

**BrandFinance® Football 50:  
No trophies but Man United is still the Brand Champion**

- **Manchester United** remains the world's most valuable football brand with a brand value of **US \$853 million** after solid performances on the pitch and great numbers on the income statement.
- Champion's League triumph secures another season in Europe for **Chelsea** but despite two trophies the club stays 5<sup>th</sup> due to a poor Premier League performance.
- **Man City** is steadily climbing up the rankings, placed **8<sup>th</sup>** this year, but despite nearly \$1.5bn of investment and a title win, it cannot yet challenge United's accumulated brand equity.
- Despite disappointment in the Champion's League final, **Bayern Munich** enjoys this year's **strongest growth**, with a **\$293m** increase in brand value that sees it take **2<sup>nd</sup>** place from Real Madrid.
- The two Spanish giants, **Barcelona** and **Real Madrid**, have been afflicted by the state of their domestic economy, with unemployment hitting gate receipts and other revenue streams.
- A weak domestic economy has hit Italian clubs too, with all but **Napoli** falling this year.

**Man United** has put in a solid premier league performance this season, narrowly missing out on its 20<sup>th</sup> title after a nail-biting end to the season. Income from TV rights, gate receipts and merchandise remains strong, providing broad revenue base that spreads risk better than most clubs. Man United has huge and long-standing international appeal and is perhaps the most recognised football club brand worldwide, with vast accumulated brand equity. However after a season without any silverware, it cannot afford to rest on its laurels.

Shrewd commercial management and commanding Champion's League performances by Bayern Munich could see United unseated from the top spot of the **BrandFinance® Football 50** in the near future. Meanwhile the huge investment in local



rivals, **Manchester City**, has finally yielded a Premier League victory. With Sir Alex Ferguson reaching the end of his career and the Glazers still paying off debts, the club may struggle to maintain the squad it needs to stay at the top. The huge investment by Sheikh Mansour of Abu Dhabi, estimated at \$1.5bn, is beginning to pay off for City. The club has matched United on the field and though still in its shadow in terms of Brand value, it is catching up rapidly. At \$302m, the Man City brand is worth nearly double what it was in 2011.

There's some consolation for **Bayern Munich** who is this year's big winner in terms of brand value, overtaking Barcelona and Real Madrid a value just short of **US \$ 800 million**, despite losing out to **Chelsea**. The success in Germany and presence in the final of the **Champions League** has been bolstered by financial nous. In contrast to Manchester United's international appeal, Bayern has focussed on its domestic market. This strategy has evidently paid off, as Bayern has the highest commercial revenues of any club at **\$254m**. "However Bayern needs to start building its brand in emerging markets or they will be left behind by relying too heavily on their domestic fan base," commented **Dave Chattaway, Head of Sports Brands**.

**Italian** and **Spanish** clubs fared badly this year, affected by the economic turmoil in their home markets. **Real Madrid** and **Barcelona** suffered falls in brand value, with Barcelona's dropping from **\$629m** last year to **\$580m** in 2012. Attendances are down due to high unemployment and uncertainty. Clubs in both countries must continue to look abroad for a steady stream of commercial and broadcasting revenues, capitalising on strong brands.

**David Haigh, CEO of Brand Finance**, commenting on the table stated, "This year's study shows that even football isn't immune to the Euro Crisis, with Spanish and Italian teams being hit hardest. The two top teams operate different marketing strategies, Bayern prioritising its domestic fan base whilst United concentrates on global opportunities."

