

**INFORMATION DOCUMENT ON LOTTOMATICA ON-GOING STOCK-BASED  
COMPENSATION PLANS IN ACCORDANCE WITH CONSOB RESOLUTION NO. 15915 OF  
MAY 3, 2007 AND ARTICLE 84-BIS, OF THE REGULATION APPROVED WITH CONSOB  
RESOLUTION NO. 11971 OF MAY 14, 1999**

Rome, 17 September 2007

## Foreword

In recent years, Lottomatica has established a number of Plans reserved for its senior managers and/or employees and/or those of subsidiary companies, convinced that their participation or expectation of participating in the share capital, in view of their strategic role within the Lottomatica Group, represents a continuous promotion for growth in value of the Company. The Plans provide for the allocation of Options and Shares to the Beneficiaries.

This information document has been drawn up, also as regards to the numbering of the related paragraphs, in accordance with schedule 7 of Annex 3A to the Regulation on Issuers.

## Definitions

For the purposes of this information document, the terms indicated below have the meaning attributed thereto:

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| “Beneficiaries”            | indicates the persons to whom Options and/or Shares have been granted on the basis of one or more Plans;   |
| “Code”                     | indicates the Italian Stock Exchange self-regulation code of March 2006;   |
| “Company” or “Lottomatica” | indicates Lottomatica S.p.A.;  |
| “CONSOB”                   | indicates the <i>Commissione Nazionale per le Società e la Borsa</i> , the Italian public authority responsible for regulating the Italian securities market;  |
| “Consolidated EBIT”        | indicates earnings before (i) financial income and expense and (ii) income taxes of the Lottomatica Group on the closing date of the corporate year, as set forth in the consolidated financial statements approved by the Board of Directors of the Company;  |
| “Consolidated EBITA”       | indicates the sum of Consolidated EBIT and amortization of goodwill of the Lottomatica Group on the closing date of the corporate year, as indicated in the consolidated financial statements approved by the Board of Directors of the Company;   |
| “Consolidated EBITDA”      | indicates earnings before taxes of the Lottomatica Group on the closing date of the corporate year, as set forth in the consolidated financial statements approved by the Board of Directors of the Company, to which amortization and depreciation must be added, including non-monetary adjustments resulting from allocation of losses on purchases, interest receivable and payable or any other financial expense, gains and losses on the disposal of intangible and tangible fixed assets, minority interest in the result for the year. Consolidated EBITDA always includes non-recurring expenses and any extraordinary expenses, with the sole |

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|                              | exception of those specifically approved by the Executive Committee of the Company;  |
| “Consolidated Financial Law” | indicates Legislative Decree No. 5 of February 24, 1998 (so called “TUF”) as amended.  |
| “Grant Date of the Options”  | indicates each date on which the Board of Directors of the Company has resolved to grant Options to the Beneficiaries, determining the number assigned to each and establishing the exercise price;  |
| “Grant Date of the Shares”   | indicates each date on which the Board of Directors of the Company has resolved to grant Shares to the Beneficiaries, determining the number assigned to each;   |
| “Key Manager”                | indicates a Manager having (i) regular access to Privileged Information concerning the Lottomatica Group and (ii) the power to make managerial decisions affecting the development and future prospects of Lottomatica or of a Relevant Subsidiary;  |
| “Lottomatica Group”          | indicates the Company and the Italian and foreign entities controlled thereby, within the meaning of the Consolidated Law on Finance (“TUF”);  |
| “Options”                    | indicates the options to which the Stock Option Plans refer that entitle the respective Beneficiaries to subscribe an equal number of Shares according to the conditions established;  |
| “Plans”                      | indicates the set of Stock Allocation Plans in favor of the managers and/or employees of the Lottomatica Group, in course as at September 17, 2007;  |
| “Privileged Information”     | indicates information concerning the Lottomatica Group, defined as such in the Consolidated Law on Finance;  |
| “Regulation on Issuers”      | indicates the regulation adopted with CONSOB resolution of May 14, 1999, No. 11971, as amended;  |
| “Relevant Plans”             | indicates Plans considered particularly relevant within the meaning of Article 114- <i>bis</i> , para. 3 of the Consolidated Law on Finance and article 84- <i>bis</i> , para. 2 of the Regulation on Issuers insofar as the Beneficiaries of such Plans include members of management boards (and also General Managers) and also Key Managers of Lottomatica. Except for the 2005-2010 Plan reserved for Company managers, all the Plans are Relevant Plans. Therefore, all references to Plans in general in this disclosure document are to be considered as also referring to Relevant Plans; |
| “Relevant Subsidiary”        | indicates a company controlled directly or indirectly by Lottomatica, if the book value of the controlling interest represents more than 50% of Lottomatica’s assets, as resulting from the most recently approved financial statements;   |

