



FIRST QUARTER 2018 RESULTS
Cirsa Gaming Corporation S.A.
May 30, 2018

- For 1Q-2018, we report Ebitda of €106.8 million: increased 0.7% from 1Q-2017

Ebitda Mix by Country	1Q 2017	FY 2017	1Q 2018
Spain	36.5%	37.9%	37.3%
Italy	4.9%	4.9%	4.2%
Argentina ⁽¹⁾	17.1%	17.5%	19.9%
Panama	18.9%	16.7%	14.9%
Colombia	11.0%	11.1%	10.0%
Mexico	7.7%	7.4%	7.6%
Other	3.9%	4.5%	6.1%

(1) Argentina data is included for comparative information of investors.

- **As of March 31, 2018 our financial position is:**
 - Total net debt of €955.9 million; increased €7.2 million from December 31, 2017
 - Cash of €180.8 million; decreased €0.4 million from December 31, 2017
 - Available revolving credit facilities of €75.0 million
 - Net debt to Ebitda ratio stands at 2.2x; unchanged from December 31, 2017

On April 27, 2018, private equity funds managed by Blackstone and CIRSA announced the signing of the agreement for the acquisition of CIRSA Gaming Corporation SA. Further details of the transaction, which does not include the Argentinean business, will be disclosed in the coming weeks.

As required by IFRS 5, the following financial statements were prepared treating the Argentinean business as discontinued operations for 1Q-2018 (and the prior period of 1Q-2017). Argentina data is included for comparative information of investors.

CIRSA Gaming Corporation S.A.

P&L Consolidated <i>Thousands of Euros</i>	First Quarter		
	2017	2018	Dif.
Operating Revenues	413,094	417,146	4,051
Variable rent	-68,883	-67,818	1,065
Net Operating Revenues	344,211	349,328	5,116
Consumptions	-17,451	-16,178	1,273
Personnel	-54,892	-57,340	-2,448
Gaming taxes	-122,463	-126,965	-4,502
External supplies & services	-62,140	-64,043	-1,903
Depreciation, amort. & impairment	-44,342	-43,361	981
EBIT	42,924	41,441	-1,483
Financial results	-14,459	-14,846	-387
Foreign exchange results	-851	-1,431	-580
Results on sale of non-current assets	-1,299	-2,225	-926
Profit before Income Tax	26,315	22,939	-3,376
Income Tax	-9,587	-10,080	-493
Profit after Tax from continuing operations	16,728	12,859	-3,869
Profit after Tax from discontinued operations	4,899	10,365	5,466
Minority interest	-5,046	-3,696	1,350
Net Profit	16,581	19,528	2,947
EBITDA (excluding Argentina)	87,266	84,802	-2,464
EBITDA (including Argentina)	106,015	106,783	768

First quarter of 2018 compared to first quarter 2017

Net operating revenues increased by 1.5% and Ebitda grew by 0.7% from 1Q-2017 due to the improvement in our Spanish operations and the positive underlying performance across our Latam operations which continued to show steady organic growth, despite the material depreciation of all our local currencies against the Euro (see table below) which had a negative Ebitda impact of €16.1 million in 1Q-2018.

Average Exchange Rates <i>One Euro equals:</i>	YTD <i>Mar. 31, 2017</i>	YTD <i>Mar. 31, 2018</i>	Variation
Argentina Peso	16.6516	24.6220	47.9%
Colombia Peso	3,102.2732	3,485.6651	12.4%
Costa Rica Colon	604.1432	704.6553	16.6%
Dominican Republic Peso	50.3874	60.3644	19.8%
Mexico Peso	21.1143	22.9483	8.7%
Morocco Dirham	10.7301	11.3414	5.7%
Panama US Dollar	1.0681	1.2331	15.4%
Peru Nuevo Sol	3.4888	3.9896	14.4%

Slots Division			
P&L Consolidated <i>Thousands of Euros</i>	First Quarter		
	2017	2018	Dif.
Operating Revenues	231,893	241,427	9,534
Variable rent	-66,166	-65,619	547
Net Operating Revenues	165,727	175,808	10,081
Consumptions	-8,732	-10,132	-1,400
Personnel	-15,846	-17,487	-1,641
Gaming taxes	-89,043	-94,191	-5,148
External supplies & services	-19,706	-19,752	-46
Depreciation, amort. & impairment	-24,199	-24,860	-661
EBIT	8,201	9,386	1,185
EBITDA	32,400	34,245	1,845

