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**FINANCIAL REPORT**  
2006/07



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**This Financial Report is published in English, French and German. Reference is made to the “Finance” section of the UEFA Administration Report 2006/07. In both these documents, the English versions are authoritative in respect of financial reporting, in accordance with Article 4.3 of the UEFA Statutes.**



All amounts in 1 000 EUR (KEUR)

2006 / 07

2005 / 06

**Consolidated Income Statement:**

Total Revenue	1 151 597	700 448
Distribution to Participating Teams	638 569	450 831
Solidarity Payments	156 101	123 351
Operating Result	49 754	38 647
Net Result	38 820	32 428

**Consolidated Balance Sheet:**

Cash & Cash Equivalents	678 479	502 958
Payables to Associations	339 555	348 353
UEFA Equity	256 189	242 484
Balance Sheet Total	941 993	772 829

**Consolidated Cash Flow:**

Cash flow from operating activities	423 802	54 407
Cash flow from investing activities	26 491	-20 917
Cash flow from financing activities	-156 101	-123 351
<i>Change in net cash and cash equivalents</i>	<b>294 192</b>	-89 861

**Administration:**

Total UEFA administrative expenses	31 532	27 408
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**Financial Items:**

Total financial result	49 170	17 479
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**Number of Employees:**

UEFA (unlimited contracts only)	187.3	183.5
UEFA Media Technologies SA (unlimited contracts only)	54.7	53.0
Euro 2008 SA (limited contracts)	103.0	46.0
UEFA Apprentices & Trainees	4.0	2.5
<b>Total</b>	<b>349.0</b>	<b>285.0</b>
(corresponding to full-time equivalents)		

**Number of matches organised by UEFA**

Club Competitions	637	659
National Team Competitions (incl. Under-21)	267	273
Women's Football (incl. Under-19)	296	345
Futsal	148	69
Youth Competitions (Under-17 & Under-19)	259	259
Other Competitions (Regions' Cup & Meridian Cup)	75	0
<b>Total</b>	<b>1 682</b>	<b>1 605</b>

# Preliminary remarks regarding UEFA's financial reporting

We are pleased to present UEFA's financial report for 2006/07, in which the accounts are presented in the same format as last year, thereby providing full transparency.

The headlines for the 2006/07 accounts and results can be summarised as follows:

- The UEFA Champions League accounts disclose a very pleasing result, with a higher distribution to the 32 teams, coupled with higher solidarity payments in favour of the European football family.
- EURO 2008 has already left its mark in the balance sheet as at 30 June 2007, with substantial advance payments from EURO 2008 broadcasters and sponsors, as well as income from the first phase of EURO 2008 ticket and hospitality-package sales, increasing UEFA's *Cash & Cash Equivalent* position.
- The currency effects were on UEFA's side this year. Coupled with better conditions on the money market, this allowed a *Financial Items* performance of EUR 49 million to be achieved, compared with EUR 17.5 million the year before.

## **This financial report is an integral part of the 2006/07 UEFA Administration Report**

Whereas the UEFA Administration Report describes all UEFA's competitions and many activities, as well as those of its two affiliated companies, UEFA Media Technologies SA and Euro 2008 SA, the Financial Report gives details of the financial consequences of those same activities. In this way, the Congress delegates are in the best possible position to exercise their constitutional duty to consider the financial reports of the past for approval, and even more importantly, the financial decisions affecting the future. A six-year Strategic Financial Outlook and a detailed budget for 2008/09 are presented separately for this purpose.

## **Fully consolidated figures published for 2006/07**

The figures published refer to UEFA, as well as to the accounts of UEFA's two affiliated and fully owned companies, UEFA Media Technologies SA and Euro 2008 SA. These two affiliates operate exclusively for UEFA and neither generates any third party income – except, in the case of Euro 2008 SA, for EURO 2008 ticket and hospitality-package sales, which will offset some of its organisational costs.

*The accounting policies, including the consolidation principles, and additional information in this respect are described on pages 13 to 18 of this report.*

## **The euro – UEFA's reporting currency**

It is important to note that **the Swiss franc remains UEFA's official day-to-day accounting currency**, not least because the vast majority of all transactions are recorded in the official currency of the country where UEFA has its headquarters.

Most of the EURO 2008 and 2006-2009 UEFA Champions League contracts have been concluded in euros. In addition, following the introduction of central marketing for the final phase of the UEFA Cup, all payments to teams taking part in UEFA competitions, as well as all solidarity payments, are now made in euros, which makes this currency more prominent in UEFA's books – not to mention the fact that the euro will soon be the official currency of roughly half of UEFA's member associations.

## **Consequently, the euro is UEFA's reporting currency.**

It also seems logical for UEFA, as European football's governing body, to publish its balance sheet and income statement in euros.

## **A footnote on the Swiss franc**

The Swiss franc has not disappeared without a trace in this Financial Report, as HatTrick payments continue to be paid and reported in Swiss francs up to and including 2007/08, as the 2004/05–2007/08 programme is fully funded from EURO 2004 income, which was generated in Swiss francs.



### Currency effects

As stated before, the Swiss Franc remains UEFA's day-to-day accounting currency, not least also for legal reasons. The constellation with the **euro as UEFA's reporting currency** does have some effects, however, which can best be illustrated with the concrete example of the 2006/07 UEFA Champions League accounts:

What seems logical for a pan-European organisation such as UEFA, namely to report in euros, can, on the other hand, have an important currency effect, especially when the CHF versus EUR exchange rate is volatile, as was the case in the year under review.

### Sample currency effects related to the 2006/07 UEFA Champions League

EUR millions		CHF millions
825.7	<p>in <i>income</i> was received in 2006/07 (818.8 thereof as the basis for calculating the distribution) and then converted automatically into Swiss francs by applying the exchange rate valid on the day of the transaction.</p> <p><b>The equivalent in Swiss francs is</b></p> <p>(therefore, the average rate calculated at the end of the year for all the transactions entered during the year is 1.5853)</p>	<b>1 309.0</b>
780.4	<p>corresponds to the <i>cost</i> of distribution, solidarity payments and competition expenses, which were also converted automatically into Swiss francs by applying the exchange rate valid on the day of the transaction.</p> <p><b>The equivalent in Swiss Francs is</b></p> <p>(calculated year-end average exchange rate of 1.6139, i.e. a higher exchange rate than for the income, as the euro constantly rose against the Swiss franc and the distribution and expenses were due some months after the receipt of the payments)</p>	<b>1 259.5</b>
45.3	<p><b>Consequently, the 2006/07 UEFA Champions League contribution to UEFA's gross result expressed in each currency is:</b></p> <p>These amounts are the result of subtracting the <i>total cost</i> from the <i>total income</i> in each separate currency (as opposed to converting one of the totals into the other currency by applying the official exchange rate at a given date).</p>	<b>49.5</b>

In conclusion, it is "only" the bottom-line results in the two currencies which seem strange. With UEFA's accounting system being set up to handle dual currencies (EUR and CHF) and by automatically converting all amounts entered in EUR into CHF (and vice versa) by applying the official exchange rate at a given date, such strange bottom-line results can occur, especially when the CHF versus EUR exchange rate is

highly volatile, and in view of the high amounts concerned.

Given that the UEFA Champions League generates a significant portion of UEFA's revenue and contributes accordingly to the net result, it is obvious that UEFA's bottom-line result expressed in EUR and in CHF is influenced by the same currency effects too.



# Preliminary remarks regarding UEFA's financial reporting

## 2006/07 is the last year partly financed by EURO 2004 earnings

2006/07 is the last of the three financial years following EURO 2004 to be co-financed by income from this top national team competition. The table below shows the

amounts made available from EURO 2004 proceeds to finance future European football services and programmes, mainly in favour of the national associations:

*(all amounts in CHF millions)*

	EURO Pool to finance the HatTrick Scheme 2004–2008	UEFA deferred earnings to co-finance the three financial years 2004/05–2006/07
Credited in 2003/04	490	240
Swapped into Euro Pool from UEFA's deferred earnings		
• In 2005/06	+60	-60
• In 2006/07	+60	-60
Finally credited over the 2004–2008 period	610	120 NB: CHF 60 million reversed in each of the 2005/06 and 2006/07 financial years
Originally budgeted to be credited	400	200

UEFA's 2007/08 consolidated budget and the Strategic Financial Outlook reveal that no EURO 2008 earnings will be deferred to co-finance future financial years. UEFA's

new policy in this respect is described in the next chapter, "Outlook".

## Outlook

The 2007/08 financial year will include the EURO 2008 accounts and looks very promising. The budgeted net result is EUR 200 million, with which it is planned to increase UEFA's equity. The three following years will, however, disclose negative results, with the losses to be offset against UEFA's equity.

In a separate document, UEFA is pleased to present a Strategic Financial Outlook covering the next six years to the 2008 UEFA Congress. This long-term plan will not only be of benefit to UEFA itself, but, first and foremost, to its member associations and those of their clubs playing in UEFA competitions.

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The 2006/07 net result of EUR 38.82 million is considerably higher than the budget (EUR 10 million, equivalent to CHF 15.2 million) approved by the 2006 UEFA Congress and is all the more satisfying given that only EUR 36.3 million (CHF 60m, instead of the budgeted CHF 100m) was reversed from provisions to co-finance UEFA's many activities.

Typically, the UEFA Champions League performed better than anticipated. For the second time in a row, this was also true of the UEFA Cup. The increase in the net result is, however, also partly due to lower expenses, for projects, to give just one example. During the year under review, the strengthening of the euro against the Swiss franc has also left its traces. Currency gains amounted to EUR 25.1 million, though, to a great extent, these were unrealised gains.

Given these good results, it was again possible to transfer EUR 36.3 million (CHF 60 million) from "Deferred EURO 2004 Earnings" into the EURO Pool to finance future HatTrick programmes in favour of the member associations.

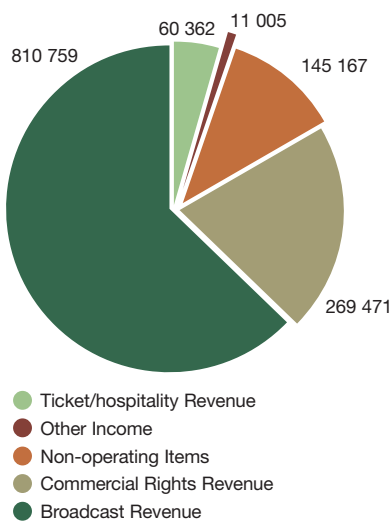
An impressive total of EUR 156.1 million was made available for solidarity payments, compared with EUR 123.3 million the previous year.

With a share of over 62%, *Broadcast Revenue* continues to be the most important source of income, followed by *Commercial Rights Revenue*, making up roughly 20% of the total. In relative figures, these two positions are practically the same as the year before. The *Ticket and Hospitality Revenue* total has increased thanks to EURO 2008 sales and the fact that EUR 37.8 million has already been paid into UEFA's accounts for the purchase of hospitality packages. Another significant increase compared with the previous year concerns *Non-operating Items* or, to be more precise,

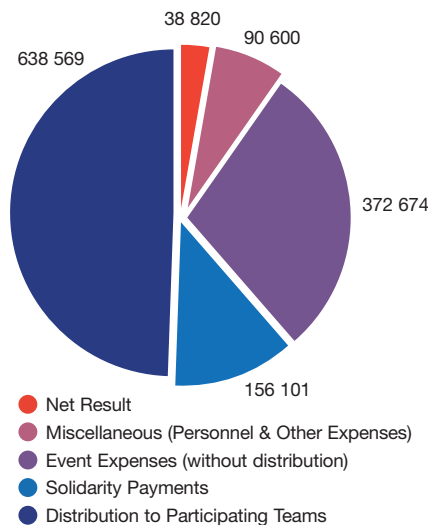
the *Financial Items* result of just over EUR 49 million. It should be noted, however, that about half this result is due to extraordinary circumstances, i.e. currency exchange gains thanks to the strong performance of the euro during the year under review, though, to a great extent, these were unrealised gains.

NB: When analysing 2006/07 total income, it is important to note that a substantial part, EUR 256 million, refers to EURO 2008. However, this has no impact on the 2006/07 net result, as these payments are offset further down the income statement under *Period Adjustments* within the *Event Expenses* total.

Source of Income: 2006/2007 in KEUR



Use of Income: 2006/2007 in KEUR



The charts show the sources and uses of income. For this purpose, the total income has been calculated as follows:

KEUR 1 151 597	Total revenue according to position IS 8
KEUR 145 167	Total non-operating items according to IS 23-26
<b>KEUR 1 296 764</b>	<b>Total sources and uses of income as shown in the charts</b>

Please refer also to page 39 of this report, where the 2006/07 income statement is published in Swiss francs without taking UEFA's affiliated companies into consideration. When comparing these figures, and in particular the net result, with the figures published in euros on the following page, the currency effects described on page 5 should be taken into consideration.



# Consolidated Income Statement: 2006/07

	Notes	ACTUAL 2006 / 07	ACTUAL 2005 / 06
Broadcast Revenue	IS 1	810 759	511 628
Commercial Rights Revenue	IS 2	269 471	175 345
Ticket Revenue	IS 3	22 497	4 120
Hospitality Revenue	IS 4	37 865	0
Other Football-related Revenue	IS 5	7 592	7 655
Non Football-related Income	IS 6	2 264	568
Allocated Value-in-Kind Income	IS 7	1 149	1 132
<b>TOTAL REVENUE</b>	IS 8	<b>1 151 597</b>	<b>700 448</b>
Distribution to Participating Teams	IS 9	-638 569	-450 831
Direct Event Expenses	IS 10	-65 045	-47 493
Rights Delivery	IS 11	-20 704	-13 994
Hospitality Expenses	IS 12	-7 972	-2 201
TV Production	IS 13	-12 034	-6 227
Web Production & Computer Solutions	IS 14	-21 426	-15 681
Match Officials	IS 15	-19 995	-17 432
Period Adjustment	IS 16	-224 352	-36 078
Allocated Value-in-Kind Expenses	IS 17	-1 146	-1 132
<b>Total Event Expenses</b>		<b>-1 011 243</b>	<b>-591 069</b>
<b>GROSS RESULT</b>		<b>140 354</b>	<b>109 379</b>
Salaries & Social Expenses		-39 696	-31 799
Other Personnel Expenses		-1 137	-1 181
<b>Total Personnel Expenses</b>	IS 18	<b>-40 833</b>	<b>-32 980</b>
Travel, Hotel & Daily Allowances		-12 972	-11 196
Consultancy & Temporary Staff	IS 19	-9 684	-7 591
Public Relations & Marketing	IS 20	-10 749	-8 069
Office Running Expenses	IS 21	-12 703	-7 284
Rental, Building Maintenance & Security	IS 22	-3 659	-3 612
<b>Total Other Expenses</b>		<b>-49 767</b>	<b>-37 752</b>
<b>OPERATING RESULT</b>		<b>49 754</b>	<b>38 647</b>
Financial Items	IS 23	49 170	17 479
Extraordinary Items & Taxes	IS 24	-453	-295
Formation of Provisions	IS 25	-42 674	-42 892
Use of Provisions & EURO Pool	IS 26	139 124	142 840
<b>Total Non Operating Items</b>		<b>145 167</b>	<b>117 132</b>
Solidarity	IS 27	-86 831	-58 079
HatTrick Scheme	IS 28	-65 041	-61 365
Contributions & Donations	IS 29	-3 351	-3 335
Development & Aid Projects	IS 30	-878	-572
<b>Total Solidarity Payments</b>		<b>-156 101</b>	<b>-123 351</b>
<b>NET RESULT</b>	IS 31	<b>38 820</b>	<b>32 428</b>

All amounts in 1 000 EUR (KEUR)



The significant increase in the balance sheet total by EUR 169 million (or 22% in relative figures) to EUR 942 million is to be seen in connection with EURO 2008 and is the result of advance payments received from broadcasters and sponsors, as well as the first payments for tickets and hospitality packages. This is reflected in the substantial increase in the *Cash & Cash Equivalent* position.

