



SOCIAL REPORT 2011

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This first edition of the Report on Social Responsibility dedicates a section to “The world of Snai through our eyes”, a photography competition in which all of the company’s employees participated over the last several months: our personnel was asked to “tell the story” of our company through one or more photographs which, in a simple snapshot, expressed values, faces, experiences and sensations with a view to showcasing and highlighting all of the qualities of a Group that is leader in its sector, thanks especially to the work and dedication on the part of its collaborators and employees.



“

THE VALUES OF THE COMPANY, WHICH FOCUS ON SPORTS AND LEGAL AND RESPONSIBLE GAMING, MAY BE DESCRIBED BY DEPICTING MOMENTS DURING EVERY-DAY WORK AND LIFE, COMPETITIVENESS AND FUN, WHICH EXPRESS CONCEPTS SUCH AS PASSION, FUN, COMPETITIVENESS, COMMITMENT, DEDICATION, RELIABILITY, RESPECT, SENSE OF BELONGING, AND MANY OTHERS. THIS REPORT HAS BEEN ENRICHED WITH THE PHOTOGRAPHS TAKEN BY THE COMPETITION PARTICIPANTS: A SPECIAL THANKS GOES OUT TO ALL THOSE WHO HAVE DEDICATED THEIR TIME AND EFFORTS TOWARD ACHIEVING THE THINGS DESCRIBED IN THIS REPORT. I AM PARTICULARLY DELIGHTED AND HONORED TO PRESENT, JUST A FEW MONTHS AFTER ASSUMING THE ROLE OF CHAIRMAN OF SNAI SPA, THE VERY FIRST SOCIAL RESPONSIBILITY REPORT PREPARED BY THE COMPANY. THIS IS A HAPPY OCCASION AND AN IMPORTANT RESPONSIBILITY WHICH AIMS TO DESCRIBE EVERYDAY LIFE AT OUR COMPANY, AS A TOOL FOR GETTING TO KNOW OUR VALUES AND OUR VISION.

”

“Snai operates as a servant of the general public interest within a sector that has very particular characteristics, that of public gaming. Like any other company, it is incumbent upon us to have as our top priority the quality of our products and services, focusing very close attention on safeguarding our customers. Gaming and betting products are offered by the State through its Concession-holders and SNAI is committed to offering such products in such a manner that they may be experienced as a moment of entertainment and fun, while in the meantime preventing the risk of problematic betting. We therefore pay close attention to avoiding any form of under aged gaming and encouraging the informed control of spending, dedicating, on a daily basis, our long-standing experience to legal and responsible gaming.

We have always shared and supported the principles of Responsible Gaming elaborated by and with AAMS, working in full synergy with the regulatory and concession granting bodies in order to provide our own contribution to the affirmation of legal gaming, and remain ready to provide suggestions and to make every endeavor to guide the healthy growth of the Company and the sector in an optimal manner. This is in the context of a positive cycle which, since the beginning of the new millennium, has led to the combination of a gradual legalization of gaming, the emergence of market segments which in the past had been unregulated, the fight against illegality, an increase in the overall variety and quality of the services offered, and the raising of tax revenues that continue to rise significantly.

The continuous pursuit of technological innovations, attention to the needs of the operators of our points of sale and our customers, coupled with the professionalism of our operators have enabled us to ensure security and efficient at the highest levels, and to offer support for sporting events, especially with regard to emerging new young athletes.

We certainly want to add to this discussion, and would never want to leave out of the picture, the horse racing sector, which is now going through a period that is certainly quite challenging, with the sector caught



in between competitive pressures from new entertainment alternatives and the economic difficulties of the current market.

Snai has its roots in the horse racing sector, the world of horses, race-tracks, horse farms and has certainly not forgotten its origins. It continues to sustain the operations at its owned facilities and the most important events on the national horse racing calendar, with the conviction that the sector has the intrinsic capacity to create a bright new future.

Development of its market, satisfaction of the stakeholders (Institutions, Concession granting bodies, relevant communities, customers, shareholders, employees and collaborators), transparency, excellence in all areas of the corporate life, social responsibility. These objectives are being pursued simultaneously in the conviction that these Values will strengthen the Company and that only by operating with respect for public interests may we achieve important and enduring results.

This first edition of the Social Responsibility Report is just the starting point; each one of us, the women and men of SNAI have the task of demonstrating that we deserve the trust and esteem of the public.”

LETTER TO THE STAKEHOLDERS

“This year, for the very first time, Snai Spa is publishing its own Social Responsibility Report: this is an important and particularly significant decision, because it was made during a phase of particular evolution within the company, in a historic context that is certainly challenging for our country and for the life of each individual citizen.

With this document, Snai would like to provide to all members of the public holding an interest in the company (the “stakeholders”) a full picture of the initiatives taken with a view to achieving “corporate social responsibility”: dialogue with its customers, attention to the social communities, responsible gaming and the proper use of energy resources, after exchanging views with the company’s human resources. This report also aims to provide a report on the operations, objectives and results, and to constitute a testament to our work, developed on a day-by-day basis with perseverance and consistency, always aimed at the final customers and users.”



“In 2011, Snai has undergone an important evolution, with the entry of a new main shareholder, Global Games, and the activation of a number of projects aimed at innovating internal procedural systems and improving the company’s capacity to present itself to various actors and operators within our business and our market.

This projects concern a plethora of aspects such as competition, the expansion of our product portfolio, continuous improvement, initiatives for the promotion and dissemination of responsible gaming.

The relevant market has been characterized in recent years by an on-going evolution in the portfolio of authorized games: for Snai, it remains imperative to maintain its leadership position in the sports and horse racing betting segment, where its market share exceeds 38%, and to consolidate its presence in other important segments such as Vlt, AWP and skill games.

The company’s sports betting portfolio has been expanded to include new live gaming modalities for soccer, basketball, tennis and other sports. As for on-line gaming, poker and other games, these are also offered through a cash modality, and since 17 July 2011, casino games are available on www.snai.it. Videolotteries have expanded particularly dramatically, and the company has achieved installation of the envisaged devices which reached, by mid-2012, approximately 70% of the total number of envisaged devices to be installed throughout the territory.

Snai is a key player on a market which last year registered net outlay by customers/bettors amounting to Euro 18.5 billion, showing a 5.7% increase over 2010, in which Euro 17.4 billion was registered. The overall wagers on the gaming market in 2011 amounted to approximately Euro 80 billion, up 30% over 2010, and in fact our operating sector has been defined as the “third largest sector in the country by turnover”. A sector which has allowed the tax authorities to collect, last year alone, over nine billion Euro in indirect taxes, deriving from withholdings on betting and gaming wagers.

As regards the future prospects in coming years, Snai will continue to pursue the diversification of its product portfolio: betting will remain its “historic” sector, even if a significant portion of revenues, in line with the rest of the market, will come from Videolotteries and Awp (amusement with prize). On-line gaming will integrate its already broad product portfolio, and our portfolio will soon also include betting on virtual events. In the meantime, our objective will be to promote a balanced approach to gaming, to be experienced as a moment of leisurely play, and to prevent compulsive gaming, being fully aware that we need to act with increasingly close attention vis-à-vis all relevant communities and environmental sustainability.

In conclusion, our first Social Responsibility Report has a twofold purpose: that of bringing to your attention, for your assessment, our results and the guidelines of our work, while in the meantime it serves as encouragement for us to focus our commitment not only on economic and financial results, but also on the respect of the environment, a responsible use of technologies, and an increasingly efficient use of energy resources and a reduction of wastes, and, most importantly, a close attention to all of the persons surrounding us, and with whom we exchange views on a daily basis.”



Stefano Bortoli
Managing Director of Snai Spa

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SUSTAINABILITY at SNAI



I. STRATEGIES FOR SUSTAINABILITY AND PROMOTION OF RESPONSIBLE GAMING

In 2011 Snai confirmed its leadership position at the national level in the sports and horse race betting segment, with a market share exceeding 38%: this means that over the course of the year, more than one bet out of every three is played at a Snai Point or Corner, on the company's website www.snai.it

The company's presence in all of the other multi-concession-holder gaming segments authorized in Italy, the activation of a widespread network comprised of over 4,400 betting acceptance points throughout the country and the need to endeavor to prevent and manage problematic or compulsive gambling, requires companies to assume significant responsibility.

Additionally, the ownership of three horse racetracks in Milan and Milan and Montecatini call for the utmost attention both with regard to environmental matters (the "Trenno areas" constitute one of the main expansive areas of greenery in the capital of Lombardy) as well as other matters such as the protection and wellbeing of the horses.

The structure of the Milan gallop racetrack, which was built in 1920 entirely in the liberty style, is the only racetrack in the world that has been declared a national treasure. Snai has adopted as its own principles on sustainable development, respect for the environment, and prevention of social problems, which it communicates and shares at all levels, both internally and in relationships with its stakeholders. This is because responsible growth is considered a key element in the creation of added value for the company. The following chapters include a description of the policies applied by Snai on the matter of sustainable development, reduction of consumption, energy use and waste management.

THE SNAI GROUP'S SUSTAINABILITY STRATEGY



Snai and responsible gaming

In Snai's view, gaming and betting are meant to be playful moments, of leisure and entertainment, or a chance to put one's skills to the test. Gaming must be a balanced activity and a moment of fun aimed at experiencing events with passion and taking part in them emotionally, always with positive emotions: this approach may be applied also thanks to activities aimed at preventing risks of compulsive or problematic gambling.



SNAI HAS DIRECTED ITS COMMITMENT TO RESPONSIBLE GAMING TOWARD AWARENESS-RAISING AND PREVENTION: IN COLLABORATION WITH OLIVIERO TOSCANI, HAS DEVELOPED THE BRAND "GIOCA PER VINCERE - NON TI PERDERE" ("PLAY TO WIN - BUT DON'T LOSE YOURSELF"), WHICH IS ON DISPLAY IN THE SNAI POINTS AND CORNERS AND ON THE WEBSITE SNAI.IT

This brand aims to remind gamblers and betters, at all times, that the sole objective – which is having fun and experiencing emotions – can be achieved while maintaining lucidity and concentration, perhaps putting oneself to the test with friends, but always without falling prey to excess or losing one's self-control.



Prevention is particularly important since gambling pathologies have repercussions not only for the compulsive gambler, but also for his family.

All of the Snai Points and Corners display posters which announce the prohibition on gaming for minors (under 18 years of age), disclosure leaflets which list the 14 "rules" for responsible gaming and useful indications for the better on how to request help and facilities he can turn to if he finds himself in difficulty. The better's conduct is monitored by the gaming room personnel, while Snai, in accordance with EC Law, as regards on-line gaming – has provided for the possibility for each individual gambler to define his own gaming limits, or even his self-exclusion, which may be either temporary or permanent.

The self-limitation allows the customer to better define his own maximum limits for each bet, or daily spending limits, or daily recharges of his gaming account. It is also possible for the better to self-exclude himself from gaming for a certain period of time or permanently. During the period of self-exclusion, it is not possible to open other gaming accounts.

Lastly, the company's website www.snai.it also sets forth the rules on "responsible gaming" and references for players in need of support.

FTSE 4GOOD INDEX

The sustainability index FTSE4GOOD constitutes an important point of reference for the creation of a benchmark and ethical portfolios, as well as for investment decisions by socially responsible investors. Snai pursues these objectives and is among the companies which distinguish themselves at the global level in terms of sustainable economic development.

The company is assessing the possibility of requesting inclusion in the FTSE4GOOD index in order to promote a transparent dialogue with all of the company's stakeholders.

2. Snai: THE STAKEHOLDERS



STAKEHOLDER ENGAGEMENT



ITALIAN STATE, RELEVANT INSTITUTIONS, REGULATORY AUTHORITY

- tax contributions
- Institutional meetings
- continuous collaboration with Aams and Assi



FINANCIAL INSTITUTIONS, SHAREHOLDERS AND LENDERS

- Financial reporting activities
- institutional website.Snai.it



HUMAN RESOURCES

- Meetings
- Training
- Dedicated Intranet
- Relationships with trade unions



POINTS OF ACCEPTANCE, GAMBLERS AND BETTERS

- Periodic meetings
- Informational meetings
- Promotional and informational campaigns
- Market research
- Website www.Snai.it
- Portal SnaiPartner



MEDIA

- Press releases and press file
- Media kit
- Company profile
- website www.Snai.it

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THE GAMING AND BETTING MARKET



I. THE ECONOMIC CONTEXT AND REGULATORY FRAMEWORK

The worldwide gaming and betting market - despite the current economic situation, which has produced stagnation with regard to development, if not recession – has achieved continuous growth over the years. This result is certainly due to the presence of several factors, such as:

1

THE EXPANSION OF THE LEGALLY AUTHORIZED SALES NETWORKS.

with consequent facilitated access for the consumer, also from a virtual standpoint thanks to the introduction and development of gaming opportunities via Internet.

2

CREASE IN PRODUCTS OFFERED

Including on-line gaming in line with the consumers' tastes and preferences.

3

INTERVENTION ON THE PART OF REGULATORY INSTITUTIONS

At the national and international level in order to combat and defeat illegal gaming, and enable the affirmation of lawful gaming, which is ensured thanks to operation by authorized concession-holders established through public bidding and tender procedures, which operate in the sector in a skillful, experienced and reliable manner.



It is important to stress that the responsibility of sector operators is also expressed through the establishment of mandatory procedures (in Italy they are envisaged under Legislative Decree no. 28/2005) concerning, for example, the harmonization of accounting rules. These mandatory procedures allow for the comparison of the financial statements of European enterprises falling within a given corporate category.

Lastly, it is important to highlight that Snai operates on a market which the company itself has helped to develop, as a leading operator, and which registered continuous growth starting from the Euro 14 billion in wagers raised in 2001, up to the Euro 60.09 billion achieved in 2010 and the almost Euro 80 billion achieved in 2011: an extraordinary achievement in the worldwide gaming and betting sector.

2. GAMING AND BETTING IN YEAR 2011

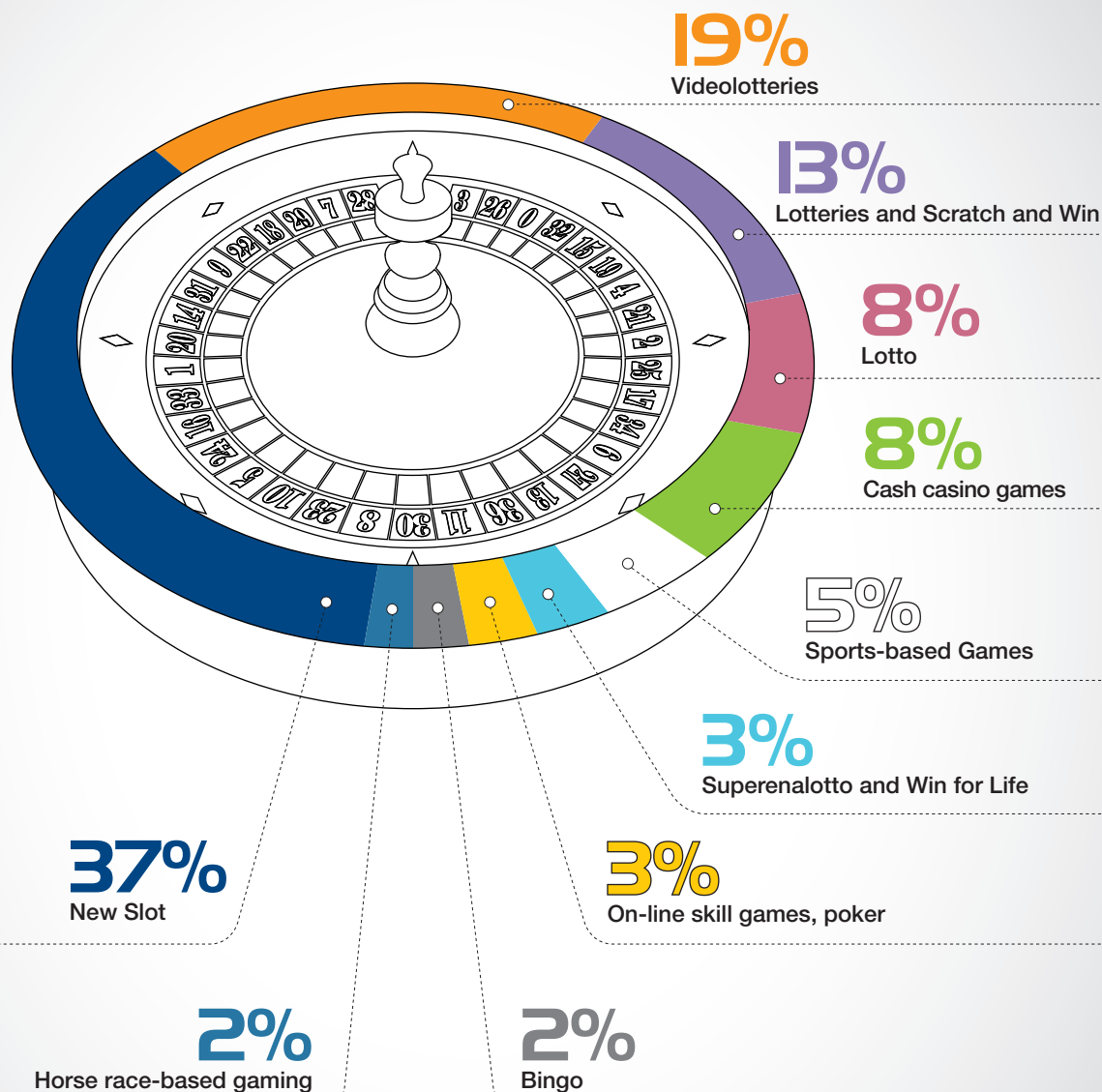
GAMING / BETTING	WAGERS 2011	CHANGES OVER 2010	MARKET SHARE
• Awp	30,031,000	-6.16%	37.63%
• Videolotteries ¹	14,865,000	+1760.45%	18.62%
• Lotteries and Scratch and Win	10,151,000	+9.20%	12.72%
• Lotto	6,810,000	+30.16%	8.53%
• Cash and casino games	6,167,000	-	7.73%
Cash games	4,610,000	-	5.78%
Casino games	1,557,000	-	1.95%
• Sports games	3,924,300	-12.72%	4.92%
Fixed quota sports bets	3,849,000	-12.44%	4.82%
Betting pools	75,300	-24.70%	0.09%
• Superenalotto and Win for Life	2,396,000	-32.01%	3.00%
• Skill games, on-line poker	2,251,000	-28.45%	2.82%
• Bingo	1,850,000	-5.32%	2.55%
• Horse racing games	1,369,000	-20.75%	1.72%
Totalizator horse betting	924,000	-18.66%	1.16%
"National Horse Betting"	393,000	-25.99%	0.49%
• Reference horse betting	18,000	-10.00%	0.02%
• Fixed quota horse betting	35,000	-18.16%	0.04%
Total	79,814,000	+29.88%	



Data in thousands of Euro;
the market share refers to each
individual game or bet out
of the total for 2011.
Source: Amministrazione autonoma
dei Monopoli di Stato.

