

OLYMPIQUE  
LYONNAIS



**OL GROUPE**

**FIRST-HALF FINANCIAL  
REPORT 2008/09**

**18 February 2009**

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# Management report on the first half of 2008/09

## 1-1 Revenue from businesses

In the first half of 2008/09, revenue from businesses excluding player trading totalled €86.0 million, and revenue from the sale of player registrations €14.4 million.

Total revenue from businesses thus totalled €100.4 million, down 19.4% from €124.6 million in the first half of 2007/08.

### *Breakdown by business segment (from 1 July to 31 December)*

(in € m)	H1 2008/09	H1 2007/08	Change € m	% change
Ticketing	11.8	11.8	0	n.m.
Partnerships - Advertising	10.3	10.5	-0.2	-1.7%
Media rights	45.1	47.4	-2.3	-4.9%
Brand-related revenue	18.8	22.6	-3.8	-16.7%
<b>Revenue from businesses, excl. player trading</b>	<b>86.0</b>	<b>92.3</b>	<b>-6.3</b>	<b>-6.8%</b>
Revenue from sale of player registrations	14.4	32.3	-17.9	-55.3%
<b>Total revenue from businesses</b>	<b>100.4</b>	<b>124.6</b>	<b>-24.2</b>	<b>-19.4%</b>

Because of differences in match schedules, it is difficult to compare results in ticketing and partnerships/advertising from one year to the next (one less home matchday during the period). In addition, the first half of the previous year included revenue from the team's participation and victory in a competition held once every two years (€1.8 million).

- Ticketing revenue remained stable at €11.8 million, even though there was one less match in the Ligue 1 schedule.
- Partnership and advertising revenue totalled €10.3 million, down €0.2 million.

On a matchday equivalent basis, ticketing and partnerships/advertising revenue posted an increase.

- Media rights (LFP, FFF, UEFA) totalled €45.1 million. The difference compared with last year derived essentially from the fact that three French clubs are participating in the UEFA Champions League this year, whereas only two did last year.
- Brand-related revenue totalled €18.8 million. Three factors were responsible for this performance: in the first half of 2007/08, the Club received the €1.8 million prize for its victory in the Peace Cup; revenue from OL Images declined as a result of the renegotiation of TV broadcasting contracts; merchandising and other brand-related revenue suffered only moderately from lacklustre consumer demand. Brand-related revenue in the first half of 2008/09 included another €7 million of the Sportfive signing fee, the same amount as in H1 2007.

### **Change in brand-related revenue in the past three financial years**

(in € m)	31/12/2008	H1 2007/08	H1 2006/07
Total brand-related revenue	18.8	22.6	17.3

- Revenue from the sale of player registrations, including earn-outs, totalled €14.4 million and involved three players: Coupet, Squillaci and Baros, transferred to Atletico Madrid, FC Seville and Galatasaray, respectively. This amount was in line with the Group's objective of holding onto its players so as to enable the professional squad to have an impact in European competitions. In the first half of 2007/08, proceeds from the sale of player registrations totalled €32.3 million and included exceptional revenue of €19 million from the transfer of Malouda to Chelsea.

## **1-2 Components of net profit/(loss)**

### **Simplified, consolidated income statement for the first half (1 July to 31 December)**

(in € m)	H1 2008/09	H1 2007/08	Change € m
<b>Revenue from businesses</b>	<b>100.4</b>	<b>124.6</b>	<b>-24.2</b>
<i>EBITDA excl. player trading</i>	8.1	21.4	- 13.3
<i>Gross profit (EBITDA) on player trading</i>	7.1	24.9	- 17.8
<b>Total EBITDA</b>	<b>15.2</b>	<b>46.3</b>	<b>-31.1</b>
<i>Profit from ordinary activities, excl. player trading</i>	5.8	18.4	-12.6
<i>Profit from ordinary activities, player trading</i>	- 10.4	12.5	- 22.9
<b>Total profit from ordinary activities</b>	<b>-4.7</b>	<b>30.8</b>	<b>-35.5</b>
<b>Net financial income / (expense)</b>	<b>0.9</b>	<b>2.2</b>	<b>-1.3</b>
<b>Net profit (Group share)</b>	<b>-2.4</b>	<b>21.5</b>	<b>-23.9</b>

During the period, EBITDA represented 15% of revenue from businesses, down €31.1 million. This change derived from a decline in EBITDA excluding player trading of €13.3 million and a contraction in EBITDA from player trading of €17.8 million.

EBITDA excluding player trading was €8.1 million. The first-half decline of €13.3 million compared with H1 2007/08 came about primarily because revenue from businesses excluding player trading declined by €6.3 million (see paragraph 1.1) and because personnel costs increased from €48.6 million in H1 2007/08 to €54.2 million as a result of the change in football strategy at the start of the season.

EBITDA on player trading totalled €7.1 million. The €17.8 million decline compared with the first half of the previous year reflected the significant reduction in transfer activity so far this year, but was still in line with the plan set out at the start of the year.

The professional team is now composed of 33 players (of whom three are now on loan to other clubs). Thirty of them are internationals and 12 were trained at OL.

Profit from ordinary activities excluding player trading was €5.8 million and represented 6.7% of revenue from businesses excluding player trading.

The Group posted a loss from ordinary activities (player trading) of €10.4 million. This figure included amortisation expense of €17.5 million, up €5.0 million, following the acquisition of player registrations in the first half of the year (€27.9 million) and in the previous financial year (€78.3 million), totalling €106.2 million over 18 months.

Over the period, the Group invested €27.9 million in new player registrations, bringing Jean II Makoun, John Mensah and Frédéric Piquionne into the club (as of 31 December 2007, investments in player registrations totalled €36.5 million).

The Group posted a total loss from ordinary activities of €4.7 million.

Net financial income was €0.9 million, down from the first half of last year. This was because average net cash balances were lower than they were last year and new lines of credit were implemented in June 2008.

The bottom line was a net loss (Group share) of €2.4 million.

### **1-3 Balance sheet**

OL Groupe was listed on Euronext Paris on 8 February 2007. As a result of the IPO, the group raised gross proceeds of €94.3 million. After partial exercise of the overallotment option, OL Groupe achieved a capital increase of €90.6 million, net of issue costs.

The balance sheet demonstrates that the Group's financial structure is very sound, bolstered by the very strong profits achieved in the previous financial years.

The Group share of equity stood at €156.9 million as of 31 December 2008.

Cash and cash equivalents totalled €101.3 million at 31 December 2008, vs. €148.4 million at 30 June 2008. The change derived mainly from the cost of acquiring new players, part of which was paid in cash, with a cash settlement discount.

Financial debt represented drawdowns of €45.6 million under the medium-term lines of credit at 31 December 2008.

Net cash and cash equivalents (after subtracting financial debt) stood at €55.8 million at 31 December 2008, vs. €100.5 million six months earlier.

Dividends paid in December 2008 on 2007/08 earnings were €1.8 million, or €0.14 per share. This represented a distribution of nearly 10% of net profit.

The intangible asset item "Player registrations" totalled €96.8 million at 31 December 2008, compared with €93.9 million at 30 June 2008 and €68.7 million at 31 December 2007. The market value of the Club's players as of 5 January 2009 was €213.2 million, according to the [www.transfermarkt.de](http://www.transfermarkt.de) website.

During the period, the Group acquired three players, all internationals: Jean II Makoun from Lille for €14.5 million, John Mensah from Rennes for €8.5 million and Frédéric Piquionne from Monaco for €5.0 million (IFRS amounts).

Property, plant and equipment totalled €19.4 million, vs. €17.8 million at 30 June 2008, and included the new training academy and related improvements (€6.4 million), the training grounds, the head office building and OL store (€3.5 million), and expenses incurred by Foncière du Montout, related to the new stadium project (€5.8 million).

## 1-4 Highlights

The first half of the 2008/09 financial year was characterised by several significant events.

### Purchases and sales of player registrations

- During the period, Olympique Lyonnais acquired three new players for a total of €27.9 million.
  - Jean II Makoun, midfielder and Cameroon international, from Lille, has signed a four-year contract. The amount of the transfer was €14.5 million,
  - John Mensah, centre-back and Ghana international, from Rennes, has signed a five-year contract. The amount of the transfer was €8.5 million,
  - Frédéric Piquionne, striker and French international, from AS Monaco, has signed a four-year contract. The amount of the transfer was €5 million.

In addition, RC Lens has loaned 17-year-old international midfielder Thimothée Kolodziejczak to Olympique Lyonnais. As part of the loan, RC Lens has made a commitment to transfer the player.

