Sisal Group S.p.A.

Condensed consolidated interim

financial statements

At and for the 3 month period

ended March 31, 2016 and 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 45,000 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 three months ended March 31, 2016

In the first three months 2016, the Italian GDP was slightly up 1.0%[2] compared to the same period of last year. The Italian gaming market turnover confirmed the 2015 trend, growing, based on our estimates, by 6.9%, to approximately €23.5 billion[3].

Total Payments & Services addressable market, compared to the same period of 2015, remained substantially stable at €20.1 billion[4] (+0.4%).

The Group recorded €4.0 billion turnover for the three months ended March 31, 2016, an increase of 5.0% compared to the same period in 2015, mainly driven by Online Gaming and Lottery.

[1]*Based on ATK estimates*
[2]*Sisal Market Intelligence Estimate based on Istat data*
[3]*Sisal Market Intelligence Estimate based on AAMS, Agicos, Agipro, Agimeg.*
[4]*Sisal Market Intelligence Estimate*

The first three months 2016 results were also affected by the contents of the recently approved Budget Law 2016, which again have a major impact on gaming business margins. The new regulation envisaged the elimination of the lump-sum reduction of the fees paid to gaming machines concessionaires for the concession activities, amounting to a total of €500 million, provided by the 2015 Budget Law, but on the other hand introduced a material increase in taxation on gaming machines, in particular on AWPs, raised from 13% in 2015 to 17.5% from January 1, 2016. The same legislation also allowed a reduction of AWPs minimum payout from 74% in 2015 to 70%, with effect from 2016, a change that, in any event, will be rolled-out on the entire pool of gaming machines managed by the Group over the next few years.

	Three months ended March 31,				
(€ in millions)	**2015**	**% of total revenues and income**	**2016**	**% of total revenues and income**	**% change 2015-2016**
Revenues	167.9	87.8%	164.2	85.3%	(2.2%)
Fixed odds betting income	22.9	12.0%	28.0	14.6%	22.3%
Other revenues and income	0.4	0.2%	0.2	0.1%	(50.0%)
Total revenues and income	**191.2**	**100.0%**	**192.4**	**100.0%**	**0.6%**
Purchases of materials, consumables and merchandise	2.1	1.1%	2.8	1.5%	33.3%
Costs for services	104.6	54.7%	100.8	52.4%	(3.6%)
Lease and rent expenses	6.1	3.2%	5.6	2.9%	(8.2%)
Personnel costs	23.4	12.2%	21.3	11.1%	(9.0%)
Other operating costs	8.3	4.3%	8.6	4.5%	3.6%
Amortization, depreciation, provisions and impairment losses and reversals	25.4	13.3%	26.0	13.5%	2.4%
Net operating profit (EBIT)	**21.3**	**11.1%**	**27.3**	**14.2%**	**28.2%**
Finance income and similar	0.1	0.1%	0.1	0.1%	0.0%
Finance expenses and similar	20.9	10.9%	21.5	11.2%	2.9%
Profit (loss) before income taxes	**0.5**	**0.3%**	**6.0**	**3.1%**	**n.m.**
Income taxes	1.7	0.9%	3.9	2.0%	129.4%
Total comprehensive profit (loss) for the period	**(1.2)**	**-0.6%**	**2.1**	**1.1%**	**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:

	Three months ended March 31,			
(€ in millions)	**2015**	**% of total revenues and income**	**2016**	**% of total revenues and income**
Gaming revenues	113.8	59.5%	106.7	55.5%
Fixed odds betting income	22.9	12.0%	28.0	14.6%
Payments and other services	34.3	17.9%	35.8	18.6%
Points of sale revenues	18.9	9.9%	20.0	10.4%
Other revenues and income	1.3	0.7%	1.9	1.0%
Total	**191.2**	**100.0%**	**192.4**	**100.0%**

Revenues and income amounted to €192.4 million for the three months ended March 31, 2016 an increase of €1.2 million, or 0.6%, from €191.2 million for the three months ended March 31, 2015, due in particular to the offsetting effects of the impact of the Budget Law 2016 on Gaming machines revenues from one side and strong performance of fixed odds sport betting income and Payments and other services revenues from the other.

