

# Bit Market Services

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as at December 31 2015

*Testo del comunicato*

PRESS RELEASE - SNAI Group Results as at December 31 2015

## Press Release

(pursuant to Art. 114 par. 5 of Legislative Decree 58/1998)

# SNAI Group – Results of operations as at December 31, 2015

## Main consolidated economic and financial data

- Revenues up by 19.8% to Euro 631.8 million from Euro 527.5 million in 2014 due to Cogemat Group consolidation
- EBITDA of Euro 85.5 million compared to Euro 105.9 million in 2014 (-19.2%)
- EBITDA Adjusted of Euro 90.2 million
- Net Consolidated Loss of Euro 54.2 million (26.1 million in 2014)
- Net Financial Position of Euro -467.6 million
- Successful progress of Cogemat Group integration. Approval of plan of merger by incorporation in SNAI of Cogemat Group related companies

Milan, 26th April 2016 – SNAI S.p.A.'s Board of Directors duly held today in Milan under Gabriele Del Torchio's chairmanship, approved the draft financial statements for the year ending 31 December 2015 and the consolidated financial statements for 2015 which report revenues of Euro 631.8 million, an EBITDA of Euro 85.5 million, an EBIT of Euro 13.6 million and net consolidated loss of Euro 54.2 Million.

Key Consolidated Income Statement	FY 2015	FY 2014	Diff. %
Revenues	631,8	527,5	19,8
EBITDA	85,5	105,9	(19,2)
EBITDA Adj	90,2	111,5	(19,1)
EBIT	13,6	34,9	(60,9)
Profit (loss) before taxes	(45,9)	(24,0)	(90,8)
Result pertaining to the Group	(54,2)	(26,1)	>100
Basic/diluted loss per share	(0,44)	(0,22)	(100,0)

*figures express in millions Euro*

The EBITDA corresponds to the "Earnings Before Interest, Tax, Depreciation and Amortisation" indicated in the comprehensive income statement, adjusted for non-recurring costs and revenues determined for operational purposes. The EBITDA Adj corresponds to the Current portion of the provision for doubtful debts. The EBIT refers to "Earnings before interest and taxes" indicated in the statement of comprehensive income. EBITDA, EBITDA Adj and EBIT are considered alternative performance indicators, but are not measures defined on the basis of International Financial Reporting Standards ("IFRS") and may, therefore, fail to take into account the requisites imposed under IFRS in terms of determination, valuation and presentation. We are of the view that EBITDA, EBITDA Adj and EBIT are helpful to explain changes in operating performance and provide useful information on the capacity to manage indebtedness and are commonly used by analysts and investors in the gaming sector as performance indicators. EBITDA, EBITDA Adj and EBIT must not be considered alternative to cash flows as a measure of liquidity. As defined, EBITDA, EBITDA Adj and EBIT may not be comparable with the same indicators used by other companies.

In 2015 there have been three important corporate transactions which have significantly changed the perimeter of consolidation for SNAI Group:

- acquisition of Cogemat Group, consolidated from November;
- acquisition of Finscom S.r.l. in April which allowed the reopening of 8 shops;
- rental of SIS S.r.l. business unit including 55 shops reopened in the second half of 2015.

In addition to the above-mentioned corporate transactions, the following key events occurred in 2015:

- positive settlement for Euro 27.5 million of the Barcrest Group Limited transaction;
- Euro 500 million tax enforcement on Gaming Machines business introduced with 2015 Budget Law which produced a negative impact on the Group Consolidated EBITDA of Euro 7 million;
- payout on Sports Betting was extremely high at 82.2% (compared to 79% of 2014) although better than the market average;
- forced shut down of 55 SIS shops during the first eight months of 2015 negatively affected total wagers collected on



- Sports Betting, Horserace Betting and Virtual Events;  
 • significantly increase of Sports Betting wagers collected through the Online channel.

#### Comments on wagers and revenues

Revenues from sales and services raised by 14% in 2015 to Euro 599.3 million from Euro 525.6 million in 2014. Such increase was mainly ascribable to the enlarged corporate structure following the acquisition of Cogemat Group whose revenues were consolidated in the Income Statements from November by Euro 83.7 million. Revenues net of any Cogemat Group consolidation effect were down by Euro 10 million.

The Other Revenues item increased from Euro 1.9 million in 2014 to Euro 32.5 million in 2015 due to the positive settlement of the Barcrest Group Limited transaction for Euro 27.5 million.

In order to allow a better understanding of business results achieved in 2015, herein below has been produced a table summarising revenues collected by each business unit, including Cogemat contribution over the last two months of 2015.

*Euro million*

Business	2015	o/w 2015 Cogemat	2014	%
AWPs	267,6	55,9	184,7	44,9%
VLTs	119,9	23,5	93,8	27,9%
<b>Gaming Machines</b>	<b>387,6</b>	<b>79,3</b>	<b>278,5</b>	<b>39,2%</b>
Sport Betting (Retail channel)	82,2	2,3	108,4	-24,2%
Sport Betting (Online channel)	18,6	0,2	19,1	-2,5%
Horse Betting	19,8	0,1	23,5	-15,7%
Virtual Events	36,6	0,8	44,2	-17,2%
<b>Betting</b>	<b>157,2</b>	<b>3,3</b>	<b>195,3</b>	<b>-19,5%</b>
<b>Online Games (Skills, Casinò, Bingo)</b>	<b>19,0</b>	<b>0,2</b>	<b>19,8</b>	<b>-4,4%</b>
<b>Other (provider, paymat, television services, horse races)</b>	<b>35,5</b>	<b>0,9</b>	<b>32,0</b>	<b>11,0%</b>
<b>SNAI Group</b>	<b>599,3</b>	<b>83,8</b>	<b>525,6</b>	<b>14,0%</b>

Revenues generated by Gaming Machines business grew to Euro 387.6 million. Positive performance for AWP was mainly due to a higher number of active AWP machines and a higher average coin per machine, while VLTs performance was largely attributable to certain rationalisation activities which affected the sales network through the reallocation of selected terminals to more performing premises. By year-end SNAI Group managed 63,548 AWP and 9,911 VLTs. Following Cogemat integration, it is worth mentioning that SNAI Group is now able to offer the most comprehensive VLT games portfolio currently existing the Italian market through 5 different games providers.

Revenues produced by Sports Betting business through Retail channel were down by 24.2% to Euro 82.2 million as a direct consequence of an extremely high payout level (82.2% versus a 79% recorded in 2014) and the prolonged shut down of SIS shops. By year-end SNAI Group has 1,569 Point of Sales (PoS including shops and corners).

