INTRALOT GROUP

First Semester Report

For the period ended June 30, 2012

According to L.3556/2007

1st Semester of 2012

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1. Statement of the Members of the Board of Directors (according to article 5 par. 2 of L.3556/2007)

The

a. Sokratis P. Kokkalis, Chairman of the Board of Directors

b. Con/nos G. Antonopoulos, Vice - Chairman of the Board of Directors and CEO

c. Sotirios N. Filos , Member of the Board of Directors

DECLARE THAT

As far as we know:

a. the accompanying interim company and consolidated financial statements of the company "Intralot S.A." for the period 1st January 2012 to 30th June 2012, prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, equity and the financial results of the Company, as well as of the companies included in the consolidation, according to par. 3 to 5 of article 5 of L. 3556/2007.

b. the semi - annual Board of Directors Management Report presents a true and fair view of the information required according to par. 6 of article 5 of L. 3556/2007.

c. the attached Financial Statements are those approved by the Board of Directors of "Intralot S.A." at 29th August 2012 and have been published to the electronic address www.intralot.com.

Maroussi, August 29th, 2012

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 of Directors

2. SEMI-ANNUAL BOARD OF DIRECTORS MANAGEMENT REPORT

We submit to all interested parties the 1st semester 2012 interim financial statements according to the International Financial Reporting Standards as adopted by the European Union, along with the present report for the period from January 1st to 30th June, 2012. The present report of the Board of Directors of the company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" has been composed according to the provisions of par. 6, article 5 of the Law 3556/2007 and of the published executive resolutions 1/434/3-7-2008 and 7/448/11.10.2007 of the Capital Market Commission's Board of Directors.

PROGRESS OF THE GROUP'S AND COMPANY'S PERFORMANCE FOR THE PERIOD 1/1-30/6/2012 & BUSINESS DEVELOPMENTS FOR THE SECOND SEMESTER OF 2012

FINANCIAL OVERVIEW

INTRALOT's consolidated revenues in the first half of 2012 increased by 17,2% to €687,3 mil. from €586,4 mil. in the first half of 2011. EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) were €81,4 mil. from €72,6 mil. in the first half of 2011, posting an increase of 12,2%. Earnings Before Taxes increased by 29,4% to €29,5 mil., while Earnings After Taxes and after minorities decreased by 26,8% to €5,5 mil..

Concerning parent company results, revenues increased by 17,1% to €74,2 mil. in the first semester of 2012, while earnings after taxes were €18,7 mil. from €3,7 mil. in the first half of 2011.

Concerning the business developments, INTRALOT during the first half of 2012, among others, won after an international tender a 10-year license to operate the National Lottery of Malta, awarded a sports betting license in the area of Western Cape in South Africa, signed a 3-year contract extension with the Lotteries Commission of Western Australia (Lotterywest) and launched the operation of its Electronic Monitoring System in the Gaming Lounges of Supreme Ventures Limited (SVL) in Jamaica.

CAPITAL STRUCTURE

Group's cash balance reached €123,5 mil. in the first half of 2012, while bank debt plus the convertible bond reached €511,7 mil.

NEW PROJECTS – INVESTMENTS

In January 2012, INTRALOT's subsidiary in South Africa, INTRALOT South Africa, 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.

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). Under the new contract, the current arrangement that would expire in 2013 will now extend until 2016. INTRALOT will be responsible for the supply, ongoing maintenance and on-site support of Lotterywest's integrated Gaming System.

In February 2012, INTRALOT 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 June 2012, the Government of Malta and the Lotteries and Gaming Authority of Malta (LGA) awarded MALTCO LOTTERIES Limited (MALTCO), a subsidiary of the INTRALOT Group, with a 10-year concession and a license to operate the National Lottery of Malta. The award was granted following a competitive tendering process whereby MALTCO satisfied all the technical requirements and submitted the most advantageous financial bid of €39,1 mil.

SIGNIFICANT DEVELOPMENTS AFTER THE END OF THE FIRST SEMESTER 2012

In July 2012, following an international tender process, INTRALOT has been selected by Hrvatska Lutrija d.o.o, the Croatian State Lottery, as its strategic partner for the lottery's new iCasino Project. The Croatian Lottery and INTRALOT will jointly manage the interactive casino business on a shared-profit basis for a period of four (4) years.

In July 2012, following a competitive process, 'ODS ODDSET Deutschland Sportwetten GmbH' (ODDSET) has awarded Scientific Games International (SGI) in cooperation with INTRALOT with a contract for the operation of sports betting in Germany both in the retail and the interactive space. Under the agreement with SGI, INTRALOT will provide the new generation of its renowned INTRALOT Betting Platform, fully supporting the retail and the interactive operational modes, together with complete Risk Management Services and Interactive Operational Services. ODDSET is the newly established entity that will modernize and develop the existing sports betting operations in Germany, through the national retail network of the "Deutsche Lotto und Toto Block lotteries", which is comprised of 23,000 points of sale. Germany's betting market is among Europe's largest and is currently undergoing regulatory reforms. As many as 15 of the country's 16 regions signed the Interstate Treaty at the end of 2011 and most of these regions have already ratified it in their local parliaments. The new Treaty is in force since the beginning of July 2012. Aiming to become the leader of Germany's betting market, ODDSET will apply for one of the twenty upcoming national concessions to be issued for the organization and brokerage of sports betting for an initial period of seven (7) years.

In July 2012, INTRALOT announced the successful completion and launch of www.starcasino.it, on behalf of Betsson, a Swedish company listed on the Stockholm stock exchange, following the agreement for collaboration to support Betsson's online operations in the Italian market. The agreement comprises the provision of INTRALOT Interactive Gaming Platform, the adaptation of the customer facing gaming portal, as well as the software and system infrastructure for Sogei connectivity.

In August 2012, INTRALOT S.A. and Sorteo Games, Inc., a leading provider of electronic lottery systems and services, announced a five-year agreement to roll-out innovative gaming products for Lotería Nacional, the National Lottery of Mexico. INTRALOT has already established a strong presence in Latin America and the Caribbean and this agreement marks its entry into the Mexican market. The first gaming product to be deployed is INTRALOT's industry-leading KENO game. Under the terms of the agreement, INTRALOT will provide its technology platform, terminals and operational services to enable the implementation of KENO and, subsequently, new online games.

In August 2012, INTRALOT announced the increase of its stake in Kelicom to 100% from 33% previously. With this transaction INTRALOT gained control of FAVORIT BOOKMAKERS' OFFICE LLC (Favorit) as well as access to its extensive customer data base. Kelicom holds a strategic stake of 74,9% in Favorit, one of the leading sports betting operators in Russia. The transaction for the 67% stake in Kelicom was performed at a valuation that represents less than 1% of the Company's consolidated assets and it has been approved by the competent authorities. Favorit has a non-expiring license to run sports betting activities in Russia from the Federal Tax Service of the country.

PROSPECTS AND UNCERTAINTIES FOR THE SECOND HALF OF 2012

Optimization of existing projects

The Company, having a presence in more than 50 countries in all 5 continents, runs projects in advanced and mature gaming markets, but it also has contracts in developing markets and early stage projects 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.

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.

The extension of the contract with OPAP S.A. Specifically, OPAP S.A extended for 3 months (from 30.07.2012 until 30.10.2012) the agreement for the maintenance of its technological infrastructure, that expired in 29.07.2012, with INTRALOT under the exact same terms defined in the company's relative announcement on 30.07.2010.

Winners' Payouts in sports betting

INTRALOT is one of the largest sports betting operators 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 by 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.

Financial Risk

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 adopts 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 for the period 1/1-30/6/2012 (in thous. €)

Foreign Currency	Currency Movement	Effect in Earnings before taxes	Effect in Equity
USD:	5%	-29	3.098
	-5%	26	-2.803
TRY:	5%	683	1.579
	-5%	-618	-1.429
PEN:	5%	149	-65
	-5%	-135	59
BRL:	5%	-165	175
	-5%	149	-158
JMD:	5%	415	1.402
	-5%	-376	-1.268
ARS:	5%	280	225
	-5%	-253	-204
RON:	5%	37	906
	-5%	-34	-819

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 local currency.

Corporate Social Responsibility

Drawing from its corporate strategy of sustainable leadership, INTRALOT's CSR strategy is to create shared value for all its stakeholders. The creation of shared value requires a focus on CSR activities that engage the communities where the company operate and relevant stakeholders rather than a focus on activities that dilute resources, have little lasting impact on the communities where it operates, and do not advance INTRALOT's strategic objectives.

