

Press Release

(pursuant to Art. 114 par. 5 of Legislative Decree 58/1998)

SNAI Group –Results of operations as at December 31, 2014

Main consolidated economic and financial data

- Revenues of Euro 527.5 million compared to Euro 478.8 in 2013 (+10.2%)
- EBITDA of Euro 105.9 million compared to Euro 92.6 in 2013 (+14.4%)
- Net financial position of Euro -419.1 million, an improvement of Euro 24.3 million compared to the previous year

Milan, 17 March 2015 – SNAI S.p.A.'s Board of Directors which met in Milan under Giorgio Sandi's chairmanship, approved the draft financial statements for the year ending 31 December 2014, and the consolidated financial statements for 2014 which report revenues of Euro 527.5 million and EBITDA of Euro 105.9 million.

Consolidated Income Statement	FY 2014	FY 2013	Diff. %
Revenues	527.5	478.8	10.2
EBITDA	105.9	92.6	14.4
EBITDA Adj	111.5	97.6	14.3
EBIT	34.9	(41.8)	>100
Profit (loss) before taxes	(24.0)	(100.9)	76.2
Result pertaining to the Group	(26.1)	(94.5)	72.4
Basic/diluted loss per share	(0.22)	(0.81)	72.4

the figures are expressed in millions of Euro

The EBITDA corresponds to the "Earnings Before Interest, Tax, Depreciation and Amortisation" indicated in the comprehensive income statement, adjusted for non-recurring costs and revenues determined for operational purposes. The EBITDA Adj corresponds to the Current portion of the provision for doubtful debts. The EBIT refers to "Earnings before interest and taxes" indicated in the statement of comprehensive income. EBITDA, EBITDA Adj and EBIT are considered alternative performance indicators, but are not measures defined on the basis of International Financial Reporting Standards ("IFRS") and may, therefore, fail to take into account the requisites imposed under IFRS in terms of determination, valuation and presentation. We are of the view that EBITDA, EBITDA Adj and EBIT are helpful to explain changes in operating performance and provide useful information on the capacity to manage indebtedness and are commonly used by analysts and investors in the gaming sector as performance indicators. EBITDA, EBITDA Adj and EBIT must not be considered alternative to cash flows as a measure of liquidity. As defined, EBITDA, EBITDA Adj and EBIT may not be comparable with the same indicators used by other companies.

2014 saw the consolidation of a series of activities:

- the pay-out on sports betting was 79.1%, better than the average of other operators.
- betting on Virtual Events became fully operational, with excellent results in terms of wagers and margins
- the offer of online and live options was significantly extended, and the complementary betting schedule (Palinsesto Complementare) was launched
- the plan to relocate around 1,000 VLTs (Video Lotteries) to better performing premises was completed and was followed by another additional stage entailing the relocation of a further 450 machines
- efforts to optimise costs continued.

Group revenues increased by approximately 10.2%, from Euro 478.8 million in 2013 to Euro 527.5 million in 2014, mainly due to the combined effect of significant revenues from betting on virtual events and from the increase of those generated by VLTs, partially offset by the decrease in wagers from horseracing and sports bets.



The impact of betting on virtual events on performance in 2014 was very significant, generating direct wagers of Euro 342.2 million and revenues of Euro 44.2 million, higher than initial expectations

Revenues from VLTs rose due to the higher average number of machines installed. At the end of December 2014, there were 4,950 certified machines nationwide. The remaining rights are being reallocated to more performing premises, as already envisaged in the second stage of the plan, to make operations more efficient. Revenues from gaming machines segment therefore amounted to Euro 278.5 million compared to Euro 251 million in 2013 and include revenues from VLTs (Video Lotteries) and AWP. Wagers in this segment amounted to Euro 2,842 million as at 31 December 2014 compared to Euro 2,828 million in 2013. The performance of the VLT segment was however lower than expected, due both to the delay in the availability of reduced pay-out games, and the mandatory updating activities requested by ADM.

Revenues from sports betting fell compared to last year, due both to a higher pay-out (recording 79.1% against 78.9% in 2013) and to the lower amount of wagers. The global volume of SNAI brand wagers in terms of sports based games as at 31 December 2014 was Euro 990 million compared to Euro 1,099 million last year (-9.9%). Of these, Euro 139 million (14% of the total) originated from the on-line channel. This reduction is mostly related to the significant increase, at global market level, of the number of betting shops operating nationwide following the award of new concessions in 2013, as well as the increasingly widespread and aggressive presence of CTDs.

Group EBITDA at the end of the year gained +14.4% compared to last year, increasing from Euro 92.6 million in 2013 to Euro 105.9 million in 2014.

Non-recurring costs were Euro 12.2 million in 2014 compared to Euro 77.5 million last year.

Group EBIT in 2014 was positive at Euro 34.9 million compared to a loss of Euro 41.8 million last year.

