



**Financial Results For The Six Months
Ended, June 30th, 2015**

August 14th, 2015

Investor Relations Department

INTRALOT S.A.

Results For The Six Months Ended June 30th, 2015 (in accordance with IFRS)

Athens – August 14th, 2015 – **INTRALOT SA** (RIC: **INLr.AT**, Bloomberg: **INLOT GA**), the leading international gaming company, today announces its financial results for the six-month period ending June 30th, 2015, prepared in accordance with IFRS.

A. OVERVIEW

Revenues

2Q 2015

- **Revenues** for the 2Q15 period remained at the same level as 2Q14, being €459.3m vs. €459.8m in 2Q14, despite the boost in 2014 revenue due to the world cup.
- **Constant currency basis:** Net of a positive FX impact of €16.8m, revenues reached €442.5m, posting a decrease of 3.8% vs. 2Q14.
- On a **continuing business basis** Revenues (mainly adjusted for Opap, Romania and Victoria Lottery contracts) in 2Q15 were shaped at €439.4m, -0.3% compared to 2Q14.

1H 2015

- **Revenues** for the 1H15 period grew by 5.9%, to €958.7m from €905.5m in the 1H14 period, representing an increase of €53.2m.
- The €53.2m increase is analyzed as follows: +64.9m in South America, mainly due to the strong performance of Jamaica, Argentina and Peru, +10.7m in North America, +6.8m in East Europe, mainly due to the performance of Turkey, +1.0m in Africa, -2.3m in West Europe and -27.9m in Australasia, due to the sale of the Victorian license in February 2015 and due to softer sales in Azerbaijan.
- **Constant currency basis:** Net of a positive FX impact of €40.8m, revenues reached €917.9m, posting an increase of 1.4% vs. 1H14.
- On a **continuing business basis** Revenues (mainly adjusted for Opap, Romania and Victoria Lottery contracts) in 1H15 was shaped at €908.8m, +4.9% compared to 1H14.
- **New projects** in Wyoming, Ohio, Georgia and Hellenic Lotteries contributed €6.4m to consolidated Revenues in 1H15.
- Sports Betting is the largest contributor to our top line, comprising 47.1% of our revenues (flat vs. 1H14), followed by numerical games contributing 31.6% to Group turnover (+15.2% vs. 1H14). VLTs/AWPs represented 10.7% of Group turnover (+13.3% vs. 1H14), followed by IT products & Services with 7.5% (-1.6% vs. 1H14) and Racing with 3.2% (+8.9% vs. 1H14).

- **Wagers handled**

During the 1H15 period INTRALOT handled €12.5 bn. of wagers, increased by 16.5% y-o-y across all of our geographical segments. North America increased by 30.3%, South America increased by 29.1%, Australasia increased by 22.5%, East Europe increased by 20.2%, Africa increased by 0.5% and West Europe decreased by 3.2%.

Other operating income

In 1H15 **other operating income** was shaped at €14.1m compared to €8.5m in 1H14, posting an increase of 64.8%. The major driver of this increase was the profit on sale of the Victoria (Australia) Kino and instant tickets license. Further contribution was made by the increase in instant ticket services in our US operations.

Gross Margin & Operating Expenses

The **Gross profit margin** on a continuing business basis remained at the same level as 1H14 (c.13.4%) despite the small increase in payout by 0.5pp, mainly driven by our Italian betting operations, which demonstrates the cost control throughout our value chain.

Total operating expenses increased by 6.1% to €104.5m; after adjusting for the FX impact (€4.8m) the OpEx of the continuing business was broadly in line with last year, posting a small growth of 0.8%.

EBITDA

2Q15

- **EBITDA** developed to €41.0m in 2Q15, an increase of 8.4% compared to 2Q14.
- **Constant currency basis:** net of a positive FX impact of €1.8m, EBITDA reached €39.2m in 2Q15, an increase of 3.5% y-o-y.
- On a **continuing business basis** Ebitda in 2Q15 was shaped at €38.7m, +26.7% compared to 2Q14.

1H15

- **EBITDA** developed to €87.2m, being a decrease of €2.3m (-2.6%) compared to 1H14.
- **Constant currency basis:** net of a positive FX impact of €5.2m, EBITDA reached €81.9m in 1H15, a decrease of 8.4% y-o-y.
- On a **continuing business basis** EBITDA in 1H15 was shaped at €80.1m, +9.4% compared to 1H14.
- **New projects** in Wyoming, Ohio, Georgia and Hellenic Lotteries contributed €2.4m to consolidated EBITDA in 1H15.

EBT

2Q15

- **EBT** in 2Q15 was shaped at -€1.1m compared to €3.5m in 2Q14.
- **Constant currency basis:** net of a negative FX impact of €3.4m, EBT reached €2.3m from €-0.3m in 2Q14.
- On a **continuing business basis** EBT in 2Q15 was shaped at €2.6m from €-8.6m in 2Q14.

