

# **Financial Discipline as a Key Element of Licencing Systems**

## **The Bundesliga Approach**

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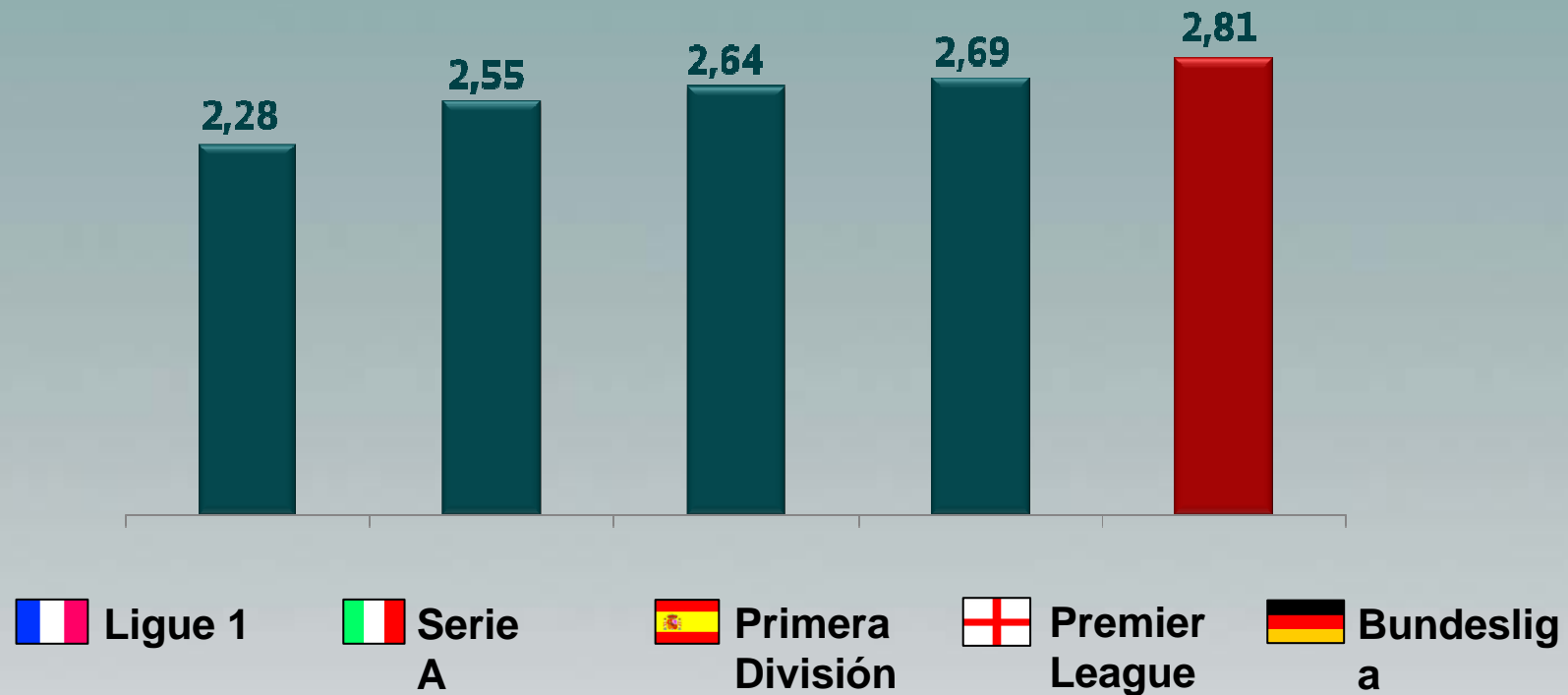
**EU Conference on Licencing Systems for Club Competitions**

