


Q1-2016 results and strategy update

Group presentation



June 2016



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 2015 Annual Report dated April 28, 2016 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.

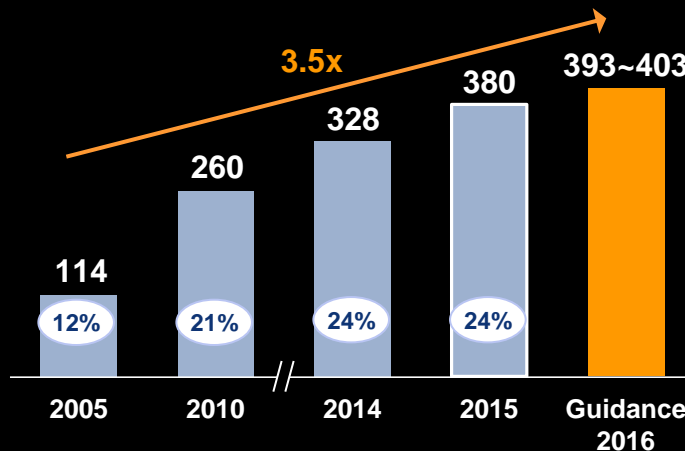
We undertake no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified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

Executive summary

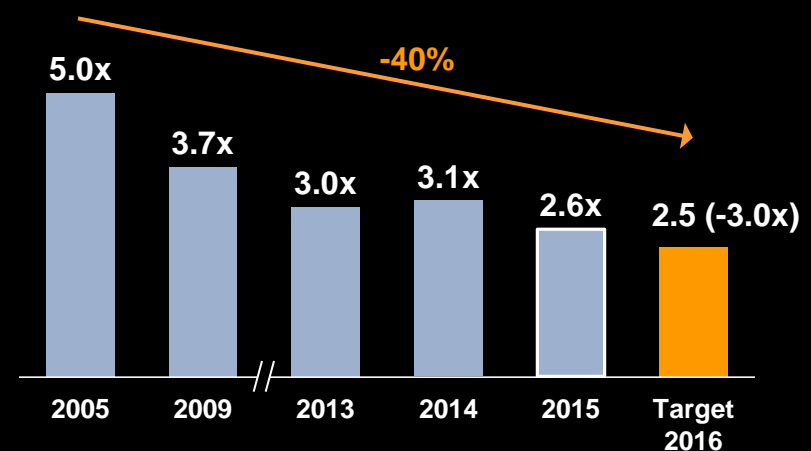


- Since Q2'06, 39 consecutive quarters delivering financial commitments
- Strategy delivering positive results regardless of the economic environment:

EBITDA (€m) and EBITDA margin %



Leverage



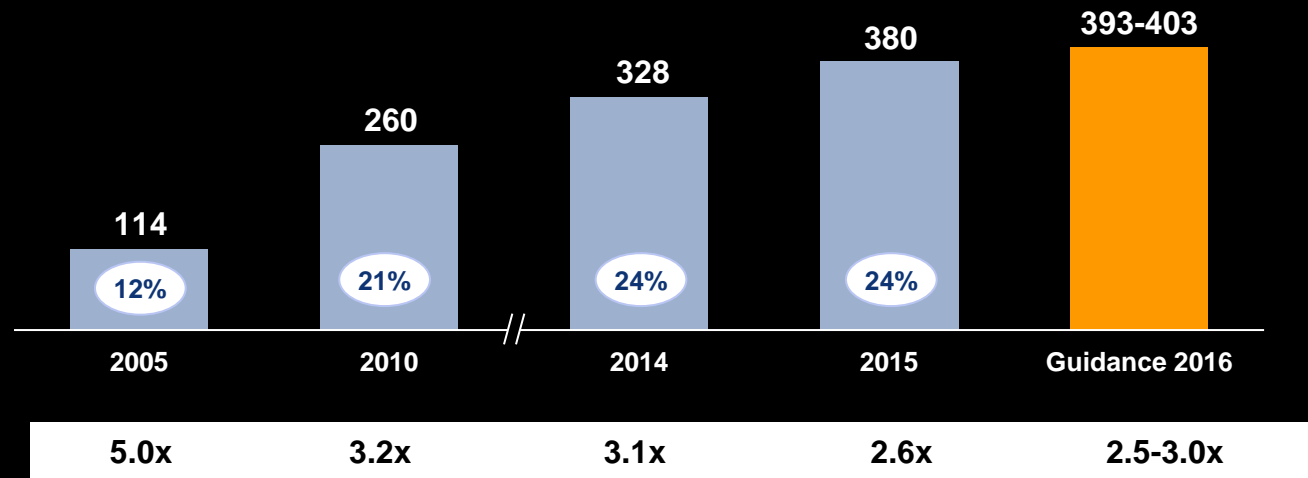
- **Strategy remains valid**
 - Focus on profitable growth and consolidation of existing businesses
 - Strategic plan for 2016-19 developed under four key strategic pillars: (i) continuous EBITDA improvement / leverage reduction, (ii) efficiency & productivity, (iii) investment focus and rigour and (iv) customer value initiatives to grow sales
 - Detailed action plans and roadmaps for 2016 in place
- **2016-19 strategic plan expected to deliver improvement in profitability (12,4% in '05 to >24% in '16) and leverage reduction, from 5.0x (2005) to 2.5x-3x (F2016)**
- **Strong start of 2016: Q1'16 (€98.5M, +8.5%) and FQ2'16 (€98M-€100M); Guidance 2016 €393M-€403M**