Following from this strategy, INTRALOT CSR Policy focuses on four essential elements:

1) Social Responsibility: "Intralot-We care a Lot" is an integrated and targeted CSR program that seeks to create partnerships with relevant stakeholders and work towards the development of its workforce and of local communities where the company operates, through the transfer of technology and know-how, through the employment and specialized training of its local workforce and stakeholders, and through social responsibility initiatives in four main areas: advancing education and human capital, supporting social welfare and human development, preserving cultural heritage.
2) "Responsible Gaming" Policy and Program: INTRALOT has adopted Responsible Gaming as a key element of its Corporate Responsibility strategy. As a supplier of gaming products and services, INTRALOT has developed the enabling technologies and the operational know-how required to implement industry best-practices and programs tailored to the needs of customers and/or players in any jurisdiction globally.
3) Corporate Governance: Compliance with rules and corporate or industry standards, codes of conduct, memberships, certifications.
4) Sustainability of our planet: INTRALOT has developed a company-wide system that monitors our environmental performance and regularly engages or facilitates green initiatives that are relevant to its operations and have an impact on local communities.

Distinctions – Certifications

INTRALOT is a member of the Hellenic Network for Corporate Social Responsibility and of the Global Compact Network of the United Nations. Moreover, the company has received an honorary distinction from the Fulbright Foundation for Corporate Social Responsibility. In the first semester of 2012 INTRALOT has been certified for its corporate ethics with the GOLD BEE award from the Hellenic Institute of Corporate Ethics EBEN GR. Furthermore, INTRALOT has also been awarded the prestigious distinction "Corporate Superbrand 2011-2012," in recognition of the top reputation it has established in its sector worldwide. The award is granted upon assessment by a voluntary Expert Council as well as a public opinion survey, according to general criteria, such as public recognition and good reputation, quality, long-term consistency and reliability and social responsibility. INTRALOT was also distinguished amongst companies listed on the Athens Stock Exchange receiving the "Best Company in the International Market" award in the context of the "Money Business Awards". This award is an initiative of "MONEY" financial magazine and winners are selected by the investment community through a Web-based voting procedure.

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. 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.

MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES:

The most important transactions between the Company and its related parties as per IAS and are shown on the table below:

Group	**Income**		**Expenses**	
	01/01/2012-30/06/2012	**01/01/2011-30/06/2011**	**01/01/2012-30/06/2012**	**01/01/2011-30/06/2011**
Intracom Holdings Group	1.161	1.271	7.721	9.495
Turkcell Group	24	42	1.134	1.158
Intralot South Africa LTD	913	566	13	0
Other related parties	2.412	5.497	2.989	3.677
Executives and members of the board	0	0	4.528	3.594
	4.510	**7.376**	**16.385**	**17.924**

Company	**Income**		**Expenses**	
	01/01/2012-30/06/2012	**01/01/2011-30/06/2011**	**01/01/2012-30/06/2012**	**01/01/2011-30/06/2011**
Intralot Operations LTD	933	1.511	111	0
Inteltek Internet AS	5.387	2.851	0	10
Intracom Holdings Group	1.160	1.268	7.601	8.804
Bilyoner AS	1.723	1.077	0	0
Intralot Inc	1.089	156	80	57
Betting Company SA	7	7	1.967	3.000
Lotrom SA	6.147	6.207	865	875
Intralot Nederland BV	1.503	561	0	0
Intralot South Africa LTD	913	1.448	13	0
Intralot International LTD	0	3	3.835	7.144
Tecno Accion S.A.	3.182	3.988	14	12
Intralot Maroc S.A.	80	80	0	0
Intralot New Zealand LTD	1.113	125	0	0
Intralot Czech LTD	1.217	0	0	0
Other related parties	17.568	5.236	3.722	1.215
Executives and members of the board	0	0	2.546	2.571
	42.022	**24.518**	**20.754**	**23.688**

Group	**Receivable**		**Payable**	
	30/06/2012	**31/12/2011**	**30/06/2012**	**31/12/2011**
Uniclic LTD	4.179	4.124	0	0
Intracom Holdings Group	5.037	13.894	15.820	23.518
Turkcell Group	1	5	292	178
Intralot South Africa LTD	471	1.795	11	1
Kelicom Holdings Co Ltd Group	6.680	4.957	0	0
Other related parties	7.863	8.391	8.889	2.771
Executives and members of the board	750	594	214	857
	24.981	**33.760**	**25.226**	**27.325**

Company	**Receivable**		**Payable**	
	30/06/2012	**31/12/2011**	**30/06/2012**	**31/12/2011**
Intralot Operations LTD	59.619	58.915	124	13
Inteltek Internet AS	2.606	3.003	1.633	2.039
Intracom Holdings Group	4.501	13.354	15.100	22.544
Gaming Solutions Int. SAC	9.026	8.794	14	14
Intralot INC	9.671	8.655	86	220
Betting Company SA	18	11	5.312	4.971
Betting Cyprus LTD	0	0	5.706	5.706
Intralot South Africa LTD	471	1.795	11	1
Uniclic LTD	4.346	4.346	0	0
Intralot International LTD	2.420	3.126	4.403	12.266
Pollot Sp.zoo	6.280	6.261	0	0
Intralot de Peru SAC	8.899	8.495	0	0
Intralot Holdings International LTD	2.299	2.574	0	0
Intralot Iberia SA Unipersona	15.262	14.911	0	0
Loteria Moldovei SA	2.007	1.998	0	0
Lotrom SA	-9.879	-10.546	386	1.146
Intralot Business Development LTD	13.138	12.622	0	0
Intralot Nederland B.V.	16.399	15.366	0	24
Intralot Do Brazil LTDA	13.129	10.873	0	0
Lotrich Info. Co LTD	95	1.522	0	12
Intralot Australia PTY LTD	1.602	1.384	3	0
Bilyoner AS	0	0	0	0
Intralot Czech LTD	1.859	642	0	0
Tecno Accion LTD	2.062	477	0	35
Other related parties	24.009	9.881	9.459	2.847
Executives and members of the board	0	0	0	465
	189.839	**178.459**	**42.237**	**52.303**

From the Company's Income, 15.747 thousand (2011: 10.575 thousand) relate to dividends received from the subsidiaries Maltco LTD, Tecno Accion SA, Inteltek AS and from the associate company Bilyoner AS.

The BoD and Key Management Personnel fees for the Group and the Company for the period 01/01/2012-30/06/2012 were € 4,5 mil. and € 2,5 mil. respectively.

MAROUSSI, AUGUST 29th, 2012
THE BOARD OF DIRECTORS OF THE COMPANY

3. Review Report on Interim Financial Information

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

Introduction

We have reviewed the accompanying separate and consolidated condensed statement of financial position of «INTRALOT SA INTEGRATED LOTTERY SYSTEMS AND SERVICES» (the "Company") and of its subsidiaries as at 30 June 2012 and the relative separate and consolidated condensed statements of comprehensive income , changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the condensed interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.
Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard "IAS 34".

Report on Other Legal and Regulatory Requirements

Our review did not identify any inconsistency or mismatching of the other data of the provided by the article 5 of L. 3556/2007 six-month financial report with the accompanying condensed interim financial information.

Athens, 30 August 2012

Georgios And. Karamichalis
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 15931