Revenues collected by Sports Betting business through Online channel were Euro 19 million almost in line with last year figure.

Revenues from Horserace Betting business (Ippica Nazionale and Ippica a totalizzatore) decreased as well to Euro 23.5 million from Euro 19.8 million in 2014.

Revenues from Virtual Events business were down to Euro 36.6 million from Euro 44.2 million in 2014, mainly due to the prolonged shut down of SIS shops and the entrance of new competitors in the market segment.

#### Comments on margins, results and NFP

The Group EBITDA for 2015 was down to Euro 85.5 million compared to Euro 105.9 million in 2014. Such margin compression was mainly ascribable to the above-mentioned unfavourable higher payout recorded on Sports Betting, the additional tax enforcement introduced with 2015 Budget Law (negative impact of Euro 12 million on a proforma basis) and the prolonged shut down of SIS shops in the first half of 2015. Furthermore, it is worth mentioning how the higher payout over the last two years (+3.2%) determined a negative impact on EBITDA over Euro 20 million.

Non-recurring costs settled at Euro 9.6 million compared to Euro 12.2 million from previous year. In addition, there is also the Other Revenues item of Euro 27.5 million related to the Barcrest transaction above-mentioned.

Group EBIT for 2015 of Euro 13.6 million compared to 34.9 million from previous year.



Net Consolidated Loss for SNAI Group was Euro 54.2 million compared Euro 26 million from last year. In addition to the above-mentioned factors (Sports Betting payout, 2015 Budget Law tax enforcement, shut down of SIS shops and positive settlement of Barcrest transaction) other non-recurring events contributed to the worsening of SNAI Group results including: (i) depreciations recognised by Impairment testing associated to SNAI Rete Italia and Finscom participations as at 31st December 2015 (negative impact of Euro 11.2 million); (ii) alignment of deferred tax assets to the new IRES rate set at 24% from 2017 (negative impact of Euro 5.5 million); (iii) depreciation of Euro 7.1 million of nonrecurring receivables (mainly associated to SIS transaction) and non-recurring provisions for potential litigations (Euro 9 million).

As of 31st December 2015, the net financial indebtedness of SNAI Group was Euro 467.6 million compared to Euro 419.1 million for 2014. The increase of Euro 48.5 million is mainly attributable to the Cogemat Group integration. It is worth mentioning the issuance of new a Senior Secured bond last July with notional amount of Euro 110 million whose proceeds were committed to the early repayment of Cogemat and related companies outstanding debts.

#### Results of SNAI S.p.A.

The parent company SNAI S.p.A. generated revenues of Euro 530.2 million, up 3.4% compared to Euro 513 million in 2014. EBITDA was Euro 81.2 million (Euro 104.1 million in 2014), while EBIT was a positive for Euro 32.5 million (negative for Euro 35.1 million in 2014). The loss for 2015 was Euro 48 million (versus Euro -27.9 million in 2014) and essentially due to the above-mentioned reasons. The net financial indebtedness of SNAI S.p.A. as at 31 December 2015 was Euro 523.9 million, compared to Euro 423.1 million at the end of 2014. The increase of Euro 100.8 million is mainly due to the above-mentioned bond issuance for a notional amount of Euro 110 million.

#### Integration with Cogemat Group

The first quarter of 2016 saw important progress in the activities related to the integration of SNAI and Cogemat Group. Based on current Directors assessment, expectation on integration closing should be by early 2017 with important savings achievable on operating costs in the region of Euro 18 million.

The Board of Directors of SNAI, assessing positively all the activities implemented by the SNAI Group in relation to such integration from an organisational, commercial and technological perspective, has approved today the plan of merger by incorporation in SNAI of Cogemat, Cogetech, CGT Gaming and Azzurro. The press release pertinent to such merger has been published with a separate statement.

#### 1Q 2016 wagers collected

Total wagers collected by SNAI Group amounted to Euro 2,769 million, up by 8.4% compared to 1Q 2015. Such growth has been registered across all business units with particularly positive performance on the Sports Betting through both Online channel (+52.7%) and Retail channel (+14.5%).

*The director in charge of the preparation of the corporate accounting documents, Mr. Marco Codella, declares, pursuant to paragraph 2 Art. 154-bis of the Finance Act, that the accounting information contained in this press release corresponds to documented results, the bookkeeping and accounting records.*

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**All press releases issued by SNAI S.p.A. pursuant to article 114 of Legislative Decree no. 58 of 24 February 1998 and the related implementation regulations are also available on the company's web site, [www.snai.it](http://www.snai.it) and on the website [www.1info.it](http://www.1info.it), operated by Computershare S.p.A. located in Milan and authorised by CONSOB with its resolution no. 18852 of 9 April 2014.**

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Pursuant to the requirements of Consob communication ref. 10084105 of 13 October 2010, we report below the information concerning the SNAI companies and Group.

**a) Net financial position of the Company and SNAI Group**

	SNAI GROUP		SNAI SPA	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
a) Liquidity	109,072	68,630	53,979	66,922
b) Current financial receivables	0	0	9,264	2,615
c) Current bank debts	(71)	(40)	(66)	(40)
d) Current portion of long-term indebtedness	0	(19,552)	0	(19,552)
e) Current financial payables	(3,493)	(3,331)	(13,973)	(8,263)
<b>Net current financial indebtedness</b>	<b>105,508</b>	<b>45,707</b>	<b>49,204</b>	<b>41,682</b>
f) Non-current bank debts	0	0	0	0
g) Bonds issued	(573,030)	(463,561)	(573,030)	(463,561)
f) Other non-current financial receivables/payables	(71)	(1,208)	(39)	(1,208)
<b>Total net financial indebtedness</b>	<b>(467,593)</b>	<b>(419,062)</b>	<b>(523,865)</b>	<b>(423,087)</b>

*figures expressed in thousands of Euro*

The Group Net financial position does not include (i) trapped cash accounts for Euro 19,853 thousand included in the "Current Financial Assets" of the Consolidated Balance sheet (ii) current account for Euro 95 thousand and other non-recurring financial assets for Euro 1,733 thousand.

SNAI S.p.A. Net financial position does not include (i) trapped cash account for Euro 19,853 thousand included in the "Current Financial Assets" of the Consolidated Balance sheet (ii) other non-current financial assets for Euro 112,511 thousand.

**b) Overdue accounts payable of the SNAI Group**

Current liabilities	Balance as at 31.12.2015 of which due on 31.12.2015	
Financial payables	3,564	-
Trade payables	42,365	9,119
Tax payables	12,124	-
Payables to social security institutions	3,436	-
Other payables	166,130	-
	<b>227,619</b>	<b>9,119</b>

*figures expressed in thousands of Euro*

The amounts due as of 31 December 2015 equal to Euro 9,119 thousand and relate to the usual business run with suppliers of products and services; such amounts were mainly paid after 31 December 2015. In certain circumstances, a new payment date has been agreed. To the present date, no single supplier has started litigations or similar actions.

