INTRALOT Group

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED

31 DECEMBER 2010

IN ACCORDANCE WITH

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

CONTENTS OF ANNUAL FINANCIAL REPORT

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

The

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

CERTIFY THAT

As far as we know:

a. The enclosed financial statements of the company "INTRALOT S.A" for the period 1st January 2010 to 31st December 2010, drawn up in accordance with the applicable accounting standards, reflect in true manner the assets and liabilities, equity and results of the Company and the companies included in the consolidated financial statements taken as a total.

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

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

Maroussi, 29th March 2011

The designees

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

REPORT OF THE BOARD OF DIRECTORS-INTRALOT GROUP TO THE ANNUAL GENERAL ASEMBLY OF THE SHAREHOLDERS FOR THE FISCAL YEAR 01/01/2010-31/12/2010

Dear Shareholders,

Fiscal year 2010 was a successful year for INTRALOT, since the Company managed to enrich its portfolio of contracts with projects in developed lottery markets, as well as with projects in emerging markets with significant growth potential and projects in the growing market of the regulated Internet games. Thus, INTRALOT, in a volatile economic environment with risks and significant challenges, managed to further diversify its risk, and to increase the already very large backlog of projects for the next years.

Specifically, INTRALOT during the previous year increased its participation in the company Supreme Ventures Limited, the biggest lottery operator in Jamaica, acquired through its subsidiary company INTELTEK a 10 year license for the exclusive operation of the sports betting game in Azerbaijan, signed a contract in Brazil for the management of the lottery in the State of Minas Gerais, agreed to provide 15.000 terminals to SISAL, one of the leading lottery operators in Italy and Europe, signed a contract for the management of the two State lotteries in Morocco, won a new contract in the US, in the capital of the Nation, Washington D.C., penetrated the sports betting market of Russia by acquiring stake in the licensed company Favorit, prolonged its contract for the electronic monitoring system of gaming machines in New Zealand until 2020, agreed with Net Entertainment for the provision of Internet casino games in the Italian market, signed its first technology contract in China, renewed its agreement with OPAP, signed a contract for Internet games and software in Lithuania and finally acquired a license for the operation of Internet sports betting games in France following the liberalization of the market in the country.

Regarding the financial results of the Group in 2010, revenues increased by 23.5% to €1,115.7 mil. from €903.6 mil. in 2009. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) slightly decreased by 1.1%, reaching €152.7 mil. from €154.4 in 2009. Earnings after taxes and after minorities decreased by 26.5%, to €36.6 mil. from €49.8 mil. in 2009. The above results are satisfactory since INTRALOT in 2010 managed to maintain its operating profits EBITDA at the levels of 2009, although it had a negative comparison due to the increase of the gaming tax in Bulgaria from the beginning of 2010, the previous Turkish betting contract that was in effect for two months in 2009 and the OPAP contract that was extended for a lower fee effective July 2010. Concerning Parent company results, revenues were €163.5 mil. in 2010, while net income after taxes reached €2.1 mil. The Group’s return on equity in 2010 was shaped at 15.18%.

INTRALOT, with a very large portfolio of projects and presence in more than 50 countries, has significant growth potential that is derived from the optimization and development of its existing operations, but also from the significant prospects of the sector worldwide, such as the liberalization of gaming markets in Europe and the outsourcing of operations by US lotteries to private companies. INTRALOT, possessing leading technology and know-how, having the healthiest financial position in the sector and the experience to operate in a competitive environment, is ready to play a leading role in the developments of the sector and increase the value of its shareholders.

PERFORMANCE IN MAJOR COUNTRIES

In Italy the sports betting market in 2010, boosted from the football World Cup, posted significant growth. However, the gross profit of the games decreased compared to 2009, due to the increased winners' payout as a percentage of revenues. INTRALOT, the leading non-local sports betting company in Italy, managed to increase in 2010 both its revenues and its gross profit due to its successful risk management of the game, increasing at the same time its market share. The performance of the Company in the country is expected to be strengthened in 2011 from its network of 1.500 video lottery machines, in cooperation with Cogetech, the roll out of which has already started in 2010.

In Bulgaria, since the beginning of 2010, the sports betting tax, as a percentage of the revenues of the game, increased 50%. The taxation together with the financial crisis that the country faces impacted the performance of the game.

In Turkey**,** the sports betting market experienced an impressive increase in 2010, mainly as a result of the terms of the new 10 year license that started in 2009, such as the expansion of the sales network, the introduction of additional athletic events, the increase of the payout to the winners, but also due to the high popularity of the game.

In Romania, the revenues of Lotrom from the operation of video lotteries decreased in 2010, since the adverse economic environment in the country affected negatively the games with frequent draws. In the previous year, INTRALOT completed the increase of the network of video lottery machines in the country and replaced part of the old machines with new ones, so as to strengthen its position in this important market. Lower sales in 2010 were also reported for the fixed-odds betting game that Lotrom offers in the country and for the National Lottery of CNLR whose lottery system is also run by Lotrom.

In Polland, the revenues of the sports betting game, that the subsidiary Totolotek offers in the country, were lower in 2010, affected from a strict gaming legislation that was introduced in the beginning of 2010 and the severe floods in the country in May.

In the US, INTRALOT won the tender of the Washington D.C. lottery in 2010, the capital of the Nation, reaching 13 contracts in 11 states. Also, during 2010, the Company launched successfully four new projects, while three of them started in only four days, which set a new record in the gaming technology market. Moreover, the revenues in the lotteries where the Company has presence, increased in 2010.

In Malta, where INTRALOT has the exclusive operation of all games, total revenues in 2010 posted a satisfactory increase. Given the high penetration of the lottery games in Malta, the higher revenues reflect the success of the Company in continuously improving the games and the services in the country.

In Argentina, the subsidiary TecnoAccion has a significant presence in the field of technology solutions for lotteries, with contracts in 12 out of the 24 states in the country. The sales of the company for the provided services posted a significant growth in 2010, due to the underlying revenue increase of the lottery games.

In Peru, revenues in 2010 increased significantly for another year. The major growth driver is the very successful deployment of video lottery machines in the country, but also the constant growth of the lotto type games, the instant tickets and the KINO game that the subsidiary INTRALOT de Peru offers in the country.

NEW PROJECTS – INVESTMENTS

In January 2010, INTRALOT increased its equity participation in Supreme Ventures Limited (SVL), the biggest lottery operator in the Caribbean. INTRALOT Caribbean Ventures Limited, a subsidiary where INTRALOT has 50,1% equity participation, acquired additional stake in SVL reaching a total of 49,9%.

In January 2010, INTRALOT announced that its subsidiary in Turkey, INTELTEK, received authorization from the responsible authorities in Azerbaijan, to organize, operate, manage, and develop fixed-odds and pari-mutuel sports betting games, including the provision of related services, in Azerbaijan. INTELTEK will own 51% of the newly established company, named Azerinteltek, which will be based in Azerbaijan. Azerinteltek has started operating sports betting within 2011, on an exclusive basis all over the country, for a period of 10 years.

In March 2010, INTRALOT's subsidiary INTRALOT do Brasil, following an international tender, undertook the operation of lottery games in the State of Minas Gerais in Brazil. The contract has an initial term of 6 years with an option to extend it for 6 more years. The first product is a fast Keno type game, though additional numerical games will follow in an online network of 2,500 points of sale. The entire network will be established in the State within a period of 2 years from the start-up of the project.

In March 2010, INTRALOT announced that it signed a contract to provide the Italian lottery and sports betting operator, SISAL S.p.A., with 15.000 terminals and associated services for its extended sales network throughout Italy.

In March 2010, following an international tender held jointly by the two gaming operators of Morocco, 'Societe de Gestion de la Loterie Nationale' and 'La Marocaine des Jeux et des Sports', INTRALOT signed a contract to undertake the technical and commercial operation of the two Lotteries. The contract has an initial term of five 5 years, with an automatic 2 year renewal option based on performance criteria. The two Lotteries are complementary organizations and operate a broad gaming portfolio, sharing a distribution network of over 1,400 points of sale. INTRALOT, among others, will deploy its LOTOS™ O/S central system and expand significantly the retail distribution network by installing more than 4,500 terminals. Additionally, it will introduce interactive gaming channels, such as mobile phones and the Internet, for the first time in Morocco.

In March 2010, INTRALOT USA, following an international tender, has been awarded a contract with the Washington DC Lottery and Charitable Games Control Board (DCLB) for the provision of an on-line gaming system, 625 terminals and related peripheral equipment, and the necessary software. Additionally, INTRALOT will provide the telecommunications system and related equipment, implementation services and facilities management. The contract has an initial term of 5 years with an extension option for up to four 4 years.

In May 2010, INTRALOT Interactive and Net Entertainment signed a cooperation agreement for the provision of Internet Casino Games in Italy, under the brand name of INTRALOT. The agreement provides initially for the integration of the award winning CasinoModule product suite by Net Entertainment, with the INTRALOT Interactive Gaming Platform, fully complementing with existing games. The parties also agreed to seek further opportunities in other countries.

In June 2010, INTRALOT Group announced the acquisition of a 33% stake in Kelicom, which is subject to approval by the relevant competition committees, through its subsidiary INTRALOT Holdings International Ltd. Kelicom is Favorit's majority shareholder holding a stake of 74.9%. Favorit is one of the leading sports betting companies in Russia and holds a 5 year license with scheduled renewals from the Federal Tax Service. Favorit succeeded in extending its license in 2009 following the introduction of stricter federal regulations in the betting business in Russia. It thus became one of only a handful of registered players on the country's betting market.

In June 2010, INTRALOT's subsidiary in New Zealand, INTRALOT NZ Ltd, signed a heads of an agreement with the Department of Internal Affairs (DIA) for an integrated gambling platform (IGP) that complemented the proven electronic monitoring system (EMS) of 19,000 non-casino gaming machines until 2020. EMS was introduced by INTRALOT in March 2007 to track and monitor gaming machine operations in pubs and clubs, ensuring the integrity of games and the accurate accounting of money.

In July 2010, MelcoLot Limited (MelcoLot), the Hong Kong listed company in which INTRALOT is a substantial shareholder, has entered into an agreement with the China Welfare Lottery (CWL) in the municipality of Chongqing, for the provision of INTRALOT's LOTOS™ Horizon system and related services so as to manage and broadcast multimedia content throughout its retail network. The initial term of the contract is five years, which will renew automatically for five more years by mutual consent.

In August 2010, INTRALOT renewed its agreement with OPAP S.A. with a starting date July 31st, 2010. In the context of the agreement, INTRALOT will upgrade the existing technology infrastructure of OPAP and will provide technical support services, maintenance and operation of such infrastructure. Moreover, INTRALOT proceeded with the expansion of the LOTOS Horizon audiovisual system that required the installation of 20.000 TV sets in OPAP's retail network that will broadcast information content regarding OPAP games. INTRALOT will develop, install and operate the OPAP/TV system, which will broadcast sports and betting content, via satellite and Internet (WebTV) exclusively to OPAP agencies and its Portal. Moreover, INTRALOT will develop and operate new games; monitor games and fast draw games, which will be will operated on LOTOS Horizon and on self service terminals of OPAP network. In addition, INTRALOT will design, develop, operate and maintain the Portal of OPAP S.A. According to the agreement, INTRALOT and its subsidiary, Betting Company, will also provide support services for the game "Pame Stihima" and will undertake the introduction of new forms of betting content as well as Live betting.

In September 2010, INTRALOT Interactive signed a contract with the Lithuanian leading lottery operator OLIFEJA, to supply an Internet player management platform and a complete suite of Games. The duration of the contract is for 3 years with an option to extend it for 2 additional years.

In October 2010, INTRALOT France, a subsidiary of INTRALOT Group, awarded an Online Sports Betting License by the French Online Gaming Regulator, the ARJEL. The duration of the renewable license is 5 years. INTRALOT France will focus on opportunities in online sports betting exploiting in particular its cutting edge sports betting solution. The company also aims to submit subsequent requests to the ARJEL for online Horse Betting and Poker licenses. France is the second major West European market to regulate the online gaming market following Italy.

RESEARCH AND DEVELOPMENT

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

The Company's R&D Division adopts proven, advanced methodologies and best practices, in all system designs and implementations. R&D activities support the LOTOS platform constant evolution (central system, terminals and telecommunications) and offer innovative solutions in sectors such as business intelligence, financial and business data management, information security, fraud detection, electronic system and casino monitoring, betting risk management, interactive gaming, subscription services, new media sales channels (internet, mobile phones, interactive TV) and value-added services (trade transactions, news services e.t.c).

New products and sales channels in today's marketplace require fast and accurate information dissemination. INTRALOT R&D invested heavily in digital content distribution technology by developing a complete content delivery and management solution (from high definition multimedia controllers to interactive multimedia content creation and game management applications) fully addressing the needs of modern distribution networks (retailers, self service terminals, new media channels).

Additionally, INTRALOT R&D is further exploring digital camera technologies for document reading, by enhancing the eyeLOT and Photon products with more features, for the retailer and player convenience. Moreover, in the area of self service (player) terminals -a new strong trend in the Lottery industry-, INTRALOT is expanding its innovative Winstation terminal for providing players with more capabilities and functionality.

HUMAN RESOURCES

INTRALOT's policy is focusing 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.

DIVIDEND

The Board of Directors of the Company will propose to the shareholders' Annual General Assembly a dividend of 0.45 cent per share (before any withholding taxes) for the year ending 31/12/2010.

INTRALOT AND THE INTERNATIONAL PROSPECTS OF THE GAMING SECTOR

INTRALOT, is the leading supplier of integrated gaming and transaction processing systems, worldwide with presence in 50 countries on all 5 continents. It is also the largest licensed lottery operator with management contracts in 17 countries.

INTRALOT, as a provider of technological solutions and services to lotteries has limited global competition and there are strong barriers for new players to enter. Moreover, there are substantial growth opportunities from the liberalization of gaming markets and particularly the rapidly increasing licensed Internet market, the lottery privatizations and the legalization of lottery games. All these opportunities arise from the need of the governments to maximize their lottery revenues, especially during difficult economic periods with increasing budget deficits, such as the current one.

INTRALOT is closely monitoring the developments in the sector and it is ready to operate in any legal gaming environment. With 64% wins over its main competitors in international tenders in the last 5 years and the strongest financial position in the sector, INTRALOT has a significant advantage over the competition in its aim to pursue the opportunities in the sector, as they are described below:

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 maximize their lottery revenues and fight illegal gaming.

- A very successful model of market liberalization was that of Italy, where the licensed operators set up a retail network of sports betting sales together with Internet games. INTRALOT, participating in this tender process, managed to become the first foreign company as far as market share is concerned, in the country.

- After Italy, France was the second largest market in Western Europe that during 2010 moved towards the controlled opening of its Internet gaming market. Specifically the State granted licenses for three different activities: sports betting, horse betting and Internet poker. INTRALOT has been awarded a sports betting license by the French Online Gaming Regulator, the ARJEL and it aims to submit subsequent requests for the other two categories of games.

- In Greece the draft law for the regulation of the gaming market was recently submitted to the Parliament. The law, among others, mentions the offering between 4-10 licenses through an international tender for a total of 30.000 gaming machines and the award of 15-50 licenses for Internet games, again through an international tender. We must note that before the regulation of the Greek gaming market, the Internet games and the gaming machines outside the casinos were illegal.

- Spain is also in the process of voting a new gaming law and awarding licenses for Internet games, which currently are not regulated.

- Denmark is one more country that aims to liberalize its Internet gaming market, which currently is a monopolistic market.

- In Germany there are also substantial efforts from the competent authorities to liberalize the sports betting market.

INTRALOT having realized the great potential of the Internet gaming market, launched INTRALOT Interactive (I2) which aims to become a leading global player, by providing excellent technology and services in any legal gaming environment. Also, in this direction, INTRALOT acquired a strategic stake in CyberArts, a Silicon Valley interactive gaming platform provider.

