Sisal Group S.p.A.

Condensed consolidated interim

financial statements

As of and for the 3 month period

ended March 31, 2014

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Management Discussion & Analysis

Sisal Group Profile

Sisal Group S.p.A.("**Sisal Group**" or the "**Company**" and together with its subsidiaries the "**Group**") is the second largest gaming company and the 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, the Group operates in the convenience payment services market.

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

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

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

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

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

Payments and Services: Since 2002, the Group has also offered fast, simple and secure payment solutions through a wide distribution network with terminals located throughout Italy. The Group offers customers the ability to pay approximately 300 types of bills, fines and certain taxes such as TV licenses, as well as top-ups prepaid mobile phones and debit cards, with partnerships with utilities, prepaid services providers and municipal governments.

Key Factors affecting operations in the three months ended March 31, 2014

In the first quarter 2014, the Italian GDP was slightly down -0.1%[1] compared to the same period of last year. The persistence of consumption softness affected the Italian gaming market turnover, which, based on our estimates, was down by 4.6%, to approximately € 21.1 billion[2].
Total Convenience Payments Services market confirmed the ongoing positive trend. Services turnover grew by 3.7%, reaching €24.0 billion[3], mainly driven by the expansion of payment and financial services.
The Group recorded €3.5 billion turnover for the three months ended March 31, 2014, an increase of 0.9% compared to the same period in 2013, reflecting the continuation of the soft macroeconomic environment and private consumption, though many indicators show clear signs of trend reversal.

[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] *Based on Osservatorio dei Pagamenti - Roland Berger - Q1 2014 Release.*

Results of Operations

	Three months ended March 31,				
(€ in millions)	**2013**	**% of total revenues and income**	**2014**	**% of total revenues and income**	**% change 2013-2014**
Revenues	175.9	83.9%	177.1	84.5%	0.7%
Fixed odds betting income	32.9	15.7%	32.3	15.4%	(1.8%)
Other revenues and income	0.7	0.3%	0.3	0.1%	(57.1%)
Total revenues and income	**209.6**	**100.0%**	**209.7**	**100.0%**	**0.1%**
Purchases of materials, consumables and merchandise	2.5	1.2%	2.6	1.2%	4.0%
Costs for services	123.7	59.0%	114.4	54.5%	(7.5%)
Lease and rent expenses	4.5	2.1%	6.1	2.9%	35.5%
Personnel costs	21.7	10.4%	24.1	11.5%	11.1%
Other operating costs	7.2	3.4%	8.2	3.9%	13.9%
Amortization, depreciation, provisions and impairment losses and reversals	26.8	12.8%	25.9	12.3%	(3.4%)
Net operating profit (EBIT)	**23.2**	**11.1%**	**28.4**	**13.5%**	**22.4%**
Finance income and similar	0.5	0.2%	0.3	0.1%	(40.0%)
Finance expenses and similar	17.0	8.1%	22.6	10.8%	32.9%
Profit before income taxes	**6.7**	**3.2%**	**6.1**	**2.9%**	**(8,9%)**
Income taxes	4.0	1.9%	4.6	2.2%	15.0%
Total comprehensive profit for the period	**2.7**	**1.3%**	**1.5**	**0.7%**	**(44.4%)**

Revenues and income

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

	Three months ended March 31,				Change	
(€ in millions)	**2013**	**% of total revenues and income**	**2014**	**% of total revenues and income**	**(amount)**	**%**
Gaming revenues	126.6	60.4%	126.4	60.3%	(0.2)	(0.2%)
Fixed odds betting income	32.9	15.7%	32.3	15.4%	(0.6)	(1.8%)
Payments and other services	28.2	13.5%	30.3	14.4%	2.1	7.5%
Points of sale revenues	20.8	9.9%	19.2	9.2%	(1.6)	(7.7%)
Other revenues	1.1	0.5%	1.5	0.7%	0.4	36.4%
Total	**209.6**	**100.0%**	**209.7**	**100.0%**	**0.1**	**0.1%**

Revenues and income were substantially unchanged amounting to €209.7 million for the three months ended March 31, 2014 and €209.6 million for the three months ended March 31, 2013. The increase in payments and other services revenues was fully offset by decreases in points of sales revenues and fixed odds betting income.

Gaming Revenues

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

	Three months ended March 31,				Change	
(€ in millions)	**2013**	**% of total revenues and income**	**2014**	**% of total revenues and income**	**(amount)**	**%**
Gaming machines revenues	102.0	48.6%	99.2	47.3%	(2.8)	(2.7%)
NTNG revenues	14.5	6.9%	11.8	5.6%	(2.7)	(18.6%)
Virtual Races	-	0.0%	6.3	3.0%	6.3	n.a
Online game revenues	5.8	2.8%	5.9	2.8%	0.1	1.7%
Horse race betting revenues	3.7	1.8%	2.6	1.3%	(1.1)	(29.7%)
Bingo revenues	0.4	0.2%	0.4	0.2%	-	0%
Sports pools revenues	0.2	0.1%	0.2	0.1%	-	0%
Total	**126.6**	**60.4%**	**126.4**	**60.3%**	**(0.2)**	**(0.2%)**

The overall gaming revenues were substantially unchanged due to a combination of the following factors:

- Gaming machines revenues amounted to €99.2 million for the three months ended March 31, 2014 a decrease of €2.8 million, or 2.7%, from €102.0 million for the three months ended March 31, 2013. The decrease in gaming machines revenue is mainly due to the impact of VLTs soft turnover. Total gaming machines turnover decreased from €1,101 million for the three months ended March 31, 2013, of which 55% related to slot machines and 45% related to VLTs to €1,015 million for the three months ended March 31, 2014, of which 60% related to slot machines and 40% related to VLTs. The decrease in revenues is exclusively attributable to VLT activities due to market trends.

