

OVERVIEW PROJECT MANAGEMENT REPORT

Why a rugby Grand Stade?

By 2018, the French Rugby Federation (FFR) wants to endow itself with a multifunctional and innovative Grand Stade to support the expansion of rugby in France and ensure it grows to its full potential.

It is only after a public debate discussing all the aspects of the future Grand Stade, including the opportunity it represents, that it will be decided whether this major project will become a reality.

The FFR is the body which brings together all the rugby components in France. As part of its public service remit, the Federation organises and develops the practice of rugby in such a way as to ensure France is represented at the highest international level whilst encouraging the greatest number to practice its sport.

FFR needs

Building a stadium specifically for the FFR meets two great concerns identified over the last couple of years:

• Guarantee a logistical independence, especially for XV de France matches. Currently, the XV de France takes place in stadiums (in Paris or regionally) where it has little control over the scheduling. The FFR therefore does not have the appropriate means to honour its partner contracts and commitments (meeting calendar vis-à-vis other federations, contractual obligations towards its commercial partners);

• Bestow the FFR with the required financial resources, thanks to profits generated by large matches, to ensure rugby's expansion and perform its public service missions.

Financial outlook

The creation of a Grand Stade would indeed allow the FFR to manage its resources and growth, which until now has not been the case. The contract signed in 1998 with the Consortium Stade de France (CSDF), which expired in June 2013, has constrained the FFR's drive to expand. It estimates that between 1998 and 2008 this has represented an economic shortfall in the range of 160 M€.

For each match played in the Stade de France, the FFR is expected to cover the rental cost as well as the purchase of billboard and display panels without benefiting from the net income generated by the operations of the executive boxes and VIP lounge areas, namely hospitality services.

HOSPITALITY SERVICES: AN OPPORTUNITY FOR RUGBY TO GROW

Hospitality services (meal service in a box or VIP lounge area associated with a match ticket) offered at each XV de France match represent approximately 3 M€ and are almost totally transferred on to the Consortium Stade de France (CSDF), owner of the stadium. The FFR therefore does not derive any financial advantage from these services.

With a stadium of its own, the FFR would like any major rugby federation benefit from this income, which would allow it to enhance its intervention in developing the practice of rugby and its values across France and improve the training of its national teams.

Despite the new agreement signed with the CSDF for the 2013-2017 period which allows the FFR, under specific booking timing requirements, to dispose of the Stade de France for a 23 M€ fee which equates to minimum of 20 played matches (TOP 14 finals and XV de France), it is still unable to meet its international commitments.

This is exemplified in France's inability to host the European Cup finals in 2014 but also the TOP 14 finals for the 2015-2016 season which, at this stage, will most probably not be taking place at the Stade de France, as the latter is booked for the 2016 European Football Championships. Also, the new agreement terms still do not allow the FFR to fully enjoy large matches' financial spin offs.

Honouring international commitments

Hosting international competitions requires planning ahead. Yet, the French professional football championships calendar is released in June for the next season and the Champions League end of August. This leaves little visibility as to which stadiums are potentially available to welcome major international rugby events.

Having its own stadium would hence allow the FFR to meet its international commitments. The risk now is indeed that the other rugby nations no longer come to play in France and turn to better equipped countries.

This approach which mirrors other key rugby federations in the Northern hemisphere has brought the FFR in 2011 to launch a bid process around the host venue for its future stadium. By designing the Grand Stade project as an economic lever embodied by a local venue that would operate all year round, the FFR from the beginning involved all the district's stakeholders.

A project backed by the local host communities and the FFR

At the end of the selection process, the Ris-Orangis (Essonne) racecourse bid carried by the cities of Ris-Orangis and Bondoufle, the Évry Centre Essonne Agglomeration Community (CAECE) and the Essonne General Council, was selected not only for its inherent qualities but also for the bidding powers' ability to carry « more than just a stadium », a global and dynamic vision for the district.

