



# **2009 Third Quarter YTD Results**

*Ended September 30, 2009*

*Rome  
November 11, 2009*

# Safe Harbour Statement

## **Disclaimer**

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# Agenda

## **3Q'09 YTD Highlights**

*Marco Sala – CEO, Lottomatica Group*

## **3Q'09 YTD Results**

*Stefano Bortoli – CFO, Lottomatica Group*

## **Q & A, Also Participating**

*Renato Ascoli – General Manager, Lottomatica*

*Jaymin Patel – President & CEO, GTECH Corporation*

# Strategic Overview

## Significant commercial progress toward greater visibility and sustainability of results

- Positioned to continue as sole concessionaire of Scratch & Win and a leading operator of VLTs in Italy
  - Anticipated business through 2019 at more favorable terms
- Share capital increase to support €350 million mandatory convertible bond for S&W and VLT license fees
  - Balanced, investment grade capital structure maintained
- €750 million Euro bond to refinance existing debt

# Strategic Overview

- Extensions worth €160 million of annual service revenues secured
- 75% of service revenues under contract for 4 years
- Weighted average length of service contracts extended to 7 years
- Mega Millions and Powerball cross selling unprecedented industry event
- Operator opportunities in Illinois, New South Wales, and potentially France and other jurisdictions

***Enhanced visibility and sustainability of results***

# Group Performance

- Group revenues up 14%
  - Revenue growth in all business segments
- EBITDA grew by 4%
- Same store revenues grew by 3%
- Confident in ability to meet 2009 financial commitments and objectives

# Group Performance Highlights

## Italian Operations

- Launch of €20 ticket and “10 and Lotto” to bolster Lottery sales
- Sports betting wagers up 38%
- Gaming Solutions wagers up 17%; installed base expanded by 11%

## GTECH Lottery

- Overall revenues up 11%
- Same store revenues improving
- Major €500 million contract with ONCE in Spain
- California extends and adds G2 services

## Gaming Solutions

- Governments approving new machine gaming; 15 potential bids in the next 6 months

## G2

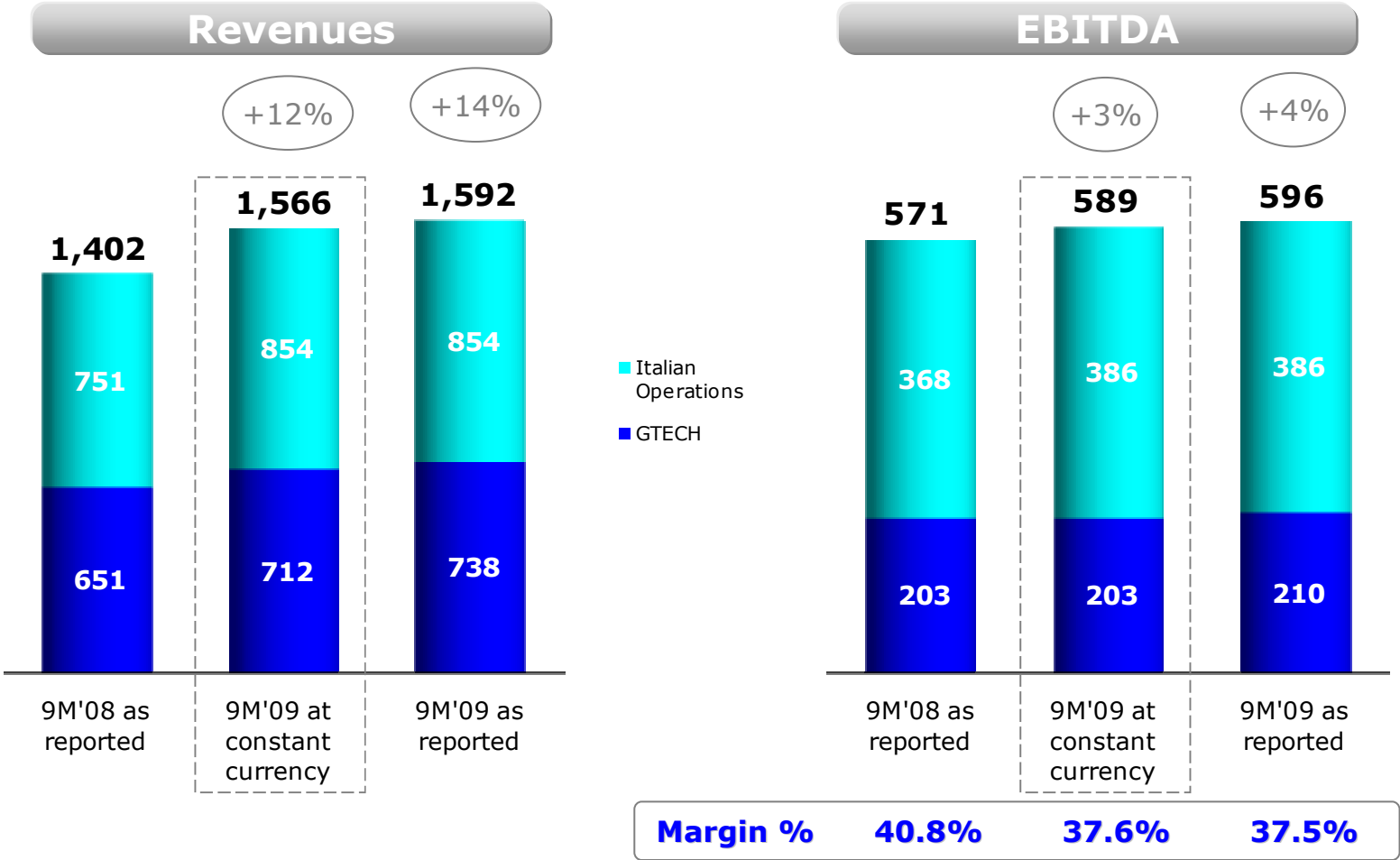
- Chile launches first integrated lottery, sports betting and interactive platform

