



PRESS RELEASE

LOTTOMATICA ANNOUNCES STRONG 2008 FULL-YEAR RESULTS
Fourth Quarter Performance Provides Momentum

Group Consolidated Financial Highlights

- 2008 Q4 revenues up 50%; EBITDA up 15% versus 2007 Q4, underscoring resiliency in the business
- Full year 2008 revenues up 24% to €2.06 billion, 17% organic growth over 2007
- Full year 2008 EBITDA of €756 million, up from €702 million in 2007
- Reported Net Income, after minorities, grew to €94 million, up 27% over full year 2007 (€162 million, up 119% over 2007, as adjusted for after-tax impact of €105 million of one-time, non-cash impairment and other charges)
- Proposed dividend of €0.68 per share
- Net financial position of €2.71 billion, compared to €2.84 billion at September 30, 2008 and €2.25 billion at December 31, 2007
- Earnings-per-share of €0.62, up by 27% over full year 2007 (120% EPS increase, excluding one-time charges)

Lottomatica Group 2008 Full-Year Results

Consolidated Income Statement (€/M)	Full Year 2008	Full Year 2008 at constant currency³	Full Year 2007
Revenues ¹	2,058.9	2,096.8	1,661.4
EBITDA ²	755.9	770.5	701.5
EBITDA %	36.7%	36.7%	42.2%
Operating Income, as adjusted ⁴	444.8		394.9
Operating Income	340.0		394.9
Net Income after minorities	93.7		74.0
Net Income, as adjusted	162.1		74.0

¹ '08 revenues as reported include €137.6M net acquisitions impact.

² EBITDA represents operating income plus depreciation, amortization and write-downs and other non-cash items. EBITDA is considered an alternative performance measure that is not a defined measure under International Financial Reporting Standards ("IFRS") and may not take into account the recognition, measurement and presentation requirements associated with IFRS. We believe that EBITDA assists in explaining trends in our operating performance, provides useful information about our ability to incur and service indebtedness and is a commonly used measure of performance by securities analysts and investors in the gaming industry. EBITDA should not be considered as an alternative to operating income as an indicator of our performance or to cash flows as a measure of our liquidity. As we define it, EBITDA may not be comparable to other similarly titled measures used by other companies.

³ \$/€ FX average: 1.38 in Full Year '07; 1.47 in Full Year '08.

⁴ Excludes €104.8M of one-time non-cash impairment and other charges.

ROME (ITALY) - PROVIDENCE, RHODE ISLAND (US), March 05, 2009 – The Board of Directors of Lottomatica S.p.A., chaired by Mr. Lorenzo Pellicoli, today approved the consolidated accounts for the full year of 2008, which ended December 31, 2008.

Lorenzo Pellicoli, Chairman & CEO of Lottomatica Group, commented: “We are very pleased with our results in 2008. We achieved the guidance provided to the market, with significant growth in revenue and margins. We also demonstrated that through the Group’s global presence in over 50 countries and across all gaming market segments, we are able to generate income, pay dividends, and maintain a solid financial structure to support our growth.”

Stefano Bortoli, CFO of Lottomatica Group, said: “Our performance in the fourth quarter of 2008 gives us confidence in the resiliency of our businesses, particularly during these uncertain economic times. These results, and our overall annual growth, reflect our intensified focus on financial discipline, cost control, and cash management. This combined with our manageable debt repayment schedule allows us to focus on free cash flow generation during this difficult economic environment.”

Figures (€/M)	Revenues			EBITDA		
	2008	2007	% chg	2008	2007	% chg
Lottomatica	1,022.6	821.6	24.5	463.8	391.0	18.6
GTECH (constant currency)	1,074.2	839.8	27.9	306.8	310.5	(1.2)
FX impact	(37.9)	-0-	-	(14.6)	-0-	-
GTECH (as reported)	1,036.3	839.8	23.4	292.1	310.5	(5.9)
Total Group, consolidated	2,058.9	1,661.4	23.9	755.9	701.5	7.7

For the full year ended December 31, 2008 **Revenues** totaled €2.059 billion. Overall, revenues grew 24% year-over-year, and 26% on a constant currency basis. Due to a solid performance across all business segments, the Group achieved year-over-year organic revenue growth of 18% on a constant currency basis, excluding acquisitions.