**c) Related Parties**

The Consob Notice 6064293 of 28 July 2006 requires that, in addition to the disclosures required by IAS (International Accounting Standard) 24: "Related Party Disclosures", disclosures are provided in relation to any transaction or position held with related parties, following IAS 24 classification, which may affect incomes, net worth and financial position.

The table herein below reports a summary of all such transactions and positions. The impact of any transaction on the income statement and cash flows of the Company and/or the Group must be analysed bearing in mind that the principal dealings with related parties are entirely identical to equivalent contracts in place with third parties.



Certain companies of SNAI Group held bank accounts with Banca MPS, Intesa San Paolo, Poste Italiane, Banca CR Firenze S.p.A., Unicredit S.p.A. and Banco Popolare Società Cooperativa which may be also considered related parties given the equity interest of certain SNAI shareholders in the share capital of such banks.

Such transactions were held in the course of regular business, in the only interest of the Group and were settled at market prices and conditions.

Furthermore, it should be noted that in 2015 there has been an increase in the shareholding capital by Euro 140 million (including notional and premium price) with the new issuance of 71,602,410 SNAI ordinary shares versus delivery of 100% participation in Cogemat S.p.A. share capital.

It is also highlighted here how such transaction falls under the Related Parties Transactions given that (i) SNAI is a subsidiary of Global Games which is then subsequently participated at 50% by Investindustrial IV L.P. through Global Entertainment S.A. and (ii) Cogemat is participated at 72.22% by Ol-Games 2 S.A. which is then subsequently participated at 50% by Investindustrial IV L.P. through Global Entertainment S.A..

Furthermore, on the basis of positive feedback from the Committee on Related Parties Transaction, the Board of Directors of SNAI S.p.A. has approved the issuance of the Senior Secured Bond along with underwriting of the agreement.

It should be noted that the Senior Secured Notes and the Senior Revolving Facility are also backed by a pledge on SNAI shares, issued by a majority shareholder of the Company. Such security agreement between SNAI S.p.A. and the majority shareholder was submitted to the favourable binding opinion by the SNAI Related Party Committee.

The following table sets forth a summary of dealings between the SNAI group and related parties.

thousands of Euro	31.12.2015	% impact	31.12.2014	% impact
<b>Other current assets:</b>				
- from Alfea S.p.A.	0	0.00%	0	0.00%
<b>Total assets</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0.00%</b>
<b>Trade payables:</b>				
- to companies related to directors of SNAI S.p.A.	30	0.07%	15	0.05%
- to Connex S.r.l. in liquidation	0	0.00%	186	0.57%
	<b>30</b>	<b>0.07%</b>	<b>201</b>	<b>0.62%</b>
<b>Other current liabilities:</b>				
- to directors of Teleippica S.r.l.	0	0.00%	1	0.00%
- to Tesco S.r.l. in liquidation	383	0.21%	483	0.53%
	<b>384</b>	<b>0.21%</b>	<b>484</b>	<b>0.53%</b>
<b>Total Liabilities</b>	<b>413</b>	<b>0.05%</b>	<b>685</b>	<b>0.10%</b>

The following table shows the items vis-à-vis related parties having an impact on the income statement:

thousands of Euro	FY 2015	% impact	FY 2014	% impact
<b>Revenues from services and chargebacks:</b>				
- from companies related to directors of SNAI S.p.A.	5	0.00%	1	0.00%
	<b>5</b>	<b>0.00%</b>	<b>1</b>	<b>0.00%</b>
<b>Other revenues</b>				
- from companies related to directors of SNAI S.p.A.	0	0.00%	1	0.05%
- from Global Games S.p.A.	5	0.02%	6	0.31%
- from companies related to directors of Finscom S.r.l.	1	0.00%	0	0.00%
	<b>6</b>	<b>0.02%</b>	<b>7</b>	<b>0.36%</b>
<b>Total revenues</b>	<b>11</b>	<b>0.00%</b>	<b>8</b>	<b>0.00%</b>
<b>Costs for services and chargebacks:</b>				
- from companies related to directors of SNAI S.p.A.	10	0.00%	3	0.00%
- from companies related to shareholders of SNAI S.p.A.	0	0.00%	1	0.00%
- from companies related to statutory auditors of SNAI S.p.A.	1	0.00%	0	0.00%
- from directors di Teleippica S.r.l.	87	0.02%	88	0.02%
- from directors of Finscom S.r.l.	24	0.01%	0	0.00%
- from directors and companies associated with Finscom S.r.l.	95	0.02%	0	0.00%
- from statutory auditors of Cogetech Gaming S.r.l.	6	0.00%	0	0.00%
- from Connex S.r.l. in liquidation	-	0.00%	600	0.17%
	<b>223</b>	<b>0.05%</b>	<b>692</b>	<b>0.19%</b>
<b>Staff costs:</b>				
- from companies related to directors of SNAI parent companies	1	0.00%	0	0.0%
<b>Other operating costs:</b>				
- from companies related to directors of SNAI S.p.A.	12	0.02%	13	0.03%
- from Connex S.r.l. in liquidation	0	0.00%	2	0.00%
	<b>12</b>	<b>0.02%</b>	<b>15</b>	<b>0.03%</b>
<b>Total costs</b>	<b>236</b>	<b>0.04%</b>	<b>707</b>	<b>0.16%</b>

Revenues from services and chargebacks and other income impacted the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) by 0.01% in 2015 (vs. 0.01% in 2014) while total revenues affected 2015 Profit (Loss) by 0.02% (vs. 0.03% in 2014).

Costs for raw materials and consumables, services and charge backs and other operating costs affected the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) by 0.25% in 2015 (vs. 0.74% in 2014) while total costs affected 2015 Profit (loss) by 0.44% (vs. 2.65% in 2014).

