



## Financial year 2013/14

**Further steep reductions in personnel costs and amortisation, in line with strategy: down €17.3m from 2012/13**

**New stadium construction proceeding as planned**

**Plan to sell player registrations not realised and "75% tax" (€6.3m) voted with retroactive effect, impacting objective to return to breakeven**

**Loss from ordinary activities: €24.9m in 2013/14**

**Lyon, 14 October 2014**

The Board of Directors of OL Groupe today approved the financial statements for the 2013/14 financial year. The following items characterised the results of financial year 2013/14:

- revenue excluding player trading advanced by 3%;
- the plan to sell player registrations was not realised, which had a negative impact of €20 million on full-year earnings;
- The Group continued to strip out personnel costs and cut amortisation of player registrations, with the amount of the reduction totalling €17.3 million over the full year;
- The exceptional, "75% tax" on high salaries went into effect, reducing pre-tax income by €6.3 million.

In accordance with previous announcements, the Group launched the construction of the new stadium on 29 July 2013 after the financing was finalised. Construction is advancing as planned. The Group is also pursuing a strategy of capitalising on its training academy. The new stadium and the training policies are two important vectors for improving medium- and long-term economic performance.

### **A- Football performance during the 2013/14 season**

#### **Men's team**

French League 1: 5<sup>th</sup> place (16<sup>th</sup> consecutive finish in the top 5 of the French Ligue 1)

Europa League: Quarter-final

Coupe de France: Round of 16

Coupe de la Ligue: Finalist

As of 30 June 2014, Olympique Lyonnais, the top French contributor (27%) to the UEFA index, was in 12th place in the UEFA club ranking (based on European cup results over the last five seasons, i.e. 2009/10 to 2013/14).

On 23 May 2014, Hubert Fournier, former manager of the Reims club, replaced Rémi Garde. At the same time, a Performance department was created so as to improve and better manage player nutrition, physical preparation and medical care.

### Women's team

French Division 1: 8<sup>th</sup> consecutive French Division 1 title

Coupe de France: Victory

Champions League: 8<sup>th</sup> consecutive qualification

### Youth teams

U19 boys: winner of the French championship

U19 girls: winner of the French championship

In June 2014, the OL Academy was ranked France's best training academy for the second year in a row. At the European level, it ranked in second place\*\*, tied with Real Madrid and behind Barcelona. Moreover, the OL Academy is becoming more international and now has five non-EU players (Luxembourg, Norway, Switzerland, China and Korea).

\* French Football Collective Bargaining Agreement Commission

\*\* Sporting Intelligence, October 2013

## **B- 2013/14 full-year earnings (1 July – 30 June)**

### **1/Revenue excluding player trading up 3% (up €3 million)**

(in € m)	<b>2013/14</b>	<b>2012/13</b>	<b>Chg. in €m</b>	<b>% chg.</b>
Ticketing	13.0	12.3	+0.7	+5.7%
Sponsoring – Advertising	19.0	21.0	-2.0	-9.5%
Media and marketing rights	56.2	51.5	+4.7	+9.1%
Brand-related revenue	16.2	16.6	-0.4	-2.4%
<b>Revenue excluding player trading</b>	<b>104.4</b>	<b>101.4</b>	<b>+3.0</b>	<b>+3.0%</b>
Revenue from the sale of player registrations	16.1	36.2	-20.1	-55.5%
<b>Total revenue</b>	<b>120.5</b>	<b>137.6</b>	<b>-17.1</b>	<b>-12.4%</b>

Revenue excluding player trading totalled €104.4 million, up 3% over the previous year, supported principally by the men's team's participation in European cup play, which generated a sharp increase in revenue from media and marketing rights.

As the plan to transfer players out was not realised, revenue from player trading declined significantly to €16.1 million, vs. €36.2 million in 2012/13. This amount derived from three transfers carried out at the start of the season (Bastos, Lisandro and Monzon), plus incentives, compared with seven transfers during the previous year.

