Interim Financial Statements

For the period ended August 31, 2008
according to International Financial and Reporting Standards

01/01 – 31/08/2008

Contents

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

The

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

CERTIFY THAT

a. as far as we know, the interim separate financial statements of the company "INTRALOT S.A." for the period 1st January 2008 to 31st August 2008, prepared according to the International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company, for the period then ended, according to par. 3 - 5 of article 5 of L. 3556/2007.

b. as far as we know, the eight months Board of Directors Management Report for the period 01/01/2008-31/08/2008 presents in a true and fair view the information required according to par. 6 of article 5 of L. 3556/2007.

c. the attached Interim Financial Statements are those approved by the Board of Directors of "INTRALOT S.A." at 10th October 2008 and have been published to the electronic address www.intralot.com.

Maroussi, 10th October 2008

The designees

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

2. Board of Directors Management Report for the period 01/01/2008-31/08/2008

We submit to all interested the eight months 2008 financial statements according to the International Financial Reporting Standards as adopted by the European Union, along with the present Report for the period from January 1st to August 31st, 2008.

The present Report of the Board of Directors of the company "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" has been composed according to the provision of par. 6, article 5 of the Law 3556/2007 and to the published executive resolutions 1/434/3-7-2008 and 7/448/11.10.2007 of the Capital Market Commission' Board of Directors

PROGRESS OF THE GROUP'S AND COMPANY'S PERFORMANCE FOR THE PERIOD 1/1-8/31/2008 & DEVELOPMENT OF ACTIVITIES FOR THE LAST FOUR MONTHS OF 2008

FINANCIAL OVERVIEW

During the eight months of 2008 INTRALOT continued its expansion in the gaming sector, succeeding among others to prevail in a series of significant international tenders in Madrid, the Netherlands and in the US and also to acquire two companies in Slovakia and in Italy.

Regarding parent company results, revenues were €123.6 mil. in the 8M 2008, EBITDA €22.7 mil., Earnings Before Taxes (EBT) €45 mil., while Earnings After Taxes (EAT) reached €37 mil.. Parent company results are lower y-o-y due to lower domestic sales, but are more than offset with the significantly increased international expansion of the Group.

NEW PROJECTS - INVESTMENTS

In February 2008, INTRALOT's subsidiary in Poland, TOTOLOTEK, was granted a license by the Polish Government to operate the European Pool of the Swedish Horse Racing Totalisator Board, ATG.

Also, in February 2008, INTRALOT's subsidiary in Turkey, INTELTEK, signed a contract with the Turkish State Organization, Spor Toto, to continue the operation of the sports betting game "Iddaa" for up to one year.

In April 2008, INTRALOT signed an agreement to acquire a 51% stake in Slovenske Loterie, a company based in the Slovak Republic, holding licenses issued by the Slovak Ministry of Finance for the operation of Video Lottery Terminals (VLTs) and Automated Roulettes. INTRALOT has the right to increase its equity participation up to 81% through the exercise of call option rights in the next two years. The overall transaction is expected to have a total value of €3.1 million, mainly through a capital increase in the company, which will dilute existing shareholders as they will waive their right to participate.

In April 2008, INTRALOT Iberia, the subsidiary of INTRALOT S.A. in Spain, was 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.

In the end of April, INTRALOT's subsidiary, INTRALOT Nederland, following a dual international tender, signed a contract with both leading lotteries of the Netherlands, De Lotto and De Nederlandse Staatsloterij., having a total turnover of €1,1 billion in 2007. The term of the Agreement is 7 years with an option to extend for 3 more one-year terms. The new system will initiate operation in the third quarter of 2009.

In May 2008, INTRALOT's subsidiary, INTRALOT Inc, was selected by the Ohio Lottery as the preferred bidder to operate the agency's gaming system services, following which the Company signed a one-year conversion contract that started on July 1st, 2008. The project will launch on July 1st 2009. After the conversion the contract will have an initial term of two years with up to four, two-year renewals. The contract entails the initial provision of 8,800 new clerk operated Point of Sales terminals and 2,000 player activated, self-service terminals. With this contract, the sixth in the US, INTRALOT enters one of the top US markets that has a population of about 11.5 million people and ranks 10th in the U.S. in 2007 with total sales of $ 2.258 billion.

