Sisal Holding Istituto di Pagamento S.p.A.

Condensed consolidated interim

financial statements

As of and for the 6 month period

ended June 30, 2013

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Management Discussion & Analysis

Sisal Group Profile

Sisal Group (”Sisal” or the “Company”) is the second largest gaming company and the second largest convenience payment services provider in Italy based on turnover. 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, Sisal operates in the convenience payment services market.

The Company 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 three business units: (i) Entertainment, (ii) Digital Games and Services and (iii) Lottery.

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

Digital Games and Services: the Digital Games and Services unit 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

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 hundreds types of bills, fines and certain taxes such as TV licenses, as well as top-up prepaid mobile phones and debit cards, with partnerships with utilities, prepaid services providers and municipal governments

Lottery: the Lottery unit is responsible for operating 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.

Key Factors Affecting Operations In The Six Months Ended June 30, 2013

In the first half of 2013, the Italian GDP was down 2.6%[1] compared to the same period of last year confirming the ongoing trend. The consumption softness affected the Italian gaming market turnover, which, based on our estimates, was down by 6.5%, compared to the first half of 2012, to approximately €41.4 billion[2].
Convenience Payments Services market confirmed the ongoing positive trend. Services turnover grew by 4.3%, reaching €9.2 billion[4], mainly driven by the expansion of payment and financial services.
Sisal recorded €6.8 billion turnover for the six months ended June 30, 2013, a decrease of 5.6% compared to the same period in 2012, reflecting a soft macroeconomic environment and an even softer private consumption.

[1] *Based on Istat; Conti economici trimestrali; OECD; Interim Assessment; Economic Outlook. Percentage changes from same period of the last year*

[2] *Sisal Market Intelligence Estimate based on AAMS, Agicos, Agipro, Agimeg.*

[3] *GGR stands for Gross Gaming Revenues.*

[4] *Based on Osservatorio dei Pagamenti - Roland Berger – Q2 2013 Release.*

Results of Operations

(€ in millions)	2012	% of total revenues and income	2013	% of total revenues and income	% change 2012-2013
	Six months ended June 30,				
Revenues	380.5	91.6%	343.7	87.6%	-9.7%
Fixed odds betting income	33.0	7.9%	47.2	12.0%	43.0%
Other revenues and income	2.0	0.5%	1.5	0.4%	-25.0%
Total revenues and income	**415.5**	**100.0%**	**392.4**	**100.0%**	**-5.6%**
Purchases of materials, consumables and merchandise	9.3	2.2%	5.0	1.3%	-46.2%
Costs for services	271.4	65.3%	228.8	58.3%	-15.7%
Lease and rent expenses	7.8	1.9%	9.6	2.4%	23.1%
Personnel costs	40.4	9.7%	43.5	11.1%	7.7%
Other operating costs	16.8	4.0%	16.0	4.1%	-4.8%
Total costs	**345.7**	**83.2%**	**302.9**	**77.2%**	**-12.4%**
Gross operating profit before amortization, depreciation, provisions and impairment losses and reversals	**69.8**	**16.8%**	**89.5**	**22.8%**	**28.2%**
Amortization, depreciation, provisions and impairment losses and reversals	51.3	12.3%	52.6	13.4%	2.5%
Net operating profit (EBIT)	**18.5**	**4.5%**	**36.9**	**9.4%**	**99.5%**
Finance income and similar	2.6	0.6%	1.2	0.3%	-53.8%
Finance expenses and similar	37.9	9.1%	37.3	9.5%	-1.6%
Loss before income taxes	**(16.8)**	**-4.0%**	**0.8**	**0.2%**	**-104.8%**
Income taxes	2.7	0.6%	4.3	1.1%	59.3%
Loss from continuing operations	**(19.5)**	**-4.7%**	**(3.5)**	**-0.9%**	**-82.1%**
Loss for the period	**(19.5)**	**-4.7%**	**(3.5)**	**-0.9%**	**-82.1%**
Total comprehensive loss for the period	**(19.5)**	**-4.7%**	**(3.5)**	**-0.9%**	**-82.1%**

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:

(€ in millions)	Six months ended June 30,				Change	
	2012	% of total revenues and income	2013	% of total revenues and income	(amount)	%
Gaming revenues	282.2	68.0%	246.5	62.9%	(35.7)	-12.6%
Fixed odds betting income	33.0	7.9%	47.2	12.0%	14.2	43.0%
Services and non-gaming product revenues	55.4	13.3%	55.1	14.0%	(0.3)	-0.5%
Point of sales fees	42.4	10.2%	41.0	10.4%	(1.4)	-3.3%
Other revenues and income	2.5	0.6%	2.6	0.7%	0.1	4.0%
Total	**415.5**	**100.0%**	**392.4**	**100.0%**	**(23.1)**	**-5.7%**

Revenues and income amounted to €392.4 million for six months ended June 30, 2013, a decrease of €23.1 million or 5.6% from €415.5 million for the six months ended June 30, 2012. The decrease was primarily attributable to a decrease in gaming revenues which was partially offset by an increase in fixed odds betting income.