The most important changes on the liability side are:

- Firstly, for exactly the same reasons, the *Deferred Income* total of EUR 249 million (EUR 45m at the previous year-end) includes the EURO 2008 accounts and represents the balance of advance payments received and EURO 2008 organisational costs incurred as at the date of the balance sheet.
- Secondly, following the reversal of the last portion of the EURO 2004 deferred earnings, *Provisions* now stand at EUR 22.7 million, compared with EUR 96.9 million twelve months ago.

UEFA's equity now amounts to EUR 256.2 million (CHF 424 million).

The structure of UEFA's consolidated balance sheet as at 30 June 2007 did not change significantly, even though the *Equity* and the *Fixed Asset* positions did not increase to the same extent as the *Current Assets* and *Current Liabilities*. The EURO 2008 payments received so far and to be incorporated as earnings in UEFA's 2007/08 financial year are the reason for the significant increase in the *Cash & Cash Equivalents* and *Deferred Income* positions.

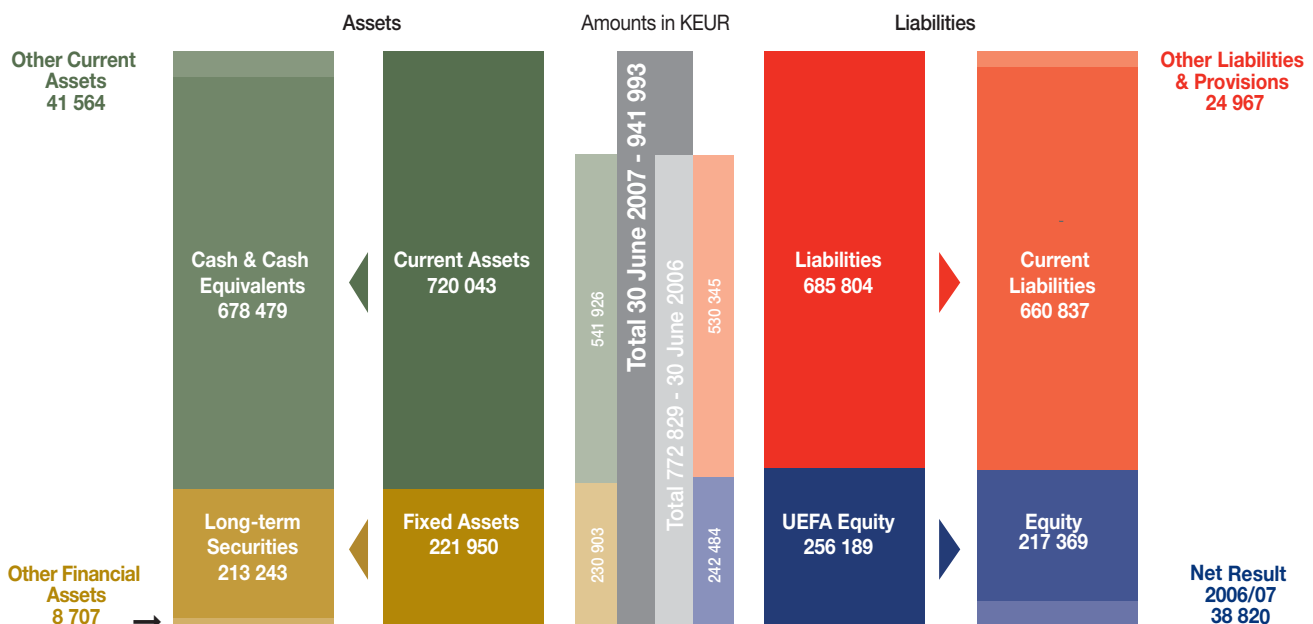
The reason that the *Payables to Associations* within the liabilities on UEFA's balance sheet did not decrease in proportion to the EUR 65 million paid out to UEFA's member associations during the year under review under the 2004–2008 HatTrick scheme is that, for the second time in a row, EUR 36.3 million (i.e. half the CHF 120 million balance of EURO 2004 deferred earnings released in 2006/07) was transferred into the EURO Pool in favour of member associations. In view of this,

the 2007 Congress was able to approve additional payments within the current HatTrick scheme.

At the closing date, *Current Liabilities* represented 70% or EUR 661 million, the lion's share of which concerns future payments in favour of UEFA's member associations and their leagues and clubs, as explained in the Notes to the Balance Sheet.

The balance sheet movements are disclosed in a more comprehensive way in the cash flow statement on page 12.

Bearing in mind that the euro is UEFA's reporting currency, the strong position of Europe's single currency and the weakening of the Swiss Franc against it means that some totals reported in euros are lower this year-end than the year before, although the value in Swiss francs did not change. This is particularly evident in the *Long-Term Securities*.



UEFA's balance sheet as at 30 June 2007 in Swiss francs (not consolidated) is published on page 40.

# Consolidated Balance Sheet as at 30.06.2007

	Notes	30.06.2007		30.06.2006	
Cash & Postal Accounts		149		120	
Bank: Current Accounts		14 543		5 268	
Bank: Call Accounts		38 241		26 612	
Bank: Money Market		618 222		463 134	
Marketable Securities		7 324		7 824	
<b>Cash &amp; Cash Equivalents</b>	BS 1	<b>678 479</b>	72.0%	<b>502 958</b>	65.1%
Receivables: Associations		1 282		890	
Receivables: Football Partners	BS 2	18 906		12 458	
Receivables: Others	BS 3	11 923		4 924	
Prepaid Expenses	BS 4	7 501		5 421	
Advances to Suppliers		366		195	
Projects in progress / Inventories	BS 5	1 586		15 080	
<b>Other Current Assets</b>		<b>41 564</b>	4.4%	<b>38 968</b>	5.0%
<b>Total Current Assets</b>		<b>720 043</b>	76.4%	<b>541 926</b>	70.1%
Loans	BS 6	8 675		7 342	
Long-term Securities	BS 7	213 243		223 529	
Participations	BS 8	32		32	
<b>Financial Assets</b>		<b>221 950</b>	23.6%	<b>230 903</b>	29.9%
Computer Hard- & Software	BS 9	0		0	
Office Equipment / Vehicles	BS 10	0		0	
Land & Buildings	BS 11	0		0	
<b>Other Fixed Assets</b>		<b>0</b>	0.0%	<b>0</b>	0.0%
<b>Total Fixed Assets</b>		<b>221 950</b>	23.6%	<b>230 903</b>	29.9%
<b>TOTAL ASSETS</b>		<b>941 993</b>	100%	<b>772 829</b>	100%
Payables: Suppliers		16 330		10 517	
Payables: Associations	BS 12	339 555		348 353	
Payables: Football Partners	BS 13	2 739		1 632	
Payables: Others	BS 14	8 060		1 862	
Accrued Expenses	BS 15	14 760		9 856	
Deferred Income	BS 16	248 970		45 076	
Advances from Third Parties	BS 17	30 423		13 431	
<b>Current Liabilities</b>		<b>660 837</b>	70.1%	<b>430 727</b>	55.7%
Other Liabilities	BS 18	2 269		2 745	
Provisions	BS 19	22 698		96 873	
<b>Other Liabilities &amp; Provisions</b>		<b>24 967</b>	2.7%	<b>99 618</b>	12.9%
<b>Total Liabilities</b>		<b>685 804</b>	72.8%	<b>530 345</b>	68.6%
Equity		168 166		168 166	
Retained Earnings		77 578		45 150	
Translation Differences		-28 375		-3 260	
Net Result		38 820		32 428	
<b>Total UEFA Equity</b>	BS 20	<b>256 189</b>	27.2%	<b>242 484</b>	31.4%
<b>TOTAL LIABILITIES &amp; UEFA EQUITY</b>		<b>941 993</b>	100%	<b>772 829</b>	100%

All amounts in 1 000 EUR (KEUR)



The cash flow statement on page 12 details changes in the net cash position over the reporting period according to the origins of the cash flow at different levels. The net cash position is calculated as cash and cash equivalents minus medium- and long-term loans (to date, UEFA has never taken out a loan). This data is sourced from the income statement (with the operating result of EUR 49.754 million as the starting position) and the balance sheet.

The cash flow from **operating activities** shows the cash flow generated by UEFA's ordinary activities. Despite all investments being written off once purchased, the cash flow from **investment activities** still shows the equivalent amounts of those investments. See also the Notes and Explanations to the Balance Sheet.

Theoretically, the UEFA cash flow statement should not show a cash flow from **financing activities** because UEFA does not have share capital and therefore has no dividends to pay to shareholders. However, in our case, the cash flow from financing activities **refers to UEFA's solidarity payments**. These payments are, of course, only possible because UEFA generates the resources by successfully marketing its top competitions.

By listing this cash flow separately under the heading of financing activities, solidarity payments can be kept apart from the ordinary operating activities.

The solidarity payments come from the following sources:

- EUR 86.831 million from the 2006/07 UEFA Champions League project account for the same financial period.
- EUR 65.041 million from the EURO Pool to finance the 2006/07 HatTrick scheme. This EURO Pool was established in 2003/04 with EURO 2004 income. These funds are made available to UEFA's member associations in the three years following EURO 2004, meaning that the net cash position decreases accordingly. UEFA's net result is not affected, however, as an equivalent amount is released from the "EURO 2004 Deferred Earnings" account in the provisions.
- The remaining amount refers to other solidarity, humanitarian aid and development programmes.

Notes related to the figures published on opposite page:

- For some positions it is impossible to trace a cash flow right from the outset. This is because some changes in UEFA's consolidated balance sheet are not related to cash flow but due to a different currency exchange rate being applied on the closing dates of the two financial years. For example, UEFA's total of CHF 300 million in alternative investments did not change over the two years. The equivalent in euros is EUR 191.5 million on the 2006 closing date and EUR 181.2 million for 2007, i.e. a difference of EUR -10.3 million with no cash flow having occurred.
- The cash flow from operating activities in 2006/07 is significantly higher than the year before and reflects the EURO 2008 payments received and included in the *Deferred Income* balance sheet position as at 30 June 2007.
- The reasons for the other significant changes compared with the previous year are documented in other chapters of this Financial Report.

NB: Please refer also to the chapter Currency Effects on page 5.

# Consolidated Cash Flow Statement 2006/07

		2006/07	2005/06
	Net cash & cash equivalents, opening balance	502 958	599 604
∕.	Net foreign exchange difference	-118 671	-6 785
	Net cash & cash equivalents, closing balance	678 479	502 958
<b>=</b>	<b>CHANGE IN NET CASH AND CASH EQUIVALENTS</b>	<b>294 192</b>	<b>-89 861</b>
	Operating result	49 754	38 647
	Depreciation added back	17 675	9 001
	Extraordinary items/Taxes	-453	-295
	Formation/use of provisions	96 450	99 948
	Change in other liabilities & Provisions	-100 666	-76 085
	<i>Subtotal</i>	<b>62 760</b>	<b>71 216</b>
	Change in receivables	-21 528	-5 032
	Change in prepaid expenses & Advances to suppliers	-3 707	-2 568
	Change in projects in progress & Inventories	18 425	-8 018
	Change in payables	34 541	-32 271
	Change in accrued expenses & Deferred income	307 581	47 687
	Change in advances from third party	25 730	-16 607
	<i>Change in net working capital</i>	<b>361 042</b>	<b>-16 809</b>
	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>423 802</b>	<b>54 407</b>
	Financial items	49 170	17 479
	Change in loans	-2 509	2 321
	Change in long term securities	-2 495	-31 684
	Change in participations	0	-32
	Capital expenditure in computer hard & software	-16 323	-7 863
	Capital expenditure in furniture, equipment & Vehicles	-1 352	-1 138
	Capital expenditure in land and buildings	0	0
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>26 491</b>	<b>-20 917</b>
	Solidarity payments	-156 101	-123 351
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-156 101</b>	<b>-123 351</b>
	<b>CHANGE IN NET CASH AND CASH EQUIVALENTS</b>	<b>294 192</b>	<b>-89 861</b>

All amounts in 1 000 EUR (KEUR)



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**GENERAL INFORMATION**

Union des Associations Européennes de Football (hereafter “UEFA”) is an international non-governmental, non-profit organisation in the form of an association according to Swiss law and is domiciled in Nyon, Switzerland. UEFA consists of 53 national associations as at 30 June 2007 and is a recognised confederation of FIFA.

UEFA’s principal activities are the following:

- Organise and conduct international football competitions and tournaments at European level,
- Safeguard the development of European football at every level of the game, particularly through youth and development programmes,
- Promote the principles of unity and solidarity.

**SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Preparation of the Financial Statements**

The consolidated financial statements of UEFA and its subsidiaries (hereafter the “Group”) are presented in thousands of euro (KEUR) as it is the currency of the primary economic environment in which the Group operates. However, daily operations are originally recorded in Swiss franc (CHF) as it is the currency of the country where the Group has its headquarters. Foreign operations are included in accordance with the policies set out in note (c).

The consolidated financial statements have been prepared in accordance with Swiss Code of Obligations, the association by-law and the principal accounting policies described below. They have been globally prepared on an accrual basis and under the historical cost convention.

**b) Basis of Consolidation**

*Subsidiaries*

The consolidated financial statements of the Group incorporate the financial statements of UEFA and the entities controlled by UEFA (its subsidiaries). Control is achieved where UEFA has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. This is the case where UEFA holds more than 50% of the voting rights. The entities included in this consolidation are shown in note FS 1.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that the control commences until the date the control ceases. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the



# Notes to the Consolidated Financial Statements 2006/07

accounting policies used into line with those used by the Group. The equity and profit attributable to minority shareholders' interests, if applicable, are shown separately in the consolidated balance sheet and income statement.

The book value of investments has been eliminated against the share in the net assets of the companies, valued at the time of the acquisition or creation. The purchase method of accounting is used to account for the acquisition or creation of subsidiaries by the Group.

All inter-company balances and transactions as well as any eventual unrealised gains and losses arising from transactions between Group companies are eliminated when preparing the consolidated financial statements.

## **Associates**

An associate (described as a "participation" in the Group's balance sheet) is an entity over which UEFA is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the entity. This is the case where UEFA holds at least 20% of the voting rights. The associates included in these consolidated financial statements are listed in note FS 1.

The consolidated financial statements include the Group's share of the earnings of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. Investments in associates are initially carried in the balance sheet at cost. The carrying value is subsequently adjusted to recognise post-acquisition changes in the Group's share of the net assets of the associates. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate on the balance sheet, the carrying amount is reduced to nil and the recognition of further losses is discontinued except for the extent that the Group has incurred obligations in respect of the associate.

## **c) Foreign Currencies**

### ***Recording of foreign currency transactions and balances***

UEFA and its subsidiaries' books are kept in Swiss franc. Transactions in currencies other than Swiss franc are recorded at the monthly average rate of exchange prevailing at the dates of the transactions. At

each balance sheet date, monetary assets and liabilities denominated in currencies other than Swiss franc are translated at the rates prevailing on the balance sheet date.

Gains and losses arising on translation of monetary items are included in the financial results for the period. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognised in the income statement.

All unrealised gains on those monetary items (except for cash positions due within 48 hours) are deferred in the balance sheet and a corresponding expense is recognised in the income statement under "formation of provisions".

