Sisal Holding Istituto di Pagamento S.p.A.

Condensed consolidated interim financial statements

As of and for the 3 month period ended March 31, 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 300 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 Three months ended March 31, 2013

In the first quarter 2013, the Italian GDP was down 2.3%[1] compared to the same period of last year confirming the previous quarters ongoing trend. The consumption softness affected the Italian gaming market turnover, which, based on our estimates, was down by 6.2%, to approximately € 21.4 billion[2].
Convenience Payments Services market confirmed the ongoing positive trend. Services turnover grew by 2.4%, reaching € 5.1 billion[4], mainly driven by the expansion of payment and financial services.
Sisal posted €3.5 billion turnover for three months ended March 31, 2013, down 6.5% versus the same 2012 period, 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 - Q1 2013 Release.*

Results of Operations

(€ in millions)	2012	% of total revenues and income	2013	% of total revenues and income	% change 2012-2013
	Three months ended March 31,				
Revenues	191.6	90.1%	175.9	84.0%	-8.2%
Fixed odds betting income	20.4	9.6%	32.9	15.7%	61.3%
Other revenues and income	0.6	0.3%	0.7	0.3%	16.7%
Total revenues and income	**212.6**	**100.0%**	**209.6**	**100.0%**	**-1.5%**
Purchases of materials, consumables and merchandise	5.5	2.6%	2.5	1.2%	-54.5%
Costs for services	136.4	64.2%	123.7	59.0%	-9.3%
Lease and rent expenses	3.8	1.8%	4.5	2.1%	18.4%
Personnel costs	19.4	9.1%	21.7	10.4%	11.9%
Other operating costs	8.6	4.0%	7.2	3.4%	-16.3%
Total costs	**173.7**	**81.7%**	**159.6**	**76.2%**	**-8.1%**
Gross operating profit before amortization, depreciation, provisions and impairment losses and reversals	**38.9**	**18.3%**	**49.9**	**23.8%**	**28.3%**
Amortization, depreciation, provisions and impairment losses and reversals	27.0	12.7%	26.8	12.8%	-0.7%
Net operating profit (EBIT)	**11.9**	**5.6%**	**23.1**	**11.0%**	**94.1%**
Finance income and similar	1.6	0.8%	0.6	0.3%	-62.5%
Finance expenses and similar	19.6	9.2%	17.0	8.1%	-13.3%
Profit (loss) before income taxes	**(6.1)**	**-2.9%**	**6.7**	**3.2%**	**-209.8%**
Income taxes	2.2	1.0%	4.0	1.9%	81.8%
Profit (loss) from continuing operations	**(8.3)**	**-3.9%**	**2.7**	**1.3%**	**-132.5%**
Profit (loss) for the period	**(8.3)**	**-3.9%**	**2.7**	**1.3%**	**-132.5%**
Total comprehensive Profit (loss) for the period	**(8.3)**	**-3.9%**	**2.7**	**1.3%**	**-132.5%**

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)	Three months ended March 31,				Change	
	2012	% of total revenues and income	2013	% of total revenues and income	(amount)	%
Gaming revenues	141.5	66.6%	126.6	60.4%	(14.9)	-10.5%
Fixed odds betting income	20.4	9.6%	32.9	15.7%	12.5	61.3%
Services and non-gaming product revenues	28.3	13.3%	28.2	13.5%	(0.1)	-0.4%
Point of sales fees	20.8	9.8%	20.7	9.9%	(0.1)	-0.5%
Other revenues and income	1.6	0.7%	1.1	0.5%	(0.5)	-31.3%
Total	**212.6**	**100.0%**	**209.6**	**100.0%**	**(3.1)**	**-1.5%**

