27 June 2017

PHOTO-ME INTERNATIONAL PLC
("Photo-Me" or "the Group")

RESULTS FOR THE YEAR ENDED 30 APRIL 2017

Record profits at £48m and fourth consecutive year of double-digit earnings growth

Photo-Me International plc (PHTM.L), the instant service equipment group, announces its results for the year ended 30 April 2017.

RESULTS HIGHLIGHTS:

	Reported			At constant currency	
	2017	**2016**	**Change**	**2017[1]**	**Change[1]**
Revenue	£214.7m	£184.0m	+16.7%	£190.0m	+3.3%
EBITDA	£69.2m	£56.7m	+22.0%	£60.4m	+6.5%
Profit Before Tax	£48.0m	£40.1m	+19.7%	£41.8m	+4.2%
Net Cash	£39.2m	£62.4m	-37.2%		
EPS (diluted)	9.27p	7.72p	+20.1%		
Total dividend per share	7.03p	5.86p	+20.0%		

[1] For constant currency comparatives, average rates of exchange used were £/€ 1.18 (2016: 1.35), £/Yen 140 (2016: 178)

FINANCIAL HIGHLIGHTS

- Revenues up +16.7% at £214.7m and by 3.3% at constant currency
- EBITDA increased by 22% and margin expanded to 32.2% (+140bpts)
- Record PBT of £48m, up +19.7% and +4.2% at constant currency, PBT margin expanded to 22.4% as percentage of sales
- Net cash position of £39.2m after distribution of £32.6m dividends and investments in future growth of £40.9m
- Total Ordinary dividend increased by 20% to 7.03p

OPERATIONAL HIGHLIGHTS

- Continued good performance from Identification and laundry businesses

- Further progress in deployment of ID security technology
    - ANTS upgrades in France
    - Rollout of encrypted photo ID upload technology under way in Ireland
    - Commenced progressive rollout of secure and direct data transfer technologies in photobooths in Germany

- Expansion of laundry business continued in line with the Group's target of 6,000 units by 2020
  - 3,251 units deployed in France, Ireland, Belgium, Portugal and the UK
  - 50 Launderette shops opened as at 30 April 2017, including first shop in Japan
  - Launch of reduced footprint Revolution units, Compact and Mini formats, targeting Far East market, constrained by physical space

- Strengthened market position in digital printing segment
  - Acquisition of ASDA photo division in October 2016
  - Next generation, social-media-enabled kiosks designed by Philippe Starck delivering enhanced returns

- Continued investment in innovation for future growth focused on
  - Complementary products and technologies with multiple applications across estate
  - Continued development of proprietary security biometric identification solutions
  - Ongoing refurbishment and upgrade to support market leading position

Commenting on the results, Serge Crasnianski, CEO, said:

"2017 has been another year of progress, reflected in record profits and our fourth consecutive year of double-digit earnings growth. The expansion of our laundry business and the ongoing investment and deployment of our integrated identification technologies have remained a key focus and we have made excellent progress in these areas.

Looking ahead, the Group will remain focused on driving profitability from our existing estate and continue investing in new and complementary products to extend the suite of services available through our established instant service equipment network. In a context of general uncertainty, particularly in the UK, the Board anticipates another year of consistent underlying progress."

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 ("MAR"). Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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An interview with Serge Crasnianski, CEO, and Gabriel Pirona, CFO, commenting on the final results is available to view at www.photo-me.com or available here.

An audio webcast of the analyst and investor presentation will be available to download later today at www.photo-me.com .

CHAIRMAN'S STATEMENT

In 2017, the Group delivered record profits and, aided by currency exchange rates, double digit earnings growth as we continue to make excellent progress in line with our strategy to invest in technological innovation and complementary products to drive future growth.

Results

The Group made good progress in the financial year, reflecting our ongoing investment in product innovation, the extension of our services in the photo identification market and the continued growth of our laundry business. With 90% of our profits generated from outside the United Kingdom, the business has also benefited from favourable currency movements.

Reported revenue increased by 16.7% to £214.7m and at constant currency increased by 3.3% to £190.0m. Reported EBITDA margin increased by 140 bpts to 32.2% of revenue. Reported profit before tax rose by 19.7% to £48.0m, and at constant currency increased by 4.2%.

Our net cash position remains strong at £39.2m (as at 30 April 2017), notwithstanding our £40.9m investment into the business, and the distribution of dividends amounting to £32.6m during the financial year.

Strategy

The Group's international operations and technological innovation is focused on three market segments: identification, laundry and digital kiosks and we currently operate across 18 countries.

During the financial year, we have continued to make good progress in diversifying our operations and developing new technologies with multiple applications. This ongoing investment is self-funded through the stable cash flow from our established photobooths business and, due to the scale of the Group's operations and low fixed-cost base, new products and services can be deployed at a relatively low cost to the business.

The Group is particularly focused on further developing its proven integrated digital security solutions for governments, enabling direct and secure transfer of data from its photobooths for official documentation, such as driving licences and passports.

We have had a number of important milestones in our identification division. In Ireland, the Group's encrypted photo ID upload technology was adopted by the Irish government for its new Online Passport Application service, with the service expected to be rolled out to 300 photobooths by the end of 2017. This follows the successful deployment of secure data transfer technology photobooths in France, enabling photo ID to be uploaded directly to ANTS (Agence Nationale des Titres Sécurisés, a national agency linked to the French Ministry of Transport) servers for driving licence applications.

In addition, the Group is investing in the development of proprietary 3D capture and enrolment technologies, which were showcased at TRUSTECH in Cannes (France), a large event dedicated to Trust Based Technology, which took place last autumn. As a Board, we believe these new technologies will become increasingly important in the secure identification market in the future and we remain focused on developing our market-leading capabilities in this area.

The rapid expansion of our laundry division into all segments of the laundry market in Europe has continued apace and remains a key focus for the Group. During the year 1,103 laundry units were deployed and we remain on track to achieve our target of 6,000 owned and operated units by 2020.

During the year, Photo-Me has launched the new SpeedLab digital printing kiosks designed by

Philippe Starck, deploying the new machines at major retailers in Europe and the UK. The new machines feature enhanced technology enabling the best customer experience in the market. Some kiosks, in France, are enabled with the MoneyGram application allowing account setups and money transfers.

Dividends

The Board is committed to a progressive dividend strategy. In 2016, we pledged to increase the ordinary dividend by 20% for the financial years ending 30 April 2017 and 30 April 2018.

In line with this strategy, the Board is proposing a final dividend payment of 3.94 pence per share (2016: 3.285 pence per share). Together with the interim dividend of 3.09 pence per share paid on 11 May 2017, this brings the total dividend for the year ended 30 April 2017 to 7.03 pence per share, an increase of 20% year on year (2016: 5.86 pence per share).

Subject to approval at the Annual General Meeting, the final dividend will be paid on 10 November 2017 to shareholders listed on the register on 13 October 2017. The ex-dividend date will be 12 October 2017.

Employees

On behalf of the Board, I would like to extend my sincere appreciation to our management team and employees around the world for their hard work, dedication and loyalty which has contributed to these strong results.

Current trading and outlook

The new financial year has started in line with our expectations. Whilst uncertainties remain with regard to the evolution of currencies, as well as to the consumer spending and disposable incomes in many of our key markets, the Board remains confident that our market-leading position and investment in innovation will continue to support the future prospects of the business.

John Lewis
Non-executive Chairman

CHIEF EXECUTIVE'S BUSINESS AND FINANCIAL REVIEW

The expansion of our laundry business and the ongoing investment and deployment of our integrated identification technologies have remained key focuses during the year and we have made excellent progress in these areas.

OUR BUSINESS MODEL

Photo-Me operates, sells and services a wide range of instant service vending equipment, primarily aimed at the consumer market. We currently have 47,946 vending units in operation and our technological innovation is focused on three principal areas:

- *Identification:* photobooths and integrated biometric identification solutions
- *Laundry:* unattended laundry services
- *Kiosks:* high-quality digital printing

In addition, we operate vending equipment such as children's rides, amusement machines and business service equipment.