Reported EBITDA was €755.9 million, up 8% compared to 2007. The increase in EBITDA was driven by growth in the Italian market, including fixed-odds sports betting, expansion of Scratch & Win, and Gaming Solutions. EBITDA margins were 37% in 2008 versus 42% in the prior year, affected by a change in the mix of revenues. Despite a year of contraction and decline for gaming companies, the Group achieved its EBITDA target of €750 million - €765 million.

One-time non-cash impairment and other charges of €104.8 million were taken on investments relating to tangible and intangible assets of Atronic, and a deployed, but not yet launched, lottery system for an International customer.

Excluding the impairment and other one-time charges in 2008, **Operating Income** was €444.8 million, up 13% over €394.9 million in 2007.

A **Dividend** of €0.68 per share for a total amount of approximately €100.9 million will be proposed to the Shareholders’ Meeting convening on April 28, 2009, and, subject to its approval, will be payable on May 21, 2009, with an ex-dividend date of May 18, 2009.

Net **Cash Flows** from Operating Activities generated €680.8 million in the full year, compared to €503.8 million in 2007.

During the full year of 2008, the Group invested €243 million in **Capital Expenditures** and €263 million in acquisition-related activities. In addition, the Group paid €125.4 million in dividends to shareholders, made net interest payments of €148.8 million, and repurchased €74.8 million of treasury shares, under a share buyback plan.

At December 31, 2008, Consolidated Shareholders' Equity totaled €1.67 billion. Lottomatica Group had a **Net Financial Position** of €2.71 billion, compared to €2.84 billion at September 30, 2008, and €2.25 billion as of December 31, 2007. In addition to the investments mentioned above in acquisitions and share repurchases, NFP increased year over year by approximately €84 million due to the strengthening of the U.S. dollar against the euro.

On a constant currency basis, the Group expects to further increase revenues across all business segments. Early indications in 2009 confirm the resiliency of the Lottery business in the U.S. and Internationally. Similarly, the Italian regulator, AAMS, recently reported increases in January 2009 total wagers for the Italian market.

Revenues by Segment

Business Segment Revenues (€/M)	Full Year 2008	Full Year 2007	Increase (Decrease)	%
Lottery	1,550.1	1,418.5	131.6	9.3
Gaming Solutions	232.3	101.4	130.9	129.0
Sports Betting	144.7	40.1	104.6	260.6
Interactive	48.3	4.5	43.8	>500
Commercial Services	83.5	96.9	(13.4)	(13.8)
Total:	2,058.9	1,661.4	397.5	23.9

Lottery

Revenues for Lottomatica in the Lottery segment totaled €705.2 million, compared to €678.0 million in 2007, up 4%. Italian Lotto and instant-ticket wagers grew 7% to approximately €15.0 billion in the full year of 2008, from €14.0 billion in 2007. Total Lotto wagers were approximately €5.9 billion, compared to €6.2 billion in the full year of 2007. The total number of Lotto players remained stable at approximately 12 million.

The continued strong performance of instant tickets and increased number of players resulted in wagers of €9.2 billion, compared to wagers of €7.9 billion in 2007. More than 2.5 billion Scratch & Win tickets were sold in 2008, compared to 2.3 billion in 2007, with increased sales across all price points. The total lottery retailer base in Italy surpassed 45,000 points-of-sale.

Total revenues for GTECH in the Lottery segment were €844.9 million, compared to €740.5 million in 2007, up 14%. Same-store revenues grew 4%. GTECH also recorded product sales to customers in the United Kingdom and Finland, among others. During 2008, the Company successfully completed the development of a new family of lottery terminals and central systems design with the flexibility to meet varying market requirements. When completed in 2009, the Company will have invested \$40 million in a new instant-ticket printing press and state-of-the-art printing facility in Florida. GTECH Printing also added 12 new customers in 2008, including lotteries in Oregon, Kansas, and British Columbia.

