



2015 First Half Results

Ended June 30, 2015

September 1, 2015

Disclaimer

This document and any related presentations have been prepared by, and the information contained herein (unless otherwise indicated), has been provided by Sisal Group S.p.A. (previously Sisal Holding Istituto di Pagamento S.p.A.) and its controlled companies ("Sisal"). The purpose of this presentation is solely to draw the recipients' attention to certain information which may be relevant in connection with their evaluation of Sisal and its financial instruments. It should not be used by any recipient for any other purpose. This document should not be construed as legal, tax, investment or other advice.

The information contained in this presentation has not been independently verified and no independent evaluation or appraisal of Sisal has been undertaken. Neither Sisal nor its affiliates, nor its or its affiliates' respective officers, directors, employees, agents or advisers, make any representation or warranty, express or implied, as to (nor accept any liability in relation to) the reasonableness, accuracy, reliability or completeness of this presentation or any statement, information, forecast or projection made herein, or any other written or oral communications transmitted to the recipient in connection herewith. The presentation has been prepared on the basis of the position as at the time of the presentation, and we will not update any of the information provided in the presentation after the date of the presentation.

This document and any related presentations may contain statements that constitute forward looking statements. These statements include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the business, market share, financial results and other aspects of activities of and situations relating to Sisal. Such forward looking statements are not guarantees of future performance and involve risks, uncertainties and other important factors that could cause actual developments or results to differ materially from those expressed in our forward looking statements. The recipient is cautioned not to place undue reliance on forward looking statements, which speak only as of the date of this presentation. Sisal does not make any representation, warranty or prediction that the results anticipated by such forward looking statements will be achieved, and such forward looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

This presentation and its contents are confidential and may not be copied, reproduced, published, distributed or disclosed (in whole or in part) to any other person without our prior written consent.

By accepting a copy of this presentation, the recipient agrees to be bound by the foregoing limitations and conditions.

Agenda

Agenda

1. H1 2015 Business Update
2. H1 2015 Financial Results
3. Q&A

Speakers



Emilio Petrone
Group CEO



Corrado Orsi
Group CFO

Agenda

1. H1 2015 Business Update – Emilio Petrone (Group CEO)

2. H1 2015 Financial Results – Corrado Orsi (Group CFO)

3. Q & A

Key Factors affecting H1 2015

- **Macroeconomic factors:** In the first half 2015, the Italian GDP was slightly up 0.4%^a compared to the same period of last year
- The **Italian gaming market** showed positive developments. The turnover inverted the 2014 trend, growing by 2.8% to approximately € 43.0 billion^b
- Total **Convenience Payments Services market** confirmed the ongoing positive trend. Services turnover grew by 12.5%, reaching €51.4 billion^c, mainly driven by the expansion of payment and financial services

^a Sisal Market Intelligence Estimate based on Istat data

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

^c Sisal Market Intelligence Estimate based on Roland Berger data

Sisal Key Achievements – H1 2015

- **Sisal performance during H1 2015 was affected by the 2015 Budget Law impact**
 - **2015 Budget Law** provided a reduction of gaming machine concessionaires revenues for a total amount of **€500 million**
 - **Sisal share amounts to € 45.8 million**, payable in two installments in April (already paid) and in October 2015
 - **Sisal renegotiated its agreements** with gaming network retailers and operators, in order to **charge back** to them a fair proportion of revenues reduction (based on Sisal estimates, **approx. 40% of the total amount** should remain payable by Sisal Group)
- In the above mentioned context, **Sisal H1 2015 achievements were overall positive**
 - **Turnover** amounted to **€7.5 billion** in H1 2015, **up 8.9%** vs H1 2014, mainly driven by Payments and Services performance
 - **Revenues** amounted to **€374.6 million, down 7.3%** from €404.3 million in H1 2014 (**down 1.7% net of Budget Law impact**), due in particular to a soft performance of fixed odds sport betting income and the impact of the Budget Law, partially offset by the strong Payments and Services performance
 - **Adj. Ebitda^b** reached **€85.9 million, down 6.5%** vs €91.9 million in H1 2014 (**up 3.3% net of Budget Law impact**) mostly due to the impact of the Budget Law

