

Press release

(Pursuant to art. 114 paragraph 5 Legislative Decree 58/1998)

SNAI Group – Interim Report as of 30 September 2013

Key consolidated economic and financial data

- **Revenues of Euro 352.4 million**
- **EBITDA of Euro 64.5 million (prior to deducting non-recurring costs determined for operating purposes)**
- **Net financial position of Euro -373.8 million**

Milan, 30 October 2013 – SNAI S.p.A.'s Board of Directors, which met in Milan under Giorgio Sandi's chairmanship, has approved the Group's interim financial statement as of 30 September 2013, which shows revenues of Euro 352.4 million and EBITDA of Euro 64.5 million, prior to deducting non-recurring costs determined for operating purposes.

Total consolidated income statement	9M 2013	9M 2012 Restated	Diff. %	3Q 2013	3Q 2012 Restated	Diff. %
Revenues	352,4	366,9	(4,0)	99,4	103,1	(3,6)
EBITDA*	64,5	37,9	70,2	15,4	3,6	>100
EBIT	17,9	(11,0)	>100	(0,2)	(12,3)	98,7
Before tax loss	(14,4)	(36,2)	60,1	(13,2)	(20,7)	36,3
Loss pertaining to the Group	(14,5)	(26,5)	45,4	(10,2)	(15,5)	34,3
Base/diluted loss per share	(0,12)	(0,23)	47,8	(0,09)	(0,13)	30,8

The figures are expressed in millions of Euros

* before non recurring costs determined for operating purposes

EBITDA means "Earnings before interest, taxes, depreciation and amortization and non-recurring costs and revenues" indicated in the total income statement. EBIT means "Earnings before interest and taxes" indicated in the total income statement. EBITDA and EBIT are considered alternative performance indicators, but are not measures defined based on International Financial Reporting Standards ("IFRS") and, therefore, may not take into account the requisites set forth in the IFRS in terms of recording, valuation and presentation. We are of the view that EBITDA and EBIT help to explain the 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 and EBIT should not be considered as alternatives to cash flow as a measurement of liquidity. As defined, EBITDA and EBIT may not be comparable with the same indicators as used by other companies.

The Group's revenues for the first nine months of 2013 show a contraction of approximately 4 %, decreasing from Euro 366.9 million in the first nine months of 2012 to Euro 352.4 million in the same period of 2013, which is mainly attributable to the combined effect of an increase in revenues deriving from sports betting and VLTs and the simultaneous fall in revenues from AWP. The revenues deriving from sports bets rose with respect to the same period last year as the result of a favorable payout amounting to 78.6%, down from 84% in the first nine months of 2012. This result is also due to the risk management activities related to sports betting, which the company has reinforced over the period in question.

As regards the rise in revenues from VLTs, this is thanks to the strong expansion of the installed network which, as of the end of June, counted 4,370 terminals.

Important signs of growth are seen in the Remote Games sector, which shows continuous growth both in absolute value and in market share.

The fall in revenues from AWP, on the other hand, is attributable essentially to the lower number of collecting devices, the lower average amount of coin in , as well as the impact of the rise in tax pressure deriving from the increase in the PREU tax which is now 12.7% and consequent decrease in the percentage of revenues kept by the Group.



EBITDA before non-recurring costs determined for operating purposes in the amount of Euro 5.9 million di euro, amounted to Euro 64.5 million in the first nine months of 2013, up 70% from Euro 37.9 million in the same period last year.

The Group EBIT for the first nine months of 2013 amounts to Euro 17.9 million, up from Euro -11 million in the same period last year.

The net results pertaining to the Group for the first nine months of 2013 is negative in the amount of Euro -14.5, as opposed to the loss of Euro – 26.5 in the first nine months of 2012.

The net financial indebtedness of the SNAI Group as of 30 September 2013, amounts to Euro 373.8 million, up from Euro 369.6 million as of yearend 2012. As compared with the end of last year, net financial indebtedness rose by Euro 4.2 million, due to effects in both directions. On the negative side, it was influenced by the payment of 278 Horse Race-Sports Rights (in the amount of Euro 15 million) and other investments and, on the positive side, by the effects of the extended timetable for the payment of the single tax and trends in earnings.

The SNAI performance and development from an operating standpoint.

In the first nine months of 2013, the Group has registered a payout (percentage amount of winnings paid to betters out of total wagers collected) on sports bets, of 78.6%, down from 84% for the same period of 2012.

