%	3,120
Medium bundle	1,537	16%	1,072	11%	929	10%	3,538
Low bundle	917	10%	967	10%	969	10%	2,853
Outgoing transfers	3,873		3,150		2,488		9,511

Incoming Transfers from Non-UEFA Countries



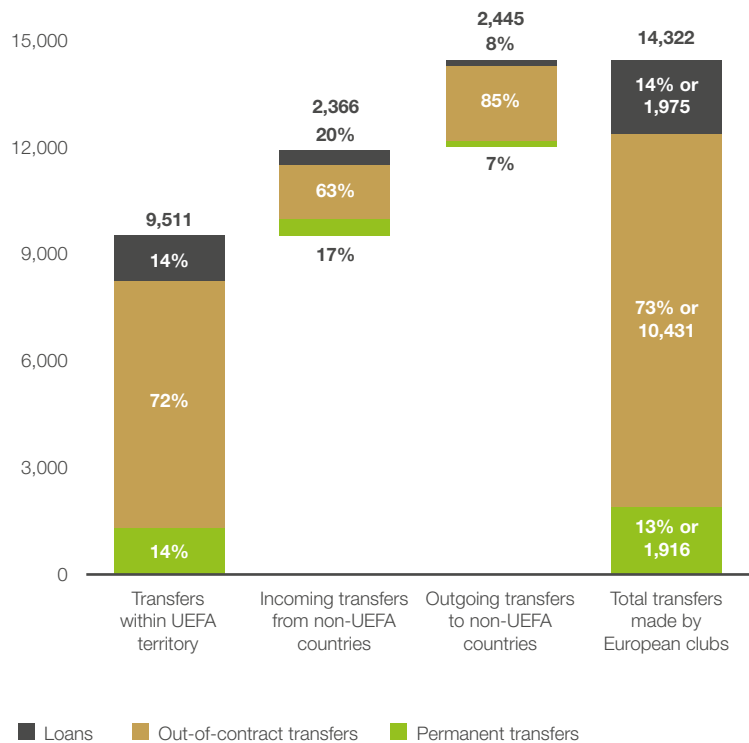
Outgoing Transfers to Non-UEFA Countries



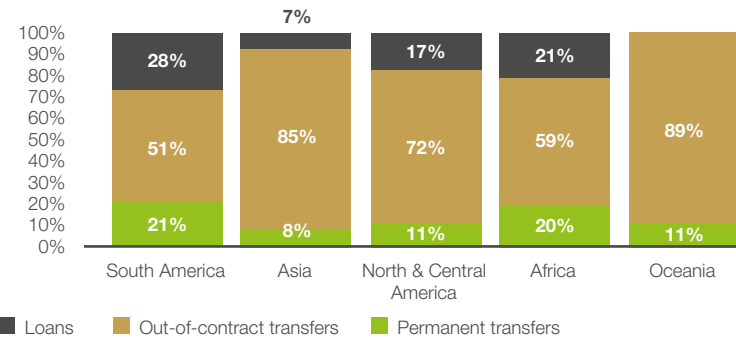
NUMBER OF INTERNATIONAL TRANSFERS MADE BY EUROPEAN CLUBS BY TYPE

The percentage of permanent transfers is significantly higher for transactions occurring among European clubs and incoming transfers from non-UEFA countries compared to outgoing transfers to non-UEFA countries. South America and Africa accounted for a large part of such pattern.

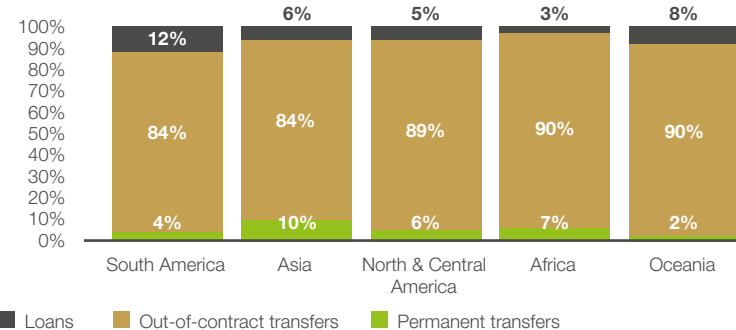
2011/2013 Transfers Made by European Clubs by Type



Incoming Transfers from Non-UEFA Countries by Type



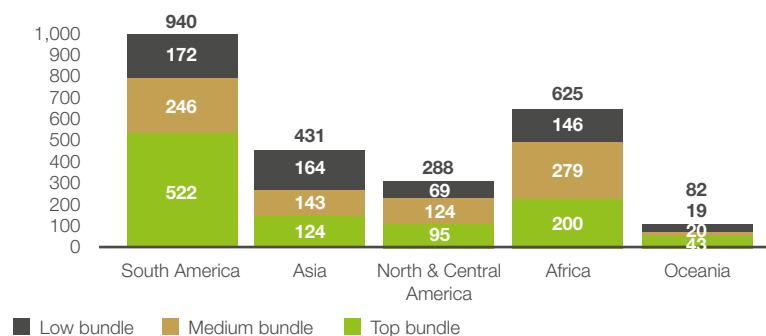
Outgoing Transfers to Non-UEFA Countries by Type



INTERNATIONAL INCOMING AND OUTGOING TRANSFERS BY BUNDLE

Clubs playing in top bundle countries were the most active on the transfers market. Portuguese clubs were involved in the largest number of transfers and experienced a balanced net flow. Spain and Germany were among the main exporters of players, transferring mainly in 2 directions: South America and Asia.

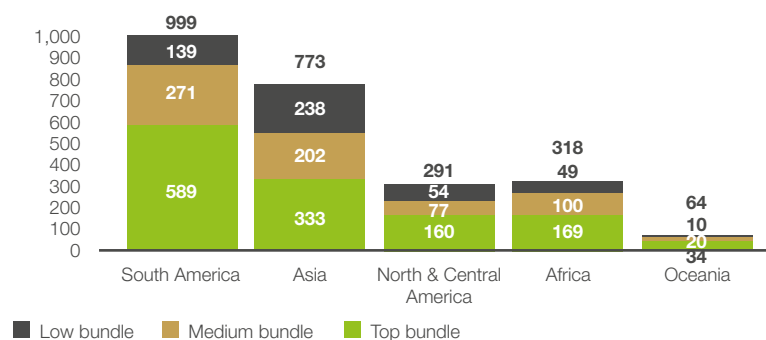
Incoming Transfers from Non-UEFA Countries by Bundle



Top Bundle: Incoming Transfers from Non-UEFA Countries

	S. America	Asia	N&C America	Africa	Oceania	Total	
Portugal	224	30	5	45	-	304	31%
France	27	17	10	86	-	140	14%
Italy	117	3	2	4	2	128	13%
England	16	12	39	16	25	108	11%
Spain	80	6	9	6	-	101	10%
Germany	12	32	19	8	7	78	8%
Turkey	17	9	1	25	2	54	5%
Russia	17	11	5	5	1	39	4%
Netherlands	12	4	5	5	6	32	4%

Outgoing Transfers to Non-UEFA Countries by Bundle



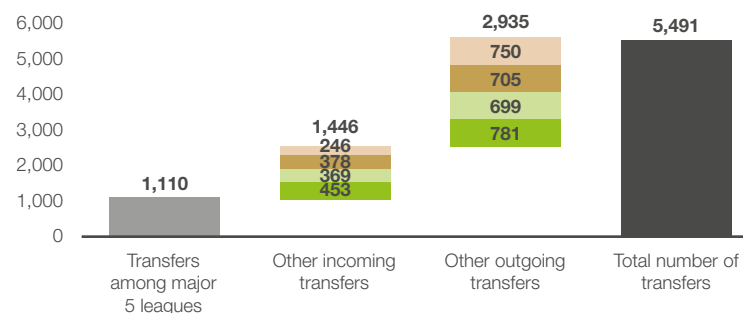
Top Bundle: Outgoing Transfers to Non-UEFA Countries

	S. America	Asia	N&C America	Africa	Oceania	Total	
Portugal	226	54	8	34	1	323	25%
Spain	105	45	28	17	-	195	15%
France	26	60	13	76	2	177	14%
Italy	120	21	13	2	5	161	13%
England	18	38	57	7	12	132	10%
Germany	35	37	25	9	4	110	9%
Russia	20	47	1	2	-	70	5%
Turkey	29	18	4	14	2	67	5%
Netherlands	10	13	11	8	8	50	4%

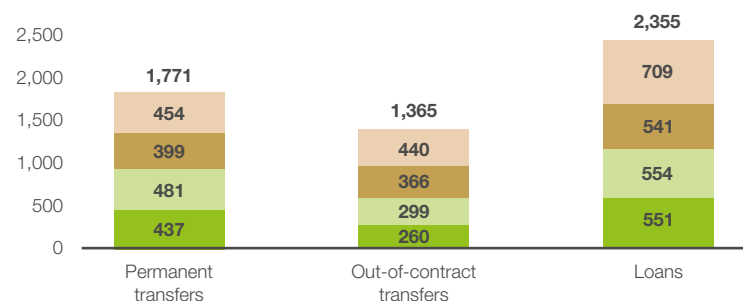
AGGREGATED NUMBER OF TRANSFERS MADE BY MAJOR 5 EUROPEAN LEAGUES' CLUBS

Major 5 European leagues play an essential role in providing players to other leagues. The largest outflow of players occurred within clubs from cluster 1, which are also the most active in the transfers market.

2011/2013 Transfers Made by Major 5 Leagues' Clubs



2011/2013 Breakdown of Transfers by Type



The graphs shown in this section refers to clubs playing in the major 5 European leagues:

Ligue 1 - Bundesliga - Premier League - La Liga - Serie A

Those clubs are divided into 4 different clusters based on their ranking in their respective league during the sporting seasons 2011/12 and 2012/13.

For all the 5 leagues, with the exception of Bundesliga, each cluster is made of 5 clubs:

- **Cluster 1** Clubs ranking from 1st to 5th
- **Cluster 2** Clubs ranking from 6th to 10th
- **Cluster 3** Clubs ranking from 11th to 15th
- **Cluster 4** Clubs ranking from 16th to 20th

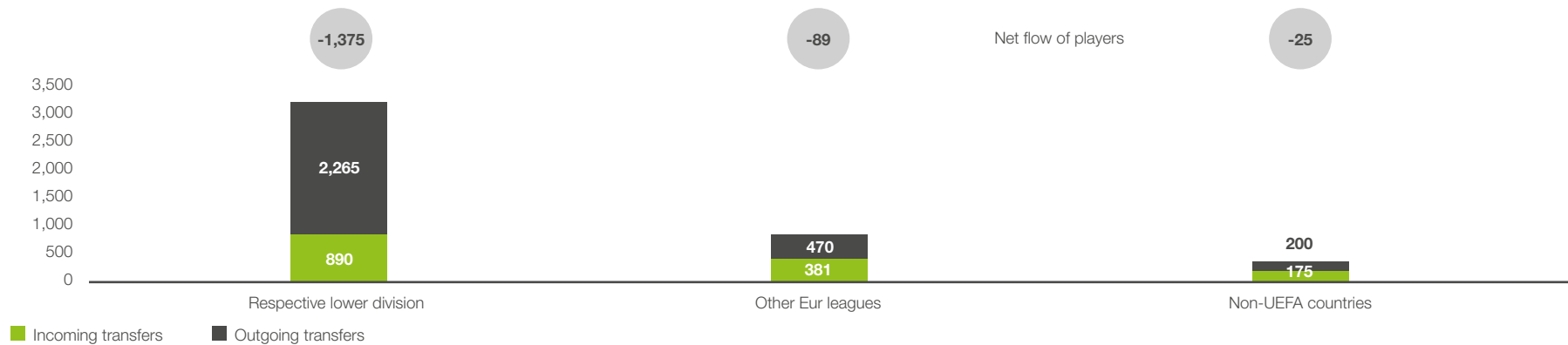
As per the Bundesliga, due to 18 clubs playing in the league, the first 2 clusters are composed each by 4 clubs, whereas cluster 3 and 4 are made of 5 clubs per season.

More details regarding the classification of the clubs into the 4 clusters are reported in the next pages of the Study.

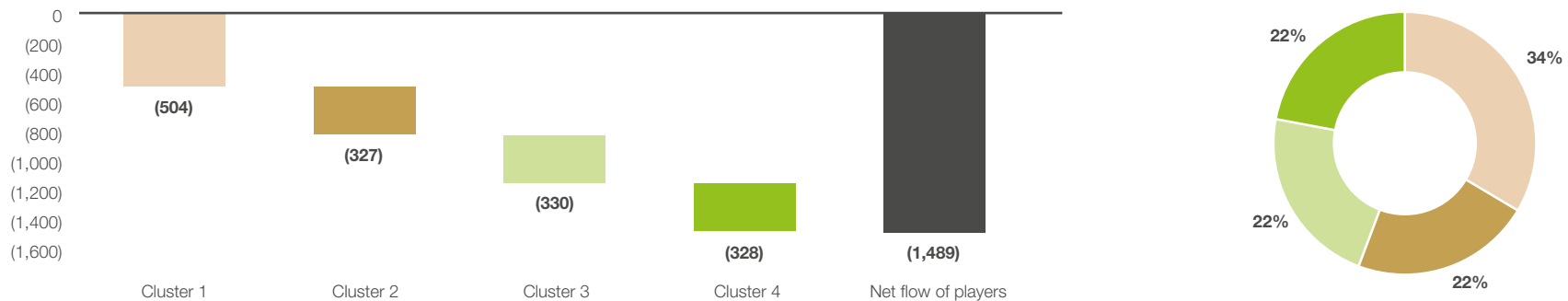
AGGREGATED NUMBER OF TRANSFERS MADE BY MAJOR 5 EUROPEAN LEAGUES' CLUBS

The most intense exchange of players occurred with clubs from respective lower divisions, where the number of transfers in an outgoing direction prevailed. While players left clubs from all clusters, those from cluster 1 experienced the most significant outflow.

2011/2013 Net Flow of Players of Major 5 Leagues vs. Other Leagues by Origin / Destination



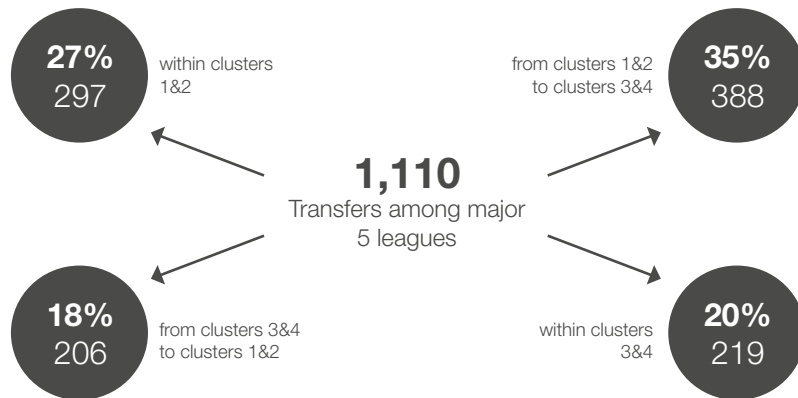
2011/2013 Net Flow of Players of Major 5 Leagues vs. Other Leagues by Cluster



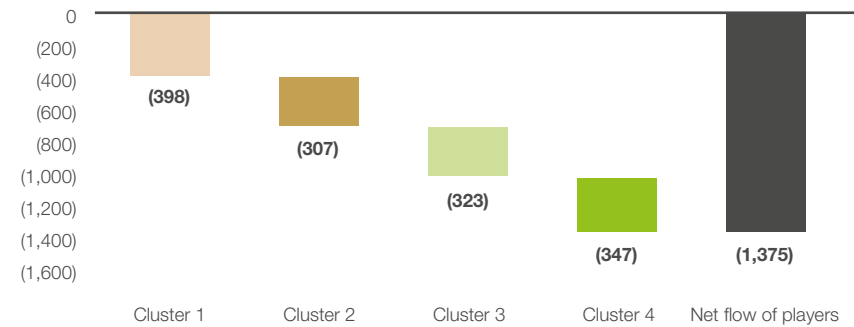
AGGREGATED NUMBER OF TRANSFERS MADE BY MAJOR 5 EUROPEAN LEAGUES' CLUBS

Respective lower divisions, other European leagues and non-UEFA countries saw an inflow of players coming from major 5 leagues. As far as transfers between major 5 leagues' clubs are concerned, the most common trend was that players from clusters 1 and 2 were transferred to clusters 3 and 4.

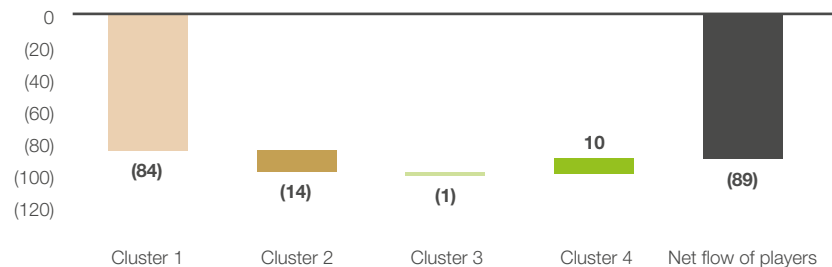
2011/2013 Transfers among Major 5 Leagues



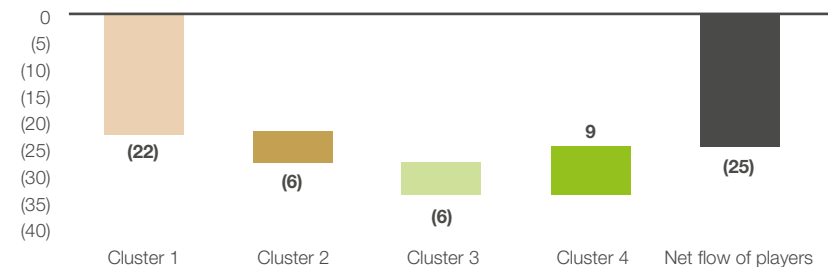
2011/2013 Major 5 Leagues vs. Respective Lower Divisions



2011/2013 Major 5 Leagues vs. Other European Leagues



2011/2013 Major 5 Leagues vs. Non-UEFA Countries



AGGREGATED NUMBER OF TRANSFERS MADE BY MAJOR 5 EUROPEAN LEAGUES' CLUBS

Major 5 leagues were a net exporter of players towards all 3 main directions (respective lower divisions, other European leagues, non-UEFA countries). The exchange of players between them and lower divisions from the same country was with a ratio of 1:3. Major 5 leagues saw a positive balance of players inflowing through permanent transfers.

2011/2013 Transfers among Major 5 Leagues

	Cluster 1		Cluster 2		Cluster 3		Cluster 4		Incoming transfers
Cluster 1	81	7%	65	6%	35	3%	71	6%	252
Cluster 2	89	8%	62	6%	35	3%	65	6%	251
Cluster 3	88	8%	62	6%	33	3%	55	5%	238
Cluster 4	134	12%	104	9%	62	6%	69	6%	369
Outgoing transfers	392		293		165		260		1,110

2011/2013 Major 5 Leagues vs. Respective Lower Divisions



	P	O	L	TOT
IN	402	242	246	890
OUT	392	503	1370	2265
NET	10	-261	-1124	-1375

2011/2013 Major 5 Leagues vs. Other European Leagues



	P	O	L	TOT
IN	222	88	71	381
OUT	121	162	187	470
NET	101	-74	-116	-89

2011/2013 Major 5 Leagues vs. Non-UEFA Countries



	P	O	L	TOT
IN	98	29	48	175
OUT	49	97	54	200
NET	49	-68	-6	-25

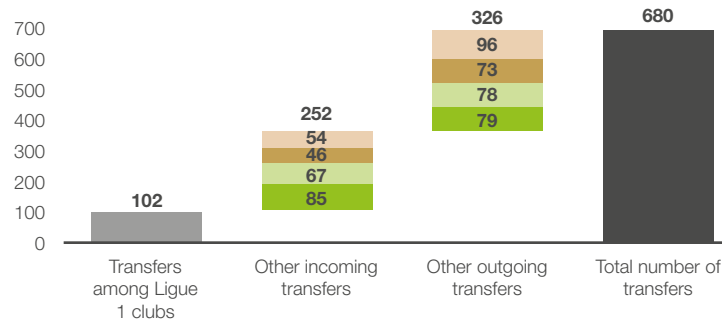
P= Permanent transfers O= Out-of-contract transfers L= Loans

LIGUE 1 – NUMBER OF TRANSFERS

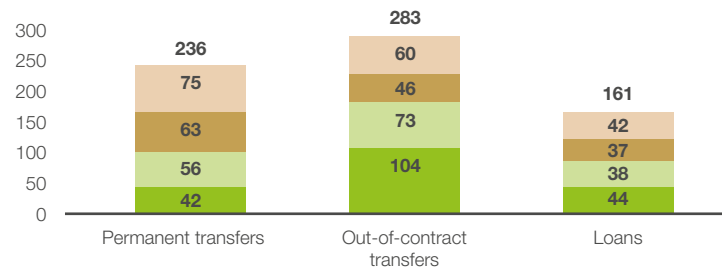


The large part of player transfers in French Ligue 1 were carried out with other leagues. All clubs, except those in cluster 4, were net exporters of players. Clubs from cluster 4 acquired mostly out-of-contract players, while permanent transfers were more frequently realized by top clubs.

2011/2013 Total Number of Transfers by Cluster



2011/2013 Breakdown of Transfers by Type



Below the classification of clubs into 4 clusters based on their ranking in the **Ligue 1** during the sporting seasons 2011/12 and 2012/13:

Cluster 1 Clubs ranking from 1st to 5th



Cluster 2 Clubs ranking from 6th to 10th



Cluster 3 Clubs ranking from 11th to 15th



Cluster 4 Clubs ranking from 16th to 20th

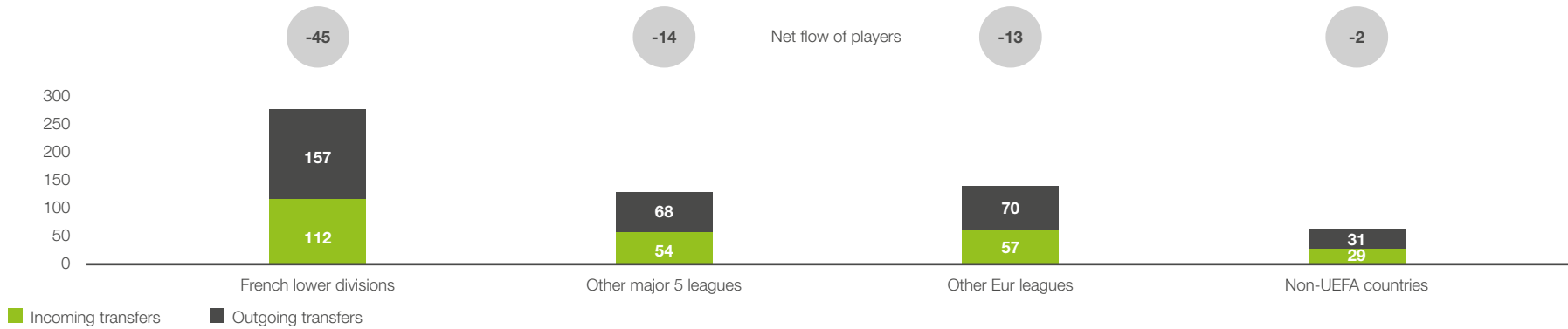




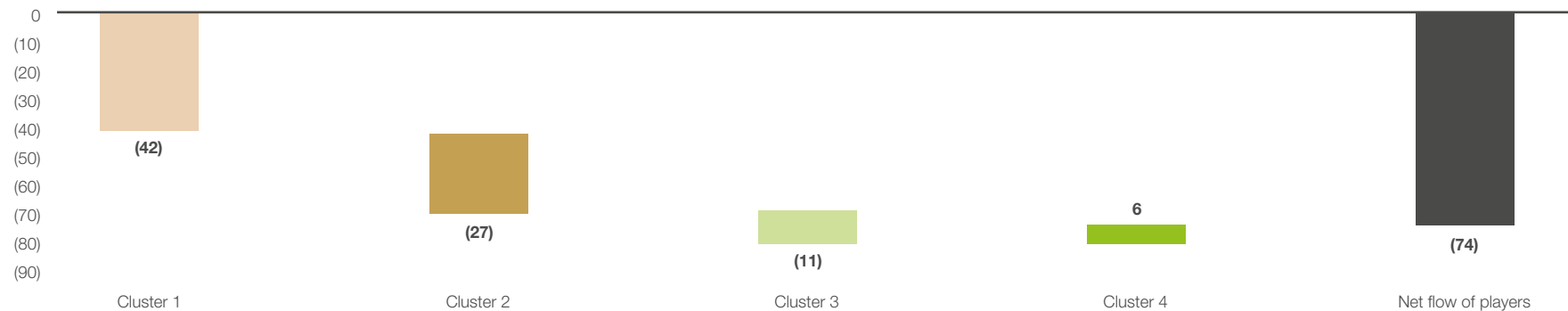
LIGUE 1 – NUMBER OF TRANSFERS

A substantial outflow of players was registered towards French lower divisions. Exchange with non-UEFA countries was balanced, while there was a slight outflow towards other major 5 leagues and other European leagues. Cluster 4 was the only one with a positive net flow of incoming players.

2011/2013 Net Flow of Players of Ligue 1 vs. Other Leagues by Origin / Destination



2011/2013 Net Flow of Players of Ligue 1 vs. Other Leagues by Cluster

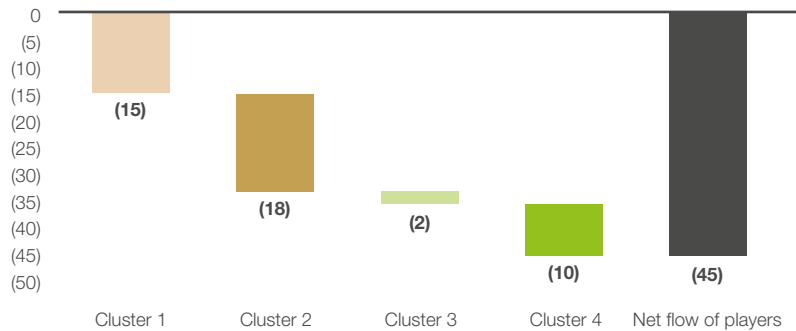


LIGUE 1 – NUMBER OF TRANSFERS

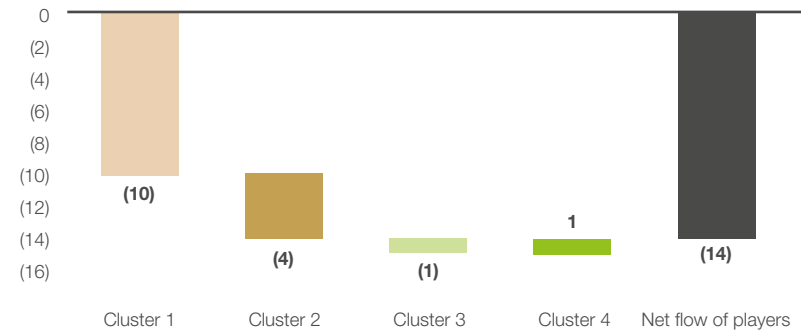


Cluster 1 clubs experienced a negative outflow of players in all directions and accounted for a large part of the overall number of outgoing players. Cluster 4 clubs were the only ones who were a net importer of players from other European leagues.

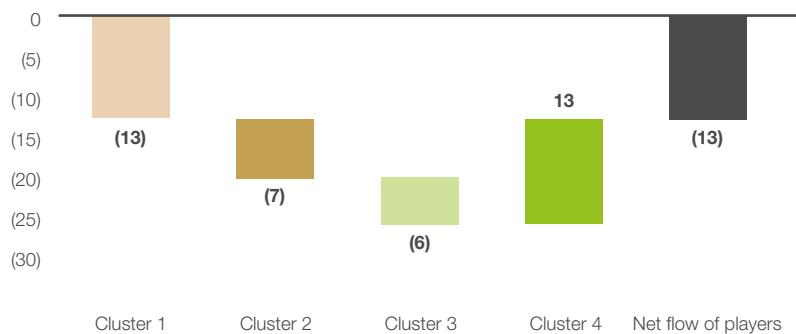
2011/2013 Ligue 1 vs. French Lower Divisions



2011/2013 Ligue 1 vs. Other Major 5 Leagues



2011/2013 Ligue 1 vs. Other European Leagues



2011/2013 Ligue 1 vs. Non-UEFA Countries



LIGUE 1 – NUMBER OF TRANSFERS



Ligue 1 exhibits an outflow of players to external leagues. The most intense exchange occurs with lower divisions in France, and the more common destination was that of players from the top league going to lower level leagues on loan. The top French division is a net exporter to other major 5 leagues and other European leagues.

2011/2013 Ligue 1 vs. French Lower Divisions

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	56	51	5	112
OUT	11	73	73	157
NET	45	-22	-68	-45

2011/2013 Ligue 1 vs. Other Major 5 Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	22	13	19	54
OUT	30	18	20	68
NET	-8	-5	-1	-14

2011/2013 Ligue 1 vs. Other European Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	25	23	9	57
OUT	17	40	13	70
NET	8	-17	-4	-13

2011/2013 Ligue 1 vs. Non-UEFA Countries

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	18	7	4	29
OUT	9	19	3	21
NET	9	-12	1	-2

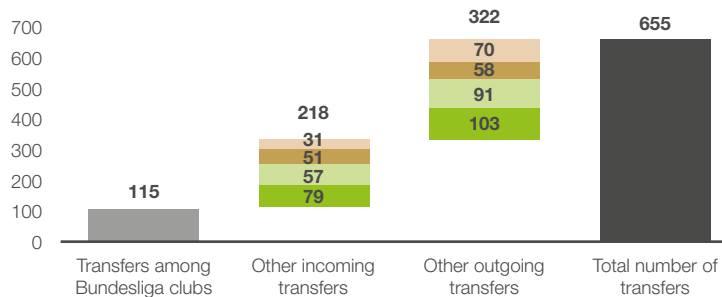
P= Permanent transfers O= Out-of-contract transfers L= Loans

BUNDESLIGA – NUMBER OF TRANSFERS

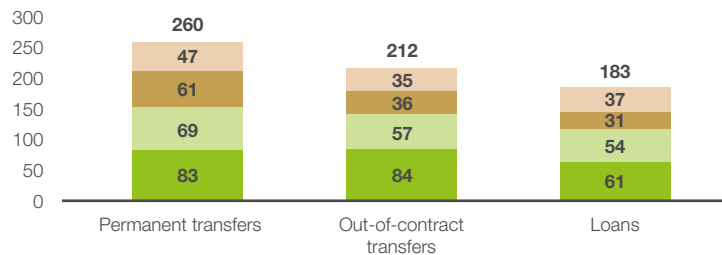


The German Bundesliga is a net exporter of players, mainly due to the flow of players from cluster 1 and cluster 3 clubs to external leagues. Clubs from clusters 1 and 2 were less active in the transfer market as they accounted for only 38% of the overall activity.

2011/2013 Total Number of Transfers by Cluster

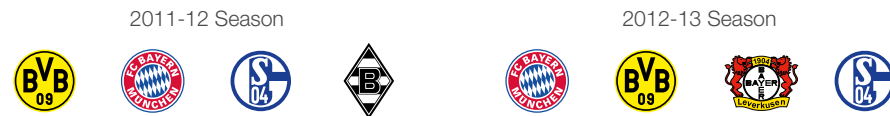


2011/2013 Breakdown of Transfers by Type



Below the classification of clubs into 4 clusters based on their ranking in the **Bundesliga** during the sporting seasons 2011/12 and 2012/13:

Cluster 1 Clubs ranking from 1st to 4th



Cluster 2 Clubs ranking from 5th to 8th



Cluster 3 Clubs ranking from 9th to 13th



Cluster 4 Clubs ranking from 14th to 18th

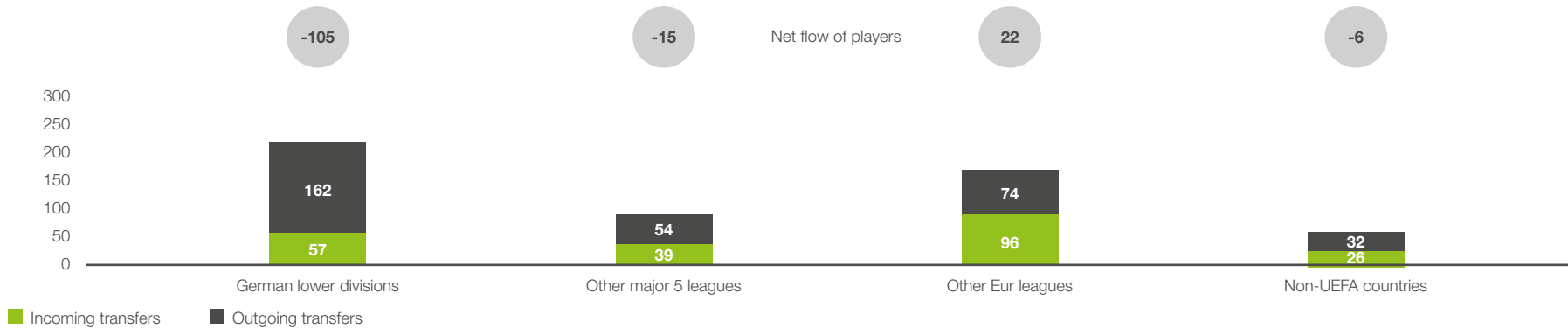


BUNDESLIGA – NUMBER OF TRANSFERS

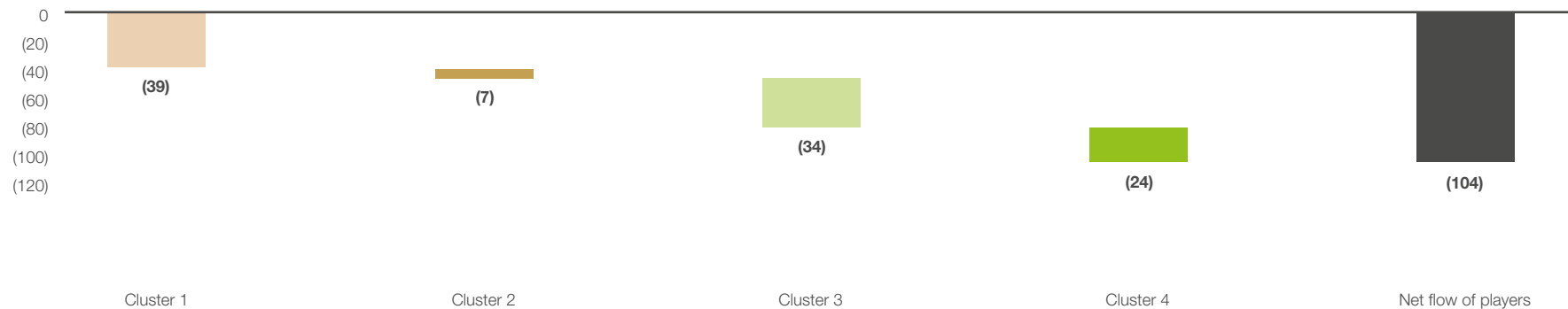


The elite German championship exhibited a net outflow of players, in large part due to transactions where the counterpart was a German lower division club. Other European leagues were a net importer of players to the Bundesliga, as German clubs tend to invest in young foreign talents and develop them in-house.

