



LOTTOMATICA GROUP

Responsibly Driving Global Gaming

Company Presentation

Milan, 27 May 2009



LOTTOMATICA

Safe Harbour Statement

Disclaimer

This presentation contains forward-looking statements regarding future events and the future results of Lottomatica that are based on current expectations, estimates, forecasts, and projections about the industries in which Lottomatica operates, and the beliefs and assumptions of the management of Lottomatica. In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management and competition are forward-looking in nature. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," and "estimates," variations of such words, and similar expressions, are intended to identify such forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Therefore, Lottomatica's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, the impact of competition, political and economic developments in the countries in which Lottomatica operates, and regulatory developments in Italy and internationally. Any forward-looking statements made by or on behalf of Lottomatica speak only as of the date they are made. Lottomatica does not undertake to update forward-looking statements to reflect any changes in Lottomatica's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Agenda

- **Group Overview**
- **Market Environment**
- **Financials and 2009 Guidance**
- **Appendix**



Group Overview

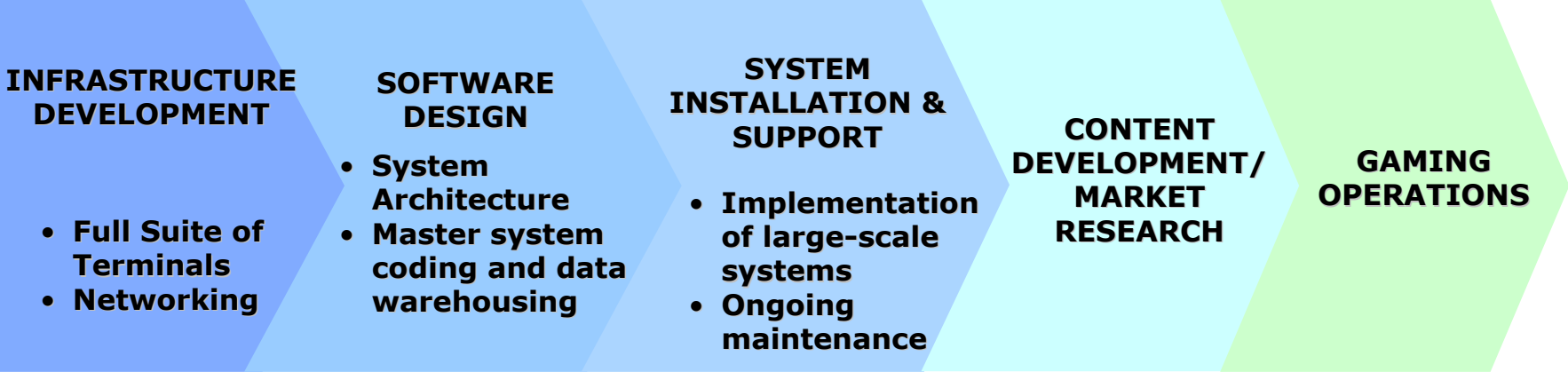
Mission



Lottomatica Group will be the leading commercial operator and provider of technology in the regulated worldwide gaming markets by delivering best-in-class products and services, with a commitment to highest levels of integrity, responsibility, and shareholder value creation.

The Group Value Chain

Lottomatica Group is a leading player in the government-sponsored gaming value chain



Integration in key areas provides platform for substantial growth opportunities



Market Environment

The Gaming Industry

- **Attractive Fundamentals**

- Constant growth in global gaming market and lottery sales
- Substantial opportunities to be captured: Approximately 65% of world's addressable population not currently served by online lottery⁽¹⁾
- Insulated from negative economic conditions: Governments increase marketing and introduce new products/games to balance budgets in weaker economic times

