INTRALOT Group

INTERIM FINANCIAL STATEMENTS
as of 30 September, 2014
According to IFRS and L.3356/2007

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1. INTERIM FINANCIAL STATEMENTS
1.1 INTERIM TOTAL COMPREHENSIVE INCOME STATEMENT GROUP/COMPANY

Amounts reported in thousand €	GROUP		GROUP		COMPANY		COMPANY	
	1/1-30/09/2014	1/1-30/09/2013*	1/7-30/09/2014	1/7-30/09/2013*	1/1-30/09/2014	1/1-30/09/2013	1/7-30/09/2014	1/7-30/09/2013
Sale Proceeds	1.329.509	1.079.962	424.009	362.734	64.486	102.820	16.593	47.176
Less: Cost of Sales	-1.135.990	-884.026	-366.899	-300.756	-37.627	-53.725	-14.771	-20.803
Gross Profit /(Loss)	**193.519**	**195.936**	**57.110**	**61.978**	**26.859**	**49.095**	**1.822**	**26.373**
Other Operating Income	13.916	12.495	5.374	3.754	2.748	125	1.438	0
Selling Expenses	-42.557	-28.455	-12.747	-8.387	-5.360	-5.154	-1.408	-1.721
Administrative Expenses	-86.330	-92.953	-25.901	-29.983	-9.025	-6.866	-2.857	-2.502
Research and Development Expenses	-6.841	-5.751	-2.369	-2.216	-6.785	-5.425	-2.350	-2.113
Other Operating Expenses	-5.831	-5.015	-2.105	-1.490	-304	-38	9	12
EBIT	**66.238**	**76.443**	**19.686**	**23.618**	**8.248**	**31.737**	**-3.347**	**20.049**
EBITDA	**131.653**	**143.477**	**42.187**	**45.827**	**15.033**	**42.673**	**-973**	**23.795**
Interest and similar Charges	-53.699	-39.483	-17.971	-14.282	-21.997	-17.813	-7.635	-5.729
Interest and related Income	10.002	14.105	3.118	8.447	9.980	22.718	1.272	13.358
Exchange Differences	6.883	-10.657	3.027	-3.089	3.279	-693	2.798	-625
Profit/(loss) from equity method consolidations	-1.790	-76	-441	-254	0	0	0	0
Profit/(Loss) before taxes	**27.272**	**40.146**	**7.095**	**14.478**	**-605**	**35.949**	**-6.911**	**27.053**
Taxes:	-30.533	-20.198	-4.174	-11.108	-6.808	-5.119	2.762	-7.516
Net Profit / (loss) after taxes from Continuing Operations (a)	**-3.261**	**19.948**	**2.921**	**3.370**	**-7.413**	**30.830**	**-4.149**	**19.537**
Net Profit / (loss) after taxes from Discontinuing Operations (b)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Profit / Loss (Continuing and Discontinuing Operations) (a) + (b)	**-3.261**	**19.948**	**2.921**	**3.370**	**-7.413**	**30.830**	**-4.149**	**19.537**
Attributable to:								
Owners of the parent	-32.070	527	-8.020	-2.044	-7.413	30.830	-4.149	19.537
Non-Controlling Interest	28.809	19.421	10.941	5.414	0	0	0	0
Other comprehensive income after tax								
Amounts that may not be reclassified to profit or loss:								
Defined benefit plans revaluation	-5	0	0	0	0	0	0	0
Amounts that may be reclassified to profit or loss:								
Valuation of Available- for -Sale financial assets	-3.281	3.014	-2.294	2.036	162	-12	-17	1
Derivatives valuation	407	2.372	0	788	0	1.071	0	349
Exchange differences on translating foreign operations	10.647	-15.098	15.296	-8.210	0	0	0	0
Other comprehensive income/ (expense) after taxes:	**7.768**	**-9.712**	**13.002**	**-5.386**	**162**	**1.059**	**-17**	**350**
Total income / (expenses) after taxes	**4.507**	**10.236**	**15.923**	**-2.016**	**-7.251**	**31.889**	**-4.166**	**19.887**
Attributable to:								
Owners of the parent	-26.528	-381	2.101	-2.673	-7.251	31.889	-4.166	19.887
Non-Controlling interests	31.035	10.617	13.822	657	0	0	0	0
Earnings/(losses) after taxes per share (in €)								
-basic	-0,2017	0,0033	-0,0504	-0,0129	-0,0466	0,1939	-0,0261	0,1229
-diluted	-0,2017	0,0033	-0,0504	-0,0129	-0,0466	0,1939	-0,0261	0,1229
Weighted Average number of shares	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721

* Including restated figures according to IFRS 11 – note 2.15.A.III

1.2 STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €	GROUP		COMPANY	
	30/09/2014	**31/12/2013 [1]**	**30/09/2014**	**31/12/2013**
ASSETS				
Non Current Assets				
Tangible fixed assets	183.559	199.418	6.651	7.381
Intangible assets	342.954	353.346	68.923	65.977
Investment in subsidiaries, associates and joint ventures [2]	30.757	25.823	173.520	171.520
Other financial assets [2]	36.901	43.476	3.258	6.411
Deferred Tax asset	10.980	14.710	0	3.284
Other long term receivables	75.811	77.521	467	438
	680.962	**714.294**	**252.819**	**255.011**
Current Assets				
Inventories	54.251	48.331	38.048	37.353
Trade and other short term receivables	221.485	221.315	139.654	166.298
Other financial assets	317	3.585	0	0
Cash and cash equivalents	199.483	143.293	14.824	5.131
	475.536	**416.524**	**192.526**	**208.782**
TOTAL ASSETS	**1.156.498**	**1.130.818**	**445.345**	**463.793**
EQUITY AND LIABILITIES				
Share Capital	47.689	47.689	47.689	47.689
Other reserves	61.854	63.850	47.943	48.703
Foreign currency translation	-52.583	-61.002	0	0
Retained earnings	183.017	215.812	12.064	18.642
	239.977	**266.349**	**107.696**	**115.034**
Non-Controlling Interest	89.942	77.395	0	0
TOTAL EQUITY	**329.919**	**343.744**	**107.696**	**115.034**
Non Current Liabilities				
Long term Debt	561.329	350.315	235.042	223.042
Staff retirement indemnities	6.335	6.840	3.153	3.881
Other long term provisions	6.732	13.683	6.139	13.039
Deferred Tax liabilities	12.751	8.124	3.523	0
Other long term liabilities	13.539	12.124	0	0
Finance lease obligation	11.060	19.243	0	0
	611.746	**410.329**	**247.857**	**239.962**
Current Liabilities				
Trade and other short term liabilities	161.191	181.364	72.121	95.142
Short term debt and current portion of long term debt	28.393	176.920	7.140	9.432
Current income taxes payable	10.888	11.315	2	954
Short term provision	14.361	7.146	10.529	3.269
	214.833	**376.745**	**89.792**	**108.797**
TOTAL LIABILITIES	**826.579**	**787.074**	**337.649**	**348.759**
TOTAL EQUITY AND LIABILITIES	**1.156.498**	**1.130.818**	**445.345**	**463.793**

[1] Including restated figures according to IFRS 11 – note 2.15.A.III
[2] Included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - note 2.15.A.III

1.3 STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousands of €)	Share Capital	Legal Reserve	Other Reserves	Foreign currency translation	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 01/01/2014 (Initial publication)	**47.689**	**24.197**	**39.653**	**-61.300**	**217.212**	**267.451**	**78.320**	**345.771**
Restatement for IFRS 11 *				298	-1.400	**-1.102**	-925	**-2.027**
Opening Balance 01/01/2014 (after the restatement for IFRS 11) *	**47.689**	**24.197**	**39.653**	**-61.002**	**215.812**	**266.349**	**77.395**	**343.744**
Effect on retained earnings from previous years adjustment					156	**156**	-208	**-52**
Period's Results					-32.070	**-32.070**	28.809	**-3.261**
Other comprehensive income/(expenses) after tax			-2.874	8.419	-3	**5.542**	2.226	**7.768**
Dividends to parent shareholders/non-controlling interest							-17.990	**-17.990**
Sale / liquidation of subsidiary							-290	**-290**
Transfer between Reserves		1.800	-922		-878	**0**		**0**
Balances as at 30/09/2014	**47.689**	**25.997**	**35.857**	**-52.583**	**183.017**	**239.977**	**89.942**	**329.919**

* Including restated figures according to IFRS 11 – note 2.15.A.III

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousands of €)	Share Capital	Legal Reserve	Other Reserves	Foreign currency translation	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 01/01/2013 (after the restatement for IAS 19)	**47.689**	**23.927**	**37.057**	**-32.404**	**226.711**	**302.980**	**80.617**	**383.597**
Restatement for IFRS 11 *				267	-1.400	**-1.133**	-969	**-2.102**
Opening Balance 01/01/2013 (after the restatement for IFRS 11) *	**47.689**	**23.927**	**37.057**	**-32.137**	**225.311**	**301.847**	**79.648**	**381.495**
Effect on retained earnings from previous years adjustment					-1.172	**-1.172**	-2	**-1.174**
Period's Results					527	**527**	19.421	**19.948**
Other comprehensive income/(expenses) after tax			5.464	-6.372		**-908**	-8.804	**-9.712**
Repurchase of convertible bond			-7.258		293	**-6.965**		**-6.965**
Dividends to parent shareholders/non-controlling interest					-417	**-417**	-12.981	**-13.398**
Effect due to change in ownership percentage					2.415	**2.415**	-3.251	**-836**
Transfer between Reserves		254	1.707		-1.961	**0**		**0**
Balances as at 30/09/2013*	**47.689**	**24.181**	**36.970**	**-38.509**	**224.996**	**295.327**	**74.031**	**369.358**

* Including restated figures according to IFRS 11 – note 2.15.A.III

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousands of €)	Share Capital	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2014	**47.689**	**15.896**	**32.807**	**18.642**	**115.034**
Effect on retained earnings from previous years adjustment				-87	**-87**
Period's Results				-7.413	**-7.413**
Other comprehensive income/(expenses) after tax			162		**162**
Transfer between Reserves			-922	922	**0**
Balances as at 30/09/2014	**47.689**	**15.896**	**32.047**	**12.064**	**107.696**

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousands of €)	Share Capital	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2013 (after the restatement for IAS 19)	**47.689**	**15.896**	**39.309**	**18.108**	**121.002**
Period's Results				30.830	**30.830**
Other comprehensive income/(expenses) after tax			1.059		**1.059**
Repurchase of convertible bond			-9.028	293	**-8.735**
Dividends to parent shareholders/ non-controlling interest				-417	**-417**
Transfer between Reserves			1.180	-1.180	**0**
Balances as at 30/09/2013	**47.689**	**15.896**	**32.520**	**47.634**	**143.739**

1.4 CASH FLOW STATEMENT GROUP/COMPANY

(Amounts reported in thousand of €)	GROUP		COMPANY	
	1/1-30/09/2014	**1/1-30/09/2013***	**1/1-30/09/2014**	**1/1-30/09/2013**
Operating activities				
Profit before Taxation	27.272	40.146	-605	35.949
Plus/Less adjustments for:				
Depreciation and Amortization	65.415	67.034	6.785	10.936
Provisions	2.358	2.942	-2.345	165
Exchange rate differences	4.489	-12.040	0	0
Results from Investing Activities	-7.701	9.024	-8.584	-6.560
Debit Interest and similar expenses	53.699	39.483	21.997	17.813
Credit Interest	-9.138	-13.646	-5.119	-15.758
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-5.903	-1.659	-1.263	-539
Decrease/(increase) of Receivable Accounts	9.117	-37.963	36.076	88
(Decrease)/increase of Payable Accounts (except Banks)	-17.229	12.027	-22.621	10.107
Less:				
Interest Paid and similar expenses paid	53.863	30.092	25.502	10.582
Income Tax Paid	23.375	29.771	954	1.431
Net Cash from Operating Activities (a)	**45.141**	**45.485**	**-2.135**	**40.188**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	7.373	-43.551	392	-8.659
Purchases of tangible and intangible assets	-42.752	-38.799	-8.203	-11.267
Proceeds from sales of tangible and intangible assets	133	381	0	0
Interest received	8.991	5.267	3.477	3.870
Dividends received	999	2.479	4.162	6.783
Net Cash from Investing Activities (b)	**-25.256**	**-74.223**	**-172**	**-9.273**
Financing Activities				
Cash inflows from loans	290.829	463.891	12.000	69.500
Repayment of loans	-225.801	-403.232	0	-99.300
Repayment of Leasing Obligations	-9.181	-3.809	0	0
Dividends paid	-19.542	-13.198	0	-417
Net Cash from Financing Activities (c)	**36.305**	**43.652**	**12.000**	**-30.217**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**56.190**	**14.914**	**9.693**	**698**
Cash and cash equivalents at the beginning of the period	**143.293**	**134.931**	**5.131**	**5.254**
Cash and cash equivalents at the end of the period	**199.483**	**149.845**	**14.824**	**5.952**

* Including restated figures according to IFRS 11 – note 2.15.A.III

2. GENERAL INFORMATION – APPROVAL OF THE FINANCIAL STATEMENTS

General Information

INTRALOT S.A. – 'Integrated Lottery Systems and Gaming Services', with the distinct title «INTRALOT» is a business entity that was established based on the Laws of Hellenic Republic, whose shares are traded in the Athens Stock Exchange. Reference to «INTRALOT» or the «Company» includes INTRALOT S.A. whereas reference to the «Group» includes INTRALOT S.A. and its fully consolidated subsidiaries, unless otherwise stated. The Company was established in 1992 and has its registered office in Maroussi of Attica.
INTRALOT is one of the leading suppliers of integrated gaming and transaction processing systems, while its footprint straddles five continents, with presence in 57 countries, about 5.500 people and revenues of € 1.539 million in 2013. Committed to meeting customer requirements and performance expectations along with a demonstrated ability to adapt to new markets and overcome technological and cultural constraints, INTRALOT has acquired a worldwide reputation in the global gaming sector.

