FIRST-HALF FINANCIAL REPORT

2018/19

Contents

MANAGEMENT REPORT ON THE FIRST HALF OF 2018/19

1-1 Revenue

Revenue totalled €168.4 million in H1 2018/19 (€147.6 million in 2017/18), a record high for the first half of the year. In particular, this performance reflected the men's team's participation in the group stage of the Champions League (Europa League in 2017/18), which generated an overall increase in European ticketing and UEFA media rights revenue of ca. €48 million.

Revenue from seminars and stadium tours, part of the Events business, saw very strong growth (+68%), due in part to record high revenue in October and large-scale tradeshows. Although no major event took place during the period, in contrast to the Céline Dion concert and France/All Blacks rugby match in H1 2017/18, five concerts have already been scheduled for the second half of the financial year.

Revenue from sale of player registrations totalled €38.1 million. Trading was intentionally subdued in the early part of the year, related to the club's participation in the Champions League. In H1 2017/18, trading revenue totalled €64.6 million, and included the largest transfer the club has ever carried out (Alexandre Lacazette to Arsenal for €50 million).

Total revenue

In € m (1 July to 31 December)	**H1 2018/19** 6 months	**H1 2017/18** 6 months	**Chg. (in € m)**	**Chg. (in %)**
Ticketing	**21.2**	**17.1**	**+4.2**	**+24%**
of which French Ligue 1	*15.8*	*13.4*	*+2.4*	*+18%*
of which European play	*5.4*	*3.7*	*+1.8*	*+48%*
Sponsoring - Advertising	**15.3**	**14.0**	**+1.2**	**+9%**
Media and marketing rights	**82.1**	**36.9**	**+45.2**	**+122%**
of which LFP-FFF	*24.8*	*25.9*	*-1.1*	*-4%*
of which UEFA	*57.4*	*11.0*	*+46.3*	*+420%*
Events	**3.2**	**6.1**	**-2.9**	**-47%**
of which seminars and stadium tours	*3.1*	*1.9*	*+1.3*	*+68%*
of which major events	*0.1*	*4.3*	*-4.2*	*-98%*
Brand-related revenue	**8.5**	**8.8**	**-0.3**	**-4%**
of which derivative products	*5.6*	*6.0*	*-0.3*	*-6%*
of which image/video and other	*2.9*	*2.8*	*0.0*	*+1%*
Revenue from sale of player registrations	**38.1**	**64.6**	**-26.6**	**-41%**
Total revenue	**168.4**	**147.6**	**+20.8**	**+14%**

Ticketing revenue: +24%, €+4.2 million

(H1 2018/19: €21.2 million; H1 2017/18: €17.1 million)

Ticketing revenue totalled €21.2 million in H1 2017/18, up €4.2 million or 24% from H1 2016/17 (€17.1 million).

Ticketing revenue from French Ligue 1 matches totalled €15.8 million, vs €13.4 million in H1 2017/18. This increase of €2.4 million, or 18%, derived from the steady increase in average attendance at Ligue 1 matches: 40,618 spectators in H1 2016/17, 42,811 in H1 2017/18, 49,564 in H1 2018/19. This year's figure represents an increase of 6,753 spectators or 16% over H1 2017/18. OL's average attendance for Ligue 1 matches (49,564 spectators) was more than double that of all other Ligue 1 clubs over the same period (22,570 spectators). This revenue line reflects 10 Ligue 1 matches in H1 2018/19 vs. nine in H1 2017/18. The number of Ligue 1 season ticket holders also rose, to 21,019, vs 19,244 in H1 2017/18.

Notwithstanding the match played behind closed doors on 2 October 2018 against Shakhtar Donetsk, European ticketing receipts benefited from the Club's participation in the group stage of the Champions League in H1 2018/19 (group stage of the Europa League in H1 2017/18), including the match against Manchester City. They totalled €5.4 million in 2018/19, vs €3.7 million in 2017/18, an increase of €1.8 million or 48%.

Average matchday revenue for all competitions combined, including general public and VIP (with services) ticketing, as well as merchandising revenue on matchdays, catering commissions and parking, also benefited from the impact of the difference in European competitions and stood at €2.1 million in H1 2018/19 vs €1.6 million in H1 2017/18. The gross margin was 54%, vs 50% in H1 2017/18. Average matchday revenue per spectator for all competitions combined totalled €41 in H1 2018/19 vs €40 in H1 2017/18. Average revenue per seat totalled €35 in H1 2018/19 vs €28 in H1 2017/18.

Revenue from sponsoring and advertising: +9%, €+1.2 million

(H1 2018/19: €15.3 million; H1 2017/18: €14.0 million)

Revenue from Sponsoring and advertising totalled €15.3 million, up from €14.0 million in H1 2017/18. They included six months of revenue under the naming contract with Groupama Rhône-Alpes Auvergne, vs five months in H1 2017/18, as the contract came into force on 1 August 2017.

In October 2018 a firm, irrevocable memorandum of understanding was signed with adidas, which will continue to be the exclusive kit manufacturer for all Olympique Lyonnais teams over the 2020-25 period.

Media and marketing rights: +122%, €+45.2 million, linked to the difference in European cup competition

(H1 2018/19: €82.1 million; H1 2017/18: €36.9 million)

Media and marketing rights totalled €82.1 million, vs €36.9 million in H1 2017/18, up €45.2 million or 122%.

Domestic media rights (LFP, FFF) totalled €24.8 million, vs €25.9 million in H1 2017/18 (€-1.1 million, or -4%). With a mid-season ranking identical to that of 31 December 2017 (3rd place in Ligue 1), domestic media rights reflected a temporarily unfavourable impact of €0.8 million from playing one less match in H1 2018/19 than in H1 2017/18.

At the international level (UEFA), the Club played in the group stage of the Champions League in the first half of this year, whereas it competed in the Europa League in the previous season. UEFA media and marketing rights therefore rose significantly, to €57.4 million in 2018/19 (€11.0 million in 2017/18), an increase of €46.3 million, or 420%.

Events: -47%, €-2.9 million; no major events during the period

(H1 2018/19: €3.2 million; H1 2017/18: €6.1 million)

Revenue from seminars and stadium tours saw very strong growth (+68%), due in part to record high revenue in October and large-scale tradeshows (MDA, Visiativ, GIGN demonstration, etc.). Overall, 216 seminars were held during H1 2018/19, vs 195 in H1 2017/18, attracting 20,738 people, vs 15,613 in H1 2017/18. Revenue from seminars and stadium visits totalled €3.1 million vs €1.9 million in H1 2017/18.

No major event took place during H1 2018/19, in contrast to the Céline Dion concert and France/All Blacks rugby match which were held in Groupama Stadium in H1 2017/18, generating €4.3 million in revenue. Five concerts have already been scheduled for H2 2018/19 (Ed Sheeran on 24, 25 and 26 May, Stars 80 on 1 June and Phil Collins on 4 June).

Brand-related revenue down slightly: -4%, €-0.3 million

(H1 2018/19: €8.5 million; H1 2017/18: €8.8 million)

Brand-related revenue totalled €8.5 million, vs. €8.8 million in 31 2017/18, down €0.3 million or 4%.

Merchandising revenue was impacted by social unrest in France in December 2018 and totalled €5.6 million, vs €6.0 million in H1 2017/18, down €0.3 million or 4%.

Revenue from sale of player registrations: €38.1 million

(H1 2018/19: €38.1 million; H1 2017/18: €64.6 million, i.e. €-26.6 million or -41%)

Revenue from sale of player registrations totalled €38.1 million. Trading was intentionally subdued in the early part of the year, related to the club's participation in the Champions League. In H1 2017/18, trading revenue totalled €64.6 million, and included the largest transfer the club has ever carried out (Alexandre Lacazette to Arsenal for €50 million).

The value-creating OL Academy, a source of recurrent capital gains, has topped the rankings of French training academies for the last six years (source: French Football Collective Bargaining Agreement Commission, on the recommendation of the National Technical Director, June 2018). In the European top four for the last seven years, Olympique Lyonnais now ranks as the second-best training club in Europe, behind Real Madrid and ahead of FC Barcelona (CIES Football Observatory's October 2018 ranking).

1-2 Components of net profit

Simplified, consolidated income statement

In € m (1 July to 31 December)	**H1 2018/19** 6 months	**H1 2017/18*** 6 months	**chg. (in € m)**	**chg. (in %)**
Total revenue	**168.4**	**147.6**	**+20.8**	**+14%**
Purchases used during the period	-21.4	-20.5	+0.8	+4%
External costs	-17.8	-17.6	+0.2	+1%
Taxes other than income taxes	-3.4	-2.5	+0.9	+39%
Personnel costs	-64.8	-59.1	+5.7	+10%
Residual value of player registrations	-7.2	-6.7	+0.5	+7%
EBITDA	**53.9**	**41.2**	**+12.7**	**+31%**
Net depreciation/amortisation/provisions	-25.7	-21.6	+4.2	+19%
Other ordinary income and expenses	-1.9	-3.9	-2.0	-51%
Operating profit	**26.3**	**15.8**	**+10.5**	**+67%**
Net financial expense	-7.1	-6.9	-0.2	-3%
Pre-tax profit	**19.2**	**8.9**	**+10.3**	**+116%**
Income tax expense	-4.1	-3.0	-1.1	-38%
Share in net profit/loss of associates	-0.1	-0.1	0.0	+7%
Net profit	**15.0**	**5.8**	**+9.2**	**+158%**
Net profit attributable to equity holders of the parent	**14.8**	**5.8**	**+9.0**	**+155%**
Net profit attributable to non-controlling shareholders	0.1	0.0	+0.1	

**31/12/17 statements have been restated for IFRS 9, which had a €-0.5 million impact on the "Net financial expense" line item (€-6.3 million unadjusted).*

Leveraging a business model that has delivered robust, recurrent growth in revenue and earnings over the last three financial years, the Group once again generated significant growth in financial performance in the first half of 2018/19. EBITDA reached a record-high level, in part because the Club took part in the group stage of the Champions League this season (Europa League group stage last year);

Record high EBITDA: €53.9 million or 32% of total revenue, +31% vs 2017/18

(H1 2018/19: €53.9 million; H1 2017/18: €41.2 million, i.e. €+12.7 million or +31%)

EBITDA totalled €53.9 million, the highest H1 amount the Group has ever achieved, reflecting robust growth in the business. It represented 32% of total revenue (28% in H1 2017/18).

Despite strong topline growth, external purchases and expenses were kept under control during H1 at €39.2 million (€38.2 million in H1 2017/18) and represented 23% of total revenue (26% in H1 2017/18).

Personnel expenses totalled €64.8 million, up 10%, related in particular to summer trading. Nevertheless, the payroll/revenue ratio remained well under control (38% vs 40% in H1 2017/18) and in line with the Group's objective (<50%).

Operating profit up sharply: €26.3m (€+10.5 million or 67%)

(H1 2018/19: €26.3 million; H1 2017/18: €15.8 million, i.e. €+10.5 million or +67%)

Net amortisation and provisions totalled €25.7 million, vs €21.6 million in H1 2017/18, up €4.2 million or 19%. This increase came about essentially because amortisation and provisions on player registrations rose following the summer 2018 acquisitions.

As a result, operating profit increased by 67% in H1 2018/19 to €26.3 million (€15.8 million in H1 2017/18).

Net financial expense: €7.1 million

(H1 2018/19: €7.1 million; H1 2017/18: €6.9 million)

H1 net financial expense totalled €7.1 million, virtually stable compared with H1 2017/18 (€6.9 million), after restating for IFRS 9 (€6.3 million unadjusted).

Net profit (Group share): €14.8 million

(H1 2018/19: €14.8 million; H1 2017/18: €5.8 million, i.e. €+9.0 million or +155%)

Pre-tax profit was up sharply (+116%) during H1 and totalled €19.2 million vs €8.9 million in H1 2017/18, restated for IFRS 9 (€9.4 million unadjusted).

Net profit, Group share surged 155% compared with H1 2017/18, totalling €14.8 million.

1-3 Simplified, consolidated balance sheet as of 31 December 2018

ASSETS (in € m)	31/12/18	30/06/18*	EQUITY & LIABILITIES (in € m)	31/12/18	30/06/18*
Player registrations	107.2	81.8	**Equity (incl. non-controlling interests)**	**275.5**	**260.8**
Property, plant & equipment	392.9	399.4	Stadium bank and bond borrowings	162.0	163.1
Other non-current assets	3.2	2.7	Other borrowings and financial liabilities	56.7	63.8
TOTAL NON-CURRENT ASSETS	**503.3**	**483.9**	**TOTAL FINANCIAL DEBT**	**218.6**	**226.9**
Deferred taxes	3.1	4.4	Provisions	1.8	1.9
Player registration receivables	79.1	88.4	Player registration payables	50.3	39.8
Other assets	65.1	38.3	Other non-current liabilities	22.1	23.0
Cash and cash equivalents	16.7	9.2	Current liabilities	98.8	71.8
TOTAL ASSETS	**667.2**	**624.2**	**TOTAL EQUITY AND LIABILITIES**	**667.2**	**624.2**

**30/06/18 statements have been restated for IFRS 9, which had the following effects: on the assets side, €-1.3 million on the "Deferred taxes" line item compared with the unadjusted amount (€5.7 million); on the liabilities side, €+3.0 million (€257.9 million unadjusted) on "Equity" and €-4.3 million (€167.3 million unadjusted) on "Stadium bank and bond borrowings".*

The balance sheet is now even stronger

As of 31 December 2018, the balance sheet total stood at €667.2 million, vs €624.2 million as of 30 June 2018 (after the impact of IFRS 9 restatement).

Shareholders' equity as of 31 December 2018 was €275.5 million (including non-controlling interests), up from €260.8 million as of 30 June 2018 (after restating for IFRS 9, which had a €+3.0 million impact compared with the unadjusted amount).

Debt net of cash and cash equivalents (excluding player receivables/payables) declined by €15.8 million as of 31 December 2018 as a result of several factors. Gross cash increased, long-term bank debt and leases were repaid in accordance with loan agreements, and drawdowns under the revolving line of credit declined by €4.2 million. On the other hand, net debt on player registrations increased by nearly €20 million, as a result of players acquired in the summer of 2018 and because player transfers out were intentionally low. As a result, debt net of cash including player receivables/payables increased slightly (€173.2 million as of 31 December 2018 vs €169.1 million as of 30 June 2018).

On the assets side, the net book value of player registrations increased by €25.4 million to €107.2 million, vs €81.8 million as of 30 June 2018, owing to summer 2018 trading.

As of 31 December 2018, the market value of the men’s professional team, under the direction of manager Bruno Genesio, was estimated at €476.1 million*, vs €378.3 million as of 30 June 2018 (+26%), implying a record level of potential capital gains on player assets of more than €350 million.

**OL market value, based on Transfermarkt and CIES*

1-4 First-half highlights

Several events and highlights punctuated the first half of 2018/19.

European Cup matches

The Club's qualification for the Champions League this season (Europa League last season) was an important first-half event. It had a favourable impact of around €48 million on H1 revenue (see Chapter 1.1 of this document). Finishing in 2nd place in the group stage of the Champions League, the Club qualified for the round of 16 against FC Barcelona (19 February and 13 March 2019).