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| “Shares”                    | indicates the ordinary shares of the Company listed on the <i>Mercato Telematico Azionario</i> – MTA organized and managed by Borsa Italiana S.p.A.;  |
| “Stock Allocation Plans”    | indicates Plans that envisage granting of Shares;   |
| “Stock Market Regulations”  | indicates the regulations of the markets organized and managed by Borsa Italiana S.p.A.;  |
| “Stock Option Plans”        | indicates Plans that envisage the granting of Options;  |
| “Total Consolidated EBITA”  | indicates the algebraic sum of Consolidated EBITA reported in each of the years taken as reference in a given Plan;   |
| “Total Consolidated EBITDA” | indicates the algebraic sum of Consolidated EBITDA reported in each of the years taken as reference in a given Plan;  |
| “2003-2008 Plan”            | indicates the Stock Option Plan resolved by the Board of Directors of Lottomatica on June 11, 2003, with duration until December 31, 2008;  |
| “2004-2008 Plan”            | indicates the Stock Option Plan resolved by the Board of Directors of Lottomatica on May 13, 2004, with duration until December 31, 2008;   |
| “2005-2010 Plan”            | indicates both the Stock Option Plan reserved for directors and also the Stock Option Plan reserved for managers of the Lottomatica Group, both resolved by Board of Directors of Lottomatica on May 12, 2005, with duration until December 31, 2010;   |
| “2006-2009 Roll-over Plan”  | indicates the Stock Allocation Plan resolved by the Shareholders’ Meeting and by the Board of Directors of Lottomatica on April 12, and August 29, 2006 respectively with maximum duration until August 29, 2009, intended principally to allow the related Beneficiaries to reinvest part of the proceeds of certain Plans in Shares, or in other plans not based on Shares; |
| “2006-2009 Plan”            | indicates the Stock Allocation Plan resolved by the Shareholders’ Meeting and by the Board of Directors of Lottomatica on October 18, 2006, with duration until December 31, 2009;  |
| “2006-2011 Plan”            | indicates the Stock Allocation Plan resolved by the Shareholders’ Meeting and by the Board of Directors of Lottomatica on October 18, 2006, with duration until December 31, 2011;  |
| “2006-2014 Plan”            | indicates the Stock Option Plan resolved by the Shareholders’ Meeting and by the Board of Directors of Lottomatica on October 18, 2006, with duration until December 31, 2014;  |
| “2007-2010 Plan”            | indicates the Stock Allocation Plan resolved by the Shareholders’ Meeting and by the Board of Directors of Lottomatica on April 23 and May 3, 2007 respectively, with duration until December 31, 2010;   |

“2007-2015 Plan”

indicates the Stock Option Plan resolved by the Shareholders’ Meeting and by the Board of Directors of Lottomatica on April 23, and May 3, 2007 respectively, with duration until December 31, 2015.

## 1. Beneficiaries

1.1 The name or the class to which the Beneficiaries belong is indicated in the tables at the foot of this information document.

In particular, the Beneficiaries of Stock Allocation Plans are indicated in Schedule 1 Section 1 of each table, while the Beneficiaries of Stock Option Plans are indicated in Schedule 2, Section 1 of each table.

The names are indicated of those Beneficiaries who, at the time of granting of the Shares and/or of the Options (to-date, the situation remains basically unchanged):

- a) were members of management bodies of Lottomatica or of subsidiary companies, in the second case only if such appointments conferred them a major position or role, reflected in economic terms also in the number of Shares and/or of Options granted, in addition to those deriving from the underlying relationship of employment;<sup>1</sup> or
- b) carried out management functions inside the Lottomatica Group; or also
- c) were Key Managers.

The Beneficiaries do not include any members of the management bodies of Lottomatica controlling companies.

1.2 At the time of granting of the Shares and/or of the Options, all the Beneficiaries were and continue to be managers of Italian companies of the Lottomatica Group or, in the case of foreign companies, *Senior Vice Presidents*, *Vice Presidents*, *Key Directors* and *Managers*. The Beneficiaries do not include co-workers.

1.3 Of the Beneficiaries of Relevant Plans, only the Managing Director– General Manager and CEO – Managing Director and General Manager of Lottomatica, Messrs. W. Bruce Turner and Marco Sala, carried out and continue to carry out management functions at Lottomatica at the time of granting of the Shares and/or of the Options, while they do not include persons carrying out similar functions at Relevant Subsidiaries, in the absence thereof, nor physical persons controlling Lottomatica.

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<sup>1</sup> In accordance with CONSOB communications Nos. DME/7082854 and DME/7082855 of September 13, 2007, many Beneficiaries have not been indicated by name although, at the time of granting of the Shares and/or Options, they held appointments in the management bodies of Lottomatica subsidiary companies, since: 1) they did not receive and do not receive any additional remuneration for such appointments; 2) the number and characteristics of the Shares and/or of the Options granted is not in any way correlated to such appointments; 3) more generally, they did not confer and do not confer on the holders of such appointments any significant role or position in addition to those deriving from the underlying relationship of employment. Such Beneficiaries have therefore been indicated as “Lottomatica Group Directors”, with regard to the Italian companies of the Lottomatica Group, and also as “*Senior Vice Presidents Lottomatica Group*”, “*Vice Presidents Lottomatica Group*” and “*Key Directors & Managers Lottomatica Group*”, with regard to the foreign companies of the Lottomatica Group.

1.4 Of the Beneficiaries of Relevant Plans, only the *Chief Financial Officer* and the *Chief Administrative Officer* of Lottomatica, Messrs. Stefano Bortoli and Walter De Socio, were and continue to be Key Directors of Lottomatica at the time of granting of the Shares and of the Options, while they do not include Key Directors of Relevant Subsidiaries, in the absence thereof, nor other categories of employees or co-workers for whom differentiated characteristics of the Plans are envisaged, nor Beneficiaries of Stock Option Plans with differentiated exercise prices. At the moment, Mr. Jaymin Patel, *Chief Financial Officer* of Lottomatica at the time of granting of the Shares and of the Options, currently holds the positions of *President* and *Chief Operating Officer* of GTECH Corp., controlled by Lottomatica.

## **2. Reasons for adoption of the Plans**

2.1 The principal goals of the Plans are to focus the attention of the Beneficiaries on factors of strategic importance, to encourage loyalty and commitment to the Lottomatica Group, to link their remuneration to the creation of value for the shareholders and improve the competitiveness of the Lottomatica Group by stimulating the achievement of pre-established objectives, also maintaining the remuneration of the Beneficiaries on a competitive level.