**Brussels, 17./18 September 2009**



# Highest number of goals scored

## Goals per match in 2008/09



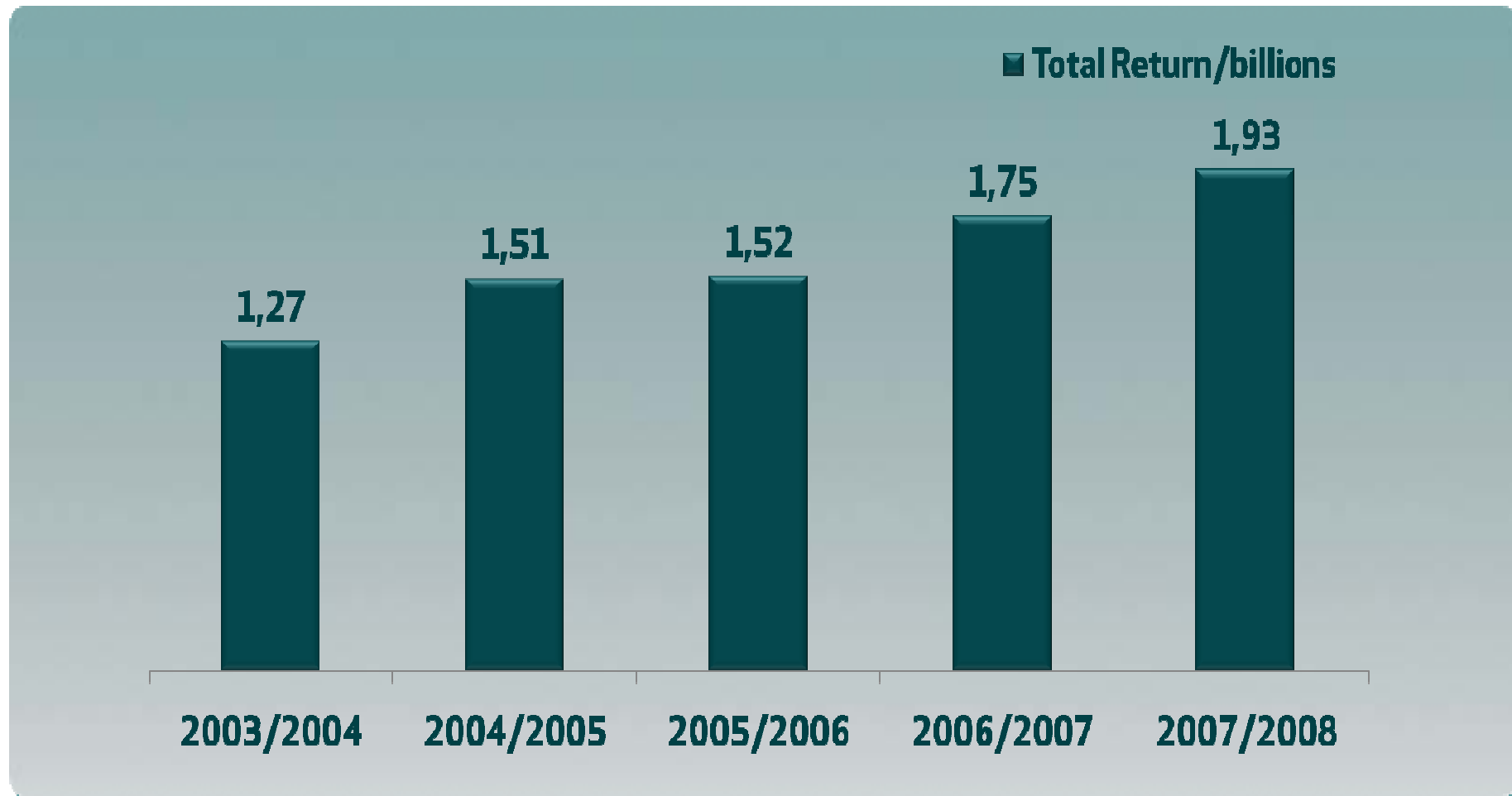
## €70 million spent on youth development

