

Press release

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

**SNAI Group –Results of operations as of and for period
ended 31 December 2012**

Main consolidated economic and financial data

- **Revenues of Euro 514.4 million**
- **Ebitda of Euro 64.5 million (prior to non-recurring operating revenues and costs)**
- **Net financial position of Euro 369.6 million**

Milan, 21 March 2013– SNAI S.p.A.'s Board of Directors met in Milan, under Giorgio Sandi's chairmanship, and approved the draft financial statement for the year ended 31 December 2012, which shows revenues of Euro 514.4 million and Ebitda of Euro 64.5 million prior to non-recurring operating revenues and costs.

Total consolidated income statement	Year 2012	Year 2011	Diff. %
Revenues	514.4	558.5	(7.9)
EBITDA*	64.5	90.6	(28.8)
EBIT	(13.9)	(5.1)	>100
Before tax loss	56.5	45.2	25.0
Loss related to the Group	42.6	40.5	5.2
Basic loss/diluted by share	0.36	0.35	(2.9)

the figures are expressed in millions of Euro

*before non-recurring operating revenues and costs

EBITDA refers to "Earnings before interest taxes depreciation and amortization" indicated in the total income statement. EBIT refers to "Earnings before interest and taxes" indicated in the total income statement. EBITDA and EBIT are considered alternative performance indicators, but are not measures defined on the basis of International Financial Reporting Standards ("IFRS") and therefore may fail to take into account the requisites imposed under IFRS on determination, valuation and presentation of financial data. We are of the view that EBITDA and EBIT help explain the changes in operating performance and provide useful information on the capacity to manage indebtedness and are commonly used by analysts and investors of the gaming sector, as performance indicators. EBITDA and EBIT must not be considered alternative 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 income data for 2012 have been affected by an unusual higher restitution to players (payout) on the sports betting market (which has reached record levels with respect to the last five years), and the block on the VLT Barcrest platform, which was due to the well-known incident which occurred in April 2012 partially offset by the accelerated deployment of the second gaming platform.

Essentially for these reasons, the SNAI Group's revenues declined to Euro 514.4 million, down from Euro 558.5 million in 2011.

The Group's Ebitda for year 2012 is down with respect to 2011, having fallen from Euro 90.6 million to Euro 64.5 million (before taking into account non-recurring operating revenues and costs in the amount of Euro -7.1 million). As already mentioned, the unfavorable trend in the payout for the sports betting segment (82.7%, up from 78.3% for 2011) contributed toward this reduction, with a negative impact on revenues and EBITDA for the Company with respect to the previous year in the amount of approximately Euro 39 million. It is worth noting that at the Italian market level, the payout figure was even higher (82.9%). The contraction in EBITDA is also due to the further contraction in horse racing, with particular regard to the management of the racetracks.



The Group's EBIT is negative, in the amount of Euro 13.9 million, down from the negative EBIT of Euro 5.1 million for year 2011.

The Group's consolidated results for year 2012 are negative, amounting to Euro 42.6 million down from the loss of Euro 40.5 in 2011.

The SNAI Group's financial indebtedness, as of 31.12.2012, amounts to Euro 369.6 million, up from Euro 354.4 million as of yearend 2011. With respect to the close of 2011, the Group's net financial indebtedness has risen by Euro 15.2, due, among other things, to the further delay accumulated by ASSI (formerly UNIRE) in its payments to Società Trenno S.r.l. and Teleippica S.r.l.

The parent company SNAI S.p.A. produced revenues in the amount of Euro 497.7, down by 6.5% from Euro 532.4 million in 2011. EBITDA amounts to Euro 67.2 million (before taking into account non-recurring operating revenues and costs of Euro -5.9 million), down from Euro 85.7 million in 2011, while EBIT is negative in the amount of Euro 7.4 million (Euro -5.8 million in 2011). The results for the year were negative in the amount of Euro 46.1 million (down from Euro -41,6 million in 2011), which is essentially due to the same reasons set forth above in connection with the Group's results.

The SNAI Group's performance and development from an operating standpoint.

In 2012, the Group attained gaming wagers totaling Euro 5.5 billion, up from Euro 4.9 billion in 2011, as it increasingly enriched its sports bets services, Videolotteries (VLTs) and Remote Gaming (*Gioco a Distanza* or GAD).

In 2012, despite initiatives on the part of new competitors on the Italian market, especially in the internet gaming segment, SNAI maintains its leadership position in the horse race and sports betting segment.

The on-line digital segment also constitutes an important element for development the potential of the SNAI brand in the channel that is registering the highest growth.

In year 2012, the Group attained an increase in market share in casino games, skill games and betting; wagers for sports bets rose by +11%, more than the increase registered by the market (+9.7%) and for digital games wagers rose by + 71.6% (the players' outlay rose by +12%). The total figure amounts to +16.7% with respect to 2011.

In August 2012, the SPORT App for tablets and smartphones was launched, which was met with a positive response in terms of both downloads and wagers; in December 2012, on-line slot machines were introduced, which led snai.it to attain an estimated market share exceeding 10% in this specific segment.

Year 2013 will also be focused on growth in the product range with a view to attracting new users and facilitating a broader accessibility to gaming for everyone, through a special focus on the mobile channel.

The wagers from sports bets registered in 2012 for the whole market amounted to Euro 3,941 million, up 2.37% over 2011, mostly realized in the second half of the year.

In sports bets, SNAI's market share is 31.07%. Horse betting registered an additional decline however: totalizator bets and national horse racing bets fell 26.2% with respect to 2011, due to the general crisis that has hit the horse race sector and the approximately 40 days of strike at the beginning of the year. Our market share amounted to 54.5%.

