INTRALOT Group

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
31 DECEMBER 2011
IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

CONTENTS OF ANNUAL FINANCIAL REPORT

Representation of the Members of the Board of Directors
(according to article 4 par. 2 of L.3556/2007)

The

1. Sokratis P. Kokkalis, Chairman of the Board of Directors
2. Con/nos G. Antonopoulos, Vice - Chairman of the Board of Directors and CEO
3. Sotirios N. Filos , Member of the Board of Directors

CERTIFY THAT

As far as we know:

a. The enclosed financial statements of the company "INTRALOT S.A" for the period 1st January 2011 to 31st December 2011, drawn up in accordance with the applicable accounting standards, reflect in true manner the assets and liabilities, equity and results of the Company and the companies included in the consolidated financial statements taken as a total.

b. The attached Board of Directors' annual report truly presents the course, the performance and the position of the Company and the companies included in the consolidated financial statements taken as a total, including the description of the most important risks and uncertainties they are facing.

c. The attached Financial Statements are those approved by the Board of Directors of "INTRALOT S.A." at 29th March 2011 and have been published to the electronic address www.intralot.com.

Maroussi, 29th March 2011

The designees

S. P. Kokkalis	C. G. Antonopoulos	Sotirios N. Filos
Chairman of the Board of Directors	Vice - Chairman of the Board of Directors and CEO	Member of the Board

REPORT OF THE BOARD OF DIRECTORS-INTRALOT GROUP TO THE ANNUAL GENERAL ASEMBLY OF THE SHAREHOLDERS FOR THE FISCAL YEAR 01/01/2011-31/12/2011

Dear Shareholders,

INTRALOT in 2011 was awarded two important contracts for the provision of Video Lottery (VLTs) electronic monitoring systems in jurisdictions where it already has established operations, reinforcing its existing position: in the state of Victoria in Australia for the connection of up to 27,500 VLTs and in the state of Ohio in U.S.A for the connection of up to 17,500 VLTs in seven racetracks. Furthermore, the Company extended its existing contracts with OPAP S.A in Greece, with the state lotteries of Ohio and Idaho in U.S.A and with the state lottery in Croatia. Moreover, in Jamaica it extended for 10 additional years the lottery gaming license of its subsidiary, Supreme Ventures Limited, until 2026. In Czech Republic the Company agreed to provide the technical support of the betting company Fortuna for a number of numerical games and instant tickets, and in Peru it received the first license for a video lottery (VLTs) electronic monitoring and management system and it also announced its partnership with the Jockey Club for the development of pari-mutuel horseracing betting.

Regarding the Group's financial results in 2011, revenues increased by 7.8% to €1,202.4 mil. from €1,115.7 mil. in 2010. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) slightly increased by 0.7%, reaching €153.8 mil. from €152.7 in 2010. Earnings after taxes and after minorities decreased by 51.7%, to €17.7 mil. from €36.6 mil. in 2010, negatively affected mainly from exchange differences (€-0.6 mil. in 2011 from +€11.1 mil. in 2010) and €5.8 mil. increased depreciation in 2011. The increase of revenues and the stabilization of the EBITDA of the Group are satisfactory. Concerning Parent company results, revenues were €131.7 mil. in 2011, while net income after taxes reached €1.6 mil. The Group's return on equity in 2011 was shaped at 9.48%.

In the gaming sector, the weak economic environment and the budget deficits of many countries may affect the turnover of the games, but they also push forward significant developments. In Europe, the gaming market liberalization progress is fast, with INTRALOT being interested in the German market, which is in the process of opening its sports betting games and Bulgaria, which is working on legalizing Internet betting. The Hellenic market is also of interest to the Company due to the launch of the process to award a new twelve years license for the new Instant Tickets and the Hellenic Lotteries, the introduction of VLTs and the internet gaming legalization. Moreover, the tender for the sale of a 29% stake of OPAP is expected to be announced soon and the Greek Ministry of Finance is awaiting an important interest from strong groups. In the U.S.A, the recent decision of the Department of Justice opens the way for lotteries to operate their games through the internet and for the introduction of internet poker, while the interest of the lotteries in outsourcing their operations to private companies continues, following the example of the Illinois state lottery.

Year 2011 can be described as a transitional year for INTRALOT, since at the end of 2010 a five years period of high capital expenditure (CAPEX) in many significant projects around the world was completed, making INTRALOT a leading player of the gaming sector with presence in 53 countries and a very large backlog of projects for the upcoming years. INTRALOT's strategy as per 2011 and forth is to focus on the exploitation and improvement of its very large portfolio of contracts, on a selective participation in new projects and especially on the improvement of its cash flow that will enhance the value of its shareholders.

PERFORMANCE OF OUR MAIN MARKETS

In Italy the gross profits of the sports betting increased in 2011 despite the decreased turnover, due to the improvement of the winners' payout ratio as compared to the one in 2010. The above results were achieved despite the unfavorable comparison with 2010 in which the football world cup took place and despite the introduction of VLTs and the new internet games which absorbed part of the players' disposable income. INTRALOT, the largest foreign sports betting company in Italy, outperformed the market in 2011, increasing for another year its market share in the country. Moreover, the new videolottery market in the country in which INTRALOT participates, progresses very satisfactory.

In Malta, where the subsidiary Maltco is holding the exclusive license for the operation of all games of chance, the revenues in 2011 remained at the same levels as in 2010. Moreover, Maltco won recently in the relative tender for the new gaming license in the country for the next ten years.

In Bulgaria the sports betting revenues of the Group's subsidiary Eurofootball decreased in 2011 due to the continuing financial crisis in the country and due to the intensified competition from illegal internet gaming following an increase of the gaming taxation in 2010. Recently, the Parliament of the country voted in favor of a new gambling law that will regulate the Internet gaming market and at the same time this law is expected to significantly reduce the illegal internet competition. Finally, the company will examine a possible upgrade of the central system in 2012 to improve the service to the players and also the introduction of new games such as horse and greyhound race betting which are expected to increase the sales in the country.

In Romania the sales of the videolotteries which are operated by the subsidiary Lotrom, were stabilized in 2011, while there was a sales' increase in sports betting which is supported by Lotrom as well as a sales' increase of the Romanian National Lottery CNLR whose system is also managed by Lotrom.

In Poland the revenues of the subsidiary Totolotek increased in 2011 due to the very good performance of the horse racing betting despite the fact that the sports betting sales were lower in 2011 than in 2010.

In Turkey the sports betting managed by the subsidiary Intelkek, enjoyed for one more year high growth rates in 2011 while there is still a significant growth potential for further penetration in the market.

In the U.S.A, INTRALOT's revenues increased as three new projects of the Company started in the middle of 2010 and one at the end of 2010, despite the fact that the lottery sales, in the jurisdictions where the Company operates, experienced in average a minor decrease in 2011 as compared to 2010. Moreover, INTRALOT in 2011 renewed its contracts with the Lotteries of Ohio and Idaho, while in Ohio the Company signed a new contract for a VLTs electronic monitoring and management system.

In Argentina, the subsidiary Tecno Accion is one of the leading gaming technology companies with contracts in 12 out of the 24 states in the country. The revenues of Tecno Accion were significantly increased in 2011, due to the underlying lottery sales growth.

In Peru, where INTRALOT is the leading gaming company, the lottery revenues in 2011 were considerably increased, due to the very good performance of the numerical games and the introduction of sports betting in the country.

In Jamaica, Supreme Ventures Limited (SVL), the leading gaming company in the country and in which INTRALOT owns a strategic stake, enjoyed an increase of its revenues in 2011. The company extended its lottery license in Jamaica for 10 additional years until 2026, while recently it signed a new contract for a VLTs electronic monitoring and management system.

NEW PROJECTS – INVESTMENTS

In January 2011, INTRALOT S.A. signed a new contract with Hrvatska Lutrija d.o.o, the Croatian State Lottery, following the initial one-year agreement signed in April 2009 between the two parties for the supply, maintenance and support of an Interactive Gaming System and the provision of new-generation virtual Internet games.

In April 2011, INTRALOT became the first company in Peru to receive a license to use its iGEM Gaming System by the Directorate General of Casino Games and Slot Machines of the Ministry of Tourism. The Peruvian version of INTRALOT's iGEM gaming system was the first to be certified by GLI for meeting all legal and regulatory requirements in Peru in the field of Controlling, Monitoring and Management of Gaming Machines and was thus granted the license.

In April 2011, Supreme Ventures Limited (SVL), in which INTRALOT owns a strategic stake, received an extension for 10 more years of the Lottery Gaming License it was holding in Jamaica up to 2016. The Betting, Gaming and Lotteries Commission (BGLC) of the country extended the company's license to continue to operate its large portfolio of lottery games until 2026.

In June 2011, INTRALOT, after an initial record-setting two-year operations contract with the Ohio Lottery, awarded the first of four available two-year extensions, which is the maximum period allowed by law in Ohio. The seven-member Controlling Board for the State of Ohio voted unanimously to award the extension to INTRALOT.

In July 2011, INTRALOT launched operations in the Czech Republic, implementing its cooperation with FORTUNA sázková kancelář, a.s., a subsidiary of Fortuna Entertainment Group N.V., ("Fortuna"), a leading operator of fixed-odds betting, with outlets across Central and Eastern Europe. INTRALOT supplied Fortuna with the central system and intends to provide up to 3,500 lottery terminals for the operation of lottery games (numerical, fast and instant games). The launch took place with a network of more than 700 terminals that were already in operation, while the duration of the contract is ten (10) years.

In August 2011, INTRALOT announced the one-year extension of the contract with OPAP S.A. regarding the operation and maintenance of the existing central system and the network of terminals, which expired on July 30th, 2011. The extension of the contract followed OPAP's decision to exercise its right to extend by one year the contract with INTRALOT. Moreover, the two Companies signed a Memorandum of Cooperation for the provision of connection and support services of the equipment of OPAP S.A. agencies by INTRALOT. The Memorandum of Cooperation concerns the continuation of the operation of the equipment in the agencies (terminals and other technological equipment) of the OPAP S.A. sales network with any new central technological system, including its maintenance, and will be valid after the expiration of the current contract for 1+1 years, while the contract can be terminated following a 12-month notice.

In September 2011, the Victorian Minister for Gaming announced that INTRALOT Gaming Services Pty Ltd, a wholly owned subsidiary of INTRALOT Australia Pty Ltd, has been awarded the Electronic Gaming Machine (EGM) Monitoring Licence for a period of 15 years beginning on 16 August 2012. Up to 27,500 EGMs in Victoria (outside the Melbourne Casino) will be connected to and monitored by the iGEM electronic monitoring system supplied and operated by INTRALOT.

In September 2011, INTRALOT's subsidiary in Peru, INTRALOT de Peru, the leading lottery operator in the country, announced a partnership with the Jockey Club of Peru based on which INTRALOT will develop a pari-mutuel betting horse betting game of Jockey Club in Peru. This new game will also become available to the consumers in more than 1,000 points of sale of the extended retail network of INTRALOT de Peru.

In October 2011, INTRALOT awarded a contract option to supply the Ohio Lottery with its cutting-edge Video Lottery Terminal (VLT) Electronic Monitoring System for a period up to approximately eight years to run concurrent with the online contract. Under the added option, INTRALOT will continue to supply existing equipment and services to the Ohio Lottery while adding additional functionality with the electronic monitoring system. Up to 17,500 VLTs in seven (7) Ohio racetracks will be connected and monitored by INTRALOT's central monitoring system which will combine with the current infrastructure INTRALOT has been operating in the State of Ohio.

In October 2011, after a smooth conversion to INTRALOT's systems and five years of successful operations in Idaho, INTRALOT USA was awarded an extension of its contract by the Idaho Lottery Commission for the provision of the on-line Lottery Gaming System and related products and services. The new amendment extends the current seven (7) year contract, for at least three (3) additional years until 2017.

In October 2011, INTRALOT announced that its subsidiary, INTRALOT Interactive USA LLC, concluded the sale of its minority stake in CyberArts. The company confirmed that the move was a result of its strategic decision to focus its key resources on its own suite of renowned technology and services, to address the new challenges of the combined land based and interactive industries.

RESEARCH AND DEVELOPMENT

INTRALOT invests continuously in Research and Development of innovative solutions, based on novel product design and development as well as on existing products evolution. As a result, INTRALOT's customers constantly leverage the benefits of leading-edge technology.

INTRALOT adopts proven, advanced R&D methodologies and best practices, in all system designs and implementations. R&D activities support the LOTOS O/S platform evolution (central system, terminals and telecommunications) and offer innovative solutions in sectors such as business intelligence, financial and business data management, information security, fraud detection, electronic system and casino monitoring, betting risk management, interactive gaming, subscription services, new media sales channels (internet, mobile handhelds and tablets, interactive TV) and value-added services (trade transactions, news services, etc).

Gaming, in both the retail and online market channels, heavily relies on content and information dissemination, used for attracting players' attention. LOTOS Horizon, INTRALOT's multimedia content platform for content creation, delivery, display and management, has been enhanced in several respects: Internet streaming and multiplatform content publishing for serving also the on-line players that use internet enabled devices, digital signage combined with interactive game play capabilities over dedicated touch screens, and new multimedia players with advanced graphics features including 3D graphics acceleration.

Additionally, INTRALOT R&D is further exploring digital camera technologies for document reading, by enhancing the eyeLOT and Photon products with more features, for the retailer and player convenience. Moreover, in the area of self service (player) terminals -a new strong trend in the Lottery industry-, INTRALOT is expanding its innovative Winstation terminal for providing players with more capabilities and functionality. Recently, INTRALOT introduced Genion, the newest member of the new generation terminals, a very small in size solution aiming to cover the needs of retailers and players by offering a multi-function solution.

Furthermore, in the area of mobile applications, INTRALOT is offering new features and functionalities utilizing the latest NFC technology for gaming participation, mobile payments and innovative promotions and marketing activities.

In the beginning of 2012, INTRALOT introduced "NEFOS Intralot Cloud", a business-innovating technology solution for land-based, mobile and online gaming. NEFOS is a secure, highly-available cloud solution that provides gaming operators with technological scalability, operational flexibility and resource optimization to meet their demanding business goals across all gaming channels, along with improved time-to-market efficiency and reduced costs. With NEFOS, INTRALOT undertakes the administration of the provided services, while the gaming operator easily and accurately monitors and measures cloud service use and performance.

Moreover, INTRALOT is cooperating with leading educational institutions for the development of know-how. Inside the collaboration framework with AIT (Athens Information Technology–Centre for Excellence for Research and Graduate Education), several research projects have been conducted, in research areas that include Pattern Recognition and Computer Vision, Content and Gaming Technologies and Information Security technologies, among others.

In October 2011, INTRALOT announced its partnership with the "Corallia Clusters Initiative", targeting the development of a dynamic, technology-oriented Gaming Innovation Cluster, based in Greece, and the introduction of a cooperation framework with the highly skilled human capital of the sector. Investing on the cluster business model, INTRALOT proves once again its pioneering position in the gaming sector, actively supporting innovation and collaboration with dynamic new entities and highly skilled engineering capital. Through this multilateral partnership, INTRALOT is looking forward to introducing to the gaming sector, innovative technological solutions, pioneering gaming content and new gaming technologies.

HUMAN RESOURCES

The expansion of INTRALOT's activities and the challenge for its further growth are closely connected to an important investment in human resources. The company aims to ensure the best working conditions for its employees via transparent and meritocratic procedures, offering equal opportunities and benefits.

INTRALOT's corporate philosophy relies on the continuous effort to establish and preserve a working environment that encourages the personal and professional development of each individual employee, leading the Company to further success and growth. Focusing to its employees and their innovative ideas, INTRALOT launched in 2011 the "i game" competition, a combination of Innovation & Ideas, a competition welcoming new ideas regarding the company's products, policies and services. Moreover, through its global expansion, INTRALOT offers its employees the opportunity to gain international working experience by creating working teams consisted of people with diverse academic and cultural backgrounds, reinforcing the creation and development of an international corporate culture.

DIVIDEND
The Board of Directors of the Company will propose to the shareholders' Annual General Assembly a dividend of 0.35 cent per share (before any withholding taxes).

INTRALOT AND THE INTERNATIONAL PROSPECTS OF THE GAMING SECTOR

INTRALOT, is the leading supplier of integrated gaming systems and services worldwide with presence in 53 countries on all 5 continents. It is the leading vendor in the gaming sector and at the same time a licensed lottery operator in 16 jurisdictions.

INTRALOT, as a provider of technological solutions and services to lotteries has limited international competition and there are strong barriers for new players to enter in this field. Moreover, there are substantial opportunities for further growth arising from the liberalization of gaming markets and particularly from the rapidly evolving Internet market, from the lottery privatizations as well as form the legalization of lottery games. All these opportunities arise from the need of the governments to increase the revenues of their budget, especially during the current difficult economic circumstances with the increased budget deficits.

INTRALOT is closely monitoring the sector's developments and it is ready to operate in any legal gaming environment. With more than 60% wins over its main competitors in international tenders during the last 5 years and the strongest financial position in the sector, INTRALOT has a significant advantage over its competition pursing further opportunities in the sector, as they are described below:

In Europe the liberalization of the betting markets, the internet poker and other lottery games, continues. These developments the last years are part of the governments' efforts on maximizing their revenues from the lottery activity and on fighting against illegal gaming.

- A very successful model of market liberalization was proved to be the one of Italy, where licenses were given for the creation of a sports betting retail network as well as for the gaming operation via internet. INTRALOT, after participating in this licensing procedure, it managed to become the number one foreign company in the country as far as market share is concerned.

- In Greece**,** following the law regarding the regulation of the gaming market, OPAP was granted a ten year license for the operation of 35,000 VLTs. OPAP will operate 16,500 VLTs, while the remaining 18,500 VLTs will be granted, after a bidding procedure, to 4 up to 10 subcontractors. The law also provides for the granting of licenses, following an international bidding procedure, for the operation of internet games. We must note that before the regulation of the Greek gaming market, the Internet games and the VLTs outside the casinos were illegal. Another ongoing procedure is the tender for the granting of an exclusive twelve year license for the operation and management of the New Instant Ticket (XYSTO) as well as the current State Lotteries. Three candidates have qualified in the second phase of the tender and among them is a consortium of companies in which INTRALOT participates. Moreover, the tender for the sale of a 29% stake of OPAP and the sale of the Hellenic Horse Racing Company is expected to be issued in the near future.

- In Spain the legal framework for the regulation of the internet gaming market in the country was concluded at the end of 2011 and the new licenses are expected to be awarded in 2012.

- In Germany, the state of Schleswig-Holstein is ready to proceed to the Internet gaming market opening, while on a national level, the other 15 states of the country are awaiting for the European Commission approval of the Treaty for the regulation of the internet sports betting market.

- In Portugal, the government is also aiming to regulate its internet gaming market in 2012.

INTRALOT Interactive is the leading partner, for those organizations that want to compete in a regulated interactive competitive environment, offering a Unified Player Experience, to their players. Our customers take advantage of the most robust, efficient and versatile Gaming Platform in the industry that seamlessly combines the Retail, Mobile and Home Users, connecting innovative Gaming Verticals and offering an unparallel business support to the organization for optimal customer experience. Member of the INTRALOT Group of companies, we capitalize on our global footprint and the extensive and renowned customer base, to collect and advance best practices that provide the cornerstone of continued success with product and services design always at the industry forefront.

In the U.S.A, the State of Illinois, in its effort to optimize its operation and expand the lottery market, awarded in September 2010, following a tender, a license for the management of its lottery to a consortium of private companies. The above development can significantly change the lottery market in the U.S.A since, according to the recent press releases, the States of New Jersey, Washington, Michigan, Ohio, Arizona, Oklahoma, Missouri and Florida are considering to follow the Illinois example.

Another important growth driver in the U.S.A is the legalization of internet games. The current prohibition of all internet games in the country seems to be lifted, since according to a Department of Justice legal opinion at the end of 2011, the prohibition only applies to the sports betting. The above mentioned development opens the way for lotteries to sell its existing games through the internet and allows for the introduction of internet poker. INTRALOT, with contracts in 10 states, is ready to take advantage of the developments in the country.

In Australia, during the last years, a reform of the gaming market is taking place. INTRALOT, in 2007 was awarded in Victoria one of two new licenses for the operation of lottery games, following a tender, while in 2011 in Victoria INTRALOT was also awared a license for an electronic monitoring system of up to 27,500 VLTs.

In Asia, countries such as China and Vietnam have very large illegal gaming markets. The local governments realized the potential benefits from legalizing lottery games, due to the loss of taxes and for social reasons and are now proceeding to modifications in the current legal framework governing the gaming sector. Gaming legalization in Asia can become a major growth factor for the sector. INTRALOT has a significant presence in Asia and it is strategically placed in the market through its participation in MelcoLot (a listed company in the Hong Kong stock exchange) which has business relationships with both of the two state lotteries in China.

PROSPECTS AND CHALLENGES FOR 2012

- **Optimization of existing projects**

The Company, having a presence in 53 countries in all 5 continents, runs projects in advanced and mature gaming markets, but it also has contracts in developing markets and projects in immature markets but with significant growth potential. INTRALOT aims to further penetrate its existing markets with the constant improvement of its products and services and the development of new technologies. At the same time its goal is to improve the profitability of the projects, mainly by reducing the operating costs and increasing the productivity.

- **Performance of new signed projects**

The performance of the Group will depend, among others, on the course of its new markets such as:

Azerbaijan, where INTRALOT has undertaken the operation and the development of the sports betting in the country. The project is under development since it started in the beginning of 2011.

Brazil, where INTRALOT, following an international tender, undertook the operation of the lottery games in the state of Minas Gerais. The project started in September 2010 and it is still under development.

Czech Republic, where the project of the technological support and development of various numerical and instant ticket games on behalf of FORTUNA is under development, since it started in July 2011.

The two projects for the provision of VLTs electronic monitoring system in Victoria of Australia for the connection of 27,500 VLTs and in Ohio of the U.S.A for the connection of up to 17,500 VLTs in seven racetracks. These two new projects will start-up in 2012.

- **Winners' Payouts in sports betting**

INTRALOT is one of the largest sports betting operator worldwide. The winners' payouts in sports betting can fluctuate in the short-term since they depend on the outcome of the events. This fluctuation of the payouts may affect the financial results of INTRALOT since they represent a significant cost element for the Company.

- **Gaming sector and economic activity**

The gaming market is affected from the economic cycles since lottery products are consumer products. However, the gaming sector is more resilient than other sectors of the economy. Moreover, during an economic downturn, frequent draw games (like KENO or VLTs) are most likely to present a reduction in revenues, while lotto type games are less affected. INTRALOT with its international expansion has achieved a significant diversification and it has reduced its dependency on individual markets and economies.

- **Gaming Taxation**

The financial crisis has increased the budget deficits of many countries. The increase of the taxation of the lottery games constitutes sometimes an easy, but not correct in our opinion, solution for the governments in order to finance these deficits and it may affect INTRALOT's financial results.

Description of significant risks and uncertainties

The group's international activities expose its companies to a variety of financial risks, including foreign exchange, interest rate, credit and liquidity risks. Risk management is a continuous and evolving process, which focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by a central treasury department under policies approved by the Board of Directors.

Credit risk

The Group does not have significant credit risk concentration because of the wide dispersion of its customers and the fact that credit limits are set through signed contracts.

The maximum exposure of credit risk amounts to the aggregate values presented in the balance sheet. In order to minimize the potential credit risk exposure arising from cash and cash equivalents, the Group sets limits regarding the amount of credit exposure to any financial institution. Moreover, in order to secure its transactions even more, the Group adopted an internal rating system, regarding credit rating evaluation, using the relevant financial indices.

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group took measures to obtain certain policies to monitor the liquidity in order to hold liquid assets that can cover Group's liabilities.

Market Risk
1) Foreign Exchange risk
Fluctuations in exchange rates can have significant effects on the Group's currency positions. Group transactions are carried out in more than one currency and therefore there is a high exposure in foreign exchange rate fluctuations against the euro, which is the main underlying economic currency. On the other hand, the Group's activity abroad also helps to create a significant advantage in foreign exchange risk management, due to the diversification in the currency portfolio. This kind of risk mainly results from commercial transactions in foreign currency as well as investments in foreign entities. For managing this type of risk, the Group enters into derivative financial instruments with various financial institutions. The Group's policy regarding the foreign exchange risk concerns not only the parent company but also the Group's subsidiaries.

Sensitivity Analysis in Currency movements (amounts of FY 2011)

Foreign Currency	Currency Movement	Effect in Earnings before taxes	Effect in Equity
		('000 €)	('000 €)
USD:	5%	-438	3.405
	-5%	397	-3.080
TRY:	5%	1.089	1.370
	-5%	-986	-1.240
PEN:	5%	392	-317
	-5%	-355	287
BRL:	5%	-256	431
	-5%	231	-390
JMD:	5%	457	1.259
	-5%	-414	-1.139
ARS:	5%	535	112
	-5%	-484	-101
RON:	5%	5	980
	-5%	-4	-887

2) Interest rate risk
The Group's exposure to market risk for changes in interest rates relates to long and short term borrowings. For managing this type of risk the Group enters into derivatives financial instruments. Group policy regarding the interest rate risk concerns not only the parent company but also debt that the Group's subsidiaries have raised either in Euros or in the local currency.

SIGNIFICANT DEVELOPMENTS AFTER THE END OF FY 2011

In January 2012, INTRALOT's subsidiary in South Africa, INTRALOT South Africa, has been awarded a Fixed Odds Betting license by the Western Cape Gambling and Racing Board. The License covers sports betting facilities in the area of Western Cape in South Africa and Internet, Telephone and Mobile betting for players countrywide. INTRALOT South Africa will operate betting under the brand JUSTBET.

In January 2012, INTRALOT announced that its wholly-owned subsidiary, INTRALOT Australia Pty Ltd., signed a 3-year contract extension with the Lotteries Commission of Western Australia (Lotterywest), until 2016, for the supply, ongoing maintenance and on-site support of the integrated Gaming System that INTRALOT has provide to Lotterywest.

In February 2012, INTRALOT started the operation of its Electronic Monitoring System, "iGEM" and related services for the monitoring of the Video Lottery Terminals that are deployed at the Supreme Ventures Limited (SVL) Gaming Lounges. The monitoring system operation services contract has an initial term of 10 years with an automatic renewal option for 5-year successive periods.

At the end of March 2012, the privatization committee of Malta has announced INTRALOT's subsidiary Maltco as the winner of the process to award the new license for the operation of lottery games in the country, following the tender that was issued. It has to be noted that Maltco is operating lottery games in the country, after receiving the license, for the past 8 years, while the new license has a 10 year duration.

MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES:

The most important transactions between the Company and its related parties as per IAS 24 relate to transactions between the Company and the following subsidiaries (related parties as per article 42e of Law 2190/20), shown on the table below.