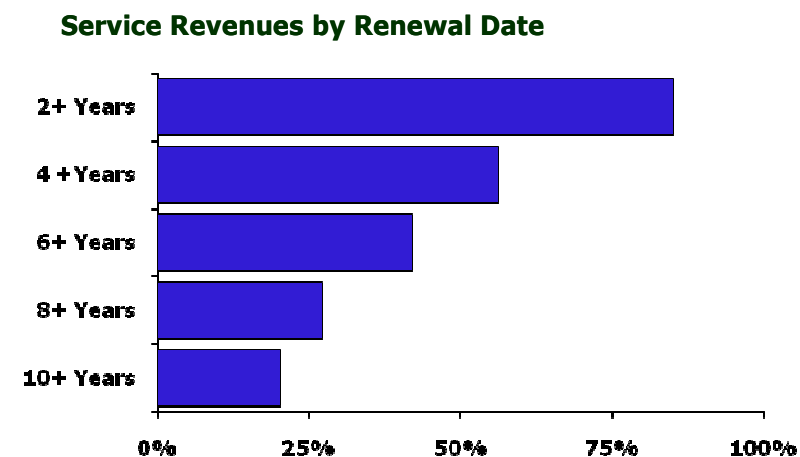
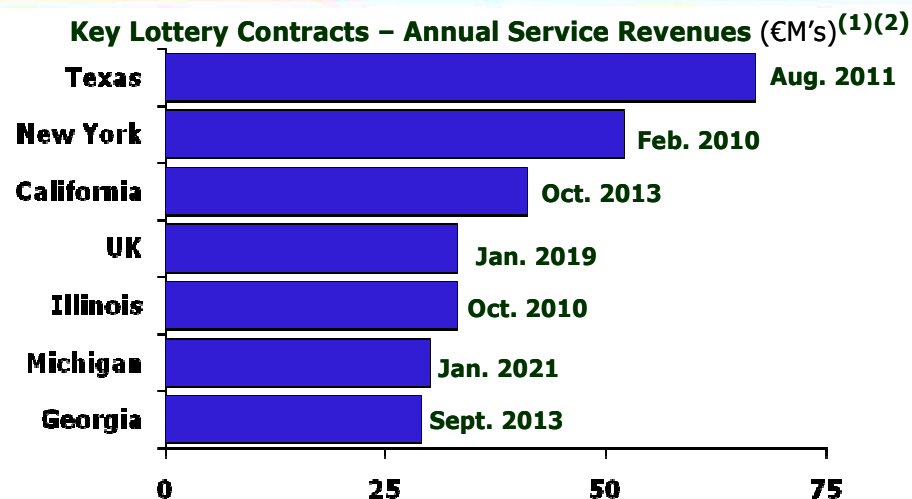
- **Strong Barriers to Entry**

- Long-term government/customer relationships
- Licensing/disclosure requirements
- Technical conversion risk

(1) Management estimates

GTECH's Core Business Provides Stable Cash Flow

- Recurring annual lottery service revenue of approximately €600M
- Stable and visible revenues
 - Weighted average lottery contract length of approximately **5.3 years**⁽²⁾
 - Approximately **85% of total service revenues** under contract for two years or more
 - Approximately **56% of aggregate revenues** under contract for four years or more
- Strong Government reliance on lottery proceeds
 - Approximately 30% of every wager goes directly to Governments



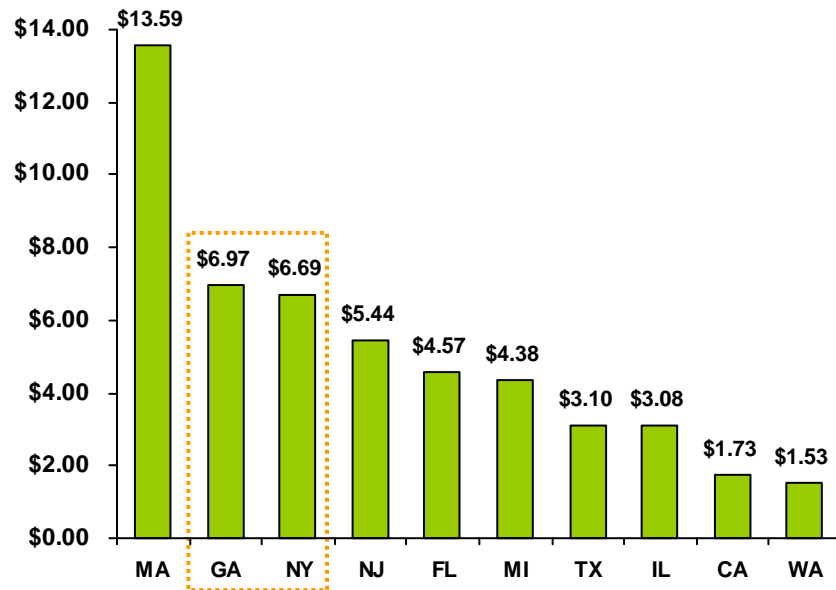
(1) Figures represent proportion of historical revenues for which the underlying contracts are expected to expire within the periods stated.

(2) Analysis assumes all extension options are exercised. GTECH's revenues converted at exchange rate USD/EUR of 1.45.

