24 June 2013

**CLEAR LEISURE PLC**

("Clear Leisure" or "the Group" or "the Company")

**FINAL CONSOLIDATED AUDITED RESULTS**

**For the Year Ended 31 December 2012**

Clear Leisure, the AIM traded (AIM: CLP) specialist investment company, announces its final audited results for the year ended 31 December 2012. The annual accounts include the results of its majority owned businesses, which have been consolidated pro rata from the date of acquisition.

These accounts are in Euro unless otherwise stated.

**HIGHLIGHTS**

- NAV per share, as at 31 December 2012 of 13.3 pence
- Revenue of EUR 8.7m (2011: Nil)
- Operating Profit of EUR 3.1m (2011: Loss of EUR 2.6m)
- Total Comprehensive Income EUR 0.6m (2011: Loss of EUR 15.0m)
- Acquisition programme successful and operational assets performing to target

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| | |
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**About Clear Leisure Plc**

Clear Leisure Plc (AIM: CLP) is an AIM listed investment company pursuing a dynamic strategy to create a comprehensive portfolio of companies primarily encompassing the leisure and real estate sectors mainly in Italy but also other European countries. The Company may be either a passive or active investor and Clear Leisure's investment rationale ranges from acquiring minority positions with strategic influence through to larger controlling positions. For further information, please visit, www.clearleisure.com

## CHAIRMAN'S STATEMENT

During 2012, the major goals of the Company were to reduce its debt exposure, simplify the holding structure of its assets, while acquiring majority stakes in its three key subsidiaries and achieve synergies between its assets. The Group can report that the first three of these goals have now been achieved.

We have reorganised the structure of our holdings into two broad categories: Operational Assets and Investments for Sale, which include Mediapolis, Bibop and Geosim. Operational assets now focus around three key sectors, Hotels & Leisure, Theme Parks and Restaurants, with a number of other assets which are crucial to the growing infrastructure of the Group.

We have now completed this investment phase and all outstanding payments to acquire the majority stakes of those core operational assets which the Board believes are key to the future growth of the business have been settled. The three strategic acquisitions in 2012 have been ORH S.p.A, a hotels and leisure group, Sipiem S.p.A, with interests in theme parks and You Can Group in the restaurant sector.

We are continuing to build our majority interests in these businesses and increased our holding in ORH S.p.A to 73.43% in June 2013. We expect to carry out similar transactions if and when opportunities to acquire shares in these subsidiaries become available and should we consider it strategically beneficial to the future performance of the Group.

As at the date of this announcement, no further progress has been made with regards to the sale of Mediapolis or our media company, Bibop. The Company will update shareholders with news on progress when it is forthcoming.

### Financial Review

The consolidated net asset value (equity attributable to the Company) at 31 December 2012 was EUR 29.5 million, almost twice that of 2011 (EUR 16.2m) and corresponding to a fully diluted net asset value per share of 13.3 pence. Total equity, including non-controlling Interests increased to EUR 39.6 million.

The Group reported maiden Revenues of EUR 8.7 million and an Operating Profit of EUR 3.1 million (2011: Loss of EUR 2.6m), due in part to the buy-back of £2.7 million (EUR 3.3 million) of its outstanding bonds at a discounted rate of £1.6 million (EUR 1.9 million), as announced on 6 February 2013.

The impairment charge for the year was EUR 4.7 million, compared to EUR 3.5 million in the previous year to December 2011. This was due mainly to writing down certain assets within ORH S.p.A, and Bibop S.p.A, partly compensated by a revaluation gain of EUR 3 million, arising on the Mediapolis land following an appraisal carried out in October 2012.

The Group carried out two successful Placings during the year under review, with £2 million raised on 23 February 2012 and £2.8 million raised on 18 October 2012. Proceeds from these capital increases were used to fund the acquisitions mentioned above, with the remainder used as working capital.

