

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

**Ordinary General Meeting of Shareholders, 21 September 2018**

Monaco, 21 September 2018.

The Shareholders of Société des Bains de Mer convened on Friday 21 September at the Salle des Étoiles – Sporting Monte-Carlo at an Ordinary General Meeting, for the purpose of approving the financial statements for the financial year 2017/2018.

The shareholders present or represented passed all of the resolutions tabled.

**ORDINARY GENERAL MEETING**

**Approval of the financial statements for FY 2017/2018**

During the 2017/2018 financial year, the S.B.M. Group generated revenue of €74.6 million, compared with an amount of €58.8 million the previous year. The increase of €15.8 million is due to improved revenues in the hotel sector, and to a lesser extent in the rental sector.

S.B.M. Group operating result is a deficit of -€7.1 million compared to a loss of -€2.8 million during the previous financial year.

This deficit is still primarily linked to the Hotel de Paris renovation, which had an unfavourable impact of around €10 million compared to nearly €7 million over the two past fiscal years. The operating losses due to the reduced accommodation capacity are, however, in accordance with forecasts, which projected operating losses exceeding €50 million over the total duration of the works.

Operating result of the gaming sector also continues to be impacted by the new table game and slot machine collective agreements, albeit to a lesser extent than in previous years.

Lastly, the equity accounting consolidation of Betclik Everest Group, an online gaming group in which the Group has a 50% stake results in a profit of €2.5 million, compared to a deficit of -€4.2 million last year. This improvement in net income notably reflects Betclik's good performance in the French market, with new mobile apps proving popular with players. BEG Group's results were also favourably impacted by the non-recurring marketing costs involved last year for European Football Championship.

The General Meeting of Shareholders approved the consolidated and financial statements for the financial year 2017/2018 and passed the resolution on allocation of net income. Given the on-going operating deficit, it was decided that no dividend would be distributed.

### **Authorisation to buyback Company shares**

The General Meeting of Shareholders renewed the authorisation granted to the Board to buyback Company shares, up to a limit of 5% of the share capital, at a maximum price of €80 per share and for a maximum total amount of €30 million. This authorisation is valid for a period of 18 months as from 21 September 2018.

### **Appointment of a Director**

The Shareholders' General Meeting appointed Mr. Christophe Navarre as a Director. His term of office will expire at the Shareholders' Ordinary General Meeting to be held to approve the financial statements for the financial year 2023/2024, in accordance with Article 12 of the Bylaws.

### **FORWARD-LOOKING PROSPECTS**

It is remind that the activity observed over the first quarter of the current financial year (1st April to 30th June 2018) was up on last year. This growth was mainly due to a positive trend in the gaming sector as well as in the hotel sector.

This favourable trend extended into July/August, with a rise of 12% in consolidated revenue as compared with the summer period 2017. Revenue from gaming activity rose by 16%, with the positive effects of the numerous actions undertaken to provide a new push to all gaming establishments and to develop the table games activity. Similarly, the hotel and rental sectors recorded respectively an increase of 11% and 8% compared to the previous financial year.

In cumulative terms over the first five months of financial year 2018/2019, i.e. at the end of August, the S.B.M. Group's consolidated revenue was up by 13% on the same period last year.

While the trend observed up to 31 August is more favourable, the random nature of the gaming activity means that it is not possible to make forecasts for the financial year as a whole.

The hotel sector presents favorable trends for the financial year. With the end of the works approaching, the average capacity is higher compared to the previous year and the complete re-opening of the Hôtel de Paris is planned for the last trimester of the financial year.

The Group's priority remains to renovate the Company's property assets and to relaunch the gaming activity, with the objective to position the S.B.M. Group as the Resort of Excellence in Europ in terms of gaming, hotel, residential and luxury retail.

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

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