2011/2013 Net Flow of Players of Bundesliga vs. Other Leagues by Origin / Destination



2011/2013 Net Flow of Players of Bundesliga vs. Other Leagues by Cluster

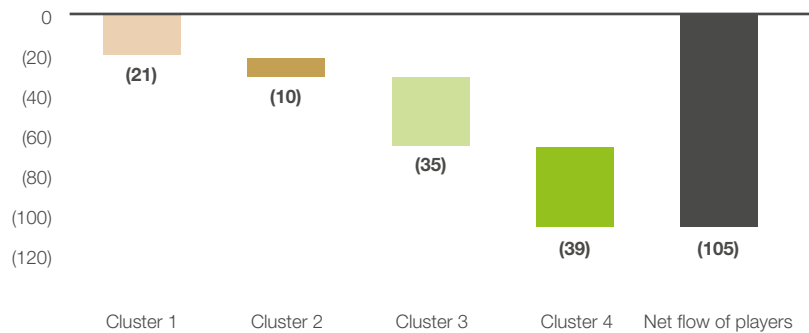


BUNDESLIGA – NUMBER OF TRANSFERS

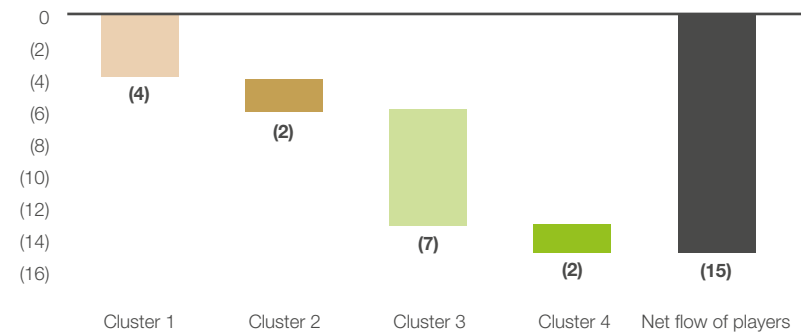


All clubs except those in cluster 1 were net importers of players coming from other European leagues, which is in line with a strategy consisting in acquiring less known “hot” prospects and developing their talents. The largest outflow of players towards German lower divisions was seen by clusters 3 and 4, but was negative for the other 2 as well.

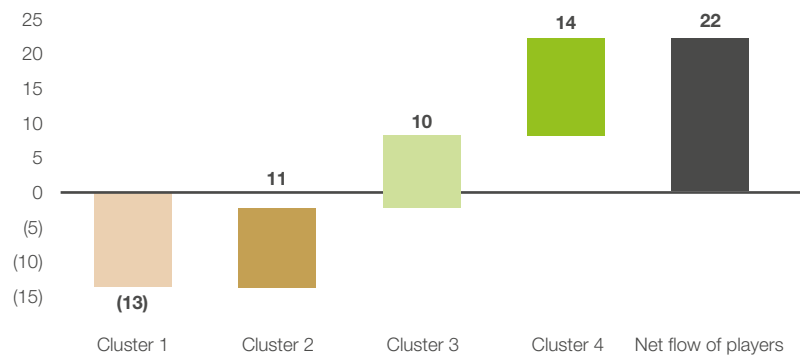
2011/2013 Bundesliga vs. German Lower Divisions



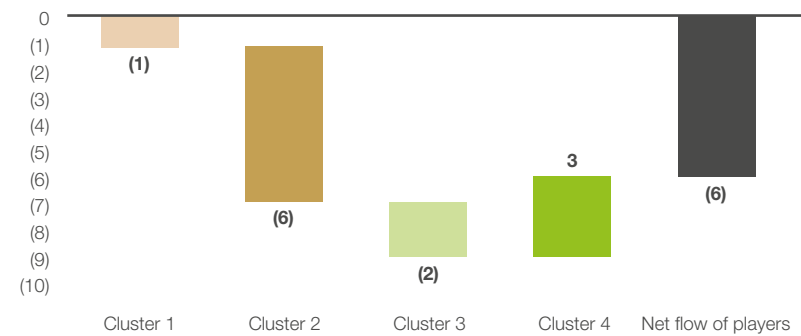
2011/2013 Bundesliga vs. Other Major 5 Leagues



2011/2013 Bundesliga vs. Other European Leagues



2011/2013 Bundesliga vs. Non-UEFA Countries



BUNDESLIGA – NUMBER OF TRANSFERS



The elite German championship attracted many players from other European leagues on permanent transfer, with a ratio of incoming to outgoing players on a permanent transfers of 4:1. It should be noted that top clubs (those in cluster 1) are a net exporter of players to other leagues.

2011/2013 Bundesliga vs. German Lower Divisions

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	34	23	0	57
OUT	23	68	71	162
NET	11	-45	-71	-105

2011/2013 Bundesliga vs. Other Major 5 Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	19	4	16	39
OUT	22	16	16	54
NET	-3	-12	0	-15

2011/2013 Bundesliga vs. Other European Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	74	11	11	96
OUT	18	29	27	74
NET	56	-18	-16	22

2011/2013 Bundesliga vs. Non-UEFA Countries

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	13	5	8	26
OUT	9	15	8	32
NET	4	-10	0	-6

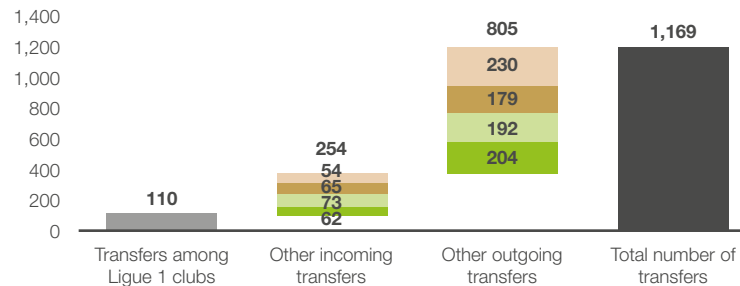
P= Permanent transfers O= Out-of-contract transfers L= Loans

PREMIER LEAGUE – NUMBER OF TRANSFERS

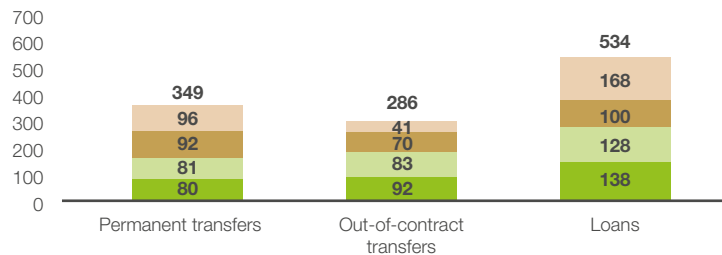


A large part of the players leaving the Premier League are loaned to lower division clubs in England. If loans are not considered, the flow of players incoming and outgoing is balanced. Permanent transfers of players are evenly distributed between clusters with a slight edge for clubs in clusters 1 and 2.

2011/2013 Total Number of Transfers by Cluster



2011/2013 Breakdown of Transfers by Type



Below the classification of clubs into 4 clusters based on their ranking in the **Premier League** during the sporting seasons 2011/12 and 2012/13:

Cluster 1 Clubs ranking from 1st to 5th



Cluster 2 Clubs ranking from 6th to 10th



Cluster 3 Clubs ranking from 11th to 15th



Cluster 4 Clubs ranking from 16th to 20th

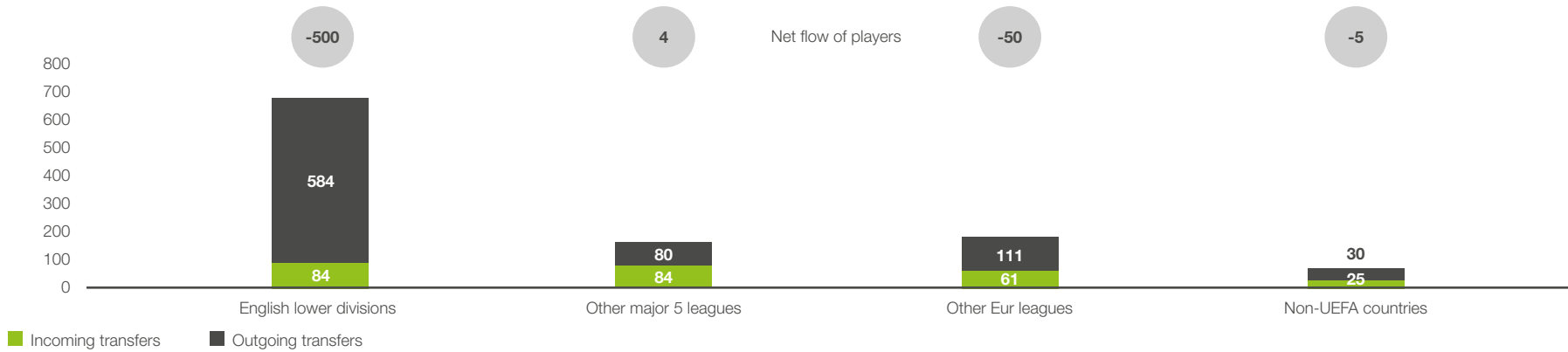


PREMIER LEAGUE – NUMBER OF TRANSFERS

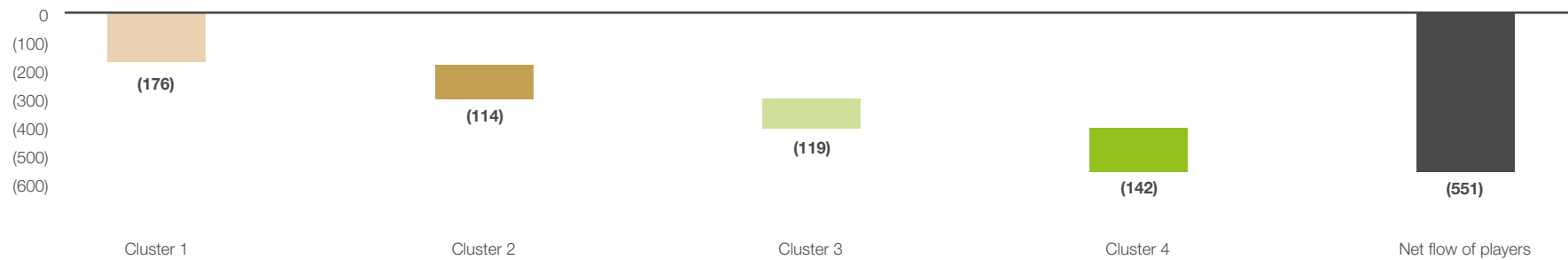


A large part of outgoing transactions occurred with English lower division clubs. Exchange with other major 5 leagues and non-UEFA countries was balanced, while English clubs were net exporters of players to other European leagues. All clusters from the Premier League saw a negative outflow of players, mainly caused by their loan activity.

2011/2013 Net Flow of Players of Premier League vs. Other Leagues by Origin / Destination



2011/2013 Net Flow of Players of Premier League vs. Other Leagues by Cluster

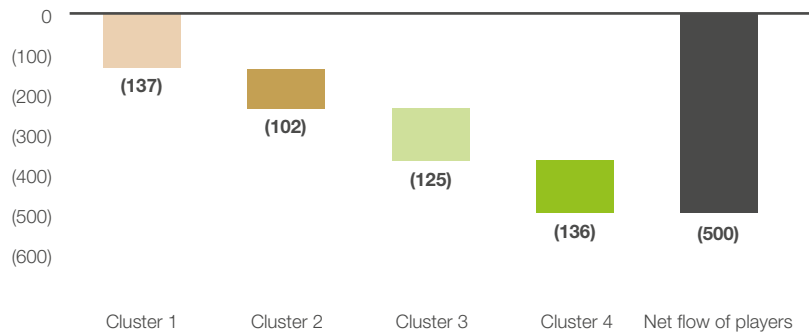


PREMIER LEAGUE – NUMBER OF TRANSFERS

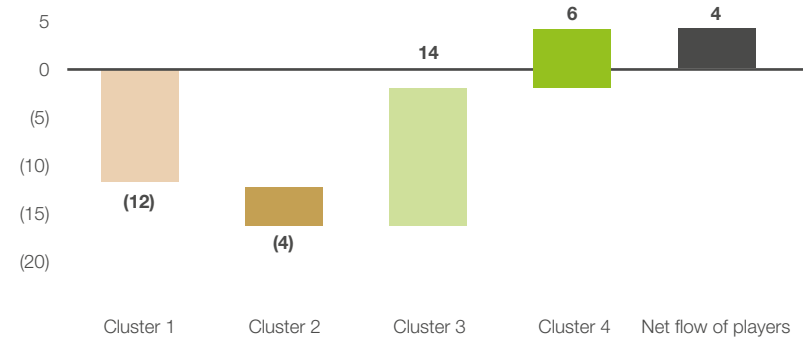


Cluster 1 clubs were net exporters of players towards all directions. They were also the ones who sent the largest number of players towards English lower divisions. Clubs from other major 5 leagues saw a net export to cluster 3 and 4 clubs from the Premier League.

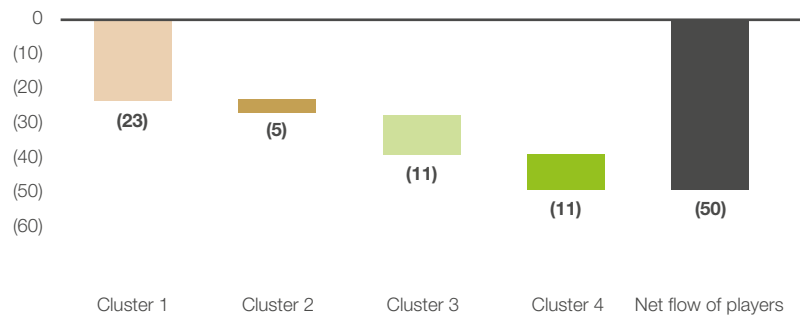
2011/2013 Premier League vs. English Lower Divisions



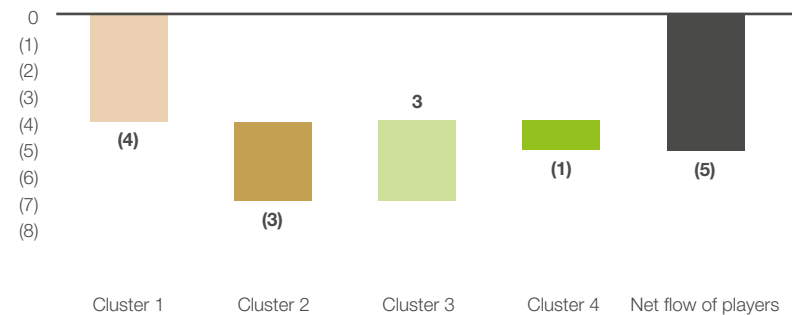
2011/2013 Premier League vs. Other Major 5 Leagues



2011/2013 Premier League vs. Other European Leagues



2011/2013 Premier League vs. Non-UEFA Countries



PREMIER LEAGUE – NUMBER OF TRANSFERS



The Premier League was a net exporter of players, even if loans are not considered. The main type of outgoing players were those who were out-of-contract. If only permanent transfers are considered, Premier League clubs were net importers, as many players came from other major 5 leagues and other European leagues.

2011/2013 Premier League vs. English Lower Divisions

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	60	22	2	84
OUT	63	143	378	584
NET	-3	-121	-376	-500

2011/2013 Premier League vs. Other Major 5 Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	56	10	18	84
OUT	24	16	40	80
NET	32	-6	-22	4

2011/2013 Premier League vs. Other European Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	47	9	5	61
OUT	23	37	51	111
NET	24	-28	-46	-50

2011/2013 Premier League vs. Non-UEFA Countries

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	13	4	8	25
OUT	7	13	10	30
NET	6	-9	-2	-5

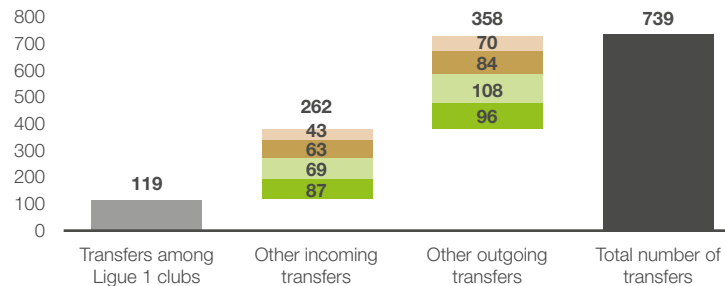
P= Permanent transfers O= Out-of-contract transfers L= Loans

LA LIGA – NUMBER OF TRANSFERS

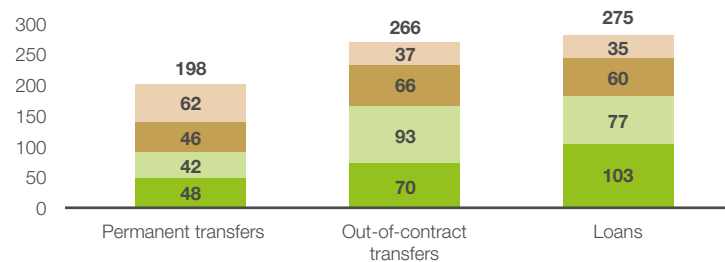


Clubs from all clusters in Spanish La Liga were net exporters of players to other leagues. Top clubs engaged more often in permanent transfers, clubs from clusters 2 and 3 signed more out-of-contract players, and those from cluster 4 frequently acquired players through out-of-contract transfers and loans.

2011/2013 Total Number of Transfers by Cluster



2011/2013 Breakdown of Transfers by Type



Below the classification of clubs into 4 clusters based on their ranking in the **La Liga** during the sporting seasons 2011/12 and 2012/13:

Cluster 1 Clubs ranking from 1st to 5th



Cluster 2 Clubs ranking from 6th to 10th



Cluster 3 Clubs ranking from 11th to 15th



Cluster 4 Clubs ranking from 16th to 20th

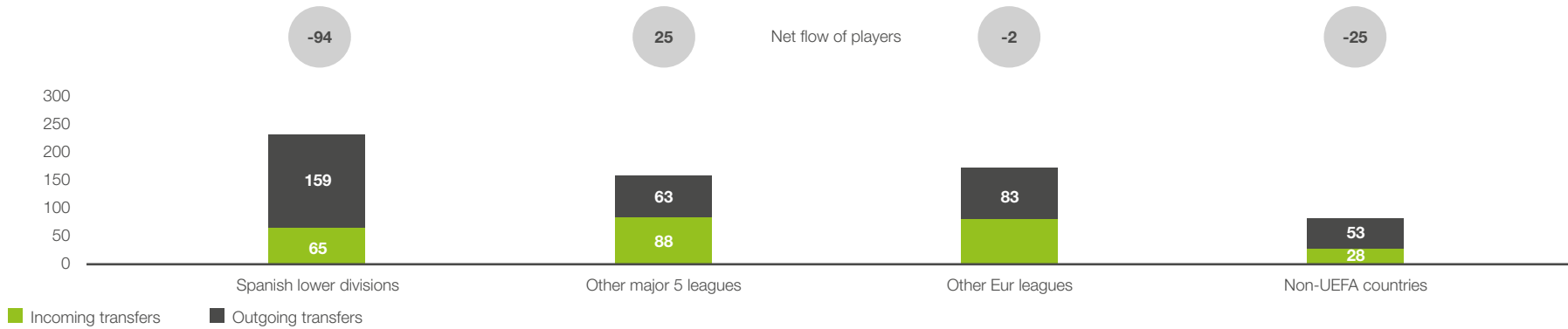


LA LIGA – NUMBER OF TRANSFERS

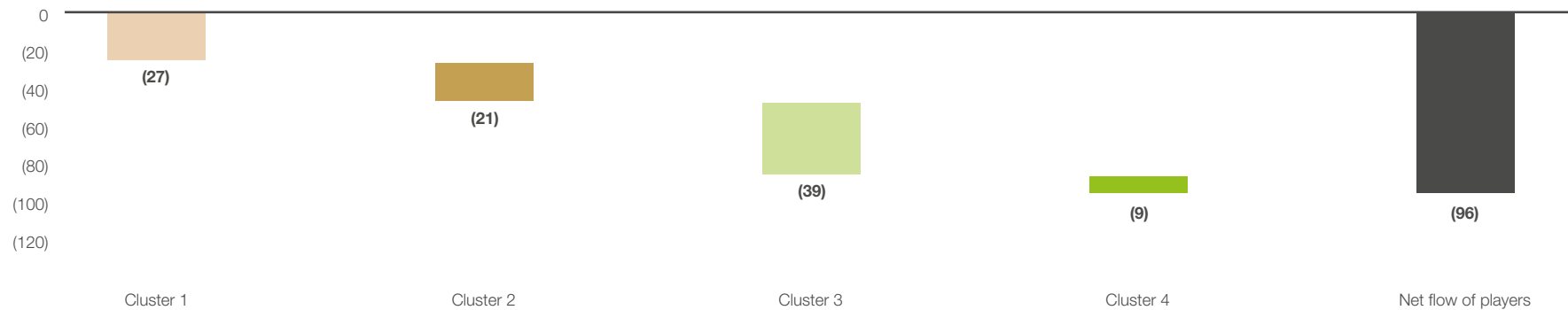


La Liga clubs from all clusters were net exporters of players to other leagues, mainly due to players moving towards Spanish lower divisions and non-UEFA countries. On the other hand, Spanish clubs were a net importer of players from other major 5 leagues. Overall, clubs from all clusters were net exporters of players.

2011/2013 Net Flow of Players of La Liga vs. Other Leagues by Origin / Destination



2011/2013 Net Flow of Players of La Liga vs. Other Leagues by Cluster

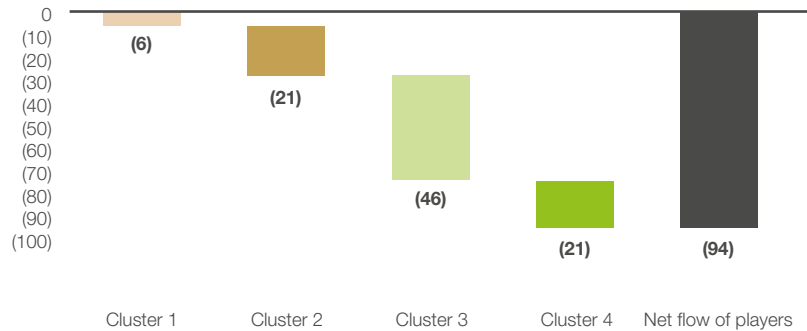


LA LIGA – NUMBER OF TRANSFERS



Only cluster 1 clubs saw a net outflow of players in all directions, although the outflow of players towards lower divisions was limited in comparison with clubs in the other clusters. All clusters, with the exception of cluster 1, were net importers of players from the other major 5 leagues.

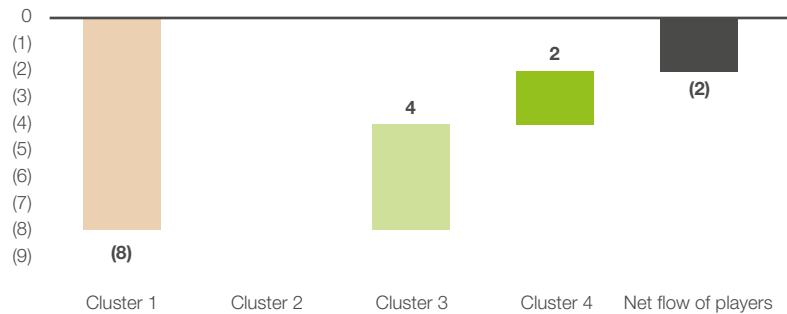
2011/2013 La Liga vs. Spanish Lower Divisions



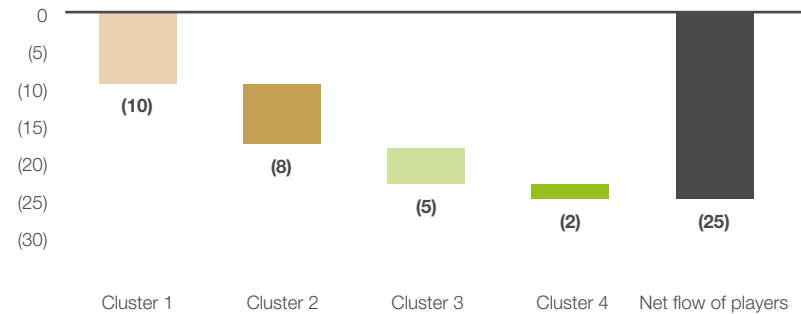
2011/2013 La Liga vs. Other Major 5 Leagues



2011/2013 La Liga vs. Other European Leagues



2011/2013 La Liga vs. Non-UEFA Countries



LA LIGA – NUMBER OF TRANSFERS



Lower divisions in Spain and non-UEFA countries saw a positive flow of players incoming from La Liga. All four clusters of clubs from La Liga were net importers of players from the other major 5 leagues. The exchange of players with other European leagues was balanced.

2011/2013 La Liga vs. Spanish Lower Divisions

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	21	37	7	65
OUT	14	62	83	159
NET	7	-25	-76	-94

2011/2013 La Liga vs. Other Major 5 Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	23	17	48	88
OUT	27	13	23	63
NET	-4	4	25	25

2011/2013 La Liga vs. Other European Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	24	29	28	81
OUT	25	33	25	83
NET	-1	-4	3	-2

2011/2013 La Liga vs. Non-UEFA Countries

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	11	7	10	28
OUT	11	27	15	53
NET	0	-20	-5	-25

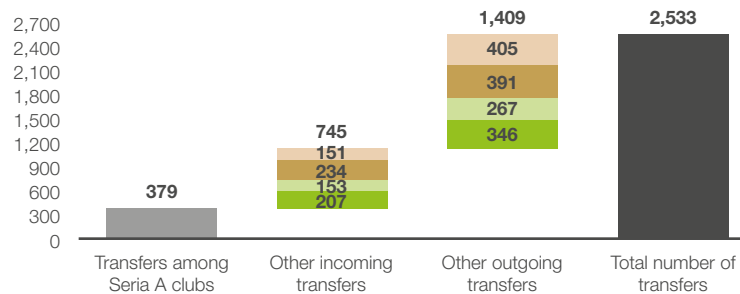
P= Permanent transfers O= Out-of-contract transfers L= Loans

SERIE A – NUMBER OF TRANSFERS

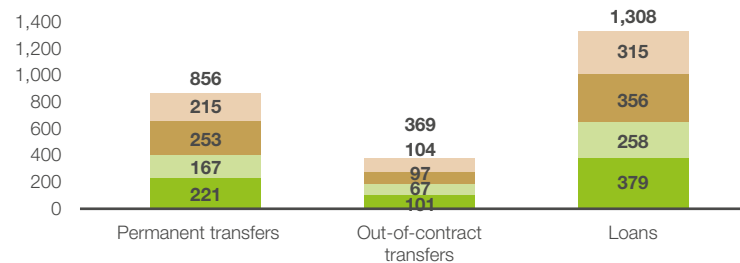


In the Italian Serie A, transfers within the league were significantly higher compared to the rest of the major 5 leagues. Loaning of players was frequently exercised by clubs from all clusters, typically in an outgoing direction. The top Italian championship is a net exporter of players.

2011/2013 Total Number of Transfers by Cluster



2011/2013 Breakdown of Transfers by Type



Below the classification of clubs with 4 clusters based on their ranking in the **Serie A** during the sporting seasons 2011/12 and 2012/13:

Cluster 1 Clubs ranking from 1st to 5th



Cluster 2 Clubs ranking from 6th to 10th



Cluster 3 Clubs ranking from 11th to 15th



Cluster 4 Clubs ranking from 16th to 20th

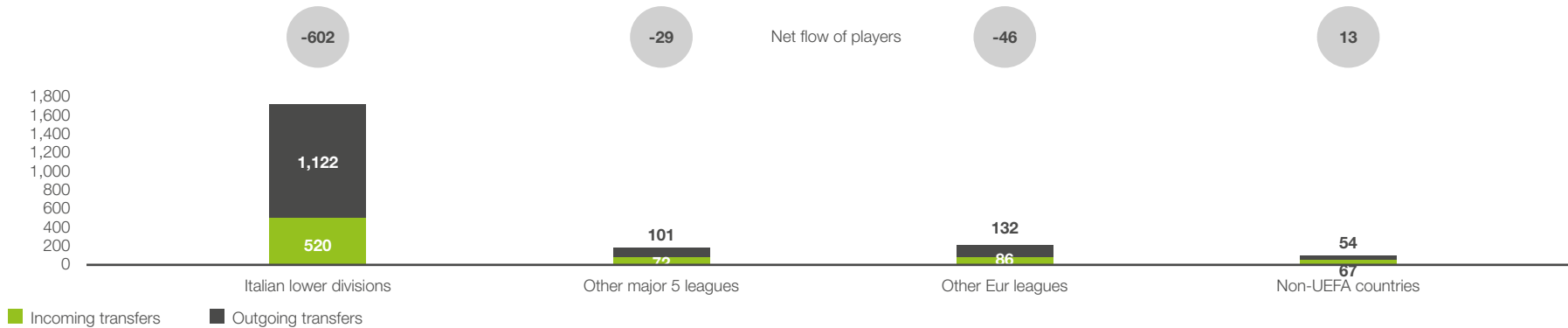


SERIE A – NUMBER OF TRANSFERS

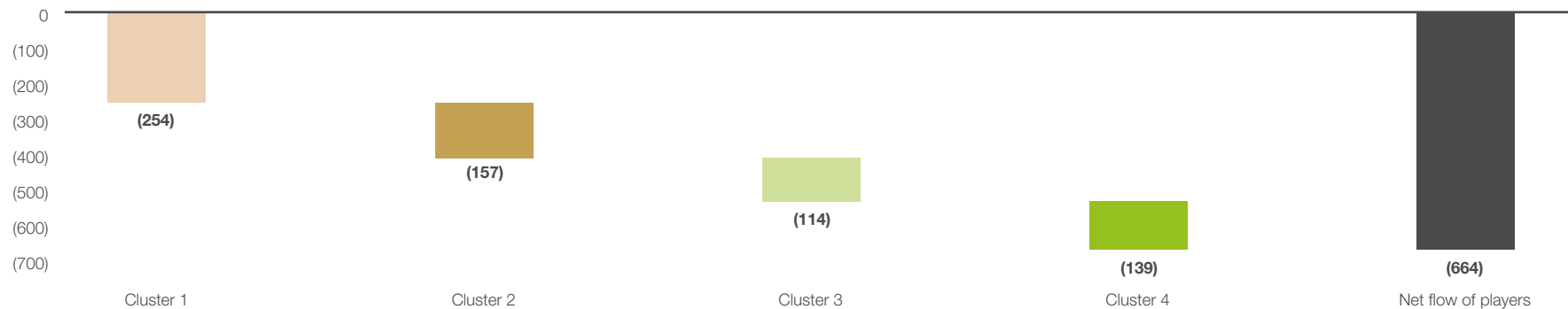


Italian lower divisions saw a significant flow of players incoming from Serie A. This is mainly due to the high number of loans concluded between lower division clubs and Serie A clubs. Clubs from all clusters were net exporters of players, with those from cluster 1 experiencing the largest outflow.

2011/2013 Net Flow of Players of Serie A vs. Other Leagues by Origin / Destination



2011/2013 Net Flow of Players of Serie A vs. Other Leagues by Cluster

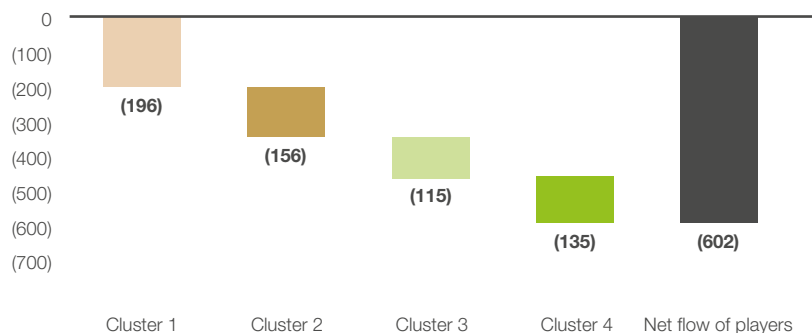


SERIE A – NUMBER OF TRANSFERS

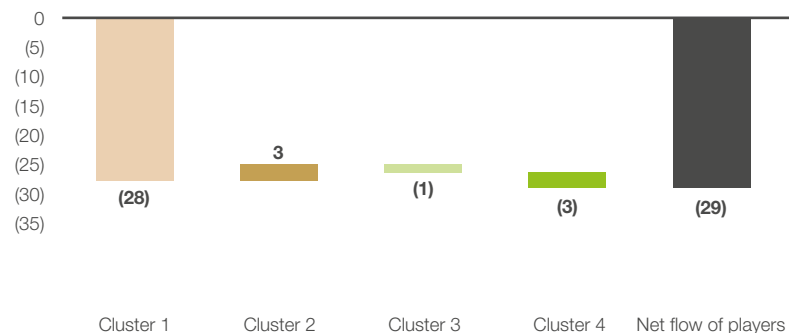


Serie A clubs were net exporters of players and a large part of outgoing transfers went in direction of Italian lower divisions (both loan and permanent transfers). A negative balance is observed also in transactions with other major 5 leagues and other European leagues, mainly due to outgoing loans.

