Q1-2015 results and strategy update

Group presentation

June 2015

*

This presentation includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends", "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this interim report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

We urge you to read the sections of our 2014 Annual Report dated April 30, 2015 entitled "Risk Factors," "Operating and Financial Review and Prospects" and "Business" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this interim report may not occur.

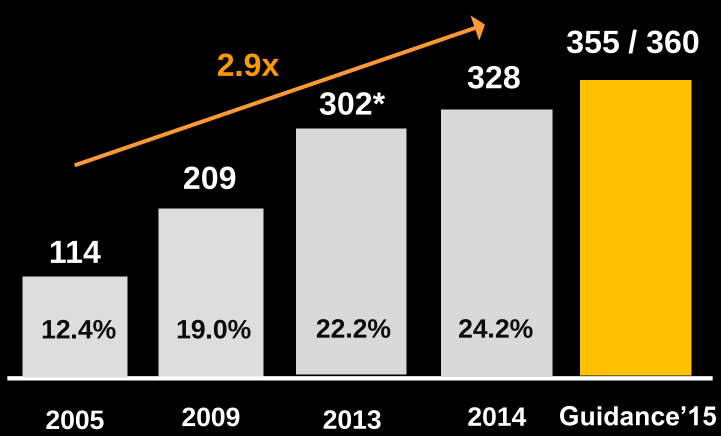
We undertake no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this interim report and the Annual Report.

Executive summary

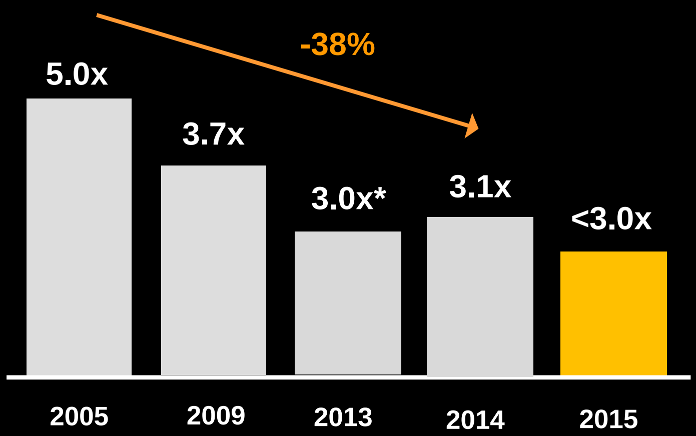
CIRSA

- **Since Q2’06, 35 consecutive quarters delivering financial commitments**
- **Strategy delivering positive results despite an unfavourable economic environment:**

EBITDA (€m) and Ebitda margin %



Leverage



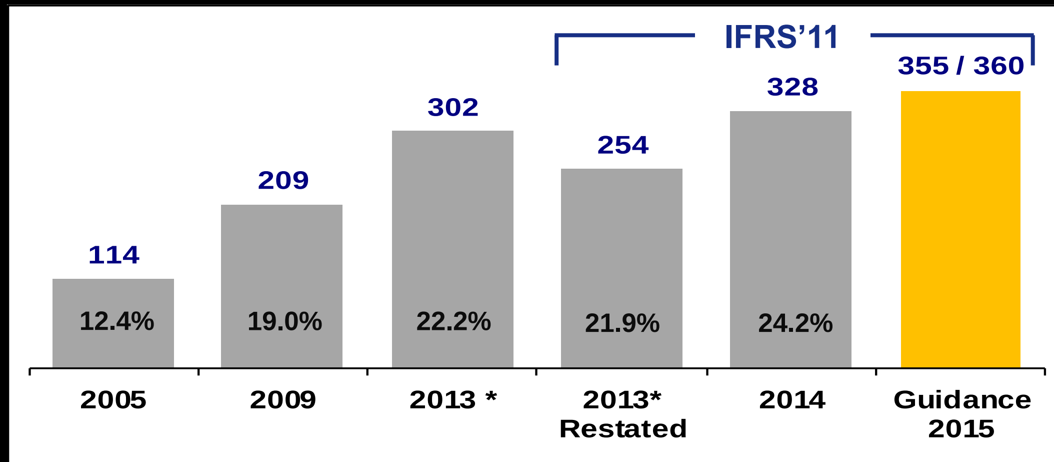
(*) Ebitda: Including the one-time settlement payment of €36 million to the Italian CdC