## The Brand Finance® Football 50 2012

Rank 2012	Rank 2011	Club	League	Brand Value 2012 US\$ M	Brand Rating 2012	% Change in Brand Value
1	1	Manchester United FC	Barclays Premier League	853	AAA+	29%
2	4	FC Bayern München	Fußball-Bundesliga	786	AAA	59%
3	2	Real Madrid CF	BBVA Liga	600	AAA+	-7%
4	3	FC Barcelona	BBVA Liga	580	AAA+	-8%
5	5	Chelsea FC	Barclays Premier League	398	AA-	27%
6	6	Arsenal FC	Barclays Premier League	388	AA-	29%
7	9	Liverpool FC	Barclays Premier League	367	AA-	47%
8	11	Manchester City FC	Barclays Premier League	302	BBB+	77%
9	7	AC Milan	Serie A TIM	292	AA+	7%
10	12	FC Schalke 04	Fußball-Bundesliga	266	BBB+	97%
11	15	Borussia Dortmund	Fußball-Bundesliga	227	A	81%
12	14	Tottenham Hotspur FC	Barclays Premier League	225	BBB	77%
13	8	FC Internazionale Milano	Serie A TIM	215	AA+	-18%
14	23	AFC Ajax	Eredivisie	184	A+	150%
15	17	Olympique de Marseille	Ligue 1 Orange	168	A+	41%
16	10	Juventus FC	Serie A TIM	160	BBB+	-13%
17	13	Hamburger SV	Fußball-Bundesliga	153	BBB	14%
18	16	Olympique Lyonnais	Ligue 1 Orange	120	BBB	-1%
19	25	Aston Villa FC	Barclays Premier League	87	BBB-	27%
20	NEW	Newcastle United FC	Barclays Premier League	86	BB	115%
21	18	AS Roma	Serie A TIM	85	BBB-	-16%
22	24	SSC Napoli	Serie A TIM	85	BBB-	22%
23	27	Everton FC	Barclays Premier League	79	BB+	28%
24	NEW	SC Corinthians Paulista	Campeonato Brasileiro de Clubes	77	AAA	NEW
25	22	FC Girondins de Bordeaux	Ligue 1 Orange	76	BB+	-2%
26	NEW	PSV Eindhoven	Eredivisie	74	BBB+	62%
27	NEW	FC Basel 1893	Axpo Super League	72	BBB	NEW
28	20	VfB Stuttgart	Fußball-Bundesliga	71	BB	-13%
29	NEW	West Ham United FC	Npower Championship	70	BB-	NEW
30	26	SV Werder Bremen	Fußball-Bundesliga	68	BB	0%
31	21	Valencia CF	BBVA Liga	68	BBB	-16%
32	NEW	VfL Wolfsburg	Fußball-Bundesliga	66	BB-	NEW
33	NEW	Sunderland AFC	Barclays Premier League	66	BB	NEW
34	NEW	Fulham FC	Barclays Premier League	65	BB-	19%
35	NEW	Guangzhou Evergrande FC	Wanda Plaza Chinese Football	65	AA	NEW
36	NEW	Bayer 04 Leverkusen	Fußball-Bundesliga	64	BB+	NEW
37	NEW	Celtic FC	Clydesdale Bank Premier League	64	BBB+	30%
38	NEW	Paris Saint-Germain FC	Ligue 1 Orange	64	BB	NEW
39	NEW	São Paulo FC	Campeonato Brasileiro de Clubes	58	AAA	NEW
40	NEW	Seattle Sounders FC	Major League Soccer	58	AA-	NEW
41	NEW	FC Zenit St Petersburg	SOGAZ Russian Football	56	BBB-	NEW
42	NEW	Stoke City FC	Barclays Premier League	55	BB-	NEW
43	NEW	Hertha BSC Berlin	Fußball-Bundesliga	55	BB	NEW
44	NEW	SC Internacional	Campeonato Brasileiro de Clubes	51	AAA	NEW
45	19	Club Atlético de Madrid	BBVA Liga	50	BBB	-43%
46	NEW	Sevilla FC	BBVA Liga	49	BBB-	NEW
47	NEW	CR Flamengo	Campeonato Brasileiro de Clubes	46	AAA	NEW
48	30	SS Lazio SpA	Serie A TIM	46	BB	-16%
49	29	ACF Fiorentina	Serie A TIM	46	BB-	-18%
50	NEW	Los Angeles Galaxy	Major League Soccer	46	AA-	NEW



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## Notes for Editors:

Brand Finance has used the 'royalty relief' approach to perform the brand valuation. This is an intuitively simple approach that assumes a company does not own its own brand and calculates how much it would need to pay to license it from a third party.

The present value of that stream of (hypothetical) royalty payments represents the value of the brand. We have scored each club's brand strength through a range of metrics to calculate the royalty each individual club could expect to command. We used the 'royalty relief' methodology for two reasons.

Firstly, it is the valuation methodology that is favoured by accounting and tax authorities and the courts because it calculates brand values by reference to documented, third-party transactions. Secondly, it can be performed on the basis of publicly available financial information. We have used a number of data inputs to complete this project.

### **Brand Value (BV):**

The value of the clubs "Trademarks and associated intellectual Property."

### **Brand Ratings:**

These are calculated using Brand Finance's BrandBeta® analysis, which benchmarks a brand relative to its competitors on a scale ranging from AAA to D. It is conceptually similar to a credit rating.

Sector specific metrics are used to score the brand strength including brand awareness, revenue allocation, club heritage, Domestic / European honours, UEFA ranking, and stadium utilisation among others.

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## About Brand Finance

Brand Finance plc, the world's leading brand valuation consultancy, advises strongly branded organisations on maximising their brand value through effective management of their brands and intangible assets. Founded in 1996, Brand Finance has performed thousands of branded business, brand and intangible asset valuations worth trillions of dollars.

Its clients include international brand owners, tax authorities, Intellectual Property lawyers and investment banks. Its work is frequently peer-reviewed by the big four audit practices and its reports have been accepted by various regulatory bodies, including the UK Takeover Panel.

Brand Finance is headquartered in London and has a network of international offices in Cape Town, Amsterdam, Athens, Bangalore, Barcelona, Colombo, Dubai, Geneva, Helsinki, Hong Kong, Istanbul, Lisbon, Madrid, Moscow, New York, Paris, Sao Paulo, Sydney, Singapore, Toronto and Zagreb.