



OLYMPIQUE
LYONNAIS



OL GROUPE

**FIRST-HALF FINANCIAL
REPORT 2010/11**

23 February 2011



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Management report on the first half of 2010/11

1-1 Revenue from businesses

In the first half of the 2010/11 financial year, ended 31 December 2010, revenue from businesses excluding player trading totalled €79.9 million and revenue from the sale of player registrations totalled €5.3 million.

Revenue from all businesses thus totalled €85.2 million, representing a decline of 5.2% from the €89.9 million achieved in the first half of the previous year.

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

In € m	1 st half 2010/11	1 st half 2009/10	Change € m	% change
Ticketing	10.0	11.4	-1.4	-12.3%
Sponsoring - Advertising	12.4	7.8	4.6	59.5%
Media rights	40.8	38.4	2.4	6.3%
Brand-related revenue	16.7	17.8	-1.1	-6.6%
Revenue from businesses, excluding player trading	79.9	75.4	4.5	6.0%
Revenue from sale of player registrations	5.3	14.5	-9.2	-63.1%
Total revenue from businesses	85.2	89.9	-4.7	-5.2%

- Ligue 1 ticketing revenue was stable but Champions League revenue was down, because in H1 2009/10, OL earned revenue from the preliminary round of the Champions League and also faced higher-drawing teams, such as Liverpool.
- Revenue from sponsoring and advertising totalled €12.4 million, up sharply (+59.5%) compared to the year-earlier period. The online betting law was passed, enabling the club to display the BetClic brand on the team's shirts, and new partnership contracts signed with adidas, Groupama, MDA, Araldite, Keolis and Renault Trucks all contributed to this significant increase.

- Media rights totalled €40.8 million. They included domestic rights (LFP, FFF) of €22.6 million, up €2.4 million from H1 2009/10, with OL in 4th place in Ligue 1 (vs. 6th place at 31 December 2009). International rights (UEFA) totalled €18.2 million, the same as in H1 2009/10. The revenue earned from the club's participation in the preliminary round was offset by its better Ligue 1 finish than in the previous season (2nd at 30 June 2010 vs. 3rd at 30 June 2009).
- Brand-related revenue totalled €16.7 million, down 6.6%. Derivative products were impacted by the change in kit manufacturer and late, gradual ramp-up of the adidas contract. In addition, there were no tournament revenues this year, which held back this revenue line (World Cup in South Africa).
- Revenue from the sale of player registrations totalled €5.3 million, against the background of a particularly sluggish summer trading window. It derived from three player transactions – Bodmer (PSG), Piquionne (West Ham) and Boumsong (Panathinaikos) – plus incentives. These transfers represented €14.5 million at 31 December 2009. Separately, Mensah, Tafer and Abenzoar were loaned to Sunderland, Toulouse and Arles Avignon respectively.

1-2 Components of net profit

Simplified, consolidated 1st-half income statement (from 1 July to 31 December)

In € m	1 st half 2010/11	1 st half 2009/10	Change € m
Revenue from businesses	85.2	89.9	-4.7
<i>EBITDA, excl. player trading</i>	<i>11.3</i>	<i>9.9</i>	<i>1.4</i>
<i>Gross profit (EBITDA) on player trading</i>	<i>2.0</i>	<i>3.7</i>	<i>-1.7</i>
Total EBITDA	13.3	13.6	-0.3
<i>Profit from ordinary activities, excl. player trading</i>	<i>9.6</i>	<i>4.0</i>	<i>5.6</i>
<i>Loss from ordinary activities, player trading</i>	<i>-19.6</i>	<i>-16.8</i>	<i>-2.8</i>
Total loss from ordinary activities	-10.0	-12.8	2.8
Net financial expense	-0.3	-0.4	0.1
Net loss, Group share	-6.7	-8.7	2.0

Good performance in revenue from businesses (excluding player trading) led to an increase of 14% (€1.4 million) in EBITDA, even though collective image rights were eliminated as of 1 July 2010 (negative impact of €2.2 million).

Profit from ordinary activities (excl. player trading) was €9.6 million, up €5.6 million (140%) on the previous year, boosted by the increase in EBITDA excluding player trading. In H1 2009/10, it reflected the impact of the early cancellation of the Umbro contract (€4 million paid in compensation) so as to implement a new partnership agreement with adidas from 1 July 2010.

Gross profit (EBITDA) on player trading totalled €2.0 million compared with €3.7 million in the year-earlier period. Due to the sluggish summer trading window, no significant transfer was made during the period.

The loss from ordinary activities, player trading reflected the lacklustre summer trading window. No significant transfer was made during the period.

The loss from ordinary activities was down €2.8 million.

Net financial expense was €0.3 million, the same as in the previous year.

Net loss, Group share, was €6.7 million, down €2 million.

1-3 Balance sheet

On 28 December 2010, OL Groupe issued a net amount of €23.4 million in OCEANE bonds. The issue was fully subscribed, and the 3,310,321 bonds issued at €7.26 each (conversion premium of 20%) bear interest at a fixed rate of 7% p.a. The bonds have a term of five years and a maturity date of 28 December 2015.

The subscription applications took place in three stages:

- As part of the priority period, a number of shareholders, including ICMI and Pathé subscribed up to their level of ownership, i.e. 71.3% of the total transaction,
- Investors who were part of the private placement and public offering, including bond funds, represented 11.4% of the total transaction,
- Lastly, and in line with their commitments, ICMI and Pathé took up the remaining 17.3% in equal amounts.

As a result, OL Groupe's financial capacity has been strengthened, thereby consolidating OL's position as a leading European club in terms of financial resources and putting the club in a more competitive position for future football competitions.

At 31 December 2010, the Group share of equity totalled €122.8 million (€127.5 million at 30 June 2010).

Player investments during the first half of the year totalled €23.0 million (€76.5 million during the first half of 2009/10), the majority of which related to Yoann Gourcuff's contract (€22.3 million).

The intangible asset item "Player registrations" totalled €119.4 million at 31 December 2010, compared with €121.5 million at 30 June 2010, which included €1.7 million in player registrations held for sale. The market value of the Club's players, according to the www.transfermarkt.de website, was €202.1 million at 31 December 2010, and the potential capital gain was estimated at €82.7 million. We note that [transfermarkt.de](http://www.transfermarkt.de) does not value OL's young players to the same extent that the club does. The potential capital gain might therefore be nearly €20 million higher.

Property, plant and equipment totalled €24.0 million, vs. €19.9 million at 30 June 2010. Property, plant and equipment included expense commitments for Foncière du Montout for the new stadium project (€11 million), the new training academy, the training grounds, the head office and the OL Store.

Cash totalled €53.6 million (including mutual funds pledged in support of guarantees on player acquisitions totalling €10.1 million, classified in financial assets).

Net financial debt corresponding to drawdowns under the medium-term lines of credit totalled €45.4 million.

After subtracting financial debt, net cash stood at €8.2 million (excl. pledged mutual funds).

1-4 First-half highlights

The 1st half of the 2010/11 financial year was characterised by several significant events.

Transfers and temporary loans of players to and from OL

During the period, Olympique Lyonnais acquired one new player for a total of €22.3 million:

- 25-year-old French international Yoann Gourcuff from Bordeaux FC signed a five-year contract.

Pape Diakhaté was loaned by Dynamo Kiev to Olympique Lyonnais for the 2010/11 season with an option to buy for €6 million.