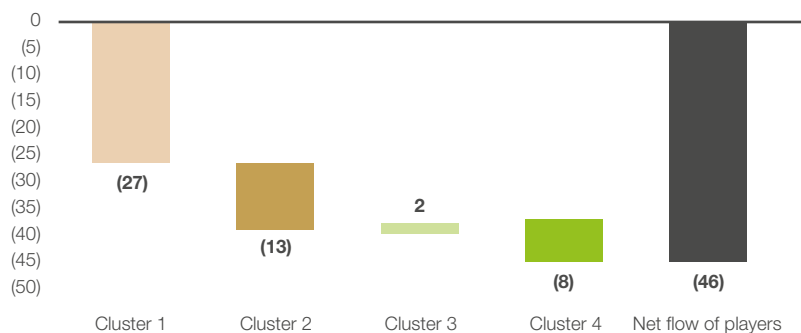
2011/2013 Serie A vs. Italian Lower Divisions



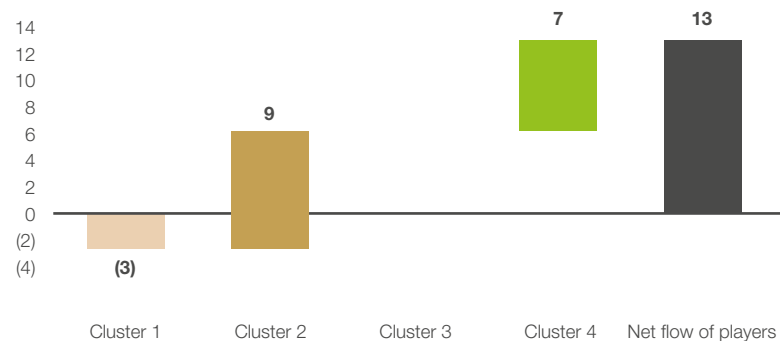
2011/2013 Serie A vs. Other Major 5 Leagues



2011/2013 Serie A vs. Other European Leagues



2011/2013 Serie A vs. Non-UEFA Countries



SERIE A – NUMBER OF TRANSFERS



Transactions with clubs from Italian lower divisions occurred more often in an outgoing direction. Serie A fed lower leagues in Italy with players both on loan and on permanent transfer. It could also be seen that clubs in Italy were net exporters of players to other major 5 leagues and other European leagues, mainly due to loans.

2011/2013 Serie A vs. Italian Lower Divisions

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	208	93	219	520
OUT	272	128	722	1122
NET	-64	-35	-503	-602

2011/2013 Serie A vs. Other Major 5 Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	31	23	18	72
OUT	34	17	50	101
NET	-3	6	-32	-29

2011/2013 Serie A vs. Other European Leagues

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	52	16	18	86
OUT	38	23	71	132
NET	14	-7	-53	-46

2011/2013 Serie A vs. Non-UEFA Countries

■ Incoming transfers ■ Outgoing transfers



	P	O	L	TOT
IN	43	6	18	67
OUT	13	23	18	54
NET	30	-17	0	13

P= Permanent transfers O= Out-of-contract transfers L= Loans

5,491

The total number of transfers made by major 5 leagues' clubs in the 2-year period 2011/12 and 2012/13

Money Redistribution through Transfers

- > Chapter Summary
- > Value of International Transfers Made by European Clubs
- > Aggregated Value of Transfers Made by Major 5 European Leagues' Clubs



2

CHAPTER SUMMARY

The total value of transfers made by European clubs in the 2-year period 2011/12 and 2012/13 was \$5,147m. \$4,007m (78%) of this total was paid between clubs within the UEFA territory, with a net spend to the rest of the world of \$462m resulting from payments of \$801m and \$339m of receipts.

South America was the main benefactor of outgoing funds from European clubs with a total net inflow of \$527m led by Italian (\$212m) and French (\$98m) clubs. Asia was the only region to provide an inflow of transfer money to Europe (\$135m), with French (\$30m) and Turkish (\$28m) clubs being the main beneficiaries.

Top bundle countries (see section “Methodology” for more details) accounted for 90% (\$3,588m) of the overall transfer expenditure between European clubs. The main beneficiaries of such outflows were other top bundle countries (\$2,750m), but the medium and low bundle countries also received substantial net inflows of \$652m and \$186m respectively.

Overall, the major 5 leagues’ clubs accumulated a net transfer spend of €909m over the 2 seasons in review, driven primarily by the activity of those clubs in clusters 1 and 2 (see section

“Methodology” for more details) who accounted for 99% of the total. There were significant flows of money to clubs in lower divisions (€376m), other European Leagues (€337m), and non-UEFA countries (€196m). These flows confirm that the positive redistribution trend from the richest clubs (as seen within the analysis on transfer volumes) remains when considering the financial impact of transfers.

In particular, the largest clubs in cluster 1 are the ones which accumulate the largest outflow with net transfer amounts being paid to clubs in clusters 2 to 4 (€311m), respective lower divisions (€128m), other European leagues (€132m) and non-UEFA countries (€98m).

The analysis identifies a positive redistribution trend arising from the current transfer system with transfer revenues filtering down from the largest clubs to others throughout the world. Without this mechanism, it could be argued that the smaller clubs who produce and sell players to the bigger clubs would not be able to benefit from their revenue generating capability (arising from their fan base, media exposure and popularity). This could enhance competitive imbalance.

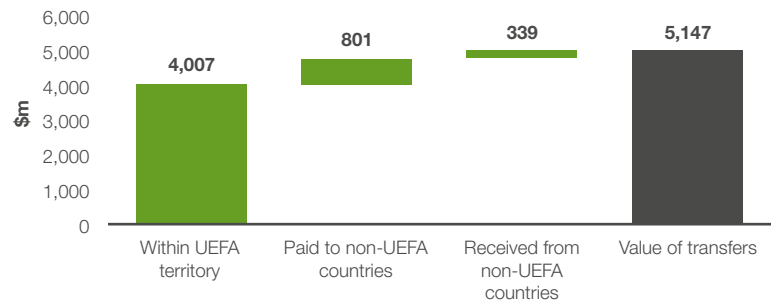
\$5,147m

The total value of international transfers made by European clubs in the 2-year period 2011/12 and 2012/13

VALUE OF INTERNATIONAL TRANSFERS MADE BY EUROPEAN CLUBS

European clubs were net spenders towards non-UEFA countries. The top bundle accounted for 90% of the transfer compensations paid between European clubs. The larger portion was given by transfers between countries in the top bundle, but medium and low bundle leagues also obtained substantial inflows.

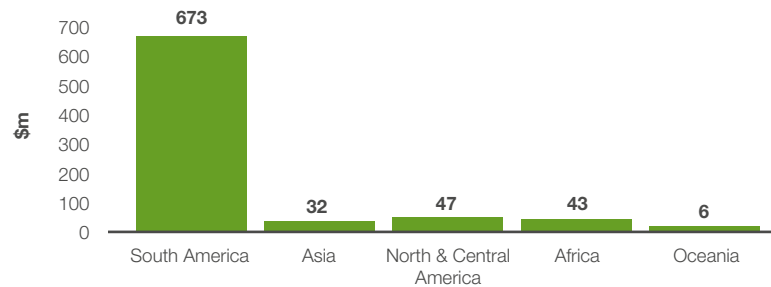
2011/2013 Value of Transfers Made by European Clubs



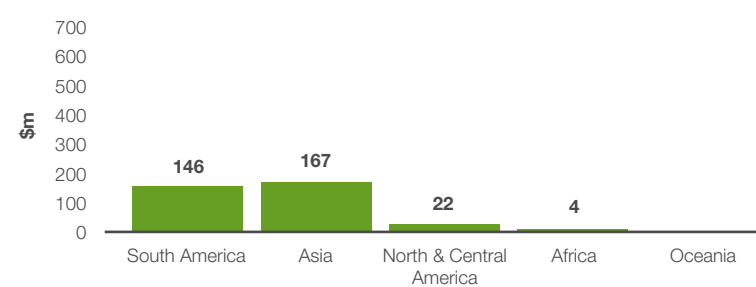
Value of Transfers among European Clubs by Bundle

	Top bundle		Medium bundle		Low bundle		Money paid
Top bundle	\$2,750m	69%	\$652m	16%	\$186m	5%	\$3,588m
Medium bundle	\$191m	5%	\$98m	2%	\$40m	1%	\$329m
Low bundle	\$66m	2%	\$14m	0%	\$10m	0%	\$90m
Money received	\$3,007m		\$764m		\$236m		\$4,007m

Money Paid to Non-UEFA Countries



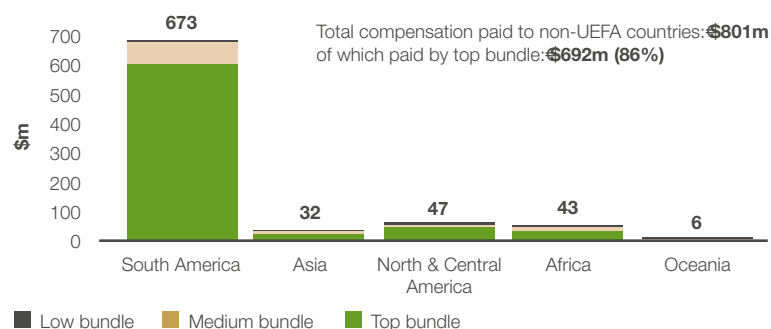
Money Received from Non-UEFA Countries



VALUE OF INTERNATIONAL TRANSFERS MADE BY EUROPEAN CLUBS BY BUNDLE

South American clubs realized a substantial net inflow from transfer compensations in their deals with European clubs. The largest spenders in such direction were Italy and France. The top bundle countries accounted for 86% of the transfer expenditure towards non-UEFA countries.

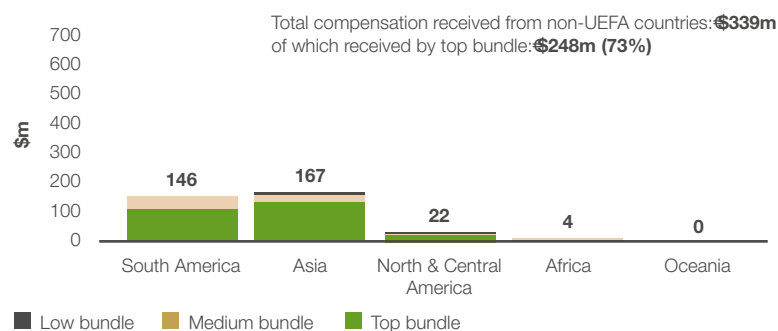
Money Paid to Non-UEFA Countries by Bundle



Top Bundle: Money Paid to Non-UEFA Countries

	S. America	Asia	N&C America	Africa	Oceania	Total
Italy	\$211.9m	-	\$3.1m	\$2.9m	-	\$217.8m
France	\$97.6m	\$1.8m	\$1.6m	\$8.2m	-	\$109.2m
England	\$63.8m	\$4.9m	\$22.1m	\$1.1m	\$2.8m	\$94.7m
Portugal	\$73.3m	\$0.1m	\$11.0m	\$2.3m	-	\$86.7m
Russia	\$59.3m	\$1.5m	\$0.3m	\$2.2m	\$0.4m	\$63.6m
Turkey	\$34.1m	-	-	\$5.2m	\$0.3m	\$39.6m
Spain	\$29.5m	\$6.1m	\$2.6m	-	-	\$38.2m
Germany	\$17.3m	\$5.8m	\$0.4m	\$3.6m	\$0.3m	\$27.3m
Netherlands	\$10.9m	\$0.1m	\$1.4m	\$2.7m	-	\$15.1m
						\$692.2m

Money Received from Non-UEFA Countries by Bundle



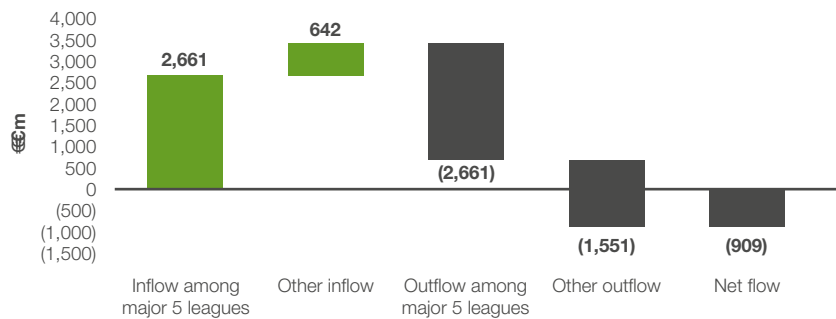
Top Bundle: Money Received from Non-UEFA Countries

	S. America	Asia	N&C America	Africa	Oceania	Total
Germany	\$21.1m	\$19.1m	\$3.1m	\$0.5m	-	\$43.8m
France	\$7.4m	\$29.6m	-	\$0.1m	-	\$37.0m
Russia	\$27.4m	\$8.8m	-	\$0.7m	-	\$36.9m
Italy	\$29.9m	\$0.8m	\$0.8m	-	-	\$31.5m
England	\$4.1m	\$16.8m	\$10.0m	-	-	\$31.0m
Turkey	\$3.0m	\$27.5m	-	\$0.3m	-	\$30.8m
Spain	\$1.2m	\$17.7m	\$5.4m	-	-	\$24.2m
Portugal	\$3.1m	\$7.8m	-	\$1.1m	-	\$12.0m
Netherlands	\$0.3m	-	-	-	\$0.1m	\$0.4m
						\$247.6m

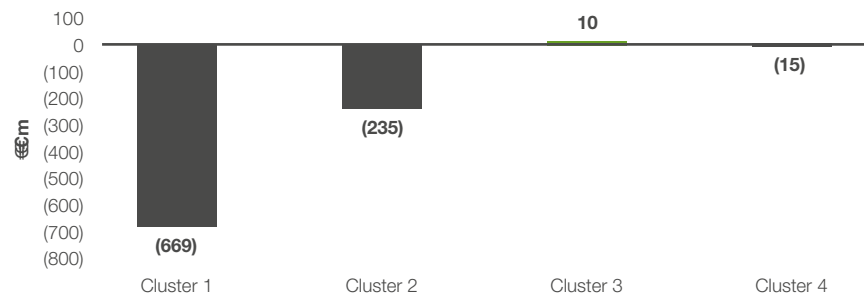
AGGREGATED VALUE OF TRANSFERS MADE BY MAJOR 5 EUROPEAN LEAGUES' CLUBS

Major 5 leagues accumulated a negative transfer balance of €909m over two seasons. Such course is attributable to clusters 1 and 2, given that only they saw a significant negative balance in their accounts. As far as transfers among major 5 leagues are concerned, cluster 1 clubs had a negative net flow, and clubs from other clusters benefited.

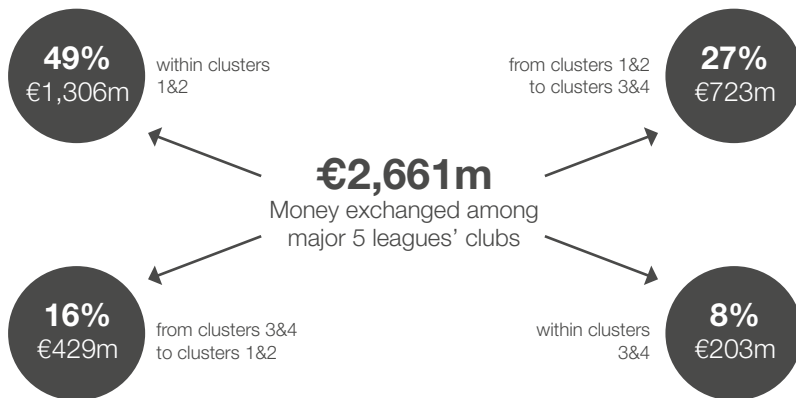
2011/2013 Net Money Flow of the Major 5 Leagues



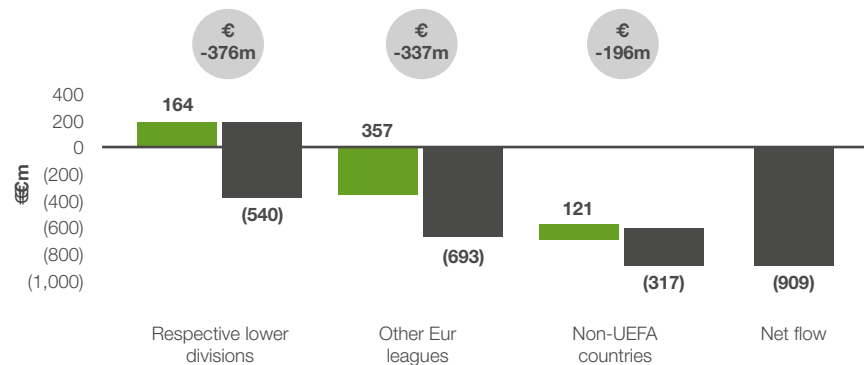
2011/2013 Net Money Flow by Cluster



2011/2013 Money Exchanged among Major 5 Leagues



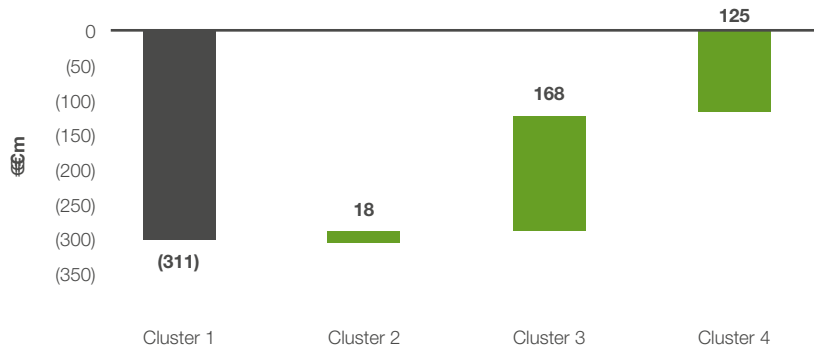
2011/2013 Net Money Flow vs. Other Leagues



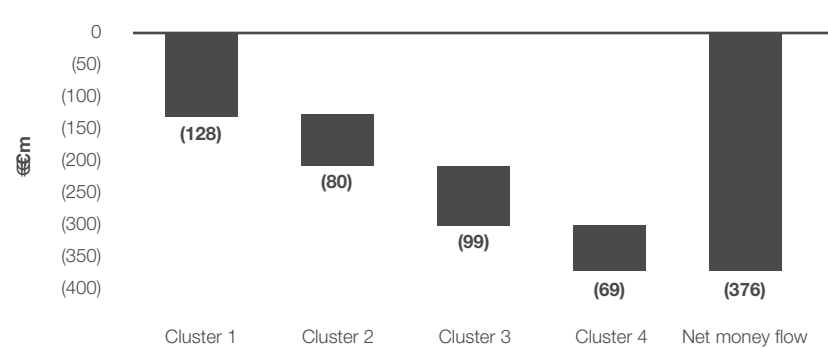
AGGREGATED VALUE OF TRANSFERS MADE BY MAJOR 5 EUROPEAN LEAGUES' CLUBS

Clubs from major 5 leagues were net spenders in their transactions with other leagues. In fact, each single cluster experienced a negative balance with clubs from external leagues. This confirms that part of the value created within major 5 leagues shifted hands and went towards smaller football championships.

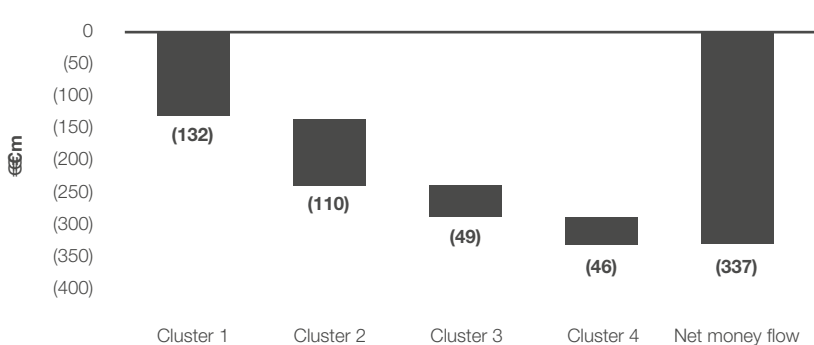
2011/2013 Net Money Flow among Major 5 Leagues by Cluster



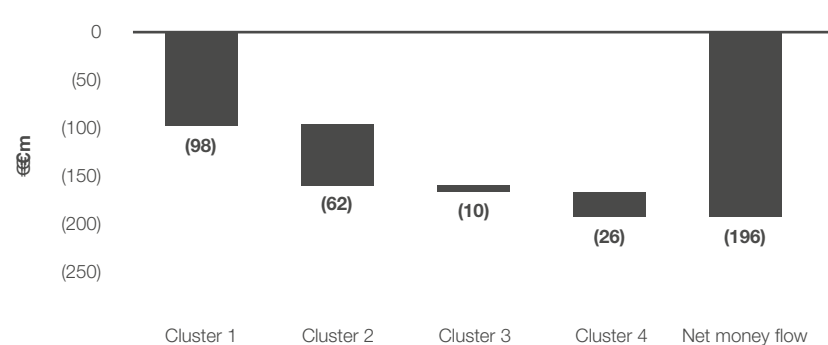
2011/2013 Net Money Flow vs. Respective Lower Divisions



2011/2013 Net Money Flow vs. Other European Leagues



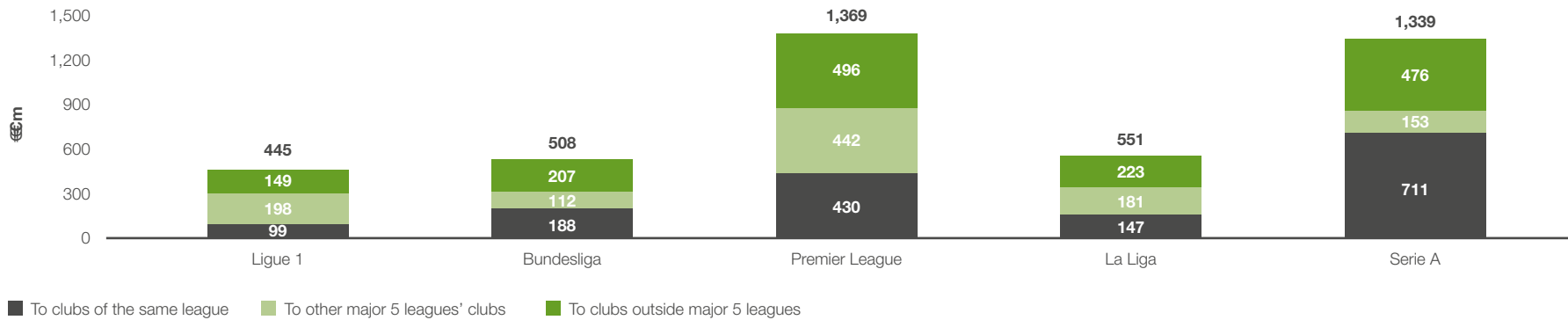
2011/2013 Net Money Flow vs. Non-UEFA Countries



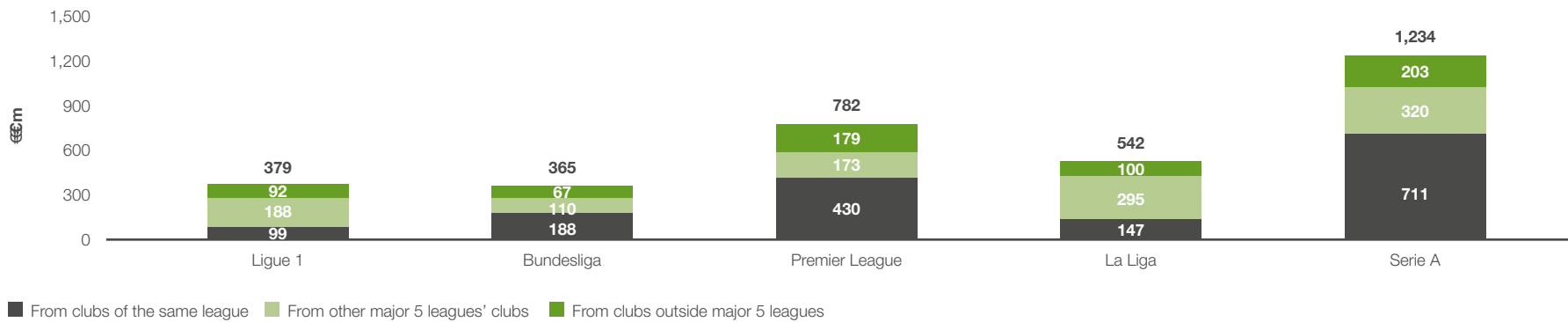
MONEY FLOW OF THE MAJOR 5 EUROPEAN LEAGUES' CLUBS

The Premier League and Serie A stand out as the heaviest spenders in the transfer market. The main difference between them was that the Italian championship saw a considerable inflow of money from outgoing transfers and hence presented a smaller gap in net transfer expenditure.

2011/2013 Money Outflow by League



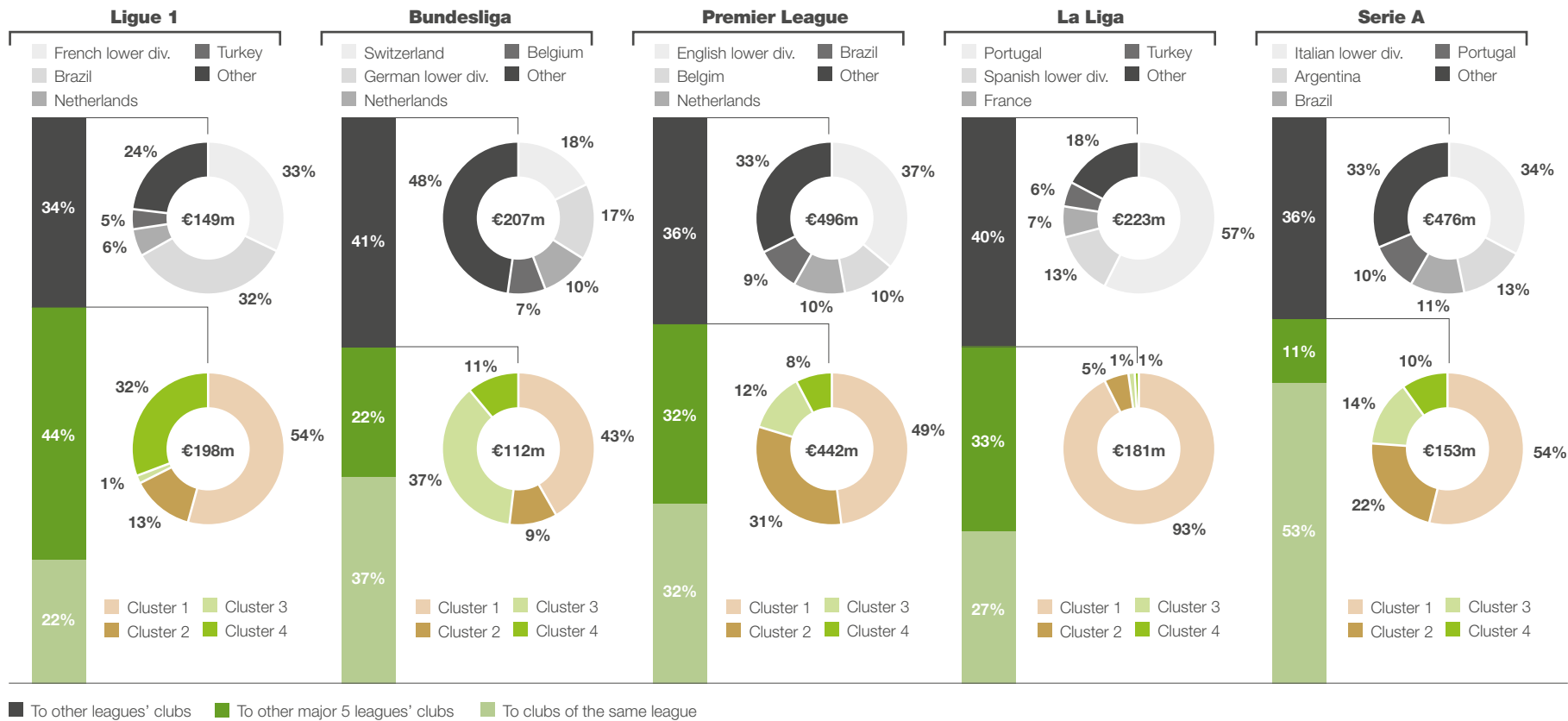
2011/2013 Money Inflow by League



MONEY OUTFLOW OF THE MAJOR 5 EUROPEAN LEAGUES' CLUBS

The analysis below illustrates that a significant part of the transfer expenditure made by major 5 leagues' clubs is done with clubs from third leagues. This reveals that money flows towards smaller football championships. As far as transactions outside the major 5 leagues, money flowed mainly from clusters 1 and 2 clubs.

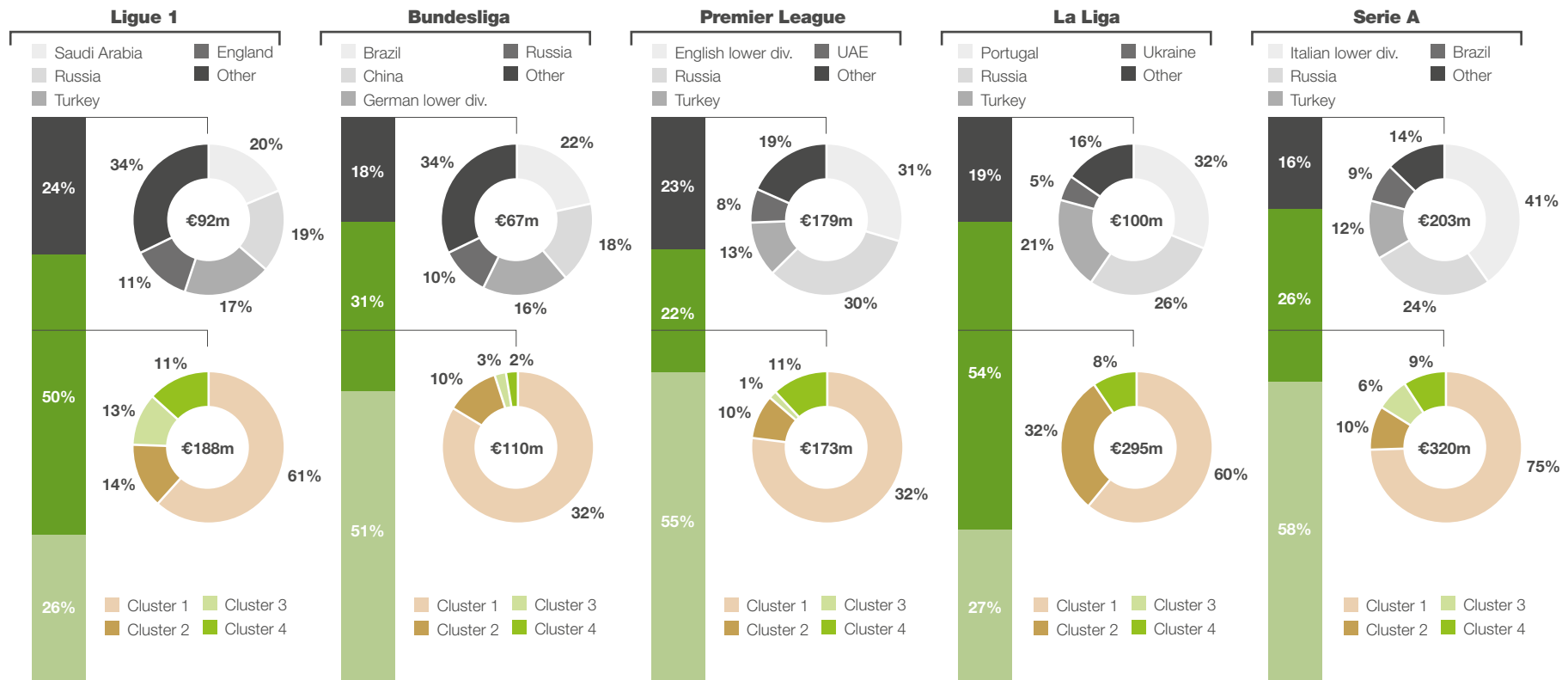
2011/2013 Breakdown of Money Outflow



MONEY INFLOW OF THE MAJOR 5 EUROPEAN LEAGUES' CLUBS

Revenues from transfer expenditure were received mainly by clubs which played within the same league or in one of the other major 5 leagues. Inflows from third leagues were relatively low. Cluster 1 received the largest inflow from transfers within other major 5 leagues. A higher valuation of its players is in line with the sporting performance of the club.