In the US the State of Illinois in its effort to optimize and expand its lottery market, awarded in September 2010, through a tendering process, a license for the management of its lottery to a consortium of private companies. The above development can change significantly the US lottery market, if it influence other States to also outsource the management of their lotteries to private companies. According to recent press releases, the US States of Florida, Missouri, New Jersey, and Ohio are already thinking to follow the example of Illinois.

The other important growth driver in US is the Internet poker. Internet gaming is prohibited in the country since 2006, but Internet poker, which is a very popular game, continues to grow through illegal operators. The economic turmoil and the increasing budget deficits of many states have increase the political and legal debate over the liberalization of Internet poker, either at a federal or at a state level, with states like Florida, New Jersey, California and Iowa to lead this effort. INTRALOT, with contracts in 11 states is ready to take advantage of the developments in the country.

In Australia, during the last years a reform of the gambling market has been taking place. In Victoria, the first licensing reform started in 2007 with the awarding of two new licenses for the operation of lottery games. INTRALOT was one of the two companies that acquired the new licenses. Also, in Victoria a tender for an Electronic Monitoring System for the video lotteries is under way, with INTRALOT participating in the awarding process.

In Asia, countries like China and Vietnam have very large illegal gaming markets. Local governments realized the potential benefits from legalizing lottery games, because of loss of taxes and for social reasons and are proceeding with regulations. Recently, in Vietnam the Ministry of Finance decided to legalize football betting and issue a draft law for the controlled opening of the market. Gaming legalization in Asia can become a major growth factor for the sector. INTRALOT has a significant presence in Asia and is strategically placed in the market with its participation in MelcoLot (a listed company in the Hong Kong stock exchange) which has business relationships with both the official lotteries in China.

PROSPECTS AND UNCERTAINTIES FOR 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 in 2011 will depend, among others, on the course of the new markets where it has established its presence and the projects that 2011 will be their first full year of operations, such as:

Italy, where INTRALOT has entered the newly established Italian video lottery (VLT) market through a joint venture with Cogetech S.p.A., a leading licensed VLT operator in Italy. The operation of the VLTs started at the end of 2010, while the establishment of the network of 1.500 VLTs is expected to complete by the end of the first semester of 2011.

Morocco, where INTRALOT after an international tender undertook the management of the two state lotteries in the country. The project started during August 2010.

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

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

USA, where three new lottery contracts of INTRALOT, in Louisiana, New Hampshire and Vermont, commenced in July 2010, while in December 2010 started the new project of the Company with the State Lottery of Washington D.C.

The Caribbean and specifically in Jamaica, where INTRALOT has increased its participation in Supreme Ventures Limited (SVL).

Netherlands, where the significant project of INTRALOT with both the leading lotteries of the country started during the second quarter of 2010.

France, where after the liberalization of the Internet gaming market, INTRLALOT in October 2010 awarded a license for Internet sports betting.

- **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 achieve significant diversification and it has reduce 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, in order to finance these deficits and a downward risk for INTRALOT's financial results.

Description of significant risks and uncertainties

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

Credit risk

The Group does not have significant credit risk concentration because of the wide dispersion of its customers and the fact that credit limits are set through signed contracts. The maximum exposure of credit risk amounts to the aggregate values presented in the balance sheet. In order to minimize the potential credit risk exposure arising from cash and cash equivalents, the Group sets limits regarding the amount of credit exposure to any financial institution 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. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

Market Risk

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

Sensitivity Analysis in Currency movements (amounts of FY 2010)

Foreign Currency	Currency Movement	Effect in Earnings before taxes	Effect in Equity
		('000 €)	('000 €)
USD:	5%	-145	3.438
	-5%	131	-3.111
TRY:	5%	586	1.678
	-5%	-530	-1.518
PEN:	5%	434	-581
	-5%	-393	526
BRL:	5%	-232	692
	-5%	210	-626
JMD:	5%	181	1.34
	-5%	-164	-1.213
ARS:	5%	451	234
	-5%	-408	-212
RON:	5%	20	979
	-5%	-18	-886

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

SIGNIFICANT DEVELOPMENTS AFTER THE END OF FY 2010

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.

MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES:

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

Group	**Income**		**Expenses**	
	01/01/2010-31/12/2010	**01/01/2009-31/12/2009**	**01/01/2010-31/12/2010**	**01/01/2009-31/12/2009**
Intracom Holdings Group	8.537	20.010	30.588	50.209
Gidani LTD	6.255	9.503	4.667	7.332
Turkcell Group	101	146	3.442	5.534
Lotrich Info Co LTD	270	802	0	10
Instant Ticket SA	13	24	0	0
Intralot South Africa LTD	4.964	1.312	0	0
Bilyoner Interaktif Hizmelter A.S.	1.594	1.136	48	40
Other related parties	699	99	802	751
Executives and members of the board	0	0	8.916	10.634
	22.433	33.032	48.463	74.510

Company	**Income**		**Expenses**	
	01/01/2010-31/12/2010	**01/01/2009-31/12/2009**	**01/01/2010-31/12/2010**	**01/01/2009-31/12/2009**
Intralot Operations LTD	23.137	41.509	0	0
Inteltek Internet AS	7.824	13.499	6	1.641
Intracom Holdings Group	5.420	9.066	30.200	44.588
Gaming Solutions Int. SAC	226	413	0	0
Intralot Inc	1.628	2.284	227	341
Betting Company S.A	11.144	0	2.748	328
Betting Cyprus LTD	0	0	298	1.357
Lotrom S.A.	12.070	11.241	1.732	2.979
Lotrich Info. Co LTD	420	802	0	10
Intralot South Africa LTD	4.964	1.720	0	0
Intralot New Zealand LTD	250	250	0	1
Yugobet LTD	0	66	0	0
Gaming Solutions Int. LTD	120	119	0	0
Pollot Sp.zoo	140	501	0	0
Intralot Holdings International LTD	60	1.031	0	0
Intralot Iberia SA Unipersona	212	228	0	0
Instant Ticket SA	13	24	0	0
Loteria Moldovei S.A.	31	24	0	0
Intralot Italia SRL	228	245	0	0
Gidani LTD	174	313	0	0
Intralot South Korea LTD	0	0	906	795
Intralot Business Development LTD	190	362	0	0
Intralot Australia PTY LTD	201	127	0	0
Intralot Luxembourg S.A.	0	2	0	0
Intralot International LTD	2	0	7.071	0
Intralot Dominicana S.A.	112	1.888	0	0
Azerinteltek AS	1.415	0	0	0
Intralot Maroc S.A.	2.108	0	0	0
Other related parties	10.418	8.468	942	1.342
Executives and members of the board		0	5.437	6.918
	82.507	94.182	49.567	60.300

Group	Receivable		Payable	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Uniclic LTD	4.062	3.925	0	0
Intracom Holdings Group	13.816	18.276	30.198	23.840
Eurosadruzie LTD	0	10.386	0	0
Gidani LTD	210	261	0	0
Turkcell Group	8	11	180	344
Intralot South Africa LTD	412	1.035	1	1
Cogetech SpA	23.040	11.250	9.049	4.778
Instant Ticket SA	382	1.368	0	0
Other related parties	4.852	1.631	2.588	1.040
Executives and members of the board	98	156	436	2.134
	46.880	48.299	42.452	32.137

Company	Receivable		Payable	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Intralot Operations LTD	75.223	57.861	0	0
Inteltek Internet A.S.	1.692	951	1.633	1.641
Intracom Holdings Group	10.671	12.726	29.017	17.954
Gaming Solutions Int. SAC	10.294	11.387	13	12
Intralot Inc	7.651	5.623	183	193
Betting Company S.A	0	0	3.361	3.825
Betting Cyprus LTD	0	0	5.706	6.408
Intralot South Africa LTD	412	1.035	1	1
Uniclic LTD	4.345	4.344	0	0
Intralot New Zealand LTD	0	999	0	0
Intralot International LTD	2	2.000	6.920	0
Gaming Solutions Int. LTD	1.647	1.466	0	0
Pollot Sp.zoo	6.334	6.181	0	0
Intralot de Peru SAC	6.895	5.009	0	22
Intralot Holdings International LTD	0	10.136	0	0
Intralot Iberia SA Unipersona	14.108	12.581	0	0
Intralot Australia Ltd	1.137	752	0	0
Instant Ticket SA	382	1.368	0	0
Loteria Moldovei S.A.	1.984	1.943	0	0
Intralot Italia SRL	1.773	1.545	0	0
Lotrom S.A.	-8.142	-6.242	244	62
Intralot Business Development LTD	11.706	11.498	0	0
Intralot Dominicana S.A.	1.994	1.877	0	0
Intralot Nederland B.V.	13.114	-20.936	12	0
Intralot Do Brazil LTDA	7.484	2.987	0	0
Gidani LTD	210	261	0	0
Lotrich Info. Co LTD	1.341	921	12	10
Intralot South Korea LTD	4	4	0	0
Intralot Luxembourg S.A.	0	0	13	19
Intralot Maroc S.A.	3.409	0	0	0
Other related parties	6.827	5.736	2.024	1.386
Executives and members of the board	0	0	214	0
	182.497	134.013	49.353	31.533

From the Company sales of 2010, 25.448 thousands (2009: 15.564 thousands) relate to dividends received from the subsidiaries and associates Inteltek AS , Maltco LTD, Tecno Accion SA , Betting S.A and Bilyoner AS.

The BoD and Key Management Personnel transactions and fees for the Group and the Company for the period 01.01-31.12.2010 were € 8,9 mil. and € 5,4 mil. respectively.

From the information stated above and from the Financial Statements you are able to have a complete picture of the Group for the period 1/1/2010-31/12/2010.

Maroussi, 29/03/2011

Sincerely,

Constantinos G. Antonopoulos
CEO and BoD Vice President

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

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

2. *Restrictions on company share transfer*.

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

3. *Major direct or indirect participation pursuant to the* Articles 9 to 11 of Law 3556/2007
Sokratis Kokkalis owned 20.01% of the corporate share capital as of 31/12/2010.
Konstantinos Dimitriadis owned 8.17% of the corporate share capital as of 31/12/2010.
INTESA SANPAOLO SPA owned 5.01% of the corporate share capital as of 31/12/2010
INVESCO LTD owned 5% of the corporate share capital as of 31/12/2010
AMERIPRISE FINANCIAL INC (USA) owned 5.008% of the corporate share capital as of 31/12/2010

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

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

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

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

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

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

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

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

*«**2**. Without prejudice to §3 hereof, following relevant authorization by the General Assembly, and the decision of the Board of Directors by a two third (2/3) majority, the Board of Directors is entitled to increase share capital in part or in whole by issuing new shares; the corresponding amount cannot exceed the capital paid-up at the date when the BoD was authorized. The above resolution of the General Assembly is subject to the publication obligations referred to in article 7b of the Codified Law 2190/20.*
The above authorization of the BoD may be renewed by the General Assembly for an interval not exceeding five years for each renewal; its term starts upon termination of the previous 5-year interval.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

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

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

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

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

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

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

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

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

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

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

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

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

- The Board of Directors appoints an Internal Audit Service, as required by Greek legislation, which assesses the adequacy of internal controls. The Internal Audit Service is independent from other business units, and in the fulfillment of its duties, all documents, divisions and employees must be made available to it. The Internal Audit Service reports to the Audit and Compliance Committee of the Board of Directors.

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

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

Specifically,
. Risks be identified and managed effectively.
. Resources (assets) of the Company be protected and used efficiently.
. Financial and management reporting be reliable, accurate and current.
. Employees comply with the policies, procedures and standards of the Company.
. Company conformance with the regulatory framework governing its operation.

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

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

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

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

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

The General Meeting is singularly competent to decide over:

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

b) amendments of the articles of associations

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

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

e) the election of auditors

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

g) the appointment of liquidators

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

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

The invitation of the General Meeting must at least include the exact address of its location, the time and date of the meeting, a clear layout of items on the agenda, the shareholders entitled to participate, and precise instructions on how the shareholders may participate in the meeting and exercise their rights in person or by proxy. The invitation should at least also include information on the deadline for the exercise of minority rights, the record date, specifying that only persons who are shareholders on the record date are entitled to participate and cast a vote in the General Meeting, information on where the full documentation and the draft of resolutions to be proposed by the Board of Directors for every item on the agenda, and reference of the Company website, where all above information is available, as well as the forms to be used for proxy voting.

The invitation to the General Meeting must be published in whole or in summary (not failing to refer expressly to the website address, where the full text of the invitation and the information specified in par. 3 article 27 of the Codified Law 2190/1920, are available), in the printed media defined by article 26. par. 2 of C.L. 2190/1920, in the I**ssue of S.A. and L.C. of the Greek Government Gazette and on the websites of the Athens Stock Exchange and the Company, at least twenty days prior to the day of the meeting.**

Right to attend General Assemblies

A person must hold shareholder status on the beginning of the fifth day before the day of assembly of the General Meeting (record date)

A person may prove their shareholder status by presenting in writing relevant certification by the Hellenic Exchanges S.A., pursuant to article 51 of law 2396/96 or alternatively, by direct link of the company with the records of the above body. The relevant written certification or electronic authentication regarding shareholder status must be presented to the Company by the Third day before the assembly of the General Meeting, at the latest.

Further to the above, exercising the right to attend the General Assembly is not subject to blocking the shares of the shareholder or complying with any other procedure binding to the ability to sell or transfer the shares in the period between the record date and the date of the General Assembly.

Shareholders or representatives of theirs not having complied with the above may only attend the General Assembly with its permission.

Shareholders with the right to participate in the General Assembly may be represented by a legally authorized person. Legal persons may participate in the General Assembly by appointing one to three natural persons as their representatives.

The company must be notified in writing for the appointment and revocation of a representative in the same manner, at least three (3) days prior to the date of the General Meeting. The Company should post on its website the forms shareholders must complete and present to the Company in order to appoint their representatives.

Quorum – Majority

A quorum is present and validly convening on the items of the agenda at the General Meeting when at least twenty per cent (20%) of the fully-paid share capital is represented in the meeting.

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

The decisions of the General Meeting are made by absolute majority of the votes cast in the Meeting.

With the exception of decisions regarding:

a) the extension of duration, merger, demerger, reorganization, restoration or dissolution of the Company, establishing or affirming the power of the Board of Directors to increase share capital

b) the change of the Company's nationality

c) the change of the Company's purpose

d) the increase or decrease of share capital, with the exception of increases per article 5 par. 2 of the articles of association where powers are delegated to the Board of Directors

e) the issuance of loan with convertible bonds or the right to share in profits according to articles 8 and 9 of Law 3156/2003

f) the increase of shareholders liability

g) the change in the manner of appropriation of profit

h) all other cases in which, by law,

a quorum is present and validly convenes on the items of the agenda at the General Meeting, when shareholders representing the two thirds (2/3) of the fully-paid share capital are present in person or by proxy. In all of the above cases, decisions are made by a majority of two thirds (2/3) of the votes represented in the Meeting.

Should the above increased quorum not be present, the General Meeting is called and meets anew within twenty (20) days of the date of the postponed meeting, and a quorum is present and validly convening on the items of the initial agenda when at least half (1/2) of the fully-paid share capital is represented in the meeting. Should this quorum also fail to be present, the Meeting is convoked and meets anew within twenty (20) days, and a quorum is present and validly convening on the items of the initial agenda, when at least one fifth (1/5) of the fully-paid share capital is represented in the meeting.

No additional invitation is required, should the time and place of the repetitive meetings in case a quorum is not present, are defined in the initial invitation.

Rights of the Shareholders

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

Priority right

In case of increase of the Company's share capital, when that increase is not happening by contribution in kind or by issue of convertible bonds, priority rights for the entire new capital or the bond issue, are granted to the shareholders at the date of issue, proportionate to their holding in the existing share capital.

According to article 13 par. 10 of l. 2190/1920, priority rights may be limited or abolished, by decision of the General Meeting of Shareholders made by an increased quorum and majority, pursuant to the provisions of articles 29 par. 3 and 4 and 31 par. 2 of L. 2190/1920.