***Positive sustainable performance***

## **3Q'09 YTD Results**

*Stefano Bortoli*  
*CFO, Lottomatica Group*

# Results Summary - YTD



Note: - GTECH Includes Gaming Solutions and GTECH G2  
 - \$/€ FX average: 1.53 in 9M'08; 1.37 in 9M'09

Figures in €M

## Italian Operations - YTD

Wagers	9M'09	9M'08	% change
Scratch & Win Wagers (€m)	7,083	6,929	2%
<i>Tickets Sold</i>	1,862	1,906	-2%
<i>Average Price Point €</i>	3.80	3.64	4%
Lotto Wagers (€m)	4,234	4,435	-5%
Sports Betting Wagers (€m) <sup>1</sup>	689	500	38%
Gaming Solutions Wagers (€m)	2,947	2,512	17%
<i>AWP Installed</i>	51K	46K	11%

<sup>1</sup> Includes fixed odds sports betting and pool games

Key Revenue (€m)	9M'09	9M'08	% change
Lottery	524	533	-2%
Sports Betting	121	93	31%
Gaming Solutions	110	58	89%
Commercial Services	70	67	4%
Interactive	29	-	0%

# GTECH Service Revenue - YTD

Service Revenue Breakdown	9M'09	9M'08	% change
Same Store Revenue			
<i>Mega Millions States (\$m)</i>	346	338	2%
<i>Powerball States (\$m)</i>	126	122	3%
US Lottery (\$m)	472	460	3%
At Constant Currency			
US Lottery (€m)	310	301	3%
International Lottery (€m)	203	197	3%
<b>Total Lottery (€m)</b>	<b>513</b>	<b>498</b>	<b>3%</b>
All Other - Net (€m)	71	70	1%
<b>Total Same Store Revenue (€m)</b>	<b>584</b>	<b>568</b>	<b>3%</b>
Acquisitions/Divestitures/Other	25	-	
FX Impact	30	-	
<b>Total Service Revenue (€m)</b>	<b>639</b>	<b>568</b>	<b>12%</b>

Note: - Includes Gaming Solutions and GTECH G2

- \$/€ FX average: 1.53 in 9M'08; 1.37 in 9M'09

- Mega Millions States: Texas, New York, California, Illinois, Michigan, Georgia, New Jersey, Ohio, Washington, Virginia

- Powerball States: Florida, North Carolina, Rhode Island, Tennessee, Wisconsin, Missouri, Arizona, Kentucky, Louisiana, Oregon, Kansas, New Mexico, Nebraska, Washington DC, Minnesota