Group	**Income**		**Expenses**	
	01/01/2011-31/12/2011	**01/01/2010-31/12/2010**	**01/01/2011-31/12/2011**	**01/01/2010-31/12/2010**
Intracom Holdings Group	5.469	8.537	17.161	30.588
Turkcell Group	26	101	1.500	3.442
Intralot South Africa LTD	2.533	4.964	0	0
Bilyoner Interaktif Hizmelter A.S.	140	1.594	0	48
Other related parties	2.829	7.237	687	5.469
Executives and members of the board	0	0	9.095	8.916
	10.997	22.433	28.443	48.463

Company	Income		Expenses	
	01/01/2011-31/12/2011	01/01/2010-31/12/2010	01/01/2011-31/12/2011	01/01/2010-31/12/2010
Intralot Operations LTD	3.485	23.137	13	0
Inteltek Internet AS	3.906	7.824	419	6
Intracom Holdings Group	5.465	5.420	16.342	30.200
Bilyoner Interaktif Hizmelter A.S.	1.077	0	0	0
Intralot Inc	914	1.628	143	227
Betting Company S.A	14	11.144	5.260	2.748
Lotrom S.A.	12.365	12.070	1.788	1.732
Intralot Nederland B.V.	1.546	0	38	0
Intralot South Africa LTD	3.414	4.964	0	0
Intralot International LTD	3.124	2	12.293	7.071
Azerinteltek AS	154	1.415	0	0
Tecno Accion S.A.	5.896	0	24	0
Intralot Maroc S.A.	186	2.108	0	0
Other related parties	9.488	12.795	3.901	2.146
Executives and members of the board	0	0	5.608	5.437
	51.034	82.507	45.829	49.567

Group	Receivable		Payable	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Uniclic LTD	4.124	4.062	0	0
Intracom Holdings Group	13.894	13.816	23.518	30.198
Turkcell Group	5	8	178	180
Intralot South Africa LTD	1.795	412	1	1
Lotrich Info. Co LTD	1.372	0	12	0
Kelicom Holdings Co Ltd Group	4.957	0	0	0
Other related parties	7.019	28.484	2.759	11.637
Executives and members of the board	594	98	857	436
	33.760	46.880	27.325	42.452

Company	Receivable		Payable	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Intralot Operations LTD	58.915	75.223	13	0
Inteltek Internet AS	3.003	1.692	2.039	1.633
Intracom Holdings Group	13.354	10.671	22.544	29.017
Gaming Solutions Int. SAC	8.794	10.294	14	13
Intralot Inc	8.655	7.651	220	183
Betting Company S.A	11	0	4.971	3.361
Betting Cyprus LTD	0	0	5.706	5.706
Intralot South Africa LTD	1.795	412	1	1
Uniclic LTD	4.346	4.345	0	0
Intralot International LTD	3.126	2	12.266	6.920
Pollot Sp.zoo	6.261	6.334	0	0
Intralot de Peru SAC	8.495	6.895	0	0
Intralot Holdings International LTD	2.574	0	0	0
Intralot Iberia SA Unipersona	14.911	14.108	0	0
Loteria Moldovei S.A.	1.998	1.984	0	0
Lotrom S.A.	-10.546	-8.142	1.146	244
Intralot Business Development LTD	12.622	11.706	0	0
Intralot Nederland B.V.	15.366	13.114	24	12
Intralot Do Brazil LTDA	10.873	7.484	0	0
Lotrich Info. Co LTD	1.522	1.341	12	12
Other related parties	12.384	17.383	2.881	2.037
Executives and members of the board	0	0	465	214
	178.459	182.497	52.302	49.353

From the Company sales of 2011, 12.965 thousands (2010: 25.448 thousands) relate to dividends received from the subsidiaries and associates Inteltek AS, Maltco LTD, Tecno Accion S.A., Intralot New Zealand LTD, Intralot South Africa LTD and Bilyoner AS.

The BoD and Key Management Personnel transactions and fees for the Group and the Company for the period 01/01/2011-31/12/2011 were € 9,09 mil. and € 5,6 mil. respectively.

From the information stated above and from the Financial Statements you are able to have a complete picture of the Group for the period 1/1/2011-31/12/2011.

Maroussi, 29/03/2011

Sincerely,

Constantinos G. Antonopoulos
CEO and BoD Vice President

Explanatory Report on Article 4 par. 7 of Law 3556/2007

1. *Share capital structure*.
The share capital of the Company amounts today to forty seven million six hundred eighty eight thousand five hundred sixteen euro and thirty cents (€47,688,516.30) divided by one hundred fifty eight million nine hundred sixty one thousand seven hundred twenty one (158.961.721) nominal shares at thirty seven cents (€0.30) each. All Company shares are introduced to the Athens Stock Exchange for negotiation, in the Large Capitalization category, under "Gaming Sector". Company shares are common registered shares with a voting right.

2. *Restrictions on company share transfer*.

Transfer of Company shares is made in accordance with the law, and the Company Statute contains no restrictions on transfer.

3.*Major direct or indirect participation pursuant to the* Articles 9 to 11 of Law 3556/2007
Sokratis Kokkalis owned 20.005% of the corporate share capital as of 31/12/2011.
Konstantinos Dimitriadis owned 8.197% of the corporate share capital as of 31/12/2011.
AMERIPRISE FINANCIAL INC (USA) owned 5.008% of the corporate share capital as of 31/12/2011 through its subsidiary companies «COLUMBIA MANAGEMENT INVESTEMENT ADVISERSLLC» and «COLUMBIA WAGNER MANAGEMENT LLC», none of which owns a percentage equal to or greater than 5%.

All other natural or legal person / entity own no more than 5% of the corporate share capital.

4. *Shareholders with special control rights (all types of shares)*.
Corporate shares, which confer special control rights to their holders, have not been issued.

5. *Restrictions on the voting right*.
The Company Statute does not provide for restrictions on the voting right.

6. A*greements between Company Shareholders*.
The Company has no notion of agreements between its shareholders that may result in restrictions both on share transfer and on the exercise of the related voting rights.

BoD members' appointment rules and replacement; Statute amendments.
The rules of the Company Statute concerning appointment and replacement of corporate BoD members, as well as amendments in the Statute provisions, are conformed with Codified Law 2190/1920.

8. *BoD or BoD member responsibility for the issuance of new shares or the purchase of own shares*.

Intralot BoD is responsible for issuing new shares in the following cases:

a. According to article 5 § 2, 3 and 4 of the corporate Statute:

> *«2. Without prejudice to §3 hereof, following relevant authorization by the General Assembly, and the decision of the Board of Directors by a two third (2/3) majority, the Board of Directors is*

entitled to increase share capital in part or in whole by issuing new shares; the corresponding amount cannot exceed the capital paid-up at the date when the BoD was authorized. The above resolution of the General Assembly is subject to the publication obligations referred to in article 7b of the Codified Law 2190/20.

The above authorization of the BoD may be renewed by the General Assembly for an interval not exceeding five years for each renewal; its term starts upon termination of the previous 5-year interval.

3. *Notwithstanding the provisions of the previous paragraph, if corporate reserves exceed one fourth (1/4) of the paid-up share capital, an increase of capital necessitates a resolution by the General Assembly extraordinary quorum and majority under article 15 hereof, and the relevant amendment of this article.*

4. *Increases of capital that are decided pursuant §2 hereof, do not constitute an amendment to the Statute.»*

The above right has not been conferred to the corporate BoD.

b. In the cases referred to in article 13 § 13 of the Codified Law 2190/1920 (stock options right) and in accordance with the article 7 § 3 last quotation (grant stock option rights).

In any case of increase of the share capital that is not made by contribution in kind or issue of bonds with a right of their conversion into shares, a right of preference on the whole new capital or bond loan is granted, in favor of the shareholders at the time of issue, in proportion to their participation in the existent share capital.

The right of preference is exercised within the deadline, which was determined by the company body that decided the increase. This deadline with the reservation of observing the deadline for capital payment, as it is provided for in article 11 of the Codified Law 2190/1920, cannot be less than fifteen (15) days. In the case of section 6, article 13 of the Codified Law 2190/1920, the deadline for the exercise of the right of preference does not begin before the resolution taken by the board of directors for the determination of the disposal price of the new shares. After the expiry of these deadlines, the shares that have not been undertaken according to the above are freely disposed by the board of directors of the company at a price not less than the price paid by the existent shareholders. In case that the company body that decided the increase of the share capital omitted to fix the deadline for the exercise of the right of preference, this deadline for the exercise of the right of preference, this deadline or its possible extension is fixed by the board of directors by its resolution within the time limits prescribed by article 11 of the Codified Law 2190/1920.

The invitation for the exercise of the right of preference, in which the deadline within which this right should be exercised should be also mentioned, is published on the company's initiative in the Issue of Societes Anonyme and Limited Liability Companies of the Official Gazette. With the reservation of section 6, article 13 of the Codified Law 2190/1920, the invitation and the notification of the deadline for the exercise of the right of preference, according to the above, may be omitted, should at the General Meeting shareholders be present who represented the whole share capital and be informed of the deadline set for the exercise of the right of preference or who have stated their decision for the exercise or not by them of the right of preference. The publication of the invitation may be replaced by registered "upon receipt" letter, should all shares be registered.

By a resolution of the general meeting taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1020, the right of preference of section 7 of the Codified Law 2190/1920 may be restricted or abolished. In order to take this decision, the board of directors is obliged to submit to the general meeting a written report, in which the reasons that impose the restriction or abolishment of the right of preference are mentioned and in which the price proposed for the issue of the new shares is justified. The resolution of the general meeting falls under the formalities on publication of article 7bof the Codified Law 2190/1920. There is no exclusion from the right of preference according to the meaning of this paragraph, when the shares are undertaken by credit institutions or enterprises of rendering investment services, which have the right to accept securities for custody, in order to be offered to the shareholders pursuant to section 7 of the Codified Law 2190/1920. Moreover, there is no exclusion from the right of preference, when *the capital increase aims at the staff participation in the company's capital according to the presidential decree 30/1998 (Official Gazette 13 A').*

The capital may be increased partly by contributions in cash and partly by contributions in kind. In this case, a provision of the body that decides the increase, according to which the shareholders that contribute in kind do not participate also in the increase by contributions in cash, does not constitute exclusion of the right of preference. If the proportion of the value of the contributions in kind, in relation to the total increase, is at least the same with the proportion of the participation in the share capital of the shareholders who proceed to these contributions. In case of increase of the share capital by contributions partly in cash and partly in kind, the value of the contributions in kind should have been assessed pursuant to articles 9 and 9a of the Codified Law 2190/1920 before taking the relevant decision.

By a resolution of the general meeting taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1920, a program can be set for share disposition to the members of the board of directors and the staff of the company, as well as of the associated with it companies according to the meaning of section 5, article 42e of the Codified Law 2`90/1920, in the form of option for acquiring shares, according to the conditions of this resolution, a summary of which falls under the formalities of publication of article 7b of the Codified Law 2190/1920. Persons that render to the company services on a regular basis may be also appointed as beneficiaries. The nominal value of the shares disposed according to this paragraph cannot exceed totally the one tenth (1/10) of the capital, which is paid up on the date of the resolution of the general meeting. The resolution of the general meeting provides for if for the satisfaction of the right of preference the company will proceed to increase of its share capital or if it will use shares that it acquires or has acquired pursuant to article 16 of the Codified Law 2190/1920. In any case, the resolution of the general meeting should determine the maximum number of shares that may be acquired or issued, if the beneficiaries exercise the above right, the price and conditions of share disposition to the beneficiaries, the beneficiaries or their classes and the method of determination of the acquisition price, with the reservation of section 2, article 14 of the Codified Law 2190/1920, the program duration as well as any other relevant condition. By the same resolution of the general meeting, the determination of the beneficiaries or their classes may be assigned to the board of directors as well as the way of exercising the right and any other condition of the share disposition program. The board of directors, according to the program conditions, issues to the beneficiaries who exercised their right certificates of entitlement to share acquisition and, per calendar quarter at most delivers the shares already issued or issues and delivers the shares to the above beneficiaries, increasing the share capital of the company, and it certifies the capital increase. The resolution of the board of directors for the certification of payment of capital increase is taken per calendar quarter, notwithstanding those prescribed in article 11 of the Codified Law 2`90/1920. These increases of the share capital do not constitute modifications of the articles of association, and sections 7 to 11 of the article 13 of the Codified Law 2190/1920 do not apply on these. The board of directors is obliged during the last month of the corporate year, within which capital increases took place, according to those prescribed above, to adjust by its resolution the article of the articles of association on capital, so that the capital amount be provided for, as it resulted following above increases, observing the formalities on publication of article 7 b of the Codified Law 2190/1920.

The general meeting, by its resolution taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1920 and fallen under the formalities on publication of article 7b of the Codified Law 2190/1920, may authorize the board of directors to set a share disposition program according to the previous paragraph, possibly increasing the share capital and taking all other relevant decisions. This authorization is valid for five (5) years, unless the general meeting determines a shorter period of its validity and it is independent of the powers of the board of directors of section 1, article 13 of the Codified Law 2190/1920. The resolution of the board of directors is taken under the conditions of section 1, article 13 of the Codified Law 2190/1920 and under the restrictions of section 13, article 13 of the Codified Law 2190/1920.

C. Pursuant to the Codified Law 2190/1920 and specifically article 16 of the above mentioned law company may acquire own shares .

By resolution of the Ordinary General Assembly of Shareholders of the Company on 10.06.2010 was decided the possibility of purchase of own shares up to the percentage of 10% of the each time paid up share capital during a time period of the next 24 months from 10.06.10, pursuant to art. 16 of Codified Law 2190/1920, regarding the maximum and the minimum limits of the price for their acquisition and in order to provide for the possibility of holding the share for future acquisition of shares of other company. Yet from 10.06.10 to date, the company did not buy own shares

9. *Key agreement by the Company, which becomes effective, is amended or terminated in case the Company control changes hands following a public offer, and the results of such agreement*.
There is no such agreement.

10. *Any agreement between the Company and members of its BoD or its personnel providing for indemnification in case of non-well founded resignation or dismissal or termination of mandate/ employment due to a public offer*.
There are no agreements between the Company and members of its BoD or its personnel providing for indemnification in case of non-well founded resignation or dismissal or termination of mandate/ employment due to a public offer.

CORPORATE GOVERNANCE STATEMENT

I. Reference to the Corporate Governance Code the Company is subject to and the location where this Code is available to the public.

INTRALOT (hereinafter "the Company"), is a Société Anonyme whose shares are listed in the Athens Stock Exchange.

This Corporate Governance Statement constitutes a special part of the Annual Report of the Board of Directors, according to the provisions of par. 2 of article 2 of Greek Law 3873/2010.

The Company is fully compliant with the relevant national laws, provisions and regulations, as well as with its internal corporate values regarding the development of the principles of corporate governance it applies, and has been adjusted to what is defined by the institutional framework for corporate governance.

The meeting of 16/03/2011 of the Board of Directors approved the Corporate Governance Code, to be found posted on the Company's website www.intralot.com along with its English translation.

II. Reference to corporate governance practices applied by the Company in addition to provisions of the law, and reference to the location where they are published.

INTRALOT, in addition to the provisions of the Greek law included in particular in Laws 2190/1920,3016/2002,3693/2008,3884/2010 and 3873/2010, in drafting the Corporate Governance Code posted as applicable on the Company's website www.intralot.com, has considered and incorporated in its Code, and applies the best international practices for listed companies and the Principles of Corporate Governance of OECD.

III. Description of the main attributes of the Company's internal audit and risk management systems, in relation to the process of financial reports drafting.

- The Board of Directors maintains an effective internal audit system whose purpose is to safeguard the investments and assets of the Company and to identify and resolve major risks. The internal audit system is defined as the set of procedures implemented by the Board of Directors, the Management and the employees of the Company, and aims to ensure the effectiveness and efficiency of corporate operations, the accuracy of financial reporting and the compliance with applicable legislation and regulations.

- The Board of Directors monitors and regularly reviews the implementation of corporate strategy. At the same time, it should regularly review the main risks faced by the company and the effectiveness of the internal audit system regarding the management of said risks. The review should comprise all vital audits, including financial and operational audits, compliance testing and the monitoring of risk management systems. The Board of Directors, through the Audit Committee, also develops direct and regular contact with external and internal auditors in order to receive regular updates from the latter in relation to the proper operation of the control system.

- The Board of Directors must certify in writing that the annual and interim financial statements reflect objectively the financial position of the company. This certification should follow the corresponding certification by the Company auditors.

- The Board of Directors is responsible for the presentation of all significant business risks related to the operation of the company, providing explanations where it deems necessary, in the preparation of annual and interim financial statements.

- The board of Directors evaluate the adequacy of the internal control system that is performed by the Internal Audit Service who has been appointed in accordance with the requirements of the Greek legislation, and has been sufficiently staffed. The Internal Audit Service is independent from the rest business units, while in the fulfillment of its duties, have access to all documents, services and employees. The Internal Audit Service reports to the Audit and Compliance Committee of the Board of Directors. The Internal Audit Service operates in accordance with a program established by it and approved by the Audit and Compliance Committee and the Board of Directors and submits reports on a three months basis before the publication of financial information.

- The members of the Board of Directors, through the Audit and Compliance Committee and the Internal Audit Service, are ultimately responsible for ensuring the adequacy and effectiveness of the internal control system and the monitoring and supervision of its effective implementation. The Management of the Company is responsible for the development of a specific strategy for the Board of Directors as regards a secure internal control system.

- The Internal Audit Service assists in the assessment of internal control practices, while adopting a systematic and professional approach to the evaluation and improvement of the effectiveness of risk management procedures, internal audit systems and corporate governance.

Specifically,

- Risks be identified and managed effectively.
- Resources (assets) of the Company be protected and used efficiently.
- Financial and management reporting be reliable, accurate and current.
- Employees comply with the policies, procedures and standards of the Company.
- Company conformance with the regulatory framework governing its operation.
- The Internal Audit Service, throughout the audit process, presents proposals aiming to continuously improve internal control systems in order to achieve high productivity and efficiency.

IV. Information demanded by the article 10 par. 1 of Directive 2004/25/EK of the European Parliament and Council.

The information demanded by article 10 par. 1 of Directive 2004/25/EK of the European Parliament and Council is included, according to article 4 par. 7 of L. 3556/2007, in the Explanatory Report which comprises part of the Annual Report of the Board of Directors.

V. Information regarding the function of the General Meeting of shareholders and its main authorities, description of shareholders' rights and of the manner they are exercised.

The Company's General Meeting of Shareholders is its supreme instrument and has the right to decide for all matters concerning the Company. Its legal decisions are binding for shareholders who are absent or in disagreement.

The General Meeting is singularly competent to decide over:

a) the Company's extension of duration, merger, dissolution, demerger, reorganization or restoration,

b) amendments of the articles of associations,

c) the increase or decrease of share capital, with the exception of cases where the Board of Directors is competent according to Law or the Articles of Association, and increases or decreases are dictated by provisions of other laws,

d) the election of members of the Board of Directors, with the exception of the case of article 22 of the Articles of Association regarding the election of members by the Board of Directors to replace members resigned, deceased or members who lost their status, for the remainder of the term of the members who are being replaced, and provided that these members cannot be replaced by replacement members elected by the General Meeting,

e) the election of auditors,

f) the approval of annual accounts (annual financial reports) and the distribution of annual profit.

g) the appointment of liquidators .

The General Meeting of the shareholders is convoked by the Board of Directors and assembles regularly at the Company's registered offices or in another Municipality within the Prefecture of the registered offices, at least once every year of account and no later than six (6) months from the end of the year of account. The General Meeting may also assemble in the vicinity of the Municipality where the Athens Stock Exchange is headquartered. The Board of Directors may convene an Extraordinary General Meeting of shareholders when they deem appropriate.

The General Meeting, with the exception of repetitive meetings or those identified with them, must be called at least twenty (20) clear days before the date of its meeting.

The invitation of the General Meeting must at least include the exact address of its location, the time and date of the meeting, a clear layout of items on the agenda, the shareholders entitled to participate, and precise instructions on how the shareholders may participate in the meeting and exercise their rights in person or by proxy. The invitation should at least also include information

on the deadline for the exercise of minority rights, the record date, specifying that only persons who are shareholders on the record date are entitled to participate and cast a vote in the General Meeting, information on where the full documentation and the draft of resolutions to be proposed by the Board of Directors for every item on the agenda, and reference of the Company website, where all above information is available, as well as the forms to be used for proxy voting.
The invitation to the General Meeting must be published in whole or in summary (not failing to refer expressly to the website address, where the full text of the invitation and the information specified in par. 3 article 27 of the Codified Law 2190/1920, are available), in the printed media defined by article 26. par. 2 of C.L. 2190/1920, in the issue of S.A. and L.C. of the Greek Government Gazette and on the websites of the Athens Stock Exchange and the Company, at least twenty days prior to the day of the meeting.

Right to attend General Assemblies

A person must hold shareholder status on the beginning of the fifth day before the day of assembly of the General Meeting (record date)
A person may prove their shareholder status by presenting in writing relevant certification by the Hellenic Exchanges S.A., pursuant to article 51 of law 2396/96 or alternatively, by direct link of the company with the records of the above body. The relevant written certification or electronic authentication regarding shareholder status must be presented to the Company by the Third day before the assembly of the General Meeting, at the latest.
Further to the above, exercising the right to attend the General Assembly is not subject to blocking the shares of the shareholder or complying with any other procedure binding to the ability to sell or transfer the shares in the period between the record date and the date of the General Assembly.
Shareholders or representatives of them not having complied with the above may only attend the General Assembly with its permission.
Shareholders with the right to participate in the General Assembly may be represented by a legally authorized person. Legal persons may participate in the General Assembly by appointing one to three natural persons as their representatives.
The company must be notified in writing for the appointment and revocation of a representative in the same manner, at least three (3) days prior to the date of the General Meeting. The Company should post on its website the forms shareholders must complete and present to the Company in order to appoint their representatives.

Quorum – Majority

A quorum is present and validly convening on the items of the agenda at the General Meeting when at least twenty per cent (20%) of the fully-paid share capital is represented in the meeting.
If such quorum fails to be present in the first meeting, a repetitive meeting is held within twenty (20) days from the date of postponement, by invitation with notice of at least ten (10) days. In the repetitive meeting, a quorum is present and validly convening on items of the initial agenda, regardless of the segment of the fully-paid share capital represented in the meeting.
The decisions of the General Meeting are made by absolute majority of the votes cast in the Meeting.
With the exception of decisions regarding:
a) the extension of duration, merger, demerger, reorganization, restoration or dissolution of the Company, establishing or affirming the power of the Board of Directors to increase share capital
b) the change of the Company's nationality,
c) the change of the Company's purpose,
d) the increase or decrease of share capital, with the exception of increases per article 5 par. 2 of the articles of association where powers are delegated to the Board of Directors,
e) the issuance of convertible bonds or the right to share in profits according to articles 8 and 9 of Law 3156/2003,
f) the increase of shareholders liability,
g) the change in the manner of distribution of profits,

h) all other cases in which, by law.
A quorum is present and validly convenes on the items of the agenda at the General Meeting, when shareholders representing the two thirds (2/3) of the fully-paid share capital are present in person or by proxy. In all of the above cases, decisions are made by a majority of two thirds (2/3) of the votes represented in the Meeting.
Should the above increased quorum not be present, the General Meeting is called and meets anew within twenty (20) days from the date of the postponed meeting, and a quorum is present and validly convening on the items of the initial agenda when at least half (1/2) of the fully-paid share capital is represented in the meeting. Should this quorum also fail to be present, the Meeting is convoked and meets anew within twenty (20) days, and a quorum is present and validly convening on the items of the initial agenda, when at least one fifth (1/5) of the fully-paid share capital is represented in the meeting.
No additional invitation is required, should the time and place of the repetitive meetings in case a quorum is not present, are defined in the initial invitation.

Rights of the Shareholders
Shareholders have the right to attend General Meetings in person or by proxy, shareholder or not. Each share entitles the owner to one vote.

Priority right
In case of increase of the Company's share capital, when that increase is not happening by contribution in kind or by issue of convertible bonds, priority rights for the entire new capital or the bond issue, are granted to the shareholders at the date of issue, proportionate to their holding in the existing share capital.
According to article 13 par. 10 of L. 2190/1920, priority rights may be limited or abolished, by decision of the General Meeting of Shareholders made by an increased quorum and majority, pursuant to the provisions of articles 29 par. 3 and 4 and 31 par. 2 of L. 2190/1920.

Minority rights
Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the board of directors is obligated to call an extraordinary general meeting of shareholders within forty five (45) days from the day that the relevant application is delivered to the chairman of the board of directors. The request should include the items of the agenda. Should the board of directors fail to call a general meeting within twenty (20) days of the delivery of said application, the requesting shareholders may call a meeting at the expense of the company, after decision of the court of first instance with jurisdiction over the area of the Company's registered offices, issued during interim measures procedure. The time and place of the meeting, as well as the items of the agenda are defined in this decision.

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the board of directors is obligated to record additional matters in the agenda of the general meeting that has been called, provided the relevant application reaches the board of directors at least fifteen (15) days prior to the general meeting. Pursuant to article 26 of C.L. 2190/1920, the board of directors is responsible for publishing or communicating additional matters at least seven (7) days prior to the general meeting. Should these matters fail to be published, requesting shareholders are entitled to demand that the general meeting be postponed pursuant to paragraph 3 article 39 of C.L. 2190/1920, and engage in the publication themselves as defined in the preceding paragraph, at the expense of the company.

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the chairman of the meeting is obligated to postpone once the adoption of resolutions by an annual or extraordinary general meeting, for all or certain items of the agenda, setting as date for the continuation of the meeting the date stated in the shareholders' request, which date cannot however be later than thirty (30) days from the date of postponement.
The general meeting standing adjourned is a continuation of the previous meeting and the formalities of publication regarding the shareholders' invitation to it need not be repeated, while new

shareholders may participate to it, subject to the provisions of articles 27 par. 2 and 28 of L. 2190/1920.
Company shareholders representing at least one twentieth (1/20) of its paid up share capital have the right to request that the company be audited by the Court of First Instance with jurisdiction over the area of the company's headquarters in accordance to the provisions set out in article 40 paragraph 2 of L. 2190/1920.

Following the request of any shareholder, which is submitted to the company at least five (5) clear days before the general meeting, the board of directors is obligated to provide at the general meeting the information specifically requested regarding the affairs of the company, to the extent such information is useful towards a realistic assessment of the items on the agenda. Also, following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the board of directors is obligated to announce at the annual general meeting, in case it is an ordinary one, the amounts paid to each member of the board of directors or to the directors of the company in the previous two years, as well as all other benefits paid to these persons for any reason, or any contract between the company and them. In all above cases, the board of directors may refuse to disclose information with due cause, which is recorded.

Following the request of shareholders representing one fifth (1/5) of the paid up share capital, which is submitted to the company by the deadline of the preceding paragraph, the board of directors is obligated to provide information regarding company affairs and the financial postition of the company to the general meeting. In all above cases, the board of directors may refuse to provide information with due cause, which is recorded.