Approval of the Financial Statements

The Board of Directors of INTRALOT SA approved the Company's and the Group's interim financial statements for the period ended September 30, 2014, on November 8^{th} 2014.

2.1 ACCOUNTING POLICIES

2.1.1 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.

2.1.2 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 September 30, 2014, as well as with IAS 34 "Interim Financial Reporting". Those interim financial statements should be read in conjunction with the Group's annual financial statements as at 31st December 2013.

2.1.3 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).

2.1.4 Changes in accounting policies

For the preparation of the financial statements of period ended September 30, 2014, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements (December 31, 2013), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2014.

Standards and Interpretations compulsory for the fiscal year 2014

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2014. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

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. This amendment does not affect Group 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 implemented 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 implemented IFRS 11 on 1st January 2014, changing the consolidation method for jointly controlled entities from proportionate to equity method. (2.15.A.III).

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 implemented 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 implemented 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 implemented 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 implemented 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. This amendment does not affect Group 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. This amendment does not affect Group 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). This amendment does not affect Group financial statements.

Standards and Interpretations compulsory after 31 December 2014

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2015 and have not been adopted from the Group earlier.

IFRS 9 “Financial Instruments”

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted.

In July 2014, the IASB completed the last phase of IAS 39 replacement by issuing IFRS 9 “Financial Instruments”. The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting.

Classification and Measurement

Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements that are generally considered to be overly complex and difficult to apply. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements.

Impairment

During the financial crisis, the delayed recognition of credit losses on loans (and other financial instruments) was identified as a weakness in existing accounting standards. As part of IFRS 9, the IASB has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting

IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Own credit

IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Early application of this improvement to financial reporting, prior to any other changes in the accounting for financial instruments, is permitted by IFRS 9.

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 2018.

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted.

On 16.12.2011 and on 19.11.2013, 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 14 "Regulatory Deferral Accounts"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

In January 2014, the IASB issued an interim Standard, IFRS 14 "Regulatory Deferral Accounts". The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. This can include utilities such as gas, electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. IFRS does not provide any specific guidance for rate-regulated activities. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard. These amendments do not affect Group financial statements and have not yet been endorsed by the European Union.

IFRS 15 "Revenue from Contracts with Customers"

This applies to annual accounting periods starting on or after 1st January 2017. Earlier application is permitted.

In May 2014, the International Accounting Standards Board (IASB), responsible for International Financial Reporting Standards (IFRS), and the Financial Accounting Standards Board (FASB), responsible for US Generally Accepted Accounting Principles (US GAAP), jointly issued a converged Standard on the recognition of revenue from contracts with customers. The Standard will improve the financial reporting of revenue and improve comparability of the financial statements globally.

Revenue is a vital metric for users of financial statements and is used to assess a company's financial performance and prospects. However, the previous requirements of both IFRS and US GAAP were different and often resulted in different accounting for transactions that were economically similar. Furthermore, while revenue recognition requirements of IFRS lacked sufficient detail, the accounting requirements of US GAAP were considered to be overly prescriptive and conflicting in certain areas.

Responding to these challenges, the boards have developed new, fully converged requirements for the recognition of revenue in both IFRS and US GAAP—providing substantial enhancements to the quality and consistency of how revenue is reported while also improving comparability in the financial statements of companies reporting using IFRS and US GAAP.

This new Standard replaces IAS 18, IAS 11 and the Interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31 that are related to revenue recognition. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The Group will assess the impact of the amendment on 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.

IAS 16 (amendment) "Property, Plant and Equipment" and IAS 38 (amendment) "Intangible Assets"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

In May 2014, the IASB published amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets". IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. The Group will assess the impact of the amendment on its financial statements. This amendment has not yet been endorsed by the European Union.

IAS 16 (amendment) "Property, Plant and Equipment" and IAS 41 (amendment) "Agriculture"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16 "Property, Plant and Equipment", because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. These amendments do not affect Group financial statements and have not yet been endorsed by the European Union.

IFRIC 21 "Levies"

(COMMISSION REGULATION (EC) No.634/2014 of 13th June 2014, L 175 -14/06/2014)

This applies to annual accounting periods starting on or after 17th June 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.

IFRS 11 (amendment) "Joint Arrangements"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

In May 2014, the IASB published amendments to IFRS 11 "Joint Arrangements". IFRS 11 addresses the accounting for interests in joint ventures and joint operations and adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. The Group will assess the impact of the amendment on its financial statements. This amendment has not yet been endorsed by the European Union.

IAS 27 (amendment) "Separate Financial Statements"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

In August 2014, the IASB published amendments to IAS 27 "Separate Financial Statements". The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Intralot SA will continue accounting, in its separate financial statements, for investments in subsidiaries, joint ventures and associates either at cost or in accordance with IFRS 9. This amendment has not yet been endorsed by the European Union.

IFRS 10 & IAS 28 (amendments) "Sale or contribution of Assets between an Investor and its Associate or Joint Venture"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

In September 2014, the IASB published amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures". The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 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.

Also, IASB in its annual improvement program published in September 2014, one new Cycle of narrow scope amendments to existing Standards. The amendments hold for the annual fiscal periods beginning on or after the 1st of January, 2016. 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 2012-2014 Cycle

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies the accounting for a change in a disposal plan from a plan to sell a non-current asset (or disposal group) to a plan to distribute a non-current asset (or disposal group), and provides guidance in IFRS 5 for the discontinuation of held for distribution accounting.

IFRS 7 "Financial Instruments: Disclosure"

The amendment clarifies how an entity should apply the guidance in paragraph 42C of IFRS 7 to a servicing contract in order to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of IFRS 7.

IAS 19 "Employee Benefits"

The amendment clarifies that for the determination of the rate used to discount post-employment benefit obligations, the depth of the market for high quality corporate bonds should be assessed at the currency level.

IAS 34 "Interim Financial Reporting"

The amendment clarifies the meaning of disclosure of information 'elsewhere in the interim financial report' in paragraph 16A of IAS 34 and requires the inclusion of a cross-reference from the interim financial statements to the location of this information.

2.1.5 Basis of Consolidation

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

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.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income and financial position from the date the Group gains control until the date the Group ceases to control the subsidiary.

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 the parent's share of 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.

2.1.6 Business combination and goodwill

a) Subsidiaries

Subsidiaries are entities that are controlled by the Group. 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. For each subsidiary acquired, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included 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 not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. 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 consideration transferred, the amount recognized for non-controlling interests and any previous interest held, over the net fair value of the identifiable assets acquired and liabilities assumed of the acquiree. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised 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. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. 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 and joint ventures

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates and joint ventures are accounted for using the equity method.

Under this method, investments in associates or joint ventures 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 or joint venture. Goodwill relating to the associate or joint venture 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 or joint venture's results after taxes and non-controlling interests of the associate's or joint venture's subsidiaries. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. Also, the Group's share of the changes in associates' or joint ventures' 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 or joint venture are eliminated to the extent of the interest in the associate or joint venture.

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

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

If the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, 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 or joint venture.

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 or joint venture. The Group incurs impairment test at the end of each reporting period comparing the recoverable amount of the investment in associate or joint venture 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 or joint control over a joint venture 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 or joint venture is recognized in the statement of comprehensive income of the period.

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

2.1.7 Foreign Currency Translation

The functional and presentation currency of INTRALOT S.A. and its subsidiaries which are located in Greece is the euro (€). The Group's consolidated financial statements are presented in euros. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting 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 are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation 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 spot rate of exchange at the reporting date.

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.

2.1.8 Tangible assets

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

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

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

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

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

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for public traded companies or other available fair value indicators. 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.

2.1.9 Borrowing costs

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

2.1.10 Intangible assets

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

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

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.

The carrying values of intangible assets 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 intangible assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal 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 intangible asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for public traded companies or other available fair value indicators. For an intangible asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the intangible asset belongs. Impairment losses are recognized in the statement of comprehensive income.

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.

2.1.11 Financial instruments

i) Financial assets

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

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

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

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss:

Include trading portfolio investments that acquired for the purpose of selling them in the near future. Also, include derivatives financial instruments that are not designated as hedging instruments. Gain or losses from the measurement of these assets are recognized in statement of comprehensive income as financial income or expenses respectively.

Loans and receivables:

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

Financial assets held-to-maturity:

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

Available-for-sale financial assets:

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

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

Derecognition of financial assets

The Group ceases recognizing a financial asset when and only when:

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

When the Group has transferred its rights to receive cash flows from an asset or has assumed a contractual obligation to pay the cash flows to 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 mainly 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.

2.1.12 Inventories

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

2.1.13 Trade and other short term receivables

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

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

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

2.1.14 Cash and Cash Equivalents

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

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

2.1.15 Long Term Liabilities

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

2.1.16 Provisions and Contingent Liabilities

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

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

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

2.1.17 Leases

Entity of the Group as lessee:

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

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

Entity of the Group as Lessor:

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

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

2.1.18 Share capital – Treasury shares

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

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

2.1.19 Share Based Payments

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

The Group provides stock options to executives and employees. The fair value of the executives and employees, who receive these stock options, is recognized according to IFRS 2 as expenditure in the statement of comprehensive income, with a respective increase of equity, during the period that these services are received and the options provided. The estimation of the total amount of the stock options expenditure during the vesting period is based on the provided stock options fair value at the grant date. The stock options fair value is measured using the proper valuation model depending on the terms of each program, taking into account the proper data such as volatility, discounting factor and dividend yield. Detailed information about the relative stock option programs of the Company included in note 2.14.C.d.I.

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

2.1.20 Staff Retirement Indemnities

Staff retirement indemnities are measured at the present value of the defined benefit obligations at the balance sheet date, through the recognition of the employees' right to benefits based on years of service over their expected working life. The above liabilities are calculated using financial and actuarial assumptions and are determined based on an actuarial valuation method (Projected Unit Credit Method). The net 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.

2.1.21 State Insurance Programs

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

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

2.1.22 Revenue recognition

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

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

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

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

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

- ***Interest income:*** Interest income is recognized in the statement of comprehensive income using the effective interest rate method.
- ***Dividends:*** Dividend income is recognized in the statement of comprehensive income when the Group's right to receive the payment is established.
- ***Rental income:*** Rental income arising from operating leases on is accounted for on a straight-line basis during the lease term.

2.1.23 Taxes

Income tax

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

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

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

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

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

- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

Sales tax

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

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

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

2.1.24 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.

2.1.25 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).

2.1.26 EBITDA & EBIT

International Financial Reporting Standards (IFRS) do not define the content of the "EBITDA" & "EBIT". 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" and "Assets depreciation and amortization". Also, the Group defines "EBIT" 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" and "gain/(loss) from asset disposal".

Reconciliation of operating profit before tax to EBIT and EBITDA:	**GROUP**	
	1/1-30/9/14	**1/1-30/9/13 [1]**
Operating profit/loss before tax	**27.272**	**40.146**
Profit/(loss) equity method consolidation	1.790	76
Exchange differences	-6.883	10.657
Interest and related income	-10.002	-14.105
Interest and similar charges	53.699	39.483
Assets gain/(loss) from disposal, write-off & impairment losses of assets and investments*	362	186
EBIT	**66.238**	**76.443**
Depreciation and amortization	65.415	67.034
EBITDA	**131.653**	**143.477**

* Included in Other Operating Income and Other Operating Expenses of Total comprehensive income statement

[1] Including restated figures according to IFRS 11 – note 2.15.A.III

Reconciliation of operating profit before tax to EBIT and EBITDA:	**COMPANY**	
	1/1-30/9/14	**1/1-30/9/13**
Operating profit/loss before tax	**-605**	**35.949**
Profit/(loss) equity method consolidation	0	0
Exchange differences	-3.279	693
Interest and related income	-9.980	-22.718
Interest and similar charges	21.997	17.813
Assets gain/(loss) from disposal, write-off & impairment losses of assets and investments*	115	0
EBIT	**8.248**	**31.737**
Depreciation and amortization	6.785	10.936
EBITDA	**15.033**	**42.673**

* Included in Other Operating Income and Other Operating Expenses of Total comprehensive income statement

2.1.27 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 (as at 31 December) 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 2.1.6.a. The recoverable amounts of cash generating units (CGU) have been determined based on "value in use" calculations using appropriate estimates regarding future cash flows and discount rates. The determination of value in use is obtained by the present value of estimated future cash flows, as expected to be generated by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the administration budgets for the next three years and does not include any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance, which is tested for impairment. The expected cash flow projections beyond the period covered by the most recent budgets, estimated by extrapolating the projections based on the budgets using a steady or declining growth rate for subsequent years, which does not exceed the long-term average growth rate for products, industries, countries in which the Group operates, or for the market in which the asset is used. The Group makes estimates and beyond the period of five years where has signed revenue contracts beyond five years as well as in cases where management believes that based on market data and historical renewals track record of the Group, it is very possible to renew relevant contracts beyond this period. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset, giving greater weight to external evidence. Management assesses the reasonableness of the assumptions on which its current cash flow projections are based by examining the causes of differences between past cash flow projections and actual cash flows. Management also ensures that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided that effects of subsequent events or circumstances, that did not exist when those actual cash flows were generated, make this appropriate. Further details are provided in note 2.4.

