Sisal Group S.p.A.

Condensed consolidated interim

financial statements

At and for the 9 month period

ended September 30, 2016 and 2015

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Management Discussion & Analysis

Sisal Group Profile

Sisal Group S.p.A. ("**Sisal Group**" or the "**Company**" and together with its subsidiaries the "**Group**") is the second largest gaming company and the largest convenience payment services provider in Italy based on turnover[(1)]. Sisal was the first Italian company to operate in the gaming sector as a government concessionaire and it has been operating for 70 years. In addition to gaming, the Group operates in the convenience payment services market.

The Group offers slot machines and video lottery terminals, betting, lottery games and convenience payment services. Sisal distribution network includes approximately 45,000 points of sale, nearly all of which also offer convenience payment services. The Group network is made up of newsstands, bars, tobacconists, betting shops and corners, points of sale that are dedicated to gaming machines, multifunctional gaming halls and our online gaming platform.

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

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

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

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

Payments and Services: Since 2002, the Group has also offered fast, simple and secure payment solutions through a wide distribution network with terminals located throughout Italy. The Group offers customers the ability to pay approximately 500 types of bills, fines and certain taxes such as TV licenses, as well as top-ups prepaid mobile phones and debit cards, with partnerships with utilities, prepaid services providers and municipal governments.

Key Factors affecting operations in the nine months ended September 30, 2016

In the first nine months 2016, the Italian GDP was slightly up 0.8%[2] compared to the same period of last year. The Italian gaming market turnover confirmed the 2015 trend, growing, based on Gaming Administration (ADM) data, by 9.4%, to approximately €70.0 billion[3].
Total Payments & Services addressable market, compared to the same period of 2015, increased at €61.3 billion[4] (+6.2%). The Group recorded €12.2 billion turnover for the nine months ended September 30, 2016, an increase of 9.5% compared to the same period in 2015, mainly driven by Online Gaming, Lottery, VLTs and Payments and Services.

[1]*Based on ATK estimates*
[2]*Sisal Market Intelligence Estimate based on Istat data*
[3]*ADM data*
[4]*Sisal Market Intelligence Estimate*

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

	Nine months ended September 30,				
(€ in millions)	**2015**	**% of total revenues and income**	**2016**	**% of total revenues and income**	**% change 2015-2016**
Revenues	491.4	88.2%	501.7	88.2%	2.1%
Fixed odds betting income	64.8	11.6%	65.8	11.6%	1.5%
Other revenues and income	1.1	0.2%	1.6	0.3%	45.5%
Total revenues and income	**557.3**	**100.0%**	**569.1**	**100.0%**	**2.1%**
Purchases of materials, consumables and merchandise	6.8	1.2%	8.3	1.5%	22.1%
Costs for services	306.6	55.0%	307.1	54.0%	0.2%
Lease and rent expenses	18.1	3.2%	16.9	3.0%	(6.6%)
Personnel costs	67.7	12.1%	63.3	11.1%	(6.5%)
Other operating costs	25.7	4.6%	26.9	4.7%	4.7%
Amortization, depreciation, provisions and impairment losses and reversals	83.3	14.9%	75.8	13.3%	(9.0%)
Net operating profit (EBIT)	**49.2**	**8.8%**	**70.8**	**12.4%**	**43.9%**
Finance income and similar	0.4	0.1%	0.3	0.1%	(25.0%)
Finance expenses and similar	63.5	11.4%	64.3	11.3%	1.3%
Profit (loss) before income taxes	**(13.9)**	**-2.5%**	**6.8**	**1.2%**	148.9%
Income taxes	0.9	0.2%	5.6	1.0%	522.2%
Total comprehensive profit (loss) for the period	**(14.8)**	**-2.7%**	**1.2**	**0.2%**	**108.1%**

Revenues and income

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

	Nine months ended September 30,				Change	
(€ in millions)	**2015**	**% of total revenues and income**	**2016**	**% of total revenues and income**	**(amount)**	**%**
Gaming revenues	329.3	59.2%	332.7	58.5%	3.4	1.0%
Fixed odds betting income	64.8	11.6%	65.8	11.6%	1.0	1.6%
Payments and other services	101.3	18.2%	105.4	18.5%	4.1	4.1%
Points of sale revenues	57.4	10.3%	59.5	10.5%	2.1	3.7%
Other revenues	4.5	0.8%	5.6	1.0%	1.1	24.0%
Total	**557.3**	**100.1%**	**569.1**	**100.1%**	**11.8**	**2.1%**

Revenues and income amounted to €569.1 million for the nine months ended September 30, 2016 an increase of €11.8 million, or 2.1%, from €557.3 million for the nine months ended September 30, 2015, driven in particular by the offsetting effects of the Budget Law 2016 impact on Gaming machines revenues, from one side, and a positive performance of fixed odds sport betting income, lottery, online gaming and payments and other services revenues from the other.

