



**PRESS RELEASE**

**LOTTOMATICA GROUP ANNOUNCES  
2012 SECOND-QUARTER RESULTS**

**Consolidated Financial Highlights**

- **Second-Quarter Revenues and EBITDA up 6%**
  - **GTECH same store revenues up 7%**
  - **2% EBITDA growth in Italy despite economic environment**
- **Group net income grew 38% to €63.8 million; NFP at €2.70 billion**
- **Group confirms guidance**

**Lottomatica Group 2012 Second-Quarter and First-Half Results Comparison**

| <b>Consolidated Income Statement (€/M)</b> | <b>2Q 2012</b> | <b>2Q 2011</b> | <b>% chg</b> | <b>First-Half 2012</b> | <b>First-Half 2011</b> | <b>% chg</b> |
|--|----------------|----------------|--------------|------------------------|------------------------|--------------|
| Revenues                                   | 742.7          | 702.6          | 5.7          | 1,523.0                | 1,404.7                | 8.4          |
| EBITDA                                     | 259.7          | 245.4          | 5.8          | 540.0                  | 501.3                  | 7.7          |
| Operating Income                           | 153.0          | 140.0          | 9.3          | 322.6                  | 292.7                  | 10.2         |
| Net Income Attributable to Parent          | 63.8           | 46.2           | 38.3         | 121.5                  | 68.1                   | 78.4         |
| Diluted Earnings Per Share                 | 0.37           | 0.27           | 37.0         | 0.70                   | 0.40                   | 75.0         |

EBITDA is principally comprised of operating income plus depreciation, amortization, and impairment. EBITDA is considered an alternative performance measure that is not a defined measure under International Financial Reporting Standards ("IFRS") and may not take into account the recognition, measurement and presentation requirements associated with IFRS. We believe that EBITDA assists in explaining trends in our operating performance, provides useful information about our ability to incur and service indebtedness and is a commonly used measure of performance by securities analysts and investors in the gaming industry. EBITDA should not be considered as an alternative to operating income as an indicator of our performance or to cash flows as a measure of our liquidity. As we define it, EBITDA may not be comparable to other similarly titled measures used by other companies.

ROME (ITALY) – PROVIDENCE, RHODE ISLAND (US), July 26, 2012 – Lottomatica Group S.p.A.'s Board of Directors, chaired by Mr. Lorenzo Pellicoli, today examined both the second-quarter and six-month consolidated results, and approved the financial statements for the first six months of 2012 which ended June 30, 2012.

*"Lottomatica Group had a good quarter," said Marco Sala, CEO of Lottomatica Group. "The results underscore the resiliency and sustainability of our business. Our diversified product offerings and the wide-ranging geographies we serve have supported the Group well in the face of economic uncertainties in some of the jurisdictions in which we operate. Notably, the potential for additional private manager opportunities is very encouraging. Through the half year, we are delivering on our commitments and are confident that we will achieve our full-year guidance."*

*"The underlying operating cash generation for the Group was good," said Alberto Fornaro, CFO of Lottomatica Group. "Strong cash flow provided the capacity to fund payments for dividends, minorities, and income taxes in the quarter. Net income attributable to the parent in the second quarter grew by 38% when compared to the prior year."*

## **Second-Quarter Consolidated Results**

For the second quarter ended June 30, 2012, **Revenues** totaled €742.7 million, compared to €702.6 million in the second quarter of 2011, up 5.7%. Revenue growth was driven by business performance outside of Italy and favorable foreign exchange rates. On a constant currency basis, revenues for the second quarter of 2012 grew approximately €11.5 million, or approximately 2%, compared to the same period last year.

**EBITDA** increased 5.8% in the second quarter of 2012 to €259.7 million versus €245.4 million in the same period last year, driven by positive performance of all business segments, led by GTECH Lottery. At constant currency, EBITDA grew approximately €6.3 million, or approximately 3%, compared to the second quarter of 2011.

**Operating Income** was €153.0 million in the second quarter, compared to €140.0 million in the second quarter of last year, up 9.3%.

**Net Income attributable to the parent** was €63.8 million in the second quarter of 2012 versus €46.2 million in the same period last year.

**Diluted Earnings-Per-Share (EPS)** was €0.37, up from €0.27 in the second quarter of last year.

At June 30, 2012, Consolidated Shareholders' Equity totaled €2.66 billion. Lottomatica Group had a **Net Financial Position (NFP)** of €2.70 billion, compared to €2.74 billion as of December 31, 2011.