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

Agenda

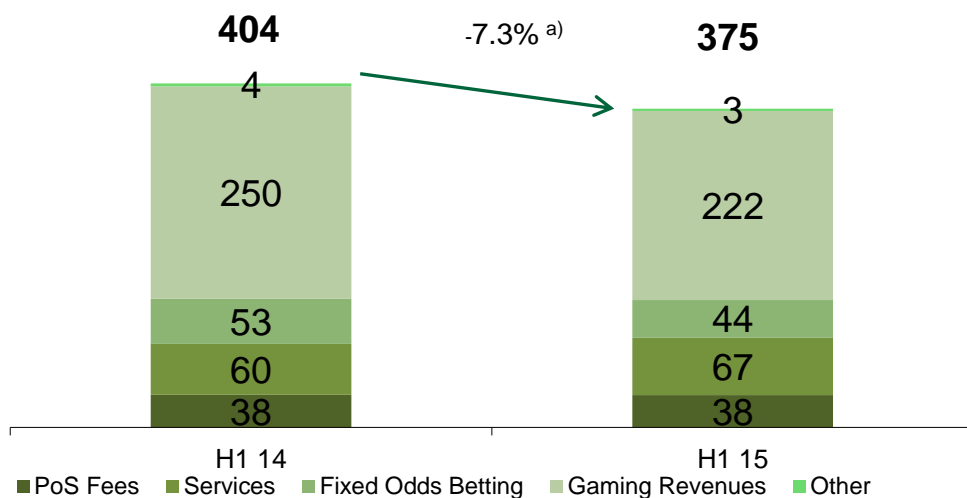
1. H1 2015 Business Update – Emilio Petrone (Group CEO)

2. H1 2015 Financial Results – Corrado Orsi (Group CFO)

3. Q & A

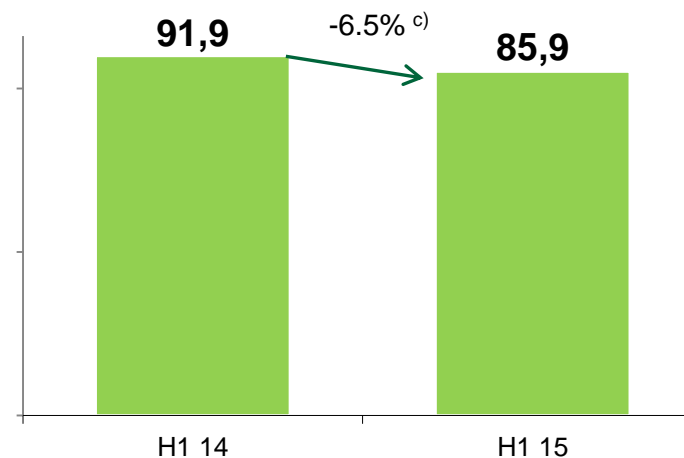
Sisal Results Highlights – H1 2015

Revenues



Figures in € M

Adj. Ebitda^(b)