The volume of sports betting wagers as of 30 September 2013 amounted to Euro 593.2 million, down from Euro 620.5 million in the same period of 2012 (-4.4%). Of this amount, Euro 103.7 million (17.5% of the total) derives from the on-line channel, up from Euro 81.3 million for the same period last year.

Net revenues from sport-based betting, including sport betting pools, amount to Euro 103.6 million, up from Euro 78.1 million in the same period of 2012.

Horse race bets, including national horse racing, as of 30 September 2013 registered wagers of Euro 252.8 million, down 14.3% from the same period last year.

Revenues from horse race betting, including national horse racing, have fallen by Euro 5.6 million and as of 30 September 2013, amount to Euro 21.4 million, down from Euro 27.0 million in the same period of 2012

Revenues from the entertainment device (ADI) segment amount to Euro 185.35 million and include revenues from VLT devices (Video Lotteries) and AWP devices (Slot machines). Total wagers amount to Euro 2,094.1 million as of 30 September 2013, up from Euro 2,040.3 million over the same period in 2012.

The first nine months of 2013 have also shown growth in revenues in the remote gaming segment, with revenues of Euro 18.9 million, up from Euro 16.1 million in the same period of 2012, mainly thanks to the introduction of new casino games and on-line slot machines.

Other material events

On 15 October 2013, SNAI S.p.A. submitted a request to the Court of Auditors, Central Appellate Section, for the facilitated settlement, pursuant to art. 14, of Law Decree no. 102 of 31 August 2013 (the "Decree"), of the appellate proceedings for the appeal of judgment no. 214 issued in the proceedings of first instance by the Court of Auditors, Lazio Section, on 17 February 2012 (the "Judgment").

The Judgment, the final enforceable effects of which have been suspended, had ordered SNAI S.p.A. to pay an amount equal to Euro 210 million as damages to the public coffers due to the alleged failure to comply with certain service levels that were contractually established as part of the concession of the public service for the collection of lawful gaming wagers through fun and entertainment devices.

SNAI S.p.A., while reiterating that it is extraneous to the facts/events alleged, has asked to benefit from the remedy provided under the Decree in consideration of the opportunity to settle the dispute and eliminate any uncertainty with regard to the timing and possible outcome and is working on securing the necessary financial resources.



In particular, SNAI S.p.A. has offered to pay the minimum amount of 25% of the sum ordered under the Judgment, amounting to Euro 52.5 million, being aware that, in the event that it is not admitted to the facilitated settlement procedure, the appellate proceedings could proceed as usual.

The request is currently under review by the Appellate Section of the Court of Auditors which must assess its admissibility and the related council chamber has been scheduled for 30 October 2013.

In the meantime, Law Decree 102/2013 has been converted into Law with amendments that impact upon both the percentage to be paid in order to obtain the facilitated settlement (reduced from 25% to 20%) and the timing of payment (by and not later than 4 November 2013). This means that the company shall file, by and no later than the deadline of 4 November 2013, an addendum-supplementary request, asking to be admitted to the above-mentioned reduction in percentage and attaching proof of the payment of the settlement sum in an amount equal to 20% of the sanction imposed in Judgment No. 214/2012 and, therefore, Euro 42 million plus interests .

Milan, 30 October 2013

The executive in charge of the preparation of financial and corporate documents, Dr. Marco Codella, declares pursuant to paragraph 2 art. 154 bis of the Financial Services Act that the financial disclosure set forth in this press release reflects the data set forth in the Group's accounting documents, books and records.

External relations and press release

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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 implementing regulations, are also available on the company's website, www.snai.it.

Pursuant to the requirements imposed under CONSOB's prot. notice 10084105 dated 13 October 2010, set forth below is the financial disclosure concerning the company and the SNAI Group.

a) Net financial position of the Company and the SNAI Group

	SNAI GROUP		SNAI SPA	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012
a) Liquidity	22,801	11,011	21,915	9,590
b) Current financial receivables	6	7	5,976	3,948
c) Current bank debts	(18,229)	(10,038)	(18,229)	(10,038)
d) Current portion of non-current indebtedness	(30,409)	(16,100)	(30,409)	(16,100)
e) Current financial debts	(4,456)	(10,057)	(7,066)	(12,322)
Net current financial indebtedness	(30,287)	(25,177)	(27,813)	(24,922)
f) Non-current bank debts	(335,516)	(328,866)	(335,516)	(328,866)
g) Other non-current financial receivables/debts	(8,006)	(15,570)	(8,003)	(15,559)
Total net financial indebtedness	(373,809)	(369,613)	(371,332)	(369,347)