Gaming Revenues

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

	Three months ended March 31,			
(€ in millions)	**2015**	**% of total revenues and income**	**2016**	**% of total revenues and income**
Gaming machines revenues	85.7	44.8%	78.2	40.6%
NTNG revenues	10.3	5.4%	12.4	6.5%
Virtual Races	8.1	4.2%	7.6	3.9%
Online game revenues	6.6	3.5%	6.2	3.2%
Horse race betting revenues	2.7	1.4%	2.2	1.1%
Bingo revenues	0.3	0.1%	-	0.0%
Sports pools revenues	0.1	0.1%	0.1	0.1%
Total	**113.8**	**59.5%**	**106.7**	**55.5%**

The overall gaming revenues amounted to €106.7 million for the three months ended March 31, 2016 a decrease of €7.1 million, or 6.3%, from €113.8 million for the three months ended March 31, 2015, due to a combination of the following factors:

- Gaming machines revenues amounted to €78.2 million for the three months ended March 31, 2016 a decrease of €7.5 million, or 8.8%, from €85.7 million for the three months ended March 31, 2015. The decrease in gaming machines revenues is mainly due to the already mentioned Budget Law 2016 impact. On the other hand, total gaming machines turnover increased from €970 million for the three months ended March 31, 2015, of which 58% related to slot machines and 42% related to VLTs to €1,039 million for the three months ended March 31, 2016, of which 54% related to slot machines and 46% related to VLTs.

- NTNG revenues amounted to €12.4 million for the three months ended March 31, 2016 an increase of €2.1 million, or 20.8%, from €10.3 million for the three months ended March 31, 2015. The increase in NTNG revenues is due to the launch, starting February 2016, of the new SuperEnalotto game which, thanks to a number of structural changes – such as increased payout and average jackpot, is going to be much more appealing to consumers and the trend for the first two months of collection is encouraging in this sense.

- Virtual Races revenues amounted to €7.6 million for the three months ended March 31, 2016, a decrease of €0.5 million, or 6.0%, from €8.1 million for the three months related to March 31, 2015. This product, launched in December 2013, still confirms a great success even if the novelty effect is a little decreasing.

- Online game revenues amounted to €6.2 million for the three months ended March 31, 2016 a decrease of €0.4 million, or 6.8%, from €6.6 million for the three months ended March 31, 2015, primarily as a result of higher promoting spending (bonuses to players accounted at reduction of revenues) also related to increasing number of active players (+13% compared to first quarter 2015).

- Horse race betting revenues amounted to €2.2 million for the three months ended March 31, 2016, a decrease of €0.5 million, or 19.3%, from €2.7 million for the three months related to March 31, 2015, due to the reduction in the appeal of this kind of games.

- Bingo hall revenues (related to physical turnover) was zero for the three months ended March 31, 2016 against the €0.3 million for the three months ended March 31, 2015, due to the sale of the Group's only bingo game hall, in the second half of 2015.

- Sports pools revenues were unchanged amounting to €0.2 million for both the three months ended March 31, 2016 and March 31, 2015.

Fixed odds betting income

Fixed odds betting income amounted to €28.0 million for the three months ended March 31, 2016 an increase of €5.1 million, or 22.1%, from €22.9 million for the three months ended March 31, 2015, primarily as a result of higher performance in sport betting both in terms of volumes and margins compared to the same period of 2015.

Payments and other services

Payments and other services amounted to €35.8 million for the three months ended March 31, 2016 an increase of €1.5 million, or 4.5%, from €34.3 million for the three months ended March 31, 2015 mainly thanks to a higher number of payment and financial services transactions, which reached 16.1 million for the three months ended March 31, 2016, an increase of 7.9 million, or 4.0%, from 15.4 million for the three months ended March 31, 2015.

Point of sale revenues

Point of sale fees amounted to €20.0 million for the three months ended March 31, 2016 an increase of €1.1 million, or 5.6%, from €18.9 million for the three months ended March 31, 2015.

Other revenues and income

Other revenues amounted to €1.9 million for the three months ended March 31, 2016 an increase of €0.6 million, or 48.7%, from €1.3 million for the three months ended March 31, 2015.

Costs

Purchases of materials, consumables and merchandise

Purchases of materials, consumables and merchandise amounted to €2.8 million for the three months ended March 31, 2016 an increase of €0.7 million, or 33.3%, from €2.1 million for the three months ended March 31, 2015, primarily due to higher consumption of gaming, marketing and promotional materials in connection with the launch of the new SuperEnalotto game.

Costs for services

Costs for services amounted to €100.8 million for the three months ended March 31, 2016 a decrease of €3.8 million, or 3.6%, from €104.6 million for the three months ended March 31, 2015.

Costs for services amounted to 52.4% of total revenues and income for the three months ended March 31, 2016 compared to 54.7% of total revenues and income for the three months ended March 31, 2015. The following table sets forth an analysis of costs for services for the indicated periods.

