INTRALOT group

Interim Financial Statements

For the period ended September 30, 2008

According to International Financial and Reporting Standards

3rd Quarter of 2008

Contents

1. CONDENSED FINANCIAL STATEMENTS

1.1 INCOME STATEMENT

Amounts reported in thousands €	GROUP		GROUP		COMPANY		COMPANY	
	1/1-30/9/2008	1/1-30/9/2007	1/7-30/9/2008	1/7-30/9/2007	1/1-30/9/2008	1/1-30/9/2007	1/7-30/9/2008	1/7-30/9/2007
Sale Proceeds	804.478	568.710	257.017	189.893	136.847	135.877	37.959	33.372
Less: Cost of Sales	-577.484	-355.292	-194.174	-121.727	-98.959	-67.310	-26.617	-16.267
Gross Profit /(Loss)	**226.994**	**213.418**	**62.843**	**68.166**	**37.888**	**68.567**	**11.342**	**17.105**
Other Income	4.452	13.656	1.421	5.911	46	31	36	6
Selling Expenses	-32.495	-23.924	-14.862	-6.551	-6.386	-5.081	-2.519	-1.558
Administrative Costs	-53.578	-39.564	-18.915	-13.441	-7.993	-8.094	-3.175	-2.175
Research and Development Costs	-7.043	-6.678	-3.428	-2.722	-6.108	-5.882	-2.498	-1.917
Other Operating Expenses	-2.178	-796	-1.390	-540	0	0	0	0
EBIT	**136.152**	**156.112**	**25.669**	**50.823**	**17.447**	**49.541**	**3.186**	**11.461**
EBITDA	161.838	179.944	35.130	59.375	25.218	55.567	5.984	13.493
Interest and similar Charges	-19.308	-18.380	-6.965	-5.753	-11.944	-12.403	-4.093	-4.028
Interest and related Income	23.213	21.465	8.301	8.514	40.424	57.643	1.764	4.168
Exchange Differences	4.195	-6.566	5.203	-4.829	-49	2.144	1.301	-28
Profit or loss from participations accounted for using the equity method	638	-100	280	65	0	0	0	0
Operating Profit Before Tax	**144.890**	**152.531**	**32.488**	**48.820**	**45.878**	**96.925**	**2.158**	**11.573**
Less: Taxes	-30.600	-34.225	-6.378	-11.577	-8.574	-14.334	-1.109	-3.865
Net Profit / Loss from Continuing Operations (a)	**114.290**	**118.306**	**26.110**	**37.243**	**37.304**	**82.591**	**1.049**	**7.708**
Net Profit / Loss from Discontinuing Operations (b)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net Profit / Loss (Continuing and Discontinuing Operations) (a) + (b)	**114.290**	**118.306**	**26.110**	**37.243**	**37.304**	**82.591**	**1.049**	**7.708**
Attributable to:								
Equity holders of the parent	77.069	85.497	16.810	27.888	37.304	82.591	1.049	7.708
Minority Interest	37.221	32.809	9.300	9.355	0	0	0	0
Earnings after taxes per share (in €)								
-basic	0,4849	0,5425	0,1058	0,1770	0,2347	0,5241	0,0066	0,0489
-diluted	0,4847	0,5423	0,1057	0,1769	0,2346	0,5238	0,0066	0,0489
Weighted Average Number of Shares [1]	158.942.093	157.587.922	158.942.093	157.587.922	158.942.093	157.587.922	158.942.093	157.587.922

1 The difference in the number of shares for the fiscal year 2007 for the Group and the Company is a result of an increase in the number of share of the Group and the Company due to a split during 2007.

1.2 BALANCE SHEET

Amounts reported in thousands €		GROUP			COMPANY	
		30/09/2008	31/12/2007		30/09/2008	31/12/2007
ASSETS						
Non Current Assets						
Tangible fixed assets		119.984	85.385		26.484	26.220
Intangibles		170.029	158.230		25.239	20.123
Investment in subsidiaries and associates		11.209	10.985		142.719	140.611
Other financial assets		4.938	6.981		579	676
Deferred Tax asset		10.126	12.243		2.330	4.106
Other long term receivables		107.907	110.684		20.912	41.286
		424.193	**384.508**		**218.263**	**233.022**
Current Assets						
Inventories		43.807	48.739		37.184	43.675
Trade and other short term receivables		241.038	139.394		243.459	165.566
Cash and cash equivalents		330.494	284.753		20.779	57.618
		615.339	**472.886**		**301.422**	**266.859**
TOTAL ASSETS		**1.039.532**	**857.394**		**519.685**	**499.881**
EQUITY AND LIABILITIES						
Share Capital		47.683	47.683		47.683	47.683
Share premium		12.184	12.184		12.182	12.182
Treasury shares		856	856		856	856
Other reserves		85.183	69.089		53.307	53.408
Foreign currency translation		-8.180	523		0	0
Retained earnings		177.786	145.461		78.256	69.247
		315.512	**275.796**		**192.284**	**183.376**
Minority interest		69.533	93.235		0	0

Total equity		**385.045**	**369.031**		**192.284**	**183.376**
Non Current Liabilities						
Long term loans		459.740	317.111		264.298	259.914
Staff retirement indemnities		1.860	1.719		1.077	1.077
Other long term provisions		7.264	6.441		6.018	5.634
Deferred Tax liabilities		2.817	2.206		0	0
Other long term liabilities		255	6.134		2	2
Finance lease obligation		10.372	1.549		0	0
		482.308	**335.160**		**271.395**	**266.627**
Current Liabilities						
Trade and other short term liabilities		112.181	89.877		49.236	47.511
Short term debt and current portion of long term debt		33.706	37.501		0	0
Current income taxes payable		16.125	15.004		6.670	2.367
Short-term provision		10.167	10.821		100	0
		172.179	**153.203**		**56.006**	**49.878**
TOTAL LIABILITIES		**654.487**	**488.363**		**327.401**	**316.505**
TOTAL EQUITY AND LIABILITIES		**1.039.532**	**857.394**		**519.685**	**499.881**

1.3 CONDENSED STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousands of €)	Share Capital	Share Premium	Reserve Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Grand Total
Opening Balance 01/01/2008	47.683	12.184	856	26.480	42.609	145.984	275.796	93.235	369.031
Adjustments on the opening balances							0		0
Transfer to share capital							0		0
Equity method Consol. entity							0		0
New Consolidated Entities							0		0
Subsidiary Share Capital Increase						36	36	-36	0
Period's Results						77.069	77.069	37.221	114.290
Valuation of assets available for sale					-26		-26	9	-17
Valuation of Derivatives					-103		-103		-103
Share Capital Increase from Share premium							0		0
Shareholders' deposits							0		0
Stock Options Reserves							0		0
Dividends						-28.324	-28.324	-51.615	-79.939
Directly Equity				47	-154	-66	-173	25	-148
Transfer to reserves				-2.654	18.982	-16.328	0	0	0
Translation Differences				2		-8.765	-8.763	-9.306	-18.069
Balances as at 30/09/08	47.683	12.184	856	23.875	61.308	169.606	315.512	69.533	385.045

