**INTRALOT Group**

ANNUAL FINANCIAL REPORT

(based on article 4 of L.3556/2007)

FOR THE YEAR ENDED 31 DECEMBER 2013

IN ACCORDANCE WITH

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

**CONTENTS OF ANNUAL FINANCIAL REPORT**

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

The

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

CERTIFY THAT

As far as we know:

a. The enclosed financial statements of the company "INTRALOT S.A" for the year 1st January 2013 to 31st December 2013, drawn up in accordance with the applicable accounting standards, reflect in true manner the assets and liabilities, equity and results of the Company and the companies included in the consolidated financial statements taken as a total.

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

c. The attached Financial Statements are those approved by the Board of Directors of "INTRALOT S.A." at 24th March 2014 and have been published to the electronic address www.intralot.com.

**Maroussi, 24th March 2014**

The designees

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

**REPORT OF THE BOARD OF DIRECTORS-INTRALOT GROUP TO THE ANNUAL GENERAL ASEMBLY OF THE SHAREHOLDERS FOR THE FISCAL YEAR 01/01/2013-31/12/2013**

Dear Shareholders,

INTRALOT is the leading gaming company that guides the evolution in the sector with the continuous development of innovative solutions and products and a leading supplier of integrated gaming and transaction processing systems, while its footprint straddles five continents, with presence in 57 jurisdictions. Committed to meeting customer requirements and performance expectations and with a demonstrated ability to adapt to new markets and overcome technological and cultural constraints, INTRALOT has acquired an excellent reputation in the global gaming sector.

The Company, having made a number of significant investments in the last years, has an impressive international footprint with a large portfolio of projects in developed markets, that provide the necessary stability and in developing markets with significant growth potential. At the same time, the Company's contracts secure significant revenues in the next years, with limited dependence from specific markets.

INTRALOT's current strategy is to focus on organic growth and technological excellence. The company's target is to improve the profitability and cash flow generation of its existing projects and to selectively participate in potential new opportunities, so as to maximize its shareholder's value.

INTRALOT's primary vision for the future is to create value through innovation, customer satisfaction and new media. Innovation lies within the culture of the company and stems from its strategy to gather the best human capital globally. At INTRALOT innovation derives from customer's needs and also aims to increase customer satisfaction, because it is exactly the customer needs that we have to predict and address through our innovative solutions. Last but not least, new media has been on the spot for the past years and will continue to play a pivotal role in the gaming industry. The challenge for the company is to stay ahead of itself and continue leading the way of the industry.

Regarding the major business developments in 2013, in US INTRALOT extended its contract with the South Carolina Education Lottery for three more years, until 2018, while in Ohio it also renew for two more years, until 2015, its contract to provide gaming system services, as well as its contract for the provision of support services for the instant tickets, increasing also for two more years until 2021 their extension options. Moreover, last year INTRALOT introduced in US its new gaming website "DeepStack Casino™", that it offers consumers in the US market freeplay casino type games, aiming to offer the platform as a B2B product to corporate clients like lotteries that want to introduce a real-money site within their regulated US jurisdictions.

In the very important market of China, INTRALOT is the only international company certified as approved terminal supplier by the China Sports Lottery Administration (CSLA), one of the two national lotteries, aiming to provide its terminals to the 31 provinces of the country where CSLA is having operations. In Taiwan the joint venture of LotRich, in which INTRALOT is a major shareholder, was selected as the system technology provider for another 10 years by ChinaTrust Bank, the operator of the Public Welfare Lottery in the country. Additionally, in Taiwan INTRALOT's joint venture signed two more contracts for the provision of technology and the provision of support services for sports betting with the Taiwan Sports Lottery Corporation, the betting operator in the country. In addition, in South Korea, the Joint Venture that the Company participates won again the license for the operation of the National Lottery.

In Australia, the Company has been selected by the Victorian State Government, to implement a voluntary pre-commitment scheme for the approximately 27.500 electronic gaming machines across the State, while in Tasmania it renew for five years its license to operate lottery games.

In Italy it successfully entered the Virtual Games market, in Poland it received a 6-year internet betting license, while in Cyprus it renewed its sport betting license.

In Turkey, INTRALOT acquired an additional stake of 25.01% in the company Bilyoner, which brought its total stake in the company to 50.01%, strengthening its presence in the growing betting market of the country.

Finally, in Greece, the Hellenic Lotteries S.A., a company in which INTRALOT participates, signed the exclusive license contract with the Hellenic Republic Asset Development Fund (HRADF) for the management of the Hellenic State Lotteries (Instant and Passive Tickets). The contract has a 12 years duration starting from the lotteries' operations launch, which is expected within the second quarter of 2014. Moreover, INTRALOT following an international tender process procured by OPAP S.A., signed a 5-year contract for the implementation of the new central system and the provision of related support and maintenance services. INTRALOT, also participates in the HRADF's process for the grant of an exclusive right to organize and conduct mutual betting on horse races.

Regarding the Group's financial results in 2013, revenues increased by 12% to €1,539.4 mil from €1,374.0 mil in 2012. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) increased by 9.7%, reaching €194.8 mil from €177.5 mil in 2012. Earnings before taxes decreased by 8.3% to €53.6 mil. from €58.4 mil in 2012. Earnings after taxes and after minorities were shaped to €-4.6 mil from €6.1 mil in 2012. Concerning Parent company results, revenues were €150.9 mil in 2013, while net income after taxes was €-0.1 mil.

A significant development for the Company in 2013 was the issuance of a 5-year bond of 325 million Euro, in the beginning of August. The successful completion of the bond improves significantly the capital structure of the Group, while it offers to the investors one more important investment vehicle. Finally, the rating of the Company, that exceeded the country limit proving the internationalization and risk diversification of the

Company, from the three major international rating agencies (Standard & Poor's, Moody's and Fitch) offers significant transparency to the Company.

**PERFORMANCE OF OUR MAIN MARKETS**

In Italy, our subsidiary INTRALOT Italia in 2013 managed to outperform 2012 sports betting sales and increased its market share by 15%, remaining the largest foreign sports betting company in the country. This is mainly attributed to its three pillar strategy, built around product enhancement, customer satisfaction and network optimization. In April, the Company launched its new i-Bingo Platform and in July the new re-designed website www.intralot.it based on real customer feedback went Live. However, the most important milestone of 2013 took place in December with the introduction of Virtual Games and the enrichment of the product portfolio. On the front of gaming machines, our subsidiary INTRALOT Gaming Machines entered the AWP market in April 2013 and in December increased its VLT licenses by approx. 50% to 1,000.

In Malta, our subsidiary MALTCO Lotteries that has the license to manage all the games of the National Lottery in the country, posted a marginal decrease of its sales in 2013, affected by the weak aggregation of high jackpots and the frequency of jackpots in the numerical games compared to 2012. Also, during 2013, the company re-introduced the Grand Lottery game.

In Bulgaria, the sports betting revenues of the subsidiary Eurofootball had been affected negatively the last years from the financial crisis in the country, the increase of the gaming taxation and the intense competition from the illegal internet betting. In 2013 the revenues increased due to the betting sales that boosted by the successful introduction of fixed odds game on dog races at the end of 2012. A positive development for the company is that it awarded recently an internet betting license, following its legalization in the country.

In Romania, Lotrom's revenues from the management of the VLTs of the national lottery operator CNLR and the revenues from the support of the sports betting game, decreased for one more year in 2013, mainly because of the intense competition. We must note that the VLTs management contract that expired at the end of 2013, has been extended until March 31, 2014. Moreover, INTRALOT participates in the tender process for the provision of technology for the operation of Lotto type games and the provision of associated services.

In Poland, the company in 2013 managed to regain its market share and increase its revenues by introducing new games (like Horse Race betting) and entering dynamically into the internet market with the betting license that it received in July 2013. Furthermore the company has successfully proceeded to the restructuring of its POS network mix.

In Turkey, the turnover of the sports betting game, that the subsidiary Inteltek manages, increased in Euro in 2013 for one more year, although the growth affected by the depreciation of the Turkish Lira. The main reason of the growth is the fact that the betting market is still underpenetrated in the country, helped also by the increased number of matches and the sustaining efficiency of the mobile agent network.

In Argentina, the subsidiary TecnoAccion is one of the leading gaming technology companies with contracts in 12 out of the 24 states in the country. The revenues of the company from the provision of services increased in 2013 year due to the underlying lottery sales growth and due to the fact that Tecno Accion has entered in the Operation side of Lottery business by acquiring the exclusive license of operating lottery games in Salta province from late November 2013.

In Peru, where Intralot de Peru is the leading gaming company, total lottery sales slightly decreased in 2013, due to the exchange rate of local currency compared to euro and due to the videolottery revenues that were negatively affected from the increased competition. In order to increase the revenues in the country, INTRALOT decided to explore further opportunities in the broader sector.

In Jamaica, the sales of Supreme Ventures Limited (SVL), in which INTRALOT owns a strategic stake, slightly decreased in 2013 due to significant decline in the exchange rate of the local currency compared to euro. SVL is the leading gaming company in the country that offers various numerical games, sports betting and it also manages videolottery gaming lounges.

In the U.S., the revenues from the facilities management of ten state lotteries slightly decreased in 2013 due exchange rate differences. The U.S. lottery market is mature and every year there are small revenue deviations mainly driven by the frequency and the size of the jackpots.

In Azerbaijan, INTRALOT started in 2011 the exclusive operation of the sports betting game in the country for 10 years. The game proved very successful and the growth of revenues in 2013 exceeded 50%. During 2013, the company also introduced successfully the fixed odds game on dog races.

**NEW PROJECTS – INVESTMENTS**

In January 2013, INTRALOT USA announced that the South Carolina Education Lottery (SCEL) approved an extension of its contract to continue to provide central gaming and statewide retail network systems, including associated gaming products and support services. The initial 7-year contract was extended for three additional years, until 2018, as provided in the original contract.

In January 2013, INTRALOT's subsidiary in Cyprus, Royal Highgate Public Company Limited, announced that it received an "A class" betting license, in order to continue to offer retail Betting services in the country, including the selection of sports events, odds compilation and risk management. The duration of the new license is 2 years. The license was granted according to the new Betting Law, which concerns companies that wish to offer retail betting services in the country.

In March 2013, INTRALOT Italia, a subsidiary of INTRALOT Group in Italy, entered into the Virtual Gaming market offering players a wide range of exciting new games. With this new addition to INTRALOT Italia's product portfolio, the retail shops are progressing even further to become entertainment centers that offer players a complete gaming portfolio ranging from sports betting, AWP, VLT and now Virtual Games.

In March 2013, INTRALOT USA, a subsidiary of the INTRALOT Group, announced that it offers consumers in the US market its newly developed freeplay, feature-rich gaming website "DeepStack Casino™". This new website offers interactive and social gaming content and expands the Company's portfolio beyond the traditional lottery products for which the Company is well known in the US. Legislation permitting, INTRALOT USA will also offer the platform as a B2B product to clients who want to introduce a real-money site within their regulated US jurisdictions.

In March 2013, INTRALOT Beijing, a subsidiary of INTRALOT Group in China, following an international lottery and betting terminal supplier selection and evaluation process is the only international company of the lottery sector certified as approved terminal supplier by the China Sports Lottery Administration (CSLA) among the total six (6) companies certified. By receiving the corresponding certification for its Photon terminal, INTRALOT will be allowed to provide Photon to the 31 provincial CSLA lottery companies in China (provinces, cities and autonomous regions) during the upcoming terminals replacement cycle. Photon, INTRALOT's integrated terminal that combines sophisticated technology with high ergonomy and efficient design, was certified by CSLA, as it meets the Lottery's high standards regarding functionality, adaptability, efficiency, reliability and security. Following the completion of the selection and evaluation process, the CSLA provincial lotteries will gradually replace their approximately 130,000 terminals installed in their Points of Sale countrywide with terminals provided by the six (6) companies whose terminals have been certified by CSLA. The new terminals will be connected to CSLA Central System.

In May 2013, INTRALOT, through its participation as a major shareholder in the Taiwanese joint venture LotRich Information Co., Ltd, has been selected, following an international tender process, as the lottery system technology provider of ChinaTrust Commercial Bank in Taiwan (CTCB), a member of Chinatrust Financial Holding Company, which has received the license from the government to operate the Public Welfare Lottery. INTRALOT has been the technological provider of ChinaTrust Commercial Bank in Taiwan since 2007, when CTCB obtained its first license to operate the lottery. The duration of the new project is for ten (10) years. INTRALOT will provide ChinaTrust Commercial Bank and its subsidiary lottery operator Taiwan Lottery Corporation (TLC) with the LOTOS™ O/S On-line Gaming Computer System, the LOTOS™ Horizon content management software and hardware, along with the necessary for 10 years Central system and Retail Network maintenance and support services for the operation of the Public Welfare Lottery, and will install 6,050 Photon terminals in retailer locations across Taiwan.

In June 2013, INTRALOT announced the 5-year renewal of its Foreign Games Permit to operate games in the State of Tasmania in Australia. The license renewal was granted by the Tasmanian Gaming Commission and permits INTRALOT to continue to operate lottery and instant games in the State of Tasmania until 30/6/2018.

In June 2013, INTRALOT announced a 2-year renewal of its contract to provide gaming system services to the Ohio Lottery Commission for the biennium 2014-2015, as well an additional 2-year extension option until 2021, both passed unanimously by the Ohio Controlling Board. The Lottery's budget is approved every two years by the state and therefore contracts must be renewed every two years.

In July 2013, INTRALOT announced a 2-year renewal extension to continue to develop, refine, implement and provide instant ticket related and cooperative instant ticket support services to the Ohio Lottery Commission. INTRALOT had originally won an 8-year contract to provide cooperative services to the Ohio Lottery in 2009 with options to renew every two years. The Lottery's budget is approved every two years by the State and therefore contracts must be renewed for every biennium. This two-year extension begins on July 1, 2013.

In July 2013, INTRALOT announced that following an international tender process procured by OPAP S.A. it has signed i) a contract for the implementation of the new central system (implementation contract) and ii) a contract for the support, maintenance and evolution of the new central system (service agreement) with a total duration of five (5) years. In parallel, once the new central system contract commences, the agreement signed for the provision of the maintenance and technological support services of OPAP agencies' infrastructure will be activated. The duration of this agreement is for two (2) years with three (3) one-year renewals option. INTRALOT has also signed an extension to its current contract with OPAP S.A. until the commencement of the new system. The implementation contract includes the commissioning and installation of the infrastructure, the software implementation/installation and all the necessary implementation services, so the new central system commence live operations and user licenses for Greece and Cyprus. Project implementation timeframe is agreed at seven (7) months. The services agreement covers the provision of Support and Maintenance of Hardware and System Software, the Operational Support and the Business Enhancement. The contract has total duration of five (5) years and expires on 31/7/2018. The combined value of the implementation contract and the services agreement contract is €101.0 million, whereas the value of the agreement for the provision of the maintenance and technological support services of OPAP agencies' infrastructure is a total of €46 million for the first two years declining by €1 million per annum for each subsequent annual extension.

In July 2013, INTRALOT's subsidiary in Poland, Totolotek, received a 6-year Internet betting license from the Polish Ministry of Finance. According to the license granted, Totolotek will provide to players in Poland Fixed Odds Betting and Sport Pool Games through the Internet. The Company's plans regarding interactive gaming in Poland also entail the development of Live Betting.

In July 2013, Hellenic Lotteries S.A., a company in which INTRALOT participates together with OPAP S.A. and Scientific Games (SGI), signed the exclusive license contract with the Hellenic Republic Asset Development Fund (HRADF) for the production, operation, circulation, promotion and management of the Hellenic State Lotteries (Instant and Passive Tickets). The contract has a 12 years duration starting from the lotteries' operations launch, which is expected within the second quarter of 2014. In addition to its shareholding participation, INTRALOT has signed related supply contracts with Hellenic Lotteries S.A., to provide all required technology, central system operation services, central system and network equipment maintenance and technical support services, and logistics and tele-sales services. Furthermore, INTRALOT in cooperation with OPAP S.A. will develop a new State Lotteries points of sales network, in addition to the current network of OPAP agencies, which is expected to contribute significantly to the development of the lotteries and, in particular, of the new scratch lottery. INTRALOT has operated the Instant Lottery (Scratch) in Greece from 1993 to 2003, one of the most successful and profitable projects worldwide.

In August 1, 2013, INTRALOT issued €325,000,000 9.750% Senior Notes due 2018 (the "Notes"). The Notes issued by its indirect subsidiary Intralot Finance Luxembourg S.A., a public limited liability company (société anonyme) organized under the laws of the Grand Duchy of Luxembourg and they are trading on the Luxembourg Stock Exchange's Euro MTF market. The Notes were offered at an issue price of 99.027%.

In August 5, 2013, Intralot Luxembourg S.A. announced the results of its invitation to holders of the €140,000,000 in outstanding principal amount of the 2.25% Guaranteed Exchangeable Notes due 2013 to tender their Bonds for purchase by the Offeror for cash. As at the Expiration Deadline, €111,300,000 in aggregate principal amount of Bonds had been validly tendered pursuant to the Tender Offer. The Offeror decided to accept all such valid tenders of Bonds pursuant to the Tender Offer. The Repurchase Price paid on the Payment Date was equal to 114% of the principal amount of the Bonds (€57,000 per €50,000 principal amount) for Bonds validly tendered and accepted for purchase, and accordingly the aggregate cash purchase price paid by the Offeror for all Bonds validly tendered and accepted for purchase pursuant to the Tender Offer was €126,882,000. Following settlement of the Tender Offer and the cancellation of the Bonds accepted for purchase pursuant to the Tender Offer, €28,700,000 in aggregate principal amount of Bonds remained outstanding. At the end of December 2013, the Company fully repaid the total amount of the Guaranteed Exchangeable Notes.

In September 2013, INTRALOT Gaming Services Pty Ltd, a wholly owned subsidiary of INTRALOT Australia Pty Ltd, has been selected as the preferred provider by the Victorian State Government in Australia, to implement a voluntary pre-commitment scheme for the approximately 27.500 electronic gaming machines across the State including Casino. The pre-commitment scheme is planned to be in place from 1 December of 2015 subject to the enactment of legislation, the issuing of a Ministerial direction and successful contract negotiations. INTRALOT will operate the pre-commitment scheme until 2027.

In September 2013, INTRALOT announced that following an international tender the "NANUM LOTTO" consortium, in which the Company participates, has been awarded a license to operate South Korea's National Lottery by the Korea Lottery Commission (KLC). The duration of the license awarded is five (5) years (2013-2018) and the newly developed localized system launched early December 2013. During the new license's term, "NANUM LOTTO" will be responsible for operating a consolidated lottery business, which includes the Online Lotto, Instant Products, and the Electronic Lottery. INTRALOT will provide system operations, monitoring services, consulting services related to both Online and Instants products, and technological support. The "NANUM LOTTO" consortium has been exclusively operating the South Korea's National Lottery since 2007, holding the 5-year license that it had received the same year following an international tender.

In September 2013, INTRALOT, through its participation as a major shareholder in the Taiwanese joint venture LotRich Information Co., Ltd., has been selected as the technology provider by Taiwan Sports Lottery Corporation (TSLC), following a tender process. INTRALOT offered TSLC the necessary support to bid for and win the 10-year License to operate the Sports Lottery, to which the major prerequisite and criterion was the competence and experience of the technology provider. The 10-year betting technology supply contract of INTRALOT commenced in the beginning of 2014 and will run through the end of 2023.

In November 2013, INTRALOT has been selected by the Taiwan Sports Lottery Corporation (TSLC), among other international companies, as its single betting services partner for the next 10 years, until the end of 2023. As the betting services partner of TSLC, INTRALOT will provide operational support services for sports betting, both retail, to a network of 1,200 Points of Sale countrywide, and interactive, through Internet and mobile platforms. INTRALOT commenced its betting services in the beginning of 2014.

At the end of November 2013, INTRALOT, by utilizing its right of first refusal, acquired an additional stake of approximately 25.01% in its associated company Bilyoner, which brought its total stake in the company to approximately 50.01%. Bilyoner is a Turkish company that operates as an electronic agent offering the sports betting games of the state organization "SporToto" which contribute the majority of its sales and the Lottery games of the state lottery "Milli Piyango" through internet in the country.

In November 2013 expired the contract of the company with CNLR for the operation of VLTs and it was extended until 31/03/2014. In case the contract is not renewed, Lotrom will lose revenue of about 80%. For the Group this loss will not be significant neither for revenues nor for profits.

## SIGNIFICANT EVENTS AFTER THE END OF FY 2013

In January 2014, INTRALOT announced its new organizational structure as well as the members of the Executive Committee, who will report directly to the Group CEO, Mr. Constantinos Antonopoulos. The new structure of the organization reflects the growing global footprint of Intralot, the need to better serve the customers, satisfy their fast evolving needs, optimize its operations, enhance the offering of top-quality and innovative products and services, and increase shareholder value. The new organization was the outcome of a thorough strategic and organization study conducted in collaboration with the global management consultants The Boston Consulting Group - BCG. The company will be organized around three distinct divisions - Products & Services, Global Operations & Sales and Technology.

The new management Executive Committee appointments are the following:

- Mr. Socrates S. Kokkalis is appointed Group Deputy Chief Executive Officer
- Mr. Ioannis Pantoleon is appointed Group Chief Operating Officer, for all Global Operations and Sales
- Mr. George Zenzefilis is appointed Group Chief Products & Services Officer
- Mr. Konstantinos Farris is appointed Group Chief Technology Officer
- Mr. Athanasios Chronas is appointed Group Chief Legal & Compliance Counsel
- Mr. Antonios Kerastaris (presently Chief Executive Officer of Hellas Online) is appointed Group Chief Financial Officer
- Mr. Nikos Nikolakopoulos is appointed President Latin America, Western Europe & Africa, reporting to the Group COO.

In February 2014, after a smooth conversion to INTRALOT's systems and six years of successful operations in New Mexico, INTRALOT USA was awarded an extension of its contract by the New Mexico Lottery Board for the provision of the on-line Lottery Gaming System and related products and services. The new amendment extends the current seven (7) year contract, for three (3) additional years from 2015 until 2018.

In February 2014, INTRALOT S.A. announced the extension of its agreement with Hrvatska Lutrija d.o.o, the Croatian State Lottery, for the supply and maintenance of an extensive portfolio of interactive instant and scratch games, following a public procurement procedure. The extension contract will have a duration of one (1) year and may be re-extended for consecutive one-year periods.

In March 2014 INTRALOT selected by Premier Lotteries Ireland Limited (PLI), as its technology provider for the supply, set up, maintenance and support of new lottery software platforms and terminals in Ireland. Premier Lotteries Ireland is a company that has been awarded a 20 year licence to operate the Irish National Lottery that recorded revenues of €735mil in 2012. Within the framework of the 10-year contract, INTRALOT will provide its state-of-the-art LOTOS™ O/S On-line Gaming Computer System for the operation and administration of Lottery and instant games over both the retail POS network, as well as the Internet and mobile channels. The technology suite will also include INTRALOT's CRM solution and LOTOS™ Horizon content management software platform. In addition, INTRALOT will supply PLI with more than 4,000 of its sophisticated Photon terminals that are based on INTRALOT's cutting-edge Icon Digital Imaging Technology. Aiming to offer the most efficient on-site support, INTRALOT has set-up INTRALOT Ireland that will be responsible for the implementation and configuration of these platforms, simultaneously offering a combination of high quality maintenance, support and repair services for the delivered software and terminals, as well as on-going consultancy services for the complete project term. Additional options from INTRALOT's product portfolio have also been made available to Premier Lotteries Ireland for the duration of the contract.

In March 2014, Intralot Finance UK Plc signed a supplemental agreement with a revised repayment schedule of the €42.5 Facility B (note 21).

Also in March 2014, Intralot Finance UK Plc engaged Alpha Bank and Societe Generale, to arrange a €200 million syndicated Term and Revolving Credit Facility. The facility will be structured with a 3 year tenor plus a one-year extension option at the discretion of the Lenders and will be used:
a) to refinance the existing €230 million Facility C (note 21) maturing in December 2014 and
b) for general corporate purposes.

**RESEARCH AND DEVELOPMENT**
INTRALOT invests continuously in Research and Development of innovative solutions, based on novel product design and development as well as on existing products evolution. As a result, INTRALOT's customers constantly leverage the benefits of leading-edge technology. A main principle of our corporate philosophy that retains us to our leading position regards focus and passion on designing and developing innovative and effective solutions.

INTRALOT Group for the eighth consecutive year was ranked amongst the top 1,000 European organizations of the '2013 EU Industrial Research & Development Investment Scoreboard' prepared and published by the European Commission. Committed to a strategy with constant focus on Innovation, INTRALOT ascended 60 places in the ranking compared to last year's R&D Scoreboard, becoming the 544th most significant R&D investor in Europe. INTRALOT was also classified 30th at the "Technology Hardware & Equipment" industrial Sector list of the Scoreboard. The R&D Scoreboard measured the total value of INTRALOT's global R&D investment financed with its own funds, irrespective of the location where the relevant R&D took place.

INTRALOT through its dedicated Innovation Lab (i-Lab) provides all the necessary tools for enabling innovation, from ideation to exploration, research, development and exploitation, creating an environment in which innovative ideas can be conceived, validated and turned into state of the art solutions. In 2013 INTRALOT adopted proven, advanced R&D methodologies and best practices, in all system designs and implementations. R&D activities support the LOTOS O/S platform evolution (central system, terminals and telecommunications) and offer innovative solutions in sectors such as business intelligence, financial and business data management, information security, fraud detection, electronic system and casino monitoring, betting risk management, interactive gaming, subscription services, internet sales channels & media (PCs, mobile handhelds and tablets, interactive TV, social networks) and value-added services (trade transactions, news services, etc).

In 2013 INTRALOT has become the first international vendor to receive the Gaming Standards Association (GSA) Point to Point SOAP/HTTPS Transport and Security Specification and one of the two companies that have been certified internationally according to the GSA Game to System (G2S) Message Protocol standard, both of them for its VLT Monitoring system, iGEM.

As a result of extensive RnD the 2013 version of iGEM is a multi-protocol system, that enables the simultaneous support of both state- of- the art G2S slot machines and legacy machines through the use of innovative protocol converters. The full suite of the system has a number of features, including real time monitoring and control, remote configuration, game authentication, TITO and cashless, player club and responsible gaming, enhanced reporting and accounting, local and wide area progressives and mystery jackpots and more.

Furthermore, in 2013, INTRALOT showcased its enriched portfolio of new gaming solutions, as well as the evolved versions of the Company’s best sellers. INTRALOT presented the new Retail model, developed to support Lottery operators in their endeavors to attract more players in their land-based operations, especially in younger demographics. It also presented the paperless lottery accomplished through the Genion terminal, a powerful and yet very compact and space saving solution that can serve as Game Validation and Payment Terminal, On-Line and Scratch Ticket Checker, Player Transaction and Advertisement Display, Player Access Point and In-Lane terminal.

INTRALOT’s Gablet, the industry-unique, multi-functional player tablet, with impressive 22’’ touch screen and advanced gesture-based navigation, introduced in 2012 was enhanced in 2013 with new games, player interaction and video streaming features. Gablet enables operators to provide a rich player experience at the POS, through its Lottery Triple Play services: Interactive Games, Interactive Digital Signage and Advertisement.

In 2013 INTRALOT expanded its GAMEZ-ON Gaming Platform with the Instant Mobile Games framework, specifically designed for the Lottery Industry. GAMEZ-ON establishes an open, collaborative gaming ecosystem empowering individuals and third parties to play, create and share new games and game ideas at all gaming verticals. The Instant Mobile Games framework capitalizes on HTML5 Mobile development framework to bring Instant Win and e-Scratch playing experiences into a cross-platform and device-optimized model, available through iOS and Android Smartphones and Tablets.

In 2013 INTRALOT has continued the exploration of digital camera techniques within its ICON Technology, attaining high resolution images, utilizing colour and exploring new advanced coupon decoding algorithms. All these features have been blended to a new small camera based retailer’s terminal that is guaranteed to be the future best seller. INTRALOT believes strongly in its ICON Technology with its surpassed reliability and has become the global leader in this field with its camera based Photon terminal which comes fully packed with more features and has penetrated triumphantly even the most technologically inept fields of Taiwan and US.

In 2013 INTRALOT also introduced TAPP IT! games, a series of fun, interactive, quick play style games. The TAPP IT! Games are designed to be loaded on Self Service terminals and AWPs/VLTs for street installations. Their simple fixed odds structure – similar to electronic scratch games- allows the adoption by any Lottery Organization. It also developed DreamTouch™ a self-service and stylish gaming station that uses a 42'' touch screen interactive display to offer a wide portfolio of Lottery gaming products as well as a new retail channel offering advertisement and digital signage services. Advanced methods are used in DreamTouch™ to optimize the players experience for the purchase of instant scratch tickets, lottery numerical draw and interactive touch games. DreamTouch™ provides an interactive and entertaining experience for Lottery players by incorporating a high resolution graphical user interface which enables quick product identification and makes purchasing fun and exciting. DreamTouch™ combines video, lottery and promotional advertising content with full flexibility to easily adapt and customize the self-service Lottery players experience according to lottery preferences and marketing strategies. Feather touch smartphone-like operation makes product selection appealing, fast, and simple. DreamTouch™ lowers cost of operation and streamlines procedures required by retailers to maintain self-service machines.

Furthermore, in the mobile field the company launched the Mobile Lottery product line. It is an innovative, independent end-to-end solution for making the Lottery experience native on mobile devices of all operating systems, sizes and capabilities. Adaptive user interface (UI) design with emphasis on ease of use, expedience of standard user actions and modern UI aesthetics, prove the best spring board to attract newer demographics to the traditional Lottery world. It incorporates several completely new and innovative player engagement features, and gives significant value add to existing and new Lottery operations.

The Sports Mobile betting management system combines the proven INTRALOT i-FLEX sports book platform with a complete content management and delivery platform for mobiles and tablets. Based on HTML5 technologies, new UI designs offer an exciting user experience, allowing the scaling up for multiple device options including terminal devices at the retail networks.

