First-half 2013/14 results

Strategy to reduce operating expenses continues:
€12.2m reduction in player-related expenses vs. H1 2012/13

Stepped up investment in the new stadium
Construction schedule confirmed

Earnings impacted by:

- the club's interim 10th place ranking in French Ligue 1 (2nd place at 31/12/2012)
- the exceptional tax on high salaries (€4m)
- a strategic postponement in part of the plan to sell player registrations

Lyon, 25 February 2014

On 25 February 2013, the Board of Directors of OL Groupe approved the financial statements for the first half of 2013/14(1).

Strategy continues to be applied despite exceptional and transitory items

OL Groupe continued to apply the Board of Directors' strategic plan to significantly reduce payroll and amortisation of player registrations. As a result, these line items contracted by a total of €12.2 million in H1 2013/14.

First-half revenue and earnings were hard hit by exceptional and transitory items that masked the improving trend in earnings that is now underway. Specifically, the club's interim 10th place ranking in the French Ligue 1, vs. its 2nd place ranking a year ago, held back earnings in the first half, as did the exceptional tax of 75% on high salaries, which had a negative impact of €4 million.
In addition, part of the plan to sell player registrations could not be realised during the summer transfer window, despite the existence of firm offers.

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1/ **Breakdown of revenue** (1 July to 31 December)

(in € m)	H1 2013/14	H1 2012/13	Change	% chg.
Ticketing	5.5	5.0	0.5	+10.0%
Sponsoring	9.2	11.4	-2.2	-19.3%
Media and marketing rights	26.8	29.4	-2.6	-8.8%
Brand-related revenue	8.1	8.6	-0.5	-5.8%
Revenue, excluding player trading	**49.6**	**54.4**	**-4.8**	**-8.8%**
Revenue from sale of player registrations	16.0	22.1	-6.1	-27.6%
Total revenue	**65.6**	**76.5**	**-10.9**	**-14.2%**

- Ticketing revenue rose €0.5 million or 10.0% to €5.5 million, vs. €5.0 million in H1 2012/13. Domestic revenue (Ligue 1, French cups and friendlies) totalled €4.5 million in H1 2013/14, vs. €4.3 million in H1 2012/13, representing a rise of 5%. European cup revenue totalled €1.0 million, vs. €0.7 million in H1 2012/13, representing an increase of 43%, with two additional matches by virtue of OL's participation in the Champions League qualifying rounds.

- Sponsoring revenue totalled €9.2 million, vs. €11.4 million in H1 2012/13. At constant scope, (i.e. excluding non-recurring signing fees of €2 million in H1 2012/13), sponsoring revenue was virtually stable.
  Since the start of the 2013/14 season, sponsorship agreements have been renewed with MDA, Intermarché, Renault Trucks, Veolia and agreements signed with new sponsors such as Cegid, Oknoplast and BeIn Sport.

- Media and marketing rights totalled €26.8 million in H1 2013/14.
  Domestic media rights (LFP, FFF) stood at €18.3 million, vs. €23.1 million in H1 2012/13. This change derived essentially from OL's <u>interim</u> ranking in the French Ligue 1 (10^{th} vs. 2^{nd} a year earlier). The negative impact of this is estimated at €4.9 million.
  International media rights (UEFA Europa League) were boosted by revenue from the preliminary rounds of the Champions League and totalled €8.5 million, up €2.2 million over the year-earlier period.

- Brand-related revenue was resilient despite a difficult economic context and totalled €8.1 million, vs. €8.6 million in H1 2012/13.

- Part of the plan to sell player registrations could not be realised during the summer transfer window, despite the existence of firm offers. Revenue from the sale of player registrations totalled €16.0 million, vs. €22.1 million in H1 2012/13, and included the transfers of Monzon to Catane, Bastos to Al Ain, and Lisandro to Al Gharafa, as well as bonuses.

2/ Simplified, consolidated income statement

(in € m)	H1 2013/14	H1 2012/13	Change € m
Revenue	65.6	76.5	-10.9
Personnel costs	37.1	45.4	-8.3
Taxes other than income taxes	5.6	2.0	+3.6
Other operating expenses	16.9	15.3	+1.6
EBITDA	-5.2	6.1	-11.3
of which EBITDA excl. player trading	*-9.9*	*-8.3*	*-1.6*
of which EBITDA from player trading	*4.7*	*14.4*	*-9.7*
Amortisation of player registrations	8.1	12.0	-3.9
Other depr./amort. and other expenses	0.7	1.4	-0.7
Loss from ordinary activities	-14.0	-7.3	-6.7
Pre-tax loss	-15.4	-8.4	-7.0
Net loss (Group share)	-14.1	-8.8	-5.3

EBITDA was a loss of €5.2 million. It was directly impacted by the exceptional 75% tax on high salaries, which totalled €4 million in the first half of 2013/14. This was equal to the total amount of this line item in the 2013 calendar year. The net negative impact of the club's interim ranking in the French Ligue 1 (10th place vs. 2nd place in 2012/13) was €2.8 million, while postponing part of the plan to sell player registrations depressed EBITDA from player trading by nearly €10 million. Conversely, the sharp reduction in payroll buoyed EBITDA by €8.3 million.