GTECH and its subsidiaries secured new contracts and extensions of existing contracts in 2008 with a value in the aggregate of over €1 billion.

Gaming Solutions

In the Gaming Solutions segment, Lottomatica implemented a strategy to strengthen its presence in the value chain through the direct management of gaming machines. The number of Amusement with Prize (AWP) machines installed in Italy grew from 32,000 at the end of 2007, to approximately 49,000 machines as of December 31, 2008. Wagers also grew from €1.6 billion to €3.5 billion year-over-year, with market share currently at 16%, from 9% in the same period last year.

GTECH's VLT subsidiary SPIELO continued to strengthen its position in the core government-sponsored market with new contracts in Sweden, Oregon, and Manitoba. ATRONIC also continued its expansion into international commercial gaming markets. Jointly, ATRONIC and SPIELO have been developing a new gaming platform which will be launched during 2009.

Sports Betting and Interactive

Revenues from sports betting and pool games in Italy more than tripled to €144.7 million in 2008 from €40.1 million in 2007, while wagers increased from €321 million to €786 million year-over-year. With the acquisition of well-known brand Totosi, Lottomatica gained a leadership position for Italian sports-betting on the Internet, while increasing its overall market share in this segment from 14% to 19%.

In November 2008, Lottomatica also entered into the newly-liberalized segment of skill games in Italy and introduced an interactive online poker network, leveraging off of GTECH subsidiary Boss Media's platform.

During 2008, GTECH established a new division focused on Sports and Internet wagering - the fastest-growing gaming segment - by acquiring leading providers of sports-betting solutions, online bingo, poker, games and casino products and fully managed e-gaming services.

Since the acquisition in July 2007, Finsoft's customer base has increased from 14 to 32 customers, including four World Lottery Association (WLA) members.

Boss Media grew across all areas of its business including the launch of new poker networks in Austria and Italy, expansion of its server based Interactive Video Terminals (IVTs) from 1,700 to 5,000 machines, and more than a 20% increase in its online poker and casino & games suite businesses.

St Minver's revenues increased 47% and experienced a 60% increase in liquidity in its International Bingo Network.

Additional Information: Fourth-Quarter Results

Consolidated Income Statement (€/M)	4Q 2008	4Q 2008 at constant currency	4Q 2007
Revenues	657.3	640.7	439.7
EBITDA	184.7	178.2	160.1
EBITDA %	28.1%	27.8%	36.4%
Operating Income, as adjusted	107.7		70.7
Operating Income	2.9		70.7
Net Income after minorities	(12.7)		15.9
Net Income, as adjusted	55.7		15.9

Group revenues for the fourth quarter ended December 31, 2008 totaled €657.3 million. Overall, revenues grew 50% versus the fourth quarter last year.

The Group's EBITDA was €184.7 million with an EBITDA margin of 28%. Operating income was €2.9 million for the quarter, impacted primarily by the €104.8 million of one-time non-cash impairment and other charges. Accordingly, adjusted operating income was €107.7 million, representing a year-over-year increase of 52%.

GTECH revenues for the fourth quarter of 2008 totaled €385.8 million, compared to revenues of €216.7 million in the fourth quarter of 2007. GTECH revenues for the fourth quarter increased by 78% compared to the same period last year, primarily driven by product sales to customers in the United Kingdom and Finland. Same-store service revenue growth was 5%, compared to the fourth quarter of 2007.

Lottomatica revenues grew 21.8% to €271.5 million, from €223.0 million in the fourth quarter of 2007. Lotto and instant-ticket wagers grew 6% to €3.7 billion in the fourth quarter of 2008, from €3.5 billion in the same period last year. Lotto game wagers were €1.4 billion, down slightly from the fourth quarter of 2007. Instant-ticket wagers were €2.3 billion, compared to €2.0 billion in the same period last year, up 15%.

