



LOTTOMATICA S.p.A.

With Registered Office in Rome, Viale del Campo Boario, 56/d

Paid-in Capital Euro 151,991,896.00

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

Subjected to the direction and coordination of

De Agostini S.p.A.

**ILLUSTRATIVE REPORT BY THE BOARD OF DIRECTORS  
ON THE ITEM OF THE AGENDA OF THE SHAREHOLDERS MEETING,  
IN EXTRAORDINARY SESSION, SUMMONED FOR APRIL 15 AND 17, 2007, RESPECTIVELY  
IN FIRST AND SECOND CALL**

**Item on the agenda for the extraordinary meeting - “Proposal to amend the following articles of the By-laws: Article no. 13 (Board of Directors: Appointment); Article no. 20 (Appointment, composition and requirements of the Board of Statutory Auditors)**

Dear Shareholders,

The Board of Directors has summoned this extraordinary Shareholders’ meeting to resolve upon the approval of the proposals to amend Article no. 13 (*Board of Directors: appointment*) and Article no. 20 (*Appointment, composition and requirements of the Board of Statutory Auditors*) of the By-laws.

\* \* \*

This illustrative report (hereinafter referred to as the "**Report**") has been drafted by the Board of Directors pursuant to Article no. 72, first paragraph, and Annex no. 3A (form 3) to the regulations implementing the Legislative Decree no. 58 of February 24, 1998 (so called Consolidated Financial Law, hereinafter referred to as "**TUF**") concerning the governance of listed issuers, adopted by CONSOB’s Resolution no. 11971 of May 14, 1999, as subsequently integrated and amended (hereinafter referred to as the "**Issuers’ Regulation**").

Pursuant to the provisions of Articles no. 72 and no. 92 of the Issuers’ Regulation, this Report will be submitted to CONSOB on the day chosen for the calling of the extraordinary Shareholders’ meeting summoned to pass resolutions on the proposed amendments of the By-laws, and then made available to the public at the Company's registered office and to the market management company at least fifteen days prior to the date scheduled for the meeting.

Please find hereinbelow a commented comparison between the current version of each concerned article of the By-laws and the proposed marked-up version.

**1. DESCRIPTION AND REASONS FOR THE PROPOSED AMENDMENTS TO THE COMPANY BY-LAWS**

An account will now be given on each single amendment proposed and on the reasons for the same. Most of the proposed amendments are of a formal nature, that is to say designed to clarify the meaning of the provisions concerned and render their contents more congruent.

The Board of Directors proposes to insert in **Article no. 13 (3)** of the By-laws a sentence explaining that a denial expressed, or a well-founded risk of the denial of approval by the authorities of the countries where the Company or its subsidiaries operate, with particular reference to the so called “jurisdictions” of the United States, shall be a cause of ineligibility for the office of Director, or cause the termination of such office, irrespective of whether such approval may or may not fall within the requirements of law currently prescribed by

the By-laws.

This step is deemed necessary in consideration of the fact that when Atronic Americas LLC., located in the State of Nevada, was acquired by the subsidiary GTECH Corporation, a transaction partially carried out at the end of 2007, Lottomatica, in its quality of parent company, had to come to terms with the penetrating provisions with regard to the suitability opinion applied by the authorities of the State of Nevada to the Directors of the Company.

In view of the imminent expiry of the terms of office of the Board of Directors and of the Board of Statutory Auditors, and hence the need to renew the appointment of their members, the Board of Directors believes it appropriate to take the opportunity of this occasion and clarify in the By-laws that the appointment and the continuous tenure of the office of director in the Company shall be subject to the above said discretionary judgement so as to protect the prevailing interest of the Company and of its Shareholders in retaining the game concessions granted by the authorities concerned.

Lastly, it appears opportune in this circumstance, to clarify that the refusal to (i) provide the information requested by or on behalf of the said authorities, or (ii) complete such questionnaires as may be requested by the Company, or (iii) any other form of failure by the Director to cooperate so as to allow the Company to duly comply with its obligations *vis-à-vis* the said authorities, shall be deemed to constitute a well-founded risk of refusal of the approval.