SOL CERTIFIED PUBLIC ACCOUNTANTS
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4. INTERIM FINANCIAL STATEMENTS

4.1 INTERIM COMPREHENSIVE INCOME STATEMENT

Amounts reported in € thousands	GROUP		GROUP		COMPANY		COMPANY	
	1/1-30/06/2012	1/1-30/06/2011	1/4-30/06/2012	1/4-30/06/2011	1/1-30/06/2012	1/1-30/06/2011	1/4-30/06/2012	1/4-30/06/2011
Sale Proceeds	687.348	586.397	340.124	285.468	74.218	63.385	33.400	36.866
Less: Cost of Sales	-571.644	-484.839	-283.839	-237.828	-49.196	-47.717	-18.572	-25.441
Gross Profit /(Loss)	**115.704**	**101.558**	**56.285**	**47.640**	**25.022**	**15.668**	**14.828**	**11.425**
Other Operating Income	8.874	18.061	4.736	6.432	411	803	14	699
Selling Expenses	-21.411	-19.447	-11.754	-10.049	-3.539	-3.522	-1.966	-1.781
Administrative Expenses	-54.809	-49.622	-26.691	-25.295	-4.497	-4.153	-2.338	-1.758
Research and Development Expenses	-5.438	-4.542	-2.712	-2.301	-4.045	-3.056	-2.033	-1.540
Other Operating Expenses	-4.362	-8.272	-2.806	-7.183	-57	-1	11	-1
EBIT	**41.431**	**36.767**	**19.884**	**15.928**	**13.295**	**5.688**	**8.516**	**7.046**
EBITDA	**81.430**	**72.595**	**39.740**	**33.614**	**20.452**	**12.806**	**11.952**	**10.430**
Interest and similar Charges	-19.220	-18.583	-10.805	-8.979	-12.118	-12.824	-5.803	-6.529
Interest and related Income	7.158	8.499	4.369	5.780	20.137	12.823	13.832	4.327
Exchange Differences	2.984	-5.157	3.707	612	134	-1.707	1.230	-634
Profit / (Loss) from equity method consolidations	19	299	-4	-27	0	0	0	0
Operating Profit/(Loss) Before Tax	**29.499**	**22.794**	**14.325**	**6.630**	**21.448**	**4.031**	**17.775**	**4.208**
Less: Taxes	-11.643	-7.304	-9.121	-3.472	-2.770	-295	-3.598	-545
Net Profit / (Loss)after taxes from Continuing Operations (a)	**17.856**	**15.490**	**5.204**	**3.158**	**18.678**	**3.736**	**14.177**	**3.663**
Net Profit / (Loss)after taxes from Discontinuing Operations (b)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Profit / (Loss) (Continuing and Discontinuing Operations) (a) + (b)	**17.856**	**15.490**	**5.204**	**3.158**	**18.678**	**3.736**	**14.177**	**3.663**
Attributable to:								
Owners of the parent	5.481	7.486	1.375	465	18.678	3.736	14.177	3.663
Non-Controlling Interests	12.375	8.004	3.829	2.693	0	0	0	0
Other comprehensive income after tax:								
Valuation of Available- for -Sale financial assets	1.182	-2.333	1.860	-824	1	5	1	5
Derivatives valuation	230	1.798	229	-584	184	865	124	-163
Exchange differences on translating foreign operations	3.195	-11.825	5.863	-5.286	0	0	0	0
Total comprehensive income/ (expense) after tax:	**4.607**	**-12.360**	**7.952**	**-6.694**	**185**	**870**	**125**	**-158**
Total income after tax	**22.463**	**3.130**	**13.156**	**-3.536**	**18.863**	**4.606**	**14.302**	**3.505**
Attributable to:								
Owners of the parent	8.764	568	7.207	-3.528	18.863	4.606	14.302	3.505
Non-Controlling interests	13.699	2.562	5.949	-8	0	0	0	0
Earnings after taxes per share (in €)								
-basic	0,0345	0,0471	0,0086	0,0029	0,1175	0,0235	0,0892	0,0230
-diluted	0,0345	0,0471	0,0086	0,0029	0,1175	0,0235	0,0892	0,0230
Weighted Average number of shares	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721

4.2 STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in € thousands	GROUP		COMPANY	
	30/06/2012	31/12/2011	30/06/2012	31/12/2011
ASSETS				
Non Current Assets				
Tangible fixed assets	260.471	263.640	20.284	24.513
Intangible assets	311.040	285.436	48.415	43.852
Investment in subsidiaries and associates	25.782	26.967	148.650	148.647
Other financial assets	29.843	34.190	712	968
Deferred Tax asset	16.254	12.318	7.237	7.129
Other long term receivables	105.326	98.938	452	447
	748.716	**721.489**	**225.750**	**225.556**
Current Assets				
Inventories	37.059	47.067	27.306	37.003
Trade and other short term receivables	196.742	175.108	212.322	198.110
Cash and cash equivalents	123.478	142.498	11.094	14.402
	357.279	**364.673**	**250.722**	**249.515**
TOTAL ASSETS	**1.105.995**	**1.086.162**	**476.472**	**475.071**
EQUITY AND LIABILITIES				
Share Capital	47.689	47.689	47.689	47.689
Other reserves	55.289	92.699	46.692	67.349
Foreign currency translation	-28.009	-29.881	0	0
Retained earnings	232.234	188.853	42.090	3.525
	307.203	**299.360**	**136.471**	**118.563**
Non-Controlling Interests	73.334	75.908	0	0
Total equity	**380.537**	**375.268**	**136.471**	**118.563**
Non Current Liabilities				
Long term Debt	481.950	228.009	263.626	260.454
Staff retirement indemnities	6.104	5.561	3.780	3.423
Other long term provisions	14.229	16.742	13.665	16.127
Deferred Tax liabilities	3.264	3.722	0	0
Other long term liabilities	20.779	20.063	0	0
Finance lease obligation	6.502	7.230	0	0
	532.828	**281.327**	**281.071**	**280.004**
Current Liabilities				
Trade and other short term liabilities	146.259	130.712	54.493	75.057
Short term debt and current portion of long term debt	23.246	278.968	0	0
Current income taxes payable	15.462	14.089	3.669	0
Short term provision	7.663	5.798	768	1.447
	192.630	**429.567**	**58.930**	**76.504**
TOTAL LIABILITIES	**725.458**	**710.894**	**340.001**	**356.508**
TOTAL EQUITY AND LIABILITIES	**1.105.995**	**1.086.162**	**476.472**	**475.071**

4.3 STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in € thousands)	**Share Capital**	**Legal Reserve**	**Other Reserves**	**Retained Earnings**	**Total**	**Non-Controlling Interests**	**Grand Total**
Opening Balance 01/01/2012	**47.689**	**36.608**	**56.091**	**158.972**	**299.360**	**75.908**	**375.268**
Effect on retained earnings from previous years adjustment				-361	**-361**	6	**-355**
Subsidiary Share Capital Increase					**0**	191	**191**
Period's Results				5.481	**5.481**	12.375	**17.856**
Other comprehensive income/(expense) after tax			1.412	1.872	**3.284**	1.323	**4.607**
Exercise of stock option rights			1		**1**		**1**
Dividends to parent shareholders/ non-controlling interest				-562	**-562**	-16.469	**-17.031**
Change of consolidation method from full to equity method					**0**		**0**
Transfer between reserves		433	-39.256	38.823	**0**		**0**
Balances as at 30/06/2012	**47.689**	**37.041**	**18.248**	**204.225**	**307.203**	**73.334**	**380.537**

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in € thousands)	**Share Capital**	**Legal Reserve**	**Other Reserves**	**Retained Earnings**	**Total**	**Non-Controlling Interests**	**Grand Total**
Opening Balance 01/01/2011	**47.689**	**28.782**	**55.232**	**152.395**	**284.098**	**76.929**	**361.027**
Effect on retained earnings from previous years adjustment				702	**702**	-6	**696**
Subsidiary Share Capital Increase					**0**	863	**863**
Period's Results				7.486	**7.486**	8.004	**15.490**
Other comprehensive income/(expense) after tax			-535	-6.382	**-6.917**	-5.443	**-12.360**
Exercise of stock option rights			190		**190**		**190**
Dividends to parent shareholders/ non-controlling interest				-719	**-719**	-12.085	**-12.804**
Change of consolidation method from full to equity method				-21	**-21**	11	**-10**
Transfer between reserves		6.742	-13	-6.729	**0**		**0**
Balances as at 30/06/2011	**47.689**	**35.524**	**54.874**	**146.732**	**284.819**	**68.273**	**353.092**

STATEMENT OF CHANGES IN EQUITY INTRALOT COMPANY (Amounts reported in € thousands)	**Share Capital**	**Legal Reserve**	**Other Reserves**	**Retained Earnings**	**Total**
Opening Balance 01/01/2012	**47.689**	**29.037**	**38.312**	**3.525**	**118.563**
Effect on retained earnings from previous years adjustment				-394	**-394**
Period's Results				18.678	**18.678**
Other comprehensive income/(expense) after tax			185		**185**
Exercise of stock option rights			1		**1**
Dividends to parent shareholders/ non-controlling interest				-562	**-562**
Transfer between reserves			-20.843	20.843	**0**
Balances as at 30/06/2012	**47.689**	**29.037**	**17.655**	**42.090**	**136.471**

STATEMENT OF CHANGES IN EQUITY INTRALOT COMPANY (Amounts reported in € thousands)	**Share Capital**	**Legal Reserve**	**Other Reserves**	**Retained Earnings**	**Total**
Opening Balance 01/01/2011	**47.689**	**17.061**	**39.065**	**13.996**	**117.811**
Effect on retained earnings from previous years adjustment				-32	**-32**
Period's Results				3.735	**3.735**
Other comprehensive income/(expense) after tax			870		**870**
Exercise of stock option rights			190		**190**
Dividends to parent shareholders/ non-controlling interest				-719	**-719**
Transfer between reserves		10.935		-10.935	**0**
Balances as at 30/06/2011	**47.689**	**27.996**	**40.125**	**6.045**	**121.855**