EBITDA CAGR 2005 – 2015 of +12.8%

Strategy delivering positive results regardless of the economic environment



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

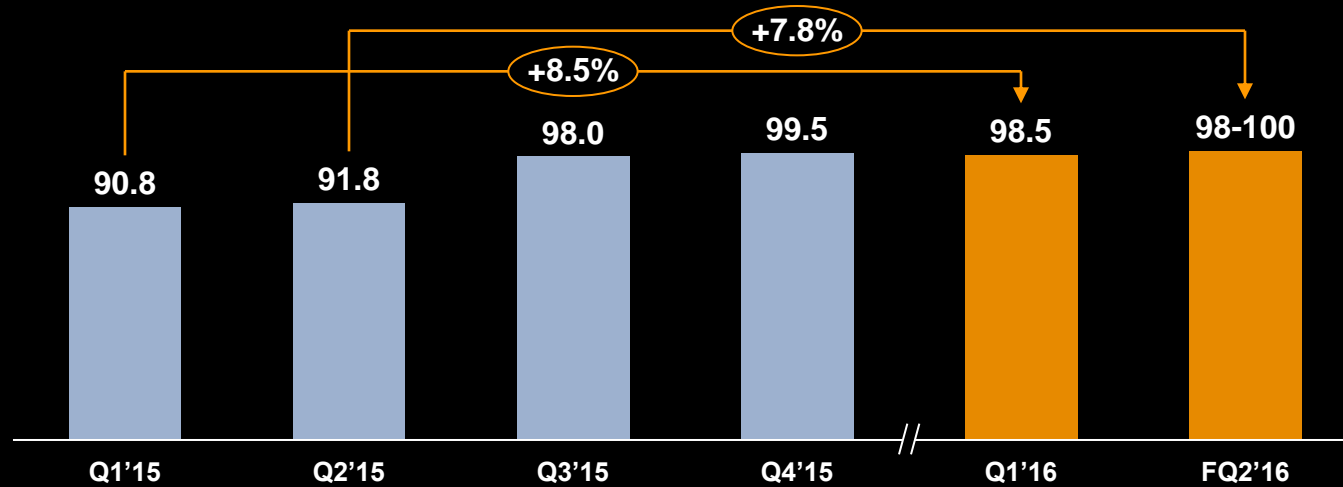


Financial evolution highlights

- Net operating revenues growth 2005-15: +5.6% yoy
- EBITDA CAGR +12.8%, from € 114M (2005) to € 380M (2015); 3.3x improvement
- EBITDA margin improved 1,160 bps to 24% in 2015 from 12.4% in 2005, 2x
- Achieved +€ 52 M EBITDA growth in 2015, +15.8% V
- Leverage improved to current 2.6x in 2015 from 5.0x in December 2005
- EBITDA Q1'16 €98.5 M (+8.5%), FQ2'16 €98-100 M (+7.8%)
- Guidance 2016: €393-€403M (+3.4 / +6%), Q1&FQ2'16 confirming Guidance

