

## First-half 2014/15 revenue and results

**H1 2014/15 results improved significantly, even though OL did not qualify for the group stage of European cup competition and player registration sales were postponed**

**Loss from ordinary activities reduced by €6.2m (44%)**

(€7.8m vs. €14.0m in H1 2013/14)

Reflects continued reduction in payroll, amortisation of player registrations, purchases and external costs (down €4.7m from 2013/14)

**Balance sheet undergoing significant change**

Reduction in "net player assets" in line with strategy (down €7.1m); increase in balance sheet total to €388m (up €109m) tied to new stadium construction

**Lyon, 24 February 2015**

*On 24 February 2015, the Board of Directors of OL Groupe approved the financial statements for the first half of 2014/15<sup>(1)</sup>.*

Even though the club did not qualify for the group stage of a European cup competition for the first time in 18 years, the first half of the financial year saw a sharp improvement in the Group's results. Contributing to this were good performance in the French Ligue 1 (2<sup>nd</sup> place as of 31 December 2014) and continued reduction in expenses, in line with the Board of Directors' strategic plan.

Thus, despite a 2% decline in revenue excluding player trading to €48.6 million from €49.6 million and without any significant player transfer, the loss from ordinary activities was reduced by €6.2 million to €7.8 million, vs. a €14.0 million loss in H1 2013/14. This came about because personnel costs and amortisation of player registrations were reduced by €3.7 million, while purchases and external costs were curtailed by €1 million.

In addition, in the aim to return the club to the Champions League as quickly as possible, the Board of Directors postponed the summer 2014 player transfer programme. This led to a historically low level of revenue from player trading in the first half (€3.9 million vs. €16 million in H1 2013/14).

Lastly, construction of the Olympique Lyonnais Park, both from technical and administrative points of view, is advancing according to plan, and the financing and marketing programmes are also being executed as planned.

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

**1/ Revenue excluding player trading was resilient**, even though the club did not qualify for the group stage of a European cup competition.

Breakdown of revenue (1 July to 31 December)

In € m	H1 2014/15	H1 2013/14	Chg. in €m	% chg.
Ticketing	5.0	5.5	-0.5	-9%
Sponsoring	12.5	9.2	+3.3	+36%
Media and marketing rights	22.9	26.8	-3.9	-15%
Brand-related revenue	8.2	8.1	+0.1	+1%
<b>Revenue, excluding player trading</b>	<b>48.6</b>	<b>49.6</b>	<b>-1.0</b>	<b>-2%</b>
Revenue from sale of player registrations	3.9	16.0	-12.1	-76%
<b>Total revenue</b>	<b>52.5</b>	<b>65.6</b>	<b>-13.1</b>	<b>-20%</b>

- Ticketing revenue was nearly stable at €5.0 million, vs. €5.5 million in H1 2013/14. This is because good performance in Ligue 1 partially offset the impact of not qualifying for the group stage of a European cup competition. Domestic ticketing revenue advanced by 7% to €4.8 million, vs. €4.5 million in H1 2013/14, while European cup revenue totalled only €0.2 million, down €0.8 million from €1 million in H1 2013/14.
- Sponsoring activities performed well, with revenue advancing by 36%. It totalled €12.5 million and included a signing fee of €3 million related to catering for the new stadium and reflected the renewal of partnerships with Hyundai, Veolia Environnement, Intermarché, Cegid, MDA, GDF Suez and new sponsors such as Dalkia.
- Media and marketing rights totalled €22.9 million, vs. €26.8 million in H1 2013/14. Domestic rights (LFP, FFF) increased by €2.6 million to €20.9 million, aided by OL's 2<sup>nd</sup>-place position halfway through the season, vs. 10<sup>th</sup> place the previous year. International rights (UEFA) declined by €6.5 million to €2.0 million, as the club did not qualify for the Europa League group stage.
- Brand-related revenue was healthy at €8.2 million, in particular on merchandising products, where revenue rose 16% over the year-earlier period despite an unfavourable economic context.

- In line with strategy, the summer 2014 player transfer programme was postponed, buffeting player trading revenue, which totalled €3.9 million during the period. Player trading revenue included the transfer of Naby Sarr to Sporting Portugal and Alassane Pléa to Nice, as well as incentives.

## 2/ Results have improved, owing to further cost savings and a football strategy based on the Academy and training

### Simplified, consolidated income statement

In € m	1 <sup>st</sup> half 2014/15	1 <sup>st</sup> half 2013/14	Change € m
Revenue	52.5	65.6	-13.1
Personnel costs	36.4	37.1	+0.7
Taxes other than income taxes	3.6	5.6	+2.0
Other operating expenses	15.8	16.8	+1.0
<b>EBITDA</b>	<b>-3.3</b>	<b>-5.2</b>	<b>+1.9</b>
<i>of which EBITDA excl. player trading</i>	<i>-7.2</i>	<i>-9.9</i>	<i>+2.7</i>
<i>of which EBITDA from player trading</i>	<i>3.9</i>	<i>4.7</i>	<i>-0.8</i>
Amortisation - player registrations	5.1	8.1	+3.0
Other depr./amort. and other expenses	-0.6	0.7	+1.3
<b>Loss from ordinary activities</b>	<b>-7.8</b>	<b>-14.0</b>	<b>+6.2</b>
Pre-tax loss	-9.3	-15.4	+6.1
Net loss (Group share)	-9.4	-14.1	+4.7

EBITDA improved by €1.9 million to a loss of €3.3 million. It reflected continued reduction in personnel costs (down 0.7 million from H1 2013/14) and in purchases and external costs (down €1.0 million from H1 2013/14), but suffered from the fact that the club did not qualify for the group stage of the Europa League, reducing revenue by around €7.3 million compared with H1 2013/14. It was also impacted by the last half-year of the exceptional 75% tax on high salaries, which represented an expense of €2.0 million during the period. Postponement of player transfers led to a €0.8 million decline in EBITDA from player trading.