Trading revenue

Trading was intentionally subdued in the early part of the year, related to the club's participation in the Champions League. Revenue from sale of player registrations totalled €38.1 million in H1 2018/19 (€64.6 million in H1 2017/18 with, in particular, the transfer of Alexandre Lacazette to Arsenal for €50 million).

Summary of player trading activity

Following the departure of Yoann Martelat, Lucas Mocio, Louis Nganioni and Romaric Ngouma, whose contracts expired as of 30 June 2018, OL SASU has carried out the following transfers since 1 July 2018:

Sale of player registrations (IFRS values)

• Myziane Maolida (OL Academy) to Nice in August 2018 (€10 million),
• Mariano Diaz to Real Madrid, in August 2018 (€21.7 million)

Acquisition of player registrations (IFRS values)

• Tanguy Ndombélé, 22-year-old midfielder, in July 2018, following 2017/18 season loan, from Amiens for €9 million, five-year contract,
• Oumar Solet, 18-year-old defender in July 2018, following 2017/18 season loan, from Laval for €2.1 million, four-year contract,
• Jason Denayer, 23-year-old central defender acquired in August 2018 from Manchester City for €8.2 million, four-year contract,
• Moussa Dembélé, 22-year-old striker acquired in August 2018 from Celtic Glasgow for €23.3 million, five-year contract,
• Lenny Pintor, 18-year-old striker acquired in August 2018 from Brest for €5.3 million, five-year contract.

Winter 2018 transfer window activity, with effect from 1 July 2018 (IFRS values)

• Martin Terrier from Lille for €12.0 million, contract until 30 June 2022.

Free agents signed

• Reo Griffiths, 18-year-old striker in August 2018, from Tottenham, contract until 30 June 2021.
• Léo Dubois, 24-year-old defender from FC Nantes, contract until 30 June 2022.

Contract extensions

• Ferland Mendy, 1-year extension until 30 June 2023,
• Yassin Fékir, 2-year extension until 30 June 2020,
• Houssem Aouar, 3-year extension until 30 June 2023,
• Marcelo, 1-year extension until 30 June 2021,
• Tanguy Ndombélé, 1-year extension until 30 June 2023,
• Lucas Tousart, 1-year extension until 30 June 2023.

First professional contracts

• Anthony Racioppi, 19-year-old goalkeeper, 3-year contract until 30 June 2021,
• Yann Kitala, 20-year-old striker, 3-year contract until 30 June 2021,
• Amine Gouiri, 18-year-old striker, 3-year contract until 30 June 2021,
• Zachary Brault-Guillard, 19-year-old defender, 3-year contract until 30 June 2021,
• Timothé Cognat, 20-year-old midfielder, 3-year contract until 30 June 2021,
• Maxence Caqueret, 18-year-old midfielder, 2.5-year contract from 14 December 2018 until 30 June 2021.

Temporary transfers for the 2018/19 season (loans out):

- Christopher Martins Pereira to Troyes,
- Gédéon Kalulu to Bourg Péronnas,
- Jordan Ferri to Nimes,
- Timothé Cognat to Servette Geneva,
- Elisha Owusu to Sochaux.

The OL Academy

The OL Academy performed well once again at both domestic and European levels.
Domestically, the OL Academy held onto the first place ranking it has held for six consecutive years, ahead of PSG and Monaco (source: French Football Collective Bargaining Agreement Commission, June 2018, on the recommendation of the National Technical Director).
In the European top four for the last seven years, the OL Academy now ranks as the second-best training academy in Europe, behind Real Madrid and ahead of FC Barcelona (source: CIES Football Observatory, October 2018).

Principal contracts (since the start of the financial year)

Men's team sponsorships

SPONSORSHIP AGREEMENT WITH GROUPE ADEQUAT

Adequat has been an Olympique Lyonnais sponsor for several seasons. In 2018, the two companies signed a sponsorship agreement for the 2018/19 and 2019/20 seasons, giving visibility to the Adequat brand. Besides a guaranteed presence on Olympique Lyonnais' social networks, website and the giant screen at Groupama Stadium, the Adequat brand will be visible on one of the sleeves of the men's first team shirts for each Ligue 1 home and away match.

SPONSORSHIP AGREEMENT WITH ALILA PROMOTION

Following the agreement signed with Alila Promotion for the 2016/17 and 2017/18 seasons, a new contract has been signed for two additional seasons (2018/19 and 2019/20). The Alila Promotion brand will be visible on the back of the men's first team shirts during French Ligue 1 home and away matches.

SPONSORSHIP AGREEMENT WITH GROUPAMA

The scope of marketing rights and benefits granted to Groupama Rhône-Alpes Auvergne under the 2015 sponsorship agreement was amended, with effect until 30 June 2020. Groupama no longer has marketing visibility on the OL Academy, the youth teams and the women's team. Nevertheless, Groupama maintains its naming rights on the training centre and will continue to have a private box. The Groupama name will continue to appear on the men's first team's shirts.

SPONSORSHIP AGREEMENT WITH MDA

Olympique Lyonnais and MDA renewed the sponsorship agreements in place since 2009 for an additional three seasons (2015/16 to 2017/18), with a clause allowing either party to exit at the end of each football season. MDA's logo is visible above the Club's emblem on players' shirts during French Ligue 1 home and away matches. MDA also benefits from additional visibility services, including a presence on young team shirts, as well as other rights and benefits granted by the Club. A new sponsorship agreement has been signed for the 2018/19 season. Under the terms of this new agreement, in addition to benefiting from services similar to the previous contract, MDA's logo will be visible above the Club's emblem on players' shirts during French Ligue 1 home and away matches.

Women's team sponsorships

SPONSORSHIP AGREEMENT WITH D2L GROUP

Olympique Lyonnais and the D2L Group have entered into a sponsorship agreement for the 2018/19 and 2019/20 seasons. This agreement calls for the D2L brand to be visible on the women's team shorts during friendly matches and the women's French Division 1 matches. In addition, D2L Group's brand will be visible on Groupama Stadium's giant screen at each of those Division 1 home matches.

SPONSORSHIP AGREEMENT WITH EM2C GROUP

Olympique Lyonnais and the EM2C Group have entered into a sponsorship agreement until 30 June 2021. Under the agreement, the EM2C name will appear on the women's teams shirts, the company will benefit from hospitality services and its brand will be visible in the stadium and in the media clubs.

SPONSORSHIP AGREEMENT WITH MASTERCARD

Olympique Lyonnais has signed a sponsorship agreement with MasterCard for three seasons (2018/19 to 2020/21). MasterCard will be certified as an "Official Sponsor of Olympique Lyonnais Women" and an "Official Technology Partner for Olympique Lyonnais Women's payment services". The MasterCard brand will benefit from Club media visibility during women's team matches and from public relations activities. MasterCard will also have the right to use individual images of certain players on the women's first team.

SPONSORSHIP AGREEMENT WITH STAL TP

Olympique Lyonnais has signed a sponsorship agreement with Stal Participations for five seasons (2016/17 to 2020/21). Stal Participations will be certified as an "Official Sponsor of Olympique Lyonnais Women" and it will benefit from Club media visibility during women's team matches and from public relations activities.
The agreement also includes hospitality services for all events held at the stadium.

SPONSORSHIP AGREEMENT WITH SWORD

Olympique Lyonnais has signed a sponsorship agreement with Sword SA for three seasons (2018/19 to 2020/21). The Sword SA brand will be visible on the right breast pocket of the women’s first team shirts during French Division 1 home and away matches. The agreement provides for visibility in the stadium and on various media to complement the shirt display.

Men’s and women's team sponsorships

KIT MANUFACTURER CONTRACT WITH adidas

In October 2018 a firm, irrevocable memorandum of understanding was signed with adidas, which will thus continue to be the exclusive kit manufacturer for all Olympique Lyonnais teams over the 2020-25 period. Under this agreement, Olympique Lyonnais will continue to receive from adidas, for every football season, an increased minimum lump-sum payment and royalties based on the sale of products bearing the Olympique Lyonnais and adidas brands. This payment may be adjusted based on actual product sales and Olympique Lyonnais' results in the French and/or European competitions in which it plays.

SPONSORSHIP AGREEMENT WITH HYUNDAI MOTOR FRANCE

Following an initial major sponsorship contract covering two seasons (2012/13 and 2013/14), new agreements were signed for the 2014/15 to 2015/16, 2016/17 to 2017/18 and 2018/19 to 2019/20 periods.
Hyundai, premium sponsor of the men’s professional team and official sponsor of the women’s team, continues to be displayed on players’ shirt fronts for Ligue 1 home and away matches for visibility and brand promotion. The agreement provides for visibility in the stadium to complement Hyundai’s presence on players’ shirts.

SPONSORSHIP AGREEMENT WITH KEOLIS

Following various agreements since the 2015/16 season, Olympique Lyonnais and Keolis signed a new sponsorship agreement for the 2018/19 and 2019/20 seasons. Under the terms of this agreement, the Keolis brand will be visible on the left leg of the women’s team shorts during women’s French Division 1 matches. To enhance this visibility, Keolis also benefits from various displays of its logo in Groupama Stadium.

SPONSORSHIP AGREEMENT WITH LEROY MERLIN

Olympique Lyonnais has signed a sponsorship agreement with Leroy Merlin France for three seasons (2018/19 to 2020/21). The Leroy Merlin France brand will be visible on the left breast pocket of the women’s first team shirts during French Division 1 home and away matches. The agreement provides for visibility in the stadium and on various media to complement the shirt display.

Other sponsorships

SPONSORSHIP AGREEMENT WITH FDJ

Following the signing of their sponsorship agreement in 2017, Olympique Lyonnais and FDJ reached a new agreement in 2018 for the seasons from 2018/19 to 2021/22. The agreement provides, in particular, for FDJ's brand to be visible in Groupama Stadium via fixed signs, interview signage, the giant screen and on OL media in the Tribune OL magazine and on OL's website. FDJ will also open sales points and terminals for placing sport bets at Groupama Stadium.

SPONSORSHIP AGREEMENT WITH FRANCE TELECOM SA, ORANGE FRANCE

As a follow-up to previous contracts in effect since 2006, Olympique Lyonnais and Orange signed a new agreement on 25 March 2016, covering the period from 2015/16 to 2017/18. Orange enjoyed Official Sponsor status, could use the Club's logos and benefited from public relations and Club media visibility. The sponsorship agreement has been renewed for four additional seasons (2018/19 to 2021/22), with similar services.

REGIONAL SPONSORSHIP AGREEMENT IN ASIA

On 1 January 2019, the Club signed its first regional sponsorship agreement in Asia.

1-5 Principal transactions with related parties

The principal transactions with related parties are detailed in Note 10.1 to the condensed consolidated first-half 2018/19 financial statements, found on page 56 of this report.

1-6 Approval of the condensed consolidated first-half financial statements

The consolidated financial statements for the first half of the 2018/19 financial year were approved by the Board of Directors on 12 February 2019.

1-7 Football results as of 31 December 2018

- **Men's team**
  - French Ligue 1: 3rd place
  - UEFA Champions League: group stage – second in group – qualification for round of 16 against FC Barcelona (19 February and 13 March 2019)
  - Coupe de la Ligue: Qualified for the quarter-final round (Strasbourg 8 January 2019)

- **Women's team**
  - French Division 1: 1st place
  - UEFA Women's Champions League: qualified for the quarter-final round against Wolfsburg (20 & 27 March 2019)

1-8 Events since 1 January 2019

Player contract extensions:

- Amine Gouiri, 1-year extension until 30 June 2022,
- Ousseynou Ndiaye, 3-year extension until 30 June 2023,
- Reo Griffiths, 1-year extension until 30 June 2022.

Professional contracts to take effect from 1 July 2019:

- Boubacar Fofana, 4-year contract until 30 June 2023,
- Malcom Barcola, 3-year contract until 30 June 2022.

Player loans (out)

- Zachary Brault Guillard, to Impact Montreal FC from 31 January to 30 June 2019

The Group confirms its strategy to recruit high-potential young players, as a complement to the OL Academy, which underpins its strategy.

As of 6 February 2019, Olympique Lyonnais had 33 professional players (excluding players on loan), including 27 internationals and 11 players trained at the Club.

1-9 Risk factors

In general, the risk factors indicated in the 2017/18 Registration Document (pages 13-21) and online at www.olweb.fr did not change during the first half of this year.

1-10 Football results as of 12 February 2019

- **Men's team**
  - French Ligue 1: 3rd place after matchday 24 (43 points)
  - UEFA Champions League: qualified for the round of 16 against FC Barcelona (19 February and 13 March 2019)
  - Coupe de la Ligue: eliminated in the quarter-final round against Strasbourg
  - Coupe de France: qualified for the quarter-final round against Caen (27 February 2019)

- **Women's team**
  - French Division 1: 2nd place with a match in hand (43 points)
  - UEFA Women's Champions League: qualified for the quarter-final round against Wolfsburg (20 & 27 March 2019)
  - Coupe de France: qualified for the semi-final round against Grenoble (10 March 2019)

1-11 Short- and long-term outlook

OUTLOOK FOR H2 2018/19

In H2 2018/19, the Group will benefit from its participation in the final phases of the Champions League (round of 16 against FC Barcelona), which will automatically generate an increase in European ticketing and UEFA media rights revenue.

The Group is also planning a summer rich in special events at Groupama Stadium, with Ed Sheeran concerts on 24, 25 and 26 May 2019, a Stars 80 concert on 1 June 2019 and a Phil Collins concert on 4 June 2019. Early in the next financial year, the Women's World Cup semi-final and final matches will be played at Groupama Stadium on 2, 3 and 7 July 2019.

FIVE-YEAR STRATEGIC PLAN: REVENUE TARGET OF €400 MILLION

Over the next five years, the Group intends to pursue a growth strategy based on a **full entertainment** concept focused on its core business – football – and also on the development and diversification of its events programme. In particular, the Group is studying a property extension project together with a new events hall near the stadium to complement its "Events" offering and enable it to host concerts throughout the year, as well as large-scale seminars, trade shows and possibly a resident sports club.

As part of the strategic five-year plan, the Group aims to become one of the top 20 European clubs in financial terms, by growing all of its lines of business and achieving total revenue in the region of **€400 million**.

As of 12 February 2019, OL Groupe was not involved in any dispute that could significantly jeopardise its business or the sporting objectives it has set for the 2018/19 financial year.

CONDENSED CONSOLIDATED FIRST-HALF 2018/19 FINANCIAL STATEMENTS

Contents

The consolidated financial statements comprise the financial statements of the Company, Olympique Lyonnais Groupe SA (10 avenue Simone Veil, 69150 Décines-Charpieu, France), and those of its subsidiaries. The Group has been built essentially around its professional football team. As an extension of this activity, Group subsidiaries are active in sporting events and entertainment, as well as in complementary businesses that generate additional revenue.

The consolidated financial statements were approved by the Board of Directors on 12 February 2019.