The Company has achieved a solid position in the collection of wagers through its entertainment device business, achieving wagers of Euro 2.84 billion. SNAI connects approximately 30,000 AWP's that are duly endowed with operating licenses, in over 9,000 points of sale throughout the territory, and owns 5,052 rights for the collection of wagers using VLTs.

As regards the VLTs, in April 2012, the Company was faced with the need to manage the anomalous event which affected the Barcrest platform which was blocked starting on 16 April, giving rise to a consequent decrease in the average number of machines for the collection of wager.



After the disactivation of the Barcrest platform, the Company promptly took actions aimed at mitigating the resulting inconveniences and, among other things, entered into an agreement with a new supplier (Novomatic) for an additional System, the testing of which was completed at the beginning of January 2013. SNAI initiated a legal action against Barcrest and its parent company seeking compensation for all of the damages caused by the malfunctioning that occurred on 16 April 2012.

At the end of year 2012, approximately 3,000 VLTs were installed in over 800 stores with the *Sistema di Gioco* (Gaming System) operated through the Spielo platform. At the start of 2013, the installation of the Novomatic system VLTs was commenced.

Other significant events

On 21 September 2012, AAMS decided to revoke the certificate of conformity of the Snai-Barcrest 01 gaming system, which caused a prohibition on collecting gaming wagers through such system, which has already been suspended and is no longer in operation. SNAI has performed the due requirements and formalities envisaged under the legal framework and the Concession Agreement for the removal of the Barcrest devices from the points of sale.

The proceedings initiated by AAMS which could have led to the possible expiry of the Concession was concluded with protocol ruling 2013/8734/Giochi/ADI served upon the Company on 22 February 2013 pursuant to which AAMS, on the basis of, *inter alia*, the copious technical documentation submitted by the Company, established that it did not have to proceed with the revocation of the Concession, and merely ordered the application of certain contractual penalties, for a total amount of approximately Euro 1.5 million.

On 29 January 2013, the agreement between the ex-ASSI and its subsidiary Teleippica srl was signed in connection with the new agreement for horse racing tv, for a term of six years from the date of activation. The value of the contract for the entire contractual term is Euro 53.9 million.

On 20 March 2013, lastly, the new concession was entered into in connection with the construction and operation of the network for the electronic management of lawful gaming through fun and entertainment devices provided under art. 110 paragraph 6 of the T.U.L.P.S.

Replacement of a member of the Control and Risks Committee.

The Board of Directors appointed as member of the Control and Risks Committee, Mr. Sergio Ungaro to replace Antonio Casari who resigned on January 29 2013.

Mr. Ungaro meets the requisites imposed under the laws and regulations in force applicable to listed companies in order to hold the role of member of the Control and Risks Committee.

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The executive in charge of preparing accounting and corporate documents, Dr. Marco Codella, declares pursuant to paragraph 2 art. 154 bis of the Financial Services Act (Testo Unico della Finanza) that the financial data set forth in this press release corresponds to 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 provisions are also available on the company's website, www.snai.it.



In compliance with the requirements set forth in CONSOB prot. notice. 10084105 dated 13 October 2010, we set forth the disclosure on the company and the SNAI group.

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

	SNAI GROUP		SNAI SPA	
	Year 2012	Year 2011	Year 2012	Year 2011
a) Liquidity	11,011	40,283	9,590	37,130
b) Current financial receivables	7	256	3,948	5,496
c) Current bank payables	(10,038)	(17,655)	(10,038)	(17,655)
d) Current portion of non-current indebtedness	(16,100)	(75,750)	(16,100)	(75,750)
e) Current financial payables	(10,057)	(20,289)	(12,322)	(24,619)
Net current financial indebtedness	(25,177)	(73,155)	(24,922)	(75,398)
f) Non-current bank payables	(328,866)	(259,337)	(328,866)	(259,337)
g) Other non-current financial receivables/payables	(15,570)	(21,870)	(15,559)	(21,847)
Total net financial indebtedness	(369,613)	(354,362)	(369,347)	(356,582)

The figures are expressed in thousands of Euro

b) Overdue payable positions of the SNAI Group

Current liabilities	Balance as of 31.12.2012	Overdue as of 31.12.2012
Financial payables	36,195	
Commercial payables	44,239	8,943
Tax payables	11,872	
Payables owed to Social Security Institutions	2,156	
Other payables	72,734	
	167,196	8,943

The figures are expressed in thousands of Euro

The amounts that were overdue as of 31 December 2012, in the amount of Euro 8,943 thousand, fall under the current operations owed to suppliers of work, services and materials; such amounts, for the most part, were paid after 31 December 2012. In certain cases, a new payment date has been formalized. As of yet, no initiatives have been taken by any supplier.

c) Related parties

Consob notice 6064293 dated 28 July 2006 provides that, in addition to the requirements set forth in the international accounting standard on the “Financial statement disclosure on related party transactions” (IAS 24) information is provided on the incidence of related party transactions or positions, as classified under IAS 24, out of the results of operations, balance sheet and cash flows.

The following table sets forth such incidences. The incidence that the transactions have on the results of operations as well as their incidence on the cash flows of the company and/or the Group must be analyzed bearing in mind that the main relationships in place with related parties are completely identical to the equivalent contracts in place with third parties.

The Group provides services for concession holders of the horse race and sports betting acceptance points. Certain concession holders and operators of points of sale (horse race and sports shops) were traceable to members of the board of directors of the parent company who resigned on 14 May 2012. The transactions, which are set forth under standardized contracts, are governed by market terms and completely identical to those with third party concession holders.

SNAI S.p.A. maintains bank account relationships with Banca Popolare di Milano, Intesa San Paolo and Banca Popolare di Vicenza, which are qualifiable as parties related to SNAI since they are companies traceable to shareholders of SNAI S.p.A. Such transactions were concluded in the Company’s interest, in the ordinary course of business and were governed by market terms.

