INTRALOT GROUP

First Semester Report

For the period ended June 30, 2011

According to L.3556/2007

1st Semester of 2011

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

The

a. Sokratis P. Kokkalis, Chairman of the Board of Directors
b. Con/nos G. Antonopoulos, Vice - Chairman of the Board of Directors and CEO
c. Sotirios N. Filos , Member of the Board of Directors

DECLARE THAT

As far as we know:

a. the accompanying interim company and consolidated financial statements of the company "INTRALOT S.A." for the period 1st January 2011 to 30th June 2011, prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, equity and the financial results of the Company, as well as of the companies included in the consolidation, according to par. 3 to 5 of article 5 of L. 3556/2007.

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

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

Maroussi, August 29th, 2011

The designees

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

2. Semi-annual Board of Directors Management Report

We submit to all interested parties the 1st semester 2011 interim financial statements according to the International Financial Reporting Standards as adopted by the European Union, along with the present report for the period from January 1st to June 30, 2011. The present report of the Board of Directors of the company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" has been composed according to the provision of par. 6, article 5 of the Law 3556/2007 and to the published executive resolutions 1/434/3-7-2008 and 7/448/11.10.2007 of the Capital Market Commission' Board of Directors.

PROGRESS OF THE GROUP'S AND COMPANY'S PERFORMANCE FOR THE PERIOD 1/1- 30/6/2011 BUSINESS DEVELOPMENTS FOR THE SECOND SEMESTER OF 2011

FINANCIAL OVERVIEW

INTRALOT's consolidated revenues in the first half of 2011 increased 8,4% to €586,4 mil. from €540,9 mil. in the first half of 2010. EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) were €72,6 mil. from €70,8 mil. in the first half of 2010, posting an increase of 2,5%. Earnings Before Taxes decreased by 55,2% to €22,8 mil., while Earnings After Taxes and after minorities decreased by 70,4% to €7,5 mil..
We must note that revenues and EBITDA grew despite the difficult comparison with the first semester of 2010, the results of which were affected from the World Cup that took place in the second quarter of 2010, the increased sports betting payouts to winners in the second quarter of 2011 and the renewal of the OPAP contract with a lower fee in July 2010.
Concerning parent company results, revenues decreased by 15,5% to €63,4 mil. in the first semester of 2011, while earnings after taxes decreased by 81,5% to €3,7 mil.
Concerning the business developments, INTRALOT during the first half of 2011, among others, signed a new contract with the Croatian State Lottery, received a license to use its monitoring and control gaming system for videolottery machines in Peru, received a 10-year extension of the Lottery Gaming License that holds its subsidiary SVL in Jamaica and awarded a two-year extension of its contract with the Ohio Lottery.

CAPITAL STRUCTURE

The cash balance reached €111,5 mil. in the first half of 2011, while bank debt plus the convertible bond reached €480 mil.

NEW PROJECTS – INVESTMENTS

In January 2011, INTRALOT signed a new contract with Hrvatska Lutrija d.o.o, the Croatian State Lottery, following the initial one-year agreement signed in April 2009 between the two parties for the supply, maintenance and support of an Interactive Gaming System and the provision of new-generation virtual Internet games.
In April 2011, INTRALOT became the first company in Peru to receive a license to use its iGEM Gaming System by the Directorate General of Casino Games and Slot Machines of the Ministry of Tourism. The Peruvian version of INTRALOT's iGEM gaming system was the first to be certified by GLI for meeting all legal and new regulatory requirements in Peru in the field of Controlling, Monitoring and Management of Gaming Machines and was thus granted the license.
In April 2011, Supreme Ventures Limited (SVL), in which INTRALOT owns a strategic stake, received a 10-year extension of the Lottery Gaming License it holds in Jamaica which expires in 2016. The Betting, Gaming and Lotteries Commission (BGLC) of the country has extended the company's license to continue to operate its large portfolio of lottery games until 2026.
In May 2011, INTRALOT, through its subsidiary INTRALOT Caribbean Ventures Limited, has signed an agreement with the subsidiary of Supreme Ventures Limited (SVL), Prime Sports (Jamaica) Limited, so as to provide Video Lottery Terminals, that will be deployed at SVL's Gaming Lounges, as well as its cutting-edge Electronic Monitoring System, "iGEM" and additional services. The contract has an initial term of 10 years with an automatic renewal option for 5-year successive periods.

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

SIGNIFICANT DEVELOPMENTS AFTER THE END OF THE FIRST SEMESTER 2011

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

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

PROSPECTS AND UNCERTAINTIES FOR THE SECOND HALF OF 2011

Optimization of existing projects

The Company, having a presence in 50 countries in all 5 continents, runs projects in advanced and mature gaming markets, but it also has contracts in developing markets and projects which are in an initial stage of development, with significant growth potential. INTRALOT aims to further penetrate its existing markets with the constant improvement of the offering products and services and the development of new technologies. At the same time it is targeting to improve the profitability of the projects, mainly by reducing the operating costs and increasing the productivity.

Performance of new signed projects

The results of the Group will depend, among others, on the course of the new markets where it has established its presence such as:

Azerbaijan, where INTRALOT in 2010 undertook the management and the development of the sports betting games in the country. The project is under development and started in the beginning of 2011.

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

Prospects from new markets

In Europe there is a trend towards the liberalization of betting markets, Internet poker and other lottery games. These developments are an effort of the governments to increase their lottery revenues and fight illegal gaming. In this framework, many European countries have expressed their willingness towards the liberalization of their gaming markets and some of them have initiated this process. Greece is a country with significant interest for INTRALOT, since the opening of its gaming market is under way and includes, among others, licenses for gaming machines and the tendering of licenses for internet games. Also, another very interesting gaming market is Germany, where the liberalization of the sports betting games is in process.

Payouts to the winners of sports betting games

INTRALOT is one of the largest sports betting companies worldwide with operations in 14 countries. The payouts to the winners of the sports betting games can fluctuate in the short-term since they depend on the outcome of the games. In the second quarter of 2011 the winners’ payouts, which is a cost for the Company, increased significantly. The contraction of the payout in the second semester can affect positively INTRALOT’s results.

Gaming sector and economic activity

The gaming market is affected from the economic cycles since lottery products are consumer products. However, the gaming sector is more resilient than other sectors of the economy. Moreover, during an economic downturn, games with frequent draws (like KINO or video lotto) show greater reduction in revenues. INTRALOT with its international expansion has achieved significant diversification and it has reduced its dependence from individual markets and economies.

Gaming Taxation

The financial crisis has increased the budget deficits of many countries. The increase of lottery taxes consists a solution for the governments, unjustified according to our opinion, in order to finance these deficits and a downward risk for INTRALOT's financial results.

Financial risk

The group's international activities create various financial risks in the operations of the Group, due to the constant changes of the global financial environment. The Group except the traditional risks, like the liquidity and credit risk, is also facing market risks. The most important market risks are the foreign exchange and the interest rate risk. The risk management program is a dynamic process that continuously evolves and adapts to the market needs, while its target is to limit the potential negative effects in the financial results. The major risk management policies are set out by the Management of the Group. The risk management program is implemented from the Treasury department of the Group that is following specific policies, approved by the Management.

Credit risk

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

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Based on its strong financial figures, the Group took measures to obtain a significant amount of committed credit facilities from the banking system for the coming years.

Market Risk

1) Foreign Exchange risk

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

Sensitivity Analysis in Currency movements amounts for the period 1/1-30/6/2011 (in thous. €)

Foreign Currency	Currency Movement	Effect in Earnings before taxes	Effect in Equity
USD:	5%	-205	3.079
	-5%	186	-2.786
TRY:	5%	525	1.441
	-5%	-475	-1.303
PEN:	5%	189	-302
	-5%	-171	273
BRL:	5%	-115	449
	-5%	104	-407
JMD:	5%	291	1.304
	-5%	-263	-1.180
ARS:	5%	234	212
	-5%	-212	-192
RON:	5%	31	997
	-5%	-28	-902

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

CORPORATE RESPONSIBILITY

Dedicated to the principles and values of corporate social responsibility and the active support of sustainable development, INTRALOT Group has created an extensive programme of Social Responsibility, called "We care a lot". This programme constitutes a fundamental corporate principle whose aim is to contribute to the improvement of the quality of life and to the development of local communities where the company operates. The principles of the programme have been adopted by all the subsidiaries of the Group on all five continents. On the basis of these principles, the Group carries out important activities with regards to social and environmental issues. The programme of Corporate Social Responsibility "We care a lot" focuses on four basic areas: Society-People, Education, Culture and Environment.

Responsible Gaming
Responsible gaming is a fundamental aspect of the products and services offered by INTRALOT. It's pioneering technology and technical know-how in lottery management gives the company the ability to apply socially responsible practices on behalf of its customers. In this context, INTRALOT supports the Hohenheim University in Germany which specializes in research and development related to Responsible Gaming.

Distinctions – Certifications
INTRALOT is a member of the Hellenic Network for Corporate Social Responsibility and of the Global Compact Network of the United Nations. Moreover, the company has received an honorary distinction from the Fulbright Foundation for Corporate Social Responsibility, while it has also been certified for its corporate ethics with the GOLD BEE award from the Hellenic Institute of Corporate Ethics EBEN GR.