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 2.1.8 and 2.1.10.

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 2.13 and 2.14.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 determination of future taxable income is made through the systematic process of budgeting, at the parent company level as well as at the level of subsidiaries, which are mainly based on already signed long-term revenue contracts. Almost all of the Group's revenue (parent and subsidiaries) derives from long-term contracts signed making the risk of discrepancies between budgeted and actual revenue as low, something that applies to the costs that usually are in a proportion relationship with the revenue of the related contracts. In any case there is a system of monitoring for the verification of these budgets and conducting relevant adjustments, resulting in the safe keeping of any final discrepancies at low levels. 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 2.13.

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 2.7 and 2.8.

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.

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 2.1.8, 2.1.10 and 2.4.

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 2.14.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.

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 2.1.6.a

2.2 REVENUE PER SEGMENT

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

European Union:	Greece, Italy, Malta, Cyprus, Poland, Luxembourg, Spain, United Kingdom, Nederland, Romania, Bulgaria, France, Germany, Czech Republic and Slovakia and Republic of Ireland.
Other Europe:	Russia, Moldova.
America:	USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia, Guatemala, Dominican Republic, Suriname, Uruguay and St. 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 the 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 as those of the consolidated financial statements. The transactions between 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 group level and are included in the column “Eliminations”.

1/1-30/09/2014

(in mio €)	**European Union**	**Other Europe**	**America**	**Other Countries**	**Eliminations**	**Total**
Sales to third parties	675,40	5,46	393,74	254,91	0,00	1.329,51
Intragroup sales	41,39	0,00	1,57	0,44	-43,40	0,00
Total Sales	**716,79**	**5,46**	**395,31**	**255,35**	**-43,40**	**1.329,51**
(Debit)/Credit interest & similar (expenses)/income	-24,33	-0,12	-1,21	3,36	-21,40	-43,70
Depreciation/Amortization	-41,00	-1,88	-19,70	-6,51	3,67	-65,42
Profit/(loss) consolidated with equity method	0,00	-0,02	0,00	-1,77	0,00	-1,79
Write-off & impairment of assets	-0,66	0,00	-0,35	0,00	0,00	-1,01
Write-off & impairment of investments	-9,36	-10,54	0,00	0,00	19,90	0,00
Doubtful provisions, write-off & impairment of receivables	-6,27	0,00	-1,15	-0,15	5,50	-2,07
Profit/ (Loss) before tax	**-19,11**	**-13,66**	**16,54**	**43,65**	**-0,15**	**27,27**
Taxes	-7,85	-0,16	-5,84	-16,68	0,00	-30,53
Profit/(Loss) after Tax	**-26,96**	**-13,82**	**10,70**	**26,97**	**-0,15**	**-3,26**

1/1-30/09/2013 [1]

(in mio €)	**European Union**	**Other Europe**	**America**	**Other Countries**	**Eliminations**	**Total**
Sales to third parties	522,57	8,25	338,43	210,71	0,00	1.079,96
Intragroup sales	49,96	0,00	8,40	0,02	-58,38	0,00
Total Sales	**572,53**	**8,25**	**346,83**	**210,73**	**-58,38**	**1.079,96**
(Debit)/Credit interest & similar (expenses)/income	-3,74	-0,10	0,09	1,51	-23,14	-25,38
Depreciation/Amortization	-41,31	-2,36	-20,19	-9,96	6,79	-67,03
Profit/(loss) consolidated with equity method	0,00	-0,02	0,00	-0,06	0,00	-0,08
Write-off & impairment of assets	-0,07	0,00	-0,15	0,00	0,00	-0,22
Write-off & impairment of investments	0,00	0,00	0,00	0,00	0,00	0,00
Doubtful provisions, write-off & impairment of receivables	-2,00	0,00	-0,28	-0,32	0,00	-2,60
Profit/ (Loss) before tax	**31,98**	**-3,61**	**6,82**	**22,73**	**-17,77**	**40,15**
Taxes	-5,81	-0,05	-4,11	-10,23	0,00	-20,2
Profit/(Loss) after Tax	**26,17**	**-3,66**	**2,71**	**12,50**	**-17,77**	**19,95**

[1] Including restated figures according to IFRS 11 – note 2.15.A.III

Revenue per business activity:

(in thous.€)	**30/9/2014**	**30/9/2013**	**Change**
Licensed operations	1.081.957	805.774	34,28%
Management contracts	97.195	82.255	18,16%
Technology and support services	150.357	191.933	-21,66%
	1.329.509	**1.079.962**	**23,11%**

2.3 TANGIBLE FIXED ASSETS

GROUP	LAND	BUILDINGS AND INST ALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FUXTURES	ASSETS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	TOTAL
January 1, 2014								
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 January 1, 2014	**8.789**	**16.132**	**149.419**	**1.817**	**18.915**	**1.461**	**2.885**	**199.418**
COST								
Additions of the period	0	769	9.255	334	2.242	2.149	483	15.232
Transfer of assets from (to) other categories	0	154	3.684	-8	-3.180	-719	69	0
Transfer from (to) inventories and intangible assets	0	0	-552	0	-2	-190	0	-744
Sale of subsidiaries / Change in consolidation method	0	0	-4.417	0	0	0	0	-4.417
Disposal	0	0	-522	-150	-10	0	0	-682
Impairment / Write-off	-636	-198	-664	-267	-56	-61	0	-1.882
Net exchange differences on foreign currency translation	52	1.642	-597	56	-1.691	49	116	-373
ACCUMULATED DEPRECIATION								
Depreciation of the period	0	-1.316	-26.438	-377	-4.413	0	-442	-32.986
Disposal	0	0	390	113	0	0	0	503
Impairment / Write-off	0	76	585	193	23	0	0	877
Net exchange differences on foreign currency translation	0	-1.002	6.255	-23	1.812	0	-54	6.988
Transfer of assets from (to) other categories	0	-5	-1.514	7	1.581	0	-69	0
Transfer from (to) inventories and intangible assets	0	0	514	0	0	0	0	514
Sale of subsidiaries / Change in consolidation method	0	0	1.111	0	0	0	0	1.111
Net book value September 30, 2014	**8.205**	**16.252**	**136.509**	**1.695**	**15.221**	**2.689**	**2.988**	**183.559**
Cost	8.205	27.411	326.901	4.635	121.758	2.689	4.930	496.529
Accumulated Depreciation	0	-11.159	-190.392	-2.940	-106.537	0	-1.942	-312.970
Net Book value September 30, 2014	**8.205**	**16.252**	**136.509**	**1.695**	**15.221**	**2.689**	**2.988**	**183.559**

GROUP	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FUXTURES	ASSETS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	TOTAL
January 1, 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 January 1, 2013	**11.273**	**18.258**	**176.186**	**2.467**	**26.987**	**3.711**	**1.811**	**240.693**
COST								
Additions of the period	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
Additions due to acquisitions of subsidiaries	0	0	3.031	0	254	0	0	3.285
Disposal	0	0	-44.088	-1.189	-106	-422	-31	-45.836
Impairment / Write-off	-2.220	-122	-2.746	-56	-1.216	-5	-11	-6.376
Net exchange differences on foreign currency translation	-264	-2.751	-24.525	-537	-3.133	-534	-253	-31.997
ACCUMULATED DEPRECIATION								
Depreciation of the period	0	-1.520	-34.758	-637	-13.048	0	-656	-50.619
Disposal	0	0	11.367	738	70	0	28	12.203
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
Impairment / Write-off	0	115	2.467	43	997	0	9	3.631
Net book value December 31, 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 December 31, 2013	**8.789**	**16.132**	**149.419**	**1.817**	**18.915**	**1.461**	**2.885**	**199.418**

COMPANY	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	TOTAL
January 1, 2014						
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 January 1, 2014	**3.030**	**2.121**	**0**	**288**	**1.942**	**7.381**
COST						
Additions of the period	0	118	0	0	385	503
ACCUMULATED DEPRECIATION						
Depreciation of the period	0	-151	0	-44	-1.038	-1.233
Net Book value September 30, 2014	**3.030**	**2.088**	**0**	**244**	**1.289**	**6.651**
Cost	3.030	4.840	1	665	74.776	83.312
Accumulated Depreciation	0	-2.752	-1	-421	-73.487	-76.661
Net Book value September 30, 2014	**3.030**	**2.088**	**0**	**244**	**1.289**	**6.651**

COMPANY	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	TOTAL
January 1, 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 January 1, 2013	**3.030**	**2.132**	**0**	**350**	**9.995**	**15.507**
COST						
Additions of the period	0	198	0	0	360	558
ACCUMULATED DEPRECIATION						
Depreciation of the period	0	-209	0	-62	-8.413	-8.684
Net Book value December 31, 2013	**3.030**	**2.121**	**0**	**288**	**1.942**	**7.381**
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 December 31, 2013	**3.030**	**2.121**	**0**	**288**	**1.942**	**7.381**

2.4 INTANGIBLE ASSETS

GROUP	GOODWILL	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	OTHER	LICENCES [2]	TOTAL
January 1, 2014						
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 January 1, 2014	**81.800**	**43.482**	**53.036**	**12.491**	**162.537**	**353.346**
COST						
Additions of the period	0	11.383	3.174	1.516	6.733	22.806
Transfer of assets from (to) other categories	0	-8.012	0	0	8.012	0
Transfer from (to) inventories and tangible assets	0	147	0	0	0	147
Sale of subsidiaries / Change in consolidation method	0	-60	0	0	0	-60
Disposal	0	-780	0	-1.137	0	-1.917
Impairment / Write-off	0	-2	0	0	-3	-5
Net exchange differences on foreign currency translation	1.081	-4.583	253	1.517	-1.530	-3.262
ACCUMULATED DEPRECIATION						
Amortization of the period	0	-6.972	-3.055	-1.850	-20.552	-32.429
Disposal	0	384	0	568	0	952
Impairment / Write-off	0	1	0	0	0	1
Net exchange differences on foreign currency translation	0	4.966	-114	-751	-780	3.321
Transfer of assets from (to) other categories	0	2.047	0	0	-2.047	0
Transfer from (to) inventories and tangible assets	0	39	0	0	0	39
Sale of subsidiaries / Change in consolidation method	0	15	0	0	0	15
Net Book value September 30, 2014	**82.881**	**42.055**	**53.294**	**12.354**	**152.370**	**342.954**
Cost	82.881	96.397	75.475	21.992	313.575	590.320
Accumulated amortization	0	-54.342	-22.181	-9.638	-161.205	-247.366
Net Book value September 30, 2014	**82.881**	**42.055**	**53.294**	**12.354**	**152.370**	**342.954**

[1] The internally generated intangible assets of the Group include an individually material intangible asset of net book value € 44.962 thousand on 30/9/2014 (central operating system - LOTOS, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is 20 years whereas additions, upgrades and improvements to this asset are constant.
[2] The Group "Licenses' include intangible assets with indefinite useful lives (Lottery Games Intellectual property rights) amounting € 2,3 million 30/9/2014.

GROUP	GOODWILL	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	OTHER	LICENCES [2]	TOTAL
January 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 January 1, 2013	**82.525**	**47.382**	**45.736**	**13.990**	**174.191**	**363.824**
COST						
Additions of the period	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
Sale of subsidiaries/ change in consolidation method	-43	0	0	0	0	-43
Disposal	0	-4.017	0	0	0	-4.017
Impairment / Write-off	-346	-254	-8	-112	-149	-869
Net exchange differences on foreign currency translation	-16.045	-2.100	-1.094	-1.212	-6.974	-27.425
ACCUMULATED DEPRECIATION						
Amortization of the period	0	-7.923	-4.168	-2.482	-26.381	-40.954
Disposal	0	805	0	0	0	805
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
Impairment / Write-off	326	222	8	112	149	817
Net Book value December 31, 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 December 31, 2013	**81.800**	**43.482**	**53.036**	**12.491**	**162.537**	**353.346**

[1] The internally generated intangible assets of the Group include an individually material intangible asset of net book value € 43.884 thousand on 31/12/2013 (central operating system - LOTOS, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is 20 years whereas additions, upgrades and improvements to this asset are constant.
[2] The Group "Licenses' include intangible assets with indefinite useful lives (Lottery Games Intellectual property rights) amounting € 2,3 million 31/12/2013.

