PEFACOINTERNATIONALP.L.C.

HALF-YEARLY REPORT

For the Period ended 30th June 2016

Interim Directors' report pursuant to listing Rule 5.75.2

Basis of Preparation

The attached Half-Yearly Report is being published pursuant to the terms of Chapter 5 of the MFSA Listing Rules. The condensed interim financial information contained in this report has been extracted from the company's unaudited consolidated financial statements for the six months ended 30th June 2016. This report has been prepared in accordance with the applicable Listing Rules and the International Accounting Standard 34 'Interim Financial Reporting'. This Half-Yearly Report has not been audited nor reviewed by the company's independent auditors.

Accounting Policies

The accounting policies adopted in the preparation of the Company's Half-Yearly Report are the same as those adopted in the preparation of the audited financial statements for the year ended 31st December 2015.

Principal Activities

The Company's principal activity is the control of its subsidiaries engaged in Leisure and Gaming activities in West Africa. All of the Company´s subsidiaries are duly authorized to engage in gaming activities under exclusive concession contracts or gaming licenses granted by local authorities or supervisory bodies responsible for the regulation and control of gaming. The Company has operations in Benin, Burkina Faso, the Ivory Coast, Niger, Rwanda and Togo and soon in Nigeria, catering for the local population's needs for recreation facilities.

Review of Performance

The Directors of Pefaco International p.l.c. hereby report the company's financial results for the six months ended30 June 2016.

In the first six months of 2016, the Group registered total consolidated Gross Gaming Revenue (GGR) of €22.02 million (2015: €21.15 million).

The Group registered a Profit after Tax for the period of €2.20 million compared to a €0.64 million for the same period last year.

A major factor that contributed to this positive result is the fact that with effect from November 2015, Grupo Pefaco, the Company's majority shareholder, is charging lower management fees. This charge for the first six months last year amounted to €4.38 million compared to €0.50 million for the same period this year. During the six months ended June 2016, the Group also incurred a charge of €0.16 million (2015 € nil) in respect of management fees due to Genesis PFC, a minority shareholder, for various services rendered as per an agreement between the parties in this respect.

The Group's operations in Burkina Faso, and Ivory Coast performed according to plan in spite of the recent terrorist attacks in Burkina and Ivory Coast. GGR growth in Ivory Coast was 31% vs the same period last year.

On the other hand, the Group's operations in Niger and Benin reported a decrease in GGR mainly due to increase competition in Niger and an unsettled political environment in Benin due to the presidential election and subsequently the installation of the new government as well as the complex situation in neighboring Nigeria.

A slowdown in the development of the Rwanda operation was caused by a crackdown by the government on illegal gaming operators, which temporarily resulted in the suspension of all gaming activities in this country. The suspension on Pefaco's operations in this country was in fact lifted in August and operations re-commenced accordingly.

The Group incurred increased payroll costs (€7.897 million for 2016 compared to €6.257 million for same period last year) for the first six months, partly due to one-off expenses such as mandatory salary increases(Burkina Faso and Ivory Coast),statutory contributions towards employees pension fund and the hiring of seven new employees in anticipation of the launch of our operations in Nigeria.

In addition, as a listed company on the Malta Stock Exchange, the Company faces additional costs linked with regulatory compliance obligations applicable to such listed companies which were not incurred in the same period last year.

In these first six months, we have also incurred the set-up cost in respect of the two new subsidiaries which were incorporated in Nigeria earlier this year.

Capital Investment

AS disclosed in the audited financial statements in April, in January 2016, the Board approved the purchase of 51% shareholding in Exon Group Desarrolos Informaticos Aplicados a la Tecnologia SL, a company incorporated in Spain whose principal activities include the manufacturing and distribution of electronic bingo games. The purchase has not been finalised as of the date of this report.

Outlook

Overall the Group's performance is stable and the business outlook is positive. The Directors are considering ways of reducing operating expenses and increasing productivity. The political situation in most countries that the Group operates in is favorable. The Directors are of the opinion that other than the factors referred to in this report, there are no specific risks or uncertainties that are expected to have a material impact on the Group's results for the next six months or on its financial position as at 30 June 2016.

Francis Perez	Olivier Cauro
CEO and Director	Managing Director and Director

Pefaco International p.l.c.

Income Statement

For the period1st January to 30th June 2016

	For the six months ended 30 June	
	2016	**2015**
	€ 000	**€ 000**
Revenue	**22,022**	**21,154**
Other income	53	109
Administrative expenses	(8,190)	(10,760)
Payroll costs	(7,897)	(6,257)
Gaming tax	(1,076)	(1,056)
Depreciation and amortisation	(1,408)	(1,452)
Profit before interest and tax	**3,504**	**1,738**
Finance costs	(387)	(573)
Profit before tax	**3,117**	**1165**
Tax expense	(913)	(524)
Net income	**2,204**	**641**
Non-controlling interest	(516)	(150)
Owners of the parent	**1,688**	**491**

Pefaco International p.l.c.