- NTNG revenues amounted to €11.8 million for the three months ended March 31, 2014 a decrease of €2.7 million, or 18.6%, from €14.5 million for the three months ended March 31, 2013. The decrease in NTNG revenues is mainly related to softer turnover still driven by both lower average jackpots and delays in refreshing the product offering.

- Virtual Races revenues amounted to €6.3 million for the three months ended March 31, 2014. This product was launched in December 2013.

- Online games revenues amounted to €5.9 million for the three months ended March 31, 2014 an increase of €0.1 million, or 1.7%, from €5.8 million for the three months ended March 31, 2013, primarily as a result of the successful performance of Slot games, partially offset by Poker games weak market trend.

- Horse race betting revenues amounted to €2.6 million for the three months ended March 31, 2014 a decrease of €1.1 million, or 29.7%, from €3.7 million for the three months ended March 31, 2013 primarily as a result of soft turnover and constant decrease in the related games appeal.

- *Bingo* revenues were substantially unchanged amounting to €0.4 million for the three months ended March 31, 2014 and €0.4 million for the three months ended March 31, 2013.

- *Sports pools* revenues were substantially unchanged amounting to €0.2 million for the three months ended March 31, 2014 and €0.2 million for the three months ended March 31, 2013.

Fixed odds betting income

Fixed odds betting income amounted to €32.3 million for the three months ended March 31, 2014 a decrease of €0.6 million, or 1.8%, from €32.9 million for the three months ended March 31, 2013, primarily as a result of the record high performance in sport betting in the same period of 2013.

Payments and other services

Payments and other services amounted to €30.3 million for the three months ended March 31, 2014 an increase of €2.1 million, or 7.5%, from €28.2 million for the three months ended March 31, 2013 mainly due to an higher number of payment and financial services transactions that we processed that increased from 10.7 million for the three months ended March 31, 2013 to 12.5 million (16.8%) for the three months ended March 31, 2014. The increase in payments and financial services revenues was only partially offset by a decrease in top-ups revenues due to a lower turnover in the three months ended March, 31 2014 compared to the three months ended March, 31 2013.

Point of sale revenues

Point of sale fees amounted to €19.2 million for the three months ended March 31, 2014 a decrease of €1.6 million or 7.7%, from €20.8 million for the three months ended March 31, 2013, primarily as a result of a reduction of the number of active points of sale.

Other revenues and income

Other revenues and income amounted to €1.5 million for the three months ended March 31, 2014 an increase of €0.4 million, from €1.1 million for the three months ended March 31, 2013.

Costs

Purchases of materials, consumables and merchandise

Purchases of materials, consumables and merchandise were substantially unchanged amounting to €2.6 million for the three months ended March 31, 2014 and €2.5 million for the three months ended March 31, 2013.

Costs for services

Costs for services amounted to €114.4 million for the three months ended March 31, 2014 a decrease of € 9.3 million, or 7.5 %, from €123.7 million for the three months ended March 31, 2013.

Costs for services amounted to 54.5% of total revenues and income for the three months ended March 31, 2014 compared to 59.0% of total revenues and income for the three months ended March 31, 2013. The following table sets forth an analysis of costs for services for the periods indicated.

	Three months ended March 31,				**Change**	
(€ in millions)	**2013**	**% of total revenues and income**	**2014**	**% of total revenues and income**	**(amount)**	**%**
Sales channel- Gaming	69.8	33.3%	68.7	32.8%	(1.1)	(1.6%)
Sales channel- Payments services	17.6	8.4%	17.7	8.4%	0.1	0.6%
Commercial services	11.9	5.7%	3.9	1.8%	(8.0)	(67.2%)
Consulting	3.0	1.4%	3.1	1.5%	0.1	3.3%
Others service costs	21.4	10.2%	21.0	10.0%	(0.4)	(1.9%)
Total costs for services	**123.7**	**59.0%**	**114.4**	**54.6%**	**(9.3)**	**(7.5%)**

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

- *Sales channel-gaming* amounted to €68.7 million for the three months ended March 31, 2014 a decrease of €1.1 million, or 1.6%, €69.8 million for the three months ended March 31, 2013. As a percentage of total revenues and income, sales channel gaming amounted to 32.8% for the three months ended March 31, 2014 and 33.3% for the three months ended March 31, 2013. The decrease is mainly driven by the opening of new directly managed points of sale.

- *Sales channel – Payments services* costs were substantially unchanged amounting to €17.7 million for the three months ended March 31, 2014 and €17.6 million for the three months ended March 31, 2013.

