Sisal Group S.p.A.

Condensed consolidated interim

financial statements

As of and for the 9 month period

ended September 30, 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 45,000 points of sale, nearly all of which also offer convenience payment services. The Group network is made up of newsstands, bars, tobacconists, betting shops and corners, points of sale that are dedicated to gaming machines, multifunctional gaming halls and our online gaming platform.

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

Retail Gaming: which is dedicated to the operation of (i) gaming machines (slot machines and video lottery terminals ("VLTs"), (ii) horse race betting and sports betting at betting shops and betting corners, (iii) 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 nine months ended September 30, 2014

In the first nine months of 2014, the Italian GDP was slightly down -0.3%[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 2.3%, to approximately €61.3 billion[2].
Total Convenience Payments Services market confirmed the ongoing positive trend. Services turnover grew by 3.7%, reaching €73.3 billion[3], mainly driven by the expansion of payment and financial services.
The Group recorded €10.2 billion turnover for the nine months ended September 30, 2014, an increase of 3.5% compared to the same period in 2013, despite the continuation of the soft macroeconomic environment and 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] Based on Osservatorio dei Pagamenti - Roland Berger – Q3 2014 Release.

In the course of the last month of May Sisal Group applied for admission to listing on the Italian Stock Exchange and obtained on July 1st 2014 the approval by CONSOB (Italian controlling authority for listed companies) of the related Prospectus for the Global Offer for Sale and Subscription; on July 11, 2014, the Company, together with its controlling entity gaming Invest S.àr.l., having consulted with their Joint Global Coordinators of the Global Offering, decided to entirely withdraw the Global Offering, in light of the absence of the conditions to satisfactorily complete the listing of Sisal Group on the Italian Stock Exchange due to the adverse situation of national and international financial markets.

The decision to pull the IPO has nothing to do with the Company and the perception by investors of the equity story or its valuation. Nor it is an indication that the IPO is not a viable route for Sisal Group: to the contrary the feedback from investors has confirmed that the Group prospects and diversification, based on the consolidation within the gaming market value chain and the strengthening of its position in the payments and services market, are interesting. As said above the market conditions were very bad in Europe while Sisal Group was on the road and this has made it difficult to complete the offer. In total, approximately 20 IPOS have been pulled/withdrawn in EMEA since May to July. The above process generated costs in the first nine months of 2014 for about €5.7 million which were expensed in the services and other operating costs lines and disclosed as non-recurring transactions in the Condensed Consolidated Statements of Comprehensive Income.

In March 2014 the Group companies Sisal SpA, Sisal Entertainment SpA and other Slot Concessionaries, filed a tax ruling to the Central Office of the Revenues Agency asking for a confirmation of the deductibility for IRES and IRAP corporate tax purposes of the charges incurred in 2013 fiscal year, related to the settlement with the Court of Auditors of the so called Slot case, totalling for the Group €73.5 million. On May 2014, the relevant Central Office Tax Department confirmed the full deductibility of the above mentioned charges; the positive effect of this decision has been reported in the first nine months of 2014 results benefitting the Income tax line for €22.9 million.

The overall performance of the comparable period ended September 30, 2013 was affected by the definition of legal case related to the gaming machines disputed penalties. The legal case was defined in November 2013 and, consequently, all charges related to the settlement were accrued in the third quarter interim financial statements impacting the related results for the total amount of €73.5 million plus approx. €3.0 million of interest charges, booked in the Provision for risk and charges in the current liabilities section of the Statement of Financial Position.

Results of Operations

	Nine months ended September 30,				
(€ in millions)	**2013**	**% of total revenues and income**	**2014**	**% of total revenues and income**	**% change 2013-2014**
Revenues	503.3	89.0%	523.8	86.8%	4.1%
Fixed odds betting income	60.6	10.7%	78.5	13.0%	29.5%
Other revenues and income	1.9	0.3%	1.4	0.2%	(26.3%)
Total revenues and income	**565.8**	**100.0%**	**603.7**	**100.0%**	**6.7%**
Purchases of materials, consumables and merchandise	7.7	1.4%	9.1	1.5%	18.2%
Costs for services	335.1	59.2%	347.4	57.5%	3.7%
Lease and rent expenses	14.7	2.6%	18.9	3.1%	28.6%
Personnel costs	62.9	11.1%	69.9	11.6%	11.1%
Other operating costs	96.8	17.1%	26.2	4.3%	(72.9%)
Amortization, depreciation, provisions and impairment losses and reversals	78.0	13.8%	83.8	13.9%	7.4%
Net operating profit (EBIT)	**(29.4)**	**-5.2%**	**48.3**	**8.0%**	**n.m.**
Finance income and similar	1.7	0.3%	0.9	0.1%	(47.1%)
Finance expenses and similar	62.5	11.0%	69.0	11.4%	10.4%
Profit (loss) before income taxes	**(90.2)**	**-15.9%**	**(19.8)**	**-3.3%**	**n.m.**
Income taxes	1.0	0.2%	(19.9)	-3.3%	*n.m.*
Total comprehensive profit (loss) for the period	**(91.2)**	**-16.1%**	**0.1**	**0.0%**	**n.m.**