	Three months ended March 31,				Change	
(€ in millions)	**2015**	**% of total revenues and income**	**2016**	**% of total revenues and income**	**(amount)**	**%**
Sales channel- gaming revenes	57.4	29.9%	52.1	27.1%	(5.3)	(9.2%)
Sales channel- payments services	20.4	10.7%	20.4	10.6%	(0.0)	(0.1%)
Commercial services	4.2	2.2%	6.1	3.2%	1.9	44.7%
Consulting	2.4	1.3%	2.2	1.1%	(0.2)	(9.1%)
Others services costs	20.2	10.6%	20.0	10.4%	(0.3)	(1.3%)
Total cost for services	**104.6**	**54.7%**	**100.8**	**52.4%**	**(3.7)**	**(3.6%)**

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

- *Sales channel – Gaming* amounted to €52.1 million for the three months ended March 31, 2016 a decrease of €5.3 million, or 9.2%, from €57.4 million for the three months ended March 31, 2015. As a percentage of total revenues and income, sales channel gaming amounted to 27.1% for the three months ended March 31, 2016 and 29.9% for the three months ended March 31, 2015. The decrease is mainly driven by the reduction of Gaming machines network operators' remuneration due to the Budget Law 2016 impact.

- *Sales channel – Payments services* were unchanged amounting amounted to €20.4 million for both the three months ended March 31, 2016 and March 31, 2015. As a percentage of total revenues and income, sales channel payment services amounted to 10.6% for the three months ended March 31, 2016 and 10.7% for the three months ended March 31, 2015.

- *Commercial services* amounted to €6.1 million for the three months ended March 31, 2016 an increase of €1.9 million, or 44.7%, from €4.2 million for the three months ended March 31, 2015. As a percentage of total revenues and income, Commercial services amounted to 3.2% for the three months ended March 31, 2016 and 2.2% for the three months ended March 31, 2015. The increase is mainly due to higher spending in the first quarter 2016 related to already mentioned launch of the new SuperEnalotto game.

- *Consulting and Other services* amounted to €22.2 million for the three months ended March 31, 2016, a decrease of €0.4 million, or 1.8%, from €22.6 million for the three months ended March 31, 2015.

Lease and rent expenses

Lease and rent expenses amounted to €5.6 million for the three months ended March 31, 2016, a decrease of €0.5 million, or 8.2%, from €6.1 million for the three months ended March 31, 2015.

Personnel costs

Personnel costs amounted to €21.3 million for the three months ended March 31, 2016 a decrease of €2.1 million, or 9.0%, from €23.4 million for the three months ended March 31, 2015. Our average workforce, expressed in full time equivalents, reached 1,665 for the three months ended March 31, 2016, a decrease of 150 from 1,815 for the three months ended March 31, 2015. The decrease in Personnel costs is mainly due to workforce reduction, mostly related to the call centers off-shoring process completed in the second half of 2015.

Other operating costs

Other operating costs amounted to €8.6 million for the three months ended March 31, 2016, an increase of €0.3 million, or 3.6%, from €8.3 million for the three months ended March 31, 2015.

Amortization, depreciation, provisions and impairment losses and reversals

Amortization, depreciation, provisions and impairment losses and reversals amounted to €26.0 million for the three months March 31, 2016 a slight increase of €0.6 million, or 2.4%, from €25.4 million for the three months ended March 31, 2015. The increase is mainly due to lower depreciation of property, plant and equipment and amortization of intangible assets, offset by higher impairment of receivables.

Net operating profit (EBIT)

Net operating profit (EBIT) amounted to €27.3 million for the three months ended March 31, 2016 an increase of €6.0 million, or 28.2%, from €21.3 million for the three months ended March 31, 2015.

Net margin was 14.2% for the three months ended March 31, 2016 compared to 11.1% for the three months, ended March 31, 2015.

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

Finance income and similar

Finance income and similar were unchanged amounting to €0.1 million for both the three months ended March 31, 2016 and March 31, 2015.

Finance expenses and similar

Finance expenses and similar amounted to €21.5 million for the three months ended March 31, 2016 an increase of €0.6 million, or 2.9%, from €20.9 million for the three months ended March 31, 2015. Finance expenses on shareholders financial liabilities amounted to €10.8 million for the three months ended March 31, 2016 compared to €10.1 million for the three months ended March 31, 2015, primarily as results of large base of calculation due to interest compounding process.

Income taxes

Income taxes amounted to €3.9 million for the three months ended March 31, 2016 an increase of €2.2 million, or 129.4%, from €1.7 million for the three months ended March 31, 2015, primarily as a result of higher taxable income.

Segment Information

	Three months ended March 31,			
(€ in millions)	2015	2016	2015	2016
	Revenues and income		Segment EBITDA	
Retail gaming	116.4	111.0	18.0	21.3
Lottery	19.1	21.0	7.5	7.3
Online gaming	12.4	14.8	5.8	7.2
Payment and services	43.1	45.6	15.4	17.5
Other	0.1	0.1		
Segment EBITDA (1)			46.6	53.3
Items with different classification			(0.1)	(0.1)
Total	**191.2**	**192.4**	**46.5**	**53.2**

(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.

Retail Gaming: Retail Gaming segment results for the three months ended March 31, 2016 have been mainly driven by the 2016 Budget Law impact and by the strong performance in sport betting. 19.2% margin for the three months ended March 31, 2016 compared to 15.5% for same period in 2015.