Revenues and income amounted to €209.6 million for three months ended March 31, 2013, a decrease of €3.1 million or 1.5% from €209.6 million for the three months ended March 31, 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)	Three months ended March 31,				Change	
	2012	% of total revenues and income	2013	% of total revenues and income	(amount)	%
Gaming machines	111.0	52.2%	102.0	48.7%	(9.0)	-8.1%
NTNG revenues	20.5	9.6%	14.5	6.9%	(6.0)	-29.3%
Horse race betting revenues	3.8	1.8%	3.7	1.8%	(0.1)	-2.6%
Online games revenues	4.5	2.1%	5.3	2.5%	0.8	17.8%
Bingo revenues	1.4	0.8%	0.9	0.4%	(0.5)	-35.7%
Sports pools revenues	0.3	0.1%	0.2	0.1%	(0.1)	-33.3%
Total	**141.5**	**66.6%**	**126.6**	**60.4%**	**(14.9)**	**-10.5%**

The overall decrease of €14.9 million in gaming revenues was mainly attributable to a combination of the following factors:

- *Gaming machine* revenues amounted to €102.0 million for the three months ended March 31, 2013 a decrease of €9.0 million, or 8.1%, from €111.0 million for the three months ended March 31, 2012. The decrease in gaming machine revenue is due to a shift in the product mix towards VLTs combined with a decrease in the revenue/turnover ratio of VLTs. Total gaming machine turnover decreased from €1,196 million for the three months ended March 31, 2012, of which 52% related to slot machines and 48% related to VLTs to €1,101 million for the three months ended March 31, 2013, of which 55% related to slot machines and 45% related to VLTs. The decrease in revenues is attributable to both VLT and slot activities due to market trend and an increase in direct taxes.

- *NTNG* revenues amounted to €14.5 million for the three months ended March 31, 2013 a decrease of €6.0 million, or 29.3%, from €20.5 million for the three months ended March 31, 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 were substantially unchanged, amounting to €3.7 million for the three months ended March 31, 2013 and €3.8 million for the three months ended March 31, 2012.

- *Online games* revenues amounted to €5.3 million for the three months ended March 31, 2013 an increase of €0.8 million, or 17.8%, from €4.5 million for the three months ended March 31, 2012, primarily as a result of the successful launch of Slot games, partially offset by Poker games weak market trend.

- *Bingo* revenues were substantially unchanged amounting to €0.9 million for the three months ended March 31, 2013 and €1.4 million for the three months ended March 31, 2012.

- *Sports pools* revenues were substantially unchanged amounting to €0.2 million for the three months ended March 31, 2013 and €0.3 million for the three months ended March 31, 2012.

Fixed odds betting income

Fixed odds betting income amounted to €32.9 million for the three months ended March 31, 2013 an increase of €12.5 million, or 61.3%, from €20.4 million for the three months ended March 31, 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 € 1,608 million for the three months ended March 31, 2013, an increase of 3.2% from € 1,558 million for the three months ended March 31, 2012. Services and non-gaming product revenues were substantially unchanged, amounting to €28.2 million for the three months ended March 31, 2013 and €28.3 million for the three months ended March 31, 2012. The number of payment and financial services transactions that we processed slightly decreased from 49.2 million for the three months ended March 31, 2012 to 48.5 million (-1.6%) for the three months ended March 31, 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 were substantially unchanged amounting to €20.7 million for the three months ended March 31, 2013 and €20.8 million for the three months ended March 31, 2012.

Other revenues and income

Other revenues and income amounted to €1.1 million for the three months ended March 31, 2013 a decrease of €0.5 million, from €1.6 million for the three months ended March 31, 2012.

Costs

Purchases of materials, consumables and merchandise

Purchases of materials, consumables and merchandise amounted to €2.5 million for the three months ended March 31, 2013 a decrease of €3.0 million, or 54.5%, from €5.5 million for the three months ended March 31, 2012, primarily as a result of lower consumption of games materials due in particular to softer turnover revenues in the lottery segment, combined with cost savings.

Costs for services

Costs for services amounted to €123.7 million for the three months ended March 31, 2013 a decrease of €12.7 million, or 9.3%, from €136.4 million for the three months ended March 31, 2012.