- *Commercial services* amounted to €3.9 million for the three months ended March 31, 2014 a decrease of €8.0 million, or 67.5%, from €11.9 million for the three months ended March 31, 2013. 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.

Lease and rent expenses

Lease and rent expenses amounted to €6.1 million for the three months ended March 31, 2014 an increase of €1.6 million, or 35.5%, from €4.5 million for the three months ended March 31, 2013. 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 as well as the acquisition of new betting shops during the year 2013.

Personnel costs

Personnel costs amounted to €24.1 million for the three months ended March 31, 2014 an increase of €2.4 million, or 11.1%, from €21.7 million for the three months ended March 31, 2013. 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 1,699 for the three months ended March 31, 2013 to 1,980 for the three months ended March 31, 2014, partly as a result of organic growth and partly as a result of the acquisition of Merkur Win business in November 2013.

Other operating costs

Other operating costs amounted to €8.2 million for the three months ended March 31, 2014 an increase of €1.0 million, or 13.9%, from €7.2 million for the three months ended March 31, 2013. The increase in other operating costs is primarily related to non-deductible VAT calculated on the basis of the so called pro rata coefficient and some misappropriations.

Amortization, depreciation, provisions and impairment losses and reversals

Amortization, depreciation, provisions and impairment losses and reversals amounted to €25.9 million for the three months March 31, 2014 a decrease of €0.9 million, or 3.4%, from €26.8 million for the three months ended March 31, 2014. The decrease is mainly due to lower impairment of receivables partially offset by higher amortization of intangible assets.

Net operating profit (EBIT)

Net operating profit (EBIT) amounted to €28.4 million for the three months ended March 31, 2014 an increase of €5.2 million, or 22.4%, from €23.2 million for the three months ended March 31, 2013.

Net margin was 13.5% for the three months ended March 31, 2014 compared to 11.1% for the three months ended March 31, 2013.

Finance income and similar

Finance income and similar amounted to €0.3 million for the three months ended March 31, 2014 a decrease of €0.2 million, or 40%, from €0.5 million for the three months ended March 31, 2013, 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 €22.6 million for the three months ended March 31, 2014 an increase of €5.6 million, or 32.9%, from €17.0 million for the three months ended March 31, 2013, primarily as a result of finance expenses on third party financial liabilities. Finance expenses on third party financial liabilities amounted to € 11.6 million for the three months ended March 31, 2014 compared to €6.6 million for the three months ended March 31, 2013. The increase is related to the higher interest charges of the Senior Secured Notes ("SSN") issued in May 2013 and the renegotiated maturity profile of the Senior Credit Agreement ("SCA") lines. Interest on our shareholders loan amounted to €10.5 million and € 11.0 million for the three months ended March 31, 2013 and 2014, respectively.

Income taxes

Income taxes amounted to €4.6 million for the three months ended March 31, 2014 an increase of €0.6 million, or 15.0%, from €4.0 million for the three months ended March 31, 2013, primarily as a result of the increase in pretax income.

Segment Information

	Three months ended March 31,			
(€ in millions)	2013	2014	2013	2014
	Revenues and income		Segment EBITDA (1)	
Retail Gaming	133.9	136.6	27.1	27.0
Lottery	25.6	19.8	3.7	5.5
Online Gaming	12.6	12.9	4.8	6.4
Payments and services	37.4	40.3	14.3	15.9
Other revenues	0.1	0.1		
Segment EBITDA (1)			**49.9**	**54.9**
Items with different classification			(0.1)	(0.8)
Total	**209.6**	**209.7**	**49.8**	**54.1**

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

Retail Gaming: Retail Gaming segment results for the three months ended March 31, 2014 have been mainly driven by a strong performance in sport betting and Virtual Races, launched in December 2013, partially offset by a soft turnover in VLT compared to the same period in 2013. 19.8% margin for the three months ended March 31, 2014 compared to 20.2% for same period in 2013 was mainly driven by such factors.

Lottery: Lottery segment results for the three months ended March 31, 2014 have been mainly driven by low SuperEnalotto jackpot during the period reducing game appeal to customers and delay in approving games rejuvenation. 27.8% margin for the three months ended March 31, 2014 compared to 14.4% for the same period in 2013, driven by cost savings and lower marketing expenses, which more than offset soft turnover and revenues.

Online Gaming: Online Gaming segment results for the three months ended March 31, 2014 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. 49.6% margin for the three months ended March 31, 2014 compared to 38.1% for the same period in 2013, mainly driven by such factors.

Payments and Services: Payments and Services results for the three months ended March 31, 2014 have been mainly driven by revenues growth. 39.5% margin for the three months ended March 31, 2014 compared to 38.2% for the same period in 2013, driven by top line.

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)	**2013**	**2014**
Movements in trade receivables	1.0	(23.3)
Movements in inventories	2.2	1.8
Movements in trade payables	(35.8)	(22.8)
Movements in trade working capital	**(32.6)**	**(44.3)**
Movements in other assets and liabilities	(17.3)	(18.9)
Total movements in working capital	**(49.9)**	**(63.2)**

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 2014, is mainly related to an unfavorable cash collection cut-off date, which impacted trade receivables outstanding at March 31, 2014.