The figure are expressed in thousands of Euro

b) SNAI Group's overdue debt positions

Current liabilities	Amount due as of 30.09.2013	Of which the following were overdue as of 30.09.2013
Financial debts	53,094	-
Trade debts	37,548	7,993
Tax debts	22,441	-
Debts owed to Social Security Institutions	2,107	-
Other debts	61,934	-
	177,124	7,993

The figures are expressed in thousands of Euro

The amounts overdue as of 30 September 2013, totaling Euro 7,993 thousand, pertain to current operating amounts owed to suppliers of work, services and materials; such amounts have been, in large part, paid after 30 September 2013. In certain cases, a new payment deadline has been agreed. At present, no initiatives have been taken by any supplier in this regard.

c) Related parties

Consob notice 6064293 issued on 28 July 2006 requires, in addition to what is required under the international accounting standard on "Disclosure in the financial statement on related party transactions" (IAS 24), the disclosure of information on the impact that related party transactions or positions, as classified under the same IAS-24, have on the company's economic and financial condition.

The following table shows such incidence figures. The incidence that such transactions have on the results of operations, as well as cash flows of the company and/or the Group must be analyzed taking into account that the main relationships in place with related parties are completely identical to the equivalent contracts in place with third parties.

The Group performs services for the concession holders that operate the horse race and sports betting acceptance points. Certain concession holders and operators of points of sale (horse race and sports betting shops) were owned by members of the parent company's board of directors who resigned on 14 May 2012. The transactions, which are governed by standardized contracts, are at market conditions that are completely identical to those applicable to third party concession holders.

Certain companies belonging to the SNAI Group maintain relationships with Banca Popolare di Milano, Intesa San Paolo, Banca Popolare di Vicenza and Banco Popolare Company Cooperativa which qualify as parties related to the SNAI Group since they are companies owned by SNAI S.p.A.'s shareholders.

Such transactions were concluded in the Company's interest, in the ordinary course of business and are governed at market terms.

Set forth in the following table is a summary of relationships with SNAI Group's related parties:

Thousands of Euro	30.09.2013	% incidence	31.12.2012	% incidence
Trade receivables:				
- owed by companies related to Snai S.p.A.'s directors	-	0.00%	92	0.10%
- owed by Global Games S.p.A.	-	0.00%	6	0.01%
- owed by companies related to Snai S.p.A.'s shareholders	-	0.00%	30	0.03%
	-	0.00%	128	0.14%
Other current assets:				
- owed by companies related to Snai S.p.A.'s directors	3	0.01%	3	0.01%
	3	0.01%	3	0.01%
Total assets	3	0.00%	131	0.02%
Trade debts:				
- owed to companies related to Snai S.p.A.'s directors	185	0.49%	-	0.00%
- owed to Tivu + S.p.A. in liquidation	43	0.11%	43	0.10%
- owed to Connex S.r.l.	184	0.49%	212	0.48%
- owed to Alfea S.p.A.	-	0.00%	3	0.01%
- owed to companies related to Snai S.p.A.'s directors	9	0.02%	-	0.00%
	421	1.11%	258	0.59%
Other current liabilities:				
- owed to companies related to Snai S.p.A.'s directors	1	0.00%	1	0.00%
- owed to Teleippica S.r.l.'s directors	3	0.00%	-	0.00%
- owed to Global Games S.p.A.	1	0.00%	5	0.01%
	5	0.00%	6	0.01%
Total liabilities	426	0.07%	264	0.04%

Assets are stated on a net basis after taking into account the related reserves.

The following table sets forth the amounts paid by and to related parties:

First nine months 2013

thousands of Euro	01.01.2013- 30.09.2013	% incidence	01.01.2012- 30.09.2012	% incidence
Revenues for services and costs charged back:				
- toward companies related to Snai S.p.A.'s directors	39	0.01%	265	0.07%
- toward companies related to Snai S.p.A.'s shareholders	-	0.00%	18	0.00%
	39	0.01%	283	0.07%
Other revenues				
- toward Global Games S.p.A.	4	0.49%	4	0.30%
- toward companies related to Snai S.p.A.'s shareholders	-	0.00%	94	7.03%
	4	0.49%	98	7.33%
Earned interest:				
- toward companies related to Snai S.p.A.'s directors	-	0.00%	17	2.34%
	-	0.00%	17	2.34%
Total revenues	43	0.01%	398	0.11%
Costs for raw materials and consumables used:				
- by Connex S.r.l.	5	0.41%	-	0.00%
	5	0.41%	-	0.00%
Costs for services and costs charged back:				
- toward companies related to Snai S.p.A.'s directors	251	0.11%	8,597	3.02%
- toward companies related to Snai S.p.A.'s shareholders	15	0.01%	1,016	0.36%
- toward Teleippica S.r.l.'s directors	36	0.02%	-	0.00%
- toward Alfea S.p.A.	-	0.00%	13	0.00%
- by Connex S.r.l.	469	0.20%	536	0.19%
	771	0.34%	10,162	3.57%
Other operating costs:				
- toward companies related to Snai S.p.A.'s directors	9	0.03%	28	0.14%
- by Connex S.r.l.	3	0.01%	-	0.00%
- by Tivu + S.p.A. in liquidation	-	0.00%	21	0.10%
- by Teso S.r.l. in liquidation	-	0.00%	14	0.07%
	12	0.04%	63	0.31%
Total costs	788	0.33%	10,225	3.35%