- During the summer trading window, Olympique Lyonnais sold the following player registrations:
  - Grégory Coupet joined Atletico Madrid. The amount of the transfer was €1.3 million, plus earn-outs of €0.3 million;
  - Sébastien Squillaci was transferred to Seville for €5.6 million plus €0.5 million in potential earn-outs;
  - Milan Baros was transferred to Galatasaray, the Turkish defending champion. The amount of the transfer was €4.7 million.
  - Other earn-outs and adjustments totalled €2.5 million.

At the same time, Olympique Lyonnais loaned out the following players:

- Cleber Anderson, Brazilian centre-back under contract with OL until 30 June 2011, was loaned to Sao Paulo FC.
- Sandy Paillot, French centre-back trained at OL, was loaned to FC Grenoble.
- Romain Beynié, midfielder, was loaned to AFC Tubize (Belgium) for the 2008/09 season.

### New partnerships

During the first half of the year, SASP Olympique Lyonnais signed a new marketing contract with GE Money Bank, a partner and a brand from a business sector that has had only scant

representation in football until now. Moreover, this partnership includes a distribution contract for an OL-branded bank card.

### **OL Images**

OL Images has renewed its TV broadcasting partnerships. A new four-year contract has been signed with Orange France, expiring on 30 June 2012. The contract with Canal+ was renewed for a term of three years plus an additional, optional year. Renewal of these contracts ensures that the business will continue to develop in the future.

### **OL Brasserie**

The premises of OL Brasserie on the Place des Terreaux in Lyon were entirely destroyed by fire on 26 November 2008 making it impossible for the company to pursue its business activities. The impact on revenue from businesses and on the bottom line is not significant.

### **International**

OL SASP has signed a partnership agreement with the Lyon Chamber of Commerce and Industry aimed at developing the international reach of the OL brand.

The Chinese-language website and commercial site have been operational since October 2008.

### **Simplified corporate structure**

The Company decided to dissolve and merge OL Restauration. OL Groupe has held 100% of OL Restauration since 30 January 2008.

### **Inauguration of the new training academy building**

The official inauguration of the new building, built according to French HQE standards (Haute Qualité Environnementale, or high environmental quality) took place on 6 November 2008 in the presence of Bernard Laporte, Secretary of State for Youth, Sport and Associations, Jean-Jack Queyranne, President of the Rhône-Alpes regional council, Thierry Braillard, Deputy Mayor of Lyon in charge of sports, Michel Havard, Member of Parliament for the first district of the Rhône *département* and Jean-Michel Aulas, Chairman of the Board of OL Groupe.

Located next to the head office of OL Groupe, the new, ultra-modern, premium-quality building has 2,000 sq. m. of usable space, uses the latest technologies and has been granted HQE status. Fully operational from July 2008, its excellent facilities accommodate 140 young



players, including 30 who play at a near-professional level. The total cost of this facility represented an investment of €4.6 million for OL Groupe.

With this new training academy, OL Groupe is confirming its role as a developer of elite, European-level players. Young talented players such as Benzema, Ben Arfa and Rémy are graduates of the OL training academy.

### **New stadium - OL Land project**

- France is considering the possibility of hosting the Euro 2016. To this end, the French government created the "Grands Stades Euro 2016" Commission, chaired by Philippe Seguin.
- On 9 July 2008, the Commissaire Enquêteur (investigator) rendered a negative opinion at the close of the consultation period.
- On 13 October 2008, the new stadium partners reached a unanimous agreement. Specifically, Olympique Lyonnais, the French government, Greater Lyon, SYTRAL, the Rhône General Council and the city of Décines have defined common objectives and a common timeline for the project as a whole, and will strive to optimise this timeframe, in particular once the orientation and recommendations of the Euro 2016 "Grands Stades" Commission are announced. This commission was created to support France's candidacy for the Euro 2016.

**The Besson report, issued on 5 November 2008**, recommended the following measures in particular:

- Concerning taxes and payroll contributions, that the current entertainment tax be replaced with a 5.5% VAT and that collective image rights be confirmed;
- On an economic level, that TV rights be shared better through bonuses to European clubs and by deregulating online betting and allowing gaming companies to sponsor sports clubs;
- That French sports companies be allowed to adopt the ordinary form of incorporation (SA), thereby becoming traditional corporate entities;
- Structurally, that sports infrastructure be granted "general interest infrastructure" status and that the training academy system be reformed to improve its efficiency.

**The Seguin Commission's report, issued on 24 November 2008**, found that French stadiums are incompatible with France's candidacy for major international sporting events such as the Euro 2016 and hinder efforts to develop the economic potential of its domestic league competitions and foster the economic development of its clubs.

As such, the Commission recommended a large governmental infrastructure programme to maximise France's chances at hosting the Euro 2016 and to support the economy. It also recommended that:

At the national level, large sports stadiums receive "general interest infrastructure" status;

- At the European level, large entertainment/sports facilities be granted the status of "Service of General Economic Interest";
- Lastly, from an economic standpoint, that the *loi Buffet* be amended so as to remove the ceiling on services purchased by local authorities.

In his plan to make French professional sports clubs more competitive, presented on 16 December 2008, Bernard Laporte drew largely from the Besson and Seguin reports.

The Secretary of State for sports has proposed a series of measures that should take the form of proposed new legislation in the first half of 2009.

These measures include:

- allowing French sports companies to adopt the ordinary form of incorporation (SA), thereby becoming traditional corporate entities;
- creating an affiliation number for professional sports clubs that is separate from sports associations;
- granting "general interest infrastructure" status to stadiums, sports arenas and related facilities;
- replacing the current entertainment tax with a 5.5% VAT,
- authorising the financing of stadiums and access infrastructure by local authorities.

Taken together, these reforms will lend significant support to the new stadium projects underway in France in view of the Euro 2016 and specifically to OL Land.

## **1-5 Sporting results as of 31 December 2008**

### **▪ Men's team:**

- Trophée des Champions: Olympique Lyonnais lost to Bordeaux in penalty kicks, after six consecutive victories.
- French Ligue 1 leaders.

After facing Caen on 20 December 2008, Olympique Lyonnais obtained the unofficial title of Autumn Champion, with a three-point advance over Bordeaux.

- OL has qualified for the UEFA Champions League first knock-out round for the sixth consecutive time.

Based on the 19 December 2008 random drawing, OL will face Barcelona in the first knock-out round.

- In the last-16 round of the League Cup, Olympique Lyonnais lost to Metz.

▪ **Women's team:**

- French Division 1 leaders.
- Qualified for the semi-final round of the UEFA Women's Cup.

## **1-6 Events subsequent to closing**

### **Player movements**

Cleber Anderson, initially loaned to Sao Paolo, was loaned to Cruzeiro.

Thimothée Kolodziejczak was acquired from Lens for €2.5 million (French GAAP). He will be under contract with OL until 30 June 2011.

### **Other highlights**

The Group is continuing its efforts to sell marketing rights, including stadium naming rights in the context of the new stadium project.

Launch of the OL bank card: An Olympique Lyonnais-branded bank card was made available on 1 February 2009. Launched in partnership with GE Money Bank, it offers the holder traditional payment/credit card services as well as numerous extras through a system of points, all without changing banks, thereby bringing supporters into even closer contact with their club.

## **1-7 Sporting results to date**

▪ **Men's team:**

- First in French Ligue 1 standings with 52 points, ahead of PSG and Marseille.
- Qualified for the first knock-out round of the UEFA Champions League. OL faced Barcelona at home on 24 February (1-1 tie). The return match will be played in Barcelona on 11 March 2009.
- Qualified for the last-16 round of the Coupe de France. OL will face Lille on 4 March 2009.

▪ **Women's team:**

- French Division 1 leaders, ahead of Juvisy and Montpellier.
- Qualified for the semi-final round of the UEFA Women's Cup. The women's team will take on German champions Duisburg in the semi-finals on 28 March 2009 in Lyon and on 4 April 2009 in Duisburg.

## **1-8 New stadium - OL Land project**

As an extension of the Besson and Seguin reports and the confirmation of France's candidacy for the Euro 2016, the *loi Laporte* is set to amend French law with regard to professional sports. Among other things, the new law proposes to grant "general interest infrastructure" status to sports and sports-related facilities. It is expected to come into force in the first half of 2009. In this case, administrative lead times should make it possible to deliver the new stadium in Décines in the second half of 2013, assuming the proposed zoning plan is adopted in 2009.