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)	**2013**	**2014**
Cash provided by operations before changes in working capital, interest and taxes	50.1	54.4
Changes in working capital	(49.9)	(63.2)
Cash flows provided by (used in) operating activities	0.3	(8.8)
Cash flows used in investing activities	(3.4)	(11.8)
Cash flows provided by (used in) financing activities	(20.8)	8.3
Decrease in cash and cash equivalents	**(23.9)**	**(12.3)**
Net cash at the beginning of the period	**152.9**	**104.3**
Net cash at the end of the period	**129.0**	**92.0**

Our cash used by operating activities amounted to €8.8 million for the three months ended March 31, 2014 compared to cash provided of €0.3 million for the three months ended March 31, 2013. The movement 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 €11.8 million for the three months ended March 31, 2014 compared to €3.4 million for the three months ended March 31, 2013. The cash used in investing activities in first quarter 2014 is related to tangible and intangible assets increases (€6.8 million) and also to an installment payment of €5 million related to the Merkur Win Sport Betting Business acquisition.

Cash flows provided by financing activities amounted to €8.3 million for the three months ended March 31, 2014 compared to cash used of €20.8 million for the three months ended March 31, 2013. The cash provided in financing activities for the three months ended March 31, 2014 is mainly related to utilization of available short term financing credit lines (€17.6 million) partially offset by net interest paid (€9.8 million).

Capital Resources

The following table sets forth the amounts of our external debt as of December 31, 2013 and March 31, 2014. The table below does not include amounts due under our shareholders loan which, including capitalized interest, amounted to €461.1 million as of March 31, 2014 and €450.1 million as of December 31, 2013.

(€ in millions)	As of December 31, 2013	As of March 31, 2014
Senior Secured Credit Facilities	447.4	452.5
Senior Secured Notes	280.1	275.0
Other financial liabilities	7.4	25.5
Total external financial liabilities	**734.9**	**753.1**

Other Financial Information

(€ in millions)	Three months ended March 31, 2013	Three months ended March 31, 2014
EBITDA [(1)]	49.8	54.1
Adjusted EBITDA [(2)]	49.8	54.7
Adjusted EBITDA margin [(3)]	23.8%	26.1%

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

(€ in millions)	Three months ended March 31, 2013	Three months ended March 31, 2014
Profit for the period	2.7	1.5
Net finance expense and similar	16.5	22.3
Income taxes	4.0	4.6
Amortization, depreciation and impairments	21.7	23.4
Impairment of receivables	4.9	2.3
EBITDA	**49.8**	**54.1**

(2) We define Adjusted EBITDA as EBITDA adjusted for the effect of non-recurring items and provisions related to disputes with regulatory bodies. During the three months ended March 31, 2013 there were no extraordinary items. The following table sets forth a reconciliation between the EBITDA and the Adjusted EBITDA.

(€ in millions)	Three months ended March 31, 2013	Three months ended March 31, 2014
EBITDA	49.8	54.1
Non-recurring expenses	-	0.6
Adjusted EBITDA	**49.8**	**54.7**

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

(€ in millions)	As of December 31, 2013	As of March 31, 2014
Unrestricted cash [(4)]	104.3	92.0
SHIP net senior secured debt [(5)]	623.2	635.5

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

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

Information relating to the Financial Liabilities of Gaming Invest

	As of December 31,	**As of March 31,**
(€ in millions)	**2013**	**2014**
Principal amount of debt	281.3	281.3

	Three months ended March 31,	
(€ in millions)	**2013**	**2014**
Interest expense	6.1	6.6

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013

		For the three months ended March 31,	
(In thousands of Euro)	**Notes**	**2014**	**2013**
Revenues	10	177,134	175,938
Fixed odds betting income	11	32,257	32,944
Other revenues and income		335	736
Total revenues and income		**209,726**	**209,618**
Purchases of materials, consumables and merchandise		2,589	2,528
Costs for services		114,448	123,699
Lease and rent expenses		6,117	4,520
Personnel costs		24,145	21,714
Other operating costs		8,195	7,247
Amortization, depreciation, provisions and impairment losses and reversals		25,861	26,754
Net operating profit (EBIT)		**28,371**	**23,156**
Finance income and similar		338	589
Finance expenses and similar	12	22,553	17,004
Profit before income taxes		**6,156**	**6,741**
Income taxes		4,628	4,013
Total comprehensive profit for the period		**1,528**	**2,728**
Attributable to non-controlling interest		138	155
Attributable to owner of the parent		**1,390**	**2,573**
Basic earnings per share		0.01	0.03
Diluted earnings per share		0.01	0.03

