Groupe Partouche : Positive orientation in the business activity & strong growth in the income in 2015

- **Turnover of € 400m, up by 2,9% (on a like-for-like basis)**
- **EBITDA margin at 18,7%, improvement of 200 bp**
- **Current operating income of € 33,8m, up by 41%**
- **Net positive income of € 9,3m up by 74%**
- **Net financial debt divided by two at € 65m (leverage below 1x EBITDA)**

- **2016 : strong confidence in the outlook and an expected new growth of the income**

Paris, 27th January 2016,

During its meeting held on the 26th January 2016, the Supervisory Board reviewed the annual consolidated balance sheet (at 31st October 2015) that was being audited and the Executive Board management report.

Fabrice Paire, chairman of the Executive Board stated: *« The very strong growth in our income proves the high upturn of our business activity since many years, combined to the permanent dedication of our teams to control the expenses and simultaneously to constantly improve the offers of gaming and entertainment. These extremely satisfactory results reflect the appropriateness of our strategy and the attention put in its application. Our gaming offer will be enriched during the current year by the Bingo that will attract a new clientele in our establishments, together with the pursuit of the growth in our business activity leading to more positive results of Groupe Partouche.*

EBITDA margin improved by 200 bp at 18,7 % and an operating income up by 41%

The turnover of Groupe Partouche at 31st October 2015, reached € 400,3m.

On a like-for-like basis, **turnover is up by 2,9%** (+ € 11,3m). This performance strengthens the improvement showed during 18 consecutive quarters and mainly by the increase of clients' numbers in the Group's French casinos over the year (+2,5%).

Again Groupe Partouche, thanks to the attentive and rigorous daily management of its team, significantly improved its **EBITDA at € 75,0m** compared to € 68,7m in 2014. Thus **EBITDA/Turnover margin was approximately increased by 200 bp, reaching 18,7%**.

The current operating income (COI) of the Group increased by € 9,9m reaching € 33,8m compared to the previous €23,9m, mainly due to the casinos results. The breakdown by segments, taking into account the changes in the scope of consolidation, is showed in the annex.

On a like-for-like basis, the EBITDA reached € 77,2m and the COI increased by € 7,9m, showing a transformation ratio of 70% thanks to a tight control of the expenses.

The non-current operating income represents an expense of – € 11,9m compared to an income of € 1,0m in 2014. The depreciation of the goodwill generated by various casinos of the old CEC, reached € 21,5m, that is almost comparable to the previous fiscal year.

The changes in the non-current operating income are mainly due to the sale of assets, more effectively to the sales of consolidated investments: in 2015 the related net income reached € 7,8m compared to € 19,3m in 2014 and principally due to the disposal of the Chaudfontaine casino and the Garden Beach Hotel in Juan.

Moreover, the disposal of the real estates in Juan les Pins and the unused assets in Vichy generated in 2015 proceeds of assets disposal of € 2,6m including the item Other non-current operating income and expenses.

The operating income of the fiscal year reached € 22,0m compared to € 24,9m in 2014.

The financial income represents a net expense of € 3,5m, improved by € 4,6m compared to 2014, mainly due to the decrease in the financial expenses related to the syndicated loan, down by € 3,0m (including the cost of hedging) and to a positive change in the foreign exchange and in the investment income.

For the second year consecutively, the Group shows a **net profit** of **€ 9,3m** compared to € 5,3m in 2014, of which a Group share **with a profit of € 2,0m**.

CONSOLIDATED INCOME STATEMENT

€M at 31st October	**2015**	**2014 restated***	**VARIATION**	**%**
Turnover	**400,3**	**409,6**	**(9,3)**	**-2,3%**
External purchases and expenses	(127,6)	(135,9)	8,3	-6,1%
Tax	(17,9)	(19,3)	1,4	-7,2%
Personnel expenses	(172,5)	(181,1)	8,6	-4,8%
Depreciation, amortisation & impairment of fixed assets	(37,4)	(37,8)	0,4	-1,1%
Other current operating income & expenses	(11,1)	(11,5)	0,4	-3,7%
Current operating income	**33,8**	**23,9**	**9,9**	**41,3%**
Other non-current operating income & expenses	1,8	3,7	(1,9)	-
Gain (loss) on the sale of consolidated investments	7,8	19,3	(11,5)	-
Impairment of non-current assets	(21,5)	(22,0)	0,5	-
Non-current operating income	**(11,9)**	**1,0**	**(12,9)**	-
Operating income	**22,0**	**24,9**	**(3,0)**	**-11,9%**
Financial income	**(3,5)**	**(8,2)**	**4,6**	-
Profit before tax	**18,4**	**16,7**	**1,7**	-
Corporate income tax	(9,1)	(11,4)	2,3	-
Profit after tax	**9,3**	**5,3**	**4,0**	-
Total net profit	**9,3**	**5,3**	**4,0**	**74,4%**
o/w Group share	2,0	(1,5)	3,5	-

