



Real Madrid

2012/2013

Annual Report

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Letter from the President

Florentino Pérez



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Nicolás Martín-Sanz García

Dear Members,

All of you are part of the most prestigious sporting institution in the world. You are undoubtedly the people that are principally responsible for our legendary club and the guardians of the principles that have made it such a universal team. Thank you again for your trust in granting me the enormous responsibility of leading Real Madrid.

I face this new era, together with the other Members of the Board, with the conviction that we have strengthened our club more than ever before, in difficult times and with the desire for all Real Madrid Fans to remain united in the quest for victory.

At Real Madrid, we all know that our permanent desire to win is part of our lives. As children, we learn that nothing is impossible and we work every day with the same intensity and belief.

We want our club to be strong in all areas, so it can compete with the best and preserve the essence of the institution of Real Madrid.

Our strategy is therefore to continue building a powerful team, capable of winning everything it aims for and therefore fulfil your expectations. It is based on a model that has enabled us to become leaders in the world of football, a model we learned from our forbearers, which combines the desire to win with respect, hard work, creativity, talent, honesty, solvency and our ever-present values.

In times of global crisis, our institution has been able to further strengthen its financial position, one of the key factors that will enable us to continue being leaders in our field. Financial independence and the unity of our members has been the basis of our institutional stability, which is essential to continue growing the legend of Real Madrid.

A modernized and spectacular Santiago Bernabéu stadium and the completion the amazing Real Madrid City will also be our major challenges in coming years, in addition of course to our constant efforts for more sports titles.

We want you to always be proud of Real Madrid's accomplishments, because you are its heart and soul.

111 years of history of the Best Club in the 20th Century represent a vast and challenging responsibility for all of us. 111 years of a legend that leads the way. We will always be loyal to our history, who we are and our place in this world.

Thank you for your loyalty and commitment.

A handwritten signature in dark ink, which appears to read 'Florentino Pérez'.

FOOTBALL

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First Team

2012 / 2013



Real Madrid C. F.
Annual Report 2012 / 2013
Football

Coaches



José Mourinho
Coach



Aitor Karanka
Second coach



Rui Faria
Assistant coach



Luis Campos
Assistant coach



Silvino Louro
Goalkeeper coach



José Morais
Assistant coach



**Miguel Porlan
'Chendo'**
Delegate

Goalkeepers



Iker Casillas



Antonio Adán



Diego López



Jesús Fernández

Defenders



Raphaël Varane



Sergio Ramos



Ricardo Carvalho



Álvaro Arbeloa



**Képler Laveran
'Pepe'**



Fábio Coentrão



Marcelo Vieira



Raúl Albiol



Nacho Fernández

Midfielders



Sami Khedira



Ricardo Kaká



Xabi Alonso



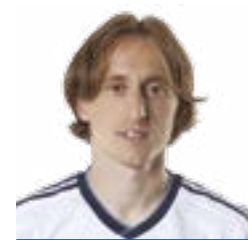
Michael Essien



José Callejón



Mesut Özil

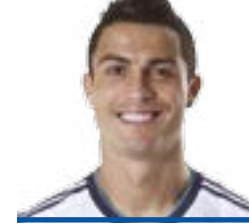


Luka Modrić

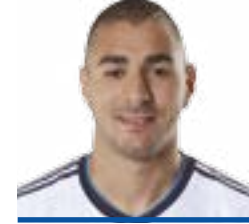


Ángel di María

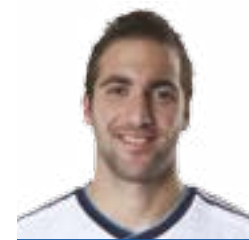
Forwards



Cristiano Ronaldo



Karim Benzema



Gonzalo Higuaín



Álvaro Morata

2012 / 2013 Season

REAL MADRID, SPANISH SUPERCOPA CHAMPION

After its victory in the League of Records in 2011/12, the whites earned the right to compete for the Spanish Supercopa. In the home and away matches against Barcelona, Real Madrid fans finally gained their ninth Supercopa, after winning 2-1 in the return match at the Santiago Bernabéu. In the Champions League, Real Madrid reached the semi-finals for the third consecutive year, after excellent performances, eliminating teams such as Manchester United, only to be one goal away from the final. In the League Championship, Real Madrid was runner-up; in the Copa del Rey, after eliminating Valencia and Barcelona, the title slipped away in extra time.





MAGNIFICENT IN THE FIRST HALF, REAL MADRID TURNED THE AWAY RESULT AROUND AT THE SANTIAGO BERNABEU, BY DEFEATING BARCELONA 2-1 TO WIN THE SPANISH SUPERCOPA

Real Madrid began the 2012-2013 season with the same group of players that had won the League of Records the previous year. Modrić and Essien were the only reinforcements in a squad that also included Academy players Morata, Jesús Fernández and Nacho.

As current First Division Champions, Real Madrid played for the Spanish *Supercopa* against the winner of the Copa del Rey, Barcelona. The two teams met in an exciting final in which Real Madrid was to be victorious. In the away match, the team led by José Mourinho travelled to Camp Nou and, after a goal-less first half, Cristiano Ronaldo put the first on the board with a great header. Barce-

lona equalized, but close to the end, Di María made it 3-2 that left everything up to the return match at the Santiago Bernabéu.

The Santiago Bernabéu coliseum turned on a gala event to welcome the Barcelona and Real Madrid showed its class and desire to win in front of its loyal fans. In a first half completely dominated by Real Madrid, Higuaín and Cristiano Ronaldo scored to turn the tide and come out 2-1 winners. The Ninth *Supercopa* stood in the Real Madrid trophy room, after a memorable debut by Modrić.

In the Champions League, the Whites drew Group D, called the 'group of death', together with three other



**THE REAL MADRID
TEAM, WINNERS
OF THE SPANISH
SUPERCOPA**



IN THE COPA DEL REY, THE WHITES REACHED THE FINAL AFTER ELIMINATING ALCOYANO, CELTA, VALENCIA AND BARCELONA, WHICH IT DEFEATED 1-3 AT CAMP NOU.

champions of their respective leagues: Borussia Dortmund, Manchester City and Ajax. After three wins, two draws and one defeat, Real Madrid went through as second in its group. In the last eight, the Whites were to take part in the best finals of the round against Manchester United. In the first

match at the Santiago Bernabéu, an amazing header by Cristiano Ronaldo made it 1-1 and it was all up to the game at Old Trafford to go through to the next round. Real Madrid did not disappoint its fans. The players took on the *Dream Theatre* to equalise the home team's first goal and go one ahead with goals by Modrić and Cristiano. Galatasaray was the next to fall in the quarter finals, but in the semi-finals, it was to be Borussia Dortmund that stood in the way of Real Madrid's quest to reach the final, despite its



excellent performance at home at the Santiago Bernabéu (2-0), only one goal away from its objective.

The Copa del Rey began in Alcoy in a last sixteen match in which Real Madrid was clearly superior. Academy player José Rodríguez made his debut in the away match (1-4) and even scored. He would later play in the League and Champions League. The last eight was decided at the Bernabéu (4-0) after a hard fought defeat away at Balaídos by Celta de Vigo (2-1) and

Valencia was easily beaten as Real Madrid joined the other three best in the competition. Waiting in the semi-finals was Barcelona and the Whites gave a true lesson in overcoming adversity by winning the return match at Camp Nou 1-3, after the 1-1 home result. Cristiano was again the star, scoring two of the goals. Young Varane also shone with a fine performance in defence. The French central defender also helped his team to reach the final with two headers into the back of the net. Real Madrid took





REAL MADRID IS THE FIRST TEAM IN HISTORY TO REACH 5,500 GOALS, 4,000 POINTS AND 1,000 LEAGUE VICTORIES AT HOME.

the lead in the final against Atlético de Madrid with an excellent goal by Ronaldo, however Diego Costa equalised. Despite having dominated the game and creating the best chances, including three shots that hit the post, Real Madrid was unable to win back-to-back titles and lost in extra time.

In the League, Real Madrid was runner-up, finishing as the team with the most victories at home of any team in the top five European

league competitions and the first team in the history of the competition to reach 5,500 goals, 4,000 points and 1,000 home wins. In the second half of the season, Real Madrid played 16 consecutive games without defeat, 13 wins and three draws, to finish with 103 goals in the competition. Castilla players Casemiro, Fabinho and Omar, as well as Real Madrid C player Llorente, made their debut with the first team.



**IN THE CHAMPIONS
LEAGUE, REAL
MADRID ELIMINATED
MANCHESTER
UNITED IN THE
LAST EIGHT, WITH
A 1-2 VICTORY AT
OLD TRAFFORD
THEN DEFEATING
GALATASARAY IN
THE QUARTER FINALS**

Statistics

BBVA League

ROUND	DATE	MATCH	RESULT	SCORERS
1	19/08/2012	Real Madrid -Valencia	1-1	Higuaín
2	26/08/2012	Getafe - Real Madrid	2-1	Higuaín
3	02/09/2012	Real Madrid - Granada	3-0	Ronaldo (2) and Higuaín
4	15/09/2012	Sevilla - Real Madrid	1-0	
5	24/09/2012	Rayo Vallecano - Real Madrid	0-2	Benzema and Ronaldo
6	30/09/2012	Real Madrid - Deportivo de La Coruña	5-1	Ronaldo (3), Di María and Pepe
7	07/10/2012	Barcelona - Real Madrid	2-2	Ronaldo (2)
8	20/10/2012	Real Madrid - Celta de Vigo	2-0	Higuaín and Ronaldo
9	28/10/2012	Mallorca - Real Madrid	0-5	Higuaín (2), Ronaldo (2) and Callejón
10	03/11/2012	Real Madrid -Zaragoza	4-0	Higuaín, Di María, Essien and Modric
11	11/11/2012	Levante - Real Madrid	1-2	Ronaldo and Morata
12	17/11/2012	Real Madrid - Athletic Club	5-1	Ramos, Benzema, Özil, Khedira and Aurtenetxe (p.p.)
13	24/11/2012	Betis - Real Madrid	1-0	
14	01/12/2012	Real Madrid - Atlético de Madrid	2-0	Ronaldo and Özil
15	08/12/2012	Valladolid - Real Madrid	2-3	Benzema and Özil (2)
16	16/12/2012	Real Madrid - Espanyol	2-2	Ronaldo and Coentrão
17	22/12/2012	Málaga - Real Madrid	3-2	Benzema and Sergio Sánchez (p.p.)
18	06/01/2013	Real Madrid - Real Sociedad	4-3	Benzema, Khedira and Ronaldo (2)
19	12/01/2013	Osasuna - Real Madrid	0-0	
20	20/01/2013	Valencia - Real Madrid	0-5	Higuaín, Di María (2) and Ronaldo (2)
21	27/01/2013	Real Madrid - Getafe	4-0	Ramos and Ronaldo (3)
22	02/02/2013	Granada - Real Madrid	1-0	
23	09/02/2013	Real Madrid - Sevilla	4-1	Ronaldo (3) and Benzema
24	17/02/2013	Real Madrid - Rayo Vallecano	2-0	Morata and Ramos
25	23/02/2013	Deportivo de La Coruña - Real Madrid	1-2	Kaká and Higuaín
26	02/03/2013	Real Madrid -Barcelona	2-1	Benzema and Ramos
27	10/03/2013	Celta de Vigo - Real Madrid	1-2	Ronaldo (2)
28	16/03/2013	Real Madrid - Mallorca	5-2	Higuaín (2), Ronaldo, Modric and Benzema
29	30/03/2013	Zaragoza - Real Madrid	1-1	Ronaldo
30	06/04/2013	Real Madrid - Levante	5-1	Higuaín, Kaká, Ronaldo and Özil (2)
31	14/04/2013	Athletic Club - Real Madrid	0-3	Ronaldo (2) and Higuaín
32	20/04/2013	Real Madrid - Betis	3-1	Özil (2) and Benzema
33	27/04/2013	Atlético de Madrid - Real Madrid	1-2	Di María and Juanfran (p.p.)
34	04/05/2013	Real Madrid - Valladolid	4-3	Di María, Ronaldo (2) and Kaká
35	11/05/2013	Espanyol - Real Madrid	1-1	Higuaín
36	08/05/2013	Real Madrid - Málaga	6-2	Albiol, Ronaldo, Özil, Benzema, Modric and Di María
37	26/05/2013	Real Sociedad - Real Madrid	3-3	Higuaín, Callejón and Khedira
38	01/06/2013	Real Madrid - Osasuna	4-2	Higuaín, Essien, Benzema and Callejón

GOALSCORERS Ronaldo 34 / Higuaín 16 / Benzema 11 / Özil 9 / Di María 7 / Sergio Ramos 4
Callejón, Khedira, Kaká and Modric 3 / Essien and Morata 2 / Albiol, Pepe and Coentrão 1





UEFA Champions League

ROUND	DATE	MATCH	RESULT	SCORERS
Group Phase	18/09/2012	Real Madrid - Manchester Citand	3-2	Marcelo, Benzema and Ronaldo
Group Phase	03/10/2012	Ajax - Real Madrid	1-4	Ronaldo (3) and Benzema
Group Phase	24/10/2012	Borussia Dortmund - Real Madrid	2-1	Ronaldo
Group Phase	06/11/2012	Real Madrid - Borussia Dortmund	2-2	Pepe and Özil
Group Phase	21/11/2012	Manchester Citand - Real Madrid	1-1	Benzema
Group Phase	04/12/2012	Real Madrid - Ajax	4-1	Ronaldo, Callejón (2) and Kaká
Final eight	13/02/2013	Real Madrid - Manchester United	1-1	Ronaldo
Final eight	05/03/2013	Manchester United - Real Madrid	1-2	Modric and Ronaldo
Quarter Finals	03/04/2013	Real Madrid - Galatasaray	3-0	Ronaldo, Benzema and Higuaín
Quarter Finals	09/04/2013	Galatasaray - Real Madrid	3-2	Ronaldo (2)
Semifinals	24/04/2013	Borussia Dortmund - Real Madrid	4-1	Ronaldo
Semifinals	30/04/2013	Real Madrid - Borussia Dortmund	2-0	Benzema and Sergio Ramos

GOALSCORERS Ronaldo 12 / Benzema 5 / Callejón 2 / Özil, Higuaín, Modric, Marcelo, Pepe, Sergio Ramos and Kaká 1

Copa del Rey

ROUND	DATE	MATCH	RESULT	SCORERS
Final sixteen	31/10/2012	Alcoyano - Real Madrid	1-4	Benzema (2), Kaká and José Rodríguez
Final sixteen	27/11/2012	Real Madrid - Alcoyano	3-0	Di María and Callejón (2)
Final eight	12/12/2012	Celta de Vigo - Real Madrid	2-1	Ronaldo
Final eight	09/01/2013	Real Madrid - Celta de Vigo	4-0	Ronaldo (3) and Khedira
Quarter Finals	15/01/2013	Real Madrid - Valencia	2-0	Benzema and Guardado (p.p.)
Quarter Finals	23/01/2013	Valencia - Real Madrid	1-1	Benzema
Semifinal	30/01/2013	Real Madrid - Barcelona	1-1	Varane
Semifinal	26/02/2013	Barcelona - Real Madrid	1-3	Ronaldo (2) and Varane
Final	17/05/2013	Real Madrid - Atlético de Madrid	1-2	Ronaldo

GOALSCORERS Ronaldo 6 / Benzema 5 / Callejón and Varane 2 / Khedira, Di María, Kaká and José Rodríguez 1

Santiago Bernabéu Trophy

EDITION	DATE	MATCH	RESULT	SCORERS
XXXIV	26/09/2012	Real Madrid - Millonarios	8-0	Kaká (3), Callejón (2), Morata (2) and Benzema

Pre-season games and friendlies

DATE	MATCH	STADIUM	RESULT	SCORERS
24/07/2012	Oviedo - Real Madrid	Nuevo Carlos Tartiere	1-5	Lucas, Cherandshev, Granero and Di María (2)
27/07/2012	Benfica - Real Madrid	Da Luz	5-2	Callejón (2)
03/08/2012	L. A. Galaxy - Real Madrid	Home Depot Center	1-5	Higuaín, Di María, Callejón, Morata and Jesé
06/08/2012	Real Madrid - Santos Laguna	Sam Boyd Stadium	2-1	Xabi Alonso and Khedira
09/08/2012	Real Madrid - Milan	Yankee Stadium	5-1	Di María, Ronaldo (2), Sergio Ramos and Callejón
11/08/2012	Real Madrid - Celtic de Glasgow	Lincoln Financial Field	2-0	Callejón and Benzema

The Academy

2012 / 2013

AN EXCELLENT YEAR FOR THE REAL MADRID AFFILIATE

Real Madrid Castilla finished in eighth position, the best affiliate team in Spain; Real Madrid C, fifth, achieved the best result in its history in the Second Division B. The Under-18 A team won the King's Cup for the first time in 20 years. The three Under-18 teams, Under-16 B, Under-14 A, the two Under-12 teams, Under-10 and the Junior Under-10 teams all won their respective competitions. Real Madrid was the club that contributed the highest number of players to the three national youth teams.





Real Madrid Castilla was the best Affiliate team in Spain, after Finishing eighth in the Second Division.

The best affiliate team in Spain was Real Madrid Castilla, which finished eighth in the Second Division. The team, coached by Alberto

CASTILLA BROKE ITS HISTORIC RECORD NUMBER OF 80 GOALS IN THE SECOND DIVISIONAL, 22 OF WHICH WERE SCORED BY JESÉ, BEATING THE RECORD OF 21 SET BY BUTRAGUEÑO IN THE 83/84 SEASON

Toril, returned to the Spanish Second Division, scoring 80 goals and breaking its record number of 69 scored by the legendary team that won the Second Division in

1983/84. Forward Jesé was the highest goal scorer in the history of Castilla in the Second Division. The Canary Islands' player scored 22 goals, breaking the record of 21 held by Emilio Butragueno in 1983/84.

Real Madrid C finished the season in fifth position, its best ever result in the Second Division B. The team, led by José Manuel Díaz adapted well to its promotion in a competition in which it had not played since 1996-1997. The Under-18 A team again wrote its name in the King's Cup record books, after defeat-



Real Madrid C finished the season fifth, its best ever result, in the Second Division B.

ing Athletic 0-4. The victory was celebrated by Real Madrid fans for the first time in 20 years. Luis Miguel Ramis' team finished off a great season, also winning the title in Group 5 of the Division of Honour.

In addition to Under-18 A, the two other Under-18 teams, Under-16 B, Under 14 A, the two Under-12 teams, Under-10 and the Junior Under-10 teams were all champions of their respective competitions.

Further proof of the extraordinary performances by our Academy last season

is that Real Madrid was the club that contributed the highest number of players to the three national youth teams. Spain Under-21s, recently proclaimed European Champions, included Carvajal, Nacho and Morata (Highest Scorer in the Tournament, as he was in Under-19s European Cup); in the Under-20 team, Jesé, Derik, Llorente and Rubén Yáñez were chosen; and in the Under 19s, José Rodríguez, Herrero, Raúl de Tomás, Jaime Sánchez, Álvaro Medrán and Lucas Torró were from Real Madrid.



Academy Results



The Under-18 A team celebrates the first King's Cup in 20 years.

Real Madrid Castilla

8th position in the Adelante League
Best affiliate team in Spain

Real Madrid C

5th in Group I of Second Division B
Best result in history by RM C
In the Second Division B

Under-18 A

Group 5 Champions of Under-18
Division of Honour
Winner of the King's Cup
Winner of the Ourense Memorial Tournament

Under-18 B

National League Group 12 Champion

Under-18 C

Winner of Group 1 of Regional U-18 Division
Winner of La Espiga Tournament
Winner of the 2013 Puskas Suzuki Cup

Under-16 A

Runner-up in Group 1 of the Regional
U-16 Division
Winner of the Cabanillas Tournament
Winner of the Juan Antonio Pomares
Tournament in Lloret de Mar
Winner of the Malbo Tournament

Under-16 B

Group 1 Champion in the U-16
Preferente League
Winner of the Nike Cup (National Phase)
Winner of the Juanito Tournament
Winner of the Maltin Polar Tournament
in Venezuela

Under-14 A

Group 1 Champion of U-14 Division of Honour
Winner of Arnedo Tournament
Winner of Francisco de Goya Tournament

Under-14 B

Third place in Group 2 of U-14
Division of Honour
Winner of Focus Gol Tournament in Mallorca
Winner of Flavio Protti-Rimini Memorial
Tournament (Italy)
Winner of San José Tournament

Under-12 A

Group 1 Champion of U-12 Regional
First Division

Under-12 B

Group 2 Champion of U-12 Regional
First Division
Winner of the Canillas Tournament

Under-10 A

Group 28 Champion of Madrid U-10
Football Seven
Runner-up in Final Phase of Madrid
U-10 Championship
Winner of San Nicasio Tournament
Winner of 2012 Fair Play Cup in Elche
Winner of 2013 Trillo Cup
Winner of City of Xilxes Tournament
Winner of La Poveda Tournament

Under-10 B

Third place in Group 28 of Madrid U-10
Football Seven
Winner of the Torrijos Tournament
Winner of the Amancio Amaro Tournament

Junior Under-10

Group 21 Champion of Madrid U-10
Football Seven
Winner of in Final Phase of Madrid U-10
Championship
Winner of Torneo de Reyes Tournament
in Las Rozas
Winner of Estrella Tournament in Móstoles
Winner of Espartales Sur Tournament

2012 / 2013 Pre-season

REAL MADRID AND THE UNITED STATES: A GROWING PASSION

Real Madrid's pre-season again showed that it is a truly universal club. The United States, host of the fourth consecutive visit by Real Madrid and for the fourteenth time in its history, again paid homage to a team that continues to increase its legions of loyal fans in this part of the world. A simple glance at the enormous number of fans waiting for the Real Madrid players before and after every training session was evidence of how much Soccer has developed. For the second consecutive year, Real Madrid won the World Football Challenge, after victories in all its four games. The fans warmly received the team at each and every training session and match.



Varane, during a training session at the UCLA Campus facilities (Los Angeles, United States).



Real Madrid's 2012-13 season began on 16 July at Sports City in Valdebebas, where the players worked intensely for a week, without the European Championship players or Marcelo, called to Brazil for the Olympic Games, before taking on the pre-season friendlies. The first match was against Oviedo at the Carlos Tarteri Stadium, where the Whites won 1-5.

Lisbon was the next venue in the team's pre-season preparation. The Whites took on Benfica at the Da Luz Stadium in the *Eusebio Cup*. The local team won 5-2.

The United States was the next pre-season stage, for the third consecutive year held at the UCLA Campus facilities. The first game was played at the Home Depot Center against Los Angeles Galaxy and Real Madrid dominated, easily winning 1-5.



Three days later Real Madrid visited Las Vegas for the first time to play Santos Laguna at the Sam Boyd Stadium. The Whites defeated the Mexican Team 1-2.

The third match was against Milan at the Yankee Stadium in New York. Real Madrid beat the second most successful club in Europe 5-1.

The last friendly was played on 11 August against Glasgow Celtic. The whites won 2-0 and finished off a perfect pre-season. The scenario was the Lincoln Financial Field in Philadelphia.

Stars in an NFL pre-season match

The Real Madrid players also had time to enjoy other sports. In Los Angeles, after a training session on the

pitch at UCLA's North Athletic Field, they took part in a baseball training session, some even trying their hand at batting and with the glove. A few days later, in Philadelphia, it was American Football. Cristiano Ronaldo and Sergio Ramos, amongst others, put into practice the advice received from professional players. But the main course came the following day, when Real Madrid

was invited to a pre-season game between the Philadelphia Eagles and the Pittsburgh Steelers, both teams competing in the NFL. The players watched the match live at the Lincoln Financial Field and during the half-time break, Arbeloa, Xabi Alonso and Sergio Ramos, amongst others, kicked balls into the crowd.



BASKETBALL

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First Team

2012 / 2013

Coaches



Pablo Laso
Coach



Hugo López
Assistant Coach



José Ramón Cuspinera
Assistant Coach



Juan Jesús Trapero
Physical Trainer

Players



Sergio Rodríguez
Point Guard



Dontaye Draper
Point Guard



Sergio Llull
Shooting Guard



Jaycee Carroll
Forward



Martynas Pocius
Forward



Rudy Fernández
Small Forward



Carlos Suárez
Small Forward



Nikola Mirotic
Power Forward



Felipe Reyes
Power Forward



Rafael Hettlsheim
Centre



Guillermo Hernangómez
Centre



Marcus Slaughter
Centre



Mirza Begic
Centre

2012 / 2013
Season

REAL MADRID BASKETBALL TEAM ENDESA LEAGUE CHAMPION

Real Madrid returned as the leader of Spanish Basketball by winning the Endesa League for the 31st time in its history in fast, attacking and spectacular style. The League title, together with the Spanish Supercopa and being runners-up in the European Championship, with an excellent performance, culminated in one of the best Real Madrid seasons in recent years, thrilling its fans and lovers of basketball.







After a 2011/12 season that brought the Copa del Rey to the Real Madrid trophy room, Real Madrid reinforced its team in the best way possible with Rudy Fernández and Dontaye Draper to complete an extraordinary line-up outside the ring, with Marcus Slaughter and Rafael Hettlsheimer joining to reinforce the inside. In addition, small forward Tremell Darden signed with Real Madrid in the month of March to replace the injured Martynas Pocius.

Winners of the Supercopa

Real Madrid began the 2012/13 season by brilliantly achieving the first title at stake: the Endesa Supercopa in Zaragoza, defeating the host CAI Zaragoza 64-72. In the final, Rudy was chosen as MVP and Real Madrid demolished F. C. Barcelona Regal 84-95, winning the trophy for the second time. In the Copa del Rey, Real Madrid reached the quarter finals.



League Champions

In the Endesa League, Real Madrid had a spectacular start to the season, with 14 consecutive wins, to finish on top after the home and away games.

Pablo Laso was named best coach and Nikola Mirotic MVP. Sergio Rodríguez was also included in the 2012/13 ideal five as the best point guard, Rudy Fernández as best small forward and Nikola Mirotic as the best power forward.

In the quarter finals of the play-offs, the team came up against Blusens Monbus, easily winning 2-0. In the semi-finals, Real Madrid defeated CAI Zaragoza. The Whites gave the Maños no chance at all and went into the final with a (3-0) record, playing fast and effective basketball.

In the final, Real Madrid's rival was to be F. C. Barcelona Regal.



The Endesa League title was to be decided in the fifth match, played on 19 June at the Community of Madrid Sports Palace.

With a stadium packed with 12,400 fans cheering their team on, Real Madrid left no room for doubt and put in an amazing performance.

With the final scoreboard showing 79-71, Real Madrid won its 31st League Title.

Felipe Reyes was named MVP in the final and Pablo Laso Coach of the Year.

Euroleague Runner-up after a great performance

Real Madrid qualified for the final of the Euroleague for the first time in 18 years.

In the quarter final playoffs, it was all tied with Maccabi Electra, who were no match for Real Madrid, in a resounding 3-0 result.



With this amazing victory, Real Madrid went through to the Final Four to be played in London, the most important competition in European Basketball. Awaiting in the semi-final was F. C. Barcelona Regal. After a hard fought match, Real Madrid finally came out on top, winning 67-74 and taking the club to its first Euroleague final since 1995.

Its rival was Olympiacos and despite the 100-88

final defeat, Real Madrid had again fought for the most important title in Europe, demonstrating to all that it had returned as one of the heavyweights in European Basketball.

Facts and Figures

Endesa League

ROUND	MATCH	RESULT
Regular Phase		
1	Real Madrid - Unicaja	79 - 64
2	Blancos de Rueda Valladolid - Real Madrid	75 - 100
3	Real Madrid - Mad-Croc Fuenlabrada	100 - 79
4	C.B. Canarias - Real Madrid	86 - 88
5	Real Madrid - Caja Laboral	83 - 81
6	UCAM Murcia C.B. - Real Madrid	64 - 79
7	Real Madrid - Gescrap Bizkaia Bilbao Basket	98 - 84
8	Assignia Manresa - Real Madrid	84 - 97
9	Cajasol - Real Madrid	63 - 71
10	Real Madrid - CAI Zaragoza	94 - 79
11	Asefa Estudiantes - Real Madrid	74 - 87
12	Blu:sens Monbus - Real Madrid	87 - 97
13	Real Madrid - Valencia Basket Club	87 - 84
14	Lagun Aro GBC - Real Madrid	71 - 85
15	F.C. Barcelona Regal - Real Madrid	96 - 89
16	Real Madrid - FIATC Joventut	88 - 77
17	Real Madrid - Herbalife Gran Canaria	90 - 54
18	Unicaja - Real Madrid	67 - 91
19	Real Madrid - Blancos de Rueda Valladolid	87 - 75
20	Uxue Bilbao Basket - Real Madrid	74 - 94
21	Real Madrid - Bàsquet Manresa	104 - 70
22	Mad-Croc Fuenlabrada - Real Madrid	65 - 88
23	Real Madrid - UCAM Murcia C.B.	86 - 69
24	Caja Laboral - Real Madrid	92 - 100
25	Real Madrid - C.B. Canarias	83 - 96
26	CAI Zaragoza - Real Madrid	75 - 84
27	Real Madrid - Cajasol	84 - 74
28	Valencia Basket Club - Real Madrid	88 - 79
29	Real Madrid - Blu:sens Monbus	61 - 64
30	Herbalife Gran Canaria - Real Madrid	74 - 76
31	Real Madrid - F.C. Barcelona Regal	78 - 65
32	Real Madrid - Asefa Estudiantes	93 - 82
33	FIATC Joventut - Real Madrid	64 - 85
34	Real Madrid - Lagun Aro GBC	100 - 67
Play-offs		
Quarter Final	Real Madrid - Blu:sens Monbus	90 - 75
Quarter Final	Blu:sens Monbus - Real Madrid	58 - 74
Semi-final	Real Madrid - CAI Zaragoza	84 - 76
Semi-final	Real Madrid - CAI Zaragoza	93 - 65
Semi-final	CAI Zaragoza - Real Madrid	63 - 77
Final	Real Madrid - F.C. Barcelona Regal	76 - 72
Final	Real Madrid - F.C. Barcelona Regal	71 - 72
Final	F.C. Barcelona Regal - Real Madrid	72 - 84
Final	F.C. Barcelona Regal - Real Madrid	73 - 62
Final	Real Madrid - F.C. Barcelona Regal	79 - 71





Euroleague

ROUND	MATCH	RESULT
Regular Phase	Real Madrid - Panathinaikos	85 - 78
Regular Phase	BC Khimki - Real Madrid	86 - 85
Regular Phase	Fenerbahçe Ülker - Real Madrid	75 - 83
Regular Phase	Real Madrid - Mapooro Cantu	80 - 66
Regular Phase	Union Olimpija - Real Madrid	76 - 89
Regular Phase	Panathinaikos - Real Madrid	79 - 68
Regular Phase	Real Madrid - BC Khimki	104 - 81
Regular Phase	Real Madrid - Fenerbahçe	77 - 61
Regular Phase	Mapooro Cantu - Real Madrid	76 - 70
Regular Phase	Real Madrid - Union Olimpija	91 - 60
Top 16	Alba Berlín - Real Madrid	63 - 77
Top 16	Brose Baskets - Real Madrid	67 - 82
Top 16	Real Madrid - Zalgiris	75 - 74
Top 16	Unicaja - Real Madrid	64 - 72
Top 16	Panathinaikos - Real Madrid	54 - 58
Top 16	Real Madrid - CSKA Moscú	86 - 78
Top 16	Anadolu Efes - Real Madrid	74 - 72
Top 16	Real Madrid - Alba Berlín	77 - 72
Top 16	Real Madrid - Brose Baskets	76 - 73
Top 16	Zalgiris - Real Madrid	104 - 105
Top 16	Real Madrid - Unicaja	74 - 77
Top 16	Real Madrid - Panathinaikos	73 - 74
Top 16	CSKA Moscú - Real Madrid	81 - 72
Top 16	Real Madrid - Anadolu Efes	86 - 66
Top 8 Play-offs	Real Madrid - Maccabi Electra	79 - 53
Top 8 Play-offs	Real Madrid - Maccabi Electra	75 - 63
Top 8 Play-offs	Maccabi Electra - Real Madrid	57 - 69
Final Four Londres 2013		
Semifinal	F.C. Barcelona Regal - Real Madrid	67 - 74
Final	Olympiacos - Real Madrid	100 - 88

XXIX Community of Madrid Tournament

MATCH	RESULT
Real Madrid - Asefa Estudiantes	71 - 60

Endesa Supercopa

ROUND	MATCH	RESULT
Semifinal	CAI Zaragoza - Real Madrid	64 - 72
Final	F.C. Barcelona Regal - Real Madrid	84 - 95

2013 Copa del Rey – Vitoria

ROUND	MATCH	RESULT
Quarter-final	Real Madrid - F.C. Barcelona Regal	108 - 111

Basketball Academy

2012 / 2013

GROWING CHAMPIONS

The Real Madrid Basketball Academy continues to grow, improve and win titles, such as those achieved in Madrid by the U-14, U-16 and U-18s. Special mention should go to the U-14s, who also won the Spanish Championship and *Minicopa*. A great season with outstanding performances by centre Guillermo Hernángómez, who made regular appearances with the First team and point guard Alberto Martín, who made his debut also in official competition with the First Team.



