



Lottomatica S.p.A.

Registered office in Rome, Viale del Campo Boario, 56/d

Paid-in share capital Euro 151,721,634.00

Enrolled with the Companies Register of Rome with the no. 08028081001

Subjected to the direction and coordination by De Agostini S.p.A.

**ILLUSTRATIVE REPORT AND PROPOSAL OF THE BOARD OF
DIRECTORS ON THE ITEM OF THE AGENDA OF THE SHAREHOLDERS'
MEETING, IN ORDINARY SESSION, CALLED FOR DECEMBER 11 AND 12,
2007 IN RESPECTIVELY FIRST AND SECOND CALL**

Item on the meeting agenda – “Expiration of a Director appointed pursuant to Article no. 2386, first paragraph, of the Italian Civil Code: inherent and consequent resolutions”

Dear Shareholders,

You were called to discuss and resolve upon the proposal concerning the required measures following the termination, as of today, of the Director co-opted during the Board of Directors’ meeting held on November 9, 2007, pursuant to Article no. 2386 of the Italian Civil Code and in accordance with the Company By-laws.

This report, drawn up by Lottomatica’s Board of Directors pursuant to Decree of the Ministry of Justice no. 437 of November 5, 1998, aims at explaining and grounding the Board’s proposal in relation thereto.

Grounds

Pursuant to Article no. 2386 of the Italian Civil Code and to Clause no. 13.5 of the Company By-laws, the mandate of Director Mr. Jaymin Patel, appointed by the Board of Directors on November 9, 2007 as substitute for the resigning Director Mr. Paolo Ainio, terminated as of today.

The Board of Directors, in consideration of the close relation between the co-opted Director and the fully-owned subsidiary GTECH Corporation, in consideration of his role as President and Chief Operating Officer of the same - and Chief Executive Officer as from the date in which the resignation of the Managing Director, General Manager AND Chief Executive Officer Mr. W. Bruce Turner will become effective - and in order to encourage the integration of GTECH Corporation with Lottomatica, hereby proposes that the said co-opted Director be re-appointed for the same term as the current members of the Board, i.e. until the approval of the financial statement as of December 31, 2007, with the same basic compensation as the other Directors.

In compliance with the recommendations provided by Principle 6.P.1 of the Italian Stock Exchange new self-regulatory code of March 14, 2006, whereby appointment of Directors should take place in accordance with a transparent procedure ensuring, *inter alia*, timely adequate information on the personal and professional qualifications of the candidates, the Board invites you to kindly examine hereinbelow the *curriculum vitae* of Mr. Jaymin Patel:

As President and Chief Operating Officer of GTECH Corporation, Jaymin Patel is responsible for managing the Company's operational functions and ensuring that the Company meets its corporate objectives and revenue-growth goals. Working with all GTECH operations, Jaymin Patel oversees the development of strategic growth opportunities and the enhancement of technological solutions to strengthen operational efficiency, customer satisfaction, market penetration, and organizational development.

Patel joined GTECH Corporation in July of 1994, after approximately five years with PricewaterhouseCoopers in London. Since then, he has had a series of increasingly responsible financial positions within GTECH, including Finance Director of European and African Operations and Vice President of Financial Planning & Business Evaluation. From January 2000 to April 2007, Patel served as Senior Vice President and Chief Financial Officer of GTECH Corporation, and from August 2006 to April 2007, he also served as Chief Financial Officer of Lottomatica S.p.A.

During his seven years as Chief Financial Officer of GTECH Corporation, Jaymin Patel was instrumental in driving growth across the business, leading cost optimization initiatives, and substantially improving the capital efficiency of GTECH. Patel's tenure as the Chief Financial Officer culminated in his leadership in coordinating the financing for the Lottomatica S.p.A. acquisition of GTECH Holdings Corporation.

Patel holds a BA (honors) degree from Birmingham Polytechnic (UK), now the University of Central England in Birmingham, and qualified as a Chartered Accountant with PricewaterhouseCoopers, London.

* * *

Dear Shareholders,

should you agree with the above, you are kindly requested to resolve as follows:

“The Shareholders Meeting of Lottomatica S.p.A.,

- having acknowledged the expiration, as of today, of Mr. Jaymin Patel as Director of the Company, appointed by the Board of Directors on November 9, 2007 as substitute for the resigning Director Mr. Paolo Ainio, pursuant to Article no. 2386 of the Italian Civil Code and to the Company By-laws;*
- having examined and discussed the Board of Directors' report and proposal*

concerning the item on the meeting agenda, ordinary session – “Expiration of a co-opted Director appointed pursuant to Article no. 2386, first paragraph, of the Italian Civil Code: inherent and consequent resolutions”,

resolved

to appoint as member of the Board of Directors: Mr. Jaymin Patel, born in Nairobi, Kenya, on July 22, 1967, to remain in office until the approval of the financial statements as of December 31, 2007, with the same compensation as the other Directors”.

Lottomatica S.p.A.

For the Board of Directors

The Chairman

Lorenzo Pellicoli