Third Quarter 2013

thousands of Euro	Q3 2013	% incidence	Q3 2012	% incidence
Revenues for services and costs charged back:				
- toward companies related to Snai S.p.A.'s directors	9	0.01%	67	0.07%
- toward companies related to Snai S.p.A.'s shareholders	-	0.00%	6	0.01%
	9	0.01%	73	0.07%
Other revenues				
- toward Global Games S.p.A.	1	0.67%	1	0.18%
- toward companies related to Snai S.p.A.'s shareholders	-	0.00%	40	7.16%
	1	0.67%	41	7.33%
Total revenues	10	0.01%	114	0.11%

Costs for raw materials and consumables used:

- by Connex S.r.l.	2	0.56%	-	0.00%
	2	0.56%	-	0.00%

Costs for services and costs charged back:

- by companies related to Snai S.p.A.'s directors	67	0.10%	225	0.25%
- by companies related to Snai S.p.A.'s shareholders	13	0.02%	498	0.56%
- toward Teleippica S.r.l.'s directors	22	0.03%	-	0.00%
- toward Alfea S.p.A.		0.00%	13	0.01%
- by Connex S.r.l.	153	0.22%	171	0.19%
	255	0.37%	907	1.03%

Other operating costs:

- toward companies related to Snai S.p.A.'s directors	3	0.04%	28	0.51%
- by Tivu + S.p.A. in liquidation	-	0.00%	21	0.38%
- by Teseo S.r.l. in liquidation	-	0.00%	14	0.26%
	3	0.04%	63	1.15%

Total costs	258	0.34%	970	1.03%
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In the first nine months of 2013, revenues from services and costs charged back and other revenues amount to 0.07% (down from 1.07% in the first nine months of 2012) of results before interest, taxes, depreciation and amortization, while total revenues amount to 0.30% (down from 1.50% in the first nine months of 2012) of Earnings (Loss) in the first nine months of 2013.

Costs for raw materials and consumables used, services and costs charged back and other operating costs amount to 1.33% of results before interest, taxes, depreciation and amortization in the first nine months of 2013 (down from 28.45% in the first nine months of 2012), while total costs amount to 5.36% of Earnings (Loss) in the first nine months of 2013 (down from 38.54% in the first nine months of 2012).

Set forth below is a summary of the related party relationships of the parent company SNAI S.p.A. as of 30 September 2013, as required under Consob protocol notice no. 10084105 dated 13 October 2010.

Parent Company SNAI S.p.A.

Set forth below is a summary of the related party relationships of the parent company SNAI S.p.A.:

thousands of Euro	30.09.2013	31.12.2012
Trade receivables:		
- owed by Global Games S.p.A.	-	6
- owed by Società Trenno S.r.l.	581	359
- owed by Festa S.r.l.	13	17
- owed by Immobiliare Valcarenga S.r.l.	3	4
- owed Teleippica S.r.l.	86	59
- owed by companies related to Snai S.p.A.'s shareholders	-	31
Total trade receivables	683	476
Other current assets:		
- owed by companies related to Snai S.p.A.'s directors	3	-
- owed by Società Trenno S.r.l.	-	6
- owed by Festa S.r.l.	743	709
- owed by Immobiliare Valcarenga S.r.l.	79	62
- owed by Teleippica S.r.l.	1,340	857
- owed by companies related to Snai S.p.A.'s shareholders	-	2
Total other current assets	2,165	1,636

Financial receivables:

- owed by Società Trenno S.r.l.	3,971	2,821
- owed by Teleippica S.r.l.	1,989	1,113
- Owed by SNAI France SAS in liquidazione	10	7

Total financial receivables	5,970	3,941
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Total assets	8,818	6,053
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Trade debts:

- owed to companies related to Snai S.p.A.'s directors	185	-
- owed to Società Trenno S.r.l.	74	15
- owed to Festa S.r.l.	553	516
- owed to Teleippica S.r.l.	256	254
- owed to Connex S.r.l.	176	212
- owed to Tivu + S.p.A. in liquidation	43	43
- owed to Alfea S.p.A.	-	3

Total trade debts	1,287	1,043
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Other current liabilities

- owed to companies related to Snai S.p.A.'s directors	1	1
- owed to Global Games S.p.A.	1	6
- owed to Società Trenno S.r.l.	4,307	2,593
- owed to Festa S.r.l.	192	194
- owed to Immobiliare Valcarenga S.r.l.	-	1
- owed to Teleippica S.r.l.	5	5

Total Other Current Liabilities	4,506	2,800
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Current financial debts:

- owed to Festa S.r.l.	2,375	2,057
- owed to Immobiliare Valcarenga S.r.l.	244	221

Total current financial debts	2,619	2,278
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Total liabilities	8,412	6,121
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The assets are stated on a net basis after taking into account the related reserves.

The following table sets forth amounts paid by and to related parties:

thousands of Euro	01.01.2013- 30.09.2013	01.01.2012- 30.09.2012
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Revenues from services and costs charged back:

- toward companies related to Snai S.p.A.'s directors	1	198
- toward Società Trenno S.r.l.	1,819	2,022
- toward companies related to Snai S.p.A.'s shareholders	-	18

Total revenues from services and costs charged back	1,820	2,238
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Other revenues

- toward Global Games S.p.A.	4	4
- toward Società Trenno S.r.l.	811	2,185
- toward Festa S.r.l.	85	94
- toward Mac Horse S.r.l.	-	24
- toward Immobiliare Valcarenga S.r.l.	9	8

- toward SNAI Olé S.A.	-	1
- toward SNAI France SAS in liquidation	-	1
- toward Faste S.r.l. in liquidation	-	1
- toward Teleippica S.r.l.	345	385
- toward companies related to Snai S.p.A.'s shareholders	-	94
Total other revenues	1,254	2,797
Earned interest:		
- toward companies related to Snai S.p.A.'s directors	-	17
- toward Società Trenno S.r.l.	207	166
- toward Festa S.r.l.	-	1
- toward Faste S.r.l. in liquidazione	-	8
- toward Teleippica S.r.l.	113	2
Total earned interest	320	194
Total revenues	3,394	5,229
Costs for services and costs charged back:		
- toward companies related to Snai S.p.A.'s directors	243	8,572
- by Società Trenno S.r.l.	300	207
- by Festa S.r.l.	4,014	3,695
- by Mac Horse S.r.l.	-	230
- by Teleippica S.r.l.	1,710	1,685
- by Connex S.r.l.	469	536
- by Alfea S.p.A.	-	13
- by companies related to Snai S.p.A.'s shareholders	3	1,016
Total costs for services and costs charged back	6,739	15,954
Costs for seconded personnel and miscellaneous personnel costs		
- by Società Trenno S.r.l.	43	103
- by Festa S.r.l.	86	-
- by Teleippica S.r.l.	24	1
Total costs of seconded personnel	153	104
Miscellaneous operating costs		
- toward companies related to Snai S.p.A.'s directors	9	28
- by Connex S.r.l.	3	-
- by Società Trenno S.r.l.	4	11
- by Tivu + S.p.A. in liquidation	-	21
- by Teseo S.r.l. in liquidation	-	14
Total miscellaneous operating costs	16	74
Interest payable and fees		
Interest payable by Festa S.r.l.	89	90
Interest payable by Mac Horse S.r.l.	-	12
Interest payable by Immobiliare Valcarenga S.r.l.	9	7
Interest payable by Teleippica S.r.l.	-	59
Total interest payable and fees	98	168
Total costs	7,006	16,300



d) Status of the Group's debt restructuring plan and development plans.

Thanks to the successful conclusion of the renegotiation of the Group's financial indebtedness in March 2011, the Group has attained continuity in the financial funding necessary to support its development plans.

The Directors are of the view that the development and expansion of the Group's core business operations will lead to the achievement of financial stability and the generation of adequate cash flows.