In June 2008, INTRALOT signed a Memorandum of Understanding with Ho Chi Minh City Lottery Company to cooperate on an exclusive basis for the project of modernization of Ho Chi Minh City Lottery, which is the largest lottery in Vietnam, with a turnover of 140 million USD in 2007.

Also, in June 2008, following the license awarded in the state of Victoria, INTRALOT Australia Pty Ltd, a subsidiary of INTRALOT, granted a Foreign Games Permit to operate in Tasmania a variety of lottery and instant games. The operations are expected to start soon in more than 80 points of sale, in a population of about 500.000 inhabitants.

Finally, in the beginning of July, INTRALOT, through its subsidiary INTRALOT Italia spa, 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 was €5.5 million. Through this acquisition, INTRALOT Italia enriches its current portfolio with 55 additional licenses for horseracing and sports betting points of sale in the Italian market, where is on of the top three betting companies.

In the end of August INTRALOT's subsidiary in Turkey, INTELTEK, prevailed in the tender process procured by the Turkish State Organization Spor Toto, for the operation and technical supply of the successful and extremely popular sports betting game Iddaa in Turkey for a period of 10 years.

In the end of September, INTRALOT expanded its footprint in the Brazilian market through its subsidiary INTRALOT do Brazil that will be the new on-line operator of the State Lottery of Rio de Janeiro, LOTERJ.

Also in September, INTRALOT through its wholly owned subsidiary INTRALOT International Ltd., announced that it will acquire a 20,62% stake on a fully diluted basis in Melco LottVentures Limited 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.

In the beginning of October the Company signed a 10 years agreement for the operation of lottery games in Guatemala. INTRALOT established a joint venture, together with International Gaming Limitada, SGLBVI Limited and VLTBVI Limited, in which INTRALOT is a majority shareholder.

Also, in October INTRALOT signed a contract with the company "Dominican Republic SAJAMA" (SAJAMA), that 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 possibility of further extension.

The capital expenditures of the Company during the first eight months of 2008 for the financing of the new projects and acquisitions reached €12.6 mil. The cash balance reached €26.9 mil. in 8M

2008, while bank debt plus the € 200 mil. convertible bond reached €263.8 mil., shaping net debt at €263.8 mil.

PROSPECTS AND UNCERTAINTIES FOR THE LAST FOUR MONTHS OF 2008

The progress of the Group for the last four months of 2008 will depend, among others, on the course of the international markets where it operates and mainly on the course new markets such as:

Italy, INTRALOT's subsidiary is expected to continue its expansion in the betting market of the country during the remaining period of 2008. The progress of the subsidiary will be enhanced by the additional licenses for sports betting points of sale that it acquired with the acquisition of the Italian joint venture William Hill Codere Italia Srl. in July 2008.

Madrid, Spain, in the beginning of August, the first ten (10) betting shops commenced operations, following the license awarded to INTRALOT in the territory.

Victoria, Australia, where INTRALOT has won a license to operate lottery and instant games, the operations started on the 1st of July, 2008.

The US, in the states of New Mexico and South Carolina will commence operations with INTRALOT's central systems and terminals in November, 2008.

UNCERTAINTIES

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

Credit risk

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

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group based on strong financial figures had foreseen to obtain from the banking system, a significant amount of committed credit facilities, for the proceeding years. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

Market Risk

1. Foreign Exchange risk

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

2. Interest rate risk

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

HUMAN RESOURCES

Aiming to ensure the best possible work conditions in a pleasant and functional environment, supportive of the staff's training and further evolution in their career, fully compliant with health and safety regulations, INTRALOT has invested significantly in time and resources to strengthen its organizational structure. As a result, the company has been distinguished between large multinational companies as one of the Best Workplaces in Greece for 2007, by the "Great Place to Work" International Institute in Greece. Furthermore, in 2008, INTRALOT's HR department received the Human Resources award by KPMG in the field of "Use of Information Technology in People Management" for their commitment to excellence in HR management through new technologies.

MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES:

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

	Company	Receivables	Payables	Expenses	Income
1	Inteltek Internet AS	-72	-	-	13.683
2	Intralot De Chile SA	2.076	-	-	134
3	Intralot De Peru SAC	3.206	22	-	6
4	Intralot International LTD	2.000	-	-	-
5	Intralot INC	6.931	1	-	1.116
6	Intrarom SA	-	307	840	-
7	Loteria Moldovei SA	1.705	-	-	75
8	Lotrom SA	-2.873	875	2.602	3.816
9	Nika SA	51	-	-	-
10	Pollot Sp. Z o. o	4.891	-	-	799
11	Yugolot LTD	-	564	-	-
12	Betting Company SA	5.252	8.934	6.914	19.000
13	Betting Company SA	1.326	-	-	33
14	Eurofootball LTD	6	-	-	48
15	Intralot Operations LTD	25.247	-	-	13.698
16	Royal Highgate LTD	1.094	-	-	45
17	Maltco Lotteries LTD	-	-	-	2.385
18	Intralot do Brazil SA	24	-	-	-
19	Intralot Business Development LTD	329	-	-	94
20	Yuvenga CJSC	1	-	-	-
21	Uniclic LTD	4.345	-	-	-
22	Intralot New Zealand LTD	3.673	-	7	125
23	Lotrich Info. Co LTD	6.537	-	-	839
24	Betting Cyprus LTD	-	4.265	774	-
25	Intralot Holdings International LTD	70.801	-	-	2.069
26	Best Net	-	-	-	2
27	AEDIL SA	-	-	-	2
28	Intracom SA Infromation Technology & Com.	-	1.680	1	-
29	Intracom SA Telecom Solutions	4.782	14.614	29.684	2.645
30	Intracom Holdings SA	-	662	120	-
31	Intracom Sa Defence Electronic Systems	-	-	1	-
32	Amina Insurance Brokers SA	-	98	248	-

	Company	Receivables	Payables	Expenses	Income
33	Content and Databank SA	-	21	-	-
34	Intralot Asia Pacific LTD	163	-	-	-
35	Intralot Australia PTY LTD	5.854	-	-	6.005
36	Yugobet LTD	2.418	1	-	565
37	Intralot Luxembourg SA	54	-	2.251	1
38	Gidani LTD	160	-	-	214
39	Gaming Solutions International LTD	650	-	-	-
40	Gaming Sol.Int. SAC	7.211	-	-	3.524
41	Intralot Iberia SAU	5.853	-	-	275
42	Intralot South Africa LTD	4.052	107	107	5.033
43	Intralot Italia SRL	1.050	-	-	502
44	Intralot south Korea	389	405	-	-
45	Tecno Accion SA	87	1.130	-	86
46	Intralot Finance UK LTD	1.692	-	-	-
47	Intralot Nederland	352	-	-	-
48	Intracom Cyprus	1	-	-	-
	Total	**171.318**	**33.686**	**43.549**	**76.819**

The BoD and Key Management Personnel transactions and fees for the Company for the period 01.01-31.08.2008 were € 3,7.

From the information stated above and from the Financial Statements you are able to have a complete picture of the Company for the period 1/1/2008-31/08/2008

MAROUSSI, 10th OCTOBER 2008
THE BOARD OF DIRECTORS OF THE COMPANY

Review Report on Interim Financial Information

(Translated from the original in Greek)

To the Shareholders of

"INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES"

Introduction

We have reviewed the accompanying balance sheet of "INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES" as at August 31st, 2008 and the related statements of income, changes in equity and cash flows for the eight-month period then ended, as well as the selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the International Financial Reporting Standards, as adopted by the European Union (E.U.) and apply to interim financial information (I.A.S. 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Athens, October the 12th, 2008

GEORGIOS A. KARAMICHALIS
Certified Public Accountant Auditor
SOEL Reg. No. 15931
SOL S.A. – Certified Public Accountants Auditors
3, Fok. Negri Street – Athens, Greece
SOEL Reg. No 125

