



2013 Nine Months Results

Ended September 30, 2013

November 27th 2013

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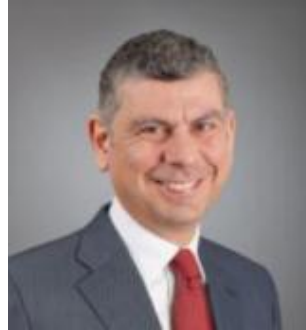
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Agenda

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1. 9M 2013 Business Update
2. 9M 2013 Financial Results
3. Q&A

Speakers



Emilio Petrone
Group CEO



Corrado Orsi
Group CFO

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1. 9M 2013 Business Update – Emilio Petrone (Group CEO)

2. 9M 2013 Financial Results – Corrado Orsi (Group CFO)

3. Q & A

Key Factors affecting 9M 2013

■ Macroeconomic factors:

- In the first nine months 2013 the **Italian GDP** was down 2.1%¹ compared to the same period of 2012
- **Consumption softness** affected the Italian gaming market turnover, which, based on our estimates, was down by 3.9%²

- **Convenience payments services market** confirmed the ongoing positive trend: services turnover grew by 2.9%³ during the period, mainly driven by payments and financial services

- **Favorable fixed odds market payout** and **slot online launch** partially offset gaming machine, lottery and online poker softness

¹ Based on Istat: Conti economici trimestrali; OECD: Interim Assessment , Economic Outlook

² Sisal Market Intelligence Estimate based on AAMS, Agicos, Agipro, Agimeg

³ Based on Osservatorio dei Pagamenti – Roland Berger – 9M 2013 Results

Sisal Key Achievements – 9M 2013

- **Turnover** amounted to €9.9 billion in 9M 2013, down 4.3% vs the same 2012 period, reflecting soft macroeconomic environment and an even softer private consumption
- **Revenues** amounted to €565.8 million, slightly down 6.0% vs 9M 2012. Fixed odds betting revenues (+57% vs 9M 2012) allowed to partially offset gaming revenues, affected by consumption softness, increased taxation of gaming machines and Lottery low average jackpot level
- **Adj. Ebitda** (excluding impact of extraordinary items) reached €122.1 million (+16.5% vs €104.8 million in 9M 2012). Ebitda improvement was driven by successful implementation of cost saving initiatives and marketing expenses optimization
- **Slot Case Settlement:** the overall performance of the period has been affected by the definition of the legal case related to the gaming machines disputed penalties. On November 15th Sisal settled the penalties at 30% or €73.5 million plus circa €3 million of interest charges

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1. 9M 2013 Business Update – Emilio Petrone (Group CEO)

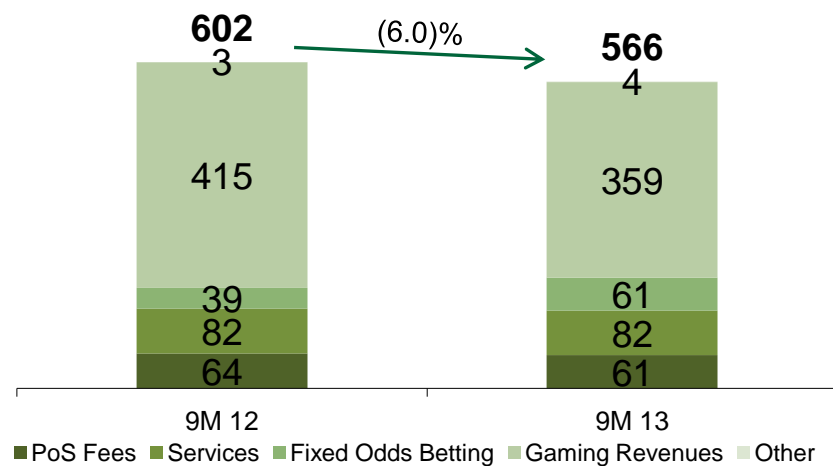
2. 9M 2013 Financial Results – Corrado Orsi (Group CFO)

