

**Press release**

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

**SNAI Group – Half-year Report as of 30 June 2013**

**Key consolidated economic and financial data**

- Revenues of Euro 253 million
- EBITDA of Euro 49.1 million (prior to deducting non-recurring costs determined for operating purposes)
- Net financial position of Euro -346.8 million

Milan, 31 July 2013 – SNAI S.p.A.'s Board of Directors, which met in Milan under Giorgio Sandi's chairmanship, has approved the Group's half-year financial report as of 30 June 2013, which shows revenues of Euro 253 million and EBITDA of Euro 49.1 million, prior to deducting non-recurring costs determined for operating purposes.

Total consolidated income statement	H1 2013	H1 2012	Diff. %
<b>Revenues</b>	253.0	263.8	(4.1)
<b>EBITDA*</b>	49.1	34.3	43.1
<b>EBIT</b>	18.1	1.3	>100
<b>Before tax loss</b>	(1.3)	(15.5)	91.8
<b>Loss pertaining to the Group</b>	(4.3)	(11.0)	61.2
<b>Base/diluted loss per share</b>	(0.04)	(0.09)	55.6

All 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 determined for operating purposes" 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 six months of 2013 show a contraction of 4.1%, decreasing from Euro 263.8 million in the first half of 2012 to Euro 253 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 77.2%, down from 82.4% in the first half of 2012. This result is also due to the actions taken to manage the risk associated with sports betting acceptance operations, which the company has reinforced over the same period. 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 4,234 terminals on the territory.

Important signs of growth are seen in the skill games sector, with regard to both revenues and market share. The fall in revenues from AWP is, on the other hand, attributable essentially to the lower number of wager collecting devices falling the exit from our network of an important client which as of 20 March 2013 has become a direct concession holder, and the impact of the rise in tax pressure, since the PREU has risen to 12.7%. EBITDA, before non-recurring costs determined for operating purposes, amounts to Euro 49.1 million in the first half of 2013, up from Euro 34.3 million (up 43.1%).

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The group's EBIT for the first half of 2013 amounts to Euro 18.1 million, up from Euro 1.3 million in the same period last year.

The net loss pertaining to the Group in the first half of 2013 amounts to Euro 4.3 million, which is down from a loss of Euro 11 million in the first half of 2012.

SNAI Group's net financial position, as of 30.06.2013, shows net indebtedness of Euro 346.8 million, down from Euro 369.6 million at yearend 2012. As compared to yearend 2012, net financial exposures fell by Euro 22.8 million, which is mainly attributable to the favorable trend in earnings. Furthermore, it should be noted that in June 2013, the Group received reimbursement of the ADI security deposit that had been paid in 2012, amounting to approximately euro 14 million.

### **The SNAI performance and development from an operating standpoint.**

In the first half of 2013, the Group has registered a payout (percentage amount of winnings paid to betters out of total wagers collected) on sports bets, of 77.2%, down from 82.4% for the same period of 2012.

The volume of sports betting wagers as of 30 June 2013 amounted to Euro 570.3 million, down from Euro 625.6 million in the same period of 2012 (-8.8%). Of this amount, Euro 75.8 million (13.3% of the total) derives from the on-line channel, up from Euro 61.8 million for the same period last year.

Net revenues from sport-based betting, including sport betting pools, amount to Euro 79.6 million, up from Euro 65.5 million in the same period of 2012.

Horse race bets, including national horse racing, as of 30 June 2013 registered total wagers of Euro 244.9 million, down 14.2% from the same period last year due to the continuation of the crisis affecting the national horse racing segment.

Revenues from horse race betting, including national horse racing, have fallen by Euro 3.4 and as of 30 June 2013, amount to Euro 15.5 million, down from Euro 18.9 million in the same period of 2012.