Costs for services amounted to 59.0% of total revenues and income for the three months ended March 31, 2013 compared to 64.2% of total revenues and income for the three months ended March 31, 2012. The following table sets forth an analysis of costs for services for the periods indicated.

(€ in millions)	**Three months ended March 31,**				**Change**	
	2012	**% of total revenues and income**	**2013**	**% of total revenues and income**	**(amount)**	**%**
Sales channel- Gaming	72.2	34.0%	69.8	33.3%	(2.4)	-3.3%
Sales channel- Non gaming revenues	18.0	8.5%	17.6	8.4%	(0.4)	-2.2%
Commercial services	21.6	10.2%	11.9	5.7%	(9.7)	-44.9%
Consulting	3.6	1.7%	3.0	1.4%	(0.6)	-16.7%
Others	21.0	9.9%	21.4	10.2%	0.4	1.9%
Total costs for services	**136.4**	**64.3%**	**123.7**	**59.0%**	**(12.7)**	**-9.3%**

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

- *Sales channel-gaming costs* amounted to € 69.8 million for the three months ended March 31, 2013 a decrease of € 2.4 million, or 3.3%, from € 72.2 million for the three months ended March 31, 2012. As a percentage of total revenues and income, sales channel gaming costs amounted to 34.0% for the three months ended March 31, 2012 and 33.3% for the three months ended March 31, 2013. The decrease is mainly due to softer gaming machines turnover.

- *Sales channel non-gaming* services costs amounted to € 17.6 million for the three months ended March 31, 2013 a decrease of € 0.4 million, or 2.2%, from € 18.0 million for the three months ended March 31, 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 € 11.9 million for the three months ended March 31, 2013 a decrease of € 9.7 million, or 44.9%, from € 21.6 million for the three months ended March 31, 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 €4.5 million for the three months ended March 31, 2013 an increase of €0.7 million, or 18.4%, from €3.8million for the three months ended March 31, 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 €21.7 million for the three months ended March 31, 2013 an increase of €2.3 million, or 11.9%, from €19.4 million for the three months ended March 31, 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 1,410 for the three months ended March 31, 2012 to 1.557 for the three months ended March 31, 2012, 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 €7.2 million for the three months ended March 31, 2013 a decrease of €1.4 million, or 16.3%, from €8.6 million for the three months ended March 31, 2012. The decrease in other operating costs is primarily related to lower concession fees and non-deductible VAT calculated on the basis of the so called pro rata coefficient, due respectively to softer games turnover volumes and reduced commercial services expenses.

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 €49.9 million for the three months ended March 31, 2013 an increase of €11.0 million, or 28.3%, from €38.9 million for the three months ended March 31, 2012. Gross margin was 23.8% for the three months ended March 31, 2013 compared to 18.3% for the three months ended March 31, 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 were substantially unchanged, amounting to €26.8 million for the three months ended March 31, 2013 and €27.0 million for the three months ended March 31, 2012.

Net operating profit

Net operating profit amounted to €23.1 million for the three months ended March 31, 2013 an increase of €11.2 million, or 94.1%, from €11.9 million for the three months ended March 31, 2012.

Net margin was 11.0% for the three months ended March 31, 2013 compared to 5.6% for the three months ended March 31, 2012.

Finance income and similar

Finance income and similar amounted to €0.6 million for the three months ended March 31, 2013 a decrease of €1 million, or -62.5%, from €1.6 million for the three months ended March 31, 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 €17 million for the three months ended March 31, 2013 a decrease of €2.6 million, or 13.3%, from €19.6 million for the three months ended March 31, 2012, primarily as a result of finance expenses on third party financial liabilities. Finance expenses on third party financial liabilities amounted to €6.5 million for the three months ended March 31, 2012 compared to €8.4 million for the three months ended March 31, 2013. Interest on our shareholders loan amounted to €10.2 million and €10.5 million for the three months ended March 31, 2012 and 2013, respectively.