HUMAN RESOURCES

INTRALOT's policy focuses on the principle of building a long-term relationship with its executives and employees. The Company's corporate philosophy is based on the continuous effort to establish a working environment that contributes to the personal and professional development of the employees, resulting to the success and growth of the Company. Due to its global expansion, INTRALOT offers its employees the opportunity to gain international working experience by creating working teams of people with diverse academic and cultural backgrounds, supporting the creation and development of an international corporate culture. As a result, the company was distinguished as one of the Best Workplaces in Greece for 2007, by the "Great Place to Work" International Institute in Greece. In recognition of its expertise, INTRALOT's HR department received the Human Resources award by KPMG in 2008 for its commitment to excellence in HR management through new technologies.

MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES:

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

Group	**Income**		**Expenses**	
	01/01/2011-30/06/2011	**01/01/2010-30/06/2010**	**01/01/2011-30/06/2011**	**01/01/2010-30/06/2010**
Intracom Holdings Group	1.271	2.047	9.495	9.990
Gidani LTD	3.378	7.230	2.076	2.756
Turkcell Group	42	53	1.158	2.264
Lotrich Info Co LTD	83	118	0	0
Instant Lottery SA	2	6	0	0
Intralot South Africa LTD	566	2.938	0	0
Other related parties	2.034	1.539	1.601	120
Executives and members of the board	0	0	3.594	4.506
	7.376	**13.931**	**17.924**	**19.636**

Company	**Income**		**Expenses**	
	01/01/2011-30/06/2011	**01/01/2010-30/06/2010**	**01/01/2011-30/06/2011**	**01/01/2010-30/06/2010**
Intralot Operations LTD	1.511	1.854	0	0
Inteltek Internet AS	2.851	7.480	10	0
Intracom Holdings Group	1.268	1.536	8.804	9.894
Gaming Solutions Int. SAC	326	114	0	0
Intralot Inc	156	945	57	95
Betting Company SA	7	11.138	3.000	16
Betting Cyprus LTD	0	0	0	298
Lotrom SA	6.207	6.020	875	870
Lotrich Info. Co LTD	83	118	0	0
Intralot South Africa LTD	1.448	2.938	0	0
Intralot New Zealand LTD	125	125	0	0
Gaming Solutions Int. LTD	55	61	0	0
Pollot Sp.zoo	69	77	0	0
Intralot Holdings International LTD	10	60	0	0
Intralot Iberia SA Unipersona	137	98	0	0
Instant Lottery SA	2	6	0	0
Loteria Moldovei SA	4	4	0	0
Intralot de Chile SA	0	20	0	0
Maltco LTD	3.105	2.734	0	0
Royal Highgate LTD	54	50	0	0
Tecno Accion SA	3.988	3.161	25	15

Company	Income		Expenses	
	01/01/2011-30/06/2011	01/01/2010-30/06/2010	01/01/2011-30/06/2011	01/01/2010-30/06/2010
Intralot Nederland BV	561	399	26	0
Other related parties	2.551	2.777	8.320	2.430
Executives and members of the board	0	0	2.571	2.724
	24.518	**41.715**	**23.688**	**16.342**

Group	Receivable		Payable	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
Uniclic LTD	3.919	4.062	0	0
Intracom Holdings Group	15.331	13.816	27.535	30.198
Gidani LTD	233	210	0	0
Turkcell Group	2	8	105	180
Intralot South Africa LTD	133	412	0	1
Cogetech SpA	23.786	23.040	10.999	9.049
Instant Ticket SA	383	382	0	0
Other related parties	11.285	4.852	96	2.588
Executives and members of the board	70	98	116	436
	55.142	**46.880**	**38.851**	**42.452**

Company	Receivable		Payable	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
Intralot Operations LTD	76.716	75.223	0	0
Inteltek Internet AS	2.235	1.692	1.633	1.633
Intracom Holdings Group	12.192	10.671	25.908	29.017
Gaming Solutions Int. SAC	9.923	10.294	12	13
Intralot INC	7.316	7.651	136	183
Betting Company SA	3	0	6.001	3.361
Betting Cyprus LTD	0	0	5.706	5.706
Intralot South Africa LTD	133	412	1	1
Uniclic LTD	4.345	4.345	0	0
Intralot New Zealand LTD	0	0	0	0
Intralot International LTD	5	2	13.942	6.920
Gaming Solutions Int. LTD	1.629	1.647	0	0
Pollot Sp.zoo	6.390	6.334	0	0
Intralot de Peru SAC	8.316	6.895	0	0
Intralot Holdings International LTD	5.010	0	0	0
Intralot Iberia SA Unipersona	14.540	14.108	0	0
Intralot Australia LTD	1.141	1.137	0	0
Instant Lottery SA	383	382	0	0
Loteria Moldovei SA	1.978	1.984	0	0
Intralot Italia SRL	363	1.773	200	0
Lotrom SA	-10.190	-8.142	483	244

Intralot Business Development LTD	10.895	11.706	0	0
Company	**Receivable**		**Payable**	
	30/06/2011	**31/12/2010**	**30/06/2011**	**31/12/2010**
Ilot Dominicana SA	1.985	1.994	0	0
Intralot Nederland BV	14.425	13.114	37	12
Intralot Do Brazil LTDA	9.242	7.484	0	0
Gidani LTD	233	210	0	0
Lotrich Info. Co LTD	1.345	1.341	11	12
Intralot South Korea LTD	4	4	0	0
Intralot Luxembourg SA	0	0	8	13
Intralot Maroc SA	1.588	3.409	0	0
Other related parties	5.689	6.827	1.113	2.024
Executives and members of the board	**0**	**0**	**0**	214
	187.834	**182.497**	**55.191**	**49.353**

In the Company's Income, 10.575 thousand (2010: 25.488 thousand) relate to dividends received from the subsidiaries Maltco LTD, Tecno Accion SA, Inteltek AS and from the associate companies Bilyoner AS and Intralot South Africa LTD.

The BoD and Key Management Personnel transactions and fees for the Group and the Company for the period 01/01/2011-30/06/2011 were € 3,6 mil. and € 2,6 mil. respectively.

MAROUSSI, AUGUST 29th, 2011
THE BOARD OF DIRECTORS OF THE COMPANY

3. Review Report on Interim Financial Information

SOL
CERTIFIED PUBLIC ACCOUNTANTS
Crowe Horwath

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

Introduction

We have reviewed the accompanying separate and consolidated condensed statement of financial position of «INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES» (the "Company") and of its subsidiaries as at 30 June 2011 and the relative separate and consolidated condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the interim financial information, which is an integral part of the six-month financial report under the article 5 of L. 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Accordingly, we do not express an audit opinion.

Conclusion

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

Report on Other Legal and Regulatory Requirements

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

Athens, 30th August 2011
CERTIFIED PUBLIC ACCOUNTANT

Epameinondas Gkipalis
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No.24051

SOL
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4. INTERIM FINANCIAL STATEMENTS
4.1 INTERIM COMPREHENSIVE INCOME STATEMENT

Amounts reported in € thousands	GROUP		GROUP		COMPANY		COMPANY	
	1/1-30/06/2011	1/1-30/06/2010	1/4-30/06/2011	1/4-30/06/2010	1/1-30/06/2011	1/1-30/06/2010	1/4-30/06/2011	1/4-30/06/2010
Sale Proceeds	586.397	540.896	285.468	312.880	63.385	75.021	36.866	48.886
Less: Cost of Sales	-484.839	-447.060	-237.828	-263.595	-47.717	-52.826	-25.441	-35.530
Gross Profit / (Loss)	**101.558**	**93.836**	**47.640**	**49.285**	**15.668**	**22.195**	**11.425**	**13.356**
Other Operating Income	18.061	9.543	6.432	4.053	803	71	699	30
Selling Expenses	-19.447	-16.732	-10.049	-9.186	-3.522	-3.684	-1.781	-2.110
Administrative Expenses	-49.622	-46.657	-25.295	-25.790	-4.153	-6.970	-1.758	-4.567
Research and Development Expenses	-4.542	-5.059	-2.301	-2.833	-3.056	-3.829	-1.540	-2.153
Other Operating Expenses	-8.272	-1.992	-7.183	-1.237	-1	0	-1	0
EBIT	**36.767**	**32.939**	**15.928**	**14.292**	**5.688**	**7.783**	**7.046**	**4.556**
EBITDA	**72.595**	**70.801**	**33.614**	**36.786**	**12.806**	**15.172**	**10.430**	**8.134**
Interest and similar Charges	-18.583	-17.373	-8.979	-6.764	-12.824	-8.925	-6.529	-4.452
Interest and related Income	8.499	15.480	5.780	5.141	12.823	27.768	4.327	23.130
Exchange Differences	-5.157	18.774	612	10.348	-1.707	2.627	-634	1.136
Profit / (Loss) from equity method consolidations	299	1.064	-27	179	0	0	0	0
Operating Profit / (Loss) Before Tax	**22.794**	**50.884**	**6.630**	**23.196**	**4.031**	**29.253**	**4.208**	**24.370**
Less: Taxes	-7.304	-14.940	-3.472	-10.340	-295	-9.084	-545	-6.978
Net Profit / (Loss)after taxes from Continuing Operations (a)	**15.490**	**35.944**	**3.158**	**12.856**	**3.736**	**20.169**	**3.663**	**17.392**
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)	**15.490**	**35.944**	**3.158**	**12.856**	**3.736**	**20.169**	**3.663**	**17.392**
Attributable to:								
Owners of the parent	7.486	25.308	465	10.161	3.736	20.169	3.663	17.392
Non-Controlling Interest	8.004	10.636	2.693	2.695	0	0	0	0
Other comprehensive income after tax:								
Valuation of Available- for -Sale financial assets	-2.333	6.153	-824	1.793	5	-47	5	-47
Derivatives valuation	1.798	-3.350	-584	-1.275	865	-815	-163	-228
Exchange differences on translating foreign operations	-11.825	13.772	-5.286	8.585	0	0	0	0
Total comprehensive income / (expense) after tax:	**-12.360**	**16.575**	**-6.694**	**9.103**	**870**	**-862**	**-158**	**-275**
Total income after tax	**3.130**	**52.519**	**-3.536**	**21.959**	**4.606**	**19.307**	**3.505**	**17.117**
Attributable to:								
Owners of the parent	568	34.741	-3.528	14.852	4.606	19.307	3.505	17.117
Non-Controlling interest	2.562	17.778	-8	7.107	0	0	0	0
Earnings after taxes per share (in €)								
-basic	0,0471	0,1592	0,0029	0,0639	0,0235	0,1269	0,0230	0,1094
-diluted	0,0471	0,1592	0,0029	0,0639	0,0235	0,1269	0,0230	0,1094
Weighted Average number of shares	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721	158.961.721

