



SPAFID CONNECT

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Testo del comunicato

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Press Release

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

Snaitech – Results of operations as of 31st December 2016

Trend toward growth consolidation continues

with € 10.5 billion wagers and € 128.3 million EBITDA

Main consolidated economic and financial data

- ❖ Integration with Cogemat Group successfully completed with the achievement of significant improvements and operational efficiencies for the Snaitech Group
- ❖ Total wagers grew to Euro 10.5 billion
- ❖ Revenues grew by 42.2% to Euro 898 million thanks to the integration with Cogemat Group
- ❖ EBITDA grew by 50% to Euro 128.3 million compared to Euro 85.5 million in 2015, and by 12% compared to Euro 114.5 million in 2015 (on pro-forma basis)
- ❖ Net Financial Position of Euro -480.9 million (-467.6 million in 2015)

Milan, 11th April 2017 – Snaitech S.p.A.'s Board of Directors duly held today in Milan approved the financial statement of the Group as of 31st December 2016, with revenues of Euro 898 million, an EBITDA of Euro 128.3 million, an EBIT of Euro 50.7 million and Net Consolidated Loss of Euro 17 million.

The following table shows key consolidated performance indicators including Cogemat group data from November.

Key Consolidated Income Statement <i>Figures in thousand/Euro</i>	Full Year			Delta vs. 2015		Delta vs. 2015 PF	
	2016	2015	2015 PF	€	%	€	%
Revenues	898.497	631.809	1.000.939	266.688	42,2	(102.442)	(10,2)
EBITDA	128.302	85.520	114.527	42.782	50,0	13.775	12,0
EBITDA Adjusted	135.007	90.190	122.276	44.817	49,7	12.731	10,4
EBIT	50.724	9.539	25.214	41.185	431,8	25.510	> 100%
Profit (loss) before taxes	(35.643)	(45.859)	(41.042)	10.216	22,3	5.399	13,2
Result pertaining to the Group	(16.954)	(54.231)	(52.020)	37.277	68,7	35.066	67,4
Basi/Diluted loss per share	(0,09)	(0,44)	-	0,35	79,5	-	-

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 and costs related to any bank guarantees. The EBITDA Adj corresponds to the EBITDA adjusted to take into account any provision for 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 any requisite imposed under IFRS in terms of determination, valuation and presentation. We believe that EBITDA, EBITDA Adj and EBIT may be helpful indicators to explain changes in operating performance and may provide useful information on the company's ability to manage indebtedness. They are also widely used by analysts and investors in the gaming sector as performance indicators. EBITDA, EBITDA Adj and EBIT must not be considered as an alternative to cash flows to measure liquidity. As defined, EBITDA, EBITDA Adj and EBIT may not be comparable with the same indicators used by other companies.

Snaitech business has been interested by the following key events during the full year 2016:

- ❖ Total wagers grew to Euro 10,535 million with strong performance of Sports Betting and Online Games business;
- ❖ Integration with Cogemat Group;
- ❖ Implementation of the cost saving initiatives planned with the Cogemat Group integration;
- ❖ Reopening of all SIS and Finscom PoS and beginning of the outsourcing plan;
- ❖ Increased number of Live Events and events offered on Palinsesto Complementare;
- ❖ "Rejuvenation" of technological equipment of retail distribution network in the Sports Betting business;
- ❖ Introduction of new and more effective communication campaigns and new online clients acquisition.



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Revenues

In order to better explain the business dynamics occurred in 2016, the following table displays revenues divided by each business unit.

Figures in thousand/Euro

Snaitech	Revenues		
	2016	2015	%
Betting	173,2	146,5	18,2%
Gaming Machine	656,3	419,5	56,5%
Online	50,2	41,0	22,7%
Horseshoe tracks management	9,9	11,1	-10,8%
Others	25,0	23,2	8,1%
Intercompany elimination	(16,3)	(9,4)	72,5%
Snaitech	898	632	42,2%

Total Group revenues rose by 42.2% up to Euro 898 million in 2016 compared to Euro 632 million in 2015. Such increase was mainly ascribable to the effects of Cogemat Group integration; secondly the reopening of Finscom and SIS PoS, the European Football Championship played last summer and the positive performances of the Sports Betting business (despite an higher payout level in 2016 vs. 2015) and the Online Games business.

Margins, results and NFP

As a direct consequence of revenues increase and good business performance, the Group EBITDA in 2016 (net of any non-recurring revenues and costs) grew by 50% to Euro 128.3 million compared to Euro 85.5 million in 2015. Such increase was mainly driven by the consolidation of the Cogemat Group for the whole 12-month period for 2016, the positive performance of the Sports Betting, Online Games and Gaming Machines business and finally the positive impact of synergies generated by the integration process.

Group EBIT in 2016 was equal to Euro 50.7 million compared to Euro 9.5 million in 2015.

Profit before taxes in 2016, despite its negative value of Euro 35.6 million, it was lower than 2015 level (Euro 45.9 million) due to the consolidation of Cogemat Group and a good business performance, although partially offset by higher financial expenses incurred for the bond refinancing, provision for expected restructuring costs and, finally, from the non-recurring revenues related to the Barcrest transaction accounted last February 2015.

It is important to notice that the bonds refinancing transaction, occurred last October 2016, accounted for Euro 31.7 million of non-recurring costs, which cover the amortizing costs and the call exercise to reimburse the existing bonds. The new bonds issued will mature in November 2021 and carry a much lower interest rate compared to the existing bonds (approximately Euro 17 million of expected saving on interest expenses for 2017).

Taxes showed for a positive value of Euro 18.7 million as a consequence of deferred tax assets accounted for Euro 29 million. Such accounting decision has been taken in light of the improved Group margins and the expected saving from the refinancing transaction.

Net Consolidated Loss for Snaitech Group, affected by the above-mentioned non-recurring revenues and costs, settled at Euro 17 million, compared to the higher loss of Euro 54.2 million recorded in 2015.

The net financial indebtedness of Snaitech Group, as of 31st December 2016, totalled Euro 480.9 million compared to Euro 467.6 million at year-end 2015. The slight increase was mainly due to the above-mentioned refinancing transaction and the acquisition of SIS business.