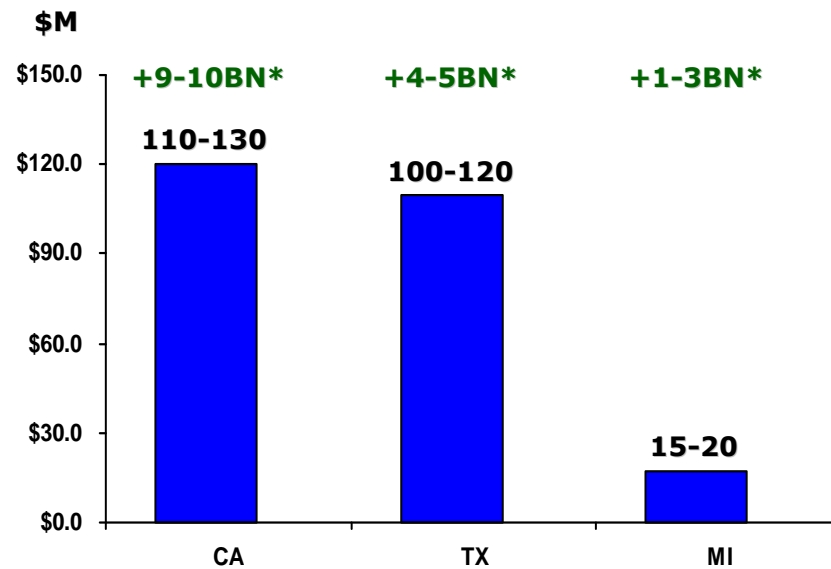
Significant Opportunity for Growth in US Lottery Markets

- Adoption of Best Practices by GTECH customers could drive substantial growth similar to GA and NY

2007 Weekly Per Capita Sales



Potential Additional GTECH Annual Revenue (Based upon Average of GA and NY Best Practices)



