

Press Release

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

SNAI Group – Results as at 30 September 2014

Main consolidated economic and financial data

- Revenues at Euro 393.9 million in the first nine months of 2014 (+11.8%)
- EBITDA at Euro 81.2 million in the first nine months of 2014 (+25.9%)
- Net financial position of Euro -424 million

Milan, 6 November 2014 – The Board of Directors of SNAI S.p.A., in its meeting which took place in Milan, under the chairmanship of Giorgio Sandi, approved the SNAI Group interim management report as at 30 September 2014, which reports revenue of Euro 393.9 million and EBITDA of Euro 81.2 million.

Consolidated Comprehensive Income Statement	9M 2014	9M 2013	Diff. %	3Q 2014	3Q 2013	Diff. %
Revenues	393.9	352.4	11.8	130.2	99.4	31.0
EBITDA	81.2	64.5	25.9	26.4	15.4	71.7
EBITDA Adj	86.6	69.5	24.6	29.8	16.9	76.6
EBIT	35.3	17.9	97.2	12.0	(0.2)	>100
Profit (loss) before taxes	(9.8)	(14.4)	31.8	(2.5)	(13.2)	80.6
Result pertaining to the Group	(9.9)	(14.5)	31.3	(3.0)	(10.2)	70.9
Basic/Diluted earnings/(loss) per share	(0.09)	(0.12)	25.0	(0.03)	(0.09)	66.7

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 comprehensive income statement. 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 EBITDA and EBIT may not be comparable with the same indicators used by other companies.

In the third quarter of 2014, the Group's performance was better than in the same quarter of 2013. Revenues grew by +31%, exceeding Euro 130 million, while EBITDA reached Euro 26.4 million (+71.7% versus Euro 15.4 million in the third quarter of 2013). In the same period, EBITDA Adj amounted to Euro 29.8 million versus Euro 16.9 million in the third quarter of 2013 (+76.6%) and EBIT also improved sharply, growing from Euro -0.2 million in the third quarter of 2013 to Euro 12 million in the same quarter of 2014.

With reference to the first nine months, the Group's revenues increased by approximately 11.8%, from Euro 352.4 million in 2013 to Euro 393.9 million in the same period of 2014, mainly on account of the combined effect of the increase in revenues from VLTs and the introduction of betting on virtual events launched in December 2013, partially offset by the decrease in revenues from horse racing bets. Revenues from sports betting were substantially stable compared to the same period of the previous year as a result of a better payout (77.2% versus 78.6% of the first nine months of 2013) offset by lower wagers.

Revenues from VLTs grew along with the expansion of the installed network which, at the end of September, comprised 4,858 certified machines nationwide. The remaining 194 rights are being reallocated, as provided by the plan for relocation to more performing premises. However, the good performance was lower than expectations due both to the delay in the availability of the reduced pay out games, and the updating activities requested by ADM.



As stated above, the introduction of betting on virtual events at the end of December 2013 had a significant impact, generating during the period a direct collection of Euro 262.5 million and revenues of Euro 33.4 million.

The revenues from AWP's nearly closed the gap experienced in June relative to the same period of the previous year, but the effect generated by the departure from our network of a major customer who became a direct concession holder on 20 March 2013 has not yet been fully overcome.

Group EBITDA at the end of the first nine months of the year gained +25.9% compared to the same period last year, increasing from Euro 64.5 million of the first 9 months of 2013 to Euro 81.2 million of the same period of 2014.

Group EBIT in the first nine months of 2014 was Euro 35.3 million as compared to Euro 17.9 million in the same period of last year.

The Group profit (loss) before taxes for the first nine months of 2014 was Euro -9.8 million as compared to Euro -14.4 million in the same period of last year. The better result compared to the same period of the last year was reduced by the higher amortisation and depreciation and by the higher burden of financial expenses.

The net loss for the Group in the first nine months of 2014 was Euro 9.9 million as compared to a loss of Euro 14.5 million in the first nine months of 2013.

