



FRENCH PROFESSIONAL **FOOTBALL** FINANCIAL REPORT

01

**DNCG
REPORT**



**SEASON
2016/2017**

**DNCG
DOCUMENT**



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At the end of the 2016/2017 season, **the financial results for French professional football indicate good commercial performance and strengthening of fundamentals:**

- Revenue (excluding transfers) was up by more than 10%, with expenses under control.
- The net equity of professional clubs had increased by 21%.

■ Financial liabilities had been reduced by 14%.

The season was also marked by significant investment following the arrival of new investors, and by reduced transfer profit in relation to the previous season. These two factors account for the decline in cumulative net profit.

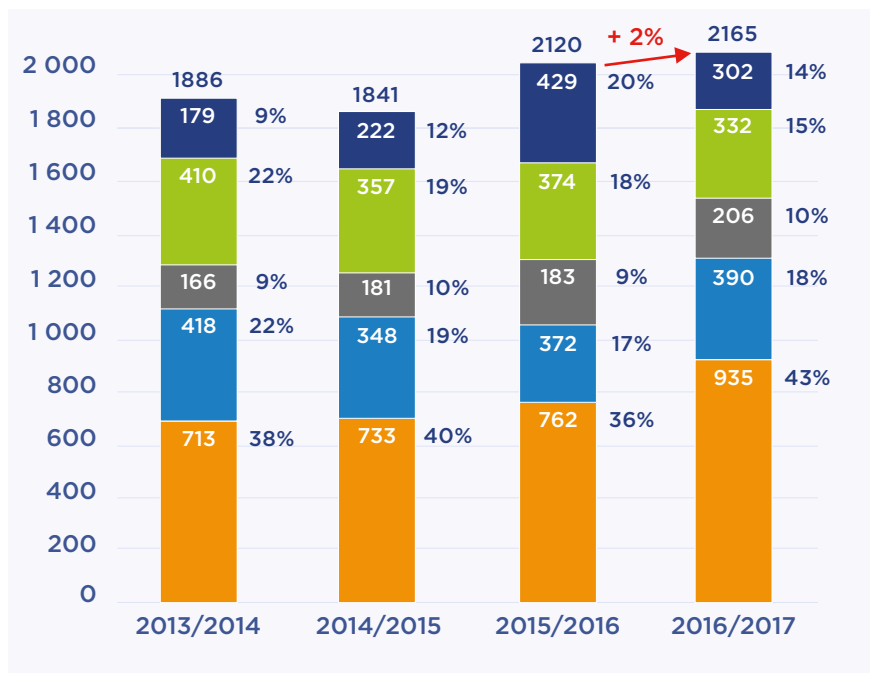
INCREASED REVENUE AND EXPENSES UNDER CONTROL

(i) The commercial profile of professional football remains extremely dynamic: non-transfer revenue stood at €1.863m on 30 June 2017, representing an increase of over 10% compared with the 2015/2016 season.

result of the runs by AS Monaco in the Champions League and by Olympique Lyonnais in the Europa League, and totalled €195m in 2016/2017 (compared with €151m in 2015/2016).

This growth was naturally fostered by the increase in broadcasting rights (€935m vs. €761m for 2015/2016). In addition to the contractual increase of 25% for domestic rights, broadcasting rights for European competitions rose by 19% chiefly as the

This growth in income also resulted from increased sponsorship revenue (€390m, up 5%). By attracting an ever-widening range of partners and through foreign investment, many clubs took the opportunity to diversify their revenue streams.



TREND IN TOTAL INCOME, INCLUDING TRANSFER REVENUE

.....
in million euros



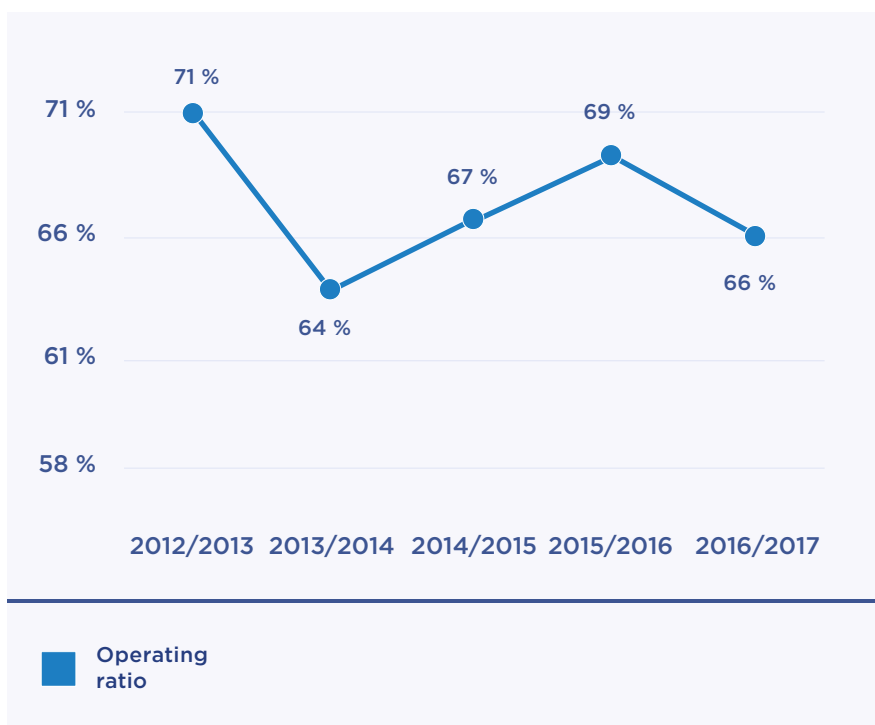
Clubs with latest-generation stadiums also increased their revenue considerably via gate receipts. Overall, gate receipts were up 13% at €206m on 30 June 2017:

- Ligue 1 recorded a 2% decrease in mean attendance (with a 7% decline in season-ticket holders). This drop was compensated by an average price increase of 11% per spectator. In all, Ligue 1 gate receipts were up 9% for the season at €165m

- In Ligue 2, the mean attendance increased considerably (+7% with a 17% increase in matchday ticket sales). The mean price per spectator also rose by almost 16%, with gate receipts up 26% at over €24m.

(ii) The disciplined cost management adhered to by many clubs was central to controlling expenses. The latter rose 6% for the season (compared with an 8.5% increase by the end of the 2015/2016 season) and stood at €2.197m on 30 June 2017.

Containment of payroll increases (5% for the season versus 7.4% for the previous season) illustrates the commendable efforts made by many clubs. With a payroll/non-transfer revenue ratio 3% lower than the previous season, operating profit (loss) excluding transfers of professional footballers improved by a similar amount.



TREND IN RATIO OF PAYROLL/ NON-TRANSFER INCOME IN LIGUE 1

as % of revenue

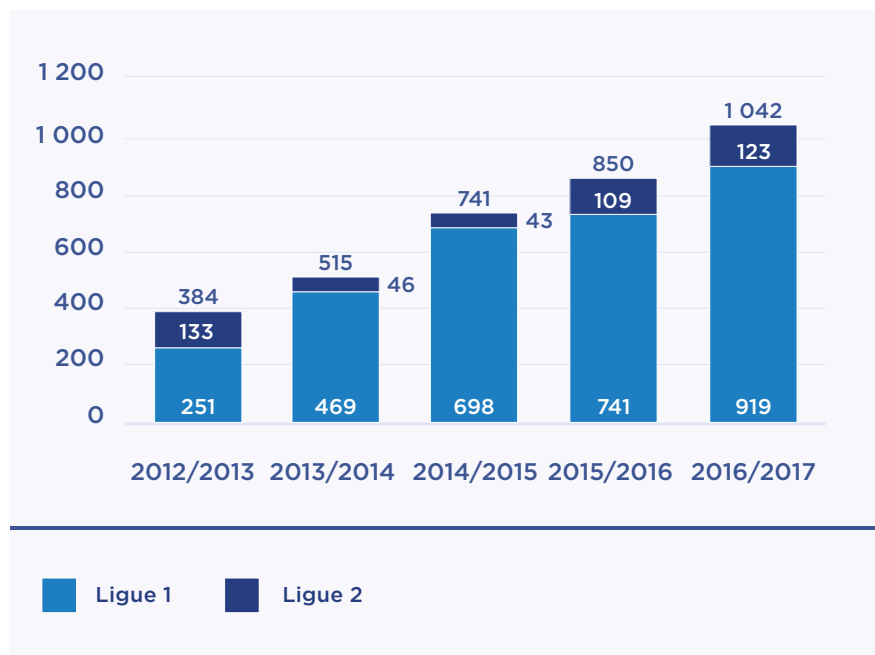
While improvement in non-transfer revenue and control over costs led to increased operating profit (loss) excluding transfers for professional clubs, the latter was very much in deficit, with an operating loss of €324m at the end of the season (compared with €387m at the close of the 2015/2016 season).

SIGNIFICANT IMPROVEMENT IN THE FINANCIAL STRUCTURE OF PROFESSIONAL CLUBS

As of 30 June 2017, **net equity and shareholder current accounts for professional clubs were up 21% at €1.042m.**

which €346m was net equity (i.e. a 24% increase in equity capital).

- Equity capital for Ligue 1 clubs was €919m, of which €86m as net equity (i.e. an increase of 12%).
- The figure for Ligue 2 clubs was €123m, of which €86m as net equity (i.e. an increase of 12%).



COMBINED TRENDS IN EQUITY CAPITAL FOR LIGUE 1 + LIGUE 2 CLUBS

.....
in million euros

This marked strengthening of Equity Capital – which today covers almost 40% of the liabilities of professional clubs – **was accompanied by a reduction in financial liabilities, both in absolute value and in relative value.** Consolidated financial debt stood at €424m on 30 June 2017, which represents a €72m decrease in relation to 30 June 2016. The consolidated leverage (debt-to-equity) ratio was 41%, i.e. down 17% for the season.

For example, Ligue 1 clubs generated a positive net cash flow of €137m for the season, compared with net spending of €11m the previous season.

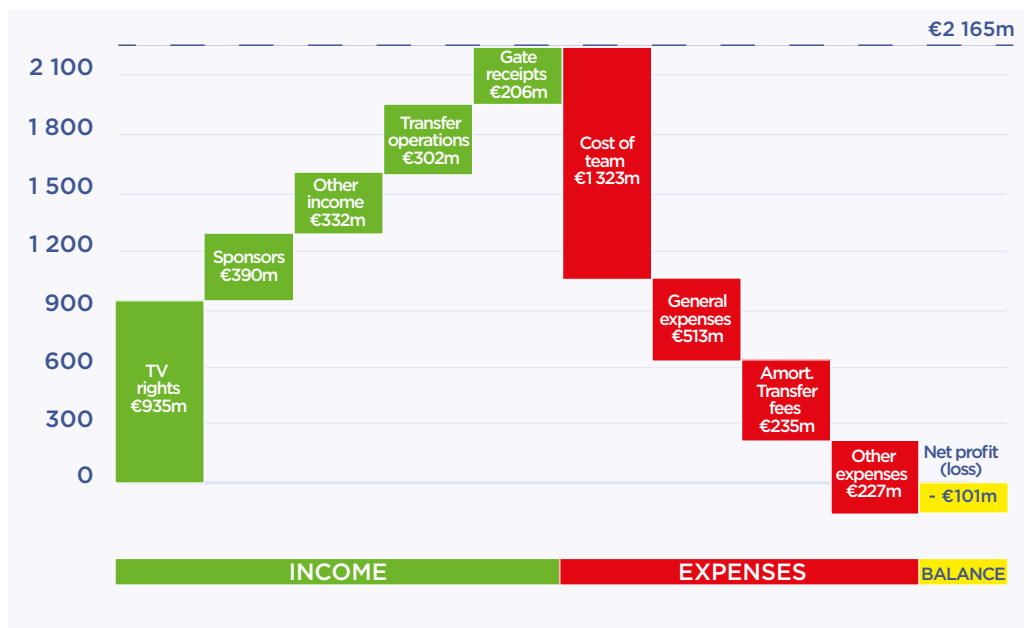
This macroeconomic improvement in the financial structure of professional clubs should not be allowed to mask the extremely great discrepancy between clubs, with four clubs (OL, OM, PSG and AS Monaco) alone representing 78% of the entire net equity of French professional clubs.

Finally, **there was significant improvement in the cash flow of professional clubs over the season.**

THE SEASON WAS MARKED BY SIGNIFICANT INVESTMENT FOLLOWING THE ARRIVAL OF NEW INVESTORS, AND BY REDUCED PROFITS FROM TRANSFERS COMPARED TO THE PREVIOUS SEASON

The arrival of new investors confirms the attractiveness of French professional football. This brought with it extensive investment. This investment, together with reduced profits from

transfer activities (resulting in a negative balance due to the increase in inbound players), affected the net cumulative result, which consisted of a loss of €101m at 30 June 2017.



ANALYSIS OF FORMATION OF NET PROFIT (LOSS) FOR LIGUE 1 + LIGUE 2 COMBINED

.....
in million euros

The 2016/2017 season saw the arrival of new investors.

- Ligue 1 clubs made a loss of €93m, ascribable chiefly to heavy investment by the new owners of Olympique de Marseille and LOSC.
- Ligue 2 meanwhile made an overall loss of €8m.

Transfer revenue was €302m by the end of the 2016/2017 season:

- Ligue 1 contributed €251m to this result, equivalent to 15% of non-transfer revenue.
- Ligue 2 contributed €50m, equivalent to 23% of non-transfer revenue.

174 transfers were recorded throughout the season, for a net sum of €602m (versus €750m in 2016). Although largely positive at the end of the 2015/2016 season (€147m), the balance for player transfers (i.e. the difference between sales and purchases) was slightly negative on 30 June 2017 (-€12m). This resulted primarily from the significant decrease in volume of player sales abroad (€277m vs. €409m for the 2015/2016 season) and shows once again that while the model of certain clubs offers opportunities, the same clubs are subject to trends within the European market. Changes in this balance also illustrate the increasing attractiveness of the French championship, resulting in an increased influx of players from abroad.

In conclusion, taking into consideration transfers,

13 Ligue 1 clubs and 12 Ligue 2 clubs posted net profits for the 2016/2017 season, which was comparable to the previous season.

It should be noted that for 7 Ligue 1 clubs and 6 Ligue 2 clubs, revenue from transfers represented over 25% of their non-transfer revenue, which illustrates both the assumed nature of the model and the risks associated with it. These clubs have in fact made transfer activities a key element of their profitability. While the success of this strategy is based upon the recognised efficacy of the French training system, it is also dependent on the ability of clubs to acquire talented young players and to take advantage of the purchasing dynamics prevailing within other foreign championships.

INCREASING CONTRIBUTION BY THE MOST FINANCIALLY POWERFUL CLUBS

Four clubs (OL, OM, PSG, and AS Monaco) **accounted for 58% of Ligue 1 income** and their revenue continued to progress throughout the 2016/2017 season. The non-transfer revenue of PSG was equivalent to the total revenue for 13 other Ligue 1 clubs.

The investment capacity of the major clubs has greatly increased in recent years, and this has gradually enabled them to rival Europe's main teams.

The relationship between sports results and gross payroll has once again been clearly demonstrated: at the end of the 2016/2017 season, the 4 clubs with the highest budgets finished in the first 5 places.

While the attractiveness of French football is

beyond doubt today, as attested by the arrival of several foreign investors in Ligue 1 and in Ligue 2 in recent seasons, **the reliance of the economic model on player transfers calls for continued strengthening of the net equity of clubs.**

The ecosystem of professional football in which the randomness of sport continues to be a key risk factor in fact calls for great caution with regard to **innovative financial models requiring the use of major leverage, despite the fact that such financial structures have proved their worth in other sectors.**

Taking into consideration the implications of the foregoing, the legal authorities have extended the scope of intervention of the DNCG to make it a key player in operations affecting the capital and financing of clubs.



RECENTLY EXTENDED FINANCIAL CONTROL OPERATIONS

Given the randomness described above and the sophistication of financial models used, in the sporting domain, the French law of 1 March 2017 designed to uphold ethics in sport, to strengthen the regulation and transparency of professional sport, and to improve competitiveness among clubs, extended the powers of control of the DNCG beyond its original duties of regular financial control of club accounts.

■ **This strengthening concerns above all the control of projects involving the purchase of clubs and changes in shareholding structure**

Thanks to this new scope for intervention, before purchases

of club shares, **the DNCG can now analyse the quality of potential investors and assess their financial capacity in relation to their medium-to-long-term projects.** The aim here is to create a solid development model for clubs based upon constructive dialogue between potential investors and the DNCG, and to ensure compliance with conditions applicable to all rival clubs.

The DNCG analysis must form a key element of evaluation for investors, enabling them to anticipate any requirements that the Committee for the Control of Professional Clubs [Commission de Contrôle des Clubs Professionnels] may have regarding club financing. Following acquisition, the DNCG carries out a review of the club in order to examine

its budget following the takeover and to envisage the application of one or more measures within its powers, particularly regarding the regulation of payroll and player recruitment.

■ **The law of 1 March 2017 also provides the DNCG with financial control over sports agents.**

The activities of agents were already regulated and controlled since 2008 by the Fédération Française de Football (FFF), in particular through the Federal Committee of Sports Agents [Commission Fédérale des Agents Sportifs], pursuant to articles L. 222-5 s. of the French Sports Code. Since the introduction of the law of 9 June 2010, sports agents are also subject to anti-money-laundering measures.

Henceforth, in order to improve control of the activities of sports agents, as for clubs, the financial part is overseen by the DNCG.

To this end, it examines the accounts of sport agents on a random sampling basis, and analyses operations in which they were involved and the financial flow generated by the activities of agents, which in 2016/2017 was equivalent to commissions of around €55 million paid by Ligue 1 and Ligue 2 clubs.

The scope of application and the perimeter of such examination are, however, limited to agents licensed/authorised by the FFF and carrying out their activities in France and concern only the cash flow concerning such agents. While financial control of the activities of sports agents is moving in the right direction, clearly transparency and healthy competition can only be guaranteed through regulatory and legislative harmonisation at the international level, and through extension to include all third parties and intermediaries involved in transfers (whether sport agents or not).

THE DNCG, A KEY PLAYER IN THE ECOSYSTEM OF CONTROL OVER CLUBS

Through its actions, the DNCG has been closely involved in the changes that have taken place in professional football over the last two decades. **The key objective of its work is to ensure that at the start of each sporting season, clubs have sufficient financial means to complete the season and that they compete in a fair championship on an even footing with their fellow clubs.**

The law of 2012 also conferred upon the DNCG a role in ensuring the continuity of clubs by enabling it to adjust any measures undertaken in accordance with

the medium-term perspectives of clubs. Its scope of intervention will be further extended by the law of 2017.

In association with that of club directors, administrators and auditors, the mission of the DNCG is to contribute both to the economic strengthening of French professional football and to the protection of competitions.

Given its extended competencies and the new responsibilities incumbent upon it, the DNCG intends to continue its actions and to devote itself fully to achieving these ends.



