



SOCIETE DES BAINS DE MER ET DU CERCLE DES ETRANGERS A MONACO

Consolidated Results 2013/2014 (Period from April 1st, 2013, to March 31st, 2014)

- **Turnover of 472.5 million euros versus 424.1 million euros in the previous financial year, with the favorable impact of a change in the scope of overall business amounting to 10.8 million euros following resumption of operation of the Méridien Beach Plaza Hotel.**
- **Within the constant perimeter:**
 - **turnover from gambling activities up 18 %**
 - **turnover from hotel activities up 2 %**
- **Current Operating Loss of 11.8 million euros versus a Loss of 32.7 million euros in the previous financial year**
- **Positive Net Result of 17.3 million euros versus a Loss of 50.7 million euros in the previous year, with:**
 - **Sales of Wynn Resorts shares in the first half of the year, bringing additional income of 32.9 million euros, whereas no sales had occurred in the previous financial year**
 - **Further improvement of the performance of the BetClic Everest Group, whose results are now close to break-even (share of results 3.8 million versus - 23.4 million euros the previous year)**

At its meeting held on June 2nd, 2014, the Board of Directors of La Société des Bains de Mer approved the annual accounts for financial year 2013/2014, drawn up in conformity with international IFRS accounting rules and principles.

In millions of euros	2013/2014	2012/2013 *
Consolidated Turnover	472.5	424.1
Operating Result	- 11.8	- 32.7
Financial Result	32.9	5.5
BEG & Minority Interest Equity Method	- 3.9	- 23.5
Net Result (share of the Group)	17.3	- 50.7

* data adjusted following a change in the accounting method described hereafter

- **Change in the accounting method**

The Group accounts for actuarial gains and losses related to post-employment staff benefits

in accordance with the revised IAS 19 standard, obligatorily applied to financial years under consideration as from January 1st, 2013.

In order to compare results, financial data for 2012/2013 has been adjusted so that it is presented with a retrospective application of this standard, resulting in the neutralization of a charge of 0.7 million euros.

This change has also had a negative impact of 9.3 million euros on Equity - Share of the Group on the opening date of April 1st, 2013.

- **Higher turnover, yet operational performance which remains negative**

Even with improvement in consolidated turnover, the Group's Operating Result still shows a loss, though it has improved significantly as compared to the previous year.

Turnover in fact amounts to 472.5 million euros for financial year 2013/2014 versus 424.1 million euros in 2012/2013, i.e. an increase of 48.4 million euros.

The Group's various sectors of activity – gambling, hotels and rentals – have all contributed to this more favorable trend.

With revenue of 207.9 million euros for 2013/2014, the gambling sector shows a rise of 18 % in turnover, i.e. 31.8 million euros. While activity for table games shows a rise of 43 % in revenue, activity for automatic machines saw a slight setback as compared to the previous year.

The hotel sector has pursued the favorable trend established in the previous financial year, with turnover of 237.4 million euros versus 222.2 million euros in 2012/2013, i.e. a rise of 7 %. The Group benefited from year-round running of the Méri­dien Beach Plaza hotel in Monaco, giving a positive impact of 10.8 million euros, and growth of 2 % in turnover on a constant perimeter basis.

Finally, the rental sector, which encompasses rental activities for boutiques and office premises, as well as hotel residence activities at the Monte-Carlo Bay and Balmoral, shows a rise of 10 % in turnover, which attained 26.1 million euros. This progression mainly resulted from year-round exploitation of the prestigious residence "Le Balmoral", which commenced in the first half of the previous financial year.

Despite favorable evolution in consolidated turnover, the Group's Operating Result shows a loss of 11.8 million euros versus a loss of 32.7 million euros in the previous year.

- **Financial result showing progression with the sale of Wynn shares and taking into account a share of the improved result achieved by the Betclic Everest Group**

With the sale of 400,000 Wynn Resorts Ltd. shares in April, 2013, the financial result amounts to 32.9 million euros versus a profit of 5.5 million euros the previous year, a period in which no sales occurred.

Finally, consolidation based on the equity method of the Betclic Everest Group, an on-line gambling group of which the Société des Bains de Mer holds 50 %, requires 50 % of its result for the period under consideration to be taken into account, i.e. a negative share amounting to - 3.8 million euros versus - 23.4 million euros last year, due in particular to on-going improvement of its operational performance.

- **Net Result**

The Net Consolidated Result - Group share shows a profit of 17.3 million euros versus a loss of 50.7 million euros in financial year 2012/2013.

- **Financial structure and investments**

In terms of financial structure, the Equity - Group share amounted to 498.5 million euros on March 31st, 2014, versus 516.5 million euros at the end of the previous financial year.

On March 31st, 2014, the Group's net financial debt was negative in the amount of 15.6 million euros versus a negative balance of 38.5 million euros the previous year.

Pursuit of the investment program represented expenditure of 79 million euros over the year.

- **Activity trends for the first two months of financial year 2014/2015**

For the time being, activity observed since April 1st, 2014, continues to pursue a positive trend, particularly in the field of table games.

However, the random and seasonal character of activities makes it impossible to give any forecasts for the entire financial year.

Auditing of accounts at the time of publication

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

Monaco, June 3rd, 2014

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