



2014 Twelve Months Results

Ended December 31, 2014

April 28th, 2014

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Agenda

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1. 2014 Business Update
2. 2014 Financial Results
3. Q&A

Speakers



Emilio Petrone
Group CEO



Corrado Orsi
Group CFO

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1. 2014 Business Update – Emilio Petrone (Group CEO)

2. 2014 Financial Results – Corrado Orsi (Group CFO)

3. Q & A

Key Factors affecting 2014

- **Macroeconomic factors:** in 2014 the **Italian GDP** was slightly down 0.4%^a compared to 2013 and **unemployment rate** up 0.3%^a versus 2013
- **Private consumption softness** affected the Italian Gaming market turnover, which, based on our estimates, was down by approx. 1.1%^b
- Total addressable **Payments Services market** confirmed its healthy solidity and reached €96.3 billion^c, up 2.4% compared to 2013, mainly driven by the expansion of payment and financial services

^a Based on Istat; Conti economici trimestrali; OECD; Interim Assessment; Economic Outlook

^b Sisal Market Intelligence Estimate based on AAMS, Agicos, Agipro, Agimeg

^c Based on Osservatorio dei Pagamenti - Roland Berger

Sisal Key Achievements – 2014

- **Turnover** reached the all time record **€13.9 billion** in 2014, **up 4.7%** vs 2013, of which €6.9 billion from Payments & Services
- **Revenues** reached **€821.0 million** in 2014, **up 6.3%** compared to €772.3 million in 2013, reflecting the successful roll-out of capex and acquisitions deployed in 2013. Payments and other services revenues (+13% vs 2013) and fixed odds betting income (+15% vs 2013) delivered double digit performances. Gaming revenues reached €504.3 million (+4% vs 2013).
- **Adj. Ebitda^a** reached **€188.8 million** (**up 7.6%** vs €175.5 million in 2013). Adj. Ebitda Margin was higher vs 2013 (23,0% vs 22,7%). Such results were driven by revenues growth combined with the continued execution of our cost containment programs.
- **Total Equity** In December 2014 Gaming Invest S.à.r.l irrevocably and unconditionally surrendered its repayments rights under the ZC Shareholder Loan for an amount of principal of €60.0 million with any outstanding interest accrued thereon (approx. €29 million). As a consequence, Sisal Group Total Equity increased by approx. €89 million and reached €30.8 million, compared to -€56.4 million in 2013.

(a) We define Adjusted EBITDA as EBITDA adjusted for the effect of extraordinary items and provisions related to disputes with regulatory bodies.

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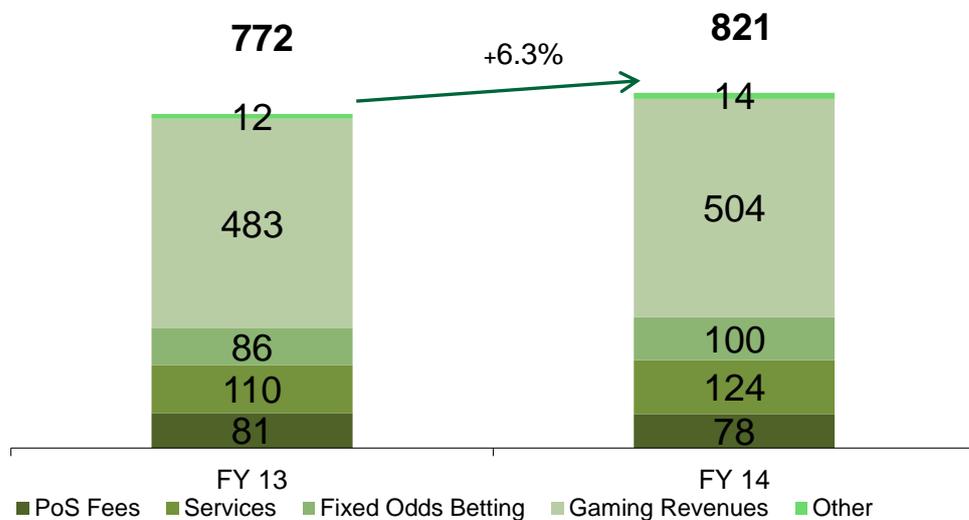
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Sisal Results Highlights – 2014

Revenues



Figures in € million

Adj. Ebitda^(a)