In establishing the above objectives, Lottomatica referred amongst others to the recommendations of the Code according to which the overall emoluments of managers with strategic responsibilities should be linked to the operating results of the Company and/or to achievement of specific objectives, in that "*the use of variable remuneration systems, tied to results, including amongst these stock options, makes it easier to provide incentives and secure the loyalty of all top management*".

2.2 For some Plans, exercise of the Options by the Beneficiaries of Stock Option Plans, and delivery of the Shares to the Beneficiaries of Stock Allocation Plans, are subject to and correlated with the achievement of specific performance objectives, reflected in Consolidated EBITA and Consolidated EBITDA and also Total Consolidated EBITA and Total Consolidated EBITDA in the reference years of the Plans.

Such alternative performance indicators are not defined as such according to *International Financial Reporting Standards* – IFRS, and may therefore not take into account the IFRS requirements regarding recognition, measurement and disclosure of the amounts. Also for these reasons, they are not considered alternative to the operating result as performance indicator and to the cash flow statement as measurement of liquidity and may not, therefore, be comparable with the same indicators adopted by other companies.

Nevertheless, Lottomatica considers that the above indicators contribute to revealing movements in operating performance, provide useful information on the ability to manage indebtedness, measure the effective growth of the Lottomatica Group in time and also the contribution thereto provided by the Beneficiaries in their entirety isolating, as far as possible, conjunctural, contingent or unforeseeable effects. Also for these reasons, these indicators are widely used also by analysts and investors in the gaming sector.

Other Plans, on the other hand, are linked exclusively to the passing of time and maintenance of the qualification of employee of the Lottomatica Group, and are therefore directed towards promoting employee loyalty.

In any case, the Beneficiaries can usually exercise the Options and dispose the Shares granted under Stock Allocation Plans following approval of the third consolidated accounts of the Lottomatica Group after the date of granting by the Board of Directors of the Company. This time frame coincides with that of Lottomatica Group business plans.

- 2.3 The Board of Directors of Lottomatica is responsible for identifying the individual Beneficiaries and for determining the number of Options and/or of Shares to be granted respectively. In quantifying the Options and/or of the Shares granted to each Beneficiary, factors such as the role of the person concerned, the individual objectives assigned and related effects on general objectives and on all-round development of Company business, and also total remuneration, years of employment with the Lottomatica Group, projection of the future value of the Shares are taken into account.
- 2.4 There are no Plans based on Financial instruments other than Shares.
- 2.5 Definition of the Plans was not affected by any fiscal or accounting implication.
- 2.6 The Plans do not benefit from the support of the special fund for encouraging worker participation in companies referred to in Article 4 para. 112, Law No. 350 of December 24, 2003.

### **3. Approval process and terms for granting of the Options and Shares**

- 3.1 As delegated by the Shareholders' Meeting, especially in the case of more recent Plans, the Board of Directors of Lottomatica has exercised all the necessary and appropriate powers and functions for complete and full execution of the Plans, with particular reference to the identification of the Beneficiaries, to the determination of the Number of Shares and/or of Options to be granted individually, to the definition of the conditions of performance and/or of continuing service within Lottomatica Group that regulate application of the individual Plans, and calculation of the Number of Shares and/or of Options to be granted and also, more generally, to drafting and amendment of the Rules of the Plans.
- 3.2. Responsibility for effective implementation of the Plans is usually assigned to one of more Lottomatica Directors, also severally, such as the Chairman of the Board of Directors and the Managing Directors (except in cases in which these are directly involved). The Lottomatica Remuneration Committee is responsible for supervising the correct implementation of the Plans and may propose any amendments to the respective Rules to the Board.

Administration of the Plans is entrusted to the *Lottomatica Resources and Shared Services* Department with the cooperation of the *Corporate Affairs* Function for the purpose of issue of the Shares and compliance with any internal dealing obligation and with regard to intermediaries authorized to provide investment and accessory services.

- 3.3 In extraordinary circumstances (including mergers, demergers, share capital increases, public tenders offers on the Shares), the Board of Directors of Lottomatica, after consulting the Remuneration Committee, has the power to amend the Rules of the Plans, as deemed necessary or appropriate, in order to maintain, as far as possible, the essential contents of the Plans unchanged.
- 3.4 Availability and granting of the Shares, including those resulting from the exercise of Options, have been determined on the basis of resolutions of the competent Lottomatica bodies, referring to:
- in the case of Stock Option Plans, the paid share capital increase of Lottomatica with exclusion or limitation of the right of pre-emption, within the limits permitted by Article 2441, para. 4, second indent, and para. 8 respectively of the Italian Civil Code. In the first case, the right of pre-emption has been excluded "*within the limits of ten percent of the pre-existing share capital*", and the issue price of the Shares has been established in a measure corresponding to their market value, as confirmed by a specific report of the independent auditors Reconta Ernst & Young

S.p.A.; in the second case, the right of pre-emption has been excluded “*restricted to one quarter of the newly-issued shares*” insofar as offered for subscription to the employees of the Lottomatica Group; or,

- in the case of Stock Allocation Plans, free increase of the share capital of Lottomatica through issue and assignment of Shares to the Beneficiaries in a measure corresponding to the profits achieved by the Company, within the meaning of Article 2349, para. 1 of the Italian Civil Code, and also the Corporate Bylaws.

3.5 In examining the characteristics of all Plans, and in particular of Relevant Plans, an important role is usually carried out by the Remuneration Committee, responsible for supervising the existence of the conditions, with particular reference to performance objectives, and also practical implementation of the Plans, as already mentioned.

In accordance also with the corporate governance rules of the Company, Directors are strictly required to disclose their interests in the Plans to the other Directors and to the Board of Statutory Auditors. In the most significant cases, such as the participation by one or more Directors as Beneficiaries of Relevant Plans, those concerned do not usually participate in voting the resolutions of Board meetings.

