SOCIETE ANONYME DES BAINS DE MER
ET DU CERCLE DES ETRANGERS A MONACO
(S.B.M.)

****

NOTICE OF METING

ORDINARY GENERAL MEETING
SEPTEMBER 18, 2015 at 9.30 a.m.

HOTEL HERMITAGE – SALON EIFFEL

The financial statements in English are a faithful translation of the original French version but should not be considered as completely accurate due to the unavailability of English equivalents for certain French accounting terms. Consequently, this English document is intended for general information only.

CONTENTS

1. ORDINARY GENERAL MEETING INVITATION

Ladies,
Gentlemen,
Dear Shareholders,

I am pleased to invite you to attend the General Meeting of Société des Bains de Mer, to be held on Friday, September 18, 2015 at 9.30 a.m. at the Salon Eiffel – Hotel Hermitage in Monaco.

This meeting aims at providing you with information on the Company's developments, and is a privileged occasion to answer all the questions you may have, regardless of the number of shares you own.

I sincerely hope you will be able to participate in this General Meeting, either by attending, or by using the proxy form which allows you **to vote directly, or be represented** by the Chairman, or any other Shareholder of your choice.

In this document, you will find instructions on how to participate in this Meeting, the agenda and the text of the resolutions submitted to your approval.

Finally, we propose you for the first time in 2015, a digital interactive version of the "Document de Référence" including the annual report as of March 31, 2015, available on our website.

I would like to thank you in advance for taking the time to consider the resolutions proposed.

Yours sincerely,

Jean-Luc Biamonti
Chairman and Chief Executive Officer

2. HOW TO PARTICIPATE IN THE ORDINARY GENERAL MEETING

The terms and conditions for attending General Meetings are defined in Article 30 of the Company's bylaws:

"The General Meeting, ordinary or extraordinary, shall be composed of all holders of a share that was transferred for their benefit at least ten days prior to the date of the meeting.

Only a holder possessing on his or her own behalf a share can take part in the deliberations of meetings.

Any shareholder may be represented by another shareholder at the General Meeting. The proxy shall be filed two days before the date of the meeting. Each shareholder attending the General Meeting is granted as many votes as he or she holds or represents in shares.

The shareholders can vote or give a proxy by any way, especially by transmitting postal voting form or proxy by remote transmission or by online voting before the meeting.

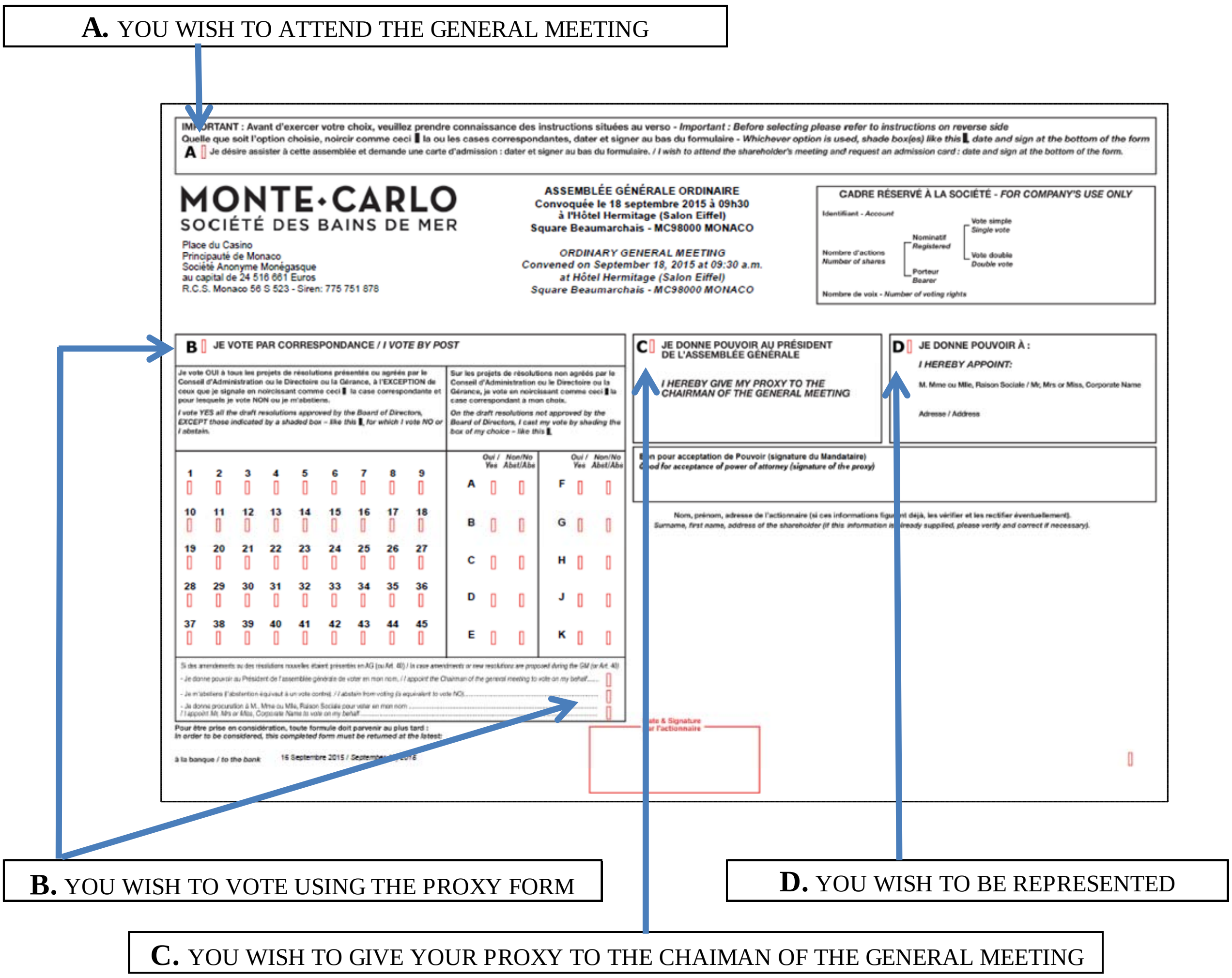
The Board of Directors determines the deadline date for the return form of proxies. This date is communicated in the notice of meeting published in the Bulletin des Annonces Légales Obligatoires (Official Legal Announcement Publication)."

Thus you can attend the Shareholders General Meeting in person, vote using the proxy or be represented. In any case, you must indicate your choice using the proxy form enclosed to the invitation meeting received and detailed hereafter. To ensure a correct preparation of the Shareholders' General Meeting, we ask you to transfer your choice as soon as possible.

Société Générale centralizes the General Meeting:
Société Générale, Service des Assemblées Générales, CS 30812, 44308 NANTES CEDEX 3

Shares held or represented should be registered or transferred to the Company's Register held by Société Générale Securities Services (SGSS) by no later than September 8, 2015 (Euroclear settlement-delivery date corresponding to the transfer of share ownership).

The voting right attached to the share belongs to the usufructuary in ordinary general meetings.



<u>A - YOU WISH TO ATTEND THE GENERAL MEETING:</u>

Fill in the box A of the enclosed form, date and sign the bottom of the form.

The form must be returned to SGSS. As from September 3, 2015, you will receive an admission card, which you will be asked to show at the entrance to the meeting room. It is recommended that you make this request as soon as possible in order to receive your card in time for the meeting. Should you represent other Shareholders, we would ask you to enclose the proxies duly granted by the Shareholders with your form.

<u>B – YOU WISH TO VOTE USING THE PROXY FORM:</u>

Fill in the box B of the enclosed form.

- <u>Resolutions approved by the Board of Directors (numerical references) :</u>

Boxes correspond to resolutions proposed in section 4.3 of the present document.

If you wish to vote « yes » for all resolutions proposed and approved by the Board of Directors, leave the boxes blank.

If you wish to vote « no - abstention » for one or more resolution(s), shade the corresponding box(es).

- Resolutions not agreed by the Board of Directors (alphabetical references):

For each resolution, shade the box of your choice: « yes » or « no – abstention »

- Amendments or new resolutions proposed during the General Meeting

In the case of the agenda of the General Meeting would be completed after the convening of shareholders, according to the Article 40 of the Company's bylaws, you are requested to fill in the box of your choice. Complete the identity of the authorized representative who must be Company shareholders, if needed.

Your proxy form must then be dated and signed in the appropriate box.

C – YOU WISH TO GIVE YOUR PROXY TO THE CHAIMAN OF THE GENERAL MEETING:

Fill in the box C of the enclosed form, date and sign the bottom of the form.

D – YOU WISH TO BE REPRESENTED AT THE GENERAL MEETING:

If you wish to be represented at the General Meeting by a representative who must be Company Shareholders:

- Fill in the box D;
- Complete the identity of the authorized representative;
- Date and sign the bottom of the form.