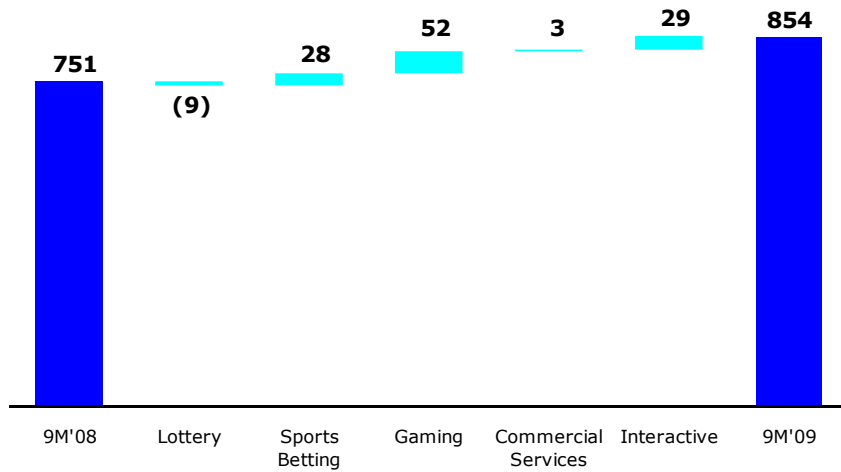
- Same Store Revenue excludes the impact of acquisitions, divestitures, contract wins, losses and rate changes

- Includes intercompany revenue

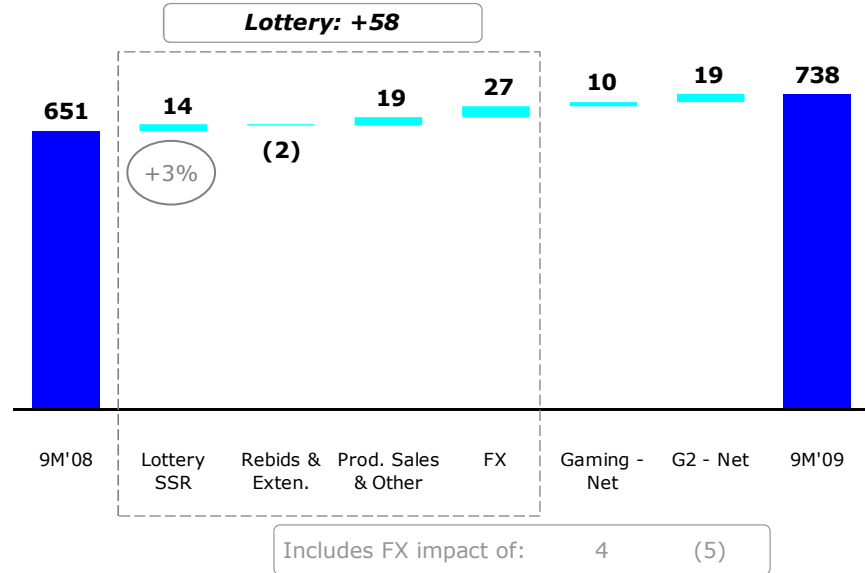
# Revenue Breakdown - YTD

## Revenue - 9M'09

### Italian Operations



### GTECH



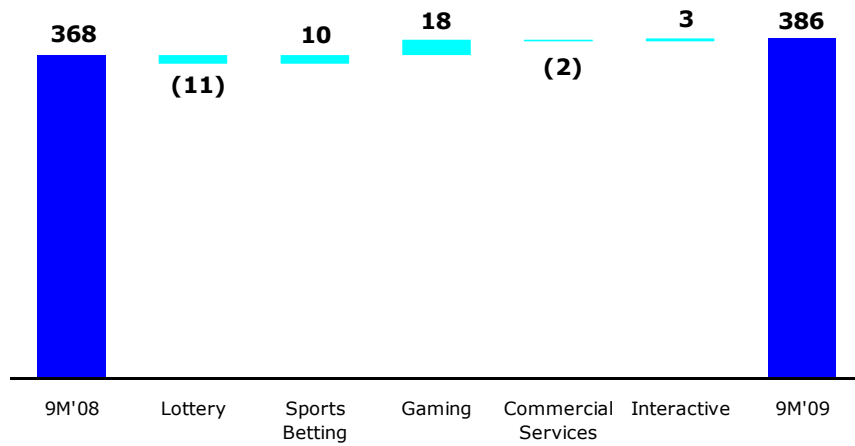
Note: \$/€ FX average: 1.53 in 9M'08; 1.37 in 9M'09