Revenues and income

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

	Nine months ended September 30,				Change	
(€ in millions)	**2013**	**% of total revenues and income**	**2014**	**% of total revenues and income**	**(amount)**	**%**
Gaming revenues	358.6	63.4%	371.9	61.6%	13.3	3.7%
Fixed odds betting income	60.6	10.7%	78.5	13.0%	17.9	29.6%
Payments and other services	82.1	14.5%	90.9	14.9%	8.9	10.8%
Points of sale revenues	61.0	10.9%	57.4	9.5%	(3.6)	(5.9%)
Other revenues	3.6	0.6%	5.0	0.8%	1.4	38.6%
Total	**565.8**	**100.1%**	**603.7**	**99.8%**	**37.9**	**6.7%**

Revenues and income amounted to €603.7 million for the nine months ended September 30, 2014 an increase of €37.9 million, or 6.7%, from €565.8 million for the nine months ended September 30, 2013, due in particular to the performances achieved in the second and third quarters of the current year. Most of the business lines recorded an increase with the exception of the Points of sale revenues; payments and other services revenues and fixed odds betting income reported the higher performances in terms of percentage increase compared to first nine months 2013 results, but also Gaming revenues further improved also compared to first half results.

Gaming Revenues

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

	Nine months ended September 30,				Change	
(€ in millions)	**2013**	**% of total revenues and income**	**2014**	**% of total revenues and income**	**(amount)**	**%**
Gaming machines revenues	292.4	51.6%	291.3	48.4%	(1.1)	(0.4%)
NTNG revenues	39.3	7.0%	33.8	5.6%	(5.5)	(14.0%)
Virtual Races	-	0.0%	22.1	3.7%	22.1	n.a
Online game revenues	15.5	2.7%	15.8	2.6%	0.3	1.7%
Horse race betting revenues	9.7	1.7%	7.3	1.2%	(2.4)	(24.9%)
Bingo revenues	1.0	0.2%	1.1	0.2%	0.1	14.0%
Sports pools revenues	0.6	0.1%	0.5	0.1%	(0.1)	0.0%
Total	**358.6**	**63.3%**	**371.9**	**61.8%**	**13.3**	**3.7%**

The overall gaming revenues amounted to €249.7 million for the nine months ended September 30, 2014 an increase of €13.3 million, or 3.7%, from €358.6 million for the nine months ended September 30, 2013 thanks to a combination of the following factors:

- Gaming machines revenues amounted to €291.3 million for the nine months ended September 30, 2014 a decrease of €1.1 million, or 0.4%, from €292.4 million for the nine months ended September 30, 2013. The overall slight decrease in gaming machines revenue is mainly due to the impact of VLTs soft turnover. Total gaming machines turnover decreased from €3,106 million for the nine months ended September 30, 2013, of which 57% related to slot machines and 43% related to VLTs to €2,966 million for the nine months ended September 30, 2014, of which 59% related to slot machines and 41% related to VLTs. The decrease in revenues is mostly attributable to VLT turnover, also driven by market trends.

- NTNG revenues amounted to €33.8 million for the nine months ended September 30, 2014 a decrease of €5.5 million, or 14.0%, from €39.3 million for the nine months ended September 30, 2013. The decrease in NTNG revenues is mainly related to a softer turnover, still driven by both lower average jackpots and delays in refreshing the product offering.

- Virtual Races revenues amounted to €22.1 million for the nine months ended September 30, 2014. This product was launched in December 2013 and obtained a great success beyond the best expectations.

- Online games revenues were substantially unchanged amounting to €15.8 million for the nine months ended September 30, 2014, primarily as a result of the successful performance of Slot games, Casinò and Quick games, partially offset by Poker games weak market trend.

- Horse race betting revenues amounted to €7.3 million for the nine months ended September 30, 2014 a decrease of €2.4 million, or 24.9%, from €9.7 million for the nine months ended September 30, 2013 primarily as a result of soft turnover and constant decrease in the related games appeal.

- Bingo revenues were substantially unchanged amounting to €1.1 million for the nine months ended September 30, 2014 and €1.0 million for the nine months ended September 30, 2013.

- Sports pools revenues were substantially unchanged amounting to €0.5 million both for the nine months ended September 30, 2014 and €0.6 million for the nine months ended September 30, 2013.

Fixed odds betting income

Fixed odds betting income amounted to €78.5 million for the nine months ended September 30, 2014 an increase of €17.9 million, or 29.6%, from €60.6 million for the nine months ended September 30, 2013, primarily as a result of the excellent performance in sport betting in the first nine months 2014 and in particular in the second quarter, which was positively impacted both by World Cup event and September football events favorable results. This business line was also positively impacted by the retail network expansion, thanks to last quarter 2013 acquisition and the new betting rights awarded in 2013 roll out.

Payments and other services

Payments and other services amounted to €90.9 million for the nine months ended September 30, 2014 an increase of €8.9 million, or 10.8%, from €82.1 million for the nine months ended September 30, 2013, mainly driven by a higher number of payment and financial services transactions from 31 million for the nine months ended September 30, 2013 to 36 million (+16%) for the nine months ended September 30, 2014. The increase in payment and financial services revenues was partially offset by a top-ups revenues decrease affected by a lower turnover in the nine months ended September, 30 2014 compared to the nine months ended September, 30 2013.