Minority rights

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

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

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the chairman of the meeting is obligated to postpone once the adoption of resolutions by an annual or extraordinary general meeting, for all or certain items of the agenda, setting as date for the continuation of the meeting the date stated in the shareholders' request, which date cannot however be later than thirty (30) days from the date of postponement.

The general meeting standing adjourned is a continuation of the previous meeting and the formalities of publication regarding the shareholders' invitation to it need not be repeated, while new shareholders may participate to it, subject to the provisions of articles 27 par. 2 and 28 of L. 2190/1920.

Company shareholders representing at least one twentieth (1/20) of its paid up share capital have the right to request that the company be audited by the Court of First Instance with jurisdiction over the area the company is headquartered.

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

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

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

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

Right to Dividends

According to the articles of association, the Company must distribute annually minimum dividend equal to the minimum annual dividend projected by law (article 45 of c.l. 2190/1920), which according to article 3 of Development Law 148/1967 amounts to at least 35% of the company's net profit, following the deduction necessary for the establishment of statutory reserves.

The place and method of payment is announced in notices published in the press, the Daily Official List and the website of the ATHEX and the Company website.

Dividends are paid within two (2) months of the date of the Annual General Meeting of Shareholders which approves the Company's Financial Statements.

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

Rights in product of liquidation

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

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

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

Composition

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

eleven (11) members, who are elected by the General Meeting, which also determines the term of their service. A legal entity may also be elected to the Board.
The members of the Board of Directors are elected by shareholders for a five year term which is automatically extended until the first annual General Meeting following the end of their term and is not permitted to exceed six years but does not preclude their re-election. The replacement of all members of the Board in one General Meeting should be avoided, and the succession of members of the Board of Directors must be conducted gradually.
The names of the members of the Board of Directors submitted for election or re-election will be accompanied by sufficient biographical details and the view of the Board on the independence of the proposed Board members, in accordance with the independence criteria set out in the Law, and any other relevant information to enable shareholders to make an informed decision.
The General Meeting may also elect alternate members of the Board, with the aim to replace resigning, deceased or retiring members of the Board.
Should the replacement by alternate members, as stated above, is not possible, the remaining members of the Board of Directors, provided they constitute at least three (3), may resolve to elect new members.
Should the Board be deficient of members (due to resignation, death or any other loss of membership), the Board of Directors, provided the number of remaining members is more than half of the initial number of members, and in any event no less than three (3), may continue to manage and represent the Company, without proceeding to replacement of deficient members as stated in the previous paragraph.
The Board of Directors elects the Chairman, the Vice-Chairman and one or two Chief Executive Officers among its members. The Chairman or Vice-Chairman of the Board of Directors is not required to be an executive member of the Board of Directors.
When the Chairman is absent, unable to attend or non-existent, his responsibilities (as set out by legislation or company statute) are undertaken by the Vice-Chairman. Should the Vice-Chairman also be absent or unable to attend, the Chief Executive Officer or other Executives will preside following a resolution of the Board of Directors.
The Board of Directors is comprised of a majority of non-executive members (including at least two independent non-executive members).
The independent non-executive members are exempt from conflicts of interest with the Company, and from close ties with Management, majority shareholders or the Company. For the duration of their term, the independent non-executive members are not permitted to hold more than 0,5% of the share capital of the Company or to maintain a dependant relationship with the Company or with persons affiliated with the Company. The independent members are elected by the General Meeting. The Board of Directors must determine whether the candidate fulfils the independence criteria before he/she is nominated by the General Meeting of Shareholders. In determining the independence of both candidates and current members, the Board of Directors should consider that a relation of dependence exists when the member:

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

of a non-independent Board members, senior executive, adviser or significant shareholder of the Company or its subsidiaries;
- controls directly or indirectly through related parties , more than 10% of the voting rights of the Company or represents a significant shareholder of the Company or its subsidiaries.

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

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

Board of Director Meetings

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

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

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

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

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

Responsibilities of the Board of Directors

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

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

Responsibilities of the Board of Directors include:
- approving the overall long-term strategy and operational goals of the Company;
- approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures;
- selecting and replacing, if necessary, the executive leadership of the Company and overseeing succession planning;
- monitoring the performance of the Management and aligning executive

remuneration with the longer term interests of the Company and its shareholders;

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

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

Responsibilities & Conduct of the members of the Board of Directors

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

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

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

to the work of the Board and ensure constructive relations between executive and non-executive members.
The Chairman and/or the Vice Chairman must have meetings with the non-executive members, without the presence of the executive members, in order to discuss the performance of the latter as well as other related matters.
The Board should ensure that an induction program is established for new Board members and that continuing professional development programs are available to other Board members, if this is considered to be required.
Board members should arrange to receive regular briefings on business developments and changes in the risk profile of the Company. They should be also appraised in a timely manner of changes in laws and the market environment. Board members should engage frequently with senior executives of the Company, attending regular presentations by heads of sectors and services.
Board members should have the right to request from the Management, via the Chief Executive Officer, any information they consider necessary to fulfill their responsibilities at any point of time.
The Board should appoint an independent vice chairman from among its independent Board members where the Company chooses to:

- Combine the roles of Chairman and Chief Executive Officer; or
- Appoint an executive Chairman. A former executive of the Company who is appointed as Chairman within three (3) years as from his/her retirement as executive, he/she should be considered as being an executive chairman.

The Chairman is responsible for leading the Board.
He is responsible for determining the agenda of the meetings, (without limitation to the right of the deputy of the Chairman or two of its members as stipulated in the Articles of Association of the Company to convene a meeting of the Board of Directors), ensuring the organization of activities performed by the Board, and effectively conducting Board meetings. In addition, the Chairman or, should the Chairman be a non-executive director, the Vice Chairman, is responsible for ensuring that the members of the Board are informed in a timely manner and for effectively communicating with all shareholders, as well as the fair and equitable treatment of all shareholder interests . When the Chairman is absent or unable to attend, his responsibilities are undertaken by the Vice-Chairman. Should the Vice-Chairman also be unable to attend, the Chief Executive Officer or other Executive will preside following the resolution of the Board of Directors.
A Board member's other professional commitments (including significant non-executive engagements in companies and non-profit institutions) should be disclosed to the Board before appointment. Changes to such commitments should be reported to the Board as they arise. Non-executive Board members should undertake at appointment that they will have sufficient time to meet what is expected of them.
An executive Board member's appointment as a non-executive board member in a company other than a subsidiary or a related company should be approved by the Board.
Responsibilities of executive members of the Board of Directors:
The Board of Directors selects its executive members from within its members in accordance with the law and the Company's Articles of Association and assigns to one or more members, to other corporate bodies or executives of the Company or to third parties (as per authorization of the abovementioned to this end) the daily management matters and part of its powers.
Responsibilities of non- executive members of the Board of Directors:
The Board of Directors selects its non-executive members from within its members in accordance with legislation and Company statute. The non-executive members are responsible for the advancement of corporate matters, they participate on boards and committees and are particularly responsible for upholding the principles of proper corporate governance.
The non-executive members maintain their independence as regards the matters they investigate, aiming to effectively perform their role and to create a trustworthy climate

between the Board of Directors, senior executives and managers.
The non-executive members of the Board of Directors must have in-depth knowledge of both the operation and product of the Company and the broader market of the industry and should be provided with every assistance. In general, each non-executive member arranges for his/her continuing education so as to contribute effectively and efficiently to the proper and efficient operation of the Company.
At least of two of the non-executive members are elected by the General Meeting as independent and may, if deemed necessary, submit, individually or jointly, reports or studies independent from those of the Board of Directors to the Ordinary or Extraordinary General Meeting of the Company.

Other Managerial and Supervisory Bodies

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

A. Audit and Compliance Committee

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

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

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

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

The main responsibilities of the Audit and Compliance Committee include:

- Monitoring and evaluation of the competence of the internal audit and risk management system of the Company.
- Monitoring the findings of the Supervisory and Taxation Authorities including the responses of the Management of the Company.
- Examination of the Internal Operational Regulation of the Company every two years.
- Monitoring of the financial reporting processes.
- Monitoring of the procedures of mandatory bi-annual and annual audits of the

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

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

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

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

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

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

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

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

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

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

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

C. Management Committee

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

Evaluation of the Board of Directors

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

TABLE OF MEMBERS' ATTENDANCE IN MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES IN 2010

FULL NAME	43 MEETINGS OF THE BoD		6 MEETINGS OF THE AUDIT & COMPLIANCE COMMITTEE		4 MEETINGS OF THE REMUNERATION COMMITTEE	
	PRESENT	ABSENT	PRESENT	ABSENT	PRESENT	ABSENT
SOCRATES KOKKALIS	42	1				
CONSTANTINOS ANTONOPOULOS	43					
ANDREAS PAPOULIAS	43					
FOTIOS MAVROUDIS	43					
DIMITRIOS KLONIS	43					
DIMITRIOS CHATZIGRIGORIADIS	43		6		4	
ANASTASIOS TSOUFIS	43		6		4	
SOTIRIOS FILOS	43		6		4	
PETROS SOURETIS	43					

INDEPENDENT AUDITOR'S REPORT

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

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of «INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES» Company and its subsidiaries, which comprise the separate and consolidated statement of financial position (or the separate and consolidated balance sheet) as of 31 December 2010, the separate and consolidated statement of comprehensive income (or income statement and additional comprehensive income), the separate and consolidated statement of changes in equity and the separate and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of 31 December 2010, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

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

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

Athens, 30th March 2011

SOL
CERTIFIED PUBLIC ACCOUNTANTS
Crowe Horwath

Epameinondas N. Gkipalis

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 24051

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

STATEMENT OF COMPREHENSIVE INCOME GROUP/COMPANY

1/1/2010 – 31/12/2010

Amounts reported in thousands €		GROUP		COMPANY	
	Note	1/1-31/12-2010	1/1-31/12-2009	1/1-31/12-2010	1/1-31/12-2009
Sale Proceeds		1.115.721	903.553	163.545	151.642
Less: Cost of Sales		-909.977	-690.183	-108.856	-110.117
Gross Profit / (Loss)		**205.744**	**213.370**	**54.689**	**41.525**
Other Operating Income		26.288	19.310	210	476
Selling Expenses		-37.396	-36.646	-7.387	-9.373
Administrative Expenses		-99.733	-77.363	-11.318	-12.329
Research and Development Costs	7	-8.069	-9.944	-5.431	-7.915
Other Operating Expenses		-6.059	-6.875	-30.728	-313
EBIT		**80.775**	**101.852**	**35**	**12.071**
EBITDA		**152.662**	**154.429**	**24.218**	**25.453**
Interest and similar Charges	32	-35.237	-27.898	-20.238	-16.626
Interest and related Income	32	22.466	25.265	29.294	19.110
Exchange Differences		11.127	3.856	2.167	-36
Profit or loss equity method consolidations		1.559	1.375	0	0
Operating Profit Before Tax		**80.690**	**104.450**	**11.258**	**14.519**
Less: Taxes	8	-25.900	-27.043	-9.204	-11.802
Net Profit / Loss from Continuing Operations (a)		**54.790**	**77.407**	**2.054**	**2.717**
Net Profit / Loss from Discontinuing Operations (b)		**0**	**0**	**0**	**0**
Net Profit / Loss (Continuing and Discontinuing Operations) (a) + (b)		**54.790**	**77.407**	**2.054**	**2.717**
Attributable to:					
Owners of the parent		36.626	49.832	2.054	2.717
Minority Interest		18.164	27.575	0	0
Other comprehensive income after tax:					
Valuation of Available for Sale financial instruments		4.058	-5.926	-65	40
Derivatives valuation		-2.757	-2.480	-941	-973
Exchange differences on translating foreign operations		162	-9.541	0	0
Total comprehensive income / (expense) after tax:		**1.463**	**-17.947**	**-1.006**	**-933**
Total income after tax		**56.253**	**59.460**	**1.048**	**1.784**
Attributable to:					
Owners of the parent		33.917	31.987	1.048	1.784
Minority Interest		22.336	27.473	0	0
Earnings after taxes per share (in €)					
-basic	9	0,2304	0,3135	0,0129	0,0171
-diluted	9	0,2304	0,3135	0,0129	0,0171
Weighted Average Number of Shares	9	158.961.721	158.960.522	158.961.721	158.960.522

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €		GROUP			COMPANY	
	Note	31/12/2010	31/12/2009		31/12/2010	31/12/2009
ASSETS						
Non Current Assets						
Tangible fixed assets	11	281.166	243.787		35.723	46.008
Intangibles	12	263.520	205.621		35.140	20.946
Investment in subsidiaries and associates	13	20.518	18.661		147.727	155.274
Other financial assets	15	29.098	34.331		434	498
Deferred Tax asset	8	13.835	18.742		7.868	9.224
Other long term receivables	16	110.468	75.765		440	421
		718.605	**596.907**		**227.332**	**232.371**
Current Assets						
Inventories	17	41.171	52.066		30.319	46.043
Trade and other short term receivables	18	187.679	172.630		221.152	191.414
Other financial assets	15	8.599	14.793		0	0
Cash and cash equivalents	19	141.477	219.111		16.306	40.580
		378.926	**458.600**		**267.777**	**278.037**
TOTAL ASSETS		**1.097.531**	**1.055.507**		**495.109**	**510.408**
EQUITY AND LIABILITIES						
Share Capital	20	47.689	47.689		47.689	47.689
Share premium	20	0	0		0	0
Other reserves	20	84.014	83.259		56.126	56.389
Foreign currency translation		-28.980	-24.969		0	0
Retained earnings	20	181.375	166.807		13.996	35.987
		284.098	**272.786**		**117.811**	**140.065**
Minority interest	20	76.929	58.420		0	0
Total equity		**361.027**	**331.206**		**117.811**	**140.065**
Long term loans	21	477.464	468.292		278.515	271.980
Staff retirement indemnities	22	4.808	3.762		2.879	2.420
Other long term provisions		16.624	24.005		15.725	22.935
Deferred Tax liabilities	8	4.955	5.434		0	0
Other long term liabilities	24	18.801	13.563		0	0
Finance lease obligation		16.008	16.064		0	0
		538.660	**531.120**		**297.119**	**297.335**
Current Liabilities						
Trade and other short term liabilities	25	148.083	138.871		74.824	59.546
Short term debt and current portion of long term debt	26	28.913	18.256		0	0
Current income taxes payable		16.432	23.464		4.855	12.962
Short-term provision	30	4.416	12.590		500	500
		197.844	**193.181**		**80.179**	**73.008**
TOTAL LIABILITIES		**736.504**	**724.301**		**377.298**	**370.343**
TOTAL EQUITY AND LIABILITIES		**1.097.531**	**1.055.507**		**495.109**	**510.408**

STATEMENT OF CHANGES IN EQUITY

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

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Grand Total
Opening Balance 01/01/2009	**47.689**	**2**	**25.839**	**62.446**	**126.565**	**262.541**	**75.264**	**337.805**
Adjustments on the opening balances					-1.936	**-1.936**	103	**-1.833**
New Consolidated Entities						**0**	996	**996**
Subsidiary Share Capital Increase						**0**	628	**628**
Period's Results					49.832	**49.832**	27.575	**77.407**
Other comprehensive income/(expense) after tax		-2	3	-8.266	-9.580	**-17.845**	-102	**-17.947**
Dividends					-17.495	**-17.495**	-45.033	**-62.528**
Change in consolidation method from full to equity method				-1.070	1.070	**0**	-597	**-597**
Effect due to change in ownership percentage					-2.311	**-2.311**	-414	**-2.725**
Transfer to reserves			4.189	118	-4.307	**0**	0	**0**
Balances as at 31/12/2009	**47.689**	**0**	**30.031**	**53.228**	**141.838**	**272.786**	**58.420**	**331.206**

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

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2009	**47.689**	**0**	**15.373**	**40.462**	**52.252**	**155.776**
Period's Results					2.717	**2.717**
Other comprehensive income/(expense) after tax				-933		**-933**
Dividends					-17.495	**-17.495**
Transfer to reserves			1.487		-1.487	**0**
Balances as at 31/12/2009	**47.689**	**0**	**16.860**	**39.529**	**35.987**	**140.065**