Gaming Revenues

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

	Nine months ended September 30,				Change	
(€ in millions)	2015	% of total revenues and income	2016	% of total revenues and income	(amount)	%
Gaming machines revenues	250.3	44.9%	238.7	42.0%	(11.5)	(4.6%)
NTNG revenues	29.7	5.3%	43.5	7.6%	13.8	46.5%
Virtual Races	22.7	4.1%	21.0	3.7%	(1.7)	(7.7%)
Online game revenues	18.3	3.3%	23.1	4.1%	4.8	26.3%
Horse race betting revenues	7.2	1.3%	5.9	1.0%	(1.3)	(18.2%)
Bingo revenues	0.7	0.1%	-	0.0%	(0.7)	(100.0%)
Sports pools revenues	0.5	0.1%	0.4	0.1%	(0.1)	0.0%
Total	**329.3**	**59.1%**	**332.7**	**58.5%**	**3.4**	**1.0%**

The overall gaming revenues amounted to €332.7 million for the nine months ended September 30, 2016 an increase of €3.4 million, or 1.0%, from €329.3 million for the nine months ended September 30, 2015, driven by a combination of the following factors:

- Gaming machines revenues amounted to €238.7 million for the nine months ended September 30, 2016 a decrease of €11.5 million, or 4.6%, from €250.3 million for the nine months ended September 30, 2015. The decrease in gaming machines revenues is mainly due to the already mentioned Budget Law 2016 impact. On the other hand, total gaming machines turnover increased from €2,844 million for the nine months ended September 30, 2015, of which 57% related to slot machines and 43% related to VLTs to €2,960 million for the nine months ended September 30, 2016, of which 52% related to slot machines and 48% related to VLTs.

- NTNG revenues amounted to €43.5 million for the nine months ended September 30, 2016 an increase of €13.8 million, or 46.5%, from €29.7 million for the nine months ended September 30, 2015. The increase in NTNG revenues is driven by the launch, starting February 2016, of the new SuperEnalotto game which, thanks to a number of structural changes – such as increased payout and a higher average jackpot, is proving to be much more appealing to consumers, also supported by the second highest jackpot ever which reached €148 million at the end of September.

- Virtual Races revenues amounted to €21.0 million for the nine months ended September 30, 2016, a decrease of €1.7 million, or 7.7%, from €22.7 million for the nine months related to September 30, 2015. This product, launched very timely by the Group in December 2013, still confirms a great success even if the novelty effect is a little decreasing upfront a higher competition level.

- Online game revenues amounted to €23.1 million for the nine months ended September 30, 2016 an increase of €4.8 million, or 26.3%, from €18.3 million for the nine months ended September 30, 2015, primarily as a result of strong performance in Casinò and Slot games also related to increasing number of active players (+18% compared to first nine months 2015).

- Horse race betting revenues amounted to €5.9 million for the nine months ended September 30, 2016, a decrease of €1.3 million, or 18.2%, from €7.2 million for the nine months related to September 30, 2015, due to the reduction in the appeal of this kind of games.

- Bingo hall revenues (related to physical turnover) was zero for the nine months ended September 30, 2016 against the €0.7 million for the nine months ended September 30, 2015, due to the sale of the Group's only bingo game hall, in the second half of 2015.

- Sports pools revenues were substantially unchanged amounting to €0.4 million for the nine months ended September 30, 2016 and €0.5 million for the nine months ended September 30, 2015.

Fixed odds betting income

Fixed odds betting income amounted to €65.8 million for the nine months ended September 30, 2016 an increase of €1.0 million, or 1.6%, from €64.8 million for the nine months ended September 30, 2015, primarily as a result of higher performance in sport betting, mainly driven by turnover growth in the Online segment, compared to the same period of 2015.

Payments and other services

Payments and other services amounted to €105.4 million for the nine months ended September 30, 2016 an increase of €4.1 million, or 4.1%, from €101.3 million for the nine months ended September 30, 2015 mainly thanks to a higher number of payment and financial services transactions, which reached 48.3 million for the nine months ended September 30, 2016, an increase of 4.4 million, or 10.1%, from 43.9 million for the nine months ended September 30, 2015.

Point of sale revenues

Point of sale fees amounted to €59.5 million for the nine months ended September 30, 2016 an increase of €2.1 million, or 3.7%, from €57.4 million for the nine months ended September 30, 2015.

Other revenues and income

Other revenues amounted to €5.6 million for the nine months ended September 30, 2016 an increase of €1.1 million, or 24.0%, from €4.5 million for the nine months ended September 30, 2015, mainly due to increasing gaming machines and accessories sales and higher income arising from changes in estimates.

Costs

Purchases of materials, consumables and merchandise

Purchases of materials, consumables and merchandise amounted to €8.3 million for the nine months ended September 30, 2016 an increase of €1.5 million, or 22.1%, from €6.8 million for the nine months ended September 30, 2015, primarily due to higher consumption of gaming, marketing and promotional materials in connection with the launch of the new SuperEnalotto game.

Costs for services

Costs for services amounted to €307.0 million for the nine months ended September 30, 2016 an increase of €0.5 million, or 0.2%, from €306.5 million for the nine months ended September 30, 2015.

Costs for services amounted to 54.0% of total revenues and income for the nine months ended September 30, 2016 compared to 55.0% of total revenues and income for the nine months ended September 30, 2015. The following table sets forth an analysis of costs for services for the indicated periods.

	Nine months ended September 30,				Change	
(€ in millions)	**2015**	**% of total revenues and income**	**2016**	**% of total revenues and income**	**(amount)**	**%**
Sales channel- gaming revenes	168.0	30.1%	160.4	28.2%	(7.6)	(4.5%)
Sales channel- payments services	56.7	10.2%	59.0	10.4%	2.3	4.0%
Commercial services	13.9	2.5%	20.1	3.5%	6.1	44.1%
Consulting	9.0	1.6%	7.8	1.4%	(1.2)	(13.1%)
Others services costs	58.9	10.6%	59.9	10.5%	1.0	1.6%
Total cost for services	**306.5**	**55.0%**	**307.0**	**54.0%**	**0.5**	**0.2%**

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

- *Sales channel – Gaming* amounted to €160.4 million for the nine months ended September 30, 2016 a decrease of €7.6 million, or 4.5%, from €168.0 million for the nine months ended September 30, 2015. As a percentage of total revenues and income, sales channel gaming amounted to 28.2% for the nine months ended September 30, 2016 and 30.1% for the nine months ended September 30, 2015. The decrease is mainly driven by the reduction of Gaming machines network operators' remuneration due to the Budget Law 2016 impact.