10 years of consistent business achievements and financial commitments

2015-16 quarterly evolution (€ M)



- € 98.5M Q1'16: strong growth vs Q1'15 (+8.5%) under unfavourable taxes and FX (IT, ARG, COL, PAN)
- H1'16 performance confirming H2'15 level
- Key growth drivers:
 - Spain: all retail businesses growing
 - Latam: strong organic growth can partially offset strong negative FX impact (ARG, COL)
 - Italy: despite significant top line growth, cannot offset unexpected new year end tax increase
 - 2015 acquisitions integration paying off (Costa Rica, Morocco, several small slot route operations in Spain)

H1'16 performance on track to deliver 2016 EBITDA target

Cirsa at a glance (as of March 31st)



- **Four main business units: Casinos, Slots route operations, Bingo/Arcade halls and B2B (slots design / manufacturing for Spanish market & interconnectivity systems),**
- **Sound diversification: 4 business units and 10 countries (38 jurisdictions in > 171 locations)**
- **Gaming market leadership: #1 operator in Spain, Panama, Argentina, Colombia and Costa Rica, and achieving a leading positioning in Italy and Mexico**
- Operates approx. **76,000** gaming machines, **326** gaming halls and **1,597** betting locations

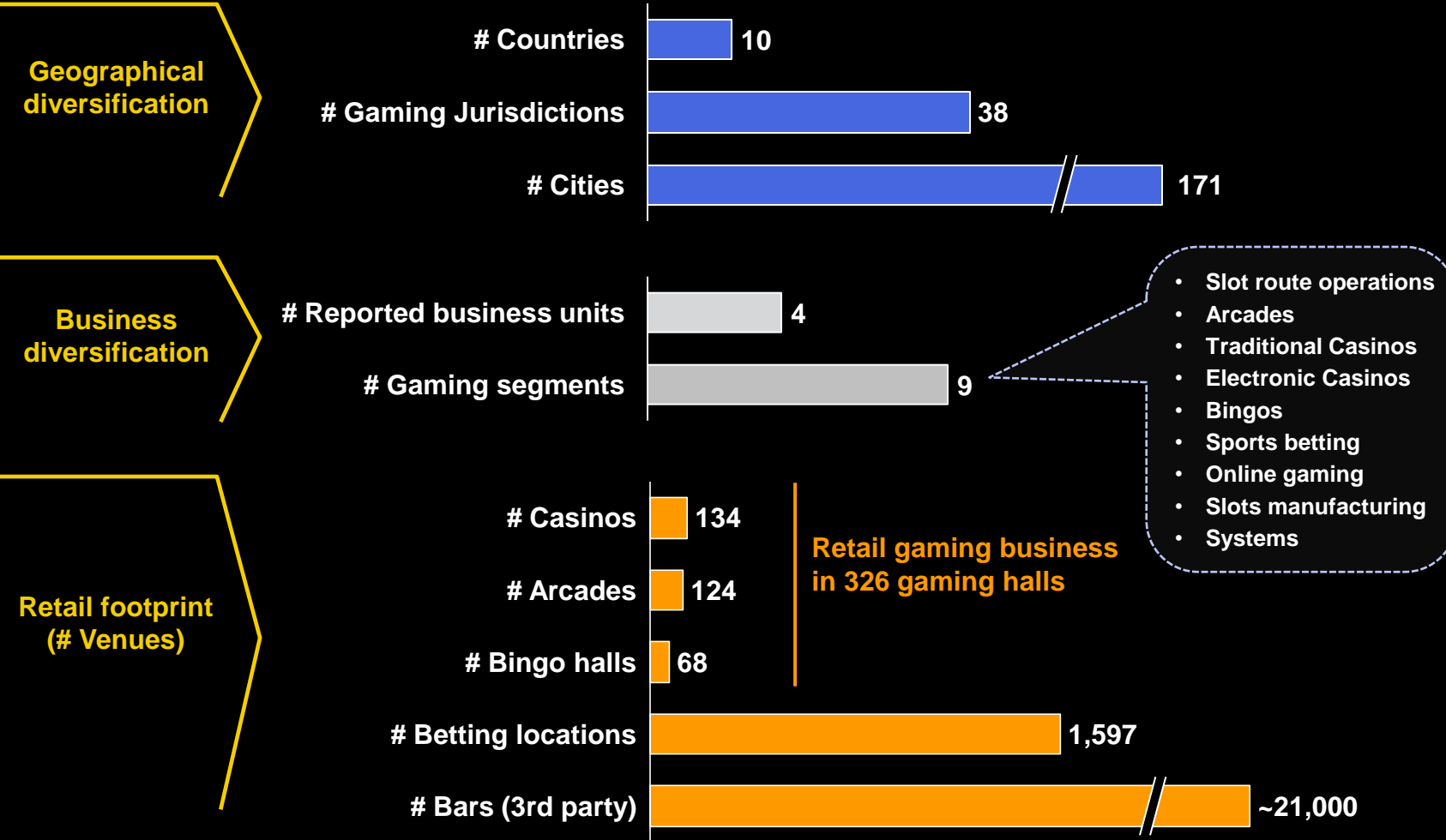


	Spain	Italy	Panama	Colombia	Mexico	Argentina	Others	Total
Slot Machines (1)	33,606	12,645	7,766	6,017	5,137	7,411	3,830	76,412
Casinos	4	-	29	66	-	9	26	134
Bingo Halls	38	12	-	-	18	-	-	68
Betting Locations	1,597	-	-	-	-	-	-	1,597
Arcades	124	-	-	-	-	-	-	124

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

Market leadership across core markets and business segments

Diversification summary: Unique diversification profile in the gaming industry

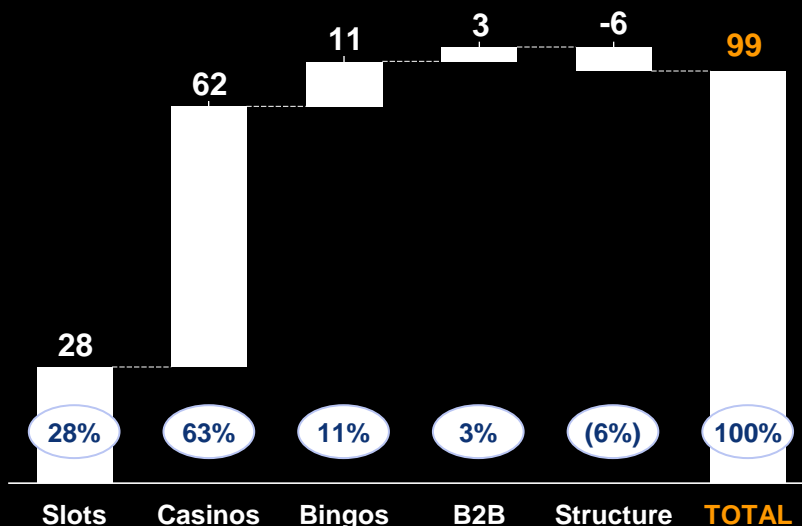


Highly diversified Group from both a geographical and a business perspective, relying on a widespread retail network

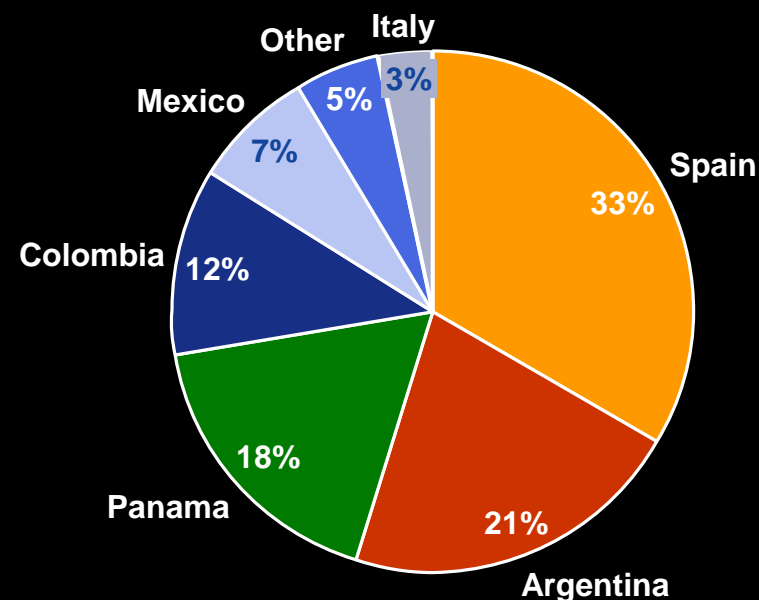
Diversification: 1Q 2016 EBITDA mix by business segment & geography