3. Q & A

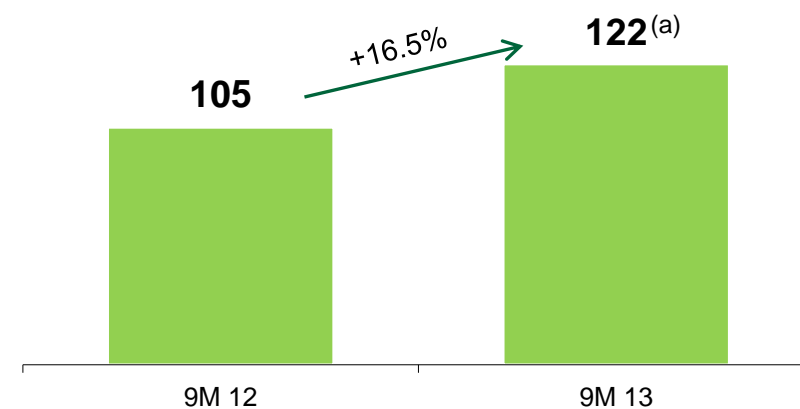
Sisal Results Highlights – 9M 2013

Revenues

Figures in € M



Adj. Ebitda



Adj. Ebitda Margin %

17.4%

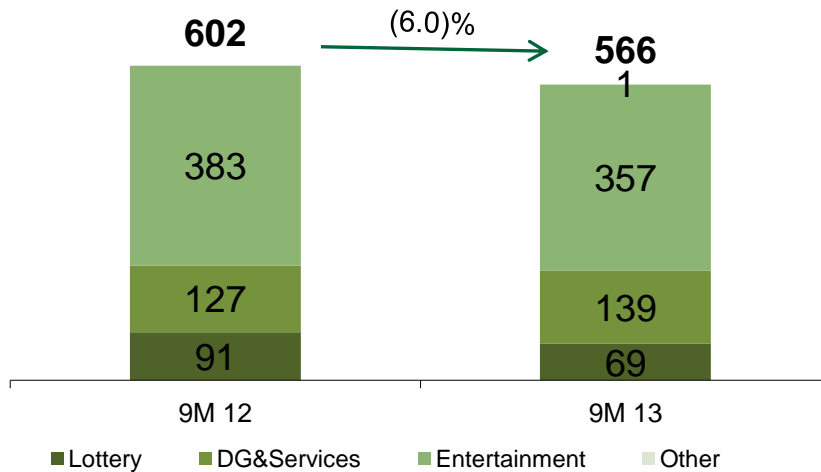
21.6%

(a) Excluding impact of penalty settlement (€73.5 million)

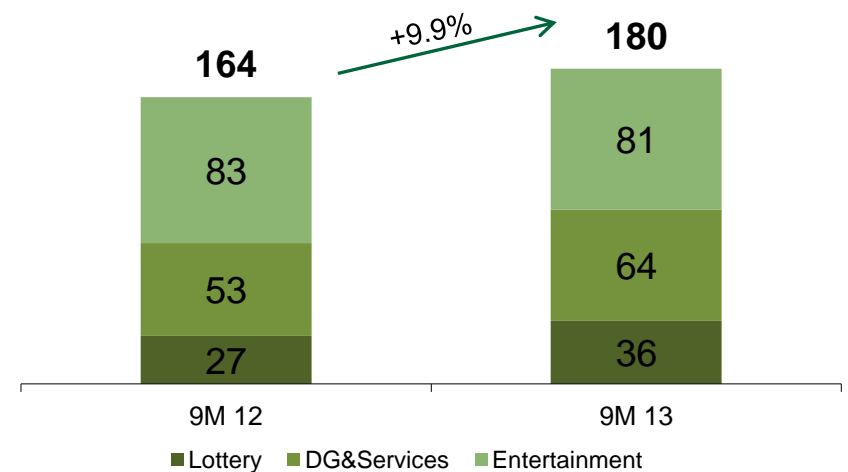
Segments Results Highlights – 9M 2013

Revenues

Figures in € M



Gross Operating Profit



Gross Operating Margin %

Total	27.2%	31.8%
<hr/>		
Entertainment	21.8%	22.6%
DG& Services	41.9%	45.8%
Lottery	29.9%	51.8%

Note: Segment Operating Gross Profit represents gross operating profit before amortisation, depreciation, impairment losses and reversals, impairment of receivables, costs of corporate structure and provisions which are not directly related to the performance of the business

