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JUVENTUS FOOTBALL CLUB

Press Release

Faithful unsworn translation of the Italian version

Juventus Football Club: Growth in Turnover and Gross Operating Margin Seventh year running in the black

- Approval of the Draft Financial Statements at 30 June 2003, confirming the economic and financial results already voted by the Board of Directors on 12 August 2003 during examination of the 4th Quarterly Report for the 2002/2003 financial year;
- The first call for the AGM to approve the Financial Statements at 30 June 2003 and to appoint Company officers is on 28 October 2003 and the second on 29 October 2003.

Turin, 22 September 2003 - The meeting of the Board of Directors of Juventus Football Club S.p.A., chaired by Franzo Grande Stevens, approved the Draft Financial statements for the year closed at 30 June 2003, which will be submitted to the Shareholders' Meeting on 28 October, first call, and 29 October, second call.

The Draft Financial Statements for the 2002/2003 financial year confirm the economic and financial results approved by the Company Board of Directors on 12 August 2002, which approved the 4th Quarterly Report for the 2002/2003 financial year.

Revenues for the 2002/2003 financial year amounted to € 215.4 million, an increase of 22.9% compared to € 175.3 million in the previous financial year thanks to increases in all components.

Ticket sales for € 22.6, million against € 14.7 million in the previous financial year, as well as television, radio and telephone rights and revenues from the U.E.F.A. Champions League, for € 122.4 million, an increase over the € 104 million in the previous financial year, benefited from the higher number of U.E.F.A. Champions League matches played on reaching the final of the European competition, compared to the 2001/2002 financial year when Juventus played only the first two rounds. The increase in revenue from sponsorship and commercial income (€ 54.6 million, against € 45.4 million in 2001/2002) is essentially linked to the increase in the annual sum due for official and technical sponsorship contracts, while other revenues (€ 15.8 million, against € 11.2 million in the previous year) record higher insurance payments for injured players.

Operating costs in the 2002/2003 financial year came to a total of € 199.1 million, a rise of 5.8% compared to € 188.2 million in the 2001/2002 financial year essentially following higher rent and leasing costs (€ 12.5 million, against € 3.1 million in the previous year, due to the temporary acquisition of the registration rights of the players Ruben Olivera and Marco Di Vaio) and higher miscellaneous operating costs (€ 24 million, against € 18.3 million in 2001/2002, partly due to the costs of playing a greater number of matches in the U.E.F.A. Champions League in the 2002/2003 season) which more than compensated the reduction in personnel expenses (€ 131.7 million, against € 136.7 million of the previous year).

The **Gross Operating Margin** for the 2002/2003 financial year was positive for € 16.3 million, against a negative balance of € 12.8 million in the previous year.

The positive **Net Result** for the 2002/2003 financial year was € 2.2 million, a reduction compared to the positive result of € 6.1 million in the previous year, mainly due to the reduction in income from **Player Management** (negative for € 55.3 million, against a positive result of € 45.9 million in 2001/2002), which more than compensated the improvement in **Operations excluding Player Management** (positive for € 64.8 million, against a negative result of € 29.3 million in the previous year), the reduction in the tax burden that fell from € 10.5 million at 30 June 2002 to € 7.4 million at 30



June 2003, and the profit made from the sale of 27.2% of the subsidiary company Campi di Vinovo S.p.A..

As far as **financial aspects and assets** are concerned, the following points should be noted:

- the **Net Financial Position** at the end of June 2003 was positive for € 69.2 million, a reduction compared to the positive result of € 95,0 million at the end of June 2002. The positive result of € 69.2 million deriving from liquid assets for € 67.2 million (€ 92.9 million at 30 June 2002) and financial operations for € 2,0 million (€ 2.1 million at 30 June 2002) held by unrelated third parties. The Net Financial Position at 30 June 2003 does not therefore include any debt and/or credit position towards related parties. The reduction of € 25.8 million in the Net Financial Position is due to the increase in the net working capital (€ 82.5 million), the increase in the Employees' Severance Indemnity and other funds (€ 17.2 million), net investments made (€ 23 million) and the distribution of dividends (€ 1.5 million) partially compensated by the cash flow (profit + depreciation and amortisation) for € 64.6 million, net of other negative variations in shareholders' equity (€ 0.6 million).

As regards the effects of advance receipts on the net financial position (with the related impact on the Net Working Capital in terms of prepaid income included in operating debts), it should be underlined that, as specified in the contract with Europa TV/Telepiù, which was taken over on 1 June 2003 by Sky Italia S.r.l., the sums agreed for the granting of encrypted television rights for the 2004/2005 season were received in June 2003 (for a sum of € 74.9 million), while the sums for encrypted television rights pertaining to the 2002/2003 financial year (for a sum of € 64.6 million) were received in the 2000/2001 financial year.