In addition, five young players from the training academy, Ishak Belfodil, Alexandre Lacazette, Mathieu Gorgelin, Anthony Lopes et Jérémy Pied, signed their first professional contracts with OL.

During the summer transfer window, Olympique Lyonnais also transferred out the following players:

- Mathieu Bodmer to PSG for €2.5 million
- Frédéric Piquionne to West Ham for €1.1 million
- Jean Alain Boumsong to Panathinaikos for €0.5 million
- Other player revenue (€1.2 million)

At the same time, Olympique Lyonnais loaned the following players out for the 2010/11 season:

- John Mensah to Sunderland with an option to buy for €5.5 million.
- Yannis Tafer to Toulouse with an option to buy for €4 million
- Loïc Abenzoar to Arles Avignon

OL also extended players' contracts during the period, such as Anthony Reveillere's and Cris' contracts.

Sponsorship contracts

adidas

On 12 February 2010 SASP Olympique Lyonnais and adidas signed a sponsorship agreement for ten football seasons, i.e. from 1 July 2010 until 30 June 2020. The contract follows the overall terms of the framework agreement signed on 7 August 2009. Under the contract, adidas pays a basic fee, plus royalties based on sales of products carrying the Olympique Lyonnais and adidas brand names, to SASP Olympique Lyonnais for every football season during which Olympique Lyonnais plays in the French Ligue 1. The minimum amount of royalties adidas pays to SASP Olympique Lyonnais can be adjusted based on product sales and on Olympique Lyonnais' results in French and/or European competitions.

Mangas Gaming - BetClic – Everest Poker

Because the online gaming law came into effect later than anticipated, Olympique Lyonnais and Mangas Gaming decided to sign a new contract dated 1 July 2010. The contract covers three seasons, and Mangas Gaming will have an option to terminate the contract after the first season, i.e. at 30 June 2011. With its BetClic and Everest Poker brands, Mangas Gaming is now one of the club's major sponsors. The BetClic brand now appears on the front of players' shirts during home championship and European matches, while the Everest brand appears on the shirt front during Ligue 1 away matches. Both brands are "major partners" of Olympique Lyonnais and also appear on various club communication media. The agreement also provides for the brands to be included in public relations events at various competitions. The two brands have an exclusivity in the online gaming, sports betting and online poker segments.

Groupama

On 8 June 2010, SASP Olympique Lyonnais signed a sponsorship agreement with Groupama, making Groupama an official sponsor for the next three football seasons. Groupama enjoys various advantages, including the right to: i) use the Club's name, its insignia and the title "Official Partner of Olympique Lyonnais", ii) display the Groupama insignia on the back of players' shirts for Ligue 1 matches, and iii) participation in public relations operations. Groupama enjoys an exclusivity in the field of insurance.

Huntsman group – Araldite brand

On 2 August 2010, SASP Olympique Lyonnais and Huntsman signed a sponsorship agreement aimed at bringing additional value to the Araldite brand. The contract is to run for three football seasons. Huntsman has the option to terminate the contract at the end of the first year, i.e. at 30 June 2011. The Araldite brand will appear on players' shirtsleeves during French Ligue 1 matches. In addition, the contract calls for the brand to appear on club media and for a box to be made available in the Gerland stadium for public relations purposes during Ligue 1 matches.

Contract with MDA

After an initial year of sponsoring, MDA signed a new contract with SASP Olympique Lyonnais on 6 July 2010 for one football season. The new contract provides for greater media exposure. The MDA brand will appear in the breast pocket position of players' home shirts and the LG brand will appear in the same spot on the away shirts. MDA will be able to use OL insignia and the title "official sponsor". It will also obtain public relations benefits during Ligue 1 matches and visibility on club media.

Keolis and Renault Trucks

Olympique Lyonnais SASP signed two separate contracts with Keolis and Renault Trucks, authorising both companies to display their brands on the players' shorts during Ligue 1 matches. Under the two one-year contracts, Keolis will appear on the players' shorts during Ligue 1 home matches, and Renault Trucks during away matches.

New stadium project - "Stade des Lumières"

Olympique Lyonnais has decided to build a new, 58,000-seat stadium, to be financed with private funds and meeting international standards. A one-of-a-kind situation in France but one of several like it elsewhere in Europe, the stadium will enable the Lyon area to host premium international competitions such as the Euro 2016.

All cities that have had the opportunity to host international competitions such as the World Cup or European Cup have experienced a very positive impact from them, economically and in terms of the city's overall image. This new sports stadium will be a model at the European level and exemplary in sustainable development terms. It will become Lyon's "Stade des Lumières" ("Stadium of Light") to be used for domestic and international events.

On 28 October 2010, the Board of Directors of OL Groupe decided to interview potential general contractors for the design and construction phase of the project. Two construction companies (GFC and Vinci) have been shortlisted and a decision will be taken in the 2nd quarter of this year. The selected group of companies will work on the project alongside Olympique Lyonnais, the architectural firm Populous, the urban planning firm Buffi and the engineering firms E2CA and Ingerop.

Club deal project

A club-deal type banking pool is currently being set up and should be finalised in the near future.

1-5 Principal transactions with related parties

The principal transactions with related parties are shown in Note 8 to the consolidated first-half financial statements 2010/11, found on page 40 of this report.

1-6 Football results as of 31 December 2010

▪ Men's team:

- 4th place in the Ligue 1 standings.
- Qualified for the UEFA first knockout round. OL will face Real Madrid in the Champions League (on 22 February 2011 in Lyon and on 16 March in Madrid).

▪ Women's team:

- 1st place in the French Division 1 championship,
- Qualified for the UEFA quarter finals Women's Cup against Zvezda (Russia).

1-7 Events since 1 January 2011

Player transfers

During the winter trading window, OL transferred Cameroonian international Jean II Makoun to English club Aston Villa for €6 million plus incentives of a maximum of €3 million (French GAAP).

As of 31 January 2011, there were 26 players on the professional squad, compared with 28 the previous year.

1-8 New stadium – "Stade des Lumières"

In accordance with the schedule, the construction permit application for the future stadium was filed on 18 January 2011, along with all regulatory information (impact study, compliance with water laws, environmental protection classified structure, public comment, public safety and security). In all, documents comprising more than 5,300 pages were filed with the various authorities, including the Décines municipal government, Rhône Territorial Unit, the regional planning, environment and housing authority (DREAL), certain decentralised state environmental administrations (DDT) and the Rhône préfecture. The construction permit is expected to be delivered in September 2011.

On 28 January 2011 the Stade des Lumières Sponsorship Committee was formed. Numerous individuals representing the economic vitality of Lyon and its surrounding region have signed on to the project and economic momentum it brings with it. They include the presidents of chambers of commerce and of the industry bodies representing large employers (Medef), SME employers (CGPME) and the construction, tourism and hospitality industries, executives of Lyon's principal companies, university presidents, and representatives of Lyon's cultural, sports and other associations. They join the 74% of the residents of the Lyon urban area who are favourable to the new stadium project (IPSOS October 2009 survey).

The FFF will choose the nine winning cities for the Euro 2016 before 27 May 2011.

Several private investors including OL Groupe will share a total capital budget of €450 million. OL Groupe's share will be up to a maximum of €300 million. The investment bank Lazard and the law firm White & Case are now preparing the financing strategy. Contact has been made with large international sponsors with an eye towards naming rights, which will contribute to financing the stadium. The updated overall cost of the stadium itself will be announced in a press release after the main construction company is selected and the financing structure has been set.