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousands of €)	Share Capital	Share Premium	Reserve Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Grand Total
Opening Balance 01/01/2007	**29.154**	**23.957**	**856**	**9.122**	**35.977**	**104.810**	**203.876**	**86.176**	**290.052**
Adjustments on the opening balances							**0**		**0**
Transfer to share capital							**0**		**0**
Equity method Consol. entity							**0**		**0**
New Consolidated Entities						193	**193**	4.430	**4.623**
Subsidiary Share Capital Increase							**0**		**0**
Period's Results						85.497	**85.497**	32.809	**118.306**
Valuation of assets available for sale							**0**		**0**
Valuation of Derivatives					414		**414**		**414**
Share Capital Increase from Share premium							**0**		**0**
Shareholders' deposits							**0**		**0**
Stock Options Reserves							**0**		**0**
Dividends						-29.271	**-29.271**	-58.577	**-87.848**
Directly Equity							**0**		**0**
Transfer to reserves				13.583		-17.333	**-3.750**	3.750	**0**
Translation Differences					30	4.203	**4.233**	8.070	**12.303**
Balances as at 30/09/07	**29.154**	**23.957**	**856**	**22.705**	**36.421**	**148.099**	**261.192**	**76.658**	**337.850**

STATEMENT OF CHANGES IN EQUITY INTRALOT COMPANY (Amounts reported in thousands of €)	Share Capital	Share Premium	Reserve Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2008	47.683	12.182	856	13.384	40.024	69.247	183.376
Adjustments on the opening balances							0
Transfer to share capital							0
Equity method Consol. Entity							0
New Consolidated Entities							0
Subsidiary Share Capital Increase							0
Period’s Results						37.304	37.304
Valuation of assets available for sale							0
Valuation of Derivatives					-103		-103
Share Capital Increase from Share premium							0
Share holders deposits							0
Stock Options Reserves							0
Dividends						-28.324	-28.324
Directly Equity				2		29	31
Transfer to reserves							0
Translation Differences							0
Balances as at 30/09/08	47.683	12.182	856	13.386	39.921	78.256	192.284

STATEMENT OF CHANGES IN EQUITY INTRALOT COMPANY (Amounts reported in thousands of €)	Share Capital	Share Premium	Reserve Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2007	29.154	23.955	856	9.718	33.145	63.585	160.413
Adjustments on the opening balances							0
Transfer to share capital							0
Equity method Consol. entity							0
New Consolidated Entities							0
Subsidiary Share Capital Increase							0
Period's Results						82.591	82.591
Valuation of assets available for sale							0
Valuation of Derivatives					117		117
Share Capital Increase from Share premium							0
Shareholders' deposits							0
Stock Options Reserves							0
Dividends						-29.271	-29.271
Directly Equity							0
Transfer to reserves				-267		267	0
Translation Differences							0
Balances as at 30/09/07	29.154	23.955	856	9.451	33.262	117.172	213.850

1.4 CASH FLOW STATEMENT

STATEMENT OF CASH FLOWS	GROUP		COMPANY	
	30/09/08	30/09/07	30/09/08	30/09/07
Cash flows from operating activities				
Net Profit before Taxation	144.890	152.531	45.878	96.925
Plus/Less adjustments for:				
Depreciation and Amortization	25.686	23.925	7.771	6.027
Impairment	0	0	0	0
Provisions	1.713	404	384	528
Exchange rate differences	-10.103	9.118	0	0
Results from Investing Activities	-2.530	2.156	-34.969	-50.909
Debit Interest and similar expenses	19.308	18.380	11.944	12.403
Credit Interest	-23.215	-21.465	-5.461	-6.565
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	4.406	-13.007	6.491	-12.675
Decrease/(increase) of Receivable Accounts	-104.809	-84.454	-57.520	-78.219
(Decrease)/increase of Payable Accounts (except Banks)	15.079	-50.332	1.853	-30.062
Less:				
Interest Paid and similar expenses paid	14.592	14.245	7.560	8.248
Income Tax Paid	25.893	41.786	2.554	25.036
Net Cash from Operating Activities (a)	**29.940**	**-18.775**	**-33.743**	**-95.831**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates and other investments	104	-11.888	-2.107	-21.682
Purchases of tangible and intangible assets	-76.327	-85.007	-13.151	-2.581
Proceeds from sales of tangible and intangible assets	179	47	0	0
Interest received	19.901	21.360	5.461	6.565
Dividends received	0	0	34.964	51.078
Net Cash from Investing Activities (b)	**-56.143**	**-75.488**	**25.167**	**33.380**
Financing Activities				
Cash inflows from Share Capital Increase/Share Premium deposits	0	0	0	0
Cash outflow from Share Capital Decrease	0	0	0	0
Cash inflows from loans	211.067	69.449	0	0
Repayment of loans	-56.511	-44.227	0	-32.000
Repayment of Leasing Obligations	-2.735	-537	0	0
Dividends paid	-79.877	-87.848	-28.263	-29.271
Net Cash from Financing Activities (c)	**71.944**	**-63.163**	**-28.263**	**-61.271**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**45.741**	**-157.426**	**-36.839**	**-123.722**
Cash and cash equivalents at the beginning of the year	**284.753**	**467.902**	**57.618**	**242.016**
Cash and cash equivalents at the end of the year	**330.494**	**310.476**	**20.779**	**118.294**

1.5 GENERAL INFORMATION – APPROVAL OF THE FINANCIAL STATEMENTS

General information

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

INTRALOT, a public company listed on the ASE, is the 2nd biggest supplier worldwide of integrated gaming and transaction processing systems, innovative game content and value added services to state-licensed gaming organizations worldwide. It's broad portfolio of products & services, its know-how of Lottery, Betting & Video Lottery operations, its experience in sports games and its leading-edge technology, give INTRALOT a competitive advantage, which contributes directly to customers' efficiency, profitability and growth. With presence in more than 40 countries, 7 business offices, more than 3,500 people and revenues of € 835,5 mil. in 2007, INTRALOT's footprint straddles five continents.

The main activities of the Group for every geographical segment are analyzed in Note 1.9.

Approval of the Financial Statements

The Board of Directors of INTRALOT SA approved the interim IFRS financial statements for the company and the Group for the period ended 30 September 2008, on 25th November 2008.

1.6 SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation:

The consolidated financial statements comprise the financial statements of INTRALOT S.A. and its subsidiaries as at 31 December of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

Adjustments are made to bring in line any dissimilar accounting policies that may have existed.

All intercompany balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered. Subsidiaries are 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.

Foreign Currency Translation:

The functional and presentation currency of INTRALOT S.A. and its subsidiaries which are located in Greece is the euro (€). 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 income statement 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 equity until the disposal of the net investment, at which time they are recognized in the consolidated income statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. 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.

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 SA at the rate of exchange ruling at the balance sheet date and, their income statements 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 equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation shall be recognized in the income statement.

Property, Plant and Equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. 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

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 net selling price 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 income statement.

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 income statement in the year the item is de-recognized.

In regards of hardware and software lease as operating lease these assets, in the group balance sheet are disclosed in acquisition cost values and been depreciated using the straight line method and according to the lower period between the useful life and the contract life. In cases of the respective contracts renewal the assets' remaining net book value is depreciated according to the renewed contract life.