Revenues and Profit & Loss: 2016 versus 2015 pro-forma comparison

In order to effectively compare last year results versus 2015, it has been chosen the same scope of consolidation.

It follows that 2016 results displayed below versus 2015 pro-forma include both the Cogemat Group results for the whole 12-month period.

Figures in thousand/Euro

Snaitech	Wagers		
	2016	2015 PF	%
Sports Betting	732	612	19,8%
Horse Betting	213	216	-1,4%
Virtual Events	277	286	-3,5%
Betting	1.222	1.114	9,7%
AWPs	3.916	4.060	-3,6%
VLTs	3.560	3.412	4,3%
Gaming Machines	7.476	7.473	0,0%
Online Betting	323	230	40,6%
Games	920	771	19,2%
Online	1.243	1.001	24,1%
Betting provider	477	502	-4,9%
Paymat	116	108	7,2%
Others	593	610	-2,7%
Snaitech Group	10.534	10.198	3,3%

As shown in the table, the Group wagers grew by 3.3% at Euro 10.5 billion in 2016 compared to Euro 10.2 billion in 2015.

In the following section, it has been included comments on the performance of each business. Market shares of Snaitech are based on publicly available industry data.

Gaming Machines business

In the Gaming Machines segment, Snaitech is the second largest player with a market share of 15%.

At the end of December 2016, the Group has 59,935 AWP rights deployed in 14,947 point of sales across the entire country and has also 10,278 rights for VLTs, of which 10,023 are currently being installed in 1,274 point of sales.

Wagers for the entire business were almost in line with last year volumes, moving from Euro 7,473 million to Euro 7,476 million. Strong results for the VLT segments (+4.3% with Euro 3,560 million in 2016 versus Euro 3,412 million in 2015) while the AWP recorded a slight reduction (-3.6% with Euro 3,916 million in 2016 versus Euro 4,060 million in 2015) mainly ascribable to the tax increase (PREU) and contextual reduction of payout.

Retail Betting business

Snaitech retail network for Sports Betting is widespread across the entire country and accounts for 1,606 point of sales.

In 2016, Snaitech consolidates its market leadership in the Retail Betting with a market share of 24% and specifically Snaitech has leadership in the 3 core segments of the Retail Betting business: 21.3% market share for Sports Betting, 39.6% for Horserace Betting and 25.2% for Virtual Events.

In the Sports Betting segment, Snaitech wagers grew by 19.8% rising from Euro 612 million in 2015 to Euro 732 million in 2016. Such increase is mainly related to the reopening of SRI point of sales, the improvement of product offering, the European football championship and Olympics played last summer. The fixed odds sports betting recorded a payout of 83.5% compared to a lower level of 81.1% for 2015.

Wagers from Horserace Betting collected on the retail channel decreased by 1.4% versus 2015, totalling Euro 213 million.

Wagers collected from Virtual Events decreased by 3.5% versus 2015, down to Euro 277 million.

Online business

The Group in the Online business, which included Online Betting and Online Games (Bingo, Skill Games, Cash and Casino Games), has collected Euro 1,243 million in 2016 compared to Euro 1,001 million in 2015 (pro-forma) with an increase of +24.1%.

The drivers of such growth, both in the Online Betting (+40.6%) and the Online Games (+19.2%), may be identified in the wider range of products offered and the cross-selling initiatives implemented on the retail channel. Notwithstanding higher competitive pressure, the market share has been kept stable at 6.1%.

The payout level of Online Betting grew to 87.1% compared to 85.5% in 2015.

Comparison 2016 vs. 2015 pro-forma performance

The following tables set forth the comparison between Income statements and EBITDA bridges for 2016 and 2015 pro-forma.

(€/000)			
Snaitech -Consolidated Income Statement	2016	2015 PF	delta
Total Revenues	898.497	1.000.939	-10,2%
Operating costs	(779.337)	(881.866)	-11,6%
Earnings before interest, tax, depreciation and amortisation	119.160	119.073	0,1%
Amortisation, depreciation and write-downs	(57.400)	(88.366)	-35,0%
Other provisions	(11.036)	(11.313)	-2,4%
Earnings before financial income/expenses and taxes	50.724	19.394	> 100%
Financial income and expenses	(86.367)	(60.436)	42,9%
Profit (loss) before taxes	(35.643)	(41.042)	-13,2%
Income tax	18.689	(10.978)	>100%
Profit (loss) for the year	(16.954)	(52.020)	-67,4%

(€/000)			
Snaitech - Consolidated EBITDA	2016	2015 PF	delta
Earnings before financial income/expenses and taxes	50.724	19.394	> 100%
+Amortisation, depreciation and write-downs	57.400	88.366	-35,0%
+Other provisions	11.036	11.313	-2,4%
+ commissions on bank guarantees	6.083	5.820	4,5%
+ Non recurring costs (revenues)	3.059	(10.366)	>100%
EBITDA	128.302	114.527	12,0%

The comparison between 2016 and 2015 on a pro-forma basis shows a reduction in revenues by 10.2%, mainly due to the increased tax level (PREU) charged on AWP and VLT, just partially offset by revenue increase in the Sports Betting (both retail and online channel) and Online Games business.

EBITDA in 2016 grew by 12% at Euro 128.3 million compared to the 2015 pro-forma level, mainly due to the positive performance of the Sports Betting, Online Games and Gaming Machines business along with the materialization of synergies from Cogemat Group integration.

Profit (loss) before taxes in 2016 highlights an improvement of 13.2% compared to 2015 level, notwithstanding the refinancing costs, the provision for restructuring costs and non recurring revenue booked in 2015 in relation to the Barcrest settlement.

Net loss for 2016 has definitely improved from last year figure, moving up from Euro 52 million to Euro 17 million thanks to the accounting of deferred tax assets on fiscal losses.