Sisal Key Figures – 9M 2013

P&L and simplified cash flow

(€ M)	9M-13	9M-12	Change
Turnover	9,896	10,335	(4.3)%
Revenues	565.8	601.8	(6.0)%
<i>Entertainment</i>	356.5	382.7	(6.8)%
<i>Digital Games & Services</i>	139.1	127.1	9.5%
<i>Lottery</i>	69.4	91.5	(24.1)%
<i>Other</i>	0.7	0.5	55.4%
Gross Operating Profit	180.2	163.9	9.9%
Ebitda	48.6	104.8	(53.6)%
<i>% margin</i>	8.6%	17.4%	
Adj. Ebitda	122.1	104.8	16.5%
<i>% margin</i>	21.6%	17.4%	
Change in trade W/C	(56.7)	6.5	
Change in other assets and liabilities ^(a)	(14.2) ^(c)	(22.1)	
Capex	(27.8)	(31.5)	
Other non current Assets	(12.0)	(2.0)	
Acquisitions	(3.9)	(9.2)	
Cash taxes	(3.1)	(21.5)	
Cash interest	(49.5)	(26.8)	
Total	(44.9)	(1.8)	
Net Financial Position^(b)	899.1	895.6	
Leverage Ratio (LTM)	4.7x^(d)	5.5x	

▪ **Strong performance of fixed odds betting** allowed to partially offset lottery and gaming machines soft performance

▪ Revenues growth driven by **successful launch of Slot games**, partially offset by **Poker games weak market trend**. **Services revenues in line** with previous year period

▪ Revenues down to **low average jackpot** and **delay in refreshing product offering**

▪ **Working Capital:** cash absorption primarily due to timing in convenience services trade payables, turnover softness and mix and a lower cost base in 9M 2013

▪ **Other non Current Assets:** €12 million in 9M 2013 related to the cash deposit provided upfront as a guarantee for the installments payment of the NTNG minimum guaranteed penalty agreed with the Gaming Authority

(a) Excludes the impact of movements in other current liabilities related to winnings (due to offsetting in restricted cash balance) and in other provisions

(b) We define Net Financial Position as Sisal Holding Istituto di Pagamento (Ship) net debt plus Gaming Invest (GI) net debt which consists of the principal amount of total debt of the Issuer and its consolidated subsidiaries excluding amounts due under the Shareholder Loans and net of unrestricted cash of the Issuer and its subsidiaries, plus amounts due by GI under the Mezzanine Facilities Agreement and the Second Lien Facilities Agreement net of cash at GI

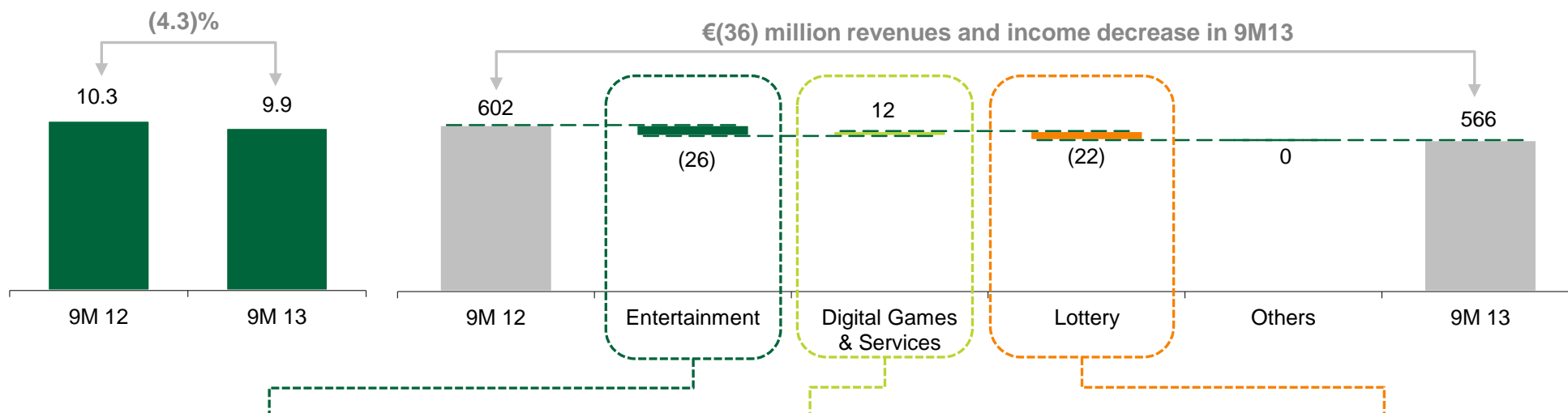
(c) Excludes debts related to penalty settlement