Borrowing Costs:

Borrowing costs are recognized as an expense when incurred.

Goodwill:

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. 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.

The Group made use of the exception provided by IFRS 1 'First Time Adoption of IFRS' relating to business combinations that occurred before the transition date (1 January 2004). For those business combinations IFRS 3 'Business Combinations' is not applied. Instead, in accordance with IFRS 1 the Group kept the same classification as in its previous GAS financial statements. For business combinations prior to the transition date, the Group had recognized the resulting goodwill as a deduction from equity in its previous GAS financial statements. Therefore the Group did not recognize that goodwill in its opening IFRS balance sheet. Any adjustments to the assets and liabilities of the subsidiaries for IFRS purposes are taken to retained earnings.

The Group, based on previous GAS, had not consolidated certain subsidiaries that had been acquired in past business combinations. On first adoption of IFRS and in accordance with the exceptions of IFRS 1, the Group adjusted the carrying amounts of the subsidiary's assets and liabilities to the amounts that IFRS would require in the subsidiary's balance sheet. The deemed cost of goodwill equals the difference at the date of transition to IFRS between the parent's interest in those adjusted carrying amounts; and the cost in the parent's separate financial statements of its investment in the subsidiary. The resulting goodwill is recorded in the transition balance sheet (1 January 2004) and is tested for impairment.

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.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. 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 are 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.

Intangibles:

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. 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 Income Statement apportioned to the related cost centers.

Intangibles, except Development costs internally generated, are not capitalized and the costs are included in the Income Statement 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 are made on a prospective basis.

Research and Development Costs:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. 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. Any expenditure carried forward 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 indicating that the carrying value may not be recoverable.

Investments in subsidiaries, associates and joint ventures:

Investments in subsidiaries, associates and joint ventures are stated in the individual and consolidated financial statements at their cost less any impairment in value.

Financial assets:

All investments are initially recognized at cost, being the fair value of the consideration given, including any acquisition related costs.

After initial recognition, investments (except investments in subsidiaries, associates and joint ventures) which are classified as 'valued at fair values through income statement', or as 'available for sale' are measured at fair values. Gains or losses on investments classified as 'valued at fair values through Income Statement' are recognized in the income statement. Gains or losses on 'available for sale' investments are recognized in a separate component within Equity until the investment is either disposed or the investment is considered to have been impaired at which time any accumulated gains or losses are transferred to the Income Statement.

Other financial assets, except derivatives, with fixed or determinable payments and fixed maturity, are classified as «held to maturity», when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this category. The «held to maturity» monetary items, such as bonds, are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated taking into consideration any premium or discount on acquisition, over the period to maturity. For investments carried at amortized cost, gains or losses are recognized in the Income Statement when the investments are disposed or impaired and also through amortization.

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 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 base of the investment otherwise in the acquisition cost.

Inventories:

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition, are accounted for using the average price method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and the estimated costs necessary to make the sale.

Trade and other short term receivables:

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made 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 financing 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 accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

Cash and Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, without the netting of outstanding bank overdrafts.

Interest bearing loans and Borrowings:

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized or impaired, as well as through the amortization process.

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 at the reporting date. Any interest cost is recognized on an accruals basis.

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 income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-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 possible.
Provisions are recognized on each financial statements date (annual 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 for each reporting period is recognized and booked in the reporting period profit and loss account as an expense.

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 against 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 income statement 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 company's tangible and intangible assets and the income that occurs is recognized on a straight line through the contract period.

Treasury Shares:

Treasury shares represent shares of the parent company held by the Group. Treasury shares are stated at cost and disclosed as a separate component in Equity. Upon acquisition, disposal, issuance or cancellation of treasury shares no gain or loss is recognized in the Income Statement. The consideration given or received and the related gains or losses from the settlement are recognized directly in Equity.

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 ('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 main impact of IFRS 2 on the Group is the expensing of employees' and directors' share options and other share based incentives by using an option-pricing model.

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 Income Statement 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.

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.

Revenue recognition:

Revenue is recognized in the period they are realized and the related amounts can be reliably measured. The following specific recognition criteria must also be met during the recognition of the revenue.

Hardware and Software:

This category includes the supply of hardware, software and technical support services (gaming machines, central computer systems, gaming software, communication systems, installation services 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 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 benefits and risks arising from the ownership are transferred to the buyer.

In the second case it consists income from operating lease, it is defined as a percentage on the Lottery Organization's gross turnover received by the player-customer. Income recognition occurs the moment that the player-customer places the related consideration in order to participate in a game.

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, collections and 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 to the total amount received from the player-customer.

Income taxes:

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 profits 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 bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

• Except where the deferred income tax liability arises from goodwill amortization 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 investments 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 reverse in the foreseeable future.

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

• Except where 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 investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

Deferred income tax is not measured by the Group in regards with the undistributed profits of subsidiaries, branches, associates and joint ventures due to intercompany profits, from relevant transactions, eliminations in the consolidation process.

Income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

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

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Earnings per Share:

The basic earnings per share (EPS) are calculated by dividing net profit attributed to the equity holders of the parent 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).

Financial Instruments:

The financial assets and financial liabilities of the balance sheet include cash and cash equivalents, receivables, other short term liabilities and Derivative Financial Instruments. The accounting policies for recognition and measurement of financial assets and financial liabilities are detailed in the corresponding paragraphs of this Note.

Cash and cash equivalents, receivables, other short term liabilities:

The financial instruments are presented as assets, liabilities or Equity items based on their substance and content of the related contracts from which they derive. Interest, dividends, gains and losses arising from financial instruments characterized as assets or liabilities, are recognized as expense or income in the income statement. The payment of dividends to equity holders is deducted directly from equity. The financial instruments are offset when the Company, has a legally enforceable right to set off the recognized amounts and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative Financial Instruments and Hedging:

The Group uses derivative financial instruments such as forward currency contracts and Interest Rate Swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference of the market value and is verified by the financial institutions. For the purpose of hedge accounting, hedges are classified as: fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability; cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction; or hedges of a net investment in a foreign operation.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge. 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 hedging instrument's effectiveness 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.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges:

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and gains and losses from both are taken to profit and loss. For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit and loss over the remaining term to maturity. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit and loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss. The changes in the fair value of the hedging instrument are also recognised in profit and loss. The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit and loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

Cash flow hedges:

Cash flow hedges are a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit and loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit and loss. Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability. If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to profit and loss.

Certain derivatives, although characterized as effective hedges based on Group policies, do not meet the criteria for hedge accounting in accordance with the provisions of IAS 39 and, therefore, gains or losses are recognized in the statements of income.

1. Market risk

i) Interest Rate

The Group's exposure to market risk for changes in interest rates relates to the long and short term borrowings. The Group partially hedged against its interest rate risk in the period ended 30 June 2008 since management assessed that any change in historically low interest rates in conjunction with the low borrowing levels would give the chance to keep funding costs at a low level.

ii) Foreign exchange risk

The Group sells goods and provides services in various currencies including the Euro. Therefore, it is exposed to movements in foreign currency exchange rates against its reporting currency, the Euro. The Group in assessing the related risk used derivative financial instruments in the period ended 30 June 2008 in order to reduce its exposure to foreign currency change risk. At 30 June 2008 there were open positions in derivative financial instruments.