4. Interim Financial Statements

4.1 INCOME STATEMENT (Amounts reported in thousand €)

	COMPANY			
	1/1-31/08/08	1/1-31/08/07	1/7-31/08/08	1/7-31/08/07
Sale Proceeds	123.565	117.471	24.677	14.966
Less: Cost of Sales	-90.586	-58.997	-18.245	-7.954
Gross Profit / (Loss)	**32.979**	**58.474**	**6.432**	**7.012**
Other Income	43	24	33	0
Selling Expenses	-5.398	-4.826	1.531	-1.303
Administrative Costs	-6.763	-7.959	-1.945	-2.040
Research and Development Costs	-5.149	-5.869	-1.538	-1.905
Other Operating Expenses	0	0	0	0
EBIT	**15.712**	**39.844**	**1.451**	**1.764**
EBITDA	**22.669**	**45.192**	**3.435**	**3.118**
Interest and similar Charges	-10.625	-11.014	-2.775	-2.639
Interest and related Income	39.787	54.461	1.129	986
Exchange Differences	115	2.345	1.464	173
Profit or loss from participations accounted for using the equity method	-	-	-	-
Operating Profit Before Tax	**44.989**	**85.636**	**1.269**	**284**
Less: Taxes	-7.908	-11.366	-443	-897
Net Profit / Loss from Continuing Operations (a)	**37.081**	**74.270**	**826**	**-613**
Net Profit / Loss from Discontinuing Operations (b)	**0**	**0**	**0**	**0**
Net Profit / Loss (Continuing and Discontinuing Operations) (a) + (b)	**37.081**	**74.270**	**826**	**-613**
Attributable to:				
Equity holders of the parent	37.081	74.270	826	-613
Minority Interest	0	0	0	0
Earnings after taxes per share (in €)				
-basic	0,23	0,47	0,005	-0,004
-diluted	0,23	0,47	0,005	-0,004
Weighted Average Number of Shares [1]	158.942.093	78.793.961	158.942.093	158.942.093

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

4.2 BALANCE SHEET (Amounts reported in thousand €)

	H ETAIPEIA	
	31/08/08	**31/12/07**
ASSETS		
Non Current Assets		
Tangible fixed assets	25.933	26.220
Intangibles	25.531	20.123
Investment in subsidiaries and associates	141.017	140.611
Other financial assets	676	676
Deferred Tax asset	2.052	4.106
Other long term receivables	20.908	41.286
	216.117	**233.022**
Current Assets		
Inventories	35.032	43.675
Trade and other short term receivables	243.682	165.566
Cash and cash equivalents	26.930	57.618
	305.644	**266.859**
TOTAL ASSETS	**521.761**	**499.881**
EQUITY AND LIABILITIES		
Share Capital	47.683	47.683
Share premium	12.182	12.182
Treasury shares	53.682	856
Other reserves	-	53.408
Foreign currency translation	-	-
Retained earnings	78.033	69.247
	191.580	**183.376**
Minority interest	**-**	**-**
Total equity	**191.580**	**183.376**
Non Current Liabilities		
Long term loans	263.802	259.914
Staff retirement indemnities	1.240	1.077
Other long term provisions	5.746	5.634
Deferred Tax liabilities	-	-
Other long term liabilities	2	2
Finance lease obligation	-	-
	270.790	**266.627**
Current Liabilities		
Trade and other short term liabilities	52.994	47.511
Short term debt and current portion of long term debt		-
Current income taxes payable	6.297	2.367
Short-term provision	100	-
	59.391	**49.878**
TOTAL LIABILITIES	**330.181**	**316.505**
TOTAL EQUITY AND LIABILITIES	**521.761**	**499.881**

4.3 Condensed Statements of Changes in Equity

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	Minority Interest	Grand Total
Opening Balance 01/01/2008	**47.683**	**12.182**	**856**	**13.384**	**40.024**	**69.247**	**183.376**		**183.376**
Adjustments on the opening balances									
Transfer to share capital									
Equity method Consol. entity									
New Consolidated Entities									
Subsidiary Share Capital Increase									
Period's Results						37.081	**37.081**		**37.081**
Valuation of assets available for sale									
Valuation of Derivatives									
Share Capital Increase from Share premium									
Shareholders' deposits									
Stock Options Reserves									
Dividends						-28.324	**-28.324**		**-28.324**
Directly Equity				1,5	-583	28	**-553**		**-553**
Transfer to reserves									
Translation Differences									
Balances as at 31/08/08	**47.683**	**12.182**	**856**	**13.386**	**39.441**	**78.032**	**191.580**		**191.580**