The loss from ordinary activities was €7.8 million, an improvement of €6.2 million from the year-earlier period. Amortisation of player registrations was reduced by €3.0 million, in line with club strategy, and a provision for disputes of €2.2 million was reversed. These factors contributed to the improvement.

In the last four years, the Group has thus reduced personnel costs by 27% (€36.4 million in H1 2014/15 vs. €49.6 million in H1 2009/10), essentially on player salaries, and amortisation of player registrations by 76% (€5.1 million in H1 2014/15 vs. €21.7 million in H1 2009/10), making for savings of nearly €30 million compared with H1 2009/10.

Net financial expense remained stable at €1.5 million. It reflected interest expense of €1.3 million on the OCEANEs issued in December 2010 and maturing on 28 December 2015.

As part of the new, €34 million syndicated operating line of credit granted on 27 June 2014, ICMI and Pathé, in their capacity as principal holders of the OCEANE 2010 convertible and/or exchangeable bonds, have committed to refinancing these OCEANE bonds, subject to certain conditions, so that they are not repaid to Pathé and ICMI before until 31 December 2017. Accordingly, OL Groupe has committed to refinancing the OCEANE 2010 bonds. The terms and conditions of this refinancing are to be approved and enacted by 15 September 2015.

Net loss, Group share, was reduced by €4.7 million or 33% to €9.4 million (loss of €14.1 million in H1 2013/14).

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

The balance sheet totalled €388 million as of 31 December 2014, up €109 million from 31 December 2013.

Over the last 12 months, the major balance sheet changes were as follows: non-current assets related to the new stadium increased by €124 million, reflecting progress since the start of construction on 29 July 2013, and conversely, net player assets continued to decline (down €7.1 million) to €13.3 million as of 31 December 2014.

In accordance with the Group's strategy, net player assets have declined by €106.1 million since 31 December 2010. As of 31 December 2014, the market value of the club's players, based on Transfermarkt.de and our adjustments, was €124.4 million. A significant share of this value represents players trained at the OL Academy. As a result, the potential capital gains, estimated at €111.1 million as of 31 December 2014, vs. €87.6 million as of 31 December 2013, are at a record high. More than €100 million, or 90% of this amount, derives from the market value of the young players trained at the OL Academy.

Cash and cash equivalents stood at €34.6 million at 31 December 2014. Borrowings under the new stadium bond issue totalled €102.1 million as of 31/12/14, related to the first two bond issues carried out by Foncière du Montout, a wholly-owned subsidiary of OL Groupe, in February and September 2014. The Group's debt net of cash (excl. OCEANEs of €23.0 million and incl. net receivables on player registrations of €2.4 million) totalled €97.5 million as of 31 December 2014.

#### 4/ Football results as of 24 February 2015

- **Men's team:**

- French Ligue 1: 1<sup>st</sup> place
- UEFA Europa League: OL participated in the two playoff rounds in the summer of 2014 and did not qualify for the group stage
- Coupe de la Ligue: Faced Monaco in round of 16
- Coupe de France: Faced Nantes in round of 32

- **Women's team:**

- French Division 1: 2<sup>nd</sup> place with two matches in hand
- UEFA Women's Champions League: Faced PSG in the round of 16
- Coupe de France: qualified for the quarter-final against Guingamp (01/03/15)

#### 5/ Medium-term objectives and strategic priorities

During the 2014 winter transfer window, Olympique Lyonnais acquired Maxwell Cornet from Metz for €0.3 million (4.5-year contract). Gaël Danic's contract was terminated, and Jérémy Frick was transferred temporarily to Servette.

We are continuing to successfully 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 Group achieved several key milestones on the new stadium during H1 2014/15:

- In September 2014, the operation-maintenance contract was signed with Dalkia (EDF subsidiary).
- In December 2014, joint UEFA/OL marketing was launched for the Euro 2016, and it was decided to launch the studies prior to construction of the men's/women's professional training ground in Décines and the boys'/girls' training academy in Meyzieu.
- In February 2015, VINCI Immobilier was granted a construction permit for the "hotel island", following the signature of the unilateral sales commitments; an agreement was also signed with the technical staff of Lyon's Halle Tony Garnier concert hall, via the company Triphasé, to organise large concerts in the new stadium; a partnership has been signed with the town of Décines.

In November 2014, a "B-to-C fan wall" programme was successfully launched as part of the marketing of the new stadium. More than 2,500 plaques have been sold to date. On 29 January 2015, the new stadium's B-to-B marketing was officially launched ("365" boxes, VIP seats, trade shows, seminars, services, etc.) during a gala corporate dinner to mark the start of the new year.





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In the medium term, the OL Academy remains central to the Group's strategy. The club is increasingly capitalising on the young players coming out of the training academy, the first team's official supplier of players and a source of very significant potential capital gains. The Groupe reiterates its objective of returning to the Champions League very soon, so as to develop the related revenue, build performance on the pitch and bolster the Group's economic prosperity.

Lastly, construction of the "Olympique Lyonnais Park", composed of the new stadium and its related facilities (hotels, office buildings, leisure and entertainment centre, etc.) and open 365 days a year, is expected to generate long-term revenue growth for the Group, as other modern new stadiums in Europe have done. Delivery of the new stadium should also coincide with a new phase in the Group's CSR policy, with the opening of a Community Innovation Centre.

**Next press release:** 3<sup>rd</sup> quarter 2014/15 revenue on 7 May 2015, after the market close

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