Gaming Revenues

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

(€ in millions)	Six months ended June 30,				Change	
	2012	% of total revenues and income	2013	% of total revenues and income	(amount)	%
Gaming machines	224.4	54.1%	200.1	51.1%	(24.3)	-10.8%
NTNG revenues	38.2	9.2%	27.5	7.0%	(10.7)	-28.0%
Horse race betting revenues	8.3	2.0%	7.0	1.8%	(1.3)	-15.7%
Online game revenues	8.2	2.0%	9.9	2.5%	1.7	20.7%
Bingo revenues	2.5	0.6%	1.6	0.4%	(0.9)	-36.0%
Sports pools revenues	0.6	0.1%	0.4	0.1%	(0.2)	-33.3%
Total	**282.2**	**68.0%**	**246.5**	**62.9%**	**(35.7)**	**-12.6%**

The overall decrease of € 35.7 million in gaming revenues was mainly attributable to a combination of the following factors:

- *Gaming machine* revenues amounted to €200.1 million for the six months ended June 30, 2013 a decrease of €24.3 million, or 10.8%, from €224.4 million for the six months ended June 30, 2012. The decrease in gaming machine revenue is mainly due to the combined impact of VLTs soft turnover and lower revenue/turnover ratio of VLTs related to direct taxation increase. Total gaming machine turnover decreased from €2,341 million for the six months ended June 30, 2012, of which 51.6% related to slot machines and 48.6% related to VLTs to €2,145 million for the six months ended June 30, 2013, of which 55.8% related to slot machines and 44.2% related to VLTs.

- *NTNG* revenues amounted to €27.5 million for the six months ended June 30, 2013 a decrease of €10.7 million, or 28.0%, from €38.2 million for the six months ended June 30, 2012. The decrease in NTNG revenues is mainly related to softer turnover driven by both lower average jackpots and delays in refreshing the product offering.

- *Horse betting* revenues amounted to €7.0 million for the six months ended June 30, 2013 a decrease of €1.3 million, or 15.7%, from €8.3 million for the six months ended June 30, 2012, due to soft consumption and decrease in the related games appeal.

- *Online games* revenues amounted to €9.9 million for the six months ended June 30, 2013 an increase of €1.7 million, or 19.8%, from €8.2 million for the six months ended June 30, 2012, primarily as a result of the successful launch of Slot games, partially offset by Poker games weak market trend.

- *Bingo* revenues amounted to €1.6 million for the six months ended June 30, 2013 and €2.5 million for the six months ended June 30, 2012, due to soft consumption and weak market trend.

- *Sports pools* revenues were substantially unchanged amounting to €0.4 million for the six months ended June 30, 2013 and €0.6 million for the six months ended June 30, 2012.

Fixed odds betting income

Fixed odds betting income amounted to €47.2 million for the six months ended June 30, 2013 an increase of €14.2 million, or 43.0%, from €33.0 million for the six months ended June 30, 2012, primarily as a result of the strong performance in sport betting over the reference period.

Services and non-gaming product revenues

Services and non-gaming product turnover reached €3,1 billion for the six months ended June 30, 2013, an increase of 4.3% from €3,0 billion for the six months ended June 30, 2012. Services and non-gaming product revenues were substantially unchanged, amounting to €55.1 million for the six months ended June 30, 2013 and €55.4 million for the six months ended June 30, 2012. The number of payment and financial services transactions that we processed slightly decreased from 99.3 million for the six months ended June 30, 2012 to 96.3 million for the six months ended June 30, 2013, as a consequence of the increase of the number of prepaid card and payment transactions and a decrease of the telco transactions that are smaller in size.

Point of sale fees

Point of sale fees amounted to €41.0 million for the six months ended June 30, 2013 a decrease of €1.4 million, or 3.3%, from €42.4 million for the six months ended June 30, 2012, primarily as a result of reduction of the number of active points of sale.

Other revenues and income

Other revenues and income were substantially unchanged amounting to €2.6 million for the six months ended June 30, 2013 and €2.5 million for the six months ended June 30, 2012.

Costs

Purchases of materials, consumables and merchandise

Purchases of materials, consumables and merchandise amounted to €5.0 million for the six months ended June 30, 2013 a decrease of €4.3 million, or 46.2%, from €9.3 million for the six months ended June 30, 2012, primarily as a result of lower consumption of games materials due in particular to the decrease in revenues in the lottery segment in the lottery segment, combined with cost savings.

Costs for services

Costs for services amounted to €228.8 million for the six months ended June 30, 2013 a decrease of €42.6 million, or 15.7%, from €271.4 million for the six months ended June 30, 2012.

Costs for services amounted to 58.3% of total revenues and income for the six months ended June 30, 2013 compared to 65.3% of total revenues and income for the six months ended June 30, 2012. The following table sets forth an analysis of costs for services for the periods indicated.

(€ in millions)	Six months ended June 30,				Change	
	2012	% of total revenues and income	2013	% of total revenues and income	(amount)	%
Sales channel- Gaming	146.1	35.2%	134.1	34.2%	(12.0)	-8.2%
Sales channel- Non gaming revenues	34.9	8.4%	33.8	8.6%	(1.1)	-3.2%
Commercial services	39.6	9.5%	13.3	3.4%	(26.3)	-66.4%
Consulting	7.7	1.9%	6.3	1.6%	(1.4)	-18.2%
Others	43.1	10.4%	41.3	10.5%	(1.8)	-4.2%
Total cost for services	**271.4**	**65.3%**	**228.8**	**58.3%**	**(42.6)**	**-15.7%**

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

- *Sales channel-gaming costs* amounted to €134.1 million for the six months ended June 30, 2013 a decrease of €12.0 million, or 8.2%, from €146.1 million for the six months ended June 30, 2012. As a percentage of total revenues and income, sales channel gaming costs amounted to 35.2% for the six months ended June 30, 2012 and 34.2% for the six months ended June 30, 2013. The decrease is mainly due to softer gaming machines turnover.

- *Sales channel non-gaming* services costs amounted to €33.8 million for the six months ended June 30, 2013 a decrease of €1.1 million, or 3.2%, from €34.9 million for the six months ended June 30, 2012. The decrease in such costs was mainly attributable to a slight decrease in convenience payment service transaction volumes, related to top up prepaid mobile phones and cards.

- *Commercial services* amounted to €13.3 million for the six months ended June 30, 2013 a decrease of €26.3 million, or 66.4%, from €39.6 million for the six months ended June 30, 2012. The decrease in commercial services is primarily a result of a significant reduction in advertising and other promotional activities related to *NTNG* products also as consequence of delay in refreshing the product offering and cost savings.