- **Shareholders' Equity** at 30 June 2003 was € 99.6 million, in line with the € 99.5 million at 30 June 2002. As the net financial position continues to be positive, the **Net Debt/Equity** ratio is not significant.

OVERVIEW OF FINANCIAL DATA, ASSETS AND LIABILITIES

€'000	Year 2002/2003	Year 2001/2002
NET FINANCIAL POSITION/(INDEBTEDNESS)		
- short term positive/(negative) components*	69,173	95,040
- mid-long term positive/(negative) components*	-	-
TOTAL	69,173	95,040
FREE CASH FLOW AVAILABLE		
- variation in cash at bank and in hand	(25,670)	**27,950
- variation in short-term financial operation	(197)	(465)
DEBT/EQUITY RATIO	***	***

* Figures at the end of the relevant period.

** The variation in liquidity of the 2001/2002 financial year was significantly influenced by the extraordinary income of € 62.6 million due to the capital increase recorded at listing.

*** As at 30 June 2003 and 30 June 2002, the Company had no short or medium-long term debts and this index is not therefore significant.

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Allocation of net profit for the year

The Board of Directors has voted to propose that the AGM allocate the net profit for the year to reserves as per Company By-laws.

* * *



Treasury shares

The Board of Directors has voted to propose that the AGM renew the deliberation to acquire treasury shares for a maximum of 12 million Company shares for a maximum financial cost of €50 million.

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Significant events in the 2002/2003 financial year

The 2002/2003 football season finished with **Twenty-seventh Championship victory**. The First Team also reached the final of the U.E.F.A. Champions League and the youth teams achieved excellent results in their respective championships.

The 2002/2003 Transfer Campaign as a whole entailed a financial loss of €9.4 million, due to:

€000	
Investments	(39,076)
The termination of player sharing and the acquisition of options	(8,358)
Disposals	38,012
Balance	(9,422)

The economic effect, also including terminations of player sharing, the failure to exercise options and gross of any additional expenses, was positive for € 14.4 million. The temporary purchases and disposals of players' registration rights led to a net negative economic and financial effect for € 8.1 million. The overall negative financial result is therefore € 17.5 million.

On 8 April 2003, land for 156,000 m² was purchased from the subsidiary company Campi di Vinovo S.p.A to create the Training Centre that will be used by the Juventus First Team and youth sector for training and preparation.

On 30 June 2003, Juventus Football Club S.p.A. sold 27.2% of the share capital of the subsidiary company Campi di Vinovo S.p.A. to Costruzioni Generali Gilardi S.p.A., a Turin construction company, at the price of € 37.3 million, generating a profit of about € 32.5 million. Juventus Football Club S.p.A. granted Costruzioni Generali Gilardi S.p.A. a put option on the shareholding sold at a price in line with the sale price and dependent upon the future development of the activities of Campi di Vinovo S.p.A.. Campi di Vinovo S.p.A. and Costruzioni Generali Gilardi S.p.A. have underwritten a preliminary contract for the construction work for Mondo Juve.

Following the approval of **Law no. 27 of 21 February 2003**, Juventus Football Club S.p.A. has commissioned an expert, a registered chartered accountant, to assess the many aspects of the matter in order to ascertain whether the conditions exist for Juventus to align the values of the players' registration rights so as to draw up a possible sworn report. On the basis of the analysis conducted by the expert and considering the uncertainties in the application of the measure, Juventus Football Club has decided not to avail itself of the faculty envisaged by Law no. 27 of 21 February 2003 and has decided, therefore, not to write down the value of players' registration rights, holding that the normal process of amortisation, referring to the duration of the contract of each individual football player, is more prudent and compatible with the expected future income capacity.

The three-year period of collaboration with Lotto Italia S.p.A. ended on 30 June 2003. The new Technical Sponsor from 1 July 2003 is Nike European Operations Netherlands B.V..

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Significant events after 30 June 2003

The 2003/2004 football season began with the **fourth victory in the Italian Super Cup**, played against Milan A.C. S.p.A., the winner of the 2002/2003 Italian Cup.

The **Season Ticket Campaign** for the 2003/2004 football season began on 1 July 2003. At the end of August 2003 27,141 season tickets had been sold for gross revenue of € 8.0 million and net income of € 6.7 million.