Snaitech S.p.A. results for 2016

Snaitech S.p.A. has recorded higher revenues by 66.2%, from Euro 530.2 million in 2015 to Euro 881.2 million (including any effect rising from the merger with the Cogemat Group). EBITDA (according to the definition provided earlier par. B.1) was Euro 132.4 million (vs. 81.1 million in 2015) while EBIT reached Euro 58.7 million (vs. Euro 29 million in 2015). The net loss of Euro 18.5 million (vs. a loss of Euro 48 million in 2015) was due to the same facts mentioned previously in the group performance comment. The Net Financial Position of Snaitech S.p.A., as of 31st December 2016, is equal to Euro 488.8 million, compared to Euro 523.9 million in 2015. It must be highlighted that the comparison between income statements, for 2016 and 2015, is affected by the Cogemat Group merger, which was effective from 1st January 2016: income statement for 2015 does not take into account the value of the absorbed companies while 2016 income statement fully reflects the whole 12-month period.

Cogemat Group integration

The integration process between SNAI and Cogemat become effective as of 1st November 2016. As of today, the management believes that the finalization of all the activities related to the integration process, expected within 2017, should produce operational cost savings in the area of Euro 20 million.

Business Plan

The Board of Directors of Snaitech has approved its Business Plan for the period 2017-2019.

The guidelines of the new Business Plan 2017-2019 include:

- ❖ Focus on developing the Online business through the introduction of new products, an improvement of services and the cross-selling activities performed on the retail channel;
- ❖ The renewal of betting licences for the retail network and the technological update of point of sales through the introduction of new self-service betting terminals;
- ❖ The enlarged VLT platform being offered to gaming machine retail network and a more focused selection of gaming contents and local partners for AWP;
- ❖ The outsourcing strategies of the shops related to SRI;
- ❖ The finalization by first half 2018 of the cost synergies plan approved after the merger with Cogemat.

In the next 3-year period 2017-2019, the Group believes to achieve an average growth of wagers above 4% and a cash-flow generation in line with a 2x leverage ratio (Net Financial Position/EBITDA).

The Group is also confident to break-even on Net Profit over the 2017.

Current trading for the 1Q 2017

Snaitech wagers in the first quarter of 2017 totalled Euro 2,679 million, slightly lower by 3% versus the wagers collected in the same period last year (Euro 2,769 million). The reduction was mainly ascribable to the lower wagers for AWP as a direct consequence of the restriction on opening hours introduced by several local municipalities and the full regime reduction of the lower payout at 70%. Sports Betting on the retail channel has increased by 3% and the Online business (Betting and Games) has increased by 25.6% compared to the same quarter in 2016.

The Board of Directors is scheduled to approve 1Q 2017 results on the 15th May 2017.

The director in charge of the preparation of the corporate accounting documents, Mr. Chiaffredo Rinaudo, 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 Snaitech S.p.A. pursuant to article 114 of D. Lgs. no. 58 of 24 February 1998 and the related implementation regulations are also available on the company's website www.snai.it and on storage system through website www.emarketstorage.com.

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

a) Net financial position of the Company and Snaitech Group

	Snaitech Group		Snaitech SPA	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
a) Liquidity	82.338	109.072	77.398	53.979
b) Current financial receivables	0	0	9.592	9.264
c) Current bank debts	(141)	(71)	(136)	(66)
d) Current portion of long-term indebtedness	0	0	0	0
e) Current financial payables	(5.693)	(3.493)	(18.227)	(13.973)
Net current financial indebtedness	76.504	105.508	68.627	49.204
f) Non-current bank debts	0	0	0	0
g) Bonds issued	(557.115)	(573.030)	(557.115)	(573.030)
f) Other non-current financial receivables/payables	(299)	(71)	(299)	(39)
Total net financial indebtedness	(480.910)	(467.593)	(488.787)	(523.865)
<i>Figures in thousands of Euro</i>				

The Group Net financial position does not include (i) trapped cash accounts for Euro 16,785 thousand included in the item "Current Financial Assets" of the Consolidated Balance sheet and (ii) current account for Euro 72 thousand and other non-recurring financial assets for Euro 2,009 thousand.

Snaitech S.p.A. net financial position does not include trapped cash account and other non-current financial assets.

b) Overdue accounts payable of the Snaitech Group

Current liabilities	Balance as at 31.12.2016	o/w due on 31.12.2016
Financial payables	5.834	-
Trade payables	34.330	9.096
Tax payables	6.817	-
Payables to social security institutions	4.291	-
Other payables	138.332	-
	189.604	9.096

Figures in thousand/Euro

As of 31st December 2016 the amounts past due are Euro 9,096 thousand and relate to trade payables due to suppliers of products and services; such amounts were mainly repaid after 31st December 2016. In certain cases, new payment dates have been agreed. To the present date, there is any type of claim raised by suppliers.

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 shows a summary of 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.

Some companies of the Snaitech Group held bank accounts with Banca MPSS.p.A., Intesa San Paolo S.p.A., Poste Italiane, Banca, Unicredit S.p.A., Banca CR Firenze S.p.A. and Banco Popolare Società Cooperativa. Such banks may be also potentially considered as related parties. However, such transactions were held in the regular course of business, in the only interest of the Group and were settled at market prices and conditions.

Senior Secured Notes and Senior Revolving Facility are also backed by a pledge on Snaitech S.p.A. shares, issued by the majority shareholder of the Company. The pledge between Snaitech S.p.A. and the shareholder was approved with the favourable binding opinion of the Snaitech S.p.A. Related Party Committee.

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

<i>Figures in thousand/Euro</i>	31.12.2016	% impact	31.12.2015	% impact
Trade Receivables				
- from companies related to directors of Snaitech S.p.A.	1	0.00%	-	0.00%
- from Global Games S.p.A.	4	0.00%	-	0.00%
	5	0.00%	-	0.00%
Other Current Assets				
- from Teseo S.r.l. in liquidation	170	0.32%	-	0.00%
	170	0.32%	-	0.00%
Total Assets	175	0.32%	-	0.00%
Trade Payables				
- to companies related to directors of Snaitech S.p.A.	323	0.94%	30	0.07%
- to companies related to Shareholders of Snaitech S.p.A.	(1)	0.00%	-	0.00%
	322	0.94%	30	0.07%
Other Current Liabilities				
- to companies related to shareholders of Snaitech S.p.A.	4	0.00%	-	0.00%
- to Teseo S.r.l. in liquidation	383	0.25%	383	0.26%
	387	0.25%	383	0.21%
Total Liabilities	709	0.09%	413	0.05%