Lottery: Lottery segment results for the three months ended March 31, 2016 have been mainly driven by the launch of the new SuperEnalotto game starting month of February, which significantly improved the game appeal to customer. 35.0% margin for the three months ended March 31, 2016, compared to 39.0% for the same period in 2015, is mainly related to higher costs base as consequence of promotional and operational expenses in connection with the above said launch.

Online Gaming: Online Gaming segment results for the three months ended March 31, 2016 have been mainly driven by Slot games and online sport betting strong performance. 48.9% margin for the three months ended March 31, 2016 compared to 46.7% for the same period in 2015, was mainly driven by the above mentioned factors.

Payments and Services: Payments and Services results for the three months ended March 31, 2016 have been mainly driven by revenues growth. 38.4% margin for the three months ended March 31, 2016 compared to 35.6% for the same period in 2015 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.

	Three months ended March 31,	
(€ in millions)	**2015**	**2016**
Movements in trade receivables	(3.4)	(4.4)
Movements in inventories	1.2	3.3
Movements in trade payables	(12.7)	(11.0)
Movements in trade working capital	**(14.9)**	**(12.1)**
Movements in other assets and liabilities	(6.6)	4.4
Total movements in working capital	**(21.5)**	**(7.7)**

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 three months 2016, compared to that recorded in the first three months 2015, is mainly related to a more favorable trade working capital performance and cut off impact on restricted cash accounts funding.

Cash flows

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

	Three months ended March 31,	
(€ in millions)	**2015**	**2016**
Cash provided by operations before changes in working capital, interest and taxes	46.7	53.4
Tax paid	(0.2)	-
Changes in working capital	(21.5)	(7.7)
Cash flows provided by (used in) operating activities	24.9	45.8
Cash flows provided by (used in) investing activities	(9.0)	(4.8)
Cash flows provided by (used in) financing activities	(19.4)	(19.5)
Increase / (Decrease) in cash and cash equivalents	**(3.4)**	**21.5**
Net cash at the beginning of the period	**113.7**	**139.7**
Net cash at the end of the period	**110.3**	**161.2**

Cash provided by operating activities amounted to €45.8 million for the three months ended March 31, 2016 compared to cash provided of €24.9 million for the three months ended March 31, 2015. The movement is principally related to the decrease in cash absorbed from working capital and better performance with regard to cash provided by operations.

Cash flows used in investing activities amounted to €4.8 million for the three months ended March 31, 2016 compared to €9.0 million for the three months ended March 31, 2015, mainly due to lower investments in tangible assets. The cash used in investing activities in first three months 2016 is mainly related to tangible and intangible assets increases (€4.4 million) and residually to other minor payments related to Business acquisition.

Cash flows used by financing activities amounted to €19.5 million for the three months ended March 31, 2016 compared to cash used of €19.4 million for the three months ended March 31, 2015. The cash used in financing activities for both the three months ended March 31, 2016 and March 31, 2015 is mainly related to net interest paid, respectively €19.0 million and €18.9 million.

Capital Resources

The following table sets forth the amounts of our external debt (principal amounts plus accrued interest for the reference period) at December 31, 2015 and March 31, 2016. The table below does not include amounts due under our shareholders loan, which, including capitalized interest amounted to €417.1 million at March 31, 2016 and €410.9 million at December 31, 2015.

	At December 31,	At March 31,
(€ in millions)	**2015**	**2016**
Senior Secured Credit Facilities	418.6	418.6
Senior Secured notes	280.1	275.0
Other financial liabilities	3.7	3.2
Total external financial liabilities	**702.4**	**696.8**

Other Financial Information

	Three months ended March 31,	
(€ in millions)	**2015**	**2016**
EBITDA	46.5	53.2
Adjusted EBITDA	46.5	53.2
Adjusted EBITDA margin	24.3%	27.6%

(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.

(2) We define Adjusted EBITDA as EBITDA adjusted for the effect of non-recurring items and provisions related to disputes with regulatory bodies. During the three months ended March 31, 2016 and 2015 there were no adjusting items.

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

	Three months ended March 31,	
(€ in millions)	**2015**	**2016**
Profit/(loss) for the period	(1.2)	2.1
Net finance expense and similar	20.8	21.4
Income taxes	1.7	3.9
Amortisation, depreciation and impairments	23.3	22.4
Impairment of receivables	1.9	3.5
EBITDA	**46.5**	**53.2**

(€ in millions)	At December 31, 2015	At March 31, 2016
Unrestricted cash	139.7	161.2
SGROUP net senior secured debt	558.9	532.3

(4) Unrestricted cash represents cash and cash equivalents that do not include restricted cash relating to bank accounts which are managed by the Group 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

(€ in millions)	At December 31, 2015	At March 31, 2016
Principal amount of debt	312.2	316.0

	Three months ended March 31,	
(€ in millions)	**2015**	**2016**
Interest expense	6.7	7.0

