

Distribution of added value

Fig. 15 represents the distribution of net added value, namely the wealth produced by the Group in favor of its stakeholders. The largest percentage of net added value was 53%, up 5.2% over the previous period, and was allocated to employees in the form of wages, salaries and allocations to severance pay.

Approximately 20% of the added value was paid to the Government in the form of direct and indirect taxes, a decrease in the amount paid last year. The decrease was mainly due

to a marked decrease in the absolute value of current taxes (-24 euro million), which also absorbed the significant increase in the relative value of indirect taxes (+ 32%).

Borrowed capital remuneration represents 20.2% of net overall added value, for an increase of around 13% over the previous year, due to an increase in interest payments.

The risk capital share was zero in 2010, as a result of the Company's 2010 dividends policy, which did not include a distribution of profits but only one share for every fifty shares held.

TAB. 3 DISTRIBUTION OF ADDED VALUE BY LOTTOMATICA GROUP			
<i>(thousands of euros)</i>	2010	2009	% Change
A) Staff remuneration	450,388	428,305	5.2
Staff costs	446,825	424,127	
Severance pay	3,563	4,178	
B) Government remuneration	171,455	190,611	(10.0)
Direct taxes	151,182	175,237	
Indirect taxes	20,273	15,374	
C) Borrowed capital remuneration	172,013	151,518	13.5
Short-term capital expenses	9,460	11,707	
Long-term capital expenses	162,553	139,811	
D) Risk capital remuneration	-	106,660	
Distributed profits	-	106,660	
E) Company remuneration	45,358	5,694	>100
Retained earnings	45,358	5,694	
F) Transfers to the local community	11,076	10,367	6.8
Local taxes and duties	2,108	-	
Sponsorships	7,802	9,196	
Assistance, gifts, charitable donations	1,166	1,171	
TOTAL overall net added value	850,290	893,155	(4.8)
Amortization, depreciation and write-downs	412,548	407,026	
TOTAL overall gross added value	1,262,838	1,300,181	(2.9)

1.3% was allocated to assisting local communities, in the form of sponsorships (sports, cultural, social), taxes and gifts. The 7% increase since last year is mainly due to an increased contribution to the community in the form of local taxes.