The Group's result before taxes in 2014 was Euro -24 million compared to Euro -100.9 million last year.

The net loss of the Group in 2014 was Euro 26.1 million compared to a loss of Euro 94.5 million in 2013.

The net financial indebtedness of the SNAI Group as at 31 December 2014 was Euro 419.1 million, compared to Euro 443.4 million at the end of 2013. The decrease of Euro 24.3 million is mainly due to the favourable performance of ordinary operations.

The parent company SNAI S.p.A. generated revenues of Euro 513 million, up 10.2% compared to Euro 465.7 million in 2013. EBITDA was Euro 104.1 million (Euro 94.4 million in 2013), while EBIT was a positive Euro 35.1 million (a negative Euro 34.5 million in 2013). The result for the year was a loss of Euro 27.9 million (Euro -94.3 million in 2013) essentially due to the reasons already stated with regard to the Group's results. The net financial indebtedness of SNAI S.p.A. as at 31 December 2014 was Euro 423.1 million, compared to Euro 438.2 million at the end of 2013. The decrease of Euro 15.1 million is mainly due to the favourable performance of ordinary operations.

Milan, 17 March 2015

The director in charge of the preparation of the corporate accounting documents, Mr. Marco Codella, declares, pursuant to paragraph 2 Art. 154-bis of the Finance Act, that the accounting information contained in this press release corresponds to documented results, the bookkeeping and accounting records.

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All press releases issued by SNAI S.p.A. pursuant to article 114 of Legislative Decree no. 58 of 24 February 1998 and the related implementation regulations are also available on the company's web site, www.snai.it and on the website www.1info.it, operated by Computershare S.p.A. located in Milan and authorised by CONSOB with its resolution no. 18852 of 9 April 2014.

Pursuant to the requirements of Consob communication ref. 10084105 of 13 October 2010, we report below the information concerning the SNAI companies and Group.

a) Net financial position of the Company and SNAI Group

	SNAI GROUP		SNAI SPA	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
a) Liquidity	68,630	45,500	66,922	43,861
b) Current financial receivables	0	6	2,615	7,754
c) Current bank debts	(40)	(40)	(40)	(40)
d) Current portion of long-term indebtedness	(19,552)	0	(19,552)	0
e) Current financial payables	(3,331)	(7,467)	(8,263)	(8,423)
Net current financial indebtedness	45,707	37,999	41,682	43,152
f) Non-current bank debts	0	0	0	0
g) Bonds issued	(463,561)	(479,214)	(463,561)	(479,214)
f) Other non-current financial receivables/payables	(1,208)	(2,174)	(1,208)	(2,174)
Total net financial indebtedness	(419,062)	(443,389)	(423,087)	(438,236)

the figures are expressed in thousands of Euro

b) Overdue accounts payable of the SNAI Group

Current liabilities	Balance as at 31.12.2014 of which due on 31.12.2014	
Financial payables	22,923	-
Trade payables	32,385	11,141
Tax payables	9,979	-
Payables to social security institutions	2,711	-
Other payables	77,311	-
	145,309	11,141

the figures are expressed in thousands of Euro

The amounts due as of 31 December 2014, equal to Euro 11,141 thousand, related to the normal transactions with suppliers of services and materials; these amounts were mostly paid after 31 December 2014. In certain cases, a new due date has been set. To the present date, no supplier has taken any initiatives in response.

c) Related Parties

The Consob Notice 6064293 of 28 July 2006 requires that, in addition to the disclosures required by IAS (International Accounting Standard) 24: "Related Party Disclosures", disclosures are provided on the impact on the earnings, net worth and financial position of the transactions or positions with related parties as classified by IAS 24.

The following table shows these impacts. The impact that transactions have upon the income statement and cash flows of the Company and/or the Group must be analysed bearing in mind that the principal dealings with related parties are entirely identical to equivalent contracts in place with third parties.



Certain SNAI Group companies have accounts with Banca MPS, Intesa San Paolo, Banca Popolare di Vicenza, Poste Italiane and Banco Popolare Società Cooperativa, which may be considered related parties in that they are companies in which SNAI S.p.A. shareholders have equity interests.

Such transactions are considered to be in the interest of the Group, are part of the ordinary course of business and are subject to the terms and conditions of the market.

It should be noted that the Senior Secured Notes and the Senior Revolving Facility are also backed by a pledge on SNAI shares, issued by a majority shareholder of the Company. The related security agreement between SNAI S.p.A. and the majority shareholder was submitted to the favourable binding opinion by the SNAI Related Party Committee.