Income taxes

Income taxes amounted to €4.0 million for the three months ended March 31, 2013 an increase of €1.8 million, or 81.8%, from €2.2 million for the three months ended March 31, 2012, primarily as a result of the increase in pretax income.

Segment Information

	Three months ended March 31,			
(€ in thousands)	**2012**	**2013**	**2012**	**2013**
	Revenues and income		**Segment Gross operating Profit**	
Entertainment	133.3	133.9	34.7	36.7
Lottery	33.2	25.6	4.1	9.2
Digital Games and Services	45.6	50.1	19.9	23.4
Other	0.5	-	-	-
Segment Gross Operating Profit			58.7	69.3
Corporate costs			19.8	19.4
Total	**212.6**	**209.6**	**38.9**	**49.9**

Entertainment: Entertainment segment results for three months ended March 31, 2013 have been mainly driven by a strong performance in sport betting partially offset by a soft turnover and tax increase in VLT and Slot over the same 2012 reference period. 27.4% margin for three months ended March 31, 2013 (vs 26.0% in 2012 over the same period) mainly driven by the above mentioned factors.

Digital Games & Services: DG&Services segment results for three months ended March 31, 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. 46.7% margin for three months ended March 31, 2013 (vs 43.5% in 2012 over the same period) driven by top line growth in the online and service segments.

Lottery: lottery segment results for three months ended March 31, 2013 have been mainly driven by low SuperEnalotto jackpot during the period reducing game appeal to customers and delay in approving games rejuvenation. 35.9% margin for three months ended March 31, 2013 (vs 12.3% in 2012 over the same period) driven by cost savings and lower marketing expenses, which more than offset soft turnover and revenues.

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)	**2012**	**2013**
Movements in trade receivables	7.0	2.6
Movements in inventories	-	2.2
Movements in trade payables	13.8	(38.3)
Movements in trade working capital	**20.8**	**(33.5)**
Movements in other assets and liabilities	(33.4)	(13.4)
Movements in payables for winnings	20.2	24.8
Total movements in working capital	**7.6**	**(22.1)**
Restricted Cash as of March 31	**152.3**	**117.0**

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 quarter 2013, is mainly related to timing in convenience services trade payables, turnover softness and a lower cost base in the three months ended March 31, 2013.

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)	**2012**	**2013**
Cash provided by operations before changes in working capital, interest and taxes	39.0	50.1
Changes in working capital	7.6	(22.1)
Interest paid	(5.9)	(9.2)
Cash flows provided by (used in) operating activities	40.7	18.8
Cash flows provided by (used in) investing activities	(16.6)	(3.4)
Cash flows provided by (used in) financing activities	(10.1)	(11.6)
Increase (decrease) in cash and cash equivalents	**14.0**	**3.9**
Net cash at the beginning of the period	283.7	242.1
Net cash at the end of the period	**297.7**	**246.0**

Our cash provided by operating activities amounted to €18.8 million for the three months ended March 31, 2013 compared to €40.7 million for the three months ended March 31, 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 €16.6 million for the three months ended March 31, 2012 compared to €3.4 million for the three months ended March 31, 2013. The cash used in investing activities in first quarter 2013 is mainly related to tangible and intangible assets increases (€1.9 million) and new acquisition net cash impact for residual €1.5 million. Cash flow used in investing activities for the three months ended March 31, 2012 was also affected by approximately € 10 million investment in Lottery terminals.

Cash flows used in financing activities amounted to €10.1 million for the three months ended March 31, 2012 and €11.6 million for the three months ended March 31, 2013. The cash used in financing activities mainly related to repayment of borrowings (in particular, in the first quarter 2013, due to partial reimboursement for €9.3 million of the revolving line under Senior Credit Agreement and of the matured capital lease installments for €1.0 million.