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

		For the three months ended March 31,	
(in thousands of Euro)	***Notes***	**2016**	**2015**
Revenues	10	164,157	167,893
Fixed odds betting income	11	27,984	22,923
Other revenues and income		218	336
Total revenues and income		**192,359**	**191,152**
Purchases of materials, consumables and merchandise		2,757	2,050
Costs for services		100,810	104,561
of which related parties	*20*	*614*	*549*
Lease and rent expenses		5,585	6,201
Personnel costs		21,219	23,443
of which related parties	*20*	*964*	*937*
Other operating costs		8,619	8,243
Amortisation, depreciation, provisions and impairment losses and reversals		26,043	25,376
Net operating profit (EBIT)		**27,326**	**21,278**
Finance income and similar		138	134
Finance expenses and similar	12	21,503	20,902
of which related parties	*20*	*10,810*	*10,069*
Share of profit/(loss) of companies accounted for by the equity method		0	0
Profit before income taxes		**5,961**	**510**
Income taxes		3,861	1,664
Total comprehensive profit (loss) for the period		**2,100**	**(1,154)**
Attributable to non-controlling interest		21	66
Attributable to owner of the parent		**2,079**	**(1,220)**
Basic earinings (loss) per share (in Euro)		0.02	(0.01)
Diluted eanings (loss) per share (in Euro)		0.02	(0.01)

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT MARCH 31, 2016 AND 2015

(in thousands of Euro)	***Notes***	**At March 31, 2016**	**At December 31, 2015**
A) NON-CURRENT ASSETS			
Property, Plant and Equipment	13	97,113	103,837
Goodwill	14	860,912	860,912
Intangible assets	13	130,121	141,359
Investments accounted for using the equity method		0	0
Deferred tax assets		22,075	25,173
Other non-current assets		22,307	23,155
Total non-current assets		**1,132,528**	**1,154,436**
B) CURRENT ASSETS			
Inventories		7,957	11,302
Trade receivables		145,295	144,398
Current financial assets		0	0
Taxes receivable		744	1,436
Restricted bank deposits	15	161,986	101,857
Cash and cash equivalents	16	161,248	139,743
Other current assets		47,527	41,076
Total current assets		**524,757**	**439,812**
TOTAL ASSETS		**1,657,285**	**1,594,248**
A) EQUITY			
Share capital	17	102,500	102,500
Legal reserve		200	200
Share premium reserve		94,484	94,484
Other reserves		88,488	88,488
Retained earnings (accumulated deficit)		(292,470)	(294,549)
Total equity attributable to owners of the Parent		**(6,798)**	**(8,877)**
Equity attributable to non-controlling interests		**361**	**340**
Total equity		**(6,437)**	**(8,537)**
B) NON-CURRENT LIABILITIES			
Long-term debt	18	1,058,350	1,051,467
of which related parties		*417,062*	*410,885*
Provision for employee severance indemnities		9,649	10,035
Deferred tax liabilities		11,698	12,876
Provisions for risks and charges	19	12,075	12,459
Other non-current liabilities		2,525	3,360
Total non-current liabilities		**1,094,297**	**1,090,197**
C) CURRENT LIABILITIES			
Trade and other payables		243,673	254,668
Short-term debt	18	34,286	34,389
Current portion of long-term debt	18	14,724	19,857
of which related parties		*0*	*0*
Taxation payable		2,043	779
Other current liabilities		274,699	202,895
of which related parties		*467*	*1,465*
Total current liabilities		**569,425**	**512,588**
TOTAL LIABILITIES AND EQUITY		**1,657,285**	**1,594,248**

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

	For the three months ended March 31,	
(In thousands of Euro)	**2016**	**2015**
Profitt (loss) fore the period before income taxes	**5,961**	**510**
Amortization and depreciation	22,407	23,294
Impairment of current receivables	3,486	1,931
Provisions for risks and charges, accruals and employee severance indemnities	226	225
Finance (income) expenses	21,365	20,768
Net cash generated from operating activities before changes in working capital, interest and taxes	**53,445**	**46,728**
Changes in trade receivables	(4,382)	(3,382)
Changes in inventories	3,345	1,184
Changes in trade payables	(10,995)	(12,740)
Change in other assets and liabilities	4,352	(6,610)
Taxes (paid)/reimbursed	0	(233)
Net cash generated from operating activities	**45,765**	**24,947**
Increase in property, plant and equipment	(2,606)	(5,670)
Increase in intangible assets	(1,839)	(2,948)
Acquisitions (net of cash)	(333)	(395)
Net cash used in investing activities	**(4,778)**	**(9,013)**
decrease in medium-/long-term debt	(155)	(150)
Increase (decrease) in lease payables	(313)	(328)
Net interest paid	(19,014)	(18,874)
Net cash used in financing activities	**(19,482)**	**(19,352)**
Net change in cash and cash equivalents	**21,505**	**(3,418)**
Net cash at the beginning of the period	**139,743**	**113,692**
Net cash at the end of the period	**161,248**	**110,274**