Adj. Ebitda Margin %

22.7%

22.9%

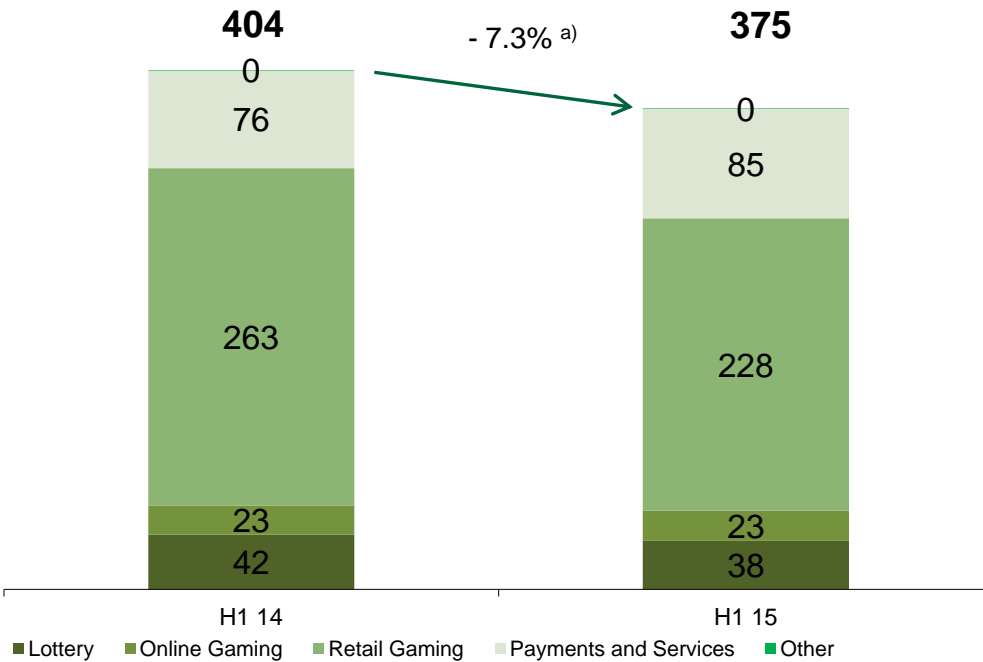
(a) - 1,7% net of Budget Law impact

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

(c) + 3,3% net of Budget Law impact

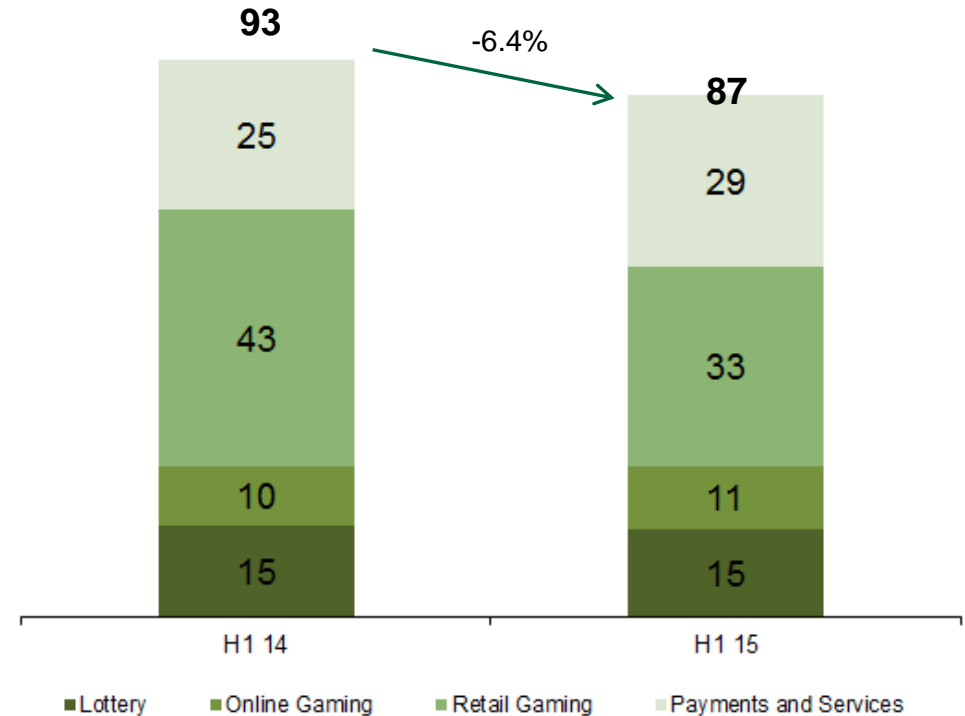
Segments Results Highlights – H1 2015

Revenues



Figures in € M

Operating Segments Ebitda



Operating Segments Ebitda Margin %

	H1 14	H1 15
Total	23.0%	23.2%
Retail Gaming	16.3%	14.6%
Online Gaming	43.6%	45.3%
Lottery	35.6%	38.5%
Payments & Services	32.9%	33.5%

