



Sportech is one of the world's leading pool betting operators and technology suppliers

Presentation Team



Roger Withers

Chairman



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Chief Executive



Cliff Baty

Chief Financial Officer

Sportech's Unique Value Drivers



Unique North American betting footprint, well placed to take advantage of continuing deregulation

- Online gaming/sports
- Slots in Connecticut

Highly cash generative pools business with positive momentum

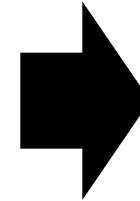
- Growth in customer acquisition
- New online platform

Visible pipeline for new venues development

- Launch of Bradley sports bar
- Planned Stamford and California venues roll out

Best-in-class technology/partnerships forming the foundation for future growth

- Recent Betfred contract win underpinning technology leadership
- Online gaming joint venture with NYX launched in New Jersey



Further Optionality

- iGaming
- Slots in Connecticut
- Sports betting



- Strategic progress made through new contracts, acquisitions and regulatory approvals
- US positioning allows many exciting growth opportunities
- Pleasing underlying performance within Racing & Digital and Football Pools offset by challenging year in Venues
- VAT appeal to take place in November 2015 at Court of Appeal

Overview

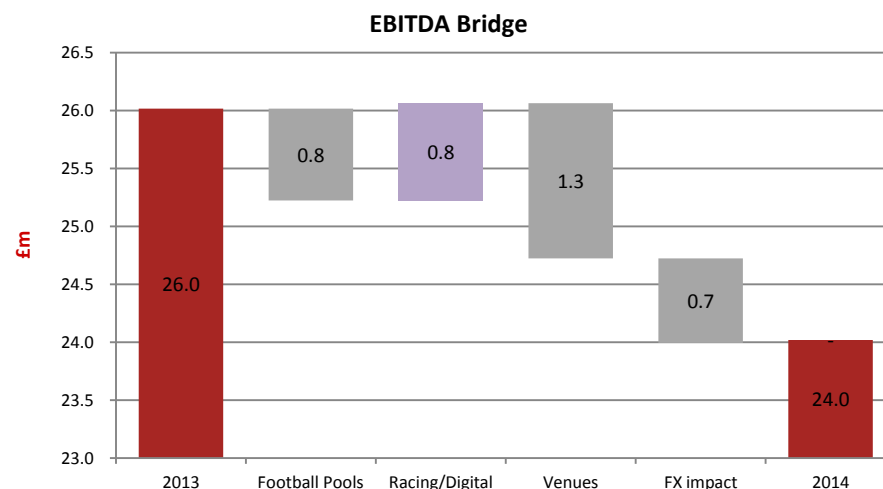


Servicing	B2B	B2C	B2C
<i>Description</i>	<ul style="list-style-type: none"> • Supplier of tote equipment, services and software on-track, online and mobile • Licensed in 26 States • Racetrack, ADW, casino customers across the US: <ul style="list-style-type: none"> ▪ 44 casinos ▪ 125 racetracks ▪ 29 ADWs • Includes online JVs with NYX and PickLive • Includes Bump 50:50 	<ul style="list-style-type: none"> • Exclusive operator of betting on racing in venues and online across Connecticut and the Netherlands • Winners, MyWinners and Runnerz brands • California venues planned to be launched under brand name "Striders" 	<ul style="list-style-type: none"> • Operator of pools betting predominantly through subscription and online channels
<i>Locations</i>	US (Atlanta, New Jersey), UK, Ireland, Germany	US (Connecticut, California), Netherlands	UK, operational centre in Liverpool
<i>Customers</i>	Worldwide	US (CT and CA) and Netherlands	Predominantly UK
<i>2014 Revenue (% group)</i>	£34.5m (33%)	£32.5m (31%)	£38.0m (36%)

2014 Full Year Financial Results



	Reported		
	2014	2013	Change
	£m	£m	£m
Revenue	104.1	110.3	(6.2)
EBITDA*	24.0	26.0	(2.0)
Depreciation and amortisation	(6.2)	(5.7)	(0.5)
Share option expense	(0.6)	(1.5)	0.9
Net bank interest	(2.8)	(4.3)	1.5
Adjusted** profit before tax	14.4	14.5	(0.1)
Taxation of adjusted profit	(3.2)	(4.0)	0.8
Adjusted** profit after tax	11.2	10.5	0.7
<i>Adjusted EPS - pence</i>	5.5	5.3	0.2
<i>(LPS)/EPS – pence</i>	(10.4)	1.7	(12.1)



- Statutory loss before tax of £21.3m includes £28.1m non cash impairment of The Football Pools goodwill

* EBITDA is stated before exceptional costs and share option expense.