Figures in €M

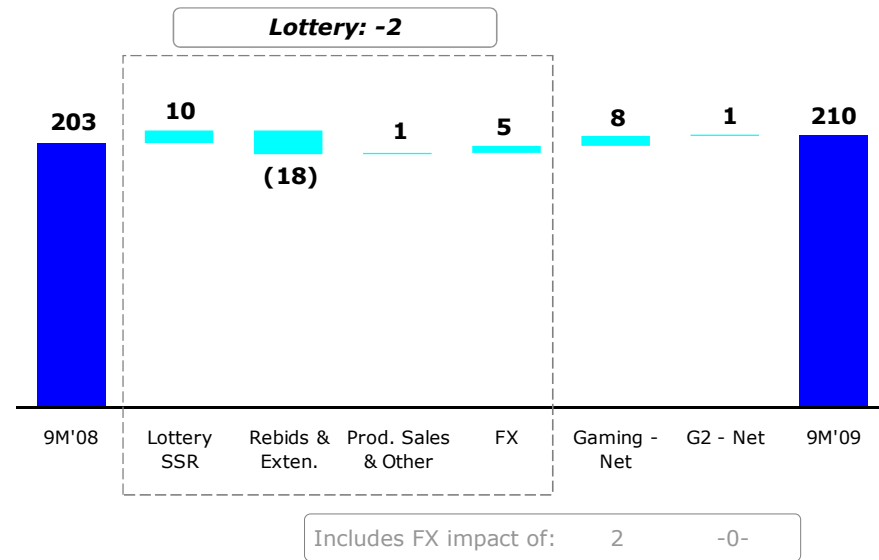
# EBITDA Breakdown - YTD

## EBITDA - 9M'09

### Italian Operations



### GTECH



Note: \$/€ FX average: 1.53 in 9M'08; 1.37 in 9M'09

Figures in €M

## Income Statement - YTD

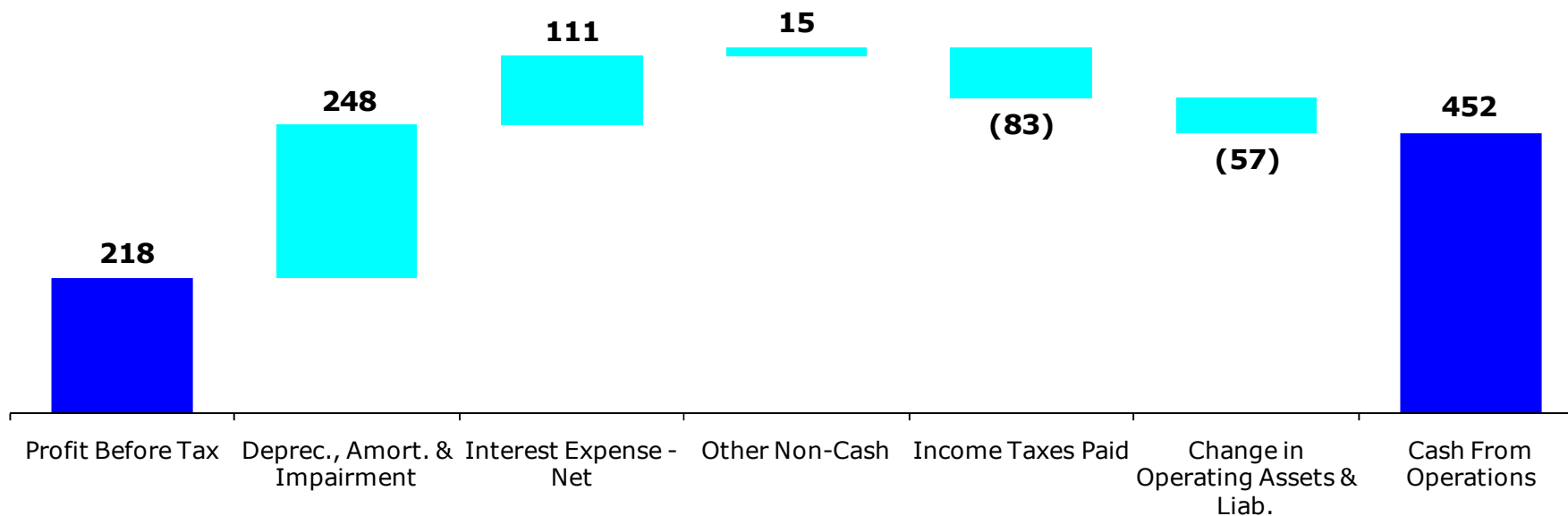
Income Statement	9M'09	9M'08	% Change
<i>Service Revenue</i>	1,490	1,320	13%
<i>Product Sales</i>	102	82	25%
<b>Revenues</b>	<b>1,592</b>	<b>1,402</b>	<b>14%</b>
<b>EBITDA</b>	<b>596</b>	<b>571</b>	<b>4%</b>
<i>EBITDA margin %</i>	37%	41%	
<b>Operating Income</b>	<b>346</b>	<b>337</b>	<b>3%</b>
Financial Charges, Net	(128)	(120)	
<b>Income Before Tax</b>	<b>218</b>	<b>217</b>	<b>1%</b>
<b>Net Income</b>	<b>143</b>	<b>142</b>	<b>1%</b>
<b>Net Income - Owners</b>	<b>107</b>	<b>106</b>	<b>1%</b>
<b>Earnings Per Share</b>	<b>0.72</b>	<b>0.71</b>	<b>1%</b>