Point of sale revenues

Point of sale fees amounted to €57.4 million for the nine months ended September 30, 2014 a decrease of €3.6 million, or 5.9%, from €61.0 million for the nine months ended September 30, 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 €5.0 million for the nine months ended September 30, 2014 an increase of €1.4 million, from 3.6 million for the nine months ended September 30, 2013, mainly due to other income related to Retail Gaming (e.g. food & beverage revenues and penalties applied to the distribution network).

Costs

Purchases of materials, consumables and merchandise

Purchases of materials, consumables and merchandise amounted to €9.1 million for the nine months ended September 30, 2014 an increase of €1.4 million, or 18.2%, from €7.7 million for the nine months ended September 30, 2013, primarily due to a higher consumption of marketing and promotional materials.

Costs for services

Costs for services amounted to €347.4 million for the nine months ended September 30, 2014 an increase of €12.3 million, or 3.7 %, from €335.1 million for the nine months ended September 30, 2013.

Costs for services amounted to 57.5% of total revenues and income for the nine months ended September 30, 2014 compared to 59.2% of total revenues and income for the nine months ended September 30, 2013. The following table sets forth an analysis of costs for services for the indicated periods.

	Nine months ended September 30,				**Change**	
(€ in millions)	**2013**	**% of total revenues and income**	**2014**	**% of total revenues and income**	**(amount)**	**%**
Sales channel- gaming	195.2	34.5%	198.6	32.8%	3.4	1.7%
Sales channel- payment services	50.1	8.9%	51.7	8.6%	1.6	3.2%
Commercial services	18.7	3.3%	22.1	3.7%	3.4	18.2%
Consulting	9.0	1.6%	11.2	1.9%	2.2	24.4%
Other services costs	62.1	11.0%	63.8	10.6%	1.7	2.7%
Total cost for services	**335.1**	**59.2%**	**347.4**	**57.5%**	**12.3**	**3.7%**

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

- *Sales channel-gaming* amounted to €198.6 million for the nine months ended September 30, 2014 an increase of €3.4 million, or 1.7%, from €195.2 million for the nine months ended September 30, 2013. As a percentage of total revenues and income, sales channel gaming amounted to 32.8% for the nine months ended September 30, 2014 and 34.5% for the nine months ended September 30, 2013.

- *Sales channel – Payment services* amounted to €51.7 million for the nine months ended September 30, 2014 an increase of €1.6 million, or 3.2%, from €50.1 million for the nine months ended September 30, 2013. As a percentage of total revenues and income, sales channel payment services amounted to 8.6% for the nine months ended September 30, 2014 and 8.9% for the nine months ended September 30, 2013.

- *Commercial services* amounted to €22.1 million for the nine months ended September 30, 2014 an increase of €3.4 million, or 18.2%, from €18.7 million for the nine months ended September 30, 2013. The increase in commercial services is primarily a result of a higher spending in advertising and other promotions related to the new *NTNG* game "Vincicasa launch" at the beginning of July 2014 and to the Brazil World Cup promotional activities. As a percentage of total revenues and income, commercial services amounted to 3.7% for the nine months ended September 30, 2014 and 3.3% for the nine months ended September 30, 2013.

- *Consulting and Other services* amounted to €75.0 million for the nine months ended September 30, 2014, an increase of €3.9 million, or 5.5%, from €71.1 million for the nine months ended September 30, 2013, primarily due to non-recurring expenses (in particular advisory costs) related to the IPO process.

Lease and rent expenses

Lease and rent expenses amounted to €18.9 million for the nine months ended September 30, 2014 an increase of €4.2 million, or 28.6%, from €14.7 million for the nine months ended September 30, 2013. The increase in lease and rent expenses is primarily a result of increased building leases and related expenses, in connection with the distribution network expansion and, in particular, the new directly managed points of sale openings as well as the 2013 new betting shops acquisition and the 2014 betting rights roll-out.

Personnel costs

Personnel costs amounted to €69.9 million for the nine months ended September 30, 2014 an increase of €7.0 million, or 11.1%, from €62.9 million for the nine months ended September 30, 2013. Personnel costs increase is mainly related to a higher average number of people employed by the Group. Our average FTE workforce increased from 1,576 for the nine months ended September 30, 2013 to 1,806 for the nine months ended September 30, 2014, both as a result of organic growth and the acquisition of Merkur Win Italian sport bettingbusiness in November 2013.

Other operating costs

Other operating costs amounted to €26.2 million for the nine months ended September 30, 2014 a decrease of of €70.6 million, or 72.9%, from €96.8 million for the nine months ended September 30, 2013. The decrease is primarily related to the accrued charges in Q3 2013 related to the settlements of the "Slot Case" legal proceedings for €73.5 million, partially offset by higher costs primarily related to non-income taxes, media and TV subscriptions and some misappropriations.

Amortization, depreciation, provisions and impairment losses and reversals

Amortization, depreciation, provisions and impairment losses and reversals amounted to €83.8 million for the nine months September 30, 2014 an increase of €5.8 million, or 7.4%, from €78.0 million for the nine months ended September 30, 2014. The increase is mainly due to higher amortization of intangible and tangible assets.