** Adjusted profit figures are from continuing operations and are stated before amortisation of acquired intangibles, impairment of goodwill, exceptional costs, share of loss after tax of joint ventures, and other finance income.

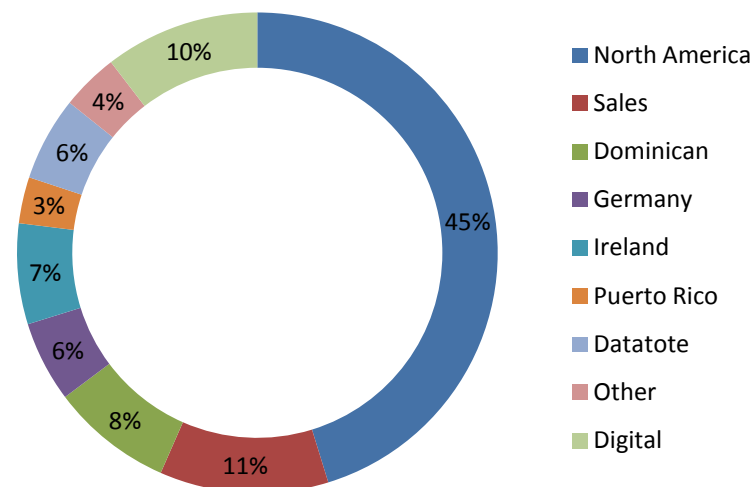


	2014	2013	Change	Reported
	£m	£m	£m	2013
				£m
Tote services	26.6	26.1	0.5	27.9
Equipment sales	4.2	3.9	0.3	4.1
Digital	3.7	3.7	-	3.9
FX impact	-	2.2	(2.2)	-
Total revenue	34.5	35.9	(1.4)	35.9
Payroll	(12.7)	(13.4)	0.7	(14.3)
Other costs	(13.7)	(13.0)	(0.7)	(13.9)
FX impact	-	(1.8)	1.8	-
EBITDA	8.1	7.7	0.4	7.7

Note: line items shown on a constant currency basis

- Overall revenues ahead of prior year at constant currency
- Equipment sales include Danske Spil and Totepool
- Overall costs in line with prior year

