



**Financial Results For The Nine Months  
Ended, September 30<sup>th</sup>, 2014**

**November 10<sup>th</sup>, 2014**

***Investor Relations Department***

## INTRALOT S.A.

### Results For The Nine Months Ended September 30<sup>th</sup>, 2014 (in accordance with IFRS)

**Athens** – November 10<sup>th</sup>, 2014 – **INTRALOT SA** (RIC: **INLr.AT**, Bloomberg: **INLOT GA**), the leading international gaming company, today announces its financial results for the nine-month period ending September 30<sup>th</sup>, 2014, prepared in accordance with IFRS.

#### A. OVERVIEW

##### In 9M 2014:

##### Revenues

- **Revenues** grew by 23.1%, to €1,329.5m from €1,080.2m in the 9M 2014 period, an increase of €249.5m.
- The €249.5m increase is analyzed as follows: +32.4m in Eastern Europe, +136.0m in Western Europe, +24.7m in Australasia, +5.3m in North America, +50.0m in South America and +1.1m in Africa.
- Sports Betting is the largest contributor to our top line, comprising 48.5% of our revenues (+34.0% in the 9M 2014 period), followed by numerical games contributing 29.9% to Group turnover (+7.0% in 9M 2014). VLTs/AWPs represented 10.3% of Group turnover (+179.3%), followed by IT products & Services with 8.1% (-23.3%) and Racing with 3.3% (+12.3%).
- **Constant currency basis:** Net of a negative FX impact of €80.9m, **revenues** reached €1,410.4m, posting an increase of 30.6% y-o-y in 9M 2014.
- **Wagers handled**  
During the 9M 2014 period, INTRALOT handled €16.0bn of wagers. More specifically, wagers increased by 4.7% in euro terms. Eastern Europe declined by 3.9%, West Europe increased by 10.0%, North America decreased by 2.6%, South America decreased by 9.4%, Australasia increased by 14.3% and Africa declined by 10.6%.

##### Ebitda/EBIT/EBT/EAT

- **Ebitda** decreased by 8.2%, to €131.7m.
- **Constant currency basis:** net of a negative FX impact of €11.6m, Ebitda reached €143.2m in 9M 2014, a marginal decrease of 0.2% y-o-y in 9M 2014.
- **EBIT** decreased by 13.3%, to €66.2m.
- **Constant currency basis** net of a negative FX impact of €9.8m, EBIT reached €76.1m, posting a decrease of 0.5% y-o-y in 9M 2014.
- **EBT** decreased by 32.1%, to €27.3m.

- **Constant currency basis:** net of a negative FX impact of €10.7m, EBT reached €38.0m, posting a decrease of 5.3% y-o-y in 9M 2014.
- **Net profit after minorities** for the period was shaped at a negative €32.1m.
- **Winners' payout:** Payout for all games marginally decreased by 0.1 percentage points in 9M 2014 compared to 9M 2013.

## Cash-Flow & Capex

- **Cash-flow:** Cash Flow from Operations reached €45.1m in the 9M 2014 period, remaining largely unchanged compared to the same period of 2013 (€45.5m).
- **Net Debt** in the 9M 2014 period was shaped at €401.3m, remaining at the levels of the 6M 2014 period (€401.1 m), despite the payment of the €16.0m semi-annual coupon for our 325m 5-year bond and a €3.1m deterioration in working capital in the 9M 2014 period compared to 6M 2014 (€19.1m in total). The working capital change was attributed to a €3.3m increase in inventories and a €4.8m decrease of payables, due to company's strategy to reduce payables in exchange of more favourable pricing/commercial terms, partially counterbalanced by a €4.6m decrease of receivables. Finally, the positive FX impact on the Group's cash position of €3.3m in Q3 2014 partially counterbalanced the above mentioned €19.1m negative impact on the Group's net debt position.
- **Capex** for the 9M 2014 period reached €42.8m.

### Consolidated Financial Statements For The 9 Months Ended September 30<sup>th</sup>, 2014

<i>(in € million)</i>	9M14	9M13	% Change	3Q14	3Q13	% Change
Revenues (Turnover)	1.329,5	1.080,0	23,1%	424,0	362,7	16,9%
Gross Profit	193,5	195,9	-1,2%	57,1	62,0	-7,9%
EBITDA	131,7	143,5	-8,2%	42,2	45,8	-7,9%
<i>EBITDA Margin (%)</i>	9,9%	13,3%	-3,4pps	9,9%	12,6%	-2,7pps
EBIT	66,2	76,4	-13,3%	19,7	23,6	-16,6%
<i>EBIT Margin (%)</i>	5,0%	7,1%	-2,1pps	4,6%	6,5%	-1,9pps
EBT	27,3	40,1	-32,1%	7,1	14,5	-51,0%
<i>EBT Margin (%)</i>	2,1%	3,7%	-1,7pps	1,7%	4,0%	-2,3pps
EAT (after minorities)	-32,1	0,5	<i>n.m.</i>	-8,0	-2,0	<i>n.m.</i>