(d) Computed based on EBITDA LTM gross of penalty (€189 million)

9M 2013 vs 9M 2012 comparison: Revenues

Turnover (€ BN)

Revenues and income (€ M)



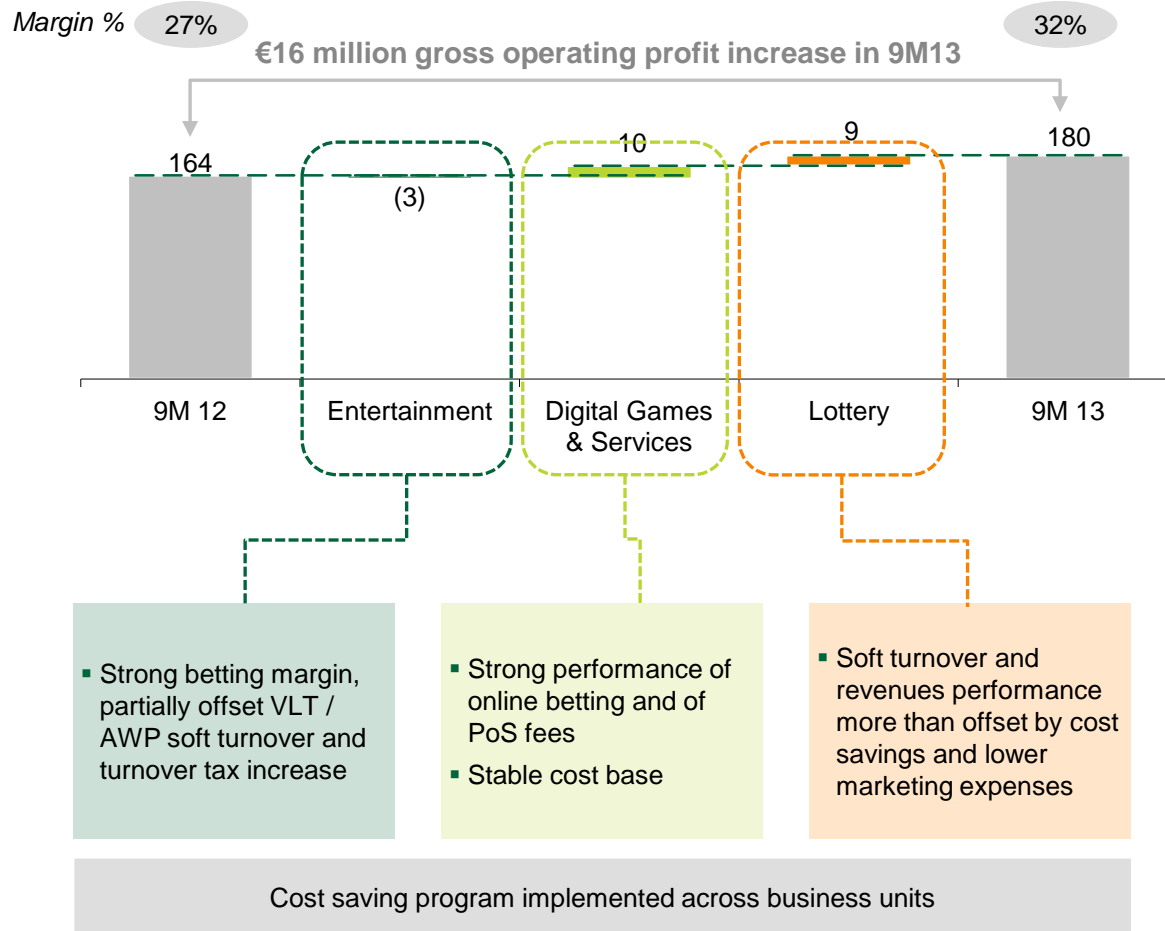
	€ M impact	Primary drivers
Gaming machines	(41.6)	<ul style="list-style-type: none"> Combined impact of VLTs soft turnover and lower revenues/turnover ratio of VLTs related to direct taxation increase
Betting	16.8	<ul style="list-style-type: none"> Strong performance in sport betting
Other revenues	(1.4)	