The player transfers planned for July and August 2013, as well as those planned for the 2014 summer transfer window, totalling around €20 million, were not finalised.

Total revenue stood at €120.5 million, down €17.1 million from the previous financial year.

## 2/ Consolidated income statement

(in € m)	H1 2013/14	H1 2012/13	Chg. in €m
<b>Revenue</b>	<b>120.5</b>	<b>137.6</b>	<b>-17.1</b>
Taxes other than income taxes	9.6	3.5	+6.1
Personnel costs	74.8	82.4	-7.6
<b>EBITDA</b>	<b>-7.5</b>	<b>10.5</b>	<b>-18.1</b>
Amortisation of player registrations	15.2	24.9	-9.7
<b>Loss from ordinary activities</b>	<b>-24.9</b>	<b>-16.5</b>	<b>-8.4</b>
Pre-tax loss	-28.0	-20.1	-7.9
<b>Net loss (Group share)</b>	<b>-26.4</b>	<b>-19.9</b>	<b>-6.6</b>

Personnel costs were down significantly, for the second year in a row, declining €7.6 million or €24.4 million over two years. This decline was not enough to offset the shortfall (ca. €20 million) in the sale of player registrations, however, nor the very unfavourable impact of the 75% tax (€6.3 million).

EBITDA thus stood at €-7.5 million, vs. €+10.5 million in 2012/13.

Nevertheless, amortisation of player registrations declined significantly, by €9.7 million or €21 million over two years, partially offsetting the sharp decline in EBITDA and thereby reducing the loss from ordinary activities. The loss from ordinary activities stood at €24.9 million, vs. €16.5 million in 2012/13.

As of 30 June 2014, the market value of the men's team players, based on Transfermarkt and revalued principally to take into account young players, remained high at €92.4 million. Given that the book value declined sharply, the potential capital gain on the sale of player registrations held steady at a high level of nearly €80 million.

### 3/ The balance sheet is undergoing significant change

As of 30 June 2014, consolidated shareholders equity stood at €108.2 million, including the OSRANE bonds issued by OL Groupe on 30 July 2013 (€80.2 million gross, €78.3 million net) as part of the financing for the new stadium. Shareholders' equity plus the OCEANE bonds (€23.4 million as of 30 June 2014) thus totalled €131.6 million (vs. €79.5 million as of 30 June 2013).

Foncière du Montout, a 100% subsidiary of OL Groupe, carried out its first bond issue in February 2014. As of 30 June 2014, outstandings totalled €48.4 million, net of issuance costs.

Other short- and medium-term borrowings and financial liabilities totalled €10.5 million, down €21.4 million compared with 30 June 2013. This came about principally because drawdowns under the operating line of credit declined by €17.0 million.

In line with the strategy to capitalise on the OL Academy, net player assets continued to decline sharply. As of 30 June 2014, they stood at €13.6 million, down €23.8 million from the previous year and down €48.8 million from 30 June 2012.

At the same time, as a result of progress in new stadium construction, property, plant & equipment increased sharply to €149.5 million, vs. €64.0 million as of 30 June 2013. This figure included €141.2 million in new stadium assets, vs. €54.8 million as of 30 June 2013.

Cash net of debt (excl. OCEANES and incl. net receivables on player contracts) was positive and totalled €4.0 million (€+0.9 million as of 30 June 2013), enabling the Group to comply with bank covenants as of 30 June 2014.

On 27 June 2014, Olympique Lyonnais SAS signed a new, €34 million syndicated operating line of credit maturing on 30 September 2017. This new line replaces the previous one, which initially totalled €57 million and was reduced to €40 million in September 2013.

### 4/ Events since 1 July 2014 and medium-term outlook

#### After 11 months of construction, the new stadium is advancing according to plan

Construction of the new stadium, which began on 29 July 2013 and represents a total investment of €405 million, continued according to plan with an objective for delivery in early 2016 at the latest.

