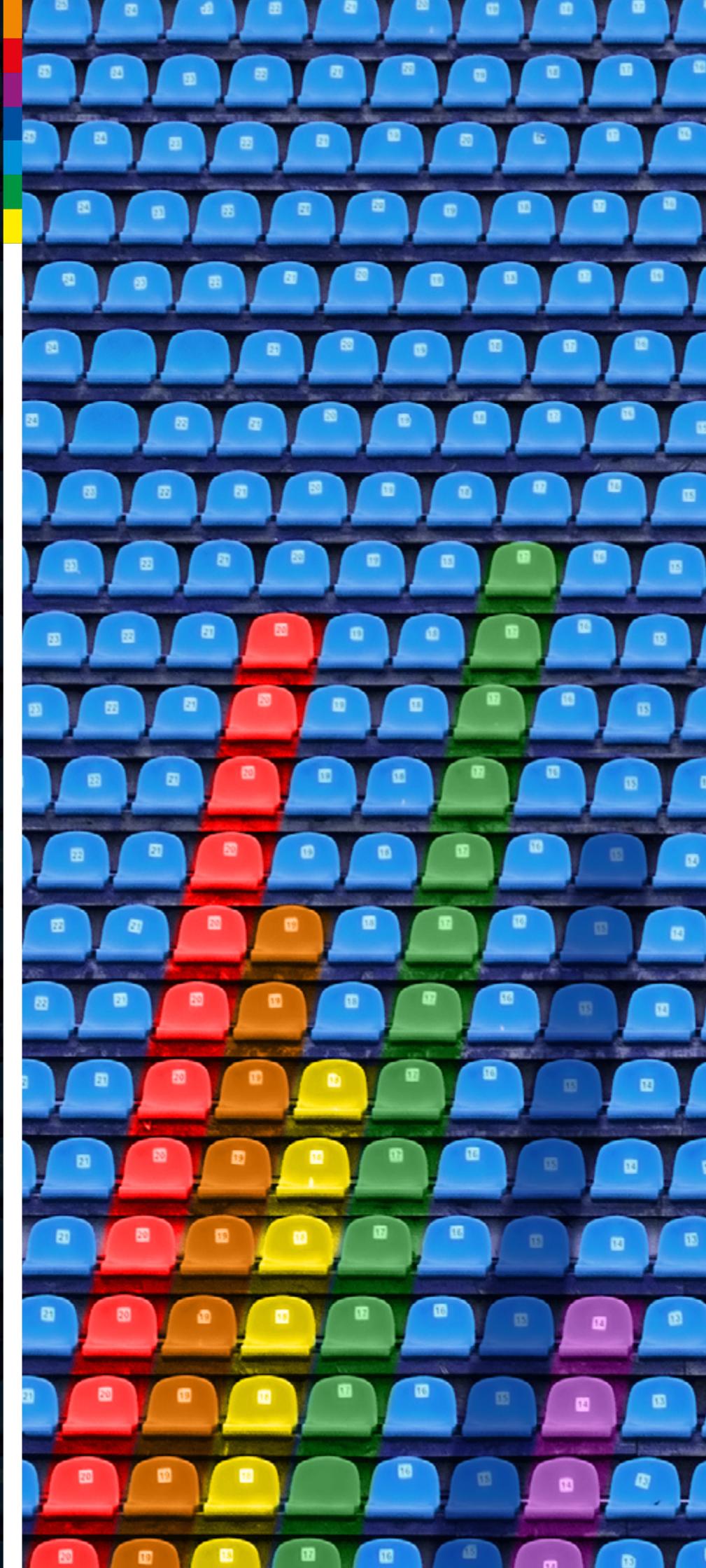


**PROFESSIONAL
FOOTBALL
FINANCIAL
REPORT**
2015



LaLiga



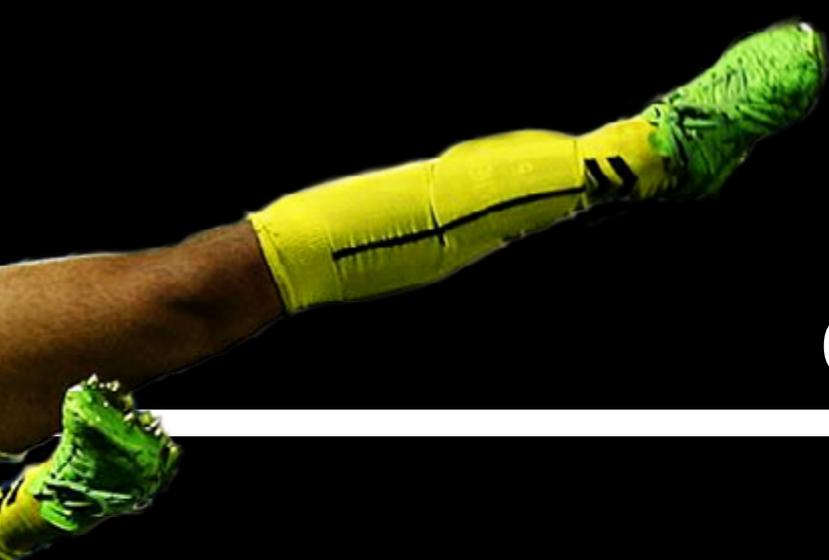
PROFESSIONAL
FOOTBALL
FINANCIAL
REPORT

2015



LaLiga





CONTENTS

	Foreword	04
	Growth remains constant	09
	This season the driving force is commercial	15
	Net Turnover (INCN)	16
	Distribution of turnover	28
	Cost control remains unchanged	39
	The Cost of Personnel is growing within Limits	49
	Profitability continues to grow	55
	The equity situation is also continuing to improve	63
	Debt development	67
	Debt levels continue to fall	68
	The ratios of Debt/INCN and Debt/PBT: close to target	70
	Taxes	75
	Debt owed to the Spanish Tax Authorities	76
	Annual tax payments to the AEAT, Regional Treasuries and other corporations	77
	The live stadium experience is getting more attractive all the time	79
	The social function of LaLiga	83
	Youth Football	84
	Employment generated	84
	Index of graphs and tables	87

Foreword



In the continued efforts of the Spanish National League of Professional Football (**LaLiga**) to raise awareness, and in compliance with the established aim of promoting transparency in the economic and financial situation of Spanish professional football, it is my pleasure to present this new edition of the PROFESSIONAL FOOTBALL FINANCIAL REPORT, which extends the period of analysis to include the 2014-15 season.

The first thing to emphasize, given that it is an important element in the present and future analyses of **LaLiga**, is that during the 2014-15 season one of the goals that the current **LaLiga** management team had been pursuing with most determination has finally been achieved - the approval of *Royal Decree Law 5/2015, of 30 April, concerning urgent measures to deal with the commercialisation of the exploitation rights of audio-visual content in professional football competitions.*

As its name indicates, this Royal Decree Law regulates the joint commercialisation of the exploitation rights of the audio-visual content of all the teams involved in professional football competitions, which allows for a modern management model for said rights, tailored to the requirements of the current audio-visual market, which will meet the call for new products on the part of operators, optimizing the return value obtained by clubs by being able to adapt to supports and formats that were a particular problem for individual commercialisation.

However, what initially looked like an end goal has turned into a point of departure, as **LaLiga** has had to adapt its structure and working practice to address the new challenge of generating value with the aforementioned audio-visual rights across all of its offices and departments. This is a challenge that has been entered into with illusion, and with the conviction that the work that is being carried out is bearing fruit even quicker than expected.

Moving on to the analysis of the 2014-15 season's economic and financial figures, the first thing to highlight is the consolidation of the growth cycle which was already clearly identifiable in the three previous seasons, with 2014-15 recording overall revenue figures of 2,615.6m Euros, a 12.3% rise on the previous year. This growth is of a global nature, taking place across the two professional football categories, with both showing considerable growth: **Liga BBVA** revenue levels stood at 2,417.2m Euros (+11.4%), while those of the **Liga Adelante** amounted to 198.4m Euros (+25.7%).

Pre-tax profits across **LaLiga**, meanwhile, amounted to 187.3m Euros, and what is even more remarkable, the **LaLiga Netted** results, that is to say the earnings of professional Spanish football clubs when the two clubs with the highest turnover levels have been taken out of the equation - a group which historically recorded losses - recorded record profits of 113.3m Euros.

In the 2014-15 season the clubs' main revenue driving force was the increase of income from commercialisation and from transactions involving the transfer of federation player rights. To be precise, the **LaLiga** revenue from commercialisation surpassed 500m Euros (506.3m Euros; +29.2%) for the first time, while on the other hand revenue originating from rights transfers amounted to 348.8m Euros (+30%). The increase in revenue from commercialisation can be understood, in a context in which the approval of the aforementioned joint commercialisation of audio-visual rights was very much on the cards, as the sponsors' attempt to steal a march on the effect that this joint commercialisation, as far as the increase in competition broadcasting across the globe was concerned, might have on sponsorship costs. On the other hand, revenues originating from rights transfers have increased as a response to the need to continue the process of club renovation, generating funds to deal with acquired obligations, the existence of highly significant individual transactions and necessary staff renewal at prominent bodies within Spanish professional football.

With regards to costs incurred by **LaLiga** clubs, meanwhile, no significant differences in distribution were seen between the 2014-15 season and previous seasons. It is as such that the most significant component of this expenditure is the cost of sporting personnel which, when the cost of pay and salaries (1,230m Euros) is added to player depreciation (318.2m Euros), amounts to a total of 1,548.2m Euros. This figure accounts for 64% of the overall total for the 2014-15 season, which stands at 2,432.2m Euros.

It is important to emphasize that, while **LaLiga** revenue figures for 2014-15 have increased by 287.5m Euros compared to those of 2013-14, amounting, as we saw earlier, to 2,615.6m Euros for the last season, costs have only increased by 260.3m Euros, reaching 2,432.2m Euros for 2014-15, resulting in an aggregate club increase of 27.2m Euros compared to the previous season. Said increase is one of the reasons behind the fall in debt levels that we will be addressing next.

It is as such that there have also been significant improvements with regards to the overall debt level presented by clubs, this falling by 81.8m Euros and, most important of all, the combination of this drop with the increase in revenue levels meant that the Net Debt to Net Revenue ratio fell from 1.42 to 1.29, fast approaching the set goal of 1.

Equally substantial improvement is observed when the same analysis is carried out for the **LaLiga Netted**, given that revenue levels increased by 136m Euros between the 2013-14 and 2014-15 seasons, reaching 1,360.5m Euros, and costs by 79.7m Euros, reaching a total of 1,251.1m Euros. The fall in debt levels here stood at 168.5m Euros, with a fixed Net Debt total of 1,821.8m Euros.

To conclude this overview of prominent financial figures, the level of debt owing to the Spanish State Tax Office (AEAT) and to the Regional Treasuries has once again fallen, going from 496m Euros at the end of the 2013-14 season to 327.9m Euros in September 2015, a decrease of 168.1m Euros.

All of the above has also taken place in a context of growing stadium attendance, with attendance figures amounting to 13,546,935 for the season, a 4.2% increase on the previous season, confirming fans' interest in enjoying the live football stadium experience.

Finally, this latest edition includes two subjects which we feel are worthy of inclusion in a report of this nature due to their social impact: youth football and employment directly linked to professional football.

With regards to youth football, I would just like to mention the fact that, during the 2014-15 season, professional football clubs invested 84.5m Euros, making it possible to maintain 571 teams participating in the 16 existing categories, with 9,969 players and 1,518 technical staff. These efforts are not exclusively aimed at the technical training of the players but also, and most importantly, at instilling values and attitudes in them.

Furthermore, I would not want to conclude this foreword without mentioning the 7,000 workers hired directly by clubs and sports limited companies which, if one includes those employed by their goods and services providers, provide employment for a further 69,000-plus workers.

On a personal note, I would just like to conclude by expressing my hope that this report will shed further, and more far-reaching, light on the economic and financial situation of Spanish professional football.

Greetings.



Javier Tebas Medrano
President of LaLiga



LUCAS

7

IABANCA

1906

LE



**Growth remains
constant**

Continuing the period of growth and stability that began in the 2011-12 season, revenue generated by professional Spanish football has undergone a renewed increase in the 2014-15 season compared with previous years, recording a total of 2,615.6m Euros of which 2,417.2m Euros were generated by the First Division (**Liga BBVA**) and 198.4m Euros by the Second Division A (**Liga Adelante**).

Growth over the four-year period analysed stands at 518.6m Euros, which represents a Compound Annual Growth Rate (CAGR) of 7.6% compared to the 2011-12 season, while compared to the year before, the increase in turnover stood at 287.5m Euros. That is to say an absolute change of 12.3%.

LaLiga · Total turnover

Figure 1

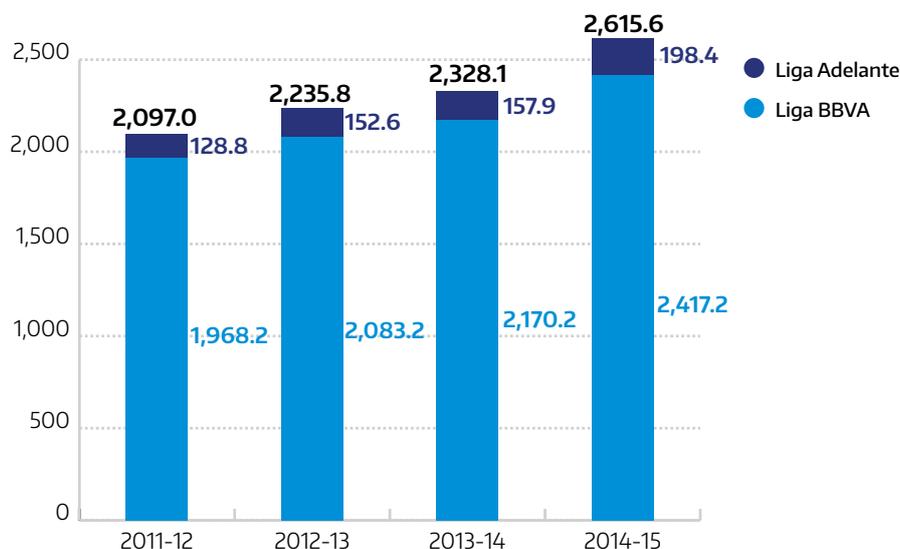


Table 1

Turnover · Liga BBVA, Liga Adelante and LaLiga

Turnover	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Liga BBVA	1,968.2	2,170.2	2,417.2	449.0	22.8 %	7.1 %	247.0	11.4 %
Liga Adelante	128.8	157.9	198.4	69.6	54.0 %	15.5 %	40.5	25.7 %
LaLiga	2,097.0	2,328.1	2,615.6	518.6	24.7 %	7.6 %	287.5	12.3 %

Studying each one of the categories individually we observe that the **Liga BBVA** recorded a total turnover of 2,417.2m Euros, 449m Euros more than in the 2011-12 season, which means an absolute change of 22.8%, and a CAGR of 7.1%. Compared to the previous season, the **Liga BBVA** saw its revenue levels increase by 247m Euros (absolute change: 11.4%).

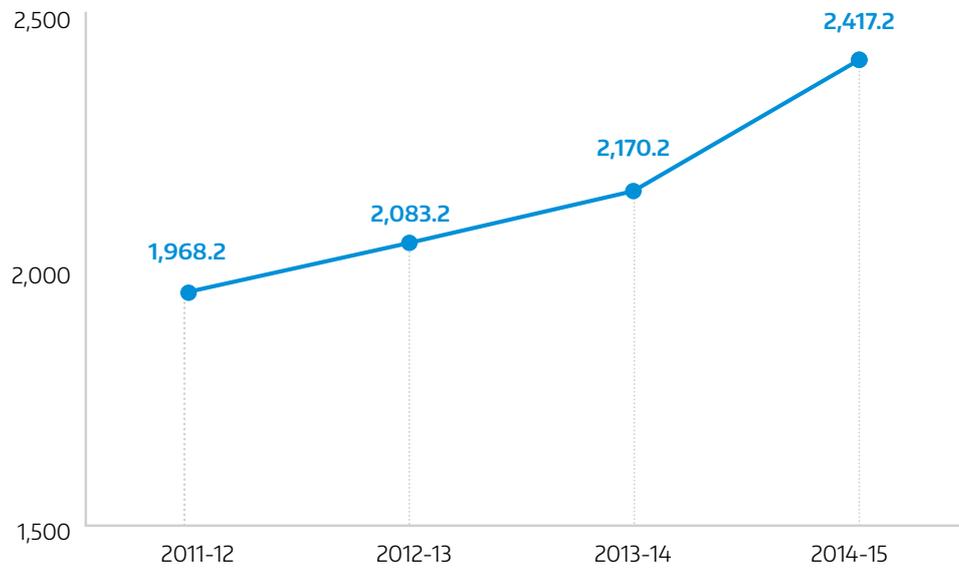
¹ All of the figures presented in this report have been adjusted through the elimination of the effect of reductions originating from bankruptcy proceedings.

² All of the amounts in this report are in millions of Euros.

³ The Compound Annual Growth Rate is calculated according to the following formula: $\left(\frac{Value_n}{Value_0}\right)^{\left(\frac{1}{n}\right)}$
In this current case "n" equals 3.

Liga BBVA · Total Turnover

Figure 2

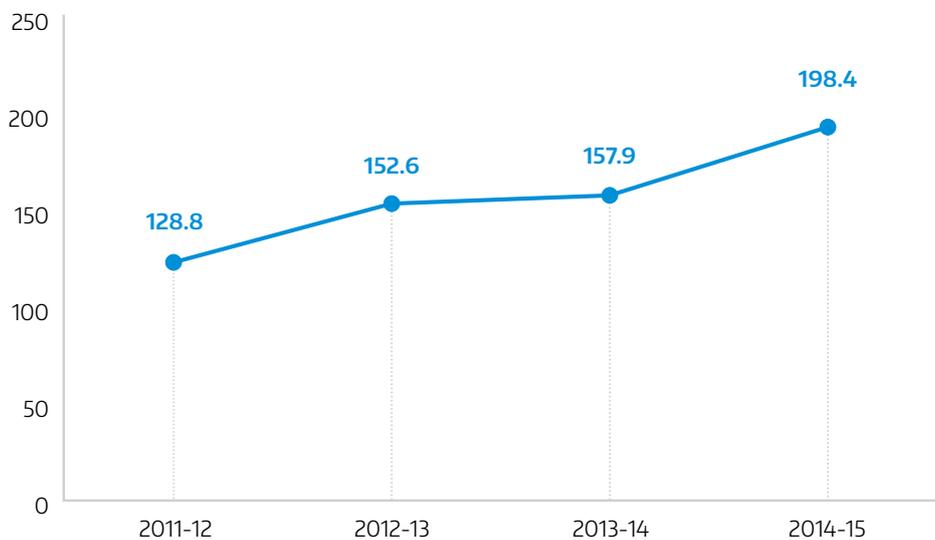


Meanwhile, the **Liga Adelante** recorded a turnover of 198.4m Euros, that is to say an increase of 69.6m Euros compared to the 2011-12 season, an absolute change of 54% and a CAGR of 15.5%. Comparing revenue for the 2014-15 season with that of the 2013-14 season, the **Liga Adelante** enjoyed an increase of 40.5m Euros (absolute change: 25.7%).

This marked increase in **Liga Adelante** turnover has allowed it to account for 7.6% of the total figure generated by professional football in Spain, compared to the 6.1% recorded in the 2011-12 season. These are modest figures, but they point to an upward trend based on the strategy of attaining two competitive and interesting categories which, furthermore, allow for the safeguarding of the financial stability of the each one's sports clubs and sports limited companies.

Liga ADELANTE · Total Turnover

Figure 3

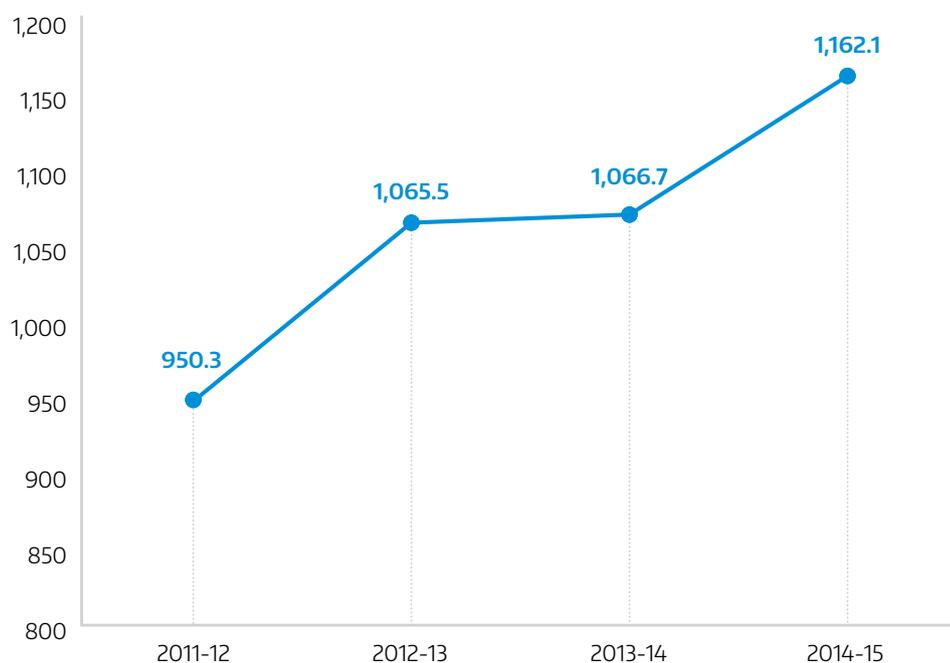


As was the case in previous editions, reference will be made throughout this report to the **Liga BBVA Netted** and **LaLiga Netted**. These two concepts refer to the two club groupings from which the two clubs with the highest turnovers have been omitted. It is as such that while there are 20 clubs in the **Liga BBVA**, the so-called **Liga BBVA Netted** grouping has only 18 clubs and, by the same token, whereas **LaLiga** refers to the 42 clubs taking part in professional Spanish football competitions, the group known as the **LaLiga Netted** is made up of just 40 of those teams.

As can be seen below, although to a lesser extent, **Liga BBVA Netted** also saw a rise in its revenue levels during the 2014-15 season. If we compare them to the 2011-12 season the increase stands at 211.9m Euros, which means an absolute change of 22.3% and a CAGR of 6.9%.

Liga BBVA Netted · Total Turnover

Figure 4



Turnover · Liga BBVA Netted

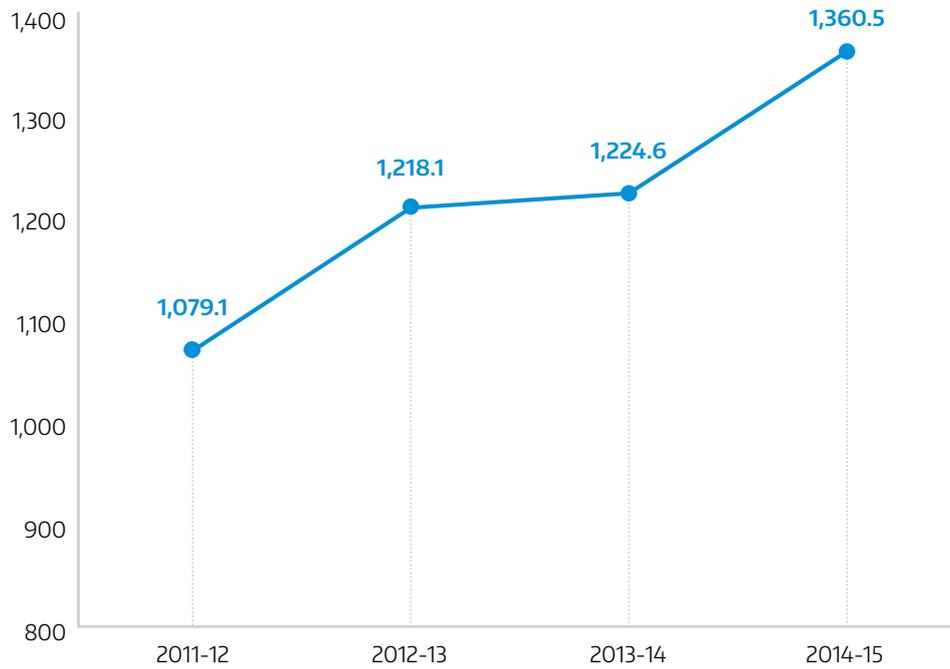
Table 2

Turnover	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Liga BBVA Netted	950.3	1,066.7	1,162.1	211.9	22.3 %	6.9 %	95.4	8.9 %

With regard to the **LaLiga Netted** revenue levels, in as far as that this involves the sum of the **Liga BBVA Netted** and **Liga Adelante**, these also present a significant increase both compared to the 2011-12 and the 2012-13 seasons. Compared to the 2011-12 season, the total revenue of **LaLiga Netted** showed an increase of 281.5m Euros, which means an absolute change of 26.1% and a CAGR of 8%. Comparing with the 2013-14 season the increase stands at 136m Euros (absolute change: 11.1%).

LaLiga Netted · Total Turnover

Figure 5



Turnover · LaLiga Netted

Table 3

Turnover	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
LaLiga Netted	1,079.1	1,224.6	1,360.5	281.5	26.1 %	8.0 %	136.0	11.1 %





**This season the driving force
is commercial**



NET TURNOVER (INCN)

The aforementioned increase in total turnover between the 2014-15 and 2013-14 seasons is fundamentally based on the increase in Commercialisation revenue, which will be analysed in this section when studying the evolution of net turnover and the revenue obtained through player rights Transfers, which will be studied in a subsequent section.

