



Sisal Group S.p.A.

Condensed consolidated interim
financial statements

**As of and for the 9 month period
ended September 30, 2015**

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Management Discussion & Analysis

Sisal Group Profile

Sisal Group S.p.A. (“**Sisal Group**” or the “**Company**” and together with its subsidiaries the “**Group**”) is the second largest gaming company and the largest convenience payment services provider in Italy based on turnover⁽¹⁾. Sisal was the first Italian company to operate in the gaming sector as a government concessionaire and it has been operating for over 65 years. In addition to gaming, the Group operates in the convenience payment services market.

The Group offers slot machines and video lottery terminals, betting, lottery games and convenience payment services. Sisal distribution network includes approximately 46,000 points of sale, nearly all of which also offer convenience payment services. The Group network is made up of newsstands, bars, tobacconists, betting shops and corners, points of sale that are dedicated to gaming machines, multifunctional gaming halls and our online gaming platform.

The Group operates through four business units: (i) Retail Gaming, (ii) Lottery (iii) Online Gaming and (iv) Payments and Services.

Retail Gaming: which is dedicated to the operation of (i) gaming machines (slot machines and video lottery terminals (“VLTs”), (ii) horse race betting and sports betting at betting shops and betting corners, (iii) new Virtual Races and (iv) traditional Italian gaming products, such as Totocalcio (the original and well-known football pool game) and Tris (a horse race prediction game).

Lottery: which operates the exclusive concession for national totalisator number games (“NTNG”), of which the most popular product is SuperEnalotto. Additionally, the Group diversified its lottery product offering by introducing WinForLife!, the first Italian annuity lottery game, and EuroJackpot, a multi-jurisdictional lottery. Sisal manages lottery games through its distribution network as well as its own website.

Online Gaming which offers players the opportunity to place online bets and play online games such as Sisal Casino, Sisal Slot, Sisal Bingo, Sisal Poker, Sisal Skill Games and Sisal Quick Games, as well as lottery games.

Payments and Services: Since 2002, the Group has also offered fast, simple and secure payment solutions through a wide distribution network with terminals located throughout Italy. The Group offers customers the ability to pay approximately 500 types of bills, fines and certain taxes such as TV licenses, as well as top-ups prepaid mobile phones and debit cards, with partnerships with utilities, prepaid services providers and municipal governments.

Key Factors affecting operations in the nine months ended September 30, 2015

In the first nine months 2015, the Italian GDP was slightly up 0.4%² compared to the same period of last year. The Italian gaming market turnover inverted the 2014 trend, growing, based on our estimates, by 2.5%, to approximately €63.5 billion³.

Total Convenience Payments Services market confirmed the ongoing positive trend. Services turnover grew by 5.1%, reaching €75.7 billion⁴, mainly driven by the expansion of payment and financial services.

The Group recorded €11.1 billion turnover for the nine months ended September 30, 2015, an increase of 8.4% compared to the same period in 2014, mainly driven by Payments and Services performance.

¹Based on ATK estimates

²Sisal Market Intelligence Estimate based on Istat data

³Sisal Market Intelligence Estimate based on AAMS, Agicos, Agipro, Agimeg.

⁴Sisal Market Intelligence Estimate

The first nine months 2015 results were also affected by the Budget Law 2015, which provides a reduction of the fees paid to gaming machines concessionaires for the concession activities, amounting to a total of €500 million and to be divided between the concessionaires according to the number of gaming machine rights held in their names on December 30, 2014.

Sisal Group share amounts to Euros 45.8 million, payable in two installments end of April (already timely processed) and end of October.

Sisal Group renegotiated its agreements with gaming network operators, in order to charge back to them a proportion of the fees reduction. We estimate that about 40% of the total amount will remain payable by Sisal Group.

The first nine months 2014 results reflect a positive tax ruling by the Central Office of the Revenues Agency which confirmed the full deductibility for IRES and IRAP corporate tax purposes of the charges incurred in 2013 fiscal year, related to the settlement with the Court of Auditors of the so called Slot case, totaling for the Group €73.5 million. The non recurring effect of the above mentioned ruling has been reported in the first nine months 2014 resulting in a positive Income tax of €22.9 million.

Results of Operations

<i>(€ in millions)</i>	Nine months ended September 30,				
	2014	% of total revenues and income	2015	% of total revenues and income	% change 2014-2015
Revenues	523.8	86.8%	491.4	88.2%	(6.2%)
Fixed odds betting income	78.5	13.0%	64.8	11.6%	(17.5%)
Other revenues and income	1.4	0.2%	1.1	0.2%	(21.4%)
Total revenues and income	603.7	100.0%	557.3	100.0%	(7.7%)
Purchases of materials, consumables and merchandise	9.1	1.5%	6.7	1.2%	(26.4%)
Costs for services	347.4	57.5%	306.5	55.0%	(11.8%)
Lease and rent expenses	18.9	3.1%	18.1	3.2%	(4.2%)
Personnel costs	69.9	11.6%	67.7	12.1%	(3.1%)
Other operating costs	26.2	4.3%	25.7	4.6%	(1.9%)
Amortization, depreciation, provisions and impairment losses and reversals	83.8	13.9%	83.3	14.9%	(0.6%)
Net operating profit (EBIT)	48.3	8.0%	49.2	8.8%	1.9%
Finance income and similar	0.9	0.1%	0.4	0.1%	(55.6%)
Finance expenses and similar	69.0	11.4%	63.6	11.4%	(7.8%)
Profit (loss) before income taxes	(19.8)	-3.3%	(13.9)	-2.5%	(29.8%)
Income taxes	(19.9)	-3.3%	0.9	0.2%	(104.5%)
Total comprehensive profit (loss) for the period	0.1	0.0%	(14.8)	-2.7%	n.m.

Revenues and income

The following table sets forth our revenues and income for the periods indicated in absolute numbers and as a percentage of total revenues and income:

<i>(€ in millions)</i>	Nine months ended September 30,				Change	
	2014	% of total revenues and income	2015	% of total revenues and income	(amount)	%
Gaming revenues	371.9	61.6%	329.3	59.1%	(42.6)	(11.5%)
Fixed odds betting income	78.5	13.0%	64.8	11.6%	(13.7)	(17.5%)
Payments and other services	90.9	14.9%	101.3	18.2%	10.4	11.4%
Points of sale revenues	57.4	9.5%	57.4	10.3%	0.0	0.1%
Other revenues	5.0	0.8%	4.5	0.8%	(0.5)	(9.7%)
Total	603.7	99.8%	557.3	100.0%	(46.4)	(7.7%)

Revenues and income amounted to €557.3 million for the nine months ended September 30, 2015 a decrease of €46.4 million, or 7.7%, from €603.7 million for the nine months ended September 30, 2014, due in particular to the impact of the Budget Law 2015 on Gaming machines revenues and a soft performance of fixed odds sport betting income, partially offset by the positive Payments and other services revenues performance.