EBITDA by business unit (€ m)



EBITDA by geography



- EBITDA mix showing business segment diversification
- Casino EBITDA highly geo diversified, 134 casinos in 8 geographies, adding quality to overall results

- EBITDA mix shows high geographical diversification
- Europe 36% of EBITDA while Latam 64%, in 2007 Europe 59% and Latam 41%

Highly resilient business model

Strategy 2016-19 ... basics remain the same



Consistent execution of our strategy has delivered significant results in EBITDA growth (+12.8% yoy since 2005) and leverage reduction (from 5.0x 2005 to 2.6x 2015)

Key strategic levers

- Focus on core businesses and geographies
- Efficiency, organisation & restructuring
- Reduce leverage
- Leverage customer base

Strategic objectives

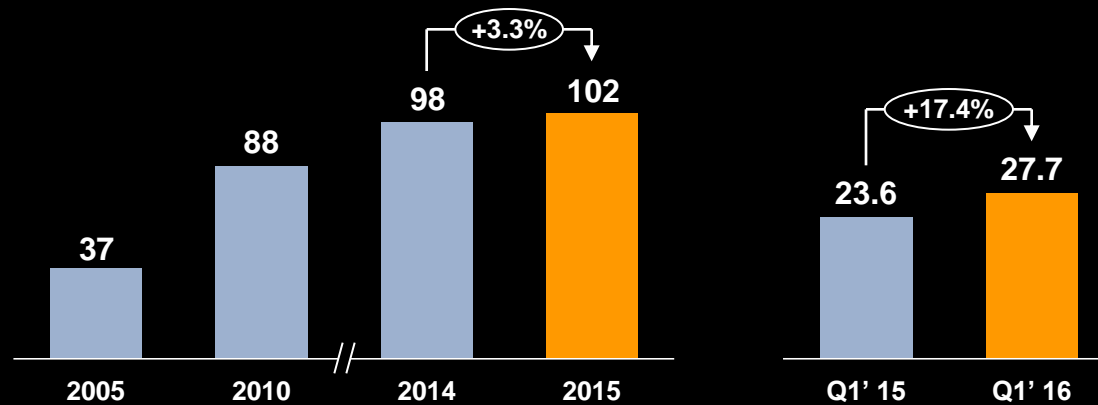
- Continuous EBITDA improvement through revenue mix management and cost optimization
- Productivity programs across businesses and geographies
- Selective acquisitions / investments with focus and rigour
- Proactive sales & marketing to maximize customer value

Comments / Facts

- EBITDA improvement: quality & growth
 - Business and geo diversification
 - +12.8% CAGR since 2005
- Discontinuation of non-performing segments & geographies
 - Headcount reduction (excluding growth, > 5,800 since 2Q'06)
- Selective growth in core businesses & geo's
 - Δ halls 87 & Δ machines 35,000 since 2Q'06
 - Launched new operations in all geo's, and selective M&A (Morocco, Peru, Costa Rica, Slots Spain and Italy)
- Customer focus initiatives:
 - Formal organization and processes to track customers' performance and individual action plans per hall and segment

Existing management team proven track record, now ready to deliver 2016-19 commitments

Slots: EBITDA (€m) and key actions



Q1'16 Highlights:

- Spain's strong performance offsets 2016 new tax increase in Italy

Spain

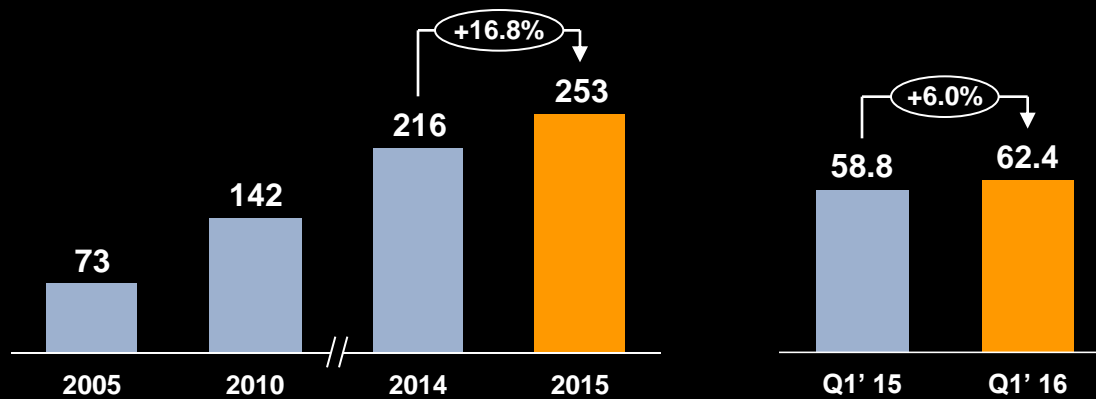
- 2015 & Q1'16 showing revenue & EBITDA improvement, supported by:
 - Better macroeconomic environment
 - Best in class machines replacement program
- Concentration opportunities through selective M&A in a highly fragmented market. Acquired 590 machines in 2015
- Focus on margin improvement through efficiency programs:
 - Lower investment per machine through refurbishment kits vs. new machines
 - Discontinuation of underperforming machines and replacement by new signed POS (reopenings & new bars)
 - Improving Commercial terms 58% of bars in 55/45% split
 - “Smart Slot”: new online technology to improve revenues & cost through better understanding of bars/players
- Four new region regulations to facilitate new product introduction (e.g. attractive jackpots, expand our customer base)

Italy

- VLTs : focus on POS and VLT supplier mix, best performance in the market due to Bingo channel penetration
- AWP: grow market share through best performing machines / POS strategy. Accelerated roll out plan to adapt to new pay-out regulation (70% vs 74%), 64% AWP's replaced (31/05/16)
- Despite revenue growth in AWP & VLT segments and cost / productivity improvements, achieved lower EBITDA due to new higher taxes as of 1/1/2016

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



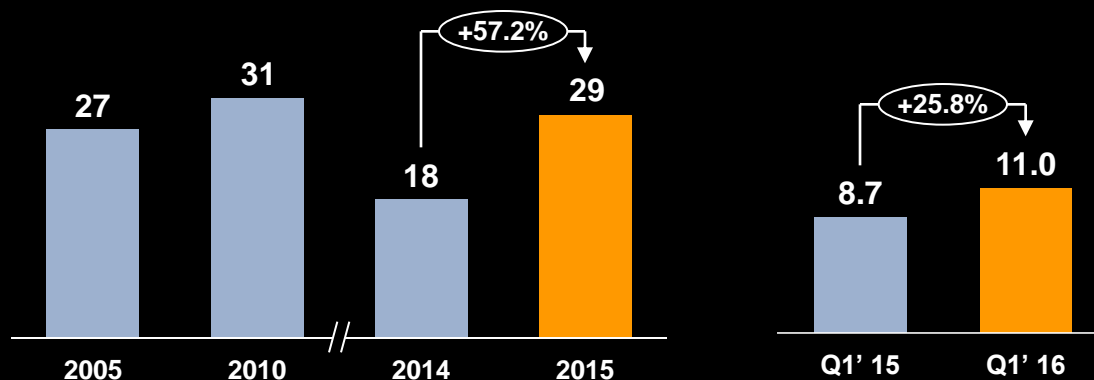
Q1'16 Highlights:

- EBITDA improvement supported by top line growth, despite a significant unfavorable FX in Argentina and Colombia

- **Key initiatives across all markets:**
 - Best in class slot machines and hall extensions
 - Table and game mix optimization to maximize margins
 - Development of a full entertainment offer concept (gaming, shows, F&B)
 - Proactive marketing to customize key customers best offer and service; implemented in all markets
- **Colombia: leadership consolidation through > 10% slot machines replacement, expanded best halls in Bogotá and Medellín, plus launching of new flagship casino in Medellín (2Q'16)**
- **Panamá: one hall opened in a new high traffic shopping mall and exploring new potential locations**
- **Argentina:**
 - Growth through new games and machines and efficiency programs to offset inflation
 - Expansion of 3 Bingo halls in Buenos Aires Metropolitan area (Ezeiza, Polvorines and Olavarría)
- **Perú: three halls expanded in Arequipa region; Portal fully integrated**
- **Costa Rica: acquired leading operator in Feb'15 (7 casinos); synergies program in place**
- **Morocco: acquisition of Atlantic casino in Agadir (#1) in Nov'15**
- **Spain: remarkable performance of Valencia, rest of Casinos outperforming Plan**
- **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