HIGHLIGHTS

The principal events of the first half of the 2018/19 financial year were as follows:

- **adidas**

OL Groupe has signed a firm, irrevocable memorandum of understanding with adidas, which will thus continue to be the exclusive kit manufacturer for all Olympique Lyonnais teams over the 2020-25 period.
Under this agreement, Olympique Lyonnais will continue to receive from adidas, for every football season, an increased minimum lump-sum payment and royalties based on the sale of products bearing the Olympique Lyonnais and adidas brands. This payment may be adjusted based on actual product sales and Olympique Lyonnais' results in the French and/or European competitions in which it plays.

As a reminder, the following major events took place during the previous financial year:

- On 13 July 2017 an innovative, wide-ranging industry partnership was signed with Groupama Rhône-Alpes Auvergne. The naming rights for Olympique Lyonnais' stadium, now called "Groupama Stadium", constitute the partnership's focal point.

- OL Groupe sold the building rights on two land parcels for €4.6 million, enabling construction to begin on the medical centre and the leisure & entertainment complex.

PRESENTATION OF THE FINANCIAL STATEMENTS

The condensed consolidated first-half financial statements have been prepared in accordance with IAS 34 "Interim financial reporting" and on the basis of the IFRSs and their amendments and interpretations published by the International Accounting Standards Board (IASB), as adopted by the European Union and that are mandatory from 1 January 2018.
These consolidated financial statements should be read in conjunction with the consolidated financial statements for the financial year ended 30 June 2018 (registration document no. D.18-0894). Unless otherwise indicated, the Group's financial statements and notes are presented in thousands of euros (€ 000).

The accounting methods applied are identical to those applied to the full-year financial statements dated 30 June 2018, with the exception of the standards, amendments and interpretations that are mandatory as of 1 July 2018 and are described below:

- IFRS 9, "Financial instruments";
- IFRS 15, "Revenue from contracts with customers";
- Amendment to IFRS 2, "Classification and measurement of share-based payment transactions";
- IFRIC 22, "Foreign currency transactions and advance consideration";
- Annual improvements, 2014-16 cycle (amendments to IFRS 1 and IAS 28);

These standards, amendments, and interpretations are mandatory for all financial years beginning on or after 1 January 2018.

IFRS 15 – Revenue from ordinary activities deriving from contracts with customers

IFRS 15, governing the recognition of revenue from ordinary activities, was published by the European Union in September 2016. It applies to all financial years beginning on or after 1 January 2018.

IFRS 15 and its associated clarifications will supersede existing standards, in particular IAS 11 and IAS 18.

The standard defines a five-step model for recognising ordinary revenue from contracts with customers. Revenue is recognised so as to reflect the payment that the entity expects to receive in exchange for goods or services sold.

Application of IFRS 15 had no significant impact on the revenue of the period, nor on the Group's accounting rules and methods for recognising revenue, presented in Note 4.1 to the consolidated first-half 2018/19 financial statements.

IFRS 9 "Financial instruments"

The IASB has published a new standard on financial instruments, IFRS 9, that supersedes most existing provisions, in particular IAS 39. This new standard, whose application became mandatory as of 1 July 2018, has three parts: classification and measurement, impairment and hedge accounting. The Group did not opt for early application of this standard.

- Classification and measurement

The Group's financial assets and liabilities were analysed according to IFRS 9.

The impact of applying IFRS 9 relates to the renegotiation of the Group's debt as of 30 June 2017. Based on the IFRS 9 criteria (and those of the IFRS 9 amendment), the Group considers that the debt restructuring did not give rise to a derecognition of the debt. This is based on a quantitative test (change in cash flows of less than 10%) and a qualitative test. In applying this standard, the difference between the amortised cost of the new debt, calculated by discounting the new cash flows at the original effective interest rate, and the previous amortised cost, must be recognised in the income statement. The impact of retrospective application of this accounting method has resulted in:

- An increase in consolidated reserves of €5.4 million (excluding deferred taxes) as of 30 June 2017;
- An additional annual expense of approximately €1 million to be recognised over the remaining life of the renegotiated debt, i.e. until 2024.

▪ Impairment

IFRS 9 incorporates a new impairment model, based on accounting for credit losses foreseen from the moment the financial instruments are recognised, i.e. prospectively. Previously, the Group recognised impairment on any receivable that presented a risk of non-payment. This risk was measured with regard to information as to the customer's solvency, abnormal payment delays and the absence of appropriate security.

Given the nature of its customer base, the Group has not identified any material impact as a result of applying this new method of impairment, because the probability of customer non-payment is low.

▪ Hedging accounting

The changes introduced by IFRS 9 with regard to hedge accounting are intended to harmonise companies' methods for recognising risk management methods. Application of IFRS 9's provisions with regard to hedge accounting had no significant impact in light of the nature of the derivative instruments – interest-rate swaps – used by the Group.

The impact on the financial statements of applying IFRS 9 is presented in Note 1.1 to the consolidated financial statements.

Application of the other amendments and interpretations did not have a significant impact on the Group's financial statements.

In addition, the Group has chosen to not apply in advance any standards, amendments and interpretations adopted by the European Commission, or which could have been applied in advance, and which will come into effect after the closing date.

These consist primarily of the following standards, amendments and interpretations:

✓ **Standards, amendments and interpretations applicable to financial years beginning on or after 1 January 2019;**

- Annual improvements, 2015-17 cycle (amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23); published (a)
- IFRIC 23 "Uncertainty over Income Tax Treatments", published in October 2018 by the European Commission;
- IFRS 16 "Leases", (a), published in November 2017 by the EU;
- Amendments to IFRS 9 (b), adopted by the EU on 26 March 2018;
- Amendments to IAS 19 (a);

(a) Provided they are adopted by the EU, as planned in Q1 2019.

(b) The IFRS 9 amendment, related to the treatment of a change in debt that does not give rise to derecognition, was applied at the same time as IFRS 9.

- ✓ **Standards, amendments and interpretations applicable to financial years beginning on or after 1 January 2020;**
- Amendment to IAS 1 / IAS 8 "Definition of materiality in financial statements".
- Amendment to IFRS 3 "Definition of a business".

The Group is currently analysing the impact of IFRS 16 "Leases", which was published in November 2017 with initial application for financial years starting on or after 1 January 2019. The Group does not plan to opt for early application of this standard. In light of the analysis underway, the Group does not expect a significant impact on consolidated net profit or consolidated equity. In implementing the standard, the Group will recognise an asset on the balance sheet representing the right to use the assets and a liability representing lease payment obligations. On the income statement, rental expense will be cancelled and replaced by depreciation and interest expense. Information on operating leases is provided in Note 6.3.3. Operating leases related principally to real and movable property. The Group has not yet determined the method of transition.

There are no accounting principles contrary to IFRS that are mandatory for financial years beginning on or after 1 July 2018 and not yet adopted at the European level, which would have had a material impact on the financial statements for the financial period under review.
In certain cases, these rules have been adapted to the specific requirements of interim financial statements.

The information disclosed in the notes to the first-half financial statements relates to the significant items, transactions and events needed to understand the changes in the financial condition and performance of the Group.

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 2018) and receipts relating to the group stage of the Champions League. The results of the first half of the year are therefore not representative of those that can be expected for all of the 2018/19 financial year.

Change in the presentation of the income statement

To simplify understanding of the financial statements and to align the presentation thereof with that of the financial statements of certain European clubs, OL Groupe's activities (player trading and excluding player trading) have been regrouped. Accordingly, the Group no longer distinguishes between "excluding player trading" and "on player trading" in its income statement in the presentation of revenue, EBITDA, net depreciation, amortisation and provisions, and profit from ordinary activities. Details related to the acquisition and sale of player registrations continue to be presented in the notes to the consolidated financial statements.

INCOME STATEMENT

(in € 000)	Note	H1 2018/19	*% of Rev.*	H1 2017/18 restated (1)(2)	*% of Rev.*
Total revenue	**4.1**	**168,407**	*100%*	**147,589**	*100%*
Purchases used during the period		-21,380	*-13%*	-20,544	*-14%*
External costs		-17,803	*-11%*	-17,635	*-12%*
Taxes other than income taxes		-3,401	*-2%*	-2,454	*-2%*
Personnel costs	5.2	-64,750	*-38%*	-59,056	*-40%*
Residual value of player registrations	6.1	-7,153	*-4%*	-6,681	*-5%*
EBITDA		**53,918**	*32%*	**41,219**	*28%*
Net depreciation, amortisation and provisions	7.3	-25,738	*-15%*	-21,566	*-15%*
Other ordinary income and expenses		-1,897	*-1%*	-3,890	*-3%*
Operating profit		**26,284**	*16%*	**15,764**	*11%*
Net financial expense	**8.6**	**-7,101**	*-4%*	**-6,884**	*-5%*
Pre-tax profit		**19,183**	*11%*	**8,880**	*6%*
Income tax expense	9.1	-4,133	*-2%*	-2,993	*-2%*
Share in net profit/loss of associates		-82	*0%*	-76	
Net profit		**14,969**	*9%*	**5,809**	*4%*
Net profit attributable to equity holders of the parent		**14,841**		**5,818**	
Net profit/loss attributable to non-controlling interests		128		-9	
Net profit per share (in €)		0.25		0.10	
Diluted net profit per share (in €)		0.11		0.04	

STATEMENT OF COMPREHENSIVE INCOME (in € 000)					
Actuarial differences on pension obligations	5.4	0		0	
Items not recyclable into net profit/loss		**0**		**0**	
Fair value of hedging instruments (stadium)		398		292	
Corresponding deferred taxes		-137		-101	
Items recyclable into net profit/loss	11.6	**261**		**192**	
Comprehensive profit		**15,230**		**6,001**	
Comprehensive profit attributable to equity holders of the parent		**15,102**		**6,010**	
Comprehensive profit/loss attributable to non-controlling interests		**128**		**-9**	

(1) The consolidated income statement for the first-half of 2017/18 has been restated compared with that presented in the first-half 2017/18 financial report, published in February 2018, so as to reflect the impact of applying the new IFRS 9 "Financial instruments" for financial years starting on or after 1 January 2018 retrospectively with restatement of comparable periods (see Note 1.1).

(2) The format of the consolidated income statement has been amended so as to simplify understanding of the financial statements and to align the presentation thereof with that of the financial statements of certain European clubs. Accordingly, OL Groupe's activities have been regrouped (see "Presentation of financial statements").

CONSOLIDATED STATEMENT OF NET FINANCIAL POSITION

Balance sheet – Assets

Net amounts (in € 000)	Note	31/12/18	30/06/18 restated (1)
Intangible assets			
Goodwill	6.1	1,866	1,866
Player registrations	6.1	107,186	81,796
Other intangible assets	6.1	1,328	810
Property, plant & equipment	6.2	392,909	399,436
Other financial assets	8.1	3,357	3,219
Receivables on sale of player registrations (portion > 1 year)	4.2 & 8.4 & 8.5	27,768	45,194
Investments in associates		248	338
Deferred taxes	9.2	3,067	4,431
Non-current assets		**537,728**	**537,089**
Inventories	4.3	3,529	2,154
Trade receivables and assets related to customer contracts	4.2	32,598	19,581
Receivables on sale of player registrations (portion < 1 year)	4.2 & 8.4 & 8.5	51,328	43,224
Other current assets, prepayments and accrued income	4.4 & 8.4	25,321	12,995
Cash and cash equivalents	8.2 & 8.4	16,667	9,162
Current assets		**129,443**	**87,116**
TOTAL ASSETS		**667,172**	**624,206**

(1) For the financial year ended 30 June 2018, the consolidated financial position was changed compared with that presented in the 2017/18 financial statements, published in October 2018 so as to take into account:
(a) the impact of applying the new IFRS 9 "Financial instruments" for financial years starting on or after 1 January 2018 retrospectively with restatement of comparable periods (see Note 1.1);
(b) the inclusion of a line item entitled "Assets related to customer contracts" in application of IFRS 15.

Balance sheet – Equity and liabilities

Net amounts (in € 000)	Note	31/12/18	30/06/18 restated (1)
Share capital	10.1	88,428	88,423
Share premiums	10.1	123,396	123,397
Reserves	10.1	-92,377	-99,396
Other equity	10.1	138,048	138,053
Net profit attributable to equity holders of the parent		14,841	7,324
Equity attributable to equity holders of the parent		**272,336**	**257,801**
Non-controlling interests		**3,172**	**3,044**
Total equity		**275,508**	**260,845**
Stadium bonds	8.3 & 8.4 & 8.5	49,931	49,848
Stadium bank loan	8.3 & 8.4 & 8.5	103,043	105,320
Borrowings and financial liabilities (portion > 1 year)	8.3 & 8.4 & 8.5	51,082	58,143
Player registration payables (portion > 1 year)	8.3 & 8.4 & 8.5	15,812	8,312
Other non-current liabilities	8.3 & 8.4	22,087	22,968
Provision for pension obligations	5.4	1,710	1,733
Non-current liabilities		**243,665**	**246,324**
Provisions (portion < 1 year)	7.1	77	136
Financial liabilities (portion < 1 year)			
Bank overdrafts	8.3 & 8.4 & 8.5	289	402
Stadium bonds	8.3 & 8.4 & 8.5	1,339	35
Stadium bank loan	8.3 & 8.4 & 8.5	7,650	7,854
Other borrowings and financial liabilities	8.3 & 8.4 & 8.5	5,299	5,282
Trade payables & related accounts	8.3 & 8.4	23,693	24,273
Tax and social security liabilities	8.3	45,369	38,850
Player registration payables (portion < 1 year)	8.3 & 8.4 & 8.5	34,503	31,499
Other current liabilities and deferred income	8.3 & 8.4	29,780	8,705
Current liabilities		**148,000**	**117,037**
TOTAL EQUITY AND LIABILITIES		**667,172**	**624,206**

(1) For the financial year ended 30 June 2018, the consolidated financial position has been restated compared with that presented in the 2017/18 financial statements, published in October 2018, so as to reflect the impact of applying the new IFRS 9 "Financial instruments" for financial years starting on or after 1 January 2018 retrospectively with restatement of comparable periods (see Note 1.1).