Uner 16 A, Community of Madrid League Champions



The EBA team, one of the youngest teams in its category.

Under 14 A had an impeccable season: undefeated, with 49 wins in 49 matches. The team won the *Minicopa* for the first time in the history of the Club, the Spanish Championship (after 14 years) and the Madrid Championship.

Under 14 B finished in 10th position. Under 16 A won the Madrid Championship with 26 victories and 1 defeat. Under 16 B finished 9th in its league. The Under 18s finished on top in the Madrid

competition and third in the Spanish Championship. The EBA team was one of the youngest teams in its category, with 11 Under-21 players, finishing 5th in its group, only one game from a spot in the playoffs for promotion to the LEB Silver League. Hernángómez and Jiménez were called up for the Spain Team that played in the Under-19 World Championships and Mbaye represented Senegal in the same competition.

Under 14 A

Community of Madrid U-14 Championship: Winners.
Spanish Championship: Winners.
Minicopa: Winners.

Under 14 B

Community of Madrid U-14 Championship: 10th.
Eliminated in the Final 8 by U-14 A.

Under 16 A

Community of Madrid U-16 Championship: Winners.
Spanish Championship: 6th.

Under 16 B

Community of Madrid U-16 Championship: 9th.
Eliminated in the Final 8 by Under 16 A.

Under 18

Community of Madrid Juniors Championship: Winners.
Spanish Championship: 3rd.

EBA

EBA League. Group B: 5th.

SOCIAL AREA

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Social Area

2012 / 2013

GENERAL ASSEMBLY

Ordinary and Extraordinary General Assemblies were held on 30 September, 2012, in which the Annual Report and Financial Statements for the 2011/2012 season were ratified, along with the budget for the 2012/2013 season. In addition, agreement was reached to maintain the existing membership fees:

Under 11 years of age	EXEMPT
From 11 to 14 years of age	42,20 €
Reducida (Retired, with a minimum of 65 years of age and 25 years continuous membership)	61,60 €
Adults	123,30 €
Members with 50 years continuous membership	EXEMPT





President Florentino Pérez and the Board of Directors during the inaugural ceremony.

These fees will increase in accordance with the corresponding VAT rate at time of accrual during the period from 1 July, 2013, to 30 June, 2014.

The Extraordinary General Assembly approved:

- The modification of Article 40.B, C and D.
- Article 25.7º b of the club's Articles of Association.
- The election of the members of the Disciplinary Committee for the period March 29, 2013 to March 28, 2017.

- The election of the member of the Electoral Committee for the period March 29, 2013, to March 28, 2017.

Insignia presentation ceremony

On 15 December, 2012, a presentation ceremony was held during which insignias were conferred to all members who had completed 25, 50 or 60 years of continuous club membership. A total of 2149 insignias were presented, of which 90 were diamond, 265 gold and 1794 silver.

The club's president, Florentino Pérez, presided over

the event alongside representatives from the Board of Directors and accompanied by a number of Real Madrid legends led by the honorary president, Alfredo Di Stéfano.

Election of President and Board of Directors

On 22 May, 2013, in accordance with Article 38 B of the Articles of Association, the president, on consultation with the Board of Directors, agreed to convene elections for President and Board of Directors of the club. The Electoral Committee, under Article 40 of the aforementioned Articles, made public both the convening of the

elections and the initiation of the electoral process.

On 2 June, on affirming the presentation of only one presidential candidate, and in accordance with Article 40, section E, point number 2 of the existing Articles of Association, the Electoral Committee proceeded to proclaim Florentino Pérez president of the club and affirmed the re-election of the Board of Directors.

NAME	MEMBERSHIP No.	POSITION
D. Florentino Pérez	3.018	President
D. Fernando Fernández Tapias	32.424	1st Vice-president
D. Eduardo Fernández de Blas	6.275	2nd Vice-president
D. Pedro López Jiménez	14.192	3rd Vice-president
D. Enrique Sánchez González	15.841	General Secretary
D. Ángel Luis Heras Aguado	2.290	Board Member
D. Santiago Aguado García	2.480	Board Member
D. Luis Gómez-Montejano Arroyo	2.519	Board Member
D. Jerónimo Farré Muncharaz	3.462	Board Member
D. Enrique Pérez Rodríguez	7.911	Board Member
D. Manuel Cerezo Velázquez	12.797	Board Member
D. José Sánchez Bernal	14.250	Board Member
D. Luis Blasco Bosqued	17.009	Board Member
D. Gumersindo Santamaría Gil	19.470	Board Member
D. Raúl Ronda Ortiz	20.339	Board Member
D. José Manuel Otero Lastres	20.941	Board Member
D. Nicolás Martín-Sanz García	23.127	Board Member

The inaugural ceremony took place on 4 June, 2013 in the director's box of the Santiago Bernabeu stadium.





Florentino Pérez and
Alfredo Di Stéfano attending
the annual reunion of the
"Club de los Cien" (100 Club).

Member Services Office

This department continues to offer comprehensive, personalised service to members and fans alike. The access is located at gate 55 of the Santiago Bernabeu stadium and is open Monday to Friday from 9 am to 7 pm. The Member Services Office received more than 11,760 visits last year and handled more than 19,000 telephone calls.

The official email of the Member Services Office has replied to over 12,000 requests for information and administrative assistance.

In addition, member-delegates and 100 Club members, consisting of the club's most long-standing members, are offered personalised attention and special privileges in honour of their loyalty and service to the club.

Online Member Services Office

The Online Member Services Office is a web site which allows members to perform secure, confidential consultations and operations relating to their membership without the need for presenting themselves in person in our offices, and without the limitations of working hours:
Socios.realmadrid.com

During the 2102/12013 season, the online office registered more than 329,000 visits from members who were able to resolve their issues with the maximum convenience. Since its creation in March, 2011, the online office has received over 525,000 visits.

The online office currently includes permanent procedures that allow members to modify their personal information (address, phone number, email, etc.), check and modify their banking details, change their pin number or perform operations relating to seating.

The office includes additional temporary procedures, such as those that allow members to request financing for their season tickets and membership fees for the 2013/12014 season and request tickets for the Champions League matches and the Copa del Rey final. Temporary procedures also include, for instance, changing membership type, consultation of the electoral census corresponding to elections of president and board of directors and requests for tickets for Second Division promotional play-off games and musical events.



DURING THE 2012/13 SEASON, MORE THAN
A MILLION E-MAILS WERE SENT CONTAINING USEFUL
INFORMATION FOR MEMBERS

Member Helpline (902 21 2002) and Real Madrid Helpline (902 32 18 09)

From the Member Helpline, all members are attended to directly by an operator after their identification and pin number are provided.

A total of 46,053 calls are testament to the success of this exclusive channel of information. In addition, more than 3,055 out-going calls were made with a view to providing information about various campaigns related to the group of members. Furthermore, by means of the Real Madrid Helpline, more than 61,980 fans have been in contact to request information about various aspects related to the club.

Written publications and communications

By-laws

This is an official document containing the regulations by which the entity is governed. The currently applicable regulations were approved at the Extraordinary

General Assembly of 30 September 2012.

Members' newsletter

Official publication including the institutional information of the club and news of interest for members.

General report

Official document containing all the activities promoted by Real Madrid: of an institutional, sporting, social, business, economic and communicative nature, along with the financial report.

Halamadrid Magazine, Halamadrid Junior and tiempo de Descuento

Quarterly magazines with all the latest from the club, including news, reports, interviews, offers and promotions. Last season, they were delivered on four separate occasions to the houses of members and Real Madrid supporters.

Exclusive e-newsletter for members

Weekly electronic review which provides Real Madrid



members with the headline news of the club, exclusive videos, dates on which tickets go on sale, football and basketball match results from the weekend and a reminder of the players with legendary status that made Real Madrid great. The E-newsletter is currently sent to the inbox of more than 57,000 members; this amounts to a total approximate volume of 1,965,000 e-mails sent during the last campaign.

Notifications to members

In addition to e-newsletters, taking advantage of new technologies, notifications

are also sent to members by e-mail from the Members Department as often as there is a need to provide information about the club and according to the needs of our members. During the 2012/2013 season, more than 1,000,000 e-mails were sent containing very important and interesting information for members, thereby making communication with the club faster, more flexible and more effective. We want to use this medium to encourage all those Real Madrid members who have not yet provided their e-mail address to do so in a simple and straightforward





way at the address Socios..realmadrid.com, by registering with their membership number and their pin code and selecting the “Change personal data” option.

Incident ticket office

Members have access to an exclusive incident ticket office open on match days, at which they can obtain a ticket corresponding to their seat number if they do not have their membership card with them. In the 2012/2013 season, 4,960 incidents were resolved.

Player autograph signing sessions

At all games that Real Madrid played outside of the Community of Madrid,

player autograph signing sessions were organised; the club’s members were invited along in the cities in which the team played.

Member Disciplinary Committee

In the 2012-2013 season, the Member Disciplinary Committee continued to develop its work as a regulatory body in this regard, in accordance with club regulations, and the following actions should be highlighted: a private reprimand was issued to 46 members and for a further 83 members, temporary bans of membership rights were proposed from one month to three years, according to each particular case. One

person had their membership status revoked.

Members’ data

The group of Real Madrid members comprises 92,120 members, of whom 65,897 are adults (over the age of 14), 19,482 children (under the age of 14) and 6,741 over the age of 65 or who have been members for more than 50 years.

Of all our members, 74,755 are men and 17,365 are women.

- 65,897 adult members paid a fee of €145.49.
- 5,231 members from 11 to 14 years of age paid a fee of €49.80.
- 3,289 members over the

age of 65, pensioners or those who have been club members for more than 25 years paid a reduced membership fee of €72.69.

- 3,452 members who have been members for more than 50 years at the club do not have to pay the membership fee.
- 14,251 members under the age of 11 do not have to pay the membership fee either.

The club offers members:

- The option of financing the yearly fee through BBVA, with the possibility of putting off the payment of the membership fees without any interest.
- Priority in the purchase of tickets for stands and



discounts in the price for members without season tickets.

- Free access to the Bernabéu and Real Madrid Football City Tours to witness the games of Real Madrid Castilla and the other youth system teams.

Award of new season tickets

In light of the high demand at the club, the Board of Directors agreed to award 3,500 new season tickets exclusively to members without season tickets.

These new season tickets are awarded in a transparent and public way, meeting a set of objective criteria so that they could be validated by all members.

NUMBER OF YEARS AS A MEMBER/YEARS	POINTS
15 years or more	20
10 to 24	15
5 to 9	10
1 to 4	5

RELATIVE OF MEMBERS WITH SEASON TICKETS	POINTS
3 relatives	15
2 relatives	10
1 relative	5

ATTENDANCE AT GAMES IN 2012-13 SEASON	POINTS
7 or more games	10
from 4 to 6	7
from 1 to 3	4

These are:

- The number of years as a club member.
- The number of relatives as members with season tickets, provided that they are grand-parents, parents, children and or bothers/sisters of the applicant.
- Number of tickets bought in the 2012/2013 season.

Taking the three criteria into account, the following points scale was established to put applications into order and award the season tickets.

The period in which applications for new season tickets must be made was set from 22 July to 15 September 2013.



Temporary transfer of season ticket to the club

Real Madrid's Board of Directors, acutely aware of the economic crisis by which Spanish society has been struck and which may, undoubtedly, impact on some of our members with season tickets, adopted the measure to allow the temporary transfer of season tickets to the club for a period equal to one sporting season, with an option of a second, exempting them from the payment during this period, but obliging them to pay the membership fee.

This measure involved giving members with season tickets the option of making their

season ticket fully available to the club on duly justified grounds, such as:

- Financial difficulties.
- Health-related problems.
- A change of address for work reasons.
- A change of address for educational purposes.

Members may request to regain their status as season ticket holder prior to the end of the transfer period.

The period in which to request the transfer of the season ticket to the club was from 7 to 21 June 2013.

A total of 1,272 members agreed to this transfer.

Supporter’s groups in Spain

1. ANDALUSIA	449	8. CASTILE AND LEÓN	155	12. EXTREMADURA	245
Almería	53	Ávila	32	Cáceres	97
Cádiz	43	Burgos	15	Badajoz	148
Córdoba	80	León	26	13. GALICIA	129
Granada	83	Palencia	9	La Coruña	39
Huelva	42	Salamanca	22	Lugo	29
Jaén	69	Segovia	19	Orense	26
Málaga	54	Soria	3	Pontevedra	35
Seville	25	Valladolid	16	14. LA RIOJA	30
2. ARAGÓN	40	Zamora	13	15. MADRID	199
Zaragoza	17	9. CATALUÑA	126	16. MELILLA	2
Huesca	12	Barcelona	75	17. MURCIA	77
Teruel	11	Tarragona	18	18. NAVARRA	21
3. ASTURIAS	49	Lérida	14	19. BASQUE COUNTRY	19
4. BALEARES	43	Gerona	19	Álava	4
5. CANARIAS	31	10. CEUTA	1	Guipuzcoa	8
6. CANTABRIA	26	11. COMMUNITY OF VALENCIA	195	Vizcaya	7
7. CASTILE-LA-MANCHA	279	Alicante	81	NATIONAL TOTAL	2.116
Albacete	54	Valencia	58		
Ciudad Real	76	Castellón	56		
Cuenca	45				
Guadalajara	30				
Toledo	74				

- Meetings with Supporter’s groups at each away trip of the team in league competi-tion: 610 supporter’s groups.
- Lunch with the supporter’s groups of rival teams: more than 175 supporter’s groups of Real Madrid and rival teams have taken part in the various friendly meetings be-tween fans.
- Representative attendance of the club at events organised by the Real Madrid supporter’s groups: 254 events. It should be noted that 15 supporter’s groups have celebrated their 25th birthday and one its 50th birthday.
- Total supporter’s groups at home: 2,116.
- Total supporter’s groups abroad: 109.

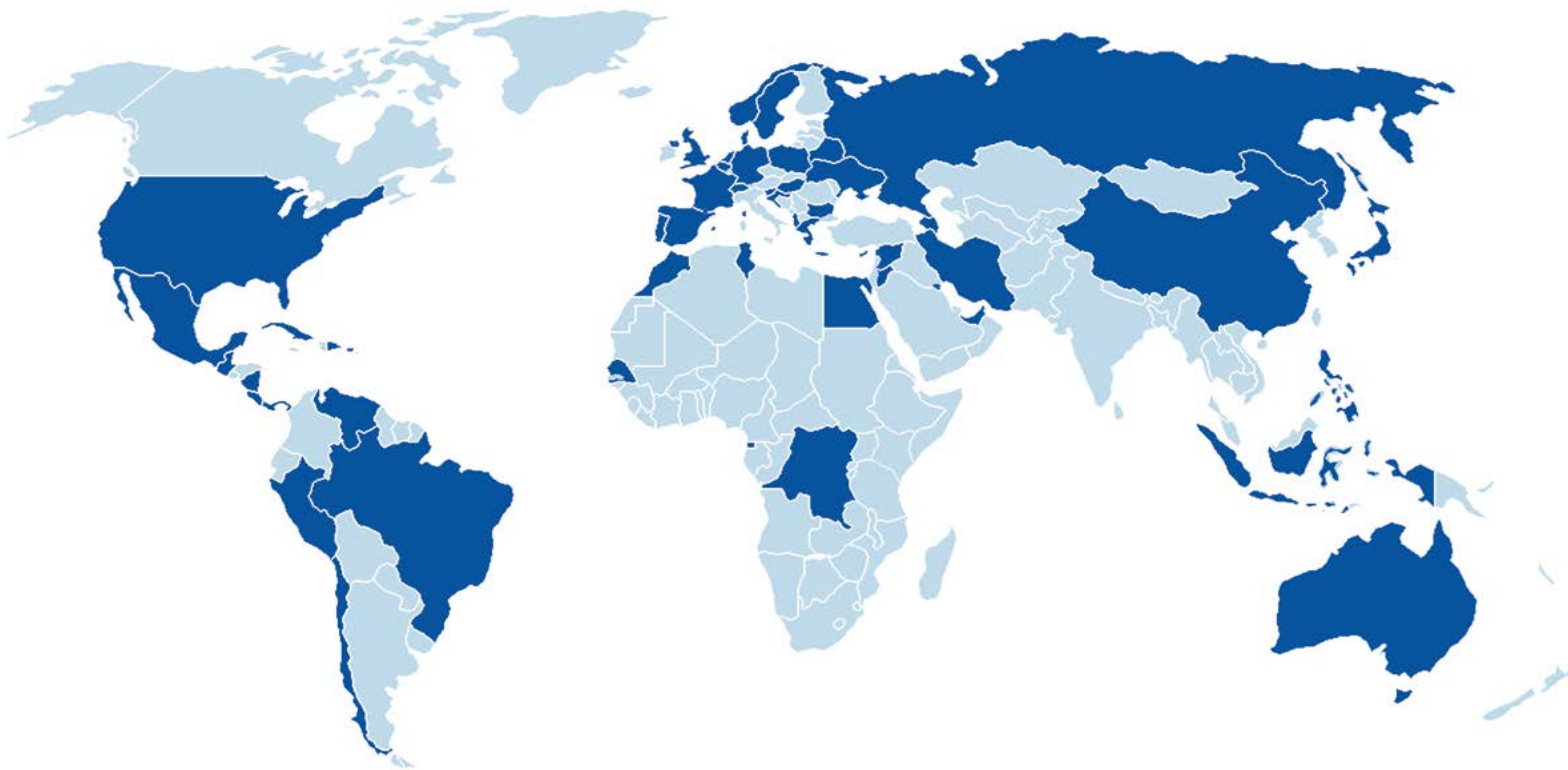
Overseas Fan Clubs

ALBANIA	1	FRANCE	4	POLAND	1
GERMANY	4	GIBRALTAR	1	PORTUGAL	1
ANDORRA	1	GREECE	1	PUERTO RICO	1
AUSTRALIA	1	GUATEMALA	2	REPUBLIC OF CONGO	1
AZERBAIJAN	1	EQUATORIAL GUINEA	2	DOMINICAN REPUBLIC	2
BELGIUM	7	HOLLAND	2	RUSSIA	3
BELARUS	1	HUNGARY	2	SENEGAL	1
BRAZIL	1	INDONESIA	2	SYRIA	2
BULGARIA	2	ENGLAND	1	SLOVENIA	1
CHILE	1	IRAN	1	SWEDEN	2
CHINA	4	JAPAN	2	SWITZERLAND	13
CYPRUS	1	JORDAN	1	TUNISIA	1
COSTA RICA	1	KUWAIT	1	UKRAINE	1
CROATIA	1	MOROCCO	7	USA	6
CUBA	1	MEXICO	2	VENEZUELA	4
DENMARK	1	NICARAGUA	1		
EGYPT	1	NORWAY	1	TOTAL FOREIGN	109
UAE	3	PANAMA	1		
PHILIPPINES	1	PERU	1	TOTAL SUPPORTER'S GROUPS IN THE WORLD	2,225

- Total supporter’s groups in the world: 2,225
- Supporter’s groups in the process of being formed: 82
- 2013 meeting of supporter’s groups: on 9 June, the 2013 meeting of Real Madrid supporter’s groups was held at the Real Madrid Football City. It began the day before with a tournament of the

lower academy (*benjamín*) and pre-lower academy (*prebenjamín*) at which more than 1,500 people were in attendance. On Sunday, the semi finals and finals of both categories were held at the Alfredo Di Stéfano stadium. Furthermore, more than 1,000 supporter’s groups were represented, with an attendance of over 6,000 people.

Supporter's groups in the world



■ Countries in which the 2,225 Real Madrid supporter's groups are located in the world.

HERITAGE

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Heritage

WE ARE EXPANDING

The two main assets of Real Madrid, i.e. the Santiago Bernabéu stadium and the “Real Madrid Football City”, are fundamental pillars of our club and they are an essential part of the identifying features of what it means to be Real Madrid and they are the fundamental basis of the sporting, social and economic activity both present and future of Real Madrid. For all these reasons, it is a priority to promote the constant improvement of their facilities and infrastructure and to take on new extension and improvement projects to enable the club heritage to grow, which belongs to all members. In keeping with this reality, during the 2012-2013 campaign, the necessary town planning formalities were completed as progress with the projected remodelling of the Santiago Bernabéu stadium was finally made, and the final phase of the Contest for Architectural Ideas also came to an end, in which the finest international teams took part, which will enable us to turn our stadium into the architectural icon of Madrid. With the same aim in mind, the first-team residence became operational in the “Real Madrid Football City”, and the construction of the youth academy residence is in the final stages and the economic and conceptual design assessments of the future Theme park have been started.



The residence is located in the first team area, opposite their training fields.

FAITHFUL TO ITS INNOVATIVE SPIRIT, THE CLUB HAS DEVELOPED THE CONSTRUCTION OF THE 3RD PHASE OF THE REAL MADRID FOOTBALL CITY, COMPRISING THE RESIDENCE OF THE FIRST TEAM AND THE YOUTH ACADEMY

A new phase for the Real Madrid Football City: we are expanding

Since the end of its construction in 2005, the Real Madrid Football City has become an international benchmark for elite sporting teams on account of the magnitude of the investment made, the quality of its infrastructure and the functionality of its facilities.

As well as the Alfredo Di Stéfano stadium, where Real Madrid Castilla play their home games, with a capacity of 6,000, it has 12 football pitches of natural and artificial grass surrounded by stands with a capacity for 11,000 spectators, which are used as pitches for training and competitive games for the lower ranks of the club, and a central multi-purpose building of more than 18,000 m² which contains all the dressing rooms, gymnasiums, training rooms, managers' offices and the Medical Centre, with a hy-

drotherapy area for recovery. With 1,200,000 m², the Real Madrid Football City is the largest football centre in the world.

Faithful to its innovative spirit, the club has developed the construction of a new phase of the Real Madrid Football City, comprising the residences of the first team and youth academy. A historic feat is achieved with this 3rd phase. There is already a residence for the first team and a residence for the youth academy will soon be finalised for the first time in our 111-year history, and both buildings will be inside the Real Madrid Football City.

The first-team residence is operational

On 13 July, the new first-team residence at the Real Madrid Football City became operational.

The purpose of this residence is to raise the competitive factor of our team.



In the dining-room of the residence, the coexistence of the group is promoted both during training sessions and when teams gather prior to matches.





View from inside the first-team residence looking out towards the training pitches and the youth academy residence.

The intention is to improve and facilitate the working conditions of the players and coaching staff during training sessions with new services and resources so that the amount of time spent by the players at our Real Madrid Football City can be effectively extended.

FOR THE FIRST TIME IN ITS 111-YEAR HISTORY, THE CLUB HAS TWO OF ITS OWN RESIDENCES INSIDE THE REAL MADRID FOOTBALL CITY FOR THE FIRST TEAM AND THE YOUTH ACADEMY

The residence will also be used when our first team gathers prior to a match; up to now, the team would gather at external hotels. Meliá Hotels International, a leading company in the sector and with a proven track record and prestige in this kind of service, is responsible for the management of the residence.

The residence is located at the very heart of the first-team area, at the culmination in the shape of a “T” of the target building, opposite its training pitches and adja-

cent to the building containing its dressing rooms, its gymnasium, the office areas of the coaching staff and additional rooms and the hydrotherapy area.

The residence has three floors and a garden of its own. On the ground floor, alongside the main door is a reception area, which provides access to the visiting rooms and to a large living area, where there are several areas for the use of all the players (projection room, digital library, active games room, games and television room, etc.). On the

ground floor, there is also a swimming pool measuring 10 m wide and 20 m long, and with a maximum depth of 2.10 metres, which provides for recovery and strengthening sessions.

On the first floor, there are several academic training rooms which help with the improvement of languages on an individual basis or in a group, supplement educational activity or any other training activity. This new building has a kitchen and a large dining-room with a patio.





The residence has a hydrotherapy area that is used by the players to recover from injuries.

WITH 57 BEDROOMS AND SPLIT OVER THREE FLOORS, THE NEW FIRST-TEAM RESIDENCE INCLUDES THE LATEST IN TERMS OF TECHNOLOGICAL ADVANCES, COMFORT AND DESIGN, MAKING IT AN INTERNATIONAL REFERENCE POINT.

On the first floor, there are 32 bedrooms and a physiotherapy room.

The second floor is exclusively dedicated to bedrooms and has a large patio which provides splendid views of all the training pitches of the Real Madrid Football City and the privileged surroundings in which it is located.

In total, there are 57 individual, comfortable and functional bedrooms.

The project has been developed by the Architectural Firm Lamela, which already designed the Real Madrid Football City, and was able to count on the collaboration of the interior designer Francesc Rifé. Priority was given to comfort and warmth in an attempt to cre-

ate a pleasant area for the daily work and gathering of players and coaching staff. The work, performed by UTE FCC-San José, lasted almost a year, with an innovative construction system of pre-manufactured modules.

This residence includes the latest advances in technology, comfort and design, applied to the particular features of the club, making it an international reference point.

Thanks to these new state-of-the-art facilities, the heritage of the club has grown; our Real Madrid Football City is expanding; the competitiveness of our first teams is growing and Real Madrid is consolidating its position as a leader of sporting clubs in terms of its facilities and resources.



The first-team residence includes three floors and it became operational on 13 July.

The work on the residence of the youth academy is coming to an end

The construction of the youth academy residence is coming along according to schedule and it is projected that it may be final-

THIS SEASON SAW THE FINAL DRIVE FOR THE REMODELLING PROJECT OF THE SANTIAGO BERNABÉU WITH THE CONCLUSION OF THE NECESSARY TOWN PLANNING FORMALITY AND THE DEVELOPMENT OF THE FINAL PHASE IN THE INTERNATIONAL TENDER OF ARCHITECTURAL IDEAS

ised before the end of this year.

The construction system is similar to that of the first-team residence. This particular residence for the youth academy included as part of the Real Madrid Football City will be a home and will make a huge contribution to the comprehensive training of those who dream of playing at the Bernabéu someday.

Remodelling of the Santiago Bernabéu: a stadium fit for the 21st century

During the 2012-13 season,

the final impulse was given to the remodelling project of the Santiago Bernabéu stadium.

The necessary town planning formality was completed and the development of the final phase of the International Contest of Architectural Ideas.

The four teams invited to the Contest, Rafael Moneo/Herzog & de Meuron, Norman Forster/Rafael de la Hoz, Lamela/Populous and GMP Architekten/L35/Ribas, developed each of

their proposals - which were exhibited at the Assembly of members on 29 September 2012 - dealing with the technical observations arising from the first phase. The result included four extraordinary projects with a high degree of definition and with a business plan of each architectural proposal which guarantees the economic viability of the operation.



REVENUE

90



Management of capacity and VIP Area

ATTENDANCE FIGURES REMAIN AT THE TWO-MILLION MARK

During the 2012-2013 season, the attendance figure at the Santiago Bernabéu again surpassed the two-million mark.

Number of tickets sold

This season again saw more than half a million tickets sold (502,000) through all media (Internet, ticket offices, telephone...). Internet is the most commonly used medium.

