



OL GROUPE

Financial year 2009/10

Champions League semi-finalist, 2nd place Ligue 1 finish

Significant player investments: €95.8m

Breakeven EBITDA

Net loss, Group share: €-35.6m

Sound financial structure

- **Shareholders' equity of €130.8m**
- **Positive net cash of €15.4m**
- **Board decision to strengthen financial capacity by around €25m**

Lyon, 5 October 2010

On 5 October 2010, the Board of Directors of OL Groupe approved the financial statements for the 2009/10 financial year. OL Groupe has suffered a loss for the first time since 2004, the result of sharply contrasting factors.

- **Excellent on-the-pitch performance for men's and women's teams**
On-the-pitch performance was excellent. For the first time in its history, Olympique Lyonnais reached the semi-final of the UEFA Champions League. The club finished second in the French Ligue 1, and will compete in the UEFA Champions League for the 11th consecutive time.
The women's team won the French Division 1 league title for the fourth consecutive time and played in the final of the UEFA Women's Champions League, marking a first for a French football club.
- **4.7% rise in revenue excluding player trading**
Revenue from businesses excluding player trading rose 4.7%, with record levels of ticketing receipts and media rights. Conversely, revenue from sponsoring and advertising was down sharply, buffeted by the recession and repeated postponement of the French on-line gaming law. This prevented the club putting the BetClic sponsor on players' shirts for the entire season. Unfavourable economic conditions were also a drag on the international player trading market, and no transfers took place at the end of the season.
- **High exceptional expenses**
Results were also adversely affected by a contract cancellation payment of €4 million to Umbro, and the lacklustre trading market, which prevented the club realising significant gains on sales of player registrations (€3.3 million). In addition, expenses rose. As a consequence of the club's substantial investments, amortisation of player registrations increased by €9.0 million, and personnel costs climbed by €16.6 million, primarily as a result of performance-linked bonuses. These factors had a significant impact on the bottom line.

- **Very sound financial condition**

OL Groupe has a sound financial structure, with shareholders' equity of €130.8 million and positive net cash of €15.4 million.

- 1) **Total revenue from businesses impacted by fall in player registration sales**

Revenue from businesses excluding player trading rose by 4.7%. All product lines posted increases, except for "Sponsoring and advertising", which was held back because the shirt sponsor could not be displayed.

in € m	30/06/2010	30/06/2009	% change
Ticketing	24.8	22.4	+10.7%
Sponsoring – Advertising	14.7	21.3	-31.0%
Media rights	78.4	68.1	+15.1%
Brand-related revenue	28.2	27.8	+1.4%
Revenue from businesses, excluding player trading	146.1	139.6	+4.7%

Revenue from sale of player registrations down sharply. No significant transfer took place during the year, whereas the average over four years (from 2006 to 2009) was €55 million.

Revenue from sale of player registrations	14.1	52.4	-73.1%
Total revenue from businesses	160.2	192.0	-16.6%

- 2) **PROFIT/LOSS: breakeven EBITDA; loss on ordinary activities reflected sharp rise in amortisation and provisions**

<i>Simplified, consolidated income statement</i> in € m	2009/10	2008/09
Revenue from businesses	160.2	192.0
EBITDA	0.0	45.8
Loss on ordinary activities	-52.6	7.5
Net loss (Group share)	-35.6	5.1

Against this very unfavourable background, OL Groupe was able to keep EBITDA at breakeven.

The loss on ordinary activities reflected €43.3 million in amortisation of player registrations, vs. €34.3 million in the previous year. After net financial expenses of €0.9 million and a deferred tax credit of €18.4 million, OL Groupe posted a net loss of €35.6 million.



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3) Sound financial structure maintained

Shareholders' equity stood at €130.8 million. The Group has no net financial debt. This gives it latitude to pursue an ambitious growth strategy through new avenues of financing.

4) A year of significant investment

Player investments during the financial year totalled €95.8 million. Six new players have joined the Olympique Lyonnais squad: Lopez, Bastos, Cissokho and Gomis, who arrived at the start of the season, plus Lovren in January and Briand in June.