CASH FLOW STATEMENT

(in € 000)	H1 2017/18	H1 2017/18 restated
Net profit	14,969	5,809
Share in net profit/loss of associates	82	76
Depreciation, amortisation & provisions (1)	25,141	21,566
Other non-cash income and expenses (2)	-218	-47
Gains on the sale of player registrations	-30,917	-57,960
Gains on the sale of other non-current assets	0	-810
Income tax expense (3)	4,133	3,178
Pre-tax cash flow	**13,189**	**-28,188**
Income tax paid	**-392**	**2,021**
Net cost of financial debt	**7,014**	**7,006**
Change in trade and other receivables	-8,001	-2,973
Change in trade and other payables	7,025	-10,184
Change in working capital requirement	**-976**	**-13,157**
Net cash from operating activities	**18,835**	**-32,318**
Acquisition of player registrations net of change in liabilities	-40,153	-36,050
Acquisition of other intangible assets	-58	-49
Acquisition of property, plant & equipment - stadium construction (4)	-2,582	-1,004
Acquisition of property, plant & equipment - excl. stadium (4)	-2,473	-1,863
Acquisition of non-current financial assets	-1,724	-759
Sale of player registrations net of change in receivables	47,391	64,084
Disposal or reduction in other non-current assets	1,522	2,534
Net cash from investing activities	**1,923**	**26,893**
Change in non-controlling interests after capital increase		13
New bank and bond borrowings (5)		13,000
Interest paid	-3,506	-3,304
Repayment of borrowings (5)	-9,634	-6,459
Net cash from financing activities	**-13,140**	**3,250**
Opening cash balance	**8,760**	**18,266**
Change in cash	**7,618**	**-2,177**
Closing cash balance	**16,378**	**16,090**

(1) See Note 7.3 / (2) Other non-cash income and expenses primarily included the effect of discounting on non-current assets, and accrued interest on financial debt / (3) See Note 9 / (4) See Note 6.2 / (5) See Note 8.3

For the period ended 31 December 2017, the consolidated cash flow statement has been restated compared with that presented in the first half 2017/18 financial report, published in February 2018, so as to reflect the impact of applying the new IFRS 9 "Financial instruments" for financial years starting on or after 1 January 2018 retrospectively with restatement of comparable periods (see Note 1.1).

(in € 000)	31/12/18	31/12/17
Cash and DSRA	16,667	16,816
Bank overdrafts	-289	-726
Closing cash balance	**16,378**	**16,090**

Detail of cash flows related to the acquisition of player registrations

(in € 000)	31/12/18	31/12/17
Acquisition of player registrations	-50,657	-59,969
Player registration payables as of 30/06/19	50,315	
Player registration payables as of 30/06/18		
Player registration payables as of 31/12/17	-39,811	50,403
Player registration payables as of 30/06/17		-26,484
Acquisition of player registrations net of change in liabilities	**-40,153**	**-36,050**

Detail of cash flows related to the sale of player registrations

(in € 000)	31/12/18	31/12/17
Proceeds from the sale of player registrations	38,070	64,641
Player registration receivables as of 30/06/19	-79,096	
Player registration receivables as of 30/06/18		
Player registration receivables as of 31/12/17	88,417	-52,233
Player registration receivables as of 30/06/17		51,676
Sales of player registrations net of change in receivables	**47,391**	**64,084**

Change in working capital requirement

Change in trade and other receivables

(in € 000)	Changes during the period
Trade receivables and assets related to customer contracts	-13,083
Provision for bad debts	66
Deferred income and accruals	17,492
Trade receivables	**4,475**
Other receivables	**-11,101**
Inventories	-1,381
Provisions on inventory	7
Inventories	**-1,375**
Change in trade and other receivables	**-8,001**

Change in trade and other payables

(in € 000)	Changes during the period
Trade payables	-580
Prepayments and accrued income	-1,420
Trade payables	**-2,000**
Other current liabilities	4,274
Other non-current liabilities	4,751
Other liabilities	**9,025**
Change in trade and other payables	**7,025**

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent								
(in € 000)	Share capital	Share premiums	Treasury shares	Reserves and retained earnings	Other equity	Profit/loss recognised directly in equity	Total Group share	non-controlling interests	Total equity
Equity at 30/06/17	**88,418**	**123,397**	**-838**	**-96,759**	**138,057**	**-5,939**	**246,336**	**2,898**	**249,234**
Adoption of IFRS 9				3,696			3,696		3,696
Equity at 30/06/17, restated (1)	**88,418**	**123,397**	**-838**	**-93,063**	**138,057**	**-5,939**	**250,032**	**2,898**	**252,930**
Net profit				5,818			5,818	-9	**5,809**
Fair value of hedging instruments (2)						192	192		**192**
Revised IAS 19									
Comprehensive profit				**5,818**		**192**	**6,010**	**-9**	**6,001**
Dividends									**0**
Capital increase	4						4		**4**
Change in OSRANEs					-4		-4		**-4**
Shares held in treasury			-43			9	-35		**-35**
Currency translation adjustment						1	1		**1**
Other				-2			-2	192	**190**
Equity at 31/12/17, restated	**88,423**	**123,397**	**-881**	**-87,248**	**138,053**	**-5,738**	**256,006**	**3,081**	**259,087**
Equity at 30/06/18, restated	**88,423**	**123,397**	**-882**	**-85,742**	**138,053**	**-5,448**	**257,801**	**3,044**	**260,845**
Net profit				14,841			14,841	128	**14,969**
Fair value of hedging instruments (2)						261	261		**261**
Comprehensive profit				**14,841**		**261**	**15,102**	**128**	**15,230**
Dividends									
Capital increase (3)	5	-1					4	0	**4**
Change in OSRANEs (3)					-5		-5		**-5**
Shares held in treasury			-554			-41	-595		**-595**
Currency translation adjustment						-9	-9		**-9**
Other						37	37	0	**37**
Equity at 31/12/18	**88,428**	**123,396**	**-1,436**	**-70,901**	**138,048**	**-5,200**	**272,336**	**3,172**	**275,508**

(1) Equity as of 30 June 2017 has been restated compared with that presented in the 2017/18 financial statements, published in October 2018, so as to reflect the impact of applying the new IFRS 9 "Financial instruments" for financial years starting on or after 1 January 2018 retrospectively with restatement of comparable periods (see Note 1.1).

(2) This amount corresponds to the change in fair value, net of taxes, of the hedging instruments put in place as part of the Groupama Stadium loan agreement (see Note 11.6).

(3) See Note 10.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SCOPE OF CONSOLIDATION

There were no changes in the scope of consolidation during the period. The companies included in the scope of consolidation are presented in the table below.

Company	Head office Company no.	Activity	Number of months consolidated	% Control 31/12/18	% Interest 31/12/18	% Control 30/06/18	% Interest 30/06/18	
Olympique Lyonnais Groupe SA	Lyon 421577495	Holding company	6					--
COMPANIES OWNED BY OLYMPIQUE LYONNAIS GROUPE								
Olympique Lyonnais SASU	Lyon 385071881	Sports club	6	100.00	100.00	100.00	100.00	FC
OL Organisation SASU	Lyon 477659551	Security and reception	6	100.00	100.00	100.00	100.00	FC
AMFL SAS	Lyon 788746212	Medical centre	6	51.00	51.00	51.00	51.00	FC
OL Loisirs Developpement SAS	Lyon 832341143	Services and Consulting	6	100.00	100.00	100.00	100.00	FC
OL Partner SAS	Lyon 832992671	Insurance broker	6	95.00	95.00	95.00	95.00	FC
Beijing OL FC LTD:	Beijing	Services and Consulting	12	45.00	45.00	45.00	45.00	EM
SPECIAL-PURPOSE ENTITIES (1)								
OL Association	Lyon 779845569	Association	6					FC

FC: Full consolidation

EM: Equity method

(1) Entities controlled by the Group by virtue of a contract, agreement or clause in the entity's articles of association are fully consolidated, even if the Group does not own any of the entity's share capital (special-purpose entities).

Closing dates

All Group companies close their accounts on 30 June each year except for Beijing OL FC (31 December). Financial statements for Beijing OL FC Ltd. have been prepared for the period from 1 July to 31 December.

Note 1.1: Restatement of comparable periods

Consolidated financial statements as of 30 June 2017, 31 December 2017 and 30 June 2018, published in October 2017, February 2018 and October 2018, respectively, have been restated to reflect the impact of applying IFRS 9 "Financial instruments" retrospectively (see "Presentation of financial statements").

(in € 000)	H1 2017/18 unadjusted	IFRS 9	H1 2017/18 restated	H1 2018/19
Total revenue	**147,589**		**147,589**	**168,407**
Purchases used during the period	-20,544		-20,544	-21,380
External costs	-17,635		-17,635	-17,803
Taxes other than income taxes	-2,454		-2,454	-3,401
Personnel costs	-59,056		-59,056	-64,750
Residual value of player registrations	-6,681		-6,681	-7,153
EBITDA	**41,219**		**41,219**	**53,918**
Net depreciation, amortisation and provisions	-21,566		-21,566	-25,738
Other ordinary income and expenses	-3,890		-3,890	-1,897
Operating profit	**15,764**		**15,763**	**26,284**
Net financial expense	**-6,348**	**-536**	**-6,884**	**-7,101**
Pre-tax profit	**9,416**	**-536**	**8,879**	**19,183**
Income tax expense	-3,178	185	-2,993	-4,133
Share in net profit/loss of associates	-76		-76	-82
Net profit	**6,162**	**-352**	**5,809**	**14,969**

Net profit attributable to equity holders of the parent	6,171		5,818	14,841
Net profit/loss attributable to non-controlling interests	-9		-9	128
Earnings per share (in €)	0.11		0.10	0.25
Diluted net profit per share (in €)	0.05		0.04	0.11

Net amounts (in € 000)	30/06/17 unadjusted	IFRS 9	30/06/17 restated	30/06/18 unadjusted	IFRS 9	30/06/18 restated	31/12/18
Intangible assets							
Goodwill	1,866		1,866	1,866		1,866	1,866
Player registrations	47,007		47,007	81,796		81,796	107,186
Other intangible assets	686		686	810		810	1,328
Property, plant & equipment	414,963		414,963	399,436		399,436	392,909
Other financial assets	2,727		2,727	3,219		3,219	3,357
Receivables on sale of player registrations (portion > 1 year)	12,601		12,601	45,194		45,194	27,768
Investments in associates	489		489	338		338	248
Deferred taxes	8,654	-1,666	6,988	5,728	-1,297	4,431	3,067
Non-current assets	**488,993**	**-1,666**	**487,327**	**538,387**	**-1,297**	**537,090**	**537,728**
Inventories	1,892		1,892	2,154		2,154	3,529
Trade receivables	43,898		43,898	19,581		19,581	32,598
Receivables on sale of player registrations (portion < 1 year)	39,075		39,075	43,224		43,224	51,328
Other current assets, prepayments and accrued income	20,645		20,645	12,995		12,995	25,321
Cash and cash equivalents	19,702		19,702	9,162		9,162	16,667
Current assets	**125,212**		**125,212**	**87,116**		**87,116**	**129,443**
TOTAL ASSETS	**614,205**	**- 1,666**	**612,538**	**625,503**	**- 1,297**	**624,206**	**667,172**

Net amounts (in € 000)	30/06/17 unadjusted	IFRS 9	30/06/17 restated	30/06/18 unadjusted	IFRS 9	30/06/18 restated	31/12/18
Share capital	88,418		88,418	88,423		88,423	88,428
Share premiums	123,397		123,397	123,397		123,397	123,396
Reserves	-108,208		-108,208	-103,092	3,696	-99,396	-92,377
Other equity	138,057		138,057	138,053		138,053	138,048
Net profit attributable to equity holders of the parent	4,672	3,696	8,368	8,028	-704	7,324	14,841
Equity attributable to equity holders of the parent	**246,336**		**250,032**	**254,809**		**257,801**	**272,336**
Non-controlling interests	**2,898**		**2,898**	**3,044**		**3,044**	**3,172**
Total equity	**249,234**	**3,696**	**252,930**	**257,853**	**2,992**	**260,845**	**275,508**
Stadium bonds	49,692		49,692	49,848		49,848	49,931
Stadium bank loan	115,743	-5,362	110,381	109,609	-4,289	105,320	103,043
Borrowings and financial liabilities (portion > 1 year)	39,735		39,735	58,143		58,143	51,082
Player registration payables (portion > 1 year)	7,807		7,807	8,312		8,312	15,812
Other non-current liabilities	22,828		22,828	22,968		22,968	22,087
Provision for pension obligations	1,494		1,494	1,733		1,733	1,710
Non-current liabilities	**237,299**	**- 5,362**	**231,937**	**250,613**	**- 4,289**	**246,324**	**243,664**
Provisions (portion < 1 year)	114		114	136		136	77
Financial liabilities (portion < 1 year)							
Bank overdrafts	1,436		1,436	402		402	289
Stadium bonds				35		35	1,339
Stadium bank loan	7,338		7,338	7,854		7,854	7,650
Other borrowings and financial liabilities	5,162		5,162	5,282		5,282	5,299
Trade payables & related accounts	29,712		29,712	24,273		24,273	23,693
Tax and social security liabilities	38,386		38,386	38,850		38,850	45,369
Player registration payables (portion < 1 year)	18,678		18,678	31,499		31,499	34,503
Other current liabilities, deferred income and accruals	26,846		26,846	8,705		8,705	29,780
Current liabilities	**127,672**		**127,672**	**117,037**		**117,037**	**147,999**
TOTAL EQUITY AND LIABILITIES	**614,205**	**- 1,666**	**612,538**	**625,503**	**- 1,297**	**624,206**	**667,172**

NOTE 2: USE OF ESTIMATES

In preparing financial statements that comply with the IFRS conceptual framework, 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 a definite or indefinite life, deferred taxes, and provisions. These estimates are based on an assumption of continuity of operations and are calculated using available information. 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 first-half financial statements, valuations have been established as if the interim period were a stand-alone period. The notes presented below reiterate the principles for determining certain balance sheet and income statement line items.

There was no change in risks and uncertainties during the period.

NOTE 3: SEGMENT INFORMATION

Pursuant to IFRS 8, "Operating Segments", an operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses and satisfies the following conditions:

- its operating results are reviewed regularly by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance;
- discrete financial information is available for the segment.

The Group has not identified any material, distinct business segments within the meaning of this standard. To this end, the Group presents information in Note 4.1 breaking down revenue by nature and activity and detailing sales of player registrations.

The operation of Groupama Stadium is not considered a distinct business segment since it cannot be separated from the sporting activities developed around the professional football team, owing in particular to the size of its facilities, the attractiveness of the venue and the sources and amounts of revenue.

Reporting by geographical segment is not relevant to the Group in view of its business as a football club.

NOTE 4: OPERATING ACTIVITIES

Note 4.1: Total revenue

Revenue recognition

In accordance with IFRS 15, the Group has adopted a contract typology that matches the performance obligation specific to each type of revenue. The standard defines a five-step model for recognising ordinary revenue from contracts with customers. Revenue recognition is tied to the performance obligation for each type of contract.

Revenue is measured and recognised as follows:

- Sponsoring:

The terms of sponsoring agreements indicate the amounts to be recognised for each half-year period.

- Media and marketing rights:

- French Professional Football League (LFP – Ligue 1) and French Football Federation (FFF)
The performance obligation corresponds to participation in the various competitions. Determination as to whether the obligation has been realised is based on the number of matches played as the season advances.

- UEFA / Champions League revenue
The triggering event for UEFA / Champions League revenue is the Club's participation in this European competition. The performance obligation is realised depending on the stage the Club reaches in the competition.

In accordance with the CNCC (French professional accounting body) instruction of 28 March 2007, and in compliance with IFRS, 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 Ligue 1 position at the end of the season (as of 31 December 2018, OL Groupe estimated a third-place finish), on a pro rata basis.