We have also, on numerous occasions, stressed that the Group's capacity to achieve such stability is principally dependent upon the attainment of operating, economic and financial results that are substantially in line with those envisaged in the company's forecasts. In this regard, the Directors are aware that the strategic objectives identified and reflected in the 2013 Budget and the 2014-2015 guidelines prepared for purposes of financial statement valuations, include inevitable elements of uncertainty due to the unpredictability of future events and the characteristics of the relevant market, which could have adverse effects on the capacity to achieve future earnings and cash flows, which also form the basis of the main assessments carried out in the preparation of the interim report as of 30 September 2013. Nonetheless, the Directors are of the view that the strategic objectives mentioned above are reasonable.

Based upon all of the foregoing considerations, the Directors are of the view that the Group is capable of continuing its business operations in the foreseeable future, and have therefore drafted the financial statement based upon a presumption of business continuity.

e) Financial covenants

The Loan Agreements in place provide for, in line with standard practice for these types of loans, a series of obligations imposed upon the Group.

SNAI S.p.A., has undertaken to comply with financial parameters under agreements reached with Unicredit S.p.A., Banca IMI S.p.A. and Deutsche Bank S.p.A. in connection with the medium/long-term loan transaction for a total amount of Euro 490 million, which was later reduced to Euro 433 million due to the cancellation of the Acquisition Facility credit line of Euro 60 million in November 2012, since it had not been used by the established deadlines. Moreover, an additional drawdown of Euro 3.2 million was made on the Disposal facility.

In particular, such financial parameters refer to the maintenance of certain ratios between cash flows related to financial indebtedness, consolidated EBITDA and investments. EBITDA is defined in the loan agreement and indicates the consolidated results before interest, taxes, depreciation and amortization and all extraordinary and non-recurring items.

The calculation made with regard to the covenants as of 30 September 2013 does not show any surpassing of the contractual parameters.

SNAI S.p.A. is also under an obligation to provide the lenders with periodic evidence of final financial and economic data, as well as key performance indicators for the SNAI Group, with regard to, *inter alia*, EBITDA, net financial indebtedness starting in October 2011.

It should be noted that should SNAI S.p.A. fail to honor such financial covenants and obligations, this could lead to acceleration under its loans.

f) Status of the Industrial Plan.

The 2011 – 2014 Industrial Plan approved by the Board of Directors at the meeting held on 23 March 2011 was based upon:



- The development of the horse racing and the fixed wager sports betting segment in the role of both concession holder and service provider, in line with the strategic approach defined in 2006;
- The launch and development of the VLT segment: through the provisions of the Abruzzo decree, VLT terminals were introduced onto the Italian market which allow for current concession holders operating the network and the paragraph 6a devices (AWPs) to use such terminals. The SNAI Group has purchased 5,052 rights, for an outlay of Euro 76 million, which has been paid in full;
- The launch and development of virtual races which on-line concession holders of the Bersani network are permitted to hold, as well as casino games and cash games activities in the context of development the broader remote gaming market.

At the meeting held on 29 January 2013, the Board of Directors approved the 2013 Budget, focused on the above-mentioned development and growth strategies for the Group. In particular, we confirm the objective of completing the installation of all of the VLTs for which SNAI S.p.A. has obtained the concession (5,052 rights). The VLT segment is the one which shows the highest growth rates and can contribute significantly toward improving the Group's profitability.

Other important points include the optimization of the distribution network through the segmentation of gaming rooms and the achievement of their full potential.

On-line products and services are expected to be further bolstered, with the aim of achieving their full potential for development, also by taking advantage of possible synergies with physical gaming.

The close of the first nine months of 2013 shows EBITDA before non-recurring costs that is better than the first nine months of 2012, but lower than forecasts for the period, due to the following: i) revenues deriving from sports bets substantially in line with forecasts, as the result of lower wagers mitigated by a better payout which amounted to 78.6%; ii) lower revenues and margins generated by the ADI segment within which there was a reduction in average coin in (also at the market level) and the performance of the AWPs was insufficient due in large part to the lower number of bet collection devices following the exit from our network of an important operator which is among the 3 new successful tenderers under the concession agreement; iii) the trends in skill games, which are lower than forecasts in terms of revenues.