Adj. Ebitda Margin %

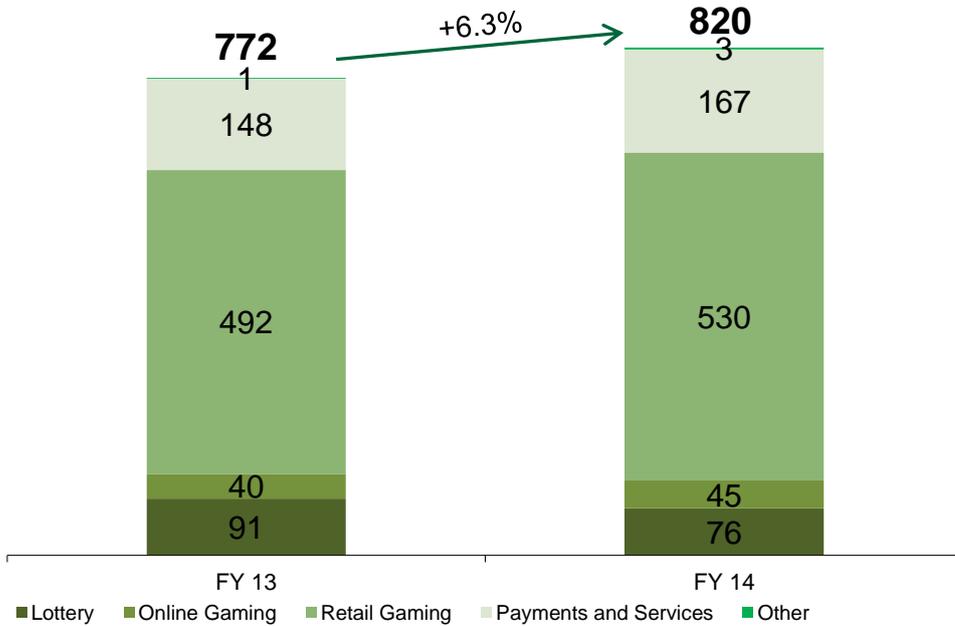
22.7%

23.0%

(a) We define Adjusted EBITDA as EBITDA adjusted for the effect of extraordinary items and provisions related to disputes with regulatory bodies.

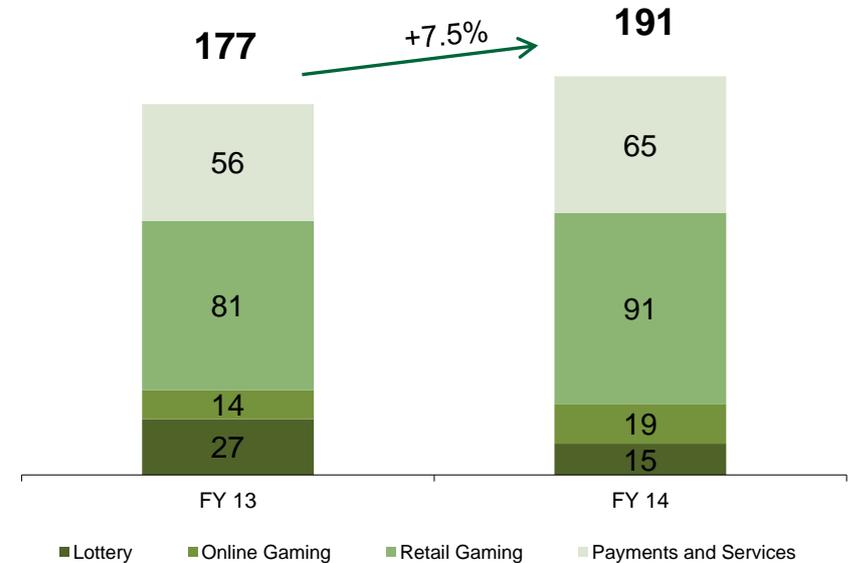
Segments Results Highlights – 2014

Revenues



Figures in € million

Operating Segments Ebitda



Operating Segments Ebitda Margin %

	FY 13	FY 14
Total	22.9%	23.2%
Retail Gaming	16.4%	17.2%
Online Gaming	34.7%	42.2%
Lottery	29.2%	19.7%
Payments & Services	37.7%	39.2%