Revenues from the entertainment device (ADI) segment amount to Euro 128.7 million and include revenues from VLT devices (Video Lotteries) and AWP devices (Slot machines). Total wagers amount to Euro 1,457.2 million as of 30 June 2013, up from Euro 1,365,6 over the same period in 2012.

The first half of 2013 has also shown growth in revenues in the remote gaming segment, with revenues of Euro 13.3 million, up from Euro 11.4 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 29 May 2013, the final list of winners was published for the tender procedure for the grant of the concession for the operation of public games referred to in article 10, paragraph 9-octies, of Law Decree 2 March 2012 no. 16, converted with amendments from Law No. 44 of 26 April 2012, and SNAI S.p.A. was named winner of 278 rights. On 3 July 2013, SNAI filed the required documentation with ADM.

*Milan, 31 July 2013*

### **External relations and press release**

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*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.*

***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](http://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	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
a) Liquidity	30,249	11,011	29,312	9,590
b) Current financial receivables	6	7	8,539	3,948
c) Current bank debts	(19,228)	(10,038)	(19,228)	(10,038)
d) Current portion of non-current indebtedness	(28,189)	(16,100)	(28,189)	(16,100)
e) Current financial debts	(6,578)	(10,057)	(9,032)	(12,322)
<b>Net current financial indebtedness</b>	<b>(23,740)</b>	<b>(25,177)</b>	<b>(18,598)</b>	<b>(24,922)</b>
f) Non-current bank debts	(313,727)	(328,866)	(313,727)	(328,866)
g) Other non-current financial receivables/debts	(9,357)	(15,570)	(9,352)	(15,559)
<b>Total net financial indebtedness</b>	<b>(346,824)</b>	<b>(369,613)</b>	<b>(341,677)</b>	<b>(369,347)</b>

\* The figures are expressed in thousands of Euro

**b) SNAI Group's overdue debt positions**

Curret liabilities	Amount due as of 30.06.2013	Of which the following were overdue as of 30.06.2013
Financial debts	53,995	
Commercial/trade debts	39,127	7,341
Tax debts	31,447	
Debts owed to Social Security Institutions	2,301	
Other debts	62,387	
	<b>189,257</b>	<b>7,341</b>

The figures are expressed in thousands of Euro

The amounts overdue as of 30 June 2013, totaling Euro 7,341 thousand, pertain to current operating amounts owed to suppliers of work, services and materials; such amounts have been, in large part, paid after 30 June 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 pace 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	30.06.2013	% incidence	31.12.2012	% incidence
<b>Trade receivables:</b>				
- 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%
	-	<b>0.00%</b>	<b>128</b>	<b>0.14%</b>
<b>Oter current assets:</b>				
- owed by companies related to SNAI S.p.A.'s directors	-	0.00%	3	0.01%
	-	<b>0.00%</b>	<b>3</b>	<b>0.01%</b>
<b>Total assets</b>	-	<b>0.00%</b>	<b>131</b>	<b>0.02%</b>
<b>Trade debts:</b>				
- owed to companies related to SNAI S.p.A.'s directors	75	0.19%	-	0.00%
- owed to Tivu + S.p.A. in liquidation	43	0.11%	43	0.10%
- owed to Connex S.r.l.	221	0.56%	212	0.48%
- owed to Alfea	-	0.00%	3	0.01%
	<b>339</b>	<b>0.86%</b>	<b>258</b>	<b>0.59%</b>
<b>Other current liabilities:</b>				
- owed to companies related to SNAI S.p.A.'s directors	-	0.00%	1	0.00%
- owed to Teleippica's S.r.l. directors	4	0.00%	-	0.00%
- owed to Global Games S.p.A.	2	0.00%	5	0.01%
	<b>6</b>	<b>0.00%</b>	<b>6</b>	<b>0.01%</b>
<b>Total liabilities</b>	<b>345</b>	<b>0.06%</b>	<b>264</b>	<b>0.04%</b>

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 :