Capital Resources

The following table sets forth the principal amounts of our external debt as of December 31, 2012 and March 31, 2013. The table below does not include amounts due under our shareholders loan which, including capitalized interest amounted to €426.8 million as of March 31, 2013 and €420,0 million as of December 31, 2012.

	As of December 31,	As of March 31,
(€ in millions)	**2012**	**2013**
Senior Secured Credit Facilities	713.9	704.8
Other financial liabilities	10.0	10.0
Total external financial liabilities	**723.9**	**714.8**

Other Financial Information

	Three months ended March 31,	
(€ in millions)	**2012**	**2013**
EBITDA (1)	38.7	49.8
Adjusted EBITDA (2)	38.7	49.8
Adjusted EBITDA margin (3)	18.2%	23.8%

	As of December 31,	As of March 31,
(€ in millions)	**2012**	**2013**
Unrestricted cash (4)	152.9	129.0
SHIP net senior secured debt (5)	561.0	575.6

	Three months ended March 31,	
(€ in millions)	**2012**	**2013**
Profit/(loss) for the period	(8.3)	2.7
Net finance expense and similar	18.0	16.4
Income taxes	2.2	4.0
Amortisation, depreciation and impairments	22.7	21.7
Impairment of receivables	4.1	4.9
EBITDA	**38.7**	**49.8**

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

(2) We define Adjusted EBITDA as EBITDA adjusted for the effect of extraordinary items. During the three months ended March 31, 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 of total consolidated debt of the Company, excluding amounts due under our senior secured facilities agreement 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

(€ in millions)	**As of December 31, 2012**	**As of March 31, 2013**
Principal amount of debt	270.4	273.5

Gaming Invest Information

(€ in millions)	**Three months ended March 31, 2012**	**2013**
Interest expense	6.8	6.1

SISAL HOLDING ISTITUTO DI PAGAMENTO S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2013

(In Euro)

	Notes	March 31, 2013	December 31, 2012
A) NON-CURRENT ASSETS			
Property, Plant and Equipment		121,561,316	126,606,135
Goodwill		874,645,082	869,563,727
Intangible assets		238,127,909	249,108,475
Investments accounted for using the equity method		25,970	25,970
Deferred tax assets		18,118,829	16,799,742
Other non-current assets		15,513,237	14,924,890
Assets held for sale or discontinued operations		0	0
Total non-current assets		**1,267,992,343**	**1,277,028,939**
B) CURRENT ASSETS			
Inventories		7,713,015	9,881,492
Trade receivables		145,353,128	151,314,937
Current financial assets		1,549	1,549
Other current assets		50,711,090	42,484,565
Taxes receivable		2,103,909	6,285,100
Cash and cash equivalents		245,973,876	242,120,067
Total current assets		**451,856,567**	**452,087,710**
TOTAL ASSETS		**1,719,848,910**	**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		(151,853,603)	(112,165,384)
Total comprehensive loss for the year		2,573,047	(39,808,380)
Total equity attributable to owners of the Parent		**47,903,760**	**45,210,552**
Equity attributable to non-controlling interests		**896,332**	**334,536**
Total equity		**48,800,092**	**45,545,088**
B) NON-CURRENT LIABILITIES			
Long-term debt		1,017,964,661	1,010,168,287
Provision for employee severance indemnities		9,207,496	9,095,582
Deferred tax liabilities		27,896,887	28,166,129
Provisions for risks and charges		9,483,357	8,863,252
Other non-current liabilities		2,651,581	3,244,631
Liabilities relating to assets held for sale or discontinued operations		0	0
Total non-current liabilities		**1,067,203,982**	**1,059,537,881**
C) CURRENT LIABILITIES			
Trade and other payables		248,510,295	284,306,010
Short-term debt		25,000,000	34,406,438
Current portion of long-term debt		93,913,491	94,157,547
Other current liabilities		234,984,433	210,942,847
Taxation payable		1,436,617	220,838
Provisions for risks and charges		0	0
Total current liabilities		**603,844,836**	**624,033,680**
TOTAL LIABILITIES AND EQUITY		**1,719,848,910**	**1,729,116,649**