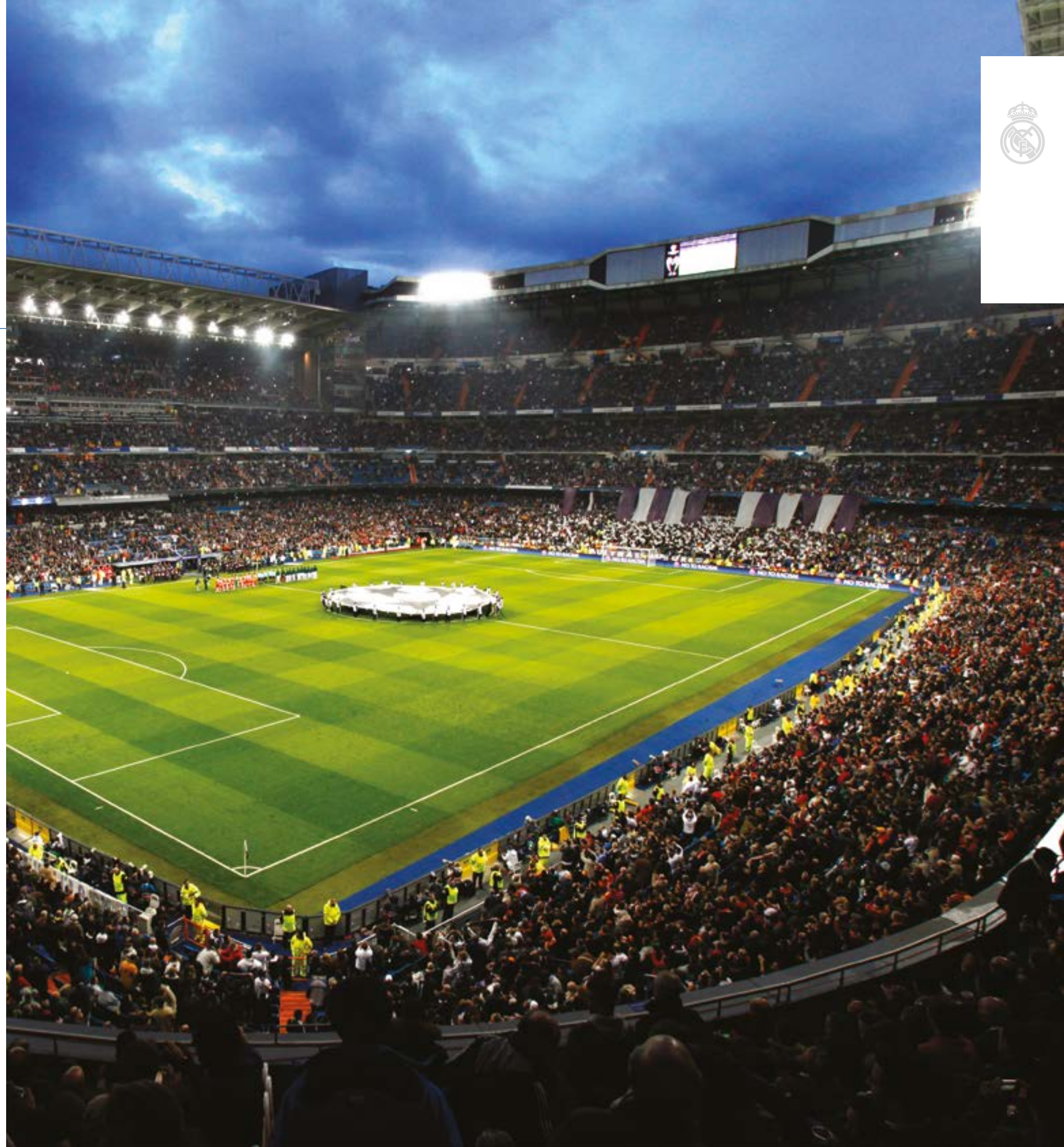
Seat transfer

The Season Ticket Transfer service saw an increase of 12% compared with the 2011-2012 season, surpassing 130,000 tickets transferred, which amounts to considerable discounts for our members in the renewal of season tickets.

Basketball

For the first time, the attendance figure of 300,000 fans was surpassed at the Palacio de los Deportes, representing an increase of 17% compared with the 2011-2012 season. On the other hand, the sale of tickets increased by 42% (76,000 tickets) in relation to the previous season; the internet was the main sales channel.

We should point to an increase of 18% in season ticket holders compared with the previous season. The figure of 5,000 season tickets was surpassed.





Fulfilment of commitments in the 2012/2013 financial year

Football

Total number of season
ticket holders

58,852 (all are members)

19,298 season ticket holders

39,554 Euro season
ticket holders

Basketball

Total number of season
ticket holders 5,200

2,525 are members

1,251 are Real Madrid
members

1,424 are public



Real Madrid VIP area

The Real Madrid VIP area currently has 4,850 seats distributed over all the sections of the Santiago Bernabéu stadium and 500 basketball seats at the Palacio de los Deportes.

The Bernabéu VIP spaces are distributed over 245 boxes (3,074) and 1,776 individual seats, both inside and outside. Furthermore,

DURING THE CAMPAIGN, MORE THAN 14,000 VIP SEATS WERE SOLD; THIS IS A PRODUCT WHOSE MARKETING REPRESENTED 12% OF THE TOTAL REVENUE OF THE DEPARTMENT

the four stadium restaurants (Puerta 57, Asador de la Esquina, Real Café and Zen Market) become hospitality areas at each match.

The vast majority of the 380 clients per season of the VIP area are companies from all sectors of activity (multinationals, Ibex35 companies, small and medium sized companies, etc.) During the 2012-13 season, more than 14,000 tickets were sold for specific games and the marketing of this kind of product amounted to 12% of the total revenue of the department.

In keeping with the policy of modernisation and opti-



misation of infrastructure, several areas of the VIP area have been remodelled this year with a view to providing greater comfort for clients.

The management model of the department is still the same, based on the price policy per seat and area. Furthermore, an emphasis has been placed on a new strategic objective, which is to promote VIP products on an international scale and thus increase the market share. Therefore, the VIP area, during this campaign, participated in important fairs in Spain such as FITUR and international fairs such as Turespaña and the Madrid Convention Bureau in

the UAE. In addition, agreements with travel agencies and tour operators were concluded and, in the future, ways of boosting the presence in markets such as Mexico, Russia and China will be looked into.

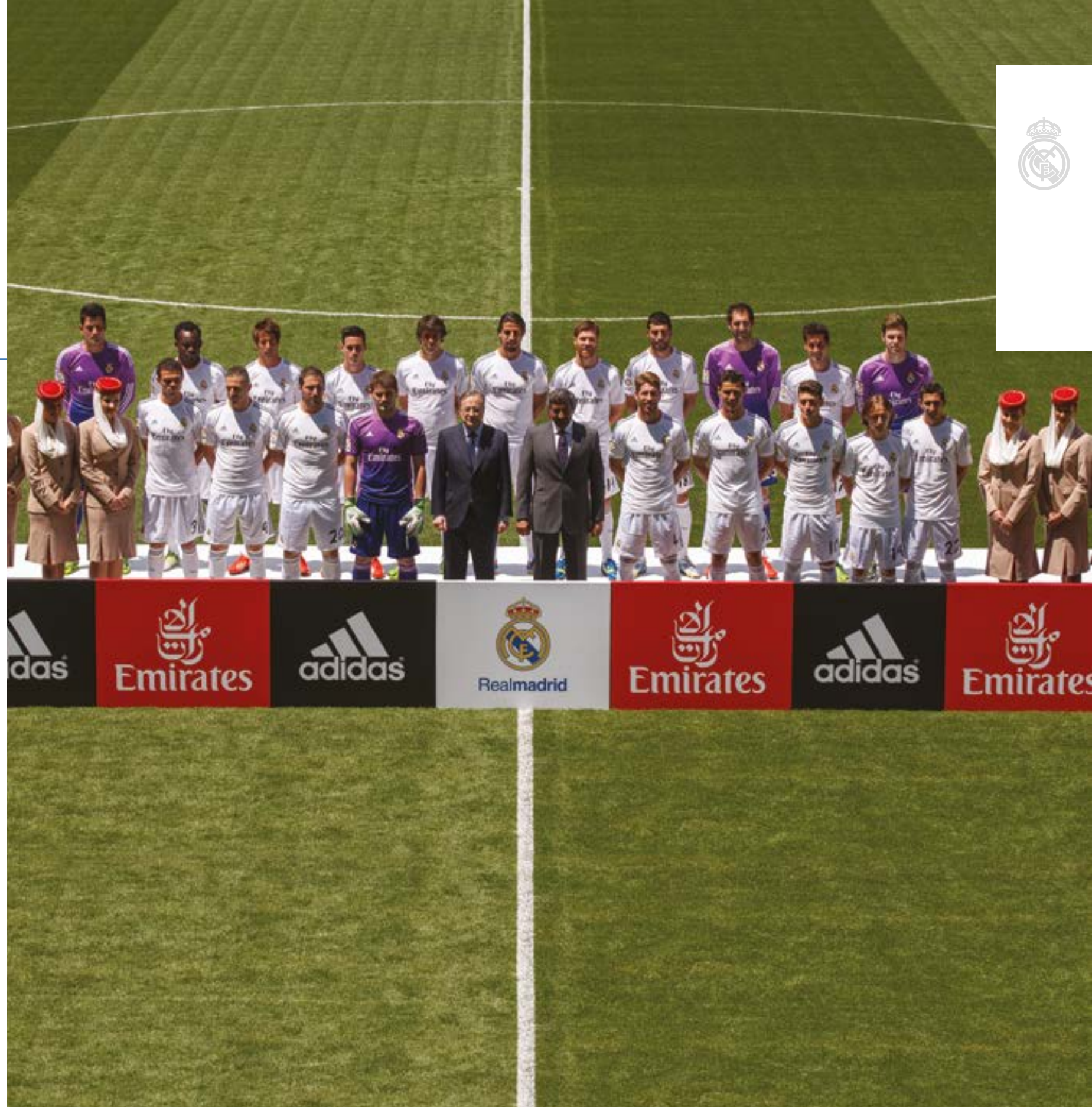
On the other hand, the VIP Area was present on Spanish on-line media, to incentivise the sale of specific games, and ways of gaining a presence on other platforms, both on and off line platforms, is being looked into, which is why a media plan has been established.

Sponsorship and Advertising

THE ALLIANCE WITH EMIRATES HAS BEEN STRENGTHENED

R

Real Madrid, as a prestigious entity of worldwide recognition, is able to count on the sponsorship of multinational companies leading the way in their sector of activity which share and prescribe the values and principles by which the conduct and image of our club are governed.





International sponsorship
Emirates will be the new main sponsor as from next season.

Continuing the alliance which began last year, Real Madrid and Emirates presented the new sponsorship agreement between both entities at the end of season in the

THE NAME OF THE LARGEST AIRLINE
IN THE UAE WILL ADORN THE SHIRT OF
THE TEAM UNTIL THE 2017/18 CAMPAIGN

Santiago Bernabéu stadium, according to which the name of the largest airline of the UAE will be present on the shirt of the greatest team in the world until the end of the 2017-2018 campaign, thus becoming the new *Main Sponsor* of the club as from next season.

Emirates is one of the leading airlines in the world, with a presence on the six continents and activity in more than 66 countries, operating more than 1,000 weekly



flights from Dubai and transporting more than 31.4 million passengers of all nationalities in the past year. The signature of this agreement will help Real Madrid to get even closer to all the fans that it has throughout the world, especially in countries where our new partner operates.

On the other hand, Bwin conveyed that it will extend its already long-term relationship with Real Madrid through a new agreement in which the

Austrian multinational will become the new official digital *partner* of the club as from next year. The new agreement caps the successful sponsorship of the shirt for the last six seasons, making it one of the most productive associations in football, helping Real Madrid to win two la Liga titles, two Spanish Super Cups and the Copa del Rey.

After this era as *main sponsor* in which Bwin established itself as the leading



BRANDS OF GREAT INTERNATIONAL PRESTIGE SUCH AS AUDI AND THE MAHOU-SAN MIGUEL GROUP HAVE RE-ASSERTED THEIR CONFIDENCE IN THE REAL MADRID PLATFORM TO REACH THE FANS THAT THE CLUB HAS THROUGHOUT THE WORLD

on-line gaming brand in Europe, its sponsorship strategy has developed into this new digital agreement with the club, focusing on developing its activities on the digital platforms of Real Madrid.

As a result of the connection with and constant endeavour of Real Madrid in the pursuit and attainment of common objectives with our sponsors, brands of great international prestige such as **Audi** or the **Mahou-San Miguel Group** have re-asserted their confidence in the Real Madrid platform as a tool they can use to expand and consolidate their brands at an international level with various advertising and marketing campaigns, reaching all the fans that our club has throughout the world.

In the second season binding Real Madrid and BBVA, **BBVA** took the agreement to territories concerned not only by the transfer of image values but also to the

field of business between its clients, by organising the first annual meeting of the Consumer Finance Department at the Santiago Bernabéu. Thus, its 100 most significant clients for this department in the various geographic locations throughout the world shared days participating in professional events (through speakers from Real Madrid and external speakers who provided content of great interest and messages for creating business opportunities), uniting them with a unique experience which you can only be part of as a preferential client of BBVA through the sponsorship with Real Madrid. But this year, it also developed products targeting the members of Real Madrid with a view to providing improved advantages and opportunities within the banking sector for this group, with the launch of the Real Madrid-BBVA card, with which they were able to finance both the membership fees and the season



Ramos, Marcelo and Arbeloa were in attendance, alongside Florentino Pérez, at the presentation of the sponsorship agreement with Nivea.

tickets for next season with unbeatable market conditions.

Yamaha, new regional sponsor

As part of regional agreements signed by the club, this season we welcomed Yamaha, which will sponsor Real Madrid in Thailand in the sector of scooters and motorbikes. Their immense confidence in our brand was consolidated by the wonderful reception of our agreement on their territory. A sign of that is the Scooter Yamaha - RM project which will come to light at the start of next season in Thailand.

In this sponsorship model, **Empresas Polar** is also present; it is a leading company in the food and mass consumption industries in Venezuela and it is renewing its agreement with us for a further three years. The output of our association in its area of activity from the very beginning has been fully in keeping with the expectations of Empresas Polar, as shown by the new agreement and the huge activity developed up and down the country.

Dua Kelinci, a benchmark company in the Indonesian *snacks* sector, the Thai company **Thaibev**, a leader

in the food sector in South-East Asia and **STC**, the main telephony operator in Saudi Arabia and the Middle East, consolidate their status as strategic partners to continue developing the Real Madrid brand around the world.

After the renewal at the start of the season of its official sponsorship agreement, **Telefónica** has entered into an agreement with Real Madrid for a further two seasons. It is the concern and the intent to take the benefits of our association to maximum levels which defines the colossus of telecommunications, as it

is always committed to innovation as reflected by the idea of Nights Visits. This is an exclusive initiative available at the Santiago Bernabéu stadium during the night to offer its guests a unique opportunity to enter its facilities and enjoy a one-off experience.

National sponsorship

At times of great difficulty such as those by which we are currently concerned, large entities put their trust in Real Madrid as the strategic partner to develop actions and exclusive projects which are adapted to the specific needs of their sector which enable them



LARGE ENTITIES REGARD REAL MADRID AS THE STRATEGIC PARTNER TO DEVELOP ACTIONS AND EXCLUSIVE PROJECTS WHICH ARE ADAPTED TO THE NEEDS OF THEIR SECTORS

to set themselves apart from the competition.

Coca-Cola continues to show its trust for one more year in Real Madrid as a strategic *partner*, by renewing and extending its productive contractual relationship with the club until 2015. As in previous years, Coca-Cola has been able to develop various marketing activities through the Real Madrid platform and thereby very successfully promote the sale of its different products through sport and the values that both companies have shared for many years. The implementation of rights at a promotional and public relations level and the continued expansion of new communications platforms again enabled our sponsors **Solán de Cabras** and **Sanitas** to be able to carry out activities which are broadly visible and perceptive during this campaign on behalf of their clients.

At the same time, special mention should be made of the case of two large multinationals, **Samsung**, a global leader in digital convergence technologies and **Campofrío**, a leading company in the sector of meat products in Spain, which, after a relationship based more on the visibility and reputation of our advertising platforms, consolidated their project with our entity by joining the *pool* of Real Madrid sponsors. This new status as sponsor has enabled them to maximise opportunities and obtain improved results by strengthening their strategy with the implementation of the new rights acquired.

Real Madrid and Samsung began their collaboration in 2006; this relationship has been growing over recent years as they seek a broader agreement to reflect the commitment that both entities have for innovation. The result was the project of this 2012/13 season, whereby the Real Madrid platform was the basis for the innovative Samsung technology in various formats, both in terms of brand image and in the form of a state-of-the-art product within a com-



The Real Madrid squad, at the event to hand over the Samsung phones.

pletely cutting-edge project in which the Santiago Bernabéu will provide all the fans of elite sport with an innovative experience. The Korean brand also handed over its smartphone Galaxy Note II to the players of the first-team squad, in reflection of its new status as a technological *partner* of the club.

On the other hand, **Campofrío**, which has a broad geographic presence and a portfolio of leading brands and the confidence of millions of consumers, will continue to be involved with Real Madrid until 30 June 2014, which demonstrates the positive synergy established between both brands

over the last three seasons that they have been working together. The result of that is the increase in the number of fans throughout its social networks, thanks to the ties with the Real Madrid image, one of its objectives to generate *engagement*. They have developed many original activities and a fun way to bring fans closer to the various sensations offered by both brands.





BEIERSDORF, new official sponsor.

During this season, the **Beiersdorf Group**, number one on the international stage in terms of skin care, and Real Madrid implemented an important sponsorship agreement for the Spanish market which will run until the end of the 2015-2016 season.

The passion for football plays an important role within the marketing strategy of the prestigious men's healthcare brand Nivea Men, and this brand regarded Real Madrid as the great ally which would enable it to connect to consumers on an emotional level.

The players had an active role in the communication activities of Nivea Men from the word go, as they were present at the launch campaign and the development of wholly innovative activities which enabled them to get closer to consumers; a clear example of that is the launch of the mobile application *Football Friends*, which enables interaction with the players thanks to the use of the latest possibilities of smartphones in terms of special effects, and this is the first application

to be developed using this technology. The agreement with Real Madrid also represents the start of a new era of Nivea Men, as the brand is re-positioning itself and appears with a new image.

Image of players

The Real Madrid players collaborate with leading brands, many of which in turn sponsor the club, endorsing their products and taking part in marketing activities which strengthen these ties.

The German multinational **Adidas** is adding Marcelo to its large family of elite sportsmen, as he is one of the first-team captains and one of the senior players for his national side. As a result of this new agreement with the Brazilian full-back, the technical sponsor of Real Madrid increases its portfolio of first-team players who have tied their image individually and who have the latest technology in sporting equipment which the brand makes available to them.

Iker Casillas, the Real Madrid captain, is one of the benchmark players in whom brands place their trust.

Along with his much documented agreements with the **Mahou-San Miguel Group**, **BBVA** and **Adidas**, with which he has been working for several seasons, he is adding the following this year: **Hyundai**, which, after its ties with the player last season, in relation to a very specific project with the presence of other footballers, has placed its trust in Iker on an individual level as the face of its company for the next two years, developing campaigns which perfectly reflect the synergy of the values of both.

H&S, shampoo brand of the **Procter&Gamble** group, added the Spanish goalkeeper to its *pool* of leading sports stars, and he has become “the face” of this brand for a large part of Europe and the Middle East. The confidence and attitude of Iker are the essence shared with the brand. Over the next two years, we will

see Casillas in conventional advertising campaigns, taking advantage of new technologies and even being part of an exclusive *packaging*.

Last season, Xabi Alonso added to his spectrum of brands for which he was “the face”, from Indonesia to our country.

Last summer he travelled to Indonesia, where he was



presented as the new “face” of some of the club’s sponsors in that territory, **Dua Kelinci**, which enabled the ties of the brand to be further strengthened with the image of Real Madrid. Xabi took centre stage in the new TV campaign and carried out various public relations activities in Jakarta.

In addition to its official sponsorship agreement

in Thailand, **Yamaha** also chose Xabi Alonso to be its benchmark in the Asian country during this campaign. The ties with the company were visible from the very first moment, participating alongside the Chairman of the same in the presentation ceremony of the new alliance with Real Madrid, and in the campaign carried out throughout the country.

In Spain, Xabi Alonso became the new “face” for the next two years, of the clothing company **Emidio Tucci**, with a view to renewing this agreement.

Through advertising material in which the fashion seasons were presented, it was perceptible to see how elegance and design are perfectly married up with the new line of Emidio Tucci.

To the many advertising agreements previously held by Kaká, two new brands were added last season, the official school of languages **Wise Up** and **Volkswagen Brazil**. Both companies decided to put their faith in the Brazilian star and make him the ambassador of the brand, thereby taking advantage of how close the 2014 World Cup in Brazil is.

The figure of Cristiano Ronaldo undeniably took centre stage on the commercial front for another

season. The Portuguese player added many image right agreements this year to his already comprehensive profile of advertising agreements. Besides the renewal with **Toyota** for Middle East and North Africa, the agreements with brands as important as **KFC**, **Mobily** (Etihad Etisalat), **Herbalife**, **Bimbo**, **Jacob & Co** or **JBS** on an international level must be added. Cristiano continues to beat all records on and off the field.

Gonzalo Higuaín took centre stage at the last DirecTV campaign last season, with an entertaining ad. With a view to increasing both its audience and the number of subscribers in South America, **DirecTV** launched an advertising campaign called “Therapy”, consisting of three ads, in which a therapy session is recreated with a humorous tone between the player himself and an Argentine fan of his.



Benzema is again the face of **FIFA 2013**, the most popular selling football video game in the world. The popularity of the player is like a magnet for the large French brands. The latest to associate its image with that of Benzema is **Buzz mobile**, a consolidated telecommunications company which has renovated the French market with its innovative and aggressive

proposals and has found its perfect ambassador in the forward. Both EA Sports and Buzz mobile conveyed their alliance with Benzema to the world through the production of many advertisements.

Tour and Friendly Matches

Preseason Calendar

DATE	MATCH	RESULT
24/07/2012	Real Oviedo - Real Madrid	1-5
27/07/2012	Benfica - Real Madrid	5-2
03/08/2012	Los Angeles Galaxy - Real Madrid (Los Angeles, USA)	1-5
06/08/2012	Real Madrid - Santos Laguna (Las Vegas, USA)	2-1
09/08/2012	Real Madrid - Milan (New York, USA)	5-1
11/08/2012	Real Madrid - Celtic (Philadelphia, USA)	2-0

In the 2012-2013 preseason the team played six friendly matches in Europe and the USA. The first two were against Oviedo in Asturias and Benfica in Lisbon.

The UCLA campus was again the venue of the main preseason training camp until 11 August. These were 14 days of work in which the team played four friendlies as part of the World Football Challenge.

The first match was against L. A. Galaxy, and the second against Santos Laguna.

Real Madrid travelled to New York to face Milan.

The Whites finished their preseason with a win against Celtic in Philadelphia.

In the busy preseason agenda the club combines the interests of our sponsors and partner companies with the idea that they make the most of the presence of our players in the different destinations to take part in the events that are organised and the matches that take place.



Facilities Management

MERCHANDISING AND DISTRIBUTION

After renewing our agreement with Adidas in the last financial year, in the 2012/2013 season the partnership with the German multinational which is a leader in the clothing and footwear sector has become closer. Our connection with Adidas has settled into a productive relationship which will continue until the summer of 2020, forming an unprecedented collaboration in world football. This agreement will allow us to strengthen our international leadership, increase the presence of the Real Madrid brand all over the world and lay the bases for maximizing the income our club receives, now and in the future.



**we
all
play**

**110 años de historia
en una camiseta**

Más de un siglo unidos por la pasión de
nuestros colores. Libera tu madridismo.

adidas.com/football

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Following the establishment of a company based in Spain and 100% owned by Adidas International, targets have been set for developing and broadening the portfolio of official club products, as well as for expanding and managing the network of official Real Madrid shops internationally.

As a result, Adidas has taken over management of the club's official shops, both *on-line* and the *conventional retail* shops. The opening of several shops in Spain is also being planned, as is expansion into different

international markets in the medium term. This new area of collaboration and rights management undoubtedly establishes the bases for both organizations to work together in a way which is unprecedented in world football.

Sales of the Adidas-Real Madrid collection have continued growing thanks to the excellent sporting performances of our teams, the presence of players with a high national and international profile, and the attractiveness of the playing, training and leisure wear.



Given the relevance of the Real Madrid brand and the extensive distribution network of our partner Adidas, which is present in more than 90 countries, international sales have again easily outstripped sales in the home market by a ratio of 65% to 35%, the main markets being Germany, the United Kingdom, China, Japan, Portugal and Latin America.

In line with the international expansion of the business under the Real Madrid brand the distribution network for the articles of clothing in the textile line and the "Hala Madrid" accessories range has continued to improve, allowing our fans better access to the club's different official products.

Likewise this range of products has kept its role as a key element in the struggle against piracy, as well as being a valued promotional vehicle for numerous consumer companies internationally. Since opening in December 2006, the Bernabéu Store has undergone an in-depth refitting which continued over five months of this season, given that it was planned to keep at least two of the three floors open to the public at all times, making it suitable for visitors on the Bernabéu Tour, fans attending matches and the general public.





**THE NEW BERNABÉU
TOUR IS BASED
AROUND A MODERN
CONCEPT AND
VERY ADVANCED
TECHNOLOGICAL
FACILITIES AND
WITH AN INNOVATIVE
CUTTING-EDGE
DESIGN.**



TOUR BERNABÉU. DONDE VIVEN TUS SUEÑOS.

Ven a conocer el vestuario de los jugadores del Real Madrid. Ven a descubrir el nuevo recorrido interactivo por el Mejor Club de la Historia. Ven a revivir la emoción de las 9 copas de Europa. Ven al lugar donde viven tus sueños.



Tour Bernabéu

Estadio Santiago Bernabéu
www.realmadrid.com/tour | 91 398 43 70

THE BERNABÉU STORE HAS UNDERGONE A REDESIGN WHICH WILL HELP INCREASE SALES IN THE SHORT AND MEDIUM TERM

The main objectives achieved with the redesign are:

1. To improve the image of the shop.
2. To expand the sales area by 16%. This has increased from 1,200 to 1,400 square meters.
3. To increase the number of checkout lanes. These have gone from 8 to 25.

Having achieved these three objectives and following the reopening event in February 2013, increased sales are expected in the short and medium terms.

The reopening event took place in February 2013 and it was clear that the Bernabéu Store has a wide range of official Real Madrid products (playing, training and leisure kits, games, books, watches and electronic goods amongst other items), and products for practicing all types of sports.

It welcomes around two million visitors per year, thanks to its exceptional and unique location. It is an international reference point, and can serve as a model for future global expansion of this line of business.

Bernabéu Tour

During the summer of 2012 remodelling works on the Bernabéu Tour were carried out and in September of that year the new Tour was presented, including an area paying homage to Alfredo Di Stéfano and the new interactive "Best Club in History" room.

The new Bernabéu Tour is based on a modern concept of the museum experience. A museum to touch and to experience, with technologically highly advanced facilities and innovative cutting-edge design. Each of the remodelled spaces incorporates interactive solutions with the latest technology applied to the club's history.





One of the landmarks that stands out in the project is the optimization of the Real Madrid Foundation Heritage Centre's collection which comprises over 100.000 objects, documents and trophies, a representative selection of which has been included in the new Bernabéu Tour, using objects which had until now never been on display.

The homage to Alfredo Di Stéfano area includes a collection of personal items of the best footballer of all time

which have never before been on display and which were donated to the Real Madrid Foundation Heritage Centre, a huge spectacular interactive wall made up of high definition screens which cover the 72 most important moments of his personal and sporting life; and an animated 3D audio-visual of his greatest moves.

The "Best Club in History" interactive room is presided over by the trophy for the Club of the XX Century which is in a special display-



case between two large audio-visual spaces of over 60 metres in length made up of 70 high definition monitors, which take the visitor on a journey through the great moments and personalities which have shaped the history of the club.

There is an interactive display with multi-touch technology with over 1,000 graphic documents and videos, many of them unpublished, collecting great moments from the history and the memory of Real

Madrid, providing a double path through the club's honours and its history in two languages (Spanish and English).

Furthermore, a 100 metre gallery of display cases contains the largest collection yet to be put on display, comprising over 250 original objects and trophies.

This project is another step towards bringing the brand, history, tradition and values closer to fans from all around the world.



THE APPEAL OF THE NEW BERNABÉU TOUR IS UNDENIABLE AND THANKS TO ITS LOCATION IT WILL CONTINUE TO BE A CENTRE OF TOURIST INTEREST IN THE CITY OF MADRID

The appeal of the new Bernabéu Tour is undeniable and given its exceptional location it will continue to be a centre of tourist interest in the city of Madrid; more than 50% of visitors come from outside Spain, the countries with the most visitors being Mexico, the USA, Brazil,

Portugal, France, the United Kingdom, China and Japan, underlining its international relevance.

Within the growth and internationalization strategy of the Bernabéu Tour, we have consolidated the line of work of extending and improving commercial alliances with hotel chains, strengthening remote ticket sales through new technologies, agreements with leading leisure and tourism centres, tourism operators from Spain and other countries who have the

highest penetration in their respective markets, and integration into the city's tourist itineraries by having a presence in the main tourist information offices. The strategy that has been followed to attract children's groups to the Tour deserves special mention, with its marketing strategy using a data-base of over 18,000 schools, which has helped us to bring Real Madrid to more than 100,000 school children per season.

All of this, along with the inclusion of products and

services within the tour, has enabled us to give an important qualitative leap, to increase the number of visitors and to increase the income derived from this line of business.

This way, the Bernabéu Tour will become a model of cutting-edge operation, with the latest technologies and which looks to become an international reference point.





Events area

During last season the Santiago Bernabéu stadium and the Real Madrid Football City hosted more than 200 commercial events thanks to the hard work which has been carried out. Products have been created which are adapted to different seasonal stages and to trends in the sector, such as large-scale events, gala dinners and company matches, or product presentations, training activities and sales conventions.

The versatility of our facilities allows us to host all types of events and al-

ways with a high level of satisfaction on the part of the different companies who entrust the organization of their events to Real Madrid, something which is undoubtedly reflected in the very high level of repeat business.

Along with the expansion of specialist agencies in the sector, we have continued to work with domestic and foreign clients from various sectors: the automobile sector, telecommunications, pharmaceutical, food and drink, banking and tourism.



Commercial events are becoming consolidated as a recurring activity in the commercial management of Real Madrid's facilities. This line of activity, as well as being an important source of income, positions our stadium as an international reference point.

Restaurants

The Santiago Bernabéu stadium currently has four top-level restaurants: Puerta 57 (located in Padre Damián Street), ZEN Market, Asador de la Esquina and Real Café Bernabéu (these three are located in Concha Espina Street). All of them offer a

wide gastronomic variety and their offers complement each other in the Santiago Bernabéu and are gastronomic reference points in the city of Madrid.

This line of activity follows an idea of business diversification within the stadium and works alongside other commercial activities inside it, such as business events and particular capacity management actions.

The alliance with the current manager of the bars concession at the Santiago Bernabéu stadium and the Real Madrid Football City, the





Arturo Cantoblanco Group, has recently been expanded with the objective of continuing to generate a high level of client satisfaction by refitting the facilities and through a commitment to maintain effective and complete resource management.

THE SANTIAGO BERNABÉU STADIUM AND THE REAL MADRID FOOTBALL CITY HAVE HOSTED MORE THAN 200 COMMERCIAL EVENTS THIS SEASON

Real Madrid Café Dubai
In accordance with the Real Madrid brand's internationalization strategy there are plans to launch a new line of business, which the club had not explored until now, with the development of a mixed retail concept under the Real Madrid Café brand.