Project description



Proposal by architect firm Populous – Grand Stade west facing view



Proposal by architect firm Populous – Presidential box view

A multifunctional arena with a seating capacity of 82 000

Designed to accommodate 11 rugby matches and 6 other sporting or cultural events a year, the Grand Stade project is devised as a multifunctional arena catering for 82 000 people, with over 68 000 seats for the general public and the remaining 14 000 reserved for public relations services (sponsors, business, etc.). To ensure the stadium's multi-functionality, the project's design rests upon a number of principles:

- A retractable roof to guarantee the smooth running of events regardless of weather conditions;
- A removable pitch to ensure optimal playing field conditions;
- VIP areas;
- Visibility and comfort for all members of the public.

Four key elements will make the stadium unique in Europe:

- 4 giant screens;
- The VIP area through which the players will enter the rugby field;
- A good pitch visibility from the lounge areas and executive boxes;
- The option to see the match from the refreshment stalls.

STADIUM FACT SHEET

- > 130 000 m² of constructed surface.
- > A structure measuring 300 meters long, 240 metres wide and approximately 70 metres high.
- > 6 publicly-accessible levels.
- > An outdoor area of 150 metres long and 90 metres wide able to store the removable pitch outside events time.

> A 10 000 m² concrete slab under the playing field allowing for a variety of activities (indoor events, exhibition shows, etc.)



A warm, family-orientated and functional stadium

The stadium's design is aligned with the Federation's as well as rugby's values. The entire seating arrangement has been conceived in such a way so as to create a local festive atmosphere and ensure optimal visibility as well as comfort for all spectators. The stadium would also welcome permanent activities such as a museum celebrating rugby, a shop dedicated to the XV de France, restaurants, etc.

Further to a European competitive dialogue which drew to a close in February 2013, the architect firms Populous and Atelier 2/3/4/ were selected for the Grand Stade design.





Proposal by architect firm Populous – Southern courtyard view

THE STADIUM'S MUSEUM

The stadium's museum has been conceived as a cultural space and information centre dedicated to the history of rugby and the XV de France. Fully integrated to the stadium, it would allow for continuous on-site activity beyond matches.

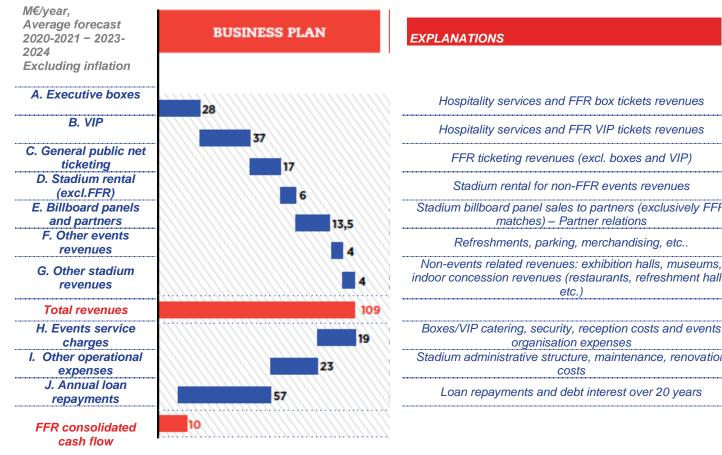
The museum would be made up of:

- A permanent exhibition area under the form of an exhibition gallery;
- A temporary exhibition space allowing for specific and temporary exhibitions and animations depending on the current agenda;
- A dedicated reception desk: managing ticketing and information services for stadium guided tours;
- An activity space: offering 1 or 2 practical rugby-related games, such as simulation;
- A video screening area: broadcasting a range of documentaries on rugby and XV de France matches.

The museum would be accessible directly from the courtyard next to the main public entrance.

In line with its cultural competency, the CAECE would allocate for its construction a 3 M \in subsidy.