Jean-Marc MICKELER
Président de la DNCG

KEY FIGURES 2016/2017: LIGUE 1 AND LIGUE 2 COMBINED ACCOUNTS

€MILLION	2015/2016	2016/2017	VARIATION
INCOME EXCLUDING TRANSFERS	1 689	1 863	+ 10,3 %
OPERATING PROFIT (LOSS) EXCLUDING TRANSFERS	- 387	- 334	+ 13,8 %
PROFIT (LOSS) FROM TRANSFERS	429	302	- 29,7 %
OPERATING PROFIT (LOSS)	43	- 32	
NET PROFIT	3	- 101	
NET EQUITY	369	432	+ 17 %
SHAREHOLDER CURRENT ACCOUNTS	482	610	+ 26,5 %
NET CASH	- 216	13	

KEY FIGURES 2016/2017: COMBINED ACCOUNTS, LIGUE 1 ONLY

AVERAGE INCOME/ LIGUE 1 CLUB	74	82	+ 11 %
PAYROLL/ OPERATING INCOME RATIO	69 %	66 %	

COMBINED INCOME STATEMENT FOR LIGUE 1 AND LIGUE 2

€000	2015/2016	2016/2017	VARIATION
Broadcasting rights	760 760	935 069	+ 23 %
Sponsors - Advertising	371 556	389 808	+ 5 %
Gate receipts	182 597	205 890	+ 13 %
Other income (incl. merchandising)	374 287	332 407	- 11 %
TOTAL INCOME EXCLUDING TRANSFERS	1 689 200	1 863 173	+ 10 %
Total payroll	1 177 149	1 240 023	+ 5 %
Transfer costs	272 807	288 525	+ 6 %
Other expenses	626 087	668 201	+ 7 %
TOTAL EXPENSES EXCLUDING TRANSFERS	2 076 043	2 196 750	+ 6 %
OPERATING PROFIT (LOSS) EXCLUDING TRANSFERS	- 386 843	- 333 574	+ 14 %
PROFIT (LOSS) FROM TRANSFERS	429 474	301 752	- 30 %
OPERATING PROFIT (LOSS) BEFORE EXCEPT. ITEMS	42 631	- 31 822	- 175 %
Financial profit (loss)	- 16 499	- 44 923	+ 172 %
Exceptional profit (loss): other	- 13 993	- 4 837	- 65 %
Income tax	- 15 634	- 11 607	- 26 %
Exceptional profit (loss): current account W/R	6 430	- 8 111	- 226 %
NET PROFIT (LOSS)	2 935	- 101 296	NA

COMBINED BALANCE SHEET LIGUE 1 AND LIGUE 2

€000	2015/2016	2016/2017	VARIATION
Intangible assets: transfer fees	472 690	590 755	+ 25 %
Other fixed assets	790 559	801 531	+ 1 %
Receivables relating to player transfers	379 087	247 744	- 35 %
Other current assets	558 987	538 112	- 4 %
Cash and short-term investments	280 067	437 658	+ 56 %
TOTAL ASSETS	2 481 390	2 615 800	+ 5 %
Net equity	368 639	431 660	+ 17 %
Shareholder current accounts	481 634	609 767	+ 27 %
Provisions for liabilities and charges	60 099	70 554	+ 17 %
Financial liabilities	496 379	424 835	- 14 %
Liabilities relating to player transfers	250 860	261 420	+ 4 %
Other liabilities	823 779	817 564	- 1 %
TOTAL LIABILITIES	2 481 390	2 615 800	+ 5 %
PROFIT (LOSS) FOR THE YEAR	2 935	- 101 296	NA

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RELATIONS BETWEEN
SPORTS RESULTS AND
FINANCIAL ASPECTS

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1.1.1 EXECUTIVE SUMMARY

COMBINED INCOME STATEMENT

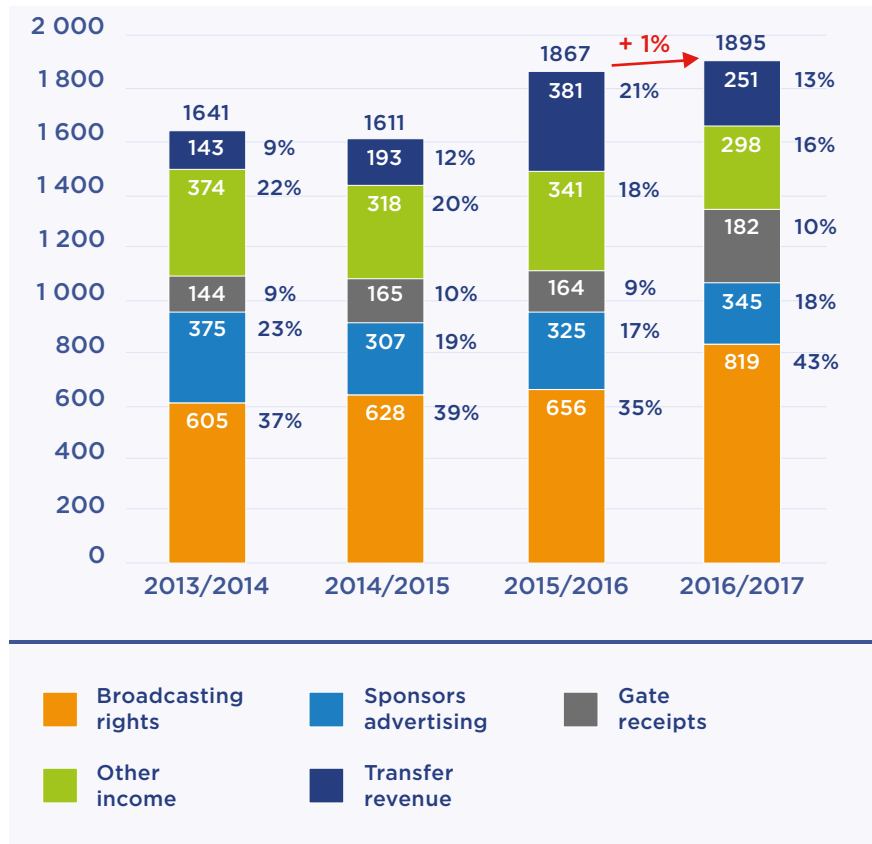
€000	2015/2016	2016/2017	VARIATION
Broadcasting rights	655 864	819 124	+ 25 %
Sponsors - Advertising	324 721	344 857	+ 6 %
Gate receipts	164 077	181 654	+ 11 %
Other income (incl. merchandising)	340 818	297 696	- 13 %
TOTAL INCOME EXCLUDING TRANSFERS	1 485 480	1 643 331	+ 11 %
Total payroll	1 018 528	1 080 596	+ 6 %
Transfer costs	264 434	280 221	+ 6 %
Other expenses	519 939	558 392	+ 7 %
TOTAL EXPENSES EXCLUDING TRANSFERS	1 802 899	1 919 210	+ 6 %
OPERATING PROFIT (LOSS) EXCLUDING TRANSFERS	- 317 419	- 275 877	+ 13 %
PROFIT (LOSS) FROM TRANSFERS	381 172	251 350	- 34 %
OPERATING PROFIT (LOSS) BEFORE EXCEPT. ITEMS	63 752	- 24 525	NA
Financial profit (loss)	- 15 606	- 44 084	+ 182 %
Exceptional profit (loss): other	- 16 023	- 6 015	- 62 %
Income tax	- 15 813	- 10 076	- 36 %
Exceptional profit (loss): current account W/R	4 180	- 8 679	NA
NET PROFIT (LOSS)	20 490	- 93 377	NA

20 clubs, including SC Bastia, whose accounts at 15/05/2017 were used for the 2016/2017 season.

€000	2015/2016	2016/2017	VARIATION
Intangible assets: transfer fees	468 236	586 563	+ 25 %
Other fixed assets	646 097	670 935	+ 4 %
Receivables relating to player transfers	360 145	231 054	- 36 %
Other current assets	496 854	489 064	- 2 %
Cash and short-term investments	248 684	386 764	+ 56 %
TOTAL ASSETS	2 220 016	2 364 380	+ 7 %
Net equity	291 191	345 969	+ 19 %
Shareholder current accounts	449 767	573 024	+ 27 %
Provisions for liabilities and charges	51 889	62 093	+ 20 %
Financial liabilities	460 224	386 510	- 16 %
Liabilities relating to player transfers	248 918	260 998	+ 5 %
Other liabilities	718 027	735 786	+ 2 %
TOTAL LIABILITIES	2 220 016	2 364 380	+ 7 %
PROFIT (LOSS) FOR THE YEAR	20 490	- 93 377	NA

20 clubs, including SC Bastia, whose accounts at 15/05/2017 were used for the 2016/2017 season.

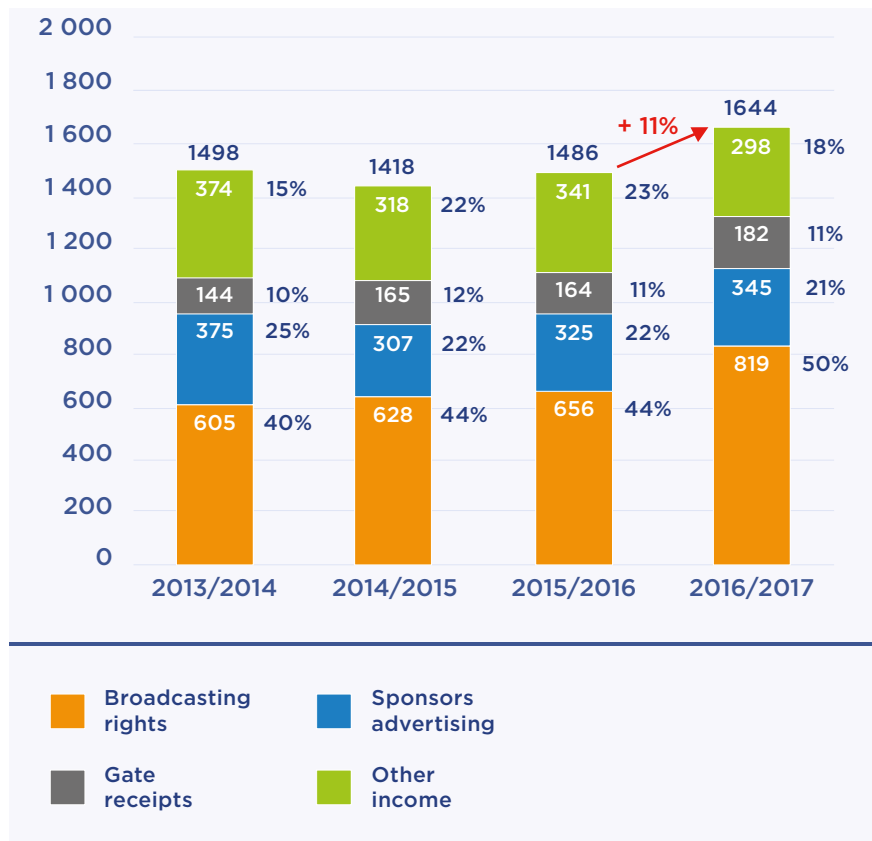
1.1.2 INCOME



TREND IN TOTAL INCOME (INCL. INCOME FROM TRANSFERS)

In million euros and as a percentage of the total

- Total income amounted to almost €1.9 billion for the 2016/2017 season.
- All types of operating profit (broadcasting rights, sponsorship and gate receipts) increased significantly compared to the 2015/2016 season.
- Other revenue and profit (loss) from transfers were down compared to the 2015/2016 season.



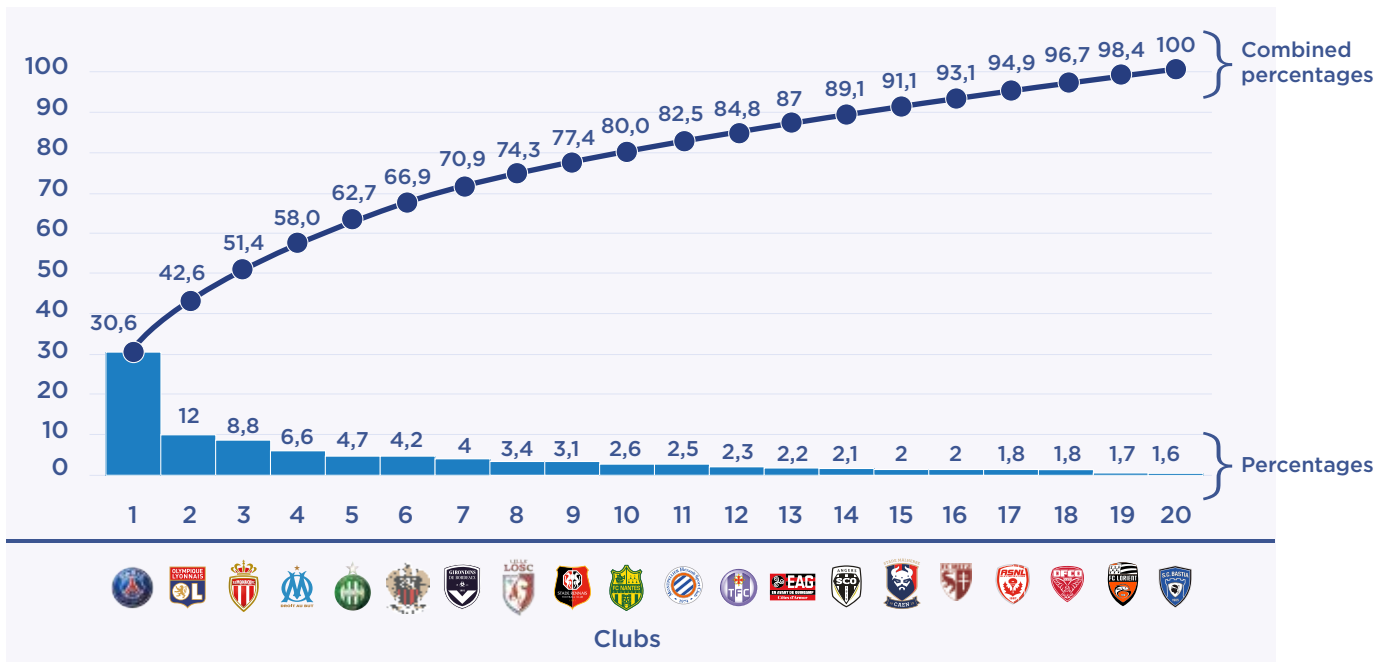
TREND IN NON-TRANSFER REVENUE

In million euros and as a percentage of the total

- Non-transfer revenue in Ligue 1 amounted to 1.643 billion euros in 2016/2017.
- Overall, non-transfer revenue increased (+€158m compared to the 2015/2016 season).
- With the exception of “other income”, all types of income increased.

BREAKDOWN OF NON-TRANSFER REVENUE

as a percentage of the total



The blue curve in this graph shows strong concentration among a small number of clubs:

■ The 3 clubs with the highest non-transfer revenue (PSG, Olympique Lyonnais and AS Monaco) account for over half the non-transfer revenue in Ligue 1. This percentage would be 15% if all teams in Ligue 1 had the same non-transfer revenue.

■ PSG alone generated slightly less than one third of the revenue for Ligue 1, i.e. as much as the 13 smallest clubs combined.



1.1.2.1 BROADCASTING RIGHTS

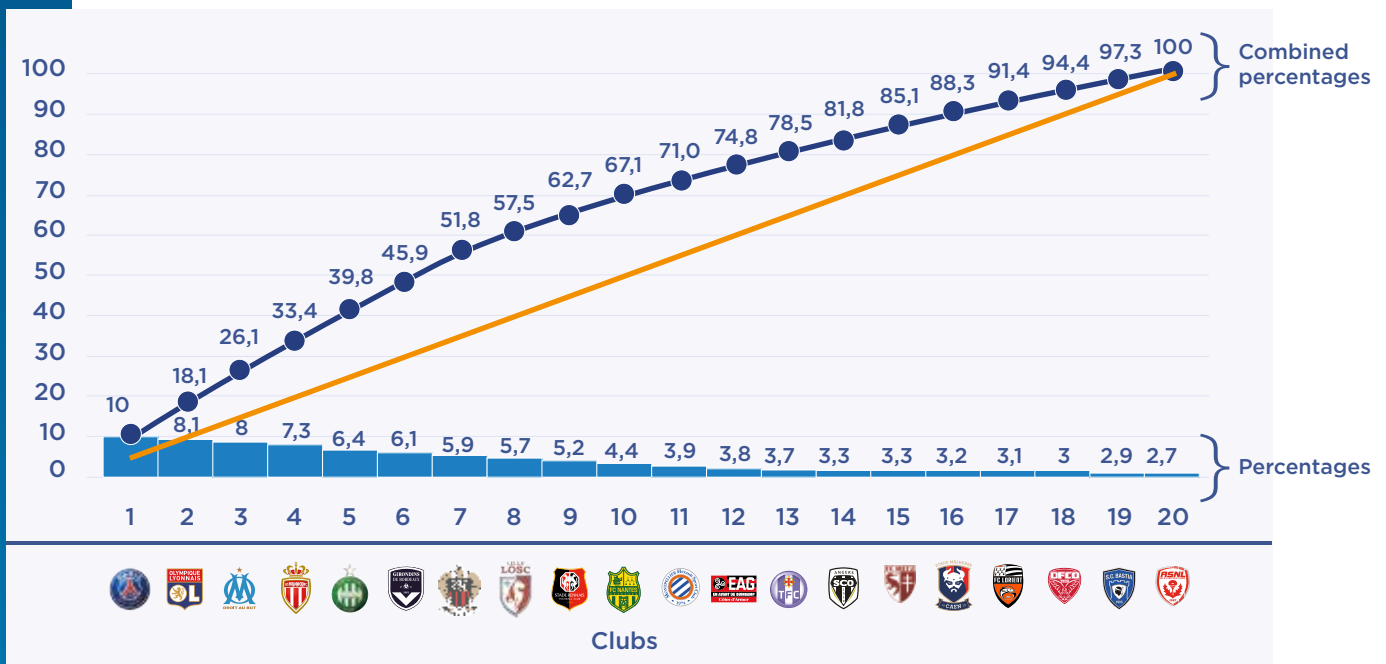
BROADCASTING RIGHTS FOR THE LIGUE 1 CHAMPIONSHIP

The concentration of Ligue 1 clubs' non-transfer revenue is limited by the distribution of championship broadcasting rights, which is based on a distribution system that provides solidarity rights of around €8.2m and club license rights of around €5.4 million. However, broadcasting rights vary between clubs in the

championship according to two factors: one part, based on on-pitch performance, was up to €20 m (AS Monaco), while another, based on reputation, ranged up to €23m (PSG) or €20m (Olympique de Marseille). In all, PSG received around 10% of the broadcasting rights distributed among Ligue 1 clubs.

BREAKDOWN OF BROADCASTING RIGHTS FOR THE LIGUE 1 CHAMPIONSHIP

as a percentage of the total



The blue curve is close to the orange line, indicating that the distribution of championship broadcasting rights is based chiefly on a large fixed and equal share:

■ The top 3 clubs represent 26.1% of all Ligue 1 championship broadcasting rights

■ The top 7 clubs represent just over half of all broadcasting rights.

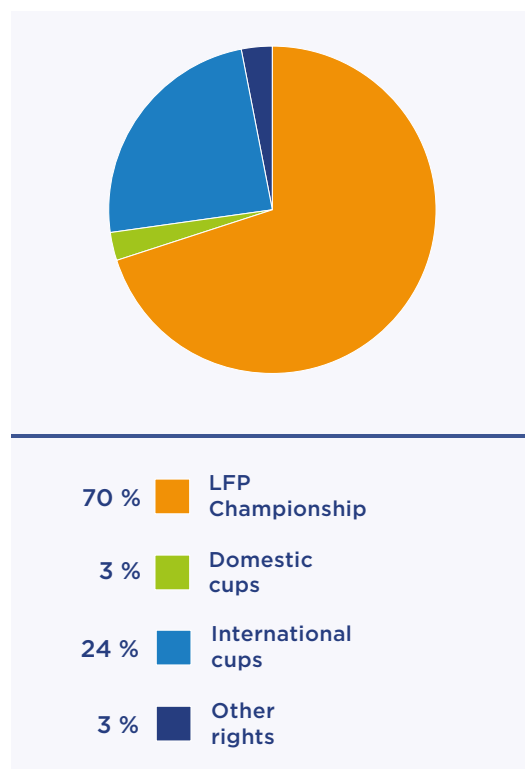
BROADCASTING RIGHTS FOR CLUBS TAKING PART IN EUROPEAN COMPETITIONS

CLUB	EUROPEAN PERFORMANCE	UEFA BROADCASTING RIGHTS	LIGUE 1 BROADCASTING RIGHTS	OTHER BROADCASTING RIGHTS	TOTAL BROADCASTING RIGHTS	EUROPEAN CUP SHARE
PSG	1/8 Champions League	€57,6m	€57,6m	€6,8m	€122m	47,2 %
AS MONACO	1/2 Champions League	€64,6m	€41,7m	€3,2m	€109,6m	59 %
OL	1/2 Europa League	€49,1m	€47m	€2,8m	€98,9m	49,6 %
OGC NICE	Europa League Group Stages	€9,9m	€33,8m	€0,8m	€44,5m	22,3 %
AS SAINT-ETIENNE	1/16 Europa League	€13,8m	€37,1m	€0,6m	€51,5m	26,8 %
LOSC	Europa League Qualifying Stages	€0,2m	€33m	€2,3m	€35,6m	0,7 %
TOTAL		€195,2m	€250,2m	€16,5m	€462,1m	42,4 %

■ For the clubs concerned, rights relating to European competitions represented €195m (compared to only €151m last season).

■ The European share of overall income from broadcasting rights is greater for Champions League clubs than for Europa League clubs: around 50% for PSG and around 60% for AS Monaco compared with around 25% for AS

Saint-Etienne and OGC Nice. The case of Lille OSC is special since the club did not progress beyond the third round of qualifications for the Europa League. However, Olympique Lyonnais received around 50% through its double outing in the Champions League and the Europa League. Qualifying for the Champions League thus attracts far more broadcasting revenue than qualifying for the Europa League.



BREAKDOWN OF BROADCASTING RIGHTS BY COMPETITION FOR ALL CLUBS

as a percentage of the total

■ Broadcasting rights for the European cups represent 24% of all broadcasting rights (compared with 23% last season). This large proportion is due to the extremely high UEFA broadcasting rights received by PSG and AS Monaco in the Champions League and by Olympique Lyonnais in the Europa League.

1.1.2.2 GATE RECEIPTS

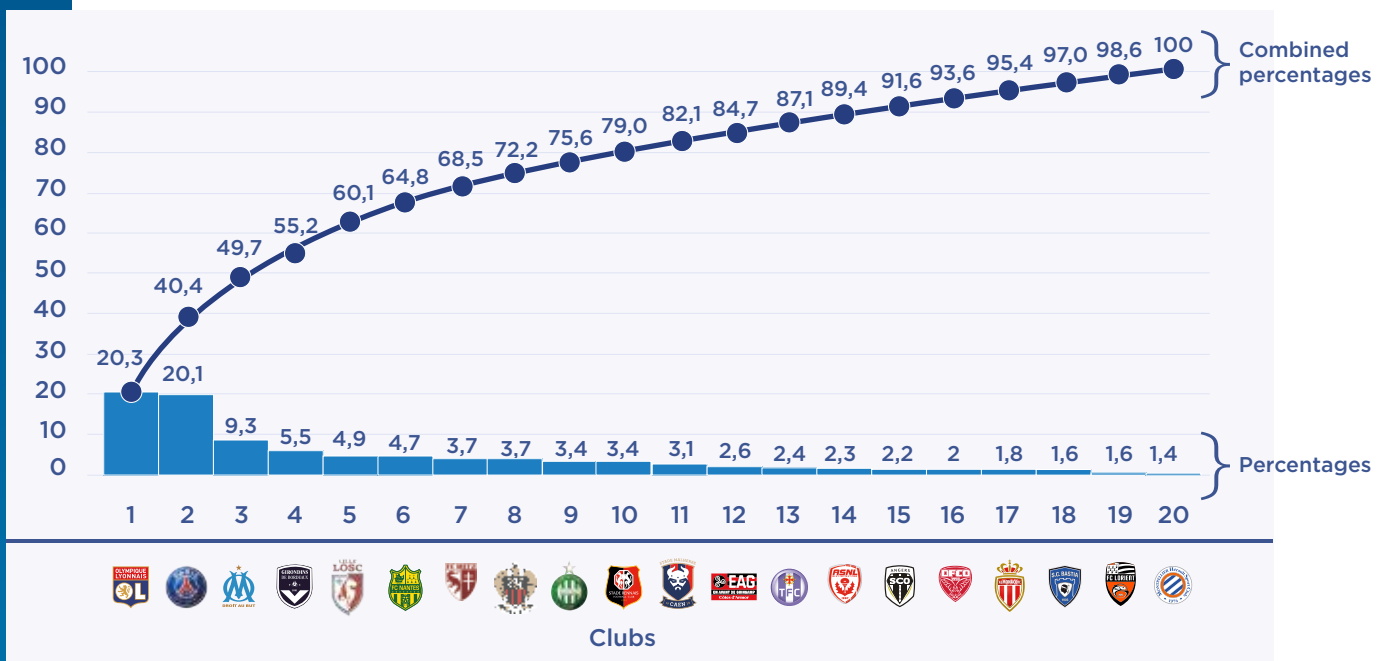
LIGUE 1 CHAMPIONSHIP GATE RECEIPTS

■ As in previous seasons, Ligue 1 gate receipts remained far more concentrated than domestic broadcasting rights. Olympique Lyonnais and PSG alone accounted for 40.4% of total Ligue 1 gate receipts thanks to their very high attendances and their ticket prices.