This consist of establishing a series of commercial premises which will feature various businesses in a single sales area, such as a restaurant, a café-bar and a shop, all of this with content,



ambience and museum-style decoration linked to the Real Madrid brand.

The location chosen for the first premises is Dubai. In that line, last October an agreement was reached with a company which has built up a proven experience in developing this type of business in the Arab Emirates with the aim of setting the business in motion in the Emirates and the Middle East and expanding it to different locations there.

With this project Real Madrid takes another step in its international development, bringing its brand, its history and the Real Madrid experience to the population of the Middle East, a region which is of particular interest because of its dynamism, economic potential and interest in football and Real Madrid.

Relationship Marketing

WE HAVE REACHED 500,000 REAL MADRID MEMBERSHIP CARDS

The Relationship Marketing Department that manages the Real Madrid loyalty program, offering advantages and promotions to members and Real Madrid fans with membership cards, has added more than 32,000 new Real Madrid fans to the group of supporters, reaching the figure of 500,000 cards issued since its launch. In order to reward supporters who have been in the Loyalty Program for over 10 years, the club awarded them with a new, exclusively designed card.





THE LOYALTY PROGRAM CONTINUES TO GROW ABROAD AND IS NOW PRESENT IN OVER 140 COUNTRIES

The club continues to adapt the program to new technologies. To do this, via the development undertaken in the official MyMadrid application, members and Real Madrid fans have the possibility of showing and carrying their cards in their mobile phones, so that they can be identified in the establishments where they are offered advantages. Furthermore, they can see the promotions and even enjoy the magazine Hala Madrid

on their tablets, replicating the program's site's model on their mobile phones.

In the same vein, this season the club has wished its members and Real Madrid fans happy birthday by sending them a very moving birthday greeting, to the delight of their fans. The honorees saw a movie, in an experience in which they felt they were transported on a very special visit to Santiago Bernabéu stadium, with the surprise of meeting players from the first team. The players encouraged them to come onto the playing field, where a personalized tarp



with the supporter's name on it welcomed them and wished them happy birthday.

The Real Madrid fan program is present in all the club's official media and mediums.

Internationally, the number of Real Madrid fans who enjoy the card outside our borders continues to increase.

The loyalty program is present in over 140 countries. The eMadridistas program establishes a communication link with all the club's supporters. Over 200,000 new fans from all over the world have joined. The pro-

gram is regularly in touch with them at least twice a month, by sending them informative newsletters about current events concerning the team and the club's products and services. In this current season, the program has contacted over 1,200,000 Real Madrid supporters.

Finally, so that supporters can take and acquire their personalized card with their welcome pack in the most Real Madrid surroundings, the number of collection points has been increased in the new stores and in the spaces created in the club's facilities.



New Media

A UNIVERSAL TELEVISION CHANNEL

It broadcasts 24 hours, 7 days a week. Our television channel, Real Madrid TV, continues to expand and grow into new territories, such as Brazil and the United States, which join the more than 85 countries around the world that continue to enjoy its programs. Both versions—the Spanish one and the English one—are now present in over 30 million households. The information about our club reaches all the Real Madrid fans on the planet.





Mobile Marketing

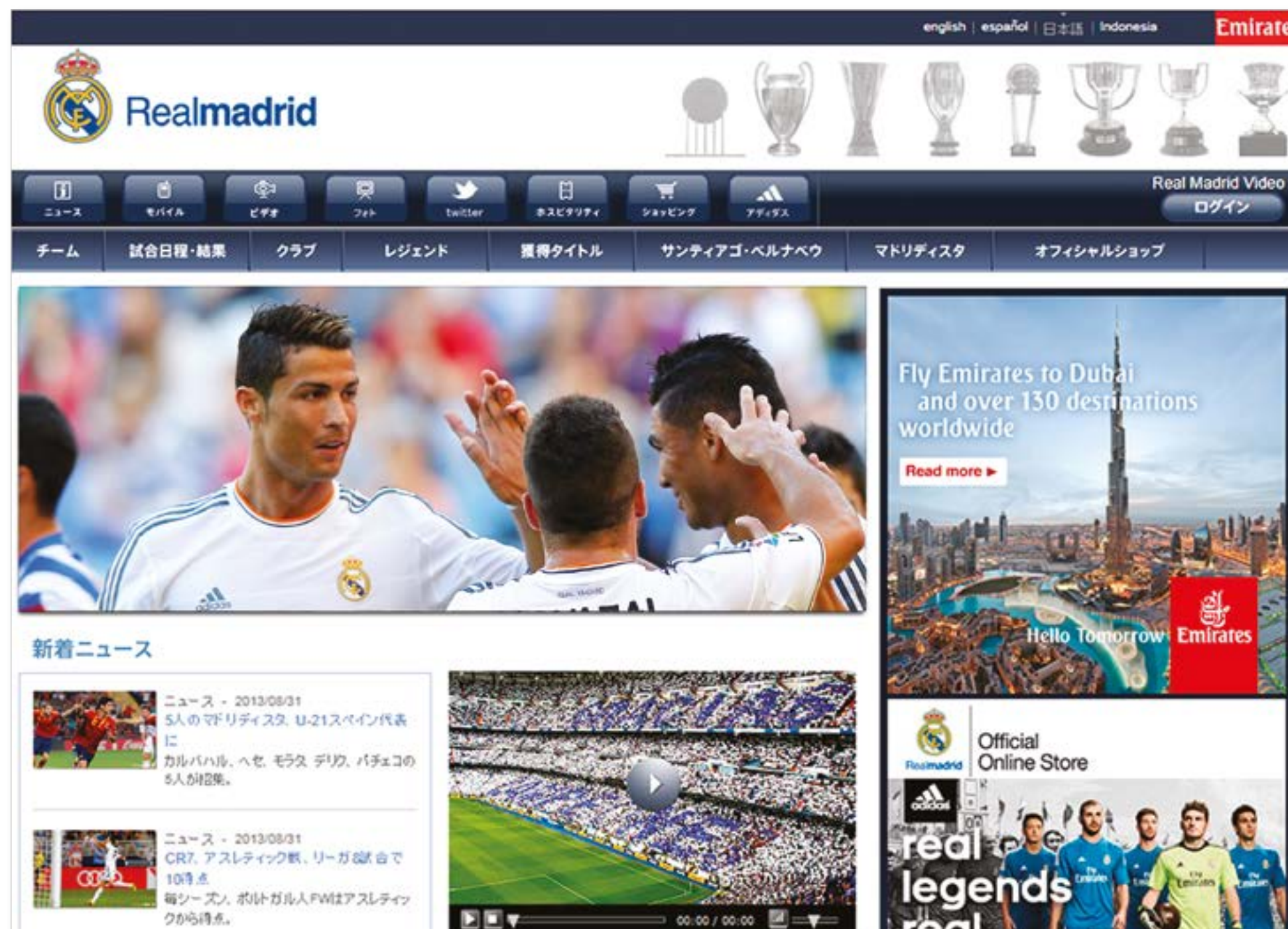
Real Madrid continues to be the benchmark club in the new technologies sector. Last season, this channel definitively consolidated its growth and development, allowing all Real Madrid fans to have access in real time to the club's most exclusive content and services from anywhere in the world.

THE MYMADRID APPLICATION BROKE A NEW RECORD BY EXCEEDING 3.5 MILLION DOWNLOADS SINCE ITS LAUNCH

MyMadrid took another step in its consolidation strategy as the benchmark app at a global level—and not only for a football club, but for any sport institution. Its presence grew on iPhone and Android platforms, for both telephones and tablets, and on televisions connected to Samsung (Smart TVs). This app—available internationally—has broken a new record by reaching over 3,500,000 downloads since its launch, which establishes it as the benchmark app in the football industry worldwide.

In addition to having been the first sport app with a live signal of a sports TV channel (with Realmadrid TV broadcasting 24 hours a day, in the two languages our channel is broadcast in), it has a series of services placing it at the forefront of apps for Smartphones and tablets. From among these services, we would like to highlight the new and re-modeled Real Madrid card section, where supporters can enjoy this group's exclusive publications and magazines, a wide range of offers and promotions, as well as the chance to carry their digital card within the app itself for the first time in this group's history. This is a unique service that only Real Madrid supporters enjoy. The m-commerce—or mobile electronic commerce—section continues to enable users to directly acquire official club products with their terminals. Moreover, the app has been enriched this season with new digital content, in order to guarantee entertainment for all Real Madrid supporters. This positions it as the app that is rated highest by its users.





The multiplatform social game Real Madrid Fantasy Manager 13 continues to be a world leader in fantasy sport games in the entertainment sector, and one of the most downloaded games on the international scene. This year, the game reached tablets, and Real Madrid was once again the first football club to launch a fantasy sport game on this device. The results were really spectacular, with almost three million downloads since its launch.

As special actions, we would like to highlight the agreement reached last season to develop and launch the first app capable of measuring the shooting speed of professional and amateur football players.

It is the first application on the market able to obtain this information.

Realmadrid.com and Internationalization

In 2012, the international versions of Realmadrid.com continued bringing our digital content closer to a number of territories that are strategic for the club. The Arabic (www.realmadrid-arabia.com), Japanese (www.realmadrid.jp) and Indonesian (www.realmadrid.co.id) versions—in addition to the Spanish and English versions—were essential portals so local supporters could feel closer to our club, since they were able to enjoy all the Real Madrid information and content in their respective languages.

The launch of the Chinese version of our website is coming soon.

COMMUNICATION, MEDIA AND CONTENT

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Communication, Media and Content

Last season, Real Madrid's Communication Department managed over one thousand interviews of players, members of the coaching staff and managers. Nearly 400 press conferences were organized, and 8,000 accreditations for information professionals were processed among all the competitions. The more than 120 million visits to RealMadrid.com brought the club's news closer to everyone, with an immediacy that makes our website the leading source for information about Real Madrid. In over 85 countries, this information is complemented by RealMadrid TV, which is also available via mobile apps.



Press

There was an increase in the Press Department's activities during the 2012-2013 season, at all its levels: institutional, football, basketball and youth academy. The constant appearance of new communication media—above all on the digital scene—made the club's contacts with this matter multiply. Thousands of requests for interviews, information, image recording, photography, etc. are managed by the department.

The interviews granted and carried out by the various media again exceeded one thousand, in addition to 400 press conferences with coaches and players from all our teams. In Bernabéu stadium, Palacio de los Deportes and Real Madrid Football City, 8,000 accreditations for information professionals were granted.

Publications

• Hala Madrid

The ultimate magazine for Real Madrid fans, with a circulation of 215,000 copies, reflects the life of the club on its pages, with exclusive

reports that members and Real Madrid cardholders have the privilege of receiving at their homes every three months.

• Hala Madrid Júnior

Young fans also have their own publication, which is published in a more casual tone. It has more participation from young readers via games, contests and hobbies.

The club publishes two quarterly magazines online: Hala Madrid online, which 10,525 international Real Madrid fans receive, and eMadridista News, aimed at 154,225 eMadridistas. These are sent every three months to their emails.

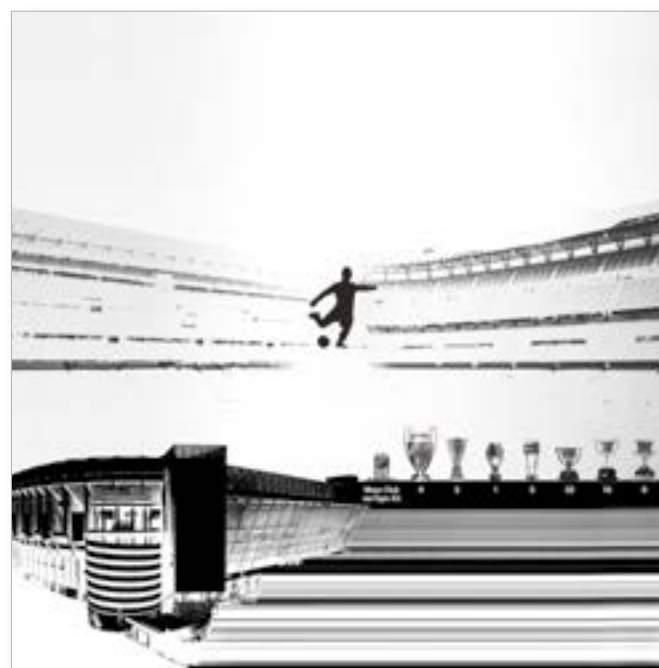
• Match Press Kit

This publication aimed at accredited press in Liga matches in Santiago Bernabéu stadium—which is also distributed to guests at the stadium's directors' box—turned four in the 2012-2013 season. It offers the most interesting statistics and the most spectacular photos of our players and our facilities.





 **Real Madrid C. F. Informe Anual
 2011 · 2012**



 **Real Madrid C. F.
 Real Betis Balompié**
1^o
 Primera jornada de la Liga BBVA, Temporada 2012-13
 Liga BBVA, Jornada 1, Sesión 2012-13



• **Grada Blanca**

The Santiago Bernabéu match program is one of the oldest publications. It is still published with all the information about the corresponding Liga game.

• **Members' Bulletin**

Publication of this bulletin has multiplied because it is emailed to members every week, with all the club's news.

• **Champions League Draw Dossier**

Real Madrid's rival teams in the Champions League have a publication with all the information necessary for their trips (means of transport, accommodations, facilities, security, press, itineraries . . .).

• **Media Basketball Guide**

This publication is designed to offer information about our basketball section to all the media in the world, to rival teams, to institutions, etc.

• **The Foundation's Annual Report**

This is the Real Madrid Foundation's report. Although in the club's annual report there is a chapter on the Foundation's activities, this publication goes into detail and expands on this information, with all the programs and actions carried out during the season.

• **The Foundation's Magazine**

A quarterly publication with information about the Real Madrid Foundation.

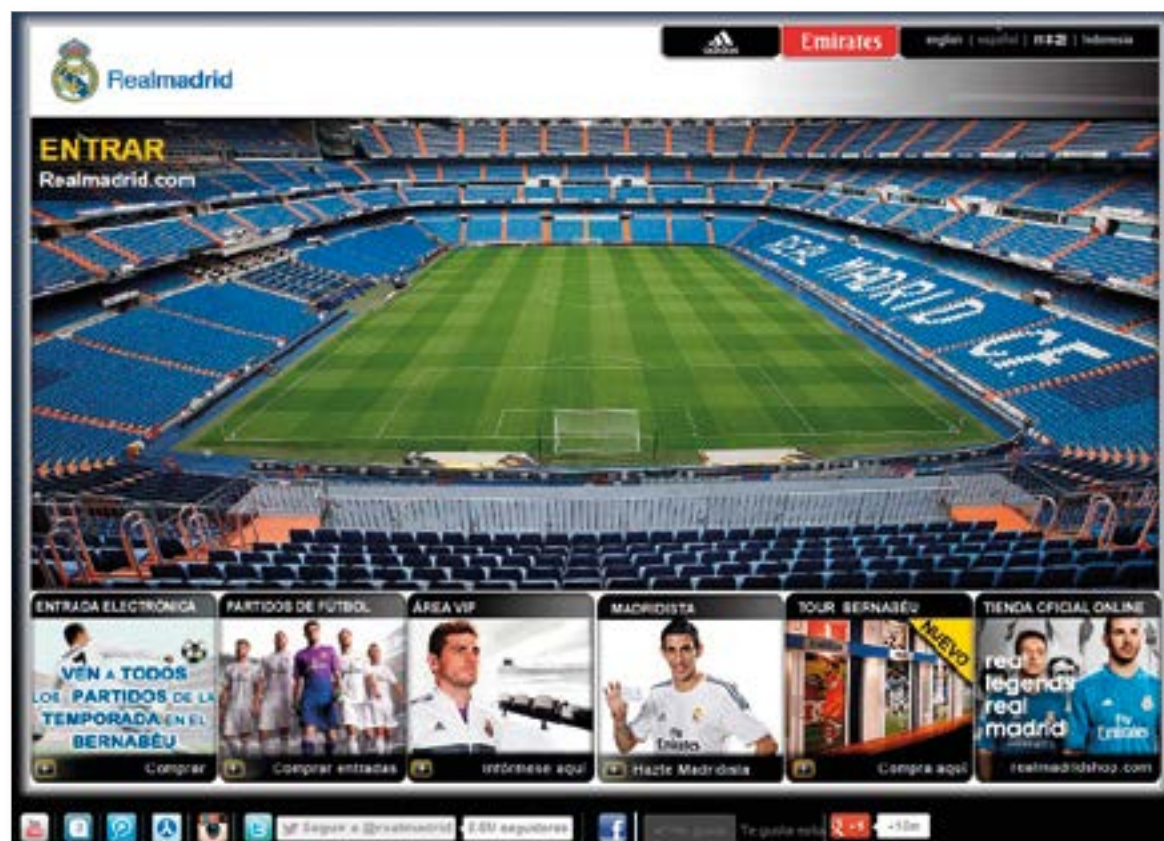
• **Annual Report and Annual Economic Report**

This is the club's report that the president and the Board of Directors submit for approval at the General Assembly of Delegate Members.

• **Colección Everest**

Real Madrid's official books. The latest edition, dedicated to one of our captains: Sergio Ramos.





Realmadrid.com

The white website received over 120 million visits last season. From all corners of the world, supporters of our club were able to be informed up to the minute about Real Madrid's current events. Live broadcasts have continued to be one of the website's greatest undertakings: press conferences, presentations, club functions and broadcasting of the Classic Match could be followed live on our platform. Wherever Real Madrid traveled, the club's website was there to inform Real Madrid fans in a timely manner. The importance of audio-visual materials and photography grew this season.

The website also devoted a lot of effort to information about the youth academy and about basketball. All the final stats about the Factory players—from the u-8s to the Castilla team—can be seen on the white website; the same goes for the basketball youth academy.

Currently, the club is working on a new website which will be available to everyone soon; a more interactive website that is better adapted to new technologies and that has a greater presence on social networks; a website that will continue to be a meeting place for all the Real Madrid supporters around the world.



Realmadrid TV

Realmadrid TV has continued to boost its program schedule in order to meet the demand with the highest quality from Real Madrid supporters. Real Madrid's news has been reported with the immediacy and rigor of its news programs and hourly news bulletins.

Live broadcasts have increased throughout the entire season, with the pre-game and post-game shows particularly standing out. The show "Hoy Jugamos" is now a classic for all Real Madrid television viewers. The comprehensive summaries of the Liga, Cup and Champions matches have played a

leading role in the channel's programming. Through the two weekly debates, Real Madrid's current events have been analyzed, with the plural presence of sports journalists specialized in representing the media.

This has been, without a doubt, the year of basketball on the club's official channel. Real Madrid TV has broadcast the Euroleague live. Pablo Laso's team reached the Final Four in London in this competition. The Spanish Super Cup and the Endesa League were the titles Real Madrid attained, and both were thoroughly covered by the channel, with special live programs

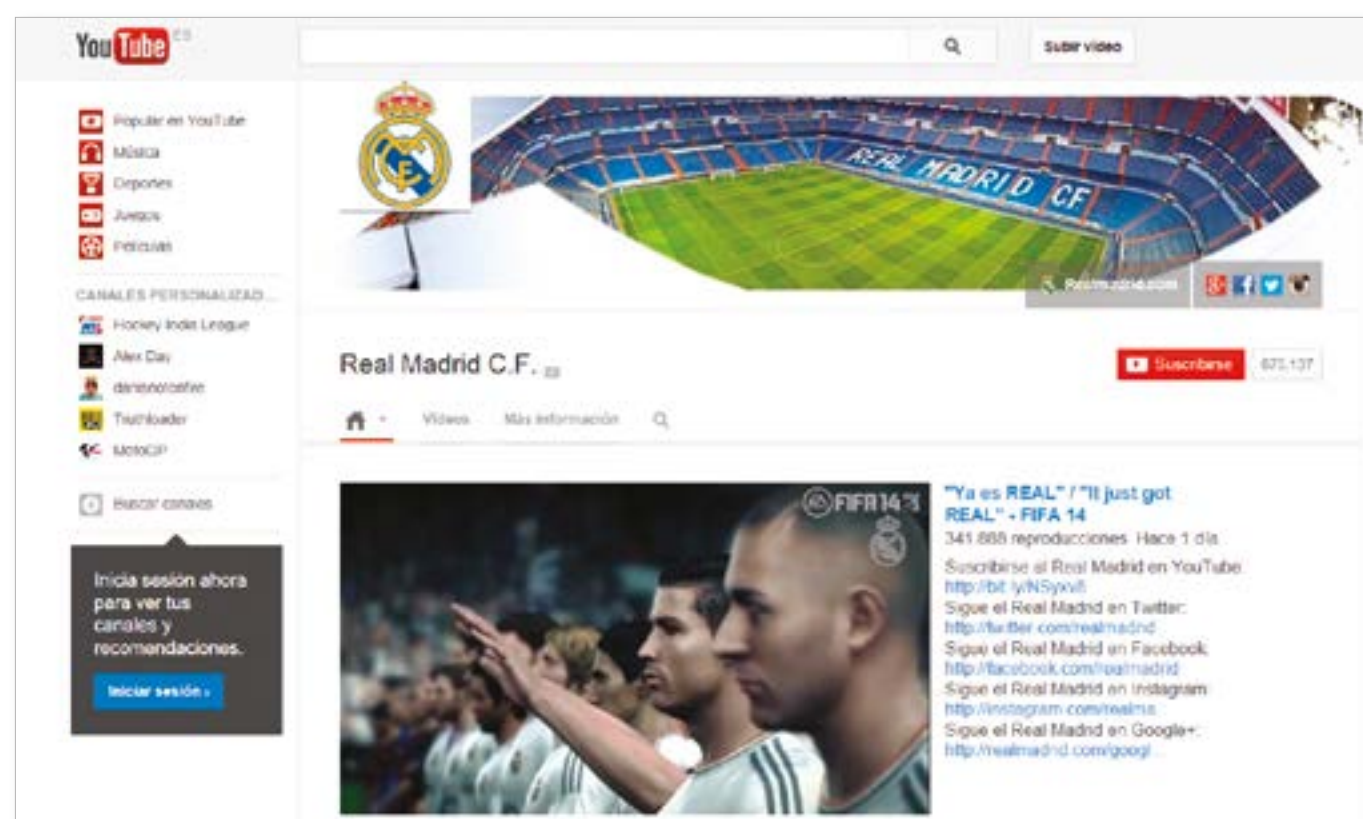
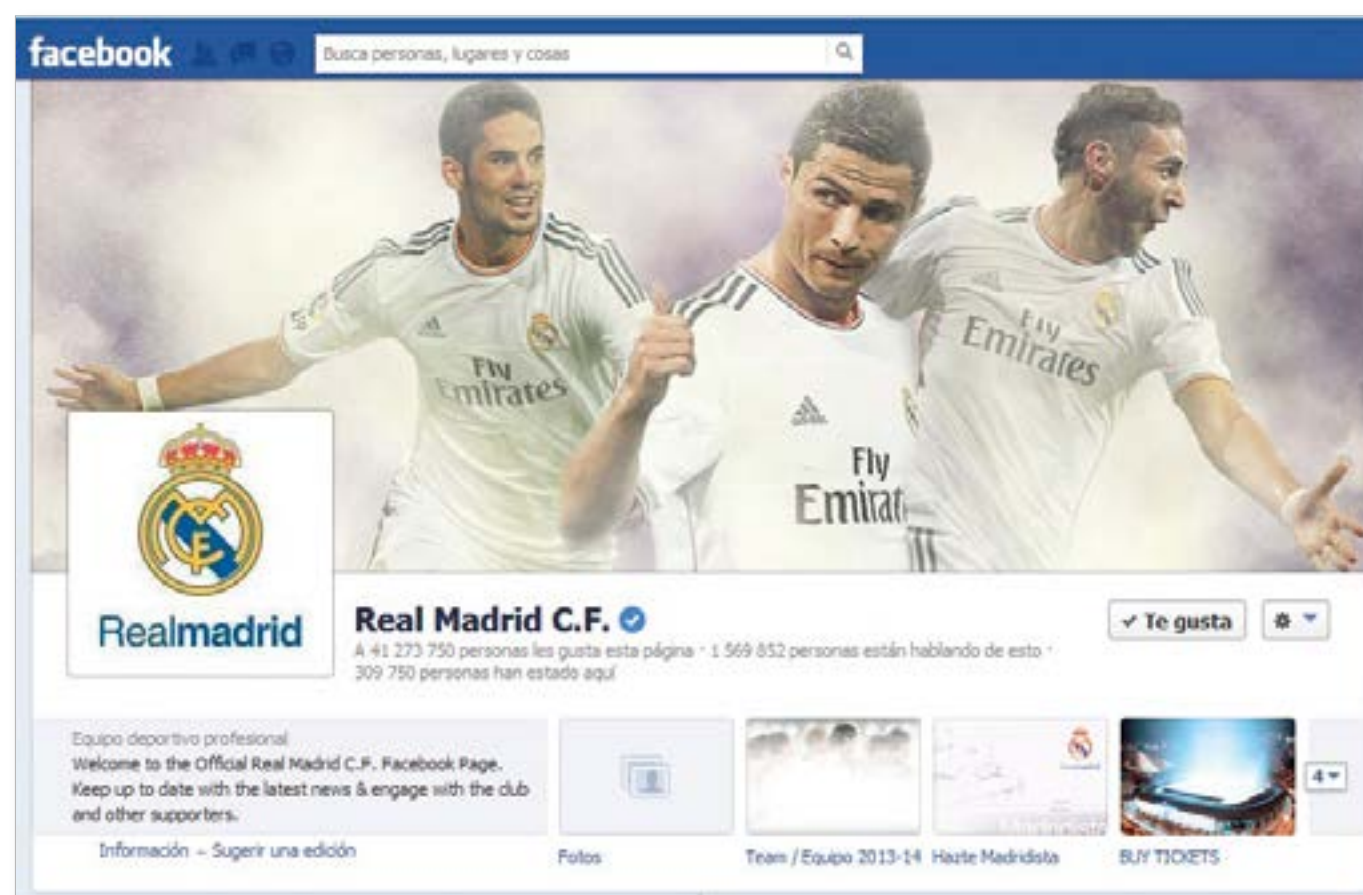




that had specialized journalists and former Real Madrid players on it. We were able to experience the best season in Real Madrid C's history live: the channel broadcast all its games.

Furthermore, we could watch—live or prerecorded—some of the best national and international tournaments, which teams from our youth academy participated in.

Moreover, the channel has broadcast live most events and occasions of the club's social life. Real Madrid's historic matches have been relived with special emotion throughout the season, showing how sensitive the channel is to our club's legend.



Social Networks

The social networks are coordinated by the Technology and Systems department, in cooperation with other departments in the club, among them the Communication Department. It is a channel for bidirectional communication between Real Madrid and its supporters. During the season, it was consolidated as a benchmark at the international level.

In June 2013, more than 60 million supporters followed us on some of the main platforms: Facebook, Google+, YouTube, Twitter, Instagram, Ren Ren, Tencent, etc. This represents a 41% increase (more than 16,000,000 fans) on the previous season.

Communication is in several languages: Spanish, English, Chinese, Japanese, Arabic and French. It is

characterized by its immediacy. It focuses on the club's current events and complements Realmadrid.com's communication.

From among the most noteworthy milestones of the season, we must highlight the opening of an Instagram profile, which reached half a million fans in its first week; as well as exceeding 40 million Facebook fans, three million Google+ fans and over 12 million Twitter followers. The English Twitter account now exceeds two millions followers.

The club's official channel on YouTube deserves special mention. It has over 700,000 subscribers and a monthly average of 18 million videos viewed. For the first time, the club's functions were streamed live this season.



REALMADRID FOUNDATION

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National operations

THE FOUNDATION'S
SOCIO-ATHLETIC
PROJECTS SHARE OUR
VALUES WITH MORE
THAN 8,000 PEOPLE.

More than 8,000 people in Spain are helped by the Foundation's programmes and of them, more than 4,000 are boys or girls between five and 17 years of age. These young people benefit from the work done at the 55 sports and social projects/academies for both football and basketball, that the Federation runs throughout Spain. Our objective is to share positive values in order to promote healthy, sporting lifestyles and to work with young people's families in order to give them a holistic education. These are socio-educational projects targeted at young people, some of whom may be at risk of exclusion. 30% of the places at the academies are offered to socially disadvantaged young people.





Significantly, eight socio-athletic academies have opened in Logroño, Ibiza, Mahón, Las Tablas-Madrid, Puerto Lumbreras and Melilla, in addition to football and basketball academies. For the coming season, we have signed agreements to inaugurate further academies in Oviedo and Motril, in addition to two academies in Madrid, one of which will be a specialised centre for wheelchair basketball. Our objective is the same wherever we operate: to share positive values in order to promote healthy,

sporting lifestyles and to work with young people's families in order to give them a holistic education.

The socio-athletic academies include two training programmes targeted at teachers which have become established as resources for teaching sports trainers. They are known as "They play we teach" and "For a real education: values and sport." From February to March the sports centres participate in an internal tournament (in the Real

Madrid Sports Complex for football and in Arganzuela for basketball). Boys and girls put into practice what they have learned throughout the season in training and they enjoy being able to compete in their favourite sport with their friends, team-mates and family.

The objective behind the centres is to offer holistic education and give people the opportunity to enjoy the sport of football. Boys and girls are also offered training in the technical, tactical, physical,

human, ethical and intellectual facets of the game.

For the fifth year running, we held our "Inclusive Campus" event, whereby able bodied youngsters from our centres live alongside and train with youngsters who use wheelchairs, with the aim of enjoying the sport of basketball together.

Finally, in the summer and Christmas school holidays, the centres offer sports schemes for football, tennis and basketball. The schemes,

known as the *Campus experience*, aim to improve the technique of those attending and also offer a wide variety of fun and innovative learning activities. The last time these were held, around 2,200 youngsters participated, aged from 7 to seventeen and including 40 different nationalities. This year, the schemes were expanded and organised in four different Spanish cities: Madrid, Santander, Cartagena, and Fuerteventura. They were also held in England, Poland, and in Brazil in the Christmas holidays.



Socio-athletic academies in prisons

During the season, the Real Madrid Foundation has maintained a presence in 20 prisons on the Iberian Peninsula and has expanded this part of the operation to Ibiza. Currently, we have 41 academies in prisons throughout Spain, 21 dedicated to football and 20 to basketball.

Socio-athletic academies in other institutions

The objective of these centres is to promote sport and the inherent values that go with it within a framework of social integration. Currently, there are three such schools in the Madrid Autonomous Region and they

have operated with great success. There is one in the children's home "Picón de Jarama" (in Paracuellos), one in the home "Residencia Manzanares" and one in the youth centre in Chamberí. During the season, a further two centres operate in detention centres in Murcia and Alicante. In addition, a further centre has been established at the family help centre, the *Casa de la Almudena*.