Financial forecasts: the Grand Stade business plan



The economic model behind the hosting of matches in France currently allows to derive a 10 M€ cash flow.

For the initial years of operation, and until full debt repayment, the Grand Stade business plan was drawn up with this in mind. Be it during the construction phase or within its first operational years, the idea is for the hosting at the Grand Stade of XV de France matches to generate as much as what is earned at present. Profits would become tangible once loans have been repaid generating by 2037-2038 an expected 70 M€ cash flow.

This flexibility would therefore boost the growth of rugby in France amongst its supporting components (training, clubs and comity organisation, etc.) as well at the professional level (French teams, professional rugby league, player career change, etc.).

FUNDING SCENARIOS

> The Grand Stade project will be financed with 1/3 equity and 2/3 debt.

In the business plan, the total capital rate of return (equity and debt) is estimated over 20 years at 6%. This scenario is a cautious calculation based on today's financial market rates and would represent a space for improvement in negotiations with investors. The rate is an average between the total equity and debt bearing in mind that there will be no interest paid on the FFR's invested equity in the capital other than potential dividends generated from the stadium's operations, further to the loan and interest repayments.

> The FFR is currently exploring other funding opportunities such as:

- Investor participation in the capital;
- Instalment payment of naming at contract signing to reduce debt;
- Economic development of the area surrounding the stadium.

The FFR could indeed either through its existing subsidiary FFR Development or another company in which it would hold capital, reduce the debt limit for the company in charge of the stadium's real estate and operations. The FFR would be a majority shareholder, developing service activities on the 18 hectare land parcel left unused by the stadium's facility. In the current budget outline, these revenues have neither been taken into account in the financial plan nor in the stadium's operations, but remain however an opportunity to enhance the project's offer.

The Ris-Orangis site (Essonne): « More than just a stadium »

The Grand Stade would be located in the Centre Essonne district, Essonne's economic hub, with 540 000 local inhabitants, 210 700 jobs and over 29 000 companies. The project will extend over Ris-Orangis' former racecourse and the old Lu-Danone factory site, by the A6 motorway.

A large open available space

Located 33 kms south of Paris, the stadium's host venue, Ris-Orangis' racecourse, offers a variety of assets facilitating the Grand Stade's delivery:

- 133 hectares of land free from any hold and constraint, already belonging to the local authorities or in the process of being acquired;
- Grounds compliant with regulatory requirements facilitating the project management work;
- A low-stake environment only requiring a couple of enabling measures.





Project perimeter -

The local authorities planning project: « More than just a stadium »

The sheer reach of the project associated with the ambition to create a new hub in the Île-de-France has brought local authorities to draw up from an early stage in the bidding phase, a project shared with the FFR: that of an entertainment village and a sports hub. This project should therefore allow for the growth of a fully-fledged thriving and lively economic hub that will benefit Centre Essonne's entire district.

The local host communities have also marked out the legal framework for the planning project by establishing the creation of an Urban Development Planning Zone (ZAC) scheme which will host the Grand Stade project. The ZAC is an operational urban planning procedure that allows local authorities to undertake or outsource land planning and infrastructure development with a view to subsequently grant or sell it off to public or private users (art. L. 311-1, Urban Planning Code).

An entertainment village

Popular and warm, this entertainment village, located at close vicinity of the stadium and open all year round, would offer activities geared towards sports, leisure, nature and well-being. Thanks to its main activities, the village will guarantee continuous activity around the Grand Stade, fulfilling the district's currently poor entertainment offer.

A pole of excellence dedicated to sports

By bringing together in one same location all sports actors and jobs, this cluster aims to innovate and add value to a thriving economic sector by enhancing the ties and synergies between its different players. This hub, unique in France, will bring the Centre Essonne district at the forefront of the national and international stage.

ONGOING...