### **Second-Quarter Revenues by Segment Comparison**

| <b>Group Revenues (€/M)</b> | <b>2Q 2012</b> | <b>2Q 2011</b> | <b>Change</b> | <b>% chg</b> |
|-----------------------------|----------------|----------------|---------------|--------------|
| Italian Operations          | 444.7          | 451.9          | (7.2)         | (1.6)        |
| GTECH Lottery               | 238.3          | 192.2          | 46.1          | 24.0         |
| SPIELO International        | 71.9           | 65.0           | 6.9           | 10.7         |
| Eliminations/Other          | (12.2)         | (6.5)          | (5.7)         | --           |
| <b>Total</b>                | <b>742.7</b>   | <b>702.6</b>   | <b>40.1</b>   | <b>5.7</b>   |

### **Italian Operations**

Total revenues from Italian operations were approximately €444.7 million, compared to €451.9 million in the second quarter of 2011. The 1.6% decrease is the result of lower instant-ticket sales, lower late number lotto wagers, and higher sports betting payouts, which were partially offset by higher interactive revenues and machine gaming wagers.

Machine gaming wagers grew 12.5% in the second quarter to €2.99 billion from €2.65 billion in the same period last year, driven by a 19.7% increase in Video Lottery Terminal (VLT) wagers to €1.88 billion, including replayed credits. Revenues from machine gaming increased to €162.2 million from €160.8 million in the second quarter of 2011. Second quarter machine gaming revenues are net of the 4% gaming tax on VLTs, up from 2% last year. At June 30, 2012, approximately 63,700 AWP machines and 10,000 VLTs were installed.

Lotto wagers for the quarter were €1.55 billion compared to €1.61 billion last year. In the second quarter of 2011, a higher incidence of late numbers occurred which did not recur in the second quarter of 2012.

Instant-ticket wagers were approximately €2.43 billion in the quarter, compared to €2.64 billion in the same period last year. Approximately 534 million Scratch & Win tickets were sold in the quarter, with an average price point of €4.56.

Wagers from sports betting in Italy increased to €209.1 million in the second quarter from €207.9 million last year.

Interactive wagers totaled €572.4 million, up over 400% versus €107.6 million in the second quarter of 2011. The increase was principally driven by the launch of new games including Poker Cash and Casino games in July 2011.

### **GTECH Lottery**

Total GTECH Lottery revenue for the second quarter of 2012 was up 24.0% to €238.3 million compared to €192.2 million last year. On a constant currency basis, revenues grew by 10.9%. GTECH Lottery U.S. same store service revenue grew approximately 7% in the second quarter of 2012 versus the same period last year. GTECH benefited from strong performance in California, Illinois, and Texas where instant-ticket sales grew by 32%, 24%, and 9%, respectively. International Lottery same store service revenue also grew approximately 7% compared to the second quarter of last year due to solid performance in Poland and Colombia as well as the positive sales impact from GTECH's customer in the Czech Republic, following its bankruptcy last year.

GTECH also benefited from compensation for Northstar's management services in Illinois and favorable foreign exchange.

During the quarter, GTECH secured a lottery operator contract in Costa Rica, as well as announced and/or signed contract extensions with customers in Oregon, Finland, and Ireland.

### **SPIELO International**

Second-quarter revenues for SPIELO International were up 10.7% to €71.9 million when compared to the same period last year, primarily due to higher service revenue from VLTs in Italy as well as favorable foreign exchange.

SPIELO International continued working with Canadian lottery customers to finalize VLT and central systems replacement agreements, including an agreement to provide 1,700 VLTs to the Atlantic Lottery Corporation. SPIELO International now provides gaming equipment and services to four gaming machine concessionaires in Italy, including Lottomatica.

### **First-Half Consolidated Results**

For the first half of 2012, **Revenues** increased across all business segments. Revenues totaled €1.52 billion, compared to €1.40 billion in the first half of 2011, up 8.4%.

| (€/M)            | First-Half 2012 | First-Half 2011 | Change       | % chg      |
|------------------|-----------------|-----------------|--------------|------------|
| Service Revenues | 1,435.2         | 1,339.2         | 96.0         | 7.2        |
| Product Sales    | 87.8            | 65.5            | 22.3         | 34.1       |
| <b>Total</b>     | <b>1,523.0</b>  | <b>1,404.7</b>  | <b>118.3</b> | <b>8.4</b> |

**EBITDA** was €540.0 million in the first half of 2012, up 7.7% compared to €501.3 million in the same period last year. The increase in EBITDA was primarily driven by higher revenues and profits from machine gaming in Italy, GTECH Lottery same store sales, and favorable foreign exchange rates.