This equipment is generally sited in prime locations in areas of high footfall such as supermarkets, shopping malls (indoors and outdoors) and public transport venues.

The vast majority of these units are operated and maintained by Photo-Me. Photo-Me pays the site owner a commission based on turnover, which varies depending on the country and location of the machine.

The Group operates in 18 countries worldwide and its financial performance is reported with regard to three geographic regions: UK & Ireland, Continental Europe, and Asia & Rest of the World.

Photo-Me's business strategy is centred on utilising cash flow from our long-established photobooth operations to develop new and complementary products to drive future growth, combined with the penetration of new geographic markets.

Our key strengths

- *Brand recognition:* We operate market leading brands in identification security with household names, such as Photo-Me in the UK, Photomaton and KIS in France.

- *Customer experience:* The majority of our business is consumer-oriented and we are focused on providing our customers with modern, easy to use equipment which is reliable and provides high quality, value for money services in convenient locations.

- *Partnerships with major site owners:* We have established long-term relationships with site owners, such as supermarkets, shopping malls, public transport networks, city hall and public administration buildings, to ensure optimum positioning of our machines. These partnerships provide access to strategically positioned, high footfall locations which are attractive to the consumer, with the opportunity to deploy additional services on site.

- *Established network of field engineers:* We have an established network of approximately 700 dedicated regional field engineers across our geographies. These teams operate across our range of products and are able to support growth at a low incremental cost to the Group. They are responsible for collecting revenues from our machines, ensuring optimal availability of equipment and a high quality of service for the duration of the contracts with site owners.

- *Strong balance sheet:* The strength of our cash flow from our established photo identification business allows us to largely self-finance capital expenditure programmes and technological innovation while also returning cash to shareholders by way of dividends.

- *Investment in innovation:* We are committed to continuing to invest in new products and technologies as we continue to diversify our operations and seek new and complementary revenue streams to drive future growth.

OVERVIEW OF BUSINESS SEGMENTS AND STRATEGY

Identification

Photo-Me is the world's largest operator of photobooths with market-leading photographic quality and technology. We operate an established network of 28,541 photobooths, representing 59% of our total unattended instant service equipment estate.

Our next generation Starck photobooth, designed by Philippe Starck, has a contemporary look which is more attractive to consumers and delivers monthly revenue estimated to be approximately 10% higher than our traditional photobooth. This new look booth now represents approximately 18% of the Group's photobooth estate.

All of our photobooths have integrated software which automatically ensures photographs conform to the multiple technical criteria outlined in the 73 page photo identification regulations manual issued by the International Standards Organisation (ISO) and the International Civil Aviation Organisation (ICAO), offering significant advantages when compared with home taken photographs for official documents.

In recent years the Group has been investing in the development of integrated solutions for the secure transfer of photo ID and biometric data (such as e-signatures and fingerprints) direct to government servers. This technology is currently being deployed in seven countries. In addition, Photo-Me is a leader in employing 3D facial image capture and facial recognition technology, which the Board believes represents the next generation in identification security.

Photo-Me is currently developing the next generation of its booths, evolving the machine to offer multiple services, beyond the historical and traditional 2D photo capture. Alongside the capability to create and operate Moneygram accounts, the new functionality enables the booth to offer self-service retail banking facilities.

Growth drivers
Steady replacement rates of official documents which require a photograph, population growth and increasing international travel linked to GDP growth all drive growth in the photo ID market. In the current context of general public security strengthening, there is also an increasing appetite from governments for improved and digitalised security ID requirements to combat fraud and terrorist activity.

Laundry

The Group owns and operates 1,965 laundry units across its laundry businesses in twelve countries, primarily in France, the UK, Ireland, Belgium and Portugal. Of the Revolution units recently deployed, approximately 90 percent are owned/operated by Photo-Me and the remaining are sold to site operators.

Our growth strategy for the laundry business, which was launched in 2012, is predicated on leveraging our well established relationships with site owners to access prime locations, mainly

where we already operate other instant service equipment, such as photobooths. We are targeting deployment of 6,000 units by 2020 and an increased geographic presence.
There are three key segments within our laundry operations:

- Revolution

This is our 24 hour, outdoor self-service laundry unit for large capacity, rapid laundry services. These units are located on easy access, high footfall sites such as supermarket car parks or petrol forecourts. The original Revolution machine has a $10m^2$ footprint and comprises two large washers and a dryer. In 2017, we extended the Revolution range to include two reduced footprint models, the compact and the mini, which have a $5m^2$ footprint. The models are better suited to some locations and target markets, such as the Far East.

As at April 2017, the Group operated 1,750 Revolution machines.

- Launderettes

At the end of April 2017, the Group had 50 launderettes located in France, Spain, Belgium, Ireland and Japan. Typically these shops are positioned in or near to town centres where there is limited competition from other laundry services.

Our strategy is to acquire underperforming launderette businesses located on attractive sites and refit the shop in a stylish, contemporary format that is more attractive to the end consumer. More specifically, in the short to medium term, our aim is to expand our presence in the launderette market in Japan, estimated to be one of the largest worldwide market for launderettes.

- B2B laundry operations

Fowler UK, acquired in October 2015, is a distributor and lessor of laundry and catering equipment. It currently operates in the UK market however, the Board believes there is potential to extend the business model into other geographies, particularly Continental Europe. Our B2B customers include institutions such as hospitals, care homes and universities. As at 30 April 2017, Fowler UK directly operated 215 laundry units.

Growth drivers
The laundry market is driven by demand for self-service high capacity laundry services at competitive prices. Customers include small businesses (such as hotels, restaurants), institutions and sports clubs (such as football teams) and individuals with items and quantities of washing too large for a domestic machine.

Kiosks

We have 5,872 digital printing kiosks in operation, representing approximately 12% of our total instant service equipment estate. Our key geographic markets are Europe (France, UK, Belgium, the Netherlands, Switzerland, and Germany) and Japan.

Our digital printing services offer a wide range of print formats and personalised products which are competitively priced and available via multiple devices. The latest generation kiosks, designed by Philippe Starck, are fully integrated with all major social media networks to enable rapid, high quality printing.

Our digital printing kiosks have also been deployed in the 363 selling points of the UK Photo Division of Asda Stores Limited, acquired on 31 October 2016.

Our kiosk product range and recently launched products include:

- Photo processing services via SpeedLab
- MoneyGram kiosks - money transfer services through our MoneyGram partnership agreement
- Selfie Booth Kiosks - light weight, portable selfie booths for special events
- Gift Card Kiosks – self-service instant customised gift cards (piloting in Switzerland)

Growth drivers
The increased use of smartphones, which accounted for 80% of photos taken in 2016, and digital sharing across social media networks have driven demand for photo printing services.

Other instant-service equipment
The Group operates interactive character and simulator rides for children as well as a selection of other coin-operated amusement machines. The 5,148 children's rides and 6,420 other vending units in operation represent approximately 11% and 13% of the Group's total units in operation respectively. These units are primarily located on sites where we already operate other services and can leverage existing site owner relationships.

OUR GROWTH STRATEGY

We aim to create shareholder value through ongoing investment in new technologies to develop new and complementary products and services which can be rapidly deployed across our existing and new geographies, and provide rapid return on investment.

This strategy is based on expanding the number of units in operation, increasing the yield per unit and minimising production and operational costs to the Group in achieving this objective.