The Group issued a EUR10 million Zero Coupon Bond on 25 March 2013 of which EUR 3 million has so far been sold to different European institutions, in line with the needs of the Group. The remaining EUR 6.9 million is held in treasury until required. The existing Convertible Bond was repaid using these proceeds at a substantial discount, realising the Group £1.1 million (EUR 1.4 million) in profit.

**Investment Portfolio as at 17June 2013**

**Operational Assets**

| **Name** | **Stake** | **Division** |
|---|---|---|
| ORH | 73.43% | Hotels & Leisure |
| Sipiem | 50.16% | Theme Parks |
| You Can Group | 50.1% | Restaurants |
| Ascend Capital | 10.0% | Finance |

**Investments for Sale**

| **Name** | **Stake** | **Division** |
|---|---|---|
| Mediapolis S.p.A. | 69.45% | Leisure / Real Estate |

| | | |
|---|---|---|
| Bibop | 67.12% | Interactive Media |
| Geosim | 13.0% | Interactive Media |

**Pro Forma Financials**

On the basis that the Company had majority ownership of its three core operational subsidiaries from the beginning of 2012 the proforma head-line figures would have been:

- Revenue of EUR 48.7 m
- Operating Profit of EUR 4.1m
- Total Comprehensive Income EUR 650,000

**Board Appointments**

On 29 May 2012 Francesco Emiliani was appointed as Non-Executive Director.

Nilesh Jagatia was appointed Head of Finance on 3 September 2012, becoming Clear Leisure's first UK based employee. Nilesh is responsible for working with the external auditor and finance departments of the investee companies to ensure prompt delivery of financial statements. Nilesh was appointed Group Finance Director on 18 October 2012.

Luke Johnson was appointed Non Executive Chairman on 18 October 2012.

**Outlook**

The Group is now more financially sound, with a number of strategic options available to increase shareholder value. It continues to review new acquisitions within the leisure sector and believes Italy offers substantial opportunities to acquire assets on attractive terms.  The Board has identified a number of targets which would be incorporated within the Ora Hotel Group and hopes to update shareholders on further developments later in the year.

The Board continues to look for buyers for its non-strategic assets, namely Mediapolis, GeoSim and Bibop. Once the sale of these assets is realised, the cash proceeds will be used to increase its leisure portfolio, specifically to increase the number of hotels it manages in Italy and to increase its direct ownership of the Sosushi restaurants. Further, Ora Hotel Group and its associated travel agencies will shortly launch a travel booking website, as within Italy, the Internet has not been a traditional method for booking holidays.

**Annual Report and Notice of General Meeting**

A copy of the audited annual report for the year ended 31 December 2012 will be available to shareholders from 27 June 2013 when a copy will be available for inspection on the Group's website at www.clearleisure.com.

The Notice of General Meeting will be posted to shareholders on or before 27June 2013 and the General Meeting will be held at 2pm on 7 August 2013 in London at a venue to be advised at a later date.

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

| Continuing operations | 2012<br>€'000 | 2011<br>€'000 |
|---|---|---|
| **Revenue** | 8,662 | - |
| Cost of sales | (5,960) | - |
| | 2,702 | - |
| Other operating income | 3,244 | 276 |
| Administration expenses | (2,843) | (2,832) |
| **Operating profit/(loss)** | **3,103** | **(2,556)** |
| Other gains and losses | (4,693) | (3,481) |
| Finance income | 40 | - |
| Finance charges | (726) | (1,667) |
| **Loss before tax** | **(2,276)** | **(7,704)** |
| Tax | (110) | - |
| **Loss for the year from continuing operations** | **(2,386)** | **(7,704)** |
| **Other comprehensive income** | | |
| Revaluation of land and buildings | 3,000 | - |
| Net fair value loss on available for sale investments | - | (7,266) |
| Exchange translation differences | (4) | - |
| **Total other comprehensive income** | **2,996** | **(7,266)** |
| **TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR** | **610** | **(14,970)** |
| **Loss attributable to:** | | |
| Owners of the company | **(2,300)** | **(7,704)** |
| Non-controlling interests | **(86)** | - |
| **Total comprehensive income attributable to:** | | |
| Owners of the company | **(221)** | **(14,970)** |
| Non-controlling interests | **831** | **-** |
| **Loss per share:** | | |
| Basic and diluted from continuing operations | (€0.02) | (€0.28) |

# STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2012

| | Group | Group | Group | Company | Company | Company |
|---|---|---|---|---|---|---|
| | 2012 | 2011 | 2010 | 2012 | 2011 | 2010 |

| | | Restated | Restated | | Restated | Restated |
|---|---|---|---|---|---|---|
| | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 |
| **Non-current assets** | | | | | | |
| Goodwill | 6,652 | - | | - | - | |
| Other intangible assets | 4,510 | - | | - | - | |
| Property, plant and equipment | 41,565 | - | | - | - | |
| Available for sale investments | 7,894 | 2,678 | 26,454 | - | - | |
| Other receivables | 1,670 | 13,128 | | 33,495 | 24,316 | 28,034 |
| **Total non-current assets** | 62,291 | 15,806 | 26,454 | 33,495 | 24,316 | 28,034 |
| **Current assets** | | | | | | |
| Inventories | 266 | - | - | - | - | |
| Available for sale investments | 320 | 15,618 | 1,009 | - | - | |
| Trade and other receivables | 16,264 | - | 154 | 663 | - | |
| Cash and cash equivalents | 1,843 | 8 | - | 15 | 8 | - |
| **Total current assets** | 18,693 | 15,626 | 1,163 | 678 | 8 | - |
| **Current liabilities** | | | | | | |
| Trade and other payables | (23,357) | (6,498) | (1,497) | (3,512) | (582) | - |
| Borrowings | (15,340) | (1,078) | - | (340) | (1,078) | - |
| **Total current liabilities** | (38,697) | (7,576) | (1,497) | (3,852) | (1,660) | - |
| **Net current (liabilities)/assets** | (20,004) | 8,050 | (334) | (3,174) | (1,652) | - |
| **Total assets less current liabilities** | 42,287 | 23,856 | 26,120 | 30,321 | 22,664 | 28,034 |
| **Non-current liabilities** | | | | | | |
| Borrowings | (2,222) | (7,608) | (9,440) | (1,681) | (7,608) | (9,440) |
| Deferred liabilities and provisions | (499) | - | - | - | - | |
| **Total non-current liabilities** | (2,721) | (7,608) | (9,440) | (1,681) | (7,608) | (9,440) |
| **Net assets** | 39,566 | 16,248 | 16,680 | 28,640 | 15,056 | 18,594 |
| **Equity** | | | | | | |
| Share capital | 5,536 | 1,370 | 411 | 5,536 | 1,370 | 411 |
| Share premium account | 42,457 | 31,749 | 16,718 | 42,457 | 31,749 | 16,718 |
| Other reserves | 10,698 | 9,511 | 17,933 | 293 | 1,365 | 2,242 |
| Retained losses | (29,236) | (26,382) | (18,382) | (19,646) | (19,428) | (777) |
| Equity attributable to owners of the Company | 29,455 | 16,248 | 16,680 | 28,640 | 15,056 | 18,594 |
| Non-controlling interests | 10,111 | - | - | - | - | - |
| **Total equity** | 39,566 | 16,248 | 16,680 | 28,640 | 15,056 | 18,594 |