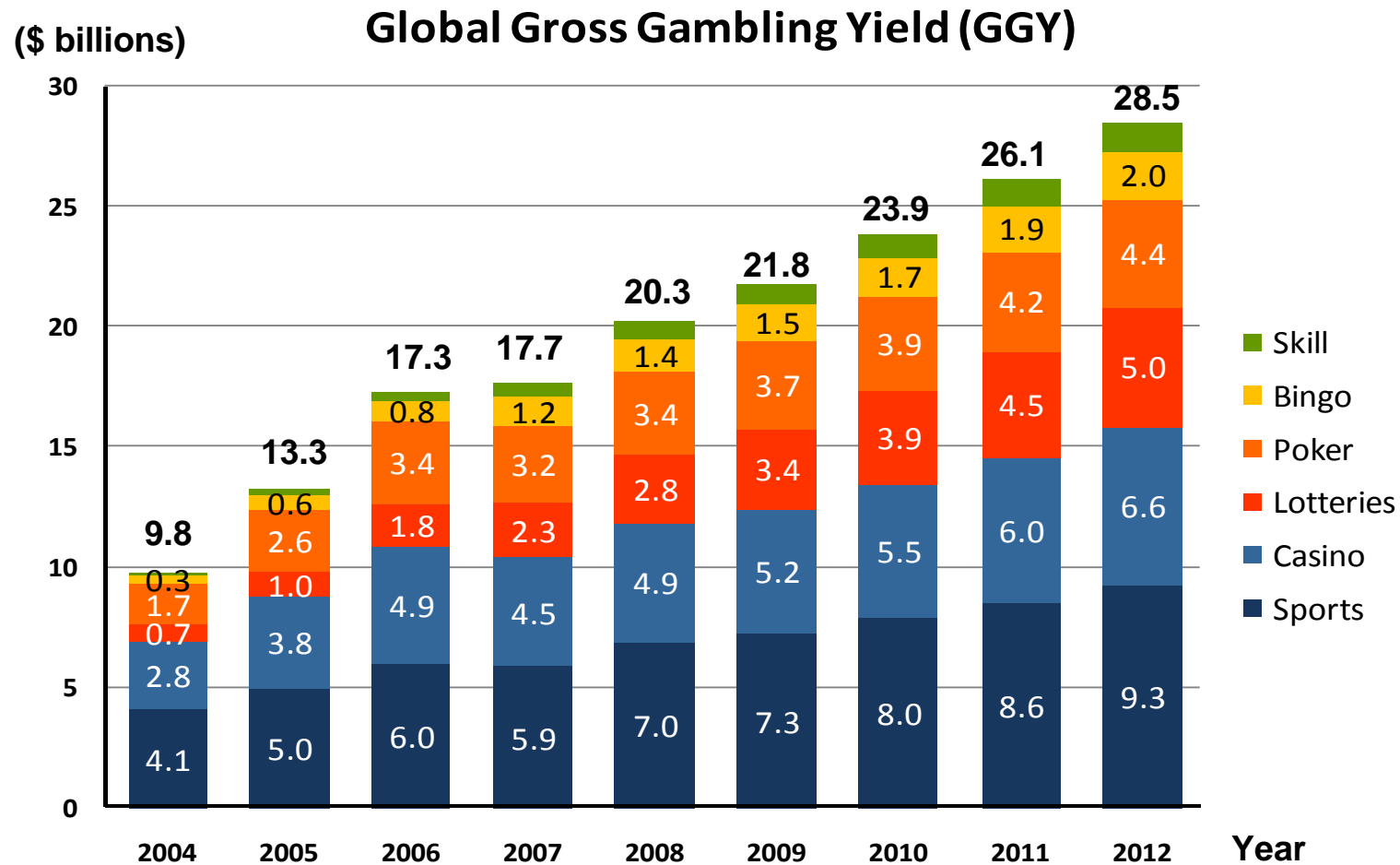
*Incremental gross sales potential

Source: GTECH Lottery Marketing Database

GTECH's US customers have significant room to drive growth, based upon execution of best practices and other factors

Global Online Gambling Is \$20 billion

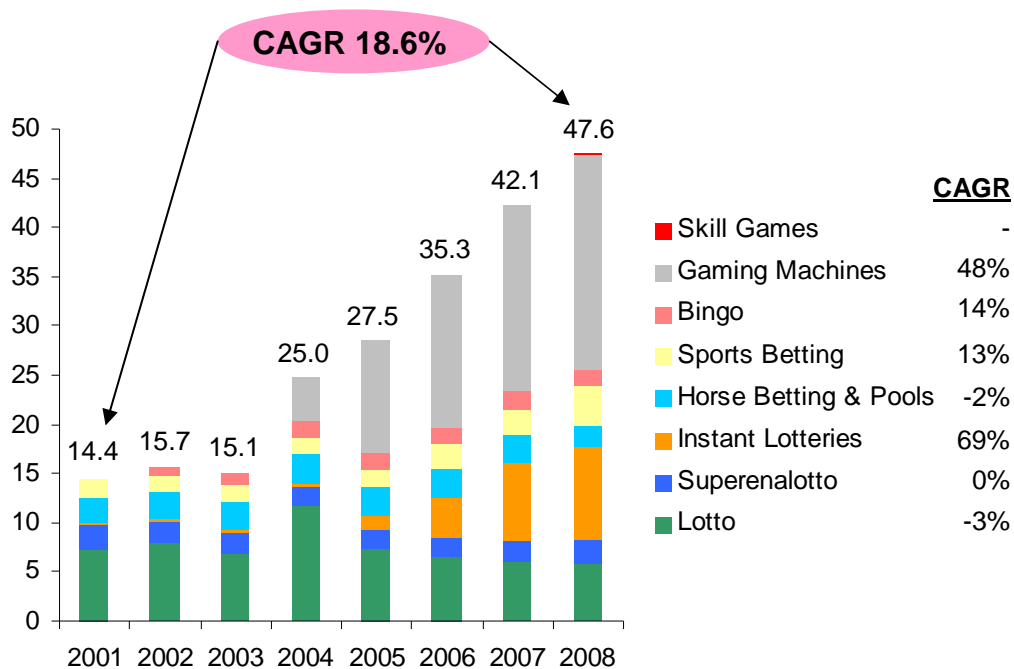
CAGR 2008-2012: 9%



Source: Interactive Gambling Report by Global Betting and Gaming Consultants (GBGC) published in March 2009
 Note: Analysis assumes that the United States market is not regulated

Growing Italian Market

2001 – 2008 Wagers Trend



Source: AAMS / Lottomatica

Key Market Drivers

Exceptional market **growth** mainly driven by **innovation** and **portfolio expansion**:

- **Gaming Machines** wagers reached €21.7B due to **legalization** process
- **Scratch and Win** continued increase in consumer **penetration**: €9.2B wagers
- **Sports Betting** grew by 30% (CAGR) in last two years
- **Numerical Lotteries** **maintained** their positions