At the request of shareholders representing 1/20 of the paid up share capital, decisions on any item of the agenda of a general meeting are made by roll-call vote.

Shareholders representing one fifth (1/5) of the paid up share capital have the right to request that the Court of First Instance with jurisdiction over the area of the company's registered offices, audit the Company in accordance to article 40 paragraph 3 of L. 2190/1920, provided that the course of the company indicates that the management of company affairs is not exercised in an appropriate and prudent manner.

Right to Dividends

According to the articles of association, the Company must distribute annually minimum dividend equal to the minimum annual dividend provided by law (article 45 of c.l. 2190/1920), which according to article 3 of Development Law 148/1967 amounts to at least 35% of the company's net profit, following the deduction necessary for the establishment of statutory reserves.
The place and method of payment is announced in notices published in the press, the Daily Official List and the website of the ATHEX and the Company website.
Dividends are paid within two (2) months of the date of the Annual General Meeting of Shareholders which approves the Company's Financial Statements.
Dividends which remain unclaimed for a period of five years from the date they became payable, are forfeited to the State.

Rights in product of liquidation

On conclusion of the liquidation, the liquidators return the contributions of the Shareholders in accordance with the Articles of Association and distribute the balance of the Company's assets' liquidation to the Shareholders in proportion to their share in the paid-up capital of the Company.

VI. Composition and manner of operation of the board of directors and other administrative, management or supervisory bodies or committees of the Company.

The purpose of the Board is the continuous enhancement of the long-term economic value of the Company and the safeguarding of general corporate interests. The Board of Directors is responsible for deciding on all matters pertaining to the management of the Company, administering company assets and the general pursuit of the company's purposes without any limitation (apart from matters pertaining exclusively to the General Meeting) and representing the Company both judicially and extra-judicially.

Composition

The Company is managed by a Board of Directors, comprised of minimum seven (7) to eleven (11)

members, who are elected by the General Meeting, which also determines the term of their service. A legal entity may also be elected to the Board.
The members of the Board of Directors are elected by shareholders for a five year term which is automatically extended until the first annual General Meeting following the end of their term and is not permitted to exceed six years but does not preclude their re-election. The replacement of all members of the Board in one General Meeting should be avoided, and the succession of members of the Board of Directors must be conducted gradually.
The names of the members of the Board of Directors submitted for election or re-election will be accompanied by sufficient biographical details and the view of the Board on the independence of the proposed Board members, in accordance with the independence criteria set out in the Law, and any other relevant information to enable shareholders to make an informed decision.
The General Meeting may also elect alternate members of the Board, with the aim to replace resigning, deceased or retiring members of the Board.
Should the replacement by alternate members, as stated above, is not possible, the remaining members of the Board of Directors, provided they constitute at least three (3), may resolve to elect new members.
Should the Board be deficient of members (due to resignation, death or any other loss of membership), the Board of Directors, provided the number of remaining members is more than half of the initial number of members, and in any event no less than three (3), may continue to manage and represent the Company, without proceeding to replacement of deficient members as stated in the previous paragraph.
The Board of Directors elects the Chairman, the Vice-Chairman and one or two Chief Executive Officers. The Chairman or Vice-Chairman of the Board of Directors is not required to be an executive member of the Board of Directors.
When the Chairman is absent, unable to attend or non-existent, his responsibilities (as set out by legislation or company statute) are undertaken by the Vice-Chairman. Should the Vice-Chairman also be absent or unable to attend, the Chief Executive Officer or other Executive will preside following a resolution of the Board of Directors.
The Board of Directors is comprised of a majority of non-executive members (including at least two independent non-executive members).
The independent non-executive members are exempt from conflicts of interest with the Company, and from close ties with Management, majority shareholders or the Company. For the duration of their term, the independent non-executive members are not permitted to hold more than 0,5% of the share capital of the Company or to maintain a dependant relationship with the Company or with persons affiliated with the Company. The independent members are elected by the General Meeting.
The Board of Directors must determine whether the candidate fulfils the independence criteria before he/she is nominated by the General Meeting of Shareholders. In determining the independence of both candidates and current members, the Board of Directors should consider that a relation of dependence exists when the member:

- is (as stipulated in Law 3016/2002), or has been an employee, senior executive or Chairman of the Board of Directors of the Company or its subsidiaries within the last three (3) years;
- receives or has received during the 12 month prior to his appointment any compensation from the Company other than board membership fees approved by the General Meeting of Shareholders of the Company,
- has (as stipulated in Law 3016/2002) or had within the past year a material business relationship with the Company or its subsidiaries, particularly as a significant client, supplier or consultant of the Company or as a partner, shareholder or board member, or senior executive of an entity that has such a relationship with the Company or its subsidiaries,
- has been the external auditor of the Company or its subsidiaries or has been a partner or employee of a firm that provides external auditing services to the Company or its subsidiaries within the last three (3) years,
- has (as stipulated in Law 3016/2002) a second degree kinship with or is the spouse of a non-independent Board members, senior executive, adviser or significant shareholder of the Company or its subsidiaries,
- controls directly or indirectly through related parties , more than 10% of the voting rights of the Company or represents a significant shareholder of the Company or its subsidiaries.

The Company's current Board of Directors consists of nine (9) members and was elected by the Annual General Meeting of shareholders of 5th May 2009, for a five-year term. Its members are:

1. Socrates P. Kokkalis, Chairman, executive member,
2. Constantinos G. Antonopoulos, Vice Chairman and CEO, executive member,
3. Andreas V. Papoulias, Director, executive member,

4. Fotios Th. Mavroudis, Director, executive member,
5. Dimitrios Ch. Klonis, Director, non executive member,
6. Dimitrios K. Chatzigrigoriadis, Director, independent-non executive member,
7. Anastasios M. Tsoufis, Director, independent-non executive member,
8. Sotirios N. Filos, Director, independent-non executive member, and
9. Petros K. Souretis, Director, non executive member,

The CVs of all members of the Board of Directors are available on the Company's website(www.intralot.com).

Board of Director Meetings

The Board of Directors may validly convene, in addition to the company headquarters, elsewhere in Greece or abroad. The Board of Directors may also convene via teleconference; in such case, the invitation to the Board members includes information relevant to the teleconference.

The Board of Directors shall convene with the frequency required to ensure the effective performance of its duties and at least once per month.

The Chairman will preside over meetings of the Board of Directors and in case of being absent, the Vice-Chairman will take the chair.

The Board of Directors decides with a majority of the members either physically present and/or represented by proxy except in case of Article 5 Paragraph 2 of the Company’s Articles of Association.

The discussions and the resolutions of the Board are recorded in minutes. The minutes of each session must be distributed and approved at the subsequent Board meeting. The copies of the minutes of the meeting of the Board of Directors must be signed either by the Chairman or Vice-Chairman of the Board of Directors or a General Director each of whom is also entitled to sign extracts thereof.

Responsibilities of the Board of Directors

The responsibilities of the Board of Directors are clearly defined, apart from the legislation in force, by both the Company’s Articles of Association and the internal Company regulation or other internal Company documents.

The Board of Directors is responsible for deciding on all matters pertaining to the management of the Company, administering company assets and the general pursuit of the company’s purposes without any limitation (apart from matters pertaining exclusively to the General Meeting) and representing the Company both judicially and extra-judicially. Responsibilities of the Board of Directors include:

- approving the overall long-term strategy and operational goals of the Company;
- approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures,
- selecting and replacing, if necessary, the executive leadership of the Company and overseeing succession planning,
- monitoring the performance of the Management and aligning executive remuneration with the longer term interests of the Company and its shareholders,
- ensuring the integrity of the Company’s accounts, financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal control and risk management,
- being alert and adequately addressing actual and potential conflicts of interest between the Company, on the one hand, and the Management, Board members or major shareholders on the other (including shareholders with direct or indirect power to control the Board’s composition and behaviour); to this end, the Board should put a set of procedures in place for supervising transactions by all related persons (including transactions that must be submitted to the shareholders for approval) in order to ensure transparency and protect the Company’s interests,
- ensuring that there is a satisfactory process for monitoring the Company’s compliance with relevant laws and regulations,
- deciding on and monitoring the effectiveness of the Company’s governance processes, including its system of decision–making and delegation of authorities and duties to other key executives, and the definition, circulation and implementation of the main values and principles of the Company which govern the relationships between all parties whose interests are associated with the Company,
- the issuance of all bond loans (which is a parallel duty of the General Meeting) except for the

issuance of convertible bond loans with profit participation rights for which the General Meeting is responsible to resolve.

The Board of Directors may assign all or part of its managerial powers (except for those requiring collective action) and representation to one or more persons, either members or non-members of the Board of Directors, Company's employees or third parties, specifying the extent of the power granted. These persons may, if provided in the respective resolution of the Board of Directors, further delegate to third parties, wholly or partially, the aforementioned powers. The persons assigned with the aforementioned powers bind the Company as its corporate bodies to the full extent of the aforementioned powers.

The Board of Directors may assign committees which support its decision making process and ensure the effective management of potential conflicts of interest which may arise throughout the decision making process.

Duties & conduct of the members of the Board of Directors

Each Board member has a duty of loyalty to the Company. The Board members should act with integrity and in the best interests of the Company as well as protect the confidentiality of information that has not been disclosed to the public. They should not compete with the Company and must avoid any position or activity that creates or appears to create conflict between personal interests and the interests of the Company, including holding board or executive positions in competing companies, without the approval of the General Meeting of the shareholders. The Board members contribute their expertise and devote to their duties the necessary time and attention. They should also limit the number of other professional commitments (in particular any directorship held in other companies) to the extent necessary that allows for their satisfactory performance as members of the Board.

Finally, the members of the Board should endeavour to attend all meetings of the Board and the committees of which they are members.

The division of responsibilities between the Chairman and the Chief Executive Officer, in case that both are executive members of the Board, should be clearly established by the Board, set out in writing and communicated to the shareholders. The same applies in the event that the duties of the Chairman and Chief Executive Officer are exercised by the same person.

The Chairman should facilitate the effective contribution by non-executive Board members to the work of the Board and ensure constructive relations between executive and non-executive members.

The Chairman or/and the Vice Chairman must have meetings with the non-executive board members, without the presence of the executive members, in order to discuss the performance of the latter as well as other related matters.

The Board should ensure that an induction program is established for new Board members and that continuing professional development programs are available to other Board members, if this is considered necessary.

Board members should arrange to receive regular briefings on business developments and changes in the risk profile of the Company. They should also be apprised in a timely manner of changes in laws and the market environment. Board members should engage frequently with senior executives of the Company, attending regular presentations by heads of sectors and services.

Board members should have the right to request from the Management, via the Chief Executive Officer, any information they consider necessary to fulfill their responsibilities at any point of time.

The Board should appoint an independent vice chairman from among its independent Board members where the Company chooses to combine the roles of Chairman and Chief Executive Officer.

A former executive of the Company who is appointed as Chairman within three (3) years as from his/her retirement as chief executive, he/she should be considered as being an executive chairman.

The Chairman is responsible for leading the Board. He is responsible for setting the agenda of the meetings, (without limitation on the right of the deputy of the Chairman or two of its members as stipulated in the Articles of Association of the Company to convene a meeting of the Board of Directors), ensuring the organization of activities performed by the Board, and effectively conducting Board meetings. In addition, the Chairman or, should the Chairman be a non-executive director, the Vice Chairman, is responsible for ensuring that the members of the Board are informed in a timely manner and for effectively communicating with all shareholders, as well as the fair and equitable treatment of all shareholder interests . When the Chairman is absent or unable to attend, his

responsibilities are undertaken by the Vice-Chairman. Should the Vice-Chairman also be unable to attend, the Chief Executive Officer or other Executive will preside following the resolution of the Board of Directors.
A Board member's other professional commitments (including significant non-executive engagements in companies and non-profit institutions) should be disclosed to the Board before appointment. Changes to such commitments should be reported to the Board as they arise. Non-executive Board members should undertake at appointment that they will have sufficient time to meet what is expected of them.
An executive Board member's appointment as a non-executive board member in a company other than a subsidiary or a related company should be approved by the Board.
Responsibilities of executive members of the Board of Directors:
The Board of Directors selects its executive members from within its members in accordance to the law and the Company's Articles of Association and assigns to one or more members, to other corporate bodies or executives of the Company or to third parties (as per authorization of the abovementioned to this end) the daily management matters and part of its powers.
Responsibilities of non- executive members of the Board of Directors:
The Board of Directors selects its non-executive members from within its members in accordance to legislation and Company statute. The non-executive members are responsible for the advancement of corporate matters, they participate on boards and committees and are particularly responsible for upholding the principles of proper corporate governance.
The non-executive members maintain their independence as regards the matters they investigate, aiming to effectively perform their role and to create a trustworthy climate between the Board of Directors, senior executives and managers.
The non-executive members of the Board of Directors must have in-depth knowledge of both the operation and product of the Company and the broader market of the industry and should be provided with every assistance. In general, each non-executive member arranges for his/her continuing education so as to contribute effectively and efficiently to the proper and efficient operation of the Company.
At least of two of the non-executive members are elected by the General Meeting as independent and may, if deemed necessary, submit, individually or jointly, reports or studies independent from those of the Board of Directors to the Ordinary or Extraordinary General Meeting of the Company.

Other Managerial and Supervisory Bodies

The Board of Directors may decide to establish committees governing human resources, scheduling, control or other responsibilities as it deems necessary to facilitate the purpose of the Company. The detailed terms of mandate, composition, term, the directorship and reporting frequency to the Board of Directors is determined at the time of establishment. The committees have consulting competence and submit their recommendations to the Board of Directors for due examination and action. Exceptionally, the Board of Directors may, at its discretion, delegate to these committees executive and/or decision making authorities in cases allowed by law and the Company's Articles of Association.

A. Audit and Compliance Committee

Chairman: Sotirios N. Filos, Independent non executive member
Members: Dimitrios K. Chatzigrigoriadis, independent-non executive member,
Anastasios M. Tsoufis, independent-non executive member,

The Audit and Appliance Committee is a committee of the Board of Directors and is established with the aim to assist the Board with its supervisory responsibilities as regards financial reporting and information, the compliance of the Company and its subsidiaries to the legislative and regulatory operational framework, audit system procedures and to exercise supervision over the auditing operation.

The members of the Audit and Compliance Committee are appointed by the Board of Directors. The Audit and Compliance Committee is composed of at least two (2) non-executive members and one independent non-executive member of the Board of Directors who presides the meetings and has experience/knowledge on finance and accounting matters.

The Audit and Compliance Committee convenes as necessary but at a minimum four times per annum on invitation of its Chairman and also meets with the Company's auditor at least twice a year and not in the presence of Company's Management.

The main responsibilities of the Audit and Compliance Committee include:
- Monitoring and evaluation of the competence of the internal audit and risk management system of the Company.
- Monitoring the findings of the Supervisory and Taxation Authorities including the responses of the Management of the Company.
- Examination of the Internal Operational Regulation of the Company every two years.
- Monitoring of the financial reporting processes.
- Monitoring of the procedures of mandatory bi-annual and annual audits of the individual and consolidated financial statements of the Company which are prepared according to the International Financial Reporting Standards (IFRS) and recommends their approval or rejection to the Board of Directors of the Company.
- Supervision of the most significant financial accounting reporting matters and the notes to the financial statements, focusing on areas and methods used to evaluate assets and liabilities which are open to subjective interpretation
- Supervision of all taxation or legal matters which may have a significant impact on financial statements.
- Examines, with the Management of the Company, the external and internal Auditors, the adequacy of Company's information systems including the significant risks and instituted controls to minimize risk.
- Recommends the external auditor or firm of auditors (the Auditor) to the Board of Directors, to enable the Board to submit its proposal to appoint an external or firm of auditors to the General Meeting.
- Ensures the independence and objectivity of the Auditor, reviewing the compliance of the firm as regards the rotation of the auditors, the fee paid by the Company and the provision of other services (for example consulting services) by the statutory auditor or firm of auditors.
- Is informed by the Auditor or the firm of auditors, at least once a year, on each matter related to the progress and results of the statutory audit. The Committee receives a report on the weaknesses of the internal audit system, specifying the weaknesses of procedures related to financial reporting and the preparation of financial statements.
- Ensures the Board of Directors is available to internal and external auditors by acting as intermediary.
- Meets with the Auditor (either in the presence of Management or not) to discuss the aforementioned matters, potential disputes which may arise between the Auditor and Management of the Company, and any significant changes which may arise in the audit plan.
- Proposes the appointment, replacement and termination of the Internal Auditor to the Board of Directors and is responsible for the periodic evaluation of the Internal Auditor's performance.
- Receives and examines the periodic reports of the internal audit and supervises the progress of recommendations made by the Internal Auditor and adopted by Management as expressed in the respective reports.
- Examines transparency matters pertaining to the procedures connected to the awarding and execution of public tenders in accordance with current legislation while aiming to ensure transparency.
- Controls the transactions of the subsidiaries and related corporations as stipulated in article 42 of Law 2190/1920 in Greece and abroad as regards the interests and activities of the group of the Company.

The Financial Committee, which is responsible for the financial management of the Company, is a sub-committee of the Audit and Compliance Committee. More particularly, the Financial Committee is comprised of :
the Chief Financial Officer, the Director of Finance, the Accounting Director, the Subsidiaries and Business Development Director and other executives within the finance department as deemed necessary and recommends to the Audit and Compliance Committee and/or directly to the Board of Directors as follows:

a. To manage the Group's exposure to risk associated with interest rate fluctuations while taking into account the ratio between floating and fixed interest rates for the total net indebtedness of the Group.
To manage the risk ratio of fixed-floating interest rates, the Company and/or its subsidiaries may enter into financial derivative agreements such as: Interest Rate Swaps, Interest Rate Caps, Interest Rate Collars and other financial products offered by Greek and international banks. The abovementioned products "swap" the variable interest rate with a fixed one.

b. To manage the Group's exposure to risks associated with currency exchange rate fluctuations by proposing financial derivative agreements such as: Forward Contracts, Options, Currency Swaps and other financial products offered by Greek and international banks.
The abovementioned products "lock" the exchange rates (spot rate) of various currencies. Decisions regarding the advisability and risk management strategy are undertaken by the Financial Committee depending on the coverage percentage and market conditions and circumstances.

c. To manage risks which may arise from socio-political changes through products available on the market such as: Event Swaps - when a political event compels a business/investment interruption abroad (for example following a political resolution to expel all foreign companies), or Credit Default Swaps - when the credit-worthiness of a county deteriorates.
The Financial Committee will recognise potential risk in a timely manner and will discern the most appropriate and effective methods to manage said risks with the use of suitable financial tools. The Committee then proposes that divisions and/or subsidiaries of the Company enter into agreements.

B. Remuneration Committee
Chairman: Sotirios N. Filos, Independent non executive member
Members: Dimitrios K. Chatzigrigoriadis, independent-non executive member,
Anastasios M. Tsoufis, independent-non executive member,

The Board of Directors of the Company assigns the responsibility of determining the employee remuneration policy of the Company to the Remuneration Committee. The Remuneration Committee recommends levels of remuneration to the Board of Directors for executives, managers and senior executives and concurrently regulates matters associated with the overall remuneration policy of the Company.

The Remuneration committee is composed of three (3) members the majority of whom are non-executive members. The Chairman of the Remuneration Committee is appointed by the Board of Directors and must be a non-executive member. Should an executive be a member of the Remuneration Committee, this member may not attend discussions pertaining to his/her own remuneration.

The Remuneration Committee convenes at the invitation of its Chairman as deemed necessary and at least once per annum. The main responsibilities of the Remuneration Committee are as follows:

- Proposes the remuneration policy of the Company including incentive bonuses, stock options and employee loyalty incentive programs.
- Specifically for the remuneration of executives and managers, the Committee suggests an annual salary, performance related remuneration, pension plan and severance package.
- Suggests the level and structure of senior executive remuneration. The remuneration of the internal auditor is discussed with the Audit and Compliance Committee.

C. Management Committee
The Management Committee is comprised of the Chief Executive Officer and General Directors of the Company and examines all significant Company matters, formulates proposals and decides how to

address them. The role of the Management Committee is also essential in the achievement of inter-company communication, the coordination of the departments' projects and the support of the Chief Executive Officer in both an informative and advisory capacity. The Management Committee provides an accurate and complete overview of the Company, emphasising critical operational issues, designs the development strategy of the Company and advances the implementation of major projects and objectives. The Management Committee may convene without the whole of its members on invitation of the Chief Executive Officer of the Company. Members of the Audit and Compliance Committee and senior executives may attend the meetings as deemed necessary.

Evaluation of the Board of Directors

The evaluation of the performance of the Board and its committees should take place at least every two (2) years in line with a clearly established procedure. The evaluation exercise should be led by the Chairman of the Board (or should the Chairman be a non-executive member, the Vice-Chairman of the Board of Directors) and of every committee, while following the evaluation, the Chairman should act on the results of the performance evaluation by addressing the weaknesses of the Board.

TABLE OF MEMBERS' ATTENDANCE IN DECISION MAKING PROCEDURES OF THE BOARD OF DIRECTORS AND COMMITTEES IN 2011

FULL NAME	41 PARTICIPATIONS IN DECISION MAKING PROCEDURES OF THE BoD		5 MEETINGS OF THE AUDIT & COMPLIANCE COMMITTEE		3 MEETINGS OF THE REMUNERATION COMMITTEE	
	PRESENT	ABSENT	PRESENT	ABSENT	PRESENT	ABSENT
SOCRATES KOKKALIS	41					
CONSTANTINOS ANTONOPOULOS	41					
ANDREAS PAPOULIAS	41					
FOTIOS MAVROUDIS	41					
DIMITRIOS KLONIS	41					
DIMITRIOS CHATZIGRIGORIADIS	41		5		3	
ANASTASIOS TSOUFIS	41		5		3	
SOTIRIOS FILOS	41		5		3	
PETROS SOURETIS	41					

SOL
CERTIFIED PUBLIC ACCOUNTANTS
Crowe Horwath

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of «INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES»

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of «INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES» Company and its subsidiaries, which comprise the separate and consolidated statement of financial position (or the separate and consolidated balance sheet) as of 31 December 2011, the separate and consolidated statement of comprehensive income (or income statement and additional comprehensive income), the separate and consolidated statement of changes in equity and the separate and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal controls as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of 31 December 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

a) The Report of the Board of Directors includes a corporate governance statement which provides all information set out in paragraph 3d of article 43a of c.L. 2190/1920.

b) We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying separate and consolidated financial statements, under the legal frame of the articles 43a, 108 and 37 of c.L. 2190/1920.

c) For the year 2011 the Company till today has not accepted the Tax Audit by Certified Auditors Accountants that is required by the provisions of article 82 par. 5, L. 2238/1994 (Income Tax Code).

Athens, 30th March 2011

Epameinondas N. Gkipalis
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 24051
Associated Certified Public Accountants s.a.
member of Crowe Horwath International
3, Fok. Negri Street – 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

STATEMENT OF COMPREHENSIVE INCOME GROUP/COMPANY

Amounts reported in thousands €		GROUP		COMPANY	
	Note	1/1-31/12-2011	1/1-31/12-2010	1/1-31/12-2011	1/1-31/12-2010
Sale Proceeds		1.202.354	1.115.721	131.718	163.545
Less: Cost of Sales		-990.123	-909.977	-91.877	-108.856
Gross profit /(loss)		**212.231**	**205.744**	**39.841**	**54.689**
Other Operating Income		28.452	26.288	1.074	210
Selling Expenses		-38.242	-37.396	-7.254	-7.387
Administrative Expenses		-108.317	-99.733	-9.524	-11.318
Research and Development Costs	7	-9.710	-8.069	-6.735	-5.431
Other Operating Expenses		-12.526	-6.059	-12.541	-30.728
EBIT		**79.799**	**80.775**	**4.812**	**35**
EBITDA		**153.806**	**152.662**	**19.362**	**24.218**
Interest and similar charges	32	-35.855	-35.237	-25.143	-20.238
Interest and related Income	32	22.109	22.466	26.293	29.294
Exchange Differences		-605	11.127	109	2.167
Profit/(loss) equity method consolidations		-499	1.559	0	0
Operating Profit/(Loss) before tax		**57.038**	**80.690**	**6.120**	**11.258**
Less Taxes:	8	-21.453	-25.900	-4.515	-9.204
Net Profit / (loss) from Continuing Operations (a)		**35.585**	**54.790**	**1.605**	**2.054**
Net Profit / (loss) from Discontinuing Operations (b)		**0**	**0**	**0**	**0**
Net Profit / (loss) (Continuing and Discontinuing Operations) (a) + (b)		**35.585**	**54.790**	**1.605**	**2.054**
Attributable to:					
Owners of the parent		17.701	36.626	1.605	2.054
Minority Interest		17.884	18.164	0	0
Other comprehensive income after tax					
Valuation of Available for Sale financial instruments		304	4.058	-1.429	-65
Derivatives valuation		190	-2.757	297	-941
Exchange differences on translating foreign operations		-4.385	162	0	0
Total comprehensive income/ (expense) after tax		**-3.891**	**1.463**	**-1.132**	**-1.006**
Total income after tax		**31.694**	**56.253**	**473**	**1.048**
Attributable to:					
Owners of the parent		17.293	33.917	473	1.048
Minority Interest		14.401	22.336	0	0
Earnings after taxes per share (in €)					
-basic	9	0,1114	0,2304	0,0101	0,0129
-diluted	9	0,1114	0,2304	0,0101	0,0129
Weighted average number of shares	9	158.961.721	158.961.721	158.961.721	158.961.721

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €		GROUP			COMPANY	
	Note	31/12/2011	31/12/2010		31/12/2011	31/12/2010
ASSETS						
Non Current Assets						
Tangible fixed assets	11	263.640	281.166		24.513	35.723
Intangible assets	12	285.436	263.520		43.852	35.140
Investment in subsidiaries and associates	13	26.967	20.518		148.647	147.727
Other financial assets	15	34.190	29.098		968	434
Deferred Tax asset	8	12.318	13.835		7.129	7.868
Other long term receivables	16	98.938	110.468		447	440
		721.489	**718.605**		**225.556**	**227.332**
Current Assets						
Inventories	17	47.067	41.171		37.003	30.319
Trade and other short term receivables	18	175.108	187.679		198.110	221.152
Other financial assets	15	0	8.599		0	0
Cash and cash equivalents	19	142.498	141.477		14.402	16.306
		364.673	**378.926**		**249.515**	**267.777**
TOTAL ASSETS		**1.086.162**	**1.097.531**		**475.071**	**495.109**
EQUITY AND LIABILITIES						
Share Capital	20	47.689	47.689		47.689	47.689
Other reserves	20	92.699	84.014		67.349	56.126
Foreign currency translation		-29.881	-28.980		0	0
Retained earnings	20	188.853	181.375		3.525	13.996
		299.360	**284.098**		**118.563**	**117.811**
Minority interest	20	75.908	76.929		0	0
Total equity		**375.268**	**361.027**		**118.563**	**117.811**
Non Current Liabilities						
Long term Debt	21	228.009	477.464		260.454	278.515
Staff retirement indemnities	22	5.561	4.808		3.423	2.879
Other long term provisions	30	16.742	16.624		16.127	15.725
Deferred Tax liabilities	8	3.722	4.955		0	0
Other long term liabilities	24	20.063	18.801		0	0
Finance lease obligation		7.230	16.008		0	0
		281.327	**538.660**		**280.004**	**297.119**
Current Liabilities						
Trade and other short term liabilities	25	130.712	148.083		75.057	74.824
Short term debt and current portion of long term debt	26	278.968	28.913		0	0
Current income taxes payable		14.089	16.432		0	4.855
Short-term provision	30	5.798	4.416		1.447	500
		429.567	**197.844**		**76.504**	**80.179**
TOTAL LIABILITIES		**710.894**	**736.504**		**356.508**	**377.298**
TOTAL EQUITY AND LIABILITIES		**1.086.162**	**1.097.531**		**475.071**	**495.109**

INTRALOT S.A.

STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Grand Total
Opening Balance 01/01/2011	**47.689**	**0**	**28.782**	**55.232**	**152.395**	**284.098**	**76.929**	**361.027**
Adjustments on the opening balances					1.329	**1.329**	-6	**1.323**
New Consolidated Entities						**0**	36	**36**
Subsidiary Share Capital Increase						**0**	863	**863**
Period’s Results					17.701	**17.701**	17.884	**35.585**
Other comprehensive income/(expense) after tax				494	-902	**-408**	-3.483	**-3.891**
Stock Options Reserves				379		**379**	0	**379**
Subsidiaries Disposal						**0**	275	**275**
Dividends					-719	**-719**	-16.558	**-17.277**
Effect due to change in ownership percentage					-3.020	**-3.020**	-32	**-3.052**
Transfer to reserves			7.826	-14	-7.812	**0**	0	**0**
Balances as at 31/12/2011	**47.689**	**0**	**36.608**	**56.091**	**158.972**	**299.360**	**75.908**	**375.268**

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Grand Total
Opening Balance 01/01/2010	**47.689**	**0**	**30.031**	**53.228**	**141.838**	**272.786**	**58.420**	**331.206**
Adjustments on the opening balances					1.170	**1.170**	65	**1.235**
New Consolidated Entities						**0**	25.302	**25.302**
Subsidiary Share Capital Increase						**0**	594	**594**
Period’s Results					36.626	**36.626**	18.164	**54.790**
Other comprehensive income/(expense) after tax				1.301	-4.010	**-2.709**	4.172	**1.463**
Stock Options Reserves				542		**542**	0	**542**
Dividends					-23.844	**-23.844**	-29.442	**-53.286**
Effect due to change in ownership percentage					-473	**-473**	-346	**-819**
Transfer to reserves			-1.249	161	1.088	**0**	0	**0**
Balances as at 31/12/2010	**47.689**	**0**	**28.782**	**55.232**	**152.395**	**284.098**	**76.929**	**361.027**

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2011	**47.689**	**0**	**17.061**	**39.065**	**13.996**	**117.811**
Adjustments on the opening balances					619	**619**
Period's Results					1.605	**1.605**
Other comprehensive income/(expense) after tax				-1.132		**-1.132**
Stock Options Reserves				379		**379**
Dividends					-719	**-719**
Transfer to reserves			11.976		-11.976	**0**
Balances as at 31/12/2011	**47.689**	**0**	**29.037**	**38.312**	**3.525**	**118.563**

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2010	**47.689**	**0**	**16.860**	**39.529**	**35.987**	**140.065**
Period's Results					2.054	**2.054**
Other comprehensive income/(expense) after tax				-1.006		**-1.006**
Stock Options Reserves				542		**542**
Dividends					-23.844	**-23.844**
Transfer to reserves			201		-201	**0**
Balances as at 31/12/2010	**47.689**	**0**	**17.061**	**39.065**	**13.996**	**117.811**

CASH FLOW STATEMENT GROUP/COMPANY

(Amounts reported in thousand of €)		GROUP		COMPANY	
	Note	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Operating activities					
Net Profit before Taxation		57.038	80.690	6.120	11.258
Plus/Less adjustments for:					
Depreciation and Amortization	6	74.007	68.204	14.550	14.506
Provisions		12.320	-9.484	13.404	13.419
Exchange rate differences		-5.430	4.765	0	0
Results from Investing Activities		-7.526	-12.406	-12.737	-16.608
Debit Interest and similar expenses		35.855	35.237	25.143	20.238
Credit Interest		-22.109	-22.466	-13.895	-3.846
Plus/Less adjustments of working capital to net cash or related to operating activities:					
Decrease/(increase) of Inventories		-5.247	16.015	-6.682	15.722
Decrease/(increase) of Receivable Accounts		1.793	-43.669	18.125	-47.069
(Decrease)/increase of Payable Accounts (except Banks)		-9.193	-10.772	2.663	13.302
Less:					
Interest Paid and similar expenses paid		27.451	23.269	16.644	13.703
Income Tax Paid		22.358	23.904	6.009	11.801
Net Cash from Operating Activities (a)		**81.699**	**58.941**	**24.038**	**-4.582**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	13	4.250	6.441	-2.461	-689
Purchases of tangible and intangible assets	11,12	-79.593	-107.573	-14.475	-14.764
Proceeds from sales of tangible and intangible assets		772	2.011	50	0
Interest received		9.972	12.037	3.767	3.846
Dividends received		0	0	8.043	15.753
Net Cash from Investing Activities (b)		**-64.599**	**-87.084**	**-5.076**	**4.146**
Financing Activities					
Cash inflows from Share Capital Increase		863	25	0	0
Cash inflows from loans		77.312	64.442	0	0
Repayment of loans		-67.273	-53.592	-20.150	0
Repayment of Leasing Obligations		-10.226	-7.086	0	0
Dividends paid		-16.755	-53.280	-716	-23.838
Net Cash from Financing Activities (c)		**-16.079**	**-49.491**	**-20.866**	**-23.838**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)		**1.021**	**-77.634**	**-1.904**	**-24.274**
Cash and cash equivalents at the beginning of the year		**141.477**	**219.111**	**16.306**	**40.580**
Cash and cash equivalents at the end of the year	19	**142.498**	**141.477**	**14.402**	**16.306**

1. General information

INTRALOT S.A. – 'Integrated Lottery Systems and Gaming Services', with the distinct title «INTRALOT» is a business entity that was established based on the Laws of Hellenic Republic and whose shares are traded in the Athens Stock Exchange. Reference to «INTRALOT» or the «Company» includes INTRALOT S.A. whereas reference to the «Group» includes INTRALOT S.A. and its fully consolidated subsidiaries, unless otherwise stated. The Company was established in 1992 and has its registered office in Maroussi of Attica.

INTRALOT is one of the leading suppliers of integrated gaming and transaction processing systems, while its footprint straddles five continents, with presence in 50 countries, more than 5.000 people and revenues of € 1.202 millions in 2011. Committed to meeting customer requirements and performance expectations and with a demonstrated ability to adapt to new markets and overcome technological and cultural constraints, INTRALOT has acquired an excellent reputation in the global gaming sector.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation of the Financial Statements

The attached financial statements have been prepared on the historical cost basis, except for the available-for-sale financial assets and the derivative financial instruments that are measured at fair value, or at cost if the difference is not a significant amount, and on condition that the Company and the Group would continue as a going concern. The attached financial statements are presented in Euros and all values are rounded to the nearest thousand (€000) except if indicated otherwise.

2.2 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and Interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), that have been adopted by the European Union as of December 31, 2011.

2.3 Financial Statements

INTRALOT keeps its accounting books and records and prepares its financial statements in accordance with the Greek Corporate Law 2190/1920, the Greek Unified Chart of Accounts and current tax regulations and issues its financial statements in accordance with the International Financial Reporting Standards (IFRS).

INTRALOT's Greek subsidiaries keep their accounting books and records and prepare their financial statements in accordance with Greek Corporate Law 2190/1920 and the International Financial Reporting Standards (IFRS), the Greek Unified Chart of Accounts and current tax regulations. INTRALOT's foreign subsidiaries keep their accounting books and records and prepare their financial statements in accordance with the applicable laws and regulations in their respective countries. For the purpose of the consolidated financial statements, Group entities' financial statements are adjusted and prepared in relation to the requirements of the International Financial Reporting Standards (IFRS).

2.4 Changes in accounting policies

For the preparation of the financial statements of year ended December 31, 2011, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements (December 31, 2010), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2011.

Standards and Interpretations compulsory for the fiscal year 2011

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2011. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

IAS 24 (Revised 2009) "Related Party Disclosures"

(COMMISSION REGULATION (EC) No.632/2010 of 19 July 2010, L186 – 20.07.2010)

This applies to annual accounting periods starting on or after 1st January 2011.

This amendment aims to reduce the disclosures of transactions between government-related entities and to clarify the meaning of the term "related party". More specifically, the obligation of government-related entities to disclose the details of all the transactions with the public sector and with other government-related entities is annulled, the definition of a related party is clarified and simplified and the amendment requires the disclosure not only of the relationship, transaction and balances between the related parties, but also their commitments, both in their separate and in their consolidated financial statements. The implementation of the revised standard is not expected to have a material impact on the Group's financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation"

(COMMISSION REGULATION (EC) No. 1293/2009 of 23 December 2009, L 347-24.12.2009)

It applies to the annual accounting periods starting on or after 1st February 2010.

This amendment relates to rights issues offered for a fixed amount of foreign currency, which rights were dealt with as derivatives in the existing standard. Based on this amendment, if such rights are issued pro rata to an entity's shareholders who hold the same class of shares, for a fixed amount of foreign currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The Group does not expect this amendment to affect its financial statements, given that it has not made any such transactions.

IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards"

(COMMISSION REGULATION (EC) No. 574/2010 of 30 June 2010, L166 – 01.07.2010)

It applies to the annual accounting periods starting on or after 1 st July 2010.

This amendment provides limited exemption for first-time adopters of IFRS to present comparative IFRS 7 fair value disclosures. This amendment has no impact to the Group's financial statements since it has already adopted IFRS.

IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"

(COMMISSION REGULATION (EC) No. 633/2010 of 19 July 2010, L186 – 20.07.2010)

It applies to the annual accounting periods starting on or after 1 st January 2011.

The amendments apply to specific cases: when the financial entity is subject to a minimum funding requirement and makes a prepayment of contributions to meet this requirement. These amendments allow such financial entity to recognize the benefit from such prepayment as an asset. The above amendment will not affect the Group's financial statements.

IFRIC 19 "Extinguishing Financial Liabilities with equity instruments"

(COMMISSION REGULATION (EC) No. 662/2010 of 23 July 2010, L193 – 24.07.2010)

It applies to the annual accounting periods starting on or after 1 st July 2010.

Interpretation 19 refers to the accounting treatment by the financial entity issuing equity instruments to a creditor in order to settle, in full or in part, a financial liability. The above amendment will not affect the Group's financial statements.

Amendments that regard part of the annual improvement program of IASB (International Accounting Standards Board)

(COMMISSION REGULATION (EC) No. 149/2011 of 18 February 2011, L46 – 19.02.2011)

The amendments if not defined otherwise, hold for the annual fiscal periods beginning on or after the 1st of July, 2010.

IASB in its annual improvement program published in May 2010, amendments to 7 existing Standards and Interpretations. The amendments did not have significant effect on the Group's financial statements.

Standards and Interpretations compulsory after 31 December 2011

The following new standards, amendments and IFRICs have been published but are not in effect for the annual fiscal period beginning the 1st of January 2012 and have not been adopted from the Group earlier.

IAS 1 (Amendment) "Presentation of Financial Statements"

This applies to annual accounting periods starting on or after 1 st July 2012.

The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within Other Comprehensive Income that may be reclassified or recycled to the profit or loss section of the income statement. This amendment has not yet been adopted by the European Union.

IAS 12 (Amendment) "Income Taxes"

This applies to annual accounting periods starting on or after 1 st January 2012.

IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 "*Investment Property".* The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be , be through sale. The Group does not expect this amendment to affect its financial statements, given that it does not own any such assets. This amendment has not yet been adopted by the European Union.

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

(COMMISSION REGULATION (EC) No. 1205/2011 of 22 November 2011, L305 – 23.11.2011)

This applies to annual accounting periods starting on or after 1 st July 2011.

The amendment will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment broadly aligns the relevant disclosure requirements of International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP). The Group does not expect this amendment to affect its financial statements.

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

This applies to annual accounting periods starting on or after 1 st January 2013.

The amendment retains the existing assets and liabilities offsetting models and instead issue new disclosure requirements to allow investors to better compare financial statements prepared in accordance with IFRSs or US GAAP. The Group does not expect this amendment to affect its financial statements. This amendment has not yet been adopted by the European Union.

IAS 32 (Amendment) "Financial Instruments: Presentation"

This applies to annual accounting periods starting on or after 1 st January 2014.

The amendment clarifies the assets and liabilities offsetting criteria in order to address inconsistencies in current practice. The Group does not expect this amendment to affect its financial statements. This amendment has not yet been adopted by the European Union.

IFRS 9 "Financial Instruments"

This applies to annual accounting periods starting on or after 1 st January 2015.

IFRS 9 is the first part of Phase 1 in the work carried out by the International Accounting Standards Board (IASB) for the replacement of IAS 39. The IASB intends to expand IFRS 9 in order to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. According to IFRS 9, all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, specific transaction costs. The subsequent measurement of financial assets is either at amortized cost or at fair value, depending on the financial entity's business model regarding the management of financial assets and the contractual cash flows of the financial asset. IFRS 9 prohibits reclassifications, except in the rare circumstances when the financial entity's business model changes, in which case the financial entity is required to reclassify the affected financial assets prospectively. According to IFRS 9 principles, all investments in equity instruments should be measured at fair value. However, the management has the option of reporting the realized and unrealized fair value through profit or loss of equity instruments which are not held for trading in the "other comprehensive income". Such designation is made at the time of initial recognition separately for each financial instrument and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or losses while dividends from such investments will continue to be recognized in profit or loss. IFRS 9 annuls the exemption of the measurement at cost of non-listed shares and derivatives in non-listed shares, but provides guidance as to when the cost can be a representative estimation of fair value. The Group is in the process of evaluating the effect of IFRS 9 on its financial statements. IFRS 9 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IFRS 9 before 1 January 2015.

IFRS 10 "Consolidated Financial Statements"

This applies to annual accounting periods starting on or after 1 st January 2013. Earlier adoption is permitted.

On May 2011 the IASB issued IFRS 10 "Consolidated Financial Statements". IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in IAS 27 "Consolidated and Separate Financial Statements" and in SIC-12 "Consolidation—Special Purpose Entities". IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. IFRS 10 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IFRS 10 before 1 January 2013.

IFRS 11 "Joint Arrangements"

This applies to annual accounting periods starting on or after 1 st January 2013. Earlier application is permitted.

On May 2011 the IASB issued IFRS 11 "Joint Arrangements". IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities—Non-Monetary Contributions by Venturers". IFRS 11 "Joint Arrangements" provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method (equity method) to account for interests in jointly controlled entities. IFRS 11 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IFRS 11 before 1 January 2013.

IFRS 12 "Disclosure of Interests in Other Entities"

This applies to annual accounting periods starting on or after 1 st January 2013. Earlier application is permitted.

On May 2011 the IASB issued IFRS 12 "Disclosure of Interests in Other Entities". IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IFRS 12 before 1 January 2013.

IFRS 13 "Fair Value Measurement"

This applies to annual accounting periods starting on or after 1 st January 2013. Earlier application is permitted.

On May 2011 the IASB and the FASB issued new guidance on fair value measurement and disclosure requirements for International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP). The guidance set out in IFRS 13 does not change when an entity is required to use fair value, but provides guidance on how to measure fair value. IFRS 13 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IFRS 13 before 1 January 2013.

IAS 19 (amendment) «Employee Benefits»

This applies to annual accounting periods starting on or after 1 st January 2013. Earlier application is permitted.

On June 2011 IASB amended IAS 19 removing the option that allows a company to defer some gains and losses that arise from defined benefit plans ("corridor method"). Companies now will have to report these changes as they occur. This will result in companies including any deficit or surplus in a defined benefit plan on their statement of financial position. Also, it requires companies to include service and finance cost in profit or loss and remeasurements in other comprehensive income. The Group does not expect this amendment to affect its financial statements, given that it does not have defined benefit plans. This amendment has not yet been adopted by the European Union.

IAS 27 (amendment) "Separate Financial Statements"

This applies to annual accounting periods starting on or after 1 st January 2013. Earlier application is permitted.

On May 2011, when the IASB issued IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" also amended IAS 27 that now contains the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The Standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 "Financial Instruments". IAS 27 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IAS 27 before 1 January 2013.

IAS 28 (amendment) "Investments in Associates and Joint Ventures"

This applies to annual accounting periods starting on or after 1 st January 2013. Earlier application is permitted.

On May 2011, when the IASB issued IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" also amended IAS 28 that now contains the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IAS 28 before 1 January 2013.

IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards"

It applies to the annual accounting periods starting on or after 1 st July 2011.

The amendment proposes guidance on how an entity should resume presenting financial statements in accordance with International Financial Reporting Standards (IFRSs) after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. This amendment has no impact to the Group's financial statements since it has already adopted IFRS. This amendment has not yet been adopted by the European Union.

IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards"

It applies to the annual accounting periods starting on or after 1 st January 2013.

The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. This is the same relief as was given to existing preparers of IFRS financial statements. This amendment has no impact to the Group's financial statements since it has already adopted IFRS. This amendment has not yet been adopted by the European Union.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"

It applies to the annual accounting periods starting on or after 1 st January 2013.

The Interpretation 20 clarifies when stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The above amendment will not affect the Group's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of INTRALOT S.A. and its subsidiaries as at the end of each reporting period. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.
Subsidiaries are fully consolidated from the date on which the Group obtains control and cease to be consolidated from the date on which control is transferred out of the Group.
Adjustments are made to bring in line any dissimilar accounting policies that may have existed. All intercompany balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered.
Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners).
Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- derecognizes the carrying amount of any non-controlling interests in the former subsidiary(including any components of other comprehensive income attributable to them),
- derecognizes the cumulative translation differences that have been recorded in equity,
- recognizes the fair value of the consideration received from the transaction,
- recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost,
- reclassifies to profit or loss, (or transfers directly to retained earnings if required in accordance with other IFRSs), the amounts that have been recorded in other comprehensive income,
- recognizes any resulting difference as a gain or loss in profit or loss.

Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which the Group has control.

3.2 Business combination and Goodwill

a) Subsidiaries

Subsidiaries are entities that are controlled by the Group. Control is the power to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. Control is presumed to exist when the Group owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. Control also exists when the Group owns half or less of the voting power of an entity, but clauses of IAS 27 par.13 are met. The existence and effect of potential voting rights that are currently exercisable or convertible, are considered when assessing whether Group controls an entity.

Subsidiaries are consolidated using the acquisition method according to IFRS 3. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The amount of non-controlling interest is measured at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed to statement of comprehensive income.

At the acquisition date, the Group classifies or designates the identifiable assets acquired and liabilities assumed on the basis of the contractual terms, economic conditions, its operating or accounting policies and other pertinent conditions as they exist at the acquisition date.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income (i.e. due to the fact that the investment has been classified as available for sale). If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

The Group recognizes any contingent consideration at the fair value, at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognized in accordance with IAS 39 either in the statement of comprehensive income or as a change in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill in a business acquisition is initially measured at cost being the excess of the cost of acquisition transferred over the net fair value of the identifiable assets acquired and liabilities assumed of the acquiree. If this cost of acquisition is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Any goodwill arising on the acquisition of a foreign subsidiary and all fair value adjustments to the carrying amount of assets and liabilities arising on the acquisition, are treated as assets and liabilities of the foreign operation and translated at the closing rate accordingly.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Based on IFRS 3 'Business combinations', Goodwill is not amortized. Goodwill is reviewed for impairment, annually or more frequently if events or changes in the circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this case is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Any impairment losses that have been recognized for goodwill, will not be reversed in future periods.

Investments in subsidiaries are stated in the individual statement of financial position of the Company at their cost less any impairment in value.

b) Investment in associates

Associates are entities over which the Group has significant influence and are neither subsidiaries nor interests in a joint venture. The Group's investments in associates are accounted for using the equity method.

Under this method, investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The statement of comprehensive income reflects the Group's share of the post acquisition associate's results after taxes and non-controlling interests of the associate's subsidiaries. Also, the Group's share of the changes in associates' equity is directly recognized to the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to the associate's financial statements so as to apply the equity method.

The financial statements of the associates are prepared for the same reporting period as that of the parent company.

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Group applies the requirements of the relative IFRSs to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the associate. The Group incurs impairment test at the end of each reporting period comparing the recoverable amount of the investment in associate to its carrying value and recognizes the difference in the statement of comprehensive income of the period.

The Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associate and accounts for the investment in accordance with IAS 39 measuring the investment at fair value. Any difference between the carrying amount and the fair value of the investment in associate is recognized in statement of comprehensive income of the period.

Investments in associates are stated in the statement of financial position of the Company at their cost less any impairment in value.

c) Interest in joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group consolidates joint ventures applying the proportionate consolidation method, whereby the Group's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined "line by line" with similar items in the Group's consolidated financial statements.

If a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to the joint venture's financial statements so as to apply the proportionate method.

The financial statements of joint ventures are prepared for the same reporting period as the parent company.

Any intercompany balances and transactions, including unrealized gains, resulting from transactions between the Group and joint ventures, are fully eliminated.

At the date of loss of joint control to a venture and provided the former joint venture does not become a subsidiary or associate, the Group ceases applying the proportionate consolidation method and measures the remaining investment at its fair value. Any difference between the carrying amount of the former joint venture and the fair value of the investment is recognized in statement of comprehensive income. If the joint venture becomes an associate or subsidiary it would be accounted for according to IAS 28 & IAS 27 respectively.

Investments in joint ventures are stated in the individual statement of financial position of the Company at their cost less any impairment in value.

3.3 Foreign Currency Translation

The functional and presentation currency of INTRALOT S.A. and its subsidiaries which are located in Greece is the euro (€).

a) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

All resulting differences are taken to the consolidated statement of comprehensive income of the year

with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to Other Comprehensive Income until the date of the disposal of the net investment, at which time they are recognized in the consolidated statement of comprehensive income of the year. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction. Non-monetary items measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined.

b) Group companies

The functional currency of the overseas subsidiaries is the currency of the country in which each subsidiary is located and operates. As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of INTRALOT S.A. at the rate of exchange ruling at this date and, their statements of comprehensive income are translated at the weighted average exchange rates for the year. The resulting exchange differences arising on the retranslation are taken directly to a separate component of Other Comprehensive Income. On disposal of a foreign entity, the deferred cumulative amount recognized in Other Comprehensive Income relating to that particular foreign operation shall be transferred to the statement of comprehensive income.

3.4 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing the tangible assets and borrowing costs for long-term construction assets if the recognition criteria are met.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

• Buildings (owned)	20 to 30 years
• Installations on third party property	Over the duration of the lease but not less than 5% per annum
• Installation & Equipment	5 to 15 years
• Computer Hardware	20% to 30% per annum
• Transportation Equipment-Motor vehicles	7 years or 15% per annum
• Transportation Equipment-Trucks etc.	5 years or 20% per annum

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is de-recognized.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted prospectively, if appropriate.

As regards hardware and software leased under operating lease, these assets, in the group statement of financial position are disclosed in acquisition cost values and have been depreciated using the straight line method and according to the lower period between the useful life and the contract life, taking also into account their residual value at the end of the relative contract life as well as the collecting cost. In case of the respective contracts renewal, the assets' remaining net book value is depreciated according to the renewed contract life.

The carrying values of plant, property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value minus selling expenses and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income.

3.5 Borrowing costs

Since January 1st 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

3.6 Intangible assets

Intangible assets acquired individually, are capitalized at cost and those acquired through a business combination at fair values at the acquisition date. After initial recognition, intangibles are valued at cost less accumulated amortization and any impairment in value. Useful lives of these intangibles are assessed to be either finite or indefinite. Intangibles with finite useful lives are amortized as follows:

• Software platforms • Central operating software • Central Network software • Licenses • Rights	Over the duration of the longest contract
• Other software	3 to 5 years

Software that does not fall within the scope of particular contracts, are amortized at the expected useful life. During this period a new operating business plan of such software was adopted, whereby their estimated useful lives were revised - extended.

Amortization of finite life intangibles are recognized as an expense in the statement of comprehensive income apportioned to the related cost centers. Intangible assets with indefinite useful life are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

Intangibles, except development costs internally generated, are not capitalized and the costs are included in the statement of comprehensive income in the year they are incurred.

Intangible assets are tested for impairment annually, either individually or at the cash generating unit level. Useful lives are also assessed annually and any revisions do not have retrospective application.
Gains or losses arising from derecognition of an intangible asset (that are measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the statement of comprehensive income when the asset is derecognized.

Research and Development Costs
Research costs are expensed as incurred. Development expenditure incurred by individual project is capitalized if, and only if, the Group can demonstrate all of the following:
(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale,
(b) its intention to complete the intangible asset and use or sell it,
(c) its ability to use or sell the intangible asset,
(d) how the intangible asset will generate probable future economic benefits ,
(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.
Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the capitalized development expenditure begins when the development is complete and the asset is available for use. Any expenditure capitalized is amortized over the period of expected future sales from the related project.
The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicates that the carrying value may not be recoverable.

3.7 Financial instruments

i) Financial assets

Financial assets within the scope of IAS 39 are classified according to their nature and characteristics in the below four categories:

• Financial assets at fair value through profit or loss,
• Loans and receivables,
• Financial assets held-to-maturity, and
• Available-for-sale financial assets.

All financial assets are recognized initially at cost, which is the fair value of the consideration given, including transaction costs, in some cases.

The subsequent measurement of financial assets depends on their classification on the following categories:

Financial assets at fair value through profit or loss:
Include trading portfolio and investments acquired for the purpose of selling them in the near future. Also, include derivative financial instruments that are not designated as hedging instruments. Gain or losses from the measurement of these assets are recognized in statement of comprehensive income as financial income or expenses respectively.

Loans and receivables:
Include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on acquisition over the period to maturity. Gains or losses arising from derecognition and impairment are recognized in the statement of comprehensive income as finance costs or income, as well as the EIR income through the amortization process.

Financial assets held-to-maturity:
Include non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold them to maturity. Financial assets held for indefinite or non-predetermined period of time cannot be classified under this category. After initial measurement held-to-maturity investments are measured at amortized cost using the effective interest method. Gains or losses arising from derecognition and impairment are recognized in the statement of comprehensive income as finance costs or income, as well as the EIR income through the amortization process.