CASH FLOW STATEMENT (Amounts reported in thousand of €)		GROUP		COMPANY	
	Note	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
Operating activities					
Net Profit before Taxation		80.690	104.450	11.258	14.519
Plus/Less adjustments for:					
Depreciation and Amortization	6	68.204	52.577	14.506	13.382
Provisions		-9.484	5.162	13.419	4.850
Exchange rate differences		4.765	352	0	0
Results from Investing Activities		-12.406	-10.653	-16.608	-15.165
Debit Interest and similar expenses		35.237	27.898	20.238	16.626
Credit Interest		-22.466	-24.744	-3.846	-3.546
Plus/Less adjustments of working capital to net cash or related to operating activities:					
Decrease/(increase) of Inventories		16.015	-19.246	15.722	-5.259
Decrease/(increase) of Receivable Accounts		-43.669	-74.015	-47.069	49.034
(Decrease)/increase of Payable Accounts (except Banks)		-10.772	9.315	13.302	-1.013
Less:					
Interest Paid and similar expenses paid		23.269	21.819	13.703	10.431
Income Tax Paid		23.904	16.146	11.801	261
Net Cash from Operating Activities (a)		**58.941**	**33.131**	**-4.582**	**62.736**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	13	6.441	-35.886	-689	-5.010
Purchases of tangible and intangible assets	11,12	-107.573	-140.046	-14.764	-40.765
Proceeds from sales of tangible and intangible assets		2.011	1.774	0	0
Interest received		12.037	17.168	3.846	3.546
Dividends received		0	521	15.753	15.564
Net Cash from Investing Activities (b)		**-87.084**	**-156.469**	**4.146**	**-26.665**
Financing Activities					
Cash inflows from Share Capital Increase		25	1.060	0	0
Cash outflow from Share Capital Decrease		0	0	0	0
Cash inflows from loans		64.442	133.910	0	0
Repayment of loans		-53.592	-30.074	0	0
Repayment of Leasing Obligations		-7.086	-5.366	0	0
Dividends paid		-53.280	-62.528	-23.838	-17.495
Net Cash from Financing Activities (c)		**-49.491**	**37.002**	**-23.838**	**-17.495**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)		**-77.634**	**-86.336**	**-24.274**	**18.576**
Cash and cash equivalents at the beginning of the year		**219.111**	**305.447**	**40.580**	**22.004**
Cash and cash equivalents at the end of the year	19	**141.477**	**219.111**	**16.306**	**40.580**

1. General information

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

INTRALOT is one of the leading suppliers of integrated gaming and transaction processing systems, while its footprint straddles five continents, with presence in 50 countries, more than 5.000 people and revenues of € 1.115 millions in 2010. Committed to meeting customer requirements and performance expectations and with a demonstrated ability to adapt to new markets and overcome technological and cultural constraints, INTRALOT has acquired an excellent reputation in the global gaming sector.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation of the Financial Statements

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

2.2 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and issued Interpretations by International Financial Reporting Interpretations Committee (IFRIC), that have been adopted by the European Union as of December 31, 2010.

2.3 Financial Statements

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

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

2.4 Changes in accounting policies

For the preparation of the consolidated financial statements of period ended December 31, 2010, the same accounting policies and methods of measurement have been followed as compared with the most recent annual consolidated financial statements (December 31, 2009), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2010.

NEW STANDARDS AND AMENDMENTS OF PUBLISHED STANDARDS

Standards and Interpretations compulsory for the fiscal year 2010

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2010. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

IFRS 3 (Revised) "Business Combinations" and
IAS 27 (Amended) "Consolidated and Separate Financial Statements"

(COMMISSION REGULATION (EC) No. 495/2009 of 3 June 2009 &
COMMISSION REGULATION (EC) No. 494/2009 of 3 June 2009, L 149-12.06.2009)

It applies to the annual accounting periods starting on or after 1 July 2009.

The revised IFRS 3 introduces a series of changes in the accounting method of business combinations which will affect the amount of recognized goodwill, the results of the reported period during which the companies are acquired and the future results. These changes include the recognition of expenses related to the acquisition and recognition of subsequent adjustments in the fair value of the contingent consideration in statement of comprehensive income. The amended IAS 27 requires that transactions leading to changes in the shares of participation in a subsidiary be recognized in Equity. Also, the amended Standard changes the accounting method for losses incurred by the subsidiary as well as the loss of control over a subsidiary. All the changes made by the above standards are applicable after their implementation date and will affect any future acquisitions and transactions with non-controlling interests. The Group implements these changes from their effective date onwards for new business acquisitions.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"

(COMMISSION REGULATION (EC) No. 839/2009 of 15 September 2009, L 244-16.09.2009)

It applies to the annual accounting periods starting on or after 1 July 2009.

This amendment clarifies the way in which the principles determining the extent to which a hedged risk or portion of the cash flows falls within the scope of hedge accounting should be implemented in specific cases. The above amendment does not affect the Group's financial statements.

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

(COMMISSION REGULATION (EC) No. 550/2010 of 23 March 2010, L157 – 24.03.2010)

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

This amendment provides additional clarifications for first-time adopters of IFRS in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of intangible assets. This amendment has no impact to the Group's financial statements since it has already adopted IFRS.

IFRS 2 (Amendment) "Share-based payment"

(COMMISSION REGULATION (EC) No. 244/2010 of 23 March 2010, L77-24.03.2010)

This applies to annual accounting periods starting on or after 1 January 2010.

The amendment aims to clarify the scope of IFRS 2 and the accounting practices for cash-settled share-based payments in the consolidated or separate financial statements of the financial entity receiving goods or services, when the financial entity is under no obligation to make the share based payments. This amendment is not expected to affect the Group's financial statements.

IFRIC 17 – "Distribution of non-cash assets to owners"

(COMMISSION REGULATION (EC) No. 1142/2009 of 26 November 2009, L 312-27.11.2009)

It applies to the annual accounting periods starting on or after 1 July 2009.

The Interpretation provides guidance on the accounting treatment of the following non-reciprocal distributions of assets from the financial entity to the owners acting in their capacity as shareholders: (a) distribution of non-cash assets; and (b) distributions where owners are given a choice of taking either non-cash assets or cash. The interpretation is not expected to affect the Group's financial statements.

Standards and Interpretations compulsory after 31 December 2010

The following new standards, amendments and IFRICs have been published but are not in effect for the annual fiscal period beginning from 1st January 2011 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.

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 Group will implement these changes from their effective date onwards.

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.

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 2010 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.

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)
IASB in its annual improvement program published in May 2010, amendments to 7 existing Standards and Interpretations. The amendments if not defined otherwise, hold for the annual fiscal periods beginning on or after the 1st of July, 2010 and have not yet been adopted by the European Union. The above amendments will not have significant effect on the Group's financial statements and will not be applied earlier.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

If the Group loses control over a subsidiary, it:

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

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

3.2 Business combination and goodwill

a) Subsidiaries

Subsidiaries are entities that are controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the Group owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. Control also exists when the Group owns half or less of the voting power of an entity, but clauses of IAS 27.13 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 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 that 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 determines 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 individual statement of financial position of the Company at their cost less any impairment in value.

c) Interest in joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group consolidates joint ventures applying the proportionate consolidation method, whereby the Group’s share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined “line by line” with similar items in the Group’s consolidated financial statements.
If a joint venture uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to the joint venture’s financial statements so as to apply the proportionate method.
The financial statements of joint ventures are prepared for the same reporting period as the parent company.
Any intercompany balances and transactions, including unrealized gains, resulting from transactions between the Group and joint ventures, are fully eliminated.
At the date of loss of joint control to a venture and provided the former joint venture does not become a subsidiary or associate, the Group ceases applying the proportionate consolidation method and measures the remaining investment at its fair value. Any difference between the carrying amount of the former joint venture and the fair value of the investment is recognized in statement of comprehensive income. If the joint venture becomes an associate or subsidiary it would be accounted for according to IAS 28 & IAS 27 respectively.
Investments in joint ventures are stated in the individual statement of financial position of the Company at their cost less any impairment in value.

3.3 Foreign Currency Translation

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

a) Transactions and balances

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

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

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

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

b) Group companies

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

3.4 Tangible assets

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

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

• Owned Buildings	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
• Motor vehicles	7 years or 15% per annum
• 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 of plant and equipment is the greater of fair value minus selling expenses and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income.

3.5 Borrowing costs

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

3.6 Intangible assets

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

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

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 on an individual project is capitalized if, and only if, the Group can demonstrate all of the following:

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

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

(c) Its ability to use or sell the intangible asset.

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

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

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

Following the initial recognition of the development expenditure the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the capitalized development expenditure begins when development is complete and the asset is available for use. Any expenditure capitalized is amortized over the period of expected future sales from the related project. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicates that the carrying value may not be recoverable.

3.7 Financial instruments

i) Financial assets

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

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

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

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

Financial assets at fair value through profit or loss:
Include trading portfolio investments that acquired for the purpose of selling them in the near term. 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 revenue 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, 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 it 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, 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 IAS39 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.

3.8 Inventories

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

3.9 Trade and other short term receivables

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

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

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

3.10 Cash and Cash Equivalents

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

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

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

3.11 Long Term Liabilities

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

3.12 Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where 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.

3.13 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 through the contract period.

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

3.14 Share capital – Treasury shares

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

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

3.15 Share Based Payments

IFRS 2 'Share-based Payment' requires an expense to be recognized where the Group buys goods or 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 is measured using the proper valuation model depending on the terms of each program, taking into account the proper data such as volatility, discounting factor and dividend yield. Detailed information about the relative stock option programs of the Company included in note 23.

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

3.16 Staff Retirement Indemnities

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

3.17 State Insurance Programs

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

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

3.18 Revenue recognition

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

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

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

  In the second case it consists income from operating lease, it 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 it 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 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) etc to organizations internationally. Group revenues mainly consist of a percentage of the turnover of the games for 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.

- ***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 investment properties is accounted for on a straight line basis.

3.19 Taxes

Income tax

Current and deferred income taxes are calculated based on the financial statements of each entity included in the consolidated financial statements, based on the Greek tax laws or other tax frameworks within which the foreign subsidiaries operate. Income tax is calculated based on the profit of each entity as adjusted on their tax returns, 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 be reversed 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 tax 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.
- Receivables and payables that are stated with the amount of sales tax included.

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

3.20 Earnings per share

The basic earnings per share (EPS) are calculated by dividing net profit by the weighted average number of ordinary shares outstanding during each year, excluding the average number of ordinary shares 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 (adjusted for the effect of the average number of share option rights outstanding during the year).

4. Information Per Segment

Geographical Sales Breakdown

	Third parties			Inter-segmental			Total		
(in million €)	**12M10**	**12M09**	**Diff %**	**12M10**	**12M09**	**Diff %**	**12M10**	**12M09**	**Diff %**
European Union	760,80	748,74	1,61%	85,60	82,58	3,66%	846,40	831,32	1,84%
Rest of Europe*	5,28	8,09	-34,73%	0,07	0,00	-	5,35	8,09	-33,87%
America	277,39	78,61	252,87%	14,46	18,45	-21,63%	291,85	97,06	200,70%
Other countries*	72,25	68,11	6,08%	1,21	5,30	-77,17%	73,46	73,41	0,07%
Eliminations	-	-	-	-101,34	-106,33	-	-101,34	-106,33	-
Total	**1.115,72**	**903,55**	**23,48%**	**0,00**	**0,00**	**-**	**1.115,72**	**903,55**	**23,48%**

	Geographical Profits Breakdown before taxes			Geographical Profits Breakdown after taxes		
(in million €)	**12M10**	**12M09**	**Diff %**	**12M10**	**12M09**	**Diff %**
European Union	111,00	132,01	-15,91%	97,80	113,65	-13,95%
Rest of Europe*	1,31	0,40	227,50%	1,25	-0,27	-563%
America	12,35	7,22	71,05%	1,61	4,06	-60,34%
Other countries*	1,94	18,19	-89,33%	0,04	13,34	-99,70%
Eliminations	-45,91	-53,37	-	-45,91	-53,37	-
Total	**80,69**	**104,45**	**-22,75%**	**54,79**	**77,41**	**-29,22%**

* Segments outside reportable limits/disclosure criteria.

5. Staff costs	**GROUP**		**COMPANY**	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Salaries	76.971	65.774	16.132	15.656
Social security contributions	11.564	10.401	3.114	3.274
Staff retirement indemnities (Note 22)	1.500	2.888	488	1.738
Other staff costs	8.226	2.396	777	642
Total	**98.261**	**81.459**	**20.511**	**21.310**

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

Company	**Cost of Sales**	**Selling expenses**	**Administrative costs**	**R&D costs**	**Total**
Group	**Cost of Sales**	**Selling expenses**	**Administrative costs**	**R&D costs**	**Total**
Salaries	37.329	9.711	28.351	1.580	76.971
Social security contributions	5.490	1.632	3.995	447	11.564
Staff retir. & other costs	4.903	1.190	3.489	144	9.726
	47.722	**12.533**	**35.835**	**2.171**	**98.261**
Salaries	6.839	2.646	5.129	1.518	16.132
Social security contributions	1.558	499	611	446	3.114
Staff retir. & other costs	759	147	215	144	1.265
	9.156	**3.292**	**5.955**	**2.108**	**20.511**

Salaries & Social security contributions per cost center December 31, 2009

Group	**Cost of Sales**	**Selling expenses**	**Administrative costs**	**R&D costs**	**Other operating expenses**	**Total**
Salaries	27.913	9.764	25.296	2.770	31	65.774
Social security contributions	4.518	1.517	3.681	677	8	10.401
Staff retir. & other costs	1.620	976	2.295	381	12	5.284
	34.051	**12.257**	**31.272**	**3.828**	**51**	**81.459**

Company	**Cost of Sales**	**Selling expenses**	**Administrative costs**	**R&D costs**	**Other operating expenses**	**Total**
Salaries	5.765	2.909	4.239	2.743	0	15.656
Social security contributions	1.382	611	604	677	0	3.274
Staff retir. & other costs	1.054	396	549	381	0	2.380
	8.201	**3.916**	**5.392**	**3.801**	**0**	**21.310**

The number of employees of the Company and the Group for the year ended 31 December 2010 was 634 and 5.380 respectively (31 December 2009 was 629 and 4.824 respectively).

6. Depreciation and amortization

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

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Depreciation of tangible fixed assets (Note 11)	43.653	32.937	11.133	11.042
Amortization of intangibles (Note 12)	24.551	19.639	3.373	2.341
Total	**68.204**	**52.576**	**14.506**	**13.383**

Depreciation and amortization per cost center

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

31/12/2009	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	36.547	2.307	12.111	1.611	52.576
Company	8.029	1.606	2.275	1.473	13.383

7. Research and Development Costs

Research and development costs recognized in the consolidated statement of comprehensive income amount to € 8.069 thousand and in the statement of comprehensive income of the parent company they amount to € 5.431 thousand (2009: € 9.944 thous. & € 7.915 thous.).

8. Income Taxes

Corporate income tax is calculated at 24% and 25% on the estimated tax assessable profit for the year 01/01-31/12/2010 and 01/01-31/12/2009 respectively.

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Income Taxes in the Statement of Comprehensive Income:				
Current income taxes	19.494	31.583	7.847	16.406
Deferred income taxes	6.406	-4.540	1.357	-4.604
Total income tax expense reported in income statement	**25.900**	**27.043**	**9.204**	**11.802**

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

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Profit before income taxes	**80.690**	**104.450**	**11.258**	**14.519**
Income taxes based on Greek statutory tax rate 24% (2009: 25%)	19.317	27.359	2.702	4.349
Adjustments in opening balance	-1.582	193	-2.180	0
Tax effect of non-deductible tax expenses	10.355	10.240	5.988	7.400
Tax effect of subsidiaries' losses, for which deferred tax asset was not recognized	-1.539	1.270	0	0
Tax effect of tax free reserves	323	50	0	50
Tax effect of non taxable profits	-7.423	-15.385	-3.258	-6.955
Tax effect of foreign subsidiaries' profits that are taxable at different tax rates	18	-4.187	0	0
Deferred tax effect due to tax rate change	1.110	1.734	1.097	1.734
Social responsibility tax	5.253	5.651	4.855	4.974
Income tax of previous years after tax audit	0	-231	0	0
Provision for additional taxes from future tax audits	68	349	0	250
Income taxes at effective tax rate as reported in the income statement	**25.900**	**27.043**	**9.204**	**11.802**

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

According to L. 3845/2010, a social responsibility tax was imposed in the all greek companies with 2010 fiscal year profit exceeding € 100 k. The total liability for the Group amounted to € 5,25 million. and for the Company to € 4,85 million.