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

(in thousands of Euro)	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, 2014	**102,500**	**200**	**94,484**	**87,928**	**(255,777)**	**29,335**	**1,511**	**30,846**
Profit/(loss) for the period					0	(1,220)	66	(1,154)
Total comprehensive profit (loss) for the period	**0**	**0**	**0**	**0**	**0**	**(1,220)**	**66**	**(1,154)**
Equity at March 31, 2015	**102,500**	**200**	**94,484**	**87,928**	**(255,777)**	**28,115**	**1,577**	**29,692**

Equity at December 31, 2015	**102,500**	**200**	**94,484**	**88,488**	**(294,549)**	**(8,877)**	**340**	**(8,537)**
Profit/(loss) for the period					2,079	2,079	21	2,100
Total comprehensive profit (loss) for the period	**0**	**0**	**0**	**0**	**2,079**	**2,079**	**21**	**2,100**
Equity at March 31, 2016	**102,500**	**200**	**94,484**	**88,488**	**(292,470)**	**(6,798)**	**361**	**(6,437)**

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 three months ended March 31, 2016 (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 31, 2015 and 2014 (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 May 27, 2016.

3. Going concern

The three months ended March 31, 2016 closed with a profit of Euros 2,100 thousand, at March 31, 2016 the consolidated equity was negative Euro 6,437 thousand (Euro 8,537 thousand at December 31, 2015) and net working capital at March 31, 2016 was negative Euro 156,906 thousand (Euro 158,273 thousand at December 31, 2015).

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.àr.l. for an amount, at March 31, 2016, of Euro 417.1 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:

(In thousands of Euro and percentage computed on total debt and equity)	**At March 31, 2016**	**%**	**At December 31, 2015**	**%**
Long term debt	641,288		640,582	
Short-term debt and current portion of long-term debt	49,010		54,246	
Funding from third parties	**690,298**	**62.7%**	**694,828**	**63.3%**
Shareholder Loan	417,062		410,885	
Funding from sole shareholder	**417,062**	**37.9%**	**410,885**	**37.4%**
Equity	**(6,437)**	**(0.5%)**	**(8,537)**	**(0.8%)**
Total debt and equity	**1,100,923**	**100.0%**	**1,097,176**	**100.0%**

Despite a context of partial deterioration of the reference regulatory conditions (particularly affecting the Gaming segment), 2015 recorded gross profit and operating profit levels (net of the impact of non-recurring expenses) that were essentially in line with those of 2014, and an overall growth compared to forecasts made at the beginning of the year.

These trends are also confirmed by recent projections drafted by management, particularly for the current year and the next, resulting in a gradual reduction in net debt and compliance with the financial covenants established in the outstanding loan contracts. Group management also began analysis to define an overall corporate refinancing project to meet corporate requirements.

On the basis of the assessments previously illustrated 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 as described previously, 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.

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 2016 and adopted for the first time.

Accounting Standards, Amendments and Interpretations applicable and adopted for the first time

In these interim financial statements, the Group adopted the following accounting standards and amendments:

- Amendments to IFRS 11 (Joint Arrangements): Accounting for Acquisitions for Interest in Joint Operations
  On November 24, 2015, Regulation EC 2173-2015 was issued, applying certain amendments to IFRS 11 at the EU level. The amendments clarify the accounting for acquisitions of interests in a joint operation that constitutes a business.

- Amendments to IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets): Clarification of Acceptable Methods of Depreciation and Amortization
  On December 2, 2015, Regulation EC 2231-2015 was issued, applying certain amendments to IAS 16 and IAS 38 at the EU level. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

- Improvements to IFRS (2012-2014 cycle)
  On December 15, 2015, Regulation EC 2343-2015 was issued for application at the EU level of several improvements to IFRS for the period 2012-2014. In particular, the amendments contained in the improvement cycle include:

  - Amendments to IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations): The amendments clarify the accounting for changes to a plan of sale or to a plan of distribution to owners;
  - Amendments to IFRS 7 (Financial Instruments: Disclosures): The amendments relate to the disclosure for servicing contracts;
  - Amendments to IAS 19 (Employee Benefits): The amendments provide clarifications on the discount rate to be used when discounting post-employment benefit obligations.

- Amendments to IAS 1 (Presentation of Financial Statements): Disclosure Initiative

On December 18, 2015, Regulation EC 2406-2015 was issued, applying certain amendments to IAS 1 at the EU level. The amendments are part of a major initiative to improve presentation and disclosure in financial reports. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

The adoption of these standards and amendments had no significant impact on the Company's financial statements.