- Other revenue includes revenue related to the sale of merchandising products, use of licences and infrastructure, as well as signing fees. Signing fees are recognised as soon as they are definitely and irrevocably earned.
- Ticketing:

  The performance obligation is realised when the matches are played. Season tickets sold for the coming season are recorded as deferred income.
- Events revenue derives from new additional businesses developed since Groupama Stadium entered service. It includes concerts, non-football sporting events, conventions, B2B seminars and corporate events, stadium tours, etc.
- Partnerships and advertising, brand-related revenue:

  The performance obligation related to signage, marketing and the use of licences is realised on a pro rata basis.
  The performance obligations related to the sale of goods and services, such as event organisation or the sale of derivative products, is realised when ownership of the goods is transferred or when the services are performed.

Breakdown of revenue

Breakdown of revenue by category

Revenue broke down as follows:

(in € 000)	H1 2018/19	H1 2017/18
Media and marketing rights (LFP-FFF)	24,762	25,909
Media and marketing rights (UEFA)	57,362	11,031
Ticketing	21,232	17,064
Sponsoring – Advertising	15,268	14,022
Events	3,216	6,118
Brand-related revenue (1)	8,496	8,805
Proceeds from the sale of player registrations (2)	38,070	64,641
Total revenue	**168,407**	**147,589**

(1) Brand-related revenue

(in € 000)	H1 2018/19	H1 2017/18
Derivative products	5,644	5,978
Image-related revenue	1,088	1,092
Other	1,764	1,735
Brand-related revenue	**8,496**	**8,805**

(2) Proceeds from the sale of player registrations

Proceeds from the sale of player registrations are recognised as of the date the transfer contract is approved by the League. In the event such approval does not apply, the date at which the League was informed of the signature of the transfer contract prevails. Earn-outs and other contingent fees are recognised when the condition precedent is met. So long as the condition precedent is not met, the contingent fee is recognised as an off-balance-sheet item.

Application of IFRS 15 did not have a significant impact on OL Groupe's revenue recognition.

(in € 000)	H1 2018/19	H1 2017/18
Emanuel Mammana	-	14,220
Alexandre Lacazette	585	49,560
Maciej Rybus	-	1,630
Nicolas Nkoulou	-	500
Alassane Plea	4,950	
Sergi Darder		300
Mouctar Diakhaby	9	-
Mariano Diaz	21,697	
Clinton Njie		143
Thimothée Kolodziejczak	-	77
Rémy Riou	-	11
Myziane Maolida	10,000	
Ishak Belfodil (1)	99	(1,800)
Rachid Ghezzal	665	-
Loïc Remy	49	-
Yassine Benzia	16	-
Proceeds from the sale of player registrations	**38,070**	**64,641**

(1) As the Parma club has been liquidated, it is highly unlikely that this receivable will be collected, and OL Groupe therefore decided to write it off against the previous financial year. This receivable had been fully provisioned. Accordingly, a credit note has been issued.

Breakdown of revenue by company

(in € 000)	H1 2018/19	H1 2017/18
Olympique Lyonnais Groupe and other	192	229
Olympique Lyonnais SASU	166,822	145,398
OL Organisation	3	2
Olympique Lyonnais Association	1,389	1,960
Total revenue	**168,407**	**147,589**

Note 4.2: Trade receivables and assets related to customer contracts

Trade receivables and assets related to customer contracts

Receivables are initially measured at fair value, which is usually their face value. These receivables are discounted if their due date is more than six months hence. The discount rate used is the Euribor and/or BTAN rate for the maturity of the receivable.

IFRS 9 requires that expected credit losses on commercial receivables be recognised. The Group has carried out a review of its customer receivables and its receivables from sale of player registrations based on analysis of risks and the probability of non-payment. This review did not generate a significant impact on the Group's financial statements.

Provisions on customer receivables are recognised to account for expected losses, determined according to the following model:

- Doubtful accounts, i.e. those with a high risk of non-payment: provisions recognised on a case-by-case basis;
- Customers for which indications of loss in value have been identified (late payments, disputes, etc.): individual provisions if there are payments more than 12 months past due.
- Customers without any indication of a loss in value as of the closing date: provisions for expected losses are recognised on a case-by-case basis, taking into account both quantitative and qualitative information about the customer, its rating, etc. No provisions have been recognised, as the probability of non-payment is considered to be immaterial.

The principal customers (revenue > 10% of consolidated total) are the LFP (French professional football league) and the sports marketing company Lagardère Sports.

Trade receivables and assets related to customer contracts broke down as follows:

(in € 000)	31/12/18	30/06/18
Trade receivables	26,609	20,485
Assets related to customer contracts (1)	6,959	0
Provision for bad debts	-970	-904
Trade receivables and assets related to customer contracts	**32,598**	**19,581**

(1) Corresponds to the receivable from the LFP, recognised in the financial statements as of 31 December 2018 and reflecting the Club's non-definitive ranking as of that date.

(in € 000)	31/12/18	30/06/18
Player registration receivables	79,096	88,417
Provisions on player registration receivables		
Net player registration receivables	**79,096**	**88,417**
of which less than 1 year	51,327	43,224
of which more than 1 year	27,769	45,193

Receivables on player registrations broke down as follows:

(in € 000)	31/12/18		30/06/18	
	Current	Non-current	Current	Non-current
Receivables on registrations sold in 2015/16	37		37	380
Receivables on registrations sold in 2016/17			12,221	
Receivables on registrations sold in 2017/18	35,706	19,001	30,966	44,813
Receivables on registrations sold in 2018/19	15,584	8,768		
Total player registration receivables (gross)	**51,327**	**27,769**	**43,224**	**45,193**
		79,096		**88,417**

Receivables on player registrations primarily included the balance of transfers in 2017/18: €15.7 million related to A. Lacazette, €14.4 million related to W. Geubbels and €9.6 million related to M. Diakhaby. They also included €14.6 million related to the transfer of M. Diaz in 2018/19.

The impact of discounting player registration receivables was not material as of 31 December 2018 or 30 June 2018.

Note 4.3: Inventories

Under IAS 2, "Inventories", the acquisition cost of inventories includes the purchase price, transport and handling costs, and other costs directly attributable to the acquisition of the finished goods, less any price reductions, rebates or financial discounts.

Inventories of goods held for resale are valued at their weighted average unit cost. This value is compared to the net realisable value (estimated sale price of the products). The inventory is valued at the lower of the two values. An impairment loss may be taken against obsolete, defective or slow-moving goods.

OL Groupe inventories are related to the Merchandising business unit. These inventories comprise only goods held for resale.

(in € 000)	31/12/18	30/06/18
Inventories	3,671	2,290
Provisions on inventory	-143	-136
Net inventories	**3,529**	**2,154**

Note 4.4: Other current assets

Other current assets, prepayments and accrued income broke down as follows:

(in € 000)	31/12/18	30/06/18
Turnover tax	8,470	5,481
Income tax receivable	100	455
Other tax receivables	422	1,552
Social security receivables	68	20
Other current assets (1)	13,133	3,778
Accruals and prepayments	3,129	1,709
Total other current assets	**25,321**	**12,995**
Provisions on other assets		
Net other assets	**25,321**	**12,995**

(1) Includes €9.3 million related to Champions League media rights.

Note 4.5: Other current liabilities

(in € 000)	31/12/18	30/06/18
Trade payables	23,693	24,273
Tax and social security liabilities	45,369	38,850
of which: tax liabilities due in less than 1 year	*19,000*	*12,590*
of which: social security liabilities	*26,369*	*26,260*
Other current liabilities, deferred income and accruals	29,779	8,705
of which liabilities on non-current assets and other liabilities	*6,440*	*2,858*
of which deferred income (1)	*23,339*	*5,847*
Total current liabilities	**98,842**	**71,828**

(1) Deferred income includes season ticket receipts for sporting events scheduled for the second half of the financial year (€4 million), as well as the portion of French media rights relating to the second half of the financial year (€6.8 million).

NOTE 5: EXPENSES AND EMPLOYEE BENEFITS

Note 5.1: Employee numbers

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

	H1 2018/19	H1 2017/18
Olympique Lyonnais Groupe	98	73
Olympique Lyonnais SAS	152	151
OL Association	119	109
OL Organisation	71	70
Total	**440**	**403**

Note 5.2: Personnel costs

(in € 000)	H1 2018/19	H1 2017/18
Payroll	-48,041	-43,532
Social security charges	-16,709	-15,524
Total	**-64,750**	**-59,056**

Note 5.3: Senior management remuneration

Remuneration paid to senior management totalled €1,149 thousand in the first half of 2018/19. This amount broke down as follows:

- Short-term benefits (excluding employer's share):

- In H1 2018/19, the eight members of the senior management team received €1,149 thousand (€662 thousand fixed, €477 thousand variable, and €10 thousand in benefits-in-kind, i.e. the use of vehicles).
- In H1 2017/18, they received €820 thousand (seven members).

The Chairman and CEO receives no remuneration from OL Groupe apart from directors' fees.

The Chairman and CEO of OL Groupe receives remuneration for his professional activities at Holnest, an investment and management holding company.

Note 5.4: Pension obligations

(in € 000)	H1 2018/19	2017/18
Present value of opening commitments	**1,733**	**1,494**
Financial costs	24	25
Cost of services provided during the period	-47	140
Benefits paid		-5
Plan amendment		5
Projected present value of closing commitments	**1,710**	**1,659**
Actuarial variance for the period		74
Present value of closing commitments	**1,710**	**1,733**

Changes were recognised by extrapolating the commitment from 30 June to 31 December 2018, holding actuarial parameters constant, as the impact of actuarial gains and losses was not material during the half-year period.

NOTE 6: PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Note 6.1: Goodwill and other intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance, held with a view to its use, from which future economic benefits are expected to flow to the entity.

a) Goodwill

Business combinations are accounted for using the purchase method in accordance with IFRS 3. The amended IFRS 3, "Business Combinations", is applied to all acquisitions carried out on or after 1 July 2009.

On first-time consolidation of a company, the company's assets and liabilities are measured at their fair value.

Any difference between the purchase cost of the shares and the overall fair value of identified assets and liabilities as of the acquisition date is accounted for as goodwill.

The fair values and goodwill may be adjusted during a period of one year after acquisition. If the purchase cost is less than the fair value of identified assets and liabilities, the difference is recognised immediately in the income statement.

As required by IFRS 3 "Business combinations" and IAS 36 as amended, goodwill is not amortised. As goodwill is an intangible asset with an indefinite lifetime, it is subject to an annual impairment test in accordance with IAS 36, as amended (see below for a description of the procedures for implementing impairment tests).

b) Player registrations

Player registrations meet the definition of an intangible asset. They are capitalised at their acquisition cost, which is discounted if the payment is deferred over more than six months (the acquisition cost is equal to the purchase price plus costs incidental to and directly related to the transaction). The discount rate used is the Euribor and/or BTAN rate for the maturity of the receivable.

The registration is recognised as an asset from the date on which the Group deems the transfer of ownership and risk to be effective. These conditions are deemed to be met on the date the transfer agreement is approved by the League, or on the date it is signed if such approval is not applicable.

Player registrations are amortised on a straight-line basis over the term of the initial contract (typically 3-5 years). If a contract is extended, the related external costs are included in the value of the registration and the amortisation charge is recalculated on the basis of the new residual term.

Earn-out fees provided for in transfer deals usually require the fulfilment of certain conditions. The amount of the earn-out is capitalised if there is a strong probability that the conditions for payment will be met. Otherwise, earn-outs are disclosed as contingent liabilities and capitalised when the conditions are met.

Special features of certain transfer agreements

Certain transfer agreements may provide for retrocession of part of the proceeds of a future transfer. This retrocession fee may be paid to the transferred player, his agent or the player's original club. At the time of the transfer, if these retrocession fees are paid to the player they are recorded as personnel expenses; if they are paid to the agent or to the club they are offset against the proceeds from the sale of player registrations.

Existing transfer agreements that provide for a fixed retrocession fee are disclosed as off-balance-sheet commitments at the financial year-end. If this amount is calculated as a percentage of the transfer fee or the capital gain realised, then no calculation can be made.

Impairment of non-financial assets related to player registrations

Assets with a finite lifetime, such as player registrations, are tested for impairment whenever there is an indication that their value may be impaired. A further write-down (in addition to scheduled amortisation) is then recognised if the book value exceeds the recoverable amount.

Impairment tests are performed using the following three steps:

- For player registrations held with the intent to sell, the estimated or known sale price, net of selling fees, is compared to the contract’s carrying value, and a write-down may be recognised where necessary;
- If an event occurs that could have an impact on the useful life of the contract (early termination of the contract by the player, irreversible disability, etc.), it may be amortised ahead of schedule;
- Indications of an impairment loss are determined on two levels:
    - At the team level, an overall assessment of value in use is made by comparing the Club’s discounted cash flows to the cumulative carrying value of all player registrations.

- At the individual player level, potential impairment loss is evaluated using various criteria including the player’s appearance on match sheets.

- The cash flows used for these tests on players are consistent with those used to calculate deferred tax assets (see Note 9.2). Management has created several scenarios, taking into account assumptions that the Club will participate in European competitions, rank near the top of the Ligue 1 table and that the player registration sales strategy will continue. No scenario is considered reasonably likely to give rise to an impairment loss.

c) Future media rights

Future media rights are initially measured at fair value and are not amortised. They are tested for impairment at the close of each subsequent financial year.

d) Purchased software

Purchased software is amortised over three to five years.

e) Impairment of non-financial assets

According to IAS 36 "Impairment of Assets", the recoverable value of property, plant & equipment and intangible assets must be tested as soon as indications of impairment appear.

- Intangible assets with an indefinite life (goodwill and future media rights), which are not amortised, are tested for impairment at least once a year. Losses in the value of goodwill are irreversible. The goodwill recognised in the balance sheet is not material.

  An impairment loss is recognised when the carrying amount of an asset is higher than its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

- The value in use of assets is determined on the basis of future cash flows calculated according to the discounted cash flow method. This estimation covers a five-year period.

  The discount rate used for calculations is an after-tax rate, applied to cash flows after tax.

- Assets with a finite lifetime are tested for impairment whenever there is an indication that their value may be impaired. A further write-down (i.e. in addition to scheduled amortisation) is then recognised if the book value exceeds the recoverable amount.

Goodwill

Movements during the period were as follows:

(in € 000)	30/06/18	Increases	Decreases	31/12/18
Olympique Lyonnais SASU	1,866			1,866
Total	**1,866**	**0**	**0**	**1,866**

Other intangible assets

Movements during the period were as follows:

(in € 000)	30/06/18	Increases	Decreases	31/12/18
Concessions, patents and media rights	1,683	689		2,372
Amortisation of concessions and patents	-873	-171		-1,044
Other intangible assets	**810**	**518**	**0**	**1,328**

Intangible assets - player registrations

Player registrations: movements during the period

Movements during the period were as follows:

(in € 000)	30/06/18	Increases	Decreases though retirement	Decreases	31/12/18
Player registrations	111,947	50,657		-11,443	151,161
Player registrations in effect	550		-550		0
Amort. of player registrations (1)	-30,701	-15,928		2,652	-43,976
Impairment of player registrations (2)	0				
Player registrations	**81,796**	**34,729**	**-550**	**-8,791**	**107,186**

(1) The analysis performed did not lead to a change in the useful life of player registrations as of 31 December 2018.

