



PRESS RELEASE

LOTTOMATICA GROUP ANNOUNCES SUSTAINED GROWTH FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2009

Consolidated Financial Highlights and New Developments

- Earnings Per Share of €0.63, up 24% over first half of 2008
- Revenues of €1.1 billion, up 18% over first half of 2008
- EBITDA of €431 million, up 8% over first half of 2008
- Solid Q2 U.S. Lottery performance
- Strong growth in Gaming Solutions, Sports Betting, and Interactive segments
- Board executes share-based compensation plans
- MOU signed by current consortium members for new S&W tender in Italy

Lottomatica Group 2009 First-Half Results

Consolidated Income Statement (€/M)	1H 2009	1H 2009 at constant currency²	1H 2008
Revenues	1,098.7	1,070.2	927.8
EBITDA ¹	430.6	421.2	399.4
EBITDA %	39.2%	39.4%	43.0%
Operating Income	261.3		250.0
Net Income Attributable to Parent	94.0		78.0

¹EBITDA 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.

²\$/€ FX average: 1.54 in 1H'08; 1.34 in 1H'09.

ROME (ITALY) – PROVIDENCE, RHODE ISLAND (US), July 30, 2009 – The Board of Directors of Lottomatica Group S.p.A., chaired by Mr. Lorenzo Pellicoli, today approved the consolidated accounts for the first half of 2009, which ended June 30, 2009.

Marco Sala, CEO of Lottomatica Group, said: *"Despite extremely challenging economics conditions, Lottomatica Group achieved solid growth and sustained its momentum during the first half of the year. Governments are seeking increased revenues from gaming and we have positioned Lottomatica Group to take advantage of these expanded opportunities across our worldwide customer base and particularly*

in Italy. We are also seeing the positive impact of our investments in new delivery channels and games. All in all, we had a good first half and are encouraged by our prospects for the second half of the year."

"Our half-year results are in line with our expectations. We have shown that we can generate growth during a recessionary economy, underscoring the resiliency of our business and the high visibility we have into our earnings," said Stefano Bortoli, CFO of Lottomatica Group. "Moody's and Standard & Poor's also recently reaffirmed our investment grade ratings of Baa3 and BBB-, respectively, with a stable outlook. Maintaining these investment ratings remains a key priority for Lottomatica, going forward."

For the six-month period ended June 30, 2009, **Revenues** totaled €1.099 billion including €503.4 million from GTECH and €595.3 million from Lottomatica. Overall, revenues grew 18.4% year-over-year, and 15.3% on a constant currency basis.

EBITDA was €430.6 million, up 7.8% compared to the first half of 2008. The increase in EBITDA was mainly driven by growth in the Sports Betting, Gaming Solutions, and Interactive segments in Italy. EBITDA margins were 39.2% in the first half of 2009 versus 43% in the same period last year, primarily due to a change in the revenue mix and new lottery contract terms.

Operating Income was €261.3 million, up 4.5% over €250.0 million in the first half of 2008.

Net **Cash Flows** from Operating Activities generated €342.7 million in the first half of this year.

During the first half, **Investing Activities** totaled €126.6 million, compared to €289.1 million in the same period last year, when a number of acquisitions were completed.

At June 30, 2009, Consolidated Shareholders' Equity totaled €1.6 billion. Lottomatica Group had a **Net Financial Position** (NFP) of €2.69 billion, down from €2.71 billion as of December 31, 2008 (NFP at June 30, 2008 was €2.67 billion).

Revenues by Segment

Business Segment Revenues (€/M)	1H 2009	1H 2008	Increase (Decrease)	%
Lottery	766.6	715.0	51.6	7.2
Gaming Solutions	137.4	85.8	51.6	60.3
Sports Betting	96.4	70.3	26.1	37.1
Interactive	52.1	15.0	37.1	247.7
Commercial Services	46.2	41.7	4.5	10.7
Total:	1,098.7	927.8	170.9	18.4

Non-lottery revenues represented 30% of total consolidated revenues in 2009, versus 23% in 2008.

Lottery

Total revenues in the first half of 2009 for GTECH in the Lottery segment were up 16.9% to €405.7 million, compared to €347.1 million in the same period last year. Same-store revenues, on a worldwide basis, grew 2%, at constant currency. During the first six months of 2009, GTECH won a new online contract with the New York Lottery, and extended contracts with lottery customers in Tennessee, Minnesota, Portugal, and Wisconsin. GTECH also successfully converted lottery systems in the United Kingdom, Michigan, and West Virginia, as well as launched a new online lottery in the Dominican Republic. GTECH Printing Corporation received instant-ticket printing contracts from lotteries in Massachusetts, Arizona, Nicaragua, and Canada, and opened its new state-of-the-art printing facility in Lakeland, Florida.