Other Information –

Call of Shareholders Meeting - Proposed Dividend

The 2008 draft financial statements approved by the Board of Directors of Lottomatica S.p.A. will be submitted for approval at the shareholders' meeting scheduled for April 28, 2009, along with the proposal for the above said dividend distribution.

The documentation required by current law provisions for the above matters and the relevant proposals will be timely made available to the public at the registered office of the Company and of Borsa Italiana S.p.A., as well as placed on the website

www.gruppolottomatica.it/eng/index.htm, together with the 2008 Corporate Governance Report approved today by the Board.

Declaration

The manager responsible for preparing the Company's financial reports, Stefano Bortoli, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books, and accounting records.

Lottomatica is a market leader in the Italian gaming industry and one of the largest Lottery operators in the world based on total wagers and, through its subsidiary GTECH Corporation, is a leading provider of lottery and gaming technology solutions worldwide. Together, the Company is the only vertically integrated full service lottery company. Lottomatica is majority owned by De Agostini, which belongs to a century-old publishing and media services group. Lottomatica is listed on the Stock Exchange of Milan under the trading symbol "LTO". In 2008, the Company had approximately €2.1 billion in revenues and 7,500 employees in over 50 countries when combined with GTECH.

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www.gruppolottomatica.it - www.gtech.com*

Lottomatica Group Consolidated Financial Statements to follow:

Lottomatica Group Consolidated Income Statement as of December 31, 2008 and 2007

Lottomatica Group Consolidated Balance Sheet as of December 31, 2008 and 2007

Lottomatica Group Consolidated Cash Flow Statement for the periods ended December 31, 2008 and December 31, 2007

**LOTTOMATICA GROUP AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS**

<i>(thousands of euros)</i>	For the year ended December 31	
	2008	2007
Service revenue	1.818.267	1.580.345
Product sales	240.673	81.046
Total revenue	2.058.940	1.661.391
Raw materials, services and other costs	991.247	693.459
Personnel	410.513	369.295
Depreciation and amortization	311.556	273.319
Impairment losses	100.778	8.526
Capitalization of internal construction costs - labor and overhead	(95.149)	(78.131)
Total costs	1.718.945	1.266.468
Operating income	339.995	394.923
Interest income	10.955	12.913
Equity income (loss)	(1.825)	753
Other income	6.193	18.705
Other expense	(2.699)	(3.357)
Foreign exchange gain (loss), net	10.352	(33.705)
Interest expense	(177.555)	(193.816)
	<u>(154.579)</u>	<u>(198.507)</u>
Income before income tax expense	185.416	196.416
Income tax expense	47.546	90.452
Net income	137.870	105.964
Attributable to:		
Equity holders of the parent	93.748	74.049
Minority interest	44.122	31.915
	<u>137.870</u>	<u>105.964</u>
Earnings per share/ADR		
Basic - net income attributable to equity holders of the parent	€ 0,62	€ 0,49
Diluted - net income attributable to equity holders of the parent	€ 0,62	€ 0,49