(2) The impairment tests on player registrations did not reveal a loss in value during the period. No impairment was recognised as of the opening date.

Residual value of player registrations

(in € 000)	31/12/18	31/12/17
Decreases in player registration assets	-7,153	-6,681
Player registrations held for sale		
Residual value of player registrations	**-7,153**	**-6,681**

The decrease in player registration assets resulted from the transfer of M. Diaz during H1 2018/19.

(in € 000)	Net value as of 31/12/18	Net value as of 30/06/18
Disbursement of agent fees	7,261	10,393

Player registration expiry schedule

The player registration expiry schedule (in terms of net carrying value) is as follows:

(in € 000)	Net value as of 31/12/18	Net value as of 30/06/18
Contracts expiring in 2018		0
Contracts expiring in 2019	810	1,634
Contracts expiring in 2020	3,957	11,071
Contracts expiring in 2021	24,335	22,288
Contracts expiring in 2022	36,947	46,803
Contracts expiring in 2023	41,138	
Total player registrations	**107,186**	**81,796**

Note 6.2: Property, plant & equipment

a) Property, plant & equipment

Property, plant & equipment are measured at cost (purchase price, transaction costs and directly attributable expenses). They have not been revalued.

As required by IAS 16, buildings are accounted for using the component approach.

The Group does not use the fair value of its non-financial assets to determine their recoverable amount, apart from assets held for sale.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as estimated by the Company:

- Buildings (including long-term leases) 25-50 years
- Building improvements 3-10 years
- Computer equipment 3-4 years
- Office equipment 5 years
- Office furniture 8 years
- Machinery and equipment 5 years
- Vehicles 3-5 years

Residual values are considered to be either not material or not reliably determinable.

In accordance with IAS 23, borrowing costs directly attributable to the construction of property, plant & equipment are included in their cost.

Investment grants, in particular the €20 million attributed during the 2011/12 financial year as part of the new stadium financing, have been recognised as deferred income.

b) Leases

In accordance with IAS 17, a finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset, whether or not title is ultimately transferred.

Criteria used to assess whether a contract should be classified as a finance lease include:

- the lease transfers ownership of the asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the asset at a price substantially less than the fair value;
- the lease term is for the economic life of the asset;
- the current value of future rental payments is greater than or equal to substantially all of the fair value;
- the leased assets are of such a specialised nature that only the lessee can use them;

• in case of cancellation, the associated losses are borne by the lessee;

• gains or losses from the fluctuation in the fair value of the residual value are borne by the lessee;

• the lessee has the option to renew the lease at a rent that is substantially lower than market rent.

All finance leases with a material value at inception are restated from French GAAP to IFRS.

Restatement involves:

• recognising the assets financed by the lease and the corresponding debt in the balance sheet;

• recognising the corresponding depreciation of the assets and the financial expense related to the debt, instead of the lease payments and rental expenses. The depreciation term is the same as that used for other, similar assets that the company has acquired.

Any leases not specified as finance leases are operating leases and as such are not recognised on the balance sheet. Rental payments are booked as operating expenses on a straight-line basis over the term of the lease.

Movements during the period were as follows:

(in € 000)	30/06/18	Increases	Decreases	31/12/18
Buildings and improvements (1)	429,169	2,582		431,751
Work-in-progress: Groupama Stadium (2)	2,861			2,861
Work-in-progress: Groupama OL Training Center	159	1,452	-1,213	398
Work-in-progress: Groupama OL Academy	172	1,179	-1,099	252
Work-in-progress: IT development	364	456	-468	352
Equipment and facilities (3)	11,758	505	0	12,263
Gross amounts	**444,483**	**6,174**	**-2,780**	**447,877**
Buildings and improvements (4)	-42,197	-9,342		-51,539
Equipment and furniture	-2,850	-579		-3,429
Accumulated depreciation	**-45,048**	**-9,921**	**0**	**-54,969**
Net amounts	**399,436**	**-3,748**	**-2,780**	**392,909**

(1) The increase corresponds to improvements to the training centre playing surface (€1 million), the main pitch (€0.8 million) and the museum (€0.3 million).

(2) The work-in-progress relating to Groupama Stadium corresponded primarily to unsold building rights.

(3) The balance at the closing date included €1.7 million in finance lease agreements restated in accordance with IAS 17.

(4) Includes depreciation of €10 million relating to the finance lease agreements restated in accordance with IAS 17.

Note 6.3: Off-balance-sheet commitments (operating activities)

6.3.1: Player-related commitments

Player-related commitments given

(in € 000)	Up to 1 year	1-5 years	More than 5 years	31/12/18	30/06/18
Conditional commitments to clubs related to the acquisition of player registrations (1)	11,550	11,300		22,850	27,300
Conditional commitments to agents related to player registrations (2)	4,480	2,404		6,884	2,473
Conditional commitments to players and staff as part of players' contracts (3)	3,907	12,721		16,628	16,768
Total	**19,937**	**26,425**	**0**	**46,362**	**46,541**

(1) Commitments made to clubs as part of the sale of player registrations primarily corresponded to additional contingent transfer fees to be paid in the future. They are typically contingent on the player remaining with the Club and specific sporting performance objectives being achieved.

(2) Commitments made to agents as part of the sale of player registrations are typically contingent on the player remaining with the Club and only concern those agents of players not presented as balance sheet assets.

(3) Commitments made as part of staff and players' employment contracts are typically contingent on the player remaining with the Club and specific sporting performance objectives being achieved. They correspond to the maximum amount committed, based on the assumption that all the related conditions are met.

Players loaned out with a purchase option will re-join the squad in the event the purchase option is not exercised at the end of the loan period.

In connection with the acquisition of certain players, commitments have been made to pay a percentage of the amount of a future transfer to certain clubs or players (see Note 6.1).

As of 31 December 2018, there were no payables on player registrations secured by bank guarantees.

6.3.2: Commitments related to Groupama Stadium

Commitments related to the refinancing of virtually all of the Group's bank and bond debt as of 30 June 2017

As part of the refinancing of virtually all of the bank and bond debt, the following commitments were implemented as of the signing date, i.e. 30 June 2017:

- Commitments given by certain Group entities, represented by collateral with a maximum total value of €271.5 million, corresponding to the full amount of borrowings;
- Commitments given by certain Group entities, represented by signature guarantees with a maximum total value of €260 million (can replace but not supplement the above collateral).

Covenants

The Group must maintain three ratios applicable to all of the debt instruments subscribed to under the overall refinancing of the Group's debt (including the long-term bank and bond debt). For more detail, please refer to Note 11.4, "Refinancing of virtually all of the bank and bond debt as of 30 June 2017".

Commitments related to financing the construction of the Groupama OL Training Center and the OL Academy.

During the 2016/17 financial year, the Group finished construction of the mixed-sex professional training centre in Décines (inaugurated on 10 October 2016) and the academy building in Meyzieu (inaugurated on 27 October 2016).

In the context of this project, OL Groupe and OL Association signed a credit agreement on 12 June 2015 in the amount of €14 million with Groupama Banque (Orange Bank since the start of 2017). The 10-year credit facility was used to partially finance the new training centre and OL Academy, which represented a total investment of around €30 million. This €30 million has been financed by (i) the Groupama bank loan, (ii) two finance lease agreements totalling €3.6 million and (iii) a €1.3 million subsidy (Rhône-Alpes region). The remainder was financed using OL Groupe equity.

Furthermore, the Group has entered into the following commitments as part of the construction of the training centre and the Academy:

A €14 million lien on the OL Academy (maturing in over five years),

Transfer of Groupama Rhône-Alpes Auvergne naming rights and OL Association partnership receivables: the committed amount as of 31 December 2018 was €6.1 million.

6.3.3: Other commitments

Other commitments received

(in € 000)	Up to 1 year	1-5 years	More than 5 years	31/12/18	30/06/18
Other joint and several guarantees	366				382

Player-related commitments received

(in € 000)	Up to 1 year	1-5 years	More than 5 years	31/12/18	30/06/18
Commitments related to the sale of player registrations with conditions precedent (1)	10,525	7,525		18,050	19,050
Total	**10,525**	**7,525**	**0**	**18,050**	**19,050**

(1) Commitments related to the sale of player registrations, totalling €10.5 million, included commitments made as part of transfer contracts providing for contingent payments to the Club after the transfer in the event certain performances are achieved.

Other commitments given

(in € 000)	Up to 1 year	1-5 years	More than 5 years	31/12/18	30/06/18
Leases and services payable	12,003	36,027	72,486	120,516	121,091
Other commitments given	5,599	7,078	4,217	16,894	16,310
Total	**17,602**	**43,105**	**76,703**	**137,410**	**137,401**

Commitments given correspond to guarantees made as part of service contracts.

NOTE 7: OTHER PROVISIONS AND CONTINGENT LIABILITIES

In accordance with IAS 37, provisions are made according to a case-by-case analysis of the probable risk and expense. A provision is made when management becomes aware of an obligation (legal or implied) arising from past events, the settlement of which is expected to result in an outflow of resources without equivalent compensation. Provisions are classified as non-current or current depending on the expected timing of the risk or expense. Non-current provisions are discounted if the impact is material.

These are primarily provisions for disputes. Provisions, in particular those relating to labour disputes, are determined using Management's best estimate based on the expected risk and following consultation with the Group's lawyers.

Note 7.1: Provisions

(in € 000)	30/06/18	Increases	Decreases		31/12/18
			Used	Unused	
Provisions for disputes and litigation	128	45	-105		69
Provisions for other risks	8				8
Total	**136**	**45**	**-105**	**0**	**77**

These are short-term provisions (less than one year).

Note 7.2: Other contingent liabilities

As of 31 December 2018, the Group had not identified any contingent liabilities.

Note 7.3: Net depreciation, amortisation and provisions

(in € 000)	H1 2018/19	H1 2017/18
Depreciation, amortisation and provisions on intangible assets and PP&E	-9,846	-9,323
Net provisions for retirement bonuses		-140
Other risk provisions, net	106	-59
Net provisions on current assets	-72	-18
Exceptional provisions on non-current assets	0	-1,465
Amortisation of non-current assets: player registrations	-15,928	-12,360
Provisions on player registrations		1,800
TOTAL	**-25,738**	**-21,566**

NOTE 8: FINANCING AND FINANCIAL INSTRUMENTS

Note 8.1: Non-current financial assets

The Group classifies its non-current financial assets into the following categories: Equity investments and related receivables, Other financial assets (mostly pledged mutual funds, investment grants, deposits, guarantees and holdbacks), Receivables on sale of player registrations and Income tax receivables (portion > 1 year).

Movements during the period were as follows:

(in € 000)	30/06/18	Increases	Decreases	31/12/18
Other financial assets	3,219	167	-28	3,357
Gross amounts	**3,219**	**167**	**-28**	**3,357**
Impairment				
Net amounts	**3,219**	**167**	**-28**	**3,357**

This line item is primarily comprised of investments relating to construction efforts.

Note 8.2: Cash and cash equivalents

Detail of cash and cash equivalents

Cash and cash equivalents include cash on hand and in bank current accounts.

Marketable securities are measured and recognised at fair value based on the last quoted price of the financial year. Marketable securities comprise entirely investments in euro-denominated money-market or capital-guaranteed mutual funds.

In the case of pledged mutual fund units, these securities are reclassified as other financial assets (current or non-current). Changes in fair value are recognised as financial income or expense.

(in € 000)	31/12/18	30/06/18
Cash	16,667	9,162
Total	**16,667**	**9,162**

Note 8.3: Current and non-current financial debt

a) Non-current financial debt

Loans are classified as non-current liabilities except when their due date is less than 12 months hence, in which case they are classified as current liabilities. All contracts are interest-bearing.

Bank borrowings are measured at amortised cost using the effective interest method.

b) Detail of financial liabilities and other non-current liabilities

Current and non-current financial debt and other non-current liabilities broke down as follows:

(in € 000)	31/12/18	30/06/18 (1)
Current financial debt	**14,578**	**13,574**
excl. stadium financing	2,591	2,730
related to stadium financing	11,987	10,844
Non-current debt	**226,143**	**236,279**
Financial liabilities excl. stadium financing	***47,820***	***53,357***
Financial liabilities related to stadium financing	***156,236***	***159,954***
of which long term	*103,043*	*105,320*
of which stadium bonds	*49,931*	*49,848*
of which other	*3,262*	*4,786*
Other non-current liabilities	***22,087***	***22,968***
of which deferred income related to CNDS subsidy	*17,712*	*17,958*
of which long-term loan swap	*1,707*	*2,134*
of which deferred income related to OL Academy and Museum subsidies	*2,668*	*2,876*
Total	**240,720**	**249,852**

(1) The amount of the long-term loan has been restated compared with that presented in the 2017/18 financial statements, published in October 2018, so as to take into account the impact of applying IFRS 9.

c) Breakdown of liabilities by maturity

(in € 000)	31/12/18	Up to 1 year	1-5 years	More than 5 years
Financial liabilities excl. stadium financing	50,411	2,591	45,294	2,525
Financial liabilities related to stadium financing	168,223	11,987	32,352	123,884
Other non-current liabilities	22,087	-	5,384	16,704
Total 1	**240,720**	**14,577**	**83,030**	**143,113**
Total 2	**240,720**	**14,577**	**226,143**	

(in € 000)	30/06/18	Up to 1 year	1-5 years	More than 5 years
Financial liabilities excl. stadium financing	56,088	2,730	7,369	45,988
Financial liabilities related to stadium financing	170,798	10,570	33,579	126,648
Other non-current liabilities	22,968	-	5,811	17,157
Total 1	**249,852**	**13,300**	**46,758**	**189,793**
Total 2	**249,852**	**13,300**	**236,552**	

As of 31 December 2018, **financial liabilities of up to one year** primarily comprised:

- €8.1 million of the long-term loan (€7.7 million net of costs);
- €3.5 million principal amount of the finance lease agreements restated in accordance with IAS 17;
- €1.3 million in accrued interest on bond debt;
- €0.3 million loan for the construction of the OL Academy and €0.9 million for the Groupama OL Training Center.
- €0.6 million of the loan contracted by OL Groupe from BPI during the 2013/14 financial year. The loan has a face value of €3 million and a maturity of seven years.

Financial liabilities of between 1 and 5 years primarily consisted of:

- €32.6 million of the long-term loan (€29.1 million net of costs);
- €40.5 million in revolving credit facilities granted to Olympique Lyonnais SASU and drawn down as of 31 December 2018 (€38.6 million net of costs);

- €4.7 million principal amount of the finance lease agreements restated in accordance with IAS 17;
- €1.4 million and €3.2 million, net of set-up costs, of the loan for the construction of the OL Academy and the Groupama OL Training Center, respectively.
- €0.6 million of the loan contracted by OL Groupe from BPI during the 2013/14 financial year. The loan has a face value of €3 million and a maturity of seven years.

Financial liabilities of more than 5 years included:
- €83 million of the long-term loan (€73.9 million net of costs);
- €51 million in bond debt (or €49.9 million net of issue costs);
- €0.7 million and €1.5 million, net of set-up costs, of the loan for the construction of the OL Academy and the Groupama OL Training Center.