Revenues for Lottomatica in the Lottery segment totaled €360.9 million, compared to €367.9 million in the first six months of 2008. Italian Lotto and instant-ticket wagers for the first half of 2009 were €7.8 billion, versus €7.9 billion in the same period last year.

Instant-ticket performance in Italy increased in the first half of the year, with wagers of €5.0 billion, compared to wagers of €4.9 billion in the first six months of 2008. Approximately 1.3 billion Scratch & Win tickets were sold in the first half of this year, with an average price point of €3.8 versus €3.7 in the first half of last year.

Lottomatica recently launched a new game, "10 and Lotto," to help bolster Lotto sales. Recently, regulations were amended to allow the game to be played on a stand-alone basis, rather than as a companion game to Lotto. Initial player response to the newly-launched game has been positive and is expected to strengthen Lotto wagers going forward.

Gaming Solutions

In the Gaming Solutions segment, Lottomatica continues to increase its presence in the Italian market through the direct management of gaming machines. The number of Amusement with Prize (AWP) machines installed in Italy grew from approximately 42,000 machines as of June 30, 2008, to more than 51,000 at the end of June 2009. Wagers also grew 24.4% from €1.7 billion in the first half of 2008, to €2.1 billion in the first half of 2009.

ATRONIC and GTECH, in collaboration with Lottomatica, have developed a modified ATRONIC cabinet and games that are compliant with regulations for the Italian AWP market. The deployment of ATRONIC AWP machines in Italy, combined with the expertise of SPIELO, positions Lottomatica well in pursuing the upcoming VLT opportunity in the Italian market.

Sports Betting

Revenues from sports betting in Italy increased 37.1% to €96.4 million in the first half of 2009 from €70.3 million in the first half of last year, due to a 35.7% increase in wagers from €367.8 million to €499.2 million.

Interactive

In the first half of 2009, Lottomatica generated revenues of €19.2 million from €161.9 million in skill game wagers, primarily from its interactive online poker network which became operational in late 2008.

Total GTECH G2 revenue contribution to Lottomatica Group was €32.9 million in the first half of 2009, attributable to the acquisitions of Boss Media, Dynamite Idea, and St Minver, and the ongoing operations of Finsoft.

Additional Information: Second-Quarter Results

Lottomatica Group revenues for the second quarter ended June 30, 2009 totaled €516.4 million, including approximately €276.0 million from Lottomatica and €240.4 million from GTECH. Overall, revenues grew 7.8% versus the second quarter last year.

EBITDA was €191.0 million with an EBITDA margin of 37.0%. Operating income was €106.1 million for the quarter, versus €115.4 in the same period last year. Net income, attributable to the parent, was €22.1 million for the quarter ended June 30, 2009, compared to €35.5 million in the second quarter of 2008, principally driven by unrealized foreign exchange losses.

Lottomatica revenues grew 4.6% to €276.0 million, from €263.8 million in the second quarter of 2008. Instant-ticket wagers were approximately €2.4 billion in the second quarter of 2009, comparable to the same period last year, while Lotto wagers slightly decreased to €1.4 billion, from €1.5 billion in the second quarter of last year. Wagers from sports betting in Italy increased 39.3% to €242.2 million in the second quarter of 2009, from €173.9 million in the second quarter last year. Gaming machine wagers also grew from €888.1 million to €1.03 billion, up 16.0% versus the same period in 2008. Revenues from the Interactive segment totaled €9.0 million in the quarter.

GTECH revenues for the second quarter of 2009 grew 11.6% over the same period last year to €240.4 million, including €190.8 million from Lottery, €33.4 million from Gaming Solutions, and €16.2 million from Interactive. Revenues in the second quarter of 2008 totaled €215.4 million. Same-store revenues, worldwide, grew 3%.

Other Business Developments

Lottomatica Group's Board of Directors executed the 2009 – 2015 Stock Option Plan and the 2009 – 2013 Share Allocation Plan, both approved on July 2, 2009, at the Ordinary Shareholders' Meeting. The Board approved the Regulations of the Plans, assigned the Options and Shares, and resolved – in accordance with the resolutions adopted by the Extraordinary Shareholders' Meeting on October 18, 2006 – to increase capital stock up to a nominal maximum amount of €1,850,510 for use in connection with the Stock Option Plan, and determined the exercise price of the Options granted at €14.03.

