



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

### General Stockholders' Meetings of September 19, 2008

Monte Carlo, September 19, 2008.

The Ordinary and Extraordinary General Meetings of Société des Bains de Mer were held on Friday, September 19, at the Sporting d'Hiver in Monte Carlo, in presence of the members of the Board of Directors.

The present or represented stockholders adopted all the resolutions proposed.

#### **Approval of the 2007/2008 financial statements, setting of the dividend and outlook**

The proposed dividend, which will be paid as from October 10, 2008, was approved: €11 per share, a 57% increase compared to 2007. The last trading day with dividend rights is September 30, 2008.

Commenting on the 2007/2008 fiscal year and the future outlook, Jean-Luc Biamonti, the Chairman of the Board of Directors, recalled: "All activity sectors of the Company reported historical performances, both for the gaming sector – whose revenue, over the last two fiscal years, has been equally divided between slot machines and table games – as well as for the hotel sector, which recorded a strong increase in its operating income. These excellent performances should not let us forget that the economic environment in our main markets (Western Europe and the United States) has recently deteriorated. The current fiscal year already shows a certain slowdown, which should incite us to remain particularly vigilant in terms of cost management without sacrificing the marketing efforts and investments required for the Company's development."

The Chairman also recalled that the Company intended to pursue the systematic enhancement of its real estate and create new assets that can diversify the Company's revenue sources and contribute to improving its performance. Hence, with respect to the recent signing of the Sovereign Order defining the urban planning regulations applicable to the buildings in the Quartier des Spélugues – which includes the sector known as the Carré d'Or – the Group may build luxury apartments with hotel services to replace the former Hôtel Balmoral acquired in 2005, and undertake a major project at the Sporting d'Hiver site on the Place du Casino in order to create more surface areas for international brand stores, office premises and luxury apartments that will benefit from all the services of the neighboring Hôtel de Paris. These construction projects are also intended to secure the loyalty of prestigious clients who will contribute to perpetuating the Company's traditional activities, such as table games. Work is

also planned for the Hôtel Hermitage with the construction of a conference room and the elevation of the Midi wing over two levels.

### **Renewal of two members of the Board of Directors**

The Stockholders also renewed the terms of office of two members of the Board of Directors, Mr. Jean-Luc Biamonti and Mr. Jean-François Prat, for a period of six years.

### **Division of the share nominal value**

The Stockholders also approved the division of the share nominal value by 10 (i.e. multiplication of the number of outstanding shares by 10), in order to reduce the share price to a level comparable with other stock market securities. This division should have a favorable impact on share liquidity and will improve share accessibility. The division should be effective in the next quarter.

### **Employee participation in corporate development**

Finally, the Stockholders took note of the finalized capital increase duly authorized by the Extraordinary General Meeting of September 21, 2007, which resulted in the creation of 3,294 new shares allocated to employees, each with the previous nominal value of €10.

Determined to reinforce employee involvement in the Group's business development and motivated by the interest demonstrated by employees in connection with previous capital increases, the Company has decided to perform a new capital increase under the same terms and conditions, by granting each employee the right to subscribe to twenty Company shares at their new nominal value of €1 once the division is effective.

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