**Parent company SNAI S.p.A.**

The following table contains a summary of transactions between the parent company SNAI S.p.A. and related parties:

thousands of Euro	31.12.2015	% impact	31.12.2014	% impact
<b>Trade receivables:</b>				
- from Società Trenno S.r.l.	178	0.30%	218	0.46%
- from Finscom S.r.l. in liquidation	106	0.18%	0	0.00%
- from Snai Rete Italia S.r.l.	849	1.44%	0	0.00%
- from Festa S.r.l.	0	0.00%	2	0.00%
- from Teleippica S.r.l.	66	0.11%	70	0.15%
<b>Total trade receivables</b>	<b>1,199</b>	<b>2.03%</b>	<b>290</b>	<b>0.61%</b>
<b>Other current assets:</b>				
- from Società Trenno S.r.l.	62	0.20%	65	0.25%
- from Festa S.r.l.	0	0.00%	1,197	4.52%
- from Immobiliare Valcarenga S.r.l.	0	0.00%	86	0.32%
- from Teleippica S.r.l.	1,955	6.37%	1,468	5.54%
- from Alfea S.p.A.	0	0.00%	1	0.00%
<b>Total other current assets</b>	<b>2,017</b>	<b>6.57%</b>	<b>2,817</b>	<b>10.63%</b>
<b>Current Financial receivables:</b>				
- from Società Trenno S.r.l.	5,940	20.40%	2,614	11.73%
- from Snai Rete Italia S.r.l.	2,949	10.13%	0	0.00%
- from Cogetech S.p.A.	375	1.29%	0	0.00%
<b>Total current financial receivables</b>	<b>9,264</b>	<b>31.82%</b>	<b>2,614</b>	<b>11.73%</b>
<b>Non-current Financial receivables:</b>				
- from Cogetech S.p.A.	110,738	98.42%	0	0.00%
<b>Total non-current financial receivables</b>	<b>110,738</b>	<b>98.42%</b>	<b>0</b>	<b>0.00%</b>
<b>Total assets</b>	<b>123,218</b>	<b>12.95%</b>	<b>5,721</b>	<b>0.78%</b>
<b>Trade payables:</b>				
- to companies related to directors	30	0.11%	15	0.05%
- to Società Trenno S.r.l.	182	0.70%	141	0.48%
- to Finscom S.r.l. in liquidation	8	0.03%	0	0.00%
- to Snai Rete Italia S.r.l.	16	0.06%	0	0.00%
- to Festa S.r.l.	0	0.00%	3	0.01%
- to Teleippica S.r.l.	333	1.28%	330	1.11%
- to Connex S.r.l.	0	0.00%	183	0.62%
- to Cogetech S.p.A.	20	0.08%	0	0.00%
<b>Total trade payables</b>	<b>589</b>	<b>2.26%</b>	<b>672</b>	<b>2.27%</b>
<b>Other current liabilities</b>				
- to Società Trenno S.r.l.	6,747	6.18%	5,722	6.06%
- to Snai Rete Italia S.r.l.	1,195	1.10%	0	0.00%
- to Festa S.r.l.	0	0.00%	547	0.58%
- to Teseo S.r.l. in liquidation	383	0.35%	483	0.51%
<b>Total other current liabilities</b>	<b>8,325</b>	<b>7.63%</b>	<b>6,752</b>	<b>7.15%</b>
<b>Current financial payables:</b>				
- to Festa S.r.l.	0	0.00%	3,066	11.01%
- to Immobiliare Valcarenga S.r.l.	0	0.00%	255	0.92%
- to Teleippica S.r.l.	10,504	74.82%	1,612	5.79%
<b>Total current financial payables</b>	<b>10,504</b>	<b>74.82%</b>	<b>4,933</b>	<b>17.72%</b>
<b>Total liabilities</b>	<b>19,418</b>	<b>2.40%</b>	<b>12,357</b>	<b>1.79%</b>



The following table shows the items vis-à-vis related parties having an impact on the income statement:

thousands of Euro	FY 2015	% impact	FY 2014	% impact
<b>Revenues from services and chargebacks:</b>				
- from companies related to directors	5	0.00%	1	0.00%
- from Società Trenno S.r.l.	235	0.05%	221	0.04%
- from Snai Rete Italia S.r.l.	42	0.01%	0	0.00%
- from Finscom S.r.l. in liquidation	8	0.00%	0	0.00%
<b>Total revenues from services and chargebacks</b>	<b>290</b>	<b>0.06%</b>	<b>222</b>	<b>0.04%</b>
<b>Other revenues</b>				
- from companies related to directors	0	0.00%	1	0.04%
- from Global Games S.p.A.	5	0.02%	6	0.24%
- from Società Trenno S.r.l.	566	1.71%	469	18.92%
- from SNAI Rete Italia S.r.l.	19	0.06%	0	0.00%
- from Festa S.r.l.	0	0.00%	116	4.68%
- from Immobiliare Valcarenga S.r.l.	0	0.00%	12	0.48%
- from Teleippica S.r.l.	571	1.74%	514	20.73%
<b>Total other revenues</b>	<b>1,161</b>	<b>3.54%</b>	<b>1,118</b>	<b>45.09%</b>
<b>Interest income:</b>				
- from Società Trenno S.r.l.	401	13.88%	277	12.18%
- from Snai Rete Italia S.r.l.	309	10.70%	0	0.00%
- from Teleippica S.r.l.	2	0.07%	266	11.70%
- from Cogotech S.p.A.	1,009	34.93%	0	0.00%
<b>Total interest income</b>	<b>1,721</b>	<b>59.58%</b>	<b>543</b>	<b>23.88%</b>
<b>Total revenues</b>	<b>3,172</b>	<b>0.60%</b>	<b>1,883</b>	<b>0.37%</b>
<b>Costs for services and chargebacks:</b>				
- from companies related to directors	10	0.00%	3	0.00%
- from Società Trenno S.r.l.	510	0.14%	394	0.11%
- from Finscom S.r.l. in liquidation	975	0.27%	0	0.00%
- from Snai Rete Italia S.r.l.	3,062	0.85%	0	0.00%
- from Festa S.r.l.	0	0.00%	5,425	1.53%
- from Teleippica S.r.l.	3,015	0.83%	3,019	0.85%
- from Cogotech S.p.A.	2	0.00%	0	0.00%
- from Connex S.r.l.	0	0.00%	600	0.17%
- from companies related to statutory auditors	1	0.00%	0	0.00%
- from companies related to shareholders	0	0.00%	1	0.00%
<b>Total costs for services and chargebacks</b>	<b>7,575</b>	<b>2.09%</b>	<b>9,442</b>	<b>2.66%</b>
<b>Costs of seconded personnel</b>				
- from companies related to directors of parent companies	1	0.00%	0	0.00%
- from Cogotech S.p.A.	19	0.06%	0	0.00%
- from Snai Rete Italia S.r.l.	5	0.02%	0	0.00%
- from Festa S.r.l.	0	0.00%	47	0.18%
<b>Total costs of seconded personnel</b>	<b>25</b>	<b>0.08%</b>	<b>47</b>	<b>0.18%</b>
<b>Other operating costs</b>				
- from companies related to directors	12	0.03%	13	0.03%
- from Finscom S.r.l. in liquidation	(29)	-0.07%	0	0.00%
- from Snai Rete Italia S.r.l.	(68)	-0.15%	0	0.00%
- from Società Trenno S.r.l.	(2)	0.00%	4	0.01%
<b>Total other operating costs</b>	<b>(87)</b>	<b>-0.19%</b>	<b>17</b>	<b>0.04%</b>
<b>Interest expense and fees</b>				
Interest expense to Festa S.r.l.	0	0.00%	139	0.23%
Interest expense to Immobiliare Valcarenga S.r.l.	0	0.00%	17	0.03%
Interest expense to Teleippica S.r.l.	443	0.74%	15	0.02%
<b>Total interest expense and fees</b>	<b>443</b>	<b>0.74%</b>	<b>171</b>	<b>0.28%</b>
<b>Total costs</b>	<b>7,956</b>	<b>1.60%</b>	<b>9,677</b>	<b>2.01%</b>