Instant mobile Games is a new approach to instant games designed to bring instant win and e-Scratch excitement into a cross-platform and device optimised model for mobile with HTML5-based technologies, better and more central management as well as embedding of content into native applications as needed. The product line combines traditional gaming rules with new innovative concepts from social and casual gaming environments catering to the smart phone and tablet gamer demographics.

Universal Mobile, as part of its flagship Universal Gaming Experience, addresses a new era that emerges with the power of mobile technology in gaming. Based on innovative RnD Universal Mobile features a multi-platform

approach adapted to seamlessly scale from the mobile phones and tablets up to the latest INTRALOT's Gablet stations. It embraces modern User Experience design, introducing new concepts of interactivity with the player and leveraging new technologies (NFC, Augmented Reality) that combine text, data, game logic, graphic animation and streaming video; while elevating the responsive architecture to its true purpose of designing user-centric games. Universal Mobile seamlessly connects to the company's Real Money Gaming Platform, as well as the new Social Gaming Platform that secures unique Wallet, Player and Social graph features, and act as a focal point for an optimized and personalized player journey across all gaming verticals and player touch points. The 2013 INTRALOT RnD program also led to the creation of the Mobile Lottery, providing the opportunity to user for direct participation, through mobile devices, during a live gaming session as well as the purchasing of lottery tickets among other features.
In 2013 INTRALOT RnD also led to the Universal GameStream Suite of products powered by INTRALOT's LOTOS Horizon multimedia platform, addressing players that are demanding Visual Entertainment that combines video content with novel Live and Virtual Gaming, delivered on demand in multiple user access points, inclusive of retail, desktop, and mobile. Satellite and Internet broadcasting technologies are seamlessly combined to deliver the content at multiple venue-installed TV devices, further contributing to the new look and feel of the Lotteries retail network.

Apart from in-house R&D, INTRALOT is cooperating with leading educational institutions. Inside the collaboration framework with AIT (Athens Information Technology – Centre for Excellence for Research and Graduate Education), several research projects have been conducted, in areas including Face Detection and Tracking as source of Marketing Analytics, Automated Content Authoring, Responsible Gaming and Collaborative Game development, among others.

As a leading partner in the Corallia Gaming Cluster, INTRALOT raised its efforts on the development of a dynamic, technology-oriented Gaming Innovation Cluster, based in Greece, and the introduction of a cooperation framework with the highly skilled human capital of the sector. INTRALOT actively supports innovation and collaboration with dynamic new entities and highly skilled engineering capital, looking forward to introducing more innovative technological solutions, pioneering gaming content and new gaming technologies.

Finally, INTRALOT's 2013 RnD and Innovation also focused in the processes that govern technology and services, optimizing the existing frameworks even further and leading INTRALOT to become the first international vendor in its sector that achieved the ISO 20000 certification. Certification covers the management of all technology related services provided by INTRALOT to licensed Lottery and Gaming organizations worldwide, such as integrated gaming and transaction processing systems & services, as well as interactive gaming services.

**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 to all employees.

INTRALOT continuously ensures the diffusion of knowledge and best practices through its innovative practice namely ''INTRALOT Global Live Network" aiming to bring closer together all INTRALOT employees worldwide and thus enhancing the corporate culture.

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. INTRALOT's multinational corporate nature offers the employees the working experience of both a local and a global corporation.

**INTRALOT AND THE INTERNATIONAL PROSPECTS OF THE GAMING SECTOR**

INTRALOT, is the leading supplier of integrated gaming systems and services worldwide with presence in 57 jurisdictions on all 5 continents. It is the leading vendor in the gaming sector and at the same time a licensed lottery operator in 16 jurisdictions.

INTRALOT, as a provider of technological solutions and services to lotteries has limited international competition and there are strong barriers to entry for new players. Moreover, there are substantial opportunities for further growth arising from the liberalization of gaming markets and particularly from the rapidly evolving Internet market, from the lottery privatizations as well as from the legalization of lottery games. All these opportunities arise from the need of the governments to increase their revenues, to fund the budget deficits especially during current difficult economic circumstances. INTRALOT is closely monitoring the sector's developments so as to selectively participate in projects with higher growth potential.

In Europe, the last years there is a tendency towards the liberalization of the gaming markets, as the governments trying to increase their revenues from the licenses and the gaming taxation and to fight against illegal gaming for social issues.

- A very successful model of market liberalization was proved to be the one of Italy, where licenses were provided for the creation of a sports betting retail and Internet-based sales network. INTRALOT, after participating in this licensing procedure, managed to become the leading non-local company in the country as far as market share is concerned.

- In Greece, a significant reform of the gaming market is taking place. In July 2013, the Hellenic Lotteries S.A., a company in which INTRALOT participates, signed the exclusive 12 years license contract with the Hellenic Republic Asset Development Fund (HRADF) for the management of the Hellenic State Lotteries (Instant and Passive Tickets). INTRALOT, also participates in the HRADF's process for the grant of an exclusive right to organize and conduct mutual betting on horse races. In addition, OPAP, that has been granted a ten year license for the operation of 35,000 VLTs, is expected to announce a bidding procedure for the subcontracting of 18.500 VLTs to third party operators.

- In Bulgaria, a new gaming law was voted in 2012, which includes the regulation of the Internet market. This development is expected to strengthen the activities of the Group's subsidiary Eurofootball, which is the largest operator of sports betting in the country through a retail network.

In Poland, INTRALOT's subsidiary Totolotek received also an Internet betting license, after the opening of the market.

- In Germany, although there are significant delays, the liberalization of the betting market and the licensing process continues. INTRALOT is ready to enter the sports betting market in the country, in cooperation with Scientific Games International for the support of ODDSET, subsidiary of the German State Lotteries. ODDSET is going to contend for one of the new national sports betting licenses in Germany, for the operation of the game through its network of 23.000 points of sale throughout the country and through the Internet.

- In many other European countries like in UK, in Portugal, in the Netherlands, in Ireland, in Switzerland, in Bosnia, in Hungary, in Romania, in Lithuania, in Sweden and in Norway, the current online gambling law in under review.

INTRALOT, through its subsidiary Intralot Interactive, is the leading partner for those organizations that want to compete in a regulated interactive competitive environment, offering a Unified Player Experience, to their players. Its customers take advantage of the most robust, efficient and versatile Gaming Platform in the industry that seamlessly combines the Retail, Mobile and Home Users, connecting innovative Gaming Verticals and offering an unparallel business support to the organization for optimal customer experience.

In the U.S.A, the State of Illinois in its effort to expand and optimize its lottery market, awarded in 2010 the first license for the management of its lottery to a consortium of private companies. Until today, two more management contracts have been granted from the states of Indiana and New Jersey, while many other states have express their interest for similar agreements. INTRALOT is monitoring these interesting developments that expand its growth opportunities in the U.S.

Another important growth driver in the U.S.A is the legalization of internet games. The prohibition of all internet games in the country started to lift after a Department of Justice legal opinion at the end of 2011, which ruled that the prohibition only applies to sports betting. The above mentioned development opened the way for the introduction of internet gaming (like poker, casino type games and bingo) and for lotteries to sell its existing games through the internet. Due to the lack of a federal regulatory framework, the legalization of internet gaming proceeds on an intra-state level. Up to now, the states of Nevada, Delaware and New Jersey have authorized some form of internet gaming, while Illinois, Georgia and Minnesota are selling their lottery games through the internet. INTRALOT, with contracts in 10 states, is prepared to take advantage of the developments in the country and become the technology partner of the lotteries in their effort to offer internet gaming.

INTRALOT USA has launched in the US market its new internet product "DeepStack Casino™", which offers the possibility in the US players to participate in casino style games by receiving cost-free chip bonuses. This new website offers interactive and social gaming content and expands the Company's portfolio beyond the traditional lottery products for which the Company is well known in the US. Legislation permitting, INTRALOT USA will also offer the platform as a B2B product to clients who want to introduce a real-money site within their regulated US jurisdictions, such as the lotteries.

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

An important development for the penetration of the Company in China, is its certification from the China Sports Lottery Administration (CSLA) as an approved terminal supplier (among the total six companies that certified) to the 31 provincial CSLA lottery companies in China during the upcoming replacement cycle of approximately 130,000 terminals.

**PROSPECTS AND CHALLENGES FOR 2014**

The lottery industry is facing both increased challenges and a wealth of opportunities. Regulatory initiatives, technological convergence, new business models and the need to attract new customer demographics all set the pace of change and the pillars of very interesting developments. By leveraging the industry's intrinsic values of contributing to society, preserving and promoting responsible gaming practices, and the awareness and trust of the brands, lotteries have unique advantages to compete in an open market across the globe.

We have been analyzing the patterns and the drive behind the purchasing decisions of lottery players, and come to the strong belief that the centuries-old traditional lottery products touch upon fundamental human needs of luck and entertainment that can now greatly be enhanced, augmented, changed and reshaped to form a very interesting and valuable new proposition. We believe in the emergence of the New Lottery, and we are enthusiastic to plan ahead with our partners towards the realization of this vision.

- **Optimization of existing projects**

The Company, having a presence in 57 countries in all 5 continents, runs projects in advanced and mature gaming markets, but it also has contracts in developing markets and projects in immature markets but with significant growth potential. INTRALOT aims to further penetrate its existing markets with the constant improvement of its products and services and the development of new technologies. At the same time its goal is to improve the profitability of the projects, mainly by reducing the operating costs and increasing the productivity.

- **Performance of new signed projects**

The performance of the Group will depend, among others, on the course of its new markets such as:
Greece, where the Hellenic Lotteries S.A., a company in which INTRALOT participates, signed the exclusive license contract with the Hellenic Republic Asset Development Fund (HRADF) for the management of the Hellenic State Lotteries (Instant and Passive Tickets). The contract has a 12 years duration starting from the lotteries' operations launch, which is expected within the second quarter of 2014.

Germany, where INTRALOT is ready to enter the sports betting market in the country, in cooperation with Scientific Games International for the support of ODDSET, subsidiary of the German State Lotteries.

**Winners' Payouts in sports betting**

INTRALOT is one of the largest sports betting operator worldwide. The winners' payout in sports betting may fluctuate in the short-term since it depends on the outcome of the events. The fluctuation of the payout may affect the financial results of INTRALOT since it represents 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. Specifically, 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.

**RISKS AND UNCERTAINTIES**

**Description of significant risks and uncertainties**

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

**Credit risk**

The Group does not have significant credit risk concentration because of the wide dispersion of its customers and the fact that credit limits are set through signed contracts. The maximum exposure of credit risk amounts to the aggregate values presented in the balance sheet. In order to minimize the potential credit risk exposure arising from cash and cash equivalents, the Group sets limits regarding the amount of credit exposure to any financial institution. Moreover, in order to secure its transactions even more, the Group adopted an internal rating system, regarding credit rating evaluation, using the relevant financial indices.

**Liquidity risk**

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

**Market Risk**

1) Foreign Exchange risk

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

**Sensitivity Analysis in Currency movements (amounts of the period 1/1 – 31/12/2013)**

| Foreign Currency | Currency Movement | Effect in Earnings before taxes ('000 €) | Effect in Equity ('000 €) |
|---|---|---|---|
| **USD:** | 5% | -296 | 2.474 |
| | -5% | 268 | -2.239 |
| **TRY:** | 5% | 1.633 | 1.875 |
| | -5% | -1.478 | -1.696 |
| **PEN:** | 5% | -105 | 111 |
| | -5% | 95 | -101 |
| **BRL:** | 5% | -314 | -204 |
| | -5% | 284 | 184 |
| **JMD:** | 5% | 304 | 1.085 |
| | -5% | -275 | -982 |
| **ARS:** | 5% | 636 | -70 |
| | -5% | -576 | 63 |
| **RON:** | 5% | 11 | 921 |
| | -5% | -10 | -833 |

**Sensitivity Analysis in Currency movements (amounts of the period 1/1 – 31/12/2012)**

| Foreign Currency | Currency Movement | Effect in Earnings before taxes ('000 €) | Effect in Equity ('000 €) |
|---|---|---|---|
| **USD:** | 5% | -245 | 2.995 |
| | -5% | 221 | -2.710 |
| **TRY:** | 5% | 1.527 | 1.497 |
| | -5% | -1.381 | -1.354 |
| **PEN:** | 5% | 321 | -67 |
| | -5% | -290 | 61 |
| **BRL:** | 5% | -279 | -11 |
| | -5% | 253 | 10 |
| **JMD:** | 5% | 685 | 1.098 |
| | -5% | -620 | -994 |
| **ARS:** | 5% | 564 | 160 |
| | -5% | -510 | -145 |
| **RON:** | 5% | 40 | 899 |
| | -5% | -36 | -813 |

2) Interest rate risk

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

| **Year 2013** | | **Change in interest rate** | **Effect on profit before tax** |
|---|---|---|---|
| | **Euribor 1M** | +/- 1% | 1.260 |
| | **Euribor 3M** | +/- 1% | 425 |

| **Year 2012** | | **Change in interest rate** | **Effect on profit before tax** |
|---|---|---|---|
| | **Euribor 1M** | +/- 1% | 2.600 |
| | **Euribor 3M** | +/- 1% | 625 |
| | **Euribor 6M** | +/- 1% | 159 |

## MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES:

The most important transactions between the Company and its related parties as per IAS 24 are presented on the table below:

| **Group** | **Income** | | **Expense** | |
|---|---|---|---|---|
| | **01/01/2013-31/12/2013** | **01/01/2012-31/12/2012** | **01/01/2013-31/12/2013** | **01/01/2012-31/12/2012** |
| Intracom Holdings Group | 5.539 | 4.450 | 13.606 | 15.106 |
| Turkcell Group | 23 | 44 | 2.782 | 2.681 |
| Gain Advance Group LTD | 5.450 | 0 | 0 | 0 |
| Intralot South Africa LTD | 689 | 1.941 | -610 | 13 |
| Lotrich Information Co LTD | 14.065 | 181 | 0 | 6 |
| Gidani LTD | 0 | 1.194 | 0 | 0 |
| Other related parties | 186 | 1.495 | 4.544 | 5.464 |
| Executives and members of the board | 0 | 0 | 10.769 | 9.671 |
| | **25.952** | **9.305** | **31.091** | **32.941** |

| Company | Income | | Expense | |
|---|---|---|---|---|
| | 01/01/2013-31/12/2013 | 01/01/2012-31/12/2012 | 01/01/2013-31/12/2013 | 01/01/2012-31/12/2012 |
| Intralot Operations LTD | 880 | 1.539 | 0 | 214 |
| Inteltek Internet AS | 2.540 | 7.840 | 2 | 0 |
| Intracom Holdings Group | 5.539 | 4.342 | 13.378 | 14.868 |
| Bilyoner Interaktif Hizmelter A.S. | 1.109 | 2.503 | 0 | 0 |
| Intralot Inc | 747 | 1.981 | 173 | 91 |
| Betting Company S.A. | 14 | 14 | 4.243 | 4.227 |
| Lotrom S.A. | 11.292 | 12.388 | 1.641 | 1.719 |
| Intralot Nederland BV | 2.454 | 3.036 | 20 | 22 |
| Intralot South Africa LTD | 1.207 | 1.941 | -610 | 13 |
| Intralot International LTD | 664 | 469 | 8.369 | 7.669 |
| Tecno Accion S.A. | 2.973 | 3.136 | 31 | 29 |
| Maltco LTD | 4.568 | 9.606 | 3 | 0 |
| Intralot New Zealand LTD | 2.016 | 2.192 | 0 | 0 |
| Intralot Czech LTD | 0 | 1.295 | 0 | 0 |
| Lotrich Information Co LTD | 14.065 | 181 | 0 | 6 |
| Intralot Gaming Services PTY LTD | 456 | 5.192 | 0 | 0 |
| Intralot Do Brazil LTDA | 1.310 | 1.465 | -278 | 0 |
| AzerInteltek A.S. | 1.174 | 250 | 8 | 0 |
| Intralot Lotteries LTD | 1.531 | 67 | 0 | 0 |
| Intralot Finance UK PLC | 17 | 0 | 3.697 | 646 |
| Intralot Finance Luxembourg S.A. | 0 | 0 | 2.337 | 0 |
| Gidani LTD | 0 | 1.194 | 0 | 0 |
| Other related parties | 3.985 | 5.005 | 4.007 | 6.243 |
| Executives and members of the board | 0 | 0 | 5.715 | 5.075 |
| | **58.541** | **65.636** | **42.736** | **40.822** |

| Group | Receivable | | Payable | |
|---|---|---|---|---|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| Uniclic LTD | 4.003 | 4.087 | 0 | 0 |
| Intracom Holdings Group | 13.645 | 6.920 | 26.932 | 18.543 |
| Gain Advance Group LTD | 5.450 | 0 | 0 | 0 |
| Lotrich Information Co LTD | 14.071 | 183 | 0 | 6 |
| Other related parties | 4.628 | 7.009 | 6.491 | 6.503 |
| Executives and members of the board | 585 | 589 | 826 | 894 |
| | **42.382** | **18.788** | **34.249** | **25.946** |

| Company | Receivable | | Payable | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Inteltek Internet A.S. | 1.807 | 1.764 | 0 | 0 |
| Intracom Holdings Group | 13.000 | 6.230 | 26.210 | 17.835 |
| Gaming Solutions Int. SAC | 9.029 | 9.026 | 13 | 13 |
| Intralot Inc | 10.371 | 10.253 | 255 | 92 |
| Uniclic LTD | 4.345 | 4.346 | 0 | 0 |
| Intralot International LTD | 2.508 | 2.319 | 2.074 | 5.150 |
| Pollot Sp.zoo | 7.309 | 6.373 | 0 | 0 |
| Intralot de Peru SAC | 7.499 | 8.775 | 0 | 0 |
| Intralot Iberia SA Unipersona | 1.342 | 1.069 | 18 | 0 |
| Loteria Moldovei S.A. | 2.084 | 2.005 | 0 | 0 |
| LotRom S.A. | 256 | -8.965 | 13.418 | 2.059 |
| Intralot Business Development LTD | 12.476 | 12.454 | 0 | 0 |
| Intralot Nederland B.V. | 15.239 | 16.910 | 0 | 22 |
| Betting Company S.A. | 0 | 27 | 7.373 | 5.990 |
| Betting Cyprus LTD | 0 | 0 | 5.706 | 5.706 |
| Intralot Do Brazil LTDA | 14.929 | 13.285 | 0 | 0 |
| Intralot Australia PTY LTD | 1.449 | 1.579 | 3 | 3 |
| Intralot Czech LTD | 1.497 | 1.937 | 0 | 0 |
| Intralot Beijing Co LTD | 0 | 0 | 4.424 | 5.397 |
| Intralot Lotteries LTD | 33.378 | 18.697 | 0 | 0 |
| Intralot Operations LTD | 5 | 47.645 | 0 | 225 |
| Gaming Solutions International LTDA | 1.932 | 2.140 | 0 | 0 |
| Maltco LTD | 2.008 | 8.955 | 3 | 0 |
| Intralot Dominicana S.A. | 2.225 | 2.230 | 0 | 0 |
| Intralot Finance UK PLC | 17 | 0 | 66.017 | 1.134 |
| Intralot Gaming Services PTY LTD | 4.639 | 5.081 | 0 | 0 |
| Intralot Finance Luxembourg S.A. | 2.163 | 0 | 166.692 | 0 |
| Lotrich Information Co LTD | 14.071 | 183 | 0 | 6 |
| Intralot Italia S.p.A | 276 | 319 | 1.033 | 800 |
| Other related parties | 7.192 | 5.989 | 4.298 | 5.227 |
| Executives and members of the board | 0 | 0 | 482 | 560 |
| | **173.046** | **180.626** | **298.019** | **50.219** |

From the company profits in 2013, €7.356 thousand (2012: €19.131 thousand) refer to dividends from the subsidiaries and associated companies Inteltek AS, Maltco LTD, Tecno Accion S.A., Intralot New Zealand Ltd, Intralot South Africa Ltd και Bilyoner AS.

The BoD and Key Management Personnel transactions and fees for the Group and the Company for the year 1/1/2013-31/12/2013 were € 10,8 mio and € 5,7 mio respectively.

From the information stated above and from the Financial Statements you are able to have a complete picture of the Group for the year 1/1/2013-31/12/2013.

Maroussi, 24/03/2014

Sincerely,

Constantinos G. Antonopoulos
CEO and BoD Vice President

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

1. *Share capital structure*.
The share capital of the Company amounts today to forty seven million six hundred eighty eight thousand five hundred sixteen euro and thirty cents (€47,688,516.30 ) divided by one hundred fifty eight million nine hundred sixty one thousand seven hundred twenty one (158,961,721) nominal shares at thirty cents (€0.30) each. All Company shares are introduced to the Athens Stock Exchange for negotiation, in the Large Capitalization category, under "Gaming Sector". Company shares are common registered shares with a voting right.

2. *Restrictions on company share transfer*.

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

3. *Major direct or indirect participation pursuant to the* Articles 9 to 11 of Law 3556/2007
Socrates Kokkalis owned 20.005% of the corporate share capital as of 31/12/2013.
Konstantinos Dimitriadis owned 8.197% of the corporate share capital as of
31/12/2013.
NOVOMATIC AG owned 5,070% of the corporate share capital as of 31/12/2013. UNICREDIT BANK AUSTRIA AG possesses these shares on behalf of NOVOMATIC AG.

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

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

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

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

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

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

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

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

*«2. Without prejudice to §3 hereof, following relevant authorization by the General Assembly, and the decision of the Board of Directors by a two third (2/3) majority, the Board of Directors is entitled to increase share capital in part or in whole by issuing new shares; the corresponding amount cannot exceed the capital paid-up at the date when the BoD was authorized. The above resolution of the General Assembly is subject to the publication obligations referred to in article 7b of the Codified Law 2190/20.*

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

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

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

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

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

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

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

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

*By a resolution of the general meeting taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1920, the right of preference of section 7 of the Codified Law 2190/1920 may be restricted or abolished. In order to take this decision, the board of directors is obliged to submit to the general meeting a written report, in which the reasons that impose the restriction or abolishment of the right of preference are mentioned and in which the price proposed for the issue of the new shares is justified. The resolution of the general meeting falls under the formalities on publication of article 7b of the Codified Law 2190/1920. There is no exclusion from the right of preference according to the meaning of this paragraph, when the shares are undertaken by credit institutions or enterprises of rendering investment services, which have the right to accept securities for custody, in order to be offered to the shareholders* *pursuant to section 7 of the Codified Law 2190/1920. Moreover, there is no exclusion from the right of preference, when the capital increase aims at the staff participation in the company's capital according to the presidential decree 30/1988 (Official Gazette 13 A').*

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

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

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

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

By resolution of the Ordinary General Assembly of Shareholders of the Company on 16.05.12 was decided the possibility of purchase of own shares up to the percentage of 10% of the each time paid up share capital during a time period of the next 24 months starting from 16.05.12, pursuant to art. 16 of Codified Law 2190/1920, regarding the maximum and the minimum limits of the price for their acquisition and in order to provide for the possibility of holding the share for future acquisition of shares of other company. Yet from to date, the company did not buy own shares

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

10. *Any agreement between the Company and members of its BoD or its personnel providing for indemnification in case of non-well founded resignation or dismissal or termination of mandate/ employment due to a public offer*.

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

## CORPORATE GOVERNANCE STATEMENT

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

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

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

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

The meeting of 16/03/2011 of the Board of Directors approved the Corporate Governance Code, as amended and in force from the meeting of 08/03/12 of the Board of Directors to be found posted on the Company website www.intralot.com along with its English translation. The company intends in 2014 to revise and improve the current Corporate Gevernance Code which applies, setting out standrards of best practice and comply with the recommendations of the current Legislation.

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

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

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

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

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

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

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

- The Internal Audit Service has been appointed in accordance with the requirements of the Greek legislation, has been sufficiently staffed and assesses the adequacy of internal controls. The Internal

Audit Service is independent from other business units, and in the fulfillment of its duties, all documents, divisions and employees must be made available to it. The Internal Audit Service reports to the Audit and Compliance Committee of the Board of Directors. The Internal Audit Service operates in accordance with a program established by it and approved by the Audit and Compliance Committee and the Board of Directors and submits reports on a three months basis before the publication of financial information.

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

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

Specifically,

. Risks be identified and managed effectively.

. Resources (assets) of the Company be protected and used efficiently.

. Financial and management reporting be reliable, accurate and current.

. Employees comply with the policies, procedures and standards of the Company.

. Company conformance with the regulatory framework governing its operation.

- The Internal Audit Service, throughout the audit process, presents proposals aiming to continuously improve internal control systems in order to achieve high productivity and efficiency.

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

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

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

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

The General Meeting is singularly competent to decide over:

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

b) amendments of the articles of associations

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

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

e) the election of auditors

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

g) the appointment of liquidators

The General Meeting of the shareholders is convoked by the Board of Directors and assembles regularly at the Company's registered offices or in another Municipality within the Prefecture of the registered offices, at least once for every year of account and no later than six (6) months of the end of the year of account. The General Meeting may also assemble in the vicinity of the Municipality where the Athens Stock Exchange is headquartered. The Board of Directors may convene an Extraordinary General Meeting of shareholders when they deem appropriate.
The General Meeting, with the exception of repetitive meetings or those identifying with them, must be called at least twenty (20) clear days before the date of its meeting.
The invitation of the General Meeting must at least include the exact address of its location, the time and date of the meeting, a clear layout of items on the agenda, the shareholders entitled to participate, and precise instructions on how the shareholders may participate in the meeting and exercise their rights in person or by proxy. The invitation should at least also include information on the deadline for the exercise of minority rights, the record date, specifying that only persons who are shareholders on the record date are entitled to participate and cast a vote in the General Meeting, information on where the full documentation and the draft of resolutions to be proposed by the Board of Directors for every item on the agenda, and reference of the Company website, where all above information is available, as well as the forms to be used for proxy voting.
The invitation to the General Meeting must be published in whole or in summary (not failing to refer expressly to the website address, where the full text of the invitation and the information specified in par. 3 article 27 of the Codified Law 2190/1920, are available), in the printed media defined by article 26. par. 2 of C.L. 2190/1920, in the I**ssue of S.A. and L.C. of the Greek Government Gazette and on the websites of the Athens Stock Exchange and the Company, at least twenty days prior to the day of the meeting.**

**Right to attend General Assemblies**

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

**Quorum – Majority**

A quorum is present and validly convening on the items of the agenda at the General Meeting when at least twenty per cent (20%) of the fully-paid share capital is represented in the meeting.
If such quorum fails to be present in the first meeting, a repetitive meeting is held within twenty (20) days of the date of postponement, by invitation with notice of at least ten (10) days. In the repetitive meeting, a

quorum is present and validly convening on items of the initial agenda, regardless of the segment of the fully-paid share capital represented in the meeting.
The decisions of the General Meeting are made by absolute majority of the votes cast in the Meeting.
With the exception of decisions regarding:
a) the extension of duration, merger, demerger, reorganization, restoration or dissolution of the Company, establishing or affirming the power of the Board of Directors to increase share capital
b) the change of the Company's nationality
c) the change of the Company's purpose
d) the increase or decrease of share capital, with the exception of increases per article 5 par. 2 of the articles of association where powers are delegated to the Board of Directors
e) the issuance of loan with convertible bonds or the right to share in profits according to articles 8 and 9 of Law 3156/2003
f) the increase of shareholders liability
g) the change in the manner of appropriation of profit
h) all other cases in which, by law,
a quorum is present and validly convenes on the items of the agenda at the General Meeting, when shareholders representing the two thirds (2/3) of the fully-paid share capital are present in person or by proxy. In all of the above cases, decisions are made by a majority of two thirds (2/3) of the votes represented in the Meeting.
Should the above increased quorum not be present, the General Meeting is called and meets anew within twenty (20) days of the date of the postponed meeting, and a quorum is present and validly convening on the items of the initial agenda when at least half (1/2) of the fully-paid share capital is represented in the meeting. Should this quorum also fail to be present, the Meeting is convoked and meets anew within twenty (20) days, and a quorum is present and validly convening on the items of the initial agenda, when at least one fifth (1/5) of the fully-paid share capital is represented in the meeting.
No additional invitation is required, should the time and place of the repetitive meetings in case a quorum is not present, are defined in the initial invitation.

**Rights of the Shareholders**

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

**Priority right**

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

**Minority rights**

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

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

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the chairman of the meeting is obligated to postpone once the adoption of resolutions by an annual or extraordinary general meeting, for all or certain items of the agenda, setting as date for the continuation of the meeting the date stated in the shareholders' request, which date cannot however be later than thirty (30) days from the date of postponement.
The general meeting standing adjourned is a continuation of the previous meeting and the formalities of publication regarding the shareholders' invitation to it need not be repeated, while new shareholders may participate to it, subject to the provisions of articles 27 par. 2 and 28 of L. 2190/1920.
Company shareholders representing at least one twentieth (1/20) of its paid up share capital have the right to request that the company be audited by the Court of First Instance with jurisdiction over the area the company is headquartered in accordance to the provisions set out in article 40 paragraph 2 of L. 2190/1920.

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

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

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

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

**Right to Dividends**

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

Dividends which remain unclaimed for a period of five years of the date they became payable, are forfeited to the State.

**Rights in product of liquidation**

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

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

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

**Composition**

The Company is managed by a Board of Directors, comprised of minimum seven (7) to eleven (11) members, who are elected by the General Meeting, which also determines the term of their service. A legal entity may also be elected to the Board.

The members of the Board of Directors are elected by shareholders for a five year term which is automatically extended until the first annual General Meeting following the end of their term and is not permitted to exceed six years but does not preclude their re-election. The replacement of all members of the Board in one General Meeting should be avoided, and the succession of members of the Board of Directors must be conducted gradually.

The names of the members of the Board of Directors submitted for election or re-election will be accompanied by sufficient biographical details and the view of the Board on the independence of the proposed Board members, in accordance with the independence criteria set out in the Law, and any other relevant information to enable shareholders to make an informed decision.