(a) - 1,7% net of Budget Law impact

Sisal Key Figures – H1 2015 vs H1 2014

P&L and simplified cash flow

(€m)	H1-15	H1-14	Change
Turnover	7.505	6.890	8,9%
Revenues	374,6	404,3	(7,3)%
<i>Retail Gaming</i>	227,8	262,6	(13,3)%
<i>Online Gaming</i>	23,4	22,8	2,7%
<i>Lottery</i>	37,7	42,5	(11,2)%
<i>Payments and services</i>	85,3	76,2	12,0%
<i>Other</i>	0,4	0,3	49,8%
Operating Segments EBITDA	87,0	92,9	(6,4)%
Adj. Ebitda	85,9	91,9	(6,5)%
<i>% margin</i>	22,9%	22,7%	
Ebitda	84,7	88,0	(3,8)%
<i>% margin</i>	22,6%	21,8%	
Cash Flow			
Ebitda	84,7	88,0	
Change in trade W/C	(23,3)	(45,8)	
Change in other assets and liabilities ^(a)	2,5	(7,4)	
Capex	(16,5)	(18,2)	
Other non-Current Assets	0,0	0,0	
Acquisitions	(1,0)	(10,0)	
Cash taxes	(0,3)	(0,0)	
Cash interest	(27,7)	(34,6)	
Total	18,4	(28,0)	
Net Financial Position^(b)	881,4	939,6	
Leverage Ratio (LTM)^(c)	4,8x	5,3x	

Performance driven by the **Budget Law impact** and **sport betting soft margin**

Performance mainly driven by **Slot games strong performance**, partially offset by **soft performance in online sport betting**

Low average jackpots and **delay in approving new games rejuvenation**

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

Working Capital movements mainly related to a more favourable cash collection cut-off date which impacted trade receivables outstanding

Capex mainly related to POS technology, application SW, gaming machines and accessories

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

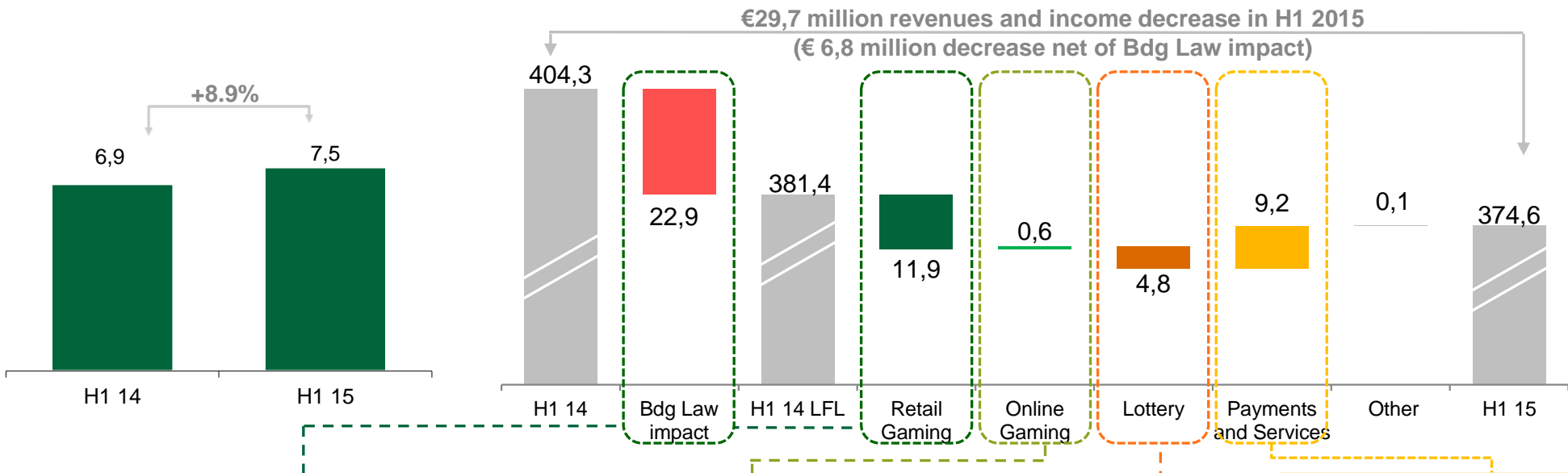
(b) We define Net Financial Position as Sisal Group net debt plus Gaming Invest (GI) net debt which consists of the principal amount of total debt of the Issuer and its consolidated subsidiaries excluding amounts due under the Shareholder Loans and net of unrestricted cash of the Issuer and its subsidiaries, 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 (€182.8M in H1 2015 and € 177.2M in H1 2014)

