



# GROUPE PARTOUCHE

## REMARKABLE GROWTH IN THE PROFITABILITY

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**1ST HALF-YEAR EBITDA OF 41 €M  
MARGIN UP BY 20% OF 220 bp  
NET FINANCIAL DEBT DOWN TO 71 M€ END OF MAY**

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Cf. the interview of Mr Fabrice Paire , chairman of the Executive Board at :

<http://www.eurobusinessmedia.fr/ceo-direct/groupe-partouche/interview-de-fabrice-paire-president-du-directoirerelative-aux-resultats-du-premier-semester-2015>

Paris, 24th June 2015,

Following the confirmation of the growth in the business activity, Groupe Partouche witnessed a new positive development in its profitability and a sharp reduction in its debt, as at 1<sup>st</sup> half-year 2015 (30<sup>th</sup> April)

### EBITDA

Thanks to the increase in the turnover and the control run on the operations, the consolidated EBITDA on a like-for-like basis, is up from 5.8 €M to 40.8 €M.

This half-year growth of 7.2 €M in the turnover is equivalent to a change ratio of 80%.

Thus the margin ratio (EBITDA/TURNOVER) is up by two points, from 17.7% to 19.9%.

### NET DEBT

After the close of the 1st half-year, Groupe Partouche received during the month of May 2015, 30€M resulting from the divestment of the Garden Beach Hotel at Juan-les-Pins.

**At the end of May 2015, the net debt approached 71 €M, i.e. approximately one annual consolidated EBITDA of the group.**

### PROSPECTS

Bingo is henceforth authorized by the Gaming Regulations. Approvals of the necessary equipment are expected to be granted during the 2<sup>nd</sup> half-year 2015. Bingo has already been tested during a party event at the Pasino of Aix-en-Provence with 900 players. This game should attract a new clientele in the group's establishments.

**Groupe Partouche expects the continuation of this positive trend during the 2<sup>nd</sup> half-year, resulting from the upturn of customer's number.**

At the same time, two casinos in deficit will be shut down. Facing a fierce competition and as no agreement has been reached with the city hall in respect of the terms and conditions of the operating requirements, the establishment at La Trinité-sur-Mer will cease all activities on the 30<sup>th</sup> June 2015.

Moreover, the city of Vichy decided not to launch a tender for the renewal of the operating concession of the 4 Chemins casino and the establishment will be closed end of 2015. The Group's second casino in Vichy (Casino du Grand Café) will carry on its activity.

The divestment of the unexploited building at Vichy will be finalized during the 2<sup>nd</sup> half-year for an amount of 3.3 €M. The divestment of the old building at La Grande Motte has been postponed.

Moreover, the construction of the new casino at La Ciotat has been confirmed and the construction agenda has been set up. The moving of the present establishment to the new premises will take place during spring 2017.

Lastly, an agreement has been signed by Groupe Partouche in respect of the divestment of its subsidiary Cannes Balnéaire SA that owns the occupation rights of the land at Pointe Croisette Cannes and that is under a commercial lease agreement the Palm Beach casino. This casino has been structurally loss-making for years now and is negatively impacted by an ill-adapted location. Nevertheless, the transfer of its operations to another location is being under study, and this in order to ensure the continuation of the operating concession and the continuity of the employment.

*Created in 1973, Groupe Partouche is a European leader in the gaming business. With 46 establishments mainly in France and 4450 employees, it registered a turnover of 410 €M for 2014, 90% of which are generated by the casinos, with a margin EBITDA approaching 17%. Totally dedicated to its business: gaming, its strategy based on innovation and attractive establishments, allows the Group to look to the future with great confidence, aiming to the strengthening of its leadership and the continuation of its operating 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*



#### **FINANCIAL INFORMATION**

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# APPENDIX

## HALF-YEAR ACCOUNTS

During its meeting held on 23rd June 2015, the Supervisory Board examined the audited accounts of the 1<sup>st</sup> half-year and heard the Executive Board's report.

### 1- Income statement

<b>CONSOLIDATED INCOME STATEMENT €M at 30th April</b>	<b>2015</b>	<b>2014 restated *</b>
Turnover	206,2	207,7
External Purchases & Expenses	(63,4)	(68,0)
Tax	(11,0)	(11,8)
Personnel Expenses	(86,9)	(91,8)
Depreciation, amortisation of fixed assets	(18,1)	(18,9)
Other current operating income and expenses	(7,6)	(4,2)
<b>Current Operating Income</b>	<b>19,2</b>	<b>13,0</b>
Other non-current operating income and expenses	0,1	(0,0)
Gain on the sale of consolidated investments	4,6	19,3
Amortization of non-current assets	-	-
<b>Non-current operating Income</b>	<b>4,7</b>	<b>19,2</b>
<b>Operating Income</b>	<b>23,9</b>	<b>32,3</b>
<b>Financial Income</b>	<b>(1,9)</b>	<b>(4,3)</b>
<b>Profit before tax</b>	<b>22,0</b>	<b>28,0</b>
Corporate income tax	(4,3)	(1,0)
CVAE tax	(1,8)	(1,8)
<b>Profit after tax</b>	<b>15,9</b>	<b>25,2</b>
Share in earnings of equity-accounted associates	(0,0)	(0,0)
<b>Total net profit</b>	<b>15,9</b>	<b>25,2</b>
o/w Group share	12,2	21,3
<b>EBITDA</b>	<b>40,6</b>	<b>34,3</b>

(\*) the term « restated » is relative to the retroactive restatement of the consolidated financial accounts at 31/10/2014 and half-year accounts at 30/04/14, as part of the first application of IFRIC 21.