■ Olympique Lyonnais has become the best performer in terms of championship gate receipts since their new Groupama Stadium was open throughout the entire season. This club received 20.3% of all Ligue 1 gate receipts (compared with less than 18% in 2015/2016).

BREAKDOWN OF LIGUE 1 CHAMPIONSHIP GATE RECEIPTS

as a percentage of the total



GATE RECEIPTS: ANALYSIS BY SPECTATOR CATEGORY

	2015/2016	2016/2017	VARIATION
	Average per match		
SPECTATOR CATEGORY			
Season ticket holders	11 270	10 526	- 7 %
Matchday tickets	6 944	6 902	- 1 %
Free admissions	2 308	2 608	+ 13 %
TOTAL SPECTATORS	20 522	20 036	- 2 %
TOTAL RECEIPTS IN €m	152,2	165,3	+ 9 %
Average price for season-ticket holders	€20,19	€23,97	+ 19 %
Average matchday ticket price	€24,92	€26,45	+ 6 %
Average price for paying spectators	€22,00	€24,96	+ 13 %
AVERAGE PRICE - ALL SPECTATORS	€19,52	€21,71	+ 11 %

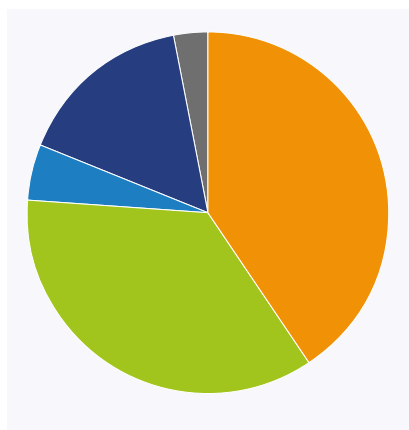
Total gate receipts increased by 8.6%. The increase in ticket price offset the slight drop in attendances compared with 2015/2016:

- Overall, the average ticket price increased by 11%.
- The average number of spectators fell by 2.4% due mainly to the decrease in season-ticket holders.

GATE RECEIPTS: ANALYSIS OF CLUBS PARTICIPATING IN EUROPEAN COMPETITIONS

- Overall, European Cup gate receipts accounted for 24.9% of the total gate receipts for clubs taking part in European competitions (compared with 16% last season).
- AS Monaco and Olympique Lyonnais reached the same level of their respective European competitions. Gate receipts from European matches were far higher for Olympique Lyonnais, thanks in particular to their increased stadium capacity.

CLUB	EUROPEAN PERFORMANCE	EUROPEAN CUP GATE RECEIPTS	TOTAL GATE RECEIPTS	% OF EUROPEAN CUP REVENUE IN GATE RECEIPTS
PSG	1/8 Champions League	€7,1m	€42,4m	16,7 %
AS MONACO	1/2 Champions League	€5,1m	€8,1m	62,3 %
OLYMPIQUE LYONNAIS	1/2 Europa League	€13,3m	€44m	30,3 %
OGC NICE	Europa League Group Phase	€0,7m	€5,8m	11,5 %
AS SAINT-ETIENNE	1/16 Europa League	€2,3m	€7,1m	31,9 %
LOSC	Europa League Qualification Phase	€0m	€7,1m	0,6 %
TOTAL		€28,5m	€114,5m	24,9 %



41 %	Championship season tickets
36 %	Championship (matchday receipts)
5 %	Domestic cups
16 %	European cups
3 %	Other matches

BREAKDOWN OF GATE RECEIPTS BY COMPETITION

as a percentage of the total

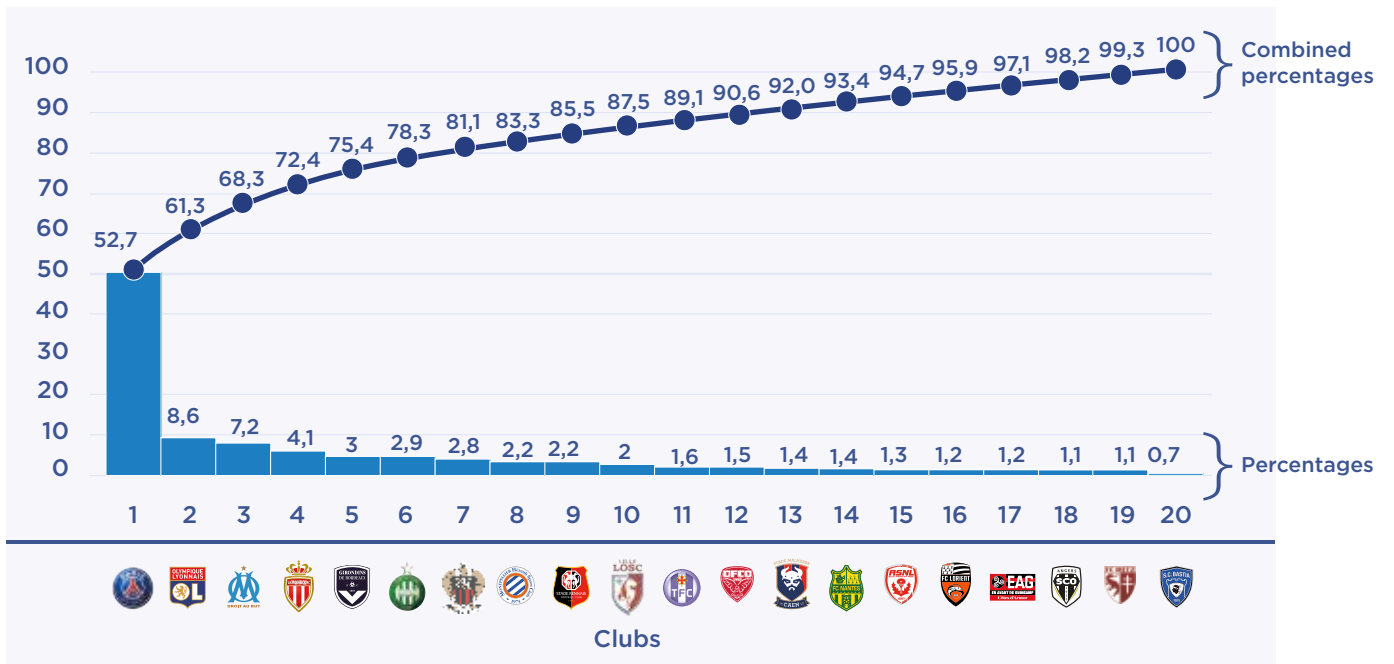
- Championship gate receipts represent the majority of Ligue 1 club gate receipts (77%).
- As in the 2015/2016 season, gate receipts from season tickets are higher than gate receipts from matchday tickets.
- European cup gate receipts represent 16% of total gate receipts for Ligue 1 clubs overall. However, this overall figure masks the large proportion of European cup gate receipts in the gate receipts of clubs qualifying for European cup competitions.



1.1.2.3 SPONSORING/ADVERTISING, MERCHANDISING, LOCAL AUTHORITY SUBSIDIES AND OTHER INCOME

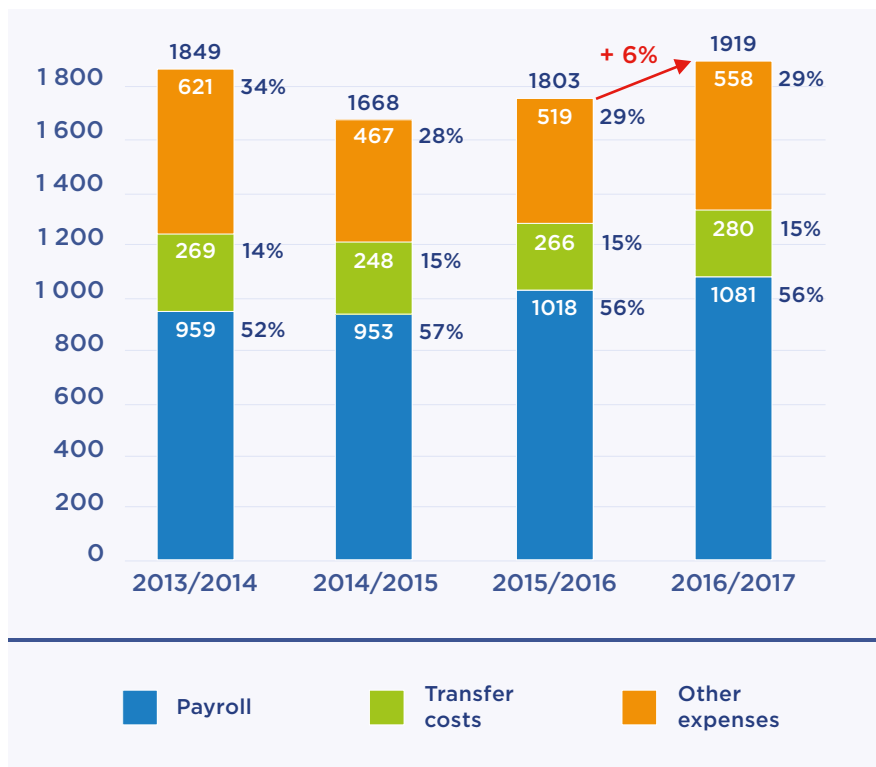
BREAKDOWN OF REVENUES FROM SPONSORING/ADVERTISING, MERCHANDISING, LOCAL AUTHORITY SUBSIDIES AND OTHER INCOME

as a percentage of the total



■ The blue curve shows a very high concentration of this income stream, with PSG alone representing over 50% of the total, which accounts for the high overall concentration of non-transfer revenue.

1.1.3 NON-TRANSFER EXPENSES



TREND IN NON-TRANSFER EXPENSES

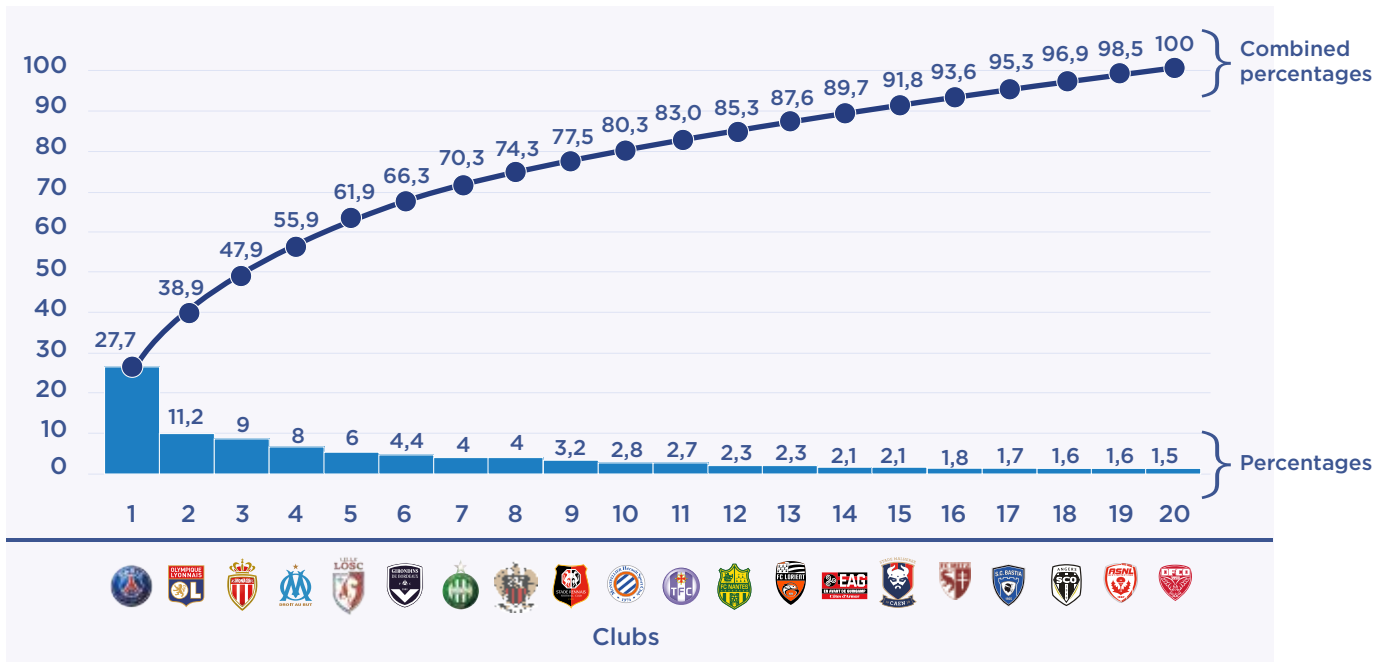
.....
in million euros

- Non-transfer expenses amounted to €1.919 billion in Ligue 1, i.e. €275m more than non-transfer revenue.
- Non-transfer expenses increased in relation to the 2015/2016 season (+€116m). This is due chiefly to the increase in “Other expenses” and payroll costs.



BREAKDOWN OF NON-TRANSFER EXPENSES

as a percentage of the total



■ Like revenue, expenses are highly concentrated in Ligue 1, with 6 clubs alone representing almost 2/3 of non-transfer expenses for Ligue 1.



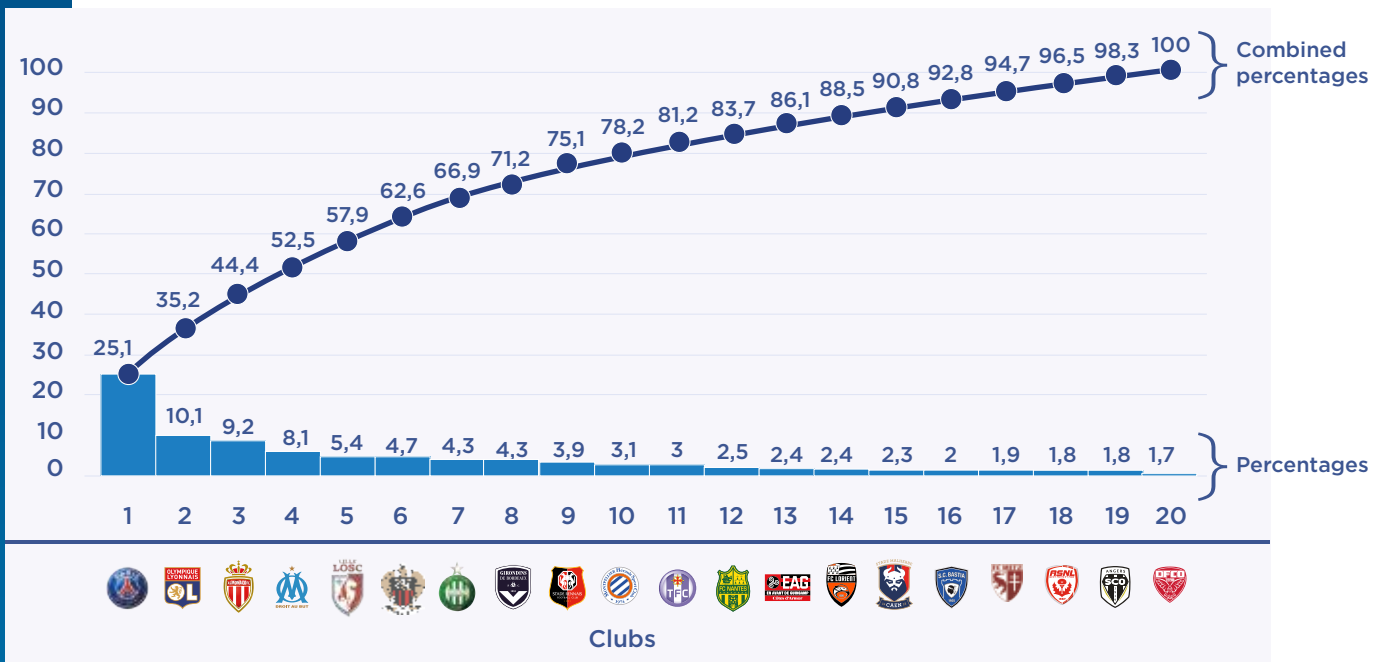
1.1.3.1 TOTAL PAYROLL

- Total payroll is the main expense item for Ligue 1 clubs (56.3% of non-transfer expenses).
- Payroll varies considerably from one club to another. PSG alone represents a quarter of the entire payroll for Ligue 1, i.e. as much as the 11 clubs having the lowest payrolls.
- Olympique Lyonnais is the second Ligue 1 club in terms of payroll (10.1%).

BREAKDOWN OF PAYROLL

(INCLUDING EMPLOYERS' AND EMPLOYEES' WAGE COSTS)

as a percentage of the total



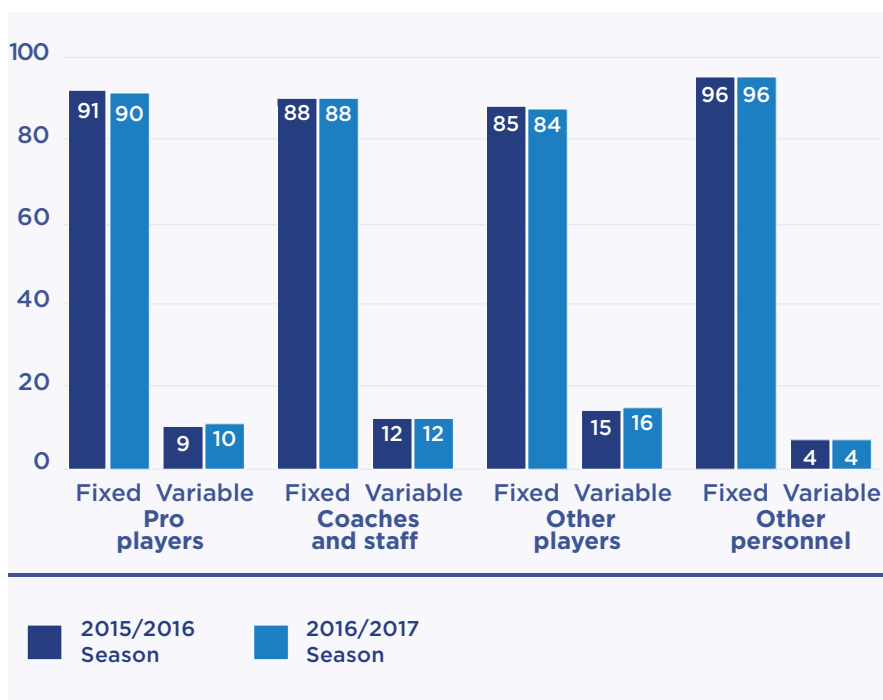
1.1.3.2 PAYROLL ANALYSIS

BREAKDOWN OF REMUNERATION BY EMPLOYEE CATEGORY (IN MILLION EUROS)

	2015/2016	2016/2017	VARIATION
PROFESSIONAL PLAYERS	561,3	622,3	+ 11 %
Basic salary	507,2	568,5	+ 12 %
Variable bonuses	54,1	53,8	- 1 %
PROFESSIONAL COACHES AND STAFF	82,4	84,7	+ 3 %
Basic salary	72,7	74,7	+ 3 %
Variable bonuses	9,7	10	+ 3 %
OTHER PLAYERS	23,0	26,9	+ 17 %
Basic salary	19,3	22,9	+ 19 %
Bonuses	3,7	4	+ 9 %
OTHER PERSONNEL	110,3	96,5	- 13 %
Basic salary	106,0	92,5	- 13 %
Bonuses	4,3	4	- 6 %

Variable remuneration refers to the portion of salary received on the achievement of individual and collective targets. These bonuses may be based on sports results (e.g. European Cup qualification, final ranking, Cup performance, etc.) as well as on the number of selections (effective presence on the team sheet, number of starts, matches played, etc.).

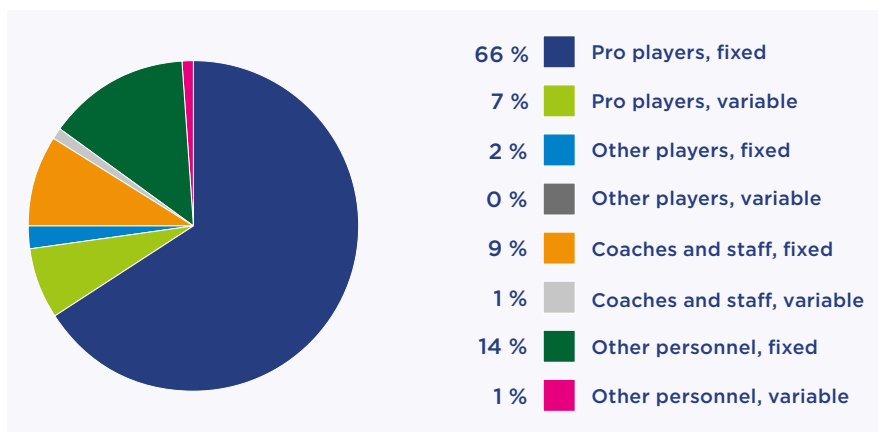
■ Variable bonuses represent a small proportion of remuneration for all personnel categories.



FIXED PAY AND VARIABLE BONUSES

as a percentage of the total

■ The variable portion of professional players' salaries remained stable. Remuneration was no more dependent on actual match results than last season.



