



OL GROUPE

FIRST-HALF 2015/16 REVENUE AND RESULTS

OL GROUPE RETURNS TO ECONOMIC PERFORMANCE IN LINE WITH ITS OBJECTIVES AS IT EMBRACES ITS NEW BUSINESS MODEL

EBITDA WELL INTO POSITIVE TERRITORY AT €40.7M (€-3.3M IN 2014/15), OR 38% OF TOTAL REVENUE

INCOME FROM ORDINARY ACTIVITIES UP SHARPLY AT €30.8M (€-7.8M IN 2014/15), OR 29% OF TOTAL REVENUE

Lyon, 16 February 2016

On 16 February 2016, the Board of Directors of OL Groupe met and approved the financial statements for the first half of the 2015/16 financial year⁽¹⁾.

The first half of the 2015/16 financial year saw a sharp improvement in OL Groupe's results, as the men's team returned to the Champions League and sales of player registrations – all OL Academy trained – rose sharply.

Revenue rose by €55.3 million during the period to €107.8 million (vs. €52.5 million in 2014/15). EBITDA was well into the black, at €40.7 million, and represented 38% of total revenue. Income from ordinary activities also swung positive at €30.8 million and represented 29% of total revenue. As a result, attributable net profit advanced by €29.1 million to €19.7 million (vs. €-9.4 million in 2014/15).

The other major event during the period was the completion of the Olympique Lyonnais Park, inaugurated on 9 January 2016 before 55,000 spectators with a Ligue 1 match against Troyes, followed by a Will.i.am DJ set. The second match on 24 January 2016 was equally successful, with OL facing OM in front of 56,105 spectators.

OL Groupe is now the only club in France with a 100% privately-owned, ultra-modern, connected stadium in a multi-functional park that will give it new economic impetus. The Group is targeting additional annual revenue of €70 million over the next 3-5 years.

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

1/ Sharp increase in total revenue: up 105% at €107.8 million

Breakdown of revenue (1 July to 31 December 2015)

(in € m)	H1 2015/16	H1 2014/15	Chg. in €m	% chg.
Ticketing	7.6	5.0	+2.6	+51%
Sponsoring - Advertising	11.1	12.5	-1.4	-11%
Media and marketing rights	54.6	22.9	+31.7	+139%
Brand-related revenue	8.4	8.2	+0.2	+2%
Revenue, excluding player trading	81.7	48.6	+33.0	+68%
Revenue from sale of player registrations	26.2	3.9	+22.3	+571%
Total revenue	107.8	52.5	+55.3	+105%

Ticketing revenue advanced by €2.6 million to €7.6 million, vs. €5.0 million in H1 2014/15. Despite one less match (9 matches vs. 10 in 2014/15), domestic ticketing revenue increased by €0.3 million to a total of €5.1 million vs. €4.8 million in 2014/15, representing an increase in average revenue per Ligue 1 match of 19%. European ticketing revenue totalled €2.5 million, vs. €0.2 million in H1 2014/15, up €2.3 million owing to the club's participation in the group stage of the Champions League.

Sponsoring and advertising activities, excluding signing fees, performed well, with revenue increasing by €0.8 million or 8%. Total sponsoring and advertising revenue stood at €11.1 million. This figure included €0.8 million in signing fees, vs. €3.0 million last year (new stadium catering).

Media and marketing rights totalled €54.6 million, vs. €22.9 million in H1 2014/15. Domestic rights (LFP, FFF) suffered from the club's 9th place ranking in the French Ligue 1 (vs. 2nd place last year) and totalled €17.6 million vs. €20.9 million last year. Internationally (UEFA), media and marketing rights rose €34.9 million to €37.0 million, owing to the club's participation in the group stage of the Champions League.

Brand-related revenue performed very well, rising 25% at constant structure to €8.4 million. Last year's H1 figure of €8.2 million included €1.5 million in sales of M2A, which exited the scope of consolidation on 30 June 2015. After rising 16% in H1 2014/15, merchandising revenue rose a further 38% in H1 2015/16.