#### H1 2013

thousands of Euro	H1 2013	% incidence	H1 2012	% incidence
<b>Revenues for services and costs charged back:</b>				
- toward companies related to SNAI S.p.A.'s directors	30	0.01%	198	0.08%
- toward companies related to SNAI S.p.A.'s shareholders	-	0.00%	12	0.00%
	<b>30</b>	<b>0.01%</b>	<b>210</b>	<b>0.08%</b>
<b>Other revenues</b>				
- toward Global Games S.p.A.	3	0.45%	3	0.39%
- toward companies related to SNAI S.p.A.'s shareholders	-	0.00%	54	6.93%

	<b>3</b>	<b>0.45%</b>	<b>57</b>	<b>7.32%</b>
<b>Earned interest:</b>				
- toward companies related to SNAI S.p.A.'s directors	-	0.00%	17	3.50%
	<b>-</b>	<b>0.00%</b>	<b>17</b>	<b>3.50%</b>
<b>Total revenues</b>	<b>33</b>	<b>0.01%</b>	<b>284</b>	<b>0.11%</b>
<b>Costs for raw materials and consumables used:</b>				
- by Connex S.r.l.	3	0.35%	-	0.00%
	<b>3</b>	<b>0.35%</b>	<b>-</b>	<b>0.00%</b>
<b>Costs for services and costs charged back:</b>				
- toward companies related to SNAI S.p.A.'s directors	184	0.11%	8,372	4.27%
- toward companies related to SNAI S.p.A.'s shareholders	2	0.00%	518	0.26%
- toward Teleippica's S.r.l. directors	14	0.01%	-	0.00%
- by Connex S.r.l.	316	0.19%	365	0.19%
	<b>516</b>	<b>0.31%</b>	<b>9,255</b>	<b>4.72%</b>
<b>Other operating costs:</b>				
- toward companies related to SNAI S.p.A.'s directors	6	0.03%	-	0.00%
- by Connex S.r.l.	3	0.02%	-	0.00%
	<b>9</b>	<b>0.05%</b>	<b>-</b>	<b>0.00%</b>
<b>Total costs</b>	<b>528</b>	<b>0.28%</b>	<b>9,255</b>	<b>4.72%</b>

### Second Quarter 2013

thousands of Euro	Q2 2013	% incidence	Q2 2012	% incidence
<b>Revenues for services and costs charged back:</b>				
- toward companies related to SNAI S.p.A.'s directors	1	0.00%	96	0.08%
- toward companies related to SNAI S.p.A.'s shareholders	-	0.00%	12	0.01%
	<b>1</b>	<b>0.00%</b>	<b>108</b>	<b>0.09%</b>
<b>Other revenues</b>				
- toward Global Games S.p.A.	2	0.55%	2	0.06%
- toward companies related to SNAI S.p.A.'s shareholders	-	0.00%	39	1.24%
	<b>2</b>	<b>0.55%</b>	<b>41</b>	<b>1.30%</b>
<b>Total revenues</b>	<b>3</b>	<b>0.00%</b>	<b>149</b>	<b>0.12%</b>
<b>Costs for services and costs charged back:</b>				
- by companies related to SNAI S.p.A.'s directors	177	0.22%	3,332	3.43%
- by companies related to SNAI S.p.A.'s shareholders	1	0.00%	308	0.32%
- toward Teleippica's S.r.l. directors	14	0.02%	-	0.00%
- by Connex S.r.l.	172	0.22%	178	0.18%
	<b>364</b>	<b>0.46%</b>	<b>3,818</b>	<b>3.93%</b>
<b>Other operating costs:</b>				
- toward companies related to SNAI S.p.A.'s directors	3	0.03%	-	0.00%
	<b>3</b>	<b>0.03%</b>	<b>-</b>	<b>0.00%</b>
<b>Total costs</b>	<b>367</b>	<b>0.41%</b>	<b>3,818</b>	<b>3.93%</b>



In the first half of 2013, revenues from services and costs charged back and other revenues pertaining to related parties amount to 0.07% (down from 0.78% in the first half of 2012) of results before interest, taxes, depreciation and amortization, while total revenues pertaining to related parties amount to 0.77% (down from 2.58% in the first half of 2012) of Earnings (Loss) in the first half of 2013.

