



Bulletin

- Water
- Energy
- Environment
- Retailing
- Transport
- Financial services
- Healthcare
- Telecoms
- **Media**
- Post
- Competition policy
- Policy analysis and design
- Regulation
- Strategy
- Contract design and evaluation
- Dispute support services
- Market design and auctions

JUNE 2012

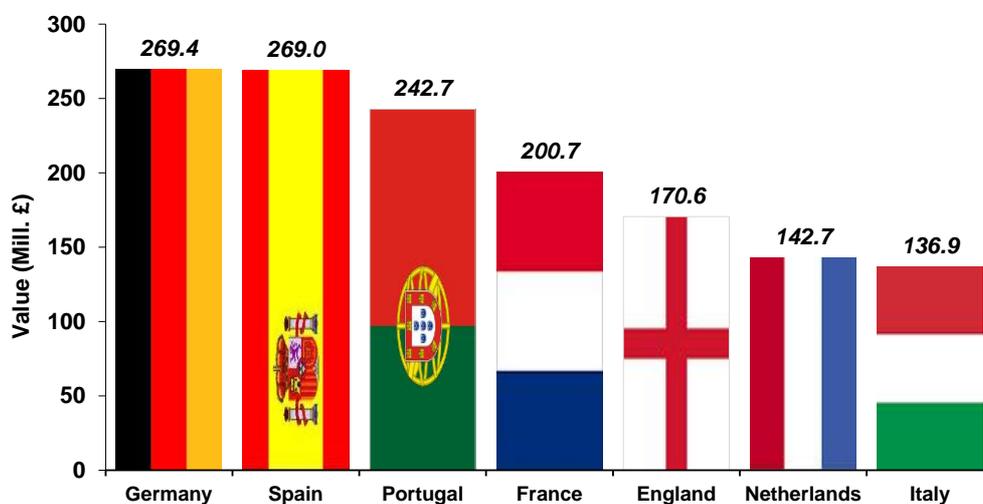
Top of the league

GERMANY OVERTAKES SPAIN AS EUROPE'S MOST VALUABLE NATIONAL FOOTBALL TEAM

In the run-up to UEFA's European Championship in Poland and Ukraine which kicks off on the 8th June, Frontier has updated its valuations of the top teams taking part. Our previous estimates for World Cup 2010 in South Africa valued eventual winners Spain as the most valuable team at £258 million. For this analysis, we focus on the seven teams that, according to the betting odds, are most likely to lift the trophy. Our analysis indicates that Germany now has the continent's most valuable team, although Spain follows closely behind.

We use statistical techniques and data on past transfers to estimate the value of the players that are expected to make the starting line-up for each team. By adding the players' valuations together, we estimate the value of each national team.



Figure 1. Value of the expected line-up of National Football Teams (£ million)

Source: Frontier Economics

Germany's expected line-up to start the competition just beats Spain to be our highest valued team, with an estimated value of £269.4 million (€334.1 million). This figure is double the estimated value of Germany's team in the 2010 World Cup. This is largely driven by two valuable young players, Thomas Müller (£37 million) and Tim Kroos (£32 million), breaking into the starting XI. Germany's most valuable players are Mario Gómez (£44 million) and Mesut Özil (£38 million) – whose valuation has increased since 2010 following successful seasons with Real Madrid.

The current World and defending European champions Spain follow closely behind Germany in our rankings, with an estimated value of £269.0 million (€333.6 million). This value is £11 million higher than our World Cup estimate. Barcelona teammates Andrés Iniesta (£44 million) and Xavi Hernández (£39 million) are Spain's most valuable players.

Portugal, seventh favourite according to the betting odds, takes third spot in the rankings with a starting line-up valued at £242.7 million (€301 million), nearly 50% higher than our estimate for the 2010 World Cup. Half of the entire team's valuation is represented by Cristiano Ronaldo (£133 million), who has notably increased in value since the World Cup. This is explained by his impressive record of 63 goals scored in all competitions last season, and the trophies that followed, as well as individual honours. According to our results, Ronaldo is the highest valued player scheduled to compete in this summer's tournament.

France comes fourth in our ranking with an estimated value of £200.7 million (€248.9 million), £50 million higher than in 2010. This is in part driven by the

inclusion of Karim Benzema (£45 million) in the French squad after he missed out on the World Cup two years ago. He is France's most valuable player snatching first position from Frank Ribéry (£35 million) who is now second.

England's most likely starting XI for the European Championship is valued fifth highest in our ranking, with an estimated value of £170.6 million (€211.5 million) – a drop of over £90 million compared with the team that competed in the World Cup two years ago. This is mainly due to the suspension of star man Wayne Rooney (£55 million) for the opening two games of the tournament, which means he has not been included in our starting line-up. Without Rooney, England's most valued player is Ashley Young, with a much lower estimated value of £20 million.

Finally, The Netherlands and Italy take the sixth and seventh positions respectively. The Dutch national team – ranked as third favourite to lift the trophy – has an estimated value of £142.7 million (€176.9 million), remaining relatively unchanged since the World Cup. Their most valuable players are forwards Robin Van Persie (£38 million) and Arjen Robben (£30 million). We estimate Italy's value at £136.9 million (€169.7 million), a figure slightly above that at the World Cup. The player that receives the highest valuation is Mario Balotelli, with an estimated value of £28 million.

Of course, as all football fans know, it is not just the quality and value of the players that matters, but how they play together. Just as with any team, in sport or business, it is the added value that comes from an experienced manager, good team morale and a desire to win that may give some a competitive advantage over others.

CONTACT	Jorge Esteban León Jorge.Esteban-Leon@frontier-economics.com
	Frontier Economics Ltd
	FRONTIER ECONOMICS EUROPE BRUSSELS COLOGNE LONDON MADRID
	www.frontier-economics.com