In order to hedge its exposure to certain foreign exchange risks, UEFA enters into derivative contracts. The corresponding accounting policy in respect of such derivative financial instruments is described in note (n).

### ***Translation of the Group's consolidated entities***

On consolidation, assets and liabilities (except for the participations and the equity which are recorded at historical rate) of the Group's consolidated entities recorded in Swiss franc are translated into euro using the exchange rates prevailing on the balance sheet date.

Income and expense items stated in Swiss franc are translated into euro at the monthly average exchange rates applicable for each month of the period taken into account. Income and expenses items originally in euro are kept in original currency.

Translation differences resulting from the application of this method are classified as equity and transferred to the translation reserve.

Exchange rates used for the balance sheet or resulting from the income statement are as follows:

	<b>30 June 2007</b>	<b>Monthly rates average 2006/07</b>
CHF/EUR	1.655234	1.6062

	<b>30 June 2006</b>	<b>Monthly rates average 2005/06</b>
CHF/EUR	1.566346	1.5552



#### d) Income Statement

The consolidated income statement presents the following structure:

- Football-related revenue
- Non football-related income
- Event-related expenses
- Personnel and other administrative expenses
- Non operating items and solidarity payments

Football-related revenues are directly related to the organisation of UEFA football competitions. Events expenses are related to the organisation of competitions organised by the Group.

For accounting purposes, UEFA football competitions are defined in two categories as follows:

- Annual club competitions (for example, UEFA Champions League) and other competitions (for example, National Championship Qualifications)
- Main national competition (EURO Final Round)

#### e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Football-related revenues primarily consist of the following items:

- Broadcasting rights
- Commercial and licensing rights
- Ticket sales
- Other football-related income: Fines, FIFA and EFP contributions (fines are used to finance UEFA's humanitarian help portfolio)

Revenues related to annual club competitions and other competitions, as defined in note (d), are recognised in the income statement in the period the competition takes place.

Revenues related to EURO Final Round are recognised in the income statement on an accrual basis. At each balance sheet date, a "period adjustment" is recorded in the income statement to defer the net result of this competition as described in note (g).

#### f) Event-Related Expenses

Event-related expenses are the gross outflow of economic benefits that arise from the ordinary activity of organising an event.

Event-related expenses primarily consist of the following items:

- Direct contribution to local organising committees (LOCs)
- Various costs incurred during events such as technical and audiovisual equipment, other material, including trophies and flags, and temporary event staff
- Rights-delivery costs such as signage, event promotion and right protection expenses
- Commission to agencies
- Computer expenses such as IT projects in the football, event and administrative domain
- Match officials such as referees and UEFA delegates as well as related expenses (travel, accommodation and allowances)

Expenses related to annual club competitions and other competitions, as defined in note (d), are recognised in the income statement in the period the matches/events of a given competition takes place.

Expenses related to EURO Final Round are recognised in the income statement on a cash basis. At each balance sheet date, a "period adjustment" is recorded in the income statement in order to defer the net result of this competition as described in note (g).

#### g) Period Adjustment

With regard to EURO Final Round, related revenues and expenses are recognised in the income statement as described in note (e) and (f).

In order to impact the final net result of the Group only when the competition takes place (i.e. every four years) the annual net result of the EURO Final Round is deferred during the preparation period of three years. For that purpose, the revenues and expenses related to this competition are shown in the different headings of the income statement. However an additional entry, described as "period adjustment", cancels out the annual net result of this competition. This annual "period adjustment" recorded in the income statement is shown in the balance sheet as a "deferred income"

when related revenues exceed expenses or as a “project in progress” when related expenses exceed revenues.

The accumulated net result of the EURO Final Round over the preparation period is subsequently reversed in the income statement under “period adjustment” when the competition takes place.

The same principle is also applied for other competitions which are not completed and the accounts therefore not finalised within a financial year.

## **h) Solidarity Payments**

UEFA offers financial assistance to associations, leagues and clubs with certain conditions relating to their activities.

UEFA’s solidarity scheme consists of the following two main categories:

- Yearly solidarity payments out of the UEFA Champions League income to clubs and leagues.
- Payments out of the EURO income under the “HatTrick scheme” to member associations to co-finance their ordinary tasks and to finance specific projects such as infrastructure development, renovations and mini-pitches.

Those payments are made out of the “EURO pool” or “UEFA Champions League pool” as defined in note (p) “payables to Associations”.

Other development-related expenses and humanitarian aid projects are also recognised on a cash basis in the income statement over the period of the project duly approved by UEFA.

## **i) Leasing**

Leases where the Group does not retain substantially all the risks and rewards of ownership of the assets are classified as operating leases. Operating lease expenditures are expensed on a straight line basis over the lease terms.

There are no assets acquired under finance lease agreements.

## **j) Employee Benefits**

State retirement benefits are provided in the country in which the Group operates. Payments made to State retirement benefit plan are recognised in the income statement as they fall due.

The Group has additionally set up two pension plans with defined contribution characteristics for all its employees. These schemes cover also the risks of premature death and disability via insurance agreements. The pension plans are funded by contributions from employees and the relevant Group companies (employer). Accordingly, the plans are accounted for as a defined contribution plan and corresponding payments are charged to income statement as an expense as they fall due.

## **k) Financial result**

The net financial result includes financial income and expenses as follows:

- Financial income consist of interest income from interest-bearing assets, dividend income, fair value gains on marketable securities as well as realised and unrealised foreign exchange gains from operating and investing activities.
- Financial expenses comprise fair value losses from marketable securities as well as realised and unrealised foreign exchange losses from operating and investing activities.

## **l) Taxes**

UEFA pays corporate taxes in Switzerland according to a tax ruling applying for international sports organisations located in canton Vaud. Its subsidiaries are taxed in Switzerland according to the rules and rulings applying to Service Companies.

The tax expense represents the sum of the tax payable in the current year. Current tax is the expected tax payable on the taxable income for the year using ordinary tax rates applicable to an association or a corporation, respectively.

Taxes also include the non-recoverable value-added tax.



### **m) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash, bank term deposits up to twelve months and marketable securities readily convertible to cash.

Cash in foreign currencies is the result of payments received from commercial partners whose contracts were concluded in foreign currencies. As a result, the Group performs a natural hedging of its foreign exchange exposure by matching its cash currency portfolio with its liabilities in foreign currency.

### **n) Financial Instruments**

Financial assets and financial liabilities are recognised on the balance sheet as described below when the Group becomes a party to the contractual provisions of the instrument.

#### ***Loans & other receivables***

Loans and other receivables are recognised and carried at nominal value less an allowance for any uncollectible amounts. A provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

#### ***Marketable securities***

Marketable securities are recognised and derecognised on a trade date when the Group commits to purchase or sell those securities. They are recorded in the balance sheet at fair value. The fair value of those marketable securities is their quoted price at balance sheet date. The corresponding movements in the fair value are reported in the income statement under financial results.

#### ***Long-term securities***

Long-term securities are recognised and derecognised on a trade date when the Group commits to purchase or sell those securities. They consist of alternative products offering capital protection only at maturity date and are not intended to be sold before that date. Some long-term securities are callable instruments which contain an option that allows issuers to redeem them at nominal value prior to their maturity dates.

These alternative products held to maturity are recognised in the balance sheet at nominal value until maturity date which is the capital guaranteed. The fair value of these assets is stated under note BS 7.

### ***Payables***

Payables are not interest bearing and are stated at their nominal value.

### ***Derivative financial instruments***

As stated under note (m), the general policy is to practice a natural hedging bringing in line the Group's assets and liabilities currency portfolio.

If, however, the Group's operational activities are exposed to additional financial risks of changes in foreign currency exchange rates, the Group uses derivative financial instruments to hedge these exposures. Those derivatives consist of foreign exchange forward contracts and options. Derivative financial instruments are not used for speculative purposes.

No derivative financial instruments are recorded in the balance sheet. The fair value of those derivative instruments can be determined by their quoted market price at balance sheet date. No changes in the fair value are recognised in the income statement over the life of the derivative contract. At maturity date, the resulting foreign exchange gain or loss is recognised in the income statement. The details of the hedging policy are described in note FS 2.

### **o) Tangible and Intangible assets**

The Group's accounting policy with regard to tangible and intangible assets is as follows:

- **Tangible fixed assets:** Property, land, buildings, equipment and computer hardware are stated in the balance sheet at historical costs less accumulated depreciation. Subsequent expenditures are capitalised only if they increase the future economic benefits embodied in the related item.
- **Intangible assets:** Computer software is stated in the balance sheet at historical costs less accumulated depreciation. Expenditure on brands is recognised in the income statement as an expense as incurred.

All other expenditures, repairs and maintenance are recognised in the income statement as an expense as incurred.

Depreciation is charged so as to write off the cost of the assets on the following basis:

- Land and Buildings Fully depreciated once purchased

- Office Equipment and Vehicles Fully depreciated once purchased
- Computer hard- and software Fully depreciated once purchased
- Brands Fully expensed as incurred

The depreciation expense is included in the income statement under several headings depending on the nature of the asset purchased.

Any gain arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

## p) Payables to Associations

Payables to Associations represent mainly funds which have been reserved in previous years to finance pre-defined projects. This heading includes the following items:

- Current accounts (interest-free) in favour and at the disposal of member associations
- “EURO pool” to finance the HatTrick scheme in favour of all the member associations
- “UEFA Champions League pool” in favour of leagues for clubs’ youth football development

The “EURO pool” was derived from the EURO 2004 result and was established to finance the HatTrick scheme, as defined in note (h) “solidarity payments”, from the period 2004/05 till 2007/08. This “EURO pool” is in favour of all the member associations in order to co-finance their ordinary tasks and to finance capital expenditure, equipment and other investments essential for their operations. The overall HatTrick scheme is approved by the Congress and the HatTrick Board is responsible for approving and monitoring individual projects at the association level on the basis of a HatTrick charter.

The “UEFA Champions League pool” is made available to the leagues in order to develop youth football in those clubs that are not playing in the UEFA Champions League. For that purpose, the leagues (or the associations themselves if no league exists) have to submit a concept to UEFA to demonstrate the use of these funds.

For the sake of transparency, any payment made out of the “EURO pool” or “UEFA Champions League pool”

will be recognised as an expense on a cash basis in the income statement. An equal reversal from the corresponding pool will be recorded as an income, described as “use of provisions”, in the period the payment takes place.

## q) Provisions

The Group records provisions in the following situations:

- When it has an obligation, legal or constructive, to satisfy a claim and it is probably that an outflow of resources will be required.
- When a risk exists at balance sheet date. The corresponding risk provision is adjusted at year-end based on in-house analysis to match the Group risk exposure.
- When imminent special projects are approved prior to balance sheet date and are already under way. In the following year(s), the costs of such projects are included in the income statement as incurred, however, an equal reversal of the provision is recorded as an income, described as “use of provisions”, in the same period.

An additional provision described as “deferred earnings” was recorded after the EURO 2004 in order to co-finance the Group’s activities during the following three financial years without EURO competition. This provision is then reversed gradually over the period of time taken into account.

## r) Equity

Equity consists of UEFA capital and retained earnings from previous years which have no specific reservation or restriction.

Equity is impacted by foreign currency translation gains/losses from the conversion of the Group’s consolidated entities denominated in foreign currencies as defined in note (c).

The consolidated statement of changes in shareholder’s equity is shown in note BS 20.





This section provides details of the most important positions in the 2006/07 income statement published on page 8.

**Preliminary remark related to EURO 2008 income generated in 2006/07**

EUR 256 million of UEFA's income received in 2006/07 refers to the EURO 2008 event (see the following four charts for details). The equivalent amount is offset under *Period Adjustment* (IS 16) and thus included in the *Deferred Income* (BS 16) balance sheet position for later reversal into the 2007/08 income statement. This means that the EURO 2008 competition result will be shown in UEFA's 2007/08 financial year, i.e. the same season as the competition is held.

**IS 1 – Broadcast Revenue**

	2006/07 KEUR	2005/06 KEUR
UEFA Champions League	625 080	481 785
EURO 2008	132 906	5 138
Other competitions (incl. 2005/06 club competition finals and UEFA Cup in 2006/07)	52 773	24 705
<b>TOTAL</b>	<b>810 759</b>	<b>511 628</b>

**IS 2 – Commercial Rights Revenue**

UEFA Champions League	193 466	124 485
EURO 2008	68 566	46 382
Other competitions (incl. 2005/06 club competition finals and UEFA Cup in 2006/07)	7 439	4 478
<b>TOTAL</b>	<b>269 471</b>	<b>175 345</b>

**IS 3 – Ticket Revenue**

This result refers to levies from UEFA Cup matches (the only competition for which levies still have to be paid to UEFA), UEFA's share from the UEFA Champions League final in Athens and the Under-21 final round in the Netherlands in June 2007. The significant increase compared with the previous year relates to EURO 2008 ticket sales amounting to EUR 15.7 million.

22 497	4 120
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**IS 4 – Hospitality Revenue**

The income generated in 2006/07 relates exclusively to advance payments for EURO 2008 hospitality packages.

37 865	0
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# Notes to the Consolidated Financial Statements 2006/07

## IS 5 – Other Football Revenue

	2006/07 KEUR	2005/06 KEUR
FIFA financial assistance programme (FAP) contribution	1 879	2 074
Fines	2 213	1 959
UEFA Intertoto Cup (European Football Pool contribution)	2 563	2 573
Sales of publications (souvenir programmes)	337	444
Other (incl. FIFA Club World Cup)	600	605
<b>TOTAL</b>	<b>7 592</b>	<b>7 655</b>

## IS 6 – Non-Football-related Income

This income includes kickbacks from airlines as well as extraordinary income, e.g. payments received in 2006/07 but referring to the previous year.

The 2006/07 total includes the final EURO 2004 payment due to UEFA and retained by the Portuguese FA, according to the note BS 3.

	<b>2 264</b>	<b>568</b>
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## IS 7 – Allocated Value-in-Kind (VIK) Income

UEFA's accounting system discloses income from value-in-kind even though this does not represent cash transactions. This amount has no influence on the bottom-line result because it is also shown as value-in-kind expenses. By posting these transactions, their financial impact within the different cost drivers and cost centres is shown. Any variance between "VIK income" and allocated "VIK expenses" is due to the fact that the receipt and use of some material for the various competitions and/or events do not concern the same UEFA financial year.

	<b>1 149</b>	<b>1 132</b>
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## IS 8 – Total Revenue

**The details and percentages of UEFA's total income are shown in graph form on page 7.**

Reference is also made to the table on page 44, which shows the net 2006/07 result by competition/cost driver, as well as total revenue and total expenses.