Costs in youth academies of licensed clubs  
maintaining 270 Teams with over 5,000 players

in €000



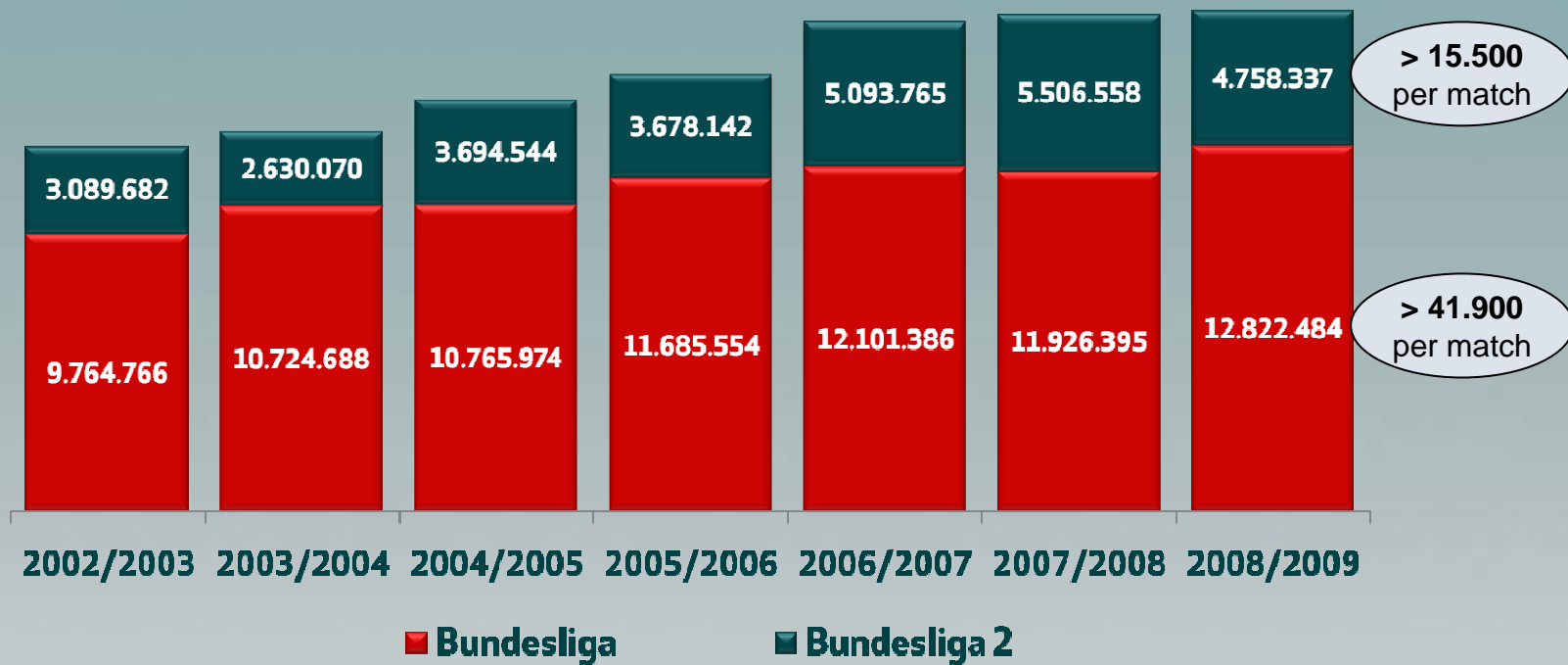
## Growth industry Bundesliga



# European Champion in Attendance

**Now 17,6 m spectators**

attending 306 Bundesliga and 306 Bundesliga 2 matches



# Bundesliga Licensing

## A Success Story for the Past 40 Years

- *No Bundesliga Club ever went bankrupt during a running competition or was unable to complete the season*
- *Gives business partners additional appeal and security*
- *Guarantor for fascinating competition in connection with the distribution of revenues generated through central marketing of rights*
- *Impetus for continuous professionalization in clubs and football companies*
- *Role model for UEFA's licensing procedure*