- *Sales channel – Payments services* amounted to €59.0 million for the nine months ended September 30, 2016 an increase of €2.3 million, or 4.0% from €56.7 million for the nine months ended September 30, 2015, mainly due to the effect of increasing Payments and services turnover. As a percentage of total revenues and income, sales channel payment services amounted to 10.4% for the nine months ended September 30, 2016 and 10.2% for the nine months ended September 30, 2015.

- *Commercial services* amounted to €20.1 million for the nine months ended September 30, 2016 an increase of €6.1 million, or 44.1%, from €13.9 million for the nine months ended September 30, 2015. As a percentage of total revenues and income, Commercial services amounted to 3.5% for the nine months ended September 30, 2016 and 2.5% for the nine months ended September 30, 2015. The increase is mainly due to higher spending in the first nine months 2016 related to already mentioned launch of the new SuperEnalotto game.

- *Consulting and Other services* amounted to €67.7 million for the nine months ended September 30, 2016, substantially in line with €67.9 million for the nine months ended September 30, 2015.

Lease and rent expenses

Lease and rent expenses amounted to €16.9 million for the nine months ended September 30, 2016, a decrease of €1.2 million, or 6.6%, from €18.1 million for the nine months ended September 30, 2015, mainly due to reduction of real estate rental expenses and other equipment operating leases.

Personnel costs

Personnel costs amounted to €63.3 million for the nine months ended September 30, 2016 a decrease of €4.4 million, or 6.5%, from €67.7 million for the nine months ended September 30, 2015. Our average workforce, expressed in full time equivalents, reached 1,686 for the nine months ended September 30, 2016, a decrease of 116 from 1,802 for the nine months ended September 30, 2015. The decrease in Personnel costs is mainly due to workforce reduction, mostly related to the call centers off-shoring process completed in the second half of 2015.

Other operating costs

Other operating costs amounted to €26.9 million for the nine months ended September 30, 2016, an increase of €1.2 million, or 4.7%, from €25.7 million for the nine months ended September 30, 2015, mainly due to increase in gaming concession fees driven by turnover trends.

Amortization, depreciation, provisions and impairment losses and reversals

Amortization, depreciation, provisions and impairment losses and reversals amounted to €75.8 million for the nine months September 30, 2016 a decrease of €7.5 million, or 9.0%, from €83.3 million for the nine months ended September 30, 2015. The decrease is mainly due to lower amortization of tangible and intangible assets, partially depending on recalculation on current betting concession useful life, postponed one forward to September 30, 2017 from original deadline.

Net operating profit (EBIT)

Net operating profit (EBIT) amounted to €70.8 million for the nine months ended September 30, 2016 an increase of €21.6 million, or 43.9%, from €49.2 million for the nine months ended September 30, 2015.

Net margin was 12.4% for the nine months ended September 30, 2016 compared to 8.8% for the nine months, ended September 30, 2015.

Finance income and similar

Finance income and similar amounted to €0.3 million for the nine months ended September 30, 2016 a decrease of €0.1 million, or 25.0%, from €0.4 million for the nine months ended September 30, 2015.

Finance expenses and similar

Finance expenses and similar amounted to €64.3 million for the nine months ended September 30, 2016 an increase of €0.8 million, or 1.3%, from €63.5 million for the nine months ended September 30, 2015. Finance expenses on shareholders financial liabilities amounted to €33.0 million for the nine months ended September 30, 2016 compared to €31.0 million for the nine months ended September 30, 2015, primarily as results of large base of calculation due to interest compounding process.

Income taxes

Income taxes amounted to €5.6 million for the nine months ended September 30, 2016 compared to €0.9 million for the nine months ended September 30, 2015, primarily as a result of higher taxable income.

Segment Information

	Nine months ended September 30,			
(€ in millions)	**2015**	**2016**	**2015**	**2016**
	Revenues and income		**Segment EBITDA**	
Retail gaming	337.9	322.8	51.9	49.3
Lottery	55.7	70.0	22.2	29.6
Online gaming	34.3	42.5	15.8	18.7
Payment and services	128.9	133.1	44.1	49.5
Other	0.6	0.8		
Segment EBITDA (1)			134.0	147.1
Items with different classification			(3.0)	(2.6)
Total	**557.3**	**569.1**	**131.0**	**144.5**

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

Retail Gaming: Retail Gaming segment results for the nine months ended September 30, 2016 have been mainly driven by the 2016 Budget Law impact and by the overall good performance in AWPs and VLTs, partially offset by lower performance in sport betting due, in particular, to a weak third quarter. 15.3% margin for the nine months ended September 30, 2016 compared to 15.4% for same period in 2015.

Lottery: Lottery segment results for the nine months ended September 30, 2016 have been mainly driven by the launch of the new SuperEnalotto game starting month of February, which significantly improved the game appeal to customer. 42.3% margin for the nine months ended September 30, 2016, compared to 39.8% for the same period in 2015, is mainly related to higher volumes and related revenues which more than offset increasing promotional and operational expenses in connection with the above said launch, even accelerating this trend in the third quarter 2016.