¹ Start-up videolotteries started
in the fall of 2010, with significant
data starting only in 2011.

GAMING AND BETTING: MARKET SHARES IN 2011



**SNAI GAMING AND BETTING:
SOURCE OF TAX REVENUES**

Gaming and betting contribute to tax revenues thanks to tax withholdings made on wagers and, for certain games, on winnings over Euro 500. Effective daily operations conducted by Snai and the 4,400 Points and Corners allow gamblers to place bets and engage in gaming activities using Awp or vits, to take part in on-line skill games and casino games; for the Awp, over 10 thousand commercial business offer, every day, this gaming service using Snai devices. The gaming offerings are supported by informational and communications services which have been developed also by Teleippica, which provide both TV images and the mailing of data and informational tools: thanks to the completeness and efficiency of the services, in 2011 Snai paid to the tax revenues agency over Euro 51 million from tax withholdings applied to wagers.

GAMING AND BETTING

	YEAR 2011
Betting tickets issued on sports	142,817,020
Betting tickets issued on horse races	91,798,015
Maximum number of sports tickets per day	1,289,429
Maximum number of horse race tickets per day	403,746
Total events on which "live" gaming was accepted	597
Awp in place as of 31 December 2011	30,532
Awp in place on average	29,837
Daily hard copy pages and video screens with quotas, rankings and results,	over 150

INTERNET GAMING

	YEAR 2011
Active accounts for "Snai Card" gaming	126,986
Visits to the website www.snai.it	52,876,537
Individual visitors	11,725,989
Page views	128,574,982
Number of poker hands, cash wagers	58.5 million
Number of poker tournaments played	over 5 million
Number of bingo cards sold	150 million
Number of on-line casino winnings	350 million

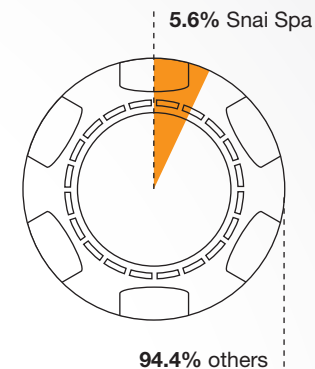
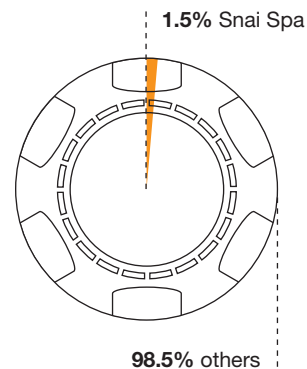
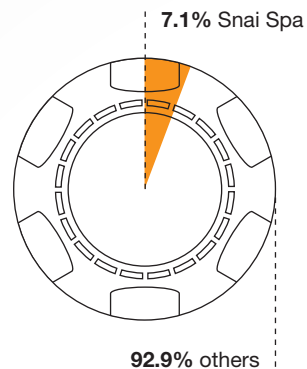
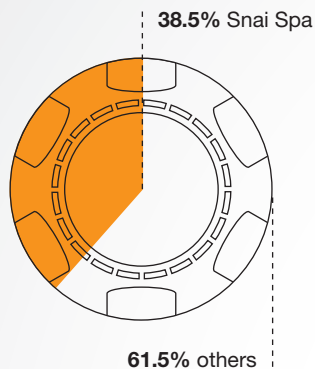
GAMING/BETTING	WAGERS FOR 2011	MARKET SHARE	PERCENTAG PAY-OUT
• Awp	2,132,904	7.1%	75.0%
• Sports-based gaming	1,276,635	32.5%	76.4%
Fixed quota sports betting	1,266,104	32.9%	76.6%
Soccer pools	10,531	14.0%	52.0%
• Horserace-based gaming	759,144	55.5%	70.0%
Totalizator horse race betting	542,012	58.7%	71.7%
National Horse Race Betting	178,160	45.3%	63.3%
Fixed quota horse race betting	28,747	82.1%	81.3%
Reference horse race betting	10,226	56.8%	59.4%
• Cash casinò games	397,638	6.4%	96.8%
Cash Games	222,364	4.8%	96.6%
Casinò Games (fixed quota drawing games)	175,274	11.3%	96.9%
• Videolotteries	225,313	1.5%	88.7%
• Skill games	126,827	5.6%	87.4%
• Bingo	13,592	0.7%	71.1%
• Superenalotto and Win for Life	729	0.0%	28.9%
TOTALE	4,932,782	6.2%	77.3%

Data in thousands of Euro;
the market share refers to each single game or bet out of the total for 2011.
Snai accepts Bingo, Superenalotto and Win for Life in the on-line modality.
Source: SNAI's elaborations on AAMS data.



**Photography competition
THE WORLD OF SNAI
THROUGH OUR OWN EYES**

Sebastian Alejandro Marino, ,
Snai Spa warehouse/inventory
management



Market share for sports and horse race betting

As "historic" operator in horse race betting, Snai began to accept wagers on sports events in 1998, when for the first time this betting segment became authorized in Italy. Today, Snai is the absolute sector leader, with overall market share of approximately 38.5%. As regards the horse racing sector, over 55% of bets are placed with Snai, while in sports, one bet out of every three is placed at a Snai Point or Corner, or on its website www.snai.it

Market share Awp (Amusement with Prize)

Snai is one of ten Italian operators authorized to connection "paragraph 6 and paragraph 6a" devices (commonly referred to as "AWP") on a network. The regulation of this sector has allowed for a very broad market to be legalized, which in the past completely escaped legal and tax controls, and to achieve an important source of tax revenues, and to ensure greater protection for gamblers who, now, may use devices that are subject to a rigid homologation process before entering the market.

Market share Videolotteries

Snai is increasing its presence in the Vlt segment, a new type of slot machines: the network comprised of over 5 thousand terminals will be completed by the beginning of 2013. Thanks to the jackpot formula, the Vlt's are increasingly popular among players.

Market share On-line skill games and poker

The company's offering of on-line games, from Texas Hold'em poker to casino games, to classic Italian card games scopa, briscola and burraco, is one of the broadest on the market and has achieved a significant market share, with solid possibilities of further expansion.

GROUP PROFILE



I. THE SNAI GROUP

Snai S.p.A. is one of the main operators on the Italian gaming and betting market.

The company, which is listed on the Milan Stock Exchange, is controlled by Global Games S.p.A., a company established by Investindustrial and Palladio Finanziaria.

Snai is present on the relevant market in all authorized “multi-concession holders” for gaming and betting in Italy: betting, videolotteries, AWP, on-line games (poker, skill games, casino games, bingo), betting pools. Thanks to agreements with the authorized state concession holder, it also accepts gaming via internet for Superenalotto and Win for life.

It operates on the territory of Italy through its own network of betting acceptance points called “Snai Points” in the case of stores exclusively dedicated to gaming or betting, or “Snai Corners” in the case of active points within businesses such as bars, tobacco shops, shopping centers, airports, etc.

It offers services with significant added value to third party betting acceptance points: thanks to these, **Snai’s acceptance network reaches over 4,400 stores and corners throughout Italy.**

It owns three horse race tracks: the gallop racing and harness racing facilities at San Siro in Milano (including areas which include training tracks and stable facilities for the horses), and the race track used for harness racing. “Sesana” of Montecatini Terme.

Thanks to the subsidiary **Teleippica, Snai guarantees to the points within its network the televised broadcasting of all horse races open to betting that are scheduled in Italy and abroad**, as well as information programs on the most important issues related to horse racing and sports, and in addition to the specialized channels Unire Verde, Grigio e Blu, Teleippica broadcasts on the channels Snai Tv and Snai Sat, which features programs dedicated to sports events and other events, as well as programs dedicated to live poker tournaments and the most important Snai events. Announcements in real time are supplemented by Radio Snai, which is broadcasted via satellite in all Snai Points, and which may also be accessed through the website www.Snai.it



Over the course of 2011, gaming wagers attributable to Snai amounted to Euro 4.9 billion, and considering overall winnings, of Euro 3.81 billion, the actual outlays for players and betters amounted to Euro 1.1 billion, showing an increase of 24.3% over 2010: this result brings the sector to represent the “third place” out of national sectors, by turnover, and over four percent of GNP.

Gaming, betting and tax revenues

In Italy, the acceptance of gaming and betting wagers has been entrusted to private entity, which operate under ministerial concessions assigned by the State Monopolies Authority (Amministrazione autonoma dei Monopoli di Stato or AAMS). Aams serves functions pertaining to sector guidance and oversight and is coordinated by the Ministry of the Economic and Finance.

In 2011, the overall wagers on gaming and betting have led to the achievement of tax revenues of approximately Euro 8.7 billion.

2. THE GROUP'S VALUES

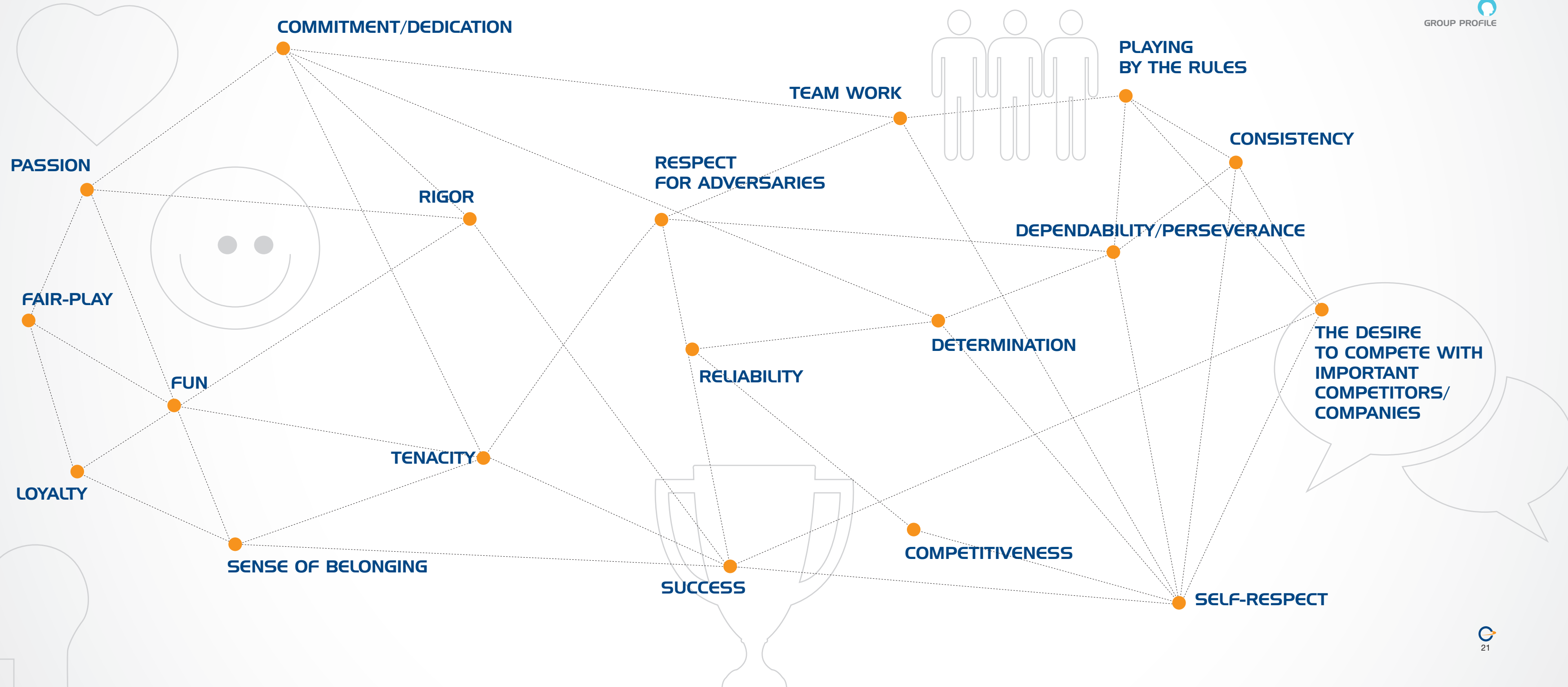
Snai Spa bases its values on ethical principles of integrity, on-going relationships and dialogue with customer and suppliers, and strives for excellence in both its products and its services provided to the betting acceptance points and final customers.

Dedication to the customer plays a primary role, and this objective is pursued through a process that may be summarized as follows:

- Listening to the needs, requests, proposals and suggestions
- Interpretation and elaboration of input received from customers
- Precise and prompt answers, concerning both products and services supplied

The company's human resources are involved at various levels, depending upon their positions, roles and experience in the various working units: in any case, the company's employees are always encouraged to feel a part of the company, and therefore to provide, every day, their own contribution toward the achievement of the company's objectives.

Snai Spa's final objective is a successful, long-term future which creates added value for all of its stakeholders.



3. THE GROUP'S HISTORY

The Snai Group was founded in 1990, when a group of horse race agencies established Snai Servizi Srl, a company which designed and realized services for the same horse race agencies. Since then, the Group has enjoyed a continuous growth in projects, business operations, initiatives and development of product and service offerings and of its acceptance network.

1990

Launch of **Tris betting operations**; launch of televised broadcasting of horse races in all connected agencies, using a terrestrial network using microwave technology.

1995

Launch of Snai's new **coordinated image**: the "logo" is the stylized face of a horse, the colors are green and blue; in the same year, the televised broadcasting of horse races is transferred to the **digital satellite platform**: this is the first European channel dedicated to horse races that uses this technology.

1997

Snai Servizi purchases from Montedison Spa, the company Trenno Spa and the horse racetracks of Milan and Montecatini in its capacity as controlling company of Trenno Spa, **the company lists its shares (known as "Snai" on the exchange) on the Milan Stock Exchange**.

1998

In 1998, **sports betting is launched in Italy**, on the occasion of the Soccer World Cup played in France: the "horse race agencies" become **Snai Points**. In the same year, the Snai Group is established and takes part in the tender procedure for the expansion of the network of betting agencies.

1999

Snai obtains **Iso9001** certification.

2000

The new acceptance network is completed and Snai doubles the number of Snai Points in Italy. The **Varenne** fairytale begins: Snai became the 50% co-owner of Varenne and initiated a promotional campaign for the launch of the image of Varenne, which was to become the strongest harness racer in the history of horse racing. In the Snai Points, the **Betsi** terminal is introduced. This terminal Betsi was designed and realized by Snai for the acceptance of all types of horse race and sports bets.

2001

Bingo arrives in Italy; Snai launches the project known as "**Global Service Bingo Snai**", for the design, construction and operation of Bingo rooms.

2002

Varenne wins his first **Prix d'Amerique** and sets the absolute world record for intermediate distance as well as the world and European records for short distance. Snai realizes **Best**: this is the first self-service terminal for the acceptance of bets in the Snai Points, the predecessor of the current and more advanced terminal known as "Fai con Me".

2003

Varenne wins the second **Prix d'Amerique**, ends his competitive career and enters the history pages of horse racing: he is the harness racer with the highest number of wins at the finish line, a record that remained unbeaten. Snai obtains the concession for the acceptance of sports-based pool betting (concorsi a pronostico su base sportiva): **Totocalcio** and **Totogol** are introduced to the Snai Points.

2004

The first bets on "national" horse races may be placed via internet, as well as the first sports bets or totalizator bets, and pooled bets. For the first time in Italy, it is possible **to bet via sms**: Snai presents this novelty on the eve of the European championships in Portugal. Snai obtains the **concession for the connection within its network of the "AWP"**, and the first play cards for the game known as "Big Match" appear.

2005

Snai accepts **the first bets on non-sports events**: Festival of Sanremo, the Oscars/ Academy Awards, the Festival of Cannes. New totalizator betting games are launched as part of the Big Match series: Big Race, related to Formula 1, motorcycle races, and cycling, and Big Show, where players bet on televised events and reality shows. In 2005, Italy becomes familiar with bets placed during the event: this is known as "**live betting**". A watershed moment for Snai Spa occurs when it launches its **new business plan** and takes on the role of concession-holder for the acceptance of bets.

2006

The Soccer World Cup is held in Germany: Snai begins to **accept bets through a terrestrial and satellite digital decoder**, followed shortly thereafter by the possibility to use mobile phones with Java technology. Snai purchases **450 additional concessions** for horse race betting, and launches **250 new betting agencies**. Over the course of the year, **Snai Spa's share capital is increased**, and the first bets on reality television shows are accepted. Teleippica wins the **European tender** procedure organized by Unire for the operation of the television channel for the broadcasting of horserace. Snai purchases **the real estate property comprising the racetracks of San Siro and Sesana** from the company Trenno, which changes its company name to Trenno Srl and maintains the management and operation of the horse racing facilities, including the training centers and related tracks.

2007

Upon the completion of the tender procedure organized the prior year, Snai succeeds in obtaining **the adjudication of 5,092 rights for "stores" and "corners"** For horse race and sports betting. The new network is launched during the same year.

2008

The website Snai.it allows for **skill games** to be played, which games result in cash winnings. These games include Texas Hold'em poker, for which Snai activates the website www.pokersnai.it. Snai's new acceptance network is completed and ultimately counts approximately **6,000 gaming points**. The programs broadcasted on the new satellite channel **Snai Tv** are launched: live broadcasting of horse races, in-depth information on the world of horses and sports, updates in real time thanks to **Ansa News** releases on current events and sports; The channel goes on the air in the Snai Points and on Sky channel 220.

2009

Snai realizes the new, revolutionary self-service terminal called "**Fai con Me**"; through a new tender procedure for horse race betting, Snai is adjudicated 303 new rights.