- **Strategy remains valid**
  - Focus on profitable growth and consolidation of existing businesses
  - Strategic plan for 2015-18 developed under same strategic pillars: (i) continuous EBITDA improvement / leverage reduction, (ii) efficiency & productivity, (iii) investment focus and rigour and (iv) customer value initiatives
  - Detailed action plans and roadmaps for 2015 in place
- **2015-18 strategic plan expected to deliver improvement in profitability (12.4% in ‘05 to >24% in ‘15) and leverage reduction, from 5.0x (2005) to <3.0x (F2015)**
- **Q1’15 (€ 90.8M, +19.7%) and FQ2’15 (€ 90-92M), allow Guidance improvement to €355/360M (+9%)**

Since Q2’06 growing EBITDA at +12.5% CAGR 2005 - 2014

Strategy delivering positive results in a complex environment

EBITDA (€ m), EBITDA margin (%) & Leverage evolution



5.0x	3.7x	3.0x *	3.4x	3.1x	<3.0x

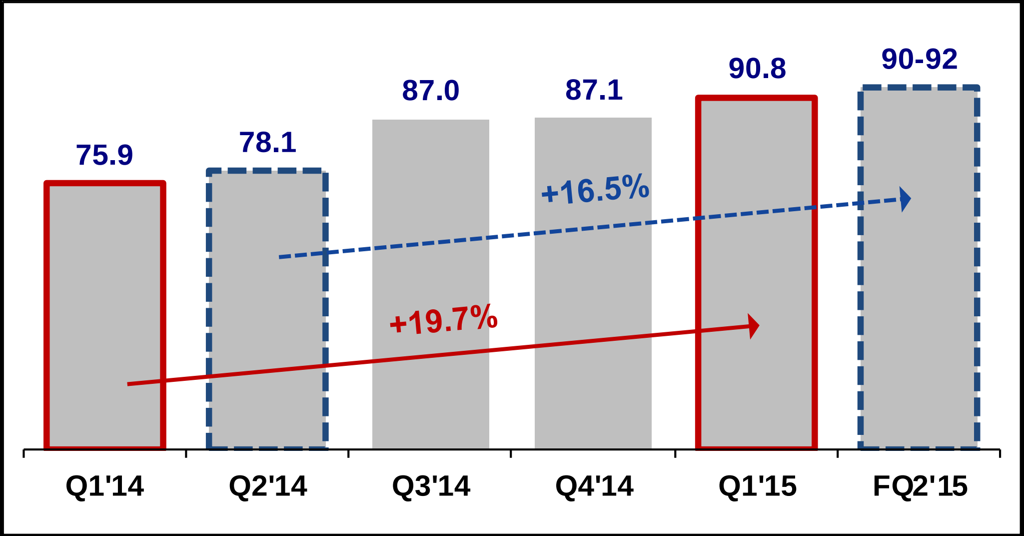
(*) Ebitda: Including the one-time settlement payment of €36 million to the Italian CdC

Financial evolution highlights

- Net operating revenues growth 2005-14: +4.4% yoy
- EBITDA +12.5% yoy, from € 114M (2005) to € 328M (2014); 2.9x improvement
- EBITDA margin improved 1,180 bps to 24.2% in 2014 from 12.4% in 2005, 2x
- Achieved +€ 26M EBITDA growth in 2014, +8.6% (with different acc. stds.)
- Leverage improved to current 3.1x in 2014 from 5.0x in December 2005
- EBITDA Q1'15 € 90.8M, +19.7%
- Guidance 2015: € 355 / 360M (+8.2 / 9.7%), Q1&FQ2'15 confirming Guidance