2011/2013 Breakdown of Money Inflow

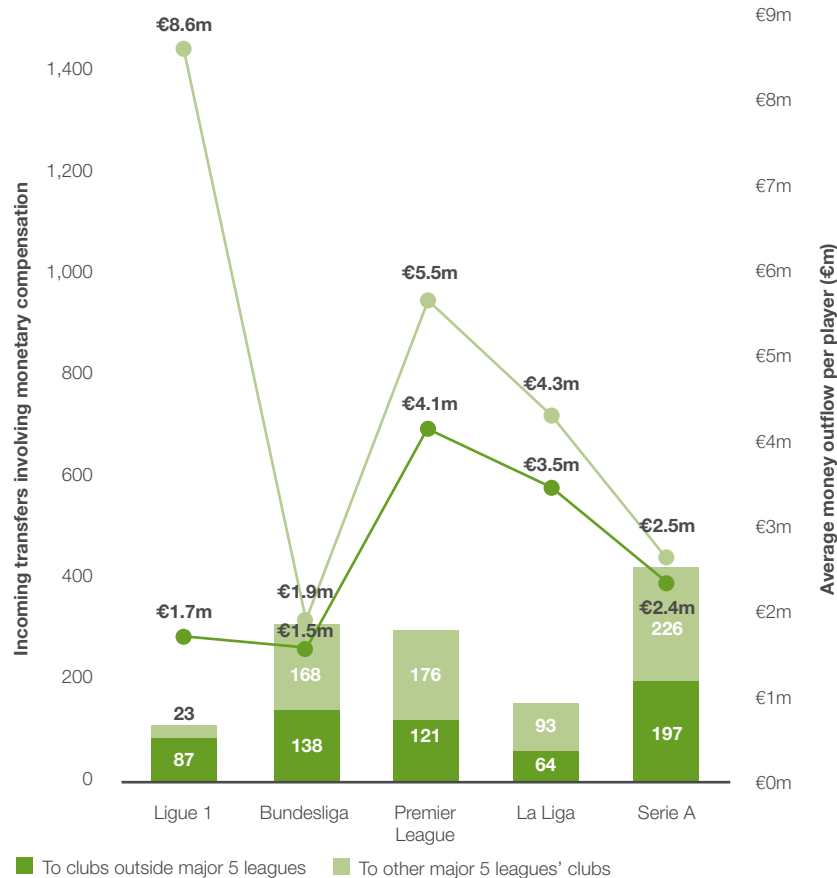


■ From other leagues' clubs ■ From other major 5 leagues' clubs ■ From clubs of the same league

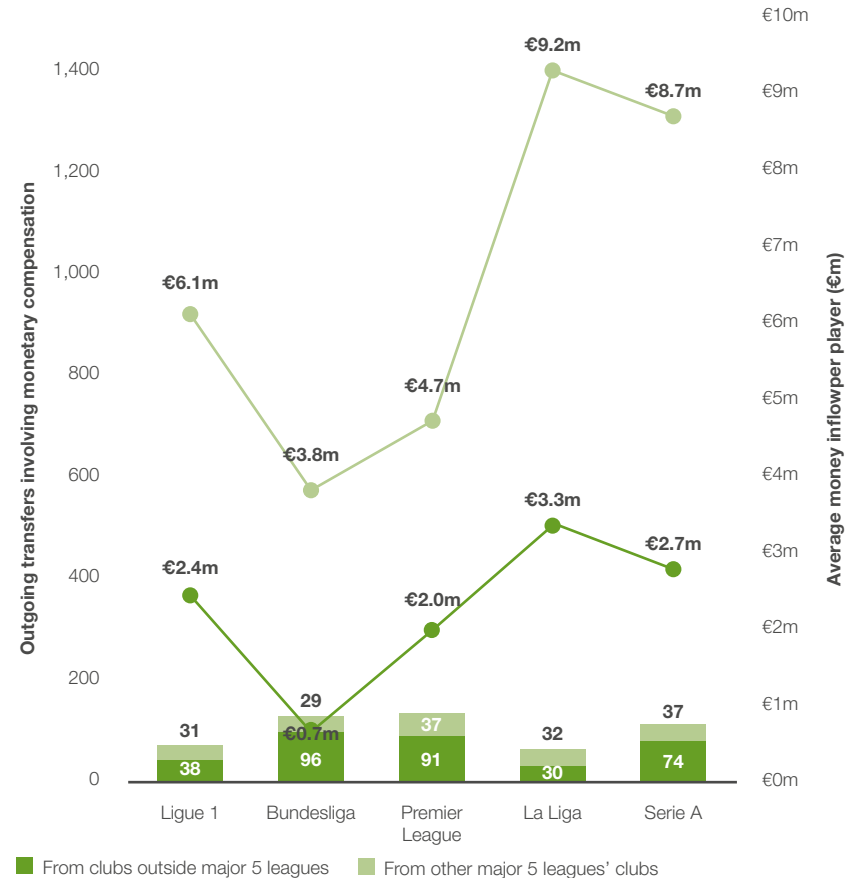
AVERAGE MONEY FLOW OF THE MAJOR 5 EUROPEAN LEAGUES' CLUBS

Prices of players incoming from both other major 5 leagues and other leagues were substantially aligned. A relevant exception to this observation is Ligue 1. Average transfer fees for players who were sold to other major 5 leagues were significantly higher than those paid for players who played in other leagues.

2011/2013 Average Money Outflow per Player



2011/2013 Average Money Inflow per Player



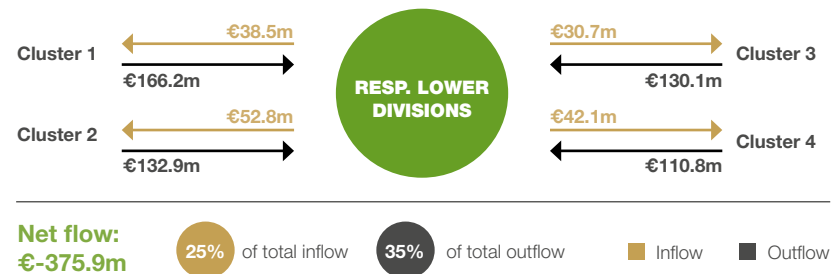
AGGREGATED MONEY FLOW OF THE MAJOR 5 EUROPEAN LEAGUES' CLUBS

Money left the major 5 leagues in all 3 main directions (respective lower divisions, other European leagues, non-UEFA countries). Clubs from all clusters had a negative transfer balance, with those from cluster 1 accumulating the largest deficit.

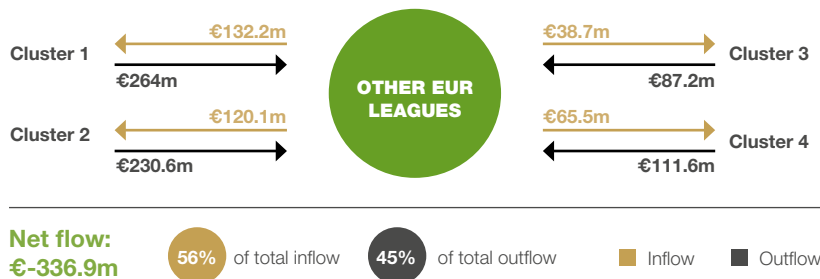
2011/2013 Money Exchanged among Major 5 Leagues

	Cluster 1		Cluster 2		Cluster 3		Cluster 4		Money outflow
	€	%	€	%	€	%	€	%	
Cluster 1	€677m	25%	€304m	11%	€177m	7%	€277m	10%	€1,435m
Cluster 2	€209m	8%	€115m	4%	€112m	4%	€157m	6%	€594m
Cluster 3	€85m	3%	€53m	2%	€40m	2%	€48m	2%	€226m
Cluster 4	€153m	6%	€139m	5%	€65m	3%	€50m	2%	€407m
Money inflow	€1,124m		€611m		€394m		€532m		€2,661m

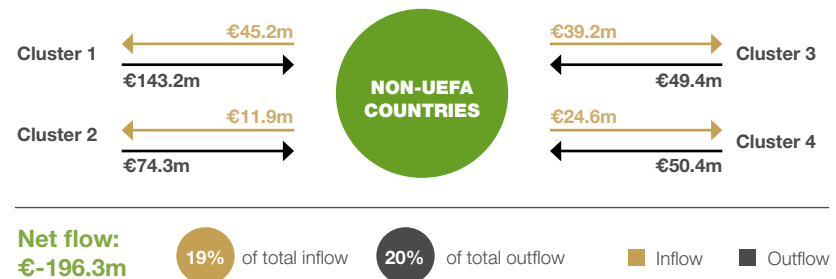
2011/2013 Major 5 Leagues vs. Respective Lower Divisions



2011/2013 Major 5 Leagues vs. Other European Leagues



2011/2013 Major 5 Leagues vs. Non-UEFA Countries

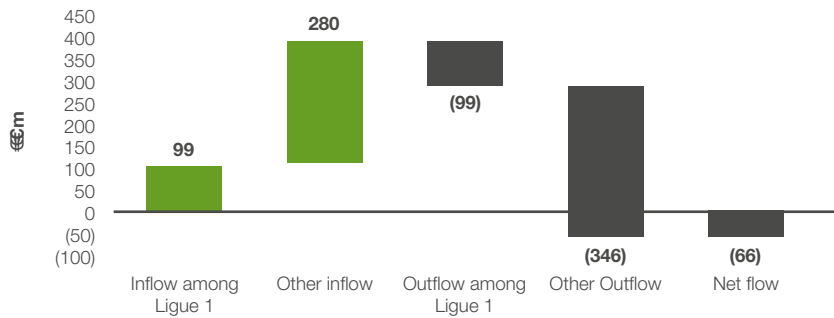




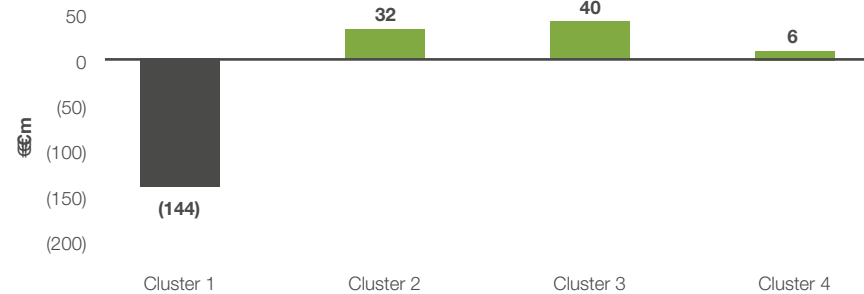
LIGUE 1 – VALUE OF TRANSFERS

Clubs from Ligue 1 had a negative transfer balance with other leagues. This is entirely attributable to clubs from cluster 1. French lower division clubs benefited to a large extent from such spending. As far as transfers within Ligue 1 are concerned, clubs from clusters 3 and 4 had a positive balance at the expense of those from 1 and 2.

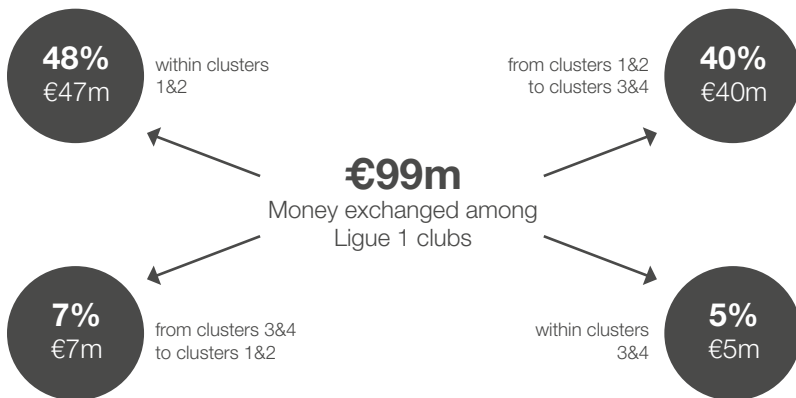
2011/2013 Net Money Flow



2011/2013 Net Money Flow by Cluster



2011/2013 Money Exchanged within Ligue 1



2011/2013 Net Money Flow vs. Other Leagues

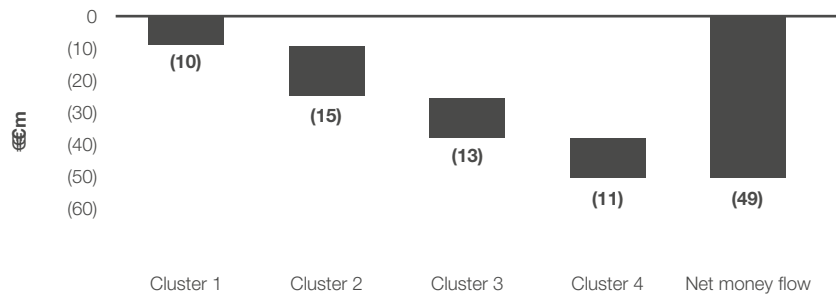


LIGUE 1 – VALUE OF TRANSFERS

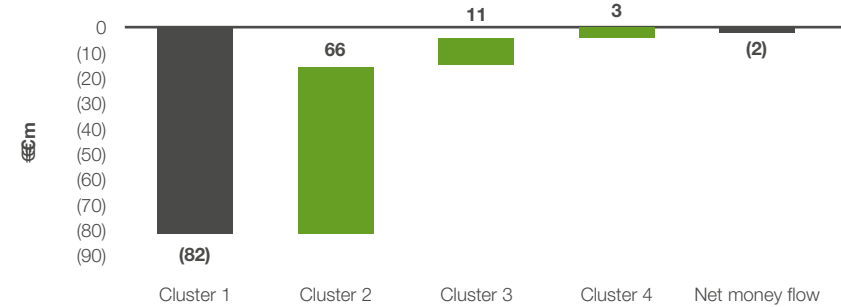


Clubs from all clusters experienced a negative outflow of money towards French lower divisions. Cluster 1 clubs were net spenders towards the other major 5 leagues and non-UEFA countries, but that was for the most part compensated by the rest of the clusters.

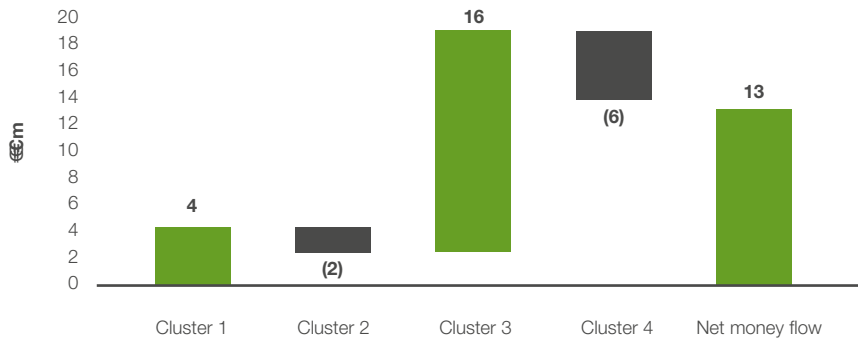
2011/2013 Ligue 1 vs. French Lower Divisions



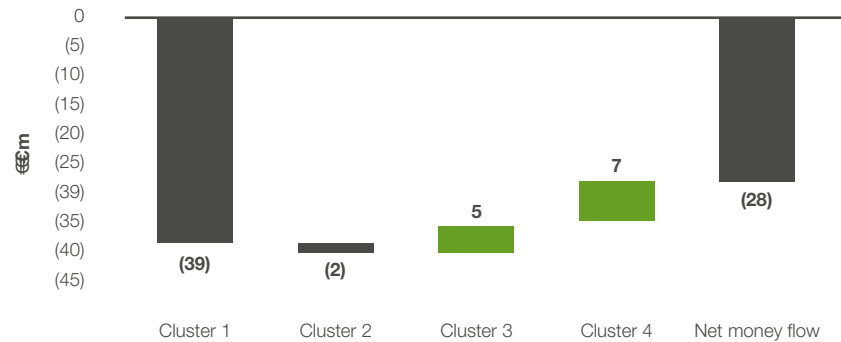
2011/2013 Ligue 1 vs. Other Major 5 Leagues



2011/2013 Ligue 1 vs. Other European Leagues



2011/2013 Ligue 1 vs. Non-UEFA Countries

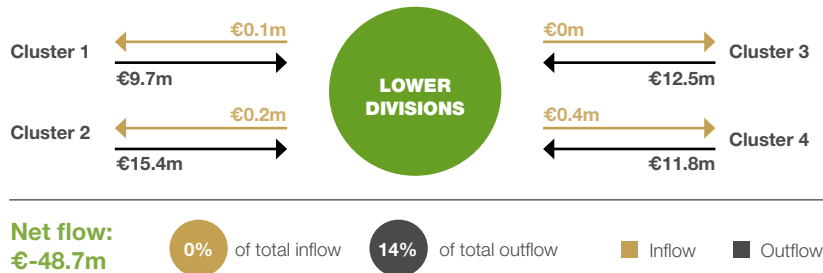


LIGUE 1 – VALUE OF TRANSFERS

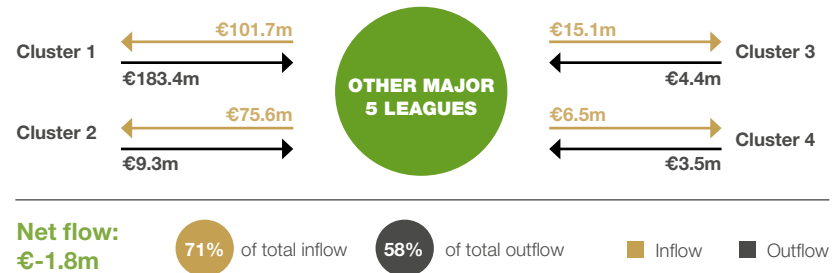


Cluster 1 clubs spent significantly into 2 directions: purchasing players from other major 5 and non-UEFA countries. Cluster 2 clubs had a significantly positive balance against major 5 leagues' clubs. It should also be noted that French lower division clubs received a significantly positive inflow from transferring players to Ligue 1.

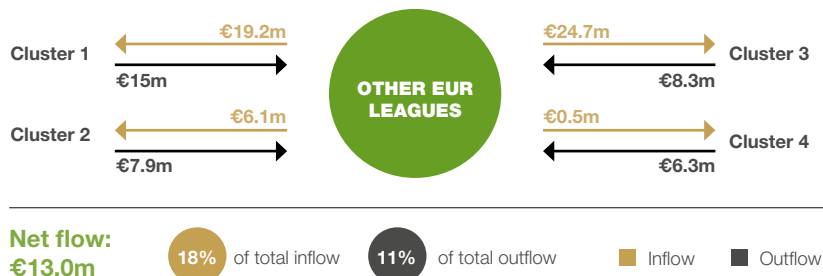
2011/2013 Ligue 1 vs. French Lower Divisions



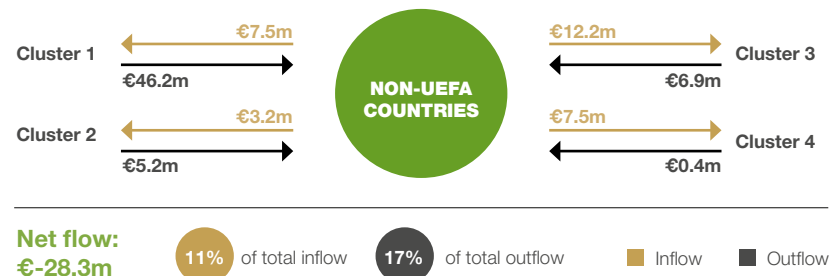
2011/2013 Ligue 1 vs. Other Major 5 Leagues



2011/2013 Ligue 1 vs. Other European Leagues



2011/2013 Ligue 1 vs. Non-UEFA Countries

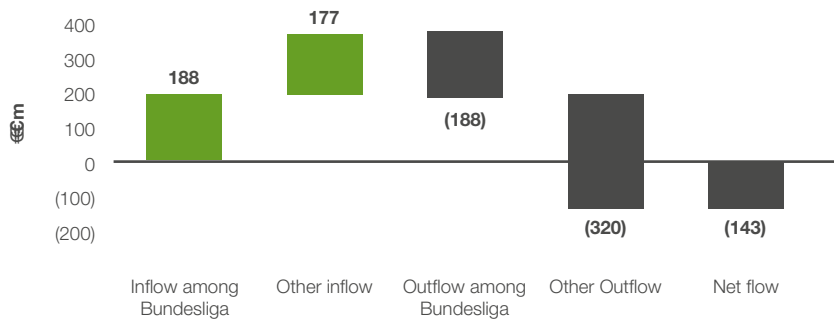


BUNDESLIGA – VALUE OF TRANSFERS

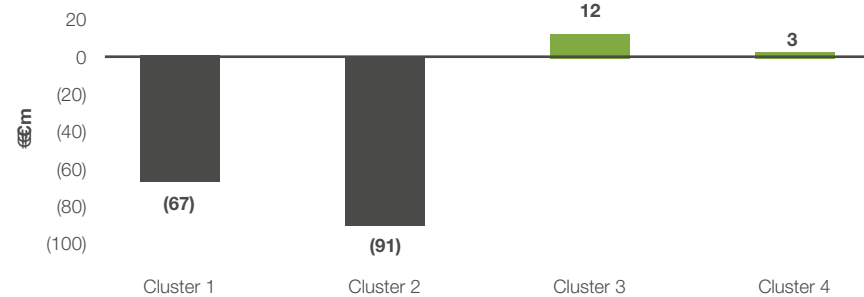


German Bundesliga clubs had a negative transfer balance with external leagues, with clubs from clusters 1 and 2 contributing entirely to such occurrence. Internal transfers followed a similar logic as clubs from clusters 1 and 2 had a negative transfer balance, while those from 3 and 4 received a positive inflow of money.

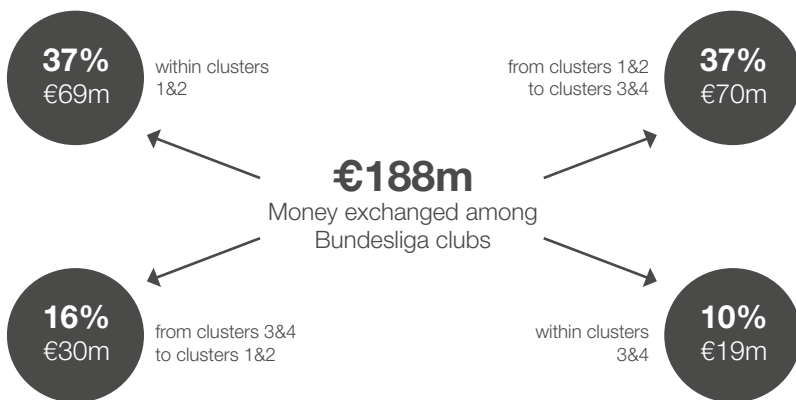
2011/2013 Net Money Flow



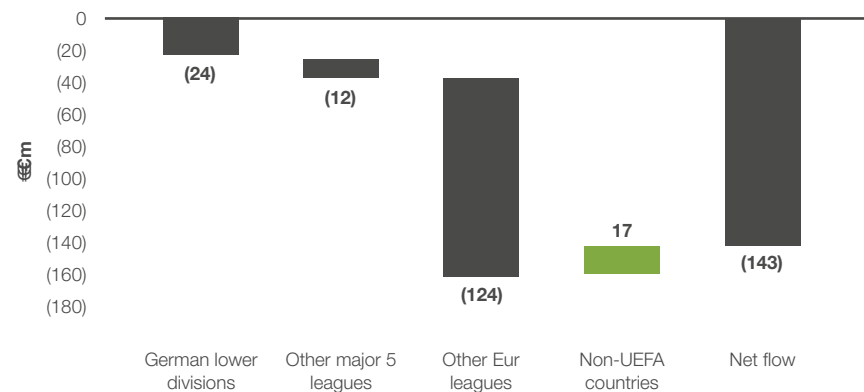
2011/2013 Net Money Flow by Cluster



2011/2013 Money Exchanged within Bundesliga



2011/2013 Net Money Flow vs. Other Leagues

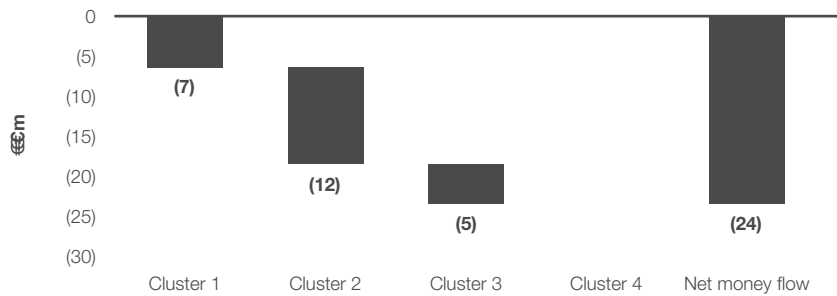


BUNDESLIGA – VALUE OF TRANSFERS

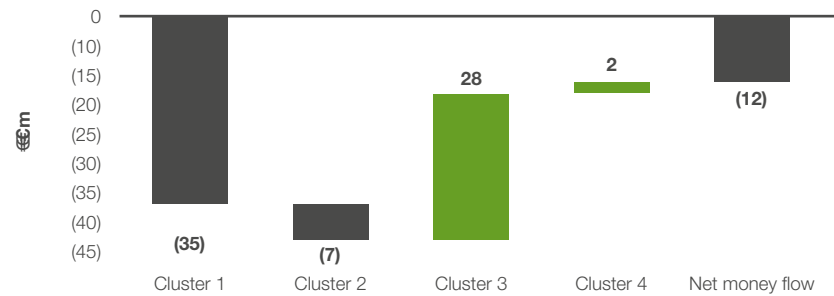


The highest net transfer expenditure on the part of the German clubs was registered in the transactions with other European leagues' clubs. German clubs saw a positive inflow of money from their transfers of players towards non-UEFA countries.

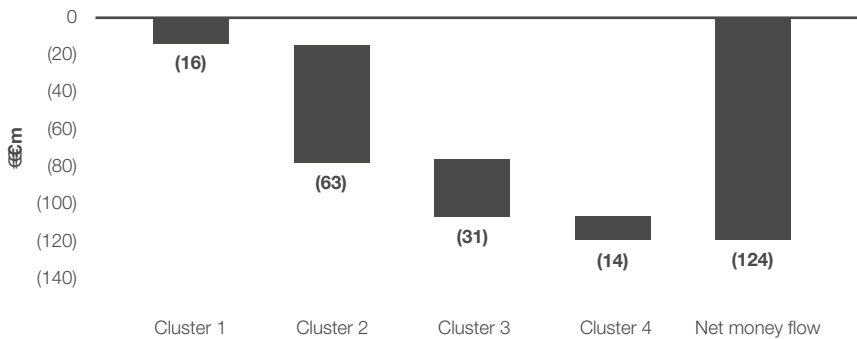
2011/2013 Bundesliga vs. German Lower Divisions



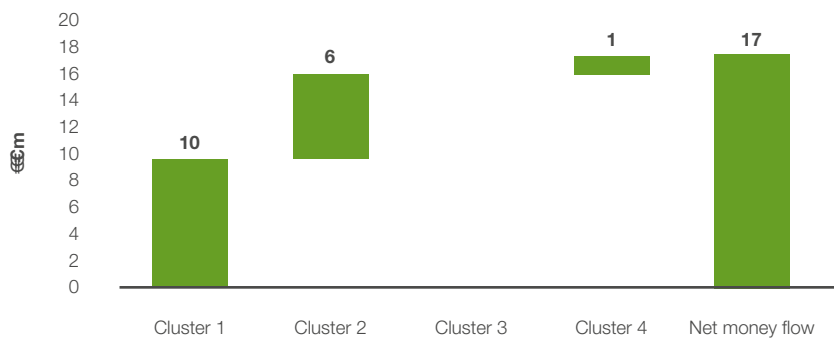
2011/2013 Bundesliga vs. Other Major 5 Leagues



2011/2013 Bundesliga vs. Other European Leagues



2011/2013 Bundesliga vs. Non-UEFA Countries

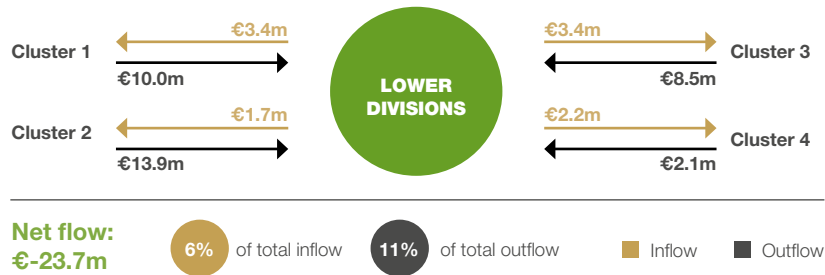


BUNDESLIGA – VALUE OF TRANSFERS

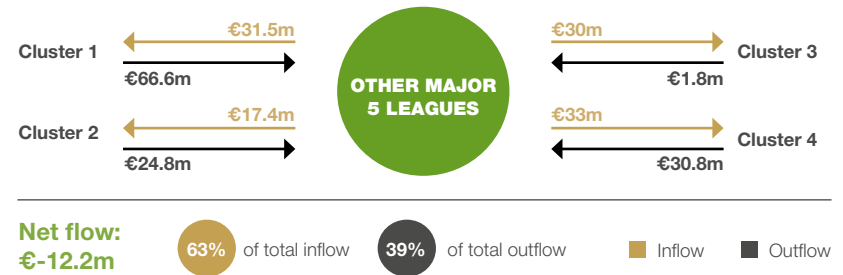


Clubs from cluster 1 in German Bundesliga mainly acquired the services of players from the other major 5 leagues. On the other hand, the rest of the clubs invested significantly in players from other European leagues. Lower divisions in Germany also experienced a positive inflow from transfers involving Bundesliga clubs.

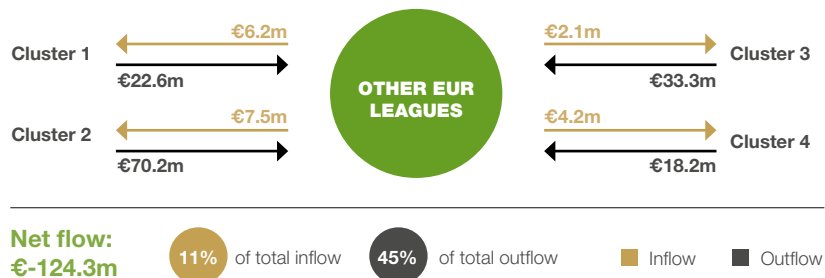
2011/2013 Bundesliga vs. German Lower Divisions



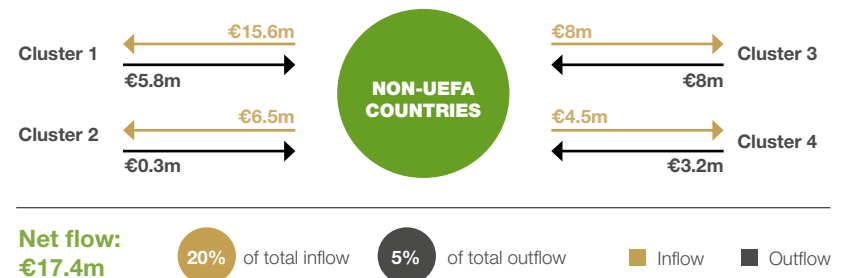
2011/2013 Bundesliga vs. Other Major 5 Leagues



2011/2013 Bundesliga vs. Other European Leagues



2011/2013 Bundesliga vs. Non-UEFA Countries

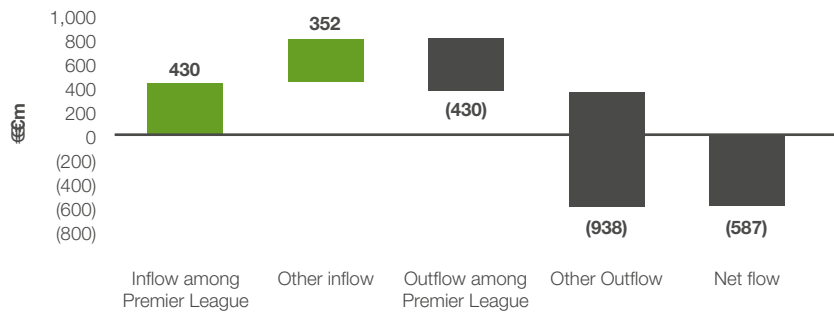




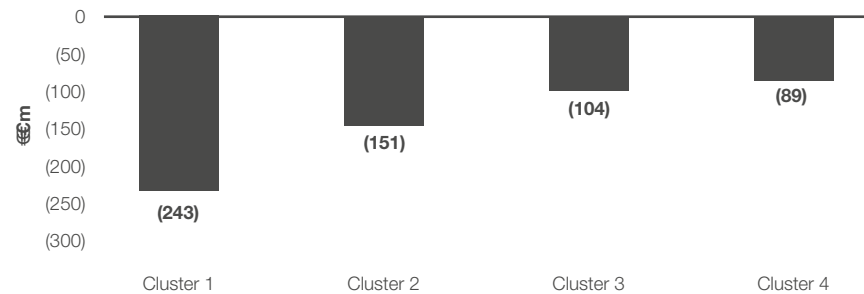
PREMIER LEAGUE – VALUE OF TRANSFERS

Clubs from all clusters in the English Premier League had a negative transfer balance with external leagues. The biggest transfer expenditure within the league was made by clusters 1 and 2 clubs, with clusters 3 and 4 resulting in a positive net balance as a consequence.

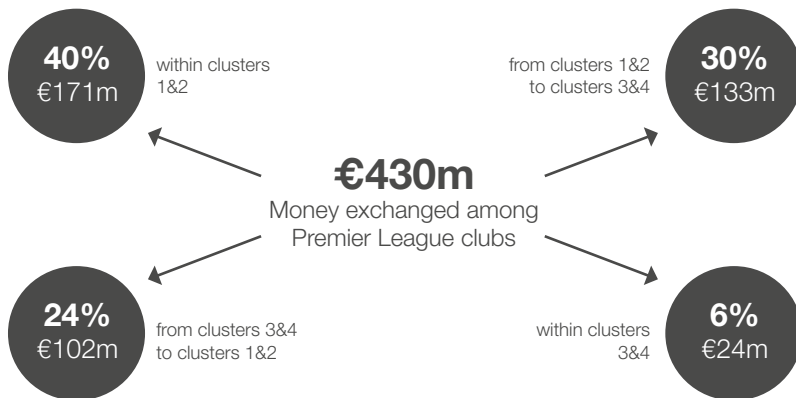
2011/2013 Net Money Flow



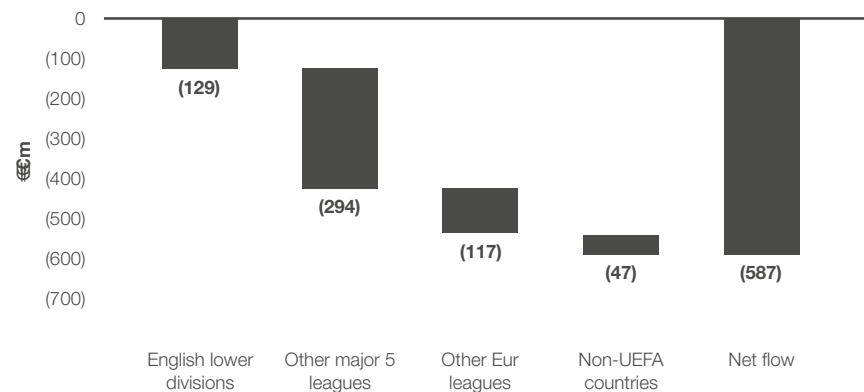
2011/2013 Net Money Flow by Cluster



2011/2013 Money Exchanged within Premier League



2011/2013 Net Money Flow vs. Other Leagues

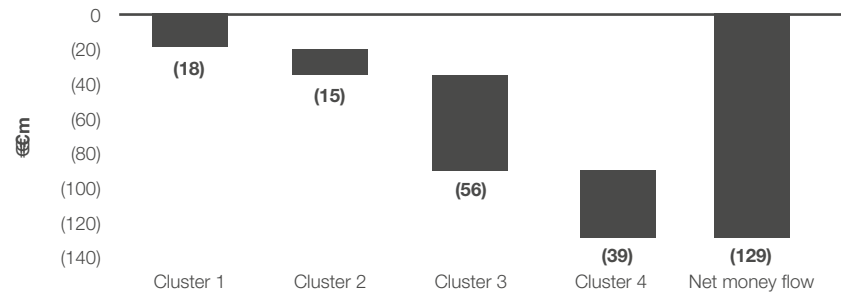




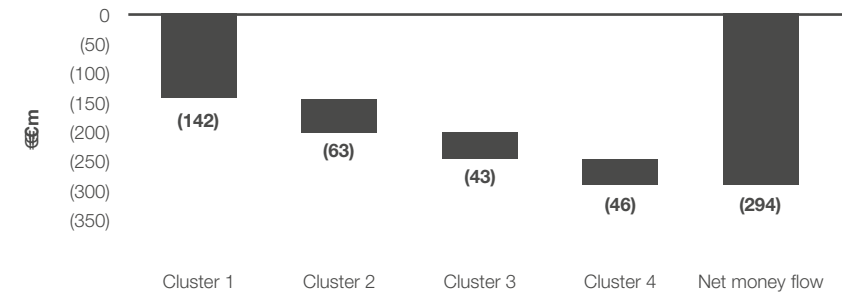
PREMIER LEAGUE – VALUE OF TRANSFERS

Clubs playing in the English Premier League sustained a negative net transfer expenditure in all main directions. The largest outflow was realized in the exchange with other major 5 leagues, with cluster 1 clubs being sizable spenders. Significant funds flowed towards English lower divisions and other European leagues as well.