With reference to **Article no. 13.2**, it is proposed that there be specified that not only the taking up of the office of director, but also the continuous tenure of the same, is subject to the possession of the individual requirements established by the law, also taking into account the equity investments held by the Company.

In the same paragraph it is also proposed to provide that the violation of the prohibition to present or take part in the presentation of more than one list, as well as the inclusion of a candidate's name in more than one list, shall be the cause of both ineligibility and termination from the office.

Lastly, despite that, with respect to the termination of office, only the independence requirements provided by the law are regarded as significant by the By-laws, , the Board proposes to clarify in the article of the By-laws that indicates the documents to be attached to the lists of candidates, that the independence requirements that the candidates must declare to possess are also those additional requirements provided by the codes of conduct issued by the management companies of regulated markets (listed issuers' self-regulatory code by the Italian Stock Exchange, with specific reference to the Company) or by the operators' trade associations, to which the Company chooses to comply.

Moving on to the proposed amendments to **Article no. 20** of the By-laws, concerning the appointment, composition and requirements of the Board of Statutory Auditors, it is proposed to amend Article no. 20.1 by clarifying that the reasons for excluding a list, other than those imputable to the Company, do not include the failure - by the Shareholders that have presented the list - to attest the absence of any connection with the

majority Shareholder. The Board of Directors, in fact, believes that the absence of such statement at the time of filing a list, clearly cannot penalise all the lists indiscriminately, with particular reference to that of the majority or those associated with the controlling Shareholder, these last being possibly connected abstractly with the former.

It is also proposed to amend the appointment procedure by prescribing that not two, but all the Statutory Auditors indicated therein as alternate Statutory Auditors shall be drawn from the list obtaining the greatest number of votes. As a consequence of the most recent amendments to the By-laws, in fact, the maximum number of alternate Statutory Auditors is no longer provided. In addition, since provision has expressly been made for the minority interest to appoint several alternate Statutory Auditors, the current wording of the By-laws penalises the majority interest by in any case limiting to two the maximum number of alternate Statutory Auditors that can be expressed.

For the same reasons, an amendment is proposed whereby, in the event of only one list being presented or voted, all alternate Statutory Auditors indicated therein shall be appointed as such.

Finally, in order to avoid to unduly penalise the majority shareholders, it is proposed to amend the current Statutory Auditors replacement procedure, by providing also in favour of the same majority shareholders - as already provided for minority shareholders - the automatic replacement of the Statutory Auditor that ceases or that has not taken the office, with the alternate Statutory Auditor taken from the same list.

## **2. COMPARISON BETWEEN THE CURRENT BY-LAWS AND PROPOSED AMENDMENTS**

**2.1** The following is a description, article by article, of the proposed amendments to Articles no. 13 an no. 20 of the By-laws:

<b>CURRENT BY-LAWS</b>	<b>NEW AMENDED BY-LAWS</b>
<p data-bbox="293 1420 743 1451"><b>13. Board of Directors: appointment</b></p> <p data-bbox="496 1487 544 1518">[...]</p> <p data-bbox="245 1520 788 1615">13.2 In order to be vested as Director, a person must possess the individual requisites as provided under the law.</p> <p data-bbox="245 1617 788 1778">Also with respect to any shareholdings held by the Company. An appropriate number of Directors, in any case not lower than the one provided by the law, must possess the independence requisites it provides for.</p> <p data-bbox="245 1780 788 1998">13.3 Directors are appointed by the ordinary Shareholders' Meeting on the basis of lists submitted by the Shareholders, whereby the candidates must be indexed by progressive numbering. Only the Shareholders representing, alone or together with other Shareholders, the minimum percentage of</p>	<p data-bbox="855 1420 1305 1451"><b>13. Board of Directors: appointment</b></p> <p data-bbox="1058 1487 1106 1518">[...]</p> <p data-bbox="804 1520 1347 1615">13.2 In order to be vested as Director <b>and to remain in office</b>, a person must possess the individual requisites as provided under the law.</p> <p data-bbox="804 1617 1347 1778">Also with respect to any shareholdings held by the Company. An appropriate number of Directors, in any case not lower than the one provided by the law, must possess the independence requisites it provides for.</p> <p data-bbox="804 1780 1347 1998">13.3 Directors are appointed by the ordinary Shareholders' Meeting on the basis of lists submitted by the Shareholders, whereby the candidates must be indexed by progressive numbering. Only the Shareholders representing, alone or together with other Shareholders, the minimum percentage of</p>