4.2 STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in € thousands	GROUP		COMPANY	
	30/06/2011	31/12/2010	30/06/2011	31/12/2010
ASSETS				
Non Current Assets				
Tangible assets	258.841	281.166	31.463	35.723
Intangible assets	257.747	263.520	41.102	35.140
Investment in subsidiaries and associates	30.251	20.518	147.826	147.727
Other financial assets	28.198	29.098	439	434
Deferred Tax asset	13.467	13.835	8.097	7.868
Other long-term receivables	103.390	110.468	430	440
	691.894	**718.605**	**229.357**	**227.332**
Current Assets				
Inventories	41.660	41.171	31.112	30.319
Trade and other short-term receivables	196.833	187.679	228.503	221.152
Other financial assets	2.465	8.599	0	0
Cash and cash equivalents	111.523	141.477	15.393	16.306
	352.481	**378.926**	**275.008**	**267.777**
TOTAL ASSETS	**1.044.375**	**1.097.531**	**504.365**	**495.109**
EQUITY AND LIABILITIES				
Share Capital	47.689	47.689	47.689	47.689
Share premium	0	0	0	0
Other reserves	90.398	84.014	68.121	56.126
Foreign currency translation	-35.360	-28.980	0	0
Retained earnings	182.092	181.375	6.045	13.996
	284.819	**284.098**	**121.855**	**117.811**
Non-Controlling Interest	68.273	76.929	0	0
Total equity	**353.092**	**361.027**	**121.855**	**117.811**
Non Current Liabilities				
Long-term loans	457.058	477.464	281.916	278.515
Staff retirement indemnities	5.340	4.808	3.185	2.879
Other long -term provisions	16.719	16.624	15.974	15.725
Deferred Tax liabilities	3.871	4.955	0	0
Other long-term liabilities	16.204	18.801	0	0
Finance lease obligation	12.707	16.008	0	0
	511.899	**538.660**	**301.075**	**297.119**
Current Liabilities				
Trade and other short term liabilities	140.822	148.083	77.556	74.824
Short-term debt and current portion of long-term debt	22.944	28.913	0	0
Current income taxes payable	12.540	16.432	3.379	4.855
Short-term provision	3.078	4.416	500	500
	179.384	**197.844**	**81.435**	**80.179**
TOTAL LIABILITIES	**691.283**	**736.504**	**382.510**	**377.298**
TOTAL EQUITY AND LIABILITIES	**1.044.375**	**1.097.531**	**504.365**	**495.109**

4.3 STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY

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

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in € thousands)	Share Capital	Legal Reserve	Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 01/01/2010	**47.689**	**30.031**	**53.228**	**141.838**	**272.786**	**58.420**	**331.206**
Effect on retained earnings from previous years adjustment				1.177	**1.177**	-122	**1.055**
New Consolidated Entities					**0**	24.227	**24.227**
Subsidiary Share Capital Increase					**0**	594	**594**
Period's Results				25.308	**25.308**	10.636	**35.944**
Other comprehensive income/(expense) after tax			2.775	6.659	**9.434**	7.141	**16.575**
Exercise of stock option rights			225		**225**		**225**
Dividends				-23.844	**-23.844**	-24.925	**-48.769**
Change of consolidation method from full to equity method				-471	**-471**	-347	**-818**
Transfer between reserves		-5.042	159	4.883	**0**	0	**0**
Balances as at 30/06/2010	**47.689**	**24.989**	**56.387**	**155.549**	**284.615**	**75.624**	**360.239**

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

STATEMENT OF CHANGES IN EQUITY INTRALOT COMPANY (Amounts reported in € thousands)	**Share Capital**	**Legal Reserve**	**Other Reserves**	**Retained Earnings**	**Total**
Opening Balance 01/01/2010	**47.689**	**16.860**	**39.529**	**35.987**	**140.065**
Period's Results				20.169	**20.169**
Other comprehensive income/(expense) after tax			-862		**-862**
Exercise of stock option rights			225		**225**
Dividends				-23.844	**-23.844**
Transfer between reserves		201		-201	**0**
Balances as at 30/06/2010	**47.689**	**17.061**	**38.892**	**32.111**	**135.753**

4.4 CASH FLOW STATEMENT

	GROUP		COMPANY	
	01/01-30/06/11	**01/01-30/06/10**	**01/01-30/06/11**	**01/01-30/06/10**
Cash flows from operating activities				
Net Profit before Taxation	22.794	50.884	4.031	29.253
Plus/Less adjustments for:				
Depreciation and Amortization	35.828	37.862	7.118	7.389
Impairment	0	0	0	0
Provisions	6.516	-2.629	-358	-799
Exchange rate differences	-6.055	7.719	0	0
Results from Investing Activities	-2.099	-21.959	-6.968	-27.107
Debit Interest and similar expenses	18.583	17.373	12.824	8.925
Credit Interest	-8.499	-15.480	-2.248	-2.320
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-427	4.990	-791	4.456
Decrease/(increase) of Receivable Accounts	-4.251	7.968	-5.437	-14.340
(Decrease)/increase of Payable Accounts (except Banks)	-8.121	-18.457	3.089	-1.477
Less:				
Interest Paid and similar expenses paid	13.697	11.464	8.770	5.702
Income Tax Paid	12.481	11.047	2.427	4.194
Net Cash from Operating Activities (a)	**28.091**	**45.760**	**63**	**-5.916**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	4.804	14.000	-100	-175
Purchases of tangible and intangible assets	-30.429	-48.993	-7.522	-2.816
Proceeds from sales of tangible and intangible assets	104	1.465	0	0
Interest received	4.371	7.857	1.592	2.320
Dividends received	0	0	5.770	9.556
Net Cash from Investing Activities (b)	**-21.150**	**-25.671**	**-260**	**8.885**
Financing Activities				
Cash inflows from Share Capital Increase	863	46	0	0
Cash outflows from Share Capital Decrease	0	0	0	0
Cash inflows from loans	4.889	15.772	0	0
Repayment of loans	-28.189	-8.607	0	0
Repayment of Leasing Obligations	-4.324	-2.842	0	0
Dividends paid	-10.134	-48.488	-716	-23.838
Net Cash from Financing Activities (c)	**-36.895**	**-44.119**	**-716**	**-23.838**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-29.954**	**-24.030**	**-913**	**-20.869**
Cash and cash equivalents at the beginning of the period	**141.477**	**219.111**	**16.306**	**40.580**
Cash and cash equivalents at the end of the period	**111.523**	**195.081**	**15.393**	**19.711**

4.5 GENERAL INFORMATION – APPROVAL OF THE FINANCIAL STATEMENTS

General Information

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

INTRALOT is one of the leading suppliers of integrated gaming and transaction processing systems, while its footprint straddles five continents, with presence in 50 countries, more than 5.000 people and revenues of € 1.116 millions in 2010. 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 an worldwide reputation in the global gaming sector.

Approval of the Financial Statements

The Board of Directors of INTRALOT SA approved the Company's and the Group's interim IFRS financial statements for the period ended June, 30 2011, on August 29th 2011.

4.6 SIGNIFICANT ACCOUNTING POLICIES

4.6.1 Basis of preparation of the Financial Statements

The attached financial statements have been prepared on the historical cost basis, except for the available-for sale financial assets and the derivative financial instruments that are measured at fair value, or at cost in case the difference is not significant, and under the assumption that the Company and the Group would continue as a going concern. The attached financial statements are presented in Euro and all values are rounded to the nearest thousand (€000) except when indicated otherwise. The attached interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", not including all information and notes required by the standards for annual financial statements and should be read in conjunction with the financial statements of December 31, 2010.

4.6.2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and issued Interpretations by International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union as of June 30, 2011.

4.6.3 Changes in accounting policies

For the preparation of the interim financial statements of period ended June 30, 2011, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual interim financial statements (December 31, 2010), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2011.