	<b>1 151 597</b>	<b>700 448</b>
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## IS 9 – Distribution to Participating Teams

Distributions to UEFA Champions League clubs according to the table published on page 48	592 935	437 134
Distributions to club participants in other competitions (UEFA Cup final and UEFA Super Cup, UEFA Intertoto Cup) * this includes the UEFA Cup distribution according to the details on page 50)	* 40 265	11 538
Other competitions (incl. Under-21)	5 369	2 159
<b>TOTAL</b>	<b>638 569</b>	<b>450 831</b>



<b>IS 10 – Direct Event Expenses</b>	<b>2006/07 KEUR</b>	<b>2005/06 KEUR</b>
Contributions to local organisers and agency commission	60 301	43 669
Other direct event expenses (e.g. venue rental, event material, other facilities and temporary event staff)	4 744	3 824
<b>TOTAL</b>	<b>65 045</b>	<b>47 493</b>
<b>IS 11 – Rights Delivery</b>		
Rights-delivery costs related to the UEFA Champions League, the UEFA Cup and UEFA Super Cup as well as EURO 2008 are included in this total, which covers signage fees, event promotion and rights-protection expenses, among other costs.	<b>20 704</b>	<b>13 994</b>
<b>IS 12 – Hospitality Expenses</b>		
This heading has been introduced to reflect the cost of hospitality at the most important matches, first and foremost at UEFA Champions League and EURO 2008 venues. These costs refer to catering and other services offered to sponsors, guests and officials. Roughly EUR 4.6 million refers to the cost of the sale of EURO 2008 hospitality packages.	<b>7 972</b>	<b>2 201</b>
<b>IS 13 – TV Production</b>		
UEFA's affiliated company UEFA Media Technologies SA is ensuring the host broadcasting for EURO 2008. TV production expertise is also needed for other competitions and events, such as draws. Please refer to the UEFA Media Technologies section in UEFA Administration Report.	<b>12 034</b>	<b>6 227</b>
<b>IS 14 – Web Production &amp; Computer Solutions</b>		
The Web Production total refers to costs related directly to the UEFA website, such as hosting and editorial costs as well as investments. It does not include indirect costs such as personnel and office running expenses. Additional investments, mainly in computer solutions, are related to EURO 2008. Further and continued investments refer to the development of internal applications such as FAME (Football Administration & Management Environment – a fully integrated football management tool), the purchase ordering system (POS) and e-learning tools.		
Web production	10 120	7 810
Computer solutions	11 306	7 871
<b>TOTAL</b>	<b>21 426</b>	<b>15 681</b>

# Notes to the Consolidated Financial Statements 2006/07

## IS 15 – Match Officials

This includes all match official expenses (travel, accommodation, daily allowances and bonuses).

	2006/07 KEUR	2005/06 KEUR
Referees	11 347	9 845
Contributions to associations for referee costs	3 093	3 382
Delegates & Venue Directors	4 420	3 260
Doping controls	1 055	872
Insurance of match officials	80	73
<b>TOTAL</b>	<b>19 995</b>	<b>17 432</b>

## IS 16 – Period Adjustment

UEFA recognises revenue immediately on receipt. Applying this principle, adjustments have to be made and entered under this heading, as described in the accounting principles (paras e and g). Adjustments are obviously also made related to cost.

The significant amounts registered in 2006/07 refer to EURO 2008 revenue and expenditure, which will be reversed into the 2007/08 accounts. Please refer to the preliminary remarks and BS 16 for more details – see pages 19 and 35 respectively.

	<b>224 352</b>	<b>36 078</b>
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## IS 17 – Allocated Value-In-Kind Expenses

See IS 7

	<b>1 146</b>	<b>1 132</b>
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## IS 18 – Total Personnel Expenses

The increase in personnel expenses over the years has to be viewed in connection with the steady increase in the Euro 2008 SA headcount, with the majority of contracts being for a fixed term, expiring just after EURO 2008.

Salaries & social expenses	39 696	31 799
Other personnel expenses	1 137	1 181
<b>TOTAL</b>	<b>40 833</b>	<b>32 980</b>

## IS 19 – Consultancy & Temporary Staff

Consultancy	7 549	5 718
Temporary staff	802	780
Outsourced translations and interpreters	1 333	1 093
<b>TOTAL</b>	<b>9 684</b>	<b>7 591</b>



**IS 20 – Public Relations & Marketing**

	2006/07 KEUR	2005/06 KEUR
Publishing and publications	3 679	3 766
Representation (incl. Executive Committee entitlement)	1 658	1 347
Branding	2 999	978
Gifts & awards & uniforms	721	980
Marketing & promotions	1 692	998
<b>TOTAL</b>	<b>10 749</b>	<b>8 069</b>

**IS 21 – Office Running Expenses**

Office supplies/printing	1 079	792
Postage, freight & customs	899	859
Telephone communications	1 038	660
IT running expenses	9 078	4 227
Other expenses (vehicles, other non-specified)	609	746
<b>TOTAL</b>	<b>12 703</b>	<b>7 284</b>

**IS 22 – Rental, Building Maintenance & Security**

This position has been renamed (used to be “House of European Football”). Offices had to be rented in a block known as “Le Martinet” close to Nyon railway station. Both of UEFA’s affiliated companies are located in these new premises. It is planned to start soon on the construction of additional offices close to UEFA’s headquarter, and it is therefore likely that the old “House of European Football” heading will be reinstated in the not too distant future.

Consumables (e.g. water, electricity, cleaning)	529	541
Repairs & maintenance	289	331
Furniture & equipment	375	1 077
Security	308	327
Audiovisual equipment	937	138
Rental (office building Le Martinet)	934	903
Various (gardens, taxes, building insurance, etc.)	287	295
<b>TOTAL</b>	<b>3 659</b>	<b>3 612</b>

# Notes to the Consolidated Financial Statements 2006/07

## IS 23 – Financial Items

	2006/07 KEUR	2005/06 KEUR
Interest income & result of alternative investments	23 884	14 288
Realised currency exchange gains	18 093	2 163
Non-realised currency exchange gains	4 228	790
Realised currency exchange losses	-374	-210
Non-realised currency exchange losses	-554	-
Realised currency exchange gains UEFA Champions League	3 743	448
Dividend TEAM Holding AG, Lucerne	150	-
<b>TOTAL</b>	<b>49 170</b>	<b>17 479</b>

The very positive 2006/07 result is to a great extent due to currency gains following the strong performance of the euro compared with the Swiss franc. Given that UEFA's books are kept in Swiss francs, the stronger euro thus results in a currency gain registered in Swiss francs.

## IS 24 – Extraordinary Items & Taxes

This total refers to taxes paid by UEFA and its affiliated companies UEFA Media Technologies SA and Euro 2008 SA as well as to non-recoverable value-added tax.

	<b>453</b>	<b>295</b>
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## IS 25 – Formation of Provisions

**42 674**

**42 892**

## IS 26 – Use of Provisions & EURO Pool

These two positions have to be seen in conjunction with para q) of the *Provisions* chapter describing the significant accounting policies. Please refer to balance sheet note BS 19 for further information.

At the end of 2006/07, the remaining CHF 120 million in EURO 2004 *deferred earnings* was released and incorporated into the income statement under IS 26. Half of this amount, i.e. EUR 36.3 million, was used to co-finance UEFA's 2006/07 activities, while the other EUR 36.3 million was transferred into the EURO Pool via IS 25 for future payments in favour of the member associations.

EUR 63.6 million (equivalent of CHF 105m) was reversed in 2006/07 from the EURO Pool to finance the HatTrick payments and the Referee Convention, as detailed under BS 12 on page 34.

**139 124**

**142 840**

## IS 27 – Solidarity

All amounts shown as solidarity are financed from UEFA Champions League income.

	2005/06 KCHF		
Solidarity to associations (credited to EURO pool)	15 600	18 550	
Solidarity to leagues	54 417	43 201	
Solidarity to clubs	20 280	25 080	
<b>TOTAL</b>	<b>90 297</b>	<b>86 831</b>	<b>58 079</b>

See charts on page 26 re IS 27 and IS 28.



**IS 28 – HatTrick Scheme and Referee Convention**

For the sake of transparency, UEFA is showing the amount spent on HatTrick investments in its income statement, as opposed to only showing the transactions in the EURO pool balance sheet account. To defer the net result, the EURO pool provision has been reversed, as explained under IS 26. In this financial year, the following payments were made:

	2006/07 KCHF	2005/06 KCHF	2006/07 KEUR	2005/06 KEUR
Investment programme	20 176	23 664	12 578	15 224
Yearly solidarity payments to associations	69 055	56 945	42 894	36 649
Mini-pitches	9 425	13 597	5 901	8 762
Education scheme	4 053	1 137	2 456	730
Referee Convention	2 000	-	1 212	-
<b>TOTAL</b>	<b>104 709</b>	<b>95 343</b>	<b>65 041</b>	<b>61 365</b>

**IS 29 – Contributions & Donations**

International Committee of the Red Cross, Geneva			302	548
Cross Cultures Project Association			362	387
Special Olympics, Brussels			302	322
FARE, Vienna			362	387
(Other) anti-racism activities			480	276
Monaco / UEFA Super Cup charity cheque			637	644
Nyon Sports Foundation			220	225
Other contributions & donations			686	546
<b>TOTAL</b>			<b>3 351</b>	<b>3 335</b>

**IS 30 – Development & Aid Projects**

The amount invested under this heading refers to UEFA's contribution to projects of other confederations, such as the Meridian Project and Vision Asia. Grassroots development schemes were also supported and are included in this total.

			<b>878</b>	<b>572</b>
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**IS 31 – Net Result**

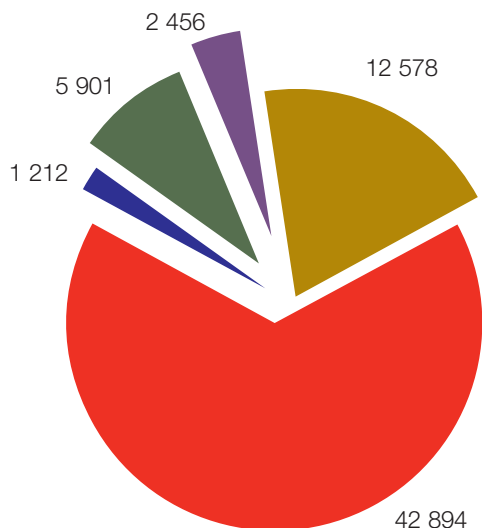
The actual net result of EUR 38.82 million – compared with the budgeted EUR 10 million (CHF 15.2m) as approved by the 2006 Congress – is all the more satisfying given that only EUR 36.3 million (CHF 60m, instead of the budgeted 100m) had to be taken from provisions to co-finance the many activities.

			<b>38 820</b>	<b>32 428</b>
--	--	--	---------------	---------------



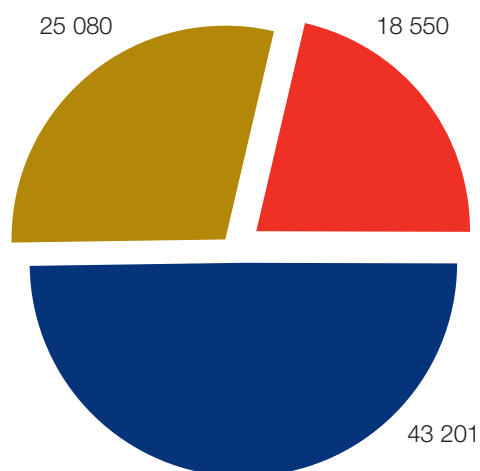
# Notes to the Consolidated Financial Statements 2006/07

**Details HatTrick Payments and Referee Convention**  
in KEUR



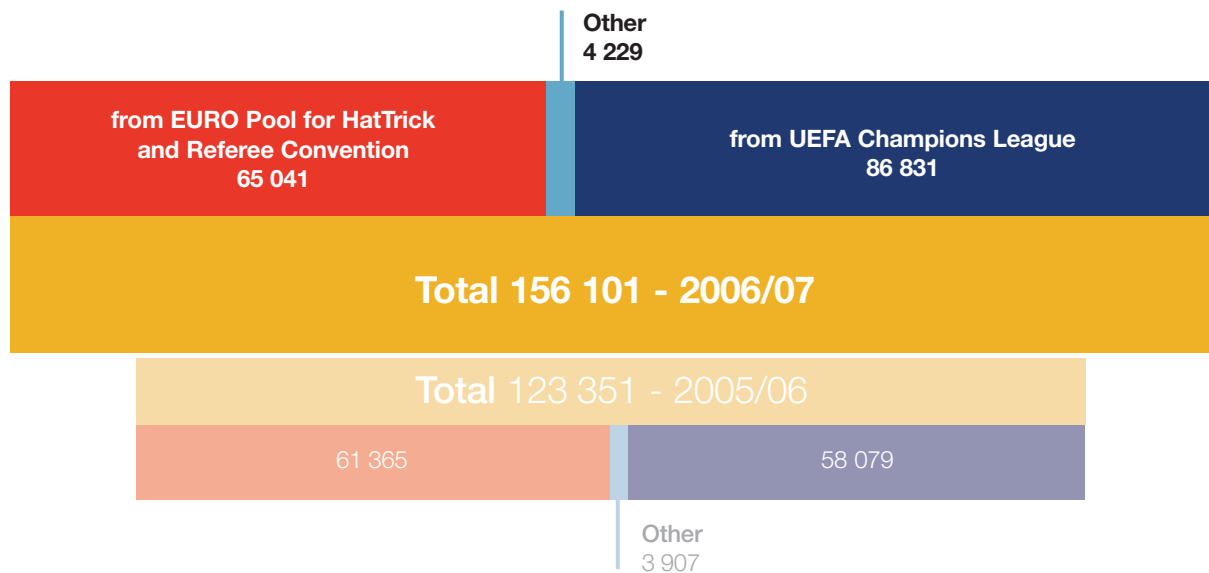
- Investment Programme
- Mini-Pitches
- Education
- Yearly Solidarity Payments
- Referee Convention

**Details UEFA Champions League Solidarity**  
in KEUR



- Transfer into EURO Pool
- Leagues (youth football development)
- Clubs (eliminated at first stage)

**Details Solidarity Payments 2006/07**  
in KEUR





Details of the most significant balance sheet positions established in accordance with the accounting policies described in this financial report are provided below.

**BS 1 – Cash & Cash Equivalents**

This position is representing around 70% of UEFA's balance sheet total. See the charts on the next page for details.

As at 30 June 2007, KEUR 2 931 (KCHF 4 851) from UEFA's cash balance, out of a maximum pledged amount of EUR 24.5 million (CHF 40.6 million), is serving our bank to cover guarantees issued by this bank in favour of third parties and the possible negative fair value of the currency hedging contracts.

**BS 2 – Receivables: Football Partners**

This total includes the following positions:

	30 June 2007 KEUR	30 June 2006 KEUR
EURO 2008 debtors	12 674	9 269
UEFA Champions League project accounts (kept by TEAM AG)	4 890	1 431
ISL (maximum dividend upon liquidation)	1 313	1 387
Bad debts	-1 377	-1 387
Other (various competitions, media rights)	1 406	1 758
<b>TOTAL</b>	<b>18 906</b>	<b>12 458</b>

The amount of KEUR 1 313 corresponding to the maximum dividend of KCHF 2 173 upon liquidation of ISL – with the same amount included under “bad debts” – continues to appear in UEFA's books.

**BS 3 – Receivables: Other**

VAT receivable	2 560	2 916
Current account Euro 2004 SA	1 669	1 582
Withholding tax to be claimed	1 709	288
Others	183	138
EURO 2008 sales of tickets and hospitality packages	5 802	-
<b>TOTAL</b>	<b>11 923</b>	<b>4 924</b>

The amount due to UEFA from Euro 2004 SA corresponds to the final amount withheld within the Portuguese FA books until the four-year liquidation period is over at the end of December 2008.

Receivables of KEUR 5 802 are also included under this heading and refer to the sale of EURO 2008 tickets and hospitality packages.

**BS 4 – Prepaid Expenses**

This position represents expenses already paid in the year under review for costs relating to the next financial year.