Schedules:

- **SNAI Group:**
 - Total consolidated income statement for the first nine months of 2013
 - Total consolidated income statement for the third quarter of 2013
 - Consolidated balance sheet as of 30 September 2013
 - Consolidated cash flow statement as of 30 September 2013

SNAI Group – Total consolidated income statement

expressed in thousands of Euro	First nine months	
	2013	2012 restated
Revenues from sales and services	351,530	365,539
Other revenues and proceeds	821	1,338
Change in inventory of finished and semi-finished goods	1	(2)
Raw materials and consumables used	(1,222)	(874)
Costs for service and the use of third party assets	(238,213)	(284,485)
Costs for personnel	(27,777)	(25,814)
Other operating costs	(27,315)	(20,553)
Costs for internal capitalized works	699	574
Earnings before interest, taxes, depreciation and amortization	58,524	35,723
Amortization and depreciation	(39,794)	(46,203)
Other amounts set aside	(816)	(508)
Earnings before interest and taxes	17,914	(10,988)
Proceeds and costs from shareholdings	(413,0)	2,198
Financial proceeds/earned interest	998	727
Financial costs/paid interest	(32,936)	(28,092)
Total interest (paid and earned)	(32,351)	(25,167)
EARNINGS (LOSS) BEFORE TAXES	(14,437)	(36,155)
Income taxes	(35)	9,627
Earnings (loss) for the period	(14,472)	(26,528)
Total other components of the total income statement that will not be subsequently reclassified in the earnings/(loss) for the year, net of taxes	0	0
Net (loss)/earnings from cash flows (cash flow hedges)	2,933	(3,324)
Total other components of the total income statement that will be subsequently reclassified in the earnings/(loss) for the year, net of taxes	2,933	(3,324)
Total earnings/(loss) on the total income statement, after deducting taxes	2,933	(3,324)
Total earnings/(loss) for the period	(11,539)	(29,852)
<i>Attributable to:</i>		
Earnings (loss) for the period pertaining to the Group	(14,472)	(26,528)
Earnings (loss) for the period pertaining to Third Parties	0	0
Total earnings (loss) for the period pertaining to the Group	(11,539)	(29,852)
Total earnings (loss) for the period pertaining to Third Parties	0	0
Earnings (loss) per base share in Euro	(0.12)	(0.23)
Earnings (loss) per diluted share in Euro	(0.12)	(0.23)

SNAI Group – Total consolidated income statement

Expressed in thousands of Euro	Q3	
	2013	2012 restated
Revenues from sales and services	99,230	102,497
Other revenues and proceeds	149	559
Change in inventory of finished and semi-finished goods	0	1
Raw materials and consumables used	(354)	(211)
Costs for services and the use of third party assets	(68,746)	(88,284)
Costs for personnel	(8,628)	(7,858)
Other operating costs	(7,585)	(5,490)
Costs for internal capitalized works	225	192
Earnings before interest, taxes depreciations and amortization	14,291	1,406
Amortization and depreciation	(13,925)	(13,424)
Other amounts set aside	(524)	(234)
Earnings (loss) before interest and taxes	(158)	(12,252)
Proceeds and costs from shareholdings	(295)	0
Financial proceeds/earned interest	259	241
Financial costs/paid interest	(12,970)	(8,658)
Total interest (paid and earned)	(13,006)	(8,417)
EARNINGS (LOSS) BEFORE TAXES	(13,164)	(20,669)
Income taxes	2,963	5,140
Earnings (loss) for the period	(10,201)	(15,529)
Total other components of the total income statement that will not be subsequently reclassified in the earnings/(loss) for the year, net of taxes	0	0
Net (Loss)/earnings from cash flow hedges	442	(1,060)
Total other components of the total income statement that will be subsequently reclassified in the earnings/(loss) for the year, net of taxes	442	(1,060)
Totale earnings/(loss) on the income statement, after deducting taxes	442	(1,060)
Total earnings/(loss) for the period	(9,759)	(16,589)
<i>Attributable to:</i>		
Earnings (loss) for the period pertaining to the Group	(10,201)	(15,529)
Earnings (loss) for the period pertaining to Third Parties	0	0
Total earnings (loss) for the period pertaining to the Group	(9,759)	(16,589)
Total earnings (loss) for the period pertaining to Third Parties	0	0
Earnings (loss) per base share in Euro	(0.09)	(0.13)
Earnings (loss) per diluted share in Euro	(0.09)	(0.13)