The net financial indebtedness of the SNAI Group, at 30 September 2014, amounted to Euro 424 million, versus Euro 443.4 million at the end of 2013. The decrease by Euro 19.4 million is mainly due to the good performance of ordinary operations and the benefits generated by the extended payment terms of the tax on betting in the period from May to September 2014.

The performance and development of the SNAI Group within the operating context.

In the first nine months of 2014, the payout (percentage of wins paid to bettors relative to total wagers) on sports betting amounted to 77.2%, versus 78.6% in the same period of 2013.

At 30 September 2014, the volume of wagers on sports based games offered by the company amounted to Euro 551.6 million compared to Euro 593.2 million in the same period last year (-7%). Of these, Euro 99.8 million (18.1% of the total) originated from the on-line channel. The net revenues of sports based games, including pool betting, amounted to Euro 103.8 million compared to Euro 103.6 million in the same period of 2013.

Horse racing bets including National Horse Racing totalled wagers of Euro 183.7 million as at 30 September 2014, down compared to the Euro 252.8 million in the same period of last year (-27.3%).

Revenues from horse racing bets including National Horse Racing declined by Euro 4.6 million and amounted to Euro 16.8 million at 30 September 2014, versus Euro 21.4 million in the same period of 2013.

The revenues from the Gaming Machines segment totalled Euro 199.8 million as compared to Euro 185.35 million in the first nine months of 2013 and include revenues from VLTs (Video Lotteries) and AWP machines (formerly known as Slot Machines). Wagers amounted to Euro 2,063.2 million at 30 September 2014, versus Euro 2,094.1 million in the same period of 2013.

In the first nine months of 2014, there was a drop in revenues from the On Line Skill and Casino Games segment, which amounted to Euro 15.1 million compared to Euro 18.9 million in the same period of 2013.

Particularly significant were the results obtained from betting on virtual events. In the first nine months of 2014 the volume of the wagers was Euro 262.5 million, with net revenues of Euro 33.4 million.

Milan, 6 November 2014

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.



External relations and press office

Valeria Baiotto – Ph. +39.02.4821.6254 – Mobile phone +39.334.600.6818 – e-mail valeria.baiotto@snai.it

Giovanni Fava – Ph. +39.02.4821.6208 – Mobile phone +39.334.600.6819 – e-mail giovanni.fava@snai.it

Luigia Membrino – Ph. +39.02.4821.6217 – Mobile phone +39.348.9740.032 - e-mail luigia.membrino@snai.it

Investor relations

IR Team investor.relations@snai.it

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 present below the information concerning the SNAI companies and Group.

a) Net financial position of the Company and SNAI Group

	SNAI GROUP:		SNAI SPA	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
a) Liquidity	73,954	45,500	72,515	43,861
b) Current financial receivables	0	6	5,777	7,754
c) Current bank debts	(40)	(40)	(40)	(40)
d) Current portion of long-term indebtedness	(19,298)	0	(19,298)	0
e) Current financial payables	(14,614)	(7,467)	(16,775)	(8,423)
Net current financial indebtedness	40,002	37,999	42,179	43,152
f) Non-current bank debts	0	0	0	0
g) Bonds issued	(462,606)	(479,214)	(462,606)	(479,214)
f) Other non-current financial receivables/payables	(1,382)	(2,174)	(1,382)	(2,174)
Total net financial indebtedness	(423,986)	(443,389)	(421,809)	(438,236)

the figures are expressed in thousands of Euro

b) Overdue accounts payable of the SNAI Group

Current liabilities	Balance as of 30.09.2014	of which due on 30.09.2014
Financial payables	33,952	-
Trade payables	35,629	11,621
Tax payables	18,958	-
Payables to social security institutions	1,973	-
Other payables	67,752	-
	158,264	11,621