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

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Net deferred tax asset at beginning of the year	**13.308**	**8.395**	**9.224**	**4.620**
Adjustments in opening balance	0	0	0	0
(Debit)/Credit to the consolidated statement of comprehensive income	-7.211	4.376	-1.356	4.604
Effect from a first time consolidated subsidiary	804	164	0	0
Exchange difference	1.979	373	0	0
Net deferred tax asset at end of the year	**8.880**	**13.308**	**7.868**	**9.224**

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

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

01/01/2010-31/12/2010

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

December 31, 2009	**GROUP**		**COMPANY**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Subsidiaries' tax losses carried forward	2.963	0	0	0
Inventories– Intercompany profit	77	-3.311	0	-3.311
Financial assets	32	0	0	0
Long term receivables	7.016	0	0	0
Provisions	1.516	-319	0	-319
Tangible assets	513	-10.720	0	-8.047
Intangibles assets	2.301	-3.225	2.239	0
Receivables	18.926	-586	15.169	-559
Prepayments	0	0	0	0
Long term liabilities	2.976	0	2.964	0
Current Liabilities	414	-6.013	0	604
Short Term Loans	0	0	0	0
Finance Lease Liabilities	0	0	0	0
Staff retirement indemnities	841	0	484	0
Other	80	-173	0	0
	37.655	**-24.347**	**20.856**	**-11.632**

01/01/2009-31/12/2009

	Income Statement	
Deferred income tax	**GROUP**	**COMPANY**
Prior years' tax losses utilized	-1.747	0
Subsidiaries' tax losses carried forward	0	0
Provisions of the year	2.430	559
Reversal of provisions utilized	0	0
Tangible assets	3.426	3.352
Intangible Assets	1.134	198
Financial assets	191	0
Short term receivables	-12.734	-10.905
Long Term Receivables	-1.620	0
Inventories– impairment	4.017	3.749
Staff retirement indemnities	-211	-194
Short term Provisions	-215	-117
Current Liabilities	1.904	53
Long Term Liabilities	-1.115	-1.301
Financial lease obligations	0	0
Other	0	-2
Deferred Tax (income) / expense	**-4.540**	**-4.608**

9. Earnings per share

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

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Net profit attributable to shareholders of the parent company	**36.626**	**49.832**	**2.054**	**2.717**
Weighted average number of shares	158.961.721	158.960.522	158.961.721	158.960.522
Less: Weighted average number of treasury shares	0	0	0	0
Weighted average number of shares outstanding	**158.961.721**	**158.960.522**	**158.961.721**	**158.960.522**
Basic earnings per share (EPS) (in Euro)	**€ 0,2304**	**€ 0,3135**	**€ 0,0129**	**€ 0,0171**
Weighted average number of shares outstanding (for basic EPS)	158.961.721	158.960.522	158.961.721	158.960.522
Effect of potential exercise of share options (weighted average number outstanding in the year)	0	0	0	0
Weighted average number of shares outstanding (for diluted EPS)	**158.961.721**	**158.960.522**	**158.961.721**	**158.960.522**
Diluted earnings per share (EPS) (in Euro)	**€ 0,2304**	**€ 0,3135**	**€ 0,0129**	**€ 0,0171**

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

10. Dividends

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Declared dividends of ordinary shares in the year:				
Final dividend of 2008	0	52.142	0	17.495
Interim dividend of 2009	0	10.386	0	0
Final dividend of 2009	49.091	0	23.844	0
Interim dividend of 2010	4.195	0	0	0
Dividend per Statement of changes in equity	**53.286**	**62.528**	**23.844**	**17.495**
Total dividend of 2009: € 0,15 (Company € 0,15)	0	23.844	0	23.844
Total dividend of 2010: € 0,004523 (Company € 0,004523)	719	0	719	0
Less: dividend paid as of year end	0	0	0	0
Dividend not recognized as a liability as at 31 December	**719**	**23.844**	**719**	**23.844**

11. Tangible assets

Tangible assets are analyzed as follows:

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

GROUP	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Assets under construction	Total
1/1/2009							
Cost	6.517	9.204	162.158	3.851	88.257	2.054	272.041
Accumulated Depreciation	0	-1.971	-56.993	-1.470	-53.693	0	-114.127
Net Book value 1/1/2009	**6.517**	**7.233**	**105.165**	**2.381**	**34.564**	**2.054**	**157.914**
COST							
Additions	3.032	6.054	88.510	1.073	23.569	1.718	123.956
Transfer of assets from (to) other categories	0	79	2.797	43	-1.911	-2.695	-1.687
Transfer from (to) inventories	0	0	1	0	14	0	15
Disposal	0	-549	-4.154	-100	-94	0	-4.897
Write-off	0	-774	-377	-47	-406	-57	-1.661
Additions due to acquisitions of subsidiaries	0	26	27	0	44	0	97
Change in consolidation method from full to equity method	0	-31	-12	0	-31	0	-74
Disposal of subsidiaries	0	-1	-1.035	-41	-4	0	-1.081
Net exchange differences on foreign currency translation	0	-52	-172	-111	1.935	-1	1.599
ACCUMULATED DEPRECIATION							
Depreciation	0	-964	-18.634	-610	-12.729	0	-32.937
Impairment	0	-12	-16	-44	-12	70	-14
Disposal	0	13	1.269	50	60	0	1.392
Write off	0	91	313	38	108	0	550
Additions due to acquisitions of subsidiaries	0	-1	-2	0	-8	0	-11
Net exchange differences on foreign currency translation	0	23	-158	23	-1.651	0	-1.763
Change in consolidation method from full to equity method	0	12	7	0	11	0	30
Disposal of subsidiaries	0	0	868	9	1	0	878
Transfer of assets from (to) other categories	0	-52	-280	-79	1.962	-70	1.481
Net book value-31/12/2009	**9.549**	**11.095**	**174.117**	**2.585**	**45.422**	**1.019**	**243.787**
31/12/2009							
Cost	9.549	13.956	247.743	4.668	111.373	1.019	388.308
Accumulated Depreciation	0	-2.861	-73.626	-2.083	-65.951	0	-144.521
Net book value-31/12/2009	**9.549**	**11.095**	**174.117**	**2.585**	**45.422**	**1.019**	**243.787**

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

COMPANY	**Land**	**Buildings and installations**	**Machinery and equipment**	**Transport equipment**	**Furniture and fixtures**	**Total**
1/1/2009						
Cost	0	1.616	1	117	52.154	53.888
Accumulated depreciation	0	-632	-1	-41	-23.489	-24.163
Net book value 01/01/2009	**0**	**984**	**0**	**76**	**28.665**	**29.725**
COST						
Additions	3.030	2.117	0	0	22.182	27.329
Write off	0	0	0	-5	0	-5
ACCUMULATED DEPRECIATION						
Depreciation	0	-307	0	-17	-10.718	-11.042
Write off	0	0	0	1	0	1
Net book value- 31/12/2009	**3.030**	**2.794**	**0**	**55**	**40.129**	**46.008**
31/12/2009						
Cost	3.030	3.733	1	112	74.336	81.212
Accumulated Depreciation	0	-939	-1	-57	-34.207	-35.204
Net book value- 31/12/2009	**3.030**	**2.794**	**0**	**55**	**40.129**	**46.008**

A group subsidiary has a mortgage on other assets of € 8,4 million for the payment of a loan amounting to € 3,9 million and bank guarantee letters of € 4,5 million (31/12/2010 there was no use of the loan while the rest of the guarantee letters were €3,9 million). Also, a group's subsidiary has a loan of 400 thousand for the acquisition of VLTs secured over that equipment and loan of € 1,75 thousand with mortgage on a building and guarantee letters.

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

At 31st December 2010 the Group had no commitments for the purchase of tangible fixed assets.

2. Intangible Assets

GROUP	GOODWILL	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	OTHER	LICENCES	TOTAL
1/1/2010						
Cost	59.123	60.643	29.541	34.675	109.205	293.187
Accumulated amortization	-289	-26.992	-8.074	-11.368	-40.843	-87.566
Net book value 01/01/2010	**58.834**	**33.651**	**21.467**	**23.307**	**68.362**	**205.621**
COST						
Internally generated intangibles	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Additions	23.583	18.679	20.647	6.853	19.570	89.332
Transfer of assets from (to) other categories	-1	-2.923	-1.340	-6.477	1.590	-9.151
Additions due to acquisitions of subsidiaries	0	319	0	402	0	721
Disposals	0	-103	-6.950	0	0	-7.053
Write – off	0	-4	-961	-879	-276	-2.120
Net exchange differences on foreign currency translation	376	1.166	644	1.217	-145	3.258
ACCUMULATED AMORTIZATION						
Amortization	0	-5.927	-2.488	-2.227	-13.909	-24.551
Impairment	0	-72	0	0	0	-72
Disposals	0	0	280	0	0	280
Net exchange differences on foreign currency translation	0	-630	-28	-712	114	-1.256
Transfer of assets from (to) other categories	1	2.566	1.314	-2.735	7.506	8.652
Additions due to acquisitions of subsidiaries	0	-229	0	0	0	-229
Write – off	0	-1	9	67	11	88
Net book value 31/12/2010	**82.793**	**46.494**	**32.594**	**18.816**	**82.823**	**263.520**
31/12/2010						
Cost	83.081	77.777	41.581	35.791	129.944	368.174
Accumulated amortization	-288	-31.283	-8.987	-16.972	-47.121	-104.654
Net book value 31/12/2010	**82.793**	**46.494**	**32.594**	**18.816**	**82.823**	**263.520**

GROUP	GOODWILL	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	OTHER	LICENCES	TOTAL
1/1/2009						
Cost	58.720	40.789	14.684	16.842	105.080	236.115
Accumulated amortization	-289	-23.618	-12.250	-5.866	-31.057	-73.080
Net book value 01/01/2009	**58.431**	**17.171**	**2.434**	**10.976**	**74.023**	**163.035**
COST						
Internally generated intangibles	0	0	0	0	0	0
Revaluation	72	0	0	0	0	72
Additions	229	19.994	19.281	20.068	4.095	63.667
Transfer of assets from (to) other categories	0	-418	269	-54	28	-175
Additions due to acquisitions of subsidiaries	102	0	0	0	0	102
Change in consolidation method from full to equity method	0	-4	0	0	0	-4
Disposal of subsidiaries	0	-25	0	-3	0	-28
Write - off	0	-111	-4.424	-2.397	-10	-6.942
Net exchange differences on foreign currency translation	0	418	-269	219	12	380
ACCUMULATED AMORTIZATION						
Amortization	0	-3.537	-413	-5.888	-9.801	-19.639
Impairment	0	0	0	105	0	105
Net exchange differences on foreign currency translation	0	-276	407	-135	-1	-5
Change in consolidation method from full to equity method	0	3	0	0	0	3
Disposal of subsidiaries	0	18	0	1	0	19
Transfer of assets from (to) other categories	0	418	-269	225	6	380
Write - off	0	0	4.451	190	10	4.651
Net book value 31/12/2009	**58.834**	**33.651**	**21.467**	**23.307**	**68.362**	**205.621**
31/12/2009						
Cost	59.123	60.643	29.541	34.675	109.205	293.187
Accumulated amortization	-289	-26.992	-8.074	-11.368	-40.843	-87.566
Net book value 31/12/2009	**58.834**	**33.651**	**21.467**	**23.307**	**68.362**	**205.621**

COMPANY	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	LICENCES	TOTAL
1/1/2010				
Cost	23.344	17.946	16.825	58.116
Accumulated amortization	-17.777	-6.138	-13.255	-37.170
Net book value 01/01/2010	**5.567**	**11.808**	**3.570**	**20.946**
COST				
Additions	6.884	10.536	147	17.567
ACCUMULATED AMORTIZATION				
Amortization	-1.136	-1.450	-787	-3.373
Net book value 31/12/2010	**11.315**	**20.894**	**2.930**	**35.140**
31/12/2010				
Cost	30.228	28.482	16.972	75.683
Accumulated amortization	-18.913	-7.588	-14.042	-40.543
Net book value 31/12/2010	**11.315**	**20.894**	**2.930**	**35.140**

COMPANY	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	LICENCES	TOTAL
1/1/2009				
Cost	21.866	6.138	16.670	44.674
Accumulated amortization	-16.428	-6.138	-12.264	-34.830
Net book value 01/01/2009	**5.438**	**0**	**4.406**	**9.846**
COST				
Additions	1.478	11.808	155	13.441
ACCUMULATED AMORTIZATION				
Amortization	-1.349	0	-991	-2.341
Net book value 31/12/2009	**5.567**	**11.808**	**3.570**	**20.946**
31/12/2009				
Cost	23.344	17.946	16.825	58.117
Accumulated amortization	-17.777	-6.138	-13.255	-37.170
Net book value 31/12/2009	**5.567**	**11.808**	**3.570**	**20.946**

13. Investments in subsidiaries and associates(€'000)

GROUP	% Participation	Country	31/12/2010	31/12/2009
Bilyoner Interactif Hizmelter AS	25%	Turkey	1.758	1.798
Lotrich Information Co LTD	40%	Taiwan	4.785	3.990
Nanum Lotto Co Ltd	15%	Korea	5.970	5.970
CyberArts Licensing LCC	35%	USA	4.075	4.433
Intralot South Africa LTD	45%	S. Africa	3.623	2.450
Other			307	20
			20.518	**18.661**

INTRALOT SA INVESTMENTS IN ASSOCIATES (€'000)	% Participation	Country	Cost 31/12/10	Impairment	Impaired Cost 31/12/10	Impaired Cost 31/12/09
Bilyoner Interactif Hizmelter As	25%	Turkey	499	0	499	499
Lotrich Information Co LTD	40%	Taiwan	5.131	0	5.131	5.131
Nanum Lotto Co Ltd	15%	Korea	5.970	0	5.970	5.970
Intralot South Africa LTD	45%	S.Africa	2.300	0	2.300	2.300
Other			1	0	1	1
			13.901	**0**	**13.901**	**13.901**

INTRALOT S.A. INVESTSMENTS IN SUBSIDIARIES	% Participation	Country	Cost 31/12/10	Impairment	Impaired Cost 31/12/10	Impaired Cost 31/12/10
Intralot De Chile S.A.	99,99%	Chile	9.361	-9.361	0	9.361
Intralot Inc	85%	USA	9.253	0	9.253	9.253
Intralot De Peru SAC	99,98%	Peru	15.759	0	15.759	15.759
Pollot Ltd	100%	Poland	3.687	0	3.687	3.687
Intralot Holdings International Ltd	100%	Cyprus	8.464	0	8.464	8.464
Intralot Australia pty Ltd	100%	Australia	114	0	114	114
Betting Company S.A.	95%	Greece	139	0	139	139
Maltco Lotteries Ltd	73%	Malta	6.993	0	6.993	6.993
Intralot Betting Operations Ltd	54,95%	Cyprus	2.000	0	2.000	2.000
Royal Highgate Ltd	3,82%	Cyprus	182	0	182	182
Inteltek Internet AS	20%	Turkey	67.326	0	67.326	67.326
Loteria Moldovei S.A.	47,90%	Moldavia	656	0	656	656
Intralot Asia Pacific Ltd	100,00%	China	295	0	295	295
Intralot Luxembourg S.A.	100,00%	Luxembourg	31	0	31	31
Intralot New Zealand Ltd	100%	N. Zealand	568	0	568	568
Intralot Iberia SAU	100%	Spain	635	0	635	635
Intralot Iberia Holdings S.A.	100%	Spain	60	0	60	60
Tecnoaccion S.A.	50,01%	Argentina	8.225	0	8.225	8.225
Intralot Beijing Co Ltd	100%	China	551	0	551	195
Intralot Argentina S.A.	89,79%	Argentina	453	0	453	453
Gaming Solutions International Ltd	99%	Colombia	316	-316	0	316
Intralot South Korea S.A.	100%	S. Korea	75	0	75	75
Intralot Do Brazil Ltda	99,97%	Brazil	6.387	0	6.387	6.387
Intralot Finance UK Plc	100%	UK	57	0	57	57
Intralot Interactive S.A.	51%	Greece	31	0	31	31
Intralot Nederland B.V.	100%	Nederland	91	0	91	91
Intralot France S.A.S.	100%	France	251	0	251	0
Intralot Maroc S.A.	99,83%	Marocco	27	0	27	0
Intralot Minas Gerais Ltda	24%	Brazil	1.442	0	1.442	0
Other			74	0	74	20
			143.503	**-9.677**	**133.826**	**141.373**
GRAND TOTAL			**157.404**	**-9.677**	**147.727**	**155.274**

In the company's comprehensive income statement investment impairment losses of € 9,7 mil. have been reported due to respective local lotteries' contracts termination of Intralot De Chile S.A. and Gaming Solutions International Ltd.