Basketball for children in hospital

The aim of this programme is to provide an atmosphere of well-being and normality for children who have been admitted for long term treatment due to various

conditions. We also aim to provide parents and families with a meeting place to help them with the long days that they have to spend in hospital. During the season 2012/2013, we operated six such centres in the Madrid Autonomous region at the following hospitals: Hospital Gregorio Marañón, Hospital Universitario Doce de Octubre, Hospital Universitario La Paz, Hospital Niño Jesús, Hospital Ramón y Cajal and the Hospital Universitario Montepíncipe.

Physical activities for the elderly

This programme has been set up to help people over the age of 65 keep fit and active and thereby contrib-

ute to their self-esteem and improve their social lives. The headquarters of this programme is at the sports centre *Canal Isabel II*, in Madrid where 250 elderly people access the service.

Centre for volunteers in Madrid

In the 2011-12 season, the Real Madrid Foundation launched the centre for volunteers in Madrid. The centre has become very well established throughout the season thanks to the solidarity of more than 250 people who give up their time to help our social causes.

The "Solidarity with children" campaign

The Real Madrid Foundation, the department store *El Corte Inglés*, and the Spanish Red Cross have signed an agreement to operate the campaign "Solidarity with children". The objective is to provide 560,670 afternoon snacks to more than 5,000 children over a period of 110 days.

The campaign is organised within the framework of "The promotion of success at school" programme, organised by the Spanish Red Cross, whereby afternoon snacks are given out to supplement the diets of children from the most disadvantaged families in the 14 Autonomous Regions of Spain.

International operations

REAL MADRID
HEART AND SOUL
IN 209 SCHOOLS
IN 67 COUNTRIES

34,000 children access the programme in 208 schools, enabling them to grow and be educated within the best values of *madridismo*: self improvement, respect, companionship, solidarity and the rejection of racism.





The presence of the Real Madrid Foundation in the **Americas** keeps growing. After the huge expansion over the last four years, this season has seen the strengthening and consolidation of our work in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, The United States, El Salvador, Haiti, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, The Dominican Republic, Trinidad and Tobago, Uruguay, and

Venezuela. One of the greatest milestones has been the signing of an agreement with Microsoft, whereby they have agreed to make a donation to our projects in Argentina, Brazil, Colombia, Ecuador, and Mexico. They will also be donating software to assist the technological capabilities of our partner organisations and beneficiaries in Latin America and the Caribbean.

The **African** programme of socio-athletic academies



was initially funded by two charity matches, which took place during successive seasons, 2010-11 and 2011-12. These games were given the title “Corazón [heart] Classic Match”. This programme has enabled the Foundation to strengthen the delivery of holistic development for boys and girls. The results this season have been excellent, with an effective presence in 28 countries, and a total of 40 socio-athletic academies: Angola, Algeria, Benin, Burkina

Faso, Burundi, Cape Verde, Cameroon, Egypt, Ethiopia, Ghana, Equatorial Guinea, Kenya, Madagascar, Malawi, Mali, Morocco, Mozambique, Niger, Central African Republic, The Republic of Congo, The Democratic Republic of Congo, Rwanda, Senegal, Sierra Leone, South Africa, Tanzania, Togo, and Uganda.

In the **Middle East**, the Foundation’s programme of social-athletic academies is bearing fruit. Our activities





in this region are centred on education in citizenship, peace, and the promotion of health living. We operate in Saudi Arabia, Bahrain, The United Arab Emirates, Israel, Jordan, Kuwait, Kurdistan (Iraq), Lebanon, Oman, Qatar, Palestine and Pakistan. The programmes offering technical training and the skills clinics are key in the region, due to the interest in high performance football. With our activities in the region, we reach out to young people at risk of exclusion and

our operational model also enables us to invest in social programmes.

Since the first steps were taken to expand the Realmadrid Foundation into **Europe** two seasons ago with the creation of the first academies, our presence has expanded just at a time when the continent has been going through great economic difficulty.

We have continued with our work of promoting the social inclusion of boys, girls and

OUR ACTIVITIES IN THIS REGION ARE CENTRED ON EDUCATION IN CITIZENSHIP, PEACE, AND THE PROMOTION OF HEALTH LIVING.

adolescents with little of few resources, who are at risk of being marginalised and socially excluded in Azerbaijan, Hungary, Italy, Poland, Portugal and Romania.

In Asia, the work of the Foundation has consolidated and strengthened, following the objectives that we

had outlined for this continent. We have strengthened our operations in China, India, and Indonesia. We have established academies in East Timor. The biggest football academy in the world, Evergrande in China has now been operating for nearly a year and was visited by our president.



Communication

PUBLICATIONS

The Realmadrid Foundation is conscious of the importance of communicating our message, both to any organisation or persons who support or could potentially support us, and to society in general. We do this through different media:

Magazine

The magazine is published quarterly and 8,000 copies are printed. It is sent to patrons, partners, sponsors and former players.

Activity report

This details, with illustrations, the activities and projects which the Foundation undertakes in Spain and throughout the world. It includes a finance report.

Editorial

Sergio Ramos' biography was presented in the VIP box of the Bernabeu stadium. The book, entitled *Corazón, Carácter y Pasión* [Heart, Character and Passion] was written by the journalist Enrique Ortego and published by Everest. It tells the story of this legend of the Whites though his contribution on the field, trophies, ambitions, and dreams.

ONLINE MEDIA

Realmadrid.com

The Real Madrid website, Realmadrid.com includes a page dedicated to the Foundation and receives more than ten million visits each month. The most important news and activities and published on the site.

E-newsletter

Sent out every month, this gives information to the members and partners of the Foundation regarding the most important developments.

Social networks

In an effort to get the most supporters possible, the Foundation maintains a high profile on Facebook. This season our number of followers surpassed one million.

In addition, our Twitter account, which offers the most immediate updates of our activities now has over 145,000 followers.



RealMadrid

Nº 42 • I-2013

NUESTRAS ESCUELAS TRABAJAN POR UN DEPORTE SIN BARRERAS

Reportaje
El convenio con HSBC
permite la apertura de
nuevas escuelas

Patrimonio
70 aniversario de la
presidencia de Santiago
Bernabéu



Events

The Luis de Carlos Forum

The Luis de Carlos Forum, paying homage to the man who was president of the club from 1978 to 1985, is our vehicle for debate. It helps us to analyse the impact that sport has in the world and to get yet more acquainted with the history of Real Madrid. This season we held two meetings.

Goal scorers

The first meeting of the forum brought together an array of former players such as Paco Gento, Amancio Amaro, Davor Suker, Fer-

nando Morientes, and Emilio Butragueño. All spoke of their pride at having played a part in different successful eras in Real Madrid's history.

Real Madrid and basketball

The Real Madrid players Felipe Reyes, Rudy Fernández, Sergio Rodríguez, and Sergio Llull, accompanied by personalities from the history of Spanish basketball such as Pedro Ferrándiz, Rafael Rullán, and Alberto Herreros, spoke about the essence of good basketball and the responsibility of wearing the white shirt.





LEGENDS FROM REAL MADRID AND JUVENTUS CAME HEAD TO HEAD ONCE AGAIN IN THE CORAZÓN CLASSIC MATCH 2013 VERACRUZ IN A FULL BERNABÉU STADIUM.

Corazón Classic Match 2013 Veracruz:

“Solidarity with children”

The Real Madrid Foundation organised a charity match between Real Madrid Legends and Juventus of Turin Legends. Amongst the names on the field, those of Zidane, Figo, Roberto Carlos, Morientes, Redondo, Santillana, Cannavaro, Nedved, and Peruzzi stood out. The proceeds from the game will go to the cam-

paign “Solidarity with children”, and will fund the distribution of more than half a million afternoon snacks over 100 days to more than 5,000 disadvantaged boys and girls all over Spain.

Charity golf tournament

This year the Real Madrid Foundation’s fourth charity golf tournament was held, with Samsung the main sponsor for the second year running. In addition, for the

first time, a golf circuit was organised from April to June 2013. The proceeds from the tournament and from the circuit will go to the Foundation’s programme at the Majadahonda school for adapted basketball.

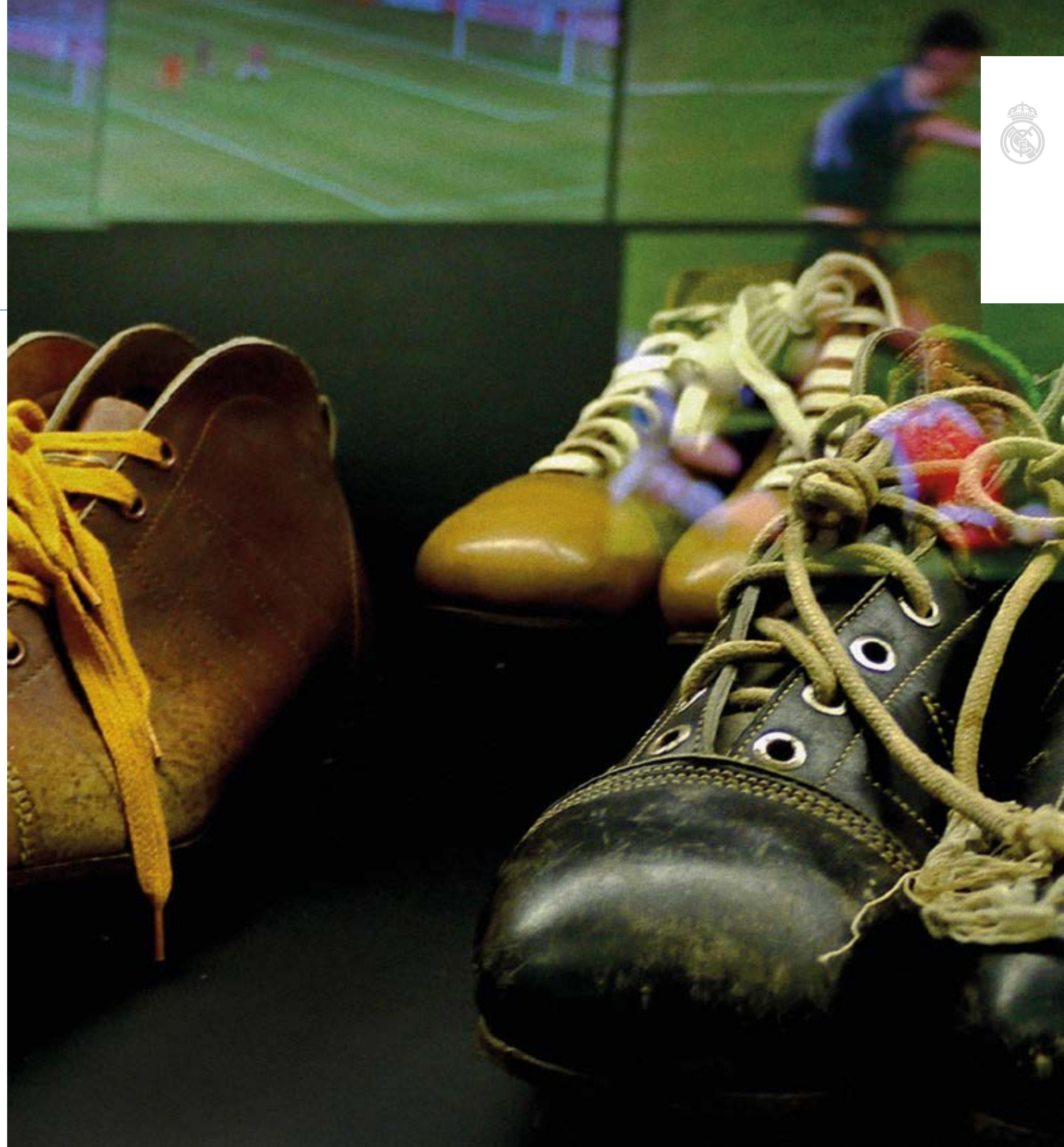




Heritage Centre

MORE THAN 228,00
ITEMS ON DISPLAY

The functions of the Realmadrid Foundation include the management of the club's Heritage Centre. The Centre is located at Real Madrid City, where it receives, classifies, inventories, catalogues and digitalises all the objects and documents received from the administrative and sporting management of the club itself and those donated or loaned by fans who generously wish to contribute to making the club's history better known.





As of today, over 228,000 objects have been catalogued. These include player registration forms and contracts, trophies, gifts, flags, shirts, match posters, images, audio tapes, videos...

Some of this material has served to increase and renew the contents that form part of the Bernabéu Tour. Displays include posters and tickets from historic

matches, old footballs and basketballs, sports shirts and boots, antique sports toys, sports sculptures, player registration forms, club membership cards, etc. Objects that bring back childhood memories for our older visitors and never cease to surprise the young.

The images are used to illustrate the club's communications media: Real Madrid.



com, Real Madrid TV, the magazines Hala Madrid and Hala Madrid Júnior, Grada Blanca, Members' bulletin, the Real Madrid Foundation magazine and the Real Madrid social networks, as well as official Real Madrid books.

We have even sent contents to Nicaragua for a photographic exhibition to celebrate the 111th anniversary of Real Madrid. After

last year's success with the Madridista exhibition at the Luis de Carlos Forum dedicated to "The fans", this season each meeting has included a thematic exhibition.

In February, the Luis de Carlos Forum "Goal Scorers" included images and balls, as well as the shirts of some of the great Real Madrid forwards.



THE COLLECTIONS OF THE HERITAGE CENTRE ARE INCREASING THANKS TO THE GROWING AWARENESS OF ALL THE SECTORS OF THE CLUB

In April, at the Luis de Carlos Forum “Real Madrid and basketball”, the Foundation exhibited images, balls, boots, publications, posters, and shirts of the great players of the basketball section of Real Madrid. These included a shirt belonging to Fernando Martín, some shorts of Carlos Sevillano and some sports boots of Emiliano Rodríguez.

In June, on the occasion of the Assembly of Real Madrid Fan Clubs, the Foundation organised another exhibition of historic objects of the club in the entrance to Real Madrid City. Visitors were able to contemplate the evolution of the shirt up to the current season, as well as boots and balls from all eras.

At the VIP Area party, Real Madrid displayed some of the most emblematic trophies of the club in order to recreate a historic setting.

In every issue of the Foundation magazine we remember a special event and several of the names that have forged the legend of Real Madrid.

All the sectors of Real Madrid are aware of the importance of the club’s Heritage Centre. This has led to the contribution of many objects and documents that have been received during this season. These include old pictures (slides, negatives and photographs), player registration forms and contracts, magazines, posters, plans, videos and recordings...

REAL MADRID UNIVERSITY SCHOOL UNIVERSIDAD EUROPEA

The school is present in 13 countries and offers 10 university master's degrees. Its objective is to develop multidisciplinary academic training in the areas of management, communications, health and physical activity, always with sport as a common element.

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The school offers 10 university master's programmes:

Business Administration and Sports Management, Communication and Sports Journalism, Sports Management (Online), Sports Training and Athlete Nutrition, Sports Physiotherapy, Talent Detection and Development in Soccer, Sports Law, Sports Marketing, Entertainment Business Management, and MBA in Sports Management, taught entirely in English.

A well-established school
In this academic year alone, over 1,000 students have received training here.

On 8 May, a new school was opened at Kendall College in Chicago. The Director of the Real Madrid School of University Studies – Universidad Europea de Madrid, Emilio Butragueño, attended the event.

As for academic trips, students of the Master of Business Administration in Sports Management travelled to London and New York.

Students of the Master's Degree in Talent Detection and Development in Soccer visited Ajax Amsterdam's Academy.



Mexico

Universidad del Valle

Costa Rica

Universidad Latina

Ecuador

Universidad de Las Américas

Brazil

Amhembí Morumbi

Peru

Universidad Peruana de las Ciencias Aplicadas

Chile

Universidad de Las Américas

Portugal

Isla

Germany

Business and Information Technology School

Spain

Universidad Europea de Madrid

Morocco

Université Internationale de Casablanca

Turkey

Istanbul Bilgi University

Cyprus

European University of Cyprus

USA

Kendall College de Chicago





White week

Among the unique experiences offered by the School is White Week. From 18 to 22 February, the students attended the Santiago Bernabéu stadium with the objective of getting to know the different areas of the club. In this way the students are able to approach professional reality through the experience and knowledge of the club's executives.

Cátedra Real Madrid

This programme is directed by the winner of the Nobel Prize for Literature, Mario Vargas Llosa.

In its fifth edition, the Real Madrid study programme has awarded 10 research grants amounting to 50,000 euros. On this occasion they were presented by the president of Real Madrid, Florentino Pérez, and by the winner of the Nobel Prize for Literature, Mario Vargas Llosa.



Vargas Llosa was the sponsor of the 7th group of students who graduated from the school in the 2012/13 academic year, and whose graduation ceremony was held on 2 July at the Santiago Bernabéu stadium.

New for the 2013/14 academic year, it should be emphasised that each master's degree will be directed by a Real Madrid executive as co-director. Furthermore, it is appropriate to mention

that 81 directors and managers from all areas of the club will participate in the different programmes.

VETERANS

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Veterans

REAL MADRID C.F. FORMER PLAYERS ASSOCIATION

Real Madrid C. F. Former Players Association

The veterans are ambassadors of the club and they defend the values they demonstrated as players. The Association has performed its charity and social welfare activities through numerous football matches, during which they have entertained the fans who have flocked to see them in Spain and abroad. Their Management Board works in three committees: sporting, economic and social.

During the season, the Real Madrid Former Players Association team played in 20 football matches, 15 indoor and four seven-a-side matches, with excellent results. The veterans have continued to represent the club on different institutional and social or sporting occasions and have attended events organised by the foundation, the fan clubs and the members. Their new Management Board has diversified the functions via its three committees.





PARTICIPATION IN CHARITY AND SOCIAL WELFARE MATCHES IS ONE OF THE MAIN ACTIVITIES OF THE BASKETBALL VETERANS

Real Madrid Basketball Players Association

A large number of the activities in which the Real Madrid Basketball Players Association participates are social welfare events. Once again this year, they have continued playing in charity matches to collect funds that help perform social actions.

The team took part in friendly matches in favour of Sevilla Solidaria and in support of the collection of food items in Móstoles.

It was the protagonist of the Superfinal of the School League championship of Russia, organised by Kes-Basket in Perm (Russia), in which our team played against Perm, a former club of the Russian Professional Basketball League.

This year, the Association has again continued with the programme for sponsor-

ship of teams of the lower categories of the club. Javier García Coll, Vicente Paniagua and José Luis Llorente have sponsored the youth teams.

In July 2012 the 6th Basketball Campus was held, attended by 41 girls and boys, aged between 8 and 16, at the installations of PDM San Javier Murcia. This occasion benefitted from the attendance of the former players Johnny Rogers (who gave passing and shooting classes), Beirán (shooting) and Arlauckas (pivot movements).

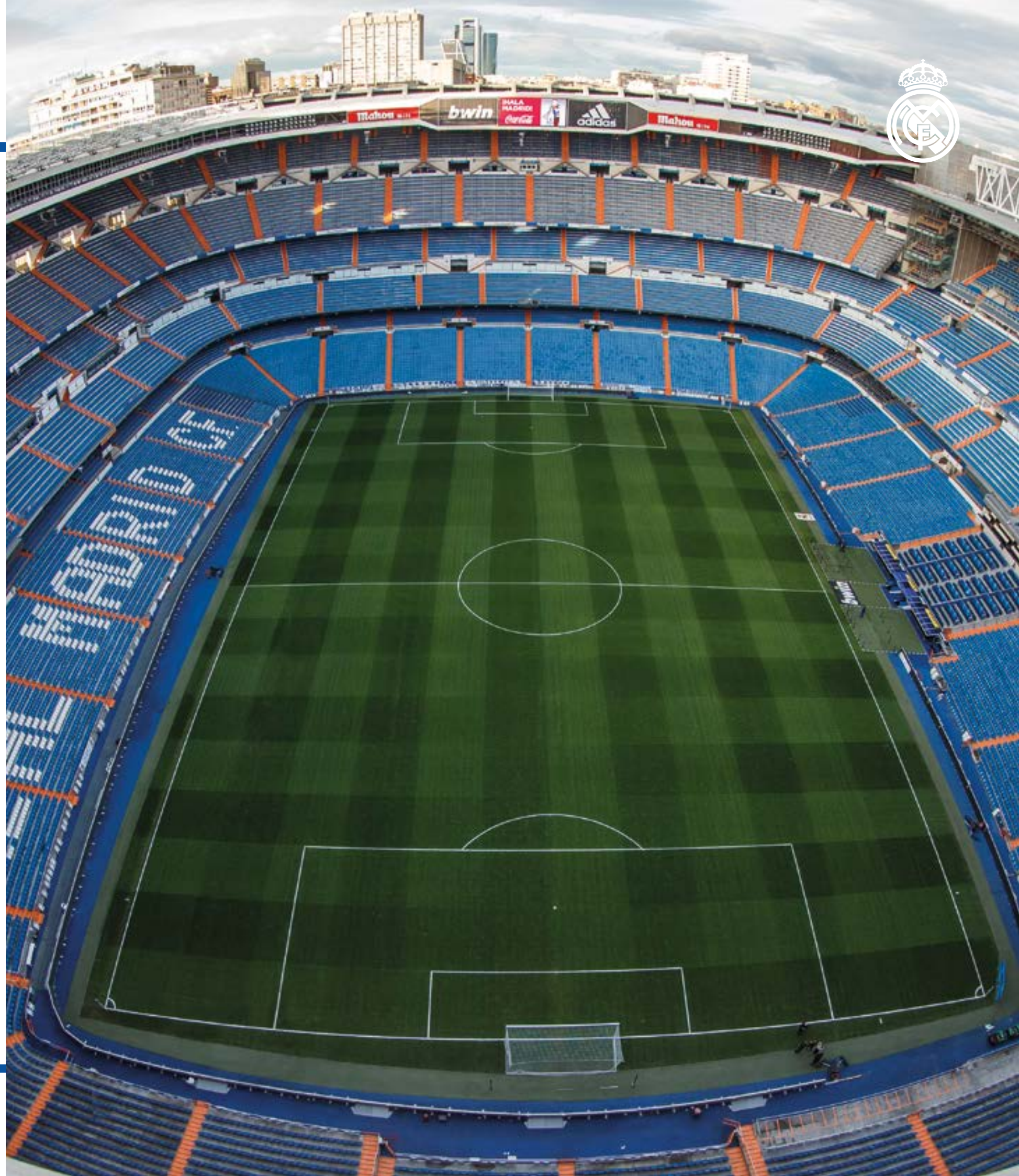
At a social welfare level, the Association continued to support some of the families of former club players, such as the daughters of Carlos García Ribas, who died in 2009, taking care of the girls' school expenses.

GROUP MANAGEMENT REPORT

For the ended June 30, 2013.

The management report for Real Madrid Club de Fútbol and Subsidiary, including an analysis of its earnings performance in 2012/2013, is presented below.

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Operating income (prior to disposals of non-current assets)

Operating income for 2012/2013 amounted to €521 million, which represents an increase of €7 million (1.3%) with respect to the prior year, thereby consolidating revenue greater than €500 million for two consecutive years, a threshold figure which no other sporting entity in the whole world has exceeded.

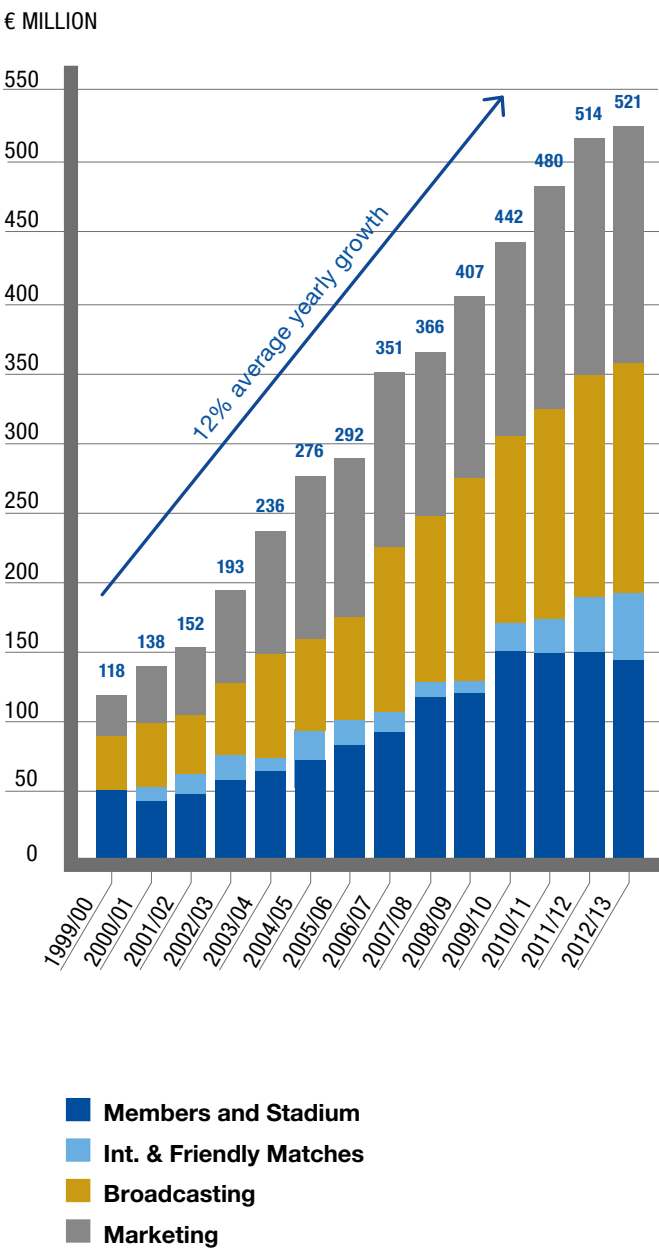
This income comes from the Club’s business lines: the stadium, television, and marketing. The income from player transfers is not included; this is reflected in the income statement under “Gains (losses) on disposals and other gains and losses.”

The business lines which contributed most to income growth in 2012/2013 were friendly matches and international competitions.

Member contributions, from both quotas as well as season passes, represented 9.5% of total income.

Over the 1999-2013 period, income averaged annual growth of 12%.

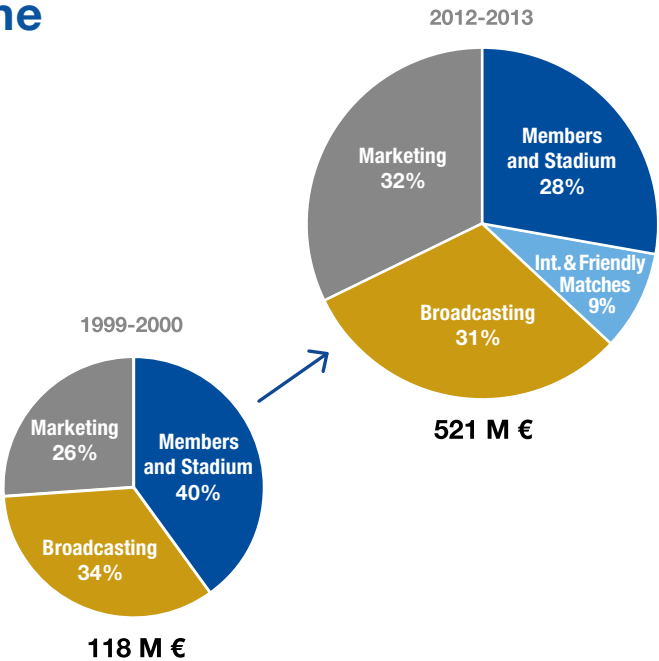
Future projections are based on strengthening the brand by investing in and commercializing great players, and developing business lines while expanding internationally; these are the Club’s main competitive advantages which position it as one of the world’s top football clubs.



Breakdown of operating income (before net gains from disposals)

The Club has attained a balanced income structure, with its three main revenue drivers (stadium, broadcasting, and marketing) each contributing around one-third of the total.

The diversification of recurring revenue sources confers financial stability to the Club, cushioning the impact of potential fluctuations in revenue as a result of varying performance on the field and the broader economic backdrop.



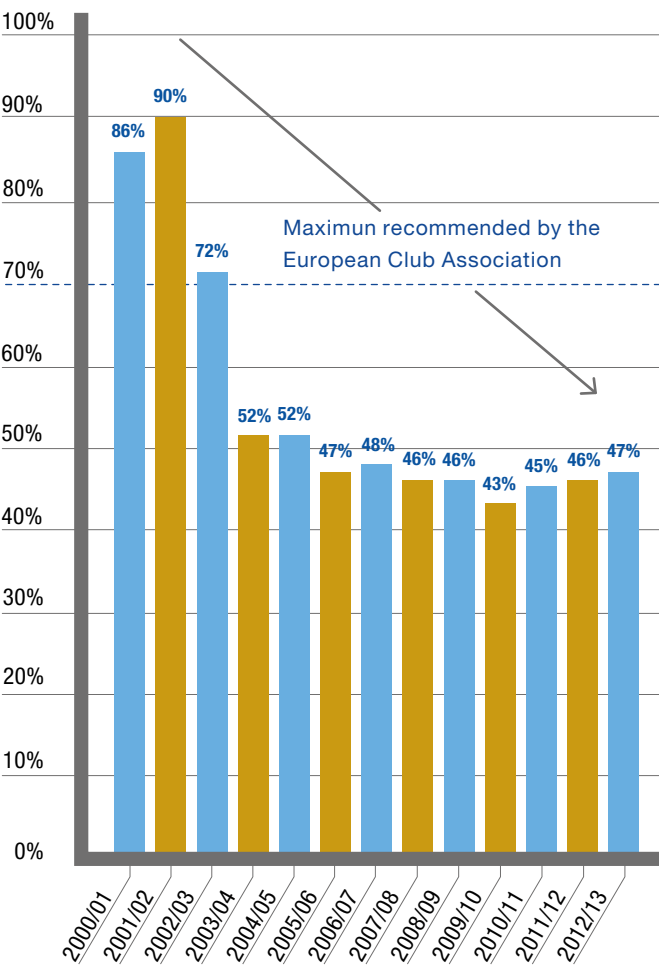
Wages to turnover ratio

This chart depicts the trend in the ratio of the Club’s total personnel expenses and operating income (prior to disposals of non-current assets).

This is an internationally-used parameter to measure a football club’s operating efficiency, necessary to determine its future viability. The lower the ratio, the more efficiently the Club is performing.

Income growth was accompanied by a concerted effort to contain costs and improve efficiency, reflected in a stable ratio of 47% in 2013.

Real Madrid’s ratio is well under the 50% standard considered the excellence threshold, and substantially below 70%, which is the maximum level recommended by the European Club Association (ECA).