Three-year strategy (2017 – 2020)

- Identification & security
  - Target high footfall locations
  - Penetrate new geographies
  - Increase revenue through multiple service offerings
  - Deploy proven digital identification security technologies into other geographies

- Laundry
  - Deploy 6,000 laundry units by 2020
  - Identify and deliver offering to new high demand markets with limited competition
  - Extend launderette presence through the owned/operated model
  - Extend business to business offering in the UK and into new geographies

- Kiosks
  - Increase presence on high footfall sites through multi-service offering
  - Extend product partnerships into new geographies
  - Capitalise on market leading position and competitor landscape

INVESTMENT IN INNOVATION

Investment in innovation for future growth lies at the core of our business.

Development capabilities

We have established international research and development (R&D) capabilities in Echirolles (France), Shanghai (China), Hanoi (Vietnam), and Tokyo (Japan).

Our dedicated team of 60 highly experienced engineers specialises in software development, 3D technology, ID security standards, design and unit upgrades.

Our R&D facility in France plays a key role in the identification of new market opportunities and new product industrialisation, undertaking pilot production and testing prior to large scale production in Eastern Europe and China.

Key areas of focus

Refurbishment and upgrades

We continually refurbish and upgrade our existing product estate to support our market leading position.

In 2011, we commenced rollout of our next generation photobooth, designed by Philippe Starck. With 5,235 units having been deployed across the estate, the new design now accounts for approximately 18% of our total photobooth estate and is delivering enhanced increased takings.

Our Telemetry software provides automated monitoring to ensure optimal availability and high quality service of our equipment. Not only does Telemetry enable our engineers to monitor machines remotely and receive alerts regarding any faults, it also facilitates remote servicing and repairs.

Proprietary security biometric identification solutions

Security identification has traditionally focused on 2D images. However, the Board believes that the next generation in identification will incorporate integrated 3D image capture, facial recognition, biometrics and enrolment technologies.

Photo-Me believes itself to be the only company in the market employing instant 3D image capture. Our photogrammetry-based proprietary scanning system generates an accurate, ultra-high resolution, full colour 3D surface image which is virtually impossible to falsify.

By combining 3D images with facial recognition technology, the digital image is significantly more accurate and creates an unrivalled level of security.

The security features embedded in these cutting-edge technologies greatly enhance protection against counterfeit and fraudulent identification papers. The 3D encrypted digital portrait photos, which use various encryptions such as QR code, Tag RFID, holographic laser engraved and secured chips, are the ideal, secure identification solution for official documents.

New product development

We are focused on extending the services available via our photobooths and identifying new product segments with attractive cash-based characteristics. We leverage our strong existing site-owner relationships and, with any new product introduced, we aim to achieve first year gross revenues equivalent to the cost of the investment.

A recently developed new product has the capability to provide front-end retail banking services via our extensive network of photobooths, supporting fintech companies competing with traditional high street banks. The photobooth would offer customers 100% instant, self-service banking services through secure data transfer for account management. Once registered, users of the service would be able to access instant card delivery and activation services, make deposits and print transaction histories. Customers would be able to receive assistance via video link if they encounter any problems.

REVIEW OF PERFORMANCE BY GEOGRAPHY

The commentaries on the financial performance of the business are set out below in line with the segments as operated by the Board and the management of Photo-Me and consistently with the information prepared to support the Board decision process. Although, the Company organisation is not articulated around product lines, some commentary below relates to the performance of specific products in the relevant geographies

Key financials

The Group reports its financial performance based on three principal geographic areas of operation; Continental Europe, UK & Ireland and Asia & the Rest of the World.

	Revenue Year to 30 April				**Operating profit Year to 30 April**			
	2017 £m	**2017[1] £m**	2016 £m	**Change %**	**2017 £m**	**2017[1] £m**	2016 £m	**Change %**
Continental Europe	111.7	97.6	93.7	+19.2%	33.9	29.6	24.1	+40.7 %
UK & Republic of Ireland	53.6	53.1	45.8	+17.0%	7.3	7.2	8.0	(8.8)%
Asia & ROW	49.4	39.3	44.5	+11.0%	8.4	6.9	10.7	(21.5)%
	214.7	190.0	184.0	+16.7%	49.6	43.7	42.8	+15.9 %
Corporate					(2.8)	(3.2)	(3.1)	(9.7)%
	214.7	190.0	184.0	+16.7%	46.8	40.5	39.7	+17.9 %

[1] 2017 trading results of overseas subsidiaries converted at 2016 exchange rates

Vending units in operation

The majority of the investment was allocated to expanding the laundry business, but, as we deployed 554 additional operated Revolution units and reached 50 opened laundry shops as at 30 April 2017, the Group has also rolled-out more than 800 of its new SpeedLab Cube and SpeedLab Bio by Starck digital photo printing kiosks and expanded our photobooth penetration in new locations in Asia.

	2017		2016		**Change year on year**
	No of units	**% of total**	No of units	% of total	
Continental Europe	**23,751**	**49%**	22,800	50%	**+4.2%**
UK & Republic of Ireland	**13,287**	**28%**	12,500	28%	**+6.3%**
Asia & ROW	**10,908**	**23%**	10,200	22%	**+6.9%**
	47,946	**100%**	45,500	100%	**+5.4%**

Laundry units

Total laundry revenue across the Group increased by 79% to £21.7m[1] (2016: £12.1m), reflecting our strategy to grow those operations. The revenue relating to our operated estate increased by 89% to £14.3m (2016: £7.6m) while the number of operated units increased by 58%.

Total laundry units	**2017**	**2016**	**2015**	**Change**
Deployed units (total)	3,251[2]	2,148	1,084	+51%
Ave. takings per owned unit (€)[3]	€16,586	€15,382	€14,396	+8%

[1] Including Fowler UK revenue of £3.7m (2016: £1.5m)
[2] Including 915 (2016: 415) deployed in the UK & Republic of Ireland and 7 (2016: 1) deployed in Asia & ROW
[3] Average calculated only on machines in France, Ireland and Portugal with full month takings

Since the launch of the Revolution laundries in Ireland and Portugal in 2014, the laundry business has contributed to a complete transformation of our businesses in those countries. The laundry revenue grew in Portugal and Ireland, respectively by 565% and 701% between 2015 and 2017, representing now respectively 61% and 66% of the total revenue in each country. The profit before tax and excluding group fees increased respectively by 456% and 739% in Portugal and Ireland between 2014 and 2017.

Continental Europe

Financial performance

This division performed strongly in the period and is the largest contributor to the Group's results, representing 52% of total Group revenue (2016: 51%) and 72% of operating profit (2016: 61%).

The division operates in ten countries (Austria, Belgium, France, Germany, Italy, the Netherlands, Poland, Portugal, Spain and Switzerland), with France remaining the most important country in the region. We are now entering the Italian market, leveraging our relationships with existing site owners, and focusing on laundry and digital kiosks.

At the end of April 2017, 49% of the Group's estate was sited in Continental Europe, compared with 50% in the prior year, with a total of 23,751 units in operation (2016: 22,800), an increase of 4.2%. The division mainly invested in laundry units and the new Philippe Starck designed digital photo printing kiosks.

Revenue at constant currency increased by 4.2%, driven by a 60% increase in the takings from our expanded laundry estate. Photobooth revenue contracted by 0.7%. Operating profit at constant currency increased by 22.8%, primarily driven by growth in the laundry division.

Review of operations & strategic progress

Identification

Our focus has been to upgrade our photobooth estate in the region with new digital security features as well as payment system upgrades, in order to increase the use of electronic payments in photobooths and in our kiosks.

In France, we have invested to upgrade the vast majority of photobooths to enable the direct and secure transmission from our photobooths of a digitised e-photo and e-signature to the ANTS secure database for driving licence applications.

In Germany, our secure data capture and transfer technology is fully certified by the German authorities and we have started the progressive rollout of this technology.

In the first half of the year, the Company took the decision to implement price increases in its photobooths in the Netherlands (from €5 to €6) and Switzerland (from CHF 8 to CHF 10). Those price increases have been successfully completed.

Laundry

The expansion of the laundry business in Continental Europe has continued apace, primarily focused on France, Belgium and Portugal.