The increase in Commercialisation revenue can be explained by the repositioning of the sponsors of **LaLiga** teams, in anticipation of any imminent change to the television rights commercialisation model following the expected approval of the Royal Decree Law for the joint commercialisation of audio-visual rights, which did indeed come about, during the 2014-15 season, bringing with it an increase in **LaLiga** viewing figures and, by extension, a knock-on effect on the abovementioned sponsorship deals.

It is as such that, analysing the evolution of the different items making up the **LaLiga** net turnover, it is possible to observe that, compared to the previous season, while Commercialisation revenue presents an increase of 114.3m Euros, Match Day and Advertising remain practically unchanged, and the revenue from audio-visual rights shows a slight increase of 10.3m Euros.

In any case, net turnover increased by 250.5m Euros from the 2011-12 season to the 2014-15 season (absolute change: 13.77%; CAGR 4.39%), and when this last season is compared to the 2013-14 one, the increase recorded is 126.7m Euros (absolute change; 6.5%).

Analysing each of the components making up the **LaLiga** net turnover in greater detail, one observes that Match Day revenue stood at 625.8m Euros in the 2014-15 season, which means an increase of 26.5% compared to the 2011-12 season. That is to say, an absolute change of 4.42% and a CAGR of 1.45%. If one compares with the 2013-14 season the increase is 2.5m Euros (absolute change: 0.4%).

Broadcasting revenue meanwhile rose to 854.5m Euros, meaning an increase of 125.8m Euros compared to the 2011-12 season, or an absolute change of 17.3% and a CAGR of 5.45%. Compared to the 2013-14 season the increase recorded is 10.3m Euros (absolute change: 1.2%).

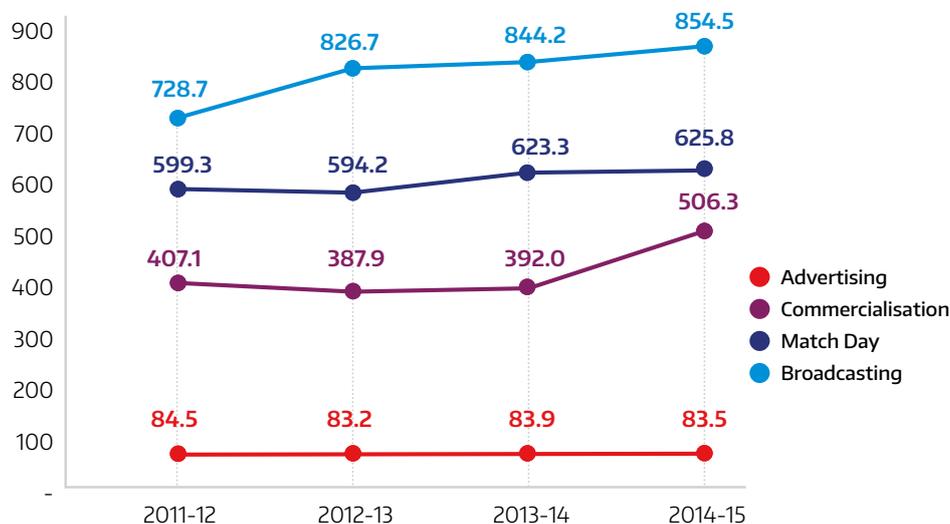
Advertising revenue, which stood at 83.5m Euros for the 2014-15 season, is the only net turnover item that fell, although not in any significant fashion, both compared to 2011-12 and to 2013-14 figures. The decrease compared to the level reached in the 2011-12 season is 1m Euros (absolute change: -1.2%; CAGR: 0.4%), and compared to the 2013-14 season the decrease recorded was 0.4m Euros (absolute change: 0.5%).

Commercialisation revenue increased, however, reaching a total of 506.3m Euros, meaning an increase of 99.2m Euros compared to the 2011-12 season (absolute change: 24.36%; CAGR: 7.54%), and compared to the 2013-14 season an increase of 114.3m Euros (absolute change: 29.2%), thereby turning around the decrease undergone between the 2011-12 and 2013-14 seasons as a result of the recession generally affecting the global economy and, in particular, the Spanish economy.

It is, therefore, the revenue increase due to Commercialisation that can be observed when comparing the 2013-14 and 2014-15 seasons, along with the increase in Broadcasting revenue, that has taken place during the entire period analysed (2011-12 to 2014-15) which is the main factor making it possible for the **LaLiga** net turnover to grow from the 1,819.6m Euros recorded in the 2011-12 season to the 2,070.1m Euros of the 2014-15 season (absolute change: 13.77%; CAGR: 4.39%).

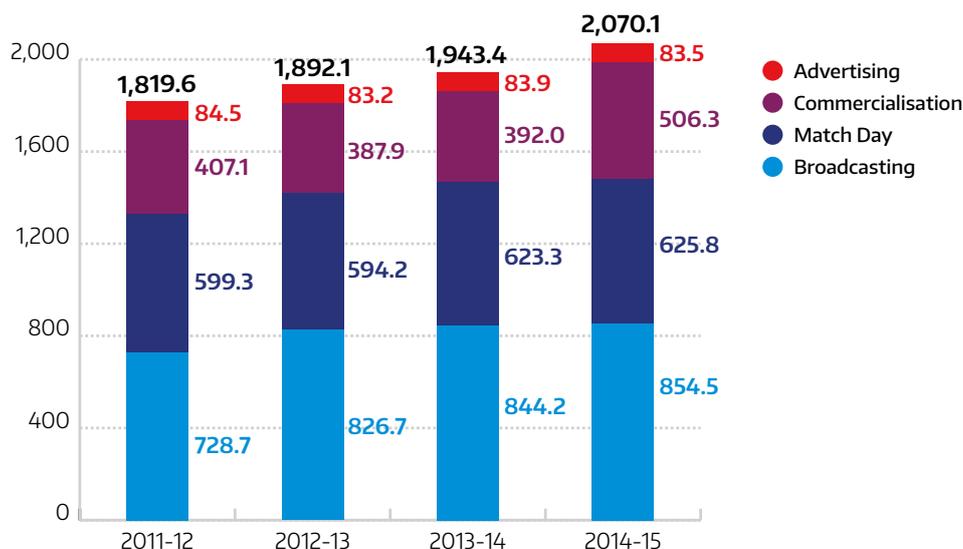
LaLiga · Evolution of INCN components

Figure 6



LaLiga · Distribution of INCN

Figure 7



INCIN · LaLiga

Table 4

INCIN LaLiga	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Advertising	84.5	83.9	83.5	-1.0	-1.2 %	-0.4 %	-0.4	-0.4 %
Commercialisation	407.1	392.0	506.3	99.2	24.4 %	7.5 %	114.3	29.2 %
Match Day	599.3	623.3	625.8	26.5	4.4 %	1.5 %	2.5	0.4 %
Broadcasting	728.7	844.2	854.5	125.8	17.3 %	5.5 %	10.3	1.2 %
LaLiga	1,819.6	1,943.4	2,070.1	250.5	13.8 %	4.4 %	126.7	6.5 %

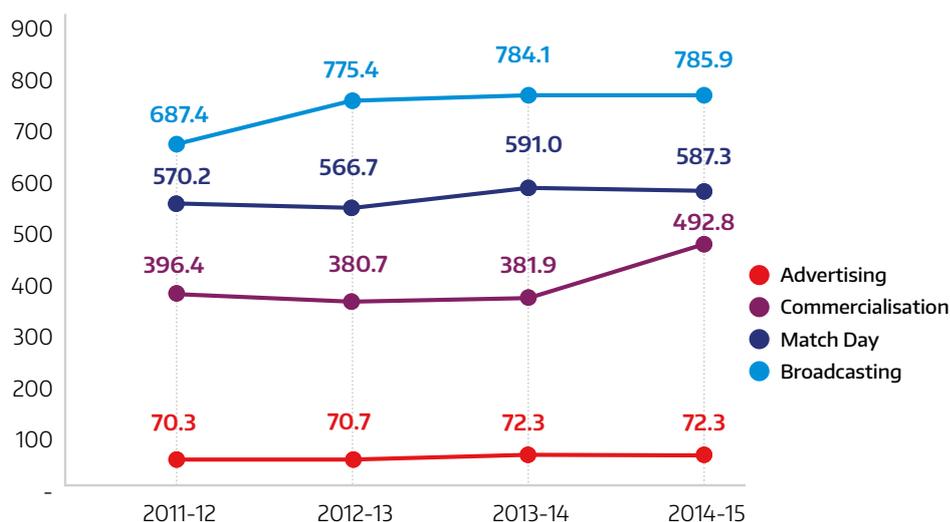
If one analyses the way the **Liga BBVA** net turnover has evolved, one also observes that it has maintained an upward trend across the entire period studied. From the 2011-12 season to 2014-15 it increased by 213.9m Euros (absolute change: 12.41%; CAGR: 3.98%), and from 2013-14 to 2014-15 it rose by 109m Euros (absolute change: 6%).

The evolution of the different components of the **Liga BBVA** net turnover is highly similar to that of **LaLiga** overall:

- Advertising revenue varies slightly: 2m Euros in the 2011-12 to 2014-15 period, and with no variation between 2013-14 and 2014-15.
- Match Day revenue shows an increase throughout the entire period of 17.1m Euros (absolute change: 3%; CAGR: 1%), while compared to the last season it has fallen by 3.7m Euros (absolute change: -0.6%).
- Broadcasting revenue continues the upward course it has plotted throughout the entire period, going from 687.4m Euros in the 2011-12 season to 785.9m Euros in 2014-15, that is to say an increase of 98.5m Euros (absolute change: 14.3%; CAGR: 4.6%). If the 2013-14 and 2014-15 seasons are compared the increase is 1.8m Euros (absolute change: 0.2%).
- Finally, **Liga BBVA** commercialisation revenue is plotting a similar course to that of **LaLiga** overall, with a decrease from 2011-12 to 2012-13 which is turned around from that point on for the rest of the period's seasons being, in 2014-15, the driving force of growth. The increase between the 2011-12 and 2014-15 seasons amounted to 96.4m Euros (absolute change: 24.3%; CAGR: 7.5%), and between the 2013-14 and 2014-15 seasons it stands at 110.9m Euros (absolute change: 29%).

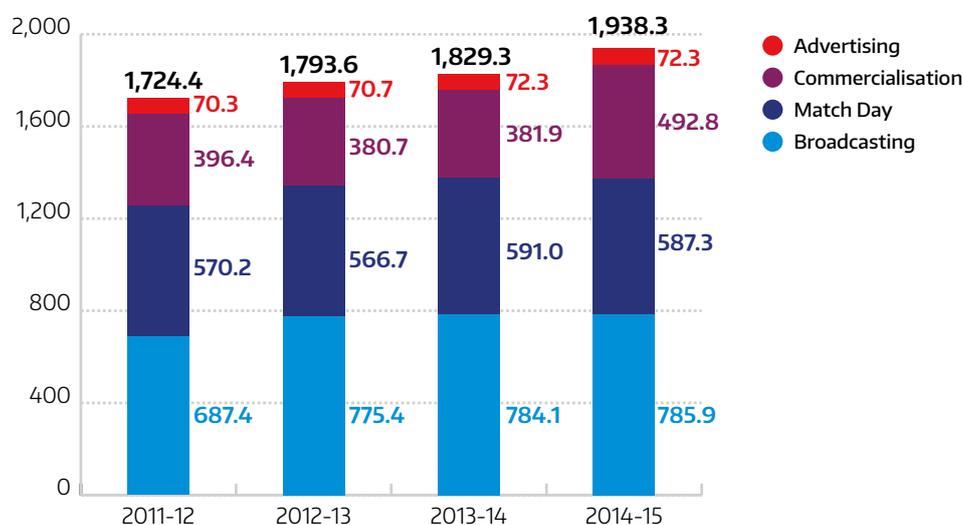
Liga BBVA · Evolution of INCN components

Figure 8



Liga BBVA · Distribution of INCN

Figure 9



INCN · Liga BBVA

Table 5

INCIN Liga BBVA	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Advertising	70.3	72.3	72.3	2.0	2.8 %	0.9 %	0.0	0.0 %
Commercialisation	396.4	381.9	492.8	96.4	24.3 %	7.5 %	110.9	29.0 %
Match Day	570.3	591.0	587.3	17.1	3.0 %	1.0 %	-3.7	-0.6 %
Broadcasting	687.4	784.1	785.9	98.5	14.3 %	4.6 %	1.8	0.2 %
Liga BBVA	1,724.4	1,829.3	1,938.3	213.9	12.4 %	4.0 %	109.0	6.0 %

In the case of the *Liga Adelante*, in spite of its evolution being extremely similar to that of *LaLiga* and the *Liga BBVA*, there are three aspects that should be highlighted.

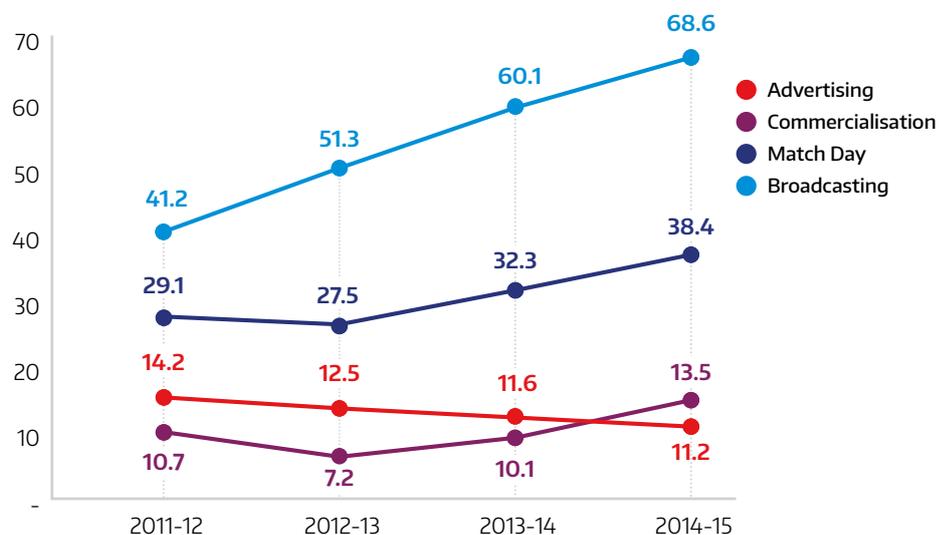
Firstly, that in relative terms, the evolution of both Broadcasting and Match Day revenues in the *Liga Adelante* is more positive than in the *Liga BBVA*. As was commented earlier, this is bringing about a closing-up of the difference between the two categories. Broadcasting revenue in 2014-15 is up 27.4m Euros on 2011-12 levels (absolute change: 66.4%; CAGR: 18.5%). On the other hand, over the same period Match Day revenue has grown by 9.3m Euros (absolute change: 32.1%; CAGR: 9.7%), and comparing 2013-14 with 2014-15, by 6.2m Euros (absolute change: 19.1%).

Secondly, that Commercialisation revenue is also plotting an upward course in this category following its drop between 2011-12 and 2012-13, with a growth of 2.8m Euros when comparing the 2011-12 and 2014-15 seasons (absolute change: 26.5%; CAGR: 8.2%), and of 3.5m Euros when comparing 2013-14 with 2014-2015 (absolute change: 34.4%).

And lastly, that the decrease in advertising investment on the part of advertisers in this category is yet to buck the negative trend set in the 2011-12 season. The drop in investment seen between 2011-12 and 2014-15 stands at 3m Euros (absolute change: -20.9%; CAGR: -7.5%), and between the 2013-14 and 2014-15 seasons it is -0.4m Euros (absolute change: 3.1%).

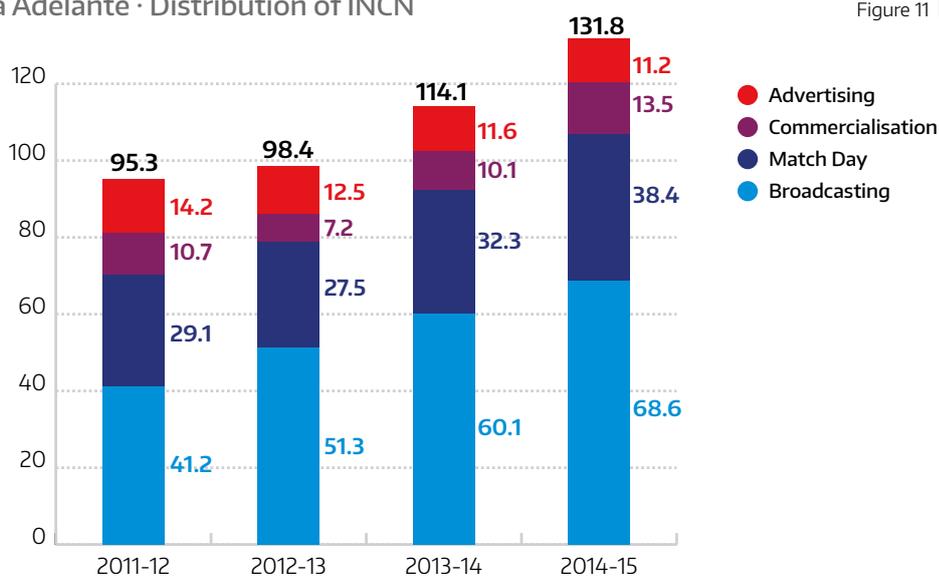
Liga Adelante · Evolution of INCN components

Figure 10



Liga Adelante · Distribution of INCN

Figure 11



INCIN · Liga Adelante

Table 6

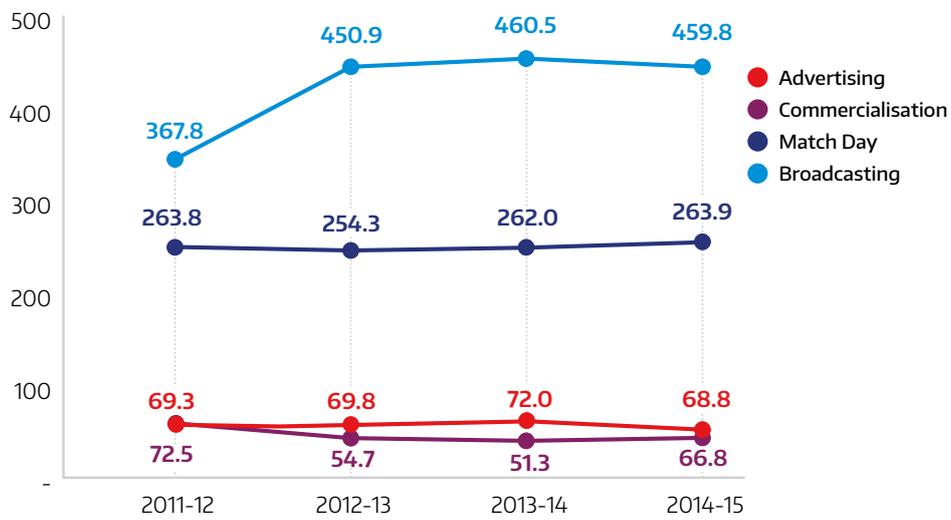
INCIN Liga Adelante	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Advertising	14.2	11.6	11.2	-3.0	-20.9 %	-7.5 %	-0.4	-3.1 %
Commercialisation	10.7	10.1	13.5	2.8	26.5 %	8.2 %	3.5	34.4 %
Match Day	29.1	32.3	38.4	9.3	32.1 %	9.7 %	6.2	19.1 %
Broadcasting	41.2	60.1	68.6	27.4	66.4 %	18.5 %	8.5	14.1 %
Liga Adelante	95.3	114.1	131.8	36.6	38.4 %	11.4 %	17.7	15.6 %

With regard to the *Liga BBVA Netted*, in other words, excluding the two clubs with the highest turnover in the category, one can observe that in the 2014-15 season, compared to 2013-14, practically the only component that is increasing is Commercialisation revenue, given that the overall picture made up of the rest of the items is practically one of stability.

In any case, the *Liga BBVA Netted* net turnover increase, when comparing the 2011-12 season with the 2014-15 one, amounts to 85.9m Euros (absolute change: 11.11%; CAGR: 3.58%), and when comparing the 2013-14 season with the current one it amounts to 13.4m Euros (absolute change: 1.6%).

Liga BBVA Netted · Evolution of INCN components

Figure 12



Liga BBVA Netted · Distribution of INCN

Figure 13

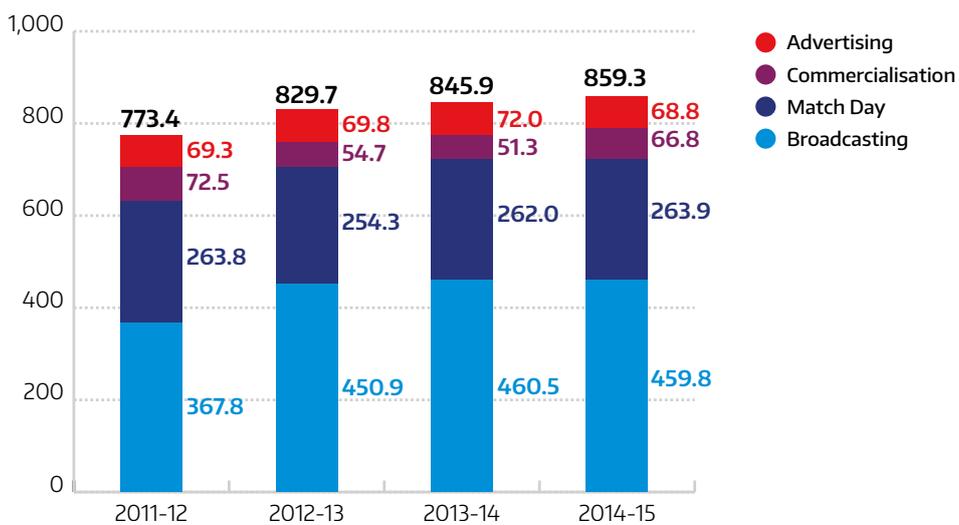


Table 7

INCN · Liga BBVA Netted

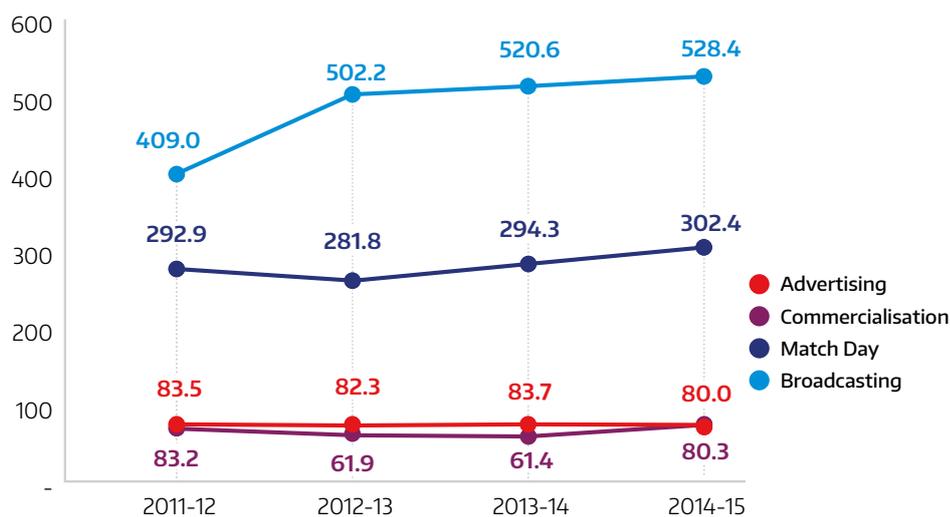
Liga BBVA Netted	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Advertising	69.3	72.0	68.8	-0.5	-0.7 %	-0.2 %	-3.3	-4.5 %
Commercialisation	72.5	51.3	66.8	-5.7	-7.9 %	-2.7 %	15.4	30.1 %
Match Day	263.8	262.0	263.9	0.1	0.0 %	0.0 %	1.9	0.7 %
Broadcasting	367.8	460.5	459.8	92.0	25.0 %	7.7 %	-0.7	-0.1 %
Liga BBVA Netted	773.4	845.9	859.3	85.9	11.1 %	3.6 %	13.4	1.6 %

Finally, as one would expect, the evolution of the net turnover and its components during the period analysed for *LaLiga Netted* is the result of a combination of the effects commented on when dealing with the *Liga BBVA Netted* and the *Liga Adelante*, given that the component presenting the greatest level of growth from 2013-14 to 2014-15 is Commercialisation revenue, while the rest remain fairly constant, although Broadcasting and Match Day revenues are more dominant here than in the *Liga BBVA Netted* due to the positive evolution of both elements in the *Liga Adelante*.

The net turnover increase in *LaLiga Netted* between the 2011-12 season and the 2014-15 one amounts to 122.5m Euros (absolute change: 14.11%; CAGR: 4.50%), and between the 2013-14 season and 2014-15 it stands at 31.1m Euros (absolute change: 3.2%).