In a nutshell, set forth in the following table are the SNAI Group’s relationships with related parties:

thousands of euro	Year 2012	% incidence	Year 2011	% incidence
Commercial receivables:				
- owed by companies owned by directors of Snai S.p.A.	92	0.10%	13,365	17.50%
- owed by Global Games S.p.A.	6	0.01%	4	0.01%
- owed by companies owned by shareholders of Snai S.p.A.	30	0.03%	159	0.21%
	128	0.14%	13,528	17.72%
Other current assets:				
- owed by companies owned by shareholders of Snai S.p.A.	3	0.01%		0.00%
	3	0.01%	-	0.00%
Total assets	131	0.02%	13,528	1.73%
Commercial payables:				
- owed to companies owned by directors of Snai S.p.A.	-	0.00%	29	0.11%
- owed to Tivu + S.p.A. in liquidation	43	0.10%	43	0.16%
- owed to Connex S.r.l.	212	0.48%	159	0.58%
- owed to Alfea	3	0.01%		0.00%
	258	0.59%	231	0.85%
Other current liabilities:				
- owed to companies owned by directors of Snai S.p.A.	1	0.00%	3,548	4.63%
- owed directors of Snai S.p.A. under non-competition agreements	-	0.00%	567	0.74%
- owed to Global Games S.p.A.	5	0.01%		0.00%
	6	0.01%	4,115	5.37%
Other non-current liabilities:				
- owed to directors of Snai S.p.A. under non-competition agreements		0.00%	1134	20.31%

	-	0.00%	1,134	20.31%
Total liabilities	264	0.04%	5,480	0.96%

The assets are stated on a net basis, after deducting the relevant reserves.

The following table sets forth the amounts owed to/by related parties:

thousands of euro	Year 2012	% incidence	Year 2011	% incidence
Revenues for the supply of services and charge-backs:				
- Owed by companies owned by directors of Snai S.p.A.	286	0.06%	1,755	0.31%
- Owed by companies owned by shareholders of Snai S.p.A.	28	0.01%	12	0.00%
	314	0.07%	1,772	0.31%
Other revenues				
- owed by SNAI Services S.p.A.		0.00%	42	3.69%
- owed by companies owned by directors of Snai S.p.A.	1	0.06%		0.00%
- owed by Global Games S.p.A.	6	0.36%		0.00%
- owed by Tivu + S.p.A. in liquidation		0.00%	5	0.44%
- owed by companies owned by shareholders of Snai S.p.A.	131	7.76%		0.00%
	138	8.18%	48	4.22%
Earned interest:				
- owed by companies owned by directors of Snai S.p.A.	17	1.70%	758	33.98%
- owed by SNAI Services S.p.A.		0.00%	384	17.21%
	17	1.70%	1,142	51.19%
Total revenues	469	0.09%	2,962	0.53%
Costs for raw materials and consumables used:				
- charged by Connex S.r.l.		0.00%	2	0.14%
		0.00%	2	0.14%
Costs for supply of services and charge-backs:				
- charged by companies owned by directors of Snai S.p.A.	8.838	2.27%	38,442	9.38%
- charged by SNAI Services S.p.A.		0.00%	14	0.00%
- charged by companies owned by shareholders of Snai S.p.A.	1.144	0.29%	16	0.00%
- charged by companies owned by internal auditors of Snai S.p.A.	1	0.00%		0.00%
- charged by Alfea	19	0.00%		0.00%
- charged by Connex S.r.l.	711	0.18%	773	0.19%
- charged by Solar S.A.		0.00%	110	0.03%
	10,713	2.74%	39,355	9.60%
Other operating costs:				
- charged by companies owned by directors of Snai S.p.A.	32	0.09%		0.00%
- charged by Connex S.r.l.		0.00%	2	0.01%
	32	0.09%	2	0.01%
Interest payable and fees:				
Financial costs Solar S.A.		0.00%	1,575	3.72%



Financial costs on vendor loan owed to companies owned by directors of Snai S.p.A.

0.00% 70 0.17%

0.00% 1,645 3.89%

Total costs 10,745 2.54% 41,004 8.31%

Revenues for services and charge-backs and other revenues amount to 0.79% of Earnings before interest, taxes, depreciation and amortization, (down from 2.44% in 2011) while the Total amount to 1.1%' of Profits (Losses) for the year in 2012 (down from 7.31% in 2011). Costs for the purchase of semi-finished and finished products, raw materials and consumables used for the supply of services and charge-backs amount to 18.67% of Earnings before interest, taxes, depreciation and amortization in 2012 (down from 52.67% in 2011), while the total costs amount to 25.25% of Profits (Losses) for the year in 2012 (down from 101.18% in 2011).

The Parent Company Snai S.p.A.

In summary, the following table sets forth the related party relationships of the parent company SNAI S.p.A.:

Receivables/Payables	Year 2012	incidence %	Year 2011	incidence %
Commercial receivables:				
- owed by companies owned by directors of Snai S.p.A.	-	0.00%	13,364	21.12%
- owed by Global Games S.p.A.	6	0.01%	4	0.01%
- owed by Società Trenno S.r.l.	359	0.53%	211	0.33%
- owed by Festa S.r.l.	17	0.03%	23	0.04%
- owed by Mac Horse S.r.l.	-	0.00%	2	0.00%
- owed by Immobiliare Valcarenga S.r.l.	4	0.01%	1	0.00%
- owed by SNAI Olé S.A.	-	0.00%	1	0.00%
- owed by Snai France	-	0.00%	1	0.00%
- owed by Faste S.r.l. in liquidation	-	0.00%	1	0.00%
- owed by Teleippica S.r.l.	59	0.09%	12	0.02%
- owed by companies owned by shareholders of Snai S.p.A.	31	0.05%	159	0.25%
Total commercial receivables	476	0.72%	13,779	21.77%