EBITDA	**75,0**	**68,7**	**6,3**	**9,1%**
Margin EBITDA / Turnover	***18,7%***	***16,8%***		

(*) IFRIC 21 retroactively applied.

An extremely healthy financial structures

It should be noted that the financial statements for the previous two fiscal years were affected by the sale of several assets that impacted various items of the balance sheet; in particular :

- In 2014 : the casinos of Knokke & Dinant, of Hauteville-Lompnes, together with the premises and business

assets of the Hilton Lyon Hotel,

- In 2015: the casino of Chaudfontaine, The Garden Beach Hotel of Juan-les-Pins (premises and business), as well as the premises of the casino of Juan-les-Pins.

Regarding assets, there was a marked decrease in the net value of non-current assets of € 31.3m mainly due to the impairment of goodwill during the year, and to the sale of subsidiaries and fixed assets carried out in 2015 (not included in «Assets held for sale» at 31st October 2014)

The Group's cash amounted to € 164,9m, a strong increase of € 48,1m due to both: cash flow generated by the activities, controlled investments (flow of € 31,0m€ over the year), and the disposal of assets. Cash net of levies amounted to € 135,1m.

Regarding liabilities, Group equity remained stable at €332.3m. Financial debts amounted to €203.6m; despite the absence of amortization of the syndicated loan over the period, debts are reduced by € 16,2m due to the mechanism of the early repayments resulting from the sale of investments.

The Net financial debt of the Group has been divided by three over the past four years and amounted to € 65,4m at end of October 2015, compared to the € 205m in 2011.

Financial synthesis:

€M at 31st October	2015	2014 restated
Group equity	332,3	330,2
EBITDA	**75,0**	**68,7**
Gross debt (*)	200,5	216,4
Cash net of levies	135,1	88,1
Net debt	**65,4**	**128,3**
Net debt to equity ("gearing") ratio	**0,2**	**0,4**
Net debt to EBITDA ("leverage") ratio	**0,9**	**1,9**

(*) The notion of gross debt includes bank borrowings and restated capital leases, accrued interest, miscellaneous borrowings and financial debts, banking facilities and financial instruments.

Recent events and outlook

Following the decision taken by the city of Vichy not to renew the public concession (ending 31st December 2015) of the 4 Chemins Casino, this loss-making establishment was definitely closed end of 2015. Consequently, the Grand Café casino, a second establishment of the Group in Vichy, reorganized its offer in order to be able to satisfy the additional clientele, thus strengthening its operations and its profitability.

The construction of the new casino at La Ciotat has started. The new site will be able to host the casino beginning of spring 2017.

The innovative architecture of this casino will permit games mainly in the open air and consequently smoking, which will be satisfactory to a great numbers of players.

Groupe Partouche, being the only French operator offering a jackpot linked to various establishments, will improve its gaming offer with the debut of Bingo. This game that has been successfully tested at the Aix-en-Provence Pasino is now authorized by the regulatory framework and can thus be rolled out in other establishments. It will most certainly attract a new clientele that will discover the universe of casinos and their numerous offers of

gaming.

The casinos of Groupe Partouche, faithful to their leading role in the gaming business, will test during the current year, new types of electronic and dematerialized table games, together with tournaments and new concepts of slot machines, amongst which a recent category of game combining tombola and slots.

Partouche Images, a subsidiary that operates interactive audiovisual games, has launched CashChrono in Senegal. It is a unique concept of televised lottery covering Sub-Saharan Africa by satellite broadcasting. It is a very first step in a promising foreseen development in Africa.

Moreover, Groupe Partouche also remains attentive to development opportunities for new casinos. Thus, the Group recently joined a consortium of major local and international investors, participating in a tender for a new casino in Cyprus.