4.4 CASH FLOW STATEMENT

	GROUP		COMPANY	
(Amounts reported in € thousands)	**1/1-30/06/12**	**1/1-30/06/11**	**1/1-30/06/12**	**1/1-30/06/11**
Cash flows from operating activities				
Net Profit before Taxation	29.499	22.794	21.448	4.031
Plus/Less adjustments for:				
Depreciation and Amortization	39.999	35.828	7.157	7.118
Impairment	0	0	0	0
Provisions	2.728	6.516	-104	-358
Exchange rate differences	3.332	-6.055	0	0
Results from Investing Activities	-2.950	-2.099	-16.996	-6.968
Debit Interest and similar expenses	19.220	18.583	12.118	12.824
Credit Interest	-5.817	-8.499	-3.048	-2.248
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	9.324	-427	9.697	-791
Decrease/(increase) of Receivable Accounts	-31.678	-4.251	1.184	-5.437
(Decrease)/increase of Payable Accounts (except Banks)	-633	-8.121	-25.058	3.089
Less:				
Interest Paid and similar expenses paid	13.301	13.697	5.682	8.770
Income Tax Paid	13.662	12.481	164	2.427
Net Cash from Operating Activities (a)	**36.061**	**28.091**	**552**	**63**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	13.132	4.804	284	-100
Purchases of tangible and intangible assets	-51.243	-30.429	-6.573	-7.522
Proceeds from sales of tangible and intangible assets	527	104	0	0
Interest received	4.636	4.371	857	1.592
Dividends received	1.161	0	4.123	5.770
Net Cash from Investing Activities (b)	**-31.787**	**-21.150**	**-1.309**	**-260**
Financing Activities				
Cash inflows from Share Capital Increase	0	863	0	0
Cash outflows from Share Capital Decrease	0	0	0	0
Cash inflows from loans	13.405	4.889	0	0
Repayment of loans	-18.243	-28.189	-1.989	0
Repayment of Leasing Obligations	-3.248	-4.324	0	0
Dividends paid	-15.208	-10.134	-562	-716
Net Cash from Financing Activities (c)	**-23.294**	**-36.895**	**-2.551**	**-716**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-19.020**	**-29.954**	**-3.308**	**-913**
Cash and cash equivalents at the beginning of the period	**142.498**	**141.477**	**14.402**	**16.306**
Cash and cash equivalents at the end of the period	**123.478**	**111.523**	**11.094**	**15.393**

4.5 GENERAL INFORMATION – APPROVAL OF THE FINANCIAL STATEMENTS

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, 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, about 5.500 people and revenues of € 1.202 millions in 2011. Committed to meeting customer requirements and performance expectations along with a demonstrated ability to adapt to new markets and overcome technological and cultural constraints, INTRALOT has acquired a worldwide reputation in the global gaming sector.

Approval of the Financial Statements

The Board of Directors of INTRALOT SA approved the Company's and the Group's interim IFRS financial statements for the period ended June 30, 2012, on August 29th 2012.

4.6 SIGNIFICANT ACCOUNTING POLICIES

4.6.1 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 in case the difference is not a significant amount, and under the assumption 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 when otherwise indicated.

The attached interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", not including all information and notes required by the standards for annual financial statements and should be read in conjunction with the financial statements of December 31, 2011.

4.6.2 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 issued

Interpretations by International Financial Reporting Interpretations Committee (IFRIC), that have been adopted by the European Union as of June 30, 2012.

4.6.3 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 purposes 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).

4.6.4 Changes in accounting policies

For the preparation of the financial statements of period ended June 30, 2012, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual interim financial statements (December 31, 2011), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2012.

Standards and Interpretations compulsory for the fiscal year 2012

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2012. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

IAS 12 (Amendment) "Income Taxes"

This applies to annual accounting periods starting on or after 1st 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 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 22nd November 2011, L305 – 23.11.2011)

This applies to annual accounting periods starting on or after 1st 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 amendment also requires additional disclosures if a disproportionate amount of transfer transactions has 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 1 (Amendment) "First-time adoption of International Financial Reporting Standards"

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

Standards and Interpretations compulsory after 31 December 2012

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 2013 and have not been adopted by the Group earlier.

IAS 1 (Amendment) "Presentation of Financial Statements"

(COMMISSION REGULATION (EC) No. 475/2012 of 5 June 2012, L146/1 – 06.06.2012)

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

IAS 32 (Amendment) "Financial Instruments: Presentation"

This applies to annual accounting periods starting on or after 1st 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 1 (Amendment) "First-time adoption of International Financial Reporting Standards"

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

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

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

The amendment retains the existing assets and liabilities offsetting models but requires new disclosure requirements to allow investors to better compare financial statements prepared in accordance with IFRSs and 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.

IFRS 9 "Financial Instruments"

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

IFRS 10 "Consolidated Financial Statements"

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

In 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 1st January 2013.

IFRS 11 "Joint Arrangements"

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

In 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 1st January 2013.

IFRS 12 "Disclosure of Interests in Other Entities"

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

In 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 1st January 2013.

IFRS 13 "Fair Value Measurement"

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

In 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 sets 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 1st January 2013.

IAS 19 (amendment) «Employee Benefits»

(COMMISSION REGULATION (EC) No. 475/2012 of 5th June 2012, L146/1 – 06.06.2012)

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

In 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.

IAS 27 (amendment) "Separate Financial Statements"

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

In 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 1st January 2013.

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

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

In 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 1st January 2013.

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

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

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

IASB in its annual improvement program published in May 2012, amendments to 5 existing Standards. The amendments hold for the annual fiscal periods beginning on or after the 1st of January, 2013 and have not yet been adopted by the European Union. The above amendments will not have significant effect on the Group's financial statements.

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

The amendment clarifies that an entity can apply IFRS 1 more than one time under some specific circumstances. Also, an entity can choose to apply IAS 23 on transition date or on an earlier date.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies the comparative disclosures when an entity presents a third statement of financial position because it is required by IFRS8 or voluntarily. Also, it explains that an entity may include in the first financial statements prepared in accordance to IFRS, extra comparative information so as to provide a better explanation of the IFRS transition effect.

IAS 16 "Property, Plant and Equipment"

The amendment clarifies that servicing equipment and spare parts may be classified as tangible assets and not as inventories, in case they meet the definition of property, plant and equipment.

IAS 32 "Financial Instruments: Presentation"

The amendment clarifies the treatment of income taxation related to distributions to holders and the costs of equity transactions.

IAS 34 "Interim Financial Reporting"

The amendment clarifies the required disclosures for the assets and liabilities of reportable segments in interim financial statements.

4.6.5 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 control is transferred to the Group 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.

4.6.6 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 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 any fair value adjustments to the carrying amounts 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 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 circumstance 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 associates are prepared for the same reporting period as 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 the 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.

4.6.7 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 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 disposal of the net investment, at which time they are recognized in the consolidated statement of comprehensive income. 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 these subsidiaries are located and operate. 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 the balance sheet 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.

4.6.8 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
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 are 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 property, plant 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.

4.6.9 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.

4.6.10 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, is 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 is 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 at the end of each reporting period, 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 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.

4.6.11 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 as follows:

Financial assets at fair value through profit or loss:

Include trading portfolio investments that acquired for the purpose of selling them in the near future. Also, include derivatives 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 are classified as held-to maturity that the Group has the positive intention and ability to hold them to maturity. Financial assets that 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 securities. 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 securities 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 recognizing a financial asset when and only when:

- the contractual rights to the cash flows from the financial asset expire or
- the Group has transferred its contractual right to receive cash flows from an asset, or retains this right to receive cash flows from an asset but has assumed a contractual obligation to pay the cash flows to a third 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 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 required 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 exercise.

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 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 a 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 realised 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.

Such 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 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, 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 not exists any more. In the case that an existing liability is replaced by another from the same borrower 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 consists the base of the investment or on acquisition cost.

4.6.12 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.

4.6.13 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 received or receivable. 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'.

4.6.14 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.

4.6.15 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.

4.6.16 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 the 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 embodying economic benefits 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.

4.6.17 Leases

Entity of the 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 of the Group as Lessor:
In cases of hardware and software leasing through operating lease, these assets are included in the Group's tangible assets. The lease 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.

4.6.18 Share capital – Treasury shares
Share capital includes common and preference shares without voting right, which have been issued and being traded. 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.

4.6.19 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 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 4.8 C d I.

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

4.6.20 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.

4.6.21 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 the 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.

4.6.22 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, etc). 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 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 on is accounted for on a straight-line basis during the lease term.

4.6.23 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 or substantially 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, except 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 is 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.

4.6.24 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 of the parent 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).

4.7 REVENUE PER SEGMENT

Geographical Sales Breakdown

	Third parties			**Inter-segment**			**Total**		
(in million €)	**1H12**	**1H11**	**Diff %**	**1H12**	**1H11**	**Diff %**	**1H12**	**1H11**	**Diff %**
European Union	347,64	352,38	-1,34%	34,85	33,15	5,13%	382,49	385,53	-0,79%
Rest of Europe*	2,71	1,99	36,18%	0,00	0,00	-	2,71	1,99	36,18%
America	227,24	177,78	27,82%	4,12	6,59	-37,48%	231,36	184,37	25,49%
Other countries*	109,76	54,25	102,32%	0,02	0,53	-96,22%	109,78	54,78	100,40%
Eliminations	-	-	-	-38,99	-40,27	-	-38,99	-40,27	-
Total	**687,35**	**586,40**	**17,22%**	**0,00**	**0,00**	**-**	**687,35**	**586,40**	**17,22%**

	Geographical Profits Breakdown before taxes			**Geographical Profits Breakdown after taxes**		
(in million €)	**1H12**	**1H11**	**Diff %**	**1H12**	**1H11**	**Diff %**
European Union	33,73	26,28	28,35%	30,71	25,32	21,29%
Rest of Europe*	-0,88	-0,38	-	-0,86	-0,52	-
America	12,64	12,38	2,1%	6,81	7,81	-12,80%
Other countries*	11,57	8,98	28,84%	8,76	7,36	19,02%
Eliminations	-27,56	-24,47	-	-27,56	-24,47	-
Total	**29,50**	**22,79**	**29,44%**	**17,86**	**15,50**	**15,23%**

* Segments outside reportable limits/disclosure criteria.