	€ M impact	Primary drivers
Services	(0.1)	<ul style="list-style-type: none"> Relatively flat
Point of Sale fees	5.9	<ul style="list-style-type: none"> Increase driven by services turnover
Digital games	1.2	<ul style="list-style-type: none"> Successful launch of digital slot games partially offset by Poker games weak market trend
Betting online	5.0	<ul style="list-style-type: none"> Higher profit margin in fixed odds online sport betting

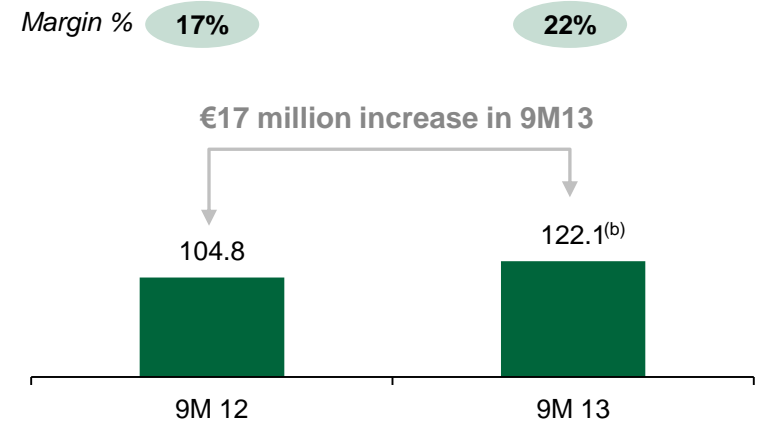
	€ M impact	Primary drivers
Lottery	(13.4)	<ul style="list-style-type: none"> Softer turnover driven by both lower average jackpots and delays in refreshing the product offering
Point of Sale fees	(8.7)	<ul style="list-style-type: none"> Decrease primarily as a result of reduction on the n° of active Point of Sale

9M 2013 vs 9M 2012 comparison: Profitability

Gross operating profit^(a) (€ M)



Adj. Ebitda (€ M)



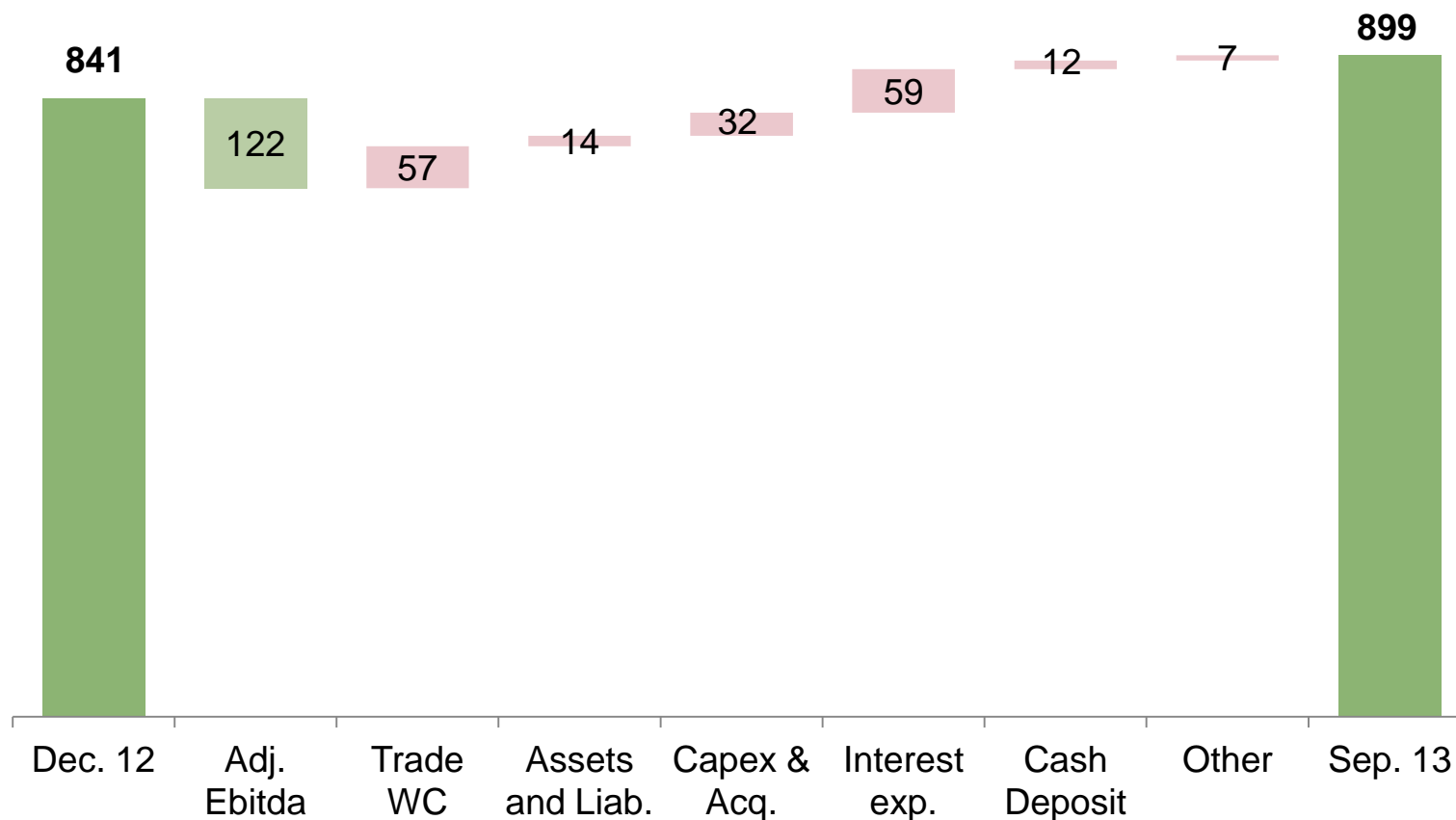
- Adj. Ebitda margin improvement mainly driven by:
 - strong performance of betting
 - top line growth in the online segment
 - lower marketing expenses
 - successful implementation of cost saving initiatives (especially for the Lottery business)