Other current assets:

- owed by Società Trenno S.r.l.	6	0.02%	6	0.02%
- owed by Festa S.r.l.	709	1.93%	562	1.47%
- owed by Mac Horse S.r.l.	-	0.00%	72	0.19%



- owed by Immobiliare Valcarenga S.r.l.	62	0.17%	39	0.10%
- owed by Teleippica S.r.l.	857	2.34%	-	0.00%
- owed by companies owned by shareholders of Snai S.p.A.	2	0.01%	-	0.00%
Total other current assets	1,637	4.47%	679	1.78%

Financial receivables:

- owed by Società Trenno S.r.l.	2,821	19.88%	4,778	86.92%
- owed by SNAI Olé S.A.	-	0.00%	-	0.00%
- owed by Faste S.r.l. in liquidation	-	0.00%	457	8.31%
- owed by Teleippica S.r.l.	1,113	7.84%	-	0.00%
- owed by SNAI France	7	0.05%	5	0.09%
Total financial receivables	3,941	27.77%	5,240	95.32%
Total assets	6,054	0.82%	19,698	2.55%

Other non-current liabilities

- owed to directors of Snai S.p.A.	-	0.00%	1,134	20.36%
Total Other Non-current Liabilities	-	0.00%	1,134	20.36%

Commercial payables:

- owed to companies owned by directors of Snai S.p.A.	-	0.00%	29	0.14%
- owed to Società Trenno S.r.l.	15	0.05%	188	0.93%
- owed to Festa S.r.l.	516	1.55%	124	0.62%
- owed to Teleippica S.r.l.	254	0.76%	1	0.00%
- owed to Connex S.r.l.	212	0.64%	154	0.76%
- owed to Tivu + S.p.A. in liquidation	43	0.13%	43	0.21%
- owed to Alfea S.p.A.	3	0.01%	-	0.00%
Total commercial payables	1,043	3.14%	539	2.66%

Other current liabilities

- owed to companies owned by directors of Snai S.p.A.	1	0.00%	3,548	4.74%
- owed to directors of Snai S.p.A.	-	0.00%	567	0.76%
- owed to Global Games S.p.A.	6	0.01%	-	0.00%
- owed to Società Trenno S.r.l.	2,593	2.99%	2,711	3.62%
- owed to Festa S.r.l.		0.22%		0.00%

	194		-	
- owed to Immobiliare Valcarenga S.r.l.	1	0.00%	-	0.00%
- owed to Teleippica S.r.l.	5	0.01%	-	0.00%
Total Other Current Liabilities	2,800	3.23%	6,826	9.12%

Current financial payables:

- owed to Festa S.r.l.	2,057	5.35%	2,632	2.23%
- owed to Mac Horse S.r.l.	-	0.00%	347	0.29%
- owed to Immobiliare Valcarenga S.r.l.	221	0.57%	162	0.14%
- owed to Teleippica S.r.l.	-	0.00%	1,243	1.05%
Total current financial payables	2,278	5.92%	4,384	3.71%
Total liabilities	6,121	1.06%	12,883	2.30%

The assets are stated on a net basis, after deducting the relevant reserves.

The following table sets forth income statement items payable by/to related parties:

Revenues/Costs	Year 2012	incidence %	Year 2011	incidence %
Revenues for supply of services and charge-backs:				
- owed by companies owned by directors of Snai S.p.A.	198	0.04%	1,755	0.33%
- owed by Global Games S.p.A.	-	0.00%	4	0.00%
- owed by Società Trenno S.r.l.	2,696	0.55%	2,729	0.52%
- owed by Festa S.r.l.	-	0.00%	2	0.00%
- owed by Connex S.r.l.	-	0.00%	1	0.00%
- owed by companies owned by shareholders of Snai S.p.A.	20	0.00%	12	0.00%
Total revenues for the supply of services and charge-backs	2,914	0.59%	4,503	0.85%
Other revenues				
- owed by SNAI Services S.p.A.	-	0.00%	42	0.89%
- owed by companies owned by directors of Snai S.p.A.	1	0.02%	-	0.00%
- owed by Global Games S.p.A.	6	0.14%	-	0.00%
- owed by Società Trenno S.r.l.	2,853	67.45%	3,071	65.08%
- owed by Festa S.r.l.	106	2.51%	200	4.24%
- owed by Mac Horse S.r.l.	24	0.57%	35	0.74%
- owed by Immobiliare Valcarenga S.r.l.	11	0.26%	11	0.23%



- owed by SNAI Olé S.A.	1	0.02%	1	0.02%
- owed by SNAI France	1	0.02%	1	0.02%
- owed by Faste S.r.l. in liquidation	1	0.02%	31	0.66%
- owed by Teleippica S.r.l.	502	11.87%	542	11.49%
- owed by companies owned by shareholders of Snai S.p.A.	130	3.07%	-	0.00%
- owed by Tivu + S.p.A. in liquidation	-	0.00%	5	0.11%
Total other revenues	3,636	85.95%	3,939	83.48%

Earned interest:

- owed by companies owned by directors of Snai S.p.A.	17	1.40%	758	27.80%
- owed by SNAI Services S.p.A.	-	0.00%	284	10.41%
- owed by Società Trenno S.r.l.	207	17.04%	368	13.49%
- owed by Festa S.r.l.	1	0.08%	-	0.00%
- owed by SNAI Olé S.A.	-	0.00%	43	1.58%
- owed by Faste S.r.l. in liquidation	8	0.66%	16	0.59%
- owed by Teleippica S.r.l.	6	0.49%	176	6.45%
Total earned interest	239	19.67%	1,645	60.32%
Total revenues	6,789	1.36%	10,087	1.88%