Sisal Key Figures – 2014 vs 2013

P&L and simplified cash flow

(€m)	FY-14	FY-13	Change
Turnover	13.940	13.314	4,7%
Revenues	821,0	772,3	6,3%
<i>Retail Gaming</i>	530,2	491,7	7,8%
<i>Online Gaming</i>	44,8	39,8	12,8%
<i>Lottery</i>	75,7	91,4	(17,1)%
<i>Payments and services</i>	167,1	148,2	12,8%
<i>Other</i>	3,1	1,3	128,8%
Operating Segments EBITDA	190,6	177,2	7,5%
Adj. Ebitda	188,8	175,5	7,6%
<i>% margin</i>	23,0%	22,7%	
Ebitda	183,7	93,4	96,8%
<i>% margin</i>	22,4%	12,1%	
Cash Flow			
Ebitda	183,7	93,4	
Change in trade W/C	(25,6)	4,4	
Change in other assets and liabilities ^(a)	(7,5)	(12,0)	
Capex	(46,5)	(60,4)	
Other non-Current Assets	(0,2)	(12,0)	
Acquisitions	(15,8)	(8,9)	
Cash taxes	(1,6)	(3,0)	
Cash interest	(63,4)	(56,6)	
Total	23,2	(55,2)	
Net Financial Position^(b)	894,3	913,9	
Leverage Ratio (LTM)^(c)	4,7x	5,2x	

▪ **Strong performance in sport betting and Virtual Races**, partially offset by a soft turnover in VLT

▪ **Strong performance in online sport betting, Slot and Casino games and successful launch of Virtual Races**, partially offset by Poker games weak market trend

▪ **Low average SuperEnalotto jackpot and delay in approving games rejuvenation**

▪ **Revenues growth mainly driven by payment and financial services**

▪ **Working Capital:** mainly driven by W52 2014 turnover, up €67million or +20.3% vs W52 2013, resulting in higher trade receivables, while payables and inventory were in line with the same reference period

▪ **Other Assets and Liabilities:** reflect lower gaming tax payables, mostly driven by Lottery soft wagers

▪ **Capex** mainly related to tangible and intangible assets and in line with 2013. Delta vs 2013 mainly related to Goodwill and related capex of Merkur Win Sport betting business, acquired in Q4 2013

▪ **Acquisitions** mainly related to the instalment payments (€15million) related to Merkur Win Sport betting business acquisition

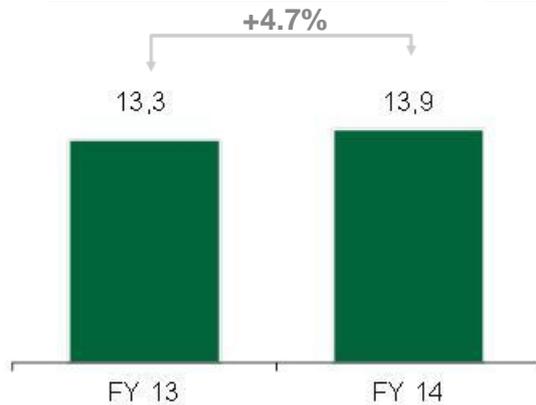
(a) Includes the impact of payables of unpaid winnings net of the restricted cash balance

(b) We define Net Financial Position as Sisal Group 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

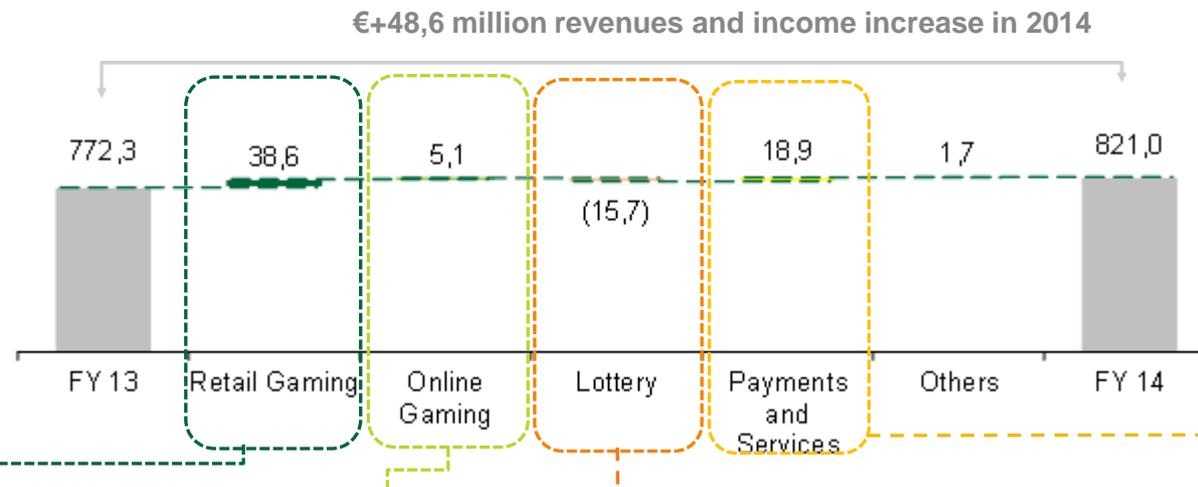
(c) Computed based on Adjusted EBITDA LTM (€188,8M in 2014 and € 175,5M in 2013)