the figures are expressed in thousands of Euro

The amounts due as of 30 September 2014, i.e. Euro 11,621 thousand, related to the normal transactions with suppliers of services and materials; these amounts have been mostly paid after 30 September 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 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 the 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	30.09.2014	% 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 Companies related to directors of SNAI S.p.A.	4	0.02%	-	0.00%
- from Alfea S.p.A.	-	0.00%	1	0.00%
	4	0.02%	1	0.00%
Total Assets	4	0.00%	7	0.00%
Trade payables:				
- to Companies related to directors of SNAI S.p.A.	8	0.02%	764	2.04%
- to Tivu + S.p.A. in liquidation	43	0.12%	43	0.11%
- to Connex S.r.l.	226	0.63%	201	0.54%
	277	0.77%	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.	-	0.00%	2	0.00%
- to Global Games S.p.A.	1	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	761	0.11%	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:

First nine months of 2014

thousands of Euro	First nine months of 2014	% Impact	First nine months of 2013	% Impact
Revenues from services and chargebacks:				
- from Companies related to directors of SNAI S.p.A.	-	0.00%	39	0.01%
	-	0.00%	39	0.01%
Other revenues				
- from Companies related to directors of SNAI S.p.A.	1	0.17%	-	0.00%
- from Global Games S.p.A.	4	0.69%	4	0.49%
	5	0.86%	4	0.49%
Total revenues	5	0.00%	43	0.01%
Costs for raw materials and consumables used				
- from Connex S.r.l.	-	0.00%	5	0.41%
	-	0.00%	5	0.41%
Costs for services and chargebacks:				
- from Companies related to directors of SNAI S.p.A.	2	0.00%	251	0.11%
- from Companies related to shareholders of SNAI S.p.A.	1	0.00%	15	0.01%
- from Companies related to directors of Teleippica S.r.l.	63	0.02%	36	0.02%
- from Connex S.r.l.	450	0.17%	469	0.20%
	516	0.19%	771	0.34%
Other operating costs:				
- from Companies related to directors of SNAI S.p.A.	9	0.04%	9	0.03%
- from Connex S.r.l.	2	0.01%	3	0.01%
	11	0.05%	12	0.04%
Total costs	527	0.18%	788	0.30%

QIII 2014

thousands of Euro	QIII 2014	% Impact	QIII 2013	% Impact
Revenues from services and chargebacks:				
- from Companies related to directors of SNAI S.p.A.	-	0.00%	9	0.01%
	-	0.00%	9	0.01%
Other revenues				
- from Companies related to directors of SNAI S.p.A.	-	0.00%	-	0.00%
- from Global Games S.p.A.	1	0.54%	1	0.67%
	1	0.54%	1	0.67%
Total revenues	1	0.00%	10	0.01%

Costs for raw materials and consumables used

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

Costs for services and chargebacks:

- from Companies related to directors of SNAI S.p.A.	-	0.00%	67	0.10%
- from Companies related to shareholders of SNAI S.p.A.	1	0.00%	13	0.02%
- from Companies related to directors of Teleippica S.r.l.	22	0.03%	22	0.03%
- from Connex S.r.l.	150	0.17%	153	0.22%
	173	0.20%	255	0.37%

Other operating costs:

- from Companies related to directors of SNAI S.p.A.	3	0.03%	3	0.04%
- from Connex S.r.l.	-	0.00%	-	0.00%
	3	0.03%	3	0.04%

Total costs	176	0.18%	260	0.34%
--------------------	------------	--------------	------------	--------------

Revenues from services and chargebacks and other revenues have a 0.01% effect on Earnings Before Interest, Tax, Depreciation and Amortisation in the first nine months of 2014 (0.07% in the first nine months of 2013), while total income has an effect on the Profit (Loss) of the first nine months of 2014 of 0.05% (0.30% in the first nine months of 2013).

The costs for raw materials and consumables, the costs for services and chargebacks and other operating costs represented 0.67% of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) in the first nine months of 2014 (1.35% in the first nine months of 2013), while total costs are 5.30% of Profit (Loss) of the first nine months of 2014 (5.44% in the first nine months of 2013).

Parent company SNAI S.p.A.