As of 31 August 2010, after the arrival of Yoann Gourcuff, the professional team included 26 players, all internationals. The average age was 24. At that date, the market value of the Club's players was €207.7 million (source: transfermarkt), implying a potential capital gain of €74.2 million. As there was no market value for the youngest players, management estimates the real value of the team at €220 million.

5) Future development and outlook

Development of sponsoring and advertising contracts

Several sponsoring and advertising contracts have been signed for the 2010/11 season:

- Adidas is now the Club's official kit manufacturer for the next ten years;
- Mangas Gaming can now put its BetClic and Everest Poker brands on the players' shirts;
- Groupama has joined the club's official sponsors for the next three seasons, and will appear on the back of players' shirts during all Ligue 1 home and away matches;
- Other sponsors such as MDA, the US group Huntsman via its Araldite brand, Renault Trucks and Keolis also figure among the Club's partners.

Merchandising revenue is likely to increase, both in France and other countries, on account of Adidas' extensive distribution network.

With the acquisition of Yoann Gourcuff, the Board of Directors of OL Groupe decided to reorient its marketing strategy, as have other major European clubs. This investment represents a significant sporting and marketing opportunity. It will enable the club to obtain more value from its current and future sponsorships by boosting the value of the OL brand associated with that of the player.

Plan to strengthen financial capacity

The Board of Directors has decided to subscribe to a capital increase for OL SASP through partial incorporation (€40 million) of its shareholder loan. The transaction will have no impact on the consolidated balance sheet and will give OL SASP slightly over €80 million in shareholders' equity.

The Group is currently working on grouping its bilateral bank lines into a structured, club-deal type banking pool.



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In addition, as an extension of the 2009/10 investment plan, the Board of Directors has decided, in principle, to issue around €25 million in bonds or similar securities that could give deferred access to the share capital. The issue would be open to all of the Company's shareholders. ICMI and Pathé have informed the Company of their intention to subscribe to this transaction.

Subject to legal requirements—in particular that the Autorité des Marchés Financiers (AMF) approve the prospectus—and to market conditions, this issue could be carried out in the next few months.

The new stadium is a value-creating project

France's designation as the host country for the Euro 2016 bolsters the new stadium project in the town of Décines. This stadium is one of the 12 short-listed stadiums. The project is exemplary from economic, environmental and societal viewpoints and should benefit from two factors over the next few months. Firstly, a ministerial decree is to be published recognising the project's "public interest" status. Secondly a special Euro 2016 law is to be introduced with the aim of accelerating procedures and enabling France to honour its commitments to UEFA.

Greater Lyon and the eastern Lyon suburbs should see a host of economic benefits, as well as an increase in the number of permanent stadium-related jobs (ca. 800) and temporary jobs when matches and other events are held (1,500-2,000 people). Improved access will also benefit the eastern suburbs and foster economic development.

The planned delivery date for the stadium is December 2013.

OL Groupe is entering a new development phase

"Since 1987, Olympique Lyonnais has had an exemplary record, with two distinct phases. In the first phase, from the club's purchase in 1987 until 1998, the priority was on advancing to Ligue 1 and consistent results in league play. In the second phase, beginning in 1999 when Pathé purchased a stake and lasting until 2010, the objective was to keep the club in Ligue 1's top three, and thereby take part in European championships. These objectives have been fully achieved. Olympique Lyonnais has finished in the top three throughout this period, with 7 consecutive Ligue 1 titles, 5 Trophées des Champions, 1 Coupe de France, 1 Coupe de la Ligue and 11 consecutive qualifications for the Champions League.

A new phase of development is now starting. By creating a very high level professional team and building a new stadium we will pursue our objective of moving to the club to a higher plane. In this context, the Board of Directors has set certain goals: win the French Ligue 1 again soon; win a European Cup before 2016; use the new stadium project to extend and intensify the Group's marketing and financial excellence."

Jean-Michel Aulas, Chairman and CEO



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