## **1-9 Outlook for the near and medium term**

OL Groupe confirms that it enjoys numerous advantages in its business environment:

- Very high cash balances;
- The recurrent nature of season ticket sales, other gate receipts and media rights, which rose at the most recent UEFA bidding round;
- The OL brand acts as a magnet for attracting sponsoring and brand-related revenue;
- The most recent winter trading window, a complementary player trading market, showed that football remains healthy despite the economic slowdown (€300 million in the principal European leagues);

As an indication of its confidence in the future, the Board of Directors of OL Groupe has decided to increase the capital of the main football subsidiary by €55 million through incorporation of shareholder loans, to be fully subscribed by OL Groupe. The capital increase will be submitted to a vote at a shareholders meeting to be held in March 2009. This capital increase has no impact on the consolidated financial statements.

Nevertheless, the current economic and financial situation could worsen. In light of this risk, OL Groupe plans to adapt its strategy. In particular the club will seek to:

- Diversify its sponsoring partnerships. The Accor Group has decided not to take up its option to extend its sponsorship relationship for a further two years, which would have tied it to the club until 30 June 2011. Nevertheless, the partnership remains in force until 30 June 2009.
- Accelerate the economic potential of its "player assets" at the same time that it intensifies its efforts in the training of young players, an area in which the club is already very active;
- Optimise operating costs.

International business development will continue, with the professional club participating in international competitions.

Lastly, projects related to licences and sale of training expertise are continuing in Dubai, China and India. Partnerships with Japanese and Korean clubs are also under discussion.

Lastly, the Board of Directors of OL Groupe has decided to increase the capital of Foncière du Montout by €1 million before the end of the financial year, so as to give its subsidiary the resources it needs to pursue its business activities in the near and medium term. The increase will be fully subscribed by OL Groupe.

As of 18 February 2009, there was no dispute involving OL Groupe that could jeopardise the business or the objectives the Group has set for the 2008/09 financial year.

# Condensed consolidated H1 2008/09 financial statements

## 2-1 Consolidated interim financial statements - Income statement

(in thousands of euros)	Notes	From 1/7/08 to 31/12/08	% of rev.	From 1/7/07 to 31/12/07	% of rev.
<b>Revenue from businesses</b>	<b>5.1</b>	<b>100,443</b>	<i>100%</i>	<b>124,562</b>	<i>100%</i>
Revenue excl. player trading	5.1	86,029	<i>86%</i>	92,308	<i>74%</i>
Purchases used during the period	5.2	-9,036	<i>-9%</i>	-9,354	<i>-8%</i>
External costs		-11,431	<i>-11%</i>	-9,892	<i>-8%</i>
Taxes other than income taxes		-3,269	<i>-3%</i>	-3,045	<i>-2%</i>
Personnel costs	5.4	-54,185	<i>-54%</i>	-48,632	<i>-39%</i>
EBITDA excl. player trading		8,109	<i>8%</i>	21,385	<i>17%</i>
Net depreciation, amortisation and provisions	5.3	-833	<i>-1%</i>	-1,155	<i>-1%</i>
Other ordinary income and expenses		-1,498	<i>-1%</i>	-1,850	<i>-1%</i>
<b>Profit from ordinary activities, excl. player trading</b>		<b>5,778</b>	<i>6%</i>	<b>18,380</b>	<i>15%</i>
Proceeds from sale of player registrations	5.1	14,414	<i>14%</i>	32,254	<i>26%</i>
Residual value of player registrations		-7,335	<i>-7%</i>	-7,321	<i>-6%</i>
Gross profit (EBITDA) on player trading		7,079	<i>7%</i>	24,933	<i>20%</i>
Net amortisation and provisions	5.3	-17,511	<i>-17%</i>	-12,457	<i>-10%</i>
<b>Profit from ordinary activities (player trading)</b>		<b>-10,432</b>	<i>-10%</i>	<b>12,476</b>	<i>10%</i>
<b>Total EBITDA</b>		<b>15,188</b>	<i>15%</i>	<b>46,318</b>	<i>37%</i>
<b>Total profit from ordinary activities</b>		<b>-4,654</b>	<i>-5%</i>	<b>30,856</b>	<i>25%</i>
Other non-recurring operating income and expense		154	<i>0%</i>	0	
<b>Operating profit</b>		<b>-4,500</b>	<i>-4%</i>	<b>30,856</b>	<i>25%</i>
Net financial income / (expense)	5.5	859	<i>1%</i>	2,173	<i>2%</i>
<b>Pre-tax profit</b>		<b>-3,641</b>	<i>-4%</i>	<b>33,029</b>	<i>27%</i>
Corporate income tax	5.6	1,219	<i>1%</i>	-11,541	<i>-9%</i>
Share in net profit of associates				79	<i>0%</i>
<b>Net profit/(loss) for the period</b>		<b>-2,422</b>	<i>-2%</i>	<b>21,567</b>	<i>17%</i>
<b>Net profit attributable to equity holders of the parent</b>		<b>-2,419</b>	<i>-2%</i>	<b>21,510</b>	<i>17%</i>
Net profit attributable to minority interests		-3		57	

## 2-2 Consolidated interim financial statements - Balance sheet

### Assets

Net amounts (in thousands of euros)	Notes	31/12/08	30/6/08
<b>Intangible assets</b>			
Goodwill	4.1.1	2,162	2,162
Player registrations	4.1.2	96,813	93,876
Other intangible assets	4.1.2	689	722
<b>Property, plant and equipment</b>	4.1.3	19,367	17,825
<b>Other financial assets</b>	4.1.4	544	542
<b>Receivables on sale of player registrations (portion &gt; 1 year)</b>	4.2	9,002	16,684
<b>Investments in associates</b>	4.1.5	506	506
<b>Deferred taxes</b>	4.3	365	14
<b>Non-current assets</b>		<b>129,448</b>	<b>132,331</b>
<b>Inventories</b>	4.2	812	518
<b>Trade accounts receivable</b>	4.2	42,877	11,661
<b>Receivables on sale of player registrations (portion &lt; 1 year)</b>	4.2	26,622	27,238
<b>Other current assets, prepayments and accrued income</b>	4.2	31,645	27,508
<b>Cash and cash equivalents</b>			
Marketable securities	4.2	101,633	144,399
Cash & cash equivalents	4.2	1,413	4,930
<b>Current assets</b>		<b>205,002</b>	<b>216,254</b>
<b>TOTAL ASSETS</b>		<b>334,450</b>	<b>348,585</b>

## Equity and liabilities

<b>Net amounts (in thousands of euros)</b>	<b>Notes</b>	<b>31/12/08</b>	<b>30/6/08</b>
Share capital	4.4	20,127	20,127
Share premium	4.4	102,865	102,865
Reserves	4.4	36,332	18,912
Net profit/(loss) for the period		(2,419)	19,943
<b>Equity attributable to equity holders of the parent</b>		<b>156,906</b>	<b>161,847</b>
<b>Minority interests</b>		<b>2,909</b>	<b>2,969</b>
<b>Total equity</b>		<b>159,815</b>	<b>164,816</b>
<b>Borrowings and financial liabilities (portion &gt; 1 year)</b>	4.6 & 4.7	41,445	47,524
<b>Liabilities on acquisition of player registrations (portion &gt; 1 year)</b>	4.6 & 4.7	12,069	24,582
<b>Deferred taxes</b>	4.3	34	1,137
<b>Provision for retirement benefit obligations</b>	4.5	637	501
<b>Non-current liabilities</b>		<b>54,184</b>	<b>73,744</b>
<b>Provisions (portion &lt; 1 year)</b>	4.5	166	93
<b>Financial liabilities (portion &lt; 1 year)</b>			
Bank overdrafts	4.6 & 4.7	1,711	897
Other borrowings and financial liabilities	4.6 & 4.7	4,116	387
<b>Trade accounts payable &amp; related accounts</b>	4.6 & 4.7	19,324	16,963
<b>Tax and social security liabilities</b>	4.6 & 4.7	41,838	52,084
<b>Liabilities on acquisition of player registrations (portion &lt; 1 year)</b>	4.6 & 4.7	27,917	32,050
<b>Other current liabilities, deferred income and accruals</b>	4.6 & 4.7	25,379	7,551
<b>Current liabilities</b>		<b>120,450</b>	<b>110,025</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>334,450</b>	<b>348,585</b>