**Operating Income** was €322.6 million in the first half, compared to €292.7 million in the same period last year, up 10.2%.

**Net income attributable to the parent** was €121.5 million, compared to €68.1 million in the same period last year.

**Diluted Earnings-Per-Share (EPS)** was €0.70, up from €0.40 in the first half of last year.

**Cash from Operations** was €428.1 million in the first half of 2012, compared to €420.4 million in the same period last year. Reported Net Cash Flows from Operating Activities was €378.8 million due to an accounting adjustment required by a change in the Italian banking law.

**Capital Expenditures** were €101.5 million, down from €207.4 million in the first half of 2011.

#### **First-Half Revenues by Segment Comparison**

| <b>Group Revenues (€/M)</b> | <b>First-Half 2012</b> | <b>First-Half 2011</b> | <b>Change</b> | <b>% chg</b> |
|-----------------------------|------------------------|------------------------|---------------|--------------|
| Italian Operations          | 926.4                  | 911.8                  | 14.6          | 1.6          |
| GTECH Lottery               | 475.8                  | 381.8                  | 94.0          | 24.6         |
| SPIELO International        | 141.1                  | 132.8                  | 8.3           | 6.3          |
| Eliminations/Other          | (20.3)                 | (21.7)                 | 1.4           | --           |
| <b>Total</b>                | <b>1,523.0</b>         | <b>1,404.7</b>         | <b>118.3</b>  | <b>8.4</b>   |

#### **Italian Operations**

Total revenues from Italian operations were €926.4 million versus €911.8 million in the first half of 2011, up 1.6%.

Machine gaming wagers grew 23.2% in the first six months of 2012 to €6.15 billion from €4.99 billion in the same period last year. Revenues from machine gaming were up 11.6% to €331.5 million, compared to €297.1 million in the first half of 2011.

Lotto wagers for the first half of 2012 were €3.13 billion compared to €3.36 billion last year. The lower contribution of late numbers and core lotto in the first half of 2012 versus last year was partially offset by the positive performance of *10eLotto*.

Instant-ticket wagers were approximately €5.05 billion in the first six months of 2012, compared to €5.37 billion in the same period last year.

Wagers from sports betting in Italy, including pool games, totaled €459.4 million compared to €504.5 million in the first half of 2011.

Wagers from the Interactive segment totaled €1.16 billion, up from €225.0 million in the first half of last year.

#### **GTECH Lottery**

Total GTECH lottery revenues for the first half of 2012 grew 24.6% over the same period last year to €475.8 million. On a constant currency basis, revenues grew by 15.8%. Same store revenue was up approximately 10% year-over-year, driven by record first quarter jackpot activity in the U.S., as well as increased instant-ticket sales in California, Illinois and Texas, among other states. The continued recovery of GTECH's customer in the Czech Republic also contributed favorably to same store revenue growth. In addition, revenues were positively impacted by compensation for Northstar's management services in Illinois and favorable foreign exchange.

#### **SPIELO International**

Compared to the first six months of 2011, SPIELO International revenue for the first half of 2012 increased 6.3% to €141.1 million due to higher third-party product sales in Italy, particularly in the AWP segment, higher service revenue from Italian VLTs and public gaming in the U.S., as well as favorable foreign exchange rates. This increase was partially offset by lower intercompany VLT product sales to Lottomatica.

## Other Information

Lottomatica Group's Board of Directors implemented the 2012–2018 Stock Option Plan and the 2012–2016 Stock Allocation Plan, both approved by the Ordinary Shareholders' Meeting on May 9, 2012. The Board approved the terms and conditions of the Plans, assigned Options and Shares, and resolved – in accordance with the authorization granted by the Extraordinary Shareholders' Meeting on April 28, 2011 – to increase the stock capital up to a nominal amount of €1,768,483 serving the 2012–2018 Stock Option Plan, with an exercise price of the Options determined at €15.25. The documentation required by the relevant provisions in connection with the above resolutions may be found on the Group's website at [www.lottomaticagroup.com](http://www.lottomaticagroup.com) (section: Governance – Documents and Reports – Ongoing Stock-Based Compensation Plans).

