GROUPE PARTOUCHE

Groupe Partouche – 1st half-year 2018
Maintaining the good performance
Relevance of the renovations

- **Turnover of € 211 M up by 2.9%**
- **EBITDA of € 39,6 M, margin 18,7%, and Net Income of € 13,3 M**
- **Equity of € 378 M and Net Debt of € 69 M**

Paris, 27th of June 2018,

During the meeting it held on 26th of June 2018 and after having reviewed the management report of the Executive Board, the Supervisory Board examined the audited accounts for the first half of the 2017-18 financial year (end of April).

In this first half-year, Groupe Partouche continued its positive performance, although this was hampered by a number of specific local situations, particularly related to the ongoing renovation of the establishments.

The good performance of the activity over the half-year was reflected in a GGR up by 1.9% and a turnover up by 2.9%.

The Group EBITDA amounted to € 39.6 M (18.7% of turnover) compared to € 41.8 M (20.3% of turnover) in the first half of 2017

The increase in amortization charges, + € 2.6 M to € 20.6 M, is due to the sustained investments made over the last years. Thus the Group's current operating income (COI) amounted to € 19.9 M compared with € 24.0 M in the first half-year 2017, a decrease attributable mainly to the **casino sector** in which it should be noted that :

- The impact beforehand on turnover, of the increase in the CSG rate, mechanically burdened the operating profitability by - € 1.5 M.
- Operations of La Ciotat casino in the first-half year, in its new "Pleinair" configuration, resulted in a €1.6M decrease in the operating margin.
- The impact on the operations of establishments under renovation, such as the Pasino d'Aix-en-Provence, also penalized by the access difficulties due to the works undertaken by the Town Council, experienced an unfavorable evolution of its COI for - € 1.1 M.

Beyond these specific issues, other establishments are experiencing positive developments, confirming the relevance of investments made. Thus the Cannes casino, judiciously transferred within the hotel 3.14, sees its COI increases by €0.8M and the two casinos in the Lyon region recorded a total favorable evolution of the COI of € 1.0 M.

The closure of hotel 3.14 resulted in a decrease of € 1.3 M in the operating deficit of the **hotels division**.

Lastly, the COI of the **division Other activities** was down by € 0.6 M.

After mainly a stable financial income and a tax expense (CVAE included) of € 3.9 M, € 3.7 M higher than in 2017, which benefited from a favorable deferred tax impact, the net income is a profit of € 13.3 M.

The Group's financial structure remains very healthy with a cash flow reaching € 81.6 M, an Equity of € 378.4 M and a net debt stable at € 69.0 M.

RECENT EVENTS AND OUTLOOK

The end of the litigation with Oaktree is confirmed

As provided by the agreement signed between Groupe Partouche, Financière Partouche, OCM Luxembourg and the Justice Representatives, which came into force during the previous financial year, the ongoing litigations have been withdrawn and these are now completely extinguished.

Continuation of the renovations

The Dieppe casino has completed its rationalization by reviewing its operation and its customer itinerary. The Palavas-les-Flots casino set up an open terrace for games thus enlarging the reception surfaces for the players. Finally, the Ostend casino has, for its part, reorganized its gaming rooms together with its catering offer.

Other works are currently being carried on. La Roche-Posay casino realizes an expansion program of 800 sq.m, half are of which is devoted to games and the other half to shows and events. In Berck, the surface of the gaming room will be increased by 120 sq.m, including a terrace of 40 sq.m. A similar evolution is being carried on at La Grande Motte with an extension of the gaming room of 510 sq.m, including a terrace of 270 sq.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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FINANCIAL INFORMATION

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ANNEX

Income statement

Consolidated Income Statement In €M at 30 April	2018	2017
Turnover	211,3	205,4
Purchases and external expenses	(71,5)	(62,4)
Taxes and duties	(10,1)	(10,8)
Employees expenses	(87,2)	(85,5)
Depreciations, amortisations & impairments of fixed assets	(20,6)	(18,0)
Other current operating income & expenses	(2,0)	(4,8)
Current operating income	**19,9**	**24,0**
Other non-current operating income & expenses	(0,6)	(0,6)
Gain (loss) on the sale of consolidated investments	-	(1,2)
Impairment of non-current assets	-	-
Non-current operating income	**(0,6)**	**(1,8)**
Operating income	**19,3**	**22,2**
Financial Income	**(0,9)**	**(0,9)**
Income before tax	**18,4**	**21,3**
Corporate income tax	(2,4)	1,6
CVAE tax	(1,5)	(1,8)
Income after tax	**14,5**	**21,1**
Share in earnings of equity-accounted associates	(1,2)	-
Total net profit	**13,3**	**21,1**
o/w Group share	9,7	16,9