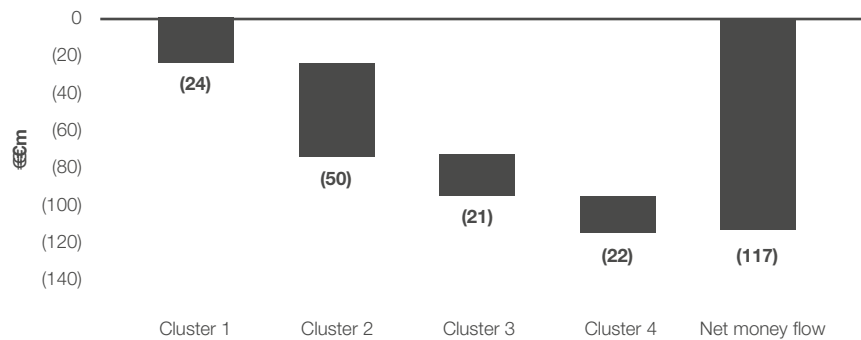
2011/2013 Premier League vs. English Lower Divisions



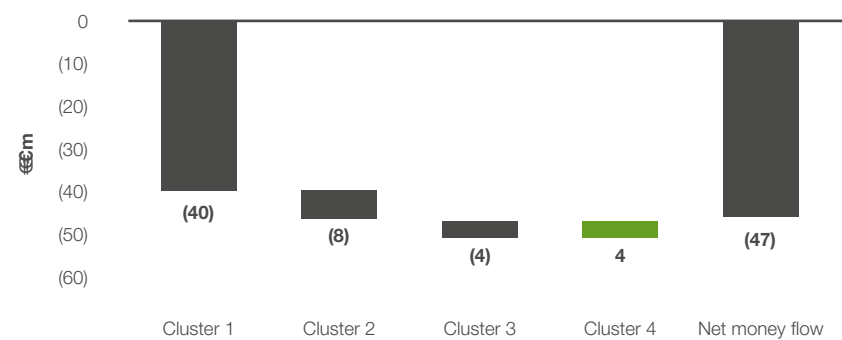
2011/2013 Premier League vs. Other Major 5 Leagues



2011/2013 Premier League vs. Other European Leagues



2011/2013 Premier League vs. Non-UEFA Countries





PREMIER LEAGUE – VALUE OF TRANSFERS

By far the biggest transfer expenditure in the English Premier League is made by cluster 1 clubs, who tend to acquire players from the other major 5 leagues. Money is also spent heavily on English lower divisions. Premier League clubs had an aggregate net transfer expenditure of €587m.

2011/2013 Premier League vs. English Lower Divisions



Net flow: €-129.3m 16% of total inflow 20% of total outflow ■ Inflow ■ Outflow

2011/2013 Premier League vs. Other Major 5 Leagues



Net flow: €-294m 49% of total inflow 50% of total outflow ■ Inflow ■ Outflow

2011/2013 Premier League vs. Other European Leagues



Net flow: €-116.7m 29% of total inflow 23% of total outflow ■ Inflow ■ Outflow

2011/2013 Premier League vs. Non-UEFA Countries



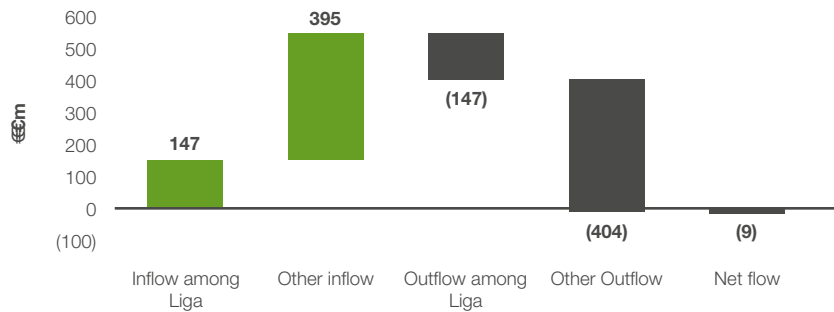
Net flow: €-46.7m 6% of total inflow 7% of total outflow ■ Inflow ■ Outflow

LA LIGA – VALUE OF TRANSFERS

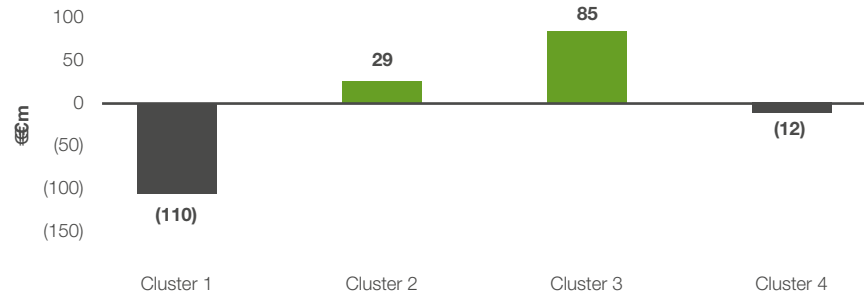


Spanish La Liga had a net transfer balance which was close to being neutral. Clubs from cluster 1 had a negative transfer balance with external leagues, but the rest of the clubs compensated for that. As far as transfers within the league are concerned, cluster 1 clubs spent, while clubs in clusters 3 and 4 were on the receiving end.

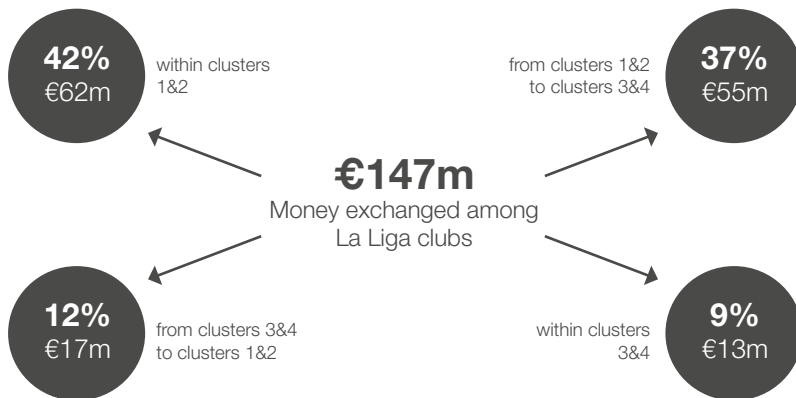
2011/2013 Net Money Flow



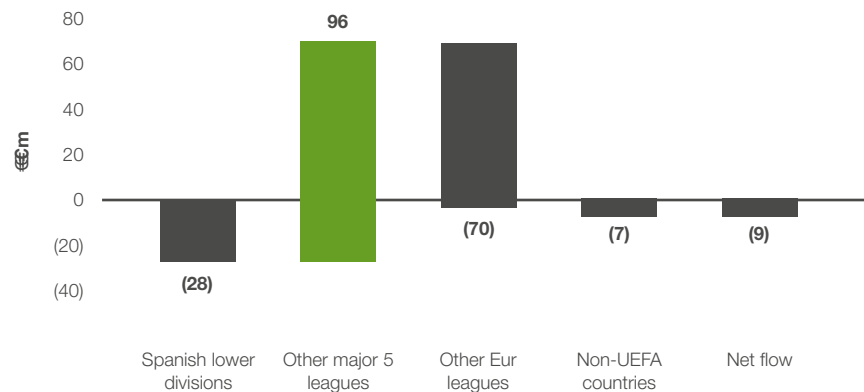
2011/2013 Net Money Flow by Cluster



2011/2013 Money Exchanged within La Liga



2011/2013 Net Money Flow vs. Other Leagues

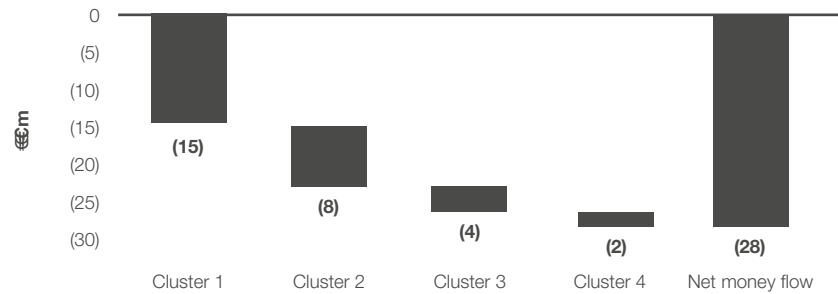


LA LIGA – VALUE OF TRANSFERS

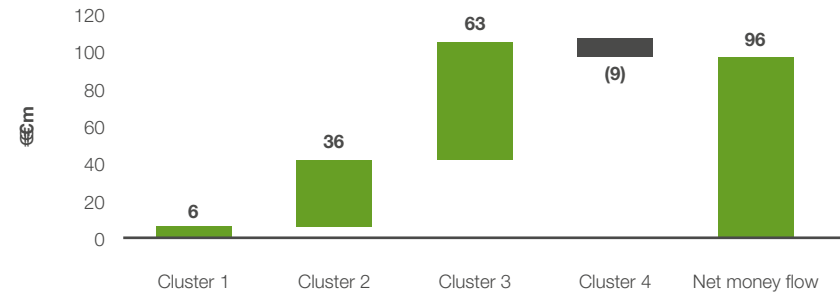


Income and expenditure from transfers was balanced for Spanish La Liga clubs. A large part of the positive inflow is due to transactions with other major 5 leagues. The largest transfer expenditure of cluster 1 clubs was sustained towards clubs playing in other European leagues.

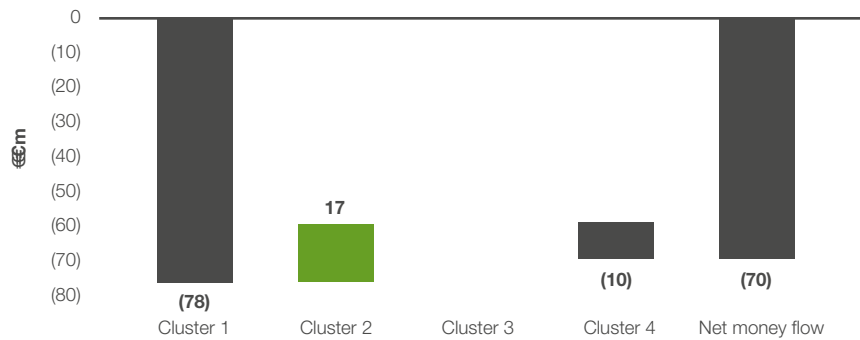
2011/2013 La Liga vs. Spanish Lower Divisions



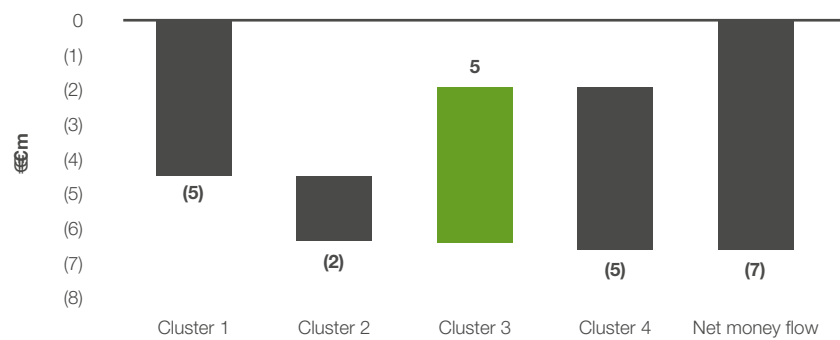
2011/2013 La Liga vs. Other Major 5 Leagues



2011/2013 La Liga vs. Other European Leagues



2011/2013 La Liga vs. Non-UEFA Countries

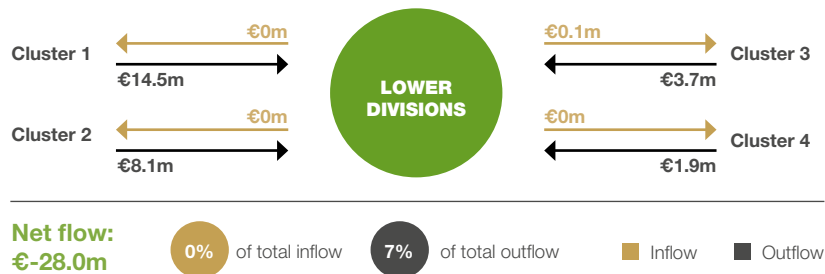


LA LIGA – VALUE OF TRANSFERS

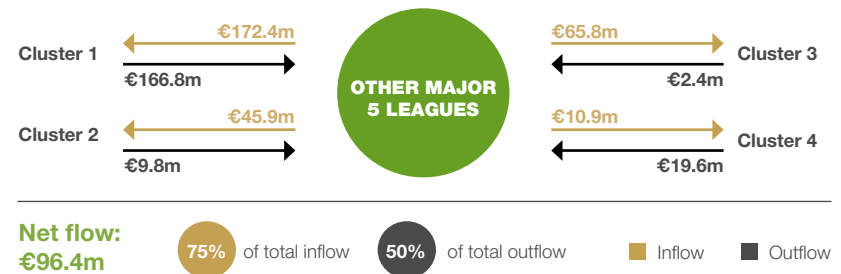


Top Spanish clubs acquired mainly players both from other major 5 leagues and other European leagues. In the first case, they sold players for approximately the same value in the opposite direction, while in the second they did not. Clusters 2 and 3 clubs were able to receive substantial funds by selling to other major 5 leagues' clubs.

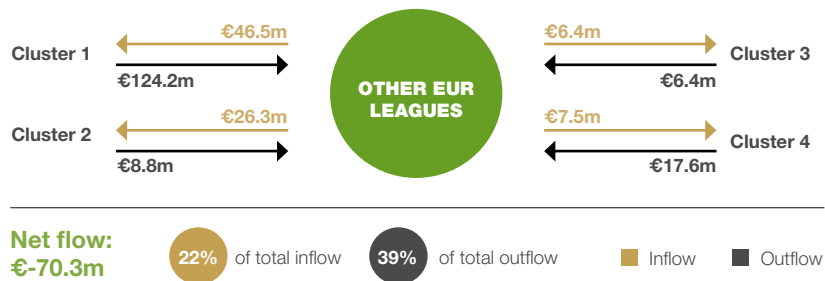
2011/2013 La Liga vs. Spanish Lower Divisions



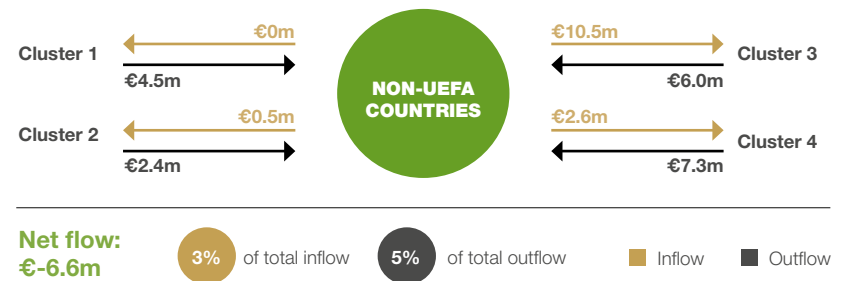
2011/2013 La Liga vs. Other Major 5 Leagues



2011/2013 La Liga vs. Other European Leagues



2011/2013 La Liga vs. Non-UEFA Countries

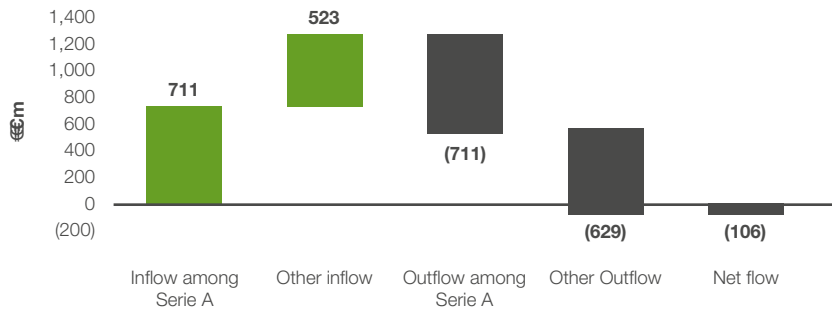


SERIE A – VALUE OF TRANSFERS

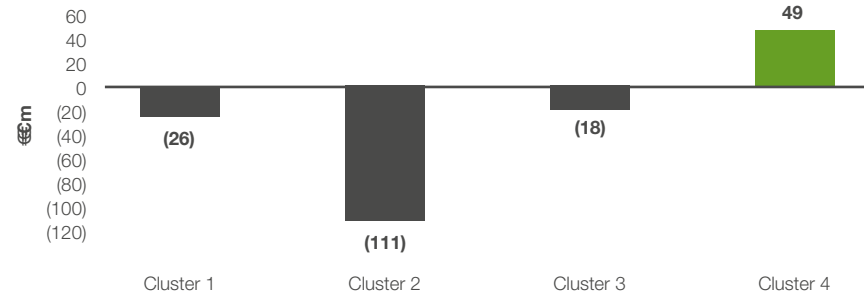


Italian Serie A had a negative transfer balance with external leagues, which is mainly due to the transfer activity of clubs from cluster 2. Biggest transfer expenditure within the league was made by cluster 2 clubs, with only cluster 4 clubs resulting in a positive net balance.

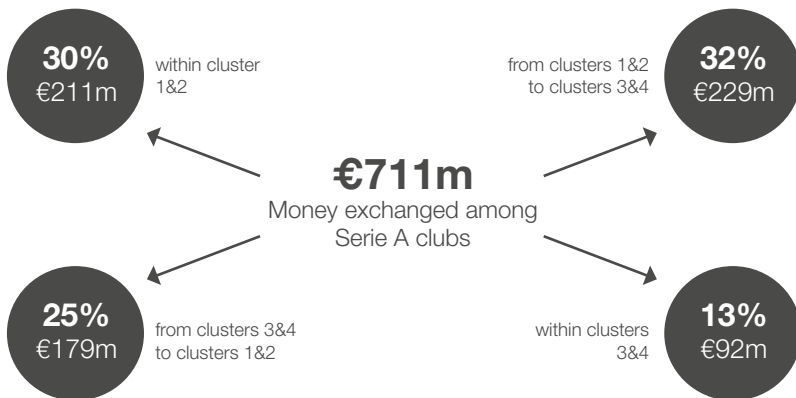
2011/2013 Net Money Flow



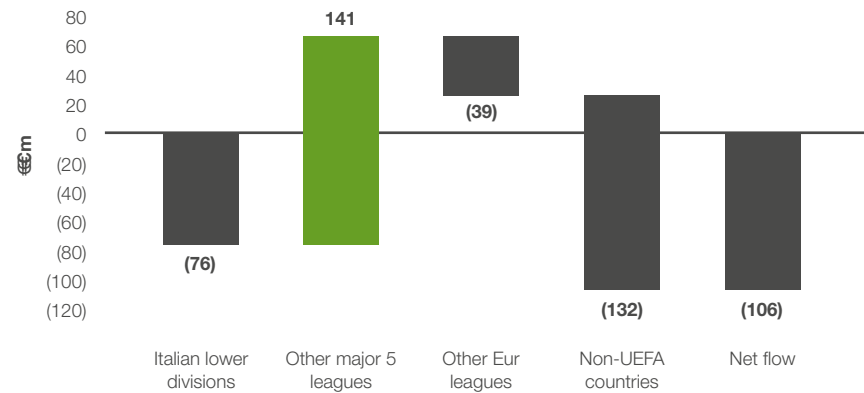
2011/2013 Net Money Flow by Cluster



2011/2013 Money Exchanged within Serie A



2011/2013 Net Money Flow vs. Other Leagues

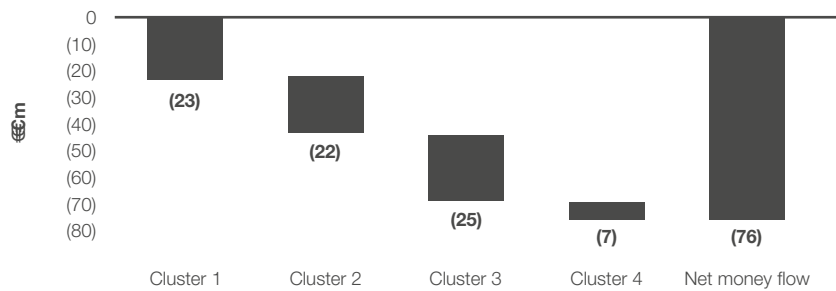


SERIE A – VALUE OF TRANSFERS

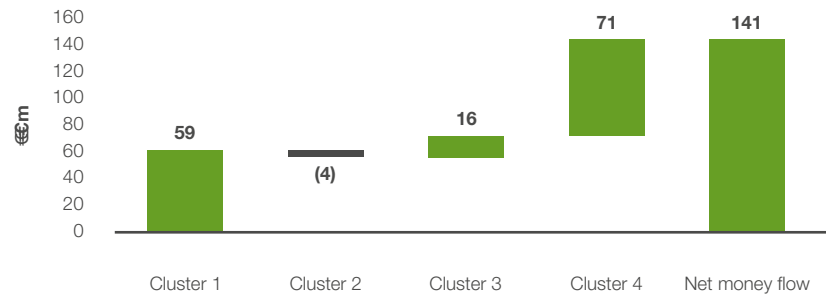


Serie A clubs were net spenders in their dealings with external leagues. This is mainly attributable to the transfer expenditure sustained towards Italian lower divisions and non-UEFA countries. On the other hand, cluster 1 and 4 clubs received a significant amount of money for transfers realized with other major 5 leagues.

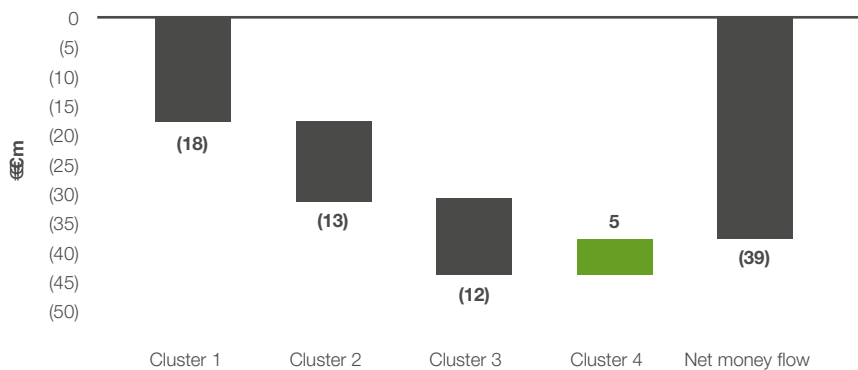
2011/2013 Serie A vs. Italian Lower Divisions



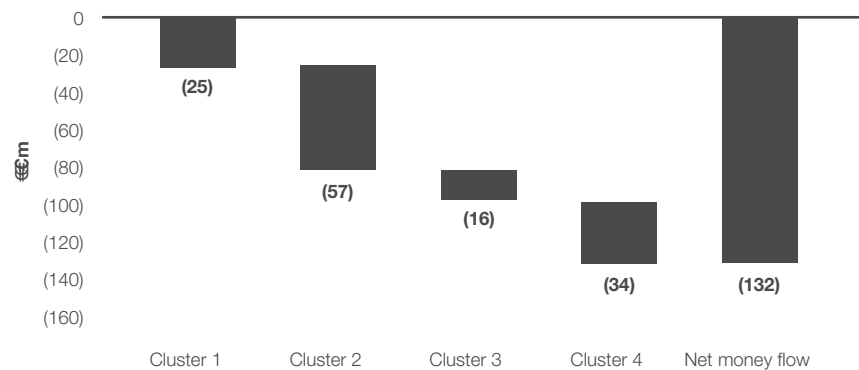
2011/2013 Serie A vs. Other Major 5 Leagues



2011/2013 Serie A vs. Other European Leagues



2011/2013 Serie A vs. Non-UEFA Countries



SERIE A – VALUE OF TRANSFERS



Clubs from clusters 1 and 4 had a significantly positive transfer balance with the other major 5 leagues' clubs. Italian Serie A clubs invested mainly in players from Italian lower divisions and non-UEFA countries.

2011/2013 Serie A vs. Italian Lower Divisions



Net flow: €-76.1m (16% of total inflow, 25% of total outflow)

Legend: Inflow (orange arrow), Outflow (black arrow)

2011/2013 Serie A vs. Other Major 5 Leagues



Net flow: €141.4m (61% of total inflow, 29% of total outflow)

Legend: Inflow (orange arrow), Outflow (black arrow)

2011/2013 Serie A vs. Other European Leagues



Net flow: €-38.7m (19% of total inflow, 22% of total outflow)

Legend: Inflow (orange arrow), Outflow (black arrow)

2011/2013 Serie A vs. Non-UEFA Countries



Net flow: €-132.1m (4% of total inflow, 24% of total outflow)

Legend: Inflow (orange arrow), Outflow (black arrow)

Solidarity Contribution & Club Agent Commissions

- > Chapter Summary
- > Solidarity Contribution
- > Club Agent Commissions





3

CHAPTER SUMMARY

FIFA regulations outline that a solidarity contribution of 5% a transfer fee must be paid by the acquiring club to the clubs that trained and developed the player in their youth as a mechanism to compensate the investment made.

The total solidarity contribution payments over the 2-year period 2011/12 and 2012/13 amounted to \$57.9m. This represents just 1.15% of the total transfer expenditure incurred over the period, with \$199m of payments having not been made.

Clubs in the UEFA territory, and in particular those belonging to the top bundle, achieved the highest contribution rate at a total of 1.28%, although this is still significantly below the required level. However, the situation is much worse when considering amounts received by European clubs from those outside the area, with an average collection rate of just 0.24%.

The analysis has highlighted the existence of flaws in both the monitoring and collection mechanisms of the contribution, and a focus should be placed on making these more effective. Enhancing the effectiveness of the current system is of greater importance

than increasing the payment rate as any such increase would not only penalise those who are, and continue to be compliant with the regulations, but could also further deter those who do not contribute as required.

Furthermore, enhancing this element of the current transfer system would further strengthen its redistributive power, as 80% of the solidarity contributions are paid by the top bundle countries, much of which would filter down through the system.

Over the 2-year review period, club agent commissions totalled \$254m, representing 14.6% of the value of the 865 transfers with which they were involved. In line with other trends seen in this study, the largest clubs in the top bundle are the ones that make the largest payments to club agents, accounting for \$197m (78%) of the total.

Given that the fees paid to players' agents were not included within the analysis, it is evident that agents are receiving a considerable portion of the transfer fees paid by clubs and both their role and levels of compensation need to be reviewed and monitored carefully.

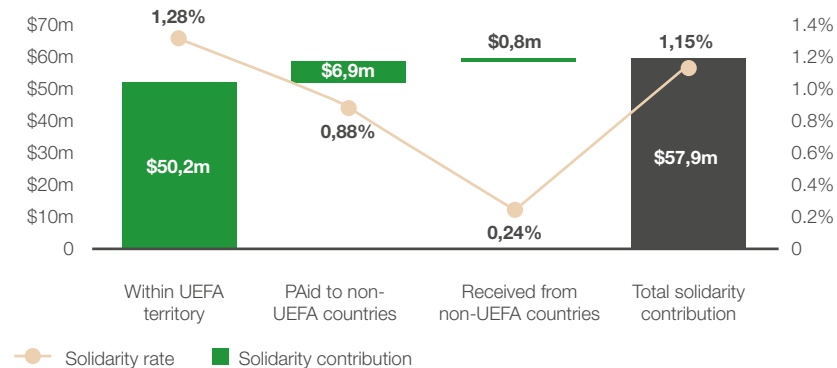
1.15%

The percentage of the solidarity contribution on the transfer fee during the 2-year period 2011/12 and 2012/13

SOLIDARITY CONTRIBUTION

Solidarity payments of international transfers are lower than the 5% threshold set by FIFA. European clubs registered the highest percentage of payments and therefore were more likely to be compliant. A relevant exception for such observation are the payments of solidarities between clubs playing in low bundle leagues.

2011/2013 Total Solidarity Contribution



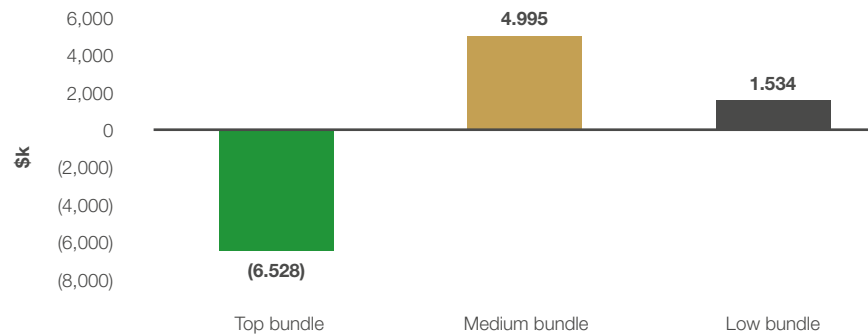
2011/2013 Solidarity Contribution within the UEFA Territory

	Top bundle	Medium Bundle	Low Bundle	Solidarity contribution paid
Top bundle	\$38,263k	\$6,932k	\$1,024k	\$46,219k
Medium bundle	\$1,364k	\$1,937k	\$593k	\$3,894k
Low bundle	\$64k	\$20k	\$4k	\$88k
Solidarity contribution received	\$39,691k	\$8,889k	\$1,621k	\$50,201k

2011/2013 Solidarity Rate within the UEFA Territory

	Top bundle	Medium Bundle	Low Bundle	Solidarity contribution paid
Top bundle	1.41%	1.09%	0.60%	1.32%
Medium bundle	0.73%	2.03%	1.52%	1.21%
Low bundle	0.10%	0.14%	0.04%	0.10%
Solidarity contribution received	1.34%	1.19%	0.73%	1.28%

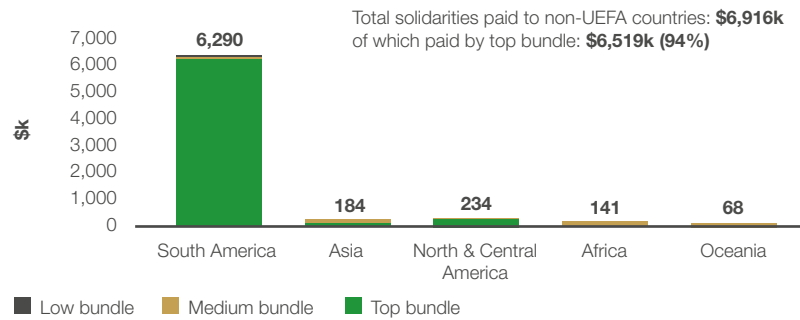
2011/2013 Net Solidarity Contribution within UEFA Countries



SOLIDARITY CONTRIBUTION PAID BY EUROPEAN CLUBS

The large part of solidarities are paid by clubs playing in the top bundle leagues and the most common destination of such payments is South America. Some of the top bundle leagues tend to more frequently pay solidarity contributions (e.g. Italy and Germany), but even in those cases the percentage is far from 5%.

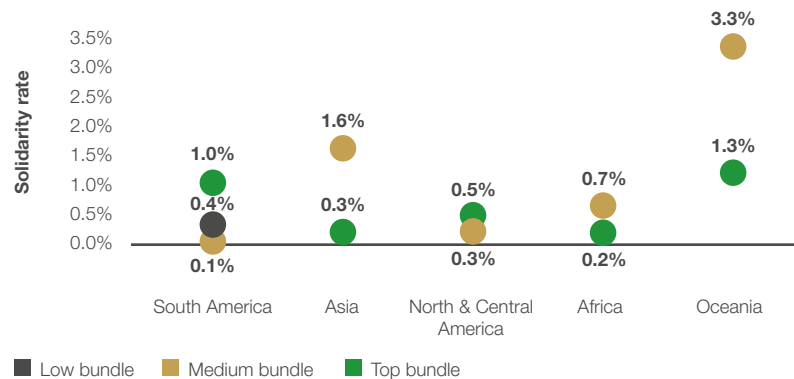
2011/2013 Solidarity Contribution Paid by Bundle



Top Bundle: Solidarities Paid to Non-UEFA Countries

	S. America	Asia	N&C America	Africa	Oceania	Total
Italy	\$4,040k	-	\$150k	\$40k	-	\$4,230k
Russia	\$722k	-	-	-	-	\$722k
England	\$483k	\$44k	\$28k	-	\$31k	\$585k
Spain	\$342k	-	\$42k	-	-	\$385k
Germany	\$327k	\$13k	-	-	-	\$340k
France	\$150k	-	-	-	-	\$150k
Portugal	\$67k	-	-	-	-	\$67k
Netherlands	\$32k	-	-	-	-	\$32k
Turkey	-	-	-	\$6k	-	\$6k
						\$6,519k

2011/2013 % of Solidarity Contribution Paid on Transfer Fee



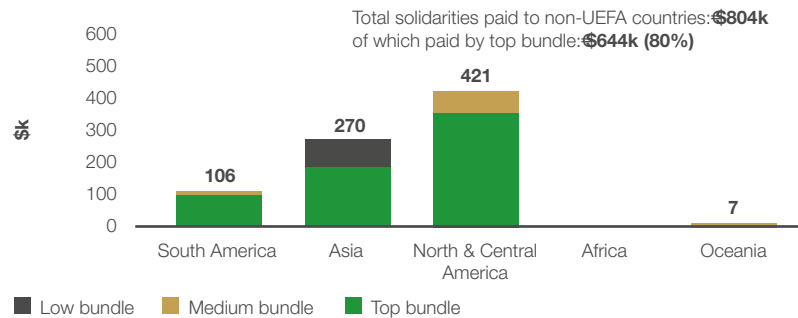
Top Bundle: % of Solidarity Contribution Paid on Transfer Fee

	S. America	Asia	N&C America	Africa	Oceania	Total
Italy	2.0%	-	5.1%	1.4%	-	2.0%
Russia	1.2%	-	-	-	-	1.2%
England	0.8%	1.0%	0.1%	-	2.0%	0.6%
Spain	1.2%	-	1.6%	-	-	1.0%
Germany	1.9%	0.3%	-	-	-	1.3%
France	0.2%	-	-	-	-	0.1%
Portugal	0.1%	-	-	-	-	0.1%
Netherlands	0.3%	-	-	-	-	0.2%
Turkey	-	-	-	0.1%	-	0.0%

SOLIDARITY CONTRIBUTION PAID BY EUROPEAN CLUBS

The amount of solidarity contribution received by European clubs is relatively low compared to the overall value of transfers. It appears that North and Central American clubs paid their solidarity obligations more regularly, while on the other hand South American, African and Asian clubs did not frequently fulfil their solidarity duties.