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2014 AND 2013

(In thousands of Euro)	***Notes***	**At March 31, 2014**	**At December 31, 2013**
NON-CURRENT ASSETS			
Property, Plant and Equipment	13	127,058	131,607
Goodwill	14	880,024	880,024
Intangible assets	13	216,853	228,874
Investments accounted for using the equity method		61	61
Deferred tax assets		12,013	11,809
Other non-current assets		29,144	29,152
Total non-current assets		**1,265,153**	**1,281,527**
CURRENT ASSETS			
Inventories		7,213	9,010
Trade receivables		143,674	122,652
Current financial assets		2	2
Taxes receivable		1,753	4,651
Restricted bank deposits	15	79,964	76,726
Cash and cash equivalents	16	92,024	104,304
Other current assets		50,582	42,430
Total current assets		**375,212**	**359,775**
TOTAL ASSETS		**1,640,365**	**1,641,302**
EQUITY			
Share capital	17	102,500	102,500
Legal reserve		200	200
Share premium reserve		94,484	94,484
Other reserves		2,696	2,575
Retained earnings (accumulated deficit)		(251,732)	(253,121)
Total equity attributable to owners of the Parent		**(51,852)**	**(53,362)**
Equity attributable to non-controlling interests		**1,312**	1,174
Total equity		**(50,540)**	**(52,188)**
NON-CURRENT LIABILITIES			
Long-term debt	18	1,116,558	1,107,890
Provision for employee severance indemnities		9,647	9,681
Deferred tax liabilities		18,769	19,847
Provisions for risks and charges	19	13,209	13,221
Other non-current liabilities		10,686	11,522
Total non-current liabilities		**1,168,869**	**1,162,161**
CURRENT LIABILITIES			
Trade and other payables		245,610	268,421
Short-term debt	18	52,220	34,286
Current portion of long-term debt	18	31,131	27,527
Taxation payable		4,800	2,623
Other current liabilities		188,275	198,472
Total current liabilities		**522,036**	**531,329**
TOTAL LIABILITIES AND EQUITY		**1,640,365**	**1,641,302**

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF MARCH 31, 2014 AND 2013

	For the three months ended March 31,	
(In thousands of Euro)	**2014**	**2013**
Profit for the period before income taxes	**6,156**	**6,741**
Amortization and depreciation	23,407	21,724
Impairment of current receivables	2,297	4,917
Provisions for risks and charges, accruals and employee severance indemnities	369	322
Finance (income) expenses	22,215	16,414
Net cash generated from operating activities before changes in working capital, interest and taxes	**54,444**	**50,118**
(Increase) decrease in trade receivables	(23,319)	1,045
Decrease in inventories	1,797	2,168
Increase in trade payables	(22,811)	(35,796)
Change in other assets and liabilities	(18,901)	(17,277)
Taxes (paid)/reimbursed	-	-
Net cash generated from (used in) operating activities	**(8,790)**	**258**
Increase in property, plant and equipment	(5,585)	(900)
Increase in intangible assets	(1,253)	(993)
Acquisitions (net of cash)	(5,000)	(1,499)
Net cash used in investing activities	**(11,838)**	**(3,392)**
New medium-/long-term debt	400	-
Decrease in medium-/long-term debt	(187)	(197)
Increase (decrease) in lease payables	263	(1,010)
Increase (decrease) in short-term debt	17,634	(10,383)
Net interest paid	(9,762)	(9,217)
Net cash generated from (used in) financing activities	**8,348**	**(20,807)**
Net decrease in cash and cash equivalents	**(12,280)**	**(23,941)**
Net cash at the beginning of the period	**104,304**	**152,949**
Net cash at the end of the period	**92,024**	**129,008**

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013

(In thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Other reserves	Retained earnings (accumulated deficit)	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at January 1, 2013	**102,500**	**200**	**94,484**	**2,092**	**(154,065)**	**45,211**	**335**	**45,546**
Total comprehensive profit (loss) for the period	-	-	-	-	**2,573**	**2,573**	**155**	**2,728**
Other movements				120		120	406	**526**
Transactions with shareholders	-	-	-	**120**	-	**120**	**406**	**526**
Equity at March 31, 2013	**102,500**	**200**	**94,484**	**2,212**	**(151,492)**	**47,904**	**896**	**48,800**
Equity at January 1, 2014	**102,500**	**200**	**94,484**	**2,575**	**(253,121)**	**(53,362)**	**1,174**	**(52,188)**
Total comprehensive profit (loss) for the period	-	-	-	-	**1,390**	**1,390**	**138**	**1,528**
Other movements				121	(1)	120	-	**120**
Transactions with shareholders	-	-	-	**121**	-	**120**	-	**120**
Equity at March 31, 2014	**102,500**	**200**	**94,484**	**2,696**	**(251,732)**	**(51,852)**	**1,312**	**(50,540)**

1. General information

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

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

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

2. Basis of preparation

These condensed consolidated interim financial statements for the three months ended March 31, 2014 (hereafter the "**Condensed Consolidated Interim Financial Statements**") have been prepared following IAS 34, 'Interim financial reporting' which governs interim financial reporting. IAS 34 permits a significantly lower amount of information to be included in interim financial statements from what is required for annual financial statements by International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (hereafter "**IFRS**"), given that the entity has prepared its financial statements compliant with IFRS for the previous financial year. The Condensed Consolidated Interim Financial Statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2013, 2012 and 2011 (the "**Annual Consolidated Financial Statements**").