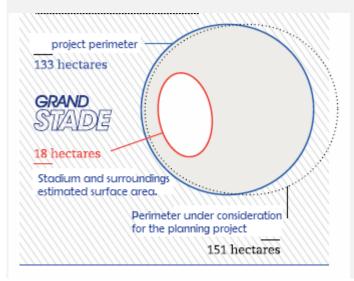
Two competitive dialogues are currently underway:

• In April 2013, the local host communities group selected three urban project management teams in view of designing the urban planning project. The winner will be designated in the course of 2014's first semester;

• In July 2013, the FFR retained 4 construction groups for the competitive dialogue in view of attributing the contract relating to the design, building and maintenance of the FFR Grand Stade. The winner will be appointed over the course of 2014's last semester.

Property development

The framework agreement signed between the contracting authorities foresees that the CAECE would sell off to the FFR 18 hectares of land required for the construction of the stadium and its surroundings. To meet the living requirements of such infrastructure, the FFR would be entitled to purchase from the CAECE an additional 12 hectares at a yet-to-defined fee. These potential 12 hectares would allow for the development of a commercial project which would bring a new dimension to the stadium. To instill life to its neighbouring areas, a variety of activities (restaurants, bars, etc.) could be considered within the ZAC's overall framework.



Site accessibility

The Ris-Orangis site is currently serviced by a range of different individual and collective transport systems:

• **Road networks**: southern gateway to the Île-de-France, the Centre Essonne district is located at the crossroads of Paris' major public road networks including the A6 motorway, and N104 and N7 national roads;

• **Public transports:** 3 Regional Express Network (RER) lines D, C and B, the Centre Essonne Inter-municipal Bus Network (TICE) and the regional bus network operated by Albatrans;

• Airports and train stations: the Massy and Juvisy high-speed train (TGV) stations and Orly airport, a fifteen minute drive from the venue.

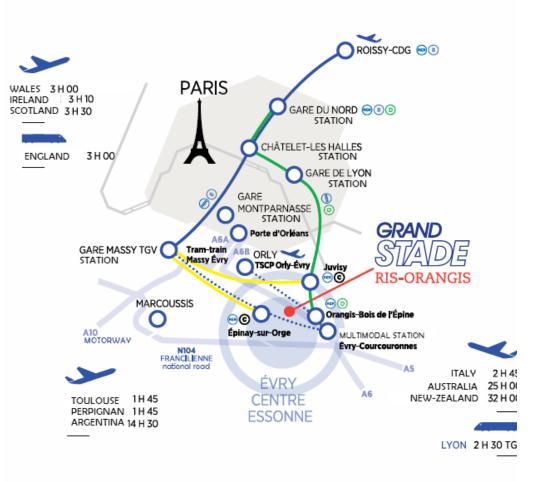
SITE SERVICING PROJECTS IN PROGRESS

A couple of projects aim to improve the Centre Essonne district's service network which will also benefit the Ris-Orangis racecourse site.

> The Massy Évry Tram-Train (TTME) commissioning by 2018. An on-site stop will be designated to link up the Grand Stade in 5mns to Évry's exchange pole and in 27 minutes to Massy. At rush hour, trains will run every 10 minutes and off-peak times, every 15 minutes.

> The Orly-Évry onsite public transport system (TCSP) fitted out in 2 phases: 2012-2017 and 2018-2023.

> The Vitry-Châtillon – Corbeil-Essonnes T Zen 4 (high-level bus service), scheduled for 2018, will offer substantial servicing with, at peak hour, a bus every 5 minutes.



Improvements to pursue

- 20 M€ for the purchase of 20 carriages ;

- 30 M€ for the redevelopment of

Ris-Orangis station.

Potential funders :

French Rail Network (RFF), French National Railway Company (SNCF), Regional Transport

Authority (STIF), Île-de-France Region.

Based on the existing spectator flux distribution attending XV de France matches at the Stade de France and taking into account the venue's geographic location, the current transport system network – including the projects in the pipeline- meets the day-to-day servicing needs.