Gaming Revenues

The following table sets forth our gaming revenues for the periods indicated.

<i>(€ in millions)</i>	Nine months ended September 30,				Change	
	2014	% of total revenues and income	2015	% of total revenues and income	(amount)	%
Gaming machines revenues	291.4	48.3%	250.3	44.9%	(41.1)	(14.1%)
NTNG revenues	33.8	5.6%	29.7	5.3%	(4.1)	(12.2%)
Virtual Races	22.1	3.7%	22.7	4.1%	0.6	2.7%
Online game revenues	15.8	2.6%	18.3	3.3%	2.5	16.2%
Horse race betting revenues	7.3	1.2%	7.2	1.3%	(0.1)	(1.1%)
Bingo revenues	1.1	0.2%	0.7	0.1%	(0.4)	(32.0%)
Sports pools revenues	0.5	0.1%	0.5	0.1%	(0.0)	0.0%
Total	371.9	61.7%	329.3	59.1%	(42.6)	(11.5%)

The overall gaming revenues amounted to €329.3 million for the nine months ended September 30, 2015 a decrease of €42.6 million, or 11.5%, from €371.9 million for the nine months ended September 30, 2014, due to a combination of the following factors:

- Gaming machines revenues amounted to €250.3 million for the nine months ended September 30, 2015 a decrease of €41.1 million, or 14.1%, from €291.4 million for the nine months ended September 30, 2014. The decrease in gaming machines revenues is mainly due to the already mentioned Budget Law 2015 impact. Furthermore, total gaming machines turnover decreased from €3.0 billion for the nine months ended September 30, 2014, of which 60% related to slot machines and 40% related to VLTs to €2.8 billion for the nine months ended September 30, 2015, of which 57% related to slot machines and 43% related to VLTs. The decrease in turnover is exclusively attributable to an optimization project which implied the pull out of the underperforming slot machines.

- NTNG revenues amounted to €29.7 million for the nine months ended September 30, 2015 a decrease of €4.1 million, or 12.2%, from €33.8 million for the nine months ended September 30, 2014. The decrease in NTNG revenues is mainly related to soft turnover driven by both low average jackpots and delays in refreshing the product offering.
- Virtual Races revenues amounted to €22.7 million for the nine months ended September 30, 2015, an increase of €0.6 million, or 2.7%, from €22.1 million for the nine months related to September 30, 2014. This product, launched in December 2013, still confirms a positive trend.
- Online game revenues amounted to €18.3 million for the nine months ended September 30, 2015 an increase of €2.5 million, or 16.2%, from €15.8 million for the nine months ended September 30, 2014, primarily as a result of the successful performance of Slot and other Casino and Skill games, partially offset by Poker games weak market trend.
- Horse race betting revenues were substantially unchanged amounting to €7.2 million for the nine months ended September 30, 2015 and €7.3 million for the nine months ended September 30, 2014.
- Bingo revenues amounted to €0.7 million for the nine months ended September 30, 2015 a decrease of €0.4 million, or 32.0%, from €1.1 million for the nine months ended September 30, 2014, due to a weak market trend.
- Sports pools revenues were unchanged amounting to €0.5 million for both the nine months ended September 30, 2015 and September 30, 2014.

Fixed odds betting income

Fixed odds betting income amounted to €64.8 million for the nine months ended September 30, 2015 a decrease of €13.7 million, or 17.5%, from €78.5 million for the nine months ended September 30, 2014, primarily as a result of lower performance in sport betting compared to the extraordinary performance in the same period of 2014.

Payments and other services

Payments and other services amounted to €101.3 million for the nine months ended September 30, 2015 an increase of €10.4 million, or 11.4%, from €90.9 million for the nine months ended September 30, 2014 mainly thanks to a higher number of payment and financial services transactions, which reached 43.9 million for the nine months ended September 30, 2015, an increase of 7.9 million, or 21.9%, from 36.0 million for the nine months ended September 30, 2014.

Point of sale revenues

Point of sale fees were substantially unchanged, amounting to €57.4 million for both the nine months ended September 30, 2015 and September 30, 2014.

Other revenues and income

Other revenues and income amounted to €4.5 million for the nine months ended September 30, 2015 a decrease of €0.5 million, or 9.7%, from €5.0 million for the nine months ended September 30, 2014.

Costs

Purchases of materials, consumables and merchandise

Purchases of materials, consumables and merchandise amounted to €6.7 million for the nine months ended September 30, 2015 a decrease of €2.4 million, or 26.4%, from €9.1 million for the nine months ended September 30, 2014, primarily due to lower consumption of gaming, marketing and promotional materials.

Costs for services

Costs for services amounted to €306.5 million for the nine months ended September 30, 2015 a decrease of €40.9 million, or 11.8%, from €347.4 million for the nine months ended September 30, 2014.

Costs for services amounted to 55.0% of total revenues and income for the nine months ended September 30, 2015 compared to 57.5% of total revenues and income for the nine months ended September 30, 2014. The following table sets forth an analysis of costs for services for the indicated periods.

<i>(€ in millions)</i>	Nine months ended September 30,				Change	
	2014	% of total revenues and income	2015	% of total revenues and income	(amount)	%
Sales channel- gaming revenues	198.6	32.8%	168.0	30.1%	(30.6)	(15.4%)
Sales channel- payments services	51.7	8.6%	56.7	10.2%	5.0	9.7%
Commercial services	22.1	3.7%	13.9	2.5%	(8.2)	(37.3%)
Consulting	11.2	1.9%	9.0	1.6%	(2.2)	(19.3%)
Other services costs	63.8	10.5%	58.9	10.6%	(4.9)	(7.7%)
Total cost for services	347.4	57.5%	306.5	55.0%	(40.9)	(11.8%)

The decrease in costs for services was primarily attributable to the combined effect of the following items:

- *Sales channel – Gaming* amounted to €168.0 million for the nine months ended September 30, 2015 a decrease of €30.6 million, or 15.4%, from €198.6 million for the nine months ended September 30, 2014. As a percentage of total revenues and income, sales channel gaming amounted to 30.1% for the nine months ended September 30, 2015 and 32.8% for the nine months ended September 30, 2014. The decrease is mainly driven by the reduction of Gaming machines network operators remuneration due to the Budget Law 2015 impact.
- *Sales channel – Payments services* amounted to €56.7 million for the nine months ended September 30, 2015 an increase of €5.0 million, or 9.7%, from €51.7 million for the nine months ended September 30, 2014. As a percentage of total revenues and income, sales channel payment services amounted to 10.2% for the nine months ended September 30, 2015 and 8.6% for the nine months ended September 30, 2014 mainly due to the combined effect of increasing Payments and services turnover and lower Group total revenues and income.
- *Commercial services* amounted to €13.9 million for the nine months ended September 30, 2015 a decrease of €8.2 million, or 37.3%, from €22.1 million for the nine months ended September 30, 2014. As a percentage of total revenues and income, Commercial services amounted to 2.5% for the nine months ended September 30, 2015 and 3.7% for the nine months ended September 30, 2014. The decrease is mainly due to higher spending in the second and third quarter 2014 related to launch of the new *NTNG* game “Vincicasa” and to the Brazil 2014 World Cup promotional activities.
- *Consulting and Other services* amounted to €67.9 million for the nine months ended September 30, 2015, a decrease of €7.1 million, or 9.5%, from €75.0 million for the nine months ended September 30, 2014, primarily due to non-recurring expenses, in particular advisory costs related to the IPO process in the first nine months 2014.

Lease and rent expenses

Lease and rent expenses amounted to €18.1 million for the nine months ended September 30, 2015, a decrease of €0.8 million, or 4.2%, from €18.9 million for the nine months ended September 30, 2014.

Personnel costs

Personnel costs amounted to €67.7 million for the nine months ended September 30, 2015 a decrease of €2.2 million, or 3.1%, from €69.9 million for the nine months ended September 30, 2014. Our average workforce, expressed in full time equivalents, reached 1,802 for the nine months ended September 30, 2015, a decrease of 4 from 1,806 for the nine months ended September 30, 2014. Personnel costs were affected by the accrual of restructuring costs for €1.3 million, related to the contact centers delocalization project. Net of this non recurring items, the overall decrease in personnel costs amounted to €3.5 million or -5.0% and is mainly related to a reduction of variable and overtime compensation.

Other operating costs

Other operating costs amounted to €25.7 million for the nine months ended September 30, 2015, a decrease of €0.5 million, or 1.9%, from €26.2 million for the nine months ended September 30, 2014.

Amortization, depreciation, provisions and impairment losses and reversals

Amortization, depreciation, provisions and impairment losses and reversals amounted to €83.3 million for the nine months September 30, 2015 a slight decrease of €0.5 million, or 0.6%, from €83.8 million for the nine months ended September 30, 2014. The decrease is mainly due to lower depreciation of property, plant and equipment, partially offset by higher impairment of receivables and amortization of intangible assets.

Net operating profit (EBIT)

Net operating profit (EBIT) amounted to €49.2 million for the nine months ended September 30, 2015 an increase of €0.9 million, or 1.9%, from €48.3 million for the nine months ended September 30, 2014.

Net margin was 8.8% for the nine months ended September 30, 2015 compared to 8.0% for the nine months ended September 30, 2014.

Neutralizing the impact of non-recurring expenses, Net operating profit (EBIT) amounted to €50.7 million for the nine months ended September 30, 2015 a decrease of €3.3 million, or 6.1%, from €54.0 million for the nine months ended September 30, 2014; consequently net margin was 9.1% for the nine months ended September 30, 2015 compared to 8.9% for the nine months ended September 30, 2014.

Such performance was mainly driven by revenues and costs performance as commented above.

Finance income and similar

Finance income and similar amounted to €0.4 million for the nine months ended September 30, 2015 a decrease of €0.5 million, or approximately 56%, from €0.9 million for the nine months ended September 30, 2014, primarily as a result of lower interest rates in the relevant period.

Finance expenses and similar

Finance expenses and similar amounted to €63.6 million for the nine months ended September 30, 2015 a decrease of €5.4 million, or 7.8%, from €69.0 million for the nine months ended September 30, 2014. Finance expenses on third party financial liabilities amounted to €32.4 million for the nine months ended September 30, 2015 compared to €34.8 million for the nine months ended September 30, 2014, primarily as results of lower interest rates in the relevant period; finance expenses on shareholders financial liabilities amounted to €31.0 million for the nine months ended September 30, 2015 compared to €34.0 million for the nine months ended September 30, 2014, primarily as results of lower outstanding debt, due to the Parent sole shareholder irrevocable and unconditional waiver of the "ZC Shareholder Loan" repayment occurred in December 2014.

Income taxes

Income taxes amounted to €0.9 million for the nine months ended September 30, 2015 an increase of €20.8 million, or 104.5%, from €19.9 million for the nine months ended September 30, 2014, primarily as a result of the above mentioned 2014 Slot case tax ruling definition. Net of this non recurring items, income taxes decrease of about €2.1 million, mainly due to a lower IRAP tax base, effective from January, 1st 2015.

Segment Information

(€ in millions)	Nine months ended September 30,			
	2014	2015	2014	2015
	Revenues and income		Segment EBITDA	
Retail gaming	391.1	337.9	65.3	51.9
Lottery	63.1	55.7	19.2	22.2
Online gaming	33.9	34.3	15.3	15.8
Payment and services	115.3	128.9	38.4	44.1
Other	0.3	0.6		
Segment EBITDA (1)			138.1	134.0
Items with different classification			(7.5)	(3.0)
Total	603.7	557.3	130.6	131.0

- (1) We define EBITDA as profit (or loss) for the period plus net finance expenses and similar, income taxes and depreciation, amortization and impairments and impairments of receivables. EBITDA is a non-IFRS measure. Starting first quarter 2015 some allocation criteria, with particular regard to Points of sale revenues split amongst different segments, have been revised; for comparison purposes prior year segment information has been restated.

Retail Gaming: Retail Gaming segment results for the nine months ended September 30, 2015 have been mainly driven by the 2015 Budget Law impact and by the soft performance in sport betting. 15.4% margin for the nine months ended September 30, 2015 compared to 16.7% for same period in 2014.

Lottery: Lottery segment results for the nine months ended September 30, 2015 have been mainly driven by low SuperEnalotto jackpot during the period, reducing game appeal to customers and delay in approving games rejuvenation. 39.8% margin for the nine months ended September 30, 2015, compared to 30.4% for the same period in 2014, is mainly related to lower costs base.

Online Gaming: Online Gaming segment results for the nine months ended September 30, 2015 have been mainly driven by Slot games strong performance, partially offset by soft performance in online sport betting and the Poker market weak trend. 46.1% margin for the nine months ended September 30, 2015 compared to 45.0% for the same period in 2014, was mainly driven by the above mentioned factors.