Note: - \$/€ FX average: 1.53 in 9M'08; 1.37 in 9M'09  
 - Diluted WASO: 150.9M in 9M'08; 148.7M in 9M'09

Figures in €M (except EPS)

# Cash Flow from Operations - YTD

- Healthy cash flow generation from operations



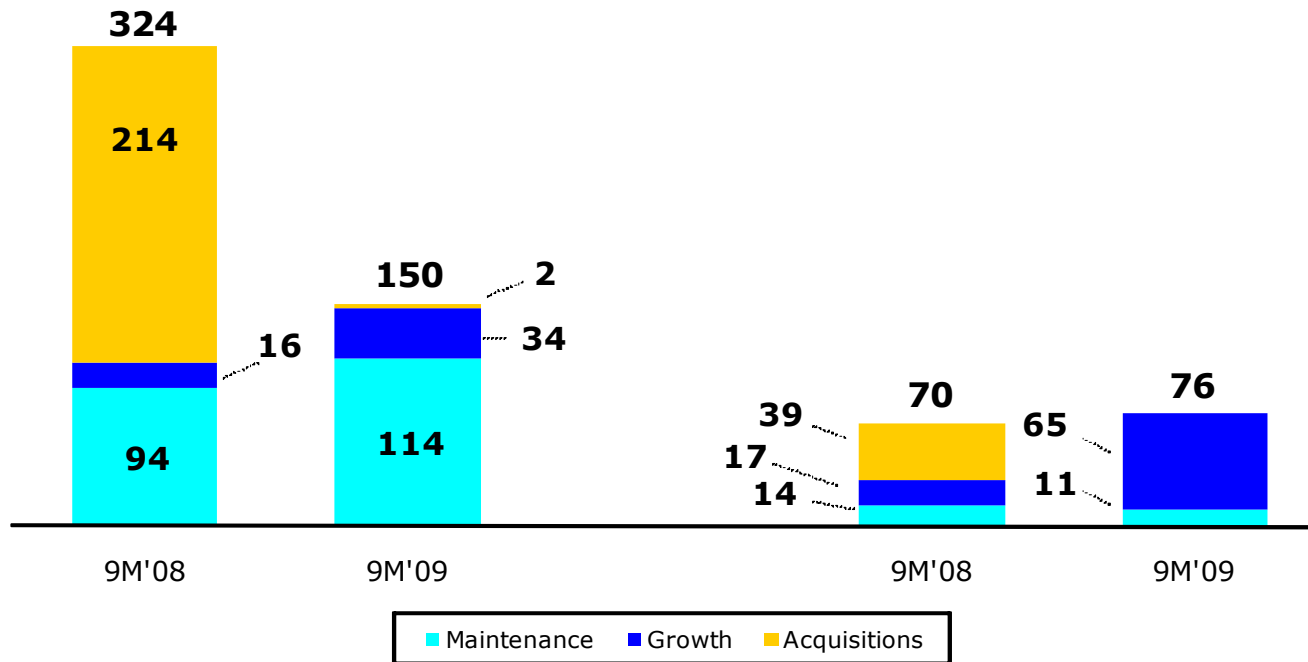
- September cash position: 148 million Euro