2014 vs 2013 comparison: Revenues

Turnover (€ BN)



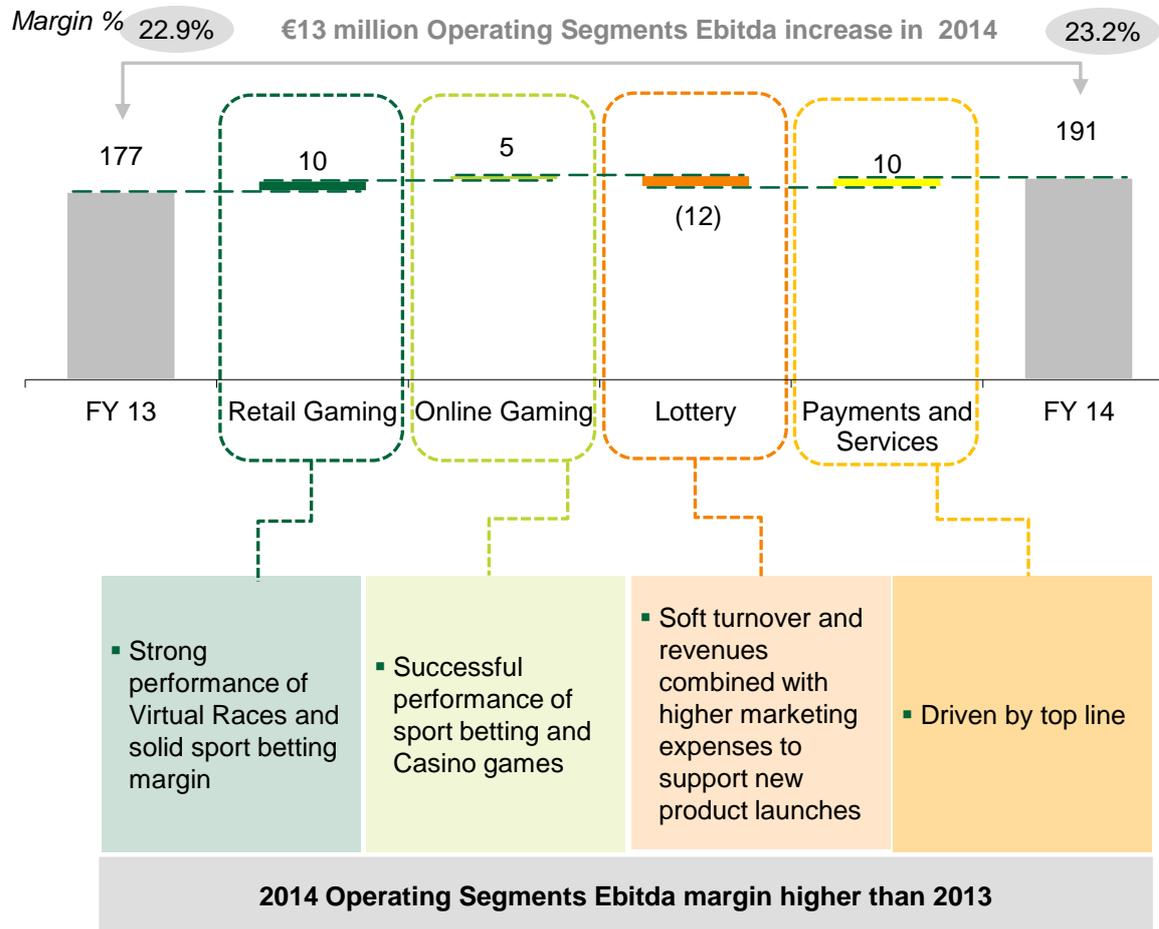
Revenues and income (€ M)