## **INTRALOT Parent company results:**

**Revenues** for the period decreased by 37.3%, to €64.5m.

**EBITDA** decreased by 64.8% to €15.0m from €42.7m in 9M 2013.

**Earnings After Taxes (EAT)** decreased to €-7.4m from €30.8m in 9M 2013.

<b>INTRALOT Parent Company Headline P&amp;L Figures For The 9 Months Ended September 30<sup>th</sup>, 2014</b>			
<i>(€ million)</i>	9M14	9M13	<i>% Change</i>
Revenues (Sales)	64,5	102,8	-37,3%
EBITDA	15,0	42,7	-64,8%
EAT	-7,4	30,8	-124,0%

## **Market Update**

Regarding recent developments in our project portfolio, INTRALOT sold its lottery license in Victoria Australia to the Tatts Group. The financial benefit related to the transaction, including upfront fees, ongoing payments and cost savings, are estimated to reach up to \$20m AUD. INTRALOT, due to the fact that it was unequally treated during the awarding process of this license, it was underperforming in the country. The company is also actively pursuing legal remedies before Court. INTRALOT will continue to operate and focus on the very successful monitoring operation of 27,000 VLTs in Victoria, the recently awarded Pre-commitment (Responsible Gaming) project in the same state, its successful recently updated partnership with Lotterywest in Western Australia and the new opportunities that will arise in the other jurisdictions of Australia and the wider region of Oceania.

Concerning the recent technological advances, INTRALOT was the first company in the sector to introduce Universal Gaming, and has now taken its holistic approach to gaming a step further, placing Personal Gaming at the center of its customer-focused strategy. In the World Lottery Summit that took place last week in Rome INTRALOT presented its complete mobile solutions, including the pioneering MobileLottery, its proposal for the Retail 2.0 with the first presentation of the new camera-based ICON technology terminal, Proton, the new gaming station DreamTouch Compact, the i-SelfGablet Android terminals and its variations as well as its rich Content in Sports, Lottery, Gaming Solutions and Racing. The company's leading position in the Sports Betting arena will be further enriched with the cutting-edge i-FlexSportsBook Platform and the related i-FlexServices, i-FlexContent and i-FlexTrader. Its lottery focus will be enhanced with the new InstantWinGames (IWG) and the RetailSportsMotion. The company's flagship Gaming Solutions, i-GEM Suite and Gaming Licensing System (GLS) was also presented, as well as the superior Racing Solutions, Racing for Lotteries, TrackBet and Racing Poker.

## Commenting on the 9M 2014 Results INTRALOT Group CEO Constantinos Antonopoulos noted:

"In the first 9-months of 2014 major existing projects in the US, Australia and Asia were extended and new ones are being successfully implemented.

While the gaming industry undergoes consolidation, INTRALOT keeps focusing strongly on the lottery sector, its technological superiority and organic growth as we have done over the past years. The Group is making great technological leaps in order to offer innovative products and services to its customers, both on a B2B and a B2C basis. Moreover, we are in the process of taking actions in certain projects around the world in order to improve the Group's financial performance in the near future.

From a financial stand point, the Group continued to grow its sales, maintained its EBITDA profit before any foreign exchange impact and stabilized its net debt position."

### Turnover Analysis

<b>Geographical Sales Breakdown</b>			
<i>(in € million)</i>	9M14	9M13	% chg
European Union	716.8	572.5	25.2%
Other Europe	5.5	8.3	-33.8%
Americas	395.3	346.8	14.0%
Other	255.3	210.7	21.2%
Eliminations	(43.4)	(58.4)	-
<b>Total Consolidated Sales</b>	<b>1,329.5</b>	<b>1,080.0</b>	<b>23.1%</b>

<b>Geographical Gross Profit Breakdown</b>			
<i>(in € million)</i>	9M14	9M13	% chg
European Union	63.4	89.2	-28.9%
Other Europe	0.4	0.7	-40.0%
Americas	51.9	48.9	6.1%
Other	76.0	54.0	40.6%
Eliminations	1.9	3.2	-
<b>Total Consolidated Gross Profit</b>	<b>193.5</b>	<b>195.9</b>	<b>-1.2%</b>

<b>Geographical Gross Profit margin Analysis</b>			
<i>(in € million)</i>	9M14	9M13	% chg
European Union	8.8%	15.6%	-6.7pps
Other Europe	7.1%	7.9%	-0.7pps
Americas	13.1%	14.1%	-1.0pps
Other	29.8%	25.6%	+4.1pps
<b>Total Consolidated Gross Margin</b>	<b>14.6%</b>	<b>18.1%</b>	<b>-3.6pps</b>

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<b>Contract type Sales Breakdown - % contribution to Group turnover</b>		
	9M14	9M13
Operation Contracts	81.4%	74.6%
Management contracts	7.3%	7.6%
HW sales & facilities management contracts	11.3%	17.8%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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#### **About INTRALOT**

INTRALOT, a public listed company, is the leading supplier of integrated gaming and transaction processing systems, innovative game content, sports betting management and interactive gaming services to state-licensed gaming organizations worldwide. Its broad portfolio of products & services, its know-how of Lottery, Betting, Racing & Video Lottery operations and its leading-edge technology, give INTRALOT a competitive advantage, which contributes directly to customers' efficiency, profitability and growth. With presence in 57 jurisdictions, more than 5.500 people and revenues of €1,54 billion for 2013, INTRALOT has established its presence on all 5 continents.

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