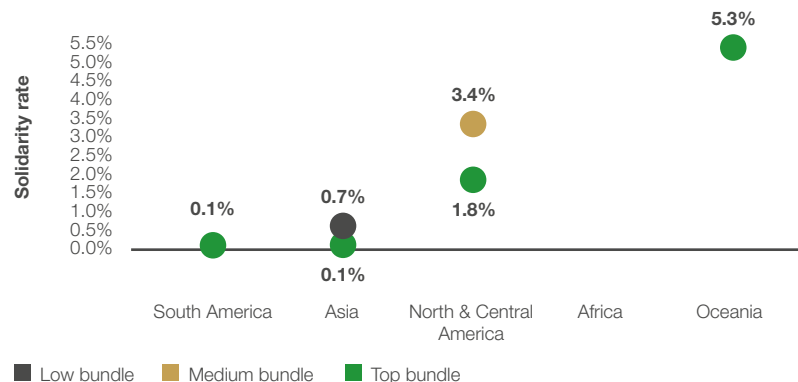
2011/2013 Solidarity Contribution Received by Bundle



Top Bundle: Solidarities Received from Non-UEFA Countries

	S. America	Asia	N&C America	Africa	Oceania	Total
Germany	-	\$91k	\$148k	-	-	\$239k
England	-	-	\$201k	-	-	\$201k
Italy	\$99k	\$13k	-	-	-	\$112k
France	-	\$61k	-	-	-	\$61k
Portugal	-	\$20k	-	-	-	\$20k
Netherlands	-	-	-	-	\$7k	\$7k
Spain	\$4k	-	-	-	-	\$4k
Russia	-	-	-	-	-	-
Turkey	-	-	-	-	-	-
						\$644k

2011/2013 % of Solidarity Contribution Received on Transfer Fee



Top Bundle: % of Solidarity Contribution Received on Transfer Fee

	S. America	Asia	N&C America	Africa	Oceania	Total
Germany	-	0.5%	5.1%	-	-	0.5%
England	-	-	2.0%	-	-	0.7%
Italy	0.3%	1.7%	-	-	-	0.4%
France	-	0.2%	-	-	-	0.2%
Portugal	-	0.3%	-	-	-	0.2%
Netherlands	-	-	-	-	5.3%	1.6%
Spain	0.4%	-	-	-	-	0.0%
Russia	-	-	-	-	-	-
Turkey	-	-	-	-	-	-

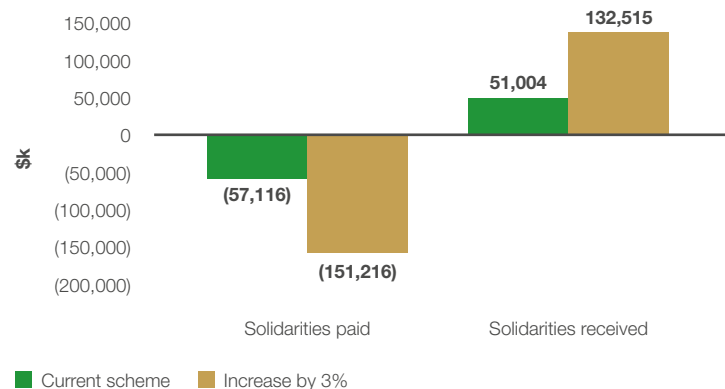
OVERVIEW OF SOLIDARITY MECHANISM

FIFA's solidarity mechanism redistributes a portion of the transfer fees paid for a given player. A fixed percentage of the sum is received by his former clubs and aims to reward them for educating and training a successful young player. In the current environment the solidarity obligation is often not respected.

Solidarity Contribution

Definition	Purpose of the Mechanism	Application of the Rule	Amount to be Paid	Responsibility for Payment
<ul style="list-style-type: none"> A payment which arises when a professional player is transferred to another club before the expiry of his contract Any club that has contributed to his education and training between the seasons of his 12th and 23rd birthday shall receive a proportion of the compensation paid to his former club 	<ul style="list-style-type: none"> The aim of the rule is to allow former clubs of a player to benefit from his appreciation on the transfer market This rule remunerates clubs that trained players deemed expensive on the transfer market; therefore puts a focus on quality of players 	<ul style="list-style-type: none"> The aim of the rule is to allow former clubs of a player to benefit from his appreciation on the transfer market This rule remunerates clubs that trained players deemed expensive on the transfer market; therefore puts a focus on quality of players 	<ul style="list-style-type: none"> When a professional moves during the course of a contract, 5% of any compensation (excl. training compensation) shall be distributed between his former clubs The contribution reflects the number of years a player was registered with a given club, assigning a pre-established percentage of total transfer fee for each year 	<ul style="list-style-type: none"> The new club shall pay the solidarity contribution to the training club(s) It is the responsibility of the new club to calculate the amount of the solidarity contribution and to distribute it If a link between the professional and his former clubs could not be established, the sum shall be paid to the country's association

Effects of an Increase by 3% in the Solidarity Rate

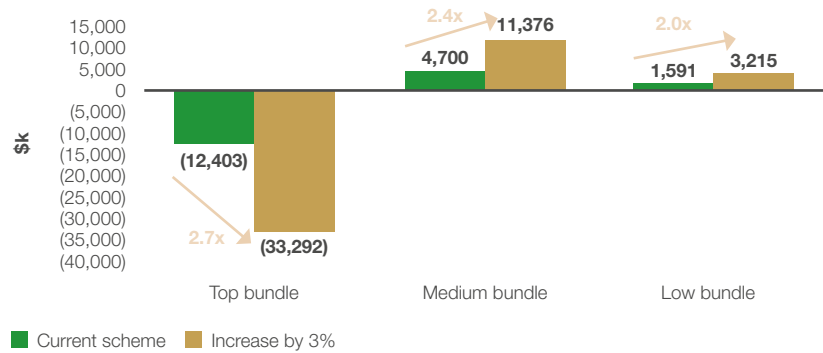


- As shown on the previous pages, payments of solidarity contribution are well under the intended 5% portion of transfer compensations
- However, increasing the solidarity rate, without resolving problems related to its collectability would paradoxically penalize compliant clubs
- Improving information streams between clubs and administrative procedures could be more efficient than increasing the current percentage
- An increase of solidarity contribution might also have an inflationary effect on transfer fees, as it is unlikely that selling clubs are going to settle for smaller compensations

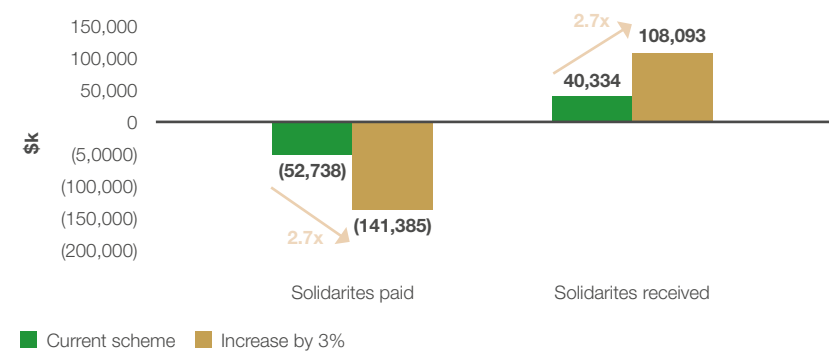
EFFECTS OF AN INCREASE BY 3% IN THE SOLIDARITY RATE

The analysis on this page illustrates the effect of an increase in the observed solidarity rate. In the current environment the observed percentage paid to clubs is around 1% showing that there is a vast room for improvement in the collectability of the fees. Such change would render the mechanism more effective.

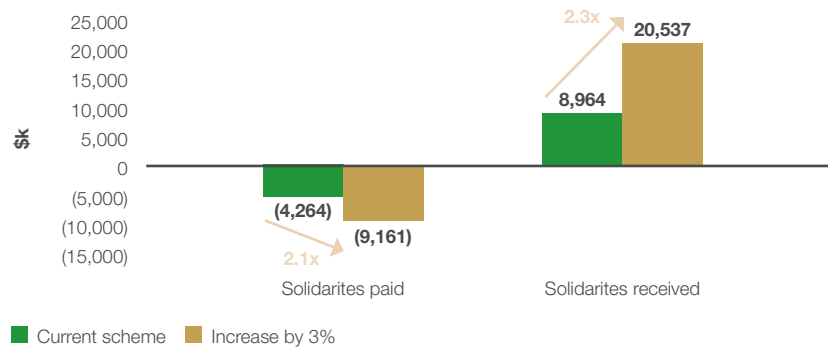
Impact on Net Solidarities by Bundle



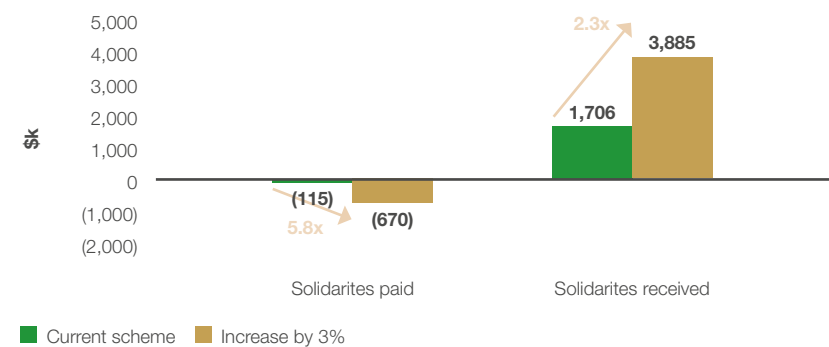
Top Bundle: Impact on Solidarities Paid and Received



Medium Bundle: Impact on Solidarities Paid and Received



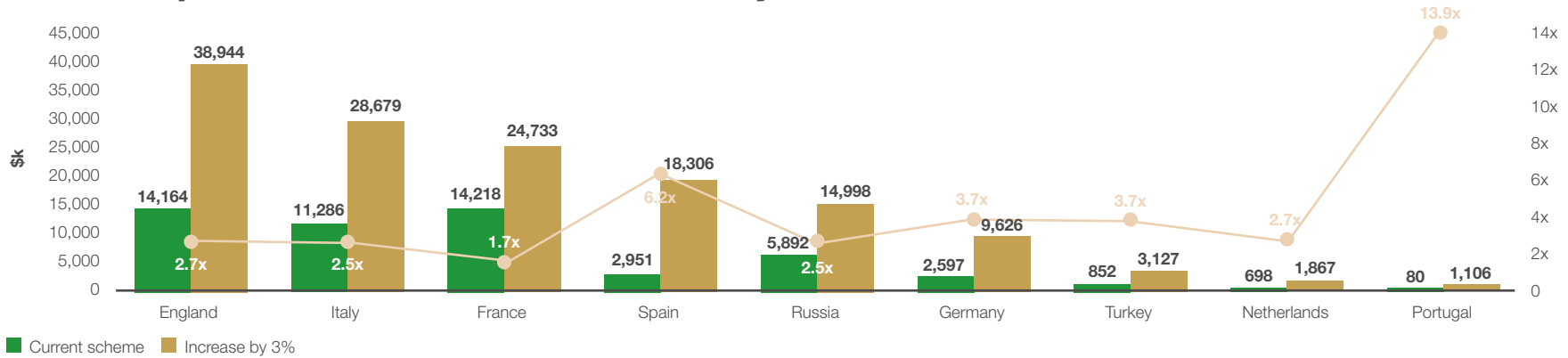
Low Bundle: Impact on Solidarities Paid and Received



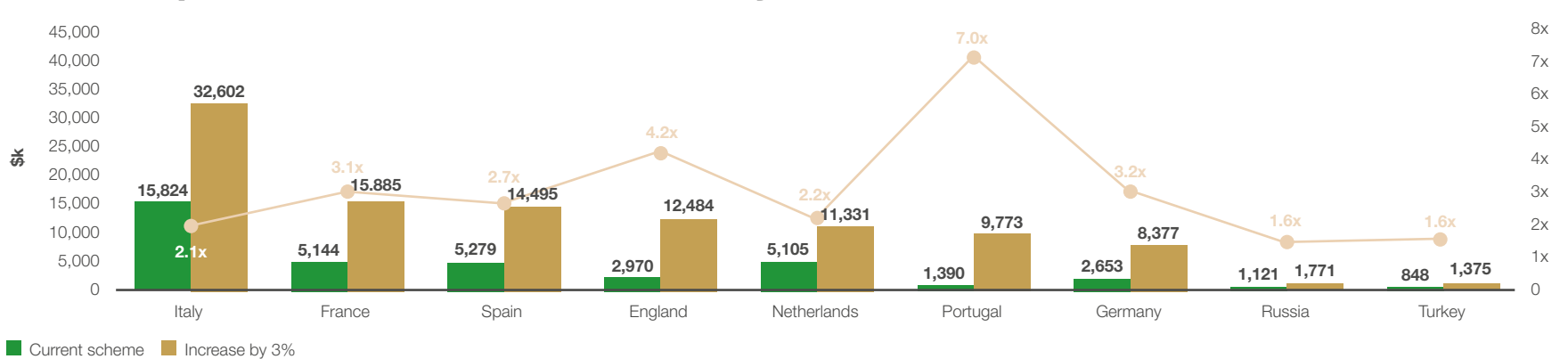
EFFECTS OF AN INCREASE BY 3% IN THE SOLIDARITY RATE FOCUS ON TOP BUNDLE

Among top bundle countries only Italy, Netherlands and Portugal are net beneficiaries from solidarity contribution. The largest contributor is England, followed closely by France. The larger the multiplier, the more distant is a party from being compliant, in the hypothesis of a 3% increase in the solidarity rate.

Focus on Top Bundle Countries: Increase in Solidarity Contribution Paid



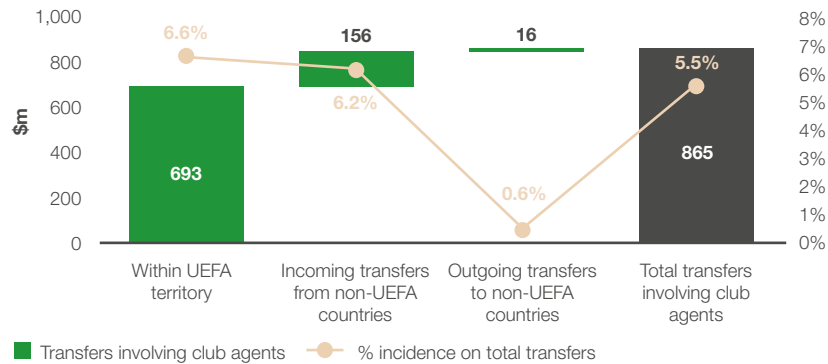
Focus on Top Bundle Countries: Increase in Solidarity Contribution Paid



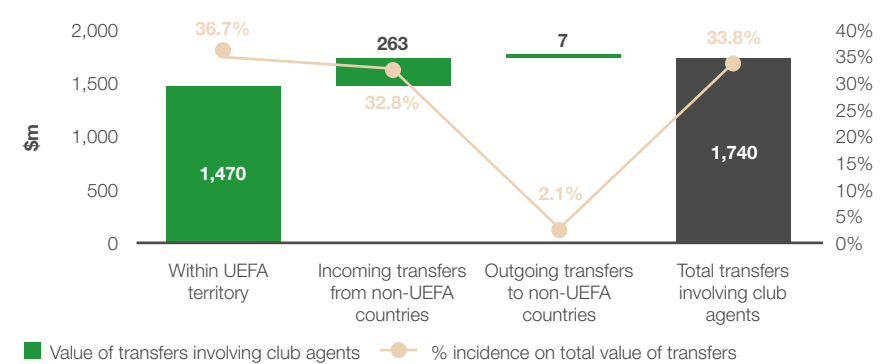
CLUB AGENT COMMISSIONS ON INTERNATIONAL TRANSFERS MADE BY EUROPEAN CLUBS

The number of international transfers that involved club agents were 865 (5.5% of total transfers) with a value of \$1,740m. Club agent commissions were \$254m, representing 14.6% of this value or 4.9% of the total value of transfers made by European clubs. The vast majority of it (\$211m) was due to transfers within the UEFA territory.

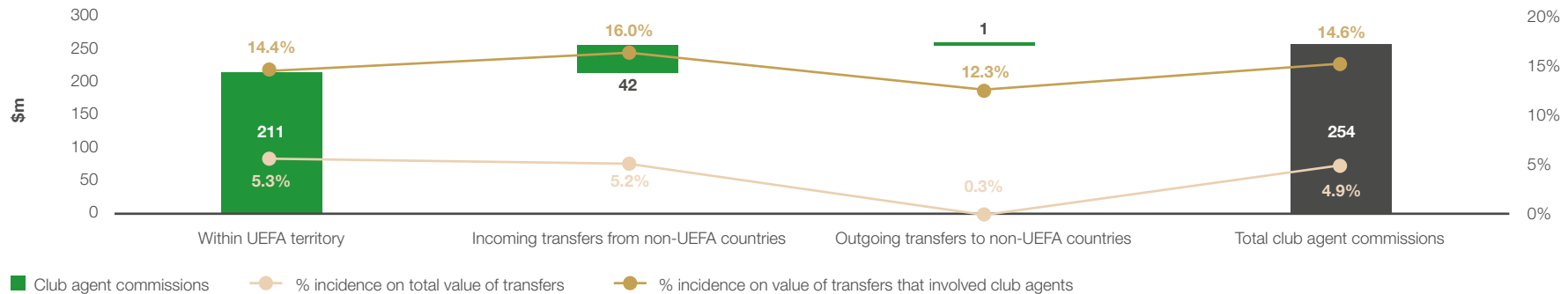
2011/2013 Total Solidarity Contribution



2011/2013 Solidarity Contribution within the UEFA Territory



2011/2013 Solidarity Rate within the UEFA Territory



CLUB AGENT COMMISSIONS ON INTERNATIONAL TRANSFERS MADE BY EUROPEAN CLUBS

The majority of club agent commissions were originated by transfers within top bundle clubs (\$146.1m). With respect to incoming transfers from non-UEFA countries \$34.1m out of a total of \$42.0m were the commissions paid to club agents from transfers which occurred with South American clubs.

2011/2013 Club Agent Commissions within UEFA Territory

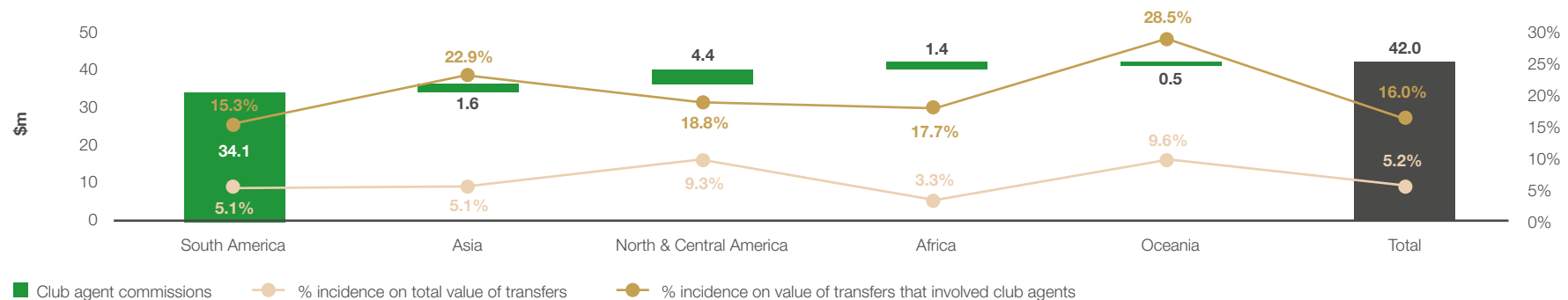
	Top bundle	Medium Bundle	Low Bundle	Club agent commissions
Top bundle	\$146.1m	\$38.5m	\$12.6m	\$197.2m
Medium bundle	\$5.0m	\$2.9m	\$1.7m	\$9.6m
Low bundle	\$3.8m	\$0.4	\$0.3	\$4.5m
				\$211.3m

% Incidence of Club Agent Commissions within UEFA Territory

	Top bundle		Medium Bundle		Low Bundle		Club agent commissions	
Top bundle	13.5%	5.3%	16.2%	5.9%	12.3%	6.8%	13.9%	5.5%
Medium bundle	56.5%	2.6%	22.3%	3.0%	n.a.	4.2%	42.2%	2.9%
Low bundle	14.9%	5.7%	n.a.	3.1%	n.a.	2.8%	17.5%	5.0%
							14.4%	5.3%

■ % incidence on value of transfers that involved club agents
■ % incidence on total value of transfers

2011/2013 Club Agent Commissions on Incoming Transfers from Non-UEFA Countries



Loan Activity

- > Chapter Summary
- > International Loans Made by European Clubs
- > Aggregated Loan Activity within the Major 5 European Leagues



4

CHAPTER SUMMARY

The analysis of loan activity identified a sizeable market with significant use of this type of transfer, particularly among younger players. In total 60% of incoming loans and 54% of outgoing loans in Europe were for players aged 23 or below, and the average age of loaned players remained below 24 years for all 3 bundles (see section “Methodology” for more details).

Clubs in the medium and low bundles both recorded net incoming loans, with the possible rationale being the ability of loans to act as a “quick fix”. The short-term financial commitment and cost-effectiveness for such acquisitions play a key role in maintaining on-pitch competitiveness.

Within the top bundle, different patterns were witnessed from one country to another. For example, Spanish (66%) and French (59%) clubs’ incoming loan deals were mainly for players from the other top bundle countries, whereas Russian clubs acquired 73% of loan players from medium and low bundle countries.

There are many reasons for these trends, including the different national labour regulations (work permits for example) and the different timings of the playing seasons in each country.

The main destination of outgoing loans from the major 5 leagues were the lower divisions within the respective country. The net outflow of players on loan from clusters 1 (109) and 2 (21) to clubs in clusters 3 and 4, coupled with the trend of player ages noted above, indicates the importance placed on loan deals by the biggest clubs in the development of young players who are often sent out on loan to gain invaluable first team experience.

There were limited flows of money involved in loan activity in Europe, although incoming loans were more regularly structured using a compensation fee than outgoing ones (15% vs. 5% of the deals in 2012/13), resulting in total incoming fees for loans of €31m, compared to €27m for outgoing deals.

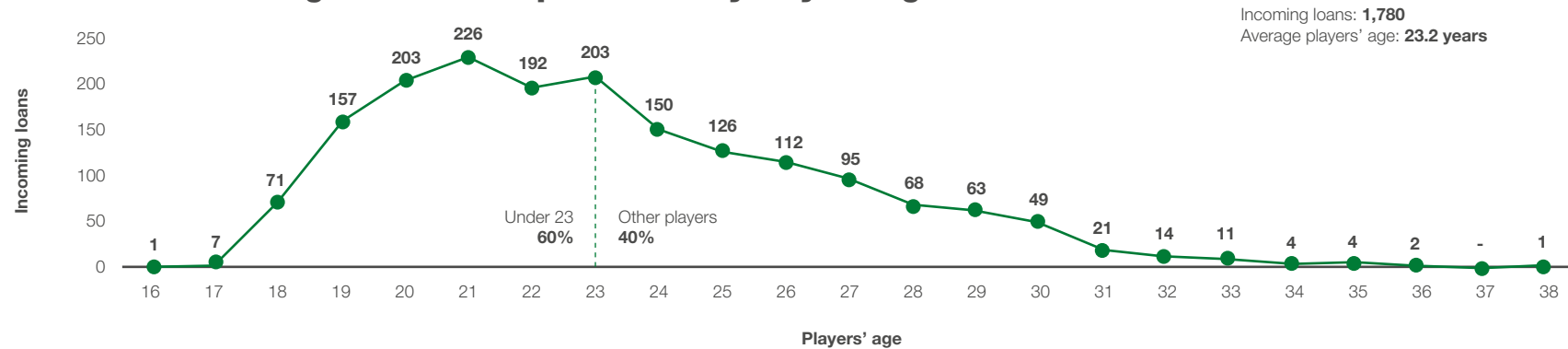
54%

The percentage of outgoing international loans made by European clubs during the 2-year period 2011/12 and 2012/13 that involved players under 23

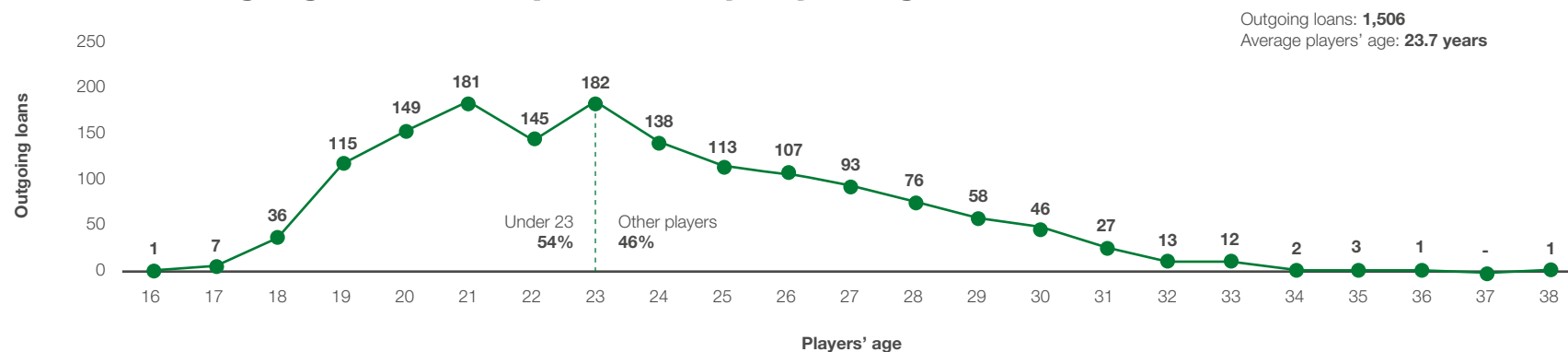
INTERNATIONAL LOANS MADE BY EUROPEAN CLUBS

Given that loans are usually intended as a development instrument it could be questioned whether their implementation above certain age is appropriate. The charts below indicate the percentage of loans executed above the age of 23. It can be seen that a significant portion of the loans occurs after such age.

2011/2013 Incoming Loans of European Clubs by Players' Age



2011/2013 Outgoing Loans of European Clubs by Players' Age

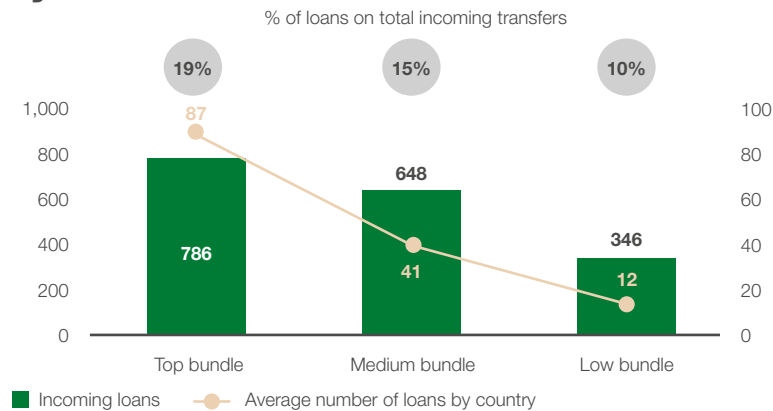


CHAPTER 4

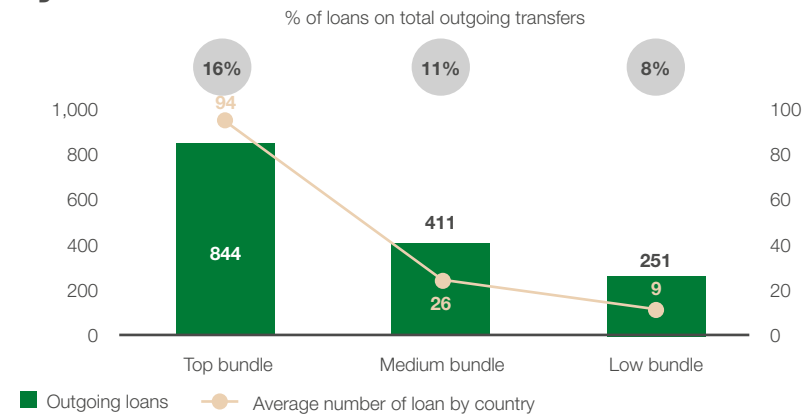
INTERNATIONAL LOANS OF EUROPEAN CLUBS BY BUNDLE

Loan markets in top bundle leagues appear to be the most developed. Medium and low bundle leagues more often engaged in incoming rather than outgoing transactions and probably used loans as a cost-effective instrument to remain competitive. The average age of loans remained below 24 years for all 3 bundles.

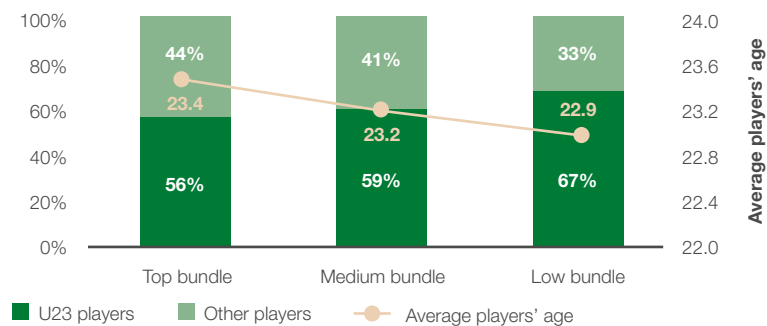
2011/2013 Average Number of Incoming Loans by Bundle



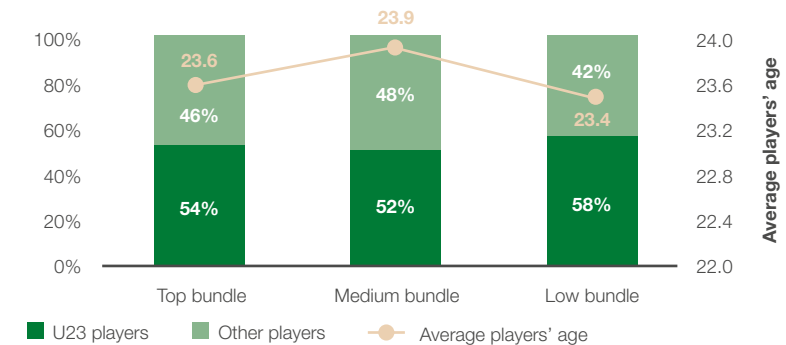
2011/2013 Average Number of Outgoing Loans by Bundle



2011/2013 Incoming Loans by Age



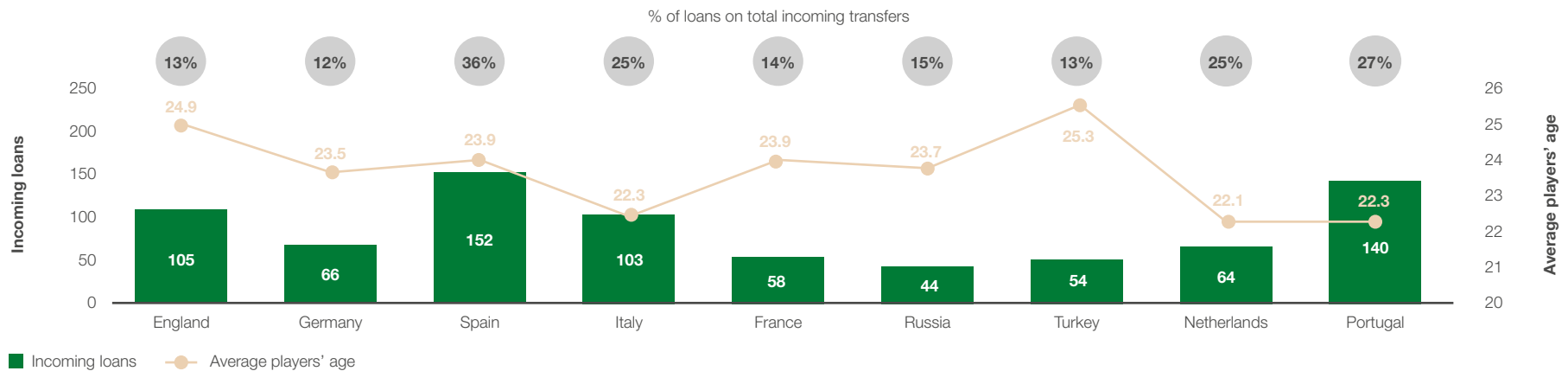
2011/2013 Outgoing Loans by Age



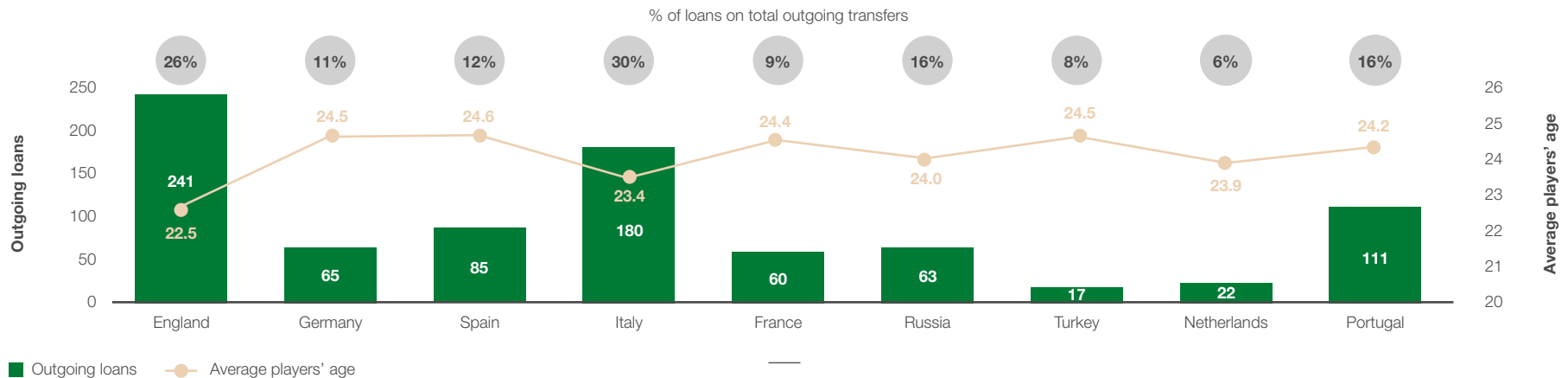
INTERNATIONAL LOANS OF THE TOP BUNDLE BY COUNTRY

Within the top bundle, various leagues adopt different approaches. Some of them performed a higher number of incoming loans (e.g. Spain, Turkey, Netherlands) while others had more outgoing (e.g. England, Italy). The average age of incoming and outgoing loans varied between 22 and 25 years.