Payments and Services: Payments and Services results for the nine months ended September 30, 2015 have been mainly driven by revenues growth. 34.2% margin for the nine months ended September 30, 2015 compared to 33.3% for the same period in 2014, was driven by top line, with particular regard to payment and financial services segment.

Liquidity and Working capital

The following table sets forth our changes in working capital for the periods indicated.

<i>(€ in millions)</i>	Nine months ended September 30,	
	2014	2015
Movements in trade receivables	(16.0)	(19.1)
Movements in inventories	1.6	0.8
Movements in trade payables	(10.3)	(25.2)
Movements in trade working capital	(24.7)	(43.5)
Movements in other assets and liabilities	(11.8)	12.1
Total movements in working capital	(36.5)	(31.4)

Movements in working capital are generally connected to timing of cash collections and convenience service payments and business turnover trends. The overall lower cash absorption in the first nine months 2015, compared to that recorded in the first nine months 2014, is mainly related to a more favorable cash collection of VAT tax assets and to different timing between accrued liability and advance payment related to Budget Law 2015 charges.

Cash flows

The following table sets forth a summary of our cash flow statement for the periods indicated

<i>(€ in millions)</i>	Nine months ended September 30,	
	2014	2015
Cash provided by operations before changes in working capital, interest and taxes	132.7	132.7
Tax paid	(1.8)	(4.7)
Changes in working capital	(36.5)	(31.4)
Cash flows provided by (used in) operating activities	94.4	96.6
Cash flows provided by (used in) investing activities	(43.6)	(25.9)
Cash flows provided by (used in) financing activities	(61.7)	(53.9)
Decrease in cash and cash equivalents	(10.9)	16.8
Net cash at the beginning of the period	104.3	113.7
Net cash at the end of the period	93.4	130.5

Cash provided by operating activities amounted to €96.6 million for the nine months ended September 30, 2015 compared to cash provided of €94.4 million for the nine months ended September 30, 2014. The movement is principally related to the decrease in cash absorbed from working capital, as explained above, which was only partially offset by an increase in income tax payments.

Cash flows used in investing activities amounted to €25.9 million for the nine months ended September 30, 2015 compared to €43.6 million for the nine months ended September 30, 2014 which included €15.4 million related to Business acquisition. The cash used in investing activities in first nine months 2015 is mainly related to tangible and intangible assets increases (€24.8 million) and residually to other minor payments related to Business acquisition.

Cash flows used by financing activities amounted to €53.9 million for the nine months ended September 30, 2015 compared to cash used of €61.7 million for the nine months ended September 30, 2014. The cash used in financing activities for both the nine months ended September 30, 2015 and September 30, 2014 is mainly related to net interest paid, respectively €46.5 million and €54.3 million.

Capital Resources

The following table sets forth the amounts of our external debt (principal amounts plus accrued interest for the reference period) as of December 30, 2014 and September 30, 2015. The table below does not include amounts due under our shareholders loan which, including capitalized interest, amounted to €404.7 million as of September 30, 2015 and €387.0 million as of December 30, 2014.

<i>(€ in millions)</i>	As of December 31, 2014	As of September 30, 2015
Senior Secured Credit Facilities	431.2	425.4
Senior Secured notes	280.1	275.0
Other financial liabilities	5.4	4.3
Total external financial liabilities	716.7	704.7

Other Financial Information

<i>(€ in millions)</i>	Nine months ended September 30,	
	2014	2015
EBITDA	130.6	131.0
Adjusted EBITDA	136.3	132.5
Adjusted EBITDA margin	22.6%	23.8%

(1) We define EBITDA as profit (or loss) for the period plus net finance expenses and similar, income taxes and depreciation, amortization and impairments and impairments of receivables. EBITDA is a non-IFRS measure. The following table sets forth a reconciliation between the profit for the period and the EBITDA.

<i>(€ in millions)</i>	Nine months ended September 30,	
	2014	2015
Profit/(loss) for the period	0.1	(14.8)
Net finance expense and similar	68.1	63.2
Income taxes	(19.9)	0.9
Amortisation, depreciation and impairments	73.2	71.8
Impairment of receivables	9.2	9.9
EBITDA	130.6	131.0

(2) We define Adjusted EBITDA as EBITDA adjusted for the effect of non-recurring items and provisions related to disputes with regulatory bodies. The following table sets forth a reconciliation between the EBITDA and the Adjusted EBITDA.

<i>(€ in millions)</i>	Nine months ended September 30,	
	2014	2015
EBITDA	130.6	131.0
Non-recurring expenses	5.7	1.5
Adjusted EBITDA	136.3	132.5

(3) We define Adjusted EBITDA margin as Adjusted EBITDA divided by total revenues and income.

<i>(€ in millions)</i>	As of December 31,	As of September 30,
	2014	2015
Unrestricted cash	113.7	130.5
SHIP net senior secured debt	597.6	569.9

(4) Unrestricted cash represents cash and cash equivalents that do not include restricted cash relating to bank accounts which are managed by us but for which the cash is restricted to the payment of prize winnings and, to a lesser extent, deposits made by players for our online games.

(5) Sisal Group net senior secured debt consist of the amount due under the Senior Secured Facilities and the senior secured notes, less unrestricted cash. Net senior secured debt does not include debt under finance leases, and other sundry financial liabilities.

Information relating to the Financial Liabilities of Gaming Invest

<i>(€ in millions)</i>	As of December 31,	As of September 30,
	2014	2015
Principal amount of debt	297.5	308.4

<i>(€ in millions)</i>	Nine months ended September 30,	
	2014	2015
Interest expense	20.1	20.6