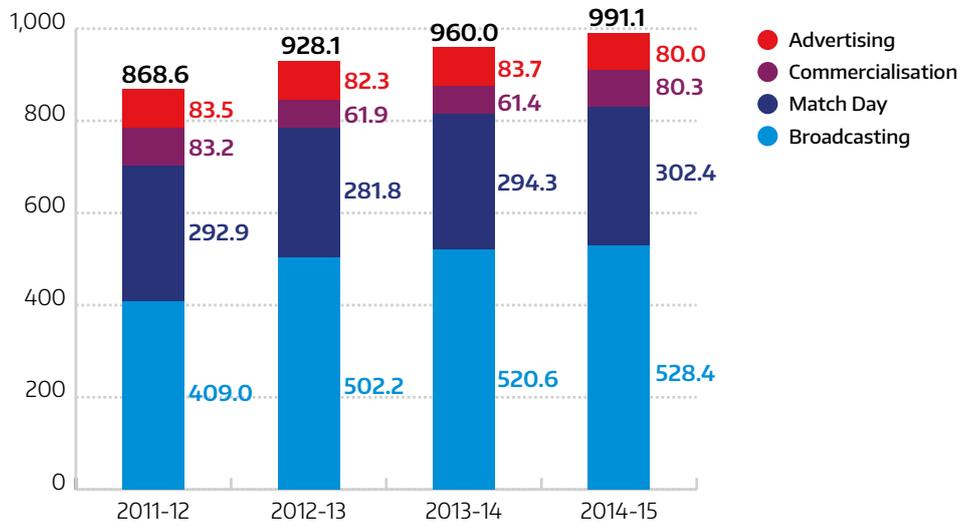
LaLiga Netted · Evolution of INCN components

Figure 14



LaLiga Netted · Distribution of INCN

Figure 15



INCN · LaLiga Netted

Table 8

LaLiga Netted	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Advertising	83.5	83.7	80.0	-3.4	-4.1 %	-1.4 %	-3.6	-4.3 %
Commercialisation	83.2	61.4	80.3	-2.9	-3.5 %	-1.2 %	18.9	30.8 %
Match Day	292.9	294.3	302.4	9.4	3.2 %	1.1 %	8.0	2.7 %
Broadcasting	409.0	520.6	528.4	119.4	29.2 %	8.9 %	7.8	1.5 %
LaLiga Netted	868.6	960.0	991.1	122.5	14.1 %	4.5 %	31.1	3.2 %

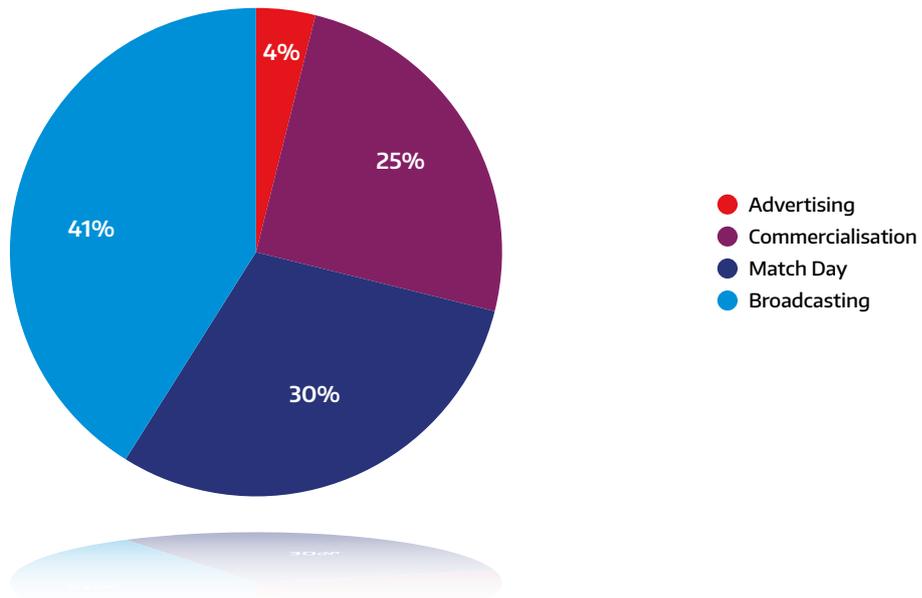


With regard to the percentage distribution of the varying net turnover components, one may observe in the tables that relate to **LaLiga** and the **Liga BBVA** the way that Broadcasting revenues represent the greatest net turnover percentage, at 41%, followed by Match Day, 30%, and by Commercialisation and Advertising, with 29% combined.

In any case, and despite the predominance of Broadcasting revenues, the distribution between the varying components is fairly well balanced, providing the net turnover with a considerable level of guaranteed stability.

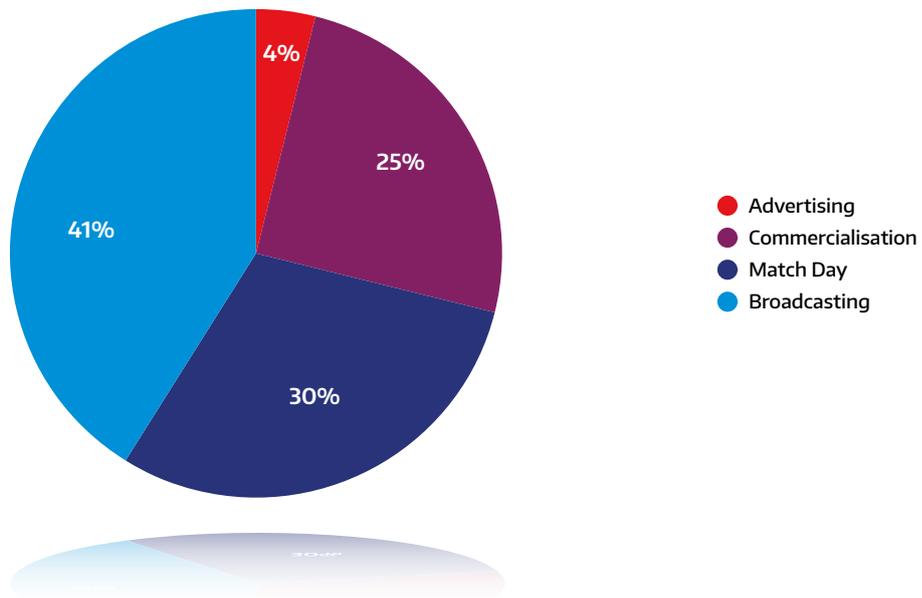
Distribution of INCN 2014-15 · LaLiga

Figure 16



Distribution of INCN 2014-15 · Liga BBVA

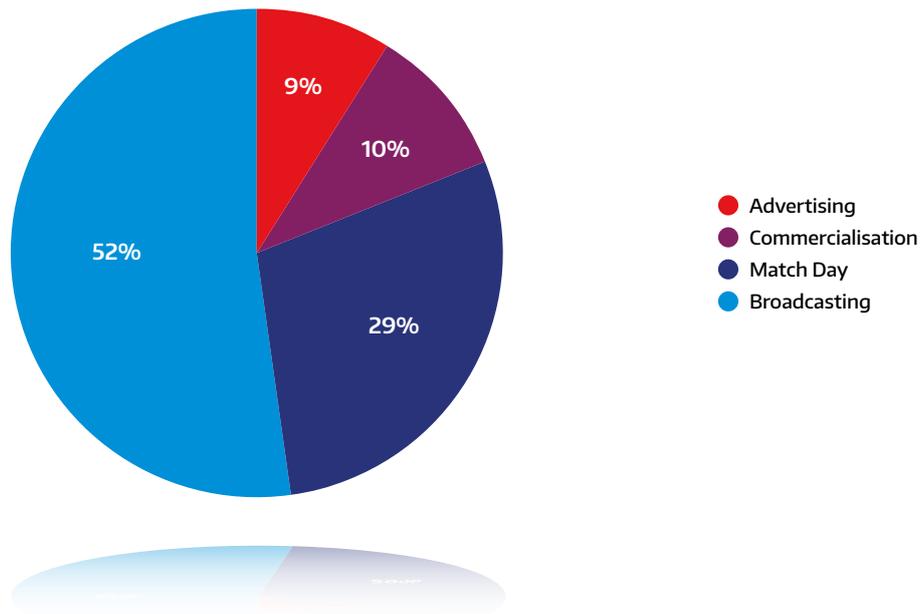
Figure 17



The distribution of the net turnover components in the *Liga Adelante* contrasts with *LaLiga* and the *Liga BBVA* due to it not having as much commercial or advertising clout. It is as such that Broadcasting revenues here make up 52% of net turnover while Commercialisation and Advertising revenues drop to a combined 19%. Match Day, however, maintains much the same level in the *Liga Adelante* as it does in the *Liga BBVA* and, by extension, in *LaLiga*.

Distribution of INCN 2014-15 · Liga Adelante

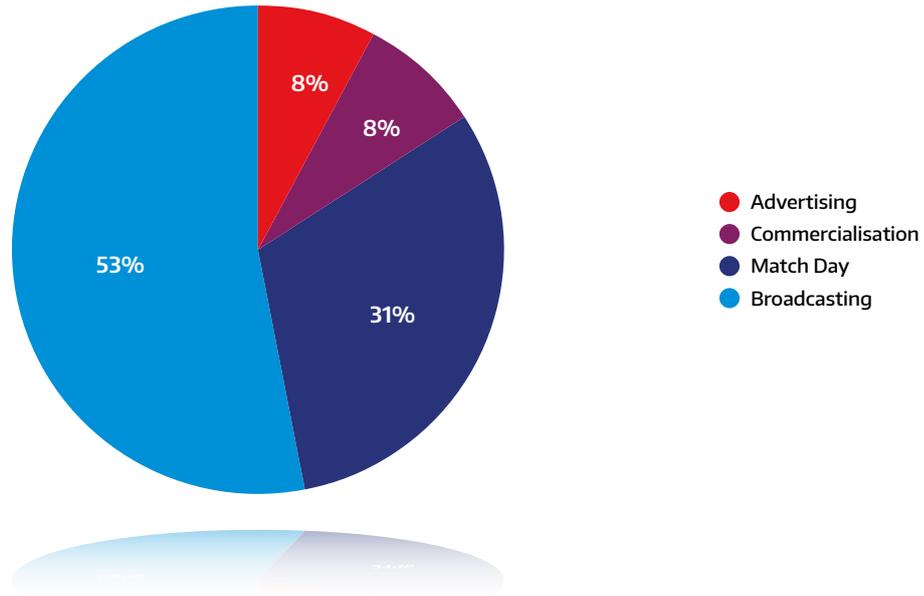
Figure 18



The pattern described above for the *Liga Adelante* is echoed, though to a rather lesser degree, when analysing the *Liga BBVA Netted* and *LaLiga Netted*, both being groups from which we have omitted the two clubs with the highest turnovers in *LaLiga*. In this case the Broadcasting revenue share rises to 53% and that of Match Day stands at 31%, leaving Commercialisation and Advertising with a combined share of 16%.

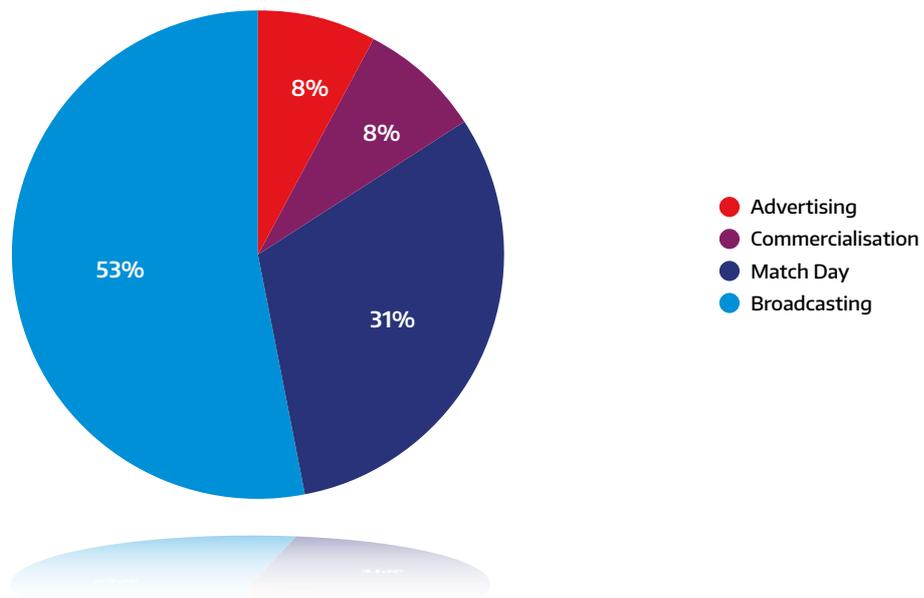
Distribution of INCN 2014-15 · Liga BBVA Netted

Figure 19



Distribution of INCN 2014-15 · LaLiga Netted

Figure 20



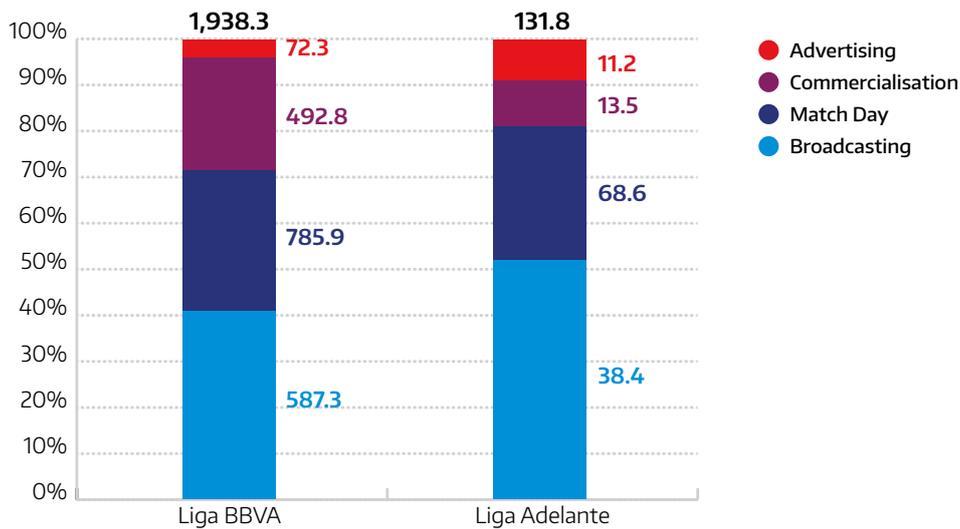
Finally, in the following graphs the net turnover distribution of the *Liga BBVA* and the *Liga Adelante* is compared, as is that of the *Liga BBVA Netted* and the *Liga Adelante*.

From our analysis of both graphs it is worth highlighting the significance of the effect of the Commercialisation revenue of the teams that generate the highest turnovers in Spanish professional football. This significance comes to the fore when one compares the net turnover distribution of the *Liga BBVA Netted*, which, as we have already explained, does not include those two teams, and one finds that its percentage shares (not its absolute values) bear a very close resemblance to those of the *Liga Adelante*, whereas when we include all the teams and compare the *Liga BBVA* with the *Liga Adelante* we find the distribution is totally different as a result of those aforementioned Commercialisation revenues.

The global nature of the teams with the highest turnovers is the cause of this difference, due to their ability to attract global sponsors. It is to be expected that, in the coming years, in the light of *LaLiga's* globalisation strategy, the gap between these two clubs and the rest will close up.

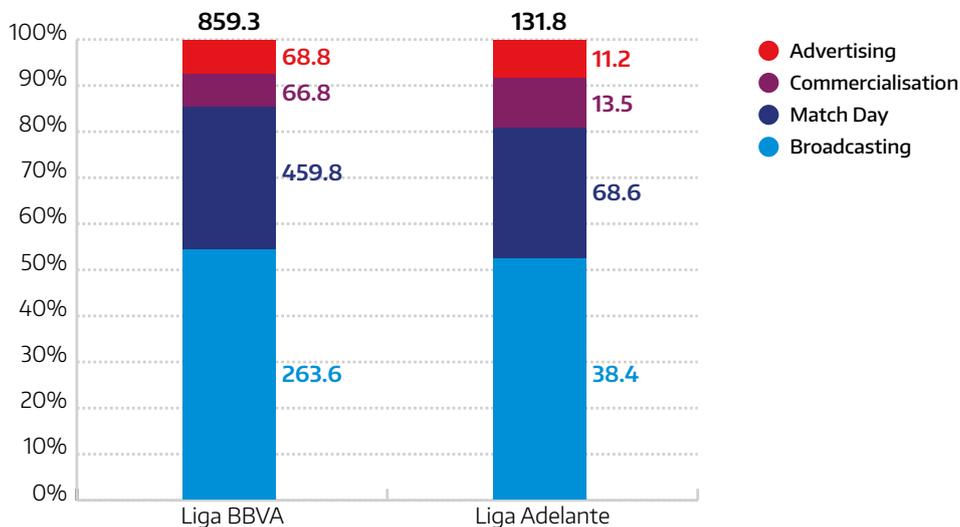
Distribution of INCN 2014-15 · Liga BBVA vs Liga Adelante

Figure 21



Distribution of INCN 2014-15 · Liga BBVA Netted vs Liga Adelante

Figure 22



DISTRIBUTION OF TURNOVER

Having analysed the components that make up net turnover (INCN), and those considered to be the clubs' most stable forms of revenue, we will now examine the rest of the items that make up the entire turnover of a professional football club. In other words, Transfers and Other revenues.

Transfer revenues include the net result of profits and losses obtained by clubs in transactions carried out concerning federation rights and the players' resultant economic rights.

Other forms of revenue, meanwhile, include those not included in previous categories, such as activities not dealt with thus far (club museums and stadium tours, catering activities and so on), payments made by **LaLiga** according to the distribution of earnings, subsidies and other one-off or extraordinary payments.

It is as such, and analysing these revenues for **LaLiga**, that one may observe, firstly, that revenue generated by Transfers has increased on a year-on-year basis during the period examined, standing at 348.8m Euros in the 2014-15 season. The increase, compared to the 2011-12 season, amounts to 209.3m Euros (absolute change: 150%; CAGR: 35.7%), while comparing the 2013-14 season with the final year reveals an increase of 80.5m Euros (absolute change: 30%). This shows that **LaLiga** continues to be a competition that generates talent, and which has used this ability to obtain earnings which enable it to strengthen its financial situation.

On the other hand, the Other Revenues category has also seen highly significant levels of growth in the period analysed, and although we will shortly see, when analysing the **Liga Adelante**, that some of these revenues are one-offs, this increase points to a certain degree of success with regard to clubs' efforts at seeking alternative sources of revenue.

Comparison of the 2011-12 and 2014-15 seasons reveals that Other Revenues increased by 58.8m Euros, amounting to a total of 196.7m Euros in the last season, which represents an absolute change of 42.7% and a CAGR of 12.6%. On the other hand, comparing seasons 2013-14 and 2014-15 reveals an increase of 80.2m Euros (absolute change: 68.9%).

LaLiga · Revenue Breakdown

Figure 23

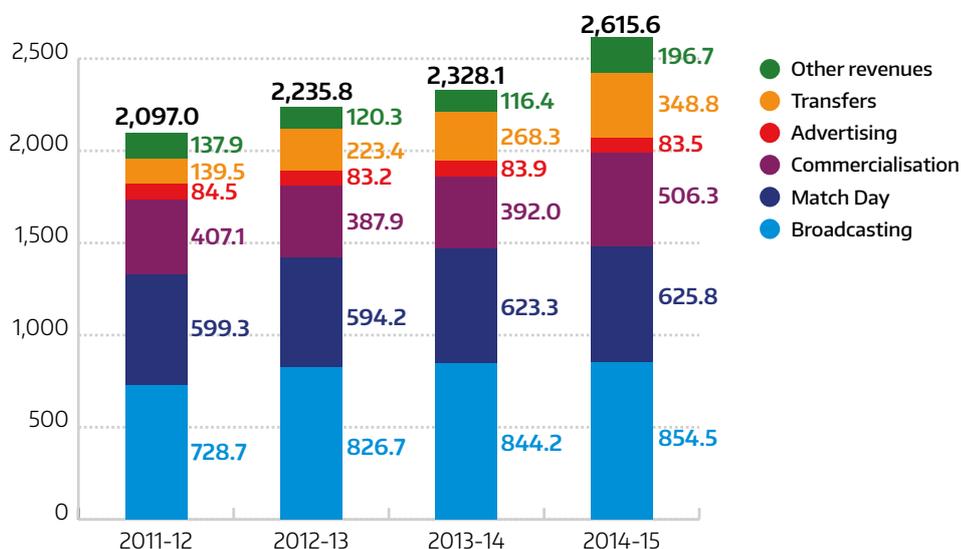


Table 9

Turnover · LaLiga

Turnover · LaLiga	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
INCEN	1,819.6	1,943.4	2,070.1	250.5	13.8 %	4.4 %	126.7	6.5 %
Transfers	139.5	268.3	348.8	209.3	150.0 %	35.7 %	80.5	30.0 %
Other Revenues	137.9	116.4	196.7	58.8	42.7 %	12.6 %	80.2	68.9 %
LaLiga	2,097.0	2,328.1	2,615.6	518.6	24.7 %	7.6 %	287.5	12.3 %

Analysis of the *Liga BBVA* reveals both components, Transfers and Other Revenues, developing in a very similar manner.

It is interesting to observe how Transfer revenues generated by the *Liga BBVA* account for 96.7% of the overall transfer revenues generated by *LaLiga*, while the Other Revenues item of the *Liga BBVA* accounts for 72% of the category's overall total, given that, considering that of the total turnover, the *Liga BBVA* accounts for 92.4% one is led to conclude, on the one hand, that the transactions involving player transfers are limited, in their majority, to the *Liga BBVA*, while, on the other hand, it is the clubs from the *Liga Adelante* that are making the greatest efforts to generate Other Revenues which might enable them to complete their earnings accounts.

Liga BBVA · Revenue Breakdown

Figure 24



Table 10

Turnover · Liga BBVA

Turnover Liga BBVA	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
INCEN	1,724.4	1,829.3	1,938.3	213.9	12.4 %	4.0 %	109.0	6.0 %
Transfers	125.0	244.7	337.4	212.4	169.8 %	39.2 %	92.7	37.9 %
Other Revenues	118.8	96.3	141.5	22.7	19.1 %	6.0 %	45.3	47.0 %
Liga BBVA	1,968.2	2,170.2	2,417.2	449.0	22.8 %	7.1 %	247.0	11.4 %

As we have already commented, if one analyses the *Liga Adelante* individually, one may observe, on the one hand, that the earnings obtained by player Transfers are less representative of this category than they are of the *Liga BBVA* and that, moreover, they currently stand at a lower level than the average for the past three seasons, which amounts to 21.4m Euros per season. On the other hand, one remarks that in the 2014-15 season Other Revenues enjoyed a greater importance than it had done in the *Liga Adelante* over the entire period being analysed.

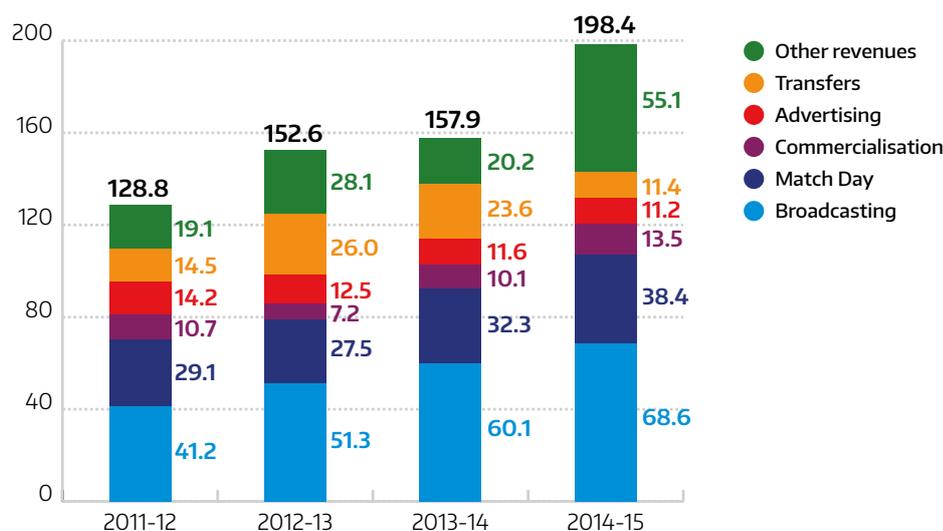
In fact, during the 2014-15 season, the level of revenue obtained through Transfers in the *Liga Adelante* amounted to 11.4m Euros, which means a fall of 3.1m Euros (absolute change: -21.2%; CAGR: -7.7%) in the four-season period from 2011 to 2015, and of 12.2m Euros (absolute change: 51.7%) between seasons 2013-14 and 2014-15.

To balance this out, in the same earlier periods Other Revenues underwent a growth of 36.1m Euros (absolute change: 189.4%; CAGR 42.5%) between seasons 2011-12 and 2014-15, and of 35m Euros (absolute change 173.5%) from 2013-14 to 2014-15.

This increase in Other Revenues in the *Liga Adelante*, despite reflecting the efforts being made by clubs to diversity their revenue sources, does also include certain one-off transactions on the part of individual clubs which, as they will not be repeated in future seasons, will see their revenue figures in this category return to levels more akin to those of previous seasons.