Net operating profit (EBIT)

Net operating profit (EBIT) amounted to €48.3 million for the nine months ended September 30, 2014 an increase of €77.7 million from Net operating loss of €29.4 million for the nine months ended September 30, 2013.

Net margin was 8.0% for the nine months ended September 30, 2014 compared to (5.2)% for the nine months ended September 30, 2013.

Sterilizing the impact of non-recurring expenses in both periods, Net operating profit (EBIT) amounted to €54.0 million for the nine months ended September 30, 2014 an increase of €9.0 million, or 20.1%, from €45.0 million for the nine months ended September 30, 2013; net margin was 8.9% for the nine months ended September 30, 2014 compared to 7.9% for the nine months ended September 30, 2013.

Finance income and similar

Finance income and similar amounted to €0.9 million for the nine months ended September 30, 2014 a decrease of €0.8 million, or 47.1%, from €1.7 million for the nine months ended September 30, 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 €69.0 million for the nine months ended September 30, 2014 an increase of €6.5 million, or 10.4%, from €62.5 million for the nine months ended September 30, 2013, primarily as a result of finance expenses on third party financial liabilities. Finance expenses on third party financial liabilities amounted to €34.8 million for the nine months ended September 30, 2014 compared to €30.4 million for the nine months ended September 30, 2013. The increase is related to the interest charges of the Senior Secured Notes ("SSN") issued in May 2013 and to the higher interest charges of the Senior Credit Agreement ("SCA") lines renegotiated maturity profile. Interests on shareholders loan amounted to €32.1 million and €34.0 million for the nine months ended September 30, 2013 and 2014, respectively.

Income taxes

Income taxes amounted to €-19.9 million for the nine months ended September 30, 2014 a decrease €20.9 million from €1.0 million for the nine months ended September 30, 2013, primarily as a result of the already mentioned Slot penalty deductibility tax ruling positive ruling. Without the tax ruling impact, income taxes amounted to €2.7 million for the nine months ended September 30, 2014 an increase of €1.7 million from €1.0 million for the nine months ended September 30, 2013 mainly due the increase in earnings before income taxes.

Segment Information

	Nine months ended September 30,			
(€ in millions)	2013	2014	2013	2014
	Revenues and income		Segment EBITDA (1)	
Retail Gaming	356.5	391.1	51.8	65.9
Lottery	69.4	56.6	19.0	9.6
Online gaming	28.7	33.9	9.9	15.3
Payment and services	110.5	121.8	41.5	47.3
Other	0.7	0.3		
Segment EBITDA (1)			122.2	138.1
Items with different classification			(73.9)	(7.5)
Total	**565.8**	**603.7**	**48.3**	**130.6**

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

Retail Gaming: Retail Gaming segment results for the nine months ended September 30, 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. 16.8% margin for the nine months ended September 30, 2014 compared to 14.5% for same period in 2013 was mainly driven by such factors.

Lottery: Lottery segment results for the nine months ended September 30, 2014 have been mainly driven by low SuperEnalotto jackpot during the period, reducing game appeal to customers and delay in approving games rejuvenation. 17.0% margin for the nine months ended September 30, 2014 compared to 27.4% for the same period in 2013, driven by soft turnover and revenues and higher marketing expenses which more than offset cost savings.

Online Gaming: Online Gaming segment results for the nine months ended September 30, 2014 have been mainly driven by a strong performance in online sport betting, slot games and casino games and the successful launch of Virtual races, partially offset by the Poker games weak market trend. 45.2% margin for the nine months ended September 30, 2014 compared to 34.3% for the same period in 2013, mainly driven by the above mentioned factors.

Payments and Services: Payments and Services results for the nine months ended September 30, 2014 have been mainly driven by payment and financial services growth. 38.8% margin for the nine months ended September 30, 2014 compared to 37.5% 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.

	Nine months ended September 30,	
(€ in millions)	**2013**	**2014**
Movements in trade receivables	(6.3)	(16.0)
Movements in inventories	2.6	1.6
Movements in trade payables	(51.1)	(10.3)
Movements in trade working capital	**(54.8)**	**(24.7)**
Movements in other assets and liabilities	53.8	(11.8)
Total movements in working capital	**(1.0)**	**(36.5)**

Movements in working capital are generally connected to timing of cash collections and convenience service payments and business turnover trends. The total movements in working capital in the first nine months 2013 is impacted by the already mentioned accrued charges related the “Slot Case” settlement, whose cash out occurred in October and November 2013. Sterilizing the impact of this item, the net cash absorption in the first nine months 2014 is lower than the one reported in the first nine months 2013, due to the combined effects of timing in convenience services trade payables, turnover softness and mix and a lower cost base in the first nine months 2013.