In Portugal, laundry operations now account for over 60% of the country's revenue contribution compared with 13% in FY 2015, reflecting a shift in our product mix as we accelerate the rollout of our laundry business.

During the year, 27 launderette shops were added to the estate. Results from these new sites have been solid and encouraging.

Production of the new compact Revolution machines commenced in March 2017 and we anticipate that these reduced footprint units will be more attractive to Far Eastern markets. The reduced planning requirements due to the unit size will also speed up deployment in our target markets.

Kiosks

In 2017, the number of digital printing kiosks in Continental Europe increased by 3%, primarily driven by the gradual rollout of the new SpeedLab Cube and SpeedLab Bio kiosks, designed by Philippe Starck. Specifically, Photo-Me started the deployment at Carrefour replacing Kodak units. So far, results have been encouraging.

We currently operate 20 dedicated MoneyGram kiosks and a further 80 transaction kiosks in France. The Group is in discussions with MoneyGram to extend this partnership into other geographies.

UK & Republic of Ireland (including Corporate)

Financial performance

This division contributed 25% of Group revenue for the year (2016: 25%), and 10% of operating profit (2016: 12%).

At the end of April 2017, 28% of the Group's estate was sited in this region, compared with 28% in the prior year. There were 13,287 units in total (2016: 12,500), of which 6,600 were photobooths (2016: 6,600). We increased the number of digital kiosks to 992 at the end of April 2017 from 255 in the previous year after introducing the SpeedLab Cube by Starck at Morrisons and Asda. The laundry estate increased by 57% to 499 operated laundry units in the UK and Ireland.

Revenues increased by 17.0% compared with the previous year (up 15.9% at constant rate of exchange), driven by a 102% increase in sales from our laundry business.

Operating profit in this division declined by 8.2% as a result of start-up costs associated with the newly formed Photo-Me Retail business (the acquired UK Photo Division of Asda Stores Limited). This contributed to a £1.8m loss in the reported accounting period, compounded by increased depreciation following investment in our operated laundry and kiosk estates.

Fowler UK, the Group's commercial laundry and catering equipment business made a full year contribution of £0.7m to the Group's profit before tax, while the UK operations excluding laundry contributed 5% of the Group's profit before tax.

Review of operations & strategic progress

Identification

In March 2017, the Group launched the rollout of its encrypted photo ID technology across Ireland in partnership with the Irish government. This agreement, which leverages the secure digital transfer technology developed for the French government, provides customers with a convenient, easy to use and cost effective system for the digital transfer of ID photos as part of the Online Passport Application service.

Photo-Me Ireland is the first company licenced by Ireland's Department of Foreign Affairs & Trade to capture and transfer digital photos as part of the new online passport renewal system. The photobooths are being rolled out with premier partners: Topaz, SuperValu, Tesco and An Post, as well as a number of shopping centres nationwide. Upon completion of the rollout, which is expected by the end of 2017, 98% of the population of the Republic of Ireland will live within 5km of a Photo-Me secure upload ID photobooth. In order to maximise the increased volume opportunity, the electronic photo is priced at €8, compared to €5 for the traditional paper format.

During the year, a price increase from £5 to £6 has been successfully implemented in the London area.

Laundry

The Group has now started actively deploying Revolution laundry units at suitable sites in the UK, with 70 units deployed during the year in petrol station forecourts, and other high footfall locations.

Kiosks

On 31 October 2016, the Group completed the acquisition of the UK photo division of Asda Stores Limited. The addition of 363 sites previously managed by Asda, 191 photo centres and 172 self-service corners, has extended our presence in the UK market. The reconfiguration of layouts and equipment upgrades which are being implemented as well as on-going operational measures, are expected to restore the profitability of the business in the short term and progressively expand profitability going forward.

In addition to the printing kiosks sited at the Asda locations, the Group has sited over 120 SpeedLab Cube by Starck kiosks at Morrisons stores.

Asia & Rest of the World

Financial performance

Asia and the Rest of the World contributed 23% of Group revenue (2016: 24%) and 18% of operating profit (2016: 27%). The Group operates in six countries (China, Japan, Singapore, South Korea, USA and Vietnam), with Japan remaining the largest business in the region.

At the end of April 2017, 23% of the Group's estate was sited in Asia and the Rest of the World (2016: 22%). In total there were 10,908 units (2016: 10,200), of which 9,279 (2016: 8,600) were photobooths.

Revenues in Asia and the Rest of the World increased by 11%, benefiting from positive currency variances. At constant currency, revenues from the Asia & Rest of the World division decreased by 11.7%. While revenues in China and Korea increased respectively by 28.4% and 45.3%, those incremental gains were not sufficient to compensate for lower volumes in Japan following the Japanese government's decision not to enforce the My Number card scheme immediately.

Review of operations & strategic progress

Japan is the largest territory in the region. As previously announced, contributions from the government's My Number ID card programme were lower than initially expected. Whilst our photobooths are equipped to scan the unique QR code every Japanese citizen has received, and match the ID photos to the My Number Card application, the ID cards are not mandatory and adoption by citizens has not been as rapid as the government had anticipated. The new card is expected to become compulsory in the medium term (2020/2021).

The group successfully opened its first launderette shop in Japan, starting the penetration of what is believed to be one of the largest markets in the world for Launderettes.

Key Performance Indicators

The Group measures its performance using a mixture of financial and non-financial indicators. The main objective of these KPIs is to ensure the Group remains highly cash generative, delivers sustained long-term profitability, preserves the value of its assets and provides high returns to shareholders.

Description	Relevance	Performance	
		April 2017	April 2016
Group total revenue at actual rate of exchange		£214.7m	£184.0m
Group total revenue excluding minilab business at constant rate of exchange	The turnover at constant rate of exchange excluding minilabs indicates the underlying growth of the core business (for historical comparatives purposes, all converted at April 2012 rates)	£200.5m	£195.9m
Group profit before tax		£48.0m	£40.1m
EBITDA margin	The EBITDA margin is a good indicator of improved profitability	32.2%	30.8%
Gross takings (including VAT)	Gross takings are an important indicator of the trend in our core vending business	+4.8%	+3.7%
Increase in number of photobooths	The increase in number of photobooths is a constant priority and a main driver for growth	+887	+611
Increase in number of laundry units (operated or sold)	The increase in number of laundry units measures our penetration in markets where there is a significant potential for growth and strong profits	+1,103	+1,064

OUR TEAM

These excellent results are testament to the strength of our teams across the business. Our Group structure reflects the entrepreneurial and creative nature of Photo-Me and is aligned to our business strategy. We have a team of more than 60 R&D engineers within the business focused on innovation and new product development to support our future growth. Led by our Head of New Product Development, the majority of this team is located at our largest innovation facility in France with the remainder working at our R&D centres in China, Vietnam and Japan.

Eric Mergui, COO, is responsible for operations, driving profitability and new business development, supported by our Country Managers and Global Business Development and Marketing Team. Gabriel Pirona, CFO, is responsible for our finance function.

We are committed to nurturing talent within our teams and developing the next generation of leaders. I would like to take this opportunity to thank everyone who has worked for the Group during the year and contributed to our success.

FUTURE PROSPECTS

Looking ahead, the Group will remain focused on driving profitability from our existing estate and investing in new and complementary products to extend the suite of services available through our established instant-service equipment network. Subject to the macroeconomic environment and consumer disposable income, the Board anticipates another year of consistent underlying progress.

Serge Crasnianski
Chief Executive Officer & Deputy Chairman

FINANCIAL REVIEW

Financial Performance

The Group delivered a strong financial performance, as illustrated by the significant increase in profits.

Reported revenue increased by 16.7% to £214.7m as a result of the consistent, sustained expansion of our laundry business in Europe, the rollout of new digital photo printing kiosk models designed by Philippe Starck, and the positive impact of currency movements.