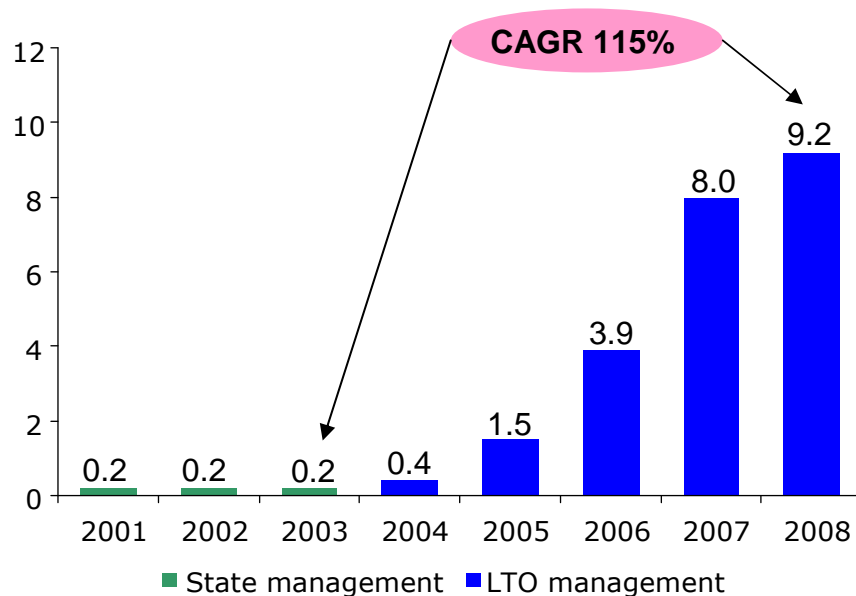
Italy – Scratch&Win and Lotto

Gratta e Vinci today is the most popular game in Italy (more than 14M consumers), and the first Instant Lottery in the world (€9.2BN wagers)

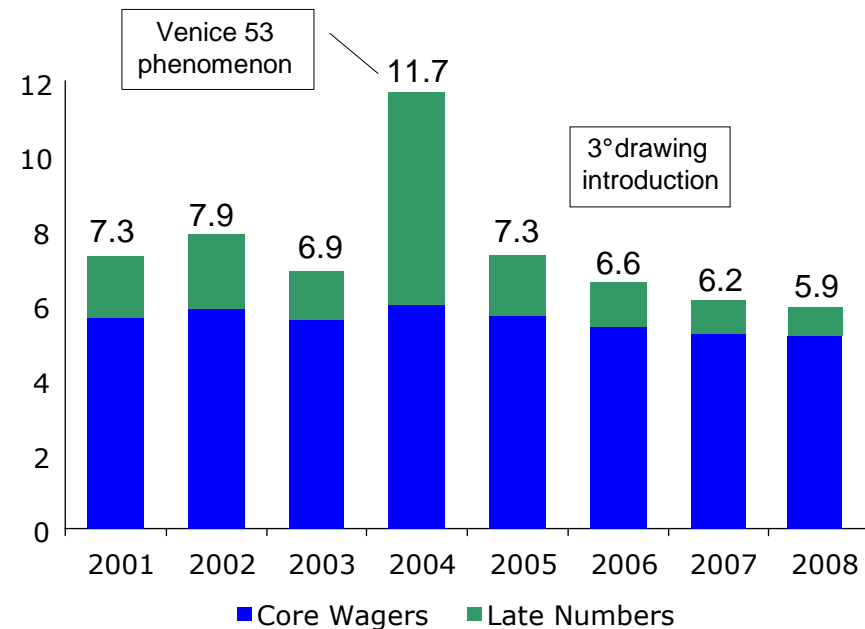
Lotto is among the top-performing Numerical Lotteries in the world, despite the strong growth of Gratta e Vinci and other emerging games

