

08

FIFA FINANCIAL REPORT **2008**

59TH FIFA CONGRESS
NASSAU, 2 AND 3 JUNE 2009



Forewords

Facts & Figures 2008

2007-2010 Period



Special Topics

Annexe

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FOREWORDS

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“Rise to the challenge in stormy times!”

DEAR MEMBERS OF THE INTERNATIONAL FOOTBALL FAMILY,

As the repercussions of the global financial and economic crisis unfold, consumer confidence is at an all-time low. The bad news that has been multiplying in recent weeks and months has unsettled people. Although the world of football has not been affected to the same extent, the impact of the recession is being felt, particularly with regard to club revenue, and consequently player earnings. This situation will serve as an incentive for clubs to pay greater attention to youth development and thereby strengthen their regional identity. Recessions are an inevitable part of the natural economic cycle, but also offer the opportunity for new beginnings.

As President of FIFA, it is my job to set our course in these stormy times so that we can successfully meet the upcoming challenges. In view of the events of the second year of the current financial period, FIFA has already adapted its existing management and control mechanisms, and due to the ongoing economic climate, has attached even greater importance to financial risk management. This includes the conservative and diversified composition of our assets as well as effective cost control. As is well known, FIFA's primary source of income is the sale of

TV and marketing rights in connection with the FIFA World Cup™. In this regard, we are in a comfortable financial position, particularly as the majority of the TV and marketing contracts associated with the 2010 FIFA World Cup™ have already been concluded. Furthermore, a considerable proportion of the rights for the 2014 FIFA World Cup Brazil™ have already been contractually secured. We therefore hope that, thanks to our longstanding relationship with our partners, the effects of the worldwide economic downturn will have only a limited effect on FIFA's revenue.

I embrace the challenge of steering FIFA through this stormy period, because I am convinced that with every crisis comes opportunity. Thank you for the confidence you have shown in me.

"For the Game. For the World."



Joseph S. Blatter

FIFA President



"Satisfactory result despite the global financial crisis"

DEAR SIR OR MADAM,

The FIFA Financial Report has been awaited with apprehension and, in some cases, even dread. This is only to be expected given the current international financial crisis, but I am happy to report that FIFA in fact recorded a very satisfactory result of USD 184 million for last year. Unlike the previous year, when FIFA's finances again had to bear the burden of special expenses, things went according to plan in 2008.

The current financial crisis highlights, once again, the importance of having access to sufficiently large reserves and liquidity. As at 31 December 2008, FIFA's equity increased to USD 902 million, which marks another step in the move towards financial independence and contingency planning.

Of course, FIFA is not solely concerned with crisis management, but is also focused on continuing its ambitious and highly successful football development work and organising attractive World Cups, as well as enthusiastically undertaking corporate social responsibility activities. In order to do all this, we need money, and therefore FIFA will continue in its careful and considered approach to its finances.

FIFA's financial health is primarily contingent on the successful staging of the 2010 FIFA World Cup South Africa™. This is why we have been paying

particular attention to South Africa and the local organising committee for some time now. President Joseph S. Blatter and various delegations have on several occasions been able to see for themselves that the preparations in South Africa are proceeding according to plan and to our full satisfaction.

At the FIFA Confederations Cup 2009, the overall organisation and infrastructure, including the stadiums, will be put to the test. I am confident that the event will be a success and look forward to exciting matches in the fascinating country of South Africa.

But before the action kicks off on the pitch, I will gladly answer any questions you may have on this Financial Report at the 59th FIFA Congress in the Bahamas on 2 and 3 June. I would encourage you to read this report attentively and thank you on behalf of the Finance Committee for your support and the confidence you have placed in us.



Julio H. Grondona

Chairman of the Finance Committee



“Implementing an effective internal control system”

DEAR SIR OR MADAM,

The financial crisis has highlighted the importance of efficient risk management, effective controls and financial transparency. FIFA has introduced a number of important measures in this area in recent years, such as applying International Financial Reporting Standards (IFRS) to its accounting practices in 2003, for example. In addition, key elements were introduced through the revision of the Internal Organisation Regulations and budgeting process as well as the adoption of hedging measures.

Under an additional requirement introduced into Swiss law in the 2008 financial year, auditors must now confirm that internal controls are in place. The auditing firm KPMG's confirmation that FIFA has fulfilled this requirement is on page 106 of its report to the Congress.

The FIFA Internal Audit Committee had already approved the introduction of an internal control system in mid-2007. The objectives of the internal control system, as defined by the Internal Audit Committee, are to prevent errors in financial processes, ensure accurate financial reporting, improve internal

processes, prevent fraudulent transactions and ensure compliance with legislation, regulations and contracts. In this regard, FIFA has adopted the internationally recognised COSO framework, of which risk management is a core component. Under this framework, the risks associated with all financially relevant processes are systematically assessed and classified. As well as the financial risks, this method of risk assessment also takes into account operating and compliance risks.

The control system is not a temporary measure, but rather will be used to continuously monitor and improve internal processes. The Internal Audit Committee is pleased that this project got off to a successful start in 2008 and will aim to ensure that, in future, FIFA sets the standard for financial transparency in the sporting world.



Dr Franco Carraro

Chairman of the Internal Audit Committee

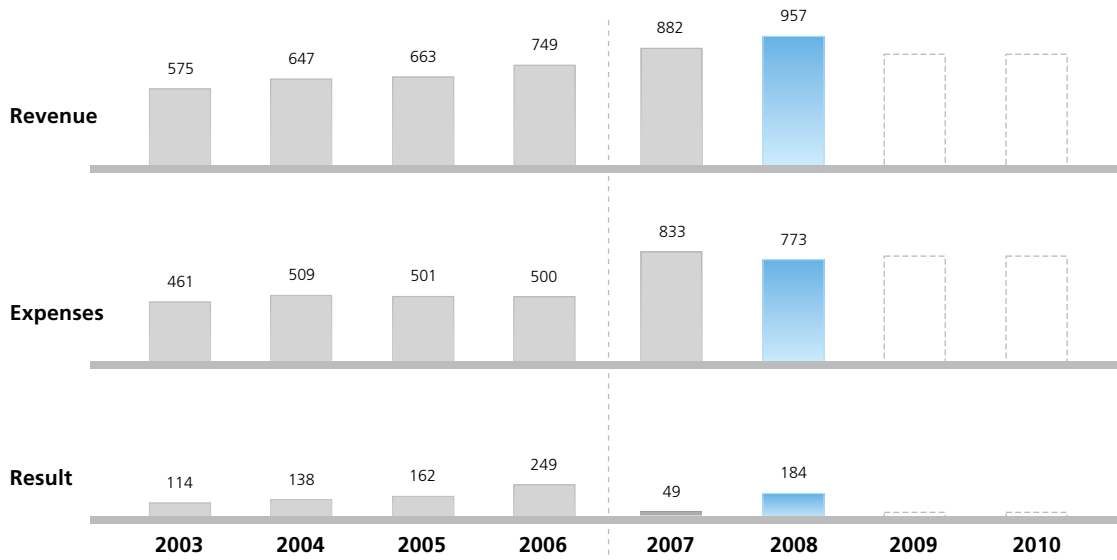


FACTS & FIGURES 2008



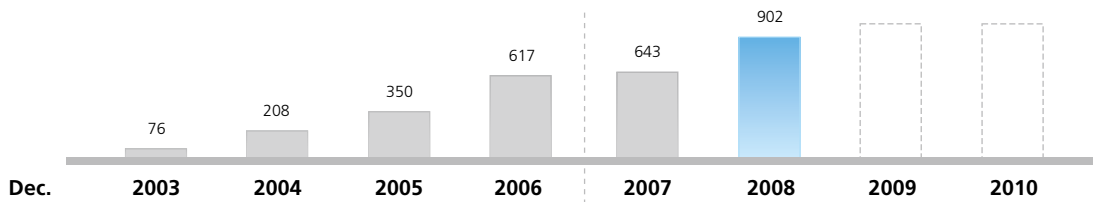
INCOME STATEMENT (IFRS)

USD MILLION



EQUITY DEVELOPMENT (IFRS)

USD MILLION





Income statement and equity development

FIFA closed the year 2008 in accordance with IFRS with revenue of USD 957 million and expenses of USD 773 million. FIFA's net result was therefore USD 184 million.

In comparison with previous years, FIFA's revenue increased in 2008, largely due to increased income from the marketing of rights as a result of new contracts.

At the same time, expenses were reduced in comparison with 2007, as there was no additional expense incurred by legal disputes.

This page provides an overview of the **key figures** for the **2008** financial year as well as a comparison with the key annual figures from the previous period **(2003-2006)** and **2007**.

2008 marked the halfway stage in the 2007-2010 four-year cycle. From a financial perspective, 2008 was a **very successful** year, despite the financial crisis. The following facts in particular should be highlighted:

- Overall, FIFA **did not suffer any damage** from the financial crisis in 2008.
- Thanks to its conservative investment policy and diversification of assets in good time, FIFA **did not lose any money** and even recorded a **positive financial result** (for details see pages 46-47).
- FIFA's **strategy of hedging foreign currencies** proved to be **fully effective** and protected FIFA against losses (for details see pages 46-47).
- FIFA recorded a **surplus of USD 184 million** in 2008.
- As at 31 December 2008, FIFA had **equity of USD 902 million**. This strong increase on the previous year is largely attributable to the successful foreign currency hedging strategy.

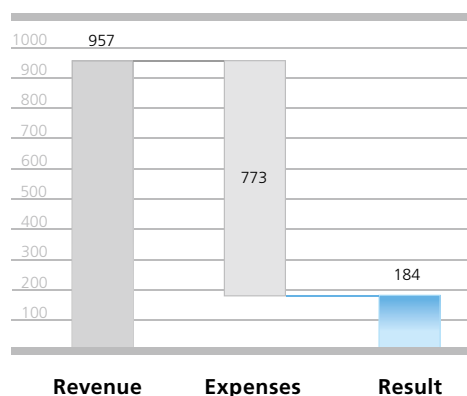
As at 31 December 2008, FIFA had equity amounting to USD 902 million according to IFRS. Besides the annual result, the strong increase on the previous year is above all attributable to the strategy of hedging foreign currencies, which boosted FIFA's equity by USD 75 million.

At the halfway stage in the 2007-2010 period, FIFA had therefore already achieved its objective of increasing equity to at least USD 800 million by the end of 2010. Nevertheless, a definitive assessment of FIFA's equity can only be carried out once the 2010 FIFA World Cup™ has been successfully staged. Having sufficient equity is of great importance to FIFA's financial independence and to its ability to react to unexpected events. This is particularly vital in times of financial crisis.



INCOME STATEMENT 2008 (IFRS)

USD MILLION



INCOME STATEMENT 2008 (IFRS)

USD MILLION

Revenue	957
• Event-related revenue	903
• Other operating income	32
• Financial income	22
Expenses	773
• Event-related expenses	441
• Development-related expenses	133
• Football governance	46
• Exploitation of rights	18
• Other operating expenses*	129
• Financial expenses	6
Result	184

* Including personnel expenses, depreciation and amortisation
(shown separately in the Consolidated Income Statement, p. 59)



Income statement for 2008

In the period from 1 January to 31 December 2008, FIFA recorded revenue of USD 957 million and expenses of USD 773 million, producing a net result of USD 184 million.

The revenue and expenses directly related to the FIFA World Cup™ are recognised in the income statement using the percentage-of-completion method according to IFRS.

The revenue and expenses relating to other FIFA events are recognised in the income statement when the event takes place.

This chapter provides an overview of the key figures for 2008. The detailed closing account for 2008 can be found on pages 56-105 in the annexe.

At the FIFA Congress in Zurich in 2007, it was decided that renowned international audit company **KPMG** would again be asked to audit FIFA's financial statements for the 2007-2010 financial period.

KPMG's report for 2008 can be found in the annexe on page 106. The report from the **Internal Audit Committee** is on page 108.

FIFA ended the year 2008 with a **net result** of **USD 184 million**.

FIFA's income statement comprises revenue items such as event-related revenue, other operating income and financial income, whereas the expenditure items include expenses for events and development projects as well as for football governance, exploitation of rights and other operating and financial expenses.

These different items reflect FIFA's principal objectives of organising competitions as well as constantly improving and promoting football through youth and development programmes.

FIFA's event-related revenue in 2008 amounted to USD 903 million. Event-related expenses totalled USD 441 million. A total of USD 133 million was spent on FIFA's various development programmes.



REVENUE 2008 (IFRS)

USD MILLION

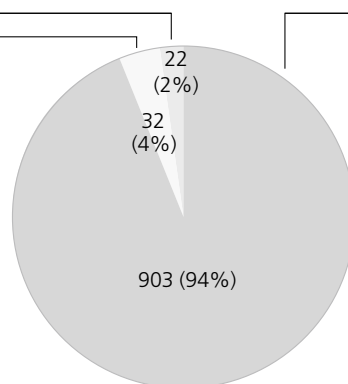
100% = USD 957 million

Financial income

• Foreign exchange effects	2
• Interest income	20
Total	22

Other operating income

• Brand licensing	4
• Quality Concept	9
• Penalties/appeals/levies	5
• Other (e.g. rental income, film sales, gain from sale of fixed assets)	14
Total	32



Event-related revenue

• TV broadcasting rights	
– 2010 FIFA World Cup™	550
– Other FIFA events	6
• Marketing rights	253
• Licensing rights	15
• Hospitality rights	40
• Others	39
Total	903

FIFA Partners



EXPENSES 2008 (IFRS)

USD MILLION

100% = USD 773 million

Financial expenses

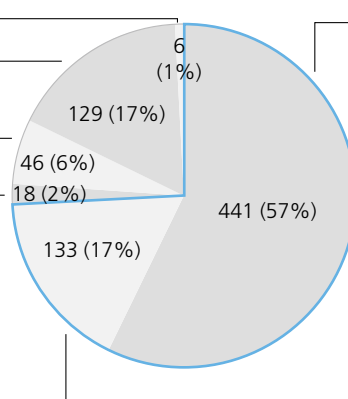
Other operating expenses	6
• Personnel expenses	52
• Depreciation	16
• Acquisition & production costs	14
• Rent, maintenance, office equipment	9
• Other (e.g. IT, Travel, PR)	38
Total	129

Football governance

• Committees & Congress	30
• Legal matters	13
• Other (e.g. CIES)	3
Total	46

Exploitation of rights

• Marketing	6
• Broadcasting & media rights	10
• Licensing	2
Total	18



Event-related expenses

• 2010 FIFA World Cup™	345
– Contributions to LOC	130
– Teams and officials	17
– Marketing rights/TV production	48
– Other (e.g. IT solution, ticketing)	150
• Other FIFA events	96
Total	441

Development-related expenses

• Financial Assistance Programme	52
• Confederations	15
• Goal Programme	30
• Win in Africa with Africa	14
• Other (e.g. courses)	22
Total	133

74% for FIFA events & development



Of the total revenue of USD 957 million in 2008, USD 903 million (94%) was generated by FIFA events. The lion's share of this figure was attributable to the sale of television (USD 556 million) and marketing (USD 253 million) rights. The other operating income of USD 32 million (4%) was predominantly attributable to brand licensing and the FIFA Quality Concept. FIFA's financial income of USD 22 million (2%) mainly came from interest.