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

<i>Figures in thousand/Euro</i>	FY 2016	% impact	FY 2015	% impact
Revenues from Services and Chargebacks				
- from companies related to directors of Snaitech S.p.A.	93	0.01%	5	0.00%
	93	0.01%	5	0.00%
Other Revenues				
- from Global Games S.p.A.	4	0.04%	5	0.02%
- from companies related to directors of Finscom S.r.l.	-	0.00%	1	0.00%
	4	0.04%	6	0.02%
Total Revenues	97	0.01%	11	0.00%
Costs for Services and Chargebacks				
- from companies related to directors of Snaitech S.p.A.	6	0.00%	10	0.00%
- from companies related to statutory auditors of companies incorporated in Snaitech S.p.A.	27	0.00%	-	0.00%
- from companies related to statutory auditors of Snaitech S.p.A.	1	0.00%	1	0.00%
- from directors of Teleippica S.r.l.	27	0.00%	87	0.02%
- from directors of Finscom S.r.l.	-	0.00%	24	0.01%
- from directors and companies related to Finscom S.r.l.	45	0.01%	95	0.02%
- from statutory auditors of Cogetech Gaming S.r.l.	-	0.00%	6	0.00%
	106	0.01%	223	0.05%
Cost of seconded personnel				
- from companies related to directors of parent companies of Snaitech S.p.A.	-	0.00%	1	0.00%
	-	0.00%	1	0.00%
Other Operating Costs				
- from companies related to directors of Snaitech S.p.A.	14	0.03%	12	0.02%
- from companies related to statutory auditors of companies incorporated in Snaitech S.p.A.	2	0.00%	-	0.00%
	16	0.03%	12	0.02%
Total Costs	122	0.02%	236	0.04%

Revenues from services and chargebacks and other income impacted the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) by 0.08% in 2016 (vs. 0.01% in 2015) while total revenues weighted on Profit (Loss) by 0.57% in 2016 (vs. 0.02% in 2015).

Costs for raw materials and consumables, services and charge backs and other operating costs affected the EBITDA by 0.10% in 2016 (0.26% in 2015) while total costs weighted on Profit (loss) by 0.72% (vs. 0.44% in 2015).

In 2016, remuneration for executives with strategic roles totalled Euro 1,579 thousands of which 1,538 thousands related to salary and 41,6 thousands related to bonuses.

Parent company Snaitech S.p.A.

The following tables contain a summary of transactions between the parent company Snaitech S.p.A. and related parties:

<i>Figures in thousand/Euro</i>	31.12.2016	% impact	31.12.2015	31.12.2016
Trade Receivables				
- from Global Games S.p.A.	4	0.00%	-	0.00%
- from Società Trenno S.r.l.	207	0.19%	178	0.37%
- from Finscom S.r.l.	-	0.00%	106	0.22%
- from Snai Rete Italia S.r.l.	(44)	-0.04%	849	1.78%
- from Teleippica S.r.l.	65	0.06%	66	0.14%
Total Trade Receivables	232	0.21%	1,199	2.51%
Other Current Assets				
- from Società Trenno S.r.l.	-	0.00%	62	0.22%
- from Teleippica S.r.l.	2,380	4.39%	1,955	6.84%
- from Snai Rete Italia S.r.l.	18	-	-	0.00%
- from Teseo S.r.l. in liquidation	170	0.31%	-	0.00%
Total Other Current Assets	2,568	4.70%	2,017	7.06%
Current Financial Receivables				
- from Società Trenno S.r.l.	5,859	22.21%	5,940	20.40%
- from Snai Rete Italia S.r.l.	3,733	14.15%	2,949	10.13%
- from Cogetech S.p.A.	-	0.00%	375	1.29%
Total Current Financial receivables	9,592	36.36%	9,264	31.82%
Other Financial Assets				
- from Cogetech S.p.A.	-	0.00%	110,738	98.42%
Total Other Financial Assets	-	0.00%	110,738	98.42%
Total Assets	12,392	1.35%	123,218	13.98%
Trade Payables				
- to companies related to directors	323	1.04%	30	0.11%
- to Società Trenno S.r.l.	134	0.43%	182	0.70%
- to Finscom S.r.l.	-	0.00%	8	0.03%
- to Snai Rete Italia S.r.l.	97	0.31%	16	0.06%
- to Teleippica S.r.l.	212	0.68%	333	1.28%
- to Cogetech S.p.A.	-	0.00%	20	0.08%
- to companies related to shareholders	(1)	0.00%	-	0.00%
Total Trade Payables	765	2.46%	589	2.26%
Other Current Liabilities				
- to Società Trenno S.r.l.	7,256	4.60%	6,747	7.05%
- to Snai Rete Italia S.r.l.	3,306	2.10%	1,195	1.25%
- to Teleippica S.r.l.	23	0.01%	-	0.00%
- to Teseo S.r.l.	383	0.24%	383	0.40%
- to companies related to shareholders	4	0.00%	-	0.00%
Total Other Current Liabilities	10,972	6.95%	8,325	8.70%
Current Financial Payables				
- to Teleippica S.r.l.	12,533	68.26%	10,504	74.82%
Total Current Financial Payables	12,533	68.26%	10,504	74.82%
Total Liabilities	24,270	3.04%	19,418	2.63%

