

The logo for ZEAL, consisting of the word "ZEAL" in a bold, white, sans-serif font, positioned on a dark blue horizontal bar that tapers from the left side of the slide.

ZEAL Network SE

Investor Call
Q2 2015 Report

London, 13 August 2015

Highlights – Q2 2015 (1/2)

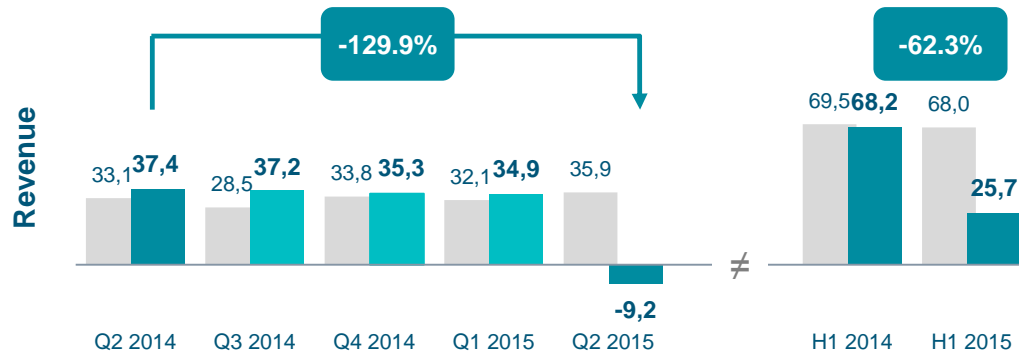
- Total operating performance and EBIT in line with guidance:
 - High prize pay-out of € 47.9m by a player of MyLotto24 Ltd. covered by hedging structure
 - Revenue negatively impacted by € - 47.9m
 - Total operating performance and EBIT only impacted by € - 9.6m
 - Generated revenue of € 25.7m – down 62.3% on the 2014 figure
 - Total operating performance are down 7.9% on previous year's result
 - EBIT of € +18.5m is significantly above Q2 2014 figures
- Outlook:
 - Use 'total operating performance' instead of revenue for results guidance
 - Guidance re-iterated

Highlights – Q2 2015 (2/2)

- Dividend policy:
 - Expected amount in 2015 = € 2.80 per share
 - Quarterly interim dividends:
 - Second pay-out of interim dividend in June 2015 done (€ 0.70 per share)
 - Payment of third interim dividend expected end of September 2015
- ZEAL going forward will now reporting in two segments:
 - Business to Consumer (B2C),
 - Business to Business / Business to Government (B2B / B2G)
- Change in the Executive Board
 - Dr Hans Cornehl will step down 1 September 2015 as CEO
 - Supervisory Board has appointed CMO Dr. Helmut Becker as successor
 - Susan Standiford has been appointed as CTO

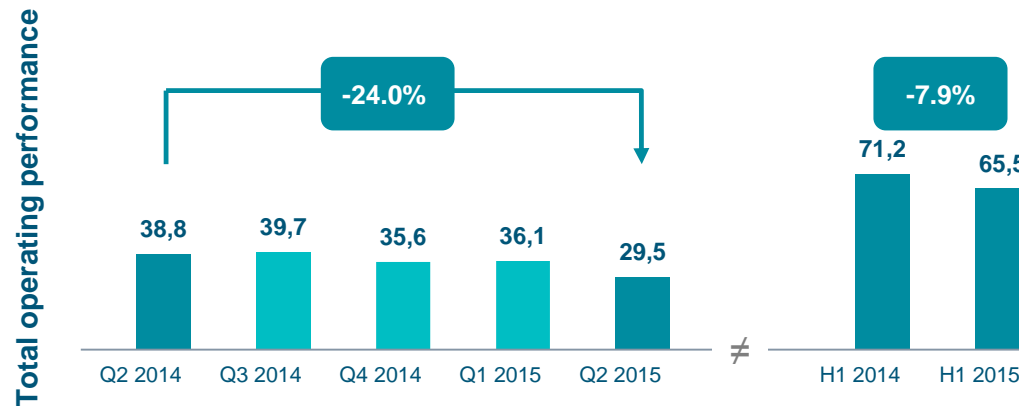
Development of Revenue and Earning (1/2)

in million €



Comments

- Revenue negatively impacted by higher pay-outs compared to previous year
- Adjusted for statistical fluctuation differences revenue fell by 2.2% due to unfavourable jackpot situation in the first month of 2015