Luke Johnson
**Chairman** **Director**
**Company** **Number** **03926192**

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

| Group | Share capital | Share premium | Other reserves | Retained losses | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | account | | | | | |
| | | | | €'000 | | €'000 | €'000 |
| | €'000 | €'000 | €'000 | | €'000 | | |
| At 1 January 2011 | 411 | 16,718 | 17,933 | (18,382) | 16,680 | - | 16,680 |
| Loss for the year | - | - | - | (8,000) | (8,000) | - | (8,000) |
| Other comprehensive income | - | - | (7,545) | - | - | - | (7,545) |
| Total comprehensive income for the year | - | - | (7,545) | (8,000) | (15,545) | - | (15,545) |
| Conversion of loan note | - | - | (877) | - | (877) | - | (877) |
| Issue of shares in the year | 959 | 15,031 | - | - | 15,990 | - | 15,990 |
| At 31 December 2011 | 1,370 | 31,749 | 9,511 | (26,382) | 16,248 | - | 16,248 |
| **Company** | | | | | | | |
| At 1 January 2011 | 411 | 16,718 | 2,242 | (777) | 18,594 | - | 18,594 |
| Loss for the year | - | - | - | (18,651) | (18,651) | - | (18,651) |
| Issue of shares in the year | 959 | 15,031 | - | - | 15,990 | - | 15,990 |
| Conversion of loan note | - | - | (877) | - | (877) | - | (876) |
| At 31 December 2011 | 1,370 | 31,749 | 1,365 | (19,428) | 15,056 | - | 15,056 |

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

| **Group** | **Share capital** | **Share premium account** | **Other reserves** | **Retained losses** | **Total** | **Non-controlling interests** | **Total equity** |
|---|---|---|---|---|---|---|---|
| | | | | | | €'000 | |
| | | | | €'000 | | | €'000 |
| | €'000 | €'000 | €'000 | | €'000 | | |
| At 1 January 2012 | 1,370 | 31,749 | 9,511 | (26,382) | 16,248 | - | 16,248 |
| Exchange translation adjustments | 31 | 701 | 181 | (554) | 359 | - | 359 |
| At 1 January 2012 (adjusted) | 1,401 | 32,450 | 9,692 | (26,936) | 16,607 | - | 16,607 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Loss for the year | - | - | - | (2,300) | (2,300) | (86) | (2,386) |
| Other comprehensive income | - | - | 2,079 | - | 2,079 | 917 | 2,996 |
| Total comprehensive income for the year | - | - | 2,079 | (2,300) | (221) | 831 | 610 |
| Non-controlling interests in subsidiary undertakings acquired | - | - | - | - | - | 9,280 | 9,280 |
| Conversion of loan note | - | - | (1,073) | - | (1,073) | - | (1,073) |
| Issue of shares in the year | 4,135 | 10,007 | - | - | 14,142 | - | 14,142 |
| At 31 December 2012 | 5,536 | 42,457 | 10,698 | (29,236) | 29,455 | 10,111 | 39,566 |

| **Company** | | | | | | | |
|---|---|---|---|---|---|---|---|
| At 1 January 2012 | 1,370 | 31,749 | 1,365 | (19,428) | 15,056 | - | 15,056 |
| Exchange translation adjustments | 31 | 701 | - | (429) | 303 | - | 303 |
| At 1 January 2012 (adjusted) | 1,401 | 32,450 | 1,365 | (19,857) | 15,359 | - | 15,359 |
| Total comprehensive income for the year | - | - | - | 211 | 211 | - | 211 |
| Conversion of loan note | - | - | (1,072) | - | (1,072) | - | (1,072) |
| Issue of shares in the year | 4,135 | 10,007 | - | - | 14,142 | - | 14,142 |
| At 31 December 2012 | 5,536 | 42,457 | 293 | (19,646) | 28,640 | - | 28,640 |