SNAI Group – Consolidated balance sheet

Expressed in thousands of Euro	30.09.2013	31.12.2012
ASSETS		
Non-current assets		
Owned real estate, plants and machinery	141,097	134,819
Assets under financial lease	11,562	17,294
Total tangible fixed assets	152,659	152,113
Goodwill	231,531	231,531
Other intangible assets	143,682	151,409
Total intangible fixed assets	375,213	382,940
Shareholdings appraised on a net equity basis	2,850	3,264
Shareholdings in other enterprises	46	46
Total shareholdings	2,896	3,310
Taxes paid in advance	67,619	63,879
Other non-financial assets	2,681	2,341
Total non-current assets	601,068	604,583
Current assets		
Inventories	2,349	3,384
Trade receivables	83,054	91,837
Other assets	23,792	36,364
Current financial assets	19,271	10,249
Disponibilità liquide e mezzi equivalenti	22,800	11,010
Total current assets	151,266	152,844
TOTAL ASSETS	752,334	757,427
LIABILITIES AND NET SHAREHOLDERS' EQUITY		
Net Shareholders' Equity pertaining to the Group		
Share capital	60,749	60,749
Reserves	106,413	146,040
Earnings (loss) for the period	-14,472	-42,560
Total Net Shareholders' Equity of the Group	152,690	164,229
Net Shareholders' Equity of third parties		
Total Net Shareholders' Equity	152,690	164,229
Non-current Liabilities		
Severance indemnity	4,546	5,190
Non-current financial liabilities	343,522	344,436
Deferred taxes	51,297	48,150
Funds for future risks and costs	15,716	25,136
Miscellaneous debts and other non-current liabilities	4,189	1,951
Total non-current liabilities	419,270	424,863
Current liabilities		
Trade debts	37,548	44,239
Other liabilities	89,732	87,901
Current financial liabilities	22,685	20,095
Current portions of long-term loans	30,409	16,100
Total financial liabilities	53,094	36,195
Total current liabilities	180,374	168,335
TOTAL LIABILITIES AND NET SHAREHOLDERS' EQUITY	752,334	757,427

SNAI Group – Consolidated Cash Flow Statement

Expressed in thousands of Euro		30.09.2013	30.09.2012 restated
A.	OPERATING CASH FLOW		
	Earnings (loss) for the period pertaining to the Group	(14,472)	(26,528)
	Earnings (loss) for the period pertaining to third parties	0	0
	Amortization and depreciation	39,794	46,203
	Net change in assets (liabilities) on account of taxes paid in advance (deferred)	(1,706)	(9,772)
	Change in risks fund	(9,420)	(1,101)
	(Capital gains) capital losses from the realization of non-current assets (including shareholdings)	119	230
	Quota of results of shareholdings appraised using the net equity method (-)	414	(2,198)
	Net change in non-current trade assets and liabilities and miscellaneous changes	1,898	(4,274)
	Net change in current trade assets and liabilities and miscellaneous changes	17,530	9,810
	Net change in severance indemnity	(644)	(537)
	CASH FLOW GENERATED (ABSORBED) BY OPERATIONS (A)	33,513	11,833
B.	CASH FLOW FROM INVESTMENTS		
	Investments in tangible assets (-)	(15,363)	(11,820)
	Investments in intangible assets (-)	(17,465)	(1,374)
	Investments in other non-current assets (-)	0	0
	Acquisition of shareholdings in subsidiaries, net of acquired liquidity	0	0
	Proceeds received from the sale of tangible, intangible and other non-current assets	96	32
	CASH FLOW GENERATED (ABSORBED) BY INVESTMENTS (B)	(32,732)	(13,162)
C.	CASH FLOW FROM FINANCIAL ASSETS		
	Change in financial receivables and other financial assets	(9,022)	(1,503)
	Change in financial liabilities	(7,617)	(33,061)
	Repayment of loan	(4,600)	0
	Opening/disbursement of loan	32,248	12,000
	Change in debts owed to PAS on an installment basis for the purchase of "concessions" business units	0	(329)
	CASH FLOW GENERATED (ABSORBED) BY FINANCIAL ASSETS (C)	11,009	(22,893)
D.	CASH FLOW FROM TERMINATED ASSETS/ ASSETS HELD FOR SALE (D)		
E.	TOTAL CASH FLOW (A+B+C+D)	11,790	(24,222)
F.	INITIAL NET FINANCIAL LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)	11,010	40,282
G.	NET EFFECT OF THE CONVERSION OF FOREIGN CURRENCY ON LIQUIDITY		
H.	FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS) (E+F+G)	22,800	16,060
	RECONCILIATION OF FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS):		
	CASH AND OTHER LIQUIDITY NET OF SHORT-TERM FINANCIAL DEBTS AT THE BEGINNING OF THE PERIOD, DETAILED AS FOLLOWS:		
	Cash and cash equivalents	11,010	40,282
	Bank overdrafts		
	Operating assets terminated		
		11,010	40,282
	CASH AND CASH EQUIVALENTS NET OF SHORT-TERM FINANCIAL DEBTS AT THE END OF THE PERIOD, DETAILED AS FOLLOWS:		
	Cash and cash equivalents	22,800	16,060
	Bank overdrafts		
	Operating assets terminated		
		22,800	16,060