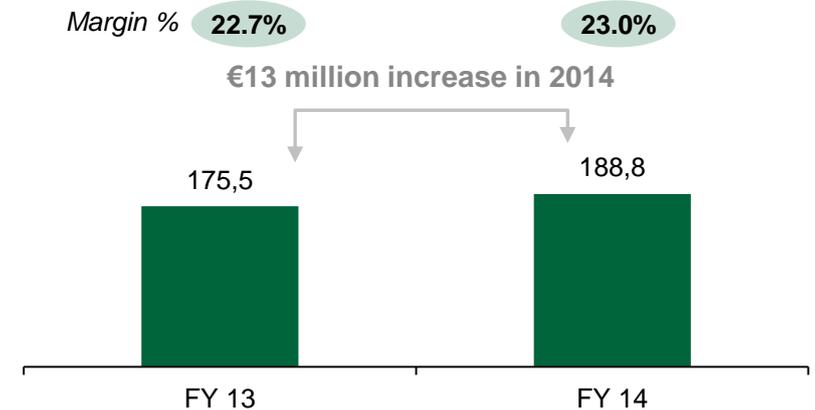
	€ M impact	Primary drivers	€ M impact	Primary drivers	€ M impact	Primary drivers	€ M impact	Primary drivers		
Gaming machines	0.5	<ul style="list-style-type: none"> Overall in line with prior year, with AWP's performing better than VLTs 	Digital games	0.1	<ul style="list-style-type: none"> Strong performance of Casino games, partially offset by Poker games weak market trend 	Lottery	(7.7)	<ul style="list-style-type: none"> Soft turnover driven by both low average jackpot and delays in approving new games 		
Sport Betting	10.4	<ul style="list-style-type: none"> Strong turnover and margin in sport betting, also positively impacted by the World Cup 	Betting online	3.0	<ul style="list-style-type: none"> Strong performance in online sport betting, also positively impacted by the World Cup 	Point of Sale fees	(8.0)	<ul style="list-style-type: none"> Decrease driven by lottery turnover and retail network optimization program 		
Virtual Races	27.7	<ul style="list-style-type: none"> Stronger than expected performance 	Virtual Races online	1.9	<ul style="list-style-type: none"> Stronger than expected performance 			Services	14.1	<ul style="list-style-type: none"> Mainly driven by payment and financial services
								Point of Sale fees	4.9	<ul style="list-style-type: none"> Increase driven by services turnover and roll out of service-only POS

2014 vs 2013 comparison: Profitability

Operating Segments Ebitda (€ M)