Lease and rent expenses

Lease and rent expenses amounted to €9.6 million for the six months ended June 30, 2013 an increase of €1.8 million, or 23.1%, from €7.8 million for the six months ended June 30, 2012. The increase in lease and rent expenses is primarily a result of increased building leases and related expenses in connection with the expansion of the distribution network and in particular the opening of new directly managed points of sale during the year 2012.

Personnel costs

Personnel costs amounted to €43.5 million for the six months ended June 30, 2013 an increase of €3.1 million, or 7.7%, from €40.4 million for the six months ended June 30, 2012. The increase in personnel costs is mainly related to the increase in the average number of people employed by us. Our average workforce, expressed in full time equivalents increased from 1,443 for the six months ended June 30, 2012 to 1,582 for the six months ended June 30, 2013, partly as a result of organic growth and partly as a result of the acquisition of Friulgames in January 2013.

Other operating costs

Other operating costs amounted to €16.0 million for the six months ended June 30, 2013 a decrease of €0.8 million, or 4.8%, from €16.8 million for the six months ended June 30, 2012. The decrease in other operating costs is primarily related to lower concession fees.

Gross profit, before amortization, depreciation, provisions and impairment losses and reversals

As a result of the factors explained above, gross profit before amortization, depreciation, provisions and impairment losses and reversals amounted to €89.5 million for the six months ended June 30, 2013 an increase of €19.7 million, or 28.2%, from €69.8 million for the six months ended June 30, 2012. Gross margin was 22.8% for the six months ended June 30, 2013 compared to 16.8% for the six months ended June 30, 2012. The increase in gross margin in primarily attributable to the decrease in costs of services as a percentage of revenues and income.

Amortisation, depreciation, provisions and impairment losses and reversals

Amortisation, depreciation, provisions and impairment losses and reversals amounted to € 52.6 million for the six months ended June 30, 2013 an increase of € 1.3 million, or 2.5%, from € 51.3 million for the six months ended June 30, 2012. The increase is primarily related to depreciation of equipment, relating to capital expenditures (for hardware and gaming machines).

Net operating profit

Net operating profit amounted to €36.9 million for the six months ended June 30, 2013 an increase of €18.4 million, or 99.5%, from €18.5 million for the six months ended June 30, 2012.

Net margin was 9.4% for the six months ended June 30, 2013 compared to 4.5% for the six months ended June 30, 2012.

Finance income and similar

Finance income and similar amounted to € 1.2 million for the six months ended June 30, 2012 a decrease of € 1.4 million, or 53.8%, from €2.6 million for the six months ended June 30, 2012, primarily as a result of lower average ordinary bank accounts balances in the relevant period.

Finance expenses and similar

Finance expenses and similar amounted to € 37.3 million for the six months ended June 30, 2013 a decrease of €0.6 million, or 1,6%, from €37.9 million for the six months ended June 30, 2012, primarily as a result of finance expenses on third party financial liabilities. Finance expenses on third party financial liabilities amounted to €17.8 million for the six months ended June 30, 2012 compared to €16.1 million for the six months ended June 30, 2013. Interest on our shareholders loan amounted to €20.0 million and €21.2 million for the six months ended June 30, 2012 and 2013, respectively.

Income taxes

Income taxes amounted to €4.3 million for the six months ended June 30, 2013 an increase of €1.6 million, or 59.3%, from €2.7 million for the six months ended June 30, 2012, primarily as a result of the increase in pre-tax income.

Segment Information

	Six months ended June 30,			
(€ in millions)	2012	2013	2012	2013
	Revenues and income		Segment Gross operating Profit	
Entertainment	263.3	249.1	61.9	60.7
Lottery	63.7	49.0	10.9	25.4
Digital Games and Services	87.2	93.8	37.1	43.0
Other	1.3	0.5	-	-
Segment Gross Operating Profit			109.9	129.1
Corporate costs			40.1	39.6
Total	**415.5**	**392.4**	**69.8**	**89.5**

Entertainment: Entertainment segment results for the six months ended June 30, 2013 have been mainly driven by a soft turnover and tax increase in VLTs, partly offset by a strong performance in sport betting over the same 2012 reference period. As a percentage of total entertainment revenues and income, entertainment gross operating profit amounted to 24.4% for the six months ended June 30, 2013 compared to 23.5% for the six months ended June 30, 2012.

Digital Games & Services: Digital games and services segment results for the six months ended June 30, 2013 have been mainly driven by a strong performance in online sport betting and the successful launch of Slot games, partially offset by the Poker games weak market trend. Services revenues were substantially unchanged. As a percentage of total digital games and services revenue and income, digital games and services gross operating profit amounted to 45.8% for the six months ended June 30, 2013 compared to 42.5% for the same period in 2012 driven by the increase in revenues for online and services activities.

Lottery: Lottery segment results for six months ended June 30, 2013 have been mainly driven by low SuperEnalotto jackpot during the period reducing game appeal to customers and delay in approving games rejuvenation. As a percentage of total lottery revenues and income, lottery gross operating profit amounted to 51.9% margin for the six months ended June 30, 2013 compared to 17.1% for the same period in 2012 driven by cost savings and lower marketing expenses, which more than offset the decrease in revenues.