First quarter of 2018 compared to first quarter 2017

Net operating revenues grew by 6.1% and Ebitda increased by 5.7% from 1Q-2017. The 1Q-2018 Ebitda contribution by country was as follows:

- Ebitda of Spanish operations increased by 10.0%: €29.8 million from €27.1 million in 1Q-2017, mainly due to the addition of 1,485 slot machines to our portfolio.
- Ebitda of Italian operations decreased by 17.0%: €4.4 million from €5.3 million in 1Q-2017 due to the increase of €2.9 million of gaming taxes. On April 24, 2017, AWP gaming taxes increased from 17.5% to 19.0% and VLT gaming taxes increased from 5.5% to 6.0%.

Slot Machines <i>As of March 31</i>	2017	2018	Var. units	Var. %
Slot machines, Spain	28,757	31,343	2,586	9.0
Slot machines, Italy	9,093	8,986	-107	-1.2
VLTs, Italy	2,551	2,542	-9	-0.4
Total	40,401	42,871	2,470	6.1

Projects & main operational issues

As previously announced, on February 21, 2018, Cirsa acquired a 50% interest in a slot operating company which operates 875 slot machines and 9 arcades (with 226 additional slot machines) in Spain. The total cash consideration was €18.5 million, which represents an Ebitda multiple of 4.6x, was funded with available cash. In accordance with International Financial Reporting Standards (IFRS), the results of the joint venture, which is co-managed by Cirsa, will be consolidated by the equity method: net profit will be recorded in "Financial results".

Casinos Division			
P&L Consolidated <i>Thousands of Euros</i>	First Quarter		
	2017	2018	Dif.
Operating Revenues	118,611	118,039	-573
Variable rent	-627	-677	-50
Net Operating Revenues	117,984	117,362	-623
Consumptions	-1,875	-1,859	16
Personnel	-20,735	-21,249	-514
Gaming taxes	-19,870	-19,605	265
External supplies & services	-31,820	-32,894	-1,075
Depreciation, amort. & impairment	-17,338	-14,713	2,625
EBIT	26,347	27,042	695
EBITDA (excluding Argentina)	43,685	41,754	-1,931
EBITDA (including Argentina)	60,881	62,601	1,720

First quarter of 2018 compared to first quarter 2017

Net operating revenues decreased by 0.5% and Ebitda improved by 2.8% due to the steady organic growth in all our markets and the contribution from 22 casinos added to our portfolio which have offset the significant depreciation of all our local currencies against the Euro. The negative F/X impact in 1Q-2018 was €14.8 million.

As of March 31	2017			2018			Variation		
	Casinos	Slots	Tables	Casinos	Slots	Tables	Casinos	Slots	Tables
Panama	29	7,568	22	32	7,778	18	3	210	-4
Argentina ⁽¹⁾	9	7,388	211	9	7,724	170	0	336	-41
Colombia	65	6,211	225	66	6,287	234	1	76	9
Peru	13	1,971	45	29	4,246	44	16	2,275	-1
Costa Rica	7	904	22	8	841	30	1	-63	8
Dominican Republic	5	659	72	5	676	64	0	17	-8
Spain	4	304	40	4	282	39	0	-22	-1
Morocco	1	193	19	2	288	26	1	95	7
Total	133	25,198	656	155	28,122	625	22	2,924	-31

(1) Argentina data is included for comparative information of investors.

Projects & main operational issues

Our focus remains on the enhancement of our current casino operations supported by regular targeted marketing campaigns. The goal of our investment plan will be to upgrade our gaming offer, to expand our better performing halls, and to make selective acquisitions in our traditional and adjacent geographic markets.