Available-for-sale financial assets:
Financial assets that cannot be included under the abovementioned categories are classified as available-for-sale financial assets. Available-for-sale financial investments include equity investments and debt instruments. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt instruments in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement the available-for-sale financial assets are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve. When the investment is sold, derecognized or impaired, the cumulative gains or losses are transferred from the relative reserve to the statement of comprehensive income of the period.

Derecognition of financial assets

The Group ceases to recognise a financial asset when and only when:

- the contractual rights to the cash flows from the financial asset expire or
- has transferred its contractual right to receive cash flows from an asset, or has retained this right to receive cash flows from an asset but has assumed a contractual obligation to pay the cash flows to one or more parties, or has transferred substantially all risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred the control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has assumed a contractual obligation to pay the cash flows to one or more parties, but in parallel has neither transferred nor retained substantially all the risks and rewards of the asset nor has transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

When the Group's continuing involvement takes the form of a guarantee over the transferred asset, the extent of continuing involvement is measured at the lower of the carrying amount of the asset and the maximum amount of consideration that the Group could be asked to repay ('the guarantee amount'). When the entity's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset (including cash-settled options), the extent of the entity's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in case of a written put option on an asset that is measured at fair value, the extent of the continuing involvement is limited to the lower of the fair value of the transferred asset and the option's exercise price.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder of the asset about the following loss events:

(a) significant financial difficulty of the issuer or obligor;

(b) a breach of contract, such as a default or delinquency in interest or principal payments;

(c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or
(f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets.

Financial assets carried at amortised cost

For financial assets carried at amortised cost (loans and receivables or held-to-maturity investments), the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows(excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). If the loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR. The carrying amount of the asset shall be reduced either directly or through use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced either directly or by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. If, in a subsequent year, the fair value of a debt instrument classified as available-for-sale, increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps, currency swaps and other derivatives in order to hedge risks related to interest rates and foreign currency fluctuations.

The derivative financial instruments are measured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The fair value of these derivatives is measured by reference of the market value and is verified by the financial institutions.

Gains or losses from the change in derivatives fair value are recognized directly in statement of comprehensive income, except for the effective portion of cash flow hedges, which is recognized in Other Comprehensive Income.

For the purpose of hedge accounting, derivative financial instruments are classified as:

- **fair value hedge**: hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- **cash flow hedge**: hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction
- **hedge of a net investment in a foreign operation.**

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting:

Fair value hedge:

Gains or losses from subsequent measurement of the hedging instrument at fair value are recognized in the statement of comprehensive income as finance income/expenses. Gains or losses from subsequent measurement of the hedged item at fair value are recognized as a part of the carrying value of the hedged item and is also recognized in the statement of comprehensive income as finance income/expenses.

Cash flow hedge:

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the statement of comprehensive income as finance income/expenses.

Amounts recognized as other comprehensive income are transferred to the statement of comprehensive income in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as in the periods when the hedged financial income or financial expense is recognized or when a forecast sale occurs).

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in other comprehensive income are transferred to the statement of comprehensive income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecast transaction occurs, when is transferred to the statement of comprehensive income.

Hedge of a net investment in a foreign operation:

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the statement of comprehensive income. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in other comprehensive income is transferred to the statement of comprehensive income.

Some derivatives while characterized as efficient hedging items, following group policy, they cannot qualify as hedging accounting according to IAS 39 and thus profit and loss are accounted directly in the statement of comprehensive income.

ii) Financial liabilities

Financial liabilities include trade and other liabilities, bank overdrafts, loans and borrowings, financial guarantee contracts and derivative financial instruments.

Financial liabilities are initially recognized at fair value and in case of loans and borrowings, plus directly attributable transaction costs.

After the initial measurement, the financial liabilities are measured as follows:

Interest bearing loans and borrowings:

All interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized or impaired, as well as through the amortization process.

Financial liabilities at fair value through profit or loss:

Include financial liabilities held for trading, that are acquired or incurred principally for the purpose of selling or repurchasing it in the near term and are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Such liabilities, including derivative instruments that are liabilities, are measured at fair value (except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost). Gains or losses from the measurement at fair value are recognized in the statement of comprehensive income.

Financial guarantee contracts:

Include contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently are measured at the higher of the amount determined in accordance with IAS 37 and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IAS 18.

Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation is cancelled, extinguished or doesn't exist anymore. In case of an existing liability replaced by another from the same lender but under substantially different terms, or in case that there are substantial changes in terms of an existing liability, then the initial financial liability is derecognized and a new liability recognized, and the resulting difference between balances is recognized in the statement of comprehensive income.

Offsetting of financial instruments

The financial instruments are offset when the Group, according to law, has this legal right and there is an intention to settle them on a net basis (among them) or to realize the asset and settle the liability simultaneously.

Fair value of financial instruments

For investments that are actively traded in organized markets, fair values are determined in relation to the closing traded values at the reporting date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another item substantially similar, or is estimated based on the expected cash flows of the underlying net asset that consist the base of the investment or on acquisition cost.

3.8 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business of the Group, less the estimated costs necessary to make the sale. Provisions for impairment of the inventories value are recorded when it is needed and recognized in the statement of comprehensive income.

3.9 Trade and other short term receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amount.

The Group makes an estimate for doubtful debts when collection of the full amount is no longer probable. Bad debts are written off when all possible legal actions have been exhausted.

When the inflow of cash or cash equivalents arising from goods sale or services rendering is deferred, the fair value of the consideration may be less than the nominal amount of cash. When the arrangement effectively constitutes a finance transaction, the fair value of the consideration is determined by discounting all future receipts using the prevailing interest rate for a similar instrument of an issuer with a similar credit rating. The difference between the fair value and the nominal amount of the consideration is recognized as interest revenue in the future periods, in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

3.10 Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position include cash at bank, short-term deposits and cash in hand along with other high liquidity investments that are subject to an insignificant risk of changes in value and have an original maturity of three months or less.

Bank overdrafts are included in the short-term bank loans in the statement of financial position.

For cash flow statement purposes, cash and cash equivalents include what is defined above, without the netting of outstanding bank overdrafts.

3.11 Long Term Liabilities

All long term liabilities are initially recognized at cost. Following initial recognition, liabilities that are denominated in foreign currency are valued at the closing exchange rate of each reporting date. Any interest expenses are recognized on an accruals basis.

3.12 Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain the expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. Provisions are re-examined at each reporting date and are adjusted so as to represent the present value of the expense that will be needed to settle the liability. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at an after-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability of a potential outflow of funds is remote. Contingent assets are not recognized but are disclosed when the probability of a cash inflow is probable.

Provisions are recognized on each financial statements date (and interim) based on the best and reliable estimate for potential excess of cost (payments to winners) in games with predetermined odds, as this is provided by the contracts between the company and the clients. The provision amount arising from this calculation is recognized and booked as an expense.

3.13 Leases

Entity/Group as lessee:

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of comprehensive income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Entity/Group as Lessor:

In cases of hardware and software leasing through operating lease, these assets are included in the Group’s tangible assets. The income that occurs is recognized on a straight line basis through the contract period.

When fixed assets are leased through financial leasing, the present value of the lease is recognized as a receivable. The difference between the gross amount of the receivable and its present value is registered as a deferred financial income. The income from the lease is recognized in the period’s statement of comprehensive income during the lease using the net investment method, which represents a constant periodic return.

3.14 Share capital – Treasury shares

Share capital includes common and preference shares without voting right, which have been issued. Share premium reserve includes the excess of the shares par value received consideration. Any costs directly attributable to the issue of new shares are shown as a deduction in share premium reserve.

Treasury shares represent shares of the parent company held by the Group. Treasury shares are stated at cost and are deducted from Equity. Upon acquisition, disposal, issuance or cancellation of treasury shares, no gain or loss is recognized in the statement of comprehensive income. The consideration given or received and the related gains or losses from the settlement are recognized directly in Equity.

3.15 Share Based Payments

IFRS 2 ‘Share-based Payment’ requires an expense to be recognized where the Group buys goods and services in exchange for shares (‘equity-settled transactions’) or rights over shares (stock options), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (‘cash-settled transactions’).

The Group provides stock options to executives and employees. The fair value of the executives and employees, who receive these stock options, is recognized according to IFRS 2 as an expenditure in the statement of comprehensive income, with a respective increase of equity, during the period that these services are received and the options provided. The estimation of the total amount of the stock options expenditure during the vesting period is based on the provided stock options fair value at the grant date. The stock options fair value is measured using the proper valuation model depending on the terms of each program, taking into account the proper data such as volatility, discounting factor and dividend yield. Detailed information about the relative stock option programs of the Company included in note 23.

Any outstanding stock options during the reporting period are taken into account for the calculation of the diluted earnings per share.

3.16 Staff Retirement Indemnities

Staff retirement indemnities are measured at the present value of the defined benefit obligations at the balance sheet date, through the recognition of the employees’ right to benefits based on years of service over their expected working life. The above liabilities are calculated using financial and actuarial assumptions and are determined based on an actuarial valuation method (Projected Unit Credit Method). The net expense for the period is included within staff costs in the accompanying statement of comprehensive income and consists of the present value of the benefits earned during the year, interest cost on the benefit liability, past service cost, actuarial gains or losses recognized and any other additional pension costs. The past service costs are recognized as an expense on a straight line basis over the average period until the benefits become vested. The unrecognized actuarial gains or losses are recognized over the remaining working life of active employees, and are included as part of the net annual pension cost of each year, if at the beginning of the period they exceed 10% of the future estimated liability for benefits. The Company’s pension benefit schemes are not funded.

3.17 State Insurance Programs

The Company employees are covered by the main State Insurance Organization for the private sector (IKA) that provides pension and medical benefits.

Each employee is obliged to contribute a percentage of its monthly salary to IKA while part of the total contribution is covered by the Company. On retirement, IKA is responsible for the payment of pensions to employees. Consequently, the Company does not have any legal or constructive obligation for the payment of future benefits based on this scheme.

3.18 Revenue recognition

Revenues are recognized in the period they are realized and the related amounts can be reliably measured. Revenues are measured at their fair value of the consideration received excluding discounts, sales tax and duties. The following specific recognition criteria must also be met before revenue is recognized:

- ***Hardware and Software:*** This category includes the supply of hardware and software (gaming machines, central computer systems, gaming software, communication systems etc.) to Lotteries so that they can operate their on-line games. Revenue is recognized by the Company either as a direct sale of hardware and software or as operating lease or as finance lease for a predetermined time period according to the contract with the customer.
  In the first case, the income from the sales of hardware and software (in a determined value) is recognized when the significant risks and rewards arising from the ownership are transferred to the buyer.
  In the second case that consists income from operating lease, is defined per case either on straight-line basis over the lease term or as a percentage on the Lottery Organization's gross turnover received by the player-customer (in this case income recognition occurs the moment that the player-customer places the related consideration in order to participate in a game).
  In the third case that consists income from finance lease, it is defined using the net investment method (the difference between the gross amount of the receivable and its present value is registered as a deferred financial income). This method represents a constant periodic return, recognizing the revenue from the finance lease in the period's statement of comprehensive income during the lease term.

- ***Technical services:*** This category includes the rendering of technical support services to Lotteries so that they can operate their on-line games. The revenue associated with the transaction is recognized by reference to the completion of the transaction at the end of the reporting period.

- ***Game management:*** The Group undertakes the provision of value added services, such as the design, organization and/ or management of games, advertising and sales promotion, establishment of sales network, risk management (for fixed odds games) e.t.c to organizations internationally. Group revenues mainly consist of a percentage of the turnover of the games to which the above services are provided, the size of which is contractually determined based on the market size, the type of services rendered, the duration of the contract and other parameters. Revenue recognition occurs the moment that the player-customer pays the related consideration in order to participate in a game and equals to an amount calculated as a percentage on the total amount received by the lottery games organization from the player-customer.

- ***Game operation*:** In this category, the Group has the full game operating license in a country. In the case of operating the game the Company undertakes the overall organization of the games provided (installation of information systems, advertising and promotion, establishment of sales network, receipt of the payments from players, payment of winnings to players e.t.c). Revenue recognition in this category occurs the moment that the player-customer pays the related consideration in order to participate in a game and equals the total amount received from the player-customer. Especially in the case of VLT, revenue is measured as the "net drop" (total price minus winnings/payout) received from the player-customer.

- ***Interest income:*** Interest income is recognized in the statement of comprehensive income using the effective interest rate method.

- ***Dividends:*** Dividend income is recognized in the statement of comprehensive income when the Group's right to receive the payment is established.

- ***Rental income:*** Rental income arising from operating leases is accounted for on a straight-line basis during the lease term.

3.19 Taxes

Income tax

Current and deferred income taxes are calculated based on the financial statements of each entity included in the consolidated financial statements, based on the Greek tax laws or other tax frameworks within which the foreign subsidiaries operate. Income tax is calculated based on the profit of each entity as adjusted on their tax returns, for additional taxes arising from audits performed by the tax authorities and deferred taxes based on enacted tax rates.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount.

Deferred income tax liabilities are recognized for all taxable temporary differences except:

- If the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and
- In respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, or the unused tax losses can be utilized except if:

- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and

- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that apply at the year when the asset is expected to be realized or the liability to be settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is not measured by the Group as regards the undistributed profits of subsidiaries, branches, associates and joint ventures due to the elimination of intercompany profits, from relevant transactions, as they are considered insignificant.

Income tax relating to items recognized directly in Other Comprehensive Income is recognized in Other Comprehensive Income and not in the statement of comprehensive income.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, is included as part of receivables or payables in the statement of financial position.

3.20 Earnings per share

The basic earnings per share (EPS) are calculated by dividing net profit by the weighted average number of ordinary shares outstanding during each year, excluding the average number of ordinary shares held by the Group as treasury shares.

The diluted earnings per share are calculated by dividing the net profits attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year (adjusted for the effect of the average number of share option rights outstanding during the year).

4. Information Per Segment

Geographical Sales Breakdown

	Third parties			Inter-segmental			Total		
(in million €)	**12M11**	**12M10**	**Diff %**	**12M11**	**12M10**	**Diff %**	**12M11**	**12M10**	**Diff %**
European Union	687,55	760,80	-9,63%	63,60	85,60	-25,70%	751,15	846,40	-11,25%
Rest of Europe*	4,71	5,28	-10,80%	0,00	0,07	-	4,71	5,35	-11,96%
America	375,89	277,39	35,51%	10,07	14,46	-30,36%	385,96	291,85	32,25%
Other countries	134,20	72,25	85,74%	7,66	1,21	533,06%	141,86	73,46	93,11%
Eliminations	-	-	-	-81,33	-101,34	-	-81,33	-101,34	-
Total	**1.202,35**	**1.115,72**	**7,76%**	**0,00**	**0,00**	**-**	**1.202,35**	**1.115,72**	**7,76%**

	Geographical Profits Breakdown before taxes			Geographical Profits Breakdown after taxes		
(in million €)	**12M11**	**12M10**	**Diff %**	**12M11**	**12M10**	**Diff %**
European Union	39,96	111,00	-64,00%	32,76	97,80	-66,50%
Rest of Europe*	0,21	1,31	-83,97%	-0,26	1,25	-
America	19,77	12,35	60,08%	9,88	1,61	513,66%
Other countries	17,00	1,94	776,29%	13,11	0,04	326,75%
Eliminations	-19,90	-45,91	-	-19,90	-45,91	-
Total	**57,04**	**80,69**	**-29,31%**	**35,59**	**54,79**	**-35,04%**

* Segments outside reportable limits/disclosure criteria.

5. Staff costs

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Salaries	81.259	76.971	17.593	16.132
Social security contributions	14.150	11.564	3.682	3.114
Staff retirement indemnities (Note 22)	1.160	1.500	717	488
Other staff costs	8.396	8.226	777	777
Total	**104.965**	**98.261**	**22.769**	**20.511**

Salaries & Social security contributions per cost center December 31, 2011

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	37.339	10.243	30.328	3.349	81.259
Social security contributions	6.541	2.078	4.870	661	14.150
Staff retir. & other costs	4.305	977	4.043	231	9.556
	48.185	**13.298**	**39.241**	**4.241**	**104.965**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	6.058	3.071	5.182	3.282	17.593
Social security contributions	1.655	620	746	661	3.682
Staff retir. & other costs	754	225	283	232	1.494
	8.467	**3.916**	**6.211**	**4.175**	**22.769**

Salaries & Social security contributions per cost center December 31, 2010

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	37.329	9.711	28.351	1.580	76.971
Social security contributions	5.490	1.632	3.995	447	11.564
Staff retir. & other costs	4.903	1.190	3.489	144	9.726
	47.722	**12.533**	**35.835**	**2.171**	**98.261**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	6.839	2.646	5.129	1.518	16.132
Social security contributions	1.558	499	611	446	3.114
Staff retir. & other costs	759	147	215	144	1.265
	9.156	**3.292**	**5.955**	**2.108**	**20.511**

The number of employees of the Company and the Group on 31 December 2011 was 629 and 5.512 respectively (31 December 2010 was 634 and 5.380 respectively).

6. Depreciation and amortization

Depreciation and amortization recognized in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Depreciation of tangible fixed assets (Note 11)	47.438	43.653	10.394	11.133
Amortization of intangibles (Note 12)	26.569	24.551	4.156	3.373
Total	**74.007**	**68.204**	**14.550**	**14.506**

Depreciation and amortization per cost center

31/12/2011	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	45.192	2.093	25.121	1.601	**74.007**
Company	8.730	1.746	2.473	1.601	**14.550**

31/12/2010	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	42.688	2.010	21.910	1.596	**68.204**
Company	8.702	1.741	2.467	1.596	**14.506**

7. Research and Development Costs

Research and development costs recognized in the consolidated statement of comprehensive income amount to € 9.710 thousand and in the statement of comprehensive income of the parent company they amount to € 6.735 thousand (2010: € 8.069 thous. & € 5.431 thous.).

8. Income Taxes

Corporate income tax is calculated at 20% and 24% on the estimated tax assessable profit for the year 01/01-31/12/2011 and 01/01-31/12/2010 respectively.

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Income Taxes in the Statement of Comprehensive Income:				
Current income taxes	20.844	19.494	3.776	7.847
Deferred income taxes	609	6.406	739	1.357
Total income tax expense reported in income statement	**21.453**	**25.900**	**4.515**	**9.204**

The reconciliation of the income tax expense applicable to accounting profit before income tax at the Greek statutory tax rate to income tax expense at the Group' s/ Company's effective income tax rate is as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Profit before income taxes	**57.038**	**80.690**	**6.120**	**11.258**
Income taxes based on Greek statutory tax rate 20% (2010: 24%)	11.408	19.317	1.224	2.702
Adjustments in opening balance	50	-1.582	0	-2.180
Tax effect of non-deductible tax expenses	17.582	10.355	3.792	5.988
Tax effect of subsidiaries' losses, for which deferred tax asset was not recognized	-2.447	-1.539	0	0
Tax effect of tax free reserves	0	323	0	0
Tax effect of non taxable profits	-13.551	-7.423	-648	-3.258
Tax effect of foreign subsidiaries' profits that are taxable at different tax rates	8.183	18	0	0
Deferred tax effect due to tax rate change	0	1.110	0	1.097
Social responsibility tax	0	5.253	0	4.855
Income tax of previous years after tax audit	-717	0	-800	0
Provision for additional taxes from future tax audits	945	68	947	0
Income taxes at effective tax rate as reported in the income statement	**21.453**	**25.900**	**4.515**	**9.204**

Tax returns are submitted annually, but the declared taxable profits or tax allowable losses revised when the tax authorities subject the tax returns and books and records of a Company to an audit, at which time the tax liabilities become final. The tax losses to the extent recognized by the tax authorities of each country can be offset against taxable future profits.

Deferred income taxes arise on the temporary differences between the carrying amounts and tax bases of the assets and liabilities, at the currently applicable tax rate.

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Net deferred tax asset at beginning of the year	**8.880**	**13.308**	**7.868**	**9.224**
Adjustments in opening balance	0	0	0	0
(Debit)/Credit to the consolidated statement of comprehensive income	-641	-7.211	-739	-1.356
Effect from a first time consolidated subsidiary	30	804	0	0
Exchange difference	327	1.979	0	0
Net deferred tax asset at end of the year	**8.596**	**8.880**	**7.129**	**7.868**

The deferred tax asset and liability presented in the accompanying balance sheet are analyzed as follows:

December 31, 2011	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
Subsidiaries' tax losses carried forward	3.829	0	0	0
Inventories– Intercompany profit	413	0	351	0
Financial assets	2.789	0	176	0
Long term receivables	2.650	-85	0	0
Provisions	61	-969	0	-645
Tangible assets	1.451	-6.697	0	-3.424
Intangibles assets	334	-1.700	333	0
Receivables	6.560	-2.623	6.079	-969
Prepayments	0	0	0	0
Long term liabilities	5.340	-415	5.158	0
Current Liabilities	758	-4.308	0	-613
Short Term Loans	0	0	0	0
Finance Lease Liabilities	0	0	0	0
Staff retirement indemnities	1.021	0	683	0
Other	187	0	0	0
	25.393	**-16.797**	**12.780**	**-5.651**

01/01/2011-31/12/2011	Income Statement	
Deferred income tax	GROUP	COMPANY
Prior years' tax losses utilized	1.280	0
Subsidiaries' tax losses carried forward	-2.907	0
Provisions of the year	-793	-702
Reversal of provisions utilized	0	0
Tangible assets	-676	-1.533
Intangible Assets	499	1.097
Financial assets	-2.096	-176
Short term receivables	5.369	2.264
Long Term Receivables	2.455	0
Inventories– impairment	8	0
Staff retirement indemnities	-23	0
Short term Provisions	456	-68
Current Liabilities	-1.574	994
Long Term Liabilities	-1.385	-1.137
Financial lease obligations	0	0
Other	-2	0
Deferred Tax (income) / expense	**611**	**739**

December 31, 2010	**GROUP**		**COMPANY**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Subsidiaries' tax losses carried forward	2.988	0	0	0
Inventories– Intercompany profit	426	0	351	0
Financial assets	919	-1	0	0
Long term receivables	4.912	176	0	0
Provisions	34	-1.101	0	-714
Tangible assets	1.939	-7.630	0	-4.956
Intangibles assets	1.439	-3.673	1.430	0
Receivables	10.422	-3.116	8.343	-1.671
Prepayments	0	0	0	0
Long term liabilities	4.196	-126	4.130	0
Current Liabilities	528	-4.125	0	379
Short Term Loans	126	4	0	0
Finance Lease Liabilities	0	0	0	0
Staff retirement indemnities	823	-1	576	0
Other	62	-341	0	0
	28.814	**-19.934**	**14.830**	**-6.962**

01/01/2010-31/12/2010	**Income Statement**	
Deferred income tax	**GROUP**	**COMPANY**
Prior years' tax losses utilized	1.680	0
Subsidiaries' tax losses carried forward	-541	0
Provisions of the year	2.047	1.112
Reversal of provisions utilized	0	0
Tangible assets	-3.034	-3.091
Intangible Assets	962	810
Financial assets	-951	0
Short term receivables	8.846	6.825
Long Term Receivables	1.918	0
Inventories– impairment	-3.660	-3.662
Staff retirement indemnities	-92	-92
Short term Provisions	2.130	395
Current Liabilities	-2.056	226
Long Term Liabilities	-843	-1.166
Financial lease obligations	0	0
Other	0	0
Deferred Tax (income) / expense	**6.406**	**1.357**

9. Earnings per share

The calculation of basic and diluted earnings per share is as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Net profit attributable to shareholders of the parent company	**17.701**	**36.626**	**1.605**	**2.054**
Weighted average number of shares	158.961.721	158.961.721	158.961.721	158.961.721
Less: Weighted average number of treasury shares	0	0	0	0
Weighted average number of shares outstanding	**158.961.721**	**158.961.721**	**158.961.721**	**158.961.721**
Basic earnings per share (EPS) (in Euro)	**€ 0,1114**	**€ 0,2304**	**€ 0,0101**	**€ 0,0129**
Weighted average number of shares outstanding (for basic EPS)	158.961.721	158.961.721	158.961.721	158.961.721
Effect of potential exercise of share options (weighted average number outstanding in the year)	0	0	0	0
Weighted average number of shares outstanding (for diluted EPS)	**158.961.721**	**158.961.721**	**158.961.721**	**158.961.721**
Diluted earnings per share (EPS) (in Euro)	**€ 0,1114**	**€ 0,2304**	**€ 0,0101**	**€ 0,0129**

The difference between the weighted average number of shares outstanding and the number of shares including those that would arise from a potential exercise of share options, is not significant.