4.8 CONTINGENT LIABILITIES

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 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 before the Multi Member Athens First Instance Court; 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 when the case was heard and the issue of the decision is pending. 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 has been 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 (€ 1,4 m) (plus 1,89 million TRY (€827 K) 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 (€ 1 m) (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 General Assembly of the Supreme Court of Appeals decided that the decision of the court of first instance on insisting is sufficient and the lawsuit file should be send to a chamber of the Supreme Court of Appeals for evaluation of the appeal requests of GSGM. 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 30th June 2012.

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 (€2.222.766,48) 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 (€619.690) 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 (€10,4m).

The application for annulment of the arbitration award filed by INTRALOT before the High Administrative Court was rejected. The Company filed a lawsuit before the Constitutional Court for which no hearing date has been set. The Company has created relative provision in its financial statements. ETESA requested the payment of a letter of guarantee issued by Banco de Bogota, granted with counter-guarantees of a respective amount issued by Société Générale & Geniki Bank. Following rejection of the legal means filed versus the above request by the courts of France, the Company paid the amount of the letter of guarantee in the amount of 7.694.081.042 Colombian pesos (€3.200.448,25) making partially use of the respective amount of the above provision.

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. On 1st June 2012, new hearing date is scheduled the 21st September 2012.

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 which was concluded with the issue of a second instance decision of the Ministry of Finance for revocation of the six relevant licenses; the company filed a recourse against this decision before the Administrative Courts for which no hearing date has been set yet. A first instance decision of the Ministry of Finance has been issued in relation to all remaining shops to revoke their licenses and the company has filed a recourse before the Ministry of Finance. In case of issue of a second instance decision, which will be immediately enforceable, there is a risk of suspension of the operation of the shops until the hearing of the respective administrative recourses which the company intends, in any case, to file. Until 29 August 2012, no such second instance decision of the Ministry of Finance has been served to the company and, therefore, according to the opinion of the legal advisors of the company in Poland, the shops are legally operating.

i. In August 2012, two British Virgin Island companies filed a Complaint in the United States Bankruptcy Court Southern District of Florida, Miami Division, against numerous defendants, including Supreme Ventures Limited ("SVL"), a publicly traded gaming company listed on the Jamaican Stock Exchange in which INTRALOT holds an indirect shareholding interest. Notably, as per SVL, the lawsuit is based on the same claims (related to demands arose before the acquisition of INTRALOT's participation in SVL), towards third parties, initial shareholders and/or directors of SVL, or not, which were brought in, and were recently rejected by the Jamaican courts, first by the Supreme Court and then again by the Court of Appeals. While we have been informed that INTRALOT is named as a "relief defendant" (which means that INTRALOT is not alleged to have been part - directly or indirectly - of any wrongdoing, since the alleged by the plaintiffs acts are made before the acquisition of SVL's shares by INTRALOT through the Jamaican Stock Exchange), the Complaint has not been served to INTRALOT SA. SVL's opinion is that the Complaint is wholly without merit and expects that it will be successful in the Florida courts , as it was in the Jamaican courts.

m. In Brazil, a former officer of a subsidiary company filed a lawsuit against such subsidiary requesting several amounts to be paid to him as fees resulting from his labor relationship amounting to appox. € 240.000 and from a services agreement calculated by him as a percentage 4% on the turnover of the subsidiary. According to the legal opinion dated 21.8.2012 of the local lawyers, the lawsuit will be dismissed.

Until 29 August 2012, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest of the litigations will be finalized without a material effect on the Group's and the Company's financial position and results.

B.FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES

COMPANY	YEARS	COMPANY	YEARS
INTRALOT SA	2011	INTRALOT EGYPT LTD	2006-2011
BETTING COMPANY SA	2007-2010	E.C.E.S. SAE	2006-2011
BETTING CYPRUS LTD	2004-2011	INTRALOT OOO	2009-2011
INTRALOT DE CHILE S.A.	2008-2011	POLDIN LTD	2006-2011
INTRALOT DE PERU SAC	2007-2011	INTRALOT ASIA PACIFIC LTD	-
INTRALOT INC.	2002-2011	INTRALOT AUSTRALIA PTY LTD	2006-2011
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2005-2011	INTRALOT SOUTH AFRICA LTD	-
ROYAL HIGHGATE LTD	2006-2011	INTRALOT LUXEMBOURG S.A.	2010-2011
POLLOT Sp.Zoo	2010-2011	INTRALOT ITALIA S.p.A.	2009-2011
MALTCO LOTTERIES LTD	2007-2011	INTRALOT FINANCE UK PLC	2008-2011
INTRALOT HOLDINGS INTERNATIONAL LTD	2004-2011	INTRALOT IBERIA SAU	2008-2011
LOTROM S.A.	01/06/2010-2011	INTRALOT IBERIA HOLDINGS S.A.	2008-2011
YUGOLOT LTD	-	TECNO ACCION S.A.	2005-2011
BILOT EOOD	2005-2011	GAMING SOLUTIONS INTERNATIONAL SAC	2007-2011
EUROFOOTBALL LTD	2008-2011	GAMING SOLUTIONS INTERNATIONAL LTD	2010-2011
EUROFOOTBALL PRINT LTD	2005-2011	INTRALOT BEIJING Co LTD	2007-2011
INTRALOT INTERNATIONAL LTD	2005-2011	NAFIROL S.A.	-
INTRALOT OPERATIONS LTD	2005-2011	INTRALOT ARGENTINA S.A.	2007-2011
INTRALOT BUSINESS DEVELOPMENT LTD	2006-2011	LEBANESE GAMES S.A.L	-
INTRALOT TECHNOLOGIES LTD	2004-2011	VENETA SERVIZI S.R.L.	2007-2011
INTELTEK INTERNET AS	2007-2011	INTRALOT SOUTH KOREA S.A.	2007-2011
LOTERIA MOLDOVEI S.A.	01/10/2009-31/12/2009 & 2010-2011	SERVICIOS TRANSDATA S.A.	2007-2011
TOTOLOTEK S.A.	2006-2011	SLOVENSKE LOTERIE AS	2008-2011
WHITE EAGLE INVESTMENTS LTD	2010-2011	TORSYS S.R.O.	2008-2011
BETA RIAL Sp.Zoo	2006-2011	INTRALOT DO BRAZIL LTDA	2008-2011
UNICLIC LTD	2005-2011	OLTP LTDA	2009-2011
DOWA LTD	2005-2011	BILYONER INTERAKTIF HIZMELTER AS	2003-2011
INTRALOT NEW ZEALAND LTD	2011	LOTRICH INFORMATION Co. LTD	2010-2011
INTRALOT ST.LUCIA LTD	2008-2011	GIDANI LTD	2007-2011
INTRALOT DOMINICANA S.A.	2009-2011	INTRALOT INTERACTIVE S.A.	2009-2010
INTRALOT GUATEMALA S.A.	2009-2011	INTRALOT INTERACTIVE USA LLC	2009-2011
LOTTERIA Y APUESTOSA DE GUATEMALA S.A.	2009-2011	JACKPOT S.p.A.	2010-2011
INTRALOT LATIN AMERICA INC	2008-2011	NIKANTRO HOLDINGS CO LTD	2009-2011
INTRALOT JAMAICA LTD	2008-2011	TACTUS S.R.O.	2009-2011
INTRALOT NEDERELAND BV	2010-2011	ATROPOS SA	2009-2011
INTRALOT CARIBBEAN VENTURES LTD	2010-2011	NETMAN SRL	2010-2011
INTRALOT SURINAME LTD	2009-2011	AZERINTELTEK AS	2010-2011
SUPREME VENTURES LTD	2005-2011	INTRALOT TURKEY AS	2008-2011
DC09 LLC	2010-2011	INTRALOT MAROC S.A.	2010-2011
KELICOM HOLDINGS CO LTD	2006-2011	INTRALOT MINAS GERAIS LTDA	2010-2011
DINET ZAO	2009-2011	PROMARTA OOO	2009-2011
INTRALOT DE COLOMBIA (BRANCH)	2010-2011	FAVORIT BOOKMAKERS OFFICE OOO	2009-2011
INTRALOT HONG-KONG HOLDINGS LIMITED	2011	INTRALOT DE MEXICO LTD	2010-2011
INTRALOT FRANCE SAS	2010-2011	INTRALOT DISTRIBUTION OOO	2011
INTRALOT CZECH S.R.O.	2011	INTRALOT GAMING SERVICES PTY	2011
CARIBBEAN VLT SERVICES LTD	2011	INTRALOT LOTTERIES LTD	2011
INTRALOT GERMANY GMBH	-	INTRALOT BETTING OPERATIONS RUSSIA LTD	-
INTRALOT GAMING MACHINES SPA	-		