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

<i>(in thousands of Euro)</i>	Notes	For the nine months ended September 30,		For the three months ended September 30,	
		2015	2014	2015	2,014
Revenues	10	491,396	523,781	161,831	173,202
Fixed odds betting income	11	64,828	78,532	20,575	25,825
Other revenues and income		1,088	1,389	296	417
<i>of which non-recurring</i>		<i>189</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total revenues and income		557,312	603,702	182,702	199,444
Purchases of materials, consumables and merchandise		6,772	9,128	2,021	3,100
Costs for services		306,553	347,396	99,503	116,367
<i>of which related parties</i>	20	<i>1,609</i>	<i>1,563</i>	<i>526</i>	<i>510</i>
<i>of which non-recurring</i>	21	<i>340</i>	<i>4,749</i>	<i>268</i>	<i>1,505</i>
Lease and rent expenses		18,145	18,948	5,901	6,496
Personnel costs		67,675	69,909	20,476	21,853
<i>of which related parties</i>	20	<i>2,662</i>	<i>3,159</i>	<i>902</i>	<i>1,064</i>
<i>of which non-recurring</i>	21	<i>1,300</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other operating costs		25,658	26,233	8,089	8,310
<i>of which non-recurring</i>	21	<i>28</i>	<i>960</i>	<i>28</i>	<i>286</i>
Amortisation, depreciation, provisions and impairment losses and reversals		83,313	83,806	26,828	27,828
Net operating profit (EBIT)		49,196	48,282	19,884	15,490
Finance income and similar		404	943	49	198
Finance expenses and similar	12	63,468	68,766	21,455	23,087
<i>of which related parties</i>	20	<i>31,007</i>	<i>33,985</i>	<i>10,604</i>	<i>11,671</i>
Share of profit/(loss) of companies accounted for by the equity method		(58)	(238)	0	(197)
Profit (loss) before income taxes		(13,926)	(19,779)	(1,522)	(7,399)
Income taxes		905	(19,913)	0	40
<i>of which non-recurring</i>	21	<i>0</i>	<i>(22,853)</i>	<i>0</i>	<i>0</i>
Total comprehensive profit (loss) for the period		(14,831)	134	(1,522)	(7,439)
Attributable to non-controlling interest		100	383	50	164
Attributable to owner of the parent		(14,931)	(249)	(2,657)	(7,800)
Basic earnings (loss) per share		(0.15)	0.00	(0.27)	(0.08)
Diluted earnings (loss) per share		(0.15)	0.00	(0.27)	(0.08)

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF SEPTEMBER 30, 2015 AND 2014

<i>(in thousands of Euro)</i>	<i>Notes</i>	At September 30, 2015	At December 31, 2014
A) NON-CURRENT ASSETS			
Property, Plant and Equipment	13	107,256	120,565
Goodwill	14	880,388	879,978
Intangible assets	13	151,719	185,561
Investments accounted for using the equity method		0	58
Deferred tax assets		29,949	31,938
Other non-current assets		22,621	24,825
Total non-current assets		1,191,933	1,242,925
B) CURRENT ASSETS			
Inventories		8,159	8,965
Trade receivables		144,478	135,276
Current financial assets		0	0
Taxes receivable		2,313	3,652
Restricted bank deposits	15	90,293	90,339
Cash and cash equivalents	16	130,508	113,692
Other current assets		54,565	48,418
Total current assets		430,316	400,342
TOTAL ASSETS		1,622,249	1,643,267
A) EQUITY			
Share capital	17	102,500	102,500
Legal reserve		200	200
Share premium reserve		94,484	94,484
Other reserves		87,928	87,928
Retained earnings (accumulated deficit)		(270,709)	(255,777)
Total equity attributable to owners of the Parent		14,403	29,335
Equity attributable to non-controlling interests		1,611	1,511
Total equity		16,014	30,846
B) NON-CURRENT LIABILITIES			
Long-term debt	18	1,051,241	1,037,656
<i>of which related parties</i>		404,733	387,015
Provision for employee severance indemnities		10,977	11,318
Deferred tax liabilities		12,171	15,858
Provisions for risks and charges	19	14,950	14,101
Other non-current liabilities		4,195	7,158
Total non-current liabilities		1,093,534	1,086,091
C) CURRENT LIABILITIES			
Trade and other payables		242,601	267,798
Short-term debt	18	34,286	34,286
Current portion of long-term debt	18	15,429	20,165
<i>of which related parties</i>		0	0
Taxation payable		1,471	4,458
Other current liabilities		218,914	199,623
<i>of which related parties</i>		1,070	1,623
Total current liabilities		512,701	526,330
TOTAL LIABILITIES AND EQUITY		1,622,249	1,643,267

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

<i>(In thousands of Euro)</i>	For the nine months ended September 30,	
	2015	2014
Profitt (loss) fore the period before income taxes	(13,926)	(19,779)
Amortization and depreciation	71,691	73,162
Impairment of current receivables	9,878	9,173
Impairment of property, plant and equipment and intangible assets	232	0
Provisions for risks and charges, accruals and employee severance indemnities	1,734	2,067
Impairment of investments	58	239
Finance (income) expenses	63,065	67,823
Net cash generated from operating activities before changes in working capital, interest and taxes	132,732	132,685
(Increase) decrease in trade receivables	(19,080)	(16,019)
(Increase) decrease in inventories	806	1,598
(Increase) decrease in trade payables	(25,197)	(10,252)
Change in other assets and liabilities	12,078	(11,788)
Taxes (paid)/reimbursed	(4,739)	(1,841)
Net cash generated from operating activities	96,600	94,383
Increase in property, plant and equipment	(16,317)	(21,190)
Increase in intangible assets	(8,456)	(7,027)
Acquisitions (net of cash)	(1,156)	(15,392)
Net cash used in investing activities	(25,929)	(43,609)
New medium-/long-term debt	1,900	800
decrease in medium-/long-term debt	(8,346)	(7,051)
Increase (decrease) in lease payables	(955)	(1,185)
Increase (decrease) in short-term debt	0	(11)
Net interest paid	(46,454)	(54,263)
Net cash used in financing activities	(53,855)	(61,710)
Net decrease in cash and cash equivalents	16,816	(10,936)
Net cash at the beginning of the period	113,692	104,304
Net cash at the end of the period	130,508	93,368

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

<i>(in thousands of Euro)</i>	Share capital	Legal reserve	Share premium reserve	Other reserves	Retained earnings (accumulated deficit)	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at December 31, 2013	102,500	200	94,484	(1,638)	(253,120)	(57,574)	1,174	(56,400)
Remeasurement of defined benefit plans								0
Profit and loss for the period					(249)	(249)	383	134
Total comprehensive profit (loss) for the period	0	0	0	0	(249)	(249)	383	134
Dividends paid								0
Other movements				363	1	364	0	364
Transactions with shareholders	0	0	0	363	1	364	0	364
Equity at September 30, 2014	102,500	200	94,484	(1,275)	(253,368)	(57,459)	1,557	(55,902)
Equity at December 31, 2014	102,500	200	94,484	87,928	(255,777)	29,335	1,511	30,846
Remeasurement of defined benefit plans					0	0	0	0
Profit and loss for the period					0	(14,931)	100	(14,831)
Total comprehensive profit (loss) for the period	0	0	0	0	0	(14,931)	100	(14,831)
Dividends paid								0
Other movements				0	0	(1)	0	(1)
Transactions with shareholders	0	0	0	0	0	(1)	0	(1)
Equity at September 30, 2015	102,500	200	94,484	87,928	(255,777)	14,403	1,611	16,014

SISAL GROUP S.P.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015 AND 2014

1. General information

Sisal Group S.p.A. (hereafter the “**Company**”) is a company incorporated in Italy, with registered and administrative offices in Milan, in Via Tocqueville 13, organized under the laws of the Republic of Italy. The Company was formerly named Sisal Holding Istituto di Pagamento S.p.A.