Related press releases: May 9, 2012; March 8, 2012; and February 14, 2012

### **Declaration**

*The manager responsible for preparing Lottomatica Group's financial reports, Alberto Fornaro, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books, and accounting records.*

*Lottomatica Group is a market leader in the Italian gaming industry and one of the largest Lottery operators in the world based on total wagers and, through its subsidiary GTECH Corporation, is a leading provider of lottery and gaming technology solutions worldwide. Together, the companies are the only vertically integrated full service lottery group. Lottomatica Group is majority owned by De Agostini, which belongs to a century-old publishing and media services group. Lottomatica is listed on the Stock Exchange of Milan under the trading symbol "LTO". In 2011, Lottomatica Group had €3.0 billion in revenues and 8,000 employees in over 60 countries.*

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*This press release and earlier ones are available on Lottomatica Group and GTECH websites:  
[www.lottomaticagroup.com](http://www.lottomaticagroup.com) - [www.gtech.com](http://www.gtech.com)*

**LOTTOMATICA GROUP AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED INCOME STATEMENTS**

|  | For the three months ended<br>June 30 |                      |
|--|---------------------------------------|----------------------|
|  | 2012                                  | 2011                 |
|  | <i>Unaudited</i>                      |                      |
| <i>(thousands of euros)</i>  |                                       |                      |
| Service revenue  | 697,392                               | 663,772              |
| Product sales  | 45,340                                | 38,863               |
| <b>Total revenue</b>   | <b>742,732</b>                        | <b>702,635</b>       |
| Raw materials, services and other costs                            | 374,756                               | 368,977              |
| Personnel  | 134,270                               | 113,135              |
| Depreciation   | 61,503                                | 59,137               |
| Amortization   | 44,514                                | 45,204               |
| Impairment recovery  | -                                     | (274)                |
| Capitalization of internal construction costs - labor and overhead | (25,320)                              | (23,585)             |
| <b>Total costs</b>   | <b>589,723</b>                        | <b>562,594</b>       |
| <b>Operating income</b>  | <b>153,009</b>                        | <b>140,041</b>       |
| Interest income  | 701                                   | 542                  |
| Equity income  | 140                                   | -                    |
| Other income   | 2,354                                 | 630                  |
| Other expense  | (3,998)                               | (3,440)              |
| Foreign exchange gain, net   | 7,466                                 | 2,748                |
| Interest expense   | (39,311)                              | (41,980)             |
|  | <u>(32,648)</u>                       | <u>(41,500)</u>      |
| <b>Income before income tax expense</b>                            | <b>120,361</b>                        | <b>98,541</b>        |
| Income tax expense   | 50,913                                | 43,840               |
| <b>Net income</b>  | <b><u>69,448</u></b>                  | <b><u>54,701</u></b> |
| Attributable to:   |                                       |                      |
| Owners of the parent   | 63,838                                | 46,168               |
| Non-controlling interests  | 5,610                                 | 8,533                |
|  | <u>69,448</u>                         | <u>54,701</u>        |
| <b>Earnings per share/ADRs</b>                                     |                                       |                      |
| Basic - net income attributable to owners of the parent            | € 0.37                                | € 0.27               |
| Diluted - net income attributable to owners of the parent          | € 0.37                                | € 0.27               |

**LOTTOMATICA GROUP AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED INCOME STATEMENTS**

|  | For the six months ended<br>June 30 |                  |
|--|-------------------------------------|------------------|
|  | 2012                                | 2011             |
|  | <i>Unaudited</i>                    |                  |
| <i>(thousands of euros)</i>  |                                     |                  |
| Service revenue  | 1,435,191                           | 1,339,240        |
| Product sales  | 87,803                              | 65,469           |
| <b>Total revenue</b>   | <b>1,522,994</b>                    | <b>1,404,709</b> |
| Raw materials, services and other costs                            | 769,088                             | 719,503          |
| Personnel  | 263,713                             | 230,696          |
| Depreciation   | 120,306                             | 116,560          |
| Amortization   | 91,710                              | 89,508           |
| Impairment recovery  | -                                   | (274)            |
| Capitalization of internal construction costs - labor and overhead | (44,375)                            | (43,992)         |
| <b>Total costs</b>   | <b>1,200,442</b>                    | <b>1,112,001</b> |
| <b>Operating income</b>  | <b>322,552</b>                      | <b>292,708</b>   |
| Interest income  | 1,460                               | 1,003            |
| Equity income (loss)   | 139                                 | (53)             |
| Other income   | 2,410                               | 797              |
| Other expense  | (5,911)                             | (6,273)          |
| Foreign exchange gain (loss), net                                  | 2,485                               | (31,745)         |
| Interest expense   | (78,923)                            | (83,717)         |
|  | <u>(78,340)</u>                     | <u>(119,988)</u> |
| <b>Income before income tax expense</b>                            | <b>244,212</b>                      | <b>172,720</b>   |
| Income tax expense   | 103,302                             | 82,042           |
| <b>Net income</b>  | <b>140,910</b>                      | <b>90,678</b>    |
| Attributable to:   |                                     |                  |
| Owners of the parent   | 121,463                             | 68,077           |
| Non-controlling interests  | 19,447                              | 22,601           |
|  | <u>140,910</u>                      | <u>90,678</u>    |
| <b>Earnings per share/ADRs</b>                                     |                                     |                  |
| Basic - net income attributable to owners of the parent            | € 0.71                              | € 0.40           |
| Diluted - net income attributable to owners of the parent          | € 0.70                              | € 0.40           |