## 2-3 Consolidated interim financial statements - Cash flow statement

(in thousands of euros)	31/12/08	31/12/07
Net profit/(loss)	-2,422	21,567
Share in net profit of associates		-79
Depreciation, amortisation & provisions	18,528	13,593
Other non-cash income and expenses	52	20
Capital gains on sale of player registrations	-7,078	-24,933
Capital gains on sale of other non-current assets	750	2
Tax expense	-1,219	11,541
<b>Pre-tax cash flow</b>	<b>8,611</b>	<b>21,711</b>
<b>Dividends received from associates</b>		
<b>Tax paid</b>	<b>994</b>	<b>-23,219</b>
Change in trade and other receivables	-14,789	-19,465
Change in trade and other payables	-12,179	-1,792
<b>Change in working capital requirement</b>	<b>-26,968</b>	<b>-21,257</b>
<b>Net cash from operating activities</b>	<b>-17,363</b>	<b>-22,765</b>
Acquisitions of player registrations net of change in liabilities	-44,430	-31,741
Acquisitions of other intangible assets	-63	-16
Acquisitions of property, plant & equipment	-3,130	-3,040
Acquisitions of non-current financial assets	-2	-380
Sales of player registrations net of change in receivables	22,712	44,028
Disposal or reduction in other non-current assets	11	29
Acquisition of subsidiaries net of acquired cash		0
<b>Net cash from investing activities</b>	<b>-24,903</b>	<b>8,880</b>
Capital increase		
Dividends paid to equity holders of the parent	-1,813	-1,835
Dividends paid to minority interests	-57	-143
New borrowings	3,000	1,005
Repayment of borrowings	-5,350	-80
Shares held in treasury	-612	-2,445
<b>Net cash from financing activities</b>	<b>-4,832</b>	<b>-3,498</b>
<b>Opening cash balance</b>	<b>148,432</b>	<b>150,039</b>
<b>Change in cash</b>	<b>-47,098</b>	<b>-17,383</b>
<b>Closing cash balance</b>	<b>101,334</b>	<b>132,656</b>

(in thousands of euros)	31/12/08	31/12/07
Marketable securities	101,633	133,293
Cash & cash equivalents	1,413	1,910
Bank overdrafts	-1,711	-2,547
<b>Closing cash balance</b>	<b>101,335</b>	<b>132,656</b>

Acquisitions of player registrations net of change in liabilities

(in thousands of euros)	31/12/08	31/12/07
Acquisitions of player registrations	-27,877	-36,542
Agent payables relating to the sale of player registrations	93	1,243
Player registration payables at 31/12/2008	39,986	
Player registration payables at 30/6/2008	-56,632	
Player registration payables at 31/12/2007		32,794
Player registration payables at 30/6/2007		-29,236
	<b>-44,430</b>	<b>-31,741</b>

Sales of player registrations net of change in receivables

(in thousands of euros)	31/12/08	31/12/07
Proceeds from sale of player registrations	14,414	32,254
Player registration receivables at 31/12/2008	-35,625	
Player registration receivables at 30/6/2008	43,922	
Player registration receivables at 31/12/2007		-24,556
Player registration receivables at 30/6/2007		36,330
	<b>22,712</b>	<b>44,028</b>

## 2-4 Consolidated interim financial statements - Statement of changes in equity

(in thousands of euros)	Equity attributable to equity holders of the parent						minority interests	Total equity
	Share capital	Share premiums	Treasury shares	Reserves and net profit/(loss)	Profit/(loss) recognised directly in equity	Total Group share		
<b>Equity at 30/6/2007</b>	<b>20,127</b>	<b>102,865</b>	<b>-311</b>	<b>25,607</b>	<b>-73</b>	<b>148,215</b>	<b>2,980</b>	<b>151,195</b>
Net profit/(loss) for the period				21,510		21,510	57	<b>21,567</b>
Dividends				-1,835		-1,835	-143	<b>-1,978</b>
Treasury shares			-2,447		2	-2,445		<b>-2,445</b>
IAS 19 Amendment					10	10		<b>10</b>
<b>Equity at 31/12/2007</b>	<b>20,127</b>	<b>102,865</b>	<b>-2,758</b>	<b>45,282</b>	<b>-61</b>	<b>165,455</b>	<b>2,894</b>	<b>168,349</b>
<b>Equity at 30/6/2008</b>	<b>20,127</b>	<b>102,865</b>	<b>-4,888</b>	<b>43,715</b>	<b>28</b>	<b>161,847</b>	<b>2,969</b>	<b>164,816</b>
Net profit/(loss) for the period				-2,419		-2,419	-3	<b>-2,422</b>
Dividends				-1,813		-1,813	-57	<b>-1,870</b>
Treasury shares			-612		-76	-688		<b>-688</b>
Share-based payment net of tax (1)					63	63		<b>63</b>
IAS 19 Amendment					-100	-100		<b>-100</b>
Other						16		<b>16</b>
Equity at 31/12/2008	20,127	102,865	-5,500	39,483	-85	156,906	2,909	159,815

<sup>(1)</sup>includes reserves related to share-based payments, net of tax of €156 thousand. See note 5.4.

## 2-5 Consolidated interim financial statements - Earnings per share

	From 1/7/08 to 31/12/08	From 1/7/07 to 31/12/07
Number of shares at end of period	13,241,287	13,241,287
Average number of shares in issue	13,241,287	13,241,287
Number of treasury shares held at end of period	300,965	142,968
<b>Consolidated net profit</b>		
Group share of net profit (in € m)	-2.42	21.51
Attributable net profit per share (in €) <sup>(1)</sup>	-0.19	1.64
<b>Net dividend</b>		
Total dividend (in € m)	1.85	1.85
Net dividend per share (in €)	0.14	0.14

<sup>(1)</sup> calculated on the average number of shares in issue after deduction of the number of treasury shares

## 2-6 Notes to the condensed consolidated financial statements for the first half of 2008/09

The consolidated financial statements comprise the financial statements of Olympique Lyonnais Groupe SA (350 avenue Jean Jaurès, 69007 Lyon) and those of its subsidiaries. The Group's main business is its professional football team. Subsidiaries have been created in media, merchandising, catering and travel as extensions of the main business.

The consolidated financial statements were approved by the Board of Directors on 18 February 2009.

### 1 - Significant events in the first half of 2008/09

#### 1.1 Acquisitions of player registrations during the period

The Group acquired the following players:

- In July 2008, John Mensah, centre-back, from Rennes for €8.5 million;
- In July 2008, Frédéric Piquionne, centre forward, from AS Monaco for €5 million,
- In July 2008, Jean II Makoun, defensive midfielder, from Lille for €14.5 million.

## **1.2 Sales of player registrations and loans during the period**

- In August 2008, Milan Baros was transferred to Galatasaray for €4.7 million,
- In July 2008, Sébastien Squillaci was transferred to Seville for €5.6 million. In addition, Grégory Coupet was sold to Atletico Madrid for €1.6 million,
- In July 2008, Brazilian centre-back Cleber Anderson was loaned to Sao Paolo for the 2008/09 season.

## **1.3 New partnerships**

During the first half of the year, SASP Olympique Lyonnais signed a new marketing contract with GE Money Bank, a partner and a brand from a business sector that has had only scant representation in football until now. Moreover, this partnership includes a distribution contract for an OL-branded bank card.

## **1.4 OL Brasserie**

The premises of OL Brasserie on the Place des Terreaux in Lyon were entirely destroyed by fire on 26 November 2008 making it impossible for the company to pursue its business activities. The impact on revenue from businesses and on the bottom line is not significant.

# **2 - Financial statements for the first half of 2008/09**

## **2.1 - Accounting principles and methods**

### **General principles**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

In accordance with that standard, the consolidated financial statements are presented with a condensed version of the notes.

The accounting principles and methods used for the 31 December 2008 closing are identical to those used for the most recent financial year-end; they are detailed in the notes to the financial statements for the year ended 30 June 2008. The information disclosed in the notes to the interim statements relate only to the significant items, transactions and events needed to understand the changes in the financial condition and performance of the Group.

The new standards and interpretations adopted by the European Union and mandatory for financial years starting on 1 July 2008 or later have not had an impact on the financial statements of the Group.

The Group has elected against early adoption of standards and interpretations that were approved by the European Union before closing, but that will come into effect after that date. Based on its analysis, management does not anticipate a significant impact on the Group's equity.

IFRS 8 "Operating segments", which will become mandatory after 31 December 2008 is not expected to have an impact.

The Company has not used accounting principles that are contrary to IFRSs that are mandatory in 2008 but not yet approved by the European Union. It does not expect the standards and interpretations published by the IASB but not yet approved by the EU to have a significant impact on its financial statements.

These condensed consolidated financial statements should be read in conjunction with the financial statements for the financial year ended 30 June 2008. Amounts in the financial statements are shown in thousands of euros.

In these interim financial statements all Group entities and the Group itself apply the same principles as those used in the annual financial statements.

Valuations have been established as if the interim period were a stand-alone period.