On 15 July 2003 Juventus Football Club S.p.A. stipulated the notary deed with the City of Turin for the ninety-nine year lease of the Stadio Delle Alpi and adjacent areas, renewable on expiry. The sum agreed is € 25 million + VAT, € 1 million of which and the VAT on the entire amount paid at the signing of the deed. The remaining € 24 million will be paid in the following ways: € 6 million when building permission is granted and € 18 million in nine constant annual instalments starting on 15 July 2004.

As usual, the 2003/2004 Transfer Campaign is divided into two phases, the first from 1 July to 30 August 2003, the second from 2 January to 31 January 2004.

On the basis of the operations completed, the first phase of the Transfer Campaign entailed a financial loss of € 39.4 million, due to:

€/000	
Investments	(46,568)
The termination of player sharing and the acquisition of options	(3,770)
Disposals	10,978
Balance	(39,360)

The economic effect, also including terminations of player sharing and the failure to exercise options, gross of any additional expenses, was positive for € 2.3 million. The temporary purchases and disposals of players' registration rights led to a net negative economic and financial effect for € 1.1 million. The overall negative financial result is therefore € 40.5 million of which:

- € 31.3 million will be settled through the L.N.P. (expenditure of € 15.5 million in the 2003/2004 season; expenditure of € 8.5 million in the 2004/2005 season; expenditure of € 5.7 million in the 2005/2006 season and expenditure of € 1.6 million in the 2006/2007 season). The expenditure of € 15.5 million will influence the net financial position at 30 June 2004, while the remaining negative balance of € 15.8 million will reduce the net working capital at the end of the 2003/2004 financial year.
- € 6.4 million will be paid directly to foreign football clubs (expenditure for € 2.8 million in the 2003/2004 season; expenditure of € 1.7 million in the 2004/2005 season; expenditure of € 1.9 million in the 2005/2006 season). The expenditure of € 2.8 million will have an impact on the net financial position at 30 June 2004, while the negative balance of € 3.8 million will be recorded in accounts in debts and, therefore, reduce the net working capital at the end of the 2003/2004 financial year.
- € 2.8 million (payment for consultancy services provided by sports agents) will be settled directly.

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Business outlook

The results for the 2003/2004 financial year may be significantly affected by events in the football season, the economic effects of the 2003/2004 Transfer Campaign and any extraordinary operations referring to other assets.

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The tables in the Balance Sheet and Income Statement given below have been reclassified following financial analysis criteria in order to make them easier to read and to facilitate analysis of the Company's economic, asset and financial data. In particular, the Income Statement has been drawn up following a scheme that distinguishes "operations excluding player management" from "player management". The purpose of this scheme is to represent the profits and losses deriving from the disposal of players' registration rights and from the termination of player sharing contracts ex art. 102 bis N.O.I.F., the costs and revenues deriving respectively from the acquisitions and temporary disposals of players' registration rights as well as the costs related to the amortisation of these players' registration rights and to any waiver to the exercise of option rights. In the Income Statement the contingent assets and liabilities have been reclassified as extraordinary items and costs related to third party guarantees in favour of the Company have been reclassified under Net Financial Income/(Loss). In addition, for 2001/2002 financial year, fees, commissions and charges related to the stock market listing have been reclassified as extraordinary items. The reclassification criteria chosen make it possible, in any case, to compare each item with those envisaged by the regulations in force for the annual accounts.

RECLASSIFIED BALANCE SHEET

€/000

	30/06/2003	30/06/2002	Change
- <i>Players' registration rights</i>	335,659	343,269	-7,610
- <i>Accumulated amortisation</i>	(161,601)	(122,690)	-38,911
Net players' registration rights	174,058	220,579	-46,521
Other net intangible fixed assets	559	712	-153
Net tangible fixed assets	11,809	7,722	4,087
Net investments	25,112	21,896	3,216
NET FIXED ASSETS	211,538	250,909	-39,371
- <i>Net receivables from football clubs</i>	84,365	118,542	-34,177
- <i>Payables to football clubs</i>	(94,957)	(153,893)	58,936
Net credit/(debit) position to other football clubs	(10,592)	(35,351)	24,759
Other operating receivables	103,898	36,049	67,849
Other operating payables	(236,112)	(226,042)	-10,070
NET WORKING CAPITAL	(142,806)	(225,344)	82,538
SEVERANCE INDEMNITY AND OTHER FUNDS	(38,286)	(21,071)	-17,215
NET INVESTED CAPITAL	30,446	4,494	25,952
SHAREHOLDERS' EQUITY	99,619	99,534	85
Current financial assets (*)	(1,975)	(2,172)	197
Bank and post-office deposits (*)	(67,185)	(92,861)	25,676
Cash at bank and in hand (*)	(13)	(7)	-6
NET FINANCIAL POSITION (*)	(69,173)	(95,040)	25,867
TOTAL NET SHAREHOLDERS' EQUITY AND NET FINANCIAL POSITION	30,446	4,494	25,952
MEMORANDUM ACCOUNTS			
Third-party assets held by the Company	62	39	23
Company assets held by third parties	1,993	1,256	737
Guarantees given	72,822	113,409	-40,587
Guarantees received	7,938	14,932	-6,994
Options granted by third parties	6,000	-	6,000
Options granted by the Company	-	-	-
Forward agreements	51,298	24,606	26,692
TOTAL MEMORANDUM ACCOUNTS	140,113	154,242	-14,129