COMPANY	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	LICENCES	TOTAL
January 1, 2014				
Cost	40.282	58.022	22.487	120.791
Accumulated amortization	-25.414	-14.137	-15.263	-54.814
Net Book value January 1, 2014	**14.868**	**43.885**	**7.224**	**65.977**
COST				
Additions of the period	5.398	3.100	0	8.498
ACCUMULATED DEPRECIATION				
Amortization of the period	-2.575	-2.023	-954	-5.552
Net Book value September 30, 2014	**17.691**	**44.962**	**6.270**	**68.923**
Cost	45.680	61.122	22.487	129.289
Accumulated amortization	-27.989	-16.160	-16.217	-60.366
Net Book value September 30, 2014	**17.691**	**44.962**	**6.270**	**68.923**

COMPANY	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	LICENCES	TOTAL
January 1, 2013				
Cost	35.659	45.998	18.203	99.860
Accumulated amortization	-23.008	-11.333	-14.917	-49.258
Net Book value January 1, 2013	**12.651**	**34.665**	**3.286**	**50.602**
COST				
Additions of the period	4.623	12.024	4.284	20.931
ACCUMULATED DEPRECIATION				
Amortization of the period	-2.406	-2.804	-346	-5.556
Net Book value December 31, 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 December 31, 2013	**14.868**	**43.885**	**7.224**	**65.977**

[1] The internally generated intangible assets of the Group consist of an individually material intangible asset (central operating system - LOTOS, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is 20 years whereas additions, upgrades and improvements to this asset are constant.

Goodwill and Intangible assets with indefinite useful life impairment test

Management tests goodwill for impairment annually (31 December) or more frequently if events occur or changes in circumstances indicate that the carrying value may have been reduced in accordance with accounting practice described in note 2.1.6.a "Business Combination and Goodwill”. The Group tested goodwill for impairment on 31/12/2013 and the key assumptions that are used for the determination of the recoverable amount are disclosed below. 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.
Specifically, goodwill arising on consolidation of acquired subsidiaries and intangible assets with indefinite useful life are allocated to the following cash generating units (CGU) by geographical area, which are the operating segments for impairment testing purposes:

Carrying amount:

	Goodwill		Intangible assets with indefinite useful life	
CGU	**30/9/2014**	**31/12/2013**	**30/9/2014**	**31/12/2013**
European Union	6.561	6.583	2.300	2.300
Other Europe	0	0	0	0
America	24.011	24.327	8	9
Other countries	52.309	50.890	0	0
	82.881	**81.800**	**2.308**	**2.309**

Key assumptions:
The recoverable amount of each CGU is determined according to the calculations of value in use. The determination is obtained by the present value of estimated future cash flows expected to be generated by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the management budgets for the next three years and do not include estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance which is tested for impairment. The expected cash flow projections beyond the period covered by the most recent budgets estimated by extrapolating the projections based on the budgets using a steady or declining growth rate for subsequent years, which does not exceed the long-term average growth rate for products, industries or countries in which the Group operates, or for the market in which the asset is used. The Group makes estimates beyond the period of five years where has signed revenue contracts beyond five years as well as in cases where management believes that based on market data and renewals track record of the Group, it is very possible the renewal of the relevant contracts beyond the five year period. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset, giving greater weight to external evidence. Management assesses the reasonableness of the assumptions underlying the current cash flow projections by examining the causes of differences between past cash flow projections and actual cash flows. Management also ensures that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided that subsequent events or circumstances that did not exist when those actual cash flows were generated make this appropriate. The use value for CGUs affected (has sensitivity) of the following key factors (assumptions):

- Sales
- Growth rate used to extrapolate cash flows beyond the budget period, and
- Discount rates

Sales:

Sales projections are derived from estimates of local management of various subsidiaries. These projections are based on careful assessments of various factors, such as past performance, estimates of growth of the local market, competition - if exists, possible changes in the institutional framework governing the gambling market, the economic situation of the gambling industry and the market in general, new opportunities such as lotteries privatizations, etc.

Sales growth rate:

CGU	2013
European Union	-1,0% - 16,9%
Other Europe	n/a
America	0,0% - 9,0%
Other countries	0,0% - 8,7%

Growth rate used to extrapolate cash flows beyond the budget period:

The factors taken into account for the calculation of the growth rate beyond the budgets period derive from external sources and include among others, the level of maturity of each market, the existence of barriers to entry for competitors, the economic situation of the market, existing competition and technology trends.

Growth rate beyond the budget period:

CGU	2013
European Union	0,0% - 2,1%
Other Europe	n/a
America	0,0% - 5,6%
Other countries	0,0% - 8,6%

Discount rates:

The discount rates represent the current market assessments of the risks personalized for each CGU, having made the necessary adjustments for the time value of money and possible risks specific to any assets that have not been included in the cash flow projections. The calculation of discount rates based on specific conditions under which the Group and its operating segments operate and calculated through the weighted average cost of capital method (WACC). The WACC takes into account both debt and equity. The cost of equity derives from the expected return that Group investors have for their investment. Cost of debt based on the interest rate of the Group loans. The specific risk of each country is incorporated by implementing individualized sensitivity factors "beta" (beta factors). The sensitivity factors "beta" evaluated annually based on published market data.

Discount rates:

CGU	2013
European Union	7,7% - 9,8%
Other Europe	n/a
America	10,1% - 28,8%
Other countries	13,0% - 15,5%

Recoverable amount sensitivity analysis:

On 31/12/13, the Group analyzed the sensitivity of the recoverable amounts in a reasonable and possible change of some of the basic assumptions (such as the change of a percentage point to the growth rate beyond the budget period and the discount rates). This analysis does not show a situation in which the carrying amount of the Group's significant CGUs exceeds their recoverable amount.

2.5 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	30/9/2014	31/12/2013 [1]
Lotrich Information Co Ltd	40%	Taiwan	4.575	4.136
Goreward Ltd Group	49,9%	China	23.873	19.586
Intralot South Africa Ltd	45%	South Africa	1.831	1.861
Uniclic Ltd Group	50%	Cyprus	236	4
Other			242	236
			30.757	**25.823**

[1] Including restated figures according to IFRS 11 – note 2.15.A.III
Also included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - note 2.15.A.III

INTRALOT SA INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	30/9/2014	31/12/2013 [2]
Lotrich Information Co Ltd	40%	Taiwan	5.131	5.131
Intralot South Africa Ltd	45%	South Africa	2.300	2.300
			7.431	**7.431**

[2] Included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - note 2.15.A.III

INTRALOT SA INVESTMENT IN SUBSIDIARIES	% Participation	Country	30/9/2014	31/12/2013
Intralot De Peru SAC	99,98%	Peru	15.759	15.759
Intralot Holdings International Ltd	100%	Cyprus	8.464	8.464
Intralot Australia Pty Ltd	100%	Australia	114	114
Betting Company S.A.	95%	Greece	139	139
Inteltek Internet AS	20%	Turkey	67.326	67.326
Bilyoner Interactif Hizmelter AS	50,01%	Turkey	10.751	10.751
Intralot Global Securities BV	100,00%	Nederland	57.028	55.028
Loteria Moldovei SA	47,90%	Moldova	656	656
Intralot Iberia Holdings S.A.	100%	Spain	5.638	5.638
Other			214	214
			166.089	**164.089**

2.6 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	
	30/9/2014	31/12/2013 [1]	30/9/2014	31/12/2013 [1]
Opening Balance	**47.061**	**9.619**	**6.411**	**1.547**
Purchases	0	36.716	0	0
Return of Capital	-3.150	0	-3.150	0
Exchange of bank deposits with shares	0	786	0	0
Exchange of financial instrument with shares	0	26	0	0
Disposals	-3.440	-9.028	0	-1.020
Fair value revaluation	-3.299	5.457	-3	-86
Change in the consolidation method	0	4.379	0	5.970
Foreign exchange differences	46	-894	0	0
Closing balance	**37.218**	**47.061**	**3.258**	**6.411**
Quoted securities	3.536	6.963	39	43
Unquoted securities	33.682	40.098	3.219	6.368
Total	**37.218**	**47.061**	**3.258**	**6.411**
Long-term Financial Assets	36.901	43.476	3.258	6.411
Short-term Financial Assets	317	3.585	0	0
Total	**37.218**	**47.061**	**3.258**	**6.411**

[1] Included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - note 2.15.A.III

2.7 OTHER LONG TERM RECEIVABLES

	GROUP		COMPANY	
	30/09/2014	31/12/2013[1]	30/09/2014	31/12/2013
Receivables	151	2.654	0	0
Receivables from related parties (note 2.15.E)	6.501	5.954	0	0
Guarantees	3.593	2.441	0	0
Minus: Provisions	-7.700	-7.000	0	0
Other receivables	73.266	73.472	467	438
	75.811	**77.521**	**467**	**438**

[1] Including restated figures according to IFRS 11 – note 2.15.A.III

Reconciliation of changes in provisions for impairment of long-term receivables	GROUP		COMPANY	
	30/09/2014	31/12/2013[1]	30/09/2014	31/12/2013
Opening Balance	**-7.000**	**0**	**0**	**0**
Bad debt provisions [2]	-700	-7.000	0	0
Closing Balance	**-7.700**	**-7.000**	**0**	**0**

[1] Including restated figures according to IFRS 11 – note 2.15.A.III
[2] Relating to impairment of receivables from debtors (third parties outside the Group) derived from commercial transactions in the ordinary course of business.

2.8 TRADE AND OTHER SHORT TERM RECEIVABLES

	GROUP		COMPANY	
	30/9/2014	**31/12/2013 [1]**	**30/9/2014**	**31/12/2013**
Trade receivables [3]	123.183	128.812	52.693	61.491
Receivables from related parties (note 2.15.E)	33.162	40.431	142.932	173.046
Other receivables [2]	48.068	39.133	22.122	15.269
Less: Provisions	-13.758	-13.190	-87.461	-91.175
Prepaid expenses and other receivables	30.830	26.129	9.368	7.667
	221.485	**221.315**	**139.654**	**166.298**

[1] Including restated figures according to IFRS 11 – note 2.15.A.III
[2] In the Group at 30/09/2014 are included time deposits maturing beyond three months amounting to € 206 thousand and at 31/12/2013 € 616 thousand.
[3] The account trade receivables of the Company and the Group include a receivable from the "Hellenic Organization of Horse Racing S.A." (ODIE) amounting to € 22,4 million (31/12/2013: € 19,4 million) that was overdue by the reporting date and had not been impaired. To its all this requirement is covered by collateral as disclosed in note 2.14.A.r "Contingent liabilities" - "Litigation cases". We also note that the Company continued and continues to provide services to ODIE because it appreciates and assesses the risk of non-collectability as minimum, given both the public character of ODIE, and the reception of physical collateral (first mortgage and note of mortgage) on a property of ODIE (Markopoulos facilities). The record of the above physical collateral, was made for the amount of € 20,9 million against the real estate and the facilities of ODIE in Markopoulos, that have a multiple fair value, making the collection of the claim as fully secured.

Reconciliation of changes in provisions for impairment of short-term receivables	**GROUP**		**COMPANY**	
	30/09/2014	**31/12/2013**	**30/09/2014**	**31/12/2013**
Opening Balance	**-13.190**	**-10.770**	**-91.175**	**-49.956**
Provisions for the period for receivable from affiliates [1]	0	0	0	-39.528
Provisions for the period for receivable from debtors [2]	-602	-3.049	0	-2.000
Provisions utilized for receivables from affiliates	0	0	1.930	309
Provisions utilized for receivables from debtors	1	3	0	0
Reversed provisions for receivables from affiliates	0	0	1.784	0
Reversed provisions for receivables from debtors	0	0	0	0
Foreign exchange differences	33	626	0	0
Closing Balance	**-13.758**	**-13.190**	**-87.461**	**-91.175**

[1] Relating to impairment provision of receivables from subsidiaries derived either from machinery and equipment sales and services rendered or from loan contracts.

[2] Relating to impairment provision of receivables from debtors (third parties outside the Group) derived from commercial transactions in the ordinary course of business.

2.9 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 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 consist of**:**

	GROUP		COMPANY	
	30/9/2014	**31/12/2013 [1]**	**30/9/2014**	**31/12/2013**
Cash and bank current accounts	180.512	133.062	9.278	2.737
Short term time deposits	18.971	10.231	5.546	2.394
	199.483	**143.293**	**14.824**	**5.131**

[1] Including restated figures according to IFRS 11 – note 2.15.A.III

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).

2.10 OTHER LONG TERM LIABILITIES

	GROUP		COMPANY	
	30/9/2014	**31/12/2013**	**30/9/2014**	**31/12/2013**
Guarantees	12.856	11.211	0	0
Amounts due to related parties (Note 2.15.E)	35	32	0	0
Other long-term liabilities	648	881	0	0
	13.539	**12.124**	**0**	**0**

2.11 TRADE AND OTHER SHORT TERM LIABILITIES

	GROUP		COMPANY	
	30/9/2014	**31/12/2013 [1]**	**30/9/2014**	**31/12/2013**
Trade Creditors	60.673	78.661	7.068	22.282
Amounts due to related parties (Note 2.15.E)	29.349	32.139	60.559	65.545
Winnings	17.367	20.528	0	0
Other Payables [2]	43.775	38.935	3.300	5.293
Taxes	9.938	10.685	1.109	1.937
Dividends payable	89	416	85	85
	161.191	**181.364**	**72.121**	**95.142**

[1] Including restated figures according to IFRS 11 – 2.15.A.III
[2] There are included financial derivatives with total value on 30/09/2014 € 571 thousand (31/12/2013 € 1.061 thousand) for the Group and on 31/12/2013 € 165 thousand for the Company.