Reminder: the interim closing of the OL Groupe includes the financial year's initial sales of player registrations (during the summer transfer window from 1 July to 31 August) and receipts relating to the group stage of the UEFA Champions' League.

## **Revenue recognition**

### **Broadcasting rights and sponsorship receipts**

Television rights are paid to the club in relation to its involvement in various competitions (Ligue 1, Champions' League, etc.).

Receipts from the French Professional League (LFP) are broken down into a fixed component recognised in proportion to the number of matches played, on a prorata basis, and a variable component that includes a prestige premium based on the number of televised matches in which the club appears and a ranking premium allocated on the basis of the number of matches played.

Receipts from the UEFA Champions' League are recognised on the basis of revenue earned at the date of the interim closing.

In accordance with the CNCC (French professional accounting body) instruction of 28 March 2007, the options retained by the Group for the interim closing are as follows:

- Fixed rights are recognised proportionately to the matches played as of the date of the interim closing.
- Variable rights and sponsorship receipts are recognised using an estimate of the league position at the end of the season (as of 31 December 2008, the Company projected a first-place finish), on a prorata basis.

### **Ticketing**

Receipts from ticketing are allocated to the period concerned, proportionally to the number of home matches played as of the date of interim closing.

### **Personnel costs**

Football team personnel costs and in particular bonuses are recognised in accordance with league position options chosen by management.

### **Retirement benefit obligations**

The social security financing law has no impact on the calculation of the obligation for end-of-career retirement payments. The assumptions used shall be changed in the annual financial statements. There were no new benefits or changes to retirement schemes as a result of legal, collective bargaining or contractual provisions during the first half of the year.

### **Assessment of the tax credit or charge**

- The standard rate of 33.33% is used for the calculation of the tax credit or charge, increased by the supplementary tax,
- The tax credit or expense for the whole Group is calculated on the basis of each entity's actual situation, similarly to the annual closing.

Using a method based on the average annual tax rate would not lead to a significant difference from the current approach.

### **Impairment of non-financial assets**

As indicated in note 2.7.4 to the 2007/08 financial statements, dated 30 June 2008, intangible assets with an indefinite lifetime and goodwill are subjected to impairment tests at each statement date. Similarly, intangible assets and property, plant & equipment with a finite lifetime are subjected to impairment tests if there is an indication of a loss in value, according to the terms detailed in the note mentioned above.

At the interim closing, impairment tests are performed only on assets or groups of assets for which there is an indication of a loss in value at the end of the first half of the year, or for which there was an indication of a loss in value at the previous closing.

The calculation methods used for the impairment tests performed at 31 December 2008 are the same as those detailed at the 30 June 2008 closing.

### 3 - Scope of consolidation

Companies	Head office Company no.	Activity	Number of months consolidated	% Control 31/12/2008	% Interest 31/12/2008	% Interest 30/6/2008	
SA OLYMPIQUE LYONNAIS GROUPE	Lyon 421577495	Holding company	6	--	--	--	--
<b>COMPANIES OWNED BY SA OLYMPIQUE LYONNAIS GROUPE</b>							
SASP Olympique Lyonnais	Lyon 385071881	Sports club	6	99,91	99,91	99,91	FC
SAS OL MERCHANDISING	Lyon 442493888	Merchandising	6	99,98	99,98	99,98	FC
SAS ARGENSON	Lyon 399272277	Catering	6	49,97	49,97	49,97	EM
SAS OL VOYAGES (1)	Lyon 431703057	Travel agency	6	50,00	50,00	50,00	FC
SCI MEGASTORE	Lyon 444248314	Property	6	100,00	100,00	100,00	FC
SAS OL ORGANISATION	Lyon 477659551	Security and reception	6	99,97	99,97	99,97	FC
SAS OL IMAGES	Lyon 478996168	Media production	6	99,97	99,97	99,97	FC
SAS M2A	Lyon 419882840	Sale of derivative products	6	100,00	100,00	100,00	FC
SARL BS	Lyon 484764949	Hairdressing	6	40,00	40,00	40,00	EM
SNC OL BRASSERIE	Lyon 490193141	Catering	6	99,97	99,97	99,97	FC
SAS OL RESTAURATION	Lyon 443660551	Catering	6	100,00	100,00	100,00	FC
SAS FONCIERE DU MONTOUT	Lyon 498659762	Property	6	100,00	100,00	100,00	FC
<b>SPECIAL PURPOSE ENTITIES</b>							
ASSOCIATION OL (2)	Lyon 779845569	Association	6	--	--	--	FC
SCI OL (2)	Lyon 401930300	Property	6	--	--	--	FC

FC: Full consolidation

EM: Accounted for by the equity method

(1) OL Voyages, which is 50%-owned, is fully consolidated as its executive officers are appointed by OL Groupe.

(2) Companies controlled by the Group by virtue of a contract, an agreement or a clause in the Articles of Association are fully consolidated, even if the Group does not own any of the share capital (special purpose entities).

#### Closing dates

All Group companies have a 30 June year end except for SCI OL (31 December). For this entity, financial statements have been prepared for the period 1 July to 31 December.

## 4 - Notes to the balance sheet

### 4.1 - Movements in non-current assets

#### 4.1.1 Goodwill (net value)

(in thousands of euros)	30/6/08	Increases	Decreases	31/12/08
Olympique Lyonnais Merchandising	46			46
Olympique Lyonnais SASP	1,541			1,541
M2A	355			355
OL Images	220			220
<b>TOTAL (1)</b>	<b>2,162</b>	<b>0</b>	<b>0</b>	<b>2,162</b>

(1) includes impairment in the value of OL Brasserie of €364 thousand

#### 4.1.2 Other intangible assets

Movements during the period were as follows:

(in thousands of euros)	30/6/08	Increases	Decreases	31/12/08
Concessions, trademarks and media rights	817	62	-93	786
Amortisation of concessions, trademarks and media rights	-95	-15	13	-97
<b>Other intangible assets</b>	<b>722</b>	<b>47</b>	<b>-80</b>	<b>689</b>
Player registrations	154,683	27,877	-18,901	163,659
Amortisation of player registrations (1)	-60,807	-17,511	11,471	-66,847
<b>Player registrations</b>	<b>93,876</b>	<b>10,367</b>	<b>-7,430</b>	<b>96,813</b>

(1) includes impairment of €515 thousand at 30/6/2008, unchanged from 31/12/2008

The net carrying amount of player registrations is shown in the table below:

(in thousands of euros)	Net value at 31/12/2008	Net value at 30/6/2008
Contracts expiring in 2009	2,106	4,244
Contracts expiring in 2010	2,098	10,673
Contracts expiring in 2011	31,988	38,451
Contracts expiring in 2012	38,056	23,972
Contracts expiring in 2013	22,565	16,536
<b>Total player registrations</b>	<b>96,813</b>	<b>93,876</b>

#### 4.1.3 Property, plant and equipment

Movements during the period were as follows:

(in thousands of euros)	30/6/08	Increases	Decreases	31/12/08
Buildings & fixtures <sup>(1)</sup>	20,813	2,649	-750	22,712
Equipment & furniture <sup>(2)</sup>	3,111	480	-245	3,347
<b>Gross amount</b>	<b>23,924</b>	<b>3,130</b>	<b>-995</b>	<b>26,059</b>
Buildings & fixtures	-4,348	-441	45	-4,744
Equipment & furniture <sup>(2)</sup>	-1,751	-467	270	-1,948
<b>Accumulated depreciation</b>	<b>-6,099</b>	<b>-909</b>	<b>315</b>	<b>-6,692</b>
<b>Net amount</b>	<b>17,825</b>	<b>2,220</b>	<b>-680</b>	<b>19,366</b>

<sup>(1)</sup> includes €5,844 thousand under construction as of 31 December 2008.

<sup>(2)</sup> includes €561 thousand (gross) in equipment under finance lease agreements restated in accordance with IAS 17.