Of the overall expenditure of USD 773 million in 2008, USD 441 million (57%) was spent on FIFA events. USD 133 million (17% of expenditure) was spent on FIFA's development projects. Other operating expenses totalled USD 129 million (17%). Football governance accounted for USD 46 million (6%), exploitation of rights for USD 18 million (2%) and financial expenses for USD 6 million.

Revenue and expenses for 2008

FIFA's events and **the 2010 FIFA World Cup South Africa™** in particular had a significant impact on the 2008 financial year. FIFA's events generated 94% of the total revenue of USD 957 million. Conversely, 57% of FIFA's overall expenses was absorbed by FIFA events.

A total of **USD 133 million** was spent on **FIFA's development projects**, a figure equating to 17% of total expenditure. Apart from the established *Goal Programme* and *Financial Assistance Programme (FAP)*, FIFA's development projects include the new "Football for a Better World" alliance to promote projects in developing countries, FIFA's humanitarian work in the *Football for Hope Movement*, courses and *F-MARC*. Other focal points were the development of refereeing and women's football.

The expenses for **FIFA events** and **FIFA development projects** meant that **74%** of FIFA's overall expenditure in 2008 was **reinvested directly in football**.



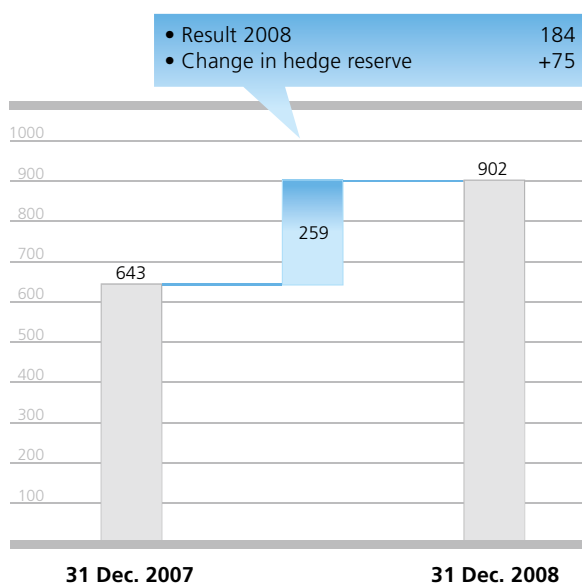
BALANCE SHEET AS AT 31 DECEMBER 2008 (IFRS)

USD MILLION

ASSETS	1,631	LIABILITIES AND EQUITY	1,631
Current assets	1,130	Current liabilities	717
• Cash and cash equivalents	706	• Payables	43
• Receivables	276	• Income tax liabilities	1
• Derivative financial assets	55	• Derivative financial liabilities	8
• Prepaid expenses and accrued income	93	• Accrued expenses and deferred income	665
		Non-current liabilities	12
		Equity	902
Non-current assets	501		
• Property and equipment	214		
• Intangible assets	2		
• Financial assets	285		

EQUITY DEVELOPMENT (IFRS)

USD MILLION





Balance sheet and equity development

As at 31 December 2008, FIFA's current assets amounted to USD 1,130 million with liquid assets of USD 706 million and receivables and derivative financial assets totalling USD 331 million. Prepaid expenses and accrued income totalled USD 93 million. FIFA's non-current assets amounted to USD 501 million including property and equipment (USD 214 million) and financial assets (USD 285 million).

As at 31 December 2008, FIFA's liabilities mainly contained accrued expenses and deferred income amounting to USD 665 million. FIFA's equity was USD 902 million.

As at 31 December 2007, FIFA's equity stood at USD 643 million. When the 2008 result of USD 184 million is taken into account together with the USD 75 million change in the hedging reserves as a result of the currency strategy, FIFA's equity as at 31 December 2008 was USD 902 million.

As at 31 December 2008, FIFA's **balance sheet** totalled **USD 1,631 million**, which could be broken down into current assets of USD 1,130 million and non-current assets of USD 501 million. Current liabilities amounted to USD 717 million with non-current liabilities totalling USD 12 million. Consequently, as at 31 December 2008, FIFA had **equity** of **USD 902 million**.

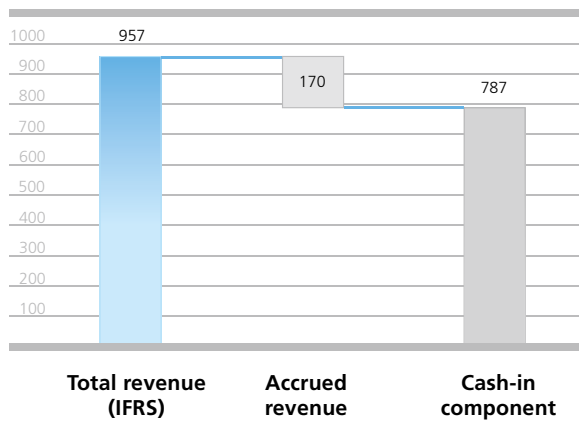
At the halfway stage in the 2007-2010 period, FIFA had therefore already **achieved** its **objective** of increasing equity to **at least USD 800 million** by the end of 2010. Besides the annual result, the strong increase on the previous year is above all attributable to the **successful strategy of hedging foreign currencies**, which boosted FIFA's equity by USD 75 million.

Nevertheless, a definitive assessment of FIFA's equity can only be carried out once the 2010 FIFA World Cup™ has been successfully staged. Having sufficient equity is of great importance to FIFA's **financial independence** and to its ability to react to **unexpected events**. This is particularly vital in times of crisis, and all the more so in the current **financial crisis**.



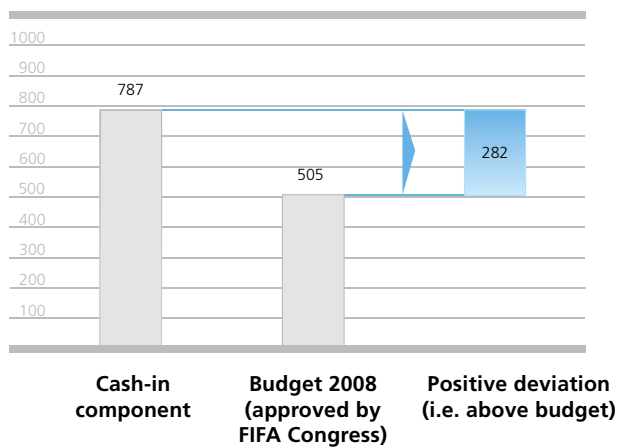
REVENUE 2008: COMPONENTS

USD MILLION



REVENUE 2008: BUDGET COMPARISON

USD MILLION





In order to carry out a budget comparison, a total of USD 170 million had to be adjusted from the overall revenue for 2008 of USD 957 million, resulting in a cash-in component of USD 787 million. The amounts adjusted consisted primarily of revenue relating to the percentage-of-completion method.

The FIFA Congress approved a revenue budget of USD 505 million for 2008. This budget was surpassed by USD 282 million. This surplus is attributable in particular to revenue from additional contracts, foreign currency effects and accelerated incoming payments.

Analysis of revenue for 2008

FIFA's **accounting system** is based on International Financial Reporting Standards (**IFRS**). As IFRS is not suitable for budgeting and daily cost control on account of its many technical rules and regulations, the annual **budget** is drawn up on a **cash basis** before being approved by the Congress.

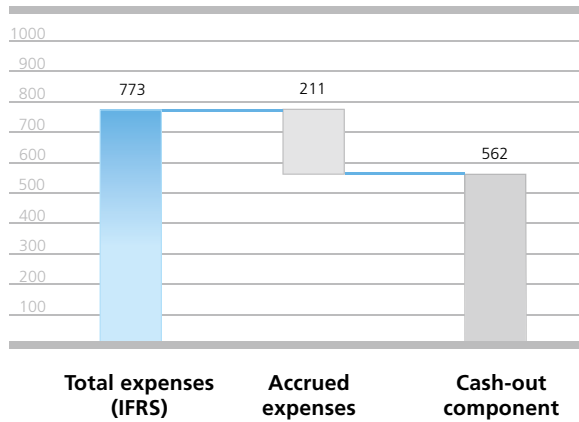
A **transition from IFRS is necessary** in order to enable the actual revenue to be **compared** with the cash budget. Hence, from the total amount of revenue according to IFRS, an adjustment was made for the revenue that could not be included for a budget comparison. The resultant cash-in component was then compared with the budget.

A budget comparison shows that, for the 2008 financial year, the **revenue budget** approved by the Congress was **surpassed by** a total of **USD 282 million**.



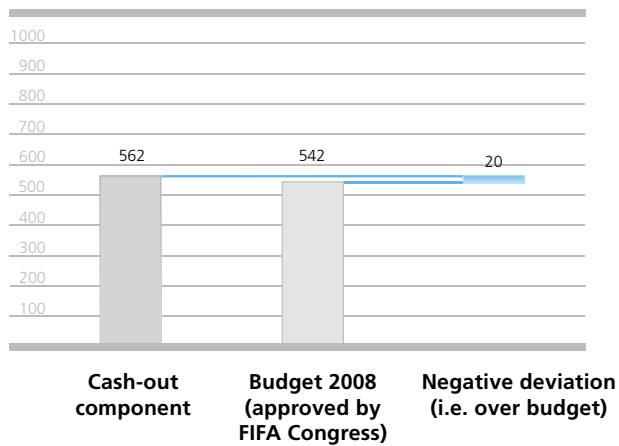
EXPENSES 2008: COMPONENTS

USD MILLION



EXPENSES 2008: BUDGET COMPARISON

USD MILLION





Analysis of expenses for 2008

In order to carry out a budget comparison, a total of USD 211 million had to be adjusted from the overall expenses for 2008 of USD 773 million, resulting in a cash-out component of USD 562 million.

The amounts adjusted consisted primarily of expenses relating to the percentage-of-completion method.

The basic principle described on the previous page also applies to expenses.

A **transition from IFRS is necessary** in order to enable the actual expenses to be **compared** with the cash budget. Hence, from the total amount of expenses according to IFRS, an adjustment was made for the expenses that could not be included for a budget comparison. The resultant cash-out component was then compared with the budget.

A budget comparison shows that, for the 2008 financial year, the **expense budget** approved by the Congress was **exceeded by** a total of **USD 20 million**.

The FIFA Congress approved an expense budget of USD 542 million for 2008. This budget was exceeded by USD 20 million. This was due in particular to an advance payment to the 2010 FIFA World Cup Organising Committee South Africa in accordance with the approved overall budget. If we discount this effect, due to cost savings FIFA's 2008 budget would have clearly produced a surplus (see pages 46-47).



1

1 - 3 The Argentinian and Nigerian teams make their way onto the pitch for the men's final at the now world-famous "Bird's Nest" Stadium in Beijing on 22 August 2008.
Belgium caused the major surprise of the tournament, going on to reach the play-off for bronze (picture 3).

4 - 6 A delighted Natasha Kai (USA) celebrates after winning gold in the final against Brazil in Beijing on 21 August 2008.
Germany got the better of Japan in the match for the bronze medal.



4



5



7



8



7 – 9 In a repeat of their 2004 performance, Argentina took gold in the Men's Olympic Football Tournament. Nigeria, Olympic gold medallists in 1996, went home with silver. Ronaldinho (Brazil) celebrates after making it 3-0 in the match for third place against Belgium.



Olympic Football Tournaments 2008 in Beijing

Argentina were the cream of the Olympic crop in 2008, just as they had been four years earlier at the men's tournament in Athens. The *gauchos*, led by the dynamic attacking duo of Lionel Messi and Sergio Agüero, defeated Nigeria in the final. Brazil, who had targeted their first Olympic gold with an array of talent (including Ronaldinho, Diego and Rafinha), had to settle for bronze. Fourth place, somewhat surprisingly perhaps, was claimed by Belgium.

The **Men's Olympic Football Tournament** once again proved that it is a real crowd puller. Overall, 1.4 million fans (an average of nearly 44,000 per game) flocked to the matches, which witnessed an average of 2.34 goals.

There were also thrilling and tense matches in the **Women's Olympic Football Tournament**. Some 740,000 fans attended the women's games, which had even more goals than the men's tournament (2.53 goals per game). In the end, the USA claimed their third gold medal in four Olympics by defeating Brazil 1-0 in the final, Carli Lloyd scoring the only goal of the game in extra time. The bronze medal went to world champions Germany, who overcame Japan in the match for third place. The top goalscorer was Brazil's Cristiane with five goals, one more than the leading marksman in the men's tournament, Italy's Giuseppe Rossi.



1

1 - 3 The USA are the new FIFA U-20 women's world champions, having defeated Korea DPR in the final in Santiago de Chile on 7 December 2008. Germany took third place.

4 - 6 Korea DPR were crowned first-ever FIFA U-17 women's world champions. The USA finished in second place in New Zealand. Germany overcame England in the match for third place.



4



2



3



5



6

FIFA U-17 Women's World Cup 2008, FIFA U-20 Women's World Cup 2008

Korea DPR and the USA were the outstanding winners of the **FIFA U-17 Women's World Cup New Zealand 2008** and the **FIFA U-20 Women's World Cup Chile 2008**, respectively.

More than 200,000 fans attended the matches of the inaugural **FIFA U-17 Women's World Cup** and were treated, for the most part, to exciting and attractive football. Korea DPR impressed in New Zealand through a combination of formidable technique and tactical intelligence. In the final, before a crowd of 16,000 in Auckland, they deservedly beat the USA 2-1 after extra time. In addition to Korea DPR, Japan were another convincing Asian team, making it to the quarter-finals and producing the player of the tournament in the shape of Mana Iwabuchi. Germany beat England 3-0 in the match for third place, while the Central and South American teams failed to win a single one of their matches.

Korea DPR and the USA also came head-to-head in the final of the **FIFA U-20 Women's World Cup** in Chile. This time around, the Koreans, who were victorious at the FIFA U-20 Women's World Cup in Russia two years previously, had to settle for the runners-up spot, losing 2-1 in front of a 12,000-strong crowd in La Florida (Santiago). The USA's success was primarily down to the outstanding Sydney Leroux, who was voted not only player of the tournament, but also scored the most goals, including one in the final. As in New Zealand, Germany came out on top in the play-off for third place and beat France 5-3, with the outstanding Nicole Banecki setting up four of the goals.



1

1 - 3 After a series of exciting matches, Brazil comfortably won their third FIFA Beach Soccer World Cup title in a row in Marseille in 2008. Italy finished in second place, and Portugal beat Spain to take third.

4 - 6 The FIFA Futsal World Cup Brazil 2008 was a festival for all futsal fans. Hosts Brazil beat Spain on penalties in the final at the Maracanazinho hall in Rio de Janeiro, thus securing their fourth victory in this tournament.



4



FIFA Beach Soccer World Cup 2008, FIFA Futsal World Cup 2008

Beach soccer is becoming more and more popular. At the same time, the quality of play is also rapidly improving, as was emphatically proven by the **FIFA Beach Soccer World Cup 2008**. The tournament in Marseille was won by Brazil – the third time they have come out on top in only four World Cups. But it was not just the *seleção* who thrilled the cumulative crowd of 180,000 people in the Prado stadium, as Italy, who lost 5-3 in the final, also won many friends among the fans, as did Portugal (third place) and Spain (fourth). Portugal's Madjer finished as top scorer with 13 goals, and the award for the best player in a tournament that was rich in goals (average of 8.09 per game) went to Spain's Amarelle, who also finished as the second-highest scorer (with 11 goals).