Standards and Interpretations compulsory for the fiscal year 2011

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

IAS 24 (Revised 2009) "Related Party Disclosures"

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

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

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

IAS 32 (Amendment) "Financial Instruments: Presentation"

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

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

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

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

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

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

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

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

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

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

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

IFRIC 19 "Extinguishing Financial Liabilities with equity instruments"

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

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

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

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

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

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

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

Standards and Interpretations compulsory after 31 December 2011

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

IAS 12 (Amendment) "Income Taxes"

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

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

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

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

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

IFRS 9 "Financial Instruments"

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

IFRS 9 is the first part of Phase 1 in the work carried out by the International Accounting Standards Board (IASB) for the replacement of IAS 39. The IASB intends to expand IFRS 9 in order to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. According to IFRS 9, all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, specific transaction costs. The subsequent measurement of financial assets is either at amortized cost or at fair value, depending on the financial entity's business model regarding the management of financial assets and the contractual cash flows of the financial asset. IFRS 9 prohibits reclassifications, except in the rare circumstances when the financial entity's business model changes, in which case the financial entity is required to reclassify the affected financial assets prospectively. According to IFRS 9 principles, all investments in equity instruments should be measured at fair value. However, the management has the option of reporting the realized and unrealized fair value through profit or loss of equity instruments which are not held for trading in the "other comprehensive income". Such designation is made at the time of initial recognition separately for each financial instrument and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or losses while dividends from such investments will continue to be recognized in profit or loss. IFRS 9 annuls the exemption of the measurement at cost of non-listed shares and derivatives in non-listed shares, but provides guidance as to when the cost can be a representative estimation of fair value. The Group is in the process of evaluating the effect of IFRS 9 on its financial statements. IFRS 9 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IFRS 9 before 1 January 2013.

IFRS 10 "Consolidated Financial Statements"

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

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

IFRS 11 "Joint Arrangements"

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

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

IFRS 12 "Disclosure of Interests in Other Entities"

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

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

IFRS 13 "Fair Value Measurement"

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

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

IAS 19 (amendment) «Employee Benefits»

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

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

IAS 27 (amendment) "Separate Financial Statements"

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

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

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

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

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

4.6.4 Basis of Consolidation

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

Adjustments are made to bring in line any dissimilar accounting policies that may have existed. All intercompany balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners).

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 INTRALOT SA has control.

Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over a subsidiary, it:

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

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

4.6.5 Business combination and goodwill

a) Subsidiaries

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

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

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

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

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

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

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

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

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

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

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

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

b) Investment in associates

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

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

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

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

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

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
After application of the equity method, the Group applies the requirements of the relative IFRSs to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the associate. The Group incurs impairment test at the end of each reporting period comparing the recoverable amount of the investment in associate to its carrying value and recognizes the difference in the statement of comprehensive income of the period.
The Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associate and accounts for the investment in accordance with IAS 39 measuring the investment at fair value. Any difference between the carrying amount and the fair value of the investment in associate is recognized in statement of comprehensive income of the period.
Investments in associates are stated in the statement of financial position of the Company at their cost less any impairment in value.

c) Interest in joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group consolidates joint ventures applying the proportionate consolidation method, whereby the Group's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined "line by line" with similar items in the Group's consolidated financial statements.
If a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to the joint venture's financial statements so as to apply the proportionate method.
The financial statements of joint ventures are prepared for the same reporting period as the parent company.
Any intercompany balances and transactions, including unrealized gains, resulting from transactions between the Group and joint ventures, are fully eliminated.
At the date of loss of joint control to a venture and provided the former joint venture does not become a subsidiary or associate, the Group ceases applying the proportionate consolidation method and measures the remaining investment at its fair value. Any

difference between the carrying amount of the former joint venture and the fair value of the investment is recognized in statement of comprehensive income. If the joint venture becomes an associate or subsidiary it would be accounted for according to IAS 28 & IAS 27 respectively.

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

4.6.6 Foreign Currency Translation

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

a) Transactions and balances

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

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

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

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

b) Group companies

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

4.6.7 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 have been depreciated using the straight line method and according to the lower period between the useful life and the contract life. In case of the respective contracts renewal the assets' remaining net book value is depreciated according to the renewed contract life. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value minus selling expenses and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income.

4.6.8 Borrowing costs

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

4.6.9 Intangible assets

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

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

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

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

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

Intangible assets are tested for impairment annually, either individually or at the cash generating unit level. Useful lives are also assessed annually and any revisions do not have retrospective application.

Gains or losses arising from derecognition of an intangible asset (that are measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the statement of comprehensive income when the asset is derecognized.

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred by individual project is capitalized if, and only if, the Group can demonstrate all of the following:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale

(b) its intention to complete the intangible asset and use or sell it

(c) its ability to use or sell the intangible asset

(d) how the intangible asset will generate probable future economic benefits

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the capitalized development expenditure begins when development is complete and the asset is available for use. Any expenditure capitalized is amortized over the period of expected future sales from the related project.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicates that the carrying value may not be recoverable.

4.6.10 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. 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 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 original 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.

Derivative financial instruments and hedge accounting

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

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

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

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

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

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

Hedge accounting:

Fair value hedge:

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

Cash flow hedge:

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

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

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

Hedge of a net investment in a foreign operation:

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

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

ii) Financial liabilities

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

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

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

Loans and borrowings:

All 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 extinguished or not exists any more. In the case that an existing liability is replaced by another from the same borrower but under substantially different terms, or in case that there are substantial changes in terms of an existing liability, then the initial financial liability is derecognized and a new liability recognized, and the resulting difference between balances is recognized in the statement of comprehensive income.

Offsetting of financial instruments

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

Fair value of financial instruments

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

4.6.11 Inventories

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

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

4.6.13 Cash and Cash Equivalents

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

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

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

4.6.14 Long Term Liabilities

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

4.6.15 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 reviewed so as to represent the present value of the expense that will be needed to settle the liability. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at an after-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

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

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

4.6.16 Leases

Group Entity 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.

Group Entity as Lessor:

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

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

4.6.17 Share capital – Treasury shares

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

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

4.6.18 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 or rights over shares (stock options) - ('equity-settled transactions'), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ('cash-settled transactions').

The Group provides stock options to executives and employees. The fair value of the executives and employees, who receive these stock options, is recognized according to IFRS 2 as expenditure in the statement of comprehensive income, with a respective increase of equity, during the period that these services are received and the options provided. The estimation of the total amount of the stock options expenditure during the vesting period is based on the provided stock options fair value at the grant date. The stock options fair value is measured using the proper valuation model depending on the terms of each program, taking into account the proper data such as volatility, discounting factor and dividend yield. Detailed information about the relative stock option programs of the Company included in note 4.8 C d I.

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

4.6.19 Staff Retirement Indemnities

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

4.6.20 State Insurance Programs

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

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

4.6.21 Revenue recognition

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

- ***Hardware and Software:*** This category includes the supply of hardware and software (gaming machines, central computer systems, gaming software, communication systems etc.) to Lotteries so that they can operate their on-line games. Revenue is recognized by the Company either as a direct sale of hardware and software or as operating lease or as finance lease for a predetermined time period according to the contract with the customer.

  In the first case, the income from the sales of hardware and software (in a determined value) is recognized when the significant risks and rewards arising from the ownership are transferred to the buyer.

In the second case that consists income from operating lease, is defined per case either on straight-line basis over the lease term or as a percentage on the Lottery Organization's gross turnover received by the player-customer (in this case income recognition occurs the moment that the player-customer places the related consideration in order to participate in a game).

In the third case that consists income from finance lease, it is defined using the net investment method (the difference between the gross amount of the receivable and its present value is registered as a deferred financial income). This method represents a constant periodic return, recognizing the revenue from the finance lease in the period's statement of comprehensive income during the lease term.

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

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

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

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

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

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

4.6.22 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 goodwill impairment or 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 taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of

the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

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

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

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

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

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

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

Sales tax

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable and

- Receivables and payables that are stated with the amount of sales tax included.

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

4.6.23 Earnings per share

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

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

4.7 REVENUE PER SEGMENT

	Geographical Sales Breakdown								
	Third parties			**Inter-segment**			**Total**		
(in million €)	**1H11**	**1H10**	**Diff %**	**1H11**	**1H10**	**Diff %**	**1H11**	**1H10**	**Diff %**
European Union	352,38	403,22	-12,61%	33,15	24,53	35,14%	385,52	427,75	-9,87%
Rest of Europe*	1,99	2,50	-20,40%	0,00	0,07	-	1,99	2,57	-22,57%
America	177,78	104,09	70,80%	6,59	5,66	16,43%	184,37	109,74	68,00%
Other countries*	54,25	31,09	74,50%	0,53	0,51	3,92%	54,78	31,60	73,35%
Eliminations	-	-	-	-40,27	-30,77	-	-40,27	-30,77	-
Total	**586,40**	**540,90**	**8,41%**	**0,00**	**0,00**	**-**	**586,39**	**540,90**	**8,41%**

	Geographical Profits Breakdown before taxes			Geographical Profits Breakdown after taxes		
(in million €)	**1H11**	**1H10**	**Diff %**	**1H11**	**1H10**	**Diff %**
European Union	26,28	79,00	-66,73%	25,32	69,01	-63,31%
Rest of Europe*	-0,38	1,31	-	-0,52	1,26	-
America	12,38	9,75	26,97%	7,81	5,83	33,96%
Other countries*	8,98	-0,52	-	7,36	-1,49	-
Eliminations	-24,47	-38,66	-	-24,47	-38,66	-
Total	**22,79**	**50,88**	**-55,21%**	**15,50**	**35,95**	**-56,88%**

* Segments outside reportable limits/disclosure criteria.