The management has decided to hedge foreign exchange risk for changes in forward rates and not in spot rates. The hedging designation was decided at the inception of the hedging instrument and is followed till the maturity. The effect of the forward points goes to equity reserves.

2. 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 to credit risk amounts to the aggregate values presented in the balance sheet.

3. Fair Value

The carrying amounts of cash and cash equivalents, short term receivables and short term liabilities in the balance sheet approximate their fair values due to their short term nature. The fair value of short term loans is not significantly different from their carrying values due to the use of variable interest rates.

4. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through and adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

De-recognition of Financial Instruments:

A financial instrument is derecognized when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

1.7 DISCLOSURE OF COMPLIANCE

The interim consolidated financial statements for the interim nine month period ended September 30, 2008 have been prepared in accordance to IAS 34. These interim financial statements should be reviewed along with the annual financial statements of the year ended at December 31, 2007.The accounting principles used in the current financial statements of the Group are the same with those of the financial statements for the year ended at December 31, 2007, apart from the adoption of the new standards or/and interpretations effective after 1st January 2008.

1.8 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF PUBLISHED STANDARDS

Up to the date of the approval of the financial statements certain new Standards, Interpretations and Revised Standards have been published that are mandatory for accounting periods beginning on or after January 1, 2008. The Group's management estimate in relation to the effects of the adoption of the new standards and interpretations is as follows:

IAS 1- Presentation of Financial Statements-Amendment:

The amended IAS 1 has been issued – Presentation of Financial Statements, on September 2007 and is applied for the annual accounting periods starting from or after January 1st 2009.The Standard's amendment for better readability reasons, requires the separate presentation of changes in Equity that derive from shareholders' transactions (e.g. dividends), from the rest Equity changes that derive from third parties' transactions and a new comprehensive Income Statement is introduced.

The revised standard includes changes in the titles of specific Financial Statements in order for their disclosure function to be clearly illustrated. Furthermore, a new requirement is imported, regarding the restatement of financial statements or the retrospective application of new accounting policies to be presented from the beginning of the previous comparative period. The Group is in the evaluation procedure regarding the impact of the amended standard in the Financial Statements.

The amendment of the Standard has not yet been adopted by the European Union.

IFRS 2- Share based payment: "Vesting conditions and cancellations" – Amendment :

The amendment clarifies two issues: The definition of 'vesting condition', introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group expects that this Interpretation will have no impact on its financial statements. The amended IFRS 2 becomes effective for financial years beginning on or after January 2009.

IFRS 3- "Business Combinations" and IAS 27- "Consolidated and Separate Financial Statements" – Revised:

As regards IFRS 3, this will apply to business combinations occurring in those periods and its scope has been revised to include combinations of mutual entities and combinations without consideration (dual listed shares). IFRS 3 and IAS 27, inter alia, require greater use of fair value through the income statement and cement the economic entity concept of the reporting entity. Furthermore, these standards also introduce the following requirements (i) to remeasure interests to fair value when control is obtained or lost, (ii) recognising directly in equity the impact of all transactions between controlling and non-controlling shareholders where loss of control is not lost and, (iii) focuses on what is given to the vendor as consideration rather than what is spent to achieve the acquisition. More specifically, items such as acquisition-related costs, changes in the value of the contingent consideration, share-based payments and the settlement of pre-existing contracts will generally be accounted for separately from the business combination and will often affect the income statement. The revisions to the Standards have not yet been endorsed by the EU. The revised IFRS 3 and IAS 7 become effective for financial years beginning on or after July 2009.

IFRS 8-Operating Segments:

IFRS 8 replaces IAS 14 (Segment Reporting) and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from the 1st January 2009 and is expected to be adopted by the Group.

IFRS 23- Borrowing Cost-Amendment:

In the revised standard, the previous benchmark treatment of recognising borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the costs of the asset. The revised version of IAS 23 Borrowing Cost needs to be applied for annual periods beginning on or after 1st January 2009.

IAS 32 and IAS 1-Puttable Financial Instruments – Amendment:

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to have an impact on its financial statements. The amendment to IAS 32 becomes effective for financial years beginning on or after January 2009.

IAS 39- Financial Instruments: Recognition and Measurement: Eligible Hedged items - (amendment July 2008)

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. An entity can designate the changes in fair value or cash flows related to a one-sided risk as the hedged item in an effective hedge relationship. The Group does not expect this amendment to have an impact on its financial statements. The amendment to IAS 39 becomes effective for annual periods beginning on or after 1st July 2009.

IAS 39 & IFRS 7- Financial Instruments: Recognition and Measurement & Disclosures: Reclassification of Financial Assets - (amendment October 2008)

The amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. It also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The Group does not expect this amendment to have an impact on its financial statements. The amendment to IAS 39 becomes effective for annual periods beginning on or after 1st July 2008.

IFRIC 11 - IFRS 2, Group and Treasury share transactions:

This interpretation is effective for annual periods beginning on or after 1 March 2007 and clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 12-Service Concession Agreements:

IFRIC 12 handles the way with which the concession managers of a service concession must apply IFRS to account for the liabilities they undertake and the rights provided to them in the service concession agreements.

IFRIC 13- Customer Loyalty Programmes:

The International Financial Reporting Interpretations Committee (IFRIC) issued a new interpretation relating to the application of IAS 18 Revenue Recognition. IFRIC 13 "Customer Loyalty Programmes" clarifies that where entities grant award credits (e.g. loyalty points or reward miles) as part of a sales transaction and customers can redeem those award credits in the future for free or discounted goods or services, IAS 18 paragraph 13 applies. This requires that the award credits are treated as a separate component of the sales transaction and an amount of the consideration received or receivable needs to be allocated to the award credits. The timing of the recognition of this element of revenue is deferred until the entity satisfies its obligations relating to the award credits, either by supplying the rewards directly or by transferring the obligation to a third party. IFRIC 13 needs to be applied for annual periods beginning on or after 1st January 2008.

IFRIC 14- "IAS 19-the limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective from 01.01.2008):

IFRIC 14 gives guidance on how entities should determine the limit placed by IAS 19 Employee Benefits on the amount of a surplus in a pension plan they can recognise as an asset. Furthermore, it explains how the assets or the liabilities can be affected by a defined or contractual minimum funding requirement.

IFRIC 15 - Agreements for the construction of real estate:

This interpretation is effective for annual periods beginning on or after 1 January 2009 and addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Group's operations.

IFRIC 16 - Hedges of a net investment in a foreign operation:

This interpretation is effective for annual periods beginning on or after 1 October 2008 and applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group as the Group does not apply hedge accounting for any investment in a foreign operation.

1.9 REVENUE PER SEGMENT

in million €	Geographical Sales Breakdown			Gross Margin Breakdown		
	9M08	9M07	Difference %	9M08	9M07	Difference %
European Union	717,19	498,27	43,93%	172,63	152,38	13,29%
Other Europe	3,56	3,75	-5,07%	0,64	0,39	64,10%
America	38,32	33,37	14,83%	16,47	12,38	33,04%
Other	109,32	75,80	44,22%	65,23	63,74	2,34%
Eliminations	-63,89	-42,49	-	-27,98	-15,48	-
Total Consolidated Sales	***804,5***	***568,7***	***41,46%***	***226,99***	***213,41***	***6,36%***

1.10 CONTINGENT LIABILITIES

No significant changes in contingent liabilities status since the last annual balance sheet date (31/12/2007).