Schedule

Start of public comment period	20 April 2011
Contractor selection	2 nd quarter of 2011
Construction permit	September 2011
Acquire land	During 2011
Start of construction	4 th quarter of 2011
Planned delivery of stadium	December 2013

1-9 Description of principal risks and uncertainties for the remaining six months of the financial year

Apart from the risks indicated in the "management report" on pages 34-43 of the 2009/10 Reference Document, available online at www.olweb.fr, the Company has identified the following risks:

- The risk related to a lack of harmonisation of online gaming rules in European countries, were the club to display its sponsors' brands in the countries concerned.
- The risk related to any bets placed on the result of OL matches on sites other than BetClic, which have not been approved by French online gaming regulatory agency ARJEL or which do not adhere to the regulations.

1-10 Player roster and football results as of 23 February 2011

Following the transfer of Jean II Makoun to English club Aston Villa on 17 January for €6 million plus incentives of a maximum of €3 million, the professional squad was composed of 26 internationals as of 31 January 2011 (28 at 31 January 2010).

▪ **Men's team:**

- 4th place in Ligue 1 with 41 points.
- Qualified for the first knockout round of the UEFA Champions League. OL faced Real Madrid on 22 February 2011 in Lyon (score 1-1). The return match is scheduled to be held in Madrid on 16 March 2011.
- Coupe de la Ligue: OL lost against PSG in the round of 16
- Coupe de France: OL lost against Nice in the round of 32

▪ **Women's team:**

- 1st place in the French Ligue 1.
- Qualified for the UEFA quarter-finals Women's Cup against Zvezda

1-11 Medium- and long-term outlook

Now in 5th place after a difficult first half of the season on the pitch, the club is still aiming to finish the French championship as one of the top three Ligue 1 teams.

The winter trading window was very active in Europe, indicating a possible future recovery in this market (€456 million compared with €119 million last year).

Integrating young, talented players into the team remains one of OL's permanent objectives and this season is no exception, with the arrival of players such as Pied, Lacazette and Grenier, who have already played with the professional team during the first half of the season.

UEFA is in the process of implementing the Financial Fair Play rules. These will change the economic structure of European football and should enable the best-managed clubs to emerge and use their equity base to pursue their investments, in particular with regard to recurrent-revenue-generating sporting facilities.

OL Groupe's top management has been strengthened. Emmanuelle Sarrabay has been appointed Finance Director, and a marketing director will soon be hired, with a dual remit: develop the brand by leveraging all of OL's domestic and international components including the club's emblematic players, and bring to fruition the Stade des Lumières, by working with the employees and other participants already involved in OL Groupe's major project.

As of 23 February 2011, there was no dispute involving OL Groupe that could jeopardise the business or the objectives the Group has set for the 2010/11 financial year.

Consolidated first-half financial statements

2-1 Consolidated first-half financial statements - Income statement

(in € 000)	Notes	1 st half 2010/11	% of rev.	1 st half 2009/10	% of rev.
Revenue from businesses	5.1	85,232	100%	89,858	100%
Revenue from businesses (excl. player trading)	5.1	79,896	94%	75,379	84%
Purchases used during the period	5.2	-8,810	10%	-8,534	9%
External costs		-8,148	10%	-8,091	9%
Taxes other than income taxes		-1,994	2%	-1,516	2%
Personnel costs	5.5	-49,645	58%	-47,317	53%
EBITDA (excl. player trading)		11,298	13%	9,920	11%
Net depreciation, amortisation and provisions	5.3	-375	0%	-1,165	-1%
Other ordinary income and expenses		-1,321	-2%	-4,745	-5%
Profit from ordinary activities, excl. player trading		9,603	11%	4,010	4%
Proceeds from sale of player registrations	5.1	5,337	6%	14,479	16%
Residual value of player registrations	5.4	-3,302	-4%	-10,789	-12%
Gross profit (EBITDA) on player trading		2,034	2%	3,691	4%
Net depreciation, amortisation and provisions	5.3	-21,662	-25%	-20,452	-23%
Loss from ordinary activities (player trading)		-19,628	-23%	-16,762	-19%
Total EBITDA		13,332	16%	13,611	15%
Total loss from ordinary activities		-10,026	-12%	-12,752	-14%
Other non-recurring operating income and expense					
Operating loss		-10,026	-12%	-12,752	-14%
Net financial expense	5.6	-331	0%	-383	0%
Pre-tax loss		-10,357	-12%	-13,135	-15%
Tax expense	5.7	3,535	-4%	4,478	-5%
Share in net profit of associates	4.1.5	13	0%	4	0%
Net loss		-6,808	-8%	-8,654	-10%
Net loss attributable to equity holders of the parent		-6,721	-8%	-8,716	-10%
Net loss attributable to non-controlling interests		-87		63	
Earnings per share		-0.52		-0.68	
Diluted earnings per share		-0.52		-0.68	
STATEMENT OF RECOGNISED PROFIT (in € 000)		1st half 2010/11		1st half 2009/10	
Profit/loss recognised directly in equity		0		0	
Total recognised loss		-6,808		-8,654	
Total recognised loss attributable to equity holders of the parent		-6,721		-8,716	
Total recognised profit/loss attributable to non-controlling interests		-87		63	

2-2 Consolidated first-half financial statements - Balance sheet

Assets

Net amount (in € 000)	Notes	31/12/10	30/06/10
Intangible assets			
Goodwill	4.1.1	2,221	2,221
Player registrations	4.1.2	119,432	119,845
Other intangible assets	4.1.2	714	754
Property, plant and equipment	4.1.3	24,055	19,903
Other financial assets	4.1.4	674	5,436
Receivables on sale of player registrations (portion > 1 year)	4.2	2,852	12,548
Investments in associates	4.1.5	495	481
Deferred taxes	4.3	18,690	16,265
Non-current assets		169,131	177,453
Inventories	4.2	752	379
Trade receivables	4.2 & 4.7	28,767	12,946
Receivables on sale of player registrations (portion < 1 year)	4.2 & 4.7	17,872	26,896
Player registrations held for sale	4.2 & 4.7		1,699
Other current financial assets	4.2 & 4.7	10,103	4,750
Income tax receivable	4.2	308	875
Other current assets, prepayments and accrued income	4.2 & 4.7	21,134	12,493
Cash and cash equivalents			
Marketable securities	4.2 & 4.7	44,174	45,457
Cash	4.2 & 4.7	401	326
Current assets		123,512	105,822
TOTAL ASSETS		292,643	283,275

Equity & Liabilities

Net amount (in € 000)	Notes	31/12/10	30/06/10
Share capital	4.4	20,127	20,127
Share premiums	4.4	102,865	102,865
Reserves	4.4	4,433	39,899
Other equity	4.4	2,054	
Net loss for the period		-6,721	-35,352
Equity attributable to equity holders of the parent		122,757	127,538
Non-controlling interests		2,994	3,241
Total equity		125,751	130,779
OCEANE bonds (portion > 1 year)	4.6 & 4.7	20,246	
Borrowings and current financial liabilities (portion > 1 year)	4.6 & 4.7	7,501	25,371
Liabilities on acquisition of player registrations (portion > 1 year)	4.6 & 4.7	9,136	15,360
Deferred taxes	4.3	57	23
Provision for pension obligations	4.5.1	762	712
Non-current liabilities		37,701	41,467
Provisions (portion < 1 year)	4.5.2	206	950
Financial liabilities (portion < 1 year)			
Bank overdrafts	4.6 & 4.7	1,106	9,732
Other borrowings and financial debt	4.6 & 4.7	17,603	4,849
Trade accounts payable & related accounts	4.6 & 4.7	12,081	11,112
Tax and social security liabilities	4.6	35,809	31,067
Liabilities on acquisition of player registrations (portion < 1 year)	4.6 & 4.7	43,982	39,415
Income tax payable	4.6	-	60
Other current liabilities, deferred income and accruals	4.6 & 4.7	18,404	13,845
Current liabilities		129,191	111,029
TOTAL EQUITY AND LIABILITIES		292,643	283,275