#### 4.1.4 Other financial assets and investments

Movements during the period were as follows:

(in thousands of euros)	30/6/08	Increases	Decreases	31/12/08
Other non-current financial assets	558		-14	544
<b>Gross amount</b>	<b>558</b>	<b>0</b>	<b>-14</b>	<b>544</b>
Writedowns	-16		16	0
<b>Net amount</b>	<b>542</b>	<b>0</b>	<b>2</b>	<b>544</b>

#### 4.1.5 Investments in associates have changed as follows

(in thousands of euros)	31/12/08	30/6/08
Opening position	506	513
Dividends		-36
Changes in scope of consolidation		-33
Share in net profit of associates	0	62
<b>Closing position</b>	<b>506</b>	<b>506</b>

#### 4.2 - Movements in current assets

Movements during the period were as follows:

(in thousands of euros)	30/6/08	Changes in the period	31/12/08
Inventories <sup>(1)</sup>	611	276	887
Inventory provisions	-93	18	-75
<b>Net inventories</b>	<b>518</b>	<b>294</b>	<b>812</b>
Trade accounts receivable	12,331	31,015	43,346
Provisions for bad debts	-670	201	-469
<b>Net trade receivables</b>	<b>11,661</b>	<b>31,216</b>	<b>42,877</b>
Player registration receivables <sup>(2)</sup>	27,238	-616	26,622
Provisions on player registrations			
<b>Net player registration receivables</b>	<b>27,238</b>	<b>-616</b>	<b>26,622</b>
Tax receivable on total revenue	14,519	-4,446	10,073
Other tax receivables	6,981	-1,249	5,732
Social security receivables	13	99	112
Other current assets	4,825	6,641	11,466
Accruals	1,193	3,096	4,289
<b>Total other current assets</b>	<b>27,531</b>	<b>4,141</b>	<b>31,672</b>
Provisions on other assets	-23	-4	-27
<b>Net other assets</b>	<b>27,508</b>	<b>4,137</b>	<b>31,645</b>

The impact of discounting on the value of player registrations was €1,302 thousand. All past-due player registration receivables were provisioned. Unprovisioned past-due trade account receivables were not significant.

<sup>(1)</sup> Inventories relate mainly to the OL Merchandising business and M2A.

<sup>(2)</sup> Receivables on player registrations broke down as follows:

	31/12/08		30/06/08	
	current	non-current	current	non-current
Receivables on registrations sold in 2005	0	0	55	0
Receivables on registrations sold in 2007	11,477	0	13,156	4,805
Receivables on registrations sold in 2008	12,223	4,407	14,027	11,879
Receivables on registrations sold in 2009	2,922	4,595	0	0
<b>Gross receivables on player registrations</b>	<b>26,622</b>	<b>9,002</b>	<b>27,238</b>	<b>16,684</b>
	<b>35,625</b>		<b>43,922</b>	

## Cash and cash equivalents

Movements during the period were as follows:

(in thousands of euros)	Historical cost at 31/12/2008	Market value at 31/12/2008	Historical cost at 30/6/2008
Units in investment and mutual funds <sup>(1)</sup>	101,633	101,633	144,399
Cash & cash equivalents	1,413	1,413	4,930
<b>Total</b>	<b>103,046</b>	<b>103,046</b>	<b>149,329</b>

<sup>(1)</sup> Investments in money-market or capital-guaranteed mutual funds. Historical cost is equal to market value, as the shares were sold then repurchased on the closing date.

## 4.3 - Other movements

The following table shows a breakdown of deferred tax assets and liabilities by type:

(in thousands of euros)	30/6/08	Impact on profit or loss	31/12/08
Deferred tax/player registrations		-1,941	-1,941
Carryforwards and other	14	2,292	2,306
<b>Deferred tax assets</b>	<b>14</b>	<b>351</b>	<b>365</b>
Deferred tax/player registrations	-1,997	1,997	0
Other deferred tax liabilities	860	-894	-34
<b>Deferred tax liabilities</b>	<b>-1,137</b>	<b>1,103</b>	<b>-34</b>
<b>Net amount</b>	<b>-1,123</b>	<b>1,454</b>	<b>331</b>

Deferred taxes essentially represented the tax effect of restating player registrations. Unrecognised tax loss carryforwards amounted to €810 thousand.

## 4.4 - Notes on equity

The share capital comprises ordinary shares and has not changed.

(in thousands of euros)	31/12/08	30/6/08
Number of shares	13,241,287	13,241,287
Par value	1.52	1.52
<b>Share capital</b>	<b>20.127</b>	<b>20.127</b>

(in thousands of euros)	Number of shares	Par value in euros	Equity capital	Share premium
At 30/6/08	13,241,287	1.52	<b>20.127</b>	102.865
Changes			-	-
<b>At 31/12/2008</b>	<b>13,241,287</b>	<b>1.52</b>	<b>20.127</b>	<b>102.865</b>

Reserves broke down as follows:

(in thousands of euros)	31/12/08	30/6/08
Legal reserves	1,976	854
Regulated reserves	37	37
Other reserves	130	130
Retained earnings	30,556	11,037
<b>Total reserves before IFRS restatement</b>	<b>32,699</b>	<b>12,058</b>
Reserves related to share-based payment	156	93
Reserves related to other IFRS restatements	3,477	6,761
<b>Total reserves</b>	<b>36,332</b>	<b>18,912</b>

The statement of changes in equity is presented in the first part of the financial statements.

## 4.5 - Provisions

### 4.5.1 Provision for retirement benefit obligations

(in thousands of euros)	31/12/08	30/6/08
<b>Present value of opening commitments</b>	<b>501</b>	<b>433</b>
Changes in scope of consolidation		
Finance costs	16	23
Costs of services rendered during the period	20	47
Amortisation of unearned past service costs		
<b>Projected present value of closing commitments</b>	<b>537</b>	<b>503</b>
Actuarial variance for the period	100	-2
<b>Present value of commitments at closing</b>	<b>637</b>	<b>501</b>

The provision taken in respect of the Group's retirement benefit obligation is equal to the value of the liability calculated on the basis of the following assumptions:

- Expected increase in salaries: 1% a year;
- Retirement age: 60 for non-management staff and 63 for management staff;
- Staff turnover: based on INSEE mortality tables and a turnover rate resulting from statistical observations;
- Discount rate: 4.50% at 31 December 2008 (5.20% at 31 December 2007);
- Payroll tax rate: 43% in most cases.

The Group has decided to adopt the IAS 19 amendment which allows for actuarial gains and losses to be recognised in equity. The impact in the period was €100 thousand.

No contributions were paid to pension funds.

No benefits were paid during the year.

#### 4.5.2 - Provisions for liabilities and charges (less than one year)

(in thousands of euros)	30/6/08	Increases	Decreases		31/12/08
			Used	Unused	
Provision for employee disputes	53				53
Other provisions for liabilities	40	113		-40	113
<b>Total</b>	<b>93</b>	<b>113</b>	<b>0</b>	<b>-40</b>	<b>166</b>

#### 4.6 - Breakdown of liabilities by maturity

(in thousands of euros)	31/12/08	One year or less	One to five years	More than five years
Financial liabilities (1)	47,272	5,827	38,969	2,476
Suppliers	19,324	19,324		
Liabilities on acquisition of player registrations (2)	39,986	27,917	12,069	
Tax liabilities	11,454	11,420	34	
Social security liabilities	30,418	30,418		
Other current liabilities	789	789		
Accruals	24,589	24,589		
<b>Total</b>	<b>173,832</b>	<b>120,284</b>	<b>51,072</b>	<b>2,476</b>

(in thousands of euros)	30/6/08	One year or less	One to five years	More than five years
Financial liabilities (1)	48,808	1,284	46,675	849
Trade accounts payable	16,963	16,963		
Liabilities on acquisition of player registrations (2)	56,632	32,050	24,582	
Tax liabilities	18,406	18,406		
Social security liabilities	33,678	33,678		
Other current liabilities	1,570	1,570		
Accruals	5,981	5,981		
<b>Total</b>	<b>182,038</b>	<b>109,932</b>	<b>71,257</b>	<b>849</b>

<sup>(1)</sup> Financial liabilities maturing in 1 to 5 years mainly comprised bank credit facilities granted to OL Groupe, Olympique Lyonnais SASP and Association OL at rates based on Euribor plus a margin negotiated individually with each bank. Financial liabilities maturing in over five years partly comprised fixed-rate borrowings granted to one of the Group's non-trading property companies (SCI) for the construction of properties (see note 7.3).

<sup>(1)</sup> The maturity of finance lease liabilities restated in accordance with IAS 17 was as follows:

(in thousands of euros)	31/12/08	One year or less	One to five years	More than five years
Obligations under finance leases	225	152	73	
<b>Total</b>	<b>225</b>	<b>152</b>	<b>73</b>	<b>-</b>

<sup>(2)</sup> Player registration payables are discounted. The impact at 31 December 2008 was €1,703 thousand which will be recognised as a financial expense on a prorata basis.