1.11 OTHER SELECTED EXPLANATORY NOTES

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

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

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

No such.

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

No such.

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

I. *Share Option:*

According to the decision of the General Assembly of Shareholders on October 24th, 2007, the share capital (Ministry of Development Decision K2-15700/31-10-2007) was increased by € 18.122.611,03 through the capitalization of reserves and the increase of the nominal value of the share of the company by € 0,23 and by the same aforementioned resolution , it was resolved to decrease the nominal value of each share from € 0,60 to € 0,30 and to issue 78.793.961 new shares with a nominal value of € 0,30 each ,which were distributed freely to the old shareholders, at a ratio of one new share for each existing one respectively.

Following the partial exercise of the share option, during 2007, the share capital was increased by A) €1.242 with the issue of 4.140 nominal shares at a nominal value of € 0,30 each. Payment of this amount was confirmed by the Board of Directors on 19/12/2007 while the share capital increase and confirmation of this amount were approved by decisions K2-18339/11-1-2008 and K2-18338/11-1-2008 of the Ministry of Development and B) € 405.009,30 with the issue of 1.350.031 nominal shares with a nominal value of € 0,30 each. Payment of this amount was confirmed by the Board of Directors on 19/12/2007 while the share capital increase and confirmation of this amount were approved by decisions K2-18340/11-1-2008 and K2-18337/11-1-2008 of the Ministry of Development.

II. *New Companies of the Group:*

Investment in:
INTRALOT SOUTH KOREA LTD with percentage 100% (direct)
INTRALOT FINANCE UK PLC with percentage 100% (direct)
SLOVENSKE LOTERY AS with percentage 51% (indirect)

III. *Subsidiaries Share Capital Increase:*

Increase in Intralot De Argentina's Share Capital by € 411 thousands

e. Dividends paid (aggregate or per share):

Ordinary shares dividend paid of € 79.877 thous (€ 87.848 thous. 30/09/07)

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

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

For information reasons, although the effect of this change in the consolidated figures is not material, it is notified that Innovative Sol. Cons. Group., consolidated with the equity method, until the previous period, is not included in this consolidation, due to its sale (loss to the group: €14 thousands).

g. Acquisitions and disposals of tangibles and intangible assets:

Net addition for the Group, due to acquisitions and disposals of tangibles and intangible assets as at September 30, 2008 amounts to € 76.327 thousands, while the respective proceeds were approximately € 179 thousands.

h. Amounts included directly in Equity:

The amounts of expense/income included directly in the Equity of the Group on 30/09/2008 regard foreign exchange differences of € (18,07) mil., derivative valuation of € (103) thousands., valuation of available for sale financial assets that amount to € (17) thousand and € (148) thousands that regard reverse of accountable tax from income tax return and tax from distribution of nontaxable reserves.

The respective figures for the Company amount to € (103) thousands that regard the valuation of derivatives and € 31 thousands,that regard reverse of accountable tax from the income tax return.

1.12 SUPPLEMENTARY INFORMATION

A. BUSINESS COMBINATION (TABLE OF COMPANIES CONSOLIDATED)

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

I. Full Consolidation:

	COMPANY	BASE	DIRECT PARTICIPATION PERCENTAGE	INDIRECT PARTICIPATION PERCENTAGE
	INTRALOT SA	Maroussi, Attica	Parent	Parent
5.	BETTING COMPANY SA	N. Iraklion, Attica	95%	5%
10.	BETTING CYPRUS LTD	Nicosia, Cyprus		100%
	INTRALOT DE CHILE SA	Santiago, Chile	99,99%	
	INTRALOT DE PERU SAC	Lima, Peru	99,98%	
	INTRALOT INC.	Atlanta, USA	85%	
	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	54,95%	
1.	ROYAL HIGHGATE LTD	Paralimni, Cyprus	3,82%	29,39%
	POLLOT Sp.zo.o	Warsaw, Poland	100%	
	MALTCO LOTTERIES LTD	Valetta, Malta	73%	
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	100%	
2.	LOTROM SA	Bucharest, Romania		60%
2.	YUGOLOT LTD	Belgrade, Serbia&Montenegro		100%
2.	YUGOBET LTD	Belgrade, Serbia&Montenegro		100%
2.	BILOT EOOD	Sofia, Bulgaria		100%
3.	EUROFOOTBALL LTD	Sofia, Bulgaria		49%
4.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria		49%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus		100%
5.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus		100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus		100%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus		100%
14.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%
	LOTERIA MOLDOVEI SA	Chisinau, Moldova	47,90%	
6,7,8.	TOTOLOTEK SA	Warsaw, Poland		60,73%
2.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom		100%
2.	BETA RIAL Sp.zo.o	Warsaw, Poland		100%
9.	YUVENGA CJSC	Moscow, Russia		24,50%
2.	UNICLIC LTD	Nicosia, Cyprus		50%
9.	DOWA LTD	Nicosia, Cyprus		30%

	COMPANY	BASE	DIRECT PARTICIPATION PERCENTAGE	INDIRECT PARTICIPATION PERCENTAGE
	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	100%	
2.	INTRALOT EGYPT LTD	Nicosia, Cyprus		88,24%
11,2.	E.C.E.S SAE	Cairo, Egypt		75,01%
2.	INTRALOT OOO	Moscow, Russia		100%
	POLDIN LTD	Warsaw, Poland	100%	
	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	100%	
	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	100%	
	INTRALOT SOUTH AFRICA LTD	Johannesburg, S.Africa	72,95%	
	INTRALOT LUXEMBOURG S.A	Luxembourg, Luxembourg	100%	
2.	INTRALOT ITALIA SRL	Rome, Italy		85%
13.	SERVICIOS TRASDATA SA	Lima, Peru		100%
	INTRALOT IBERIA SAU	Madrid, Spain	100%	
	INTRALOT IBERIA HOLDINGS S.A.	Madrid, Spain	100%	
	TECNO ACCION S.A	Buenos Aires, Argentina	50,01%	
2.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Perou		99%
2.	GAMING SOLUTIONS INTERNATIONAL LTD	Bogota, Colombia	99%	1%
	INTRALOT BEIJING Co LTD	Beijing, China	100%	
2.	NAFIROL S.A.	Montevideo, Uruguay		100%
15.	INTRALOT ARGENTINA S.A	Buenos Aires, Argentina	89,79%	10,21%
2.	LEBANESE GAMES S.A.L	Beirut, Lebanon		99,99%
16.	VENETTA SERVIZI S.R.L.	Mogliano Veneto, Italia		85%
	INTRALOT SOUTH KOREA LTD	Seoul, S. Korea	100%	
	INTRALOT FINANCE UK PLC	London, United Kingdom	100%	
2.	SLOVENSKE LOTERIE AS	Bratislava, Slovakia		51%

II. Equity Method:

	COMPANY	BASE	DIRECT PARTICIPATION PERCENTAGE	INDIRECT PARTICIPATION PERCENTAGE
	BILYONER INTERAKTIF HIZMELTER AS (former LIBERO INTERAKTIF AS)	Istanbul, Turkey	25%	
	LOTRICH INFORMATION CO. LTD	Taipei, Taiwan	40%	
12.	GIDANI LTD	Johannesburg, S.Africa		16,41%

Subsidiary of:

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 S.A.
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 SRL.
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The companies Loteria Moldevei and Inteltek Internet AS are consolidated using the full consolidation method since the preconditions of IAS 27 are met.