Accounting standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union or not yet effective

At the date and preparation of these interim financial statements, the following standards and interpretations issued by the IAS were not yet endorsed by the European Union or endorsed but not yet effective.

- IFRS 9 (Financial Instruments)
- IFRS 14 (Regulatory Deferral Accounts): Accounting for regulatory deferral account balances
- IFRS 15 (Revenue from Contracts with Customers)
- IFRS 16 (Leases)
- Amendments to IFRS 10 (Consolidated Financial Statements) and IAS 28 (Investments in Associates and Joint Ventures): Sale or contribution of assets between an investor and its associate/joint venture
- Amendments to IAS 12 (Income Taxes)
- Amendments to IAS 7 (Statement of Cash Flows)
- Clarifications to IFRS 15 (Revenue from Contracts with Customers)

Any impacts from the application of these standards and amendments are currently being assessed.

5. Other Information

The 2015 Budget Law ("Legge di Stabilità") provided a reduction of the fees paid to gaming machines concessionaires for their activities, amounting, as already mentioned, to a total of Euro 500 million, to be split between the various concessionaires according to the number of authorizations for gaming machines held in their names on December 31, 2014.

In December 2015, the 2016 Budget law again acted upon this matter through an overall review of the abovementioned fee decrease. In particular, on the one hand it repealed the previous regulations from January 1, 2016 (replaced by increasing the taxes applied on the total amounts played through gaming machines), and on the other hand for the previous period of application of the measure, adopted a rule that, though stated to be an interpretation, seems instead to have a strong novation effect.

Specifically, it introduces the criterion of distribution within the network of the reduction applied under the 2015 Budget Law, anchoring it to the participation of each to the distribution of the fee, based on related contractual arrangements and taking into account their duration in 2015. After further legal and regulatory study, Group's management reached the conclusion that the new legislation mentioned above, remedying the problem of non-quantification of the reduced fee for distribution among individual network operations related to each concessionaire, decreed autonomy and independence not only in terms of fee-related items but also of the related payables due from individual operators. Given the above, the Group is not bounded over what due by its network operators under the 2015 Budget law and is paying to AAMS the related amounts when and to the extent they are collected.

As a consequence of this conclusion, in the 2015 Sisal Group Financial statements the amounts due by the operators under the 2015 Budget Law, not yet collected by the Group, are not reported, either as receivables from operators and as payables to Administration; the revenues reflects the fees reduction attributable to the Group, while the costs related to the remuneration of the operators remain unchanged.

In the condensed consolidated interim financial statements as of March 31, 2015, approved by the Board of Directors on May 27, 2015, the fees reduction related to operators was classified as reduction of Group revenues for an amount of some Euro 4,6 million and as a corresponding reduction of costs related to the remuneration of the operators for the same amount. Such accounting treatment was based upon information available at the time of approval of condensed consolidated interim financial statements as of March 31, 2015, before management reached the conclusion based on the 2016 Budget Law analysis as described above.

Had the company adopted the same accounting treatment as of December 31, 2015 in the consolidated financial statements as of March 31, 2015, net operating profit and net cash generated from operating activities for the three month period ended March 31, 2015 would not have changed.

6. Estimates

The preparation of Condensed Consolidated 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 March 31, 2016 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 March 31, 2016 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 March 31, 2016 and December 31 2015 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 totalizator number games);
- 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.

	For the three months ended March 31,			
(in thousands of Euro)	2016		2015	
	Total revenues	EBITDA	Total revenues	EBITDA
Retail Gaming				
Revenues	71,411		70,796	
Supply Chain / Other revenues	39,562		45,631	
Total	**110,973**	**21,272**	**116,427**	**18,018**
Lottery				
Revenues	20,966		19,124	
Supply Chain / Other revenues	3		1	
Total	**20,969**	**7,337**	**19,125**	**7,468**
Online Gaming				
Revenues	17,548		14,013	
Supply Chain / Other revenues	(2,778)		(1,634)	
Total	**14,770**	**7,223**	**12,379**	**5,781**
Payments and services				
Revenues	25,999		23,707	
Supply Chain / Other revenues	19,582		19,422	
Total	**45,581**	**17,493**	**43,129**	**15,374**
Other revenues	**66**		**92**	
Total operating segment	**192,359**	**53,325**	**191,152**	**46,641**

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

	For the three months ended March 31,	
(In thousands of Euro)	2016	2015
Total operating segment	**53,325**	**46,641**
Items with different classification	(106)	(137)
Amortization of intangible assets	(13,077)	(13,782)
Depreciation of property, plant & equipment	(9,330)	(9,512)
Impairment losses on current receivables	(3,486)	(1,932)
Net operating profit (EBIT)	**27,326**	**21,278**

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.