The following table sets forth a summary of dealings between the SNAI group and related parties.

thousands of Euro	31.12.2014	% impact	31.12.2013	% impact
Trade receivables:				
- from Global Games S.p.A.	-	0.00%	6	0.01%
	-	0.00%	6	0.01%
Other current assets:				
- from Alfea	1	0.00%	1	0.00%
	1	0.00%	1	0.00%
Total assets	1	0.00%	7	0.00%
Trade payables:				
- to companies related to directors of SNAI S.p.A.	15	0.05%	764	2.04%
- to Tivu + S.p.A. in liquidation	-	0.00%	43	0.11%
- to Connex S.r.l. in liquidation	186	0.57%	201	0.54%
	201	0.62%	1,008	2.69%
Other current liabilities:				
- to companies related to directors of SNAI S.p.A.	-	0.00%	21	0.02%
- to companies related to shareholders of SNAI S.p.A.	-	0.00%	45	0.05%
- to directors of Teleippica S.r.l.	1	0.00%	2	0.00%
- to Global Games S.p.A.	-	0.00%	6	0.01%
- to Teseo S.r.l. in liquidation	483	0.53%	-	0.00%
	484	0.53%	74	0.08%
Total Liabilities	685	0.10%	1,082	0.16%

Assets are stated net of the related provision.

The following table shows the items vis-à-vis related parties having an impact on the income statement:

thousands of Euro	FY 2014	% impact	FY 2013	% impact
Revenues from services and chargebacks:				
- from companies related to directors of SNAI S.p.A.	1	0.00%	38	0.01%
	1	0.00%	38	0.01%
Other revenues				
- from companies related to directors of SNAI S.p.A.	1	0.08%	2	0.16%
- from Global Games S.p.A.	6	0.47%	6	0.49%
	7	0.55%	8	0.65%
Total revenues	8	0.00%	46	0.01%

Costs for raw materials and consumables used:

- from Connex S.r.l. in liquidation	-	0.00%	6	0.52%
	-	0.00%	6	0.52%

Costs for services and chargebacks:

- from companies related to directors of SNAI S.p.A.	3	0.00%	656	0.20%
- from companies related to shareholders of SNAI S.p.A.	1	0.00%	15	0.00%
- from directors di Teleippica S.r.l.	88	0.02%	57	0.02%
- from Connex S.r.l. in liquidation	600	0.17%	619	0.19%
	692	0.19%	1,347	0.41%

Other operating costs:

- from companies related to directors of SNAI S.p.A.	13	0.03%	13	0.01%
- from Connex S.r.l. in liquidation	2	0.00%	3	0.00%
	15	0.03%	16	0.01%

Total costs	707	0.18%	1,369	0.32%
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Revenues from services and chargebacks and other income impacted the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) by 0.01% in 2014 (0.30% in 2013), whereas total revenues impacted the Profit (Loss) for 2014 by 0.03% (0.05% in 2013).

Costs for raw materials and consumables, services and charge backs and other operating costs affected the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) by 0.74% in 2014 (8.96% in 2013), whereas total costs affected the Profit (loss) for 2014 by 2.65% (1.43% in 2013).

Parent company SNAI S.p.A.

The following table contains a summary of transactions between the parent company SNAI S.p.A. and related parties:

thousands of Euro	31.12.2014	% impact	31.12.2013	% impact
Trade receivables:				
- from Global Games S.p.A.	-	0.00%	6	0.01%
- from Società Trenno S.r.l.	218	0.46%	673	1.11%
- from Festa S.r.l.	2	0.00%	19	0.03%
- from Immobiliare Valcarenga S.r.l.	-	0.00%	4	0.01%
- from Teleippica S.r.l.	70	0.15%	116	0.19%
Total trade receivables	290	0.61%	818	1.35%
Other current assets:				
- from Società Trenno S.r.l.	65	0.25%	96	0.35%
- from Festa S.r.l.	1,197	4.52%	710	2.55%
- from Immobiliare Valcarenga S.r.l.	86	0.32%	82	0.29%
- from Teleippica S.r.l.	1,468	5.54%	1,460	5.25%
- from Alfea S.p.A.	1	0.00%	1	0.00%
Total other current assets	2,817	10.63%	2,349	8.44%
Financial receivables:				
- from Società Trenno S.r.l.	2,614	11.73%	5,190	19.11%
- from Teleippica S.r.l.	-	0.00%	2,558	9.42%
Total financial receivables	2,614	11.73%	7,748	28.53%
Total assets	5,721	0.78%	10,915	1.43%

Trade payables:

- to companies related to directors	15	0.05%	764	2.18%
- to Società Trenno S.r.l.	141	0.48%	143	0.41%
- to Festa S.r.l.	3	0.01%	522	1.49%
- to Teleippica S.r.l.	330	1.11%	340	0.97%
- to Connex S.r.l.	183	0.62%	183	0.52%
- to Tivu + S.p.A. in liquidation	-	0.00%	43	0.12%
Total trade payables	672	2.27%	1,995	5.69%