SISAL HOLDING ISTITUTO DI PAGAMENTO S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(In Euro)

	Notes	March 31, 2013	March 31, 2012
Revenues		175,936,986	191,566,215
Fixed odds betting income		32,944,367	20,447,670
Other revenues and income		736,476	586,554
Total revenues and income		**209,617,829**	**212,600,439**
Purchases of materials, consumables and merchandise		2,527,952	5,510,640
Costs for services		123,699,366	136,409,982
Lease and rent expenses		4,519,626	3,783,192
Personnel costs		21,714,195	19,372,337
Other operating costs		7,247,184	8,633,773
Total costs		**159,708,323**	**173,709,924**
Gross operating profit before amortisation, depreciation, provisions and impairment losses and reversals		**49,909,506**	**38,890,515**
Amortisation, depreciation, provisions and impairment losses and reversals		26,754,487	26,992,859
Net operating profit (EBIT)		**23,155,019**	**11,897,656**
Finance income and similar		589,203	1,598,863
Finance expenses and similar		17,003,565	19,572,872
Adjustments to financial assets		0	0
Share of profit/(loss) of companies accounted for by the equity method		0	0
Profit (loss) before income taxes		**6,740,657**	**(6,076,353)**
Income taxes		4,012,859	2,249,511
Profit (loss) from continuing operations		**2,727,798**	**(8,325,864)**
Result attributable to assets held for sale or discontinued operations		0	
PROFIT (LOSS) FOR THE PERIOD		**2,727,798**	**(8,325,864)**
Other comprehensive income		0	
TOTAL COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD		**2,727,798**	**(8,325,864)**

Profit (loss) attributable to non-controlling interests	**154,751**	**(4,383)**
Profit (loss) attributable to owners of the Parent	**2,573,047**	**(8,321,481)**
Total comprehensive income attributable to non-controlling interests	**154,751**	**(4,383)**
Total comprehensive income attributable to owners of the Parent	**2,573,047**	**(8,321,481)**
Basic gain (loss) per share	**0.03**	**(0.08)**
Diluted gain (loss) per share	**0.03**	**(0.08)**

SISAL HOLDING ISTITUTO DI PAGAMENTO S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3 MONTH PERIOD ENDED MARCH 31, 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					(8,322)	(4)	(8,326)
Total comprehensive loss for the period							**(8,326)**
Other changes							0
Equity at March 31, 2012	**102,500**	**200**	**94,484**	**1,607**	**(122,845)**	**635**	**76,581**

	Share capital	Legal Reserve	Share premium reserve	Other Reserves	Retained earnings (Accumulated deficit)	Non-controlling interests	Total Equity
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					2,573	155	2,728
Total comprehensive loss for the period							**2,728**
Other changes				120		407	527
Equity at March 31, 2013	**102,500**	**200**	**94,484**	**2,212**	**(151,492)**	**896**	**48,800**

SISAL HOLDING ISTITUTO DI PAGAMENTO S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3 MONTH PERIOD ENDED MARCH 31, 2013

(In thousands of Euro)