The General Meeting may also elect alternate members of the Board, with the aim to replace resigning, deceased or retiring members of the Board.

Should the replacement by alternate members, as stated above, is not possible, the remaining members of the Board of Directors, provided they constitute at least three (3), may resolve to elect new members.

Should the Board be deficient of members (due to resignation, death or any other loss of membership), the Board of Directors, provided the number of remaining members is more than half of the initial number of members, and in any event no less than three (3), may continue to manage and represent the Company, without proceeding to replacement of deficient members as stated in the previous paragraph.

The Board of Directors elects the Chairman, the Vice-Chairman and one or two Chief Executive Officers among its members. The Chairman or Vice-Chairman of the Board of Directors is not required to be an executive member of the Board of Directors.

When the Chairman is absent, unable to attend or non-existent, his responsibilities (as set out by legislation or company statute) are undertaken by the Vice-Chairman. Should the Vice-Chairman also be absent or unable to attend, the Chief Executive Officer or other Executives will preside following a resolution of the Board of Directors.

The Board of Directors is comprised of a majority of non-executive members (including at least two independent non-executive members).

The independent non-executive members are exempt from conflicts of interest with the Company, and from close ties with Management, majority shareholders or the Company. For the duration of their term, the independent non-executive members are not permitted to hold more than 0,5% of the share capital of the Company or to maintain a dependant relationship with the Company or with persons affiliated with the Company. The independent members are elected by the General Meeting. The Board of Directors must determine whether the candidate fulfils the independence criteria before he/she is nominated by the General Meeting of Shareholders. In determining the independence of both candidates and current members, the Board of Directors should consider that a relation of dependence exists when the member:

- is (as stipulated in Law 3016/2002), or has been an employee, senior executive or Chairman of the

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

The Company's current Board of Directors consists of nine (9) members and was elected by the Annual General Meeting of shareholders of 5 May 2009, for a five-year term. Its members are:
1. Socrates P. Kokkalis, Chairman, executive member,
2. Constantinos G. Antonopoulos, Vice Chairman and CEO, executive member,
3. Andreas V. Papoulias, Director, executive member,
4. Fotios Th. Mavroudis, Director, executive member,
5. Dimitrios Ch. Klonis, Director, non executive member,
6. Dimitrios K. Chatzigrigoriadis, Director, independent-non executive member,
7. Anastasios M. Tsoufis, Director, independent-non executive member,
8. Sotirios N. Filos, Director, independent-non executive member, and
9. Petros K. Souretis, Director, non executive member,

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

**Board of Director Meetings**
The Board of Directors may validly convene, in addition to the company headquarters, elsewhere in Greece or abroad. The Board of Directors may also convene via teleconference; in such case, the invitation to the Board members includes information relevant to the teleconference.
The Board of Directors shall convene with the frequency required to ensure the effective performance of its duties and at least once per month.
The Chairman will preside over meetings of the Board of Directors and in the case of being absent, the Vice-Chairman will take the chair.
The Board of Directors decides with a majority of the members either physically present and/or represented by proxy except in case of Article 5 Paragraph 2 of the Company’s Articles of Association.
The discussions and the resolutions of the Board are recorded in minutes. The minutes of each session must be distributed and approved at the subsequent Board meeting. The copies of the minutes of the meeting of the Board of Directors must be signed either by the Chairman or Vice-Chairman of the Board of Directors or a General Director each of whom is also entitled to sign extracts thereof.

**Responsibilities of the Board of Directors**
The responsibilities of the Board of Directors are clearly defined, apart from the legislation in force, by both the Company’s Articles of Association and the internal Company regulation or other internal Company documents.
The Board of Directors is responsible for deciding on all matters pertaining to the management of the Company, administering company assets and the general pursuit of the company’s purposes without any limitation (apart from matters pertaining exclusively to the General Meeting) and representing the Company both judicially and extra-judicially. Responsibilities of the Board of Directors include:
- approving the overall long-term strategy and operational goals of the Company;
- approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures;

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

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

**Responsibilities & Conduct of the members of the Board of Directors**

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

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

The division of responsibilities between the Chairman and the Chief Executive Officer, in case that both are executive members of the Board, should be clearly established by the Board, set out in writing and communicated to the shareholders. The same applies in the event that the duties of the Chairman and Chief Executive Officer are exercised by the same person.
The Chairman should facilitate the effective contribution by non-executive Board members to the work of the Board and ensure constructive relations between executive and non-executive members.
The Chairman and/or the Vice Chairman must have meetings with the non-executive members, without the presence of the executive members, in order to discuss the performance of the latter as well as other related matters.
The Board should ensure that an induction program is established for new Board members and that continuing professional development programs are available to other Board members, if this is considered to be required.

Board members should arrange to receive regular briefings on business developments and changes in the risk profile of the Company. They should be also appraised in a timely manner of changes in laws and the market environment. Board members should engage frequently with senior executives of the Company, attending regular presentations by heads of sectors and services.
Board members should have the right to request from the Management, via the Chief Executive Officer, any information they consider necessary to fulfill their responsibilities at any point of time.
The Board should appoint an independent vice chairman from among its independent Board members where the Company chooses to:

- Combine the roles of Chairman and Chief Executive Officer; or

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

The Chairman is responsible for leading the Board.
He is responsible for determining the agenda of the meetings, (without limitation to the right of the deputy of the Chairman or two of its members as stipulated in the Articles of Association of the Company to convene a meeting of the Board of Directors), ensuring the organization of activities performed by the Board, and effectively conducting Board meetings. In addition, the Chairman or, should the Chairman be a non-executive director, the Vice Chairman, is responsible for ensuring that the members of the Board are informed in a timely manner and for effectively communicating with all shareholders, as well as the fair and equitable treatment of all shareholder interests . When the Chairman is absent or unable to attend, his responsibilities are undertaken by the Vice-Chairman. Should the Vice-Chairman also be unable to attend, the Chief Executive Officer or other Executive will preside following the resolution of the Board of Directors.
A Board member's other professional commitments (including significant non-executive engagements in companies and non-profit institutions) should be disclosed to the Board before appointment. Changes to such commitments should be reported to the Board as they arise. Non-executive Board members should undertake at appointment that they will have sufficient time to meet what is expected of them.
An executive Board member's appointment as a non-executive board member in a company other than a subsidiary or a related company should be approved by the Board.
Responsibilities of executive members of the Board of Directors:
The Board of Directors selects its executive members from within its members in accordance with the law and the Company's Articles of Association and assigns to one or more members, to other corporate bodies or executives of the Company or to third parties (as per authorization of the abovementioned to this end) the daily management matters and part of its powers.
Responsibilities of non- executive members of the Board of Directors:
The Board of Directors selects its non-executive members from within its members in accordance with legislation and Company statute. The non-executive members are responsible for the advancement of corporate matters, they participate on boards and committees and are particularly responsible for upholding the principles of proper corporate governance.
The non-executive members maintain their independence as regards the matters they investigate, aiming to effectively perform their role and to create a trustworthy climate between the Board of Directors, senior executives and managers.
The non-executive members of the Board of Directors must have in-depth knowledge of both the operation and product of the Company and the broader market of the industry and should be provided with every assistance. In general, each non-executive member arranges for his/her continuing education so as to contribute effectively and efficiently to the proper and efficient operation of the Company.
At least of two of the non-executive members are elected by the General Meeting as independent and may, if deemed necessary, submit, individually or jointly, reports or studies independent from those of the Board of Directors to the Ordinary or Extraordinary General Meeting of the Company.

**COMPENSATION POLICY**

The formulation and flawless implementation of the Corporate Compensation and Benefits Policy, plays a fundamental role in the operation of INTRALOT and constitutes the focal point for the long-term retention of its Human Capital.

INTRALOT cooperates with international consultancy agencies in the field of Compensation and Benefits research, constantly monitoring world reward trends aiming to achieve a fair, objective and competitive reward strategy in comparison not only with international but with local labor market practices as well.

The Compensation and Benefits Policy regulates fixed salaries levels, benefits and performance-related variable remuneration systems concerning the executive members of Board of Directors. The job description, accountability and responsibility of the position in the Group along with the academic background, competencies, professional experience, and performance evaluation constitute the criteria of the above mentioned policy.

The implementation of the Compensation and Benefits Policy and its monitoring systems aim, in full transparency, to define the salaries and benefits' structure and to safeguard the internal corporate fairness and consistency.

The principles of the Compensation and Benefit Policy imbue the total of the employee force of the Company, including the executive members of the Board of Directors. The fixed salaries reviews, the granting of bonuses along with the benefits share the aforementioned common principles and regard the whole corporate ladder based on the corporate budget and the annual performance of the Group.

In addition to both the fixed and variable remuneration pertaining to the executive members of the Board of Directors, other incentives such as medical and life insurance, corporate car along with extra benefits are granted.

Additionally, the corporate stock option scheme constitutes a strong incentive contributing to the retention of highly performing executives and to the continuous effort for the improvement of the long term results of the Company. Such programs regard the executive members of the Board of Directors, top executives and key employees meeting the following criteria, hierarchy, personal contribution, importance of the role along with performance evaluation results.

**Other Managerial and Supervisory Bodies**

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

**A. Audit and Compliance Committee**

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

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

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

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

The main responsibilities of the Audit and Compliance Committee include:

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

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

a. To manage the Group's exposure to risk associated with interest rate fluctuations while taking into account the ratio between floating and fixed interest rates for the total net indebtedness of the Group.

   To manage the risk ratio of fixed-floating interest rates, the Company and/or its subsidiaries may enter into financial derivative agreements such as: Interest Rate Swaps, Interest Rate Caps, Interest Rate Collars and other financial products offered by Greek and international banks. The abovementioned products "swap" the variable interest rate with a fixed one.

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

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

**B. Remuneration Committee**

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

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

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

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

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

**C. Management Committee**

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

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

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

| FULL NAME | 51 PARTICIPATIONS IN DECISION MAKING PROCEDURES OF THE BoD | | 12 MEETINGS OF THE AUDIT & COMPLIANCE COMMITTEE | | 2 MEETINGS OF THE REMUNERATION COMMITTEE | |
|---|---|---|---|---|---|---|
| | PRESENT | ABSENT | PRESENT | ABSENT | PRESENT | ABSENT |
| SOCRATES KOKKALIS | 50 | 1 | | | | |
| CONSTANTINOS ANTONOPOULOS | 50 | 1 | | | | |
| ANDREAS PAPOULIAS | 51 | | | | | |
| FOTIOS MAVROUDIS | 51 | | | | | |
| DIMITRIOS KLONIS | 51 | | | | | |
| DIMITRIOS CHATZIGRIGORIADIS | 51 | | 12 | | 2 | |
| ANASTASIOS TSOUFIS | 51 | | 12 | | 2 | |
| SOTIRIOS FILOS | 51 | | 12 | | 2 | |
| PETROS SOURETIS | 51 | | | | | |

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES", which comprise the separate and consolidated statement of financial position as of 31 December 2013, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Separate and Consolidated Financial Statements*

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

*Auditor's Responsibility*

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

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

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

*Opinion*

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" and its subsidiaries as of 31 December 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

**Reference to Other Legal and Regulatory Requirements**

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

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

Athens, 26 March 2014

Georgios And. Karamichalis

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 15931

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Registry Number SOEL 127

## STATEMENT OF COMPREHENSIVE INCOME GROUP/COMPANY

| Amounts reported in thousand € | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | 1/1-31/12/2013 | 1/1-31/12/2012* | 1/1-31/12/2013 | 1/1-31/12/2012* |
| Sale Proceeds | | 1.539.430 | 1.374.021 | 150.853 | 139.599 |
| Less: Cost of Sales | 7 | -1.271.522 | -1.130.994 | -80.233 | -88.239 |
| **Gross Profit /(Loss)** | | **267.908** | **243.027** | **70.620** | **51.360** |
| Other Operating Income | | 17.361 | 18.602 | 332 | 517 |
| Selling Expenses | 7 | -40.185 | -43.124 | -5.218 | -7.069 |
| Administrative Expenses | 7 | -120.773 | -118.315 | -8.781 | -10.214 |
| Research and Development Expenses | 7 | -6.977 | -10.326 | -6.458 | -8.274 |
| Other Operating Expenses | | -17.045 | -9.906 | -41.594 | -19.563 |
| **EBIT** | | **103.258** | **84.730** | **8.901** | **7.257** |
| **EBITDA** | | **194.831** | **177.536** | **23.141** | **21.873** |
| Interest and similar Charges | 33 | -57.898 | -43.284 | -24.665 | -24.289 |
| Interest and related Income | 33 | 25.233 | 22.484 | 24.251 | 25.530 |
| Exchange Differences | | -11.062 | -831 | -1.288 | -1.736 |
| Profit / (Loss) from equity method consolidations | | -3.011 | 95 | 0 | 0 |
| **Operating Profit/(Loss) Before Tax** | | **53.551** | **58.422** | **7.199** | **6.262** |
| **Less: Taxes** | 8 | -32.239 | -25.365 | -7.254 | -3.284 |
| **Net Profit / (Loss) after taxes from Continuing Operations (a)** | | **21.312** | **33.057** | **-55** | **2.978** |
| **Net Profit / (Loss) after taxes from Discontinuing Operations (b)** | | **0** | **0** | **0** | **0** |
| **Net Profit / (Loss) (Continuing and Discontinuing Operations) (a) + (b)** | | **21.312** | **33.057** | **-55** | **2.978** |
| Attributable to: | | | | | |
| Owners of the parent | | -4.567 | 6.116 | -55 | 2.978 |
| Non-Controlling Interest | | 25.879 | 26.941 | 0 | 0 |
| | | | | | |
| **Other comprehensive income after tax:** | | | | | |
| **Amounts that may not be reclassified to profit or loss:** | | | | | |
| Defined benefit plans revaluation | | -280 | 461 | -72 | 417 |
| **Amounts that may be reclassified to profit or loss:** | | | | | |
| Valuation of Available- for -Sale financial assets | | 5.380 | -2.701 | -8 | 37 |
| Derivatives valuation | | 3.270 | 1.999 | 1.593 | 649 |
| Exchange differences on translating foreign operations | | -42.390 | -4.967 | 0 | 0 |
| **Total comprehensive income/ (expense) after tax:** | | **-34.020** | **-5.208** | **1.513** | **1.103** |
| | | | | | |
| **Total income after tax** | | **-12.708** | **27.849** | **1.458** | **4.081** |
| Attributable to: | | | | | |
| Owners of the parent | | -25.089 | 3.348 | 1.458 | 4.081 |
| Non-Controlling interests | | 12.381 | 24.501 | 0 | 0 |
| | | | | | |
| **Earnings after taxes per share (in €)** | 9 | | | | |
| -basic | | -0,0287 | 0,0385 | -0,0003 | 0,0187 |
| -diluted | | -0,0287 | 0,0385 | -0,0003 | 0,0187 |

| | | | | | |
|---|---|---|---|---|---|
| Weighted Average number of shares | | 158.961.721 | 158.961.721 | 158.961.721 | 158.961.721 |

* Including restated figures according to IAS 19 (Revised) – note 22.b

## STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

| Amounts reported in thousand € | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | 31/12/2013 | 31/12/2012* | 31/12/2013 | 31/12/2012* |
| **ASSETS** | | | | | |
| **Non Current Assets** | | | | | |
| Tangible fixed assets | 11 | 199.418 | 240.693 | 7.381 | 15.507 |
| Intangible assets | 12 | 353.346 | 363.824 | 65.977 | 50.602 |
| Investment in subsidiaries and associates | 13 | 61.914 | 40.217 | 177.490 | 158.008 |
| Other financial assets | 15 | 7.381 | 4.913 | 441 | 757 |
| Deferred Tax asset | 8 | 14.709 | 21.355 | 3.284 | 9.012 |
| Other long term receivables | 16 | 83.276 | 87.950 | 438 | 445 |
| | | **720.044** | **758.952** | **255.011** | **234.331** |
| **Current Assets** | | | | | |
| Inventories | 17 | 48.331 | 43.533 | 37.353 | 31.060 |
| Trade and other short term receivables | 18 | 219.876 | 172.739 | 166.298 | 194.355 |
| Other financial assets | 15 | 3.585 | 4.706 | 0 | 790 |
| Cash and cash equivalents | 19 | 143.334 | 134.973 | 5.131 | 5.254 |
| | | **415.126** | **355.951** | **208.782** | **231.459** |
| **TOTAL ASSETS** | | **1.135.170** | **1.114.903** | **463.793** | **465.790** |
| | | | | | |
| **EQUITY AND LIABILITIES** | | | | | |
| Share Capital | 20 | 47.689 | 47.689 | 47.689 | 47.689 |
| Other reserves | 20 | 63.850 | 60.984 | 48.703 | 55.205 |
| Foreign currency translation | | -61.300 | -32.404 | 0 | 0 |
| Retained earnings | 20 | 217.212 | 226.711 | 18.642 | 18.108 |
| | | **267.451** | **302.980** | **115.034** | **121.002** |
| Non-Controlling Interest | | 78.320 | 80.617 | 0 | 0 |
| **TOTAL EQUITY** | | **345.771** | **383.597** | **115.034** | **121.002** |
| **Non Current Liabilities** | | | | | |
| Long term Debt | 21 | 352.146 | 329.730 | 223.042 | 55.000 |
| Staff retirement indemnities | 22 | 6.840 | 6.909 | 3.881 | 4.290 |
| Other long term provisions | 31 | 13.683 | 14.509 | 13.039 | 14.059 |
| Deferred Tax liabilities | 8 | 8.124 | 5.690 | 0 | 0 |
| Other long term liabilities | 24 | 12.124 | 21.774 | 0 | 0 |
| Finance lease obligation | | 19.243 | 5.361 | 0 | 0 |
| | | **412.160** | **383.973** | **239.962** | **73.349** |
| **Current Liabilities** | | | | | |
| Trade and other short term liabilities | 25 | 181.441 | 136.940 | 95.142 | 63.318 |
| Short term debt and current portion of long term debt | 26 | 176.920 | 185.883 | 9.432 | 204.384 |
| Current income taxes payable | | 11.732 | 19.623 | 954 | 1.968 |
| Short term provision | 31 | 7.146 | 4.887 | 3.269 | 1.769 |
| | | **377.239** | **347.333** | **108.797** | **271.439** |
| **TOTAL LIABILITIES** | | **789.399** | **731.306** | **348.759** | **344.788** |
| **TOTAL EQUITY AND LIABILITIES** | | **1.135.170** | **1.114.903** | **463.793** | **465.790** |

* Including restated figures according to IAS 19 (Revised) – note 22.b

## STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY

| STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousands of €) | Share Capital | Legal Reserve [2] | Other Reserves [2] | Foreign currency translation | Retained Earnings | Total | Non-Controlling Interest | Grand Total |
|---|---|---|---|---|---|---|---|---|
| **Opening Balance 01/01/2013 (after the restatement for IAS 19) [1]** | **47.689** | **23.927** | **37.057** | **-32.404** | **226.711** | **302.980** | **80.617** | **383.597** |
| Effect on retained earnings from previous years adjustment | | | | | -1.163 | **-1.163** | -84 | **-1.247** |
| New Consolidated Entities | | | | | | **0** | 5.121 | **5.121** |
| Period's Results | | | | | -4.567 | **-4.567** | 25.879 | **21.312** |
| Other comprehensive income/(expense) after tax | | | 8.374 | -28.896 | | **-20.522** | -13.498 | **-34.020** |
| Dividends to parent shareholders/ non-controlling interest | | | | | -417 | **-417** | -16.522 | **-16.939** |
| Deemed Dividend Distribution Tax | | | -62 | | | **-62** | -115 | **-177** |
| Convertible bond repurchase | | | -8.956 | | 3.715 | **-5.241** | | **-5.241** |
| Effect due to change in ownership percentage | | | | | -3.557 | **-3.557** | -3.078 | **-6.635** |
| Transfer between Reserves/Retained Earnings | | 270 | 3.240 | | -3.510 | **0** | | **0** |
| **Balances as at 31/12/2013** | **47.689** | **24.197** | **39.653** | **-61.300** | **217.212** | **267.451** | **78.320** | **345.771** |

[1] Including restated figures according to IAS 19 (Revised) – note 22.b
[2] Including reserves reclassification for more appropriate presentation

| STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousands of €) | Share Capital | Legal Reserve [2] | Other Reserves [2] | Exchange differences on foreign currency translation | Retained Earnings | Total | Non-Controlling Interest | Grand Total |
|---|---|---|---|---|---|---|---|---|
| **Opening Balance 01/01/2012 (Initial publication)** | **47.689** | **23.467** | **69.232** | **-29.881** | **188.853** | **299.360** | **75.908** | **375.268** |
| Restatement for transition to IAS 19 (revised) | | | -715 | | | **-715** | 2 | **-713** |
| **Opening Balance 01/01/2012 (after the restatement for IAS 19) [1]** | **47.689** | **23.467** | **68.517** | **-29.881** | **188.853** | **298.645** | 75.910 | **374.555** |
| Effect on retained earnings from previous years adjustment | | | | | -587 | **-587** | -103 | **-690** |
| Subsidiary Share Capital Increase | | | | | | **0** | 1.027 | **1.027** |
| Period's Results | | | | | 6.116 | **6.116** | 26.941 | **33.057** |
| Other comprehensive income/(expense) after tax [1] | | | -245 | -2.523 | | **-2.768** | -2.440 | **-5.208** |
| Exercise of stock option rights | | | 1 | | | **1** | | **1** |
| Dividends to parent shareholders/ non-controlling interest | | | | | -562 | **-562** | -19.252 | **-19.814** |
| Effect due to change in ownership percentage | | | | | 2.135 | **2.135** | -1.466 | **669** |
| Transfer between Reserves/Retained Earnings | | 460 | -31.216 | | 30.756 | **0** | | **0** |
| **Balances as at 31/12/2012 [1]** | **47.689** | **23.927** | **37.057** | **-32.404** | **226.711** | **302.980** | **80.617** | **383.597** |

[1] Including restated figures according to IAS 19 (Revised) – note 22.b
[2] Including reserves reclassification for more appropriate presentation

| STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousands of €) | Share Capital | Legal Reserve [2] | Other Reserves [2] | Retained Earnings | Total |
|---|---|---|---|---|---|
| **Opening Balance 01/01/2013 (after the restatement for IAS 19) [1]** | **47.689** | **15.896** | **39.309** | **18.108** | **121.002** |
| Period's Results | | | | -55 | **-55** |
| Other comprehensive income/(expense) after tax | | | 1.513 | | **1.513** |
| Dividends to parent shareholders/ non-controlling interest | | | | -417 | **-417** |
| Convertible bond repurchase | | | -10.726 | 3.717 | **-7.009** |
| Transfer between Reserves/Retained Earnings | | | 2.711 | -2.711 | **0** |
| **Balances as at 31/12/2013** | **47.689** | **15.896** | **32.807** | **18.642** | **115.034** |

[1] Including restated figures according to IAS 19 (Revised) – note 22.b
[2] Including reserves reclassification for more appropriate presentation

| STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousands of €) | Share Capital | Legal Reserve [2] | Other Reserves [2] | Retained Earnings | Total |
|---|---|---|---|---|---|
| **Opening Balance 01/01/2012 (Initial publication)** | **47.689** | **15.896** | **51.453** | **3.525** | **118.563** |
| Restatement for transition to IAS 19 (revised) | | | -687 | | **-687** |
| **Opening Balance 01/01/2012 (after the restatement for IAS 19) [1]** | **47.689** | **15.896** | **50.766** | **3.525** | **117.876** |
| Effect on retained earnings from previous years adjustment | | | | -394 | **-394** |
| Period's Results | | | | 2.978 | **2.978** |
| Other comprehensive income/(expense) after tax [1] | | | 1.103 | | **1.103** |
| Exercise of stock option rights | | | 1 | | **1** |
| Dividends to parent shareholders/ non-controlling interest | | | | -562 | **-562** |
| Transfer between Reserves/Retained Earnings | | | -12.561 | 12.561 | **0** |
| **Balances as at 31/12/2012 [1]** | **47.689** | **15.896** | **39.309** | **18.108** | **121.002** |

[1] Including restated figures according to IAS 19 (Revised) – note 22.b
[2] Including reserves reclassification for more appropriate presentation

## CASH FLOW STATEMENT GROUP/COMPANY

| (Amounts reported in thousand of € ) | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | 1/1-31/12/2013 | 1/1-31/12/2012 | 1/1-31/12/2013 | 1/1-31/12/2012 |
| **Operating activities** | | | | | |
| Net Profit before Taxation | | 53.551 | 58.422 | 7.199 | 6.262 |
| Plus/Less adjustments for: | | | | | |
| Depreciation and Amortization | 6 | 91.573 | 92.806 | 14.240 | 14.616 |
| Provisions | | 14.578 | 7.657 | 40.779 | 19.720 |
| Exchange rate differences | | -22.583 | -178 | 0 | 0 |
| Results from Investing Activities | | 11.854 | -384 | -6.020 | -17.775 |
| Debit Interest and similar expenses | | 57.898 | 43.284 | 24.665 | 24.289 |
| Credit Interest | | -24.774 | -20.234 | -16.895 | -6.399 |
| Plus/Less adjustments of working capital to net cash or related to operating activities: | | | | | |
| Decrease/(increase) of Inventories | | -3.901 | 5.130 | -4.628 | 8.984 |
| Decrease/(increase) of Receivable Accounts | | -67.340 | -12.327 | -20.373 | -11.847 |
| (Decrease)/increase of Payable Accounts (except Banks) | | 43.723 | -3.208 | 35.566 | -20.255 |
| Less: | | | | | |
| Interest Paid and similar expenses paid | | 37.812 | 33.609 | 12.341 | 15.224 |
| Income Tax Paid | | 35.493 | 23.602 | 2.861 | 255 |
| **Net Cash from Operating Activities (a)** | | **81.274** | **113.757** | **59.331** | **2.116** |
| **Investing Activities** | | | | | |
| (Purchases) / Sales of subsidiaries, associates, joint ventures and other investments | 13 | -22.934 | 888 | -12.092 | -831 |
| Purchases of tangible and intangible assets | 11,12 | -58.170 | -119.013 | -23.155 | -11.825 |
| Proceeds from sales of tangible and intangible assets | | 389 | 1.760 | 0 | 0 |
| Interest received | | 8.591 | 11.460 | 5.367 | 2.518 |
| Dividends received | | 2.606 | 3.822 | 7.643 | 7.855 |
| **Net Cash from Investing Activities (b)** | | **-69.518** | **-101.083** | **-22.237** | **-2.283** |
| **Financing Activities** | | | | | |
| Cash inflows from Share Capital Increase | | 0 | 194 | 0 | 0 |
| Cash inflows from loans | | 492.442 | 46.168 | 74.500 | 0 |
| Repayment of loans | | -472.315 | -40.339 | -111.300 | -8.419 |
| Repayment of Leasing Obligations | | -6.877 | -5.902 | 0 | 0 |
| Dividends paid | | -16.645 | -20.320 | -417 | -562 |
| **Net Cash from Financing Activities (c)** | | **-3.395** | **-20.199** | **-37.217** | **-8.981** |
| **Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c )** | | **8.361** | **-7.525** | **-123** | **-9.148** |
| **Cash and cash equivalents at the beginning of the year** | | **134.973** | **142.498** | **5.254** | **14.402** |
| **Cash and cash equivalents at the end of the year** | 19 | **143.334** | **134.973** | **5.131** | **5.254** |

## 1. General information

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

INTRALOT is one of the leading suppliers of integrated gaming and transaction processing systems, while its footprint straddles five continents, with presence in 57 countries, more than 5.500 people and revenues of € 1.539 millions in 2013. Committed to meeting customer requirements and performance expectations and with a demonstrated ability to adapt to new markets and overcome technological and cultural constraints, INTRALOT has acquired an excellent reputation in the global gaming sector.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### 2.1 Basis of preparation of the Financial Statements

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

### 2.2 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and Interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), that have been endorsed by the European Union as of December 31, 2013.

### 2.3 Financial Statements

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

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

### 2.4 Changes in accounting policies

For the preparation of the financial statements of year ended December 31, 2013, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements (December 31, 2012), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2013.

**Standards and Interpretations compulsory for the fiscal year 2013**

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2013. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

**IAS 1 (Amendment) "Presentation of Financial Statements"**

(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 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. The Group implemented this amendment on 1st January 2013.

**IAS 12 (Amendment) "Income Taxes"**

(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360 -29/12/2012)
This applies to annual accounting periods starting on or after 11th December 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. This amendment does not affect financial statements of the Group, given that it does not own any such assets.

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

(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360 -29/12/2012)
It applies to the annual accounting periods starting on or after 11th December 2012.
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 the Group has already adopted IFRS.

**IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards"**
(COMMISSION REGULATION (EC) No. 183/2013 of 4th March 2013, L61/6 – 05.03.2013)
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 the Group has already adopted IFRS.

**IFRS 7 (Amendment) "Financial Instruments: Disclosures"**
(COMMISSION REGULATION (EC) No.1256/2012 of 13th December 2012, L 360 -29/12/2012)
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.

**IFRS 13 "Fair Value Measurement"**
(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360 -29/12/2012)
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. The Group implemented IFRS 13 on 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 in 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 implemented this amendment of IAS 19 on 1st January 2013, restating the comparative

period according to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". (Note 22.b).

**IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**
(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360 -29/12/2012)
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)**
(COMMISSION REGULATION (EC) No. 301/2013 of 27th March 2013, L90/78 – 28.03.2013)
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. 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 IFRS 8 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.

**Standards and Interpretations compulsory after 31 December 2013**

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2014 and have not been adopted from the Group earlier.

**IAS 32 (Amendment) "Financial Instruments: Presentation"**

(COMMISSION REGULATION (EC) No.1256/2012 of 13th December 2012, L 360 -29/12/2012)

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.

**IFRS 9 "Financial Instruments"**

This applies to annual accounting periods starting on or after 1st January 2015. Earlier application is permitted.