The Company and its subsidiaries (together the “**Group**”) operate principally: i) in the gaming sector, mainly on the basis of concessions for pool game wagers, horse and sports betting and legal gaming with AWP (Amusement With Prizes) gaming machines (slot machines and video lottery terminals) and ii) in the collection and payment services sector, by specific authorization of the Bank of Italy, and in the marketing of telephone and TV content top-ups.

The sole shareholder of the Company is Gaming Invest S.à.r.l. (“**Gaming Invest**”), a company indirectly owned, through vehicle companies, by funds promoted by the Apax, Permira and Clessidra groups, by Rodolfo Molo and Malvina Molo as well as certain former executives of the Company.

2. Basis of preparation

These condensed consolidated interim financial statements for the nine months ended September 30, 2015 (hereafter the “**Condensed Consolidated Interim Financial Statements**”) have been prepared following IAS 34, ‘Interim financial reporting’ which governs interim financial reporting. IAS 34 permits a significantly lower amount of information to be included in interim financial statements from what is required for annual financial statements by International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (hereafter “**IFRS**”), given that the entity has prepared its financial statements compliant with IFRS for the previous financial year. The Condensed Consolidated Interim Financial Statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 30, 2014 and 2013 (the “**Annual Consolidated Financial Statements**”).

The Condensed Consolidated Interim Financial Statements include the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and these illustrative notes.

Unless otherwise stated, all amounts are disclosed in thousands of Euro.

These Condensed Consolidated Interim Financial Statements were approved by the board of directors of Sisal Group S.p.A. on November 30, 2015.

3. Going concern

The nine months ended September 30, 2015 closed with a loss of Euros 14,831 thousand, at September 30, 2015 the consolidated equity was positive Euro 16,014 thousand (Euro 30,846 thousand at December 30, 2014) and net working capital at the same date was negative Euro 163,178 thousand (Euro 185,229 thousand at December 30, 2014).

SISAL GROUP S.P.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015 AND 2014

With regard to working capital, it should be mentioned that the business of the Group is characterized by a financial cycle in which the cash flows due to the partners and the State are collected from the network earlier than required. Therefore, the presence of a negative working capital should be considered a specific characteristic of the Group.

As for the debt structure, the Group still has a loan secured from Gaming Invest S.à.r.l. for an amount, at September 30, 2015, of Euros 404.7 million subordinated to the obligations arising from the Senior Credit Agreement signed with the banks and the issuance of the Senior Secured Notes, both maturing in September 2017. In particular, for the foregoing loan called "Shareholder Loan C", the payment of a portion of the interest due can be deferred for the entire duration of the loan on request of the borrower, therefore the contractual characteristics for the repayment and interest settlement conditions on the loans granted by Gaming Invest facilitate the Group in meeting its financial requirements associated with business operations and contracted obligations.

The role of the sole shareholder as a lender of the Group allows for greater flexibility in defining the policies for capital management, and the equilibrium between risk capital and debt as can be seen in the following chart:

<i>(In thousands of Euro)</i> <i>(Percentage computed on total debt and equity)</i>	At September 30, 2015	%	At December 31, 2014	%
Long term debt	646,508		650,641	
Short-term debt and current portion of long-term debt	49,715		54,451	
Funding from third parties	696,223	62.3%	705,092	62.8%
Shareholder Loan	404,733		387,015	
Subordinated Zero Coupon Shareholder loan	0		0	
Funding from sole shareholder	404,733	36.2%	387,015	34.5%
Equity	16,014	1.5%	30,846	2.7%
Total debt and equity	1,116,970	100.0%	1,122,953	100.0%

2014 full year confirmed the recovery in gross margin budgeted in the business plan drawn up by the directors at the end of 2013. This was accomplished thanks to the execution of the growth strategies, guided by an expansion of existing games and services, as well as an increase in cash flows anticipated from the 101 additional sports concessions awarded in 2013 and from the 75 stores and 29 sports concessions coming from the acquisition of the Merkur-Win business segment.

These trends are also confirmed by recent projections drafted by management assuring the compliance with the financial covenants established in the outstanding loan contracts.

On the basis of the assessments previously illustrated and with particular reference to the current and expected profitability of the Group, to the amortization plans for the repayment of debt and to the potential sources of alternative available financing, the directors believe that there is the reasonable expectation that the Group will continue its operating activities in the foreseeable future and will be able to meet its financial commitments, and in any case for a period of time beyond twelve months, and has therefore prepared these Condensed Consolidated Interim Financial Statements on a going concern basis.

SISAL GROUP S.P.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015 AND 2014

4. Accounting policies

The accounting policies adopted are consistent with those that applied to the Annual Consolidated Financial Statements except as described below.

- Taxes on income which, in the interim periods, are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- The following accounting standard applicable since first quarter 2015 and adopted for the first time:

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLICABLE AND ADOPTED FOR THE FIRST TIME

In 2015 the Group adopted the following accounting standards and amendments for the first time:

Standard	Endorsed in	Effective date
<i>Amendments to IAS 19: Defined Benefit Plans: Employee Contributions</i>	December 2014	February 1, 2015
<i>Annual Improvements to IFRSs 2010-2012 Cycle</i>	December 2014	February 1, 2015
<i>Annual Improvements to IFRSs 2011-2013 Cycle</i>	December 2014	January 1, 2015

The adoption of the above mentioned standards and amendments did not have an impact on the Condensed Consolidated Interim Financial Statements.

5. Recently issued accounting standards

The following standards and amendments are in the process of being endorsed by the European Union and therefore to date are not applicable to the Group:

Description
<i>IFRS 9 'Financial Instruments'</i>
<i>IFRS 14 'Regulatory deferral accounts'</i>
<i>IFRS 15 'Revenue from Contracts with Customers'</i>
<i>Amendments to IAS 1, 'Disclosure Initiative'</i>
<i>Amendments to IAS 27, 'Equity Method in Separate Financial Statements'</i>
<i>Amendments to IAS 16 and 38, 'Clarification of Acceptable Methods of Depreciation and Amortisation'</i>
<i>Amendments to IFRS 11, 'Accounting for Acquisition of Interests in Joint Operations'</i>

The Group is currently reviewing the above standards and amendments to assess the impact, if any, of their application on its financial statements.

SISAL GROUP S.P.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015 AND 2014

6. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Consolidated Financial Statements.

7. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange rate, interest rate and bookmaker risk), liquidity risk and credit risk and capital risk.