Groupe Partouche is confident about its prospects, following its positive results due to the strategy applied: innovative products, investments aiming to reinforce the operations of its establishments, and mostly an extremely healthy financial situation. The Group can expect further growth in its income if it maintains the growth of its operating profitability and an increase of its turnover.

Future appointments:

- **Turnover 1st quarter: Wednesday 17th February 2016 – following the closure of Paris stock exchange**
- **Annual General Meeting: Thursday 6th April 2016**

Groupe Partouche was established in 1973 and is the European market leader in the gaming business. Listed on the Stock Exchange, it operates casinos, hotels, restaurants, spas and golf courses. The Group possesses 43 casinos and employs 4500 people. Its strategy for promoting the gaming business based on innovation and new games allows it to be confident about its future by aiming to strengthen its leading position and continuing to enhance its profitability.
Listed on the Stock Exchange in 1995, Groupe Partouche shares are traded on compartment C of Euronext Paris.
ISIN : FR0000053548 - Reuters : PARP.PA - Bloomberg : PARP:FP

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FINANCIAL INFORMATION

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Annex

EBITDA margin variation

€M	2015	2014 restated	2013
Consolidated turnover	400,3	409,6	436,4
Consolidated EBITDA	75,0	68,7	72,0
EBITDA margin	**18,7%**	**16,8%**	**16,5%**

COI & EBITDA variation (on a like-for-like scope of consolidation)

€M	Group on a like-for-like basis			
	2015	2014	Variation	%
Turnover	397,2	385,9	11,3	2,9%
External purchases & expenses	(125,9)	(125,8)	(0,1)	0,1%
Tax	(17,4)	(18,1)	0,7	-3,9%
Personnel expenses	(169,7)	(169,4)	(0,3)	0,2%
Dep. Amort. of fixed assets	(36,8)	(35,6)	(1,2)	3,3%
Other current op. income & exp.	(10,9)	(8,4)	(2,5)	30,4%
Current operating income	**36,4**	**28,6**	**7,9**	**27,5%**
Current operating margin	9,2%	7,4%		
EBITDA	**77,2**	**69,4**	**7,8**	**11,3%**
Margin EBITDA / Turnover	19,4%	18,0%		

Analysis of the segment COI on a like-for-like basis

Groupe Partouche presents as from 2015 and in order to obtain a better readability of its segment performance, the segment contributory prior to the intra-group elimination. The table here below shows a breakdown of the segment progress on a like-for-like basis.

€M	TOTAL GROUP on like-for-like basis		CASINOS on like-for-like basis		HÔTELS on like-for-like basis		OTHER		Elimination	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Turnover	397,2	385,9	373,1	360,8	14,0	13,7	35,0	38,7	(24,9)	(27,3)
External purchases & expenses	(125,9)	(125,8)	(111,2)	(109,9)	(7,5)	(7,4)	(23,0)	(25,8)	15,9	17,3
Tax	(17,4)	(18,1)	(25,0)	(25,5)	(0,9)	(1,4)	(1,2)	(1,9)	9,8	10,7
Personnel expenses	(169,7)	(169,4)	(152,9)	(152,6)	(6,0)	(6,0)	(10,7)	(10,7)	(0,1)	(0,0)
Dep. Amort. of fixed assets	(36,8)	(35,6)	(31,0)	(29,2)	(1,0)	(1,0)	(4,8)	(5,5)	0,0	0,0
Other current op. income & exp.	(10,9)	(8,4)	(9,6)	(9,0)	0,0	0,6	(0,8)	0,6	(0,6)	(0,6)
Current operating income	**36,4**	**28,6**	**43,3**	**34,7**	**(1,3)**	**(1,6)**	**(5,6)**	**(4,5)**	**0,0**	**0,0**

NB: The online betting operator in Belgium (CKO Betting) is included under «Other» in the table.

The growth in the operating profitability is mainly due to casinos (COI up by € 8,6m between the two fiscal years) that witnessed an increase in their activity (+ 3.4%) and a control of their expenses (+1,1%).

The Hotels segment now represents approximately 3,5% of the turnover, due to the disposal of the hotel business in Lyon and Juan-les-Pins. Nevertheless, with a growth in the activity (+ € 0,3m) this segment succeeded in improving its COI.

The « Other » business sector mainly related to the activity in France of the subsidiary Partouche Images shows a slight decrease of its profitability, due in principal to a regulatory change (business redeployed in Belgium), that had a negative impact on the current operating income of the sector.

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