Revenue from player trading was up sharply at €26.2 million, vs. €3.9 million in H1 2014/15, an increase of €22.3 million. It included the transfers of Benzia, Njie, Yattara, and Zeffane for €17 million, plus incentives of €9.2 million including €8.7 million from the earn-out clause on Anthony Martial's transfer. This performance validates our strategy to put priority on the OL Academy, as all these transfers involved players trained at the Academy, translating into a 100% impact on EBITDA from player trading.

2/ Results well into positive territory with income from ordinary activities representing 29% of total revenue

Simplified, consolidated income statement

(in € m)	H1 2015/16	H1 2014/15	Change € m
Total revenue	107.8	52.5	+55.3
Personnel costs	46.6	36.4	+10.1
External purchases and expenses	18.8	15.8	+3.0
Taxes other than income taxes	1.7	3.6	-1.8
EBITDA	40.7	-3.3	+44.1
<i>of which EBITDA excl. player trading</i>	<i>14.6</i>	<i>-7.2</i>	<i>+21.8</i>
<i>of which EBITDA from player trading</i>	<i>26.2</i>	<i>3.9</i>	<i>+22.3</i>
Amortisation of player registrations	6.9	5.1	+1.8
Other depr./amort. and other expenses	3.0	-0.6	+3.6
Profit/loss from ordinary activities	30.8	-7.8	+38.7
<i>Profit /loss from ordinary activities, excl. player trading</i>	<i>11.6</i>	<i>-6.6</i>	<i>+18.2</i>
<i>Profit/loss from ordinary activities, player trading</i>	<i>19.2</i>	<i>-1.2</i>	<i>+20.5</i>
Pre-tax profit/loss	30.0	-9.3	+39.3
Net profit (Group share)	19.7	-9.4	+29.1

Total EBITDA surged €44.1 million to a very positive €40.7 million (vs. €-3.3 million in 2014/15).

The club's return to the Champions League boosted EBITDA excluding player trading to €14.6 million from €-7.2 million in 2014/15, an increase of €21.8 million, while sales of player registrations, all on players trained at the OL Academy, generated EBITDA from player trading of €26.2 million, up €22.3 million from the year-earlier period (€3.9 million).

In the summer of 2015, OL recruited several experienced players and extended the contracts of several Academy-trained players. These investments strengthened the men's professional team and led to a €10.1 million increase in player salaries. Nevertheless, the ratio of salaries to total revenue moved very favourably, to 43% in H1 2015/16, vs. 69% in H1 2014/15.

At the same time, external purchases and expenses rose €3.0 million (€18.8 million in H1 2015/16 vs. €15.8 million in 2014/15), reflecting an increase in European travelling costs, merchandise purchases (in particular merchandising) and agents' fees.



This increase was partially offset, however, by a €1.8 million decline in non-income taxes (€1.7 million in H1 2015/16 vs. €3.6 million in 2014/15), as the "75% tax" was not renewed.

Income from ordinary activities was well into positive territory at €30.8 million, up €38.7 million compared with H1 2014/15 (€-7.8 million). Income from ordinary activities excluding player trading totalled €11.6 million, vs. €-6.6 million in 2014/15, representing an increase of €18.2 million; player trading contributed €19.2 million, vs. €-1.2 million in H1 2014/15, representing a rise of €20.5 million.

Amortisation of player registrations edged up €1.8 million compared with H1 2014/15 (€6.9 million vs. €5.1 million), owing to new players recruited during the summer of 2015. It remained below the first-half amounts recognised in each of the three financial years prior to 2014/15, however.

Other amortisation/depreciation and other expenses rose €3.6 million compared with H1 2014/15, as various provisions for disputes were reversed in H1 2014/15 and new provisions were recognised in H1 2015/16.

Net financial expense totalled €0.8 million, a €0.7 million reduction from €1.5 million in H1 2014/15. This improvement came about in large part because the ICMI/Pathé portion of the 2010 OCEANE bond (ca. €19 million) was refinanced into equity as part of the €53 million capital increase (gross amount) carried out by OL Groupe in June 2015.

Net profit (Group share), well into positive territory, totalled €19.7 million, vs. €-9.4 million in H1 2014/15, representing a rise of €29.1 million.

3/ Total balance sheet up sharply, reflecting increase in OL Park and player assets

The balance sheet totalled €584 million as of 31 December 2015, up €197 million from 31 December 2014.