Consistently achieved business and financial commitments

2014-15 quarterly evolution (€ M)



- After adoption of IFRS'11, 2015 is fully comparable with 2014
- € 90.8M Q1'15 shows strong growth vs Q1'14 (+19.7%)
- Q1 & FQ2'15 confirm Q3 & Q4'14 trend (>87M)
- Key growth drivers:
  - Latam: strong organic growth in all countries, additional to favourable FX evolution
  - Spain: all retail businesses growing
  - Italy: top line growth in VLT and AWP, not offsetting unexpected new year end tax increase (-8M in 2015)
  - 2014-15 acquisitions paying off (Portal-Peru, Costa Rica, slot route operations Spain/Italy)

2015 on track, Q1'15 +19.7% and FQ2'15 +16.5% vs 2014

Cirsa at a glance (as of March 31st)

- **Four main business units**: **B2B** (slots design / manufacturing for Spanish market & interconnectivity systems), **Slots route operations**, **Casinos**, and **Bingo/Arcade** halls
- **Sound diversification: 4 business units and 9 countries (37 jurisdictions)**
- **Gaming market leadership:** **#1 operator** in **Spain, Panama, Argentina, Colombia and Costa Rica**, and achieving a leading positioning in Italy and Mexico
- Operates aprox. **76,000** gaming machines, **322** gaming halls and **1,292** betting locations

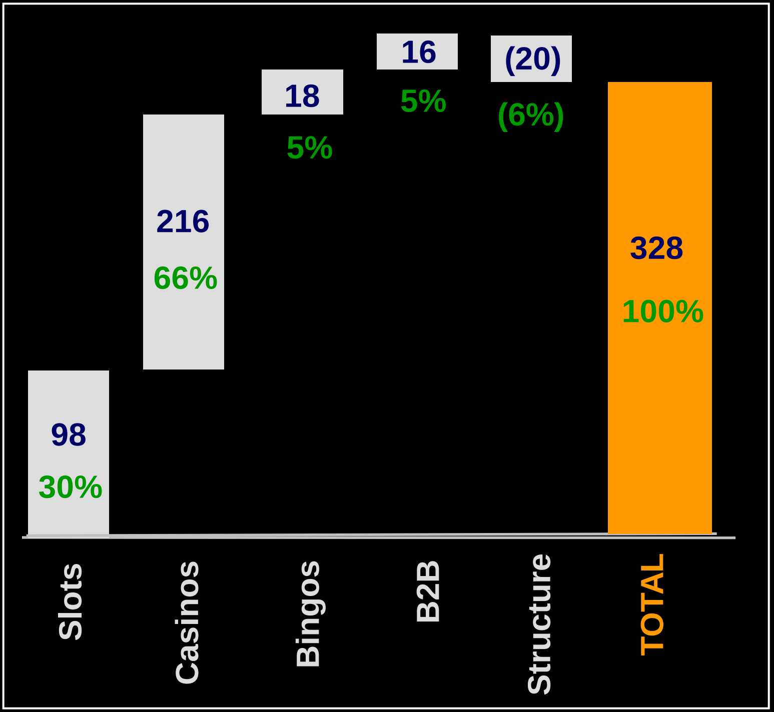
	Spain	Italy	Panama	Colombia	Mexico	Argentina	Others	Total
Slot Machines (1)	31,598	13,426	7,619	6,029	6,469	7,329	3,570	76,040
Casinos	4	-	28	65	-	9	23	129
Bingo Halls	39	12	-	-	20	-	-	71
Betting Locations	1,292	-	-	-	-	-	-	1,292
Arcades	122	-	-	-	-	-	-	122