Other current liabilities

- to companies related to directors	-	0.00%	21	0.02%
- to Global Games S.p.A.	-	0.00%	6	0.01%
- to Società Trenno S.r.l.	5,722	6.06%	4,762	5.08%
- to Festa S.r.l.	547	0.58%	551	0.59%
- to Immobiliare Valcarenga S.r.l.	-	0.00%	1	0.00%
- to Teleippica S.r.l.	-	0.00%	6	0.01%
- to Teseo S.r.l. in liquidation	483	0.51%	-	0.00%
- to companies related to shareholders	-	0.00%	45	0.05%
Total other current liabilities	6,752	7.15%	5,392	5.76%

Current financial payables:

- to Festa S.r.l.	3,066	11.01%	730	8.63%
- to Immobiliare Valcarenga S.r.l.	255	0.92%	245	2.89%
- to Teleippica S.r.l.	1,612	5.79%	-	0.00%
Total current financial payables	4,933	17.72%	975	11.52%
Total liabilities	12,357	1.79%	8,362	1.21%

Assets are stated net of the related provision.

The following table shows the items vis-à-vis related parties having an impact on the income statement:

thousands of Euro	FY 2014	% impact	FY 2013	% impact
Revenues from services and chargebacks:				
- from companies related to directors	1	0.00%	-	0.00%
- from Società Trenno S.r.l.	221	0.04%	2,424	0.52%
Total revenues from services and chargebacks	222	0.04%	2,424	0.52%
Other revenues				
- from companies related to directors	1	0.06%	2	0.09%
- from Global Games S.p.A.	6	0.33%	6	0.26%
- from Società Trenno S.r.l.	469	26.00%	1,122	47.99%
- from Festa S.r.l.	116	6.43%	115	4.92%
- from Immobiliare Valcarenga S.r.l.	12	0.67%	12	0.51%
- from Teleippica S.r.l.	514	28.49%	465	19.89%
Total other revenues	1,118	61.98%	1,722	73.66%

Interest income:

- from Società Trenno S.r.l.	277	12.18%	272	16.12%
- from Teleippica S.r.l.	266	11.70%	155	9.19%
Total interest income	543	23.88%	427	25.31%
Total revenues	1,883	0.37%	4,573	0.98%

Costs for services and chargebacks:

- from companies related to shareholders and directors	3	0.00%	648	0.20%
- from Società Trenno S.r.l.	394	0.11%	399	0.12%
- from Festa S.r.l.	5,425	1.53%	5,324	1.65%
- from Teleippica S.r.l.	3,019	0.85%	2,361	0.73%
- from Connex S.r.l.	600	0.17%	619	0.19%
- from companies related to shareholders	1	0.00%	3	0.00%
Total costs for services and chargebacks	9,442	2.66%	9,354	2.89%

Costs of seconded personnel

- from Società Trenno S.r.l.	-	0.00%	44	0.18%
- from Festa S.r.l.	47	0.18%	113	0.46%
- from Teleippica S.r.l.	-	0.00%	31	0.13%
Total costs of seconded personnel	47	0.18%	188	0.77%

Other operating costs

- from companies related to shareholders and directors	13	0.03%	13	0.01%
- from Connex S.r.l.	-	0.00%	3	0.00%
- from Società Trenno S.r.l.	4	0.01%	5	0.01%
Total other operating costs	17	0.04%	21	0.02%

Interest expense and fees

Interest expense to Festa S.r.l.	139	0.23%	113	0.19%
Interest expense to Immobiliare Valcarenga S.r.l.	17	0.03%	12	0.02%
Interest expense to Teleippica S.r.l.	15	0.02%	-	0.00%
Total interest expense and fees	171	0.28%	125	0.21%
Total costs	9,677	2.01%	9,688	1.91%

Revenues from services and chargebacks and other income impacted the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) by 1.45% in 2014 (20.61% in 2013), whereas total revenues impacted the Profit (Loss) for the year by 6.75% in 2014 (4.85% in 2013).

Costs for services and chargebacks, costs of seconded personnel and other operating costs impacted the EBITDA by 10.31% in 2014 (47.53% in 2013), while total costs impacted the Profit (loss) for the year by 34.70% in 2014 (10.27% in 2013).

d) Progress of the debt restructuring plan and of Group development plans

In 2014, Snai Group reported a net loss of Euro 26.1 million and shareholders' equity fell to Euro 48.1 million. Net financial indebtedness, amounting to Euro 419.1 million, is mainly composed of bond loans issued and subscribed on 4 December 2013, to be redeemed in 2018.

2014 EBITDA is better than than last year , and overall, substantially in line with expectations. The differences compared to the business performance forecast are the result of certain major factors: i) the excellent results of new bets on virtual events; ii) lower than expected revenues from sports betting, due to lower wagers, mitigated by a better pay-out, which reached 79.1%; iii) lower revenues and margins generated by the Gaming Machines segment, in which there was a delay in introducing games with reduced pay-outs; iv) the performance of skill games, which was below expectations in terms of revenues and margins.