Costs for raw materials and consumables used, services and costs charged back and other operating costs pertaining to related parties amount to 1.19% of results before interest, taxes, depreciation and amortization in the first half of 2013 (down from 26.97% in the first half of 2012), while total costs pertaining to related parties amount to 12.36% of Earnings (Loss) in the first half of 2013 (down from 84.14% in the first half of 2012).

#### 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	30.06.2013	31.12.2012
<b>Trade receivables:</b>		
- owed by Global Games S.p.A.	-	6
- owed by Company Trenno S.r.l.	547	359
- owed by Festa S.r.l.	13	17
- owed by Immobiliare Valcarenga S.r.l.	3	4
- owed by Teleippica S.r.l.	66	59
- owed by companies related to SNAI S.p.A.'s shareholders	-	31
<b>Total trade receivables</b>	<b>629</b>	<b>476</b>
<b>Other current assets:</b>		
- owed by Company Trenno S.r.l.	1	6
- owed by Festa S.r.l.	698	709
- owed by Immobiliare Valcarenga S.r.l.	74	62
- owed by Teleippica S.r.l.	1,310	857
- owed by companies related to SNAI S.p.A.'s shareholders	-	2
<b>Total other current assets</b>	<b>2,083</b>	<b>1,636</b>
<b>Financial receivables:</b>		
- owed by Company Trenno S.r.l.	3,378	2,821
- owed by Teleippica S.r.l.	5,145	1,113
- owed by SNAI France SAS	9	7
<b>Total financial receivables</b>	<b>8,532</b>	<b>3,941</b>
<b>Total assets</b>	<b>11,244</b>	<b>6,053</b>
<b>Trade debts:</b>		
- owed to companies related to Snai S.p.A.'s directors	75	-
- owed to Company Trenno S.r.l.	122	15
- owed to Festa S.r.l.	741	516
- owed to Teleippica S.r.l.	254	254
- owed to Connex S.r.l.	218	212
- owed to Tivu + S.p.A. in liquidation	43	43
- owed to Alfea S.p.A.	-	3
<b>Total trade debts</b>	<b>1,453</b>	<b>1,043</b>

**Other current liabilities:**

- owed to companies related to SNAI S.p.A.'s directors	-	1
- owed to Global Games S.p.A.	2	6
- owed to Company Trenno S.r.l.	3,676	2,593
- owed to Festa S.r.l.	194	194
- owed to Immobiliare Valcarenga S.r.l.	1	1
- owed to Teleippica S.r.l.	10	5
<b>Total Other Current Liabilities</b>	<b>3,883</b>	<b>2,800</b>

**Current financial debts:**

- owed to Festa S.r.l.	2,234	2,057
- owed to Immobiliare Valcarenga S.r.l.	228	221
<b>Total current financial debts</b>	<b>2,462</b>	<b>2,278</b>
<b>Total liabilities</b>	<b>7,798</b>	<b>6,121</b>