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

<i>Figures in thousand/Euro</i>	FY 2016	% impact	FY 2015	% impact
Revenues from Services and Chargebacks				
- from companies related to directors	93	0,01%	5	0,00%
- from Società Trenno S.r.l.	267	0,03%	235	0,05%
- from Snai Rete Italia S.r.l.	131	0,02%	42	0,01%
- from Finscom S.r.l.	-	0,00%	8	0,00%
Total Revenues from Services and Chargebacks	491	0,06%	290	0,06%
Other Revenues				
- from Global Games S.p.A.	4	0,04%	5	0,02%
- from Società Trenno S.r.l.	547	5,89%	566	1,72%
- from Snai Rete Italia S.r.l.	50	0,54%	19	0,06%
- from Teleippica S.r.l.	533	5,74%	571	1,74%
Total Other Revenues	1.134	12,21%	1.161	3,54%
Interest Income				
- from Società Trenno S.r.l.	589	40,73%	401	13,88%
- from Snai Rete Italia S.r.l.	186	12,86%	309	10,70%
- from Teleippica S.r.l.	-	0,00%	2	0,07%
- from Cogetech S.p.A.	-	0,00%	1.009	34,93%
Total Interest Income	775	53,59%	1.721	59,58%
Total Revenues	2.400	0,27%	3.172	0,60%
Costs for Services and Chargebacks				
- from companies related to directors	6	0,00%	10	0,00%
- from Società Trenno S.r.l.	366	0,06%	510	0,14%
- from Finscom S.r.l.	-	0,00%	975	0,27%
- from Snai Rete Italia S.r.l.	11.310	1,70%	3.062	0,84%
- from Teleippica S.r.l.	3.051	0,46%	3.015	0,83%
- from Cogetech S.p.A.	-	0,00%	2	0,00%
- from companies related to statutory auditors of companies incorporated in Snaitech S.p.A.	27	0,00%	-	0,00%
- from companies related to statutory auditors	1	0,00%	1	0,00%
Total Costs for Services and Chargebacks	14.761	2,22%	7.575	2,08%
Costs of Seconded Personnel				
- from companies related to directors of parent companies	-	0,00%	1	0,00%
- from Cogetech S.p.A.	-	0,00%	19	0,06%
- from Snai Rete Italia S.r.l.	-	0,00%	5	0,02%
Total Costs of Seconded Personnel	-	0,00%	25	0,08%
Other Operating Costs				
- from companies related to directors	14	0,03%	12	0,03%
- from companies related to statutory auditors of companies incorporated in Snaitech S.p.A.	2	0,00%	(1)	0,00%
- from Finscom S.r.l.	-	0,00%	(29)	-0,07%
- from Snai Rete Italian S.r.l.	-	0,00%	(68)	-0,15%
- from Società Trenno S.r.l.	2	0,00%	(2)	0,00%
Total Other Operating Costs	18	0,03%	(88)	-0,19%
Interest Expense and Fees				
Interest expenses to Snai Rete Italia S.r.l.	14	0,02%	-	0,00%
Interest expenses to Teleippica S.r.l.	879	1,00%	443	0,78%
Total Interest Expense and Fees	893	1,02%	443	0,78%
Total Costs	15.672	1,85%	7.955	1,60%

Revenues from services and chargebacks and other income impacted the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) by 1.3% in 2016 (vs. 1.6% in 2015) while total revenues weighted on Profit (Loss) by 13% in 2016 (vs. 6.6% in 2015).

Costs for raw materials and consumables, services and charge backs and other operating costs affected the EBITDA by 11.9% in 2016 (8.2% in 2015) while total costs weighted on Profit (loss) by 84.9% (vs. 16.6% in 2015).

In 2016, remuneration of executives with strategic roles totalled Euro 1,579 thousands of which 1,538 thousands related to salary and 41,6 thousands related to bonuses.

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

On 24th October 2016, the Board of Directors of Snaitech S.p.A. has approved the refinancing of its existing bonds ("Existing Bonds" which includes senior secured notes of Euro 320 million due in 2018, subordinated notes of Euro 160 million due in 2018 and senior secured notes of Euro 110 million due in 2018) through the issuance of a new senior secured bond of Euro 570 million due in 2021 ("New Bonds") and the contextual tender offer to repurchase the Existing Bonds ("Tender Offer"). In the same session, the Board of Director has also approved a new senior revolving facility up to Euro 85 million ("New Revolving facility") to substitute the existing facility of Euro 55 million.

On 26th October 2016, the New Bonds were priced as follows: (i) a senior secured note of Euro 320 million with an annual fixed coupon of 6.375% and an issue price of 100.0% ("Fixed Coupon Senior Secured Notes") and (ii) a senior secured note of Euro 250 million with a floating rate coupon linked to 3-month Euribor (floored at 0%) plus a spread of 6% and an issue price of 99.0% ("Floating Rate Senior Secured Notes"). The New Bonds were issued and settled on 26th October 2016 with maturity date of 7th November 2021.

On 1st November 2016, Snaitech S.p.A. has published results of the Tender Offer for the Existing Bonds issued in 2013 and 2015.

Key terms and conditions of the New Bonds are contained in the Pricing Supplement, the Preliminary Offering Memorandum and the Final Offering Memorandum, all available on the company website (www.snaitech.it) under the Investor Relations section. Within the same section, the results of the Tender Offer are also made available.

The New Bonds, currently traded on the Euro MTF exchange-traded market managed by Luxembourg Bourse, were initially underwritten by Deutsche Bank AG, London Branch, UniCredit Bank AG, Goldman Sachs International and BNP Paribas and subsequently placed to institutional investors only. The same underwriting banks have provided the New Revolving Facility of Euro 85 million.

Proceeds from the issuance of New Bonds, along with further financial resources of the company, were used to finance: (i) the Tender Offer launched on 24th October 2016 in relation to the Existing Bonds, (ii) the reimburse of the residual Existing Bonds untendered and (iii) cost and expenses related to the previous two activities.

The New Bonds issued have bullet maturity due in November 2021 and a significantly lower amount of interest compared to the Existing Bonds (approximately Euro 17 million saving on interest expenses expected in 2017). Furthermore, the New Revolving Facility of Euro 85 million, expiring in 2021, has further increased by Euro 30 million the available Group liquidity compared to the previous revolving line.

Based on the liquidity available at year-end 2016 and the expectation on cash-flow generation, management is not expecting to withdraw the New Revolving Facility, which represents an additional safety net of financial resources for the Group treasury.

On the basis of the above-mentioned new financial structure, management believes to have fully achieved its debt restructuring plan.

More generally, the economical and financial health of the Snaitech Group has been historically affected by: (i) negative results, partially due to exogenous events and to a significant amount of depreciations and financial expenses (ii) high-

value of intangible assets and a low amount of net assets eroded by cumulated losses (iii) a significant indebtedness level with limited room to reduce it further due to the cash-flow absorption from operation and financing activities.

Notwithstanding the negative result, when comparing 2016 annual report with 2015 report it is worthwhile highlighting several areas of improvement from an economical and financial perspective.