The following table sets forth a summary of dealings between the parent company SNAI S.p.A. and related parties.

thousands of Euro	30.09.2014	31.12.2013
Trade receivables:		
- from Global Games S.p.A.	-	6
- from Società Trenno S.r.l.	294	673
- from Festa S.r.l.	12	19
- from Immobiliare Valcarenga S.r.l.	3	4
- from Teleippica S.r.l.	59	116
Total trade receivables	368	818

Other current assets:

- from companies related to directors	4	-
---------------------------------------	---	---

- from Società Trenno S.r.l.	4	96
- from Festa S.r.l.	1,053	710
- from Immobiliare Valcarenga S.r.l.	83	82
- from Teleippica S.r.l.	1,535	1,460
- from Alfea S.p.A.	-	1
Total other current assets	2,679	2,349

Financial receivables:

- from Società Trenno S.r.l.	1,831	5,190
- from Teleippica S.r.l.	3,946	2,558

Total financial receivables	5,777	7,748
------------------------------------	--------------	--------------

Total Assets	8,824	10,915
---------------------	--------------	---------------

Trade payables:

- to companies related to directors	8	764
- to Società Trenno S.r.l.	75	143
- to Festa S.r.l.	515	522
- to Teleippica S.r.l.	331	340
- to Connex S.r.l.	223	183
- to Tivu + S.p.A. in liquidation	43	43

Total trade payables	1,195	1,995
-----------------------------	--------------	--------------

Other current liabilities

- to companies related to directors	-	21
- to Global Games S.p.A.	1	6
- to Società Trenno S.r.l.	5,402	4,762
- to Festa S.r.l.	549	551
- to Immobiliare Valcarenga S.r.l.	1	1
- to Teleippica S.r.l.	4	6
- to Teseo S.r.l. in liquidation	483	-
- to companies related to shareholders	-	45

Total other current liabilities	6,440	5,392
--	--------------	--------------

Current financial payables:

- to Festa S.r.l.	1,910	730
- to Immobiliare Valcarenga S.r.l.	255	245

Total current financial payables	2,165	975
---	--------------	------------

Total Liabilities	9,800	8,362
--------------------------	--------------	--------------

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	First nine months	
	2014	2013
Revenues from services and chargebacks:		
- from companies related to directors	-	1
- from Società Trenno S.r.l.	168	1,819
Total revenues from services and chargebacks	168	1,820

Other revenues

- from companies related to directors	1	-
- from Global Games S.p.A.	4	4
- from Società Trenno S.r.l.	403	811
- from Festa S.r.l.	89	85
- from Immobiliare Valcarenga S.r.l.	9	9
- from Teleippica S.r.l.	377	345
Total other revenues	883	1,254

Interest income:

- from Società Trenno S.r.l.	221	207
- from Teleippica S.r.l.	221	113
Total interest income	442	320
Total revenues	1,493	3,394

Costs for services and chargebacks:

- from companies related to directors	2	243
- from Società Trenno S.r.l.	302	300
- from Festa S.r.l.	4,163	4,014
- from Teleippica S.r.l.	2,265	1,710
- from Connex S.r.l.	450	469
- from companies related to shareholders	1	3
Total costs for services and chargebacks	7,183	6,739

Costs of personnel

- from Società Trenno S.r.l.	-	43
- from Festa S.r.l.	28	86
- from Teleippica S.r.l.	-	24
Total personnel costs	28	153

Other operating costs

- from companies related to directors	9	9
- from Connex S.r.l.	-	3
- from Società Trenno S.r.l.	4	4
Total other operating costs	13	16

Interest expense and fees

Interest expense to Festa S.r.l.	85	89
Interest expense to Immobiliare Valcarenga S.r.l.	13	9
Total interest expense and fees	98	98
Total costs	7,322	7,006

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

The Group brought forward a net loss of Euro 9.9 million and shareholders' equity totals Euro 64 million. Net financial indebtedness, of Euro 424 million, is mainly composed of bond loans issued and subscribed on 4 December 2013, with which, in the same month, the existing bank loan was repaid in advance.