(1) Includes machines seats from different businesses in each country

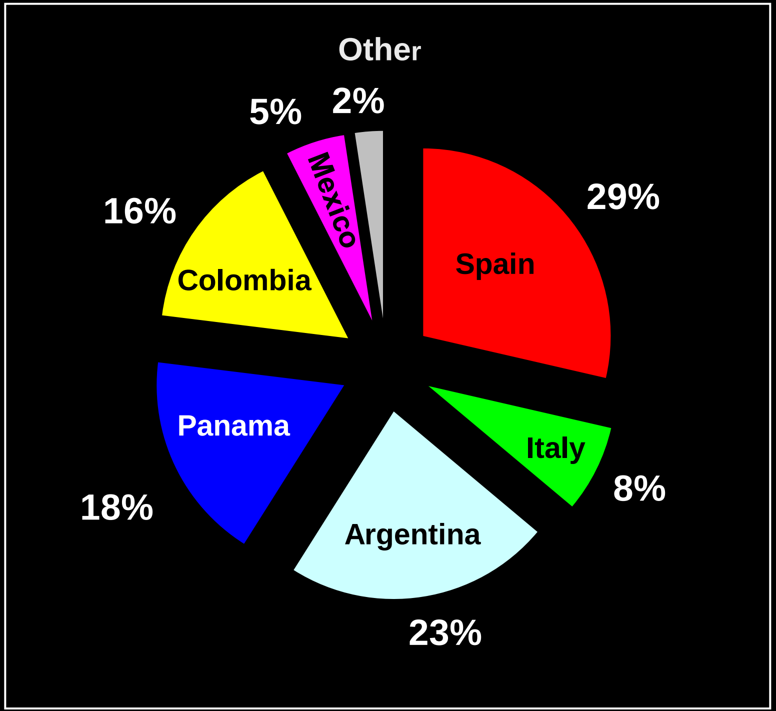
Market leadership across core markets and business segments

Diversification: 2014 EBITDA mix by business segment & geography

EBITDA by business unit (€ m)