Figures in €M

# Capex and Acquisitions - YTD

## GTECH

## Italian Operations



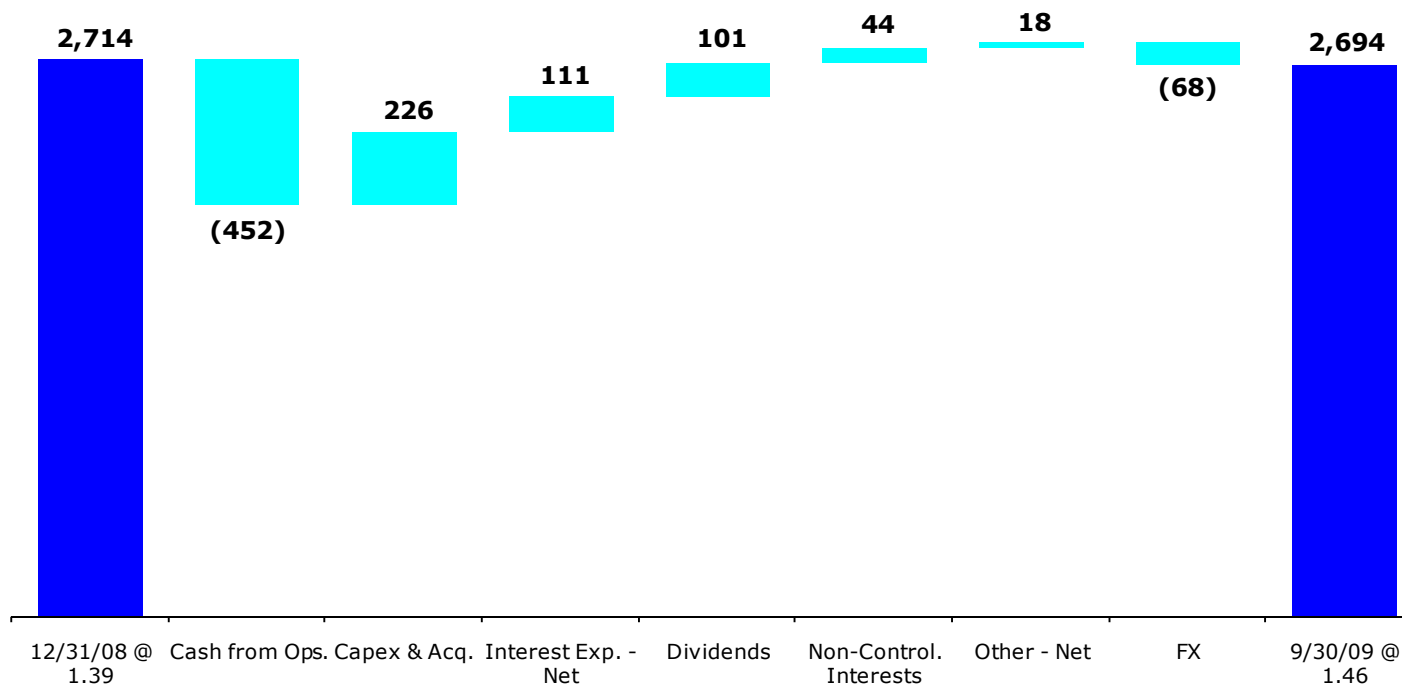
**Maintaining disciplined approach to capital spending, focusing on selected growth opportunities**

Note: - GTECH includes Gaming Solutions and GTECH G2  
 - 9M'08 acquisitions include Atronic, Boss Media, St. Minver, Totosi and Finsoft earnout payment

Figures in €M

# Drivers of Net Financial Position

- Net debt in line with year end 2008



- Committed and un-drawn borrowing facilities: 414 million Euro

Figures in €M

# Appendix

## *Appendix*

## Italian Operations - 3<sup>rd</sup> Quarter

Wagers	3Q'09	3Q'08	% change
Scratch & Win Wagers (€m)	2,121	2,058	3%
<i>Tickets Sold</i>	566	576	-2%
<i>Average Price Point €</i>	3.75	3.57	5%
Lotto Wagers (€m)	1,379	1,437	-4%
Sports Betting Wagers (€m) <sup>1</sup>	189	133	43%
Gaming Solutions Wagers (€m)	864	837	3%
<i>AWP Installed</i>	51K	46K	11%

<sup>1</sup> Includes fixed odds sports betting and pool games

Key Revenue (€m)	3Q'09	3Q'08	% change
Lottery	162	166	-1%
Sports Betting	25	22	11%
Gaming Solutions	38	21	78%
Commercial Services	24	25	-7%
Interactive	9	-	0%