Liquidity and Working capital

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

	Six months ended June 30,	
(€ in millions)	**2012**	**2013**
Movements in trade receivables	41.6	9.3
Movements in inventories	1.7	2.4
Movements in trade payables	17.9	(54.1)
Movements in trade working capital	**61.2**	**(42.4)**
Movements in other assets and liabilities	(47.5)	(5.0)
Movements in payables for winnings	43.2	(6.3)
Total movements in working capital	**56.9**	**(53.7)**
Restricted Cash as of June 30	**181.8**	**86.1**

Movements in working capital are generally connected to timing of cash collections and convenience service payments and business turnover trends. The high cash absorption in the first half 2013, is mainly related to timing in convenience services trade payables, turnover softness and a lower cost base in the six months ended June 30, 2013. In addition, June 2012 benefitted from the first ever second weekly cash collection and positive movements of payables for winnings.

CASH FLOWS

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

	Six months ended June 30,	
(€ in millions)	**2012**	**2013**
Cash provided by operations before changes in w orking capital, interest and taxes	70.3	89.9
Changes in w orking capital	56.9	(53.7)
Interests and taxes paid	(22.0)	(25.2)
Cash flow s provided by (used in) operating activities	105.2	11.0
Cash flow s provided by (used in) investing activities	(27.1)	(34.6)
Cash flow s provided by (used in) financing activities	(23.2)	(13.9)
Increase (decrease) in cash and cash equivalents	**54.9**	**(37.5)**
Net cash at the beginning of the period	283.7	242.1
Net cash at the end of the period	**338.6**	**204.6**

Our cash provided by operating activities amounted to €11.0 million for the six months ended June 30, 2013 compared to €105.2 million for the six months ended June 30, 2012. The decrease in cash provided by operating activities is principally related to the increase in cash absorbed from working capital, as explained above, which was only partially offset by an increase in cash provided by operations before changes in working capital, interest and taxes.

Our cash flows used in investing activities amounted to €34.6 million for the six months ended June 30, 2013 compared to €27.1 million for the six months ended June 30, 2012. The cash used in investing activities in the six months ended June 30, 2013 is mainly related to investments in tangible and intangible assets amounting to €19.1 million, new acquisition net cash impact for residual €3.5 million and €12.0 million related to the cash deposit provided upfront as a guarantee for the installments payment of the NTNG minimum guaranteed penalty agreed with the Gaming Authority. Cash flow used in investing activities for the six months ended June 30, 2012 was also affected by approximately €12.4 million investment in Lottery terminals.

Cash flows used in financing activities amounted to €13.9 million for the six months ended June 30, 2013 and €23.2 million for the six months ended June 30, 2012. The cash used in financing activities mainly related to repayment of borrowings. In particular, during the six months ended June 30, 2013, repayments of €9.3 million were made to the Senior Credit Agreement and repayments of €1.9 million were made to finance lease liabilities. In addition, as further explained below in May 2013 we issued €275 million of senior secured notes, the proceeds of which were used to refinance a portion of our existing debt, and in particular, to repay a portion of the senior secured credit facilities.

Capital Resources

The following table sets forth the principal amounts of our external debt as of December 31, 2012 and June 30, 2013. The table below does not include amounts due under our shareholders loan which, including capitalized interest amounted to € 433.5 million as of June 30, 2013 and € 420.0 million as of December 31, 2012. In May 2013 we issued €275 million of senior secured notes, the proceeds of which were used to refinance a portion of our existing debt and, in particular, to repay a portion of the senior secured credit facilities. The notes bear fixed rate interest of 7.25% per annum and mature in 2017. In connection with the issuance of the senior secured notes we also entered into an amendment of the senior secured facilities agreement, whereby the remaining amounts outstanding after the repayments from the proceeds of the senior secured notes will mature in September 2017.

	As of December 31,	**As of June 30,**
(€ in millions)	**2012**	**2013**
Senior Secured Credit Facilities	713.9	432.3
Senior secured notes	-	275.0
Other financial liabilities	10.0	8.0
Total external financial liabilities	**723.9**	**715.3**

Other Financial Information

	Six months ended June 30,	
(€ in millions)	**2012**	**2013**
EBITDA	69.8	89.5
Adjusted EBITDA	69.8	89.5
Adjusted EBITDA margin	16.8%	22.8%

	As of December 31,	**As of June 30,**
(€ in millions)	**2012**	**2013**
Unrestricted cash	152.9	118.5
SHIP net senior secured debt	561.0	588.8

	Six months ended June 30,	
(€ in millions)	**2012**	**2013**
Profit/(loss) for the period	(19.5)	(3.5)
Net finance expense and similar	35.3	36.1
Income taxes	2.7	4.3
Amortisation, depreciation and impairments	51.3	52.6
Impairment of receivables		
EBITDA	**69.8**	**89.5**

(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 is a calculation of EBITDA.

(2) We define Adjusted EBITDA as EBITDA adjusted for the effect of extraordinary items. During the six months ended June 30, 2013 and 2012 there were no extraordinary items.

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

(4) Unrestricted cash represents cash and cash equivalents from our statement of financial position, less 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) SHIP net senior secured debt consists of the principal 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, factoring of VAT receivables and other sundry financial liabilities.

Information Relating To The Financial Liabilities of Gaming Invest

Gaming Invest Information

	As of December 31,	**As of June 30,**
(€ in millions)	**2012**	**2013**
Principal amount of debt	270.4	276.9

Gaming Invest Information

	Six months ended June 30,	
(€ in millions)	**2012**	**2013**
Interest expense	13.5	12.3

SISAL HOLDING ISTITUTO DI PAGAMENTO S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2013

(In Euro)