2.12 FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities of the Group, excluding cash and cash equivalents are analyzed as follows:

30/09/2014

Financial assets:	**Loans and receivables**	**Available for sale financial assets**	**Financial assets held to maturity**	**Total**
Trade receivables	123.334	0	0	**123.334**
Receivables from related parties (Note 2.15.E)	39.663	0	0	**39.663**
Prepaid expenses and other receivable	155.757	0	0	**155.757**
Bad debtors provisions	-21.458	0	0	**-21.458**
Other quoted financial assets	0	3.536	0	**3.536**
Other unquoted financial assets	0	33.365	317	**33.682**
Total	**297.296**	**36.901**	**317**	**334.514**
Long term	75.811	36.901	0	**112.712**
Short term	221.485	0	317	**221.802**
	297.296	**36.901**	**317**	**334.514**

31/12/2013 [1]

Financial assets:	**Loans and receivables**	**Available for sale financial assets**	**Financial assets held to maturity**	**Total**
Trade receivables	131.466	0	0	**131.466**
Receivables from related parties (Note 2.15.E)	46.385	0	0	**46.385**
Prepaid expenses and other receivable	141.175	0	0	**141.175**
Bad debtors provisions	-20.190	0	0	**-20.190**
Other quoted financial assets	0	6.963	0	**6.963**
Other unquoted financial assets[2]	0	36.513	3.585	**40.098**
Total	**298.836**	**43.476**	**3.585**	**345.897**
Long term	77.521	43.476	0	**120.997**
Short term	221.315	0	3.585	**224.900**
	298.836	**43.476**	**3.585**	**345.897**

[1] Including restated figures according to IFRS 11 – 2.15.A.III
[2] Included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - 2.15.A.III

30/09/2014

Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Trade Payables	60.673	0	0	**60.673**
Payables to related parties (Note 2.15.E)	29.384	0	0	**29.384**
Other liabilities	84.102	0	0	**84.102**
Derivatives	0	571	0	**571**
Borrowing and finance lease	600.782	0	0	**600.782**
Total	**774.941**	**571**	**0**	**775.512**
Long term	585.928	0	0	**585.928**
Short term	189.013	571	0	**189.584**
	774.941	**571**	**0**	**775.512**

31/12/2013 [1]

Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Trade Payables	78.661	0	0	**78.661**
Payables to related parties (Note 2.15.E)	32.171	0	0	**32.171**
Other liabilities	81.596	0	0	**81.596**
Derivatives	0	317	744	**1.061**
Borrowing and finance lease	546.477	0	0	**546.477**
Total	**738.905**	**317**	**744**	**739.966**
Long term	381.682	0	0	**381.682**
Short term	357.223	317	744	**358.284**
	738.905	**317**	**744**	**739.966**

[1] Including restated figures according to IFRS 11 – 2.15.A.III

Below is the analysis of the financial assets and liabilities of the Company other than cash and cash equivalents:

30/09/2014

Financial assets:	**Loans and receivables**	**Available for sale financial assets**	**Financial assets held to maturity**	**Total**
Trade receivables	52.693	0	0	**52.693**
Receivables from related parties (Note 2.15.E)	142.932	0	0	**142.932**
Prepaid expenses and other receivable	31.957	0	0	**31.957**
Bad debtors provisions	-87.461	0	0	**-87.461**
Other quoted financial assets	0	39	0	**39**
Other unquoted financial assets	0	3.219	0	**3.219**
Total	**140.121**	**3.258**	**0**	**143.379**
Long term	467	3.258	0	**3.725**
Short term	139.654	0	0	**139.654**
	140.121	**3.258**	**0**	**143.379**

31/12/2013

Financial assets:	**Loans and receivables**	**Available for sale financial assets**	**Financial assets held to maturity**	**Total**
Trade receivables	61.491	0	0	**61.491**
Receivables from related parties (Note 2.15.E)	173.046	0	0	**173.046**
Prepaid expenses and other receivable	23.374	0	0	**23.374**
Bad debtors provisions	-91.175	0	0	**-91.175**
Other quoted financial assets	0	43	0	**43**
Other unquoted financial assets[1]	0	6.368	0	**6.368**
Total	**166.736**	**6.411**	**0**	**173.147**
Long term	438	6.411	0	**6.849**
Short term	166.298	0	0	**166.298**
	166.736	**6.411**	**0**	**173.147**

[1] Included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - 2.15.A.III

30/09/2014

Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Trade Payables	7.068	0	0	**7.068**
Payables to related parties (Note 2.15.E)	60.559	0	0	**60.559**
Other liabilities	4.494	0	0	**4.494**
Derivatives	0	0	0	**0**
Borrowing and finance lease	242.182	0	0	**242.182**
Total	**314.303**	**0**	**0**	**314.303**
Long term	235.042	0	0	**235.042**
Short term	79.261	0	0	**79.261**
	314.303	**0**	**0**	**314.303**

31/12/2013

Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Trade Payables	22.282	0	0	**22.282**
Payables to related parties (Note 2.15.E)	65.545	0	0	**65.545**
Other liabilities	7.150	0	0	**7.150**
Derivatives	0	0	165	**165**
Borrowing and finance lease	232.474	0	0	**232.474**
Total	**327.451**	**0**	**165**	**327.616**
Long term	223.042	0	0	**223.042**
Short term	104.409	0	165	**104.574**
	327.451	**0**	**165**	**327.616**

Estimated fair value

Below is a comparison by category of carrying amounts and fair values of financial assets and liabilities of the Group and of the Company as at 30 September 2014 and 31 December 2013:

	GROUP			
	Carrying Amount		Fair Value	
Financial Assets	**30/9/2014**	**31/12/2013 [1]**	**30/9/2014**	**31/12/2013**
Other long-term financial assets - classified as "available for sale" [2]	36.901	43.476	36.901	43.476
Other long-term receivables	75.811	77.521	75.811	77.521
Trade and other short-term receivables	221.485	221.315	221.485	221.315
Other short-term financial assets - classified as "Held to maturity" [3]	317	3.585	317	3.585
Cash and cash equivalents	199.483	143.293	199.483	143.293
Total	**533.997**	**489.190**	**533.997**	**489.190**
Financial Liabilities				
Long-term loans	561.329	350.315	601.755	384.058
Other long-term liabilities	13.539	12.124	13.539	12.124
Liabilities from finance leases	11.060	19.243	11.060	19.243
Trade and other short term payables	161.191	181.364	161.191	181.364
Short-term loans and portion of long-term loans payable within next year	28.393	176.920	28.675	178.173
Total	**775.512**	**739.966**	**816.220**	**774.962**

[1] Including restated figures according to IFRS 11 – 2.15.A.III
[2] Included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - 2.15.A.III
[3] Represent corporate bonds held to maturity are measured at amortized cost

	COMPANY			
	Carrying Amount		Fair Value	
Financial Assets	**30/9/2014**	**31/12/2013**	**30/9/2014**	**31/12/2013**
Other long-term financial assets - classified as "available for sale" [1]	3.258	6.411	3.258	6.411
Other long-term receivables	467	438	467	438
Trade and other short-term receivables	139.654	166.298	139.654	166.298
Cash and cash equivalents	14.824	5.131	14.824	5.131
Total	**158.203**	**178.278**	**158.203**	**178.278**
Financial Liabilities				
Long-term loans	235.042	223.042	235.042	223.042
Trade and other short term payables	72.121	95.142	72.121	95.142
Short-term loans and portion of long-term loans payable within next year	7.140	9.432	7.140	9.432
Total	**314.303**	**327.616**	**314.303**	**327.616**

[1] Included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - 2.15.A.III

The management estimated that the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value, primarily because of their short term maturities.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements to them. The levels of the fair value hierarchy are as follows:

Level 1: official quoted prices (unadjusted) in markets with significant volume of transactions for similar assets or liabilities

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).The Group and the Company held on 30/9/2014 the following assets and liabilities measured at fair value:

GROUP	**Fair Value 30/9/2014**	**Fair value hierarchy**		
		Level 1	**Level 2**	**Level 3**
Financial assets measured at fair value				
Other financial assets classified as "Available for sale"	**36.901**	**3.536**	**0**	**33.365**
- Quoted shares	*3.536*	*3.536*	*0*	*0*
- Unquoted shares	*33.365*	*0*	*0*	*33.365*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**571**	**0**	**571**	**0**

COMPANY	**Fair Value 30/9/2014**	**Fair value hierarchy**		
		Level 1	**Level 2**	**Level 3**
Financial assets measured at fair value				
Other financial assets classified as "Available for sale"	**3.258**	**39**	**0**	**3.219**
- Quoted shares	*39*	*39*	*0*	*0*
- Unquoted shares	*3.219*	*0*	*0*	*3.219*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

During 2014 there were no transfers between Level 1 and Level 2 of the fair value hierarchy, no transfers to and from Level 3.

The Group and the Company held on 31/12/2013 the following assets and liabilities measured at fair value:

GROUP	**Fair Value 31/12/2013**	**Fair value hierarchy**		
		Level 1	**Level 2**	**Level 3**
Financial assets measured at fair value				
Other financial assets classified as "Available for sale" [1]	**43.476**	**6.963**	**0**	**36.513**
- Quoted shares	6.963	6.963	0	0
- Unquoted shares [1]	36.513	0	0	36.513
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**1.061**	**0**	**1.061**	**0**

[1] Included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - note 2.15.A.III

COMPANY	**Fair Value 31/12/2013**	**Fair value hierarchy**		
		Level 1	**Level 2**	**Level 3**
Financial assets measured at fair value				
Other financial assets classified as "Available for sale" [1]	**6.411**	**43**	**0**	**6.368**
- Quoted shares	43	43	0	0
- Unquoted shares [1]	6.368	0	0	6.368
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**165**	**0**	**165**	**0**

[1] Included in the Group and the Company on 31.12.13 reclassification (for investments in non-consolidated companies) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation - note 2.15.A.III

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.

Reconciliation for recurring fair value measurements classified in the 3rd level of the fair value hierarchy:

Unquoted shares	**GROUP**	**COMPANY**
Balance 1/1/2013	**418**	**398**
Purchases	31.716	0
Change of consolidation method	4.379	5.970
Balance 31/12/2013	**36.513**	**6.368**
Return of capital	-3.150	-3.150
Foreign exchange differences	2	0
Balance 30/9/2014	**33.365**	**3.219**

Valuation methods and assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair values:

- Fair value of the quoted shares (classified as "Available for sale") derives from quoted market closing prices in active markets at the reporting date.
- Fair value of the unquoted shares (classified as "Available for sale") is estimated by reference to the current market value of another item substantially similar or using a DCF model. The valuation through the DCF model requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- Fair value of the quoted bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- 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. The fair value of these derivatives is measured mainly by reference of the market value and is verified by the financial institutions.

Description of significant unobservable inputs to valuation:

The fair value of unquoted shares (classified as "Available for sale") except that it is sensitive to a reasonably possible change in the forecast cash flows and the discount rate, is also sensitive to a reasonably possible change in growth rates. The valuation requires management to use unobservable inputs in the model, of which the most significant are disclosed in the tables below. The management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

As at 30 September 2014:

Unquoted shares (classified as "Available for sale")

Valuation method	**Significant unobservable inputs**	**Range (Weighted Average)**
	Sales growth rate	0.0% - 64.4% (25.7%)
DCF	Growth rate beyond budgets period	2.2% - 6.0% (2.3%)
	Discount rates (WACC)	10.0% - 10.8% (10.8%)

Sensitivity analysis of recoverable amounts:

On 30/9/14, the Group analyzed the sensitivity of the recoverable amounts in a reasonable and possible change in any of the above significant unobservable inputs (i.e. the change of one percentage point in the growth rate beyond the budgets period and discount rates). This analysis did not show a situation in which the carrying amount of the Group's significant investments in unquoted shares exceeds their recoverable amount.

2.13 INCOME TAXES

The Group calculates income taxes for the interim period using the tax rate that would be applicable to expected total annual earnings.

	GROUP	
	1/1-30/9/2014	**1/1-30/9/2013 [1]**
Current income taxes	22.040	16.878
Deferred income taxes	8.493	3.320
Total income tax expense reported in income statement	**30.533**	**20.198**

[1] Including restated figures according to IFRS 11 – note 2.15.A.III

	COMPANY	
	1/1-30/9/2014	**1/1-30/9/2013**
Current income taxes	0	0
Deferred income taxes	6.808	5.119
Total income tax expense reported in income statement	**6.808**	**5.119**

2.14 CONTINGENT LIABILITIES

A. <u>LITIGATION CASES</u>

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 and OPAP SA 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, in case of 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 Court of First Instance 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 for precipitation of the plaintiff the case was heard on 1st December 2005. By its decision No 2412/2006 the Multi-member Court of

First Instance 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. On 23rd July 2014 an application for cassation has been served to the company; date of hearing was scheduled on 15th December 2014.

c. INTRALOT filed before Multi-member Court of First Instance 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 Court of First Instance 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 Court of First Instance. 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 had been initially 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 Court of First Instance 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 Court of First Instance 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 Court of First Instance 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 Court of First Instance 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 (€ 1,2 m) plus TRY 1,89 million (€ 657k) 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 Court of First Instance of Ankara decision. Moreover, Inteltek claimed the amount of TRY 2,34 million (€ 813k) (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 (€2.014.445). 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 (€1.763.600) 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 (€491.678) 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. A decision was issued vindicating finally INTRALOT and resolving that the total amount of TRY 2.143.566 (€744.837) plus the amount of TRY 482.696 (€167.725) as additional interest to be paid to INTRALOT. The relevant amount was paid by the defendant and the case is closed.

j. 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 (€9,2m). 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 (€ 3m) 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. Mr. Petre Ion initiated an enforcement procedure of the above decision in Romania. The companies will exercise legal means against the enforcement procedure according to the provisions of the Romanian laws.