Liga Adelante · Revenue Breakdown

Figure 25



Turnover · Liga Adelante

Table 11

Turnover Liga Adelante	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
INCN	95.3	114.1	131.8	36.6	38.4 %	11.4 %	17.7	15.6 %
Transfers	14.5	23.6	11.4	-3.1	-21.2 %	-7.7 %	-12.2	-51.7 %
Other Revenues	19.1	20.2	55.1	36.1	189.4 %	42.5 %	35.0	173.5 %
Liga Adelante	128.8	157.9	198.4	69.6	54.0 %	15.5 %	40.5	25.7 %

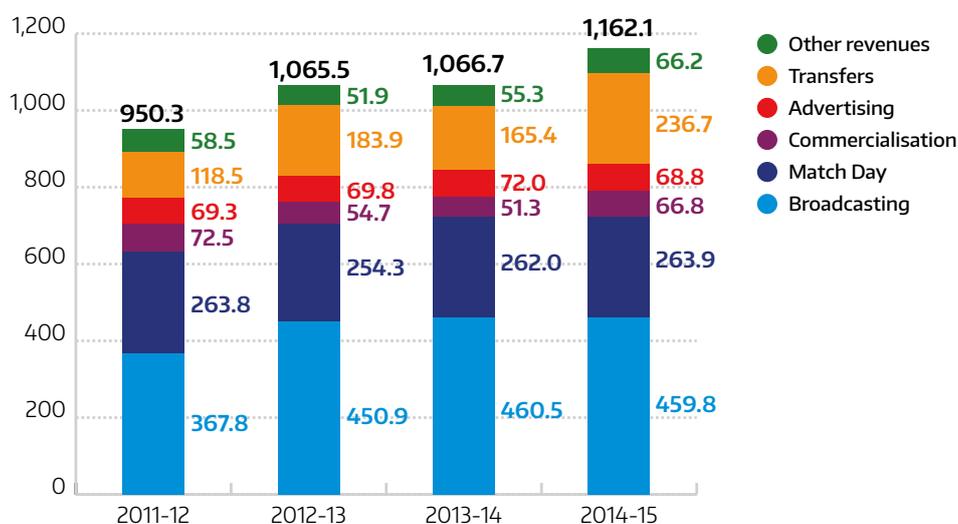
Studying the evolution of Transfer revenues for the *Liga BBVA Netted* reveals that this item accounts for 20.4% of overall turnover, while the same calculation for *LaLiga* shows it accounts for just 13.3%. That the Transfer revenue percentage should be higher for the *Liga BBVA Netted* than for *LaLiga* makes it quite clear that clubs with greater economic capacity or, to be exact, with greater balance when it comes to revenue sources, are more successful at retaining sporting talent, whereas those clubs for which the robust nature of their Commercialisation revenue is of less importance use the Transfer of rights over players as a recurring source of revenue.

It is as such that the Transfer revenues generated by *Liga BBVA Netted* clubs in the 2014-15 season amounted to 236.7m Euros, up 118.2m Euros on those of the 2011-12 season (absolute change: 99.8%; CAGR: 25.9%) and up 71.2m Euros on the 2013-14 season (absolute change: 43.1%).

On the other hand, Other Revenues presented an increase on previous seasons, amounting to 7.7m Euros more than the 2011-12 season (absolute change: 13.2%; CAGR: 4.2%), and 10.8m Euros more than the 2013-14 season (absolute change: 19.6%).

Liga BBVA Netted · Revenue Breakdown

Figure 26



Turnover · Liga BBVA Netted

Table 12

Turnover Liga BBVA Netted	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
INCN	773.4	845.9	859.3	85.9	11.1 %	3.6 %	13.4	1.6 %
Transfers	118.5	165.4	236.7	118.2	99.8 %	25.9 %	71.2	43.1 %
Other Revenues	58.5	55.3	66.2	7.7	13.2 %	4.2 %	10.8	19.6 %
Liga BBVA Netted	950.3	1,066.7	1,162.1	211.9	22.3 %	6.9 %	95.4	8.9 %

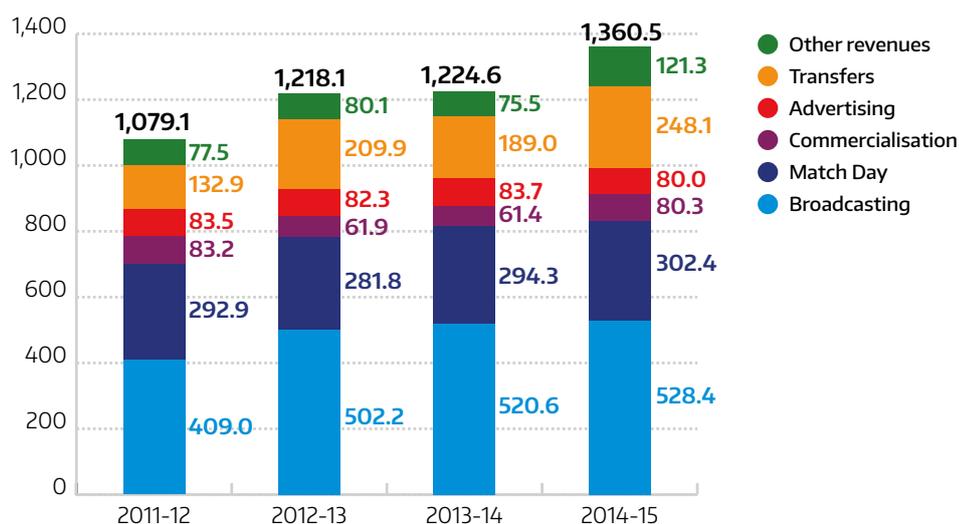
Finally, the evolution of Transfers and Other Revenues for the *LaLiga Netted* group shows, as one would well expect, the variations that we have already highlighted in analysing the *Liga BBVA Netted* and the *Liga Adelante*.

One may observe how the Other Revenues category underwent a significant increase in the 2014-15 season compared to previous seasons, as was the case for the *Liga Adelante*, driven not only by the clubs' interest in generating alternative sources of revenue, but through a number of one-off transactions which will not be repeated in future seasons. In the last season Other Revenues amounted to 121.3m Euros in *LaLiga Netted*, which meant an increase of 43.8m Euros (absolute change: 60.7%) on the 2013-14 season figures.

On the other hand, Transfer earnings, given the relatively minimal impact that the *Liga Adelante* ones have on the total figures for this item, continue on almost exactly the same course as described in our analysis of the *Liga BBVA Netted*.

LaLiga Netted · Revenue Breakdown

Figure 27



Turnover · LaLiga Netted

Table 13

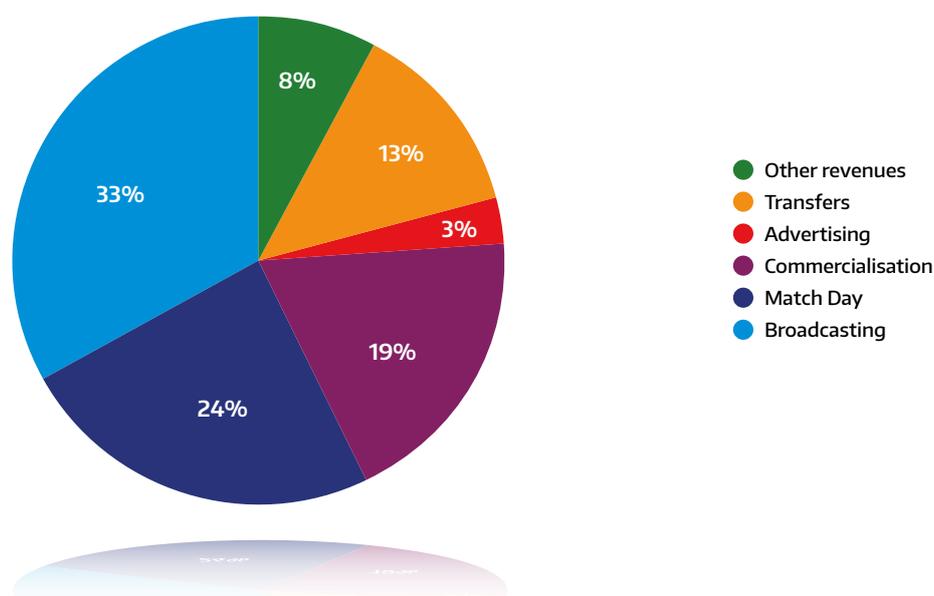
Turnover LaLiga Netted	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
INCEN	868.6	960.0	991.1	122.5	14.1 %	4.5 %	31.1	3.2 %
Transfers	132.9	189.0	248.1	115.1	86.6 %	23.1 %	59.0	31.2 %
Other Revenues	77.5	75.5	121.3	43.8	56.5 %	16.1 %	45.8	60.7 %
LaLiga Netted	1,079.1	1,224.6	1,360.5	281.5	26.1 %	8.0 %	136.0	11.1 %

Having analysed the revenue breakdown for the four seasons, we will now turn to a study of the distribution of revenue sources for 2014-15 across the different groupings being examined.

What is most noticeable when reviewing the *LaLiga* revenue distribution for the 2014-15 season is, as was pointed out when analysing the INCN distribution, the balance between different revenue sources. It is possible to observe how the most important source, in relative terms, is that of Broadcasting (33%), followed by Match Day revenue (24%), Commercialisation and Advertising (22%) and finally by the sum of Transfers and Other Revenues (21%). In general this is, as has already been remarked, a balanced distribution in which, in spite of the greater importance of Broadcasting revenue, the different sources of revenue enjoy a reasonably approximate relative weight which will enable them to achieve solid levels of growth in which a drop in one source may be replaced by an increase in another alternative source.

Distribution of turnover 2014-2015 · LaLiga

Figure 28

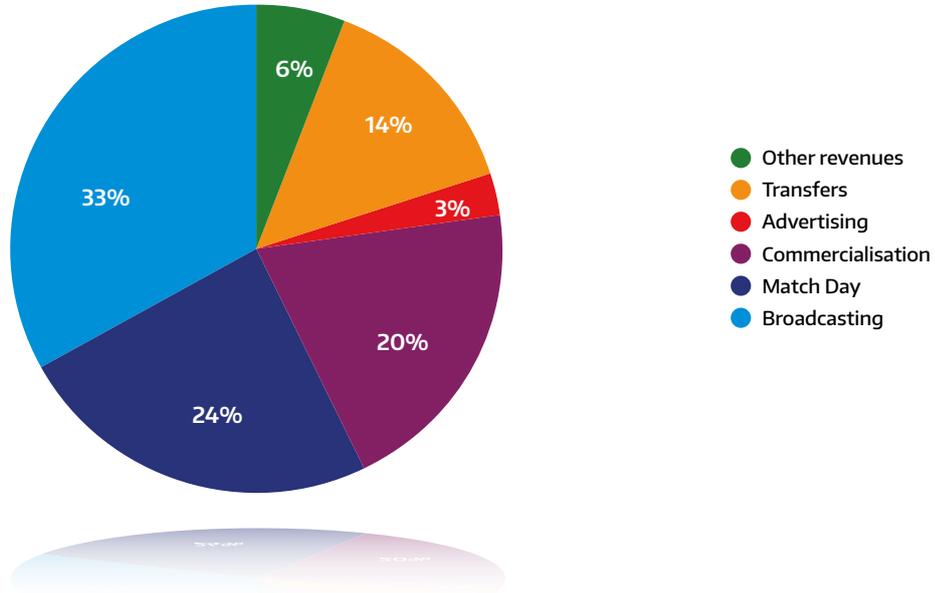


The *Liga BBVA* revenue distribution for the 2014-15 season is extremely similar to that of *LaLiga* as described earlier. It is, however, worth highlighting three differences:

1. As was commented earlier, the Transfer figures have greater relative importance in the *Liga BBVA* than in *LaLiga* overall, although this is minimal, due to the low level of importance of Transfer earnings in the *Liga Adelante*.
2. On the other hand, Other Revenues have less influence in the *Liga BBVA* given that this is a highly important source of revenue in the *Liga Adelante* which, logically, affects *LaLiga* but not the *Liga BBVA*.
3. Finally, and as a consequence of the above, Commercialisation revenue has relatively greater influence in the *Liga BBVA* than in *LaLiga*.

Distribution of turnover 2014-2015 · Liga BBVA

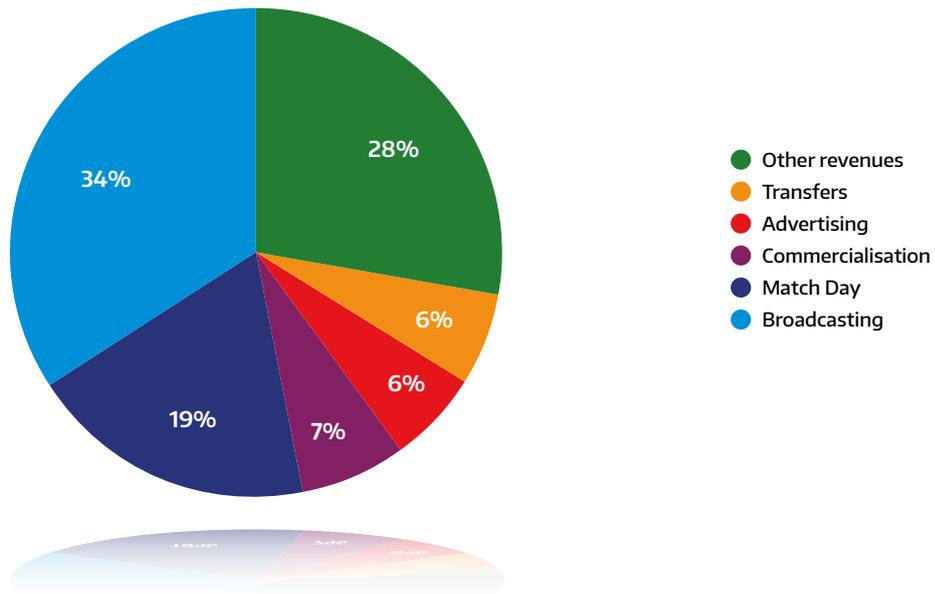
Figure 29



As we have already commented, the 2014-15 season turnover distribution of the *Liga Adelante* is quite different, where it is worth noting the relatively greater importance of Other Revenues (28%) and the reduced influence of Transfers (6%) and Commercialisation (7%) and Advertising (6%) revenues.

Distribution of turnover 2014-2015 · Liga Adelante

Figure 30

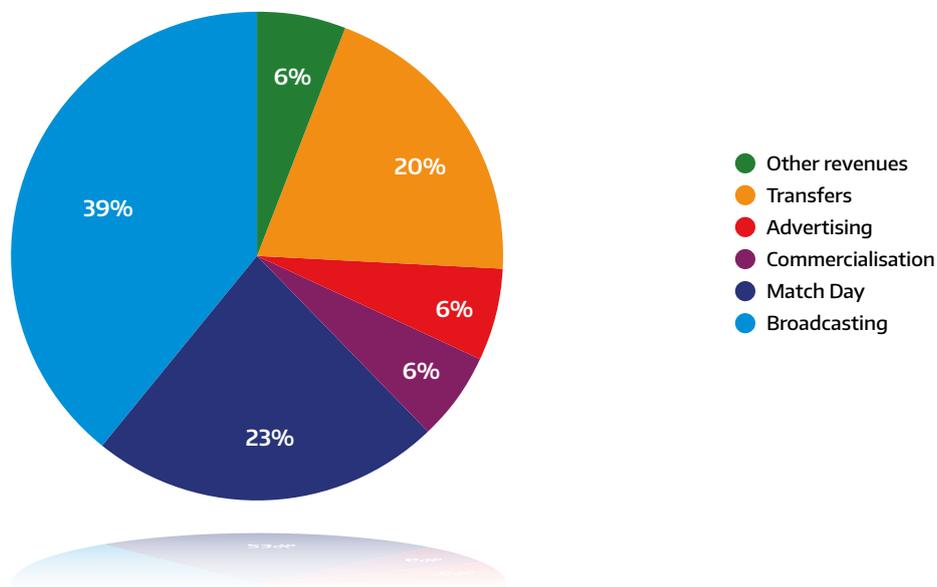


As we have already explained, we obtain the *Liga BBVA Netted* distribution by excluding the two clubs which have the highest turnovers in Spanish professional football, and here we may observe that Broadcasting revenue is far more important in terms of percentages, while Commercialisation revenue is relatively less important than it was when analysing the *Liga BBVA*.

On the other hand, it is also worth noting the difference in the figures recorded for Transfer earnings when comparing the *Liga BBVA* with the *Liga BBVA Netted* given that the clubs included in the latter are more heavily and frequently reliant on transactions concerning rights over players in order to complement other sources of revenue which are not so robust.

Distribution of turnover 2014-2015 · Liga BBVA Netted

Figure 31

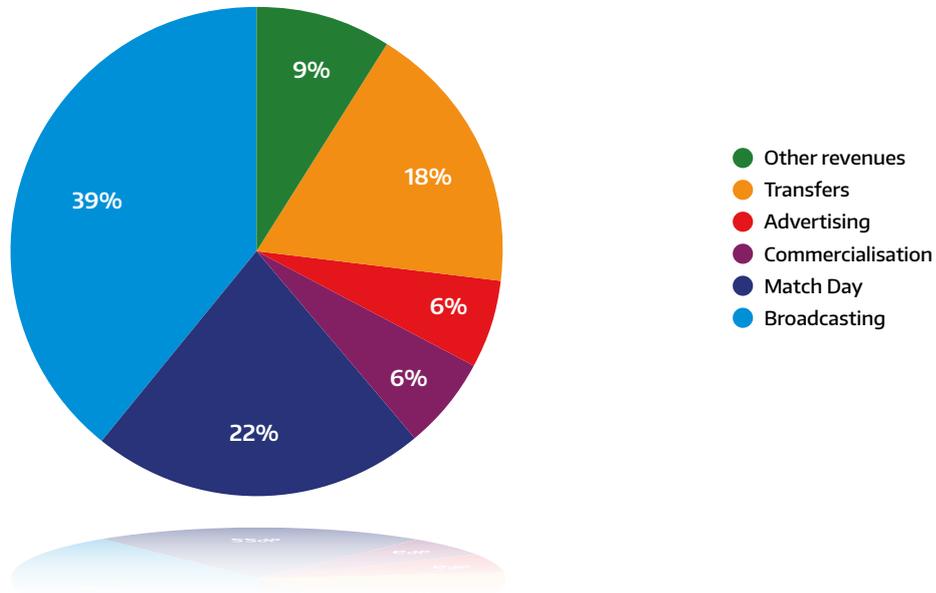


Finally, a review of the *LaLiga Netted* 2014-15 season revenues reveals their similarity with the distribution observed in the *Liga BBVA Netted* which is due to the altogether minimal absolute importance of the *Liga Adelante* compared to the *Liga BBVA Netted*.

The most notable effect is the decreased relative importance, when one compares the *LaLiga Netted* with the *Liga BBVA Netted*, of Transfer earnings, as a consequence of the relatively minimal importance of this source of revenue in the *Liga Adelante*.

Distribution of turnover 2014-2015 · LaLiga Netted

Figure 32

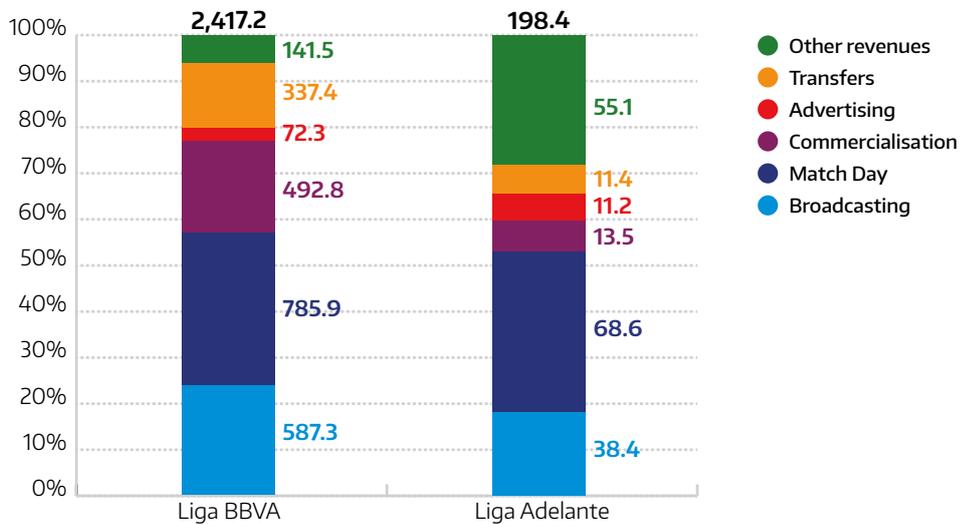


The following graphs illustrate what we have explained thus far with regard to the earnings generated by Transfers and Other Revenues. When comparing the *Liga BBVA* with the *Liga Adelante* one may observe:

1. Greater importance of earnings generated through Transfers, Commercialisation and Match Day in the *Liga BBVA* than in the *Liga Adelante*.
2. Greater importance of earnings generated through Broadcasting and Other Revenues in the *Liga Adelante* than in the *Liga BBVA*.

Turnover 2014-15 · Liga BBVA vs Liga Adelante

Figure 33

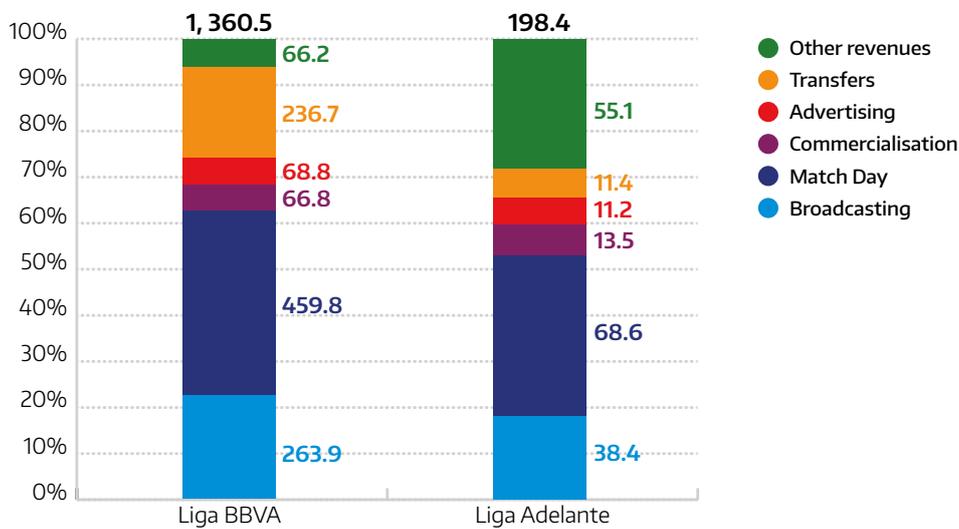


On the other hand, if we compare the distribution of turnover between the *Liga BBVA Netted* and the *Liga Adelante* we may observe that:

1. The relative importance of Commercialisation and Broadcasting revenues are comparable.
2. Match Day revenue continues to be of greater relative importance in the *Liga BBVA Netted* than in the *Liga Adelante*. The same can be said for Transfer earnings.
3. The Other Revenues category is far more significant in the *Liga Adelante* than it is in the *Liga BBVA Netted*.

Turnover 2014-15 · Liga BBVA Netted vs Liga Adelante

Figure 34





**Cost control remains
unchanged**

In spite of the increase in revenue, amounting to 287.5m Euros if we compare the 2014-15 season with the year before, the rise in costs has been quite restrained, at just 260.3m Euros over the same period, thereby confirming the ongoing efforts of clubs at bolstering their financial situation.

In the 2013-14 season the difference between revenue and costs stood at 156.1m Euros, and by 2014-15 it had risen to 183.4m Euros. This, as we will see shortly, has allowed for a considerable reduction in the Debt burden and the strengthening of Equity.

Continuing the analysis of costs, their distribution in **LaLiga** remains stable. The relative importance of each cost item remains practically unchanged from the previous season.

However, in terms of absolute value, all of the cost items have risen alongside the aforementioned increase in revenue. The most significant increases in **LaLiga** have taken place in items related to players.

Firstly, the costs of Sports Personnel, which have risen by 123.2m Euros, from 1,108.8m Euros in the 2013-14 season, to 1,230m Euros last season, which means an absolute change of 11.1%, very much in line with the revenue increase. In second place we find the depreciation of players, amounting to an increase of 55.5m Euros, rising from 262.7m Euros in the 2013-14 season to 318.2m Euros last season, which means an increase of 21.1%, in this case exceeding the increase in revenue.

These two items account for 68.7% of the increase in costs seen between the 2013-14 and the 2014-15 seasons. Although the rest of the costs have also risen, they have done so more moderately: Other Operating costs, 25.4m Euros; Non-sports Personnel, 23.3m Euros; and Financial Costs, 18.1m Euros.