2-3 Consolidated first-half financial statements - Cash flow statement

(in € 000)	31/12/10	31/12/09
Net loss	-6,808	-8,654
Share in net profit of associates	-13	-4
Depreciation, amortisation & provisions	21,994	21,508
Other non-cash income and expenses	-78	-380
Capital gains on sale of player registrations	-2,034	-3,691
Capital gains on sale of other non-current assets		10
Tax expense	-3,535	-4,478
Pre-tax cash flow	9,525	4,312
Tax paid	586	3,309
Change in trade and other receivables	-20,488	-18,967
Change in trade and other payables	5,937	2,625
Change in working capital requirement	-14,551	-16,342
Net cash from operating activities	-4,440	-8,721
Acquisition of player registrations net of change in liabilities	-24,511	-47,959
Acquisition of other intangible assets		-32
Acquisition of property, plant & equipment	-5,139	-593
Acquisition of non-current financial assets	-571	-261
Sale of player registrations net of change in receivables	24,057	35,998
Disposal or reduction in other non-current assets	529	107
Acquisition of subsidiaries net of acquired cash		
Net cash from investing activities	-5,635	-12,740
Dividends paid to equity holders of the parent		-1,811
Dividends paid to non-controlling interests	-160	-100
New borrowings	621	597
OCEANE bonds: debt component	20,246	
OCEANE bonds: equity component	3,133	
Repayment of borrowings	-5,755	-4,800
Pledged mutual funds	-553	-19,575
Shares held in treasury	-37	329
Net cash from financing activities	17,494	-25,360
Opening cash balance	36,051	102,329
Change in cash	7,419	-46,821
Closing cash balance	43,470	55,508

(in € 000)	31/12/10	31/12/09
Marketable securities	44,174	55,495
Cash	401	1,107
Bank overdrafts	-1,106	-1,094
Closing cash balance	43,470	55,508

Acquisition of player registrations net of change in liabilities

(in € 000)	31/12/10	31/12/09
Acquisition of player registrations	-22,952	-76,180
Agent payables relating to acquisition of player registrations	100	396
Player registration payables at 31/12/2010	53,118	
Player registration payables at 30/06/2010	-54,776	
Player registration payables at 30/12/2009		63,633
Player registration payables at 30/06/2009		-35,808
	-24,511	-47,959

Sale of player registrations net of change in receivables

(in € 000)	31/12/10	31/12/09
Proceeds from sale of player registrations	5,337	14,479
Player registration receivables at 31/12/2010	-20,724	
Player registration receivables at 30/06/2010	39,444	
Player registration receivables at 31/12/2009		-40,887
Player registration receivables at 30/06/2009		62,406
	24,057	35,998

Change in working capital requirement

(in € 000)	30/06/10	Changes during the period	31/12/10
Trade receivables	13,869	-15,887	29,756
Provisions for bad debts	-923	65	-989
Accruals - liabilities	-10,947	3,659	-14,605
Trade receivables	1,999	-12,164	14,162
Other receivables	11,631	-7,952	19,583
Other receivables	11,631	-7,952	19,583
Inventories	427	-358	785
Provisions on inventory	-48	-15	-33
Inventories	379	-373	752
Change in trade and other receivables		-20,488	

(in € 000)	30/06/10	Changes during the period	31/12/10
Trade accounts payable	-11,112	969	-12,081
Accruals - assets	862	-685	1,547
Trade accounts payable	-10,250	284	-10,534
Other current liabilities	-33,954	5,653	-39,607
Other liabilities	-33,954	5,653	-39,607
Change in trade and other payables		5,937	

2-4 Consolidated first-half financial statements - Statement of changes in equity

(in € 000)	Equity attributable to equity holders of the parent							non-controlling interests	Total equity
	Share capital	Share premiums	Treasury shares	Reserves and retained earnings	Other equity	Profit/loss recognised directly in equity	Total Group share		
Equity at 30/06/2009	20,127	102,865	-5,011	47,049		-315	164,715	3,113	167,828
Net profit/loss for the period				-8,716			-8,716	63	-8,653
Dividends				-1,811			-1,811	-100	-1,911
Treasury shares			329			-281	48		48
Share-based payments						28	28		28
Equity at 31/12/2009	20,127	102,865	-4,682	36,522		-568	154,264	3,076	157,340
Equity at 30/06/2010	20,127	102,865	-4,710	9,885		-628	127,538	3,241	130,779
Net loss for the period				-6,721			-6,721	-87	-6,808
Dividends								-160	-160
OCEANE bonds ⁽¹⁾					2,054		2,054		2,054
Treasury shares			-37			-104	-141		-141
Share-based payments						28	28		28
Equity at 31/12/2010	20,127	102,865	-4,747	3,164	2,054	-705	122,758	2,994	125,751

(1) Allocation of OCEANE bonds to debt and equity components (see Note 2.10)

2-5 Consolidated first-half financial statements – Total earnings per share

	31/12/10	31/12/09
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	330,170	324,382
Pro rata number of shares to be issued (OCEANE)	73,563	
Consolidated net profit/loss		
Group share of net loss (in € m)	-6.72	-8.72
Group share of net loss (in € m)	-6.71	-8.72
Group share of net loss per share (in €) ⁽¹⁾	-0.52	-0.68
Group share of net loss per share (in €) ⁽¹⁾	-0.52	-0.68
Total recognised profit/loss		
Group share of total recognised loss (in € m)	-6.72	-8.72
Group share of total recognised loss per share (in €) ⁽¹⁾	-0.52	-0.68
Net dividend		
Total dividend (in € m)		1.85
Net dividend per share (in €)		0.14

(1) Calculated on the average number of shares in issue after deduction of treasury shares

2-6 Notes to the condensed consolidated financial statements for the first half of 2010/11

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 23 February 2011.

1- Significant events in the first half of 2010/11

1.1 Acquisitions of player registrations during the financial year

In August 2010, OL Groupe acquired Yoann Gourcuff from Bordeaux for €22.3 million plus incentives in the event of a further transfer.

1.2 Sales of player registrations during the period

In July 2010, Mathieu Bodmer was transferred to PSG, Frédéric Piquionne to West Ham and Jean Alain Boumsong to Panathinaikos for a total of €4.1 million (plus €1.2 million in incentives).

1.3 OCEANE bonds

In December 2010, OL Groupe issued €24 million in OCEANE bonds (i.e. convertible or exchangeable into new or existing shares). This issue was accompanied by a prospectus (*note d'opération*) duly certified by the Autorité des Marchés Financiers under no. 10-432 dated 9 December 2010.

1.4 New partnerships

The law on online betting was passed, enabling the club to display its sponsor BetClic on the players' shirts as of 1 July 2010.

A number of partnership agreements were also signed, such as with adidas, Groupama, Araldite, Keolis and Renault Trucks, explaining the significant increase in sponsoring and advertising revenue.

2 - Financial statements for the first half of 2010/11

2.1 Statement of IFRS compliance.

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

The standards, amendments and interpretations that the company must apply starting from the financial year beginning on 1 July 2010 had no impact on the Group's financial statements or are not applicable.