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:

	For the three months ended March 31,	
(in thousands of Euro)	**2016**	**2015**
Gaming revenues	106,708	113,840
Payments and other services	35,798	34,262
Points of sale revenues	19,981	18,927
Other revenues	1,670	864
Total	**164,157**	**167,893**

The gaming revenues are analyzed as follows:

	For the three months ended March 31,	
(in thousands of Euro)	**2016**	**2015**
Gaming machines revenues	78,181	85,679
NTNG revenues	12,412	10,278
Virtual Races	7,586	8,072
Online game revenues	6,162	6,610
Horse race betting revenues	2,190	2,715
Bingo revenues	0	266
Sports pools revenues	169	210
Big bets revenues	8	10
Total	**106,708**	**113,840**

11. Fixed odds betting income

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

	For the three months ended March 31,	
(in thousands of Euro)	**2016**	**2015**
Fixed odds sports betting income	27,608	22,695
Fixed odds horse race betting income	283	96
Reference horse race betting income	93	132
Total	**27,984**	**22,923**

12. Finance expense and similar

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

	For the three months ended March 31,	
(in thousands of Euro)	**2016**	**2015**
Interest and other finance expenses - Group	10,810	10,069
Interest and other finance expenses - third parties	10,695	10,806
Exchange (gains) losses realised	(1)	14
Exchange (gains) losses unrealised	(1)	13
Total	**21,503**	**20,902**

13. Property, plant and equipment and other intangibles assets

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

(in thousands of Euro)	**PPE**	**Other intangible assets**
Three months ended March 31, 2016		
Opening net book amount as at January 1, 2016	103,837	141,359
Increases	2,606	1,839
Depreciation, amortisation and impairment	(9,330)	(13,077)
Closing net book amount as at March 31, 2016	**97,113**	**130,121**

(in thousands of Euro)	**PPE**	**Other intangible assets**
Three months ended March 31, 2015		
Opening net book amount as at January 1, 2015	120,565	185,561
Increases	5,670	2,948
Depreciation, amortisation and impairment	(9,512)	(13,782)
Closing net book amount as at March 31, 2015	**116,723**	**174,727**

14. Goodwill

There were no movements in goodwill during the period

15. 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.

16. Cash and cash equivalents

Cash and cash equivalents at March 31, 2016 and December 31 2015 are as follows:

(in thousands of Euro)	At March 31, 2016	At December 31, 2015
Bank and postal accounts	155,350	133,772
Cash and cash equivalents in hand	5,898	5,971
Total	**161,248**	**139,743**

17. Share capital

At March 31, 2016, 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 31, 2015.

18. Borrowings and loans

The table sets forth an analysis of Borrowings and loans:

(in thousands of Euro)	At March 31, 2016	At December 31, 2015
Senior Credit Agreement	**415.385**	**414.810**
Senior Secured Notes	**271.693**	**276.224**
Loans from related parties	**417.062**	**410.885**
Loans from other banks	1.638	1.899
Payable to other lenders - leasing contracts	1.582	1.895
Other loans from third parties	**3.220**	**3.794**
Total	**1.107.360**	**1.105.713**
of which current	*49.010*	*54.246*
of which non-current	*1.058.350*	*1.051.467*

Movements in borrowings are analyzed as follows:

	Three months ended March 31,	
(in thousands of Euro)	2016	2015
Opening amount as at January 1	**1,105,713**	**1,092,107**
Acquisition of subsidiary	0	0
New borrowings	0	0
Accrued interest and other expenses	2,218	1,687
Repayments of borrowings	571	478
Closing amount as at March 31	**1,107,360**	**1,093,316**

At March 31, 2016, the market price of the senior secured notes was Euro 273.6 million compared to a face value of Euro 275 million.

19. Provisions for risks and charges

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

		Changes during the period		
(in thousands of Euro)	**At January 1, 2016**	**increase**	**decrease**	**At March 31, 2016**
Sundry risks and charges provisions	12,067	0	(535)	11,532
Technological updating provision	392	151		543
Total	**12,459**	**151**	**(535)**	**12,075**

20. Related party transactions

With regard to transactions with the ultimate parent, Gaming Invest, at March 31, 2016 the Company has a loan payable totaling approximately Euro 417,062 thousand. The interest expense on the loan in the three months ended March 31, 2016 amounted to Euro 10,810 thousand (Euro 10,069 thousand in the three months ended March 31, 2015). Related party costs for services, amounting to Euro 614 thousand in the three months ended March 31, 2016 (Euro 549 thousand in the three months ended March 31, 2015) 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 964 thousand in the three months ended March 31, 2016 (Euro 937 thousand in the three months ended March 31, 2015), are reported under Personnel costs.

21. Significant non-recurring events and transactions

During both the three months ended 31 March, 2016, and 31 March, 2015 the Group did not recognize any non-recurring expenses.

22. Commitments

The Condensed Consolidated Interim Financial Statements do not include capital expenditure commitments for approximately Euro 5.6 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.

23. Significant events occurring after the end of period

There are no significant developments to be reported under business and legal environment.