Bingo Division			
P&L Consolidated <i>Thousands of Euros</i>	First Quarter		
	2017	2018	Dif.
Operating Revenues	57,495	57,023	-472
Variable rent	-2,153	-1,969	184
Net Operating Revenues	55,342	55,054	-288
Consumptions	-2,572	-2,611	-39
Personnel	-10,660	-11,072	-412
Gaming taxes	-13,485	-13,129	356
External supplies & services	-14,915	-14,993	-78
Depreciation, amort. & impairment	-3,707	-4,556	-849
EBIT	10,003	8,693	-1,310
EBITDA	13,710	13,248	-462

First quarter of 2018 compared to first quarter 2017

Net operating revenues decreased by 0.5% and Ebitda decreased by 3.4% from 1Q-2017. The Ebitda contribution by country was as follows:

- Ebitda of Spanish operations decreased by 7.7% to €4.8 million from €5.2 million in 1Q-2017.
- Ebitda of Mexican operations remained unchanged at €8.5 million from 1Q-2017. In Mexico, the depreciation of the Mexican Peso against the Euro (8.7%) was offset by the strong performance of our halls and the addition of one new hall.

Bingo Halls <i>As of March 31</i>	2017	2018	Var.
Spain	38	37	-1
Mexico	19	20	1
Italy	11	12	1
Total	68	69	1

Projects & main operational issues

In Spain, we are actively working to enhance our offer in order to attract more customers, taking advantage of improved market conditions. As part of our continuous portfolio review, during the last 12 months, we have discontinued two underperforming halls and acquired one hall.

In Mexico we plan to continue to expand our best performing halls and are currently evaluating the acquisition of new halls in our target regions (similar to the two halls acquired during 2017).

B2B Division			
P&L Consolidated <i>Thousands of Euros</i>	First Quarter		
	2017	2018	Dif.
Operating Revenues	27,056	25,131	-1,925
Variable rent	0	0	0
Net Operating Revenues	27,056	25,131	-1,925
Consumptions	-15,150	-12,435	2,715
Personnel	-4,847	-4,849	-2
Gaming taxes	-49	-28	21
External supplies & services	-3,716	-4,201	-485
Depreciation, amort. & impairment	-885	-1,092	-207
EBIT	2,409	2,526	117
EBITDA (excluding Argentina)	3,294	3,618	324
EBITDA (including Argentina)	4,847	4,751	-96

First quarter of 2018 compared to first quarter 2017

Despite a decrease in net operating revenues of 7.1%, Ebitda decreased only by 2.0% due to the improvement of Ebitda margin of our Spanish sales. We have maintained our leadership position in the Spanish AWP slot machines market in a highly competitive market.

Projects & main operational issues

We will continue with our cost reduction initiatives and leverage on our market leadership to support our sales of gaming kits: Cirsa's high market share facilitates sales in the kits & refurbishment market segment. R&D activities will continue to focus on profitable segments: all current programs being developed are intended to positively impact P&L.

Structure & Adjustments

P&L Consolidated <i>Thousands of Euros</i>	First Quarter		
	2017	2018	Dif.
Operating Revenues	-21,961	-24,473	-2,512
Variable rent	63	447	384
Net Operating Revenues	-21,898	-24,026	-2,128
Consumptions	10,878	10,859	-19
Personnel	-2,804	-2,683	121
Gaming taxes	-16	-12	4
External supplies & services	8,017	7,798	-219
Depreciation, amort. & impairment	1,787	1,858	71
EBIT	-4,036	-6,206	-2,170
EBITDA	-5,823	-8,064	-2,241

Millions of Euros

CAPEX (excluding Argentina) <i>YTD March 31</i>	2017	2018	Var.
Slots	20.7	29.5	8.8
Casinos	14.8	12.3	-2.5
Bingo	3.3	4.5	1.2
B2B	1.2	0.9	-0.3
Structure	0.2	0.0	-0.2
Total	40.2	47.2	7.0

Of the €47.2 million of capital expenditures for 1Q-2018, we estimate that 70% corresponded to maintenance expenditures and 30% to the expansion of our business (mainly slot operations in Spain).

<i>Millions of Euros</i> Leverage <i>12 Trailing Months</i>						Excluding
	2017					2018
	Mar-31	Jun-30	Sep-30	Dec-31	Mar-31	Argentina 2018 Mar-31
Ebitda	405.8	413.4	420.5	427.0	427.8	348.4
Net Interest Expense	89.4	81.1	68.9	67.7	66.7	64.6
Cash & Cash Equivalents	187.8	166.1	184.7	181.2	180.8	145.4
Total Debt	1,141.5	1,114.3	1,145.7	1,129.9	1,136.7	1,108.4
Total Net Debt	953.7	948.2	961.0	948.7	955.9	963.0
Total Net Debt to Ebitda	2.3x	2.3x	2.3x	2.2x	2.2x	2.8x
Ebitda to Net Interest Expense	4.5x	5.1x	6.1x	6.2x	6.4x	5.4x