Revenues from services and chargebacks and other income impacted the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) by 1.5% in 2015 (vs. 1.452% in 2014) whereas total revenues impacted the Profit (Loss) by 6.6% in 2015 (vs. 6.75% in 2014)

Costs for services and chargebacks, costs of seconded personnel and other operating costs impacted the EBITDA by 7.9% in 2015 (vs. 10.3% in 2014) while total costs impacted the Profit (loss) by 16.6% in 2015 (vs. 34.7% in 2014).

#### **d) Progress of the debt restructuring plan and of Group development plans**

The economical and financial healthiness of the SNAI Group has been affected by: (i) negative results partially due to exogenous events (including the non-recurring revenues of Euro 26.4 million from Barcrest transaction) and to significantly high level of depreciations and financial expenses; (ii) relevant value of intangible assets in a context of reduced net worth due to cumulative losses from previous years; (iii) important level of indebtedness with limited capability to reduce it due to large cash flows absorption from business and financial expenses.

With reference to the financial statement as at 31<sup>st</sup> December 2015, the Directors highlighted the Group loss of Euro 54.2 million which includes also Euro 23.8 million of positive effects from non-recurring cost and revenues (as required by Consob) and mainly attributable to the Barcrest transaction. The net financial indebtedness amounts to Euro 467.6 million and is mainly represented by corporate bonds issued and fully subscribed on 4<sup>th</sup> December 2013 (Euro 320 million and 160 million) and on 28<sup>th</sup> July 2015 (Euro 110 million) all due in 2018.

The Directors also took notice that 2015 results were lower than last year result and budget notwithstanding the positive effects of the Barcrest transaction. Main differences from budget relied on: (i) lower than expected revenues and margins from Sports Betting business due to higher payout fixed at 82.2%; (ii) lower wagers linked to the temporary shut down of several shops (connected to Finscom and SIS); (iii) lower revenues and margins from Virtual Events and Horserace Betting partially affected by the above-mentioned shops shut down issues.

Furthermore, the Directors have noted the positive effects of the Cogemat Group integration (19<sup>th</sup> November 2015) on the increased shareholding capital and net assets respectively by Euro 37.2 million and Euro 140 million; as a direct consequence of such integration net assets as at 31<sup>st</sup> December 2015 totalled Euro 135.6 million compared to Euro 48.1 million from 2014. From an economic perspective, the integration had limited effect on 2015 income statement since the Cogemat Group contributed over the last two months only.

Regardless the impact on net asset and indebtedness level, the Directors empathise the combined effect of corporate transactions implemented in 2015 (Cogemat, SIS and Finscom) on the new perimeter of SNAI Group which is now qualified by:

- more extensive and deeper sales network (63 new proprietary Point of Sales spread all over the country);
- higher market share in the Gaming Machine business (ranked second national player with market share over 15%);
- improved balance of revenues and contributions between betting and Gaming Machines businesses;
- lower exposure of the EBITDA to adverse changes of fixed-odd betting payout.

Notwithstanding such elements related to an improved performance and payout risk reduction, there are still uncertainties linked to future events and specific characteristics of reference markets which may adversely affect margins and future refinancing capabilities of the Group.

As such, the perspective of SNAI Group going-concern is subordinated to the following events:

- renewal of the concessions due on 30<sup>th</sup> June 2016 related to Betting. SNAI objective is to renew its betting concessions given their contribution to the overall business; based on current available information on betting tender offer regulated by the 2016 Budget Law, SNAI truly believes the Group to be liquid enough in order to grant renewal of concessions associated with strategic Point of Sales and the full renewal of all actual concessions.

In 2015 ADM notified SNAI in relation to the breach of certain ratios required by the concession agreements. Concessionaries are indeed required to comply with specific levels of solvency ratios whereas any breach event occurred for a prolonged time may result in the withdrawal of concessions. Directors truly believe there are currently no real breach risks which may determine concession withdrawals, based on several factors including (i) the most relevant ratio (net indebtedness level over net assets) is within the limit as at 31<sup>st</sup> December 2015 (ii) favourable legal opinion ponders high unlikely any withdrawal scenario (iii) written confirmation by ADM confirming the monitoring nature of its early notifications to SNAI.

- SNAI Group capability to produce profits and adequate cash flows. Directors believe that Consolidated SNAI business plan (approved on 12<sup>th</sup> March 2015) has no longer updated and reliable forecast given the integration



with Cogemat Group and the new macro and regulatory framework. Directors are currently working on a new Consolidated business plan. Directors have produced and approved on 21<sup>st</sup> April 2016 the key guidelines for business in 2016-2019 ("Business Guidelines for 2016-2019") which have been adopted to perform valuations of the 2015 balance sheet. The New Business Plan would be finalised as soon as the effects of the Cogemat integration materialise and the new macro and regulatory framework on gaming and betting would be further clarified.

Given the Business Guidelines for 2016-2019, SNAI Group believes to generate in the coming future an increase of total wagers (and subsequent revenues and margins) based on several initiatives which includes also the increase of Online offering and the broadening of games portfolio for Virtual Events. In such new context the performance should also benefit from potential improvement of payout on Sports Betting due to the combined effects expected from new management agreements which will be soon negotiated with the sales network; furthermore, the new par. 944 and 945 of 2016 Budget Law changed the betting taxable income from wagers to margins which allow concessionaries to partially mitigate any adverse risk payout fluctuation. On such basis, the uncertainties related to the business performance should be partially reduced due to the new taxable income regime and the new composition of the Group product offering where the Gaming Machines business has an increased weight.