2011/2013 Incoming Loans of Top Bundle by Country



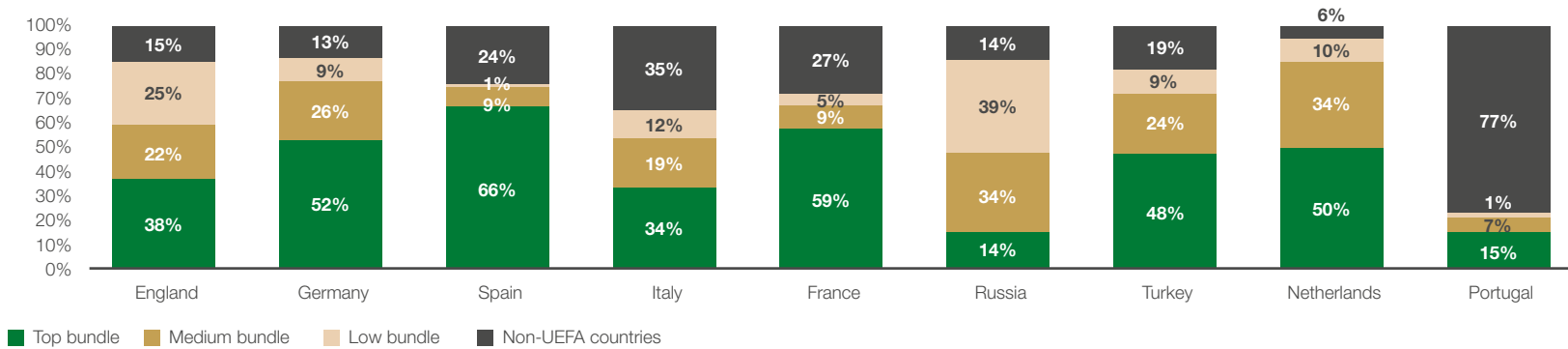
2011/2013 Outgoing Loans of Top Bundle by Country



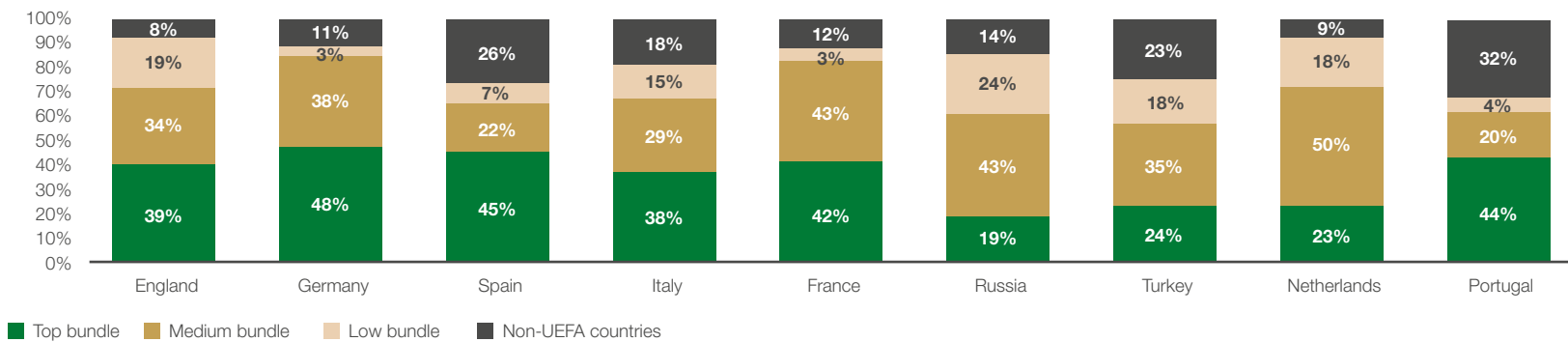
INTERNATIONAL LOANS OF THE TOP BUNDLE BY ORIGIN/DESTINATION

Loan activity did not follow a similar pattern for all top bundle countries. For example, French clubs acquired mainly players from other top bundle countries while Russian clubs borrowed players from medium and low bundle countries. Therefore, loans serve for various aims: player development, trial periods, cost-effective performance etc.

2011/2013 Incoming Loans of Top Bundle by Origin



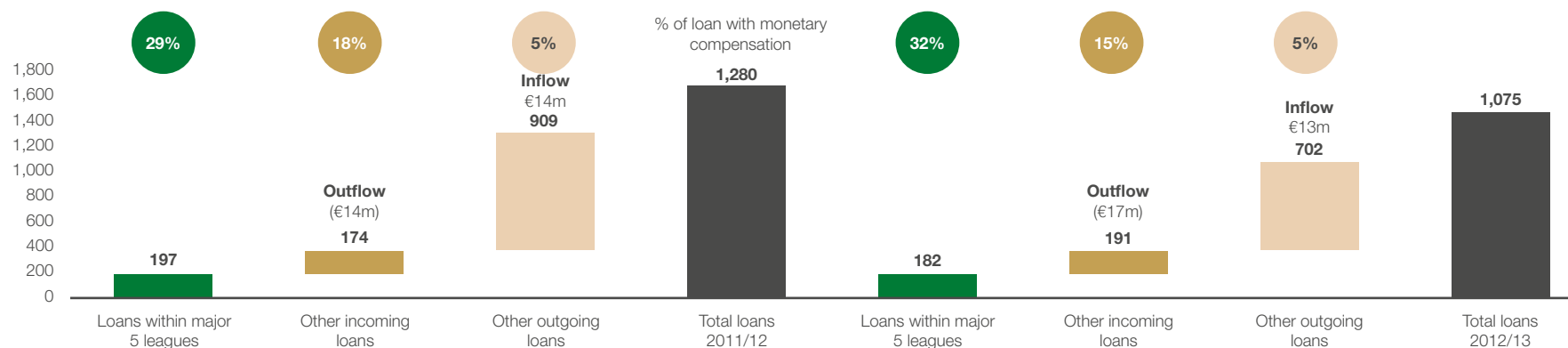
2011/2013 Outgoing Loans of Top Bundle by Destination



AGGREGATED LOAN ACTIVITY WITHIN THE MAJOR 5 EUROPEAN LEAGUES

The major 5 leagues supplied a significant amount of players on loan to other leagues. The main destination for them was the respective lower divisions within the same country. Incoming loans were more often accompanied by a compensation fee. Within the major 5 leagues, clusters 1 and 2 more regularly supplied players on loan to clusters 3 and 4.

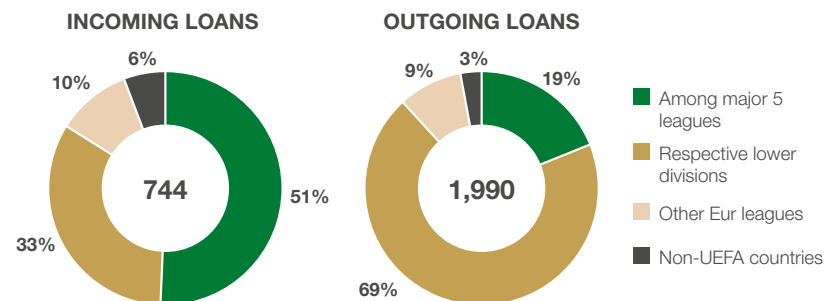
2011/2013 Number and Value of Loans in Major 5 Leagues



2011/2013 Serie A vs. Other European Leagues

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Incoming loans
Cluster 1	16	18	5	14	53
Cluster 2	34	20	8	15	77
Cluster 3	46	25	9	20	100
Cluster 4	66	35	20	28	149
Outgoing Loans	162	98	42	77	379

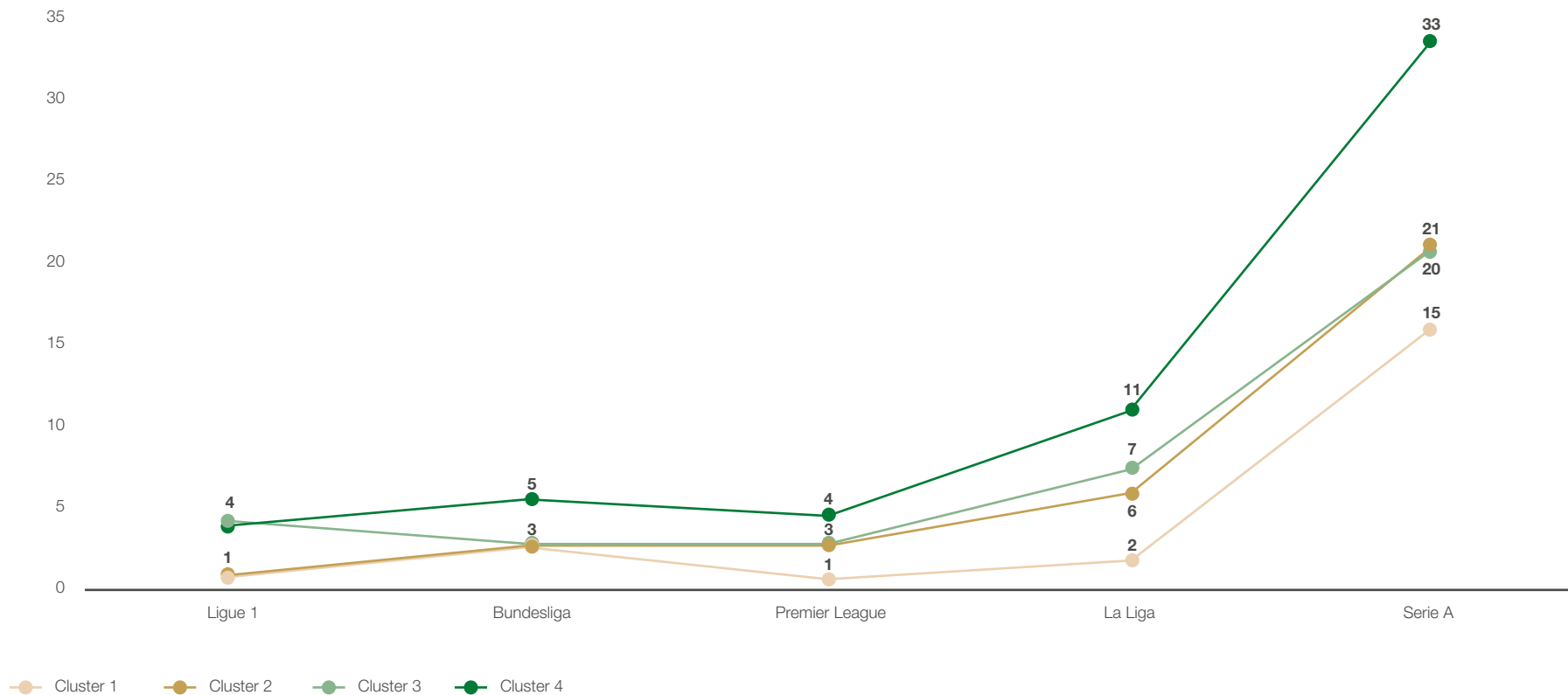
2011/2013 Serie A vs. Non-UEFA Countries



LOAN ACTIVITY WITHIN THE MAJOR 5 EUROPEAN LEAGUES – INCOMING LOANS

The highest number of incoming loans were registered in Serie A and La Liga. Clubs from clusters 3 and 4 borrowed more players on average. Particular attention should be paid to clubs from cluster 4 in Italy, where on average clubs loaned 33 players over the course of two seasons.

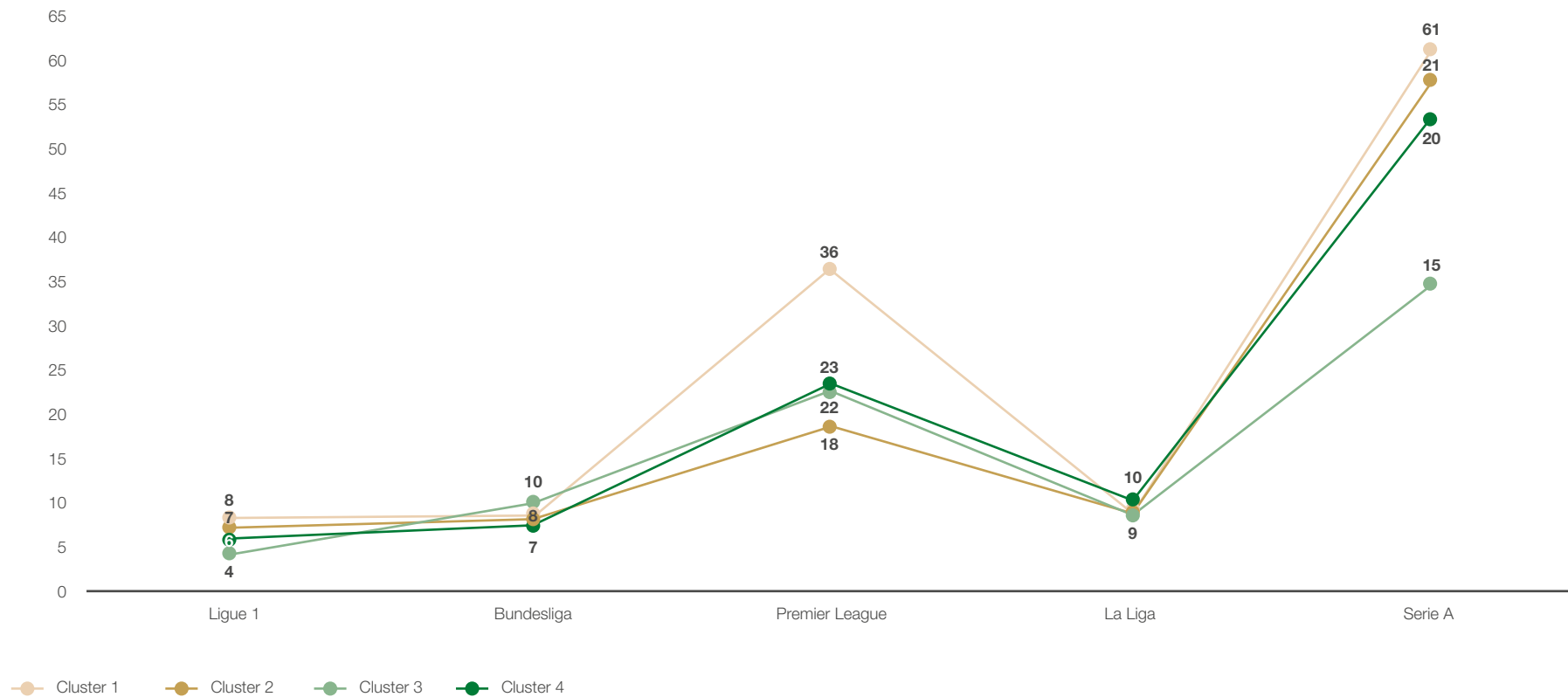
2011/2013 Average Number of Incoming Loans per Club by Cluster



LOAN ACTIVITY WITHIN THE MAJOR 5 EUROPEAN LEAGUES – OUTGOING LOANS

Clubs from the Premier League and Serie A saw a much higher number of outgoing loans with respect to the other 3 leagues. This could be due to strategies aiming to developing young players through first-team experience at a lower level. Cluster 1 clubs in the Premier League loaned 18 more players than those from cluster 4 on average.

2011/2013 Average Number of Outgoing Loans per Club by Cluster

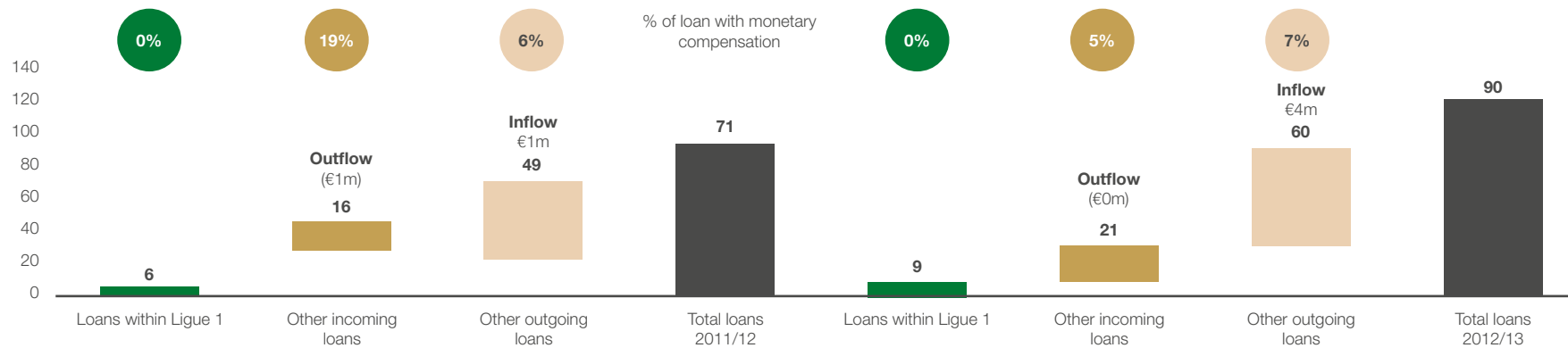


LIGUE 1



Clubs from French Ligue 1 sent a moderate number of players on loan, mainly to the French lower divisions. A relatively low number of the transactions involved a compensation fee. When it comes to loans within Ligue 1, the main beneficiaries were clubs from clusters 3 and 4, receiving players from cluster 1 and 2 clubs.

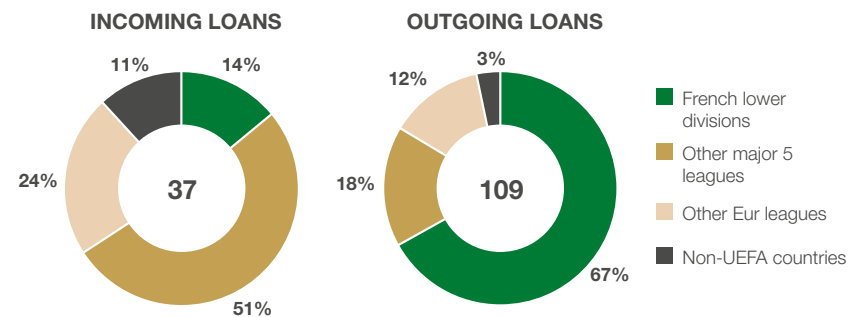
2011-2013 Number and Value of Loans in Ligue 1



Breakdown of Loans within Ligue 1 Clubs by Cluster

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Incoming loans
Cluster 1	-	-	-	1	1
Cluster 2	1	-	-	-	1
Cluster 3	1	3	-	1	5
Cluster 4	4	2	1	1	8
Outgoing Loans	6	5	1	3	15

2011/2013 Breakdown of Loans by Destination

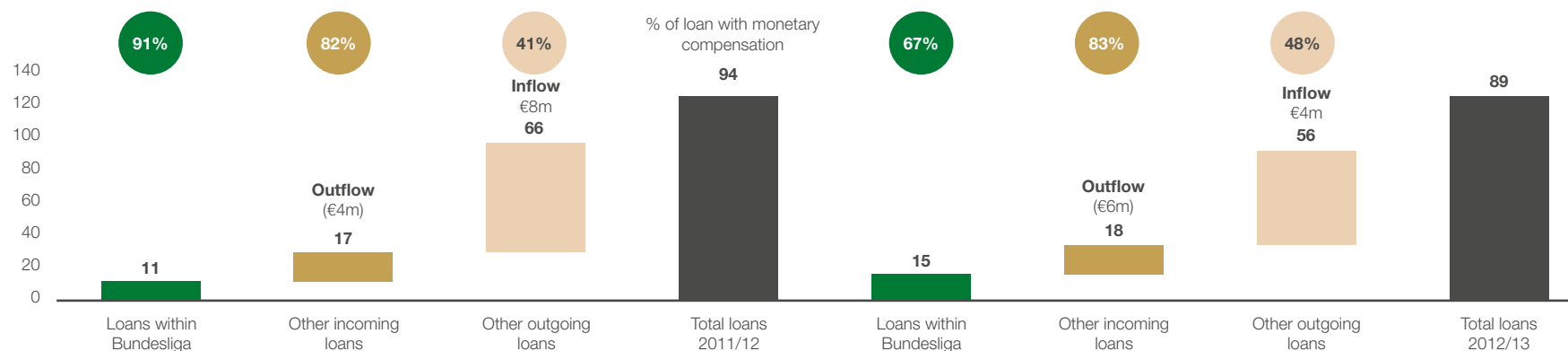


BUNDESLIGA



The number of transactions involving a compensation fee is particularly high and this is a specific feature of the German loan market. Mainly players from other major 5 leagues came as incoming loans, while German lower divisions were the prevalent direction for outgoing loans.

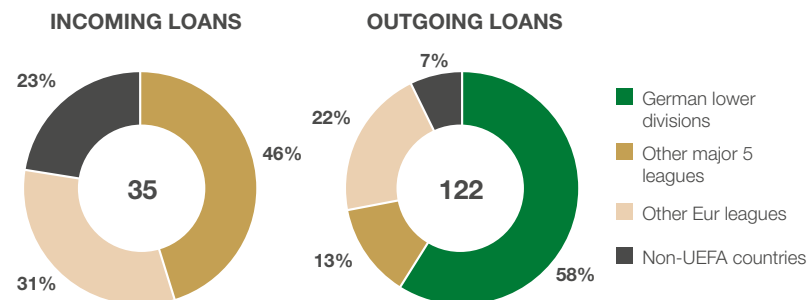
2011/2013 Number and Value of Loans in Bundesliga



Breakdown of Loans within Bundesliga Clubs by Cluster

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Incoming loans
Cluster 1	-	1	1	-	2
Cluster 2	-	1	2	-	3
Cluster 3	2	2	2	-	6
Cluster 4	4	6	4	1	15
Outgoing Loans	6	10	9	1	26

2011/2013 Breakdown of Loans by Destination

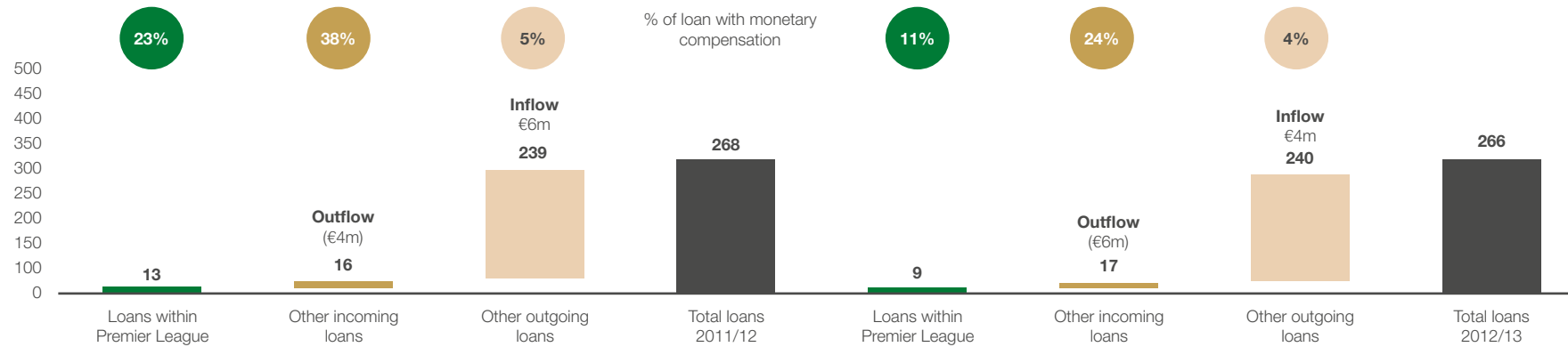


PREMIER LEAGUE



The English Premier League features a widespread loan market from the perspective of outgoing loans. Many players head to English lower division clubs in order to gain first-team experience. The number of loan transactions remained stable in both years under analysis which indicates a rather stable policy by Premier League clubs.

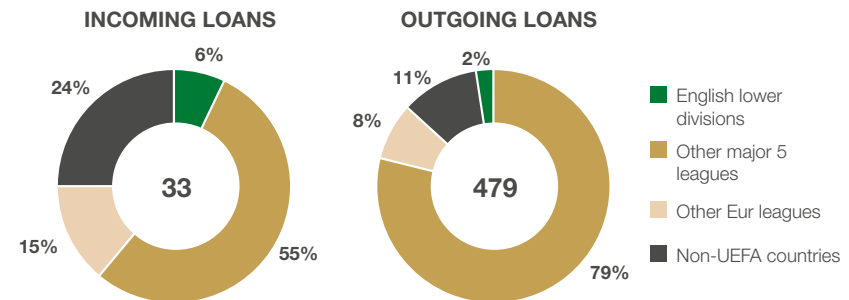
2011/2013 Number and Value of Loans in Premier League



Breakdown of Loans within Premier League Clubs by Cluster

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Incoming loans
Cluster 1	-	-	-	1	1
Cluster 2	-	1	-	-	1
Cluster 3	6	2	-	-	8
Cluster 4	11	1	-	-	12
Outgoing Loans	17	4	-	1	22

2011/2013 Breakdown of Loans by Destination

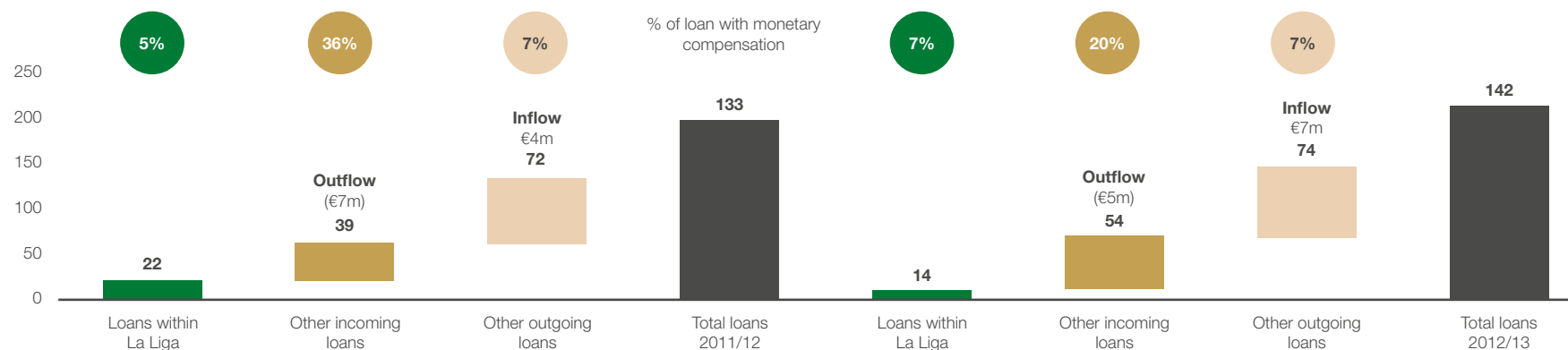


LA LIGA



Spanish La Liga clubs attracted a relatively high number of players on loan. Some of those transactions included a payment as well. La Liga clubs loaned players, mostly from other major 5 leagues and other European leagues. Within the league, cluster 1 and 2 clubs supplied players to clusters 3 and 4.

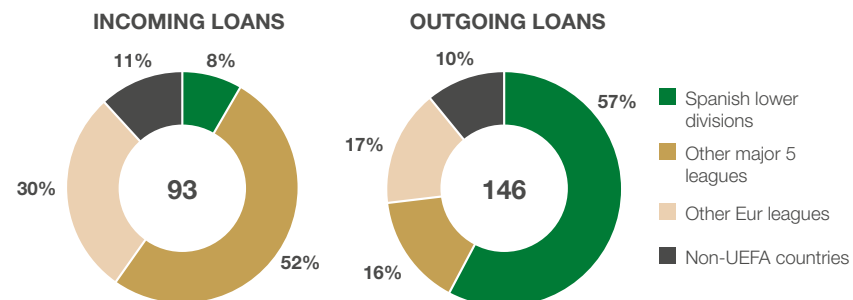
2011/2013 Number and Value of Loans in La Liga



Breakdown of Loans within La Liga Clubs by Cluster

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Incoming loans
Cluster 1	1	1	-	-	2
Cluster 2	3	2	1	-	6
Cluster 3	7	5	-	1	13
Cluster 4	7	6	1	1	15
Outgoing Loans	18	14	2	2	36

2011/2013 Breakdown of Loans by Destination

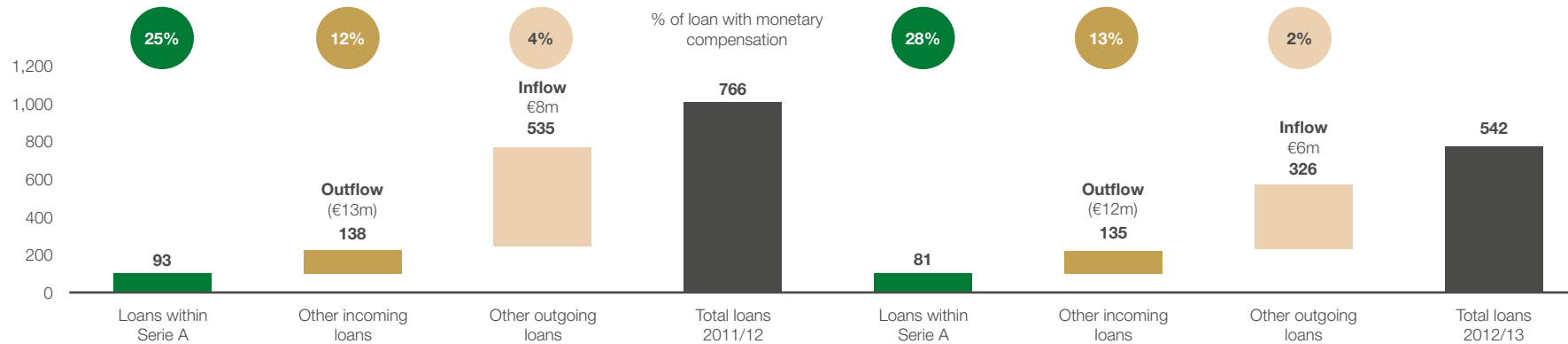


SERIE A



Serie A had one of the most widespread loan markets within the major 5 leagues. The number of loans remained stable in both years of analysis. A good portion of the transactions within the league included a compensation fee. The main destination for both incoming and outgoing loans were the Italian lower divisions.

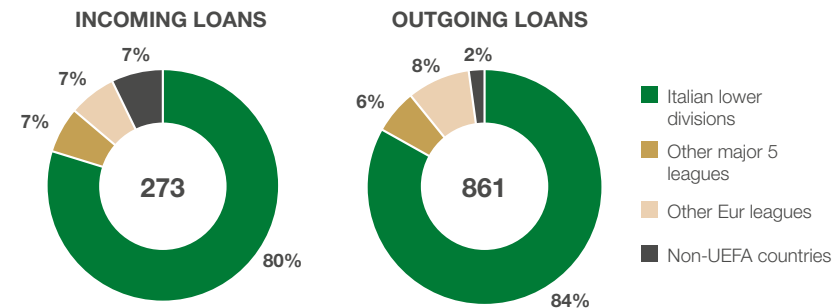
2011/2013 Number and Value of Loans in Serie A



Breakdown of Loans within Serie A Clubs by Cluster

	Cluster 1	Cluster 2	Cluster 3	Cluster 4	Incoming loans
Cluster 1	8	7	4	10	29
Cluster 2	13	12	3	12	40
Cluster 3	16	5	2	13	36
Cluster 4	30	12	8	19	69
Outgoing Loans	67	36	17	54	174

2011/2013 Breakdown of Loans by Destination



Sport Performances & Economic Results

- > Chapter Summary
- > Influence of Player Transfers on Clubs' Sport Performances
- > Clubs Participating in UEFA Competitions
- > Development of Key Financials: Transfer Expenditure, Revenues and Employee Costs



5

CHAPTER SUMMARY

The analyses conducted revealed a positive correlation between transfer expenditure and sporting success. However, this is only one factor that impacts the performance of the various clubs, as a multitude of other variables such as revenues, staff costs, infrastructure, the ability to develop youth talent and the reputation to attract the best players also play a pivotal role in determining a club's on-pitch success.

The study of the major 5 leagues showed numerous examples to support this, including Borussia Dortmund in Germany which, despite spending €128m less on players' transfers than Wolfsburg, outperformed their rivals and achieved 98 points more over 5 seasons.

It is noted that the case of the Spanish La Liga is slightly different to the other major 5 leagues as it is dominated by two clubs, Barcelona and Real Madrid, and the gap between their transfer expenditure and the rest of the league seems to be connected to their considerable success.