<i>Millions of Euros</i> Financial Debt <i>As of</i>						Excluding
	2017					2018
	Mar-31	Jun-30	Sep-30	Dec-31	Mar-31	Argentina 2018 Mar-31
Bank Loans	115.5	110.5	105.2	101.1	104.0	104.0
Capital Lease Agreements	7.5	6.0	7.3	6.1	4.9	1.4
Senior Notes	954.6	941.5	956.1	943.2	957.8	957.8
Tax Deferrals	49.9	43.8	40.9	41.7	29.6	4.7
Other Loans	14.0	12.5	36.2	37.8	40.4	40.5
Total Financial Debt	1,141.5	1,114.3	1,145.7	1,129.9	1,136.7	1,108.4
Cash & Cash Equivalents	187.8	166.1	184.7	181.2	180.8	145.4
Total Net Financial Debt	953.7	948.2	961.0	948.7	955.9	963.0

As part of our ongoing efforts to manage our debt profile, we may from time to time repay, prepay or repurchase our existing indebtedness prior to its scheduled maturity.

Cash-flow Statement (excluding Argentina) <i>Millions of Euros</i>	YTD March 31		
	2017	2018	Dif.
Cash-flows from operation activities			
Profit before tax, as per the consolidated P&L accounts	26.3	22.9	-3.4
Adjustments for non-cash revenues and expenses:			
Depreciation, amortization and impairment	43.7	43.0	-0.7
Allowances for doubtful accounts & inventories	0.6	0.4	-0.2
Other	-0.2	1.1	1.3
Financial items included in profit before tax:			
Financial results	14.5	14.8	0.3
Foreign exchange results	0.9	1.4	0.5
Results on sale of non-current assets	1.3	2.2	0.9
Adjusted profit from operations before tax and changes in net operating assets	87.1	85.9	-1.2
Variations in:			
Receivables	-3.4	3.2	6.6
Inventories	-2.5	0.3	2.8
Payables	-1.5	9.8	11.3
Gaming taxes, payables	-5.6	-8.8	-3.2
Accruals, net	-3.4	-11.8	-8.4
Cash generated from operations	70.6	78.6	8.0
Income taxes paid	-6.3	-6.8	-0.5
Net cash-flows provided by operating activities from continuing operations	64.3	71.8	7.5
Net cash-flows provided by operating activities from discontinued operations	15.0	7.9	-7.1
Net cash-flows from operating activities	79.3	79.7	0.4
Cash-flows used in / from investing activities			
Purchase and development of property, plant and equipment	-21.9	-33.4	-11.5
Purchase and development of intangibles	-18.3	-13.8	4.5
Acquisition of participating companies, net of cash acquired	-6.9	-20.0	-13.1
Net inflow / outflow current account with Nortia Business Corporation	-0.6	0.0	0.6
Proceeds from the sale of assets	0.2	-1.2	-1.4
Other financial investments	1.5	-3.5	-5.0
Interest received on loans granted & cash revenues from other financial assets	1.0	0.4	-0.6
Net cash-flows provided by investing activities from continuing operations	-45.0	-71.5	-26.5
Net cash-flows provided by investing activities from discontinued operations	-9.9	0.1	10.0
Net cash-flows used in investing activities	-54.8	-71.4	-16.6
Cash-flows from / used in financing activities			
Proceeds from bank borrowings	463.2	367.3	-95.9
Repayment of bank borrowings	-466.4	-364.5	101.9
Capital lease payments	0.0	0.0	0.0
Interest paid on financial debt	-2.9	-2.0	0.9
Dividends and other	1.8	0.7	-1.1
Net cash-flows provided by financing activities from continuing operations	-4.3	1.5	5.8
Net cash-flows provided by financing activities from discontinued operations	-6.6	-5.6	1.0
Net cash-flows from / used in financing activities	-10.9	-4.1	6.8
Net variation in cash & cash equivalents	13.6	4.1	-9.5
Net foreign exchange difference	0.2	-4.5	-4.7
Cash & cash equivalents at January 1	174.1	181.2	7.1
Cash & cash equivalents at March 31 from discontinued operations	25.2	35.4	10.2
Cash & cash equivalents at March 31 from continuing operations	162.6	145.4	-17.2