The Directors report that Earnings Before Interest, Tax, Depreciation and Amortisation in the first nine months were better than in the same period of the previous year, and exceeded expectations. The differences compared to the forecast business performance stem from certain major factors: i) the excellent results of new bets on virtual events; ii) lower than expected revenues from sports betting, as a result of the lower wagers, mitigated by a better payout, which reached 77.2%; iii) lower revenues and margins generated by the Gaming Machines segment, in which there was a delay in introducing games with reduced payouts; iv) the performance of the skill games, which was below expectations in terms of revenues.

The Directors prepared a strategic plan for 2014-2016 fiscal years (the “2014-2016 Plan” or the “Plan”), whereby, at the end of the three-year period, revenues and margins will have grown significantly and positive economic results will be achieved, whilst Shareholders’ Equity will be substantially unchanged with respect to the current one, 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 current forecasts, however, the Group is not likely to generate the necessary resources to entirely repay bond loans in 2018.

The Plan therefore defines a positive path towards the achievement of an economic and financial balance. Nonetheless, there are still some elements of uncertainty, 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 repay or renegotiate the outstanding bond loans upon maturity 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 order to mitigate these uncertainties, the Group has implemented a series of initiatives which will lead to benefit, *inter alia*, from the full and positive effect of the completed installation of 5,052 VLT rights, for which more than 1,000 terminals are being moved to better performing locations.

A further benefit derives from the positive effects of the gaming wagers through the Virtual Events which, in the first period from their launching, raised strong interest in bettors with good wagers.

Lastly, the payout on sports betting was managed more effectively thanks to the combined effects of the new management agreement which better aligns SNAI’s interests with those of the Operators, and of the improved automatic controls on the betting acceptance system. Upon the positive achievement of the Plan objectives, Directors deem that the Group will be able to come up with the necessary resources to repay and/or replace the existing debts.

Directors therefore deem that the objectives set out in the Plan are reasonable and that the Group will be able to overcome the identified uncertainties.

On the basis of all of the foregoing considerations, the Directors believe that the Group has the capacity to continue its business operations in the foreseeable future, and therefore has prepared the financial statements on the basis of the going concern assumptions.

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, adjusted with the effect generated by full roll out of VLT machines (run-rate). This update is valid until 31 December 2014.



SNAI S.p.A. is also obliged periodically to provide its lenders with information about its cash flows and income, and key performance indicators, regarding the Group, including EBITDA and net financial indebtedness. At 30 September 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 in its meeting of 20 March 2014, is based on:

- focus on profit margins through more control over the payouts on sports betting to maximize contractual benefits;
- improved territorial balance of the network, to boost market share in significant areas;
- 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 On Line Skill and Casino Games segment including through commercial agreements with significant industry players;
- enhancement and requalification of the Gaming Machines area in shops and arcades;
- development of services dedicated to partners (training, dedicated web site) and actions aimed at loyalisation;
- launch of services to citizens to maximize opportunities for the distribution network;
- new focus on the horse racing activity including through Expo 2015 & Finale Trotting World Master 2015.

In its meeting of 20 March 2014, the Board of Directors approved the 2014 - 2016 Business Plan which is focused on development and growth for the Group as listed above and which, once achieved, will contribute to reaching and maintaining economic and financial balance over time and will make available the necessary resources for business development, under the regulatory conditions known at the date of preparation and approval of the aforesaid plan.

In the initial nine months of 2014, EBITDA performance was better than in the same period of the previous year, and above expectations. The differences compared to the forecast business performance stem from certain major factors: i) the excellent results of new bets on virtual events; ii) lower than expected revenues from sports betting, as a result of the lower wagers, mitigated by a better payout, which reached 77.2%; iii) lower revenues and margins generated by the Gaming Machines segment, in which there was a delay in introducing games with reduced payouts; iv) the performance of the skill games, which was below expectations in terms of revenues.

