

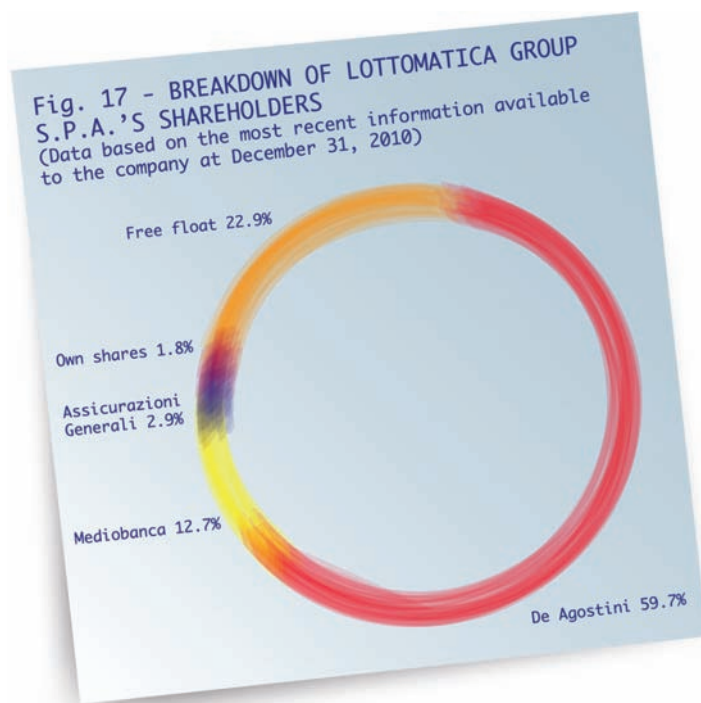
On December 31, 2010, the absolute majority of share capital (**59.7%**) was held by De Agostini S.p.A., which in turn is owned by B&D Holding di Marco Drago e C. S.a.p.a.

Shareholders and financial backers

The ordinary shares of Lottomatica Group S.p.A. are listed on the Italian Electronic Stock Exchange (Mercato Telematico Azionario - "MTA"). The Italian Electronic Stock Exchange is managed by the Italian Stock Exchange, and Lottomatica Group's shares are included in the FTSE MIB 40 index. ADRs (American Depositary Receipts) are negotiable certificates representing ordinary shares of Lottomatica Group, and they are traded on the United States over-the-counter market. The Bank of New York Mellon is the depository bank that manages these ADRs.

The second largest shareholder is Mediobanca, with 12.7%, while the third largest shareholder is Assicurazioni Generali with 2.9%. At that date, Lottomatica Group held 3,167,552 of its own shares, which is equal to approximately 1.84% of its share capital.

On April 30, 2010, Lottomatica Group's shareholders' meeting authorized the purchase of a maximum of 34,403,074 ordinary shares, conducted on one or more occasions. It also authorized a different number representing 20% of the share capital, in the event of the resolution and carrying out of share capital increases and/or reductions for the authorized 18 month period, taking into account the shares that may, from time to time, be owned by subsidiaries, and in any event within the limits of the law. During the course of 2010, the Company did not make use of this opportunity, and accordingly did not make any purchases during the year.



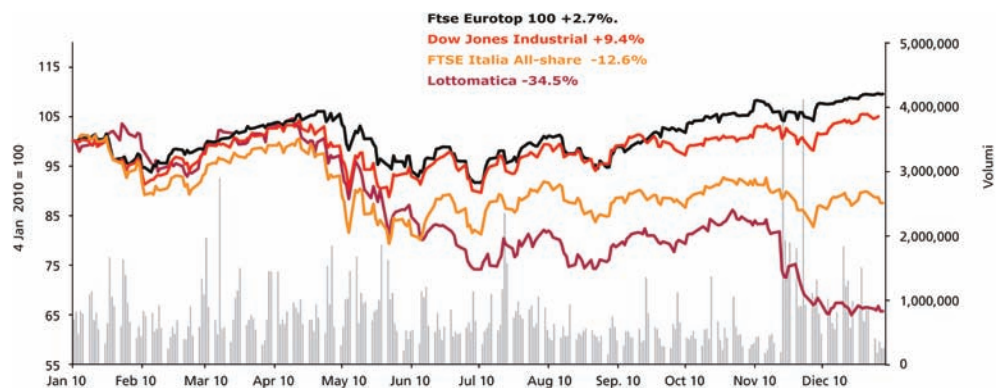
In light of trends affecting economic and asset-related issues during 2010, and given the significant investment plan completed during the course of the year, the Ordinary Shareholders' Meeting held on April 28, 2011, approved the free allocation to shareholders of Lottomatica Group's own shares in its portfolio, in the proportion of one share for every 50 shares held.

The free allocation of its own shares will be carried out during the month of May 2011. With respect to the 2010 financial year, there are no plans to distribute dividends.

In 2010, the Group's debts were refinanced, mainly by issuing a senior debenture loan of €500 million, executing a loan agreement for a total of €1.4 billion. After these transactions, Moody's Investors Service and Standard & Poor's confirmed the Group's investment grade rating, with a stable outlook, of Baa3 and BBB- respectively.