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

The accounting principles and procedures applied are identical to those used for closing the consolidated financial statements for the year ended 30 June 2010. They are detailed in Reference Document no. R.10-078. The information disclosed in the notes to the first-half 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 Group has not used accounting principles contrary to mandatory IFRS in 2010 and not yet adopted at the European level. It does not expect standards and interpretations published by IASB but not yet approved by the European Union to have a significant impact on its financial statements.

2.2 Presentation of statements

These condensed consolidated financial statements should be read in conjunction with the financial statements for the financial year ended 30 June 2010. 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.

The first-half statements of OL Groupe include the financial year's initial sales of player registrations (the summer transfer window between 1 July and 31 August) and receipts relating to the group stage of the UEFA Champions' League.

2.3 Use of estimates

In preparing the IFRS financial statements, management is required to make estimates and assumptions that affect the amounts shown in the financial statements. The key items affected by estimates and assumptions are impairment tests of intangible assets of an indefinite life, capitalisation of deferred taxes, determining the equity component of OCEANE bonds and provisions, in particular for pension commitments. These estimates are based on an assumption of continuity of operations and are calculated using information available at the time.

The estimates were calculated during the current recession, the extent and duration of which cannot be precisely determined.

Estimates may be revised if the circumstances on which they were based should change or if new information becomes available. Actual results may differ from these estimates. For the half-year financial statements, valuations have been established as if the interim period were a stand-alone period.

2.4 Revenue recognition

2.4.1 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 pro rata 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 Champions League are recognised on the basis of the revenue earned at the date of the first-half closing.

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

- Fixed rights are recognised proportionately to the matches played as of the date of the first-half 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 2010, the Company applied a fourth-place finish), on a pro rata basis.

2.4.2 Ticketing

Receipts from ticketing are allocated for the period concerned, proportionately to the number of home matches played as of the date of first-half closing.

2.5 Personnel expenses

Expenses of football team personnel, and bonuses in particular, are recognised in accordance with league position options chosen by management.

2.6 Retirement benefit obligations

The law of 9 November 2010 on pension reform did not have a significant 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.

2.7 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.

2.8 Cash and cash equivalents and other financial assets

The line item cash and cash equivalents includes euro-denominated money-market funds when the criteria recommended by the AMF (volatility and very low sensitivity) are met.

Pursuant to the definition proposed in IAS 7, OL Groupe has excluded €10.1 million in mutual funds pledged in support of guarantees from cash and cash equivalents. These investments cannot be sold. They are classified as other current financial assets if they mature in less than one year; otherwise they are classified as other non-current financial assets.

2.9 Impairment of non-financial assets

As indicated in Note 2.7.4 to the 2009/10 financial statements, dated 30 June 2010, intangible assets with an indefinite lifetime and goodwill are subjected to impairment tests at each closing 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 first-half 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 2010 are the same as those detailed at the 30 June 2010 closing.

2.10 Allocation of OCEANE bond components

On 28 December 2010, OL Groupe carried out an OCEANE bond issue. OCEANE bonds are convertible or exchangeable into new or existing shares. The bond issuance amounted to €24,033 thousand represented by 3,310,321 bonds with a face value of €7.26 each, bearing interest of 7% p.a. Each OCEANE bond can be converted into an OL Groupe share at any time. The bonds are due to be repaid on 28 December 2015.

The bonds (ISIN code FR0010978932) have been listed on Euronext Paris since 28 December 2010.

In accordance with IAS 32, the OCEANE bond issuance is broken down into debt and equity components. The two components are valued based on the following principle:

- The debt component is valued at its fair value on the date of issue, which corresponds to the value of cash flows (including interest payments and issue costs) discounted at market rates on the issue date for similar non-convertible issues. The debt component amounts to €20,246 thousand.
- The equity component is valued by calculating the difference between the value of the OCEANE bond issue net of issue costs, and the debt component, i.e. €3,133 thousand.

Issue costs are allocated on a pro-rata across the two components, and interest accrued on the debt component is recorded on a yield-to-maturity basis including fees.

The equity component is held constant at €2,054 thousand, net of deferred taxes (€1,079 thousand), and kept in equity until the instruments mature or are converted.

3 - Scope of consolidation

Companies	Head office Company no.	Activity	Number of months consolidated	% Control 31/12/2010	% Interest 31/12/2010	% Interest 30/06/2010	
SA Olympique Lyonnais Groupe	Lyon 421577495	Holding company	6	--	--	--	--
Companies owned by Olympique Lyonnais Groupe							
SASP Olympique Lyonnais	Lyon 385071881	Sports club	6	99.99	99.99	99.99	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
SA 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
OL Images SAS	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
BS SARL	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 Foncière du Montout	Lyon 498659762	Property	6	100.00	100.00	100.00	FC
Special-purpose entities ⁽²⁾							
Association OL	Lyon 779845569	Association	6	--	--	--	FC
SCI OL	Lyon 401930300	Property	6	--	--	--	FC

FC: full consolidation

EM: 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 close their accounts on 30 June each year except for SCI OL (31 December). For this entity, financial statements have been prepared for the period from 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 € 000)	30/06/10	Increases	Decreases	31/12/10
Olympique Lyonnais Merchandising	46			46
Olympique Lyonnais SASP	1,600			1,600
M2A	355			355
OL Images	220			220
TOTAL ⁽¹⁾	2,221	0	0	2,221

(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 € 000)	30/06/10	Increases	Decreases	Sale	31/12/10
Concessions, trademarks and media rights	972				972
Amort. of concessions, trademarks and media rights	-218	-40			-258
Other intangible assets	754	-40	0	0	714
Player registrations	200,548	22,952		-12,274	211,227
Amort. of player registrations ⁽¹⁾	-80,703	-21,653		10,562	-91,795
Player registrations	119,845	1,299	0	-1,712	119,432

(1) including no depreciation at 31/12/2010 and depreciation of €2,667 thousand at 30/06/2010

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

(in € 000)	Net value at 31/12/10	Net value at 30/06/10
Contracts expiring in 2011	1,094	3,336
Contracts expiring in 2012	16,196	23,018
Contracts expiring in 2013	26,930	31,202
Contracts expiring in 2014	54,546	62,289
Contracts expiring in 2015	20,666	
Total player registrations	119,432	119,845

4.1.3 Property, plant & equipment

Movements during the period were as follows:

(in € 000)	30/06/10	Changes in scope	Increases	Decreases	31/12/10
Buildings and fixtures	17,379		2,385	-22	19,742
Work in progress: new stadium	8,375		2,575		10,950
Equipment and furniture ⁽¹⁾	3,394		179		3,573
Gross amount	29,148	0	5,139	-22	34,265
Buildings and fixtures	-6,791		-748	22	-7,517
Equipment and furniture ⁽¹⁾	-2,454		-239		-2,693
Depreciation, amortisation	-9,246	0	-987	22	-10,210
Net amount	19,903	0	4,152	0	24,055

(1) includes finance lease agreements restated in accordance with IAS 17: gross value of €1,778 thousand and depreciation of €781 thousand

4.1.4 Other financial assets and investments

Movements during the period were as follows:

(in € 000)	30/06/10	Reclassification	Increases	Decreases	31/12/10
Other non-current financial assets	636		568	-530	674
Mutual funds pledged in support of guarantees (1)	4,800	-4,800			0
Gross amount	5,436	-4,800	568	-530	674
Writedowns	0				0
Net amount	5,436	-4,800	568	-530	674