In addition to such factors, further benefits are expected from the reduction of operating costs and rationalisation of investments related to Cogemat Group along with increased wagers in the future following the reopening of 63 SIS/Finscom Point of Sales. Finally, the combined effects introduced by 2016 Budget Law on the industry should have a minimum impact on SNAI Group margins in the first months of 2016 and almost zero for the rest of the year, given the offsetting effects produced by the payout reduction on AWP's.

- Group capability to repay outstanding financial debts on due date or to refinance its current debts. On the basis of all the arguments provided earlier, SNAI Group believes to be fully able to deliver improved economic results over time which should also produce enough cash flows to support new investments of current business and eventually repay outstanding financial instruments either by refinancing or through new issuance (with characteristics similar or better than the existing ones). However, given the current level of financial indebtedness of SNAI Group, the negative results of previous years and the unpredictability of reference markets, it must be also noted that some of the following events may undermine the current Group going-concern (assuming no new capital injections and/or funding): missed renewal of a large portion of current concessions and/or prolonged generations of losses and inadequate cash flows and/or missed repayment of outstanding debts at due date or any refinancing inability.

On the basis of all the above considerations, Directors consider fully achievable all the objectives embedded in the Business Guidelines for 2016-2019 with limited room for any doubts given the new enlarged Group corporate structure and the increased contribution of Gaming Machines to the overall business.

Finally, Directors also believe the Group to be fully entitled and capable to continue running its business in the foreseeable future, notwithstanding the uncertain framework, and have produced a going-concern balance sheet.

Directors however acknowledge the need to constantly monitor results such that it may be promptly identified any negative event which may affect business performance, current and future results and broadly the economic, net worth and financial balance.

#### **e) Financial covenants**

The current outstanding Loan Agreements (revolving credit line and bond loans), in line with market practice, includes several obligations for the Group.

Such agreements, in accordance with similar transactions, require the Company to comply with specific commitments aimed at safeguarding the credit position of financing entities. Among these provisions there is the prohibition to distribute dividends before bonds maturity, the restrictions on early repayment of bonds, restrictions on new financial debts and restrictions on making specific investments and disposals of corporate assets and properties. In addition, there are also events of default which may trigger the early repayment.

SNAI S.p.A. has also agreed to comply with certain financial indicators following the agreements signed with Unicredit S.p.A., Banca IMI S.p.A, Deutsche Bank S.p.A. and JP Morgan Chase Bank N.A. – Milan Branch in relation to a Senior Revolving loan facility totalling Euro 55 million.



In particular, we refer to the requirement to maintain a minimum level of "Consolidated Pro-Forma EBITDA" whereas "Consolidated Pro-Forma EBITDA", as defined in the loan agreement, indicates the consolidated earnings before interest, taxation, amortisation, depreciation and all extraordinary and non-recurring items.

SNAI S.p.A. is also obliged to provide its financial lenders with periodic information on cash flows, incomes and key performance indicators which includes, among other things, also EBITDA and net financial position.

At 31<sup>st</sup> December 2015 the Group was fully compliant with all the above mentioned commitments and covenants.

**f) Progress of the business plan**

All the above-mentioned activities connected to the integration of Cogemat Group with SNAI Group and to the rationalisation of SIS and Finscom sales network would require the new Business Plan to take into account both potential revenues increase and operating efficiencies and synergies from the new group.

Given also the recent regulatory changes, the previous Business Plan is considered no longer updated and reliable.

The Business Plan, which will be finalised later in 2016, would be developed on the Business Guidelines for 2016-2019 previously mentioned along with the following additional important considerations:

- i. timing, cost and outcome of the betting tender offer;
- ii. savings results from the integration of SNAI-Cogemat, including current discussion with labour unions;
- iii. rationalisation of SIS and Finscom sales network.

**Annexes:**

- **SNAI Group:**
  - Consolidated Comprehensive Income Statement for 2015
  - Consolidated Balance Sheet as at 31 December 2015
  - Consolidated Cash Flow Statement as at 31 December 2015
- **SNAI S.p.A.:**
  - Comprehensive Income Statement for 2015
  - Balance Sheet as at 31 December 2015
  - Cash Flow Statement as at 31 December 2015

## SNAI Group - Consolidated Statement of Comprehensive Income

amounts in thousands of Euro	FY	
	2015	2014
Revenues from sales and services	599,263	525,551
Other revenue and income	32,546	1,930
Change in inventory of finished and semi-finished products	(16)	0
Raw materials and consumables	(518)	(917)
Costs for services and use of third party assets	(439,594)	(357,873)
Costs of personnel	(45,110)	(35,969)
Other operating costs	(52,802)	(40,610)
Capitalised internal construction costs	1,392	1,539
<b>Earnings before interest, tax, depreciation and amortisation</b>	<b>95,161</b>	<b>93,651</b>
Amortisation, depreciation and write-downs	(70,249)	(58,669)
Other provisions	(11,271)	(72)
<b>Earnings before financial income/expenses and taxes</b>	<b>13,641</b>	<b>34,910</b>
Gains and expenses from shareholdings	135	(548)
Financial income	1,192	1,742
Financial expenses	(60,827)	(60,138)
<b>Total financial income and expenses</b>	<b>(59,500)</b>	<b>(58,944)</b>
<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>(45,859)</b>	<b>(24,034)</b>
Income tax	(8,372)	(2,048)
<b>Profit (loss) for the year</b>	<b>(54,231)</b>	<b>(26,082)</b>
(Loss)/profit from re-measurement on defined benefit plans after taxes	(129)	(288)
<b>Total other comprehensive income which will not be restated under profit/(loss) for the year after taxes</b>	<b>(129)</b>	<b>(288)</b>
Net (loss)/profit from derivatives as cash flow hedges	2,124	2,124
Net (loss)/profit from AFS Financial Asset	(100)	0
<b>Total other comprehensive income which will be restated under profit/(loss) for the year after taxes</b>	<b>2,024</b>	<b>2,124</b>
<b>Total profit/(loss) in comprehensive income statement, after taxes</b>	<b>1,895</b>	<b>1,836</b>
<b>Total profit (loss) for the year</b>	<b>(52,336)</b>	<b>(24,246)</b>
<i>Attributable to:</i>		
Profit (loss) for the year pertaining to the Group	(54,231)	(26,082)
Profit (loss) for the year pertaining to Minority interests	0	0
Total profit (loss) for the year pertaining to the Group	(52,336)	(24,246)
Total profit (loss) for the year pertaining to Minority interests	0	0
Basic earnings (loss) per share in Euro	(0.44)	(0.22)
Diluted earnings (loss) per share in Euro	(0.44)	(0.22)