Costs for raw materials and consumables used

- charged by Connex S.r.l.	-	0.00%	1	0.10%
Total costs for raw materials and consumables	-	0.00%	1	0.10%

Costs for the supply of services and charge-backs:

- charged by companies owned by directors of Snai S.p.A.	8.807	2.29%	38,442	9.54%
- charged by SNAI Services S.p.A.	-	0.00%	11	0.00%
- charged by Società Trenno S.r.l.	274	0.07%	463	0.11%
- charged by Festa S.r.l.	4.920	1.28%	5,366	1.33%
- charged by Mac Horse S.r.l.	230	0.06%	518	0.13%
- charged by Solar S.A.	-	0.00%	110	0.03%
- charged by Teleippica S.r.l.	2.261	0.59%	2,206	0.55%
- charged by Connex S.r.l.	711	0.18%	773	0.19%
- charged by Alfea S.p.A.	19	0.00%	-	0.00%
- charged by companies owned by internal auditors of Snai S.p.A.	1	0.00%	-	0.00%



- charged by companies owned by shareholders of Snai S.p.A.	1,144	0.30%	16	0.00%
Total costs for the supply of services and charge-backs	18,367	4.77%	47,905	11.88%
Costs of seconded personnel				
- charged by Società Trenno S.r.l.	132	0.66%	144	0.77%
- charged by Teleippica S.r.l.	1	0.01%	1	0.01%
Total costs of seconded personnel	133	0.67%	145	0.78%
Other operating costs				
- charged by companies owned by directors of Snai S.p.A.	31	0.10%	-	0.00%
- charged by Festa S.r.l.	1	0.00%	-	0.00%
- charged by Connex S.r.l.	-	0.00%	2	0.01%
- charged by Società Trenno S.r.l.	1	0.00%	23	0.06%
Total other operating costs	33	0.10%	25	0.07%
Interest payable and fees				
Interest payable to Festa S.r.l.	124	0.28%	147	0.35%
Interest payable to Mac Horse S.r.l.	12	0.03%	21	0.05%
Interest payable to Immobiliare Valcarenga S.r.l.	10	0.02%	9	0.02%
Interest payable to Teleippica S.r.l.	64	0.14%	-	0.00%
Financial costs Solar S.A.	-	0.00%	1,575	3.72%
Financial costs on Vendor Loan owed to companies owned by directors of the SNAI Group	-	0.00%	70	0.17%
Total interest payable and fees	210	0.47%	1,822	4.31%
Total costs	18,743	3.88%	49,898	9.89%

Revenues for services and charge-backs and other revenues amount to 10.68% of Earnings before interest, taxes, depreciation and amortization, (down from 11.93% in 2011) while the Total revenues amount to 14.74% of Profits (Losses) for the year in 2012 (down from 24.25% in 2011). Costs for the purchase of semi-finished and finished products, raw materials and consumables used for the supply of services and charge-backs amount to 30.22% of Earnings before interest, taxes, depreciation and amortization in 2012 (down from 67.97% in 2011), while the total costs amount to 40.69% of Profits (Losses) for the year in 2012 (down from 119.97% in 2011).



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

Thanks to the successful conclusion of the renegotiation of the financial debt in March 2011, the Group has obtained continuity in the financial means necessary to support its development plans.

The Directors are therefore of the view that the trend and expansion of the Group's core business operations will enable the Group to achieve a position of economic stability and generate adequate cash flows.

We have also stressed on numerous occasions that the Group's capacity to achieve such position of stability depends mainly upon the achievement of operating and financial results that are substantially in line with those included in the above-mentioned company forecasts. In such case, the Directors are aware that the strategic objectives identified and reflected in the 2013 Budget and in the guidelines for the two-year period 2014-2015 drafted for purposes of financial statement assessments, are inevitably uncertain due to the unpredictability of the actual occurrence 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 form the basis of the main assessments conducted for purposes of preparing this financial statement. Nonetheless, the Directors are of the view that the above-mentioned strategic objectives are reasonable.

On the basis 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 prepared the financial statement based upon an assumption of business continuity.

e) Financial covenants

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

Indeed, SNAI S.p.A. has undertaken to comply with financial parameters (covenants) pursuant to 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 initial amount of Euro 490 million. In particular, such parameters refer to the maintenance of certain ratios between cash flows related to the financial indebtedness, consolidated Ebitda and investments. The Ebitda is defined in the loan agreement and indicates the consolidated earnings before interest taxes depreciation and amortization and all non-recurring, extraordinary items.

The calculations carried out for the application for the covenants as of 31 December 2012, does not show any contractual parameters being exceeded.

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

It should be noted that the failure to comply with the above-mentioned financial covenants and obligations would give rise to an acceleration against SNAI S.p.A. under the loan agreements.

In November 2012, an amendment to the Facilities Agreement in place was negotiated with the three main lending banks (MLAs), through which the calculation parameters of the Senior Leverage Ratio (SLR) e Senior Interest Coverage (SIC) covenants were renegotiated for the periods ending 31 December 2012, 31 March 2013 and 30 August 2013. This amendment, thanks to an upward adjustment in EBITDA for an agreed amount, aims to neutralize the consequences of the two exceptional events which penalize the calculation of the two ratios (the Barcrest matter and the level of payouts on sports bets in September 2012). The amendment proposal was accepted by the MLAs on 23 November. In November 2012, the Acquisition facility of Euro 60 million was cancelled since it had not been used by the established deadlines.



f) State of advancement of the business plan.

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

- The development of the horse race and fixed-odds sports betting, in the roles of both concession holder and service provider, in line with the strategic approach defined in 2006;
- The launch and development of the VLTs segment: upon the issuance of the Abruzzo decree, VKT terminals were introduced to the Italian market, which allow for existing concession holders for the management of the paragraph 6a network and devices (AWP) to use such terminals. The SNAI Group has purchased 5,052 rights for a purchase price 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 operations as part fo the development of the broader remote gaming segment.