Cash flows

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

	Nine months ended September 30,	
(€ in millions)	**2013**	**2014**
Cash provided by operations before changes in working capital, interest and taxes	49.3	132.7
Tax paid	(3.1)	(1.8)
Changes in working capital	(1.0)	(36.5)
Cash flows provided by (used in) operating activities	45.3	94.4
Cash flows provided by (used in) investing activities	(43.7)	(43.6)
Cash flows provided by (used in) financing activities	(69.7)	(61.7)
Decrease in cash and cash equivalents	**(68.1)**	**(10.9)**
Net cash at the beginning of the period	**152.9**	**104.3**
Net cash at the end of the period	**84.8**	**93.4**

Our cash provided by operating activities amounted to €94.4 million for the nine months ended September 30, 2014 compared to cash provided of €45.3 million for the nine months ended September 30, 2013. The movement is principally related to the decrease in cash absorbed from working capital, as explained above and also to the improved economic results provided by the current operations.

Our cash flows used in investing activities amounted to €43.6 million for the nine months ended September 30, 2014 compared to €43.7 million for the nine months ended September 30, 2013. The cash used in investing activities in first nine months 2014 is mainly related to tangible and intangible assets increases (€28.2 million) and also to the installment payments totaling €15,0 million related to the Merkur Win Sport Betting Business acquisition.

Cash flows used in financing activities amounted to €61.7 million for the nine months ended September 30, 2014 compared to cash used of €69.7 million for the nine months ended September 30, 2013. The cash used in financing activities for the nine months ended September 30, 2014 is mainly related to long term facilities reimbursement (€7.1 million) and to net interest paid (€54.3 million).

Capital Resources

The following table sets forth the amounts of our external debt as of December 31, 2013 and September 30, 2014. The table below does not include amounts due under our shareholders loan which, including capitalized interest, amounted to €468.9 million as of September 30, 2014 and €450.1 million as of December 31, 2013.

	As of December 31,	**As of September 30,**
(€ in millions)	**2013**	**2014**
Senior Secured Credit Facilities	447.4	437.6
Senior Secured notes	280.1	275.0
Other financial liabilities	7.4	6.2
Total external financial liabilities	**734.9**	**718.7**

(1) Senior Secured notes amount is the sum of nominal amount plus accrued interest for the reference period.

Other Financial Information

	Nine months ended September 30,	
(€ in millions)	**2013**	**2014**
EBITDA	48.3	130.6
Adjusted EBITDA	122.7	136.3
Adjusted EBITDA margin	21.7%	22.6%

(2) 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.

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

	Nine months ended September 30,	
(€ in millions)	**2013**	**2014**
EBITDA	48.3	130.6
Non-recurring expenses	74.4	5.7
Adjusted EBITDA	**122.7**	**136.3**

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

(€ in millions)	As of December 31, 2013	As of September 30, 2014
Unrestricted cash	104.3	93.4
SHIP net senior secured debt	623.2	619.2

(5) 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.

(6) 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

(€ in millions)	As of December 31, 2013	As of September 30, 2014
Principal amount of debt	281.3	292.6

	Nine months ended September 30,	
(€ in millions)	**2013**	**2014**
Interest expenses	18.8	20.1

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013

		For the nine months ended September 30,		For the three months ended September 30,	
(in thousands of Euro)	***Notes***	**2014**	**2013**	**2014**	**2,013**
Revenues	10	523,781	503,358	173,202	159,617
Fixed odds betting income	11	78,532	60,585	25,825	13,400
Other revenues and income		1,389	1,886	417	435
Total revenues and income		**603,702**	**565,829**	**199,444**	**173,452**
Purchases of materials, consumables and merchandise		9,128	7,746	3,100	2,732
Costs for services		347,396	335,078	116,367	106,285
of which related parties	*20*	*1,563*	*1,814*	*510*	*543*
of which non-recurring	*21*	*4,749*	*0*	*1,505*	*0*
Lease and rent expenses		18,948	14,669	6,496	5,087
Personnel costs		69,909	62,880	21,853	19,360
of which related parties	*20*	*3,159*	*3,254*	*1,064*	*1,054*
Other operating costs		26,233	96,836	8,310	80,882
of which non-recurring	*21*	*960*	*74,395*	*286*	*73,500*
Amortisation, depreciation, provisions and impairment losses and reversals		83,806	78,043	27,828	25,479
Net operating profit (EBIT)		**48,282**	**(29,423)**	**15,490**	**(66,373)**
Finance income and similar		943	1,778	198	610
Finance expenses and similar	12	68,766	62,545	23,087	25,263
of which related parties	*20*	*33,985*	*32,138*	*11,671*	*10,968*
of which non-recurring		*0*	*2,975*	0	2,975
Share of profit/(loss) of companies accounted for by the equity method		(238)	0	(197)	0
Profit (loss) before income taxes		**(19,779)**	**(90,190)**	**(7,399)**	**(91,026)**
Income taxes		(19,913)	1,012	0	(3,271)
Total comprehensive profit (loss) for the period		**134**	**(91,202)**	**(7,399)**	**(87,755)**
Attributable to non-controlling interest		383	207	164	(79)
Attributable to owner of the parent		**(249)**	**(91,409)**	**(7,800)**	**(87,676)**
Basic earinings (loss) per share		0.00	(0.89)	0.00	(0.85)
Diluted eanings (loss) per share		0.00	(0.89)	0.00	(0.85)