Annexes:

- **SNAI Group:**
 - Consolidated Statement of Comprehensive Income of the first nine months of 2014
 - Consolidated Statement of Comprehensive Income of the third quarter of 2014
 - Consolidated Balance Sheet as at 30 September 2014
 - Consolidated Cash Flow Statement at 30 September 2014

SNAI Group – Consolidated Statement of Comprehensive Income

amounts in thousands of Euro	First nine months	
	2014	2013
Revenues from sales and services	393,338	351,530
Other revenue and income	579	821
Change in inventory of finished and semi-finished products	0	1
Raw materials and consumables	(853)	(1,222)
Costs for services and use of third party assets	(264,542)	(238,213)
Costs of personnel	(26,834)	(27,777)
Other operating costs	(23,215)	(27,315)
Capitalised internal construction costs	675	699
Earnings before interest, tax, depreciation and amortisation	79,148	58,524
Amortisation and depreciation	(43,836)	(39,794)
Other provisions	11	(816)
Earnings before interest and taxes	35,323	17,914
Gains and expenses from shareholdings	(458)	(413)
Financial income	1,138	998
Financial expenses	(45,848)	(32,936)
Total financial income and expenses	(45,168)	(32,351)
PROFIT/(LOSS) BEFORE TAXES	(9,845)	(14,437)
Income tax	(98)	(35)
Profit/(Loss) for the period	(9,943)	(14,472)
(Loss)/profit from re-measurement on defined benefit plans after taxes	0	0
Net (loss)/profit from derivatives as cash flow hedges	1,593	2,933
Total other comprehensive income which will be restated under profit/(loss) for the period after taxes	1,593	2,933
Total profit/(loss) in comprehensive income statement, after taxes	1,593	2,933
Comprehensive profit (loss) for the period	(8,350)	(11,539)
Attributable to:		
Profit (loss) for the period pertaining to the Group	(9,943)	(14,472)
Profit (loss) for the period pertaining to Third Parties	0	0
Comprehensive profit (loss) for the period pertaining to the Group	(8,350)	(11,539)
Comprehensive profit (loss) for the period pertaining to Third Parties	0	0
Basic earnings (loss) per share in Euro	(0.09)	(0.12)
Diluted earnings (loss) per share in Euro	(0.09)	(0.12)

SNAI Group - Consolidated Statement of Comprehensive Income

amounts in thousands of Euro	QIII	
	2014	2013
Revenues from sales and services	130,040	99,230
Other revenue and income	186	149
Change in inventory of finished and semi-finished products	0	0
Raw materials and consumables	(217)	(354)
Costs for services and use of third party assets	(85,953)	(68,746)
Costs of personnel	(8,481)	(8,628)
Other operating costs	(9,729)	(7,585)
Capitalised internal construction costs	225	225
Profit/(loss) before amortisation, depreciation, write-downs, financial income and expenses, taxes	26,071	14,291
Amortisation and depreciation	(14,534)	(13,925)
Other provisions	459	(524)
Earnings before interest and taxes	11,996	(158)
Gains and expenses from shareholdings	(14)	(295)
Financial income	380	259
Financial expenses	(14,911)	(12,970)
Total financial income and expenses	(14,545)	(13,006)
BEFORE TAX PROFIT (LOSS)	(2,549)	(13,164)
Income tax	(422)	2,963
Profit/(Loss) for the period	(2,971)	(10,201)
Total other comprehensive income which will not be restated under profit/(loss) for the period after taxes	0	0
Net (loss)/profit from derivatives as cash flow hedges	531	442
Total other comprehensive income which will be restated under profit/(loss) for the period after taxes	531	442
Total profit/(loss) in comprehensive income statement, after taxes	531	442
Profit (loss) for the period	(2,440)	(9,759)
<i>Attributable to:</i>		
Profit (loss) for the period pertaining to the Group	(2,971)	(10,201)
Profit (loss) for the period pertaining to Third Parties	0	0
Comprehensive profit (loss) for the period pertaining to the Group	(2,440)	(9,759)
Comprehensive profit (loss) for the period pertaining to Third Parties	0	0
Basic earnings (loss) per share in Euro	(0.03)	(0.09)
Diluted earnings (loss) per share in Euro	(0.03)	(0.09)