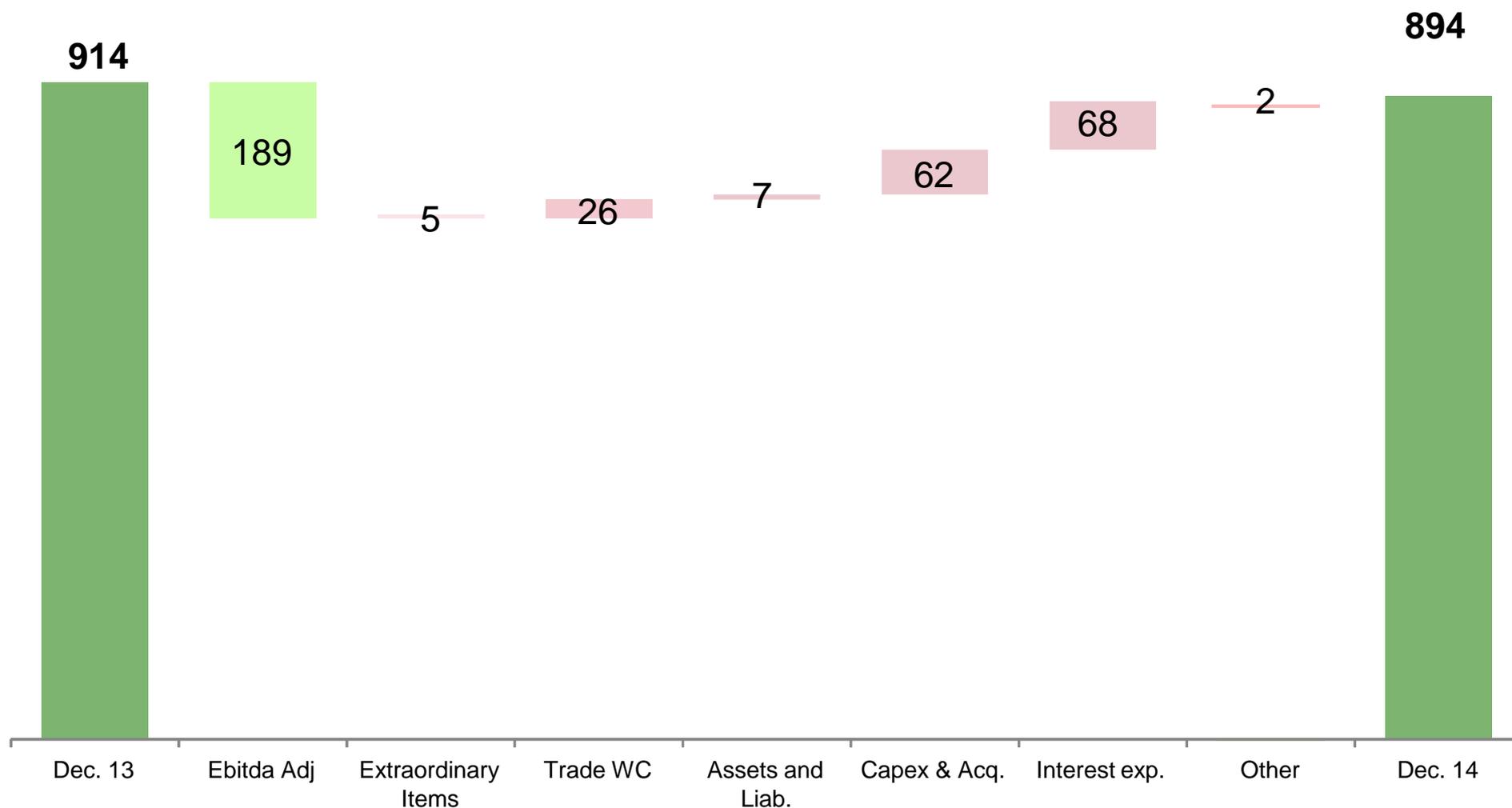
Adj. Ebitda (€ M)



- Adj. Ebitda margin improved vs. previous year and mainly driven by:
 - strong performance of sport betting and Virtual Races
 - top line growth in the online and payment and services segments
 - retail strategy execution
 - cost efficiency programs

Net Financial Position^(a) Bridge – 2014

Figures in € million



(a) We define Net Financial Position as Sisal Group 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

Note: GI Principal Amount of debt at 31 Dec. 2014 equal to € 297.5M and 2014 GI Interest expenses equal to € 26.9M

Consolidated Sisal Group Income Statement – 2014

Figures in € million (except ratios)

Income Statement	FY 14	FY 13	% Change
Revenues	715,2	677,1	5,6%
Fixed odd betting income	99,7	86,4	15,4%
Other revenues and income	6,1	8,8	(30,7)%
Total revenues and Income	821,0	772,3	6,3%
Adj. Ebitda ^(a)	188,8	175,5	7,6%
<i>Margin (%)</i>	<i>23,0%</i>	<i>22,7%</i>	
Ebitda	183,7	93,4	96,8%
<i>Margin (%)</i>	<i>22,4%</i>	<i>12,1%</i>	
Ebit	70,3	(12,1)	n.m.
Net financial expenses and similar	90,0	84,5	6,5%
Income before tax	(19,7)	(96,6)	n.m.
Net Income	(1,0)	(98,8)	n.m.

(a) We define Adjusted EBITDA as EBITDA adjusted for the effect of extraordinary items and provisions related to disputes with regulatory bodies.

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 Sisal Group Balance Sheet – 2014

Figures in € million

Balance Sheet	FY 14	FY 13
Non-Current Assets	362,9	401,5
Goodwill	880,0	880,0
Net Working Capital/Other ^(a)	(233,7)	(272,5)
Total Assets	1.009,3	1.009,0
Net Financial Position ^(b)	978,4	1.065,4
Total Equity	30,8	(56,4)
Total Liabilities and Equity	1.009,3	1.009,0
Payables for unpaid winnings	95,7	81,2
Restricted cash balance	90,3	76,7

(a) Includes Payables for unpaid winnings and Restricted Cash

(b) Includes amounts due under the Shareholder Loans

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