First of all, management recalls the important performance achieved by the Snaitech Group from a business perspective: total wagers grew on a pro-forma basis by Euro 337 million (+3.3% vs. 2015) with a double digit growth in the strategic segments of the Online Betting and Games. In relation to the integration with Cogemat Group, management notices the benefits rising from such transaction: (i) shareholding capital increase by Euro 37.2 million and more generally a net asset increase by Euro 140 million (ii) improvement of balance sheet and financial ratios (iii) consolidation of the market leadership in the retail channel of the Sports Betting business and the Gaming Machines business (iv) rationalization of the corporate structure and the improvement of operational effectiveness (v) synergies plan to lower operating, corporate and licence costs.

As per the uncertainties highlighted in the previous reports and related to the ability of the Group to reimburse or refinance its Existing Bonds, management notices that the refinancing transaction structured on 7th November 2016 with the issuance of New Bonds would allow to: (i) lower significantly the financial interest expenses borne by Snaitech thanks to a cost saving (given current level of rates) of approximately Euro 17 million (ii) re-profile debt maturity from 2018 to 2021.

As per the risks associated with the renewal of betting concession for the retail network due on 30th June 2016, the uncertainty for the Group may lie in: (i) the renewal of licenses with subsequent negative impact on cash flows, margin and payment of interest on financial debts (ii) the amount to pay for such renewal with subsequent negative impact on the sustainability of Group indebtedness.

The above-mentioned risks are, however, mitigated by the bidding process, which allows to bid each license with a different price, thus removing entirely any digital risk on the Betting concessions.

Furthermore, with reference to the betting tender, it is important to highlight that, according to the public data available from the market, the number of rights to be allotted with the tender is higher than the point of sales currently operating across the entire Italian country: the distribution network, as per the latest ADM revelation on December 2016, has 4,144 corners and 5,669 shops (including 2,530 CTD "grey" operators now fully licensed) against respectively 5,000 and 10,000 rights available with the tender. In addition to the point of sales licensed by ADM, it must also be taken into account those agencies acting as data centre for transmission only (CTD), which collect bets on behalf of foreign bookmakers without any licence. These operators account for approximately 4,800 units, with more than 2,500 fully authorised by ADM, according to the technical annex of the 2016 Stability Law. Even in the possible scenario where all the CTD are authorised and join the tender, the number of rights offered is likely to be higher than the potential demand. Even in such unlikely scenario, given the current level of requests to regularize, the possible amount to pay for the renewal should not negatively affect the sustainability of Group indebtedness.

On this basis, management considers marginal any risk of renewal given its limited, if none, impact on the company ability to produce a sufficient cash flow level to run its business.

Given the implemented debt refinancing, the economic results achieved and the above-mentioned considerations along with the 2017-2019 Business Plan indications, management does not foresee any uncertainty on going concern, despite some unavoidable uncertainty related to future events and specific characteristics of the industry.

e) Financial covenants

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

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

Following the Senior Revolving loan facility totalling 85 million Euro signed on October, 26th 2016 with Unicredit S.p.A., Deutsche Bank S.p.A. BNP Paribas and Golman Sachs, the Company has agreed to send, on a quarterly basis, a *Compliance Certificate* to the financing banks, through the Agent. Such Compliance certificate, relating to each quarterly financial report, states the margin applicable and the declaration of the absence of any event of default in the relevant period. The Compliance Certificate for the annual report, in addition the above statements, contains also the *Guarantor Coverage Test*, which should reinsure on the total EBITDA of all the guarantor companies being equal or above the 80% of the consolidated EBITDA. The first implementation of such Guarantor Coverage Test is with the annual report for the period ending on December 31st, 2017.

Snaitech Group 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.

As of December 31st, 2016 there has been fully compliance with the above-mentioned commitments and covenants.

f) Progress of the business plan

Directors have approved on April 21st, 2016 the Business Guideline for 2016-2019, which has been adopted to perform valuations on balance sheet for 2015.

Such Business Guidelines have been updated on September 23rd, 2016 to take into account the new business environment and specifically the delay of the betting tender.

On April 4th, 2017 the Board of Directors of Snaitech has finally approved its Business Plan for the period 2017-2019, based on key business development initiatives and targets, in line with the updated Business Guidelines, to reflect also the refinancing of the bonds and the finalisation of both mergers between Sanitech-Gogemat Group and Finscom-SRI.

The guidelines of the new Business Plan 2017-2019 include:

- ❖ Focus on developing the Online business through the introduction of new products, an improvement of services and the cross-selling activities performed on the retail channel;
- ❖ The renewal of betting licences for the retail network and the technological update of point of sales through the introduction of new self-service betting terminals;
- ❖ The enlarged VLT platform being offered to gaming machine retail network and a more focused selection of gaming contents and local partners for AWP's;
- ❖ The outsourcing strategies of the shops related to SRI;
- ❖ The finalization by first half 2018 of the cost synergies plan approved after the merger with Cogemat.

In the next 3-year period 2017-2019, the Group believes to achieve an average growth of wagers above 4% and a cash-flow generation in line with a 2x leverage ratio (Net Financial Position/EBITDA).

The Group is also confident to break-even on Net Profit over the 2017.

Annex

Snaitech Group

Consolidated Comprehensive Income Statement as of December 31st, 2016

Consolidated Balance Sheet as of December 31st, 2016

Consolidated Cash Flow Statement as of December 31st, 2016

Snaitech S.p.A.

Income Statement as of December 31st, 2016

Balance Sheet as of December 31st, 2016

Cash Flow Statement as of December 31st, 2016

Snaitech Group - Consolidated Comprehensive Income Statement as of December 31st, 2016