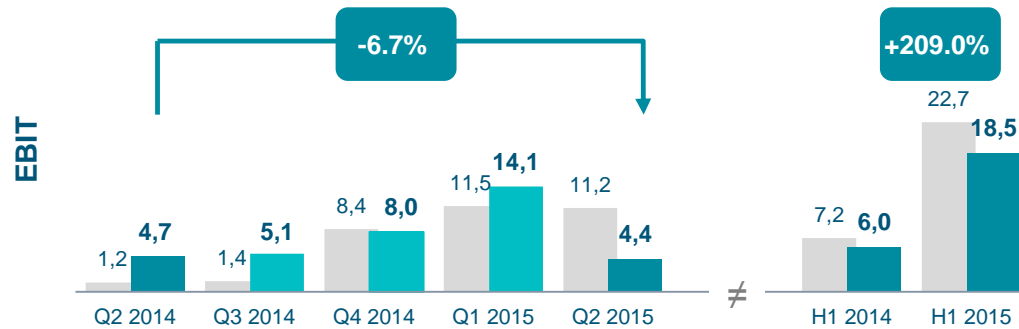


- Total operating performance negatively impacted by higher pay-outs compared to previous year
- High prize pay-out was largely covered by hedging instruments
- Payment receivable through hedging accounted as other operating income accordingly by € 38.3m

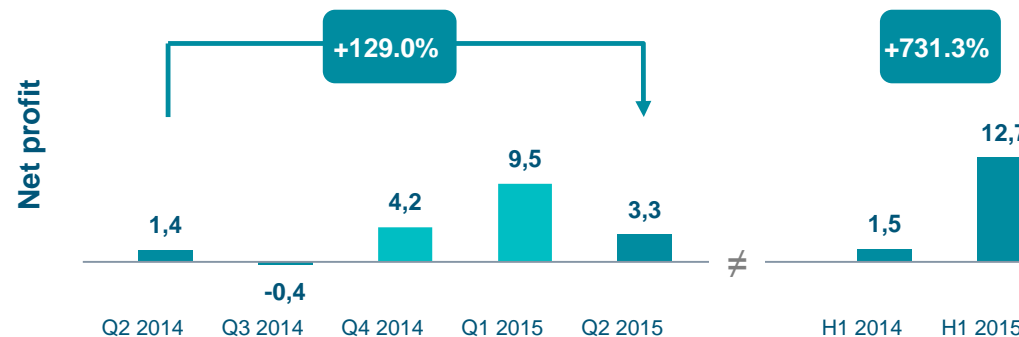
■ Adjusted for random effects from statistical fluctuations

Development of Revenue and Earning (2/2)

in million €



- Strong EBIT driven by lower other operating expenses
- EBIT being impacted negatively in Q2 2015 by €9.6m due to high prize pay-out
- Adjusted for statistical fluctuation differences EBIT rose in H1 2015 by 214.0% from € 7.2m to € 22.7m



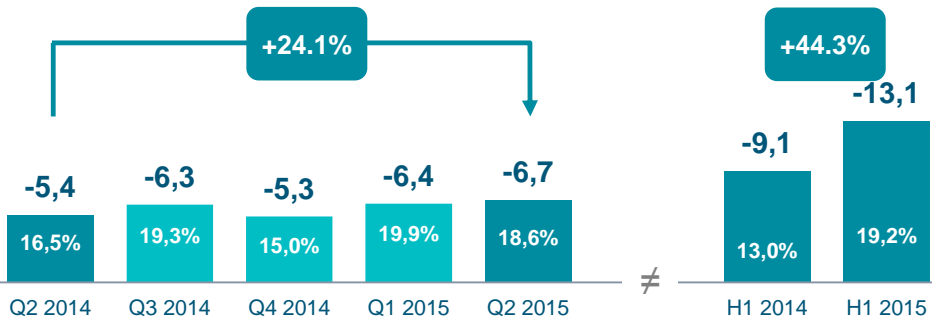
- Financial result of € -1.4m (H1 2014: € -1.8m)
- Taxes of € -4.4m (H1 2014: € -2.8m)
- Earnings per share = € 1.52 (H1 2014: € 0.17)