10. Dividends

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Declared dividends of ordinary shares in the year:				
Final dividend of 2009	0	49.091	0	23.844
Interim dividend of 2010	0	4.195	0	0
Final dividend of 2010	13.647	0	719	0
Interim dividend of 2011	3.630	0	0	0
Dividend per Statement of changes in equity	**17.277**	**53.286**	**719**	**23.844**
Total dividend of 2010: € 0,004523 (Company € 0,004523)	0	719	0	719
Total dividend of 2011: € 0,003535 (Company € 0,003535)	562	0	562	0
Less: dividend paid as of year end	0	0	0	0
Dividend not recognized as a liability as at 31st December	**562**	**719**	**562**	**719**

11. Tangible assets

Tangible assets are analyzed as follows:

GROUP	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Assets under construction	Other Tangible Assets	Total
1/1/2011								
Cost	11.141	26.474	286.754	6.769	117.986	2.227	900	452.251
Accumulated Depreciation	0	-6.017	-92.454	-2.954	-69.511	0	-149	-171.085
Net Book value 1/1/2011	**11.141**	**20.457**	**194.300**	**3.815**	**48.475**	**2.227**	**751**	**281.166**
COST								
Additions	405	1.513	25.078	791	3.931	1.174	1.674	34.566
Transfer of assets from (to) other categories	0	619	11.142	517	-968	-803	0	10.507
Transfer from (to) inventories	0	0	18	0	0	0	0	18
Disposal	0	-437	-9.772	-545	-321	0	-651	-11.726
Write-off	0	-453	-505	-57	-209	-194	-3	-1.421
Net exchange differences on foreign currency translation	78	530	33	128	-504	-65	-5	195
ACCUMULATED DEPRECIATION								
Depreciation	0	-1.906	-30.576	-1.061	-13.663	0	-232	-47.438
Impairment	0	0	0	0	0	0	0	0
Disposal	0	406	5.714	393	108	0	21	6.642
Write off	0	95	472	58	77	0	1	703
Net exchange differences on foreign currency translation	0	-82	843	-56	643	0	-8	1.340
Transfer of assets from (to) other categories	0	42	-8.550	-466	-1.950	0	0	-10.924
Transfer from (to) inventories	0	0	12	0	0	0	0	12
Net book value-31/12/2011	**11.624**	**20.784**	**188.209**	**3.517**	**35.619**	**2.339**	**1.548**	**263.640**
31/12/2011								
Cost	11.624	28.246	312.748	7.603	119.915	2.339	1.915	484.390
Accumulated Depreciation	0	-7.462	-124.539	-4.086	-84.296	0	-367	-220.750
Net book value-31/12/2011	**11.624**	**20.784**	**188.209**	**3.517**	**35.619**	**2.339**	**1.548**	**263.640**

GROUP	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Assets under construction	Other Tangible Assets	Total
1/1/2010								
Cost	9.549	13.956	247.743	4.668	111.373	1.019	0	388.308
Accumulated Depreciation	0	-2.861	-73.626	-2.083	-65.951	0	0	-144.521
Net Book value 1/1/2010	**9.549**	**11.095**	**174.117**	**2.585**	**45.422**	**1.019**	**0**	**243.787**
COST								
Additions	0	1.655	48.115	1.464	5.005	1.943	714	58.896
Transfer of assets from (to) other categories	415	-161	-21.384	-241	-3.842	-962	141	-26.034
Transfer from (to) inventories	0	0	-2.641	0	0	0	0	-2.641
Disposal	0	-129	-3.477	-183	-339	0	-1	-4.129
Write-off	0	-839	-1.512	-10	-150	-337	0	-2.848
Additions due to acquisitions of subsidiaries	1.090	10.435	5.920	697	3.756	311	0	22.209
Net exchange differences on foreign currency translation	87	1.557	13.990	374	2.183	253	46	18.490
ACCUMULATED DEPRECIATION								
Depreciation	0	-1.824	-26.321	-996	-14.412	0	-100	-43.653
Impairment	0	-13	-41	0	0	0	0	-54
Disposal	0	28	2.688	60	86	0	1	2.863
Write off	0	67	1.176	10	71	0	1	1.325
Additions due to acquisitions of subsidiaries	0	-1.304	-2.565	-295	-2.898	0	0	-7.062
Net exchange differences on foreign currency translation	0	-220	-4.386	-132	-1.770	0	-8	-6.516
Transfer of assets from (to) other categories	0	110	10.621	482	15.363	0	-43	26.533
Net book value-31/12/2010	**11.141**	**20.457**	**194.300**	**3.815**	**48.475**	**2.227**	**751**	**281.166**
31/12/2010								
Cost	11.141	26.474	286.754	6.769	117.986	2.227	900	452.251
Accumulated Depreciation	0	-6.017	-92.454	-2.954	-69.511	0	-149	-171.085
Net book value-31/12/2010	**11.141**	**20.457**	**194.300**	**3.815**	**48.475**	**2.227**	**751**	**281.166**

COMPANY	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Total
1/1/2011						
Cost	3.030	3.733	1	665	74.631	82.060
Accumulated depreciation	0	-1.351	-1	-116	-44.869	-46.337
Net book value 01/01/2011	**3.030**	**2.382**	**0**	**549**	**29.762**	**35.723**
COST						
Additions	0	0	0	0	1.606	1.606
Transfer of assets from (to) other categories	0	791	0	0	-3.040	-2.249
ACCUMULATED DEPRECIATION						
Depreciation	0	-459	0	-100	-9.835	-10.394
Transfer of assets from (to) other categories	0	-173	0	0	0	-173
Net book value- 31/12/2011	**3.030**	**2.541**	**0**	**449**	**18.493**	**24.513**
31/12/2011						
Cost	3.030	4.524	1	665	73.197	81.417
Accumulated Depreciation	0	-1.983	-1	-216	-54.704	-56.904
Net book value- 31/12/2011	**3.030**	**2.541**	**0**	**449**	**18.493**	**24.513**

COMPANY	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Total
1/1/2010						
Cost	3.030	3.733	1	112	74.336	81.212
Accumulated depreciation	0	-939	-1	-57	-34.207	-35.204
Net book value 01/01/2010	**3.030**	**2.794**	**0**	**55**	**40.129**	**46.008**
COST						
Additions	0	0	0	553	295	848
ACCUMULATED DEPRECIATION						
Depreciation	0	-412	0	-59	-10.662	-11.133
Net book value- 31/12/2010	**3.030**	**2.382**	**0**	**549**	**29.762**	**35.723**
31/12/2010						
Cost	3.030	3.733	1	665	74.631	82.060
Accumulated Depreciation	0	-1.351	-1	-116	-44.869	-46.337
Net book value- 31/12/2010	**3.030**	**2.382**	**0**	**549**	**29.762**	**35.723**

A group subsidiary has a mortgage on other assets of € 8,4 million for the payment of a loan amounting to € 3,9 million and bank guarantee letters of € 4,5 million (31/12/2011 there was no use of the loan while the guarantee letters used were €3,9 million). Also, a group's subsidiary has a loan of € 3,28 million with mortgage on a building and guarantee letters.

There are no other restrictions, apart from the aforementioned, in the ownership, transfer or other liens on the Group's property. Also none of the land, buildings and machinery has been pledged as security against liabilities.

At 31st December 2011 the Group had no commitments for the purchase of tangible fixed assets.

2. Intangible Assets

GROUP	GOODWILL	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	OTHER	LICENCES	TOTAL
1/1/2011						
Cost	83.081	77.777	41.581	35.791	129.944	368.174
Accumulated amortization	-288	-31.283	-8.987	-16.975	-47.121	-104.654
Net book value 01/01/2011	**82.793**	**46.494**	**32.594**	**18.816**	**82.823**	**263.520**
COST						
Additions	0	37.808	9.388	2.973	7.810	57.979
Transfer of assets from (to) other categories	0	618	0	-236	0	382
Disposals	0	-3.267	0	-14	-143	-3.424
Write – off	-126	-87	0	-178	-1	-392
Net exchange differences on foreign currency translation	78	141	-274	606	-614	-63
ACCUMULATED AMORTIZATION						
Amortization	0	-7.130	-2.524	-3.122	-13.793	-26.569
Impairment	0	0	0	0	-6.500	-6.500
Disposals	0	400	0	13	0	413
Net exchange differences on foreign currency translation	0	7	-5	-156	521	367
Transfer of assets from (to) other categories	0	-620	0	235	0	-385
Write – off	0	86	0	21	1	108
Net book value 31/12/2011	**82.745**	**74.450**	**39.179**	**18.958**	**70.104**	**285.436**
31/12/2011						
Cost	83.033	112.990	50.695	38.942	136.996	422.656
Accumulated amortization	-288	-38.540	-11.516	-19.984	-66.892	-137.220
Net book value 31/12/2011	**82.745**	**74.450**	**39.179**	**18.958**	**70.104**	**285.436**

GROUP	GOODWILL	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	OTHER	LICENCES	TOTAL
1/1/2010						
Cost	59.123	60.643	29.541	34.675	109.205	293.187
Accumulated amortization	-289	-26.992	-8.074	-11.368	-40.843	-87.566
Net book value 01/01/2010	**58.834**	**33.651**	**21.467**	**23.307**	**68.362**	**205.621**
COST						
Additions	23.583	18.679	20.647	6.853	19.570	89.332
Transfer of assets from (to) other categories	-1	-2.923	-1.340	-6.477	1.590	-9.151
Additions due to acquisitions of subsidiaries	0	319	0	402	0	721
Disposals	0	-103	-6.950	0	0	-7.053
Write – off	0	-4	-961	-879	-276	-2.120
Net exchange differences on foreign currency translation	376	1.166	644	1.217	-145	3.258
ACCUMULATED AMORTIZATION						
Amortization	0	-5.927	-2.488	-2.227	-13.909	-24.551
Impairment	0	-72	0	0	0	-72
Disposals	0	0	280	0	0	280
Net exchange differences on foreign currency translation	0	-630	-28	-712	114	-1.256
Transfer of assets from (to) other categories	1	2.566	1.314	-2.735	7.506	8.652
Additions due to acquisitions of subsidiaries	0	-229	0	0	0	-229
Write – off	0	-1	9	67	11	88
Net book value 31/12/2010	**82.793**	**46.494**	**32.594**	**18.816**	**82.823**	**263.520**
31/12/2010						
Cost	83.081	77.777	41.581	35.791	129.944	368.174
Accumulated amortization	-288	-31.283	-8.987	-16.975	-47.121	-104.654
Net book value 31/12/2010	**82.793**	**46.494**	**32.594**	**18.816**	**82.823**	**263.520**

COMPANY	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	LICENCES	TOTAL
1/1/2011				
Cost	30.228	28.482	16.972	75.683
Accumulated amortization	-18.913	-7.588	-14.042	-40.543
Net book value 01/01/2011	**11.315**	**20.894**	**2.930**	**35.140**
COST				
Additions	3.424	9.104	341	12.869
Transfer of assets from (to) other	0	0	-217	-217
ACCUMULATED AMORTIZATION				
Amortization	-2.009	-1.201	-946	-4.156
Transfer of assets from (to) other	0	0	217	217
Net book value 31/12/2011	**12.730**	**28.797**	**2.326**	**43.852**
31/12/2011				
Cost	33.652	37.586	17.096	88.334
Accumulated amortization	-20.922	-8.789	-14.771	-44.482
Net book value 31/12/2011	**12.730**	**26.797**	**2.325**	**43.852**

COMPANY	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	LICENCES	TOTAL
1/1/2010				
Cost	23.344	17.946	16.825	58.115
Accumulated amortization	-17.777	-6.138	-13.255	-37.170
Net book value 01/01/2010	**5.567**	**11.808**	**3.570**	**20.945**
COST				
Additions	6.884	10.536	147	17.567
ACCUMULATED AMORTIZATION				
Amortization	-1.136	-1.450	-787	-3.373
Net book value 31/12/2010	**11.315**	**20.894**	**2.930**	**35.140**
31/12/2010				
Cost	30.228	28.482	16.972	75.683
Accumulated amortization	-18.913	-7.588	-14.042	-40.543
Net book value 31/12/2010	**11.315**	**20.894**	**2.930**	**35.140**

13. Investments in subsidiaries and associates

GROUP	% Participation	Country	31/12/2011	31/12/2010
Bilyoner Interactif Hizmelter AS	25%	Turkey	2.050	1.758
Lotrich Information Co Ltd	40%	Taiwan	4.676	4.785
Nanum Lotto Co Ltd	15%	Korea	5.970	5.970
Kelicom Holdings Co Ltd Group	33%	Cyprus	11.501	0
CyberArts Licensing LCC	29,75%	USA	0	4.075
Intralot South Africa Ltd	45%	S. Africa	2.459	3.623
Other			311	307
			26.967	**20.518**

INTRALOT SA INVESTMENTS IN ASSOCIATES	% Participation	Country	Cost 31/12/11	Imp/ment	Impaired Cost 31/12/11	Impaired Cost 31/12/10
Bilyoner Interactif Hizmelter AS	25%	Turkey	499	0	499	499
Lotrich Information Co Ltd	40%	Taiwan	5.131	0	5.131	5.131
Nanum Lotto Co LTD	15%	Korea	5.970	0	5.970	5.970
Intralot South Africa Ltd	45%	S. Africa	2.300	0	2.300	2.300
Other			1	0	1	1
			13.901	**0**	**13.901**	**13.901**

INTRALOT S.A. INVESTSMENTS IN SUBSIDIARIES	% Participation	Country	Cost 31/12/11	Impairment	Impaired Cost 31/12/11	Impaired Cost 31/12/10
Intralot De Chile S.A.	99,99%	Chile	0	0	0	0
Intralot Inc	85%	USA	9.253	0	9.253	9.253
Intralot De Peru SAC	99,98%	Peru	15.759	0	15.759	15.759
Pollot Ltd	100%	Poland	3.687	0	3.687	3.687
Intralot Holdings International Ltd	100%	Cyprus	8.464	0	8.464	8.464
Intralot Australia Pty Ltd	100%	Australia	114	0	114	114
Betting Company S.A.	95%	Greece	139	0	139	139
Maltco Lotteries Ltd	73%	Malta	6.993	0	6.993	6.993
Intralot Betting Operations Ltd	54,95%	Cyprus	2.000	0	2.000	2.000
Royal Highgate Ltd	5,69%	Cyprus	225	0	225	182
Inteltek Internet AS	20%	Turkey	67.326	0	67.326	67.326
Loteria Moldovei S.A.	47,90%	Moldavia	656	0	656	656
Intralot Asia Pacific Ltd	100%	China	295	0	295	295
Intralot Luxembourg S.A.	100%	Luxembourg	31	0	31	31
Intralot New Zealand Ltd	100%	N. Zealand	568	0	568	568
Intralot Iberia SAU	100%	Spain	635	0	635	635
Intralot Iberia Holdings S.A.	100%	Spain	60	0	60	60
Tecnoaccion S.A.	50,01%	Argentina	8.225	0	8.225	8.225
Intralot Beijing Co Ltd	100%	China	1.178	0	1.178	551
Intralot Argentina S.A.	89,79%	Argentina	453	0	453	453
Gaming Solutions International Ltd	99%	Colombia	0	0	0	0
Intralot South Korea S.A.	100%	S. Korea	75	0	75	75
Intralot Do Brazil Ltda	99,97%	Brazil	6.387	0	6.387	6.387
Intralot Finance UK Plc	100%	UK	57	0	57	57
Intralot Interactive S.A.	51%	Greece	31	0	31	31
Intralot Nederland B.V.	100%	Nederland	91	0	91	91
Intralot France S.A.S.	100%	France	501	0	501	251
Intralot Maroc S.A.	99,83%	Morocco	27	0	27	27
Intralot Minas Gerais Ltda	24%	Brazil	1.442	0	1.442	1.442
Other			75	-1	74	74
			134.747	**-1**	**134.746**	**133.826**
GRAND TOTAL			**148.648**	**-1**	**148.647**	**147.727**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF 31 DECEMBER 2011

Group Structure

The consolidated financial statements include the financial statements of INTRALOT SA and its subsidiaries listed below:

	I. Full consolidation:	Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
	Intralot S.A.	Maroussi, Attica	Parent	Parent	-
5.	BETTING COMPANY S.A.	Maroussi, Attica	95%	5%	100%
10.	BETTING CYPRUS LTD	Nicosia, Cyprus		100%	100%
	INTRALOT DE CHILE S.A.	Santiago, Chile	99,99%		99,99%
	INTRALOT DE PERU SAC	Lima, Peru	99,98%		99,98%
	INTRALOT INC	Atlanta, USA	85%		85%
	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	54,95%		54,95%
1.	ROYAL HIGHGATE LTD	Paralimni, Cyprus	5,69%	29,39%	35,08%
	POLLOT Sp.Zoo	Warsaw, Poland	100%		100%
	MALTCO LOTTERIES LTD	Valetta, Malta	73%		73%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	100%		100%
2.	LOTROM S.A.	Bucharest, Romania		60%	60%
2.	YUGOLOT LTD	Belgrade, Serbia& Montenegro		100%	100%
2.	BILOT EOOD	Sofia, Bulgaria		100%	100%
3.	EUROFOOTBALL LTD	Sofia, Bulgaria		49%	49%
4.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria		49%	49%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus		100%	100%
5.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus		100%	100%
14.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%	45%
21.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	47,90%	32,85%	80,75%
6,7,8	TOTOLOTEK SA	Warsaw, Poland		92,89%	92,89%
2.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom		100%	100%
2.	BETA RIAL Sp.Zoo	Warsaw, Poland		100%	100%
2.	UNICLIC LTD	Nicosia, Cyprus		50%	50%
9.	DOWA LTD	Nicosia, Cyprus		30%	30%
	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	100%		100%
2.	INTRALOT EGYPT LTD	Nicosia, Cyprus		88,24%	88,24%
11, 13, 2	E.C.E.S. SAE	Cairo, Egypt		90,03%	90,03%
2.	INTRALOT OOO	Moscow, Russia		100%	100%
	POLDIN LTD	Warsaw, Poland	100%		100%
	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	100%		100%
	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	100%		100%
	INTRALOT LUXEMBOURG S.A.	Luxemburg, Luxemburg	100%		100%
2.	INTRALOT ITALIA S.p.A.	Rome, Italia		90%	90%
13.	SERVICIOS TRANSDATA S.A.	Lima, Peru		100%	100%
	INTRALOT IBERIA SAU	Madrid, Spain	100%		100%
	INTRALOT IBERIA HOLDINGS S.A.	Madrid, Spain	100%		100%
	TECNO ACCION S.A.	Buenos Aires, Argentina	50,01%		50,01%
2.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru		100%	100%
2.	GAMING SOLUTIONS INTERNATIONAL LTD	Bogota, Colombia	99%	1%	100%
	INTRALOT BEIJING Co LTD	Beijing , China	100%		100%
2.	NAFIROL S.A.	Montevideo, Uruguay		100%	100%
15.	INTRALOT ARGENTINA S.A.	Buenos Aires, Argentina	89,79%	10,21%	100%
2.	LEBANESE GAMES S.A.L	Lebanon		99,99%	99,99%
16.	VENETA SERVIZI S.R.L.	Mogliano Veneto, Italia		90%	90%
	INTRALOT SOUTH KOREA	Seoul, S. Korea	100%		100%
	INTRALOT FINANCE UK PLC	London, United Kingdom	100%		100%
	ATROPOS S.A.	Maroussi, Athens	100%		100%
2.	SLOVENSKE LOTERIE A.S.	Bratislava, Slovakia		51%	51%
17.	TORSYS S.R.O.	Bratislava, Slovakia		51%	51%

I. Full consolidation		Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
17.	TACTUS S.R.O.	Bratislava, Slovakia		51%	51%
	INTRALOT DO BRAZIL LTDA	Sao Paolo, Brazil	99,97%		99,97%
18.	OLTP LTDA	Rio de Janeiro, Brazil		93%	93%
18.	INTRALOT MINAS GERAIS LTDA	Minas Gerais, Brazil	24%	55,98%	79,98%
2.	INTRALOT INTERACTIVE S.A.	Maroussi, Athens	51%	24%	75%
14.	INTRALOT JAMAICA LTD	Kingston, Jamaica		100%	100%
19.	INTRALOT GUATEMALA S.A.	Guatemala City, Guatemala		100%	100%
20.	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	Guatemala City, Guatemala		51%	51%
2.	INTRALOT ST. LUCIA LTD	Castries, St. Lucia		100%	100%
19.	INTRALOT DOMINICANA S.A.	St. Dominicus		100%	100%
19.	INTRALOT LATIN AMERICA INC	Miami, USA		100%	100%
	INTRALOT NEDERLAND B.V.	Amsterdam, Nederland	100%		100%
2.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus		100%	100%
22.	INTRALOT INTERACTIVE USA LLC	Atlanta, USA		85%	85%
2.	JACKPOT S.p.A	Rome, Italy		100%	100%
	INTRALOT MAROC S.A.	Casablanca, Morocco	99,83%		99,83%
14.	INTRALOT TURKEY A.S.	Istanbul, Turkey	50%	49,99%	99,99%
19.	INTRALOT CARIBBEAN VENTURES LTD	Castries, St. Lucia		50,05%	50,05%
25.	SUPREME VENTURES LTD	Kingston, Jamaica		24,97%	24,97%
26.	AZERINTELTEK AS	Baku, Azerbaijan		22,95%	22,95%
19.	INTRALOT SURINAME LTD	Paramaribo, Suriname		100%	100%
22.	DC09 LLC	Wilmington, USA		41,65%	41,65%
2,13.	NETMAN SRL	Bucharest, Romania		100%	100%
15.	INTRALOT DE MEXICO LTD	Mexico City, Mexico		99,8%	99,8%
	INTRALOT FRANCE S.A.S	Paris, France	100%		100%
2.	INTRALOT HONG KONG HOLDINGS LTD	Hong Kong, China		100%	100%
30.	INTRALOT DISTRIBUTION OOO	Moscow, Russia		100%	100%
2.	INTRALOT CZECH S.R.O.	Prague, Czech Republic		100%	100%
19.	CARIBBEAN VLT SERVICES LTD	Castries, St. Lucia		50,001%	50,001%
31.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia		100%	100%
32.	INTRALOT LOTTERIES LTD	Nicosia, Cyprus	51%	49%	100%
II. Equity method:		**Domicile**	**Direct Part'n %**	**Indirect Part'n %**	**Total Part'n %**
	BILYONER INTERAKTIF HIZMELTER AS	Istanbul, Turkey	25%		25%
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	40%		40%
23.	CYBERARTS LICENSING LLC	Berkley, USA		29,75%	29,75%
24.	CYBERARTS INC	Berkley, USA		29,75%	29,75%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, South Africa	45%		45%
12.	GIDANI LTD	Johannesburg, South Africa		8,10%	8,10%
2.	KELICOM HOLDINGS CO LTD	Nicosia, Cyprus		33%	33%
27.	DINET ZAO	Moscow, Russia		33%	33%
28.	PROMARTA OOO	Moscow, Russia		33%	33%
29.	FAVORIT BOOKMAKERS OFFICE OOO	Moscow, Russia		24,75%	24,75%

Subsidiary of the company:		
1: Intralot Betting Operations(Cyprus) Ltd	12: Intralot South Africa Ltd	23: Intralot Interactive USA LLC
2: Intralot Holdings International Ltd	13: Intralot Operations Ltd	24: CyberArts Licensing LLC
3: Bilot EOOD	14: Intralot Iberia Holdings S.A.	25: Intralot Caribbean Ventures Ltd
4: Eurofootball Ltd	15: Intralot de Chile S.A	26: Inteltek Internet AS
5: Intralot International Ltd	16: Intralot Italia S.p.A	27: Kelicom Holdings Co Ltd
6: Pollot Sp.Zoo	17: Slovenske Loterie AS	28: Dinet ZAO
7: White Eagle Investments Ltd	18: Intralot Do Brazil Ltda	29: Promarta OOO
8: Beta Rial Sp.Zoo.	19: Intralot St.Lucia Ltd	30: Intralot OOO
9: Uniclic Ltd	20: Intralot Guatemala S.A.	31: Intralot Australia PTY LTD
10: Εταιρία Στοιχημάτων Α.Ε.	21: Nikantro Holdings Co Ltd	32: Intralot Technologies Ltd
11: Intralot Egypt Ltd	22: Intralot Inc	

Basic Financial Figures of the group entities consolidated through the equity method (first level of consolidation*)*

Basic Financial Figures	Assets	Liabilities	Revenue	Profits / (Losses) after Taxation
BILYONER INTERAKTIF HIZMELTER AS	12.966	4.767	19.471	5.620
LOTRICH INFORMATION Co. LTD	14.438	2.657	2.910	-182
KELICOM HOLDINGS CO LTD GROUP	10.293	11.865	4.518	-2.522
INTRALOT SOUTH AFRICA LTD	35.548	30.750	7.750	-111

The Group has also a number of shares of a non significant value in subsidiaries and associates to which, in respect to INTRALOT SA, there is no parent- subsidiary relationship in the form of a legal entity.

The entity Inteltek Internet AS is consolidated with the full method as the requirements of IAS 27 are met.

The companies Yugolot Ltd and E.C.E.S. SAE are under liquidation.

During the fourth quarter of 2011, the Group proceeded in the sale of the associate CyberArts Licencing LLC. The result of this transaction decreased Group's profit by € 372 thous.

14. Business Combination

Acquisitions during 2011

Investment in Kelicom Holdings Co Limited

In April 2011 the acquisition of 33% of the share capital of Kelicom Holdings Co Limited was completed by Intralot Holdings International Limited.

Establishments during 2011

Participation in Intralot Hong Kong Holdings Ltd with 100% (indirect).

Participation in Intralot Distribution OOO with 100% (indirect).

Participation in Intralot Czech S.R.O. with 100% (indirect).

Participation in Caribbean VLT Services Ltd with 50,001% (indirect).

Participation in Intralot Gaming Services PTY με 100% (indirect).

Participation in Intralot Lotteries Ltd με 100% (direct and indirect).

Changes in ownership percentage during 2011

The Group increased the percent of investment in Totolotek S.A. from 92,45% to 92,89%, in Jackpot S.p.A from 51% to 100% and in Royal Highgate Ltd from 33,21% to 35,08%.

Subsidiaries' Share Capital Increase:

Increase in Intralot France SAS share capital by € 250 thousand.

Increase in Venetta Servizi S.R.L. share capital by € 400 thousand.

Increase in Intralot Italia S.p.a. share capital by € 8,6 million.

Increase in Intralot Beijing Co LTD share capital by € 600 thousand.

Discontinued Operations in the Group:

The Group did not proceed to the termination of any company during 2011.

15. Other financial assets

Other financial assets which in total have been classified by the Group as «Available for sale» are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Opening Balance	**37.697**	**49.124**	**434**	**498**
Purchases	2.303	6.620	1.539	0
Additions due to subsidiaries acquisition	0	139	0	0
Disposals	-6.134	-12.529	0	0
Fair value revaluation	324	-1.238	-1.005	-64
Change in consolidation method	0	-4.795	0	0
Foreign exchange differences	0	376	0	0
Closing balance	**34.190**	**37.697**	**968**	**434**

The above data concern:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Listed securities	30.264	28.681	14	35
Non-listed securities	3.926	9.016	954	399
Total	**34.190**	**37.697**	**968**	**434**

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long-term Financial Assets	34.190	29.098	968	434
Short-term Financial Assets	0	8.599	0	0
Total	**34.190**	**37.697**	**968**	**434**

During the year 2011 the Group gains from the fair value revaluation of the aforementioned financial assets amounting to € 324 thousand (2010: losses € 1.238 thousand) are analyzed to € 2.955 thousand profit (2010: profit € 694 thousand), reported as a special equity reserve and to € 2.631(2010: losses €1.932 thousand) thousand loss reported to the statement of comprehensive income. Respectively, Company losses of € 1.005 thousand (2010: losses of € 64 thousand) are analyzed to losses of € 21 thousand recorded as a special equity reserve and to losses of € 984 thousand (2010:losses € 64 thousand) reported to the statement of comprehensive income. Included in the losses to the statement of comprehensive income are losses of € 1,26 million regarding impairment losses of Greek Government bonds due to application of the Public Sector Involvement programme (PSI). The respective amounts for the Company amount to losses of € 0,98 million. The above bonds are classified under as financial assets carried at amortized cost and their nominal value before PSI was €2,5 million (€1,5 million maturing on March 2012 and €1 million on September 2040). The carrying value before impairment losses was €2,12 million and the respective value after impairment was €0,86 million. The impairment losses were calculated, according to IAS 39 provisions, using the present value of estimated future contractual cash flows method, as those resulting from the PSI, discounted using the original effective interest rate that calculated on the recognition of bonds and which on a weighted average basis came up to 7,66%.

For investments that are actively traded in organized stock markets, fair values are determined in relation to the closing market values at the balance sheet date. For investments without quoted market price, fair values are determined by reference to the current market value of another item substantially similar, or is estimated based on the expected cash flows of the underlying net assets, otherwise in the acquisition cost.