**LOTTOMATICA GROUP AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

|   | June 30,<br>2012 | December 31,<br>2011 |
|---|------------------|----------------------|
|   | <u>Unaudited</u> | <u>Audited</u>       |
| <i>(thousands of euros)</i>                                   |                  |                      |
| <b>ASSETS</b>   |                  |                      |
| <b>Non-current assets</b>                                     |                  |                      |
| Systems, equipment and other assets related to contracts, net | 980,854          | 988,733              |
| Property, plant and equipment, net                            | 90,722           | 90,792               |
| Goodwill  | 3,300,221        | 3,232,814            |
| Intangible assets, net  | 1,439,592        | 1,512,251            |
| Investments in associates                                     | 35               | 33                   |
| Other non-current assets                                      | 30,135           | 28,162               |
| Non-current financial assets                                  | 18,733           | 14,968               |
| Deferred income taxes   | 10,698           | 10,499               |
| <b>Total non-current assets</b>                               | <u>5,870,990</u> | <u>5,878,252</u>     |
| <b>Current assets</b>   |                  |                      |
| Inventories   | 185,676          | 145,578              |
| Trade and other receivables, net                              | 775,522          | 669,759              |
| Other current assets  | 125,257          | 93,056               |
| Current financial assets                                      | 9,562            | 16,458               |
| Income taxes receivable                                       | 34,319           | 13,098               |
| Cash and cash equivalents                                     | 110,750          | 190,675              |
| <b>Total current assets</b>                                   | <u>1,241,086</u> | <u>1,128,624</u>     |
| <b>TOTAL ASSETS</b>   | <u>7,112,076</u> | <u>7,006,876</u>     |
| <b>EQUITY AND LIABILITIES</b>                                 |                  |                      |
| <b>Equity attributable to owners of the parent</b>            |                  |                      |
| Issued capital  | 172,360          | 172,141              |
| Share premium   | 1,702,688        | 1,702,688            |
| Retained earnings   | 123,152          | 118,726              |
| Other reserves  | 286,538          | 193,531              |
|   | <u>2,284,738</u> | <u>2,187,086</u>     |
| <b>Non-controlling interests</b>                              | <u>372,623</u>   | <u>422,069</u>       |
| <b>Total equity</b>   | <u>2,657,361</u> | <u>2,609,155</u>     |
| <b>Non-current liabilities</b>                                |                  |                      |
| Long-term debt, less current portion                          | 2,590,877        | 2,613,282            |
| Deferred income taxes   | 168,413          | 147,676              |
| Long-term provisions  | 42,495           | 40,798               |
| Other non-current liabilities                                 | 62,913           | 59,302               |
| Non-current financial liabilities                             | 44,830           | 43,014               |
| <b>Total non-current liabilities</b>                          | <u>2,909,528</u> | <u>2,904,072</u>     |
| <b>Current liabilities</b>                                    |                  |                      |
| Accounts payable  | 953,446          | 821,104              |
| Short-term borrowings   | 14,105           | 15,589               |
| Other current liabilities                                     | 323,861          | 327,801              |
| Current financial liabilities                                 | 23,291           | 102,743              |
| Current portion of long-term debt                             | 146,936          | 173,483              |
| Short-term provisions   | 1,295            | 2,319                |
| Income taxes payable  | 82,253           | 50,610               |
| <b>Total current liabilities</b>                              | <u>1,545,187</u> | <u>1,493,649</u>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                           | <u>7,112,076</u> | <u>7,006,876</u>     |