	March 31, 2013	March 31, 2012
Profit (loss) for the period before income taxes	**6,741**	**(6,076)**
Amortisation and depreciation	21,724	22,726
Impairment of receivables in current assets	4,917	4,057
Provision for risks and charges - accruals (releases)	113	210
Employee severance indemnities - accrual	88	100
Other accruals	121	0
Finance (income) expenses	16,414	17,973
Cash provided by operations before changes in working capital, interest and taxes	**50,118**	**38,990**
Change in working capital	*(22,065)*	7,558
Net interest paid	*(9,217)*	(5,812)
Cash flows provided by (used in) operating activities	**18,836**	**40,736**
Increase (-) decrease (+) in intangible assets	(993)	(721)
Increase (-) decrease (+) in property, plant and equipment	(900)	(13,386)
Increase (-) decrease (+) in investments	0	(49)
Increase (-) decrease (+) in other non-current assets	0	(1,846)
Acquisitions (net of cash)	(1,499)	(645)
Cash flows provided by (used in) investing activities	**(3,392)**	**(16,647)**
Increase (+) Decrease (-) in loans	(10,580)	(9,644)
Increase (+) Decrease (-) in leases payable	(1,010)	(480)
Cash flows provided by (used in) financing activities	**(11,590)**	**(10,124)**
Increase (decrease) in cash and cash equivalents	**3,854**	**13,965**
Cash & Cash Equivalents at the beginning of the period	**242,120**	**283,692**
Cash & Cash Equivalents at the end of the period	**245,974**	**297,657**

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 46,000 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 three months ended March 31, 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 €5.7 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

Compared to year end, as of March 31, 2013, there was no material change in the contractual undiscounted cash out flows for financial liabilities. As discussed in Note 23 "Events After the Reporting Period", 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. As a result of the refinancing, the contractual cash flows of our debt and the related maturity profile has changed.

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 March 31, 2013.

As of March 31, 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	**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**

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)

	For the 3 months ended 31 March, 2013		For the 3 months ended 31 March, 2012	
	Total revenues	Gross Operating Profit	Total revenues	Gross Operating Profit
Entertainment				
Revenues	73,136		70,374	
Supply Chain / Other revenues	60,788		62,964	
Total	**133,924**	**36,704**	**133,338**	**34,719**
Lottery				
Revenues	25,625		33,216	
Supply Chain / Other revenues	(4)		(43)	
Total	**25,621**	**9,203**	**33,173**	**4,090**
Digital Games & Services				
Revenues	33,750		29,911	
Supply Chain / Other revenues	16,218		15,731	
Total	**49,968**	**23,352**	**45,642**	**19,864**
Other revenues	**105**		**447**	
IT / Telecommunications		(5,823)		(6,233)
Corporate Marketing		(1,475)		(1,638)
General & Administrative		(7,337)		(7,230)
Other operating costs		(4,703)		(4,925)
Items with different classification		(12)		243
	209,618	**49,909**	**212,600**	**38,890**

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 3 month periods ended March 31, 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 5.7 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
Three months ended March 31, 2013		
Opening net book amount as at January 1, 2013	**126,606**	**249,108**
Additions	902	993
Change in the scope of consolidation	3,794	12
Depreciation and amortisation	(9,739)	(11,985)
Disposals	(2)	0
Closing net book amount as at March 31, 2013	**121,561**	**238,128**

13. Goodwill

(In thousands of Euro)

	March 31, 2013
At the beginning of the period	**869,564**
Acquisition of a subsidiary	5,081
At the end of the period	**874,645**

Additions to goodwill in the three months ended March 31, 2013 relate to the acquisition of Friulgames srl in January 2013. Goodwill has been calculated on a provisional basis whilst the purchase price allocation is being completed.

14. Cash and cash equivalents

(In thousands of Euro)

Cash and cash equivalents	At March 31, 2013	At December 31, 2012
Bank and postal accounts	123,365	150,027
Restricted bank accounts	116,966	89,171
Cash and cash equivalents in hand	5,643	2,922
Total	**245,974**	**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 March 31, 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 March 31, 2013	At December 31, 2012
Loans from financing pool Royal Bank of Scotland	**588,471**	**588,023**
Loans from other banks	**1,799**	**710**
Loans from other lenders – leasing	**940**	**1,439**
Loans from ultimate parent Gaming Invest S.a.r.l.	**426,755**	**419,997**
Sub-total	**1,017,965**	**1,010,169**
Current	**118,913**	**128,564**
Total	**1,136,878**	**1,138,733**

Movements in borrowings are analysed as follows:

(in thousands of Euro)

	March 31, 2013	March 31, 2012
Three months ended March 31		
Opening amount as at January 1	**1,138,733**	**1,145,241**
Acquisition of subsidiary (Note 10)	2,309	-
Accrued interest and other expenses	7,426	12,032
Repayments of borrowings	11,590	10,124
Closing amount as at March 31	**1,136,878**	**1,147,149**

As discussed in Note 23 “Events After the Reporting Period”, 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.