Condensed Balance Sheet

For the six-month period ended 30th June 2016

	30/06/16 € 000	31/12/15 € 000
Intangible fixed assets, net	**37,107**	**37,930**
Tangible fixed assets, net	**5,818**	**4,982**
Financial assets	799	828
Deferred tax	638	433
Total long term assets	**44,362**	**44,173**
Total short term assets	**21,652**	**20,381**
TOTAL ASSETS	**66,014**	**64,554**
Equity	**52,409**	**50,224**
Total liabilities	**13,605**	**14,330**
TOTAL EQUITY AND LIABILITIES	**66,014**	**64,554**

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Condensed Cash Flow Statement

For the period1st January to 30th June 2016

	For the six months ended 30 June 2016 € 000	2015 € 000
Cash flow from(used in) operating activities	6,490	(1,057)
Cash flow from investing activities	351	1,501
Cash flow used in financing activities	(3,734)	(279)
Net change in cash and cash equivalents	3,107	165
Cash and cash equivalents - beginning of year	13,232	(458)
Cash and cash equivalents - end of period	16,339	(293)

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Statement of Changes in Equity

For the period1[st]January to 30[th]June 2016

	Share capital € 000	Share premium € 000	Legal Reserve € 000	Foreign currency translation reserve € 000	Retained earnings € 000	Equity attributable to owners € 000	Non-controlling interests € 000	Total equity € 000
Balance as at 1 January 2015 (restated - audited)	**[illegible]**	**-**	**46**	**-**	**[illegible]**	**[illegible]**	**17**	**[illegible]**
Capital changes	-	-	-	-	-	**-**	17	**17**
Dividends	-	-	-	-	-	**-**	(105)	**(105)**
Net income	-	-	-	-	491	**491**	150	**641**
Balanceasat30June2015 (unaudited)	**[illegible]**	**-**	**46**	**-**	**[illegible]**	**[illegible]**	**79**	**[illegible]**
Balance as at 1 January 2016 (audited)	**[illegible]**	**[illegible]**	**85**	**9**	**[illegible]**	**[illegible]**	**67**	**[illegible]**
Dividends	-	-	-	-	-	**-**	(19)	**(19)**
Net income	-	-	-	-	[illegible]	**[illegible]**	516	**[illegible]**
Balanceasat30June2016 (unaudited)	**[illegible]**	**[illegible]**	**85**	**9**	**[illegible]**	**[illegible]**	**564**	**[illegible]**

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Notes to the interim condensed consolidated financial statements

For the period 1stJanuary to 30th June 2016

Related party transactions

At 30 June 2016, related party transactions can be analysed as follows:

	For the six months ended	
	30/06/16	**30/06/15**
	€ 000	**€ 000**
Grupo Pefaco management fees	(500)	(4,380)
Other related parties	(165)	-
Total management fees charged by related parties	**(665)**	**(4,380)**

Related party balances

As at 30th June 2016, related party balances can be analysed as follows:

	30/06/16	**31/12/15**
	€ 000	**€ 000**
Loan to related parties	313	3,291
Trade receivables	717	906
Total receivables from related parties	**1,030**	**4,197**

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Notes to the interim condensed consolidated financial statements

For the period 1st January to 30th June 2016

Segment reporting:

	Benin	Burkina Faso	Ivory Coast	Niger	Rwanda	Togo	Holding	Satall	Inter-companies	Total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€000	€ 000
Six months ended 30th June 2015										
Total Revenue	3,480	8,259	4,914	1,613	-	2,888	-	-	-	21,154
Profit (loss) before interest and tax	751	319	259	(256)	-	160	617	(69)	(43)	1,738
Net income (loss) - owners of the parent	473	202	194	(280)	-	87	1,111	(69)	(1,227)	491
Six months ended 30th June 2016										
Total Revenue	3,053	8,356	6,087	1,567	389	2,570	-	-	-	22,022
Profit (loss) before interest and tax	1,199	2,104	833	(142)	(182)	253	(459)	-	(102)	3,504
Net income (loss) - owners of the parent	782	1,297	635	(169)	(304)	185	(456)	-	(282)	1,688

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Statement Pursuant to Listing Rule 5.75.3 issued by the Listing Authority

We confirm that to the best of our knowledge:

- this condensed set of consolidated financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position, and profit or loss of Pefaco International p.l.c.; and

- includes a fair review of the information required in terms of listing Rules 5.81 to 5.84.

Olivier Cauro
Managing Director and Director