Group Structure

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

	I. Full consolidation	Domicile	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.zo.o	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.	YUGOBET 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		92,45%	92,45%
2.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom		100%	100%
2.	BETA RIAL Sp.Zoo	Warsaw, Poland		100%	100%
2.	UNICLIC LTD	Nicosia, Cyprus		50%	50%
9.	DOWA LTD	Nicosia, Cyprus		30%	30%
	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	100%		100%
2.	INTRALOT EGYPT LTD	Nicosia, Cyprus		88,24%	88,24%
11, 13,2	E.C.E.S. SAE	Cairo, Egypt		90,03%	90,03%
2.	INTRALOT OOO	Moscow, Russia		100%	100%
	POLDIN LTD	Warsaw, Poland	100%		100%
	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	100%		100%
	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	100%		100%
	INTRALOT LUXEMBOURG SA	Luxemburg	100%		100%
2.	INTRALOT ITALIA S.P.A.	Rome, Italia		90%	90%

	I. Full consolidation	Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
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 S.A.	Buenos Aires, Argentina	50,01%		50,01%
2.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru		100%	100%
2.	GAMING SOLUTIONS INTERNATIONAL LTD	Bogota, Colombia	99%	1%	100%
	INTRALOT BEIJING Co LTD	Beijing , China	100%		100%
2.	NAFIROL S.A.	Montevideo, Uruguay		100%	100%
15.	INTRALOT ARGENTINA S.A	Buenos Aires, Argentina	89,79%	10,21%	100%
2.	LEBANESE GAMES S.A.L	Lebanon		99,99%	99,99%
16.	VENETA SERVIZI S.R.L.	Mogliano Veneto, Italia		90%	90%
	INTRALOT SOUTH KOREA	Seoul, S. Korea	100%		100%
	INTRALOT FINANCE UK PLC	London, United Kingdom	100%		100%
	ATROPOS S.A.	Maroussi, Athens	100%		100%
2.	SLOVENSKE LOTERIE 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.	INTRALOT INTERACTIVE S.A.	Maroussi, Athens	51%	24%	75%
14.	INTRALOT JAMAICA LTD	Kingston, Jamaica		100%	100%
19.	INTRALOT GUATEMALA S.A.	Guatemala City, Guatemala		100%	100%
20.	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	Guatemala City, Guatemala		51%	51%
2.	INTRALOT ST. LUCIA LTD	Castries, St. Lucia		100%	100%
19.	INTRALOT DOMINICANA SA	St. Dominicus		100%	100%
19.	INTRALOT LATIN AMERICA INC	Maimi, USA		100%	100%
	INTRALOT NEDERLAND B.V.	Amsterdam, Nederland	100%		100%
2.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus		100%	100%
22.	INTRALOT INTERACTIVE USA LLC	Atlanta, USA		85%	85%
2.	JACKPOT S.p.A	Rome, Italy		51%	51%
	INTRALOT MAROC S.A.	Casablanca, Morocco	99,83%		99,83%
14.	INTRALOT TURKEY A.S.	Constantinopole, Turkey	50%	49,99%	99,99%
19.	INTRALOT CARIBBEAN VENTURES LTD	Castries, St. Lucia		50,05%	50,05%
25.	SUPREME VENTURES LTD*	Kingston, Jamaica		24,97%	24,97%
26.	AZERINTELTEK AS	Baku, Azerbaijan		22,95%	22,95$
19.	INTRALOT SURINAME LTD	Paramaribo, Surinme		100%	100%
22.	DC09 LLC	Wilmington, USA		41,65%	41,65%

	I. Full consolidation	Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
2,13.	NETMAN SRL	Bucharest, Romania		100%	100%
15.	INTRALOT DE MEXICO LTD	Mexico City,Mexico		99,8%	99,8%
	INTRALOT FRANCE S.A.S	Paris,France	100%		100%
	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%
25.	SUPREME VENTURES LTD*	Kingston, Jamaica		24,97%	24,97%

*As regards the consolidation method of Supreme Ventures Limited please refer to note 14.

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 S.p.A.
17: Slovenske Loterie AS
18: Intralot Do Brazil Ltda
19: Intralot St.Lucia Limited
20: Intralot Guatemala S.A.
21: Nikantro Holdings Co Limited
22: Intralot Inc
23: Intralot Interactive USA LLC
24: CyberArts Licensing LLC
25: Intralot Caribbean Ventures LTD
26: Inteltek Internet AS

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

Basic Financial Figures	Assets	Liabilities	Revenue	Profits / (Losses) after Taxation
BILYONER INTERAKTIF HIZMELTER AS (former LIBERO INTERAKTIF AS)	10.840	3.809	18.747	3.933
LOTRICH INFORMATION Co. LTD	14.371	2.317	138	113
CYBEARTS LICENSING LLC	5.409	2.963	1.207	-2.178
INTRTALOT SOUTH AFRICA LTD	61.448	54.232	13.022	-1.675

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

The entity Inteltek Internet AS is consolidated with the full method as the requirements of IAS27 are met.

Yugobet, a subsidiary of the Group is not consolidated since 17/02/2010, as the requirements of IAS 27 do not stand from that date onwards, after the completion of the liquidation procedure and the removal of the company from the local company registers. Since this change the Group has accounted for a profit of €182 thousand in the statement of comprehensive income of the period.

14. Business Combination

Acquisitions in 2010

Investment in Supreme Ventures Limited

The first quarter of 2010 the Group established Intralot Caribbean Ventures Limited and via this company increased its share in Supreme Ventures Limited to 49,9%. Supreme Ventures Limited was consolidated with equity method until 30/03/2010, while from 31/03/2010 with full consolidation method, as the requirements of IAS 27 are met since this date.

The carrying and fair value of Supreme Ventures Limited assets, as at the acquisition date were:

	Fair value	**Carrying value**
Tangible & Intangible fixed assets	20.448	20.448
Deferred tax assets	472	472
Other Long-Term receivable	2.572	2.572
Inventories	558	558
Trade and other receivables	3.720	3.720
Cash and cash equivalents	9.952	9.952
Total Assets	**37.722**	**37.722**
Non-current liabilities	692	692
Current liabilities	10.139	10.139
Value of Net Assets	**26.891**	**26.891**
Intralot Caribbean Ventures LTD 49,90% participation	**13.418**	
Consideration	**29.126**	
Goodwill on Acquisition	**15.708**	

Furthermore the Group

1. Signed a contract for the acquisition of 33% of Kelicom Holdings Co Limited subject to approval by the respective competition committees, which has not been given until the date of the authorization of the financial statements.

2. Established the following entities:
   - Intralot de Mexico LTD at percentage 99,8%
   - AzerInteltek AS at percentage 22,95%

- Intralot Suriname LTD at percentage 100%
- Netman SRL at percentage 100%
- Intralot Turkey AS at percentage 99,99%
- Intralot Maroc S.A. at percentage 99,83%
- DC09 LLC at percentage 41,65%
- Intralot Minas Gerais LTDA at percentage 79,98%
- Intralot France S.A.S. at percentage 100%

15. Other financial assets

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

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2009**	**31/12/2009**
Opening Balance	**49.124**	**3.506**	**498**	**459**
Purchases	6.620	22.878	0	0
Additions due to subsidiaries acquisition	139	2	0	0
Conversion of receivable to financial instrument	0	29.481	0	0
Disposals	-12.529	-306	0	0
Fair value revaluation	-1.238	-6.338	-64	39
Change in consolidation method	-4.795	0	0	0
Foreign exchange differences	376	-99	0	0
Closing balance	**37.697**	**49.124**	**434**	**498**

The above data concern:

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Listed securities	28.681	33.729	35	100
Non-listed securities	9.016	15.395	399	398
Total	**37.697**	**49.124**	**434**	**498**

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Long-term Financial Assets	29.098	34.331	434	498
Short-term Financial Assets	8.599	14.793	0	0
Total	**37.697**	**49.124**	**434**	**498**

During the year 2010 the Group losses from the fair value revaluation of the aforementioned financial assets amounting to € 1.238 thousand were reported as a € 694 thousand gain to a special equity reserve and as a € 1.932 thousand loss to the statement of comprehensive income. Respectively, Company gains of € 65 thousand recorded to equity reserves.

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

16. Other long term receivables

Other long term receivables at 31 December 2010 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Receivables	2.868	25.341	0	0
Receivables from related parties (Note 28)	24.922	1.753	0	0
Rent guarantees	1.414	1.419	0	0
Other receivables	81.264	47.252	440	421
	110.468	**75.765**	**440**	**421**

17. Inventories

Inventories (in thousand €) are analyzed as follows:

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Merchandise – Equipment	39.680	50.175	32.056	47.778
Other	3.226	3.626	0	0
	42.906	**53.801**	**32.056**	**47.778**
Impairment	-1.735	-1.735	-1.737	-1.735
	41.171	**52.066**	**30.319**	**46.043**

For the period ended December 31, 2010 the amount transferred to profit and loss is € 18.268 thous. (2009: € 29.467 thous.) for the Group while the respective amount for the Company is € 42.759 thous. (2009: € 42.286 thous).

18. Trade and other short term receivables

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Trade receivables	94.926	80.454	32.643	37.430
Receivables from related parties (Note 28)	21.958	46.391	182.497	134.013
Other receivables (1)	43.218	18.646	17.672	17.814
Less: Provisions	-7.266	-7.810	-30.409	-9.358
Prepaid expenses and other receivables	34.844	34.949	18.749	11.515
	187.680	**172.630**	**221.152**	**191.414**

(1) Included derivative financial instruments with total value on 31/12/2010 € 80 thous. for the Group (31/12/2009 € 69 thous).

The above receivables are non interest bearing.

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

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
RECEIVABLE				
Trade receivables	97.793	105.796	32.643	37.430
Receivables from other related parties	46.880	48.144	182.497	134.013
Prepaid expenses and other receivable	160.740	102.265	36.861	29.750
Provision for doubtful debt	-7.266	-7.810	-30.409	-9.358
Total	**298.147**	**248.395**	**221.592**	**191.835**
MATURITY INFORMATION				
0-3 months	58.918	26.048	20.533	9.960
3-12 months	128.761	146.582	200.619	181.454
More than 1 year	110.468	75.765	440	421
Total	**298.147**	**248.395**	**221.592**	**191.835**

19. Cash and cash equivalents

Bank current accounts are either non- interest bearing or interest bearing and yield income at the daily bank interest rates.
The short term deposits are made for periods between one (1) day and one month depending on the Group's cash requirements and yield income at the applicable prevailing interest rates.

For the purposes of the Statement of Cash Flows, cash and cash equivalents at 31 December 2010 consist of**:**

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Cash and bank current accounts	100.134	139.611	1.700	1.536
Short term time deposits	41.343	79.500	14.606	39.044
	141.477	**219.111**	**16.306**	**40.580**

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

20. Share Capital and Reserves

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

Reserves

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

Foreign exchange differences reserve

This reserve includes the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve at 31 December 2010 was debit € 29 million (2009: € 25 million debit balance).

Tax free reserves and reserves specially taxed

The tax free reserves and reserves specially taxed, represent interest income which are either tax free or have been taxed at 15% at source. This particular income is not taxable provided that there will be sufficient profits from which the respective tax free reserves can be created. Based on Greek tax law, this reserve is exempt from tax provided that it will not be distributed to shareholders. The Company does not intend to distribute this reserve and has thus not provided for deferred tax liability that would have been necessary if the reserve were to be distributed. The balance of these reserves at 31 December 2010 was € 28.460 thousand for the Group (2009: 28.299 thousand) and € 7.282 thousand for the Company (2009: € 7.282 thousand).

Compound Financial Instruments reserve

This reserve refers to the convertible bond (note 21: LOAN A) and amounts to € 11.608 thousand.

Stock option reserve

This reserve concerns the stock option rights granted and amounts for the year ended 2010 to € 21.386 thous. (2009: € 20.844 thous.).

21. Long Term Loans

Long term loans at 31 December 2010 are analyzed as follows:

	Currency	Interest rate	GROUP €'000	COMPANY €'000
Loan A(€200.000.000)	EUR	2,25%	196.673	196.146
Loan B (€70.000.000)	EUR	3,90%	70.000	70.000
Loan C (€200.000.000)	EUR	1,37%	199.324	0
Other			41.532	0
			507.529	266.146
Less: Payable during the next year (Note 26)			-27.018	0
Repurchase of loan A			-14.889	
Equity Component			11.842	12.369
Long Term Loans			**477.464**	**278.515**

Sensitivity Analysis in interest rate risk

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

Year 2009		Change in interest rate	Effect on profit before tax
	Euribor 1M	+/- 1%	2.000
	Euribor 3M	+/- 1%	700

- Loan A: On December 20th, 2006, Intralot Luxembourg ("Issuer") issued a convertible bond with a face value of € 200 million maturing on December 20th, 2013, at which point the holder, in case the right to convert was not exercised in 2013, may opt for repayment of €

230.076.637,6 (nominal value increased by 15,04%) or conversion into 13.289.036 common shares of Intralot S.A.. Interest is payable semi-annually in arrears at a nominal interest rate of 2,25% per annum. The loan is listed at the Luxembourg Stock Exchange.

- Loan B: On July 2010 the parent company refinanced a bond issue of 70 million EURO. The financing bears floating interest with a total average rate equal to 3,90%. The bonds mature in July 2014.

- Loan C: On December 2007 a foreign subsidiary entered in a syndicated revolving credit facility agreement for 500 million EUR for 5 years, of which 200 million were utilized. The loan bears a total average rate equal to 1,37%.

The weighted average long term loans interest rate is 2,35% in Euro and from 4% up to 12% in other currencies.

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

During 2010, Intralot Holdings a subsidiary of the Group purchased units of Intralot SA own convertible bond on the market with a total nominal value of € 3,45 million (approximately 1,7% of the original nominal value of € 200m at the issue date) prior to the final maturity. Out of the effective amount of the repurchase exercise amounting to € 3,07m, € 2,83 m was allocated to the liabilities component and € 246 thousand to equity component. The difference between the fair value of the liability component and its value measured at the amortized cost, amounting to € 0,6m was recognized in the income statement under "Finance Income" in accordance with IAS32 "Financial Instruments :Disclosures and Presentation". The equity component was recognized directly in equity as a deduction from reserves.

22. Staff retirement indemnities

(a) ***State Insurance Programs:*** The Group's contributions to the State insurance funds for the year ended 31st December 2010 have been reported in the income statement and amount to € 11.564 thousand as stated in Note 5.