	April 2017 £m	April 2016 £m
Revenue	**214.7**	184.0
EBITDA	**69.2**	56.7
Operating profit	**46.8**	39.7
Profit before tax	**48.0**	40.1
Profit after tax	**35.1**	29.2

The movements in turnover are outlined in the following table:

	£m
Turnover April 2016	184.0
Change in core business revenue	
Continental Europe	+3.9
UK & Ireland	+7.3
Asia	(5.2)
Impact of exchange rates	+24.7
Turnover April 2017	**214.7**

The increase in the profit before tax (PBT) can be explained as follows:

	£m
PBT - April 2016	40.1
Changes in revenue	+6.0
Changes in costs	(5.2)
Increase in net finance income	+0.9
Impact of exchange rates	+6.2
PBT - April 2017	**48.0**

Review of operating costs

Operating costs amounted to £167.8m (2016: £144.3m).

Staff costs amounting to £50.1m increased by £9.2m compared with the previous year and represented 23.3% of revenue (2016: 22.2%). Excluding the impact of foreign exchange headwinds (£5.2m) and the increase linked to Photo-Me (Retail) Limited operations (digital photo operations acquired from Asda); the modest increase in salaries is in line with salary inflation across the Group.

The increase in inventory costs is the direct result of foreign exchange headwinds. As a percentage of sales, inventory costs decreased to 6.3% for the year ended 30 April 2017 from 8.2% in the previous year.

The depreciation and amortisation charge at constant rate of exchange increased by £3.5m compared to the same period last year, as a result of increased investment in our estate and depreciation of goodwill and other intangibles arising from the acquisitions of Fowler UK Limited and the UK photo division of Asda Stores Limited.

At constant rate of exchange, and the other operating costs increased at a lower rate than revenues, benefiting from positive exchange gains booked in 2017.

	April 2017 £m	April 2016 £m
Staff costs	**50.1**	40.9
Inventory costs	**13.5**	11.5
Other operating costs	**82.7**	75.2
	146.3	127.6
Depreciation and amortization	**22.4**	16.9
Profit / (loss) on disposal of fixed assets	**(0.9)**	(0.2)
Operating costs	**167.8**	144.3

Taxation

The Group tax charge of £12.9m corresponds to an effective tax rate of 26.9% (2016: 27.2%).

The Group undertakes business in 18 countries worldwide, with most of the tax charge arising in France, Japan and the United Kingdom. In each jurisdiction in which the Group operates, operations are organised so that the Group pays the correct and appropriate amount of tax at the right time in accordance with local regulations, and ensures compliance with the Group's tax policy and guidelines.

Dividends

During the year, the Group paid dividends totaling £32.6m in respect of the interim, final and special dividends for the year ended 30 April 2016.

The interim dividend for the year ended 30 April 2017 (3.09p per share), announced in December 2016 was paid in May 2017 and amounted to £11.6m.

Statement of Financial position

The Group balance sheet can be summarised as follows:

	April 2017 £m	April 2016 £m
Non-current assets (excl. deposits)	**108.7**	84.5
Current assets (excl. cash and deposits)	**38.3**	32.4
Non-current liabilities (excl. borrowings)	**(10.9)**	(8.4)
Current liabilities (excl. borrowings)	**(46.0)**	(48.2)
Net cash	**39.2**	62.4
Total equity	**129.3**	122.7
Minority interests	**(1.3)**	(1.1)
Total shareholders' funds	**128.0**	121.6

Following the payment of dividends of £32.6m, shareholders' funds at 30 April 2017 amounted to £128.0m, an increase of £6.4m compared with the previous year end.

Non-current assets detailed are outlined in the following table:

	April 2017 £m	April 2016 £m
Goodwill	**11.8**	11.6
R&D costs	**5.7**	4.7
Other intangible assets	**7.8**	4.0
Operating equipment	**66.6**	49.8
Plant and machinery	**6.8**	5.1
Land and buildings	**1.6**	1.3
Investment property	**0.7**	0.6
	101.0	77.1
Investments	**2.1**	1.7
Deferred tax assets	**3.6**	4.2
Trade and other receivables	**2.0**	1.5
Total non-current assets (excl. deposits)	**108.7**	84.5

Goodwill mainly relates to the Japanese subsidiary. The movement in the year mostly corresponds to the impact of foreign currency translations.

The increase in other intangible assets mainly relates to the acquisition of the UK photo division of Asda Stores Limited.

With a net book value of £66.6m, operating equipment constitutes the main component of the Group's total non-current assets. The Group owns some 47,946 machines operated worldwide. The change in net book value reflects the Group's capital expenditure of £33.8m net of depreciation and exchange rate differences amounting to £12.3m.

Cash flow and net cash position

	April 2017 £m	April 2016 £m
Opening net cash	**62.4**	60.7
Cash generated from operations	**61.3**	51.4
Taxation	**(12.0)**	(10.8)
Net cash generated from operations	**49.3**	40.6
Net cash used in investing activities	**(40.9)**	(24.8)
Dividends paid and other financing activities	**(32.9)**	(17.8)
Net cash utilised	**(24.5)**	(2.0)
Impact of exchange rates	**1.3**	3.7
Net cash inflow	**(23.2)**	1.7
Closing net cash	**39.2**	62.4

The increase in EBITDA, coupled with optimised working capital management, mitigated the impact of increased tax payments resulting in an increase in net cash generated from operations to £49.0m (2016: £40.6m).

Cash generated remained substantial and enabled the Group to finance its capital expenditure programme and pay out to shareholder dividends of £32.6m.

Outstanding debt of £10.7m (2016: £10.8m) was deducted from the closing net cash balance at 30 April 2017.

Total cash and cash equivalents at 30 April 2017 amounted to £47.5m (2016: £71.0m).

At the end of April 2017, the Group's net cash amounting to £39.2m (2016: £62.4m) could be split as follows:

	Cash and deposits £m	Borrowings £m	Net Cash £m
Balance at 30 April 2016	73.2	(10.8)	62.4
Cash flow	(25.5)	1.1	(24.4)
Non-cash movements	2.1	(0.9)	1.2
Balance at 30 April 2017	49.8	(10.6)	39.2

PRINCIPAL RISKS

Similar to any business, the Group faces risks and uncertainties that could impact the achievement of the Group's strategy. These risks are accepted as being part of doing business. The Board recognises that the nature and scope of these risks can change and so regularly reviews the risks faced by the Group as well as the systems and processes to mitigate them.

The table below sets out what the Board believes to be the principal risks and uncertainties, their impact, and actions taken to mitigate them.

Nature of the risk	Description and impact	Mitigation
Economic		
Global economic conditions	Economic growth has a major influence on consumer spending. A sustained period of economic recession could lead to a decrease in consumer expenditure in discretionary areas.	The Group focuses on maintaining the characteristics and affordability of its needs driven and regulatory products.
Volatility of foreign exchange rates	The majority of the Group's revenue and profit is generated outside the UK, and the Group results could be adversely impacted by an increase in the value of sterling relative to those currencies.	The Group naturally hedges its exposure to currency fluctuations on transactions, as relevant. However, by its nature, in the Board's opinion, it is very difficult to hedge against currency fluctuations arising from translation in consolidation in a cost-effective manner.
Regulations		
Centralisation of production of ID photos	In many European countries where the Group operates, if governments were to implement centralised image capture, for biometric passport and other applications or widen the acceptance of self-made or home-made photographs for official document applications, the Group's revenues and profits could be seriously affected.	The Group has developed new systems that respond to this situation, leveraging 3D technology in ID security standards, and securely linking our booths to the administration repositories (solutions in place in France, Ireland, Germany and Switzerland, discussions in the UK, Belgium and Holland). Furthermore, the Group also ensures that its ID products remain affordable and of high quality. In the UK, the Group is lobbying both alone, and in tandem with its trade association, to propose a solution similar to the ANTS system in France which sends photos electronically, maintaining the integrity of the photos, compliance with ICAO standards and, in the Board's opinion, posing less threat to national security.