However, special attention should be paid to major events and peak match days. For this reason, as part of the urban project design, accessibility studies will be pursued by the urban project management teams, local host communities group jointly with the relevant authorities (STIF, SNCF, etc.).

For the public transport offer to cover the entire spectator needs, improvements would be required in terms of RER evening servicing, station upgrading, tramtrain station location selection and shuttle services set-up.

RER D 530 000 passengers/day	RER C 500 000 passengers/day	Tram-train Massy Évry (TTME) 29 000 passengers/day	Centre Essonne Inter- municipal Bus Network (TICE) Network operated by CAECE	
Desired frequency	Desired frequency	Desired frequency	Desired frequency	
Capacity : 15 000 passengers/hour Regularity : train every 5 minutes Areas for improvement	Capacity : 10 000 passengers/hour Regularity: train every 5 minutes Areas for improvement	Capacity : 10 000 passengers/hour Regularity : tram-train every 3 minutes	<u>EVRY</u> Capacity: 4 500 passengers/hour Regularity: bus every 5 minutes	
Increased frequency to 12 trains/hour during events time : • Doubling the Juvisy-Grigny train tracks ; • Signalling works to be conducted.	Special service set up during events time with a higher pick-up frequency. Épinay-sur-Orge station redevelopment.	Areas for improvement Station location to be defined. Need to equip the park with rolling facilities.	BRETIGNY Capacity : 750 passengers/hour Regularity : a bus every 10 minutes Areas for improvement	
Increasing servicing hours during large events. Redevelopment of the Orangis-Bois de l'Épine station (size, additional track,etc.)		 Securing pedestrian traffic. 	Offer dedicated shuttles during games time : • 12 buses for Évry ; • 6 buses for Brétigny.	
Expert cost estimations (excl. tax): - 200 M€ for the construction of an additional track;	FUNDING ADDITIONAL MEA	SURES		

Prior to the 2014 commissioning of the RER line D, short-term measures have been implemented for a total cost of 153 M€. It is now a matter of initiating medium-term steps (by 2020) that will modernise and optimise the line's southern branch. These measures, estimated at 500 M€, are in line with the 2012 RER D Region Masterplan.

Beyond these interventions and in view of the next program, the Regional Transport Authority (STIF) has been allocated a 125 M€ budget to fund feasibility studies. Local authorities have already carried out a needs assessment and identified the means required to meet these. STIF however will need to begin its own studies and accordingly endorse the recommendations put forward by the urban project

The contracting authorities' commitments

The authorities in charge of building the rugby Grand Stade and its associated developments are the FFR and selected local host communities group made up of the Essonne General Council, Évry Centre Essonne Agglomeration Community (CAECE), and the cities of Ris-Orangis and Bondoufle. A project of considerable sporting and regional scale, the Grand Stade also has an important partnering component for which condition s and binding commitments are featured in the framework agreement signed on 11 July 2012.

Contracting authorities	Commitments		
CAECE			
Ris-Orangis	Property management ZAC development Accessibility funding		
Bondoufle			
Essonne General Council			
	Loan guarantee		
FFR	Site construction		

The FFR's main commitments

The FFR is committed to:

- Undertaking and funding the venue's construction up to 600 M€:
- 200 M€ of private equity originating from its own cash flow as well as from a debenture programme (compulsory loan) launched to fund rugby's expansion;
- **400 M€** of bank loans for which the Essonne General Council would bring a guarantee;

Taking into consideration the local inhabitants' concerns through a consultation process;

- Including in the construction and consultation contracts measures that will favour local jobs, training and inclusion;
- Bringing in sustainable development considerations in the stadium's construction;

• Enabling or backing community-orientated initiatives (vocational training centres supporting the sports industry, stadium availability, in-school educational activities, etc.).