### 2-Current operating profitability on a like-for-like scope

The activity and the current operating profitability should be analyzed taking into consideration the change in the scope of consolidation resulting from the divestments in 2014 of Knokke and Dinant in Belgium, Hauteville and the Hilton Hotel in Lyon, as well as the divestment of Chaudfontaine (Belgium) in 2015. Said companies were partially consolidated for the two previous financial years. The following tables show the changes on a like-for-like basis.

IN €M	GROUPE PUBLISHED FIGURES		DIVESTED COMPANIES		GROUPE ON LIKE-FOR-LIKE BASIS			
	1st half-year 2015	1st half-year 2014 rest.	1st half-year 2015	1st half-year 2014 rest.	1st half-year 2015	1st half-year 2014 rest.	DIFFERENCE	CHANGE
<b>Turnover</b>	<b>206,2</b>	<b>207,7</b>	<b>1,1</b>	<b>9,9</b>	<b>205,1</b>	<b>197,9</b>	<b>7,2</b>	<b>3,7%</b>
External purchases & expenses	(63,3)	(68,0)	(0,5)	(4,6)	(62,8)	(63,5)	0,6	-1,0%
Tax	(11,0)	(11,8)	(0,2)	(0,6)	(10,8)	(11,1)	0,3	-2,9%
Personnel expenses	(86,9)	(91,8)	(0,6)	(5,0)	(86,3)	(86,8)	0,5	-0,6%
Amort. et deprec° on fixed assets	(18,1)	(18,9)	(0,1)	(1,1)	(18,0)	(17,8)	(0,2)	1,2%
Other current op. income & expenses	(7,6)	(4,2)	0,3	(0,5)	(7,9)	(3,7)	(4,2)	113,3%
<b>Current Operating Income</b>	<b>19,2</b>	<b>13,0</b>	<b>0,0</b>	<b>(1,9)</b>	<b>19,2</b>	<b>14,9</b>	<b>4,3</b>	<b>28,9%</b>
<b>EBITDA</b>	<b>40,6</b>	<b>34,3</b>	<b>(0,1)</b>	<b>(0,7)</b>	<b>40,8</b>	<b>34,9</b>	<b>5,8</b>	<b>16,7%</b>

Operating expenses reached 185.9 €M (+ 1.6%)

External purchases and expenses are mainly impacted by the activity of the subsidiary Partouche Images and the reduction of the parent company of its sports sponsoring.

The item Tax represents a total expense of 10.8 €M, slightly down by 0.3 €M.

Personnel expenses dropped by 0.6 %.

Amortization & depreciations on fixed assets are up by 0.2 €M reaching 18 €M.

Finally, the item Other current operating income and expenses are up by 4.2 €M. This is mainly due to a forthcoming additional levy under "Expenses to be paid" related to the 1<sup>st</sup> half-year but not accounted for in the turnover, and beyond to a net negative change of 1 €M in provisions.

The current operating Income (COI) is up by 4.3 €M, from 14.9 €M to 19.2 €M. The operating margin represents 9.4 % of the turnover, compared to 7.5% in 2014.

### 3-Net Income

In the published data (as a reference for the following comments), i.e. by the addition of the changes in the scope of consolidation, COI reached 19.2 €M (+6.2 €M)

The non-current operating Income is a profit of 4.7 €M, mainly due to the result of the divestment of the Chaudfontaine casino for a price of 10 €M. Let it be reminded that during the 1<sup>st</sup> half-year 2014, this result on the divestment of consolidated investments represented a higher income due to the selling of Belgian subsidiaries of 19.3 €M.

Thus the operating Income reaches 23.9 €M, compared to 32.3 €M in 2014.

The financial income is a net expense of -1.9 €M compared to -4,3 €M previously. This reduction is due to the drop in the cost of the debt and a non-recurring increase in the financial income over the period.

Income before tax is a profit of 22 €M.

The Net income for the half-year is a profit of 15.9 €M compared to 25.2 €M in 2014, after a tax expense (CVAE included) from 2.8 €M to 6.1 €M mainly due to a differed taxation.

Out of this income, the group's share represents a profit of 12.2 €M compared to a profit of 21.3 €M in 2014.

## 4- Balance Sheet

*(reminder: the figures below at 30th April 2014 and at 31st October 2014 are impacted by the retroactive restatement IFRIC21)*

Under Assets at 30<sup>th</sup> April 2015, the changes are:

- on the one part, the decrease in non-current Assets, down by 7.8 €M mainly due to the divestment of Chaudfontaine casino,
- and on the other part, the increase in the Group's cash of 17.3 €M, following reasonable flows related to the investments activity (+4.2 €M net) and the financial activity (+11.5€M)

Under Liabilities, the Group's equity increased by 9.6 €M reaching 339.8 €M.

The bank debt is reduced by 4.6 €M following an early repayment of the syndicated loan generated by the divestment of the Chaudfontaine casino.

Let it be reminded that consecutive early repayments lop the yearly phased repayment schedule of the syndicated loan.

The financial structure of the Group, is thus substantiated over the period by the increases of the EBITDA and the cash. It could be synthesized as follows:

In €M	30/04/2015 6 months	31/10/2014 rest. IFRIC 21 12 months	30/04/2014 rest. IFRIC 21 6 months
Equity	339,8	330,2	350,1
Consolidated EBITDA	40,6	68,7	34,3
Gross Debt *	212,1	216,9	272,4
Cash net of levies	106,3	88,1	118,7
Net debt	105,7	128,3	153,7
Ratio Net Debt / Equity (« gearing »)	0,31	0,39	0,44

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

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