SNAI Group - Consolidated balance sheet

amounts in thousands of Euro	31.12.2015	31.12.2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment owned	144.207	140.142
Assets held under financial lease	2.936	3.782
<b>Total property, plant and equipment</b>	<b>147.143</b>	<b>143.924</b>
Goodwill	306.203	231.531
Other intangible assets	166.057	102.857
<b>Total intangible assets</b>	<b>472.260</b>	<b>334.388</b>
Shareholdings measured using the equity method	2.490	2.318
Shareholdings in other companies	50	46
<b>Total shareholdings</b>	<b>2.540</b>	<b>2.364</b>
Deferred tax assets	100.160	80.004
Other non-financial assets	3.304	1.967
Financial assets	1.773	1.244
<b>Total non-current assets</b>	<b>727.180</b>	<b>563.891</b>
<b>Current assets</b>		
	0	0
Inventories	641	486
Trade receivables	136.169	58.486
Other assets	58.272	24.509
Current financial assets	21.432	19.663
Cash and cash equivalents	107.588	68.629
<b>Total current assets</b>	<b>324.102</b>	<b>171.773</b>
<b>TOTAL ASSETS</b>	<b>1.051.282</b>	<b>735.664</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity pertaining to the Group</b>		
Share Capital	97.982	60.749
Reserves	91.874	13.434
Profit (loss) for the year	(54.231)	(26.082)
<b>Total Shareholders' Equity pertaining to the Group</b>	<b>135.625</b>	<b>48.101</b>
Shareholders' Equity pertaining to minority interests		
<b>Total Shareholders' Equity</b>	<b>135.625</b>	<b>48.101</b>
<b>Non-current liabilities</b>		
Post-employment benefits	8.641	4.602
Non-current financial liabilities	573.101	464.769
Deferred tax liabilities	70.937	58.593
Provisions for risks and charges	27.099	10.838
Sundry payables and other non-current liabilities	6.264	2.336
<b>Total non-current liabilities</b>	<b>686.042</b>	<b>541.138</b>
<b>Current liabilities</b>		
Trade payables	42.365	32.385
Other liabilities	183.686	91.117
Current financial liabilities	3.564	3.371
Current portion of long-term borrowings	0	19.552
<b>Total financial liabilities</b>	<b>3.564</b>	<b>22.923</b>
<b>Total current liabilities</b>	<b>229.615</b>	<b>146.425</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1.051.282</b>	<b>735.664</b>

## SNAI Group - Consolidated Cash Flow Statement

	amounts in thousands of Euro	
	31.12.2015	31.12.2014
<b>A. CASH FLOW FROM OPERATIONS</b>		
Profit (loss) for the year pertaining to the Group	(54.231)	(26.082)
Profit (loss) for the year pertaining to minority interests	0	0
Amortisation, depreciation and write-downs	70.249	58.66€
Net change in assets (liabilities) for deferred tax assets (deferred tax liabilities)	6.047	(695)
Change in provision for risks	10.509	(5.779)
(Capital gains) capital losses from non-current assets (including shareholdings)	538	1.085
Portion of earnings pertaining to shareholdings measured using the equity method (-)	(135)	548
Net change in sundry non-current trade assets and liabilities and other changes	(4.822)	(841)
Net change in current trade assets and liabilities and other changes	(651)	14.63€
Net change in post-employment benefits	915	(182)
<b>CASH FLOW FROM (USED IN) OPERATIONS (A)</b>	<b>28.419</b>	<b>41.35€</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in property, plant and equipment (-)	(9.479)	(10.844)
Investments in intangible assets (-)	(5.859)	(7.746)
Investments in other non-current assets (-)	0	0
Acquisition of business units	(1.300)	0
Acquisition of shareholdings in subsidiaries, net of availability acquired	38.156	0
Proceeds from the sale of property, plant and equipment, intangible and other non-current assets	631	130
<b>CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>22.149</b>	<b>(18.460)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in financial receivables and other financial assets	9.328	(1.493)
Change in financial liabilities	1.068	1.735
Repayment of financing	(20.000)	0
Repayment of Cogemat financing	(54.740)	0
Redemption of Cogemat bonds	(53.925)	0
Unwind of Cogemat hedging derivative	(473)	0
Issue of bonds	107.273	0
Expenses related to capital injections	(140)	0
Changes in debts to betting agencies deferred through purchase of "concession" business units	0	(10)
<b>CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(11.609)</b>	<b>232</b>
<b>D. CASH FLOWS FROM DISCONTINUED ASSETS /ASSETS HELD FOR SALE (D)</b>		
<b>E. TOTAL CASH FLOW (A+B+C+D)</b>	<b>38.959</b>	<b>23.13€</b>
<b>F. INITIAL NET FINANCIAL LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)</b>	<b>68.629</b>	<b>45.49€</b>
<b>G. NET EFFECT OF THE CONVERSION OF FOREIGN CURRENCIES ON LIQUIDITY</b>		
<b>H. FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS) (E+F+G)</b>	<b>107.588</b>	<b>68.62€</b>

### RECONCILIATION OF FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS):

CASH AND CASH EQUIVALENTS AFTER DEDUCTING SHORT-TERM FINANCIAL PAYABLES  
AT THE END OF THE PERIOD, ANALYSED AS FOLLOWS:

Cash and cash equivalents	68.629	45.49€
Bank overdrafts		
Discontinued operations		
	<b>68.629</b>	<b>45.49€</b>

CASH AND CASH EQUIVALENTS LESS SHORT-TERM FINANCIAL PAYABLES  
AT THE END OF THE PERIOD, ANALYSED AS FOLLOWS:

Cash and cash equivalents	107.588	68.62€
Bank overdrafts		
Discontinued operations		
	<b>107.588</b>	<b>68.62€</b>