17. Provisions for risks and charges

(In thousands of Euro)

	At December 31, 2012	Changes during the period		At March 31, 2013
		increase	decrease	
Sundry risks and charges provisions	7,356	600	(93)	7,863
Technological updating provision	1,507	113		1,620
Total	**8,863**	**713**	**(93)**	**9,483**

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)

Revenues	For the 3 months ended March 31, 2013	For the 3 months ended March 31, 2012
Gaming revenues	126,605	141,484
Services and non-gaming products revenues	28,233	28,271
Points of sale revenues	20,734	20,751
Other revenues	365	1,060
Total	**175,937**	**191,566**

(In thousands of Euro)

Gaming revenues	For the 3 months ended March 31, 2013	For the 3 months ended March 3, 2012
NTNG revenues	14,514	20,531
Slot machines revenues	101,950	110,972
Horse race betting revenues	3,731	3,794
Big bets revenues	12	17
Sports pools revenues	245	334
Online game revenues	5,250	4,483
Bingo revenues	903	1,353
Total	**126,605**	**141,484**

19. Fixed odds betting income

(In thousands of Euro)

Fixed odds betting income	For the 3 months ended March 31, 2013	For the 3 months ended March 3, 2012
Fixed odds sports betting income	32,752	20,370
Fixed odds horse race betting income	79	11
Reference horse race betting income	113	67
Total	**32,944**	**20,448**

20. Finance income and finance expense

(in thousands of Euro)

Finance income and similar	For the 3 months ended 31 March, 2013	For the 3 months ended 31 March, 2012
Other finance income	589	1,599
Other income on derivative instruments	0	0
Total	**589**	**1,599**

(in thousands of Euro)

Finance expenses and similar	For the 3 months ended 31 March, 2013	For the 3 months ended 31 March, 2012
Interest and other finance expenses - Group	10,460	10,145
Interest and other finance expenses - third parties	6,548	8,384
Other expenses on sundry instruments	0	1,030
Exchange (gains) losses realised	(4)	25
Exchange (gains) losses unrealised	0	(11)
Total	**17,004**	**19,573**

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.à.r.l., the Parent company has a loan payable totalling approximately €427 million. The interest expense on the loan during the three months ended March 31, 2013 amounted to €10.5 million (€10.2 million in the three months ended March 31, 2012).

23. Events occurring after the reporting period

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. The notes bear fixed rate interest of 7.25% per annum and mature in 2017. The proceeds from the issuance of the senior secured notes were used to refinance a portion of existing debt and in particular, to repay a portion of the senior secured credit facilities. 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. Following the refinancing the principal amount of the senior secured credit facilities was reduced to €438.9 million, including amounts outstanding under the senior secured credit facility.

With reference to *AAMS Proceedings – Claims regarding breach of minimum service levels* (pag. 105 of the Offering Memorandum), in June 2013 the TAR ruled in favor of Sisal Entertainment S.p.A. (and the other concessionaires) and annulled the penalty issued by AAMS amounting to approximately €9.0 million. The sentence stated that the concessionaires were not liable for the breach of the service levels and that AAMS did not present any proof of any damage.

With reference to the Submission of Accounts by Slot Concessionaires (paragraph at pag. 106 of the Offering Memorandum), the Judicial Section of the Lazio Region Department of the State Auditor stated that the accounts of all the concessionaires relating to the period from 2004 to 2009 cannot be considered as confirmed and sent the trial record to the Public Prosecutor.
Concessionaires are entitled to contest the sentence and they will likely proceed with the appeals.