The IASB intends to ultimately replace IAS 39 in its entirety with IFRS 9, however the replacement will be divided into phases. In November 2009, the IASB issued the chapters of IFRS 9 relating to the classification and measurement of financial assets. In October 2010, the IASB added the requirements related to the classification and measurement of financial liabilities and decided to carry forward unchanged from IAS 19 the requirements related to the derecognition of financial assets and financial liabilities to IFRS 9. In November 2013, the IASB added to IFRS9 the requirements related to hedge accounting. In next phase of the project the new requirements related to impairment of financial instruments will be added. The Group is in the process of evaluating the effect of IFRS 9 on its financial statements. IFRS 9 has not been endorsed yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been endorsed will the Group decide whether or not it will implement IFRS 9 before 1st January 2015.

**IFRS 7 (Amendment) "Financial Instruments: Disclosures"**

This applies to annual accounting periods starting on or after 1st January 2015. Earlier application is permitted.

On 16.12.2011, the IASB issued an amendment in IFRS7, adding in the Standard disclosures related to the transition to IFRS 9. The amendment has not yet been endorsed by the European Union. The Group is in the process of evaluating the effect of the amendment on its financial statements.

**IFRS 10 "Consolidated Financial Statements"**

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360 -29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. 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. The Group will implement IFRS 10 on 1st January 2014, with no impact on the consolidation of investments held by the Group.

**IFRS 11 "Joint Arrangements"**

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360 -29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. 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. The Group will implement IFRS 11 on 1st January 2014, changing the consolidation method for jointly controlled entities from proportionate to equity method.

**IFRS 12 "Disclosure of Interests in Other Entities"**

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360 -29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. 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. The Group will implement IFRS 12 on 1st January 2014.

**IFRS10, IFRS11 & IFRS12 (amendments) "Transition Guidance"**

(COMMISSION REGULATION (EC) No. 313/2013 of 4th April 2013, L95/9 – 05.04.2013)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. Earlier application is permitted.

In June 2012 the IASB issued additional transition relief in IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" limiting the requirement to provide adjusted comparative information. The amendments explain that the 'date of initial application' in IFRS 10 means 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. Consequently, an entity is not required to make adjustments to the previous accounting for its involvement with entities if the consolidation conclusion reached at the date of initial application is the same when applying IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation—Special Purpose Entities" and when applying IFRS 10. As a result, the IASB confirms that relief from retrospective application of IFRS 10 would also apply to an investor's interests in investees that were disposed of during a comparative period in such a way that consolidation would not occur in accordance with either IAS 27/SIC-12 or IFRS 10 at the date of initial application. The amendments also clarify how an investor shall adjust comparative period(s) retrospectively if the consolidation conclusion reached at the date of initial application is different when applying IFRS 10 when compared with applying IAS 27/SIC-12. Additional transition relief is provided by limiting the requirement to present adjusted comparative information to the period immediately preceding the date of initial application (the 'immediately preceding period'). Presentation of adjusted comparatives for earlier periods is permitted but not required. The IASB has also amended IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" to provide similar relief from the presentation or adjustment of comparative information for periods prior to the immediately preceding period. IFRS 12 is further amended to provide additional transition relief by eliminating the requirement to present comparatives for the disclosures relating to unconsolidated structured entities for any period before the first annual period for which IFRS 12 is applied. The Group will implement these amendments on 1st January 2014.

**IAS 27 (amendment) "Separate Financial Statements"**

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360 -29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. 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". The Group will implement IAS 27 on 1st January 2014.

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

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360 -29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. 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. The Group will implement IAS 28 on 1st January 2014.

**IFRS10, IFRS12 & IAS27 (amendments) "Investment Entities"**

(COMMISSION REGULATION (EC) No.1174/2013 of 20th November 2013, L 312 -21/11/2013)

This applies to annual accounting periods starting on or after 1st January 2014. Earlier application is permitted.

In October 2012 the IASB issued additional transition amendments in IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements". The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27 for investment entities. The Group does not expect this amendment to affect its financial statements.

**IAS 36 (amendment) "Impairment of Assets"**

(COMMISSION REGULATION (EC) No.1374/2013 of 19th December 2013, L 346 -20/12/2013)

This applies to annual accounting periods starting on or after 1st January 2014. Earlier application is permitted when the entity has already applied IFRS 13.

In May 2013 the IASB issued amendments in IAS 36 "Impairment of Assets" to require disclosures about the recoverable amount of impaired assets. The amendments clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. The Group does not expect this amendment to affect its financial statements.

**IAS 39 (amendment) "Financial Instruments: Recognition & Measurement"**

(COMMISSION REGULATION (EC) No.1375/2013 of 19th December 2013, L 346 -20/12/2013)

This applies to annual accounting periods starting on or after 1st January 2014. Earlier application is permitted.

On June 2013 the IASB issued amendments in IAS 39 "Financial Instruments: Recognition & Measurement". The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one). The Group does not expect this amendment to affect its financial statements.

**IFRIC 21 "Levies"**

This applies to annual accounting periods starting on or after 1st January 2014. Earlier application is permitted.

On May 2013 the IASB issued IFRIC 21 "Levies". The Interpretation describes how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. The principal question raised was about when the entity should recognise a liability to pay a levy. This is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Group does not expect this interpretation to affect its financial statements. This amendment has not yet been endorsed by the European Union.

**IAS 19 (amendment) "Employee Benefits"**

This applies to annual accounting periods starting on or after 1st July 2014. Earlier application is permitted.

In November 2013 the IASB issued narrow scope amendments in IAS 19 "Employee Benefits". The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Group will assess the impact of the amendment on its financial statements. This amendment has not yet been endorsed by the European Union.

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

IASB in its annual improvement program published in December 2013, 2 Cycles of narrow scope amendments to existing Standards. The amendments hold for the annual fiscal periods beginning on or after the 1st of July, 2014. The above amendments will not have significant effect on the Group's financial statements and have not yet been endorsed by the European Union.

**Annual Improvements to IFRSs 2010-2012 Cycle**

**IFRS 2 "Share-based Payment"**

Definitions of "vesting conditions" and "market conditions" are amended and the definitions of "performance conditions" and "service conditions" are added (previously were part of the "vesting conditions" definition).

**IFRS 3 "Business Combinations"**

The amendment clarifies that the contingent consideration that is classified as financial asset or liability shall be measured at fair value at each reporting date.

**IFRS 8 "Operating Segments"**

The amendment requires that an entity shall disclose the judgements made by the management in applying the aggregation criteria in operating segments. It also clarifies that the entity shall provide reconciliations of the total reportable segments' assets to the entity's assets only if the segments assets are reported regularly.

**IFRS 13 "Fair Value Measurement"**

The amendment clarifies that the issue of IFRS 13 and the amendments of IFRS 9 and IAS 39 did not result in the deletion of the ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, when the effect of not discounting is immaterial.

**IAS 16 "Property, Plant and Equipment"**

The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with revaluation of the carrying amount of the asset and the accumulated depreciation is eliminated against the gross carrying amount of the asset.

**IAS 24 "Related Party Disclosures"**

The amendment clarifies that the entity, or any member of a group of which is part, provides key management personnel services to the reporting entity or to the parent of the reporting entity, is a related party to the reporting entity.

**IAS 38 "Intangible Assets"**

The amendment clarifies that when an intangible asset is revalued, the gross carrying amount is adjusted in a manner that is consistent with revaluation of the carrying amount of the asset and the accumulated depreciation is eliminated against the gross carrying amount of the asset.

**Annual Improvements to IFRSs 2011-2013 Cycle**

**IFRS 1 "First-time Adoption of International Financial Reporting Standards"**

The amendment clarifies that a first-time adopter entity is allowed to use either the IFRS that is currently mandatory or the new IFRS that is not yet mandatory, if that new IFRS permits early application. It is required the entity to apply the same version of the IFRS throughout the periods covered by the entity's first IFRS financial statements. Consequently, if a first-time adopter chooses to early apply a new IFRS, that new IFRS will be applied throughout all the periods presented in its first IFRS financial statements on a retrospective basis, unless IFRS 1 provides an exemption.

**IFRS 3 "Business Combinations"**

The amendment clarifies that IFRS3 does not apply the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

**IFRS 13 "Fair Value Measurement"**

The amendment clarifies that the exemption of financial assets, financial liabilities and other contracts, that is mentioned in paragraph 52 of IFRS13, includes all the contracts within the scope of, and accounted for in accordance with IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 "Financial Instruments: Presentation.

**IAS 40 "Investment Property"**

The amendment clarifies whether a specific transaction meets the definition of a business combination as defined in IFRS 3 and includes an investment property as defined in IAS 40, the separate application of both Standards is required.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of INTRALOT S.A. and its subsidiaries as at the end of each reporting period. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Subsidiaries are fully consolidated from the date on which 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.

### 3.2 Business combination and goodwill

#### a) Subsidiaries

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

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

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

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

The Group recognizes any contingent consideration at the fair value, at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognized in accordance with IAS 39 either in 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.

**3.3 Foreign Currency Translation**

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

a) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.
All resulting differences are taken to the consolidated statement of comprehensive income 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.

**3.4 Tangible assets**
Tangible assets are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing the tangible assets and borrowing costs for long-term construction assets if the recognition criteria are met.
Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

| | |
|---|---|
| • Buildings (owned) | 20 to 30 years |
| • Installations on third party property | Over the duration of the lease but not less than 5% per annum |
| • 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.

### 3.5 Borrowing costs

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

### 3.6 Intangible assets

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

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

Central operating systems used for several projects are amortized over their expected useful life, up to 20 years. The expected useful life is determined by reference to the longest duration of the relevant contracts and the Intralot Group's renewal track record in respect of such contract.

Software that does not fall within the scope of particular contracts, is amortized at the expected useful life.

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.

### 3.7 Financial instruments

#### i) Financial assets

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

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

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

The subsequent measurement of financial assets depends on their classification 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 a third 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.

### 3.8 Inventories

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

**3.9 Trade and other short term receivables**

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

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

When the inflow of cash or cash equivalents arising from goods sale or services rendering is deferred, the fair value of the consideration may be less than the nominal amount of cash 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'.

**3.10 Cash and Cash Equivalents**

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

Bank overdrafts are included in the short-term bank loans in the statement of financial position. Also, cheques payables that have not been paid at the balance sheet date are included in short-term liabilities.

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

**3.11 Long Term Liabilities**

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

**3.12 Provisions and Contingent Liabilities**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain the expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. Provisions are re-examined at 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.

### 3.13 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.

### 3.14 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.

### 3.15 Share Based Payments

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

The Group provides stock options to executives and employees. The fair value of the executives and employees, who receive these stock options, is recognized according to IFRS 2 as 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 22.b.

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

### 3.16 Staff Retirement Indemnities

Staff retirement indemnities are measured at the present value of the defined benefit obligations at the balance sheet date, through the recognition of the employees' right to benefits based on years of service over their expected working life. The above liabilities are calculated using financial and actuarial assumptions and are determined based on an actuarial valuation method (Projected Unit Credit Method). The net pension costs for the period are included 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 and any other additional pension costs that are recognised within staff costs in income statement, and the actuarial gains or losses that are fully recognized when they occur, in other comprehensive income without future reclassification in income statement. Total past service costs are recognized in income statement at the earlier of when the amendment occurs or when the Group recognizes the related restructuring or termination costs. The Company's pension benefit schemes are not funded.

### 3.17 State Insurance Programs

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

Each employee is obliged to contribute a percentage of 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.

**3.18 Revenue recognition**

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

- ***Hardware and Software:*** This category includes the supply of hardware and software (gaming machines, central computer systems, gaming software, communication systems etc.) to Lotteries so that they can operate their on-line games. Revenue is recognized by the Company either as a direct sale of hardware and software or as operating lease or as finance lease for a predetermined time period according to the contract with the customer.
  In the first case, the income from the sales of hardware and software (in a determined value) is recognized when the significant risks and rewards arising from the ownership are transferred to the buyer.
  In the second case that consists income from operating lease, is defined per case either on straight-line basis over the lease term or as a percentage on the Lottery Organization's gross turnover received by the player-customer (in this case income recognition occurs the moment that the player-customer places the related consideration in order to participate in a game).
  In the third case that consists income from finance lease, it is defined using the net investment method (the difference between the gross amount of the receivable and its present value is registered as a deferred financial income). This method represents a constant periodic return, recognizing the revenue from the finance lease in the period's statement of comprehensive income during the lease term.
- ***Technical services:*** This category includes the rendering of technical support services to Lotteries so that they can operate their on-line games. The revenue associated with the transaction is recognized by reference to the completion of the transaction at the end of the reporting period.
- ***Game management:*** The Group undertakes the provision of value added services, such as the design, organization and/ or management of games, advertising and sales promotion, establishment of sales network, risk management (for fixed odds games) e.t.c to organizations internationally. Group revenues mainly consist of a percentage of the turnover of the games to which the above services are provided, the size of which is contractually determined based on the market size, the type of services rendered, the duration of the contract and other parameters. Revenue recognition occurs the moment that the player-customer pays the related consideration in order to participate in a game and equals to an amount calculated as a percentage on the total amount received by the lottery games organization from the player-customer.

- ***Game operation***: In this category, the Group has the full game operating license in a country. In the case of operating the game the Company undertakes the overall organization of the games provided (installation of information systems, advertising and promotion, establishment of sales network, receipt of the payments from players, payment of winnings to players, 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.

### 3.19 Taxes

#### Income tax

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

### 3.20 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is presented in the statement of financial position as deferred income and is recognised as deduction in the relative expenses on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is presented in the statement of financial position as deferred income and is recognised as income in the profit or loss on a systematic basis over the expected useful life of the related asset.

### 3.21 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).

**3.22 EBITDA**

International Financial Reporting Standards (IFRS) do not define the content of the "EBITDA". The Group taking into account the nature of its activities, as well as the Decision 6/448/11.10.2007 of the BOD of Hellenic Capital Market Commission and the relative Circular no.34 defines "EBITDA" as "Operating Profit/(Loss) before tax" adjusted for the figures "Profit/(loss) from equity method consolidations", "Exchange Differences", "Interest and related income", "Interest and similar charges", "write-off and impairment losses of assets and investments", "gain/(loss) from asset disposal" και "Assets depreciation and amortization".

**3.23 Significant accounting judgements, estimates and assumptions**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets liabilities and disclosures of contingent liabilities that included in the financial statements. On an ongoing basis, management evaluates its judgements, estimates and assumptions that mainly refer to goodwill impairment, allowance for doubtful receivables, provision for staff retirement indemnities, provision for impairment of inventories value, impairment of tangible and intangible assets as well as estimation of their useful lives, recognition of revenue and expenses, pending legal cases, provision for income tax and recoverability of deferred tax assets. These judgements, estimates and assumptions are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances.
The key judgements, estimates and assumptions concerning the future and other key sources of uncertainty at the reporting date and have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the below:

**Goodwill, tangible and intangible assets impairment**

Management tests goodwill for impairment annually or more frequently if events occur or changes in circumstances indicate that the carrying value may be reduced in accordance with accounting policy described in note 3.2.a. The recoverable amounts of cash generating units have been determined based on "value in use" calculations using appropriate estimates regarding future cash flows and discount rates.
The carrying values of tangible and intangible assets are reassessed for possible need for impairment whenever events or circumstances indicate that the value reported on may not be recovered in accordance with the accounting principle described in the notes 3.4 and 3.6.

**Income Tax Provision**

The companies of the Group are subject to income taxes in numerous jurisdictions. The provision for income taxes in accordance with IAS 12 "Income Taxes" refers to the amounts expected to be paid to the tax authorities and includes provision for current income taxes and the provision for any additional taxes that may arise as a result of the audit of the tax authorities. The provision for income tax of the Group for numerous transactions require significant subjective judgment, making tax exact calculation uncertain during the ordinary course of business of the Group. The estimate may differ from the final tax due to future changes in tax legislation or to unforeseen effects of the final determination of the tax liability for each year from the tax authorities. Where the final tax resulting from tax audits differ from the amounts that were initially assessed and recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination of tax differences occurred. Further details are provided in notes 8 and 27.B.

**Deferred Tax Assets**

Deferred tax assets and liabilities are recognized on temporary differences between the accounting basis and the tax basis of assets and liabilities using the tax rates that have been enacted and are expected to apply in the periods when the differences are expected to be eliminated. Deferred tax assets are recognized for the deductible temporary differences and tax losses carried forward to the extent that it is probable that there will be taxable income available to be used against which the deductible temporary differences and the carry forward of unused tax losses. The Group considers the existence of future taxable income and ongoing follow a conservative tax planning strategies in assessing the recoverability of deferred tax assets. The accounting estimates related to deferred tax assets requires management to make assumptions about the timing of future events, the probability of expected future taxable income and available tax planning possibilities. Further details are provided in Note 8.

**Allowance for doubtful receivables**

The Group impairs the value of receivables when there is evidence or indications which show that the recovery of the receivables in whole or in part is unlikely. The Group's Management periodically reassesses the adequacy of the allowance for doubtful accounts based on factors such as the credit policy, reports from the legal department for recent developments in cases handled by this, and its estimation of the influence of other factors related to the collectability requirements. Further details are provided in notes 18 and 31.

**Provision for staff retirement indemnities**

Liabilities for retirement benefits are calculated using actuarial methods that require management to assess specific parameters such as discount rates, future growth rates of employee wages, the future rate of employees' retirement and other factors such as the inflation rate. The Group's management estimates in the best possible way these parameters on an annual basis, for the relevant actuarial study. Further details are provided in note 22.b.

**Estimation of assets useful life**

The Group reassesses at each year end and, when appropriate, prospectively adjusts useful lives of tangible and intangible assets that were recognized either through acquisition or business combination. These estimates take into account new data and current market conditions. Further details are provided in notes 3.4 and 3.6.

**Contingent liabilities**

The Group reviews the status of each significant legal case on a periodic basis and assesses the potential risk, based partly on the view of legal department. If the potential loss from any litigation and legal matters is considered probable and the amount can be reliably estimated, the Group recognizes a liability for the estimated loss. In order to determine the probability and whether the risk can be estimated reliably, a considerable degree of judgment of management is required. When additional information becomes available, the Group reassesses the potential liability related to pending litigation and legal proceedings, and estimates for the probability of an unfavorable outcome and an assessment of potential loss may be revised. Such revisions in the estimates of the potential liability could have a material effect on the financial position and income statement of the Group. Further details are provided in note 27.A.

**Provision for impairment of inventories value**

The Group recognizes inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. Provisions for impairment of inventories are formed when necessary and recognized in the income statement. Further details are provided in note 17.

**Business combination**

Group when acquiring a company performs the necessary estimates in determining the fair value and the useful life of the acquired tangible and intangible assets. Future events could cause changes in the assumptions used in determining fair value with a corresponding effect on the results and equity of the Group. Further details are provided in notes 3.2.a and 14.

## 4. Information Per Segment

Intralot Group is active in about 57 countries and the segmentation of its subsidiaries is performed based on their geographical location. The financial results are presented in the following operating geographical segments:

European Union: Greece , Italy , Malta , Cyprus , Poland , Luxembourg , Spain , United Kingdom , Netherlands , Romania , Bulgaria , France , Germany , Czech Republic and Slovakia .

Rest of Europe: Russia , Moldova and Serbia – Montenegro .

USA : U.S. , Peru , Brazil , Argentina , Mexico , Jamaica , Chile , Colombia , Guatemala , Dominican Republic , Suriname , Uruguay and Santa Lucia .

Other countries: Australia , New Zealand , China , South Africa , Turkey , South Korea , Lebanon , Egypt , Azerbaijan , Taiwan and Morocco .

No two operating segments have been added.

The following information is based on the internal financial reports provided to manager responsible for taking decisions who is the General Director. The performance of the segments is evaluated based on the sales and profit/(loss) before tax. The Group applies the same accounting policies for the financial results of the above segments with those of the consolidated financial statements. The transactions between operating segments are realized within the natural conditions present in the Group with similar way to that with third parties. The intragroup transactions are eliminated in a group level and are included in the column "Eliminations".

**1/1-31/12/2013**

| *(in mio €)* | **European Union** | **Other Europe** | **America** | **Other Countries** | **Eliminations** | **Total** |
|---|---|---|---|---|---|---|
| Sales to third parties | 772,91 | 11,74 | 458,81 | 295,97 | 0,00 | 1.539,43 |
| Intragroup sales | 67,54 | 0,00 | 8,89 | 0,03 | -76,46 | 0,00 |
| **Total Sales** | **840,45** | **11,74** | **467,70** | **296,00** | **-76,46** | **1.539,43** |
| (Debit)/Credit interest & similar (expenses)/income | -10,06 | -0,23 | -1,04 | 1,78 | -23,11 | -32,66 |
| Depreciation/Amortization | -57,55 | -3,08 | -26,60 | -11,94 | 7,60 | -91,57 |
| Profit/(loss) consolidated with equity method | 0,00 | 0,00 | 0,00 | -3,01 | 0,00 | -3,01 |
| Write-off & impairment of assets | -2,35 | -0,01 | -0,39 | -0,05 | 0,00 | -2,80 |
| **Profit/ (Loss) before tax** | **-16,75** | **-4,41** | **6,99** | **31,05** | **36,67** | **53,55** |
| Taxes | -11,16 | -0,12 | -5,61 | -15,35 | 0,00 | -32,24 |
| **Profit/(Loss) after Tax** | **-27,91** | **-4,53** | **1,38** | **15,70** | **36,67** | **21,31** |

**1/1-31/12/2012**

| *(in mio €)* | **European Union** | **Other Europe** | **America** | **Other Countries** | **Eliminations** | **Total** |
|---|---|---|---|---|---|---|
| Sales to third parties | 669,53 | 7,12 | 451,25 | 246,12 | 0,00 | 1.374,02 |
| Intragroup sales | 70,05 | 0,00 | 9,60 | 0,03 | -79,68 | 0,00 |
| **Total Sales** | **739,58** | **7,12** | **460,85** | **246,15** | **-79,68** | **1.374,02** |
| (Debit)/Credit interest & similar (expenses)/income | 12,26 | 0,47 | -0,06 | 3,09 | -36,56 | -20,80 |
| Depreciation/Amortization | -52,71 | -2,20 | -26,03 | -19,38 | 7,51 | -92,81 |
| Profit/(loss) consolidated with equity method | 0,00 | -0,76 | 0,00 | 0,86 | 0,00 | 0,10 |
| Write-off & impairment of assets | -3,23 | 0,00 | -0,26 | 0,00 | 0,00 | -3,49 |
| **Profit/ (Loss) before tax** | **24,21** | **-1,47** | **21,67** | **28,27** | **-14,26** | **58,43** |
| Taxes | -9,52 | -0,28 | -9,75 | -5,82 | 0,00 | -25,37 |
| **Profit/(Loss) after Tax** | **14,69** | **-1,75** | **11,92** | **22,45** | **-14,26** | **33,06** |

**Revenue per business activity:**

| | **31/12/2013** | **31/12/2012** | **change** |
|---|---|---|---|
| Technology and support services | 1.160.632 | 1.043.193 | 11,26% |
| Management contracts | 124.480 | 110.984 | 12,16% |
| Licensed operations | 254.318 | 219.844 | 15,68% |
| | **1.539.430** | **1.374.021** | 12,04% |

## 5. Staff costs

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Salaries | 90.032 | 88.201 | 16.075 | 17.840 |
| Social security contributions | 16.656 | 14.552 | 4.181 | 3.509 |
| Staff retirement indemnities (Note 22) | -65 | 1.222 | -463 | 676 |
| Other staff costs | 11.151 | 9.461 | 1.181 | 880 |
| **Total** | **117.774** | **113.436** | **20.974** | **22.905** |

### Salaries & Social security contributions per cost center December 31, 2013

| Group | Cost of Sales | Selling expenses | Administrative costs | R&D costs | Total |
|---|---|---|---|---|---|
| **Salaries** | 43.168 | 10.297 | 33.492 | 3.075 | 90.032 |
| **Social security contributions** | 8.113 | 2.195 | 5.562 | 786 | 16.656 |
| **Staff retir. & other costs** | 4.863 | 904 | 5.293 | 26 | 11.086 |
| | **56.144** | **13.396** | **44.347** | **3.887** | **117.774** |

| Company | Cost of Sales | Selling expenses | Administrative costs | R&D costs | Total |
|---|---|---|---|---|---|
| **Salaries** | 7.619 | 2.277 | 3.179 | 3.000 | 16.075 |
| **Social security contributions** | 2.389 | 533 | 473 | 786 | 4.181 |
| **Staff retir. & other costs** | 141 | 28 | 523 | 26 | 718 |
| | **10.149** | **2.838** | **4.175** | **3.812** | **20.974** |

### Salaries & Social security contributions per cost center December 31, 2012

| Group | Cost of Sales | Selling expenses | Administrative costs | R&D costs | Total |
|---|---|---|---|---|---|
| **Salaries** | 40.217 | 11.177 | 32.197 | 4.610 | 88.201 |
| **Social security contributions** | 6.830 | 1.916 | 4.724 | 1.082 | 14.552 |
| **Staff retir. & other costs** | 5.188 | 1.106 | 4.218 | 171 | 10.683 |
| | **52.235** | **14.199** | **41.139** | **5.863** | **113.436** |

| Company | Cost of Sales | Selling expenses | Administrative costs | R&D costs | Total |
|---|---|---|---|---|---|
| **Salaries** | 5.174 | 3.100 | 5.023 | 4.543 | 17.840 |
| **Social security contributions** | 1.242 | 578 | 608 | 1.081 | 3.509 |
| **Staff retir. & other costs** | 934 | 187 | 265 | 170 | 1.556 |
| | **7.350** | **3.865** | **5.896** | **5.794** | **22.905** |

The number of employees of the Company and the Group on 31 December 2013 was 620 and 5.685 respectively (31 December 2012 was 617 and 5.541 respectively).

### 6. Depreciation and amortization

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Depreciation of tangible fixed assets (Note 11) | 50.619 | 50.571 | 8.684 | 9.840 |
| Amortization of intangibles (Note 12) | 40.954 | 42.235 | 5.556 | 4.776 |
| **Total** | **91.573** | **92.806** | **14.240** | **14.616** |

**Depreciation and amortization per cost center**

| **31/12/2013** | **Cost of Sales** | **Selling expenses** | **Administrative costs** | **R&D costs** | **Total** |
|---|---|---|---|---|---|
| **Group** | 62.054 | 2.165 | 25.788 | 1.566 | **91.573** |
| **Company** | 8.544 | 1.709 | 2.421 | 1.566 | **14.240** |

| **31/12/2012** | **Cost of Sales** | **Selling expenses** | **Administrative costs** | **R&D costs** | **Total** |
|---|---|---|---|---|---|
| **Group** | 57.711 | 2.197 | 31.290 | 1.608 | **92.806** |
| **Company** | 8.770 | 1.754 | 2.484 | 1.608 | **14.616** |

### 7. Expenses by nature

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Staff Costs (Note 5) | 117.774 | 113.436 | 20.974 | 22.905 |
| Depreciation & amortization (Note 6) | 91.573 | 92.806 | 14.240 | 14.616 |
| Change in inventories | 3.512 | 9.463 | 6.672 | 20.002 |
| Winners Payout, game taxes and agent commissions | 978.735 | 856.011 | 0 | 0 |
| Consumables | 11.444 | 12.763 | 0 | 0 |
| Third party fees | 95.192 | 86.898 | 51.399 | 46.650 |
| Other expenses | 141.227 | 131.382 | 7.405 | 9.623 |
| **Total** | **1.439.457** | **1.302.759** | **100.690** | **113.796** |

### 8. Income Taxes

Corporate income tax is calculated at 26% on the estimated tax assessable profit for the year 01/01-31/12/2013 and at 20% for the year 01/01-31/12/2012.