BREAKDOWN OF PAYROLL

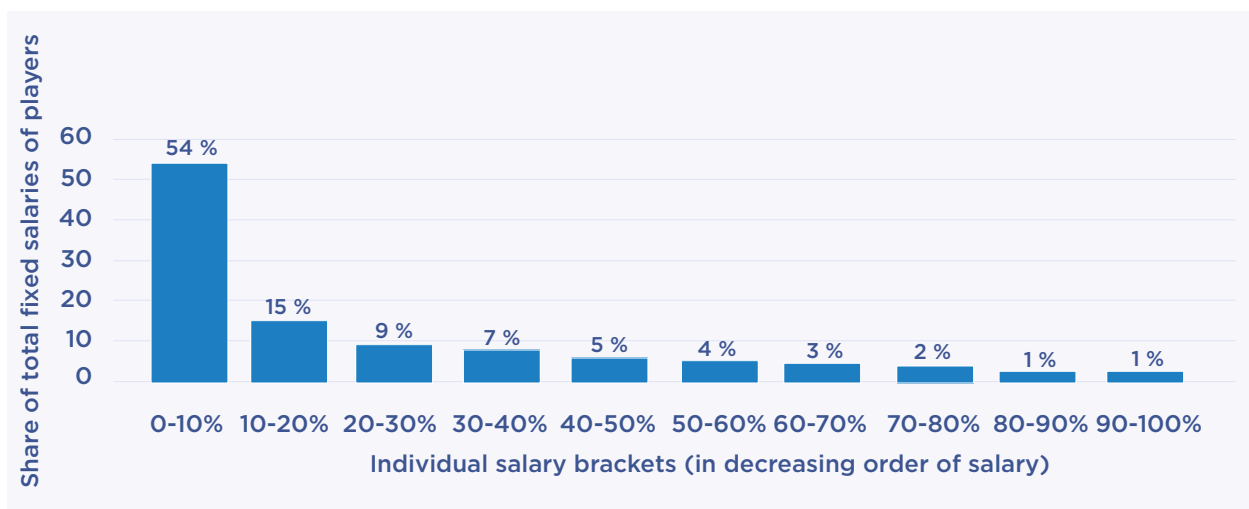
.....
as a percentage of the total

■ Professional players represent 73% of the total payroll for Ligue 1 clubs, i.e. €622m (compared to €561m in 2015/2016).

CONCENTRATION OF GROSS PAYROLL

COMBINED PERCENTAGE OF PLAYERS' SALARIES BY DECILE

.....



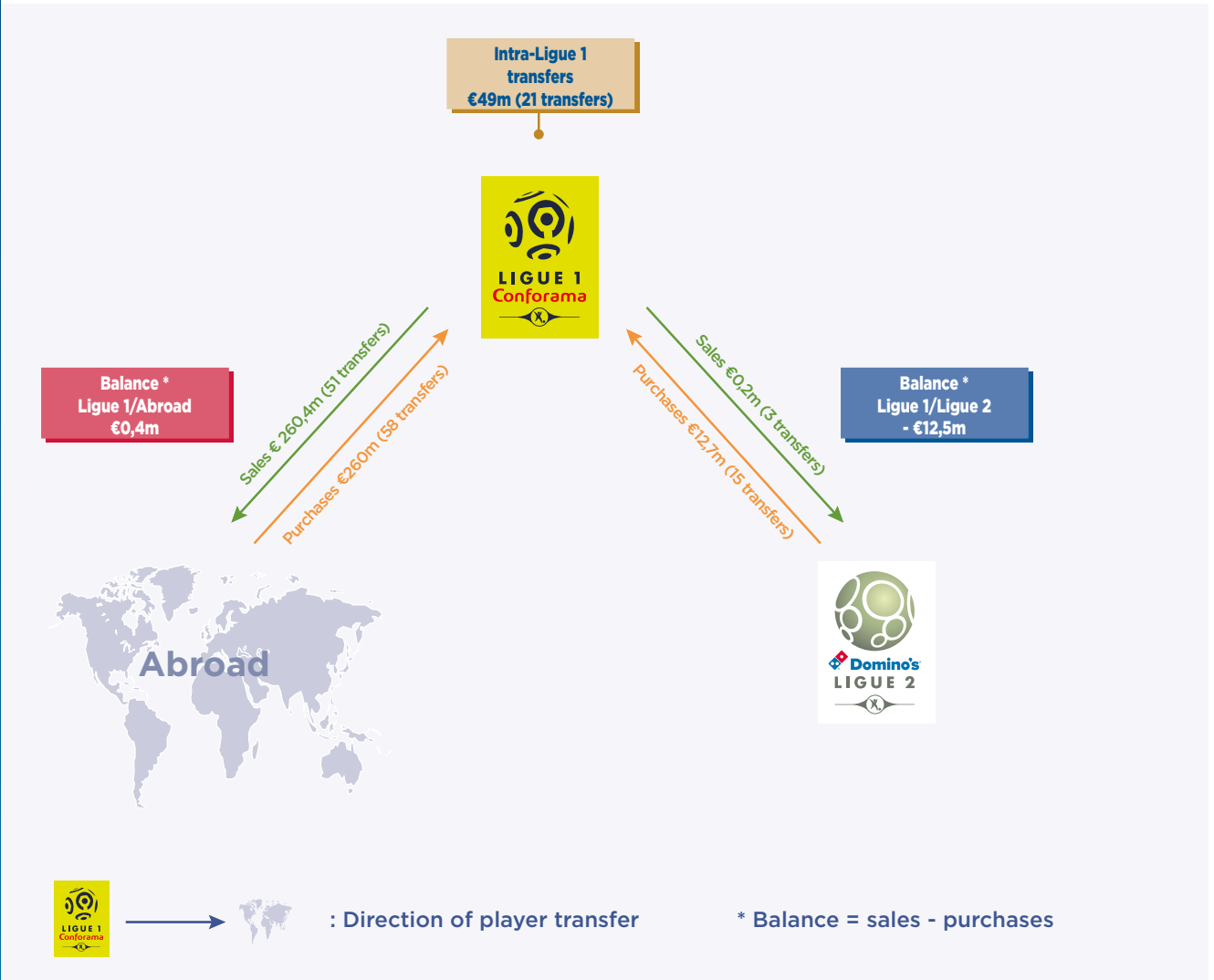
■ There are very significant disparities between the contractual salaries of Ligue 1 players. As was the case last season, the 5 highest-paid players represent 11.5% of the total payroll, i.e. as much as the 53% of lowest-paid players combined.

PLAYER PORTFOLIO ANALYSIS	30/06/17	30/06/18	30/06/19	30/06/20	30/06/21	30/06/22
Percentage of the number of fixed-term contracts	22 %	23 %	31 %	16 %	7 %	1 %
Percentage of the sum of salaries falling due	14 %	24 %	27 %	21 %	14 %	1 %



1.1.4 PLAYER TRADING

TRANSFERS OF PLAYERS FOR FRENCH PROFESSIONAL CLUBS FOR THE 2016-2017 SEASON

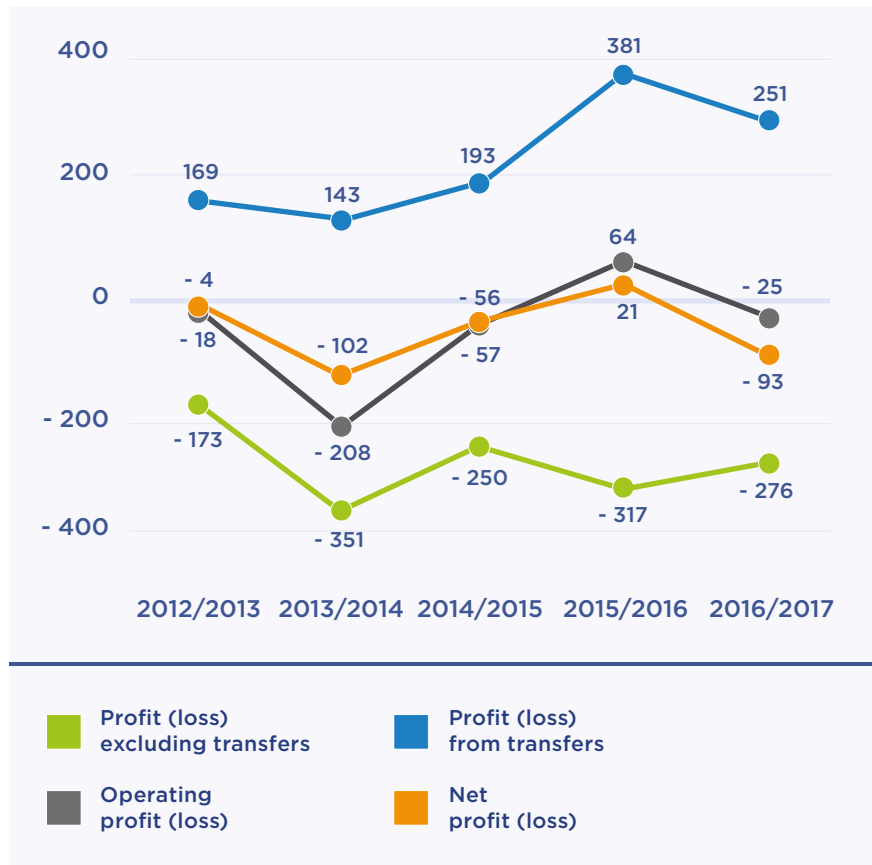


TREND IN TRANSFER BALANCE IN €m	2014/2015	2015/2016	2016/2017
Sales - France	47,7	94,3	49,2
Sales - abroad	201,5	391,2	260,4
Purchases - France	- 67,4	- 119,0	- 61,7
Purchases - abroad	- 67,1	- 219,3	- 260
BALANCE	114,7	147,2	- 12,1

In million euros	Destination league			Total
	Abroad	Ligue 1	Ligue 2	
Abroad				
Number of transfers		58	13	71
Amount		260	2,5	262,5
Ligue 1				
Number of transfers	51	21	3	75
Amount	260,4	49	0,2	309,6
Ligue 2				
Number of transfers	12	15	1	28
Amount	17	12,7	0,4	30,1
Total number of transfers	63	94	17	174
Amount of transfers	277,4	321,7	3,1	602,2

TRANSFER TRANSACTIONS IN €m	
Transfer price	323,9
Net carrying amount of players transferred	89,1
CAPITAL GAIN ON TRANSFERS	234,8
Reversals of provisions for transfer fees	22,8
Provisions for transfer fee amortization	- 6,2
PROFIT (LOSS) FROM TRANSFER TRANSACTIONS	251,4

1.1.5 RESULTS



BREAKDOWN OF NET PROFIT (LOSS)

.....
in million euros

■ After the trend towards improved operating profits for Ligue 1 clubs seen since 2013/2014, the latter is deteriorating in 2016/2017: from €64m in 2015/2016 it fell to - €25m in 2016/2017.

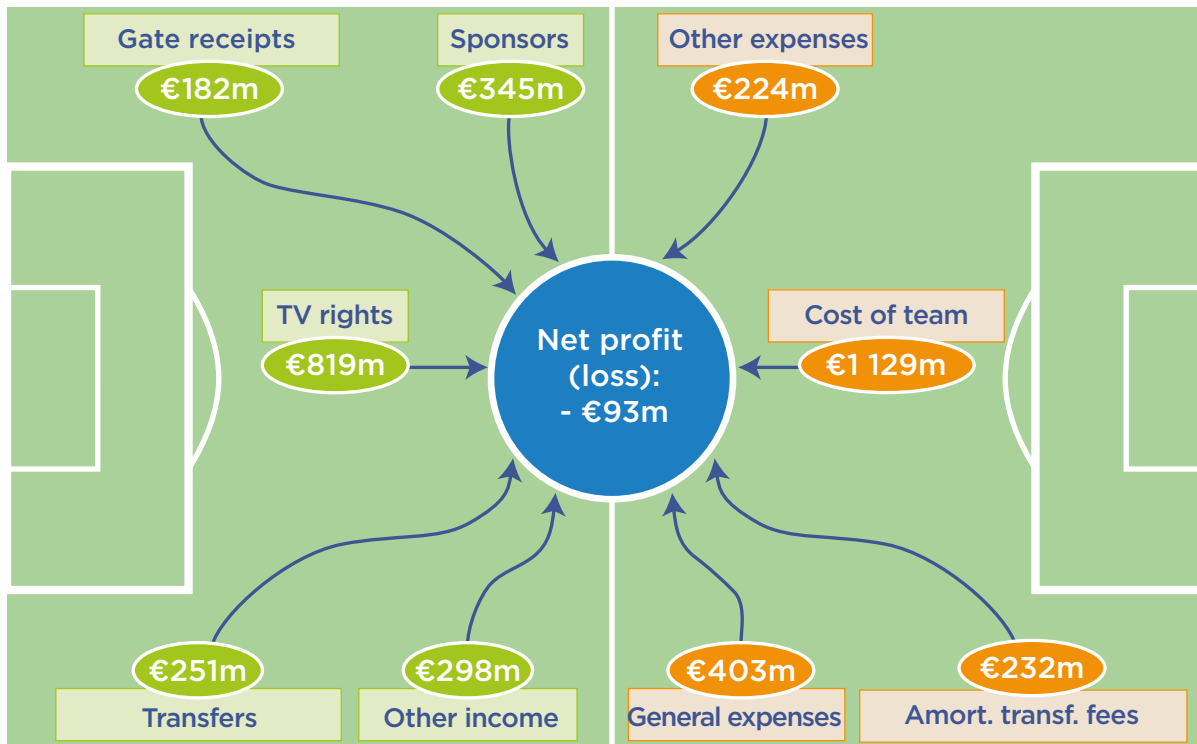
■ Nevertheless, this season, the number of Ligue 1 clubs showing a net profit is identical to that for 2015/2016 (13).



FORMATION OF NET PROFIT (LOSS) AND GRAPHIC ANALYSIS

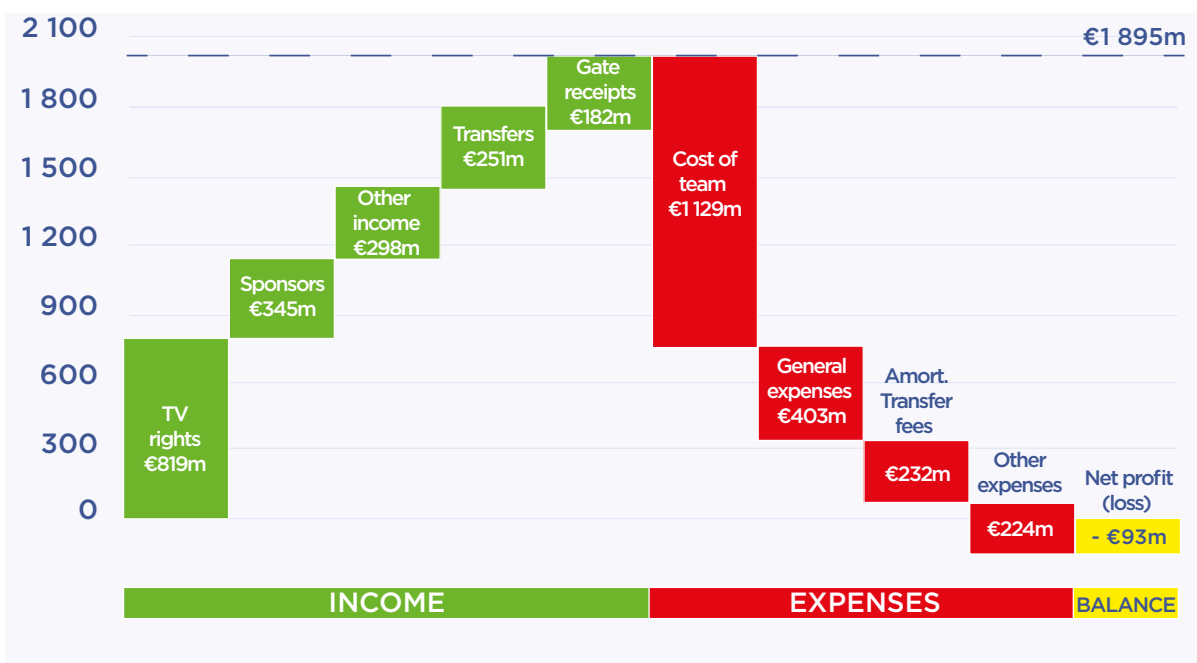
FORMATION OF NET PROFIT (LOSS)

in million euros

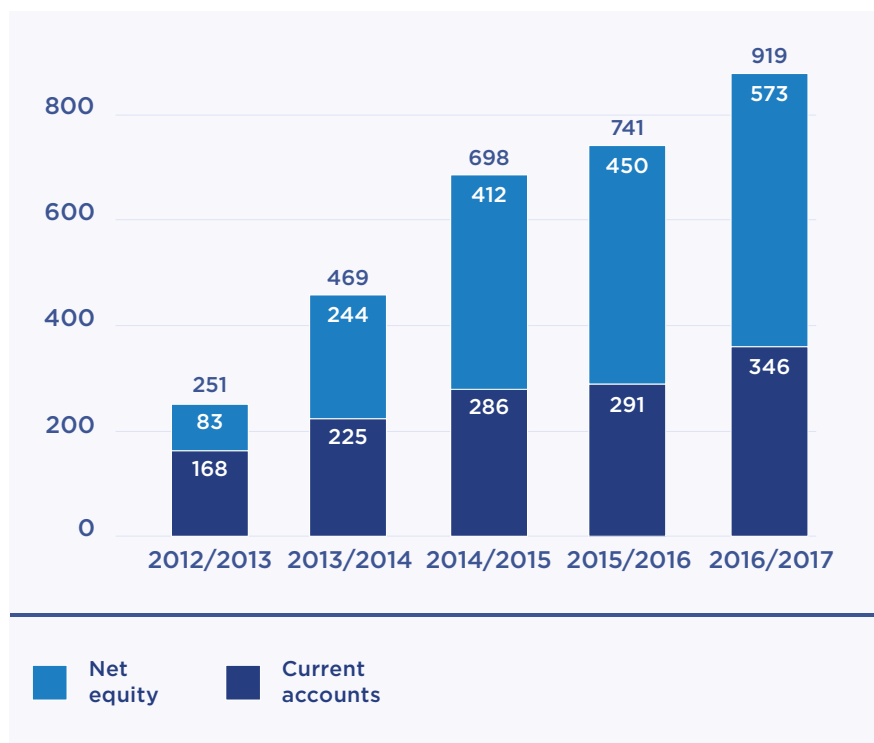


ANALYSIS OF FORMATION OF NET PROFIT (LOSS)

in million euros



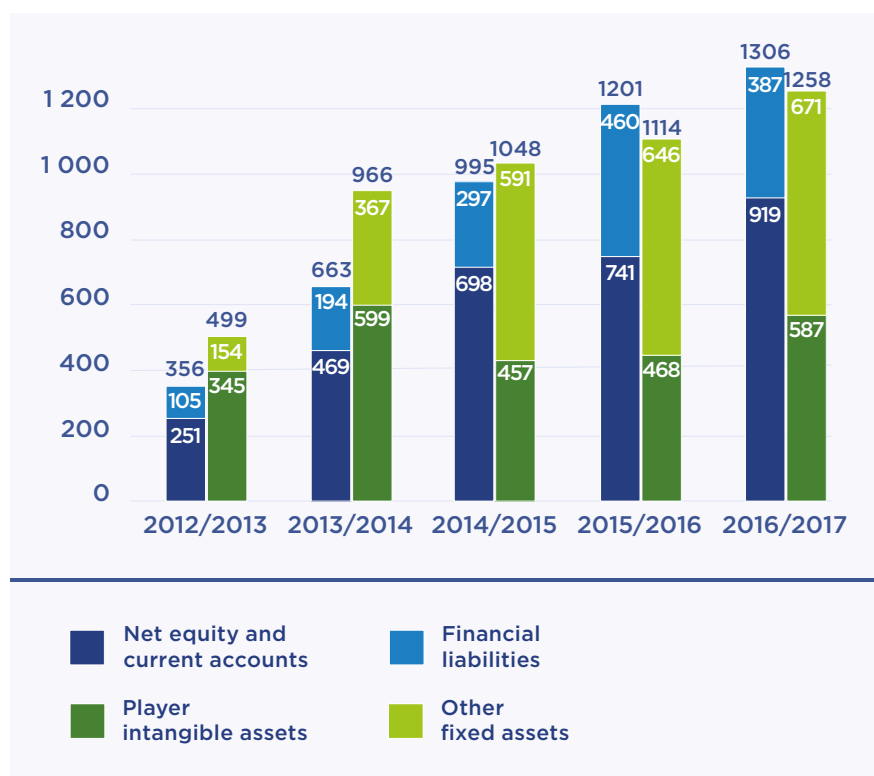
1.1.6 CLUB FUNDING



TREND IN NET EQUITY AND SHAREHOLDER CURRENT ACCOUNTS

In million euros

■ Net equity and shareholder current accounts increased in relation to last season, amounting to €919m.



COVERAGE OF FIXED ASSETS BY NET EQUITY, CURRENT ACCOUNTS AND FINANCIAL LIABILITIES

in million euros

■ In the 2012/2013 and 2013/2014 seasons, coverage of assets by net equity and current accounts showed a shortfall (respectively 71% and 69%).

■ Conversely, coverage was very high in 2015/2016 and 2016/2017, over 100%).

CASH FLOW STATEMENT IN MILLION EUROS

	2015/2016	2016/2017
Cash flow from operations	- 28,4	- 20,5
Cash flow from investments	- 203,4	- 12,9
Cash flow from financing	216,5	171,4
Other cash inflows/outflows	4,5	- 1,2
NET CASH FLOW	- 10,8	136,8



1.1.7 INITIAL BUDGET VS. FINAL FIGURES ANALYSIS FOR THE 2016/2017 SEASON

€000	Initial budget	Actual	Difference
Broadcasting rights	710 542	819 124	108 582
Sponsors - Advertising	360 972	344 857	- 16 115
Gate receipts	184 741	181 654	- 3 087
Other income (incl. merchandising)	200 317	217 285	16 968
TOTAL INCOME EXCLUDING TRANSFERS	1 547 770	1 643 331	95 561
Total payroll	954 795	1 080 596	125 801
Transfer costs	257 486	280 221	22 736
Other expenses	493 822	558 392	64 570
TOTAL EXPENSES EXCLUDING TRANSFERS	1 706 102	1 919 210	213 108
OP. PROFIT (LOSS) EXCLUDING TRANSFERS	- 158 333	- 275 877	- 117 544
PROFIT (LOSS) FROM TRANSFERS	202 377	251 350	48 973
OP. PROFIT (LOSS) BEFORE EXCEPT. ITEMS	44 045	- 24 525	- 68 570
Financial profit (loss)	- 27 735	- 44 084	- 16 349
Exceptional profit (loss): other	7 225	- 6 015	- 13 240
Income tax	- 13 690	- 10 076	3 614
Except. Profit (loss): current account W/R	8 800	- 8 679	- 17 476
NET PROFIT (LOSS)	18 645	- 93 377	- 112 022

■ In their initial budgets, Ligue 1 clubs underestimated their total non-transfer revenue and their non-transfer expenses, particularly the latter. For example, the actual payroll was 14.6% higher than the payroll initially budgeted.



