Financial year 2014/15

Qualification for the 2015/16 Champions League

Improvement in loss from ordinary activities

despite not participating in European cup play,
postponing player trading,
and paying bonuses for qualifying for the Champions League

Objective to open the new stadium in under 100 days

Lyon, 13 October 2015

The Board of Directors of OL Groupe met on 13 October 2015 and approved the financial statements for the 2014/15 financial year. There were a number of highlights during the financial year ended 30 June 2015:

- The Club played very well in Ligue 1, ranking in second place and therefore directly qualifying for the 2015/16 Champions League;
- The Club did not participate in the group stage of European cup play, which had a significant impact on earnings over the financial year;
- The revenue base, excluding player trading and the impact of European cup play, was solid and increased;
- EBITDA was stable and the loss from ordinary activities improved, reflecting good control of expenses;
- A successful €53 million capital increase was carried out in June 2015 and oversubscribed by 110%, enabling the Group to accelerate its investment programme;
- The new stadium construction progressed well, making it possible to envisage delivery ahead of schedule in early January 2016;
- The OL Academy, a leading training academy on the French and international scenes, was a source of sharply rising potential capital gains and the main supplier of the men's professional team.

A- Football performance 2014/15

Men's team

French Ligue 1: 2nd place (ranked in the top five of French Ligue 1 play for the 17th consecutive time)
Europa League: eliminated in play-off round
Coupe de France: Round of 32
Coupe de la Ligue: Round of 16

Women's team

French Ligue 1: 9th consecutive French Division 1 title
Coupe de France: Victory (4th consecutive double)
Champions League: Round of 16

B- 2014/15 full-year earnings (1 July – 30 June)

1. Revenue excluding player trading up 6% (excluding impact of European cup play)

In € m	2014/15	2013/14	Chg. in €m	% chg.
Ticketing	11.1	13.0	-1.9	-15%
Sponsoring – Advertising	22.4	19.0	+3.4	+18%
Media and marketing rights	45.8	56.2	-10.4	-19%
Brand-related revenue	17.0	16.2	+0.8	+5%
Revenue, excluding player trading	**96.3**	**104.4**	**-8.1**	**-8%**
Revenue from the sale of player registrations	7.2	16.1	-8.9	-55%
Total revenue	**103.5**	**120.5**	**-17.0**	**-14%**

Revenue excluding player trading totalled €96.3 million compared to €104.4 million in 2013/14, representing a decline of €8.1 million. This decline came about essentially because the Club did not participate in the group stage of European cup competition, which had a €13.7 million impact on earnings. Excluding revenue from European cup play, revenue excluding player trading increased by €5.6 million (up 6%) thanks in particular to high ticketing revenues for French Ligue 1 play and a signing fee of €3 million related to catering at the new stadium. Merchandising also performed well, with revenue increasing by 17% during the financial year.

Revenue from the sale of player registrations totalled €7.2 million, vs. €16.1 million in 2013/14. This amount derived from the transfers of Naby Sarr and Alessane Pléa at the start of the 2014/15 season, and Fares Bahlouli in June 2015, plus *incentives*. In the previous financial year, transfer revenue totalled €16.1 million, including *incentives*. The sale of player registrations during the financial year had a favourable impact on EBITDA from player trading, which was €2.3 million higher than in the previous financial year (€7.2 million in 2014/15 vs. €4.9 million in 2013/14), which is a result of the strategy to capitalise on the OL Academy.

2. Consolidated income statement

In € m	2014/15	2013/14	Chg. in €m
Revenue	**103.5**	**120.5**	**-17.0**
External purchases and expenses	30.3	32.4	-2.1
Taxes other than income taxes	5.4	9.6	-4.2
Personnel costs	75.1	74.8	+0.3
Net book value of player registrations sold	0.0	11.3	-11.3
EBITDA	**-7.2**	**-7.5**	**+0.3**
Amortisation/provisions, player registrations	12.2	15.2	-3.0
Loss from ordinary activities	**-18.1**	**-24.9**	**+6.8**
Net loss (Group share)	**-21.4**	**-26.4**	**+5.0**

The loss from ordinary activities for the 2014/15 financial year improved by €6.8 million vs. the previous financial year, despite an interplay of several unfavourable factors: (i) the club did not participate in the group stage of European cup play, which had a significant impact on earnings (€-11 million); (ii) player trades were postponed and (iii) the club paid football performance bonuses in relation to its second-place finish in French Ligue 1, which qualified the club for the 2015/16 Champions League (€-9.6 million).

The loss from ordinary activities improved, because fixed player wages declined by €6.6 million, operating expenses were kept under good control, in particular as the club did not participate in European cup play (€-2.1 million), and the "75% tax", corresponding to six months' worth of tax payments during the financial year compared to 18 months in the previous year, declined by €4.2 million. The improvement also reflected a €3.0 million reduction in amortisation of player registrations and a €2.3 million increase in EBITDA from player registrations, resulting from the Group's strategy to capitalise on the OL Academy, which it has been pursuing for over four years.

Since 30 June 2011, the cumulative reduction in personnel costs and amortisation of player registrations has represented total savings of around €54 million, or 38%.

OL Groupe also sold the shares of its subsidiary M2A, which generated proceeds of around €1.5 million, recognised in the 2014/15 income statement.

With record high potential capital gains from the sale of player registrations of around €158 million as of 30 June 2015, of which €149 million related to layers trained at the OL Academy, the strategy of capitalising on the training centre is being deployed to its full extent.
At the year-end, the revised market value of the professional squad, based on Transfermarkt, totalled around €166 million, while net assets on player registrations continued to decline, totalling €8.4 million as of the year end.