7 501	5 421
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# Notes to the Consolidated Financial Statements 2006/07

## BS 1 – Cash & Cash Equivalents

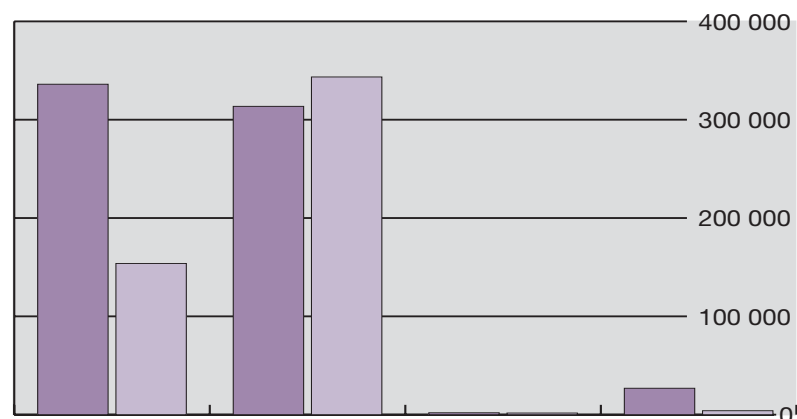
This position is representing around 70% of UEFA's balance sheet total and is composed as follows:

	30 June 2007 KEUR	30 June 2006 KEUR
<b>Total Cash &amp; Cash equivalent</b> in 1 000 EUR	<b>678 479</b>	<b>502 958</b>
<i>in % of the Balance Sheet total</i>	72%	65.1%

### Subtotals per currency in equivalent 1 000 EUR (see chart below)

Euro	336 083	153 790
Swiss Francs	313 581	343 474
British Pounds	1 949	1 667
US Dollars	26 866	4 027

### Overview per currency



EUR	CHF	GBP	USD
153 790	343 474	1 667	4 027
336 083	313 581	1 949	26 866

The above amounts are shown in equivalent KEUR to enable comparison

### Inventory of above EUR equivalents

stated in 1 000 original currency

	30.06.07	30.06.06
EUR	336 083	153 790
CHF	519 050	538 000
GBP	1 312	1 152
USD	36 284	5 149

### Overview of exchange rates valid on the closing dates:

	CHF	EUR	CHF	EUR
	1.655234	= 1	1.566346	= 1
<b>Other currencies</b>				
1 GBP =	2.458983	= 1.48558	2.265699	= 1.44649
1 USD =	1.2256	= 0.74044	1.225	= 0.78207



**BS 5 – Projects in Progress/Inventories**

	30 June 2007 KEUR	30 June 2006 KEUR
Euro 2008 SA: organisational costs	-	12 645
UEFA Media Technologies SA: cost of domain names in respect of EURO 2008	-	103
UEFA Champions League OB vans	1 173	1 648
Gifts (inventory)	413	684
<b>TOTAL</b>	<b>1 586</b>	<b>15 080</b>

Euro 2008 SA organisational costs as at 30 June 2006 have now been incorporated into the deferred EURO 2008 position – see BS 16.

OB (outside broadcast) vans are used to produce the UEFA Champions League match on-screen graphics. By buying these vans, UEFA was able to make important cost savings compared with a leasing agreement. The OB vans will be used for another two seasons, meaning that the equivalent will be written off over the same period.

**BS 6 – Loans**

Five categories of loan were granted:

Stadium credits to 12 member associations	1 627	2 544
Mortgages in favour of UEFA staff members	2 262	1 862
UEFA staff pension scheme	2 266	2 873
Advance payments to the EURO 2008 hosts (AUT/SUI)	2 416	-
Clearing account (operated by TRIANON SA)	104	63
<b>TOTAL</b>	<b>8 675</b>	<b>7 342</b>

Stadium loans were granted to associations lacking at least one stadium meeting UEFA requirements. These credit facilities were offered from 1998 until the introduction of the HatTrick scheme on 1 August 2003. All of these loans will be paid off during the 2004–2008 HatTrick cycle by reducing the yearly HatTrick payments of the associations concerned.

Mortgages to UEFA staff members have been granted according to specific regulations and by respecting the usual guarantees (e.g. mortgage certificate in favour of UEFA). Although the staff benefit from a preferential interest rate, the UEFA yield on this asset is higher than the actual conditions on the money market.

In 2003, UEFA granted a loan of CHF 6 million in favour of its own pension scheme to enable it to purchase UEFA's building (former headquarters) in Berne. A yearly amortization payment of CHF 0.75 million is due.

An advance payment of CHF 2 million (EUR 1.208 million) was paid to each EURO 2008 host association. These amounts will be offset with the final payments due by UEFA to Austria and Switzerland according to the staging agreement.

# Notes to the Consolidated Financial Statements 2006/07

## BS 6 – Loans (cont.)

A separate bank account has been opened to outsource the salary payments of senior management staff to TRIANON Conseils SA, Renens/Lausanne. The balance of this salary bank account at each month end is considered as a permanent salary advance paid by UEFA and is therefore listed under the “Loans Granted” balance sheet position.

## BS 7 – Long-term Securities

In line with the investment policy approved by the Executive Committee, capital-protected “alternative investments” were made in order to improve the asset management result. The capital protection is granted at maturity or in the case of early redemption by the issuer. Such alternative products cannot be sold and purchased on a daily basis, as they are not listed on the stock exchange. The sale of such investments before maturity date could result in a potential loss.

	30 June 2007 KCHF	30 June 2006 KCHF	30 June 2007 KEUR	30 June 2006 KEUR
Invested in products linked to shares of 20 international companies				
at nominal value CHF 100 million	100 000	100 000	60 414	63 843
Invested in products linked to the LIBOR rate				
at nominal value CHF 200 million	200 000	200 000	120 829	127 686
Invested in products linked to the spread between a ten-year euro swap minus a two-year euro swap rate				
at nominal value EUR 32 million	52 967	50 123	32 000	32 000
<b>TOTAL</b>	<b>352 967</b>	<b>350 123</b>	<b>213 243</b>	<b>223 529</b>
<i>Market value of these investments as at 30 June</i>			195 636	210 514
<i>For info: Result achieved</i>		<i>(in the financial year ending)</i>	4 676	5 528
<b>BS 8 – Participations</b>				
This position corresponds to the participation (equivalent of KCHF 50, representing 20% of the share capital) in TEAM Holding AG.			32	32

**BS 9 – Computer Hard- & Software**  
**BS 10 – Office Equipment/Vehicles****Computer Hard-  
& Software  
in KEUR****Office equipment  
& vehicles  
in KEUR**

The following movements have been entered:

<b>Cost</b>		
Balance as at 01.07.2005	2 324	828
Acquisitions	7 863	1 138
Renovations	-	-
Disposals	-	-
Currency effects	56	3
<b>Balance as at 30.06.2006</b>	<b>10 243</b>	<b>1 969</b>
Acquisitions	16 323	1 352
Renovations	-	-
Disposals	-	-
Currency effects	-5 636	-527
<b>Balance as at 30.06.2007</b>	<b>20 930</b>	<b>2 794</b>
<b>Accumulated depreciation</b>		
Balance as at 01.07.2005	<b>2 324</b>	<b>828</b>
Depreciation for the year	7 863	1 138
Disposals	-	-
Currency effects	56	3
<b>Balance as at 30.06.2006</b>	<b>10 243</b>	<b>1 969</b>
Depreciation for the year	16 323	1 352
Disposals	-	-
Currency effects	-5 636	-527
<b>Balance as at 30.06.2007</b>	<b>20 930</b>	<b>2 794</b>
<b>Net book value</b>		
as at 30.06.2006	0	0
<b>as at 30.06.2007</b>	<b>0</b>	<b>0</b>

# Notes to the Consolidated Financial Statements 2006/07

## BS 11 – Land & Buildings

No acquisitions or depreciations have been made since the inauguration of the House of European Football in the 1999/2000 financial year.

	Land (constructed on)	Operational Buildings	New building (project)	Total
<b>Cost</b>				
Balance as at 01.07.2005	7 963	42 453		50 416
Acquisitions	-	-		-
Renovations	-	-		-
Disposals	-	-		-
Currency effects	-78	-417		-495
<b>Balance as at 30.06.2006</b>	<b>7 885</b>	<b>42 036</b>	-	<b>49 921</b>
Acquisitions	-	-		-
Renovations	-	-		-
Disposals	-	-		-
Currency effects	-424	-2 257		-2 681
<b>Balance as at 30.06.2007</b>	<b>7 461</b>	<b>39 779</b>	-	<b>47 240</b>
<b>Accumulated depreciation</b>				
Balance as at 01.07.2005	7 963	42 453		50 416
Depreciation for the year	-	-		-
Disposals	-	-		-
Currency effects	-78	-417		-495
<b>Balance as at 30.06.2006</b>	<b>7 885</b>	<b>42 036</b>	-	<b>49 921</b>
Depreciation for the year	-	-		-
Disposals	-	-		-
Currency effects	-424	-2 257		-2 681
<b>Balance as at 30.06.2007</b>	<b>7 461</b>	<b>39 779</b>	-	<b>47 240</b>
<b>Net book value</b>				
as at 30.06.2006	0	0	0	0
<b>as at 30.06.2007</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

In anticipation of the construction of a new office building close to UEFA's headquarters, due to start soon, a separate column has already been added to the chart.

## Fire insurance values

Real estate KCHF 54 135 (KEUR 32 705)  
Furniture, fixtures and EDP equipment KCHF 15 550 (KEUR 9 395)

## The historical cost, in Swiss Francs is

For the building KCHF 65 843  
For the land KCHF 12 350





**BS 12 – Payables – Associations**

See details on next page.

30 June 2007 KEUR	30 June 2006 KEUR
339 555	348 353

**BS 13 – Payables – Football Partners**

The amount refers to UEFA Champions League project accounts.

2 739	1 632
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**BS 14 – Payables: Other**

Local organisers of UEFA club competition finals (for tickets)

1 139	944
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VAT payable

6 808	353
-------	-----

Cheques issued (still to be cashed)

113	565
-----	-----

**TOTAL**

8 060	1 862
-------	-------

The significant increase in the VAT payable position is related to KEUR 5 462 VAT due to the Austrian tax office re EURO 2008 ticket sales for matches played in Austria.

**BS 15 – Accrued Expenses**

This position reflects costs that still fall under the financial year under review but which will only be paid during the following financial year.

Staff costs (social security, accruals for bonus, overtime and holidays)

4 184	3 329
-------	-------

Other accrued expenses related to the administration

5 731	4 794
-------	-------

Accrued expenses related to the UEFA Champions League

1 486	1 733
-------	-------

Accrued expenses related to the 2007 Under-21 final round

3 359	-
-------	---

**TOTAL**

14 760	9 856
--------	-------

# Notes to the Consolidated Financial Statements 2006/07

## BS 12 – Payables – Associations

By far the highest amount within UEFA's liabilities refers to future UEFA payments in favour of associations, leagues and clubs, according to the details below:

	30 June 2007		30 June 2006	
	KCHF	KEUR	KCHF	KEUR
<b>Total payables – Associations</b>	<b>562 042</b>	<b>339 555</b>	<b>545 642</b>	<b>348 353</b>
<i>in % of the Balance Sheet total</i>		36%		45%

### Breakdown i.e. subtotals per category

Current accounts in favour of the associations	37 744	22 803	24 862	15 873
EURO Pool – according to breakdown below	450 079	271 913	464 400	296 486
UEFA Champions League solidarity pool in favour of leagues (see details below)	74 219	44 839	56 380	35 994

### Breakdown EURO Pool (accounts kept in CHF)

Opening Balance	464 400 =	296 486	484 250 =	312 225
Transferred from UCL 2006/07 solidarity payments, KEUR 350 per association, i.e. KEUR 18 550	30 705			
Transferred from UCL 2005/06 solidarity payments, KCHF 300 per association			15 600	
Transferred from EURO 2004 "deferred earnings" (no longer needed to co-finance UEFA's future activities)	60 000		60 000	
Reversed to finance the 2006/07 HatTrick payments and the Referee Convention	-105 026			
Reversed to finance the 2005/06 HatTrick payments			-95 450	
<b>Closing Balance</b>	<b>450 079 =</b>	<b>271 913</b>	<b>464 400 =</b>	<b>296 486</b>

### Breakdown UEFA Champions League solidarity payments in favour of leagues

(credits made in 2006/07 in EUR)  
(credits made in 2005/06 in CHF)

Opening Balance	56 380 =	35 994	57 192 =	36 875
Made available in 2006/07 for the 16 leagues with UCL teams		36 000		
Made available in 2006/07 for the 36 leagues without UCL teams		7 201		
Made available in 2005/06 for the 16 leagues with UCL teams			42 800	
Made available in 2005/06 for the 36 leagues without UCL teams			11 617	
Payments made to leagues in 2006/07 (KCHF 53 669 – with all these payments relating to credits made earlier)		-34 356		
Payments made to leagues in 2005/06			-55 229	
<b>Closing Balance</b>	<b>74 219 =</b>	<b>44 839</b>	<b>56 380 =</b>	<b>35 994</b>



**BS 16 – Deferred Income**

The balance as at 30 June 2007 will be reversed during the 2007/08 financial year to be included in the EURO 2008 accounts. The EURO 2008 result will thus be fully incorporated in UEFA's 2007/08 financial year.

	30 June 2006 KCHF	30 June 2007 KEUR	30 June 2006 KEUR
Brought forward (1 July)	907	45 076	585
EURO 2008 payments received	77 568	256 082	
EURO 2008 expenses incurred	-7 618	*-52 188	
Transfer of EURO 2008 expenses entered in 2003/04 (ex "Projects in Progress" balance sheet position)	-252	-	
<b>TOTAL</b>	<b>70 605</b>	<b>248 970</b>	<b>45 076</b>

\*This total includes the KEUR 12 645 in Euro 2008 SA costs, which were capitalised and included in the *Project in Progress* (BS 5) position in the balance sheet as at 30 June 2006.

**BS 17 – Advances from Third Parties**

UEFA Champions League current season (incl. surplus)		6 489	1 204
UEFA Champions League – advance payments for next season		17 960	5 128
UEFA club competition finals accounts to be finalized in the following season		4 041	4 521
Other (incl. UEFA Intertoto Cup)		1 933	2 578
<b>TOTAL</b>		<b>30 423</b>	<b>13 431</b>

**BS 18 – Other Liabilities**

Fines – reserved for humanitarian aid		1 919	2 375
Nyon Sports Foundation (UEFA contribution)		350	370
<b>TOTAL</b>		<b>2 269</b>	<b>2 745</b>

As decided by the UEFA Executive Committee in 2000, UEFA makes the money earned from disciplinary sanctions available for humanitarian aid programmes. The balance as at 30 June 2007 represents the amount already received but reserved for future humanitarian aid.

UEFA contributes an annual amount of KCHF 350 to the Nyon Sports Foundation. The relevant amount is shown as a cost and at the same time entered under "Other Liabilities" on the balance sheet. The board of this foundation, on which UEFA is represented, is entitled to approve payments for the special purposes defined in the foundation's statutes. UEFA's yearly payment is voluntary and considered as aid to the development of sports facilities in/near Nyon – infrastructure which in some cases can also be used by UEFA. This contribution is a token of appreciation for the hospitality shown by the town of Nyon towards UEFA.

# Notes to the Consolidated Financial Statements 2006/07

## BS 19 – Provisions

This table shows the movements over the 2006/07 financial year. Please refer also to notes IS 25 and IS 26 on page 24 for complementary explanations.