Just a few months after their triumph in the FIFA Beach Soccer World Cup, Brazil added another trophy to their collection in the shape of the **FIFA Futsal World Cup**, which was held on their home territory in Brazil. A thrilling final was ultimately decided in a penalty shoot-out as Brazil finally overcame defending champions Spain. It was Brazil's fourth FIFA Futsal World Cup title and it represented a return to winning ways as Spain had triumphed in the two previous events. Bronze was claimed by Italy, who beat Russia in the match for third place. The outstanding player of the tournament, which drew almost 300,000 fans to the two arenas in Rio de Janeiro and Brasilia and witnessed almost seven goals per game, was Brazil's Falcão, who came out on top in the media vote by a significant distance and also finished as second-highest scorer (15 goals) behind Pula of Russia (16 goals).



1 - 2 A young boy with the FIFA Club World Cup trophy. Gamba Osaka (photo 2) narrowly beat Pachuca to secure third place.

3 - 6 Manchester United claimed the title: the English team defeated Ecuadorian side Liga de Quito (photo 3) 1-0 at the International Stadium in Yokohama on 21 December 2008. Rio Ferdinand (middle) celebrates the victory with his teammates (photo 6).





FIFA Club World Cup 2008

Wayne Rooney had already found the back of the net twice in his team's spectacular 5-3 victory over Japanese giants Gamba Osaka in the semi-finals. His third goal in the competition ensured that he finished as top goalscorer and it also secured yet another trophy for his team in 2008. After triumphing in the English Premier League and the UEFA Champions League, Manchester United added the title of "club world champions" to their collection to crown a fabulous year. Rooney's goal against the renowned Ecuadorian club Liga Deportiva Universitaria de Quito was all it took to lead his team to glory.

The English champions did not have it all their own away against the *Copa Libertadores* 2008 winners, however, and they even had to play most of the second half of the final in Yokohama with ten men after Serbian defender Nemanja Vidic was sent off for elbowing Claudio Bieler.

Gamba Osaka emulated Urawa Red Diamonds' successful run in 2007 by finishing in third place. Masato Yamazaki's spectacular strike in the match for third place secured victory for the AFC Champions League winners over Mexican side Pachuca. Adelaide United (Australia) claimed fifth place with a 1-0 victory over Al Ahly (Egypt), leaving Waitakere United of New Zealand in seventh and final place despite an impressive performance against Adelaide in the opening game.

More than 355,000 fans – an average of 44,000 per game – flocked to the matches in Tokyo, Toyota and Yokohama, a clear indication of the ongoing popularity of the event.





1

- 1 Suriname: refurbishment of the André Kamperveen Stadium in Paramaribo, opened on 01/11/08
- 2 Republic of Ireland: technical facilities at the association headquarters in Dublin, opened on 5/12/07
- 3 Jordan: football turf pitch with floodlights and dressing rooms in Amman, opened on 25/10/08

- 4 Ghana: fully equipped association headquarters in Accra, opened on 18/01/08
- 5 Bahamas: football turf pitch in Nassau, opened on 20/10/07
- 6 Denmark: football turf pitch at Copenhagen's football centre, completed in October 2007



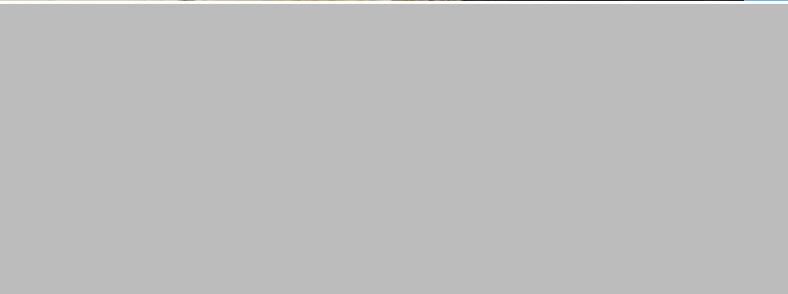
4



2



3



5



6



Goal and FAP

Almost ten years after their inception, the **Goal Programme** and the **Financial Assistance Programme (FAP)** continue to form the cornerstones of many of our development activities. In order to keep pace with the developments these programmes have brought about in the member associations, the Member Associations & Development Division has introduced a number of new initiatives.

At the last count at the end of 2008, more than **360 Goal projects had been implemented** or were in the process of being implemented **across 193 member associations**. The *Goal* Bureau also approved the launch of a new range of projects in 2008 – the “*Goal* football projects” – whose objective is to optimise the use of the technical centres constructed under the *Goal* Programme.

In 2008, the Financial Assistance Programme, which is greatly appreciated by FIFA’s member associations because of the freedom it allows them in carrying out their development activities, continued to be an important tool in the implementation of our professionalisation and technical development activities.

Since its inception in 1999, the FAP has continually increased the transparency and efficiency of FAP funds by allocating them to initiatives aimed at long-term development and improving accounting standards in the member associations. In view of these developments, on 19 December 2008 the FIFA Executive Committee adopted **new FAP regulations**, which came into force in 2009.



The picture series show the situation before, during work and after completion of the renovation

- 1 - 3 Cape Verde
- 4 - 6 Djibouti
- 7 - 9 Ghana





Win in Africa with Africa

The ***Win in Africa with Africa*** initiative, endowed with a budget of **USD 70 million**, is part of the legacy that FIFA intends to leave for the entire African continent through the 2010 FIFA World Cup™ in South Africa.

It has nine specific and complementary parts, which in their entirety will contribute towards improving the quality of football in Africa in the long term:

- installation of 52 high-quality artificial turf pitches;
- professionalisation of football by supporting elite-level clubs;
- support for training camps ahead of the 2010 FIFA World Cup™;
- training of sports managers (CIES);
- implementation of a medical research and awareness programme;
- support for CAF's 50th anniversary celebrations, including the creation of a DVD package on African football history;
- organisation of a gala match in South Africa in honour of Nelson Mandela;
- support with the organisation of the FIFA U-17 and U-20 World Cups in Nigeria and Egypt respectively, most notably by providing the finance for the artificial turf pitches to be used during the competitions;
- organisation of seminars for the African media with a view towards their coverage of the FIFA World Cup™.



1

1 - 3 Joseph S. Blatter attended the first-ever international match played by Palestine in the Palestinian territories since the affiliation of the Palestinian Football Association (PFA) to FIFA in 1998 (Palestine v. Jordan, 1-1). In Ramallah, the FIFA President had an audience with H.E. Mahmoud Abbas, President of the Palestinian Authority.

4 - 6 Accompanied by Mohamed bin Hammam and the President of the Jordan Football Association (JFA), HRH Prince Ali bin Al-Hussein, FIFA President Joseph S. Blatter helped break ground on the third FIFA Goal/ project in Jordan – a state-of-the-art football turf pitch.



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7 The FIFA President, together with Israel Football Association President Avi Luzon and General Secretary Ori Shilo, laid the foundation stone of the future national team training complex in Shefayim.

8 The FIFA President had a personal audience with Israeli Head of State Shimon Peres.



8

For the Game. For the World.

Amman, Jordan, 25 October: FIFA President Joseph S. Blatter launched the third *Goal* project in Jordan in the presence of AFC President and member of the FIFA Executive Committee Mohamed bin Hammam, the President of the Jordan Football Association, HRH Prince Ali bin Al-Hussein, and the Jordanian Minister for Sport, Atef Edailbat. The delegation also attended a training session involving 200 boys and girls.

Al-Ram (near Ramallah), Palestine, 26 October: Joseph S. Blatter attended the first international football match played by the Palestinian team on its territory since the Palestinian Football Association (PFA) became a member of FIFA in 1998. This historic encounter (Palestine v. Jordan, 1-1) was played in the Al-Husseini stadium, the full renovation of which was part-financed by FIFA. The FIFA President inaugurated the stadium alongside His Excellency Salam Fayyad, Prime Minister of the Palestinian Authority, Mohamed bin Hammam and Jibril Rajoub, the President of the PFA. Joseph S. Blatter was welcomed in Ramallah by His Excellency Mahmoud Abbas, President of the Palestinian Authority.

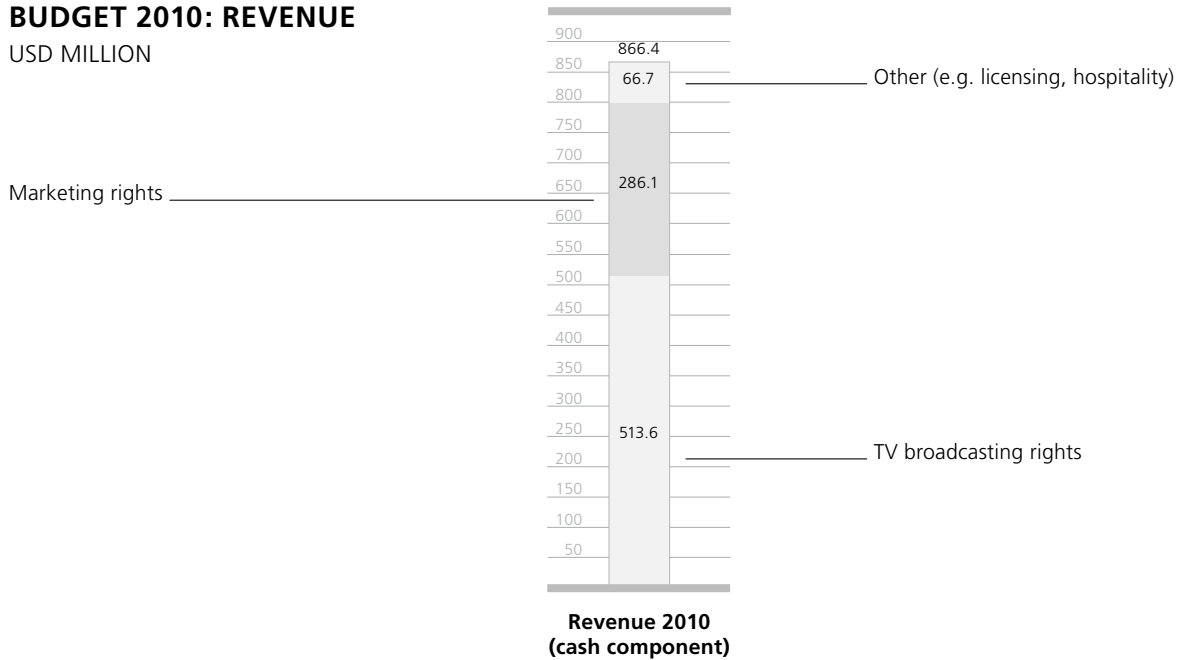
Tel Aviv, Israel, 27 October: Joseph S. Blatter participated in the 10th anniversary festivities of the Peres Center for Peace. He had a private audience with the Israeli Head of State Shimon Peres. Shefayim, 28 October: Together with the Israel Football Association President, Avi Luzon, and General Secretary Ori Shilo, the FIFA President laid the foundation stone of the prospective national training centre (project financed by the FIFA *Goal* Programme).





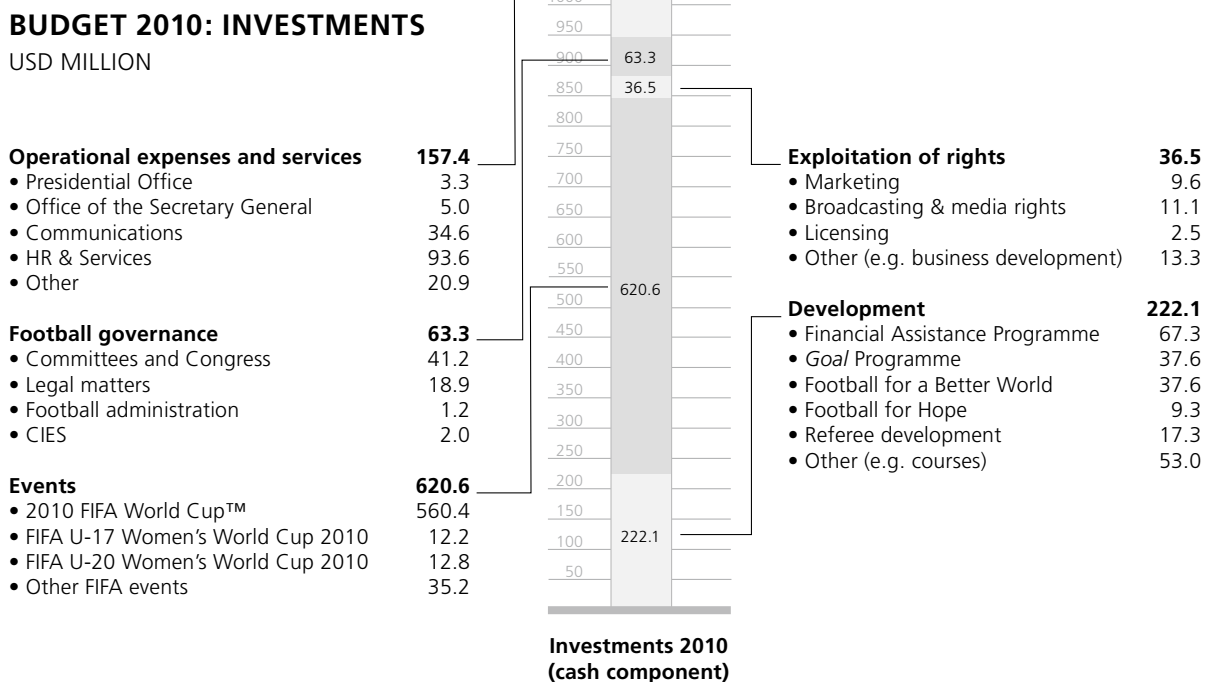
BUDGET 2010: REVENUE

USD MILLION



BUDGET 2010: INVESTMENTS

USD MILLION





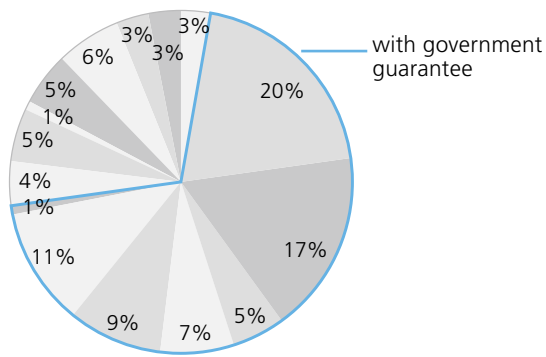
Revenue and investments in 2010

The **detailed budget for 2010** has been approved by the FIFA Finance Committee and the FIFA Executive Committee and it now requires ratification from the 2009 FIFA Congress.