(1) See Note 4.2 Cash and cash equivalents

4.1.5 Changes in investments in associates

(in € 000)	31/12/10	30/06/10
Opening position	481	456
Dividends		
Changes in scope		
Share in net profit of associates	13	25
Closing position	495	481

4.2 Changes in current assets

Movements during the period were as follows:

(in € 000)	30/06/10	Changes in the scope of consolidation	Changes during the period	31/12/10
Inventories ⁽¹⁾	427		358	785
Provisions on inventory	-48		15	-33
Net inventories	379	0	373	752
Trade accounts receivable	13,869		15,887	29,756
Provisions for bad debts	-923		-66	-989
Net trade receivables	12,946	0	15,821	28,767
Player registration receivables ⁽²⁾	26,896		-9,024	17,872
Provisions on player registration receivables			0	
Net player registration receivables	26,896	0	-9,024	17,872
Player registrations held for sale	1,699		-1,699	0
Provisions on player registrations held for sale	0		0	0
Net player registrations held for sale	1,699	0	-1,699	0
Pledged mutual funds	4,750		5,353	10,103
Other current financial assets ⁽³⁾	4,750	0	5,353	10,103
Tax receivable on total revenue	10,804		-118	10,686
Corporate income tax receivables	898		-567	331
Other tax receivables	13		112	125
Social security receivables	109		42	151
Other current assets	705		7,920	8,625
Accruals	862		685	1,547
Total other current assets	13,391	0	8,074	21,465
Provisions on corporate income tax receivables	-23			-23
Net other assets	13,368	0	8,074	21,442

(1) Inventories related mainly to OL Merchandising and M2A.

(2) Receivables on player registrations broke down as follows:

(in € 000)	31/12/10		30/06/10	
	current	non-current	current	non-current
Receivables on sales in 2008	0		4,783	
Receivables on sales in 2009	10,707	0	15,107	10,100
Receivables on sales in 2010	4,224	2,456	7,006	2,448
Receivables on sales in 2011	2,941	396		
Player registration receivables (gross)	17,872	2,852	26,896	12,548
	20,724		39,444	

The impact of discounting on the value of player registrations was €71 thousand. The impact on financial income is shown in Note 5.6.

Unprovisioned past-due receivables on player registrations were not significant, nor were unprovisioned past-due trade account receivables.

Information on customer credit risk is provided in Note 4.7.2.

(3) See note (1) in next section

Cash and cash equivalents

Movements during the period were as follows:

(in € 000)	Historical cost at 31/12/10	Market value at 31/12/10	Historical cost at 30/06/10	Market value at 30/06/10
Units in investment and mutual funds ⁽¹⁾	44,174	44,174	45,457	45,457
Cash	401	401	326	326
Total	44,575	44,575	45,783	45,783

(1) Investments in money-market mutual funds denominated in euros or capital-guaranteed funds.

Historical cost is equal to market value, as the shares were sold then repurchased on the closing date.

Pursuant to IAS 7, the Group excluded €10,103 thousand in pledged mutual funds from this line item. Owing to their maturity date, the pledged mutual funds are classified in current financial assets.

4.3 Other movements

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

(in € 000)	30/06/10	Reclassification	Impact on profit/loss	Impact on reserves	31/12/10
Tax loss carryforwards	19,236		3,423		22,659
Deferred tax assets related to player registrations	-3,181		481		-2,700
Tax loss carryforwards from OCEANE issue			3	-1,079	-1,076
Other deferred tax assets	210		-440	37	-193
Deferred tax assets	16,265	0	3,467	-1,042	18,690
Deferred tax liabilities	-23		-34		-57
Net amount	16,242	0	3,433	-1,042	18,633

Deferred taxes essentially represented the tax effect of carryforwards.

Unrecognised tax-loss carryforwards amounted to €771 thousand.

4.4 Notes on equity

The share capital comprises ordinary shares and has not changed.

(in € 000)	31/12/2010	30/06/2010
Number of shares	13,241,287	13,241,287
Par value	1.52	1.52
Share capital	20,127	20,127

Reserves and other equity broke down as follows:

(in € 000)	31/12/2010	30/06/2010
Legal reserves	2,013	2,013
Regulated reserves	37	37
Other reserves	130	130
Retained earnings	37,008	32,770
Total equity reserves	39,188	34,950
Reserves for share-based payment	233	205
Reserves related to IFRS restatements	-34,988	4,744
Other equity (OCEANE) ⁽¹⁾	2,054	
Total reserves and other equity	6,487	39,899

(1) Other equity represented the value of the equity component after allocating the OCEANE bond issue to debt and equity components (see Note 2.10).

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

4.5 Provisions

4.5.1 Provisions for retirement benefit obligations

(in € 000)	31/12/10	30/06/10
Present value of opening commitments	712	518
Changes in the scope of consolidation		
Financial costs	14	26
Cost of services provided during the financial year	36	51
Amortisation of unearned past service costs		
Projected present value of closing commitments	762	595
Actuarial variance for the financial year		117
Present value of closing commitments	762	712

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: 4.00% at 31 December 2010 (4.90% at 31 December 2009);
- Social security contribution rate: 43% in most cases.

The Group has decided to adopt the IAS 19 amendment which permits the recognition of actuarial gains and losses in equity. There was no impact therefrom during the period.

No contributions were paid to a fund.

The change in assumptions to reflect the law of November 2010 on pension reform will be applied to the 2010/11 full-year financial statements.

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

(in € 000)	30/06/10	Increases	Decreases		31/12/10
			Used	Unused	
Provisions for employee disputes	80		-27		53
Provisions for charges	848	2	-662	-47	141
Other provisions for liabilities	22	12		-22	12
Total	950	14	-689	-69	206

4.6 Liabilities by maturity

(in € 000)	31/12/10	One year or less	One to five years	More than five years
Financial liabilities ⁽¹⁾	26,210	18,709	6,020	1,481
OCEANE ⁽²⁾	20,246		20,246	
Trade accounts payable	12,081	12,081		
Player registration liabilities ⁽³⁾	53,118	43,982	9,136	
Corporate tax liabilities	-			
Other tax liabilities	13,902	13,902		
Social security liabilities	21,907	21,907		
Other current liabilities	3,798	3,798		
Accruals	14,605	14,605		
Total	165,867	128,984	35,402	1,481

- (1) Financial liabilities maturing in 1 to 5 years comprised mainly bank credit facilities expiring in less than two years granted to OL Groupe and Association OL at rates based on Euribor plus a margin negotiated individually with each bank. Financial liabilities maturing in over five years were partly comprised of fixed-rate borrowings contracted by a non-trading property company (SCI) of the Group for the construction of properties (see Note 7.3) as well as a borrowing contracted in November 2008 by OL Association as part of the financing of the new training academy building.

The maturity of liabilities related to the restatement of operating leases in accordance with IAS 17 is as follows:

(in € 000)	31/12/10	One year or less	One to five years	More than five years
Obligations under finance leases	1,034	339	695	
Total	1,034	339	695	-

- (2) The OCEANE bond debt represented the value of the debt component after the allocation of the OCEANE bond issue to debt and equity components (see Note 2.10).

- (3) Player registration payables are discounted. The impact at 31 December 2010 was €466 thousand, which will be recognised as a financial expense on a pro rata basis.