■ Adjusted for random effects from statistical fluctuations

Development of Expenses (1/2)

in million €

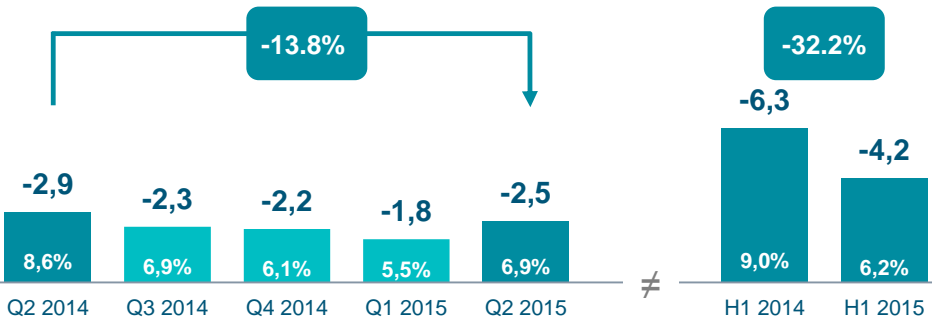
Personnel expenses¹



Comments

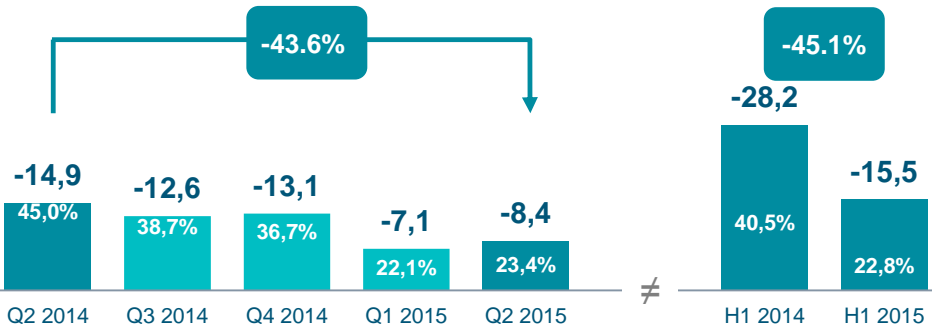
- Cost increase explained by insourcing of technical service provider (€ -2.5m personnel costs of former technical service provider in H1 2015)
- Additional bonus expenses (€ -1.0m)

Marketing expenses¹



- € 2.0m lower marketing expenses in H1 2015 mainly driven by lower activity

Direct costs¹

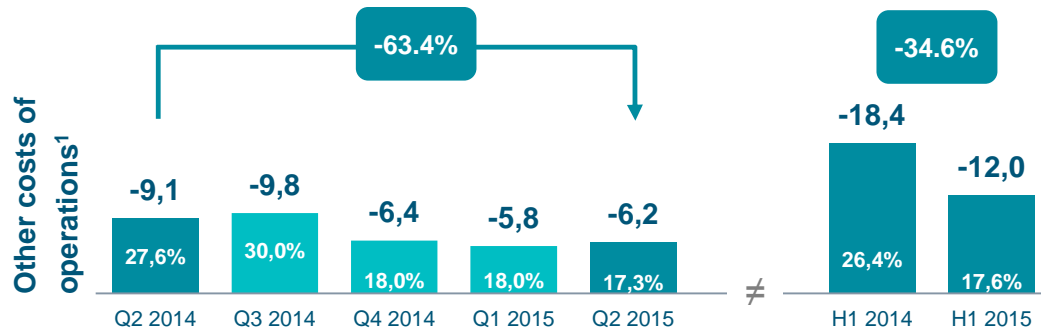


- Removal of the UK gaming taxation resulted in a € 9.2m savings in H1 2015
- Reduction in hedging transactions of € 3.6m in H1 2015