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 Court of First Instance rejected Mr. Petre Ion's lawsuit. Mr. Petre Ion filed an appeal which was heard on 4 November 2014 and the issue of the decision is pending.

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 (€1.256.604) and to the subsidiary LOTROM to 512.469 ROL (€116.201). The Company and its subsidiary LOTROM filed a lawsuit against the respective decision requesting its annulment and the suspension of its execution. The applications for the suspension of validity of the above decision of the Competition Board were rejected and the Company and its subsidiary LOTROM filed appeals. Also, an application for the suspension of execution was filed by Intralot, scheduled to be heard on 13 November 2014. Finally, in relation to the applications for annulment of the decision of the Competition Board, the application of LOTROM is scheduled to be heard on 17 December 2014 and the application of Intralot is scheduled to be heard on 12 November 2014.

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; four of them have been rejected and appeals have been filed against the respective decisions, while in relation to one case the court suspended the procedure. 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 Italy, the company Tike Games S.r.l. filed a lawsuit before the civil courts of Rome requesting a compensation in the amount of 378.400 Euro in relation to a contract signed with Intralot Italia SpA which was terminated by the latter due to material breach of an exclusivity undertaking provision when Intralot Italia SpA realized that the plaintiff had installed in its point of sale gaming machines (AWPs and VLTs) of a third party-concessionaire which was not approved by Intralot Italia Spa. The plaintiff claims that Intralot Italia SpA is responsible for the compensation since it delayed to install the respective gaming machines. Next hearing day is scheduled for the 6th May 2015; after that, the decision of the court will be issued. The opinion of the external legal advisors is that the above lawsuit will not finally succeed.

p. 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.

q. 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. The plaintiff filed an appeal and a decision was issued at the end of July 2014 which refers the case for a new hearing before the Court of First Instance. The company is examining the possibility to file legal means against this decision.

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 advanced 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 07/11/ 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. FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES

COMPANY	YEARS
INTRALOT S.A.	2012-2013
BETTING COMPANY S.A.	2007-2010
BETTING CYPRUS LTD	2004-2013
INTRALOT DE CHILE S.A.	2008-2010 & 2012 - 2013
INTRALOT DE PERU SAC	2009 & 2012-13
INTRALOT INC.	2011-2013
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2003-2013
ROYAL HIGHGATE LTD	2007-2013
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.	-
TOTOLOTEK S.A.	2009-2013
WHITE EAGLE INVESTMENTS LTD	2012-2013
BETA RIAL Sp.Zoo	2009-2013
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	2010-2013
INTRALOT NEDERLAND BV	2010-2013
INTRALOT CARIBBEAN VENTURES LTD	2010-2013
INTRALOT SURINAME LTD	2008-2013
SUPREME VENTURES LTD	2008 -2013
DC09 LLC	2011-2013
KELICOM HOLDINGS CO LTD	2008-2013
DINET ZAO	2011-2013
INTRALOT DE COLOMBIA (BRANCH)	2009-2013
INTRALOT HONG-KONG HOLDINGS LIMITED	2013
INTRALOT SLOVAKIA SPOL. S.R.O.	-
INTRALOT GERMANY GMBH	2012-2013
GAIN ADVANCE GROUP LTD	-
INTRALOT GAMING MACHINES SpA	2012-2013
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	-
INTRALOT IRELAND LTD	-

COMPANY	YEARS
INTRALOT EGYPT LTD	2008-2013
E.C.E.S. SAE	2007-2013
INTRALOT OOO	2011-2013
POLDIN LTD	2009-2013
INTRALOT ASIA PACIFIC LTD	2006-2013
INTRALOT AUSTRALIA PTY LTD	2010-2013
INTRALOT SOUTH AFRICA LTD	2005-2013
INTRALOT LUXEMBOURG S.A.	2012-2013
INTRALOT ITALIA S.p.A.	2009-2013
INTRALOT FINANCE UK PLC	2012-2013
INTRALOT IBERIA HOLDINGS S.A.	2010-2013
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	2009-2013
OLTP LTDA	2010-2013
BILYONER INTERAKTIF HIZMELTER AS	2009-10 & 2012-13
LOTRICH INFORMATION Co. LTD	2013
GIDANI LTD	2008-2013
INTRALOT INTERACTIVE S.A.	2010
INTRALOT INTERACTIVE USA LLC	2011-2013
INTRALOT HOLDING & SERVICES S.p.A. (ex Jackpot)	2012-2013
NIKANTRO HOLDINGS CO LTD	2009-2013
TACTUS S.R.O.	2009-2013
ATROPOS S.A.	2009-2013
NETMAN SRL	2010-2013
AZERINTELTEK AS	2013
INTRALOT TURKEY AS	2009-2013
INTRALOT MAROC S.A.	2010-2013
INTRALOT MINAS GERAIS LTDA	2010-2012
FAVORIT BOOKMAKERS OFFICE OOO	2012-2013
INTRALOT DE MEXICO LTD	2006-2013
INTRALOT DISTRIBUTION OOO	2011-2013
INTRALOT GAMING SERVICES PTY	2011-2013
KTEMS HOLDINGS CO LTD	2005-2013
INTRALOT BETTING OPERATIONS RUSSIA LTD	2011-2013
INTRALOT LOTTERIES LTD	2011-2013
PRECIOUS SUCCESS LTD GROUP	2013
INTRALOT GLOBAL SECURITIES B.V.	2013
INTRALOT LEASING NEDERLAND B.V.	2013
INTRALOT CYPRUS GLOBAL ASSETS LTD	2012-2013
OASIS RICH INTERNATIONAL LTD	-
WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	-
INTRALOT CAPITAL LUXEMBOURG S.A.	-

There is a tax audit in progress for the period 2007-2012 in Royal Highgate Ltd , 2004-2010 in Intralot Holdings International LTD, 2004-2011 in Betting Cyprus, 2003-2011 in Intralot Betting Operations Cyprus and in Intralot Jamaica Ltd for 2010-2012. In Intralot de Peru SAC the tax audit for 2010-2011 was completed. 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 1/1/2008-30/6/2009 has been completed imposing additional taxes and fines amounting to € 3,4 mio. 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. The income tax audit has been completed for the year 2013 in Wusheng Computer Technology (Shanghai) Co Ltd, in Loteria Moldovei SA for the period 01/10/2009-31/1/2014 and in AzerIntlek AS for the period 2010-2012.The tax audit for the years 2010-2011 has been completed in Intralot Holding & Services S.p.A. (ex Jackpot). In Intralot Italia Spa, the audit of VAT and withholding taxes has been completed for 2011. In 2011, in Lotrom S.A. the tax inspection for the years 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 recognized 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. Moreover, the tax inspection for Intralot SA 2011 has been completed imposing taxes on accounting differences plus surcharges amounting to € 3,9 million. The Company filed administrative appeals against the relevant control sheets with an effect the decrease of taxes to the amount €3,34 million. The company testified new appeals to the Administrative Greek Courts. 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 for the year 2013 from an audit company based on POL.1159/22.7.2011.

C. OTHER SELECTED EXPLANATORY NOTES

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

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

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

No such.

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

No such.

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

I. *Stock Option:*

The Group had no active stock options programme during the first nine months period of 2014.

II. *Issue of bonds:*

In May 2014, Intralot Capital Luxembourg SA successfully completed the process of issuing Bonds (Senior Unsecured Notes) maturing in 2021. The initial offering of € 200 million was substantially oversubscribed and upsized to € 250 million. The Notes were offered at an issue price of 99,294% and the Notes' coupon was set at 6%.

III. *New Companies of the Group:*

During the first nine months period of 2014 the Group proceeded to the establishment of subsidiaries Intralot Slovakia Spol S.R.O., Intralot Ireland Ltd and Intralot Capital Luxembourg SA.

IV. *Subsidiaries Share Capital Increase:*

During the first nine months of 2014 the Group increased its share capital through cash contribution in Intralot Global Securities BV and Intralot Capital Luxembourg SA amounting to € 2 million and in Favorit Bookmakers Office OOO amounting to € 1,6 million

V. *Discontinued Operations in the Group:*

During the first nine months period of 2014 the Group ceased operation and finalized liquidation process of the subsidiaries Promarta OOO, Intralot Interactive USA LLC and DeepStack Casino LLC.
The Group sold its share in subsidiary Intralot Czech SRO on July 2014.

VI. Syndicated Loan Facilities:

In June 2014, Intralot Finance UK Plc signed a 200 million euro Syndicated Loan Facility. This Loan has duration of 3-years (plus a one-year extension option) and replaces the pre-existing syndicated loan, which has been fully redeemed and was due to mature in December 2014.

e. Dividends paid (aggregate or per share):

Ordinary share dividends were paid amounting to € 19.542 thousand (€ 13.198 thousand 30/09/13).

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

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

g. Acquisitions and disposals of tangibles and intangible assets:

The change to the Group, due to acquisition of tangible and intangible assets for the period 1/1-30/9/2014 amounts to € 38.038 thousand while the respective disposals were approximately € 1.144 thousand.

2.15 SUPPLEMENTARY INFORMATION

A.BUSINESS COMBINATION AND METHOD OF CONSOLIDATON

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

I. Full consolidation:		**Domicile**	**% Direct Part'n**	**% Indirect Part'n**	**% Total Part'n**
	INTRALOT S.A.	Maroussi, Attica	Parent	Parent	-
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%
28.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia		100%	100%
	INTRALOT LUXEMBOURG S.A.	Luxemburg, Luxemburg	100%		100%
	INTRALOT IBERIA HOLDINGS SA	Madrid, Spain	100%		100%
29.	INTRALOT JAMAICA LTD	Kingston, Jamaica		100%	100%
29.	INTRALOT TURKEY A.S.	Istanbul, Turkey	50%	49,99%	99,99%
29.	INTRALOT DE MEXICO LTD	Mexico City, Mexico		99,8%	99,8%
29.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%	45%
30.	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%
	ΑΤΡΟΠΟΣ Α.Ε.	Maroussi, Attica	100%		100%
	BILYONER INTERAKTIF HIZMELTER AS GROUP	Istanbul, Turkey	50,01%		50,01%
	INTRALOT MAROC S.A.	Casablanca, Morocco	99,83%		99,83%
	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.	INTRALOT CAPITAL 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%

I. Full consolidation:		Domicile	% Direct Part'n	% Indirect Part'n	% Total Part'n
5.	INTRALOT ARGENTINA S.A.	Buenos Aires, Argentina		100%	100%
5.	INTRALOT GERMANY GMBH	Munich, Germany		100%	100%
5.	INTRALOT HOLDING & SERVICES S.p.A. (ex JACKPOT)	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%
5.	POLLOT Sp.Zoo	Warsaw, Poland		100%	100%
15,16,17	TOTOLOTEK S.A.	Warsaw, Poland		95,45%	95,45%
5.	INTRALOT SLOVAKIA SPOL. S R.O.	Bratislava, Slovakia		100%	100%
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 IRELAND LTD	Dublin, Ireland		100%	100%
5.	INTRALOT CYPRUS GLOBAL ASSETS LTD	Nicosia, Cyprus		100%	100%
8.	INTRALOT OOO	Moscow, Russia		100%	100%
27.	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.	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%

I. Full consolidation:		**Domicile**	**% Direct Part'n**	**% Indirect Part'n**	**% Total Part'n**
2,4,23.	E.C.E.S. SAE	Cairo, Egypt		90,03%	90,03%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus		100%	100%
32.	INTRALOT LOTTERIES LTD	Nicosia, Cyprus	51%	49%	100%
32.	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%
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%
3.	DINET ZAO	Moscow, Russia		100%	100%
26.	PROMARTA OOO	Moscow, Russia		100%	100%

II. Equity method:		**Domicile**	**% Direct Part'n**	**% Indirect Part'n**	**% Total Part'n**
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	40%		40%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, South Africa	45%		45%
33.	GIDANI LTD	Johannesburg, South Africa		8,10%	8,10%
3.	GOREWARD LTD	Taipei, Taiwan		49,99%	49,99%
34.	PRECIOUS SUCCESS LTD GROUP	Hong Kong, China		24,49%	24,49%
34.	GAIN ADVANCE GROUP LTD	Hong Kong, China		49,99%	49,99%
22.	KTEMS HOLDINGS CO LTD	Seoul, South Korea		49,99%	49,99%
34.	OASIS RICH INTERNATIONAL LTD	Taipei, Taiwan		44,99%	44,99%
35.	WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	Shanghai, China		44,99%	44,99%
2.	UNICLIC LTD	Nicosia, Cyprus		50%	50%
31.	DOWA LTD	Nicosia, Cyprus		30%	30%

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

The entity Inteltek Internet AS is consolidated with the full method as the requirements of IFRS 10 are met.