1H15

- **EBT** in 1H 2015 decreased by 12.7% to €17.6m.
- **Constant currency basis:** net of a positive FX impact of €9.2m, EBT reached €8.4m from €16.3m, posting a decrease of 48.2% y-o-y.
- On a **continuing business basis** EBT in 1H15 was shaped at €6.8m from €0.1m in 1H14.
- **New projects** in Wyoming, Ohio, Georgia and Hellenic Lotteries contributed €1.8m to consolidated EBT in 1H15.

Net Income after Tax & Minorities Interest (NIATMI)

2Q15

- **NIATMI** for the period was shaped at a negative €22.1m.
- **Constant currency basis:** net of a negative FX impact of €3.3m, NIATMI reached €-18.8m from €-19.3m in 2Q14.
- On a **continuing business basis** NIATMI in 2Q15 was shaped at €-18.5m from €-25.3m in 2Q14.

1H15

- **NIATMI** for the period was shaped at a negative €31.0m.
- **Constant currency basis:** net of a positive FX impact of €7.3m, NIATMI reached €-38.3m from €-27.7m in 1H14.
- On a **continuing business basis** NIATMI in 1H15 was shaped at €-38.4m vs. €-38.9m 1H14.
- **New projects** in Wyoming, Ohio, Georgia and Hellenic Lotteries contributed €1.4m to consolidated NIATMI in 1H15.

Cash-Flow

- **Operating Cash-flow** in the 1H15 decreased to €8.0m from €31.0m in 1H14, impacted by a negative working capital of €30.7m. The main driver of the growth in working capital was the payment of AWP gaming tax in Italy, which is expected to be recovered from our operators in due course, as well as the balance due on the consideration for the sale of the license in Victoria (Australia) and the normalization of our supplier credit particularly in Greece and Azerbaijan.
- **Investing Activities** in 1H15 the company received €10.6m of capital return from Hellenic Lotteries and €1.4m as part payment for the sale of our Victoria license.
- **Capex** in 1H15 was €36.0m compared to €29.4m in 1H14. Major Capex items include investments in our US business of €8.0m, development costs of €8.0m, €1.1m of one-off restructuring and relocation costs.
- **The Cash** balance was impacted by €40.0m bond buy backs, the payment of the semiannual coupon of the €325m bond (€15.5m), the €250m bond (€7.3m) and the interest expense for the €200m Syndicated Facility (€6.2m) that was fully drawn for financial prudence reasons in the end of December 2014. The drawdown of our syndicated facility did not have any further impact on Net Debt. Moreover, the Group's cash position was affected by a negative FX impact of €5.6m and minority dividends payment of €19.7m (mainly in Bulgaria, Jamaica and Turkey).
- **Net Debt** as at 30 June 2015 developed at €416.1m, increased by €34.7m compared to 31 December 2014 (€381.4m). As at that date the book value of bonds purchased by the Group were €46.4m vs €6.4m as at 31 December 2014.
- **R&D**
The Group continued to invest in R&D in order to remain at the forefront of technological developments, mainly focusing on further enhancing its products relating to mobile gaming, content, player engagement platforms, CRM systems, and the LOTOS10 system. The total amount spent for R&D in 1H15 was €9.0m vs. €7.6m in 1H14.

Commenting on the 1H15 Results INTRALOT Group CEO Antonios Kerastaris noted:

“In the second quarter of 2015 INTRALOT delivered a strong set of results as Ebitda grew by 8.4% compared to the same quarter of 2014, which also resulted in improved Ebitda margins, despite a tough comparison with 2Q 2014 due to the gradual fall-off of the Romanian contract and the effect of the World Cup Headwinds from a higher than usual payout continued in Q2 2015, albeit improved as compared to Q1 2015. A comparison of the business excluding these exceptional items shows a strong growth in Revenue across all of our geographical segments. On a like for like basis our EBITDA grew by 9.4% in the first half of 2015 as the majority of our subsidiaries reported strong results coupled with new contracts namely in Wyoming, Ohio and Georgia, in-line with our broader expectations.

During the first half of the year we have renewed our contracts in the Netherlands, Morocco and Azerbaijan and continued the implementation of our strategic plan to streamline operations. Moreover, we proceeded to the acquisition of a strategic stake in Bit8, enriching further our products and services offering and enhancing customer experience.

We implement our strategy with strong operational and financial discipline and are seeing positive impact in key growth areas. We remain focused on maximizing shareholder value and customer satisfaction.”