B. ACQUISITION OF NEW SUBSIDIARIES

During June 2008 the Group acquired 51% of the Slovenske Loterie AS, through its subsidiary Intralot Holdings International LTD, which Intralot SA controls 100%. Slovenke Loterie AS has considerable presence in the Slovakian lottery market. The carrying and fair value of the company's assets, the date of the acquisition (07/06/2008) were:

	Fair value € 000	**Carrying value € 000**
Intangible Assets	25	25
Tangible fixed assets	258	258
Long-Term Loans	16	16
Deferred Tax assets	6	6
Inventories	21	21
Short term receivables	129	129
Cash and cash equivalents	2.921	2.921
Total Assets	**3.376**	**3.376**
Non- current liabilities	(52)	(52)
Current liabilities	(225)	(225)
Value of Net Assets	**(3.098)**	**(3.098)**
Group 51% participation	**(1.580)**	
Consideration	**3.302**	
Goodwill on Acquisition	**1.722**	
The net cash outflow is analysed as follows :		
Cash and cash equivalents acquired	2.921	
Cash consideration given	(3.302)	
Group Cash outflow	**(381)**	

C. TAX AUTHORITIES FISCAL CONTROL

During the current period regular tax audits have been completed of a) "INTRALOT SA" for the fiscal years 2006 and 2007 from which additional taxes of € 1, 23 million were imposed, which were offset with previous period cumulative tax provisions of € 1,05 million and b) "BETTING COMPANY

SA" for the fiscal years 2005 and 2006 from which additional taxes of € 714 thousand were imposed, which were offset with previous periods cumulative tax provisions of € 120 thousand.

The tax difference was added in the income tax of the period. For the unaudited by the tax authorities periods, the Group conducts an annual assessment of potential liabilities resulting from the audit of previous years and makes sufficient provision for additional taxes.

D. REAL LIENS

There are no real liens.

E. PROVISIONS

The amount of provisions that had been made, up to 30/09/2008 in the Group, regards tax unaudited fiscal years (€ 390K) and other provisions (€ 17 mio.). Respectively the company has made provision for tax unaudited periods of € 100K and other provisions of € 6 mio.
There has been no provision made for legal issues pending in the Group and Company.

F. LEGAL ISSUES PENDING

a. On 05.09.05 an action was served to the company, filed by the company "IPPOTOUR S.A.", against the company and the company "OPAP S.A.". The plaintiff "IPPOTOUR S.A." requested to be acknowledged that the contract signed between OPAP S.A. and the company should not grant to the latter the right to operate any kind of wagering game on Greek or foreign horse racing, that "OPAP S.A" should not have the right to operate any kind of wagering game on horse racing and that "OPAP S.A." and the company should be excluded from the operation and organization of betting games on horse racing. The hearing of the case had been set for 14 February 2008 when the hearing was postponed for 08 October 2009. 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 but no hearing date has been scheduled until now. For the above case a provision has been made.

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.

d. On 6 August, 2007 a recourse (Law 2522/2007) dated 6 August 2007 filed by the Union of the Companies “G-TECH Corporation” and “G-TECH Global Services Corporation Ltd” before the Board of Directors of OPAP SA against the resolution of the BoD of OPAP SA dated 31 July 2007 (which had resolved for the conclusion of an agreement with INTRALOT), was served to INTRALOT; with the said recourse it is requested that the above resolution of the BoD of OPAP SA as well as any other relevant act are eliminated. On 27 August 2007 an application for interim measures (injunctions) filed by the above mentioned Union of Companies against OPAP SA was served to INTRALOT; with this application it was requested that the execution of the above mentioned resolution of the BoD of OPAP SA and of the contract signed between OPAP SA and

INTRALOT, to be suspended. The date of the hearing has been scheduled for 11 September 2007; INTRALOT intervened in this case in favor of OPAP SA. The Court by its decision no. 7597/2007 rejected the application of the Union of the Companies “G-TECH Corporation” and “G-TECH Global Services Corporation Ltd”.

e. 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 resident of Neos Skopos Serron, 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. 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.

f. In Turkey, the tender on fixed odds betting tender related to establishment and operation of risk management center head agency held by Spor Toto (Genclik ve Spor Genel Mudurlugu - GSGM) and the Fixed Odds Betting contract dated 2 October 2003 singed as a result of the said tender between GSGM and Inteltek Internet Teknoloji Yatırım ve Danışmanlık Ticaret A.Ş» (Inteltek) (which is a 45% subsidiary company) were challenged by Reklam Departmani Basin Yayin Produksiyon Yapimcilik Danismanlik ve Ticaret Limited Sirketi (“Reklam Departmani”) and Gtech Avrasya Teknik Hizmet ve Musanirlik AS (“Gtech”) with the claim of suspension of execution and annulment.

For the lawsuit initiated by Gtech, Council of State (Danistay) decided for the suspension of the tender. Following this decision, the Fixed Odds Betting contract dated 2 October 2003 between GSGM and Inteltek was terminated by GSGM based on the said decision of Council of State and the L. 5583/2007 came into effect which allowed GSGM to hold a new tender and sign a new contract which would be valid until 1 March 2008. On 15 March 2007, GSGM held a new tender, at which Inteltek became the preferred bidder and reacquired the right to operate until 1 March 2008. On the other hand, Inteltek initiated two lawsuits against GSGM on the ground that the termination of the Fixed Odds Betting Contract dated 2 October 2003 was unjustified and to determine that the aforementioned contract is valid under law and is in force. The lawsuit against GSGM’s decision to suspend the operation of the game was rejected, while the Court’s examination on the appeal against the second lawsuit relating to the termination of the contract by GSGM is still pending.

On 27 February 2008, the Turkish parliament passed a new law that allowed GSGM to sign a new Fixed Odds Betting contract with Inteltek, having the same terms and conditions with the latest contracts signed with GSGM and to be valid for up to one year, until operations start under the new tender which GSGM is allowed to hold in accordance with the same law. Inteltek signed a new Fixed Odds Betting contract with GSGM, which took effect on 1 March 2008.

GSGM proclaimed a new tender on 8 July 2008 having a deadline for the submission of the offers the 12th August 2008. On 28 August 2008, the financial offers for that tender were submitted. Inteltek made the best offer and on 29 August 2008 signed with GSGM a new contract acquiring the right to operate fixed odds betting games in Turkey for ten (10) years starting from March 2009.