Revenue by source 2014



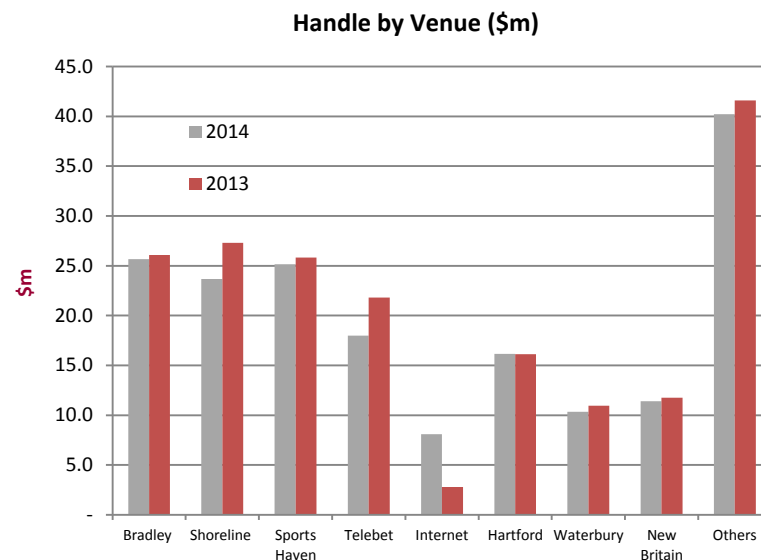
Sportech Venues



	Constant currency		Reported		Change £m	Reported	
	2014 £m	% of handle	2013 £m	% of handle		2013 £m	% of handle
Handle	108.2		111.6		(3.4)	118.2	
Revenue	27.0	24.9%	26.7	23.9%	0.3	28.2	23.9%
Tax	(3.8)	(3.5%)	(3.9)	(3.5%)	0.1	(4.1)	(3.5%)
Track/Tote/Interface fees	(7.6)	(7.0%)	(7.5)	(6.7%)	(0.1)	(7.9)	(6.7%)
Margin	15.6	14.4%	15.3	13.7%	0.3	16.2	13.7%
Payroll	(4.9)	(4.5%)	(4.4)	(4.0%)	(0.5)	(4.7)	(4.0%)
Facility costs	(3.5)	(3.2%)	(3.5)	(3.1%)	-	(3.7)	(3.1%)
Other costs	(4.2)	(3.9%)	(3.3)	(2.9%)	(0.9)	(3.4)	(2.9%)
FX impact	-	-	0.3	0.2%	(0.3)	-	-
Connecticut EBITDA	3.0	2.8%	4.4	3.9%	(1.4)	4.4	3.7%
Other EBITDA	0.2		0.4		(0.2)	0.4	
Total Venues EBITDA	3.2		4.8		(1.6)	4.8	

Note: line items shown on a constant currency basis

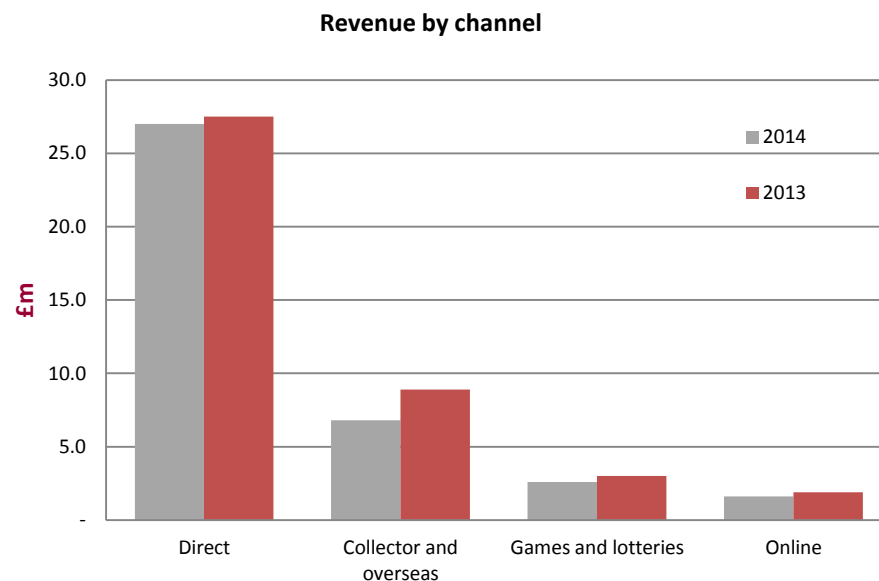
- Handle decline driven by weather and reduction in VIP revenues
- Overall revenues up 2% due to £1.3m food and beverage sales at Bradley
- Losses of £0.3m incurred at Bradley sports bar & restaurant
- Increase in track fees following price rises from racecourses



The Football Pools



	2014	2013	Change
	£m	£m	£m
Revenue			
Direct	27.0	27.5	(0.5)
Collector and overseas	6.8	8.9	(2.1)
Games and lotteries	2.6	3.0	(0.4)
Online	1.6	1.9	(0.3)
Football Pools revenue	38.0	41.3	(3.3)
Sales related costs	(7.8)	(8.6)	0.8
Overheads:			
- Staff costs	(5.5)	(6.0)	0.5
- Marketing	(2.2)	(2.0)	(0.2)
- Entry printing	(1.0)	(1.3)	0.3
- Other overheads	(4.9)	(6.0)	1.1
EBITDA	16.6	17.4	(0.8)



- Overall revenue decline driven by the collector channel rationalisation
- Direct revenues declined by 2% on a reported basis
- Tight cost control driving overhead savings