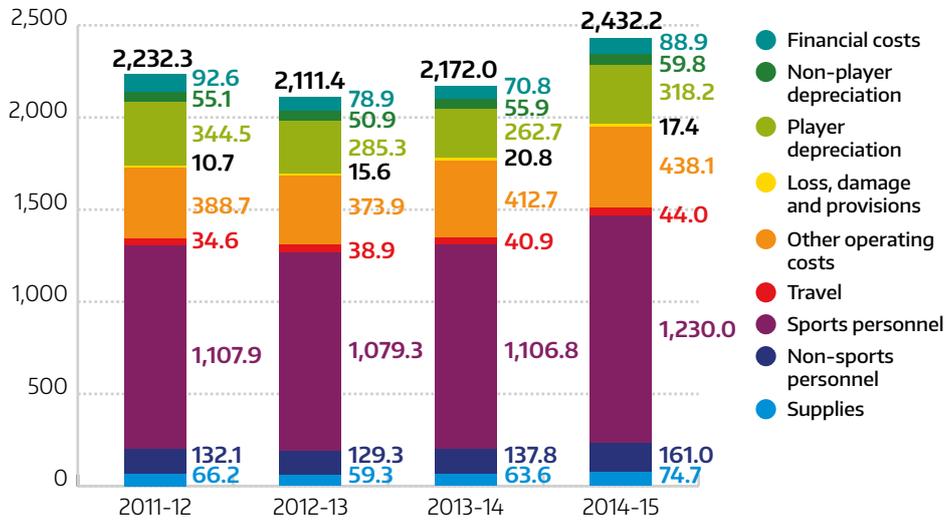
Table 14

Evolution of costs · LaLiga

Costs LaLiga	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Supplies	66.2	63.6	74.7	8.5	12.8 %	4.1 %	11.1	17.4 %
Non-sports personnel	132.1	137.8	161.1	29.0	22.0 %	6.8 %	23.3	16.9 %
Sports personnel	1,107.9	1,106.8	1,230.0	122.2	11.0 %	3.5 %	123.2	11.1 %
Travel	34.6	40.9	44.0	9.4	27.1 %	8.3 %	3.1	7.5 %
Loss, damage and provisions	10.7	20.8	17.4	6.7	62.7 %	17.6 %	-3.3	-16.0 %
Other operating costs	388.7	412.7	438.1	49.4	12.7 %	4.1 %	25.4	6.2 %
Player depreciation	344.5	262.7	318.2	-26.3	-7.6 %	-2.6 %	55.5	21.1 %
Non-player depreciation	55.1	55.9	59.8	4.7	8.4 %	2.7 %	3.9	7.0 %
Financial costs	92.6	70.8	88.9	-3.6	-3.9 %	-1.3 %	18.1	25.6 %
LaLiga	2,232.3	2,172.0	2,432.2	199.9	9.0 %	2.9 %	260.3	12.0 %

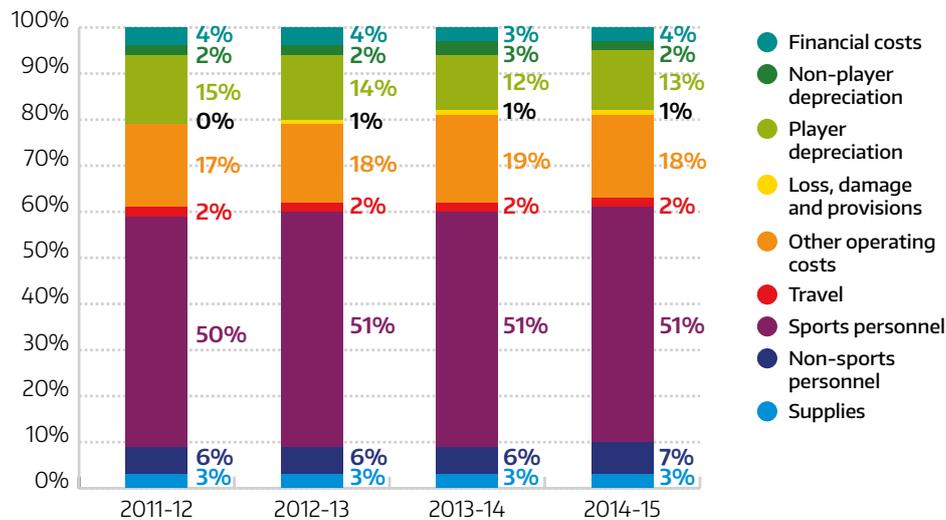
LaLiga · Distribution of costs

Figure 35



LaLiga · Breakdown of costs

Figure 36



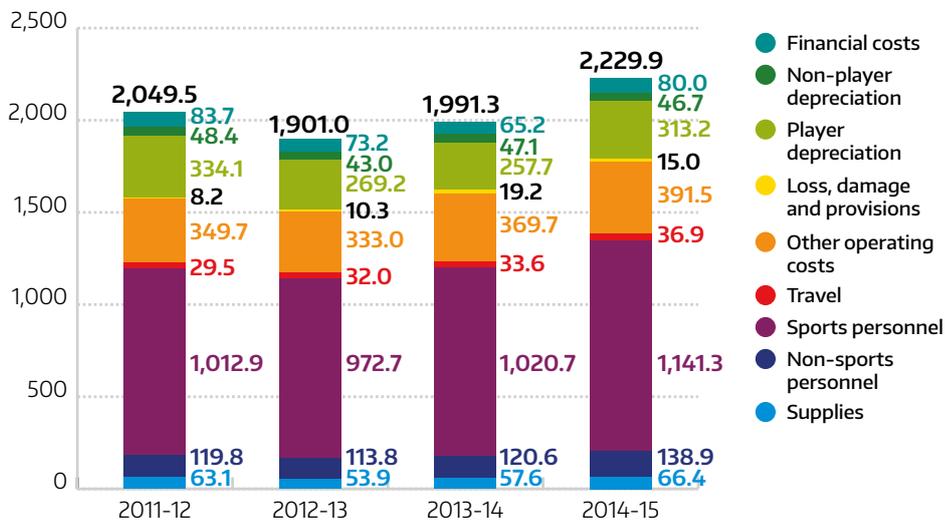
On analysing the evolution and distribution of costs for the *Liga BBVA*, the first aspect of note is that, of the total increase in *LaLiga* costs between the 2013-14 and 2014-15 seasons, 91.7% took place in the *Liga BBVA* (238.6m Euros). However, as we saw earlier, with regards to revenue, of the increase that occurred in *LaLiga* over the same period (287.5m Euros), 85.9% took place in the *Liga BBVA* (247m Euros). In other words, the increase in costs is greater, in percentage terms, in the *Liga BBVA* than in the *Liga Adelante*. This phenomenon is essentially founded on the healthier financial state of the *Liga BBVA* clubs compared to those of the *Liga Adelante* which, as such, means they are able to allocate their new revenue to increased costs, rather than to repaying debt. 96.6% of the revenue increase witnessed in the *Liga BBVA* was allocated to increasing costs.

In much the same way as when analysing the costs of *LaLiga*, the Sports Personnel costs are those that present the greatest levels of growth. This increase amounts to 120.6m Euros and accounts for 97.8% of the overall increase that has been mentioned for *LaLiga* (123.3m Euros). Following much the same trend, player depreciation rose by 55.5m Euros, which accounts for the entire increase that took place in *LaLiga*. In other words, of the total increase that has taken place in player-related costs (178.8m Euros), 98.5% took place in the *Liga BBVA* (176.2m Euros).

Any further cost increases are accounted for in Other Operating Costs (21.8m Euros), Non-Sports Personnel (18.4m Euros) and Financial Costs (14.8m Euros).

Liga BBVA · Distribution of costs

Figure 37



Liga BBVA · Breakdown of costs

Figure 38

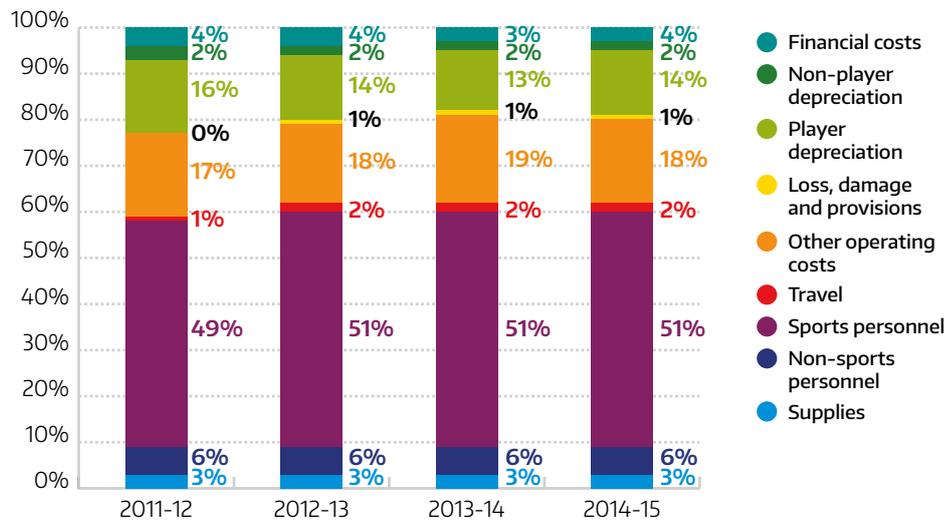


Table 15

Evolution of costs · Liga BBVA

Costs Liga BBVA	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Supplies	63.1	57.6	66.4	3.4	5.3 %	1.7 %	8.8	15.4 %
Non-sports personnel	119.8	120.6	138.9	19.1	16.0 %	5.1 %	18.4	15.2 %
Sports personnel	1,012.9	1,020.7	1,141.3	128.4	12.7 %	4.1 %	120.7	11.8 %
Travel	29.5	33.6	36.9	7.3	24.8 %	7.7 %	3.2	9.6 %
Loss, damage and provisions	8.2	19.2	15.0	6.7	81.6 %	22.0 %	-4.3	-22.2 %
Other operating costs	349.7	369.7	391.5	41.8	12.0 %	3.8 %	21.8	5.9 %
Player depreciation	334.1	257.7	313.2	-20.9	-6.2 %	-2.1 %	55.5	21.5 %
Non-player depreciation	48.4	47.1	46.7	-1.8	-3.7 %	-1.2 %	-0.4	-0.8 %
Financial costs	83.7	65.2	80.0	-3.7	-4.4 %	-1.5 %	14.8	22.8 %
Liga BBVA	2,049.5	1,991.3	2,229.9	180.4	8.8 %	2.9 %	238.6	12.0 %

With regards to the *Liga Adelante*, of the percentage increase in turnover that was recorded between the 2013-14 and 2014-15 seasons (40.5m Euros), only 53.3% was allocated to cost increase (21.6m Euros).

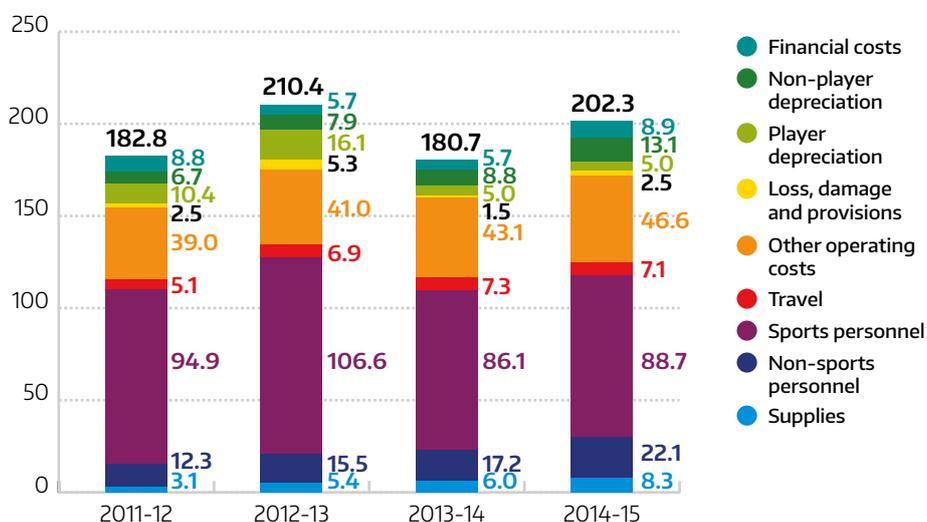
In the *Liga Adelante*, the cost items that increased most from the 2013-14 to 2014-15 seasons were Non-Sports Personnel (4.9m Euros), Non-Player Depreciation (4.3m Euros), Other Operating Costs (3.5m Euros) and Financial Costs (3.3m Euros).

Other than the increase that took place in Non-Player Depreciation, the rest of the cost increases are aimed at strengthening the clubs' management structures, thereby adapting to a far more demanding and professionalised environment.

The most notable effect of the above is the fall in relative importance of Sports Personnel costs, dropping from 48% in the 2013-14 season to 44% last season.

Liga Adelante · Distribution of costs

Figure 39



Liga Adelante · Breakdown of costs

Figure 40

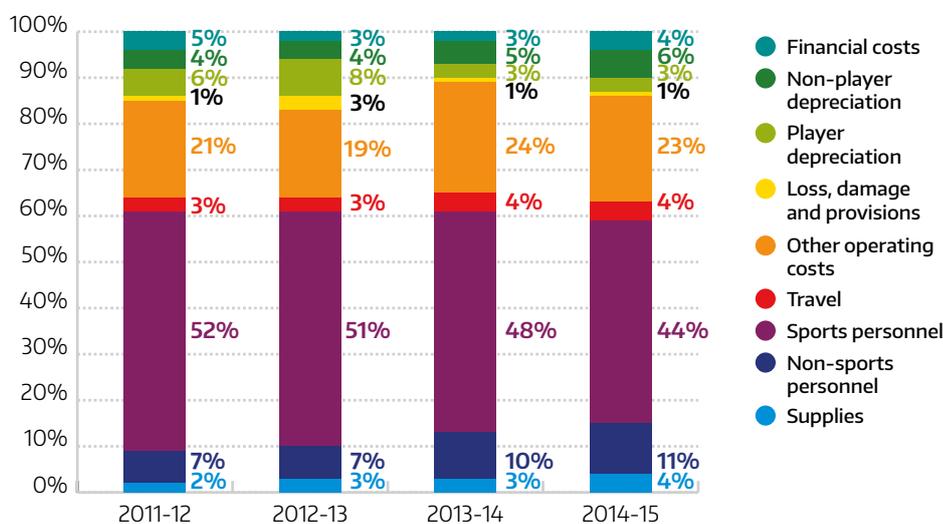


Table 16

Evolution of costs · Liga Adelante

Costs Liga Adelante	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Supplies	3.1	6.0	8.3	5.1	163.0 %	38.0 %	2.3	37.5 %
Non-sports personnel	12.3	17.2	22.1	9.9	80.3 %	21.7 %	4.9	28.6 %
Sports personnel	94.9	86.1	88.7	-6.2	-6.5 %	-2.2 %	2.6	3.0 %
Travel	5.1	7.3	7.1	2.1	40.7 %	12.1 %	.0.2	-2.2 %
Loss, damage and provisions	2.5	1.5	2.5	-0.0	-0.1 %	0.0 %	1.0	62.8 %
Other operating costs	39.0	43.1	46.6	7.6	19.5 %	6.1 %	3.5	8.2 %
Player depreciation	10.4	5.0	5.0	-5.5	-52.4 %	-21.9 %	-0.1	-1.2 %
Non-player depreciation	6.7	8.8	13.1	6.4	96.2 %	25.2 %	4.3	48.3 %
Financial costs	8.8	5.7	8.9	0.1	1.1 %	0.4 %	3.3	58.3 %
Liga Adelante	182.8	180.7	202.3	19.5	10.7 %	3.4 %	21.6	12.0 %

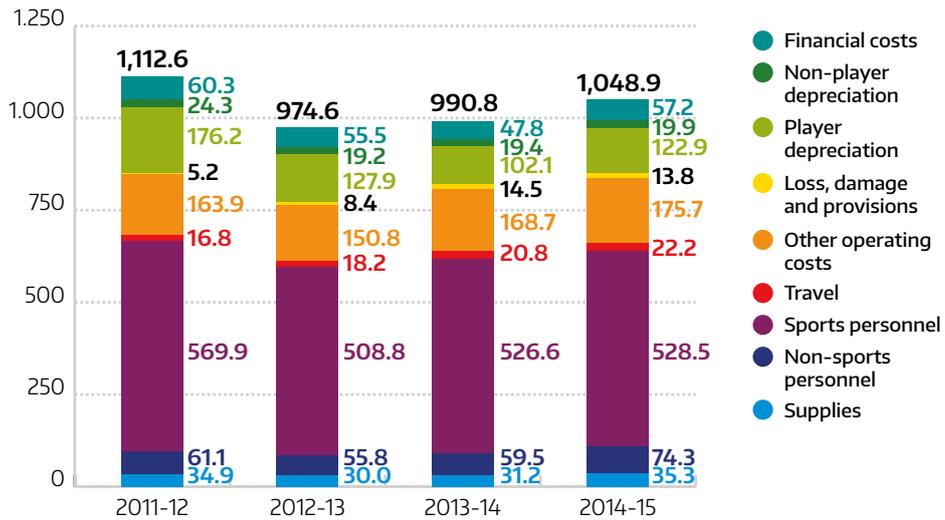
With regards to the *Liga BBVA Netted*, and in much the same way as the *Liga Adelante*, 60.9% of the revenue increase between the 2013-14 and 2014-15 seasons (95.4m Euros) is allocated to increasing the varying cost items (58.1m Euros). In other words, following the same trend that was commented on in the analysis of the *Liga Adelante*, of allocating a significant portion of additional revenue to the repayment of debts and to strengthening equity rather than to increasing costs.

The cost items which have increased most between 2013-14 and 2014-15 are Player Depreciation (19.9m Euros), Non-sports Personnel (14.8m Euros), Financial Costs (9.4m Euros) and Other Operating Costs (7m Euros). Here again with the *Liga BBVA Netted*, and as we have already noted with the *Liga Adelante*, increased costs are allocated to strengthening management structure.

As a result of a more pronounced increase in other costs, we once again find, with the **Liga BBVA Netted**, that the Sports Personnel item accounts for a lower percentage of the total costs in the 2014-15 season (50%) than it did in 2013-14 (53%).

Liga BBVA Netted · Distribution of costs

Figure 41



Liga BBVA Netted · Breakdown of costs

Figure 42

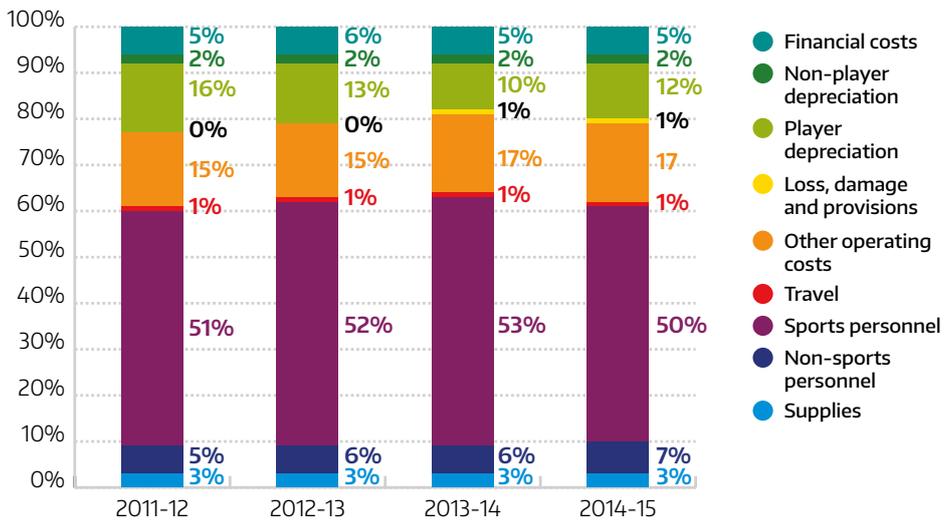


Table 17

Evolution of costs · Liga BBVA Netted

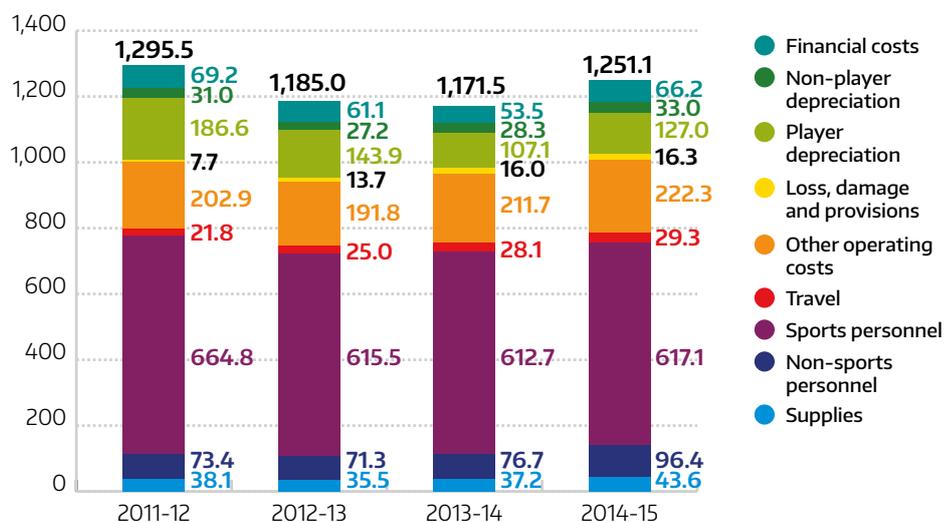
Costs Liga BBVA Netted	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Supplies	34.9	31.2	35.3	0.4	1.1 %	0.4 %	4.1	13.0 %
Non-sports personnel	61.1	59.5	74.3	13.1	21.5 %	6.7	14.8	24.8 %
Sports personnel	569.9	526.6	528.5	-41.4	-7.3 %	-2.5 %	1.9	0.4 %
Travel	16.8	20.8	22.2	5.5	32.7 %	9.9 %	1.4	6.8 %
Loss, damage and provisions	5.2	14.5	13.8	8.6	164.2 %	38.2 %	-0.7	-5.1 %
Other operating costs	163.9	168.7	175.7	11.7	7.1 %	2.3 %	7.0	4.1 %
Player depreciation	176.2	102.1	122.0	-54.2	-30.8 %	-11.5 %	19.9	19.5 %
Non-player depreciation	24.3	19.4	19.9	-4.4	-18.2 %	-6.5 %	0.5	2.4 %
Financial costs	60.3	47.8	57.2	-3.1	-5.2 %	-1.7 %	9.4	19.6 %
Liga BBVA Netted	1,112.6	990.8	1,048.8	-63.8	-5.7 %	-1.9 %	58.1	5.9 %

Finally, in the 2014-15 season **LaLiga Netted** presents an increase in costs of 79.7m Euros compared to 2013-14. During the same period, the turnover increase recorded was 136m Euros. As could only be expected, given that **LaLiga Netted** is made up of the combination of the **Liga Adelante** and the **Liga BBVA Netted**, a mere 58.6% of this increase was allocated to increasing costs.

In **LaLiga Netted**, as with the **Liga Adelante** and the **Liga BBVA Netted**, the most significant level of variation is to be found in the percentage of overall costs made up by Sports Personnel, which fell from 52% in the 2013-14 season to 49% in 2014-15.

LaLiga Netted · Distribution of costs

Figure 43



LaLiga Netted · Breakdown of costs

Figure 44

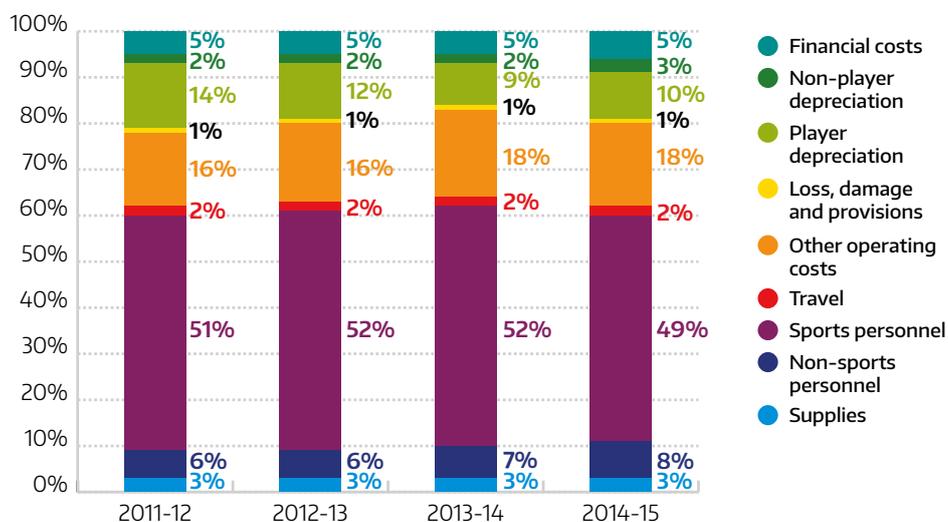


Table 18

Evolution of costs · LaLiga Netted

Costs LaLiga Netted	2011-12	2013-14	2014-15	2011-12 vs 2014-15	Absolute change	CAGR	2013-14 vs 2014-15	Absolute change
Supplies	38.1	37.2	43.6	5.5	14.5 %	4.6	6.3 %	17.0 %
Non-sports personnel	73.4	76.7	96.4	23.0	31.3 %	9.5 %	19.7	25.7 %
Sports personnel	664.8	612.7	617.2	-47.6	-7.2 %	-2.4 %	4.5	0.7 %
Travel	21.8	28.1	29.4	7.5	34.6 %	10.4 %	1.2	4.4 %
Loss, damage and provisions	7.7	16.0	16.3	8.6	111.4 %	28.3 %	0.2	1.3 %
Other operating costs	202.9	211.7	222.3	19.3	9.5 %	3.1 %	10.5	5.0 %
Player depreciation	186.6	107.1	127.0	-59.6	-32.0 %	-12.0 %	19.8	18.5 %
Non-player depreciation	31.0	28.3	33.0	2.0	6.5 %	2.1 %	4.7	16.8 %
Financial costs	69.2	53.5	66.2	-3.0	-4.4 %	-1.5 %	12.7	23.7 %
LaLiga Netted	1,295.5	1,171.5	1,251.1	-44.3	-3.4 %	-1.2 %	79.7	6.8 %

The most significant general conclusions of the analysis of the evolution and distribution of costs can be condensed into the following three points:

1. That costs have increased less than revenue over the 2014-15 season, thereby generating a surplus which has been allocated to the repayment of debt and the strengthening of equity and, as such, the financial structure of the clubs.
2. That those clubs other than the two with the highest turnovers, that is to say those that make up *LaLiga Netted* (the *Liga BBVA Netted* + the *Liga Adelante*), have allocated their cost increases to items that enable them to make management improvements, with the aim of achieving structures that respond to the demands of professional football today.
3. That, at the clubs included in *LaLiga Netted*, the share given over to Sports Personnel costs has fallen from 52% to 49% as a result of this item not having seen as great a cost increase as have other items.