3.6-3.8 All Plans have been approved prior to the coming into force of Article 84-*bis* of the Regulation on Issuers; nevertheless, according to current legal provisions and CONSOB regulations enforced case by case, the information required by the above article was made available to the public in the form of an explanatory report of the Directors for the Meeting called to approve (i) the Plans or, in the most significant cases, (ii) the share capital increases to serve these. Each of the above reports, made available according to the law, sets forth, amongst others, the date of the decision of the Board of Directors of Lottomatica to submit approval of the Plans to the Meeting, if necessary with the prior opinion of the Remuneration Committee, and also the date of the Board’s decision to grant the Options and/or the Shares to the Beneficiaries, consulting the Remuneration Committee beforehand if necessary; the market price of the Shares on the grant date is indicated in the tables at the foot of this disclosure document.

3.9 In order to restrict the possibility that disclosure of Privileged Information may coincide, or in any case interfere, with granting of Options or of Shares, the Board of Directors does not adopt the related decisions at the time of examining extraordinary corporate transactions or on the occasion of facts or circumstances that may have a major impact on the price of the Shares.

In any case, any disclosure of Privileged Information at the time of granting of Options and/or of Shares would not have significant effects on the behavior of the Beneficiaries insofar as the Options and Shares are usually regulated by a three-year vesting period from the date of the grant. More generally, according to Company internal regulations, Key Managers and other Beneficiaries cannot carry out transactions on Shares in certain periods of the year, which normally coincide with the approval of Lottomatica’s annual accounts and interim reports and which are established case by case by the Board of Directors of Lottomatica (so-called “*black-out periods*”). Many Plans establish similar obligations for all the respective Beneficiaries.

Lastly, the exercise price of the Options, which normally reflects the average market price of the Shares in a significant period of time - in the case of the more recent Stock Option Plans within the meaning of Article 2441, para. 4, second indent of the Italian Civil Code – is such as to mitigate any fluctuations in this price close to the grant date.

#### **4. Features of the Options and Shares granted**

For all the Plans

4.1 The Stock Option Plans provide for free grant of Options, through physical delivery, at the exercise price established by the Board of Directors of Lottomatica at the end of a specific vesting period; the Stock Allocation Plans provide for free allocation – or, in the case of the 2006-2009 Roll-over Plan, against payment – of Shares with physical delivery usually deferred by one to three years, or with a holding period of similar duration in the case of the 2006-2009 Roll-over Plan.

4.2-4.4 The vesting period, the term and Number of Options or of Shares granted to each Beneficiary or to each class of Beneficiaries for each Plan are indicated in the tables provided at the foot of this disclosure document.

4.5 As specified in paragraph 2.2 above, exercise of the Options and, with regard to the Stock Allocation Plans, delivery of the Shares granted or expiry of the related non-availability constraints are subject: (i) in almost all cases, to achievement by the Company of specific results in terms of Consolidated EBITA and Total Consolidated EBITA, or Consolidated EBITDA and Total Consolidated EBITDA, and, in all cases, (ii) continuation of service of the Beneficiaries within the Lottomatica Group.

4.6 The Options are allocated to the Beneficiaries personally and cannot be transferred for any reason by deed *intra vivos*, may not be given in pledge or subject to other deeds of disposition, either free, or for a consideration, whether by operation of law or otherwise insofar as offered by the Company *intuitu personae* to the Beneficiary; they shall not be subject to execution or attachment by third parties, under penalty of immediate forfeiture of all the rights assigned under the respective Stock Option Plans.

The Shares issued in favor of the Beneficiaries are freely transferable, in the case of the Stock Allocation Plans, once the pre-established term has passed or on expiry of any time constraints;<sup>2</sup> in the case of the Stock Option Plans, on exercise of the Options.

4.7 No specific termination conditions are provided in case the Beneficiaries carry out *hedging* transactions that offset the prohibition on the sale of Shares or of the Options.

4.8 The right of the Beneficiaries to receive the Shares and/or to exercise the Options is genetically and functionally linked to continuation of service within the Lottomatica Group.

In case of termination of the employment relationship, without prejudice to any waivers permitted by the Board of Directors at its discretion and in its unquestionable opinion, the Beneficiaries of:

(a) Stock Option Plans normally forfeit the right to exercise Options granted but not yet exercised, whereas they may exercise exercisable Options not yet exercised by the term of six months from termination of the relationship of employment;

(b) Stock Allocation Plans usually forfeit the right to receive Shares granted but not yet effectively delivered, except in the case of termination of the relationship of employment due to disability.

4.9 In case of death by the Beneficiaries, the Stock Option Plans provide that Options granted but not yet exercisable are forfeited and can no longer be exercised and that their heirs or successors for any reason have no right to any compensation and/or indemnity, while the

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<sup>2</sup> The only time constraint is envisaged in the 2006-2009 Roll-over Plan until a specifically-established term or, if previous to this, up to the date of termination of any relationship of employment of the Beneficiary within the Lottomatica Group.

Stock Allocation Plans provide for delivery to the heirs of the Shares in the case in which all the conditions for delivery of these to the Beneficiary have vested at the time of death.

- 4.10 Repurchase by the Company of Shares granted under the Plans is not envisaged
- 4.11 Loans or other facilities for purchase the Shares pursuant to Article 2358, para. 3 of the Italian Civil Code are not envisaged.
- 4.12 The implementation of the more recent Plans gives rise to welfare and social security charges, in relation to the Beneficiaries, also for the Company, due to recent amendments to the rules that regulate the tax regime and contributions of share-based compensation plans in general.