The Directors prepared a strategic plan for 2014-2016 (the “2014-2016 Plan” or the “Plan”), approved on 14 March 2014, whereby, at the end of the three-year period, revenues and margins will have grown significantly and a positive economic result will be achieved, whilst consolidated Shareholders’ Equity will be substantially unchanged with respect to that of 2013, there will be adequate operating cash flows to finance the investments necessary for the business development and to cover financial expenses generated by indebtedness. In light of these forecasts, however, the Group is not likely to generate the necessary resources to entirely repay bond loans in 2018.

The above Plan was recently revised at the Board of Directors meeting held on 12 March 2015, to take into account the negative impact of the rules introduced by the Italian Budget Law, approved in December 2014, the performance of the distribution network, and further action envisaged to support the business; nevertheless, the results forecasted in the updated plan do not differ significantly from those of the previously approved one. The forecast for 2015 has also been amended to take into account the equity, economic and financial effects of the Barcrest transaction, which took place in the first few months of the new year.

In this context, the Group forecasts significant growth in terms of wagers, which will reflect on revenues and margins, based on a series of initiatives, which include a significant boost of the Live and Online offer, the extension of the offer relating to virtual events, also through the use of a conspicuous number of currently available rights and the continuation of the plan to relocate VLTs in better performing locations. In its forecast, company performance should also benefit from the fact that the performance of the pay-out on sports betting has been managed in a more effective way, also due to the combined effects of the new management contract (which better aligns Snai’s interests with those of the Operators) and the improvement of automatic system checks on the acceptance of bets, which have already contributed to achieving better performance than that of the competition.

Therefore, even the revised version of the Plan defines a path towards the achievement of an economic, financial and equity balance. Nonetheless, there are still some uncertainties, related to: (1) the actual achievement of operating and economic-financial results substantially consistent with expected growth in revenues and margins in the various business segments, necessary to maintain the Group’s Shareholders’ Equity, (2) the Group’s ability to obtain the resources it needs to repay and/or replace the outstanding bond loans and, more generally, (3) the uncertainty connected with the occurrence of future events and the characteristics of the reference market (including the rumoured possibility of a significant increase in taxation in the Gaming Machines sector) which could negatively affect the actual implementation of the Plan, and therefore the achievement of results and future cash flows on which the main assessments made to prepare these financial statements are based.

In assessing the uncertainties identified, the Directors have also considered that the impact of any unfavourable variances with respect to the forecasts for 2015 on the Group could be more easily absorbed due to the positive effects of the Barcrest transaction. On the other hand, the Directors also acknowledge the need to monitor results carefully and continuously in order to promptly identify any variances in performance that could condition future years and, more generally, on achieving economic, equity and financial equilibrium.

In conclusion, the Directors therefore believe that, despite the afore-mentioned uncertainties, the objectives set out in the Plan are reasonable and that the Group will be able to continue its business operations in the foreseeable future, and therefore has prepared the financial statements on the basis of the going concern assumption.

e) Financial covenants

As is customary for loans of this kind, outstanding Loan Agreements (revolving credit line and bond loans) prescribe a number of obligations for the Group.

The above-mentioned agreements provide, in accordance with common practice in similar transactions, that the Company undertakes commitments aimed at safeguarding the credit position of financing entities. Amongst these provisions are the prohibition to distribute dividends before the due term of “Facility B” bonds and subsequent restrictions until expiration of other bond loans, as well as restrictions on the early repayment of bonds, in taking on financial indebtedness and in making specific investments and disposing of corporate assets and properties. Events of default are also specified, which may make it necessary for the lenders to demand early repayment.

SNAI S.p.A. has also undertaken to comply with financial parameters under agreements signed with Unicredit S.p.A., Banca IMI S.p.A and Deutsche Bank S.p.A. relating to a Senior Revolving loan for a total amount of Euro 30 million.

In particular, we refer to the requirement to maintain a given minimum level of “Consolidated Pro-Forma EBITDA”. “Consolidated Pro-Forma EBITDA” is defined in the loan agreement and indicates the consolidated earnings before interest, taxation, amortisation, depreciation and all extraordinary and non-recurring items.



SNAI S.p.A. is also obliged to provide its lenders periodic information on its cash flows and income, and key performance indicators, regarding the Group, including EBITDA and net financial indebtedness.

It is noted that, as at 31 December 2014, the Group was compliant with commitments and covenants.

f) Progress of the business plan.