This increase reflected completion of stadium construction. Olympique Lyonnais Park assets thus totalled €379 million as of 31 December 2015, vs. €219 million as of 31 December 2014 (€+161 million over the last 12 months). After several consecutive years of decline, net player assets also rose, by €29 million compared with a year ago, totalling €43 million (€13 million as of 31 December 2014), as the men's professional team was strengthened during the summer of 2015.

Other significant events during the period:

- Shareholders' equity was strengthened to €156 million as of 31 December 2015 (including non-controlling interests), representing an increase of €59 million (€97 million as of 31 December 2014), following the €53 million capital increase (gross amount) carried out in June 2015;
- ICMI and Pathé refinanced their share of the 2010 OCEANE bonds (ca. €19 million) into equity in June 2015 and minority 2010 OCEANE holders were reimbursed in December 2015 (ca. €4 million);
- The mini-perm loan was fully disbursed to the OL Park (€129 million as of 31 December 2015, net of structuring costs).

As of 31 December 2015, OL Groupe had net cash (excluding net debt on player registrations and OL Park debt) of €1.2 million, up more than €45 million as a result of the capital increase in June 2015. OL Groupe's net debt, including net debt on player registrations and the OL Park-related bonds and mini-perm loan, totalled €246 million, up €125 million, as all of the stadium-related bank and bond debt has now been disbursed.

Potential capital gains on player assets remain very high; the market value of the men's professional team exceeds its net book value by nearly €136 million. These potential gains, up 22% over the past year, relate principally to players trained at the OL Academy, who accounted for 90% of the potential capital gains as of 31 December 2015.

4/ Football results as of 17 February 2016

▪ **Men's team:**

- French Division 1: 5th place
- UEFA Champions League: group stage – 4th place in group H (eliminated)
- Coupe de la Ligue: defeated by PSG in the quarter-final
- Coupe de France: defeated by PSG in the round of 16

▪ **Women's team:**

- French Division 1: 1st place
- UEFA Women's Champions League: qualified for the quarter-finals against Slavia Prague on 23 and 30 March 2016
- Coupe de France: qualified for the quarter-finals against Dijon on 28 February 2016

5/ With the opening of the new stadium, OL Groupe is ushering in a new business model

Started in July 2013, the new stadium was delivered to OL Groupe three weeks ahead of schedule and within budget. It was inaugurated on 9 January 2016, with more than 55,000 fans on hand to see the OL/Troyes match and the Will.i.am DJ set that followed. During construction, more than 1,200 people and 150 companies worked on the site. More than 2,000 people work at the OL Park on match days.

OL Groupe now has a multi-functional park that seats 59,186 people and is open 365 days a year. Numerous events are already scheduled, including the European rugby cup



finals in May 2016, six Euro 2016 matches in June and July 2016, and a Rihanna concert on 19 July 2016. As of 11 February 2016, 24 B-to-B seminars and conventions had already been organised and new ones are being planned every day.

Marketing of hospitality services is well underway, and the B-to-C fan wall programme, inaugurated on 14 February 2016, is off to a successful start, with more than 4,350 plaques sold so far. Moreover, the record attendance during the first two matches (55,169 and 56,105 spectators) generated catering sales well in excess of that historically generated at the Gerland stadium and in line with the sales targets of the largest European stadiums. To date, the first four matches Olympique Lyonnais has played at the new OL Park have generated total attendance of more than 180,000.

The Olympique Lyonnais Park is expected to generate additional receipts of around €70 million p.a. within the next 3-5 years, which should place OL Groupe back among the top 20 revenue-earning clubs in Europe.

Negotiations are ongoing with major French and international groups for the naming of the stadium, as well as for the rights to build other facilities on the OL Park site (hotels, office buildings, leisure & entertainment complex, etc.).

Separately, construction work on the new professional training grounds in Décines and the new OL Academy in Meyzieu is continuing on schedule. Launched in June and September 2016, respectively, they are expected to be delivered in the summer of 2016.

At the same time, the OL Academy remains central to OL Groupe's strategy. The club is increasingly capitalising on the young players coming out of the training academy, the first team's official supplier of players and a source of very significant potential capital gains.

Next press release: 3rd quarter 2015/16 revenue on 13 May 2016, after the market close

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Reuters: OLG.PA

Bloomberg: OLG FP

ICB: 5755 Recreational services