At the meeting held on 29 January 2013, the Board of Directors approved the Budget 2013, which focused on the above-mentioned development and growth strategies of the Group. In particular, the objective of completing the installation of all of the VLTs for which the Company has obtained a concession (5,052 rights) has been confirmed. The VLT segment is the one which presents the highest rates of growth and could contribute significantly toward improving the Group's profitability.

The other key points include the optimization of the distribution Network through the segmentation of gaming rooms and the realization of their full potential. In this regard, the development of new stores is envisaged.

It is envisaged that the on-line product range will be further augmented with the aim of exploiting its development potential by taking advantage of possible synergies with physical gaming.

Games related to Virtual Events will also be launched in 2013.

The close of year 2012 shows discrepancies with respect to expectations, which are mainly due to the higher payout over the period as compared with the amounts planned (although it is still slightly better than the performance of the market) and the effects deriving from the block of the Barcrest platform.

The final results for 2012 are therefore lower than expectations, but nonetheless such results are due mainly to the above-mentioned unforeseen events that are considered non-repetitive and took place during the year: the trend in the payouts and the consequences of the Barcrest event; in other business areas, performance is at least in line with forecasts. On these bases, we are of the view that once the payouts are realigned with their historic levels and the corrective measures concerning the Barcrest event are completed for the VLTs, the Group will once again attain performance levels in line with those envisaged in its long-term business plans.

Schedules:

- **SNAI Group:**
 - Total consolidated income statement as of and for period ended 31 December 2012
 - Consolidated Balance sheet as of and for period ended 31 December 2012
 - Consolidated cash flow statement as of and for period ended 31 December 2012
- **Snai S.p.A:**
 - Total income statement as of and for period ended 31 December 2012
 - Balance sheet as of and for period ended 31 December 2012
 - Cash flow statement as of and for period ended 31 December 2012

SNAI Group – Total consolidated income statement

	Year 2012	Year 2011	Restated year 2011 (*)
Revenues from sales and services	512,683	557,401	557,401
Other revenues and proceeds	1,689	1,139	1,139
Change in leftover stock of finished and semi-finished products	-3	2	2
Raw materials and consumables used	-1,206	-1,451	-1,451
Costs for services and use of third party assets	-389,335	-409,860	-409,860
Costs for personnel	-33,840	-33,336	-33,336
Other operating costs	-33,697	-39,937	-39,937
Costs for capitalized internal works i	1,096	765	765
Earnings before interest taxes amortization and depreciation	57,387	74,723	74,723
Amortization and depreciation	-59,748	-74,768	-74,768
Other amounts set aside as provisions	-11,529	-5,015	-5,015
Earnings before interest and taxes	-13,890	-5,060	-5,060
Proceeds and costs related to shareholdings	1,451	-4	-4
Financial proceeds/earned interest	1,002	2,524	2,231
Financial costs/interest paid	-45,027	-42,362	-42,349
Total financial costs and proceeds	-42,574	-39,842	-40,122
BEFORE TAX EARNINGS	-56,464	-44,902	-45,182
Income taxes	13,904	4,578	4,655
Profits (losses) for the year	-42,560	-40,324	-40,527
Other components of the total income statement	-3,561	-3,963	-3,760
Total Profits/(losses)for the year	-46,121	-44,287	-44,287
<i>Attributable to:</i>			
Profits (losses) for the year pertaining to the Group	-42,560	-40,324	-40,527
Profits (losses) for the year pertaining to Third Parties	0	0	0
Total profits (losses) for the year pertaining to the Group	-46,121	-44,287	-44,287
Total profits (losses) for the year pertaining to Third Parties i	0	0	0
Profits (losses) per base share in Euro	-0.36	-0.35	-0.35
Profits (losses) per diluted share in Euro	-0.36	-0.35	-0.35

(*) Figures for year 2011 have been restated following early application of the amended IAS 19.
Figures are stated in thousands of euro

SNAI Group – Consolidated balance sheet

	Year 2012	Year 2011	Restated year 2011 (*)
ASSETS			
Non-current assets			
Owned real estate, equipment and machinery	134,819	128,968	128,968
Assets under financial lease	17,294	28,065	28,065
Total material fixed assets	152,113	157,033	157,033
Goodwill	231,531	231,531	231,531
Other intangible assets	151,409	185,082	185,082
Total intangible fixed assets	382,940	416,613	416,613
Shareholdings appraised using the net equity method	3,264	1,813	1,813
Shareholdings in other companies	46	46	46
Total shareholdings	3,310	1,859	1,859
Taxes paid in advance	63,879	45,132	45,132
Other non-financial assets	2,341	1,466	1,466
Total non-current assets	604,583	622,103	622,103
Current assets			
Leftover stock	3,384	2,755	2,755
Commercial receivables	91,837	76,391	76,391
Other assets	36,364	38,971	38,971
Current financial assets	10,249	257	257
Cash and cash equivalents	11,010	40,282	40,282
Total current assets	152,844	158,656	158,656
TOTAL ASSETS	757,427	780,759	780,759
LIABILITIES AND NET SHAREHOLDERS' EQUITY			
Net Shareholders' Equity pertaining to the Group			
Share capital	60,749	60,749	60,749
Reserves	146,040	189,925	190,128
Profits (losses) for the period	-42,560	-40,324	-40,527
Total Net Shareholders' Equity of Group	164,229	210,350	210,350
Net Shareholders' Equity of third parties			
Total Net Shareholders' Equity	164,229	210,350	210,350
Non-current liabilities			
Severance indemnity (TFR)	5,190	5,033	5,033
Non-current financial liabilities	344,436	281,207	281,207
Deferred taxes	48,150	45,168	45,168
Funds for future risks and costs	25,136	15,568	15,568
Miscellaneous debts and other non-current liabilities	1,951	5,583	5,583
Total non-current liabilities	424,863	352,559	352,559
Current liabilities			
Commercial payables	44,239	27,589	27,589
Other liabilities	87,901	76,567	76,567
Current financial liabilities	20,095	37,944	37,944
Current quotas of long-term loans	16,100	75,750	75,750
Total financial liabilities	36,195	113,694	113,694
Total current liabilities	168,335	217,850	217,850
TOTAL LIABILITIES AND NET SHAREHOLDERS' EQUITY	757,427	780,759	780,759

(*) Figures for year 2011 have been restated following early application of amended IAS 19.