(b) ***Staff Retirement Indemnities:*** According to Greek Labor Law, employees are entitled to indemnity on dismissal and retirement, the amount of which varies depending on the years of service, salary level and the way the employee leaves employment (dismissal or retirement). Employees that resign or are dismissed for legally valid reasons are not indemnified. The indemnity payable on retirement is 40% of the amount that would have been payable to the same employee on dismissal on the same day (retirement date). In

Greece, based on customary practice these programs are not funded. The Group charges to the income statement the expense attributable to the service provided by employees in the year, with a corresponding increase in the provision for staff retirement indemnities. Any payments made to retiring employees, are set against the related provision.

Independent actuaries calculated the Company's and the Group's liability for retirement indemnities. The movement of the net liability as presented in the balance sheet, details and the basic assumptions used in the actuarial study as at 31st December 2010 are as follows:

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Present Value of unfunded liability	5.815	4.055	3.840	2.716
Unrecognized actuarial losses	-1.007	-293	-961	-296
Net liability on the balance sheet	**4.808**	**3.762**	**2.879**	**2.420**
Components of the net retirement cost in the year:				
Current service cost	1.283	1.987	307	964
Interest	192	137	168	116
Amortization of unrecognised actuarial (gain) or loss	2	23	2	23
Effect of cutting / settlement / termination benefits	23	741	5	635
Intragroup staff transfer	0	0	6	0
Benefit expense charged to income statement (Note 5)	1.500	2.888	488	1.738
Additional service cost	0	0	0	0
Total charge to income statement	**1.500**	**2.888**	**488**	**1.738**
Movement of benefit liability:				
Net liability at beginning of year	3.762	2.119	2.420	1.451
Service cost	1.283	1.987	307	964
Interest	192	137	168	116
Amortization of unrecognised actuarial (gain) or loss	1	23	1	23
Effect of cutting / settlement / termination benefits	23	741	5	635
Benefits paid	-486	-1.253	-29	-769
Intragroup staff transfer	0	0	7	0
Subsidiary not consolidated	0	0	0	0
New consolidated entities	0	0	0	0
Foreign exchange difference	33	8	0	0
Present Value of the liability at end of year	**4.808**	**3.762**	**2.879**	**2.420**

Basic assumptions:

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

23. Share based benefits

Plans for employee participation in the share capital

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

The Program III approved by the Second Repeat Session of the Extraordinary General Assembly of the shareholders dated 16.11.2009, that took place on Monday, December 14, 2009.
The approval of program of stock option plan to persons among those referred in paragraph 13, article 13 of Codified Law 2190/1920, as modified and in force (Program III) was decided and more specifically that the above share purchase options to be granted to the Board of Directors members, to General Directors, to Directors and Managers of the Company and of its affiliated companies, as defined in paragraph. 5 of article 42e of Codified Law 2190/1920, as well as to persons providing services in a regular basis to the Company and/or to the abovementioned affiliates.

The price to exercise the stock options was fixed to four (4) Euro per share while the INTRALOT's shares that will be finally issued, in case all options to be granted are exercised, will not exceed eight millions (8.000.000) shares (i.e. approx. 5,03% of the share capital of the Company). For the satisfaction of stock options the Company will proceed to increases of its share capital.
The duration of this program will be four-year, i.e. up to December 2013. Each beneficiary, during each year, will be entitled to exercise options which will not exceed 1/3 of the total number of options granted to him/her.

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

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

On February 12, 2010 INTRALOT S.A. announces that according to the Stock Option Plans for senior Company and Group executives, approved by the General Meeting of Shareholders of 14 December 2009, 235 persons mentioned in article 13 par. 13 of Codified Law 2190/1920 as in force, are entitled to exercise, at the duration that the program III is in effect, – within a period of four (4) years and not later than 31.12.2013 - stock options with exercise price 4 Euro per share which if exercised all, will be issued until 6,227,000 new common Company shares.

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

INTRALOT S.A. announces that in the year 2010 no right is exercised by the beneficiaries of Program III.

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

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

The total Option Fair value, estimated with a Binomial Model, is € 923 k, of which € 542 k are included in the results of the year.

24. Other Long Term Liabilities

Other long term liabilities at 31 December 2010 include:

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Other financial liabilities	0	37	0	0
Guarantees	12.465	9.811	0	0
Amounts due to related parties (Note 28)	63	0	0	0
Other long term liabilities (1)	6.273	3.715	0	0
	18.801	**13.563**	**0**	**0**

(1) There are included derivative financial instruments with total amount for the Group 3.750 thousand as at 31/12/2010 (31/12/2009 € 3.359 thous).

25. Trade and Other Current Liabilities

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Trade Creditors	74.589	71.301	20.035	23.644
Amounts due to related parties (Note 28)	31.721	30.003	49.353	31.533
Winnings	12.784	9.399	0	0
Other Payables (1)	21.886	18.908	4.519	2.978
Taxes	6.772	8.794	592	956
Dividends payable	331	466	325	435
	148.083	**138.871**	**74.824**	**59.546**

(1) Included financial derivatives with total value on 31/12/2010 € 7.226 thous. (31/12/2009 € 1.597 thous.) for the Group and on 31/12/2010 € 2.539 thous. (31/12/2009 € 1.597 thous.) for the Company.

The above amounts are non interest bearing.

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

	GROUP		COMPANY	
	2010	**2009**	**2010**	**2009**
PAYABLE				
Trade payable	74.589	71.301	20.035	23.644
Payable to related parties	31.784	30.003	49.353	31.533
Other payable	60.511	51.130	5.436	4.369
Total	**166.884**	**152.434**	**74.824**	**59.546**
MATURITY INFORMATION				
0-3 months	56.800	78.163	21.039	30.776
3-12 months	91.283	60.708	53.785	28.770
More than 1 year	18.801	13.563	0	0
Total	**166.884**	**152.434**	**74.824**	**59.546**

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

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

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Loans in EURO	2.809	4.758	0	0
Loans in USD	23.175	6.079	0	0
Loans in PEN	3	5.144	0	0
Loans in PLN	451	760	0	0
Loans in CLP	0	109	0	0
Loans in CNY	0	21	0	0
Loans in TRY	69	52	0	0
Loans in ARS	511	0	0	0
	27.018	**16.923**	**0**	**0**
Leasing in EURO	0	6	0	0
Leasing in USD	1.822	1.327	0	0
Leasing in AUD	73	0	0	0
	1.895	**1.333**	**0**	**0**
Total	**28.913**	**18.256**	**0**	**0**

27. Contingent Liabilities and Commitments

A. LEGAL ISSUES PENDING

Legal issues:

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 14 February 2008 when the hearing was postponed for 08 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 10 January 2003 with the same content, which was set to be heard on 18 May 2005, on which date the said hearing was cancelled.

b. On 4 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 3 May 2005 but following a petition of the plaintiff the case was heard on 1 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 9 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 12 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 26 January 2006. On 18 January 2006 the company was served with an action filed by Mr. K. Thomaidis on 9 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 14 December 2006. The suit of INTRALOT against Mr. K. Thomaidis was postponed to be heard on 14 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 12 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 20 February 2008 when it was postponed for 4 March 2009 and then again for 24 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. In Turkey, GSGM filed on 23 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 18 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 (€ 1,6 εκ.) (plus 1,89 million TRY (€ 913.308,21) relating to interest) in its financial statements due to the probability of a negative outcome of the case which henceforth has been removed following the First Instance Court of Ankara decision. Moreover, Inteltek claimed the amount of TRY 2,34 million (€1,13 m) (plus interest) which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21 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. Inteltek has not made any provisions for income regarding this case in its financial statements relating to the period ending on 31 December 2010.

f. 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 (€ 683.773,07) 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 14

September 2009 and following successive hearings, on 3 February 2011 a new hearing date was scheduled for 5 May 2011.

g. In Colombia, Intralot, on 22 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 (€8,9 m). Intralot will exercise all legal means available in relation to the errors of substance and formality of arbitration award and in this context it has already submitted an application for annulment of the arbitration award in front of the High Administrative Court. ETESA requested the payment of a letter of guarantee in the amount of 7.694.081.042 Colombian pesos (€2.896.417,38) 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. The Company has created relative provision in its financial statements.

h. In Romania, on 3 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 (€ 3.065.373,06) (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 and is pending; the hearing of the case has been scheduled for 11 May 2011. The case is pending. LOTROM SA believes that has strong arguments to expect that the final outcome will not be unfavourable.

i. 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 28 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; no hearing date has been scheduled yet.

Until 29 March 2011, apart from the above, there are other pending legal issues which do not have a material effect on the financial position of the Group.

B. UNAUDITED TAX YEARS:

COMPANY	YEARS
INTRALOT S.A.	2008-2010
BETTING COMPANY S.A.	2007-2010
BETTING CYPRUS LTD	2008-2010
INTRALOT DE CHILE S.A.	2009-2010
INTRALOT DE PERU SAC	2006-2010
INTRALOT INC.	2002-2010
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2004-2010
ROYAL HIGHGATE LTD	2003-2010
POLLOT Sp.zo.o	2004-2005,07/2009-2010
MALTCO LOTTERIES LTD	2004-2010
INTRALOT HOLDINGS INTERNATIONAL LTD	2008-2010
LOTROM S.A.	2004-2010
YUGOLOT LTD	-
BILOT EOOD	2005-2010
EUROFOOTBALL LTD	2008-2010
EUROFOOTBALL PRINT LTD	2005-2010
INTRALOT INTERNATIONAL LTD	2008-2010
INTRALOT OPERATIONS LTD	2004-2010
INTRALOT BUSINESS DEVELOPMENT LTD	2009-2010
INTRALOT TECHNOLOGIES LTD	2005-2010
INTELTEK INTERNET AS	2006-2010
LOTERIA MOLDOVEI S.A.	2010
TOTOLOTEK S.A.	2004-2010
WHITE EAGLE INVESTMENTS LTD	2009-2010
BETA RIAL Sp.Zoo	2004-2010
UNICLIC LTD	2005-2010
DOWA LTD	-
INTRALOT NEW ZEALAND LTD	2009-2010
INTRALOT ST.LUCIA LTD	2009-2010
INTRALOT DOMINICANA S.A.	2009-2010
INTRALOT GUATEMALA S.A.	2009-2010
LOTTERIA Y APUESTOSA DE GUATEMALA S.A.	2009-2010
INTRALOT LATIN AMERICA INC	2009-2010
INTRALOT JAMAICA LTD	2009-2010
INTRALOT NEDERELAND BV	2008-2010
INTRALOT CARIBBEAN VENTURES LTD	2009-2010
SUPREME VENTURES LTD	2004-2010
INTRALOT MAROC S.A.	2010
AZERINTELTEK AS	2010
INTRALOT ITALIA S.p.A	2007-2010
INTRALOT FRANCE SAS	2010
INTRALOT DE MEXICO LTD	2010

COMPANY	YEARS
INTRALOT EGYPT LTD	2006-2010
E.C.E.S. SAE	2003-2010
INTRALOT OOO	2008-2010
POLDIN LTD	2004-2010
INTRALOT ASIA PACIFIC LTD	2007-2010
INTRALOT AUSTRALIA PTY LTD	2006-2010
INTRALOT SOUTH AFRICA LTD	-
INTRALOT LUXEMBOURG S.A.	2010
NETMAN DISTRIBUTION MANAGEMENT SOLUTION SRL	2010
SERVICIOS TRANSDATA S.A.	2006-2010
INTRALOT IBERIA SAU	2008-2010
INTRALOT IBERIA HOLDINGS S.A.	2008-2010
TECNO ACCION S.A.	2010
GAMING SOLUTIONS INTERNATIONAL SAC	2006-2010
GAMING SOLUTIONS INTERNATIONAL LTD	2007-2010
INTRALOT BEIJING Co LTD	2010
NAFIROL S.A.	-
INTRALOT ARGENTINA S.A.	2009-2010
LEBANESE GAMES S.A.L	-
VENETA SERVIZI S.R.L.	2007-2010
INTRALOT SOUTH KOREA S.A.	2007-2010
INTRALOT FINANCE UK PLC	2008-2010
SLOVENSKE LOTERIE AS	-
TORSYS S.R.O	-
INTRALOT DO BRAZIL LTDA	2008-2010
OLTP LTDA	2009-2010
BILYONER INTERAKTIF HIZMELTER AS	2003-2010
LOTRICH INFORMATION Co. LTD	2009-2010
GIDANI LTD	2003-2010
INTRALOR INTERACTIVE S.A.	2010
INTRALOT INTERACTIVE USA LLC	2010
JACKSPOT S.p.A.	2010
CYBERARTS LICENSING LLC	2004-2010
NIKANTRO HOLDINGS Co LTD	2009-2010
TACTUS s.r.o.	-
ATROPOS S.A.	2009-2010
INTRALOT SURINAME LTD	2009-2010
DC09 LLC	2010
INTRALOT MINAS GERAIS LTDA	2010
INTRALOT TURKEY AS	2010
CYBERARTS INC	2004-2010

There is a tax audit in progress in Betting Company S.A. for the period 01/01/2007-31/12/2009, for the period 01/01/2004-31/05/2010 in Lotrom S.A. and for the year 2010 in Intralot Jamaica LTD.

C. COMMITMENTS

(i) Operating lease payment commitments:

At 31st December 2010 within the Group there had been various operating lease agreements relating to rental of buildings and motor vehicles. Rental costs have been included in the income statement for the year ended 31st December 2010.

Future minimum lease payments of non cancelable lease contracts as at 31st December 2010 are as follows:

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
Within 1 year	9.647	4.791	2.174	1.733
Between 2 and 5 years	32.993	11.937	8.904	7.252
Over 5 years	14.867	5.041	7.895	1.859
Total	57.506	21.769	18.973	10.844

(ii) Guarantees:

The Company and the Group at 31st December 2010 had the following contingent liabilities and guarantees for:

	GROUP		COMPANY	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2010**
Guarantees to third parties on behalf of subsidiaries	0	0	248.136	218.499
Bank guarantee letters	189.839	253.752	100.684	104.376
Other guarantees	1.431	370	0	0
	191.270	**254.122**	**348.820**	**322.875**

(iii) Financial lease payment commitments:

	GROUP			
Finance leases	Minimum of the lease payments	Present value of the minimum lease payments	Minimum of the lease payments	Present value of the minimum lease payments
	31/12/2010	31/12/2010	31/12/2009	31/12/2009
Within one year	2.320	1.895	1.558	1.324
After one year but not more than five years	19.892	16.008	17.508	17.171
After more than five years	0	0	11	0
Minus: Interest	-4.309	0	-582	0
Total	**17.903**	**17.903**	**18.495**	**18.495**

	COMPANY			
Finance leases				
Within one year	0	0	0	0
After one year but not more than five years	0	0	0	0
After more than five years	0	0	0	0
Minus: Interest	0	0	0	0
Total	**0**	**0**	**0**	**0**

28. Related Parties Disclosures

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

Below there is a summary presentation of the transactions and balances with the related parties for the year 2010:

Amounts in thousand €	**GROUP**		**COMPANY**	
	31/12/2010	**31/12/2009**	**31/12/2010**	**31/12/2009**
a) Sales of goods and services				
-to Group	0	0	70.132	81.705
-to Associates	13.083	12.752	6.903	3.286
-to Related parties	9.350	20.280	5.472	9.191
b) purchases of goods and services				
-from Group	0	0	13.344	8.130
-from Associates	4.714	7.383	0	10
-from Related parties	34.833	56.492	30.786	45.242
c) Receivables (1)				
-from Group	0	0	167.198	115.467
-from Associates	1.847	2.255	1.963	2.218
-from Related parties	44.934	45.888	13.336	16.328
d) Liabilities				
-to Group	0	0	20.069	13.539
-to Associates	13	11	13	11
-to Related Parties	42.003	29.992	29.057	17.983
e) Transactions and fees of key management personnel	8.916	10.635	5.437	6.918
f) Receivables from key management personnel	99	156	0	0
g) Payables to key management personnel	436	2.134	214	0
(1)The respective amounts analysed as follows:				
Total due from related parties	46.880	48.144	182.497	134.013
(less) long term portion (Note 16)	24.922	1.753	0	0
Short term from related parties (Note 18)	21.958	46.391	182.497	134.013
(1)The respective amounts analysed as follows:				
Total due to related parties	42.452	32.137	49.353	31.533
(less) long term loans	10.668	2.134	0	0
(less) long term liabilities (Note 24)	63	0	0	0
Short term to related parties (Note 25)	31.721	30.003	49.353	31.533

Sales of goods and services to related companies are at normal market prices. The outstanding balances at the end of the year are not secured and their settlement is made in cash. No guarantees are provided or taken for the above receivable. For the year ended 31 December 2010 the Company has raised a provision of € 21 mil. that relates to estimates for impaired recoverable value of receivables from subsidiaries and has been recognised in the statement of comprehensive income of the year.