The documentation required by the relevant provisions in connection with the above resolution may be found on the Company's website at www.lottomaticagroup.com.

In other business developments, on July 1, 2009, the Italian Government promulgated a decree, subject to legislative approval, which outlines terms for a tender process relating to the Italian Scratch and Win concession. The current consortium members, consisting of Lottomatica, Scientific Games Corporation, and the tobacconist association, have entered into a Memorandum of Understanding (MOU) to participate in the potential new tender.

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 Group 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 companies are the only vertically integrated full service lottery group. Lottomatica Group 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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This press release and the previous ones are available on Lottomatica and GTECH web sites:

www.lottomaticagroup.com - www.gtech.com

Lottomatica Group Consolidated Financial Statements to follow:

LOTTOMATICA GROUP AND SUBSIDIARIES
INTERIM CONSOLIDATED INCOME STATEMENTS

	<u>For the six months ended June 30</u>	
	<u>2009</u>	<u>2008</u>
<i>(thousands of euros)</i>	<i>Unaudited</i>	
Service revenue	1,027,306	890,189
Product sales	71,344	37,561
Total revenue	1,098,650	927,750
Raw materials, services and other costs	491,834	390,355
Personnel	215,284	189,888
Depreciation, amortization and impairment	167,704	143,112
Capitalization of internal construction costs - labor and overhead	(37,471)	(45,580)
Total costs	837,351	677,775
Operating income	261,299	249,975
Interest income	1,812	7,095
Equity loss	(1,033)	(622)
Other income	811	2,543
Other expense	(1,952)	(979)
Foreign exchange loss, net	(845)	(14,195)
Interest expense	(78,130)	(85,771)
	<u>(79,337)</u>	<u>(91,929)</u>
Income before income tax expense	181,962	158,046
Income tax expense	62,776	54,526
Net income	<u>119,186</u>	<u>103,520</u>
Attributable to:		
Owners of the parent	93,995	77,977
Non-controlling interests	25,191	25,543
	<u>119,186</u>	<u>103,520</u>
Earnings per share/ADRs		
Basic - net income attributable to owners of the parent	€ 0.63	€ 0.51
Diluted - net income attributable to owners of the parent	€ 0.63	€ 0.51

LOTTOMATICA GROUP AND SUBSIDIARIES
INTERIM CONSOLIDATED INCOME STATEMENTS

	For the three months ended June 30	
	<u>2009</u>	<u>2008</u>
<i>(thousands of euros)</i>	<i>Unaudited</i>	
Service revenue	485,828	453,253
Product sales	<u>30,575</u>	<u>25,952</u>
Total revenue	516,403	479,205
Raw materials, services and other costs	242,993	212,554
Personnel	103,096	98,713
Depreciation, amortization and impairment	84,194	74,667
Capitalization of internal construction costs - labor and overhead	<u>(19,982)</u>	<u>(22,169)</u>
Total costs	410,301	363,765
Operating income	106,102	115,440
Interest income	864	3,103
Equity loss	(760)	(622)
Other income	307	2,015
Other expense	(852)	(344)
Foreign exchange loss, net	(12,025)	(3,114)
Interest expense	<u>(36,034)</u>	<u>(43,100)</u>
	<u>(48,500)</u>	<u>(42,062)</u>
Income before income tax expense	57,602	73,378
Income tax expense	<u>24,225</u>	<u>25,290</u>
Net income	<u>33,377</u>	<u>48,088</u>
Attributable to:		
Owners of the parent	22,098	35,456
Non-controlling interests	<u>11,279</u>	<u>12,632</u>
	<u>33,377</u>	<u>48,088</u>
Earnings per share/ADRs		
Basic - net income attributable to owners of the parent	€ 0.15	€ 0.23
Diluted - net income attributable to owners of the parent	€ 0.15	€ 0.23