2010

Launch of the brand "**Gioca per vincere**" (Play to win), in support of informed and responsible betting; Snai obtains **Iso27001** certification.

2011

The company **Global Games Spa acquires a majority stake in Snai Spa**. New **videolotteries** are launched in the Snai Points. In the on-line segment, poker may be played using **cash modalities**; in addition, Snai launches **on-line casino games**. In the same year, **Radio Snai** was also established, and broadcasted via web in all Snai Points.



4. THE GROUP'S STRUCTURE as of 31 August 2012

GLOBAL GAMES S.P.A.

67.188%

Snai S.p.A.

100%	Teleippica S.r.l.
100%	Festa S.r.l.
100%	Immobiliare Valcarenga S.r.l.
100%	Società Trenno S.r.l.
100%	Mac Horse S.r.l. (in liquidation)
100%	Snai Olè S.A.
100%	Snai France S.A.S.
70%	Teseo S.r.l. (in liquidation)
30%	Solar S.A.
27.78%	Hippogroup Capannelle S.p.A.
30.70%	Alfea S.p.A.
25%	Connex S.r.l.
2.4435%	Lexorfin S.r.l.
19.50%	Tivù + S.p.A. (in liquidation, subject to a creditors' composition agreement)

5. BRANCHES AND LOCATIONS ON THE TERRITORY

Snai has three offices in Italy: its main headquarters is in Porcari, in the province of Lucca, where the heart of the Group is located, including the structure in charge of managing all phases of gaming and betting. The registered office of Trenno, which manages the horse racetracks of San Siro in Milan and Montecatini, hosts Snai Spa's representative offices, office of the chairman, public relations and technical office. The company Festa, which handles inbound and outbound call center services for the Snai Group has its headquarters in Tor Pagnotta, Rome. The company's commercial offices are located in Settebagni.

The points of betting acceptance are present throughout the territory of Italy: in addition to the 3,800 Points and Corners owned by the company, an additional 600 points (approximately) are connected for the supply of services, for a total network comprised of over 4,400 gaming points, the most widespread in Italy in the betting segment.



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Daniela Grandi
Festa Srl



6. SNAI'S PRODUCTS

Bets

The acceptance of bets constitutes Snai's traditional business area: this is a type of betting that has always been managed and offered first by the horse racing agencies and now by the Snai Points and Corners. The bets fall within the following three categories:

1

Sports bets

Bets are placed on Italian and foreign events, in numerous sports, such as Soccer, basketball, tennis, Formula 1, Motomondiale, Superbike, volleyball, rugby, sailing, as well as others.

2

Horse racing bets

On harness racing, gallop racing and steeple-chase (obstacle) races, held in Italian and foreign horse racetracks.

3

Non-sports betting

On events such as the Festival of Sanremo, the Oscars/Academy Awards, Festivals of Venice and Cannes, reality shows, foreign political election results, and others.

Fixed quota sports betting

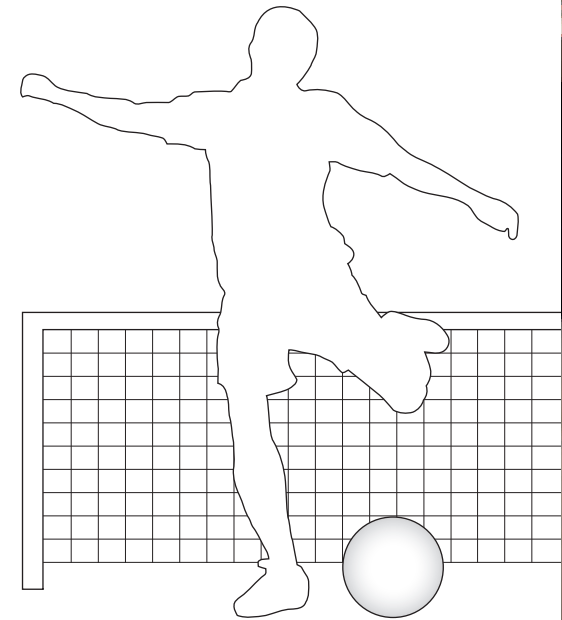
The definition of the expression “sports betting”, which initially had been “betting on events other than horse races”, encompassed under a single category gaming on various Olympic sports, motor sports (Formula 1, Motomondiale, Superbike, rally), and other types of events (foreign political elections, Festival of San Remo, television reality shows, the Academy Awards, etc.). In this segment, Snai is market leader despite the fact that the so-called “Bersani” tender authorized a broader number of operators – and therefore competitors – with respect to the past. Thanks to a broad and complete product offering, Snai boasts a high degree of appeal with betters: enthusiastic and skilled, they play to put their abilities and knowledge of the subject matter to the test, they are “fans” but not excessively, and in fact they rarely bet on their own team in order to ward off bad luck. Such bets are called “fixed quota” because the winnings are calculated on the basis of the “quota” offered at the time of the bet, multiplying the amount wagered by the quota offered (for example, 10 Euro played at a 3.50 quota corresponds to winnings of Euro 35). The quota played by the better remains unchanged, even in the event that the bookmaker later decided to change the quotas for the same event. For each sport, various types of betting are offered, in order to meet growing interest on the part of betters: the offering is enriched with the possibility of playing using “live” modalities, or in other words, during the sports event, both in the betting stress and via internet or other electronic means such as telephone, decoder, etc.).

Fixed quota sports bets can be placed in Snai Points and Snai Corners; the minimum wager is Euro 2, and the payout (the percentage out of total wagers that is returned to players in the form of winnings) is not pre-established, as a consequent of the type of wager, but on an annual basis generally ranges between 75 and 80% of overall bets. At the end of 2011, the wagers on sports amounted to Euro 1.28 billion and the pay-out, considering also the Snai Points and Corners as “clients/customers”, amounted to 76.38% of wagers, for total actual spending by betters of Euro 301.5 million.

POOL BETTING AND TOTALIZATOR SPORTS BETTING

The pool betting contests Totocalcio and Totogol can be played at the new agencies and Snai Corners assigned by the 2006 tender procedures. These same points accept totalizator bets called Big Match (soccer and other sports), Big Race (betting on automobile, motorcycle and cycling races) and Big Show (non-sports events, such as the Festival of Sanremo), if included in the programming defined by the AAMS. For this segment, in 2011 wagers were raised amounting to Euro 10.5 million, with pay-out of 51.98%, and effective outlays of Euro 5.01 million.

BETS ON SPORTS AND OTHER NON-SPORTS EVENTS ARE PARTICULARLY POPULAR WITH YOUNG, ENTHUSIASTIC AND SKILLED PLAYERS.



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Roberto Loru
coordinator Festa Srl



Horse race betting

These constitutes Snai's "historic" product: bets on horse races have always been in the company's DNA, and in fact the company is the long-standing partner of a number of the most important horse racing events in our country. In 2011, bets on horses made at Snai Points amounted to Euro 760 million, a volume which is down 20.92% with respect to 2010, a trend in line with the national market. In this segment, Snai holds an absolute leadership position with a market share of 55.5%. As regards wagers from "national" horse race betting (winner, coupled, Tris, Quarté and Quinté), which can be played in both the Snai Points and the Snai Corners, an overall amount of Euro 178 million was registered, down 25.52% with respect to 2010. The market share remains stable, at 45.3%. Snai's total wagers in 2011 therefore amounted to Euro 760 million, with pay-out of 69.96%, and effective outlays by bettors of approximately Euro 230 million.

Horse race betting is governed by criteria which define various levels of tax withholdings and withholdings in favor of horse racing: these withholdings are calculated on the basis of the type of bet and the total betting volumes and cause payout to fall under 70% of wagers. This does not facilitate the overall gratification of bettors, who tend to prefer more remunerative games. Horse race betting is in need of significant innovation in order to keep up with the rest of the market: it is necessary to achieve a greater capacity to remunerate bets, with changes to tax withholdings in order to increase the percentage of the pay-out in favor of bettors. Further steps to be taken: an increase in the showiness and quality of the races, with more rational planning of races to prevent overlapping; television programming that is not limited to merely the Unire television channels, but which also involves generalist and sports media (the press, radio, tv), and which is more complete and intriguing, capable of attracting a new audience and satisfying enthusiasts and bettors. All of the foregoing also needs to be supported by solid and effective communications.

TOTALIZATOR HORSE RACE BETTING

This is the type of horse race bet that is most often placed in Italy: it is accepted on Italian and foreign races on the Winning horse, placed horse (which reaches the finish line as one of the first two or three horses) placed couple (two horses ranked in the first three places, in any order), trio (the horses ranked in the first three places). All bets played are channeled in real time to the national totalizator, which calculates the quotas, which are the same for all bettors, and which continue to change until the start of the races, depending upon which horses were played the most or the least at the national level. These bets may be placed only in the Snai Points, and not in the Snai Corners.

FIXED QUOTA HORSE RACE BETTING

This is the "classic" horse race bet: it follows the same principles of fixed quota betting on sports, and is accepted on the "winning" horse (ranked in first place) or "placed" horse (ranked among the first two or three horses) in the most important races on the program. These bets may be placed only in the Snai Points, and not in the Snai Corners.



Entertainment devices: videolotteries and AWP (Amusement with Prize)

The regulation of AWP and videolottery devices, which was strongly pursued by the Ministry of the Economy and Finance, through Aams and the selection of suitable State concession holders, has led to the legalization of a market segment that in the past had been completely concealed and part of the black economy. The rules applied to the “Awp” (amusement with prize) devices and the “Vlt” (videolottery) devices provide for wager limits and maximum winnings limits, in order to limit the risk of problematic betting, while the tax withholding on wagers has become an important source of revenues for the Italian revenues agency.

BEST ON “NATIONAL HORSE RACING”

These are bets related to horse races which are held every day, in Italian and foreign horse racetracks: at the Snai Points and Snai Corners, totalizator bets may be placed called “Vincente” (Winning) (first ranked horse), “Accoppiata” (the two horses ranked in the first two places), “Tris”, “Quarté” and “Quinté” (respectively, the first three, four and five horses ranked in the race). The bets may be placed both in the Snai Points and in the Snai Corners.

MULTIPLE “REFERENCE” HORSE RACE BETS

Multiple reference horse race betting is a type of betting that is especially popular with more expert and skilled betters, who are interested in obtaining significant winnings. The bet is placed on a minimum of three races, in an effort to identify only winning horses, only placed horses, or winning or placed horses in each of the races chosen by the better. All of the races on which bets are placed must take place on the same day. The name “reference” is based upon the fact that the quotas of each individual event covered by the bet (winning or placed) are calculated with “reference” to the corresponding totalizator quotas. The overall quota is obtained by calculating the product of the quotas of each event comprising the multiple bet. This type of bet may also be placed solely in the Snai Points.



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Jessica Marcheschi
call center Festa Srl

THE VIDEOLOTTERIES

These are new generation entertainment devices: each Videolottery is connected within a network with other devices, located throughout the entire territory of Italy, and this connection allows for the generation of progressive jackpots. They were authorized in Italy by law no. 7/2009, which provides for the activation of gaming wagers through devices controlled by the centralized gaming system of each concession-holder, that may be installed solely in specialized rooms such as: bingo rooms, gaming stores for the collection of bets, rooms dedicated exclusively to the collection of wagers through entertainment devices and gaming rooms set up



with separate areas. The jackpot formula was introduced for Vlt, which allows for winnings of up to Euro 500 thousand. Snai acquired rights for 5,052 videolottery devices, which became operational in January 2011: the completion of the activation of all of the devices is envisaged by the end of 2013. AS of 30 June 2012, the Vlt devices already installed amounted to approximately 3,300. The gaming volume developed over the course of 2011 amounted to Euro 225 million, 1.5% of national wagers, which last year amounted to 14.8 billion. The pay-out was 88.66%, with effective betting outlays of Euro 25.5 million. The total number of Snai's Vlt rights is sufficient to satisfy gaming demand through installations in both Snai Points and explicitly dedicated rooms. The different types of points of sale allow for different customer bases to be reached which share an interest in games of this type.

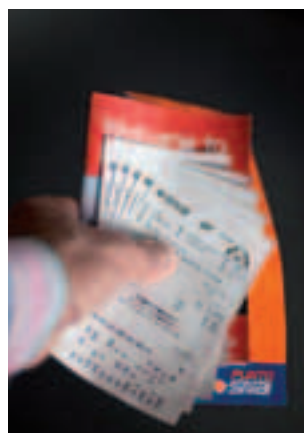
AWP (AMUSEMENT WITH PRIZE)

SNAI S.p.A. owns the concession for the activation and operation of the network for the electronic operation of lawful gaming through fun and entertainment devices classified as "paragraph 6a", now known as "AWP". These devices, which are not connected with one another within a network, are characterized mainly for their universal appeal: they are capable of reaching a very broad customer base of all ages, including both men and women, and can be offered through a diversified range of points of sale, such as bars/cafes, public businesses and shopping centers, as well as through Snai Points and Snai Corners. Depending upon the type of device, they allow for maximum winnings of Euro 50 or Euro 100.



VLT TERMINALS

In 2011 national wagers raised through awp devices reached Euro 30 billion: wagers raised by Snai amounted to Euro 2.13 billion, showing a market share of 7.1%. The pay-out is fixed on the basis of principles provided by law, at 75%: the actual outlays spent by betters (and reaped by Snai) amounted to Euro 533 million. In 2011, Snai took part in a tender procedure to obtain the renewal of its concession. On 13 February, Aams notified Snai of its admission for the temporary operation of the network, pending the final execution of the concession deed, which will be possible after the technical testing of the electronic network systems has been completed successfully.



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Claudio Graziani
Management of real estate property Snai Spa

Internet gaming and on-line games

THE WEBSITE WW.SNAI.IT

Snai's remote gaming network allows customers to play and bet on-line, by visiting the website www.snai.it, a:

- Betting
- Tournament Poker and Cash Poker
- Skill Games
- Casinò and cash games
- Bingo, Superenalotto and Win for Life online

The website www.snai.it is also a source of extensive information, thanks to a section dedicated to news and updated quotas in real time on horse races and sports. The "individual visitors" registered on a monthly basis by the site amount to almost 600 thousand, and the number of pages visited approaches 20 million.



600,000

The "individual visitors" registered on a monthly basis by the site

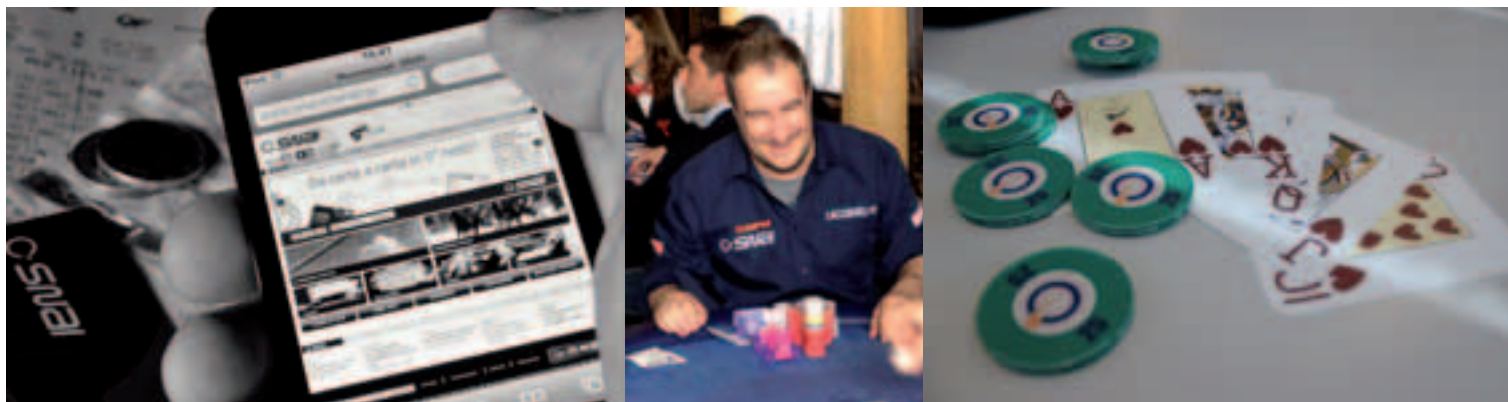
www.Snai.it



SNAI CARD

To play via Internet, the customer must hold a gaming account, as well as a Snai Card, the tool offered by Snai for the placing of bets via Internet. Only adults may apply for the Snai Card: the card has no management costs and is used as a traditional rechargeable "card".

For each bet or gamble placed via Internet, a "virtual" receipt is issued which bears the registration number issued by Aams. Winnings are immediately credited to the gaming account corresponding to each Snai Card: to collect the winnings, the holder of the card may request a payment to his bank account, or a postal money order or a charge on the PostePay card. All deposits to and withdrawals from the gaming account are completely free of charge. Thanks to an agreement with Poste Italiane, all holders of the PostePay card may make recharges to their card at the Snai Points, or may request the issuance of a PostePay card that is "personalized" as a Snai Card.



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Claudio Giovacchini
Remote gaming Snai Spa
Stefania Diodati
Remote gaming Snai Spa

BETTING VIA INTERNET

The website www.snai.it is the point of reference for all enthusiasts of gaming experienced with diligence, moderation and lucidity: the same bets accepted at the physical Snai Points and Snai Corners located throughout the territory of Italy may be made, for both sports and horse racing. In 2011, on-line wagers from sports betting reached approximately Euro 118 Million, with a contraction of -26.25%, in line with the national trend (-16.85%). Horse race wagers amounted to approximately 29.7 million, showing a decrease of -21.43%, which was lower than the national decrease (-30.65%).

SKILL GAMES

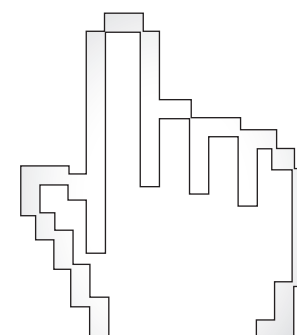
“Skill games”, which are skill games with cash winnings, were introduced in Italy by decree no. 186 issued by the Ministry of the Economy and Finance of 17 September 2007: Snai offers the possibility to take part in on-line tournaments with cash winnings 24 hours per day, every day of the year. The gaming possibilities are numerous: poker tournaments are offered in the two modalities of Texas Hold'em and Omaha, as well as very popular games such as burraco, scopa, briscola, tresette, sette e mezzo, bestia, cirulla, blackjack, backgammon, dice poker, gin rummy as well as others.