The entities Atropos S.A., Nafirol S.A., Intralot Luxembourg SA, Intralot Holdings Luxembourg SA, Dinet ZAO, Intralot De Chile SA and E.C.E.S. SAE are under liquidation process.

III. Change in consolidation method

The Group has applied the new IFRS 11 "Joint arrangements" retroactively from 1/1/2013, changing the method of consolidation of companies under common control (Uniclic Ltd and Dowa Ltd) from proportionate to equity method. This change will not result in a significant change in equity, net profit after tax and other comprehensive income of the Group. Below is an analysis of the restatement under IFRS 11:

STATEMENT OF GROUP COMPREHENSIVE INCOME

Amounts reported in thousand €	1/1-30/9/2013 (initial publication)	IFRS 11 effect	1/1-30/9/2013 (restated)
Sale Proceeds	1.079.962	0	1.079.962
Less: Cost of Sales	-884.026	0	-884.026
Gross Profit /(Loss)	**195.936**	**0**	**195.936**
Other Operating Income	12.495	0	12.495
Selling Expenses	-28.455	0	-28.455
Administrative Expenses	-92.967	14	-92.953
Research and Development Expenses	-5.751	0	-5.751
Other Operating Expenses	-5.015	0	-5.015
EBIT	**76.429**	**14**	**76.443**
EBITDA	**143.463**	**14**	**143.477**
Interest and similar Charges	-39.483	0	-39.483
Interest and related Income	14.105	0	14.105
Exchange Differences	-10.657	0	-10.657
Profit / (Loss) from equity method consolidations	-65	-11	-76
Operating Profit/(Loss) Before Tax	**40.143**	**3**	**40.146**
Less: Taxes	-20.198	0	-20.198
Net Profit / (Loss) after taxes from Continuing Operations (a)	**19.945**	**3**	**19.948**
Net Profit / (Loss) after taxes from Discontinuing Operations (b)	**0**	**0**	**0**
Net Profit / (Loss) (Continuing and Discontinuing Operations) (a) + (b)	**19.945**	**3**	**19.948**
Attributable to:			
Owners of the parent	527	0	527
Non-Controlling Interest	19.418	3	19.421
Other comprehensive income after tax:			
Amounts that may be reclassified to profit or loss:			
Valuation of Available- for -Sale financial assets	3.014	0	3.014
Derivatives valuation	2.372	0	2.372
Exchange differences on translating foreign operations	-15.134	36	-15.098
Total comprehensive income/ (expense) after tax:	**-9.748**	**36**	**-9.712**
Total income after tax	**10.197**	**39**	**10.236**
Attributable to:			
Owners of the parent	-395	14	-381
Non-Controlling interests	10.592	25	10.617

STATEMENT OF GROUP COMPREHENSIVE INCOME

Amounts reported in thousand €	1/1-31/12/2013 (initial publication)	IFRS 11 effect	1/1-31/12/2013 (restated)
Sale Proceeds	1.539.430	0	1.539.430
Less: Cost of Sales	-1.271.522	0	-1.271.522
Gross Profit /(Loss)	**267.908**	**0**	**267.908**
Other Operating Income	17.361	0	17.361
Selling Expenses	-40.185	0	-40.185
Administrative Expenses	-120.773	19	-120.754
Research and Development Expenses	-6.977	0	-6.977
Other Operating Expenses	-17.045	0	-17.045
EBIT	**103.258**	**19**	**103.277**
EBITDA	**194.831**	**19**	**194.850**
Interest and similar Charges	-57.898	0	-57.898
Interest and related Income	25.233	0	25.233
Exchange Differences	-11.062	1	-11.061
Profit / (Loss) from equity method consolidations	-3.011	-16	-3.027
Operating Profit/(Loss) Before Tax	**53.551**	**4**	**53.555**
Less: Taxes	-32.239	0	-32.239
Net Profit / (Loss) after taxes from Continuing Operations (a)	**21.312**	**4**	**21.316**
Net Profit / (Loss) after taxes from Discontinuing Operations (b)	**0**	**0**	**0**
Net Profit / (Loss) (Continuing and Discontinuing Operations) (a) + (b)	**21.312**	**4**	**21.316**
Attributable to:			
Owners of the parent	-4.567	1	-4.566
Non-Controlling Interest	25.879	3	25.882
Other comprehensive income after tax:			
Amounts that may not be reclassified to profit or loss:			
Revaluations of defined benefit plans	-280	0	-280
Amounts that may be reclassified to profit or loss:			
Valuation of Available- for -Sale financial assets	5.380	0	5.380
Derivatives valuation	3.270	0	3.270
Exchange differences on translating foreign operations	-42.390	71	-42.319
Total comprehensive income/ (expense) after tax:	**-34.020**	**71**	**-33.949**
Total income after tax	**-12.708**	**75**	**-12.633**
Attributable to:			
Owners of the parent	-25.089	30	-25.059
Non-Controlling interests	12.381	45	12.426

STATEMENT OF GROUP FINANCIAL POSITION

Amounts reported in thousand €	31/12/2013 (initial publication)	IFRS 11 effect	Reclassification [1]	31/12/2013 (restated)
ASSETS				
Non Current Assets				
Tangible fixed assets	199.418	0	0	199.418
Intangible assets	353.346	0	0	353.346
Investment in subsidiaries, associates and joint ventures	61.914	4	-36.095	25.823
Other financial assets	7.381	0	36.095	43.476
Deferred Tax asset	14.709	1	0	14.710
Other long term receivables	83.276	-5.755	0	77.521
	720.044	**-5.750**	**0**	**714.294**
Current Assets				
Inventories	48.331	0	0	48.331
Trade and other short term receivables	219.876	1.439	0	221.315
Other financial assets	3.585	0	0	3.585
Cash and cash equivalents	143.334	-41	0	143.293
	415.126	**1.398**	**0**	**416.524**
TOTAL ASSETS	**1.135.170**	**-4.352**	**0**	**1.130.818**
EQUITY AND LIABILITIES				
Share Capital	47.689	0	0	47.689
Other reserves	63.850	0	0	63.850
Foreign currency translation	-61.300	298	0	-61.002
Retained earnings	217.212	-1.400	0	215.812
	267.451	**-1.102**	**0**	**266.349**
Non-Controlling Interest	78.320	-925	0	77.395
TOTAL EQUITY	**345.771**	**-2.027**	**0**	**343.744**
Non Current Liabilities				
Long term Debt	352.146	-1.831	0	350.315
Staff retirement indemnities	6.840	0	0	6.840
Other long term provisions	13.683	0	0	13.683
Deferred Tax liabilities	8.124	0	0	8.124
Other long term liabilities	12.124	0	0	12.124
Finance lease obligation	19.243	0	0	19.243
	412.160	**-1.831**	**0**	**410.329**
Current Liabilities				
Trade and other short term liabilities	181.441	-77	0	181.364
Short term debt and current portion of long term debt	176.920	0	0	176.920
Current income taxes payable	11.732	-417	0	11.315
Short term provision	7.146	0	0	7.146
	377.239	**-494**	**0**	**376.745**
TOTAL LIABILITIES	**789.399**	**-2.325**	**0**	**787.074**
TOTAL EQUITY AND LIABILITIES	**1.135.170**	**-4.352**	**0**	**1.130.818**

[1] The Group on 31.12.13 reclassified the amount of €36.095 thousand (for investments in non-consolidated companies Nanum Lotto Co Ltd, Hellenic Lotteries SA and Sentio AS) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Amounts reported in thousand €	31/12/2013 (initial publication)	Reclassification [1]	31/12/2013 (restated)
Investment in subsidiaries, associates and joint ventures	177.490	-5.970	171.520
Other financial assets	441	5.970	6.411

[1] In 31.12.13 the company reclassified the amount of € 5.970 thousand (for participation in non-consolidated companies Nanum Lotto Co Ltd) from the account "Investments in subsidiaries, associates and joint ventures" in the account "Other financial assets" for a more appropriate presentation.

STATEMENT OF GROUP FINANCIAL POSITION

Amounts reported in thousand €	1/1/2013 (initial publication)	IFRS 11 effect	1/1/2013 (restated)
ASSETS			
Non Current Assets			
Tangible fixed assets	240.693	0	240.693
Intangible assets	363.824	0	363.824
Investment in subsidiaries, associates and joint ventures	40.217	138	40.355
Other financial assets	4.913	0	4.913
Deferred Tax asset	21.355	0	21.355
Other long term receivables	87.950	-6.015	81.935
	758.952	**-5.877**	**753.075**
Current Assets			
Inventories	43.533	0	43.533
Trade and other short term receivables	172.739	1.403	174.142
Other financial assets	4.706	0	4.706
Cash and cash equivalents	134.973	-42	134.931
	355.951	**1.361**	**357.312**
TOTAL ASSETS	**1.114.903**	**-4.516**	**1.110.387**
EQUITY AND LIABILITIES			
Share Capital	47.689	0	47.689
Other reserves	60.984	0	60.984
Foreign currency translation	-32.404	267	-32.137
Retained earnings	226.711	-1.400	225.311
	302.980	**-1.133**	**301.847**
Non-Controlling Interest	80.617	-969	79.648
TOTAL EQUITY	**383.597**	**-2.102**	**381.495**
Non Current Liabilities			
Long term Debt	329.730	-1.913	327.817
Staff retirement indemnities	6.909	0	6.909
Other long term provisions	14.509	0	14.509
Deferred Tax liabilities	5.690	0	5.690
Other long term liabilities	21.774	0	21.774
Finance lease obligation	5.361	0	5.361
	383.973	**-1.913**	**382.060**
Current Liabilities			
Trade and other short term liabilities	136.940	-64	136.876
Short term debt and current portion of long term debt	185.883	0	185.883
Current income taxes payable	19.623	-437	19.186
Short term provision	4.887	0	4.887
	347.333	**-501**	**346.832**
TOTAL LIABILITIES	**731.306**	**-2.414**	**728.892**
TOTAL EQUITY AND LIABILITIES	**1.114.903**	**-4.516**	**1.110.387**

GROUP CASH FLOW STATEMENT

Amounts reported in thousand €	1/1-30/9/2013 (initial publication)	IFRS 11 effect	1/1-30/9/2013 (restated)
Net Cash from Operating Activities	45.484	1	45.485
Net Cash from Investing Activities	-74.223	-	-74.223
Net Cash from Financing Activities	43.652	-	43.652
Net increase / (decrease) in cash and cash equivalents for the period	**14.913**	**1**	**14.914**

IV. Acquisitions

Acquisitions made during 2014

The Group did not make any acquisition during the first nine months period of 2014.

B. REAL LIENS

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 30/09/2014 the loan balance amounted to €11,0 million and the used guarantee letters to €4 million and overdraft €0,5 million). A second group's subsidiary has a loan of € 0,8 million with mortgage on a building and guarantee letter. Also, a third group's subsidiary has a loan of € 1,5 million with mortgage on a building.

C. PROVISIONS

The Group's provisions at 30/09/2014 that refer to legal issues amount to € 6,2 million, those referring to unaudited tax periods and tax audit expenses amount to € 3,9 million and € 11,0 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 years and tax audit expenses) and € 7,3 million (other provisions).

D.PERSONNEL EMPLOYED

The number of employees of the Group at the end of the current period amounted to 5.348 (5.131 subsidiaries and associates 217) and the Company's 695. At the end of the nine months of 2013 the number of employees of the Group were 5.532 persons (subsidiaries 5.266 and associates 266) and the Company's 615.

E. RELATED PARTY DISCLOSURES

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

	30/9/2014	
Amounts reported in thousands of €	**GROUP**	**COMPANY**
a) Income		
-from subsidiaries	0	23.578
-from associates	1.805	2.092
-from other related parties	3.554	3.277
b) Expenses		
-to subsidiaries	0	24.321
-to associates	-270	-271
-to other related parties	14.246	11.004
c) Receivables		
-from subsidiaries	0	111.223
-from associates	19.061	15.043
-from other related parties	19.907	16.666
d) Payables		
-to subsidiaries	0	276.916
-to associates	0	0
-to other related parties	29.456	25.825
e) BoD and Key Management Personnel transactions and fees	8.720	5.220
f) BoD and Key Management Personnel receivables	695	0
g) BoD and Key Management Personnel payables	205	0

F. OTHER INFORMATION

i. Acquisition, merger or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations (by extension of the paragraph 2.14.C f and d, as above):

See above paragraph 2.14.C f and d and 2.15.A III as above.

ii. Effects from change, if this is higher than 25%, in respect of the consolidated revenues or/and result or/and net equity of the company in the current period by extension of the paragraph 2.15.Fi as above (to the extent that the information is not covered by those specified in paragraph 2.14.C f and d, as above):

No such cases.

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

No such cases.

iv. Other material events for investors regarding the financial statements and course of the company's activity between balance sheet date and the date on which the financial statements are issued (to the extent that this information is not provided in paragraph 2.16):

This information is provided in paragraph 2.16.

v. Effect of changes in the composition of the enterprise during the interim period, regarding the acquisition or disposal or change in the method of consolidation of a company or joint venture if this is higher than 25%, in respect of the consolidated revenues or/and results or/and net equity (by extension of the paragraph 2.14.C f and d, as above):

No such effect.