<p>share capital provided by the law, have the right to submit the lists.</p> <p>The above percentage shall be indicated in the notice of summon of the Shareholders' Meeting called to resolve upon the appointment of the Board of Directors.</p> <p>Each Shareholder can submit or take part in the submission of only one list and each candidate will be entitled to present himself in one list only, otherwise resulting ineligible.</p> <p>Candidates not having the requisites as provided by the law or the By-Laws (without prejudice to any other reason of forfeiture or ineligibility) cannot be inserted in the lists.</p> <p>Each list shall have to contain a number of candidates not exceeding the maximum number of Directors mentioned under Clause 13.1 above; a minimum number of candidates, equal to the number as provided by the law, shall have to possess the independence requisites provided therein.</p> <p>The candidates' lists must be filed with the Company's head office at least fifteen days before the date fixed for the Shareholder's Meeting summoned to resolve on the appointment of the Directors. Upon filing, each list shall be accompanied by:</p> <p>A) exhaustive information on the personal and professional qualifications of the candidates, indicating their alleged independency qualification;</p> <p>B) a statement through which each candidate accepts to be candidate and certifies under his/her own responsibility that there are no reasons of ineligibility or incompatibility provided under the law, as well as that he/she possesses all requisites provided by the law and by the By-Laws.</p> <p>C) an indication of (i) the identity of the Shareholders that have submitted the list and (ii) the percentage of share capital jointly owned, as well as (iii) a copy of the certificates delivered by authorized intermediaries and certifying the ownership of the number of shares required to file the lists. The Company shall immediately, and in any event within 10 days prior to the Shareholders' Meeting called to resolve on the appointment of the directors, fulfil all the disclosure requirements set by the provisions in force as at that time.</p>	<p>share capital provided by the law, have the right to submit the lists.</p> <p>The above percentage shall be indicated in the notice of summon of the Shareholders' Meeting called to resolve upon the appointment of the Board of Directors.</p> <p>Each Shareholder can submit or take part in the submission of only one list and each candidate will be entitled to present himself in one list only, otherwise resulting ineligible <b><u>or, if appointed, shall result in their termination of office.</u></b></p> <p>Candidates not having the requisites as provided by the law or the By-Laws (without prejudice to any other reason of forfeiture or ineligibility) cannot be inserted in the lists.</p> <p>Each list shall have to contain a number of candidates not exceeding the maximum number of Directors mentioned under Clause 13.1 above; a minimum number of candidates, equal to the number as provided by the law, shall have to possess the independence requisites provided therein.</p> <p>The candidates' lists must be filed with the Company's head office at least fifteen days before the date fixed for the Shareholder's Meeting summoned to resolve on the appointment of the Directors. Upon filing, each list shall be accompanied by:</p> <p>A) exhaustive information on the personal and professional qualifications of the candidates, indicating their alleged independency qualification <b><u>pursuant to the law and the codes of behaviour issued by the companies that manage regulated markets or by operators' trade associations to which the Company complies;</u></b></p> <p>B) a statement through which each candidate accepts to be candidate and certifies under his/her own responsibility that there are no reasons of ineligibility or incompatibility provided under the law, as well as that he/she possesses all requisites provided by the law and by the By-Laws.</p> <p>C) an indication of (i) the identity of the Shareholders that have submitted the list and (ii) the percentage of share capital jointly owned, as well as (iii) a copy of the certificates delivered by authorized intermediaries and certifying the ownership of the number of shares required to file the lists. The Company shall immediately, and in any event within 10 days prior to the Shareholders' Meeting called to resolve on the appointment of the directors, fulfil all the disclosure requirements set by the provisions in force as at that time.</p> <p><b><u>The denial, or the grounded risk of denial,</u></b></p>