The Cost of Personnel is growing within Limits

As we have already commented in our analysis of the evolution and distribution of costs, particularly in the case of those clubs making up **LaLiga Netted**, the cost of Sports Personnel has not increased in line with revenue, meaning that its impact on turnover has generally decreased.

In this section we will be analysing the evolution of the cost of Sports and Non-Sports Personnel relative to Total Turnover and Net Turnover, which will be calculated by omitting Transfer earnings from the total turnover.

If the cost of **LaLiga** personnel is analysed one may observe that, in general, both Sports and Non-Sports Personnel costs increase in importance relative to Total and Net Turnover. The ratio between the cost of Sports Personnel and Net Turnover was the only one to go down between the 2013-14 season and 2014-15. This is basically due to the fact that Commercialisation revenue, which is one of the major driving forces of the 2014-15 season's turnover increase, goes up once the season has already started, which means that not all of its increase is reflected in the cost structure of **LaLiga**.

Table 19

Evolution of the cost of personnel · LaLiga

LaLiga	2011-12	2012-13	2013-14	2014-15	CAGR	Change	% Change
Sports personnel	1,107.9	1,079.3	1,106.8	1,230.0	3.5 %	122.2	11.0 %
Sports personnel / Turnover	52.8 %	48.3 %	47.5 %	47.0 %			
Sports personnel / Net Turnover	56.6 %	53.6 %	53.7 %	54.3 %			
Non-sports personnel	132.1	129.3	137.8	161.1	6.8 %	29.0	22.0 %
Non-sports personnel / Turnover	6.3 %	5.8 %	5.9 %	6.2 %			
Non-sports personnel / Net Turnover	6.7 %	6.4 %	6.7 %	7.1 %			
Personnel total	1,239.9	1,208.6	1,244.5	1,391.1	3.9 %	151.2	12.2 %
Personnel total / Turnover	59.1 %	54.1 %	53.5 %	53.2 %			
Personnel total / Net Turnover	63.3 %	60.1 %	60.4 %	61.4 %			
LaLiga Turnover	2,097.0	2,235.8	2,328.1	2,615.6	7.6 %	518.6	24.7 %
LaLiga Net Turnover	1,957.5	2,012.4	2,059.8	2,266.8	5.0 %	309.3	15.8 %

In the **Liga BBVA** the evolution and level of the ratios between Sports and Non-Sports Personnel costs and Net Turnover bear a close resemblance to those of **LaLiga**, with the relation between Sports Personnel and Net Turnover standing at 54.9%, well below the 70% benchmark used to identify risk situations in the cost of Sports Personnel.

Table 20

Evolution of the cost of personnel · Liga BBVA

Liga BBVA	2011-12	2012-13	2013-14	2014-15	CAGR	Change	% Change
Sports personnel	1,012.9	972.7	1,020.7	1,141.3	4.1 %	128.4	12.7 %
Sports personnel / Turnover	51.5 %	46.7 %	47.0 %	47.2 %			
Sports personnel / Net Turnover	55.0 %	51.6 %	53.0 %	54.9 %			
Non-sports personnel	119.8	113.8	120.6	138.9	5.1 %	19.1	16.0 %
Non-sports personnel / Turnover	6.1 %	5.5 %	5.6 %	5.7 %			
Non-sports personnel / Net Turnover	6.5 %	6.0 %	6.3 %	6.7 %			
Personnel total	1,132.7	1,086.5	1,141.2	1,280.3	4.2 %	147.5	13.0 %
Personnel total / Turnover	57.6 %	52.2 %	52.6 %	53.0 %			
Personnel total / Net Turnover	61.5 %	57.6 %	59.3 %	61.6 %			
Liga BBVA Turnover	1,968.2	2,083.2	2,170.2	2,417.2	7.1 %	449.0	22.8 %
Liga BBVA Net Turnover	1,843.2	1,885.9	1,925.5	2,079.8	4.1 %	236.6	12.8 %

The Sports Personnel cost level compared to Net Turnover has also fallen in the *Liga Adelante*, with the ratio standing at 47.4% for the 2014-15 season, having reached 84.3% in the 2012-13 season, well in excess of the 70% benchmark considered to be the maximum limit for having a balanced accounts structure.

On the other hand, as we have already commented when analysing costs for the *Liga Adelante*, the ratio between Non-Sports Personnel costs and Turnover has increased, essentially as a consequence of the fall in Transfer earnings for the 2014-15 season.

Table 21

Evolution of the cost of personnel · Liga Adelante

Liga Adelante	2011-12	2012-13	2013-14	2014-15	CAGR	Change	% Change
Sports personnel	94.9	106.6	86.1	88.7	-2.2 %	-6.2	-6.5 %
Sports personnel / Turnover	73.7 %	69.9 %	54.5 %	44.7 %			
Sports personnel / Net Turnover	83.0 %	84.3 %	64.1 %	47.4 %			
Non-sports personnel	12.3	15.5	17.2	22.1	21.7 %	9.9	80.3 %
Non-sports personnel / Turnover	9.5 %	10.2 %	10.9 %	11.2 %			
Non-sports personnel / Net Turnover	10.7 %	12.3 %	12.8 %	11.8 %			
Personnel total	107.2	122.2	103.3	110.8	1.1 %	3.7	3.4 %
Personnel total / Turnover	83.2 %	80.1 %	65.5 %	55.9 %			
Personnel total / Net Turnover	93.8 %	96.5 %	77.0 %	59.3 %			
Liga Adelante Turnover	128.8	152.6	157.9	198.4	15.5 %	69.6	54.0 %
Liga Adelante Net Turnover	114.3	126.5	134.3	187.0	17.8 %	72.7	63.6 %

As would be logically expected, the situation and evolution of the ratios analysed in the *Liga BBVA Netted* and *LaLiga Netted* are similar to those of *LaLiga*, the *Liga BBVA* and the *Liga Adelante*, with the cost of Sports Personnel for the 2014-15 season standing at levels below the 70% benchmark we mentioned earlier.

Table 22

Evolution of the cost of personnel · Liga BBVA Netted

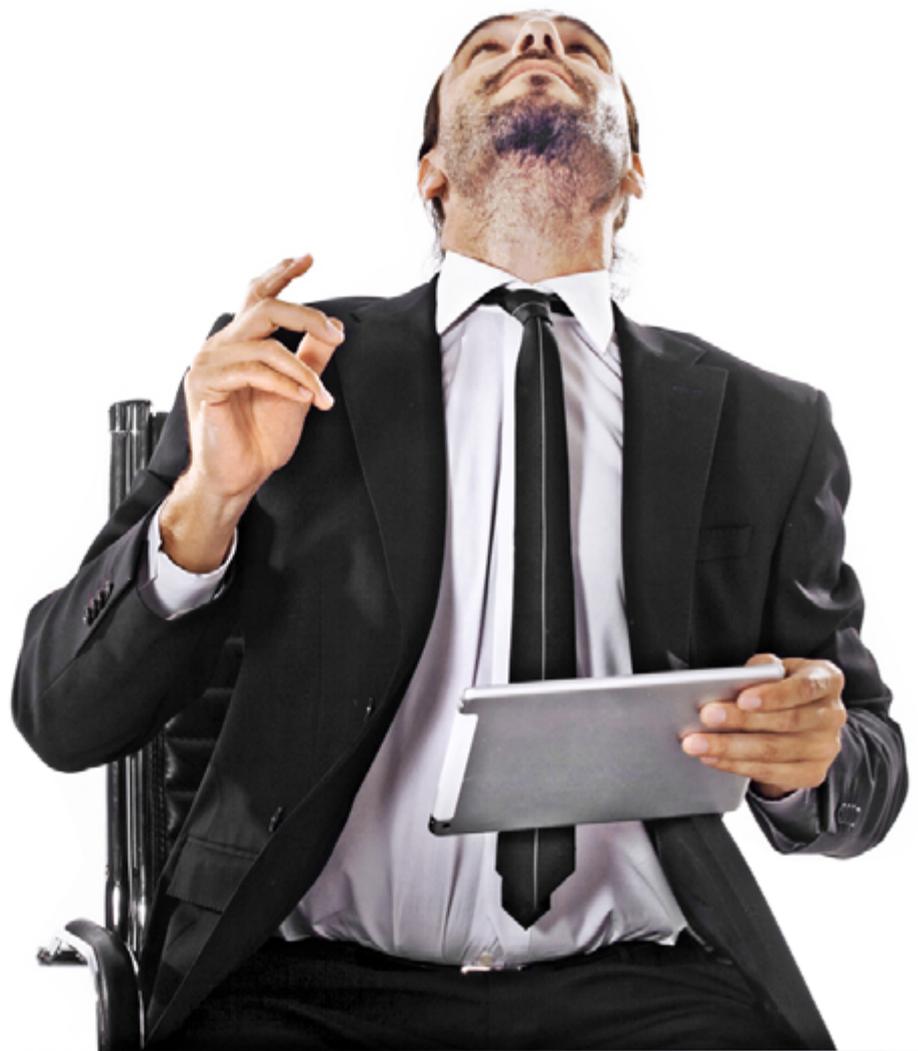
Liga BBVA Netted	2011-12	2012-13	2013-14	2014-15	CAGR	Change	% Change
Sports personnel	569.9	508.8	526.6	528.5	-2.5 %	-41.4	-7.3 %
Sports personnel / Turnover	60.0 %	47.8 %	49.4 %	45.5 %			
Sports personnel / Net Turnover	68.5 %	57.7 %	58.4 %	57.1 %			
Non-sports personnel	61.1	55.8	59.5	74.3	6.7 %	13.1	21.5 %
Non-sports personnel / Turnover	6.4 %	5.2 %	5.6 %	6.4 %			
Non-sports personnel / Net Turnover	7.3 %	6.3 %	6.6 %	8.0 %			
Personnel total	631.0	564.6	586.1	602.7	-1.5 %	-28.3	-4.5 %
Personnel total / Turnover	66.4 %	53.0 %	54.9 %	51.9 %			
Personnel total / Net Turnover	75.9 %	64.0 %	65.0 %	65.1 %			
Liga BBVA Netted Turnover	950.3	1,065.5	1,066.7	1,162.1	6.9 %	211.9	22.3 %
Liga BBVA Netted Net Turnover	831.8	881.6	901.3	925.5	3.6 %	93.7	11.3 %

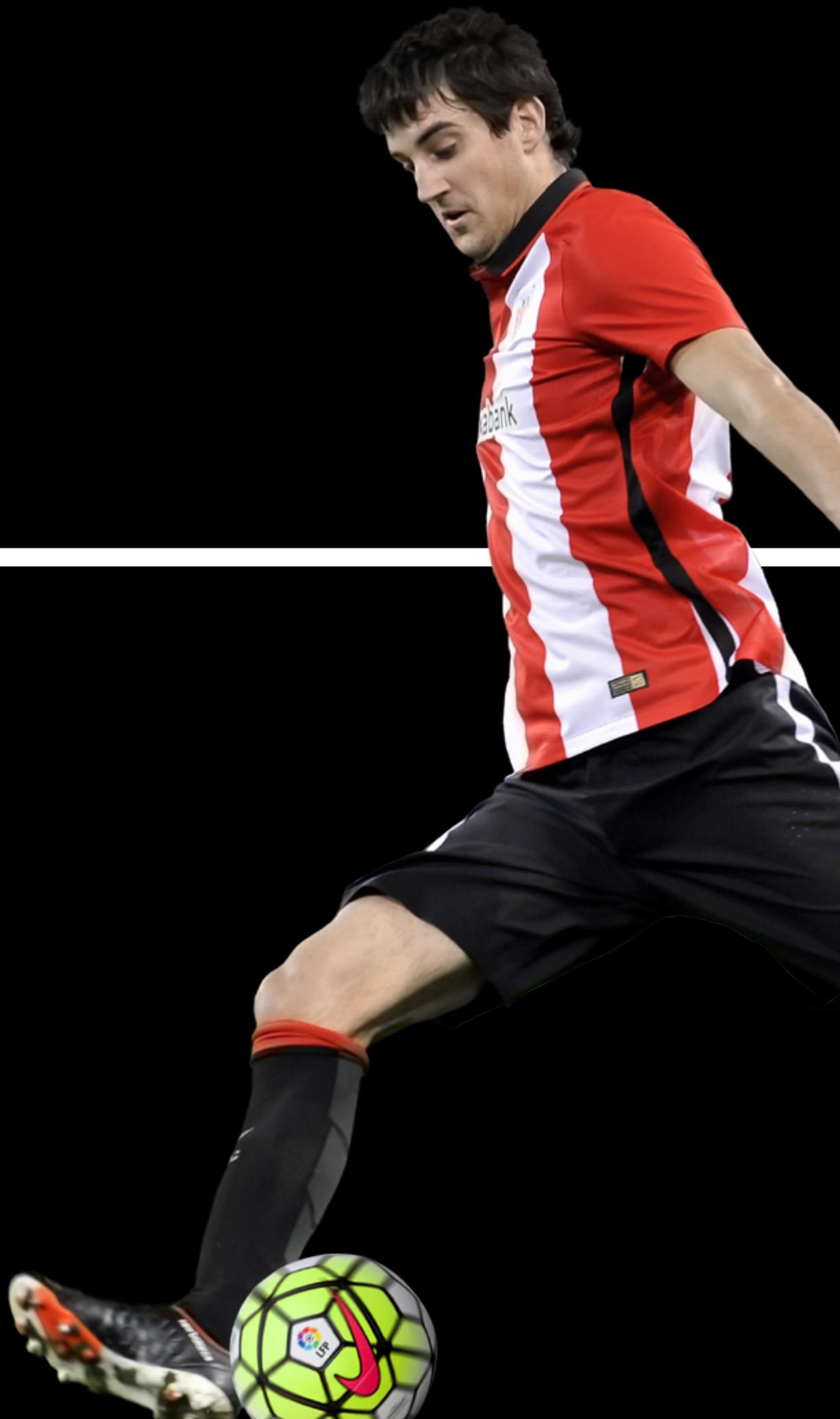
Table 23

Evolution of the cost of personnel · LaLiga Netted

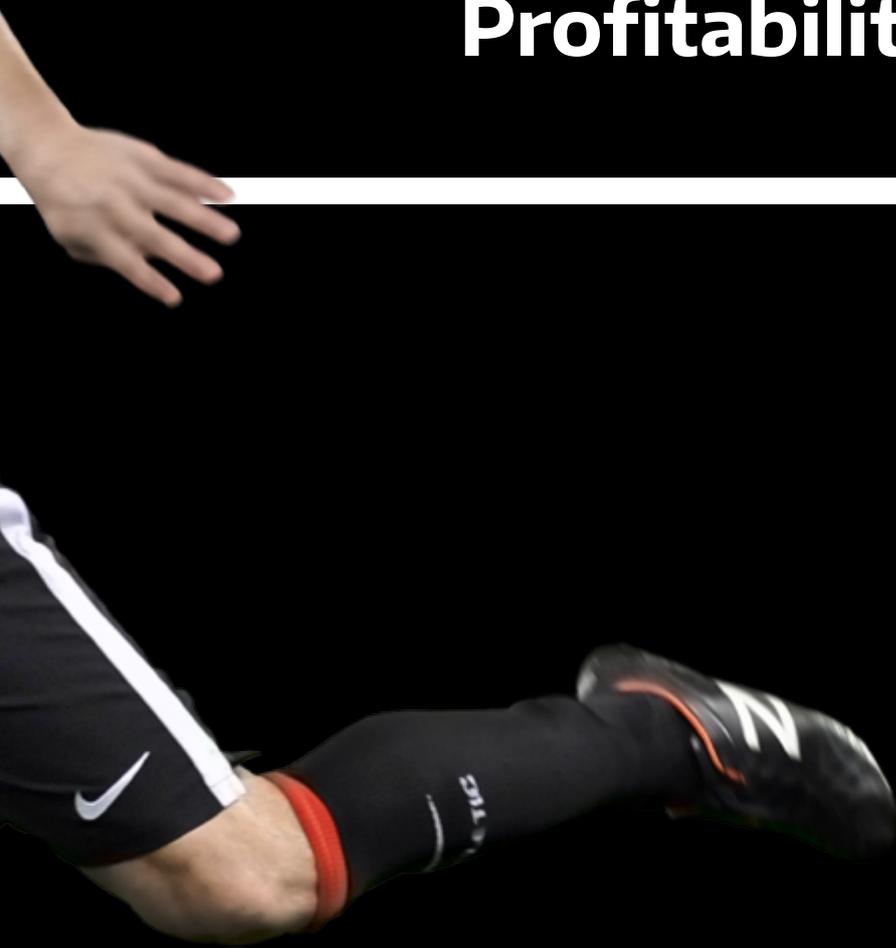
LaLiga Netted	2011-12	2012-13	2013-14	2014-15	CAGR	Change	% Change
Sports personnel	664.8	615.5	612.7	617.2	-2.4 %	-47.6	-7.2 %
Sports personnel / Turnover	61.6 %	50.5 %	50.0 %	45.4 %			
Sports personnel / Net Turnover	70.3 %	61.0 %	59.2 %	55.5 %			
Non-sports personnel	73.4	71.3	76.7	96.4	9.5 %	23.0	31.3 %
Non-sports personnel / Turnover	6.8 %	5.9 %	6.3 %	7.1 %			
Non-sports personnel / Net Turnover	7.8 %	7.1 %	7.4 %	8.7 %			
Personnel total	738.2	686.8	689.4	713.6	-1.1 %	-24.6	-3.3 %
Personnel total / Turnover	68.4 %	56.4 %	56.3 %	52.4 %			
Personnel total / Net Turnover	78.0 %	68.1 %	66.6 %	64.1 %			
LaLiga Netted Turnover	1,079.1	1,218.1	1,224.6	1,360.5	8.0 %	281.5	26.1 %
LaLiga Netted Net Turnover	946.1	1,008.2	1,035.5	1,112.4	5.5 %	166.3	17.6 %







**Profitability continues
to grow**



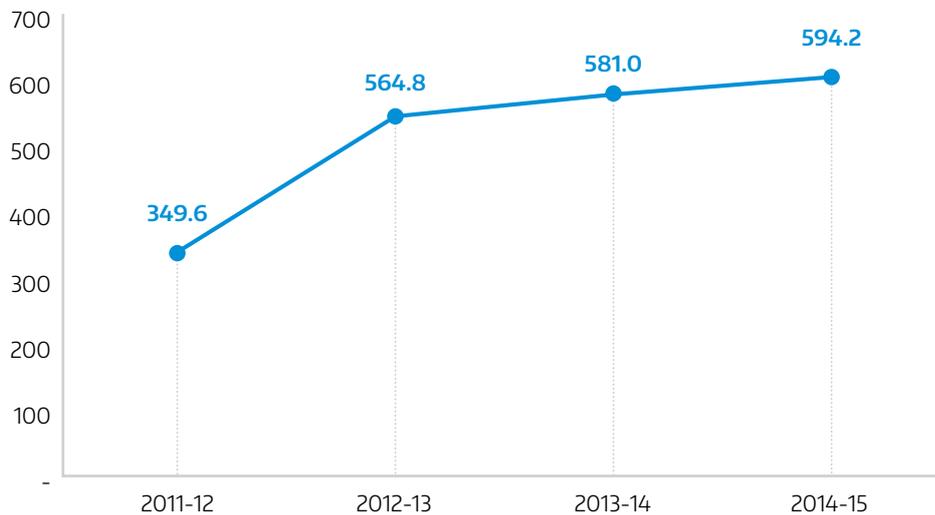
The clubs have continued to stick to their objective of increasing profitability over the 2014-15 season. To this end, they have generally increased their expenditure by less than the increase in their turnover across practically all of the groupings examined. We have used two indicators for our analysis of profitability:

- The **LaLiga** EBITDA, which is defined as a club's earnings before interest, company tax, depreciation, amortization and the earnings obtained by player Transfers.
- Pre-tax earnings calculated as a club's operating earnings before company tax.

Analysing the **LaLiga** EBITDA and the pre-tax earnings for **LaLiga** one may observe that both increased in the 2014-15 season. The **LaLiga** EBITDA stood at 594.2m Euros and pre-tax earnings at 183.4m Euros.

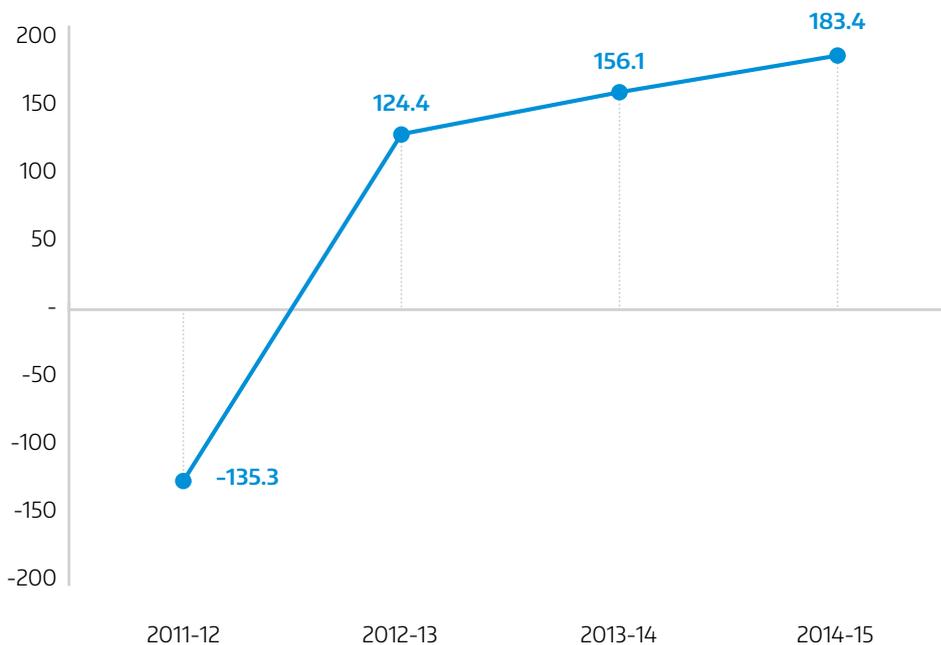
LaLiga · EBITDA LaLiga

Figure 45



LaLiga · Pre-tax earnings

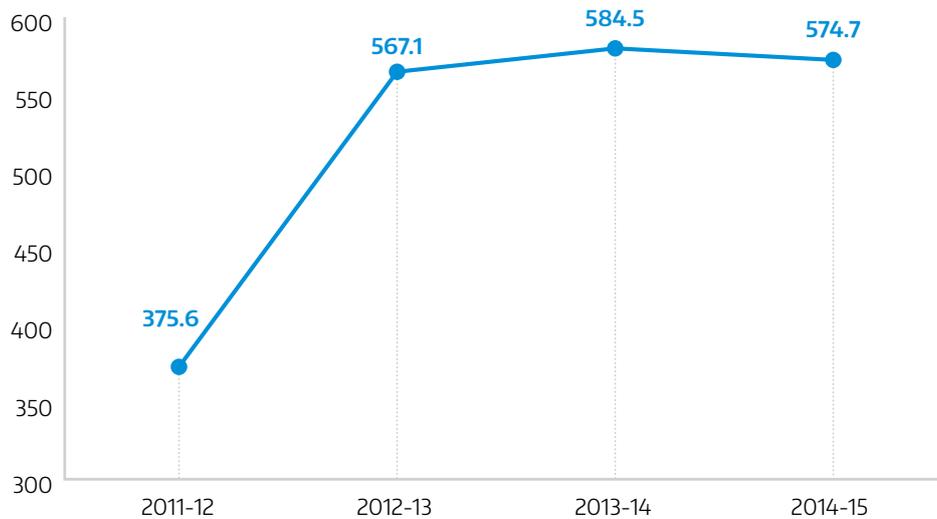
Figure 46



If we analyse the indicators we have mentioned for the *Liga BBVA* it is possible to observe that in the case of the *LaLiga* EBITDA there has been a fall of 9.8m Euros, going from 584.5m Euros in the 2013-14 season to 574.7m Euros in 2014-15. This, however, is not reflected in pre-tax earnings, which increased from 179m Euros in the 2013-14 season to 187.3m Euros the following year.