In the event that no authorized representative is specified in a shareholder's proxy, the Chairman of the General Meeting shall cast a vote on the draft resolutions according to the recommendations of the Company's Board of Directors.

In any case, the enclosed form must be received by the Société Général Securities Services (SGSS), using the T envelop, at the latest on **September 16, 2015,** after being duly completed.

For any additional question, you are invited to contact directly the Société Général, from Monday to Friday from 8 a.m. to 6 p.m. at 0 825 315 315 (cost of the call : 0,125 euro excluding tax per minute from France) or at +33 (0)251 855 982 (cost of the call depending on the local operator from outside France).

The "Document de Référence" 2014/2015 including the annual financial report as of March 31, 2015 is available at the Société Anonyme des Bains de Mer et du Cercle des Etrangers à Monaco, Place du Casino, MC 98000 – Monaco (Principauté de Monaco), as well as in electronic version on the website of the Company (www.montecarlosbm.com).

3. BOARD OF DIRECTORS AS OF MARCH 31, 2015

Chairman	Mr.	Jean-Luc BIAMONTI
Directors	Mr.	Willy de BRUYN
	Mr.	Michel DOTTA
	Mr.	Alexandre KEUSSEOGLOU
	Mr.	Thierry LACOSTE
	Mr.	Pierre LETZELTER
	Mr.	Jean-Louis MASUREL
	Mr.	Michel REY
	Mr.	Pierre SVARA
	Mr.	William TIMMINS

4. ORDINARY GENERAL MEETING HELD ON SEPTEMBER 18, 2015

4.1. AGENDA

➢ FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015 :

- Report of the Board of Directors
- Report of the Chairman of the Board of Directors
- Reports of the Statutory Auditors and Contractual Auditor
- Approval of the Parent company financial statements
- Approval of the Group consolidated financial statements
- Discharge of all directors from any liabilities with respect to the performance of their mandate
- Appropriation of earnings for the year ended March 31, 2015
- Real estate issues
- Authorization granted by the General Meeting to the members of the Board of Directors to deal with the company personally or in an official capacity pursuant to Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws.

➢ AUTHORIZATION FOR THE BUYBACK OF THE COMPANY SHARES

4.2. BOARD OF DIRECTORS' REPORT

The purpose of this report is to draw your attention to the main points and issues of the draft resolutions submitted by the Board of Directors to the Ordinary General Meeting of Shareholders, due to deliberate on September 18, 2015. Therefore, this report is not comprehensive and should by no means replace your careful reading of the submitted resolutions before exercising your voting right.

The Ordinary General Meeting to be held on September 18, 2015 shall be asked to vote on seven resolutions.

Overview of the resolutions

Approval of the consolidated and company financial statements (1st and 2nd resolutions)

The first two resolutions enable you, after familiarizing yourself with the reports of your Board of Directors, the Contractual Auditor and Statutory Auditors, to indicate whether you approve or disapprove the Company's financial statements and the consolidated financial statements for the year ended March 31, 2015 as well as the transactions reflected in such financial statements and summarized in such reports.

The **first resolution** submitted to you concerns the approval of the Company's financial statements for the financial year ended March 31, 2015, which show profits of €115,020.82.

The **second resolution**, asks the Meeting to vote in order to indicate its approval (if appropriate) of the consolidated financial statements; said financial statements show a Net Consolidated Profit (Group share) of €10,040,000.

Discharge to all current Directors (3rd resolution)

You are asked to grant discharge to all current Directors with respect to their management during the 2014/2015 financial year.

Allocation of profits/losses for the financial year ended March 31, 2015 (4th resolution)

The **fourth resolution** concerns the allocation of profits/losses.

As the operating results are still negative, it has not been considered appropriate to distribute dividends. Furthermore, following the capital increase last March, whereby the share capital increased from €18,160,490 to €24,516,661, the proposal under the fourth resolution is to allocate funds to the statutory reserve in order to increase the amount thereof so that it equals 10% of the share capital.

The proposed profit/loss allocation is as follows:

- after noting that the company's net profits for the year ended March 31, 2015 amount to €115,020.82 and that the retained earnings amount to €183,388,540.83;
- allocate the sum of €635,617.10 to the statutory reserve;
- allocate the sum of €2,300.42 to the contingency reserve, i.e. 2% of the profits for the financial year as stipulated in Article 48 of the Bylaws;
- allocate the sum of €3,450.62 to the Board of Directors as stipulated in Article 18 of the Bylaws;
- the remainder, i.e. €182,862,193.51, to be carried forward.

Real estate matters (5th resolution)

The **fifth resolution** concerns the ratification of a change to the terms of the sale of land situated in the Saint-Roman district of Roquebrune Cap-Martin.

The Ordinary General Meeting held on September 20, 2013 approved the sale of two strips of land with a total surface area of approximately 152 m² located in the Saint-Roman District of Roquebrune Cap-Martin to Mr Eric Chauvet for the price of €304,200.

In order to complete this sale, the two plots owned by the Company were the subject of a division as shown in the land survey document issued by the real estate surveyor appointed by the notary handling the deed of sale. For technical reasons, the real estate surveyor's report adjusted the surface area of said plots to 164 m².

The Board of Directors decided to authorize the sale of the additional 12 m² without adjusting the price.

We therefore ask you to ratify said sale in accordance with the revised terms thereof.

The General Meeting's authorization enabling Members of the Board of Directors to enter into contracts with the Company personally or in an official capacity pursuant to Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws (6th resolution)

The **sixth resolution** asks you to:

- approve the transactions carried out over the course of the 2014/2015 financial year that fall within the scope of application of Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws;
- renew the authorization granted to the Members of the Board of Directors to enter into contracts with the Company personally or in an official capacity in accordance with said articles.

In Chapter 3.1.5 of this document, we reported on the transactions that took place, directly or indirectly, between your Company and its Directors or your Company and affiliated and unaffiliated companies with the same directors.

Pursuant to Article 23 of the Order of March 5, 1895, we kindly ask you to ratify said transactions.

Authorization to buyback the Company's shares (7th resolution)

The **seventh resolution** asks you to renew your authorization to buyback Company shares.

The Ordinary General Meeting held on September 19, 2014 gave such an authorization for an 18-month period as from the date of said Meeting, i.e. until March 19, 2016. This option has not been exercised.

However, the Meeting is asked to renew this authorization and thereby permit the Board of Directors to acquire a maximum of 5% of the Company's share capital.

The objectives pursued are identical to those that were indicated on September 19, 2014, i.e.:

- holding and subsequently using the shares in exchange or as payment within the framework of external growth (including the acquisition and increase of shareholding);
- ensuring active operation and market liquidity through an investment service provider, acting independently pursuant to a liquidity agreement that complies with a charter of ethics recognized by the French Financial Markets Authority *(Autorité des Marchés Financiers);*
- holding shares in order to enable the Company to honour its obligations in respect of debt securities that may be converted into shares or other securities granting access to existing shares;
- holding shares that may be allocated to employees and subsidiary companies within the framework of stock options or free allocation of existing shares;
- carrying out any other practice as may be permitted or recognized by French law or by the French Financial Markets Authority (*Autorité des Marchés Financiers)*, or pursuing any other objective that complies with the applicable laws and regulations.

Consequently, we ask you to adopt the following share buyback program:

- authorization to purchase Company shares, under the conditions set forth herebelow, and representing a maximum of 5% of the existing share capital as of the date of this General Meeting;
- the maximum purchase price must not exceed €60 per share, it being hereby specified that in the event of capital transactions, including but not limited to, capitalization of reserves and allocation of free shares and/or splitting or pooling of shares, this maximum price shall be adjusted accordingly;
- maximum amount of funds to be used for the buyback program shall not to exceed €45 million;
- authorization valid for an 18-month period as from September 18, 2015;

- shares to be acquired or transferred by any means, including, but not limited to, on the market or by private sale, including block purchases or transfers, through derivative financial instruments traded on a regulated market or by private sale, in accordance with the applicable laws as of the date of the transactions in question, and at such time as the Board of Directors or any person acting on the authority of the Board of Directors deems appropriate.

As from the date hereof such authorization would replace and invalidate the remaining term of any unused portion of any authorization that may have been granted by the Stockholders' General Meeting for the same purpose.

We kindly ask you to authorize the share buyback program that we have submitted to you for approval.

4.3. RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY GENERAL MEETING

FIRST RESOLUTION

Approval of the financial statements of Société des Bains de Mer

The Stockholders' General Meeting, having listened to the Board of Director's report and the reports of the Contractual Auditor and the Statutory Auditors, approves the financial statements of Société des Bains de Mer:

- the balance sheet and profit and loss account for the financial year ended March 31, 2015, as presented to the General Meeting, showing a net profit of €115,020.82.
- the transactions completed during the financial year, as shown in the balance sheet or summarized in the reports of the Board of Directors or the Statutory Auditors.