There is a tax audit in progress in Intralot de Peru SAC for the year 2010, in Servicios Transdata S.A. for the year 2008, in Supreme Ventures Ltd for the years 2006-2011, in Intralot Italia S.p.A for the year 2009 and in Jackpot S.p.A for the period 1/1/2010-03/08/2012. Furthermore, the tax audit in Pollot Sp. Zoo for the years 01/01/2005-31/12/2009 has been completed as well as the VAT audit for the period 1/7-31/12/2007 in Totolotek S.A.. In the meantime, in Lotrom S.A. the tax inspection for the years 1/1/2004-2009 was completed with an effect in the company prior year's results of €1,3 mio, in addition to imposing taxes of €1,1 mio due to different estimation of the tax base recognition of some transnational transactions, which were set-off during prior year 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. Furthermore, there have been penalties of €1 mio that have already paid during the first semester 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 an objection according to the relevant law for cancellation of taxes imposed and payback of fines. Also, it is in progress the tax inspection in the years 1/1/2005-31/12/2009 for the companies Intralot International Ltd and Intralot Operations Ltd and for the years 1/1/2006-31/12/2009 for Business Development Ltd. Following the revision notice to income tax return for the years 2005-2009, Intralot International Ltd was informed, during the second quarter of 2012, about a claim from tax authorities amounting to € 15,2 mio. The company and its legal consultants in cooperation with tax consultants consider this claim as groundless. For this claim, the company has started an objection procedure according to the relevant law and estimate that finally there will be no tax charge. The companies Intralot Interactive S.A. and Betting Company S.A. have received an annual tax audit report with an unqualified opinion for the year 2011 from an audit company based on POL.1159/22.7.2011.

C. OTHER SELECTED EXPLANATORY NOTES

a. No significant effect due to seasonality and cyclicality of interim operations as these are expressed through the current interim financial statements.

b. There are no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

ci. Nature and changes in estimates of amounts reported in prior interim periods of the current financial year, if those changes have a material effect in the current interim period:

No such.

cii. Changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period:

No such.

d. Issuances, repurchases and repayments of debt and equity securities:

I. *Stock Option:*

The Group offers 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 Program III has been approved:

The Program III was approved by the Second Repeat Session of the Extraordinary General Assembly of the shareholders dated 16.11.2009, that took place on Monday, the 14th of December, 2009.
The General Assembly decided the approval of the stock option plan to persons among those referred in paragraph 13, article 13 of Codified Law 2190/1920, as modified and standing (Program III) and more specifically that the above share purchase options be granted to the members of the Board of Directors, to General Directors, to Directors and Managers of the Company and of its affiliated companies, as defined in paragraph 5 of the 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 exercise price the stock options was fixed to four (4) Euro per share while 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 settlement of stock options, the Company will proceed to increases of its share capital. The duration of this program will be four years, 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 of a change in the number of shares of the Company until the designation, the provision or the exercise of stock options, 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 to remain constant. The Company's Board of Directors was authorized to draw up the relative regulation of the above-mentioned Program III and to regulate any other relative detail in relation to this. (Resolution of the Board of Directors on 28.01.2010).
Finally, the amendment of the current stock option program (Program II) for the purchase of shares was decided, so that no more options be granted other than those already granted. On February 12, 2010 INTRALOT S.A. announces that according to the Stock Option Plans terms, approved by the General Meeting of Shareholders of 14th December 2009, 235 persons mentioned in article 13 par. 13 of Codified Law 2190/1920 as in force, are entitled to exercise, during the time 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 lead to the issuance of up to 6.227.000

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

INTRALOT S.A. announces that during the 1st semester of 2012 no right was 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 using the Binomial Model, is € 923 k, of which €1 k are included in the semester's result.

II. *New Companies of the Group:*

The Group proceeded in establishing the subsidiaries Intralot Germany Gmbh, Intralot Betting Operation Russia Ltd and Intralot Gaming Machines S.p.A. during the first semester of 2012.

III. *Subsidiaries Share Capital Increase:*

Increase in the share capital of Intralot Italia S.p.A. by the amount of € 1,9 mio.

IV. *Discontinued Operations in the Group:*

The Group did not proceed to the termination of any company during the first semester of 2012.

e. Dividends paid (aggregate or per share):

Ordinary share dividend were paid amounting to € 15.208 thousand (€ 10.134 thousand 30/06/11).

f. The effect of changes in the composition of the enterprise during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations:

Such changes do not have a significant effect on the consolidated total assets, on the consolidated revenues and on the consolidated earnings after tax.

g. Acquisitions and disposals of tangibles and intangible assets:

The change to the Group, due to acquisition of tangible and intangible assets as at June 30, 2012 amounts to € 56.971 thousand while the respective disposals were approximately € 2.609 thousand.

h. Loan refinancing:

In December 2007, Group's subsidiary in the UK signed a revolving credit facility agreement for €500 million maturing in December 2012, of which €250 million were utilized by the Group. In June 2012, the Group refinanced €300 million of the Facility, maturing December 2014 with changes in the terms regarding covenants and margins. The Credit Agreement provides a €300 million senior unsecured facility, of which €125 million of the outstanding amount consists of revolving credit facility and a €125 million of term loan. The facility bears a floating rate Euribor interest plus an applicable margin and is guaranteed by Group's subsidiaries. Amounts under the revolving credit facility may be borrowed, repaid and re-borrowed by the Group from time to time until maturity. Voluntary prepayments and commitment reductions under the Credit Agreement are permitted at any time in whole or in part, without premium or penalty (other than break-funding costs), for the revolving facility part. The Credit Agreement contains customary covenants such as Net Debt/Ebitda, Debt Cover, Interest Coverage. Group's ability to borrow under the Credit Agreement will depend on its remaining in compliance with the covenants contained in the Credit Agreement, including the maintenance of the applicable financial ratios. Group was in compliance with the covenants under the Credit Agreement as of June 2012.

4.9 SUPPLEMENTARY INFORMATION

A.BUSINESS COMBINATION AND METHOD OF CONSOLIDATON

The companies included in the consolidation, with the relevant addresses and the relevant participation percentages are the following:

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 S.A.	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%

	I. Full consolidation:	Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
16.	VENETA SERVIZI S.R.L.	Mogliano Veneto, Italia		90%	90%
	INTRALOT SOUTH KOREA S.A.	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%
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		100%	100%
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%
23.	SUPREME VENTURES LTD	Kingston, Jamaica		24,97%	24,97%
24.	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%
28.	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%
29.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia		100%	100%
30.	INTRALOT LOTTERIES LTD	Nicosia, Cyprus	51%	49%	100%
2.	INTRALOT GERMANY GMBH	Munich, Germany		100%	100%
31.	INTRALOT GAMING MACHINES S.p.A.	Rome, Italy	2%	98%	100%
2.	INTRALOT BETTING OPERATIONS RUSSIA LTD	Nicosia, Cyprus		100%	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%
	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%
25.	DINET ZAO	Moscow, Russia		33%	33%
26.	PROMARTA OOO	Moscow, Russia		33%	33%
27.	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 Caribbean Ventures Ltd
2: Intralot Holdings International Ltd	13: Intralot Operations Ltd	24: Inteltek Internet AS
3: Bilot EOOD	14: Intralot Iberia Holdings S.A.	25: Kelicom Holdings Co Ltd
4: Eurofootball Ltd	15: Intralot de Chile S.A	26: Dinet ZAO
5: Intralot International Ltd	16: Intralot Italia S.p.A	27: Promarta OOO
6: Pollot Sp.Zoo	17: Slovenske Loterie AS	28: Intralot OOO
7: White Eagle Investments Ltd	18: Intralot Do Brazil Ltda	29: Intralot Australia PTY LTD
8: Beta Rial Sp.Zoo.	19: Intralot St.Lucia Ltd	30: Intralot Technologies Ltd
9: Uniclic Ltd	20: Intralot Guatemala S.A.	31: Jackpot S.p.A.
10: Betting Company S.A.	21: Nikantro Holdings Co Ltd	
11: Intralot Egypt Ltd	22: Intralot Inc	

Inteltek A.S. is fully consolidated as it fulfills the requirements of IAS 27.

The companies Yugolot Ltd, Atropos S.A, Nafirol S.A. and E.C.E.S. SAE are under liquidation.