2.16 SUBSEQUENT EVENTS

In October 2014, following the approval from the Victorian Government in Australia, INTRALOT Australia announced the sale of its Category 2 lottery license assets in Victoria (operated also in Tasmania), Australia, to the Tatts Group, which currently holds the Category 1 Public lottery license, the primary license in the region. The transaction brings Victoria back to a monopoly status quo. Proceeds related to the transaction, including upfront fees, ongoing payments and cost savings, are estimated to reach up to $20m AUD. The Victorian lottery operation represented less than 2% of the Group's revenues in the first semester of 2014.

Maroussi, November 8th, 2014

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

3. SUMMARY FINANCIAL INFORMATION FOR THE PERIOD JANUARY 1st TO SEPTEMBER 30th, 2014

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)
Figures and information for the period from 1st January to 30th September 2014
According to 4/507/28.4.2009 resolution of the Board of Directors of the Greek Capital Committee
Amounts in thousand €

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

Approval date by the BoD: **November 8th, 2014**
Web Site: **www.intralot.com**

1. STATEMENT OF FINANCIAL POSITION (GROUP and COMPANY)

	GROUP		COMPANY	
	30.9.2014	31.12.2013*	30.9.2014	31.12.2013
ASSETS				
Tangible Assets	183.559	199.418	6.651	7.381
Intangible Assets	342.954	353.346	68.923	65.977
Other Non-Current Assets	154.449	161.530	177.245	181.653
Inventories	54.251	48.331	38.048	37.353
Trade Receivables	221.802	224.900	139.654	166.298
Other Current Assets	199.483	143.293	14.824	5.131
TOTAL ASSETS	**1.156.498**	**1.130.818**	**445.345**	**463.793**
EQUITY AND LIABILITIES				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	192.288	218.660	60.007	67.345
Shareholders Equity (a)	**239.977**	**266.349**	**107.696**	**115.034**
Non-Controlling Interests (b)	89.942	77.395	0	0
Total Shareholders Equity (c)=(a)+(b)	**329.919**	**343.744**	**107.696**	**115.034**
Long-term Debt	561.329	350.315	235.042	223.042
Provisions/ Other Long term Liabilities	50.417	60.014	12.815	16.920
Short-term Debt	28.393	176.920	7.140	9.432
Other Short-term Liabilities	186.440	199.825	82.652	99.365
Total Liabilities (d)	**826.579**	**787.074**	**337.649**	**348.759**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.156.498**	**1.130.818**	**445.345**	**463.793**

** Including restated figures according to IFRS 11 – (note 2.15.A.III of interim financial statements)*

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

	GROUP		COMPANY	
	30.9.2014	30.9.2013*	30.9.2014	30.9.2013
Net equity at the beginning of the period (1/1/2014 and 1/1/2013 respectively)(initial publication)	**345.771**	**383.597**	**115.034**	**121.002**
Restatement for IFRS 11*	-2.027	-2.102	0	0
Net equity at the beginning of the period (1/1/2014 and 1/1/2013 respectively)(after the restatement for IFRS 11)*	**343.744**	**381.495**	**115.034**	**121.002**
Effect on retained earnings from previous years adjustments	-52	-1.174	-87	0
Total comprehensive income / (expenses) for the year after tax (continuing and discontinuing operations)	4.507	10.236	-7.251	31.889
Dividends Distributed	-17.990	-13.398	0	-417
Effect due to change in ownership percentage	0	-836	0	0
Sale / liquidation of subsidiary	-290	0	0	0
Repurchase of convertible bond	0	-6.965	0	-8.735
Net Equity of the period Closing Balance (30/9/2014 and 30/9/2013 respectively)	**329.919**	**369.358**	**107.696**	**143.739**

** Including restated figures according to IFRS 11 – (note 2.15.A.III of interim financial statements)*

4. CASH FLOW STATEMENT (GROUP and COMPANY)

	GROUP		COMPANY	
	1.1-30.9.2014	1.1-30.9.2013*	1.1-30.9.2014	1.1-30.9.2013
Operating Activities				
Profit before Taxation (continuing operations)	27.272	40.146	-605	35.949
Plus/Less adjustments for:				
Depreciation and Amortization	65.415	67.034	6.785	10.936
Provisions	2.358	2.942	-2.345	165
Exchange rate differences	4.489	-12.040	0	0
Results (revenue, expenses, profits and losses) from Investing Activities	-7.701	9.024	-8.584	-6.560
Debit Interest and similar expenses	53.699	39.483	21.997	17.813
Credit Interest	-9.138	-13.646	-5.119	-15.758
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-5.903	-1.659	-1.263	-539
Decrease/(increase) of Receivable Accounts	9.117	-37.963	36.076	88
(Decrease)/increase of Payable Accounts (except Banks)	-17.229	12.027	-22.621	10.107
Less:				
Interest Paid and similar expenses paid	53.863	30.092	25.502	10.582
Income Tax Paid	23.375	29.771	954	1.431
Net Cash from Operating Activities (a)	**45.141**	**45.485**	**-2.135**	**40.188**
Investing Activities				
(Purchases)/Sales of subsidiaries, associates, joint ventures and other investments	7.373	-43.551	392	-8.659
Purchases of tangible and intangible assets	-42.752	-38.799	-8.203	-11.267
Proceeds from sales of tangible and intangible assets	133	381	0	0
Interest received	8.991	5.267	3.477	3.870
Dividends received	999	2.479	4.162	6.783
Net Cash from Investing Activities (b)	**-25.256**	**-74.223**	**-172**	**-9.273**
Financing Activities				
Cash inflows from loans	290.829	463.891	12.000	69.500
Repayment of loans	-225.801	-403.232	0	-99.300
Repayment of Leasing Obligations	-9.181	-3.809	0	0
Dividends paid	-19.542	-13.198	0	-417
Net Cash from Financing Activities (c)	**36.305**	**43.652**	**12.000**	**-30.217**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	56.190	14.914	9.693	698
Cash and cash equivalents at the beginning of the period	**143.293**	**134.931**	**5.131**	**5.254**
Cash and cash equivalents at the end of the period	**199.483**	**149.845**	**14.824**	**5.952**

** Including restated figures according to IFRS 11 – (note 2.15.A.III of interim financial statements)*

2. TOTAL COMPREHENSIVE INCOME STATEMENT (GROUP and COMPANY)

	GROUP				COMPANY			
	1.1-30.9.2014	1.1-30.9.2013*	1.7-30.9.2014	1.7-30.9.2013*	1.1-30.9.2014	1.1-30.9.2013	1.7-30.9.2014	1.7-30.9.2013
Sale Proceeds	1.329.509	1.079.962	424.009	362.734	64.486	102.820	16.593	47.176
Less: Cost of Sales	-1.135.990	-884.026	-366.899	-300.756	-37.627	-53.725	-14.771	-20.803
Gross Profit / (Loss)	**193.519**	**195.936**	**57.110**	**61.978**	**26.859**	**49.095**	**1.822**	**26.373**
Other Operating Income	13.916	12.495	5.374	3.754	2.748	125	1.438	0
Selling Expenses	-42.557	-28.455	-12.747	-8.387	-5.380	-5.154	-1.408	-1.721
Administrative Expenses	-86.330	-92.953	-25.901	-29.983	-9.025	-6.866	-2.857	-2.502
Research and Development Expenses	-6.841	-5.751	-2.369	-2.216	-6.785	-5.425	-2.350	-2.113
Other Operating Expenses	-5.831	-5.015	-2.105	-1.490	-304	-38	9	12
EBIT	**66.238**	**76.443**	**19.686**	**23.618**	**8.248**	**31.737**	**-3.347**	**20.049**
Interest and similar charges	-53.699	-39.483	-17.971	-14.282	-21.997	-17.813	-7.635	-5.729
Interest and related income	10.002	14.105	3.118	8.447	9.980	22.718	1.272	13.358
Exchange differences	6.883	-10.657	3.027	-3.089	3.279	-693	2.798	-625
Profit / (Loss) from equity method consolidations	-1.790	-76	-441	-254	0	0	0	0
Profit / (Loss) before taxes	**27.272**	**40.146**	**7.095**	**14.478**	**-605**	**35.949**	**-6.911**	**27.053**
Taxes	-30.533	-20.198	-4.174	-11.108	-6.808	-5.119	2.762	-7.516
Net Profit / (Loss) after taxes (A)	**-3.261**	**19.948**	**2.921**	**3.370**	**-7.413**	**30.830**	**-4.149**	**19.537**
Attributable to:								
- Owners of the parent	-32.070	527	-8.020	-2.044	-7.413	30.830	-4.149	19.537
- Non-Controlling Interests	28.809	19.421	10.941	5.414	0	0	0	0
Other comprehensive income/(expenses) for the period, after taxes (B)	**7.768**	**-9.712**	**13.002**	**-5.386**	**162**	**1.059**	**-17**	**350**
Total income / (expenses) after of taxes (A) + (B)	**4.507**	**10.236**	**15.923**	**-2.016**	**-7.251**	**31.889**	**-4.166**	**19.887**
Attributable to:								
- Owners of the parent	-26.528	-381	2.101	-2.673	-7.251	31.889	-4.166	19.887
- Non-Controlling Interests	31.035	10.617	13.822	657	0	0	0	0
Earnings after taxes per share (in euro)								
- basic	-0,2017	0,0033	-0,0504	-0,0129	-0,0466	0,1939	-0,0261	0,1229
- diluted	-0,2017	0,0033	-0,0504	-0,0129	-0,0466	0,1939	-0,0261	0,1229
EBITDA	**131.653**	**143.477**	**42.187**	**45.827**	**15.033**	**42.673**	**-973**	**23.795**

** Including restated figures according to IFRS 11 – (note 2.15.A.III of interim financial statements)*

Supplementary information:

1. The same accounting policies have been followed as the year-end consolidated financial statements 31/12/2013 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.1.4 of the interim financial statements.
2. The companies included in the consolidation of 30/9/2014 and not in the consolidation of 30/9/2013 due to subsequent acquisition are the following: Intralot Slovakia Spol. Sro, Intralot Ireland Ltd, Intralot Capital Luxembourg SA, Goreward Ltd, Oasis Rich International Ltd & Wusheng Computer Technology (Shanghai) Co Ltd. (note 2.15.A.I & II of interim financial statements). The entity Bilyoner Interaktif Hizmetler AS Group is consolidated since 1/12/2013 with the full consolidation method (in prior periods was consolidated with the equity method) since the requirements of IFRS 10 are met. Since 1/11/2013, 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 IFRS 10 are no longer met. Since 1/11/2013 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 1/10/2013. The entities Atropos SA, Nafirol SA, Intralot Luxembourg SA, Intralot Holdings Luxembourg SA, Dinet ZAO, Intralot De Chile 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. During the first nine months period of 2014 the Group ceased operation and finalized liquidation process of the subsidiaries Promarta OOO, Intralot Interactive USA LLC and DeepStack Casino LLC. The Group sold its share in subsidiary Intralot Czech SRO on July 2014. The Group has applied the new IFRS 11 "Joint arrangements" retroactively from 1/1/2013, changing the method of consolidation of companies under common control (Unidic Ltd and Dowa Ltd) from proportionate to equity method. (note 2.15.A.III of interim financial statements).
3. The Group's provisions at 30/09/2014 that refer to legal issues amount to € 6,2 million, those referring to unaudited tax periods and tax audit expenses amount to € 3,9 million and € 11,0 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 years and tax audit expenses) and € 7,3 million (other provisions).
4. The number of employees of the Group at the end of the current period amounted to 5.348 (5.131 subsidiaries and associates 217) and the Company's 695. At the end of the nine months of 2013 the number of employees of the Group were 5.532 persons (subsidiaries 5266 and associates 266) and the Company's 615.
5. Companies that are included in 30/9/2014 consolidated financial statements are presented in note 2.15.A.I & II of the interim financial statements 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 2.14.B of the interim financial statements.
7. The amounts of expense/income included in the Group's comprehensive income statement as at 30/9/2014 of € 7,8 mio (2013: € -9,7mio) concern: foreign exchange differences of € 10,6 mio (2013: € -15,1 mio), derivative valuation of € 407 k (2013: € 2,4 mio), € -3,3 mio (2013: 3 mio), concerns the valuation of available for sale financial assets, while ending amount € -5 k (2013: € 0 k), concerns defined benefit plans revaluation. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 30/09/14 for the Company, amounted to € 162 k (2013: € 1,1 mio) regard: revaluation of available for sale financial assets, amounted to € 162 k (2013: € -12 k) and 0 (2013: € 1,1 mio) concerns valuation of derivative.
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	23.578
-from associates	1.805	2.092
-from other related parties	3.554	3.277
b) Expenses		
-to subsidiaries	0	24.321
-to associates	-270	-271
-to other related parties	14.246	11.004
c) Receivables		
-from subsidiaries	0	111.223
-from associates	19.061	15.043
-from other related parties	19.907	16.866
d) Payables		
-to subsidiaries	0	276.916
-to associates	0	0
-to other related parties	29.456	25.825
e) BoD and Key Management Personnel transactions and fees	8.720	5.220
f) BoD and Key Management Personnel receivables	695	0
g) BoD and Key Management Personnel payables	205	0

Maroussi, November 8th, 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 ID. No. AI 091040	C.G. ANTONOPOULOS ID. No.AI 025905	A. I. KERASTARIS ID. No. AI 682788	N.G. PAVLAKIS ID. No. AZ 012557 H.E.C. License No. 15230/A' Class