SECOND RESOLUTION

Approval of the consolidated financial statements

The Stockholders' General Meeting, after listening to the report of the Board of Directors and the reports of the Contractual Auditor and Statutory Auditors, approves the consolidated financial statements for the financial year ended March 31, 2015, as presented to it, and the transactions reflected in the financial statements and summarized in these reports.

THIRD RESOLUTION

Discharge to all current Directors

The Stockholders' General Meeting granted discharge to the current Directors with respect of their management during the financial year.

FOURTH RESOLUTION

Allocation of profits/losses for the financial year ended March 31, 2015

The Stockholders' General Meeting, having read the Board of Directors' and the Statutory Auditors' reports:

• notes that the profits for the 2014/2015 financial year amount to	€115,020.82
• notes that the retained earnings amount to	€183,388,540.83
hence, net income available for appropriation amounts to	€183,503,561.65
• decides to appropriate the resulting total:	
∗ to the statutory reserve	€635,617.10
∗ to the contingency reserve, i.e. 2% of the profit for the financial year	€2,300.42
∗ to the Board of Directors	€3,450.62
∗ retained earnings	€182,862,193.51

FIFTH RESOLUTION

Real estate matters

The Stockholders' General Meeting ratified the sale of two strips of land with a total surface area of 164m² located in the Saint-Roman District of Roquebrune Cap-Martin to Mr Eric Chauvet for the price of €304,200.

SIXTH RESOLUTION

The Stockholders' General Meeting's authorization enabling Members of the Board of Directors to enter into contracts with the Company personally or in an official capacity pursuant to Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws

The Stockholders' General Meeting approved the transactions that were carried out over the course of the 2014/2015 financial year and that fall within the scope of application of Article 23 of the Order of March 5, 1895 and Article 20 of the Bylaws.

It renewed the authorization granted to Members of the Board of Directors enabling them to enter into contracts with the Company personally or in an official capacity in accordance with said articles.

SEVENTH RESOLUTION

Authorization to buyback Company shares

Pursuant to Article 41 of the Bylaws, the Stockholders' General Meeting authorizes the Board of Directors to purchase Company shares, under the terms defined below and for up to 5% of the share capital as of the date of this meeting:

- the maximum purchase price shall not exceed €60 per share, bearing in mind that in the event of share capital transactions, particularly through the capitalization of reserves and allotment of bonus shares, and/or share splits or reserve splits, this price shall be adjusted accordingly;
- the maximum amount of funds intended for this buyback program may not exceed €45 million;
- this authorization is valid for a period of 18 months as from September 18, 2015;
- these shares may be purchased or transferred, by any means, particularly on the stock exchange or in a private transaction, including through purchase or sale of blocks, use derivative financial instruments traded on a regulated market or in a private transaction, in accordance with the regulations prevailing on the date of the transactions considered, and at times that the Board of Directors or the person acting on behalf of the Board shall see fit.

The Stockholders' General Meeting decides that this share buyback program is as follows:

- retention and subsequent tender of shares within the scope of an exchange offer or for payment in external growth transactions (including new investments or additional investments);
- maintaining an active and liquid market in the Company's shares through an independent investment services provider, pursuant to a liquidity agreement in accordance with an ethics charter recognized by the French Financial Markets Authority *(Autorité des Marchés Financiers)*;
- possession of shares enabling the Company to fulfil obligations relating to debt securities exchangeable for shares or other marketable securities granting entitlement to existing shares;

- possession of shares that may be allotted to the Company's personnel and that of subsidiaries under share purchase option or bonus share allotment plans;
- adoption of any other practice accepted or recognized by French law or the French Financial Markets Authority in the future, or any other objective that would comply with prevailing regulations.

As from the date hereof this authorization shall replace and invalidate the remaining term of any unused portion of any authorization that may have been granted by the Stockholders' General Meeting for the same purpose.

The Stockholders' General Meeting grants full powers to the Board of Directors, with the possibility of delegating such powers, to deliberate and implement this authorization, clarify, if need be, the terms and conditions and approve them, place orders for trades, enter into all agreements, prepare all disclosure documents, allocate, and where appropriate reallocate, the purchased share to the various objectives, perform all formalities and make all declarations with regard to all authorities and, generally, do all that necessary.

5. KEY FIGURES

KEY FIGURES RELATED TO THE LAST THREE FISCAL YEARS

CONSOLIDATED FIGURES (in million of euros)	12/13	13/14	14/15
Consolidated revenue	424.1	472.5	452.4
Operating income before depreciation and amortization	16.3	40.2	20.1
Operating income	(32.7)	(11.8)	(31.5)
Consolidated net income attributable to the owners of the parent company	(50.7)	17.3	10.0
Comprehensive income attributable to the owners of the parent company	(52.7)	(10.0)	(36.4)
Cash generated from operations	17.0	44.3	21.1
Purchase of PP&E, intangible and financial assets	59.7	79.6	101.9
Equity	516.7	498.8	680.4
Net Debt / (Cash position)	38.5	15.6	(186.2)
Average number of employees	4,044	4,137	4,164
Market share price as of fiscal year's last day (in euros)	34.80	39.82	34.00

HOTEL SECTOR FIGURES			
Hotels operated (number including Le Méridien Beach Plaza starting from July 1st, 2012)	5	5	5
Accomodation capacity (average number of rooms available)	1,122	1,223	1,148
Occupancy rate (average rate including Le Méridien Beach Plaza)	60.5%	59.6%	64.2%
Consolidated revenue	222.3	237.4	226.4
Operating income	0.9	(1.0)	(6.2)

GAMING SECTOR FIGURES			
Casinos operated (number of permanent establishments at the end of the period)	5	4	4
Consolidated revenue (gross gaming revenue)	176.1	207.9	196.4
Operating income	(15.0)	5.9	(16.3)

LEASING SECTOR FIGURES			
Consolidated revenue	23.7	26.1	28.9
Operating income	15.9	17.6	17.6

The key figures related to the last three fiscal years are extracted from the Group consolidated financial statements (statement of financial position, statement of income, cash flow statement) for fiscal years ended March 31, 2013, 2014 and 2015. Published figures related to 2012/2013 fiscal year have been restated to take over the retrospective application of IAS19 revised, as described in note 2.4 of the notes associated to 2013/2014 consolidated financial statements of the 2014 "Document de Référence".

6. ANALYSIS OF THE FINANCIAL POSITION AND ACTIVITY OF SBM GROUP DURING FISCAL YEAR 2014/2015

6.1. PRESENTATION OF FISCAL YEAR 2014/2015 RESULTS

6.1.1. HIGHLIGHTS OF ACTIVITY IN FISCAL YEAR 2014/2015

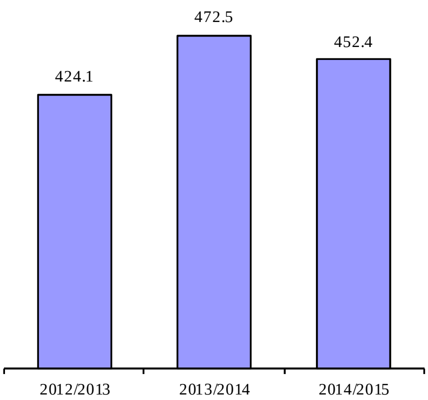
SBM Group's performance in fiscal year 2014/2015 was down compared to the previous year, both in terms of revenue and earnings.

The Group reported consolidated revenue of €452.4 million for fiscal year 2014/2015 compared to €472.5 million in 2013/2014, for a decrease of 4%.

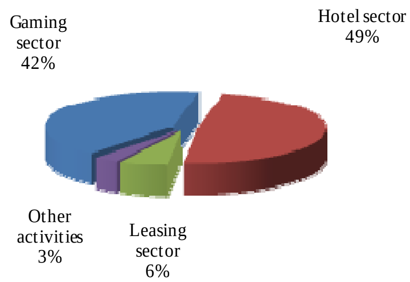
GROUP REVENUE BY BUSINESS SEGMENT (in million of euros)	12/13	13/14	14/15	variation in M€
Gaming Sector	176.1	207.9	196.4	(11.5)
Hotel Sector	222.3	237.4	226.4	(11.0)
Leasing Sector	23.7	26.1	28.9	2.8
Other Activities	16.2	14.7	14.8	0.1
Internal transfers	(14.1)	(13.7)	(14.1)	(0.4)
CONSOLIDATED REVENUES	**424.1**	**472.5**	**452.4**	**(20.1)**

Consolidated revenues

in million of euros



Breakdown of activties



The decline in activity impacted the gaming and hotel sectors, whereas the leasing sector continued to develop.

The gaming sector reported revenue of €196.4 million, versus €207.9 million in 2013/2014, a decrease of 6%. This decline compared to the previous year mainly resulted from the sharp fall in revenues observed in the third quarter, down 40% compared to the same period in the previous year for the aforementioned reasons, while the first half reported a 8% increase in activity, and fourth quarter revenue remained stable compared to the previous year.

