

Press Release



**FULL YEAR (FY) 2010 CONSOLIDATED FINANCIAL RESULTS**

**Increased Gross profit and sustainable profitability despite the adverse economic environment**

**Capital Increase of €20.2m from 1/5/2011 due to the conversion of a convertible bond.**

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CENTRIC MULTIMEDIA S.A. announces the consolidated financial results for the full year that ended on December 31<sup>st</sup>, 2010 based on the International Financial Reporting Standards (IFRS).

- ✓ **Turnover (\*)**: € 687.95m vs € 782.32m in FY 2009 (-8.56%).
- ✓ **Gross Profit (\*)**: € 16.41m vs € 15.87m in FY of 2009 (+3.42%).
- ✓ **EBITDA (\*)**: € 7.63m vs € 9.22m in FY of 2009 (-17.32%).
- ✓ **EATAM (\*)**: € 4.42m vs € 5.34m in FY of 2009 (-17.44%).
- ✓ **Own Equity as at 31<sup>st</sup>/12/2010**: € 35.18m (+63.39%).

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(\*) from continued operations

The company, aiming to focus on its core activity namely the online sports betting and gaming, has opted to discontinue the operations of trading digital content products and to be active indirectly in this field through participations in other companies.

**Online entertainment services (continued operations):**

**Group turnover** amounted to € 687m vs € 752.3m in FY2009 marking a decrease of 8.6%. The ease of the turnover is mainly attributed to the drop of the casino activity. In contrast the sportsbook turnover was boosted partially due to significant sports events such as the June 2010 World Cup.

**Profitability (continued operations):**

**Group Gross Profit** amounted to € 16.4m vs € 15.87m in FY2009 marking a **3.4% increase**. Gross profit margin gained 0.3 bps, and stood at 2.4% of the consolidated turnover versus 2.1% in FY2009. **The increase** of the gross margin, **despite the drop of turnover, is attributed to the enhancement of sportsbook turnover**, which enjoys higher margins than the casino.

**Consolidated EBITDA** amounted to € 7.6m vs € 9.2m in FY2009 marking a decrease of 17.3%. **The decrease of EBITDA is attributed** to the **drop of turnover** as well as to the **rise of operating expenses** -mainly of **advertising and promotion expenses** for the support of Group's products and services and for the **high penetration cost of entrance of the Group in new markets** of South-eastern Europe.

**Consolidated EBIT** formed at € 7.4m vs € 9.0m in FY2009 marking a 17.6% decrease while **consolidated EBT** amounted to € 6.7m vs € 8.1m in FY of 2009. **The Group's financial results were improved** due to the decrease of the cost of serving of the convertible bond, which will be eliminated as of May 1<sup>st</sup>, 2011 due to the conversion of the bond into company shares. Moreover, **revenue from investment activity is also boosted** since it incorporates revenue from the newly acquired stakes in CD

Media S.A and USMAR Limited (note: it includes results for the period October - December 2010 since the acquisitions were completed in October). Finally, **consolidated EATAM** amounted to **€ 4.4m** vs € 5.4 m in FY2009.

#### **Capital Structure:**

**Shareholder's equity marked substantial increase by 63.4%** and formed at **€ 35.2m** as at December 31<sup>st</sup> 2010 vs € 21.6 m on December 31<sup>st</sup> 2009. The increase is attributed to the share capital increase that was concluded in 2010 by an amount of €12 m via contribution in kind, as well as to the group's profitability. As a result the **debt/equity ratio** (total liabilities / shareholder's equity) **marked substantial improvement** and formed at **0.98** as at December 31<sup>st</sup> 2010 vs 1.53 as at December 31<sup>st</sup> 2009 while the upcoming bonds conversion will turn the ratio at levels below 0.20.

#### **Trade of digital content products & services:**

The discontinuation of the commercial activity reflects a management's decision dated back in February of 2010 for differentiating the way the company is active in the in the home entertainment products business **via participation in other companies**. To this end the Company has recently completed a share capital increase with the objective, among others, to **acquire a 20% stake at CD MEDIA S.A, the leading company in distribution of home entertainment products in Greece and in some of the Southeastern Europe countries**. This way, Centric is fully focusing its efforts in monitoring the developments and operations in the online betting and gaming sector.

