

Attached documents

Methodological Note

Social accountability and stakeholder engagement

Lottomatica complies with all statutory laws and regulations that govern its activities at national and international level, and interacts with and involves all of its internal and external stakeholders, making significant commitments with respect to each of them.

Lottomatica promotes responsible gaming, complying with instructions received from the Italian State Monopolies Authority and governmental agencies in the countries in which it operates, sharing with various key stakeholders its objectives and goals in terms of environmental sustainability and product accountability.

Report Scope and Reporting Period

Lottomatica Group's social report is prepared on an annual basis, and the reporting period is for the 2010 financial year. The Group's last financial statements, which related to the 2009 financial year, were presented at a press conference on 7 July 2010.

With respect to economic and social performance, the scope of the report is the same as the aggregate figures of the Lottomatica Group's Consolidated Financial Statements for the period ending 31 December 2010; with respect to environmental performance,

the report scope includes the activities associated with Lottomatica's Italian operations, the activities of GTECH Holdings Corporation, GTECH Printing Corporation and Atronic Americas, as a result of which environmental data for 2010 are not directly comparable with 2009 data. This report does not contain information on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that may significantly affect the comparability of the financial statements between the relevant periods.

In the financial statements:

- ▶ "Lottomatica" or "Lottomatica Group S.p.A." means the parent company;
- ▶ "GTECH" means "GTECH Corporation" and its subsidiaries;
- ▶ "Group" means Lottomatica and all of its subsidiaries.

The data and information are presented in relation to the following operating segments:

- ▶ the term "Lottomatica Italia and Italian Operations" refers to Group activities that are performed by companies that provide a complete range of gaming services, including traditional, instant and online lotteries, Scratch & Win, sports betting, gaming machines, which are mainly activities associated with Lottomatica Group S.p.A., Lottomatica Videolot Rete S.p.A., Consorzio Lotterie Nazionali, Lotterie Nazionali s.r.l., Lottomatica Scommesse S.r.l., Lottomatica Italia Servizi S.p.A.;

- ▶ the term “Gtech Lotteries” refers to activities that are performed by companies that manage and provide a complete range of services, technologies and products for online, instant and traditional lotteries that are authorised by the State, mainly the activities performed by GTECH Holdings Corporation (“GTECH”) and GTECH Printing Corporation (“GPC”);
- ▶ the term “Gaming Solutions” refers to activities that are performed by companies that manage and provide solutions, products and services for VLT and systems for the regulated market for traditional mechanical cylinder slot machines, videos and systems for the commercial gaming market, mainly the activities that are performed by subsidiary Spielo Manufacturing ULC (“Spielo”) and companies in the Atronic Group (“Atronic”).
- ▶ The term GTECH G2 refers to activities that are performed by companies that manage and provide products and services relating to digital and multi-channel gaming, including sports betting, bingo, casino and games of skill and, in the sports betting market, provides solutions for real-time transaction management systems.

Materiality

The term “materiality” relates to topics in the report that are defined as “material” by Lottomatica. The choice of these topics was based on internal and external factors, including the Group’s mission and strategy, expectations and concerns expressed by stakeholders and social expectations in a broad sense.

The principle of materiality is applied to both qualitative and

quantitative indicators so as to reasonably and significantly reflect the assessments and decisions made by stakeholders.

Drafting Principles

The 2010 Social Report was prepared in accordance with the “Sustainability Reporting Guidelines” published in 2006 by G.R.I. - Global Reporting Initiative, with particular reference to the principles of materiality, completeness, stakeholder inclusiveness and sustainability context. The systematic framework of the G.R.I. indicators that apply to Lottomatica Group is set out on page 177. The level of confidence and assurance as to the completeness of the information presented with respect to that required by the GRI Reporting Framework enabled the Group to self-declare at level A+; this accreditation score at the date of publication is subject to confirmation by the G.R.I.

The illustrative structure of the report and the statements regarding the creation and distribution of the added value generated by the Group in carrying on its business were prepared in accordance with the instructions and frameworks proposed by the Study Group for Social Reporting (G.B.S.).

Information sources and recording systems

The content of the report is based on the result of a process of engagement of both external stakeholders and company divisions; information sources consist of internal documents, market surveys and other official sources that are identified from time to time in the report.

Any revisions made to the precise calculations or to the estimated figures for the year 2009 are expressly explained and commented upon.

Financial and economic data and information are taken from Lottomatica Group's Consolidated Financial Statements for the period ending 31 December 2010.

Assurance Process

The 2010 Social Report is audited by an independent auditor who has conducted a limited review in accordance with the criteria issued by the ISAE 3000.

Structure of the Report

The document contains five sections:

- ▶ The first section, entitled "Group Profile", sets out the international scope of the gaming sector, the group's business, mission, strategy and governance structure;
- ▶ The second section, entitled "The Group's Sustainability Strategy", describes what the Company means by responsible gaming, the actions undertaken in accordance with that concept and the resulting commitments towards stakeholders;
- ▶ The third section, entitled "Economic Responsibility", presents and analyses the models of Production and Distribution of Added Value;
- ▶ The fourth section focuses on "Social Responsibility", containing an analysis of the relationships with each of our stakeholders;

- ▶ The fifth section illustrates the initiatives and actions taken by Lottomatica with respect to Environmental Accountability.

The social report is drawn up and published in English and Italian and is available in the Social Responsibility section of the institutional website at www.lottomaticagroup.it.

Additional information and analysis of the issues mentioned in the report may be requested by sending a message to csr@lottomaticagroup.it