GROUPE PARTOUCHE

Increase in Net Income during 1st half-year 2017

- **GGR € 309 M and Turnover € 205 M, a slight decrease**
- **EBITDA € 42 M, margin 20% and Net Income € 21 M**
- **Significant investments – Net financial debt € 63 M**
- **Exceptional distribution of dividends**

Paris, 29th June 2017,

In the first half of the 2016-17 financial year (end of April), Groupe Partouche achieved a satisfactory result, which resulted in an increase in net income

Over this first half, the Group recognized a Gross Gaming Revenue (GGR) of € 309 M and a turnover of € 205 M, slightly down by 2.1% and 2.3% respectively over the same period a year earlier. This variation is mainly due to a high reference base, the first application of IFRIC 13, the closure of Hotel 3.14 and the decrease in GGR of the Palm Beach in Cannes prior to the transfer of its premises on 30th June.

The impact on current operating profitability, strongly correlated with activity, of the decrease in Turnover of € 4.9 M was limited to € 3.6 M, and the current operating income reached € 24.0 M , i.e. a margin of 11.7%. EBITDA reached € 41.8 M, i.e. an EBITDA margin of 20.3%.

After a further improvement in the financial income and a tax expense favorably influenced by a deferred tax effect, the Group's net income reached € 21.1 M, an increase of € 1.8 M compared with the first half of the previous year.

The implementation of the modified safeguard plan as approved on 2nd November 2016 resulted in the reimbursement of the shareholder advance Financière Partouche for € 20.1 M, which combined with the payment of the annual maturity of the syndicated loan, reduced the group's gross indebtedness by € 40 M, from € 186.5 M at 31st October 2016 to €146.6M at 30th April 2017. Cash and cash equivalents , after consuming € -40.0 M related to this debt clearing and to significant investments made during the period (€ 38.6 million), still represents € 83.5 million at 30th April 2017. Thus, net financial debt came to € 63.1 M.

RECENT EVENTS AND OUTLOOK

- On June 8, La Ciotat's new "Pleinair" casino was inaugurated, an innovative establishment, offering entirely outdoors games on a terrace of 1,300 sq., on which, the group has great hopes on the eve of the summer season. The enthusiasm shown by the local customers during these first days of operation is very promising.

- On June 30th, the Cannes Palm Beach Casino will be transferred to the premises of to the Hotel 3.14. This redeployment will enable the casino to no longer suffer the negative effects of a site that has become inadequate and will put an end to a major structural loss.

Taking into account the results for the first half year, the financial year under study should end with a slight decrease in operating profitability compared with the previous one, which does not cause any substantive concern. The stable financial structure of Groupe Partouche allows it to continue renovating its business units through significant investments and to remain a leader in innovation, as evidenced by the creation of the "Pleinair" casino in La Ciotat.

DISTRIBUTION OF DIVIDENDS

An extraordinary general meeting will shortly be convened to deliberate on an exceptional distribution plan, with a proposed drawdown of € 0.31 per share, i.e. a maximum of € 3 M.

Groupe Partouche was established in 1973 and has grown to become one of the market leaders in Europe in its business sector. Listed on the stock exchange, it operates casinos, hotels, restaurants, spas and golf courses. The Group operates 43 casinos and employs nearly 4,500 people. It is well known for innovating and testing the games of tomorrow, which allows it to be confident about its future, while aiming to strengthen its leading position and continue to enhance its profitability. Groupe Partouche was floated on the stock exchange in 1995, and is listed on Euronext Paris, Compartment B. ISIN : FR0000053548 - Reuters : PARP.PA - Bloomberg : PARP:FP

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ANNEX

During the meeting held on the 27th of June 2017, the Supervisory Board, reviewed the management report of the Executive Board and the annual consolidated statements of the 1st half-year 2017.

Income Statement

Consolidated Income Statement In €M at 30 April	**2017**	**2016**
Turnover	205,4	210,3
Purchases and external expenses	(62,4)	(64,8)
Taxes and duties	(10,8)	(11,0)
Employees expenses	(85,5)	(84,6)
Depreciation, amortisation & impairment of fixed assets	(18,0)	(17,5)
Other current operating income & expenses	(4,8)	(4,8)
Current Operating Profit	**24,0**	**27,7**
Other non-current operating income & expenses	(0,6)	0,2
Gain (loss) on the sale of consolidated investments	(1,2)	0,1
Impairment of non-current assets	-	-
Non-current operating income	**(1,8)**	**0,4**
Operating profit	**22,2**	**28,0**
Financial income (expense)	**(0,9)**	**(1,8)**
Profit before tax	**21,3**	**26,2**
Corporate income tax	1,6	(5,2)
CVAE Tax	(1,8)	(1,8)
Profit after Tax	**21,1**	**19,3**
Share in earnings of equity-accounted associates	-	-
Total Net Profit	**21,1**	**19,3**
o/w Group share	16,9	15,3

EBITDA	**41,8**	**46,9**

Profitability and Income

The high sensitivity of the Group's operating profitability to the level of activity is reflected in the half-yearly financial statements: Current operating profit (COR) reached € 24.0 M, compared with € 27.7 M in 2016; A decrease of € 3.6 M, directly correlated to the decline in activity of € 4.9 M.