The local host communities' main commitments

The local host communities group is committed to:

- · Managing the real estate required for the project;
- Developing the Urban Development Planning Zone (ZAC) scheme to welcome the entertainment village and cluster dedicated to the business of sports;
- Financing the site's accessibility infrastructures up to 60 M€ (parking, footbridge, water links, etc.). These funding commitments come under common law and are part of the local authorities 'expert remit;
- Ensuring the Essonne General Council honours its 450 M€ loan guarantee to the FFR;
- Mobilise the transport authorities (STIF) and operators (SNCF, RFF) in order to make the necessary investments required to reinforce RER lines C and D as well as to optimise the tram-train Massy Évry link which will ensure optimal accessibility to the site, especially during games time.

The stadium's construction cost

Building costs were estimated by renowned international engineering firms (Mott MacDonald & Franklin Andrews) thanks to their expertise in delivering large infrastructure projects and stadiums across the globe.

The stadium's construction cost was aligned with the project's thematic and architectural ambitions. The selected architect's group thus drew up its project according to the initially defined budget. The competitive dialogue dealing with the construction contract launched in June 2013 will however determine the project's final cost.

If the entire engineering group part of the competitive dialogue were to establish a significantly higher price for the project than initially set, the FFR would then be prepared, without spoiling the essence, to review some of its features,. The design and construction competitive dialogues have also optimised the overall project's cost by including variations for the entire component parts (functional, technical and architectural).

ESTIMATED CONSTRUCTION COSTS BREAKDOWN (EXCL. TAX*)

Preliminary works: 6 725 000	Mobile rooftop option: 40 000 000		
Outer shell: 35 075 000	Mobile pitch option: 28 750 000		
Boxes: 53 575 000	Sub-total: 460 300 000		
Rooftop: 62 425 000			
Vertical circulation: 24 150 000	Contingency provisions: 46 050 000		
Playing field: 5 100 000	Sub-total: 506 350 000		
Premises, hospitality services, corridors: 149 025 000			
Outdoor development: 4 400 000	Inflation: 0		
Sub-total: 340 475 000	Sub-total: 506 350 000		
Worksite supervision (Installation, coordination, etc.): 51 075 000	Design studies: 63 300 000		
Sub-total: 391 550 000	Sub-total: 569 650 000		
	Interior construction / furniture		
	Systems IS/ Communications / Security		
	Catering: 28 500 000		

*2010 value. Estimates are based on ratios and specific complements provided by different technological solutions suppliers regarding the retractable roof and removable pitch. The FFR and the construction engineer selected at the close of the competitive dialogue would decide on the stadium's final cost.

Indicated prices exclude tax as the company in charge of carrying the stadium's project would benefit from revenues entirely subject to VAT and would as a result fully recover VAT via its expenses and investments. During the construction phase, the VAT disbursement will also be subject to VAT credit repayment requests in line with the usual fiscal rules and procedures.

Total cost: 598 150 000

A project of general interest

Economic spinoffs for the Centre Essonne district

Employment benefits

Given the importance of the facilities and planned activities, different spinoffs would be expected in terms of job creation:

- 1 450 temporary jobs in the construction phase that would extend over 3 years;
- 120 permanent jobs and 1 800 temporary jobs for the stadium's operations;

• 8 000 to10 000 jobs relating to activities generated by the Urban Development Planning Zone (ZAC) scheme further to the completion of all developments by 2027.

Commercial and touristic benefits

It is estimated that the flux of people coming from outside the Paris region during events time will generate in the hotel and transport sector alone local profits amounting to 25 M€ per year.

The diversity of trade, catering and leisure activities that make up the Grand Stade's planning project will create, beyond matches, a thriving hub with a life of its own independently generating profits.

Fiscal benefits

Local authorities have estimated the project's fiscal spinoffs from 2018 for the local host communities area only at 4,7 M€ per year; by 2027, this will reach over 13 M€ per year for all the local authorities involved, the Essonne district and the Île-de-France region.