Player registration payables were backed by bank guarantees totalling €31,808 thousand (including €21,566 thousand with a maturity of more than one year);

These liabilities are listed below:

	31/12/08			30/6/08		
	Total	Current	Non-current	Total	Current	Non-current
Liabilities on registrations acquired before 2005	403	283	120	1,824	1,499	325
Liabilities on registrations acquired in 2006	842	577	265	4,597	4,005	592
Liabilities on registrations acquired in 2007	99	99	0	196	92	104
Liabilities on registrations acquired in 2008	17,089	14,622	2,467	50,015	26,454	23,561
Liabilities on registrations acquired in 2009	21,553	12,336	9,217			
<b>Total</b>	<b>39,986</b>	<b>27,917</b>	<b>12,069</b>	<b>56,632</b>	<b>32,050</b>	<b>24,582</b>

## 4.7 - Financial instruments

### 4.7.1 Fair value of financial instruments

The breakdown of financial assets and liabilities according to the special IAS 39 categories and the comparison between book values and fair values are given in the table below (excluding social security and tax receivables and liabilities).

(in thousands of euros)	Type of financial instrument	Net book value at 31/12/2008	Fair value at 31/12/2008	Net book value at 30/6/2008
Receivables on sale of player registrations	B and C	35,624	35,624	43,922
Other non-current financial assets	C	544	544	542
Accounts receivable	C	42,877	42,877	11,661
Other current assets (1)	C	11,466	11,466	4,825
Marketable securities	A	101,633	101,633	144,399
Treasury	A	1,413	1,413	4,930
<b>Financial assets</b>		<b>193,557</b>	<b>193,557</b>	<b>210,279</b>

(in thousands of euros)	Type of financial instrument	Net book value at 31/12/2008	Fair value at 31/12/2008	Net book value at 30/6/2008
Financial liabilities (1)	B	47,272	47,272	48,808
Liabilities on acquisition of player registrations	B and C	39,986	39,986	56,632
Trade accounts payable	C	19,324	19,324	16,963
Other current assets (2)	C	789	789	1,570
<b>Financial liabilities</b>		<b>107,371</b>	<b>107,371</b>	<b>123,973</b>

(1) Borrowings were essentially at variable rates.

(2) Excluding social security and tax receivables, liabilities and accruals

A: Assets at fair value through profit or loss

B: Assets and liabilities measured at amortised cost

C: Assets and liabilities measured at cost

#### **4.7.2 Risk management**

Given its business activity, the Group is not significantly exposed to foreign exchange risks.

##### **Liquidity risks**

The Group does not have a liquidity risk, as its current assets and in particular cash and cash equivalents are far in excess of current liabilities. For this reason certain maturities for the part under one year have not been provided in detail.

##### **Signature risk**

This risk involves principally transactions related to cash investments.

Group investments were comprised of:

- Investments in standard money-market mutual funds denominated in euros and repayable on demand (€65.6 million),
- Capital-guaranteed negotiable certificates of deposit repayable on demand whose maturities do not exceed 3 months (€36 million).

These investments are held in order to meet day-to-day funding requirements; there is no counterparty risk.

##### **Bank credit agreements**

At 31 December 2008 the Group had total credit facilities of €53 million available from its banks to meet the funding requirements of its businesses.

The agreements include customary covenants and clauses for accelerated repayments, which are set out in note 7.3.

The Group is currently in compliance with these covenants and intends to remain so.

##### **Commercial credit risk**

Commercial credit risk has not changed since 30 June 2008. There were no significant past-due receivables not written down.

##### **Market risks**

###### **Interest-rate risks**

The Group has medium-term funding sources which carry interest based on Euribor, and it invests its available cash in investments that earn interest at variable short-term rates (Eonia and Euribor). In this context, the Group is subject to changes in variable rates and examines this risk regularly.

As of the date of this report, the Group has not implemented any interest-rate hedging instruments. An increase in interest rates of 1%, at constant debt levels, would lead to an increase in interest income of around €0.6 million.

Using an integrated IT system, the Finance Department tracks the Group's treasury on a daily basis. A weekly report of net treasury is prepared and used to track changes in debt and invested cash balances.

### 4.7.3 Net cash and cash equivalents

Net cash and cash equivalents include cash and cash equivalents, financial debt and player registration receivables and payables. Net cash and cash equivalents totalled €51.412 million at 31 December 2008, compared with €87.811 million at 30 June 2008.

## 5 - Notes to the income statement

### 5.1 Breakdown of revenue from businesses

#### 5.1.1 Breakdown of operating revenue by category

(in thousands of euros)	31/12/08	31/12/07
LFP - FFF media rights	24,555	23,068
UEFA media rights	20,589	24,381
Ticketing	11,754	11,774
Partnerships - Advertising	10,336	10,511
Brand-related revenue <sup>(1)</sup>	18,795	22,574
<b>Revenue (excl. player trading)</b>	<b>86,029</b>	<b>92,308</b>
<b>Revenue from sale of player registrations <sup>(2)</sup></b>	<b>14,413</b>	<b>32,254</b>
<b>Revenue from businesses</b>	<b>100,442</b>	<b>124,562</b>

<sup>(1)</sup> Brand-related revenue:

(in thousands of euros)	31/12/08	31/12/07
Merchandising revenue	7,146	7,609
Revenue related to image rights	1,497	2,326
Contract signing fees	7,000	7,000
Other	3,150	5,639
<b>Brand-related revenue</b>	<b>18,793</b>	<b>22,574</b>

<sup>(2)</sup> Proceeds from sale of player registrations:

(in thousands of euros)	31/12/08	31/12/07
Milan Baros	4,738	
Hatem Ben Arfa	1,000	
Grégory Coupet	1,581	
Diarra Alou (solidarity tax)	266	7,438
Florent Malouda	830	18,978
Giuly	99	136
Jérémy Berthod		2,438
Sylvain Willtord		1,620
Damien Plessis	200	500
Gregory Bettiol		294
Rémy Riou		800
Squillaci	5,648	
Miscellaneous	52	50
<b>Proceeds from sale of player registrations</b>	<b>14,413</b>	<b>32,254</b>

### 5.1.2 Breakdown of operating revenue by company

(in thousands of euros)	31/12/08	31/12/07
Olympique Lyonnais Groupe and other	159	66
Olympique Lyonnais SASP	88,950	111,328
OL Merchandising	5,945	6,451
M2A	1,202	1,158
OL Voyages	1,886	2,133
OL Images	1,697	2,326
OL Organisation	29	251
Association Olympique Lyonnais	374	588
OL Brasserie	202	261
<b>Revenue from businesses</b>	<b>100,443</b>	<b>124,562</b>

### 5.2 Breakdown of purchases used during the period

(in thousands of euros)	31/12/08	31/12/07
External purchases for resale internally (1)	-3,744	-3,944
Other purchases used during the period	-5,291	-5,410
<b>Purchases used during the period</b>	<b>-9,035</b>	<b>-9,354</b>

<sup>(1)</sup> These are comprised mainly of travel and administrative expenses

### 5.3 Net depreciation, amortisation and provisions

(in thousands of euros)	31/12/08	31/12/07
Depreciation & amortisation of intangible assets and PP&E	-923	-1,183
Net provisions for retirement bonuses	-21	-24
Other risk provisions, net	-73	71
Net provisions on current assets	217	-19
<b>Total excluding player registrations</b>	<b>-800</b>	<b>-1,155</b>
Amortisation of player contracts	-17,511	-12,457
<b>Total player registrations</b>	<b>-17,511</b>	<b>-12,457</b>

<sup>(1)</sup> Includes €-7 thousand in other non-recurring income and expense and €40 thousand in reversals of financial provisions, bringing total net depreciation, amortisation and provisions from operations to €-833 thousand.

### 5.4 Personnel costs

(in thousands of euros)	31/12/08	31/12/07
Payroll	-34,090	-31,364
Social security charges	-10,227	-9,330
Profit-sharing and incentive schemes	-162	-131
Collective image rights (1)	-9,610	-7,807
Stock-option plan expenses (2)	-96	0
<b>Total</b>	<b>-54,185</b>	<b>-48,632</b>

<sup>(1)</sup> Special legislation was introduced by the French government in 2004 on collective image rights for players who are members of a professional sports club. Under this law, French football clubs are exempt from payroll taxes on a portion of players' remuneration.

<sup>(2)</sup> The stock option plan introduced on 20 November 2007 comes within the scope of IFRS 2.



This plan relates to 194,640 options granted to management-level employees of the Company. These options may be exercised from 1 January 2012 until 20 November 2015.

The terms and conditions of the plan are as follows:

- The exercise price is €18.13.
- The number of options granted is determined by performance of the share price and the profitability of the Group's ordinary activities.
- Beneficiaries must have at least four years of employment service to be eligible.
- There is no required holding period.

The calculations take into account the following parameters: the maturity of the options, volatility and dividend payout.

The amount taken to the income statement, spread out over the vesting period (from 20 November 2007 to 31 December 2011), will be adjusted according to the extent to which the objectives above are attained and whether plan beneficiaries are still employed by the Company on the closing date.