# GTECH Service Revenue - 3rd Quarter

Service Revenue Breakdown	3Q'09	3Q'08	% change
<b>Same Store Revenue</b>			
<i>Mega Millions States (\$m)</i>	114	108	6%
<i>Powerball States (\$m)</i>	41	39	6%
US Lottery (\$m)	155	147	6%
<b>At Constant Currency</b>			
US Lottery (€m)	104	99	6%
International Lottery (€m)	68	67	2%
<b>Total Lottery (€m)</b>	<b>172</b>	<b>166</b>	<b>4%</b>
<b>All Other - Net (€m)</b>	<b>31</b>	<b>29</b>	<b>3%</b>
<b>Total Same Store Revenue (€m)</b>	<b>203</b>	<b>195</b>	<b>4%</b>
Acquisitions/Divestitures/Other	3	-	
FX Impact	(1)	-	
<b>Total Service Revenue (€m)</b>	<b>205</b>	<b>195</b>	<b>5%</b>

Note: - Includes Gaming Solutions and GTECH G2

- \$/€ FX average: 1.48 in 3Q'08; 1.43 in 3Q'09

- Mega Millions States: Texas, New York, California, Illinois, Michigan, Georgia, New Jersey, Ohio, Washington, Virginia

- Powerball States: Florida, North Carolina, Rhode Island, Tennessee, Wisconsin, Missouri, Arizona, Kentucky, Louisiana, Oregon, Kansas, New Mexico, Nebraska, Washington DC, Minnesota

- Same Store Revenue excludes the impact of acquisitions, divestitures, contract wins, losses and rate changes

- Includes intercompany revenue

## Segment Information – 3<sup>rd</sup> Quarter

<b>Revenues</b>	<b>3Q'09</b>	<b>% of Total</b>	<b>3Q'08</b>	<b>% of Total</b>
Italian Operations	258	52%	234	49%
GTECH Lottery	183	37%	183	39%
Gaming Solutions	35	7%	41	9%
GTECH G2	18	4%	16	3%
<b>Total</b>	<b>494</b>	<b>100%</b>	<b>474</b>	<b>100%</b>
Eliminations	-	0%	-	0%
Purchase Accounting	-	0%	-	0%
<b>Total</b>	<b>494</b>	<b>100%</b>	<b>474</b>	<b>100%</b>

<b>Operating Income</b>	<b>3Q'09</b>	<b>% of Total</b>	<b>3Q'08</b>	<b>% of Total</b>
Italian Operations	78	92%	92	106%
GTECH Lottery	26	32%	29	33%
Gaming Solutions	(4)	-5%	(14)	-17%
GTECH G2	1	1%	2	3%
<b>Total</b>	<b>101</b>	<b>120%</b>	<b>109</b>	<b>125%</b>
Eliminations	-	0%	-	0%
Purchase Accounting	(17)	-20%	(22)	-25%
<b>Total</b>	<b>84</b>	<b>100%</b>	<b>87</b>	<b>100%</b>

Figures in €M

## Financial Charges, Net - 3<sup>rd</sup> Quarter

<b>Financial Charges, Net</b>	<b>3Q'09</b>	<b>3Q'08</b>	<b>Change</b>
Interest and Other Income, Net	(1)	4	(5)
Foreign Exchange Loss, Net			
<i>Realized Foreign Exchange Losses</i>	(1)	(2)	1
<i>Unrealized Foreign Exchange Losses</i>	(10)	14	(24)
<b>Total Foreign Exchange Loss, Net</b>	<b>(11)</b>	<b>12</b>	<b>(23)</b>
Interest Expense			
<i>GTECH Senior Credit Facilities</i>	(13)	(16)	3
<i>Capital Securities</i>	(16)	(16)	-
<i>4.8% Bonds</i>	-	(4)	4
<i>LTO Term and Revolving Facilities</i>	(3)	(3)	-
<i>Other</i>	(3)	(5)	2
<b>Total Interest Expense</b>	<b>(35)</b>	<b>(44)</b>	<b>9</b>
<b>Total Financial Charges, Net</b>	<b>(47)</b>	<b>(28)</b>	<b>(19)</b>

Figures in €M

## Income Statement - YTD

Income Statement	9M'09	9M'08	% Change
<b>Revenues</b>	<b>1,592</b>	<b>1,402</b>	<b>14%</b>
<b>EBITDA</b>	<b>596</b>	<b>571</b>	<b>4%</b>
<i>EBITDA margin %</i>	<i>37%</i>	<i>41%</i>	
<b>Operating Income</b>	<b>346</b>	<b>337</b>	<b>3%</b>
<i>Interest Expense, Net</i>	<i>(111)</i>	<i>(120)</i>	
<i>FX Gain/(Loss) and Other</i>	<i>(17)</i>	<i>-</i>	
<i>Financial Charges, Net</i>	<i>(128)</i>	<i>(120)</i>	
<b>Income Before Tax</b>	<b>218</b>	<b>217</b>	<b>1%</b>
<b>Net Income</b>	<b>143</b>	<b>142</b>	<b>1%</b>
<b>Net Income - Owners</b>	<b>107</b>	<b>106</b>	<b>1%</b>
<b>Earnings Per Share</b>	<b>0.72</b>	<b>0.71</b>	<b>1%</b>