The item Purchases and external expenses decreased to €2.4M, due to :

- Decrease in Advertisement expenses (- €1,3 M) and
- Decrease in subcontracting expenses of - € 2,1 M (for the record the subcontracting expenses include the costs of the Online activity in Belgium)

Personnel expenses amounted to € 85.5 M, a slight increase of 1.0%. This change can be explained in particular by the consolidation of SEGR Le Laurent (€ 0.7 M) and the increase in the number of employees in the subsidiary Partouche Technologies following the creation of a Creation-internal communication studio.

Impacted by the significant investments made in casinos over the past few years, depreciation and amortization on fixed assets increased by 3.3%.

The item Other current operating income and expenses were a net expense of € 4.8 M, stable compared with the first half of the previous year.

In summary, the decrease in operating expenses € 1.3 M (-0.7%) makes it possible to limit, in view of the decrease in turnover (€ -4.9 M), the decline in Current operating income € 3.6 M. This COR reached € 24.0 M and represents 11.7% of turnover, compared with 13.2% in 2016.

As a guide, EBITDA amounted to € 41.8 M, representing 20.3% of turnover, compared with 22.3% in the first half of 2016.

The non-current operating income is a net expense of € 1.8 M compared with a € 0.4 M profit in 2016. It is mainly a result of the removal from the scope of the Vichy 4 Chemins establishment for € -1.1 M, together with the exceptional depreciation of the Palm Beach, Aix en Provence casinos and of the 3.14 hotel for € 1.3 M, corresponding to depreciation expense related to the relocation of the Palm Beach casino in Cannes , and to the renovation works in Aix-en-Provence and Hotel 3.14, and also to a retained indemnity following the failure to finalize an asset disposal in Cannes.

Thus, the Operating income amounted to € 22.2M compared with € 28.0 M in 2016.

The Financial income is a net expense of - € 0.9 M compared with - € 1.8 M in First-Half 2016, a reduced expense due to lower net financial costs and improved net foreign exchange gains.

The item Income before tax is a profit of € 21.3 M compared to € 26.2 M in 2016.

The tax expense (including CVAE) decreased sharply from € 6.9 M to € 0.2 M, mainly due to a favourable deferred tax effect related to the deconsolidation of the Vichy 4 Chemins (a company removed from the fiscal scope of consolidation) for € 6.3 M, and to a € 0.8 M decrease in Corporate tax expense falling due under the fiscal scope of consolidation.

Net income for the first-half year 2016 is a profit of € 21.1 M. In this item, the Group's share amounted to a profit of € 16.9 M compared with € 15.3 M at 30th April 2016.

BALANCE SHEET

Total net assets at 30TH April 2017 amounted to € 675.8 M, compared with € 705.7 M at 31st October 2016. The remarkable developments during the period were as follows:

- An increase in Non-current assets of € 3.7 M mainly due to :
  - Increase in the item "tangible fixed assets" for a total net amount of + € 11.7 M over the first-half, consisting mainly of investment volume (+ € 34.9 M), reclassification under the item " Inventories and semi-finished goods"of the net book value of the former building of La Grande Motte casino as part of the committed property development project (- €3.6M) and depreciation expenses (- € 19.2 M).
  - Addition to the Group' scope of consolidation of the company SEGR Le Laurent : goodwill of €4.5M,
  - and conversely the early reimbursement of the CICE for 2013, 2014 and 2015, (- € 11.2 M);
- A decrease in the item Current asset of € 34.0 M mainly due to a cash disposal (- € v40.2 M)

On the liabilities side, the Group's shareholders' equity, including minority interests, increased by € 20.7 M totalling €355.9 M. The financial debt is reduced by € 40.0 M, due to the annual and early repayments of the syndicated loan and the immediate repayment of the shareholder's advance to Financière Partouche, following the entry into force of the safeguard plan as modified and approved by judgments of 02/11/2016 and 08/12/2016.

Following the repayment of the evoked financial debt, the Group's financial structure, now stabilized and characterized by a gearing of approximately 20%, can be summarized as follows:

In €M	**30/04/2017 6 months**	**31/10/2016 12 months**	**30/04/2016 6 months**
Equity	355,9	335,2	336,6
Consolidated EBITDA	41,8	80,1	46,9
Gross debt	146,6	186,5	177,7
Cash net of levies	83,5	120,4	103,7
Net debt	**63,1**	**66,1**	**74,0**
Net debt to Equity (Gearing)	0,2	0,2	0,2

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