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	H1 2013	H1 2012
<b>Revenues from services and costs charged back:</b>		
- toward companies related to SNAI S.p.A.'s directors	-	198
- toward Company Trenno S.r.l.	1,211	1,353
- toward companies related to SNAI S.p.A.'s shareholders	-	12
<b>Total revenues from services and costs charged back</b>	<b>1,211</b>	<b>1,563</b>
<b>Other revenues</b>		
- toward Global Games S.p.A.	3	3
- toward Company Trenno S.r.l.	486	1,529
- toward Festa S.r.l.	56	66
- toward Mac Horse S.r.l. (cancelled from the Companies Register in 2012)	-	16
- toward Immobiliare Valcarenga S.r.l.	6	5
- toward SNAI Olé S.A.	-	1
- toward SNAI France	-	1
- toward Faste S.r.l. in liquidation (cancelled from the Companies Register in 2012)	-	1
- toward Teleippica S.r.l.	230	272
- toward companies related to SNAI S.p.A.'s shareholders	-	54
<b>Total Other Revenues</b>	<b>781</b>	<b>1,948</b>
<b>Earned interest:</b>		
- toward companies related to SNAI S.p.A.'s directors	-	17
- toward Società Trenno S.r.l.	151	113
- toward Faste S.r.l. in liquidation (cancelled from the Companies Register in 2012)	-	8
- toward Teleippica S.r.l.	72	-
<b>Total earned interest</b>	<b>223</b>	<b>138</b>
<b>Total revenues</b>	<b>2,215</b>	<b>3,649</b>

**Costs for services and costs charged back:**

- toward companies related to SNAI S.p.A.'s directors	176	8,362
- by Company Trenno S.r.l.	195	140
- by Festa S.r.l.	2,700	2,468
- by Mac Horse S.r.l. (cancelled from the Companies Register in 2012)	-	230
- by Teleippica S.r.l.	1,141	1,113
- by Connex S.r.l.	316	365
- by companies related to SNAI S.p.A.'s shareholders	2	518
<b>Total costs for services and costs charged back</b>	<b>4,530</b>	<b>13,196</b>

**Costs for seconded personnel and miscellaneous personnel costs**

- by Company Trenno S.r.l.	44	68
- by Festa S.r.l.	48	-
- by Teleippica S.r.l.	16	1
<b>Total costs for seconded personnel</b>	<b>108</b>	<b>69</b>

**Miscellaneous operating costs**

- toward companies related to SNAI S.p.A.'s directors	6	-
- by Connex S.r.l.	3	-
- by Company Trenno S.r.l.	2	7
<b>Total miscellaneous operating costs</b>	<b>11</b>	<b>7</b>

**Interest payable and fees**

Interest payable by Festa S.r.l.	57	59
Interest payable by Mac Horse S.r.l. (cancelled from the Companies Register in 2012)	-	9
Interest payable by Immobiliare Valcarenga S.r.l.	6	5
Interest payable by Teleippica S.r.l.	-	40
<b>Total interest payable and fees</b>	<b>63</b>	<b>113</b>
<b>Total costs</b>	<b>4,712</b>	<b>13,385</b>

**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 also 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 this interim report. 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 430 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.

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.

During the month of November 2012, an amendment to the Facilities Agreement in place was negotiated, through which the parameters for the calculation of the Senior Leverage Ratio (SLR) and Senior Interest Coverage (SIC) covenants were renegotiated for periods ended 31 December 2012, 31 March 2013 and 30 June 2013. This amendment, through an upward adjustment in EBITDA by an agreed amount, aims to sterilize the effects of the two exception events which adversely affect the calculation of the two ratios (the Barcrest event and the level of payouts on sports betting in the month of September 2012). The amendment proposal was accepted by the MLAs on 23 November 2012.

The calculation made with regard to the covenants as of 30 June 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 launch of games related to Virtual Events is also expected to take place in last quarter of year 2013.

The close of the first half of 2013 shows EBITDA before non-recurring costs that is better than original expectations for the period, thanks to: i) an increase in revenues deriving from sports bets thanks to the favorable payout, which amounted to 77.2%, down from 82.4% in the first half of 2012; ii) an increase in revenues and margins generated from



the VLT segment; iii) an increase in the performance of skill games, which has risen in terms of both revenues and market shares; and iv) a decrease in revenues from AWP's attributable in large part to the lower number of collection devices due to the exit from our network of an important operator which is one of the 3 new winners named in the concession agreement. The devices in question will be gradually replaced. Results of operations also exceed the expectations for the period.

