

Press Release



FIRST HALF 2014 CONSOLIDATED FINANCIAL RESULTS

Significant boost of the activity. Increased promotional expenses related to the Football World Cup, led to reduced profitability

CENTRIC S.A. announces the consolidated financial results for the six month period that ended on June 30th, 2014 based on the International Financial Reporting Standards (IFRS).

- ✓ **Turnover: € 511.21m vs € 303.28m in the first half of 2013 (+68.6%).**
- ✓ **Gross Profit: € 6.99m vs € 5.73m in the first half of 2013 (+21.9%).**
- ✓ **EBITDA: € 2.80m vs € 2.87m in the first half of 2013 (-2.5%).**
- ✓ **EBT: € 2.62m vs € 2.92m in the first six months of 2013 (-10.2%).**
- ✓ **EATAM: € 1.30m vs € 2.00m in first six months of 2013 (-35.1%)**
- ✓ **Own Equity as at 30.6.2014: € 48.91m (+3.6% vs. 31.12.2013)**

Turnover:

Group turnover in the first half of 2014 amounted to **€ 511.2m vs. € 303.3m** in the first half of 2013 **marking an increase of 68,6%**. The increase of the volume of the activity reflects the attractiveness of the product offering and the effectiveness of promotional activities that have taken place during the period, as well the positive impact of the Football World Cup.

Profitability:

Group Gross Profit in the first six months amounted to **€ 7.0m** vs € 5.7m the corresponding period in 2013 marking a **21.9% increase**. The increase of the gross profit comes in line with the increase of the turnover. Yet it has to be noted that the increase is substantially lower of the increase of the turnover and as a result the gross profit margin **has fallen to 1,37% from 1,89%** for the first half of 2013. The drop of the gross profit margin is attributed to a slight increase of punters' payout ratio, but mostly to expenses that make part of the Costs of Goods Sold and were aimed at enlarging the customer base and boost further the activities of the group.

Operational expenses increased by 50.6% due to the increased promotional expenses aiming at promoting the services of the group but also the increased advertising spending that took place during the Football World Cup. Increased OPEX stood higher than gross profit and as a result EBITDA stood at slightly lower levels regarding the corresponding period in 2013, marking an decrease of 2,5%.

Earnings before taxes formed **at € 2.6m vs. € 2.9m** in the first six months of 2014 (-10.2%) Correspondingly, for the 1st half of 2014 consolidated EATAM stood at a profit of **€ 1.3m. vs. a profit of € 2.0m** in the 1st half of 2013, recording a decrease of 35,1%

Capital Structure:

Shareholder's equity as at June 30, 2014 **increased for another quarter** in relation to 31 December 2013 and amounted to **€ 48.9m**. The Company and the Group are presented with a solid capital structure comprised by enhanced level of equity and limited liabilities, of which the debt is limited to the amount of the leasing used to buy the premises of the company. The **Debt to Equity ratio** (total liabilities/shareholder's equity) is formed at 30.6.2014 at **0.10**.

Developments in the online gaming market

Sporting Odds Ltd, a member of the Gaming VC Group, licensed in UK by the UK Gambling Commission and among the strategic partners of Centric group has voluntarily submitted in the tax regime of the transition period provisioned by the article 50 of the Law 4002/2011 and it is legally operating in Greece. In Cyprus is operating according to the law 106/2012

Rodolfo Odoni, CEO of Centric has commented:

"For another quarter we have managed to enhance our activity levels. Higher promotional expenses reduced our bottom line result this quarter, but creating though a promising base for development in the next ones. Our main aim is to keep on improving our effectiveness and reinforcing the portfolio of our participations and activities.

1st Half figures:

6M 2014 Consolidated financial results			
<i>Amounts in 000 €</i>	1st half 2014 results	1st half 2013 results	Δ% 2014 vs. 2013
Sales	511.212	303.280	+68.6%
Gross Profit	6.991	5.733	+21.9%
<i>(%)</i>	<i>1,4%</i>	<i>1,9%</i>	
EBITDA	2.800	2.871	-2.5%
<i>(%)</i>	<i>0,6%</i>	<i>0,9%</i>	
EBIT	2.596	2.735	-5.1%
<i>(%)</i>	<i>0,5%</i>	<i>0,9%</i>	
EBT	2.622	2.919	-10.2%
<i>(%)</i>	<i>0,5%</i>	<i>1,0%</i>	
EATAM	1.299	2.000	-35.1%
<i>(%)</i>	<i>0,3%</i>	<i>0,7%</i>	