For the record, the third quarter of fiscal 2013/2014 had benefited from very significant table game receipts in November 2013, i.e. €24.1 million representing more than 18% of the annual receipts. For fiscal 2014/2015, table game activity was on the contrary marked in November 2014 by very unfavorable events for European Roulette and in particular Punto Banco, resulted in negative revenue of €5 million in the month, the October and December receipts being in line with or surpassing those of fiscal 2013/2014.

Revenue in the hotel sector amounted to €226.4 million, versus €237.4 million in 2013/2014. This decline was firstly due to the total closure of the Hôtel de Paris in the third quarter, enabling it to be prepared for partial operation throughout the four years required to complete the work. The hotel reopened at the end of December with a capacity reduced to around 40 rooms and reported an €11.5 million decline in revenue for fiscal 2014/2015 compared to the previous year. The hotel sector was also impacted, in the amount of €3.9 million, by the closure of Thermes Marins Monte-Carlo until the completion of the renovation work on two of the establishment's four floors. The Group's other establishments reported an improved performance compared to the previous year's achievements.

The leasing sector, comprising the leasing of boutiques and office space, and the Monte-Carlo Bay and Balmoral hotel residences activities and the new Villas du Sporting, reported revenue of €28.9 million, up 11% compared to the previous year, with the renegotiation of certain leases and gradual leasing of the new Villas du Sporting.

Finally, the other activities sector recorded annual revenue of €14.8 million, stable compared to the previous year.

6.1.2. ANALYSIS OF FISCAL YEAR 2014/2015 OPERATING RESULTS BY SECTOR

The developments in the various business sectors – gaming, hotels and leasing – are analyzed below for the year ended March 31, 2015.

Gaming sector

With receipts of €196.4 million in 2014/2015, the gaming sector reported an €11.5 million or -6% decrease in revenue compared to last year, primarily due to a decline in table game receipts in European games and, to a lesser extent, American games.

The following table shows the development of gaming sector receipts by business segment.

The other activities segment mainly comprised the entrance fees to the main Casino and, since fiscal 2014/2015, the catering and bar receipts recorded within the gaming establishments.

In previous financial reports, the other activities segment was classified under table games. Starting from this report, other activities revenue is presented on a separate line from table games.

GAMING REVENUE (in million of euros)		12/13	13/14	14/15	%
51%	Table games	79.7	115.0	100.1	(13.0)
45%	Slot machines	95.3	91.6	88.6	(3.3)
4%	Other activities	1.1	1.3	7.7	-
100%	**Total gaming sector**	**176.1**	**207.9**	**196.4**	**(5.5)**

The **table games** sector reported revenue of €100.1 million in fiscal 2014/2015, compared to €115 million the previous year, down - €14.9 million or - 13%.

As previously stated, this decline compared to last year was primarily attributable to the 71% decrease in table game receipts observed in the third quarter, whereas activity in the first half-year rose by 9% and fourth quarter revenue increased by 13% compared to the previous year.

For the record, the third quarter of fiscal 2013/2014 had benefited from very significant table game receipts in November 2013, i.e. €24.1 million for this specific month, representing more than 18% in annual receipts. For fiscal 2014/2015, table game activity was on the contrary marked in November 2014 by very unfavorable events for European Roulette and in particular Punto Banco, resulting in negative revenue of €5 million in the month.

The particularly unfavorable evolution in the "hold" (receipts/betting), which amounted to 15% for all games at year-end, compared to a rate of around 18% for the previous year, is therefore the primary reason for this decline in table game revenue, the decisive month having been November 2014.

The unfavorable impact of this decrease was only partially limited by the greater attendance of prestigious patrons, resulting in a 6% "drop" increase.

Gross European game receipts, which account for the highest proportion of gaming revenue, with 58% this year, decreased of -8% compared to 2013/2014. European Roulette suffered from the negative impact of the hold decrease, amounting to 14% compared to 21% last year. Punto Banco receipts remained stable compared to fiscal 2013/2014, despite an equally substantial hold reduction, which nevertheless demonstrates the growing attraction for this game. Finally, Texas Hold'Hem Ultimate receipts rose sharply.

Gross American game receipts also decreased during the year, by 16%, primarily due to the decline in the hold and as a consequence the Black Jack results at the Casino. The Sun Casino however reported a slight increase in receipts from Black Jack, which remains one of the games most appreciated by patrons. Lower receipts were also recorded for other games, such as Craps or poker, but to a lesser extent.

The **slot machines** sector posted a decline in its activity, with revenue of €88.6 million in 2014/2015, compared to €91.6 million for the previous year.

This 3% decline in receipts was essentially due to the increase in the payout ratio for players that was initiated in order to privilege their playtime. The volume of bets therefore improved by 0.5% despite the closure of the Rascasse gaming room in December 2013.

This stabilized betting was a result of the 24/7 opening of the Café de Paris Casino as from July 2014. Whereas, for the first quarter of the fiscal year, i.e. from April through to June 2014, the casino reported a decline in bets by more than 7%, the decision to remain open 24/7 reversed this trend and gave rise to a 6% increase in betting from July 2014 through to March 2015.

The events organized for the launch of this 24/7 opening and an intensified promotional policy also boosted the casino's attendance.

The other sites operating slot machines, i.e. the Casino, Sun Casino and Bay Casino, also posted a decline in their slot machine revenue.

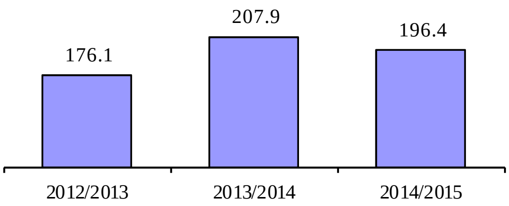
Receipts from **other activities** amounted to €7.7 million, compared to €1.3 million for fiscal 2013/2014, the catering and bar activities at the Monte-Carlo Casino and the Café de Paris Casino now being classified under the gaming sector and not the hotel sector.

For the **entire gaming sector**, an operating loss before depreciation and amortization of €8.4 million was recorded in fiscal 2014/2015, compared to an operating income of €14.2 million for the previous year.

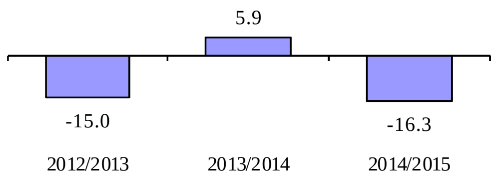
This €22.6 million decrease in operating loss before depreciation and amortization was primarily attributable to the aforementioned sharp decline in gaming sector revenue. The sector's earnings in fiscal 2014/2015 also take into account the impacts of the new Table Game Collective Agreement in terms of pension commitments. The amendments to the compensation and retirement terms and conditions for employees working in the company on the signature date of this agreement gave rise to an additional provision of €7.6 million expensed during the year.

After taking into account the depreciation and amortization charge, the Group reported an operating loss of €16.3 million for the gaming sector in 2014/2015, compared to an income of €5.9 million the previous year.

GAMING REVENUE (in million of euros)



OPERATING INCOME FROM GAMES (in million of euros)



Hotel sector

With the start of the extensive renovation of the Hôtel de Paris in October 2014 came a more difficult period in terms of operations. Scheduled to last four years, the work conducted at the Hôtel de Paris invariably has an impact on the hotel sector's performance.

There had already been an additional depreciation and amortization charge of €5.4 million for the Hôtel de Paris in fiscal 2013/2014, due to the revised asset depreciation plan of this establishment with the prospect of the future renovation program.

With respect to 2014/2015, the hotel sector results are impacted by the Hôtel de Paris work in a proportion that is even more significant, with:

- an additional expense following the revised depreciation plan for the Hôtel de Paris in the amount of €3.7 million, nevertheless lower than the €5.4 million incurred in 2013/2014;
- the cost of compensation paid under the plan of termination of the Hôtel de Paris, or €4.1 million;
- the consequences of the Hôtel de Paris closing for three months prior to its reopening at the end of 2014 with an accommodation capacity that was reduced to 40 rooms instead of the previous 182.

The hotel sector thus posted revenue of €226.4 million for fiscal 2014/2015, compared to €237.4 million for the previous year, a - 4% or €11 million decline for the overall sector. Revenue for the Hôtel de Paris declined by €11.5 million, with the start-up of the program previously described, and that of Thermes Marins Monte-Carlo decreased by €3.9 million following the establishment's partial nine-month closing to ensure the complete renovation of two of the four levels open to the public.