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2014 AND 2013

(in thousands of Euro)	***Notes***	**At September 30, 2014**	**At December 31, 2013**
A) NON-CURRENT ASSETS			
Property, Plant and Equipment	13	120,894	131,607
Goodwill	14	880,533	880,024
Intangible assets	13	194,668	228,874
Investments accounted for using the equity method		20	61
Deferred tax assets		32,409	11,809
Other non-current assets		29,459	29,152
Total non-current assets		**1,257,983**	**1,281,527**
B) CURRENT ASSETS			
Inventories		7,412	9,010
Trade receivables		129,498	122,652
Current financial assets		2	2
Taxes receivable		3,806	4,651
Restricted bank deposits	15	63,187	76,726
Cash and cash equivalents	16	93,368	104,304
Other current assets		38,538	42,430
Total current assets		**335,811**	**359,775**
TOTAL ASSETS		**1,593,794**	**1,641,302**
A) EQUITY			
Share capital	17	102,500	102,500
Legal reserve		200	200
Share premium reserve		94,484	94,484
Other reserves		2,938	2,575
Retained earnings (accumulated deficit)		(253,369)	(253,121)
Total equity attributable to owners of the Parent		**(53,247)**	**(53,362)**
Equity attributable to non-controlling interests		**1,557**	1,174
Total equity		**(51,690)**	**(52,188)**
B) NON-CURRENT LIABILITIES			
Long-term debt	18	1,126,035	1,107,890
of which related parties		*468,910*	*447,350*
Provision for employee severance indemnities	19	9,584	9,681
Deferred tax liabilities		16,890	19,847
Provisions for risks and charges		14,490	13,221
Other non-current liabilities		8,212	11,522
Total non-current liabilities		**1,175,211**	**1,162,161**
C) CURRENT LIABILITIES			
Trade and other payables		258,170	268,421
Short-term debt	18	34,575	34,286
Current portion of long-term debt	18	15,058	27,527
of which related parties		*0*	*2,715*
Taxation payable		3,048	2,623
Other current liabilities		159,422	198,472
of which related parties		*961*	*1,609*
Total current liabilities		**470,273**	**531,329**
TOTAL LIABILITIES AND EQUITY		**1,593,794**	**1,641,302**

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF SEPTEMBER 30, 2014 AND 2013

	For the nine months ended September 30,	
(In thousands of Euro)	**2014**	**2013**
Profitt (loss) fore the period before income taxes	**(19,779)**	**(90,190)**
Amortization and depreciation	73,162	69,495
Impairment of current receivables	9,173	8,210
Provisions for risks and charges, accruals and employee severance indemnities	2,067	1,030
Impairment of investments	239	0
Finance (income) expenses	67,823	60,767
Net cash generated from operating activities before changes in working capital, interest and taxes	**132,685**	**49,312**
(Increase) decrease in trade receivables	(16,019)	(6,315)
(Increase) decrease in inventories	1,598	2,591
(Increase) decrease in trade payables	(10,252)	(51,062)
Change in other assets and liabilities	(11,788)	53,800
Taxes (paid)/reimbursed	(1,841)	(3,068)
Net cash generated from operating activities	**94,383**	**45,258**
Increase in property, plant and equipment	(21,190)	(11,447)
Increase in intangible assets	(7,027)	(16,349)
(Increase) decrease in other non-current assets	0	(12,000)
Acquisitions (net of cash)	(15,392)	(3,870)
Net cash used in investing activities	**(43,609)**	**(43,666)**
New medium-/long-term debt	800	275,200
decrease in medium-/long-term debt	(7,051)	(270,938)
Increase (decrease) in lease payables	(1,185)	(2,195)
Increase (decrease) in short-term debt	(11)	(22,332)
Net interest paid	(54,263)	(49,454)
Net cash used in financing activities	**(61,710)**	**(69,719)**
Net decrease in cash and cash equivalents	**(10,936)**	**(68,127)**
Net cash at the beginning of the period	**104,304**	**152,949**
Net cash at the end of the period	**93,368**	**84,822**

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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**	**334**	**45,545**
Total comprehensive profit (loss) for the period	**0**	**0**	**0**	**0**	**(91,409)**	**(91,409)**	**207**	**(91,202)**
Other movements				362	0	362	560	**922**
Transactions with shareholders	**0**	**0**	**0**	**362**	**0**	**362**	**560**	**922**
Equity at September 30, 2013	**102,500**	**200**	**94,484**	**2,454**	**(245,474)**	**(45,836)**	**1,101**	**(44,735)**

Equity at January 1, 2014	**102,500**	**200**	**94,484**	**2,575**	**(253,121)**	**(53,362)**	**1,174**	**(52,188)**
Remeasurement of defined benefit plans								**0**
Profit and loss for the period					(249)	(249)	383	134
Total comprehensive profit (loss) for the period	**0**	**0**	**0**	**0**	**(249)**	**(249)**	**383**	**134**
Other movements				363	1	364	0	**364**
Transactions with shareholders	**0**	**0**	**0**	**363**	**1**	**364**	**0**	**364**
Equity at September 30, 2014	**102,500**	**200**	**94,484**	**2,938**	**(253,369)**	**(53,247)**	**1,557**	**(51,690)**

1. General information

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

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

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

2. Basis of preparation

These condensed consolidated interim financial statements for the nine months ended September 30, 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 and in the first half 2014 interim financial statements, were made compared to previously (2013) 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 nine 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 November18 , 2014.