## 5.5 Net financial income / (expense)

(in thousands of euros)	31/12/08	31/12/07
Revenue from cash and cash equivalents	1,886	3,067
Interest on credit facilities	-939	-747
Discounting of player registration liabilities	-913	-644
Discounting of player registration receivables	822	537
<b>Net cost of financial debt</b>	<b>856</b>	<b>2,213</b>
Financial provisions net of writebacks	40	19
Other financial expenses and revenue	-37	-59
<b>Other financial expenses and revenue</b>	<b>3</b>	<b>-40</b>
<b>Net financial income / (expense)</b>	<b>859</b>	<b>2,173</b>

## 5.6 Taxes

### Breakdown of income tax

(in thousands of euros)	31/12/08	31/12/07
Current tax payable	-235	-11,914
Deferred taxes	1,454	373
<b>Total corporate income tax</b>	<b>1,219</b>	<b>-11,541</b>

### Reconciliation of tax charge

(in thousands of euros)	31/12/08	%	31/12/07	%
<b>Pre-tax profit</b>	<b>(3,641)</b>		<b>33,029</b>	
Tax at the standard rate	1,254	34.43%	-11,372	-34.43%
Effect of permanent differences	179	4.92%	-258	-0.78%
Tax credits	55	1.51%	120	0.36%
Other	-269	-7.39%	-31	-0.09%
<b>Corporate income tax</b>	<b>1,219</b>	<b>-33.48%</b>	<b>-11,541</b>	<b>-34.94%</b>

## 6 - Employees

The average number employees in the Group, broken down by company, was as follows:

	31/12/08	31/12/07
Olympique Lyonnais Groupe	41	40
OL Merchandising <sup>(1)</sup>	26	37
Olympique Lyonnais SASP	49	42
OL Voyages	9	9
OL Association	59	64
OL Organisation	19	18
OL Images	20	21
M2A	9	10
OL Brasserie	6	12
Foncière du Montout	1	0
<b>Total</b>	<b>239</b>	<b>253</b>

## 7 - Off balance sheet commitments

Only off balance sheet commitments that have changed significantly are shown below:

### 7.1 Commitments received

(in thousands of euros)	Less than 1 year	1 to 5 years	Over 5 years	Total
Contingent commitments related to the sale of player registrations	6,150	7,700		13,850

**Commitments received comprise:**

- **bank lines of credit (see note 7.3)**
- **Earn-out commitments received on the sale of player registrations**, for a total of €13.9 million. Certain transfer contracts provide for additional payments to the club after the transfer, contingent upon performance.

### 7.2 Commitments given

(in thousands of euros)	Less than 1 year	1 to 5 years	Over 5 years	Total
Commitments related to the acquisition of player registrations	4,200	3,050		7,250
Guarantees related to the acquisition of player registrations	20,566	11,242		31,808
Commitments under player contracts contingent on the player remaining with the club.	21,758	42,119		63,877

**Commitments given comprise:**

- **Commitments related to the acquisition of player registrations**, totalling €7.3 million. They correspond to commitments made to selling clubs in the event of the player is transferred again.

- **Commitments under player contracts** totalling €63.9 million. These sums comprise additional remuneration to be paid in the future. They are typically contingent on the player remaining with the club.
- **Commitments in relation to property projects:**  
At 31 December 2008 commitments in relation to the construction of the new stadium were €431 thousand.

### 7.3 Bank facilities and covenants

(in thousands of euros)	until 31/12/2008	until 30/6/2009	until 30/6/2010
Bank facilities, amount available	53,000	47,666	25,666
of which used (1)	53,000		

(1) of this amount, guarantees given on the acquisition of player registrations accounted for €12,164 thousand and drawdowns the remaining €40,836 thousand.

#### **OL Groupe has financing available to it through agreements with its banking partners:**

These agreements, covering an overall amount of €53 million, include, in addition to customary commitments in this type of contract, accelerated maturity clauses and covenants, including:

- OL Groupe must at all times hold the majority of the equity and voting rights in shareholders' meetings of SASP Olympique Lyonnais
- The majority shareholders of OL Groupe must hold more than 50.01% of the voting rights.
- The Group must maintain the following financial ratios:
  - Adjusted net debt to equity less than 0.5;
  - Adjusted debt to EBITDA less than 2.0.
  - Other ratios calculated with regard to sporting activities.
- The Group must notify the bank of any event that might have a material adverse effect on the business, assets or economic and financial position of OL Groupe and its subsidiaries.

#### **Bank loans to finance the construction of OL Store**

On 30 June and 3 July 2003, SCI Megastore Olympique Lyonnais obtained two 15-year loans of €1 million each from Credit Lyonnais and Banque Rhône-Alpes, to finance the construction of OL Store. These loans are repayable in quarterly instalments, and the interest rates are 4.90% and 4.70% p.a. respectively.

The customary events of default are included in the loan agreement.

### Bank loans to finance the construction of the training academy

On 21 December 2008, Olympique Lyonnais Association took out a 10-year, €3 million loan from BNP as part of the financing of the construction of the training academy. This borrowing will be repaid in monthly instalments and carries a variable interest rate based on 1-month Euribor.

The customary events of default are included in the loan agreement.

### 8 - Related parties

OL Groupe is fully consolidated by the ICMI group (52, quai Paul Sédallian, 69009 Lyon) and accounted for by the equity method by Groupe Pathé (2 rue Lamennais, 75008 Paris).

Details of the relationship between OL Groupe and ICMI, Pathé and their subsidiaries from 1 July to 31 December were as follows:

(in thousands of euros)	31/12/08	31/12/07
<b>Receivables</b>		
Accounts receivable (gross value)	147	4
<b>Total</b>	<b>147</b>	<b>4</b>
<b>Liabilities</b>		
Operating liabilities	492	1,039
<b>Total</b>	<b>492</b>	<b>1,039</b>

(in thousands of euros)	31/12/08	31/12/07
<b>Accounts payable</b>		
Recharges of management fees	376	439
Other external expenses	613	534
<b>Total</b>	<b>989</b>	<b>973</b>
<b>Operating revenue</b>		
General and administrative expenses	43	-
<b>Total</b>	<b>43</b>	<b>-</b>

### 9 - Senior management remuneration

Remuneration paid to the four members of senior management totalled €284 thousand in H1 2008/09. The Chairman and Chief Executive Officer is not paid directly by OL Groupe. The amounts billed by ICMI to OL Groupe include the services of the Chairman and Chief Executive Officer.

## **Certification of the person responsible for the interim financial**

I hereby certify, that to the best of my knowledge the condensed financial statements for the previous half year have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the management report presents a true and fair picture of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the principal transactions between related parties, as well as a description of the principal risks and uncertainties to which they are exposed for the remaining six months of the year.

**Jean-Michel Aulas**  
**Chairman and CEO**

**Statutory**  
**Auditors' report on the financial**  
**information for the interim period**  
**from 1 July 2008 to 31 December 2008.**

**ORFIS BAKER TILLY SA**

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To shareholders,

In compliance with the terms of our appointment by you in your shareholders meeting and pursuant to Articles L.232-7 of the French Commercial Code and L.451-1-2 III of the Monetary and Financial Code, we have:

- conducted a limited examination of the condensed consolidated financial statements of Olympique Lyonnais Groupe SA, covering the period from 1 July to 31 December 2008, as attached to this report;
- verified the information disclosed in the management report on the first half of the year.

Preparation of these first-half condensed consolidated financial statements is the responsibility of the Board of Directors. Our responsibility is to express a conclusion about these financial statements based on our limited review.

**I - Conclusion about the financial statements**

We conducted our limited examination in accordance with French professional standards. A limited examination of interim financial statements consists in obtaining information from the senior managers responsible for accounting and financial matters and analysing it. An examination of this type is less extensive than that required for an audit performed in accordance with French professional standards. As a result, a limited examination can provide only a moderate level of assurance that the financial statements taken together do not include any significant anomalies, less than that which would be obtained from an audit.

Based on our limited examination, nothing has come to our attention that would cause us to question the compliance, in all significant respects, of the condensed consolidated first-half financial statements with IAS 34 "Interim financial reporting", as adopted by the European Union.

## **II - Specific verification**

We have also examined the information contained in the management report on the condensed consolidated first-half financial statements that were the subject to our limited review.

We have no observations to make as to the fairness of this information or its consistency with the condensed consolidated first-half financial statements.

Villeurbanne and Lyon, 18 February 2009

Orvis Baker Tilly

Cogeparc

**Michel Champetier**

**Stéphane Michoud**