3. Balance sheet

The €53 million (gross) capital increase, carried out in June 2015, was very successful and oversubscribed by almost 110%. This transaction had three objectives: (i) to refinance the 2015 OCEANE bonds in accordance with the commitments undertaken by the Group when it signed a new syndicated operating line of credit; (ii) to develop the Group, in particular by building the new training academy and training grounds in Meyzieu and Decines, as well as to fit out the interior of the new stadium; (iii) to finance the Group's general needs.

Following the capital increase, OL Groupe repurchased a portion of the 2015 OCEANE bonds, specifically those held by ICMI and Pathé (1,417,462 and 1,243,999 respectively), in accordance with their commitments. As of today, approximately 17% of the 2015 OCEANEs initially issued are still in circulation. These bonds will mature on 28 December 2015.

Shareholders' equity at 30 June 2015 was €136.4 million, vs. €108.2 million a year earlier.

Borrowings under the new stadium bond issue totalled €115.3 million as of 30 June 2015 (€48.4 million as of 30 June 2014), reflecting progress on construction and the final bond tranche of €10 million, raised on 15 June 2015.

Other short- and medium-term borrowings and financial liabilities totalled €82.2 million, up €72.5 million from the previous financial year. This came about principally because drawdowns on the new stadium mini-perm loan were activated in January 2015 (€60.8 million) and drawdowns under the operating line of credit were increased by €12 million.

At the same time, as a result of progress in new stadium construction, property, plant & equipment increased sharply to €327.2 million, vs. €167.1 million as of 30 June 2014. This figure included €313.4 million in new stadium assets, vs. €141.2 million as of 30 June 2014.

Net player assets totalled €8.4 million as of 30 June 2015, down by €5.2 million on the previous year, reflecting the strategy now in place for more than four years.

As a result, cash net of debt (excl. new stadium debt and OCEANEs and incl. net player registration receivables) was boosted by the capital increase in June 2015 and totalled €21.5 million vs. €4.0 million in June 2014.

As of 30 June 2015, consolidated debt net of cash totalled €143.6 million including OCEANEs and net player payables/receivables, representing a lower overall amount than the potential capital gains from player registrations (around €158 million).

4. Events since 1 July 2015 and outlook

Objective to deliver the New Stadium in under 100 days

The construction of the new stadium's frame was finished in August and Vinci is in the final stages of roofwork, which should be finished by the end of October.

More than 150 companies and 1,200 people are actively employed on the site, and OL Groupe has been given a provisional delivery date of 6 January 2016. The delivery date will be definitively confirmed by 22 November 2015.

The new stadium is still being actively marketed. As of today, more than 60 private boxes and close to 2,000 VIP seats have already been sold or reserved, and 62 partnership contracts with builders and operators have been signed.

Discussions are underway with domestic and international groups on the *naming* of the new stadium.

OL Groupe draws your attention to the following highlights with regard to the new stadium:

- The new stadium will host the two rugby European cup finals on 13-14 May 2016;
- The partnership with the Paul Bocuse group to operate a brasserie in the stadium arena has been finalised. This high-end brasserie will have the capacity to serve 300 people and will be open 365 days a year;
- Construction work on the new training academy in Meyzieu was launched in September 2015 and the first stone was laid on 9 October. This construction work follows on from the construction work on the new training grounds in Decines launched in June. These two construction projects represent an overall investment of €22 million. €14 million of this sum is financed by a 10-year bank credit agreement signed on 12 June 2015 with Groupama Banque, and the remaining balance is financed by OL Groupe's equity capital from the June 2015 capital increase.

Lively summer trading window

Since OL will start playing in the new stadium in January 2016 and take part in the Champions League in the 2015/16 season, it strengthened its professional team in the summer of 2015. The best professional players from the Academy (Nabil Fekir, Alexandre Lacazette, Maxime Gonalons, Corentin Tolisso and Clément Grenier) had their contracts extended and talented, experienced players (Mathieu Valbuena, Mapou Yanga-Mbiwa, Rafael Da Silva, Sergi Darder, Lucas Tousart and Olivier Kemen) were recruited to supplement the team.

These acquisitions represented an overall investment of around €41 million, which will give rise to an additional €8.4 million in amortisation expense in 2015/16.

In parallel, OL Groupe transferred out five players (including Clinton Njie to Tottenham for €13.0 million excl. incentives) and benefited from the earn-out clause on Anthony Martial's transfer from AS Monaco to Manchester United, which has already generated €8 million in revenue for the Group and is tangible proof of our strategy to maximise the value of the OL Academy.

In total, including incentives, revenue from the transfer of player registrations totalled around €26 million in the period from 1 July to 30 September 2015. As the transferred players all came from the OL Academy, the revenue earned was composed entirely of capital gains and testified as to the effectiveness of the strategy to capitalise on the OL Academy.

The professional team now includes 35 players, of which 32 are internationals and 18 were trained at the OL Academy.

Medium-term strategy

In 2015/16, the Club's return to the Champions League, the increase in revenues once the new stadium enters into operation in January 2016 and the envisaged player trading enable the Group to predict a sharp increase in revenue and will mark the beginning of Olympique Lyonnais' new business model. This should enable us to equal the economic performance of other major European clubs that own their own stadium and thus benefit from all related revenue streams.

In the medium term, the Group will focus on operating the new stadium and pursuing its strategy to train and capitalise on young, talented players from the Academy. These two priorities will continue to be the pillars enabling the Group to achieve sustainable development of recurring resources, combined with stepping up international development.

The financial statements for financial year 2014/15 have been audited by the Statutory Auditors and certification reports thereon are being prepared.

The slideshow of the 14 October 2015 information meeting will be available at the following address: http://www.olweb.fr

Next press release: 1st-quarter 2015/16 revenue on 6 November 2015 after the market close.

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