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

| | **Note** | **Group 2012 €'000** | **Group 2011 €'000** | **Company 2012 €'000** | **Company 2011 €'000** |
|---|---|---|---|---|---|
| **Net cash outflow from operating activities** | 19 | **(762)** | **(102)** | **54** | **(102)** |
| **Cash flows from investing activities** | | | | | |
| (Increase)/decrease in loan to subsidiary undertakings | | - | - | (4,426) | 109 |
| Proceeds from sale of investments | | - | 1,364 | - | - |
| Acquisition of subsidiary undertakings | | (1,348) | - | - | - |
| Cash balances of subsidiaries acquired | | 1,828 | - | - | - |
| Purchase of investments | | (1,786) | (1,255) | - | - |
| Investment income | | 40 | - | - | - |

| | | | | | |
|---|---|---|---|---|---|
| **Net cash inflow/(outflow) from investing activities** | | **(1,266)** | **109** | **(4,426)** | **109** |
| **Cash flows from financing activities** | | | | | |
| Proceeds from issues of new ordinary shares (net of expenses) | | 4,810 | - | 4,810 | - |
| Interest paid | | (389) | | | |
| **Net cash inflow from financing activities** | | **4,421** | **-** | **4,810** | **-** |
| **Net increase /(decrease) in cash for the year** | | **2,393** | **7** | **438** | **7** |
| Cash and cash equivalents at beginning of year | | 8 | - | 8 | - |
| Exchange differences | | (558) | 1 | (431) | 1 |
| **Cash and cash equivalents at end of year** | 16 | **1,843** | **8** | **15** | **8** |

## Notes

### 1. General

The financial information set out herein does not constitute the Group's statutory accounts within the meaning of section 435 of the Companies Act 2006 for the year ended 31 December 2012. The statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the associated notes for the year then ended have been extracted from the Company's financial statements does not include any statement under section 498 of the Companies Act 2006. The audited accounts will be posted to all shareholders in due course and will be available on request in due course by contacting the Company Secretary at the Company's Registered Office.

### 2. Basis of preparation

The financial statements of the Company and the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union (EU) and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are stated at their fair values. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies have been consistently applied to all periods presented, except where stated.

### 3. Change in accounting policy

These financial statements are presented in Euro because that is the currency of the primary economic environment in which the group now operates. In 2011 the financial statements were presented in pounds sterling, so the comparative figures for that year and 2010 have been restated in Euro. Transactions in currencies other than Euro are included in accordance with the policies set out in note 2.

## 4. Going Concern

The directors are satisfied that the group has sufficient resources, even though at the balance sheet date the group had extremely little liquidity, to meet its on-going operating costs and investment funding obligations. The directors are of the opinion that operational liabilities and contractual commitments can be settled from the timely disposal of investments, should the need arise, and from on-going future anticipated rounds of debt or equity funding. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the directors consider that, based upon financial projections and dependent on the success of their efforts to complete these activities, the Company and the Group will be going concerns for twelve months from the date of approval of these financial statements. As a consequence, these financial statements are prepared on a going concern basis.

The projections for the year ended 31 December 2014 do not include any receipts from the sale of the investments held for sale.

## 5. Loss per share

The basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed using the same weighted average number of shares during the period adjusted for the dilutive effect of share options and convertible loans outstanding during the period.

The loss and weighted average number of shares used in the calculation are set out below:

| | | **2012 Weighted** | | | **2011 Weighted** | |
|---|---|---|---|---|---|---|
| | | **average no.** | **Per share** | | **average no.** | **Per share** |
| | **Loss** | **of shares** | **Amount** | **Loss** | **of shares** | **Amount** |
| | **€'000** | **000's** | **pence** | **€'000** | **000's** | **pence** |

| Earnings per share | | | | | | |
|---|---|---|---|---|---|---|
| Basic and Diluted | (2,300) | 92,327 | (€0.02) | (7,704) | 27,968 | (€0.28) |

IAS 33 requires presentation of diluted earnings per share when a company could be called upon to issue shares that would decrease earnings per share. In respect of 2011 and 2012 the diluted loss per share is the same as the basic loss per share as the loss for each year has an anti-dilutive effect.

## 6. Called up share capital

**Called up share capital**

| | 2012<br>Number | 2011<br>Number | 2012<br>€'000 | 2011<br>€'000 |
|---|---|---|---|---|
| **Allotted, called up and fully paid** | | | | |
| Ordinary shares of 2.5p each | 181,209,377 | 45,847,710 | 5,536 | 1,146 |
| | 181,209,377 | 45.847,710 | 5,536 | 1,146 |

The following shares were issued during the year:

On 4 January 2012 the Company issued 11,000,000 ordinary shares of 2.5p each at 36p in respect of a bond holder converting their bond into equity shares.