Figures in thousands of euro

SNAI Group – Consolidated cash flow statement

	Year 2012	Year 2011	Restated year 2011 (*)
A CASH FLOW FROM OPERATIONS FOR THE YEAR			
Profits (losses) for the period of the Group	(42,560)	(40,324)	(40,527)
Profits (losses) for the period of third parties	0	0	0
Amortization and depreciation	59,748	74,768	74,768
Net change in assets (liabilities) due to taxes paid in advance (deferred taxes)	(14,414)	(10,885)	(10,962)
Change in risks provisions	9,776	6,848	6,848
(Capital gains) capital losses from the realization of non-current assets	409	1,458	1,458
Quota of results of shareholdings appraised using the net equity method (-)	(1,451)	49	49
Net change in non-current commercial assets and liabilities and other miscellaneous changes	(4,507)	(1,512)	(1,512)
Net change in current commercial assets and liabilities and other miscellaneous changes	14,516	(73,328)	(73,328)
Net change in severance indemnity (TFR)	(824)	(451)	(171)
CASH FLOW GENERATED (ABSORBED) BY OPERATIONS FOR THE YEAR (A)	20,693	(43,377)	(43,377)
B CASH FLOW FROM INVESTMENT ACTIVITIES			
Investments in tangible assets (-)	(16,540)	(6,103)	(6,103)
Investments in intangible assets (-)	(5,269)	(4,881)	(4,881)
Proceeds received from sale of tangible and intangible assets and other non-current assets	37	207	207
CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES (B)	(21,772)	(10,777)	(10,777)
C CASH FLOW FROM FINANCIAL ASSETS			
Change in financial receivables and other financial assets	(9,992)	8,718	8,718
Change in financial liabilities	(33,123)	(45,343)	(45,343)
Cancellation of loan for the purchase of “concessions” business units	0	(228,000)	(228,000)
Repayment of loan	(5,750)	(1,150)	(1,150)
Grant/disbursement of loan	21,000	354,750	354,750
Change in debts owed to PAS on an installment basis for the purchase of “concessions” business units	(328)	(6,465)	(6,465)
CASH FLOW GENERATED (ABSORBED) BY FINANCIAL ASSETS (C)	(28,193)	82,510	82,510
CASH FLOW FROM ASSETS THAT HAVE BEEN TERMINATED OR HELD FOR SALE (D)			
E TOTAL CASH FLOW (A+B+C+D)	(29,272)	28,356	28,356
F INITIAL NET AVAILABLE LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)	40,282	11,926	11,926
G NET EFFECT OF CONVERSION OF FOREIGN CURRENCIES ON LIQUIDITY			
FINAL NET AVAILABLE LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS)			
H (E+F+G)	11,010	40,282	40,282

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

CASH AND CASH EQUIVALENTS NET OF SHORT-TERM FINANCIAL DEBTS AT THE BEGINNING OF THE PERIOD, DETAILED AS FOLLOWS:

Cash and cash equivalents	40,282	11,926	11,926
Bank overdrafts			
Terminated operating assets			
	40,282	11,926	11,926

CASH AND CASH EQUIVALENTS NET OF SHORT-TERM FINANCIAL DEBTS AT THE END OF THE PERIOD, DETAILED AS FOLLOWS:

Cash and cash equivalents	11,010	40,282	40,282
Bank overdrafts			
Terminated operating assets			
	11,010	40,282	40,282

SNAI S.p.A. – Total income statement

	Year 2012	Year 2011	Restated year 2011 (*)
Revenues from sales and services	493,492	527,708	527,708
Other revenues and proceeds	4,230	4,719	4,719
Change in leftover stock of finished and semi-finished products	-3	2	2
Raw materials and consumables used	-879	-993	-993
Costs for services and use of third party assets	-384,329	-403,072	-403,072
Costs for personnel	-19,855	-18,702	-18,702
Other operating costs	-32,436	-39,691	-39,691
Costs for capitalized internal works	1,096	765	765
Earnings before interest, taxes, depreciation and amortization	61,316	70,736	70,736
Amortization and depreciation	-57,705	-71,584	-71,584
Other amounts set aside as provisions	-11,053	-4,957	-4,957
Earnings before interest and taxes	-7,442	-5,805	-5,805
Proceeds and costs from shareholdings	-6,771	-1,642	-1,642
Financial proceeds/interest earned	1,215	2,775	2,727
Financial costs/interest paid	-45,042	-42,301	-42,301
Total financial costs and proceeds	-50,598	-41,168	-41,216
BEFORE TAX EARNINGS	-58,040	-46,973	-47,021
Income taxes	11,977	5,415	5,428
Profits (losses) for the year	-46,063	-41,558	-41,593
Other components of the total income statement	-3,059	-3,970	-3,935
Total net profits (losses) for the year	-49,122	-45,528	-45,528

(*)Figures for year 2011 have been restated following early application of the amended IAS 19.