The Condensed Consolidated Interim Financial Statements do not include all financial risk management information and disclosures required for a financial statements prepared according to IFRS. They should be read in conjunction with the Annual Consolidated Financial Statements, which include the full financial risk management disclosure. There have been no changes in the risk management department since year end or in any risk management policies.

Liquidity risk

At September 30, 2015 the Group has a revolving line of credit under the Senior Credit Agreement for a total of Euro 34.3 million, which must be repaid by September 30, 2017. At September 30, 2015 this line was completely drawn down.

Fair value estimation

Financial instruments carried at fair value are reported by valuation method. The different valuation levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Both at September 30, 2015 and December 30, 2014 the Group reported no outstanding assets and liabilities that are measured at fair value.

8. Operating segment information

The Group's business is organized in the following operating segments:

- Retail Gaming, engaged in activities involving slot machines and VLTs, fixed-odds sports betting, virtual races and also traditional sports pools, as well as bingo;
- Lottery, engaged in activities for the exclusive concession of NTNG (national totalisator number games);

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015 AND 2014

- Online Gaming, engaged in activities for online games and placing online bets through the sisal.it website and through the mobile phone channel;
- Payments and services, engaged in activities for payment and financial services such as: (i) payment of bills, utilities, fines, taxes, subscriptions etc.; (ii) top-ups of prepaid debit cards; (iii) mobile phone top-ups and pay-for-view TV cards and also (iv) marketing of some products such as gadgets and mini-toys.

The following table presents: i) Revenues and income; ii) Revenues and income net of revenues paid back to the revenue chain; and iii) EBITDA of the operating segments. The operating segment data related to the nine months ended September 30, 2014, have been restated to make them comparable to segment information related to the nine months ended September 30, 2015, which reflect some allocation criteria adjustments, with particular regard to Points of sale revenues split amongst different segment.

<i>(in thousands of Euro)</i>	For the nine months ended September 30,			
	2015		2014	
	Total revenues	EBITDA	Total revenues	EBITDA
Retail Gaming				
Revenues	203,826		225,519	
Supply Chain / Other revenues	134,077		165,552	
Total	337,903	51,872	391,071	65,283
Lottery				
Revenues	55,650		63,129	
Supply Chain / Other revenues	1		(5)	
Total	55,651	22,176	63,124	19,174
Online Gaming				
Revenues	39,553		38,582	
Supply Chain / Other revenues	(5,258)		(4,689)	
Total	34,295	15,802	33,893	15,256
Payments and services				
Revenues	72,620		63,735	
Supply Chain / Other revenues	56,236		51,545	
Total	128,856	44,108	115,280	38,394
	607		334	
Total operating segment	557,312	133,958	603,702	138,107

SISAL GROUP S.P.A.
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For the three months ended September 30,				
<i>(in thousands of Euro)</i>	2015		2014	
	Total revenues	EBITDA	Total revenues	EBITDA
Retail Gaming				
Revenues	65,829		74,070	
Supply Chain / Other revenues	44,317		54,439	
Total	110,146	18,657	128,509	22,488
Lottery				
Revenues	17,928		20,652	
Supply Chain / Other revenues	0		(5)	
Total	17,928	7,644	20,647	4,062
Online Gaming				
Revenues	12,813		12,646	
Supply Chain / Other revenues	(1,922)		(1,541)	
Total	10,891	5,200	11,105	5,323
Payments and services				
Revenues	24,882		21,934	
Supply Chain / Other revenues	18,645		17,180	
Total	43,527	15,482	39,114	13,322
Other revenues	210		69	
Total operating segment	182,702	46,983	199,444	45,195

A reconciliation between operating segments EBITDA and the Group's operating profit (EBIT) is set out in the following table:

<i>(In thousands of Euro)</i>	For the nine months ended September 30,		For the three months ended September 30,	
	2015	2014	2015	2014
Total operating segment	133,958	138,107	46,983	45,195
Non-recurring expenses	(1,479)	(5,709)	(296)	(1,791)
Items with different classification	(1,482)	(1,781)	(436)	(743)
Amortization of intangible assets	(42,065)	(41,247)	(14,388)	(14,212)
Depreciation of property, plant & equipment	(29,626)	(31,915)	(10,136)	(11,118)
Other impairment losses on fixed assets	(232)	0	(232)	0
Impairment losses on current receivables	(9,878)	(9,173)	(1,611)	(1,841)
Net operating profit (EBIT)	49,196	48,282	19,884	15,490

Given the range of services and products sold by the Group there are no significant concentrations of revenues with individual customers.

The Group currently operates almost exclusively in Italy, therefore no information is reported by geographical area.

SISAL GROUP S.P.A.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015 AND 2014

9. Seasonality of operations

The operations of the Group are subject to sports scheduling and other seasonal factors as well as extraordinary events, which may adversely affect results of operations. The professional football season in Italy usually runs from late August to mid-May. As a result, the Group has historically recorded higher betting revenues and income in these months. The volumes of bets collected are also affected by the schedules of other significant sporting events that occur at regular but infrequent intervals, such as the FIFA Football World Cup, UEFA European Football Championship and the Olympics. As a result of the seasonality for the sporting season, income from offline and online betting activities can vary significantly throughout the year, and on a year-to-year basis. Lottery business unit is also affected by seasonality, as the sale of lottery tickets typically decreases in the summer months while some customers are on vacation.

10. Revenues

The following table sets forth an analysis of Revenues:

<i>(in thousands of Euro)</i>	For the nine months ended September 30,		For the three months ended September 30,	
	2015	2014	2015	2014
Gaming revenues	329,347	371,949	107,094	122,213
Payments and other services	101,321	90,854	33,905	30,787
Points of sale revenues	57,362	57,420	19,413	19,180
Other revenues	3,366	3,558	1,419	1,022
Total	491,396	523,781	161,831	173,202

The gaming revenues are analyzed as follows:

<i>(in thousands of Euro)</i>	For the nine months ended September 30,		For the three months ended September 30,	
	2015	2014	2015	2014
Gaming machines revenues	250,282	291,316	82,249	95,836
NTNG revenues	29,693	33,823	9,460	11,064
Virtual Races	22,676	22,090	7,227	7,795
Online game revenues	18,320	15,771	5,812	5,069
Horse race betting revenues	7,249	7,328	2,065	1,986
Bingo revenues	651	1,104	172	352
Sports pools revenues	454	495	104	106
Big bets revenues	22	22	5	5
Total	329,347	371,949	107,094	122,213

Fixed odds betting income

The following table sets forth an analysis of Fixed odds betting income:

<i>(in thousands of Euro)</i>	For the nine months ended September 30,		For the three months ended September 30,	
	2015	2014	2015	2014
Fixed odds sports betting income	64,346	77,989	20,454	25,654
Fixed odds horse race betting income	105	187	13	56
Reference horse race betting income	377	356	108	115
Total	64,828	78,532	20,575	25,825

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11. Finance expense and similar

The following table sets forth an analysis of Finance expense and similar:

<i>(in thousands of Euro)</i>	For the nine months ended September 30,		For the three months ended September 30,	
	2015	2014	2015	2014
Interest and other finance expenses - Group	31,007	33,985	10,604	11,671
Interest and other finance expenses - third parties	32,427	34,776	10,851	11,390
Exchange (gains) losses realised	36	(20)	1	(20)
Exchange (gains) losses unrealised	(2)	25	(1)	45
Total	63,468	68,766	21,455	23,086

12. Property, plant and equipment and other intangibles assets

The composition and movements of property, plant and equipment are as follows:

<i>(in thousands of Euro)</i>	PPE	Other intangible assets
Nine months ended September 30, 2015		
Opening net book amount as at January 1, 2015	120,565	185,561
Acquisitions of subsidiaries	0	0
Increases	16,554	8,223
Depreciation, amortisation and impairment	(29,858)	(42,065)
Disposals	(5)	0
Closing net book amount as at September 30, 2015	107,256	151,719

13. Goodwill

The movement of goodwill is as follows:

<i>(in thousands of Euro)</i>	At September 30, 2015	At September 30, 2014
At the beginning of the period	879,978	880,024
Acquisition of Acme S.r.l.	0	509
Acquisition of Ciuppi business	410	0
At the end of the period	880,388	880,533

14. Restricted bank deposits

Restricted bank deposits include mainly the balances of the accounts for the payment of winnings, including the amounts deposited for the special winnings of the Vinci per la Vita – Win for Life games and for the so-called SuperStar Reserve Fund which comprises the difference between available prize money and winnings payable calculated for each single game, in addition to the bank balances of the deposits made by online game players.

Restricted bank deposits are managed by the Group but their use is restricted to the payment of the cumulative winnings on the relative games and the payment of any winnings from online games.

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15. Cash and cash equivalents

Cash and cash equivalents at September 30, 2015 and December 30, 2014 are as follows:

<i>(in thousands of Euro)</i>	At September 30, 2015	At December 31, 2014
Bank and postal accounts	123,602	106,384
Cash and cash equivalents in hand	6,906	7,308
Total	130,508	113,692

16. Share capital

As of September 30, 2015, share capital amounts to Euro 102,500 thousand, it is fully paid in and consists of 102,500,000 ordinary shares. Share capital is unchanged compared to December 30, 2014.

17. Borrowings and loans

The table sets forth an analysis of Borrowings and loans:

<i>(in thousands of Euro)</i>	At September 30, 2015	At December 31, 2014
Senior Credit Agreement	421,250	425,438
Senior Secured Notes	270,674	274,273
Loans from related parties	404,733	387,015
Loans from other banks	2,094	2,220
Payable to other lenders - leasing contracts	2,205	3,161
Other loans from third parties	4,299	5,381
Total	1,100,956	1,092,107
<i>of which current</i>	49,715	54,451
<i>of which non-current</i>	1,051,241	1,037,656

Movements in borrowings are analyzed as follows:

<i>(in thousands of Euro)</i>	Nine months ended September 30,	
	2015	2014
Opening amount as at January 1	1,092,107	1,169,703
Acquisition of subsidiary	0	104
New borrowings	1,900	789
Accrued interest and other expenses	16,250	13,308
Repayments of borrowings	9,301	8,236
Closing amount as at June 30	1,100,956	1,175,668

At September 30, 2015, the market price of the senior secured notes was Euro 275.8 million compared to a face value of Euro 275 million.

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18. Provisions for risks and charges

The movements in the provisions for risks and charges are the following:

<i>(in thousands of Euro)</i>	At January 1, 2015	Changes during the period		At September 30, 2015
		increase	decrease	
Sundry risks and charges provisions	12,991	1,060	(663)	13,388
Technological updating provision	1,110	452	0	1,562
Total	14,101	1,512	(663)	14,950

19. Related party transactions

With regard to transactions with the ultimate parent, Gaming Invest, at September 30, 2015 the Company has a loan payable totaling approximately Euro 404,733 thousand. The interest expense on the loan in the nine months ended September 30, 2015 amounted to Euro 31,007 thousand (Euro 34,776 thousand in the nine months ended September 30, 2014). Related party costs for services, amounting to Euro 1,609 thousand in the nine months ended September 30, 2015 (Euro 1,563 thousand in the nine months ended September 30, 2014) are mainly related to compensation for executives who are also company directors; salaries and employee severance indemnities of key management charged with strategic responsibilities, amounting to Euro 2,662 thousand in the nine months ended September 30, 2015 (Euro 3,159 thousand in the nine months ended September 30, 2014), are reported under Personnel costs.

20. Significant non-recurring events and transactions

During the nine months ended 30 September, 2015, the Group did recognize some net non-recurring expenses, amounting to Euro 1,479 thousand, mainly due to restructuring costs accrual included in Personnel costs related to contact centers delocalization project.

During the nine months ended 30 September, 2014, the Group recognized non-recurring expenses for a total amount of Euro 5,709 thousand, of which Euro 4,749 thousand were included in Costs for services for advisory expenses related to the IPO process and Euro 960 thousand were included in Other operating costs for mainly related non-deductible VAT charges; in addition the Group booked a non-recurring proceeding of Euro 22,853 thousand, included in Income taxes, due to the positive Slot case tax ruling definition.

21. Commitments

The Condensed Consolidated Interim Financial Statements do not include capital expenditure commitments for approximately Euro 5 million; such capital expenditure will be primarily financed by net cash generated from operating activities and residually through capital leasing financing or other long term financing under permitted financial indebtedness.

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22. Significant events occurring after the end of period

In October 2015 the Italian Prime Minister announced the 2016 Budget Law, which includes measures impacting the gaming industry and in particular:

- review of Gaming Machines taxation and pay-out level, and
- terms and conditions related to the new Betting and Pool Games licenses to be assigned within next year.

The approval process of the 2016 Finance Law is ongoing and is expected to be finalized by the end of 2015 and will be carefully monitored by the Group.

Early in November the Group liquidated the second installment payment related to the Budget Law 2015, for a total amount of €19.6 million, based on what actually collected by the network. This amount is about €7,9 million lower of what namely due accordingly to what was liquidated by Gaming Administration at the beginning of the current year; according to the information available to the Group, this approach was adopted also by the other Gaming Machines concessionaries.