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Income Taxes in the Statement of Comprehensive Income: | | | | |
| Current income taxes | 25.392 | 31.860 | 1.500 | 5.072 |
| Deferred income taxes | 6.847 | -6.495 | 5.754 | -1.788 |
| **Total income tax expense reported in income statement** | **32.239** | **25.365** | **7.254** | **3.284** |

The reconciliation of the income based on Greek statutory tax rate is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| **Profit before income taxes** | **53.551** | **58.422** | **7.199** | **6.262** |
| Income taxes based on Greek statutory tax rate 26% (2012: 20%) | 13.923 | 11.684 | 1.872 | 1.252 |
| Adjustments in opening balance | -49 | -99 | 0 | -113 |
| Tax effect of non-deductible tax expenses | 16.424 | 12.975 | 7.903 | 4.985 |
| Tax effect of subsidiaries' losses, for which deferred tax asset was not recognized | 4.133 | -116 | 0 | 0 |
| Tax effect of tax free reserves | 39 | -1.698 | 0 | -1.656 |
| Tax effect of non taxable profits | -11.056 | -12.527 | -6.696 | -2.184 |
| Tax effect of foreign subsidiaries' profits that are taxable at different tax rates | 4.650 | 8.621 | 0 | 0 |
| Deferred tax effect due to tax rate change | 2.675 | -8 | 2.675 | 0 |
| Income tax of previous years after tax audit | 0 | 5.507 | 0 | 0 |
| Provision for additional taxes from future tax audits | 1.500 | 1.026 | 1.500 | 1.000 |
| **Income taxes at effective tax rate as reported in the income statement** | **32.239** | **25.365** | **7.254** | **3.284** |

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

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012*** | **31/12/2013** | **31/12/2012*** |
| **Net deferred tax asset at beginning of the year*** | **15.665** | **8.847** | **9.012** | **7.370** |
| (Debit)/Credit to the consolidated statement of comprehensive income | -6.847 | 6.495 | -5.754 | 1.789 |
| Opening balance restatement | -1.400 | 0 | 0 | 0 |
| Effect from a first time consolidated subsidiary | 180 | 170 | 0 | 0 |
| Exchange difference | -505 | -466 | 0 | 0 |
| Non-consolidated entity due to liquidation | 0 | -14 | 0 | 0 |
| Deferred tax on other comprehensive income | -508 | 633 | 26 | -147 |
| **Net deferred tax asset at end of the year** | **6.585** | **15.665** | **3.284** | **9.012** |

*Including restated figures according to IAS 19 (Revised) – note 22.b

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

| **December 31, 2013** | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Subsidiaries' tax losses carried forward | 10.101 | 0 | 2.431 | 0 |
| Inventories– Intercompany profit | -253 | 0 | -335 | 0 |
| Financial assets | 717 | -1 | 0 | 0 |
| Long term receivables | 220 | 0 | 0 | 0 |
| Provisions | 1.349 | -566 | 877 | -333 |
| Tangible assets | 949 | -2.537 | 0 | -99 |
| Intangibles assets | 15 | -8.769 | 0 | -2.597 |
| Short term Receivables | 168 | 2.353 | 0 | 2.590 |
| Accrued expenses | 2.165 | -712 | 0 | 0 |
| Long term liabilities | 138 | -603 | 0 | 0 |
| Current Liabilities | 1.105 | 73 | 0 | 618 |
| Short Term Loans | 638 | -157 | 0 | 0 |
| Staff retirement indemnities | 192 | 0 | 132 | 0 |
| | **17.504** | **-10.919** | **3.105** | **179** |

| **01/01/2013-31/12/2013** | **Income Statement** | |
|---|---|---|
| **Deferred income tax** | **GROUP** | **COMPANY** |
| Prior years' tax losses utilized | 1.834 | 0 |
| Subsidiaries' tax losses carried forward | -4.935 | -2.431 |
| Provisions of the year | -706 | 481 |
| Reversal of provisions utilized | 0 | 0 |
| Tangible assets | -1.364 | -1.564 |
| Intangible Assets | 5.182 | 1.715 |
| Financial assets | -1.509 | 83 |
| Short term receivables | 2.244 | 1.618 |
| Long Term Receivables | 216 | 0 |
| Inventories– impairment | 70 | 77 |
| Staff retirement indemnities | 143 | 132 |
| Short term Provisions | 306 | -171 |
| Current Liabilities | 4.228 | 6.050 |
| Long Term Liabilities | 1.138 | -236 |
| Financial lease obligations | 0 | 0 |
| **Deferred Tax (income) / expense** | **6.847** | **5.754** |

| **December 31, 2012*** | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Subsidiaries' tax losses carried forward | 8.033 | 0 | 0 | 0 |
| Inventories– Intercompany profit | -188 | 0 | -258 | 0 |
| Financial assets | 1.460 | -1.496 | 84 | 0 |
| Long term receivables | 479 | -63 | 0 | 0 |
| Provisions | 165 | -504 | 0 | -504 |
| Tangible assets | 1.197 | -5.258 | 0 | -1.664 |
| Intangibles assets | 4 | -2.261 | 0 | -882 |
| Short Term Receivables | 7.077 | -1.496 | 4.841 | -153 |
| Long term liabilities | 2.494 | -508 | 685 | 0 |
| Current Liabilities | 2.854 | -719 | 506 | 0 |
| Short Term Loans | 6.176 | -2.000 | 6.162 | 0 |
| Staff retirement indemnities | 219 | 0 | 195 | 0 |
| | **29.970** | **-14.305** | **12.215** | **-3.203** |

*Including restated figures according to IAS 19 (Revised) – note 22.b.

| 01/01/2012-31/12/2012 | Income Statement | |
|---|---|---|
| Deferred income tax | GROUP | COMPANY |
| Prior years' tax losses utilized | -881 | 0 |
| Subsidiaries' tax losses carried forward | -3.788 | 0 |
| Provisions of the year | 235 | 0 |
| Tangible assets | -478 | -1.760 |
| Intangible Assets | -289 | 1.214 |
| Financial assets | 1.363 | 91 |
| Short term receivables | -1.737 | -30 |
| Long Term Receivables | 2.868 | 0 |
| Inventories– impairment | 598 | 608 |
| Staff retirement indemnities | -131 | -101 |
| Short term Provisions | 1.707 | -142 |
| Current Liabilities | -10.724 | -6.828 |
| Long Term Liabilities | 4.762 | 5.160 |
| **Deferred Tax (income) / expense** | **-6.495** | **-1.788** |

## 9. Earnings per share

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| Net profit attributable to shareholders of the parent company | **-4.567** | **6.116** | **-55** | **2.978** |
| Weighted average number of shares | 158.961.721 | 158.961.721 | 158.961.721 | 158.961.721 |
| Less: Weighted average number of treasury shares | 0 | 0 | 0 | 0 |
| Weighted average number of shares outstanding | **158.961.721** | **158.961.721** | **158.961.721** | **158.961.721** |
| **Basic earnings per share (EPS) (in Euro)** | **€ -0,0287** | **€ 0,0385** | **€ -0,0003** | **€ 0,0187** |
| Weighted average number of shares outstanding (for basic EPS) | 158.961.721 | 158.961.721 | 158.961.721 | 158.961.721 |
| Effect of potential exercise of share options (weighted average number outstanding in the year) | 0 | 0 | 0 | 0 |
| Weighted average number of shares outstanding (for diluted EPS) | **158.961.721** | **158.961.721** | **158.961.721** | **158.961.721** |
| **Diluted earnings per share (EPS) (in Euro)** | **€ -0,0287** | **€ 0,0385** | **€ -0,0003** | **€ 0,0187** |

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

## 10. Dividends

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| ***Declared dividends of ordinary shares in the year:*** | | | | |
| Final dividend of 2011 | 0 | 17.960 | 0 | 562 |
| Interim dividend of 2012 | 0 | 1.854 | 0 | 0 |
| Final dividend of 2012 | 10.883 | 0 | 417 | 0 |
| Interim dividend of 2013 | 6.056 | 0 | 0 | 0 |
| **Dividend per Statement of changes in equity** | **16.939** | **19.814** | **417** | **562** |
| Total dividend of 2012: € 0,002623 (Company € 0,002623) | 0 | 417 | 0 | 417 |
| Less: dividend paid as of year end | 0 | 0 | 0 | 0 |
| **Dividend not recognized as a liability as at 31st December** | **0** | **417** | **0** | **417** |

## 11. Tangible assets

Tangible assets are analyzed as follows:

| GROUP | Land | Buildings and installations | Machinery and equipment | Transport equipment | Furniture and fixtures | Assets under construction | Other Tangible Assets | Total |
|---|---|---|---|---|---|---|---|---|
| **01/01/2013** | | | | | | | | |
| Cost | 11.273 | 26.270 | 336.842 | 5.979 | 124.110 | 3.711 | 2.603 | 510.788 |
| Accumulated Depreciation | 0 | -8.012 | -160.656 | -3.512 | -97.123 | 0 | -792 | -270.095 |
| **Net Book value 1/1/2013** | **11.273** | **18.258** | **176.186** | **2.467** | **26.987** | **3.711** | **1.811** | **240.693** |
| **COST** | | | | | | | | |
| Additions | 0 | 657 | 48.945 | 684 | 5.845 | 1.973 | 1.658 | 59.762 |
| Transfer of assets from/to other categories | 0 | 907 | 3.271 | -211 | -1.095 | -3.186 | 314 | 0 |
| Transfer from/to inventories and intangible assets | 0 | 83 | -16 | 0 | -204 | -76 | -18 | -231 |
| Disposal | 0 | 0 | -44.088 | -1.189 | -106 | -422 | -31 | -45.836 |
| Write-off | -2.220 | -122 | -2.746 | -56 | -1.216 | -5 | -11 | -6.376 |
| Additions due to acquisitions of subsidiaries | 0 | 0 | 3.031 | 0 | 254 | 0 | 0 | 3.285 |
| Net exchange differences on foreign currency translation | -264 | -2.751 | -24.525 | -537 | -3.133 | -534 | -253 | -31.997 |
| **ACCUMULATED DEPRECIATION** | | | | | | | | |
| Depreciation | 0 | -1.520 | -34.758 | -637 | -13.048 | 0 | -656 | -50.619 |
| Disposal | 0 | 0 | 11.367 | 738 | 70 | 0 | 28 | 12.203 |
| Write off | 0 | 115 | 2.467 | 43 | 997 | 0 | 9 | 3.631 |
| Additions due to acquisitions of subsidiaries | 0 | 0 | -957 | 0 | -127 | 0 | 0 | -1.084 |
| Net exchange differences on foreign currency translation | 0 | 763 | 12.891 | 301 | 2.166 | 0 | 90 | 16.211 |
| Transfer of assets from/to other categories | 0 | 0 | -1.657 | 214 | 1.515 | 0 | -72 | 0 |
| Transfer from/to inventories and intangible assets | 0 | -258 | 8 | 0 | 10 | 0 | 16 | -224 |
| **Net book value 31/12/2013** | **8.789** | **16.132** | **149.419** | **1.817** | **18.915** | **1.461** | **2.885** | **199.418** |
| Cost | 8.789 | 25.044 | 320.714 | 4.670 | 124.455 | 1.461 | 4.262 | 489.395 |
| Accumulated Depreciation | 0 | -8.912 | -171.295 | -2.853 | -105.540 | 0 | -1.377 | -289.977 |
| **Net book value 31/12/2013** | **8.789** | **16.132** | **149.419** | **1.817** | **18.915** | **1.461** | **2.885** | **199.418** |

| GROUP | Land | Buildings and installations | Machinery and equipment | Transport equipment | Furniture and fixtures | Assets under construction | Other Tangible Assets | Total |
|---|---|---|---|---|---|---|---|---|
| **01/01/2012** | | | | | | | | |
| Cost | 11.624 | 28.246 | 312.748 | 7.603 | 119.915 | 2.339 | 1.915 | 484.390 |
| Accumulated Depreciation | 0 | -7.462 | -124.539 | -4.086 | -84.296 | 0 | -367 | -220.750 |
| **Net Book value 1/1/2012** | **11.624** | **20.784** | **188.209** | **3.517** | **35.619** | **2.339** | **1.548** | **263.640** |
| **COST** | | | | | | | | |
| Additions | 0 | 1.032 | 24.953 | 567 | 4.362 | 2.981 | 676 | 34.571 |
| Transfer of assets from/to other categories | -242 | -133 | 1.382 | 2 | 713 | -1.160 | -542 | 20 |
| Transfer from /to inventories and Intangible assets | 0 | -637 | 4.832 | 0 | 118 | -48 | 487 | 4.752 |
| Disposal | 0 | -21 | -5.100 | -1.909 | -140 | -70 | 0 | -7.240 |
| Write-off | 0 | -1.114 | -1.242 | -166 | -309 | 0 | 0 | -2.831 |
| Additions due to acquisitions of subsidiaries | 0 | 0 | 450 | 16 | 42 | 0 | 61 | 569 |
| Net exchange differences on foreign currency translation | -109 | -1.103 | -1.181 | -134 | -591 | -331 | 6 | -3.443 |
| **ACCUMULATED DEPRECIATION** | | | | | | | | |
| Depreciation | 0 | -1.919 | -33.772 | -1.074 | -13.525 | 0 | -281 | -50.571 |
| Disposal | 0 | 20 | 1.940 | 1.422 | 108 | 0 | 0 | 3.490 |
| Write off | 0 | 291 | 907 | 166 | 201 | 0 | 0 | 1.565 |
| Additions due to acquisitions of subsidiaries | 0 | 0 | -177 | -16 | -14 | 0 | -22 | -229 |
| Net exchange differences on foreign currency translation | 0 | 273 | 94 | 73 | 497 | 0 | 9 | 946 |
| Transfer of assets from/to other categories | 0 | 139 | 70 | 3 | 23 | 0 | -131 | 104 |
| Transfer from/to inventories and Intangible assets | 0 | 646 | -5.179 | 0 | -117 | 0 | 0 | -4.650 |
| **Net book value 31/12/2012** | **11.273** | **18.258** | **176.186** | **2.467** | **26.987** | **3.711** | **1.811** | **240.693** |
| **31/12/2012** | | | | | | | | |
| Cost | 11.273 | 26.270 | 336.842 | 5.979 | 124.110 | 3.711 | 2.603 | 510.788 |
| Accumulated Depreciation | 0 | -8.012 | -160.656 | -3.512 | -97.123 | 0 | -792 | -270.095 |
| **Net book value 31/12/2012** | **11.273** | **18.258** | **176.186** | **2.467** | **26.987** | **3.711** | **1.811** | **240.693** |

| COMPANY | Land | Buildings and installations | Machinery and equipment | Transport equipment | Furniture and fixtures | Total |
|---|---|---|---|---|---|---|
| **01/01/2013** | | | | | | |
| Cost | 3.030 | 4.524 | 1 | 665 | 74.031 | 82.251 |
| Accumulated depreciation | 0 | -2.392 | -1 | -315 | -64.036 | -66.744 |
| **Net book value 01/01/2013** | **3.030** | **2.132** | **0** | **350** | **9.995** | **15.507** |
| **COST** | | | | | | |
| Additions | 0 | 198 | 0 | 0 | 360 | 558 |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| Depreciation | 0 | -209 | 0 | -62 | -8.413 | -8.684 |
| **Net book value 31/12/2013** | **3.030** | **2.121** | **0** | **288** | **1.942** | **7.381** |
| **31/12/2013** | | | | | | |
| Cost | 3.030 | 4.722 | 1 | 665 | 74.391 | 82.809 |
| Accumulated Depreciation | 0 | -2.601 | -1 | -377 | -72.449 | -75.428 |
| **Net book value 31/12/2013** | **3.030** | **2.121** | **0** | **288** | **1.942** | **7.381** |

| COMPANY | Land | Buildings and installations | Machinery and equipment | Transport equipment | Furniture and fixtures | Total |
|---|---|---|---|---|---|---|
| **01/01/2012** | | | | | | |
| Cost | 3.030 | 4.524 | 1 | 665 | 73.197 | 81.417 |
| Accumulated depreciation | 0 | -1.983 | -1 | -216 | -54.704 | -56.904 |
| **Net book value 01/01/2012** | **3.030** | **2.541** | **0** | **449** | **18.493** | **24.513** |
| **COST** | | | | | | |
| Additions | 0 | 0 | 0 | 0 | 834 | 834 |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| Depreciation | 0 | -409 | 0 | -99 | -9.332 | -9.840 |
| **Net book value 31/12/2012** | **3.030** | **2.132** | **0** | **350** | **9.995** | **15.507** |
| **31/12/2012** | | | | | | |
| Cost | 3.030 | 4.524 | 1 | 665 | 74.031 | 82.251 |
| Accumulated Depreciation | 0 | -2.392 | -1 | -315 | -64.036 | -66.744 |
| **Net book value 31/12/2012** | **3.030** | **2.132** | **0** | **350** | **9.995** | **15.507** |

A group subsidiary has banking facilities amounting to €29,3 million, consisting of a loan amounting to €20 million, an overdraft of €5 million, and bank guarantee letters of €4,3 million. These facilities are secured by an initial general mortgage on all the subsidiary's present and future assets. (At 31/12/2013 the loan balance amounted to €13,1 million, the overdraft balance to €0,3 million while the used guarantee letters to €4,1 million). Also, a group's subsidiary has a loan of € 1,5 million with mortgage on a building and guarantee letters. Additionally, another group's subsidiary has a loan of €1,8 million with mortgage on a building.

There are no other restrictions, apart from the aforementioned, in the ownership, transfer or other liens on the Group's property.

At 31st December 2013 the Group had no commitments for the purchase of tangible fixed assets.

## 12. Intangible Assets

| GROUP | GOODWILL | SOFTWARE* | RESEARCH & DEVELOPMENT (Internally generated) | OTHER* | LICENCES* | TOTAL |
|---|---|---|---|---|---|---|
| **1/1/2013** | | | | | | |
| Cost* | 82.851 | 95.246 | 60.932 | 19.542 | 289.178 | 547.749 |
| Accumulated amortization* | -326 | -47.864 | -15.196 | -5.552 | -114.987 | -183.925 |
| **Net book value 01/01/2013** | **82.525** | **47.383** | **45.736** | **13.990** | **174.191** | **363.824** |
| **COST** | | | | | | |
| Additions | 0 | 7.522 | 12.344 | 2.203 | 18.221 | 40.290 |
| Transfer of assets from /to other categories | 0 | 12 | -32 | -221 | 241 | 0 |
| Transfer from/to inventories and tangible assets | 0 | 383 | -94 | -152 | -154 | -17 |
| Additions due to acquisitions of subsidiaries | 15.383 | 1.512 | 0 | 48 | 0 | 16.943 |
| Disposals | 0 | -4.017 | 0 | 0 | 0 | -4.017 |
| Write – off | -346 | -254 | -8 | -112 | -149 | -869 |
| Sale of subsidiaries/ change in consolidation method | -43 | 0 | 0 | 0 | 0 | -43 |
| Net exchange differences on foreign currency translation | -16.045 | -2.100 | -1.094 | -1.212 | -6.974 | -27.425 |
| **ACCUMULATED DEPRECIATION** | | | | | | |
| Amortization | 0 | -7.923 | -4.168 | -2.482 | -26.381 | -40.954 |
| Disposals | 0 | 805 | 0 | 0 | 0 | 805 |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions due to acquisitions of subsidiaries | 0 | -1.066 | 0 | -40 | 0 | -1.106 |
| Net exchange differences on foreign currency translation | 0 | 1.187 | 344 | 402 | 3.099 | 5.032 |
| Transfer of assets from/to other categories | 0 | -56 | 0 | -19 | 75 | 0 |
| Transfer from/to inventories and tangible assets | 0 | -127 | 0 | -26 | 219 | 66 |
| Write – off | 326 | 222 | 8 | 112 | 149 | 817 |
| **Net book value 31/12/2013** | **81.800** | **43.482** | **53.036** | **12.491** | **162.537** | **353.346** |
| | | | | | | |
| Cost | 81.800 | 98.304 | 72.048 | 20.096 | 300.363 | 572.611 |
| Accumulated amortization | 0 | -54.822 | -19.012 | -7.605 | -137.826 | -219.265 |
| **Net book value 31/12/2013** | **81.800** | **43.482** | **53.036** | **12.491** | **162.537** | **353.346** |

*Includes intangible assets reclassification for more appropriate presentation

| GROUP | GOODWILL | SOFTWARE | RESEARCH & DEVELOPMENT (Internally generated) | OTHER | LICENCES | TOTAL |
|---|---|---|---|---|---|---|
| **1/1/2012** | | | | | | |
| Cost | 83.033 | 112.990 | 50.695 | 38.942 | 136.996 | 422.656 |
| Accumulated amortization | -288 | -38.540 | -11.516 | -19.984 | -66.892 | -137.220 |
| **Net book value 01/01/2012** | **82.745** | **74.450** | **39.179** | **18.958** | **70.104** | **285.436** |
| **COST** | | | | | | |
| Additions | 435 | 14.823 | 11.033 | 10.560 | 55.153 | 92.004 |
| Transfer of assets from/to other categories | -172 | 1.804 | -120 | -18.634 | 17.564 | 442 |
| Transfer from/to inventories and Tangible assets | 0 | 3.815 | 46 | -337 | 49 | 3.573 |
| Additions due to acquisitions of subsidiaries | 0 | 1.009 | 0 | 0 | 31.000 | 32.009 |
| Disposals | 0 | -68 | 0 | -9 | 0 | -77 |
| Write – off | 0 | -77 | -107 | -1.358 | 0 | -1.542 |
| Net exchange differences on foreign currency translation | -445 | 57 | -615 | -352 | 39 | -1.316 |
| **ACCUMULATED AMORTIZATION** | | | | | | |
| Amortization | 0 | -8.906 | -3.901 | -2.326 | -27.102 | -42.235 |
| Disposals | 0 | 4 | 0 | 1 | 0 | 5 |
| Impairment | -38 | 0 | 0 | 0 | -1.322 | -1.360 |
| Additions due to acquisitions of subsidiaries | 0 | -48 | 0 | 0 | 0 | -48 |
| Net exchange differences on foreign currency translation | 0 | -128 | 174 | 149 | 160 | 355 |
| Transfer of assets from/to other categories | 0 | -568 | 7 | 14.929 | -14.936 | -568 |
| Transfer from/to inventories and Tangible assets | 0 | -3.530 | 0 | 25 | -26 | -3.531 |
| Write – off | 0 | 63 | 40 | 574 | 0 | 677 |
| **Net book value 31/12/2012** | **82.525** | **82.700** | **45.736** | **22.180** | **130.683** | **363.824** |
| **31/12/2012** | | | | | | |
| Cost | 82.851 | 134.353 | 60.932 | 28.812 | 240.801 | 547.749 |
| Accumulated amortization | -326 | -51.653 | -15.196 | -6.632 | -110.118 | -183.925 |
| **Net book value 31/12/2012** | **82.525** | **82.700** | **45.736** | **22.180** | **130.683** | **363.824** |

| COMPANY | SOFTWARE | RESEARCH & DEVELOPMENT (Internally generated) | LICENCES | TOTAL |
|---|---|---|---|---|
| **1/1/2013** | | | | |
| Cost | 35.659 | 45.998 | 18.203 | 99.860 |
| Accumulated amortization | -23.008 | -11.333 | -14.917 | -49.258 |
| **Net book value 01/01/2013** | **12.651** | **34.665** | **3.286** | **50.602** |
| **COST** | | | | |
| Additions | 4.623 | 12.024 | 4.284 | 20.931 |
| **ACCUMULATED AMORTIZATION** | | | | |
| Amortization | -2.406 | -2.804 | -346 | -5.556 |
| **Net book value 31/12/2013** | **14.868** | **43.885** | **7.224** | **65.977** |
| Cost | 40.282 | 58.022 | 22.487 | 120.791 |
| Accumulated amortization | -25.414 | -14.137 | -15.263 | -54.814 |
| **Net book value 31/12/2013** | **14.868** | **43.885** | **7.224** | **65.977** |

| COMPANY | SOFTWARE | RESEARCH & DEVELOPMENT (Internally generated) | LICENCES | TOTAL |
|---|---|---|---|---|
| **1/1/2012** | | | | |
| Cost | 33.652 | 37.586 | 17.096 | 88.334 |
| Accumulated amortization | -20.922 | -8.789 | -14.771 | -44.482 |
| **Net book value 01/01/2012** | **12.730** | **28.797** | **2.325** | **43.852** |
| **COST** | | | | |
| Additions | 2.007 | 8.412 | 1.107 | 11.526 |
| **ACCUMULATED AMORTIZATION** | | | | |
| Amortization | -2.086 | -2.544 | -146 | -4.776 |
| **Net book value 31/12/2012** | **12.651** | **34.665** | **3.286** | **50.602** |
| **31/12/2012** | | | | |
| Cost | 35.659 | 45.998 | 18.203 | 99.860 |
| Accumulated amortization | -23.008 | -11.333 | -14.917 | -49.258 |
| **Net book value 31/12/2012** | **12.651** | **34.665** | **3.286** | **50.602** |

## 13. Investments in subsidiaries and associates

| GROUP INVESTMENT IN ASSOCIATES AND OTHER ENTITIES | % Participation | Country | 31/12/2013 | 31/12/2012 |
|---|---|---|---|---|
| Bilyoner Interactif Hizmelter AS | 25% | Turkey | 0 | 1.820 |
| Lotrich Information Co Ltd | 40% | Taiwan | 4.136 | 4.546 |
| Nanum Lotto Co Ltd | 18,95% | S. Korea | 4.210 | 21.373 |
| Precious Success Ltd Group | 49,00% | China | 0 | 9.756 |
| Goreward Ltd Group | 49,90% | China | 19.586 | 0 |
| Intralot South Africa Ltd | 45% | S. Africa | 1.861 | 2.441 |
| Hellenic Lotteries SA | 16,50% | Greece | 31.716 | 0 |
| Other | | | 405 | 281 |
| | | | **61.914** | **40.217** |

| INTRALOT S.A. INVESTMENT IN ASSOCIATES AND OTHER ENTITIES | % Participation | Country | Cost 31/12/13 | Impairment | Impaired Cost 31/12/13 | Impaired Cost 31/12/12 |
|---|---|---|---|---|---|---|
| Bilyoner Interactif Hizmelter AS | 25% | Turkey | 0 | 0 | 0 | 499 |
| Lotrich Information Co Ltd | 40% | Taiwan | 5.131 | 0 | 5.131 | 5.131 |
| Nanum Lotto Co LTD | 18,95% | S. Korea | 5.970 | 0 | 5.970 | 5.970 |
| Intralot South Africa Ltd | 45% | S. Africa | 2.300 | 0 | 2.300 | 2.300 |
| Other | | | 0 | 0 | 0 | 1 |
| | | | **13.401** | **0** | **13.401** | **13.901** |

| INTRALOT S.A. INVESTMENT IN SUBSIDIARIES | % Participation | Country | 31/12/13 | Impairment | 31/12/13 | 31/12/12 |
|---|---|---|---|---|---|---|
| Intralot Inc | 85% | USA | 0 | 0 | 0 | 9.253 |
| Intralot De Peru SAC | 99,98% | Peru | 15.759 | 0 | 15.759 | 15.759 |
| Pollot Ltd | 100% | Poland | 0 | 0 | 0 | 3.670 |
| Poldin Ltd | 100% | Poland | 17 | 0 | 17 | 17 |
| Intralot Holdings International Ltd | 100% | Cyprus | 8.464 | 0 | 8.464 | 8.464 |
| Intralot Australia Pty Ltd | 100% | Australia | 114 | 0 | 114 | 114 |
| Betting Company S.A. | 95% | Greece | 139 | 0 | 139 | 139 |
| Maltco Lotteries Ltd | 73% | Malta | 0 | 0 | 0 | 6.993 |
| Intralot Betting Operations Ltd | 54,95% | Cyprus | 0 | 0 | 0 | 2.000 |
| Royal Highgate Ltd | 5,69% | Cyprus | 0 | 0 | 0 | 225 |
| Inteltek Internet AS | 20% | Turkey | 67.326 | 0 | 67.326 | 67.326 |
| Bilyoner Interactif Hizmelter AS | 50,01% | Turkey | 10.751 | 0 | 10.751 | 0 |
| Loteria Moldovei S.A. | 47,90% | Moldavia | 656 | 0 | 656 | 656 |
| Intralot Asia Pacific Ltd | 100% | China | 0 | 0 | 0 | 295 |
| Intralot Luxembourg S.A. | 100% | Luxembourg | 31 | 0 | 31 | 31 |
| Intralot New Zealand Ltd | 100% | N. Zealand | 0 | 0 | 0 | 568 |
| Intralot Iberia SAU | 100% | Spain | 5.638 | 0 | 5.638 | 5.638 |
| Tecnoaccion S.A. | 50,01% | Argentina | 0 | 0 | 0 | 8.225 |
| Intralot Beijing Co Ltd | 100% | China | 0 | 0 | 0 | 7.623 |
| Intralot Argentina S.A. | 100% | Argentina | 0 | 0 | 0 | 493 |
| Intralot South Korea S.A. | 100% | S. Korea | 0 | 0 | 0 | 75 |
| Intralot Do Brazil Ltda | 80% | Brazil | 0 | 0 | 0 | 6.228 |
| Intralot Finance UK Plc | 100% | UK | 0 | 0 | 0 | 57 |
| Intralot Interactive S.A. | 51% | Greece | 31 | 0 | 31 | 31 |
| Intralot Nederland B.V. | 100% | Nederland | 0 | 0 | 0 | 91 |
| Intralot Maroc S.A. | 99,83% | Morocco | 27 | 0 | 27 | 27 |
| Intralot Global Securities BV | 100% | Ολλανδία | 55.028 | 0 | 55.028 | 0 |
| Other | | | 108 | 0 | 108 | 109 |
| | | | **164.089** | **0** | **164.089** | **144.107** |
| **GRAND TOTAL** | | | **177.490** | **0** | **177.490** | **158.008** |