SNAI Group - Consolidated Balance Sheet

amounts in thousands of Euro	30.09.2014	31.12.2013
ASSETS		
Non-current assets		
Property, plant and equipment owned	139.506	143.378
Assets held under financial lease	6.427	9.405
Total property, plant and equipment	145.933	152.783
Goodwill	231.531	231.531
Other intangible assets	108.983	135.292
Total intangible assets	340.514	366.823
Shareholdings measured using the equity method	2.408	2.866
Shareholdings in other companies	46	46
Total shareholdings	2.454	2.912
Deferred tax assets	79.442	75.086
Other non-financial assets	2.026	2.413
Financial assets	737	0
Total non-current assets	571.106	600.017
Current assets		
Inventories	610	1.329
Trade receivables	76.194	75.604
Other assets	22.785	26.687
Current financial assets	20.140	19.414
Cash and cash equivalents	73.953	45.499
Total current assets	193.682	168.533
TOTAL ASSETS	764.788	768.550
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity pertaining to the Group		
Share capital	60.749	60.749
Reserves	13.191	106.128
Profit/(Loss) for the period	(9.943)	(94.530)
Total Shareholders' Equity pertaining to the Group	63.997	72.347
Shareholders' Equity pertaining to minority interests		
Total Shareholders' Equity	63.997	72.347
Non-current liabilities		
Post-employment benefits	4.187	4.387
Non-current financial liabilities	463.988	481.388
Deferred tax liabilities	56.732	53.675
Provisions for risks and charges	12.168	16.617
Sundry payables and other non-current liabilities	2.590	3.623
Total non-current liabilities	539.665	559.690
Current liabilities		
Trade payables	35.629	37.539
Other liabilities	91.545	91.467
Current financial liabilities	14.654	7.507
Current portion of long-term borrowings	19.298	0
Total financial liabilities	33.952	7.507
Total current liabilities	161.126	136.513
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	764.788	768.550

SNAI Group - Consolidated Cash Flow Statement

	amounts in thousands of Euro	30.09.2014	30.09.2013
A. CASH FLOW FROM OPERATIONS			
Profit (loss) for the year pertaining to the Group		(9.943)	(14.472)
Profit (loss) for the year pertaining to Third Parties		0	0
Amortisation and depreciation		43.836	39.794
Net change in assets (liabilities) for deferred tax assets (deferred tax liabilities)		(1.902)	(1.706)
Change in provision for risks		(4.449)	(9.420)
(Capital gains) capital losses from non-current assets (including shareholdings)		1.126	119
Portion of earnings pertaining to shareholdings measured using the equity method (-)		458	414
Net change in sundry non-current trade assets and liabilities and other changes		(646)	1.898
Net change in current trade assets and liabilities and other changes		2.199	17.530
Net change in post-employment benefits		(200)	(644)
CASH FLOW FROM (USED IN) OPERATIONS (A)		30.479	33.513
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment (-)		(7.997)	(15.363)
Investments in intangible assets (-)		(3.878)	(17.465)
Proceeds from the sale of tangible, intangible and other non-current assets		72	96
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)		(11.803)	(32.732)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Change in financial receivables and other financial assets		(1.463)	(9.022)
Change in financial liabilities		11.241	(7.617)
Repayment of financing		0	(4.600)
Opening/disbursement of loans		0	32.248
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (C)		9.778	11.009
D. CASH FLOWS FROM DISCONTINUED ASSETS /ASSETS HELD FOR SALE (D)			
E. TOTAL CASH FLOW (A+B+C+D)		28.454	11.790
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)		73.953	22.800

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	73.953	22.800
Bank overdrafts		
Discontinued operations		
	73.953	22.800