While at the end of the year the Hôtel Hermitage benefited from the transfer of operations from the Hôtel de Paris undergoing renovation, the solid performance of the three seaside hotels must be underscored with growth in the activity, in particular:

- at the beginning of the year, with the welcoming of participants to the Monte-Carlo Rolex Masters tennis tournament and the final tournament of the European Poker Tour and the related tournaments organized in connection with this event;
- during the low season, with the hosting of an event in November 2014 organized by a major automobile sector group, resulting in 4,000 overnight stays in the entire Resort.

The trends of the various activity segments can be analyzed as follows:

HOTEL REVENUE (in million of euros)		12/13	13/14	14/15	%
42%	Accomodation	86.6	94.8	95.1	0.3
46%	Catering	107.7	113.1	103.8	(8.2)
12%	Other activities	28.0	29.5	27.5	(6.8)
100%	**Total hotel sector**	**222.3**	**237.4**	**226.4**	**(4.6)**

Group **Accommodation** revenue stood at €95.1 million, compared to €94.8 million for fiscal 2013/2014.

The Group thus slightly surpassed the previous year's level of activity, despite the complete closing of the Hôtel de Paris in the third quarter and its reopening with a reduced capacity of approximately 40 rooms. The €5.4 million accommodation revenue loss observed at the Hôtel de Paris was therefore fully offset by the other Group establishments and particularly the Hôtel Hermitage, the latter benefitting from both the transfer of clientele activity from Hôtel de Paris and the reinforcement of commercial initiatives to promote its offer. The accommodation revenue growth generated by the other establishments stood at + 6% for the Monte-Carlo Bay Hotel & Resort and + 9% for the Méridien Beach Plaza.

The following are some of the accommodation indicators for the entire SBM Group:

- the occupancy rate increased, to stand at 64.2% compared to 59.6% for fiscal 2013/2014, with each establishment posting growth except for the Monte-Carlo Beach. As it is calculated on the number of rooms available for sale, the occupancy rate of the Hôtel de Paris also exceeded the previous year, the period of closing having covered the months with the lowest attendance;
- average accommodation prices are stable, with an increase reported for the Monte-Carlo Beach and to a lesser extent the Hôtel Hermitage. The Hôtel de Paris average price also improved with strong first-quarter growth and a minor impact from the establishment's complete closing over a period when average prices are low;
- finally, client segmentation by geographical origin remains consistent with last year, the share of French clients continuing to dominate with 19% of the market. Russian and American clients accounted for 15% and 14%, respectively.

The **catering** activity posted revenue of €103.8 million, compared to €113.1 million the previous year, for a decrease of €9.3 million. The decline is primarily due to the temporary or permanent closing of several restaurant facilities during fiscal 2014/2015: the Hôtel de Paris and Thermes Marins Monte-Carlo restaurants, and the Louis XV restaurant, which was also closed for the full three months of the establishment's complete renovation. In addition, the operations of the catering and bar activities within the Casino and the Café de Paris Casino have been assigned to the gaming sector since June 2014 rather than the hotel sector as was previously the case.

Other SBM Group establishment posted contrasted evolutions in terms of catering, with a favorable outcome for establishments that benefitted from a higher attendance rate (particularly the Hôtel Hermitage and the Monte-Carlo Bay Hotel), or a decline in activity for others, such as Jimmy'z, whose revenue decreased due to more intense local competition.

For the SBM Group as a whole, the number of meals served totaled 1,038,000, representing a loss of 98,000 compared to last year due to the aforementioned closings and the transfer of the Casino restaurants to the gaming sector. Attendance also declined at the Café de Paris, which was hindered by the Place du Casino work and the competition from Port Hercule establishments. Overall, the average price for all establishments was stable year on year.

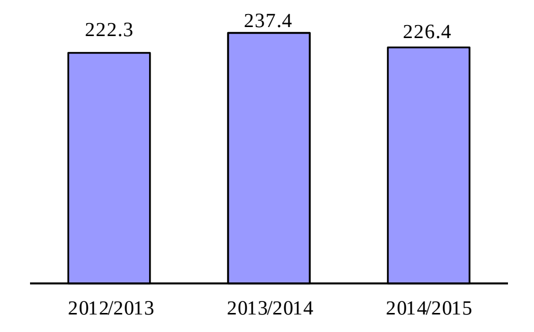
The hotel sector's **other activities** posted a 7% decrease in revenue, to stand at €27.5 million for fiscal 2014/2015, compared to €29.6 million the previous year. This is explained by the partial closing of the Thermes Marins Monte-Carlo establishment over nine months for the complete renovation of two of the four levels open to the public, while other activities, in particular the Monte-Carlo Beach seaside complex, rose in relation to last year.

Operating income before depreciation and amortization for the **entire hotel sector** totaled €24.6 million for fiscal 2014/2015, compared to €33.6 million for fiscal 2013/2014, i.e. a decrease of €9 million.

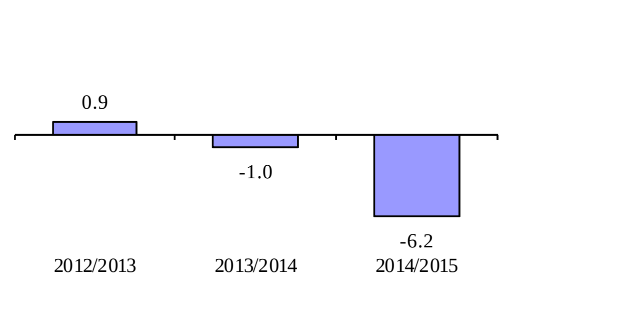
Depreciation and amortization charges for the hotel sector deceased by €3.7 million, standing at €30.9 million for fiscal 2014/2015. The decrease in depreciation and amortization charges concerns the Hôtel de Paris for €1.4 million and the Monte-Carlo Bay Hotel & Resort for €1.8 million, this establishment preparing to celebrate the tenth anniversary of its operations.

After taking into account depreciation and amortization charges, the hotel sector posted an operating loss of - €6.2 million for fiscal 2014/2015, compared to a loss of - €1 million the previous year.

HOTEL REVENUE (in million of euros)*



OPERATING INCOME FROM HOTELS (in million of euros)



* including Méridien Beach Plaza revenue : 22.8M€ in 2012/2013, 32.3M€ in 2013/2014 et 34.6M€ in 2014/2015

Leasing sector

Revenue for the leasing sector stood at €28.9 million for fiscal 2014/2015, compared to €26.1 million the previous year, for a growth rate of 11%.

LEASING REVENUE (in million of euros)		12/13	13/14	14/15	%
54%	Commercial leasing	14.6	15.1	15.6	3.4
46%	Residential leasing	9.1	11.1	13.3	20.2
100%	**Total leasing sector**	**23.7**	**26.1**	**28.9**	**10.6**

The **commercial leasing** segment, which combines the boutique and office leasing income streams, posted revenue of €15.6 million for fiscal 2014/2015, compared to €15.1 million the previous year. The rise is due to the yearly rent indexing and the leasing of the Jardins des Boulingrins boutiques, to replace the commercial spaces previously located in the Sporting d'Hiver building and the Beaux-Arts wing of the Hôtel de Paris.

The **residential leasing** segment mainly comprises the exclusive Monte-Carlo Bay and Balmoral residences. In 2014/2015, three Villas du Sporting were commissioned, an unprecedented property development in the Principality of Monaco. Surrounded by luxurious vegetation, each villa has a private swimming pool, in the shade of stone pines, cypresses, Atlas cedars and magnificent palm trees.

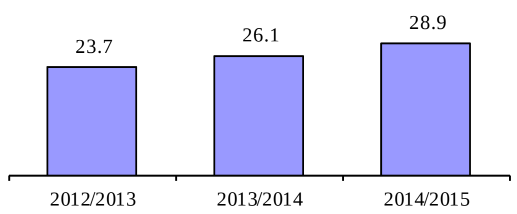
Residential leasing revenue amounted to €13.3 million for fiscal 2014/2015, compared to €11.1 million for fiscal 2013/2014, an increase of €2.2 million due to the gradual leasing of the three aforementioned villas.

For the **leasing sector as a whole**, operating income before depreciation and amortization stood at €25.6 million for fiscal 2014/2015, compared to €22.8 million the previous year, an increase of €2.8 million.

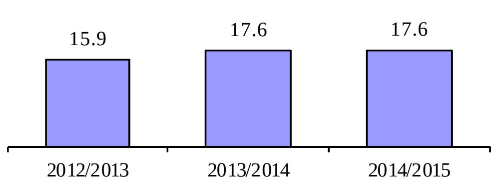
The sector's depreciation and amortization charge rose by €3.1 million during the year, with the commissioning of the Villas du Sporting and the Pavillons des Boulingrins.

Taking into account the depreciation and amortization charge, operating income for the leasing sector stood at €17.6 million, identical to that of the previous year.