H1 2015 vs H1 2014 comparison: Revenues

Turnover (€ BN)

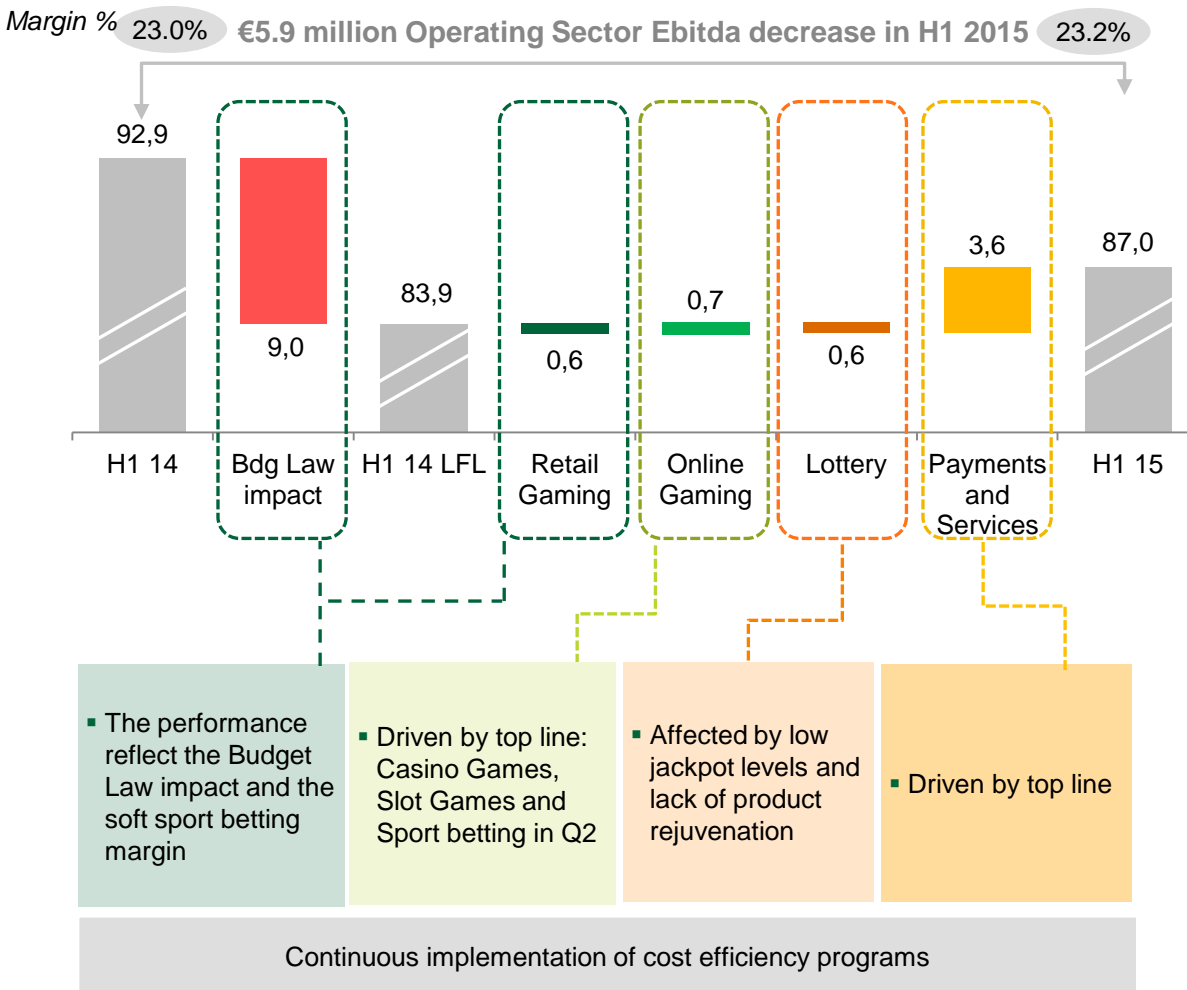
Revenues and income (€ M)