<i>Figures in thousand/Euro</i>	FY 2016	FY 2015
Revenues from sales and services	889.064	599.263
Other revenue and income	9.433	32.546
Change in inventory of finished and semi-finished products	1	(16)
Raw materials and consumables	(683)	(518)
Costs for services and use of third party assets	(666.390)	(443.696)
Costs of personnel	(59.311)	(45.110)
Other operating costs	(54.779)	(52.802)
Capitalised internal construction costs	1.825	1.392
Earnings before interest, tax, depreciation and amortisation	119.160	91.059
Amortisation, depreciation and write-downs	(57.400)	(70.249)
Other provisions	(11.036)	(11.271)
Earnings before financial income/expenses and taxes	50.724	9.539
Gains and expenses from shareholdings	4	135
Financial income	686	1.192
Financial expenses	(87.057)	(56.725)
Total financial income and expenses	(86.367)	(55.398)
PROFIT (LOSS) BEFORE TAXES	(35.643)	(45.859)
Income tax	18.689	(8.372)
Profit (loss) for the year	(16.954)	(54.231)
(Loss)/profit from re-measurement on defined benefit plans after taxes	(178)	(129)
Total other comprehensive income which will not be restated under profit/(loss) for the year after taxes	(178)	(129)
Net (loss)/profit from derivatives as cash flow hedges	0	2.124
Net (loss)/profit from AFS Financial Asset	17	(100)
Total other comprehensive income which will be restated under profit/(loss) for the year after taxes	17	2.024
Total profit/(loss) in comprehensive income statement, after taxes	(161)	1.895
Total profit (loss) for the year	(17.115)	(52.336)
<i>Attributable to:</i>		
Profit (loss) for the year pertaining to the Group	(16.954)	(54.231)
Profit (loss) for the year pertaining to Minority interests	0	0
Total profit (loss) for the year pertaining to the Group	(17.115)	(52.336)
Total profit (loss) for the year pertaining to Minority interests	0	0
Basic earnings (loss) per share in Euro	(0,09)	(0,44)
Diluted earnings (loss) per share in Euro	(0,09)	(0,44)

Snaitech Group - Consolidated Balance Sheet as of December 31st, 2016

<i>Figures in thousand/Euro</i>	31.12.2016	31.12.2015 Restated (*)
ASSETS		
Non-current assets		
Property, plant and equipment owned	135.273	145.039
Assets held under financial lease	420	2.936
Total property, plant and equipment	135.693	147.975
Goodwill	306.472	306.472
Other intangible assets	140.920	165.225
Total intangible assets	447.392	471.697
Shareholdings measured using the equity method	2.515	2.490
Shareholdings in other companies	46	50
Total shareholdings	2.561	2.540
Deferred tax assets	51.288	29.325
Other non-financial assets	3.530	3.304
Financial assets	2.009	1.773
Total non-current assets	642.473	656.614
Current assets		
Inventories	199	641
Trade receivables	114.548	105.019
Other assets	53.326	55.255
Current financial assets	16.858	21.432
Cash and cash equivalents	82.337	107.588
Total current assets	267.268	289.935
TOTAL ASSETS	909.741	946.549
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity pertaining to the Group		
Share Capital	97.982	97.982
Reserves	37.482	91.874
Profit (loss) for the year	(16.954)	(54.231)
Total Shareholders' Equity pertaining to the Group	118.510	135.625
Shareholders' Equity pertaining to minority interests		
Total Shareholders' Equity	118.510	135.625
Non-current liabilities		
Post-employment benefits	8.089	8.641
Non-current financial liabilities	557.414	573.101
Provisions for risks and charges	30.171	27.099
Sundry payables and other non-current liabilities	4.291	6.264
Total non-current liabilities	599.965	615.105
Current liabilities		
Trade payables	34.330	42.365
Other liabilities	151.102	149.890
Current financial liabilities	5.834	3.564
Current portion of long-term borrowings	0	0
Total financial liabilities	5.834	3.564
Total current liabilities	191.266	195.819
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	909.741	946.549

(*) Restated for PPA (Purchase Price Allocation) analysis performed on Cogemat

Snaitech Group - Consolidated Cash Flow Statement as of December 31st, 2016

<i>Figures in thousand/Euro</i>	31.12.2016	31.12.2015 Restated (*)
A. CASH FLOW FROM OPERATIONS		
Profit (loss) for the year pertaining to the Group	(16.954)	(54.231)
Amortisation, depreciation and write-downs	57.400	70.249
Net change in assets (liabilities) for deferred tax assets (deferred tax liabilities)	(21.896)	5.945
Change in provision for risks	3.054	10.509
(Capital gains) capital losses from non-current assets (including shareholdings)	560	538
Portion of earnings pertaining to shareholdings measured using the equity method (-)	(4)	(135)
Net change in post-employment benefits	(797)	915
Net change in sundry non-current trade assets and liabilities and other changes	(2.199)	(4.822)
Net change in current trade assets and liabilities and other changes	(12.005)	5.137
Cash equivalent from operations	7.159	34.105
Tax paid	(1.946)	(5.417)
Interest paid	(51.275)	(51.670)
CASH FLOW FROM (USED IN) OPERATIONS (A)	(46.062)	(22.982)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment (-)	(11.400)	(10.295)
Investments in intangible assets (-)	(10.452)	(5.043)
Acquisition of business units	0	(1.300)
Acquisition of shareholdings in subsidiaries, net of availability acquired	0	37.887
Proceeds from the sale of property, plant and equipment, intangible and other non-current assets	450	631
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)	(21.402)	21.880
C. CASH FLOW FROM FINANCING ACTIVITIES		
Change in financial receivables and other financial assets	4.355	9.328
Change in financial liabilities	70.743	52.738
Repayment of financing/bonds	(590.000)	(20.000)
Repayment of Cogemat financing	0	(54.740)
Redemption of Cogemat bonds	0	(53.925)
Unwind of Cogemat hedging derivative	0	(473)
Issue of bonds	557.115	107.273
Expenses related to capital injections	0	(140)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (C)	42.213	40.061
D. CASH FLOWS FROM DISCONTINUED ASSETS /ASSETS HELD FOR SALE (D)		
E. TOTAL CASH FLOW (A+B+C+D)	(25.251)	38.959
F. INITIAL NET FINANCIAL LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)	107.588	68.629
G. NET EFFECT OF THE CONVERSION OF FOREIGN CURRENCIES ON LIQUIDITY		
H. FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS) (E+F+G)	82.337	107.588
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	107.588	68.629
Bank overdrafts		
Discontinued operations		
	107.588	68.629
CASH AND CASH EQUIVALENTS LESS SHORT-TERM FINANCIAL PAYABLES AT THE END OF THE PERIOD, ANALYSED AS FOLLOWS:		
Cash and cash equivalents	82.337	107.588
Bank overdrafts		
Discontinued operations		
	82.337	107.588