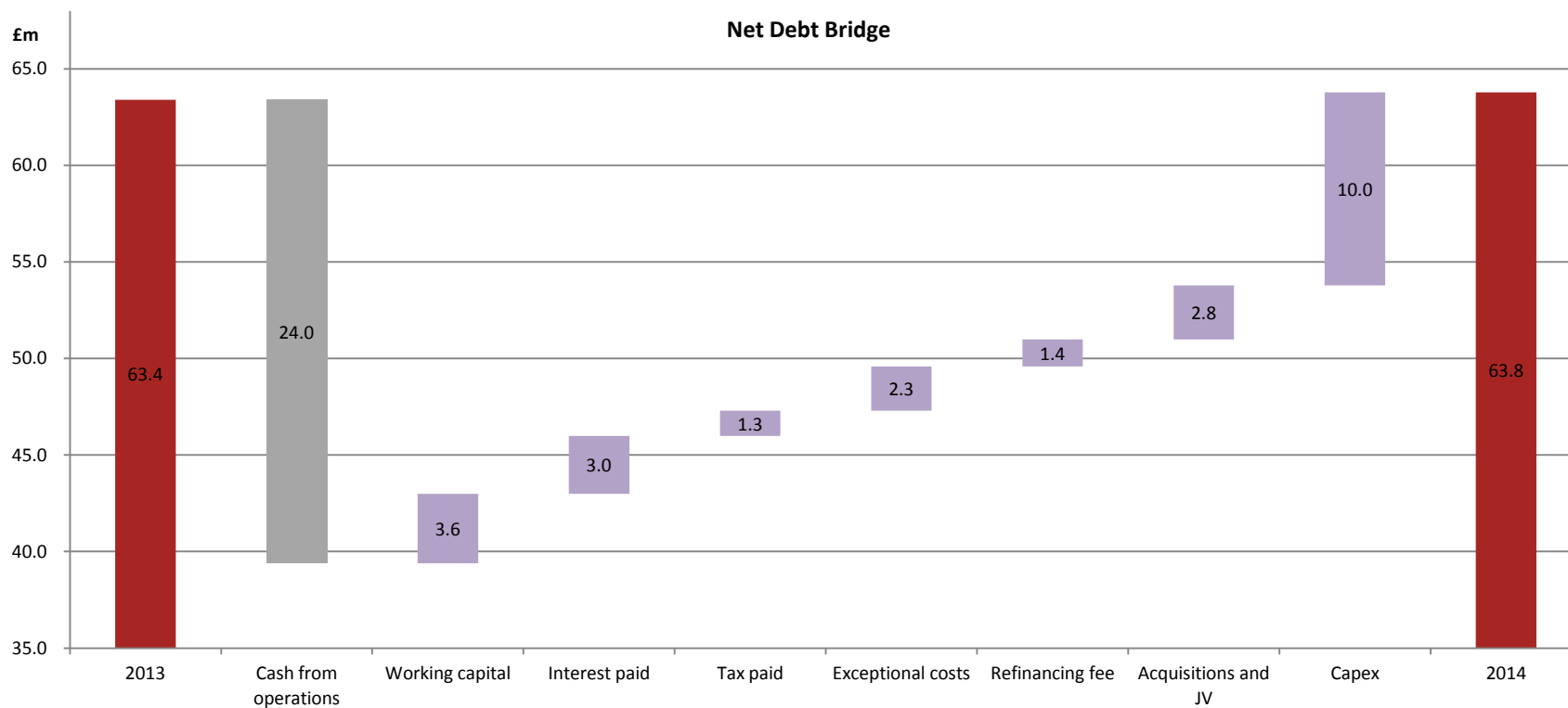
Capital Expenditure



	2014	2013	Change
	£m	£m	£m
Sportech Racing and Digital	5.7	6.4	(0.7)
Sportech Venues	1.3	3.6	(2.3)
Football Pools	3.0	2.1	0.9
Discontinued operations	-	0.5	(0.5)
	10.0	12.6	(2.6)

- Significant investment in the year including Tote digital technology and new online platform in Football Pools
- In addition, acquisitions and investment in JVs of £2.8m comprising BUMP, NYX, California and PickLive

Cash Flow Summary



- Net Debt/EBITDA leverage covenant for testing purposes is 2.66x



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- The Group won the case at the First-tier Tribunal in March 2013
 - HMRC paid Sportech £93m in June 2014
 - Upper Tier Tribunal ruled in favour of HMRC in September 2014
 - Repaid £93m to HMRC in November 2014
 - Sportech granted permission to appeal to the Court of Appeal with the hearing set for w/c 2 November 2015