The 2014-2016 Business Plan, approved by the Board of Directors' meeting held on 20 March 2014, and later revised at the meeting held on 12 March 2015, is based on:

- focus on profit margins by developing the offer and through more control over the pay-outs on sports betting to maximize contractual benefits;
- improved territorial balance of the network, to boost market share in significant areas;
- extension of the "live" and "online" offer;
- long-term initiatives promoting loyalty in Betting Shops with a high market share;
- full exploitation of the potential of Virtual Events, to support, inter alia, expansion of the distribution network;
- growth of the Online Skill and Casino Games segment;
- enhancement and requalification of the Gaming Machines area in shops and in arcades;
- development of services dedicated to partners (training, dedicated web site) and measures to increase loyalty;
- launch of services to citizens to maximize opportunities for the distribution network.

The Board of Directors approved the 2014-2016 Business Plan at the meeting held on 20 March 2014, and later revised it at the meeting held on 12 March 2015. The Plan focuses on development and growth for the Group as listed above, which, once achieved, will contribute to reaching and maintaining economic and financial balance over time and will generate the necessary resources for business development, under the regulatory conditions known at the date of preparation and approval of the aforesaid plan.

Annexes:

- **SNAI Group:**
 - Consolidated Comprehensive Income Statement for 2014
 - Consolidated Balance Sheet as at 31 December 2014
 - Consolidated Cash Flow Statement as at 31 December 2014
- **SNAI S.p.A.:**
 - Comprehensive Income Statement for 2014
 - Balance Sheet as at 31 December 2014
 - Cash Flow Statement as at 31 December 2014

SNAI Group - Consolidated Statement of Comprehensive Income

amounts in thousands of Euro	FY	
	2014	2013
Revenues from sales and services	526,203	477,535
Other revenue and income	1,278	1,228
Change in inventory of finished and semi-finished products	0	107
Raw materials and consumables	(917)	(1,162)
Costs for services and use of third party assets	(358,015)	(324,470)
Costs of personnel	(35,969)	(36,891)
Other operating costs	(40,468)	(102,579)
Capitalised internal construction costs	1,539	1,337
Earnings before interest, tax, depreciation and amortisation	93,651	15,105
Amortisation, depreciation and write-downs	(58,669)	(54,867)
Other provisions	(72)	(2,039)
Earnings before financial income/expenses and taxes	34,910	(41,801)
Gains and expenses from shareholdings	(548)	(398)
Financial income	1,742	1,267
Financial expenses	(60,138)	(59,983)
Total financial income and expenses	(58,944)	(59,114)
PROFIT (LOSS) BEFORE TAXES	(24,034)	(100,915)
Income tax	(2,048)	6,385
Profit (loss) for the year	(26,082)	(94,530)
(Loss)/profit from re-measurement on defined benefit plans after taxes	(288)	76
Total other comprehensive income which will not be restated under profit/(loss) for the year after taxes	(288)	76
Net (loss)/profit from derivatives as cash flow hedges	2,124	2,572
Total other comprehensive income which will be restated under profit/(loss) for the year after taxes	2,124	2,572
Total profit/(loss) in comprehensive income statement, after taxes	1,836	2,648
Total profit (loss) for the year	(24,246)	(91,882)
<i>Attributable to:</i>		
Profit (loss) for the year pertaining to the Group	(26,082)	(94,530)
Profit (loss) for the year pertaining to Minority interests	0	0
Total profit (loss) for the year pertaining to the Group	(24,246)	(91,882)
Total profit (loss) for the year pertaining to Minority interests	0	0
Basic earnings (loss) per share in Euro	(0.22)	(0.81)
Diluted earnings (loss) per share in Euro	(0.22)	(0.81)

SNAI Group - Consolidated balance sheet

amounts in thousands of Euro	31.12.2014	31.12.2013
ASSETS		
Non-current assets		
Property, plant and equipment owned	140,142	143,378
Assets held under financial lease	3,782	9,405
Total property, plant and equipment	143,924	152,783
Goodwill	231,531	231,531
Other intangible assets	102,857	135,292
Total intangible assets	334,388	366,823
Shareholdings measured using the equity method	2,318	2,866
Shareholdings in other companies	46	46
Total shareholdings	2,364	2,912
Deferred tax assets	80,004	75,086
Other non-financial assets	1,967	2,413
Financial assets	1,244	0
Total non-current assets	563,891	600,017
Current assets		
Inventories	486	1,329
Trade receivables	58,486	75,604
Other assets	24,509	26,687
Current financial assets	19,663	19,414
Cash and cash equivalents	68,629	45,499
Total current assets	171,773	168,533
TOTAL ASSETS	735,664	768,550
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity pertaining to the Group		
Share Capital	60,749	60,749
Reserves	13,434	106,128
Profit (loss) for the year	(26,082)	(94,530)
Total Shareholders' Equity pertaining to the Group	48,101	72,347
Shareholders' Equity pertaining to minority interests		
Total Shareholders' Equity	48,101	72,347
Non-current liabilities		
Post-employment benefits	4,602	4,387
Non-current financial liabilities	464,769	481,388
Deferred tax liabilities	58,593	53,675
Provisions for risks and charges	10,838	16,617
Sundry payables and other non-current liabilities	2,336	3,623
Total non-current liabilities	541,138	559,690
Current liabilities		
Trade payables	32,385	37,539
Other liabilities	91,117	91,467
Current financial liabilities	3,371	7,507
Current portion of long-term borrowings	19,552	0
Total financial liabilities	22,923	7,507
Total current liabilities	146,425	136,513
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	735,664	768,550