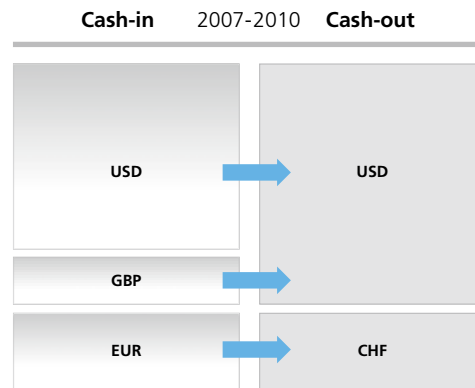




ELEMENTS OF FINANCIAL RISK MANAGEMENT



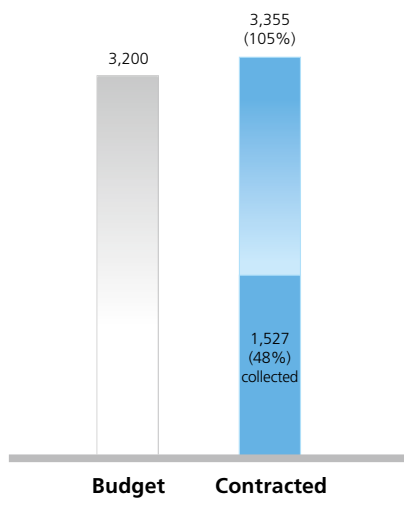
Diversification of financial assets



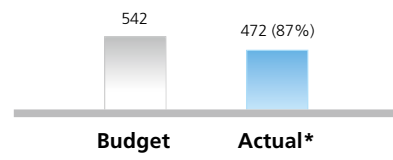
Control of foreign currency exposure

ELEMENTS OF FINANCIAL RISK MANAGEMENT

USD MILLION



Securing of revenue 2007-2010



Control of expenses 2008

*Excluding accelerated payment to the 2010 FIFA World Cup Organising Committee South Africa



FIFA's **asset management** is based on a conservative strategy whereby the assets were diversified across up to 15 institutions in good time. In doing so, particular attention was paid to counterparty risk and its minimisation.

Bearing in mind that the reporting currency is USD, FIFA's **foreign currency management** consists of both natural hedging, i.e. the balancing of incoming and outgoing payments in USD, and the hedging of payment streams in GBP and EUR through forward rate contracts.

The 2008 FIFA Congress approved a **revenue budget** of USD 3.2 billion. As at 31 December 2008, enough contracts had been signed to guarantee 105% of said budget and USD 1,527 million had already been collected. In addition, contracts for a large portion of the rights for the 2014 FIFA World Cup Brazil™ have already been signed.

Cost control is based on a comprehensive budgeting and cost monitoring process with clear responsibilities carried out on a monthly basis. In this way, project budgets can be compared with the costs incurred and where necessary, action can be taken. As a result, FIFA's expense budget targets were achieved with a surplus of 13%.

Financial risk management

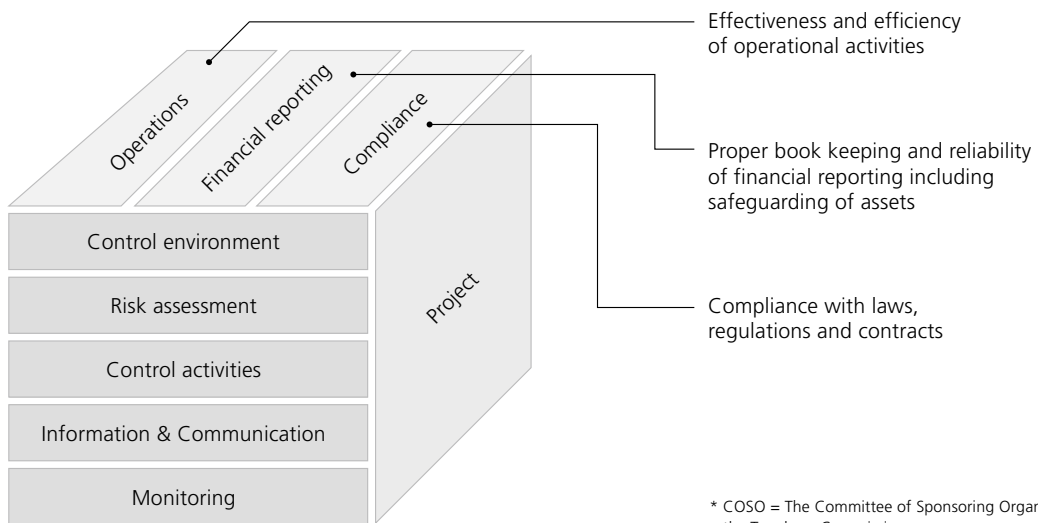
In the current economic climate, financial risk management is of vital importance to FIFA. Financial risk management revolves around the following four elements: **asset management, foreign currency management, revenue control** and budgetary compliance, i.e. **cost management**. The situation in the financial markets is continuously monitored by the FIFA administration and appropriate steps are taken where necessary. The Finance Committee is also regularly updated on the current state of affairs.

Thanks to these measures, FIFA has **so far been left unscathed by the financial crisis**. As at 31 December 2008, the situation was as follows:

- With regard to **asset management**, FIFA did not lose any money in 2008 and even recorded a positive financial result of USD 16 million.
- As for **foreign currency management**, the hedging strategy adopted and implemented by FIFA proved to be fully effective, enabling the hedging reserve to be increased by USD 75 million and equity to be strengthened accordingly.
- The budgeted **revenue** for the 2007-2010 period has already been contractually guaranteed in full and 48% of the budget has now been collected.
- Systematic **cost control** has also proved its effectiveness in 2008. Discounting an advance payment to the 2010 FIFA World Cup Organising Committee South Africa, which is guaranteed by ticketing revenue, there was a budget surplus of 13% in 2008.

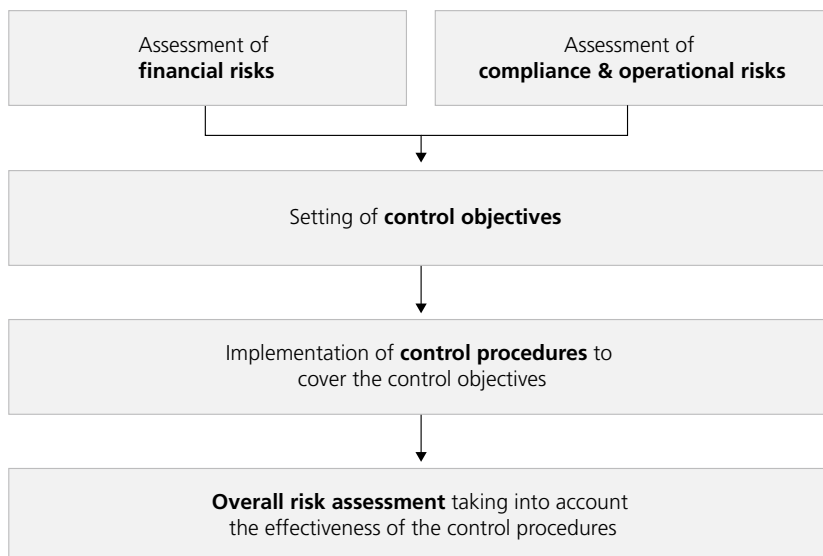


COSO CUBE*



* COSO = The Committee of Sponsoring Organizations of the Treadway Commission

RISK MANAGEMENT FLOW CHART





The Internal Control System (ICS) is best illustrated by the COSO framework, which is the global standard for internal control. The framework is represented by a cube with three dimensions.

The top dimension of the cube is divided into three sections: operations, financial reporting and compliance.

The front dimension includes the five so-called components being the control environment, risk assessment, control activities, information & communication and monitoring.

The third dimension reflects the organisational view, which is for FIFA specifically the project perspective.

Risk-specific control objectives are set based on the risk assessment for a particular process. In accordance with the control objectives, the Consolidation & Compliance Department checks whether the existing controls are sufficient to reduce the risks. Where the controls are not sufficient, the necessary measures are drawn up in cooperation with the relevant department.

Internal control

An additional requirement introduced into Swiss law in the 2008 financial year is that auditors must now confirm that **internal controls** are in place. The relevant confirmation from KPMG can be found on page 106.

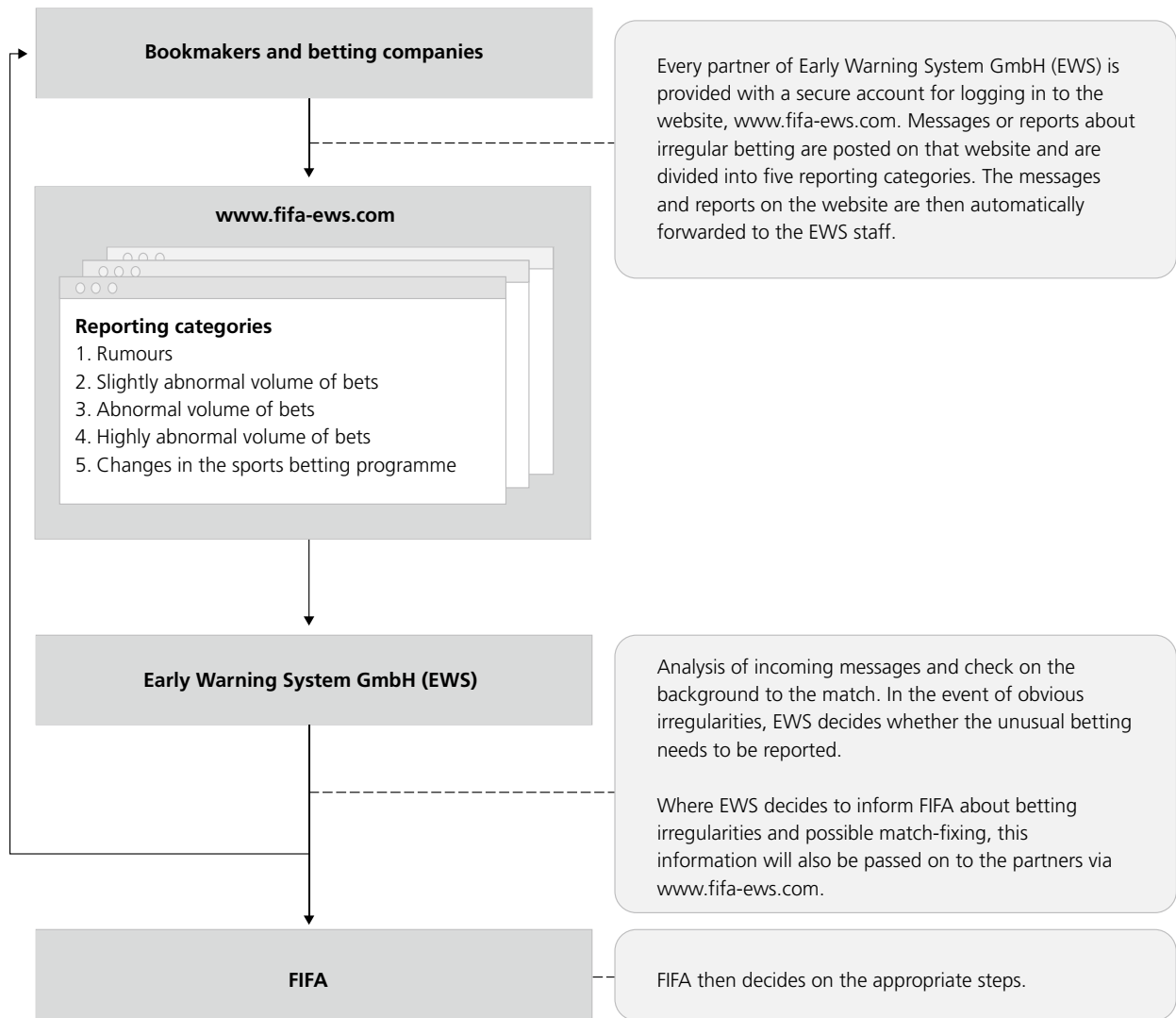
The Internal Audit Committee has decided that FIFA's Internal Control System (ICS) should be based on the internationally recognised **COSO concept**. The first step in developing the internal control system was to identify the existing processes and link them to the corresponding items in the financial report.

The next step was to classify the risks of each process in accordance with a **risk model** consisting of three categories.

The experience gained from the work carried out so far shows that although the correct controls are in place, they have sometimes been insufficiently documented in the past. The **documentation** of the controls is an important part of the ICS, as otherwise the effectiveness of the controls cannot be demonstrated.



COMMUNICATION SCHEME FOR EARLY WARNING SYSTEM





Focus on lotteries and sports betting

A **conference** entitled **“Sports betting – mutual dependence and dangers”** was held in Zurich on Monday, 10 November 2008. It was well attended by a number of prominent figures, with FIFA President Joseph S. Blatter opening the proceedings with a talk on the subject of **“Sports betting – a danger for sport?”**

“As far as I’m concerned, betting and games of chance are a double-edged sword,” said the FIFA President. **“Modern technologies and in particular the opportunities opened up by the internet in terms of sports betting are creating new dangers for our sport. Attempts to manipulate matches are becoming ever more clever and are endangering the integrity of the game.”**

Various betting scandals linked to football matches and the subsequent concerns over the respectability and integrity of the sport prompted FIFA to take measures aimed at protecting football, which is why the **Early Warning System GmbH (EWS)** company was founded. EWS was originally launched as a successful pilot project at the 2006 FIFA World Cup Germany™, and since July 2007 it has been monitoring all the qualifying matches of the 2010 FIFA World Cup South Africa™.

Based on art. 2 (e) of its Statutes, FIFA seeks to protect the integrity of football, primarily through early detection. The aim is for betting-related incidents to be identified in a timely fashion, match-fixing to be prevented and the family of football to be made aware of the risks that are caused by betting. In order to create an early warning system that is as efficient as humanly possible, **cooperation with bookmakers and betting companies** plays a crucial role.



1

1 - 4 The opening ceremony of the 58th FIFA Congress took place at Sydney's famous Opera House on 29 May 2008: flags of the 208 FIFA member associations lined the steps. Aboriginal music and football-themed pictures on the tower of Sydney Harbour Bridge got participants in the mood.

5 - 6 President Joseph S. Blatter presents Karounga Keita (Mali) with the FIFA Order of Merit. Secretary General Jérôme Valcke at a press conference in connection with the FIFA Executive Committee's pre-Congress meeting on 26 and 27 May.



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FIFA Congress passes resolution on 6+5

The 58th FIFA Congress in Sydney on 29-30 May 2008 was marked by two major decisions: the passing of a resolution on **6+5** and the ratification of the **World Anti-Doping Code 2009**.

With regard to **6+5**, the Congress voted 155-5 to request the Presidents of FIFA and UEFA to continue to explore, together with the world of sport – football's stakeholders, but also the International Olympic Committee and the international federations – all possible means within the limits of the law to ensure that these crucial sporting objectives are achieved at European level. The associations gave the FIFA President a mandate to, if necessary, take similar steps on the other continents in cooperation with the relevant confederation. Under 6+5, at the beginning of each match, each club must field at least six players who are eligible to play for the national team of the country of the club, thus protecting teams' national identity.

The Congress also voted 175-1 to ratify the **World Anti-Doping Code 2009**. Version 3.0 of the code includes individual case management for sanctions, a principle that FIFA has always advocated. In addition, FIFA President Joseph S. Blatter and WADA President John Fahey signed a declaration stating that FIFA and WADA will continue their close cooperation with the common objective of fighting against doping through all possible means. The first FIFA Congress on Australian soil was attended by 201 member associations, the only absentees being Afghanistan, Benin, Cape Verde, Dominica, Gambia, Guinea and Trinidad and Tobago.