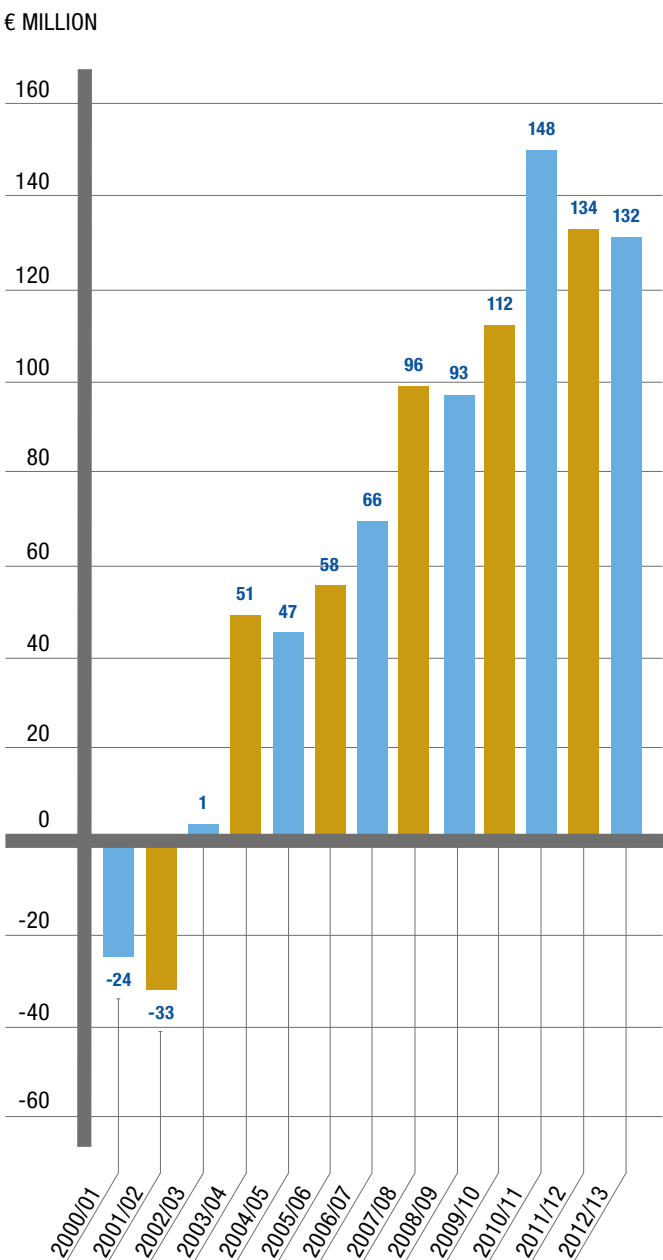


Operating profit before depreciation and amortization and gains (losses) on disposals (EBITDA before “Gains (losses) on disposals”)

EBITDA (before net gains on disposals) is the Club’s operating surplus after deducting personnel and other operating expenses from recurring revenue. This is the Club’s source of recurring revenue which enables it to invest in the players and facilities set out in its business plan, as well as to meet its financial commitments.

As is evident in the reconciliation of this year’s income statement to the budget, included in the notes to the 2012/13 consolidated financial statements, EBITDA (before net gains on disposals) totaled €132 million, representing a slight year-on-year decrease. Income growth and increased efficiency in operating expenses, achieved within a difficult economic environment, was used to strengthen the football and basketball squads, which resulted in increased sporting staff expenses, further penalized for another year due to changes in tax regulations that went into effect in 2012. The reported EBITDA figure of €132 million (before net gains on disposals) represents 25% of the €521 million recognized for operating income, i.e., for every €100 generated in income, a surplus of €25 is obtained after covering expenses.

Looking back in time, EBITDA (before net gains on disposals) has trended consistently higher, which, in spite of the impact of the general economic situation, highlights the focus of the Club’s financial management on raising profitability by combining income growth with cost control.



Income Statement

The 2012/2013 financial year saw operating revenue of €521 million, a €7 million year-on-year increase (1.3%), and €132 million in operating profit before amortization/depreciation and disposals of assets, €2million less than the previous year.

This result, after including the results from transfers of players, gave rise to an EBIDTA of €150 million, €4 million less than in the prior year. Income obtained in 2012/2013 from transfers of players was much greater than that obtained in the prior year, though said year also included non-recurring gains from the sale/disposal of assets.

This operating surplus represents €48 million of profit before taxes and after deducting amortization/depreciation and financing expenses, €15 million more than in the previous year. In order to understand this change, it is necessary to consider, on the one hand, the decrease in amortization expenses for players as a result of reducing investments, transfers carried out, and the remaining useful life of player contracts; and on the other hand, the decrease in financial expenses as a result of reducing the balance of bank borrowings and reducing finance costs.

The robust profit obtained in such a challenging economic climate is a clear indication of the Club’s profitability and economic potential.

€ Million	2011/2012	2012/2013
OPERATING INCOME	514	521
Annual growth	7 %	1 %
OPERATING SURPLUS before net gains on disposals (EBITDA before net gains on disposals)	134	132
% s/Income	26 %	25 %
OPERATING INCOME before depreciation and amortization (EBITDA)	154	150
PROFIT BEFORE TAXES	32	48

Investments

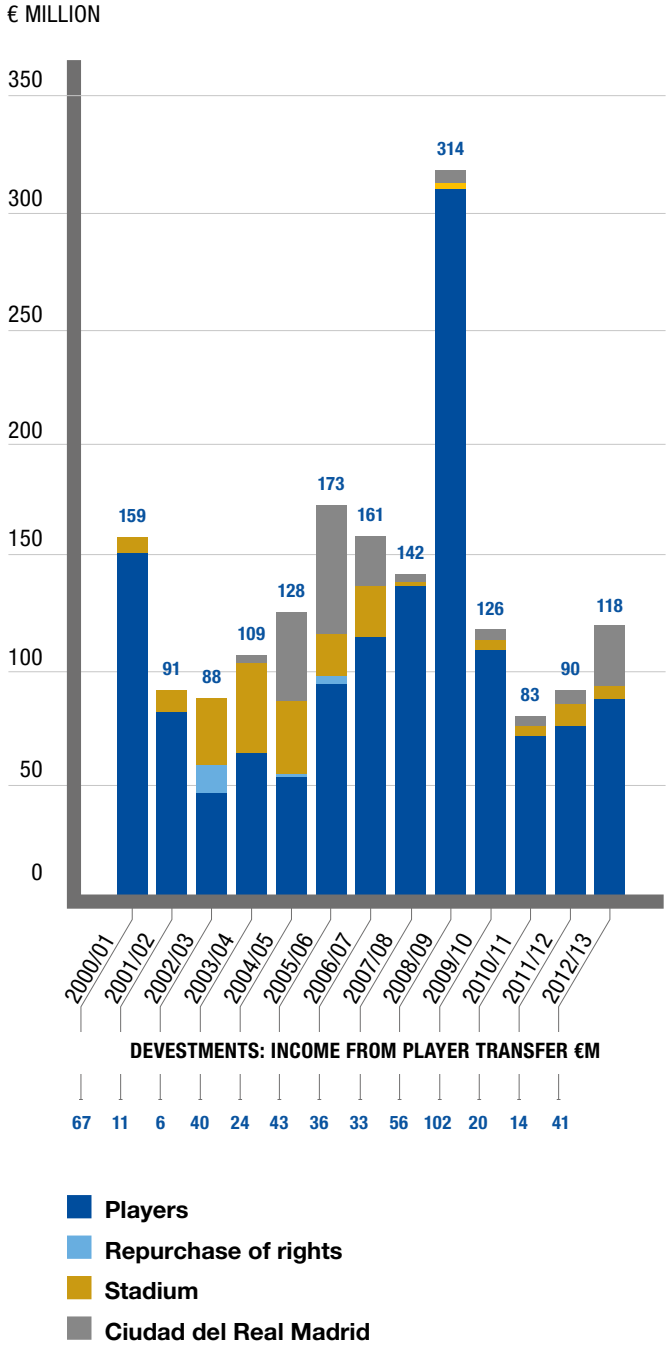
The Club invested €118 million during 2012/2013: €32 million were invested in new installations (residences for the first team and sporting complex) and improvements to installations; €86 million were invested in the acquisition of sporting staff, a significant part of which (€24 million) corresponding to acquisitions for the 2013/2014 season which were carried out before June 30, 2013.

After the great investment effort in players, especially in 2009, the Club managed to continue this year, as in the previous two years, with an investment cost containment strategy resulting in it continuing to strengthen its team whilst simultaneously limiting its net investment in players (acquisitions-transfers) to €45 million, also made possible thanks to the revenue generated from the sale of players in the year amounting to €41 million.

An analysis of the performance of investments between 2000 and 2013 reveals that, apart from investing in players, the Club has also earmarked significant amounts for building and upgrading its facilities:

- €208 million were spent on the stadium to modernize the facilities and improve their quality and user-friendliness for spectators, as well as to equip the media and services facilities to further enhance the stadium's marketing potential, generating a very significant annual return.
- €170 million were invested in the building of the Real Madrid City training complex (Ciudad Real Madrid), currently considered the largest sports complex ever built by a football club. Extending 120 hectares, it is 10 times the size of the former sports complex. Due to its ideal location in one of the fastest developing areas of Madrid with excellent public transportation, the Real Ma-

drig City complex is a strategic enclave for a first rate sports and entertainment center. Substantial improvements were made to installations achieved in the 2012/2013 financial year with the construction of residences for the first team and the sporting complex, an objective the Club has harbored for years.

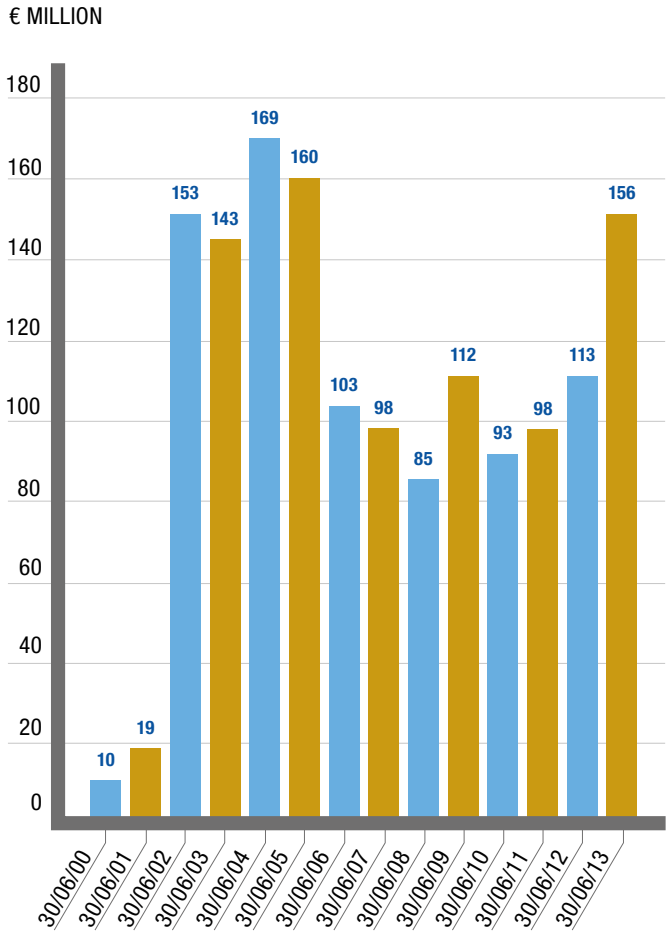


Cash and cash equivalents

The Club ended the year with a cash balance of €156 million, up €43 million over last year.

If €41 million in current financial investments at June 30, 2012 are included in last year's figures, the total amount recognized for the cash balance and financial investments at June 30, 2013 is €2 million higher than for the prior year.

Along with projected 2013/2014 cash flow, this figure will enable the Club to meet its payment commitments comfortably.

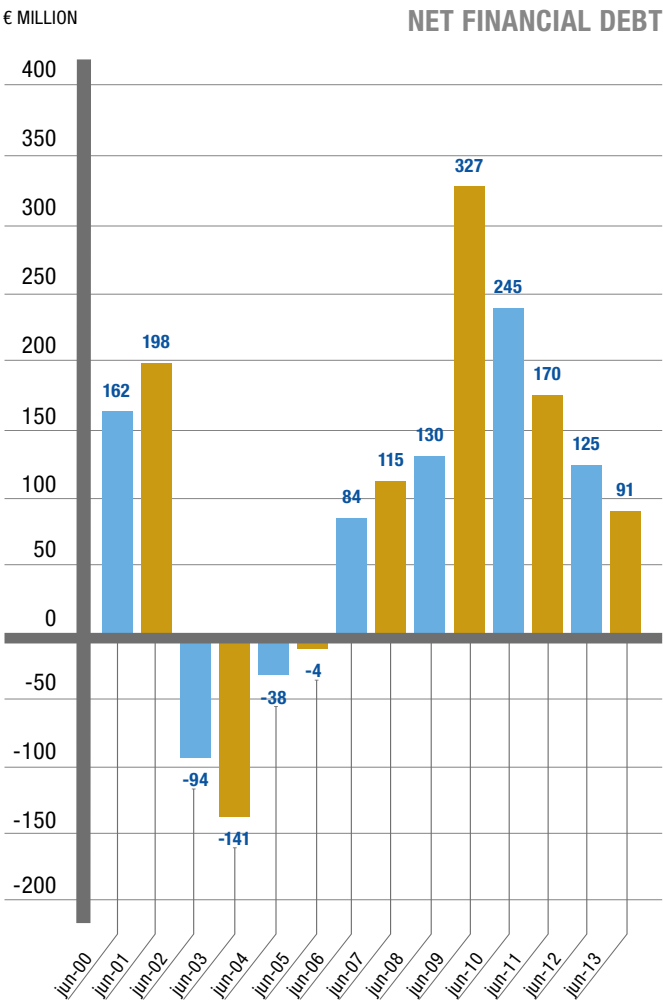


Net Financial Debt

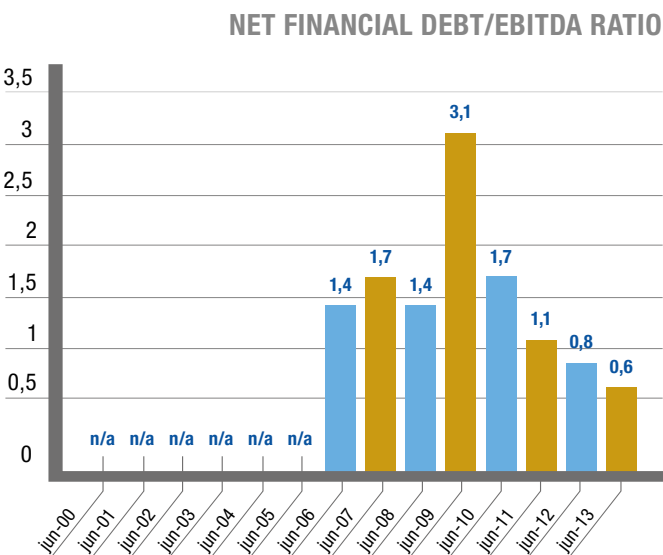
During the year, the Club’s net financial debt decreased €34 million (28%), totaling €91 million at June 30, 2013.

The 2012/2013 financial year is the fourth consecutive year in which the Club has reduced its debt levels with respect to the previous year.

Relating this debt to the Club’s financial wherewithal, as measured by ordinary cash flow (EBITDA:€150 million), yields a debt/EBITDA ratio—a commonly-used solvency indicator—at June 30, 2013, of 0.6.a. The reduction of debt, leveraged by the growth of the EBITDA, is reflected in the notable improvement of this ratio, which decreased from 0.8% at the beginning of the year to 0.6% by year end, constituting an excellent credit ranking in the eyes of financial institutions.



Net Financial debt: Bank debt + accounts receivable from (payable to asset acquisition/transfers - cash and cash equivalents). A negative sign represents negative liquidity position. The balance of the payment in advance received in 11/12 is also included as debt.



EBITDA: Operating profit before depreciation and amortization due to the application of the new Spanish GAAP, impairment losses and gains (losses) on disposal of non-current are included as of 2008/09.

Equity

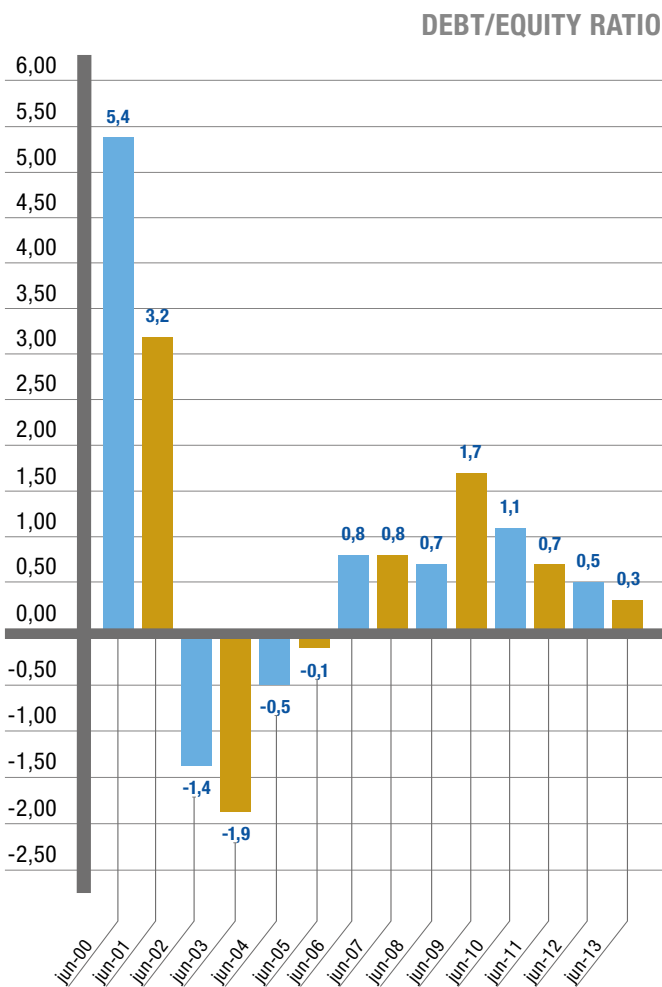
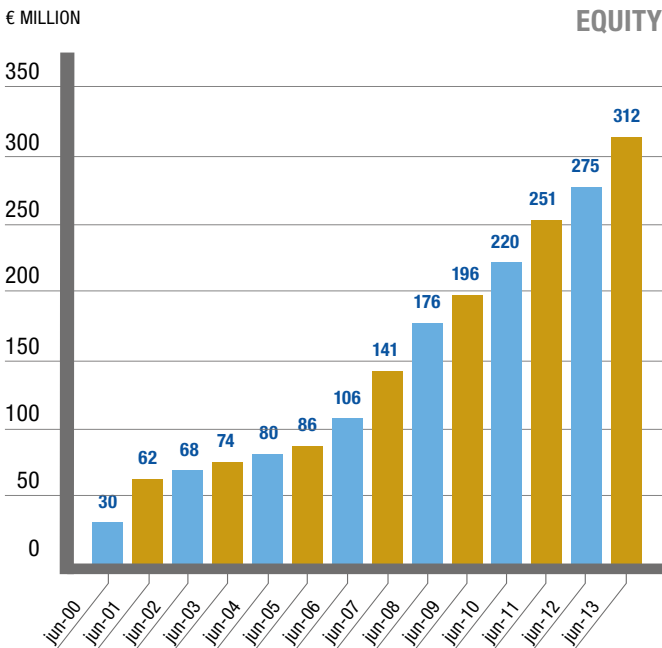
Equity represents the Club’s basic capital, composed of the funds that together with borrowings, made up of net financial debt, finance the capital invested by the Club in carrying out its activities.

Equity is the accounting measure for the value of the company. In an entity such as Real Madrid, which does not distribute dividends, the annual change in equity corresponds to the amount of profits obtained after taxes each year.

As a result of profits obtained, the Club has been increasing its equity year-on-year, reaching €312 million at June 30, 2013, €37 million more than in the prior year.

The larger the value of equity with respect to debt, the greater the value of the Club, the more solvent it is, and the greater financial autonomy it enjoys, since the invested capital is mostly financed by its own funds rather than borrowings. The debt/equity ratio is used as an indicator of solvency and financial autonomy: the lower the ratio, the more solvent the Club is and the more financial autonomy it enjoys.

The value of this ratio has been decreasing over the last few years, reaching 0.3 at June 30, 2013: the value of net financial debt thus amounts to 30% of equity, representing a high level of solvency and financial autonomy.



Net Financial debt: Bank debt + accounts receivable from (payable to asset acquisition/transfers - cash and cash equivalents). A negative sign represents negative liquidity position. The balance of the payment in advance received in 11/12 is also included as debt.

Balance Sheet

€ Thousand			€ Thousand		
ASSETS	30/06/2013	30/06/2012	EQUITY AND LIABILITIES	30/06/2013	30/06/2012
Intangible sporting assets	267,135	283,696	Social fund and reserves	269,643	245,477
Intangible non-sporting assets	4,925	5,312	Profit for the year attributed to the parent company	36,847	24,166
Property, plant and equipment	309,172	290,516	EQUITY	306,490	269,643
Investment property	18,348	19,084	Minority interests	300	247
Financial investments	8,709	13,696	Grants, donations and bequests received	5,141	5,285
Deferred tax assets	4,883	5,529	EQUITY CAPITAL	311,931	275,175
Other financial assets	831	809			
NON-CURRENT ASSETS	614,003	618,642			
			Provisions	15,452	12,223
			Bank borrowings	89,118	100,747
			Player transfer payables	34,692	33,598
			Long term creditors from investments in Stadium and Ciudad Real Madrid	15,800	22,312
			Deferred tax liabilities	10,902	10,996
			Accruals	36,550	40,917
			NON CURRENT LIABILITIES	202,514	220,793
			Provisions	1,868	720
			Bank borrowings	26,408	42,562
Inventories	2,040	1,100	Player transfer payables	45,682	56,756
Player transfer receivables	23,950	21,399	Short term creditors from investments in Stadium and Ciudad Real Madrid	30,495	14,738
Trade receivables	52,656	66,136	Short term creditors from repurchase of rights	0	2,277
Current Tax assets	949	415	Trade and other payables	88,114	88,116
Short term financial investments	0	40,585	Current tax liabilities	0	309
Cash and cash equivalents	155,570	113,237	Accrued wages and salaries	82,206	92,873
Accruals	3,357	3,290	Accruals	63,307	70,485
CURRENT ASSETS	238,522	246,162	CURRENT LIABILITIES	338,080	368,836
TOTAL ASSETS	852,525	864,804	TOTAL EQUITY AND LIABILITIES	852,525	864,804

At June 30, 2013, assets/liabilities amounted to €853 million, a decrease of €12 million with respect to the previous year.

On the asset side of the balance sheet non-current assets decreased by €5 million: the value of property, plant, and equipment mainly increased as a result of the construction of residences while the carrying amount for player assets decreased since the amount recognized for amortization and disposals was greater than investments made in the year. Current assets decreased by €8 million: the cash balance plus current financial investments amount to a slightly higher figure year-on-year while collectible debt has decreased.

On the liability side of the balance sheet it is worth noting the significant decrease in debt: total current and non-current bank borrowings decreased by €28 million. In addition, payable balances resulting from outstanding payments on investments decreased by €3 million, in spite of the June 30, 2013 closing including a significant amount of sporting investments for the 2013/2014 season.

Working capital (current assets less current liabilities) amounted to a negative €100 million. This negative value has been decreasing sig-

nificantly for the last few years (June 30, 2012: negative €123 million; June 30, 2011: negative €140 million). The main factor behind negative working capital is intrinsic to the workings of a football club: significant operations-driven accounts payable (purchases and services received, player fees, collection of membership dues/season passes); in other words, the nature of the business means that they are renewed on a yearly basis. At June 30, 2013, the balance of these short-term recurring accounts payable is €233 million (€88 million for purchases/services, €82 million in player contract fees/other personnel, and €63 million in membership and season passes, others), a total which determines more than the total negative working capital recognized at year end. Since these balances will be rolled over, similar amounts will be reflected at next year's closing. At June 30, 2013, current balances payable in 2013/2014 correspond to payables related to investments and bank borrowings, which will be comfortably paid using cash available in June as well as surplus cash generated on a monthly basis through the Club's transactions, since current income is much higher than current expenses.

At year end equity stood at €312 million, €37 million more than in the prior year.

CONSOLIDATED BUD- GET 2013-2014

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Real Madrid Club de Fútbol and Subsidiary

2013/2014 Consolidated Budget

	€ Thousands	
	2012/2013	2013/2014
Membership dues, ticketing and stadium revenue	145,978	137,849
Revenues from friendly matches and international competitions	48,829	51,566
Broadcasting	162,836	161,996
Marketing	163,229	163,626
TOTAL OPERATING INCOME (BEFORE NET GAINS ON DISPOSALS)	520,873	515,037
Goods for comsuption	(18,217)	(18,171)
Player and staff personnel expenses	(245,997)	(240,405)
Other operating expenses	(122,671)	(124,741)
Losses on, impairment of and change in trade provisions	(2,167)	0
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	(389,052)	(383,317)
OPERATING PROFIT BEFORE DEPRECIATION, AMORTIZATION AND NET GAINS ON DISPOSALS	131,821	131,720
Gains (losses) on disposals an other gains and losses	20,224	32,233
Impairment charges and losses	-1,835	0
IMPAIRMENT LOSSES AND GAINS (LOSSES) ON DISPOSAL OF NON-CURRENT ASSETS	18,389	32,233
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION (EBITDA)	150,210	163,953
Depreciation and amortization	(94,550)	(112,431)
OPERATING PROFIT (EBIT)	55,660	51,522
Finance income	3,389	2,682
Finance cost	(11,351)	(11,549)
NET FINANCE COST	(7,963)	(8,867)
ORDINARY PROFIT	47,697	42,656
PROFIT BEFORE TAX	47,697	42,656
TOTAL INCOME (OPERATING+FINANCE+GAINS ON DISPOSALS)	544,486	549,952
TOTAL EXPENSES (OPERATING+FINANCE+D&A+IMPAIRMENT+LOSSES ON DISPOSALS)	(496,789)	(507,296)
PROFIT BEFORE TAX	47,697	42,656

- Operating income (before net gains on disposals) amounts to 515 million euros, 6 million euros under the previous year. This was mainly due to non-recurring income obtained from the Copa del Rey final and the Spanish Super Cup final in 2012/13
- Employee benefits expenses changed in accordance with the contracts and the make-up of the sporting staff. The cost resulting from winning the League title has been calculated. Expenses thus fell by 6 million euros, compared with the previous year.
- All other operating expenses prior to amortization (costs of sales + transactions + provisions) remained stable as a consequence of the Club’s activities and lower expenses for contingencies.
- As a result of changes in income and expenses, operating profit before amortization and net gains on disposals has been estimated at 132 million euros, similar to the previous year.
- With the inclusion of the 32 million euros resulting from net gains on disposals (an increase of over 14 million euros compared with the previous year), the club generated EBITDA of 164 million euros, a rise of over 14 million euros compared with the previous year.
- Operating profit of 52 million euros was estimated, after recognizing an amortization expense of 112 million euros (18 million euros over the previous year as a result of acquisitions).
- Financial expenses were substantially stable compared with the previous year.
- As a result of all the above effects, profit before tax of 43 million euros is projected for 2013/14.

CORPORATE RESPONSIBILITY REPORT

Real Madrid C. F.

Corporate Responsibility at Real Madrid

Meeting commitments in the 2012/2013 financial year

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2012 /2013 Financial Year
Corporate responsibility report
Real Madrid Club de Fútbol



1. Real Madrid C.F.

1.1 Institutional profile

Real Madrid Club de Fútbol (Real Madrid Football Club) is a Sporting Entity whose objective and purpose is, primarily and principally, that of dedicating its activity and assets to the promotion of football in all its different categories and age groups and, generally, the practice of all those sports specified by its governing bodies. Likewise, as a complementary activity, it may promote the development of the physical, moral and intellectual culture of its affiliates by facilitating the social relations and a spirit of unity among them.

Real Madrid Club de Fútbol, which was founded in March 1902 and whose first foundation charter is dated 18 April of the same year, has full legal capacity in accordance with the legislation currently in effect, and is registered with the Spanish Football Federation, as well as with those federations required for the different sports in which the club competes throughout any given season.

1.1.1 Mission

To be an open and multicultural club that is both appreciated and respected throughout the world both for its sporting successes and for the values it disseminates which, based on the search for excellence both on and off the field of play, contribute towards fulfilling the expectations of its members and followers.

1.1.2 Vision

A leading football and basketball club which, by way of its sporting triumphs, fulfils the hopes and expectations of all of its followers here in Spain and abroad, which sus-

tains its significant historical legacy, which manages its assets rigorously and transparently to the benefit of its members, and which acts in accordance with social responsibility and good corporate governance criteria.

1.1.3 Values

Will to Win Real Madrid's main objective is to strive, to the best of its abilities, to win all of the competitions it enters while showing its commitment, its belief in hard work and its loyalty to its supporters at all times.

Sportsmanship Real Madrid is a worthy and fair opponent on the field of play, upon which it competes with goodwill and respect towards all rival teams and their respective supporters. Away from the field of play it is Real Madrid's overriding desire to maintain relations with all other clubs based on fraternity and solidarity and to collaborate with them and with the Spanish and international sports authorities on a permanently ongoing basis.

Excellence and Quality Real Madrid aspires to have the best Spanish and foreign players within its ranks, to imbue them with the values to which the club aspires, and to repay the support of its fans with a sporting project based on quality, discipline and sacrifice for the common cause. With respect to the management of its activities, the club adheres to the principles of good governance and strives for excellence at all times.

Team Philosophy All those who form part of Real Madrid, be they sportspeople or other professionals, make a commitment to working as part of a team and to give the best

they have to offer for the good of the whole without putting their personal or professional aspirations first.

Training Real Madrid constantly devotes a great deal of effort to the discovery and instilling of new sporting values. This involves channelling the necessary attention and resources into the youth teams of all its sporting disciplines and nurturing not only the sporting development of its youth players, but also their social, ethical and civic education.

Social Responsibility Real Madrid is aware of the high social repercussion of its activities and it is for this reason that it dedicates all the resources within its power to complying with the very highest standards of good corporate governance and the promotion of the best sporting values, to strengthening its relations with its members, former players, fan clubs and supporters, and to the development and implementation of solidarity projects in favour of the needy both within Spain and beyond its borders.

Economic Responsibility Real Madrid is aware that it manages tangible and intangible assets of exceptional value and importance, and it is for this reason that it pledges to administer them responsibly, efficiently and honestly in benefit of its members.

1.1.4 Real Madrid Foundation

The Real Madrid Foundation is the instrument via which Real Madrid exercises its social responsibility and implements its social and educational activities. In order to enable it to do so, every year Real Madrid makes a donation to the Foundation.

