

# Intertain Group Limited Announces 2014 Second Quarter Financial Results

**TORONTO, ONTARIO--(Marketwired - Aug. 11, 2014) - The Intertain Group Limited** ("Intertain" or the "Company") (TSX:IT) today announced its financial results for the three months ended June 30, 2014. All amounts are stated in Canadian dollars unless otherwise noted.

## Financial Highlights:

For the three months ended June 30:	<u>2014</u>	<u>2013</u>
	\$	\$
<b>Revenue</b>	<b>5,227,338</b>	-
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>1,483,759</b>	-
<b>Adjusted earnings <sup>(2)</sup></b>	<b>4,242,258</b>	-
<b>Basic adjusted earnings per share</b>	<b>0.31</b>	-
<b>Diluted adjusted earnings per share</b>	<b>0.29</b>	-

<sup>(1)</sup> Adjusted EBITDA, as defined by the Company means earnings before interest and financing costs (net of interest income), income taxes, amortization, and stock-based compensation. Adjusted EBITDA is a non-IFRS measure.

<sup>(2)</sup> Adjusted Earnings as defined by the Company means EBITDA, as defined above, adjusted for acquisition related costs and unrealized loss on foreign exchange forward. Adjusted Earnings is a non-IFRS measure.

## Recent Highlights:

On July 14, 2014, the Company completed its acquisition of Mandalay Media Limited ("the Acquisition"), which included all of the issued share capital of Mandalay for an initial payment of £45.0 million in cash, exclusive of working capital adjustments, with up to a further cash payment of £15.0 million, contingent on future profit performance.

Mandalay owns some of the United Kingdom's leading online bingo websites, including Costa Bingo, Sing Bingo, City Bingo, Fancy Bingo and Rio Bingo as well as leading affiliate sites Casino Choice and Ignite. (together the "Bingo Business"). For the fiscal year ending August 31, 2013, the Bingo Business generated approximately £16.1 million in revenue and approximately £7.9 million in net income. For the three months ended June 30, 2014, the Bingo Business generated approximately £4.7 million in revenue and approximately £2.1 million in net income. Due to the fact that the Acquisition occurred subsequent to Intertain's second quarter, Mandalay Media results are not reflected in Intertain's current financial results.

The all-cash Acquisition was financed by the net proceeds of a \$103.5 million offering (the "Offering") of securities consisting of \$52.3 million of equity subscription receipts and \$51.2 million of equity-linked debenture subscription receipts, inclusive of subscription receipts issued pursuant to the exercise in full of the underwriters' over-allotment option which closed on July 10, 2014. With the closing of the Acquisition, pursuant to the Offering, the equity subscription receipts were exchanged on a one-for-one basis for equity units (consisting of one common share and one quarter of one warrant to purchase a common share of the Company at \$7.75, expiring two years after its issuance (the "Warrants")) without payment of additional consideration or further action. In addition, the equity-linked debenture subscription receipts were exchanged on a one-for-one basis for debt units (each debt unit consists of one \$1,000 senior secured debenture, maturing on June 30, 2019, with an annual interest rate of 8.5%, payable semi-annually in arrears on the last day of June and December in each year commencing on December 31, 2014 (the "Debentures") and 40 Warrants) without payment of additional consideration or further action. In aggregate, 7,475,000 common shares, 3,915,750 warrants and 51,175 Debentures were issued and commenced trading on the TSX on July 16, 2014. The Warrants and Debentures trade under the symbols IT.WT and IT.DB.A, respectively.

"We are pleased with the progress that the company has made in the second quarter," said John FitzGerald, President and CEO of Intertain. "Mandalay's bingo product will augment Intertain's existing business as it will help diversify our current casino offering and provide the company with immediate access to new markets and a robust player base. In addition, we were able to secure the business after a successful marketing campaign, paid for by Mandalay's vendors, which gives us a significant and ongoing advantage in terms of player acquisition and retention."

"With this purchase behind us, our attention is now on realizing the full potential of these assets, which includes our existing InterBingo™ brand, in order to provide our customers with continued access to the leading online bingo sites that they enjoy," continued Mr. FitzGerald. "This initiative is consistent with our goal of delivering strong financial returns to Intertain's shareholders."

#### **Q2 2014 EBITDA and Adjusted Earnings Reconciliation:**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Net loss and comprehensive income for the period	(836,856)	-
Income tax expense	235,539	-
Amortization	1,064,776	-
Finance costs, net of interest income	728,940	-
Stock-based compensation	291,360	-
<b>Adjusted EBITDA</b>	<b>1,483,759</b>	<b>-</b>
Acquisition related costs	1,424,231	-
Unrealized loss on FX forward	1,334,268	-
<b>Adjusted earnings</b>	<b>4,242,258</b>	<b>-</b>

#### **2014 Second Quarter Financial Statements and Management's Discussion and Analysis**

The financial statements, notes to the financial statements and Management's Discussion and

Analysis for the three and six months ended June 30, 2014, will be available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **2014 Second Quarter Conference Call**

Intertain will host a conference call with members of the investment community to discuss its 2014 second quarter results on Tuesday, August 12, 2014 at 9:00 a.m. ET.

To participate, please dial (647) 788-4922, or (877) 223-4471 10 minutes prior to the scheduled start of the call. A replay of the conference call will be available until August 26, 2014 by dialing (416) 621-4642, or (800) 585-8367 and using reference number 83091673.

### **About The Intertain Group Limited**

Intertain is an online gaming company that provides entertainment to a global consumer base. Intertain currently offers casino, bingo and poker games to its customers using the InterCasino, InterPoker, Costa and other brands. The InterCasino and InterPoker gaming platform is supplied by Amaya Gaming Group Inc. and its bingo offering operates off of the Dragonfish platform, a leading bingo software service provided by 888 Holdings plc.

### **Disclaimer in Regards to Forward-Looking Statements**

Certain statements included herein, including those that express management's expectations or estimates of our future performance constitute "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Investors are cautioned not to put undue reliance on forward-looking statements. Except as required by law, the Company does not intend, and undertakes no obligation, to update any forward-looking statements to reflect, in particular, new information or future events. Additional information identifying risks and uncertainties is contained in Intertain's filings with the Canadian securities regulators, available at [www.sedar.com](http://www.sedar.com).

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