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<p>The lists or any candidate submission, the presentation of which do not comply with all the above provisions, except for those to be complied with by the Company, are deemed as not submitted.</p> <p>All those having the right to vote can vote for only one list.</p> <p>The election of the Directors will proceed as follows:</p> <p>a) a number of Members of the Board representing the entirety of those to be appointed will be elected from the list having obtained the highest number of votes (hereinafter referred to as the “Majority List”) at the Shareholders’ Meeting, on the basis of the same progressive numbering they have been listed in the list, save for the minimum number reserved to the minority Shareholders by the law;</p> <p>b) a number of Members of the Board equal to the minimum number set out under letter a) - unrelated in any manner whatsoever, also indirectly, to the Shareholders that have submitted or voted the Majority List (hereinafter referred to as the “Minority List”) will be elected from the list having obtained the second greatest number of votes at the Shareholders’ Meeting, in accordance with the progressive numbering they have been listed in the list.</p> <p>In the event that, through the candidates elected in accordance with the above mentioned terms, the number of independent Members of the Board referred to under Clause 13.2 above is not ensured, the last elected non-independent candidate(s) in progressive numbering in the Majority List, shall be replaced by the first independent candidate(s), in accordance with the respective progressive numbering, non elected in the same Majority List.</p> <p>In the event of several lists achieving an equal number of votes, the list that has been submitted by the Shareholders holding the greater percentage of shares at the moment of submitting the list, or in sub-order, by the greater number of Shareholders, shall prevail.</p> <p>In the event that the above said criteria do not help, the candidates shall be selected from</p>	<p><b><u>of the satisfaction expressed by public administrations or public or private entities pursuant to administrative or law provisions, also foreign, applicable to the Company or its subsidiaries, are construed as causes of ineligibility to the office of Director, or if appointed, shall result in the Director’s termination of office.</u></b></p> <p>The lists or any candidate submission, the presentation of which do not comply with all the above provisions, except for those to be complied with by the Company, are deemed as not submitted.</p> <p>All those having the right to vote can vote for only one list.</p> <p>The election of the Directors will proceed as follows:</p> <p>a) a number of Members of the Board representing the entirety of those to be appointed will be elected from the list having obtained the highest number of votes (hereinafter referred to as the “Majority List”) at the Shareholders’ Meeting, on the basis of the same progressive numbering they have been listed in the list, save for the minimum number reserved to the minority Shareholders by the law;</p> <p>b) a number of Members of the Board equal to the minimum number set out under letter a) – unrelated in any manner whatsoever, also indirectly, to the Shareholders that have submitted or voted the Majority List (hereinafter referred to as the “Minority List”) will be elected from the list having obtained the second greatest number of votes at the Shareholders’ Meeting, in accordance with the progressive numbering they have been listed in the list.</p> <p>In the event that, through the candidates elected in accordance with the above mentioned terms, the number of independent Members of the Board referred to under Clause 13.2 above is not ensured, the last elected non-independent candidate(s) in progressive numbering in the Majority List, shall be replaced by the first independent candidate(s), in accordance with the respective progressive numbering, non elected in the same Majority List.</p> <p>In the event of several lists achieving an equal number of votes, the list that has been submitted by the Shareholders holding the greater percentage of shares at the moment of submitting the list, or in sub-order, by the greater number of Shareholders, shall prevail.</p> <p>In the event that the above said criteria do not help, the candidates shall be selected from</p>