The Foundation's primary purpose is to promote, both in Spain and abroad, basic sporting values and the practice of sport itself to serve not only as an educational instrument capable of contributing towards the full development of the personality of those who practice it, but also as a social integration tool in benefit of those who are in any way marginalised and to promote and disseminate all the cultural aspects linked with sport.

The Real Madrid Foundation is only made possible by the collaboration, in addition to Real Madrid C. F., of the different Public Administration Bodies and thanks to the generous support which, in the form of patronage and sponsorships, it receives from the relevant Spanish and foreign companies and, above all, thanks to the individual contributions of thousands of Real Madrid supporters who choose this way to express and strengthen their association with the club.

The Foundation implements its activities' programmes within five major areas, namely the promotion of sport as a whole, the development of values through sports education, social projects, international cooperation and institutional activities, in addition to the documentation centre.

The Foundation is audited on an annual basis and presents the results of the audit to its Board, to the Foundations Commission of the Ministry for Education and Sport and, furthermore, they are published in both the Foundation's Report and Magazine.

In Spain the Foundation's different programmes affect more than 8,000 people

and internationally it has more than 30,000 beneficiaries via its Socio-sports Schools.

1.1.5 Real Madrid Gestión de Derechos

The club is the dominant company of a group that includes Real Madrid Gestión de Derechos, S. L., as a dependent Company, in which it maintains a direct holding of 70%. Real Madrid Gestión de Derechos, S. L. was constituted in Madrid on 10 June, 2004, and commenced its operations on 1 July of the same year. The holdings in this company, which has its registered offices in Madrid, are currently as follows: Real Madrid Club de Fútbol (70%), Accionariado y Gestión, S. L. (12.5%), Prisa Televisión, S.A. (formerly Sogecable, S.A.) (10%), and Media Cam Producciones Audiovisuales, S. L. (7.5%). Notwithstanding the foregoing, and as a result of the agreements reached between the partners, the holdings of the external partners in this company shall be terminated between October 2013 and March 2016, meaning that at the end of this period Real Madrid's holding in the company's stock capital will be 100%.

Its corporate purpose is that of administering the assets and rights owned and held by the club's members and of negotiating the joint operation of a part of the merchandising, club and player image, online and distribution rights.

1.1.6 Real Madrid Graduate School-Universidad Europea

Following a period of in-depth in-house reflection regarding the way in which the world of sports was developing, the club decided to offer its experience and knowledge to the higher education sector, and with this purpose in mind in 2005 Real Madrid Club

de Fútbol reached an agreement with the Universidad Europea de Madrid to set up the Real Madrid Graduate School. The School offers, both here in Spain and overseas, a higher education course designed to provide students with specialist sports management training of the highest quality, not only with respect to sporting facilities and equipment, but also to the training and practice of the sport or the conversion thereof into a spectator event, and including every aspect related with communication, health and leisure, and all with official university qualifications. This makes Real Madrid the first club of its kind anywhere in the world to be involved in the creation of a university school for transmitting the legacy of a body of knowledge accumulated over its 110 years of history to future generations of sports managers.

1.2 Sustainability in Real Madrid

Founded in 1902, Real Madrid Club de Fútbol is an institution with over one hundred years of history. Its corporate purpose and the unerring will of its membership endow it with a permanent and perpetual character. It is for this reason that sustainability with respect to all of its decision-taking processes is considered with a view to the long-term future. This sustainability manifests itself in the strict compliance with the principles of good governance, in a responsible economic management process that enables the indefinite continuity of its activities, in minimising the environmental impact thereof and in maximising the contribution made by the club to society in economic terms and as regards employment, sports development and community activities.

1.3 Corporate Governance of Real Madrid

1.3.1 Corporate Structure

Real Madrid Club de Fútbol is a non-profit making private sports entity formed by its members in order to promote and practice the sports established in its Articles of Association.

1.3.2 Administration of the Club

The management and representation of the entity corresponds to the General Shareholders' Meeting, the President and the Board of Directors. These three bodies are democratically elected by the members, whose wishes are represented in the way that the club is administered. The accountability principle is systematically applied in all the areas of the club in accordance with the standards of good governance.

Good corporate governance manifests itself in the administration of the club by way of cross-cutting policies and procedures that ensure the control of key decisions such as appointments, remunerations, purchases and investments.

As far as all critical processes are concerned, the procedures to be followed have been defined in such a way that their implementation is fully verifiable, traceable and auditable. The application of good corporate governance principles ensures that key decisions are endorsed and are firstly subjected to the scrutiny of the director of the corresponding area, secondly to the validation of the operational management structure that acts across the entire organisation (Human Resources, Legal Services, Procurement, Expenditure Control, etc.), and thirdly to the approval of

committees formed by senior club executives and members of the Board of Directors. A Procurement Committee and an Economic Committee have been created and these meet periodically and take decisions regarding the purchases of goods and services, investments, remaining within budget, and risk minimisation actions. Decisions regarding the recruitment or promotion of staff and appointments, staff redundancies and remunerations are taken by the Senior Management Committee, which is made up of the club's senior executives and of members of the Board of Directors. Likewise, the Management Committee receives periodic reports from the Procurement Committee and the Economic Committee, draws up the action plans and implements the operating decisions in order to meet the objectives established by the Board of Directors and supervises and heads up the administration and management of the club in the broadest sense of the word by taking the ordinary decisions that do not require the approval of the Board of Directors. Finally, the correct implementation of all the processes is supervised by the Senior Internal Control and Auditing Management Team. All these steps ensure that the correct decisions are taken, that these concur with the strategy and do not exceed the approved budget.

Mandatory and auditable procedures exist with the same objective as regards the approval of invoices received, the settlement of expenses and attentions to protocol so as to prevent abuses from occurring in sensitive areas.

This exhaustive operational control is not limited to expenditure. The progressing of the collection of invoices issued is also systemised in order to keep arrears and non-

payments under strict control in all of the club's revenue areas, with this being initially supervised by administration and, ultimately, by the Economic Committee.

1.3.3 Members' Rights

All Members have the right to enjoy the club's activities in accordance with the rules established for doing so, and to choose not only the bodies that represent and govern the club, but also the most senior bodies which monitor and control the corporate governance of Real Madrid in a democratic manner.

1.3.4 General Shareholders' Meeting

The General Shareholders' Meeting is the most senior of the club's governance bodies, and its duties include the approval and ratification or the censure of the President and of the Board of Directors.

The General Shareholders' Meeting consists of all the members who are eligible to vote in accordance with the system of democratic representation established in the club's articles of association. The General Shareholders' Meeting examines and, where appropriate, approves the Management Report, Balance Sheet and Profit and Loss Account of each financial year, as well as the following year's budget.

The General Shareholders' Meeting is the utmost institutional instrument through which the principle of accountability that guarantees good governance with respect to how Real Madrid is managed is systematically applied.

Other exclusive competences of the General Shareholders' Meeting include the amendment of articles of association, taking the most important economic decisions, passing a motion of no confidence in the President or in the Board of Directors, and the calling of a referendum among the members in order to decide upon matters of extreme importance. All the foregoing endows the General Shareholders' Meeting with an extremely wide range of powers, all of which go towards guaranteeing the sound corporate governance of the club.

1.3.5 Election of the President and Board of Directors

The Board of Directors is the body directly responsible for the administration, governance, management and representation of the club. The Board of Directors oversees the actions of the club's executive managers and in turn reports its findings to the General Shareholders' Meeting, thereby ensuring the principles of good corporate governance are applied to the management of Real Madrid at all times.

The President and the Board of Directors are democratically voted in as a result of the corresponding elections for which those members who are in compliance with that established in the articles of association put themselves forward as candidates.

Elections to choose a new President and Board of Directors are called under the following circumstances:

a. Due to the term of office of the former President and Board of Directors having expired.

b. Upon the decision of the President or of the Board of Directors.

c. When so agreed by the General Shareholders' Meeting due to the resignation or disqualification of the Board of Directors, or whenever the number of Board members falls below a total of five due to resignations, abandonments, deaths or physical disabilities.

d. Due to a vote of no confidence approved in accordance with that stipulated in the articles of association - bodies, and with the control procedures implemented by the General Shareholders' Meeting to ensure the good governance practices of the club.

The Board of Directors remains in office for a period of four years as of its announcement, and its members can put themselves forward for re-election, either as a single unit or separately as parts of other candidacies. The Board of Directors is endowed with the widest range of powers with which to govern, administrate and represent the entity as the maximum body for expressing the will of its members, with the only limit upon these being those matters that can only be decided upon by the General Shareholders' Meeting.

1.3.6 Control Systems

Real Madrid is a transparent institution that is committed to the principles of good cor-

porate governance and, above all, with the principle of accountability being systematically applied at all levels of club management. The control activity is the result of the workings of the club coming under constant scrutiny by its internal executive bodies, by all of its members, by the authorities, and even by public opinion via the communication media. The internal executive body is the Senior Internal Control and Audit Management Team which, reporting directly to the President of the club, defines and audits the control procedures and systems necessary for ensuring a maximum degree of institutional rigor. The membership exercises control via the Representative Members' Meeting and the Board of Directors. The sports authorities (national and international federations, national leagues and the (Spanish) National Sports Council) also permanently supervise the club's activities, which are also under the constant scrutiny of the different communication media, further proof of the club's transparency with respect to the management of all its activities.

As a whole, the control systems implemented by Real Madrid ensure that the way in which it is run is permanently adapted to the principle of good governance to which the club unreservedly adheres. The control, the degree of consultation with respect to decision taking and the policy of accountability are rigorously applied to prevent the taking of arbitrary decisions and ensure that nobody can take decisions that compromise the good name and administration of the club.

2. Real Madrid Corporate Responsibility

2.1 Interest groups served by Real Madrid

2.1.1 Club members

Members of Real Madrid Football Club are individuals who, upon meeting the regulations approved by the General Assembly, join the entity and are bestowed with the rights and obligations contained in the statutes. The members are club owners and as such are its most important interest group.

2.1.2 Athletes and referees

Real Madrid's social objective is to promote sport. Therefore, all the athletes, include referees, are a group of great importance to the club.

2.1.3 Employees

In order to carry out its various activities, Real Madrid not only requires its athletes, but also the other employees that offer the entity their professional services.

2.1.4 Sporting and public administrations

Our sporting activity entails a continuous relationship with sporting administrations: national and international federations, the professional leagues in which we participate and the National Sports Council. Our economic activity also entails a continuous relationship with Public Administrations, both state (Inland Revenue, Social Security), regional (Region of Madrid) and municipal (Madrid City Council).

2.1.5 Other clubs

Real Madrid's sporting activity inevitably entails participation in local, national and international competitions. The other clubs we compete with are another of our priority interest groups with whom we aim to establish and fulfil firm commitments.

2.1.6 Clientes

Our activity requires economic income that originates from our clients. Our clients are both companies and individuals. These companies include television channels, sponsors, licensees, and lessors that rent out boxes and facilities for all kinds of events. The club's individual clients are those that purchase a ticket for any of the sporting events that we organise, a ticket to visit our facilities and exhibitions or buy the products with our brand.

2.1.7 Fans

The fans are those that support our teams in the various competitions in which we participate. Real Madrid is a club that is open to everyone. Among fans, supporters club members and those that maintain a direct relationship with the club through the Madridistas loyalty programme are groups of particular interest to Real Madrid.

2.1.8 Suppliers

Suppliers are also a group of strategic interest in our value chain, as essential partners in order to offer goods and services that comply with set parameters, assisting in achieving the club's general objectives.

Purchase management and service contracting are regulated by internal rules and procedures in order to achieve the best possible supply option, optimising the investment made.

2.1.9 Society

We also feel a great responsibility that we look to articulate in the form of commitments made with society at large. Real Madrid is the institution it is because of the community it belongs to, which offers it considerable support. In response, Real Madrid commits itself to helping the needy and assisting community projects in which its values and sporting experience may be useful.

Real Madrid is also committed to training new generations of sports managers that will contribute to improving their communities' health, recreation and economies.

Our focus on the present and the future leads us to work with youngsters and commit ourselves to their future. We are therefore careful that our impact on the environment does not compromise its enjoyment by future generations.

2.1.10 The media

The club is aware of the interest it attracts from society and public opinion and, therefore, of the essential role fulfilled by the media. It is committed to them as a relevant interest group.

2.2 Real Madrid's commitments to its interest groups

2.2.1 Club members

Real Madrid promises its members that it will maintain and foster the club's values, fulfil the strictest standards of good corporate governance, favour members' participation through the means established in the statutes and, above all, strive constantly for sporting achievements. The club commits to maintaining healthy finances with ongoing supervision in a transparent process of auditory systems and controls under the general principle of continuous and systematic accountability.

2.2.2 Athletes

Real Madrid promises athletes and referees that it will embrace the sporting values of fair play, respect and competition. The club maintains the ongoing commitment with its players of all levels to develop the academy, foster athletes' physical well-being, adhere strictly to their contracts, maintain competitiveness in order to aspire to the highest sporting achievements, offer the athletes good facilities, excellent coaching professionals and visibility through media presence. These commitments extend to those who have left professional competitive sport at the club and belong to its Veterans Association.

2.2.3 Employees

Real Madrid aspires to be an excellent place to work, offering its workers permanent paid employment at market conditions, adherence to the strictest principles of equality and the promotion of diversity, opportunities to reconcile their professional and personal lives, training opportunities and emphasis on work health and safety.

2.2.4 Sporting and Public Administrations

Real Madrid promises sporting administrations that it will adhere strictly to the principles of fair play, institutional cooperation, respect for authority and participation in all sports organisation authorities. With regards to public administrations, Real Madrid's commitment is to fulfil its fiscal, social and environmental obligations, working closely with authorities on community projects and especially with respect to order and security at the sporting events we organise.

2.2.5 Other clubs

As a sports competitor, Real Madrid upholds fair play, competitive spirit and respect in all its performances, and participates in common initiatives and projects for good causes.

2.2.6. Clients

Real Madrid promises its clients that it will maintain and promote high standards in quality and innovation, promote customer satisfaction and maintain professional management and complaint processes.

2.2.7 Fans

Real Madrid promises all sports fans that it will adhere to the principles of fair play, always endeavour to promote sporting values, reporting transparency, respect and maximum safety at the events it organises. Real Madrid maintains a closer relationship with those fans signed up to the Madridista programme, offering them first-hand information, advantages in purchasing the club's products and services as well as various promotions with recreation companies Real Madrid has agreements with. The club also commits to maintaining a close relationship with the Real Madrid supporters clubs set up around the world, in their shared objective of defending the Real Madrid colours and supporting the entity.

2.2.8 Suppliers

The policy overseeing supplier selection and the assigning of orders and contracts is based on the principles of professional ethics, advertising and competition and is carried out in a transparent, fair and responsible manner under the supervision of the Purchasing Committee. Collaborative relationships are established with suppliers, avoiding payment conditions that put their solvency at risk. Communication channels are set up that favour transparent commercial relations and the understanding of mutual needs.

Furthermore, purchasing from local suppliers is encouraged as far as is possible, fostering the creation of wealth in the surroundings.

2.2.9 Society

Real Madrid effects its social commitment through the activity undertaken by the Real Madrid Foundation, especially in the creation and management of integration academies and sporting academies, as well as its support of charity initiatives, dedicated in particular to children, active and veteran athletes, and disadvantaged collectives.

The Real Madrid School of University Studies is another vehicle of social action through its work training future sports managers.

Real Madrid is also committed to environmental issues, endeavouring to protect resources by recycling materials and waste, using energy efficiently and saving water, as well as applying ecological and sustainable principles to the care of lawns and garden areas.

2.2.10 The media

With respect to the media, Real Madrid commits to a policy of cooperation based on mutual respect, responsible transparency that doesn't compromise data protection regulations, and recognition of the important work carried out by media organisations.

3. Compliance with commitments during the year 2012 / 2013

3.1 Members

The membership of Real Madrid is made up of a total 92,120 members, of whom 65,897 are adults, 19,482 are junior members and 6,741 are persons aged more than 65 or with more than 50 years of membership. Of these members 74,755 are men and 17,365 women.

The number of football season ticket holders amounts to 58,430, all of them members, and there are 5,184 season ticket holders for basketball, of whom 2,509 are members, 1,250 are holders of the Madrid Supporters Card or Carné Madridista and 1,425 are members of the general public.

The representative members are those that make up the General Assembly, which is the supreme governing body of the club. This currently comprises 2,072 members, among them the Management Board, honorary members and the first hundred members of the club.

The Membership Disciplinary Commission is elected by the General Assembly of the Members, in response to proposals by the Management Board, and is in charge of studying and qualifying any acts committed by club members or attitudes adopted by them that are reported and referred to it for consideration. The commission meets twice a week to study and decide on matters inherent to its functions. During the 2012-2013 season, 138 disciplinary proceedings were initiated.

3.1.1. Institutional acts with the members Ordinary and Extraordinary General Meetings of the Representative Members.

These were held on 30 September 2012 and included approval of the following:

- Consideration of the Budget, Annual Report, Balance Sheet and Profit and Loss Accounts of Real Madrid Football Club, as well as the Annual Consolidated Accounts with companies in which the club has a shareholding, all the above corresponding to the Financial Year 2011/2012.
- Consolidated budget of Revenues and Expenses and of the Schedule of Activities for the Year 2012/2013.
- Tax base of membership fees for the 2013/2014 season.

During the Extraordinary Meeting, modification of Articles 40.B, C and D and Article 25.7o b of the club's Statutes was approved; the members of the Membership Disciplinary Commission were elected for the period 29 March 2013 to 28 March 2017 and the members of the Electoral Board were elected for this same period: 29 March 2013 to 28 March 2017.

Presentation of insignia

On 15 December 2012, an event was held to present insignia to all those celebrating 25, 50 and 60 years as club members. A total 2,149 such insignia were presented, of which 90 were of the gold and diamonds type, 265 gold and 1,794 silver.

The chairman of the club, Mr. Florentino Pérez, presided over the event along with representatives of the Management Board, accompanied by the club's living legends, led by the honorary chairman, Mr. Alfredo Di Stefano.

Election of Chairman and Management Board

On 22 May 2013, and pursuant to Article 38 B) of the Club Statutes, the Chairman agreed to call Elections for the post of Chairman and the Management Board of the club, having heard the latter. In keeping with the provisions of Article 40 of the said Statutes, the Electoral Board publicised the call and the beginning of the electoral process.

On June 2nd, and in view of the fact that a single candidature was presented, the Electoral Board proclaimed Mr. Florentino Pérez as Chairman of Real Madrid, in accordance with Article 40, section E), point 2 of the Statutes in force, the Management Board being as follows:

D. Florentino Pérez
Membership No: 3.018 *Chairman*

D. Fernando Fernández Tapias
Membership No: 32.424 *Senior Deputy Chairman*

D. Eduardo Fernández de Blas
Membership No: 6.275 *Deputy Chairman*

D. Pedro López Jiménez
Membership No: 14.192 *Deputy Chairman*

D. Enrique Sánchez González
Membership No: 15.841 *Secretary*

D. Ángel Luis Heras Aguado
Membership No: 2.290 *Member of the Board*

D. Santiago Aguado García
Membership No: 2.480 *Member of the Board*

D. Luis Gómez-Montejano Arroyo
Membership No: 2.519 *Member of the Board*

D. Jerónimo Farré Muncharaz
Membership No: 3.462 *Member of the Board*

D. Enrique Pérez Rodríguez
Membership No: 7.911 *Member of the Board*

D. Manuel Cerezo Velázquez
Membership No: 12.797 *Member of the Board*

D. José Sánchez Bernal
Membership No: 14.250 *Member of the Board*

D. Luis Blasco Bosqued
Membership No: 17.009 *Member of the Board*

D. Gumersindo Santamaría Gil
Membership No: 19.470 *Member of the Board*

D. Raúl Ronda Ortiz
Membership No: 20.339 *Member of the Board*

D. José Manuel Otero Lastres
Membership No: 20.941 *Member of the Board*

D. Nicolás Martín-Sanz García
Membership No: 23.127 *Member of the Board*

The aforementioned took possession of their posts on June 4th 2013 during an event held in the VIP box of the Santiago Bernabéu stadium.

3.1.2. Activities relating to corporate governance

Real Madrid is firmly committed to the highest and most demanding standards of good corporate governance. The Management Board is the body directly responsible for the administration, governance, management and representation of the club. The Management Board has held seven meetings during the 2012-2013 season.

The Steering Committee, comprising the chairman, members of the Management Board and executives of the club, draws up the action plans and executes operational decisions with a view to achieving the objectives mapped out by the Management Board. During the 2012-2013 season, the Steering Committee has held 22 meetings. The Steering Committee is assisted by an Economic Affairs Committee and a Procurement Committee, both made up of members of the Management Board and executives of the club. The Economic Affairs Committee has held eight meetings to monitor economic evolution during the year, introduce corrective measures and perform a quarterly review of partial closures of accounts and updating of the year on year forecasts regarding compliance with the Annual Budget of the club. The Procurement Committee has held seven meetings to supervise and, where appropriate, approve the acquisition of the goods and services required for the performance of the activities described in the Annual Budget of the club.

All the different stages of the budgeting cycle fulfil the strictest standards of good corporate governance. The Annual Budget

is drawn up with the participation of all the club's divisions, with strategic guidance from the Management Board, which subsequently approves the final budget and submits it to the Representative Members Meeting for definitive approval at the beginning of each season.

The budgeting cycle has once again been adhered to strictly during the 2012-2013 season. The degree of compliance with the budget has been highly satisfactory, as is underlined by the excellent economic result achieved, the objective being to maintain the financial balance and solvency of the club in the long term, in order to address all the obligations deriving from the development and achievement of its sporting objectives, in all cases in strict adherence to the applicable standards. All the above is confirmed by the Annual Accounts of the club, which show significant growth of turnover and clear improvements in efficiency, profitability and solvency.

The Annual Accounts of the club for the 2012-2013 season have been audited externally by the firm Ernst & Young, and its report, without reservations, is attached to the Economic Report of the club for the year. Once approved by the Management Board, the Annual Accounts of the club are subjected to scrutiny and definitive approval by the Representative Members Meeting. Furthermore, the auditing function is strengthened within Real Madrid by the existence of an Internal Auditing and Control Division that is independent from the other club divisions and reports directly to the chairman and the Management Board.

As a result of the efforts of this division, a Procedures Manual was drawn up, with 49 internal procedures, establishing the operational approach of the club in its most important internal processes. Compliance with these procedures is ensured by the supervision of the Internal Auditing and Control Division, which every season draws up an Audit Plan contemplating the work to be performed during the season. Specifically, during the 2012-2013 season the auditing of a total 11 procedures has been completed, this meaning that over the last three years 100% of the internal procedures of the club have been audited. In addition to the auditing of these procedures, the Internal Auditing and Control Division has carried out other tasks, such as the updating and improvement of the existing internal procedures, auditing of 100% of the internal procedures of the Fundación Real Madrid foundation, auditing of compliance with the standards relating to data protection and implementation of the LOPD (Data Protection Act) Compliance Office, as well as special reports relating to internal organisation, the code of ethics, inventories of sports apparel, representation and travel expenses, corporate responsibility, on-going improvement, etc.

3.1.3. Members attention and information services

Member Service Office:

This office provides an integral customised attention service and has attended to more than 11,760 visits and more than 19,000 telephone calls; more than 12,000 requests for information and miscellaneous arrangements have been answered and resolved.

Likewise, more than 6,000 telephone calls have been made to representative members and others in relation to different events, such as the presentation of insignia, signings, etc.

Member Online Service Office:

This service allows questions to be asked and operations to be carried out without the need to visit the offices of the club, without any restrictions as regards timetables and with complete security and confidentiality.

During the 2012/2013 season, the online office has registered more than 329,000 visits from members, who have been able to make their arrangements with the utmost convenience. Since it was started up in March 2011, this office has registered more than 525,000 visits.

Exclusive Service Office for Representative Members, where the arrangements requested by these members are dealt with: queries, requests for tickets, attendance at institutional events, tickets for basketball matches and for Real Madrid Castilla team games, documentation for the General Meeting, office arrangements, etc.

Lost card window:

This service is provided on match days, mainly to look after those members who have forgotten or lost their season card or had it stolen. Once the member has been duly identified, the ticket corresponding to the place in the stadium assigned to the season ticket is issued. During the 2012/2013 season, the office has dealt with 4,960 members.

Member Hot Line: 902 21 2002:

This line is exclusively for members and its use requires identification by means of a membership number and PIN. 46,053 calls have been handled.

Real Madrid line: 902 32 18 09:

The Real Madrid Line has been used by 61.980 supporters to request information on the club.

Electronic bulletin exclusively for members:

Weekly electronic magazine for Real Madrid members, offering the latest news on the club, exclusive videos, ticket sales dates and the results of the weekend's football and basketball matches, and featuring those legendary players who made our club great. More than 57,000 members currently receive the electronic bulletin by e-mail, this adding up to a total volume of approximately 1,965,000 e-mails sent.

Member communiqués:

As a complement to the electronic Bulletins, the Members Department also sends communiqués to the members by e-mail, the frequency of these depending on the information needs of the club and its members. During this season more than a million e-mails have been sent with information of great use and interest for the members, making communications more agile and efficient.

Members' bulletin:

In June 2013 a printed bulletin was sent out with information on the prices, conditions for renewal and use of season tickets.

Halamadrid magazine:

Quarterly magazine for the members, with all the latest news on the club.

3.2 Sports people

Football

The 2012-13 season got under way with the first team's winning the Spanish Supercup, beating Barcelona. In the league, and following a start in which we lost out on a few points, the senior team strengthened its position in the upper part of the table, finally scoring one hundred and three goals and giving away only forty-two. However, the twenty-six victories achieved, in a season that was as tough as its predecessors, served only to consolidate our position as sub-champions.

In the UEFA Champions League the first team knocked out Manchester United in the semi-quarter finals and Galatasaray in the quarter finals, finally falling prey to Borussia Dortmund in the semi-finals.

Having returned to the Second Division after a number of years of absence, Real Madrid Castilla maintained a clearly upward trend throughout the championship, finally finishing in eighth position. The results not only confirmed the efficiency of the work performed at the club's Ciudad Real Madrid grounds but also underlined the fact that the junior squad of Real Madrid continues to be an unending source of talent.

The Real Madrid C team, which belongs to Group I of Second Division B, finished in 5th place, with a young squad that pulled off a season of great play and magnificent results. Certain of the players moved up to Real Madrid Castilla, a sure sign that the dual objective of enhancing the competitive character of our younger players and of helping them

on their path towards the professional world has been more than met.

Junior A team was champion of group 5 of the Junior Division of Honour Championship, won the King's Cup for the first time in twenty years and reached the quarter finals of the Champions Cup. The Junior B and C teams won the National Junior Championship and the Junior Regional First Division Championship respectively.

The Cadet B, Children's A, Small fry A and B, Beginners A and pre-beginners teams were champions in their respective leagues.

These data point to the fact that the professionals in charge of our young players work day in and day out with the sole idea of improving results, seeking to favour the development of the innate capacity of the kids that arrive at our grounds and make them into competent professionals, always backing those talented players that understand and take on board the values that made this club the greatest in history.

During this season the club has brought 104 new players into its ranks, 16 of which belong to the newly created Pre-beginners team.

Equally important is the policy of collaboration with other sporting entities, with which Real Madrid currently has 32 agreements under way.

Special attention is given by the club to players in the younger divisions coming from other provinces, who are provided with boarding at the SEK college, one of the most prestigious schools in the Community of

Madrid, with travel facilities for both these children and their parents. During this year there have been 52 players in this group.

The contribution made by the junior squad to the different Spanish national teams, from the Under 21's to the Under 16's, including the Under 19, Under 18 and Under 17 teams, continues to be of great significance. The club also provides players for other national squads, such as Russia, Belgium, the Dominical Republic, Andorra, Scotland, Peru and Macedonia. Between them they amount to 25 players.

With a view to offering suitable medical assistance guaranteeing the optimum physical performance of the players, the club has an agreement with Sanitas, this having allowed all the objectives mapped out in this area to be achieved. In addition to the day-to-day medical service provided for the players, the 2012-2013 season has seen a total 451 diagnostic checks, 24 surgical interventions and 378 analyses as part of the prevention programme, as well as the annual medical check-ups performed on all the personnel.

Players from the Real Madrid junior ranks

During this last season there have been 86 professional players coming from the junior ranks of Real Madrid, 38 of which play in the Spanish First Division, in 15 different clubs: Real Madrid (7), Atlético de Madrid (4), R. C. D. Español (1), Getafe (4), Granada C. F. (3), Rayo Vallecano (3), Málaga C. F. (1), C. A. Osasuna (3), Sevilla F. C. (1), Levante U. D. (1), Valencia C. F. (3), Real Betis (1), Real Valladolid (2), R.C.D. Deportivo (2) and Real Zaragoza (2).

In the Second Division, 48 players from the Real Madrid junior ranks played in 16 clubs: A. D. Alcorcón (3), U. D. Almería (4), Córdoba C. F. (1) Hércules C. F. (4), Elche C. F. (4), Nástic de Tarragona (2), Girona C. F. (3), S. D. Huesca (5), U. D. Las Palmas (2), C. D. Numancia (2), C. D. Guadalajara (2), Real Club Recreativo de Huelva (3), C. E. Sabadell (2), Xerez C. D. (6), Spórting Gijón (4) and Villarreal (1).

Finally, as many as 45 players from our nursery played in important overseas leagues, such as Italy, Germany, Portugal, England, Bolivia, Switzerland and the Czech Republic.

Basketball

Real Madrid started the 2012/13 season by winning the first title up for grabs in the year, the Supercopa Endesa, in Zaragoza.

The team went on to win the Endesa League championship, beating F.C. Barcelona Regal in the final play-off. This saw the club take a trophy that it had not won since the 2006/07 season. It was also runner up in the Euroleague in the Final Four played in London, falling to Olympiacos in the championship final.

In the King's cup, played in Vitoria, Real Madrid lost to F.C. Barcelona Regal in the quarter finals.

Also, the first basketball team was proclaimed champion of the 29th Community of Madrid Tournament, played at the Europa Pavilion in Leganés.

The great season played by the whites was endorsed by a number of individual mentions.

Pablo Laso was named best trainer in the regular phase of the Endesa League and Nikola Mirotic took the MVP award. In addition, Sergio Rodríguez was included in the ideal five of the Endesa League 2012/13 as the best back, Rudy Fernández as the best wingman and Nikola Mirotic as the best wing-centre. Later the captain, Felipe Reyes, was named MVP in the final. In the Euroleague, Rudy Fernández was chosen as one of the best five in the competition.

The second basketball team, which plays in the EBA League, finished in fifth position in the regular league, with a balance of 17 matches won and 11 lost, and was only one game way from entering the playoffs for promotion to the LEB Silver League.