All amounts in KEUR

Provisions are evaluated at every closing date in accordance with the accounting policies (see para. q).	Balance as at 30.06.06	Additional provisions	Unused amount reversed to IS	Unused amount transferred for other use	Payments during the year	Exchange difference	Balance as at 30.06.07
Risk provision	11 811	3 531	-	-	-197	-646	14 499
Currency exchange effects	776	3 347	-668	-	-	-50	3 405
Deferred EURO 2004 earnings	76 611	-	-36 366	-36 366	-	-3 879	-
Other provisions	7 675	-	-1 904	-	-586	-391	4 794
<b>Total KEUR</b>	<b>96 873</b>	<b>6 878</b>	<b>-38 938</b>	<b>-36 366</b>	<b>-783</b>	<b>-4 966</b>	<b>22 698</b>

## BS 20 – Consolidated Statement of Changes in Equity

	Association capital	Retained earnings	Translation differences	Total KEUR
<b>TOTAL 30.06.2005</b>	<b>168 166</b>	<b>45 150</b>	<b>-1 505</b>	<b>211 811</b>
Net result for 2005/06	-	32 428	-	32 428
Foreign currency effect	-	-	-1 755	-1 755
<b>TOTAL 30.06.2006</b>	<b>168 166</b>	<b>77 578</b>	<b>-3 260</b>	<b>242 484</b>
Net result for 2006/07	-	38 820	-	38 820
Foreign currency effect	-	-	-25 115	-25 115
<b>TOTAL 30.06.2007</b>	<b>168 166</b>	<b>116 398</b>	<b>-28 375</b>	<b>256 189</b>

For comparison purposes, and to explain the reasons for the existence of a so-called *translation differences* position, UEFA is presenting (see chart below) its equity in Swiss francs and in euros, whereby the amounts in euros were converted from the Swiss franc amounts by applying the official exchange rate valid on each closing date. The bottom lines in euros are exactly the same as those in the chart above.

This shows that the translation differences balance **the euro figures published according to the legal provisions** (which stipulate that the equity has to be published using the historical value) calculated with the exchange rates applicable at the time.

In conclusion, the *translation differences* position corresponds to an adjustment which allows the same euro final amounts (i.e. total equity) to be presented as appear in the simulated bottom lines in the chart below.

### Simulation EUR equivalent to CHF by using the exchange rate valid as at each closing date

	30 June 2007 KCHF	30 June 2006 KCHF	30 June 2007 KEUR	30 June 2006 KEUR
Association Capital	259 021	259 021	156 487	165 367
Retained earnings	120 792	69 491	72 977	44 365
Translation difference – none	-	-	-	-
Net profit	44 236	51 301	26 725	32 752
<b>TOTALS</b>	<b>424 049</b>	<b>379 813</b>	<b>256 189</b>	<b>242 484</b>

Please refer to page 40, where UEFA's balance sheet in Swiss francs is published.



### FS 1 – Entities within the scope of consolidation

Name (activity)	Country of incorporation	Consolidation method	Share capital	Ownership	
				30 June 2007	30 June 2006
Union des Associations Européennes de Football	Switzerland	Fully consolidated		<b>Ultimate parent entity</b>	
UEFA Media Technologies SA (Service Company)	Switzerland	Fully consolidated	4 000 KCHF	100%	100%
Euro 2008 SA (Service Company)	Switzerland	Fully consolidated	250 KCHF	100%	100%
Team Holding AG	Switzerland	Equity method	250 KCHF	20%	20%

Changes in the scope of consolidation:

- Team Holding AG was included within the scope of consolidated financial statements 2005/06 on 30 Nov 2005.

### FS 2 – Risk management and hedging activities

In the normal course of its business, the Group is exposed to currency risk. The Group's general policy is to perform as much as possible a natural hedging of its asset and liability currency portfolio. However, if additional currency exposures occur, the Group uses various derivative financial instruments to hedge this risk.

#### Foreign currency risk

UEFA incurs foreign currency risk primarily from future cash inflows from the sale of some broadcasting rights denominated in a currency other than the euro which is the base currency for future cash outflows, such as distribution to participating teams, event-related expenses, development projects and solidarity payments to member associations, clubs and leagues. The major currency giving rise to currency risk is the pound sterling.

UEFA uses forward contracts and currency options to hedge this foreign currency risk. Those derivative financial instruments are entered into at the date of

signature of the broadcasting contracts in order to guarantee that all calculations in respect of the UEFA Champions League distribution, and therefore, the future payments to the participating teams are fixed in advance and not impacted by currency risk. Most hedging contracts have maturities of up to 24 months.

Changes in the fair value on those hedging contracts are not recognised in the balance sheet or the income statement.

#### As at 30 June 2007 the situation was as follows: equivalent in KEUR

• Total notional value (open positions): KGBP 226 250	325 538
• Negative fair value	-5 471

*For information:*

*the relevant values as at 30 September 2007 were KEUR 265 305 and KEUR -140 respectively.*

# Report of the group auditors



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Assurance & Advisory  
Business Services Industries  
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To the Congress of  
**Union des Associations Européennes de Football (UEFA), Nyon**

Lausanne, December 7, 2007

## Report of the group auditors

As group auditors, we have audited the consolidated financial statements (balance sheet, income statement, cash flow statement and notes) of the Union des Associations Européennes de Football (UEFA) for the year ended June 30, 2007.

These consolidated financial statements are the responsibility of the Executive Committee. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements comply with Swiss law and the consolidation and valuation principles as set out in the notes.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

  
Serge Clément  
Swiss Certified Accountant  
(in charge of the audit)

  
Claude Heri  
Swiss Certified Accountant





# UEFA Income Statement 2006/07

39-40 not consolidated, i.e. without UEFA Media Technologies SA and Euro 2008 SA

	<b>ACTUAL 2006 / 07</b>	<b>ACTUAL 2005 / 06</b>
Broadcast Revenue	1 289 204	795 343
Commercial Rights Revenue	429 607	272 527
Ticket Revenue	11 173	6 421
Other Football-related Revenue	12 103	11 891
Non Football-related Income	3 730	882
Allocated Value-in-Kind Income	1 890	1 762
<b>TOTAL REVENUE</b>	<b>1 747 707</b>	<b>1 088 826</b>
Distribution to Participating Teams	-1 030 638	-699 901
Direct Event Expenses	-103 651	-72 650
Rights Delivery	-32 813	-21 647
Hospitality Expenses	-5 417	-3 425
TV Production	-16 973	-9 446
Web Production & Computer Solutions	-280	-158
Match Officials	-31 995	-27 101
Period Adjustment	-303 077	-70 021
Intercompany Transactions	-62 218	-40 534
Allocated Value-in-Kind Expenses	-1 682	-1 762
<b>Total Event Expenses</b>	<b>-1 588 744</b>	<b>-946 645</b>
<b>GROSS RESULT</b>	<b>158 963</b>	<b>142 181</b>
Salaries & Social Expenses	-44 338	-35 825
Other Personnel Expenses	-1 354	-1 548
<b>Total Personnel Expenses</b>	<b>-45 692</b>	<b>-37 373</b>
Travel, Hotel & Daily Allowances	-18 209	-15 993
Consultancy & Temporary Staff	-11 734	-10 492
Public Relations & Marketing	-16 141	-11 676
Office Running Expenses	-4 846	-3 720
Rental, Building Maintenance & Security	-3 082	-2 609
<b>Total Other Expenses</b>	<b>-54 012</b>	<b>-44 490</b>
<b>OPERATING RESULT</b>	<b>59 259</b>	<b>60 318</b>
Financial Items	79 576	27 216
Extraordinary Items & Taxes	-258	-84
Formation of Provisions	-70 408	-66 761
Use of Provisions & EURO Pool	229 326	222 311
<b>Total Non Operating Items</b>	<b>238 236</b>	<b>182 682</b>
Solidarity	-141 852	-90 297
HaTTrick Scheme	-104 709	-95 343
Contributions & Donations	-5 294	-5 166
Development & Aid Projects	-1 404	-893
<b>Total Solidarity Payments</b>	<b>-253 259</b>	<b>-191 699</b>
<b>NET RESULT</b>	<b>44 236</b>	<b>51 301</b>

All amounts in 1 000 CHF (KCHF)

# UEFA Balance Sheet as at 30.06.2007

not consolidated, i.e. without UEFA Media Technologies SA and Euro 2008 SA

	30.06.2007		30.06.2006	
Cash & Postal Accounts	246		183	
Bank: Current Accounts	21 487		7 681	
Bank: Call Accounts	63 297		41 684	
Bank: Money Market	1 023 304		725 428	
Marketable Securities	12 122		12 256	
<b>Cash &amp; Cash Equivalents</b>	<b>1 120 456</b>	<b>72.4%</b>	<b>787 232</b>	<b>65.0%</b>
Receivables: Associations	2 122		1 395	
Receivables: Football Partners	31 294		19 514	
Receivables: Others	9 103		7 034	
Receivables: Euro 2008 SA	0		19 491	
Prepaid Expenses	10 848		7 447	
Advances to Suppliers	605		229	
Projects in progress / Inventories	2 404		3 652	
<b>Other Current Assets</b>	<b>56 376</b>	<b>3.6%</b>	<b>58 762</b>	<b>4.8%</b>
<b>Total Current Assets</b>	<b>1 176 832</b>	<b>76.0%</b>	<b>845 994</b>	<b>69.8%</b>
Loans	14 358		11 501	
Long-term Securities	352 967		350 123	
Participations: Others	50		50	
Participations: Group	4 250		4 250	
<b>Financial Assets</b>	<b>371 625</b>	<b>24.0%</b>	<b>365 924</b>	<b>30.2%</b>
<b>Other Fixed Assets</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>
<b>Total Fixed Assets</b>	<b>371 625</b>	<b>24.0%</b>	<b>365 924</b>	<b>30.2%</b>
<b>TOTAL ASSETS</b>	<b>1 548 457</b>	<b>100%</b>	<b>1 211 918</b>	<b>100%</b>
Payables: Suppliers	12 561		10 990	
Payables: Associations	562 042		545 642	
Payables: Football Partners	4 533		2 557	
Payables: Others	2 772		2 916	
Payables: UEFA Media Technologies SA	16 617		9 989	
Payables: Euro 2008 SA	44 344		0	
Accrued Expenses	16 559		12 332	
Deferred Income	373 296		70 605	
Advances from Third Parties	50 358		21 037	
<b>Current Liabilities</b>	<b>1 083 082</b>	<b>69.9%</b>	<b>676 068</b>	<b>55.8%</b>
Other Liabilities	3 755		4 300	
Provisions	37 571		151 737	
<b>Other Liabilities &amp; Provisions</b>	<b>41 326</b>	<b>2.7%</b>	<b>156 037</b>	<b>12.9%</b>
<b>Total Liabilities</b>	<b>1 124 408</b>	<b>72.6%</b>	<b>832 105</b>	<b>68.7%</b>
Equity	259 021		259 021	
Retained Earnings	120 792		69 491	
Net Result	44 236		51 301	
<b>Total UEFA Equity</b>	<b>424 049</b>	<b>27.4%</b>	<b>379 813</b>	<b>31.3%</b>
<b>TOTAL LIABILITIES &amp; UEFA EQUITY</b>	<b>1 548 457</b>	<b>100%</b>	<b>1 211 918</b>	<b>100%</b>

All amounts in 1 000 CHF (KCHF)



# Notes to the UEFA Financial Statement as at 30.06.2007

41-42 All amounts in 1 000 CHF (KCHF)

## Assets pledged for own commitments

As at 30 June 2007, KCHF 4 851 from UEFA's cash balance, out of a maximum pledged amount of CHF 40.6 million, is serving our bank to cover guarantees issued by this bank in favour of third parties and the possible negative fair value of the currency hedging contracts.

## Joint liability

The company is member of the UEFA Group value-added-tax group in Switzerland and is thereby jointly and severally liable to the federal tax authorities for value-added-tax debts of that group.

	30.06.2007	30.06.2006
<b>Fire insurance values of the tangible fixed assets</b>		
Real estate (House of European Football)	54 135	52 781
Furniture, fixtures and IT equipment	15 550	15 050
<b>Significant participations</b>		
UEFA Media Technologies SA, Nyon	100%	100%
Euro 2008 SA, Nyon	100%	100%
TEAM Holding AG, Luzern	20%	20%
<b>Total amount of leasing commitments not included in the balance sheet</b>	<b>307</b>	<b>0</b>
<i>Additional information</i>		
<b>Details of the Financial Items position</b>		
Interest income & Result on alternative investments	38 574	22 253
Realised currency exchange gains	29 700	3 338
Non-realised currency exchange gains	6 343	1 216
Realised currency exchange losses	-616	-289
Non-realised currency exchange losses	-821	0
Realised currency exchange gains UCL	6 148	698
Dividend TEAM Holding AG, Luzern	248	0
<b>Total Financial Items</b>	<b>79 576</b>	<b>27 216</b>
<b>Depreciation</b>		
Total amount representing the depreciation of the fixed assets	<b>590</b>	<b>320</b>
and included under – Web Production & Computer Solutions	50	0
– Office Running Expenses	60	0
– Rental, Building Maintenance & Security	480	320

# Report of the statutory auditors

## Report of the statutory auditors on UEFA



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To the Congress of  
**Union des Associations Européennes de Football (UEFA), Nyon**

Lausanne, December 7, 2007

### Report of the statutory auditors

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of the Union des Associations Européennes de Football (UEFA) for the year ended June 30, 2007.

These financial statements are the responsibility of the Executive Committee. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements comply with Swiss law and the association's by-law.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd  
  
Serge Clément  
Swiss Certified Accountant  
(in charge of the audit)

  
Claude Heri  
Swiss Certified Accountant



As reported in previous annual reports, UEFA has introduced a cost accounting system with the aim of providing the management with more accurate data and ultimately ending up with an information system that fully meets UEFA's needs. Every transaction is entered in UEFA's books on three dimensions, namely:

**1<sup>st</sup> dimension – by nature**

- This serves as the basis for the official UEFA consolidated income statement, as approved by the external auditors (see page 8).

**2<sup>nd</sup> dimension – by cost centre  
(UEFA division and/or unit)**

- This serves mainly an internal purpose as it allocates budget responsibility per division and/or unit and allows monitoring.

**3<sup>rd</sup> dimension – by competition and cost driver  
(e.g. events)**

- As a complement to the official "by nature" statement of accounts, it is useful to break the result down by competition and cost driver. The evolution over the years is considered to be useful information for the stakeholders.

On the opposite page, UEFA shows the net results elaborated and based on the third dimension. Total revenue, total expenditure and, obviously, UEFA's net result for 2006/07 can therefore be broken down into subtotals per competition and cost driver. For the purpose of comparison with the previous financial year, the 2005/06 net result is published in a separate column.

These key figures speak for themselves, as they translate UEFA's activities into figures. As is also the case for all other figures published in UEFA's financial report, each is the total of several subtotals. For example, the UEFA Champions League total can be split into group matches and the final, and the details concerning each UEFA committee and panel can also be monitored individually.

In conclusion, the 21 key figures published consist of 250 individual figures, all from the competition and cost driver perspective on the third dimension.

By including the 2006/07 **revenue** and **expenses** totals for each competition and cost driver, UEFA is also showing to what extent the main sources of income contribute to UEFA's continued financial success story.

It should be noted, however, that no UEFA administration expenses (such as personnel and general administrative costs) are allocated to these results by competition and cost driver. The total of these non-allocated cost appears on a separate line as *UEFA administration expenses*.

As in the past, only transactions related directly and exclusively to one particular competition or cost driver are included in the results calculated on the third dimension and published in this report.