Brexit	The UK's referendum decision to leave the EU ("Brexit") will most probably lead to changes in regulations in the UK as well as modifications of numerous arrangements between the UK and other members of the EEC, affecting trade and customs conditions, taxation, movements of resources, etc.	The Board is keeping the potential impacts of the referendum decision to leave the EU on all the Group's operations under review. Any potential developments, including new information and policy indications from the UK government and the EU, will be looked at carefully on a continual basis with a view to enhancing the ability to take appropriate action targeted at managing and where possible minimising any adverse repercussions of Brexit. The specific impact of Brexit on the Group will depend on the details of the conditions of the break-up to be negotiated between the UK and the European Union. The Board foresees however that, while in the short term the negative impact of the uncertainty overshadowing the general UK economy could also overspill on the Group's UK operations, in the long term, potential 're-nationalisation' of UK identity documents (including the conversion of the EU burgundy passports to the navy blue British version) as well as strengthened immigration regulations, could lead to increased requests for the Group's secure identification products.
Business rates	Since early 2015, the Valuation Office Authority has been issuing significantly increased assessments for some of the Company's estate, mainly photobooths and printing kiosks, and in some instances applying rates that the Company considers unreasonable. The census campaign led by the Government is part of the well-publicised strategy to systematically increase the amount of tax collected through business rates. The business tax risk is limited to the Company's operations in the UK, and the cost of the tax charge has been fully expensed in the relevant periods.	The Company has engaged advisers to reduce its exposure to business rates. The Company has received advice that the vast majority of the affected estate may not be subject to business rates, and therefore it is systematically appealing before the Valuation Tribunal the assessments received, while negotiating with the authorities to reduce that exposure. The Company believes that following the latest decision by the Upper Tribunal on 12 April 2017 in the ATM case, the risk may be capable of successful mitigation.
Strategic		
Identification of new business opportunities	Failure to identify new business areas may impact the ability of the Group to grow in the long term.	Management teams constantly review demand in existing markets and potential new opportunities. The Group continues to invest in research into new products and technologies.
Inability to deliver anticipated benefits from the launch of new products	The realisation of long-term anticipated benefits depends mainly upon the continued growth of the laundry business and the successful development of integrated secure ID solutions.	The Group regularly monitors the performance of its entire estate of machines. New technology enabled secure ID solutions are heavily trialed before launch and the performance of operating machines is monitored consistently.
Market		
Commercial relationships	The Group has well-established long-term relationships with a number of site-owners. The deterioration in the relationship with, or ultimately the loss of, a key account would have an adverse	The Group's major key relationships are supported by medium-term contracts. We actively manage our site-owner relationships at all levels to ensure a high quality of service.

	albeit contained impact on the Group's results, bearing in mind that the Group's turnover is spread over a large client base and none of the accounts represent more than 1% of Group turnover.	
Operational		
Reliance on foreign manufacturers	The Group sources most of its products from outside the UK. Consequently, the Group is subject to risks associated with international trade.	Extensive research is conducted into quality and ethics before the Group procures products from any new country or supplier. The Group also maintains very close relationships with both its suppliers and shippers to ensure that risks of disruption to production and supply are managed appropriately.
Reliance on one single supplier of consumables	The Group currently buys all its paper for photobooths from one single supplier. The failure of this supplier could have a significant adverse impact on paper procurement. .	The Board has decided to hold a strategic stock of paper, allowing for 6 to 10 months' worth of paper consumption, to allow enough time to put in place alternative solutions.
Reputation	The Group’s brands are key assets of the business. Failure to protect the Group's reputation and brands could lead to a loss of trust and confidence. This could result in a decline in the customer base.	The protection of the Group’s brands in its core markets is sustained by products with certain unique features. The appearance of the machine is subject to high maintenance standards. Furthermore, the reputational risk is diluted as the Group also operates under a range of brands.
Product and service quality	The Board recognises that the quality and safety of both its products and services is of critical importance and that any major failure will affect consumer confidence.	The Group continues to invest in its existing estate, to ensure that it remains contemporary, and in constant product innovation to meet customer needs. The Group also has a programme in place to regularly train its technicians.
Technological		
Failure to keep up with advances in technology	The Group operates in fields where upgrades to new technologies are mission critical, particularly in relation to photography	The Group mitigates this risk by continually focusing on R&D.
Cyber risk: third party attack on our secure ID data transfer feeds	The Group operates an increasing number of photobooths capturing ID data and transferring it directly to governmental databases	The Group performs an ongoing assessment of the risks and ensures that the infrastructure meets the security requirements.

Group Statement of Comprehensive Income
For the year ended 30 April 2017

	2017	2016
	£ '000	£ '000
Revenue	**214,653**	183,994
Cost of Sales	**(156,427**	(131,546)
Gross Profit	**58,226**	52,448
Other Operating Income	**2,203**	1,306
Administrative Expenses	**(13,818)**	(14,185)
Share of Post-Tax Profits from Associates	**196**	165
Operating Profit	**46,807**	39,734
Finance Income	**1,488**	538
Finance Cost	**(256)**	(166)
Profit before Tax	**48,039**	40,106
Total Tax Charge	**(12,901)**	(10,907)
Profit for Year	**35,138**	29,199
Other Comprehensive Income		
Items that are or may subsequently be classified to profit and loss:		
Exchange differences arising on translation of foreign operations	**1,862**	5,328
Taxation on exchange differences	**1,058**	485
Total items that are or may subsequently be classified to profit and	**2,920**	5,813
Items that will not be classified to profit and loss:		
Remeasurement (losses)/gains in defined benefit obligations and other post-employment benefit obligations	**(48)**	43
Deferred tax on re measurement (losses)/gains	**21**	(9)
Total items that will not be classified to profit and loss	**(27)**	34
Other comprehensive income/(expense) for the year net of tax	**2,893**	5,847
Total comprehensive income for the year	**38,031**	35,046
Profit for the Year Attributable to:		
Owners of the Parent	**34,991**	29,066
Non-controlling interests	**147**	133
	35,138	29,199
Total comprehensive income attributable to:		
Owners of the Parent	**37,799**	34,841
Non-controlling interests	**232**	205
	38,031	35,046
Earnings per Share		
Basic Earnings per Share	**9.30p**	7.77p
Diluted Earnings per Share	**9.27p**	7.72p

Statements of Financial Position

For the year ended 30 April 2017

	Group	
	2017	2016
	£'000	£'000
Assets		
Non-current assets		
Goodwill	**11,812**	11,606
Other intangible assets	**13,451**	8,706
Property, plant & equipment	**74,989**	56,094
Investment property	**662**	629
Investment in associates	**2,095**	1,713
Investment in subsidiaries	**-**	-
Other financial assets - held to maturity	**2,389**	2,253
Other financial assets - available for sale	**81**	75
Deferred tax assets	**3,641**	4,216
Trade and other receivables	**2,025**	1,548
	111,145	86,840
Current assets		
Inventories	**19,418**	17,094
Trade and other receivables	**18,542**	13,010
Current tax	**288**	2,273
Cash and cash equivalents	**47,505**	71,005
	85,753	103,382
Assets held for sale	**96**	96
Total assets	**196,994**	190,318
Equity		
Share capital	**1,882**	1,877
Share premium	**8,999**	8,156
Translation and other reserves	**13,249**	10,507
Retained earnings	**103,831**	101,101
Equity attributable to owners of the Parent	**127,961**	121,641
Non-controlling interests	**1,341**	1,109
Total equity	**129,302**	122,750
Liabilities		
Non-current liabilities		
Financial liabilities	**8,192**	9,183
Post-employment benefit obligations	**5,456**	4,755
Provisions	**-**	10
Deferred tax liabilities	**3,087**	1,887
Trade and other payables	**2,310**	1,821
	19,045	17,656
Current liabilities		
Financial liabilities	**2,490**	1,660
Provisions	**2,072**	4,103
Current tax	**4,209**	8,341
Trade and other payables	**39,876**	35,808
	48,647	49,912
Total equity and liabilities	**196,994**	190,318