The Plans do not give rise to any further charge for the Company. In particular, with regard to Stock Option Plans, subscription of the Shares resulting from the Options is against payment while, pursuant to and within the meaning of Article 2349 of the Italian Civil Code, a specific reserve has been formed to serve Stock Allocation Plans other than the 2006-2009 Roll-over Plan.

- 4.13 The dilutive effect of each Plan on Lottomatica's subscribed share capital at the date of approval of the Plan is shown in the table below:

|                          |       |
|--------------------------|-------|
| 2003-2008 Plan           | 2.75% |
| 2004-2008 Plan           | 0.2%  |
| 2005-2010 Plans          | 0.35% |
| 2006-2009 Roll-over Plan | 1.02% |
| 2006-2009 Plan           | 0.26% |
| 2006-2011 Plan           | 0.48% |
| 2006-2014 Plan           | 0.7%  |
| 2007-2010 Plan           | 0.19% |
| 2007-2015 Plan           | 1.30% |

#### Stock Allocation Plans

- 4.14 No particular restrictions are established for the exercise of voting rights and allocation of the ownership rights attached to Shares resulting from Stock Allocation Plans.

No voting rights are attached to Shares granted but not yet delivered; they are usually vested with the same ownership rights as the other Shares outstanding on the grant date, in the form of additional Shares where possible, provided that the conditions established by the respective Stock Allocation Plans for delivery are complied with.

- 4.15 Not applicable.

#### Stock Option Plans

- 4.16 Each Option allocated within the framework of Stock Option Plans carries the right to subscribe one Share.
- 4.17 The expiration dates for the exercise of the Options are indicated in the tables at the foot of this disclosure document.
- 4.18 The Options can normally be exercised by the Beneficiaries – in one (where permitted) or several times – in the period between the 31st calendar day after the date of approval by

the Board of Directors of the Company of the consolidated accounts for the last reference years of a given Stock Option Plan, and the anniversary of such date, as the case may be, between the second and fifth, in accordance with the compulsory black-out periods indicated in point 3.9 above. The methods of exercising the Options are described for each Plan in the tables provided at the foot of this disclosure document.

A number of recent Stock Option Plans specifically provides that Beneficiaries subjected to Italian income taxes cannot exercise the Options before three years from related grant date.

- 4.19 The exercise price of the Options is indicated in the tables at the foot of this information document. In accordance with Article 2441, para. 4, second indent of the Italian Civil Code, the exercise price is equal to the market value, taking into account the average official quotations of the Shares over a significant period of time and, in any case, is not less than the arithmetic average of the official prices of the Shares in the month prior to granting of the Options by the Board of Directors, taking into account only trading days on which the official price has been effectively recorded.
- 4.20 Not applicable.
- 4.21 The Plans do not envisage different exercise prices between the various Beneficiaries.
- 4.22 Not applicable.

As indicated above, in the case of share capital increases, of splitting or grouping of shares, distribution of reserves, mergers, demergers, exclusion of the Shares from official listing on regulated markets, changes in the controlling entity of the Company, public tender/exchange offers relating to the Shares, changes to legislation or regulations, or other events such as to affect the Options, Shares, achievement of objectives, or more generally, the Stock Option Plans, the Board of Directors of the Company may amend/integrate the respective regulations as considered necessary and/or appropriate to maintain the essential contents of the Plan unchanged, including the power to permit early exercise of the Options.

**LOTTOMATICA S.P.A. AND ITALIAN SUBSIDIARY COMPANIES**

**COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS RELATING TO PERSONNEL IN SERVICE**

**Schedule 1 - Financial instruments other than Options (Shares) - Section 1**

| <b>Name of Beneficiary or class of Beneficiaries</b> | <b>Position held (only for identified individuals )</b> | <b>Date of the Shareholders' resolution</b> | <b>Description of the instrument</b> | <b>Number of Shares granted by the competent body</b> | <b>Grant date by the competent body</b> | <b>Purchase price of the Shares, if any</b> | <b>Market price on the grant date</b> | <b>End of the restriction on sale of the Shares<sup>3</sup></b> |
|--|---|---|--------------------------------------|---|---|---|---------------------------------------|---|
| SALA MARCO   | MANAGING DIRECTOR – GENERAL MANAGER - LOTTOMATICA       | 12/04/2006                                  | Shares (2006-2009 Roll-over Plan)    | 352,520   | 29/08/2006                              | 25.425                                      | 29.47                                 |   |
| SALA MARCO   | MANAGING DIRECTOR - GENERAL MANAGER - LOTTOMATICA       | 18/10/2006                                  | Shares (2006-2011 Plan)              | 91,749  | 18/10/2006<br>13/09/2007                |   | 31.45<br>25.48                        |   |
| SALA MARCO   | MANAGING DIRECTOR - GENERAL MANAGER – LOTTOMATICA       | 18/10/2006                                  | Shares (2006-2009 Plan)              | 67,550  | 18/10/2006                              |   | 31.45                                 |   |
| SALA MARCO   | MANAGING DIRECTOR - GENERAL MANAGER – LOTTOMATICA       | 23/04/2007                                  | Shares (2007-2010 Plan)              | 23,400  | 03/05/2007                              |   | 29.88                                 |   |
| BORTOLI STEFANO                                      | CFO LOTTOMATICA   | 18/10/2006                                  | Shares (2006-2011 Plan)              | 8,049   | 18/10/2006<br>13/09/2007                |   | 31.45<br>25.48                        |   |
| BORTOLI STEFANO                                      | CFO LOTTOMATICA   | 18/10/2006                                  | Shares (2006-2009 Plan)              | 10,200  | 18/10/2006                              |   | 31.45                                 |   |
| BORTOLI  | CFO LOTTOMATICA   | 23/04/2007                                  | Shares                               |   | 03/05/2007                              |   | 29.88                                 |   |