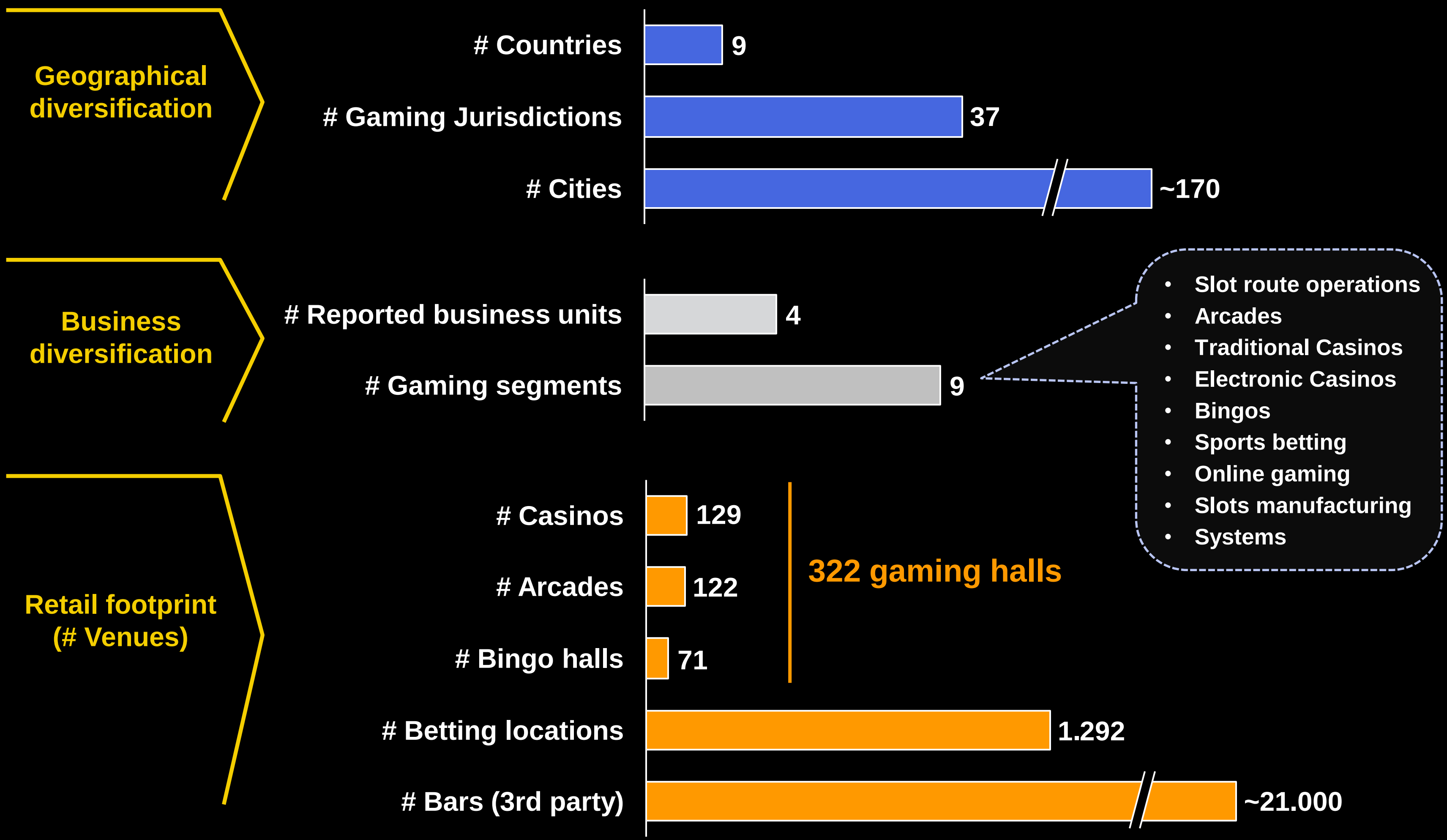
EBITDA by geography



- **Wider Group diversification than ever before**
  - **Business-wise: 4 business units, representing 9 different gaming segments**
  - **Geography-wise: 37 different gaming jurisdictions in 9 countries**
- **Company's development / M&A plans defined to improve diversification**

Highly resilient business model

Diversification summary: Unique diversification profile in the gaming industry



Highly diversified Group from both a geographical and a business perspective, relying on a widespread retail network

Strategy 2015-18 … basics remain the same

CIRSA

Consistent execution of our strategy has delivered significant results in EBITDA growth (+12.5% yoy since 2005) and leverage reduction (from 5.0x 2005 to 3.1x 2014)

Key strategic levers

- **Focus on core businesses and geographies**
- **Efficiency, organisation & restructuring**
- **Reduce leverage**
- **Increase customer leverage**

Strategic objectives

- **Continuous EBITDA improvement through revenue mix management and cost optimization**
- **Productivity programs across businesses and geographies**
- **Selective acquisitions / investments with focus and rigour**
- **Proactive marketing to maximize customer value**