Starting in July 2011 SNAI started offering poker through a cash game modality, and starting in February 2012, this modality was extended to burraco, briscola, scopa, bestia, chemin de fer, sette e mezzo and other traditional Italian games.

Poker, using the Texas Hold'em or Omaha modality, is the favorite game of on-line players, with hundreds of tournaments available every day, but there are also plenty of alternatives: players can choose among briscola, scopa and tresette, or chemin de fer, 7 e mezzo and even the very popular “bestia”; those who prefer Genoan playing cards can opt for cirulla.

Another game that is popular with Snai's on-line players is burraco, which for some time has become increasingly popular with various different age groups. For all Snai card games, the minimum cost of participation is 50 cents, but every day it is possible to register for free roll tournaments participation in which is free of charge.

Returning to poker, it should be recalled that Snai has its own team of professional players, who participate with “Snai colors” in live tournaments throughout the world, and on-line events. They are selected from among participants in tournaments held in Italian casinos and other European locations, but also from among the best on-line players on Snai's website www.snai.it.



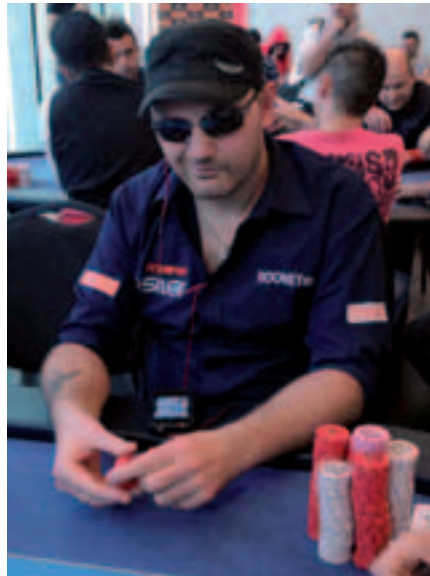
In 2012, as in the two previous years, the Snai Poker Cup is held, which is a circuit of poker tournaments held in Italian and foreign casinos which allows for the selection of new members of the Snai Pro Poker Team.

The key moments of the Snai tournaments are broadcasted by the Teleippica channels and also by the main national broadcasters and gaming sector broadcasters.

Radio Snai ensures live connections for updates and interviews with the protagonists.

Poker, of all skill games, is the game which has registered both the highest gaming volume and the highest outlay by players. The platform raised a total of Euro 325.32 million, comprised of 103.01 million in the tournament version and 222.31 million in the slightly over five months of operation of the cash modality, with total outlays by players of Euro 18.88 million.

The introduction of the cash modality has led to a significant decline in wagers in the tournament version (-44.85%) but an increase in overall wagers (+74.17%), which in 2010 had amounted to Euro 186.78 million.



These data indicate that players have not abandoned the game, but rather there has simply been a migration toward a different gaming modality.

The platform supplier, an important international company specialized in this sector, has entered into contracts with other Italian concession-holders: this has allowed for the creation of a network accessible by not only Snai players but also those of seven primary competitor concession-holders. The possibility of sharing liquidity with other operators allows us to offer tournaments with higher jackpots, and to shorten the waiting time for player since thanks to a broader public, it is easier to locate adversaries for different tournaments. The offerings are therefore broader thanks to a higher number of players. In 2011, Snai's role within the network amounted to approximately 40% of total gaming.

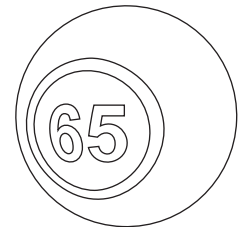
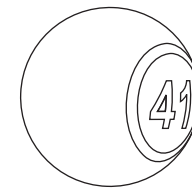
IL POKER

Considering only skill games, this is the game that has registered the highest gaming volume. As regards skill games other than poker, in 2011, total wagers for briscola, scopa, tresette and other games amounted to Euro 41.01 million (+122.76% over 2010), sub-divided into Euro 14.98 million for tournament games and Euro 26.03 million for casino games. Total outlays by players increased by 12.92%, from Euro 2.31 million in 2010 to 2.61 million in 2011. As regards la platform per briscola, scopa, burraco and others, played through tournaments, launched in 2009, wagers increased by 42.82%, from Euro 6.06 million in 2010 to Euro 8.66 million in 2011. The outlay by betters increased proportionately, from Euro 0.82 million in 2010 To 1.19 million in 2011. Overall, in 2011, actual outlays for skill games amounted to Euro 15.9 million, thanks to a pay-out of 87.45% of wagers.

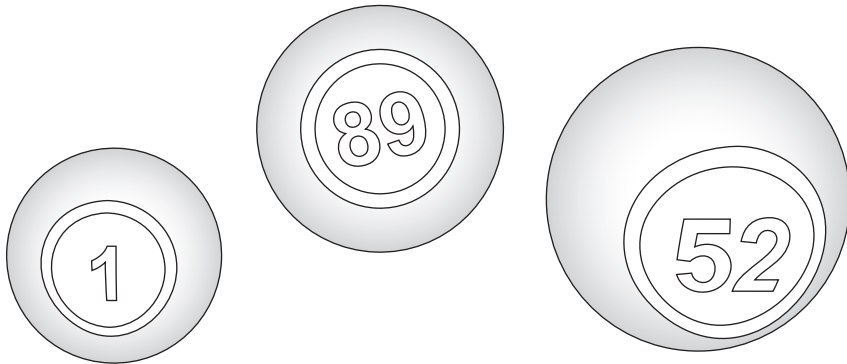
CASINÒ GAMES

Also referred to as "fixed quota luck games with remote participation", these are better known as casino games. These include various versions of French and American roulette, black jack, video poker, as well as others.

As in the case of other games and bets, access is conditioned upon possession of a Snai Card: the "wagers played" in casino games start from a minimum of one Euro cent to a maximum of Euro 1,000, and in the latter case for a very limited number of games.



The platform dedicated to casino games raised, in slightly over 5 months, wagers of Euro 175 million, with effective outlays by players of 5.4 million (pay-out of 96.65%) Snai's net margin on on-line skill games and casino games fluctuates considerably depending upon the platform and the gaming modalities and therefore the taxation, bonuses disbursed and the origin of the customer (Snai or affiliation by a service provider) and ranges between 10% and 60% of the effective outlay by players.



IL BINGO ONLINE

Bingo can be played electronically on Snai's website www.snai.it: players have available three different virtual game rooms, with various costs per individual card and with incremental jackpots for each room. The gaming experience is enriched with a chat-line operated by moderators who entertain and converse with players. Wagers raised from on-line bingo in 2011 amounted to Euro 13.59 million, with total outlay by players of 3.93 million: the pay-out amounted to 71.08%

SUPERENALOTTO E WIN FOR LIFE ONLINE

This is a "niche" product which in 2011 achieved overall wagers of Euro 729 thousand, of which 270 thousand referred to Superenalotto (effective outlay of Euro 209 thousand, pay-out of 22.62%) and 459 thousand referring to Win for Life (effective outlay of Euro 308 thousand and pay-out of 32.72%).

7. BUSINESS MODEL AND DEVELOPMENT STRATEGIES

Snai's business model provides for a diversified product portfolio which allows for various segments of the general public to be reached, who are differentiated by age and gaming preferences.

In 2011, 36% of revenues were ascribable to sports and horse race betting, while 48% related to wagers on AWP: these are two complimentary products, since betting is based principally on the experience of betters and on in-depth knowledge of the relevant events covered, while AWP games are based solely on random risk. The two products are supplemented with other games such as poker, skill and casino games, which contribute toward revenues in the amount of 3%.

Vlt devices (video lottery terminal), introduced in 2011, amounted to 4% of revenues, while the remaining 9% related to other items.

In the company's development plans for the next two years, AWP and VLT gaming is expected to consolidate its role as a main revenues item, and is expected to reach 39% and 18%, respectively, while betting, while maintaining its fundamental and historic role, is expected to decrease to 31% mainly on account of negative forecasts concerning betting on horse races.

Starting in 2012, Snai will introduce to its offerings betting on virtual events, which will be possible in various simulated areas (soccer, motorcycles, motors, horse races and greyhound races): this segment is expected to reach, over the next two years, 3% of revenues. For on-line games, the contribution percentage is expected to reach approximately 4% approximately, while the other items are expected to fall to a total of 5%. For betting on virtual events, it is expected that the following will be realized

36%
REVENUES FROM SPORTS AND HORSE RACE BETTING

48%
REVENUES FROM WAGERS ON AWP

GOVERNANCE



I. ORGANIZATIONAL STRUCTURE

Snai Spa has adopted the code of self-discipline for listed issuers promoted by Borsa Italiana Spa, in accordance with the provisions of the 2006 edition, art 123-bis, second paragraph, letter a) first part of the Tuf.

The Company's organizational model complies with Legislative Decree 231/01, and is inspired by the principles expressed in the "Guidelines for the construction of the organizational, management and control model" defined by Confindustria on 7 March 2002, and subsequently updated.

Snai provides information on its system of corporate governance, through periodic reporting to Borsa Italiana (generally attaching the documentation related to the annual financial statement), and making them available on the website www.snai.it

Related Party Transactions

The company, in November of 2010, adopted a "Related Parties Transaction Procedure", in accordance with articles 2391 and 2391 bis of the Italian Civil Code, Consob regulation no. 17221 of 12 March 2010 and the provisions of the self-discipline code on related parties. The related parties transaction regulation indicates two procedures to be followed in the event that a listed company must face a transaction that involves related parties. The two procedures provide for different levels of disclosure obligations and the binding nature of the prior opinion expressed by a committee comprised solely of independent directors. The regulation indicates as "more important/material transactions" Those in which the value of the transaction or the assets and liabilities of the entity or business units covered by the transaction, exceeds 5% of the Company's consolidated assets or equity.

Governance model

The governance is organized in line with traditional models and is comprised of:

- a Shareholders' Meeting
- a Board of Directors
- a Board of Statutory Auditors

In addition to these bodies, there is an Internal Control Committee for remuneration, the members of which are selected from the members of the Board of Directors, as well as an Executive in charge of the preparation of corporate financial documents.

All members of the corporate governance bodies are male.

Art. 123-bis,

Second paragraph, letter A, first part of the Tuf, this article provides that the "management report for companies whose securities are admitted to trading on regulated markets", must contain a specific section, "report on corporate governance and shareholding structures", which includes, inter alia, detailed information concerning: "the adoption of a code of conduct on corporate governance promoted by the company which managers regulated markets or by category associations, explaining any reasons for the failure to adopt one or more provisions, as well as the corporate governance practices effectively applied by the company other than the obligations provided by laws or regulations. The company must also indicate where the code of conduct on corporate governance may be viewed by the public".

Snai Spa's governance structure as of 31 August 2012

SHAREHOLDERS' MEETING

AUDITING FIRM

Reconta Ernst & Young S.p.A.

BOARD OF DIRECTORS

CHAIRMAN
Giorgio Sandi

MANAGING DIRECTOR
Stefano Bortoli

DIRECTORS
Stefano Campoccia
Antonio Casari
Gabriele Del Torchio
Luca Destito
Giorgio Drago
Carlo D'Urso
Nicola Iorio
Rohan Maxwell
Enrico Orsenigo
Massimo Perona
Marco Pierettoni
Roberto Ruozi

INTERNAL CONTROL COMMITTEE

MEMBERS
Stefano Campoccia
Antonio Casari
Giorgio Sandi

BOARD OF STATUTORY AUDITORS

CHAIRMAN
Massimo Gallina

ACTING AUDITORS
Enzio Bermani
Maurizio Maffeis

ALTERNATE AUDITORS
Alessandro Dolcetti
Gino Camillo Puliti

REMUNERATION COMMITTEE

MEMBERS
Roberto Ruozi
Carlo D'Urso
Gabriele Del Torchio

The Board of Directors

Candidates for positions on the Board of Directors and any co-opted members, are asked to provide a self-assessment on the possibility of performing the tasks assigned using the necessary diligence.

Each candidate is asked to assess the number of offices as director or auditor held in any other listed companies, including foreign companies or those that are particularly large in size. Such offices are brought to the attention of the shareholders' meeting, at the moment of the appointment, and of the Board of Directors on the occasion of verifications on whether or not its members meet the requisite conditions for purposes of the performance of the tasks assigned. The offices are also indicated in the annual corporate governance report. Snai Spa's Board of Directors is not aware of any activities engaged in by its members, in competition with the Company. If such requisite conditions are not met, the shareholders' meeting has not authorized such activities, as provided under art.2390 of the Italian Civil Code. The controlling company, Global Games Spa, selects candidates for the board of directors to be proposed to the Shareholders' Meeting in accordance with principles of professionalism and expertise, in order to ensure that the company has available the highest levels of professionalism possible; the same principle applies to co-opted directors, the approval of whom is put to the Board of Directors.

Remuneration

The remuneration of the managing director of the Company and the subsidiaries is normally linked to the economic results achieved by the Company and/or the achievement of specific objectives and results, through so-called "management by objectives". At present, no stock award or stock option plans have been envisaged for the shares of Snai Spa ("stock options"). The remuneration of executive directors, other than managing directors, and the remuneration of non-executive directors is set at a fixed amount and is not linked to economic results or other objectives achieved by the Company. The Directors, moreover, receive a "special attendance fee" ("gettone") for each meeting of the Board of Directors or the Committee to which they belong. The directors' remuneration is established by the Shareholders' Meeting and, as regards particular mandates, by the Board of Directors.

2. CODE OF ETHICS

Snai Spa has implemented an ethics code which sets forth the company's principles and values, and expresses the commitments and ethical responsibilities and standards of conduct which Snai follows and implements in the conduct of its business operations.

The contents of the ethics code is binding upon the conduct of all those who work at Sai and on behalf of the company.

The code was approved by Snai's executive committee and sets forth the principles and rules of conduct aspired to by the company: the main purpose of the code is to declare and disseminate the values and rules of conduct to which the company intends to make continuous reference in the conduct of its business operations.

Snai's code of ethics is aimed at:

- Snai Spa's Shareholders
- Corporate bodies
(Board of Directors, delegated bodies, board of statutory auditors, auditing firm, general manager, and any person who exercises powers of representation, decision-making powers and internal control powers at the Company)
- Personnel
(employees, agents, pseudo-subordinated workers, coordinated and continuative collaborators)
- Consultants, providers of goods and services, including professional services, and any person who performs activities in the name and on behalf of Snai Spa or under its control

The full text of Snai Spa's ethics code is available to Snai's personnel on the corporate intranet and on the website www.snai.it, in the institutional section, under the pages "governance" and "documents".

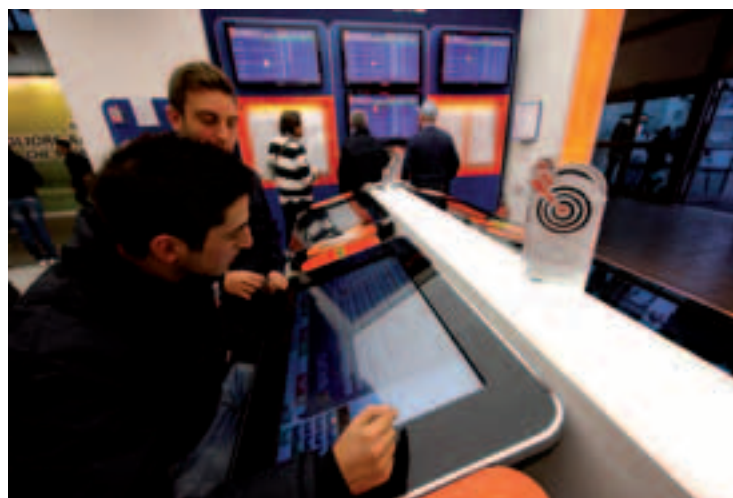
3. CONTROL SYSTEM

Snai Spa's Board of Directors has defined and commenced a process for the codification of guidelines for the Group's internal control system: the objective is the proper identification of the main risks faced by the Company and its subsidiaries, and the measurement, management and monitoring of the same. The definition of the criteria for determining compatibility of the risks identified with proper management of the business is also envisaged.

In year 2011, a process was initiated for the realignment of the previous internal control system to adapt to the new regulatory context, particularly with regard to the financial disclosure process.

The internal control system establishes the adequacy as regards available and material information, taking into consideration the "Internal Control –Integrated Framework" model issued by the "Committee of Sponsoring Organizations of the Tread way Commission": this is the relevant model accepted at the international level for the assessment of internal control systems, and it describes the principles, the members and the most important concepts related to the management of business risk and provides a precise roadmap to help identify and manage risks.

For the time being, the Board of Directors has decided that it is not necessary to appoint an executive director in charge of overseeing the internal control system, or a person in charge of internal controls, since both functions are performed by the Board of Directors.



4. RISK MANAGEMENT

The system of risk management and internal controls in connection with the financial disclosure process

As regards the financial disclosure process, the Snai Group has defined its own system of risk management and internal control: overall, the system is defined as a set of activities aimed at identifying and assessing the actions or events the occurrence of which or the absence of which could compromise, either partially or totally, the achievement of the objectives of the control system, supplemented by activities aimed at identifying controls and the definition of procedures to ensure the achievement of objectives of reliability, accuracy, reliability and timeliness in financial disclosure.

All such activities, with reference to both the “Risk Management System” and the “Internal Control System”, are performed on the basis of an established procedural system which includes the methodologies adopted and the allocation of the related responsibilities as part of the definition, maintenance and monitoring of the “Internal control system”, and for the assessment of its effectiveness.

The risk management system and the internal control system in connection with financial disclosure is developed using as a reference model the CoSO Framework, documented in the “CoSO Report”, on the basis of which the internal control system, in the broadest meaning of the same, is defined as a process performed by the Board of Directors, the executives and other entities within the company, with the objective of providing reasonable certainty on the achievement of objectives falling under the following categories:

- Efficacy and efficiency of operating activities
- Reliability of financial statement information
- Compliance with laws and regulations in force

From this standpoint, Snai is endowed with accounting and administrative reporting systems.

In the context of control systems, the information flows and reporting to and from the executive in charge of the preparation of corporate financial documents play a particularly important role.