Based on its management and legal counsel's opinion the Company has not recorded any accruals with respect to these matters in its consolidated interim financial statements as at and for the three months ended 30 September 2008.

g. 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(€ 1.819.184,12) (plus 1.894 million TRY relating to interest-€ 1.044.101.43) 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 2,344 million (plus interest)(€ 1.292.171,99) which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21 February 2008 to collect this amount and the date of the hearing was scheduled to be 22 April 2008; at that date the case was rescheduled to be heard on 24 June 2008 and on that date was rescheduled for 6 November 2008 and on that date for 3 December 2008 in order that further evidences to be collected. Inteltek has not made any provisions for this case in its financial statements relating to the nine months period ending on 30 September 2008.

h. In Turkey, the court Sayistay inspecting the accounts of GSGM of 2005, ruled that there were exceeding payments to Inteltek for specific operational expenses of one thousand terminals of the system, under the terms of the contracts dated 30 July 2002 and 2 October 2003, of an amount of TRY 10.670.528,78(€ 5.882.320,16). For this reason it sent to GSGM a letter dated 19 January 2007 which was served to GSGM on 26 January 2007. Beginning 2007, GSGM started to withhold (and to keep in escrow) this amount from the amount Inteltek is entitled to under the contract dated 30 July 2002. Inteltek filed a declaratory action before the civil courts of Ankara requesting to be recognized that there is charge for same services under the two contracts and to return to itself the amounts withheld. Sayistay's investigation file has resulted in favor of Inteltek and whereon GSGM released to Inteltek the withheld in escrow amount of 2,494 million TRY(€ 1.374.862,18) corresponding the period until 26.3.2007. Following the above, at the hearing date 29 April 2008, the Court decided that there is no reason to issue a decision regarding this case.

i. - In Poland an ex-employee of the subsidiary TotolotekSA has requested the payment of the amount of PLN 11.200.000 (€ 3.297.026,78) for creation of a software that the company utilizes. According to the opinion of the lawyers handling this case, the possibility that the lawsuit is accepted is not high.

- In Poland, Totolotek SA, according to a decision of the court of appeals issued on 10 April 2008, has to pay the equivalent in PLN of 1000K USD (€ 699,15K) with the legal interest to the consultants' company IDC. The total amount for capital and interests amounts to PLN 4.049.930 (€ 1.192.207,8). The case relates to a letter of guarantee of the consultants' company IDC that Totolotek SA had requested and succeeded to be drawn in 1999. The amount of PLN 4.049.930(€ 1.192.207,8) has already encumbered the financial statements of Totolotek SA and Totolotek SA examines the possibility to file further legal means.

- Also in Poland, on 10 April 2008, a decision of the competent arbitration court was issued regarding a) the claim for loss of profit of Telenor Software (TTCOMM) against Totolotek SA for the amount of PLN 85.526.710 (€ 25.117.129,82) and the claim for an amount of PLN 4.445.480,83 (€ 1.308.649,52) for issued invoices after their agreement since 26.4.2000 and b) the counter claim of the company Totolotek SA against Telenor Software (TTCOMM) for restitution of damages (loss or profit) for the amount of PLN 93.552.601,74 (€ 27.539.770,89). The arbitration court partially accepted the claim of Telenor Software (TTCOMM) awarding in its favor the amount of PLN 6.778.852,87 (€ 1.995.541,02) plus interest calculated as from 18.2.2006, while it rejected the claim of Totolotek SA against Telenor Software (TTCOMM). A part of this amount (PLN 4.822.000-€ 1.419.487,78) has already encumbered the financial results of Totolotek SA, while the possibility to file further legal means against this decision before the civil courts is examined.

j. In South Africa, the Court which reviewed the application of Uthingo has found that there were shortcomings in the information provided to the Minister by the National Lotteries Board in relation to the individual shareholders in both Uthingo and Gidani (in which INTRALOT through its subsidiary INTRALOT SOUTH AFRICA PTY participates in) and therefore the Minister had to reconsider the process in relation to the above. Following such reconsideration, the license for the operation of the National Lottery of South Africa was awarded again to Gidani and the operation of the National Lottery has already started.

k. In Cyprus, against indirectly subsidiary, thirteen plaintiffs have filed a lawsuit requesting the payment to them of the total amount of 283.000 CYP (€483.513) as profit of a bet relating to the non-classification of Formula 1 cars at the race of Indianapolis, USA held on 19.6.2005. Since for this race there was the information that some racing teams would not start the race because there were problems with their tyres (which actually happened) and since the plaintiffs knew this before placing their bets, the company refuses the payment of the above amount. Due to dispute on the matter of the arbitrator's appointment, the matter will be resolved by the Cypriot Courts. No hearing date has been scheduled yet. The Board of Directors of the company decided, following the relevant legal advise of the local lawyers, that no reason exists in order to proceed to a provision for the above lawsuit or for the remaining lawsuits which have been filed against companies belonging to the indirect subsidiary (which are of a total amount of 144.904 CYP (€247.572)).

l. In Argentina, the subsidiary company "Tecno Acción S.A." filed before the Tax Court recourses against penalties of a total amount (including interest) of 4.557.069,03 Argentinean Pesos (€ 1.021.306,37) (on which further penalties -of an amount that cannot be currently determined- may be imposed) which the tax authority imposed because of alleged, by the tax authority, breach of the tax legislation. It is noted that the litigant parties have the right of recourse to the ordinary justice against any decision of the Tax Court. At this stage, the legal advisors of the subsidiary company in Argentina cannot issue a legal opinion for the outcome of the case. According to the terms of the Share Purchase Agreement relating to the shares of "Tecno Acción S.A." dated 30 December 2006, an amount of 3.250.000 US dollars (€ 2.272.250) has been deposited to an escrow account and part of this amount will cover the abovementioned tax obligations.

m. 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 panel has been formed and the arbitration procedure begun and is pending.

n. In United States of America, GTech Corp. filed an action against Ohio Lottery Commission ("Lottery"), Michael Donlan in his capacity as Executive Director of the Lottery and Intralot Inc., before the Franklin County Court of Common Pleas.

This action was brought by the plaintiff for declaratory and injunctive relief. Plaintiff seeks a preliminary and permanent injunction against the Lottery and Intralot, Inc. from performing under the The Agreement for Contractual Services entered into between the Lottery and Intralot Inc. on or about June 16, 2008. Additionally, the plaintiff seeks a Declaratory Judgment declaring that the Director of the Lottery abused his discretion in the evaluation of submitted proposals and the ultimate award of the contract, pursuant to the RFP, to Intralot, Inc. On 12th November 2008 the hearing started and is continuing.

Until 25 November 2008, apart from the above, any other legal issues do not have a material effect on the financial position of the Group

G. PERSONNEL EMPLOYED

The personnel employed by the Company and the Group as at the end of the first nine months of 2008 were 551 and 4.506 respectively. For the first nine months of 2007, the personnel employed by the Company and the Group were 455 and 3.807 respectively.