LEASING REVENUE (in million of euros)



OPERATING INCOME FROM LEASING (in million of euros)



6.1.3. 2014/2015 CONSOLIDATED EARNINGS

The table below presents the SBM Group's consolidated statement of income for the years ended March 31, 2014 and March 31, 2015:

	2013 / 2014 Fiscal year	2014 / 2015 Fiscal year
Revenue	**472,512**	**452,385**
Cost of goods sold, raw materials & other supplies	(52,760)	(51,204)
Other external charges	(120,094)	(117,807)
Taxes and similar payments	(34,250)	(31,827)
Wages and salaries	(217,799)	(222,615)
Depreciation and amortization	(51,964)	(51,629)
Other operating income and expenses	(7,402)	(8,819)
Operating income	**(11,757)**	**(31,517)**
Income from cash and cash equivalents	15	25
Gross finance costs	(332)	(886)
Net finance costs	**(317)**	**(860)**
Other financial income and expenses	33,231	42,203
Income tax expense		
Net income/(loss) of associates	(3,847)	350
CONSOLIDATED NET INCOME	**17,310**	**10,175**
Non controlling interests (minority shares)	(57)	(136)
CONSOLIDATED NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	**17,252**	**10,040**
Average number of shares issued	**18,160,490**	**18,282,389**
Net earnings per share (in euros)	**0.95**	**0.55**
Net diluted earnings per share (in euros)	**0.95**	**0.55**

Statement of comprehensive income

Consolidated net income	**17,310**	**10,175**
Items that will not be reclassified subsequently to profit or loss		
- Actuarial gains and losses on employee benefits (IAS 19 revised)	427	-6,136
- Share of profit/(loss) of associates	6	-46
Items that may be reclassified subsequently to profit or loss		
- Gains and losses on the remeasurement of available-for-sale financial assets (IAS 39)	-27,683	-40,350
- Share of profit/(loss) of associates		71
TOTAL COMPREHENSIVE INCOME	**-9,941**	**-36,286**
Of which attributable to the owners of the parent company	-9,998	-36,415
Of which attributable to non controlling interests (minority interests)	57	129

The decreases in “Costs of goods sold, raw materials & other supplies” for €1.6 million and “Other external charges” for €2.3 million are primarily related to the aforementioned closings of establishments above and to reductions in certain external charges (commissions paid to agents, fees, better control over invitations).

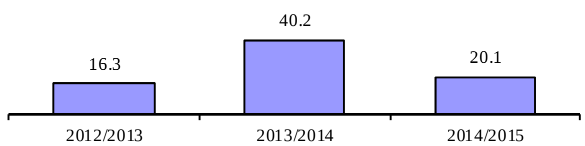
The change in “Taxes and similar payments” is attributable to the decrease in the licensing fee on gross gaming receipts, because of lower gaming receipts during the year.

The €4.8 million increase in “Wages and salaries” is primarily due to pension commitments arising from the 2014/2015 inclusion of the new Table Game Collective Agreement. The amendments to the compensation and retirement terms and conditions for employees working in the company on the signature date of this agreement gave rise to an additional provision of €7.6 million expensed during the year.

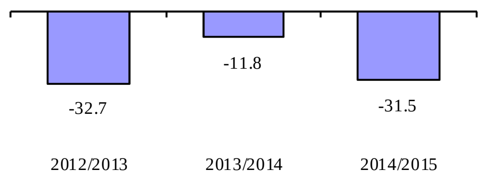
Lastly, “Depreciation and amortization” decreased by €0.3 million, the increase in the charge for the leasing sector in the amount of €2.7 million (commissioning of the Pavillons des Boulingrins and the Villas du Sporting) and the new administrative site being totally offset by a €3.7 million decrease in the charge for the hotel sector (Hôtel de Paris and Monte-Carlo Bay Hotel).

The Group posted an **operating loss** of -€31.5 million, compared to a loss of -€11.8 million the previous year. The decline is due to a drop in gaming revenue, the start-up of work at the Hôtel de Paris and its operation under a reduced capacity of 40 rooms, and the recognition of a non-recurring charge of €7.6 million to take into account the impacts of the new Table Game Collective Agreement with respect to pension commitments.

Operating income before depreciation and amortization
in million of euros



Operating income
in million of euros



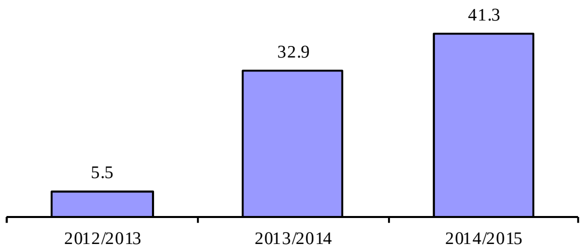
The SBM Group recognizes actuarial gains and losses relating to post-employment benefits in accordance with IAS 19 revised, whose adoption is mandatory for financial periods beginning on or after January 1, 2013.

In order to compare results, the 2012/2013 data has been restated so as to include the retrospective adoption of this standard, resulting in the cancellation of a €0.7 million charge.

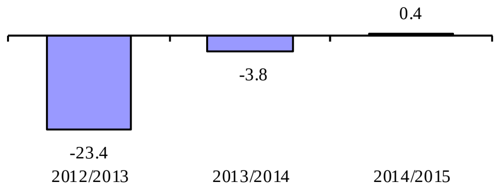
Financial income for fiscal 2014/2015 totaled €41.3 million, compared to a profit of €32.9 million the previous year. The Group in fact benefitted from the sale of 400,000 Wynn Resorts, Ltd shares in April 2014, which generated a capital gain of €38 million, compared to a capital gain of €32.9 million in April 2013 for the same number of shares sold.

Finally, **the equity-accounting consolidation of Betclic Everest Group**, an on-line gaming group in which the Group has a 50% stake, requires the recognition of 50% of its net income for the period in question, resulting in a first-ever positive share in the amount of €0.4 million, compared to a negative share of -€3.8 million for fiscal 2013/2014. This change reflects the ongoing initiatives of Betclic Everest Group to rationalize its operating costs and develop sports betting activities.

Financial income
in million of euros

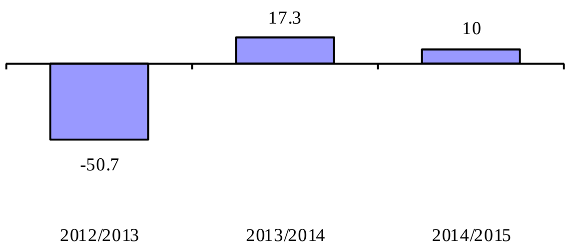


Share in net profit of the BetClic Everest Group
in million of euros



Consolidated net income attributable to the owners of the parent company posted a profit of €10 million for fiscal 2014/2015, compared to €17.3 million for fiscal 2013/2014.

Net income attributable to the owner of the parent company
in million of euros



In order to compare results, the 2012/2013 data has been restated, as previously indicated, so as to include the retrospective adoption of IAS 19 revised, resulting in the cancellation of a €0.7 million charge.

This change had a negative impact of €9.3 million on the April 1, 2013 opening balance of Equity attributable to the owners of the parent company.

The change in accounting method is described in note 2.4 of the notes associated to the 2013/2014 consolidated financial statements of the 2014 "Document de Référence".

6.1.4. CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2015

ASSETS		March 31, 2014	March 31, 2015
Goodwill	Note 4	**32**	**32**
Intangible assets	Note 4	**7,081**	**6,188**
Property, plant & equipment	Note 5	**587,800**	**633,927**
Equity investments		46,387	72,280
Other non-current financial assets		56,799	32,819
Non-current financial assets	Note 6	**103,186**	**105,099**
NON-CURRENT ASSETS		**698,099**	**745,246**
Inventory	Note 7	12,163	11,597
Trade receivables	Note 8	37,888	44,733
Other receivables	Note 9	19,902	24,458
Other financial assets	Note 10	1,116	11
Cash and cash equivalents	Note 11	24,733	186,895
CURRENT ASSETS		**95,801**	**267,694**
Assets held for sale	Note 6	64,447	
TOTAL ASSETS		**858,348**	**1,012,940**

LIABILITIES & EQUITY		March 31, 2014	March 31, 2015
Common stock		18,160	24,517
Additional paid-in capital		5,374	214,650
Reserves		439,162	455,688
Reserves related to the change in fair value of financial assets registred in equity		18,579	-24,856
Consolidated net income for the period		17,252	10,040
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**498,528**	**680,039**
Non controlling interests (minority interests)		223	321
EQUITY		**498,751**	**680,359**
Financial liabilities and borrowings	Note 12	4,387	3,846
Employee benefits	Note 13	32,071	44,576
Provisions	Note 14	965	2,119
Other non-current liabilities	Note 15	75,068	99,474
TOTAL NON-CURRENT LIABILITIES		**611,241**	**830,375**
Trade payables	Note 16	25,703	31,367
Other payables	Note 17	150,553	146,853
Provisions	Note 14	6,196	201
Financial liabilities	Note 12	64,654	4,145
TOTAL CURRENT LIABILITIES		**247,107**	**182,566**
TOTAL LIABILITIES & EQUITY		**858,348**	**1,012,940**