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

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

It should be noted that in preparing the Condensed Consolidated Interim Financial Statements the following adjustments, already reflected in the Annual Consolidated Financial Statements, were made compared to previously published interim financial statements:

- in the condensed consolidated statement of cash flows, the net cash generated from the Group's operating activities exclude the effects of fluctuations in the amounts payable for jackpots and winnings for games which have a contra-entry in restricted bank deposits. This is because the cash generated by the sale of these games and earmarked, by concession obligation, for the payment of related winnings, is set aside in dedicated bank accounts. The change was made to provide a clearer representation of the cash flows relating to the cash actually available for the Group. Therefore the cash movements correlated to the payment of winnings from the dedicated bank accounts are excluded. Consequently the cash at the beginning and at the end of the period shown in the condensed consolidated statement of cash flows is reconciled only to the cash and cash equivalents shown in the condensed consolidated statement of financial position, which excludes the restricted cash deposits for the payment of winnings, which are classified in a separate line of the condensed consolidated statement of financial position.

- During 2013 the management modified the way it monitors and manages its business. In particular, the Group's business is now organized into four operating segments instead of the three operating segments in which it was previously structured. As a result of this change, the Online Gaming segment was separated from the Payments and Services segment to reflect their evolution and the different dynamics that characterize these two businesses. Management also decided to use EBITDA as the key measure for monitoring purposes. EBITDA is defined as the result for the period adjusted by the following items: i) depreciation and amortization, impairment losses and reversals of property, plant and equipment and intangible assets; ii) finance income and similar: iii) finance expenses and similar; iv) expenses from the equity method valuation of investments; and v) income taxes. The measure previously used to monitor the business was the gross operating margin less certain corporate costs not allocated to the individual operating segments. In light of these changes, the condensed consolidated statement of comprehensive income no longer presents the gross operating margin. Further details on disclosure by operating segment are presented in Note 8.

These Condensed Consolidated Interim Financial Statements were approved by the board of directors of Sisal Group S.p.A. on May 21, 2014.

3. Going concern

At March 31, 2014 the consolidated equity was negative Euro 50,540 thousand (Euro 52,188 at December 31, 2013) and net working capital at the same date was negative Euro 155,499 thousand (Euro 214,047 thousand at December 31, 2013). The negative equity is substantially due to the non-recurring events which took place in 2013, including, in particular, the expenses incurred in the settlement of the litigation pending before the Court of Auditors relating to the implementation and management of the network for legal gaming using gaming machines. This led to a payment of Euro 76.7 million**.**

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

As for the debt structure, the Company has two different outstanding loans secured from Gaming Invest for an amount, at March 31, 2014, of Euro 461 million, including accrued and capitalized interest for approximately Euro 40 million. These loans are subordinated to the obligations arising from the Senior Credit Agreement signed with the banks and the issuance of the Senior Secured Notes, both maturing in September 2017. In particular, for the loan referred to as the “Shareholder Loan”, the payment of a portion of the interest due can be deferred for the entire duration of the loan on request of the borrower, whereas for the loan referred to as the “Subordinated Zero Coupon Shareholder Loan” the interest accrued will be paid only when the loan is repaid. Therefore the contractual characteristics of the repayment and interest settlement conditions on the loans granted by Gaming Invest facilitate the Group in meeting its financial requirements associated with business operations and contractual obligations. The role of the sole shareholder as a lender of the Group allows for greater flexibility in defining the policies for capital management, and the equilibrium between risk capital and debt as can be seen in the following chart:

(in thousands of Euro) *(Percentages computed on total debt and equity)*	At March 31, 2014	%	At December 31, 2013	%
Long-term debt	662,220		660,540	
Short-term debt and current portion of long-term debt	76,630		59,098	
Funding from third parties	**738,850**	**64.3%**	**719,638**	**64.4%**
Shareholder Loan	376,716		367,368	
Subordinated Zero Coupon Shareholder loan	84,343		82,697	
Funding from sole shareholder	**461,059**	**40.1%**	**450,065**	**40.3%**
Equity	**(50,540)**	**(4.4%)**	**(52,188)**	**(5%)**
Total debt and equity	**1,149,369**	**100.0%**	**1,117,515**	**100.0%**

In March 2014 the directors approved a business plan aimed at regaining profitability, in 2014. The strategies to increase profitability are led by an expansion of the existing games and services, as well as an increase in cash flows anticipated from the 101 additional sports concessions awarded in 2013 and the 75 stores and 29 sports concessions arising from the acquisition of the Merkur-Win business segment. The sales network will also benefit from the continual expansion of the WinCity network and completion of the VLT installations, partly as a result of the award of 600 new concessions in 2013. As far as products are concerned, a further contribution is expected from the “Virtual Races”, in the gaming and betting segment, which were introduced during the year and display an excellent growth potential, and from the launch of the NTNG products. In the payments and services segment, further growth is expected from the already positive performance due to the roll out of cashless payments and the Sisalpay.it online platform. These growth prospects will lead to a gradual reduction in net debt and compliance with the financial covenants established in the outstanding loan contracts.