1.2.1 SPORTS RESULTS

2016/2017 SEASON

LIGUE 1	POSITION	POINTS
AS MONACO	1	95
PARIS SAINT-GERMAIN	2	87
OGC NICE	3	78
OLYMPIQUE LYONNAIS	4	67
OLYMPIQUE DE MARSEILLE	5	62
GIRONDINS DE BORDEAUX	6	59
FC NANTES	7	51
AS SAINT-ETIENNE	8	50
STADE RENNAIS FC	9	50
EA GUINGAMP	10	50
LOSC	11	46
ANGERS SCO	12	46
TOULOUSE FC	13	44
FC METZ	14	43
MONTPELLIER HÉRAULT SC	15	39
DIJON FCO	16	37
SM CAEN	17	37
FC LORIENT	18	36
AS NANCY LORRAINE	19	35
SC BASTIA	20	34

TEAM	STAGE REACHED	NUMBER OF EUROPEAN MATCHES PLAYED
------	---------------	-----------------------------------

CHAMPIONS LEAGUE

AS MONACO	Semi-final	14 matches
PARIS SAINT-GERMAIN	1/8 finale	8 matches
OLYMPIQUE LYONNAIS	Group phase (dropped down to Europa League)	6 matches

EUROPA LEAGUE

OLYMPIQUE LYONNAIS	Semi-final	8 matches
AS SAINT-ETIENNE	1/16 finale	12 matches
OGC NICE	Group phase	6 matches
LOSC	3rd round of qualifiers	2 matches

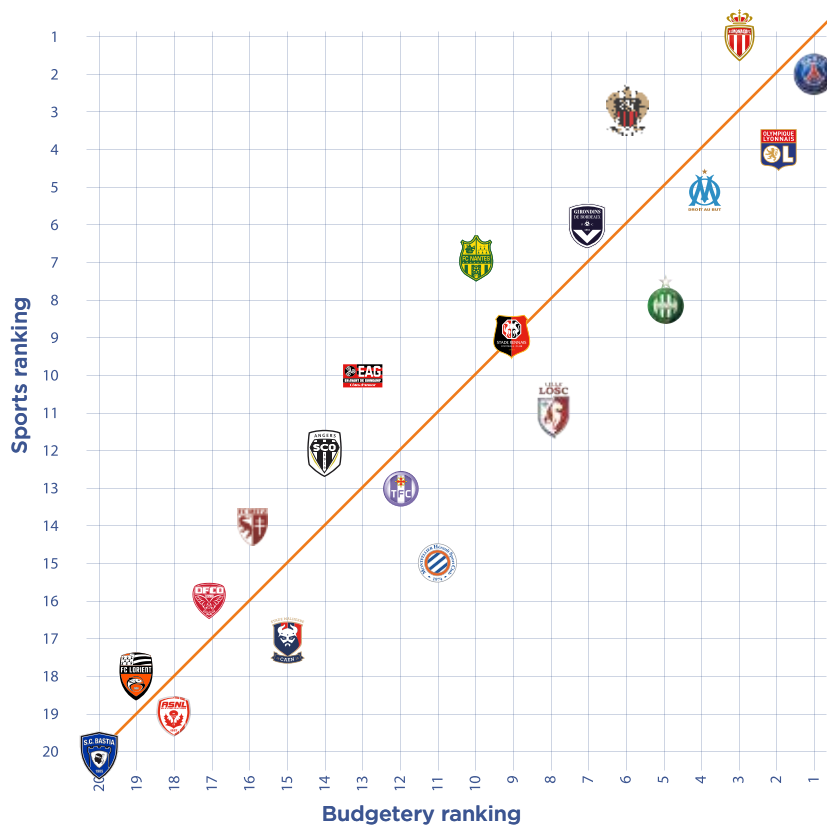
WINNER OF THE COUPE DE LA LIGUE

PARIS SAINT-GERMAIN

WINNER OF THE COUPE DE FRANCE

PARIS SAINT-GERMAIN

BUDGETARY AND SPORTS RANKING



■ There is an extremely strong correlation between budgetary ranking and sports ranking: the 3 clubs with the biggest budget finished in the top four places while the three clubs with the smallest budgets finished in the last three places.



NUMBER OF PROFIT-MAKING AND LOSS-MAKING CLUBS

.....
In million euros

■ 13 Ligue 1 clubs out of 19 (SC Bastia has not yet filed its accounts) balanced their books in 2016/2017, which is identical to 2015/2016 (for 20 clubs). However, the number of Ligue 1 making heavy losses increased (4 vs.1 last season).

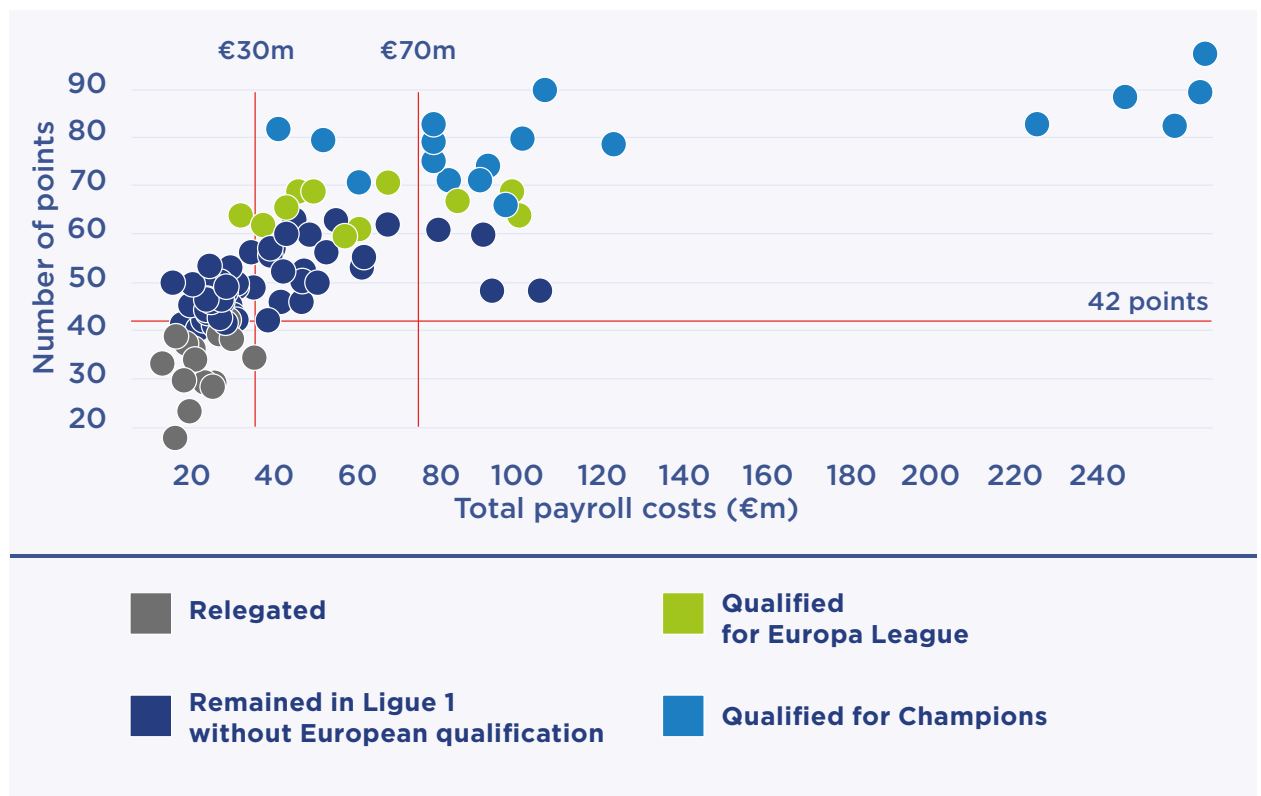
1.2.2 SPORTS RISKS/OPPORTUNITIES AND PAYROLL

There are two major risks for Ligue 1 clubs:

- Relegation for clubs with sufficient budget to stay up
- Failure to qualify for European cups for clubs with sufficient budget to compete for a European cup.

The chart below shows the relationship between payroll and the number of league points scored over the last five seasons. The findings for 2011/2012 still remain valid after the 2016/2017 season:

- No team with a payroll greater than 30 million euros has been relegated.
- With the exception of Nice at the end of the 2012/2013 season, no team with a payroll of less than 30 million euros qualified for the Europa League via its championship ranking
- With the exception of Montpellier at the end of the 2011/2012 season and Lille at the end of the 2013/2014 season, no team with a payroll of less than 70 million euros qualified for the Champions League.



Three distinct groups of clubs may thus be identified in Ligue 1:

■ **Group 1** : Clubs with a payroll exceeding €70m. 87% of these have qualified for European Cups over the last six seasons. The main risk for these clubs is failure to qualify for the group stages of the Champions League.

■ **Group 2** : Clubs with a payroll of between €30m and €70m. None of these clubs has been relegated over the last six seasons. One in four clubs (28%) has qualified for the European competitions.

■ **Group 3** : Clubs with a payroll of less than €30m. More than one quarter of these clubs (27.5%) have been relegated over the last six seasons.

SPORTS RESULTS AS A FUNCTION OF PAYROLL (SEASONS 2011/2012 TO 2016/2017)

PAYROLL	PERCENTAGE OF CLUBS RELEGATED	PERCENTAGE OF CLUBS REMAINING IN LIGUE 1 BUT NOT QUALIFYING FOR EUROPEAN CUPS	PERCENTAGE OF CLUBS QUALIFYING FOR EUROPA LEAGUE	PERCENTAGE OF CLUBS QUALIFYING FOR CHAMPIONS LEAGUE
Group 1 (Above €70m)	0 %	13 %	22 %	65 %
Group 2 (Between €30m and €70m)	0 %	72 %	19 %	9 %
Group 3 (Below €30m)	27,5 %	71 %	1,5 %	0 %



1.2.3 MARKED IMPACT OF SPORTS PERFORMANCE ON REVENUE

At the end of each season, there are four possible scenarios for a Ligue 1 team: relegation to Ligue 2, remaining in Ligue 1 without qualifying for a European cup, qualification for the Europa League or qualification for the Champions League.

These four scenarios have very significant consequences for clubs in terms of revenue:

- Relegation: on average, non-transfer revenue for the three Ligue 1 relegated at the end of the 2015/2016 season (Stade de Reims, Gazélec Ajaccio and ESTAC) fell by €22m between 2015/2016 and 2016/2017. Stade de Reims thus lost 37.5% of its revenue, while Gazélec Ajaccio lost 36.4% and ESTAC lost around 33.7%.

- Remaining in Ligue 1 without qualifying for a European cup:

- Between 10th and 6th places, league position bonuses range from €5.5m to €9.7m. The risk of a drop in revenue for a team in the top half of the

table is thus approximately €4.2m.

- Between 17th and the 10th places, league position bonuses range from €2.1m to €5.5m. The risk of a drop in revenue for a team in the bottom half of the table is thus approximately €3.4m.

- Qualification for the Europa League: this competition generates revenue of up to €19m for qualifying clubs via UEFA broadcasting rights and gate receipts. In addition, teams qualifying for the Europa League via the championship receive Ligue 1 position bonuses ranging from €11.2m for 5th place to €12.9m for 4th place.

- Qualification for the final stage of the Champions League: this competition generates between €40m and €70m of revenue for clubs via UEFA broadcasting rights and gate receipts. In addition, teams qualifying for the Champions League via the championship receive Ligue 1 position bonuses ranging from €14.8m for 3rd place to €19.6m for the Ligue 1 champions.



1.2.4 ANNUAL GROSS AVERAGE PAYROLL AND SPORTS PERFORMANCE



AVERAGE GROSS PAYROLL BASED ON SPORTS PERFORMANCE (SEASONS 2011/2012 TO 2016/2017)

.....
In million euros

The findings of the DNCG report for 2015/2016 remain valid after the 2016/2017 season has been taken into account.

Over the last five seasons:

■ On average, teams that were relegated had a gross payroll of slightly less than €20m.

■ On average, teams that remained in the league without qualifying for a European cup had a gross payroll of around €30m.

■ On average, teams that qualified for the Champions League had a gross payroll of around €120m.



1.2.5 ANALYSIS BY CLUB GROUP FOR THE 2016/2017 SEASON

Given the foregoing analyses, 3 groups of clubs may be identified based on the total payroll costs for the 2016/2017 season:

GROUP 1: PAYROLL ABOVE €70m



GROUP 2: PAYROLL BETWEEN €30M AND €70m



GROUP 3: PAYROLL BELOW €30m



COMBINED OPERATING PROFIT (LOSS) BY GROUP (2016/2017 SEASON)

.....
In million euros

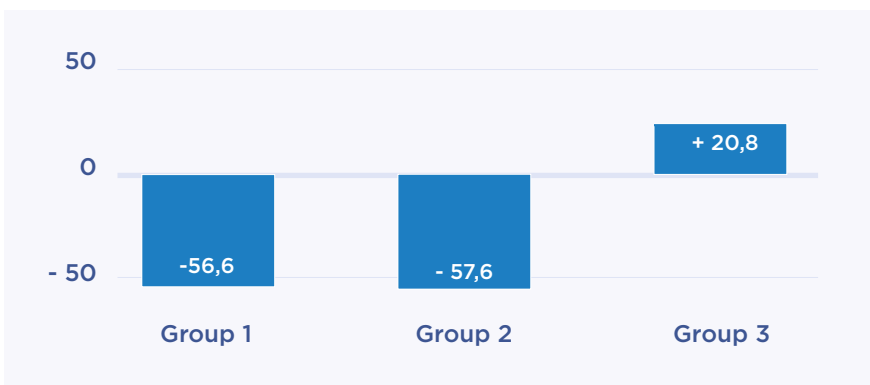
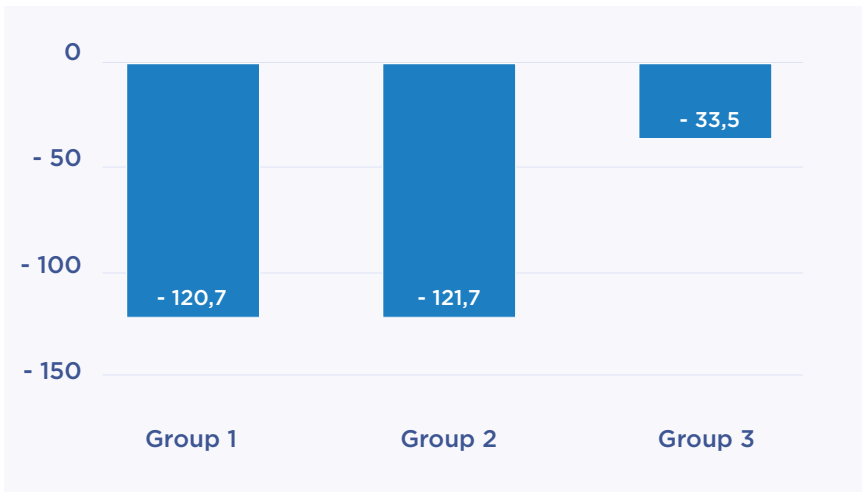
■ On average, the clubs' combined operating results were as follows: - €121m for group 1 clubs, - €122m for group 2 clubs, - €33.5m for group 3 clubs.

■ Compared to the 2015/2016 season, groups 1 and 2 are moving closer together.

COMBINED NET PROFIT (LOSS) BY GROUP (2016/2017 SEASON)

.....
In million euros

■ In terms of net result, only group 3 clubs posted a profit. Results from clubs in groups 1 and 2 are very similar, as is the case for operating results.



02

REPORT





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KEY FIGURES

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RELATIONS BETWEEN
SPORTS RESULTS AND
FINANCIAL ASPECTS

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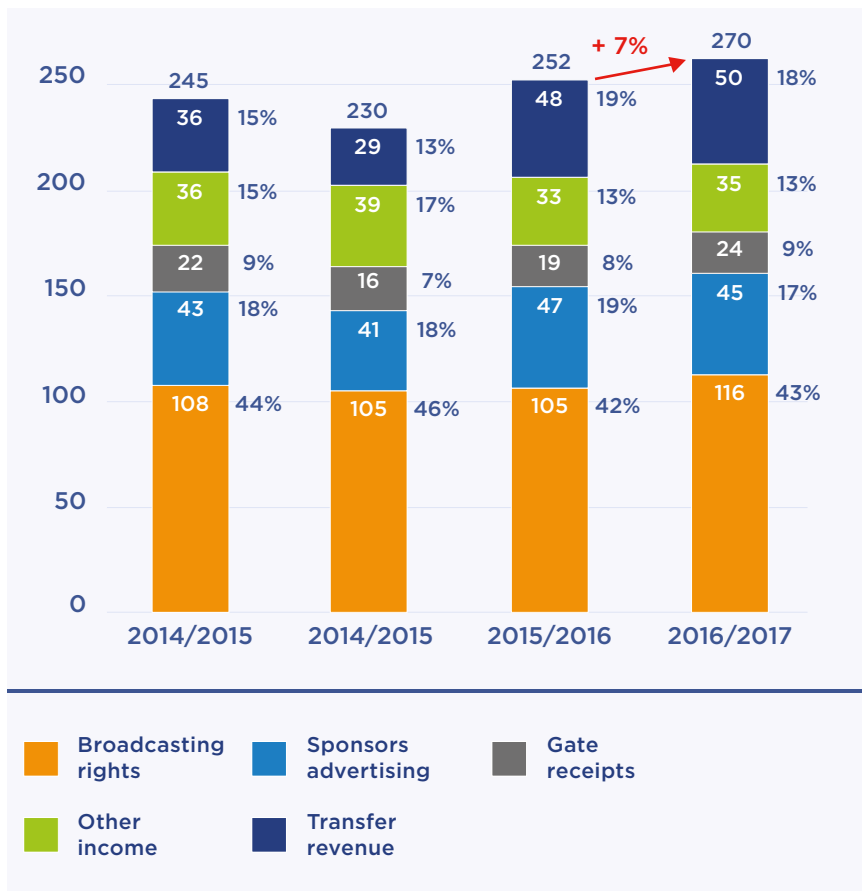
2.1.1 EXECUTIVE SUMMARY

COMBINED INCOME STATEMENT

€000	2015/2016	2016/2017	VARIATION
Broadcasting rights	104 896	115 944	+ 11 %
Sponsors - Advertising	46 835	44 951	- 4 %
Gate receipts	18 520	24 236	+ 31 %
Other income (incl. merchandising)	33 469	34 711	+ 4 %
TOTAL INCOME EXCLUDING TRANSFERS	203 720	219 842	+ 8 %
Total payroll	158 621	159 427	+ 1 %
Transfer costs	8 373	8 304	- 1 %
Other expenses	106 149	109 809	+ 3 %
TOTAL EXPENSES EXCLUDING TRANSFERS	273 144	277 540	+ 2 %
OPERATING PROFIT (LOSS) EXCLUDING TRANSFERS	- 69 424	- 57 697	+ 17 %
PROFIT (LOSS) FROM TRANSFERS	48 302	50 402	+ 4 %
OPERATING PROFIT (LOSS) BEFORE EXCEPT. ITEMS	- 21 122	- 7 297	+ 65 %
Financial profit (loss)	- 893	- 839	- 6 %
Exceptional profit (loss): other	2 030	1 178	- 42 %
Income tax	179	- 1 531	NA
Exceptional profit (loss): current account W/R	2 250	568	- 75 %
NET PROFIT (LOSS)	- 17 555	- 7 919	+ 55 %

€000	2015/2016	2016/2017	VARIATION
Intangible assets: transfer fees	4 454	4 191	- 6 %
Other fixed assets	144 462	130 595	- 10 %
Receivables relating to player transfers	18 942	16 688	- 12 %
Other current assets	62 133	49 048	- 21 %
Cash and short-term investments	31 383	50 893	+ 62 %
TOTAL ASSETS	261 375	251 415	- 4 %
Net equity	77 448	85 690	+ 11 %
Shareholder current accounts	31 867	36 742	+ 15 %
Provisions for liabilities and charges	8 210	8 460	+ 3 %
Financial liabilities	36 155	38 323	+ 6 %
Liabilities relating to player transfers	1 942	421	- 78 %
Other liabilities	105 752	81 779	- 23 %
TOTAL LIABILITIES	261 375	251 415	- 4 %
PROFIT (LOSS) FOR THE YEAR	- 17 555	- 7 919	+ 55 %

2.1.2 INCOME

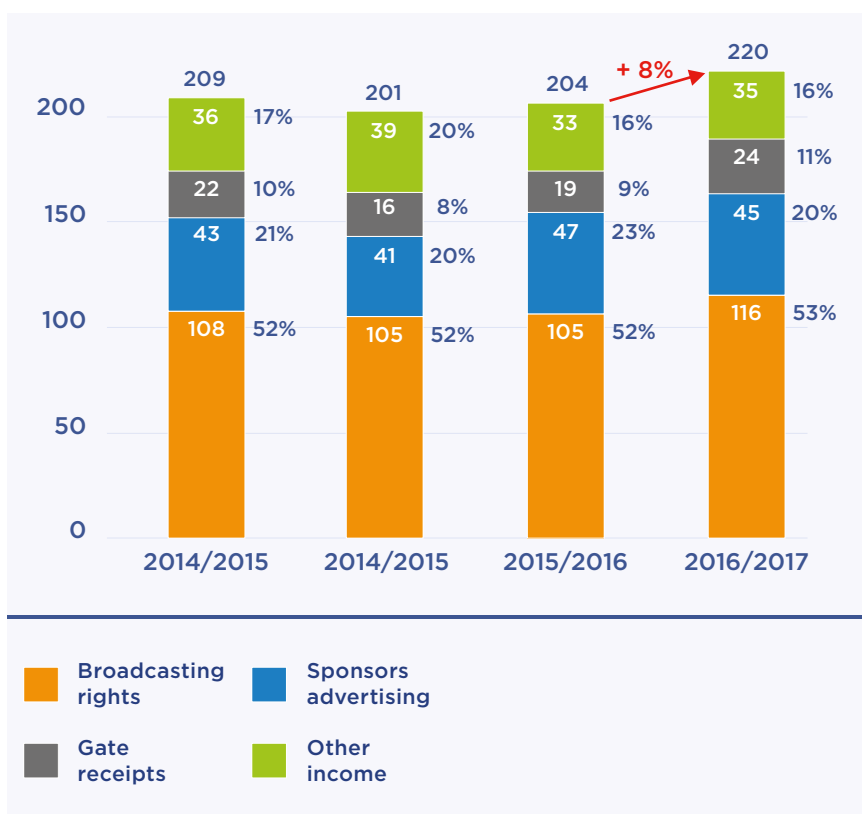


TREND IN TOTAL INCOME (INCL. INCOME FROM TRANSFERS)

In million euros and as a percentage of the total

Total income amounted to €270m in Ligue 2 for the 2016/2017 season, i.e. an increase of 7% compared to the previous season.