4.8 CONTINGENT LIABILITIES

A. LEGAL ISSUES PENDING

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

b. On 4th January 2005 OPAP S.A. submitted a notice of proceedings to "Betting Company S.A." regarding a lawsuit that was filed against OPAP S.A. before the Multi Member First Instance Court of Athens, with which the plaintiff claims the payment of the amount of €3.668.378,60 plus accrued interests from OPAP S.A., pleading that OPAP S.A. should pay this amount to him as profit, in addition to the amount already paid to him. Since "Betting Company S.A." has a legitimate interest in OPAP S.A. winning the lawsuit, "Betting

Company S.A.", the companies INTRALOT S.A., INTRALOT INTERNATIONAL LTD and the joint venture "INTRALOT S.A.-Intralot International Ltd" proceeded to an additional joint intervention in favor of OPAP S.A.; this was scheduled for hearing on 3rd May 2005 but following a petition of the plaintiff the case was heard on 1st December 2005. By its decision No 2412/2006 the Multi Member First Instance Court of Athens ruled in favour of the lawsuit of the plaintiff and, following the restriction by the plaintiff of his petition to a lawsuit for acknowledgement of the debt, the Court acknowledged the obligation of OPAP S.A to pay to the plaintiff the amount of € 3.668.378,60. OPAP S.A and the aforementioned companies filed an appeal which had been rejected by the Athens Court of Appeals with its decision no. 6377/2007. The defendants filed an appeal before the Supreme Court which was heard on 9th November 2009 and decision no. 1252/2010 was issued accepting the appeal and referring back the case to the Athens Court of Appeals in order to be heard again; no hearing date has been scheduled yet. The Company considers that it has strong arguments in order to have a positive outcome on this case. For the above case a provision had been made which has been reversed.

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

d. Against (a) publishing company "I. Sideris – Andreas Sideris Sons O.E.", (b) the Foundation of Economic and Industrial Researches (IOBE), (c) Mr. Theodosios Palaskas, Director of Research of IOBE, (d) the Kokkalis Foundation, and (e) INTRALOT a lawsuit of Mr. Charalambos Kolymbalis, was filed on 8/3/2007 before the Multi Member Athens First

Instance Court; date of the hearing was set the 20th February 2008 when it was postponed for 4th March 2009 and then again for 24th February 2010; on that date the hearing of the case was cancelled due to strike of the judicial secretaries. No summons for the schedule of a new hearing date has been served to the company until now. With his lawsuit, the plaintiff requests to be recognized as the sole creator of the project entitled "The financial consequences of sports in Greece" and his intellectual property right on this, and that the amount of € 300.000 to be paid to him as monetary compensation for moral damages.

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

f. In Turkey, GSGM filed on 23rd January 2006 before the First Instance Court of Ankara a declaratory action against the 45% subsidiary company Inteltek requesting to be recognized that the calculation of the player's excess payout of the fixed odds betting games, as per their contract, is effected at the end of each separate semester (as opposed to on a cumulative basis for all semesters at the end of the contract). Next hearing following the appointment of experts had been set for November 16, 2006 when the hearing was postponed for January 30, 2007 when it has been heard. The decision issued by the First Instance Court of Ankara vindicated Inteltek. GSGM filed an appeal. On 18th October 2007, Inteltek was notified that the appeal was rejected and, consequently, the decision of the First Instance Court of Ankara is final. GSGM filed an appeal against this decision which was rejected and the case file was sent back to the First Instance Court and the decision was finalized.

Inteltek had made a provision of 3,3 million TRY (€ 1,4 m) (plus 1,89 million TRY (€804K) relating to interest) in its financial statements due to the probability of a negative outcome of the case which henceforth has been removed following the First Instance Court of Ankara decision. Moreover, Inteltek claimed the amount of TRY 2,34 million (€995k) (plus interest) which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21st February 2008 to collect this amount. On 19 March 2009 the court vindicated Inteltek. GSGM filed an appeal against this decision and the appeal was accepted. Inteltek applied for the correction of the decision that was rejected by the higher court which returned the case to the court of first instance. The court of first instance on June 29, 2011 decided to insist on its initial judgment in favor of Inteltek. Inteltek has not made any provisions for income regarding this case in its financial statements relating to the period ending on 30th June 2011.

g. In Turkey, GSGM filed before the Ankara Tax Court a lawsuit against the local Tax Authority requesting the annulment of a penalty of an amount of TRY 5.075.465 (€2.159.772,34) imposed on GSGM, since the Tax Authority considers that stamp duty should have been paid by GSGM for the second copy of the contract dated 29 August 2008 with Inteltek as well as for the letter of guarantee securing the minimum turnover of GSGM games. Inteltek intervened in the case before the abovementioned court in favor of GSGM because, according to the contract dated 29th August 2008, GSGM may request from Inteltek the amount that will be finally obliged to pay, if any. The decision issued by the court vindicates GSGM and Inteltek and the abovementioned penalty was cancelled. The Tax Authority filed an appeal which is pending.

h. In Turkey, Intralot filed on 21 May 2009, before the Istanbul Court of First Instance a lawsuit against the company Teknoloji Holding A.Ş. ("Teknoloji") requesting from Teknoloji the amount of TRY 1.415.000 (€602.127,66) on the ground of unjust enrichment, since Intralot unjustly paid taxes which Teknoloji had to pay on dividends distributed by Inteltek. The hearing of the case begun on 14th September 2009 and following successive hearings, on 5th May 2011 a new hearing date was scheduled for 15th September 2011.

i. In Colombia, Intralot, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud ("Etesa"), under which it was granted with the right to operate games of chance in Colombia. In accordance with terms of the abovementioned agreement, Intralot has submitted an application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of Intralot (and for reasons not attributable to Intralot) and that Etesa to be compelled to the modification of the financial terms of the agreement in the manner specified by Intralot as well as to pay damages to Intralot (including damages for loss of profit); or alternatively to terminate now the agreement with no liability to Intralot. The arbitration court adjudicated in favor of Etesa the amount of 23,6 billion Colombian pesos (€9,15 m). The application for annulment of the arbitration award filed by Intralot before the High Administrative Court was rejected. The Company examines the possibility of exercising further legal means available. ETESA requested the payment of a letter of guarantee in the amount of 7.694.081.042 Colombian pesos (€ 2.989.656,97) issued by Banco de Bogota, granted with counter-guarantees of a respective amount issued by Société Générale & Geniki Bank. The payment of the counter-guarantees has been suspended pursuant to provisional decisions issued by the Greek court as well as by the French court. In France, the court issued a decision which rejected the Company's petition but also decided not to order the decision's provisional execution until it becomes final. The Company filed an appeal against this decision. Banco de Bogota filed an application requesting the provisional execution of the decision of the court of the first instance but no hearing date has been scheduled yet. The Company has created relative provision in its financial statements.

j. In Romania, on 3rd July 2009, the Tax Authority examined the transactions relating to imports of the indirectly subsidiary LOTROM SA, for the period from July 2004 to April 2006 and concluded that imports of IT equipment containing software were not included in the value of the declared goods in the customs and imposed to LOTROM SA the amount of 13.064.620 Romanian lei (€3.078.736,89) (for tax and penalties). LOTROM SA has initiated procedures for the annulment of the abovementioned amount before the competent authorities, while it has requested the suspension of the execution by the competent court which was rejected but an appeal has been filed. New hearing date of the case has been scheduled the 14th September 2011. The case is pending. LOTROM SA believes that has strong arguments to expect that the final outcome will not be unfavourable.

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 is pending; on 10th June 2011, the court decided that the hearing of the appeal will continue on 9th September 2011.

Until 25th August 2011, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest litigation will be finalized without a material effect on the Group's and the Company's financial position and results.

B.FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES

COMPANY	YEARS
INTRALOT SA	2008-2010
BETTING COMPANY SA	2007-2010
BETTING CYPRUS LTD	2008-2010
INTRALOT DE CHILE SA	2008-2010
INTRALOT DE PERU SAC	2006-2010
INTRALOT INC.	2002-2010
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2004-2010
ROYAL HIGHGATE LTD	2003-2010
POLLOT Sp.Zoo	2005-2010
MALTCO LOTTERIES LTD	2005- 2010
INTRALOT HOLDINGS INTERNATIONAL LTD	2008-2010
LOTROM S.A.	2004-2010
YUGOLOT LTD	-
BILOT EOOD	2005-2010
EUROFOOTBALL LTD	2007-2010
EUROFOOTBALL PRINT LTD	2005-2010
INTRALOT INTERNATIONAL LTD	2010
INTRALOT OPERATIONS LTD	2004-2010
INTRALOT BUSINESS DEVELOPMENT LTD	2009-2010
INTRALOT TECHNOLOGIES LTD	2005-2010
INTELTEK INTERNET AS	2006-2010
LOTERIA MOLDOVEI SA	1/10-31/12/09 & 2010
TOTOLOTEK S.A.	2005-2010
WHITE EAGLE INVESTMENTS LTD	2009 - 2010
BETA RIAL Sp.Zoo	2005-2010
UNICLIC LTD	2005-2010
DOWA LTD	-
INTRALOT NEW ZEALAND LTD	2010