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

4. Accounting policies

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

- Taxes on income which, in the interim periods, are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- The following accounting standard applicable since January 1, 2014 and adopted for the first time:

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

In 2014 the Group adopted the following accounting standards and amendments for the first time:

Standard	Endorsed in	Effective date
IFRS 10, 'Consolidated financial statements'	December 2012	January 1, 2014
IFRS 11, 'Joint arrangements'	December 2012	January 1, 2014
IFRS 12, 'Disclosures of interests in other entities'	December 2012	January 1, 2014
Amendments to IFRS 10, 11 and 12 on transition guidance	April 2013	January 1, 2014
IAS 27 (revised 2011) 'Separate financial statements'	December 2012	January 1, 2014
IAS 28 (revised 2011) 'Associates and joint ventures'	December 2012	January 1, 2014
Amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities	December 2012	January 1, 2014
Amendments to IFRS 10, Consolidated financial statements', IFRS 12 and IAS 27 for investment entities	November 2013	January 1, 2014
Amendments to IAS 36, 'Impairment of assets'	December 2013	January 1, 2014
Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting	December 2013	January 1, 2014

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

5. Recently issued accounting standards

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

Description
IFRIC 21, 'Levies'
Amendment to IAS 19 regarding defined benefit plans
IFRS 14 'Regulatory deferral accounts'
IFRS 9 'Financial instruments' − classification and measurement
Amendments to IFRS 9, 'Financial instruments', regarding general hedge accounting

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

6. Estimates

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

7. Financial risk management

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

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

Liquidity risk

At March 31, 2014 the Group's committed and undrawn lines of credit amounted to Euro 15.1 million, relating to facilities entered into in November 2013 in the form of bank overdrafts. This availability is used for the temporary requirements of working capital of the Group and is therefore subject to continual fluctuations. In addition, the Group has a revolving line of credit under the Senior Credit Agreement for a total of Euro 34.2 million, which must be repaid by September 30, 2017. At March 31, 2014 this line was completely drawn down.

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 Group's assets and liabilities that are measured at fair value at March 31, 2014 and at December 31, 2013 include Level 1 available for sale financial assets whose fair value at March 31, 2014 and December 31, 2013 amounted to Euro 2 thousand.

8. Operating segment information

Following the aforementioned change in the way management monitors and manages its business the Group's business is organized in the following operating segments:

- Retail Gaming, engaged in activities involving slot machines and VLTs, fixed-odds sports betting, virtual races and also traditional sports pools, as well as bingo;
- Lottery, engaged in activities for the exclusive concession of NTNG (national totalisator number games);
- Online Gaming, engaged in activities for online games and placing online bets through the sisal.it website and through the mobile phone channel;
- Payments and services, engaged in activities for payment and financial services such as: (i) payment of bills, utilities, fines, taxes, subscriptions etc.; (ii) top-ups of prepaid debit cards; (iii) mobile phone top-ups and pay-for-view TV cards and also (iv) marketing of some products such as gadgets and mini-toys.

The following table presents: i) Revenues and income; ii) Revenues and income net of revenues paid back to the revenue chain; and iii) EBITDA of the operating segments. It should be noted that the comparative data relating to the three months ended March 31, 2013, has been restated, in accordance with paragraph 29 of IFRS 8, to reflect the change in operating segments described in Note 2.

	For the 3 months ended 31 March, 2014			
(In thousands of Euro)	2014		2013	
	Total revenues	**EBITDA**	**Total revenues**	**EBITDA**
Retail Gaming				
Revenues	80,042		73,136	
Supply Chain / Other revenues	56,580		60,788	
Total	**136,622**	**27,022**	**133,924**	**27,111**
Lottery				
Revenues	19,772		25,625	
Supply Chain / Other revenues	-		(4)	
Total	**19,772**	**5,546**	**25,621**	**3,718**
Online Gaming				
Revenues	14,373		13,957	
Supply Chain / Other revenues	(1,452)		(1,327)	
Total	**12,921**	**6,445**	**12,630**	**4,816**
Payments and services				
Revenues	22,616		19,792	
Supply Chain / Other revenues	17,709		17,546	
Total	**40,325**	**15,882**	**37,338**	**14,281**
Other revenues	**86**		**105**	
Total operating segment	**209,726**	**54,895**	**209,618**	**49,926**

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

	For the 3 months ended 31 March,	
(In thousands of Euro)	2014	2013
Total operating segment	**54,895**	**49,926**
Non-recurring expenses	(592)	-
Items with different classification	(228)	(130)
Amortization of intangible assets	(13,273)	(11,984)
Depreciation of property, plant & equipment	(10,134)	(9,739)
Impairment losses on current receivables	(2,297)	(4,917)
Net operating profit (EBIT)	**28,371**	**23,156**

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

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

9. Seasonality of operations

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

10. Revenues

The following table sets forth an analysis of Revenues:

	For the three months ended March 31,	
(In thousands of Euro)	**2014**	**2013**
Gaming revenues	126,435	126,606
Payments and other services	30,342	28,233
Points of sale revenues	19,203	20,734
Other revenues	1,154	365
Total	**177,134**	**175,938**

The gaming revenues are analyzed as follows:

	For the three months ended March 31,	
(In thousands of Euro)	**2014**	**2013**
Slot machines revenues	99,127	101,951
NTNG revenues	11,806	14,514
Virtual Races	6,338	-
Online game revenues	5,893	5,778
Horse race betting revenues	2,630	3,731
Bingo revenues	383	375
Sports pools revenues	248	245
Big bets revenues	10	12
Total	**126,435**	**126,606**