Consolidated Balance Sheet <i>Thousands of Euros</i>	31-Mar-17	31-Dec-17	31-Mar-18
Assets			
Intangibles	372,617	399,188	393,953
Goodwill	111,829	92,912	93,074
Property, plant & equipment	473,024	431,050	286,673
Financial assets	171,985	171,045	188,985
Deferred income tax	73,389	56,540	51,275
Total non-current assets	1,202,843	1,150,735	1,013,960
Inventories	17,731	17,753	15,690
Accounts receivable	218,943	185,693	104,270
Financial assets	74,012	63,514	56,761
Cash & cash equivalents	187,837	181,220	145,362
Other	14,728	16,569	16,895
Assets & disposal groups held for sale	0	0	309,144
Total current assets	513,250	464,749	648,123
Total Assets	1,716,093	1,615,484	1,662,083

Liabilities			
Share capital	24,577	24,577	24,577
Share premium	9,500	9,500	9,500
Reserves	34,174	34,174	105,003
Cumulative translation reserve	-291,511	-362,633	-351,975
Consolidated result for the period	16,581	70,828	19,528
Treasury stock	-184	-184	-184
Minority interest	256,216	236,679	237,810
Total net equity	49,353	12,941	44,259
Provisions	24,256	18,396	18,106
Credit institutions	78,719	37,927	43,878
Bonds	935,636	938,535	938,781
Tax authorities	38,709	25,353	5
Other creditors	29,148	38,217	37,853
Deferred income tax	129,391	121,222	103,056
Total non-current liabilities	1,235,859	1,179,650	1,141,679
Credit institutions	44,328	69,270	61,571
Bonds	18,950	4,615	19,000
Accounts payable	141,976	124,773	46,678
Other creditors	201,096	208,926	175,110
Current income tax payable	24,531	15,309	15,163
Liabilities & disposal groups held for sale	0	0	158,624
Total current liabilities	430,881	422,893	476,146
Total equity & liabilities	1,716,093	1,615,484	1,662,083

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This interim report of our results 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.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees for future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this interim report. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this interim report, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to:

- the impact of the effects of the economic downturn in Spain and other markets in which we operate;
- risks associated with our other operations outside of Spain;
- adverse developments in our Argentine business;
- the actions of our counterparties in our strategic partnerships, joint ventures and alliances;
- impact of individual events or betting outcomes and the failure to determine accurately the odds at which we will accept bets in relation to any particular event or any failure of our risk management processes;
- our inability to block access to our online services by players in certain jurisdictions;
- our ability to comply with the current gaming regulatory framework and to adapt to any regulatory changes and increases in the taxation of gaming;
- risks associated with unfavorable outcomes with respect to pending litigation;
- potential exposure to an unfavorable outcome with respect to pending litigation, which could result in substantial monetary damages;
- our ability to comply with on-line gaming rules and regulations;
- our failure to keep current with technological developments in the on-line gaming market;
- our failure to comply with regulations regarding the use of personal data;
- risks associated with hacker intrusion, distributed denial of service attack, malicious viruses and other cyber crime attacks;
- our ability to manage growth in our business;
- our ability to provide secure gaming products and services and to maintain the integrity of our employees in order to attract customers;
- competition from other companies in our industry and our ability to retain our market share;
- changes in consumer preferences in relation to our gaming offerings;
- our dependence on maintaining and enhancing our brand;
- risks associated with a failure to detect money laundering or fraudulent activities of our customers or third parties;
- our dependence on credit card payment service providers and other financial institutions to process payments and handle cash generated by our business;
- risks associated with a disruption of operations at our manufacturing facilities;
- risks relating to taxes;
- our dependence on our founder, principal shareholder and chairman, Manuel Lao Hernández;
- risks associated with security issues in the countries in which we operate;
- risks associated with terrorist attacks and other acts of violence or war;
- risks associated with negative perceptions and negative publicity surrounding the industry in which we operate; and
- our significant leverage, which may make it difficult to operate our business.
- our results of operations are impacted by fluctuations in foreign currency exchange rates

We urge you to read the sections of our 2017 Annual Report 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.