On 23 February 2012 the Company issued 13,125,000 ordinary shares of 2.5p at a price of between 15 to 16p per share raising a total of approximately £2 million.

On 23 March 2012 the Company issued 150,000 ordinary shares of 2.5p at a price of 30p to a consultant to the Company in settlement of fees. In addition the company has agreed with Argentaria S.r.l. to reverse the acquisition of an office building in Milan and will not therefore issue the 5,000,000 new ordinary shares.

On 2 April 2012 the Company issued 6,880,000 ordinary shares of 2.5p at an average price of 9p to further investment in Sosushi and take the Company's holding from 20 per cent. to 50.1 per cent.

On 3 April 2012 the Company issued 5,750,000 ordinary shares of 2.5p at a price of 10p raising a total of £575,000 before costs.

On 13 April 2012 the Company issued 6,306,667 ordinary shares of 2.5p at a price of 4.2p to the vendors of Sipiem S.p.A..

On 4 May 2012 the company issued 3,000,000 ordinary shares of 2.5p at a price of 15p for the acquisition of 10 per cent. of Sixlove Group S.p.A.

On 5 June 2012 the Company issued 15,000,000 ordinary shares of 2.5p each at 5p each in respect of Mediapolis Investment bond repayment.

On 26 June 2012 the Company issued 300,000 ordinary shares of 2.5p each at 4.67p each in respect of a cash placing.

On 28 August 2012 the Company issued 4,000,000 ordinary shares of 2.5p each at 5p in relation to an investment in Ascend Capital plc.

On 18 October 2012 the Company issued 70,000,000 ordinary shares of 2.5p each at 4p each in respect of a cash placing.

## 7. Post balance sheet events

On 6th February 2013 the company announced that at the end of December 2012, the Company entered into a conditional agreement with certain creditors to buy back £2,704,594 of Clear Leisure debt for a cash amount of £1,576,165. It was settled on 25 March 2013; The Company has agreed to repay a debt of EUR 230,000 to an outstanding creditor by issuing 3.2 million Clear Leisure Ordinary shares at a price of 6p per share; and the Company agreed to repay clients of Eufingest S.A. the amount of £600,000 in settlement of a short term loan through the issue of 15 million Clear Leisure Ordinary shares at a price of 4p per share.

On 25th February 2013 the company announced that Eufingest S.A., the Lugano based portfolio management company, now holds 55,000,000 ordinary shares in the capital of the Company representing 27.6 per cent of the issued ordinary share capital, directly owned and on behalf of its clients.

On 25th March 2013 the company announced that it has completed the placing of its €9.9m, December 2015, Zero Coupon Convertible Bond at a conversion price of 15 pence and issued at 78% of face value. EUR 3 million sold to different European institutions, with the remaining EUR 6.9 million held in the Company's treasury account, to be sold in the secondary market, if and when the Company requires further cash for investment and growth. The net proceeds will be used mainly to buy back, at discount, existing debt positions.

On 7th May 2013 the company announce that it has signed an agreement with Milan Nomad and Broker, Integrae SIM SpA,for the dual listing of the Company's shares on AIM Italia - Alternative Capital Market.

On 6th June 2013 the company announced that on 4 June, its holding in ORH SpA , the Italian tour operation and hotel managementgroup, increased to 73.43 per cent, from 60.82 per cent.

This increase was a result of the sale of a hotel developmentin Mozambique to Mr Presti, a director and shareholder of ORH, in return for shares representing approximately 16 per cent. of the total voting rights in ORH. ORH has subsequently cancelled the shares received as consideration. Following the transaction, Mr Presti no longer has a shareholding in ORH and has left the board of ORH.