



Lottomatica S.p.A.

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

Paid-in share capital Euro 150,212,152.00

Rome Register of Companies and Tax Code no. 08028081001

Subject to the activity of direction and coordination performed by De Agostini S.p.A.

**ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS ON THE
PROPOSAL CONCERNING THE THIRD POINT OF THE AGENDA OF THE
SHAREHOLDERS' MEETING AGENDA CALLED FOR 18 AND 19 OCTOBER
2006 IN RESPECTIVELY FIRST AND SECOND CALL**

Point 3 of the meeting agenda – “Expiration of co-opted directors’ mandate pursuant to art. 2386 of the Italian Civil Code: related resolutions”

Dear Shareholders,

You were called to discuss and resolve upon the proposal concerning the required measures following the decay, under today’s date, of the directors co-opted during the board of directors’ meeting held on August 29, 2006, pursuant to art. 2386 of the Italian Civil Code and in accordance with the Company By-laws.

This summary report, drawn up by Lottomatica’s board of directors pursuant to Ministerial Decree no. 437 of 1998, aims at explaining and grounding the board’s proposal in relation thereto.

Grounds

Pursuant to art. 2386 of the Italian Civil Code and art. 13.4 of the Company by-laws, the mandate of the directors Robert M. Dewey Jr., W. Bruce Turner, James F. McCann, Anthony Ruys and Gianmario Tondato da Ruos, appointed by the board of directors’ meeting held on August 29, 2006 as substitutes for resigning directors Antonio Belloni, Marco Boroli, Pierluigi Celli, Roberto Drago and Antonio Tazartes terminates under today’s date.

The board of directors, in consideration of the tight organic correlation existing between almost all co-opted directors and Gtech Holding Corp., whose ownership was recently acquired by Lottomatica S.p.A., and in light of the their insertion within the company management, insertion that was performed both through the granting of offices and powers and their joining the Company’s Executive and Remuneration Committees, suggests that the said co-opted directors are re-appointed for the same duration of the current members of the board, e.g. until the approval of the financial statement as of December 31. 2007.

* * *

Dear Shareholders,

should you agree with the above, please resolve upon the following proposal:

“Lottomatica S.p.A.’s Shareholders Meeting,

- having acknowledged the expiration, under today’s’ date, of the directors Robert M. Dewey Jr., W. Bruce Turner, James F. McCann, Anthony Ruys and Gianmario Tondato

da Ruos, appointed by the board of directors' meeting held on August 29, 2006 as substitutes for resigning directors Antonio Belloni, Marco Boroli, Pierluigi Celli, Roberto Drago and Antonio Tazartes, pursuant to art. 2386 of the Italian Civil Code and the Company by-laws;

- having examined and discussed the board of directors' report and the proposal concerning Section 3 of the meeting agenda – “Expiration of co-opted directors' mandate pursuant to art. 2386 of the Italian Civil Code: general business and relating resolutions”,

resolves

to appoint as members of the board of directors: Robert M. Dewey Jr., born in New York – USA on July 1, 1931, W. Bruce Turner, born in Virginia – USA on September 2, 1959, James F. McCann, born in New York – USA on July 28, 1951, Anthony Ruys, born in Antwerpen, Netherlands and Gianmario Tondato da Ruos, born in Oderzo (TV) on February 12, 1960, until the approval of the financial statement as of December 31, 2007.

Lottomatica S.p.A.

For the Board of Directors

The Chairman