Consolidated financial statements according to International Financial Reporting Standards (IFRS) as per 31 December 2008

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These consolidated financial statements are published in English, German, French and Spanish. If there is any divergence in the wording, the English original text is authoritative.

CONSOLIDATED INCOME STATEMENT

in TUSD	Note	2008	2007
Event-related revenue			
Revenue from television broadcasting rights	1	555,484	524,524
Revenue from marketing rights	2	253,406	223,398
Revenue from licensing rights	3	15,105	19,388
Revenue from hospitality rights	4	40,000	0
Other event-related revenue	5	38,502	19,325
Total event-related revenue		902,497	786,635
Event-related expenses			
FIFA World Cup™ expenses	6	-344,920	-290,957
Other FIFA event expenses	6	-96,504	-95,488
Total event-related expenses		-441,424	-386,445
Event-related gross result		461,073	400,190
Other operating income	7	32,185	60,108
Development-related expenses	8	-133,189	-153,666
Football governance	9	-46,270	-46,742
Exploitation of rights	10	-17,602	-16,539
Personnel expenses	11	-52,372	-58,504
Depreciation and amortisation	19-20	-15,777	-16,084
Other operating expenses	12	-60,125	-151,148
Operating result before financial items		167,923	17,615
Financial income	13	22,273	35,121
Financial expenses	14	-5,921	-2,657
Result before taxes		184,275	50,079
Income taxes	15	-620	-833
Net result for the year		183,655	49,246

CONSOLIDATED BALANCE SHEET

in TUSD	Note	31 Dec 2008	31 Dec 2007
Assets			
Cash and cash equivalents	16	706,358	487,738
Receivables	17	275,535	144,169
Derivative financial assets	27	54,984	0
Prepaid expenses and accrued income	18	93,116	48,127
Current assets		1,129,993	680,034
Property and equipment	19	213,433	229,083
Investment properties	19	0	4,086
Intangible assets	20	2,167	2,709
Financial assets	21	285,244	243,481
Non-current assets		500,844	479,359
Total assets		1,630,837	1,159,393
Liabilities and equity			
Payables	22	43,075	27,285
Income tax liabilities		923	1,269
Derivative financial liabilities	27	8,248	31,000
Accrued expenses and deferred income	23	664,054	445,855
Current liabilities		716,300	505,409
Provisions	24	12,327	11,457
Non-current liabilities		12,327	11,457
Total liabilities		728,627	516,866
Association capital		4,104	4,104
Hedging reserves	27	46,736	-29,448
Currency translation adjustment		-103	53
Retained earnings		667,818	618,572
Net result for the year		183,655	49,246
Equity		902,210	642,527
Total liabilities and equity		1,630,837	1,159,393

CONSOLIDATED CASH FLOW STATEMENT

in TUSD	Note	2008	2007
Net result for the year		183,655	49,246
Depreciation and amortisation	19-20	15,777	16,084
Net financial result	13-14	-16,352	-32,464
Gain from sale of property and equipment		-6,768	-2,557
Other non-cash items		-2,625	2,885
Income tax expenses	15	620	833
(Increase)/decrease in receivables		-131,366	79,397
(Increase)/decrease in prepaid expenses and accrued income		-45,205	46,829
Increase/(decrease) in payables		15,790	-23,787
(Decrease)/increase in derivative financial liabilities		-1,552	1,552
Increase/(decrease) in accrued expenses and deferred income		218,199	-50,007
Increase in provisions	24	870	664
Income tax paid		-966	-291
Net cash provided by operating activities		230,077	88,384
Purchase of property and equipment	19	-143	-4,678
Sale of property and equipment		11,411	12,130
Investment in financial assets	21	-80,000	0
Repayments and sale of financial assets	21	33,112	3,000
Interest received	13	19,924	18,824
Income from investments in financial assets		3,041	1,942
Net cash (used)/provided by investing activities		-12,655	31,218
Repayment of interest-bearing liabilities		0	-14,776
Interest paid	14	-716	-972
Net cash used in financing activities		-716	-15,748
Net increase in cash and cash equivalents		216,706	103,854
Cash and cash equivalents as at 1 January	16	487,738	377,760
Effect of exchange rate fluctuations		1,914	6,124
Cash and cash equivalents as at 31 December	16	706,358	487,738

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TUSD	Association capital	Hedging reserve	Retained earnings	Currency translation adjustment	Total
Balance as at 1 January 2007	4,104	-5,752	618,572	0	616,924
Effective portion of changes in fair value of hedging instruments	0	-27,830	0	0	-27,830
Transferred to income statement	0	4,134	0	0	4,134
Currency translation adjustment	0	0	0	53	53
Net income recognised directly in equity	0	-23,696	0	53	-23,643
Net result for the year 2007	0	0	49,246	0	49,246
Total recognised income and expenses	0	-23,696	49,246	53	25,603
Balance as at 31 December 2007	4,104	-29,448	667,818	53	642,527

in TUSD	Association capital	Hedging reserve	Retained earnings	Currency translation adjustment	Total
Balance as at 1 January 2008	4,104	-29,448	667,818	53	642,527
Effective portion of changes in fair value of hedging instruments	0	67,813	0	0	67,813
Transferred to income statement	0	8,371	0	0	8,371
Currency translation adjustment	0	0	0	-156	-156
Net income recognised directly in equity	0	76,184	0	-156	76,028
Net result for the year 2008	0	0	183,655	0	183,655
Total recognised income and expenses	0	76,184	183,655	-156	259,683
Balance as at 31 December 2008	4,104	46,736	851,473	-103	902,210

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES

A. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

Fédération Internationale de Football Association (FIFA), domiciled in Zurich, Switzerland, is an international non-governmental, non-profit organisation in the form of an association according to Swiss law. FIFA consists of 208 associations affiliated to six confederations. FIFA's principal mission is to promote the game of association football in every way it deems fit. FIFA uses its profits, reserves and funds in pursuit of its principal mission.

FIFA prepares the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

Based on the FIFA Statutes, the financial period of FIFA is four years and begins on 1 January in the year following the final competition of the FIFA World Cup™. The current financial period therefore runs from 1 January 2007 until 31 December 2010.

B. BASIS OF PRESENTATION

The consolidated financial statements are presented in US dollars (USD). Until 31 December 2006, the financial statements were presented in Swiss francs (CHF). FIFA changed its functional currency to USD because the majority of revenues and expenses in the statutory financial period 2007-2010 are in USD.

The consolidated financial statements are prepared on a historical cost basis, except that the following assets and liabilities are stated at fair value: derivative financial instruments and financial assets are classified as "at fair value through profit or loss".

Several new and revised standards and interpretations came into effect in the 2008 reporting period. None of them had a significant influence on the financial statements.

FIFA is currently assessing the potential impacts of the new and revised standards that will be effective from 1 January 2009 or later. FIFA does not expect the new and revised standards to have a significant effect on the group's financial position.

C. BASIS OF CONSOLIDATION

The term "FIFA" is hereafter also used for the consolidated group, which represents FIFA and its subsidiaries.

Subsidiaries are those enterprises that are controlled by FIFA. Control exists when FIFA has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commenced until the date that control ceased. The individual subsidiaries included in this consolidation are shown in Note 33.

Intra-group balances and transactions and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

D. FOREIGN CURRENCY TRANSLATION

a) Foreign currency transactions and balances

Transactions in foreign currencies are converted at the foreign exchange rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies on the balance sheet date are converted at the foreign exchange rate ruling on that date. Foreign exchange differences arising from conversion are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are converted at the foreign exchange rate ruling on the dates the values were determined.

b) Financial statements of foreign subsidiaries

For FIFA's foreign subsidiaries, assets and liabilities including fair value adjustments arising on consolidation are converted into USD at the foreign exchange rate ruling on the balance sheet date. The revenue and expenses of foreign subsidiaries are converted into USD on the average foreign exchange rates of the period. Exchange differences arising from conversion of the accounts of foreign subsidiaries are recognised directly in equity.

The foreign exchange rates used are as follows (USD per unit):

	31 Dec 2008	Average 2008	31 Dec 2007	Average 2007
CHF	0.9397	0.9191	0.8826	0.8264
EUR	1.4089	1.4762	1.4600	1.3607
GBP	1.4447	1.8799	1.9856	1.9915

E. INCOME STATEMENT

The consolidated income statement has the following elements: event-related revenue, event-related expenses, other operating income, development-related expenses and other expenses. This structure reflects FIFA's objectives to improve the game of football constantly and promote it globally, particularly through youth and development programmes. Event-related revenue and expenses are directly related to the organisation and realisation of the FIFA World Cup™ and other FIFA events. For accounting purposes, FIFA defines other FIFA events as all other football events, such as the FIFA Women's World Cup™, FIFA U-20 World Cup, FIFA U-17 World Cup, FIFA U-20 Women's World Cup, FIFA U-17 Women's World Cup, Olympic Football Tournaments, FIFA Futsal World Cup, FIFA Confederations Cup, FIFA Club World Cup, FIFA Beach Soccer World Cup, Blue Stars/FIFA Youth Cup, FIFA Interactive World Cup, etc.

F. REVENUE RECOGNITION

Event-related revenue primarily relates to the sale of the following rights:

- Television broadcasting rights
- Marketing rights
- Hospitality rights
- Licensing rights

Under these revenue-generating contracts, FIFA receives either fixed royalty payments or royalties in the form of guaranteed minimum payments plus additional sales-based payments (profit share).

Revenue directly related to the FIFA World Cup™ event is recognised in the income statement using the percentage-of-completion method, if it can be estimated reliably. The stage of completion of the FIFA World Cup™ event is assessed as incurred evenly over the project preparation period, which is four years. While this generally applies to fixed royalty and guaranteed minimum payments, additional sales-based revenue (profit share) is included in the percentage-of-completion method only when the amount is probable and can be measured reliably.

Revenue relating to other FIFA events is deferred during the preparation period and is recognised in the income statement when the event takes place.

Ticket sales in connection with the 2010 FIFA World Cup South Africa™ and the FIFA Confederations Cup South Africa 2009 are not recognised, since the 2010 FIFA World Cup Organising Committee South Africa is the beneficiary of the net revenue.

G. EVENT-RELATED EXPENSES

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

Since FIFA organises the FIFA World Cup™ event over a period of four years, expenses relating to the event are recognised based on the stage of completion of the event, as determined for event-related revenue recognition purposes.

During the four-year preparation period, differences between event-related expenses recognised and event-related expenses incurred are presented in the income statement as event-related accrued expenses and deferred expenses respectively.

Expenses relating to other FIFA events are deferred during the preparation period, consistent with the treatment of related revenues, and are recognised in the income statement in the period in which the event takes place.

H. DEVELOPMENT-RELATED EXPENSES

FIFA gives financial assistance to member associations and confederations in return for past or future compliance with certain conditions relating to their activities. During the four-year period under review, FIFA is providing each member association and confederation with funds under the Financial Assistance Programme (FAP). The *Goal* Programme provides member associations with specific funding for tailor-made projects. The expenses are recorded in the income statement once FIFA has approved the project in question.

For other development projects expenses are recognised as incurred.

I. OPERATING LEASE PAYMENTS

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the respective lease.

J. FINANCIAL EXPENSES AND FINANCIAL INCOME

Financial income comprises interest income from interest-bearing receivables and debt securities, dividend income, foreign exchange gains, gains on derivatives that are not accounted for as hedging instruments and gains arising from a change in the fair value of financial assets designated at fair value through profit or loss. Financial expenses consist of interest on financial liabilities, foreign exchange losses, losses on derivatives not accounted for as hedging instruments and losses arising from a change in the fair value of financial assets classified as designated at fair value through profit or loss.

Interest income is recognised in the income statement using the effective interest rate method. Dividend income is recognised in the income statement on the date that the dividend is declared. Borrowing costs are not capitalised.

K. INCOME TAXES

FIFA was established in the legal form of an association pursuant to articles 60ff. of the Swiss Civil Code. Pursuant to article 2 of its Statutes, FIFA's objective is to improve the game of football constantly and promote it globally, particularly through youth and development programmes. FIFA is a non-profit organisation and is obliged to spend its profits, reserves and funds for this purpose.

Income tax recognised in the income statement comprises current tax.

FIFA is taxed in Switzerland according to the ordinary taxation rules applying to associations. The non-profit character of FIFA and the four-year accounting cycle are thereby taken into account. The subsidiaries are taxed according to the relevant tax legislation.

Current tax is the expected tax payable on the taxable income for the year using ordinary tax rates applicable to an association or a corporation, respectively.

L. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, post and bank accounts, as well as short-term deposits with an original maturity of 90 days or less.

M. DERIVATIVES

FIFA uses derivative financial instruments to hedge its exposure to foreign exchange rate risks arising from operating activities. FIFA does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are initially recognised at fair value. Subsequent to initial recognition, all derivatives are also stated at fair value. Gains and losses on re-measurement of derivatives that do not qualify for hedge accounting are recognised in the income statement immediately.

The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

N. HEDGING

Where a derivative financial instrument hedges the exposure to variability in future cash flows from highly probable forecast transactions, the effective part of any gain or loss on re-measurement of the hedging instrument is recognised directly in the hedging reserve as part of equity. The ineffective part of any gain or loss is recognised in the income statement immediately.

The cumulative gain or loss recognised in equity is transferred to the income statement at the same time that the hedged transaction affects net profit or loss and is included in the same line item as the hedged transaction.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss recognised in equity remains in equity and is recognised in accordance with the above policy. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recorded in equity is recognised in the income statement immediately.

O. RECEIVABLES

Receivables from the sale of rights and other receivables are stated at amortised cost, which equals nominal value for short-term receivables less any allowance for doubtful debts. Allowances are made for specific known doubtful receivables.

Accounts receivable and payable are offset and the net amount is reported in the balance sheet when FIFA has a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis.

P. PROPERTY AND EQUIPMENT

Property and equipment are stated at acquisition cost less accumulated depreciation and impairment losses. Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment. Repairs and maintenance costs are recognised in the income statement as an expense as they are incurred.

Properties held to earn rental income are classified as investment properties. Investment properties are measured at acquisition cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of property and equipment. Land is not depreciated. The estimated useful lives are as follows:

Operational buildings	20-50 years
Investment properties	10-20 years
Office and other equipment	3-20 years

Q. INTANGIBLE ASSETS

Intangible assets acquired by FIFA are stated at acquisition cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives unless lives are indefinite. The estimated useful lives are as follows:

Film archive	10 years
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Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as it is incurred.

R. FINANCIAL ASSETS

Financial assets comprise debt securities, equity securities and other receivables.

Classification

Loans and receivables are those created by FIFA when providing money or services to third parties.

FIFA manages and evaluates the performance of its investments on a fair-value basis in accordance with its documented investment strategy. Therefore the investments are classified as designated at fair value through profit or loss. Instruments include debt and equity investments.

Recognition and measurement

FIFA recognises marketable securities and other investments at fair value, including transaction costs in the case of financial assets or financial liabilities not at fair value through profit or loss on settlement date (the date they are transferred to FIFA). Loans and receivables are recognised when FIFA becomes a party to the respective contract and has a legal right to receive cash or other considerations.

Subsequent to initial recognition, all investments at fair value through profit or loss are measured at fair value. Any instrument that does not have a quoted market price in an active market and for which fair value cannot be reliably measured is classified as available for sale and stated at cost less impairment losses.