These liabilities on player registrations were backed by bank guarantees totalling €40,864 thousand (including €11,163 thousand with maturity of more than one year). These liabilities are listed below:

(in € 000)	31/12/10			30/06/10		
	Total	Current	Non-current	Total	Current	Non-current
Payables on acquisitions before 2007	51	51	0	338	289	49
Payables on acquisitions in 2008	274	274	0	1,046	949	97
Payables on acquisitions in 2009	937	843	94	7,587	7,398	189
Payables on acquisitions in 2010	32,874	32,573	301	45,805	30,779	15,026
Payables on acquisitions in 2011	18,981	10,241	8,741	0	0	0
Total	53,118	43,982	9,136	54,776	39,415	15,361

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 payables).

(in € 000)	Type of financial instrument	Net book value	Fair value	Net book value	Fair value
		at 31/12/10	at 31/12/10	at 30/06/10	at 30/06/10
Player registration receivables	B and C	20,724	20,724	39,444	39,444
Player registrations held for sale	D		0	1,699	1,699
Other non-current financial assets	C	674	674	5,436	5,436
Receivables	C	28,767	28,767	12,946	12,946
Other current financial assets	A	10,103	10,103	4,750	4,750
Other current assets ⁽²⁾	C	8,625	8,625	705	705
Marketable securities	A	44,174	44,174	45,457	45,457
Cash and cash equivalents	A	401	401	326	326
Financial assets		113,468	113,468	110,763	110,763

(in € 000)	Type of financial instrument	Net book value	Fair value	Net book value	Fair value
		at 31/12/10	at 31/12/10	at 30/06/10	at 30/06/10
OCEANE ⁽¹⁾	B	20,246	25,059		
Financial debt	B	26,210	26,210	39,952	39,952
Player registration payables	B and C	53,118	53,118	54,776	54,776
Trade accounts payable	C	12,081	12,081	11,112	11,112
Other current liabilities ⁽²⁾	C	3,798	3,798	2,958	2,958
Financial liabilities		115,453	120,266	108,798	108,798

- (1) The fair value of the OCEANE bond issue corresponds to its market value. This value is not directly comparable with its book value, which excludes the optional component recognised in equity (see Note 2.10). The OCEANE bond issue amounted to €24,033 thousand before issue costs.

- (2) Excluding social security and tax receivables, prepaids 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 policies

In the course of its business OL Groupe is not exposed to any significant extent to exchange rate risks.

Liquidity risk

The Group is not exposed to liquidity risk, as its current assets and in particular cash and cash equivalents are 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 cash investment transactions.

Group investments were comprised of investments in standard money-market mutual funds denominated in euros and repayable on demand.

These investments were held in order to meet day-to-day funding requirements and did not entail any counterparty risk.

Bank credit agreements and guarantees

At 31 December 2010 the Group had committed credit facilities of €42.6 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.

Commercial credit risk

As of 31 December 2010, commercial credit risk had not changed since the end of the previous financial year. 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 had 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 €0.3 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 including player registration receivables and payables is comprised of cash and cash equivalents, financial debt, pledged mutual funds and player registration receivables and payables. Net cash and cash equivalents totalled €-24,172 thousand at 31 December 2010, compared with €50 thousand at 30 June 2010.

(in € 000)	31/12/2010	30/06/2010
Marketable securities	44,174	45,457
Cash	401	326
Bank overdrafts	-1,106	-9,732
Cash on the cash flow statement	43,469	36,051
PLEGGED MUTUAL FUNDS	10,103	9,550
Cash and cash equivalents	53,572	45,601
OCEANE	-20,246	
Non-current financial liabilities	-7,501	-25,371
Current financial liabilities	-17,603	-4,849
Cash and cash equivalents net of financial debt	8,222	15,381
Current player registration receivables	17,872	26,896
Non-current player registration receivables	2,852	12,548
Current player registration payables	-43,982	-39,415
Non-current player registration payables	-9,136	-15,360
Cash and cash equivalents net of debt, including player receivables and payables	-24,172	50

5 - Notes to the income statement

5.1 Breakdown of revenue from businesses

5.1.1 Breakdown of revenue by category

(in € 000)	1 st half 2010/11	1 st half 2009/10
LFP-FFF media rights ⁽¹⁾	22,602	20,191
UEFA media rights ⁽¹⁾	18,240	18,198
Ticketing	10,038	11,410
Sponsoring - Advertising ⁽²⁾	12,373	7,756
Brand-related revenue ⁽³⁾	16,642	17,824
Revenue from businesses (excl. player trading)	79,895	75,379
Proceeds from sale of player registrations⁽⁴⁾	5,337	14,479
Revenue from businesses	85,232	89,858

(1) The main customers are the French professional football league (LFP) and Union of European Football Associations (UEFA), representing 48% of revenue from businesses in the first half of 2010/11.

(2) The main customers are specified in Note 1.4.

(3) Revenue from brand-related products broke down as follows:

(in € 000)	1 st half 2010/11	1 st half 2009/10
Merchandising revenue	5,329	5,825
Image-related revenue	1,850	1,664
Contract signing fees	7,000	7,000
Other	2,463	3,335
Brand-related revenue	16,642	17,824

(4) Revenue from the transfer of player contracts broke down as follows:

(in € 000)	1 st half 2010/11	1 st half 2009/10
Mathieu Bodmer	2,484	
Jean-Alain Boumsong	496	
Grégory Coupet		225
Fabio Grosso		1,984
Abdoul Kader Keita		8,365
Frédéric Piquionne	1,102	
Anthony Mounier		2,458
Miscellaneous	1,255	1,447
Proceeds from sale of player registrations	5,337	14,479

5.1.2 Breakdown of operating revenue by company

(in € 000)	1 st half 2010/11	1 st half 2009/10
Olympique Lyonnais Groupe and other	59	115
Olympique Lyonnais SASP	76,042	80,179
OL Merchandising	4,051	4,458
M2A	1,278	1,367
OL Voyages	1,753	1,878
OL Images	1,850	1,664
OL Organisation	17	50
Association Olympique Lyonnais	183	146
Revenue from businesses	85,232	89,858

5.2 Breakdown of purchases used during the period

(in € 000)	1 st half 2010/11	1 st half 2009/10
External purchase for resale internally ⁽¹⁾	-4,064	-3,361
Other purchases used during the period	-4,746	-5,173
Purchases used during the period	-8,810	-8,534

(1) These are comprised mainly of travel and administrative expenses.

5.3 Depreciation, amortisation and provisions, net

(in € 000)	1 st half 2010/11 (1)	1 st half 2009/2010 (2)
Depreciation and amortisation on intangible assets and PP&E	-1,027	-1,026
Net provisions for retirement bonuses	-50	-40
Other risk provisions, net	739	10
Net provisions on current assets	-51	-122
TOTAL EXCLUDING PLAYER REGISTRATIONS	-389	-1,178
Amortisation of non-current assets: player registrations	-21,662	-19,740
Net provisions on player registration receivables		-712
Provisions on player registrations		-712
Reversal of provisions on player registrations		
TOTAL PLAYER REGISTRATIONS	-21,662	-20,452

(1) Includes €-14 thousand in financial provisions, bringing net depreciation, amortisation and provisions from operations to €-375 thousand.

(2) Includes €-13 thousand in financial provisions, bringing net depreciation, amortisation and provisions from operations to €-1,165 thousand.