¹ Percentage of adjusted revenue

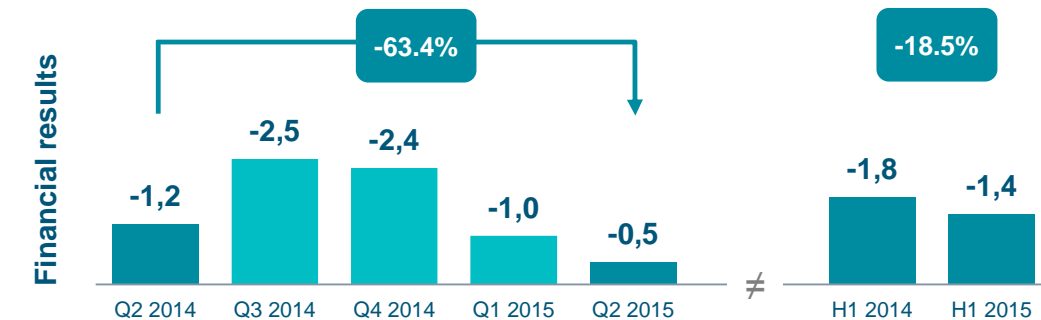
Development of Expenses (2/2)

in million €

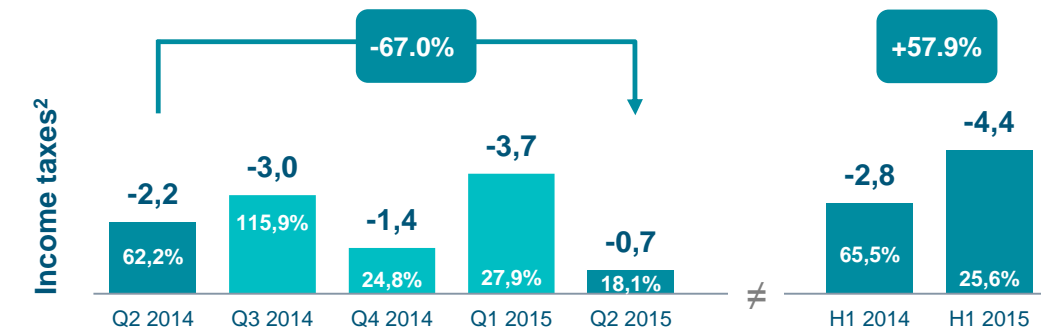


Comments

- Major impact by cost shift into personnel costs due to acquisition of technical service provider (€ -2.5m)
- Decrease of consulting costs (€ -1.9m) in H1 2015 compared to the previous year



- Share of losses of at-equity consolidated associated companies and joint ventures (Geonomics, Geo24) contributed € -1.8m (H1 2014: € -1.9m)