COMPANY	YEARS
INTRALOT EGYPT LTD	2006-2010
E.C.E.S. SAE	2007-2010
INTRALOT OOO	2008-2010
POLDIN LTD	2005-2010
INTRALOT ASIA PACIFIC LTD	2007-2010
INTRALOT AUSTRALIA PTY LTD	2006-2010
INTRALOT SOUTH AFRICA LTD	-
INTRALOT LUXEMBOURG S.A.	2010
INTRALOT ITALIA S.p.A.	2007-2010
INTRALOT FINANCE UK PLC	2008-2010
INTRALOT IBERIA SAU	2007-2010
INTRALOT IBERIA HOLDINGS S.A.	2007-2010
TECNO ACCION S.A.	2004-2010
GAMING SOLUTIONS INTERNATIONAL SAC	2006-2010
GAMING SOLUTIONS INTERNATIONAL LTD	2009-2010
INTRALOT BEIJING Co LTD	2010
NAFIROL S.A.	-
INTRALOT ARGENTINA S.A.	2007-2010
LEBANESE GAMES S.A.L	-
VENETA SERVIZI S.R.L.	2007-2010
INTRALOT SOUTH KOREA S.A.	2007-2010
SERVICIOS TRANSDATA S.A.	2006-2007 & 2009-2010
SLOVENSKE LOTERIE AS	2008-2010
TORSYS S.R.O.	2008-2010
INTRALOT DO BRAZIL LTDA	2008-2010
OLTP LTDA	2009-2010
BILYONER INTERAKTIF HIZMELTER AS	2003-2010
LOTRICH INFORMATION Co. LTD	2010

INTRALOT ST.LUCIA LTD	2009 - 2010
COMPANY	**YEARS**
INTRALOT DOMINICANA SA	2009 - 2010
INTRALOT GUATEMALA SA	2009 - 2010
LOTTERIA Y APUESTOSA DE GUATEMALA S.A.	2009 - 2010
INTRALOT LATIN AMERICA INC	2009 - 2010
INTRALOT JAMAICA LTD	-
INTRALOT NEDERLAND BV	2010
CYBERARTS LICENCING LLC	2004-2010
INTRALOT CARIBBEAN VENTURES LTD	2009 - 2010
INTRALOT SURINAME LTD	2009 - 2010
SUPREME VENTURES LTD	2004-2010
DC09 LLC	2010
KELICOM HOLDINGS CO LTD	2008-2010
DINET ZAO	2006-2010
INTRALOT DE COLOMBIA (BRANCH)	2009-2010
INTRALOT HONG-KONG HOLDINGS LIMITED	-
INTRALOT FRANCE SAS	2010

GIDANI LTD	2003-2010
COMPANY	**YEARS**
INTRALOT INTERACTIVE S.A.	2010
INTRALOT INTERACTIVE USA LLC	2010
JACKPOT S.p.A.	2009-2010
NIKANTRO HOLDINGS CO LTD	2009-2010
TACTUS S.R.O.	2009-2010
ATROPOS SA	2009-2010
NETMAN SRL	2010
AZERINTELTEK AS	2010
INTRALOT TURKEY AS	2010
INTRALOT MAROC S.A.	2010
CYBERARTS INC	2004-2010
INTRALOT MINAS GERAIS LTDA	2010
PROMARTA OOO	2004-2010
FAVORIT BOOKMAKERS OFFICE OOO	-
INTRALOT DE MEXICO LTD	2010

There is a tax audit in progress in Intralot S.A. for the period 01/01/2008-31/12/2009, in Betting Company S.A. for the years 01/01/2007-31/12/2009, in Lotrom S.A. for the period 01/01/2004-31/05/2010, in Servicios Transdata S.A. for the year 2008 and in Intralot Italia SpA for the year 2009.

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

No such.

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

No such.

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

I. *Stock Option:*

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

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

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

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

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

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

The Company's Board of Directors was authorized to draw up the relative regulation of the above-mentioned Program III and to regulate any other relative detail in relation to this. (Resolution of the Board of Directors on 28.01.2010).
Finally, the amendment of the current stock option program (Program II) for the purchase of shares was decided, so that no more options be granted other than those already granted.

On February 12, 2010 INTRALOT S.A. announces that according to the Stock Option Plans terms, approved by the General Meeting of Shareholders of 14th December 2009, 235 persons mentioned in article 13 par. 13 of Codified Law 2190/1920 as in force, are entitled to exercise, during the time program III is in effect, – within a period of four (4) years and not later than 31.12.2013 - stock options with exercise price 4 Euro per share which if exercised all, will lead to the issuance of up to 6.227.000 new common Company shares.
Depending on the number of stock options to be exercised by the beneficiaries, the Company's Board of Directors, with its decision, shall increase the Company's share capital – without modification to its Statute, pursuant to article 13 par. 13 of Codified Law 2190/1920, shall issue new common registered shares and proceed to all actions necessary for the listing of the new shares for trading in the Athens Stock Exchange.
INTRALOT S.A. announces that during the 1st semester of 2011 no right was exercised by the beneficiaries of Program III.
Details regarding the Program III approved by the Board of Directors on 28.1.2010:

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

The total Option Fair value, estimated using the Binomial Model, is € 923 k, of which € 190 k are included in the semester's result.

II. *New Companies of the Group:*

Participation in Intralot Hong Kong Holdings Ltd with 100% (indirect).
Participation in Kelicom Holdings Ltd with 33% (indirect).

III. *Subsidiaries Share Capital Increase:*

Increase in Intralot France SAS share capital by € 100 thousand.
Increase in Venetta Servizi S.R. L. share capital by € 400 thousand.
Increase in Intralot Italia S.p.a. share capital by € 8,6 million.

IV. *Discontinued Operations in the Group:*

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

e. Dividends paid (aggregate or per share):
Ordinary share dividend paid amounting to € 10.134 thousand (€ 48.488 thousand 30/06/10).

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

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

g. Acquisitions and disposals of tangibles and intangible assets:

The change to the Group, due to acquisition of tangible and intangible assets as at June 30, 2011 amounts to € 31.829 thousand while the respective disposals were approximately € 3.394 thousand.

4.9 SUPPLEMENTARY INFORMATION

A.BUSINESS COMBINATION AND METHOD OF CONSOLIDATON

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

	I. FULL CONSOLIDATION:	COUNTRY	DIRECT PART'N %	INDIRECT PART'N %	TOTAL PART'N %
	INTRALOT SA	Maroussi, Attica	Parent	Parent	-
5.	BETTING COMPANY SA	Maroussi, Attica	95%	5%	100%
10.	BETTING CYPRUS LTD	Nicosia, Cyprus		100%	100%
	INTRALOT DE CHILE SA	Santiago, Chile	99,99%		99,99%
	INTRALOT DE PERU SAC	Lima, Peru	99,98%		99,98%
	INTRALOT INC	Atlanta, USA	85%		85%
	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	54,95%		54,95%
1.	ROYAL HIGHGATE LTD	Paralimni, Cyprus	3,82%	29,39%	33,21%
	POLLOT Sp.Zoo	Warsaw, Poland	100%		100%
	MALTCO LOTTERIES LTD	Valetta, Malta	73%		73%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	100%		100%
2.	LOTROM SA	Bucharest, Romania		60%	60,00%
2.	YUGOLOT LTD	Belgrade, Serbia& Montenegro		100%	100%
2.	BILOT EOOD	Sofia, Bulgaria		100%	100%
3.	EUROFOOTBALL LTD	Sofia, Bulgaria		49%	49%
4.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria		49%	49%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus		100%	100%
5.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus		100%	100%
14.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%	45%
21.	LOTERIA MOLDOVEI SA	Chisinau, Moldova	47,90%	32,85%	80,75%
6,7,8	TOTOLOTEK SA	Warsaw, Poland		92,89%	92,89%
2.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom		100%	100%
2.	BETA RIAL Sp.Zoo	Warsaw, Poland		100%	100%
2.	UNICLIC LTD	Nicosia, Cyprus		50%	50%
9.	DOWA LTD	Nicosia, Cyprus		30%	30%
	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	100%		100%
2.	INTRALOT EGYPT LTD	Nicosia, Cyprus		88,24%	88,24%
11,13,2	E.C.E.S SAE	Cairo, Egypt		90,03%	90,03%
2.	INTRALOT OOO	Moscow, Russia		100%	100%
	POLDIN LTD	Warsaw, Poland	100%		100%