SNAI Group - Consolidated Cash Flow Statement

	amounts in thousands of Euro	31.12.2014	31.12.2013
A. CASH FLOW FROM OPERATIONS			
Profit (loss) for the year pertaining to the Group		(26,082)	(94,530)
Profit (loss) for the year pertaining to minority interests		0	0
Amortisation, depreciation and write-downs		58,669	54,867
Net change in assets (liabilities) for deferred tax assets (deferred tax liabilities)		(695)	(6,686)
Change in provision for risks		(5,779)	(8,519)
(Capital gains) capital losses from non-current assets (including shareholdings)		1,085	86
Portion of earnings pertaining to shareholdings measured using the equity method (-)		548	398
Net change in sundry non-current trade assets and liabilities and other changes		(841)	1,600
Net change in current trade assets and liabilities and other changes		(14,635)	24,926
Net change in post-employment benefits		(182)	(698)
CASH FLOW FROM (USED IN) OPERATIONS (A)		41,358	(28,556)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment (-)		(10,844)	(20,780)
Investments in intangible assets (-)		(7,746)	(19,028)
Investments in other non-current assets (-)		0	0
Acquisition of shareholdings in subsidiaries, net of availability acquired		0	0
Proceeds from the sale of property, plant and equipment, intangible and other non-current assets		130	207
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)		(18,460)	(39,601)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Change in financial receivables and other financial assets		(1,493)	(9,165)
Change in financial liabilities		1,735	(19,226)
Repayment of financing		0	(4,600)
Opening/disbursement of loans		0	57,498
Redemption of loans		0	(421,748)
Issue of bond loans		0	515,000
Repayment of bond loans		0	(15,000)
Changes in debts to betting agencies deferred through purchase of "concession" business units		(10)	(113)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (C)		232	102,646
D. CASH FLOWS FROM DISCONTINUED ASSETS /ASSETS HELD FOR SALE (D)			
E. TOTAL CASH FLOW (A+B+C+D)		23,130	34,489
F. INITIAL NET FINANCIAL LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)		45,499	11,010
G. NET EFFECT OF THE CONVERSION OF FOREIGN CURRENCIES ON LIQUIDITY			
H. FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS) (E+F+G)		68,629	45,499

RECONCILIATION OF FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS):

CASH AND CASH EQUIVALENTS AFTER DEDUCTING SHORT-TERM FINANCIAL PAYABLES
AT THE END OF THE PERIOD, ANALYSED AS FOLLOWS:

Cash and cash equivalents	45,499	11,010
Bank overdrafts		
Discontinued operations		
	45,499	11,010

CASH AND CASH EQUIVALENTS LESS SHORT-TERM FINANCIAL PAYABLES
AT THE END OF THE PERIOD, ANALYSED AS FOLLOWS:

Cash and cash equivalents	68,629	45,499
Bank overdrafts		
Discontinued operations		
	68,629	45,499

SNAI S.p.A. - Comprehensive income statement

amounts in thousands of Euro	FY	
	2014	2013
Revenues from sales and services	511,159	463,356
Other revenue and income	1,804	2,338
Change in inventory of finished and semi-finished products	0	107
Raw materials and consumables	(712)	(816)
Costs for services and use of third party assets	(355,688)	(321,778)
Costs of personnel	(26,572)	(24,656)
Other operating costs	(39,371)	(99,767)
Capitalised internal construction costs	1,539	1,337
Profit/(loss) before amortisation, depreciation, write-downs, financial income and expenses, taxes	92,159	20,121
Amortisation, depreciation and write-downs	(56,912)	(52,979)
Other provisions	(186)	(1,619)
Earnings before financial income/expenses and taxes	35,061	(34,477)
Gains and expenses from shareholdings	(3,050)	(6,100)
Financial income	2,274	1,687
Financial expenses	(60,202)	(59,959)
Total financial income and expenses	(60,978)	(64,372)
PROFIT (LOSS) BEFORE TAXES	(25,917)	(98,849)
Income tax	(1,973)	4,513
Profit (loss) for the year	(27,890)	(94,336)
(Loss)/gains from re-measuring of employee defined-benefit plans after taxes	(145)	63
Other comprehensive income which will not be restated under profit/(loss) for the year after taxes	(145)	63
Net (loss)/profit from derivatives as cash flow hedges	2,124	2,572
Other comprehensive income which will be restated under profit/(loss) for the year after taxes	2,124	2,572
Profit/(loss) in comprehensive income statement, after taxes	1,979	2,635
Total profit (loss) for the year	(25,911)	(91,701)