Group Statement of Cash Flows
For the year ended 30 April 2017

	2017	2016
	£'000	£'000
Cash flow from operating activities		
Profit before tax	**48,039**	40,106
Finance cost	**256**	166
Finance Income	**(1,488)**	(538)
Operating profit	**46,807**	39,734
Share of post tax profit from associates	**(196)**	(165)
Amortisation of intangible assets	**2,479**	1,548
Depreciation of property, plant and equipment	**19,944**	15,413
Profit/(loss) on sale of property, plant and equipment	**(887)**	(236)
Exchange differences	**(727)**	2,031
Other items	**(3,877)**	(1,615)
Changes in working capital:		
Inventories	**(1,088)**	(3,665)
Trade and other receivables	**(1,534)**	52
Trade and other payables	**2,377**	108
Provisions	**(2,045)**	(1,775)
Cash generated from operations	**61,253**	51,430
Interest paid	**(256)**	(166)
Taxation paid	**(11,969)**	(10,816)
Net cash generated from operating activities	**49,028**	40,448
Cash flows from investing activities		
Acquisition of subsidiaries net of cash acquired	**-**	(1,642)
Investment in associates	**(361)**	(671)
Loans advanced to associates	**(1,014)**	-
Investment in intangible assets	**(6,686)**	(3,221)
Proceeds from sale of intangible assets	**9**	-
Purchase of property, plant and equipment	**(36,652)**	(21,276)
Proceeds from sale of property, plant and equipment	**2,783**	1,521
Interest received	**75**	538
Dividends received from associates	**279**	-
Net cash utilised in investing activities	**(41,567)**	(24,751)
Cash flows from financing activities		
Issue of Ordinary shares to equity shareholders	**848**	1,036
Repayment of capital element of finance leases	**(173)**	(147)
Repayment of borrowings	**(1,630)**	(665)
Increase in borrowings	**693**	10,946
Increase / Decrease in assets held to maturity	**(29)**	29
Dividends paid to owners of the Parent	**(32,629)**	(18,217)
Net cash utilised in financing activities	**(32,920)**	(7,018)
Net increase in cash and cash equivalents	**(25,459)**	8,679
Cash and cash equivalents at beginning of year	**71,005**	58,632
Exchange loss on cash and cash equivalents	**1,959**	3,694
Cash and cash equivalents at end of year	**47,505**	71,005

Group Statement of Changes in Equity
for the year ended 30 April 2017

	Share capital £'000	Share premium £'000	Other reserves £'000	Translation reserve £'000	Retained earnings £'000	Attributable to owners of the Parent £'000	Non-controlling interests £'000	Total £'000
At 1 May 2015	1,866	7,131	1,874	2,892	89,744	103,507	904	104,411
Profit for year	-	-	-	-	29,066	29,066	133	29,199
Other comprehensive (expense)/income								
Exchange differences	-	-	-	5,256	-	5,256	72	5,328
Transfers between reserves	-	-	-	485	-	485	-	485
Remeasurement losses in defined benefit pension scheme and other post-employment benefit obligations	-	-	-	-	43	43	-	43
Deferred tax on remeasurement gains	-	-	-	-	(9)	(9)	-	(9)
Total other comprehensive (expense)/income	-	-	-	5,741	34	5,775	72	5,847
Total comprehensive (expense)/income	-	-	-	5,741	29,100	34,841	205	35,046
Transactions with owners of the Parent								
Shares issued in the period	11	1,025	-	-	-	1,036	-	1,036
Share options	-	-	-	-	413	413	-	413
Deferred tax on share options	-	-	-	-	61	61	-	61
Dividends	-	-	-	-	(18,217)	(18,217)	-	(18,217)
Total transactions with owners of the Parent	11	1,025	-	-	(17,743)	(16,707)	-	(16,707)
At 30 April 2016	1,877	8,156	1,874	8,633	101,101	121,641	1,109	122,750
At 1 May 2016	**1,877**	**8,156**	**1,874**	**8,633**	**101,101**	**121,641**	**1,109**	**122,750**
Profit for year	**-**	**-**	**-**	**-**	**34,991**	**34,991**	**147**	**35,138**
Other comprehensive (expense)/income								
Exchange differences	**-**	**-**	**-**	**3,192**	**-**	**3,192**	**85**	**3,277**
Tax on exchange	**-**	**-**	**-**	**1,058**	**-**	**1,058**	**-**	**1,058**
Translation reserve taken to income statement on disposal of subsidiaries	**-**	**-**	**-**	**(1,415)**	**-**	**(1,415)**	**-**	**(1,415)**
Transfers between reserves	**-**	**-**	**(93)**	**-**	**93**	**-**	**-**	**-**
Re-measurement losses in defined benefit pension scheme and other post-employment benefit obligations	**-**	**-**	**-**	**-**	**(48)**	**(48)**	**-**	**(48)**
Deferred tax on re-measurement gains	**-**	**-**	**-**	**-**	**21**	**21**	**-**	**21**
Total other comprehensive (expense)/income	**-**	**-**	**(93)**	**2,835**	**66**	**2,808**	**85**	**2,893**

Total comprehensive (expense)/income	**-**	**-**	**(93)**	**2,835**	**35,057**	**37,799**	**232**	**38,031**
Transactions with owners of the Parent								
Shares issued in the period	**5**	**843**	**-**	**-**	**-**	**848**	**-**	**848**
Share options	**-**	**-**	**-**	**-**	**296**	**296**	**-**	**296**
Deferred tax on share options	**-**	**-**	**-**	**-**	**6**	**6**	**-**	**6**
Dividends	**-**	**-**	**-**	**-**	**(32,629)**	**(32,629)**	**-**	**(32,629)**
Total transactions with owners of the Parent	**5**	**843**	**-**	**-**	**(32,327)**	**(31,479)**	**-**	**(31,479)**
At 30 April 2017	**1,882**	**8,999**	**1,781**	**11,468**	**103,831**	**127,961**	**1,341**	**129,302**

NOTES

1. Basis of preparation and accounting policies

The preliminary results for the year ended 30 April 2017 have been extracted from the audited consolidated financial statements, which were approved by the Board of Directors on 26 June 2017. The audited consolidated financial statements have not yet been delivered to the Registrar of Companies but are expected to be published by the end of July.

Abridged financial information

The financial information in this announcement which was approved by the Board of Directors does not constitute the Company's statutory accounts for the years ended 30 April 2016 or 2017 but is derived from those accounts. Statutory accounts for 2016 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under s498(2) or (3) Companies Act 2006.
This preliminary announcement has been prepared in accordance with the accounting policies under IFRS as adopted by the EU.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS. This preliminary announcement constitutes a dissemination announcement in accordance with Rule 6.3 of the Disclosures and Transparency Rules (DTR).

2. Segmental analysis

IFRS 8 requires operating segments to be identified, based on information presented to the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and monitor performance. The Group monitors performance at the adjusted operating profit level before specific items, interest and taxation.

In accordance with IFRS 8, no segment information is provided for assets and liabilities in the disclosures below, as this information is not regularly provided to the Chief Operating Decision Maker.