Total wagers reached €15BN in 2008

Scratch&Win Wagers

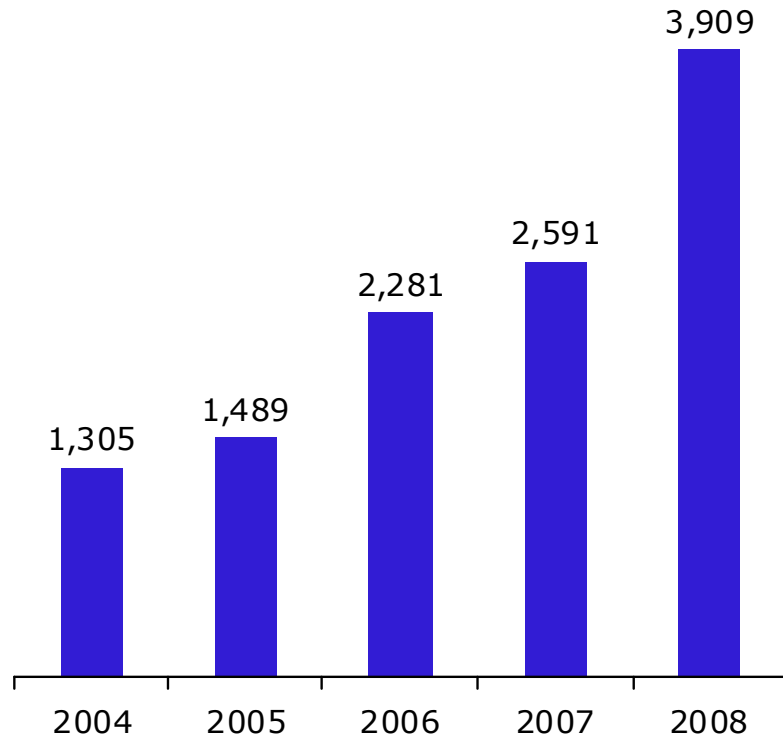


Lotto Wagers



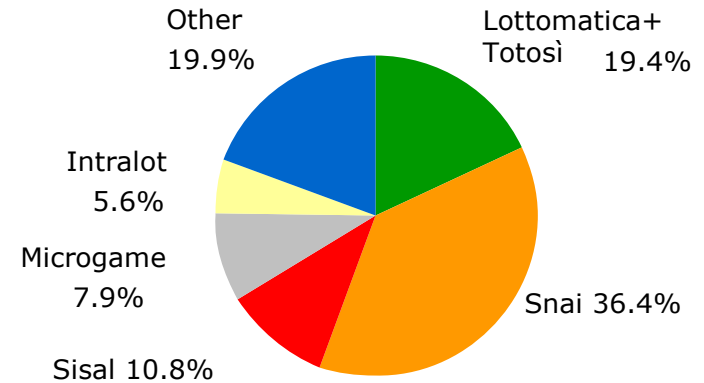
Italy - Sports Betting

Sports Betting Market Size (€ M)