Overall, broadcasting rights (+€11m) and gate receipts (+€5m) were the chief contributors to this increase in revenue.



TREND IN NON-TRANSFER REVENUE

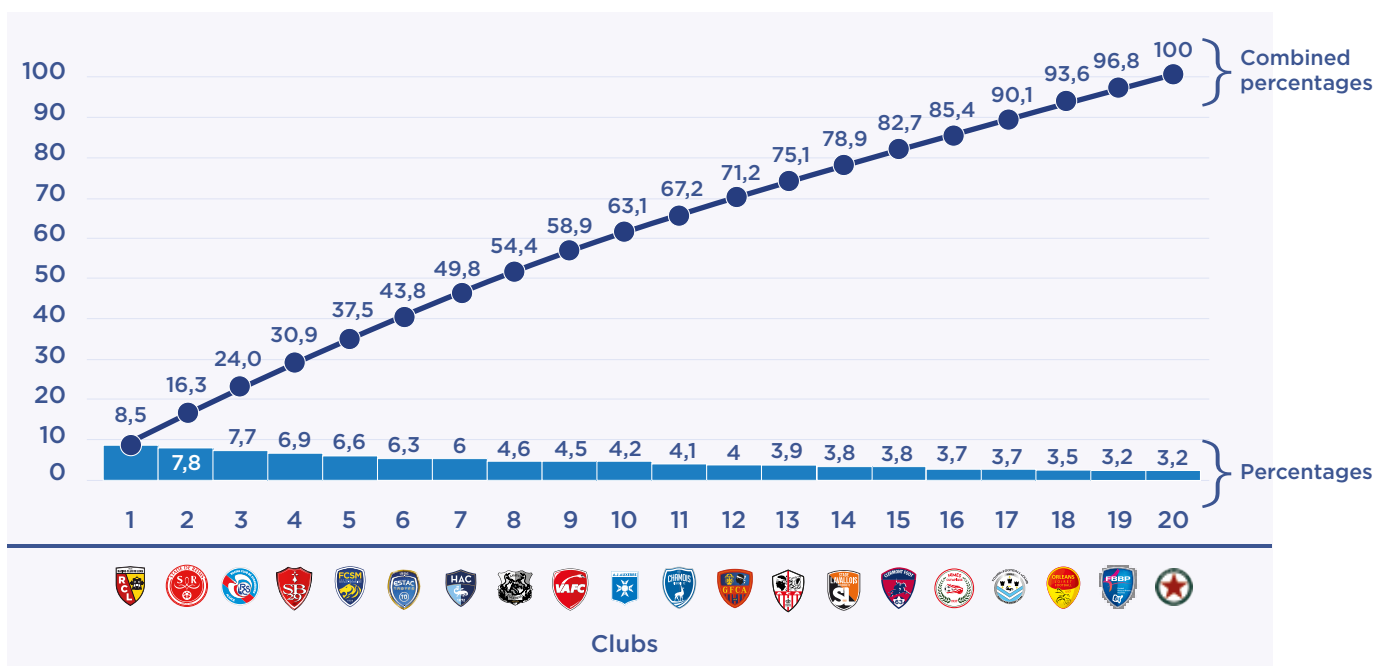
In million euros and as a percentage of the total

Non-transfer revenue amounted to €220m in Ligue 2 in 2016/2017, i.e. 13.4% of non-transfer revenue for Ligue 1.

Overall, non-transfer revenue in Ligue 2 was 8% higher than last season: this rise is due to increased gate receipts and broadcasting rights.

BREAKDOWN OF NON-TRANSFER REVENUE

as a percentage of the total



■ Non-transfer revenue was far less concentrated in Ligue 2 than in Ligue 1. The top 5 highest revenues in Ligue 2 represented 37.5% of total revenue in Ligue 2 (compared with 62.7% in Ligue 1).

■ Revenue of Ligue 2 clubs was between €6.8m and €18.8m.

2.1.2.1 BROADCASTING RIGHTS

BREAKDOWN OF BROADCASTING RIGHTS FOR THE LIGUE 2 CHAMPIONSHIP

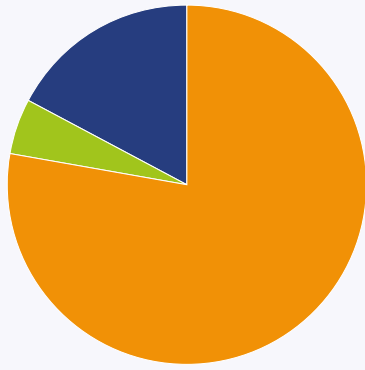
as a percentage of the total



■ Ligue 2 broadcasting rights are divided very evenly between teams. This balanced breakdown can be explained by the method of redistribution of broadcasting rights between Ligue 2 clubs, where a fixed share is predominant.

BREAKDOWN OF BROADCASTING RIGHTS BY COMPETITION FOR ALL CLUBS

as a percentage of the total



78 % ■ LFP Championship

5 % ■ Domestic cups

0 % ■ International cups

17 % ■ Other rights

■ Most of the broadcasting rights received by Ligue 2 clubs consist of championship rights.

■ As was the case last year, the share of broadcasting rights for domestic cups was very low (only 5%). This is explained by the fact that this season, no Ligue 2 team reached the later stages of these competitions.

■ The “Other rights” category mainly comprises relegation aids (parachute payments) and UEFA subsidies for training centres.

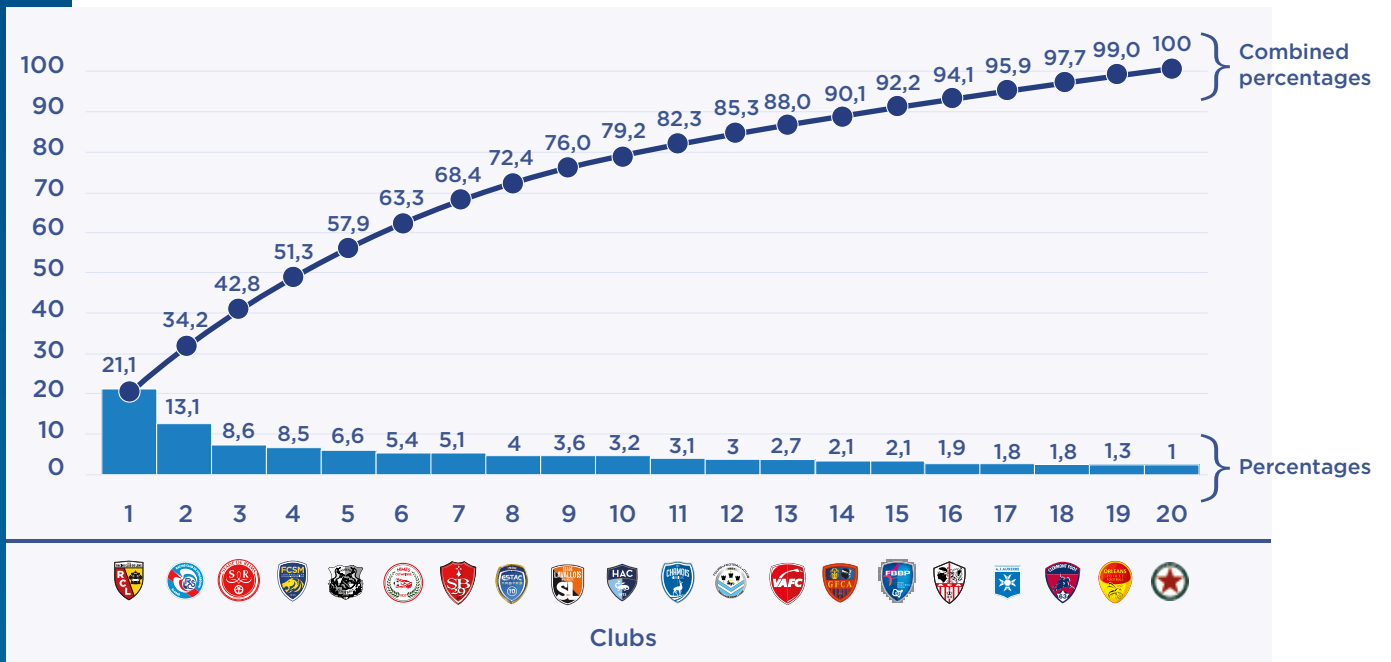


2.1.2.2 GATE RECEIPTS

LIGUE 2 CHAMPIONSHIP GATE RECEIPTS

BREAKDOWN OF LIGUE 2 CHAMPIONSHIP GATE RECEIPTS

as a percentage of the total



■ Championship gate receipts vary more from one Ligue 2 club to another than income from broadcasting rights.

■ Lens and Strasbourg differ very markedly from other clubs; between them, they account for more than one-third (34.2%) of Ligue 2 gate receipts, i.e. as much as the 13 Ligue 2 clubs having the lowest gate receipts.

GATE RECEIPTS: ANALYSIS BY SPECTATOR CATEGORY

	2015/2016	2016/2017	VARIATION
	Average per match		
SPECTATOR CATEGORY			
Season ticket holders	3 108	3 261	+ 4,9 %
Matchday tickets	2 148	2 516	+ 17,1 %
Free admissions	1 532	1 470	- 4 %
TOTAL SPECTATORS	6 788	7 247	+ 6,8 %
TOTAL RECEIPTS IN €m	19,2	24,2	+ 26 %
Average price for season-ticket holders	€8,62	€9,61	+ 17,8 %
Average matchday ticket price	€11,07	€12,81	+ 14,4 %
Average price for paying spectators	€9,62	€11,01	+ 11,6 %
AVERAGE PRICE - ALL SPECTATORS	€7,45	€8,77	+17,7 %

■ Gate receipts grew significantly in 2016/2017 (+26% compared with 2015/2016).

■ This can be explained both by an increase in attendance (+6.8%) and by a rise in ticket prices (+17.7%).



2.1.2.3 SPONSORING/ADVERTISING, MERCHANDISING, LOCAL AUTHORITY SUBSIDIES AND OTHER INCOME

■ Sponsoring/advertising, merchandising, local authority subsidies and other income together represented 36.2% of Ligue 2's total non-transfer revenue.

■ Within these categories, sponsoring and advertising weighed more heavily and remained fairly stable in relation to last season (56.4% vs. 58% in 2015/2016).

BREAKDOWN OF REVENUES FROM SPONSORING/ADVERTISING, MERCHANDISING, LOCAL AUTHORITY SUBSIDIES AND OTHER INCOME

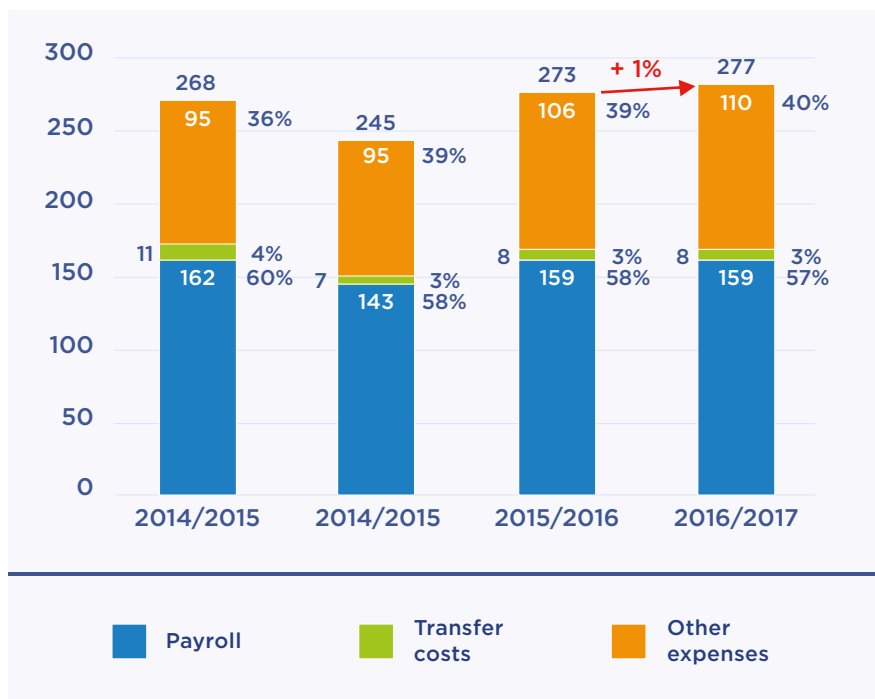
as a percentage of the total



■ This income is relatively concentrated, with 10 clubs representing 70.5% of the total revenue.



2.1.3 NON-TRANSFER EXPENSES



TREND IN NON-TRANSFER EXPENSES

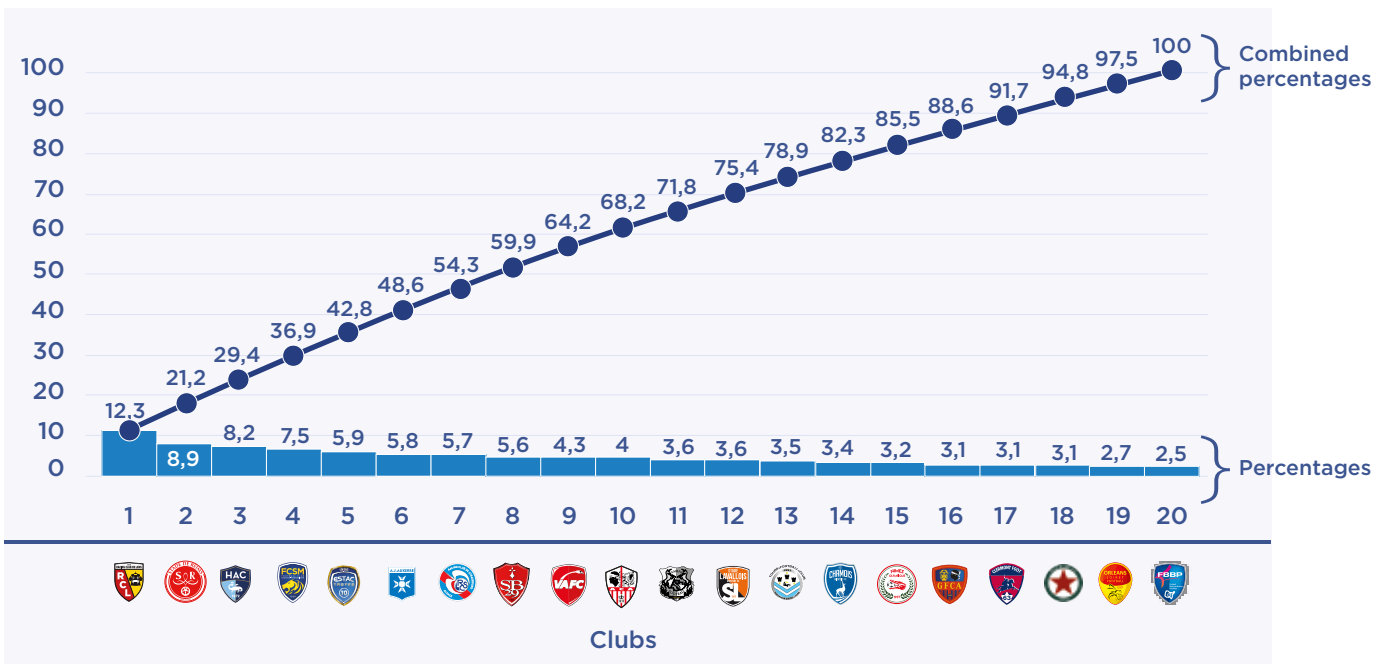
In million euros

- Non-transfer expenses in Ligue 2 amounted to €277m (+1.4% vs. 2015/2016).
- The profile of non-transfer expenses for Ligue 2 clubs in 2016/2017 was very similar to that for the 2015/2016 season.



BREAKDOWN OF NON-TRANSFER EXPENSES

as a percentage of the total



■ As was the case last season, Ligue 2 non-transfer expenses were slightly more concentrated than non-transfer revenue. There are thus a few more disparities in expenses than in income between Ligue 2 clubs.

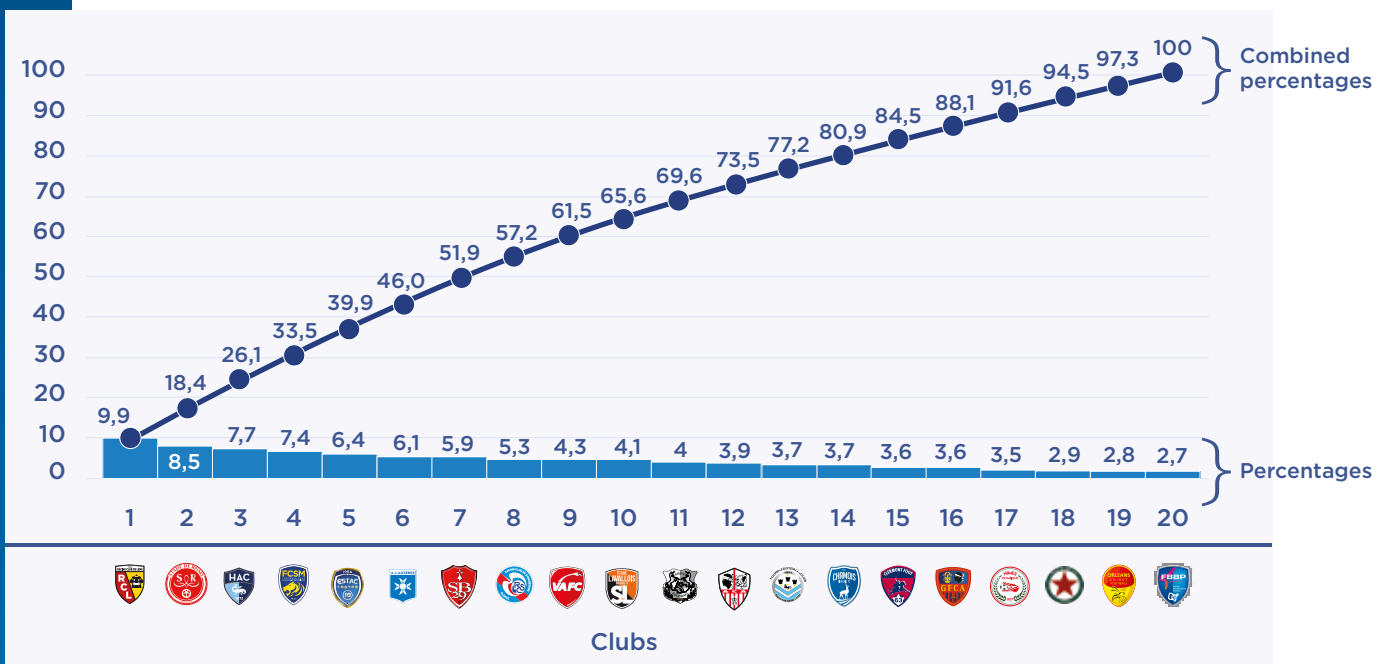


2.1.3.1 TOTAL PAYROLL

■ Total payroll in Ligue 2 was not excessively concentrated (much like last season), with the top 3 clubs accounting for 26% of total payroll (vs. 27% in 2015/2016).

BREAKDOWN OF NON-TRANSFER EXPENSES (INCLUDING EMPLOYERS' AND EMPLOYEES' WAGE COSTS)

as a percentage of the total



2.1.3.2 PAYROLL ANALYSIS

BREAKDOWN OF REMUNERATION BY EMPLOYEE CATEGORY (IN MILLION EUROS)

	2015/2016	2016/2017	VARIATION
PROFESSIONAL PLAYERS	63	66,7	+ 6 %
Basic salary	56,4	58,6	+ 4 %
Variable bonuses	6,6	8,1	+ 24 %
PROFESSIONAL COACHES AND STAFF	12,5	11,7	- 6 %
Basic salary	10,7	9,9	- 7 %
Variable bonuses	1,8	1,8	+ 3 %
OTHER PLAYERS	5,4	4,5	- 16 %
Basic salary	5	4	- 19 %
Bonuses	0,4	0,5	+ 15 %
OTHER PERSONNEL	31,1	29,4	- 5 %
Basic salary	29	27,7	- 4 %
Bonuses	2,1	1,7	- 19 %

Variable remuneration refers to the portion of salary received on the achievement of individual and collective targets. These bonuses may be based on sports results (e.g. European Cup qualification, final ranking, Cup performance, etc.) as well as on the number of selections (effective presence on the team sheet, number of starts, matches played, etc.).