MONITORING

The monitoring activities are the process which ensures over time quality and results of the implemented internal controls. In particular, management is responsible for the periodic assessment of the efficacy and efficiency of the controls implemented, and of the implementation of possible actions plans aimed at improving the system.

In the context of the application and monitoring of the “System of internal control and risk monitoring”, specific responsibilities have been governed internally.

Organizational Model pursuant to Legislative Decree 231/2001

In 2008, Snai S.p.A. adopted an “Organizational, management and control model” pursuant to Legislative Decree 231/01 on the administrative liability of legal entities, appointing an “Oversight Body” that is responsible for monitoring the adequacy and effective functioning of the same.

Following developments in the legal framework and organizational changes that have occurred, Snai, starting in September 2011, started to update its model, with a view to adapting it to comply with the provisions of Legislative Decree 231/01 and identifying opportunities for improving the overall efficacy and efficiency of the company’s internal control system.

The operating approach adopted was based upon corporate best practices on the need to redefine the model (as well as the Guidelines defined by Confindustria, and by the prevailing case law and scholarly doctrine). The activities were conducted in accordance with a risk-based approach, aimed at linking the potential criminal offences with the corporate processes that are relevant for each of them and the organizational structures involved.



Photography competition THE WORLD OF SNAI SEEN THROUGH OUR EYES

Ivan Caria
help desk Festa Srl

The preliminary risk assessment phase involves all of the structures responsible for the processes involving the risk of commission of a criminal offence (as defined under Legislative Decree 231/01); subsequently, the following steps were taken:

A. UPDATING OF THE ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL OF SNAI S.P.A., WHICH IS IN TURN COMPRISED OF:

1.

General Part

comprised of:

- Introduction to Legislative Decree 231/01
- Methodology adopted for the performance of preliminary risk assessment activities prior to the definition of the Model
- Elements comprising the Model: (organizational system, authorization system, oversight body, communications and training, disciplinary system)

2.

Special Parts

Prepared in connection with the criminal offences considered relevant, such as:

- Crimes against the public administration, corporate crimes of market abuse, crimes related to
- Crimes related to health and safety, criminal offences against industry and commerce, IT crimes, crimes of organized crime
- Crimes involving the receipt of stolen goods and money laundering, criminal offences involving the breach of copyrights
- Reati di induzione a non rendere dichiarazioni mendaci all'autorità Giudiziaria

B. UPDATING OF THE CODE OF ETHICS:

- The principles and values which inspire Snai's business operations have been updated

C. DOCUMENTATION OF THE "RISKS AND CONTROLS MODELS", PROVIDING FOR:

- an indication of the processes and functions involved in the business operations, risk factors and existing key controls i
- an indication of the controls aimed at mitigation of risks (or indication of risks, potential modalities for the commission of crimes, activities, controls, actions aimed at improvement and suggestions)
- an indication of gaps in controls and actions for the improvement of the internal control system ("Detailed analysis" and "Action plan")

Snai has also prepared an "implementation plan" in order to fully implement the "organizational, management and control model": the plan is sub-divided into areas of intervention, action and deadlines. The areas of intervention concern actions of an organizational, procedural and disclosure system nature which have been illustrated and agreed with the functions involved. The updating of the "Organizational, management and control model", amended pursuant to Legislative Decree 231/01 (General Part and Special Parts), and the related "Implementation Plan" were approved by the Board of Directors on 22 December 2011. The "Implementation plan" is currently being implemented.

OVERSIGHT BODY

The oversight body envisaged under art. 6, paragraph 1°, letter b) of Legislative Decree no. 231 of 08.06.2001, is appointed with a three-year mandate, with the task of overseeing the functioning of and compliance with the company's organizational, management and control model, and to handle the on-going updating of the same, both as regards the corporate changes and the regulatory changes pertaining to the model. The Board of Directors, prior to appointing the members of the oversight body, verifies that the members meet the technical-professional and personal requisites necessary for the performance of the tasks.

The complete and updated text of the "Organizational, management and control model", is available on Snai's website (www.snai.it) in the Investor Relation section.

ECONOMIC RESPONSIBILITY





I. ECONOMIC PERFORMANCE IN 2011

In 2011, Snai Group realized revenues of Euro 558.5 million, down from Euro 566.9 in 2010: the figure was essentially affected by lower revenues from horse betting wagers and partially also to lower sports betting wagers, which were partially offset by revenues raised through Vlt (video lottery terminal) devices.

Ebitda amounted to Euro 74.7 million (after non-recurring revenues and costs, determined for management purposes as amounting to Euro 15.9 million), with a 16.5% increase with respect to Euro 64.1 million of the prior year: the improvement in this figure is attributable to both the launch of the Videolotteries segment and a more favorable payout for the Group in the sports betting segment. The payout indicates the percentage of payments made for winning bets, as compared with the total wagers placed by betters.

Ebit is negative in the amount of Euro - 5.1 million, as compared with Euro + 0.4 million for 2010, and was affected also by the write-down of the remaining value corresponding to 1,310 horse race rights revoked by Aams (Amministrazione autonoma dei monopoli di Stato) for a total of Euro 8.7 million.

The consolidated result for the financial year was negative (Euro - 40.3 million) (after non-recurring revenues and costs determined for management purposes as amounting to Euro 28.1 million), as compared with the loss of Euro 32.4 million registered at the end of 2010.

Snai Group's net financial position, as of 31 December 2011, showed a net indebtedness equal to Euro 354.4 million, with net indebtedness of Euro 293.4 million at yearend 2010: net financial exposure increased by Euro 61 million, mainly due to the payment of the sole tax on bets and the Preu (Prelievo erariale unico - sole tax withdrawal) on entertainment devices (Awp, amusement with prize) which were overdue and not paid at yearend 2010, and for the repayment of debts for the purchase of concessions.

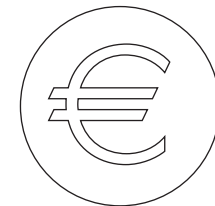


On 8 March 2011, SNAI S.p.A. entered into an agreement for a financing transaction for the disbursement to the company, by Unicredit S.p.A., Banca IMI S.p.A. and Deutsche Bank S.p.A. (as mandated lead arrangers) of a medium/long-term facility structured in several tranches, for a maximum total amount of Euro 490 million.

Snai obtained the partial disbursement in several tranches of such facility, in the total amount of Euro 354.750 million, which was used to repay financial debt falling due in the amount of Euro 228 million to the previous lenders (Unicredit S.p.A. and Solar S.A.), and to support the development of the business: the facility is secured by security interests granted by Snai on its main tangible and intangible assets.

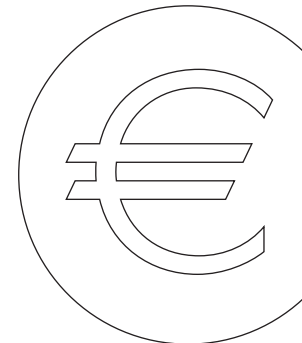
The parent company Snai S.p.A. achieved revenues of Euro 532 million, down 0.9% from Euro 537 in 2010. Ebitda amounts to Euro 70.7 million (Euro 57 million in 2010), while Ebit is negative in the amount of Euro -5.8 million (the value was equal to Euro -1.7 million in 2010).

The results of operations for Snai Spa, was negative in the amount of Euro - 41.6 million (-33,4 million di euro in 2010): the reasons are essentially the same as those stated above for the Group's results.



558.5
MILLION EURO

**REVENUES REALIZED
BY THE GROUP OR SNAI IN 2011**



Economic performance of the Snai Group

The analysis of economic data for 2011 shows that the Snai Group's Ebitda registered considerable growth over year 2010, rising from Euro 64.123 million to Euro 74.723 million, also in the presence of a slight decrease in revenues; the growth, due mainly to the introduction of videolotteries to the Italian market, was sustained by significant cost containment. Moreover, Ebitda benefitted from a better payout in the sports betting segment: in 2011, the total amounts paid to betters for winnings turned out to be lower percentagewise than amounts paid in 2010, leaving a higher margin of earnings to the Company; last year, this percentage amounted to 78.3%, while in the prior year, the percentage was 81.9%.

The Snai Group's revenues fell from Euro 566 million to Euro 558 million. Above we have already mentioned the excellent performance of the entertainment devices (AWP and vlt, with particular reference to the latter devices) and sports betting: these results allowed for the offsetting of virtually the entire reduction in revenues due to totalizator horse race betting, National horse race betting, and pool betting (concorsi a pronostico). For the latter types of betting, the general loss of interest by the general public continued, which trend has been continuing for the past several years, while horse race gaming was affected by the crisis affecting the Italian horse racing segment, which became particularly accentuated over the course of 2011.

The group's Ebit is negative in the amount of Euro -5.1 million, and the net result pertaining to the Group in year 2011 is negative in the amount of Euro -40.324 million, with respect to a loss of Euro 32.447 million in 2010; the change is essentially related to write-downs in long-term fixed investments, greater amortizations and greater net financial costs.

The Snai Group's net financial position, as of 31.12.2011, amounts to Euro 354.3 million, as compared with Euro 293.4 million as of the end of 2010. As compared with the previous year, net financial exposure increased by Euro 60.9 million, principally due to the payment of the sole tax on betting and the Preu on Awp entertainment devices, which were overdue and not paid at the end of 2010, and the repayment of debts for the purchase of concessions.

The repayment of debts took place through an agreement entered into on 8 March 2011, pursuant to which Snai Spa obtained a facility from Unicredit S.p.A., Banca IMI S.p.A. and Deutsche Bank S.p.A.: the medium/long-term facility is structured in several tranches for a maximum total amount of up to Euro 490 million. Snai has used the partial disbursement of the facility, in the amount of Euro 354.75 million, to repay the previous financial debt in the amount of Euro 228 million to its prior lenders Unicredit S.p.A. and Solar S.A., and to sustain the development of business. The facility is secured by security interests granted by SNAI on its main tangible and intangible assets.

The group parent company Snai Spa generated revenues in the amount of Euro 532 million, down 0.93% with respect to Euro 537 million for 2010. Ebitda amounted to Euro 70.7 million (Euro 57 million in 2010), while Ebit is negative in the amount of Euro -5.8 million (Euro -1.7 million in 2010). Results of operations was negative in the amount of Euro -41.6 million (Euro -33.4 million in 2010); the reasons are essentially the same as those stated above for the Group's results.

2. KEY FINANCIAL INDICATORS

**REVENUES
YEAR
2011**

**EURO
558 MILLION**

EBIDTA

**EURO
74.72 MILLION**

**NET
FINANCIAL
POSITION**

**INDEBTEDNESS
EURO 354.3 MILLION**

**GAMING
AND BETTING
WAGERS**

**PERTAINING
TO SNAI SPA:
EURO 4.9 BILLION**



3. THE PRODUCTION OF ADDED VALUE

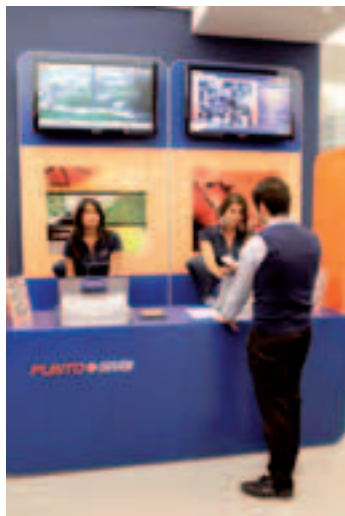
In 2011, the Snai Group produced total gross added value in the amount of almost Euro 130 million (+19% over 2010), while total net added value approached Euro 50 million (+10.2%).

The majority of the added value is applied to remuneration of credit capital, principally following the lending transaction entered into with Unicredit S.p.A., Banca IMI S.p.A. and Deutsche Bank S.p.A., on 8 March 2011.

The added value intended to be applied to the remuneration of personnel (salaries, amounts set aside for severance indemnity, etc.) registers a 10.30% increase on an annual basis and amounts to over Euro 33 million.

An amount equal to Euro 13 million was distributed to the revenues agency in the form of direct and indirect taxes, while Euro 960 thousand was paid to the local community, again in the form of taxes.

In year 2011, no earnings were distributed.



THE COMPOSITION OF THE SNAI GROUP'S ADDED VALUE

(in thousands of Euro)	2011	2010
A) Total revenues	558,540	566,909
Revenues from core operations	558,540	566,909
B) Intermediate production costs	442,852	465,259
Costs of raw materials and consumables	1,449	1,378
Costs for services and the use of third party assets	409,860	437,460
Other operating costs	32,308	27,312
Capitalization of costs for internal works	-765	-891
Gross added value in core business operations	115,688	101,650
Financial proceeds	2,520	853
Deferred taxes (-) / taxes paid in advance (+)	10,885	5,962
Total gross added value	129,093	108,465
Amortization and depreciation	74,768	59,809
Other provisions set aside	5,015	3,913
Total net added value	49,310	44,743

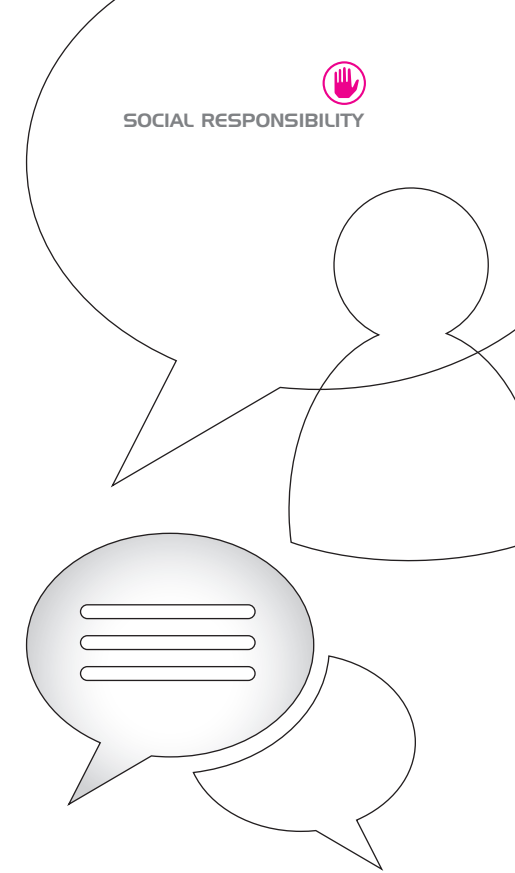
THE DISTRIBUTION OF THE SNAI GROUP'S ADDED VALUE

(in thousands of euro)	2011	2010	Var. %
A) Remuneration of personnel	33,336	30,223	+10.30%
Costs of personnel	31,863	28,803	
Severance indemnity	1,473	1,420	
B) Remuneration of the revenues agency	12,977	15,797	-17.85%
Direct taxes	6,307	9,476	
Indirect taxes	6,670	6,321	
C) Remuneration of credit capital	42,362	30,187	+40.33%
D) Remuneration of risk capital	-	-	
Earnings distributed	-	-	
E) Remuneration of the Company	-40,324	-32,447	+24.28%
Earnings not distributed /coverage of losses	-40,324	-32,447	
F) Transfers to the local community	959	983	-2.44%
Local taxes and duties	959	983	
Total net added value	49,310	44,743	+10.21%

SOCIAL REPORT 2011

SOCIAL RESPONSIBILITY





I. SOCIAL RESPONSIBILITY

With a broad vision of the concept of “social responsibility”, Snai implements a series of actions, initiatives and relations to maintain and develop an on-going exchange of contacts and opinions with all of its stakeholders.

The company operates in a market segment that is subject to a rigid regulatory framework on gaming and betting: since control of the industry rests with the State, all operators must act within a common context where the supply of services and products is defined by laws and regulations. The “competitive environment” therefore develops within a context of services and the quality of the betting and gaming services offered to the public. It is mandatory for companies operating within this context to engage in an in-depth and on-going dialogue with the institutions in charge of the market, and to focus on concepts such as reliability and attention to the final customer.

The regulatory context

In all countries where governments have authorized and regulatory gaming and betting, one common factor is the objective of ensuring reliable products, managed on the basis of policies of stability and protection of players, and at the same time safeguarding the market from unauthorized or illegal operators.

In Italy, the model adopted establishes that gaming and betting services are managed by private companies, under a license granted by a government agency Aams (Amministrazione autonoma dei monopoli di Stato, the State Monopolies Authorities), which in turn reports to the Ministry of the Economy and Finance, and which avails itself of Sogei, an information and communication technology company of the Ministry of the Economy.

Aams oversees all organizational components of the games, manages the various concessions by organizing the necessary tender procedures, oversees compliance with tax laws, and issues the necessary rules and regulations governing the various authorized gaming and betting services.

Concessions may be exclusive for one company (such as in the case of Lotto and Superenalotto) or assigned to several different competitor companies. Snai Spa owns several concessions, all of which as “multi-

concession holder”: sports betting, horse race betting, AWP, video lottery terminals, sports-based pool betting, on-line skill and casinò games, on-line bingo.

AMMINISTRAZIONE AUTONOMA DEI MONOPOLI DI STATO – THE STATE MONOPOLIES AUTHORITY

The State Monopolies Authority is in charge of managing and regulating the entire authorized gaming sector in Italy. Aams is in charge of oversight of operations of all concession-holders, the authorization of various types of gaming or betting, the definition of the acceptance modalities, the certification of results, and also has the task of combating illegal activities..Aams handles the establishment of tax withholdings on the various products both to ensure adequate tax revenues and a balanced remuneration of players; it defines the guidelines for the prevention of compulsive gambling, which must be followed by all authorized concession-holders. The Italian model is therefore based upon the management of the gaming segment by a state agency which exercises control and entrusts the sale of various products to several different private entities, which operate as market competitors as regards the quality and efficiency of services, reliability and customer satisfaction.

AGENCY FOR THE DEVELOPMENT OF THE HORSE RACING SECTOR

The Agency for the development of the horse racing sector (Agenzia per lo sviluppo del settore ippico or “Assi”), was established through law no. 111 of 15 July 2011, as legal successor of Unire, the original entity established in 1932 at the Ministry of Agriculture and Forestry.

It is Snai’s main contact entity for issues concerning the horse racing sector (racetracks, planning of races, etc.). By a decree issued by the Council of Ministers dated 15 June 2012 the entity’s closure was approved, and therefore its tasks, with regard to betting on horse races, will be transferred to a new structure which will be part of the Customs Agency and Aams, while the issues related to the development of breeds of horses, will be transferred to the Ministry of Agriculture.