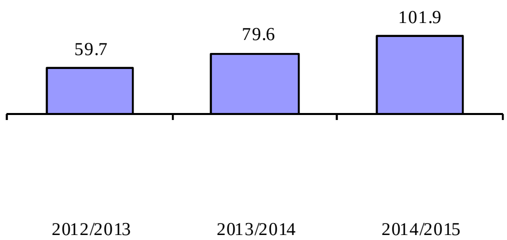
6.1.5. 2014/2015 CONSOLIDATED CASH FLOW STATEMENT

		2013/2014 FISCAL YEAR	2014/2015 FISCAL YEAR
OPERATING ACTIVITIES			
Consolidated net income attributable to owners of the parent company		17,252	10,040
Non controlling interest (minority interest)		57	136
Amortization		51,964	51,629
Net income/(loss) of associates		3,847	(350)
Portion of investment grant recorded in profit or loss		(837)	(696)
Changes in provisions		1,572	1,530
Gains and losses on changes in fair value		366	(1,513)
Other income and expenses calculated		1,800	(1,880)
Capital gains and losses on disposal		(31,765)	(37,843)
Cash generated from operations		44,257	21,052
Net finance costs (excluding change in fair value) and income tax expense		1,357	967
Cash generated from operations before net finance costs and income tax expense		45,614	22,020
Tax paid			
Decrease / (increase) in WCR relating to operations	Note 27	22,009	18,192
CASH FLOW FROM OPERATING ACTIVITIES		**67,623**	**40,212**
INVESTING ACTIVITIES			
Purchase of PP&E, intangible and financial assets	Notes 4, 5 & 6	(79,628)	(101,893)
Gains on disposal of PP&E and intangible assets	Notes 4, 5 & 6	38,276	46,042
Impact of changes in scope of consolidation			
Change in loans and advances granted	Note 6	(1,878)	3,313
CASH FLOW USED IN INVESTING ACTIVITIES		**(43,230)**	**(52,538)**
FINANCING ACTIVITIES			
Dividends paid		(182)	(757)
Minority contributions and changes in scope of consolidation			
Share capital increase			215,632
Changes in stable financing activities (including credit line)	Note 12	(30,638)	(39,430)
Net interest received (paid)	Note 22	(1,357)	(967)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		**(32,177)**	**174,477**
CHANGE IN CASH AND CASH EQUIVALENTS		**(7,784)**	**162,152**
Cash and cash equivalents at beginning of the period		**32,517**	**24,733**
Cash restated at fair value			11
Cash and cash equivalents at the end of the period		**24,733**	**186,895**
Cash and cash equivalents - Assets		24,733	186,895
Bank - Liabilities			

Because of the decline of operating performance, **cash from operations** amounted to €21.1 million for fiscal 2014/2015, compared to €44.3 million the previous year. After taking into account the change in the working capital requirement, net cash flows from operations totaled €40.2 million for fiscal 2014/2015, compared to €67.6 million for fiscal 2013/2014.

In addition, the continued roll-out of the **investment** program represented a cash outflow of €101.9 million for fiscal 2014/2015 with respect to acquisitions of property, plant and equipment, intangible assets and long-term investments, compared to €79.6 million the previous year. After taking into account the gains on asset disposals, of which €43.9 million for the Wynn Resorts, Ltd. shares in 2014/2015 compared to €38 million the previous year and the change in loans and advances granted, net cash flow used in investing activities amounted to €52.5 million for fiscal 2014/2015, compared to €43.2 million the previous year.

Capital Expenditure
in million of euros



With respect to financing activities, the Group carried out a capital increase in March 2015 for a gross amount of €220 million, and a net gain of €215.6 million following the allocation of capital increase costs to paid-in capital. The SBM Group's credit facility with a pool of financial institutions expired as of March 31, 2015. The capital increase enabled the repayment of the draw-downs from this facility, which amounted to €70 million prior to the March 27, 2015 repayment.

As of March 31, 2015, the SBM Group's **net cash position** was positive at €186.2 million, compared to a negative balance of €15.6 million year on year.

6.1.6. PARENT COMPANY RESULTS OF SOCIETE DES BAINS DE MER

The financial statements of Société des Bains de Mer, the parent company, present the following results:

SOCIETE DES BAINS DE MER - PARENT COMPANY (in million of euros)	12/13	13/14	14/15	Variation in million of euros
Revenue	**373.3**	**418.7**	**396.4**	**(22.3)**
Operating income / (loss)	**(35.6)**	**(17.7)**	**(35.2)**	**(17.5)**
Financial income / (loss)	**9.4**	**5.6**	**6.0**	**0.4**
Exceptional income / (loss)	**(4.2)**	**30.4**	**29.3**	**(1.1)**
Net income / (loss)	**(30.4)**	**18.3**	**0.1**	**(18.2)**

REVENUE

Revenue amounted to €396.4 million for fiscal 2014/2015, compared to €418.7 million the previous year, for a decrease of €22.3 million.

OPERATING INCOME

Operating income was negative at -€35.2 million, compared to a loss of -€17.7 million in 2013/2014. The decline is due to a decrease in gaming revenue, the start-up of work at the Hôtel de Paris and its operation under a reduced capacity of 40 rooms, and the recognition of a non-recurring charge of €7.6 million to take into account the impacts of the new Table Game Collective Agreement with respect to pension commitments.

FINANCIAL INCOME OR LOSS

Financial investment income and borrowing costs are recorded in financial income or loss.

The item also includes the financial income generated by the financing of certain subsidiaries, such revenue being cancelled in the consolidated financial statements as part of the elimination of the SBM Group's inter-company transactions.

NET EXCEPTIONAL ITEMS

Net exceptional items for fiscal 2014/2015 amounted to €29.3 million, compared to €30.4 million the previous year.

This result primarily represents the capital gain on the sale of the Wynn Resorts, Ltd shares for €38.8 million in fiscal 2014/2015, compared to €32.9 million the previous year, the intra-Group provisions, and a debt waiver for the Société des Thermes Marins Monte-Carlo subsidiary in the amount of €2.2 million, eliminated in the consolidated accounts.

NET INCOME

Parent company net income for fiscal 2014/2015 amounted to €0.1 million, compared to €18.3 million the previous year, for a €18.2 million decrease.

6.1.7. ARTICLE 23 OF THE ORDER OF MARCH 5, 1895

We hereby inform you of the transactions directly or indirectly involving your Company and its Directors, or between your Company and its affiliated or non-affiliated companies with common Directors:

- transactions involving the affiliates of your Company:
  - Société Anonyme Monégasque d'Entreprise de Spectacles (S.A.M.E.S.) ;
  - Société Anonyme Monégasque des Thermes Marins Monte-Carlo (S.T.M.) ;
  - Société Anonyme Monégasque Générale d'Hôtellerie (SOGETEL) ;
  - Société Anonyme Monégasque Hôtelière du Larvotto (S.H.L.) ;
  - Société Financière et d'Encaissement (S.F.E.) ;
  - Société Civile Particulière Soleil du Midi ;
  - Société Civile Immobilière de l'Hermitage ;
  - Société des Bains de Mer, USA, Inc. ;
  - Société Monte-Carlo SBM Singapore, PTE Ltd ;

  - S.à.r.l. Monte-Carlo SBM International ;
  - SARL Café Grand Prix ;
  - Société Betclic Everest Group ;

- and:
  - business relations with Société Monégasque pour l'Exploitation du Tournoi de Tennis (S.M.E.T.T.), in which the Company is a shareholder ;
  - bank operations conducted with Banque J. Safra (Monaco) S.A., Mr. Jean-Louis Masurel being a Director, for the following transactions:
    - participation in a pool of financial institutions with whom the Company has a credit facility;
    - lease granted by the Company for premises in the Belle Epoque building;
  - wine purchases conducted on an arm's length basis with Société des Vins de Fontfroide, which is owned and managed by Mr. Jean-Louis Masurel, for non-material amounts;
  - advisory operations conducted on an arm's length basis with Société Arcos Investissement which is owned and managed by Mr. Jean-Louis Masurel, for non-material amounts;
  - and advisory operations conducted on an arm's length basis with Société PGL Conseil which is owned and managed by M. Pierre Letzelter, for non-material amounts.

6.2. CAPITAL EXPENDITURE AND FUTURE OUTLOOK

6.2.1. CAPITAL EXPENDITURE

The Group pursued a capital expenditure program in the amount of €100.1 million in fiscal 2014/2015, compared to €80.7 million in 2013/2014 and €61.4 million in 2012/2013.