<sup>3</sup> The Stock Allocation Plans do not envisage a term of restriction on sale, except for the 2006-2009 Roll-over Plan which establishes a term of restriction that varies between the various Beneficiaries, but which does not in any case exceed three years.

|                                  |  |            |                            |         |            |  |       |
|----------------------------------|--|------------|----------------------------|---------|------------|--|-------|
| STEFANO                          |  |            | (2007-2010 Plan)           | 5,850   |            |  |       |
| LOTTOMATICA<br>GROUP<br>MANAGERS |  | 18/10/2006 | Shares<br>(2006-2011 Plan) | 64,500  | 18/10/2006 |  | 31.45 |
| LOTTOMATICA<br>GROUP<br>MANAGERS |  | 18/10/2006 | Shares<br>(2006-2009 Plan) | 148,750 | 18/10/2006 |  | 31.45 |
| LOTTOMATICA<br>GROUP<br>MANAGERS |  | 23/04/2007 | Shares<br>(2007-2010 Plan) | 59,470  | 03/05/2007 |  | 29.88 |

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**COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS RELATING TO PERSONNEL IN SERVICE**

**Schedule 2 - Options - Section 1**

| <b>Name of Beneficiary or class of Beneficiaries</b> | <b>Position held (only for identified individuals)</b> | <b>Date of Shareholders resolution</b> | <b>Description of the instrument</b> | <b>Number of options granted but which cannot be exercised</b> | <b>Number of exercisable Options not exercised</b> | <b>Date of grant by the competent body</b> | <b>Exercise price</b> | <b>Market price of the underlying Shares as of the date of grant</b> | <b>Expiration Date</b>   |
|--|--|--|--------------------------------------|--|--|--|-----------------------|--|--|
| SALA MARCO   | MANAGING DIRECTOR – GENERAL MANAGER - LOTTOMATICA      | 12/05/2005                             | Options (2005-2010 Plan)             | 95,336   |  | 26/05/2005                                 | 23.1681               | 27.47  | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2007 consolidated accounts and the second anniversary of such date |
| SALA MARCO   | MANAGING DIRECTOR – GENERAL MANAGER – LOTTOMATICA      | 23/04/2007                             | Options (2007-2015 Plan)             | 160,000  |  | 03/05/2007                                 | 30.40                 | 29.88  | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2009 consolidated accounts and the fifth anniversary of such date  |
| BORTOLI STEFANO                                      | CFO LOTTOMATICA  | 23/04/2007                             | Options (2007-2015 Plan)             | 40,000   |  | 03/05/2007                                 | 30.40                 | 29.88  | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2009 consolidated accounts and the fifth anniversary of such date  |
| LOTTOMATICA  |  | 13/04/2003                             | Options                              | 156,400  | 28.200   | 17/06/2003                                 | 11.3281               | 15.162   | The Options of the 2003 -  |

|                            |  |            |                          |         |        |            |         |        |  |
|----------------------------|--|------------|--------------------------|---------|--------|------------|---------|--------|--|
| GROUP MANAGERS             |  |            | (2003-2008 Plan)         |         |        |            |         |        | 2008 Plan envisage three <i>tranches</i> with different exercise dates:<br>- 2003 <i>tranche</i> : Exercisable from 01/01/2006 to 15/12/2006 (all the options granted have been exercised)<br>- 2004 <i>tranche</i> : Exercisable from 01/01/2007 to 15/12/2007<br>- 2005 <i>tranche</i> : Exercisable from 01/01/2008 to 10/12/2008 |
| LOTTOMATICA GROUP MANAGERS |  | 13/04/2003 | Options (2004-2008 Plan) | 73,100  | 37.525 | 19/05/2004 | 15.0361 | 18.903 | The Options of the 2004 - 2005 Plan envisage two <i>tranches</i> with different exercise dates:<br>- 2004 <i>tranche</i> : Exercisable from 01/01/2007 to 15/12/2007<br>- 2005 <i>tranche</i> : Exercisable from 01/01/2008 to 10/12/2011  |
| LOTTOMATICA GROUP MANAGERS |  | 12/04/2005 | Options (2005-2010 Plan) | 224,540 |        | 26/05/2005 | 23.1681 | 27.47  | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2007 consolidated accounts and the second anniversary of such data   |
| LOTTOMATICA GROUP MANAGERS |  | 23/04/2007 | Options (2007-2015 Plan) | 365,600 |        | 03/05/2007 | 30.40   | 29.88  | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2009 consolidated accounts and the fifth anniversary of such date  |