**Group Structure**

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

| **I. Full consolidation:** | | **Domicile** | **% Direct Part'n** | **% Indirect Part'n** | **% Total Part'n** |
|---|---|---|---|---|---|
| | INTRALOT S.A. | Maroussi, Attica | Parent | Parent | - |
| 3. | BETTING COMPANY S.A. | Maroussi, Attica | 95% | 5% | 100% |
| 24. | BETTING CYPRUS LTD | Nicosia, Cyprus | | 100% | 100% |
| | INTRALOT AUSTRALIA PTY LTD | Melbourne, Australia | 100% | | 100% |
| 29. | INTRALOT GAMING SERVICES PTY | Melbourne, Australia | | 100% | 100% |
| | INTRALOT LUXEMBOURG S.A. | Luxemburg, Luxemburg | 100% | | 100% |
| | INTRALOT IBERIA SAU | Madrid, Spain | 100% | | 100% |
| 30. | INTRALOT JAMAICA LTD | Kingston, Jamaica | | 100% | 100% |
| 30. | INTRALOT TURKEY A.S. | Istanbul, Turkey | 50% | 49,99% | 99,99% |
| 30. | INTRALOT DE MEXICO LTD | Mexico City, Mexico | | 99,8% | 99,8% |
| 30. | INTELTEK INTERNET AS | Istanbul, Turkey | 20% | 25% | 45% |
| 31. | AZERINTELTEK AS | Baku, Azerbaijan | | 22,95% | 22,95% |
| | INTRALOT DE CHILE S.A. | Santiago, Chile | 99,99% | | 99,99% |
| 4. | INTRALOT DE PERU SAC | Lima, Peru | 99,97% | 0,03% | 100% |
| | POLDIN LTD | Warsaw, Poland | 100% | | 100% |
| | ATROPOS S.A. | Maroussi, Attica | 100% | | 100% |
| | INTRALOT MAROC S.A. | Casablanca, Morocco | 99,83% | | 99,83% |
| | INTRALOT FRANCE S.A.S. | Paris, France | 100% | | 100% |
| | INTRALOT HOLDINGS LUXEMBOURG S.A. | Luxemburg, Luxemburg | 100% | | 100% |
| 2. | GAMING SOLUTIONS INTERNATIONAL LTD | Bogota, Colombia | 99% | 1% | 100% |
| 2. | INTRALOT INTERACTIVE S.A. | Maroussi, Attica | 51% | 24% | 75% |
| | INTRALOT GLOBAL SECURITIES B.V. | Amsterdam, Nederland | 100% | | 100% |
| 1. | INTRALOT FINANCE LUXEMBOURG S.A. | Luxemburg, Luxemburg | | 100% | 100% |
| 1,2,3,4. | INTRALOT GLOBAL HOLDINGS B.V. | Amsterdam, Nederland | | 100% | 100% |
| 5. | INTRALOT INC | Atlanta, USA | | 85% | 85% |
| 12. | INTRALOT INTERACTIVE USA LLC | Atlanta, USA | | 85% | 85% |
| 12. | DC09 LLC | Wilmington, USA | | 41,65% | 41,65% |
| 12. | DEEPSTACK CASINO LLC | Atlanta, USA | | 85% | 85% |
| 5. | INTRALOT NEDERLAND B.V. | Amsterdam, Nederland | | 100% | 100% |
| 5. | INTRALOT ITALIA S.p.A | Rome, Italy | | 100% | 100% |
| 13. | VENETA SERVIZI S.R.L. | Mogliano Veneto, Italy | | 100% | 100% |
| 5. | LOTROM S.A. | Bucharest, Romania | | 60% | 60% |
| 5. | INTRALOT BEIJING Co LTD | Beijing, China | | 100% | 100% |
| 5. | TECNO ACCION S.A. | Buenos Aires, Argentina | | 50,01% | 50,01% |
| 5. | MALTCO LOTTERIES LTD | Valetta, Malta | | 73% | 73% |
| 5. | INTRALOT NEW ZEALAND LTD | Wellington, New Zealand | | 100% | 100% |
| 5. | INTRALOT DO BRAZIL LTDA | Sao Paolo, Brazil | | 80% | 80% |
| 14. | OLTP LTDA | Rio de Janeiro, Brazil | | 80% | 80% |
| 5. | INTRALOT ARGENTINA S.A. | Buenos Aires, Argentina | | 100% | 100% |
| 5. | INTRALOT GERMANY GMBH | Munich, Germany | | 100% | 100% |
| 5. | JACKPOT S.p.A. | Rome, Italy | | 100% | 100% |
| 5,7. | INTRALOT GAMING MACHINES S.p.A. | Rome, Italy | | 100% | 100% |
| 5. | INTRALOT SOUTH KOREA S.A. | Seoul, South Korea | | 100% | 100% |
| 5. | INTRALOT FINANCE UK PLC | London, United Kingdom | | 100% | 100% |
| 5. | INTRALOT ASIA PACIFIC LTD | Hong Kong, China | | 100% | 100% |
| 5. | WHITE EAGLE INVESTMENTS LTD | Hertfordshire, United Kingdom | | 100% | 100% |
| 5. | BETA RIAL Sp.Zoo | Warsaw, Poland | | 100% | 100% |

| **I. Full consolidation:** | | **Domicile** | **% Direct Part'n** | **% Indirect Part'n** | **% Total Part'n** |
|---|---|---|---|---|---|
| 5. | POLLOT Sp.Zoo | Warsaw, Poland | | 100% | 100% |
| 15,16,17 | TOTOLOTEK S.A. | Warsaw, Poland | | 95,45% | 95,45% |
| 5. | SLOVENSKE LOTERIE A.S. | Bratislava, Slovakia | | 51% | 51% |
| 18. | TACTUS S.R.O. | Bratislava, Slovakia | | 51% | 51% |
| 5. | NIKANTRO HOLDINGS Co LTD | Nicosia, Cyprus | | 100% | 100% |
| 19. | LOTERIA MOLDOVEI S.A. | Chisinau, Moldova | 47,90% | 32,85% | 80,75% |
| 2,5. | INTRALOT CZECH S.R.O. | Prague, Czech Republic | | 100% | 100% |
| 5. | INTRALOT BETTING OPERATIONS (CYPRUS) LTD | Nicosia, Cyprus | | 54,95% | 54,95% |
| 5,6. | ROYAL HIGHGATE LTD | Nicosia, Cyprus | | 35,08% | 35,08% |
| 5. | INTRALOT LEASING NEDERLAND B.V. | Amsterdam, Nederland | | 100% | 100% |
| 5. | INTRALOT CYPRUS GLOBAL ASSETS LTD | Nicosia, Cyprus | | 100% | 100% |
| 8. | INTRALOT OOO | Moscow, Russia | | 100% | 100% |
| 28. | INTRALOT DISTRIBUTION OOO | Moscow, Russia | | 100% | 100% |
| 8. | INTRALOT ST. LUCIA LTD | Castries, St. Lucia | | 100% | 100% |
| 9. | INTRALOT GUATEMALA S.A. | Guatemala City, Guatemala | | 100% | 100% |
| 10. | LOTERIAS Y APUESTAS DE GUATEMALA S.A. | Guatemala City, Guatemala | | 51% | 51% |
| 9. | INTRALOT DOMINICANA S.A. | St. Dominicus, Dominican Republic | | 100% | 100% |
| 9. | INTRALOT LATIN AMERICA INC | Miami, USA | | 100% | 100% |
| 9. | INTRALOT SURINAME LTD | Paramaribo, Suriname | | 100% | 100% |
| 9. | CARIBBEAN VLT SERVICES LTD | Castries, St. Lucia | | 50,001% | 50,001% |
| 9. | INTRALOT CARIBBEAN VENTURES LTD | Castries, St. Lucia | | 50,05% | 50,05% |
| 11. | SUPREME VENTURES LTD | Kingston, Jamaica | | 24,97% | 24,97% |
| | INTRALOT HOLDINGS INTERNATIONAL LTD | Nicosia, Cyprus | 100% | | 100% |
| 2. | INTRALOT INTERNATIONAL LTD | Nicosia, Cyprus | | 100% | 100% |
| 3. | GAIN ADVANCE GROUP LTD | Hong Kong, China | | 100% | 100% |
| 22. | KTEMS HOLDINGS CO LTD | Seoul, South Korea | | 100% | 100% |
| 3. | INTRALOT OPERATIONS LTD | Nicosia, Cyprus | | 100% | 100% |
| 2,4. | NETMAN SRL | Bucharest, Romania | | 100% | 100% |
| 2. | BILOT EOOD | Sofia, Bulgaria | | 100% | 100% |
| 20. | EUROFOOTBALL LTD | Sofia, Bulgaria | | 49% | 49% |
| 21. | EUROFOOTBALL PRINT LTD | Sofia, Bulgaria | | 49% | 49% |
| 2. | INTRALOT EGYPT LTD | Nicosia, Cyprus | | 88,24% | 88,24% |
| 2,4,23. | E.C.E.S. SAE | Cairo, Egypt | | 90,03% | 90,03% |
| 4. | SERVICIOS TRANSDATA S.A. | Lima, Peru | | 100% | 100% |
| 2. | INTRALOT TECHNOLOGIES LTD | Nicosia, Cyprus | | 100% | 100% |
| 33. | INTRALOT LOTTERIES LTD | Nicosia, Cyprus | 51% | 49% | 100% |
| 33. | INTRALOT INVESTMENTS LTD | Nicosia, Cyprus | 51% | 49% | 100% |
| 2. | INTRALOT BUSINESS DEVELOPMENT LTD | Nicosia, Cyprus | | 100% | 100% |
| 2. | GAMING SOLUTIONS INTERNATIONAL SAC | Lima, Peru | | 100% | 100% |
| 2. | NAFIROL S.A. | Montevideo, Uruguay | | 100% | 100% |
| 2. | LEBANESE GAMES S.A.L | Lebanon | | 99,99% | 99,99% |
| | BILYONER INTERAKTIF HIZMELTER AS GROUP | Istanbul, Turkey | 50,01% | | 50,01% |
| 2. | INTRALOT HONG KONG HOLDINGS LTD | Hong Kong, China | | 100% | 100% |
| 2. | INTRALOT BETTING OPERATIONS RUSSIA LTD | Nicosia, Cyprus | | 100% | 100% |
| 25. | FAVORIT BOOKMAKERS OFFICE OOO | Moscow, Russia | | 100% | 100% |
| 2. | KELICOM HOLDINGS CO LTD | Nicosia, Cyprus | | 100% | 100% |

| **I. Full consolidation:** | | **Domicile** | **% Direct Part'n** | **% Indirect Part'n** | **% Total Part'n** |
|---|---|---|---|---|---|
| 26. | DINET ZAO | Moscow, Russia | | 100% | 100% |
| 27. | PROMARTA OOO | Moscow, Russia | | 100% | 100% |
| 2. | UNICLIC LTD | Nicosia, Cyprus | | 50% | 50% |
| 32. | DOWA LTD | Nicosia, Cyprus | | 30% | 30% |

| **II. Equity method:** | | **Domicile** | **% Direct Part'n** | **% Indirect Part'n** | **% Total Part'n** |
|---|---|---|---|---|---|
| | BILYONER INTERAKTIF HIZMELTER AS GROUP | Istanbul, Turkey | 25% | | 25% |
| | LOTRICH INFORMATION Co LTD | Taipei, Taiwan | 40% | | 40% |
| | INTRALOT SOUTH AFRICA LTD | Johannesburg, South Africa | 45% | | 45% |
| 34. | GIDANI LTD | Johannesburg, South Africa | | 8,10% | 8,10% |
| 3. | GOREWARD LTD | Shanghai, China | | 49,99% | 49,99% |
| 36. | PRECIOUS SUCCESS LTD GROUP | Hong Kong, China | | 24,49% | 24,49% |
| 36. | GAIN ADVANCE GROUP LTD | Hong Kong, China | | 49,99% | 49,99% |
| 22. | KTEMS HOLDINGS CO LTD | Seoul, South Korea | | 49,99% | 49,99% |
| | NANUM LOTTO CO LTD | Seoul, South Korea | 18,95% | | 18,95% |
| 36. | OASIS RICH INTERNATIONAL LTD | Shanghai, China | | 44,99% | 44,99% |
| 37. | WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD | Shanghai, China | | 44,99% | 44,99% |

| **Subsidiary of the company:** | | |
|---|---|---|
| 1: Intralot Global Securities BV | 14: Intralot Do Brazil Ltda | 27: Dinet ZAO |
| 2: Intralot Holdings International Ltd | 15: Pollot Sp.Zoo | 28: Intralot OOO |
| 3: Intralot International Ltd | 16: White Eagle Investments Ltd | 29: Intralot Australia PTY LTD |
| 4: Intralot Operations Ltd | 17: Beta Rial Sp.Zoo. | 30: Intralot Iberia S.A.U. |
| 5: Intralot Global Holdings BV | 18: Slovenske Loterie AS | 31: Inteltek Internet AS |
| 6: Intralot Betting Operations(Cyprus) Ltd | 19: Nikantro Holdings Co Ltd | 32: Uniclic Ltd |
| 7: Jackpot S.p.A. | 20: Bilot EOOD | 33: Intralot Technologies Ltd |
| 8: Intralot Cyprus Global Assets Ltd | 21: Eurofootball Ltd | 34: Intralot South Africa Ltd |
| 9: Intralot St.Lucia Ltd | 22: Gain Advance Group Ltd | 35: KTEMS Holdings Co Ltd |
| 10: Intralot Guatemala S.A. | 23: Intralot Egypt Ltd | 36: Goreward Ltd |
| 11: Intralot Caribbean Ventures Ltd | 24: Betting Company S.A. | 37: Oasis Rich International Ltd |
| 12: Intralot Inc | 25: Intralot Betting Operations Russia Ltd | |
| 13: Intralot Italia S.p.A | 26: Kelicom Holdings Co Ltd | |

The subsidiary Servicios Transdata SA absorbed by Intralot De Peru SAC on 1/10/13.

The entity BILYONER INTERAKTIF HIZMELTER AS GROUP is consolidated since 01/12/2013 with the full consolidation method (in prior periods was consolidated with the equity method) since the requirements of IAS 27 are met.

Since 01/11/2013, entities GAIN ADVANCE GROUP LTD and KTEMS HOLDINGS CO LTD are consolidated with the equity method (in prior periods were consolidated with the full consolidation method) since the requirements of IAS 27 are no longer met.

Since 01/11/2013 company Nanum Lotto Co Ltd is not consolidated since the requirements of IAS 28 are no longer met.

Companies Atropos SA, Nafirol SA and E.C.E.S. SAE are in the process of liquidation while the liquidation of Intralot France SAS was completed in May 2013.

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

| Basic Financial Figures | Assets | Liabilities | Revenue | Profits / (Losses) after Taxation |
|---|---|---|---|---|
| BILYONER INTERAKTIF HIZMELTER AS | 16.992 | 6.750 | 24.134 | 8.517 |
| LOTRICH INFORMATION Co. LTD | 32.942 | 22.137 | 3.115 | -233 |
| GOREWARD LTD | 55.649 | 0 | 0 | 0 |
| NANUM LOTTO CO LTD | 115.893 | 2.473 | 17.005 | -4.508 |
| PRECIOUS SUCCESS LTD GROUP | 16.536 | 263 | 505 | -2.036 |
| GAIN ADVANCE GROUP LTD | 20.785 | 5.451 | 0 | -216 |
| KTEMS HOLDINGS CO LTD | 5.611 | 6.047 | 0 | -10.408 |
| OASIS RICH INTERNATIONAL LTD | 39.019 | 2.792 | 1.972 | -26 |
| WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD | 45.545 | 10.581 | 6.513 | -505 |
| INTRALOT SOUTH AFRICA LTD | 3.954 | 308 | 4.391 | 1.164 |

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

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

## 14. Business Combination

**Acquisitions during 2013**

In August 2013, Intralot SA making use of the option held, signed an agreement to acquire an additional stake of approximately 25.01 % to the associate Bilyoner Interaktif Hizmelter AS, which will result in the total share of Intralot SA to the company to be around 50.01% . The transaction was completed in November 2013 at a consideration for the rate to be 10,252 thousand euros. The carrying value and fair value (provisional) of the assets and liabilities of the group Bilyoner Interaktif Hizmelter AS the date on which the Group took control was:

| | Fair Value (Provisional) | Carrying Value |
|---|---|---|
| Tangible & Intangible fixed assets | 942 | 942 |
| Participations | 182 | 182 |
| Deferred tax assets | 184 | 184 |
| Other Long-Term receivable | 208 | 208 |
| Inventories | 395 | 395 |
| Trade and other receivables | 2.377 | 2.377 |
| Cash and cash equivalents | 12.704 | 12.704 |
| **Total Assets** | **16.992** | **16.992** |
| Non-current liabilities | 285 | 285 |
| Current liabilities | 6.465 | 6.465 |
| **Value of Net Assets** | **10.242** | **10.242** |
| **Consideration** | **10.252** | |
| **Non-Controlling Interest** | **5.121** | |
| **Fair value of previously held equity interest** | **10.252** | |
| **Value of Net Assets** | **-10.242** | |
| **Goodwill on Acquisition** | **15.383** | |

| | |
|---|---|
| The net cash outflow is analysed as follows : | |
| Cash and cash equivalents acquired | 12.704 |
| Cash consideration given | -10.252 |
| Group cash inflow | 2.452 |

**Establishments during 2013**

During 2013 the Group established the subsidiaries Intralot Global Securities BV, Intralot Global Holdings BV, Intralot Leasing Nederland BV, Intralot Finance Luxembourg SA and Intralot Cyprus Global Assets Ltd and the associate Goreward Ltd Group.

In July 2013, Hellenic Lotteries S.A., a company in which Intralot Lotteries Ltd participates (16.5%) together with OPAP S.A. (67%) and Scientific Games (SGI) (16.5%), signed the 12 year's exclusive license contract with the Hellenic Republic Asset Development Fund (HRADF) for the production, operation, circulation, promotion and management of the Hellenic State Lotteries (Instant and Passive Tickets). The share investment of Hellenic Lotteries S.A. amounted to € 31.7 million.

**Changes in ownership percentage during 2013**

The Group increased its investment in Totolotek SA from 92.89% to 95.45% and in Bilyoner Interaktif Hizmelter AS from 25% to 50.01%.
At the same time decreased its investment in Gain Advance Group Ltd from 100% to 49.9%, in Ktems Holdings Co Ltd from 100% to 49.9% in Precious Success Ltd Group from 49% to 24.49% and Nanum Lotto Co Ltd from 29% to 18.95%.

**Subsidiaries' Share Capital Increase:**

During 2013 the Group completed the share capital increase in Intralot Italia S.p.A and the Group holds from now on 100% of the company.

**Discontinued Operations in the Group:**

On May 2013 the liquidation of Intralot France S.A.S. was completed.

## 15. Other financial assets

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| **Opening Balance** | **9.619** | **34.190** | **1.547** | **968** |
| Purchases | 4.999 | 5.140 | 0 | 1.092 |
| Exchange of bank deposits with shares | 786 | 0 | 0 | 0 |
| Exchange of financial instrument with shares | 26 | 61 | 0 | 0 |
| Disposals | -9.028 | -3.036 | -1.020 | -266 |
| Fair value revaluation | 5.457 | 251 | -86 | -197 |
| Change in the consolidation method | 0 | -26.928 | 0 | 0 |
| Foreign exchange differences | -893 | -59 | 0 | -50 |
| **Closing balance** | **10.966** | **9.619** | **441** | **1.547** |

The above data concern:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Listed securities | 6.963 | 4.019 | 43 | 50 |
| Non-listed securities | 4.003 | 5.600 | 398 | 1.497 |
| **Total** | **10.966** | **9.619** | **441** | **1.547** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Long-term Financial Assets | 7.381 | 4.913 | 441 | 757 |
| Short-term Financial Assets | 3.585 | 4.706 | 0 | 790 |
| **Total** | **10.966** | **9.619** | **441** | **1.547** |

During the year 2013 Group gains from the fair value revaluation of the aforementioned financial assets amounting to € 5.457 thousand (2012: profit € 251 thousand) come from € 5.360 thousand profit (2012: profit € 3.529 thousand), reported at a special equity reserve and gain of € 97 thousand (2012: losses €3.278 thousand) reported to the statement of comprehensive income. Respectively, Company losses of € 86 thousand (2012: losses of € 197 thousand) are analyzed to losses of € 8 thousand (2012: gain €37 thousand) recorded at a special equity reserve and to losses of € 78 thousand (2012: losses € 234 thousand) reported to the statement of comprehensive income.

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

**16. Other long term receivables**

Other long term receivables at 31 December 2013 are analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Receivables | 2.654 | 5.732 | 0 | 0 |
| Receivables from related parties (Note 28) | 4.123 | 4.391 | 0 | 0 |
| Rent guarantees | 2.441 | 1.812 | 0 | 0 |
| Other receivables | 74.058 | 76.015 | 438 | 445 |
| | **83.276** | **87.950** | **438** | **445** |

**17. Inventories**

Inventories (in thousand €) are analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Merchandise – Equipment | 46.833 | 39.404 | 39.106 | 32.813 |
| Other | 3.251 | 5.882 | 0 | 0 |
| | **50.084** | **45.286** | **39.106** | **32.813** |
| Impairment | -1.753 | -1.753 | -1.753 | -1.753 |
| | **48.331** | **43.533** | **37.353** | **31.060** |

For the period ended December 31, 2013 the amount transferred to profit and loss is €3.512 thousand (2012: € 9.463 thousand) for the Group while the respective amount for the Company is €6.672 thousand (2012: € 20.002 thousand).

**18. Trade and other short term receivables**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Trade receivables | 129.545 | 83.671 | 61.491 | 39.599 |
| Receivables from related parties (Note 28) | 38.259 | 14.397 | 173.046 | 180.626 |
| Other receivables (1) | 39.133 | 61.365 | 15.269 | 19.139 |
| Less: Provisions | -13.190 | -10.770 | -91.175 | -49.956 |
| Prepaid expenses and other receivables | 26.129 | 24.076 | 7.667 | 4.947 |
| | **219.876** | **172.739** | **166.298** | **194.355** |

(1) In the Group at 31/12/2013 are included time deposits maturing beyond three months amounting to € 616 thousand.

The above receivables are non- interest bearing.

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| **RECEIVABLES** | | | | |
| Trade receivables | 132.199 | 89.404 | 61.491 | 39.598 |
| Receivables from other related parties (Note 28) | 42.382 | 18.788 | 173.046 | 180.626 |
| Prepaid expenses and other receivables | 141.761 | 163.267 | 23.374 | 24.532 |
| Provision for doubtful debt | -13.190 | -10.770 | -91.175 | -49.956 |
| **Total** | **303.152** | **260.689** | **166.736** | **194.800** |
| **MATURITY INFORMATION** | | | | |
| 0-3 months | 29.519 | 46.769 | 8.851 | 6.801 |
| 3-12 months | 190.357 | 125.970 | 157.447 | 187.554 |
| More than 1 year | 83.276 | 87.950 | 438 | 445 |
| **Total** | **303.152** | **260.689** | **166.736** | **194.800** |

## 19. Cash and cash equivalents

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

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

For the purposes of the Statement of Cash Flows, cash and cash equivalents at 31 December 2013 consist of**:**

| | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Cash and bank current accounts | 133.103 | 114.426 | 2.737 | 2.092 |
| Short term time deposits | 10.231 | 20.547 | 2.394 | 3.162 |
| | **143.334** | **134.973** | **5.131** | **5.254** |

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

## 20. Share Capital and Reserves

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

### Reserves

**Statutory reserve**

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

**Foreign exchange differences reserve**

This reserve includes the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group at 31 December 2013 was debit € 61,3 million (2012: € 32,4 million debit balance).

**Tax free reserves and reserves specially taxed**

Tax-free and specially taxed reserves represent interest income, which are either tax free or taxed at 15% at source, or reserves that have formed because of the lump-sum payment of income tax. These revenues are not taxable provided that there are sufficient profits from which can be formed relative untaxed reserves. According to the Greek tax legislation, these reserves are exempt from income tax, provided they are not distributed to shareholders. Exceptions are the reserves formed in Greece in accordance with the provisions of Law 2238/1994 and that according to Law 4172/2013, provided that in case of distribution or capitalization until 31/12/2013 they are autonomously taxed at a rate of 15 %, while since 01/01/2014 will be mandatorily offset at the end of each tax year to tax recognizable losses incurred in the last five (5) years until exhausted, unless distributed or capitalized and subject to an autonomous taxation at a rate of 19% .The Company does not intend to distribute or capitalize reserves and therefore has not provided for deferred income tax would be required in the case of distribution.

Also profits that domestic companies receive from companies that have their registered office in another Member State of the European Union, where the domestic company is involved within the meaning of article 11 of Law 2578/1998, exempt from taxation. The exempt amount is shown under untaxed reserves, irrespective of the adequacy of profits or not.

The balance of these reserves at 31 December 2013 was €32.993 thousand for the Group (2012: €31.461 thousand) and € €30.237 thousand for the Company (2012: € 28.704 thousand).

**Stock option reserve**

This reserve concerns the stock option rights granted and amounts for the year ended December 2013 to € 922 thousand for the Group and the Company (2012: € 922 thousand).

## 21. Long Term Loans

Long term loans at 31 December 2013 are analyzed as follows:

| | Currency | Interest rate | GROUP | COMPANY |
|---|---|---|---|---|
| Facility A(€325.000.000) | EUR | 9,75% | 321.148 | 0 |
| Facility B (€42.500.000) | EUR | 3M Euribor +4.75% | 42.257 | 0 |
| Facility C (€230.000.000) | EUR | 1M Euribor + 5.50% | 124.388 | 0 |
| Facility D (€25.000.000) | EUR | 5,10% | 13.176 | 0 |
| Intercompany loans | | | 0 | 232.474 |
| Other | | | 16.807 | 0 |
| | | | **517.776** | **232.474** |
| Less: Payable during the next year (Note 26) | | | -165.630 | -9.432 |
| Long Term Loans | | | **352.146** | **223.042** |

- Facility A: In August 2013, Intralot Finance Luxembourg issued Senior Unsecured Notes with a face value of €325 mio, due August 2018, guaranteed by the parent company and subsidiaries of the Group. The Notes were offered at an issue price of 99.027%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. Part of the proceeds was used to repay the €140 million outstanding principal Guaranteed Exchangeable Notes plus interest and redemption due December 2013. Interest is payable semi-annually in arrears at a nominal interest rate of 9.75% per annum. The Notes are subject to financial covenants such as Leverage Ratio and Fixed Charge Coverage Ratio. The Group was in compliance with the covenants under Notes as at 31/12/13.

- Facility B: In June 2013, Intralot Finance UK plc signed a €62.5 mio a term loan guaranteed by the parent company and a subsidiary of the Group. The financing bears floating interest (Euribor) plus a 4.75% margin. The facility was partially prepaid out of the Facility A proceeds and Group’s liquidity. As of 31/12/13, €42.5 mio were outstanding. The loan matures in December 2015. The loan contains financial covenants including Leverage Ratio, Debt Cover and Interest Coverage. The Group was in compliance with the loan covenants as at 31/12/13.

- Facility C: In June 2012, Intralot Finance UK plc signed a syndicated senior unsecured Credit Facility, guaranteed by the parent company and subsidiaries of the Group, for an amount up to €300 million, maturing in December 2014. The facility was partially prepaid out of the Facility A proceeds and Group's liquidity. Following the prepayment, the Credit Facility Limit is €230 million and consists of a €150 mio revolving credit and a €80 mio term loan. Facility C bears a floating interest (Euribor) plus a 5.5% margin and its outstanding balance as at 31/12/13 was €126 million. 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). The facility contains financial covenants including Leverage Ratio, Debt Cover and Interest Coverage. The Group was in compliance with the covenants under the facility as of 31/12/13. The Group is in the process of refinancing Facility C.
- Facility D: In July 2012, Maltco Lotteries Ltd signed a term loan amounting to €25 mio, guaranteed by the parent company. The financing bears floating interest with a total average rate equal to 5.10%, is paid in monthly instalments and matures in July 2020.

The weighted average cost of funding of the long term loans is 8.32% in Euro and from 4% to 12% in the rest of the currencies.

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

**22. Staff retirement indemnities**

**(a) *State Insurance Programs:*** The Group's contributions to the State insurance funds for the year ended 31st December 2013 have been reported expenses and amount to € 16.080 thousand as stated in Note 5.

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

Independent actuaries calculated the Company's and the Group's liability for retirement indemnities. The movement of the net liability as presented in the balance sheet, details and the basic assumptions used in the actuarial study as at 31st December 2013 are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012*** | **31/12/2013** | **31/12/2012*** |
| Present Value of unfunded liability | 6.840 | 6.909 | 3.881 | 4.290 |
| Unrecognized actuarial losses | 0 | 0 | 0 | 0 |
| **Net liability on the balance sheet** | **6.840** | **6.909** | **3.881** | **4.290** |
| **Components of the net retirement cost in the year:** | | | | |
| Current service cost | 761 | 1.044 | 314 | 437 |
| Interest | 176 | 245 | 158 | 218 |
| Amortization of unrecognised actuarial (gain) or loss | 0 | 0 | 0 | 0 |
| Amortization of unrecognised service cost | -920 | -124 | -859 | -112 |
| Effect of cutting / settlement / termination benefits | -82 | 57 | -82 | 58 |
| Intragroup staff transfer | 0 | 0 | 6 | 75 |
| Benefit expense charged to income statement (Note 5) | **-65** | **1.222** | **-463** | **676** |
| Additional service cost | 0 | 0 | 0 | 0 |
| **Total charge to income statement** | **-65** | **1.222** | **-463** | **676** |
| **Reconciliation of benefit liability:** | | | | |
| **Actuarial (gains) / losses recognized in other comprehensive income (before deferred tax)** | **307** | **-622** | **98** | **-563** |
| **Reconciliation of benefit liabilities:** | | | | |
| Net liability at beginning of year* | 6.909 | 5.561 | 4.290 | 3.423 |
| Opening balance after restatement for IAS 19 | 0 | 964 | 0 | 928 |
| Service cost | 761 | 1.044 | 314 | 437 |
| Interest | 176 | 245 | 158 | 218 |
| Amortization of unrecognised actuarial (gain) or loss | 0 | 0 | 0 | 0 |
| Amortization of unrecognised service cost | -920 | -124 | -859 | -112 |
| Effect of cutting / settlement / termination benefits | -82 | 57 | -82 | 58 |
| Benefits paid | -243 | -384 | -44 | -174 |
| Intragroup staff transfer | 0 | 0 | 6 | 75 |
| New consolidated entities | 102 | 143 | 0 | 0 |
| Actuarial (gains) / losses | 307 | -622 | 98 | -563 |
| Foreign exchange difference | -170 | 25 | 0 | 0 |
| **Present Value of the liability at end of year** | **6.840** | **6.909** | **3.881** | **4.290** |

* Including restated figures according to IAS 19 (Revised) – note 22.b.

**Basic assumptions:**

| | | |
|---|---|---|
| Discount rate | | 3,5% |
| Percentage of annual salary increases | 2014-15: 0%, afterwards | 4% |
| Increase in Consumer Price Index | | 2% |

The Group implemented IAS 19 (Revised) on 1st January 2013, restating the comparative period according to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Particularly, comparative statements of financial position as of 31st December 2012 have been restated for the unrecognized actuarial gains and losses. Until 2012, unrecognized actuarial gains and losses of the Group were recognized, using the corridor method, over the remaining average 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. According to IAS 19 (Revised) corridor method is not yet allowed and actuarial gains and losses are fully recognized when they occur, in other comprehensive income without future reclassification in income statement.