EBITDA	**39,6**	**41,8**

Purchases and external expenses increased by € 9.2M (+14,7%), impacted mainly by :

- The new configuration of La Ciotat casino (+ € 1,7 M) ;
- The increase in outsourcing expenses (+ € 4,8 M), linked in particular to :
  - the increase in expenses related to online licenses in Belgium, corresponding to the € 3.3 M increase in the turnover generated by this activity (casino and sports betting)
  - and the presence in N-1 of non-recurring income related to readjustments on previous years (sports betting);
- and an increase in the item Advertising (+ € 1,1 M).

Taxes and duties represent an expense of € 10,1 M a slight decrease.
Personnel expenses reached € 87,2 M (+2,0%), in line with the staff increase and the entry of the restaurant Laurent over the total half-year (+ € 0,7M).
Amortisations and impairments of fixed assets (+14,1 %) reached € 20,6 M having been impacted by the sustained investment program carried out over the last years.
The item other current operating income and expenses represents a net expense of € 2,0 M compared with the €4,8M of the first half-year 2017. This decrease was possible thanks in particular to the favorable effect of additional allowances for hotel investments "article 34" received and to be received on several entities.

The item non-current operating income is a net expense of - € 0,6 M, compared with - € 1,8 M in 2017.
The operating income reached € 19,3 M against € 22,2 M € in 1st half-year 2017.

The financial income is a stable net expense of - € 0,9 M.
The item income before tax is a profit of € 18,4 M compared with € 21,3 M in 2017.
Taxes (including CVAE) reached € 3,9 M, up by € 3,7 M compared with 1st half-year 2017, that had benefited from a favorable deferred tax effect related to a change in the scope of consolidation.

The item Share in earnings of equity-accounted associates is a loss of € 1,2 M linked to the segment of the Palm Beach Cannes Côte d'Azur (following the divestment of Cannes Balnéaires to a majority control new shareholder at 1st half-year 2017), - € 0.6 M of which are related to the amortization of his 9-year lease entitlement.

The net income of the 1st half-year is a profit of € 13,3 M compared with € 21,1 M at 1st half 2017, in which the Group's share represents a profit € 9,7 M against € 16,9 M at 30th of April 2017.

Balance sheet

The total net assets at 30th of April 2018 is generally stable, reaching € 704,6 M against € 698,6 M at 31st of October 2017. The significant developments of the period are as follows:

- an increase in non-current assets of € 9,2 M mainly due to the increase in item « tangible fixed assets » for a net amount of € 11,6 M over the 1st half, essentially composed of the investments volumes (approx. € 30 M) and amortisation provisions on fixed assets.
- A decrease in the current assets, due in particular to a cash out flow of € 5,7 M.

In terms of liabilities: equity including minority interests increased from € 367,9 M at 31st October 2017 to € 378,4 M at 30th April 2018. Financial debt is reduced by € 4,7 M and mainly develops as follows :

- Annual repayment of the syndicated loan for an amount of - € 16,2 M paid on 15th December 2017;
- Repayment of other bank loans (- € 3,6 M) ;
- Set-up of new bank credits for € 10 M ;
- Set-up of a loan pertaining to the real estate leasing underway as part of the works on Pornic site for € 5,5 M.

The following table summarises the Group's capital structure :

In €M	**30/04/2018 6 months**	**31/10/2017 12 months**	**30/04/2017 6 months**
Equity	**378,4**	**367,9**	**355,9**
Consolidated EBITDA	39,6	73,3	41,8
Gross debt (*)	150,6	155,0	146,6
Available cash less gaming levies	81,6	85,7	83,5
Net debt	**69,0**	**69,3**	**63,1**
Net debt to equity (« gearing »)	**0,2**	**0,2**	**0,2**

(*) Gross debt includes bank borrowings and restated capital leases, accrued interest, miscellaneous borrowings and financial debt, banking facilities and financial instruments.

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