16. Other long term receivables

Other long term receivables at 31 December 2011 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Receivables	1.462	2.868	0	0
Receivables from related parties (Note 28)	9.222	24.922	0	0
Rent guarantees	1.010	1.414	0	0
Other receivables	87.244	81.264	447	440
	98.938	**110.468**	**447**	**440**

17. Inventories

Inventories (in thousand €) are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Merchandise – Equipment	45.468	39.680	38.738	32.056
Other	3.334	3.226	0	0
	48.802	**42.906**	**38.738**	**32.056**
Impairment	-1.735	-1.735	-1.735	-1.737
	47.067	**41.171**	**37.003**	**30.319**

For the period ended December 31, 2011 the amount transferred to profit and loss is € 5.074 thous. (2010: € 18.268 thous.) for the Group while the respective amount for the Company is € 12.165 thous. (2010: € 42.759 thous).

18. Trade and other short term receivables

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Trade receivables	66.293	94.926	30.055	32.643
Receivables from related parties (Note 28)	24.538	21.958	178.459	182.497
Other receivables (1)	57.006	43.218	13.776	17.672
Less: Provisions	-7.645	-7.266	-40.551	-30.409
Prepaid expenses and other receivables	34.916	34.843	16.371	18.749
	175.108	**187.679**	**198.110**	**221.152**

(1) Included derivative financial instruments with total value on 31/12/2010 € 80 thous. for the Group. Also, in the Group at 31/12/2011 is included a subsidiary's pledged bank deposit of € 4.871 thous. to fulfill the collateral requirements for a bank loan.

The above receivables are non- interest bearing.

The maturity information of short-term and long-term receivable is a follows:

	GROUP		COMPANY	
	2011	**2010**	**2011**	**2010**
RECEIVABLES				
Trade receivables	67.755	97.793	30.055	32.643
Receivables from other related parties	33.760	46.880	178.459	182.497
Prepaid expenses and other receivables	180.176	160.740	30.593	36.861
Provision for doubtful debt	-7.645	-7.266	-40.550	-30.409
Total	**274.046**	**298.147**	**198.557**	**221.592**
MATURITY INFORMATION				
0-3 months	50.582	58.918	20.978	20.533
3-12 months	124.526	128.761	177.132	200.619
More than 1 year	98.938	110.468	447	440
Total	**274.046**	**298.147**	**198.557**	**221.592**

19. Cash and cash equivalents

Bank current accounts are either non- interest bearing or interest bearing and yield income at the daily bank interest rates.

The short term deposits are made for periods from one (1) day to one month depending on the Group's cash requirements and yield income at the applicable prevailing interest rates.

For the purposes of the Statement of Cash Flows, cash and cash equivalents at 31 December 2011 consist of**:**

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Cash and bank current accounts	109.465	100.134	1.392	1.700
Short term time deposits	33.033	41.343	13.010	14.606
	142.498	**141.477**	**14.402**	**16.306**

The time deposits denominated in foreign currency relate mainly to currency exchange contracts (which have the nature of a time deposit and not of a derivative financial asset).

20. Share Capital and Reserves

	GROUP	COMPANY
158.961.721 Ordinary shares of nominal value € 0,30 each	**47.689**	**47.689**

Reserves

Statutory reserve

In accordance with Greek Commercial Law, companies are required to set aside at least 5% of their annual net profits as shown in their books at Legal Reserve until the cumulative balance reaches at least 1/3 of their paid up share capital. This reserve is not distributable during a company's operating life.

Foreign exchange differences reserve

This reserve includes the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group at 31 December 2011 was debit € 30 million (2010: € 29 million debit balance).

Tax free reserves and reserves specially taxed

The tax free reserves and reserves specially taxed, represent interest income which is either tax free or has been taxed at 15% at source. This particular income is not taxable provided that there will be sufficient profits from which the respective tax free reserves can be created. Based on Greek tax law, this reserve is exempt from tax provided that it will not be distributed to shareholders. The Company does not intend to distribute this reserve and thus has not provided for deferred tax liability that would have been necessary if the reserve were to be distributed. The balance of these reserves at 31 December 2011 was € 28.446 thousand for the Group (2010: 28.460 thousand) and € 7.282 thousand for the Company (2010: € 7.282 thousand).

Compound Financial Instruments reserve

This reserve refers to the convertible bond (note 21: LOAN A) and amounts to € 8.956 thousand (2010: € 11.608 thousand) for the Group on 31st December 2011 and for the company to € 10.726 thousand (2010: € 12.134 thousand).

Stock option reserve

This reserve concerns the stock option rights granted and amounts for the year ended 2011 to € 21.765 thous. for the Group and the Company(2010: € 21.386 thous.).

21. Long Term Loans

Long term loans at 31 December 2011 are analyzed as follows:

	Currency	Interest rate	GROUP	COMPANY
Loan A(€200.000.000)	EUR	2,25%	206.453	204.683
Loan B (€70.000.000)	EUR	5,11%	70.000	70.000
Loan C (€250.000.000)	EUR	3,02%	249.721	0
Other			30.574	0
			556.748	274.683
Less: Payable during the next year (Note 26)			-273.156	0
Repurchase of loan A			-64.539	-24.955
Equity Component			8.956	10.726
Long Term Loans			**228.009**	**260.454**

Sensitivity Analysis in interest rate risk

Year 2011		**Change in interest rate**	**Effect on profit before tax**
	Euribor 1M	+/- 1%	2.500
	Euribor 3M	+/- 1%	700

Year 2010		**Change in interest rate**	**Effect on profit before tax**
	Euribor 1M	+/- 1%	2.000
	Euribor 3M	+/- 1%	700

- Loan A: On December 20th, 2006, Intralot Luxembourg ("Issuer") issued a convertible bond with a face value of € 200 million maturing on December 20th, 2013, at which point the holders, in case the right to convert was not exercised in 2013, may opt for repayment of € 230.076.637,6 (nominal value increased by 15,04%) or conversion into 13.289.036 common shares of Intralot S.A.. Interest is payable semi-annually in arrears at a nominal interest rate of 2,25% per annum. The loan is listed at the Luxembourg Stock Exchange.

- Loan B: On July 2010 the parent company refinanced a bond issue of 70 million EURO. The financing bears floating interest with a total average rate equal to 5,11%. The bonds mature in July 2014.
- Loan C: On December 2007 a foreign subsidiary signed a revolving credit facility agreement for € 500 million for 5 years, of which 250 million were utilized by the Group. The loan bears a total average rate equal to 3,02%. The Group is in process of renewing the credit facility.

The weighted average long term loans interest rate is 3,01% in Euro and from 4% up to 12% in other currencies.

In regards of the maturity loans are categorized as follows:
One to two years: Loan A, C
Two to five years: Loan B

During 2011, the Group repurchased part of Intralot SA own convertible bond with a total nominal value of € 45,7 million (approximately 23% of the original nominal value of € 200 m at the issue date) prior to its final maturity. The carrying value that derecognized due to the repurchase amounted to € 52,3 m, and allocated € 49,65 m to the liabilities component and € 2,65 m to equity component. The difference between the fair value of the repurchased bonds and their carrying value measured with the amortized cost method, amounting to € 8,65 m was recognized in the income statement under "Finance Income" in accordance with IAS32 "Financial Instruments: Disclosures and Presentation". The equity component was recognized directly in equity as a deduction from reserves.

22. Staff retirement indemnities

(a) State Insurance Programs: The Group's contributions to the State insurance funds for the year ended 31st December 2011 have been reported expenses and amount to € 14.150 thousand as stated in Note 5.

(b) Staff Retirement Indemnities: According to Greek Labor Law, employees are entitled to indemnity on dismissal or retirement, the amount of which varies depending on the years of service, salary level and the way the employee leaves employment (dismissal or retirement). Employees that resign or are dismissed for legally valid reasons are not indemnified. The indemnity payable on retirement is 40% of the amount that would have been payable to the same employee on dismissal on the same day (retirement date). In Greece, based on customary practice these programs are not funded. The Group charges to the income statement the expense attributable to the service provided by employees in the year, with a corresponding increase in the provision for staff retirement indemnities. Any payments made to retiring employees, are set against the related provision.

Independent actuaries calculated the Company's and the Group's liability for retirement indemnities. The movement of the net liability as presented in the balance sheet, details and the basic assumptions used in the actuarial study as at 31st December 2011 are as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Present Value of unfunded liability	6.535	5.815	4.351	3.840
Unrecognized actuarial losses	-974	-1.007	-928	-961
Net liability on the balance sheet	**5.561**	**4.808**	**3.423**	**2.879**
Components of the net retirement cost in the year:				
Current service cost	813	1.283	413	307
Interest	194	192	173	168
Amortization of unrecognised actuarial (gain) or loss	33	2	33	2
Effect of cutting / settlement / termination benefits	120	23	95	5
Intragroup staff transfer	0	0	3	6
Benefit expense charged to income statement (Note 5)	1.160	1.500	717	488
Additional service cost	0	0	0	0
Total charge to income statement	**1.160**	**1.500**	**717**	**488**
Reconciliation of benefit liability:				
Net liability at beginning of year	4.808	3.762	2.879	2.420
Service cost	812	1.283	413	307
Interest	194	192	173	168
Amortization of unrecognised actuarial (gain) or loss	33	1	33	1
Effect of cutting / settlement / termination benefits	120	23	95	5
Benefits paid	-320	-486	-173	-29
Intragroup staff transfer	0	0	3	7
Subsidiary not consolidated	0	0	0	0
New consolidated entities	0	0	0	0
Foreign exchange difference	-86	33	0	0
Present Value of the liability at end of year	**5.561**	**4.808**	**3.423**	**2.879**

Basic assumptions:

Discount rate	4,5%
Percentage of annual salary increases	4%
Increase in Consumer Price Index	2%

23. Share based benefits

Plans for employee participation in the share capital

The Group has in place incentive plans to executives and employees with the provision of non-transferable rights to acquire shares. At the date of preparation of these financial statements a plan had been approved Program III:

The Program III approved by the Second Repeat Session of the Extraordinary General Assembly of the shareholders dated 16.11.2009, that took place on Monday, December 14, 2009.

The approval of the program of stock option plan to persons among those referred in paragraph 13, article 13 of Codified Law 2190/1920, as modified and in force (Program III) was decided and more specifically that the above share purchase options to be granted to the Board of Directors members, to General Directors, to Directors and Managers of the Company and of its affiliated companies, as defined in paragraph 5 of article 42e of Codified Law 2190/1920, as well as to persons providing services in a regular basis to the Company and/or to the abovementioned affiliates.

The price to exercise the stock options was fixed to four (4) Euro per share while the INTRALOT's shares that will be finally issued, in case all options to be granted are exercised, will not exceed eight millions (8.000.000) shares (i.e. approx. 5,03% of the share capital of the Company). For the satisfaction of stock options the Company will proceed to increases of its share capital.

The duration of this program will be four-year, i.e. up to December 2013. Each beneficiary, during each year, will be entitled to exercise options which will not exceed 1/3 of the total number of options granted to him/her.

In the event that the number of shares of the Company is altered until the definition, the provision or the exercise of stock options, then both the number of the shares of the beneficiary, and the offer price will be readjusted so as to allow that the proportion of participation of each beneficiary to the share capital of the Company will remain constant.

The Company's Board of Directors was authorized to draw up the relative regulation of above-mentioned Program III and to regulate any other relative detail in relation to this program.

(Resolution of the Board Of Directors on 28.01.2010).

Finally, the amendment of the current stock option program (Program II) for purchase of shares was decided, so that no more options to be granted other than those already granted.

On February 12, 2010 INTRALOT S.A. announces that according to the Stock Option Plans for senior Company and Group executives, approved by the General Meeting of Shareholders of 14 December 2009, 235 persons mentioned in article 13 par. 13 of Codified Law 2190/1920 as in force, are entitled to exercise, at the duration that the program III is in effect, – within a period of four (4) years and not later than 31.12.2013 - stock options with exercise price 4 Euro per share which if exercised all, will be issued until 6.227.000 new common Company shares.

Depending on the number of stock options to be exercised by the beneficiaries, the Company Board of Directors, with its decision, shall increase the Company share capital – without modification of its Statute, pursuant to article 13 par. 13 of Codified Law 2190/1920-, issue new common registered shares and proceed to all actions for the listing of the new shares for trading in the Athens Exchange.

INTRALOT S.A. announces that in the year 2011 no right is exercised by the beneficiaries of Program III.

Details regarding the Program III approved by the Board of Directors on 28.1.2010:

Option Program	**Number Of Options granted**	**Grant date**	**Expiry date**	**Volatility**	**Risk-Free Rate**	**Dividend Yield**	**Fair value per Option (€)**
Progr. III - 1	2.070.667	31/3/2010	31/12/2013	44%	6,65%	3,00%	-
Progr. III - 2	2.070.667	1/1/2011	31/12/2013	44%	6,65%	3,00%	0,094
Progr. III - 3	2.070.667	1/1/2012	31/12/2013	44%	6,65%	3,00%	0,352
	6.212.000						

The total Option Fair value, estimated with a Binomial Model, is € 923 k, of which € 378 k are included in the results of the year.

24. Other Long Term Liabilities

Other long term liabilities at 31 December 20101 include:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other financial liabilities	0	0	0	0
Guarantees	12.978	12.465	0	0
Amounts due to related parties (Note 28)	64	63	0	0
Other long term liabilities (1)	7.021	6.273	0	0
	20.063	**18.801**	**0**	**0**

(1) There are included derivative financial instruments with total amount for the Group € 5.387 thousand as at 31/12/2011 (31/12/2010 € 3.750 thous.).

25. Trade and Other Current Liabilities

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Trade Creditors	52.095	74.589	14.531	20.035
Amounts due to related parties (Note 28)	25.309	31.721	52.303	49.353
Winnings	17.848	12.784	0	0
Other Payables (1)	25.023	21.886	6.050	4.519
Taxes	10.234	6.772	1.976	592
Dividends payable	203	331	197	325
	130.712	**148.083**	**75.057**	**74.824**

(1) Included financial derivatives with total value on 31/12/2011 € 2.918 thous. (31/12/2010 € 7.226 thous.) for the Group and on 31/12/2011 € 2.242 thous. (31/12/2010 € 2.539 thous.) for the Company.

The above amounts are non interest bearing.

The maturity of short-term and long-term liabilities is as follows:

	GROUP		COMPANY	
	2011	2010	2011	2010
PAYABLES				
Trade payables	52.095	74.589	14.531	20.035
Payable to related parties	25.374	31.784	52.303	49.353
Other payables	73.306	60.511	8.223	5.436
Total	**150.775**	**166.884**	**75.057**	**74.824**
MATURITY INFORMATION				
0-3 months	62.155	56.800	28.512	21.039
3-12 months	68.557	91.283	46.545	53.785
More than 1 year	20.063	18.801	0	0
Total	**150.775**	**166.884**	**75.057**	**74.824**

26. Short term loans and current portion of long term loans (including finance lease)

Short term loans represent draw-downs on various credit lines that the Group maintains in various banks. The utilized amounts of these credit lines are analyzed below:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Loan in EURO	250.003	2.809	0	0
Loan in USD	21.245	23.175	0	0
Loan in PEN	0	3	0	0
Loan in PLN	0	451	0	0
Loan in JMD	1.576	0	0	0
Loan in GTQ	264	0	0	0
Loan in TRY	0	69	0	0
Loan in BRL	27	0	0	0
Loan in ARS	41	511	0	0
	273.156	**27.018**	**0**	**0**
Leasing in EURO	3.173	0	0	0
Leasing in USD	2.594	1.822	0	0
Leasing in PEN	6	0	0	0
Leasing in AUD	39	73	0	0
	5.812	**1.895**	**0**	**0**
Total	**278.968**	**28.913**	**0**	**0**

27. Contingent Receivables, Liabilities and Commitments

A. LEGAL ISSUES PENDING

a. On 05.09.05 an action was served to the company, filed by the company "IPPOTOUR S.A.", against the company and the company "OPAP S.A.". The plaintiff "IPPOTOUR S.A." requested to be acknowledged that the contract signed between OPAP S.A. and the Company should not grant to the latter the right to operate any kind of wagering game on Greek or foreign horse racing, that "OPAP S.A" should not have the right to operate any kind of wagering game on horse racing and that "OPAP S.A." and the company should be excluded from the operation and organization of betting games on horse racing. The hearing of the case had been set for 14th February 2008 when the hearing was postponed for 8th October 2009; at that date the hearing was cancelled due to the national elections. No summons for the schedule of a new hearing date has been served to the company until now. By virtue of the above mentioned action the plaintiff withdrew of the action filed against the Company and OPAP S.A. on 10th January 2003 with the same content, which was set to be heard on 18th May 2005, on which date the said hearing was cancelled.

b. On 4th January 2005 OPAP S.A. submitted a notice of proceedings to "Betting Company S.A." regarding a lawsuit that was filed against OPAP S.A. before the Multi Member First Instance Court of Athens, with which the plaintiff claims the payment of the amount of €3.668.378,60 plus accrued interests from OPAP S.A., pleading that OPAP S.A. should pay this amount to him as profit, in addition to the amount already paid to him. Since "Betting Company S.A." has a legitimate interest in OPAP S.A. winning the lawsuit, "Betting Company S.A.", the companies INTRALOT S.A., INTRALOT INTERNATIONAL LTD and the joint venture "INTRALOT S.A.-Intralot International Ltd" proceeded to an additional joint intervention in favor of OPAP S.A.; this was scheduled for hearing on 3rd May 2005 but following a petition of the plaintiff the case was heard on 1st December 2005. By its decision No 2412/2006 the Multi Member First Instance Court of Athens ruled in favour of the lawsuit of the plaintiff and, following the restriction by the plaintiff of his petition to a lawsuit for acknowledgement of the debt, the Court acknowledged the obligation of OPAP S.A to pay to the plaintiff the amount of € 3.668.378,60. OPAP S.A and the aforementioned companies filed an appeal which had been rejected by the Athens Court of Appeals with its decision no. 6377/2007. The defendants filed an appeal before the Supreme Court which was heard on 9th November 2009 and decision no. 1252/2010 was issued accepting the appeal and referring back the case to the Athens Court of Appeals in order to be heard again. The hearing date was the 26th January 2012 when the case was heard and the issue of the decision is pending. The Company considers that it has strong arguments in order to have a positive outcome on this case. For the above case a provision had been made which has been reversed.

c. INTRALOT filed before Multi Member First Instance Court of Athens its civil lawsuit dated 12th May 2005 against Mr. K. Thomaidis, claiming the payment of sum of € 300.000 as pecuniary compensation for moral damage. The case was scheduled for hearing on 26th January 2006. On 18 January 2006 the company was served with an action filed by Mr. K. Thomaidis on 9th January 2006, before the Multi Member First Instance Court of Athens with which the plaintiff claims the payment of sum of €300.000 as pecuniary compensation for moral damage. The case is scheduled for hearing on 14th December 2006. The suit of INTRALOT against Mr. K. Thomaidis was postponed to be heard on 14th December 2006. The two lawsuits have been heard together and the decision no 7936/2007 was issued declaring the lawsuit dated 9 January 2006 of Mr. Thomaidis as cancelled and accepting partially Intralot's lawsuit dated 12th May 2005. Until now, no appeal against this decision has been served to the company.

d. Against (a) publishing company "I. Sideris – Andreas Sideris Sons O.E.", (b) the Foundation of Economic and Industrial Researches (IOBE), (c) Mr. Theodosios Palaskas, Director of Research of IOBE, (d) the Kokkalis Foundation, and (e) INTRALOT a lawsuit of Mr. Charalambos Kolymbalis, was filed on 8/3/2007; date of the hearing was set the 20th February 2008 when it was postponed for 4th March 2009 and then again for 24th February 2010; on that date the hearing of the case was cancelled due to strike of the judicial secretaries. New hearing date was scheduled the 23rd May 2012. With his lawsuit, the plaintiff requests to be recognized as the sole creator of the project entitled "The financial consequences of sports in Greece" and his intellectual property right on this, and that the amount of € 300.000 to be paid to him as monetary compensation for moral damages.

e. On 26th July 2011 an action was served to Intralot SA and the company "Interstar Security LTD" from a former employee of Intralot SA claiming the payment of € 500.000 as compensation for moral damage.The hearing has been set at March 6, 2014.

f. In Turkey, GSGM filed on 23rd January 2006 before the First Instance Court of Ankara a declaratory action against the 45% subsidiary company Inteltek requesting to be recognized that the calculation of the player's excess payout of the fixed odds betting games, as per their contract, is effected at the end of each separate semester (as opposed to on a cumulative basis for all semesters at the end of the contract). Next hearing following the appointment of experts had been set for November 16, 2006 when the hearing was postponed for January 30, 2007 when it was heard. The decision issued by the First Instance Court of Ankara vindicated Inteltek. GSGM filed an appeal. On 18th October 2007, Inteltek was notified that the appeal was rejected and, consequently, the decision of the First Instance Court of Ankara is final. GSGM filed an appeal against this decision which was rejected and the case file was sent back to the First Instance Court and the decision was finalized. Inteltek had made a provision of 3,3 million TRY (€ 1,3 m) (plus 1,89 million TRY (€774K) relating to interest) in its financial statements due to the probability of a negative outcome of the case which henceforth has been removed following the First Instance Court of Ankara decision. Moreover, Inteltek claimed the amount of TRY 2,34 million (€958k) (plus interest) which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21st February 2008 to collect this amount. On 19 March 2009 the court vindicated Inteltek. GSGM filed an appeal against this decision and the appeal was accepted. Inteltek applied for the correction of the decision that was rejected by the higher court which returned the case to the court of first instance. The court of first instance on June 29, 2011 decided to insist on its initial judgment in favor of Inteltek. GSGM filed an appeal and the case is pending. Inteltek has not made any provisions for income regarding this case in its financial statements relating to the period ending on 31st December 2011.

g. In Turkey, GSGM filed before the Ankara Tax Court a lawsuit against the local Tax Authority requesting the annulment of a penalty of an amount of TRY 5.075.465 (€2.077.384) imposed on GSGM, since the Tax Authority considers that stamp duty should have been paid by GSGM for the second copy of the contract dated 29 August 2008 with Inteltek as well as for the letter of guarantee securing the minimum turnover of GSGM games. Inteltek intervened in the case before the abovementioned court in favor of GSGM because, according to the contract dated 29th August 2008, GSGM may request from Inteltek the amount that will be finally obliged to pay, if any. The decision issued by the court vindicates GSGM and Inteltek and the abovementioned penalty was cancelled. The Tax Authority filed an appeal which is pending.

h. In Turkey, Intralot filed on 21 May 2009, before the Istanbul Court of First Instance a lawsuit against the company Teknoloji Holding A.Ş. ("Teknoloji") requesting from Teknoloji the amount of TRY 1.415.000 (€579.158) on the ground of unjust enrichment, since Intralot unjustly paid taxes which Teknoloji had to pay on dividends distributed by Inteltek. At the hearing of 15th September 2011 the court issued its decision and vindicated Intralot for the total amount claimed. Intralot filed an appeal for the time of the calculation of the interest and for the amount of the overdue interest, while Teknoloji filed an appeal complaining for the reasoning of the decision. The case is pending.

i. In Colombia, Intralot, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud ("Etesa"), under which it was granted with the right to operate games of chance in Colombia. In accordance with terms of the abovementioned agreement, Intralot has submitted an application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of Intralot (and for reasons not attributable to Intralot) and that Etesa to be compelled to the modification of the financial terms of the agreement in the manner specified by Intralot as well as to pay damages to Intralot (including damages for loss of profit); or alternatively to terminate now the agreement with no liability to Intralot. The arbitration court adjudicated in favor of Etesa the amount of 23,6 billion Colombian pesos (€9,4m). The application for annulment of the arbitration award filed by Intralot before the High Administrative Court was rejected. The Company examines the possibility of exercising further legal means available. ETESA requested the payment of a letter of guarantee in the amount of 7.694.081.042 Colombian pesos (€ 3.068.467) issued by Banco de Bogota, granted with counter-guarantees of a respective amount issued by Société Générale & Geniki Bank. The payment of the counter-guarantees had been suspended pursuant to provisional decisions issued by the Greek court as well as by the French court. In France, the court issued a decision which rejected the Company's petition but also decided not to order the decision's provisional execution until it becomes final. The Company filed an appeal against this decision which was rejected. The Company has created relative provision in its financial statements.

j. Against the subsidiary Intralot Holdings International Ltd., a shareholder of LOTROM SA and against LOTROM SA, another shareholders of LOTROM SA, Mr. Petre Ion filed a lawsuit before the competent court of Bucharest requesting that Intralot Holdings International Ltd to be obliged to purchase his shares in LOTROM SA for € 2.500.000 and that LOTROM SA to be obliged to register in the shareholders book such transfer. Following the hearing of 28th September 2010 a decision of the court was issued accepting the lawsuit of the plaintiff. Intralot Holdings International Ltd. and LOTROM SA filed an appeal which is pending which was rejected. The Company filed a recourse which is pending.

k. In Poland, as a result of bet making points controls conducted by Custom Service bodies in 6 shops, a gambling law breach was claimed to be made by the "E-Promotion" program of the subsidiary "Totolotek Totomix SA" and a relevant administrative procedure was initiated. Totolotek Totomix SA's legal advisor strongly believes that there is no breach of law or a threaten to the licenses continuation and appeal proceedings have been initiated that are pending.

Until 26 March 2012, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest litigation will be finalized without a material effect on the Group's and the Company's financial position and results.