The effect of this change in the financial statements of the Group and the Company is presented below:

| | Group | Company |
|---|---|---|
| (Increase)/decrease in staff retirement indemnities | -964 | -928 |
| Change in deferred taxation | 251 | 241 |
| **Impact on equity as of 1st January 2012** | **-713** | **-687** |
| Attributable to: | | |
| Owners of the parent | -715 | -687 |
| Non-controlling interest | 2 | 0 |
| | | |
| (Increase)/decrease in staff retirement indemnities | 622 | 563 |
| Change in deferred taxation | -161 | -146 |
| **Impact on equity for the period 1/1-31/12/12** | **461** | **417** |
| **Impact on equity as of 1st January 2013** | **-252** | **-270** |
| Attributable to: | | |
| Owners of the parent | -253 | -270 |
| Non-controlling interest | 1 | 0 |

| | | |
|---|---|---|
| **Other comprehensive income after tax for the period 01.01 to 31.12.12** | | |
| **Amounts that will not be reclassified to the income statement:** | | |
| **Revaluations of defined benefit plans** | **461** | **417** |
| Attributable to: | | |
| Owners of the parent | 461 | 417 |
| Non-Controlling interest | 0 | 0 |

## 23. Share based benefits

**Plans for employee participation in the share capital**

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 2013 no right was exercised by the beneficiaries of Program III which ended on 31/12/2013.

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 € 922 k, which was recognized in the results of prior years.

**24. Other Long Term Liabilities**

Other long term liabilities at 31 December 2013 include:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Other financial liabilities | 0 | 0 | 0 | 0 |
| Guarantees | 11.211 | 13.115 | 0 | 0 |
| Amounts due to related parties (Note 28) | 32 | 43 | 0 | 0 |
| Other long-term liabilities (1) | 881 | 8.616 | 0 | 0 |
| | **12.124** | **21.774** | **0** | **0** |

(1) There are included derivative financial instruments with total amount for the Group € 4.716 thousand as at 31/12/2012.

**25. Trade and Other Current Liabilities**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Trade Creditors | 78.738 | 38.088 | 22.282 | 3.360 |
| Amounts due to related parties (Note 28) | 32.139 | 23.733 | 65.545 | 50.219 |
| Winnings | 20.528 | 19.674 | 0 | 0 |
| Other Payables (1) | 38.935 | 44.426 | 5.293 | 7.312 |
| Taxes | 10.685 | 10.901 | 1.937 | 2.314 |
| Dividends payable | 416 | 118 | 85 | 113 |
| | **181.441** | **136.940** | **95.142** | **63.318** |

(1) There are included financial derivatives with total value on 31/12/2013 € 1.061 thousand (31/12/2012 € 1.843 thousand) for the Group and on 31/12/2013 € 165 thousand (31/12/2012 € 1.593 thousand) for the Company.

The above amounts are non-interest bearing.

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| **PAYABLES** | | | | |
| Trade payables | 78.738 | 38.088 | 22.282 | 3.360 |
| Payable to related parties (note 28) | 32.171 | 23.776 | 65.545 | 50.219 |
| Other payables | 82.656 | 96.850 | 7.315 | 9.739 |
| **Total** | **193.565** | **158.714** | **95.142** | **63.318** |
| **MATURITY INFORMATION** | | | | |
| 0-3 months | 69.311 | 62.242 | 3.942 | 8.909 |
| 3-12 months | 112.130 | 74.698 | 91.200 | 54.409 |
| More than 1 year | 12.124 | 21.774 | 0 | 0 |
| **Total** | **193.565** | **158.714** | **95.142** | **63.318** |

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

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Loan in EURO* | 155.515 | 168.565 | 9.432 | 204.384 |
| Loan in USD* | 5.436 | 12.110 | 0 | 0 |
| Loan in PEN | 1.489 | 227 | 0 | 0 |
| Loan in PLN | 1.740 | 1.555 | 0 | 0 |
| Loan in ARS | 4 | 0 | 0 | 0 |
| Loan in JMD | 971 | 1.171 | 0 | 0 |
| Loan in BRL | 425 | 57 | 0 | 0 |
| Loan in TRY | 50 | 0 | 0 | 0 |
| | **165.630** | **183.685** | **9.432** | **204.384** |
| Leasing in EURO | 9.452 | 7 | 0 | 0 |
| Leasing in USD | 1.833 | 2.133 | 0 | 0 |
| Leasing in AUD | 0 | 58 | 0 | 0 |
| Leasing in BRL | 5 | 0 | 0 | 0 |
| | **11.290** | **2.198** | **0** | **0** |
| **Total** | **176.920** | **185.883** | **9.432** | **204.384** |

* includes loans from related parties amounting to €247 thousand for the Group and €9.432 for the company (note 28).

## 27. Contingent Receivables, Liabilities and Commitments

### A. LEGAL ISSUES PENDING

a. On 5th September 2005 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. The Legal Department of the Company considers that, following the hearing of the case, the above-mentioned action would not be successful.

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. and INTRALOT INTERNATIONAL LTD proceeded to an additional joint intervention in favour of OPAP S.A.; this was scheduled for hearing on 3rd May 2007 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 on 28/6/2006 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 which vindicated the defendants and dismissed the lawsuit with its decision no. 5189/2012. For the above case a provision had been made which has been reversed. No application for cassation has been served to the company until now.

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 18th 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 was 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 9th 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 8th March 2007 before the Multi Member Athens First Instance Court. 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. 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 decision no.

5724/2012 of the Athens Multi Member Court of First Instance was issued which dismissed the lawsuit. No appeal has been served to the company until now.

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 for 6th March 2014 when it was postponed for 10 November 2016.

f. The Company and its subsidiary "Intralot International Limited" and Mr. Socratis P. Kokkalis, filed before the Athens Multi Member First Instance Court their lawsuit dated 1st November 2012 against the company "Glory Technology Limited" having its registered offices in Cyprus and Mr. Athanassios K. Ktorides, resident of Cyprus, requesting to compel the defendants to pay, jointly and severally, because of slander and their unfair competitive behaviour:

- to the first plaintiff (Intralot) the amount of € 72.860.479,78 (including monetary compensation for moral damages amounting to € 25.000.000) with the legal interest as from the service of the lawsuit
- to the second plaintiff (Intralot International Limited) the amount of € 5.019.081,67 (including monetary compensation for moral damages amounting to € 5.000.000) with the legal interest as from the service of the lawsuit; and
- to the third plaintiff (Mr. Socratis P. Kokkalis) the amount of € 50.424.019,73 (including monetary compensation for moral damages amounting to €25.000.000) with the legal interest as from the service of the lawsuit.

The Athens Multi Member First Instance Court issued its decision partially accepting the lawsuit; "Glory Technology Limited" is obliged to pay €50.000 to the first plaintiff, €25.000 to the second plaintiff and € 25.000 to the third plaintiff. No legal means have been filed against this decision.

On the other hand, the company "Glory Technology Limited" and Mr. Athanassios K. Ktorides filed before the same court their lawsuit dated 19 March 2013 claiming that with the filing of the abovementioned lawsuit (from which unfair competitive behaviour results, as they allege) moral damage was caused to them. With their lawsuit, the plaintiffs were requesting from the court to compel the Company, "Intralot International Limited" and Mr. Socratis Kokkalis to pay jointly and severally monetary compensation for moral damages amounting to € 25.000.000 to each of the plaintiffs. The hearing of the case had been scheduled for 16th October 2013. On 23rd September 2013, the plaintiffs withdrew from the action.

g. 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 at the end of the contract. The decision issued in 2007 by the First Instance Court of Ankara vindicated Inteltek. GSGM filed an appeal which was rejected by the court. GSGM filed an appeal against this decision which was rejected and the decision was finalized.

Inteltek had made a provision of TRY 3,3 million (€ 1,1 m) plus TRY 1,89 million (€638 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 (€ 790k) (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 19th 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 favour 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 Supreme Court vindicated Inteltek and GSGM requested the correction of the decision. Inteltek requested the receivable from GSGM and GSGM paid the amount subject to the lawsuit on 13/12/2012 ie TL 5.797.372,24 (€1.958.241). The Supreme Court rejected the application for the correction of the decision and the decision was finalized.

h. In Turkey, GSGM filed before the Ankara Tax Court a lawsuit against the local Tax Authority requesting the annulment of a penalty amounting to TRY 5.075.465 (€1.714.395) imposed on GSGM, since the Tax Authority considers that stamp duty should have been paid by GSGM also for the second copy of the contract dated 29th 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 favour 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. 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.

i. In Turkey, INTRALOT filed on 21st 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 (€477.960) 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.

g. 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 favour of Etesa the amount of 23,6 billion Colombian pesos (€8,9m). 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 which was rejected. The Company has created relative provision in its financial statements part of which (€2,9m) has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos.

k. 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 was rejected. The abovementioned companies further filed a recourse before the Supreme Court which was heard and rejected. To date, no enforcement procedure has been commenced. If an enforcement procedure commences, the abovementioned companies will examine the possibility of filing further legal means at the enforcement procedure.

l. Mr. Petre Ion filed in Romania a lawsuit against Intralot Holdings International Ltd and LOTROM requesting to issue a decision to replace the share purchase contract of its shares in LOTROM SA for €2.500.000 (for which he had filed the above lawsuit) and to oblige Intralot Holdings International Ltd a) to pay the amount of €400.000 as tax on the above price, b) to sign on the shareholders book for the transfer of the shares, c) to pay the price of the transfer and the legal costs. The first instance court rejected Mr. Petre Ion’s lawsuit. Until now, no appeal against this decision has been served.

m. On 24 April 2013 the Company was notified of the existence of a research conducted by the Competition Board of Romania in relation to the contract signed in 2003 with Compania Nationala Loteria Romana regarding the Videolotto program. The Competition Board of Romania imposed a fine to the Company amounting to 5.541.874 ROL (€1.239.516) and to the subsidiary LOTROM to 512.469 ROL (€114.621). The Company indents to file legal means against the respective decision.

n. 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 which was rejected and an appeal was filed against the respective decision which is pending. In relation to all remaining shops a second instance decision of the Ministry of Finance was issued revoking their licenses. The company has filed recourses before Administrative Courts; two of them have been rejected and appeals have been filed against the respective decisions, while the hearing of the remaining recourses is pending. The company's management and its legal advisors estimate that the outcome of the recourse to the Administrative Courts will be finally positive. Since December 2012, new licenses have already been issued by virtue of which the subsidiary "Totolotek Totomix SA" operates and, therefore, the abovementioned cases will not affect its activities.

o. 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. 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. Intralot agrees with SVL's opinion 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.

p. 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 labour relationship amounting to appox. € 240.000 and from a services agreement calculated as a percentage 4% on the turnover of the subsidiary. On August 23rd, 2013, the decision of the local court was issued dismissing the lawsuit; until now, no appeal against this decision has been served to the company.

q. In Australia, the company Bytecraft Systems Pty Ltd is alleging with a lawsuit filed that it has a claim against the subsidiary company Intralot Gaming Services Pty amounting to 550k Australian dollars (€357k) for services relating to cabling of venues where VLTs are installed, in the frame of a subcontracting assigned by Intralot Gaming Services Pty to Bytecraft Systems Pty Ltd during implementation of the project of the VLTs' monitoring system. No hearing date has been scheduled, while an attempt to amicably settle the dispute has started and will continue.

r. On 30 July 2012, Intralot filed before the Athens Multi Member Court of First Instance a lawsuit against the company "Hellenic Organization of Horse Racing S.A." (ODIE) requesting the payment of the amount of 2.781.381,15€ relating to system maintenance services provided but not paid. The hearing date is 3rd December 2014.

Moreover, Intralot filed a recourse to the arbitration panel on 13 August 2012 against the same company ODIE requesting the payment of the amount of 9.551.527,34€ relating to operational services of integrated system provided but not paid. The arbitration was concluded on 1st March 2013 and the arbitration decision no 27/2013 was issued vindicating Intralot and compelling ODIE to pay to Intralot the total amount requested (9.551.527,34€). In order to secure its claims, Intralot:

a) by virtue of the above arbitration decision, has already recorded on the mortgage books of the Land Registry Office of Kropia a mortgage on a land property of ODIE and specifically on the property where the Horse Racetrack of Athens in Markopoulo Attica is operating, and on the buildings thereupon, for an amount of 11.440.655,35 €;
b) by virtue of the decision no 2209/2014 of the Athens Single Member Court of First Instance, has already recorded on the mortgage books of the Land Registry Office of Kropia, a note of mortgage on the same real estate of ODIE for an amount of 9.481.486,11€.
c) has already started the procedure of compulsory execution against ODIE in order to execute its claims.

Furthermore, on 20 March 2014, Intralot filed before the Athens Multi Member Court of First Instance a lawsuit against ODIE requesting the payment of the amount of 8.043.568,69€ which is owed to it pursuant to the "Agreement of Maintenance and Operation of the System of the Mutual Betting on Horse Races of ODIE" dated 6 March 2012. The hearing date is 17th February 2016.
Besides the above, Intralot will take any further steps to defend its interests including, among others, through the application of the results of the notice of termination of the above agreement which is dated 12 February 2014 and was served to ODIE if the latter do not cure the reason of the termination.

s) In Italy, the company Stanley International Betting Ltd filed a recourse before the administrative courts of Lazio against the State Autonomous Administrative Monopolies (AAMS) and eventually against all companies to which licenses for conducting betting activities have been granted, including the subsidiary Intralot Italia SpA, requesting the annulment of the legislative decree of 2012 which provided for the granting of licenses for betting activities for three years, the annulment of the tenders conducted in 1999 and 2006 and the betting licenses granted pursuant to them for twelve and nine years respectively.
The hearing of the case was made on 5 February 2014 and the court decided to suspend the issue of the decision until the European Court of Justice responds on some preliminary queries which have been set by the court of second instance relating to a recourse of Stanley International Betting Ltd against AAMS and the companies SNAI S.p.A. and Intralot Italia S.p.A. which was rejected at the first instance and was related, among others, to the legality of the participation of Stanley International Betting Ltd to the tenders of 1999 and 2006. The local legal advisors of Intralot Italia S.p.A. opine that the above recourse will not succeed.

Until 21 March 2014, 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. UNAUDITED TAX YEARS

| COMPANY | FISCAL YEARS |
|---|---|
| INTRALOT S.A. | 2012-2013 |
| BETTING COMPANY S.A. | 2007-2010 & 2013 |
| BETTING CYPRUS LTD | 2004-2013 |
| INTRALOT DE CHILE S.A. | 2008-2010 & 2012-2013 |
| INTRALOT DE PERU SAC | 2009 & 2011-13 |
| INTRALOT INC. | 2010-2013 |
| INTRALOT BETTING OPERATIONS (CYPRUS) LTD | 2003-2013 |
| ROYAL HIGHGATE LTD | 2006-2013 |
| POLLOT Sp.Zoo | 2010-2013 |
| MALTCO LOTTERIES LTD | 2004-2013 |
| INTRALOT HOLDINGS INTERNATIONAL LTD | 2004-2013 |
| LOTROM S.A. | 2010-2013 |
| BILOT EOOD | 2009-2013 |
| EUROFOOTBALL LTD | 2009-2013 |
| EUROFOOTBALL PRINT LTD | 2009-2013 |
| INTRALOT INTERNATIONAL LTD | 2010-2013 |
| INTRALOT OPERATIONS LTD | 2010-2013 |
| INTRALOT BUSINESS DEVELOPMENT LTD | 2010-2013 |
| INTRALOT TECHNOLOGIES LTD | 2003-2013 |
| INTELTEK INTERNET AS | 2009-2013 |
| LOTERIA MOLDOVEI S.A. | 1/10/2009-2013 |
| TOTOLOTEK S.A. | 2007-2013 |
| WHITE EAGLE INVESTMENTS LTD | 2012-2013 |
| BETA RIAL Sp.Zoo | 2007-2013 |
| UNICLIC LTD | 2004-2013 |
| DOWA LTD | 2004-2013 |
| INTRALOT NEW ZEALAND LTD | 2010-2013 |
| INTRALOT ST.LUCIA LTD | 2008-2013 |
| INTRALOT DOMINICANA S.A. | 2009-2013 |
| INTRALOT GUATEMALA S.A. | 2009-2013 |
| LOTTERIA Y APUESTOSA DE GUATEMALA S.A. | 2009-2013 |
| INTRALOT LATIN AMERICA INC | 2008-2013 |
| INTRALOT JAMAICA LTD | 2008-2013 |
| INTRALOT NEDERLAND BV | 2011-2013 |
| INTRALOT CARIBBEAN VENTURES LTD | 2010-2013 |
| INTRALOT SURINAME LTD | 2009-2013 |
| SUPREME VENTURES LTD | 2008-2013 |
| DC09 LLC | 2010-2013 |
| KELICOM HOLDINGS CO LTD | 2008-2013 |
| DINET ZAO | 2010-2013 |
| INTRALOT DE COLOMBIA (BRANCH) | 2008-2013 |
| INTRALOT HONG-KONG HOLDINGS LIMITED | 2013 |
| INTRALOT FRANCE SAS | 2010-2013 |
| INTRALOT CZECH S.R.O. | 2011-2013 |
| INTRALOT GERMANY GMBH | 2012-2013 |
| GAIN ADVANCE GROUP LTD | - |
| INTRALOT GAMING MACHINES SpA | 2013 |
| CARIBBEAN VLT SERVICES LTD | 2012-2013 |
| INTRALOT INVESTMENTS LTD | 2012-2013 |
| DEEPSTACK CASINO LLC | 2012-2013 |
| INTRALOT HOLDINGS LUXEMBOURG S.A. | 2012-2013 |
| INTRALOT GLOBAL HOLDINGS B.V. | 2013 |
| INTRALOT FINANCE LUXEMBOURG S.A. | 2013 |
| GOREWARD LTD | - |
| WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD | 2013 |

| COMPANY | FISCAL YEARS |
|---|---|
| INTRALOT EGYPT LTD | 2008-2013 |
| E.C.E.S. SAE | 2007-2013 |
| INTRALOT OOO | 2011-2013 |
| POLDIN LTD | 2007-2013 |
| INTRALOT ASIA PACIFIC LTD | 2006-2013 |
| INTRALOT AUSTRALIA PTY LTD | 2010-2013 |
| INTRALOT SOUTH AFRICA LTD | 2005-2013 |
| INTRALOT LUXEMBOURG S.A. | 2010-2013 |
| INTRALOT ITALIA S.p.A. | 2008-09 & 2011-13 |
| INTRALOT FINANCE UK PLC | 2012-2013 |
| INTRALOT IBERIA SAU | 2010-2013 |
| INTRALOT IBERIA HOLDINGS S.A. | 2010-2012 |
| TECNO ACCION S.A. | 2009-2013 |
| GAMING SOLUTIONS INTERNATIONAL SAC | 2009-2013 |
| GAMING SOLUTIONS INTERNATIONAL LTD | 2009-2013 |
| INTRALOT BEIJING Co LTD | 2007-2013 |
| NAFIROL S.A. | - |
| INTRALOT ARGENTINA S.A. | 2009-2013 |
| LEBANESE GAMES S.A.L | - |
| VENETA SERVIZI S.R.L. | 2007-2013 |
| INTRALOT SOUTH KOREA S.A. | 2007-2013 |
| SERVICIOS TRANSDATA S.A. | 2009-2013 |
| SLOVENSKE LOTERIE AS | 2009-2013 |
| TORSYS S.R.O. | 2009-2012 |
| INTRALOT DO BRAZIL LTDA | 2008-2013 |
| OLTP LTDA | 2010-2013 |
| BILYONER INTERAKTIF HIZMELTER AS | 2009-10 & 2012-2013 |
| LOTRICH INFORMATION Co. LTD | 2013 |
| GIDANI LTD | 2008-2013 |
| INTRALOT INTERACTIVE S.A. | 2010 & 2013 |
| INTRALOT INTERACTIVE USA LLC | 2010-2013 |
| JACKPOT S.p.A. | 2010-2013 |
| NIKANTRO HOLDINGS CO LTD | 2009-2013 |
| TACTUS S.R.O. | 2009-2013 |
| ATROPOS S.A. | 2009-2013 |
| NETMAN SRL | 2010-2013 |
| AZERINTELTEK AS | 2011-2013 |
| INTRALOT TURKEY AS | 2009-2013 |
| INTRALOT MAROC S.A. | 2010-2013 |
| INTRALOT MINAS GERAIS LTDA | 2010-2012 |
| PROMARTA OOO | 2010-2013 |
| FAVORIT BOOKMAKERS OFFICE OOO | 2012-2013 |
| INTRALOT DE MEXICO LTD | 2006-2013 |
| INTRALOT DISTRIBUTION OOO | 2011-2013 |
| INTRALOT GAMING SERVICES PTY | 2010-2013 |
| KTEMS HOLDINGS CO LTD | 2005-2013 |
| INTRALOT BETTING OPERATIONS RUSSIA LTD | 2011-2013 |
| NANUM LOTTO LTD | 2007-2013 |
| INTRALOT LOTTERIES LTD | 2011-2013 |
| PRECIOUS SUCCESS LTD GROUP | - |
| INTRALOT GLOBAL SECURITIES B.V. | 2013 |
| INTRALOT LEASING NEDERLAND B.V. | 2013 |
| INTRALOT CYPRUS GLOBAL ASSETS LTD | 2012-2013 |
| OASIS RICH INTERNATIONAL LTD | - |

There is a tax audit in progress in Servicios Transdata S.A. for the year 2012, in Intralot Italia S.p.A for the years 2008-2009, in Intralot de Peru SAC for the year 2011-2012, in Azerinteltek for the years 2011-2013, in Australia Pty Ltd and Intralot Gaming Services Pty for the years 2010-2012, in Wusheng Computer Technology (Shanghai) Co Ltd for the year 2013, in Loteria Moldovei SA for the period 30/9/2009-31/1/2014, in Intralot de Colombia for the year 2008 and in Royal Highgate Ltd for the years 2007-2011. In Jackpot S.p.A the tax audit for the years 01/01/2010-08/03/2012 has been completed but the company has not been notified up to now for the results of this audit. In Intralot De Peru SAC the tax audit for the year 2010 has been completed, in Intralot Hong-Kong Holdings Ltd for the years 2011-2012, in Lotrich Information Co Ltd for the years 2011-2012, in Intralot Italia S.p.A. for the year 2010, in Intralot de Chile S.A. for the year 2011 and in Bilyoner AS for the year 2011. Also, in Servicios Transdata S.A. the tax audit for the income tax as for the year 2008 and for VAT as for the period 1/12008-30/6/2009 has been completed imposing additional taxes and fines amounting to € 3,4 εκατ. The company has started an objection according to the relevant law for the cancellation of imposed taxes and fines. The company's legal consultants believe that the most possible outcome of the case will be positive. In 2011, in Lotrom S.A. the tax inspection for the years 1/1/2004-2009 has been completed with an effect in the company's 2011 results of €1,3 mio, in addition to imposing taxes of €1,1 mio due to a different estimation of the tax base recognition of some transnational transactions, which were offset during 2011-2012 with tax receivables after a relevant audit. In addition, there were penalties of € 1 mio that have already been paid during 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 the cancellation of taxes imposed and the payback of the fines. So far the Court of Appeal quashed the decisions of the tax authorities, who appealed to the Supreme Court. The tax inspection in Lotrom S.A., covering the period 01/01/2010-30/11/2011 regarding VAT has been completed and in Intralot Jamaica Ltd for the years 2011 - 2012 regarding PAYE tax. Moreover, in Intralot S.A. the tax audit for the year 2011 has been completed imposing taxes on accounting differences plus surcharges amounting to € 3,9 million. The Company has filed administrative appeals against the relevant control sheets. The company's management and its legal advisors estimate that the appeals will thrive finally for the most part. The company has formed sufficient provisions. 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 2012 from an audit company based on POL.1159/22.7.2011.

## C. COMMITMENTS

### (i) Operating lease payment commitments:

At 31st December 2013 within the Group there had been various operating lease agreements relating to rental of buildings and motor vehicles. Rental costs have been included in the income statement for the year ended 31st December 2013.

Future minimum lease payments of non-cancelable lease contracts as at 31st December 2013 are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| Within 1 year | 10.027 | 9.356 | 2.046 | 1.943 |
| Between 2 and 5 years | 30.507 | 32.335 | 7.011 | 7.273 |
| Over 5 years | 4.850 | 9.537 | 3.442 | 4.876 |
| **Total** | 45.384 | 51.228 | 12.499 | 14.092 |

**(ii) Guarantees:**

The Company and the Group at 31st December 2013 had the following contingent liabilities from guarantees for:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2013 | 31/12/2012 | 31/12/2013 | 31/12/2012 |
| Guarantees to third parties on behalf of subsidiaries | 0 | 0 | 280.265 | 258.046 |
| Bank guarantee letters | 165.382 | 148.357 | 70.148 | 82.357 |
| Other guarantees | 0 | 9.300 | 0 | 9.300 |
| | **165.382** | **157.657** | **350.413** | **349.703** |

**(iii) Financial lease payment commitments:**

| **GROUP** | **Minimum of the lease payments** | **Present value of the minimum lease payments** | **Minimum of the lease payments** | **Present value of the minimum lease payments** |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2013** | **31/12/2012** | **31/12/2012** |
| Within one year | 13.002 | 11.290 | 2.488 | 2.199 |
| After one year but not more than five years | 20.503 | 19.243 | 5.696 | 5.360 |
| After more than five years | 0 | 0 | 0 | 0 |
| Minus: Interest | -2.972 | 0 | -625 | 0 |
| Total | **30.533** | **30.533** | **7.559** | **7.559** |

| **COMPANY** | **Minimum of the lease payments** | **Present value of the minimum lease payments** | **Minimum of the lease payments** | **Present value of the minimum lease payments** |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2013** | **31/12/2012** | **31/12/2012** |
| Within one year | 0 | 0 | 0 | 0 |
| After one year but not more than five years | 0 | 0 | 0 | 0 |
| After more than five years | 0 | 0 | 0 | 0 |
| Minus: Interest | 0 | 0 | 0 | 0 |
| Total | **0** | **0** | **0** | **0** |

## 28. Related Parties Disclosures

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

Below there is a summary presentation of the transactions and balances with the related parties for the year 2013:

| Amounts in thousand € | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| a) Sales of goods and services | | | | |
| -to Subsidiaries | 0 | 0 | 36.627 | 54.305 |
| -to Associates | 20.522 | 4.460 | 16.590 | 6.754 |
| -to Other Related parties | 5.430 | 4.845 | 5.324 | 4.577 |
| b) Purchases of goods and services | | | | |
| -from Subsidiaries | 0 | 0 | 20.103 | 16.224 |
| -from Associates | -610 | 19 | -610 | 19 |
| -from Other Related parties | 20.932 | 23.251 | 17.528 | 19.504 |
| c) Receivables (1) | | | | |
| -from Subsidiaries | 0 | 0 | 141.534 | 169.809 |
| -from Associates | 19.890 | 903 | 14.440 | 893 |
| -from Other Related parties | 21.907 | 17.296 | 17.072 | 9.924 |
| d) Liabilities (2) | | | | |
| -to Subsidiaries | 0 | 0 | 267.803 | 27.872 |
| -to Associates | 0 | 6 | 0 | 6 |
| -to Other Related Parties | 33.423 | 25.046 | 29.734 | 21.781 |
| e) Transactions and fees of key management personnel | 10.769 | 9.671 | 5.715 | 5.075 |
| f) Receivables from key management personnel | 585 | 589 | 0 | 0 |
| g) Payables to key management personnel | 826 | 894 | 482 | 560 |
| (1)The respective amounts analysed as follows: | | | | |
| Total due from related parties | 42.382 | 18.788 | 173.046 | 180.626 |
| (less) long term portion (Note 16) | 4.123 | 4.391 | 0 | 0 |
| Short term from related parties (Note 18) | 38.259 | 14.397 | 173.046 | 180.626 |
| (2)The respective amounts analysed as follows: | | | | |
| Total due to related parties | 34.249 | 25.946 | 298.019 | 50.219 |
| (less) long term loans | 1.831 | 1.914 | 223.042 | 0 |
| (less) long term liabilities (Note 24) | 32 | 43 | 0 | 0 |
| Short term to related parties (Note 25 & 26) | 32.386 | 23.989 | 74.977 | 50.219 |

Sales of goods and services to related companies are at normal market prices. The outstanding balances at the end of the year are not secured and their settlement is made in cash. No guarantees are provided or taken for the above receivable. For the year ended 31 December 2013, the Company has raised a provision of €39,5 mil. that relates to provision for doubtful debts of receivables from subsidiaries and has been recognized in the statement of comprehensive income of the year. The cumulative provisions for 31/12/2013 amount to €82,8 million.

### 29. Fair Value Estimation

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

The levels of fair value are the following:

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

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

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

| **GROUP** | **Fair Value 31/12/2013** | **Fair Value Hierarchy** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets** | | | | |
| Other financial assets | 10.965 | 6.963 | 0 | 4.002 |
| Derivative financial instruments | 0 | 0 | 0 | 0 |
| **Financial Liabilities** | | | | |
| Derivative financial instruments | 1.061 | 0 | 1.061 | 0 |

| **COMPANY** | **Fair Value 31/12/2013** | **Fair Value Hierarchy** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets** | | | | |
| Other financial assets | 441 | 43 | 0 | 398 |
| Derivative financial instruments | 0 | 0 | 0 | 0 |
| **Financial Liabilities** | | | | |
| Derivative financial instruments | 165 | 0 | 165 | 0 |

During 2013 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

| **GROUP** | **Fair Value 31/12/2012** | **Fair Value Hierarchy** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets** | | | | |
| Other financial assets | 9.619 | 4.809 | 168 | 4.642 |
| Derivative financial instruments | 0 | 0 | 0 | 0 |
| **Financial Liabilities** | | | | |
| Derivative financial instruments | 6.559 | 0 | 6.559 | 0 |

| **COMPANY** | **Fair Value 31/12/2012** | **Fair Value Hierarchy** | | |
|---|---|---|---|---|
| | | **Level 1** | **Level 2** | **Level 3** |
| **Financial Assets** | | | | |
| Other financial assets | 1.547 | 840 | 0 | 707 |
| Derivative financial instruments | 0 | 0 | 0 | 0 |
| **Financial Liabilities** | | | | |
| Derivative financial instruments | 1.593 | 0 | 1.593 | 0 |

During 2012 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

### 30. Financial risk management

**Description of significant risks and uncertainties**

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

**Credit risk**

The Group does not have significant credit risk concentration because of the wide dispersion of its customers and the fact that credit limits are set through signed contracts. The maximum exposure of credit risk amounts to the aggregate values presented in the balance sheet. In order to minimize the potential credit risk exposure arising from cash and cash equivalents, the Group sets limits regarding the amount of credit exposure to any financial institution. Moreover, in order to secure its transactions even more, the Group adopted an internal rating system, regarding credit rating evaluation, using the relevant financial indices.