LOTTOMATICA GROUP AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30, 2009	December 31, 2008
	<u>Unaudited</u>	<u>Audited</u>
<i>(thousands of euros)</i>		
ASSETS		
Non-current assets		
Systems, equipment and other assets related to contracts, net	719,684	758,717
Property, plant and equipment, net	89,612	86,023
Goodwill	3,097,542	3,086,297
Intangible assets, net	811,862	853,146
Investments in associates	7,576	6,093
Other non-current assets	23,292	21,380
Non-current financial assets	1,827	390
Deferred income taxes	235,626	235,421
Total non-current assets	<u>4,987,021</u>	<u>5,047,467</u>
Current assets		
Inventories	135,789	129,560
Trade and other receivables	671,663	773,595
Other current assets	67,489	65,160
Current financial assets	9,800	20,288
Income taxes receivable	5,214	5,654
Cash and cash equivalents	66,063	109,274
Total current assets	<u>956,018</u>	<u>1,103,531</u>
Non-current assets classified as held for sale	7,375	7,456
TOTAL ASSETS	<u>5,950,414</u>	<u>6,158,454</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Issued capital	152,287	152,287
Share premium	1,139,071	1,139,071
Treasury shares	(65,964)	(73,184)
Retained earnings	87,842	95,647
Other reserves	263,920	295,174
	<u>1,577,156</u>	<u>1,608,995</u>
Non-controlling interests	40,059	58,428
Total equity	<u>1,617,215</u>	<u>1,667,423</u>
Non-current liabilities		
Long-term debt, less current portion	2,582,137	2,573,802
Deferred income taxes	427,723	441,409
Long-term provisions	27,744	27,042
Other non-current liabilities	53,483	48,339
Non-current financial liabilities	95,291	134,604
Total non-current liabilities	<u>3,186,378</u>	<u>3,225,196</u>
Current liabilities		
Accounts payable	689,481	800,653
Short-term borrowings	22,340	60,848
Other current liabilities	270,481	278,751
Current financial liabilities	41,482	12,741
Current portion of long-term debt	27,358	61,109
Short-term provisions	2,639	2,276
Income taxes payable	93,040	49,457
Total current liabilities	<u>1,146,821</u>	<u>1,265,835</u>
TOTAL EQUITY AND LIABILITIES	<u>5,950,414</u>	<u>6,158,454</u>

LOTTOMATICA GROUP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the six months ended	
	June 30	
	2009	2008
	<i>Unaudited</i>	
<i>(thousands of euros)</i>		
Operating activities		
Income before income tax expense	181,962	158,046
Adjustments to reconcile income before income tax expense to net cash flows		
Depreciation and impairment	120,185	102,890
Intangibles amortization and impairment	48,488	40,309
Other amortization	(969)	(87)
Interest income	(1,812)	(7,095)
Interest expense	78,130	85,771
Unrealized foreign exchange loss	555	12,376
Share-based payment expense (contra-expense)	(2,119)	6,986
Brazil escrow	-	15,680
Other non-cash items	3,309	7,670
Income tax paid	(56,045)	(83,351)
Cash flows before changes in operating assets and liabilities	371,684	339,195
Changes in operating assets and liabilities:		
Inventories	(6,333)	(63,571)
Trade and other receivables	97,414	(176,966)
Accounts payable	(102,208)	45,015
Advance payments from customers	(14,333)	18,988
Taxes other than income taxes	(7,493)	18,836
Other assets and liabilities	4,002	(4,916)
Net cash flows from operating activities	342,733	176,581
Investing activities		
Purchases of systems, equipment and other assets related to contracts	(82,056)	(68,474)
Acquisitions	(20,500)	(191,456)
Acquisitions - cash acquired	31	38,572
Purchases of property, plant and equipment	(10,605)	(6,351)
Purchases of intangible assets	(9,539)	(10,605)
Other investments	(3,597)	(3,460)
Loans receivable	(2,315)	-
Interest received	1,751	7,133
Toto Carovigno S.p.A. advance and escrow refund (payment)	4,621	(40,126)
Finsoft contingent consideration	-	(13,415)
Other	(4,409)	(897)
Net cash flows used in investing activities	(126,618)	(289,079)
Financing activities		
Interest paid	(105,868)	(102,599)
Dividends paid	(100,940)	(125,393)
Dividends paid - non-controlling interests	(43,560)	(31,005)
Principal payments on long-term debt	(52,529)	(340,482)
Net proceeds from (repayment of) short-term borrowings	(36,506)	18,394
Proceeds from issuance of long-term debt	78,743	450,404
Proceeds from exercise of stock options	-	1,287
Treasury share purchases	-	(39,156)
Other	(236)	606
Net cash flows used in financing activities	(260,896)	(167,944)
Net decrease in cash and cash equivalents	(44,781)	(280,442)
Effect of exchange rate changes on cash	1,570	1,373
Cash and cash equivalents at the beginning of the period	109,274	434,065
Cash and cash equivalents at the end of the period	66,063	154,996