III.Acquisitions

Acquisition incurred during 2012

The Group has not made an acquisition during the first semester of 2012.

B. REAL LIENS

A group subsidiary has a € 8,4 million mortgage on other assets for the payment of a loan amounting to € 3,9 million and bank guarantee letters of € 5 million (30/06/2012 there was no utilization of the loan while the used guarantee letters were €4,4 million). Also, a subsidiary has a €3,9 million loan, secured on a building and a letter of guarantee.

C. PROVISIONS

The Group´s provisions at 30/06/2012 regarding legal issues amount to € 7,1 million, for unaudited tax periods amount to € 4,4 million and € 10,5 million regard other provisions. Respectively, the Company's provisions amount to € 7,1 million(legal issues), € 0,8 million (unaudited tax periods) and € 6,6 million (other provisions).

D.PERSONNEL EMPLOYED

The personnel employed by the Company and the Group as at the end of the current period were 631 and 5.499 respectively. For the first semester of 2011, the personnel employed by the Company and the Group were 631 and 5.626 respectively.

E. RELATED PARTY DISCLOSURES

The most important transactions between the Company and related parties as per IAS 24 relate to transactions between the Company and the following subsidiaries are shown on the table below.

	30/6/2012	
Amounts reported in thousands of €	**Group**	**Company**
a) Income		
-from subsidiaries	0	36.000
-from associates	3.122	4.717
-from other related parties	1.388	1.305
b) Expenses		
-from subsidiaries	0	7.613
-from associates	13	13
-from other related parties	11.844	10.582
c) Receivables		
-from subsidiaries	0	179.898
-from associates	8.955	2.677
-from other related parties	15.276	7.264
d) Payables		
-to subsidiaries	0	20.294
-to associates	11	11
-to other related parties	25.001	21.932
e) BoD and Key Management Personnel transactions and fees	4.528	2.546
f) BoD and Key Management Personnel receivables	750	0
g) BoD and Key Management Personnel payables	214	0

F.OTHER INFORMATION

i. Acquisition, merger or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations (by extension of the paragraph 4.8.C f and d, as above):

See above paragraph 4.8.C f and d and 4.9. A III as above.

ii. Previous paragraph (4.9.F.i.) events effect, if this is higher than 25%, in respect of the consolidated revenues or/and result or/and net equity of the company in the current period (by extension of the paragraph 4.8.C f and d., as above):

No such cases.

iii. Change of the fiscal year or period and reasons for this, comparability of financial information for the current period compared to the previous period. Quoted fundamentals(Consolidated revenues, Profit after tax, Net Equity) of the current period with those of the comparable period:

No such cases.

iv. Other material events for investors regarding the financial statements and course of the company's activity between balance sheet date and the date on which the financial statements are issued (to the extent that this information is not provided in paragraph 4.10):

See below, paragraph 4.10.

v. Effect of changes in the composition of the enterprise during the interim period, regarding the acquisition or disposal or change in the method of consolidation of a company or joint venture if this is higher than 25%, in respect of the consolidated revenues or/and results or/and net equity (by extension of the paragraph 4.8.C f and d, as above):

No such effect.

4.10. SUBSEQUENT EVENTS

In July 2012, following an international tender process, INTRALOT has been selected by Hrvatska Lutrija d.o.o, the Croatian State Lottery, as its strategic partner for the lottery's new iCasino Project. The Croatian Lottery and INTRALOT will jointly manage the interactive casino business on a shared-profit basis for a period of four (4) years.

In July 2012, following a competitive process, 'ODS ODDSET Deutschland Sportwetten GmbH' (ODDSET) has awarded Scientific Games International (SGI) in cooperation with INTRALOT with a contract for the operation of sports betting in Germany both in the retail and the interactive space. Under the agreement with SGI, INTRALOT will provide the new generation of its renowned INTRALOT Betting Platform, fully supporting the retail and the interactive operational modes, together with complete Risk Management Services and Interactive Operational Services. ODDSET is the newly established entity that will modernize and develop the existing sports betting operations in Germany, through the national retail network of the Deutsche Lotto und Toto Block lotteries, which is comprised of 23,000 points of sale. Germany's betting market is among Europe's largest and is currently undergoing regulatory reforms. As many as 15 of the country's 16 regions signed the Interstate Treaty at the end of 2011 and most of these regions have already ratified it in their local parliaments. The new Treaty is in force since beginning of July 2012. Aiming to become the leader of Germany's betting market, ODDSET will apply for one of the twenty upcoming national concessions to be issued for the organization and brokerage of sports betting for an initial period of seven (7) years.

In July 2012, INTRALOT announced the successful completion and launch of www.starcasino.it, on behalf of Betsson, a Swedish company listed on the Stockholm stock exchange, following the agreement for collaboration to support Betsson's online operations in the Italian market. The agreement comprises the provision of INTRALOT Interactive Gaming Platform, the adaptation of the customer facing gaming portal, as well as the software and system infrastructure for Sogei connectivity.

In August 2012, INTRALOT S.A. and Sorteo Games, Inc., a leading provider of electronic lottery systems and services, announced a five-year agreement to roll-out innovative gaming products for Lotería Nacional, the National Lottery of Mexico. INTRALOT has already established a strong presence in Latin America and the Caribbean and this agreement marks its entry into the Mexican market. The first gaming product to be deployed is INTRALOT's industry-leading KENO game. Under the terms of the agreement, INTRALOT will provide its technology platform, terminals and operational services to enable the implementation of KENO and, subsequently, new online games.

In August 2012, INTRALOT announced the increase of its stake in Kelicom to 100% from 33% previously. With this transaction INTRALOT gained control of FAVORIT BOOKMAKERS' OFFICE LLC (Favorit) as well as access to its extensive customer data base. Kelicom holds a strategic stake of 74,9% in Favorit, one of the leading sports betting operators in Russia. The transaction for the 67% stake in Kelicom was performed at a valuation that represents less than 1% of the Company's consolidated assets and it has been approved by the competent authorities. Favorit has a non-expiring license to run sports betting activities in Russia from the Federal Tax Service of the country.

Maroussi, August 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**

5. SUMMARY FINANCIAL INFORMATION FOR THE PERIOD JANUARY 1st TO JUNE 30th, 2012

intralot

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES
Company's No 27074/06/B/92/9 in the register of Societes Anonymes
Figures and information for the period from 1st January to 30th June 2012
According to 4/507/28.4.2009 resolution of the Board of Directors of the Greek Capital Committee
Amounts reported in '000 €

The figures presented below aim to provide summary information about the financial position and results of INTRALOT S.A. and INTRALOT's group. Therefore, it is recommended to any reader who is willing to proceed to any kind of investment decision or other transaction concerning the company, to visit the company's web site where the Financial Statements according to IFRSs are posted, accompanied by the Auditor's Review Report where approppriate.

Approval date by the BoD:	**August 29th, 2012**
Web Site:	**www.intralot.com**
Certified Auditor Accountant:	**George A. Karamichalis Reg.No/S.O.E.L 15931**
Auditing firm:	**S.O.L S.A Reg. No/S.O.E.L. 125**
Type of auditors report:	**Unqualified opinion**

1. STATEMENT OF FINANCIAL POSITION (GROUP/COMPANY)

	GROUP		COMPANY	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
ASSETS				
Tangible Assets	260.471	263.640	20.284	24.513
Intangible Assets	311.040	285.436	48.415	43.852
Other Non-Current Assets	177.205	172.413	157.051	157.191
Inventories	37.059	47.067	27.306	37.003
Trade Receivables	196.742	175.108	212.322	198.110
Other Current Assets	123.478	142.498	11.094	14.402
TOTAL ASSETS	**1.105.995**	**1.086.162**	**476.472**	**475.071**
LIABILITIES AND EQUITY				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	259.514	251.671	88.782	70.874
Shareholders Equity (a)	**307.203**	**299.360**	**136.471**	**118.563**
Non-Controlling Interests (b)	73.334	75.908	0	0
Total Shareholders Equity (c)=(a)+(b)	**380.537**	**375.268**	**136.471**	**118.563**
Long-term Debt	481.950	228.009	263.626	260.454
Provisions/ Other Long term Liabilities	50.878	53.318	17.445	19.550
Short-term Debt	23.246	278.968	0	0
Other Short-term Liabilities	169.384	150.599	58.930	76.504
Total Liabilities (d)	**725.458**	**710.894**	**340.001**	**356.508**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.105.995**	**1.086.162**	**476.472**	**475.071**

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

	GROUP		COMPANY	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
Net equity at the beginning of the period (1/1/2012 and 1/1/2011 respectively)	375268	361.027	118563	117.811
Effect on retained earnings from previous year adjustments	-355	696	-394	-32
Total comprehensive income for the year after tax (continuing and discontinuing operations)	22.463	3.130	18.863	4.605
Increase / (decrease) in share capital	191	863	0	0
Dividends Distributed	-17.031	-12.804	-562	-719
Exercise of stock option rights	1	190	1	190
Effect due to change in ownership percentage	0	-10	0	0
Net Equity of the year Closing Balance (30/6/2012 and 30/6/2011 respectively)	**380537**	**353.092**	**136471**	**121855**