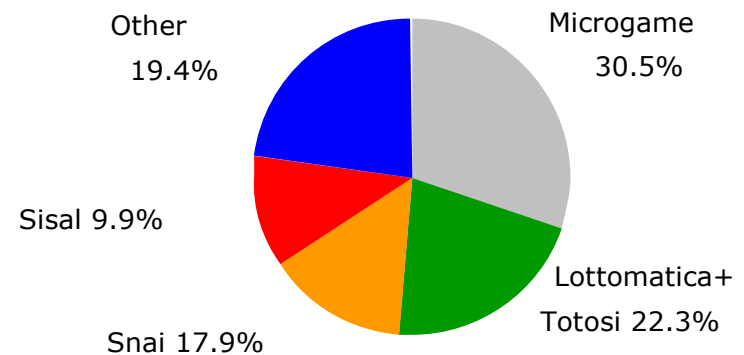


Source: AAMS – Italian Regulator

March 2009 – Betting Total Market

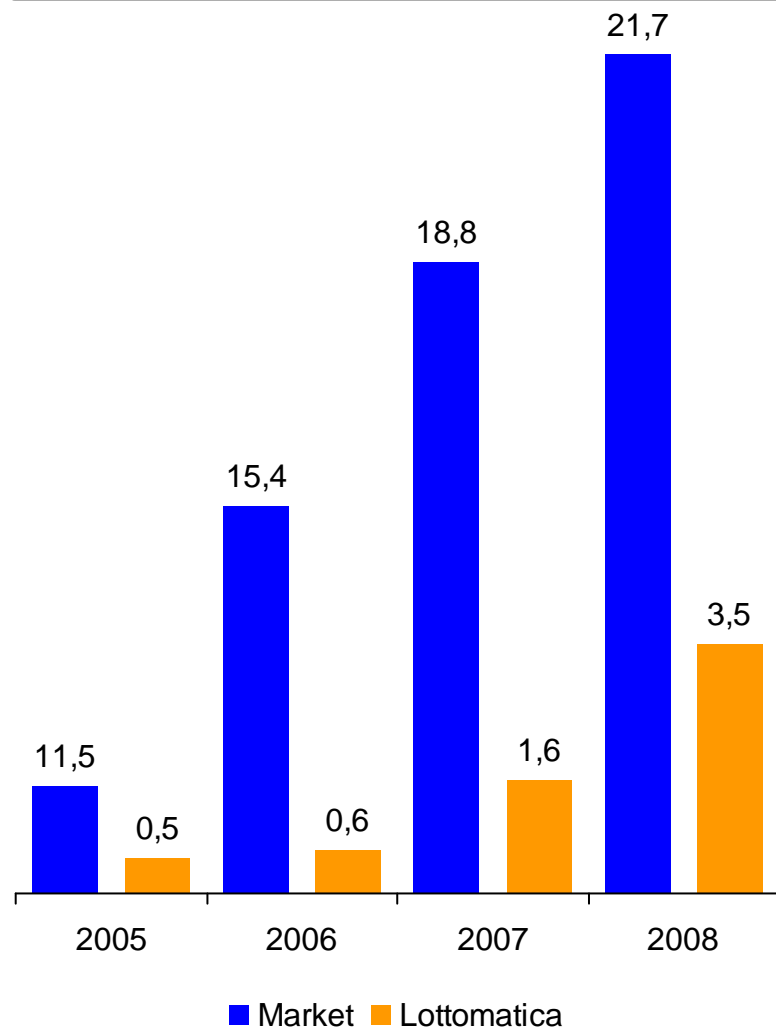


March 2009 – Online Betting

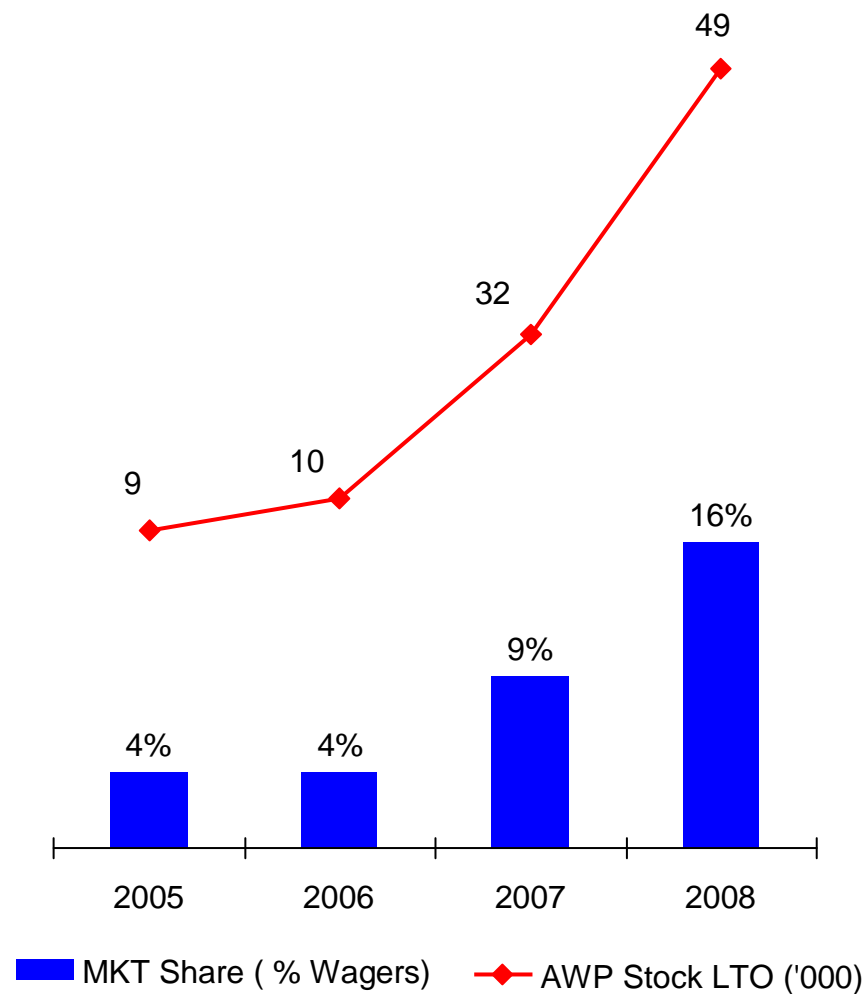


Italy – Gaming Machines

Wagers (€ BLN)