	June 30, 2013	December 31, 2012
A) NON-CURRENT ASSETS		
Property, Plant and Equipment	114,907,924	126,606,135
Goodwill	875,156,896	869,563,727
Intangible assets	238,054,297	249,108,475
Investments accounted for using the equity method	25,970	25,970
Deferred tax assets	19,235,597	16,799,742
Other non-current assets	28,499,194	14,924,890
Assets held for sale or discontinued operations		0
Total non-current assets	**1,275,879,878**	**1,277,028,939**
B) CURRENT ASSETS		
Inventories	7,470,961	9,881,492
Trade receivables	136,623,638	151,314,937
Current financial assets	1,549	1,549
Other current assets	34,287,073	42,484,565
Taxes receivable	1,275,190	6,285,100
Cash and cash equivalents	204,644,107	242,120,067
Total current assets	**384,302,518**	**452,087,710**
TOTAL ASSETS	**1,660,182,396**	**1,729,116,649**
A) EQUITY		
Share capital	102,500,000	102,500,000
Legal reserve	200,000	200,000
Share premium reserve	94,484,316	94,484,316
Other reserves	(151,732,969)	(112,165,384)
Total comprehensive loss for the year	(3,732,989)	(39,808,380)
Total equity attributable to owners of the Parent	**41,718,358**	**45,210,552**
Equity attributable to non-controlling interests	**580,364**	**334,536**
Total equity	**42,298,722**	**45,545,088**
B) NON-CURRENT LIABILITIES		
Long-term debt	1,094,461,269	1,010,168,287
Provision for employee severance indemnities	9,278,390	9,095,582
Deferred tax liabilities	27,666,942	28,166,129
Provisions for risks and charges	8,587,511	8,863,252
Other non-current liabilities	14,356,322	3,244,631
Liabilities relating to assets held for sale or discontinued operations	0	0
Total non-current liabilities	**1,154,350,434**	**1,059,537,881**
C) CURRENT LIABILITIES		
Trade and other payables	243,443,799	284,306,010
Short-term debt	20,000,000	34,406,438
Current portion of long-term debt	15,041,406	94,157,547
Other current liabilities	182,947,721	210,942,847
Taxation payable	2,100,314	220,838
Provisions for risks and charges	0	0
Total current liabilities	**463,533,240**	**624,033,680**
TOTAL LIABILITIES AND EQUITY	**1,660,182,396**	**1,729,116,649**

SISAL HOLDING ISTITUTO DI PAGAMENTO S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2013 AND 2012

(In Euro)

	Six months ended June 30,		Threee months ended June 30,	
	2013	2012	2013	2012
Revenues	343,741,081	380,467,403	167,804,095	188,901,188
Fixed odds betting income	47,185,135	32,977,538	14,240,768	12,529,868
Other revenues and income	1,450,982	2,029,861	714,506	1,443,307
Total revenues and income	**392,377,198**	**415,474,802**	**182,759,369**	**202,874,363**
Purchases of materials, consumables and merchandise	5,014,478	9,288,391	2,486,526	3,777,751
Costs for services	228,792,554	271,384,283	105,093,188	134,974,301
Lease and rent expenses	9,581,702	7,819,846	5,062,076	4,036,654
Personnel costs	43,519,623	40,426,358	21,805,428	21,054,021
Other operating costs	15,954,431	16,831,054	8,707,247	8,197,281
Total costs	**302,862,788**	**345,749,932**	**143,154,465**	**172,040,008**
Gross operating profit before amortisation, depreciation, provisions and impairment losses and reversals	**89,514,410**	**69,724,870**	**39,604,904**	**30,834,355**
Amortisation, depreciation, provisions and impairment losses and reversals	52,564,084	51,279,716	25,809,597	24,286,857
Net operating profit (EBIT)	**36,950,326**	**18,445,154**	**13,795,307**	**6,547,498**
Finance income and similar	1,167,570	2,574,955	578,367	976,092
Finance expenses and similar	37,281,501	37,867,092	20,277,936	18,294,220
Adjustments to financial assets		0		
Share of profit/(loss) of companies accounted for by the equity method		0		
Loss before income taxes	**836,395**	**(16,846,983)**	**(5,904,262)**	**(10,770,630)**
Income taxes	4,283,182	2,652,065	270,323	402,554
Loss from continuing operations	**(3,446,787)**	**(19,499,048)**	**(6,174,585)**	**(11,173,184)**
Result attributable to assets held for sale or discontinued operations				
LOSS FOR THE PERIOD	**(3,446,787)**	**(19,499,048)**	**(6,174,585)**	**(11,173,184)**
Other comprehensive income				
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(3,446,787)**	**(19,499,048)**	**(6,174,585)**	**(11,173,184)**
Profit attributable to non-controlling interests	**286,202**	**(12,108)**	**131,451**	**(7,725)**
Loss attributable to owners of the Parent	**(3,732,989)**	**(19,486,940)**	**(6,306,036)**	**(11,165,459)**
Total comprehensive income attributable to non-controlling interests	**286,202**	**(12,108)**	**131,451**	**(7,725)**
Total comprehensive loss attributable to owners of the Parent	**(3,732,989)**	**(19,486,940)**	**(6,306,036)**	**(11,165,459)**
Basic gain (loss) per share	**(0.04)**	**(0.19)**	**(0.07)**	**(0.11)**

SISAL HOLDING ISTITUTO DI PAGAMENTO S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2013

(In thousands of Euro)

	Share capital	Legal Reserve	Share premium reserve	Other Reserves	Retained earnings (Accumulated deficit)	Non-controlling interests	Total Equity
Equity at December 31, 2011	**102,500**	**200**	**94,484**	**1,607**	**(114,523)**	**639**	**84,907**
Profit and loss recorded directly in equity							0
Profit and loss for the period					(19,487)	(12)	(19,499)
Total comprehensive loss for the period	**0**	**0**	**0**	**0**	**(19,487)**	**(12)**	**(19,499)**
Other changes				250	1	(43)	208
Equity at June 30, 2012	**102,500**	**200**	**94,484**	**1,857**	**(134,009)**	**584**	**65,616**
Equity at December 31, 2012	**102,500**	**200**	**94,484**	**2,092**	**(154,065)**	**334**	**45,545**
Profit and loss recorded directly in equity							0
Profit and loss for the period					(3,733)	286	(3,447)
Total comprehensive loss for the period	**0**	**0**	**0**	**0**	**(3,733)**	**286**	**(3,447)**
Other changes				242	(1)	(40)	201
Equity at June 30, 2013	**102,500**	**200**	**94,484**	**2,334**	**(157,799)**	**580**	**42,299**