\* \* \*

**FOREIGN SUBSIDIARIES**

| COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS RELATING TO PERSONNEL IN SERVICE |   |                                 |                                   |  |                                  |                                      |                                |   |
|--|---|---------------------------------|-----------------------------------|--|----------------------------------|--------------------------------------|--------------------------------|---|
| Schedule 1 - Financial instruments other than Options (Shares) - Section 1 -       |   |                                 |                                   |  |                                  |                                      |                                |   |
| Name of Beneficiary or class of Beneficiaries                                      | Position held (only for identified individuals) | Data of shareholders resolution | Description of instrument         | Number of Shares granted by the competent body | Grant date by the competent body | Purchase price of the Shares, if any | Market price on the grant date | End of the restriction on sale of the Shares <sup>4</sup> |
| TURNER, WILLIAM B  | CEO LOTTOMATICA                                 | 12/04/2006                      | Shares (2006-2009 Roll-over Plan) | 847,542  | 29/08/2006                       | 25.425                               | 29.47                          |   |
| TURNER, WILLIAM B  | CEO LOTTOMATICA                                 | 18/10/2006                      | Shares (2006-2009 Plan)           | 55,500   | 18/10/2006                       |                                      | 28.35                          |   |
| TURNER, WILLIAM B  | CEO LOTTOMATICA                                 | 18/10/2006                      | Shares (2006-2011 Plan)           | 217,500  | 18/10/2006                       |                                      | 28.35                          |   |
| TURNER, WILLIAM B  | CEO LOTTOMATICA                                 | 23/04/2007                      | Shares (2007-2015 Plan)           | 58,500   | 03/05/2007                       |                                      | 29.88                          |   |
| PATEL, JAYMIN B  | PRESIDENT & COO GTECH CORP. <sup>5</sup>        | 12/04/2006                      | Shares (2006-2009 Roll-over Plan) | 175,136  | 29/08/2006                       | 25.425                               | 29.47                          |   |
| PATEL, JAYMIN B  | PRESIDENT & COO GTECH CORP. <sup>5</sup>        | 18/10/2006                      | Shares (2006-2009 Plan)           | 19,400   | 18/10/2006                       |                                      | 28.35                          |   |
| PATEL, JAYMIN B  | PRESIDENT &                                     | 18/10/2006                      | Shares                            | 72,600   | 18/10/2006                       |                                      | 28.35                          |   |

<sup>4</sup> The Stock Allocation Plans do not envisage a term of restriction on sale, except for the 2006-2009 Roll-over Plan which establishes a term of restriction that varies between the various Beneficiaries, but which does not in any case exceed three years.

<sup>5</sup> Former *Chief Financial Officer* of Lottomatica on the grant date of the Shares and of the Options.

|  |  |            |  |        |                          |        |                |  |
|--|--|------------|--|--------|--------------------------|--------|----------------|--|
|  | COO GTECH<br>CORP. <sup>5</sup>                |            | (2006-2011 Plan)                         |        |                          |        |                |  |
| PATEL, JAYMIN B                                  | PRESIDENT &<br>COO GTECH<br>CORP. <sup>5</sup> | 23/04/2007 | Shares<br>(2007-2015 Plan)               | 23,400 | 03/05/2007               |        | 29.88          |  |
| DE SOCIO, WALTER G                               | SVP & CAO<br>LOTTOMATICA                       | 12/04/2006 | Shares<br>(2006-2009 Roll-<br>over Plan) | 4,668  | 29/08/2006               | 25.425 | 29.47          |  |
| DE SOCIO, WALTER G                               | SVP & CAO<br>LOTTOMATICA                       | 18/10/2006 | Shares<br>(2006-2009 Plan)               | 11,400 | 18/10/2006               |        | 28.35          |  |
| DESOCIO, WALTER G                                | SVP & CAO<br>LOTTOMATICA                       | 18/10/2006 | Shares<br>(2006-2011 Plan)               | 27,800 | 18/10/2006               |        | 28.35          |  |
| DE SOCIO, WALTER G                               | SVP & CAO<br>LOTTOMATICA                       | 23/04/2007 | Shares (2007 –<br>2015 Plan)             | 9,950  | 03/05/2007               |        | 29.88          |  |
| Senior Vice Presidents<br>Lottomatica Group      |  | 12/04/2006 | Shares<br>(2006-2009 Roll-<br>over Plan) | 56,972 | 29/08/2006               | 25.425 | 29.47          |  |
| Senior Vice Presidents<br>Lottomatica Group      |  | 18/10/2006 | Shares<br>(2006 – 2009<br>Plan)          | 28,200 | 18/10/2006               |        | 28.35          |  |
| Senior Vice Presidents<br>Lottomatica Group      |  | 18/10/2006 | Shares (2006 –<br>2011 Plan)             | 84,150 | 18/10/2006               |        | 28.35          |  |
| Senior Vice Presidents<br>Lottomatica Group      |  | 23/04/2007 | Shares (2007 –<br>2015 Plan)             | 51,800 | 03/05/2006               |        | 29.88          |  |
| Vice Presidents<br>Lottomatica Group             |  | 12/04/2006 | Shares<br>(2006-2009 Roll-<br>over Plan) | 70,961 | 29/08/2006               | 25.425 | 29.47          |  |
| Vice Presidents<br>Lottomatica Group             |  | 18/10/2006 | Shares (2006-<br>2009 Plan)              | 30,695 | 18/10/2006               |        | 28.35          |  |
| Vice Presidents                                  |  | 18/10/2006 | Shares (2006 –<br>2011 Plan)             | 71,865 | 18/10/2006               |        | 28.35          |  |
| Vice Presidents<br>Lottomatica Group             |  | 23/04/2007 | Shares (2007 –<br>2015 Plan)             | 36,650 | 03/05/2006               |        | 29.88          |  |
| Directors & Key<br>Managers<br>Lottomatica Group |  | 12/04/2006 | Shares<br>(2006-2009 Roll-<br>over Plan) | 21,704 | 29/08/2006<br>13/09/2007 | 25.425 | 29.47<br>25.48 |  |
|  |  |            |  |        |                          |        |                |  |
| Directors & Key<br>Managers                      |  | 18/10/2006 | Shares (2006 –<br>2009 Plan)             | 21,255 | 18/10/2006               |        | 28.35          |  |

|   |  |            |                           |        |            |  |       |  |
|---|--|------------|---------------------------|--------|------------|--|-------|--|
| Lottomatica Group                             |  |            |                           |        |            |  |       |  |
| Directors & Key Managers<br>Lottomatica Group |  | 18/10/2006 | Shares (2006 – 2011 Plan) | 10,650 | 18/10/2006 |  |       |  |
| Directors & Key Managers<br>Lottomatica Group |  | 23/04/2007 | Shares (2007 – 2015 Plan) | 21,785 | 03/05/2007 |  | 29.88 |  |