Loans and receivables are measured at amortised cost less impairment losses. Amortised cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related asset and amortised based on the effective interest rate of the instrument. Allowances are made for specific known doubtful loans and receivables.

Gains and losses on subsequent measurement

Gains and losses arising from changes in the fair value of a financial asset at fair value through profit or loss as well as any impairment losses on loans and receivables are recognised in the income statement.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when FIFA has a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis.

S. IMPAIRMENT

The carrying amounts of FIFA's property and equipment, intangible assets, loans and other investments are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount, being the greater of its fair value less costs to sell and its value in use, is estimated.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds the respective recoverable amount.

An impairment loss in respect of loans and receivables and other assets is reversed if the impairment loss no longer exists and there has been a change in the estimates used to determine the recoverable amount.

T. PAYABLES

Payables are stated at amortised cost, which equals nominal value for short-term payables.

U. INTEREST-BEARING LIABILITIES

Interest-bearing liabilities are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the borrowing term using the effective interest rate method.

V. EMPLOYEE BENEFIT OBLIGATIONS

FIFA has established a retirement benefit plan for all of its employees, which is maintained by an insurance company. The plan is funded by employee and employer contributions and has certain defined benefit characteristics. Accordingly, the plan is accounted for as a defined benefit plan. The financial impact of this plan on the consolidated financial statements is determined in accordance with the projected unit credit method.

Any pension surplus is only recognised as an asset if the asset embodies future economic benefits that are actually available to FIFA in the form of refunds or reductions in future employer contributions.

Actuarial gains and losses arising from periodic reassessments are recognised to the extent that they decrease or increase a pension deficit or pension surplus respectively, if and to the extent that they exceed 10% of the higher of the projected benefit obligations and the fair value of plan assets. The amount exceeding this "corridor" is amortised over the expected average remaining working lives of the employees participating in the plan.

W. PROVISIONS

A provision is recognised when FIFA has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time, value of money and, where appropriate, the risks specific to the liability.

X. EQUITY

Equity consists of association capital and retained earnings/losses, as well as hedging reserves and foreign currency translation gains/losses. As FIFA is an association, no dividends are paid.

In the event of the dissolution of FIFA, its funds shall not be distributed, but transferred to the supreme court of the country in which the headquarters are situated. The supreme court shall invest them in gilt-edged securities until the re-establishment of the federation.

Y. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 6 Event-related expenses: accounting estimates and judgments
- Note 11 Personnel expenses: accounting estimates and judgments
- Note 21 Financial assets: accounting estimates and judgments
- Note 28 Legal matters and contingent liabilities

NOTES ON THE CONSOLIDATED INCOME STATEMENT

1 REVENUE FROM TELEVISION BROADCASTING RIGHTS

in TUSD	2008	2007
Revenue from television broadcasting rights – FIFA World Cup™		
– Europe	308,550	292,443
– Asia and North Africa	113,183	86,000
– South and Central America	80,100	80,100
– North America and the Caribbean	52,875	53,252
– Rest of the world	11,309	8,166
– Value-in-kind transactions	2,353	0
– Sales commission	–18,285	0
Total revenue from television broadcasting rights – FIFA World Cup™	550,085	519,961
Other FIFA events	5,399	4,563
Total revenue from television broadcasting rights	555,484	524,524

The recognised revenue in 2008 from television broadcasting rights for the 2010 FIFA World Cup™ amounts to TUSD 550,085. The accumulated amount recognised (excluding hedge accounting effects, value-in-kind transactions and sales commissions) for the period 1 January 2007 to 31 December 2008 amounts to TUSD 1,105,360. Until 31 December 2008, the accumulated amount of TUSD 971,829 had been collected.

A substantial part of the income from television broadcasting rights is denominated in EUR. The major part of the contractually agreed revenue in other currencies than USD is hedged (see also Note 27).

The revenue from the television broadcasting rights for other FIFA events includes the revenue from the sale of television broadcasting rights and services offered to the broadcasters in connection with the FIFA U-20 Women's World Cup Chile 2008, the FIFA U-17 Women's World Cup New Zealand 2008, the FIFA Futsal World Cup Brazil 2008 and the FIFA Beach Soccer World Cup Marseille 2008.

2 REVENUE FROM MARKETING RIGHTS

in TUSD	2008	2007
Revenue from marketing rights – FIFA World Cup™		
– FIFA Partners	148,500	148,500
– FIFA World Cup Sponsors	73,238	53,750
– National Supporters	8,333	5,000
– Value-in-kind transactions	20,211	17,045
– Sales commission	–4,139	–3,117
Total revenue from marketing rights – FIFA World Cup™	246,143	221,178
Other FIFA events	7,263	2,220
Total revenue from marketing rights	253,406	223,398

The revenue from marketing rights includes the revenue from the sponsoring categories of “FIFA Partners”, “FIFA World Cup Sponsors” and “National Supporters”. The accumulated revenue recognised (excluding value-in-kind transactions and sales commissions) in the same period amounts to TUSD 437,321. The accumulated revenue from marketing rights collected in the period from 1 January 2007 to 31 December 2008 amounts to TUSD 474,965.

Value-in-kind transactions

FIFA receives value-in-kind revenue from several commercial affiliates. This value-in-kind revenue consists of pre-determined services and delivery of goods to be used in connection with the 2010 FIFA World Cup South Africa™ or other FIFA events. The revenue is recognised when the services/goods have been received and the equivalent costs are accounted for in the same period as an event-related expense. In the year 2008, the value of the services or goods received amounted to TUSD 20,211.

Other FIFA events

The revenue from other FIFA events includes National Supporter payments in connection with the FIFA U-20 Women’s World Cup Chile 2008, the FIFA U-17 Women’s World Cup New Zealand 2008, the FIFA Futsal World Cup Brazil 2008 and the FIFA Beach Soccer World Cup Marseille 2008. These payments are transferred to the Local Organising Committees. The relevant costs are shown as event-related expenses (Note 6).

3 REVENUE FROM LICENSING RIGHTS

in TUSD	2008	2007
FIFA World Cup™	13,022	8,369
Other FIFA events	2,083	11,019
Total revenue from licensing rights	15,105	19,388

The accumulated revenue from licensing rights for the 2010 FIFA World Cup™ recognised in 2008 and 2007 amounts to TUSD 21,939 (excluding sales commissions). The amount received amounts to TUSD 30,045.

4 REVENUE FROM HOSPITALITY RIGHTS

in TUSD	2008	2007
FIFA World Cup™	40,000	0
Total revenue from hospitality rights	40,000	0

The hospitality rights for the 2010 FIFA World Cup South Africa™ have been granted to Match Hospitality AG for USD 120 million. The amount collected until 31 December 2008 amounts to USD 50 million. The revenue from hospitality rights has only been recognised from the financial year 2008 onwards, since as at 31 December 2007 not all contractual conditions were fulfilled.

5 OTHER EVENT-RELATED REVENUE

in TUSD	2008	2007
Revenue from the FIFA Club World Cup Japan 2008	18,800	0
Revenue from the Olympic Football Tournaments Beijing 2008	14,802	0
Match levies from qualifying competitions	2,662	483
Penalties/appeals from qualifying competitions	1,565	704
Various event-related revenue	300	51
Revenue from the FIFA Club World Cup Japan 2007	373	17,984
Accommodation and ticketing for the 2006 FIFA World Cup™	0	103
Total other event-related revenue	38,502	19,325

FIFA has appointed Dentsu Inc. as the exclusive promoter and producer to organise and run the FIFA Club World Cup at its own cost and risk. FIFA received an amount of TUSD 18,800 from Dentsu Inc. for the FIFA Club World Cup Japan 2008 to cover its expenses in relation to this event.

FIFA organised the Olympic Football Tournaments Beijing 2008. FIFA has received a contribution of TUSD 14,802 from the International Olympic Committee.

6 EVENT-RELATED EXPENSES

in TUSD	2008	2007
FIFA World Cup™	344,920	290,957
Other FIFA events	96,504	95,488
Total event-related expenses	441,424	386,445

Expenses related to the 2010 FIFA World Cup™

in TUSD	2008	2007
Travel and accommodation – teams and officials	16,957	10,480
Contributions to the LOC	130,000	91,491
Ticketing and accommodation services/IT solution	13,754	11,734
Event marketing rights and TV production	47,791	20,110
Other	7,145	15,096
Event-related expenses – accrued	129,273	142,046
Total expenses related to the FIFA World Cup™	344,920	290,957

The accumulated expenses recognised until 31 December 2008 amount to USD 635.9 million. The current accumulated costs spent by FIFA amount to USD 364.6 million, of which the contribution to the 2010 FIFA World Cup Organising Committee South Africa represents the major part of the expenses paid.

Accounting estimates and judgments

Expenses related to the 2010 FIFA World Cup South Africa™ are recognised based on the stage of completion of the event. Event-related expenses for the whole four-year period must be estimated in order to calculate the total for the given stage of completion. This is achieved by regular, systematic reviews of every event-related project. Identifiable cost overruns or cost savings are included in the cost estimate for the event. The recognition of expenses is adjusted accordingly.

Expenses related to other FIFA events

in TUSD	2008	2007
FIFA Club World Cup Japan 2008	25,074	0
Olympic Football Tournaments Beijing 2008	21,961	0
FIFA U-20 Women's World Cup Chile 2008	15,933	0
FIFA Futsal World Cup Brazil 2008	14,875	0
FIFA U-17 Women's World Cup New Zealand 2008	14,020	0
FIFA Beach Soccer World Cup Marseille 2008	4,181	0
Blue Stars/FIFA Youth Cup	1,098	806
FIFA Club World Cup Japan 2007	242	24,168
FIFA Beach Soccer World Cup Rio de Janeiro 2007	141	5,377
FIFA U-20 World Cup Canada 2007	85	16,550
FIFA U-17 World Cup Korea 2007	-134	21,116
FIFA Women's World Cup China 2007	-972	29,506
Other events	0	-2,035
Total expenses related to other FIFA events	96,504	95,488

The expenses for the Olympic Football Tournaments Beijing 2008 include a contribution of USD 6 million paid by FIFA to the confederations for the benefit of the participating teams.

7 OTHER OPERATING INCOME

in TUSD	2008	2007
Quality Concept	9,311	5,910
Gain from sale of fixed assets	6,768	2,557
Match levies from friendly matches	5,180	2,963
Income from sale of film and video rights	3,851	2,528
Brand licensing	3,750	3,879
Rental income	952	1,346
Penalties/appeals from friendly matches	112	176
Other	2,261	40,749
Total other operating income	32,185	60,108

The other income has decreased because in the previous year, a non-recurring additional revenue of USD 40 million was received from a FIFA Partner who provided additional support for FIFA's development activities, particularly the *Goal Programme* and the *Win in Africa with Africa* initiative.

8 DEVELOPMENT-RELATED EXPENSES

in TUSD	2008	2007
Financial Assistance Programme (FAP)	52,055	52,270
Contributions to confederations	15,000	15,000
<i>Goal</i> Programme	29,707	20,392
<i>Win in Africa with Africa</i>	13,655	40,115
<i>Win in ...</i> projects	544	0
Other projects	22,228	25,889
Total development-related expenses	133,189	153,666

FAP and contributions to confederations

FAP is a financial aid programme, under which USD 1 million is granted to each member association and USD 10 million to each confederation during the four-year cycle to improve their administrative and technical infrastructure (see accounting policy H. Development-related expenses).

FIFA grants this assistance for projects that fulfil the following objectives:

- Develop and implement a modern, efficient and functional administrative or sports infrastructure;
- Facilitate the recruitment, training and remuneration of administrative and technical staff employed by the member association;
- Promote youth football;
- Provide basic and further training for member association members, as well as others seconded to the member associations for administrative and technical duties;
- Promote technical and sports development;
- Support member associations in arranging and taking part in official football competitions.

All member associations and confederations have to provide FIFA with an audited financial statement every year. Additionally, FIFA arranges a central audit of 21 member associations each year through its statutory auditors KPMG to ensure that all financial assistance payments are invested correctly.

Goal Programme

Goal is a development programme created by FIFA for the benefit of member associations. *Goal* offers funding for tailor-made projects to meet the individual needs of the member associations in the following areas:

- Administration – setting up national and regional associations, including team and office equipment;
- Training – administration, coaching, refereeing, sports medicine;
- Youth football – training youth team coaches, regional and national youth training centres and football schools, talent promotion;
- Infrastructure – the renovation and construction of football pitches, physical training and tuition centres, office buildings;
- Other tailor-made development projects – projects catering to other specific needs of member associations may also be considered if deemed appropriate.

The maximum amount that can be awarded per project is limited to USD 400,000. As at 31 December 2008, funds committed but not yet paid out to *Goal* projects amounted to USD 37.7 million. These commitments are recognised and stated under accrued expenses.

Win in Africa with Africa

The *Win in Africa with Africa* initiative was launched following ratification from the FIFA Congress in 2006. The goal of this initiative is to support football in Africa with a view towards the 2010 FIFA World Cup South Africa™. A major part of the initiative focuses on laying an artificial turf pitch in 52 African countries. Additionally, FIFA will support African leagues and clubs and help to develop partnerships with African universities to provide executive education and develop sports medicine in Africa.

The total approved budget for the *Win in Africa with Africa* initiative is USD 70 million. In 2007, USD 40.1 million was accounted for because the majority of artificial turf projects have already started. In 2008, additional projects in the amount of USD 13.7 million were approved.

Other projects

Other development-related expenses primarily include contributions to the development efforts supported by FIFA such as the Humanitarian Support Fund, courses such as Com-Unity and FUTURO III, F-MARC (FIFA Medical Assessment and Research Center) and refereeing.

9 FOOTBALL GOVERNANCE

in TUSD	2008	2007
Committees and Congress	30,223	30,113
Legal matters	12,682	14,081
Football administration	1,350	580
CIES	2,015	1,968
Total football governance	46,270	46,742

Committees and Congress

The costs for committees and the Congress comprise the costs incurred in connection with the 58th FIFA Congress in Sydney which took place at the end of May 2008, plus the costs of the meetings of more than 25 standing committees and three judicial bodies (the FIFA Disciplinary Committee, the FIFA Appeal Committee and the FIFA Ethics Committee). The cost for travel and accommodation of the committee members as well as of the official delegates of the 208 member associations, the six confederations and guests for the FIFA Congress are paid by FIFA.

CIES

Together with the International Center for Sport Studies (CIES) at the University of Neuchâtel in Switzerland, FIFA has set up two special programmes: a master's degree in the business, law and humanities of sport and a scholarship ("João Havelange Scholarship"). FIFA supports both programmes with yearly financial contributions.

10 EXPLOITATION OF RIGHTS

in TUSD	2008	2007
Marketing	5,665	6,204
Broadcasting and media rights	9,559	8,775
Licensing	2,378	1,560
Total exploitation of rights	17,602	16,539

The costs for exploitation of rights reflect the costs incurred by the FIFA TV & Marketing Division for the commercialisation of the marketing and broadcasting rights.

11 PERSONNEL EXPENSES

in TUSD	Note	2008	2007
Wages and salaries		42,391	45,794
Social benefit costs		4,504	6,194
Pension plan for Executive Committee members	24	0	819
Other employee benefit costs		3,602	3,741
Other		1,875	1,956
Total personnel expenses		52,372	58,504

The average number of employees during the year ending 31 December 2008 was 315 (2007: 282).