**Schedules:**

- **SNAI Group:**  
Total consolidated income statement for the first half of 2013  
Consolidated balance sheet as of 30 June 2013  
Consolidated cash flow statement as of 30 June 2013

**SNAI Group – Total consolidated income statement**

expressed in thousands of Euro	H1 2013	H1 2012
Revenues from sales and services	252,300	263,042
Other revenues and proceeds	672	779
Change in inventory of finished and semi-finished goods	1	(3)
Raw materials and consumables used	(868)	(663)
Costs for services and the use of third party assets	(169,467)	(196,201)
Costs for personnel	(19,149)	(17,956)
Other operating costs	(19,730)	(15,063)
Costs for internal capitalized works	474	382
<b>Earnings before interest, taxes, depreciation and amortization</b>	<b>44,233</b>	<b>34,317</b>
Amortization and depreciation	(25,869)	(32,779)
Other amounts set aside	(292)	(274)
<b>Earnings before interest and taxes</b>	<b>18,072</b>	<b>1,264</b>
Proceeds and costs from shareholdings	(118)	2,198
Financial proceeds/earned interest	739	486
Financial costs/paid interest	(19,966)	(19,434)
<b>Total interest (paid and earned)</b>	<b>(19,345)</b>	<b>(16,750)</b>
<b>EARNINGS (LOSS) BEFORE TAXES</b>	<b>(1,273)</b>	<b>(15,486)</b>
Income taxes	(2,998)	4,487
<b>Earnings (loss) for the period</b>	<b>(4,271)</b>	<b>(10,999)</b>
<b>Total other components of the total income statement that will not be subsequently reclassified in the earnings/(loss) for the year, net of taxes</b>	<b>0</b>	<b>0</b>
Net (loss)/earnings from cash flow hedges	2,491	(2,264)
<b>Total other components of the total income statement that will be subsequently reclassified in the earnings/(loss) for the year, net of taxes</b>	<b>2,491</b>	<b>(2,264)</b>
<b>Total earnings/(loss) on the total income statement, after deducting taxes</b>	<b>2,491</b>	<b>(2,264)</b>
<b>Total earnings/(loss) for the period</b>	<b>(1,780)</b>	<b>(13,263)</b>
<i>Attributable to:</i>		
Earnings (loss) for the period pertaining to the Group	(4,271)	(10,999)
Earnings (loss) for the period pertaining to Third Parties	0	0
Total earnings (loss) for the period pertaining to the Group	(1,780)	(13,263)
Total earnings (loss) for the period pertaining to Third Parties	0	0
Earnings (loss) per base share in Euro	(0.04)	(0.09)
Earnings (loss) per diluted share in Euro	(0.04)	(0.09)

**SNAI Group – Consolidated balance sheet**

expressed in thousands of Euro

**30.06.2013**   **31.12.2012**
**ASSETS**
**Non-current assets**

Owned real estate, plants and machinery 139,600 134,819

Assets under financial lease 13,401 17,294

**Total tangible fixed assets 153,001 152,113**

Goodwill 231,531 231,531

Other intangible fixed assets 136,935 151,409

**Total intangible fixed assets 368,466 382,940**

Shareholdings appraised on a net equity basis 3,146 3,264

Shareholdings in other enterprises 46 46

**Total shareholdings 3,192 3,310**

Taxes paid in advance 63,532 63,879

Other non-financial assets 2,511 2,341

**Total non-current assets 590,702 604,583**
**Current assets**

Inventories 3,000 3,384

Trade receivables 87,200 91,837

Other assets 19,061 36,364

Current financial assets 20,113 10,249

Cash and cash equivalents 30,248 11,010

**Total current assets 159,622 152,844**
**TOTAL ASSETS**
**750,324 757,427**
**LIABILITIES AND NET SHAREHOLDERS' EQUITY**
**Net Shareholders' Equity pertaining to the Group**

