



LOTTOMATICA GROUP S.p.A.

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

Paid-in Capital Euro 172,015,373.00

Registered in the Companies Register of Rome with the no. 08028081001

Subjected to the management and coordination of De Agostini S.p.A.

**ILLUSTRATIVE REPORT BY THE BOARD OF DIRECTORS ON THE FOURTH ITEM
ON THE AGENDA OF THE SHAREHOLDERS' MEETING
SUMMONED FOR APRIL 30, 2009**

Item no. 4 on the agenda – “Amendment of the overall amount for the compensation of all the directors, pursuant to article 2389, paragraph 3, of the Italian Civil Code”

Dear Shareholders,

We wish to remind you that the Ordinary Shareholders’ meeting, on November 20, 2009, resolved to grant Euro 1,800,000 as the overall gross annual amount for the compensation of all the directors of the Company, including those vested with particular offices, specifying the individual emoluments and the participation tokens to be paid to the members of the Board of Directors and of the Executive Committee. Within the limit of the above overall amount the Board of Directors also determined the additional emoluments to be granted to the independent members of the Internal Control Committee and of the Remuneration Committee, as directors vested with particular offices, substantially exhausting the aforementioned overall amount.

In the light of the above, please note that currently there is no further capacity to grant possible additional emoluments to the other directors vested with particular offices. Such occurrence is rather unusual, especially (as the most evident example) with regard to the position of the Chairman, who does not benefit from the Company’s share incentive plans, and moreover receives an additional emolument for the sole office of Chairman of the Executive Committee, which furthermore is equal to the compensation of any other member of the same Committee; in any case, the overall compensation received for the offices held by the Chairman is much lower than the average of those vested with the same office in Italian listed companies, according to recent studies and statistics, and, in particular is much lower than the emoluments of those vested with the same offices in Italian companies having a multinational size and ambit of business comparable with those of Lottomatica Group.

For the above reasons, the Board of Directors proposes to increase the gross annual overall maximum amount for the compensation of all the directors, including those vested with particular offices, from Euro 1,800,000 to Euro 2,300,000, as of the beginning of the fiscal year 2010. Whereas we propose not to change the remaining resolutions adopted by the aforementioned Shareholders’ meeting on November 20, 2009, concerning the individual emoluments and the participation tokens to be paid to the members of the Board of Directors and of the Executive Committee, or the respective collective amount.

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Should you agree with the above proposals, we invite you to adopt the following resolution:

“The Ordinary Shareholders’ Meeting of Lottomatica Group S.p.A.,

- having examined the illustrative report of the Board Meeting,

resolved

- I. *to increase from Euro 1,800,000 to Euro 2,300,000, as of the beginning of the fiscal year 2010 up to the expiration of the current office, the gross annual overall maximum amount for the compensation of all the directors of the Company, including those vested with particular offices, inclusive of the participation tokens and of all-inclusive expenses reimbursements, without prejudice to the remaining resolutions adopted by the Shareholders' meeting in ordinary session on November 20, 2009;*
- II. *to grant to the Board of Directors the power to determine any additional compensation to be paid to the directors vested with particular offices, within the limits of the maximum overall amount referred to in the above resolution no. 1."*

Rome, March 3, 2010

On behalf of the Board of Directors

The Chairman

Lorenzo Pellicoli