The pension plan for FIFA employees is funded by employee and employer contributions. Since the plan has certain defined benefit characteristics, the figures presented below have been determined according to the accounting provisions for defined benefit plans as described in IAS 19.

The expenses in relation to the pension plan for Executive Committee members have been reclassified to Note 12 Other operating expenses.

Change in present value of defined benefit obligations

in TUSD	2008	2007
Defined benefit obligations at beginning of year	39,906	38,635
Current service cost	5,628	8,396
Interest on obligations	1,455	1,317
Actuarial loss/(gain)	5,756	-865
Benefits paid	-381	-10,442
Foreign exchange effect	2,861	2,865
Defined benefit obligations at end of year	55,225	39,906

Change in fair value of plan assets

in TUSD	2008	2007
Fair value of plan assets at beginning of year	46,905	44,742
Expected return on plan assets	1,954	1,173
Employer contribution	3,639	5,618
Employees' contribution	1,609	2,391
Benefits paid	-381	-10,442
Actuarial (loss)/gain on plan assets	-691	89
Foreign exchange effect	3,171	3,334
Fair value of plan assets at end of year	56,206	46,905

The actual annual return on plan assets for the year ending 31 December 2008 amounted to TUSD 1,263 (2007: TUSD 1,262).

Amount recognised in the balance sheet

in TUSD	2008	2007
Present value of defined benefit obligations	55,225	39,906
Fair value of plan assets	-56,206	-46,905
Surplus for funded plans	-981	-6,999
Unrecognised net actuarial (loss)/gain	-2,052	4,473
Unrecognised pension fund surplus	3,033	2,526
Net asset	0	0

As the pension fund surplus is not available to FIFA in the form of refunds or reductions in future employer contributions, no pension assets have been recognised on the date of the balance sheet.

The expected contribution to be paid into the plan for 2009 is TUSD 3,813.

Components of pension expenses

in TUSD	2008	2007
Current service cost	5,628	8,396
Interest on obligations	1,455	1,317
Change in unrecognised plan assets	0	-531
Expected return on plan assets	-1,954	-1,173
Net periodic pension cost	5,129	8,009
Employees' contribution	-1,609	-2,391
Total pension expenses	3,520	5,618

Historical information

in TUSD	2008	2007	2006
Present value of defined benefit obligations	55,225	39,906	38,635
Fair value of plan assets	-56,206	-46,905	-44,742
Funded status	-981	-6,999	-6,107
Change in assumptions	4,977	2,389	0
Experience loss/(gain) on plan liabilities	779	-3,254	-1,276
Experience loss/(gain) on plan assets	691	-89	0
Total actuarial loss/(gain)	6,447	-954	-1,276

Principal actuarial assumptions

	31 Dec 2008	31 Dec 2007
Discount rate	3.00%	3.50%
Expected rate of return on plan assets	3.00%	4.00%
Future salary increases	2.50%	2.00%
Future pension increases	1.00%	0.50%

All assets are invested through an insurance contract, therefore the plan assets cannot be split into different categories.

Accounting estimates and judgments

The rates and parameters applied above are based on past experiences. Future developments in capital and labour markets could make adjustments of such rates necessary, which could significantly affect the calculation of pension obligations.

12 OTHER OPERATING EXPENSES

in TUSD	2008	2007
Transport, travel and accommodation expenses	5,953	5,660
IT expenses	6,472	6,086
Translation	2,195	2,112
Rental of properties/maintenance and running costs	5,403	10,912
Office equipment and telecommunications costs	3,353	3,009
PR and promotional costs	4,851	5,888
Acquisition and production costs	13,836	13,679
Legal dispute settlement	0	90,000
Other	18,062	13,802
Total other operating expenses	60,125	151,148

Legal dispute settlement

In 2007, FIFA was able to settle a dispute regarding sponsorship rights in connection with the 2010 and 2014 FIFA World Cups™ with a former partner. At the same time, other ongoing claims from the former partner were also settled. The total amount paid was fully recognised in the 2007 income statement.

13 FINANCIAL INCOME

in TUSD	Note	2008	2007
Interest income from cash and cash equivalents		19,711	19,791
Total interest income		19,711	19,791
Foreign currency gains		1,010	13,190
Gains on currency derivatives	27	1,552	0
Total foreign currency gains		2,562	13,190
Net change in fair value		0	2,140
Total income from investments designated at fair value through profit or loss		0	2,140
Total financial income		22,273	35,121

14 FINANCIAL EXPENSES

in TUSD	Note	2008	2007
Interest expenses on loans and mortgages		1,019	972
Total interest expenses		1,019	972
Foreign currency loss		3,220	133
Total foreign currency loss		3,220	133
Fair value loss on currency derivatives	27	0	1,552
Net change in fair value		1,682	0
Total loss from investments designated at fair value through profit or loss		1,682	1,552
Total financial expenses		5,921	2,657

The foreign exchange loss results mainly from the valuation of the net assets held in a foreign currency such as CHF or EUR.

15 INCOME TAXES

in TUSD	2008	2007
Current tax expenses	620	833
Total income tax expenses	620	833

FIFA is taxed according to the Swiss taxation rules for associations. Pursuant to these taxation rules, the statutory financial statements are the basis for taxation. In FIFA's statutory financial statements, the character of a non-profit organisation, the obligation to spend profits, reserves and funds on the development of football, the long-term perspective of development projects, the four-year accounting cycle and the financial risks inherent to FIFA's core event, the FIFA World Cup™, are duly considered (see also Note 26 Financial risk management). FIFA's subsidiaries are taxed based on the applicable local tax regulations.

Therefore, a reconciliation of the effective tax rate to the consolidated profits before tax would not be meaningful. Consequently, this calculation has not been carried out. There are no tax loss carry-forwards.

No income tax was recognised directly in equity.

NOTES ON THE CONSOLIDATED BALANCE SHEET

16 CASH AND CASH EQUIVALENTS

in TUSD	31 Dec 2008	Weighted average interest rate	31 Dec 2007	Weighted average interest rate
Cash on hand, post and bank accounts	264,998	1.49%	136,675	3.30%
Overnight deposits and fixed-term deposits with maturities of up to 3 months	441,360	2.84%	351,063	4.71%
Total cash and cash equivalents	706,358		487,738	

The fixed-term deposits have an average maturity of 67 days.

A bank account in the amount of TUSD 640 is pledged to cover a bank guarantee towards a third party.

17 RECEIVABLES

in TUSD	31 Dec 2008	31 Dec 2007
Receivables from exploitation of rights		
– Due from third parties	256,679	118,944
– Provisions for bad debts	–2,661	–2,892
Other receivables		
– Due from member associations and confederations	6,803	5,998
– Due from related parties	403	33
– Due from third parties	14,076	22,086
Short-term loans		
– Due from related parties	94	0
– Due from third parties	141	0
Total receivables, net	275,535	144,169

This amount has increased since many contractual payments from broadcasters and sponsors are due in January 2009.

Provisions for bad debts

in TUSD	31 Dec 2008	31 Dec 2007
Provisions for bad debts		
Balance as at 1 January	2,892	2,773
Use	-197	-115
Additions	0	190
Reversal	-57	-40
Foreign exchange effect	23	84
Balance as at 31 December	2,661	2,892

Ageing structure of receivables

in TUSD	31 Dec 2008	31 Dec 2007
Receivables		
Not due	269,772	139,349
Overdue – less than 30 days	3,074	2,023
Overdue – less than 60 days	99	1,537
Overdue – more than 60 days	5,251	4,152
Total receivables	278,196	147,061

18 PREPAID EXPENSES AND ACCRUED INCOME

in TUSD	Note	31 Dec 2008	31 Dec 2007
Accrued income			
– 2010 FIFA World Cup™	1-4	79,716	31,766
– Other FIFA events	1-5	1,882	0
Total accrued income		81,598	31,766
Prepaid expenses			
– Other FIFA events	6	4,928	12,534
– Development programmes	8	2,095	213
Total prepaid expenses		7,023	12,747
Other prepaid expenses and accrued income		4,495	3,614
Total prepaid expenses and accrued income		93,116	48,127

19 PROPERTY AND EQUIPMENT

in TUSD	Operational buildings	Land	Investment properties	Office and other equipment	Total
Cost					
Balance as at 1 January 2007	208,223	17,584	27,696	27,272	280,775
Acquisitions	2,222	0	1,866	587	4,675
Reclassifications	14,132	0	-14,132	0	0
Disposals	0	-1,792	-10,152	-6,110	-18,054
Balance as at 31 December 2007	224,577	15,792	5,278	21,749	267,396
Acquisitions	0	0	0	143	143
Disposals	0	-668	-5,278	0	-5,946
Balance as at 31 December 2008	224,577	15,124	0	21,892	261,593
Accumulated depreciation					
Balance as at 1 January 2007	12,834	0	5,834	8,498	27,166
Depreciation	10,462	0	1,369	3,712	15,543
Reclassifications	3,606	0	-3,640	34	0
Disposals	0	0	-2,371	-6,110	-8,481
Balance as at 31 December 2007	26,902	0	1,192	6,134	34,228
Depreciation	11,342	0	111	3,782	15,235
Disposals	0	0	-1,303	0	-1,303
Balance as at 31 December 2008	38,244	0	0	9,916	48,160
Carrying amount					
As at 1 January 2007	195,389	17,584	21,862	18,774	253,609
As at 31 December 2007	197,675	15,792	4,086	15,615	233,169
As at 31 December 2008	186,333	15,124	0	11,976	213,433

All properties not used for operational purposes were sold in 2007 and 2008.

20 INTANGIBLE ASSETS

Film archive

in TUSD	2008	2007
Cost		
Balance as at 1 January	5,418	5,418
Acquisitions	0	0
Balance as at 31 December	5,418	5,418
Accumulated amortisation		
Balance as at 1 January	2,709	2,167
Amortisation	542	542
Balance as at 31 December	3,251	2,709
Carrying amount		
As at 1 January	2,709	3,251
As at 31 December	2,167	2,709

21 FINANCIAL ASSETS

in TUSD	Note	31 Dec 2008	31 Dec 2007
Debt securities		198,196	236,273
Equity securities		702	847
Other	32	86,346	6,361
Total financial assets		285,244	243,481

Investments in capital-protected participations and capital-guaranteed participations are considered to be structured investments similar to debt securities that limit FIFA's risk of fair-value losses but offer FIFA the chance of market value appreciation of the investment. Interest payments are generally due upon the redemption of the investments between 2009 and 2014. The counter-party risk has been assessed as remote.

All debt securities and equity securities are designated at fair value through profit or loss and are therefore stated at fair value. Investments in capital-protected participations, which are not quoted, are valued by using valuation techniques.

Other

Other receivables include a receivable from a broadcasting partner due to a settlement and restatement agreement signed in May 2004. Additionally, FIFA granted a loan to the 2010 FIFA World Cup Organising Committee South Africa. FIFA is entitled to withhold the corresponding amount from the revenue from the ticket sales for the 2010 FIFA World Cup South Africa™. These receivables are recorded at amortised cost.

Accounting estimates and judgments

Financial assets with a value of USD 105 million are not quoted and are therefore valued by using valuation techniques. The factors determining the discount rate may change in the future and therefore have an impact on the valuation of the financial assets in future periods.

22 PAYABLES

in TUSD	31 Dec 2008	31 Dec 2007
– Due to third parties	30,354	4,826
– Due to related parties	432	298
– Due to member associations and confederations	12,289	22,161
Total payables	43,075	27,285

23 ACCRUED EXPENSES AND DEFERRED INCOME

in TUSD	Note	31 Dec 2008	31 Dec 2007
Accrued expenses			
– 2010 FIFA World Cup™	6	301,608	146,101
– Other FIFA events	6	9,796	8,520
– Development programmes	8	88,333	83,717
Total accrued expenses		399,737	238,338
Deferred income			
– 2010 FIFA World Cup™	1-3	249,856	198,616
– Other FIFA events	1-3	6,878	71
Total deferred income		256,734	198,687
Other accrued expenses and deferred income		7,583	8,830
Total accrued expenses and deferred income		664,054	445,855

24 PROVISIONS

in TUSD	2008	2007
Balance as at 1 January	11,457	10,793
Provisions made during the year	978	944
Provisions used during the year	-237	-155
Adjustments	129	-125
Balance as at 31 December	12,327	11,457

The provisions of TUSD 12,327 cover the future costs of the pension plan for members of the FIFA Executive Committee. An annual pension payment will be made to all long-serving FIFA Executive Committee members retiring from 2005 onwards. Under this retirement plan, Executive Committee members receive pension payments if they have served as a member of the committee for eight or more years. The pension is paid for up to a maximum of the number of years that the member served on the committee. Only the FIFA Executive Committee members may benefit from this scheme. Family members or relatives of the Executive Committee member are not entitled to receive any payments. The retirement payments start in the financial year following retirement.

There are no other legal or constructive obligations that require the establishment of provisions.

25 EQUITY

Association capital

The association capital is CHF 5 million.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash-flow hedging instruments where the hedged transaction has not yet occurred (see Note 27).

Capital management

FIFA was established in the legal form of an association pursuant to articles 60ff. of the Swiss Civil Code. Pursuant to article 2 of its Statutes, FIFA's objective is to improve the game of football constantly and promote it globally, particularly through youth and development programmes. FIFA is a non-profit organisation and is obliged to spend its profits, reserves and funds for this purpose. As FIFA is an association, no dividends are paid.

In the event of the dissolution of FIFA, its funds shall not be distributed, but transferred to the supreme court of the country in which the headquarters are situated. The supreme court shall invest them in gilt-edged securities until the re-establishment of the federation.

FIFA's strategy is to increase equity to cover inherent risks in connection with the FIFA World Cup™ (see also Note 26).

26 FINANCIAL RISK MANAGEMENT

Exposure to currency and interest risks as well as credit and liquidity risks arises in the course of FIFA's normal operations.

Credit risk

In line with FIFA's marketing and TV strategy, FIFA sold the television broadcasting rights in the key markets for the final competitions of the 2010 and 2014 FIFA World Cups™ directly to broadcasters. For the 2006 FIFA World Cup™, the rights were sold in packages to intermediaries.

In the area of marketing, FIFA has implemented a new strategy from 2007 onwards and now distinguishes between FIFA Partner, FIFA World Cup Sponsor and National Supporter. In this context, the number of FIFA Partners has been reduced from 15 in the 2003-2006 period to six for the 2007-2010 cycle.

The revenue from television and marketing rights is received from large multinational companies and public broadcasters. Part of the outstanding revenue is also covered by bank guarantees. Additionally, the contracts include a default clause, whereby the contract terminates as soon as one party is in default. In the event of a commercial affiliate defaulting, FIFA is not required to reimburse any of the services or contributions received. FIFA is also entitled to replace terminated contracts with new marketing or broadcasting agreements.

Material credit risks could potentially arise if several commercial affiliates were unable to meet their contractual obligations and if FIFA was unable to find a replacement in due time. The FIFA management monitors the credit standing of commercial affiliates very closely on an ongoing basis. Given their good credit ratings and the high diversification of the commercial affiliates portfolio, the FIFA management believes that this scenario is very unlikely to occur.

Investments and derivative financial instruments are executed only with counterparties with high credit ratings.