Chief Executive's Review



“Sportech’s strategy is to grow from being a world leader in pool betting to holding a leading position in the widening US and global betting industry”





Significant Contract Update

- **Totepool (UK Tote)** - Landmark £9m contract to replace entire betting system
- **Hawthorne** – Implementation of on-course Digital Link mobile technology in addition to core system at Illinois track
- **Nassau** – Renewal of significant OTB supply contract in New York
- **California**
 - Unsuccessful in re-tender for this contract. Existing contract ends October 2015
 - Revenue and cost actions being taken to mitigate loss of contribution from 2016. No material earnings impact in 2015





SNG Interactive - joint venture between Sportech and NYX

- Entered into US iGaming market via New Jersey in February 2015, partnering the iconic Resorts Hotel and Casino, in Atlantic City
- Supplying online gaming services
- Positions the business well as further States regulate



Bump acquisition in June 2014

- Creates relationships with professional sports teams
- New customers recruited in H2 2014 – Montreal Canadiens/ Cleveland Browns
- Technology integration and strong sales focus in 2015





Strategic Progress Update

- Challenging trading environment:
 - revenues impacted by quality and availability of horseracing product
 - reduced VIP revenues
- Opened Bradley flagship venue and obtained regulatory approval for new venue in Stamford
- Making progress on potential slots opportunity
- Advanced Deposit Wagering (ADW) developments:
 - exclusive online and mobile betting site launched
 - management team strengthened
 - online exclusivity to be reinforced by the Connecticut Attorney General in 2015



Sportech Venues - Expansion



Stamford, Connecticut

- New betting venue, sports bar and restaurant site secured in downtown Stamford - local planning and city approvals received
- Largest city in Connecticut with no Sportech presence
- Expected handle to be similar to existing larger venues
- Design and costing plan in development
- Construction planned to commence, subject to the Group's available financial resources

Artists impression of Stamford venue



California

- Right to develop 10 sports bar, restaurant and betting locations in southern and central California
- Locations approved for development at Norco (outskirts of LA) and in downtown San Diego
- Existing Californian mini-satellite venues showing year on year growth in handle
- Planned development subject to available Group's financial resources