LOTTOMATICA GROUP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<i>(thousands of euros)</i>	December 31,	
	2008	2007
ASSETS		
Non-current assets		
Systems, equipment and other assets related to contracts, net	758.717	740.260
Property, plant and equipment, net	86.023	63.129
Goodwill	3.086.297	2.793.186
Intangible assets, net	853.146	740.613
Investments in associates	6.093	2.816
Other non-current assets	21.380	36.393
Non-current financial assets	390	5.765
Deferred income taxes	235.421	160.758
Total non-current assets	<u>5.047.467</u>	<u>4.542.920</u>
Current assets		
Inventories	129.560	106.982
Trade and other receivables	773.595	695.222
Other current assets	65.160	49.845
Current financial assets	20.288	19.611
Income taxes receivable	5.654	2.051
Cash and cash equivalents	109.274	434.065
Total current assets	<u>1.103.531</u>	<u>1.307.776</u>
Non-current assets classified as held for sale	7.456	-
TOTAL ASSETS	<u>6.158.454</u>	<u>5.850.696</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Issued capital	152.287	151.899
Share premium	1.139.071	1.574.956
Treasury shares	(73.184)	-
Retained earnings	95.647	75.471
Other reserves	295.174	(114.277)
	<u>1.608.995</u>	<u>1.688.049</u>
Minority interests	58.428	45.142
Total equity	<u>1.667.423</u>	<u>1.733.191</u>
Non-current liabilities		
Long-term debt, less current portion	2.573.802	2.143.722
Deferred income taxes	441.409	452.735
Long-term provisions	27.042	23.709
Other non-current liabilities	48.339	54.463
Non-current financial liabilities	134.604	48.419
Total non-current liabilities	<u>3.225.196</u>	<u>2.723.048</u>
Current liabilities		
Accounts payable	800.653	602.556
Short-term borrowings	60.848	7.610
Other current liabilities	278.751	218.882
Current financial liabilities	12.741	16.210
Current portion of long-term debt	61.109	487.384
Short-term provisions	2.276	538
Income taxes payable	49.457	61.277
Total current liabilities	<u>1.265.835</u>	<u>1.394.457</u>
TOTAL EQUITY AND LIABILITIES	<u>6.158.454</u>	<u>5.850.696</u>

LOTTOMATICA GROUP AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS

<i>(thousands of euros)</i>	For the year ended December 31	
	2008	2007
Operating activities		
Income before income tax expense	185.416	196.416
Adjustments to reconcile income before income tax expense to net cash flows		
Depreciation	225.460	205.321
Intangibles amortization	86.276	68.192
Other amortization	(180)	(194)
Impairment losses	100.778	8.526
Interest income	(10.955)	(12.913)
Interest expense	177.555	193.816
Unrealized foreign exchange (gain) loss	(16.336)	31.838
Share-based payment expense	14.682	21.346
Other non-cash items	7.575	13.104
Income tax paid	(135.071)	(58.252)
Cash flows before changes in operating assets and liabilities	635.200	667.200
Changes in operating assets and liabilities:		
Inventories	35.513	(31.911)
Trade and other receivables	(56.978)	(145.220)
Accounts payable	122.539	(16.778)
Advance payments from customers	(43.914)	28.663
Taxes other than income taxes	(35.516)	(797)
Other assets and liabilities	23.960	2.602
Net cash flows from operating activities	680.804	503.759
Investing activities		
Acquisitions	(249.667)	(48.688)
Acquisitions - cash acquired	39.689	22
Purchases of systems, equipment and other assets related to contracts	(195.178)	(178.332)
Purchases of property, plant and equipment	(26.176)	(13.835)
Purchases of intangible assets	(18.439)	(60.377)
Finsoft contingent consideration	(13.415)	-
Other investments	(6.187)	(13.904)
Toto Carovigno S.p.A. escrow payment	(4.368)	-
Refundable performance deposit	1.345	6.176
Interest received	11.056	13.270
Net cash proceeds from the sale of POLCARD S.A.	-	166.727
Other	960	(722)
Net cash flows used in investing activities	(460.380)	(129.663)
Financing activities		
Principal payments on long-term debt	(957.580)	(40.924)
Interest paid	(159.850)	(180.188)
Dividends paid	(125.393)	(119.695)
Treasury share purchases	(74.830)	-
Dividends paid - minority interest	(31.357)	(5.920)
Debt issuance costs	(9.113)	-
Proceeds from exercise of stock options	2.915	3.892
Net proceeds from (repayment of) short-term borrowings	44.542	(6.066)
Proceeds from issuance of long-term debt	763.440	-
Proceeds from shares issued to employees at a discount	-	15.301
Other	293	1.297
Net cash flows used in financing activities	(546.933)	(332.303)
Net (decrease) increase in cash and cash equivalents	(326.509)	41.793
Net decrease in cash associated with assets held for sale	-	4.117
Effect of exchange rate changes on cash	1.718	(8.462)
Cash and cash equivalents at the beginning of the year	434.065	396.617
Cash and cash equivalents at the end of the year	109.274	434.065