# Net Result by Competition and Cost Driver 2006/07

	REVENUE 2006 / 07	EXPENSES 2006 / 07	ACTUAL 2006 / 07	ACTUAL 2005 / 06
EURO Final Round & Qualifiers	255 968	-258 874	-2 906	1 304
UEFA Champions League	825 918	-780 574	45 344	36 205
UEFA Cup	48 396	-46 006	2 390	4 868
UEFA Super Cup	3 361	-3 611	-250	-106
UEFA European Under-21 Championship	12 455	-11 973	482	1 690
<b>Result Top Competitions</b>	<b>1 146 098</b>	<b>-1 101 038</b>	<b>45 060</b>	<b>43 961</b>
Youth Competitions	79	-3 697	-3 618	-3 144
Women's Competitions	37	-3 966	-3 929	-3 559
UEFA Intertoto Cup	2 570	-4 574	-2 004	-1 683
Futsal Competitions	102	-1 187	-1 085	-538
Other Competitions	765	-2 118	-1 353	700
<b>Result Non-top Competitions</b>	<b>3 553</b>	<b>-15 542</b>	<b>-11 989</b>	<b>-8 224</b>
<b>Result UEFA Competitions</b>	<b>1 149 651</b>	<b>-1 116 580</b>	<b>33 071</b>	<b>35 737</b>
Projects	289	-19 854	-19 565	-14 303
Media Technologies	692	-1 499	-807	409
Institutional & Disciplinary Proceedings	4 896	-12 505	-7 609	-6 110
Events	0	-2 389	-2 389	-2 929
Football Development & Education	6	-4 701	-4 695	-3 489
Committees & Panels	62	-1 758	-1 696	-1 535
<b>Total Other UEFA Activities</b>	<b>5 945</b>	<b>-42 706</b>	<b>-36 761</b>	<b>-27 957</b>
HatTrick Scheme	0	-65 992	-65 992	-62 262
UEFA Administration Expenses	505	-32 037	-31 532	-27 408
Asset Management	40 671	-637	40 034	15 615
Provisions	100 000	0	100 000	98 703
<b>NET RESULT</b>	<b>1 296 772</b>	<b>-1 257 952</b>	<b>38 820</b>	<b>32 428</b>

All amounts in 1 000 EUR (KEUR)





2006/07 was the first season of the new three-year contractual cycle but played according to the same format as the previous season. Given that most contracts have been concluded in euros and that the distribution to the 32 teams, as well as the solidarity payments, are calculated and made in euros, it was decided last year that the UEFA Champions League statements would also be issued in euros. This also allows a natural hedging of the currency exposure, not only for UEFA, but also for the clubs, the majority of which are in countries where the euro is the official currency.

The success of the UEFA Champions League result benefited all stakeholders. First and foremost, a considerable increase in the distribution to the participating teams was possible, as was an increase in the solidarity payments. For the first time, part (EUR 8 million) of the surplus was distributed in the form of a cross-subsidy in favour of the 80 teams involved in the first round of the UEFA Cup.

The results of the previous season are also shown, for comparison purposes.	2006/07 actual (in EUR millions)	2005/06 actual (in EUR millions)
Total revenue for distribution (from Broadcasters and Sponsors/Suppliers and New Media Rights)	819	607
Other income (e.g. ticketing final, currency effects)	7	2
Distributed to the 32 UCL teams	585	437
Cross-subsidy to 80 UCUP teams	8	
Solidarity payments	87	58
Event expenses	101	78
Contribution to UEFA's gross result	45	36

**Distribution to the 32 UEFA Champions League clubs**

The principles governing the distribution of revenue between the participating clubs remained unchanged: half of the total amount was distributed in the form of fixed sums, while the other half depended on the value of the broadcast revenue from the national associations involved.

**With regard to the fixed sums:**

- each club received a participation bonus of EUR 2 million; the surplus income generated over and above the expected revenue meant that each club received an additional EUR 1 million during the course of the season;
- each club also received EUR 400 000 per group match played, i.e. a total of EUR 2.4 million per club;
- each group match victory was worth EUR 600 000 and each draw EUR 300 000. Olympique Lyonnais came closest to the maximum of EUR 3.6 million by earning EUR 3 million;

- each of the 16 teams involved in the first knockout round received a bonus of EUR 2.2 million; the eight quarter-finalists earned a further EUR 2.5 million, while the semi-finalists were awarded another EUR 3 million. AC Milan received EUR 7 million for winning the final and the runners-up, Liverpool, received EUR 4 million.

**With regard to the second half of the prize money (market pool):**

The participants also received a share related to the value of its national TV market. In the case of associations represented by more than one club, this share varied according to the clubs' domestic league rankings in 2005/06 and the number of matches played in this season's UEFA Champions League.

Details of these payments per club are given on page 48 of this financial report.

NB: Both finalists also received a share of the gate receipts. For all other matches, the home club kept all the gate receipts.

# UEFA Champions League 2006/07

## Solidarity payments

As in previous years, a proportion of the UEFA Champions League revenue was reserved for solidarity payments for the whole of the European football family and was awarded to all those clubs which could not qualify for either the UEFA Champions League or UEFA Cup group phases.

### EUR 25.08 million for the clubs:

- EUR 100 000 per round for each club eliminated in the UEFA Champions League qualifying rounds. There were, however, no solidarity payments for the participants in the Champions League third qualifying round; the eliminated clubs played in the UEFA Cup, where they qualified for solidarity payments from the first round onwards; they were also able to keep the payments received for the first two qualifying rounds.

- EUR 70 000 per round for each club eliminated in the qualifying competition or first round of the UEFA Cup;
- An additional EUR 160 000 for each domestic champion which failed to qualify for the UEFA Champions League group stage.

**EUR 43.2 million paid to the leagues** (or to the association, if there is no league) for distribution to their clubs to further develop youth football in those clubs that did not qualify for the UEFA Champions League:

- EUR 36m to the 16 leagues represented by one or more clubs in the 2006/07 Champions League;
- EUR 7.2m to the other 36 leagues.

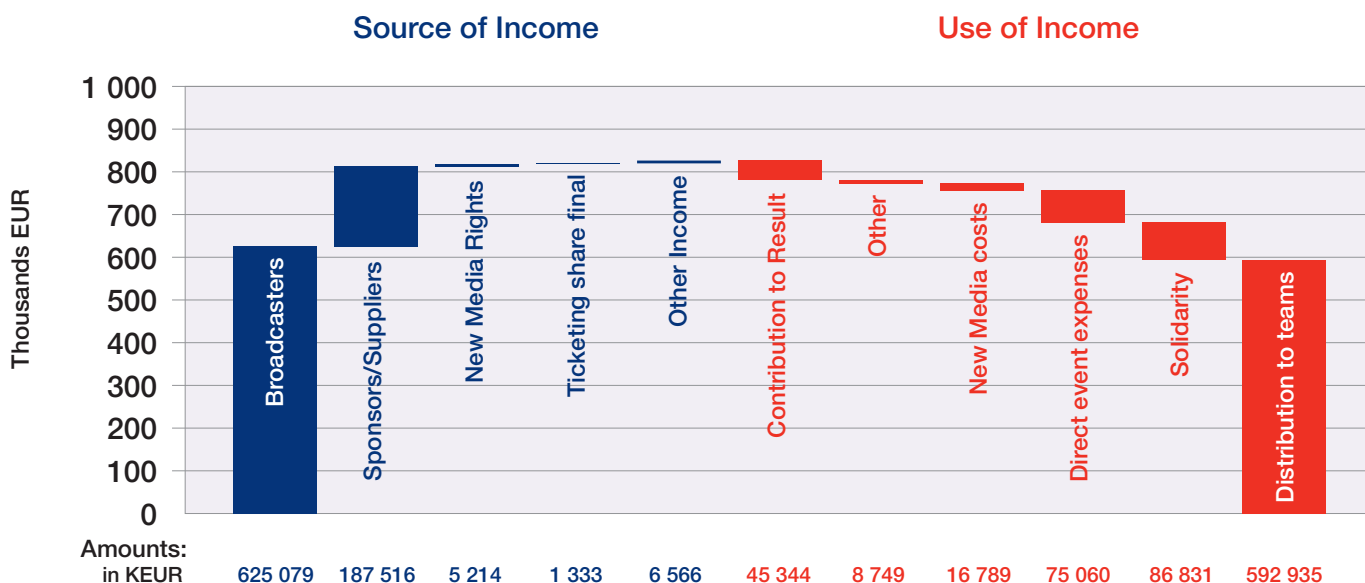
Reference is also made to the “Money Flow in European Football” section on page 51 of this report.

A further **EUR 18.55 million** (or EUR 0.35m per association) was transferred into the **EURO Pool**.

### Higher solidarity payments topped by a cross-subsidy in favour of the 80 clubs involved in the first round of the 2006/07 UEFA Cup.

It was agreed at the beginning of the season that the first **EUR 10.336 million** over the EUR 750 million mark would be used to **increase the solidarity payments** in favour of the clubs that did not qualify for the UEFA Champions League.

In addition, **a further EUR 8 million** was able to be made available **in the form of a cross-subsidy**. Each of the 80 clubs involved in the first round of the UEFA Cup received KEUR 100. It was possible to take this decision, in agreement with the UEFA Champions League clubs, once it became apparent that the total revenue would exceed the EUR 800 million mark. In other words, EUR 8 million out of the 2007/08 UEFA Champions League distribution/surplus was paid out to the 80 clubs involved in the UEFA Cup.





		<b>Gross Income</b>	<b>Share European Football</b>	<b>Share 32 UCL Teams</b>
<b>Revenue</b> (generated by contracts)				
– Broadcasters Europe		580 980		
– Broadcasters Overseas		44 099		
– Sponsors / Suppliers		187 516		
– New Media Rights		5 214		
– Other income		954		
<b>TOTAL REVENUE</b> (for distribution)		<b>818 763</b>		
Distribution up to:	25% / 75%	530 000	132 500	397 500
Distribution in excess of MEUR 530	18% / 82%	273 213	49 178	224 035
Distribution of New Media Rights	50% / 50%	5 214	2 607	2 607
Additional Solidarity to Teams eliminated in UCL qualifying round & UEFA Cup		10 336	10 336	
		<b>818 763</b>	<b>194 621</b>	<b>624 142</b>
<b>Share in favour of 16 leagues of the 32 UCL teams:</b>				
5% of the "Share 32 UCL Teams"				-31 207
to be credited to "Share European Football"			31 207	
<small>(distributed through UEFA, incl. in "Solidarity payments" below)</small>				
<b>AVAILABLE FOR DISTRIBUTION</b> (in accordance with the Regulations, paragraphs 24.05 & 24.06)				<b>592 935</b>
<b>SHARE EUROPEAN FOOTBALL (GROSS)</b>			<b>225 828</b>	
Direct event expenses (incl. agency commission)			-75 060	
<b>Sub-total</b>			<b>150 768</b>	
<b>Solidarity payments to:</b>				
– 16 leagues of the 32 UCL teams		-36 000		
– 36 other leagues		-7 201		
– UEFA member associations (EUR 350 000 each)		-18 550		
– Teams eliminated in UCL qualifying round and UEFA Cup (including Additional Solidarity)		-25 080	-86 831	
<b>Match officials:</b>				
– Referees		-2 153		
– Delegates, Venue Directors and Doping Control costs		-1 625		
– UEFA member associations (CHF 8 000 per club/match)		-3 094	-6 872	
Host of the UCL final (Greek FA)			-1 215	
Allocated UEFA New Media costs			-16 789	
Other UCL event expenses			-662	
UEFA ticketing share UCL final, Athens			1 333	
Currency effects			3 197	
Other income (incl. interest)			2 415	
<b>Competition result</b>			<b>45 344</b>	

This competition result does not include UEFA Administration expenses (e.g. personnel costs, tendering expenses, etc.).

**All amounts in KEUR**

# UEFA Champions League 2006/07

## UEFA CHAMPIONS LEAGUE 2006/07: Distribution

TEAMS	GROUP MATCHES				Market Pool 100% (incl surplus)	FINAL PHASE				TOTAL KEUR
	participation bonus	additional participation bonus	match bonus	performance bonus		1st knock-out round	Quarter- finals	Semi-finals	Final	
<b>Group A</b>										
PFC Levski Sofia	2 000	1 000	2 400	-	167					5 567
Chelsea FC	2 000	1 000	2 400	2 700	19 233	2 200	2 500	3 000		35 033
Werder Bremen	2 000	1 000	2 400	2 100	11 185					18 685
FC Barcelona	2 000	1 000	2 400	2 400	12 952	2 200				22 952
<b>Group B</b>										
FC Spartak Moskva	2 000	1 000	2 400	1 200	622					7 222
Sporting Clube de Portugal	2 000	1 000	2 400	1 200	1 184					7 784
FC Internazionale Milano	2 000	1 000	2 400	2 100	20 273	2 200				29 973
FC Bayern München	2 000	1 000	2 400	2 700	16 246	2 200	2 500			29 046
<b>Group C</b>										
Liverpool FC	2 000	1 000	2 400	2 700	12 662	2 200	2 500	3 000	4 000	32 462
Galatasaray SK	2 000	1 000	2 400	900	7 808					14 108
FC Girondins de Bordeaux	2 000	1 000	2 400	1 500	9 402					16 302
PSV Eindhoven	2 000	1 000	2 400	2 100	19 782	2 200	2 500			31 982
<b>Group D</b>										
FC Shakhtar Donetsk	2 000	1 000	2 400	1 500	493					7 393
Olympiacos CFP	2 000	1 000	2 400	900	4 674					10 974
Valencia CF	2 000	1 000	2 400	2 700	9 994	2 200	2 500			22 794
AS Roma	2 000	1 000	2 400	2 100	19 258	2 200	2 500			31 458
<b>Group E</b>										
Real Madrid CF	2 000	1 000	2 400	2 400	11 243	2 200				21 243
FC Dynamo Kyiv	2 000	1 000	2 400	600	446					6 446
FC Steaua Bucuresti	2 000	1 000	2 400	1 200	1 821					8 421
Olympique Lyonnais	2 000	1 000	2 400	3 000	12 284	2 200				22 884
<b>Group F</b>										
SL Benfica	2 000	1 000	2 400	1 500	911					7 811
Manchester United FC	2 000	1 000	2 400	2 400	16 349	2 200	2 500	3 000		31 849
Celtic FC	2 000	1 000	2 400	1 800	6 412	2 200				15 812
FC Kobenhavn	2 000	1 000	2 400	1 500	5 372					12 272
<b>Group G</b>										
Arsenal FC	2 000	1 000	2 400	2 400	9 457	2 200				19 457
FC Porto	2 000	1 000	2 400	2 400	1 549	2 200				11 549
PFC CSKA Moskva	2 000	1 000	2 400	1 800	687					7 887
Hamburger SV	2 000	1 000	2 400	600	8 491					14 491
<b>Group H</b>										
AEK Athens FC	2 000	1 000	2 400	1 800	4 229					11 429
RSC Anderlecht	2 000	1 000	2 400	1 200	4 906					11 506
LOSC Lille Métropole	2 000	1 000	2 400	2 100	8 509	2 200				18 209
AC Milan	2 000	1 000	2 400	2 100	17 734	2 200	2 500	3 000	7 000	39 934
<b>TOTAL 32 UCL clubs</b>	<b>64 000</b>	<b>32 000</b>	<b>76 800</b>	<b>57 600</b>	<b>276 335</b>	<b>35 200</b>	<b>20 000</b>	<b>12 000</b>	<b>11 000</b>	<b>584 935</b>
Contribution in favour of the 80 clubs in the 1st round of UEFA Cup 2006/07 (EUR 100 000 per club)										<b>8 000</b>
<b>TOTAL Distribution</b>										<b>592 935</b>

All amounts in 1000 EUR (KEUR)



Even though the UEFA Cup and UEFA Champions League competitions should not be compared directly, there are good reasons for publishing the financial result of the UEFA Cup on the pages following the phenomenal UEFA Champions League result. In this context, three points should not be overlooked:

- The new UEFA Cup format enables teams which could not participate in the UEFA Champions League to play more matches.
- It is a question of bridging a gap, first in sporting terms, but also from a financial point of view. The results of the first season with a centrally marketed final phase are very encouraging, as is the fact that some teams were able to qualify for the UEFA Champions League after a successful UEFA Cup campaign the year before.
- Last but not least, we should not forget that the UEFA Champions League also had to be developed over the years. It is worth remembering that in its first season, in 1992/93, the UEFA Champions League generated total income of just over EUR 45 million, with EUR 23.5 million distributed to the teams.