**LOTTOMATICA GROUP AND SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

|   | For the six months ended<br>June 30 |                       |
|---|-------------------------------------|-----------------------|
|   | 2012                                | 2011                  |
|   | <i>Unaudited</i>                    |                       |
| <i>(thousands of euros)</i>   |                                     |                       |
| <b>Cash flows from operating activities</b>                           |                                     |                       |
| Income before income tax expense                                      | 244,212                             | 172,720               |
| Adjustments for:  |                                     |                       |
| Depreciation  | 120,306                             | 116,560               |
| Intangibles amortization  | 91,756                              | 89,508                |
| Interest expense  | 78,923                              | 83,717                |
| Share-based payment expense   | 6,375                               | 287                   |
| Provisions  | 4,661                               | (464)                 |
| Non-cash loss on interest rate swaps                                  | 255                                 | 2,364                 |
| Interest income   | (1,460)                             | (1,003)               |
| Non-cash foreign exchange (gain) loss, net                            | (3,060)                             | 32,780                |
| Impairment recovery   | -                                   | (274)                 |
| Other non-cash items  | 3,455                               | 859                   |
| Cash foreign exchange (gain) loss, net                                | 575                                 | (1,035)               |
| Income tax paid   | (78,271)                            | (11,725)              |
| <b>Cash flows before changes in operating assets and liabilities</b>  | <u>467,727</u>                      | <u>484,294</u>        |
| Changes in operating assets and liabilities:                          |                                     |                       |
| Inventories   | (36,349)                            | (24,184)              |
| Trade and other receivables   | (100,509)                           | 29,565                |
| Other current assets  | (19,450)                            | (4,059)               |
| Accounts payable  | 70,123                              | (85,044)              |
| Deferred revenue  | 15,187                              | (238)                 |
| Advance payments from customers                                       | 11,003                              | 15,572                |
| Accrued expenses  | 5,248                               | 11,089                |
| Employee compensation   | (21,156)                            | (10,183)              |
| Other assets and liabilities  | (13,063)                            | 3,603                 |
| <b>Net cash flows from operating activities</b>                       | <u>378,761</u>                      | <u>420,415</u>        |
| <b>Cash flows from investing activities</b>                           |                                     |                       |
| Purchases of systems, equipment and other assets related to contracts | (91,481)                            | (193,514)             |
| Purchases of property, plant and equipment                            | (4,916)                             | (3,984)               |
| Purchases of intangible assets  | (4,424)                             | (5,075)               |
| Interest received   | 1,413                               | 1,002                 |
| Realized gain (loss) on net investment hedge                          | 2,736                               | (7,631)               |
| Cash proceeds related to impairment recovery                          | 4,455                               | -                     |
| Italian operations contingent consideration                           | -                                   | (2,866)               |
| Other   | 1,263                               | (837)                 |
| <b>Net cash flows used in investing activities</b>                    | <u>(90,954)</u>                     | <u>(212,905)</u>      |
| <b>Cash flows from financing activities</b>                           |                                     |                       |
| Dividends paid  | (122,220)                           | -                     |
| Interest paid   | (119,762)                           | (93,358)              |
| Principal payments on long-term debt                                  | (42,221)                            | (566)                 |
| Return of capital - non-controlling interest                          | (34,562)                            | (8,000)               |
| Dividends paid - non-controlling interest                             | (30,076)                            | (38,420)              |
| Cash paid on interest rate swaps                                      | (15,901)                            | (16,465)              |
| Net proceeds from (repayments of) short-term borrowings               | (1,626)                             | 29,144                |
| Proceeds from issuance of long-term debt                              | 632                                 | 63,389                |
| Capital increase - Northstar Lottery Group, LLC                       | -                                   | 7,038                 |
| Treasury shares purchased   | -                                   | (2,940)               |
| Other   | (2,328)                             | (4,676)               |
| <b>Net cash flows used in financing activities</b>                    | <u>(368,064)</u>                    | <u>(64,854)</u>       |
| Net increase (decrease) in cash and cash equivalents                  | (80,257)                            | 142,656               |
| Effect of exchange rate changes on cash                               | 332                                 | (1,168)               |
| Cash and cash equivalents at the beginning of the period              | <u>190,675</u>                      | <u>152,405</u>        |
| <b>Cash and cash equivalents at the end of the period</b>             | <u><u>110,750</u></u>               | <u><u>293,893</u></u> |