Summary (see Note 8.5)

- €51.2 million bond issue;

- €110.7 million in long-term borrowings for Groupama Stadium restated in accordance with IFRS 9;

- €8.6 million in finance leases, of which €6.2 million for Groupama Stadium, €1.8 million in other non-current financial liabilities and €0.5 million in other current financial liabilities;

- €8 million construction loan for the OL Academy and OL Training Center, of which €6.9 million in other non-current financial liabilities and €1.1 million in other current financial liabilities;

- €1.2 million BPI loan, of which €0.6 million in other non-current financial liabilities and €0.6 million in other current financial liabilities.

Non-current liabilities primarily comprise:
- the CNDS investment subsidy, recognised as long-term deferred income, totalling €17.7 million as of 31 June 2018 (€17.9 million as of 30 June 2018);

  As previously reported, investment grants, in particular the €20 million attributed during the 2011/12 financial year as part of the Groupama Stadium financing, are recognised as deferred income. These amounts are brought into the income statement in accordance with the depreciation schedule of the asset financed, starting on the date the asset is delivered.
- the recognition at fair value of interest rate hedging instruments for the Groupama Stadium LT loan in the amount of €1.7 million (gross) vs €2.1 million as of 30 June 2018.

As of 31 December 2018, financial debt on the balance sheet bearing interest at variable rates totalled €161 million vs €168.8 million as of 30 June 2018 (mainly drawdowns on the RCF, the long-term loan, variable-rate loans and overdrafts), while debt bearing interest at fixed rates totalled €70.2 million, vs €62 million as of 30 June 2018 (see Note 11.4).

d) Bank guarantees

As of 31 December 2018, there were no bank guarantees not related to player registrations.

e) Restatement of lease agreements

The maturity schedule for liabilities related to the restatement of leases in accordance with IAS 17 (excl. unaccrued interest) is as follows:

(in € 000)	31/12/18	Up to 1 year	1-5 years	More than 5 years
Obligations under finance leases	8,593	3,539	4,754	300
Total	**8,593**	**3,539**	**4,754**	**300**

(in € 000)	30/06/18	Up to 1 year	1-5 years	More than 5 years
Obligations under finance leases	10,339	3,489	6,457	393
Total	**10,339**	**3,489**	**6,457**	**393**

Non-discounted financial liabilities

Non-discounted financial liabilities including unaccrued interest at fixed rates (in expected cash flows, i.e. without distinguishing principal), if any, included financial debt and broke down as follows:

(in € 000) 31/12/18	Up to 1 year	1-5 years	More than 5 years
Stadium bonds			51,000
LT loan for the stadium (1)	8,162	32,648	83,000
Long-term line of credit and bank borrowings	1,806	5,575	2,312
Credit lines (1)		40,500	
Total	**9,968**	**78,723**	**136,312**

(1) Outstandings do not include interest, as these outstandings are at variable rates.

f) Maturity schedule of financial liabilities related to player registrations

(in € 000)	31/12/18	Up to 1 year	1-5 years	More than 5 years
Player registration payables	50,315	34,504	15,812	-

(in € 000)	30/06/18	Up to 1 year	1-5 years	More than 5 years
Player registration payables	39,811	31,499	8,312	-

g) Liabilities on acquisitions

(in € 000)	31/12/18		30/06/18	
	Current	Non-current	Current	Non-current
Payables on acquisitions in 2014/15				
Payables on acquisitions in 2015/16	300		784	300
Payables on acquisitions in 2016/17	5,731		7,089	
Payables on acquisitions in 2017/18	8,346	2,670	23,626	8,012
Payables on acquisitions in 2018/19	20,126	13,142		
Total player registration payables	**34,503**	**15,812**	**31,499**	**8,312**
	50,315		**39,811**	

Note 8.4: Fair value of financial instruments

Hedging instruments

To reduce its interest-rate risk exposure on the initial mini-perm senior bank debt, Foncière du Montout had created a deferred hedging programme by negotiating private OTC interest-rate swap and cap agreements with top-tier banks.

It was maintained as a hedge on the new long-term bank loan implemented when virtually all of the bank and bond debt was refinanced as of 30 June 2017.

As these instruments are considered to fully hedge future cash flows, the changes in fair value are recognised at the end of the financial period in other comprehensive income, and recycled into the income statement at the same rate as the cash flows from the hedging transaction.

Fair value of financial instruments

The Group only has level 1 financial assets (marketable securities), i.e. whose prices are listed on an active market. Level 2 financial instruments (fair value based on observable data) relate to swap agreements and loan agreements, and the Group had no level 3 instruments (fair value based on unobservable data) during the financial years presented in this report.

The IFRS 13 analysis did not reveal the need to recognise an adjustment for counterparty risk (risk of non-payment of financial assets) or for own credit risk (risk on financial liabilities).

The breakdown of financial assets and liabilities according to the special IAS 9 categories and the comparison between book values and fair values are given in the table below (excluding social security and tax receivables & liabilities).

(in € 000)	Fair value hierarchy	Assets at fair value through profit or loss	Cash flow hedge	Receivables, payables and loans, at amortised cost	Net value as of 31/12/18	Fair value as of 31/12/18
Player registration receivables				79,096	79,096	79,096
Other non-current financial assets				3,357	3,357	3,357
Trade receivables				32,598	32,598	32,598
Other current assets				13,133	13,133	13,133
Cash	1	16,667			16,667	16,667
Total financial assets		**16,667**	**-**	**128,184**	**144,851**	**144,851**
Stadium bonds	2			51,270	51,270	51,270
Long-term loan for the stadium	2			110,693	110,693	110,693
Other financial liabilities				56,670	56,670	56,670
Player registration payables				50,315	50,315	50,315
Trade payables				23,693	23,693	23,693
Other non-current liabilities (1)	2		1,707		1,707	1,707
Other current liabilities (2)				6,440	6,440	6,440
Total financial liabilities		**-**	**1,707**	**299,081**	**300,788**	**300,788**

(1) This amount corresponds to the mark-to-market fair value of the hedging instruments put in place since the 2014/15 financial year as part of the principal bank loan for the new stadium project (see Note 11).

(2) Excluding social security/tax payables and deferred income and accruals.

Note 8.5: Debt net of cash

Debt net of cash (or, in certain circumstances, cash net of debt) represents the balance of financial liabilities, cash and cash equivalents and player registration payables and receivables. Net debt totalled €173,186 thousand as of 31 December 2018 (€169,117 thousand as of 30 June 2018 restated in accordance with IFRS 9).

(in € 000)	31/12/18 Total consolidated	30/06/18 Total consolidated
Cash and DSRA	16,667	9,162
Bank overdrafts	-289	-402
Cash and cash equivalents (cash flow statement)	**16,378**	**8,760**
Stadium bonds	-51,270	-49,883
Stadium bonds	-110,693	-113,174
Non-current financial debt	-51,082	-58,143
Other current financial debt	-5,299	-5,282
Debt net of cash	**-201,966**	**-217,723**
Player registration receivables (current)	51,327	43,224
Player registration receivables (non-current)	27,769	45,193
Player registration payables (current)	-34,504	-31,499
Player registration payables (non-current)	-15,812	-8,312
Debt net of cash, including player registration receivables/payables	**-173,186**	**-169,117**

The amount of the stadium loan has been restated compared with that presented in the 2017/18 financial statements, published in October 2018, so as to take into account the impact of applying IFRS 9.

Note 8.6: Net financial expense

(in € 000)	H1 2018/19	H1 2017/18 restated
Revenue from cash and cash equivalents		-
Interest on credit facilities	-6,476	-6,454
Result of interest rate hedging	-538	-552
Discounting of player registration receivables/payables		
Net cost of financial debt	**-7,014**	**-7,006**
Financial provisions net of reversals		-
Other financial income and expense	-87	122
Other financial income and expense	**-87**	**122**
Net financial expense	**-7,101**	**-6,884**

The amount of interest on credit facilities has been restated compared with that presented in the first-half 2017/18 financial statements, published in February 2018, so as to take into account the impact of applying IFRS 9.

The OSRANE bonds do not generate any financial expense, as the coupons are paid in OL Groupe shares that will be delivered when the bonds are redeemed.

Note 8.7: Commitments pertaining to the financing of the Group's operations

Lines of credit, guarantees and covenants

€73 million revolving credit facility

The Group's financial resources include a €73 million syndicated revolving credit facility (RCF) granted to OL SAS as part of the refinancing signed with the Group's banking partners on 28 June 2017.

The facility bears interest at Euribor for the term of the drawdown plus a negotiated margin, and includes commitments typical of this type of agreement via security arrangements common to all of the short- and long-term debt (€260 million).

(in € 000)	Up to 1 year	1-5 years	More than 5 years	31/12/18	30/06/18
Bank agreements, amount available		73,000		73,000	73,000
Of which used via drawdowns		40,500		40,500	45,000

Covenants

• The Group must maintain three financial ratios applicable to all of the debt instruments subscribed to under the overall refinancing of the Group's debt (including the RCF) (see Note 11.4).

Other commitments given in connection with the Group's financing

€3 million bank loan

As part of the financing of its businesses, OL Groupe took out a loan with BPI, a specialised financial institution, during the 2013/14 financial year. The loan has a face value of €3 million and a seven-year maturity. The first repayment took place on 1 July 2016. The loan has a retention clause of €150 thousand.

NOTE 9: INCOME TAXES

Note 9.1: Breakdown of income tax and tax reconciliation

Breakdown of income tax

(in € 000)	H1 2018/19	H1 2017/18 restated
Current tax	-2,855	-560
Deferred tax	-1,278	-2,433
Total income tax expense	**-4,133**	**-2,993**

The amount of deferred taxes has been restated compared with that presented in the first-half 2017/18 financial statements, published in February 2018, so as to take into account the impact of applying IFRS 9.

Reconciliation of tax expense

(in € 000)	H1 2018/19	%	H1 2017/18 restated	%
Pre-tax profit	**19,183**		**8,879**	
Income tax at the standard rate	-6,605	-34.43%	-3,057	-34.43%
Effect of permanent differences	-1,131	-5.90%	-900	-10.14%
Tax credits	181	0.94%	257	2.89%
Rate effect	25	0.13%	-480	-5.41%
Used tax-loss carryforwards	3,397	17.71%	1,186	13.36%
Other			0	0.00%
Total income tax expense	**-4,132**	**-21.54%**	**-2,993**	**-33.71%**

The amount of pre-tax profit has been restated compared with that presented in the first-half 2017/18 financial statements, published in February 2018, so as to take into account the impact of applying IFRS 9.

Note 9.2: Deferred taxes

As required by IAS 12, deferred taxes are recognised on all timing differences between the tax base and carrying amount of consolidated assets and liabilities (except for goodwill) using the variable carryforward method.

Deferred tax assets are recognised only when it is probable that they will be recovered in the future. Deferred tax assets and liabilities are not discounted to present value.

Deferred tax assets and liabilities are netted off within the same tax entity, whether a company or tax consolidation group. Deferred taxes calculated on items allocated to other components of comprehensive income are recognised in equity. Deferred tax assets and liabilities are presented as non-current assets and liabilities.

Tax-loss carryforwards are capitalised when it is probable that they can be set off against future profits or against deferred tax liabilities or by taking advantage of tax opportunities. Future results are based on the most recent forecasts developed by management, limited to five years.

They reflect changes to the carryforward mechanism introduced by France's 2013 Budget Act.

Estimates of future earnings have been calculated using the same principles as those used for the impairment tests in Notes 4.3, 6.1 and 6.2.

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

(in € 000)	30/06/18	Impact on profit/loss	Impact on reserves	31/12/18
Tax-loss carryforwards	744	-744		0
Deferred taxes related to player registrations	-1,989	-1,818		-3,807
Other deferred tax assets (1)	5,676	1,284	-86	6,874
Deferred tax assets	**4,431**	**-1,278**	**-86**	**3,067**
Deferred tax liabilities	**0**			**0**
Net amounts	**4,431**	**-1,278**	**-86**	**3,067**

As of 31 December 2018, unrecognised deferred tax assets totalled €25.1 million, calculated at a tax rate of 34.43%).

(1) Deferred taxes recognised directly in other comprehensive income were related to the impact of recognising the hedging instruments related to Groupama Stadium financing at market value and to actuarial gains and losses on retirement bonuses. The balance was principally composed of the timing difference triggered by removing the €20 million investment grant revenue related to the construction of Groupama Stadium and recognised in the accounts of Olympique Lyonnais SASU from the consolidated statements (balance of €4.6 million as of 31 December 2018 and of €4.9 million as of 30 June 2018).

NOTE 10: EQUITY

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

Note 10.1: Share capital

Share capital comprises ordinary shares and has changed as follows:

The Company is not subject to any special regulatory requirements in relation to its capital. Certain financial ratios required by banks may take equity into account. The Group's management has not established a specific policy for the management of its capital. The Company favours financing its development through equity capital and external borrowing.

For the monitoring of its equity, the company includes all components of equity and does not treat any financial liabilities as equity (see Note 8.3).

As of 31 December 2018, equity of OL Groupe comprised 58,176,397 shares with a par value of €1.52, totalling €88,428,123.

As previously reported, as of 30 June 2018, equity of the OL Groupe comprised 58,172,871 shares with a par value of €1.52, totalling €88,422,764.

(in € 000)	31/12/18	30/06/18
Number of shares	58,176,397	58,172,871
Par value in €	1.52	1.52
Share capital	**88,428**	**88,423**

	Number of shares	Par value in €	Share capital (in €000)	Share premiums
As of 30/06/18	**58,172,871**	**1.52**	**88,423**	**123,397**
Changes	3,526	1.52	5	(1)
As of 31/12/18	**58,176,397**	**1.52**	**88,428**	**123,396**

The capital increase of 3,526 shares corresponded to redemptions of OSRANEs during the period.

Each share confers one vote. Nevertheless, double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

Shares held in treasury

The Group has put in place a policy to buy back its own shares in accordance with a mandate given to the Board of Directors by shareholders at the Annual Shareholders' Meeting. The main objective of the share buyback programme is to support the market in Olympique Lyonnais Groupe shares as part of a liquidity contract. This contract includes OL Groupe shares, mutual fund investments and cash.

Shares held in treasury under this contract are deducted from equity at their acquisition cost.

Cash and other securities included in the liquidity contract are recognised under "Other financial assets". Revenue and expenses related to the sale of treasury shares (e.g. gain or loss on sale, impairment, etc.) do not pass through the income statement. Their after-tax amounts are allocated directly to equity.

OL Groupe SA equity reserves

Reserves broke down as follows:

(in € 000)	31/12/18	30/06/18 restated
Legal reserves	2,601	2,294
Regulated reserves	37	37
Other reserves	130	130
Retained earnings	34,571	28,737
Total equity reserves	**37,339**	**31,199**
Other Group reserves	-129,716	-130,595
Total reserves	**-92,377**	**-99,396**

The amount of other Group reserves has been restated compared with that presented in the 2017/18 financial statements, published in October 2018, so as to take into account the impact of applying IFRS 9.