(a) Before corporate costs and reclassification differences between management and statutory reporting

(b) Excluding impact of penalty settlement (€73.5 million)

Net Financial Position^(a) Bridge – 9M 2013

Figures in € M



(a) We define Net Financial Position as Sisal Holding Istituto di Pagamento (Ship) net debt plus Gaming Invest (GI) net debt which consists of the principal amount of total debt of the Issuer and its consolidated subsidiaries excluding amounts due under the Shareholder Loans and net of unrestricted cash of the Issuer and its subsidiaries, plus amounts due by GI under the Mezzanine Facilities Agreement and the Second Lien Facilities Agreement net of cash at GI

Consolidated Ship Income Statement – 9M 2013

Figures in € M (except ratios)

Income Statement	9M 13	9M 12	% Change
Revenues	503.4	561.3	(10.3)%
Fixed odd betting income	60.6	38.5	57.4%
Other revenues and income	1.9	2.0	(5.0)%
Total revenues and Income	565.9	601.8	(6.0)%
Adj. Ebitda	122.1	104.8	16.5%
<i>Margin (%)</i>	<i>21.6%</i>	<i>17.4%</i>	
Ebitda	48.6	104.8	(53.6)%
<i>Margin (%)</i>	<i>8.6%</i>	<i>17.4%</i>	
Ebit	(29.4)	30.4	nm
Net financial expenses and similar	60.7	52.1	16.5%
Income before tax	(90.1)	(21.7)	nm
Net Income	(91.1)	(23.6)	nm

Note: Ebitda defined as profit (or loss) for the period plus net finance expenses and similar, income taxes and amortisation, depreciation, impairments and impairment of receivables

Consolidated Ship Balance Sheet – 9M 2013

Figures in € M

Balance Sheet	9M 13	FY 12
Non-Current Assets	385.9	407.5
Goodwill	875.2	869.6
Net Working Capital/Other ^(a)	(350.4)	(334.9)
Total assets	910.7	942.2
Net Financial Position ^(b)	955.4	896.6
Total Equity	(44.7)	45.5
Total Liabilities and Equity	910.7	942.2
Payables for unpaid winnings	84.3	88.6
Restricted cash balance	88.3	89.2

(a) Includes Payables for unpaid winnings

(b) Includes amounts due under the Shareholder Loans and restricted cash balance

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