4. CASH FLOW STATEMENT (GROUP/COMPANY)

	GROUP		COMPANY	
	1.1-30.6.2012	1.1-30.6.2011	1.1-30.6.2012	1.1-30.6.2011
Operating Activities				
Net Profit before Taxation (continuing operations)	29.499	22.794	21.448	4.031
Plus/Less adjustments for:				
Depreciation	39.999	35.828	7.157	7.118
Provisions	2.728	6.516	-104	-358
Exchange rate differences	3.332	-6.055	0	0
Results (revenue, expenses, profits and losses) from Investing Activities	-2.950	-2.099	-16.996	-6.968
Debit Interest and similar expenses	19.220	18.583	12.118	12.824
Credit Interest	-5.817	-8.499	-3.048	-2.248
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	9.324	-427	9.697	-791
Decrease/(increase) of Receivable Accounts	-31.678	-4.251	1.184	-5.437
(Decrease)/increase of Payable Accounts (except Banks)	-633	-8.121	-25.058	3.089
Less:				
Interest Paid and similar expenses paid	13.301	13.697	5.682	8.770
Income Tax Paid	13.662	12.481	164	2.427
Net Cash from Operating Activities (a)	**36.061**	**28.091**	**552**	**63**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	13.132	4.804	284	-100
Purchases of tangible and intangible assets	-51.243	-30.429	-6.573	-7.522
Proceeds from sales of tangible and intangible assets	527	104	0	0
Interest received	4.636	4.371	857	1.592
Dividends received	1.161	0	4.123	5.770
Net Cash from Investing Activities (b)	**-31.787**	**-21.150**	**-1.309**	**-260**
Financing Activities				
Cash inflows from Share Capital Increase	0	863	0	0
Cash inflows from loans	13.405	4.889	0	0
Repayment of loans	-18.243	-28.189	-1.989	0
Repayment of Leasing Obligations	-3.248	-4.324	0	0
Dividends paid	-15.208	-10.134	-562	-716
Net Cash from Financing Activities (c)	**-23.294**	**-36.895**	**-2.551**	**-716**
Net increase/ (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-19.020**	**-29.954**	**-3.308**	**-913**
Cash and cash equivalents at the beginning of the period	**142.498**	**141.477**	**14.402**	**16.306**
Cash and cash equivalents at the end of the period	**123.478**	**111.523**	**11.094**	**15.393**

2. TOTAL COMPREHENSIVE INCOME STATEMENT (GROUP/COMPANY)

	GROUP				COMPANY			
	1.1-30.6.2012	1.1-30.6.2011	1.4-30.6.2012	1.4-30.6.2011	1.1-30.6.2012	1.1-30.6.2011	1.4-30.6.2012	1.4-30.6.2011
Sale Proceeds	687.348	586.397	340.124	285.468	74.218	63.385	33.400	36.866
Less: Cost of Sales	-571.644	-484.839	-283.839	-237.828	-49.196	-47.717	-18.572	-25.441
Gross Profit / (Loss)	**115.704**	**101.558**	**56.285**	**47.640**	**25.022**	**15.668**	**14.828**	**11.425**
Other Operating Income	8.874	18.061	4.736	6.432	411	803	14	699
Selling Expenses	-21.411	-19.447	-11.754	-10.049	-3.539	-3.522	-1.966	-1.781
Administrative Expenses	-54.809	-49.622	-26.691	-25.295	-4.497	-4.153	-2.338	-1.758
Research and Development Costs	-5.438	-4.542	-2.712	-2.301	-4.045	-3.056	-2.033	-1.540
Other Operating Expenses	-4.362	-8.272	-2.806	-7.183	-57	-1	11	-1
EBIT	**41.431**	**36.767**	**19.884**	**15.928**	**13.295**	**5.688**	**8.516**	**7.046**
Interest and similar charges	-19.220	-18.583	-10.805	-8.979	-12.118	-12.824	-5.803	-6.529
Interest and related income	7.158	8.499	4.369	5.780	20.137	12.823	13.832	4.327
Exchange differences	2.984	-5.157	3.707	612	134	-1.707	1.230	-634
Profit / (Loss) from equity method consolidations	19	299	-4	-27	0	0	0	0
Operating Profit / (Loss) before tax	**29.499**	**22.794**	**14.325**	**6.630**	**21.448**	**4.031**	**17.775**	**4.208**
Less taxes	-11.643	-7.304	-9.121	-3.472	-2.770	-295	-3.598	-545
Operating Profit / (Loss) after tax (A)	**17.856**	**15.490**	**5.204**	**3.158**	**18.678**	**3.736**	**14.177**	**3.663**
Attributable to:								
- Owners of the parent	5.481	7.486	1.375	465	18.678	3.736	14.177	3.663
- Non-Controlling Interests	12.375	8.004	3.829	2.693	0	0	0	0
Other comprehensive income for the period, after tax (B)	**4.607**	**-12.360**	**7.952**	**-6.694**	**185**	**870**	**125**	**-158**
Total comprehensive income after of taxes (A) + (B)	**22.463**	**3.130**	**13.156**	**-3.536**	**18.863**	**4.606**	**14.302**	**3.505**
Attributable to:								
- Owners of the parent	8.764	568	7.207	-3.528	18.863	4.606	14.302	3.505
- Non-Controlling Interests	13.699	2.562	5.949	-8	0	0	0	0
Profit / (Loss) after taxes per share (in euro)								
- basic	0,0345	0,0471	0,0086	0,0029	0,1175	0,0235	0,0892	0,0230
- diluted	0,0345	0,0471	0,0086	0,0029	0,1175	0,0235	0,0892	0,0230
EBITDA	**81.430**	**72.595**	**39.740**	**33.614**	**20.452**	**12.806**	**11.952**	**10.430**

Supplementary information:

1. The same accounting policies have been followed as the year-end consolidated financial statements 31/12/2011 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 4.6.4 of the interim condensed financial statements.
2. The companies included in the consolidation of 30/6/2012 and not in that of 30/6/2011 due to subsequent acquisition are the following: Intralot Distribution OOO, Intralot Czech S.R.O, Carribean VLT Services LTD, Intralot Gaming Services PTY, Intralot Lotteries LTD, Intralot Germany GMBH, Intralot Betting Operations Russia LTD and Intralot Gaming Machines S.P.A.. The associate CyberArts Licensing LLC has not been consolidated at 30/6/2012 but has been consolidated at 30/6/2011 due to its disposal in October 2011 (notes 4.8 and 4.9 of the interim financial statements).
3. The Group's provisions as at 30/6/2012 amount to € 7,1 mio for legal issues, € 4,4 mio for unaudited tax years and € 10,5 mio for other provisions. The respective amounts for the Company amount to € 7,1 mio (legal issues), € 0,8 mio (unaudited tax periods) and € 6,6 mio (other provisions).
4. The personnel employed by the Company and the Group at the end of the reporting period were 631 and 5.499 respectively. For the respective period of 2011, the personnel employed by the Company and the Group were 631 and 5.826 respectively.
5. Companies that are included in 30/6/2012 consolidated financial statements are presented in note 4.9 A in the interim financial report including locations, participation interest 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 note 4.8 B in the interim financial report.
7. The amounts of expense/income included in the Group's comprehensive income statement of 30/6/2012 amounting to € 4,6 mio (2011: € -12,4 mio) concern: foreign exchange differences of € 3,2 mio (2011 : € -11,8 mio), derivative valuation of € 0,23 mio, (2011: € 1,8 mio) while amount of € 1,2 mio (2011: € -2,3 mio), concerns the valuation of available for sale financial assets. Respectively, the amounts of expense/income recorded in the comprehensive income statement of 30/6/2012 for the Company, amounting to € 185 k (2011: € 870 k) concern: valuation of derivative € 184 k (2011: € 865 k) and valuation of available for sale financial assets € 1 k (2011: € 5 k).
8. The amounts of income, expenses, receivables and payables of the Company and Group with related parties, are as follows:

	Group	Company
a) Income		
-from subsidiaries	0	36.000
-from associates	3.122	4.717
-from other related parties	1.388	1.305
b) Expenses		
-to subsidiaries	0	7.613
-to associates	13	13
-to other related parties	11.844	10.582
c) Receivables		
-from subsidiaries	0	179.898
-from associates	8.955	2.677
-from other related parties	15.276	7.264
d) Payables		
-to subsidiaries	0	20.294
-to associates	11	11
-to other related parties	25.001	21.932
e) BoD and Key Management Personnel transactions and fees	4.528	2.546
f) BoD and Key Management Personnel receivables	750	0
g) BoD and Key Management Personnel payables	214	0

Maroussi, August 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