5.4 Residual value of player registrations

(in € 000)	1 st half 2010/11	1 st half 2009/10
Decreases in player registration assets	-1,712	-2,829
Liabilities related to registrations sold	100	396
Player registrations held for sale	-1,690	-8,356
Residual value of player registrations	-3,302	-10,789

5.5 Personnel expenses

(in € 000)	1 st half 2010/11	1 st half 2009/10
Payroll	-36,954	-29,016
Social security charges	-12,455	-9,712
Profit-sharing and incentive schemes	-194	-87
Collective image rights ⁽¹⁾		-8,459
Expenses relating to stock-option plans ⁽²⁾	-42	-42
TOTAL	-49,645	-47,317

(1) 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 were exempt from payroll taxes on a portion of players' remuneration. This benefit expired on 1 July 2010.

(2) The stock option plan introduced on 20 November 2007 comes within the scope of IFRS 2. This plan covers 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.

5.6 Net financial income/expense

(in € 000)	1 st half 2010/11	1 st half 2009/10
Income from cash and cash equivalents	92	112
Interest on credit facilities	-350	-204
Discounting of player registration payables	-284	-636
Discounting of player registration receivables	180	404
Net cost of financial debt	-362	-324
Financial provisions net of reversals	-14	16
Other financial income/expense	45	-75
Other financial income and expense	31	-59
Net financial expense	-331	-383

5.7 Taxes

Breakdown of income tax

(in € 000)	1 st half 2010/11	1 st half 2009/10
Current tax	102	-23
Deferred tax	3,433	4,501
Tax expense	3,535	4,478

Reconciliation of tax charge

(in € 000)	1 st half 2010/11	%	1 st half 2009/10	%
Pre-tax profit	-10,357		-13,135	
Tax at the standard rate	3,566	-34.43%	4,522	-34.43%
Effect of permanent differences	-81	0.78%	-144	1.10%
Tax credits	137	-1.32%	51	-0.39%
Sundry	-87	0.84%	49	-0.37%
Corporate income tax	3,535	-34.13%	4,478	-34.09%

6 - Notes on employee numbers

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

	1 st half 2010/11	1 st half 2009/10
Olympique Lyonnais Groupe	42	41
OL Merchandising	23	22
Olympique Lyonnais SASP	42	47
OL Voyages	8	9
OL Association	95	84
OL Organisation	16	16
OL Images	20	20
M2A	8	8
Foncière du Montout	1	1
Total	255	248

7 - Off-balance-sheet commitments

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

7.1 Commitments received

(in € 000)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
"Earn-out" commitments on sales of player registrations	13,950	4,900		18,850

Commitments received comprise:

- **Bank credit facilities (see Note 7.3)**
- **"Earn-out" commitments on the sale of player registrations**, totalling €18.9 million. Certain transfer contracts provide for additional payments to the Club after the transfer in the event certain performances are achieved.

7.2 Commitments given

(in € 000)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Commitments related to the acquisition of player registrations	2,950	7,500		10,450
Commitments under player contracts contingent on the player remaining with the club	6,825	15,272		22,097
Commitments related to the construction of the new stadium	4,208	1,020		5,228

Commitments given comprise:

- **Commitments related to the acquisition of player registrations**, totalling €10.5 million. They correspond to commitments made to selling clubs in the event the player is transferred again.
- **The commitments given as part of player registration contracts worth €22.1 million** correspond mainly to additional remuneration to be paid in the future. They are typically contingent on the player remaining with the club.
- **Commitments related to property projects**
As of 31 December 2010 there were €5.2 million in commitments related to the construction of the new stadium.

7.3 Bank facilities, guarantees and covenants

(in € 000)	2010	2009
Bank agreements, amount available	42,633	70,566
Of which used via drawdowns	20,308	31,042
Of which used via guarantees ⁽¹⁾	22,325	39,524
Other commitments and guarantees ⁽¹⁾	18,539	22,900

(1) These guarantees are given in connection with the acquisition of player registrations

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

These agreements, comprised of loans and guarantees, totalling €42,633 thousand, include accelerated maturity clauses and covenants in addition to the standard commitments. Specifically:

- OL Groupe must at all times hold a majority interest in the equity and voting rights at 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 activity.
- 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.

Other guarantees total €18,539 thousand. Guarantees are given in connection with the acquisition of player registrations.

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 bear interest at 4.90% and 4.70% p.a. respectively.

The loan agreements include the customary events triggering accelerated maturity.

Bank loans to finance the construction of the training academy

On 6 November 2008, Olympique Lyonnais Association obtained a 10-year, €3 million loan from BNP to finance the construction of the training academy building. This loan is repayable in monthly instalments and bears interest at a variable rate based on 1-month EURIBOR plus a fixed margin.

The loan agreements include the customary events triggering accelerated maturity.

OCEANE bonds

On 28 December 2010, OL Groupe carried out an OCEANE bond issue. OCEANE bonds are convertible or exchangeable into new or existing shares. The bonds (ISIN code FR0010978932) have been listed on Euronext Paris since 28 December 2010.

The bond issuance amounted to €24,033 thousand represented by 3,310,321 bonds with a face value of €7.26 each, bearing interest of 7% p.a. Each OCEANE bond can be converted into an OL Groupe share at any time between 28 December 2010 and 28 December 2015. The bonds are due to be repaid on 28 December 2015.

The OCEANE bonds' debt component is valued at an effective interest rate of 11.30%.

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 in the Pathé group (2 rue Lamennais, 75008 Paris).

Details of the relationship between OL Groupe and ICMI, Pathé and their subsidiaries from 1 July to 31 December 2010 are as follows:

(in € 000)	31/12/10	31/12/09
Receivables		
Accounts receivables (gross value)	42	19
Total	42	19
Liabilities		
Operating liabilities	198	234
Total	198	234

(in € 000)	1 st half 2010/11	1 st half 2009/10
Operating expenses		
Recharges of management fees	180	314
Other external expenses	350	520
Total	530	834
Operating revenue		
General and administrative expenses	18	64
Total	18	64

9 - Senior management remuneration

Four people are on the senior management team. The Chairman and Chief Executive Officer is not remunerated directly by OL Groupe. The amounts billed by ICMI to OL Groupe include the services of the Chairman and Chief Executive Officer.

(in € 000)	1 st half 2010/11	1 st half 2009/10
Benefits granted to executives		
In the near future(1)	546	351
Post-employment benefits		
Other long-term benefits		

(1) Short term benefits include fixed and variable remuneration, benefits-in-kind and directors' fees.

10 - Events subsequent to closing

During the winter trading window, OL transferred Jean II Makoun to English club Aston Villa for €6 million.

Certification of person responsible first-half financial report

I hereby certify, that to the best of my knowledge, the condensed financial statements for the half-year period under review 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 corresponding 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 for the remaining six months of the year.

Jean-Michel Aulas
Chairman and CEO

Statutory auditors' report on the financial information for the half-year period

from 1 July to 31 December 2010

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69009 Lyon**

To the shareholders,

In compliance with the assignment you entrusted to us at your Annual Shareholders Meeting, and pursuant to Article L. 451-1-2 III of the French 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 2010, as attached to this report;
- verified the information disclosed in the management report for the first half of the year.

These condensed consolidated first-half financial statements were prepared under the responsibility of the Board of Directors in a context of high market volatility and economic recession (described in Note 2.3), which already existed when the accounts were closed on 30 June 2010, creating certain difficulties in assessing the Group's outlook. 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 of the condensed consolidated first-half financial statements with IAS 34, the IFRS regarding interim financial reporting, as adopted by the European Union.

III – 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, 25 February 2011

ORFIS BAKER TILLY

COGEPARC

Michel Champetier

Stéphane Michoud