	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	100%		100%
I.	**FULL CONSOLIDATION:**	**COUNTRY**	**DIRECT PART'N %**	**INDIRECT PART'N %**	**TOTAL PART'N %**
	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	100%		100%
	INTRALOT LUXEMBOURG SA	Luxemburg, Luxemburg	100%		100%
2.	INTRALOT ITALIA SpA	Rome, Italia		90%	90%
13.	SERVICIOS TRANSDATA SA	Lima, Peru		100%	100%
	INTRALOT IBERIA SAU	Madrid, Spain	100%		100%
	INTRALOT IBERIA HOLDINGS SA	Madrid, Spain	100%		100%
	TECNO ACCION SA	Buenos Aires, Argentina	50,01%		50,01%
2.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru		100%	100%
2.	GAMING SOLUTIONS INTERNATIONAL LTD	Bogota, Colombia	99%	1%	100%
	INTRALOT BEIJING Co LTD	Beijing , China	100%		100%
2.	NAFIROL SA	Montevideo, Uruguay		100%	100%
15.	INTRALOT ARGENTINA SA	Buenos Aires, Argentina	89,79%	10,21%	100%
2.	LEBANESE GAMES SAL	Lebanon		99,99%	99,99%
16.	VENETA SERVIZI SRL	Mogliano Veneto, Italia		90%	90%
	INTRALOT SOUTH KOREA	Seoul, S. Korea	100%		100%
	INTRALOT FINANCE UK PLC	London, United Kingdom	100%		100%
	ATROPOS S.A.	Maroussi, Athens	100%		100%
2.	SLOVENSKE LOTERIE AS	Bratislava, Slovakia		51%	51%
17.	TORSYS SRO	Bratislava, Slovakia		51%	51%
17.	TACTUS SRO	Bratislava, Slovakia		51%	51%
	INTRALOT DO BRAZIL LTDA	Sao Paolo, Brazil	99,97%		99,97%
18.	OLTP LTDA	Rio De Janeiro, Brazil		93%	93%
18.	INTRALOT MINAS GERAIS LTDA	Minas Gerais, Brazil	24%	55,98%	79,98%
2.	INTERACTIVE SA	Maroussi, Athens	51%	24%	75%
14.	INTRALOT JAMAICA LTD	Kingston, Jamaica		100%	100%
19.	INTRALOT GUATEMALA S.A.	Guatemala City, Guatemala		100%	100%
20.	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	Guatemala City, Guatemala		51%	51%
2.	INTRALOT ST. LUCIA LTD	Castries, St. Lucia		100%	100%
19.	INTRALOT DOMINICANA SA	St. Dominicus		100%	100%
19.	INTRALOT LATIN AMERICA INC	Miami, USA		100%	100%
	INTRALOT NEDERLAND BV	Amsterdam, Nederland	100%		100%
2.	NIKANTRO HOLDINGS Co	Nicosia, Cyprus		100%	100%
22.	INTRALOT INTERACTIVE USA LLC	Atlanta, USA		85%	85%
2.	JACKPOT S.p.A	Rome, Italy		51%	51%
	INTRALOT MAROC SA	Casablanca, Morocco	99,83%		99,83%

14.	INTRALOT TURKEY AS	Istanbul, Turkey	50%	49,99%	99,99%
	I. FULL CONSOLIDATION:	**COUNTRY**	**DIRECT PART'N %**	**INDIRECT PART'N %**	**TOTAL PART'N %**
19.	INTRALOT CARIBBEAN VENTURES LTD	Castries, St. Lucia		50,05%	50,05%
25.	SUPREME VENTURES LTD	Kingston, Jamaica		24,97%	24,97%
26.	AZERINTELTEK AS	Baku, Azerbaijan		22,95%	22,95%
19.	INTRALOT SURINAME LTD	Paramaribo, Suriname		100%	100%
22.	DC09 LLC	Wilmington, USA		41,65%	41,65%
2,13	NETMAN SRL	Bucharest, Romania		100%	100%
15.	INTRALOT DE MEXICO LTD	Mexico City, Mexico		99,8%	99,8%
	INTRALOT FRANCE SAS	Paris, France	100%		100%
2.	INTRALOT HONG KONG HOLDINGS LTD	Hong Kong, China		100%	100%
	II. Equity method:				
	BILYONER INTERAKTIF HIZMELTER AS (former LIBERO INTERAKTIF AS)	Istanbul, Turkey	25%		25%
	LOTRICH INFORMATION Co. LTD	Taipei, Taiwan	40%		40%
23.	CYBERARTS LICENSING LLC	Berkley, USA		29,75%	29,75%
24.	CYBERARTS INC	Berkley, USA		29,75%	29,75%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, South Africa	45%		45%
12.	GIDANI LTD	Johannesburg, South Africa		8,10%	8,10%
2.	KELICOM HOLDINGS CO LTD	Nicosia, Cyprus		33%	33%
27.	DINET ZAO	Moscow, Russia		33%	33%
28.	PROMARTA OOO	Moscow, Russia		33%	33%
29.	FAVORIT BOOKMAKERS OFFICE OOO	Moscow, Russia		24,75%	24,75%

Subsidiary of the company:

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

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

h. Acquisitions

Acquisition incurred during 2011

Investment in Kelicom Holdings Co Limited

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

In addition, the Group increased its share in Totolotek S.A. from 92,45% to 92,89%.

B. REAL LIENS

A group subsidiary has a € 8,4 million mortgage on other assets for the payment of a loan amounting to € 3,9 million and bank guarantee letters of € 4,5 million (30/06/2011 there was no utilization of the loan while the used guarantee letters were €3,9 million). Also, a € 2,5 million loan, secured on a building and a letter of guarantee.

C. PROVISIONS

The Group´s provisions at 30/06/2011 regarding legal issues amount to € 9,2 million, for unaudited tax periods amount to € 1 million and € 9,7 million regard other provisions. Respectively, the Company's provisions amount to € 9,2 million(legal issues), € 500 thousand (unaudited tax periods) and € 6,8 million (other provisions).

D.PERSONNEL EMPLOYED

The personnel employed by the Company and the Group as at the end of the current period were 631 and 5.626 respectively. For the first semester of 2010, the personnel employed by the Company and the Group were 628 and 5.231 respectively.

E. RELATED PARTY DISCLOSURES

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

	30/6/2011	
Amounts reported in thousands of €	**Group**	**Company**
a) Income		
-from subsidiaries	0	20.427
-from associates	4.197	2.716
-from other related parties	3.179	1.375
b) Expenses		
-from subsidiaries	0	12.204
-from associates	2.078	0
-from other related parties	12.253	8.913
c) Receivables		
-from subsidiaries	0	171.210
-from associates	6.650	1.713
-from other related parties	48.422	14.911
d) Payables		
-to subsidiaries	0	29.224
-to associates	12	12
-to other related parties	38.723	25.955
e) BoD and Key Management Personnel transactions and fees	3.593	2.571
f) BoD and Key Management Personnel receivables	70	0
g) BoD and Key Management Personnel payables	116	0

F.OTHER INFORMATION

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

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

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

No such cases.

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

No such cases.

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

See below, paragraph 4.10.

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

No such effect.

4.10. SUBSEQUENT EVENTS

On July 2011, INTRALOT Group launched operations in the Czech Republic, in cooperation with FORTUNA sázková kancelář, a.s., a subsidiary of Fortuna Entertainment Group N.V., ("Fortuna"), a leading operator of fixed-odds betting, with outlets across Central and Eastern Europe. INTRALOT has supplied Fortuna with the central system and intends to provide up to 3.500 lottery terminals for the operation of lottery games (numerical, fast and instant games). The operations' launch took place on 18/7/2011. The duration of the contract is ten (10) years.
According to the facilities management agreement signed by the two parties, INTRALOT has undertaken the obligation to provide Fortuna with the central lottery infrastructure, its

cutting-edge LOTOS™ O/S, the lottery terminals and additional services. INTRALOT is expected to complete the installation of its terminals within 2012.

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

Maroussi, August 29th, 2011

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

5. SUMMARY FINANCIAL INFORMATION FOR THE PERIOD 1st OF JANUARY TO 30th OF JUNE, 2011

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES
Company's No 27074/06/B/92/9 in the register of Societes Anonymes
Figures and information for the period from 1st January to 30th June 2011
According to 4/507/28.4.2009 resolution of the Board of Directors of the Greek Capital Committee

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

Approval date by the BoD:	**August 29th, 2011**	Certified Auditor Accountant:	**Epameinondas Gkipalis Reg. No/S.O.E.L 24051**
Web Site:	**www.intralot.com**	Auditing firm:	**S.O.L S.A Reg. No/S.O.E.L. 125**
		Type of auditors report:	**Unqualified opinion**

1. STATEMENT OF FINANCIAL POSITION (GROUP and COMPANY)

(Amounts in thd Euro)	GROUP 30.6.2011	GROUP 31.12.2010	COMPANY 30.6.2011	COMPANY 31.12.2010
ASSETS				
Tangible Assets	258.841	261.166	31.463	35.723
Intangible Assets	257.747	263.520	41.102	35.140
Other Non-Current Assets	175.306	173.919	156.792	156.469
Inventories	41.660	41.171	31.112	30.319
Trade receivables	199.298	196.278	228.503	221.152
Other Current Assets	111.523	141.477	15.393	16.306
TOTAL ASSETS	**1.044.375**	**1.097.531**	**504.365**	**495.109**
LIABILITIES AND EQUITY				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	237.130	236.409	74.166	70.122
Shareholders Equity (a)	284.819	284.098	121.855	117.811
Non-Controlling Interests (b)	68.273	76.929	0	0
Total Shareholders Equity (c)=(a)+(b)	353.092	361.027	121.855	117.811
Long-term Debt	457.058	477.464	281.916	278.515
Provisions/ Other Long term Liabilities	54.841	61.196	19.159	18.604
Short-term Debt	22.944	28.913	0	0
Other Short-term Liabilities	156.440	168.931	81.435	80.179
Total Liabilities (d)	691.283	736.504	382.510	377.298
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.044.375**	**1.097.531**	**504.365**	**495.109**