Online Gaming: Online Gaming segment results for the nine months ended September 30, 2016 were mainly driven by Slot games and online sport betting performance. 43.9% margin for the nine months ended September 30, 2016 compared to 46.1% for the same period in 2015 was mainly driven by the above-mentioned factors and the effect of overall higher promoting expenses which allowed to increase the number of active players.

Payments and Services: Payments and Services results for the nine months ended September 30, 2016 were mainly driven by revenues growth. 37.2% margin for the nine months ended September 30, 2016 compared to 34.2% for the same period in 2015 was driven by top line, with particular regard to payment and financial services segment.

Liquidity and Working capital

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

	Nine months ended September 30,	
(€ in millions)	**2015**	**2016**
Movements in trade receivables	(19.1)	(21.0)
Movements in inventories	0.8	1.1
Movements in trade payables	(25.2)	(21.9)
Movements in trade working capital	**(43.5)**	**(41.8)**
Movements in other assets and liabilities	12.1	(19.2)
Total movements in working capital	**(31.4)**	**(60.9)**

Movements in working capital are generally connected to timing of cash collections and convenience service payments and business turnover trends. The overall higher cash absorption in the first nine months 2016, compared to that recorded in the first nine months 2015, is mainly due to a less favorable cut-off date, basically related to gaming machines taxation payables and gaming machines receivables from ADM (with particular regard to 2015 security deposit collection), partially offset by more favorable cut off impact on restricted cash accounts funding.

Cash flows

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

	Nine months ended September 30,	
(€ in millions)	**2015**	**2016**
Cash provided by operations before changes in working capital, interest and taxes	132.7	146.9
Tax paid	(4.7)	(2.2)
Changes in working capital	(31.4)	(60.9)
Cash flows provided by (used in) operating activities	96.6	83.7
Cash flows provided by (used in) investing activities	(25.9)	(22.4)
Cash flows provided by (used in) financing activities	(53.9)	(54.8)
Increase/(Decrease) in cash and cash equivalents	**16.8**	**6.5**
Net cash at the beginning of the period	**113.7**	**139.7**
Net cash at the end of the period	**130.5**	**146.2**

Cash provided by operating activities amounted to €83.7 million for the nine months ended September 30, 2016 compared to cash provided of €96.6 million for the nine months ended September 30, 2015. The movement is principally related to the decrease in cash absorbed from working capital partially offset by better performance with regard to cash provided by operations.

Cash flows used in investing activities amounted to €22.4 million for the nine months ended September 30, 2016 compared to €25.9 million for the nine months ended September 30, 2015, mainly due to lower investments in tangible and intangible assets. The cash used in investing activities in first nine months 2016 is mainly related to tangible and intangible assets increases (€21.4 million) and residually to other minor payments related to Business acquisition.

Cash flows used by financing activities amounted to €54.8 million for the nine months ended September 30, 2016 compared to cash used of €53.9 million for the nine months ended September 30, 2015. The cash used in financing activities for both the nine months ended September 30, 2016 and September 30, 2015 is mainly related to net interest paid, respectively €46.9 million and €46.5 million. In addition, repayments of medium/long-term loans amounted to €6.9 million for the nine months ended September 30, 2016 and €8.3 million for the nine months ended September 30, 2015.

Capital Resources

The following table sets forth the amounts of our external debt (principal amounts plus accrued interest for the reference period) at December 31, 2015 and September 30, 2016. The table below does not include amounts due under our shareholders loan, which, including capitalized interest amounted to €429.8 million at September 30, 2016 and €410.9 million at December 31, 2015.

	As of December 31,	**As of September 30,**
(€ in millions)	**2015**	**2016**
Senior Secured Credit Facilities	418.6	412.3
Senior Secured notes	280.1	275.0
Other financial liabilities	3.7	2.1
Total external financial liabilities	**702.4**	**689.4**

Other Financial Information

	Nine months ended September 30,	
(€ in millions)	**2015**	**2016**
EBITDA	131.0	144.5
Non recurring items	1.5	0.5
Adjusted EBITDA	132.5	145.0
Adjusted EBITDA margin	23.8%	25.5%

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

(2) We define Adjusted EBITDA as EBITDA adjusted for the effect of non-recurring items and provisions related to disputes with regulatory bodies.

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

(€ in millions)	Nine months ended September 30, 2015	2016
Profit/(loss) for the period	(14.8)	1.2
Net finance expense and similar	63.1	64.0
Income taxes	0.9	5.6
Amortisation, depreciation and impairments	71.9	63.8
Impairment of receivables	9.9	9.8
EBITDA	**131.0**	**144.5**

(€ in millions)	As of December 31, 2015	As of September 30, 2016
Unrestricted cash	139.7	146.2
SGROUP net senior secured debt	558.9	541.0

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

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

Information relating to the Financial Liabilities of Gaming Invest

(€ in millions)	As of December 31, 2015	As of September 30, 2016
Principal amount of debt	312.2	323.8

(€ in millions)	Nine months ended September 30, 2015	2016
Interest expense	20.6	21.1