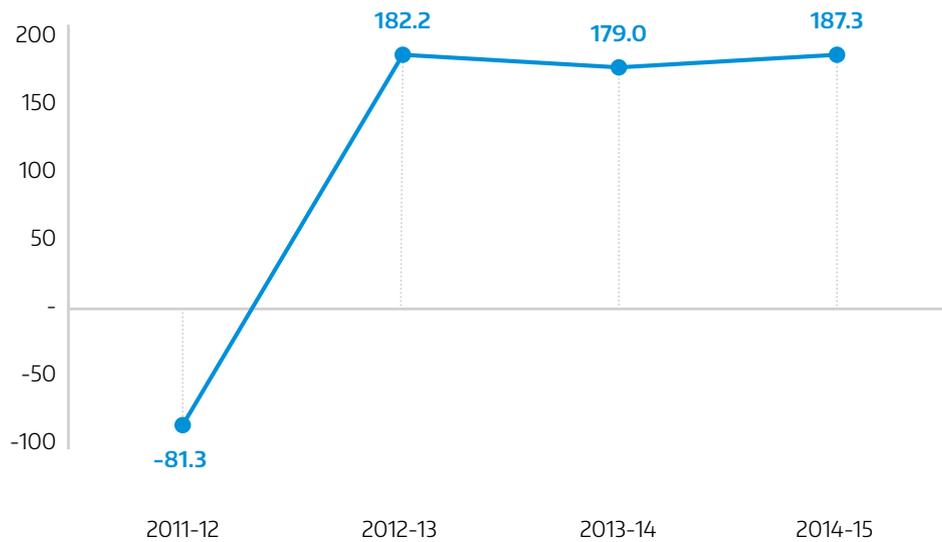
Liga BBVA · EBITDA LaLiga

Figure 47



Liga BBVA · Pre-tax earnings

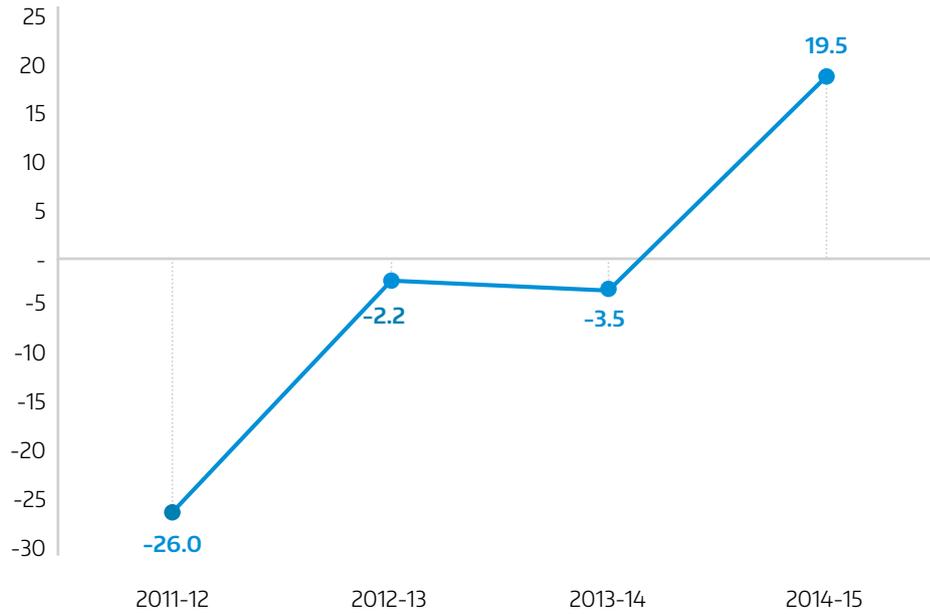
Figure 48



On the other hand, the *Liga Adelante* has managed to record a positive *LaLiga* EBITDA for the first time in the four-season period being analysed, at 19.5m Euros. Its pre-tax earnings, however, continue to be in the red, at -3.9m Euros, although they are expected to go into the black next season.

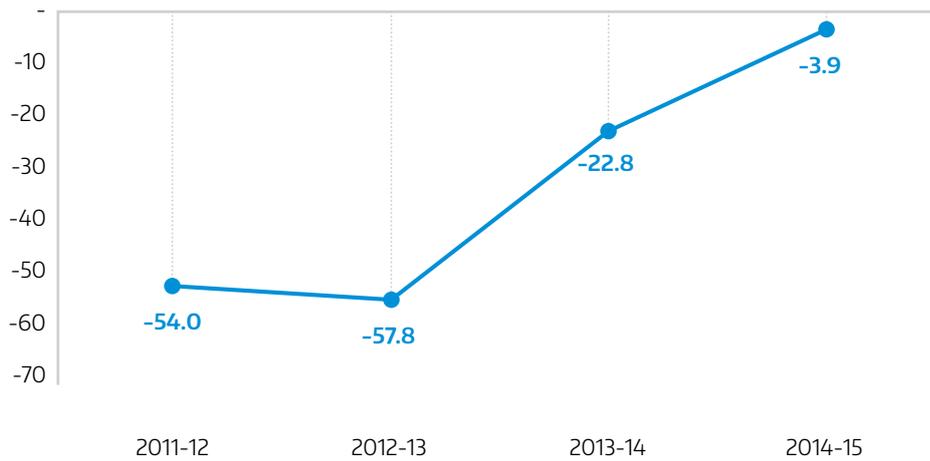
Liga Adelante · EBITDA LaLiga

Figure 49



Liga Adelante · Pre-tax earnings

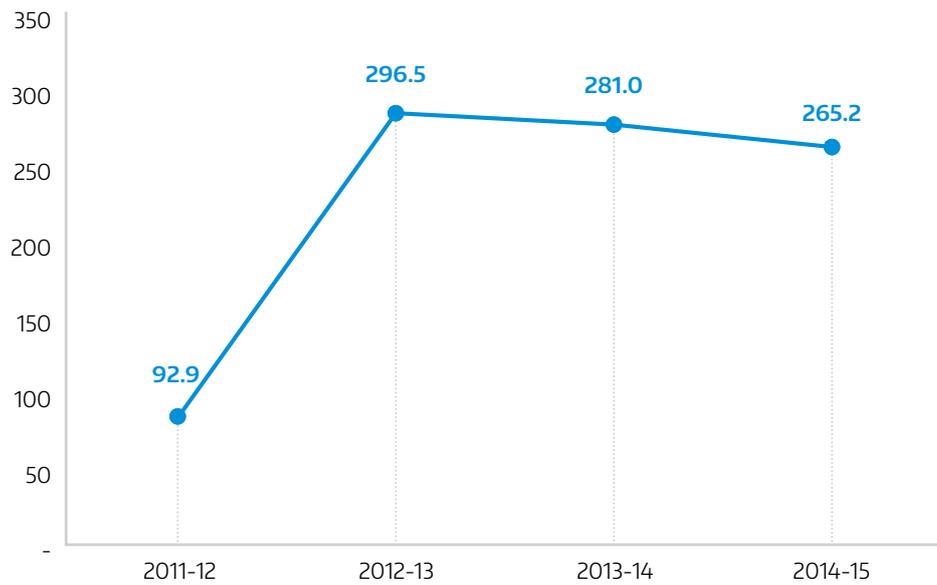
Figure 50



The *Liga BBVA Netted* has charted much the same course as *LaLiga* overall. One may observe that the *LaLiga* EBITDA of the *Liga BBVA Netted* underwent a fall of 15.8m Euros, dropping from 281m Euros in the 2013-14 season to 265.2m Euros last year. This decrease, however, turns into a 37.4m Euro increase when one analyses pre-tax earnings, which rose from 75.9m Euros in the 2013-14 season to 113.3m Euros in 2014-15.

Liga BBVA Netted · EBITDA LaLiga

Figure 51



Liga BBVA Netted · Pre-tax earnings

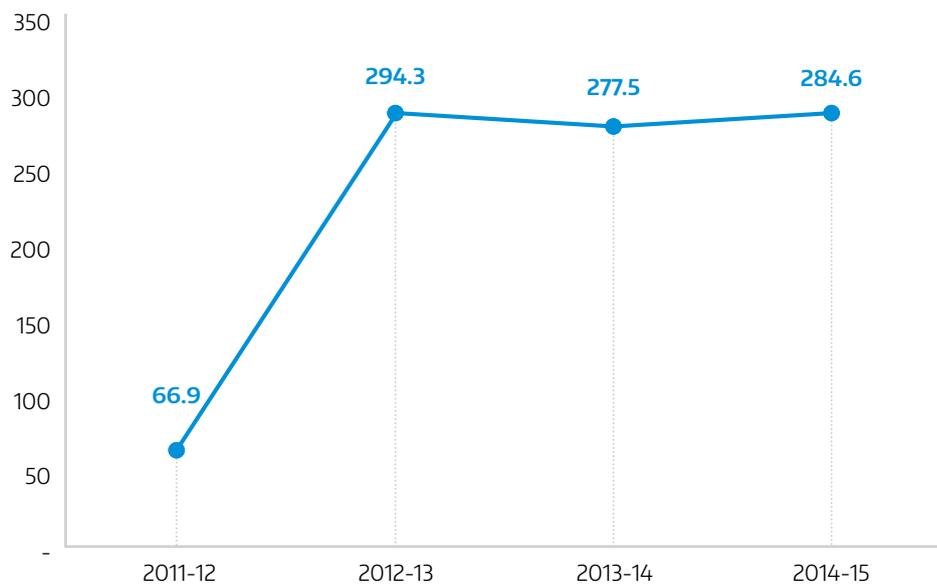
Figure 52



Finally, for **LaLiga Netted**, both the **LaLiga** EBITDA and pre-tax earnings increased between the 2013-14 and 2014-15 seasons. The **LaLiga** EBITDA went up from 277.5m Euros in the 2013-14 season to 284.6m Euros the following season, amounting to an increase of 7.1m Euros. Meanwhile, pre-tax earnings increased by 56.4m Euros, going from 53.1m Euros in the 2013-14 season to 109.5m Euros in the 2014-15 season.

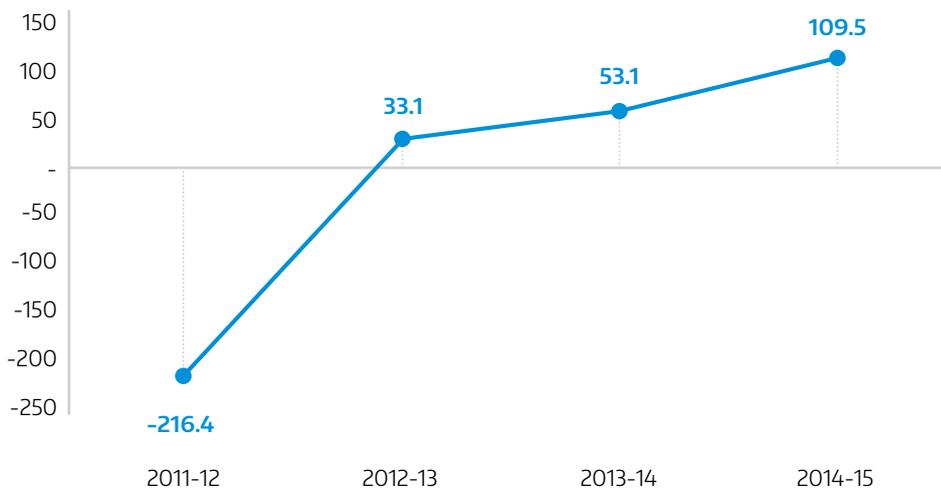
LaLiga Netted · EBITDA LaLiga

Figure 53



LaLiga Netted · Pre-tax earnings

Figure 54







**The equity situation is also
continuing to improve**

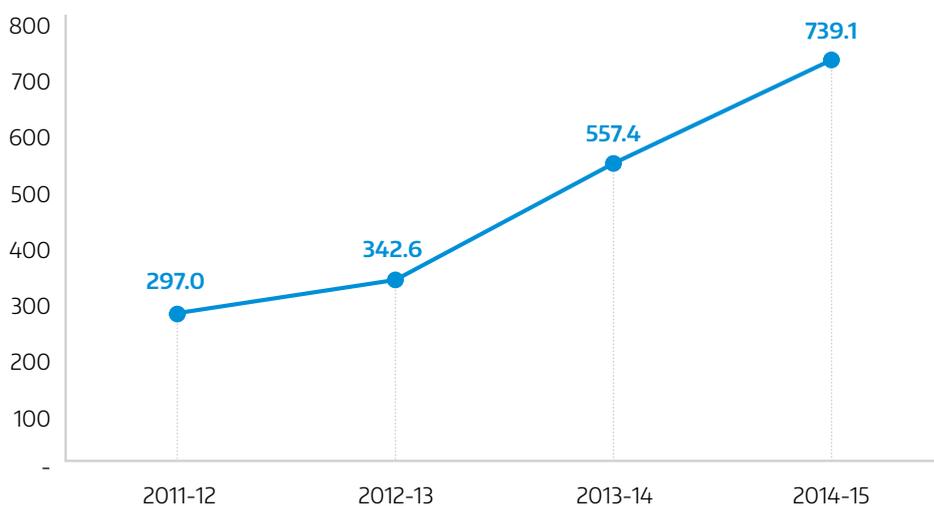
As a consequence of clubs' increased profit figures as analysed in the previous section, their Net Equity has also continued to rise, going from 557.4m Euros in the 2013-14 season to 739.1m Euros in 2014-15. In other words, an increase of 181.7m Euros (absolute change: 32.6%).

Analysis of Net Equity will only be carried out for **LaLiga** and **LaLiga Netted** due to the effect that promotions and relegations have on the **Liga Adelante** and the **Liga BBVA**.

This increase in Net Equity and fall in debt, which will be analysed in a subsequent section, means that the ratio between Net Equity and Total Liabilities has gone from 7.4% in the 2011-12 season to 14% in the 2013-14 season, rising to 17.9% in 2014-15, which means a significant strengthening of **LaLiga's** liabilities structure.

LaLiga · Net Equity

Figure 55

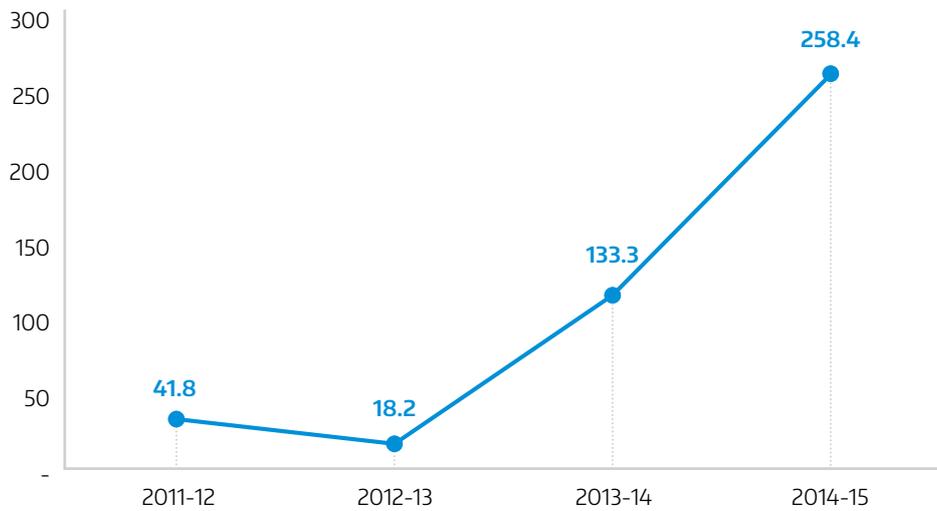


On the other hand, the Net Equity of *LaLiga Netted* has increased by 125.1m Euros, rising from 133.3m Euros in the 2013-14 season to 258.4m Euros in 2014-15, which means an increase of 93.8%.

With regards to the ratio between Net Equity and Total Liabilities in *LaLiga Netted*, this has increased from 1.5% in the 2011-12 season to 5.3% in 2013-14, rising to 10.4% in the 2014-15 season.

LaLiga Netted · Net Equity

Figure 56





Debt development

DEBT LEVELS CONTINUE TO FALL

As was the case with our analysis of Net Equity, our analysis of Net Debt Development will be confined to two groups, *LaLiga* and *LaLiga Netted* due to the distortion caused by promotions and relegations when analysing the *Liga BBVA* and *Liga Adelante* figures.

The calculation of net Debt figures as presented in this report was carried out by adding Non-Current Liabilities (NCL) to Current Liabilities (CL) and subtracting Deferred Tax Liabilities (DTL), Accounts receivable from Sports Organisation Debtors (AR) and Cash and Cash Equivalents (CCE).

$$\text{Net Debt} = \text{NCL} + \text{CL} - \text{DTL} - \text{AR} - \text{CCE}$$

It is such that, with regards to *LaLiga* and continuing the trend set in the 2011-12 season, net Debt has fallen by 81.8m Euros from the 2013-14 season to 2014-15. 63% of said debt is concentrated around four clubs which have net Debt of in excess of 350m Euros. The rest of the clubs are bringing their debt levels down, which can be clearly seen by the analysis of the distribution of the number of clubs by tranche when one observes that a larger number of clubs are clustered in the lower tranches.

Table 24

Net debt development · LaLiga

LaLiga	2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15
Debt/club > €350m Euros	1,717.2	1,219.0	1,219.7	1,686.4	52 %	42 %	44 %	63 %
€200m < Debt /club < €350m	-	342.4	333.3	-	0 %	12 %	12 %	0 %
€100m < Debt /club < €200m	431.2	436.0	395.0	283.4	13 %	15 %	14 %	11 %
€80m < Debt /club < €100m	180.7	-	-	91.5	5 %	0 %	0 %	3 %
€60m < Debt /club < €80m	398.5	259.7	140.6	-	12 %	9 %	5 %	0 %
€40m < Debt /club < €60m	293.7	326.5	259.1	283.5	9 %	11 %	9 %	11 %
€20m < Debt /club < €40m	238.2	277.1	310.5	227.3	7 %	9 %	11 %	8 %
Debt /club < €20m	55.8	62.5	98.8	103.1	2 %	2 %	4 %	4 %
Total	3,315.2	2,923.2	2,757.0	2,675.2	100 %	100 %	100 %	100 %

Table 25

Distribution of clubs by quantity of net debt · LaLiga

LaLiga	2011-12	2012-13	2013-14	2014-15
Debt/club > €350m Euros	4	3	3	4
€200m < Debt /club < €350m	-	1	1	-
€100m < Debt /club < €200m	3	3	3	2
€80m < Debt /club < €100m	2	-	-	1
€60m < Debt /club < €80m	6	4	2	-
€40m < Debt /club < €60m	6	7	5	6
€20m < Debt /club < €40m	8	9	11	7
Debt /club < €20m	13	15	17	22
Total	42	42	42	42

For **LaLiga Netted** the reduction of net Debt over the last two seasons stands at 168.5m Euros, falling from 1,990.3m Euros in 2013-14 to 1,821.8m Euros last year. As can be observed, the decrease in net Debt is greater in this grouping than it is for **LaLiga** overall, which goes to demonstrate that efforts at bringing down debt are largely focussed on those clubs with lower turnovers, and which were in a worse financial situation at the beginning of the four-season period of analysis.

Table 26

Net debt development · LaLiga Netted

LaLiga Netted	2011-12	2012-13	2013-14	2014-15	2011-12	2012-13	2013-14	2014-15
Debt/club > €350m Euros	833.3	450.1	453.0	833.0	34 %	21 %	23 %	46 %
€200m < Debt /club < €350m	-	342.4	333.3	-	0 %	16 %	17 %	0 %
€100m < Debt /club < €200m	431.2	436.0	395.0	283.4	18 %	20 %	20 %	16 %
€80m < Debt /club < €100m	180.7	-	-	91.5	7 %	0 %	0 %	5 %
€60m < Debt /club < €80m	398.5	259.7	140.6	-	16 %	12 %	7 %	0 %
€40m < Debt /club < €60m	293.7	326.5	259.1	283.5	12 %	15 %	13 %	16 %
€20m < Debt /club < €40m	238.2	277.1	310.5	227.3	10 %	13 %	16 %	12 %
Debt /club < €20m	55.8	62.5	98.8	103.1	2 %	3 %	5 %	6 %
Total	2,431.4	2,154.3	1,990.3	1,821.8	100 %	100 %	100 %	100 %

Table 27

Distribution of clubs by quantity of net debt · LaLiga Netted

LaLiga Netted	2011-12	2012-13	2013-14	2014-15
Debt/club > €350m Euros	2	1	1	2
€200m < Debt /club < €350m	-	1	1	-
€100m < Debt /club < €200m	3	3	3	2
€80m < Debt /club < €100m	2	-	-	1
€60m < Debt /club < €80m	6	4	2	-
€40m < Debt /club < €60m	6	7	5	6
€20m < Debt /club < €40m	8	9	11	7
Debt /club < €20m	13	15	17	22
Total	40	40	40	40

THE RATIOS BETWEEN DEBT/NET TURNOVER AND DEBT/EBT: CLOSE TO TARGET

Here once again, due to the effect that promotions and relegations have on the analysis of the *Liga BBVA* and *Liga Adelante*, the study of these ratios will limit itself to *LaLiga* and *LaLiga Netted*.

As a consequence of falls in clubs' debt burden, increased revenues and the controls on cost increases, the Debt/Net Turnover and Debt/Adjusted Pre-tax Earnings ratios have undergone a continued decrease.

For *LaLiga* the ratio between Net Debt and Net Turnover stood at 1.29 in the 2014-15 season, whereas in 2011-12 it was recorded at 1.82, and in 2013-14 at 1.42.

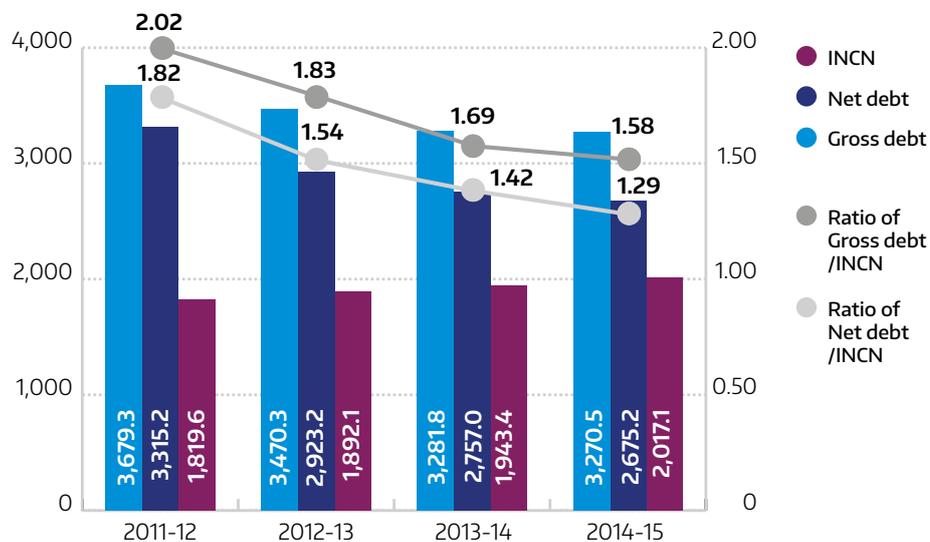
Table 28

Evolution of ratios of Debt/INCN and Debt/Adjusted EBT · LaLiga

LaLiga	2011-12	2012-13	2013-14	2014-15	Change	% Change
Non-current liabilities	1,511.5	1,449.3	1,415.4	1,563.2	51.6	3.4%
Current Liabilities	2,280.2	2,129.3	1,996.4	1,820.3	-459.9	-20.2%
Deferred-tax liabilities	-112.4	-108.3	-129.9	-112.9	-0.5	0.4%
Gross debt	3,679.3	3,470.3	3,281.8	3,270.5	-408.7	-11.1%
Sports body debtors due to transfers/ loans	-142.2	-226.7	-154.9	-256.8	-114.6	80.6%
Cash and cash equivalents	-221.9	-320.4	-369.8	-338.5	-116.6	52.6%
Net debt	3,315.2	2,923.2	2,757.0	2,675.2	-640.0	-19.3%
Net Turnover (INCN)	1,819.6	1,892.1	1,943.4	2,070.1	250.5	13.8%
Gross debt/INCN ratio	2.02	1.83	1.69	1.58		
Net debt/INCN ratio	1.82	1.54	1.42	1.29		
EBT	-27.0	145.5	222.8	153.6	180.6	-669.3%
Debt relief	-108.3	-21.1	-66.6	-19.2	89.1	-82.3%
Adjusted EBT	-135.3	124.4	156.1	134.4	269.8	-199.3%
Gross debt/Adjusted EBT ratio	-27.19	27.90	21.02	24.33		
Net Debt/Adjusted EBT ratio	-24.50	23.50	17.66	19.90		

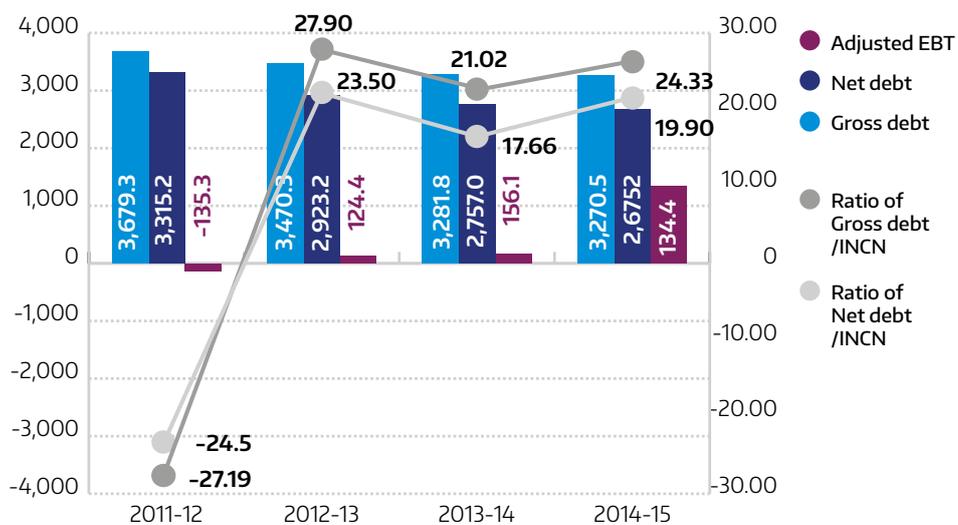
LaLiga · Evolution of debt vs INCN

Figure 57



LaLiga · Evolution of debt vs Adjusted EBT

Figure 58



Meanwhile, in the case of *LaLiga Netted*, that is to say when one has taken the two Spanish football clubs with the highest turnovers (and which therefore bring these ratios down considerably) out of the equation, the situation once again shows improvement. The ratio of Net Debt versus Net Turnover went down from 2.80 in the 2011-12 season to 2.07 in 2013-14, and to 1.84 in the 2014-15 season.