LTO Market Share and AWP's Stock

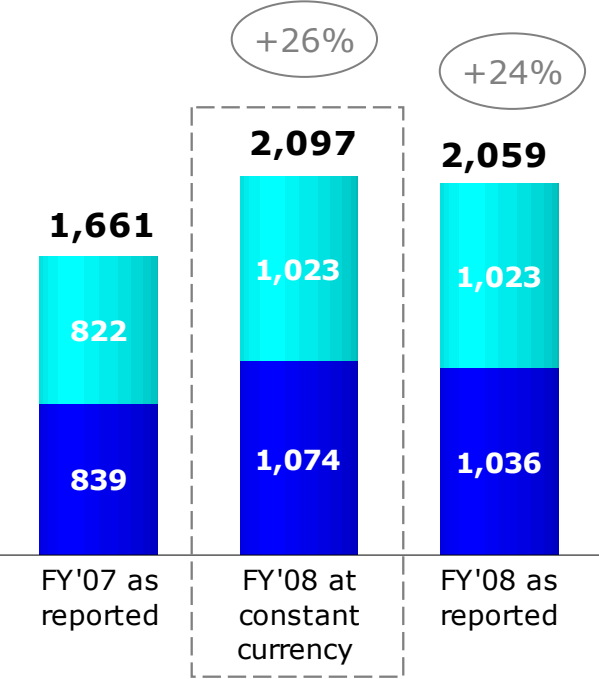




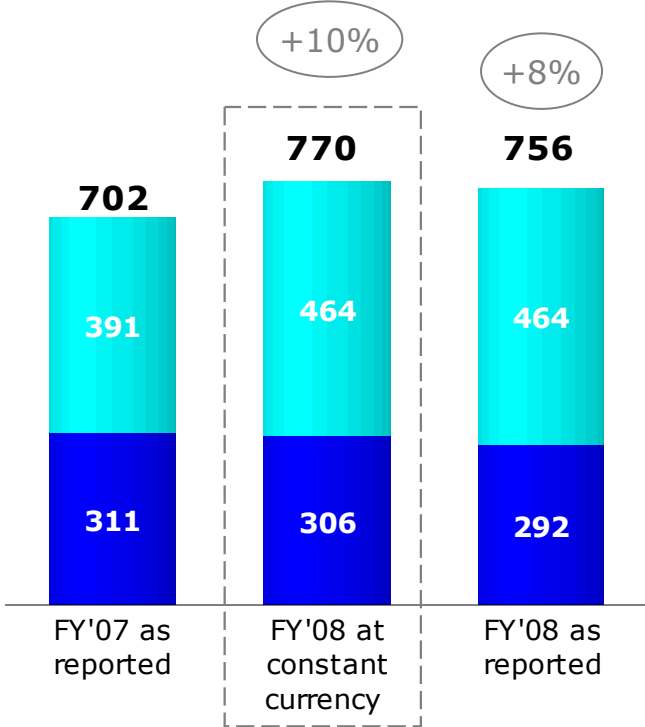
***Financials
and 2009 Guidance***

FY'08 vs FY'07 - Lottomatica Group Results

Revenues



EBITDA



Margin %	42.2%	36.7%	36.7%
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Note: \$/€ FX average: 1.38 in FY'07; 1.47 in FY'08

Figures in €M

2009 Guidance - Key Assumptions

Lottery

Italy: Overall low single-digit growth driven by S&W

US: Positive trend in second semester

International: single-digit growth

Sports Betting

Maintain market share in Italy and invest for growth

Gaming Solutions

Grow presence in Italy through additional investments

Continue optimizing operations outside Italy

Interactive

Complete integration and expansion of product portfolio

Foreign Exchange

€1.00 = \$1.30

CAPEX

Current rebids, including New York timing change, drive Maintenance Capex to 9-10% of revenues.

Growth Capex (6-7% of revenues) targeted to opportunities in Sports Betting and Gaming Solutions in Italy.

2009 Guidance

	<u>2008</u>	<u>2009</u>
Revenues	2,059	2,150 - 2,250
EBITDA	756	780 - 800
Diluted EPS (in €)	0.62	.78 - .90
Capital Expenditures	243 ⁽¹⁾	360 - 380
Net Financial Position	2,714	2,750 - 2,850
USD/Euro Rate	\$1.47/€1	\$1.30/€1

⁽¹⁾ Excludes acquisitions

€ Millions, except EPS and FX amounts

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