Consolidated Financial Statements For The 6 Months Ended June 30th, 2015

<i>(in € million)</i>	1H15	1H14	% Change	2Q15	2Q14	% Change
Revenues (Turnover)	958.7	905.5	5.9%	459.3	459.8	-0.1%
Gross Profit	130.0	136.4	-4.7%	60.7	64.0	-5.2%
EBITDA	87.2	89.5	-2.6%	41.0	37.8	8.4%
<i>EBITDA Margin (%)</i>	9.1%	9.9%	-0.8pps	8.9%	8.2%	+0.7pps
EBT	17.6	20.2	-12.7%	-1.1	3.5	-
<i>EBT Margin (%)</i>	1.8%	2.2%	-0.4pps	-0.2%	0.8%	-1.0pps
EAT (after minorities)	-31.0	-24.1	-	-22.1	-15.5	-

Pro-forma Analysis of 2Q 2015 Results

<i>(in € million)</i>	Continuing Business		New Business		Discontinued & non-recurring Business		FX effect		Published Results	
	2Q15	2Q14	2Q15	2Q14	2Q15	2Q14	2Q15	2Q14	2Q15	2Q14
Revenues	439.4	441.0	2.2	0.0	0.9	18.8	16.8	0.0	459.3	459.8
% change	-0.3%		-		-		-		-0.1%	
EBITDA	38.7	30.6	0.3	0.0	0.2	7.3	1.8	0.0	41.0	37.8
% change	26.7%		-		-		-		8.4%	
EBT	2.6	-8.6	-0.1	0.0	-0.3	8.3	-3.4	3.9	-1.1	3.5
% change	-		-		-		-		-	
EAT (after minorities)	-18.5	-25.3	-0.1	0.0	-0.2	6.1	-3.3	3.7	-22.1	-15.5
% change	-		-		-		-		-	

Pro-forma Analysis of 1H 2015 Results

<i>(in € million)</i>	Continuing Business		New Business		Discontinued & non-recurring Business		FX effect		Published Results	
	1H15	1H14	1H15	1H14	1H15	1H14	1H15	1H14	1H15	1H14
Revenues	908.8	866.0	6.4	0.0	2.8	39.5	40.8	0.0	958.7	905.5
% change	4.9%		-		-		-		5.9%	
EBITDA	80.1	73.2	2.4	0.0	-0.6	16.3	5.2	0.0	87.2	89.5
% change	9.4%		-		-		-		-2.6%	
EBT	6.8	0.1	1.8	0.0	-0.2	16.2	9.2	3.9	17.6	20.2
% change	7534.3%		-		-		-		-12.7%	
EAT (after minorities)	-38.4	-38.9	1.4	0.0	-1.2	11.2	7.3	3.6	-31.0	-24.1
% change	-		-		-		-		-	

Turnover Analysis

Analysis per Business Segments					
(in € million)	Revenues			Revenues % of consolidated	
	1H15	1H14	%	1H15	1H14
			<i>change</i>		
Operation contracts	786.1	738.2	6.5%	82.0%	81.5%
Management contracts	68.6	65.3	5.1%	7.2%	7.2%
HW sales & facilities management contracts	104	102	1.9%	10.8%	11.3%
Total	958.7	905.5	5.9%	100%	100%

- Revenues from Operation contracts (licenses) increased by 6.5% due to higher sales mainly in Jamaica and Peru, counterbalancing the effect of the World Cup in 1H14.
- Sales from Management contracts posted an increase of 5.1% mainly driven by our Turkish operations.
- Revenues from HW sales and facilities management increased by 1.9% despite the impact of the Opa and Romanian contracts.

Geographical Sales Breakdown			
(in € million)	1H15	1H14	% chg
Europe	510.5	509.7	0.2%
Americas	327.6	253.1	29.4%
Other	154.2	173.9	-11.3%
Eliminations	(33.6)	(31.1)	-
Total Consolidated Sales	958.7	905.5	5.9%

Geographical Gross Profit Breakdown			
(in € million)	1H15	1H14	% chg
Europe	35.3	53.6	-34.2%
Americas	41.4	32.0	29.5%
Other	57.7	51.1	12.9%
Eliminations	(4.3)	-0.2	-
Total Consolidated Gross Profit	130.0	136.4	-4.7%

Geographical Gross Profit margin Analysis			
(in € million)	1H15	1H14	% chg
Europe	6.9%	10.5%	-3.6pps
Americas	12.6%	12.6%	+0.0pps
Other	37.4%	29.4%	+8.0pps
Total Consolidated Gross Margin	13.6%	15.1%	-1.5pps

INTRALOT Parent company results:

Revenues for the period decreased by 17.8%, to €39.3m.

EBITDA increased by 114.1% €34.3m from €16.0m in 1H14.

Earnings After Taxes (EAT) decreased to €-0.3m from €-3.3m in 1H14.

INTRALOT Parent Company Headline P&L Figures For The 6 Months Ended June 30st, 2015			
<i>(€ million)</i>	1H15	1H14	<i>% Change</i>
Revenues (Sales)	39.3	47.9	<i>-17.8%</i>
EBITDA	34.3	16.0	<i>114.1%</i>
EAT	-0.3	-3.3	<i>-</i>

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 €1.85 billion for 2014, INTRALOT has established its presence on all 5 continents.