Note: \$/€ FX average: 1.53 in 9M'08; 1.37 in 9M'09

Figures in €M (except EPS)

# Balance Sheet

<b>Balance Sheet</b>	<b>9M'09</b>	<b>FY'08</b>
Non-Current Assets	1,887	1,955
Goodwill	3,005	3,075
Net Working Capital/Other	(614)	(666)
<b>Net Invested Capital</b>	<b>4,278</b>	<b>4,364</b>
Shareholders' Equity	1,584	1,650
Net Financial Position	2,694	2,714
<b>Shareholders' Equity and NFP</b>	<b>4,278</b>	<b>4,364</b>

*Figures in €M*

## Cash Flow Statement - YTD

<b>Cash Flow</b>	<b>9M'09</b>	<b>9M'08</b>
<b>Net Cash Flows from Operating Activities</b>	<b>452</b>	<b>316</b>
Capex	(224)	(141)
Acquisitions	(2)	(253)
Debt Proceeds/(Repayment), Net	101	96
Interest Paid, Net	(125)	(109)
Dividends Paid	(101)	(125)
Share Repurchases	-	(75)
Non-Controlling Interests/Other	(53)	4
<b>Net Cash Flows Used in Investing/Financing</b>	<b>(404)</b>	<b>(603)</b>
<b>Net Cash Flow</b>	<b>48</b>	<b>(287)</b>
Effect of Exchange Rates/Other	(9)	8
<b>Net Change in Cash</b>	<b>39</b>	<b>(279)</b>
<b>Cash at End of the Period</b>	<b>148</b>	<b>155</b>

Figures in €M

## Financial Charges, Net - YTD

<b>Financial Charges, Net</b>	<b>9M'09</b>	<b>9M'08</b>	<b>Change</b>
Interest and Other Income, Net	(4)	12	(16)
Foreign Exchange Loss, Net			
<i>Realized Foreign Exchange Losses</i>	(1)	(4)	3
<i>Unrealized Foreign Exchange Losses</i>	(10)	2	(12)
<b>Total Foreign Exchange Loss, Net</b>	<b>(11)</b>	<b>(2)</b>	<b>(9)</b>
Interest Expense			
<i>GTECH Senior Credit Facilities</i>	(44)	(53)	9
<i>Capital Securities</i>	(48)	(48)	-
<i>4.8% Bonds</i>	-	(13)	13
<i>LTO Term and Revolving Facilities</i>	(13)	(4)	(9)
<i>Other</i>	(8)	(12)	4
<b>Total Interest Expense</b>	<b>(113)</b>	<b>(130)</b>	<b>17</b>
<b>Total Financial Charges, Net</b>	<b>(128)</b>	<b>(120)</b>	<b>(8)</b>

Figures in €M

## Segment Information - YTD

<b>Revenues</b>	<b>9M'09</b>	<b>% of Total</b>	<b>9M'08</b>	<b>% of Total</b>
Italian Operations	854	54%	751	54%
GTECH Lottery	589	37%	532	38%
Gaming Solutions	99	6%	89	6%
GTECH G2	52	3%	31	2%
<b>Total</b>	<b>1,594</b>	<b>100%</b>	<b>1,403</b>	<b>100%</b>
Eliminations	(2)	0%	-	0%
Purchase Accounting	-	0%	(1)	0%
<b>Total</b>	<b>1,592</b>	<b>100%</b>	<b>1,402</b>	<b>100%</b>

<b>Operating Income</b>	<b>9M'09</b>	<b>% of Total</b>	<b>9M'08</b>	<b>% of Total</b>
Italian Operations	327	95%	323	96%
GTECH Lottery	96	28%	109	33%
Gaming Solutions	(12)	-4%	(36)	-11%
GTECH G2	(1)	0%	1	0%
<b>Total</b>	<b>410</b>	<b>119%</b>	<b>397</b>	<b>118%</b>
Eliminations	-	0%	-	0%
Purchase Accounting	(64)	-19%	(60)	-18%
<b>Total</b>	<b>346</b>	<b>100%</b>	<b>337</b>	<b>100%</b>

Figures in €M