Share capital 60,749 60,749

Reserves 105,971 146,040

Earnings (loss) for the period -4,271 -42,560

**Total Net Shareholders' Equity of the Group 162,449 164,229**

Net Shareholders' Equity of third parties

**Total Net Shareholders' Equity 162,449 164,229**
**Non-current Liabilities**

Severance indemnity 4,638 5,190

Non-current financial liabilities 323,084 344,436

Deferred taxes 50,232 48,150

Funds for future risks and costs 16,688 25,136

Miscellaneous debts and other non-current liabilities 1,384 1,951

**Total Non-current Liabilities 396,026 424,863**
**Current liabilities**

Trade debts 39,127 44,239

Other liabilities 98,727 87,901

Current financial liabilities 25,806 20,095

Current portion of long-term loans 28,189 16,100

**Total financial liabilities 53,995 36,195**
**Total current liabilities 191,849 168,335**
**TOTAL LIABILITIES AND NET SHAREHOLDERS' EQUITY 750,324 757,427**

**SNAI Group – Consolidated Cash Flow Statement**

	expressed in thousands of Euro	
	30.06.2013	30.06.2012
<b>A. OPERATING CASH FLOW</b>		
Earnings (loss) for the period pertaining to the Group	(4.271)	(10.999)
Earnings (loss) for the period pertaining to third parties	0	0
Amortization and depreciation	25.869	32.779
Net change in assets (liabilities) on account of taxes paid in advance (deferred)	1.484	(5.385)
Change in risks fund	(8.448)	(1.273)
(Capital gains) capital losses from the realization of non-current assets (including shareholdings)	61	224
Quota of results of shareholdings appraised using the net equity method (-)	118	(2.198)
Net change in non-current trade assets and liabilities and miscellaneous changes	(737)	(2.391)
Net change in current trade assets and liabilities and miscellaneous changes	28.038	18.556
Net change in severage indemnity	(552)	(446)
<b>CASH FLOW GENERATED (ABSORBED) BY OPERATIONS (A)</b>	<b>41.562</b>	<b>28.867</b>
<b>B. CASH FLOW FROM INVESTMENTS</b>		
Investments in tangible assets (-)	(10.546)	(7.674)
Investments in intangible assets (-)	(1.822)	(1.008)
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	24	19
<b>CASH FLOW GENERATED (ABSORBED) BY INVESTMENTS (B)</b>	<b>(12.344)</b>	<b>(8.663)</b>
<b>C. CASH FLOW FROM FINANCIAL ASSETS</b>		
Change in financial receivables and other financial assets	(9.864)	249
Change in financial liabilities	(4.403)	(25.194)
Repayment of loan	(4.600)	0
Opening/disbursement of loan	9.000	3.000
Change in debts owed to PAS on an installment basis for the purchase of "concessions" business units	(113)	(331)
<b>CASH FLOW GENERATED (ABSORBED) BY FINANCIAL ASSETS (C)</b>	<b>(9.980)</b>	<b>(22.276)</b>
<b>D. CASH FLOW FROM TERMINATED ASSETS /ASSETS HELD FOR SALE (D)</b>		
<b>E. TOTAL CASH FLOW (A+B+C+D)</b>	<b>19.238</b>	<b>(2.072)</b>
<b>F. INITIAL NET FINANCIAL LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)</b>	<b>11.010</b>	<b>40.282</b>
<b>G. NET EFFECT OF THE CONVERSION OF FOREIGN CURRENCY ON LIQUIDITY</b>		
<b>H. FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS) (E+F+G)</b>	<b>30.248</b>	<b>38.210</b>
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		
	<b>11.010</b>	<b>40.282</b>
CASH AND CASH EQUIVALENTS NET OF SHORT-TERM FINANCIAL DEBTS AT THE END OF THE PERIOD, DETAILED AS FOLLOWS:		
Cash and cash equivalents	30.248	38.210
Bank overdrafts		
Operating assets terminated		
	<b>30.248</b>	<b>38.210</b>