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

		For the nine months ended September 30,		For the three months ended September 30,	
(in thousands of Euro)	***Notes***	**2016**	**2015**	**2016**	**2015**
Revenues	10	501,695	491,396	170,620	161,831
Fixed odds betting income	11	65,849	64,828	19,220	20,575
Other revenues and income		1,603	1,088	306	296
Total revenues and income		**569,147**	**557,312**	**190,146**	**182,702**
Purchases of materials, consumables and merchandise		8,304	6,772	2,849	2,021
Costs for services		307,057	306,553	102,209	99,503
of which related parties	*20*	*2,277*	*1,609*	*1,309*	*526*
of which non-recurring	*21*	*410*	*340*	*46*	*268*
Lease and rent expenses		16,919	18,145	5,591	5,901
Personnel costs		63,344	67,675	20,567	20,476
of which related parties	*20*	*3,311*	*2,662*	*1,439*	*902*
of which non-recurring	*21*	*0*	1,300	*0*	*0*
Other operating costs		26,886	25,658	8,885	8,089
of which non-recurring	*21*	*112*	*28*	*9*	*28*
Amortisation, depreciation, provisions and impairment losses and reversals		75,785	83,313	23,516	26,828
Net operating profit (EBIT)		**70,852**	**49,196**	**26,529**	**19,884**
Finance income and similar		257	404	54	49
Finance expenses and similar	12	64,347	63,468	21,592	21,455
of which related parties	*20*	*33,043*	31,007	*11,261*	*10,604*
Share of profit/(loss) of companies accounted for by the equity method		0	*(58)*	0	0
Profit (loss) before income taxes		**6,762**	**(13,926)**	**4,991**	**(1,522)**
Income taxes		5,574	905	0	1,085
Total comprehensive profit (loss) for the period		**1,188**	**(14,831)**	**4,991**	**(2,607)**
Attributable to non-controlling interest		51	100	23	50
Attributable to owner of the parent		**1,137**	**(14,931)**	**3,659**	**(2,657)**
Basic earnings (loss) per share (in Euro)		0.01	(0.15)	0.04	(0.03)
Diluted earnings (loss) per share (in Euro)		0.01	(0.15)	0.04	(0.03)

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2016 AND 2015

(in thousands of Euro)	***Notes***	**At September 30, 2016**	**At December 31, 2015**
A) NON-CURRENT ASSETS			
Property, Plant and Equipment	13	90,229	103,837
Goodwill	14	860,912	860,912
Intangible assets	13	112,579	141,359
Investments accounted for using the equity method		0	0
Deferred tax assets		19,288	25,173
Other non-current assets		21,298	23,155
Total non-current assets		**1,104,306**	**1,154,436**
B) CURRENT ASSETS			
Inventories		10,216	11,302
Trade receivables		155,517	144,398
Current financial assets		0	0
Taxes receivable		550	1,436
Restricted bank deposits	15	252,779	101,857
Cash and cash equivalents	16	146,230	139,743
Other current assets		51,207	41,076
Total current assets		**616,499**	**439,812**
TOTAL ASSETS		**1,720,805**	**1,594,248**
A) EQUITY			
Share capital	17	102,500	102,500
Legal reserve		200	200
Share premium reserve		94,484	94,484
Other reserves		88,488	88,488
Retained earnings (accumulated deficit)		(293,412)	(294,549)
Total equity attributable to owners of the Parent		**(7,740)**	**(8,877)**
Equity attributable to non-controlling interests		**391**	**340**
Total equity		**(7,349)**	**(8,537)**
B) NON-CURRENT LIABILITIES			
Long-term debt	18	430,352	1,051,467
of which related parties		*429,766*	*410,885*
Provision for employee severance indemnities		9,255	10,035
Deferred tax liabilities		9,342	12,876
Provisions for risks and charges	19	13,678	12,459
Other non-current liabilities		855	3,360
Total non-current liabilities		**463,482**	**1,090,197**
C) CURRENT LIABILITIES			
Trade and other payables		232,750	254,668
Short-term debt	18	34,286	34,389
Current portion of long-term debt	18	650,150	19,857
of which related parties		*0*	*0*
Taxation payable		1,396	779
Other current liabilities		346,090	202,895
of which related parties		*1,812*	*1,465*
Total current liabilities		**1,264,672**	**512,588**
TOTAL LIABILITIES AND EQUITY		**1,720,805**	**1,594,248**

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

	For the nine months ended September 30,	
(In thousands of Euro)	**2016**	**2015**
Profit (loss) for the period before income taxes	**6,762**	**(13,926)**
Amortization and depreciation	63,816	71,691
Impairment of current receivables	9,840	9,878
Provisions for risks and charges, accruals and employee severance indemnities	2,350	1,734
Finance (income) expenses	64,090	63,065
Net cash generated from operating activities before changes in working capital, interest and taxes	**146,858**	**132,732**
Changes in trade receivables	(20,959)	(19,080)
Changes in inventories	1,086	806
Changes in trade payables	(21,918)	(25,197)
Change in other assets and liabilities	(19,151)	12,078
Taxes (paid)/reimbursed	(2,206)	(4,739)
Net cash generated from operating activities	**83,710**	**96,600**
Increase in property, plant and equipment	(6,835)	(16,317)
Increase in intangible assets	(14,593)	(8,456)
Acquisitions (net of cash)	(1,010)	(1,156)
Net cash used in investing activities	**(22,438)**	**(25,929)**
decrease in medium-/long-term debt	(6,938)	(8,346)
Increase (decrease) in lease payables	(948)	(955)
Net interest paid	(46,899)	(46,454)
Net cash used in financing activities	**(54,785)**	**(53,855)**
Net change in cash and cash equivalents	**6,487**	**16,816**
Net cash at the beginning of the period	**139,743**	**113,692**
Net cash at the end of the period	**146,230**	**130,508**