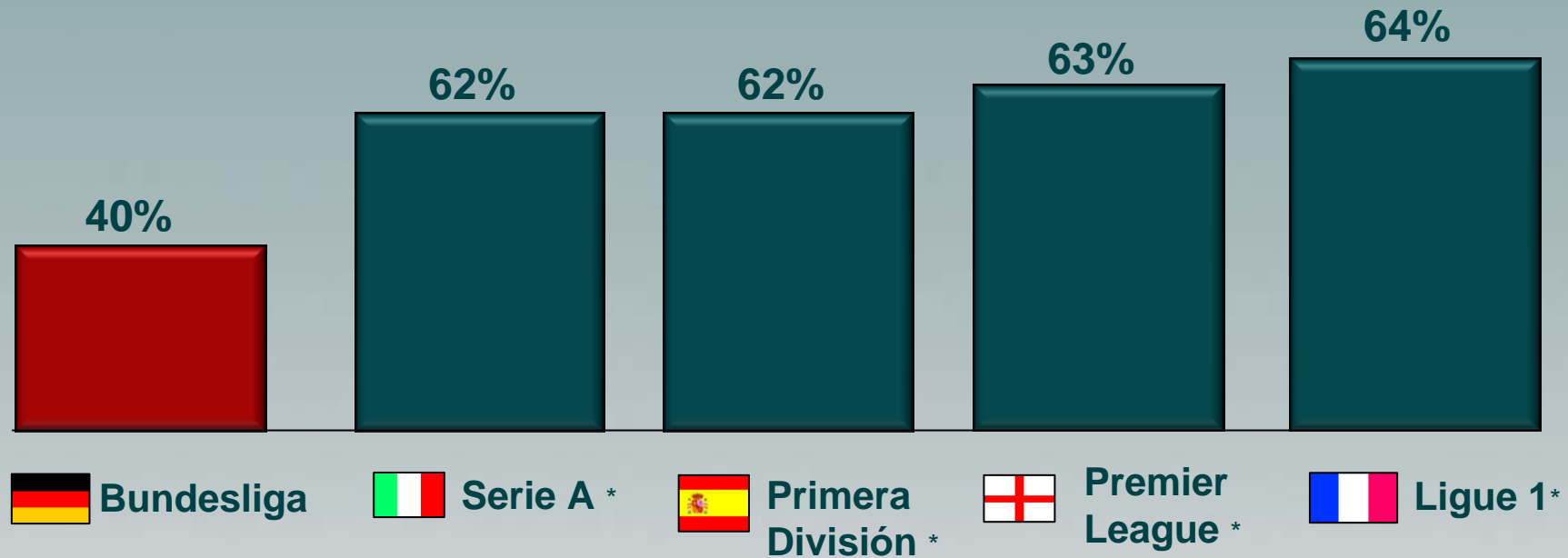
## EUR 1.9 billion turnover in 2007/2008

translate into

	<u>Bundesliga</u>	<u>Bundesliga 2</u>
Total revenue million	EUR 1.57 billion	EUR 368
Revenue by club (Position 1 – 6) million	EUR 153 million	EUR 33
(Position 7 – 18) EUR 14 million	EUR 54 million	
Increase over 2006/07	+ 7.6%	+ 26.3%

# Payroll on a consistently low level

## Wages in % of total revenue



\* Source: Deloitte & Touche 2008 – 2006/2007 season

# Vast majority of clubs operating profitably

## Number of clubs with a post-tax profit

<u>out of 36</u>	<u>Bundesliga</u>	<u>Bundesliga 2</u>	<u>Total</u>
2007/08 season 24	15	9	
2006/07 season 30	18	12	

# Core features of the German licensing system

**Goal:**  
Sufficient liquidity

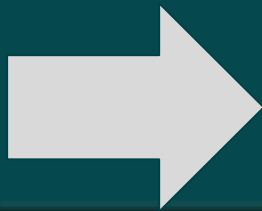
**Goal:**  
Positive equity

**Goal:**  
Ensuring the  
integrity of  
competition

**Action:**  
Prudent Liquidity  
check

**Action:**  
Capital requirements

**Action:**  
Presentation of  
essential contracts



The licence is seen as a seal of quality  
Quality assurance for clubs  
Benchmarking as a side effect