'Striders', the chosen brand name for California venues

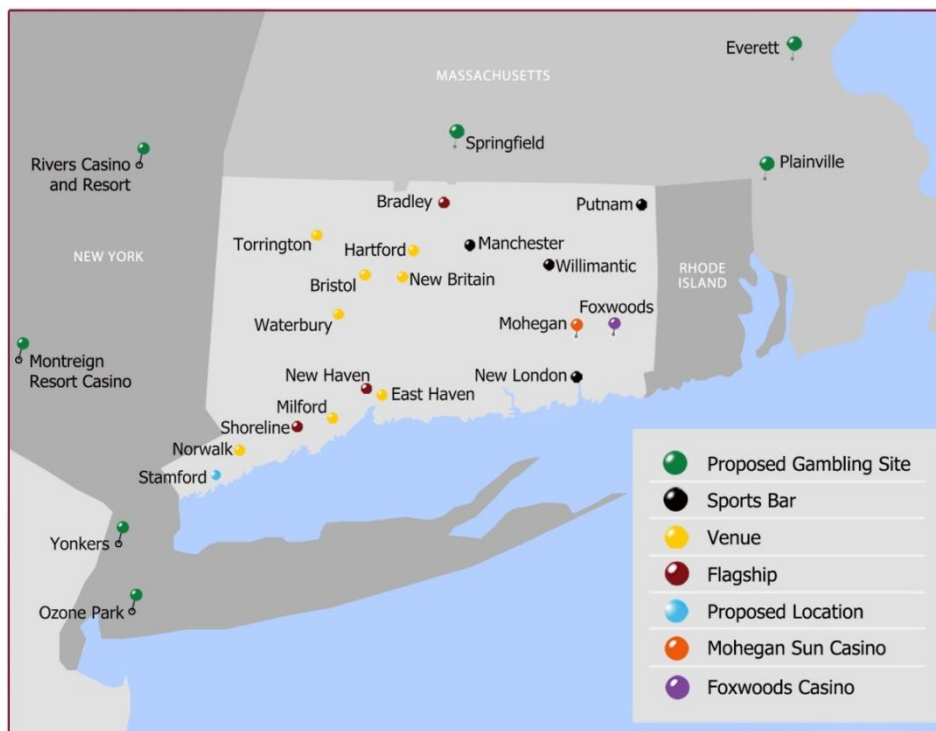


Potential Slots Opportunity in Connecticut



Slots Update

- Competitive threat to state tax income and employment due to planned introduction of new casinos into Massachusetts and New York
- Potential for expanded slots in Sportech's Connecticut venues to counter loss of revenue, jobs and taxes for the state
- Any expansion subject to agreement of existing Connecticut Tribes (Foxwoods and Mohegan) who have exclusive right to slots in the state
- New legislation required – potential for approval in current legislative session (Feb – June 2015) or in 2016



The Football Pools



- New 'mobile first' online platform launched in October
 - wide range of pool and instant win games now available
 - cross sell opportunities from core Classic Pools customer base
- Total 23,000 new customers (2013: 15,000) acquired in period with overall decline in Direct customer numbers, now reduced to 3%
- Direct business >80% of customer base with 127,000 customers now playing by direct debit
- Collector customers declined - impacted by the closure of a number of regions
- Increase in spend per customer per week following increased games and simplification of customer offers

Football Pools	Customer Numbers		Weekly rev per customer	
	2014	2013	2014	2013
	000s	000s	£	£
Direct	240	248	2.88	2.71
Collector	43	70	2.54	2.56
Overseas	3	6	2.97	2.75
	286	324	2.81	2.67





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- Strategic progress made through new contracts, acquisitions and regulatory approvals
 - US positioning allows exciting growth opportunities
 - Financial results impacted by difficult trading in Venues
 - Continue to invest in growth opportunities



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2014 Full Year Financial Results



	2014 £m	2013 £m	Change £m
Adjusted** profit before tax	14.4	14.5	(0.1)
Exceptional costs	(2.3)	(2.7)	0.4
Amortisation of acquired intangibles and impairment of goodwill	(32.2)	(7.2)	(25.0)
Other finance income	0.3	0.8	(0.5)
Share of loss of joint ventures	(0.2)	(0.2)	-
Discontinued operations	-	0.1	(0.1)
(Loss)/profit before tax	(20.0)	5.3	(25.3)
Taxation	(1.3)	(1.9)	0.6
(Loss)/profit after tax	(21.3)	3.4	(24.7)
(LPS)/EPS – pence	(10.4)	1.7	(12.1)

** Adjusted profit figures are from continuing operations before amortisation of acquired intangibles and goodwill impairment, exceptional costs, share of loss after tax of joint ventures, and other finance income.

2014 Cash Flow Summary



	2014	2013	Change
	£m	£m	£m
EBITDA (including discontinued operations)	24.0	26.5	(2.5)
Working capital outflow	(3.6)	(2.1)	(1.5)
Net exceptional costs	(2.3)	(2.7)	0.4
Capex	(10.0)	(12.6)	2.6
Interest paid	(3.0)	(4.3)	1.3
Taxation	(1.3)	(1.7)	0.4
Investment in joint ventures	(1.9)	(0.2)	(1.7)
Acquisition of subsidiaries including payment of deferred consideration	(0.9)	(9.2)	8.3
Refinancing costs	(1.4)	-	(1.4)
Movement in net debt	(0.4)	(6.3)	5.9

Sportech Key Facts



Sportech:

- Specialises in pool betting products, systems and services
- Currently processes \$13bn (£8.5bn) bets annually – including half of all horseracing bets in the US
- Is licensed in 28 US States, with customers in over 30 States*
- Has customers in over 30 countries across 6 continents worldwide including:

Continent	Where are Sportech's customers?
Europe	UK, Channel Islands, Ireland, Spain, Netherlands, Denmark, Finland, Cyprus, Malta, Germany, Austria, Sweden, France, Turkey
North America	USA, Canada, Mexico, Dominican Republic, Panama, Puerto Rica, St.Kitts, Barbados, Trinidad, United States Virgin Islands
South America	Peru, Chile, Argentina
Asia	South Korea, India
Africa	Mauritius, South Africa
Oceania	Australia

* We can operate legally in some States that do not require us to hold a licence