The segment results are as follows:

	Asia	Continental Europe	United Kingdom & Ireland	Total
	£'000	£'000	£'000	£'000
2017				
Total revenue	**49,472**	**124,739**	**53,870**	**228,081**
Inter segment sales	**(128)**	**(13,069)**	**(231)**	**(13,428)**
Revenue from external customers	**49,344**	**111,670**	**53,639**	**214,653**
EBITDA	**12,340**	**46,978**	**12,349**	**71,667**
Depreciation and amortisation	**(3,940)**	**(13,038)**	**(5,041)**	**(22,019)**
Operating profit excluding associates and corporate costs	**8,400**	**33,940**	**7,308**	**49,648**
Share of post-tax profits from associates				**196**
Corporate costs excluding depreciation and amortisation				**(2,633)**
Corporate depreciation and amortisation				**(404)**
Operating profit				**46,807**
Finance Income				**1,488**
Finance costs				**(256)**
Profit before tax				**48,039**
Tax				**(12,901)**
Profit for year				**35,138**
Capital expenditure	**7,227**	**20,125**	**15,301**	**42,653**
Corporate capital expenditure				**820**
Total capital expenditure				**43,473**

Reconciliation of operating profit

	Asia	Continental Europe	United Kingdom & Ireland	Total
	£'000	£'000	£'000	£'000
Operating profit before associates	**8,400**	**33,940**	**7,308**	**49,648**
Share of post-tax profits from associates	**196**	**-**	**-**	**196**
Corporate operating loss	**-**	**938**	**(3,975)**	**(3,037)**
Total operating profit	**8,596**	**34,878**	**3,333**	**46,807**

	Asia	Continental Europe	United Kingdom & Ireland	Total
	£'000	£'000	£'000	£'000
2016				
Total revenue	45,364	100,816	46,066	192,246
Inter segment sales	(865)	(7,104)	(283)	(8,252)
Revenue from external customers	44,499	93,712	45,783	183,994
EBITDA	13,633	33,881	11,934	59,448
Depreciation and amortisation	(3,134)	(9,718)	(3,973)	(16,825)
Operating profit excluding associates and corporate costs	10,499	24,163	7,961	42,623
Share of post-tax profits from associates				165
Corporate costs excluding depreciation and amortisation				(2,918)
Corporate depreciation and amortisation				(136)
Operating profit				39,734
Finance Income				538
Finance costs				(166)
Profit before tax				40,106
Tax				(10,907)
Profit for year				29,199
Capital expenditure	4,623	13,221	4,669	22,513
Corporate capital expenditure				2,303
Total capital expenditure				24,816

Reconciliation of operating profit

	Asia	Continental Europe	United Kingdom & Ireland	Total
	£'000	£'000	£'000	£'000
Operating profit before associates	10,499	24,163	7,961	42,623
Share of post-tax profits from associates	165	-	-	165
Corporate operating loss	-	737	(3,791)	(3,054)
Total operating profit	10,664	24,900	4,170	39,734

Inter-segment revenue mainly relates to sales of equipment.

Reconciliation of EBITDA

	2017	**2016**
PBT	48.0	40.1
Finance Income	(1.5)	(0.5)
Finance Costs	0.3	0.2
Depreciation and Amortization	22.4	16.9
EBITDA	69.2	56.7

3. Taxation

Tax charges/ (credits) in the statement of comprehensive income

	2017	2016
	£'000	£'000
Current taxation		
UK Corporation tax		
- current year	**2,641**	1,965
- prior years	**(26)**	(15)
	2,615	1,950
Overseas taxation		
- current year	**8,917**	9,023
- prior years	**(333)**	(64)
	8,584	8,959
Total current taxation	**11,199**	10,909
Deferred taxation		
Origination and reversal of temporary differences		
- current -year – UK	**326**	(520)
- current -year – overseas	**1,225**	256
Adjustments to estimated recoverable amounts of deferred tax assets arising in previous years		
- UK	**201**	(15)
- Overseas	**(124)**	205
Impact of change in rate	**74**	72
Total deferred tax	**1,702**	(2)
Tax charge in the statement of comprehensive income	**12,901**	10,907

4. Earnings per share

Basic earnings per share amounts are calculated by dividing net earnings attributable to shareholders of the Parent of £34,991,000 (2016: £29,0660,000) by the weighted average number of shares in issue during the year, excluding those held, where applicable, as treasury shares.

Diluted earnings per share amounts are calculated by dividing the net earnings attributable to shareholders of the Parent by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential shares into shares. The Group has only one category of dilutive potential shares: the share options granted to senior staff, including directors.

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

	2017			2016		
	Earnings £'000	**Weighted average number of shares £'000**	**Earnings per share pence**	Earnings £'000	Weighted average number of shares £'000	Earnings per share pence
Basic earnings per share	**34,991**	**376,141**	**9.30**	29,066	374,121	7.77
Effect of dilutive share options		**1,321**	**(0.03)**		2,514	(0.05)
Diluted earnings per share	**34,991**	**377,462**	**9.27**	29,066	376,635	7.72

Potential shares (for example, arising from exercising share options) are treated as dilutive only when their conversion to shares would decrease basic earnings per share or increase loss per share from continuing operations.

5. Dividends paid and proposed

Year ended 30 April 2017 – Proposed dividends not yet paid

The Board declared an interim dividend of 3.09p per share for the year ended 30 April 2017, amounting to £11,633,000 which was paid on 11 May 2017. The Board proposes a final dividend for the year ended 30 April 2017 of 3.94p per share, which is subject to shareholders' approval at the Annual General Meeting to be held on 25 October 2017.

Year ended 30 April 2016 – Paid after 30 April 2016

The Board declared an interim dividend of 2.575p per share for the year ended 30 April 2016, amounting to £9,669,000 which was paid on 12 May 2016. The Board proposed a final dividend for the year ended 30 April 2016 of 3.285p per share, amounting to £12,365,000 which was paid on 10 November 2016 and a special dividend of 2.815p per share which was paid on 10 November 2016

6. Non-Current assets

	Goodwill £'000	Intangible assets £'000	Property, plant & equipment £'000	Investment property £'000
Net book value at 1 May 2016	11,606	8,706	56,094	629
Exchange difference and other movements	206	547	3,942	48
Additions – photobooths and vending equipment	-	-	33,787	-
Additions – other assets	-	6,686	3,000	-
Additions – new subsidiaries	-	-	-	
Amortisation	-	(2,479)	-	-
Depreciation	-	-	(19,929)	(15)
Reclassifications	-	-	-	-
Transfer to assets held for sale	-	-	-	-
Disposals at net book value	-	(9)	(1,905)	-
Net book value at 30 April 2017	**11,812**	**13,451**	**74,989**	**662**

7. Net cash

	2017	2016
	£'000	£'000
Cash and cash equivalents per statement of financial position	**47,505**	71,005
Financial assets - held to maturity	**2,389**	2,253
Non -current instalments due on bank loans	**(7,894)**	(8,866)
Current instalments due on bank loans	**(2,344)**	(1,515)
Non-current finance leases	**(298)**	(317)
Current finance leases	**(146)**	(145)
Net cash	**39,212**	62,415

Net cash is a non-GAAP measure since it is not defined in accordance with IFRS but is a key indicator used by management in assessing operational performance and financial position strength. The inclusion of items in net cash as defined by the Group may not be comparable with other companies' measurement of net cash/debt. The Group includes in net cash, cash and cash equivalents and certain financial assets, mainly deposits, less instalments on loans and other borrowings.

At 30 April 2017, £2,389,000 of the total net cash (2016: £2,253,000) comprised bank deposit accounts that are subject to restrictions and are not freely available for use by the Group and Company. These amounts are shown under financial assets held to maturity.

8. Publication of the audited financial statements

Copies of the Report and Accounts for the year ended 30 April 2017 will be mailed to those shareholders who have opted to receive them in hard copy, by the end of July and will be available from the Company's registered office at Church Road, Bookham, Surrey KT23 3EU (telephone: 01372-453 399, fax: 01372-459 064, email: ir@photo-me.co.uk) and the Company's website (http://investor.photo-me.com/financial reports) after that date.

By order of the Board

John Lewis
Chairman
27 June 2017

Serge Crasnianski
Chief Executive Officer