

**SOCIÉTÉ DES BAINS DE MER**  
**ET DU CERCLE DES ÉTRANGERS À MONACO**

Société anonyme monégasque au capital de 24 516 661 €.  
Siège social : Monte-Carlo - Place du Casino, Principauté de Monaco.  
R.C.S. : Monaco 56 S 523 - Siren : 775 751 878.

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**Consolidated income 2018/2019**

(Period from 1 April 2018 to 31 March 2019)

- **2018/2019 revenue up to €526.5 million compared to €474.6 million last year :**
  - increase of 11% of the gaming revenue
  - increase of 8% of the hotel revenue
  - strong increase of the rental revenue (+ 27%)
- **Operating loss of -€9.6 million compared to -€27.1million during the previous year, i.e. an improvement of €17.5 million**
- **Stability of the performance of Betclic Everest Group, with a share in net profit of €12.3 million for the fiscal year, compared to a net profit of €12.5 million last year**
- **Improvement in consolidated net income, with a net consolidated income of €2.6 million compared to the net consolidated loss of -€14.6 million, i.e. an improvement of €17.2 million**

At its meeting held on June 12, 2019, the Board of Directors of the Société des Bains de Mer approved the annual accounts for the fiscal year 2018/2019, prepared in accordance with international accounting principles IFRS.

In millions of euros	2017/2018	2018/2019
Consolidated Revenue	474.6	526.5
Operating income	-27.1	-9.6
Financial result	0.2	0.1
BEG equity method & minority interests	12.4	12.1
Net result (Group share)	-14.6	2.6

- **Operating loss of -€9,6 million compared to -€27.1million last year, i.e. an improvement of €17.5 million**

Société des Bains de Mer and its subsidiaries reported consolidated revenue of €526.5 million for the fiscal year 2018/2019, compared to €474.6 million in 2017/2018, an improvement of 11%. The increase of €51.9 million for the year is the result of higher revenue across all sectors.

As a reminder, the S.B.M. Group applies starting from fiscal year 2018/2019 the new IFRS 15 “Revenue from Contracts with Customers”. The impacts are limited, leading to a 0.2% reduction in consolidated revenue.

The **gaming** sector reported revenue of €222.7 million compared to €200.7 million in 2017/2018. This change was primarily due to an increase in consolidated revenue from table games amounting to €108.4 million over the year as a whole, compared to €87.2 million the previous year, a rise of 24%. Consolidated revenue from slot machines was stable at €101.9 million for 2018/2019.

**Hotel** revenue was €253.7 million compared to €234.7 million in 2017/2018. This favorable trend is rooted in an uptick in business at the Hotel de Paris. The Group’s other hotels, and particularly the Monte-Carlo Bay Hotel & Resort, experienced a positive trend in business. In addition, the reopening of the Jimmy’z and the opening of the new Coya restaurant had a positive effect on the hotel sector.

The **rental** sector, which combines boutiques and office leasing together with the activities of the Monte-Carlo Bay, the Balmoral and the new villas du Sporting, reported revenue of €51.9 million, compared to €40.9 million previously an increase of 27%. This increase is primarily the result of leasing out new spaces at the Hotel de Paris and in the new One Monte-Carlo complex over the final quarter of the year.

Finally, other activities accounted for annual consolidated revenue of €13.7 million, compared to €13.5 million last year.

S.B.M. Group **operating result** was a loss of -€9.6 million compared to a loss of -€27.1 million during the previous financial year.

This favorable trend in operating income concerns all sectors.

Thus, the gaming sector benefitted from increased table game revenue and the rental sector reported a strong growth with the opening of new retail spaces at the Hotel de Paris and in the new One-Monte-Carlo complex.

Although it has improved slightly, operating income in the hotel sector remains in deficit, primarily due to renovation works at the Hotel de Paris. While the hotel has benefitted from increased accommodation capacity compared to previous year, with an average of 97 rooms available in 2018/2019 compared to 56 previously, it has not yet returned to its level of business prior to the beginning of the work, when the Hotel de Paris had 182 rooms. The unfavorable impact on the operating income is around €7 million for 2018/2019 compared to €10 million for the previous year.

- **Positive financial result and stability in the share of net income of Betclac Everest Group**

Financial result for 2018/2019 fiscal year was €0.1 million, compared to €0.2 million in 2017/2018.

Equity accounting consolidation of Betclac Everest Group, an online 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 profit of €12.3 million, compared to a profit of €12.5 million last year. This result notably reflects Betclac's good performance, with the development of its sports betting offers, new mobile apps and the intensification of its marketing actions.

- **Net result**

Net consolidated result (Group share) was a profit of €2.6 million, compared to a loss of -€14.6 million for the fiscal year 2017/2018, an improvement of €17.2 million.

- **Financial structure and capital expenditure**

In terms of financial structure, the equity - Group share amounted to €623.1 million as of March 31, 2019, compared to €624.8 million at the end of the previous fiscal year.

At the end of March 2019, the Group's indebtedness was at €106.8 million, compared to an indebtedness of €50.9 million as of March 31, 2018.

It should be noted that in January 2017, in order to ensure the financing of its two major investment projects – full renovation of the Hotel de Paris and the One Monte-Carlo real estate project – the Group had secured bank financing. Totaling €230 million, these credit facilities allowed the Group to withdraw funds in instalments until January 31, 2019. As of March 31, 2019, the Group has used the entirety of its bank financing, i.e. an amount of €230 million. This financing will be repaid in half-year instalments, the first payment being due as of June 30, 2020 and the final one on January 31, 2024.

The pursuit of the capital expenditure program represented a cash outflow of €199.9 million over the fiscal year compared to €191.8 million in 2017/2018.

Additionally, the Group received €81.5 million for leasehold rights relating to the boutique spaces created as part of its real estate development in the heart of Monte-Carlo.

▪ **Trends in activity for the first two months of 2019/2020 fiscal year**

The activity observed since April 1, 2019 has seen an increase compared with the trends noted last year.

The first two months of the fiscal year 2019/2020 have benefitted from growth in business at the Hotel de Paris, which has greater accommodation capacity than last year, and the gradual leasing of the new One Monte-Carlo complex. The trend in gaming sector has also been favorable over the first two months of the year.

Fiscal year 2019/2020 will record full commissioning of the two major investment projects – extensive renovation of the Hotel de Paris and One Monte-Carlo real estate development – , allowing S.B.M. Group to take a new dimension.

S.B.M. Group's business, which is dependent on the economic and financial context, as well as the random and seasonal natures of activities, particularly in the gaming sector, do not permit to give forecasts for the entire fiscal year 2019/2020. Although the activity remains sensitive to the political context, which can influence some markets, the commissioning of the two aforementioned projects should contribute to an improvement in S.B.M. Group's performance.

**Audit of accounts at the time of this press release**

Audit procedures on the consolidated accounts have been completed. The certification report will be issued following verification of the management report and finalization of the procedures required regarding publication of the annual financial report.

Monaco, June 12, 2019

[www.montecarlosbm.com](http://www.montecarlosbm.com)

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