SHAREHOLDERS

Snai Spa is listed on the mercato telematico azionario (Mta) of Borsa Italiana, under the symbol SNA.MI. The company's main shareholder is Global Games Spa (which was established by Investindustrial and Palladio Finanziaria), which holds 67.188% of the company's shares: the quota held is the result of a public tender offer launched by Global Games on 19 May 2011. The offer period was from 27 May until 16 June 2011; the payment of the purchase price took place on 23 June 2011.

No other shareholders hold a shareholding exceeding 2% as of 31 December 2011.

On 8 March 2011, Snai Spa entered into an agreement for a financing transaction for the disbursement to the company, by Unicredit S.p.A., Banca IMI S.p.A. and Deutsche Bank S.p.A. (as mandated lead arrangers) of a medium/long-term facility structured in several tranches, for a maximum total amount of Euro 490 million.

Snai obtained the partial disbursement in several tranches of such facility, in the total amount of Euro 354.750 million, which was used to repay financial debt falling due in the amount of Euro 228 million to the previous lenders (Unicredit S.p.A. and Solar S.A.), and to support the development of the business: the facility is secured by security interests granted by Snai on its main tangible and intangible assets.

**THE COMPANY'S MAIN SHAREHOLDER
IS GLOBAL GAMES SPA (WHICH WAS
ESTABLISHED BY INVESTINDUSTRIAL
AND PALLADIO FINANZIARIA, WHICH
HOLD EQUAL SHAREHOLDINGS),
WHICH HOLDS
67.188%
OF THE SHARE CAPITAL.**

Investor relations

Snai has implemented several procedures to safeguard the accuracy of information disseminated both within the company and outside the company. The head of investor relations is in charge of relationships with investors and shareholders: he handles relationships with the community and ensures complete, timely and transparent communications concerning the company and its subsidiaries.

The activities are performed in compliance with rules and standards on the processing of price-sensitive information (information which could influence the price of financial instruments issued by the company).

All requests for information received by the company are satisfied in a timely manner, with complete and prompt answers.

HUMAN RESOURCES

Snai considers its employees as privileged spokespersons, and important stakeholders: all of the services offered and the quality of the same depend upon the level or preparation and professionalism of the company's personnel, and therefore the motivation, development and enhancement of the personnel constitute a fundamental basis for the development of the company.

The dialogue and opportunities for exchanges of views and opinions are encouraged at all levels, in order to facilitate to the extent possible a work environment that stimulates the pursuit of increasingly prestigious results and confirms the company's solid position on the market.

Snai Spa's employees are subject to the National Collective Bargaining Contract for the engineering sector, supplemented by a corporate agreement that provides for the disbursement of an annual "results-based bonus", subject to the achievement of certain parameters linked revenues, Ebidta and the economic management of the territory.

On 31/12/11, the other CCNLs applied to Snai Spa's employees were: Grafici Editoriali Industria, Industria Metallmeccanica Privata, Radiotelevisioni Private - Settore Televisivo, Commercio and Terziario Confcommercio Including the integration concerning Agencies, Telecommunications, relationships between horse race companies for both employees and staff members dedicated to the totalizator.

At present, no incentive plans are envisaged which would provide for the award of stock options.



Photography competition THE WORLD OF SNAI SEEN THROUGH OUR EYES

The photograph is comprised of portraits of Festa Srl's employees when they were children



ACCEPTANCE NETWORK, BETTERS AND PLAYERS

Snai Spa is the main Italian operator in the betting segment, and is also present in other market segments such as vlt, awp, and on-line gaming and betting. The company operates on the market both through its own betting acceptance points (owned by the company) and connected points for the supply of services. It follows that Snai's customers are comprised of gaming betting acceptance points and final consumers, betters and players.

For both, the company makes every endeavor to ensure the highest quality standards in the supply of services, assistance, range of gaming and betting products, attractive and balanced quotas, innovations in its products and services with the possibility of expanding participation through electronic means.

The Snai Points are characterized by the high quality standards in making customers feel welcome and in the levels of information offered to betters, including the live broadcasting of all horse races for which betting services are offered and the main sports events. The bets can be placed either through operators at terminals or through self-service devices (known as "Fai con Me").

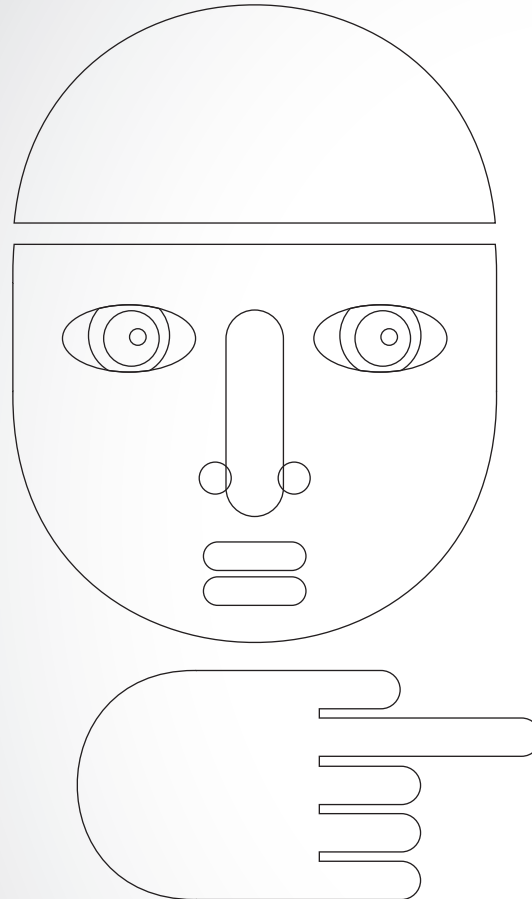
All sports and horse race bets offered in the "physical" Snai Points may also be placed via internet (website: www.snai.it); the on-line offering also includes the possibility of taking part in Texas Hold'em Poker and Omaha Poker tournaments, and numerous other games such as scopa, briscola, backgammon, domino, blackjack, dice poker, gin rummy, pineapple poker and burraco, casinò roulette and blackjack. Poker and several other games can be played using a "cash" modality.

AWP, videlotteries, on-line bingo and pool betting complete Snai's product offering.

Starting in the second half of 2011, Snai initiated a series of meetings with the owners and operators of the Snai Points and Snai Corners, in order to better understand the needs of final consumers, and to quickly and effectively respond to market requests. Tastes, preferences, and requests of players and betters are monitored with a view to providing an overall offering of products and services that is increasingly calibrated to meet the requests of the final consumer.

Profile of the Italian player

A study conducted by GfK Eurisko for Snai in 2012 has shown:



The main age range of players is **BETWEEN 35 AND 64 YEARS OF AGE**, with a clear majority of **MEN** as compared with women; uniform territorial distribution, with slightly more players in Northwestern Italy.

From a standpoint of profession, there is a marked presence of **ARTISANS** and **BLUE COLLAR WORKERS**.

Better than average use of the internet, preference for satellite television channels, daily newspapers and sports newspapers.

While following individual preferences, there is a net preference on the part of players toward focusing their attention on a few types of gaming products: **37% USE ONLY ONE TYPE OF GAMING OR BETTING PRODUCT, 25% USE TWO TYPES, AND 17% USE THREE TYPES.**

2. THE NETWORK OF SNAI POINTS AND SNAI CORNERS

Snai's acceptance network for gaming and betting has allows for the achievement of wagers, in 2011, of almost Euro five billion, thanks to a continuous enrichment of the offering of products: from "traditional" sports and horse race betting, to AWP, to videolotteries (Vlts), to remote gaming (gioco a distanza or Gad) which allows consumers to bet, to play poker, including through cash game modalities, and to play skill and casinò games, simply by using the Internet.

The network of Snai Points and Snai Corners is the broadest and most widespread on the Italian territory, with a total of approximately 4,400 points, the majority through direct concessions held by the company and the remaining ones connected for purposes of supplying specialized services to third party concession-holders; in this case, the company acts as a service provider.

The professionalism of managers and operators within the Snai betting acceptance points enables the company to remain in continuous contact with its customers, to get to know their dreams and expectations, to calibrate their product offerings on the basis of the actual demand on the part of final consumers.

The nature of betting services allows players to determine their bets and wagers in line with their on preferences, and the broad overall product range offered by Snai fully addresses this requirement.

Direct contact with operators in the Snai Points and Snai Corners also serve as an effective tool for the prevention of compulsive gambling behavior: On-going dialogue with players and betters allows us to intervene with advice and suggestions to act with moderation and self-control, whenever the need may arise.

Snai Points

The gaming shops known as "Punto Snai" (Snai Points) are "betting shops" that are exclusively dedicated to betting, endowed with advanced technology both for the acceptance of wagers - which takes place in real time - and for providing information to betters: in this regard, live televised broadcasting of all horse races and the most important sports events is offered, as well as information in real time on the bets offered, also thanks to the new electronic brochures.

The live information is supplemented and enriched by Snai Radio.

Snai Corners

The gaming shops known as "Snai Corners" are points for the acceptance of wagers within commercial businesses such as bars/cafes, tobacco shops, newsstands, shopping centers, etc. Depending upon the type of concession, they can accept the same sports bets played in the Snai Points, or bets on "National Horse Racing". For the Corners, Snai has developed ad hoc technologies for the full reliability of the acceptance systems and the timeliness of information for betters.





3. RACETRACKS

Snai owns the racetracks of San Siro in Milano (harness racing and gallop racing) and Montecatini (harness racing), entrusted to the subsidiary Trenno Srl, and also holds shareholdings in the racetracks Capannelle of Rome and San Rossore of Pisa.

The horse racetrack for gallop racing is the only one in the world that has been declared a “monument of national interest”: it is endowed with one of the most selective tracks in Europe, it is surrounded by an immense area of greenery in the heart of Milan. Thanks to renovation works, it now boasts a modern lighting system for night races, a television structure with over 20 cameras and digital direction, and a system of automatic irrigation with 130 irrigators and water sourcing from three wells owned by the company. It has a botanical garden with centuries-old plants, which is open to the public and is often used for school field trips, as well as a pony school. San Siro’s stables have obtained certification from the animal protection office of the veterinarian Asl of Milan attesting that the stables ensure the adequate protection and wellbeing of the horses. The racetrack has achieved a rating of excellence in the Unire-Assi rankings, which allows for the obtainment of public grants based upon the TV services offered. The San Siro Golf Club is also located inside the racetrack, and has been recognized as the best practice course in Italy: this structure contributes toward building greater prestige and interest for the area, as well as the horse statue by Leonardo Da Vinci which is a point of interest for tourists. The structure also includes a playground for children, two restaurants and a discotheque. Two training tracks “Trenno” e “Maura”, reserved to gallop racers are also located in the surrounding area.

For all of the harness racing facilities of Milan and Montecatini, renovations and requalification of their receptive/hosting and functional capacities, including the improvement of the racetracks, which have improved the technical and qualitative level for horses, jockeys, drivers, trainers, owners and the public, as well as systems for TV coverage which have allowed the track to achieve, under Unire-Assi’s classification, the highest level (for the San Siro harness racing track) and the second level (“high level”) for Montecatini.

The San Siro complex alone occupies an area of 1,500,000 square meters, which is subject to continuous video surveillance. All of the racetracks are endowed with bars, restaurants, parking areas, facilities dedicated to the horses (veterinary clinics, washing areas, saddleries, and other areas) and for the personnel (restaurant services and housing).



THE SAN SIRO GALLOP RACETRACK IS THE ONLY RACETRACK IN THE WORLD THAT HAS BEEN DECLARED A “MONUMENT OF NATIONAL INTEREST”.

	SAN SIRO GALLOP RACING	SAN SIRO TRAINING GALLOP RACING	SAN SIRO HARNESS RACING	MONTECATINI HARNESS RACING
AREA OF THE RACETRACK	600,000 mq	750,000 mq	150,000 mq	130,000 mq
TRACKS	163,506 mq	MAURA: grass track 86,295 mq, sand 11,300 mq, woodchips 6,300 mq. TRENNO: Grass track 182,997 mq, sand 19,700 mq	1,000 meters, with incline 6.5% flat 9.5% with curves	805.30 meters, incline of 5.03%
INTERNAL TRAINING TRACK	-	-	850 meters	629.44 meters
TRAINING RINGS	-	Training rings of 400 and 280 meters, plus additional uncovered rings	Covered training ring	Covered training ring
STANDS	20,000 seats	-	5,000 seats	9,600 seats
HORSE STALLS	-	1,014	587	468
PARKING PLACES	3,000	-	1,500	2,000

The stables are endowed with a smoke detection system for the prevention of fires. The facilities host events and shows that are unrelated to horse racing. Snai intends to open its facilities to everyone: racetracks should become gathering areas capable of providing various services and entertainment opportunities, which allow the public to “experience” racetracks every day of the year, as was the case with the first edition of “Taste of Milano”, an international event hosted at the San Siro gallop racetrack.

4. THE PLAYERS

The attention focused on players – Snai's final consumer - has always been one of the company's top priorities: one of Snai's distinguishing elements is the fact that it has always sought to follow and anticipate the market's requirements, developing technologies and services capable of anticipating and not merely satisfying the customers' needs.

It is worth recalling that Snai was the first operator in Italy to activate sports betting, to accept horserace and sports gaming via internet, to activate the first self-service terminals, to allow for gaming via mobile telephones – and more.

In addition to the products offered and technological innovations, Snai has implemented a policy for focusing attention and care on services from a number of key standpoints:

- **Security in gaming**
- **Security in transactions**
- **Confidentiality of information**
- **Continuity in disbursement of services**
- **Quality in the disbursement of services**

ISO 27001 Certification

The ISO27001 certification which was obtained by Snai in 2010, is an international standard which sets forth the requisites for the implementation of a proper information security management system (sistema di gestione della sicurezza delle informazioni or Sgsi). The ISO27001 certification is aimed at protecting information in the possession of an organization from various standpoints:

- **Confidentiality: only authorized persons may have access to information**
- **Integrity: information and processes concerning the information must be protected and safeguarded**
- **Availability: access to information must be available only to authorized persons, where requested and/or necessary**

The implementation of an information management system allows for the following:

- **Guarantee of business continuity, meaning the protection of continuity in services supplied to customers**
- **The minimization of risks of damages, given the objective impossibility to completely eliminate all risks of incidents**
- **Proof that corporate governance and business continuity requisites are met**
- **Impartial proof of compliance with laws and regulations in force**
- **Verification, identification, assessment and management of risks faced by the company, which in the meantime formalizes processes, procedures and documentation related to information security**

ISO 9001 Certification

Snai obtained the ISO9001 quality certification concerning its betting acceptance services, for the sale of pool betting products and for the electronic lawful gaming operations. It was the first Italian company in the gaming and betting sector to obtain this recognition. The ISO9001 certification defines the necessary requisites for the development of a quality control system aimed at guiding the company's processes, improving effectiveness and efficiency in the development of products and in the supply of services, obtaining and improving the customers' satisfaction. The ISO9001 certification provides for a global and complete approach to certification and therefore in order to obtain the certification, it is not possible to exclude certain segments or corporate processes necessary for purposes of satisfying the customers.

The certification is therefore conditioned upon the actual implementation of eight fundamental principles:





- Customer-oriented approach
- Leadership
- Involvement of personnel
- Processes approach
- Systemic management approach
- On-going improvement
- Fact-driven decisions
- Mutually beneficial relationships with suppliers

A number of the operating subsidiaries have also obtained Quality Certifications, and namely: Teleippica S.r.l. - ISO 27001 in 2011 and ISO 9001 in 2007 for “televised and multi-media dissemination of information related to the horse racing culture and segment as well as sports in general”; Festa S.r.l. - ISO 9001 in 2001 for “Planning and Supply of Call Center Services”.

5. INFORMATIONAL CAMPAIGNS AND INITIATIVES

Dissemination of information and communications to both its direct customers (Snai Points and Snai Corners) and the final customers (players and betters, including on-line) are top priorities for the company: the completeness, promptness and transparency of information are one of the most important “business cards” of a company, and also constitute an effective instrument for the consolidation of customer loyalty.

The information flow from Snai to the outside world is constant and daily: from quotas for sports betting and horse race betting that are updated in real time, to television channels, electronic brochures, to editorial projects. Every day, the public receives prompt information on Snai’s overall product offering, and is periodically informed on new promotions and initiatives. The information is made available in the points of sale, on the website www.snai.it, or through personalized newsletters sent via e-mail.

Initiatives for the consumer

In 2011, Snai continued in its strategy based upon the pursuit of innovation in services and technologies, the development and enhancement of its know-how, and on-going focus on the client and the final consumer.

Tools used for periodic communications have been improved and developed, which include the mailing of communications aimed at proving both direct information and in-depth news on operating matters concerning day-to-day operations; newsletter, with various periodic frequencies, dedicated to the main initiatives realized by the company, the evolution in the regulatory framework and the technological developments in the sector, events, sponsorships and participation at national and international trade fairs and events. Snai’s TV channels Teleippica and Radio Snai constitute a precious source of information for betters, players and enthusiasts.

Communications directed at clients and final consumers are supported by promotional activities, public relations and press office activities aimed at the media and the public at large (readers, radio audiences, television audiences): they have been further integrated with editorial projects dedicated to gaming and betting, published in national daily newspapers and websites of national daily newspapers, as well as support activities for the dissemination of remote gaming, awareness-raising of betters on lawful and responsible gaming, with the development and publication of the brand slogan “Gioca per vincere - Non ti perdere” (Play to win – Don’t lose yourself”).

To such end, the company has sought to raise awareness in players such that they experience gaming in a balanced manner with full self-control, structuring their playing and limits with full awareness, in order to prevent phenomena of problematic gaming and problem gambling.

Responsible gaming: "Play to win - Don't lose yourself"

Close attention is paid to information aimed at the prevention of compulsive gambling: as part of the initiative "Play to win - Don't lose yourself" the website www.snai.it makes available in-depth information on problem gambling, on "alarm signals", on ways to avoid risks of problem gambling, and also contacts to turn to for help or support.