#### **Perspectives – Goals:**

**2010 has been a significant year for Centric Group** and it has marked the beginning of significant developments in the online gaming and betting industry. The Group's management has decided to **enhance its investment portfolio in order to diversify its operations and to reinforce its competitiveness** while achieving risk diversification via growth activities both in terms of geographic dispersion and product expansion.

To this end, the company completed a share capital increase by the amount of € 12m. via contribution in kind in favor of the shareholders of CD MEDIA and USMAR for the acquisition of a 20% stake in the former and the 49% stake in the latter. As mentioned above, **CD MEDIA**, active in several countries of SE Europe, enjoys a leading position among the trading digital content products companies and meets perfectly the **objective of CENTRIC to be active in the sector indirectly**. The minority stake at USMAR, where Centric does not have management control, aims to further enhance Centric's share in the Greek market, since **USMAR** is the Marketing Partner of Swedish Unibet in the Greek language.

Moreover, with the objective of best capitalizing on the Group's resources, strengthening its capital base and reducing its debt obligations, Centric has recently reached an agreement between its bondholders and its shareholders for the conversion of the bond with an outstanding value of € 20.2m into company shares, increasing its share capital by the corresponding amount. Upon completion of the above corporate action in April of the current year, Centric will be in a position to continue its investment plan uninterrupted aiming to expand its products and services as well as to expand in new languages of SE Europe.

Finally, there are significant developments expected that will ultimately change the environment of the online gaming industry following the decision of several countries in Europe, among which Greece as well as the USA to regulate it. In Greece following several public consultations where Centric actively participated by submitted its opinion, there is a draft legislation underway which is expected to be voted during the current year. Centric intends to adapt to the local legislation when the law is passed. Moreover, with such actions Centric closely monitors the development in SE Europe and more specifically in Cyprus and Romania where also plans of regulation of local online gaming are under way.

**FY figures:****FY 2010 Consolidated financial results**

<i>Amounts in 000 €</i>	Total			Continued operations		
	FY 2009 results	FY 2010 results	Δ% 2010 vs 2009	FY 2009 results	FY 2010 results	Δ% 2010 vs 2009
<b>Sales</b>	<b>758,563</b>	<b>690,644</b>	-9.0%	<b>752,315</b>	<b>687,950</b>	<b>-8.6%</b>
<b>Gross Profit</b>	<b>16,868</b>	<b>16,476</b>	-2.3%	<b>15,868</b>	<b>16,409</b>	<b>+3.4%</b>
(%)	2.2%	2.4%		2.1%	2.4%	
<b>EBITDA</b>	<b>8,942</b>	<b>5,123</b>	-42.7%	<b>9,221</b>	<b>7,627</b>	<b>-17.3%</b>
(%)	1.2%	0.7%		1.2%	1.1%	
<b>EBIT</b>	<b>8,555</b>	<b>4,750</b>	-44.5%	<b>8,959</b>	<b>7,379</b>	<b>-17.6%</b>
(%)	1.1%	0.7%		1.2%	1.1%	
<b>EBT</b>	<b>7,482</b>	<b>3,961</b>	-47.1%	<b>8,102</b>	<b>6,723</b>	<b>-17.0%</b>
(%)	1.0%	0.6%		1.1%	1.0%	
<b>EATAM</b>	<b>4,712</b>	<b>1,591</b>	-66.2%	<b>5,350</b>	<b>4,417</b>	<b>-17.4%</b>
(%)	0.6%	0.2%		0.7%	0.6%	

**About CENTRIC**

Centric Multimedia SA participates in companies that adapt to local markets, manage & promote online entertainment services. 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. Moreover, Centric owns minority stakes in Usmar (49%) which exploits the Unibet brand in Greek, and CD Media (20%) a leader in the field of distribution of home entertainment products in Greece and in some of the Southeastern Europe countries.