Interest rate risk

FIFA is exposed to fluctuations in interest rates on its short-term placements in fixed-term deposits. Since the interest rate of all short-term deposits is fixed at year end, there is no direct interest rate exposure.

An interest rate risk arises on the valuation of the financial assets valued by using valuation techniques. If the interest rates on 31 December 2008 had been 1% higher (lower), the net result would have been USD 3.3 million lower (higher).

As at 31 December 2008, there is no interest rate risk arising from financing transactions because FIFA is fully self-financed.

Foreign currency risk

On 1 January 2007, FIFA changed its functional currency from the Swiss franc to the US dollar because the majority of its cash flows are denominated in the latter. Exposure to foreign currency exchange rates arises from transactions denominated in currencies other than USD, especially in EUR, CHF and GBP.

FIFA receives foreign currency cash inflows in the form of revenue from the sale of certain rights denominated in EUR, CHF or GBP. On the other side, FIFA has substantial costs, especially employee costs and operating costs in connection with FIFA's offices in Zurich, denominated in CHF, while no major costs are expected in EUR or GBP. The Controlling & Strategic Planning Department regularly forecasts the liquidity and foreign exchange requirements until the 2010 FIFA World Cup™. If any foreign currency risks are identified, FIFA uses forward currency exchange contracts and structured derivative products to hedge this exposure (see also Note 27).

As at 31 December 2008, FIFA is exposed to the following foreign exchange exposure:

- If the EUR had gained (lost) 10% against the USD as at 31 December 2008, the net result would have been USD 35.7 million higher (lower).
- If the CHF had gained (lost) 10% against the USD as at 31 December 2008, the net result would have been USD 3.4 million higher (lower).
- If the GBP had gained (lost) 10% against the USD as at 31 December 2008, the net result would have been USD 5.6 million higher (lower).

This fluctuation analysis only shows the effect from an accounting perspective and not realised gains or losses.

Positions exposed to foreign currency risk as at 31 December 2008

in thousands	CHF	EUR	GBP
Cash and cash equivalents	91,303	43,085	96
Receivables	10,791	58,998	19,572
Prepaid expenses and accrued income	389	186	0
Exposure from applying percentage-of-completion method	1,440	136,517	19,500
Financial assets	5,050	15,059	0
Total assets in foreign currency	108,973	253,845	39,168
Payables	12,476	123	124
Accrued expenses and deferred income	67	0	0
Exposure from applying percentage-of-completion method	60,505	0	0
Total liabilities in foreign currency	73,048	123	124
Net exposure in foreign currency	35,925	253,722	39,044

Liquidity risk

As at 31 December 2008, FIFA is fully self-financed. Additionally, FIFA has access to contractual or secured short-term credit facilities in the amount of CHF 223 million, partly guaranteed by its own properties, which could be used to cover any additional liquidity needs.

Maturity of financial liabilities

in TUSD	31 December 2008		31 December 2007	
	90 days	1 year or less	90 days	1 year or less
Payables – third parties	30,354	0	4,826	0
Payables – related parties	432	0	298	0
Payables – associations and confederations	0	12,289	0	22,161
Balance as at 31 December	30,786	12,289	5,124	22,161

Payables and receivables to/from associations and confederations do not have a specific maturity date. Generally, the accounts are used to settle new invoices to and from associations and confederations. In accordance with the FIFA Statutes, payables and receivables can be netted.

Cancellation risk

FIFA's financial position depends on the successful staging of the FIFA World Cup™ because almost all contracts with commercial affiliates are related to this event. In the event of cancellation, curtailment or abandonment of the FIFA World Cup™, FIFA would run the risk of some of the revenues already received and accounted for having to be repaid.

Until the 2002 FIFA World Cup™, FIFA was able to cover this risk through an insurance company. However, since 9/11, it has practically been impossible to find comparable insurance coverage. For the 2006 FIFA World Cup™, part of the risks were transferred to the capital market by means of a capital market transaction ("cancellation bond").

At its meeting on 24 October 2008, the Executive Committee decided to insure against the risk of postponement and/or relocation of the 2010 and 2014 FIFA World Cups™. The risks covered include natural catastrophe, accidents, turmoil, war, acts of terrorism, non-participation of teams and epidemic diseases. The cancellation of the event is not covered by the insurance and would need to be covered by FIFA's own financial resources.

The maximum insurance volume is USD 650 million to cover FIFA's additional costs in case of a postponement and/or relocation of the event.

As at 31 December 2008, a major part of the insurance coverage has been placed in the insurance market.

Classification of financial assets

in TUSD	31 December 2008			31 December 2007		
	Loans and receivables	Financial assets at fair value through P&L	Derivates used for hedging activities	Loans and receivables	Financial assets at fair value through P&L	Derivates used for hedging activities
Cash and cash equivalents	706,358	0	0	487,738	0	0
Receivables	275,535	0	0	144,169	0	0
Derivative financial assets	0	0	54,984	0	0	0
Financial assets	86,346	198,898	0	6,361	237,120	0
Total	1,068,239	198,898	54,984	638,268	237,120	0

Classification of financial liabilities

in TUSD	31 December 2008			31 December 2007		
	Financial liabilities at fair value through P&L	Financial liabilities at amortised costs	Derivates used for hedging activities	Financial liabilities at fair value through P&L	Financial liabilities at amortised costs	Derivates used for hedging activities
Payables	0	43,075	0	0	27,285	0
Derivative financial liabilities	0	0	8,248	1,552	0	29,448
Total	0	43,075	8,248	1,552	27,285	29,448

27 HEDGING ACTIVITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

FIFA uses foreign currency derivatives and forwards to hedge the exposure on income from TV rights denominated in EUR or GBP. Depending on the expected needs based on the forecast, the revenue is converted into CHF or USD. All hedging transactions cover income, which is already contractually defined. All hedging transactions are in line with the strategy decided by the FIFA Executive Committee.

In order to limit the earnings volatility for the company's result, FIFA applies hedge accounting in accordance with IFRS. All transactions are classified as a cash flow hedge. All hedge transactions are expected to be highly effective, since the amount, currency and maturity of the underlying transaction matches the hedge transaction.

As of 31 December 2008, FIFA has contracted part of the broadcasting rights in connection with the 2010 FIFA World Cup™ in EUR and GBP. In total, FIFA has hedged future income in the amount of EUR 379.7 million and GBP 78 million.

in TUSD	31 December 2008		31 December 2007	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Cash flow hedges				
– effective in the next year	25,989	0	0	8,371
– effective in the following year	28,995	8,248	0	5,695
– effective until the end of 2010	n/a	n/a	0	16,934
Total	54,984	8,248	0	31,000
whereof				
– recognised in equity	46,736	0	0	29,448
– recognised in P&L (financial expenses)	0	0	0	1,552

The effective part of the hedge transactions has been recognised in the hedge reserve in equity. As at 31 December 2008, there is no significant ineffectiveness. From the previous year's hedge reserve, an amount of TUSD 8,371 was transferred to the income statement. The revenue from television broadcasting has been reduced by TUSD 13,801. The difference reflects the change in fair value of the hedging instruments between the beginning of the year and the settlement date.

The revenues from broadcasting rights for the 2014 FIFA World Cup™ have not been hedged yet, although a major part of the rights has already been contracted, since the revenues will flow from the year 2011 onwards.

28 LEGAL MATTERS AND CONTINGENT LIABILITIES

Proceedings between FIFA and members of the G-14

As a result of the agreement reached between UEFA and the European Club Association (ECA) on 21 January 2008, the three European clubs (RSC Charleroi, Olympique lyonnais and Atlético de Madrid) have withdrawn their claims regarding the obligation to release players.

Proceedings regarding intellectual property infringement

A plaintiff filed a suit against FIFA, FIFA Marketing & TV AG and additional defendants with the US District Court in New York, seeking USD 50 million for intellectual property infringement. He claims that he created the marketing idea for "World Cup Mascot All-Stars" and the associated children's TV series and is therefore entitled to the stated amount of damages from FIFA. The suit was rejected by the court of first instance, but the plaintiff filed an appeal in June 2008. The plaintiff had not submitted the grounds for the appeal by 31 December 2008.

FIFA believes that the lawsuit is baseless and as of 31 December 2008 has not therefore set aside any financial reserves.

Contingent liabilities

FIFA guarantees a maximum liability of TUSD 783 towards a third party until 31 December 2010. As at 31 December 2008, the risk of outflow is remote.

There are no further material lawsuits or other information to be disclosed.

29 CAPITAL COMMITMENTS

As at 31 December 2008, FIFA has no capital commitments.

30 CONTINGENT REVENUE

Several agreements with commercial affiliates in connection with the rights granted for the 2010 FIFA World Cup™ include contingent revenue in addition to the already recognised minimum payments. Such revenue elements are only recognised if it is likely that FIFA will receive additional payments. As in most cases this can only be assessed after the 2010 FIFA World Cup South Africa™, such contingent revenue is not yet recognised.

31 OPERATING LEASES

in TUSD	31 Dec 2008	31 Dec 2007
Less than 1 year	1,227	959
1-5 years	562	1,261
Total	1,789	2,220

FIFA leases office space, vehicles and office equipment under operating leases. The leases typically extend over an initial period of between one and five years, with an option to renew the lease after that period. None of the leases include contingent rentals.

In 2008, a total amount of TUSD 848 (2007: TUSD 959) was recognised as an expense in the income statement for operating leases.

32 RELATED-PARTY TRANSACTIONS

Identity of related parties

FIFA as an association has 208 members. The member associations affiliated to FIFA also form confederations. Additionally, from FIFA's perspective, the following persons are regarded as related parties: members of the Executive Committee, the Finance Committee and other key management personnel.

Transactions with related parties

Each member of FIFA must pay an annual subscription fee, currently CHF 300, and for every international match – including friendly matches, tournaments and all the matches of the Olympic Football Tournaments – played between two international "A" teams, the member association of the country in which the match is being played pays a share of the gross receipts from the match to FIFA. Revenue from international matches totalled USD 7.8 million in 2008 (2007: USD 3.4 million).

FIFA makes yearly contributions to the member associations and confederations (FAP, Goal Programme) to support their efforts in promoting and developing football in their region (see Note 8). These development expenses totalled USD 133.2 million in 2008 (2007: USD 153.7 million). The accumulated development expenses accrued as per 31 December 2008 totalled USD 88.3 million (2007: USD 83.7 million).

FIFA organises the FIFA World Cup™ and other FIFA events. In connection with these competitions, FIFA offers financial support to local organising committees and compensates teams for travel and accommodation expenses. For the FIFA World Cup™, the qualifying teams also receive a subsidy to cover the cost of their preparations. In 2008, FIFA paid USD 200 million to the 2010 FIFA World Cup Organising Committee South Africa, whereof USD 130 million is part of the financial support provided by FIFA. The remaining amount is a financing transaction and FIFA is entitled to withhold the equivalent amount from the ticketing revenue.

The total financial support allocated to local organising committees for other FIFA events amounted to USD 13.8 million.

FIFA has outstanding receivables from related parties amounting to USD 7.2 million (2007: USD 6 million), while outstanding payables total USD 12.7 million (2007: USD 22.5 million).

Key management personnel

Members of the Executive Committee, the Finance Committee and the FIFA management, in particular the directors, are regarded as key management personnel. In 2008, short-term employee benefits of USD 18.5 million were paid to the key management personnel (2007: USD 18.9 million). In the previous year, termination benefits in the amount of USD 13.3 million were paid to six persons. In addition to these short-term employee benefits, FIFA contributes to defined post-employment benefit plans. The recognised post-employment benefit expenses in 2008 amounted to USD 2.1 million (2007: USD 2.2 million).

33 CONSOLIDATED SUBSIDIARIES

	Location of incorporation	Activity	Ownership interest 2008	Ownership interest 2007
FIFA Travel GmbH	Zurich, Switzerland	Travel agency	100%	100%
Early Warning System GmbH	Zurich, Switzerland	Service company	95%	95%
FIFA Transfer Matching System GmbH	Zurich, Switzerland	Service company	95%	95%
FIFA Beach Soccer S.L.	Barcelona, Spain	Event management	70%	70%
2010 FIFA World Cup Ticketing (Pty) Ltd	Nasrec, South Africa	Ticket sales	100%	-
FIFA World Cup South Africa (Pty) Ltd	Nasrec, South Africa	Service company	100%	100%
FIFA Marketing & TV AG	Zurich, Switzerland	No activity	100%	100%
FIFA Media AG	Zurich, Switzerland	No activity	100%	100%
FIFA Marketing & TV Deutschland GmbH	Germany	No activity	In liquidation	In liquidation
FIFA Ireland Ltd	Ireland	No activity	Liquidated	In liquidation
Footfin (Football Finance) AG	Zurich, Switzerland	Special purpose vehicle for securitisation transaction	Liquidated	In liquidation

34 POST-BALANCE-SHEET EVENTS

The FIFA Executive Committee authorised the issue of these consolidated financial statements on 20 March 2009.

The consolidated financial statements for 2008 will be submitted to the FIFA Congress for approval on 2-3 June 2009.

No events have occurred since 31 December 2008 that would require any adjustment to the carrying amounts of FIFA's assets and liabilities as of 31 December 2008 and/or disclosure.



AUDITORS' REPORT TO THE FIFA CONGRESS

As statutory auditor, we have audited the accompanying consolidated financial statements of Fédération Internationale de Football Association (FIFA), which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes for the year ended 31 December 2008.

FIFA Executive Committee's Responsibility

The FIFA Executive Committee is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The FIFA Executive Committee is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law, Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2008 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

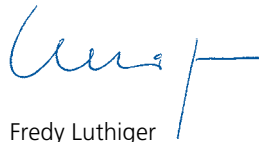
Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the FIFA Executive Committee.

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

KPMG AG



Fredy Luthiger
Licensed Audit Expert
Auditor in Charge



Alex Fährdrich
Licensed Audit Expert

Zurich, 20 March 2009

INTERNAL AUDIT COMMITTEE REPORT TO THE FIFA CONGRESS

In our function as the Internal Audit Committee of FIFA, we have assessed the consolidated financial statements (balance sheet, income statement, statement of changes in equity, the cash flow statement and notes) of the Fédération Internationale de Football Association for the period from 1 January 2008 to 31 December 2008.

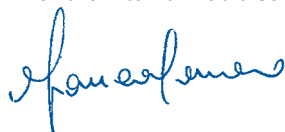
Our responsibility is to express an opinion on these financial statements based on our assessment in compliance with the audit charter of 5 March 2003. We have assessed the 2008 financial statements through:

- Examination of the audit reports of the external auditors;
- Examination of the 2008 Comprehensive Auditor's Report to the Executive Committee;
- Discussion of the financial statements during the meetings of the Internal Audit Committee held on 25 May 2008 and 17 March 2009 in the presence of the FIFA President, the Secretary General, the Director of Finance & Administration and the external auditors.

We have also assessed the accounting principles used, significant estimates made and the overall presentation of the financial statements. We believe that our assessment provides a reasonable basis for our opinion. Furthermore, we confirm that we have had unrestricted and complete access to all the relevant documents and information necessary for our assessment.

On this basis, we recommend that the FIFA Congress approve the consolidated financial statements for 2008.

For the Internal Audit Committee



Dr Franco Carraro
Chairman

Zurich, 17 March 2009