SISAL HOLDING ISTITUTO DI PAGAMENTO S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2013

(In thousands of Euro)

	June 30, 2013	June 30, 2012
Loss for the period before income taxes	**836**	**(16,846)**
Amortisation and depreciation	45,084	44,006
Impairment of receivables in current assets	7,255	6,852
Provision for risks and charges - accruals (releases)	225	422
Employee severance indemnities - accrual	174	284
Other accruals	241	250
Finance (income) expenses	36,114	35,292
Cash provided by operations before changes in working capital, interest and taxes	**89,929**	**70,260**
Change in working capital	*(53,681)*	*56,923*
Net interest paid	*(24,519)*	*(21,972)*
Taxes (paid) /reimbursed	*(725)*	*0*
Cash flows provided by (used in) operating activities	**11,004**	**105,211**
Increase (-) decrease (+) in intangible assets	(13,948)	(3,240)
Increase (-) decrease (+) in property, plant and equipment	(5,143)	(20,215)
Increase (-) decrease (+) in investments	0	(49)
Increase (-) decrease (+) in other non-current assets	(12,000)	(1,848)
Acquisitions (net of cash)	(3,506)	(1,735)
Cash flows provided by (used in) investing activities	**(34,597)**	**(27,087)**
Increase (+) Decrease (-) in loans	(11,963)	(20,593)
Increase (+) Decrease (-) in leases payable	(1,920)	(2,635)
Cash flows provided by (used in) financing activities	**(13,883)**	**(23,228)**
Increase (decrease) in cash and cash equivalents	**(37,476)**	**54,896**
Net cash at the beginning of the period	**242,120**	**283,692**
Net cash at the end of the period	**204,644**	**338,588**

1. General information

Sisal Holding Istituto di Pagamento S.p.A. (SHIP S.p.A.) has two main activities. The first is represented by the supply of collection and payment services, performed under appropriate authorization issued by the Bank of Italy, to third parties commercial partners and subsidiaries; the second is represented by the ownership of a controlling interest in Sisal S.p.A. a company which operates directly and indirectly through its subsidiaries in Italy in the gaming industry, through a network of more than 45,000 points of sale and about 200 betting agencies throughout the country, principally on the basis of concessions for wagers in pools, horse racing and sports bets and legal gaming using Amusement With Prize gaming machines (AWP gaming machines) and the operation of a Bingo hall in the city of Naples. The same subsidiary carries out marketing activities for telephone top-ups and TV content recharges. The Company also renders management and strategic services to the main subsidiaries subject to its direction and coordination activities.

The company is a limited liability stock company established under the law of the Republic of Italy. The company's registered office is at Via Tocqueville, 13 in Milan, Italy.

2. Basis of preparation

These condensed interim financial statements for the six months ended June 30, 2013 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, given that the entity has prepared financial statements compliant with IFRS for the previous financial year. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2012, which have been prepared in accordance with IFRSs. Unless otherwise stated, all amounts are disclosed in thousands of Euro.

3. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as described below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. Recently issued accounting standards

The Group has not early adopted the accounting standards already endorsed by the European Community but not yet effective for the Group.

In particular, the following have not been early adopted by the Group:

• IFRS 10—Consolidated Financial Statements, applicable from January 1, 2014;

- IFRS 11—Joint Arrangements, applicable from January 1, 2014;
- IFRS 12—Disclosure of Interests in Other Entities, applicable from January 1, 2014;
- IAS 27 (revised)—Separate Financial Statements, applicable from January 1, 2014;
- IAS 28 (revised)—Associates and Joint Ventures, applicable from January 1, 2014;
- IAS 32 Financial Instruments: Presentation—Amendment 2012, applicable from January 1, 2014.

The Group is currently assessing the impact of the applicability, if any, of the above standards on its financial statements.

Moreover, 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:

- IFRS 9 Financial Instruments;
- Improvements to IFRSs 2009-2011.

5. Change in the scope of consolidation

In January 2013 we acquired 60% of Friulgames Srl, an Italian operator of approximately 2,000 slot machines and 170 VLTs for consideration of €5.5 million. We consolidated Friulgames Limited from the date of acquisition. There are no other changes in the scope of consolidation compared to 2012.

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 interim financial statements, the significant judgements made by management in applying the group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2012, with the exception of changes in estimates that are required in determining the provision for income taxes.

7. Financial risk management

7.1 Financial risk factors

The group’s activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and bookmaker risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group’s annual financial statements as at December 31, 2012. There have been no changes in the risk management department since year end or in any risk management policies.

7.2 Liquidity risk

As previously reported in May 2013 we entered a significant refinancing and restructuring of existing debt deal, based in particular on the issuance of new senior secured notes totalling €275 million. As a result of this operation the contractual cash flows of our debt and the related matured profile have changed and, in particular, substantial portion of our debt now matures in 2017.d.

7.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different 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).

The following table presents the group's assets and liabilities that are measured at fair value at June 30, 2013.

As of June 30, 2013 (In thousands of Euro)

Financial assets/liabilities measured at fair value	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value recognised in the statement of comprehensive income				
2. Available-for-sale financial assets	2			2
3. Hedging derivatives				
Total				
1. Financial assets measured at fair value recognised in the statement of comprehensive income				
2. Hedging derivatives				
Total				

As of December 31, 2012

Financial assets/liabilities measured at fair value	Level 1	Level 2	Level 3	Total
1. Financial assets measured at fair value recognised in the statement of comprehensive income				
2. Available-for-sale financial assets	2			2
3. Hedging derivatives				
Total	**2**	**0**	**0**	**2**
1. Financial assets measured at fair value recognised in the statement of comprehensive income				
2. Hedging derivatives				
Total	**0**	**0**	**0**	**0**

In 2013, no financial assets/liabilities measured at fair value have been transferred between different categories.