B. UNAUDITED TAX YEARS

COMPANY	YEARS
INTRALOT S.A.	2011
BETTING COMPANY S.A..	2007-2011
BETTING CYPRUS LTD	2004-2011
INTRALOT DE CHILE S.A.	2008-2011
INTRALOT DE PERU SAC	2007-2011
INTRALOT INC.	2002-2011
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2005-2011
ROYAL HIGHGATE LTD	2006-2011
POLLOT Sp.Zoo	2005-2011
MALTCO LOTTERIES LTD	2005-2011
INTRALOT HOLDINGS INTERNATIONAL LTD	2004-2011
LOTROM S.A.	2010-2011
YUGOLOT LTD	-
BILOT EOOD	2005-2011
EUROFOOTBALL LTD	2008-2011
EUROFOOTBALL PRINT LTD	2005-2011
INTRALOT INTERNATIONAL LTD	2005-2011
INTRALOT OPERATIONS LTD	2005-2011
INTRALOT BUSINESS DEVELOPMENT LTD	2006-2011
INTRALOT TECHNOLOGIES LTD	2004-2011
INTELTEK INTERNET AS	2007-2011
LOTERIA MOLDOVEI S.A.	1/10-31/12/09 & 2010-2011
TOTOLOTEK S.A.	2005-2011
WHITE EAGLE INVESTMENTS LTD	2010-2011
BETA RIAL Sp.Zoo	2005-2011
UNICLIC LTD	2005-2011
DOWA LTD	2005-2011
INTRALOT NEW ZEALAND LTD	2011
INTRALOT ST.LUCIA LTD	2009-2011
INTRALOT DOMINICANA S.A.	2009-2010
INTRALOT GUATEMALA S.A.	2009-2011
LOTTERIA Y APUESTOSA DE GUATEMALA S.A.	2009-2011
INTRALOT LATIN AMERICA INC	2009-2011
INTRALOT JAMAICA LTD	-
INTRALOT NEDERELAND BV	2010-2011
INTRALOT CARIBBEAN VENTURES LTD	2010-2011
INTRALOT SURINAME LTD	2010-2011
SUPREME VENTURES LTD	2006-2011
DC09 LLC	2010-2011
KELICOM HOLDINGS CO LTD	2006-2011
DINET ZAO	2006-2011
INTRALOT DE COLOMBIA (BRANCH)	2009-2011
INTRALOT HONG-KONG HOLDINGS LIMITED	2011
INTRALOT FRANCE SAS	2010-2011
INTRALOT CZECH S.R.O.	2011
CARIBBEAN VLT SERVICES LTD	2011

COMPANY	YEARS
INTRALOT EGYPT LTD	2006-2011
E.C.E.S. SAE	2007-2011
INTRALOT OOO	2008-2011
POLDIN LTD	2005-2011
INTRALOT ASIA PACIFIC LTD	-
INTRALOT AUSTRALIA PTY LTD	2006-2011
INTRALOT SOUTH AFRICA LTD	-
INTRALOT LUXEMBOURG S.A.	2010-2011
INTRALOT ITALIA S.p.A.	2010-2011
INTRALOT FINANCE UK PLC	2008-2011
INTRALOT IBERIA SAU	2007-2011
INTRALOT IBERIA HOLDINGS S.A.	2007-2011
TECNO ACCION S.A.	2005-2011
GAMING SOLUTIONS INTERNATIONAL SAC	2007-2011
GAMING SOLUTIONS INTERNATIONAL LTD	2009-2011
INTRALOT BEIJING Co LTD	2007-2011
NAFIROL S.A.	-
INTRALOT ARGENTINA S.A.	-
LEBANESE GAMES S.A.L	-
VENETA SERVIZI S.R.L.	2010-2011
INTRALOT SOUTH KOREA S.A.	2007-2011
SERVICIOS TRANSDATA S.A.	2007-2011
SLOVENSKE LOTERIE AS	2008-2011
TORSYS S.R.O.	2008-2011
INTRALOT DO BRAZIL LTDA	2008-2011
OLTP LTDA	2009-2011
BILYONER INTERAKTIF HIZMELTER AS	2003-2011
LOTRICH INFORMATION Co. LTD	2010-2011
GIDANI LTD	2007-2011
INTRALOT INTERACTIVE S.A.	2009-2011
INTRALOT INTERACTIVE USA LLC	2009-2011
JACKPOT S.p.A.	2009-2011
NIKANTRO HOLDINGS CO LTD	2009-2011
TACTUS S.R.O.	2009-2011
ATROPOS S.A.	2009-2011
NETMAN SRL	2010-2011
AZERINTELTEK AS	2010-2011
INTRALOT TURKEY AS	2008-2011
INTRALOT MAROC S.A.	2010-2011
INTRALOT MINAS GERAIS LTDA	2010-2011
PROMARTA OOO	2004-2011
FAVORIT BOOKMAKERS OFFICE OOO	2008-2011
INTRALOT DE MEXICO LTD	2010-2011
INTRALOT DISTRIBUTION OOO	2011
INTRALOT GAMING SERVICES PTY	2011
INTRALOT LOTTERIES LTD	2011

There is a tax audit in progress in Intralot De Peru SAC for the year 2010 and in Servicios Transdata S.A. for the year 2008. In Intralot Italia S.p.A. the tax inspection for the year 2009 was completed. In the meantime, in Lotrom S.A. the tax inspection for the years 01/01/2004-2009 was completed with an effect in the company results of €1,3 mio, as well as imposed taxes amounting to €1,1 mio due to different estimation for the tax base recognition of some transnational transactions, which were set-off against tax receivables of the company amounting to €0,3 mio, while the remaining balance will be set-off against further tax receivables after a relevant audit, as well as penalties of €1 mio that have already paid during the first quarter of 2012, as a prerequisite for a relative appeal of the company and have been recognised as claims. The company's legal consultants fully disagree and have already started the objection procedure according to the relevant law for cancellation of taxes imposed and paid back the fines. The income tax inspection in Intralot S.A. for the years 01/01/2008-31/12/2009 has been completed and had an impact of € 1,4 million in the company's results, but also resulted in a tax refund recognized for the year 2008 amounting to € 2 million. Also, it is in progress the tax inspection in the years 01/01/2005-31/12/2009 for the companies Intralot International Ltd and Intralot Operations Ltd and for the years 01/01/2006-31/12/2009 for Business Development Ltd. Intralot International Ltd has received a revised income tax notification on 22/11/11, with which the company and its legal consultants fully disagree and have already started the objection procedure according to the relevant law.

C. COMMITMENTS

(i) Operating lease payment commitments:

At 31st December 2011 within the Group there had been various operating lease agreements relating to rental of buildings and motor vehicles. Rental costs have been included in the income statement for the year ended 31st December 2011.

Future minimum lease payments of non cancelable lease contracts as at 31st December 2011 are as follows:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Within 1 year	9.007	9.647	1.892	2.174
Between 2 and 5 years	31.706	32.993	7.423	8.904
Over 5 years	10.823	14.867	5.350	7.895
Total	51.536	57.507	14.665	18.973

(ii) Guarantees:

The Company and the Group at 31st December 2011 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Guarantees to third parties on behalf of subsidiaries	0	0	208.301	248.136
Bank guarantee letters	243.305	189.839	99.350	100.684
Other guarantees	500	1.431	0	0
	243.805	**191.270**	**307.651**	**348.820**

(iii) Financial lease payment commitments:

GROUP	**Minimum of the lease payments**	**Present value of the minimum lease payments**	**Minimum of the lease payments**	**Present value of the minimum lease payments**
	31/12/2011	**31/12/2011**	**31/12/2010**	**31/12/2010**
Within one year	6.343	5.812	2.320	1.895
After one year but not more than five years	7.860	7.229	19.892	16.008
After more than five years	0	0	0	0
Minus: Interest	-1.162	0	-4.309	0
Total	**13.041**	**13.041**	**17.903**	**17.903**

COMPANY	**Minimum of the lease payments**	**Present value of the minimum lease payments**	**Minimum of the lease payments**	**Present value of the minimum lease payments**
	31/12/2011	**31/12/2011**	**31/12/2010**	**31/12/2010**
Within one year	0	0	0	0
After one year but not more than five years	0	0	0	0
After more than five years	0	0	0	0
Minus: Interest	0	0	0	0
Total	**0**	**0**	**0**	**0**

28. Related Parties Disclosures

INTRALOT acquires goods and services from or sells goods and provides services to various related parties in the course of its ordinary business.
These related parties consist of subsidiaries, associates or other related companies being under common control and/or administration with INTRALOT.

Below there is a summary presentation of the transactions and balances with the related parties for the year 2011:

Amounts in thousand €	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
a) Sales of goods and services				
-to Subsidiaries	0	0	40.528	70.132
-to Associates	3.242	13.083	4.851	6.903
-to Other Related parties	7.755	9.350	5.655	5.472
b) Purchases of goods and services				
-from Subsidiaries	0	0	23.268	13.344
-from Associates	10	4.714	0	0
-from Other Related parties	19.338	34.833	16.953	30.786
c) Receivables (1)				
-from Subsidiaries	0	0	158.744	167.198
-from Associates	8.428	1.847	3.609	1.963
-from Other Related parties	24.738	44.935	16.106	13.336
d) Liabilities (2)				
-to Subsidiaries	0	0	29.106	20.069
-to Associates	13	13	13	13
-to Other Related Parties	26.455	42.003	22.718	29.057
e) Transactions and fees of key management personnel	9.095	8.916	5.608	5.437
f) Receivables from key management personnel	594	98	0	0
g) Payables to key management personnel	857	436	465	214
(1)The respective amounts analysed as follows:				
Total due from related parties	33.760	46.880	178.459	182.497
(less) long term portion (Note 16)	9.222	24.922	0	0
Short term from related parties (Note 18)	24.538	21.958	178.459	182.497
(2)The respective amounts analysed as follows:				
Total due to related parties	27.325	42.452	52.303	49.353
(less) long term loans	1.951	10.668	0	0
(less) long term liabilities (Note 24)	64	63	0	0
Short term to related parties (Note 25)	25.309	31.721	52.303	49.353

Sales of goods and services to related companies are at normal market prices. The outstanding balances at the end of the year are not secured and their settlement is made in cash. No guarantees are provided or taken for the above receivable. For the year ended 31 December 2011, the Company has raised a provision of € €12,5 mil. that relates to provision for doubtful debts of receivables from subsidiaries and has been recognized in the statement of comprehensive income of the year. The cumulative provisions for 31/12/2011 amount to €36,2 million.

29. DERIVATIVES

For the interest rate and exchange rate risk which may arise from the current and future funding needs, the Group has concluded entering in various contracts for the Parent company and the Subsidiaries.

Interest Rate Hedge:

Positions: Swap
Inception of contract: 01/10/2008
Expiration: 01/10/2013
Amount: € 20 million

Positions: Swap
Inception of contract: 31/03/2009
Expiration: 31/03/2014
Amount: € 90 million

Interest Rate and foreign exchange Hedge:

Positions: Cross Currency Swap
Inception of contract: 31/12/10
Expiration: 14/12/12
Amount: € 4 million

Positions: Cross Currency Swap
Inception of contract: 12/08/2011
Expiration: 12/08/2014
Amount: € 4,88 million

Positions: Cross Currency Swap
Inception of contract: 29/09/2011
Expiration: 12/08/2014
Amount: € 0,9 million

Forward Currency Contracts/ Currency Options:

The Group has two open positions on option contracts, which qualifies for hedge accounting, amounting to USD 8,5 million.

The Group from the fair value revaluation on 31/12/2011 of the above mentioned derivatives and the settlement of derivative instruments that had in its possession from 2010, recognized a gain of € 190 thousand in equity and a loss of €2,95 million in income statement.

FAIR VALUE ESTIMATION

For investments that are actively traded in organized markets, fair value is determined in relation to the closing market values at the balance sheet date. For investments where these is no quoted market price, fair values are determined mainly by reference to the current market value of another item substantially similar, or is estimated based on the expected cash flows of the underlying net asset that include the base of the investment or its acquisition cost.

Derivative financial instruments are valued at fair value at the date of the balance sheet. The fair value of these derivatives is calculated by reference of the market value and is verified by the financial institutions.

The Group classifies fair values using the fair value hierarchy that reveals the importance of the inputs used for the estimation of these valuations.
The levels of fair value are the following:

Level 1: quoted (unadjusted) prices in active markets with large volume of transactions for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (e. g prices) or indirectly(that is derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

GROUP	**Fair value 31/12/2011**	**Fair Value Hierarchy**		
		Level 1	**Level 2**	**Level 3**
Financial Assets				
Other financial assets	34.190	3.578	27.269	3.343
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	8.304	0	8.304	0

COMPANY	Fair Value 31/12/2011	Fair Value Hierarchy Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	968	14	0	954
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	2.242	0	2.242	0

During 2011 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

GROUP	Fair Value 31/12/2010	Fair Value Hierarchy Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	37.697	3.363	25.318	9.016
Derivative financial instruments	80	0	80	0
Financial liabilities				
Derivative financial instruments	10.975	0	10.975	0

COMPANY	Fair Value 31/12/2010	Fair Value Hierarchy Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	434	36	0	398
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	2.539	0	2.539	0

During 2010 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

30. Other short and long term provisions

The Group's provisions in 31/12/2011 that refer to legal issues amount to € 9,4 million, to unaudited tax periods and tax audit expenses amount to € 2,1 million and € 11,4 million refer to other provisions. The respective amounts for the Company amount to € 9,4 million (legal issues), € 1,45 million (provisions for unaudited tax periods and tax audit expenses) and € 6,7 million (other provisions).

Moreover, in the statement of comprehensive income of the Group is included an amount of € 7,5 million, which refers to an estimate of impairment of tangible and intangible assets. Respectively, in the Company's statement of comprehensive income is included an amount of € 12,5 million that concerns estimate for impaired recoverable value of receivables from subsidiaries.

31. Comparatives

Limited reclassifications have been performed to the comparative previous year financial data for comparison purposes.

32. Debit / Credit Interest -Contiguous Expense /Income

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Interest Expense	-19.257	-17.940	-14.052	-12.692
Losses on investments	-1.258	-4.082	-984	0
Losses on derivatives	-3.828	-2.473	-2.439	-1.562
Finance costs	-9.848	-8.606	-7.668	-5.984
Discounting	-1.664	-2.136	0	0
Finance Expense	**-35.855**	**-35.237**	**-25.143**	**-20.238**
Interest Income	10.696	11.438	5.715	2.105
Gains on investments	12.316	8.501	6.574	0
Gains on derivatives	1.606	1.753	1.606	1.741
Dividends	0	0	12.398	25.448
Discounting	-2.509	774	0	0
Finance Income	**22.109**	**22.466**	**26.293**	**29.294**
Net Finance income/expense	**-13.746**	**-12.771**	**1.150**	**9.056**

33. Subsequent events

On January 2012, INTRALOT's subsidiary in South Africa, INTRALOT South Africa, has been awarded a Fixed Odds Betting license by the Western Cape Gambling and Racing Board. The License covers sports betting facilities in the area of Western Cape in South Africa and Internet, Telephone and Mobile betting for players countrywide. INTRALOT South Africa will operate betting under the brand JUSTBET.

On January 2012, INTRALOT subsidiary, INTRALOT Australia Pty Ltd., has signed a 3-year contract extension with the Lotteries Commission of Western Australia (Lotterywest), until 2016, for maintenance and support of the integrated Gaming System, that has been supplied.

On February 2012, INTRALOT has initiated the operation of its Electronic Monitoring System, "iGEM" and related services for the monitoring of the Video Lottery Terminals that are deployed at the Supreme Ventures Limited (SVL) Gaming Lounges. The monitoring system operation services contract has an initial term of 10 years with an automatic renewal option for 5-year successive periods.

In the end of March 2012, the privatization committee of Malta announced to INTRALOT's subsidiary Maltco that it won the tender for the new gaming license in the country. It is noted that Maltco is operating lottery games in the country under the relevant license in the last 8 years, while the new license has a duration of 10 years.

Maroussi, March 29th, 2012

THE CHAIRMAN OF THE BOARD OF DIRECTORS	**THE VICE-CHAIRMAN OF THE BoD AND CEO**
S.P. KOKKALIS **ID. No. AI 091040**	**C.G. ANTONOPOULOS** **ID. No. AI 025905**
THE GENERAL DIRECTOR OF FINANCE & BUSINESS DEVELOPMENT	**THE ACCOUNTING DIRECTOR**
I.O. PANTOLEON **ID. No. Σ 637090**	**N. G.PAVLAKIS** **ID.No. AZ 012557** **H.E.C. License No. 15230/ A' Class**

34. Summary Financial Information for the year January 1st to December 31st 2011

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES

Public Companies (S.A.) Reg. No.: 27074/06/B/92/9
Domicile: 64 Kifissias Av. & 3 Premetis Str., 15125 Maroussi
Financial data and information of Group and Company from 1 January to 31 December 2011
(Published in terms of article 135 of Law 2190, for Companies preparing annual consolidated and single financial statements in accordance with IAS/IFRS)

The figures presented below aim to give summary information about the financial position and results of INTRALOT S.A. and INTRALOT Group. We, therefore, recommend to the reader before proceeding to any kind of investment decision or transaction with the company, to refer to the Company's web - site address, where the Annual Financial Statements in accordance to International Financial Reporting Standards are available together with the auditor's report.

Regulatory Authority:	Ministry of Regional Development and Competitiveness (Societe Anonyme and Credit Division)
Web Site:	www.intralot.com
Financial Statements approval date:	March 29, 2012
Certified Auditor:	Epameinondas Gkipalis (Reg. No/S.O.E.L 24051)
Auditor Firm:	S.O.L S.A.(Reg.No /S.O.E.L 125)
Type of Auditor's Report:	Unqualified

Board of Directors:
Chairman - Socrates P. Kokkalis
Vice-Chairman and CEO - Constantinos G. Antonopoulos
Member - Andreas V. Papoulias
Member - Fotios Th. Mavroudis
Member - Dimitrios Ch. Klonis
Member - Dimitrios C. Chatzigrigoriadis *
Member - Anastasios M. Tsoufis *
Member - Sotirios N. Filos *
Member - Petros K. Souretis

*Independent non-executive directors

1. STATEMENT OF FINANCIAL POSITION (GROUP and COMPANY)

(Amounts in € thousand)	GROUP 31.12.2011	GROUP 31.12.2010	COMPANY 31.12.2011	COMPANY 31.12.2010
ASSETS				
Tangible Fixed Assets	263.640	281.166	24.513	35.723
Intangible Assets	285.436	263.520	43.852	35.140
Other Non-Current Assets	172.413	173.919	157.191	156.469
Inventories	47.057	41.171	37.003	30.319
Trade accounts receivable	175.108	196.278	198.110	221.152
Other Current Assets	142.498	141.477	14.402	16.306
TOTAL ASSETS	**1.086.162**	**1.097.531**	**475.071**	**495.109**
LIABILITIES AND EQUITY				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	251.671	236.409	70.874	70.122
Shareholders Equity (a)	299.360	284.098	118.563	117.811
Non-Controlling Interests (b)	75.908	76.929	0	0
Total Shareholders Equity (c)=(a)+(b)	375.268	361.027	118.563	117.811
Long-term Debt	228.009	477.464	260.454	278.515
Provisions / Other Long term Liabilities	53.318	61.196	19.550	18.604
Short-term Debt	278.968	28.913	0	0
Other Short-term Liabilities	150.599	168.931	76.504	80.179
Total Liabilities (d)	710.894	736.504	356.508	377.298
TOTAL EQUITY AND LIABILITIES (c)+(d)	1.086.162	1.097.531	475.071	495.109

2. TOTAL COMPREHENSIVE INCOME STATEMENT (GROUP and COMPANY)

(Amounts in € thousand)	GROUP 1.1-31.12.2011	GROUP 1.1-31.12.2010	COMPANY 1.1-31.12.2011	COMPANY 1.1-31.12.2010
Sale Proceeds	1.202.354	1.115.721	131.718	163.545
Less: Cost of Sales	-990.123	-909.977	-91.877	-108.856
Gross Profit / (Loss)	**212.231**	**205.744**	**39.841**	**54.689**
Other Operating Income	28.452	26.288	1.074	210
Selling Expenses	-38.242	-37.396	-7.254	-7.387
Administrative Expenses	-108.317	-99.733	-9.524	-11.318
Research and Development Costs	-9.710	-8.069	-6.735	-5.431
Other Operating Expenses	-12.526	-6.059	-12.541	-30.728
EBIT	**79.799**	**80.775**	**4.812**	**35**
Interest and similar charges	-35.855	-35.237	-25.143	-20.238
Interest and related income	22.109	22.466	26.293	29.294
Exchange differences	-605	11.127	109	2.167
Profit / (Loss) from equity method consolidations	-499	1.559	0	0
Operating Profit / (Loss) before tax	**57.038**	**80.690**	**6.120**	**11.258**
Less: taxes	-21.453	-25.900	-4.515	-9.204
Operating Profit / (Loss) after tax (A)	**35.585**	**54.790**	**1.605**	**2.054**
Attributable to:				
- Owners of the parent	17.701	36.626	1.605	2.054
- Non-Controlling Interests	17.884	18.164	0	0
Other comprehensive income for the year, after tax (B)	**-3.891**	**1.463**	**-1.132**	**-1.006**
Total comprehensive income after taxes (A) + (B)	**31.694**	**56.253**	**473**	**1.048**
Attributable to:				
- Owners of the parent	17.293	33.917	473	1.048
- Non-Controlling Interests	14.401	22.336	0	0
Profit / (Loss) after taxes per share (in euro)				
- basic	0,1114	0,2304	0,0101	0,0129
- diluted	0,1114	0,2304	0,0101	0,0129
Proposed dividend per share	0,003535	0,004523	0,003535	0,004523
EBITDA	**153.806**	**152.662**	**19.362**	**24.218**

3. STATEMENT OF CHANGES IN EQUITY (GROUP and COMPANY)

(Amounts in € thousand)	GROUP 31.12.2011	GROUP 31.12.2010	COMPANY 31.12.2011	COMPANY 31.12.2010
Net equity at the beginning of the year (01/01/2011 and 01/01/2010 respectively)	361.027	331.206	117.811	140.065
Effect on retained earnings from previous years adjustment	1.323	1.235	819	0
New consolidated entities	36	25.302	0	0
Total comprehensive income for the year after tax (continuing and discontinuing operations)	31.694	56.253	473	1.048
Increase / (decrease) in share capital	863	594	0	0
Dividends Distributed	-17.277	-53.286	-719	-23.844
Exercise of stock option rights	379	542	379	542
Sale of Subsidiary	275	0	0	0
Effect due to change in ownership percentage	-3.052	-819	0	0
Net Equity at the end of the year (31/12/2011 and 31/12/2010 respectively)	**375.268**	**361.027**	**118.563**	**117.811**

4. CASH FLOW STATEMENT (GROUP and COMPANY)

(Amounts in € thousand)	GROUP 1.1-31.12.2011	GROUP 1.1-31.12.2010	COMPANY 1.1-31.12.2011	COMPANY 1.1-31.12.2010
Operating Activities				
Net Profit before Taxation (continuing operations)	57.038	80.690	6.120	11.258
Plus/Less adjustments for:				
Depreciation and Amortization	74.007	68.204	14.550	14.506
Provisions	12.320	-9.484	13.404	13.419
Exchange rate differences	-5.430	4.765	0	0
Results from Investing Activities	-7.526	-12.406	-12.737	-16.608
Debit Interest and similar expenses	35.855	35.237	25.143	20.238
Credit Interest	-22.109	-22.466	-13.895	-3.846
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-5.247	16.015	-6.682	15.722
Decrease/(increase) of Receivable Accounts	1.793	-43.669	18.125	-47.069
(Decrease)/increase of Payable Accounts (except Banks)	-9.183	-10.772	2.663	13.302
Less:				
Interest Paid and similar expenses paid	27.451	23.269	16.644	13.703
Income Tax Paid	22.358	23.904	6.009	11.801
Net Cash from Operating Activities (a)	**81.699**	**58.941**	**24.038**	**-4.582**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	4.250	6.441	-2.481	-689
Purchases of tangible and intangible assets	-79.593	-107.573	-14.475	-14.764
Proceeds from sales of tangible and intangible assets	772	2.011	50	0
Interest received	9.972	12.037	3.767	3.846
Dividends received	0	0	8.043	15.753
Net Cash from Investing Activities (b)	**-64.599**	**-87.084**	**-5.076**	**4.146**
Financing Activities				
Cash inflows from Share Capital Increase	863	25	0	0
Cash inflows from loans	77.312	64.442	0	0
Repayment of loans	-67.273	-53.592	-20.150	0
Repayment of Leasing Obligations	-10.226	-7.086	0	0
Dividends paid	-16.755	-53.280	-716	-23.838
Net Cash from Financing Activities (c)	**-16.079**	**-49.491**	**-20.866**	**-23.838**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	**1.021**	**-77.634**	**-1.904**	**-24.274**
Cash and cash equivalents at the beginning of the year	**141.477**	**219.111**	**16.306**	**40.580**
Cash and cash equivalents at the end of the year	**142.498**	**141.477**	**14.402**	**16.306**

Supplementary information

1. The same accounting policies have been followed, compared with previous year financial statements 31/12/2010 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.4 of the year end financial statements.
2. The companies included in the consolidation of 31/12/2011 and not in the consolidation of 31/12/2010 due to subsequent acquisition are the following: Intralot Hong Kong Holdings Ltd, Kelicom Holdings Co Ltd, Dinet ZAO, Promarta OOO, Favorit Bookmakers Office OOO, Caribbean VLT Services Ltd, Intralot Czech S.R.O, Intralot Gaming Services Pty, Intralot Lotteries Ltd and Intralot Distribution OOO. The associate Cyberarts Licensing LLC has not been consolidated since October 2011, when its disposal was completed (note 13 of the annual financial statements).
3. The Group's provisions that refer to legal issues up to 31/12/2011 amounted to € 9,4 mio. The Group's provisions that refer to unaudited tax periods amounted to € 2,1 mio and the rest € 11,04 mio to other provisions. Respectively, the Company stated € 9,4 mio for provisions of legal issues, € 1,45 mio for unaudited tax periods and € 6,7 mio for other provisions.
4. The personnel employed as at 31/12/2011 by the Company were 629 and by the Group were 5.512. Respectively, as at 31/12/2010, the personnel employed by the Company were 634 and by the Group were 5.380.
5. Companies that are included in 31/12/2011 consolidated financial statements are presented in note 13 in the annual financial report including locations, group percentage ownership and consolidation method.
6. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in the note 27.B of the annual financial report.
7. The amounts of expense/income included in the Group's comprehensive income statement as at 31/12/2011 of € -3,9 mio (2010: € 1,5 mio) concern: foreign exchange differences of € -4,4 mio (2010: € 162 k), derivative valuation of € 190 k (2010: € -2,8 mio), while ending amount of € 304 k (2010: € 4 mio), concerns the valuation of available for sale financial assets. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 31/12/2011 for the Company, amounted to € -1,1 mio (2010: € -1 mio) regard: revaluation of available for sale financial assets, amounted to € -1,4 mio (2010: € -65 k) and € 297 k (2010: € -941 k) concerns valuation of derivative.
8. The Board will propose to the annual ordinary general meeting of shareholders, as per share dividend for 2011 the amount of € 0,003535.
9. Transactions (including income, expenses, receivables, payables) with related parties, are as follows:

Amounts reported in thousands of €	Group	Company
a) Income		
-from subsidiaries	0	40.528
-from associates	3.242	4.851
-from other related parties	7.755	5.655
b) Expenses		
-to subsidiaries	0	23.268
-to associates	10	0
-to other related parties	19.338	16.953
c) Receivables		
-from subsidiaries	0	158.744
-from associates	8.428	3.609
-from other related parties	24.738	16.106
d) Payables		
-to subsidiaries	0	29.106
-to associates	13	13
-to other related parties	26.455	22.718
e) BoD and Key Management Personnel transactions and fees	9.095	5.608
f) BoD and Key Management Personnel receivables	594	0
g) BoD and Key Management Personnel payables	857	465

Maroussi, March 29th, 2012

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO	THE GENERAL DIRECTOR OF FINANCE AND BUSINESS DEVELOPMENT	THE ACCOUNTING DIRECTOR
S. P. KOKKALIS ID. No. AI 091040	C.G. ANTONOPOULOS ID. No. AI 025905	I. O. PANTOLEON ID. No. Σ 637090	N.G. PAVLAKIS ID. No. AZ 012557 H.E.C. License No. 15230/A' Class