Figures are expressed in thousands of euro



SNAI S.p.A. – Balance sheet

	Year 2012	Year 2011	Restated year 2011 (*)
ASSETS			
Non-current assets			
Owned real estate, equipment and machines	128,571	121,724	121,724
Assets under financial lease	17,273	27,992	27,992
Total tangible fixed assets	145,844	149,716	149,716
Goodwill	231,088	231,088	231,088
Other intangible assets	151,233	184,929	184,929
Total intangible fixed assets	382,321	416,017	416,017
Shareholdings in subsidiaries and affiliates	17,942	15,762	15,762
Shareholdings in other companies	46	46	46
Total shareholdings	17,988	15,808	15,808
Taxes paid in advance	62,372	44,157	44,157
Other non-financial assets	2,146	1,362	1,362
Total non-current assets	610,671	627,060	627,060
Current assets			
Leftover stock	3,194	2,554	2,554
Commercial receivables	67,591	63,267	63,267
Other assets	36,657	38,157	38,157
Current financial assets	14,190	5,497	5,497
Cash and cash equivalents	9,589	37,130	37,130
Total current assets	131,221	146,605	146,605
TOTAL ASSETS	741,892	773,665	773,665
LIABILITIES AND NET SHAREHOLDERS' EQUITY			
Net Shareholders' Equity			
Share capital	60,749	60,749	60,749
Reserves	148,651	193,268	193,303
Profits (losses) for the year	-46,063	-41,558	-41,593
Total Net Shareholders' Equity	163,337	212,459	212,459
Non-current liabilities			
Severance indemnity (TFR)	1,643	1,477	1,477
Non-current financial liabilities	344,425	281,184	281,184
Deferred taxes	47,496	44,433	44,433
Funds for future risks and costs	24,560	15,468	15,468
Miscellaneous debts and other non-current liabilities	1,939	5,569	5,569
Total non-current liabilities	420,063	348,131	348,131
Current liabilities			
Commercial debts	33,219	20,158	20,158
Other liabilities	86,813	74,893	74,893
Current financial liabilities	22,360	42,274	42,274
Current quotas in long-term loans	16,100	75,750	75,750
Total financial liabilities	38,460	118,024	118,024
Total current liabilities	158,492	213,075	213,075
TOTAL LIABILITIES AND NET SHAREHOLDERS' EQUITY	741,892	773,665	773,665

(*)Figures for year 2011 have been restated following early application of the amended IAS 19.
Figures are expressed in thousands of euro

SNAI S.p.A. - Cash flow statement

	Year 2012	Year 2011	Restated year 2011 (*)
A. CASH FLOW FROM OPERATIONS FOR THE YEAR			
Profits (losses) for the year	(46,063)	(41,559)	(41,593)
Amortization and depreciation	57,705	71,584	71,584
Net change in assets (liabilities) for taxes paid in advance (deferred taxes)	(13,991)	(10,867)	(10,881)
Change in risks fund	9,300	5,993	5,993
(Capital gains) capital losses from the realization of non-current assets (including shareholdings)	391	1,494	1,494
Net change in non-current commercial assets and liabilities and other miscellaneous changes	(4,415)	(1,516)	(1,516)
Net change in current commercial assets and liabilities and other miscellaneous changes	21,517	(78,867)	(78,867)
Net change del severance indemnity (TFR)	(122)	(228)	(180)
CASH FLOW GENERATED (ABSORBED) BY OPERATIONS FOR THE YEAR (A)	24,322	(53,966)	(53,966)
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
Investments in tangible assets (-)	(15,575)	(5,522)	(5,522)
Investments in intangible assets (-)	(5,193)	(4,822)	(4,822)
Acquisition of shareholdings in subsidiaries	(2,180)	(10,935)	(10,935)
Proceeds received from the sale of tangible, intangible and other non-current assets,	32	66	66
CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES (B)	(22,916)	(21,213)	(21,213)
C. CASH FLOW FROM FINANCIAL ASSETS			
Change in financial receivables and other financial assets	(8,693)	26,027	26,027
Change in financial liabilities	(35,177)	(43,389)	(43,389)
Cancellation of the loan for the purchase of "concessions" business units	0	(228,000)	(228,000)
Grant of loan	21,000	354,750	354,750
Repayment of loan	(5,750)	(1,150)	(1,150)
Change in debts owed to PAS on an installment basis for the purchase of "concessions" business units	(327)	(6,465)	(6,465)
CASH FLOW GENERATED (ABSORBED) BY FINANCIAL ASSETS (C)	(28,947)	101,773	101,773
CASH FLOW FROM ASSETS THAT HAVE BEEN TERMINATED OR ARE HELD FOR SALE (D)	0	0	0
E. TOTAL CASH FLOW (A+B+C+D)	(27,541)	26,594	26,594
INITIAL NET AVAILABLE LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)	37,130	10,536	10,536
G. NET EFFECT OF CONVERSION OF FOREIGN CURRENCIS ON LIQUIDITY (FINAL NET AVAILABLE LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS) (E+F+G)	0	0	0
RECONCILIATION OF FINAL NET AVAILABLE LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS):			
CASH AND CASH EQUIVALENTS NET OF SHORT-TERM FINANCIAL DEBTS AT THE BEGINNING OF THE PERIOD, DETAILED AS FOLLOWS:			
Cash and cash equivalents	37,130	10,536	10,536
Bank overdrafts	0	0	0
Terminated operating assets	0	0	0
	37,130	10,536	10,536
CASH AND CASH EQUIVALENTS NET OF SHORT-TERM FINANCIAL DEBTS AT THE END OF THE PERIOD, DETAILED AS FOLLOWS:			
Cash and cash equivalents	9,589	37,130	37,130
Bank overdrafts	0	0	0
Terminated operating assets	0	0	0
	9,589	37,130	37,130