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<p>each list, in the number provided by the law, on the basis of seniority.  In the event that only one list is submitted or voted, then all Members of the Board shall be elected from such list.  The independent Directors that no longer meet the independence requirements provided by the law shall immediately inform the Board of Directors.</p> <p>13.4 [...]</p> <p style="text-align: center;"><b>20. Appointment, composition and requirements of the Board of Statutory Auditors</b>  [...]</p> <p>20.2 The Statutory Auditors are appointed on the basis of lists presented by the Shareholders in which candidates are indexed by progressive numbering, specifying if the candidate presents himself/herself, as regular or deputy Statutory Auditor.  The lists must be deposited at the head office no less than fifteen days before the date set for the Shareholders' Meeting.  Upon filing, they shall be accompanied by:  A) exhaustive information on the personal and professional qualities of the candidates, on the acquired expertises and on their past experiences and an indication of the management and control offices held in other companies and their expiration date;  B) a statement through which each candidate accepts to be candidate and certifies under his/her own responsibility that there are no reasons of ineligibility or incompatibility provided under the law, as well as that he/she possesses all requisites provided by the law;  C) information concerning the personal identity of the Shareholders that have submitted the list, together with the total percentage of share capital owned, as well as a copy of the certificates delivered by authorized intermediaries and certifying the ownership of said amount of shares.  D) a declaration by the Shareholders that have presented the list, stating the non existence of any connection to be regarded as relevant pursuant to the law with the Shareholders that hold, also jointly, a shareholding that allows the control or the simple majority of the share capital of the Company.</p> <p>The Company shall immediately, and in any</p>	<p>each list, in the number provided by the law, on the basis of seniority.  In the event that only one list is <del>submitted or</del> voted, then all Members of the Board shall be elected from such list.  The independent Directors that no longer meet the independence requirements provided by the law shall immediately inform the Board of Directors.</p> <p>13.4 [...]</p> <p style="text-align: center;"><b>20. Appointment, composition and requirements of the Board of Statutory Auditors</b>  [...]</p> <p>20.2 The Statutory Auditors are appointed on the basis of lists presented by the Shareholders in which candidates are indexed by progressive numbering, specifying if the candidate presents himself/herself, as regular or deputy Statutory Auditor.  The lists must be deposited at the head office no less than fifteen days before the date set for the Shareholders' Meeting.  Upon filing, they shall be accompanied by:  A) exhaustive information on the personal and professional qualities of the candidates, on the acquired expertises and on their past experiences and an indication of the management and control offices held in other companies and their expiration date;  B) a statement through which each candidate accepts to be candidate and certifies under his/her own responsibility that there are no reasons of ineligibility or incompatibility provided under the law, as well as that he/she possesses all requisites provided by the law;  C) information concerning the personal identity of the Shareholders that have submitted the list, together with the total percentage of share capital owned, as well as a copy of the certificates delivered by authorized intermediaries and certifying the ownership of said amount of shares.  D) <del>a declaration by the Shareholders that have presented the list, stating the non existence of any</del> <b><u>in the event of a list presented by Shareholders that have no</u></b> connection to be regarded as relevant pursuant to the law with the Shareholders that hold, also jointly, a shareholding that allows the control or the simple majority of the share capital of the Company, <b><u>a declaration that states the non-existence of any such relation.</u></b></p> <p>The Company shall immediately, and in any</p>
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<p>event within 10 days prior to the Shareholders' Meeting summoned to resolve on the appointment of the Statutory Auditors, fulfil all the disclosure requirements provided by the law.</p> <p>The denial expressed by public administrations or bodies pursuant to provisions of law applicable to the Company, are construed as causes of ineligibility to the office of Statutory Auditor and/or Chairman, or if appointed, shall result in their termination of office.</p> <p>Even if through a third party or trust companies:</p> <ul style="list-style-type: none"> <li>- no one can vote, put forward or contribute to more than one list;</li> <li>- the Shareholders belonging to the same group – made of the parent company, its subsidiaries and the companies subjected to the same controlling shareholder - and the Shareholders that have executed a Shareholders agreement concerning the shares of the Company may not submit nor vote more than one list.</li> </ul> <p>The number of candidates in each list must not be lower than one nor higher than three, for the office of effective Statutory Auditor, and not lower than one nor higher than five for the office of deputy Statutory Auditor; other candidates, if any, in excess of the above limits, shall not be considered, also for the replacement of the Statutory Auditors that have ceased or not taken their offices.