

**ASX RELEASE
FOR IMMEDIATE RELEASE
23 February 2016**



INTECQ NPBT UP 83% IN STRONG INTERIM RESULT

INTECQ Limited ("INTECQ"; ASX: ITQ) today announced robust increases in NPBT, Adjusted EPS, EBITDA, Revenue and cash generation for the six months ended 31 December 2015. Net profit before tax (NPBT) increased to \$3.9 million, up 83 per cent from the previous corresponding period (pcp), and Adjusted earnings per share (EPS) of 16.5 cents, increased by 51 per cent.

Adjusted net profit after tax (NPAT) of \$2.9 million, increased by 54 per cent, when excluding a 'one-off' adjustment for tax losses and R&D tax credits recognised in the pcp, of \$1.8 million.

The Company continued to achieve strong growth momentum, with revenue growing by 19 per cent, to \$26.6 million, and recurring revenue by 14 per cent, to \$14.3 million. Recurring revenue represented 54 per cent of total revenue.

Operating cash flow grew strongly during the period to \$6.8 million, an increase of 84 per cent when compared to pcp.

Financial Highlights	1H FY16 <i>(\$,000)</i>	1H FY15 <i>(\$,000)</i>	Variance
Revenue	26,574	22,372	+19%
Recurring Revenue	14,260	12,518	+14%
Gross Margin	17,718	16,492	+7%
EBITDA	5,703	4,235	+35%
NPBT	3,852	2,101	+83%
Adjusted EPS ¹	16.5 cents	10.9 cents	+51%

Commenting on the results INTECQ's Chairman, Paul Oneile, said: "The strong result demonstrates the continued growth in our core systems business and the success achieved in executing our national expansion strategy.

"The successful rollout into the Victorian market has broadened our customer base and expands our presence into a new market, which supports the increasing adoption of our innovative value-added gaming technologies."

¹ Adjusted EPS is based on NPAT. In relation to the pcp, the NPAT is adjusted for a 'one-off' tax benefit from the recognition of tax losses and R&D tax credits of \$1.8 million.

Business Segments	1H FY16 (\$,000)	1H FY15 (\$,000)	Variance
Total Revenue	26,574	22,372	+19%
Gaming Systems	12,049	9,289	+30%
Gaming Operations	14,260	12,518	+14%
Other Revenue ²	265	565	-53%

Gaming Systems – strong growth in sales of gaming systems

Gaming Systems sales revenue grew to \$12.0 million, an increase of 30 per cent, driven by robust growth in gaming systems sales across existing markets and through completion of the rollout in Victoria.

Strong sales of Metropolis™, the market-leading gaming systems technology, drove its increased penetration with installations across 8,195 electronic gaming machines (EGMs), an increase of 110 per cent, with 61 new venues installed with the technology and 63 existing customer venues upgraded to it from other legacy systems.

CARD-IT™, a unique card-based gaming functionality, continued to achieve increased adoption by gaming venues. During the half year 44 venues, operating 2,408 EGMs, were installed with CARD-IT™.

Sales of Engage™, an innovative and unique venue marketing tool that enhances player engagement, grew strongly over the period. During the half, Engage™ was installed on 2,830 EGMs, an increase of 71 per cent on pcp.

Additionally, the Company completed a successful trial of TRACE, a venue communication platform, and successfully launched it in the Queensland market. TRACE has achieved positive initial results and expands our range of solutions that enhance engagement between venues and their members.

Gaming Operations – continued growth in recurring revenue

Gaming Operations revenue, representing recurring revenues generated by the Company, increased by 14 per cent, to \$14.3 million, as a result of continued expansion of the Company's EGM network and increased penetration of the company's gaming systems technologies. The combined EGM network grew to over 74,500, up 11 per cent, primarily driven by the Company's expansion into the Victoria market.

Recurring revenue generated through **eBET Gaming Systems** increased to \$7.9 million, up by 13 per cent. eBET's Metropolis EGM network grew to 27,550, an increase of 51 per cent on pcp.

² Other revenue declined when compared to pcp, primarily as a result of the company's decision to exit the Gaming Machines business.

Recurring revenue derived from **Odyssey Gaming** in Queensland increased to \$6.3 million, up 15 per cent, through its network of EGMs. Odyssey increased the take-up of Metropolis™ and CARD-IT™ across its EGM network.

Strong cost control

During the period, gross margin increased to \$17.7 million, up 10 per cent on pcg, through continued growth in the sales of gaming systems.

Importantly, tight cost control led to Operating expenses during the half year remaining consistent with pcg at \$12.1 million. This resulted in strong growth in EBITDA and NPBT, which increased by 35 and 83 per cent respectively, compared to pcg.

Financially strong

The Company's strong cash flow generation and the near extinguishment of debt underpin its strong financial position.

Operating cash flow grew strongly during the period to \$6.8 million, an increase of 84 per cent, enabling the Company to continue its focus on reducing debt to \$0.5 million, down by 44 per cent compared to 30 June 2015.

The Company has positive net cash of \$8.9 million, an increase of 16 per cent when compared to 30 June 2015.

Outlook

INTECQ's Chairman, Paul Oneile, said, "The business continues to perform strongly, as we execute our strategy of providing gaming venues with superior technology solutions that enhance our clients' operations and profitability.

"We see continued opportunity to grow our EGM network and are actively targeting larger gaming venues and hotel groups. Despite a stronger weighting of sales towards the first half of the year than in prior years, sales are expected to continue growing in the second half compared to the prior corresponding period.

Importantly, we continue to pursue growth through driving increased penetration of our existing gaming technologies across our expanding EGM network, and through leveraging our innovation capabilities to enhance the range of technology solutions we offer."

Further Information:

Peter Walford
Acting CEO
INTECQ Limited
+61 2 8817 4756
pwalford@ebetgroup.com

About INTECQ Limited

INTECQ Limited is a technology company, listed on the Australian Securities Exchange (ASX: ITQ) with headquarters in Sydney, Australia. Its scale and diversity, commitment to excellence, innovative technologies and superior customer service underpins the company's growth and expansion across jurisdictions, markets and sectors.

The company operates two business divisions, eBET and Odyssey Gaming, which provide technology solutions to gaming venues. They provide integrated gaming technology solutions, including gaming management systems, Licensed Monitoring Operator (LMO) services and business intelligence tools and expertise.

The company operates across Australia and the Asia-Pacific region and has commercial agreements with over 800 customers, operating over 74,500 electronic gaming machines.

For more information on the INTECQ, please visit www.intecqlimited.com

This announcement contains or may contain forward-looking statements that are based on the Board's beliefs, assumptions and expectations derived from information presently available to management. All statements that address operating performance, events or development that the Company expects or anticipates will occur in the future are forward-looking statements, including without limitation the Company's expectations with respect to potential revenues, costs, profitability and financial performance. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. The Board believes that forward-looking statements are reasonable as and when made.