Q1'16 Highlights:

- Operating efficiencies, better market conditions and new regulation drive Spain's improvement
- Strong performance in all our Mexican halls

Spain

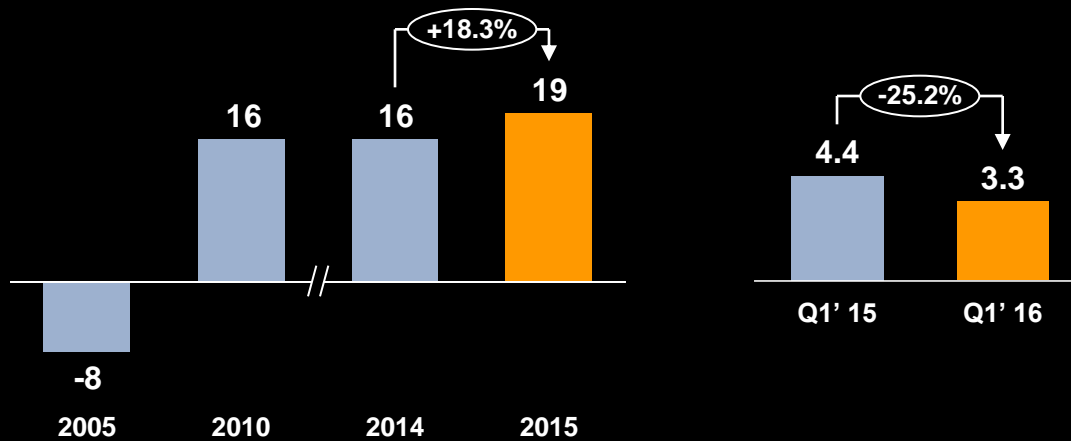
- **More favourable regulation** (allow wider product offer, proactive marketing activities and **tax shifts to prizes**) and **improved macroeconomic environment** has resulted in significant **growth in EBITDA and KPIs** (number of visits and expense/visit)
- Continue **portfolio review** and looking for **consolidation opportunities (7 consolidation projects executed since 2013)**
- **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**
 - **Leading table games segment**, key differentiation factor of our gaming offer
 - **Proactive marketing initiatives paying off**
- **Selective investments**: increase gaming positions (>200) in existing halls and location extensions (3)
- **Becoming a significant EBITDA contributor**, from -€ 3.5M 2009 to € 22.2M 2015 (representing 5.8% of Group's EBITDA)

Strong growth driven by both our Spanish and Mexican bingos

B2B: EBITDA (€m) and key actions



Q1'16 Highlights:

- Very weak AWP market conditions limiting growth despite of dominant market share

- **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 weak market**
 - Working capital improvement (from € 37M in 2009 to € 13M in 2015)
 - Continuous improvement in manufacturing cost (-22.8% vs 2009)
- **System sales to improve gaming productivity**
 - Casino systems to improve productivity: TiTO, player tracking and WAP technologies
 - Interconnectivity projects to allow higher jackpots and full transparency with Gaming authorities
 - Lottery solutions with regular games portfolio update
- **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
 - 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 (39), business and financial commitments
- 2016 Guidance on track (€393M-€403M): Q1'16 (€98.5M) and FQ2'16 (€98-100M)
- 2016 leverage target maintained at 2.5x ~ 3.0x

- **Current strategy, based on profitable growth, business consolidation & selective acquisitions, delivering excellent results in a unique diversified company**

- Strategy resulted in a significant EBITDA improvement (€ 114M '05 to € 380M '15, 3.3x)
- EBITDA margin on revenues doubled: 12.4% in '05 to 24% in '15, +1,160 bps
- Leverage ratio reduction from 5.0x (Dec'05) to 2.6x (Dec'15)

- **2016-19 strategic plan to remain focused on core business segments and geographies to continue improving profitability**

- Improve EBITDA / reduce leverage
- Cost management through efficiency and productivity programs, and investment rigour
- Keep B2B focus on AWP Spanish market & gaming productivity
- Proactive sales & marketing programs across all businesses

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