Capital expenditures **In thousands of euros**	**Year ended 03/31/2013**	**Year ended 03/31/2014**	**Year ended 03/31/2015**
Gaming sector	12,923	1,376	3,399
Hotel sector	11,058	19,349	32,700
Leasing sector	27,228	50,297	49,032
Other activities and common services	10,210	9,650	14,966
Total	**61,419**	**80,671**	**100,096**

GAMING SECTOR

Capital expenditure in the gaming sector amounted to €3.4 million in fiscal 2014/2015.

Renewal of the slot machine pool represents a significant portion of the sector's capital expenditure, in order to maintain a competitive edge in terms of gaming offers and innovation and match the latest trends.

In addition, preliminary studies have been initiated for the renovation and extension of the Café de Paris Casino, as described in Chapter 3.2.2 below.

HOTEL SECTOR

Hotel sector capital expenditure amounted to €32.7 million for fiscal 2014/2015, including €13.7 million for the Hôtel de Paris project, and €9.8 million for the Thermes Marins Monte-Carlo.

The Thermes Marins Monte-Carlo establishment underwent major renovation during the fiscal year, requiring a nine-month closing. The overhaul covered two of the four operational floors where the pool, fitness, catering, boutique and water therapy activities are located and a technical upgrade.

The objective of this renovation is to offer an upscale health and wellbeing center to an ever more demanding clientele and to position the establishment in a health offering that corresponds to the Principality of Monaco's development plan. It is through these efforts that the Thermes Marins Monte-Carlo will regain the leading European positioning that it had at the time of its inauguration in 1995.

Discussions are underway to determine whether to pursue this renovation for the two remaining levels, the ground floor (welcome desk, esthetics, hair dressing) and the -1 sublevel (beauty treatments, massages and technological treatments).

The significant capital expenditure in the hotel sector provides the SBM Group with an offering tailored to its clientele. The Group was nevertheless convinced that this approach had to be strengthened and the extensive renovation of the Hôtel de Paris, described in Chapter 3.2.2 below, is the best illustration.

LEASING SECTOR

Leasing sector capital expenditure amounted to €49.0 million in fiscal 2014/2015.

The Villas du Sporting project was achieved in fiscal 2014/2015. Ideally located in the Sporting Monte-Carlo peninsula, the three Villas du Sporting represent an absolutely unprecedented achievement in Monaco, surrounded by luxurious vegetation, in the shade of stone pines, cypresses, Atlas cedars and magnificent palm trees. They each have a private swimming pool and direct access to the sea. The project represents a total investment of €31.8 million, including €7.8 million for fiscal 2014/2015. As of March 31, 2015, two of the three Villas had been leased and the third should be leased during the first half of 2015/2016.

With respect to the real estate development project in the heart of Monte-Carlo described in Chapter 3.2.2 below, the expenses incurred during the year amount to €40.8 million.

OTHER ACTIVITIES AND COMMON SERVICES

Capital expenditure for other activities and common services amounted to €15.0 million for fiscal 2014/2015.

Completion of the real estate project for the Sporting d'Hiver site necessitated the transfer of the SBM Group's head office functions that had been located at the complex. The Group's administrative and support functions (executive management, strategic marketing and communication, human resources, construction and real estate, finance and management, IT, purchasing, etc.) were thus grouped on one site, in the Aigue-Marine building located in Monaco's Fontvieille district. Established on five levels, four of which are owned by the SBM Group and the last leased, this head office transfer required a major adaptation work. The total project amounts to €14.5 million, out of which €10.7 million during fiscal 2014/2015. The team transfers were finalized in the summer of 2014, uniting all the teams for the first time on a single site, rather than four sites previously.

6.2.2. MAIN ONGOING PROJECTS AND FUTURE OUTLOOK

Pursuit of the capital expenditure program

Projects ongoing as of March 31, 2015 will continue in 2015/2016, under the capital expenditure program defined by the SBM Group, and in line with past policy.

The main ongoing projects are as follows:

GAMING SECTOR

A program to extend and totally refurbish the Café de Paris Casino has been initiated.

The extension consists in the creation of a new 350 m² outside terrace overlooking the Spélugues gardens. The space will enable the installation of new machines accessible to all customers, and particularly smokers, and feature a bar and catering service.

The main points concerning the renovation program for existing spaces are as follows:

- creation of a centrally positioned bar, a key architectural element that will be a focal point for the establishment;
- creation of a convivial catering space, a new offering requiring the construction of a below-ground kitchen;
- a true architectural enhancement of the existing outside terrace, with the addition of glass canopies in particular;
- a complete technical overhaul of the installations.

The number of slot machines at the Café de Paris Casino should not change, but the completion of this works program will provide a compete offering in terms of events and a special environment that should be highly popular with the clientele.

The total budget is approximately €9 million. The overall interior space renovation project will be completed at the end of July 2015 and the new outside terrace should be opened next fall.

HOTEL SECTOR

The extensive refurbishment of the Hôtel de Paris is the hotel sector's main ongoing project.

The refurbishment of the Hôtel de Paris will cover the entire establishment, with a reorganization of both client and service areas. The total accommodation capacity will be similar to the current capacity, but the surface area of the rooms and the number of suites will increase.

The program's other structural components include:

- an improvement to the roof which would house a new spa, fitness and swimming pool area reserved for the hotel's clientele, exceptional suites and a "roof-top villa" with a private garden and swimming pool;
- the creation of a garden courtyard at the center of the establishment;
- the development of boutique spaces;
- the opening of the Bar Américain and the future restaurant on the south-facing terrace offering a 180° view from the casino to Port Hercule;
- the adoption of cutting-edge technologies and a direct underground link to the reception and conference equipment of the future building complex.

The refurbishment and innovations will enable the Hôtel de Paris to remain at the forefront in terms of an increasingly demanding palace client.

The hotel's historical façade, facing the Café de Paris Monte-Carlo, will remain intact. Legendary places, such as the lobby and the wine cellars, and emblematic establishments, such as the Bar Américain, the Salle Empire, the Louis XV and the Grill, will be maintained.

Scheduled to extend over four years, the project will include demolition and excavation work, as well as the total reconstruction of the Rotonde and Alice wings. It was nevertheless decided to keep the establishment partially open throughout the refurbishment to limit to a maximum the project's impact on employees.

To prepare for its partial operation, the Hôtel de Paris was closed for three months at the end of 2014 and reopened at the end of December with capacity reduced to approximately 40 rooms.

The Hôtel de Paris refurbishment will cost between €280 and €300 million over the 2014-2018 period, including the estimated operating losses.

As of March 31, 2015, an amount of €27.5 million had already been invested in the project, of which €13.7 million for fiscal 2014/2015.

LEASING SECTOR

Similarly, the real estate development at the heart of Monte-Carlo, on the site previously occupied by the Sporting d'Hiver, represents the main project commitment for the leasing sector, the key features of which are outlined below.

The Sporting d'Hiver building will be replaced by seven main buildings as part of a mixed-use development community planning project that will combine shops, prestigious residences, offices, leisure and cultural space. It will combine 4,600 m² of prestigious boutiques on three floors (basement, ground floor and mezzanine), luxury residences covering 12,900 m² on various floors, 2,500 m² in office space, 2,500 m² in conference areas with multimedia technologies, an exhibition hall of 400 m² and 350 parking spaces.

Among the priority tasks allocated to the architect include the design of an ensemble that will revitalize the neighborhood, transforming it into a place of vitality and conviviality, and serving as an example of green urbanism and sustainable development: creations at the landscaped site include 30% of additional space open to the public and, at its center, a new tree-lined pedestrian thoroughfare joining the avenue des Beaux-Arts and the Jardins Saint-James.

The total cost for completing this major real estate and urbanism project in the heart of Monte-Carlo is between €370 and €390 million over the 2013-2018 period.

As of March 31, 2015, an amount of €92 million had already been invested in the project, including:

- design costs for €33.7 million;
- construction and development costs for the Pavillons in the Jardins des Boulingrins for €21.7 million;
- costs to repurchase leasehold rights for €27.6 million.

The share of these investments for fiscal 2014/2015 amounted to €40.8 million.

Given these various projects, the estimated capital expenditure for fiscal 2015/2016 should amount to approximately €105 million, of which nearly €75 million for the two major projects described above.

Future outlook

The extensive refurbishment of the Hôtel de Paris and the real estate development in the heart of Monte-Carlo are two key components of the SBM Group's development strategy.

With these projects, the SBM Group seeks to generate an additional annual operating income, before depreciation and amortization, exceeding €50 million by 2019.

These projects represent an unprecedented investment effort, with a cost estimated at between €500 and €540 million over the 2015-2018 period, excluding operating losses related to the partial closing of the Hôtel de Paris.

MONTE-CARLO
SOCIÉTÉ DES BAINS DE MER

SOCIETE ANONYME DES BAINS DE MER
ET DU CERCLE DES ETRANGERS A MONACO
(S.B.M.)

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