SISAL GROUP S.P.A.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

(in thousands of Euro)	Share capital	Legal reserve	Share premium reserve	Other reserves	Retained earnings (accumulated deficit)	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at December 31, 2014	**102,500**	**200**	**94,484**	**87,928**	**(255,777)**	**29,335**	**1,511**	**30,846**
Profit/(loss) for the period					0	(14,931)	100	(14,831)
Total comprehensive profit (loss) for the period	**0**	**0**	**0**	**0**	**0**	**(14,931)**	**100**	**(14,831)**
Other movements				0	0	(1)	0	**(1)**
Transactions with shareholders	**0**	**0**	**0**	**0**	**0**	**-1**	**0**	**(1)**
Equity at September 30, 2015	**102,500**	**200**	**94,484**	**87,928**	**(255,777)**	**14,403**	**1,611**	**16,014**
Equity at December 31, 2015	**102,500**	**200**	**94,484**	**88,488**	**(294,549)**	**(8,877)**	**340**	**(8,537)**
Profit/(loss) for the period					1,137	1,137	51	1,188
Total comprehensive profit (loss) for the period	**0**	**0**	**0**	**0**	**1,137**	**1,137**	**51**	**1,188**
Equity at September 30, 2016	**102,500**	**200**	**94,484**	**88,488**	**(293,412)**	**(7,740)**	**391**	**(7,349)**

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 currently 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, 2016 (hereafter the "**Condensed Consolidated Interim Financial Statements**") have been prepared following IAS 34, 'Interim financial reporting' which governs interim financial reporting. IAS 34 permits a significantly lower amount of information to be included in interim financial statements from what is required for annual financial statements by International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union (hereafter "**IFRS**"), given that the entity has prepared its financial statements compliant with IFRS for the previous financial year. The Condensed Consolidated Interim Financial Statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended December 31, 2015 and 2014 (the "**Annual Consolidated Financial Statements**").

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

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

These Condensed Consolidated Interim Financial Statements were approved by the board of directors of Sisal Group S.p.A. on November 29, 2016.

3. Going concern

The nine months ended September 30, 2016 closed with a net profit of Euros 1,188 thousand, at September 30, 2016 the consolidated equity was negative Euro 7,349 thousand (Euro 8,537 thousand at December 31, 2015) and net working capital at September 30, 2016 was negative Euro 109,967 thousand (Euro 158,273 thousand at December 31, 2015).

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

As for the debt structure, the Group still has a loan secured from Gaming Invest S.àr.l. for an amount, at September 30, 2016, of Euro 429.8 million subordinated to the obligations arising from the Senior Credit Agreement signed with the banks and the issuance of the Senior Secured Notes, both maturing in September 2017. In particular, for the foregoing loan called "Shareholder Loan C", the payment of a portion of the interest due can be deferred for the entire duration of the loan on request of the borrower, therefore the contractual characteristics for the repayment and interest settlement conditions on the loans granted by Gaming Invest facilitate the Group in meeting its financial requirements associated with business operations and contracted obligations.

The role of the sole shareholder as a lender of the Group allows for greater flexibility in defining the policies for capital management, and the equilibrium between risk capital and debt as can be seen in the following chart:

(In thousands of Euro) *(Percentage computed on total debt and equity)*	**At September 30, 2016**	**%**	**At December 31, 2015**	**%**
Long term debt	586		640,582	
Short-term debt and current portion of long-term debt	684,436		54,246	
Funding from third parties	**685,022**	**61.9%**	**694,828**	**63.3%**
Shareholder Loan	429,766		410,885	
Funding from sole shareholder	**429,766**	**38.8%**	**410,885**	**37.4%**
Equity	**(7,349)**	**-0.7%**	**(8,537)**	**-0.7%**
Total debt and equity	**1,107,439**	**100.0%**	**1,097,176**	**100.0%**

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

These trends are also confirmed by recent projections drafted by management, particularly for the current year and the next, resulting in a gradual reduction in net debt and compliance with the financial covenants established in the outstanding loan contracts.

Moreover, end of May 2016, CVC Capital Partners announced the agreement for the acquisition of the Company equity from current shareholders. The transaction signing was followed in July by Schumann S.p.A. (the legal entity incorporated to carry on the acquisition) launch announcement of Euro 725.0 million aggregate principal amount, comprised of senior secured floating rate notes due 2022 and senior secured fixed rates notes due 2023. Upon completion of the acquisition, the proceeds of the offering, together with cash on Sisal Group balance sheet and an equity contribution by funds advised by CVC Capital Partners, will be used, *inter alia,* to repay in full Sisal Group's existing debt (including Sisal Group's existing debt, including the senior secured notes due 2017), which, with the exception of the loan currently secured by Gaming Invest S.àr.l., have been reclassified under the current liabilities section of the Consolidated Statement of Financial Position in consideration of their payment due date maturing on September 30, 2017.

On the basis of the assessments and ongoing developments previously illustrated and also with particular reference to the current and expected profitability of the Group, 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, and in any case for a period of time beyond twelve months, and has therefore prepared these Condensed Consolidated Interim Financial Statements on a going concern basis.

4. Accounting policies

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

- Taxes on income which, in the interim periods, are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- The following accounting standard applicable since first half 2016 and adopted for the first time.

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

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

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

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

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

  - Amendments to IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations): The amendments clarify the accounting for changes to a plan of sale or to a plan of distribution to owners;

- Amendments to IFRS 7 (Financial Instruments: Disclosures): The amendments relate to the disclosure for servicing contracts;
- Amendments to IAS 19 (Employee Benefits): The amendments provide clarifications on the discount rate to be used when discounting post-employment benefit obligations.