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	Minority Interest	Grand Total
Opening Balance 01/01/2007	**29.154**	**23.955**	**856**	**9.718**	**33.145**	**63.585**	**160.413**		**160.413**
Adjustments on the opening balances									
Transfer to share capital									
Equity method Consol. entity									
New Consolidated Entities									
Subsidiary Share Capital Increase									
Period's Results						74.270	**74.270**		**74.270**
Valuation of assets available for sale									
Valuation of Derivatives									
Share Capital Increase from Share premium				-267		267	**0**		**0**
Shareholders' deposits									
Stock Options Reserves									
Dividends						-29.271	**-29.271**		**-29.271**
Directly Equity					744		**744**		**744**
Transfer to reserves									
Translation Differences									
Balances as at 31/08/07	**29.154**	**23.955**	**856**	**9.451**	**33.889**	**108.851**	**206.156**		**206.156**

4.4 CASH FLOW STATEMENT (Amounts reported in thousand €)

	COMPANY	
	1/1-31/08/2008	**1/1-31/08/2007**
Operating Activities		
Net Profit before Taxation	44.989	85.636
Plus /Less adjustments for:		
Depreciation and Amortization	6.957	5.348
Provisions	276	490
Impairment of Tangible and Intangible Assets	-	-
Exchange differences	-	-
Results from Investing Activities	-35.548	-50.326
Debit Interest and similar expenses	10.625	11.014
Credit Interest	-4.825	-3.391
Plus/ Less adjustments of working capital to net cash or related to operating activities:		
Decrease/(Increase) of Inventories	8.643	-10.494
Decrease/(Increase) of Receivables	-57.616	-54.501
(Decrease)/Increase of Payable Accounts (except Banks)	5.483	-35.731
(Less):		
Interest Paid and similar expenses paid	6.737	7.329
Income Tax Paid	1.977	20.029
Net Cash from Operating Activities (a)	**-29.730**	**-79.313**
Investing Activities		
Purchases of subsidiaries, associates and other investments	-405	-21.623
Purchases of tangible and intangible assets	-12.079	-2.488
Proceeds from sales of tangible and intangible assets	-	-
Interest received	4.825	3.438
Dividends received	34.964	51.070
Net Cash from Investing Activities (b)	**27.305**	**30.397**
Financing Activities		
Proceeds from Share Capital Increase/Share Premium deposits	-	-
Proceeds from Loans	-	-
Repayment of Loans	-	-32.000
Repayment of leasing obligations	-	-
Dividends paid	-28.263	-29.271
Net Cash from Financing Activities (c)	**-28.263**	**-61.271**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-30.688**	**-110.187**
Cash and cash equivalents at the beginning of the year	**-57.618**	**242.016**
Cash and cash equivalents at the end of the year	**26.930**	**131.829**

4.5 GENERAL INFORMATION – APPROVAL OF THE FINANCIAL STATEMENTS

General information

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

Approval of the Financial Statements

The Board of Directors of INTRALOT SA approved the accompanying interim IFRS financial statements for the company for the period ended 31 August 2008, on October 10, 2008. The present interim financial statements of the eight month period 1/1/07-31/08/08 were compiled for the means of the determination of the temporary dividend.

4.6 Significant Accounting Policies

Property, Plant and Equipment:

Property, plant and equipment are 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.

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.

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 Company 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 Company 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 Company 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 are 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.

4.7 DISCLOSURE OF COMPLIANCE

The interim financial statements for the interim eight months period ended August 31, 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.

4.8 ACCOUNTING POLICIES

For the preparation of the interim financial statements for the interim eight months periods ended August 31, 2008 the same accounting policies and methods of computation have been followed as compared with the most recent annual financial statements (December 31, 2007).

4.9 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 January 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.

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.

4.10 SEGMENT REPORTING

in million €	Geographical Sales Breakdown			Gross Margin Breakdown		
	31/08/08	31/08/07	Var. %	31/08/08	31/08/07	Var. %
European Union	123.565	117.471	5,19%	32.979	58.474	(43,60%)

4.11 CONTINGENCIES

There are no significant changes in contingent liabilities status since the last annual balance sheet date (31/12/2007) which have been prepared in accordance to IFRS.