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**COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS RELATING TO PERSONNEL IN OFFICE**

**Schedule 2 - Options - Section 1 -**

| <b>Name of Beneficiary or class of Beneficiaries (1)</b> | <b>Position held (only for identified individuals)</b> | <b>Date of the Shareholders' resolution</b> | <b>Description of the instrument</b> | <b>Number Options granted but which cannot be exercised</b> | <b>Number of exercisable Options not exercised</b> | <b>Date of grant by competent body</b> | <b>Exercise price</b> | <b>Market price of the underlying Shares as at the date of the grant</b> | <b>Expiration Date</b>  |
|--|--|---|--------------------------------------|---|--|--|-----------------------|--|---|
| TURNER, WILLIAM B  | CEO LOTTOMATICA  | 18/10/2006                                  | Options (2006-2014 Plan)             | 384,000   | 0  | 18/10/2006                             | 29.45                 | 28.35  | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2008 consolidated accounts and the fifth anniversary of such date |
| TURNER, WILLIAM B  | CEO LOTTOMATICA  | 23/04/2007                                  | Options (2007-2015 Plan)             | 397,500   | 0  | 03/05/2007                             | 30.4                  | 29.88  | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2009 consolidated accounts and the fifth anniversary of such date |
| PATEL, JAYMIN B  | PRESIDENT & COO GTECH                                  | 18/10/2006                                  | Options (2006-2014                   | 134,500   | 0  | 18/10/2006                             | 29.45                 | 28.35  | Exercisable between the 31st calendar   |

|                   |  |            |                            |         |   |            |       |       |   |
|-------------------|--|------------|----------------------------|---------|---|------------|-------|-------|---|
|                   | CORP. <sup>5</sup>                       |            | Plan)                      |         |   |            |       |       | day after the date of approval by the Board of Directors of the 2008 consolidated accounts and the fifth anniversary of such date                                       |
| PATEL, JAYMIN B   | PRESIDENT & COO GTECH CORP. <sup>5</sup> | 23/04/2007 | Options (2007-2015 Plan)   | 160,000 | 0 | 03/05/2007 | 30.4  | 29.88 | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2009 consolidated accounts and the fifth anniversary of such date |
| DESOCIO, WALTER G | SVP & CAO LOTTOMATICA                    | 18/10/2006 | Options (2006-2014 Plan)   | 78,000  | 0 | 18/10/2006 | 29.45 | 28.35 | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2008 consolidated accounts and the fifth anniversary of such date |
| DESOCIO, WALTER G | SVP & CAO LOTTOMATICA                    | 23/04/2007 | Options (2007 – 2015 Plan) | 68,000  | 0 | 03/05/2007 | 30.4  | 29.88 | Exercisable between the 31st calendar day after the date of approval by the Board of Directors of the 2009 consolidated accounts and the fifth anniversary of such date |
| Senior Vice       |  | 18/10/2006 | Options                    | 195,200 | 0 | 18/10/2006 | 29.45 | 28.35 | Exercisable between   |

|  |  |            |                                  |         |   |            |       |       |  |
|--|--|------------|----------------------------------|---------|---|------------|-------|-------|--|
| Presidents<br>Lottomatica Group                |  |            | (2006 – 2014<br>Plan)            |         |   |            |       |       | the 31st calendar<br>day after the date of<br>approval by the<br>Board of Directors of<br>the 2008<br>consolidated<br>accounts and the<br>fifth anniversary of<br>such date                        |
| Senior Vice<br>Presidents<br>Lottomatica Group |  | 23/04/2007 | Options<br>(2007 – 2015<br>Plan) | 354,000 | 0 | 03/05/2007 | 30.4  | 29.88 | Exercisable between<br>the 31st calendar<br>day after the date of<br>approval by the<br>Board of Directors of<br>the 2009<br>consolidated<br>accounts and the<br>fifth anniversary of<br>such date |
| Vice Presidents<br>Lottomatica Group           |  | 18/10/2006 | Options<br>(2006 – 2014<br>Plan) | 228,450 | 0 | 18/10/2006 | 29.45 | 28.35 | Exercisable between<br>the 31st calendar<br>day after the date of<br>approval by the<br>Board of Directors of<br>the 2008<br>consolidated<br>accounts and the<br>fifth anniversary of<br>such date |
| Vice Presidents<br>Lottomatica Group           |  | 23/04/2007 | Options<br>(2007 – 2015<br>Plan) | 261,200 | 0 | 03/05/2007 | 30.4  | 29.88 | Exercisable between<br>the 31st calendar<br>day after the date of<br>approval by the<br>Board of Directors of<br>the 2009<br>consolidated<br>accounts and the<br>fifth anniversary of<br>such date |

|   |  |            |                                  |         |   |            |       |       |  |
|---|--|------------|----------------------------------|---------|---|------------|-------|-------|--|
| Directors & Key Managers<br>Lottomatica Group |  | 18/10/2006 | Options<br>(2006 – 2014<br>Plan) | 160,550 | 0 | 18/10/2006 | 29.45 | 28.35 | Exercisable between<br>the 31st calendar<br>day after the date of<br>approval by the<br>Board of Directors of<br>the 2008<br>consolidated<br>accounts and the<br>fifth anniversary of<br>such date |
| Directors & Key Managers<br>Lottomatica Group |  | 23/04/2007 | Options<br>(2007 – 2015<br>Plan) | 166,290 | 0 | 03/05/2007 | 30.4  | 29.88 | Exercisable between<br>the 31st calendar<br>day after the date of<br>approval by the<br>Board of Directors of<br>the 2009<br>consolidated<br>accounts and the<br>fifth anniversary of<br>such date |

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