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

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

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

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

- IFRS 9 (Financial Instruments)
- IFRS 14 (Regulatory Deferral Accounts): Accounting for regulatory deferral account balances
- IFRS 15 (Revenue from Contracts with Customers)
- IFRS 16 (Leases)
- Amendments to IFRS 10 (Consolidated Financial Statements) and IAS 28 (Investments in Associates and Joint Ventures): Sale or contribution of assets between an investor and its associate/joint venture
- Amendments to IAS 12 (Income Taxes)
- Amendments to IAS 7 (Statement of Cash Flows)
- Clarifications to IFRS 15 (Revenue from Contracts with Customers)
- Amendments to IFRS 2 (Share-based Payment)
- Amendments to IFRS 4 (Insurance Contracts

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

5. Other Information

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

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

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

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

In the condensed consolidated interim financial statements as of September 30, 2015 approved by the Board of Directors on August 24, 2015, the fees reduction related to operators was classified as reduction of Group revenues for an amount of some Euro 16.6 million and as a corresponding reduction of costs related to the remuneration of the operators for the same amount. Such accounting treatment was based upon information available at the time of approval of condensed consolidated interim financial statements as of September 30, 2015, before management reached the conclusion based on the 2016 Budget Law analysis as described above.

Had the company adopted the same accounting treatment as of December 31, 2015 in the consolidated financial statements as of September 30, 2015, net operating profit and net cash generated from operating activities for the three month period ended September 30, 2015 would not have changed.

6. Estimates

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

7. Financial risk management

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

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

Liquidity risk

At September 30, 2016 the Group has a revolving line of credit under the Senior Credit Agreement for a total of Euro 34.3 million, which must be repaid by September 30, 2017. At September 30, 2016 this line was completely drawn down.

Fair value estimation

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

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

Both at September 30, 2016 and December 31 2015 the Group reported no outstanding assets and liabilities measured at fair value.

8. Operating segment information

The Group's business is organized in the following operating segments:

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

The following table presents: i) Revenues and income; ii) Revenues and income net of revenues paid back to the revenue chain; and iii) EBITDA of the operating segments.

	For the nine months ended September 30,			
(in thousands of Euro)	2016		2015	
	Total revenues	EBITDA	Total revenues	EBITDA
Retail Gaming				
Revenues	196,342		203,826	
Supply Chain / Other revenues	126,500		134,077	
Total	**322,842**	**49,298**	**337,903**	**51,872**
Lottery				
Revenues	69,904		55,650	
Supply Chain / Other revenues	46		1	
Total	**69,950**	**29,594**	**55,651**	**22,176**
Online Gaming				
Revenues	50,381		39,553	
Supply Chain / Other revenues	(7,867)		(5,258)	
Total	**42,514**	**18,671**	**34,295**	**15,802**
Payments and services				
Revenues	76,385		72,620	
Supply Chain / Other revenues	56,679		56,236	
Total	**133,064**	**49,535**	**128,856**	**44,108**
	777		**607**	
Total operating segment	**569,147**	**147,098**	**557,312**	**133,958**

	For the three months ended September 30,			
(in thousands of Euro)	2016		2015	
	Total revenues	EBITDA	Total revenues	EBITDA
Retail Gaming				
Revenues	61,692		65,829	
Supply Chain / Other revenues	44,997		44,317	
Total	**106,689**	**14,404**	**110,146**	**18,657**
Lottery				
Revenues	25,915		17,928	
Supply Chain / Other revenues	27		0	
Total	**25,942**	**13,546**	**17,928**	**7,644**
Online Gaming				
Revenues	16,328		12,813	
Supply Chain / Other revenues	(2,402)		(1,922)	
Total	**13,926**	**5,824**	**10,891**	**5,200**
Payments and services				
Revenues	25,023		24,882	
Supply Chain / Other revenues	18,508		18,645	
Total	**43,531**	**16,330**	**43,527**	**15,482**
Other revenues	**58**		**210**	
Total operating segment	**190,146**	**50,104**	**182,702**	**46,983**

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

	For the nine months ended September 30,		For the three months ended September 30,	
(In thousands of Euro)	**2016**	**2015**	**2016**	**2015**
Total operating segment	**147,098**	**133,958**	**50,104**	**46,983**
Non-recurring expenses	(522)	(1,479)	(55)	(296)
Items with different classification	(2,068)	(1,482)	(589)	(436)
Amortization of intangible assets	(35,615)	(42,065)	(12,285)	(14,388)
Depreciation of property, plant & equipment	(28,202)	(29,626)	(9,163)	(10,136)
Other impairment losses on fixed assets	0	(232)	0	(232)
Impairment losses on current receivables	(9,839)	(9,878)	(1,483)	(1,611)
Net operating profit (EBIT)	**70,852**	**49,196**	**26,529**	**19,884**

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, such as the FIFA Football World Cup, UEFA European Football Championship and the Olympics. As a result of the sport events' seasonality, 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, since lottery tickets sales typically decrease in the summer months, due to the summer vacation peak.