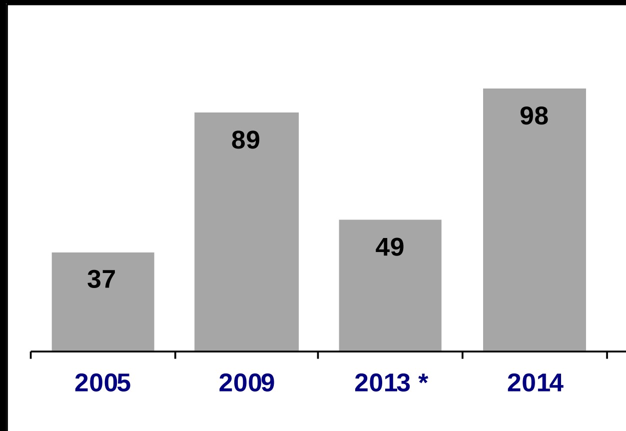
Comments / Facts

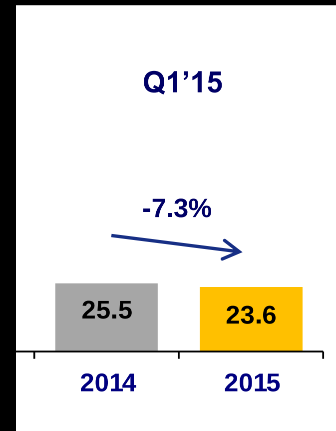
- **EBITDA improvement**: quality & growth
  - Product and geo **diversification**
  - **+12.5% CAGR since 2005**
- **Discontinuation of non-performing segments & geographies**
  - **Headcount reduction** (excluding growth, > 5,400 since 2Q'06)
- **Selective growth in core businesses & geo's**
  - Δ halls 82 & Δ machines 36,000 since 2Q'06
  - **New operations** in all geo's, and **M&A** (Peru, Costa Rica, Slots Spain and Italy)
- **Customer focus** initiatives:
  - Formal process by hall to track individual customer visits by segment (productivity, etc), and action plans development

Existing management team proven track record, now ready to deliver 2015-18 commitments

Slots: EBITDA (€m) and key actions

CIRSA





Q1’15 Highlights:

- **Spain’s slight recovery does not offset 2015 new tax increase in Italy**

(*) 2013 financial statements have been restated in accordance with IFRS 11
Ebitda: Including the one-time settlement payment of €36 million to the Italian CdC

Spain

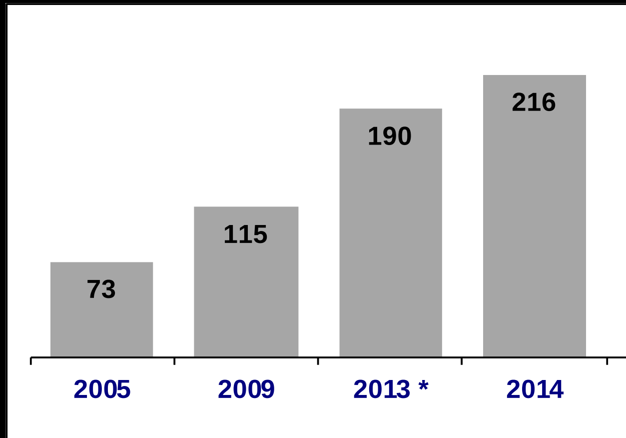
- **2014 & Q1’15 showing rev/machine improvement, supported by a better macroeconomic environment**
- **Concentration opportunities** through selective M&A in a highly fragmented market. **Acquired +2,600 machines in 2014**
- **Focus on margin improvement through efficiency programs:**
  - Rev/machine improvement through machines replacement (refurbishment kits vs. new machines)
  - Discontinue underperforming machines and replacement by new signed POS (reopenings & new bars)
  - Improving commercial terms, 59% of bars in 55/45% split (vs Q1´14 +200 pps)
  - Market access investment reduction: shift from fixed to variable terms (achieved in 66% of total renewal deals)
  - “Smart Slot”: new online technology tested and implemented, to improve revenues & cost. Allow better understanding of bars/players
- **New regulations** to facilitate new product introduction and channels to increase customer base

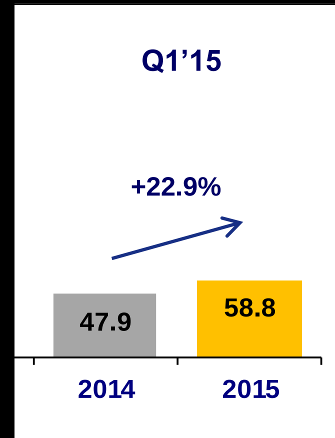
Italy

- **VLTs (2,583): focus on POS and VLT supplier mix**
- **AWP: grow market share through best performing machines and POS strategy. Selective M&A, +1,300 machines in 2014**
- **Despite revenue growth, achieved lower EBITDA due to higher taxes and more competitive commercial conditions**