11. Fixed odds betting income

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

	For the three months ended March 31,	
(In thousands of Euro)	**2014**	**2013**
Fixed odds sports betting income	32,035	32,752
Fixed odds horse race betting income	104	79
Reference horse race betting income	118	113
Total	**32,257**	**32,944**

12. Finance expense and similar

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

	For the three months ended March 31,	
(in thousands of Euro)	**2014**	**2013**
Interest and other finance expenses - Group	10,994	10,460
Interest and other finance expenses - third parties	11,562	6,548
Exchange (gains) losses realized	-	(4)
Exchange (gains) losses unrealized	(3)	-
Total	**22,553**	**17,004**

13. Property, plant and equipment and other intangibles assets

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

(In thousands of Euro)	**PPE**	**Other intangible assets**
Three months ended March 31, 2014		
Opening net book amount as at January 1, 2014	131,607	228,874
Increases	5,897	1,253
Depreciation, amortization and impairment	(10,134)	(13,274)
Disposals	(312)	-
Closing net book amount as at March 31, 2014	**127,058**	**216,853**

14. Goodwill

The movement of goodwill is as follows:

(In thousands of Euro)	**At March 31, 2014**	**At March 31, 2013**
At the beginning of the period	880,024	869,564
Acquisition of Friulgames S.r.l.	-	5,081
At the end of the period	**880,024**	**874,645**

15. Restricted bank deposits

Restricted bank deposits include the balances of the accounts for the payment of winnings, including the amounts deposited for the special winnings of the Vinci per la Vita – Win for Life games and for the so-called SuperStar Reserve Fund which comprises the difference between available prize money and winnings payable calculated for each single game, in addition to the bank balances of the deposits made by online game players. Restricted bank deposits are managed by the Group but their use is restricted to the payment of the cumulative winnings on the relative games and the payment of any winnings from online games.

16. Cash and cash equivalents

Cash and cash equivalents at March 31, 2014 and December 31, 2013 are as follows:

(In thousands of Euro)	At March 31, 2014	At December 31, 2013
Bank and postal accounts	83,875	97,169
Cash and cash equivalents in hand	8,149	7,135
Total	**92,024**	**104,304**

17. Share capital

As of March 31, 2014, share capital amounts to Euro 102,500 thousand, it is fully paid in and consists of 102,500,000 ordinary shares. Share capital is unchanged compared to December 31, 2013.

18. Borrowings and loans

The following table sets forth an analysis Borrowings and loans:

(in thousands of Euro)	At March 31, 2014	At December 31, 2013
Senior Credit Agreement	**445,171**	**439,465**
Senior Secured Notes	**268,131**	**272,736**
Loans from related parties	**461,059**	**450,065**
Loans from other banks	20,587	2,739
Payables to other lenders – leasing contracts	4,961	4,698
Other loans from third parties	**25,548**	**7,437**
Total	**1,199,909**	**1,169,703**
of which current	*83,351*	*61,813*
of which non-current	*1,116,558*	*1,107,890*

Movements in borrowings are analyzed as follows:

	Three months ended March 31,	
(in thousands of Euro)	2014	2013
Opening amount as at January 1	**1,169,703**	**1,138,733**
Acquisition of subsidiary	-	2,309
New borrowings	18,597	-
Accrued interest and other expenses	12,096	7,426
Repayments of borrowings	487	11,590
Closing amount as at March 31	**1,199,909**	**1,136,878**

At March 31, 2014, the market price of the senior secured notes was Euro 283.7 million compared to a face value of Euro 275 million.

19. Provisions for risks and charges

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

		Changes during the period		
(In thousands of Euro)	At January 1, 2014	increase	decrease	At March 31, 2014
Sundry risks and charges provisions	11,263	-	(169)	11,094
Technological updating provision	1,958	157	-	2,115
Total	**13,221**	**157**	**(169)**	**13,209**

20. Related party transactions

With regard to transactions with the ultimate parent, Gaming Invest, at March 31, 2014 the Company has a loan payable totaling approximately Euro 461,059 thousand. The interest expense on the loan in the three months ended March 31, 2014 amounted to Euro 10,994 thousand (Euro 10,460 thousand in the three months ended March 31, 2013). Related party costs for services, amounting to Euro 541 thousand in the three months ended March 31, 2014 (Euro 648 thousand in the three months ended March 31, 2013) related to compensation for executives who are also company directors; salaries and employee severance indemnities of key management charged with strategic responsibilities, amounting to Euro 1,053 thousand in the three months ended March 31, 2014 (Euro 1,035 thousand the three months ended March 31, 2013), are reported under Personnel costs.

21. Significant non-recurring events and transactions

During the three months ended 31 March, 2014, the Group recognized non-recurring expenses for a total amount of Euro 592 thousand, of which Euro 490 thousand were included in Costs for services for consulting expenses and Euro 102 thousand were included in Other operating costs for related non-deductible VAT charges.

22. Commitments

The Condensed Consolidated Interim Financial Statements do not include capital expenditure commitments for approximately Euro 9 million; such capital expenditure will be primarily financed by net cash generated from operating activities and residually through capital leasing financing.

23. Significant events occurring after the end of period

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