29. DERIVATIVES

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

Interest Rate Hedge:

Positions: Cap
Inception of contract: 18/09/2007
Expiration: 30/09/2012
Amount: € 30 million

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

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

Positions: Swap
Inception of contract: 16/02/2009
Expiration: 04/03/2015
Amount: € 100 million

Positions: Cross Currency Swap
Inception of contract: 17/11/2008
Expiration: 17/08/2011
Amount: € 4,88 million

Positions: Cross Currency Swap
Inception of contract: 04/05/2009
Expiration: 25/07/2011
Amount: € 5 million

Positions: Cross Currency Swap
Inception of contract: 29/06/2009
Expiration: 29/09/2011
Amount: € 0,8 million

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

Forward Currency Contracts / Currency Options

The Group has two open positions on option contracts, which qualifies for hedge accounting, for the amount of ZAR 263 million and USD 7 million.

The Group from the fair value revaluation on 31/12/2010 of the above mentioned derivatives and the settlement of derivative instruments that had in its possession from 2009, recognised a loss of € 2.76 million in equity and a loss of €3,15 million in income statement.

Fair Value Estimation

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

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

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

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

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

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

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

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

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

		COMPANY		
	Fair Value	Fair Value Hierarchy		
	31/12/2009	Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	49.124	9.112	24.818	15.194
Derivative financial instruments	69	0	69	0
Financial liabilities				
Derivative financial instruments	4.956	0	4.956	0

	COMPANY			
	Fair Value	Fair Value Hierarchy		
	31/12/2009	Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	498	100	0	398
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	1.597	0	1.597	0

During 2009 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

30. Other short and long term provisions

The Group´s and the Company´s provision that refer to legal issues amount to € 8,9 million in 31/12/2010. The Group's provisions amounts stated up to 31/12/10 that refer to unaudited tax periods amount to € 960 thousand and € 11,2 million to other provisions. Respectively the Company stated € 500 thousand for provisions for unaudited tax periods and € 6,8 million to other provisions.

Moreover, in the statement of comprehensive income of the Group is included an amount of € 4,3 million, which refers to an estimate for impaired recoverable value of tangible and intangible assets and deferred tax assets. Respectively, in the Company's statement of comprehensive income is included an amount of € 30,7 millions that concerns estimate for impaired recoverable value of investments in subsidiaries and receivables.

31. Comparatives

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

32. Debit / Credit Interest -Contiguous Expense /Income

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Interest Expense	-17.940	-19.986	-12.692	-12.480
Losses on investments	-4.082	-412	0	0
Losses on derivatives	-2.473	-1.783	-1.562	-743
Finance costs	-8.606	-5.611	-5.984	-3.403
Discounting	-2.136	-106	0	0
Finance Expense	**-35.237**	**-27.898**	**-20.238**	**-16.626**
Interest Income	11.438	18.194	2.105	3.003
Gains on investments	8.501	2.970	0	543
Gains on derivatives	1.753	1.301	1.741	0
Dividends	0	521	25.448	15.564
Discounting	774	2.279	0	0
Finance Income	**22.466**	**25.265**	**29.294**	**19.110**
Net Finance income/expense	**-12.771**	**-2.633**	**9.056**	**2.484**

33. Subsequent events

In January 2011, INTRALOT Interactive S.A. signed a new contract with Hrvatska Lutrija d.o.o, the Croatian State Lottery, following the initial one-year agreement signed in April 2009 between the two parties for the supply, maintenance and support of an Interactive Gaming System and the provision of new-generation virtual Internet games. INTRALOT Interactive S.A., will supply a certified KENO Random Number Generator and will also implement and deliver three (3) series of electronic scratch cards and will improve the functionality of the existing.

Maroussi, March 29th, 2010

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**

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES

Summary financial information of Group and Company for the year ended December 31, 2010
(Published in terms of article 135 of Law 2190, for Companies preparing annual consolidated and separate financial statements in accordance with IAS/IFRS)
Amounts reported in thousands €

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

Company's Name:	INTRALOT S.A.
Public Companies (S.A.) Reg. No.:	27074/06/B/92/9
Domicile:	64 Kifissias Av. & 3 Premetis Str., Maroussi
Regulatory Authority:	Ministry of Regional Development and Competitiveness (Societe Anonyme and Credit Division)
Date of incorporation:	31-7-1992
Core Activity:	Integrated Lottery Systems and Services
Financial Statements approval date:	March 29, 2011
Web Site:	www.intralot.com
Certified Auditor:	Epameinondas Gkipalis Reg. No/S.O.E.L 24051
Auditor Firm:	S.O.L S.A. Reg.No /S.O.E.L. 125
Type of Auditor's Report:	Unqualified

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

*Independent non-executive directors

1. STATEMENT OF FINANCIAL POSITION (GROUP and COMPANY)

(Amounts in € thousand)	GROUP 31.12.2010	GROUP 31.12.2009	COMPANY 31.12.2010	COMPANY 31.12.2009
ASSETS				
Tangible Fixed Assets	281.166	243.787	35.723	46.008
Intangible Assets	263.520	205.621	35.140	20.946
Other Non-Current Assets	173.919	147.499	156.489	165.417
Inventories	41.171	52.066	30.319	46.043
Trade accounts receivable	196.278	187.423	221.152	191.414
Other Current Assets	141.477	219.111	16.306	40.580
TOTAL ASSETS	**1.097.531**	**1.055.507**	**495.109**	**510.408**
LIABILITIES AND EQUITY				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	236.409	225.097	70.122	92.376
Shareholders Equity (a)	284.098	272.786	117.811	140.065
Minority Interest (b)	76.929	58.420	0	0
Total Shareholders Equity (c)=(a)+(b)	361.027	331.206	117.811	140.065
Long-term Debt	477.464	468.292	278.515	271.980
Provisions / Other Long term Liabilities	61.196	62.828	18.604	25.355
Short-term Debt	28.913	18.256	0	0
Other Short-term Liabilities	168.931	174.925	80.179	73.008
Total Liabilities (d)	736.504	724.301	377.298	370.343
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.097.531**	**1.055.507**	**495.109**	**510.408**

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

(Amounts in € thousand)	GROUP 31.12.2010	GROUP 31.12.2009	COMPANY 31.12.2010	COMPANY 31.12.2009
Net equity at the beginning of the year (01/01/2010 and 01/01/2009 respectively)	331206	337.805	140.065	155776
Effect on retained earnings from previous years adjustment	1235	-1.833	0	0
New consolidated entities	25302	996	0	0
Total comprehensive income for the year after tax (continuing and discontinuing operations)	56253	59.460	1.048	1.784
Increase / (decrease) in share capital	594	628	0	0
Dividends Distributed	-53286	-62.528	-23.844	-17.495
Exercise of stock option rights	542	0	542	0
Change of consolidation method from full consolidation to equity method	0	-597	0	0
Effect due to change in ownership percentage	-819	-2.725	0	0
Net Equity of the year Closing Balance (31/12/2010 and 31/12/2009 respectively)	**361.027**	**331.206**	**117.811**	**140.065**

4. CASH FLOW STATEMENT (GROUP and COMPANY)

(Amounts in € thousand)	GROUP 1.1-31.12.2010	GROUP 1.1-31.12.2009	COMPANY 1.1-31.12.2010	COMPANY 1.1-31.12.2009
Operating Activities				
Net Profit before Taxation (continuing operations)	80690	104.450	11258	14.519
Plus/Less adjustments for:				
Depreciation and Amortization	68204	52.577	14506	13.382
Provisions	-8484	5.162	13419	4.850
Exchange rate differences	4765	352	0	0
Results from Investing Activities	-12406	-10.653	-16608	-15.165
Debit Interest and similar expenses	35237	27.898	20238	16.626
Credit Interest	-22466	-24.744	-3846	-3.546
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	16015	-19.246	15722	-5.259
Decrease/(increase) of Receivable Accounts	-43669	-74.015	-47069	49.034
(Decrease)/increase of Payable Accounts (except Banks)	-10772	9.315	13302	-1.013
Less:				
Interest Paid and similar expenses paid	23269	21.819	13703	10.431
Income Tax Paid	23904	16.146	11801	261
Net Cash from Operating Activities (a)	**58941**	**33.131**	**-4582**	**62.736**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	6441	-35.886	-689	-5.010
Purchases of tangible and intangible assets	-107573	-140.046	-14764	-40.765
Proceeds from sales of tangible and intangible assets	2011	1.774	0	0
Interest received	12037	17.168	3846	3.546
Dividends received	0	521	15753	15.564
Net Cash from Investing Activities (b)	**-87084**	**-156.469**	**4146**	**-26.665**
Financing Activities				
Cash inflows from Share Capital Increase	25	1.050	0	0
Cash outflows from Share Capital Decrease	0	0	0	0
Cash inflows from loans	64442	133.910	0	0
Repayment of loans	-53592	-30.074	0	0
Repayment of Leasing Obligations	-7.086	-5.366	0	0
Dividends paid	-53280	-62.528	-23.838	-17.495
Net Cash from Financing Activities (c)	**-49.491**	**37.002**	**-23.838**	**-17.495**
Net increase / (decrease) in cash and cash equivalents for the year(a) + (b) + (c)	**-77.634**	**-86.336**	**-24.274**	**18.576**
Cash and cash equivalents at the beginning of the year	**219.111**	**305.447**	**40.580**	**22.004**
Cash and cash equivalents at the end of the year	**141.477**	**219.111**	**16.306**	**40.580**

2. TOTAL COMPREHENSIVE INCOME STATEMENT (GROUP and COMPANY)

(Amounts in € thousand)	GROUP 1.1-31.12.2010	GROUP 1.1-31.12.2009	COMPANY 1.1-31.12.2010	COMPANY 1.1-31.12.2009
Sale Proceeds	1.115.721	903.553	163.545	151.642
Less: Cost of Sales	-909.977	-690.183	-108.856	-110.117
Gross Profit / (Loss)	**205.744**	**213.370**	**54.689**	**41.525**
Other Operating Income	26.288	19.310	210	476
Selling Expenses	-37.396	-36.646	-7.387	-9.373
Administrative Expenses	-99.733	-77.363	-11.318	-12.329
Research and Development Costs	-8.069	-9.944	-5.431	-7.915
Other Operating Expenses	-6.059	-6.875	-30.728	-313
EBIT	**80.775**	**101.852**	**35**	**12.071**
Interest and similar charges	-35.237	-27.898	-20.238	-16.626
Interest and related income	22.466	25.265	29.294	19.110
Exchange differences	11.127	3.856	2.167	-36
Profit / (Loss) from equity method consolidations	1.559	1.375	0	0
Operating Profit / (Loss) before tax	**80.690**	**104.450**	**11.258**	**14.519**
Less: taxes	-25.900	-27.043	-9.204	-11.802
Operating Profit / (Loss) after tax (A)	**54.790**	**77.407**	**2.054**	**2.717**
Attributable to:				
-Owners of the parent	36.626	49.832	2.054	2.717
-Minority Interest	18.164	27.575	0	0
Other comprehensive income for the year, after tax (B)	**1.463**	**-17.947**	**-1.006**	**-933**
Total comprehensive income after taxes (A) + (B)	**56.253**	**59.460**	**1.048**	**1.784**
Attributable to:				
-Owners of the parent	33.917	31.987	1.048	1.784
-Minority Interest	22.336	27.473	0	0
Profit / (Loss) after taxes per share (in euro)				
-basic	0,2304	0,3135	0,0129	0,0171
-diluted	0,2304	0,3135	0,0129	0,0171
EBITDA	**152.662**	**154.429**	**24.218**	**25.453**

Supplementary information:

1. The same accounting policies have been followed as compared with the previous year consolidated financial statements 31/12/09 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.4 of the year-end financial statements.
2. The companies included in the consolidation of 31/12/10 and not in the consolidation of 31/12/09 due to subsequent acquisition are the following: Azerinteltek AS, Supreme Ventures Limited, Intralot Caribbean Ventures LTD, Netman SRL, Intralot de Mexico LTD, Intralot Suriname LTD, Intralot Turkey AS, Intralot Maroc SA, DC09 LLC, Intralot France SAS and Intralot Minas Gerais LTDA. Supreme Ventures Limited has been consolidated using the equity method until 30/03/10, while from 31/03/10 with full method, as from that date onwards the requirements of IAS 27 hold. Yugobet Ltd has not been consolidated from 17/02/10 onwards as the liquidation procedure has been finalized (note 13 of the annual financial statements).
3. The Group's and the Company's provision that refer to legal issues up to 31/12/10 amounts to € 8,9 mio. The Group's provisions amounts stated up to 31/12/10 that refer to unaudited tax periods amount to € 980 k and the rest € 11,2 mio to other provisions. Respectively, the Company stated € 500 k for provisions for unaudited tax periods and € 6,8 mio for other provisions. In the group's comprehensive income statement an amount of € 4,3 mio is included that corresponds to a decrease in the recoverable value of tangible and intangible assets and deferred taxation. Respectively, in the company's comprehensive income statement an amount of € 30,7 mio is included that corresponds to a decrease in the recoverable value of participation in subsidiaries and receivables.
4. The personnel employed by the Company and the Group during the current period were 634 and 5.380 respectively. For the respective period of the year 2009, the personnel employed by the Company and the Group were 629 and 4.824 respectively.
5. Companies that are included in 31/12/10 consolidated financial statements are presented in note 13 in the annual financial report including locations, group percentage ownership and consolidation method.
6. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note 27. B in the annual financial report.
7. The amounts of expense/income included in the Group's comprehensive income statement on 31/12/10 of € 1,5 mio (2009: € -17,9 mio) concern: foreign exchange differences of € 162 k (2009 : € -9,5 mio), derivative valuation of € -2,8 mio (2009: € -2,4 mio), while ending amount of € 4 mio (2009: € -5,9 mio), concerns the valuation of available for sale financial assets. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 31/12/10 for the Company, amounted to € -1 mio (2009: € -933 k) regard: revaluation of available for sale financial assets, amounted to € -65 k (2009: € 40 k) and € -941 k (2009: € -973 k) concerns valuation of derivative.
8. The Board will propose to the annual ordinary general meeting of shareholders, as per share dividend distribution for 2010 the amount of € 0,004523.
9. According to the LAW 3845/10, a special social responsibility tax was imposed on greek companies that had profit above € 100 k for the fiscal year of 2010. The total charge amounted to € 5,25 mio for the Group and € 4,85 mio for the Company.
9. Transactions (including income, expenses, receivables, payables) during the fiscal year 2010 with related parties, are as follows:

Amounts reported in thousands of €	Group	Company
a) Income		
-from subsidiaries	0	70.132
-from associates	13.063	6.903
-from other related parties	9.350	5.472
b) Expenses		
-to subsidiaries	0	13.344
-to associates	4.714	0
-to other related parties	34.833	30.786
c) Receivables		
-from subsidiaries	0	167.198
-from associates	1.847	1.963
-from other related parties	44.934	13.336
d) Payables		
-to subsidiaries	0	20.069
-to associates	13	13
-to other related parties	42.003	29.057
e) BoD and Key Management Personnel transactions and fees	8.916	5.437
f) BoD and Key Management Personnel receivables	99	0
g) BoD and Key Management Personnel payables	436	214

Maroussi, March 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