Consolidating market leadership with best-in-class slot machines in optimal POS; implementation of efficiency programs, key to improve margins

Casinos: EBITDA (€m) and key actions





(*) 2013 financial statements have been restated in accordance with IFRS 11

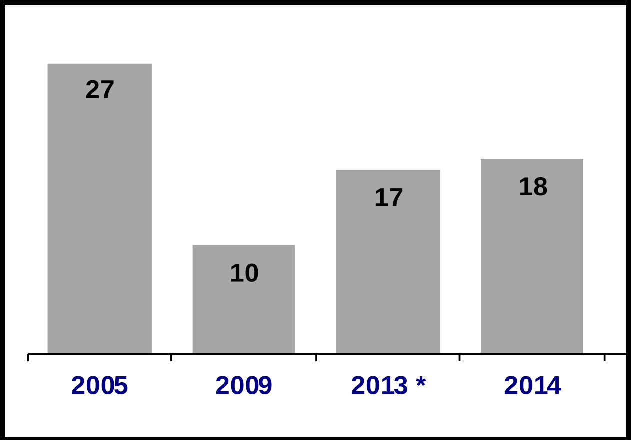
Q1'15 Highlights:

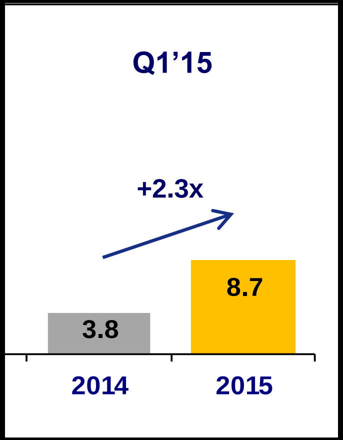
- **Strong EBITDA growth supported by steady growth in all markets, recent acquisitions' integration and favorable FX**

- **Key initiatives across all markets:**
  - Best in class slot machines and hall extensions
  - Tables and games mix optimization to maximize margins
  - Development of a full entertainment offer concept (gaming, shows, F&B)
- **Panama:** licence extended to 2037, halls extension and relocations
- **Colombia:** leadership consolidation through > 10% machines replacement and expand best halls in key cities
- **Argentina:**
  - Growth through new games and machines and efficiency programs to offset inflation
  - Opened 2 new halls (33% stake) at prime locations in Buenos Aires Metropolitan area
- **Peru:** acquisition of 9 electronic halls in Arequipa in April'14 (2nd largest city)
- **Costa Rica**: Acquisition of 7 casinos in February'15 (#1 operator)
- **Spain:** All Casinos improving performance & acquisition of casino Las Palmas (Canary Islands)
- **Growth priorities: (i) increase machines portfolio in existing halls (ii) extend existing locations (iii) new halls (iv) M&A**

Market leadership in Spain & Latam through a complete entertainment offer

Bingos: EBITDA (€m) and key actions





Q1’15 Highlights:

- **Spain’s growth from increased visits and revenues, and operating efficiencies**
- **Strong performance in all our Mexican halls**

(*) 2013 financial statements have been restated in accordance with IFRS 11

Spain

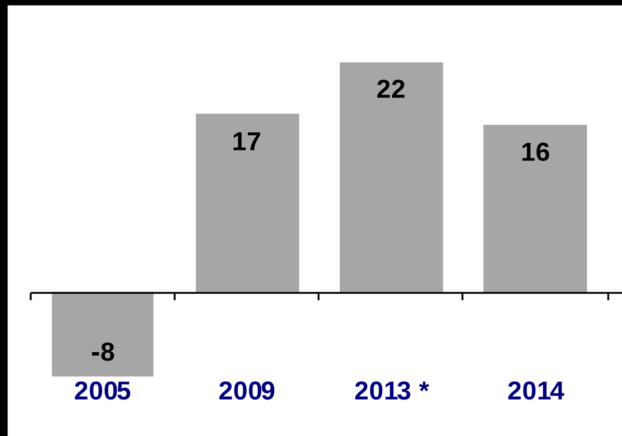
- **Improved macroeconomic environment** and **proactive implementation of new regulations** delivered a **slight growth in EBITDA** and in KPIs (number of visits and expense/visit)
- Continue **portfolio review** and looking for **consolidation opportunities**
- **Regulation:** allow wider product offer, marketing activities and **tax shifts to prizes**
- **Product offer: launching of New Bingo,** game with more prizes and better margin, to retain and develop new customers