3. Going concern

At September 30, 2014 the consolidated equity was negative Euro 51,690 thousand (Euro 52,188 at December 31, 2013) and net working capital at the same date was negative Euro 178,197 thousand (Euro 214,045 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 September 30, 2014, of Euro 468.9 million, including accrued and/or not yet capitalized interests for approximately Euro 28 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) *(Percentage computed on total debt and equity)*	**At September 30, 2014**	**%**	**At December 31, 2013**	**%**
Long term debt	657,125		660,540	
Short-term debt and current portion of long-term debt	49,633		59,098	
Funding from third parties	**706,758**	**62.9%**	**719,638**	**64.4%**
Shareholder Loan	381,220		367,368	
Subordinated Zero Coupon Shareholder loan	87,690		82,697	
Funding from sole shareholder	**468,910**	**41.7%**	**450,065**	**40.3%**
Equity	**(51,690)**	**-4.6%**	**(52,188)**	**-4.7%**
Total debt and equity	**1,123,978**	**100.0%**	**1,117,515**	**100.0%**

In March 2014 the directors approved a business plan aimed at regaining profitability, beginning January 1, 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 September 30, 2014 the Group's committed and undrawn lines of credit amounted to Euro 33.0 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 September 30, 2014 this line was completely drawn down.

Fair value estimation

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

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

The Group's assets and liabilities that are measured at fair value at September 30, 2014 and at December 31, 2013 include Level 1 available for sale financial assets whose fair value at September 30, 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 nine months ended September 30, 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 nine months ended 30 September,			
(in thousands of Euro)	**2014**		**2013**	
	Total revenues	**EBITDA**	**Total revenues**	**EBITDA**
Retail Gaming				
Revenues	225,519		180,985	
Supply Chain / Other revenues	165,552		175,549	
Total	**391,071**	**65,887**	**356,534**	**51,831**
Lottery				
Revenues	56,618		69,428	
Supply Chain / Other revenues	0		(7)	
Total	**56,618**	**9,606**	**69,421**	**19,038**
Online Gaming				
Revenues	38,582		33,065	
Supply Chain / Other revenues	(4,689)		(4,374)	
Total	**33,893**	**15,332**	**28,691**	**9,850**
Payments and services				
Revenues	70,246		60,444	
Supply Chain / Other revenues	51,540		50,010	
Total	**121,786**	**47,282**	**110,454**	**41,472**
Other revenues	**334**		**729**	
Total operating segment	**603,702**	**138,107**	**565,829**	**122,191**

	For the three months ended 30 September,			
(in thousands of Euro)	**2014**		**2013**	
	Total revenues	**EBITDA**	**Total revenues**	**EBITDA**
Retail Gaming				
Revenues	74,070		51,401	
Supply Chain / Other revenues	54,439		56,056	
Total	**128,509**	**22,786**	**107,457**	**11,149**
Lottery				
Revenues	18,476		20,435	
Supply Chain / Other revenues	0		(2)	
Total	**18,476**	**802**	**20,433**	**5,059**
Online Gaming				
Revenues	12,646		9,616	
Supply Chain / Other revenues	(1,541)		(1,539)	
Total	**11,105**	**5,347**	**8,077**	**2,507**
Payments and services				
Revenues	24,109		21,084	
Supply Chain / Other revenues	17,175		16,225	
Total	**41,284**	**16,260**	**37,309**	**13,921**
Other revenues	**70**		**176**	
Total operating segment	**199,444**	**45,195**	**173,452**	**32,636**

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

	For the 9 months ended 30 September,		For the 3 months ended 30 September,	
(In thousands of Euro)	**2014**	**2013**	**2014**	**2013**
Total operating segment	**138,107**	**122,191**	**45,195**	**32,636**
Non-recurring expenses	(5,709)	(74,395)	(1,791)	(73,500)
Items with different classification	(1,781)	485	(743)	(143)
Amortization of intangible assets	(41,247)	(38,843)	(14,212)	(13,832)
Depreciation of property, plant & equipment	(31,915)	(30,652)	(11,118)	(10,579)
Other impairment losses on fixed assets	0	0	0	0
Impairment losses on current receivables	(9,173)	(8,209)	(1,841)	(955)
Net operating profit (EBIT)	**48,282**	**(29,423)**	**15,490**	**(66,373)**

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 nine months ended September 30,		For the three months ended September 30,	
(in thousands of Euro)	**2014**	**2013**	**2014**	**2013**
Gaming revenues	371,949	358,621	122,213	112,102
Payments and other services	90,854	82,097	30,787	26,971
Points of sale revenues	57,420	60,954	19,180	19,990
Other revenues	3,558	1,686	1,022	554
Total	**523,781**	**503,358**	**173,202**	**159,617**

The gaming revenues are analyzed as follows:

	For the nine months ended September 30,		For the three months ended September 30,	
(in thousands of Euro)	**2014**	**2013**	**2014**	**2013**
Gaming machines revenues	291,316	292,444	95,836	92,378
NTNG revenues	33,823	39,342	11,064	11,872
Virtual Races	22,090	0	7,795	0
Online game revenues	15,771	15,505	5,069	4,695
Horse race betting revenues	7,328	9,726	1,986	2,685
Bingo revenues	1,104	1,021	352	327
Sports pools revenues	495	555	106	137
Big bets revenues	22	28	5	8
Total	**371,949**	**358,621**	**122,213**	**112,102**

11. Fixed odds betting income

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

	For the nine months ended September 30,		For the three months ended September 30,	
(in thousands of Euro)	**2014**	**2013**	**2014**	**2013**
Fixed odds sports betting income	77,989	60,024	25,654	13,220
Fixed odds horse race betting income	187	183	56	57
Reference horse race betting income	356	378	115	123
Total	**78,532**	**60,585**	**25,825**	**13,400**

12. Finance expense and similar

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

	For the nine months ended September 30,		For the three months ended September 30,	
(in thousands of Euro)	**2014**	**2013**	**2014**	**2013**
Interest and other finance expenses - Group	33,985	32,138	11,671	10,968
Interest and other finance expenses - third parties	34,776	30,412	11,390	14,296
Exchange (gains) losses realised	(20)	(5)	(20)	(1)
Exchange (gains) losses unrealised	25	0	45	0
Total	**68,766**	**62,545**	**23,086**	**25,263**

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**
Nine months ended September 30, 2014		
Opening net book amount as at January 1, 2014	131,607	228,874
Acquisitions of subsidiaries	13	14
Increases	21,261	7,036

Depreciation, amortisation and impairment	(31,915)	(41,247)
Disposals	(72)	(9)
Closing net book amount as at September 30, 2014	**120,894**	**194,668**

14. Goodwill

The movement of goodwill is as follows:

(in thousands of Euro)	**At September 30, 2014**	**At September 30, 2013**
At the beginning of the period	880,024	869,564
Acquisition of Friulgames S.r.l.	0	5,593
Acquisition of Acme S.r.l.	509	0
At the end of the period	**880,533**	**875,157**

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 September 30, 2014 and December 31, 2013 are as follows:

(in thousands of Euro)	**At September 30, 2014**	**At December 31, 2013**
Bank and postal accounts	85,442	97,169
Cash and cash equivalents in hand	7,926	7,135
Total	**93,368**	**104,304**

17. Share capital

As of September 30, 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 of Borrowings and loans:

(in thousands of Euro)	**At September 30, 2014**	**At December 31, 2013**
Senior Credit Agreement	**431,230**	**439,465**
Senior Secured Notes	**269,112**	**272,736**
Loans from related parties	**468,910**	**450,065**
Loans from other banks	2,799	2,739
Payable to other lenders - leasing contracts	3,617	4,698
Other loans from third parties	**6,416**	**7,437**

Total	**1,175,668**	**1,169,703**
of which current	*49,633*	*61,813*
of which non-current	*1,126,035*	*1,107,890*

Movements in borrowings are analyzed as follows:

	Nine months ended September 30,	
(in thousands of Euro)	**2014**	**2013**
Opening amount as at January 1	**1,169,703**	**1,138,733**
Acquisition of subsidiary	104	2,309
New borrowings	789	266,685
Accrued interest and other expenses	13,308	22,637
Repayments of borrowings	8,236	301,880
Closing amount as at September 30	**1,175,668**	**1,128,484**

At September 30, 2014, the market price of the senior secured notes was Euro 278.1 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 September 30, 2014**
Sundry risks and charges provisions	11,263	1,000	(202)	12,061
Technological updating provision	1,958	471		2,429
Total	**13,221**	**1,471**	**(202)**	**14,490**

20. Related party transactions

With regard to transactions with the ultimate parent, Gaming Invest, at September 30, 2014 the Company has a loan payable totaling approximately Euro 468,910 thousand. The interest expense on the loan in the nine months ended September 30, 2014 amounted to Euro 33,985 thousand (Euro 32,138 thousand in the nine months ended September 30, 2013). Related party costs for services, amounting to Euro 1,563 thousand in the nine months ended September 30, 2014 (Euro 1,814 thousand in the nine months ended September 30, 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 3,159 thousand in the nine months ended September 30, 2014 (Euro 3,254 thousand the nine months ended September 30, 2013), are reported under Personnel costs.

21. Significant non-recurring events and transactions

During the nine months ended 30 September, 2014, the Group recognized non-recurring expenses for a total amount of Euro 3,918 thousand, of which Euro 4,749 thousand were included in Costs for services for advisory and communication expenses related to the IPO process and Euro 960 thousand were included in Other operating costs for mainly related non-deductible VAT charges.

22. Commitments

The Condensed Consolidated Interim Financial Statements do not include capital expenditure commitments for approximately Euro 18 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

In October, 2014 the Italian Prime Minister announced the 2015 Finance Law, which includes measures impacting the gaming industry:

- Review of Gaming Machines taxation and pay-out level, and
- Tightened controls of betting shops operators without a regular Italian gaming license.

The approval process of the 2015 Finance Law is ongoing and is expected to be finalized by the end of 2014.