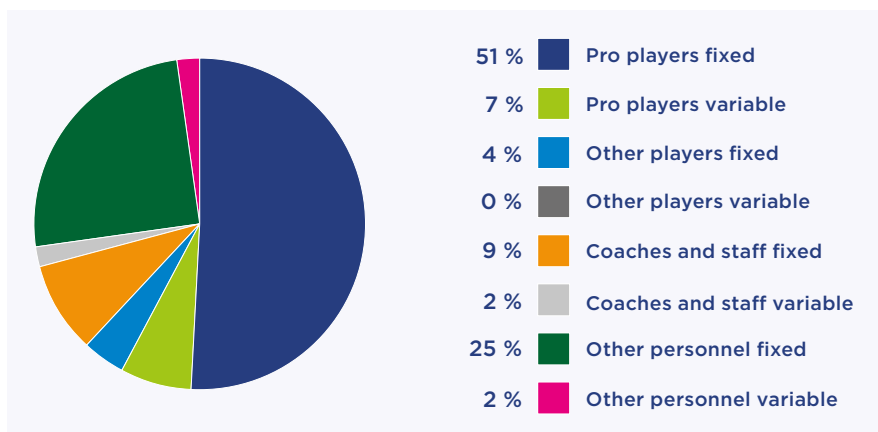
■ Variable bonuses represent a small proportion of remuneration, for all personnel categories of Ligue 2 clubs.



FIXED PAY AND VARIABLE BONUSES

as a percentage of the total

■ The variable portion of salaries has remained stable since 2015/2016.



BREAKDOWN OF PAYROLL

.....
as a percentage of the total

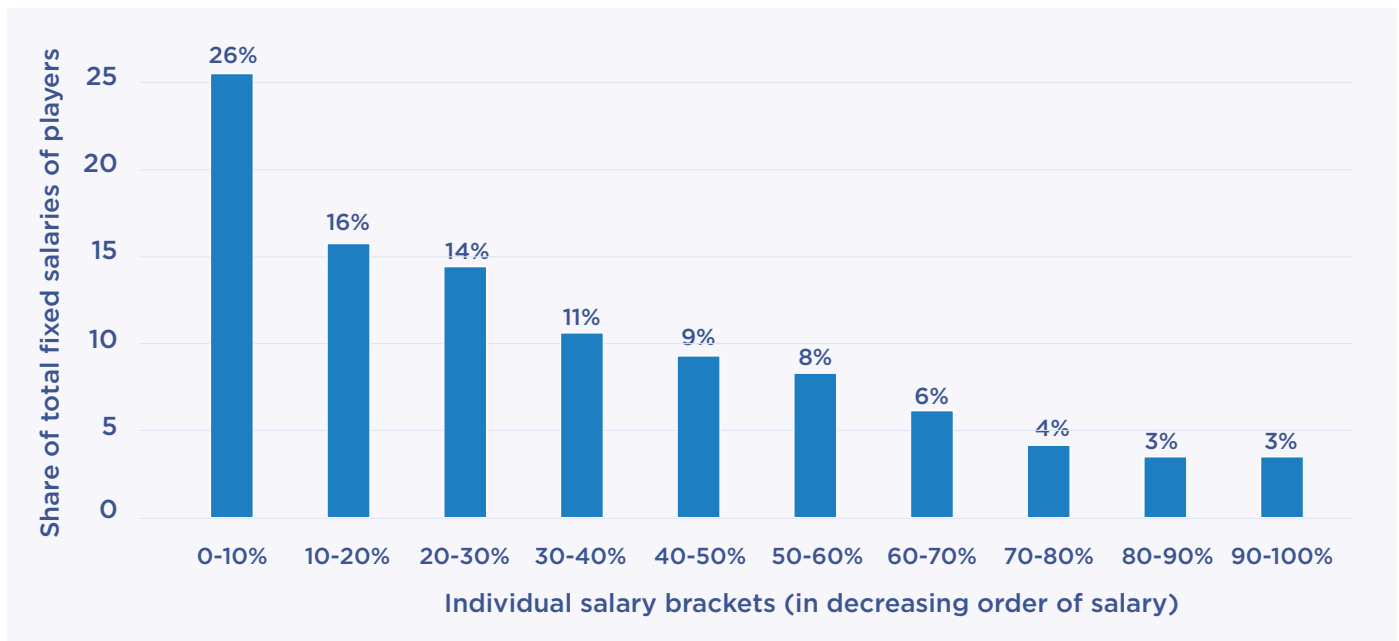
■ Professional players represent 58% of the total payroll for Ligue 2 clubs.

■ The remuneration of personnel excluding players and sports staff represents 27% of salaries paid by Ligue 2 clubs, as against 11% of salaries paid by Ligue 1 clubs.



CONCENTRATION OF GROSS PAYROLL

COMBINED PERCENTAGE OF PLAYERS' SALARIES BY DECILE



■ Players' salaries are far more uniform in Ligue 2 than in Ligue 1. The best-paid 10% of players in Ligue 2 represent a little over one quarter of Ligue 2's payroll (26%).

■ There are very wide discrepancies in players' contractual

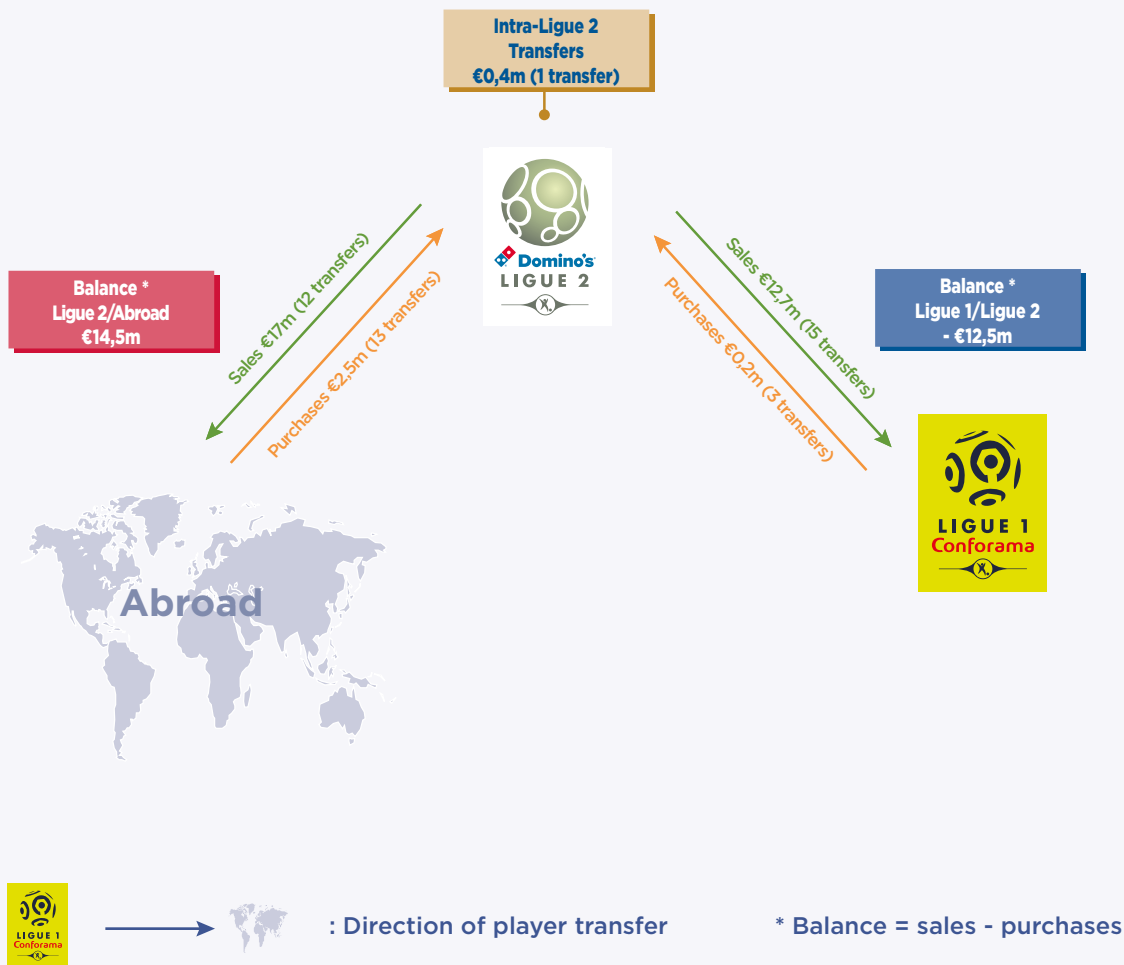
salaries between Ligue 1 and Ligue 2. Thus, the contractual salary of the best-paid Ligue 2 player is lower than the average contractual salary of Ligue 1 players and corresponds to the salary of the 173rd best-paid Ligue 1 player.

PLAYER PORTFOLIO ANALYSIS

	30/06/17	30/06/18	30/06/19	30/06/20
Percentage of the number of fixed-term contracts	39 %	35 %	23 %	3 %
Percentage of the sum of salaries falling due	39 %	37 %	21 %	3 %

2.1.4 PLAYER TRADING

TRANSFERS OF PLAYERS FOR FRENCH PROFESSIONAL CLUBS FOR THE 2016-2017 SEASON

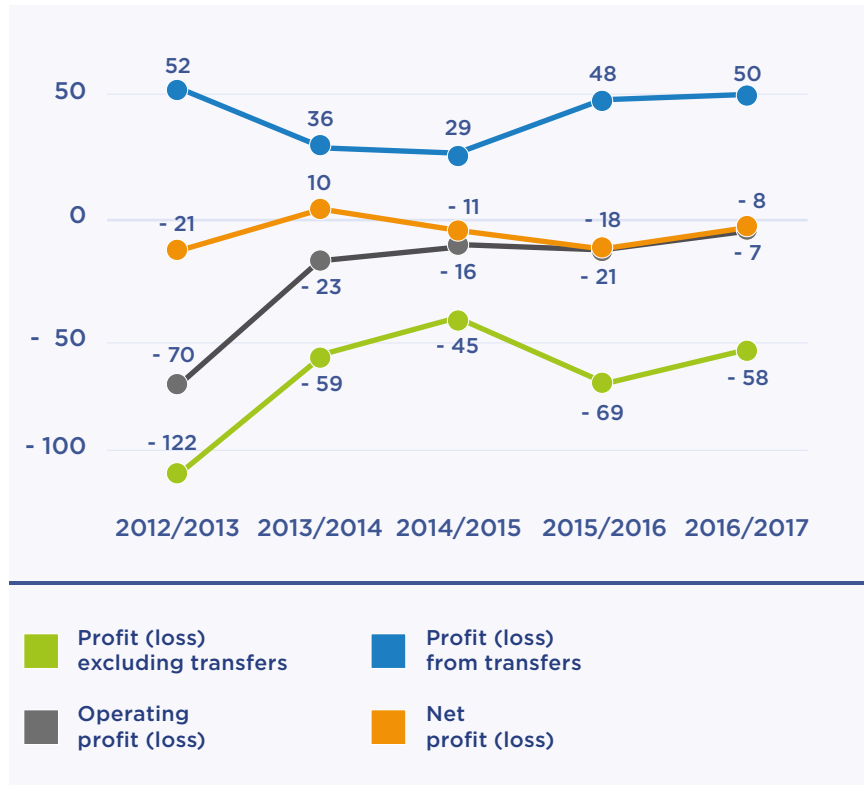


TREND IN TRANSFER BALANCE IN €m	2014/2015	2015/2016	2016/2017
Sales - France	20,5	26,6	13,1
Sales - abroad	11,8	17,4	17
Purchases - France	- 1,3	- 1,9	- 0,6
Purchases - abroad	- 0,5	- 1,6	- 2,5
BALANCE	30,5	40,5	27

In million euros	Destination league			Total
	Etranger	Ligue 1	Ligue 2	
Abroad				
Number of transfers		58	13	71
Amount		260	2,5	262,5
Ligue 1				
Number of transfers	51	21	3	75
Amount	260,4	49	0,2	309,6
Ligue 2				
Number of transfers	12	15	1	28
Amount	17	12,7	0,4	30,1
Total number of transfers	63	94	17	174
Amount of transfers	277,4	321,7	3,1	602,2

Departure league

2.1.5 RESULTS



BREAKDOWN OF NET PROFIT (LOSS)

In million euros

■ All indicators of results show improvement for the 2016/17 season.

■ Current operating income reached its highest level in 2007/2008 at -€7m, due to improved profits and to very high transfer profits.

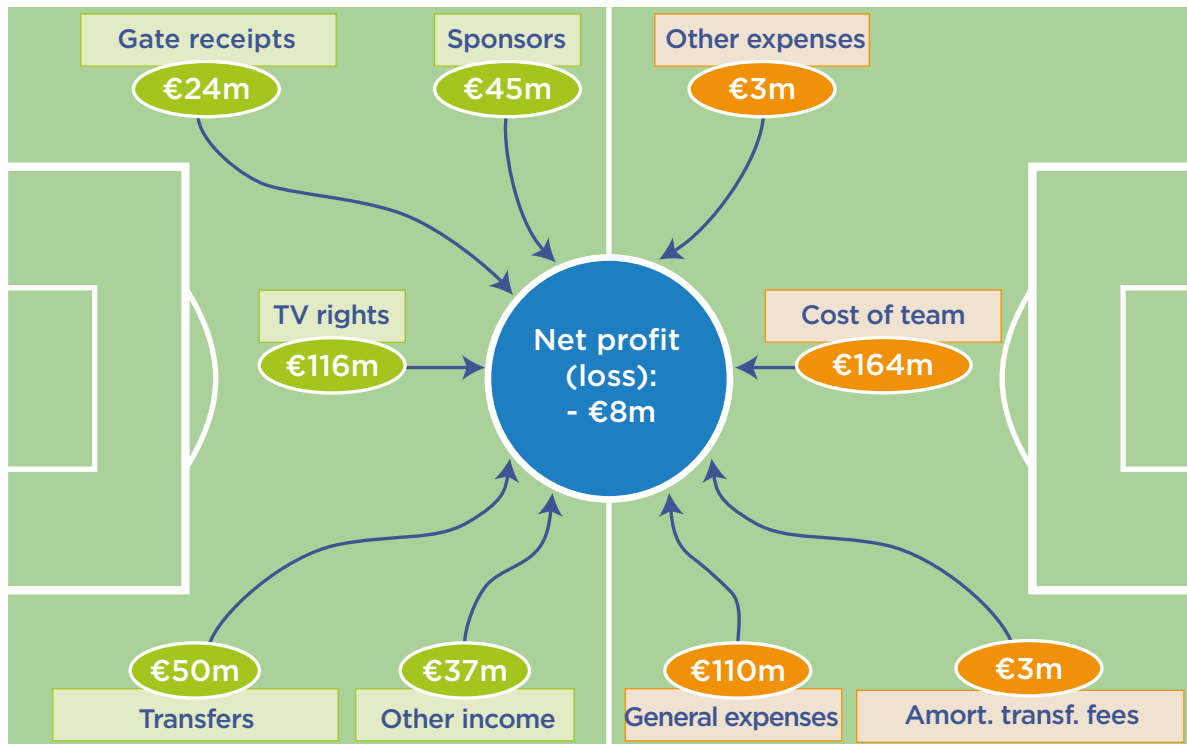
■ Finally, the deficit was halved from -€18m in 2015/2016 to -€8m in 2016/2017.



FORMATION OF NET PROFIT (LOSS) AND GRAPHIC ANALYSIS

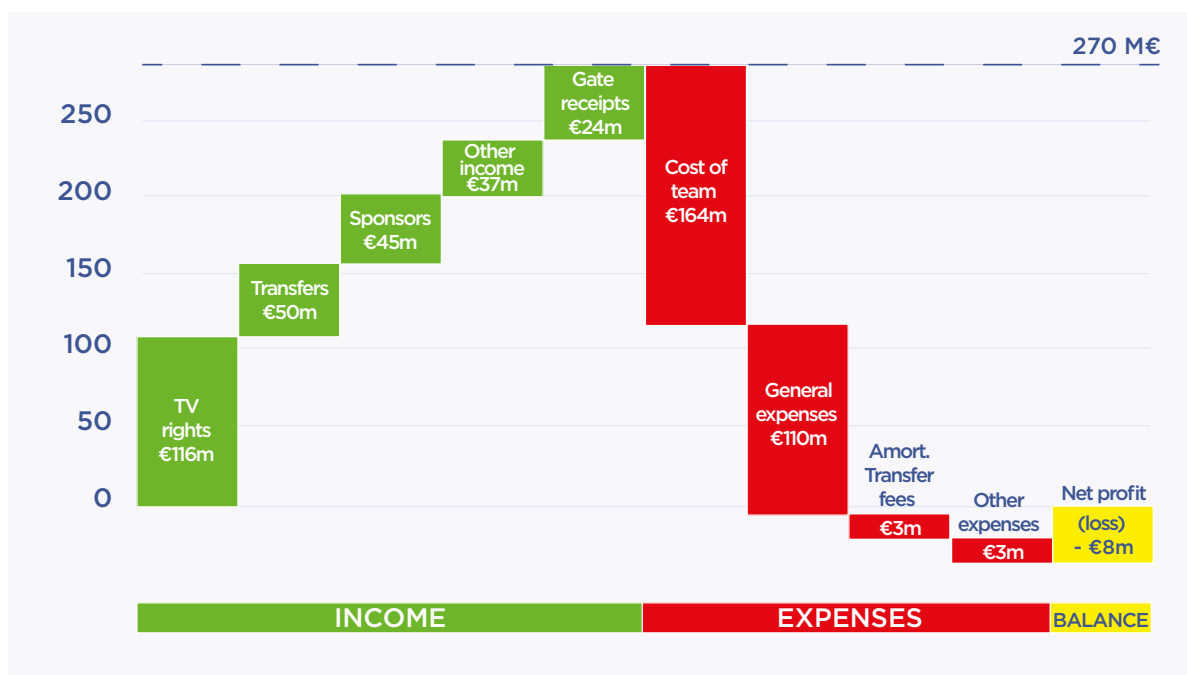
FORMATION OF NET PROFIT (LOSS)

In million euros

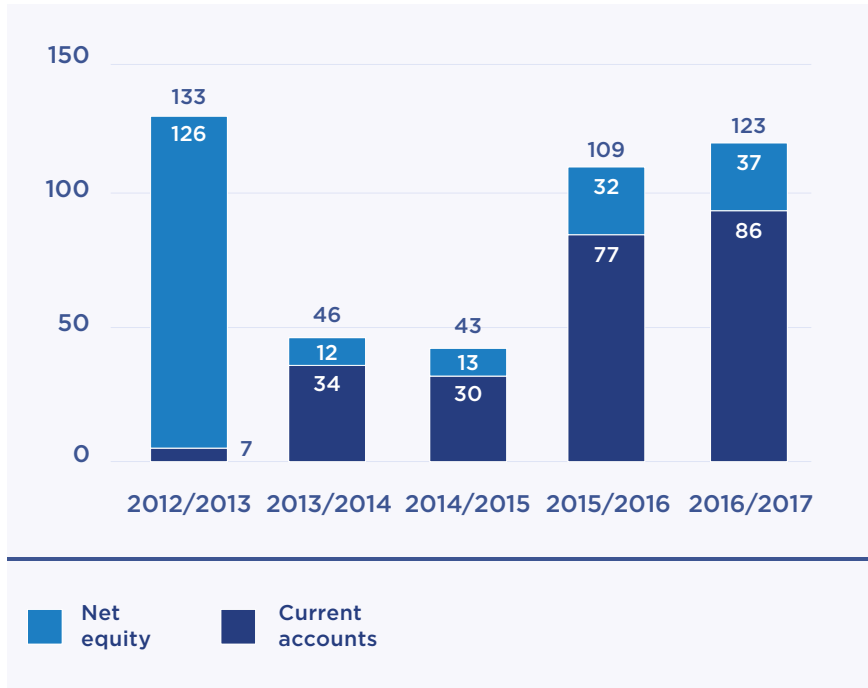


ANALYSE DE LA CONSTITUTION DU NET PROFIT (LOSS)

In million euros



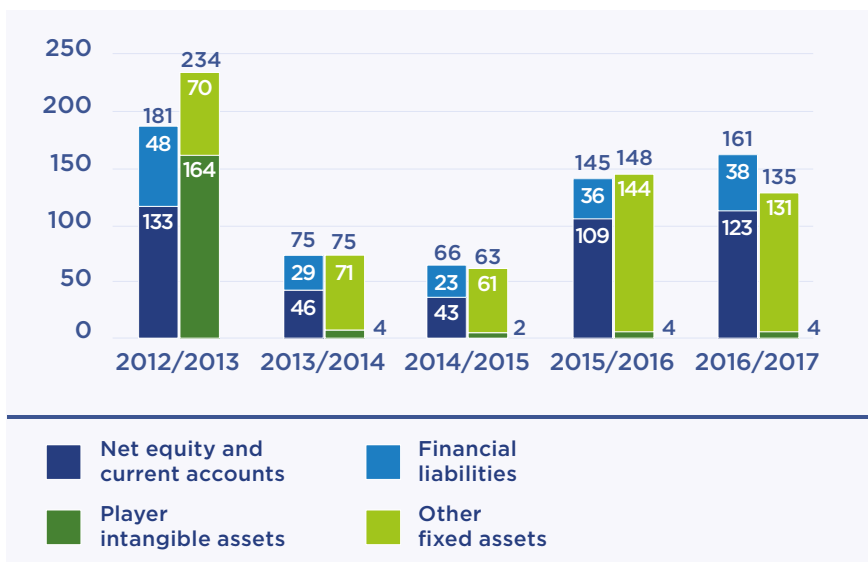
2.1.6 CLUB FUNDING



TREND IN NET EQUITY AND SHAREHOLDER CURRENT ACCOUNTS

In million euros

Net equity and shareholder current accounts increased significantly in relation to the 2013/2014 and 2014/2015 seasons and slightly in relation to 2015/2016.