(*) Negative values indicate positive balances.

Data not yet verified by the Independent Auditors and not examined by the Board of Auditors

RECLASSIFIED INCOME STATEMENT

€/000

	YEAR 2002/2003			YEAR 2001/2002		
	Operations excluding player management	Player management	Total	Operations excluding player management	Player management	Total
Ticket sales	22,589	-	22,589	14,663	-	14,663
Television, radio and telephone rights and Champions League revenues	122,413	-	122,413	104,023	-	104,023
Sponsorship, commercial and other related activities	54,612	-	54,612	45,443	-	45,443
Other revenues	14,804	1,016	15,820	10,907	297	11,204
TOTAL REVENUES	214,418	1,016	215,434	175,036	297	175,333
Materials, goods and accessories	(1,926)	-	(1,926)	(1,959)	-	(1,959)
Services	(28,984)	-	(28,984)	(28,132)	-	(28,132)
Rents, leases and related costs	(3,463)	(9,050)	(12,513)	(2,819)	(247)	(3,066)
Personnel costs	(131,693)	-	(131,693)	(136,691)	-	(136,691)
Other operating costs	(22,576)	(1,435)	(24,011)	(18,304)	-	(18,304)
TOTAL OPERATING COSTS	(188,642)	(10,485)	(199,127)	(187,905)	(247)	(188,152)
GROSS OPERATING MARGIN	25,776	(9,469)	16,307	(12,869)	50	(12,819)
Depreciation and amortisation	(836)	(61,581)	(62,417)	(940)	(68,215)	(69,155)
Provisions and write-offs	(1,324)	-	(1,324)	(11,529)	-	(11,529)
Net financial income/(loss)	1,540	2,750	4,290	698	(2,154)	(1,456)
Adjustment to financial assets	(197)	-	(197)	(465)	-	(465)
Income/(loss) from players' registration rights	-	13,040	13,040	-	116,210	116,210
INCOME (LOSS) BEFORE EXTRAORDINARY INCOME AND TAXES	24,959	(55,260)	(30,301)	(25,105)	45,891	20,786
Extraordinary income/(loss)	39,844	-	39,844	(4,187)	-	(4,187)
EARNINGS BEFORE TAXES	64,803	(55,260)	9,543	(29,292)	45,891	16,599
Total taxes for the period			(7,393)			(10,466)
NET INCOME FOR THE PERIOD			2,150			6,133

Data not yet verified by the Independent Auditors and not examined by the Board of Auditors



STATEMENT OF CASH FLOW

€/000

	Year 2001/2002	Year 2002/2003
NET FINANCIAL POSITION	67,555	95,040
Operating activities:		
Net income	6,133	2,150
Amortisation of players' registration rights	68,215	61,581
Other depreciation	940	836
Cash Flow	<u>75,288</u>	<u>64,567</u>
(Increase)/Decrease in receivables from football clubs	(75,663)	34,177
Increase/(Decrease) in payables due to football clubs	95,900	(58,936)
(Increase)/Decrease in other receivables	(11,881)	(67,849)
Increase/(Decrease) in other payables	<u>46,528</u>	<u>10,070</u>
Variation in Net Working Capital	54,884	(82,538)
Increase/(Decrease) of employees' severance indemnity fund and other provisions	<u>15,245</u>	<u>17,215</u>
Cash flow provided/(absorbed) by operating activities	145,417	(756)
Investments:		
Purchase of players' registration rights	(215,898)	(39,999)
Disposal of players' registration rights	43,659	24,939
Other net investments	<u>(6,634)</u>	<u>(7,986)</u>
Cash flow used for investing activities	(178,873)	(23,046)
Capital increase	62,642	-
Dividends paid	(1,123)	(1,452)
Other changes in shareholders' equity	(578)	(613)
NET FINANCIAL POSITION AT THE END	95,040	69,173

Data not yet verified by the Independent Auditors and not examined by the Board of Auditors