It will be interesting to follow the development of the UEFA Cup over the years. It will also be a challenge to find the best solutions and to take the right decisions for the optimal organisation of the two club competitions – a challenge that UEFA is happy to accept.

The UEFA Cup quarter-finals and semi-finals were marketed centrally for the first time this year, as were the final and the UEFA Super Cup, with the following result achieved: (all amounts in EUR 1 000 (KEUR):

Total revenue generated by contracts for UEFA Cup and Super Cup	48 620
<b>75% of this total in favour of the UEFA Cup and Super Cup clubs</b>	<b>36 465</b>
Minus: Super Cup share paid to the two clubs	- 2 800
Plus: cross-subsidy from UEFA Champions League to 40 UEFA Cup clubs	+ 4 000*

\* the remaining EUR 4 million, KEUR 100 per club, was earmarked for the 40 clubs eliminated in the first round of the 2006/07 UEFA Cup.

**Total distribution to the UEFA Cup clubs in 2006/07 KEUR 37 665**

See chart on the following page for the details of these payments per club.

### Distribution to the UEFA Cup clubs

Part of the revenue was also distributed to the clubs that played in the group matches.

- Each participant in the group matches received a fixed sum of EUR 70 000 – plus EUR 44 925 from the surplus of revenue generated compared with the sum initially budgeted.
- Each victory in these matches was worth EUR 40 000 and each draw EUR 20 000.
- The teams that qualified for the knockout stages were awarded EUR 70 000 for the round of 32 and the same amount for the round of 16 (these sums were not paid to the teams that came out of the UEFA Champions League after the group matches).


- Each quarter-finalist received EUR 300 000; the semi-finalists were each paid EUR 600 000. Sevilla FC's victory was worth EUR 2.5 million, while Espanyol received EUR 1.5 million.
- In addition to these payments, the quarter-finalists received a sum depending on the value of their national TV market and whether they qualified for the semi-finals and the final.

**Solidarity payments and cross-subsidy ex UEFA Champions League** – See pages 45 to 48 for more details.

# UEFA Cup 2006/07

## UEFA Cup 2006/07: Distribution

All amounts in EUR

TEAMS	GROUP MATCHES			FINAL PHASE						TOTAL EUR
	participation bonus + surplus	additional UCL contribution	performance bonus	Round of 32 clubs	Round of 16 clubs	Market Pool incl. surplus	Quarter- finals	Semi- finals	Final	
<b>Group A</b>										
Rangers FC	114 925	100 000	140 000	70 000	70 000					494 925
Maccabi Haifa FC	114 925	100 000	100 000	70 000	70 000					454 925
AS Livorno Calcio	114 925	100 000	80 000	70 000						364 925
AJ Auxerre	114 925	100 000	60 000							274 925
FK Partizan	114 925	100 000	20 000							234 925
<b>Group B</b>										
Tottenham Hotspur FC	114 925	100 000	160 000	70 000	70 000	3 872 000	300 000			4 686 925
FC Dinamo 1948 Bucuresti	114 925	100 000	100 000	70 000						384 925
Bayer 04 Leverkusen	114 925	100 000	60 000	70 000	70 000	975 300	300 000			1 690 225
Besiktas JK	114 925	100 000	40 000							254 925
Club Brugge KV	114 925	100 000	40 000							254 925
<b>Group C</b>										
AZ Alkmaar	114 925	100 000	140 000	70 000	70 000	665 900	300 000			1 460 825
Sevilla FC	114 925	100 000	100 000	70 000	70 000	2 660 500	300 000	600 000	2 500 000	6 515 425
SC Braga	114 925	100 000	80 000	70 000	70 000					434 925
FC Slovan Liberec	114 925	100 000	80 000							294 925
Grasshopper-Club	114 925	100 000	-							214 925
<b>Group D</b>										
Parma FC	114 925	100 000	120 000	70 000						404 925
CA Osasuna	114 925	100 000	100 000	70 000	70 000	1 448 200	300 000	600 000		2 803 125
RC Lens	114 925	100 000	60 000	70 000	70 000					414 925
SC Heerenveen	114 925	100 000	60 000							274 925
Odense BK	114 925	100 000	60 000							274 925
<b>Group E</b>										
Blackburn Rovers FC	114 925	100 000	140 000	70 000						424 925
AS Nancy-Lorraine	114 925	100 000	100 000	70 000						384 925
Feyenoord	114 925	100 000	80 000		-					294 925
Wisla Kraków	114 925	100 000	40 000							254 925
FC Basel 1893	114 925	100 000	40 000							254 925
<b>Group F</b>										
RCD Espanyol	114 925	100 000	160 000	70 000	70 000	2 660 500	300 000	600 000	1 500 000	5 575 425
AFC Ajax	114 925	100 000	100 000	70 000						384 925
SV Zulte Waregem	114 925	100 000	80 000	70 000						364 925
AC Sparta Praha	114 925	100 000	60 000							274 925
FK Austria Wien	114 925	100 000	-							214 925
<b>Group G</b>										
Panathinaikos FC	114 925	100 000	100 000	70 000						384 925
Paris Saint-Germain FC	114 925	100 000	80 000	70 000	70 000					434 925
Hapoel Tel-Aviv FC	114 925	100 000	80 000	70 000						364 925
AFC Rapid Bucuresti	114 925	100 000	80 000							294 925
FK Mladá Boleslav	114 925	100 000	60 000							274 925
<b>Group H</b>										
Newcastle United FC	114 925	100 000	140 000	70 000	70 000					494 925
RC Celta de Vigo	114 925	100 000	80 000	70 000	70 000					434 925
Fenerbahçe SK	114 925	100 000	60 000	70 000						344 925
US Città di Palermo	114 925	100 000	60 000							274 925
Eintracht Frankfurt	114 925	100 000	60 000							274 925
UCL: Werder Bremen UCL: SL Benfica	joined UCUP final phase from UCL group stage					1 843 900 421 700	300 000 300 000	600 000		2 743 900 721 700
<b>TOTAL 40+2 UCUP Clubs</b>	<b>4 597 000</b>	<b>4 000 000</b>	<b>3 200 000</b>	<b>1 610 000</b>	<b>910 000</b>	<b>14 548 000</b>	<b>2 400 000</b>	<b>2 400 000</b>	<b>4 000 000</b>	<b>37 665 000</b>
Distribution to the winner (EUR 1.6 m) and the runner-up (EUR 1.2 m) of the UEFA Super Cup 2006										2 800 000
Total Distribution (incl. KEUR 4 000 cross-subsidy ex. UEFA Champions League)										40 465 000

All amounts in EUR





51-52 2006/07 UEFA Payments in favour of Associations

UCL Distribution in KEUR			UCUP Distribu- tion in KEUR	Association	HatTrick Yearly Solidarity Payments in KCHF				in KCHF
32 UCL Teams	52 Leagues	Clubs eliminated			40 UCUP Teams plus 2 from UCL	Fixed amount	Incentive Club Licensing	Incentive non-top competitions	
	Solidarity								
	192	470		ALBANIA	700	300	255	1 255	
	167	230		ANDORRA	700	280	255	1 235	
	170	400		ARMENIA	700	290	295	1 285	
	341	610	215	AUSTRIA	700	300	330	1 330	
	168	470		AZERBAIJAN	700	270	320	1 290	
	169	540		BELARUS	700	300	350	1 350	
11 506	991	420	620	BELGIUM	700	300	350	1 350	200
	171	570		BOSNIA-HERZEGOVINA	700	300	350	1 350	
5 567	455	630		BULGARIA	700	300	320	1 320	
	190	470		CROATIA	700	300	350	1 350	
	196	680		CYPRUS	700	300	280	1 280	
	198	610	845	CZECH REPUBLIC	700	300	350	1 350	
12 272	1 043	560	275	DENMARK	700	300	305	1 305	
118 801	6 515	350	5 606	ENGLAND	700	300	350	1 350	
	167	610		ESTONIA	700	300	305	1 305	
	167	500		FAROE ISLANDS	700	300	245	1 245	
	180	500		FINLAND	700	300	350	1 350	200
57 395	3 409	490	1 510	FRANCE	700	300	350	1 350	200
	175	570		GEORGIA	700	300	295	1 295	
62 222	4 056	350	4 709	GERMANY	700	300	*355	1 355	200
22 403	1 441	280	385	GREECE	700	300	350	1 350	
	218	470		HUNGARY	700	300	350	1 350	200
	225	500		ICELAND	700	300	305	1 305	
	243	510	820	ISRAEL	700	300	325	1 325	
101 365	6 465	280	1 045	ITALY	700	300	350	1 350	
	170	400		KAZAKHSTAN	700	300	350	1 350	
	167	640		LATVIA	700	240	295	1 235	
	167	140		LIECHTENSTEIN	700	270	210	1 180	
	167	640		LITHUANIA	700	300	320	1 320	
	167	400		LUXEMBOURG	700	300	210	1 210	200
	170	570		FYR. MACEDONIA	700	300	320	1 320	
	174	400		MALTA	700	280	285	1 265	
	167	570		MOLDOVA	700	280	350	1 330	
	n/a	n/a		MONTENEGRO	700	0	0	700	
31 982	2 670	420	2 415	NETHERLANDS	700	300	350	1 350	
	167	400		NORTHERN IRELAND	700	250	305	1 255	
	351	820		NORWAY	700	300	305	1 305	200
	308	610	255	POLAND	700	300	350	1 350	
27 144	848	210	1 156	PORTUGAL	700	300	350	1 350	
	225	710		REPUBLIC OF IRELAND	700	300	305	1 305	
8 421	642	420	680	ROMANIA	700	300	350	1 350	
15 109	584	210		RUSSIA	700	300	350	1 350	
	167	230		SAN MARINO	700	300	210	1 210	
15 812	1 160	310	495	SCOTLAND	700	300	330	1 330	200
	187	610	235	SERBIA	700	300	350	1 350	
	172	610		SLOVAKIA	700	300	350	1 350	
	181	640		SLOVENIA	700	300	350	1 350	200
66 989	3 861	280	15 329	SPAIN	700	300	*375	1 375	
	283	610		SWEDEN	700	300	330	1 330	
	307	890	470	SWITZERLAND	700	300	330	1 330	200
14 108	1 318	520	600	TURKEY	700	300	270	1 270	
	13 839	542	280	UKRAINE	700	300	350	1 350	
	167	470		WALES	700	300	305	1 305	
<b>584 935</b>	<b>43 201</b>	<b>25 080</b>	<b>37 665</b>	<b>TOTAL IN KEUR</b>					
				<b>TOTAL IN KCHF</b>	<b>37 100</b>	<b>15 360</b>	<b>16 595</b>	<b>69 055</b>	<b>2 000</b>

Details see  
page 48

\*An additional KCHF 25 was made available for the title-holder's participation in a competition as well as the national champion

According to IS 28

# The flow of money in European football

The chart on the left shows UEFA's payments in favour of associations, leagues and clubs and is structured as follows:

**The three columns highlighted in blue refer to the UEFA Champions League and show: all amounts in KEUR**

- the amounts paid out to the 32 UEFA Champions League teams, i.e. the total by association;
- the funds made available to the leagues of UEFA member associations to be used to develop youth football at club level;
- the solidarity payments made to clubs which failed to qualify for the group stage of the UEFA Champions League (EUR 100 000) or the UEFA Cup: (EUR 70 000) per round played and an additional EUR 160 000 for each domestic champion.

**The column highlighted in yellow shows the amounts by association out of the EUR 37.67 million total UEFA Cup distribution made following the central marketing of the quarter-finals and semi-finals for the first time. See chart on page 50 for details per club. all amounts in KEUR**

**The four columns highlighted in green indicate the yearly HatTrick solidarity payments made to the associations: all amounts in KCHF**

- a fixed annual amount of CHF 700 000;
- an incentive of up to CHF 300 000 to further develop the club licensing scheme in the associations
- an incentive of up to CHF 350 000 for participation in UEFA's non-top competitions

The HatTrick scheme is more than the yearly solidarity payments. Over the four-year period between EURO 2004 and EURO 2008, each association is due to receive:

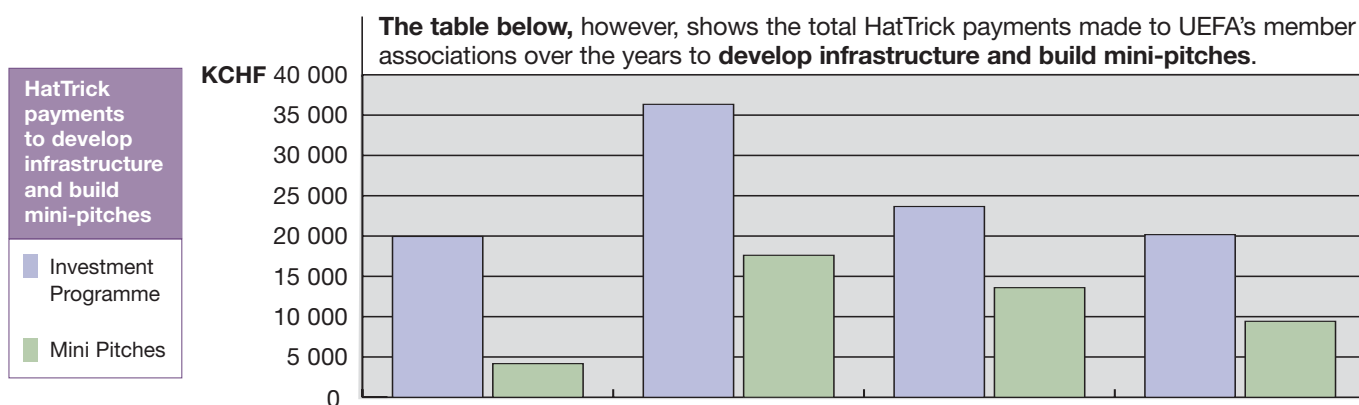
- CHF 2.5 million to further develop the football infrastructure in its territory, and
- up to CHF 1 million to build mini-pitches.

### Additional HatTrick payments – as presented at and approved by the 2007 UEFA Congress

The figures published on these two pages also include the additional HatTrick funds made available to the national associations for the 2006/07 and 2007/08 seasons (CHF 600 000 per financial year – split up as follows):

- CHF 200 000 per season to increase the fixed amount from CHF 500 000 to CHF 700 000 to finance ordinary activities;
- CHF 200 000 per season or CHF 400 000 once during the two-year period for infrastructure projects (on top of the CHF 2.5 million available during the 2004–2008 period);
- CHF 400 000 once during the two-year period to co finance measures taken by the associations to improve their quality standards and professional management.

The chart on the opposite page only includes yearly payments made in 2006/07 but not those due only once during a four- or two-year period.



	2003/04	2004/05	2005/06	2006/07
Investment Programme	19 946	36 338	23 664	20 176
Mini Pitches	4 175	17 614	13 597	9 425
<b>Total</b>	<b>24 121</b>	<b>53 952</b>	<b>37 261</b>	<b>29 601</b>

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