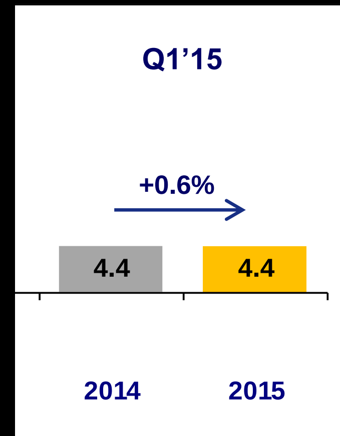
Mexico

- Market positioning through **best-in-class complete offer and “proactive” marketing**
  - **Table games management** becoming the **key differentiating factor** of our gaming offer
- **Selective investments**: increase gaming positions in existing halls and location extensions
- **Becoming a significant EBITDA contributor**, from -€ 3.5M 2009 to € 17M 2014 (representing 5% of Group’s EBITDA). EBITDA € 7.2M Q1’15 vs. € 3.8M Q1’14

Spain slightly positive, Mexico driving overall improvement

B2B: EBITDA (€m) and key actions





(*) 2013 financial statements have been restated in accordance with IFRS 11

Q1’15 Highlights:

- **Kept EBITDA level under weak market conditions**

- **Spain’s AWP market leadership: achieved consistent market share above 50%**
  - Since 2008 Cirsa consistently covers market top revenue models
  - High market share “secures” sales in kits and refurbished machines segment in a shrinking market
- **AWP focus: productivity programs driving bottom line results in a recessionary market**
  - Working capital improvement (from € 37M in 2009 to € 5M in 2014)
  - Continuous improvement in manufacturing cost (-15% vs 2009)
- **R&D focus in profitable segments, key to sustain future market leadership and profitability**
  - AWP R&D funnel designed to provide 2-4 new hits per year in Spain
  - Casino systems to improve productivity: TiTO, player tracking and WAP technologies
  - Retain and update interconnectivity technologies (jackpots, hall to hall, lotteries, etc.)
  - All R&D programs selected to impact P&L

B2B profitability driven by Spanish market leadership and interconnectivity technologies

Summary

- **Commitment and credibility**
  - Since 2006 management team consistently delivered, quarter after quarter, business and financial commitments
  - 2015 leverage target maintained 2.5x ~ 3.0x
  - Q1’15 (€ 90.8M, +19.7%) and FQ2´15 (€ 90-92M, +16.5%) allowing Guidance improvement to €355 / 360 M, +9%

- **Current strategy, based on profitable growth, business consolidation & selective acquisitions, delivering excellent results**
  - Strategy resulted in a significant EBITDA improvement (€ 114M ‘05 to € 328M ‘14, 2.9x)
  - EBITDA margin on revenues doubled: 12.4% in ‘05 to 24.2% in ‘14, +1,180 bps
  - Leverage ratio reduction from 5.0x (Dec’05) to 3.1x (Dec’14)

- **2015-18 strategic plan to remain focused on core business segments and geographies to continue improving profitability**
  - Improve EBITDA / reduce leverage
  - Cost management and investment rigour through efficiency and productivity programs
  - Keep B2B focus on AWP Spanish market & gaming productivity

Management team ready to execute solid plans to keep delivering stakeholder commitments