4.12 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 NEDERLAND with percentage 100% (direct)
INTRALOT FINANCE UK PLC with percentage 100% (direct)
INTRALOT (MTIUS) LTD with percentage 49% (direct)

III. *Subsidiaries Share Capital Increase:*

Increase in Intralot De Argentina's Share Capital by € 380 thousands**.**

e. Dividends paid (aggregate or per share):

Ordinary shares dividend paid of € 28.263 thous (€ 29.271 thous. 31/08/07)

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, due to acquisitions and disposals of tangibles and intangible assets as at August 31, 2008 amounts to € 12.079 thousands approximately.

h. Amounts included directly in Equity:

The amounts of expense/income included directly in the Equity of the Company on 31/08/2008 regard derivative valuation of € (584) mil. and € 31 thousands, that regard reverse of accountable tax from the income tax return.

4.13 SUPPLEMENTARY INFORMATION

A. TAX AUTHORITIES FISCAL CONTROL

Intralot has been audited by the Tax Authorities up to 31/12/2007. On July 2007 the regular tax audit of the fiscal years 2006 and 2007 has been completed from which additional taxes of € 1,23 mio were imposed. The company has already made cumulative tax provision during the previous periods of € 1,05 mio. The tax difference was stated in the income tax of the first eight months of 2008.For the tax audit of the current period the company makes sufficient provision for additional taxes.

Regarding Intralot's subsidiaries their books have not been audited for the one (1) to five (5) last fiscal years.

C. REAL LIENS

There are no real liens.

D. PROVISIONS

The amount of provisions that had been made up to 31/08/2008 in the Company and refer to tax unaudited fiscal years is € 100K and the rest provisions is € 5,8 mio. There has been no provision made for legal issues pending in the Company.

E. 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 20th 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.

Until 10 October 2008, there are no other legal issues relating to the company “INTRALOT S.A. Integrated Lottery Systems and Services”.

F. PERSONNEL EMPLOYED

The personnel employed by the Company as at the end of the current period were 539. For the respective period of 2007, the personnel employed by the Company were 442.

G. RELATED PARTY DISCLOSURES

Amounts reported in thousands of €	Company
a) Income	
-to subsidiaries	73.084
-to other related parties	3.735
b) Expenses	
-from subsidiaries	12.656
-from other related parties	30.894
c) Receivables (i)	
-from subsidiaries	158.436
-from other related parties	12.881
d) Payables	
-to subsidiaries	16.305
-to other related parties	17.381
e) BoD and Key Management Personnel transactions and fees	3.743
f) BoD and Key Management Personnel receivables	-
g) BoD and Key Management Personnel payables	-
(i) Total due from related entities	171.317
(less) long term portion	20.500
Due from related entities	150.818

H. OTHER INFORMATION

a. 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 12.d and f, as above):

   i. See above paragraph 10.d and f.

b. Previous paragraph (13.8.i.) events effect, if this is higher than 25%, in respect of the consolidated revenues, results, net equity (by extension of the paragraph 12.d and f., as above):

   i. No such cases.

c. Change of the fiscal year or period:

   i. No such.

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

   i. See bellow, paragraph 14.

e. 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 12.d and f, as above):

   i. No such effect

f. 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 recent vote in the Turkish parliament of a law regulating sports betting operation in Turkey. According to this law, a call for tenders shall be launched during 2008 to award sports betting operation in Turkey to a contractor for the next 10 years.

g. 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.

    i. 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.

h. 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.

i. INTRALOT's subsidiary, INTRALOT Nederland, has signed a contract with a term of 7 years and an option to extend for 3 more year, 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.

j. 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 .

k. 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.

l. 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.

4.1 SUBSEQUENT EVENTS

No material events subsequent to the end of August 31, 2008 that have not been reflected in the financial statements of the period.

Maroussi, October 10, 2008

S.P. KOKKALIS	**C.G. ANTONOPOULOS**	**I.O. PANTOLEON**	**E. N. LANARA**
CHAIRMAN OF THE BOARD OF DIRECTORS ID. No. Π 695792	**THE VICE CHAIRMAN OF THE BoD AND CEO ID. No. M 102737**	**THE GENERAL DIRECTOR OF FINANCE AND BUSINESS DEVELOPMENT ID. No. Σ 637090**	**THE ACCOUNTING DIRECTOR ID. No. AB 606682 H.E.C. License No. 133/A' Class**