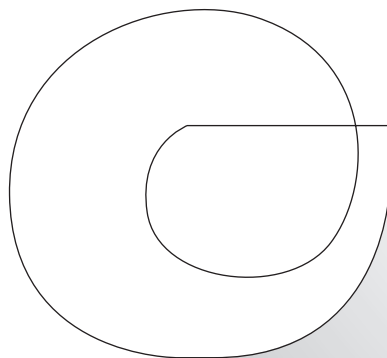
With regard to on-line gaming, the website allows each individual player to set his own gaming limits, or his own self-exclusion, which may be temporary or permanent, which would also prevent the opening of gaming accounts. Advice is also offered for the protection and security of one's gaming account.

THE SELF-LIMITATIONS THAT MAY BE SET BY BETTERS

- Maximum amount per individual bet or wager
- Maximum amount of daily outlay
- Maximum amount of daily recharge of the gaming account

SELF-EXCLUSION

- Temporary self-exclusion
- Permanent self-exclusion



RULES FOR RESPONSIBLE GAMING



- 1** GAMES WITH CASH WINNINGS ARE RESERVED TO ADULTS ONLY
- 2** SET YOUR GAMING LIMITS AND NEVER EXCEED THEM. IF YOU HAVE DIFFICULTY STAYING WITHIN YOUR LIMITS, ASK FOR HELP
- 3** PLAY WITHIN THE LIMITS OF YOUR ECONOMIC POSSIBILITIES: ONLY BET AMOUNTS THAT YOU CAN AFFORD, CONSIDERING THE POSSIBILITY THAT YOU MAY NOT WIN
- 4** PLAYING MEANS SPENDING: DO NOT UNDERESTIMATE THE INCIDENCE ON YOUR PERSONAL OR FAMILY BUDGET
- 5** DON'T BET MONEY THAT YOUR OR YOUR FAMILY INTEND TO USE FOR OTHER PURPOSES
- 6** DON'T BORROW MONEY TO SPEND ON GAMBLING
- 7** DON'T CONTINUE TO GAMBLE IN AN EFFORT TO MAKE UP FOR LOSSES
- 8** DON'T CONSIDER GAMBLING AS A SOLUTION TO YOUR PROBLEMS OR AS A SYSTEM OF MAKING A PROFIT
- 9** DON'T LIE ABOUT YOUR LOSSES OR TIME SPENT GAMING
- 10** GAMING SHOULD NOT BE YOUR MAIN ACTIVITY: DON'T TAKE TIME AWAY FROM WORK, OR STUDYING OR FRIENDS AND FAMILY IN ORDER TO SPEND IT GAMBLING. IF YOU ARE UNABLE TO RESIST THE TEMPTATION TO GAMBLE, YOU CAN REQUEST HELP HERE
- 11** AVOID GAMBLING WHEN YOU ARE IN A BAD MOOD, TIRED, NERVOUS, ANGRY, DEPRESSED, OR UNDER THE INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCES: YOUR CAPACITY TO CONTROL YOURSELF COULD BE IMPAIRED
- 12** DON'T BELIEVE THAT YOU ARE CAPABLE OF INFLUENCING THE OUTCOME OF GAMING BY FOLLOWING LUCK ENHANCING RITES
- 13** CONTINUING TO PLAY DOES NOT INCREASE YOUR PROBABILITY OF WINNING: EACH TIME YOU PLAY, THE OUTCOME HAS NOTHING TO DO WITH PREVIOUS WAGERS. WINNINGS AND LOSSES ARE NOT CYCLICAL IN NATURE.
- 14** ASK FOR HELP IF YOU THINK THAT YOU ARE SPENDING TOO MUCH OR PLAYING TOO FREQUENTLY



Research project of the University La Sapienza Of Rome on problematic and compulsive gambling

Snai and the Department of social communications and research of the University of Rome have entered into an agreement for the realization of a research project aimed at analyzing the modalities through which a social and cultural activity, such as gaming, can turn into pathological behavior on the part of certain persons, capable of producing social and economic damages. The research will analyze the current scenario and, in particular, the aspects related to communication, advertising and promotions related to gaming and betting, as well as specific cases of gambling pathologies through interviews of persons affected by compulsive gambling disorders. The objective of this research is to understand the relationship between the various models of gaming and betting represented and the perception on the part of players, also for purposes of preparing a series of guidelines for fair communications on betting and gaming.

Investigation for information purposes by Commission XII on social affairs of the Chamber of Deputies

Commission XII on social affairs of the Chamber of Deputies has initiated an investigation for information purposes aimed at researching a broad range of issues related to problematic and compulsive gambling, with the aim of acquiring data and elements that may be useful to defined opportune informational tools for the lawmakers with a view to the introduction of an adequate legal framework on the matter. The investigation, in addition to identifying the incidence of the phenomenon in various segments of the population, aims to identify possible therapies to guide the Italian Government toward the possible inclusion of problem gambling in the “Lea, Livelli essenziali di assistenza - essential levels of assistance and, therefore, allow for the related treatment services to be supplied by the national healthcare service. The investigation has involved numerous entities including the Ministries of Health, Labor and social policies, and Justice; associations for the support of problem gamblers; Aams and state concession holders authorized to collect gaming and betting wagers; university professors and experts on the topic. As part of the investigation, Snai Spa’s managing director, Stefano Bortoli, took part in a hearing at Commission XII: on this occasion, he illustrated Snai’s experience in this area, and specifically the brand “Gioca per vincere - Non ti perdere” was introduced As well as all of the projects and initiatives launched by Snai for the prevention of compulsive gambling.

Self-discipline Code on advertising

In line with the actions undertaken for the prevention of problematic and compulsive gambling, in 2012, Snai adopted the Self-discipline Code on advertising promoted by Confindustria - Federazione Sistema Gioco Italia. The code is inspired by the guidelines approved by the European Lotteries Association and international best practices, and poses the objective of presenting, offering and promoting gaming and betting products in a responsible manner, through communications that are not only fair and accurate, but most importantly, that protect minors.

6. SPONSORSHIPS

Snai’s relationship with sports is deep-rooted and long-standing. Snai has always had a relationship with horse racing and has experienced an increasing involvement that has expanded gradually into other sports. The ownership and operation of the racetracks in Milan and Montecatini Terme have led Snai to have a daily relationship with high level horse racing and the most important events, and the Grand Prix events scheduled in Italy and abroad. Furthermore, support has been provided to Edition XV of the Oscar of Gallop Racing, organized in collaboration with the Unione Nazionale Proprietari Cavalli Purosangue (National Union of Owners of Thoroughbred Horses) to grant awards to the talents in the world of horse racing. In the equestrian area, in 2011, Snai was the title sponsor of the 79th edition of the Concorso ippico di Piazza di Siena, a historic obstacle jumping competition at the worldwide level, and main sponsor of Jumping Verona, a competition hosted by Fieracavalli, the most important show in the world for everything pertaining to horses; it also took part in Roma Cavalli. For the third consecutive year, the “Snai Team”, comprised of four of the most highly ranked Italian riders (Natale Chiaudani, Gabriele Grassi, Antonio Alfonso and Simone Coata) took part in the most important national and international equestrian races/competitions. In 2012, the sponsorship involved only Coata and Grassi. Snai was the title sponsor of the International Women’s Tennis Championship in Palermo (Wta circuit), while in Texas Hold’em poker, Snai’s Team Pro, comprised of professional players, represents the company. Since January 2012, Snai is the main sponsor of the Team Althea Ducati of Superbike: the pilots are Carlos Checa, current world Sbk champion, and Davide Giugliano, one of the most promising Italian pilots.



Photography competition THE WORLD OF SNAI SEEN THROUGH OUR EYES

Corrado Fortini
Remote gaming Snai Spa



The Facebook Community

Snai also has its own “fan page” on the most famous and popular social network in the world, Facebook. The page was activated in 2011, in agreement with Aams, and is focused on principles of entertainment, dialogue and involvement of registered users. Gaming is presented and operated as a moment of shared emotions and dialogue for all of the page users, and is enriched with photos, videos, news, information and statistical data.

All fans are free to interact with one another and with the company – subject to the limits imposed under the rules of conduct which defines the tone and contents of various “posts” – and to pose queries, opinions and suggestions. The fan page is a true meeting point for gaming enthusiasts, including those are not Snai’s customers, and has turned out to be an important resource for exchanges and improvement of tools and services. The community was involved during the planning phase of the restyling of Snai’s site, and the feed-back received turned out to be better than expected in terms of the quality of answers and suggestions.

In less than one year, Snai’s Facebook page has achieved over 8 thousand active fans.

Snai on Facebook: <https://www.facebook.com/Snai.Spa>

The SNAIPartner portal for points of sale

The SNAIPartner portal was activated on 1 January 2011: it is a point of access to all of Snai’s services, reserved to the points of sale.

The objective is to concentrate the company’s information flows from its points of acceptance, and the requests originating from the sales network, so as to optimize the management of such flows in their entirety.

Access can be attained both from the active terminals at the points of sale and via internet, and consequently, the portal may be accessed at any time and in any place. The portal serves three main functions:

1. Information
2. Assistance
3. Management of materials

INFORMATION

The portal contains all information necessary for the operation of a Snai Point or Snai Corner, or a Snai Vlt room. All information for bets accepted “physically” (the network of Points and Corners on the territory) or electronically, awp and vlt, may be accessed and viewed easily. Each operator may access real time information on:

- Status of the supply of services
- News on the world of Snai
- Official documentation published by Snai
- Communications released by Snai

ASSISTANCE

SNAIPartner represents an alternative to telephone contacts for requests for assistance. If urgent intervention is not necessary, the portal can offer an initial series of indications through the “Faq” (frequently asked questions) section, while, where the necessary answer has not been found, the user may directly open a request for intervention that will be forwarded to the competent Snai office for resolution.

MANAGEMENT OF MATERIALS

Each point of sale can send to Snai requests for consumables, promotional-advertising materials or display materials. The requests are forwarded directly to the competent departments, streamlining the procedures and reducing waiting times.

Adaptations in Snai’s promotional and advertising campaigns may be requested in order to customize them to fit each individual Snai Point or Snai Corner.

Sales Network Convention

In 2011, the first convention dedicated by Snai to its sales network was organized. Snai’s goal in organizing this meeting was to present its new corporate strategies for purposes of facing the market, but also to listen to proposals and requests by operators of sales points, the persons who represent a crucial link with players and have first-hand knowledge of the needs of the final consumers. Snai’s executives had the occasion to present new projects, and especially to listen to requests and proposals. The sales network convention will meet every six months in order to facilitate dialogue and exchanges of proposals.


8000
ACTIVE FANS





7. THE EMPLOYEES OF SNAI SPA AND ITS SUBSIDIARIES

On 31 December 2011, the work force of Snai Spa and its subsidiaries was comprised of 707 persons: 21 executives, 594 white collar employees and 92 workers. Of the group's workforce, 333 are men (47.1% of the workforce), and 374 are women (52.9% of the workforce). The company ensures full application of the principles set forth in national collective bargaining contracts applied to the various companies, with the exception of Festa which applies a corporate contract that has been approved by the relevant trade unions. Snai Spa applies the CCNL for industry, supplemented with a corporate contract which also provides for the award of results-based bonuses upon the achievement of certain parameters. Virtually all of the employees are indefinite term employees: on 31 December 2011, the personnel hired under fixed term contracts represented only 2.5%, while part-time contracts apply to 162 employees, 122 of whom work for Festa Srl (call center services).

TRAINING

Training and professional development are considered an important tool for the development of the workforce and a fundamental step in the on-going pursuit of improvements in the products and services offered. In 2011, the Group dedicated approximately 3,400 to training with professional development initiatives offered at all levels.

SAFETY

The company always pays close attention to the protection of health and safety in the workplace, and complies with the provisions of the relevant Italian legal framework set forth under Legislative Decree 81/2008, fulfilling the duties and obligations imposed under the same. Each employee receives at the time of hiring, and subsequently in the event of updates and amendments, adequate disclosure on the risks for health and safety in the workplace, deriving from both the company's business operations and the specific responsibilities of each employee. Adequate information is also provided on fire prevention procedures, first response procedures, evacuation of work stations, and the contact persons for various types of needs: the person in charge of and staff members assigned to prevention and protection services, the competent physician. Each employee is periodically subjected to a medical visit to verify his or her state of health and the appropriateness of the responsibilities assigned to him or her.

RIGHTS OF MINORITIES AND EMPLOYEES WITH DISABILITIES

The company scrupulously complies with the provisions of the Italian Penal Code, the Italian Civil Code, the Workers Statute and national collective bargaining contracts on the matter of the protection of minorities and employees with disabilities.

IL WELFARE

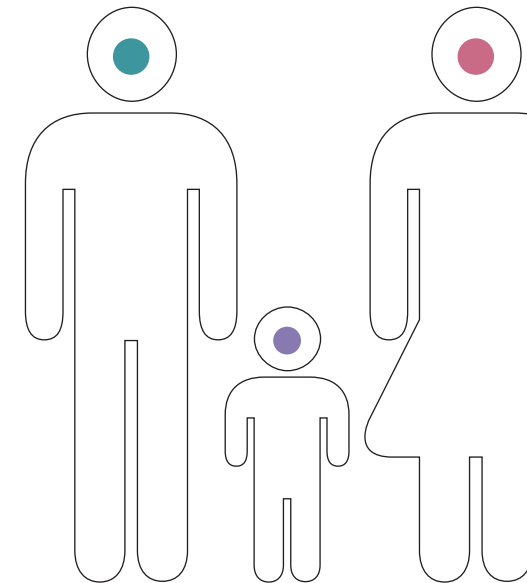
Snai has provided for a series of elements to supplement salaries, capable of facilitating the coverage of various needs of its personnel (pensions, insurance, healthcare, etc.). Since in our country the healthcare and pension system is managed by public entities and funded by mandatory withholdings applied to individual salaries, Snai has activated a series of conventions in favor of its personnel to encourage supplementary initiatives for pension and healthcare coverage, or to support families.

The following is a brief summary of the conventions in place:

- **Daycare: convention with two private structures in Porcari and Capannori, the company covers 50% of the cost of the monthly tuition**
- **BNL: convention for facilitated access to mortgage loans, personal loans and bank accounts**
- **Playroom, after school and baby parking: convention for discounted rates at a private structure in Capannori**
- **Ina Assitalia: convention for discounted rates for insurance policies covering theft, accidents, illness and the so-called "head of household policy"**
- **Assicurazioni Generali: special conditions for access to supplementary pension plans, with the disbursement of reimbursements for healthcare expenses, and indemnities in the event of death or permanent invalidity.**
- **Additional conventions are in place for: the purchase of automobiles, optical care dental hygiene, and vitamin supplements**

The subsidiary Trenno Srl makes available:

- **an area for the company Cral**
- **an area for the Rsu Trenno**
- **company cafeteria**
- **Apartments for rent or granted under a gratuitous loan arrangement for personnel in charge of caring for horses stationed at the stables**



Tables and diagrams for further details

DISTRIBUTION OF PERSONNEL

YEAR 2011	SNAI SPA	FESTA	TELEIPPICA	TRENNO	MAC HORSE	FASTE
Executives	17		1	3		
Mid-level managers and white collar employees	296	202	43	44	7	2
Blue collar workers	4	2		86		
TOTAL	317	204	44	133	7	2

YEAR 2011	SNAI SPA	FESTA	TELEIPPICA	TRENNO	MAC HORSE	FASTE
Males	133	54	34	106	4	2
Females	184	150	10	27	3	-

52.9%
FEMALES

47.1%
MALES

COMPOSITION OF PERSONNEL BY EDUCATION LEVEL

YEAR 2011	SNAI SPA	FESTA	TELEIPPICA	TRENNO	MAC HORSE	FASTE
University degree	53	24	5	3		
High school diploma	249	171	38	50	7	2
Other	15	9	1	80		

12%
EMPLOYEES
HOLDING UNIVERSITY DEGREES

HOURS OF TRAINING

	SNAI SPA	TRENNO	TELEIPPICA
2009	3,651	368	3,633
2010	2,300	1,060,5	
2011	2,500	920	

SICK DAYS AND INJURIES OUT OF HOURS WORKED

YEAR 2011	SNAI SPA	FESTA	TELEIPPICA	TRENNO	MAC HORSE	FASTE
Sick days	2,365	2,325	680	1,494	20	828
Injury days	38	133	19	181	-	2
Hours worked	542,610	189,061	91,586	252,245	11,434	39,553



MAIN TRAINING PROGRAMS FOR 2011

The following are the main training programs organized by Snai for its personnel:

- Courses on IT for learning and improving knowledge of application programs and work processing (Word) and electronic page (Excel)
- Foreign language courses
- Mandatory courses on safety in the workplace and protection of privacy
- Courses on safe driving for work units assigned to the management of the sales network (sales division)
- Trenno in 2011, implemented a series of courses addressed mainly to blue collar workers, concerning tasks, equipment used, safety. A course has also been implemented for “persons in charge”, roles envisaged under Legislative Decree 81/2008 on the matter of safety in the workplace.



Internal communications

The flow of internal communications is considered the best way to ensure and bolster dialogue between the company and its employees, to transmit, with continuity and effectiveness, useful information to generate increasing efficiency and to reinforce a sense of belonging and trust in the company.

Employees are informed via e-mail, intranet portal and the Zucchetti HR system which, in addition to being used for the management of attendance, allows for viewing of all service orders disseminated by the company.

INTRANET PORTAL

The intranet portal allows all employees of the Snai Group to access the entire corporate information network, from the national employment contracts and Snai's company rules, to all forms necessary for the management of the company and work on the part of individuals.

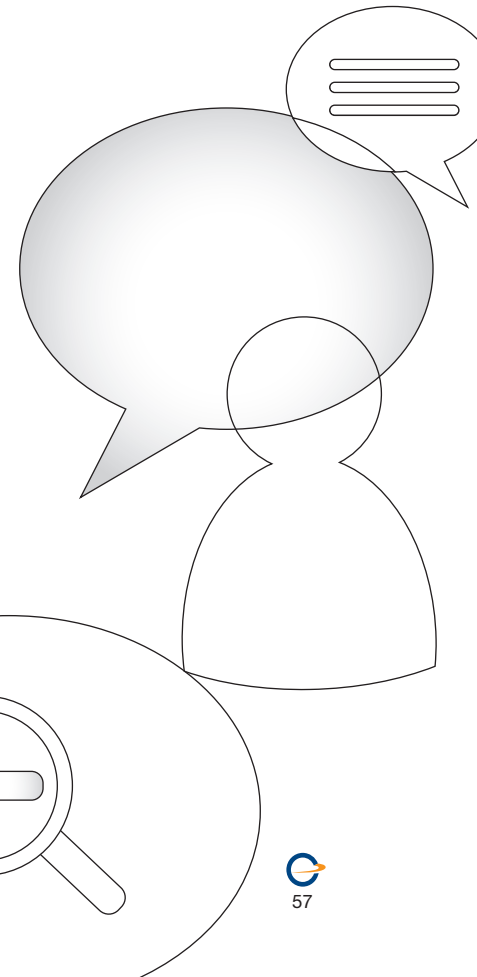
The portal also contains information on all conventions in place in favor of employees, and is accessible every day on a 24 hour basis.