H. RELATED PARTY DISCLOSURES

	30/9/2008	
Amounts reported in thousands of €	**Group**	**Company**
a) Income		
-to subsidiaries	-	78.059
-to other related parties	9.305	6.970
b) Expenses		
-from subsidiaries	-	13.801
-from other related parties	41.151	33.791
c) Receivables (i)		
-from subsidiaries	-	160.577
-from other related parties	80.504	15.887
d) Payables		
-to subsidiaries	-	17.116
-to other related parties	25.193	15.484
e) BoD and Key Management Personnel transactions and fees	7.236	4.275
f) BoD and Key Management Personnel receivables	81	-
g) BoD and Key Management Personnel payables	245	-
(i) Total due from related entities	80.504	176.464
(less) long term portion	52.760	20.500
Due from related entities	27.744	155.964

I. OTHER INFORMATION

i) Effect of changes in the composition of the enterprise during the interim period, including Acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations (by extension of the paragraph 1.11.d and f, as above):

See above paragraph 1.11.d and f.

ii) Previous paragraph (I.a.i) events effect, if this is higher than 25%, in respect of the consolidated revenues, results, net equity (by extension of the paragraph 1.11.d and f., as above):

No such cases.

iii) Change of the fiscal year or period:

No such.

iv) Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period:

See bellow, paragraph 1.13.

v) Effect of changes in the composition of the enterprise during the interim period, regarding business combinations if this is higher than 25%, in respect of the consolidated revenues, results, net equity (by extension of the paragraph 1.11.d and f, as above):

No such effect

vi) a) Within the year 2007, INTELTEK, the company's subsidiary in Turkey, has signed a one-year contract with the Turkish Organisation Spor Toto to continue the operation of the "Iddaa" sports betting game.

This contract has been signed following the vote in the Turkish parliament of a law regulating sports betting operation in Turkey. According to this law, a call for tenders was launched to award sports betting operation in Turkey to a contractor for the next 10 years.

INTELTEK, has prevailed in the tender process procured by the Turkish State Organization Spor Toto, for the operation and technical supply of the sports betting game Iddaa in Turkey for a period of 10 years. The contractual framework of the new agreement includes the expansion of the sales network from 4,000 POS currently to 7,000 (of which 1,000 will be mobile POS that will contribute to a push market strategy), an increased winner's payout structure and the inclusion of all sports games as opposed to only football events up to now. Moreover, a very flexible risk management scheme, under which the game's payout will be balanced at the end of the contract term, together with the game's dynamic growth as 2008 wagers are expected to post a 30% increase, are expected to contribute to the game's significant growth and further success over the next years.

b) The Polish government granted to TOTOLOTEK, the subsidiary of INTRALOT in Poland, the license to operate in that country the European Pool of the Swedish Horse Racing Totalisator Board, ATG, which offers betting on Swedish horse races in a number of countries.

c) The subsidiary of INTRALOT in the US, INTRALOT INC, won the tender launched by the South Carolina Education Lottery (SCEL) for the provision of the central online gaming system and related support services. Transition to the new INTRALOT system is programmed for November 2008.

d) INTRALOT Iberia, the subsidiary of INTRALOT S.A. in Spain, has been awarded a license to manage Sports Betting games throughout the territory of the Autonomous Community of Madrid. The duration of the license is 5 years with an automatic renewal of 5 years each time.

e) INTRALOT's subsidiary, INTRALOT Nederland, has signed a contract with a term of 7 years and an option to extend for 3 more years, with both leading lotteries of the Netherlands, De Lotto and De Nederlandse Staatsloterij. INTRALOT will undertake the supply, maintenance and support, as well as the facilities management of the system of both lotteries.

f) INTRALOT's subsidiary, INTRALOT INC, was selected by the Ohio Lottery as the apparent successful vendor to operate the agency's gaming system services. The project will be launched on July 1st 2009 after a one-year conversion contract that will begin on July 1st, 2008. After the conversion the contract will have an initial term of two years with up to four, two-year renewals .

g) Intralot and Ho Chi Minh City Lottery Company have agreed to cooperate closely and on an exclusive basis for the project of modernization of Ho Chi Minh City, which is the largest lottery in Vietnam.

h) Following the license awarding in the state of Victoria INTRALOT Australia Pty Ltd., a subsidiary of INTRALOT, was a Foreign Games Permit to operate in Tasmania a variety of Lottery and Instant games.

i) INTRALOT S.A., through its subsidiary INTRALOT Italia spa, has acquired 100 percent of the Italian Joint Venture company, William Hill Codere Italia Srl. (WHCI), thus further strengthening its position in the Italian betting market. The gross consideration agreed is € 5.5 million. Through this acquisition, INTRALOT Italia enriches its current portfolio with 55 additional licences for horseracing and sports betting points of sale.

j) INTRALOT through its subsidiary, INTRALOT do Brasil, INTRALOT will be the new on-line operator of the State Lottery of Rio de Janeiro, LOTERJ. The first product will be a new fast draw Keno type game, combined with instant lottery that will be available before the end of 2008 in an initial network of 1.000 points of sale connected on-line. The gaming portfolio as well as the network are expected to expand further, according to the course of the operations.

ja) INTRALOT S.A. through its wholly owned subsidiary INTRALOT INTERNATIONAL LTD., shall acquire a 20,62% stake on a fully diluted basis in Melco LottVentures Limited (HKEx Stock Code: 8198 HK) following equity capital increases of all major shareholders in Melco LottVentures Limited (MLV). The total consideration of the acquisition is HK$305 million (€27,4 million) and will be executed through a capital increase and convertible bonds. Through this acquisition, INTRALOT and the major shareholder of MLV, Melco International Development Limited (HKEx Stock Code: 200 HK) (Melco), a leading player in the Asian gaming market, establish a strong partnership; while MLV will promote the Chinese version of INTRALOT's LOTOS O/S and Gameware Application Software for Lotteries, Fixed Odds Sports Betting and VLT monitoring, the CORONIS family Terminal Application Software and Monitor Games.

1.13 SUBSEQUENT EVENTS

a. INTRALOT has signed a contract with the company "Dominican Republic SAJAMA" (SAJAMA), which holds a license to conduct on-line numerical and instant games issued by the National Lottery of the Dominican Republic (Loteria Nacional de la Republica Dominicana). SAJAMA has chosen INTRALOT to be its exclusive technology provider until 2020 with strong potential of further extension. INTRALOT will offer facility management services in an initial network of 1,000 points of sale that is expected to expand significantly within the following years.

b. INTRALOT signed an agreement for the operation of lottery games in Guatemala, the duration of which is 10 years. INTRALOT will establish a joint venture, along with International Gaming Limitada, SGLBVI Limited and VLTBVI Limited. SGLBVI Limited has acquired the contractual rights to operate an online lottery in the territory and VLTBVI Limited has been licensed for the operation of video lottery.

c. INTRALOT S.A. through its wholly owned subsidiary, INTRALOT Jamaica, will launch the operation of Fixed Odds Betting in Jamaica. The duration of the contract is 10 years with possible extensions. INTRALOT Jamaica will undertake the complete operation of Fixed Odds Betting, including the provision of the central system, the microLOT terminals, risk management and other administrative and operational services.

Maroussi, November 25th, 2008

THE CHAIRMAN OF THE BOARD OF DIRECTORS

S.P. KOKKALIS
ID. No. Π 695792

THE VICE CHAIRMAN OF THE BoD AND CEO

C.G. ANTONOPOULOS
ID. No. M 102737

THE GENERAL DIRECTOR OF FINANCE AND BUSINESS DEVELOPMENT

I.O. PANTOLEON
ID. No. Σ 637090

THE ACCOUNTING DIRECTOR

E. N. LANARA
ID. No. AB 606682
H.E.C. License No. 133/A' Class