The Junior team was proclaimed champion of Madrid, ending up in third position in the Spanish Championship held in Marín y Cambados (Pontevedra), and finished second in the prestigious Torneo de L'Hospitalet tournament. It also won the Torneo de Móstoles.

The Cadet A team was champion of Madrid and finished sixth in the Spanish Championship played in Ferrol (A Coruna), falling to Unicaja in the quarter finals. In addition, the team was victorious in the U16 Basketball Cup in Hungary and in the 1st Torneo Mezquita Baloncesto tournament held in Córdoba.

The Children's A team won the Championship of Madrid (Luka Doncic was chosen MVP of the tournament) and was proclaimed Spanish champion club in Guadalajara. The team, trained by José Luis Pichel, won all the tournaments in which it participated

throughout the year (2nd Torneo Infantil de Pretemporada Getafe Beta, 23rd Torneo Infantil Ciutat de L'Hospitalet, 2nd Torneo Infantil de Viladecans and 14th Torneo Infantil de Baloncesto de Olmedo: Ciudad del Caballero). Special mention should be made of the victory of the Children's A team in the Minicopa ACB de Vitoria, since this was the first time that Real Madrid had won this prestigious trophy.

The Cadet B and Children's B teams achieved the educational and sporting objectives mapped out at the beginning of the season. Special mention should be made of the victories of the Cadet B team in the Majadahonda, Getafe, Comarca Gúdar-Javalambre, Esplugues (unofficial championship of Spain in the first-year cadet category), Comarca de la Loma and Villas de Villacarillo tournaments and of the Children's B team in the 5th Pablo Barbadillo Memorial tournament played in Tres Cantos, the unofficial Spanish Championship in the pre-children's category.

For the first time in the history of the club, the Junior, Cadet A and Children's A teams were all regional champions in one same season.

During the 2012/13 campaign, Real Madrid acquired rights to five players for the first team (Rudy Fernández, Dontaye Draper, Marcus Slaughter, Rafael Hettlsheim and Tremell Darden) and to a further 25 for the younger ranks, playing in the Children's B (11) EBA League (1), Junior (4), Cadet A (3), Cadet B (3) and Children's A (2) teams.

The club continues to provide keen backing for talented young people in the Community of Madrid, since this simplifies the process of training and adaptation and their assimilation of the values of Real Madrid.

During the 2012/13 season the Real Madrid players' nursery maintained the agreement signed during the 2011/12 campaign with C.B. Pozuelo, the result being highly satisfactory.

During 2012/13 the club provided scholarships for 12 players from other provinces, and even from abroad. They were all installed as boarders at SEK, one of Spain's most prestigious educational centres.

The first basketball team provided five players for the national squads of Spain (3), Croatia (1) and Slovenia (1), to play the European championship in Slovenia 2013.

Our junior divisions have also produced two players for the Spanish Under 20 team, one for the Under 19's, one for the Under 18's, two for the Under 16's, two for the Under 15's, three for the Under 14's and another three for the Under 13's. Pape Mbaye (Under 20's in Senegal), Valter Lindstrom (Under 18's in Sweden), Wally Niang (Under 18's in Senegal) and Luka Doncic (Under 16's in Slovenia) are also international players with their respective national teams.

As in the case of football, the club has an agreement with Sanitas to provide suitable medical care guaranteeing the optimum physical performance of the players. Within the framework of this agreement, Sanitas has provided day-to-day medical care for the players, performing a total 47 diagnostic checks, three surgical interventions, 70 analyses as part of the prevention programme, 22 check-ups, seven urgent interventions and seven podology studies, as well as the annual medical check-ups performed on all the personnel.

Players from the junior ranks of Real Madrid
Mention should be made of the participation in the first basketball team, in both training sessions and matches, of the players Guillermo Hernangómez, belonging to the Real Madrid EBA League team and an international Under 19 player, and Alberto Martín, the base man of the Junior team and an Under 18 international.

In addition there are nine players from our minor divisions that played in other teams in the Endesa League during the 2012/13 season: in Caja Laboral /Laboral Kutxa (2), Herbalife Gran Canaria (2), Lagun Aro (2), UCAM Murcia (1), Blusens Monbus (1) and CAI Zaragoza (1). Furthermore, Bojan Bogdanovic played for Fenerbahçe Ülker in both the Turkish league and the Euroleague.

3.3 Employees

During the 2012/13 season, Real Madrid has maintained an average staff of 622 contributors to the social security system, of which 270 are athletes, 287 are regular in-house employees and 65 are permanent employees who work on an intermittent basis. Of the club's employees, 1.29% have temporary contracts and 98.71% have permanent contracts of unlimited duration.

Thirty-six percent of the club's employees are female. Of these, 38 have positions of responsibility in the club.

The non-athlete staff members include workers of nine different nationalities, a fact which gives an idea of the internationalization of the club's activities. In the 2012/13 season, two employees retired and eight female and nine male employees took maternity/paternity leave. Also, two employees took a leave of absence to care for underage children and nine employees reduced their working hours due to their legal guardianship of underage children.

It bears noting that this season the Code of Ethics was published. It is targeted at all Real Madrid employees and collaborators and contains the good professional practices followed by the staff members throughout the history of the club, in a document that adheres to the best practices of corporate good governance and highlights the exemplary behavior expected by Real Madrid from all of its members at all times. Likewise, the Ethics Committee has been appointed, and is made up of members of the club's Board of Directors and executives. This

committee will enforce the application of the Code of Ethics throughout the entire organization at all times.

Real Madrid has also continued to invest in the continuing education of its staff members. This investment has surpassed €180,000, divided in 114 training programs targeted at 386 attendees. As a whole this represents more than 11,600 continuing education hours in the season.

The occupational hazard prevention plans have also been furthered. This season, they included 215 employee medical exams, as well as training courses in risk prevention, fire extinguishing, first aid, the use of defibrillators and a smoking cessation program. Also, we have carried out a flu vaccine campaign, through which 54 employees have been vaccinated. The cardiopulmonary resuscitation (CPR) course deserves special mention, as does the course on the use of the defibrillators installed in our sports facilities. In total, 66 people have received this training, which, together with the existing defibrillator equipment, completes our occupational hazard prevention plans in this area.

The Health and Safety Committee, composed of club worker and management representatives, has continued its activities, making notable progress in the occupational hazard prevention plans for all areas. Seventy-two events have been held with supplier companies that have provided services in the club facilities, in accordance with the regulations in force and to coordinate the prevention of occupational hazards.

3.4 Sports and public administrations

This season, Real Madrid has continued to adhere to its policy of timely compliance with tax obligations and social security contributions, and at all times has been up-to-date in its payments to the public administrations. Likewise, it has continued its institutional collaboration with the local and autonomous community administrations.

Football

Real Madrid has a presence in the most important football organizations at both the national and international levels. We highlight the club's participation in the following organizations:

UEFA (Union of European Football Associations)

This season, Real Madrid has been very active in the various committees and bodies of the European organization, particularly in UEFA Events S. A. and in the Professional Football Strategy Council, to which the president serves as representative.

ECA (European Club Association)

This is an organization that brings together the main European clubs, and in whose general assemblies Real Madrid is represented by our president and other club senior executives. Among the committees that make up the organization, there is an Executive Board in which the club is also represented by our president and vice-president, an Institutional Relations Working Group, and a Competitions Working Group.

FIFA (International Federation of Association Football)

Our club is represented at the highest tier of football by our president, who is a member of the Football Committee.

RFEF (Royal Spanish Football Federation)

This season the club has had a very active presence, most notably the president's participation in the Federation's board of directors.

FFM (Madrid Football Federation)

This season the club has had a very active presence in the Madrid Football Federation.

LNFP (National Professional Football League)

The club is represented in this organization by our general manager. This season it has been very active in the organization's activities.

Basketball

Real Madrid participates in basketball decision-making bodies at both the national and international level.

ACB (Basketball Clubs Association)

In the 2012/13 season, the ACB organized working groups in various areas, such as sports sponsorship and marketing or communications, in addition to holding three general assemblies and another three meetings of the standing committee. Real Madrid was present and actively participated in all of these.

This year the negative consequences of the crisis on the different television operators have come to light. The significant decrease in revenue suffered by all of them has forced the clubs to design a new framework for

television, in which the assignment of advertising space substitutes direct investment as a means of compensation.

TVE, through La1 and Teledporte, shared the broadcasting of the Endesa league games with the FORTA, although it was agreed that the most important games would be rebroadcast by TVE's La1, in order to both heighten competition and promote the entrance of new sponsors.

In addition, the significant restructuring of Telemadrid, the autonomous community of Madrid's television station and a channel that has ceased to broadcast Endesa league games due to budgetary issues, has led to a significant decrease in the number of viewers as well as revenue from television.

Euroleague

The club has played a very active role at the Euroleague executive board meetings and general assemblies, of which it forms part together with other clubs, leagues, and federations.

The changes approved last year that were implemented in the 2012/13 season have been very positive. The new Top 16 format with two groups of eight teams and 14 games instead of the six that were played until the 2011/12 season, together with games being played on Fridays, were wise decisions, as shown by the large number of spectators at the stands and the large television audiences that have been registered.

Community of Madrid

The club continues to maintain excellent relations with the Community of Madrid. Its collaboration with this institution is tighter

than ever, as shown by how the regional government has reserved the Palacio de los Deportes [Sports Center] for Real Madrid's Endesa league and Euroleague games. Furthermore, Real Madrid participated, as it does every year, with Asefa Estudiantes in the CAM [Mediterranean Savings Bank] Basketball Tournament, winning it for the twentieth time.

Youth academy

Real Madrid's youth academy is involved in the Spanish and Madrid Basketball Federations, and actively participates in the general assembly of the Spanish Basketball Federation (FEB) and in several meetings with the Madrid Basketball Association over the course of the year, thus improving communication between the club and these federations as well as making work dynamics more fluid.

3.5 Other clubs

Real Madrid's relations with other clubs are manifested by its participation in tournaments and friendly games.

Football

In the 2012/13 season, the academy teams played in a total of 85 national and international tournaments, among which the Puskás Cup, played in Budapest and won by our Under-18s C team, and the tournament played in Caracas (Venezuela), won by the Under 16-16s B team, stand out.

We must also give special mention to the Under-16s A team, which won the Miguel Malbo Tournament, played in the Real Ma-

drid City facilities, as well as our Under-16s B team, which will play in the final stage of the Nike Cup in Manchester next August after having won the national stage in Elche, and the Pre-Under-10s team, which won the Madrid final stage.

Basketball

In the preseason, Real Madrid played seven friendly games: two in the Costa del Sol Tournament, two in the Guadalajara Tournament, one in the Alicante Tournament, and two others in the Euroleague American Tour 2012, in which the team was pitted against the Memphis Grizzlies and Toronto Raptors.

The overall statistics for this preparation stage were five wins and two losses, both against the two NBA teams.

The basketball academy teams have played various friendly games and have been invited to participate in the most prestigious tournaments at the national and international levels, for a total of 22.

The Spanish Amateur Basketball (EBA) team's participation in the Community of Madrid Tournament and the Júnior team's participation in the L'Hospitalet Tournament, organized by the Euroleague, are of particular note.

3.6 Clients

During the 2012-2013 season, Real Madrid worked with more than 700 companies that accounted for revenues of over € 360 million for the club. Such clients include both national and international companies from a wide range of market sectors and encompass sponsors, licensees, manufacturers, retail chains, operators, tenants of VIP boxes, etc.. Over 850 contracts have been entered into, of which more than one third are new agreements.

The Consumer Product Licensing business unit, managed either directly or through the Master licensee, has handled a portfolio of 125 contracts.

The Sponsorship and Advertising business unit has more than 60 clients.

The Events business unit contracted events with 150 firms for non-match playing days, with events as diverse as product launches, business meetings, conferences, gala dinners, amateur matches, etc. The services the club offers outside its standard activities on non-match days include visits to the Stadium, called “Tour of the Bernabeu”, which attracted 700,000 visitors in the 2012/2013 season, 140,000 of whom chose to purchase additional services apart from the tour such as a Digital Photo as a souvenir of their visit to our stadium. The quality of this service has been very high.

With regard to the official store business, at the end of the 2012/2013 season, the club opened through its Master Licensee, Adi-

das, two new RM Official Stores in Madrid in such emblematic avenues as the Gran Via and Goya Street. These outlets are in addition to the two already operating in the Santiago Bernabeu stadium and in Carmen Street, which together account for an annual flow of nearly 2 million visitors.

Real Madrid offers catering services in the stadium every day of the year through covenant agreements with four top-class restaurant firms, which enables the club to diversify the cuisine and prices on offer. During the 2012/2013 season, Real Madrid signed a license agreement for the development and operation of the future Real Madrid Cafés in the Middle East, the first of which will be located in Dubai and will open for business during the coming season.

The Real Madrid VIP Area has 4,850 seats distributed on all sides of the Bernabeu Stadium and 500 seats for basketball at the Community of Madrid Sports Palace.

The VIP seats at the Bernabeu Stadium are split into 245 boxes housing 3,074 seats and 1,776 individual seats, both indoors and outdoors. Furthermore, the four restaurants at the Bernabeu Stadium (Gate 57, the Corner Grill, The Real Café and the Zen Market) are used as Hospitality rooms at each match. As part of the infrastructure modernisation and optimisation policy, several zones in the VIP Area have been refurbished this year to provide greater comfort for our clients.

The vast majority of the 380 VIP Area clients during the football season are companies from a wide range of sectors (multinational consortiums, firms listed on the Ibex-35, SME, etc..). During the 2012/13 season, more than 14,000 additional VIP seats were sold for specific matches.

The management model for the area is based on a policy of price per seat and zone. In addition, emphasis has been placed on a new strategic goal, namely to promote our VIP Products internationally and thus expand their market share. To do so, the VIP Area has participated this year in important trade exhibitions in Spain, such as FITUR, as well as international fairs with Turespaña and the Madrid Convention Bureau in United Arab Emirates. Furthermore, agreements were signed with travel agencies and tour operators in the region and plans are underway to reinforce the VIP Area’s presence in Mexico, Russia and China.

3.7 Fans

Madridistas

Real Madrid has 180,000 active fans registered on its Madridista program. These fans are identified by the club and maintain a direct relationship with Real Madrid.

The club also maintains relationships with another group called ‘e-madridista’, which comprises about 250,000 active members.

The Club maintains a high level of communications with both groups and during the 2012/2013 season handled 160,000 phone

calls and dispatched 477,000 magazines and 6.5 million e-mails.

Peñas (Supporter Clubs)

At present, there are 2,225 registered clubs of Real Madrid supporters, of which 2,116 are Spanish and 109 foreign in 53 different countries.

The activities and events held with these Fan Clubs during the 2012/2013 season include meetings with them at each of the venues the team visits as part of its Spanish League commitments and which were attended by 610 fan clubs, as well as 8 events coinciding with the team’s travels in international competitions. Likewise, fraternity lunches were held with opponent fans, at which more than 175 Real Madrid and rival team fan clubs participated in the various friendship meetings between supporters. A total of 254 events were organized by supporter clubs, at which one club celebrated its 50th anniversary and 15 of them celebrated their 25th anniversary. Special mention should be made of the 2013 Meeting of Real Madrid Supporter Clubs held on 9th June at the Ciudad Real Madrid, where a 7-a-side Junior and Pre-Junior soccer tournament was also held over the weekend. Over 1000 supporter clubs attended the meeting, in which more than 6,000 people participated.

A Supporter Club Service office (OAP) also exists, which gives club members access to an e-mail account (oap@corp.realmadrid.com) where they can send their suggestions and keep in permanent contact with the Department of Supporter Clubs.

Finally, this season also saw the start-up of the fortnightly Supporter Club Electronic Newsletter, which keeps members up to date of the latest developments and news about the Real Madrid Supporter Clubs.

3.8 Suppliers

During the 2012-2013 season, 3,400 goods and service procurement transactions took place, including those listed under operating and investment costs. Total supplier turnover stood at 120 million Euros, distributed among 800 different suppliers.

The Procurement Committee held seven meetings, which approved and supervised major purchases of the goods and services and investments made by the club during the season, as well as checking the evolution of the budget and its implementation in the various business units.

During the 2012-2013 season, 72 coordination meetings on occupational health and safety were held with suppliers providing services either at our facilities or at other facilities where the Club acts as the promoter without being the owner of the venue (e.g. Community of Madrid Sports Palace and Valle de las Cañas Municipal Sports Hall, competition or training venues for our basketball teams). All such coordination actions are intended to ensure that companies working for Real Madrid meet the occupational health & safety policies laid out in the Workers Charter and fundamentally in the Prevention of Occupational Hazards Act 31/1995 and Royal Decree 171/2004.

3.9 Society

During the 2012/2013 season, Real Madrid's social actions were focused on the following areas:

3.9.1 National Area

The Real Madrid Foundation social-sports schools continue to uphold football and basketball as excellent tools for transmitting positive values, with the clear intention of creating healthy sporting habits and of collaborating with families in the upbringing of nearly 4,000 children aged between 5 and 17 in a total of 55 football academies in various localities. These social-sports schools have two training programs for teachers, which have been consolidated into a teaching method: 'They play, We Educate' and 'In favour of Real education: values and sport'.

A significant highlight of this program was the opening of 9 social-sports schools in Santander, Logroño, Ibiza, Mahon, Las Tablas-Madrid, Puerto Lumbreras and Melilla, which started up this season, apart from the football and basketball Inclusion schools.

The sports schools run a domestic tournament from February to May at the Ciudad Real Madrid for football and in Arganzuela for basketball. A national tournament is run in June, in which all the social-sports schools from outside the Madrid region take part.

The basketball training program ended with the staging of the V Inclusion Campus, where non-disabled students spend five days living and training with handicapped students in wheelchairs, all of whom share the same dream - basketball.

The football, basketball and tennis Campus Experience is held in the summer and at Christmas both nationally and internationally. At the last edition of Campusexperience, more than 2,200 young people aged between 7 and 17 years from 40 different nations took part.

3.9.2 Society Area (schools for other groups)

The Real Madrid Foundation maintains a presence in 20 prisons in the Iberian Peninsula and has expanded its activity in Ibiza. It also runs four social-sports schools at vagrant shelters in Picon de Jarama (Paracuellos), at the Manzanares Residence in Chamberí and, starting this season, at the Casa de la Almudena in Madrid, as well as in Murcia and Alicante.

Furthermore, six basketball programs have been running at hospitals in the Community of Madrid: at the Gregorio Marañón Hospital, the Doce de Octubre Teaching Hospital, the La Paz Teaching Hospital, the Niño Jesús Hospital, Ramón y Cajal Hospital and the Montepíncipe Teaching Hospital. The Real Madrid Foundation also runs a physical activity program for the benefit of 250 elderly people at the Canal de Isabel II offices in Madrid.

3.9.3 International cooperation

The 2012-2013 season closed with 209 schools in operation involving over 34,000 children and young people from 67 countries, enabling them to grow and train on the basis of the keenest Real Madrid values: ability to excel, respect, companionship and solidarity.

The Real Madrid Foundation still has its widest following in America. After the huge expansion that has taken place in the last four key years, this season saw consolidation and strengthening of our work in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, the United States, El Salvador, Haiti, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic, Trinidad and Tobago, Uruguay and Venezuela.

One of the great milestones was the signing of a cooperation agreement with Microsoft to make a financial donation to our projects in Argentina, Brazil, Colombia, Ecuador and Mexico, and the donation of software to enhance the technological capabilities of our local partners and beneficiaries in Latin America and the Caribbean.

Our social-sports schools' Africa Project, which was initially funded with the profits raised from the two "Corazón Classic Match" charity matches held in successive seasons – 2010-2011 and 2011-2012 – has enabled the Foundation to strengthen its overall objectives of promoting the integral development of all children. The results of this season have been excellent, with an effective presence in 28 countries and a total of 40 social-sports schools operating in Angola, Algeria, Benin, Burkina Faso, Burundi, Cape Verde, Cameroon, Egypt, Ethiopia, Ghana, Equatorial Guinea, Kenya, Madagascar, Malawi, Mali, Morocco, Mozambique, Niger, Central African Republic, Congo, Democratic Republic of Congo, Rwanda, Senegal, Sierra Leone, South Africa, Tanzania, Togo, and Uganda.

After 4 successive seasons under implementation, the Real Madrid Foundation's social-sports school program in the **Middle East** is now bearing its first fruit. Our work in the region is geared specially to encouraging the values of citizenship and peace and to promoting healthy lifestyles in Saudi Arabia, Bahrain, the UAE, Israel, Jordan, Kuwait, Kurdistan (Iraq), Lebanon, Oman, Qatar, Palestine and Pakistan.

Our Technique-building program and the Clinics are key in this region given the special interest high-performance soccer arouses and they are combined with a genuine concern for young people at risk of exclusion to enable the funding of social projects.

Since the Real Madrid Foundation's first foray into **Europe** two seasons ago with the creation of the first schools, its presence has grown considerably, even in the midst of the severe economic crisis that has engulfed our continent in recent years.

Far from slowing down, we have continued with our work of supporting the upbringing and education of poor children and adolescents at risk of social exclusion or marginalization in Azerbaijan, Hungary, Italy, Poland, Portugal and Romania by educating them in values.

The objectives for the Real Madrid Foundation in **Asia** this season were focused on its technical consolidation and reinforcement on the continent. Such expansion means strengthening our projects in China, India and Indonesia, as well as launching schools in Timor-Leste. The world's largest football academy - the school with the Evergrande Group in China - has now been in operation

for almost a year and was visited this year by the President of Spain, who was able to see first-hand how this great project works.

3.9.4. Institutional communications, events and activities

Other activities include the two editions of the Luis de Carlos Forum under the titles of 'Scorers' and '*Real Madrid and Basketball*'; the updating of objects for the new Bernabeu Stadium Tour; the publication of a book by publishers Everest (*Sergio Ramos. Heart, Character and Passion*); and the service provided by the Historical Heritage Centre to all members of the Club and entities that wish to pay tribute to Real Madrid and its Foundation.

The 2013 Veracruz Corazón Classic Match 'Solidarity with Children' charity football match brought the most significant players in the history of Real Madrid CF and Juventus FC together on the football field, including figures such as Zidane, Figo, Roberto Carlos, Morientes, Butragueño, Redondo, Santillana, Cannavaro, Ravannelli or Peruzzi. The profits of the match were donated to the campaign that forms part of the Spanish Red Cross' Successful Schooling Program known as 'Solidarity with Children', which has already distributed more than 500,000 after-school snacks to over 5,000 children for 110 days. This scheme is intended to supplement the diet of children from the poorest families in fourteen autonomous regions.

3.9.5 Participation by veterans

Veteran players took part in various of the Foundation's activities: in the 2013 Veracruz Corazón Classic 'Solidarity with Children' charity match, which was played by veterans of Real Madrid CF and Juventus

FC; in two matches in Mexico for the benefit of the Real Madrid Foundation's schools in the country; in the week-long Basketball Inclusion campus in favour of physically disabled people; playing basketball games with physically and mentally handicapped persons, in the charity tournament with the Padel Group; in football matches with inmates at the Aranjuez prison; and in the Luis de Carlos Forum in honour of "Scorers" and "Real Madrid Basketball".

3.9.6 Participation by current players

The Foundation has also channelled the presence of current players at different institutional events: Iker Casillas gave a clinic with prospective students at the Foundation in Houston; Cristiano Ronaldo, Kaka, Pepe, Rudy Fernandez and Sergio Llull took part in the campaign 'No child without a toy'; Arbeloa trained with students at the football integration school, Adan was present at the opening of the social-sports school in Toledo, Morata and Nacho at the school in Torrejón de Ardoz; Real Madrid basketball players Felipe Reyes and Sergio Llull played with children at the Basketball Inclusion Campus and both of them, along with Rudy Fernandez and Sergio Rodriguez, also participated in the Luis de Carlos Forum entitled "Real Madrid and Basketball", while Nikola Mirotic was the ambassador of the Euroleague's One Team Program in which the adapted basketball school took part.

Also noteworthy is the presence and support given to the Foundation's programs by members of the Board and the Club's executive officers, such as Emilio Butragueño and Miguel Pardeza, among others.

3.9.7 Activity of the Real Madrid Graduate School-Universidad Europea

The school is present in thirteen countries: Spain, Brazil, Cyprus, Costa Rica, Ecuador, Mexico, Peru, Chile, Turkey, Germany, Morocco, Portugal and the United States.

Focused on health, sport, management and communication, our School offers ten Master's courses: MBA - Master's Degree in Management in Sports Institutions, MBA in Sports Management and Entertainment, MBA in Sports Management (online), Master's Degree in Sports Law, Master's Degree in Sports Marketing, Master's Degree in Communications and Sports Journalism, Sports Management - Marketing (online), Master's in Talent Detection and Development in Soccer, Master's Degree in Sports Training and Athlete Nutrition, and Master's Degree in Sports Physiotherapy. More than 3,000 students have already passed through its classrooms.

During the 2012/2013 academic year, the School taught master's courses to 201 students at its main site in Madrid, and 887 on its twelve international sites. In the school in Madrid, 48% of students came from 33 countries, the highest number since the School was founded in 2006. During 2012-2013, activities carried out included the launch of the Master's Degree in Sports Marketing and the Master's Degree in Management of Entertainment Companies. Special mention should be made of the academic training trips that our students on the Masters in Sports Business Management and Administration went on to London and New York, the latter of which accompanied by students on the Sports Management, Online Sports Man-

agement and Management of Entertainment Companies Masters courses. At the same time, students on the Master's in Talent Detection and Development in Soccer visited the Ajax Academy in Amsterdam, one of the most renowned academies in the world.

On the fourth occasion of its holding, the Real Madrid Chair, led by the Nobel Prize in Literature winner, Mario Vargas Llosa, awarded ten research grants for a total of €50,000. On this occasion they were awarded by the President of Real Madrid, Florentino Pérez, and Mario Vargas Llosa at a very emotional event held on 6 June in the Presidential Box of the Santiago Bernabéu Stadium. Since its creation, the school has contributed 250,000 euros to research.

Special mention should go to the fact that Mario Vargas Llosa, Nobel Prize in Literature winner, was the sponsor of the school's 7th year of students for the 2012/13 course, with the graduation ceremony held on 2 July 2013 at the Santiago Bernabéu Stadium.

3.9.8 Environmental Action

Real Madrid, through its collaboration agreements with selective waste collection companies and coordinated through the general cleaning company, manages all its non-hazardous and hazardous waste collection, transport and treatment needs, resulting from its industrial activity.

Since 2007, Real Madrid has had an agreement in place with Ecoembes España, S.A. for the implementation of the selective collection and recovery of lightweight packaging and cardboard, both in the Santiago Ber-

nabéu Stadium and the Ciudad Real Madrid sports complex, for which it has created a collection, transport and treatment system that exceeds European Union guidelines.

Last year, in the Santiago Bernabéu Stadium block, which includes the La Esquina del Bernabéu shopping centre, 461,802 kg of waste was collected, reusing 353,526 kg in lightweight packaging and 59,182 kg in paper and cardboard, with around 11% of inappropriate materials.

In Ciudad Real Madrid the total amount of waste collected was 63,755 kg recovering 46,260 kg in lightweight packaging and 12,720 kg in cardboard. In this case, 7% of the total waste collected was inappropriate materials.

The investment in recent years in the modernisation and management of the facilities, which last year exceeded €160,000, continues to generate considerable electrical energy savings due to the automation and programming of the lighting in both the Ciudad Deportiva and stadium. Similarly, climate control in the enclosures of both complexes has not only resulted in greater user comfort, but has also led to energy savings.

By combining user training and continuously reminding of the importance of efficient electricity, climate and power management, a considerable improvement in our consumption has been detected.

With regard to energy consumption, more than 60% of hot water is provided by solar thermal energy, with the resulting saving in fuel, either diesel or natural gas. Progress

has also been made this past year with remote control systems, with the daily adjustment of the temperature settings according to weather conditions, optimising energy costs in the process.

In relation to water consumption in the Real Madrid Football City, a vital raw material for our activity, the club has a separation sanitation system and treatment plant up to tertiary treatment, achieving an optimum level of water quality for reuse as irrigation water. In addition, and after building the necessary infrastructure, there is a connection to the recycled water network of the city of Madrid. All these recycled water and consumption systems, together with efficient management and correct planning of irrigation times, enables optimum use of the water resources, with 98% of total irrigation coming from recycled water.

For its implementation next season, the design and planning of an energy-saving Internal Awareness Plan is now in the final stages, with training and communication actions aimed at different users of our facilities (employees, service providers, customers, visitors). That action plan explores ways of reducing consumption and, naturally, our carbon footprint too.

All these actions are designed to position the club as a benchmark in sustainability and environmental awareness.

3.10 The media

The Communications Department manages the club's relations with the media and is responsible for producing all of Real Madrid's own communication materials.

3.10.1 Realmadrid.com

Realmadrid.com disseminates all institutional, social and sporting information about the club. During the 2012/13 season, it continued to increase its presence on the Internet with an average of 10 million visits per month to its Spanish language website. To the current versions in English, Arabic, Japanese and Indonesian will now be added ones planned in Chinese and French.

3.10.2 Publications

The club has produced 13 publications, including the two annual reports (club and foundation) and online publications. The club's quarterly magazines include in particular Hala Madrid, which reaches 215,000 members and Madridistas (Real Madrid supporters), and the bulletins Hala Madrid online and e-Madridistas, sent to more than 600,000 users.

On every Liga BBVA match day a match programme was produced, Grada Blanca, with a circulation of 30,000 copies per match, handed out in the stadium. Likewise, at every Liga BBVA match a press dossier was produced, of which 700 copies are printed for the accredited press and guests in the Director's Box.



3.10.3 Realmadrid TV

Real Madrid TV is the club's official channel, on which fans can follow sports and institutional news, particularly through two daily news programmes and hourly bulletins.

The latest news and day-to-day business of the club's foundation and social area has also been given many hours of airtime on RMTV.

RMTV is present in more than 85 countries across all the continents and continues to expand. It broadcasts two 24 hour channels with their own programmes in Spanish and English. The latest information about the club -news programmes and hourly bulletins-, magazines (Real Madrid Life, Top Goals), debates (La Tertulia, Extratime) and special programmes (Hoy Jugamos, The Match, 6.75) cover all the club's sports, social and institutional angles.

3.10.4 Social networks

These are two-way communication channels between Real Madrid and its fans, which during the season became a reference worldwide. In June 2013, more than 60 million fans followed us on one of the main platforms: Facebook, Google +, Youtube, Twitter, Instagram, Ren Ren, Tencent, etc., a growth of 41% (more than 16,000,000 followers) on the previous season. Communication is in various languages: Spanish, English, Chinese, Japanese, Arabic and French.





Real Madrid C. F.

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