SNAI S.p.A. - Balance Sheet

	31.12.2014	31.12.2013
amounts in thousands of Euro		
ASSETS		
Non-current assets		
Property, plant and equipment owned	133,585	135,810
Assets held under financial lease	3,781	9,396
Total property, plant and equipment	137,366	145,206
Goodwill	231,088	231,088
Other intangible assets	102,655	135,051
Total intangible assets	333,743	366,139
Shareholdings in subsidiaries and associates	18,656	16,705
Shareholdings in other companies	46	46
Total shareholdings	18,702	16,751
Deferred tax assets	78,409	73,471
Other non-financial assets	1,776	,204
Non-current financial assets	1,244	0
Total non-current assets	571,240	603,771
Current assets		
Inventories	456	1,303
Trade receivables	47,669	60,656
Other assets	26,505	27,805
Current financial assets	22,277	27,162
Cash and cash equivalents	66,922	43,860
Total current assets	163,829	160,786
TOTAL ASSETS	735,069	764,557
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' Equity		
Share Capital	60,749	60,749
Reserves	12,865	105,223
Profit (loss) for the year	(27,890)	(94,336)
Total Shareholders' Equity	45,724	71,636
Non-current liabilities		
Post-employment benefits	1,699	1,509
Non-current financial liabilities	464,769	481,388
Deferred tax liabilities	57,929	53,019
Provisions for risks and charges	10,811	16,113
Sundry payables and other non-current liabilities	2,326	3,611
Total non-current liabilities	537,534	555,640
Current liabilities		
Trade payables	29,600	35,112
Other liabilities	94,356	93,706
Current financial liabilities	8,303	8,463
Current portion of long-term borrowings	19,552	0
Total financial liabilities	27,855	8,463
Total current liabilities	151,811	137,281
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	735,069	764,557

SNAI S.p.A. - Cash flow statement

	31.12.2014	31.12.2013
amounts in thousands of Euro		
A. CASH FLOW FROM OPERATIONS		
Profit (loss) for the year	(27,890)	(94,336)
Amortisation, depreciation and write-downs	56,912	52,979
Write-downs and losses on shareholdings	3,049	6,100
Net change in assets (liabilities) for deferred tax assets (deferred tax liabilities)	(777)	(6,576)
Change in provision for risks	(5,301)	(8,447)
(Capital gains) capital losses from non-current assets (including shareholdings)	1,079	126
Net change in sundry non-current trade assets and liabilities and other changes	(858)	1,616
Net change in current trade assets and liabilities and other changes	10,271	26,560
Net change in post-employment benefits	(12)	(47)
CASH FLOW FROM (USED IN) FROM OPERATIONS (A)	36,473	(22,025)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment (-)	(10,150)	(17,616)
Investments in intangible assets (-)	(7,725)	(18,862)
Contributions to cover losses in shareholdings	(5,000)	(5,000)
Liquidation of shareholdings	0	137
Proceeds from the sale of property, plant and equipment, intangible and other non-current assets	121	97
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)	(22,754)	(41,244)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Change in financial receivables and other financial assets	3,641	(12,972)
Change in financial liabilities	5,712	(20,525)
Repayment of financing	0	(4,600)
Opening/disbursement of loans	0	57,498
Redemption of loans	0	(421,748)
Entering of a bond loan	0	515,000
Reimbursement of "Facility A" bonds	0	(15,000)
Changes in debts to betting agencies deferred through purchase of "concession" business units	(10)	(113)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (C)	9,343	97,540
D. CASH FLOWS FROM DISCONTINUED ASSETS /ASSETS HELD FOR SALE (D)	0	0
E. TOTAL CASH FLOW (A+B+C+D)	23,062	34,271
F. INITIAL NET FINANCIAL LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)	43,860	9,589
G. NET EFFECT OF THE CONVERSION OF FOREIGN CURRENCIES ON LIQUIDITY	0	0
H. FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS) (E+F+G)	66,922	43,860
RECONCILIATION OF FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS):		
CASH AND CASH EQUIVALENTS AFTER DEDUCTING SHORT-TERM FINANCIAL PAYABLES AT THE OF THE PERIOD, DETAILED AS FOLLOWS:		
Cash and cash equivalents	43,860	9,589
Bank overdrafts	0	0
Discontinued operations	0	0
	43,860	9,589
CASH AND CASH EQUIVALENTS LESS SHORT-TERM FINANCIAL PAYABLES AT THE END OF THE PERIOD, ANALYSED AS FOLLOWS:		
Cash and cash equivalents	66,922	43,860
Bank overdrafts	0	0
Discontinued operations	0	0
	66,922	43,860