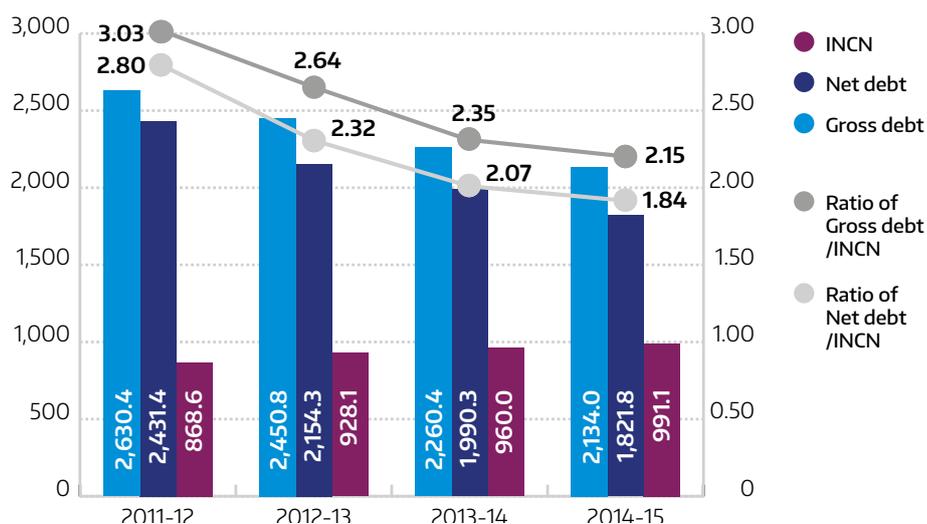
Table 29

Evolution of ratios of Debt/INCEN and Debt/Adjusted EBT – LaLiga Netted

LaLiga Netted	2011-12	2012-13	2013-14	2014-15	Change	% Change
Non-current liabilities	1,136.3	1,153.5	1,112.4	1,213.7	77.5	6.8 %
Current Liabilities	1,594.6	1,393.8	1,257.1	1,003.5	-591.0	-37.1 %
Deferred-tax liabilities	-100.5	-96.5	-109.1	-83.3	17.2	-17.1 %
Gross debt	2,630.4	2,450.8	2,260.4	2,134.0	-496.4	-18.9 %
Sports body debtors due to transfers/ loans	-127.2	-202.6	-122.8	-158.6	-31.4	24.7 %
Cash and cash equivalents	-71.8	-93.9	-147.3	-153.5	-81.7	113.9 %
Net debt	2,431.4	2,154.3	1,990.3	1,821.8	-609.6	-25.1 %
Net Turnover (INCEN)	868.6	928.1	960.0	991.1	122.5	14.1 %
Gross debt/INCEN ratio	3.03	2.64	2.35	2.15		
Net debt/INCEN ratio	2.80	2.32	2.07	1.84		
EBT	-108.0	54.2	119.7	97.4	205.5	-190.2 %
Debt relief	-108.3	-21.1	-66.6	-19.2	89.1	-82.3 %
Gross debt/Adjusted EBT ratio	-216.4	33.1	53.1	78.2	294.6	-136.1 %
Net Debt/Adjusted EBT ratio	-12.16	73.95	42.57	27.28		
Ratio Deuda neta/BAI ajustado	-11.24	65.00	37.48	23.29		

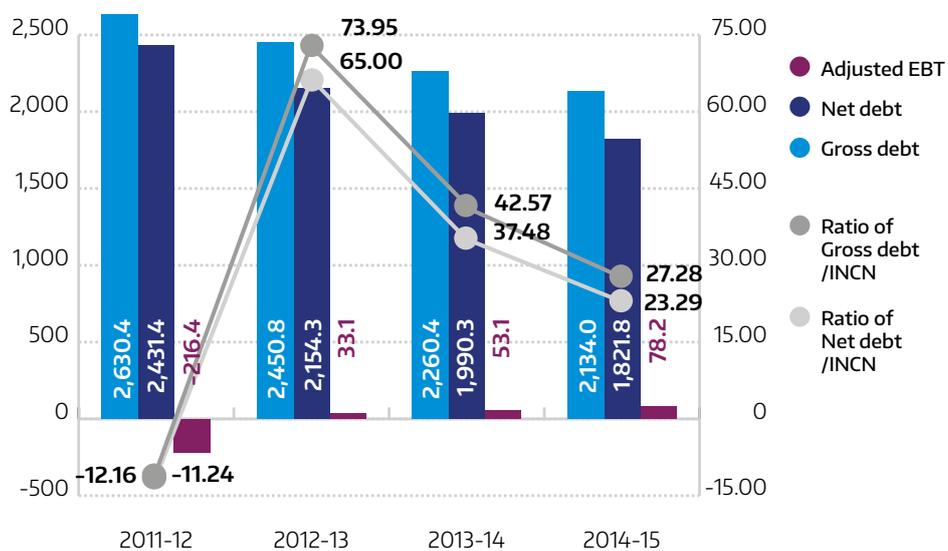
LaLiga Netted · Evolution of debt vs INCEN

Figure 59



LaLiga Netted · Evolution of debt vs Adjusted EBT

Figure 60







Taxes



DEBT OWED TO THE SPANISH TAX AUTHORITIES

Levels of debt owed to the Spanish State Tax Office (AEAT) and the Regional Treasuries continue to fall significantly.

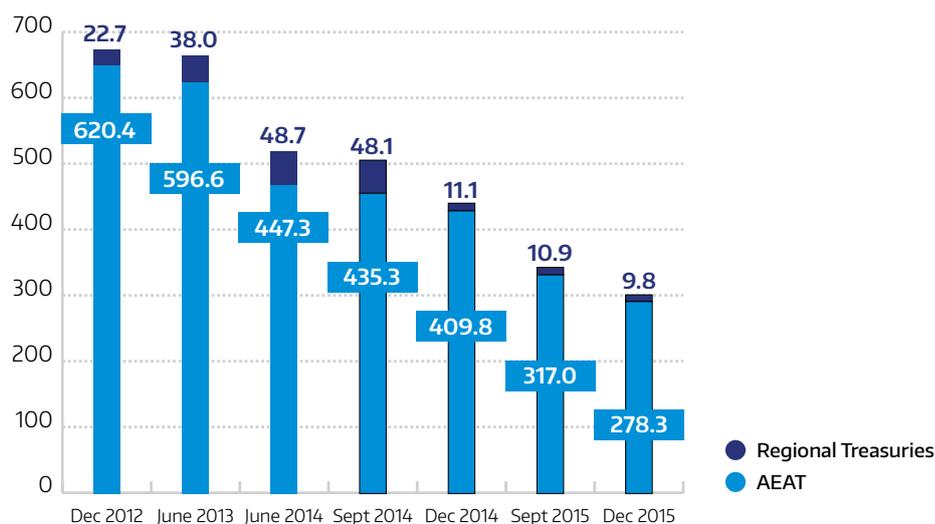
As we will demonstrate shortly, in a period of three years debt has fallen by more than half. To be exact, debt decreased by 55.2% from December 2012 to December 2015.

Existing debt owed to Spanish tax authorities is currently being maintained through deferrals and agreements with the AEAT and Regional Treasuries. As of December 2015 all the expiration periods of these deferrals and one-off agreements are being adhered to in their entirety.

It is expected that by the 2019-20 season all of the deferrals that have been granted will have been terminated, with the remaining residual debt owing to the AEAT not exceeding 50m Euros, that being the sum included as subordinated debt in arrangements with creditors, and which will be paid off in accordance with the terms set out in the agreements with said creditors.

Debt owed to the AEAT and Regional Treasuries

Figure 61



ANNUAL TAX PAYMENTS TO THE AEAT, REGIONAL TREASURIES AND OTHER CORPORATIONS

In addition to the repayment of debt as explained in the previous point, during the 2014-15 season professional football clubs in Spain have paid current taxes to the State Tax Office, Regional Treasuries and Other corporations for the following sums:

Table 30

Details of annual tax payments

Item	BBVA	Adelante	LaLiga
Company taxes	247.8	23.6	271.4
Workers' taxes	556.2	48.5	604.7
Total Taxes	804.0	72.1	876.1

Some of these sums are borne by the companies, Company Taxes, and others by the workers, Workers' Taxes, but they are all generated by the existence and activities of professional football in Spain.





**The Live Stadium
experience is getting more
attractive all the time**

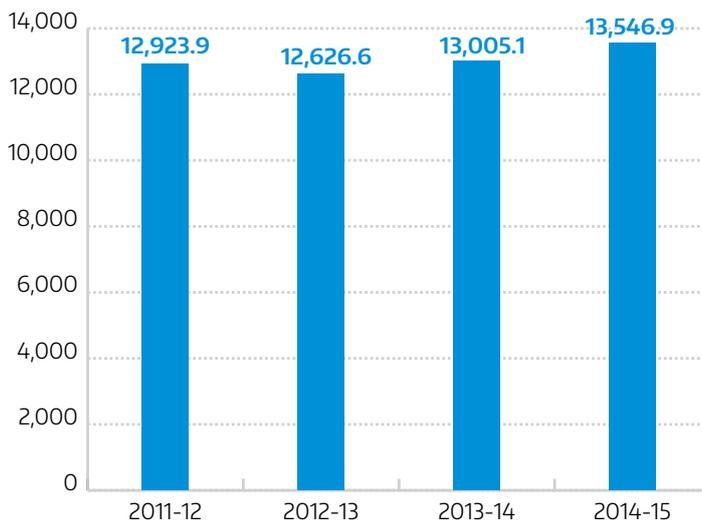


During the 2014-15 season the number of people who enjoyed a football match in a stadium amounted to 13,546,900, up 4.2% on the previous season's attendance figures.

As can be seen from the following chart, following a drop in attendance figures between the 2011-12 and 2012-13 seasons, the number of people attending live football matches recovered once more for the 2013-14 season, even surpassing the 2011-12 figures, and has continued on its upward trajectory in the 2014-15 season, recording 541,800 more spectators than the year before.

LaLiga · Stadium attendance

Figure 62



The Live Stadium experience is getting more attractive all the time





The Social Function of LaLiga



YOUTH FOOTBALL

In addition to the financial or business aspects which we have been analysing, *LaLiga* plays an important social role, undertaken through its investment maintaining the teams that depend on it across the 16 categories that range from Under 7s to Under 23s, known as youth football.

As has already been explained throughout this report, Spanish football is a talent-exporting competition thanks, in essence, to the youth football structures in place to maintain the different football teams and, in particular, professional teams. These football academies or colleges do not just teach future professionals the technical skills of the sport, they also provide an education in both competitive and personal values and attitudes, which make the footballers involved at the lower levels of Spanish football highly sought-after by teams across the globe.

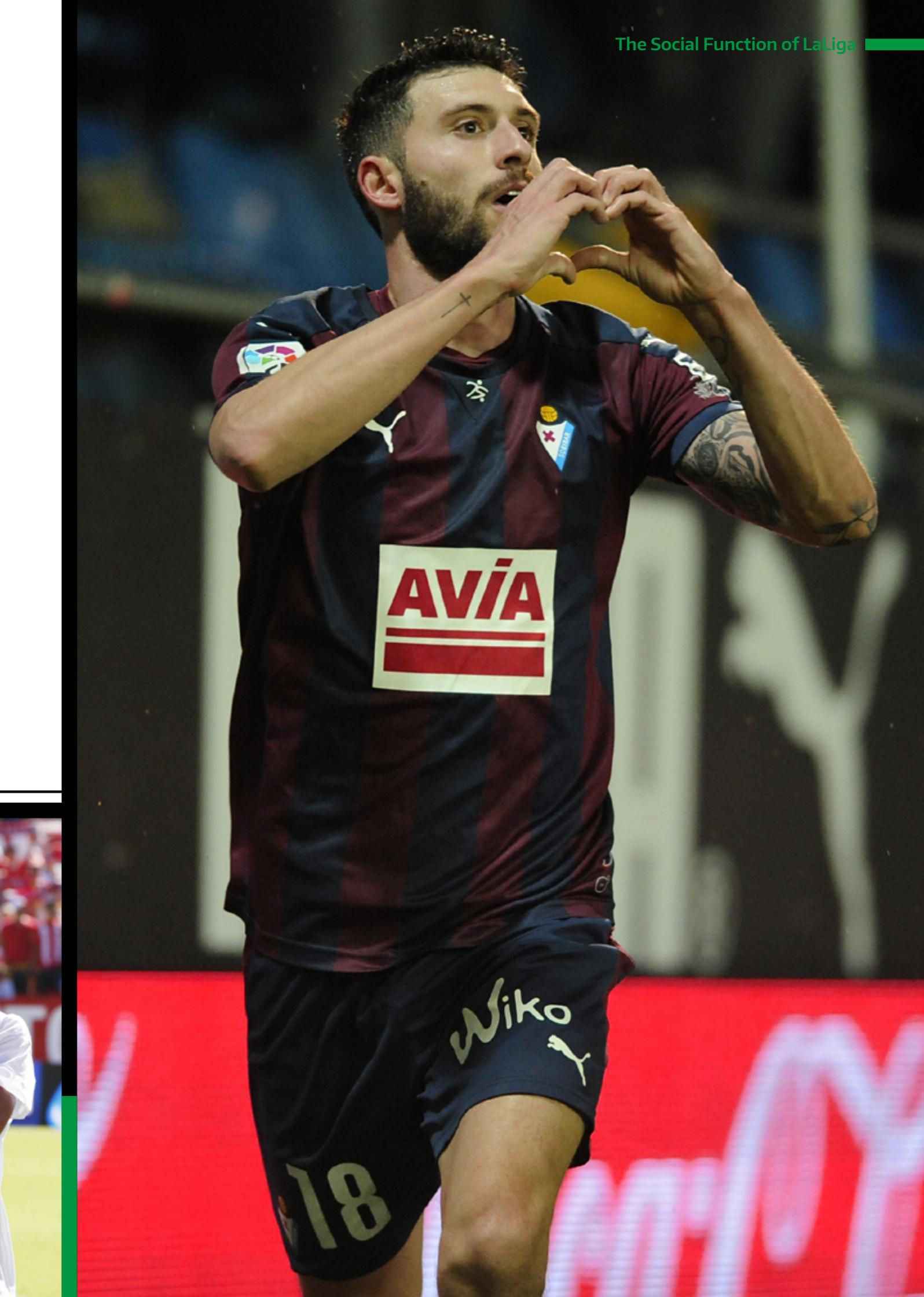
It is as such that, during the 2014-15 season, investment in youth football amounted to 84.5m Euros, which enabled the upkeep of 571 teams across the 16 aforementioned categories, involving 9,969 players who received the attention of 1,518 technical staff.

EMPLOYMENT GENERATED

Furthermore, professional football is a great generator of employment. Specifically, during the 2014-15 season clubs and sports limited companies hired 7,600 workers, employing a season average of 7,000 workers.

If, in addition, one considers the workers hired by suppliers, subcontractors and service providers who furnish the goods and service that clubs need to carry out their activities, the number of full-time jobs amounts to 69,200.









Index of graphs and tables



Index of graphs

Figure 1. LaLiga · Total Turnover	10
Figure 2. Liga BBVA · Total Turnover	11
Figure 3. Liga Adelante · Total Turnover	11
Figure 4. Liga BBVA Netted · Total Turnover	12
Figure 5. LaLiga Netted · Total Turnover	13
Figure 6. LaLiga · Evolution of INCN components	17
Figure 7. LaLiga · Distribution of INCN	17
Figure 8. Liga BBVA · Evolution of INCN components	18
Figure 9. Liga BBVA · Distribution of INCN	19
Figure 10. Liga Adelante · Evolution of INCN components	20
Figure 11. Liga Adelante · Distribution of INCN	20
Figure 12. Liga BBVA Netted · Evolution of INCN components	21
Figure 13. Liga BBVA Netted · Distribution of INCN	21
Figure 14. LaLiga Netted · Evolution of INCN components	22
Figure 15. LaLiga Netted · Distribution of INCN	23
Figure 16. Distribution of INCN 2014-15 · LaLiga	24
Figure 17. Distribution of INCN 2014-15 · Liga BBVA	24
Figure 18. Distribution of INCN 2014-15 · Liga Adelante	25
Figure 19. Distribution of INCN 2014-15 · Liga BBVA Netted	26
Figure 20. Distribution of INCN 2014-15 · LaLiga Netted	26
Figure 21. Distribution of INCN 2014-15 · Liga BBVA vs Liga Adelante	27
Figure 22. Distribution of INCN 2014-15 · Liga BBVA Netted vs Liga Adelante	27
Figure 23. LaLiga · Revenue Breakdown	28
Figure 24. Liga BBVA · Revenue Breakdown	29
Figure 25. Liga Adelante · Revenue Breakdown	30
Figure 26. Liga BBVA Netted · Revenue Breakdown	31
Figure 27. LaLiga Netted · Revenue Breakdown	32
Figure 28. Distribution of turnover 2014-15 · LaLiga	33
Figure 29. Distribution of turnover 2014-15 · Liga BBVA	34
Figure 30. Distribution of turnover 2014-15 · Liga Adelante	34
Figure 31. Distribution of turnover 2014-15 · Liga BBVA Netted	35

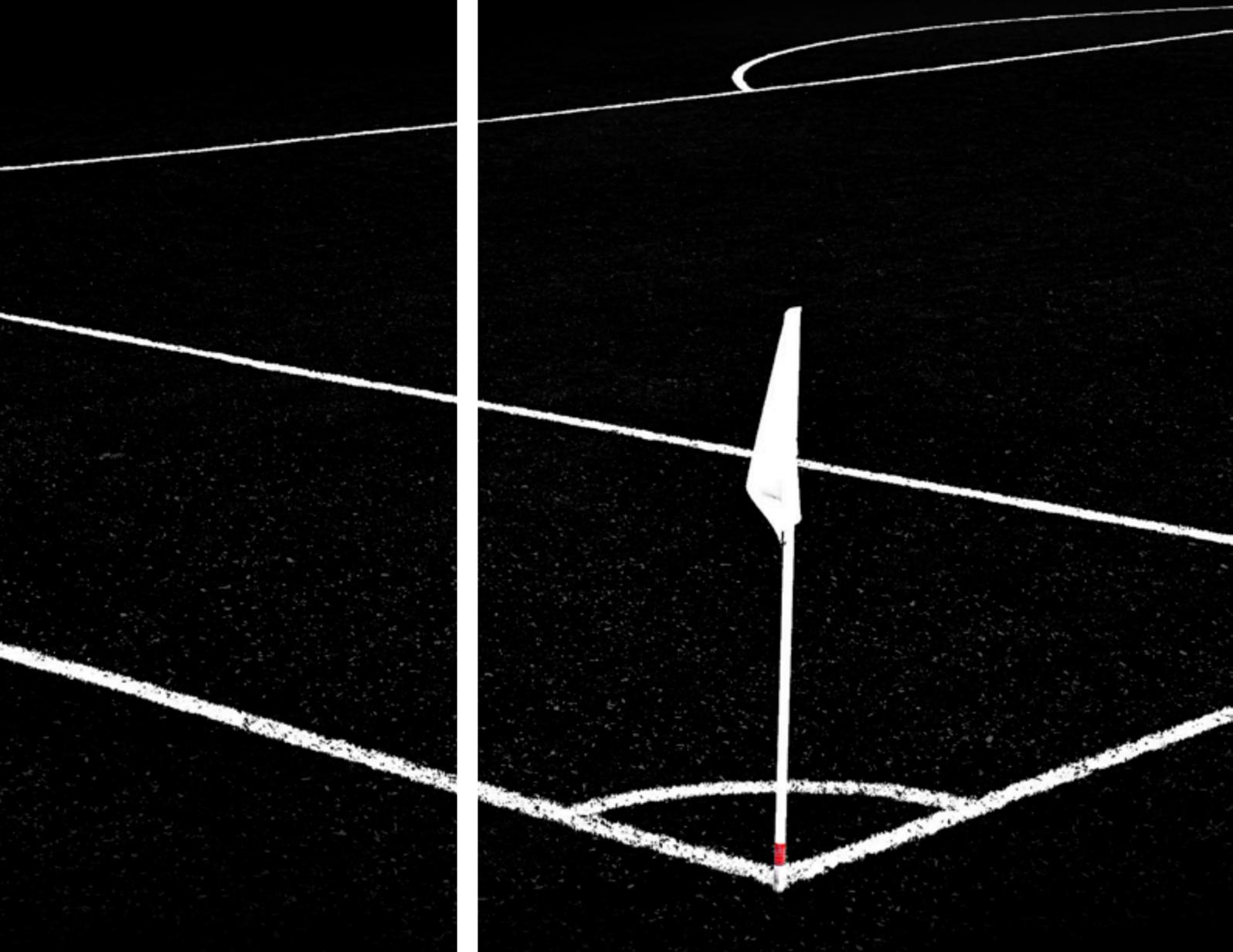
Figure 32. Distribution of turnover 2014-15 · LaLiga Netted	36
Figure 33. Turnover 2014-15 · Liga BBVA vs Liga Adelante	36
Figure 34. Turnover 2014-15 · Liga BBVA Netted vs Liga Adelante	37
Figure 35. LaLiga · Distribution of costs	41
Figure 36. LaLiga · Breakdown of costs	41
Figure 37. Liga BBVA · Distribution of costs	42
Figure 38. Liga BBVA · Breakdown of costs	42
Figure 39. Liga Adelante · Distribution of costs	43
Figure 40. Liga Adelante · Breakdown of costs	44
Figure 41. Liga BBVA Netted · Distribution of costs	45
Figure 42. Liga BBVA Netted · Breakdown of costs	45
Figure 43. LaLiga Netted · Distribution of costs	46
Figure 44. LaLiga Netted · Breakdown of costs	47
Figure 45. LaLiga · EBITDA LaLiga	56
Figure 46. LaLiga · Pre-tax Earnings	56
Figure 47. Liga BBVA · EBITDA LaLiga	57
Figure 48. Liga BBVA · Pre-tax Earnings	57
Figure 49. Liga Adelante · EBITDA LaLiga	58
Figure 50. Liga Adelante · Pre-tax Earnings	58
Figure 51. Liga BBVA Netted · EBITDA LaLiga	59
Figure 52. Liga BBVA Netted · Pre-tax Earnings	59
Figure 53. LaLiga Netted · EBITDA LaLiga	60
Figure 54. LaLiga Netted · Pre-tax Earnings	60
Figure 55. LaLiga · Net Equity	64
Figure 56. LaLiga Netted · Net Equity	65
Figure 57. LaLiga · Evolution of debt vs INCN	71
Figure 58. LaLiga · Evolution of debt vs Adjusted EBT	71
Figure 59. LaLiga Netted · Evolution of debt vs INCN	72
Figure 60. LaLiga Netted · Evolution of debt vs Adjusted EBT	73
Figure 61. Debt owed to the AEAT and the Regional Treasuries	76
Figure 62. LaLiga · Stadium Attendance	80

Index of tables

Table 1. Turnover · Liga BBVA, Liga Adelante and LaLiga	10
Table 2. Turnover · Liga BBVA Netted	12
Table 3. Turnover · LaLiga Netted	13
Table 4. INCN · LaLiga	17
Table 5. INCN · Liga BBVA	19
Table 6. INCN · Liga Adelante	20
Table 7. INCN · Liga BBVA Netted	22
Table 8. INCN · LaLiga Netted	23
Table 9. Turnover · LaLiga	29
Table 10. Turnover · Liga BBVA	29
Table 11. Turnover · Liga Adelante	30
Table 12. Turnover · Liga BBVA Netted	31
Table 13. Turnover · LaLiga Netted	32
Table 14. Evolution of costs · LaLiga	40
Table 15. Evolution of costs · Liga BBVA	43
Table 16. Evolution of costs · Liga Adelante	44
Table 17. Evolution of costs · Liga BBVA Netted	46
Table 18. Evolution of costs · LaLiga Netted	47
Table 19. Evolution of the cost of personnel · LaLiga	50
Table 20. Evolution of the cost of personnel · Liga BBVA	51
Table 21. Evolution of the cost of personnel · Liga Adelante	51
Table 22. Evolution of the cost of personnel · Liga BBVA Netted	52
Table 23. Evolution of the cost of personnel · LaLiga Netted	52
Table 24. Net debt development · LaLiga	68
Table 25. Distribution of clubs by quantity of net debt · LaLiga	68
Table 26. Net debt development · LaLiga Netted	69
Table 27. Distribution of clubs by quantity of net debt · LaLiga Netted	69
Table 28. Evolution ratios Debt/INCN and Debt/Adjusted PBT · LaLiga	70
Table 29. Evolution ratios Debt/INCN and Debt/Adjusted PBT · LaLiga Netted	72
Table 30. Details of annual tax payments	77







LaLiga

C/ Hernández de Tejada, 10

28027 Madrid

Tel.: +34 91 205 50 00

Fax: +34 91 408 08 28

info@laliga.es

www.laliga.es