COVERAGE OF FIXED ASSETS BY NET EQUITY, CURRENT ACCOUNTS AND FINANCIAL LIABILITIES

In million euros

The trend seen over the last three seasons was confirmed, with Net equity and Shareholder current accounts being covered at the very least by fixed assets.

2.1.7 INITIAL BUDGET VS. FINAL FIGURES ANALYSIS FOR THE 2016/2017 SEASON

■ Ligue 2 clubs accurately anticipated their non-transfer revenue but underestimated their non-transfer expenses.

€000	Initial Budget	Actual	Difference
Broadcasting rights	109 295	115 945	6 650
Sponsors - Advertising	46 051	44 951	- 1 100
Gate receipts	21 357	24 236	2 879
Other income (incl. merchandising)	26 607	34 711	8 104
TOTAL INCOME EXCLUDING TRANSFERS	203 310	219 842	16 532
Total payroll	148 358	159 427	11 069
Transfer costs	6 710	8 304	1 594
Other expenses	83 453	109 809	26 356
TOTAL EXPENSES EXCLUDING TRANSFERS	238 521	277 540	39 019
OP. PROFIT (LOSS) EXCLUDING TRANSFERS	- 35 210	- 57 697	- 22 487
PROFIT (LOSS) FROM TRANSFERS	20 677	50 402	29 725
OP. PROFIT (LOSS) BEFORE EXCEPT. ITEMS	- 14 533	- 7 297	7 236
Financial profit (loss)	- 726	- 839	- 113
Exceptional profit (loss): other	3 631	1 178	- 2 453
Income tax	- 234	- 1 531	- 1 297
Except. Profit (loss): current account W/R	0	- 839	- 839
NET PROFIT (LOSS)	- 11 861	- 7 919	3 942

■ Due to transfer profits far outstripping provisions as of the summer of 2016, clubs were able to increase their losses excluding transfers without adversely affecting their net profit.

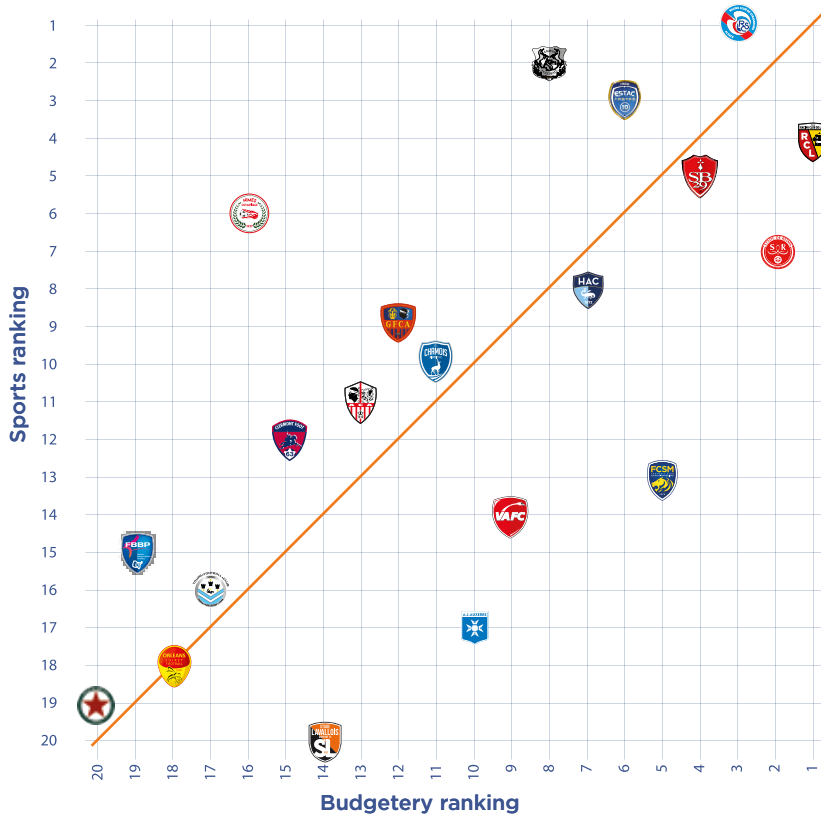
■ Net profit was improved and could even have been better had exceptional items been less unfavourable than anticipated.

2.2.1 SPORTS RESULTS

2016/2017 SEASON

LIGUE 2	POSITION	POINTS
RC STRASBOURG ALSACE	1	67
AMIENS SC	2	66
ESTAC TROYES	3	66
RC LENS	4	65
STADE BRESTOIS 29	5	65
NÎMES OLYMPIQUE	6	64
STADE DE REIMS	7	55
HAVRE AC	8	54
GAZÉLEC FC AJACCIO	9	51
CHAMOIS NIORTAIS	10	49
AC AJACCIO	11	48
CLERMONT FOOT	12	46
FC SOCHAUX-MONTBÉLIARD	13	46
VALENCIENNES FC	14	45
FBBP 01	15	44
TOURS FC	16	43
AJ AUXERRE	17	43
US ORLÉANS	18	42
RED STAR FC	19	36
STADE LAVALLOIS	20	30

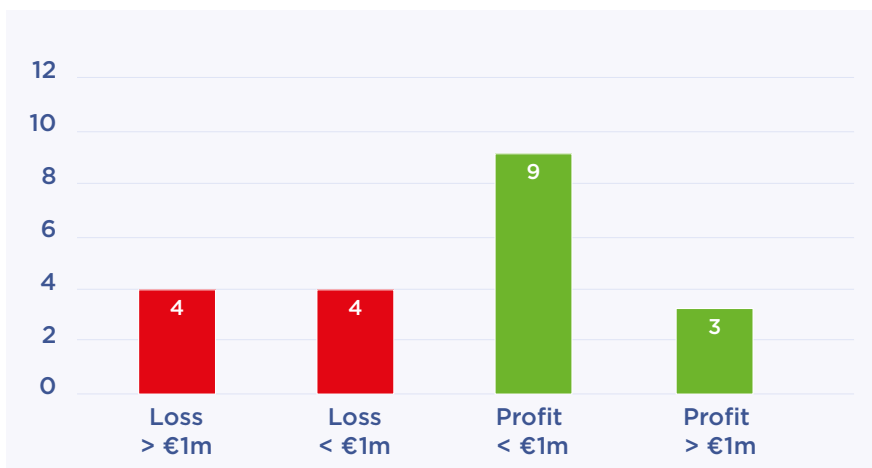
BUDGETARY AND SPORTS RANKING



■ The correlation between budgetary ranking and sports ranking is positive. Thus, except for FC Sochaux, the 8 Ligue 2 clubs with the highest budgets finished in the first 8 places in the championship.

■ However, overall, the correlation between budgetary ranking and sports ranking is much less firm than in Ligue 1. This is due chiefly to the fact that there are fewer budgetary disparities between Ligue 2 clubs than between Ligue 1 clubs.

■ Indeed, non-transfer revenue for all Ligue 2 clubs ranged from €6.9m to €18.8m (maximum-to-minimum ratio of 2.72) compared with €25m to €503m in Ligue 1 (maximum-to-minimum ratio of 20.12).



NUMBER OF PROFIT-MAKING AND LOSS-MAKING CLUBS

.....
In million euros

■ 12 Ligue 2 clubs posted profits in 2016/2017 compared with 9 the previous season. The number of clubs with heavy losses (> €1m) was virtually halved, falling from 7 to 4.

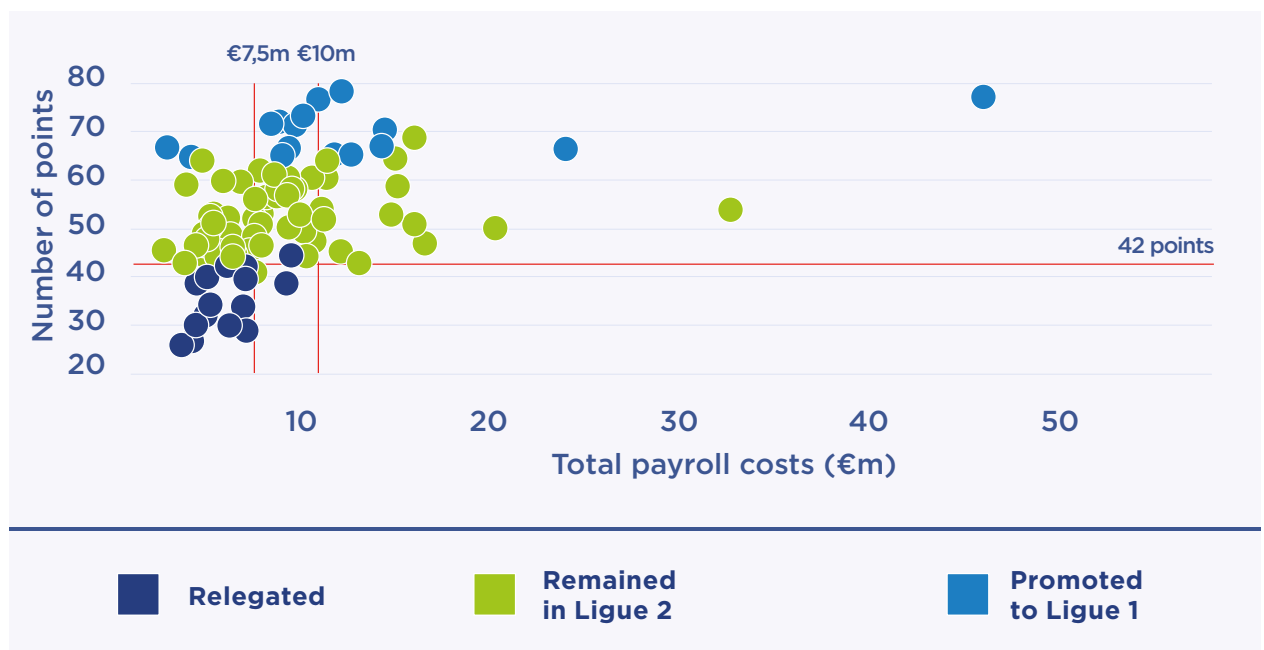
2.2.2 SPORTS RISKS/OPPORTUNITIES AND PAYROLL

The following recurrent phenomena have been observed in Ligue 2 over the last six seasons:

- The vast majority of relegated teams had a payroll of less than €7.5m.

- No teams with a payroll in excess of €10m were relegated.

- Except for Gazélec Ajaccio at the end of the 2014/2015 season and Amiens at the end of the 2016/2017 season, all teams promoted to Ligue 1 had a payroll in excess of €7.5m.



In terms of observed trends, three groups of clubs may be distinguished in Ligue 2:

■ **Group 1** : Clubs with a payroll exceeding €10m. These clubs have virtually no risk of being relegated and have a nearly three-in-ten chance of promotion to Ligue 1.

■ **Group 2** : Clubs with a payroll of between €7.5m and €10m. For these clubs, all three scenarios are possible, but remaining in Ligue 2 remains the norm (69% of cases).

■ **Group 3** : Clubs with a payroll of less than €7.5m. These clubs have a one-in-four risk of relegation but virtually no chance of promotion to Ligue 1. Their main risk is relegation.

SPORTS RESULTS AS A FUNCTION OF PAYROLL (SEASONS 2011/2012 TO 2016/2017)

MASSE SALARIALE	RISK OF RELEGATION TO THE NATIONAL LEAGUE	CHANCE OF REMAINING IN LIGUE 2	CHANCE OF PROMOTION TO LIGUE 1
Group 1 (Above €10m)	0 %	68 %	32 %
Group 2 (Between €7.5 and €10m)	9 %	69 %	22 %
Group 3 (Below €7.5m)	25 %	72 %	3 %

This table reads horizontally. For example, of the teams with a payroll of less than €7.5m, 25% were relegated, 72% remained in the division and 3% were promoted to Ligue 1.



2.2.3 MARKED IMPACT OF SPORTS PERFORMANCE ON REVENUE

There are three possible scenarios for Ligue 2 teams at the end of each season: relegation to National League level, remaining in Ligue 2 or promotion to Ligue 1.

These three scenarios have the following consequences for club revenues:

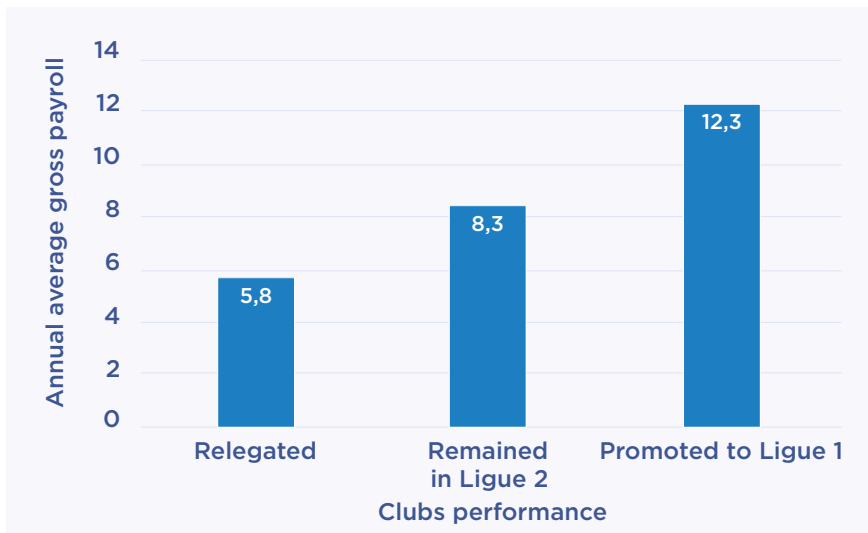
- The revenue of clubs relegated to the National Ligue decline steeply.
- The revenue of clubs remaining in Ligue 2 vary relatively little from one season to another.

■ The non-transfer revenue of the 3 teams promoted at the end of the 2015/2016 season increased by more than their non-transfer expenses between 2015/2016 and 2016/2017:

- AS Nancy Lorraine's non-transfer revenue rose from €13.2m to €29m (i.e. x 2.2) while non-transfer expenses increased from €18.4m to €30.1m (multiplied by 1.68).
- Dijon FCO's non-transfer revenue rose from €11.9m to €30.1m (i.e. x 2.53) while expenses increased from €13.6m to €27.3m (multiplied by 2.01).
- FC Metz's non-transfer revenue rose from €16.9m to €32.4m (i.e. x 1.92) while non-transfer expenses increased from €27.2m to €34.3m (i.e. x 1.26).



2.2.4 ANNUAL GROSS AVERAGE PAYROLL AND SPORTS PERFORMANCE



AVERAGE GROSS PAYROLL BASED ON SPORTS PERFORMANCE (SEASONS 2011/2012 TO 2016/2017)

.....
In million euros

Over the last six seasons:

■ Teams relegated to the National League had an average gross payroll of approximately €5.8m.

■ Teams remaining in Ligue 2 had an average gross payroll of €8.3m.

■ Teams promoted to Ligue 1 had an average gross payroll of approximately €12.3m



2.2.5 ANALYSIS BY CLUB GROUP FOR THE 2016/2017 SEASON

Given the foregoing analyses, three groups of clubs may be identified based on their total payroll costs for the 2016/2017 season:

GROUP 1: PAYROLL ABOVE €10m

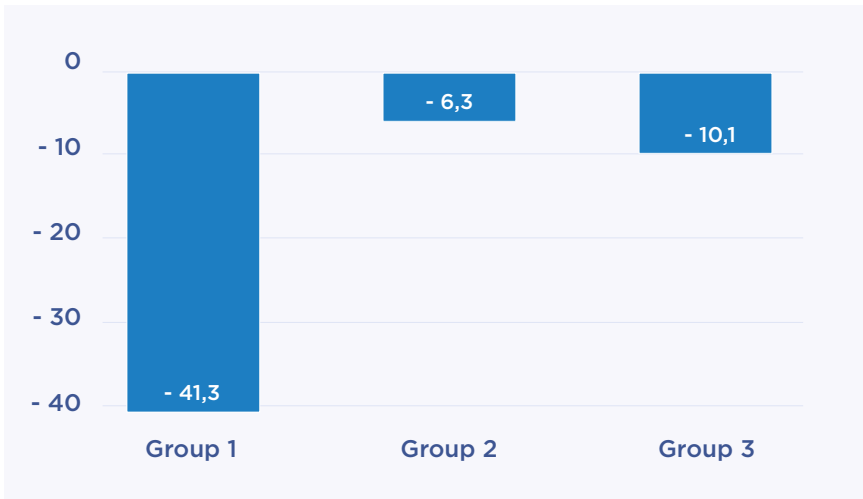


GROUP 2: PAYROLL BETWEEN €7.5M AND €10m



GROUP 3: PAYROLL BELOW €7.5m

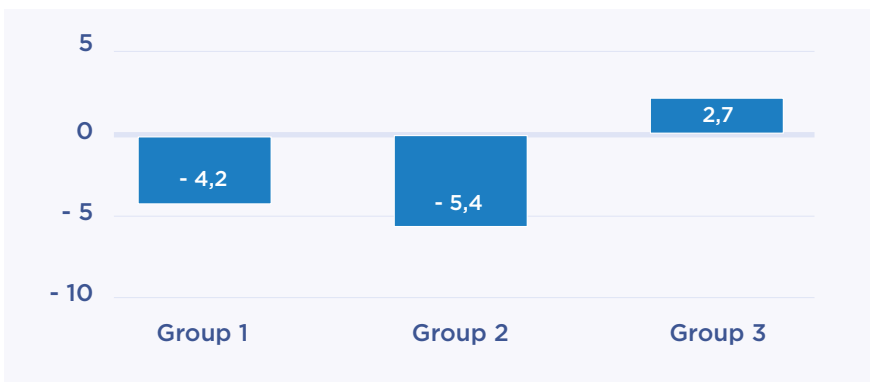




COMBINED OPERATING PROFIT (LOSS) BY GROUP (2016/2017 SEASON)

In million euros

■ The operating loss seen in Ligue 2 was primarily due to clubs whose total payroll costs exceeded €10m (Group 1).

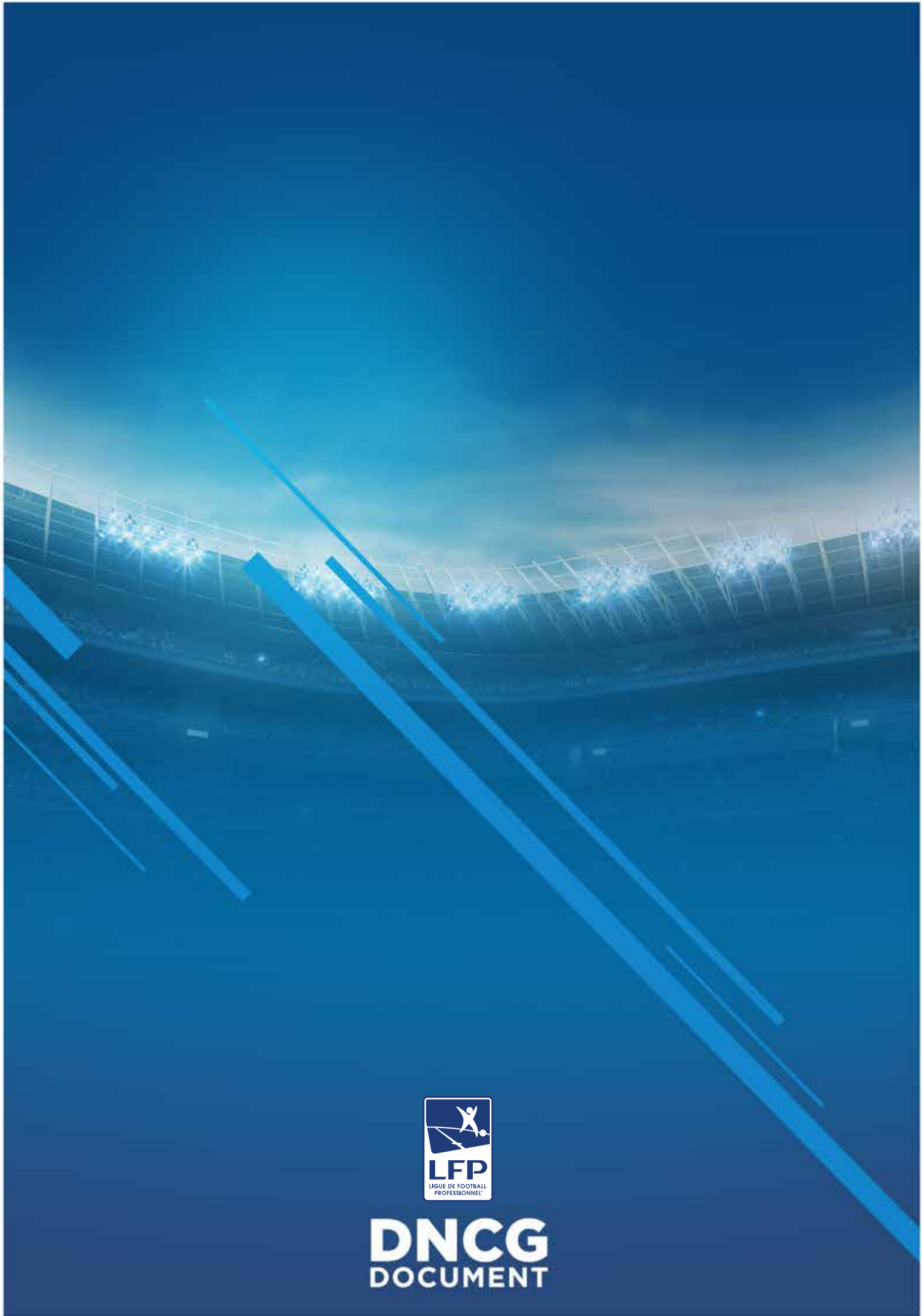


COMBINED NET PROFIT (LOSS) BY GROUP (2016/2017 SEASON)

In million euros

■ The entire net loss in Ligue 2 was distributed between groups 1 and 2 (moderate and high budgets).

■ Clubs in group 3 recorded a combined profit of almost €3m in 2016/2017.



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