8. 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.

9. Operating segment information

The Group's operating activities are organized and managed separately in three Business Units which ensure an effective control over operations and identify the operating segments as set out in IFRS 8:

- Entertainment, engaged in retail, AWP gaming machines and betting activities
- Lottery, engaged in National Totalisator Number Games (NTNG) activities
- Digital Games and Services, engaged in online games and payment services activities

The identification of the operating segments and the relative information reported under segment reporting is confirmed by the elements that management uses to make operating decisions consistently with the organizational, management and control model in use.

Management makes decisions about resources to be allocated and the assessment of the performance by the different segments principally on the basis of the "gross operating margin".

The valuation of this margin conforms with accounting standards applicable to the consolidated financial statements of the Group, thus the main items in reconciliation between the results of the segments and the "Gross operating margin before amortization, depreciation, provisions and impairment losses and reversals" presented in the consolidated financial statements refer to the costs of the corporate structure excluded from the gross operating margin of the various operating segments.

Such costs are mainly in reference to the following:

- IT/Telecommunications services across the different operating segments
- advertising and institutional communication
- coordination, control and strategic guidelines of the Group's business
- planning and centralized management of human resources and financing
- management of administrative, fiscal and legal/corporate obligations

For presentation purposes only, so that this different criterion has no effect on the valuation of the various financial statements items, the portion of revenues paid to the supply chain for the Entertainment and Digital games and Services Business Units, is shown in management reports net of the relative costs. Likewise, there are certain categories of cost presented in the consolidated financial statements as a deduction of revenues which in the management reports are included in operating costs.

(In thousands of Euro)

	Six months ended June 30, 2013		Six months ended June 30, 2012	
	Total revenues	Gross Operating Margin	Total revenues	Gross Operating Margin
Entertainment				
Revenues	129,584		132,904	
Supply Chain / Other revenues	119,493		130,415	
Total	**249,077**	**60,711**	**263,319**	**61,908**
Lottery				
Revenues	48,993		63,738	
Supply Chain / Other revenues	(5)		(8)	
Total	**48,988**	**25,409**	**63,730**	**10,887**
Digital Games & Services				
Revenues	62,810		56,382	
Supply Chain / Other revenues	30,950		30,860	
Total	**93,760**	**42,991**	**87,242**	**37,087**
Other revenues	**553**	**0**	**1,185**	**0**
IT / Telecommunications		(11,256)		(12,737)
Corporate Marketing		(3,107)		(3,880)
General & Administrative		(15,527)		(15,795)
Other operating costs		(9,676)		(8,226)
Items with different classification		(30)		481
	392,378	**89,514**	**415,476**	**69,725**

(In thousands of Euro)

	Three months ended June 30, 2013		Three months ended June 30, 2012	
	Total revenues	Gross Operating Margin	Total revenues	Gross Operating Margin
Entertainment				
Revenues	56,448		62,530	
Supply Chain / Other revenues	58,705		67,451	
Total	**115,153**	**24,007**	**129,981**	**27,189**
Lottery				
Revenues	23,368		30,522	
Supply Chain / Other revenues	(1)		35	
Total	**23,367**	**16,206**	**30,557**	**6,797**
Digital Games & Services				
Revenues	29,060		26,471	
Supply Chain / Other revenues	14,732		15,129	
Total	**43,792**	**19,639**	**41,600**	**17,223**
Other revenues	**448**	**0**	**738**	**0**
IT / Telecommunications		(5,433)		(6,504)
Corporate Marketing		(1,632)		(2,242)
General & Administrative		(8,190)		(8,565)
Other operating costs		(4,973)		(3,301)
Items with different classification		(18)		238
	182,760	**39,605**	**202,876**	**30,835**

Total revenues by operating segment refer entirely to third parties as there are no intersegment revenues.

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

There are no significant non-recurring items included in segment revenues or gross operating profit for the six month periods ended June 30, 2013 and 2012.

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

From the standpoint of the financial position, segment assets are not included in the information reviewed by management.

10. Business combinations

On January, 2013, we acquired 60% of Friulgames srl, an Italian operator of approximately 2,000 slot machines and 170 VLTs. The total consideration was Euro 5.5 million. As a result of the acquisition, the group has expanded its retail distribution network enabling to benefit from economies of scale and has helped increase revenues and income by allowing the Group to capture a larger share of the gaming and convenience payment services value chain.

11. Income taxes

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

12. Property, plant and equipment and other tangibles assets

(In thousands of Euro)

	PPE	Other intangible assets
Six months ended June 30, 2013		
Opening net book amount as at January 1, 2013	**126,606**	**249,108**
Additions	5,145	13,949
Change in the scope of consolidation	3,232	8
Disposals	(2)	0
Depreciation and amortisation	(20,073)	(25,011)
Impairment	0	0
Closing net book amount as at June 30, 2013	**114,908**	**238,054**

Other intangibles assets additions are mainly related to operational software (€6.6 million) and to the new betting licenses, related to the so called 2,000 betting rights tender held in late 2012 (€6.6 million), assigned in June 2013.

13. Goodwill

(In thousands of Euro)

	At June 30, 2013
At the beginning of the period	869,564
Acquisition of a subsidiary	5,593
At the end of the period	**875,157**

Additions to goodwill in the six months ended June 30, 2013 relate to the acquisition of Friulgames S.r.l. in January 2013.