E-MAIL

The use of e-mail allows each employee to be reached individually by the various divisions and by each division head. The information may be disseminated and shared in a widespread and immediate manner.

MEETINGS WITH SENIOR MANAGEMENT

In 2012, an initial convention was organized for executives and mid-level managers of the Snai Group in a meeting with the company's managing director: the meeting which was aimed at illustrating corporate development plans for the next several years, and constitutes the first in a series of meetings currently being scheduled.



SOCIAL REPORT 2011

ENVIRONMENTAL RESPONSIBILITY





I. ENVIRONMENTAL RESPONSIBILITY

Snai Spa's business operations are focused on the supply of services and therefore they do not generate wastes having a high impact on the environment.

Nonetheless, Snai focuses close attention to all environmental matters and therefore acts accordingly, encouraging its employees to follow a sustainable approach to work, to improve the environmental management system and minimize the generation of wastes and pollution.

INITIATIVES TO MITIGATE THE ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES

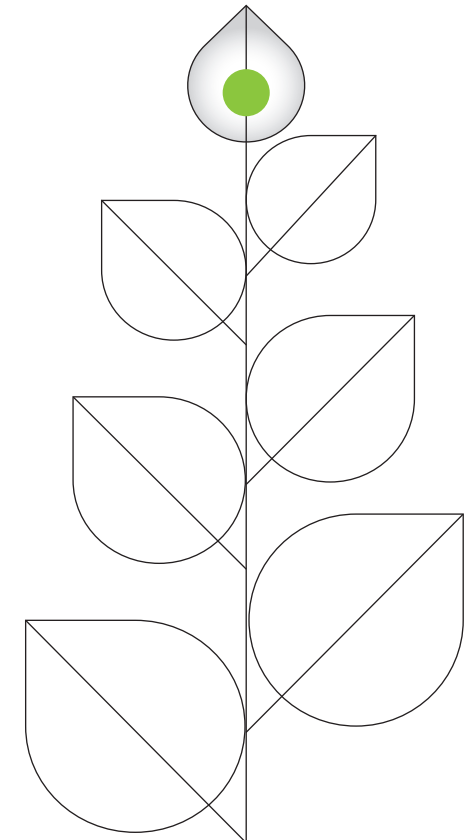
The most important environmental impacts of the company's products and services are related to the energy consumption, and in particular electricity, considering that the majority of the services are provided through the broadcasting of television images and the flow of data from Snai to the sales network, through satellite television broadcasting or via internet (the latter also with regard to Radio Snai, which is accessible via web).

Another area of attention is the choice of recyclable and non-toxic materials for the production of operating tools such as gaming terminals and furnishings.

Each time a planning process is activated, the company performs an analysis and checks on the use of suitable material that complies with the applicable laws and regulations, with a view to optimizing the environmental performance of the company's products, improving its performance indicators.

Within the company, attention is focused on simple gestures which allow for the reduction of the consumption of paper (and to differentiate the disposal of the same), avoiding the waste of water, limiting the consumption of electricity to only that effectively necessary. For business travel, preference is given to public transportation and solutions which allow for environmental impacts to be mitigated.

In addition, technological choices are being researched in order to generate greater effectiveness and efficiency, as well as useful results with a view to respecting the environment. The new electronic brochures, for example, are meant to completely replace the current hard copy ones used to display in the Snai Points the parting fields of the horse races, with all of the performances of the participating race horses: transition to the new "version", based upon HD television screen, will allow for the use of paper, as well as consumables such as plotter ink and printers to be drastically reduced.



ENERGY SOURCES

The main source of energy used by Snai is electricity, off taken from a supplier that uses an energy mix comprised as to 63% of renewable sources, as compared to the national average of 35.20%.

The other sources of energy are essentially attributable to thermal energy for the heating of work areas, and fuels for the company's fleet of vehicles. Trenno Srl requested connection to the district heating system to replace the current system fuelled by diesel fuel: it is currently waiting for the supplier A2A to fulfill its request. The company has contributed toward constructing the system by making available a number of areas and allowing the entire neighborhood to access the district heating service.

In addition, since 2010, Trenno has activated the role of Energy Manager, a consultant in charge of "conservation and rational and responsible use of energy".

2. WASTES AND EMISSIONS

The business operations conducted by Snai and by the Snai Points and Corners lead to the generation of "normal" wastes deriving from office activities, with the sole exception of special wastes such as electrical and electronic materials no longer in use, used cartridges, toners and batteries, accumulators and mixed packaging materials.

All of these waste products are managed separately and sent for disposal in accordance with the provisions of Law 152/2006. At the Lucca office, differentiated disposal is in place for paper wastes: the analysis of the products for recycling shows a clear increase in the latter with respect to those sent for disposal, since in 2009 only 15.5% of wastes disposed of were capable of being recycled while in 2010 this percentage rose to 25.3%. The company Trenno Srl, due to the operation of the racetracks, manages the disposal of wastes deriving from the presence of racehorses and the products necessary to care for horses in its facilities.

ELECTRICITY - MIX OF ENERGY USED BY THE SUPPLIER (YEAR 2010)

PRIMARY SOURCES USED	ENERGY MIX	AVERAGE NATIONAL ENERGY USE
• Renewable sources	62.99%	35.20%
• Coal	7.22%	12.80%
• Natural Gas	24.01%	43.10%
• Oil products	0.95%	1.70%
• Nuclear	1.12%	1.20%
• Other sources	3.71%	6%

GENERATION OF WASTES AT SNAI'S MAIN OFFICE

	2010	2011
• Special wastes	10,654	154,800
of which hazardous wastes	1,702	88,704
• Wastes sent for disposal	8,500	7,400
• Wastes sent for recycling	2,154	147,400
• Percentage sent for recycling	25.3%	95.2%

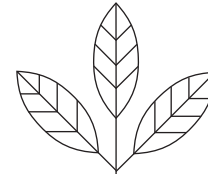
Data expressed in Kg.

TRENNO SRL

WASTES DISPOSED OF IN ACCORDANCE WITH THE APPLICABLE PROCEDURES IN YEAR 2011

• Manure	80,870
• Bulk waste and the like	80,669
• Iron and steel	13,010
• Muds	11,040
• Wood	3,920
• Glass	2,680
• Hospital wastes	1,365
• Oils and lubricants	354
• Fluorescent and mercury tubes	282
• Paints and solvents	55
TOTAL	194,245

Data in thousands of Kg. The disposal of all of the above-mentioned waste materials is entrusted to specialized companies.



SNAI'S CONSUMPTION

	2010	2011
• kWh electricity	3,331,643	3,516,529
• Mc methane gas	170,996	157,872
• Mc water	27,264	25,062
• Liters of diesel	4,000	800
• Diesel and gasoline for the company's fleet of vehicles	84,491	103,868

FESTA'S CONSUMPTION

	2010	2011
• kWh electricity	345,714	396,797
• Mc methane gas	78,075	85,793
• Mc water	2,161	1,933
• Liters of diesel	-	133
• Diesel and gasoline for the company's fleet of vehicles	-	-

TRENNO'S CONSUMPTION

	2010	2011
• kWh electricity	4,471,925	4,486,607
• Mc methane gas	328,828	255,982
• Mc water	573,076	641,928
• Liters of diesel	35,000	50,000
• Diesel and gasoline for the company's fleet of automobiles	84,540	79,329

SNAI SpA

344

total work units year 2011

7.287mq

total surface area year 2011

FESTA Srl

146

total work units year 2011

1.055mq

total surface area year 2011

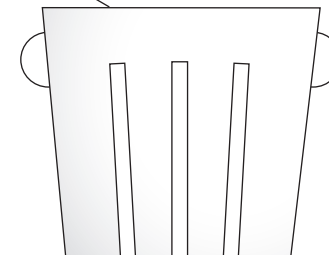
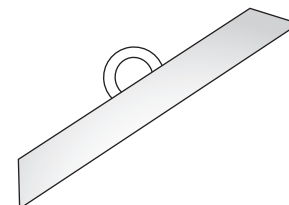
TRENNO Srl

133

total work units year 2011

1.630.000mq

total surface area year 2011



Direct consumption of energy per primary energy source

SNAI

TYPE OF ENERGY CONSUMED	UNIT OF MEASURE	2010	2011
	MWh	4,952	5,031
• Total Energia consumed	kTEP	0.957	0.972
• Total electricity consumed	MWh	3,312	3,517
• Electricity per collaborator	kWh/coll.	9,627	10,222
• Electricity per mq.	kWh/mq.	454	483
• Total thermal energy consumed	MWh	1,640	1,514

FESTA

TYPE OF ENERGY CONSUMED	UNIT OF MEASURE	2010	2011
	MWh	1,095	1,220
• Total Energia consumed	kTEP	0.212	0.236
• Total electricity consumed	MWh	346	397
• Electricity per collaborator	kWh/coll.	2,368	2,718
• Electricity per mq.	kWh/mq.	328	376
• Total thermal energy consumed	MWh	749	823



Photography competition

THE WORLD OF SNAI SEEN THROUGH OUR EYES

Jessica Marcheschi - call center Festa Srl



Total off take of water by source

SNAI

		2010	2011
• Consumption of municipal water	mc.	27,264	25,062
• Total water consumed per collaborator	mc./coll.	79	73
• Disposal to the municipal sewage system	mc	27,264	25,062

FESTA

		2010	2011
• Consumption of municipal water	mc.	2,161	1,933
• Disposal to the municipal sewage system	mc.	2,161	1,933



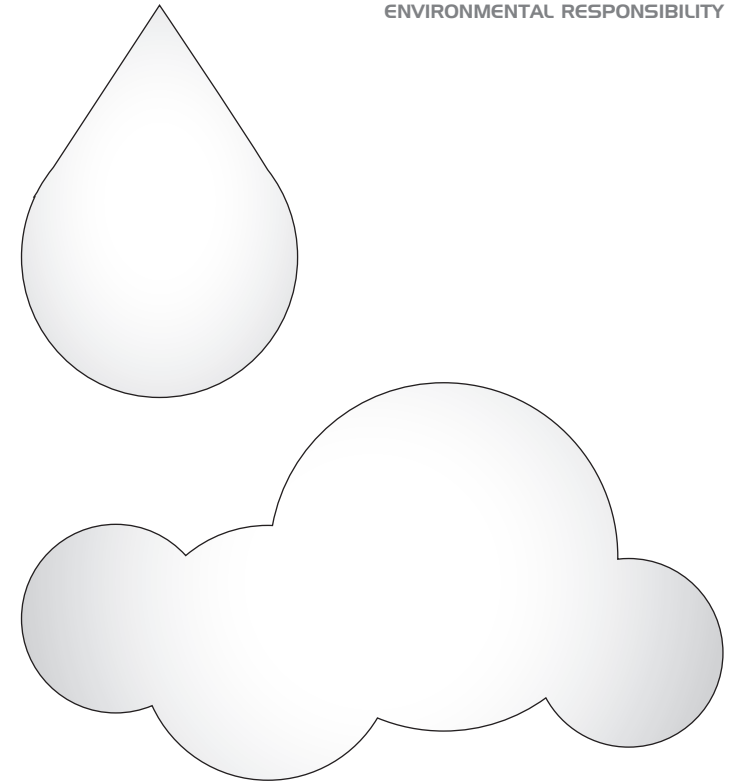
Total direct and indirect emissions of greenhouse gas by weight

SNAI

		2010	2011
• Grid electricity	Tons	1,737.29	1,844.77
• Natural gas	Tons	301.17	278.06
• Diesel	Tons	10.67	2.13
• Diesel for the corporate fleet	Tons	218.63	268.77
• Gasoline for the corporate fleet	Tons	5.86	7.20
• Total	Tons	2,273.62	2,400.93

FESTA

		2010	2011
• Grid electricity	Tons	181.36	208.16
• LPG gas	Tons	160.80	176.70
• Diesel	Tons	0.00	0.35
• Total	Tons	342.17	385.22



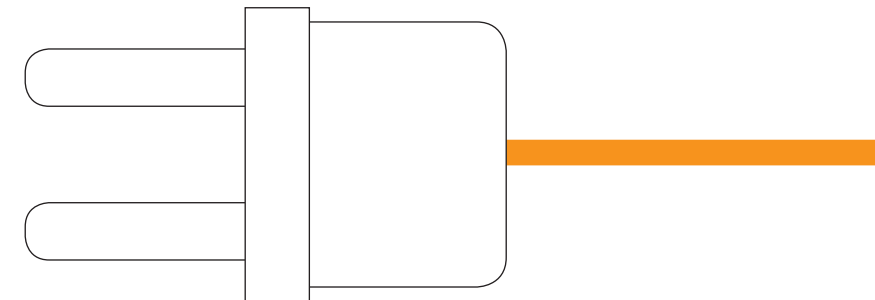
Incidence of electricity consumption by source

SNAI

		2010	%	2011	%
• Total electricity consumed	MWh	3,312	53.53	3,517	54.17
• Total thermal energy consumed	MWh	1,640	26.52	1,514	23.33
• Diesel	MWh	56	0.90	11	0.17
• Total energy used by the fleet (gasoline + diesel)	MWh	1,179	19.05	1,449	22.32
• Total		6,187		6,491	

FESTA

		2010	%	2011	%
• Total electricity consumed	MWh	346	31.58	397	32.48
• Total thermal energy consumed	MWh	749	68.42	823	67.37
• Diesel	MWh	0	0.00	2	0.15
• Total energy used by the fleet (gasoline + diesel)	MWh	-	-	-	-
• Total		1095	100	1222	100



METHODOLOGY

Relationships with stakeholders and the relevant markets

Snai Spa is a leader on the Italian gaming and betting market, with prospects for expansion into European countries such as France and Spain. In conducting its business operations, Snai complies fully with all laws and regulations that govern gaming and betting in the territory of Italy, and maintains on-going relationships with external and internal persons of reference, and first and foremost with the competent institutions. Snai encourages and promotes continuous interaction with its stakeholders, and undertakes to act with transparency and reliability vis-à-vis each of them. Snai promotes informed and responsible gaming, and adopts as its own the principles laid down by the Amministrazione autonoma del Monopoli di Stato and implements further initiatives for the prevention of compulsive gambling. Plans, objectives and goals in terms of environmental sustainability and responsibility are agreed with the relevant stakeholders.

Relevant period

This is the first edition of Snai Spa's corporate report: the relevant period is financial year 2011. With regard to socioeconomic data, the report makes reference to Snai Group's Consolidated Financial Statement as of 31 December 2011, also with regard to environmental data, and policies for the management of work and the workforce.

The composition of the companies belonging to the Snai Group and the Board of Directors is updated through 31 August 2012.

Information

Information on contents of the sustainability report may be requested from Snai via e-mail to the following address: info@snai.it

Definitions

In the sustainability report, the following definitions are used:

- **Global Games Spa: the controlling company which was established by Investindustrial and Palladio Finanziaria, each holding equal shares**
- **Snai Spa: the group parent company**
- **Snai Group: Snai Spa and its subsidiaries.**

All data are presented with reference to the operating sectors of Snai Spa and its subsidiaries:

- The phrase “business operations of the Snai Group and Snai Spa”, refers to operations conducted in Italy by the Parent Company and its subsidiaries, particularly with regard to the supply of gaming and betting services, and related services: betting on sports, horse racing and non-sport events; videolotteries and AWP; on-line poker and skill games; on-line pool betting (concorsi a pronostico); on-line bingo; operation of racetracks
- The subsidiaries or companies in which Snai holds shareholdings are: Teleippica Srl, Festa Srl, Immobiliare Valcarenga Srl, Company Trenno Srl, Mac Horse Srl (in liquidation), Snai Olé Sa, Snai France Sas, Teseo Srl (in liquidation), Solar Sa, Hippogroup Roma Capannelle Spa, Alfea Spa, Connex Srl, Lxorfin Srl, Tivù + S.p.A. (in liquidation, subject to creditors' composition agreement)

Drafting principles

The Social Report for 2011 has been prepared and drafted in line with the “Guidelines for sustainability reporting”, in version 3.0 published in 2006 by Gri (Global Reporting Initiative). The report does not intend to be ranked at any of the levels applied by Gri, and does not purport to imply interpretation of the report on this basis. However, with a view to providing disclosure on the company's performance in terms of strategy, organizational profile, reporting parameters, governance, commitment and actions, certain Gri indicators considered relevant for these purposes have been used.

Sources and system for the gathering of data

The sources used to draft this Social Report for 2011 are the following:

- the various corporate functions of Snai Spa and its subsidiaries
- official data disseminated by Aams (Amministrazione autonoma dei monopoli di Stato) on the various Italian market segments for gaming and betting
- Market research and studies

Each source has been specified, from time to time, where used in the Report. The economic-financial data have been extracted from the Snai Group's Consolidated Financial Statement as of 31 December 2011.

Assurance Process

For this first edition of Snai Spa's Sustainability Report, no classification is envisaged on the basis of the Gri criteria and consequently the certification through the assurance process is not envisaged either.



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Concept, coordination editorial and drafting

Public Relations
Snai Spa

Graphical presentation and page layout

Graphicamente Srl
Milan

Area Marketing
and Sponsorships
Snai Spa

Photo credits

Corbis

Stefano Grasso

Participants in Snai Spa's
internal competition,
"Superfoto? Superbikel!"
Ivan Caria, Stefania Diodati
Corrado Fortini, Claudio Giovacchini
Daniela Grandi, Claudio Graziani,
Roberto Loru, Jessica Marcheschi
Sebastian Alejandro Marino
The employees of Festa Srl,
portraits as children

Printing

TICOM
Piacenza

Milan, July 2012

*Printed on ecological paper
"Fedrigoni Freelfe Kendo",
with low impact on the environment,
certified by Fsc and Ecolabel*