**Liquidity risk**

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

**Market Risk**

**1) Foreign Exchange risk**

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

**Sensitivity Analysis in Currency movements (amounts of the period 1/1 – 31/12/2013)**

| Foreign Currency | Currency Movement | Effect in Earnings before taxes ('000 €) | Effect in Equity ('000 €) |
|---|---|---|---|
| USD: | 5% | -296 | 2.474 |
| | -5% | 268 | -2.239 |
| TRY: | 5% | 1.633 | 1.875 |
| | -5% | -1.478 | -1.696 |
| PEN: | 5% | -105 | 111 |
| | -5% | 95 | -101 |
| BRL: | 5% | -314 | -204 |
| | -5% | 284 | 184 |
| JMD: | 5% | 304 | 1.085 |
| | -5% | -275 | -982 |
| ARS: | 5% | 636 | -70 |
| | -5% | -576 | 63 |
| RON: | 5% | 11 | 921 |
| | -5% | -10 | -833 |

**Sensitivity Analysis in Currency movements (amounts of the period 1/1 – 31/12/2012)**

| Foreign Currency | Currency Movement | Effect in Earnings before taxes ('000 €) | Effect in Equity ('000 €) |
|---|---|---|---|
| USD: | 5% | -245 | 2.995 |
| | -5% | 221 | -2.710 |
| TRY: | 5% | 1.527 | 1.497 |
| | -5% | -1.381 | -1.354 |
| PEN: | 5% | 321 | -67 |
| | -5% | -290 | 61 |
| BRL: | 5% | -279 | -11 |
| | -5% | 253 | 10 |
| JMD: | 5% | 685 | 1.098 |
| | -5% | -620 | -994 |
| ARS: | 5% | 564 | 160 |
| | -5% | -510 | -145 |
| RON: | 5% | 40 | 899 |
| | -5% | -36 | -813 |

**2) Interest rate risk**

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

**Sensitivity Analysis of Group Loans in interest rate risk**

| Year 2013 | | Change in interest rate | Effect on profit before tax |
|---|---|---|---|
| | Euribor 1M | +/- 1% | 1.260 |
| | Euribor 3M | +/- 1% | 425 |

| Year 2012 | | Change in interest rate | Effect on profit before tax |
|---|---|---|---|
| | Euribor 1M | +/- 1% | 2.600 |
| | Euribor 3M | +/- 1% | 625 |
| | Euribor 6M | +/- 1% | 159 |

**DERIVATIVES**

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

**Interest Rate Hedge:**

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

**Interest Rate and foreign exchange Hedge:**

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

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

The Group from the fair value revaluation on 31/12/2013 of the above mentioned derivatives and the settlement of derivative instruments that had in its possession from 2012, recognized a gain of € 3,27 million (including deferred tax) in equity and a loss of €3,76 million in income statement.

**CAPITAL MANAGEMENT**

The Group aims through capital management to ensure the smooth functioning ability of the Group in the future, shareholders value maximization and maintaining the appropriate capital structure in terms of capital costs.

The Group monitors its capital adequacy based on the ratio of net debt to EBITDA. Net debt includes borrowings and finance lease liabilities minus cash and cash equivalents.

| | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Long term loans (note 21) | 352.146 | 329.730 | 223.042 | 55.000 |
| Long term finance lease liabilities | 19.243 | 5.361 | 0 | 0 |
| Short term loans (note 26) | 165.630 | 183.685 | 9.432 | 204.384 |
| Short term finance liabilities | 11.290 | 2.198 | 0 | 0 |
| **Total Debt** | **548.309** | **520.974** | **232.474** | **259.384** |
| Minus: Cash and cash equivalents | -143.334 | -134.973 | -5.131 | -5.254 |
| **Net Debt** | **404.975** | **386.001** | **227.343** | **254.130** |
| **EBITDA** | **194.831** | **177.536** | **23.141** | **21.873** |
| **Leverage ratio** | **2,08** | **2,17** | **9,82** | **11,62** |

## 31. Other short and long term provisions

The Group's provisions in 31/12/2013 that refer to legal issues amount to € 6,1 million, to unaudited tax periods and tax audit expenses amount to €3,9 million and € 10,9 million refer to other provisions. The respective amounts for the Company amount to € 6,1 million (legal issues), € 3,3 million (provisions for unaudited tax periods and tax audit expenses from chartered auditors) and € 7 million (other provisions).

Moreover, in the statement of comprehensive income of the Group is included an amount of € 2,8 million, which refers to an estimate for impairment of tangible and intangible assets and amount € 11,4 million which refers to receivable bad debts from third parties. Respectively, in the Company's statement of comprehensive income is included an amount of € 39,5 million that concerns estimate for impaired recoverable value of receivables from subsidiaries and € 2 million from third parties.

**32. Comparatives**

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

**33. Debit / Credit Interest -Contiguous Expense /Income**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31/12/2013** | **31/12/2012** | **31/12/2013** | **31/12/2012** |
| Interest Expense | -38.626 | -17.841 | -17.285 | -13.216 |
| Losses on investments | -2.436 | -1.930 | -347 | -252 |
| Losses on derivatives | -5.346 | -3.447 | -3.102 | -1.502 |
| Finance costs | -11.422 | -18.587 | -3.931 | -9.319 |
| Discounting | -68 | -1.479 | 0 | 0 |
| **Finance Expense** | **-57.898** | **-43.284** | **-24.665** | **-24.289** |
| Interest Income | 10.198 | 12.578 | 5.495 | 5.429 |
| Gains on investments | 14.370 | 7.133 | 11.315 | 596 |
| Gains on derivatives | 85 | 375 | 85 | 374 |
| Dividends | 459 | 2.250 | 7.356 | 19.131 |
| Discounting | 121 | 148 | 0 | 0 |
| **Finance Income** | **25.233** | **22.484** | **24.251** | **25.530** |
| **Net Finance income/expense** | **-32.665** | **-20.800** | **-414** | **1.241** |

**34. Subsequent events**

In January 2014, INTRALOT announced its new organizational structure as well as the members of the Executive Committee, who will report directly to the Group CEO, Mr. Constantinos Antonopoulos. The new structure of the organization reflects the growing global footprint of Intralot, the need to better serve the customers, satisfy their fast evolving needs, optimize its operations, enhance the offering of top-quality and innovative products and services, and increase shareholder value. The new organization was the outcome of a thorough strategic and organization study conducted in collaboration with the global management consultants The Boston Consulting Group - BCG. The company will be organized around three distinct divisions - Products & Services, Global Operations & Sales and Technology.

The new management Executive Committee appointments are the following:

• Mr. Socrates S. Kokkalis is appointed Group Deputy Chief Executive Officer

• Mr. Ioannis Pantoleon is appointed Group Chief Operating Officer, for all Global Operations and Sales

• Mr. George Zenzefilis is appointed Group Chief Products & Services Officer

• Mr. Konstantinos Farris is appointed Group Chief Technology Officer

• Mr. Athanasios Chronas is appointed Group Chief Legal & Compliance Counsel

• Mr. Antonios Kerastaris (presently Chief Executive Officer of Hellas Online) is appointed Group Chief Financial Officer

• Mr. Nikos Nikolakopoulos is appointed President Latin America, Western Europe & Africa, reporting to the Group COO.

In February 2014, after a smooth conversion to INTRALOT's systems and six years of successful operations in New Mexico, INTRALOT USA was awarded an extension of its contract by the New Mexico Lottery Board for the provision of the on-line Lottery Gaming System and related products and services. The new amendment extends the current seven (7) year contract, for three (3) additional years from 2015 until 2018.

In February 2014, INTRALOT S.A. announced the extension of its agreement with Hrvatska Lutrija d.o.o, the Croatian State Lottery, for the supply and maintenance of an extensive portfolio of interactive instant and scratch games, following a public procurement procedure. The extension contract will have a duration of one (1) year and may be re-extended for consecutive one-year periods.

In March 2014 INTRALOT selected by Premier Lotteries Ireland Limited (PLI), as its technology provider for the supply, set up, maintenance and support of new lottery software platforms and terminals in Ireland. Premier Lotteries Ireland is a company that has been awarded a 20 year licence to operate the Irish National Lottery that recorded revenues of €735m in 2012. Within the framework of the 10-year contract, INTRALOT will provide its state-of-the-art LOTOS™ O/S On-line Gaming Computer System for the operation and administration of Lottery and instant games over both the retail POS network, as well as the Internet and mobile channels. The technology suite will also include INTRALOT's CRM solution and LOTOS™ Horizon content management software platform. In addition, INTRALOT will supply PLI with more than 4,000 of its sophisticated Photon terminals that are based on INTRALOT's cutting-edge Icon Digital Imaging Technology. Aiming to offer the most efficient on-site support, INTRALOT has set-up INTRALOT Ireland that will be responsible for the implementation and configuration of these platforms, simultaneously offering a combination of high quality maintenance, support and repair services for the delivered software and terminals, as well as on-going consultancy services for the complete project term. Additional options from INTRALOT's product portfolio have also been made available to Premier Lotteries Ireland for the duration of the contract.

In March 2014, Intralot Finance UK Plc signed a supplemental agreement with a revised repayment schedule of the €42.5 Facility B (note 21).

Also in March 2014, Intralot Finance UK Plc engaged Alpha Bank and Societe Generale, to arrange a €200 million syndicated Term and Revolving Credit Facility. The facility will be structured with a 3 year tenor plus a one-year extension option at the discretion of the Lenders and will be used:

a) to refinance the existing €230 million Facility C (note 21) maturing in December 2014 and

b) for general corporate purposes.

**Maroussi, March 24th, 2014**

| THE CHAIRMAN OF THE BOARD OF DIRECTORS | THE VICE-CHAIRMAN OF THE BoD AND CEO |
| --- | --- |
| **S.P. KOKKALIS**<br>**ID. No. AI 091040** | **C.G. ANTONOPOULOS**<br>**ID. No. AI 025905** |
| **GROUP CHIEF FINANCIAL OFFICER** | **THE ACCOUNTING DIRECTOR** |
| **A.I. KERASTARIS**<br>**ID. No. AI 682788** | **N. G.PAVLAKIS**<br>**ID.No. AZ 012557**<br>**H.E.C. License No. 15230/ A' Class** |

**35. Information according to Article 10 L.3401/2005**

The following notifications sent to the Daily Official List of ASE, and are posted to the ASE's website (www.helex.gr) and also to our company's website (www.intralot.com):

| | |
|---|---|
| 16/1/2013 | INTRALOT ANNOUNCES SOUTH CAROLINA EDUCATION LOTTERY EXERCISES CONTRACT EXTENSION OPTION |
| 21/1/2013 | Press Release: Renewal of Betting License in Cyprus |
| 30/1/2013 | Press Release |
| 31/1/2013 | Press Release |
| 27/2/2013 | Press Release |
| 11/3/2013 | Press Release |
| 14/3/2013 | PRESS RELEASE |
| 15/3/2013 | Announcement |
| 19/3/2013 | Reply to letter of Capital Market Commission |
| 19/3/2013 | Press Release |
| 20/3/2013 | Press Release |
| 21/3/2013 | Press Release |
| 26/3/2013 | Press Release |
| 27/3/2013 | Reply to letter of Hellenic Capital Market Commission |
| 27/3/2013 | Financial Calendar for the year 2013 |
| 27/3/2013 | Conference Call Invitation for Thursday, 28th March 2013 |
| 28/3/2013 | Press Release (2012 Full Year Results) |
| 11/4/2013 | REPLY TO LETTER OF CAPITAL MARKET COMMISSION |
| 17/4/2013 | Press Release |
| 19/4/2013 | Reply to a letter of Capital Market Commission |
| 2/5/2013 | Invitation to the Ordinary General Meeting |
| 24/5/2013 | INTRALOT ANNOUNCES FIRST QUARTER 2013 FINANCIAL RESULTS |
| 27/5/2013 | Press Release (1Q 2013 financial results) |
| 28/5/2013 | Announcement |
| 28/5/2013 | Press Release (Shareholders' Annual General Meeting) |
| 29/5/2013 | Announcement of voting results |
| 29/5/2013 | Press Release |
| 30/5/2013 | Press Release |
| 4/6/2013 | Press Release |
| 17/6/2013 | Press Release |
| 17/6/2013 | Press Release |
| 18/6/2013 | Press Release |
| 19/6/2013 | Press Release |
| 25/6/2013 | Press Release |
| 25/6/2013 | Press Release |
| 26/6/2013 | Press Release |
| 1/7/2013 | Press Release |
| 2/7/2013 | Press Release |
| 5/7/2013 | INTRALOT SIGNS 5-YEAR IT CONTRACT WITH OPAP |
| 5/7/2013 | Press Release |
| 11/7/2013 | Press Release |
| 19/7/2013 | Press Release |
| 30/7/2013 | Press Release: 12-year concession for the Hellenic State Lotteries in Greece |
| 1/8/2013 | Press Release |
| 2/8/2013 | Announcement: INTRALOT announces pricing of €325 million Senior Notes |
| 5/8/2013 | PRESS RELEASE |
| 27/8/2013 | First Half 2013 Financial Results: Conference Call Invitation |
| 27/8/2013 | Announcement |
| 28/8/2013 | First Half 2013 Financial Results (Press Release) |
| 2/9/2013 | PRESS RELEASE |
| 4/9/2013 | Press Release |
| 9/9/2013 | Press Release |
| 11/9/2013 | Announcement |
| 13/9/2013 | Announcement |
| 19/9/2013 | PRESS RELEASE |
| 30/9/2013 | Press Release |
| 4/10/2013 | Notification according to Law 3556/2007 |
| 9/10/2013 | Notification according to Law 3556/2007 |

| | |
|---|---|
| 11/10/2013 | Announcement according to the Law 3556/2007 |
| 24/10/2013 | Press Release |
| 29/10/2013 | Press Release |
| 7/11/2013 | Press Release: 3rd Contract in Taiwan |
| 12/11/2013 | Notification according to Law 3556/2007 |
| 18/11/2013 | Reply to a letter of Capital Market Commission |
| 19/11/2013 | Press Release |
| 26/11/2013 | Press Release |
| 27/11/2013 | INTRALOT ANNOUNCES 9M2013 FINANCIAL RESULTS |
| 2/12/2013 | Press Release |
| 12/12/2013 | Press Release |

## 36. Summary Financial Information for the year January 1st to December 31st 2013

# INTRALOT S.A.

**INTEGRATED LOTTERY SYSTEMS AND SERVICES**

**Company's Number in the General Electronic Commercial Registry: 818201000 - (Public Companies (S.A.) Reg. No.: 27074/06/B/92/9)**
**Domicile: 64 Kifissias Av. & 3 Premetis Str., Maroussi 151 25**
**Financial data and information of Group and Company from 1 January to 31 December 2013**
**(Published in terms of article 135 of Law 2190, for Companies preparing annual consolidated and single financial statements in accordance with IAS/IFRS)**
**Amounts in thousands euro**

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

| | |
|---|---|
| **Regulatory Authority:** | **Ministry of Regional Development and Competitiveness (Societe Anonyme and Credit Division)** |
| **Web Site:** | **www.intralot.com** |
| **Financial Statements approval date :** | **March 24, 2014** |
| **Certified Auditor :** | **George A.Karamichalis (Reg.No/S.O.E.L 15931)**<br>**Georgios N. Deligiannis (Reg.No/S.O.E.L 15791)** |
| **Auditor Firm:** | **S.O.L S.A. (Reg.No /S.O.E.L. 125)**<br>**Grant Thornton (Reg. No/S.O.E.L. 127)** |
| **Type of Auditor's Report:** | **Unqualified** |

**Board of Directors:**

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

***Independent non-executive directors**

### 1. STATEMENT OF FINANCIAL POSITION GROUP / COMPANY

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2013 | 31.12.2012* | 31.12.2013 | 31.12.2012* |
| **ASSETS** | | | | |
| Tangible Fixed Assets | 199.418 | 240.693 | 7.381 | 15.507 |
| Intangible Assets | 353.346 | 363.824 | 65.977 | 50.602 |
| Other Non-Current Assets | 167.280 | 154.435 | 181.653 | 168.222 |
| Inventories | 48.331 | 43.533 | 37.353 | 31.060 |
| Trade accounts receivable | 223.461 | 177.445 | 166.298 | 195.145 |
| Other Current Assets | 143.334 | 134.973 | 5.131 | 5.254 |
| **TOTAL ASSETS** | **1.135.170** | **1.114.903** | **463.793** | **465.790** |
| **LIABILITIES AND EQUITY** | | | | |
| Share Capital | 47.689 | 47.689 | 47.689 | 47.689 |
| Other Equity Elements | 219.762 | 255.291 | 67.345 | 73.313 |
| **Shareholders Equity (a)** | 267.451 | 302.980 | 115.034 | 121.002 |
| Non-Controlling Interests (b) | 78.320 | 80.617 | 0 | 0 |
| **Total Shareholders Equity (c)=(a)+(b)** | 345.771 | 383.597 | 115.034 | 121.002 |
| Long-term Debt | 352.146 | 329.730 | 223.042 | 55.000 |
| Provisions / Other Long term Liabilities | 60.014 | 54.243 | 16.920 | 18.349 |
| Short-term Debt | 176.920 | 185.883 | 9.432 | 204.384 |
| Other Short-term Liabilities | 200.319 | 161.450 | 99.365 | 67.055 |
| **Total Liabilities (d)** | 789.399 | 731.306 | 348.759 | 344.788 |
| **TOTAL EQUITY AND LIABILITIES (c)+(d)** | **1.135.170** | **1.114.903** | **463.793** | **465.790** |

* Including restated figures according to IAS 19 (Revised) – (note 22.B of annual financial statements)

### 3. STATEMENT OF CHANGES IN EQUITY GROUP / COMPANY

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2013 | 31.12.2012* | 31.12.2013 | 31.12.2012* |
| **Net equity at the beginning of the year (1/1/2013 and 1/1/2012 respectively) (initial publication)** | 383.849 | 375.268 | 121.272 | 118.563 |
| Restatement for transition to IAS 19 (revised) | -252 | -713 | -270 | -687 |
| Net equity at the begining of the year (1/1/2013 and 1/1/2012 respectively)(after the restatement for IAS 19)* | 383.597 | 374.555 | 121.002 | 117.876 |
| Effect on retained earnings from previous years adjustment | -1.247 | -690 | 0 | -394 |
| Convertible bond repurchase | -5.241 | 0 | -7.009 | 0 |
| Total comprehensive income for the year after tax (continuing and discontinuing operations) | -12.708 | 27.849 | 1.458 | 4.081 |
| New consolidated companies | 5.121 | 0 | 0 | 0 |
| Increase / (decrease) in share capital | 0 | 1.027 | 0 | 0 |
| Dividends Distributed | -16.939 | -19.814 | -417 | -562 |
| Exercise of stock option rights | 0 | 1 | 0 | 1 |
| Effect due to change in ownership percentage | -6.635 | 669 | 0 | 0 |
| Deemed Dividend Distribution Tax | -177 | 0 | 0 | 0 |
| **Net Equity at the end of the year (31/12/2013 and 31/12/2012 respectively)** | **345.771** | **383.597** | **115.034** | **121.002** |

* Including restated figures according to IAS 19 (Revised) – (note 22.B of annual financial statements)

### 4. CASH FLOW STATEMENT GROUP / COMPANY

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 1.1-31.12.2013 | 1.1-31.12.2012 | 1.1-31.12.2013 | 1.1-31.12.2012 |
| **Operating Activities** | | | | |
| Net Profit before Taxation (continuing operations) | 53.551 | 58.422 | 7.199 | 6.262 |
| **Plus/Less adjustments for:** | | | | |
| Depreciation and Amortization | 91.573 | 92.806 | 14.240 | 14.616 |
| Provisions | 14.578 | 7.657 | 40.779 | 19.720 |
| Exchange rate differences | -22.583 | -178 | 0 | 0 |
| Results from Investing Activities | 11.854 | -384 | -6.020 | -17.775 |
| Debit Interest and similar expenses | 57.898 | 43.284 | 24.665 | 24.289 |
| Credit Interest | -24.774 | -20.234 | -16.895 | -6.399 |
| **Plus/Less adjustments of working capital to net cash or related to operating activities:** | | | | |
| Decrease/(increase) of Inventories | -3.901 | 5.130 | -4.628 | 8.984 |
| Decrease/(increase) of Receivable Accounts | -67.340 | -12.327 | -20.373 | -11.847 |
| (Decrease)/increase of Payable Accounts (except Banks) | 43.723 | -3.208 | 35.566 | -20.255 |
| Less: | | | | |
| Interest Paid and similar expenses paid | 37.812 | 33.609 | 12.341 | 15.224 |
| Income Tax Paid | 35.493 | 23.602 | 2.861 | 255 |
| **Net Cash from Operating Activities (a)** | **81.274** | **113.757** | **59.331** | **2.116** |
| **Investing Activities** | | | | |
| Purchases of subsidiaries, associates, joint ventures and other investments | -22.934 | 888 | -12.092 | -831 |
| Purchases of tangible and intangible assets | -58.170 | -119.013 | -23.155 | -11.825 |
| Proceeds from sales of tangible and intangible assets | 389 | 1.760 | 0 | 0 |
| Interest received | 8.591 | 11.460 | 5.367 | 2.518 |
| Dividends received | 2.606 | 3.822 | 7.643 | 7.855 |
| **Net Cash from Investing Activities (b)** | **-69.518** | **-101.083** | **-22.237** | **-2.283** |
| **Financing Activities** | | | | |
| Cash inflows from Share Capital Increase | 0 | 194 | 0 | 0 |
| Cash inflows from loans | 492.442 | 46.168 | 74.500 | 0 |
| Repayment of loans | -472.315 | -40.339 | -111.300 | -8.419 |
| Repayment of Leasing Obligations | -6.877 | -5.902 | 0 | 0 |
| Dividends paid | -16.645 | -20.320 | -417 | -562 |
| **Net Cash from Financing Activities (c)** | **-3.395** | **-20.199** | **-37.217** | **-8.981** |
| **Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c )** | **8.361** | **-7.525** | **-123** | **-9.148** |
| **Cash and cash equivalents at the beginning of the year** | **134.973** | **142.498** | **5.254** | **14.402** |
| **Cash and cash equivalents at the end of the year** | **143.334** | **134.973** | **5.131** | **5.254** |

### 2. TOTAL COMPREHENSIVE INCOME STATEMENT GROUP / COMPANY

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 1.1-31.12.2013 | 1.1-31.12.2012* | 1.1-31.12.2013 | 1.1-31.12.2012* |
| Sale Proceeds | 1.539.430 | 1.374.021 | 150.853 | 139.599 |
| Less: Cost of Sales | -1.271.522 | -1.130.994 | -80.233 | -88.239 |
| **Gross Profit / (Loss)** | **267.908** | **243.027** | **70.620** | **51.360** |
| Other Operating Income | 17.361 | 18.602 | 332 | 517 |
| Selling Expenses | -40.185 | -43.124 | -5.218 | -7.069 |
| Administrative Expenses | -120.773 | -118.315 | -8.781 | -10.214 |
| Research and Development Costs | -6.977 | -10.326 | -6.458 | -8.274 |
| Other Operating Expenses | -17.045 | -9.906 | -41.594 | -19.563 |
| **EBIT** | **103.258** | **84.730** | **8.901** | **7.257** |
| Interest and similar charges | -57.898 | -43.284 | -24.665 | -24.289 |
| Interest and related income | 25.233 | 22.484 | 24.251 | 25.530 |
| Exchange differences | -11.062 | -631 | -1.288 | -1.736 |
| Profit / (Loss) from equity method consolidations | -3.011 | 95 | 0 | 0 |
| **Operating Profit / (Loss) before tax** | **53.551** | **58.422** | **7.199** | **6.262** |
| Less: taxes | -32.239 | -25.365 | -7.254 | -3.284 |
| **Operating Profit / (Loss) after tax (A)** | **21.312** | **33.057** | **-55** | **2.978** |
| Attributable to: | | | | |
| - Owners of the parent | -4.567 | 6.116 | -55 | 2.978 |
| - Non-Controlling Interests | 25.879 | 26.941 | 0 | 0 |
| **Other comprehensive income for the year, after tax (B)** | **-34.020** | **-5.208** | **1.513** | **1.103** |
| **Total comprehensive income after taxes (A) + (B)** | **-12.708** | **27.849** | **1.458** | **4.081** |
| Attributable to: | | | | |
| - Owners of the parent | -25.089 | 3.348 | 1.458 | 4.081 |
| - Non-Controlling Interests | 12.381 | 24.501 | 0 | 0 |
| **Profit / (Loss) after taxes per share (in euro)** | | | | |
| - basic | -0,0287 | 0,0385 | -0,0003 | 0,0187 |
| - diluted | -0,0287 | 0,0385 | -0,0003 | 0,0187 |
| **Proposed dividend per share (in euro)** | 0,000000 | 0,002623 | 0,000000 | 0,002623 |
| **EBITDA** | **194.831** | **177.536** | **23.141** | **21.873** |

* Including restated figures according to IAS 19 (Revised) – (note 22.B of annual financial statements)

**Supplementary information:**

1. The same accounting policies have been followed, compared with previous year financial statements 31/12/12 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.4 of the year-end financial statements.
2. The companies included in the consolidation of 31/12/13 and not in the consolidation of 31/12/12 due to subsequent acquisition are the following: Intralot Cyprus Global Assets Ltd, Intralot Finance Luxembourg SA, Intralot Global Holdings BV, Intralot Global Securities BV, Intralot Leasing Nederland BV, Goreward Ltd, Oasis Rich International Ltd & Wusheng Computer Technology (Shanghai) Co Ltd (note 14 of annual financial statements). The entity Bilyoner Interaktif Hizmetler AS Group is consolidated since 1/12/13 with the full consolidation method (in prior periods was consolidated with the equity method) since the requirements of IAS 27 are met. Since 1/11/13, entities Gain Advance Group Ltd and KTEMS Holdings Co Ltd are consolidated with the equity method (in prior periods were consolidated with the full consolidation method) since the requirements of IAS 27 are no longer met. Since 1/11/2013 company Nanum Lotto Co Ltd is not consolidated since the requirements of IAS 28 are no longer met. The subsidiary Servicios Transdata SA was absorbed by Intralot De Peru SAC on 1/10/13. Companies Atropos SA, Nafirol SA and E.C.E.S. SAE are in the process of liquidation while the liquidation of Intralot France SAS was completed in May 2013.
3. The Group's provisions that refer to legal issues up to 31/12/13 amounted to € 6,1 mio. The Group's provisions that refer to unaudited tax periods amounted to € 3,9 mio and the rest € 10,9 mio to other provisions. Respectively, the Company stated € 6,1 mio for provisions of legal issues, € 3,3 mio for unaudited tax periods and € 7 mio for other provisions.
4. The personnel employed as at 31/12/13 by the Company were 620 and by the Group were 5.685. Respectively, as at 31/12/12, the personnel employed by the Company were 617 and by the Group were 5.541.
5. Companies that are included in 31/12/13 consolidated financial statements are presented in note 13 in the annual financial report including locations, group percentage ownership and consolidation method.
6. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in the note 27.B of the annual financial report.
7. The amounts of expense/income included in the Group's comprehensive income statement as at 31/12/13 of € -34 mio (2012: € -5,2 mio) concern: foreign exchange differences of € -42,3 mio (2012: € -5 mio), derivative valuation of € 3,3 mio (2012: € 2 mio), € 5,3 mio (2012: € -2,7 mio), concerns the valuation of available for sale financial assets, while ending amount € -0,3 mio (2012: € 0,5 mio), concerns defined benefit plans revaluation. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 31/12/13 for the Company, amounted to € 1,5 mio (2012: € 1,1 mio) regard: revaluation of available for sale financial assets, amounted to € -8k (2012: € 37 k), € 1,6 mio (2012: € 649 k) concerns valuation of derivative and € -72 k (2012: € 417 k) concerns defined benefit plans revaluation.
8. There are no changes in accounting estimates. Certain prior year amounts have been reclassified for presentation purposes with no significant impact on the prior year equity, turnover and earnings after tax of the Group and the Company.
9. Transactions (including income, expenses, receivables, payables) with related parties, are as follows:

| | Group | Company |
|---|---|---|
| a) Income | | |
| -from subsidiaries | 0 | 36.627 |
| -from associates | 20.522 | 16.590 |
| -from other related parties | 5.430 | 5.324 |
| b) Expenses | | |
| -to subsidiaries | 0 | 20.103 |
| -to associates | -610 | -610 |
| -to other related parties | 20.932 | 17.528 |
| c) Receivables | | |
| -from subsidiaries | 0 | 141.534 |
| -from associates | 19.890 | 14.440 |
| -from other related parties | 21.907 | 17.072 |
| d) Payables | | |
| -to subsidiaries | 0 | 267.803 |
| -to associates | 0 | 0 |
| -to other related parties | 33.423 | 29.734 |
| e) BoD and Key Management Personnel transactions and fees | 10.769 | 5.715 |
| f) BoD and Key Management Personnel receivables | 585 | 0 |
| g) BoD and Key Management Personnel payables | 826 | 482 |

**Maroussi, March 24th, 2014**

| THE CHAIRMAN OF THE BOARD OF DIRECTORS | THE VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO | THE GROUP CHIEF FINANCIAL OFFICER | THE ACCOUNTING DIRECTOR |
|---|---|---|---|
| S. P. KOKKALIS<br>ID. No. AI 091040 | C.G. ANTONOPOULOS<br>ID. No.AI 025905 | A. I. KERASTARIS<br>ID. No. AI 682788 | N.G. PAVLAKIS<br>ID. No. AZ 012557 H.E.C. License No. 15230/A' Class |