(*) Restated for PPA (Purchase Price Allocation) analysis performed on Cogemat

Snaitech S.p.A. - Income Statement as of December 31st, 2016

Figures in thousand/Euro	FY 2016	FY 2015
Revenues from sales and services	871.932	497.366
Other revenue and income	9.292	32.838
Change in inventory of finished and semi-finished products	1	(16)
Raw materials and consumables	(489)	(272)
Costs for services and use of third party assets	(663.674)	(365.169)
Costs of personnel	(41.221)	(30.324)
Other operating costs	(53.148)	(44.399)
Capitalised internal construction costs	1.825	1.392
Earnings before interest, tax, depreciation and amortisation	124.518	91.416
Amortisation, depreciation and write-downs	(55.566)	(53.727)
Other provisions	(10.277)	(8.701)
Earnings before financial income/expenses and taxes	58.675	28.988
Gains and expenses from shareholdings	(7.077)	(15.379)
Financial income	1.446	2.889
Financial expenses	(87.802)	(56.635)
Total financial income and expenses	(93.433)	(69.125)
PROFIT (LOSS) BEFORE TAXES	(34.758)	(40.137)
Income tax	16.290	(7.865)
Profit (loss) for the year	(18.468)	(48.002)
(Loss)/profit from re-measurement on defined benefit plans after taxes	(180)	68
Total other comprehensive income which will not be restated under profit/(loss) for the year after taxes	(180)	68
Net (loss)/profit from derivatives as cash flow hedges	0	2.124
Total other comprehensive income which will be restated under profit/(loss) for the year after taxes	0	2.124
Total profit/(loss) in comprehensive income statement, after taxes	(180)	2.192
Total profit (loss) for the year	(18.648)	(45.810)

Snaitech S.p.A. - Balance Sheet as of December 31st, 2016

Figures in thousand/Euro	31.12.2016	31.12.2015
ASSETS		
Non-current assets		
Property, plant and equipment owned	130.537	128.970
Assets held under financial lease	420	2.872
Total property, plant and equipment	130.957	131.842
Goodwill	302.809	231.088
Other intangible assets	140.846	68.544
Total intangible assets	443.655	299.632
Shareholdings in subsidiaries	20.072	161.125
Shareholdings in other companies	46	46
Total shareholdings	20.118	161.171
Deferred tax assets	49.660	15.406
Other non-financial assets	2.938	1.250
Financial assets	2.009	112.511
Total non-current assets	649.337	721.812
Current assets		
Inventories	170	418
Trade receivables	111.406	47.696
Other assets	54.189	28.585
Current financial assets	26.378	29.119
Cash and cash equivalents	77.397	53.978
Total current assets	269.540	159.796
TOTAL ASSETS	918.877	881.608
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share Capital	97.982	97.982
Reserves	40.190	92.097
Profit (loss) for the year	(18.468)	(48.002)
Total Shareholders' Equity	119.704	142.077
Non-current liabilities		
Post-employment benefits	4.831	1.625
Non-current financial liabilities	557.414	573.069
Provisions for risks and charges	26.177	27.500
Sundry payables and other non-current liabilities	3.577	1.431
Total non-current liabilities	591.999	603.625
Current liabilities		
Trade payables	31.061	26.106
Other liabilities	157.751	95.761
Current financial liabilities	18.362	14.039
Current portion of long-term borrowings	0	0
Total financial liabilities	18.362	14.039
Total current liabilities	207.174	135.906
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	918.877	881.608

Snaitech S.p.A. - Cash Flow Statement as of December 31st, 2016

Figures in thousand/Euro	31.12.2016	31.12.2015
A. CASH FLOW FROM OPERATIONS		
Profit (loss) for the year	(18.468)	(48.002)
Amortisation, depreciation and write-downs	55.566	53.727
Depreciation and loss on shareholdings	13.815	8.639
Net change in assets (liabilities) for deferred tax assets (deferred tax liabilities)	(21.581)	3.927
Change in provision for risks	(4.109)	16.671
(Capital gains) capital losses from non-current assets (including shareholdings)	513	467
Net change in post-employment benefits	(216)	(104)
Net change in sundry non-current trade assets and liabilities and other changes	(1.813)	(359)
Net change in current trade assets and liabilities and other changes	(2.414)	(4.805)
Cash equivalent from operations	21.293	30.161
Tax paid	(1.944)	(4.357)
Interest paid	(52.168)	(48.444)
CASH FLOW FROM (USED IN) OPERATIONS (A)	(32.819)	(22.640)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment (-)	(9.641)	(8.898)
Investments in intangible assets (-)	(10.452)	(3.875)
Payment to cover loss on shareholdings	(14.481)	(6.753)
Acquisition of shareholdings	0	(1.833)
Proceeds from the sale of property, plant and equipment, intangible and other non-current assets	323	96
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES (B)	(34.251)	(21.263)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Change in financial receivables and other financial assets	3.707	(7.371)
Intercompany loan	0	(110.738)
Change in financial liabilities	73.665	61.907
Issue of bonds	557.115	107.273
Repayment of bonds	(590.000)	(20.000)
Expenses related to capital injections	0	(140)
Cashflow from merger	46.002	28
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES (C)	90.489	30.959
D. CASH FLOWS FROM DISCONTINUED ASSETS /ASSETS HELD FOR SALE (D)	0	0
E. TOTAL CASH FLOW (A+B+C+D)	23.419	(12.944)
F. INITIAL NET FINANCIAL LIQUIDITY (INITIAL NET FINANCIAL INDEBTEDNESS)	53.978	66.922
G. NET EFFECT OF THE CONVERSION OF FOREIGN CURRENCIES ON LIQUIDITY	0	0
H. FINAL NET FINANCIAL LIQUIDITY (FINAL NET FINANCIAL INDEBTEDNESS) (E+F+G)	77.397	53.978
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	53.978	66.922
Bank overdrafts	0	0
Discontinued operations	0	0
	53.978	66.922
CASH AND CASH EQUIVALENTS LESS SHORT-TERM FINANCIAL PAYABLES AT THE END OF THE PERIOD, ANALYSED AS FOLLOWS:		
Cash and cash equivalents	77.397	53.978
Bank overdrafts	0	0
Discontinued operations	0	0
	77.397	53.978

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