Regional and national spinoffs

Contributing to rebalancing Paris' region

The Grand Stade and its different facilities would represent an opportunity to meet one of the Île-de-France region and new Grand Paris scheme's main objectives, that of rebalancing its district. Despite its growing expansion, Paris' metropolis is made up of dynamic centres unequally distributed within it.

The Grand Stade project would enable to foster a new centrality in the Southern Paris region, at Paris' gateway, thus favouring a more equal development of the district.

An opportunity for French sport to shine

When it comes to sporting facilities, France has started over the last couple of years to lag behind other countries, significantly reducing its bidding powers to organise large international competitions.

Thanks to its size and multi-functionality, pioneer in France and largest covered stadium in Europe, this arena will bestow France with a new sporting aura that will make it competitive again in its future bids to host major sporting events.

A project concerned with its environmental footprint

Making the project part of its natural environment is an ambition shared by all partners who have respectively committed to preserving natural resources.

Preserving and saving natural resources	Fighting climate change and reducing waste across the district	Enhancing the district's environmental assets
Preservation of the site's fauna and flora Adapted management of protected species Light pollution control Materials selection	Bioclimatic design Energy selection Waste management	Travel management : Proximity and mobility Venue accessibility

A project favouring social inclusion

The Grand Stade project and its surrounding developments will favour job creation and lay the seedbed for a local training system.

Partners have committed to introducing inclusion clauses in the Grand Stade's construction, maintenance and operations markets, along with its related facilities. These markets will be primarily addressing local authorities' priority stakeholders: people receiving social benefits, disabled workers, youth under 26, people living in the Sensitive Urban Zones (ZUS), etc.

A working group has already been formed, made up of elected representatives from the district and agglomeration, the prefect in charge of equal opportunities and actors in charge of inclusion.

THE PROJECT'S KEY MILESTONES

Preliminary studies and bid phase	Preliminary studies and bid phase	Venue selection	Architect selection	Public Debate	Detailed additional studies (subject to MOA's decision)	
2010	2011	2012	1 st semester 2013	2 nd semester 2013	2014	
Initial feasibility study Tour of 14 stadiums in Europe and the United States Drafting of Business Plan Pre-programming, the FFR's Board of Directors decides to launch the second feasibility study 	Business Plan expert review Launch of the venue selection process Selection of the supporting legal, banking, financial and architectural project management teams Additional stadium and arena visits in Europe and the United States	Financial plan study launch 29 June 2012 Selection of Évry Centre Essonne/Ris-Orangis as host venue to the FFR stadium Public Debate 7 November 2012 CNDP referral 5 December 2012 CNDP decision to organise a public debate	8 February 2013 Selection of Populous and Ateliers 2/3/4 – EGIS as the architectural design group in charge of carrying out the stadium's technical studies Preparation for the constructor selection process FFR Extraordinary General Meeting approves the issue of bonds totalling 200 000 000 € 25 June 2013 Signing of the racecourse sales agreement 	Presentation before the CNDP on 2 October 2013 Public Debate from 7 November 2013 to 21 February 2014 	Public D Contracting authorit the project's principl Constructor competitive dialogue 2015 Public inquiries Building permit filing	ies' resolution on
In accordance with Article L. 121-9 of the Environmental Code, « expenditures linked to the physical organisation of a public debate fall under the responsibility of the contracting authorities or the public person in charge of the project».	 Public Debate > On 7 November 2012, the FFR and the partnering local host communities, in their quality of co-contracting authorities, jointly addressed a letter of referral to the National Commission for Public Debate (CNDP). > The public debate is organised and led by a Special Public Debate Commission (CPDP), specifically appointed by the CNDP. Full information on the debate and the project is provided by CPDP on a dedicated website: <u>http://grandstaderugby.debatpublic.fr/</u> 				 CPDP Rugby Grand Stade 52, boulevard de Se 75003 Paris +33 (0)1 73 02 82 8 	ébastopol