</p> <p>Each candidate may run in only one list, under penalty of ineligibility.</p> <p>Only the Shareholders who singly or together with the other Shareholders represent the minimum percentage of shares provided by the law can present lists. Such percentage shall be indicated in the notice of summon of the Shareholders' Meeting called to resolve on the appointment of the Board of Statutory Auditors.</p> <p>In the event that upon expiration of the term given to submit the lists only a single list be submitted, or only lists by mutually related Shareholders as intended by the law, then any further list will be admitted up to the fifth day following said expiration date. In such case the given thresholds needed for submitting the lists shall be reduced by half, and information thereof must be promptly disclosed in accordance with the provisions of law. All the other provisions governing the appointment of the Statutory Auditors shall remain in force.</p> <p>Those lists or any candidate submission, the presentation of which do not comply with all the above provisions, except for those to be</p>	<p>event within 10 days prior to the Shareholders' Meeting summoned to resolve on the appointment of the Statutory Auditors, fulfil all the disclosure requirements provided by the law.</p> <p>The denial expressed by public administrations or bodies pursuant to provisions of law applicable to the Company, are construed as causes of ineligibility to the office of Statutory Auditor and/or Chairman, or if appointed, shall result in their termination of office.</p> <p>Even if through a third party or trust companies:</p> <ul style="list-style-type: none"> <li>- no one can vote, put forward or contribute to more than one list;</li> <li>- the Shareholders belonging to the same group – made of the parent company, its subsidiaries and the companies subjected to the same controlling shareholder - and –he Shareholders that have executed a Shareholders agreement concerning the shares of the Company may not submit nor vote more than one list.</li> </ul> <p>The number of candidates in each list must not be lower than one nor higher than three, for the office of effective Statutory Auditor, and not lower than one nor higher than five for the office of deputy Statutory Auditor; other candidates, if any, in excess of the above limits, shall not be considered, also for the replacement of the Statutory Auditors that have ceased or not taken their offices.</p> <p>Each candidate may run in only one list, under penalty of ineligibility.</p> <p>Only the Shareholders who singly or together with the other Shareholders represent the minimum percentage of shares provided by the law can present lists. Such percentage shall be indicated in the notice of summon of the Shareholders' Meeting called to resolve on the appointment of the Board of Statutory Auditors.</p> <p>In the event that upon expiration of the term given to submit the lists only a single list be submitted, or only lists by mutually related Shareholders as intended by the law, then any further list will be admitted up to the fifth day following said expiration date. In such case the given thresholds needed for submitting the lists shall be reduced by half, and information thereof must be promptly disclosed in accordance with the provisions of law. All the other provisions governing the appointment of the Statutory Auditors shall remain in force.</p> <p>Those lists or any candidate submission, the presentation of which do not comply with all the above provisions, except for those to be</p>
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<p>complied with by the Company, are deemed as non-submitted.</p> <p>Selection of the Auditors will proceed as follows:</p> <p>a) 2 (two) regular and 2 (two) deputy auditors will be elected from the list which achieves the greatest number of votes (hereinafter referred to as the “Majority List”), following the progressive numbering of the list;</p> <p>b) the remaining regular Statutory Auditors – with the position of Chairman, will be elected from the list (hereinafter referred to as the “Minority List”) which has the highest number of votes, excluding the Majority List, among those submitted and voted by the Shareholders that are not connected in any way, not even indirectly, to the Shareholders that have submitted or voted the Majority List.