There has been a healthy turnover of clubs competing in UEFA's elite tournaments, with 578 different clubs qualifying in the last 10 years. Although 32% of participating clubs were able to achieve repeated appearances, the overall number of different clubs reaching the UEFA Champions League group stage has increased in the last 3 seasons to 65 (53 in the previous 3 year period). This indicates that although many factors are involved in ensuring competitiveness, the current transfer system does not appear to be hampering it at the top level.

With respect to the financial side of the transfer market, football revenues surprisingly grew over the period 2007/11 with a CAGR of +5.6%, while the general economy experienced a significant contraction. Transfer expenditure, on the other hand, did not increase and their incidence on revenues decreased from 28% in 2007 to 22% in 2011. In the same period, players' salaries rose at a higher pace than the one of the revenues (+8.5% 07/11 CAGR), absorbing a large part of the surplus generated. As a result, their incidence on revenues went from 59% in 2007 to 65% in 2011, nearly 3 times higher than the one of transfer expenditure.

11

The average number of clubs per country that participated in UEFA's club competitions over the last 10 years

INFLUENCE OF PLAYER TRANSFERS ON CLUBS' SPORT PERFORMANCES: SIMULATION METHODOLOGY

The simulation aims to closely examine the relationship between transfer expenditure and sporting success for football clubs. A point system has been developed, which allows one to aggregate sport achievements of clubs and be able to compare them through time.

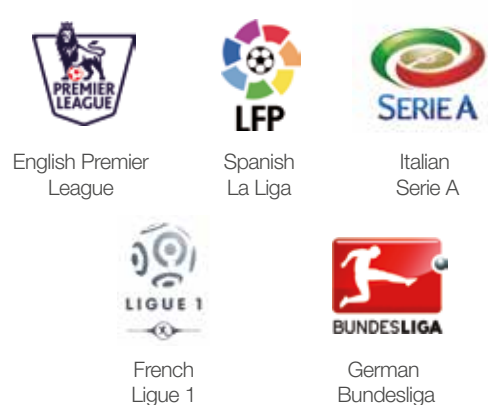
The simulation represented on the next page consists in attributing a score for a given achievement, and hence creates a common basis of comparison for all clubs playing in the major 5 European leagues. The aim is to track the effect that transfers have on sport performance by exploring the correlation between the two variables.

Points for different sport achievements have been assigned in an impartial manner, considering their difficulty and reputation and, as a final result, the sum between domestic and European championships has been taken. A higher final result, according to our scheme, would represent a more successful club. If a club played in both UEFA competitions: Champions League and Europa League, the achievement rewarded with higher points has been considered.

Data regarding the amount of transfer expenditure of clubs has been collected from various official and unofficial sources and regards money spent by football clubs on acquiring permanently players' rights.

Period under analysis:	2008/09-2012/13
Number of sport seasons	5
Number of clubs analyzed	82
Maximum amount of points, which a club could obtain in this simulation	230 pts
Minimum amount of points, which a club could obtain in this simulation	0 pts

Domestic leagues considered for the purposes of the analysis:



International competitions organized by UEFA considered for the purposes of the analysis:



National Championship

Winner	20 pts
Runner-up	16 pts
UCL	14 pts
UEL	12 pts
Upper middle	10 pts
Lower middle	6 pts
Relegation	0 pts

Champions League

Winner	26 pts
Runner-up	20 pts
Semi final	16 pts
Round of 8	12 pts
Round of 16	10 pts
Group stage	6 pts
No Participation	0 pts

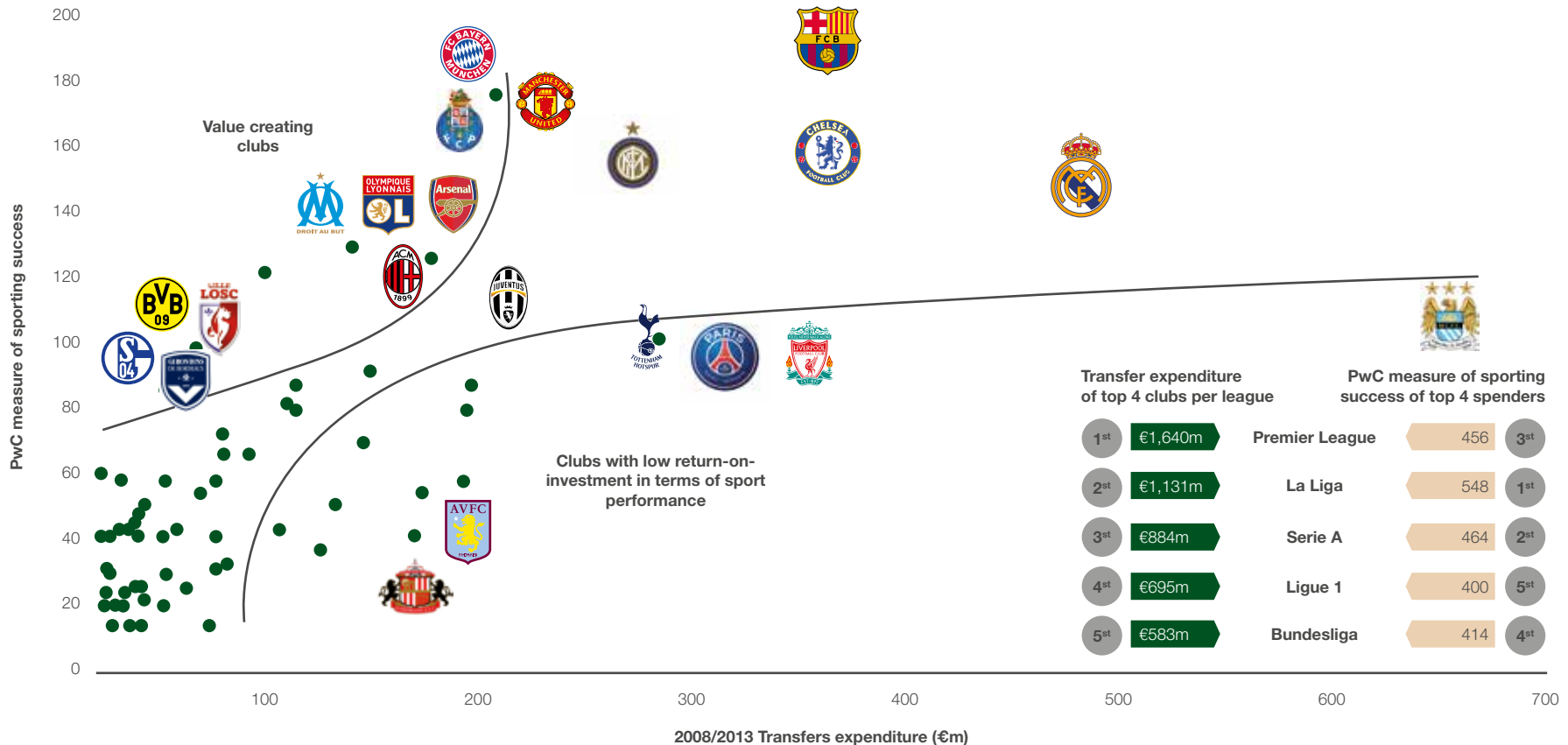
Europa League

Winner	18 pts
Runner-up	16 pts
Semi final	14 pts
Round of 8	12 pts
Round of 16	8 pts
Round of 32	6 pts
Group stage	4 pts
No Participation	0 pts

INFLUENCE OF PLAYER TRANSFERS ON CLUBS' SPORT PERFORMANCES: RESULTS OF THE SIMULATION

Sporting success is not determined entirely by the amount spent on transfers. Several other variables influence the outcome of sport competitions. Some of the clubs were able to remain competitive, without making big transfers (probably focusing on developing own players).

2008/2013 Relationship between Sporting Success and Expenditure on Transfers



FOCUS ON VALUE CREATION BY CLUBS

Different approaches to transfer expenditure may result in very different results in terms of sport and economic performance. The clubs that spend more in order to buy players are not necessarily more successful than those which use other strategies to attract players.



2 possible types of behaviour could be identified in the above sample of clubs which were able to perform successfully with respect to the amount spent for transfer expenditure. The clubs of the first group spend a significant amount of money on players but are also focused on developing quality young players internally. Such clubs have a strong management team, implementing a sound business model and are therefore able to perform in line with transfer expenditure. The second group of clubs are able to cherry-pick quality talents from smaller clubs and therefore remains competitive without excessive transfer expenditure.

The sample of clubs with low return-on-investment includes clubs with different behaviour in the transfer market. Some of the clubs targeted only star players in their transfer lists, and made everything possible to build a team composed of such players. Other clubs spent a significant amount of money due to a higher turnover of players in their squads. A third group tried to remain competitive by spending a significantly higher amount than the one, which was spent on average by clubs in their cluster. These governance models were not successful, as can be seen from the aggregate measure of sport performance above.

STRATEGIES OF VALUE CREATION

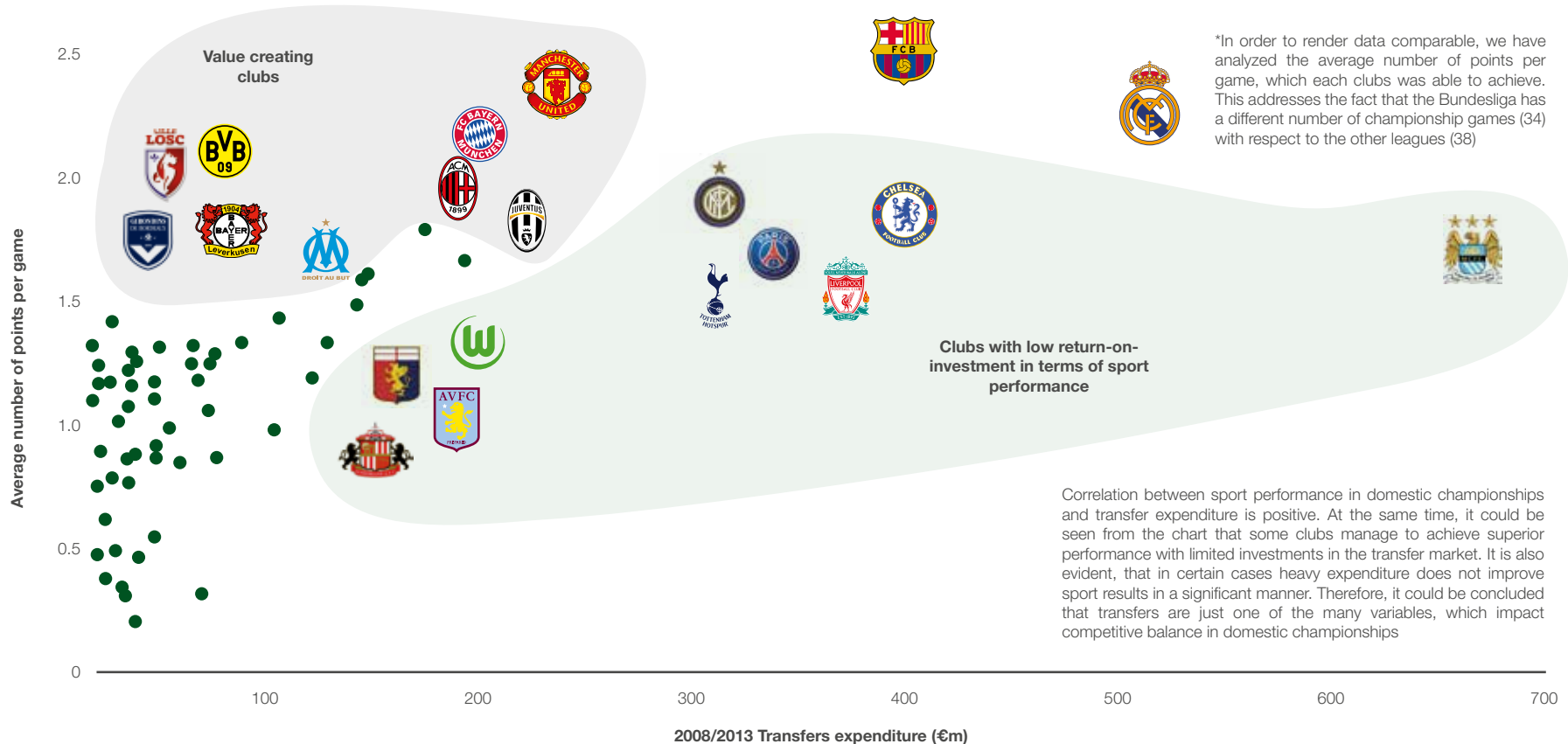
These are the strategies football clubs implement in their approach to transfers of players. In practice, many clubs adopt a mix of them. Traditional big clubs for example, usually have a well-developed youth player academy which often provides players for their first teams.

Strategy	Key success Drivers	Description	Competitive Ability
Rely on players promoted from youth academy	<ul style="list-style-type: none"> Youth academy and facilities Experienced coaching staff Scouts for young talents Appropriate financing 	The strategy consists in acquiring talented young players, investing in their development, providing them with a first-team opportunity and eventually selling them to a bigger club at a considerable profit. A common approach used by smaller clubs	Limited
Buy and develop young players	<ul style="list-style-type: none"> Extensive scout network Negotiation ability Experienced coaching staff First-team opportunities 	Some clubs are specialized in buying young promising players and selling them in their prime to other clubs. Such clubs contribute for the development of these young players, and often serve as a hub in their entry to a given championship. This strategy is implemented well by successful clubs like Arsenal	Average - High
Remain competitive by acquiring mature players at moderate cost	<ul style="list-style-type: none"> Leverage on agent connections Find quality mature players at affordable cost 	Certain clubs are eager to remain competitive in the short run without buying star players. The types of transfers more often realized by such clubs are: out-of-contract signings, unknown players recommended by close agents, or players who are not needed by top clubs	Average
Acquire star players	<ul style="list-style-type: none"> Negotiation ability Large attendance High media exposure In-depth scout research 	There is a limited number of clubs which build their entire business model around acquiring star players. The cornerstone of such strategy is the ability to generate revenues through media exposure that the club receives by attracting some of the most famous players. E.g. Real Madrid, Manchester City	High

INFLUENCE OF PLAYER TRANSFERS ON CLUBS' SPORT PERFORMANCES IN DOMESTIC CHAMPIONSHIPS: MAJOR 5 EUROPEAN LEAGUES' CLUBS

Transfers are just one of the many variables which impact competitive balance in domestic championships. The chart demonstrates the existence of a positive relationship, but also shows that many clubs were able to remain competitive without having to acquire new players from the outside.

2008/2013 Average Points Achieved by Clubs and Transfer Expenditure



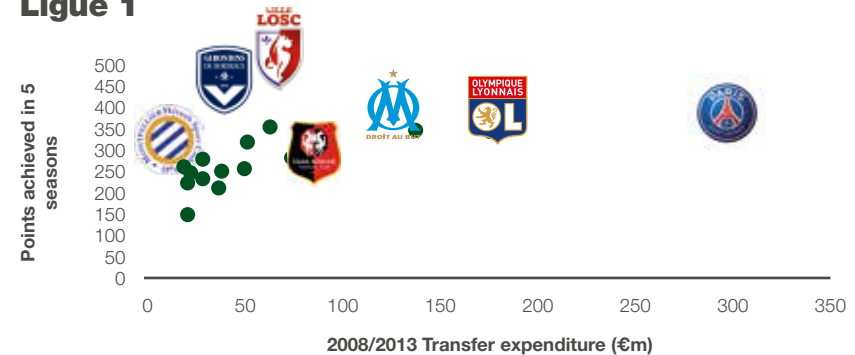
COMPARISON BETWEEN NUMBER OF POINTS ACHIEVED IN DOMESTIC CHAMPIONSHIP AND TRANSFER EXPENDITURE: LIGUE 1 AND BUNDESLIGA

There is competitive balance in French Ligue 1 despite the large gap regarding transfer expenditure between the top club and the rest. Clubs with different competitive strategies have been successful in the German Bundesliga, since it has not been dominated by top spenders.

Paris Saint-Germain is by far the largest spender in French Ligue 1. Nevertheless, 3 other clubs with much lower transfer budgets have performed better in terms of points achieved over the past five seasons. In general, French Ligue 1 presents a levelled competition, in which clubs who have spent less on acquiring external players have been able to perform successfully. For example, Montpellier was able to win the championship, despite the fact that it spent just slightly above €20m for transfers over the past 5 seasons.

The analysis reveals that some of the clubs playing in the German Bundesliga have been able to remain competitive without investing on players from outside. There is a clear gap between the transfer expenditure of 2 of the clubs and the rest. Such gap does not seem to be justified, as other clubs with significantly lower budgets were able to perform in a similar way. A clear example of non-linearity between transfer expenditure and points achieved in the championship, are the clubs of Wolfsburg and Borussia Dortmund. Wolfsburg spent €128m more on transfers, however, Borussia Dortmund's score over the 5 seasons under analysis was 98 points higher.

Ligue 1



Bundesliga



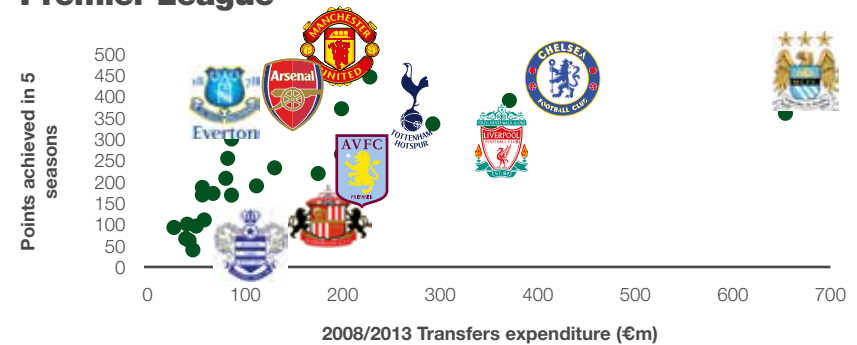
COMPARISON BETWEEN NUMBER OF POINTS ACHIEVED IN DOMESTIC CHAMPIONSHIP AND TRANSFER EXPENDITURE: PREMIER LEAGUE AND LA LIGA

Expenditure on transfers does not seem to be the critical variable that defines success in the English Premier League. On the other hand, this seems to be the case for La Liga.

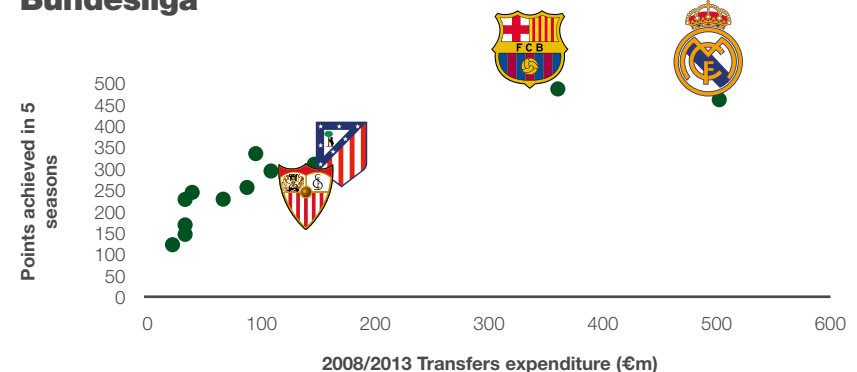
The English Premier League shows a mixed picture in terms of how clubs have been influenced from spending on new players. Manchester City could be defined as an outlier to the common pattern in the championship. Extreme investment for acquiring players from other clubs did not result in domination. On the contrary, the most successful club is Manchester United, which is fifth when it comes transfer expenditure. It could be noted that some of the clubs had a comparable performance, despite the significant differences in money spent on transfers (e.g. Liverpool and Arsenal, Chelsea and Manchester United, Aston Villa and Everton etc.).

The Spanish La Liga features 2 clubs which have dominated the championship over the past five years. They are also the ones who have spent the most on the acquisition of new players, and this seems to be well connected to their success. Competition between the second tier of clubs seems to be quite levelled and differences in transfer expenditure are relatively small. It is worth pointing out that there is a gap between the transfer expenditure and performance of the two top clubs Real Madrid and Barcelona, with the club from the capital of Spain being the bigger spender and the club from Catalonia asserting itself as the more successful one over the past 5 years.

Premier League



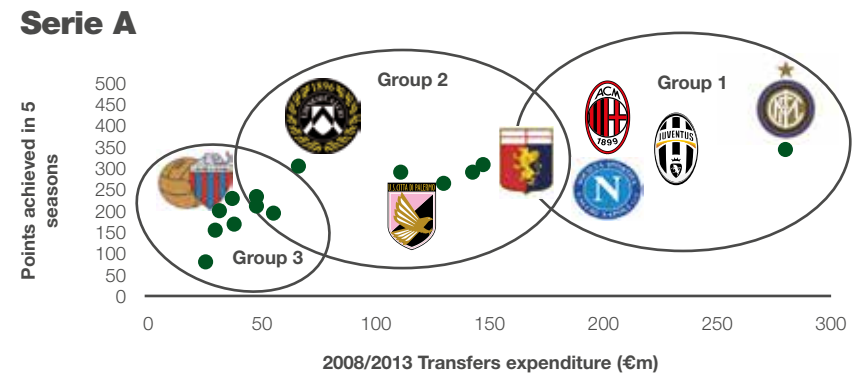
Bundesliga



COMPARISON BETWEEN NUMBER OF POINTS ACHIEVED IN DOMESTIC CHAMPIONSHIP AND TRANSFER EXPENDITURE: SERIE A

There are large differences between the amounts spent on transfers by Italian Serie A clubs. At the same time such divergence does not lead to a wide gap in the competitive balance of the championship.

Clubs from Italian Serie A present significant differences when it comes to transfer expenditure. Some clusters could be identified if we group clubs according to the amount spent for players. Top four clubs (Group 1) do not show a clear pattern as the one which has spent the least was also the one that had the best performance in the championship. It could easily be that clubs from Group 2 fail to present any significant linearity between transfer expenditure and number of points achieved. Clubs which belong to Group 3 seem to be influenced by the amount of money spent on transfers to a certain extent.



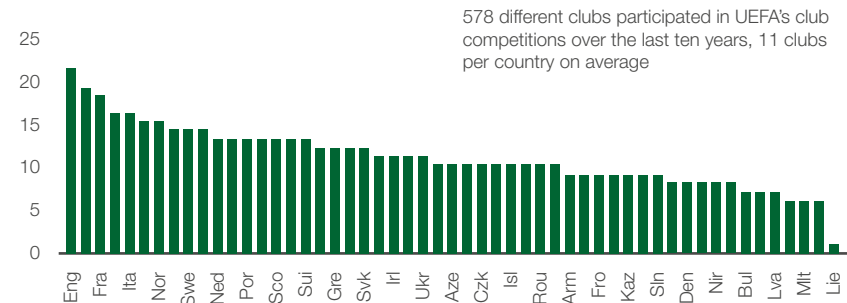
CLUBS PARTICIPATING IN UEFA COMPETITIONS

Higher turnover in UEFA club competitions indicate that more clubs are able to qualify for these competitions and have access to an additional source of financing. The increase in the number of different clubs playing in UEFA Champions League's group stage shows that competition across Europe is levelled.

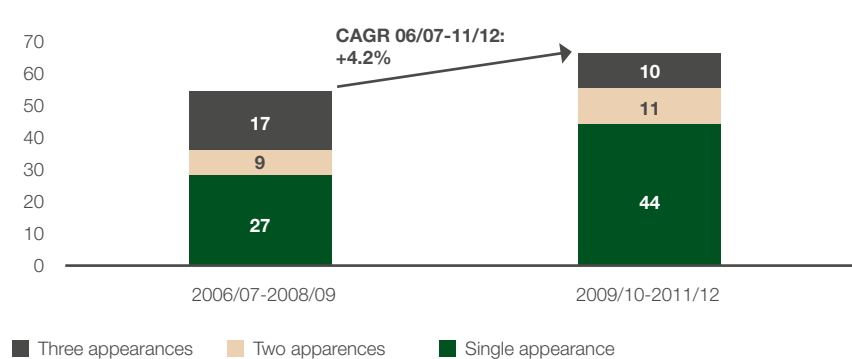
According to UEFA, 578 different clubs participated in the organization's club competitions over the period 2002/03-2011/12. This equates to 11 clubs per country on average. Such numbers, show that there is a healthy turnover of clubs playing in European club competitions. That leads to an expanded European representation and bigger opportunities for more clubs, as well as a diversity of clubs being able to finish at the top of the league tables in various years. Given that in general UEFA's competitions are regarded as a solid source of financing, access of more and different clubs to these competitions renders a more balanced competitive environment.

The UEFA Champions League is the flagship club competition in Europe, and brings together the best clubs from different countries. It only involves top clubs from different countries and access to its group stage is well rewarded from a financial point of view. The chart on the right indicates that the number of different clubs participating in the competition has increased significantly over the past six seasons. This trend is highlighted by the fact that the number of clubs making 3 appearances in a row has decreased. (-10.1% CAGR) in the two time frames at comparison. Single appearances of clubs increased significantly (10.3% CAGR) as more clubs were able to enter the group stage only once. Such numbers display a level playing field and the presence of competition.

Number of Different Clubs in UEFA Competitions in 10 Years



Number of Different Clubs in UEFA CL Group Stage



Source: "UEFA Benchmarking report 2011"

CLUBS PARTICIPATING IN UEFA COMPETITIONS

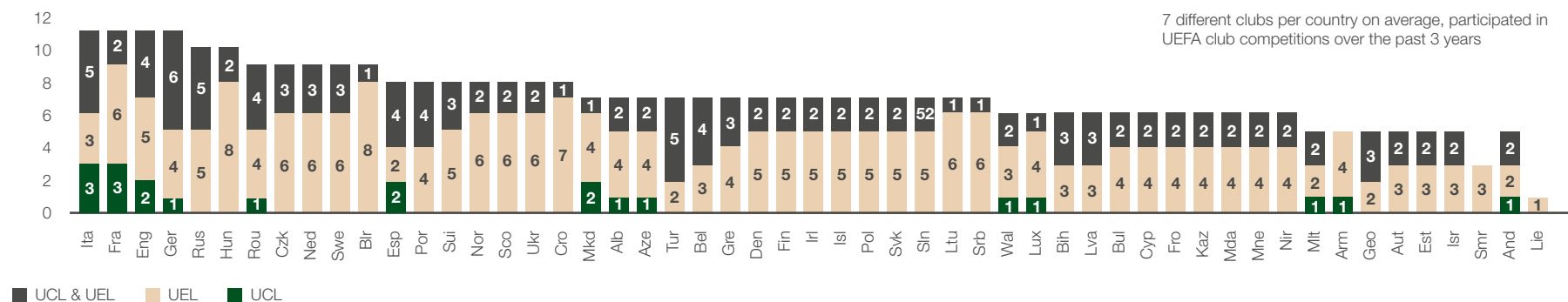
The number of clubs that have the potential to access the group stages of European competitions has increased. There is strong competition for qualification spots on a domestic level. The Leagues of successful clubs are awarded more spots in future seasons in accordance with the UEFA clubs' coefficient ranking.

Between the seasons 2009/10 and 2011/12 65 different clubs played in the UEFA Champions League group stage out of a total of 96 club appearances¹. Only 32% of clubs participating in the tournament were able to achieve repeated appearances. According to UEFA's Benchmarking report, this indicates the notion that competing one year in the UEFA Champions League does not guarantee future participation. Therefore, it should be noted that the number of clubs in Europe that have the potential of entering the group stage of its most prestigious football competition is increasing and there is strong competition amongst clubs coming from different leagues.

All UEFA member associations are represented in the UEFA Champions League and UEFA Europa League. This is done in order to ensure widespread participation and it provides an opportunity to all clubs. Qualification places are distributed, according to merit of clubs from a given country, which puts focus on the sporting excellence of clubs. Those leagues which are able to qualify the most successful clubs are awarded more spots in future seasons.

¹ 96 club appearances because 3 seasons are considered and in each of them 32 clubs played in the group stage of UCL.

Number of Different Clubs Participating in UEFA Club Competitions from 2009/10 to 2011/12



Source: "UEFA Benchmarking report 2011"

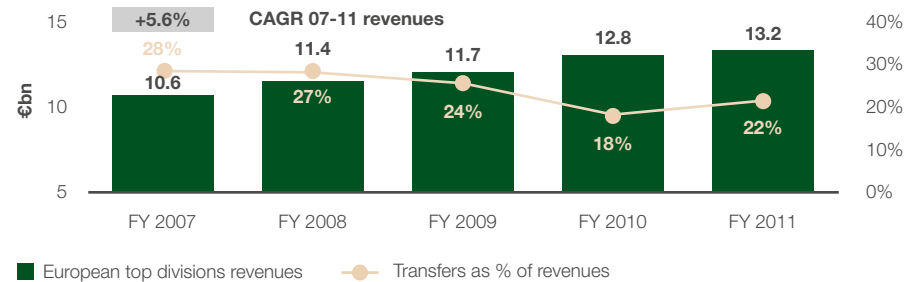
DEVELOPMENT OF KEY FINANCIALS: TRANSFER EXPENDITURE, REVENUES AND EMPLOYEE COSTS

Revenues of European top division clubs grew significantly during the period 2007-2011. This was almost entirely compensated by higher employee costs as player wages increased substantially. Transfer expenditure decreased throughout the given timeframe, and hence it had a lower weight with respect to revenues.

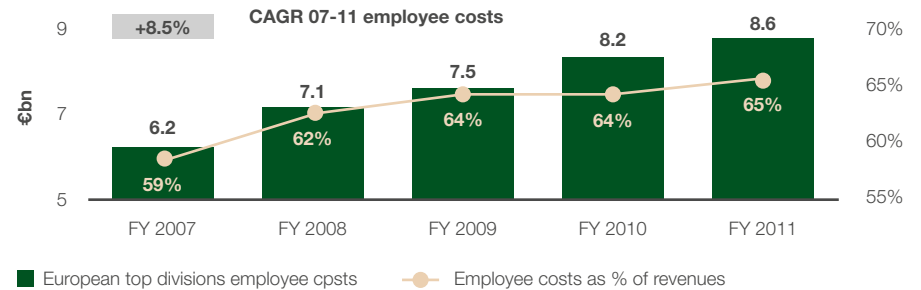
Revenues of clubs from European top divisions experienced a healthy growth throughout the period 2007-2011 (+5.6% CAGR 07-11). Moreover, this result was highlighted by the fact that clubs operated in a troubled economic environment during the timeframe under consideration. The weight of transfer expenditure of clubs, with respect to their revenues, decreased significantly after FY2007. The financial crisis and Financial Fair Play regulations increased the focus on transfer expenditure containment, as transfers did not experience any growth, this all while industry revenues were expanding

Employee costs of first division European clubs grew substantially over the period under analysis (+8.5% CAGR 07-11). They surpassed the growth rate of revenues and therefore their weight increased in a meaningful manner. Player wages seem to be capturing a large part of the industry growth achieved in recent years. Such trend could be limited by Financial Fair Play regulations to a certain extent. It appears that in the current environment players as a group have a stronger bargaining power and are able to leverage that in obtaining a significant pay increase

Revenues and Transfers of European Top Divisions Clubs



Employee Costs of European Top Divisions



Source: "UEFA Benchmarking report 2011"

GLOSSARY

Term	Definition/Meaning
2011/2013	Sporting seasons 2011/2012 and 2012/2013
Bundles	Groups in which are divided the UEFA countries. For more details see “Methodology” section
CAGR	Compound annual growth rate
Club agent	A kind of intermediary that manages the transfer on behalf of the engaging or releasing club Different from the Player’s agent, that in a transaction represents the interests of the player
Clusters	Groups in which are divided the clubs of the major 5 leagues. For more details see “Methodology” section
FY	Fiscal Year
GDP	Gross Domestic Product
Loan	A kind of transfer whereby a player that is legally bound to a given club by a permanent contract, temporarily plays for another club
Major 5 leagues or	First football divisions of France (Ligue 1), Germany (Bundesliga), England (Premier League), Spain (La Liga), and Italy (Serie A)
Major 5 European leagues	
Major 5 leagues’ clubs	All the clubs competing in one of the major 5 leagues
Non-UEFA countries	All the countries in the world that are not UEFA members
Other Eur leagues or Other European leagues	All the leagues belonging to UEFA countries, other than France, Germany, England, Spain, and Italy

Other leagues	All the football leagues in the world, except the one the discussion is dealing about
Other major 5 leagues	The other major 4 leagues with respect to the one the analysis is dealing about. For instance, if the focus is on Bundesliga, “Other major 5 leagues” will refer to Ligue 1, La Liga, Premier League, and Serie A
Out-of-contract transfer	The kind of transfer that involves a player whose permanent contract with a club is expired (or has been terminated earlier). Since the player is not contractually bound to another part anymore, the engaging club does not need to pay a transfer fee/compensation to the releasing club
Permanent transfer	The kind of transfer concerning a player that is still under contract with another club. In most cases, the engaging club will have to pay a transfer fee/compensation to the releasing club, whose amount is directly related to the contractual relationship between the latter and the player (player salary, and years to the natural expiry of the contract)
RoW	Rest of the World
Respective lower divisions Resp. Lower divisions	Used to indicate the universe of lower divisions (with respect to the top one) that compete in one of the countries among: France, Germany, England, Spain, and Italy. The term “respective” indicates that the counterparts of the transfer are clubs competing in the same country. For instance, when “respective lower divisions” is used in the context of the transfers of Ligue 1, the object of the analysis will be the transfers among clubs competing in Ligue 1, and clubs competing in French lower divisions
Solidarity contribution Solidarities	When a transfer involves a player under contract, an obligation arises on the part of the engaging club, whereby the latter has to pay 5% of the transfer fee to the clubs that contributed to the training and education of the player at issue. This consideration is named “Solidarity contribution”
Solidarity rate	The percentage of the solidarity contribution on the transfer fee
Transfer comp. or Transfer compensation	The sum of fixed transfer compensation, conditional transfer compensation, training compensation, and solidarity contribution
Transfer expenditure	Expression used to indicate the whole expenditure realized by a part (club, country, league, bundle) on the transfer market

Transfer fee	The sum of fixed and conditional transfer compensations
UEFA CL	UEFA Champions League
UEFA countries' clubs or European clubs	All the clubs competing in a UEFA member country
UEFA countries	Includes all the 54 official UEFA members: Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, England, Estonia, Faroe Islands, Finland, France, FYR Macedonia, Georgia, Germany, Gibraltar, Greece, Hungary, Iceland, Israel, Italy, Kazakhstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, Northern Ireland, Norway, Poland, Portugal, Republic of Ireland, Romania, Russia, San Marino, Scotland, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, Wales

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