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

(Amounts in thd Euro)	GROUP 30.6.2011	GROUP 30.6.2010	COMPANY 30.6.2011	COMPANY 30.6.2010
Net equity at the beginning of the period (01/01/2011 and 01/01/2010 respectively)	361.027	331.206	117.811	140.065
Effect on retained earnings from previous years adjustment	696	1.055	-32	0
New consolidated entities	0	24.227	0	0
Total comprehensive income for the year after tax (continuing and discontinuing operations)	3.130	52.519	4.605	19.307
Increase / (decrease) in share capital	863	594	0	0
Dividends Distributed	-12.804	-48.769	-719	-23.844
Exercise of stock option rights	190	225	190	225
Effect due to change in ownership percentage	-10	-618	0	0
Net Equity of the year Closing Balance (30/06/2011 and 30/06/2010 respectively)	**353.092**	**360.239**	**121.855**	**135.753**

4. CASH FLOW STATEMENT (GROUP and COMPANY)

(Amounts in thd Euro)	GROUP 1.1-30.6.2011	GROUP 1.1-30.6.2010	COMPANY 1.1-30.6.2011	COMPANY 1.1-30.6.2010
Operating Activities				
Net Profit before Taxation (continuing operations)	22.794	50.884	4.031	29.253
Plus/Less adjustments for:				
Depreciation	35.828	37.862	7.118	7.389
Provisions	6.516	-2.629	-358	-799
Exchange rate differences	-6.055	7.719	0	0
Results from Investing Activities	-2.099	-21.959	-6.968	-27.107
Debit Interest and similar expenses	18.583	17.373	12.824	8.925
Credit Interest	-8.499	-15.480	-2.248	-2.320
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	-427	4.990	-791	4.456
Decrease/(increase) of Receivable Accounts	-4.251	7.968	-6.437	-14.340
(Decrease)/increase of Payable Accounts (except Banks)	-8.121	-18.457	3.089	-1.477
Less:				
Interest Paid and similar expenses paid	13.697	11.464	8.770	5.702
Income Tax Paid	12.481	11.047	2.427	4.194
Net Cash from Operating Activities (a)	**28.091**	**45.760**	**63**	**-5.916**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	4.804	14.000	-100	-475
Purchases of tangible and intangible assets	-30.429	-48.993	-7.522	-2.816
Proceeds from sales of tangible and intangible assets	104	1.465	0	0
Interest received	4.371	7.857	1.592	2.320
Dividends received	0	0	5.770	9.556
Net Cash from Investing Activities (b)	**-21.150**	**-25.671**	**-260**	**8.885**
Financing Activities				
Cash inflows from Share Capital Increase	863	46	0	0
Cash inflows from loans	4.889	15.772	0	0
Repayment of loans	-28.189	-8.607	0	0
Repayment of Leasing Obligations	-4.324	-2.842	0	0
Dividends paid	-10.134	-48.488	-716	-23.838
Net Cash from Financing Activities (c)	**-36.895**	**-44.119**	**-716**	**-23.838**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-29.954**	**-24.030**	**-913**	**-20.869**
Cash and cash equivalents at the beginning of the period	**141.477**	**219.111**	**16.306**	**40.580**
Cash and cash equivalents at the end of the period	**111.523**	**195.081**	**15.393**	**19.711**

2. TOTAL COMPREHENSIVE INCOME STATEMENT (GROUP and COMPANY)

(Amounts in thd Euro)	GROUP 1.1-30.6.2011	GROUP 1.1-30.6.2010	GROUP 1.4-30.6.2011	GROUP 1.4-30.6.2010	COMPANY 1.1-30.6.2011	COMPANY 1.1-30.6.2010	COMPANY 1.4-30.6.2011	COMPANY 1.4-30.6.2010
Sale Proceeds	586.397	540.896	285.468	312.880	63.385	75.021	36.866	48.886
Less: Cost of Sales	-484.839	-447.060	-237.828	-263.595	-47.717	-52.826	-25.441	-35.530
Gross Profit / (Loss)	**101.558**	**93.836**	**47.640**	**49.285**	**15.668**	**22.195**	**11.425**	**13.356**
Other Operating Income	18.061	9.543	6.432	4.053	803	71	699	30
Selling Expenses	-19.447	-16.732	-10.049	-9.186	-3.522	-3.684	-1.781	-2.110
Administrative Expenses	-49.622	-46.657	-25.295	-25.790	-4.163	-6.970	-1.758	-4.567
Research and Development Costs	-4.542	-5.059	-2.301	-2.833	-3.066	-3.829	-1.540	-2.153
Other Operating Expenses	-8.272	-1.992	-7.183	-1.237	-1	0	-1	0
EBIT	**38.767**	**32.939**	**15.928**	**14.292**	**5.688**	**7.783**	**7.046**	**4.556**
Interest and similar charges	-18.583	-17.373	-8.979	-6.764	-12.824	-8.925	-6.529	-4.452
Interest and related income	8.499	15.480	5.780	5.141	12.823	27.768	4.327	23.130
Exchange differences	-5.157	18.774	612	10.348	-1.707	2.627	-634	1.136
Profit / (Loss) from equity method consolidations	299	1.064	-27	179	0	0	0	0
Operating Profit / (Loss) before tax	**22.794**	**50.884**	**6.630**	**23.196**	**4.031**	**29.253**	**4.208**	**24.370**
Less taxes	-7.304	-14.940	-3.472	-10.340	-295	-9.084	-545	-6.978
Operating Profit / (Loss) after tax (A)	**15.490**	**35.944**	**3.158**	**12.856**	**3.736**	**20.169**	**3.663**	**17.392**
Attributable to:								
- Owners of the parent	7.486	25.308	465	10.161	3.736	20.169	3.663	17.392
- Non-Controlling Interests	8.004	10.636	2.693	2.695	0	0	0	0
Other comprehensive income for the period, after tax (B)	**-12.360**	**16.575**	**-6.694**	**9.103**	**870**	**-862**	**-158**	**-275**
Total comprehensive income after of taxes (A) + (B)	**3.130**	**52.519**	**-3.536**	**21.959**	**4.606**	**19.307**	**3.505**	**17.117**
Attributable to:								
- Owners of the parent	568	34.741	-3.528	14.852	4.606	19.307	3.505	17.117
- Non-Controlling Interests	2.562	17.778	-8	7.107	0	0	0	0
Profit / (Loss) after taxes per share (in euro)								
- basic	0,0471	0,1592	0,0029	0,0639	0,0235	0,1269	0,0230	0,1094
- diluted	0,0471	0,1592	0,0029	0,0639	0,0235	0,1269	0,0230	0,1094
EBITDA	**72.595**	**70.801**	**33.614**	**36.786**	**12.806**	**15.172**	**10.430**	**8.134**

Supplementary information:

1. The accounting principles followed are the same as those applied for preparing the financial statements at 31/12/20010 except for the changes resulting from the adoption new or revised accounting standards and interpretations as mentioned in note 4.6.3 of the interim condensed financial statements.
2. The companies included in the consolidation of 30/06/2011 and not in that of 30/06/2010 due to subsequent acquisition are the following: Intralot Minas Gerais LTDA,Intralot Hong Kong Holdings Ltd, Kelicom Holdings Co Ltd, Dinet ZAO, Promarta OOO,Favorit Bookmakers Office OOO and Intralot France SAS (notes 4.8 and 4.9 of the interim financial statements).
3. The Group's provisions as at 30/06/2011 amount to Euro 9,2 mio for legal issues, Euro 1 mio for unaudited tax years and Euro 9,7 mio for other provisions. The respective amounts for the Company amount to Euro 9,2 mio(legal issues), Euro 500 thousand (unaudited tax periods) and Euro 6,8 mio (other provisions).
4. The personnel employed by the Company and the Group during the current period were 631 and 5.626 respectively. For the respective period of the year 2010, the personnel employed by the Company and the Group were 628 and 5.231 respectively.
5. Companies that are included in 30/06/2011 consolidated financial statements are presented in note 4.9 A in the interim financial report including locations, group percentage ownership and consolidation method.
6. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in the note 4.8 B in the interim financial report.
7. The amounts of expense/income included in the Group's comprehensive income statement of 30/06/2011 amounting to Euro - 12,4 mio (2010 : Euro 16,6 mio) concern: foreign exchange differences of Euro -11,8 mio (2010 : Euro 13,8 mio), derivative valuation of Euro 1,8 mio, (2010: Euro -3,4 mio) while amount of Euro -2,3 mio (2010: Euro 6,2 mio), concerns the valuation of available for sale financial assets. Respectively, the amounts of expense/income recorded in the comprehensive income statement of 30/06/2011 for the Company, amounted to Euro 870 k (2010: Euro -862 k) concern the valuation of derivative Euro 865 k (2010: Euro -815 k) and valuation of available for sale financial assets Euro 5 k (2010: Euro -47 k).
8. The amounts of income, expenses, receivables and payables of the Company and Group with related parties, are as follows:

Amounts reported in thousands of Euro	Group	Company
a) Income		
-from subsidiaries	0	20.427
-from associates	4.197	2.716
-from other related parties	3.179	1.375
b) Expenses		
-to subsidiaries	0	12.204
-to associates	2.078	0
-to other related parties	12.253	8.913
c) Receivables		
-from subsidiaries	0	171.210
-from associates	6.650	1.713
-from other related parties	48.422	14.911
d) Payables		
-to subsidiaries	0	29.224
-to associates	12	12
-to other related parties	38.723	25.955
e) BoD and Key Management Personnel transactions and fees	3.593	2.571
f) BoD and Key Management Personnel receivables	70	0
g) BoD and Key Management Personnel payables	116	0

Maroussi, August 29th, 2011

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