</p> <p>In the event that several lists have repeatedly obtained an equal number of votes, the prevailing list shall be the one submitted by the Shareholders owning the greater number of shares at the moment the list was submitted or, in sub-order, by the greater number of Shareholders or, in further sub-order, the Statutory Auditors shall be taken on the basis of their seniority;</p> <p>c) all those individuals that have been indicated as deputy Statutory Auditors in the Minority List and in the list ranked second for number of votes (hereinafter referred to as the “Second Minority List”), among those submitted and voted by the Shareholders that are in no way connected to the Shareholders that have submitted or voted the Majority List, shall be appointed as deputy Statutory Auditors.</p> <p>In the event that, for whatever reason, the Statutory Auditor cannot accept the office or, having it accepted, ceases such office, the effective Statutory Auditor provided under letter b) shall be replaced, on the basis of the progressive numbering it was listed by the first available deputy Statutory Auditor of the Minority list or, in sub-order, of the Second Minority List.</p> <p>In the event that only one list is submitted or voted, all auditors, both regular and deputy, shall be elected therefrom.</p>	<p>complied with by the Company, are deemed as non-submitted.</p> <p>Selection of the Auditors will proceed as follows:</p> <p>a) 2 (two) regular and <del>2 (two)</del> <b>all</b> auditors <b>indicated as deputy</b> will be elected from the list which achieves the greatest number of votes (hereinafter referred to as the “Majority List”), following the progressive numbering of the list;</p> <p>b) the remaining regular Statutory Auditors – with the position of Chairman, will be elected from the list (hereinafter referred to as the “Minority List”) which has the highest number of votes, excluding the Majority List, among those submitted and voted by the Shareholders that are not connected in any way, not even indirectly, to the Shareholders that have submitted or voted the Majority List.</p> <p>In the event that several lists have repeatedly obtained an equal number of votes, the prevailing list shall be the one submitted by the Shareholders owning the greater number of shares at the moment the list was submitted or, in sub-order, by the greater number of Shareholders or, in further sub-order, the Statutory Auditors shall be taken on the basis of their seniority;</p> <p>c) all those individuals that have been indicated as deputy Statutory Auditors in the Minority List and in the list ranked second for number of votes (hereinafter referred to as the “Second Minority List”), among those submitted and voted by the Shareholders that are in no way connected to the Shareholders that have submitted or voted the Majority List, shall be appointed as deputy Statutory Auditors.</p> <p>In the event that, for whatever reason, the Statutory Auditor cannot accept the office or, having it accepted, ceases such office:</p> <p><b><u>- each effective Statutory Auditor under letter a) above is replaced by the first alternate Statutory Auditor available according to the progressive numbering of the Majority List;</u></b></p> <p><b><u>- the effective Statutory Auditor provided under letter b) shall be replaced, on the basis of the progressive numbering it was listed by the first available deputy Statutory Auditor of the Minority list or, in sub-order, of the Second Minority List, with the position of Chairman.</u></b></p> <p>In the event that only one list is <del>submitted or</del> voted, all auditors, both regular and deputy, shall be elected therefrom.</p>
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3. **ASSESSMENT BY THE BOARD OF DIRECTORS AS TO THE OCCURRENCE OR NON OCCURRENCE OF THE SHAREHOLDERS' RIGHT TO WITHDRAW**

The amendment proposals described here above do not fall under any of the provisions under Article no. 2437 of the Italian Civil Code; the right of withdrawal is therefore excluded.

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Dear Shareholders:

based on the foregoing, the Board of Directors hereby proposes to adopt following resolution:

"The extraordinary Shareholders' meeting of Lottomatica:

. having examined and discussed the illustrative Report of the Board of Directors as filed in accordance with the provisions of law;

. having acknowledged the proposed amendments to the By-laws:

**resolved**

1. to amend Articles no. 13 and no. 20 of the By-laws in accordance with the above said Report;
2. to grant to each Managing Director in charge such powers, to be severally exercised even through third parties, as to do everything necessary for purposes of executing the above said resolutions and to carry out all the relevant activities, including the enrolment with the register of enterprises pursuant to Section 2436 of the Civil Code and the faculty to amend the above resolutions and the Directors' report in the event of any such request from the competent Authorities, or if anyway deemed necessary or appropriate.

Rome, March 7, 2008

Lottomatica S.p.A.

On behalf of the Board of Directors

The Chairman, Managing Director and CEO

Lorenzo Pellicoli