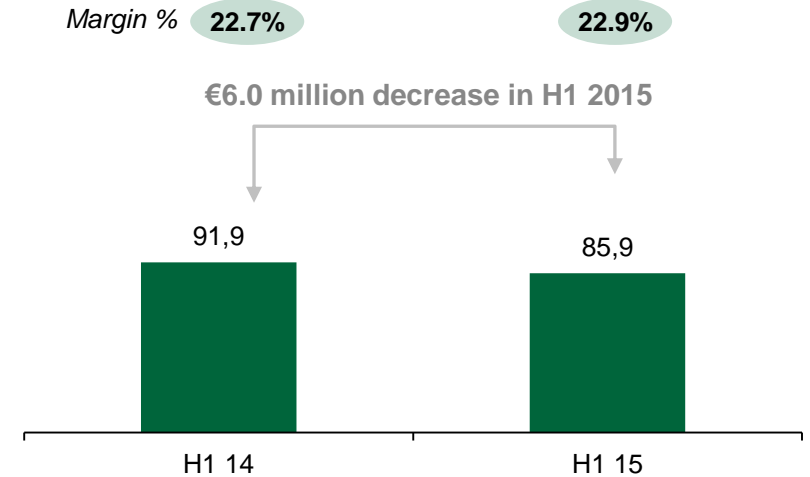
	€ M impact	Primary drivers		€ M impact	Primary drivers		€ M impact	Primary drivers		€ M impact	Primary drivers
Gaming machines	(27.4)	<ul style="list-style-type: none"> €22,9 M Bdg Law impact 	Digital games	1.6	<ul style="list-style-type: none"> Strong performance of slot games, Casino and skill games 	Lottery	(2.2)	<ul style="list-style-type: none"> Soft performance driven by a low average jackpot and delay in approving new games rejuvenation 	Services	7.3	<ul style="list-style-type: none"> Driven by payment and financial services
Sport Betting	(7.5)	<ul style="list-style-type: none"> Weaker profit margin in fixed odds sport betting compared to H1 2014 performance 	Betting online	(1.0)	<ul style="list-style-type: none"> Weaker profit margin in online betting compared to H1 2014 performance 	Point of Sale fees	(2.6)	<ul style="list-style-type: none"> Decrease primarily as a result of retail network optimization program 	Point of Sale fees	1.9	<ul style="list-style-type: none"> Increase driven by services turnover and roll out of service-only POS
Other revenues	0.1										

H1 2015 vs H1 2014 comparison: Profitability

Operating Segments Ebitda (€ M)



