

Press Release



FIRST QUARTER (Q1) 2011 GROUP FINANCIAL RESULTS

Ease of Revenue and profitability due to the ongoing recession

CENTRIC MULTIMEDIA S.A. announces the group financial results for the first quarter that ended on March 31st, 2011 based on the International Financial Reporting Standards (IFRS).

- ✓ **Turnover: € 160.16m vs € 195.05m in 1Q 2010 (-17.9%).**
 - ✓ **Gross Profit: € 3.84m vs € 4.81m in 1Q of 2010 (-20.18%).**
 - ✓ **EBITDA: € 1.89m vs € 3.56m in 1Q of 2010 (-47.16%).**
 - ✓ **EATAM: € 0.77m vs € 2.36m in 1Q of 2010 (-67.49%).**
 - ✓ **Own Equity as at 31st/3/2011: € 36.3m (+2.81%).**
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Turnover:

Group turnover in the first quarter of 2011 (1Q 2011) amounted to **€ 160.2m** vs € 195.1m in the first quarter of 2010 (Q1 2010) marking a decrease of 17.9%. All product categories marked a drop apart from the one of soft games, which marked an increase. The above is the result of the ongoing recession of the Greek economy and the contraction of the consumers' disposable income.

Profitability:

Group Gross Profit amounted to **€ 3.8m** vs € 4.8m in Q1 2010 marking a **20.2% decrease**. This is attributed to the drop of turnover as well as to the marginal fall of the gross margin to 2.4% from 2.5% of the group turnover in the respective period last year.

Accordingly, **Group EBITDA** amounted to **€ 1.9m** vs € 3.6m in Q1 2010 marking a decrease of 47.2%. **The decrease of EBITDA is attributed**, beyond the aforementioned, to the execution of the investment plan of the group, which includes the expansion in new languages i.e. in Slovakian and Albanian.

Group EBIT in Q1 2011 were **€ 1.8m** vs € 3.5m in Q1 2010, marking thus a 48.2% decrease while **group EBT** closed at **€ 1.4m** vs € 3.3m in Q1 2010. **The Group's net financial cost was increased** due to the rise of the costs of servicing debt, however this will be eliminated following the conversion of the outstanding bonds into company shares as of May 1st of the current fiscal year. The benefit of this action will become visible in the results of the second quarter and onwards. Noteworthy is the fact that the Group has no other long term debt liability, other than the leasing of its premises. Finally, **group EATAM** in Q1 2011 amounted to **€ 0.8m** vs € 2.4 m in Q1 2010.

Capital Structure:

Shareholder's equity as of March 31, 2011 **marked an increase by 2.8%** and amounted to **€36.3m** vs € 35.3 m as of December 31, 2010, which is attributed to the retained earnings of the Group of the first quarter of 2011. As a result the **debt/equity ratio** (total liabilities / shareholder's equity) **was further**

improved reaching **0.86** as of March 31, 2011 vs 0.97 as of December 31, 2010 while the upcoming bonds conversion will turn the ratio at levels close to 0.20.

Outlook:

Centric, via its strategic joint ventures, is offering online betting and gaming services in several languages of SE Europe, in addition to the Greek language. Centric is also seeking to make their services available in other languages so as to achieve further diversification and to maintain an active role amid the changes taking place in the online gaming industry in Greece as well as in other European countries.

In view of the above, on April 30 of the current year, Centric Group, following the decision of the GA of the bondholders, holding the 2007 €23m convertible bond as well as the EGM of its shareholders, proceeded to the conversion of the € 20.2m outstanding bonds into company shares, increasing thus its share capital by the corresponding amount. The capital increase process is completed and is only pending the approval of the ATHEX for the floating of the new shares in ATHEX. The above action will result to the elimination of the Group’s outstanding debt and therefore the cost of servicing this debt, which will allow Centric to realize uninterruptedly its investment objectives.

Q1 figures:

Q1 2011 Group financial results			
<i>Amounts in 000 €</i>	1Q 2010 results	1Q 2011 results	Δ% 2011 vs 2010
Sales	195,050	160,159	-17.9%
Gross Profit	4,812	3,841	-20.2%
<i>(%)</i>	<i>2.4%</i>	<i>2.5%</i>	
EBITDA	3,561	1,882	-47.2%
<i>(%)</i>	<i>1.8%</i>	<i>1.2%</i>	
EBIT	3,473	1,799	-48.2%
<i>(%)</i>	<i>1.8%</i>	<i>1.1%</i>	
EBT	3,295	1,413	-57.1%
<i>(%)</i>	<i>1.7%</i>	<i>0.9%</i>	
EATAM	2,356	766	-67.5%
<i>(%)</i>	<i>1.2%</i>	<i>0.5%</i>	

About CENTRIC

Centric Multimedia SA (www.centric.gr) is listed in the Athens Exchange since 2002 and participates in online entertainment industry companies. Centric’s subsidiaries cooperate with large online entertainment providers, which are listed on European Stock Exchanges & are licensed to provide these services remotely, in order to jointly provide & promote online gaming platforms in several languages of Central & Southeastern European countries. In particular they cooperate with Sportingbet PLC in the exploitation of “Sportingbet” and “VistaBet” brands, with Dragonfish Plc in the exploitation of “Lex” brands, as well as with WorldSpreads Ltd for the marketing of the website www.spreads.gr .