Other equity

"Other equity" is composed of the following items:

(in € 000)	31/12/18	30/06/18
OSRANEs (1)	138,048	138,053
Total other equity	**138,048**	**138,053**

The balance is presented here after a small amount of repayment recognised in previous financial years and in H1 2018/19.

OSRANE bonds

- As part of the equity financing for Groupama Stadium, Olympique Lyonnais Groupe issued subordinated bonds redeemable in new or existing shares (OSRANEs) on 27 August 2013. The issue comprised 802,502 bonds with a total par value of €80,250,200 or €100 per bond, maturing on 1 July 2023. Holnest and Pathé, the Company's principal shareholders, subscribed to 328,053 bonds and 421,782 bonds, respectively. Net proceeds from the bond issue totalled approximately €78.1 million after issuance costs and can be found in the "Other equity" line item in the consolidated balance sheet.

- The bonds are scheduled to be initially and fully amortised on 1 July 2023, when they will be redeemed in OL Groupe shares. Early redemption terms, at the request of the Company and/or of the bondholders, also exist. As of the issue date, each bond, with a par value of €100, was to be redeemed for 45 new or existing OL Groupe shares. Interest on the bonds is paid exclusively in the form of OL Groupe shares, the number of which varies depending on the redemption date. Initially (and until the capital increase carried out in June 2015), interest was equal to two OL Groupe shares per year, or a maximum of 20 shares if paid until maturity, with all payments taking place at redemption.

  Proceeds of the OSRANE issue have been fully recognised in equity, as they will be redeemed (principal and interest) only through the issuance (or exceptionally through allocation) of a specific number of shares. This number will depend on the date the subscribers request redemption, which they can do at any time while the OSRANEs are outstanding.

  Interest payments, which will be made only in the form of shares (the number of which will depend on the redemption date, as detailed above) will have no impact on equity after issuance of the OSRANEs. (This is because the interest payments will give rise only to a higher number of shares, which will not affect consolidated equity.)

  Because of the 2015 capital increase, the redemption ratio was changed. Each bond, with a par value of €100, will now be redeemed for 63.231 new or existing OL Groupe shares at maturity on 1 July 2023. The initial early redemption terms, at the request of the Company and/or of the bondholders, remain in effect.

  Interest will henceforth be equal to 2.811 (new or existing) OL Groupe shares per year, or a maximum of 28.103 shares if paid until maturity, with all payments taking place at redemption.

- At the Combined Shareholders' Meeting of 15 December 2016, it was decided that 200,208 OSRANEs (subordinated bonds redeemable in new or existing shares) would be issued with waiver of preferential subscription rights and reserved for IDG European Sports Investment Ltd.

  The issue was divided into two tranches.

  As part of the first tranche, on 23 December 2016 IDG European Sports Investment Ltd subscribed to 60,063 new reserved bonds totalling €18.3 million (including share premium).

  As part of the second and final tranche, on 27 February 2017 IDG European Sports Investment Ltd subscribed to 140,145 new reserved bonds totalling €42.79 million (including share premium).

  Proceeds from the bond issue totalled approximately €60.1 million net of issuance costs and can be found in the "Other equity" line item in the 30 June 2017 consolidated balance sheet.

  As of 31 December 2018, there were 1,000,474 outstanding OSRANEs, after accounting for redemptions.

Notes on related parties

OL Groupe is accounted for by the equity method by Holnest (10, rue des Archers, 69002 Lyon) and the Pathé group (2 rue Lamennais, 75008 Paris). Details of the relationships between the Group, Holnest, Pathé, their subsidiaries and other related parties are as follows:

- OSRANEs: Holnest holds 327,138 bonds (same as of 30 June 2017) representing €32.7 million; Pathé holds 376,782 bonds, representing €37.7 million. These amounts are recognised in "Other equity".
- Recharges of management fees by Holnest: €976 thousand (€591 thousand in H1 2017/18).

- As part of the 30 June 2017 refinancing, Holnest and Pathé subscribed to new bonds totalling €17.7 million (177 bonds) and €12 million (120 bonds), respectively.

Note 10.2: Earnings per share

In accordance with IAS 33, undiluted earnings per share are calculated by dividing the net income by the weighted average number of shares taking into account changes during the period and treasury shares held at the closing date of the financial year. Diluted earnings per share are calculated by dividing the net income attributable to equity holders of the parent by the weighted average number of shares outstanding, increased by all potentially dilutive ordinary shares (OSRANEs).

	31/12/18	31/12/17
Number of shares at end of period	58,176,397	58,172,723
Average number of shares	58,174,790	58,171,540
Number of treasury shares held at end of period	304,537	304,537
Pro-rata number of shares to be issued (OSRANEs)	74,510,874	74,510,874
Consolidated net profit		
Net profit attributable to equity holders of the parent (in € m)	14.84	5.81
Diluted net profit attributable to equity holders of the parent (in € m)	14.84	5.81
Net profit per share attributable to equity holders of the parent (in €)	0.25	0.10
Diluted net profit per share attributable to equity holders of the parent (in €)	0.11	0.04
Net dividend		
Total net dividend (in € m)		
Net dividend per share (in €)		

NOTE 11: RISK MANAGEMENT POLICIES

Note 11.1: Risk management policies

The Group is not exposed to exchange rate risks to any significant extent in the course of its business.

Note 11.2: Liquidity risks

The Group has resources for financing its operations through the €73 million syndicated revolving credit facility (RCF) granted to its subsidiary Olympique Lyonnais SASU. The RCF is part of the refinancing signed with the Group's banking partners on 28 June 2017. It covers a five-year period and can be renewed twice for one year. The Group submitted its first one-year extension request as of 30 June 2018, which was unanimously accepted by the bank lenders. The new expiry of the RCF is thus 30 June 2023.

Current financial assets were €18.6 million less than current liabilities as of 31 December 2018; nevertheless, the Group had an unused capacity of €32.5 million under its line of credit, as indicated in Note 8.7. The Company has carried out a specific review of its liquidity risk and considers that it is able to meet its future repayment obligations.

Note 11.3: Signature risk

This risk involves principally transactions related to cash investments.

These investments have historically been comprised of (i) marketable securities including standard money-market mutual funds redeemable on demand and (ii) interest-bearing deposit accounts. Given current market conditions, with the ECB's negative deposit rate pulling yields on the short-term investments mentioned above down to zero or into negative territory, the Group had no short-term financial investments as of 31 December 2018.

Traditionally, the Group carries out any financial transactions (lines of credit, investments, etc.) with top-tier banks. It spreads financial transactions among its partners so as to limit counterparty risk.

Note 11.4: Loan agreements

Syndicated operating credit line

1) Refinancing of virtually all of the bank and bond debt as of 30 June 2017

On 30 June 2017, the Group finalised the refinancing of virtually all of its bank and bond debt.

This refinancing was articulated around three debt instruments granted to or issued by Olympique Lyonnais SASU:

a) a long-term bank credit agreement with an initial amount of €136 million, divided into two tranches: (i) a tranche A of €106 million, of which 50% amortises and 50% will be repaid at maturity in seven years; (ii) a tranche B of €30 million to be repaid at maturity in seven years; As of 31 December 2017, the outstanding principal on this long-term bank loan was €132 million;

b) a €51 million bond issue, repayable at maturity in seven years.

c) a five-year revolving credit facility of €73 million, available for short-term needs and renewable twice for one year.

The Group submitted its first one-year extension request as of 30 June 2018, which was unanimously accepted by the bank lenders. The new expiry of the RCF is thus 30 June 2023.

The three debt instruments granted to or issued by Olympique Lyonnais SASU as of 30 June 2017 are governed by three ratios applicable to the Group: (i) a gearing ratio (net debt to equity) calculated every six months with a ceiling of 1.30, declining to 1 starting on 31 December 2020, (ii) a loan to value ratio (net debt divided by the sum of the market value of player registrations and the net book value of Groupama Stadium, the Training Center and the OL Academy) calculated every six months with a ceiling of 40%, declining to 35% starting on 31 December 2020, and (iii) a debt service coverage ratio calculated every six months on a rolling 12-month period, with a threshold of 1 (with the proviso that if the ratio is less than 1, it will be considered as met if the cash on the Group's balance sheet, net of drawdowns under the RCF and of any credit amount in the reserve account, is greater than €20 million).

The lenders under these three debt instruments benefit from a common set of security interests. Specifically, they hold a first lien on the stadium, the land on which it was built, the 1,600 underground parking spaces, the land corresponding to the 3,500 outdoor parking spaces and the areas leading to the stadium. In addition, the following assets are pledged to the lenders: the shares OL Groupe holds in Olympique Lyonnais SASU, certain bank accounts of OL SASU and various receivables held by Olympique Lyonnais SASU on its debtors. In addition, OL Groupe guarantees that its subsidiary Olympique Lyonnais SASU will adhere to the obligations under its financing arrangements.

The agreements related to these financing arrangements include commitments on the part of Olympique Lyonnais SASU in the event of accelerated maturity that are customary for this type of financing. In particular, these include limits on the amount of additional debt, cross default clauses and stability in the shareholder structure of Olympique Lyonnais SASU and OL Groupe.

To reduce its exposure to interest rate risk under the €136 million long-term bank loan, Olympique Lyonnais SASU has maintained the hedging programme it had implemented to cover the bank loan that was refinanced on 30 June 2017. This hedging programme had a notional amount averaging around €96.2 million as of 31 December 2018.

Based on the €136 million long-term bank financing and the €51 million bond issue, Olympique Lyonnais SASU should have an average long-term financing rate, from the date of the refinancing, of around 4.3%. This rate is subject to change, depending on trends in benchmark rates.

2) Training centre and OL Academy

The estimated total construction cost of the new training centre and OL Academy was around €30 million.

Financing for these investments was covered by:

- A bank credit agreement signed by OL Groupe and OL Association on 12 June 2015 in the amount of €14 million and with a 10-year maturity with Groupama Banque (now Orange Bank). Outstandings under this facility totalled €8.3 million as of 31 December 2018.
- The loan agreement contains a covenant requiring that the ratio between the value of assets pledged as collateral and the outstandings under the loan, calculated annually, must be greater than or equal to 90%.
- Two finance leases, together totalling €3.6 million.
- An equity contribution of around €11.1 million.
- A subsidy of €1.3 million from the Rhône-Alpes Regional Council.

Note 11.5: Commercial credit risk

As of 31 December 2018, commercial credit risk had not significantly changed since 30 June 2018. There were no significant past-due receivables not written down.

Note 11.6: Market risk

Interest-rate risk

The Group has riskless, low-volatility funding sources that bear interest based on Euribor. 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.

Hedging programme related to the Groupama Stadium project

To reduce its exposure to interest rate risk under the €136 million long-term bank loan, OL SASU has maintained the hedging programme it had implemented to cover the bank loan that was refinanced on 30 June 2017. This hedging programme had a notional amount averaging around €96.2 million as of 31 December 2018.

With tests having proven the effectiveness of this instrument, the mark-to-market value of €261 thousand, net of tax, was recognised in other comprehensive income in the Group's H1 2018/19 financial statements.

Note 11.7: Risks related to the Groupama Stadium project

Management of risks related to the financing of Groupama Stadium

The three debt instruments granted to or issued by Olympique Lyonnais SASU as part of the refinancing that came into effect as of 30 June 2017 are governed by three ratios applicable to the Group: (i) a gearing ratio (net debt to equity) calculated every six months with a ceiling of 1.30, declining to 1 starting on 31 December 2020, (ii) a loan to value ratio (net debt divided by the sum of the market value of player registrations and the net book value of Groupama Stadium, the Training Center and the OL Academy) calculated every six months with a ceiling of 40%, declining to 35% starting on 31 December 2020, and (iii) a debt service coverage ratio calculated every six months on a rolling 12-month period, with a threshold of 1 (with the proviso that if the ratio is less than 1, it will be considered as met if the cash on the Group's balance sheet, net of drawdowns under the RCF and of any credit amount in the reserve account, is greater than €20 million).

Failure to adhere to one of these ratios could trigger accelerated maturity of the related loans, which might significantly affect the Group's medium-term outlook.

Outstandings under the €14 million, 10-year loan destined to partially cover investments relating to the new training centre and training academy, signed by OL Groupe and OL Association on 12 June 2015 with Groupama Banque (now Orange Bank) totalled €8.3 million as of 31 December 2018.

The loan agreement contains a covenant requiring that the ratio between the value of assets pledged as collateral and the outstandings under the loan, calculated annually, must be greater than or equal to 90%. Failure to adhere to this ratio could trigger accelerated maturity of the loan, which might also significantly affect the Group's medium-term outlook.

Risks related to the outlook for revenue and profitability of Olympique Lyonnais' Groupama Stadium

The main sources of additional revenue deriving from direct operation of Groupama Stadium were as follows:

- matchday revenue, represented by general public and VIP (including services) ticketing revenue, matchday merchandising revenue, catering fees and parking;
- sponsorship revenue from (i) marketing visibility inside Groupama Stadium (including naming) and (ii) 365 boxes;
- new revenue from activities in Groupama Stadium on non-matchdays, in particular concerts, various sporting events (rugby matches, international football matches, etc.) and B2B events (conventions, seminars and corporate events).

The uncertainty of sport and a less favourable overall business performance could have a negative impact on some of these revenue sources. This could in turn have a significant unfavourable impact on the Group’s earnings and financial condition, as the Company has to pay maintenance costs on Groupama Stadium as well as make cash disbursements to repay the debt linked to it.

Management of risks related to the outlook for revenue and profitability of Olympique Lyonnais’ Groupama Stadium

The Company’s revenue diversification strategy for Groupama Stadium, via the development of new resources independent of OL events, should reduce the impact that sporting uncertainty could otherwise have on the Group’s earnings.

NOTE 12: EVENTS SUBSEQUENT TO CLOSING

None.

STATEMENT OF RESPONSIBILITY FOR THE FIRST-HALF FINANCIAL REPORT

I hereby certify, that to the best of my knowledge, the condensed consolidated 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 first-half 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.

Décines, 15 February 2019

Jean-Michel Aulas

Chairman and Chief Executive Officer

REPORT OF THE STATUTORY AUDITORS ON THE FINANCIAL INFORMATION FOR THE HALF-YEAR PERIOD

FROM 1 JULY TO 31 DECEMBER 2018

To the shareholders,

In compliance with the assignment you entrusted to us at your Shareholders' Meetings, 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 2018, as attached to this report;

- verified the information disclosed in the management report for the first half of the year.

Preparation of these condensed consolidated first-half 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 of the condensed consolidated first-half financial statements with IAS 34, the IFRS regarding interim financial reporting, as adopted by the European Union.

Without prejudice to the conclusion expressed above, we draw your attention to the following items:

- the paragraph entitled "Presentation of the financial statements" and Note 1.1 of the notes to the financial statements, which explain the accounting methods related to the application of IFRS 9 "Financial instruments" from 1 July 2018;

- the paragraph entitled "Presentation of the financial statements" regarding the change in the method for presenting the income statement.

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, 15 February 2019

The Statutory Auditors

ORFIS	COGEPARC
	Member of PKF International
Bruno Genevois	Stéphane Michoud

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