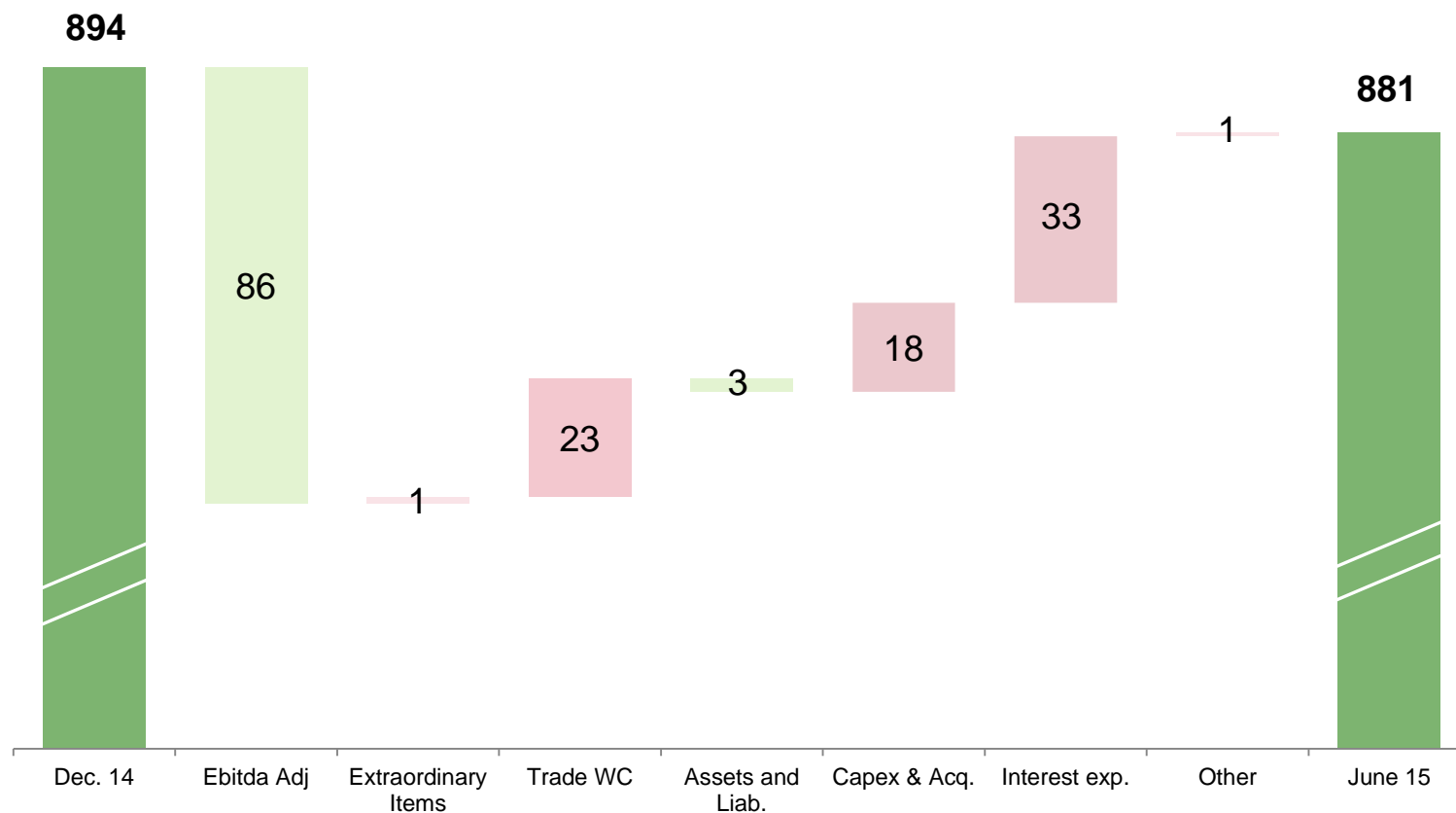
Adj. Ebitda (€ M)



- Adj. Ebitda margin increase mainly driven by:
 - Payments & Services
 - Online Gaming
 - Cost efficiency programs
- ...allowing to partially offset 2015 Budget Law impact

Net Financial Position^(a) Bridge – H1 2015

Figures in € M



(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 30 June 2015 equal to € 304,7 M and H1 2015 GI Interest expenses equal to € 13,6M

Consolidated Sisal Group Income Statement – H1 2015

Figures in € M (except ratios)

Income Statement	H1 15	H1 14	% Change
Revenues	329,5	350,6	(6,0)%
Fixed odd betting income	44,3	52,7	(15,9)%
Other revenues and income	0,8	1,0	(20,0)%
Total revenues and Income	374,6	404,3	(7,3)%
Adj. Ebitda ^(a)	85,9	91,9	(6,5)%
<i>Margin (%)</i>	22,9%	22,7%	
Ebitda	84,7	88,0	(3,8)%
<i>Margin (%)</i>	22,6%	21,8%	
Ebit	29,3	32,8	n.m.
Net financial expenses and similar	41,7	45,0	(7,3)%
Income before tax	(12,4)	(12,2)	n.m.
Net Income	(12,2)	7,8	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 – H1 2015

Figures in € M

Balance Sheet	H1 15	FY 14
Non-Current Assets	330,1	362,9
Goodwill	880,0	880,0
Net Working Capital/Other ^(a)	(218,4)	(233,7)
Total assets	991,7	1.009,3
Net Financial Position ^(b)	973,0	978,4
Total Equity	18,6	30,8
Total Liabilities and Equity	991,7	1.009,3
Payables for unpaid winnings	66,8	95,7
Restricted cash balance	61,8	90,3

(a) Includes Payables for unpaid winnings

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

Agenda

1. H1 2015 Business Update – Emilio Petrone (Group CEO)
2. H1 2015 Financial Results – Corrado Orsi (Group CFO)
3. Q & A