SNAI S.p.A. - Comprehensive income statement

amounts in thousands of Euro	FY	
	2015	2014
Revenues from sales and services	497,366	510,484
Other revenue and income	32,838	2,479
Change in inventory of finished and semi-finished products	(16)	0
Raw materials and consumables	(272)	(712)
Costs for services and use of third party assets	(361,659)	(355,548)
Costs of personnel	(30,324)	(26,572)
Other operating costs	(44,399)	(39,511)
Capitalised internal construction costs	1,392	1,539
<b>Profit/(loss) before amortisation, depreciation, write-downs, financial income and expenses, taxes</b>	<b>94,926</b>	<b>92,159</b>
Amortisation, depreciation and write-downs	(53,727)	(56,912)
Other provisions	(8,701)	(186)
<b>Earnings before financial income/expenses and taxes</b>	<b>32,498</b>	<b>35,061</b>
Gains and expenses from shareholdings	(15,379)	(3,050)
Financial income	2,889	2,274
Financial expenses	(60,145)	(60,202)
<b>Total financial income and expenses</b>	<b>(72,635)</b>	<b>(60,978)</b>
<b>PROFIT (LOSS) BEFORE TAXES</b>	<b>(40,137)</b>	<b>(25,917)</b>
Income tax	(7,865)	(1,973)
<b>Profit (loss) for the year</b>	<b>(48,002)</b>	<b>(27,890)</b>
(Loss)/gains from re-measuring of employee defined-benefit plans after taxes	68	(145)
<b>Other comprehensive income which will not be restated under profit/(loss) for the year after taxes</b>	<b>68</b>	<b>(145)</b>
Net (loss)/profit from derivatives as cash flow hedges	2,124	2,124
<b>Other comprehensive income which will be restated under profit/(loss) for the year after taxes</b>	<b>2,124</b>	<b>2,124</b>
<b>Profit/(loss) in comprehensive income statement, after taxes</b>	<b>2,192</b>	<b>1,979</b>
<b>Total profit (loss) for the year</b>	<b>(45,810)</b>	<b>(25,911)</b>



## SNAI S.p.A. - Balance Sheet

amounts in thousands of Euro	31.12.2015	31.12.2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment owned	128.139	133.585
Assets held under financial lease	2.872	3.781
<b>Total property, plant and equipment</b>	<b>131.011</b>	<b>137.366</b>
	231.088	231.088
Goodwill	69.375	102.655
Other intangible assets	<b>300.463</b>	<b>333.743</b>
<b>Total intangible assets</b>		
	161.124	18.656
Shareholdings in subsidiaries and associates	46	46
Shareholdings in other companies	<b>161.170</b>	<b>18.702</b>
<b>Total shareholdings</b>	71.873	78.409
Deferred tax assets	1.250	1.776
Other non-financial assets	112.511	1.244
Non-current financial assets	<b>778.278</b>	<b>571.240</b>
<b>Total non-current assets</b>		
<b>Current assets</b>	418	456
Inventories	58.919	47.669
Trade receivables	30.695	26.505
Other assets	29.119	22.277
Current financial assets	53.978	66.922
Cash and cash equivalents	<b>173.129</b>	<b>163.829</b>
<b>Total current assets</b>	<b>951.407</b>	<b>735.069</b>
<b>TOTAL ASSETS</b>		
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' Equity</b>		
Share Capital	97.982	60.749
Reserves	92.097	12.865
Profit (loss) for the year	(48.002)	(27.890)
<b>Total Shareholders' Equity</b>	<b>142.077</b>	<b>45.724</b>
<b>Non-current liabilities</b>		
Post-employment benefits	1.625	1.699
Non-current financial liabilities	573.069	464.769
Deferred tax liabilities	56.466	57.929
Provisions for risks and charges	27.500	10.811
Sundry payables and other non-current liabilities	1.431	2.326
<b>Total non-current liabilities</b>	<b>660.091</b>	<b>537.534</b>
<b>Current liabilities</b>		
Trade payables	26.106	29.600
Other liabilities	109.094	94.356
Current financial liabilities	14.039	8.303
Current portion of long-term borrowings	0	19.552
<b>Total financial liabilities</b>	<b>14.039</b>	<b>27.855</b>
<b>Total current liabilities</b>	<b>149.239</b>	<b>151.811</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
	<b>951.407</b>	<b>735.069</b>

## SNAI S.p.A. - Cash flow statement

amounts in thousands of Euro	31.12.2015	31.12.2014
<b>A. CASH FLOW FROM OPERATIONS</b>		
Profit (loss) for the year	(48.002)	(27.890)
Amortisation, depreciation and write-downs	53.727	56.912
Write-downs and losses on shareholdings	8.639	3.049
Net change in assets (liabilities) for deferred tax assets (deferred tax liabilities)	3.927	(777)
Change in provision for risks	16.671	(5.301)
(Capital gains) capital losses from non-current assets (including shareholdings)	467	1.079
Net change in sundry non-current trade assets and liabilities and other changes	(359)	(858)
Net change in current trade assets and liabilities and other changes	(9.162)	10.271
Net change in post-employment benefits	(104)	(12)
<b>CASH FLOW FROM (USED IN) FROM OPERATIONS (A)</b>	<b>25.804</b>	<b>36.473</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in property, plant and equipment (-)	(8.082)	(10.150)
Investments in intangible assets (-)	(4.691)	(7.725)
Contributions to cover losses in shareholdings	(6.753)	(5.000)
Liquidation of shareholdings	(1.833)	0
Proceeds from the sale of property, plant and equipment, intangible and other non-current assets	96	121
<b>CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(21.263)</b>	<b>(22.754)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in financial receivables and other financial assets	(7.371)	3.641
Intercompany loan	(110.738)	0
Change in financial liabilities	13.463	5.712
Issuance of bond	107.273	0
Redemption of bonds	(20.000)	0
Capital injections/reimbursement net of goodwill	(140)	0
Cash flow from merger	28	0
Changes in debts to betting agencies deferred through purchase of "concession" business units	0	(10)
<b>CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(17.485)</b>	<b>9.343</b>
<b>D. CASH FLOWS FROM DISCONTINUED ASSETS /ASSETS HELD FOR SALE (D)</b>	<b>0</b>	<b>0</b>
<b>E. TOTAL CASH FLOW (A+B+C+D)</b>	<b>(12.944)</b>	<b>23.062</b>
<b>F. INITIAL NET FINANCIAL LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)</b>	<b>66.922</b>	<b>43.860</b>
<b>G. NET EFFECT OF THE CONVERSION OF FOREIGN CURRENCIES ON LIQUIDITY</b>	<b>0</b>	<b>0</b>
<b>H. FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS) (E+F+G)</b>	<b>53.978</b>	<b>66.922</b>
<b>RECONCILIATION OF FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS):</b>		
CASH AND CASH EQUIVALENTS AFTER DEDUCTING SHORT-TERM FINANCIAL PAYABLES AT THE BEGINNING OF THE PERIOD, DETAILED AS FOLLOWS:		
Cash and cash equivalents	66.922	43.860
Bank overdrafts	0	0
Discontinued operations	0	0
	<b>66.922</b>	<b>43.860</b>
CASH AND CASH EQUIVALENTS LESS SHORT-TERM FINANCIAL PAYABLES AT THE END OF THE PERIOD, ANALYSED AS FOLLOWS:		
Cash and cash equivalents	53.978	66.922
Bank overdrafts	0	0
Discontinued operations	0	0
	<b>53.978</b>	<b>66.922</b>

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