14. Cash and cash equivalents

(In thousands of Euro)

Cash and cash equivalents	At June 30, 2013	At December 31, 2012
Cash and cash equivalents	112,697	150,027
Restricted bank accounts	86,139	89,171
Cash and cash equivalents in hand	5,808	2,922
Total	**204,644**	**242,120**

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.

15. Share capital

As of June 30, 2013, share capital amounts to Euro 102,500 thousand, it is fully paid in and consist of 102,500,000 ordinary shares. Share capital is unchanged compared to December 31, 2012.

16. Borrowings and loans

(in thousands of Euro)

Non-current debt	At June 30, 2013	At December 31, 2012
Loans from financing pool Royal Bank of Scotland	**394,171**	**588,023**
Loans from other banks	**575**	**710**
Loans from other lenders – leasing	**469**	**1,439**
Loans from ultimate parent Gaming Invest S.a.r.l.	**433,493**	**419,997**
Senior secured notes	**265,753**	**0**
Sub-total	**1,094,461**	**1,010,169**
Current	**35,042**	**128,564**
Total	**1,129,503**	**1,138,733**

Movements in borrowings are analysed as follows:

(in thousands of Euro)

	June 30, 2013	June 30, 2012
Six months ended June 30, 2013		
Opening amount as at January 1	**1,138,733**	**1,145,241**
Acquisition of subsidiary (Note 9)	2,309	0
New borrowings	283,690	13,575
- accrued interest and other expenses	*17,937*	*13,575*
- senior secured notes	*265,753*	*0*
Repayments of borrowings	295,229	23,228
- new una tantum fees on Senior Secured Credit Facilities	*6,346*	*0*
- borrowings repayments	*288,883*	*23,228*
Closing amount as at June 30	**1,129,503**	**1,135,588**

New borrowings and repayments of borrowings significant changes are mainly related to Senior secured notes issue as above described in the Management Discussion & Analysis section under Capital Resources paragraph.

17. Provisions for risks and charges

(In thousands of Euro)

	At December 31, 2012	Changes during the period increase	Changes during the period decrease	At June 30, 2013
Sundry risks and charges provisions	7,356	600	(1,101)	6,855
Technological updating provision	1,507	226		1,733
Total	**8,863**	**826**	**(1,101)**	**8,588**

Movements in sundry risks and charges provisions of €600 thousand mainly relates to provisions related to the business combination**.**

18. Revenues

(In thousands of Euro)

	Six months ended June 30,		Three months ended June 30,	
Revenues	**2013**	**2012**	**2013**	**2012**
Gaming revenues	246,519	282,157	119,914	140,673
Services and non-gaming products revenues	55,126	55,375	26,893	27,104
Points of sale revenues	40,964	42,438	20,230	21,687
Other revenues	1,132	497	767	(563)
Total	**343,741**	**380,467**	**167,804**	**188,901**

(In thousands of Euro)

	Six months ended June 30,		Three months ended June 30,	
Gaming revenues	**2013**	**2012**	**2013**	**2012**
NTNG revenues	27,470	38,219	12,956	17,688
Slot machines revenues	200,066	224,339	98,116	113,367
Horse race betting revenues	7,041	8,337	3,310	4,543
Big bets revenues	20	28	8	11
Sports pools revenues	418	545	173	211
Online game revenues	9,868	8,234	4,618	3,751
Bingo revenues	1,636	2,455	733	1,102
Total	**246,519**	**282,157**	**119,914**	**140,673**

19. Fixed odds betting income

(In thousands of Euro)

	Six months ended June 30,		Three months ended June 30,	
Fixed odds betting income	**2013**	**2012**	**2013**	**2012**
Fixed odds sports betting income	46,804	32,753	14,052	12,383
Fixed odds horse race betting income	126	18	47	7
Reference horse race betting income	255	207	142	140
Total	**47,185**	**32,978**	**14,241**	**12,530**

20. Finance income and finance expense

(In thousands of Euro)

	Six months ended June 30,		Three months ended June 30,	
Finance income and similar	**2013**	**2012**	**2013**	**2012**
Other finance income	1,168	2,575	579	976
Other income on derivative instruments	0	0	0	0
Total	**1,168**	**2,575**	**579**	**976**

(In thousands of Euro)

	Six months ended June 30,		Three months ended June 30,	
Finance expenses and similar	**2013**	**2012**	**2013**	**2012**
Interest and other finance expenses - Group	21,170	19,972	10,710	9,827
Interest and other finance expenses - third parties	16,116	16,451	9,568	8,067
Other expenses on sundry instruments	0	1,357	0	327
Exchange (gains) losses realised	(4)	35	0	10
Exchange (gains) losses unrealised	0	52	0	63
Total	**37,282**	**37,867**	**20,278**	**18,294**

21. Contingent liabilities

There have been no significant changes in contingent liabilities compared to December 31, 2012.

22. Related party transactions

With regard to transactions with the ultimate parent, Gaming Invest S.àr.l., the Parent company has a loan payable totaling approximately €433.5 million. The interest expense on the loan during the six months ended June 30, 2013 amounted to €21.2 million (€20.0 million in the six months ended June 30, 2012).

23. Events occurring after the reporting period

With reference to the Submission of Accounts by Slot Concessionaires[1], in July the Department of the State Auditor sanctioned Sisal with a penalty amounting to €5 thousand. Same decision is expected for the other Concessionaires.

With reference to *Department of the State Auditors (Corte dei Conti) Proceedings*[2], according to a Law Decree of August 31st – to be converted into law within the end of October – Sisal could propose to settle the case by paying approximately €61 million; it is not provided a payment in installments. The proposal must be notified by the company before next October 15.

[1] a summary of the Legal Case can be found at pag. 105 of the Offering Memorandum
[2] a summary of the Legal Case can be found at pag. 103-104 of the Offering Memorandum