On 25 April 2014, UEFA announced that the new stadium will host six Euro 2016 matches, including four group-stage matches, one round-of-16 match and one semi-final match.

A significant new milestone was achieved on the new stadium project with the signature of an Operation-Maintenance contract with Dalkia, a subsidiary of the EDF group,

following a consultation procedure. The purpose of this contract is to assign technical operation, maintenance and large-scale facilities maintenance and renewal to Dalkia.

The contract has a term of 20 years from the date the stadium is delivered.

Dalkia France's role will be split into two phases:

- a pre-operation stage during construction of the new stadium;
- an operation and maintenance phase starting from the delivery of the infrastructure.

During construction, OL Groupe is stepping up the pace of new product marketing related to the "Olympique Lyonnais Park". As at other modern stadiums in large European cities, these initiatives should generate new, long-term growth in Group revenue.

As of today, 40 partnership agreements have been signed with companies participating in the construction of the stadium and benefiting thereby from official status. Three technology partnerships have also been signed and more than 26 boxes (out of a total of 105) have been sold or reserved.

#### **Further value from the OL Academy strategy and medium-term orientation**

For the 2014/15 and subsequent seasons, the OL Academy will remain central to the Group's strategy. The Group will capitalise heavily on the training academy, which is the official supplier to the first team and the source of a growing amount of potential capital gains.

As of 30 June 2014, more than 85% of potential capital gains (estimate based on Transfermarkt and revalued principally for young players) or €69.1 million, derived from players who have come from the OL Academy, vs. 46% as of 30 June 2012 and 70% as of 30 June 2013.

OL Groupe aims to return the club to the Champions League as quickly as possible, so as to build momentum in the related revenue for the benefit of the club's economic vigour and football performance.

At the European Club Association's annual meeting on 9 September 2014, UEFA announced a very positive trend that could lead to significant new growth, estimated at 30%, in media and marketing rights from European club competitions (Champions League and Europa League) for the 2015/18 period. Negotiations on these rights are currently underway.

As part of the signature of the new, €34 million syndicated operating line of credit on 27 June 2014, OL Groupe reiterates that shareholders ICMI and Pathé, in their capacity as the principal holders of OCEANE convertible and/or exchangeable bonds issued by OL Groupe and accompanied by a prospectus (*note d'opération*) approved by the AMF on 9 December 2010 under no. 10-432 ("OCEANE 2010"), have committed to refinancing their OCEANE 2010 bonds (due to mature on 28 December 2015) subject to certain conditions, so that they are not subject to repayment to Pathé and ICMI before until 31 December 2017.



As part of the signature of this new, syndicated operating line, therefore, OL Groupe has committed to implementing a refinancing, subject to certain conditions. The terms and conditions of this arrangement are to be approved and enacted by 15 September 2015.

## Changes in OL Groupe governance

The Board of Directors has decided to strengthen the governance of football activities, OL's core business, so as to prepare the men's and women's teams for their debut in the new stadium in early 2016 and to implement policies appropriate to the new European-class infrastructure.

It has thus been decided to create a "Football and Ambassadors Committee". Jean-Michel Aulas will chair the committee and the members will include certain OL Groupe directors who will leave the Board so as to devote themselves fully to supporting the Group's football strategy.

Other directors and members of the technical staff will attend Football and Ambassadors Committee meetings from time to time.

The Board of Directors has also decided to appoint Thomas Riboud-Seydoux to the Board on an interim basis.

Ratification of his appointment will be on the agenda of the next Shareholders Meeting, as will the appointment of a new female Board member, in accordance with the Zimmerman Act.

*The financial statements for financial year 2013/14 have been audited by the Statutory Auditors and certification reports thereon are being prepared.*

*The slideshow of the 15 October 2014 information meeting will be available at the following address: <http://www.olweb.fr>*

**Next press release: 1st-quarter 2014/15 revenue on 14 November 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