The average share price during 2010 was €12.1. Over 195 million shares were traded during this period, with a daily average of around 762,053. Lottomatica Group's capitalization on December 31, 2010 was approximately €1.6 billion.

FIG. 18 PERFORMANCE OF LOTTOMATICA GROUP'S SHARE IN 2010 COMPARED TO SEVERAL SIGNIFICANT INDICES



Source: Bloomberg Italian Stock Exchange

TAB. 4 SOME RESULTS FOR 2010 PER SHARE

(euro)	2010	2009
Shareholders' equity per share	0.00	0.45
EBITDA per share	4.72	4.56
Operating income per share	2.24	2.13
Shareholders' equity per share	13.71	11.03
Unit dividend	0.00	0.74

TAB. 5 COMPANY STOCK EXCHANGE PERFORMANCE

(euro)	2010	2009
Capitalization as at 31.12	1,566,063,540	2,089,637,277
Share capital as at 31.12	172,015,373	172,015,373
Price on 31.12	9.28	14.03
Minimum price	9.17	11.82
Maximum price	14.79	17.59

The board of directors consists of 13 members, six of which have executive functions, and seven of which have non-executive functions. Of the seven non-executive members, six are considered independent under the relevant statutory provisions and the most stringent principles and criteria for independence, according to the Code of Conduct promoted by Borsa Italiana S.p.A.

The Board of Directors adopted a charter that requires its operations to consistently comply with the principles of the Code of Conduct promoted by Borsa Italiana S.p.A.

The Board of Directors has members who represent controlling shareholders. The Company has adopted procedures for appointing Board members, as to ensure the presence of directors who represent minority interests. These procedures comply with Legislative Decree no. 27 from January 27, 2010, which implement the 2007 European

Since March 19, 2010, Lottomatica Group's shares have been part of the **FTSE4Good** index, which includes **securities selected** on the basis of principles of financial ethics relating specifically to **social and environmental responsibility.**

Directive No. 36 on shareholders' rights. Currently, there are no directors that represent minority interests, since the Board was appointed by the Shareholders' Meeting on the basis of a single list of candidates presented by the majority shareholder.

During 2010, the Board of Directors met five times. Since the Group is controlled by a family, the Company did not provide special arrangements or services for its shareholders, or any collaborative activities or initiatives.



Lottomatica Group promotes the most extensive and informed participation of its shareholders during Shareholders' Meetings, and more generally in the Company's activities. The by-laws are promptly updated to reflect and govern the tools that protect minority shareholders that are periodically introduced by law, adopting national and international best practices with respect to corporate governance. One of the tools available to minority shareholders is the opportunity to add items to meeting agendas.

The process of evaluating the activities of the Board of Directors

In 2010, the Board of Directors conducted a process of evaluating the adequacy of the size, composition and performance of the Board and Internal Committees (the Executive Committee, the Remuneration Committee, Internal Audit and Compliance Committee). The process, which was coordinated by the Lead Independent Director, involved the completion of a self-evaluation questionnaire, which focused mainly on the remuneration of the directors. The process was in line with the recent recommendations made by Borsa Italiana, and a series of initiatives being carried out in the European Union. In particular, the analysis concentrated on the evaluation of the structure, the composition and effectiveness of the Board and the Committees, the manner in which meetings were held, flows of important information, the decision-making process, relations with the management, strategies and performance objectives. The self-evaluation process benefited from the results of comparative national and international surveys conducted by associations, universities and consulting firms. The results of the survey were disclosed to the Board of Directors, which share it with the Board of Statutory Auditors.

Investor relations

The Company has adopted best practices to protect the accuracy of internal and external information. The Investor Relations Officer is responsible for relations with investors and shareholders, with particular attention to institutional investors and shareholders. Under the supervision of the Chief Financial Officer, this person maintains relations with the financial community, ensuring that communications are correct, continuous, timely, and complete with respect to the Company and its subsidiaries. Communication should

 Lottomatica Group ensures that communications are correct, continuous, timely, and complete with respect to Company events that are significant for shareholders. 

comply, with the procedures governing the processing of information that could have a significant effect on the price of the Company's listed financial instruments.

Investor Relations activities focus on a target of over 300 institutional investors, selected from a universe of more than

3,000 financial institutions around the world. The Company promptly responds to every request for information from the financial community, directing its marketing efforts on the basis of criteria, such as the portfolio of securities held by investors, their size, and geographical and sectional specialization. With respect to its target audience, the Company carries out its own investor relations activities based on the potential interest of investors, which is measured objectively using international ratings.

During the course of the period, the following Investor Relations activities took place:

- ▶ 156 investor meetings (one-on-one or via conference call);
- ▶ 7 road shows;
- ▶ 5 analysts' meetings, during the presentation of the three-year strategic plan or financial statements, and during conferences organized by financial institutions;
- ▶ 4 conference calls on the 2009 financial year and interim results for 2010.