The loss from ordinary activities was €14.0 million. It reflected not only the unfavourable exceptional or temporary items described above, but also the continued reduction in amortisation of player registrations, which declined by €3.9 million compared with H1 2012/13, in line with our strategy.

Net financial expense was €1.4 million and reflected interest expense of €1.2 million on the OCEANEs issued in December 2010.

Net loss, Group share, was €14.1 million.

3/ Consolidated balance sheet

Equity totalled €120.7 million, including €78.1 million in net proceeds (€80.2 million gross) of the OSRANEs (subordinated bonds redeemable in new or existing shares) issued on 1 August 2013. Shareholders ICMI and Pathé were the principal subscribers to these bonds. This issue was accompanied by a prospectus (*note d'opération*) certified by the AMF under no. 13-431 dated 29 July 2013.

In accordance with the strategy set out by the Board of Directors, intangible player registration assets declined by €17.0 million from 30 June 2013 and by €35.1 million from 31 December 2012 to €20.4 million as of 31 December 2013. As of 31 December 2013, the "market value" of the club's players, based on Transfermarkt.de and our adjustments, was €108 million. Potential capital gains are therefore estimated at €87.6 million at 31 December 2013, vs. €82.6 million as of 30 June 2013. This essential driver behind this increase was the "market value" of players trained by the club. They now account for more than 75% of the total potential capital gain, in line with our strategy.

Non-current assets related to the new stadium project totalled €94.2 million as of 31 December 2013, vs. €54.8 million as of 30 June 2013 and €43.2 million as of 31 December 2012. This sharp increase in stadium investment reflects progress on construction, initiated on 29 July 2013 after finalisation of the financing plan.

After the issuance of OSRANEs, the overall cash position was €30.2 million and cash net of debt (excl. OCEANEs) was €0.4 million. The balance of player receivables and payables was a positive €11.8 million as of 31 December 2013 (€-2.4 million as of 31/12/2012), extending the trend already established as of 30 June 2013. Cash net of debt plus net player receivables was thus €12.2 million.

Football results as of 25 February 2014

- ***Men's team:***
  - French Ligue 1: 6th place
  - Europa League: qualified for the round of 32. OL faced Ukrainian club Odessa in the first leg on 20 February (0-0 draw), and the return match will take place in Lyon on 27 February 2014.
  - Coupe de la Ligue: qualified for the final against PSG on 19 April 2014.
  - Coupe de France: defeated in the round of 16 against Lens

- ***Women's team:***
  - French Division 1: 1st place
  - Women's Champions League: eliminated in the round of 16 against Potsdam (Germany)
  - Coupe de France: qualified for the round of 16 against Saint-Etienne on 16 March 2014

Medium-term objectives and strategic priorities

We are continuing to apply our strategy to reduce operating expenses and to capitalise on the training academy, in line with the fundamental principles of financial fair play at the European level. The OL Academy performed well once again. For the second consecutive year, our training academy placed second in Europe, behind FC Barcelona and tied with Real Madrid.

Construction of the "Olympique Lyonnais park" continued as planned. The cornerstone was laid on 12 November 2013, and on 18 December, the European Commission authorised government aid for the construction and renovation of stadiums in the run up to the Euro 2016. The financing is being implemented according to the agreed-upon calendar; the bank loan agreements came into effect in October and the mortgages were put in place in January and February 2014. The first tranche of bonds will be issued by Foncière du Montout before the end of February 2014, in accordance with the agreements signed on 26 July 2013. They will be subscribed to by Vinci and CDC (Caisse de Dépôts et Consignations).

We confirm the announcement we made on 3 January 2014. The objective to return to operating breakeven (on ordinary activities), initially projected for the financial year 2013/14, will not be met. This is principally because of the exceptional tax on high salaries, which is expected to have a total impact on OL Groupe's earnings in the region of €6.5 million. We reiterate that this objective had been based on the following assumptions: a finish near the top of the Ligue 1 standings, good performance in the Europa League and successful execution of the stepped-up plan to sell player registrations. It also specifically excluded the potential impact of the 75% tax.

During the winter transfer window, OL Groupe refused firm offers for player transfers so as to preserve the club's sporting performance for the current season.

(1) *The Statutory Auditors have completed their limited examination of the financial statements, and their report is in preparation.*

Next press release: 3rd quarter 2013/14 revenue on 7 May 2014, after the market close

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Euronext Paris - Segment C

Indices: CAC Small – CAC Mid & Small – CAC All-Tradable, CAC All-Share – CAC Consumer Services – CAC Travel & Leisure
ISIN code: FR0010428771
Reuters: OLG.PA
Bloomberg: OLG FP
ICB: 5755 Recreational services

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