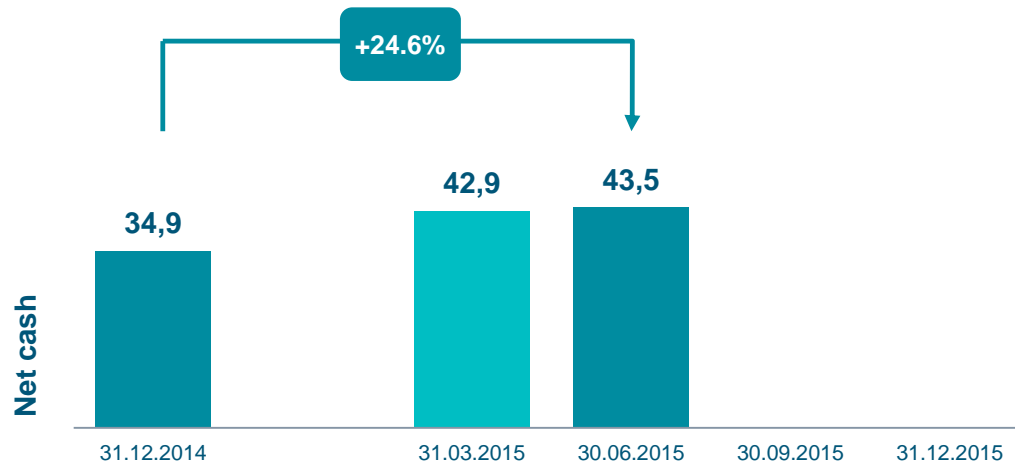
- Consolidated tax rate of 25.6% lower than H1 2014 (65.5%) due to strong result in the B2C Segment

¹ Percentage of adjusted revenue

² Tax rate in %

Development of net cash

in million €



Comments

- € 11.7m dividends paid in 2015
- Definition of net cash:
 - Cash (without pledged cash)
 - + Short-term financial assets
 - + Other current assets and prepaid expenses
 - Trade payables
 - Other liabilities
 - Income tax liabilities
 - €50 million hedging reserve

Despite dividend payments of € 11.7m in 2015 and a high prize pay-out ZEAL increased net cash by € 8.6m

Guidance 2015 reiterated

	Guidance 2015 in million €	Achievement H1 2015¹
Total operating performance	135 - 145	46.8%
EBIT	35 - 45	46.3%

¹ Based on average guidance

Financial calendar

Publication of Q1 Report	13 May 2015
Annual General Meeting	18 June 2015
Publication of Q2 Report	13 August 2015
Publication of Q3 Report	13 November 2015
Annual report 2015	30 March 2016

The background features a series of overlapping, wavy, translucent blue bands that create a sense of motion and depth, flowing from the left side of the frame towards the right. These bands vary in shades of light blue and teal, with some appearing more opaque than others, creating a layered effect.

ZEAL

Appendix

Consolidated Income Statement and Balance Sheet

in €k

Income Statement		H1 2015	H1 2014	Change in %
	Revenue	25,698	68,193	-62.3
	Total operating performance	65,542	71,154	-7.9
	Other operating expenses	-31,711	-52,791	-39.9
	EBITDA	22,079	9,925	+122.5
	EBIT	18,520	5,993	+209.0
	Earnings before taxes	17,083	4,229	+770.6
	Profit	12,711	1,529	+731.3

Balance Sheet		30.06.2015	31.12.2014	Change in %
	Current assets	162,654	121,297	+34.1
	Non-current assets	30,732	34,109	-9.9
	ASSETS	193,386	155,406	+24.4
	Current liabilities	74,336	37,471	+98.4
	Non-current liabilities	757	682	+11.0
	Equity	118,293	117,253	+0.9
	EQUITY & LIABILITIES	193,386	155,406	+24.4

Business unit segment reporting H1 2015

in €k

	B2C	B2B/B2G	Business unit total	Reconciliation to statutory accounts	- thereof statistical fluctuation differences	- thereof other	Statutory
Revenue	63,523	2,955	66,478	-40,780	42,291	1,511	25,698
Other operating income	1,534	110	1,644	38,200	38,099	101	39,844
Total operating performance	65,057	3,065	68,122	-2,580	-4,192	1,612	65,542
EBITDA	30,110	-3,787	26,323	-4,243	-4,192	-51	22,080
Depreciation/amortisation	-3,184	-276	-3,460	-99	-	-99	-3,559
EBIT	26,926	-4,063	22,863	-4,342	-4,192	-150	18,521
Financial result	-	-	-1,774	337	-	337	-1,437
EBT	-	-	21,089	-4,005	-4,192	187	17,084
Income tax	-	-	-	-4,372	-	-4,372	-4,372
Profit	-	-	21,089	-8,377	-4,192	-4,185	12,712

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