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)	**2016**	**2015**	**2016**	**2015**
Gaming revenues	332,752	329,347	115,547	107,094
Payments and other services	105,437	101,321	34,454	33,905
Points of sale revenues	59,477	57,362	19,841	19,413
Other revenues	4,029	3,366	779	1,419
Total	**501,695**	**491,396**	**170,621**	**161,831**

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)	**2016**	**2015**	**2016**	**2015**
Gaming machines revenues	238,746	250,282	82,298	82,249
NTNG revenues	43,511	29,693	17,201	9,460
Virtual Races	21,039	22,676	6,357	7,227
Online game revenues	23,135	18,320	7,917	5,812
Horse race betting revenues	5,933	7,249	1,699	2,065
Bingo revenues	0	651	0	172
Sports pools revenues	371	454	72	104
Big bets revenues	17	22	3	5
Total	**332,752**	**329,347**	**115,547**	**107,094**

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)	**2016**	**2015**	**2016**	**2015**
Fixed odds sports betting income	64,661	64,346	18,875	20,454
Fixed odds horse race betting income	929	105	257	13
Reference horse race betting income	259	377	88	108
Total	**65,849**	**64,828**	**19,220**	**20,575**

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)	**2016**	**2015**	**2016**	**2015**
Interest and other finance expenses - Group	33,043	31,007	11,261	10,604
Interest and other finance expenses - third parties	31,308	32,427	10,334	10,851
Exchange (gains) losses realised	(2)	36	(2)	1
Exchange (gains) losses unrealised	(1)	(2)	(1)	(1)
Total	**64,348**	**63,468**	**21,592**	**21,455**

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, 2016		
Opening net book amount as at January 1, 2016	103,837	141,359
Increases	14,612	6,835
Depreciation, amortisation and impairment	(28,202)	(35,615)
Disposals	(18)	0
Closing net book amount as at September 30, 2016	**90,229**	**112,579**

(in thousands of Euro)	PPE	Other intangible assets
Nine months ended September 30, 2015		
Opening net book amount as at January 1, 2015	120,565	185,561
Increases	16,554	8,223
Depreciation, amortisation and impairment	(29,858)	(42,065)
Disposals	(5)	0
Closing net book amount as at September 30, 2015	**107,256**	**151,719**

14. Goodwill

There were no movements in goodwill during the period

15. Restricted bank deposits

Restricted bank deposits include mainly the balances of the accounts for the payment of winnings, including the amounts deposited for the special winnings of the Vinci per la Vita – Win for Life games and for the so-called SuperStar Reserve Fund which comprises the difference between available prize money and winnings payables calculated for each single game, in addition to the bank balances of the online game players deposits.

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, 2016 and December 31 2015 are as follows:

(in thousands of Euro)	At September 30, 2016	At December 31, 2015
Bank and postal accounts	140,463	133,772
Cash and cash equivalents in hand	5,767	5,971
Total	**146,230**	**139,743**

17. Share capital

At September 30, 2016, share capital amounts to Euro 102,500 thousand, it is fully paid in and consists of 102,500,000 ordinary shares. Share capital is unchanged compared to December 31, 2015.

18. Borrowings and loans

The table sets forth an analysis of Borrowings and loans:

(in thousands of Euro)	At September 30, 2016	At December 31, 2015
Senior Credit Agreement	**410,144**	**414,810**

Senior Secured Notes	**272,753**	**276,224**
Loans from related parties	**429,766**	**410,885**
Loans from other banks	1,177	1,899
Payable to other lenders - leasing contracts	947	1,895
Other loans from third parties	**2,124**	**3,794**
Total	**1,114,787**	**1,105,713**
of which current	*684,435*	*54,246*
of which non-current	*430,352*	*1,051,467*

Movements in borrowings are analyzed as follows:

	Nine months ended September 30,	
(in thousands of Euro)	**2016**	**2015**
Opening amount as at January 1	**1,105,713**	**1,092,107**
New borrowings	0	1,900
Accrued interest and other expenses	17,063	16,250
Repayments of borrowings	7,989	9,301
Closing amount as at September 30	**1,114,787**	**1,100,956**

At September 30, 2016, the market price of the senior secured notes was Euro 276.7 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, 2016**	**increase**	**decrease**	**At September 30, 2016**
Sundry risks and charges provisions	12,067	1,677	(911)	12,833
Technological updating provision	392	452	0	844
Total	**12,459**	**2,129**	**(911)**	**13,677**

20. Related party transactions

With regard to transactions with the ultimate parent, Gaming Invest, at September 30, 2016 the Company has a loan payable totaling approximately Euro 429,766 thousand. The interest expense on the loan in the nine months ended September 30, 2016 amounted to Euro 33,043 thousand (Euro 31,007 thousand in the nine months ended September 30, 2015). Related party costs for services, amounting to Euro 2,277 thousand in the nine months ended September 30, 2016 (Euro 1,609 thousand in the nine months ended September 30, 2015) are mainly related to compensation for executives who are also company directors; salaries and employee severance indemnities of key management charged with strategic responsibilities, amounting to Euro 3,311 thousand in the nine months ended September 30, 2016 (Euro 2,662 thousand in the nine months ended September 30, 2015), are reported under Personnel costs.

21. Significant non-recurring events and transactions

During the nine months ended September 30, 2016, the Group recognized non-recurring expenses, amounting to Euro 522 thousand, mainly related to extraordinary corporate and financing transactions during the period. Some net non-recurring expenses, amounting to Euro 1,668 thousand, were recognized also during the nine months ended September 30, 2015, mainly due to restructuring costs accrual included in Personnel costs related to contact centers delocalization project.

22. Commitments

The Condensed Consolidated Interim Financial Statements do not include capital expenditure commitments for approximately Euro 7.1 million; such capital expenditure will be primarily financed by net cash generated from operating activities and residually through capital leasing financing or other long term financing under permitted financial indebtedness.

23. Significant events occurring after the end of period

In addition to what already mentioned about ongoing extraordinary transactions, there are no further significant developments to be reported under business and legal environment.